

MTBiz

Monthly Business Review, Volume: 05, Issue: 11, December 2014

FINANCING SME

The Gear Train of Economy





SME Bank of the Year & Women Entrepreneurs' Friendly Bank of the Year

Mutual Trust Bank Ltd. (MTB) rejoices along with its customers, shareholders, stakeholders, regulators, patrons and well-wishers, on receiving the **SME Bank of the Year** and **Women Entrepreneurs' Friendly Bank of the Year** Awards.

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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The Gear Train of Economy



Developed and Published by
MTB Group R&D

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FINANCING SME *The Gear Train of Economy*

Introduction

Practice of leveraging Small and Medium Enterprises (SMEs) in China and India in particular and throughout the world in general, in recent time has ushered a highway of economic growth. Bangladesh is now on the similar highway for its economic drive. With strategy carefully crafted and applicable policies, Bangladesh has widened the access to finance for its SMEs. This favorable environment energized the SMEs, which can be depicted as, SMEs are now super-charged with national support in the form of policy and finance, generating employment, increasing contribution to GDP.

This write-up would be specifically narrowed down to the special care offered to its SMEs by the state, which include from defining the sector, identifying the potential areas for finance up to drawing the picture of growth in SME financing.

SMEs Redefined

National Industrial Policy (2010) made an outline of SMEs through defining the size (Number of Employed Workers) and volume of investment. It segmented SME industry in two major areas - Manufacturing and Service. The definition was eventually modified with more clarity and a set of specific guidelines were developed in order to install speed in financing and grooming activities of SMEs. The later definition and the guidelines were recommended by Better Business Forum. This definition is now accepted by Ministry of Industry and Bangladesh Bank.

Criteria of the definition of SME are given below:

Definition of Small Enterprise: Small Enterprise refers to the firm/business which is not a public limited company and complies with the following criteria:

Definition of Small Enterprise

Serial No.	Sector	Fixed Asset other than Land and Building (Tk.)	Employed Manpower (not above)
01.	Service	50,000-50,00,000	25
02.	Business	50,000-50,00,000	25
03.	Industrial	50,000-1,50,00,000	50

Definition of Medium Enterprise: Medium Enterprise refers to the establishment/firm which is not a public limited company and complies with the following criteria:

Definition of Medium Enterprise

Serial No.	Sector	Fixed Asset other than Land and Building (Tk.)	Employed Manpower (not above)
01.	Service	50,00,000-10,00,00,000	50
02.	Business	50,00,000-10,00,00,000	50
03.	Industrial	1,50,00,000-20,00,00,000	150

Unless the economy had a clear definition of SMEs, it was difficult to segregate the small from medium and medium from large enterprises. As a result, a policy implication for each segment was a daunting task. The modified definition further helped proper categorizing and investing and this

brought benefit for both the SME owners and regulators. The regulators formed a foundation for SMEs of the country in the name of SME Foundation in 2007. The foundation was formed in order to look after the SMEs by providing institutional training and support solicited by investors and entrepreneurs. The foundation developed guidelines for running the program so that SMEs can receive better facilities under the programs through partner organizations. SME foundation provides assistance and support for all potential sectors of SMEs.

Potential SME Sectors Identified

According to the SME guideline developed by Bangladesh Bank, a total of 132 specific types of business are identified appropriate as SMEs and it covers almost all areas for SME in Bangladesh including all prospective sectors where businessman or entrepreneurs can be interested in. Sectors ranging from agriculture, manufacturing industry, IT, software development, construction-materials, processed goods, cyber café, photography and so on are there for SMEs.

According to second economic census (2001 & 2003, BBS), the number of total SME establishments was 81,000 which is 2.81% percent of the total economic units noted at the census. The census further says that Manufacturing SME was 35.5% of total SMEs while trade and service sector SME was 64.5%. The regional composition of SMEs says 60.9% was urban and 39.1% was rural. For small enterprise, the urban-rural ratio is 1.51 and for medium enterprise the ratio is 2.79. According to a study titled as Bangladesh INSPIRED (Vila & MacDonald, 2013), most (75.5%) of the manufacturing SME units are located in Dhaka and its industrial belt. Manufacturing companies are highly concentrated in three activity sectors, namely textile and clothing (31.4%), repair and installation (21.3%) and food and beverages (15.6%).

Policy Reformulated toward SME Growth

The central bank of Bangladesh titled as Bangladesh Bank (BB) has been patronizing for SME with a very robust policy support since last decade. BB has declared a modern SME policy with specific guidelines for the development of SME. It also has special attention toward promoting women entrepreneurship. Few policy highlights are:

- Banks & Financial Institutions shall put highest priority in receiving loan application from small and medium women entrepreneurs and settle the loan disbursement process within very reasonable time from the date of acceptance of the application
- Each bank/financial institution shall follow a separate business strategy in financing SME loan with least formalities in executing documentation to ensure easy and speedy loan sanction and disbursement process
- More emphasis on industry and service sector
- Priority given to small entrepreneurs in disbursing loans
- For small entrepreneurs, credit limit will be ranged from BDT 50,000 to BDT 50,00,000
- Emphasized investment in rural areas
- Development of banker- entrepreneur relationship

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BB has been very consistent in focusing on the development of women entrepreneurship, especially providing policy support time to time. Almost, in every policy regarding SMEs and entrepreneurship development, the central bank keeps its eyes on the aspect of women-friendly investment environment. BB announced SME Credit Policy & Programs on March 25, 2010.

BB specified 'Area Approach Method', and 'Cluster Development Policy' for consideration of the banks and Financial Institutes (FIs) before disbursement of SME loan.

In order to compel the banks and FIs to finance SMEs, BB further emphasized that, success in SME loan disbursement will be considered as yardstick for approval of new branches (business outlets) (<http://www.Bangladesh-Bank.org>, 2014).

Greater Access to Finance for SME

Bangladesh Bank (BB) facilitates SME credit through refinancing window in order to enable the commercial banks and FIs to offer lending to SMEs at a softer rate. IDA and ADB have joined hands with BB in this refinance scheme. Up to December 2009, a total of BDT 1,432 crore has been financed to 14,122 enterprises through this refinancing window from the revolving fund of BDT 918 crore.

Small Entrepreneurs: Small Entrepreneurs is prioritized more for its capacity to generating employment opportunities and achieving economic growth. Therefore, at least 40% of the total disbursement target (2010) was reserved for small entrepreneurs and the rest was allocated to medium entrepreneurs.

Refinance in Industry (Manufacturing) and Service Sector: Bangladesh bank prioritized industry and service sectors over the business sector under refinance scheme. This initiative is to promote employment generation and higher production.

Outsourcing of Credit Disbursement: Banks/financial institutions is allowed to assistance from private organizations/ Non-Government Organizations (NGO)/self-help group for selecting borrower, monitoring of credit disbursement, recovery, motivation of the borrowers, training for them etc.

Main Sources of External Financing by Size

	Micro	Small	Medium	Total
Bank loan	28.8%	54.1%	65.0%	43.2%
Non-banking	22.8%	13.3%	5.8%	18.8%

Source: Inspired SME survey (2013)

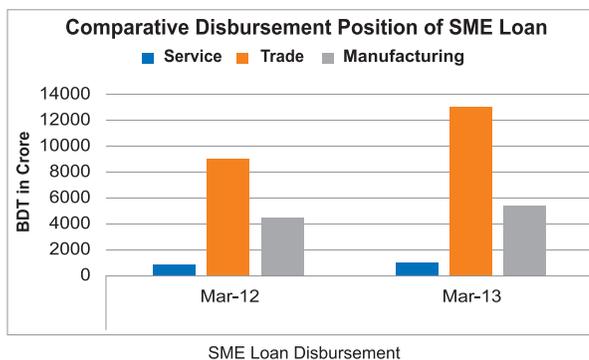
According to (Vila and MacDonald 2013), almost all companies (97.6%) have a bank account. Almost similar number of companies (96.8%) use internal funds, independent of their sizes or sectors. The main sources for institutional financing are loans from banks and non-banking financial institutions.

Importance of need for bank loans increases with the size of the company meanwhile SMEs make lesser use of non-banking loans.

Bank loans are more common in chemicals and pharmaceuticals, metal-mechanic, textiles & clothing and paper & printing. Trade credit is used by 5.2% of the SMEs. This proportion is independent of the size.

Present Status of Financing SMEs

The central bank of Bangladesh (BB) keeps its caring eyes on SMEs, providing pro-SME policies, creating new business opportunities, awarding entrepreneurs, promoting women entrepreneurs and SME-friendly environments all over the country. BB prioritizes 'SME development' because it is a strong indicator for economic development and hence BB shows a spectrum of interests in development of SMEs. These enthusiastic approaches of the central bank toward SMEs generate a pro-investment set-up, which is a very good development gesture for the country as a whole.



The sector-wise comparative analysis of disbursed SME loan between March 2012 and March 2013 demonstrated that trade sector got the highest amount of loan in both point in time while manufacturing sector got the second highest amount of loan followed by service sector. Between March 2012 and March 2013, amount of disbursed loan in trade sector increased by 45.69%, amount of disbursed loan in manufacturing sector increased by 17.73% while amount of disbursed loan in service sector increased by 22.98%.

Statement of Financing SME by Category of Banks

As on June 30, 2014 (BDT in Crore)

Types of Banks	Disbursement (Q2)		SME loans to Total loans	New Enterprise Financing	
	Number	Amount		Number	Amount
NBFIs	3970	899.59	12.00	2042	417.42
PCBs	122128	21930.22	8.61	28825	6398.73
SOCBs	11181	1376.68	18.49	6330	779.17
SDBs	5030	817.7	29.40	2053	251.66
FCBs	1427	230.85	9.00	28	9.16
All Banks	139766	24355.45	24.39	37236	7438.72

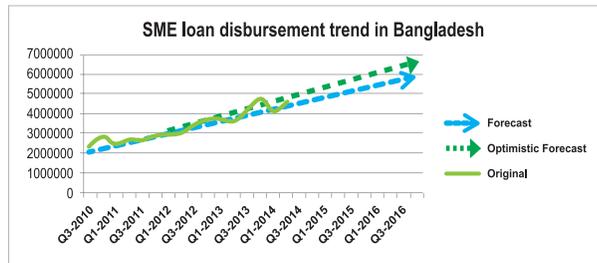
*Public Commercial Banks (PCBs), State Owned Commercial Banks (SOCBs), Specialized Bank (SDBs), Foreign Commercial Banks (FCBs), Non-Bank Financial Institutes (NBFIs)

Source: Bangladesh Bank

According Bangladesh Bank (as on June 30, 2014), for all banks, 24.39% total loans has been disbursed in SMEs and financing for new enterprise is about BDT 7438.72 crore. Public commercial banks disbursed 8.61% of its total loans in SMEs, State owned commercial banks disbursed 18.61% of its total loans and specialized banks disbursed of its 29.4% of its total loans. Non-bank financial Institutes disbursed 12% of its total loans in SMEs.

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Forecast of Financing SMEs



As per the central bank data, the trend of disbursed SME loan shows a good progress. The trend keeps a steady upward move, which reflects the promise of central bank and SME policy towards SMEs. As on June 2014 (Q2 - 2014), the total amount of loan disbursed in SME is BDT 46,05,704 crore. Author of this content has analyzed the quarterly data of loan disbursement in SMEs, collected from Bangladesh Bank and developed two regression models for forecasting the future growth of credit disbursement. The regression model 1 (blue color arrow) forecasts that in the end of 2016, the amount of disbursed loan would be BDT 5879.75 thousand crore, while with optimistic view and favorable economic factors, author developed another regression model (optimistic forecast). The optimistic forecast suggests that, by the end of year 2016, the amount of disbursed SME loan would be BDT 6,658.74 thousand crore.

SME Fair 2014: A tool for Promoting SMEs

The Daily Star used the headline “SME Fair Kicks off in Dhaka” to describe the two-day SME Financing Fair-2014 organised by Bangladesh Bank and SME Foundation at Sonargaon Hotel in Dhaka. A strong SME sector is vital to the economy as it creates a lot of employment, said Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI). After the Second World War, Japan and China developed their economies riding on the SME sector, he said, adding that Bangladesh can do the same with proper focus on SME.

Lack of suitable collaterals and poor management and risk management skills pose serious challenges to micro, small and medium enterprises in getting the finance they need, said Dr. Atiur Rahman, governor of Bangladesh Bank. Currently, a third of the country’s total loan disbursement goes to the SME sector, he said. The BB chief also called for giving more loans to micro and small enterprises to help create more jobs. Extending



financial support to SMEs will also help in developing more entrepreneurs in the country, he said. Around 20 lakh people enter the Bangladesh job market a year, half of whom remain unemployed due to job scarcity, he said.

At the programme, the banking regulator and the Foundation handed 10 awards in different categories to eight banks and non-banking financial institutions for the first time for their outstanding

contribution to the development of the SME sector. Mutual Trust Bank was judged SME Bank of the Year, while IDLC Finance received the SME NBF of the Year award.

Giving awards to the financial institutions is a good initiative and it will encourage banks and NBFIs to lend more to the SMEs, said AMA Muhith, Minister of Finance. The SME sector now comprises more than 70 percent of the national economy, he said.

Contribution to GDP

According to Governor of Bangladesh Bank, Dr. Atiur Rahman, 90 % of the private sector enterprises are in fact Micro, Small and Medium Enterprises (MSMEs) that contribute up to 30% to GDP. It opens up a big window of employment generation in the country. It provides employment to 25% of the total labor forces while 80% of the industrial jobs come from this sector. It is a key player for reducing urban-rural income gap. SME is, indeed, a vital player for sustainable and inclusive growth in Bangladesh (The Daily Star, Nov 23, 2014).

Contribution of SME is not confined within the economic framework of development. Apart from its significant contribution to GDP, SMEs also play a very important role in ensuring social and economic stability.

Many SME experts claim that SME is a shock absorber for an economy. By now in 2014, it is obvious that the potential of SMEs is clearly grasped by the policy makers of the Government of Bangladesh that we feel by looking into the Pro-SME approach of the concerned regulatory bodies of the Government.

Provided the other things remaining same as 2014, and if Bangladesh can utilize the benefits of framed policies for SME to a larger extent, SMEs can be The ‘Gear Train’ that will accelerate for Bangladesh on the highway of economic development.

- The Daily Star, November 23, 2014.
- <http://www.Bangladesh-Bank.org>. November 2014.
- Vila, José , and Mott MacDonald, Ministry of Industries of Bangladesh & European Union, 2013.



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BB Governor receives Gusi Peace Prize



Bangladesh Bank (BB) Governor Dr. Atiur Rahman received the Gusi Peace Prize 2014 in Manila recently. The Gusi Peace Prize foundation has termed Rahman as the “Poor Man’s Economist” in the award citation. The governor articulated the prestigious Gusi peace prize initiative as a reaffirmation of collective commitment to human progress through poverty eradication and social empowerment of the disadvantaged segments of communities. The prize reinvigorates and inspires all awardees hugely on their journey onward, for economic and environmental emancipation. The initiatives in Bangladesh for promoting equitable, inclusive and environmentally sustainable socioeconomic growth and development have paid the country well in terms of attaining consistently less volatile six plus growth rate, falling inflation and stable exchange rate, he said.

BB for continuation of services of S&P, Moody’s till 2017



Bangladesh Bank has sought the finance ministry’s approval for continuation of services of the current two credit rating agencies for three more years to 2017 as the central bank opts for avoiding procurement

regulations-related hassles under a fresh appointment process. The BB in a letter sought the approval recently, citing a provision in the public procurement regulation that allows the proposed service continuation for the incumbent two rating agencies without undertaking a new appointment process. The current contracts with Standard and Poor’s (S&P) and Moody’s Investors Services will expire on December 31. Both the rating agencies were appointed first in 2009 for 2010 and 2011.

BB approval must to hold 5% or more shares in banks

The central bank recently asked those who already control 5% shares or more in any bank to inform it within a month. The central bank wants to ensure that the commercial banks’ shares are not monopolized by a single person or a single family or an institution. Shareholders will have to apply on specific forms, which have been sent to banks along with the circular. According to the circular, the rule would apply to buying or owning 5% or more shares of a bank either individually or jointly.

BB asked to prepare for issuing sovereign bonds worth USD 2 billion

Bangladesh Bank has been instructed to prepare for issuing the country’s first ever sovereign bonds to raise foreign currencies from the global money market. The Goldman Sachs officials, in last August, assured of raising USD 2 to USD 3 billion in just three months for Bangladesh that was included in a group of 11 potential fast growing economies by the same bank in 2005. The

interest rate of the bonds will be minimum 7% with a minimum maturity period of 5 years. The banks’ officials informed the policy makers there would be scope for bargaining the maturity period.

Bol nod must for capital machinery import: BB

According to officials of Bangladesh Bank (BB), the businesspeople will have to take prior approval from Board of Investment to import capital machinery by receiving foreign credit with tenure of more than one year. The BB will issue a circular to authorized dealer branches of all banks in one or two days in this regard in a bid to check the misuse of foreign credit, better known as buyers’ credit, in the name of importing the capital machinery. The new measure will tackle the misuse of foreign credit as the importers will have to repay the loan in due time in line with their commitment to the Board of Investment.

BB will provide low-cost housing loan to RMG owners



Bangladesh Bank will provide low cost credit to the owners of readymade garment (RMG) factories for establishing dormitory for their workers. The RMG owners can get the credit facilities through the Bangladesh Garment

Manufacturers and Exporters Association (BGMEA). The BB and the BGMEA inked a memorandum of understanding. Under the agreement, the central bank will provide credit with 2% interest rates to the RMG owners aimed at ensuring housing facility for the RMG workers. The low-cost credit will be disbursed from the “Housing Fund” of BB and the BGMEA will be the guarantor of the credit on behalf of the respective RMG owners. If the factory owners fail to pay off the credit, the BGMEA will have to pay the loan.

BB to help raise fund thru green bonds: Dr. Atiur



Bangladesh Bank Governor Dr. Atiur Rahman said the central bank will provide necessary support to any attempt to raise fund from the capital market for green

initiatives through issuance of green bonds. He mentioned that fund raising from the capital markets for green initiatives through issuance of ‘green bonds’ has gained attraction in advanced markets and such initiative could also be taken here. There is scope of more comprehensive, structured and sustained initiatives with engagement and support of business and industry chambers in Bangladesh. The central bank and the financial sector as a whole will gladly co-operate and liaise with such real sector initiatives to help create necessary enabling environments for green initiatives.

All steps taken to develop SME sector: BB governor

The central bank governor said the government has taken all possible steps for development of the SME sector of the country. BB has strengthened its support to the MSMEs. Now an apex organization of these can be the most effective



tool for development of the sector. The country has succeeded in facing the global economic meltdown as the country has always prioritized the development of SME sector. Private sector is the main driver of growth and in respect of Bangladesh, the MSMEs are the main contributor to growth of the vibrant economy. Their association is very much needed at this stage.

BB set to introduce speedy high-value transactions

The central bank is going to introduce a Real Time Gross Settlement (RTGS) system by the end of September 2015 aiming to facilitate business activities across the country. A deal will be signed recently between the Bangladesh Bank and Sweden-based CMA Small Systems AB in this connection. The RTGS, which can be defined as continuous (real-time) settlement of fund transfers individually on an order-by-order basis (without netting).

BB relaxes loan provisioning policy



BANGLADESH BANK
Central Bank of Bangladesh

According to officials, the central bank has relaxed its loan provisioning policies to facilitate agricultural

and microcredit disbursement. Under the relaxations, the commercial banks will have to maintain provisioning for all unclassified short-term agricultural and microcredits at 2.5% instead of 5.0% earlier. Provisioning for classified as 'sub-standard' and 'doubtful' will remain unchanged at 5.0%. Besides, the provisioning for classified as 'bad/loss' will be maintained at 100%.

Banks, FIs asked to update clients' accounts with 12-digit TIN

Bangladesh Bank has asked all banks and financial institutions (FIs) to update clients' accounts with 12 digit TIN (tax identification number). As per a directive of the central bank, the account holders have to submit their 12 digit TIN to the banks and financial institutions to update their accounts. Otherwise, 15% will be deducted as tax at source on the interest or profits instead of 10% tax on the date of the payment. The central bank referred to an NBR notice dated October 26, 2014, which said that as per amended provision of the Finance Bill 2014, banks and financial institutions will deduct 10% as 'tax at source' on the day it pays interest or profits to its client if the client has 12-digit TIN.

BB honors top remitters

TOP TEN REMITTERS

NAME	COUNTRY
Mahiul Muhammed Khan Muqit	UK
Mohammed Mahtabur Rahman	USE
Rezaul Hasan	USA
Zakir Hossain	KUWAIT
Abul Kalam	UAE
Sauadur Rahman Habib	HONG KONG
Jafar Ahmed	UAE
Mohammed Emadur Rahman	UAE
Nazmul Hossain Gazi	KUWAIT
Nizam Mohammad Meah	USA

Bangladesh Bank recently honored 24 non-resident Bangladeshis (NRBs) for sending the highest amount of remittances last year (2013), in a bid to encourage the expatriates to send money home through legal channels. Of them, 20 are individual remitters, while the rest invested in bonds. The BB has taken up different schemes such as wage earner development bond, US dollar premium

bond and US dollar investment bond to create investment opportunities for the NRBs. Bangladesh has already emerged as the eight largest remittance earner globally due to migration of workers in flocks, mainly to the Middle East countries.

BB encourages banks to widen its CSR activities: Dr. Atiur



Bangladesh Bank Governor Dr. Atiur Rahman said the central bank is encouraging the banks to widen and deepen their activities under corporate social responsibilities (CSR). According to Dr. Atiur, initiative of providing support to nine development organizations from the BB's social responsibility fund is a bold step to this effort. The report titled "Paying Back: Bangladesh Bank sets example" from the Management and Resources Development Initiative (MRDI) is a compilation of a brief introduction to the nine organizations that received funding support from Bangladesh Bank, utilization of the funds and a look into the future. A video documentary has also been produced depicting the program and activities of the organizations.

Mobile banking scales new height

According to data from the central bank, mobile banking transactions in September 2014 broke the BDT 10,000 crore-barrier, a new high for the service in the country. In September, BDT 10,003.70 crore was transacted in total, up 34.56% from the previous month. The average daily transaction stood at BDT 333.46 crore, up from August's BDT 247.82 crore. Introduced in 2010, the service has steadily been gaining in popularity, with the number of registered clients at the end of September coming to 207.23 lakh.

BB donates instruments to DMCH Burn Unit



Bangladesh Bank Governor Dr. Atiur Rahman called upon the financial institutions (FIs) to strengthen their CSR activities especially in enhancing hospital facilities to provide modern treatment to patients. Dr. Atiur Rahman was addressing a program organized by the Burn Unit of Dhaka Medical College Hospital (DMCH) on the occasion of BB's donation of medical instruments to the unit under its disaster management and corporate social responsibility (CSR) fund.

City Bank, IDLC sign syndication deal for Far East Spinning



Far East Spinning Industries Ltd. (FESIL) has recently mandated IDLC Finance Ltd. and The City Bank Ltd. as Joint Lead Arrangers for raising USD 12.69 million for setting up a compact

cotton yarn spinning mill of 25,000 spindles with a production capacity of 14 MT per day at Hobiganj, Sylhet. Upon signing the deal, Asif Moyeen explained the need for setting up a spinning yarn which will act as an essential step in strengthening the backward integration of the Group and contribute to reducing the country's demand-supply gap of yarn.

Banks' profit on the rise: Anis A. Khan

Anis A. Khan, Managing Director of Mutual Trust Bank Ltd. (MTB) said banks' profits are on the rise as utilization of funds has increased amid favorable situation. Presently, almost everything is in favor of the banks. Cost of funds



has declined following reduction of deposit rates and this has helped banks to boost their profit earning, Mr. Khan said. In the unaudited accounts for the 3rd quarter of 2014, MTB has reported a consolidated after-tax profit of BDT 195.83 million and consolidated EPS at BDT 0.64 as against BDT 143.96 million and BDT 0.47 respectively for the same period of 2013. The bank's consolidated profit after tax was BDT 565.34 million and consolidated EPS of BDT 1.84 for the period between January and September 2014. For the same period of 2013, the MTB's consolidated post-tax profit was BDT 107.73 million with EPS BDT 0.35.

Trust Bank launches new cards



Trust Bank Limited recently launched Platinum Credit Card and RFCD debit card. Major General Ashraf Abdullah Yussuf, Vice Chairman of Trust Bank Limited & Adjutant General of Bangladesh Army attended the program as

chief guest. Ishtiaque Ahmed Chowdhury, MD & CEO of Trust Bank, S.M. Akram Sayeed, Executive Vice President & other high officials of Trust Bank were present at the launching ceremony. Customers of the RFCD account holders will now be able to withdraw foreign currency, make POS and e-commerce transaction by debiting their RFCD account directly from abroad. In addition, a Priority Pass will be given to the Platinum card holders.

Pubali Bank Securities Limited formally launched its operation

Pubali Bank Securities Limited formally launched its operation at Chittagong Stock Exchange (CSE). Chairman of the board of directors of the bank Hafiz Ahmed Mazumder and Bank's Managing Director & Chief Executive Officer Helal Ahmed Chowdhury were present on the occasion as the chief guest and inaugurated the trading.



NRBC Bank and DPDC sign an agreement



Managing Director and CEO of NRB Commercial Bank Limited (NRBC Bank) Dewan Mujibur Rahman and Company Secretary of Dhaka Power Distribution Company (DPDC) Mohammed Munir

Chowdhury signed an agreement on behalf of their respective organizations in the city recently. Under the deal, NRBC Bank will receive electric bills of DPDC consumers at all its branches through online. Managing Director of DPDC Brigadier General (ret'd) Md Nazrul Hasan and Executive Director (Engineering) Engineer Md Ramiz Uddin Sarker were present on the occasion.

Midland Bank donates fund to Proyash

Managing Director of Midland Bank Limited Md Ahsan-uz Zaman handed over a cheque to Executive Director & Principal of Proyash Col Md Mostagousur Rahman Khan at a function in the



city recently. The bank donated the money to Proyash, an institute dedicated for persons and children with special needs, as part of the bank's corporate social responsibility activities.

EBL unveils EBL Tax Pocket Guide



Eastern Bank Ltd. unveiled the EBL Tax Pocket Guide recently in Dhaka. Md. Ghulam Hussain, Chairman, NBR, Ali Reza Iftekhar, Managing Director & CEO, Eastern Bank Ltd., Abdul Quayam, Associate

Editor, The Prothom Alo and Ziaul Karim Head of Communication, EBL were present at the unveiling ceremony of EBL Tax Pocket Guide at Pan Pacific Sonargaon.

City Bank wins Best Consumer Internet Bank award

City Bank Ltd. has won the 'Best Consumer Internet Bank in Bangladesh' by Global Finance, a North America based leading global financial publications. City Bank Chairman Rubel Aziz, accompanied by the bank's DMD and COO Mashrur Arefin, received the award at a ceremony held in New York recently. Representatives from a number of leading banks from across the globe attended the program.



Bank Asia opens regional head office in Chittagong



Bank Asia Limited recently opened a regional head office named Bank Asia Bhaban at Agrabad in the port city of Chittagong aiming at providing faster service to clients. A Rouf Chowdhury, Chairman of Bank Asia, formally inaugurated the new building. A Rouf Chowdhury also launched activities of Central Trade Service Unit (CTSU), Chittagong hub of the bank.

IFC chief praises bKash for financial outreach



Jin-Yong Cai, chief executive officer of International Finance Corporation, visited a bKash agent shop in Dhaka recently. IFC, the private sector arm of the World Bank, made an equity investment in bKash in 2013. IFC's Chief Executive Jin-Yong Cai said bKash, a

mobile money service provider, built a foundation to strengthen financial inclusion in Bangladesh. The International Finance Corporation chief also lauded bKash for taking financial services to the unbanked population. He also visited several bKash agent points in Dhaka. Launched in 2011, bKash, initially a joint venture of BRAC Bank and US based company Money in Motion, has more than 14 million customers.

Prime Bank launches 'Monarch'



Acting Managing Director of Prime Bank Limited Ahmed Kamal Khan Chowdhury launched 'Monarch', a premium banking service proposition in Bangladesh through an event at one of Monarch's Premium Lounge, SPL Western Tower at Tejgaon recently. Deputy Managing Director Habibur Rahman delivered the welcome speech.

Inauguration of First Security Islami Bank golf tournament 2014



First Security Islami Bank Golf Tournament 2014 has been inaugurated at Kurmitola Golf Club, Dhaka. Lieutenant General Mollah Fazle Akbar, Commandant, National Defence College inaugurated the Tournament. Among others Mr. A.A.M. Zakaria, Managing Director of First Security Islami Bank Limited, Mr. Syed Waseque Md Ali, Mr. Quazi Osman Ali, Mr. Syed Habib Hasnat, Deputy Managing Director (s) of FSIBL, Major General Mizanur Rahman Khan, Vice President, Kurmitola Golf Club, Divisional Head of Divisions of FSIBL were present on the occasion.

Ansar-VDP Unnayan Bank declares December customer service month

Ansar-VDP Unnayan Bank will observe Customer Service and Recovery Month in December 2014. Newly-appointed Managing Director of the bank Mohammad Shams-



Ul Islam made the declaration while speaking as the chief guest at a daylong workshop of branch managers and field officials of Chittagong region of the bank in Chittagong. Deputy General Manager (Loans, Advance and Recovery) Md Mahabbat Ullah was present at the workshop as the special guest, while Regional Manager Mohammad Ali presided over it. In his address, the managing director advised every official and employees of the bank to make all out efforts for augmenting customer services and recovery of loan in December 2014.

Trust Bank Limited donates an ambulance to Rotary Club



Trust Bank Limited donated an ambulance to Rotary Club of Jahangirnagar Dhaka under the bank's CSR activities on the Siddhirganj Medical Center premises recently. The ambulance will be used for Siddhirganj Medical Centre which is run by Rotary Club of Jahangirnagar Dhaka. Ishtiaque Ahmed Chowdhury, Managing Director and Chief Executive Officer of Trust Bank Limited handed over the key of the ambulance to Safina Rahman, District Governor (Rotary District - 3281).

DBBL, Teletalk ink mobile banking deal



Dutch-Bangla Bank Limited (DBBL) signed a mobile banking service agreement with Teletalk Bangladesh Limited (TBL) at the TBL corporate office. TBL General Manager (M&S) Md Shah Alam and DBBL Executive Vice-president and Head of Mobile Banking Md Abul Kashem Khan signed the agreement on behalf of their respective organizations.

NCC Bank has donated BDT 1.25 million to National Heart Foundation

NCC Bank Ltd. has donated BDT 1.25 million to National Heart Foundation, Feni to purchase an Eco Color Doppler Ultrasound System Machine as part of the bank's corporate social responsibility (CSR). Chairman of the bank



Md Nurun Newaz Salim handed over the cheque to President of National Heart Foundation, Feni Abdus Sattar at a simple ceremony held at the bank's head office recently. Managing Director of the bank Golam Hafiz Ahmed, Deputy Managing Director Akhar Hamid Khan and Chairman of Reza Group AKM Shaheed Reza were present on the occasion.

ONE Bank donates fund to Lion Foundation



ONE Bank's Chairman Sayeed H. Chowdhury handed over a cheque to Lion Nazmul Hoque Chowdhury, Chairman of Lion Foundation as price for a Slit Lamp Equipment which will greatly enhance the quality of treatment

provided to the poor eye patients of Lions Charitable Eye Hospital, Chittagong. M. Fakhru Alam, Managing Director of ONE Bank Limited was present in the occasion.

SIBL has donates an incubator to the DMCH

Social Islami Bank Limited (SIBL) has recently donated an incubator to the Dhaka Medical College Hospital as a part of CSR activities on the occasion of 19th founding anniversary of the bank. S. K. Sur Chowdhury, Deputy Governor of Bangladesh Bank, was present as the Chief Guest. On behalf of Social Islami Bank, Deputy Governor of Bangladesh Bank handed over the Incubator to Brigadier General Mustafizur Rahman, Director of Dhaka Medical College Hospital.



EBL sings a Payroll Banking Agreement with ACI Ltd



Nazeem A Choudhury, Head of Consumer Banking, Eastern Bank Ltd. (EBL) and Pradip Kar Chowdhury, Executive Director, Finance and Planning of ACI Ltd. signed a Payroll Banking Agreement at ACI Head Office in Dhaka recently. EBL Deputy Managing Director Hasan O. Rashid along with other senior officials from both the organizations was also present on the occasion.

Al Arafah Islami Bank signs a contract with Cross World Power Ltd.

Mofazzal Hossain, DMD of Al Arafah Islami Bank Ltd and Syed Raziur Rahman Chowdhury, chairman of Cross World Power Ltd, signed, on behalf of their respective organization, a contract with the company for providing 2500 KVA (prime) diesel generator sets to the bank's head office.



Banks' capital rises

Banks' overall capital increased 1.94% in the third quarter compared to the previous quarter, as asset quality of most banks improved. On September 30, their capital was BDT 64,932 crore, which is 10.57% of their total risk-weighted assets. The amount

was BDT 63,694 crore on June 31. In line with international standards, banks have to maintain a capital adequacy ratio (CAR) of 10% against their risk-weighted assets. The total capital of state-owned commercial banks increased around 3% to BDT 9,531 crore in September as the capital of the banks, except Sonali Bank, marked a rise. Their CAR now stands at 8.66%, which was 8.05% three months back, as a result of the overall hike in capital.

IFIC Bank donates BDT 2.00 Crore to Banglaesh Shooting Sports Federation



IFIC Bank Limited has provided BDT 2.00 crore to Bangladesh Shooting Sports Federation (BSSF) for the development of shooting games in the country. Managing Director & Chief Executive Officer of IFIC Bank Mr. Shah A Sarwar handed over the cheque to BSSF General Secretary Mr. Entekhabul Hamid at a simple ceremony at IFIC Bank's Head Office in Motijheel. The money will be spent for long-term training, coaching etc. of shooters to win medals in international tournaments like Rio Olympic in 2016 and Tokyo Olympic in 2020.

New Asian bank to start lending by December 2015

The Asian Infrastructure Investment Bank (AIIB) is expected to start lending its member countries within mid-December next year (2015). According to State Minister for Finance MA Mannan, the interest rate would be competitive as compared to the World Bank and International Monetary Fund (IMF). He signed a Memorandum of Understanding (MoU) with the China-backed new bank for Bangladesh. Twenty other Asian countries also signed the MoU in Beijing. Besides, the World Bank's financial assistance, further foreign assistance and aid will be required as the government mulls over turning every road into four lanes and constructing another Padma Bridge. The AIIB is near our home and there is no barrier between clients and the bank like other multilateral lenders. The state minister said the interest rate of World Bank ranges between 1% and 0.75%.

EBL and Dom Inno Developments Ltd sign an agreement



Head of Consumer Banking of EBL Nazeem A Choudhury and Senior DGM of Dom Inno Developments Ltd. Subrata Bhowmik exchanging documents after signing a home loan related agreement in the city recently. Under the agreement customers will enjoy up to BDT 10 million EBL home loan facility for purchase of Dom Inno property.

Southeast Bank Foundation donated ambulance to Feni Pourashava



Southeast Bank Foundation as part of its corporate social responsibility (CSR) donated one modern ambulance to Feni Pourashava recently. Managing Director of Southeast Bank Ltd. Shahid Hossain handed over the key of the ambulance to Nizam Uddin Hazari, Member of Parliament in presence of Hazi Alauddin, Mayor, Feni Porashava. Additional Managing Director Mohammed Gofran, Deputy Managing Directors SM Mainuddin Chowdhury and M Kamal Hossain of the bank were also present on the occasion.

Banks' Q3 financials indicate a turnaround

The profit earned by a number of listed banks was higher in the third quarter (July-September) of the current calendar year compared to that fetched during the corresponding period of last year. Bankers attribute the positive development to political stability and declining cost of funds. For Q3 of 2014, Social Islami Bank Limited (SIBL) reported a consolidated net profit at BDT 105.25 million with consolidated EPS of BDT 0.15 as against BDT 97.26 million and BDT 0.14 respectively for the same period of 2013. The IFIC Bank has reported consolidated net profit of BDT 468.03 million with consolidated EPS of BDT 1.07 in Q3 of 2014 as against BDT 496.15 million and BDT 1.13 respectively during

the corresponding period of 2013. Net profit of Rupali Bank, a state-owned commercial bank, stood at BDT 84.46 million with consolidated EPS of BDT 0.40 in Q3 of 2014 as against the corresponding profit of BDT 56.35 million and EPS of BDT 0.27 respectively. Islami Bank netted a consolidated net profit (excluding non-controlling interests) of BDT 297.84 million with consolidated EPS of BDT 0.18. The company's profit and EPS were BDT 32.19 million and BDT 0.02 respectively for the same period of 2013. United Commercial Bank Limited (UCBL) has reported consolidated net profit of BDT 430.19 million with consolidated EPS of BDT 0.51 for Q3 of 2014 against BDT 468.32 million and BDT 0.56 respectively for the same period of 2013.

IFIC Bank rewarded 85 officials



IFIC Bank authorities rewarded 70 bank officials and 15 branch managers for their contribution in mobilizing deposits for Current and Savings Accounts (CASA). Managing Director and CEO of IFIC Bank Ltd. Mr. Shah A Sarwar distributed certificates, prize money and crests among the officials and branch managers who contributed the highest in the campaign. Top executives, Managers from 116 branches and others officials attended the award giving ceremony at the Bank's Corporate Head Office in the capital.

MTB

Gift Cheque

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Benefits:

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MTB WINS THE 'BEST SME BANK OF THE YEAR' AND THE 'BEST ENTREPRENEURS' FRIENDLY BANK OF THE YEAR' 2014



Best SME Bank of
the Year 2014

Best Women Entrepreneurs'
friendly Bank of the Year 2014



MTB has been awarded the 'Best SME Bank of the Year 2014' for its contributions to the development of Small and Medium Enterprises (SMEs) in Bangladesh.

MTB has also been awarded the 'Best Women Entrepreneurs' Friendly Bank of the Year 2014' for its significant role in inspiring women entrepreneurs. Bangladesh Bank and SME Foundation jointly organized the Award ceremony in Dhaka recently.

Honourable Minister of Finance AMA Muhith and Governor of Bangladesh Bank Dr. Atiur Rahman are seen handing over the awards to MTB Deputy Managing Director & Chief Business Officer Syed Rafiqul Haq and Head of SME Ahmed Rashid.

Date : November 12, 2014
Venue : Pan Pacific Sonargaon Dhaka, Dhaka 1215



MTB honoured its SME customers. A.T.M Shamsuzzaman, Salma Islam, Tania Wahab, Ainunnahar and Wafi Islam on the bank being awarded as the 'Best SME Bank of the Year' and 'The Best Women Entrepreneur Friendly Bank of the Year' by Bangladesh Bank and the SME Foundation.

Date : December 07, 2014
Venue : The Sun Floor, MTB Center, 26 Gulshan Avenue, Dhaka 1212

MTB NEWS & EVENTS

MTB DUAA SAMSON H. CHOWDHURY CAMPUS JOURNALISM AWARDS 2014

Mutual Trust Bank Limited (MTB) and the Dhaka University Alumni Association (DUAA) jointly organized the first MTB DUAA Samson H. Chowdhury Campus Journalism Awards 2014, recently, at the Nabab Nawab Ali Chowdhury Senate Bhaban, University of Dhaka.

Chief Guest : Professor Emeritus Dr. Serajul Islam
Inaugurated by : Professor Dr. A A M S Arefin Siddique
Vice-Chancellor, University of Dhaka (DU)
Special Guest : Anwarul Amin, Independent Director, MTB
Presided over by : Raquibuddin Ahmed President, DUAA

Anis A. Khan, MTB Managing Director & CEO gave the felicitation speech.



Date : November 26, 2014
Venue : Nabab Nawab Ali Chowdhury Senate Bhaban
University of Dhaka, Dhaka 1000

INAUGURATION OF 101ST BRANCH OF MTB

Mutual Trust Bank Ltd. (MTB) opened its 101st branch recently at Khan Plaza, Bormi Bazar, Sreepur, Gazipur through a simple ceremony held at the branch premises.

Local elite, leaders of local business associations, people from different strata, managers of the nearby MTB branches and senior officials of MTB also attended the program.



Date : November 02, 2014
Venue : Khan Plaza, Bormi Bazar, Sreepur, Gazipur 1743

MTB MD & CEO ANIS A. KHAN RE-ELECTED AS VICE-PRESIDENT OF MCCI

Metropolitan Chamber of Commerce and Industry (MCCI), the Leading Trade Body, re-elected Mr. Anis A. Khan, Managing Director & CEO, Mutual Trust Bank Ltd. (MTB) as the chamber's Vice-President for 2015.

The election took place at the first meeting of the MCCI Committee on November 18, 2014.



Date : November 18, 2014
Venue : Chamber Building, 122-124, Motijheel C/A
Dhaka 1000

FSIBL rights offer, Zaheen IPO approved



The Bangladesh Securities and Exchange Commission recently allowed two entities to raise capital worth BDT 217.72 crore and four banks to float non-convertible bonds worth BDT 1,000 crore. As per the BSEC approval, First Security Islami Bank Ltd. will issue one rights shares against its existing two shares at an issue price of BDT 10 each. First

Security Islami Bank will issue 20,57,19,360 rights shares to its existing shareholders for raising capital worth BDT 205.72 crore. With the fund the bank will strengthen its capital base and extend its credit portfolio for long-term business expansion. Prime Finance Capital Management, Southeast Bank Capital Service and Royal Green Capital Market are the issue managers of First Security Islami Bank's rights shares. The BSEC approved the initial public offering of Zaheen Spinning Limited. The company will raise BDT 12 crore floating its 1.20 crore ordinary shares without any premium.

DSE inks MoU with KRX

Dhaka Stock Exchange (DSE) has signed a Memorandum of Understanding (MoU) with Korea Exchange (KRX) to facilitate formation of clearing house and introduction of new products at the premier bourse. The MoU was signed on October 29, 2014 after the general assembly of World Federation of Exchanges (WFE) in Seoul, the capital of South Korea. DSE

Managing Director Dr. Swapan Kumar Bala and KRX Chairman and Chief Executive Officer (CFO) Kyoungsoo Choi signed the MoU on behalf of premier bourse and KRX respectively.



Alliance to launch Shariah Index for institutional investors



Asset manager Alliance Capital plans to introduce a shariah-based index in January for the first time for institutional investors in Bangladesh. The index aims to provide institutional investors with a guideline on investing in shariah-compliant shares. Alliance is constantly developing new and innovative products for investors, like the shariah-index for capital market investment, which was developed by S&P Dow Jones Indices.

The product is ready for launch and will help investors get shariah-compliant gains and do minimal risk trading. The goal of the new index is to provide returns that match or beat the benchmark index (DSEX) of the Dhaka Stock Exchange. The index will contain around 25 potential listed stocks, which will be selected by S&P Dow Jones through strict inclusion criteria developed by a globally-recognized shariah board. These diversified stocks will show solid growth and returns and are much less risky and volatile than the general market. Mutual Trust Bank Unit Fund, managed by Alliance Capital, announced 11% dividends in 2013-14, which were double the dividends declared in 2012-13.

CSE gets BSEC nod to appoint Matin as MD



The Chittagong Stock Exchange has got the Bangladesh Securities and Exchange Commission approval to appoint Wali-ul-Marouf Matin, a former Chief Executive Officer of the bourse, as its Managing Director. A letter of the stock market regulator issued recently said the

BSEC, as per the provision of the Chittagong Stock Exchange (Board and Administration) Regulations 2013, approved the appointment. The CSE on October 23 made a proposal to the BSEC to appoint Matin as its MD to replace Syed Sajid Husain, the immediate passed MD of the bourse. Matin is now working as executive vice-chairman of BetaOne Investments Limited, a merchant bank.

AIBL to issue mudaraba subordinated bond



The board of directors of Al-Arafah Islami Bank Ltd. (AIBL) has decided to issue mudaraba subordinated bond (7 years redeemable) for BDT 3.0 billion. The decision has been taken to strengthen the bank's Tier II capital as per requirement under Basel III for issuing "AIBL Mudaraba

Subordinated Bond" through private placement subject to approval of regulatory bodies and shareholders in the EGM. The company has also decided to amend the clause no 108.3.1 of Articles of Association of the Company. The EGM of the company will be held on December 23, 2014 at 10:00 am at Al-Arafah Islami Bank Bhaban, Head Office (proposed), 63, Purana Paltan, Dhaka. The record date for EGM is 30.11.2014.

Hamid Fabrics gets DSE approval

Hamid Fabrics Ltd. (HFL) got the listing approval from the Dhaka Stock Exchange (DSE). The approval came at a DSE board meeting held recently. Hamid Fabrics was the first in offering issues under the new IPO method through the stockbrokers and merchant banks which aimed to cut down the processing time to three weeks from more than five weeks. The public subscription of Hamid Fabrics, a sister concern of Mahin Group, was held September 28 to October 2 for resident Bangladeshi while October 11 for non-resident Bangladeshis.

MCCI elects new President



Mr. Syed Nasim Manzur, Managing Director of Apex Footwear, has been elected president of Metropolitan Chamber of Commerce and Industry for 2015. Manzur has investments in Apex Tannery, Apex Pharma, Apex Investments and joint-venture companies that include Blue Ocean Footwear, Grey Advertising Bangladesh and Quantum Consumer Solutions. He sits on the board of Pioneer Insurance, Guardian Life Insurance, International Publications and Western Marine Shipyard, according to the statement. Mr. Manzur is also the current president of Leather goods and Footwear Manufacturers and Exporters Association of Bangladesh.

Sonali Bank gets new General Manager & CFO

Subhash Chandra was appointed as Chief Financial Officer (CFO) and General Manager of Sonali Bank Limited recently. Prior to this, he was General Manager of the state-owned Janata Bank Ltd. He has over 15 years of extensive and versatile experiences on central banking, commercial banking and international developing agencies. Das started his banking career as Assistant Director of Bangladesh Bank in 2000.



Premier Bank gets two new Deputy Managing Directors



Md. Abdus Salam has joined the Premier Bank Ltd. as Deputy Managing Director. Prior to joining Premier Bank, he served as Advisor of Multimode Group. Mr. Salam in his long career worked in leadership roles for more than 37 years with different reputed Banks. He started his career in 1976 as Senior Officer with the Sonali Bank Ltd., followed by National Bank Ltd. and Mercantile Bank Ltd. His experience and potential will contribute to the development and expansion of the Bank's Business. Mamun-Ur-Rashid recently joined Premier Bank Limited as Deputy Managing Director (DMD). Prior to his assignment, he worked at United Commercial Bank Limited as Deputy Managing Director. He started his career



in National Bank Limited as a Probationary Officer in 1984.

Agrani Bank gets new Chairman

Mr. Zaid Bakht has recently been appointed as the Chairman of Agrani Bank Ltd. Prior to the appointment, Bakht served the board of Sonali Bank as a Director, the Bank and Financial Institutions Division. The research director of Bangladesh Institute of Development Studies (BIDS), Bakht has an MSc in economics from Islamabad (now Quaid-e-Azam) University, Pakistan, and PhD in economics from Cornell University of USA. His principal areas of research include industrial policy, SME and private sector development.



Two new Independent Directors for Marico Bangladesh



Rokia Afzal Rahman, former President of Metropolitan Chamber of Commerce and Industry, and Masud Khan, Director for finance at Lafarge Surma Cement, have recently been appointed as independent directors of Marico Bangladesh with effect from October 23, 2014 for the next three years. Rokia is also the Vice president of International Chamber of Commerce-Bangladesh, a former caretaker government adviser, an Independent Director of Grameenphone and Chairperson to Midas Financing Ltd. Khan has 35 years of experience in leading multinational companies, including British American Tobacco Bangladesh. He is a regular lecturer at the Institute of Chartered Accountants of Bangladesh, a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. Khan currently serves Glaxo Smithskline, Bangladesh as an Independent Director.



Ansar-VDP Unnayan Bank gets new Managing Director

Mohammad Shams-ul Islam has recently been promoted to the post of Managing Director at Ansar-VDP Unnayan Bank. Prior to the position, he was the DMD of Agrani Bank. He started his banking career as a senior officer (Financial Analyst) of Agrani Bank in 1984. Mr. Islam was the CEO of Agrani Exchange, Singapore, the flagship remittance company of Agrani Bank in 2002. He obtained Honors and Masters degrees in Accounting from the Dhaka University. Mr. Islam is the life member of the Dhaka University Alumni Association, Accounting Alumni Association and associated with various social organizations.



Azam becomes Modhumoti Bank AMD



Md Shafiu Azam has recently joined Modhumoti Bank as its Additional Managing Director. Earlier he had been working as Deputy Managing Director of Shahjalal Islami Bank Ltd. Mr. Azam started his career with AB Bank in 1991 as a probationary officer after completing post-graduation in marketing from University of Dhaka

Janata Bank gets new Managing Director

Md. Abdus Salam has joined as Chief Executive Officer and Managing Director of Janata Bank Ltd. recently. Prior to his new assignment, he was the Managing Director of Bangladesh Krishi Bank. He also served as a DMD of Agrani and Janata Bank Ltd. Abdus Salam started his banking career with Bangladesh Krishi Bank as Chief Manager in 1983. He obtained M. Com in Accounting from University of Dhaka and Chartered Accountant degree from The Institute of Chartered Accountants of Bangladesh (ICAB) in 1993. He participated in various training courses, seminars and symposium on banking at home and abroad.



First Ever SME Banking Award 2014



The Mutual Trust Bank (MTB) Ltd. and the IDLC Finance Ltd. have become the first-ever best SME bank and non-banking financial institution (NBFI) of the year for their contribution to development of small and

medium enterprises (SMEs). Four other banks and two NBFIs were also declared best institutions in different categories of the SME Banking Award 2014 at a ceremony, organized on the occasion of the SME Financing Fair at a city hotel recently. Finance Minister Abul Maal Abdul Muhith handed over the awards to the Managing Directors and the SME heads of the respective banks and financial institutions. He praised the SME Foundation for introducing the award for the first time in its seven-year history. He recommended introducing award focusing on two more areas of the SME sector to cover new productivity, innovative SME and rural women entrepreneurs. Of the six banks which received the award, the Mutual Trust Bank Ltd. also won women entrepreneur-friendly bank of the year, the Krishi Bank the rural entrepreneur-friendly bank of the year, the Dhaka Bank Ltd. best manufacturing-friendly bank of the year, the Islami Bank Ltd. the best small entrepreneur-friendly bank of the year and the Eastern Bank Ltd. best structured SME bank of the year.

Challenges Facing Economic Research in Bangladesh

Bangladesh Bank and Bangladesh Economists' Forum (BEF) jointly organized a seminar titled "Reflections on the First BEF Conference: Challenges Facing Economic Research in Bangladesh".



The central bank Governor pointed out the importance of policy formulation and successful implementation of inclusive development initiatives by public institutions highlighting the need of adequate base of good quality research and analytical works. Prof. Nurul Islam in his keynote speech identified and explained major obstacles and bottlenecks in conducting Economic Research in Bangladesh. He also made a comparative analysis of various methods of economic research in different parts of the globe.

Bangladesh installs 3 million residential solar systems

Bangladesh's Infrastructure Development Company Ltd. (IDCOL) recently marked the installation of 3 million residential solar systems in the country. The 3 million systems installed under the IDCOL program in off-grid areas have a combined capacity of 135 MW. The country has installed more than 3.1 million systems since May with support from the World Bank and other development agencies, according to the state-owned IDCOL, which has set a target to finance six million residential solar systems by 2017. The government is seeking to provide access to electricity to all of the country's population by 2021. IDCOL has been financing residential solar systems since 2003 with the support of the World Bank and the Global Environment Facility (GEF).

Bangladesh current account surplus shrinks

Bangladesh's current account surplus in the first two months of the current fiscal year 2014-15 (July 2014-June 2015) shrank by 51% as the country witnessed moderate growth in export earnings and slump in inflow of remittances. According to Bangladesh Bank (BB), the current account balance showed the

surplus of 327 million U.S. dollars during the first two months of the current fiscal year against the surplus of 656 million U.S. dollars over the same period of the 2013-14 fiscal year (July 2013-June 2014). Bangladesh's export income in the first two months of the current 2014-15 fiscal year grew a meager 2.07% to 5.14 billion U.S. dollars. On the other hand, it showed the flow of inward remittances plunged over 15% year on year to 1,160.06 million U.S. dollars in August this year (2014). The flow of inward remittances in the last 2013-14 financial year (July 2013-June 2014) also fell about 1.61 percent to 14.23 billion U.S. dollars. Bangladesh recorded a current account surplus of 997 million U.S. dollars in the first month of the current 2014-15 fiscal year.

Women's unpaid work 76.8% of GDP: CPD Study

The Centre for Policy Dialogue (CPD) conducted the study titled 'Estimating Women's Contribution to the Economy, the case of Bangladesh' to estimate women's unaccounted work in monetary terms and compare it with the gross domestic product (GDP) of the country. About 41% of women involved in paid work discuss with family members about spending their income. About 51.7% of them can spend their earnings by themselves, while 7.2% need to seek permissions from family members. The estimated value of women's unpaid work is equivalent to 76.8% of the GDP of the 2013-14 fiscal year. According to the willingness method, the estimate was equivalent to 87.2% of the GDP of the same fiscal year. These figures are 2.5 to 2.9 times higher than the income of women received from paid services.

Strategy for Asia to pull global economy



The steady growth and resilience of Asia can continue to lead the global economic recovery through regional integration focused on consumption-led growth of China and India, an international business meet

in Dhaka drew the conclusion. Based on the continent's advances by means of tapping its potential, Asia should work in a synergy with the rest of the world to make it an inclusive and sustainable growth. This clarion call was made by policymakers, business bodies, academics and businessmen from home and abroad during the two-day ICC International Conference that concluded in the capital recently.

FBCCI urges Lankan businesses to invest in RMG, IT sectors

The Federation of Bangladesh Chambers of Commerce and Industry recently urged the Sri Lankan businessmen to come up with more investment in the countries RMG, power, IT, food, steel and leather sectors. The apex business body made the call during a meeting with the visiting Sri Lankan delegation at its office in the city. Mentioning about the establishing special economic zone alongside the EPZs, FBCCI president Kazi Akram Uddin Ahmed said foreign companies could go back with cent per cent profit due to its investment friendly environment. As a development partner, Bangladesh is keen to expand its business with Sri Lanka towards achieving the middle income status. AG Abeysekera, acting high commissioner of Sri Lanka to Bangladesh, said many Sri Lankan businessmen had invested in the country's power, RMG, hotel and food processing.

Bangladesh re-elected member of ITU council

Bangladesh has been re-elected to the administrative council of the International Telecommunication Union (ITU) for 2015-2018. The election was held during a plenipotentiary conference of ITU in Busan, South Korea, in which Bangladesh bagged 115

votes and has been elected as the council member from the East Asia and Australasia zone for the next four years. ITU is an UN body that deals with telecom-related matters aiming to ensure networks and improve access to ICT for underserved communities worldwide. According to the foreign ministry, Bangladesh has been elected in the highly competitive poll along with 12 others. China topped the voting list, followed by Korea. Bangladesh won its membership to the ITU Executive Council for the first time in 2010. The tenure is due for expiry in December 2014.

WIEF vows to promote Islamic finance

According to South East Asian Cooperation Foundation (SEACO), the World Islamic Economic Forum (WIEF) has vowed to continue to promote the development of Islamic Finance to bridge economic gap through strengthening economic activity and growth. In addition, it also agreed to promote and enhance the development of women and youth entrepreneurship. The decisions were come at the 10th WIEF that held in Dubai recently. The WIEF also recommended for the establishment of the WIEF-IDB International Working Group on Waqf Development that acts as an information depository centre as well as a clearing house of information. In the WIEF, six heads of State and Governments and President of IDB took part. Besides, eight global Leaders, 12 Ministers, four central Bank Governors and 3215 participants from 104 countries attended the forum.

Women entrepreneurs urged to help boost export

Commerce Minister Tofail Ahmed said that if the women entrepreneurs come forward, export of the country will exceed USD 50 billion in 2021 when Bangladesh will celebrate golden jubilee of its independence. Bangladesh is moving forward very rapidly and will become a middle-income country. The commerce minister was addressing as the chief guest the inaugural ceremony of the '8th International Women's SME Expo Bangladesh 2014' organized by Chittagong Women Chamber of Commerce and Industry (CWCCI) at Railway Polo-ground field in the city recently. Chief Guest Tofail Ahmed said he was astonished to see interest and efforts of the women entrepreneurs succeeded in attracting many entrepreneurs from foreign countries including Iran, India and Pakistan to arrive in the exposition with their products. Putting up examples and data, the minister observed that Bangladesh has advanced much in most of the indicators when compared to the neighboring India.

Bangladesh's export growth on solid footing: WTO

With acquiring significant share in the global export market for manufacturing and service products, Bangladesh's export growth showed progress on solid footing, according to a recent report of the World Trade Organization (WTO). In line with the Bali ministerial decision, the WTO Secretariat prepared the annual report on the least developed countries (LDCs) market access, and presented the report to its sub-committee recently for the first annual review of preferential rules of origin. The rules of origin are the criteria needed to determine the national source of a product. To avail benefit from duty-free and quota-free market access, exporters from an LDC need to comply with the criteria set by the importing country to determine where the product was made.

BD set to examine better options for joining AIIB

The government would form a high-powered committee to work out details on terms and conditions of the proposed USD 100 billion Asian Infrastructure Investment Bank (AIIB) as it is set to join the Bank. For this, a committee comprising the Finance Division, the ERD, the Bangladesh Bank, the Banking Division and other related government agencies will be formed to work

out details on the AIIB's future and Bangladesh's expectations as a shareholder. Government officials said the founding members would sign the Articles of Agreement in China next year to establish the Bank formally at the end of 2015. Earlier on October 24, Bangladesh along with 20 other countries inked a Memorandum of Understanding (MoU) in Beijing for establishing the AIIB, a China-based alternative lender to the World Bank and the Asian Development Bank.

Cabinet okays Financial Reporting Bill 2014

The cabinet recently approved the draft Financial Reporting Bill 2014, more than one year after approving it in principle, to set a standard for financial reporting by the companies. The finance division placed the draft bill in a weekly cabinet meeting on the day presided over by Prime Minister Sheikh Hasina at the secretariat. The cabinet in August last year (2014) approved the bill in principle which proposed to constitute a council, namely Financial Reporting Council, to be headed by Bangladesh Bank governor to enforce the law. The bill also proposed provisions for five-year imprisonment and BDT one lakh in fine for the auditors for violation of the law. Representatives from the Institute of Chartered Accountants of Bangladesh, Institute of Cost and Management Accountants of Bangladesh, National Board of Revenue and Bangladesh Securities and Exchange Commission and two independent experts will be included in the proposed council.

Google Bus launched to provide internet training to students



Global search engine giant Google Inc recently launched Google Bus project in Bangladesh to provide training and create awareness about internet. Google Bus will visit 480 educational

institutions — colleges and universities — across the country where registered students will take part in training sessions to be held in the bus. The Google Bus is equipped with 3G internet connectivity and an array of monitors and sound system which will facilitate the training program. An instructor will train the students about the use of different Google tools including Google Search, Chrome, Docs, Maps, YouTube, Google+ and others. Each student will also have the opportunity to practice what they will have learnt on an internet-enabled Android device. The Google Bus will visit educational institutions in Chittagong, Khulna, Sylhet, Rajshahi, Rangpur, Barisal and other major cities.

69 countries import jute from BD

According to Textiles and Jute Minister Muhammad Emajuddin Pramanik, the raw jute and jute products are being exported to 69 countries across the world. A total of 1.81 million bales of raw jute are being exported every year. The countries that import jute and jute items include Iran, China, Australia, Belgium, Japan, South Korea, Taiwan, Philippines, the United Kingdom, Vietnam, Malaysia, India, Egypt, Spain, Mexico, Turkey, Chili, Germany, the USA, Italy, Kyrgyzstan, Morocco, Russia, South Africa, Dubai, Sri Lanka, Thailand, Pakistan, Saudi Arabia, Argentina, Brazil, France and Portugal. The minister said BDT 76.42 billion has been earned by exporting raw jute until now from 2008-09 fiscal year (FY). The minister said there are 23 silk villages across the country.

Carmudi sees Bangladesh as a very potential market



Carmudi, a multinational online vehicle marketplace, sees Bangladesh as a very potential market for its business because of faster internet penetration and e-commerce expansion. According to, Erwin Sikma, Carmudi's Global Managing Director, the businesses are moving towards online platforms for buying and selling vehicles. Middle class segment of the people is on rise, resulting in their increased purchasing capacity in this densely populated country. The trend depicts strong strength and potentiality of the local car market. Founded in Berlin of Germany in 2013 by its mother company Rocket Internet, world's leading Internet Incubator, Carmudi started its Bangladesh operations last year (2013). Currently, Carmudi is operating in 18 different countries in Asia, Africa, Middle East and America.

Banks urged to set single-digit interest rate on SME loans



Business people and experts recently urged the scheduled banks to set rate of interest on the SME loans at single digit instead of the existing high interest rate in a bid to strengthen the country's financial inclusion. The

request came from the inaugural session of the two-day SME Financing Fair 2014 jointly organized by Bangladesh Bank and SME Foundation at a hotel in the capital. Federation of Bangladesh Chambers of Commerce and Industry chairman Kazi Akram Uddin Ahmed said that all banks should take initiative to disburse SME loans at an interest rate of single digit to ensure sustainable development. Kazi Akram, also chairman of Standard Bank, said that banks should set maximum 10% rate of interest on the SME loans to create new entrepreneurs if they fail to provide single digit.

Govt to export 50,000 tonnes coarse rice to Sri Lanka

According to Food Minister Md Qamrul Islam, the government, for the first time, will export 50,000 tonnes of non-fragrant coarse rice to Sri Lanka. The export price of per tonne rice has been set at USD



450. Emerging from a meeting with the officials of Food Planning and Monitoring Commission, the minister said the government will export the rice soon after an agreement between the two countries. At present, the international market price of per tonne rice is between USD 400 and USD 420. Bangladesh, in the past, exported aromatic rice, but this would be the first-ever shipment of non-fragrant rice as Colombo agreed to import the rice on emergency basis. In this Aman season, the government will procure three lakh tonnes of rice, which will be collected at BDT 32 per kilogramme.

Danish investors eager to invest in fertilizer factories

Two leading Danish entrepreneurs have expressed their interests in setting up more gas-efficient fertilizer factories in Bangladesh. Chief Executive Officer (CEO) of Haldor Topsoe, a partner company of Karnaphuli Fertiliser Company (KAFCO), Bjerne S Clausen and

Executive Vice President of the same company Ulrik Federspiel showed the interests. Danish Ambassador in Bangladesh Hanne Fugl Eskjaer accompanied the Danish investors. The Danish entrepreneurs put emphasis on rehabilitation of the existing fertilizer factories in Bangladesh side by side with setting up of new ones which will be gas-efficient.

Xpress Money marks 12% growth in Bangladesh



Xpress Money grew 12% in the last one year to June 2014 in Bangladesh. During the period, total remittance inflows to

the country through legal channels stood at USD 14.22 billion, of which approximately 10% was sent through Xpress Money. In the period, Chandpur, Brahmanbaria, Comilla and greater Dhaka contributed nearly 50% of the total remittance inflows to Bangladesh. Other contributing districts include greater Noakhali 9%, greater Chittagong 8%, greater Faridpur 6% and greater Mymensingh 6%, amongst others. In 2014, out of the total 170,000 agent locations across the globe, Xpress Money has 11,000 agent locations in Bangladesh alone, up from 8,644 in 2013. Shamim Iftakhar, country manager for Bangladesh of Xpress Money said that Bangladesh is one of the fastest growing remittance markets for us and we have seen a continuous growth in business.

BDT 1.0 billion govt fund for BHBFC



The government is going to provide BDT 1.0 billion fund assistance to Bangladesh House Building Finance Corporation (BHBFC) of which BDT 500 million will be disbursed in the current fiscal year (FY) and the rest in the next FY. A high official of the Ministry of Finance (MoF) said that the initiative is taken mainly to offer housing facility to the government

service holders with lower salary and also meet the housing demand in the country's rural areas. Some BDT 500 million may be offered to the state housing corporation in FY 2014-15 from the BDT 50 billion fund set aside in the current fiscal year's budget to meet the state-owned banks' capital deficit. The criteria for getting the fund are: The loan must be used as housing loan under BHBFC. According to the MoF, rate of interest of the loan will be 3% annually. The loan will have to be repaid to government within 20 years in 40 instalments including total fund and interests.

Beximco Pharma receives approval from Health Canada



Beximco Pharmaceuticals Ltd., the leading manufacturer and exporter of medicines in Bangladesh, has recently received GMP (Good Manufacturing Practices) approval from the Canadian regulatory authority, Health Canada. This is for the first time a Bangladeshi company has received this prestigious approval. This opens a new marketing opportunity for Beximco Pharma in the Canadian market and, similar to many other developed countries, Canada is increasingly promoting access to generic drugs. In July this year (2014), Beximco Pharma also received GMP approval from the Taiwan Food & Drug Authority (TFDA), again marking a first time approval for a Bangladeshi company.

BRICS bank 'welcome alternative' to fund infrastructure

The recently created BRICS bank is a welcome development in having multiple funding options for the much-needed investment for the infrastructure sector, Suresh Prabhu, Prime Minister's Narendra Modi's key interlocutor for G20 recently. There are multiple agencies, multiple entry points to make infrastructure investment happen. I don't see why there should be any problem with multiple players, Prabhu said referring the BRICS bank at the India Global Forum hosted by the International Institute for Strategic Studies. Multiple institutions should add value. The BRICS bank has been established by (Brazil, Russia, India, China and South Africa). World Bank was the only multilateral institution earlier and its affiliate, IFC (International Finance Corp), for financing the private sector. In India we have multiple players in infrastructure investment, multiple commercial banks, development bank institutions, non-banking finance companies (NBFCs).

Most Wall Street firms still see Fed rate hike by June 2015

Wall Street's biggest banks remain convinced the Federal Reserve will raise interest rates by June 2015, a Reuters poll found, and economists also said the market was underestimating how aggressively the US central bank will tighten policy. Fourteen of 19 primary dealers, or the banks that deal directly with the Fed, said they expect the first rate hike by June 2015, with borrowing costs rising to 1% at the end of that year. The survey results show that Wall Street's top economists were unmoved by a volatile sell-off last month and an October Fed statement that was viewed as hawkish. In a survey taken in early October, 15 of 19 primary dealers also said the Fed would raise interest rates in June. Even in a separate survey done after stocks tumbled in a volatile week of trading recently, 24 of 47 economists still predicted a June rate hike.

China commits USD 40b for new 'Silk Route'

Chinese President Xi Jinping promised USD 40 billion to help Asian nations improve trade links in a new effort to assert to improve connectivity in the region. Xi made the pledge in a meeting with leaders of Bangladesh, Cambodia, Laos, Mongolia, Myanmar, Pakistan and Tajikistan ahead of this week's Asia-Pacific economic summit, Chinese state media reported yesterday. The Asia-Pacific Economic Cooperation gathering brings together leaders of the United States, China, Japan and 18 other economies. Beijing has launched a series of initiatives this year aimed at reducing what it sees as Western-dominated regional and global trade, finance and security structures. The latest effort, the "Silk Road Fund," will finance infrastructure and cooperation in industry and finance to link Asian economies, Xi said.

Russian central bank cuts growth forecasts

Russia faces the prospect of three more years of sanctions and stagnation, the central bank said recently, honing its tactics to defend the rouble from the fallout of President Vladimir Putin's Ukraine policies and dependence on oil revenue. In its annual monetary policy strategy document, the bank's base scenario expected just 0.3% economic growth in 2014, zero growth in 2015, and 0.1% growth in 2016, with only a modest revival, to 1.6%, in 2017. It had earlier forecast 0.4% this year, 1% next year and 1.9 in 2016. The bank also predicted net private sector capital outflows would now reach USD 128 billion in 2014 and USD 99 billion in 2015, up sharply from its previous forecasts of USD 90 billion and USD 35 billion respectively.

G20 states spend USD 88 billion in fossil fuel exploration subsidies

Leading world economies are spending USD 88 billion (71 billion euros) a year in fossil fuel exploration subsidies, sapping

investment from low-carbon alternatives and increasing the risk of "dangerous climate change". The report by Britain's Overseas Development Institute think tank said that these subsidies "could drive the planet far beyond the internationally agreed target of limiting global temperature increases to no more than two degrees Celsius". The report was published in conjunction with Oil Change International, a US advocacy group, and comes ahead of a meeting of G20 leaders recently in Brisbane, Australia. Britain, Russia, the United States and Australia had some of the highest national subsidies, which pointed in particular to Washington providing USD 5.1 billion to fossil fuel industries last year, almost double the level in 2009.

G20 will exceed extra 2% growth target: Australia



Australia's Treasurer Joe Hockey holds a news conference after a meeting of G-20 finance ministers and central bank governors during the IMF-World Bank annual meetings in Washington October 10,

2014. Australian Treasurer Joe Hockey said recently the Group of 20 countries will exceed a target to boost global growth by an additional 2 percentage points over the next five years.

Andover Bank selects Fiserv's precision core processing platform

Fiserv, a leading global provider of financial services technology solutions, announced



Andover Bank
A Better Way...

recently that Andover Bank, headquartered in Andover, Ohio, has selected the Precision core processing platform, Item Processing Solutions and a host of additional Fiserv solutions in an outsourced deployment. The USD 350-million bank selected Fiserv to help it compete against larger players in its market and to provide a better experience for its customers. With Precision, Andover will now have a flexible, scalable, end-to-end bank platform that provides easy access to data and open integration to a wide range of solutions to help the bank operate efficiently, meet regulatory requirements and deliver top-notch customer service.

HyprKey to launch biometric mobile payments platform

HyprKey, the Silicon Alley fintech and cybersecurity startup, announced recently that it will soon launch Phase 1 of its biometric mobile payments platform. The November launch of HyprKey will introduce users to a convenient method of user authentication for use on mobile and desktop devices. Phase 1 of Hypr Corp.'s mission to rid the world of identity theft takes the form of a mobile app and web browser extension. Supported operating systems include Android and iOS, while supporting browsers will include Google Chrome, Safari, Firefox, and Microsoft Internet Explorer. The launch is a sneak preview of HyprKey's far more advanced fraud-elimination and mobile payments protocol, which will undergo a broad beta test in Spring 2015. Through its biometric authentication gateway, the company aims to redefine payments by enabling users to authorize transactions with three-factor security. The purpose of a biometric token is to enable true three-factor authentication by combining Something I have, something I am, and something I know to replace the password.

Four million people interested in trying online banking for first time

Millions of British adults who have never tried internet banking would be interested in doing so, according to new independent research published by the Payments Council. The 'Supporting People Interested in Using Online Banking' report, which sampled over 6,000 adults in the UK, discovered that 78% of adults could potentially use online banking in the UK. Seven out of ten people who could use online banking on their main account already do so, while a further 10% (about 4 million people) are, or maybe, interested in doing so. The ability to check balances or make payments at any time was seen as the main benefit of internet banking - with almost three quarters of interested non-users agreeing that this was a useful feature. Once people start to use online banking they tend to stick with it; 'lapsed users' (people who have tried internet banking in the past but who do not use it any more) only account for 2% of the people surveyed.

Axis Bank launches smart self-service terminal in India

Axis Bank, India's third largest private sector bank, announced the launch of a smart self-service terminal that enables customers to deposit as well as withdraw cash from the same machine. Customers can initiate a deposit transaction through the smart self-service terminal even without using a debit card and will receive instant credit for the deposited amount. There is no cap on the amount of cash deposited by the customer through these terminals, provided his/her PAN details are available with the bank. The smart self-service terminal will reduce the frequency of loading cash in the machine as well as the cost of idle cash as it allows cash recycling operations by dispensing deposited cash for future withdrawal transactions, thereby improving efficiency of the bank's cash operations. Axis Bank has focussed on introducing innovative products and services and has always promoted the convenient and hassle free self-service environment through ATMs, Cash Deposit Machines (CDM) and Cheque Deposit Kiosks.

Italian bank Intesa eyes UK's Coutts International



Italy's retail bank Intesa SanPaolo is looking at a possible bid for Coutts International, the wealth management arm of Royal Bank of Scotland. Intesa is trying to persuade RBS to sell the whole

of Coutts, along with the prized UK business, whose customers include Queen Elizabeth. Coutts, which is expected to be worth about USD 1 billion, was put up for sale by RBS in early August. The Italian bank found Coutts' assets the most interesting among the available options. The UK-based bank recently hired Goldman Sachs Group Inc to seek buyers for Coutts. Julius Baer, the Swiss private bank, expressed interest in Coutts in September. According to the bank's chief executive Carlo Messina, Intesa, which is planning to expand in UK, is looking at asset managers, insurers and private banks as options.

China's Bluestar to buy REC Solar for USD 640 million

China National Bluestar has agreed to buy solar panel maker REC Solar for 4.34 billion Norwegian crowns (USD 640 million), planning to combine it with another Norwegian asset it picked up in 2011. Bluestar said recently it would pay a 15.9% premium to the stock's last close in a deal unanimously recommended by REC Solar's board of directors and would combine it with its solar grade silicon maker Elkem. The deal comes nearly a year and a half after REC (REC.OL) spun off its solar panel arm, moving its

headquarters to Singapore from Norway and effectively putting the company up for sale. Struggling with high costs and cut price competition from China, REC Solar moved its production from Norway, one of the most expensive countries in the world, setting up its operating headquarters in Singapore. REC Solar has continued to struggle with weak markets and poor margins this year and its third-quarter sales and profit both fell sharply compared with the previous quarter as solar panel prices fell by nearly 5 percent on the quarter.

Visa sees Visa Europe option now costing more than USD 10 billion



Visa Inc (V.N), the world's largest credit and debit card company, said it might have to pay more than USD 10 billion to buy its London-based European licensee, Visa Europe Ltd, if its owners exercise their option to sell it. Visa might issue debt or equity, or need third-party financing, to fund the purchase of Visa Europe, it said in an annual filing with regulators. Visa Europe is owned and operated by more than 3,700 European financial institutions.

Tesla says in talks with BMW over car batteries, parts

According to Tesla's Chief Executive Elon Musk, U.S. electric carmaker Tesla Motors is in talks with Germany's BMW over a possible collaboration in batteries and lightweight components. Musk described BMW's



production of carbon fibre reinforced car body parts as "interesting" and "relatively cost efficient." BMW uses carbon fibres from its joint venture with materials supplier SGL to make reinforced passenger cell parts for its i3 electric hatchback and i8 plug-in hybrid sports car. Officials at BMW were not immediately available to comment. Rival Daimler, owner of the Mercedes brand, said recently it would continue to collaborate with Tesla even after selling its remaining four percent stake in the U.S. company. Tesla has also worked with Toyota on electric SUVs. Tesla's billionaire co-founder Musk also told Der Spiegel that he expects Tesla to have a battery production plant in Germany in five to six years.

Aviva, Friends Life 5.6 billion pound merger plan makes sense: investors



Aviva's potential 5.6 billion pound (USD 8.8 billion) purchase of Friends Life reflects a need to consolidate and cut costs in Britain's insurance industry, fund managers said. The two companies said recently they had

agreed terms of a possible all-share deal at a 15% premium to Friends Life's closing price, offering Friends Life shareholders a 26% stake in the new company. The proposed transaction shows how insurers are having to rethink the way they do business after the British government changed rules covering annuities, which provide retirement income, causing a slide in annuity sales. Some investors were surprised at the timing of the deal given both companies are in turnaround mode.

UK GDP rises by 0.7% in Q3

UK economic growth slowed in the three months to September, with the economy expanding by 0.7%, the Office for National Statistics said. The figure was weaker than the 0.9 per cent expansion recorded for the

second quarter. Economists had correctly predicted that the economy would expand by 0.7% in the July-to-September period. Gross domestic product (GDP) was 3.0% higher in the three months than the same period in 2013. The third quarter figure will raise concerns that the recovery will fall victim to the slowdown affecting the eurozone. However, the UK still looked set to be the fastest-growing advanced economy this year. Chancellor George Osborne said that growth in manufacturing and construction as well as services was very encouraging.

HSBC agrees to pay USD 12.5 million to settle regulatory charges in US

HSBC's Swiss-based private banking arm will pay USD 12.5 million to settle regulators' charges that it offered investment advice to clients in the US without registering with the Securities and Exchange Commission (SEC). According to SEC, the banking arm failed to register with the SEC prior to providing cross-border brokerage and investment advisory services to clients and violated federal securities laws. SEC Division of Enforcement director Andrew Ceresney said: "HSBC's Swiss private banking unit illegally conducted advisory or brokerage business with U.S. customers. HSBC Private Bank and its predecessors amassed as many as 368 US client accounts and collected fees totaling about USD 5.7 million. The SEC's order noted that HSBC understood there was a risk of violating the federal securities laws by providing unregistered broker-dealer and investment advisory services to clients and that the bank violated Section 15(a) of the Securities Exchange Act of 1934 and Section 203(a) of the Investment Advisers Act of 1940.

**New Zealand alliance of banks and operators select Gemalto TSM Hub to secure NFC services**

Gemalto has provided its Allynis Trusted Services Hub (TSH) to Semble to secure its mobile NFC services in New Zealand. Semble is a joint collaboration between major banks and all three operators in New Zealand serving as the aggregator for banks and service providers. Gemalto's Allynis TSH will deliver the secure over-the-air provisioning of payment credentials to the user's NFC device. New Zealanders have made over 20 million contactless transactions worth an estimated NZD 735 million in 2014, and, an estimated one million NFC-enabled smartphones will be used in New Zealand by year's end. This solution, launched as a common national platform, will enable anyone to access the NFC services from any network in New Zealand, empowering 100% of the subscribers to enjoy quick, secure, and convenient NFC services. Users will be able to use their phones to pay for goods and services at more than 16,000 contactless NFC terminals in retail outlets such as departmental stores, restaurants, and movie theatres.

Bank of China Plans to Double Aussie Mortgages in Two Years

According to the bank's country head, Bank of China Ltd. plans to double its mortgage lending in Australia in two years and wants to offer more home loans to locals. There is demand for dwellings

from Australians of Chinese origin and investors from the mainland, Shanjun Hu said recently in Sydney. Bank of China hopes to reach more non-Chinese borrowers in the country through a product distribution agreement with Australian Finance Group Pty, the nation's biggest mortgage broker. Bank of China is seeking a bigger slice of a AUD1.4 trillion (USD 1.2 trillion) mortgage market that's almost 80% controlled by Commonwealth Bank of Australia and its three largest rivals. Chinese buyers overtook Americans to become the biggest foreign acquirers of Australian real estate in the 12 months through June 2013, government data show.

Cebulon selects Tbricks derivatives trading platform

Cebulon, the Amsterdam-based derivatives market maker, has selected Tbricks as the backbone of their market making and derivatives trading business. Cebulon trades index options as market makers on Euronext and TOM but prepares for controlled expansion in other financial products and markets. A customizable system with



extensive exchange connectivity was a pre-requisite in Cebulon's system selection process. Tbricks' market making fuses server-based auto-quoting and auto-hedging with fully configurable visualization in the front end, enabling firms to make markets with high performance and control. Tbricks' functional scope includes customizable pricing, volatility management, risk management, team quoting and a whole series of trading features such as hidden quotes (electronic eye or take out machines), peg quotes, multi-level quoting, quote spreading, portfolio graphs, portfolio stress testing and RFQs.

American Tower Pays USD 2.25 Billion for Brazil, Nigeria M&A

American Tower Corp. has agreed to buy towers across Nigeria and Brazil for more than USD 2.2 billion, furthering the U.S. company's plans to expand internationally. American Tower said it will acquire 4,800 wireless towers in Nigeria from Bharti Airtel Ltd. for about USD 1.05 billion. Three days earlier, American Tower agreed to buy 6,480 transmission sites in Brazil for about USD 1.2 billion. The announcement of two deals within less than a week underscores a growing trend among tower operators to add more sites. The companies, in turn, rent antenna space to additional carriers eager to expand mobile network capacity. American Tower, based in Boston, has been trying to increase its international revenue, which made up about a third of the company's USD 1 billion in sales last quarter. American Tower owned about 70,000 mobile towers globally before the announcement of the two deals. The shares rose less than 1% to USD 102.47 at the close in New York recently, the highest price since the company began trading in 1998. The stock has gained 28% this year.

Virtual Piggy launches Oink Discover prepaid card

Virtual Piggy, provider of Oink, the award-winning online payment technology for families and teens, recently announced that it has launched the Oink Discover prepaid card, a physical extension of the company's digital wallet. The new prepaid card allows teens to shop at any of the more than 25 million merchant locations that accept Discover but within limits set and managed by parents. The Oink Card represents a valuable step in a teen's financial freedom by providing them with a safe and easy alternative to cash that is connected to their personal Oink online account.

An Appraisal for a Mortgage Values Saks at USD 3.7 Billion



Many financiers have tried to make money from retailers through the ground beneath their stores. But few have pulled off the strategy as well as Richard Baker, the chief executive of the Hudson's Bay Company, which owns

Saks, Lord & Taylor and the Bay in Canada. He announced that Hudson's Bay had taken out a loan against the Saks Fifth Avenue flagship that values the department store — one of New York's temples of luxury retailing — at nearly USD 4 billion, making it one of the most valuable retail properties in the country. The appraisal of the Saks flagship — valuing the store at USD 3.7 billion — far exceeds the USD 2.9 billion that Hudson's Bay paid for all of Saks last year (2013). Mr. Baker said that as his company weighed bidding for the retailer, he and his team thought that the market was not properly valuing the land beneath the Fifth Avenue store.

Fed's Fisher comfortable running inflation a bit high

One of the U.S. Federal Reserve's most hawkish policymakers said he would be comfortable running inflation a bit above a 2-percent target for a while as long as longer-term expectations remain stable. With the



Fed's preferred measure of inflation around 1.5%, Dallas Fed President Richard Fisher said he doesn't see a risk now. Fisher, who is set to retire early next year, has long advocated an earlier interest-rate rise than the majority of his colleagues at the U.S. central bank, who see the tightening starting around the middle of next year. The Fed has kept rates near zero since 2008 to boost employment and, more recently, to lift inflation. Fisher added that, ideologically, Fed policymakers are "much closer together" today than in the past.

ECB's Noyer: balance sheet statements are expectation, not target



European Central Bank Governing Council member Christian Noyer said recently the central bank's statements on the size of its balance sheet are not a target but an expectation of how large the balance sheet will

grow. Noyer, who is also governor of the Bank of France, said these statements were still a powerful signal that there would be no qualitative limits to further policy easing if needed. Noyer also said at a conference in Tokyo that communication about the balance sheet can help raise inflation expectations. ECB President Mario Draghi has set a target of returning the ECB's balance sheet to its level of March 2012 - around 3 trillion euros, compared with the current 2 trillion. The whole policymaking Governing Council has thrown its support behind this plan. The euro zone economy is mired in low growth and weak inflation, and the ECB in recent months stepped up its efforts to boost the recovery by flooding the market with billion of euros to unblock lending channels to households and companies.

Attijariwafa bank, PayPal launch new withdrawal service for Moroccan merchants

Attijariwafa bank has joined forces with PayPal to launch a new withdrawal service for Moroccan merchants. The new, exclusive service is designed to enable Moroccan merchants to withdraw funds from their PayPal accounts to an Attijariwafa bank account, in Moroccan Dirham and other currencies. Apart from boosting e-commerce opportunities in Morocco, the service is also expected to offer PayPal merchants speedier and easier access to their PayPal funds. PayPal MENA and Turkey managing director Kivanc Onan said that they expect the introduction of this feature to significantly empower e-commerce in Morocco. Attijariwafa bank chief executive officer Mohamed El Kettani said that one of their strategic objectives at Attijariwafa bank is to enable the growth of international e-commerce and support small and large enterprises in accessing foreign markets. The withdrawal feature would offer merchants more control over their cash flow, which is especially significant for small businesses and start-ups that need access to their funds.

Samsung Electronics wins USD 3 billion Vietnam project license

South Korea's Samsung Electronics Co. Ltd. has secured a license to invest USD 3 billion to expand its production in northern Vietnam. The license was awarded on Nov. 17 in Thai Nguyen province, where Samsung



Electronics has been operating a USD 2 billion smartphone plant, the government said in a statement issued late recently, without giving further details of the project. Samsung Electronics has said it plans to invest up to USD 3 billion for its handset business in Vietnam as part of its strategy to cut costs and better compete with Chinese rivals.

Zodiac Aerospace aims for margin recovery in 2014/15



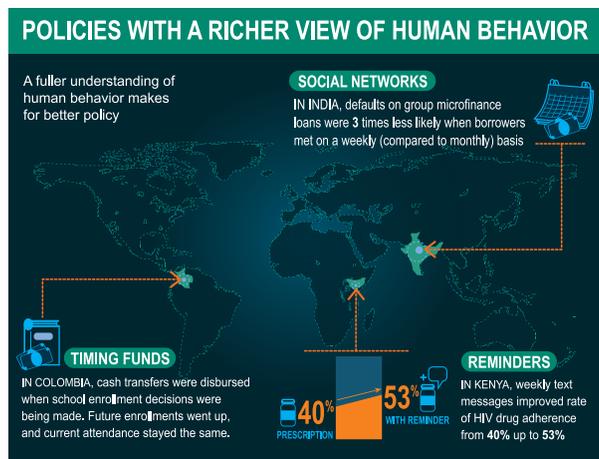
Zodiac Aerospace predicted a gradual return towards normal levels of profitability in the current financial year after posting lower 2014/15 profits, hit by currencies and production delays in galleys and aircraft seating. The maker of aircraft cabin interiors and systems, which fits jets made by Airbus and Boeing, posted operating profit down 2.7% to 549 million euros in the financial year ended August 31. Its operating margin shed 1.3

percentage points to 13.2 percentage points. Zodiac, based near Paris, had warned in September that measures taken to catch up on delayed deliveries would hurt its margin even as full-year sales rose 7.2%. Zodiac is betting on further growth in air travel and Chief Executive Olivier Zarrouati voiced confidence in the strength of the company's order book for the year ahead. However, excess production costs, linked to the need to adjust for recent bottlenecks, hurt the performance of aircraft interiors in the second half of 2013/14 and will have some impact on the first of the 2014/15 financial year.

Word Development Report 2015

The World Bank Development Report 2015 - Mind, Society, and Behavior - captures the idea that paying attention to how humans think (the processes of mind) and how history and context shape thinking (the influence of society) can improve the design and implementation of development policies and interventions that target human choice and action (behavior). To put it differently, development policy is due for its own redesign based on careful consideration of human factors. This Report aims to integrate recent findings on the psychological and social underpinnings of behavior to make them available for more systematic use by both researchers and practitioners in development communities.

The Report draws on findings from many disciplines, including neuroscience, cognitive science, psychology, behavioral economics, sociology, political science, and anthropology. In ongoing research, these findings help explain decisions that individuals make in many aspects of development, including savings, investment, energy consumption, health, and child rearing. The findings also enhance the understanding of how collective behaviors—such as widespread trust or widespread corruption—develop and become entrenched in a society. The findings apply not only to individuals in developing countries but also to development professionals, who are themselves prone to error when decision-making contexts are complex. This approach expands the set of tools and strategies for promoting development and combating poverty. The strength of standard economics is that it places human cognition and motivation in a “black box,” intentionally simplifying the “messy and mysterious internal workings of actors” (Freese 2009, 98) by using models that often assume that people consider all possible costs and benefits from a self-interested perspective and then make a thoughtful and rational decision.



This approach can be powerful and useful, but in a number of contexts, it also has a liability: it ignores the psychological and social influences on behavior. Individuals are not calculating automatons. Rather, people are malleable and emotional actors whose decision making is influenced by contextual cues, local social networks and social norms, and shared mental models. All of these play a role in determining what individuals perceive as desirable, possible, or even “thinkable” for their lives. The new tools based on this full consideration of human factors do not displace existing policy approaches based on affecting self-interested personal incentives; rather, they complement and enhance them. Some of the new approaches cost very little to implement because they depend on nuances in design or implementation, such as changing the timing of cash transfers, labeling something differently, simplifying the

steps for service take-up, offering reminders, activating a latent social norm, or reducing the salience of a stigmatized identity. Others offer entirely new approaches to understanding and fighting poverty.

These approaches are already widespread among firms in the private sector, which are often preoccupied with understanding customer behavior in its natural contexts. When a company introduces a product, whether a new brand of breakfast cereal, toothpaste, or cell phone, it is entering a competitive market, where small differences in usability and user satisfaction mean the difference between product take-up and rejection. In the intensive and interactive design phase, the company conducts significant qualitative and quantitative research on its customers to understand seemingly peripheral but nonetheless critical drivers of behavior: When and where do customers typically eat breakfast? Are they at home, work, school, on a bus, in a train, or in a car? What is the social meaning of the meal? Does it involve valued rituals? Is it a communal or more private event? Does behavior change need to be coordinated across many people or can it occur individually? These examples may seem trivial in comparison to the challenges that governments and international organizations face in developing countries. Yet they hold an important lesson: when failure affects the profit-making bottom line, product designers begin to pay close attention to how humans actually think and decide. Engineers, private firms, and marketers of all stripes have long paid attention to the inherent limits of human cognitive capacity, the role that social preferences and the context play in our decision making, and the use of mental shortcuts and mental models for filtering and interpreting information. The development community needs to do the same. The body of evidence on decision making in developing country contexts is still coming into view, and many of the emerging policy implications require further study.

Table : People have two systems of thinking

Individuals have two systems of thinking—the automatic system and the deliberative system. The automatic system influences nearly all our judgments and decisions.

Automatic system	Deliberative system
Considers what automatically comes to mind (<i>narrow frame</i>)	Considers a broad set of relevant factors (<i>wide frame</i>)
Effortless	Effortful
Associative	Based on reasoning
Intuitive	Reflective

Sources: Kahneman 2003; Evans 2008.

As this Report will argue, the answers provided by new insights into human factors in cognition and decision making are a resounding yes (Bettinger and others 2012; Duflo, Kremer, and Robinson 2011; Beaman and others 2009, 2012; Habyarimana and Jack 2011; Allcott 2011; Allcott and Rogers 2014). From the hundreds of empirical papers on human decision making that form the basis of this Report, three principles stand out as providing the direction for new approaches to understanding behavior and designing and implementing development policy. First, people make most judgments and most choices automatically, not deliberately: World Bank calls this “thinking automatically.” Second, how people act and think often depends on what others around them do and think: World Bank calls this “thinking socially.” Third, individuals in a given society share a common perspective on making sense of the world around them and understanding themselves: World Bank calls this “thinking with mental models.”

WELLS FARGO SECURITIES ECONOMICS GROUP REPORT



U.S. Overview

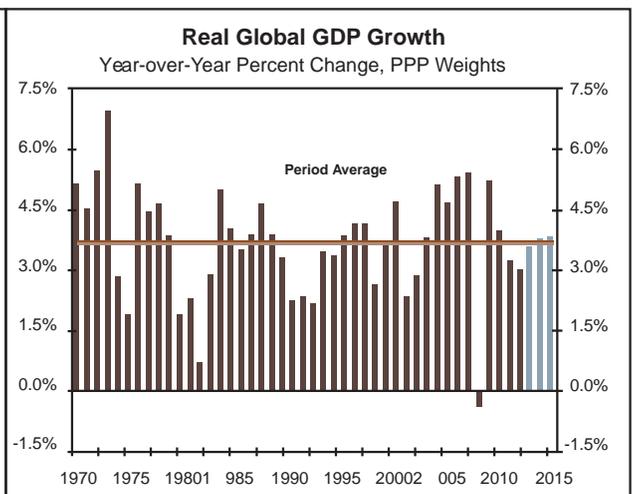
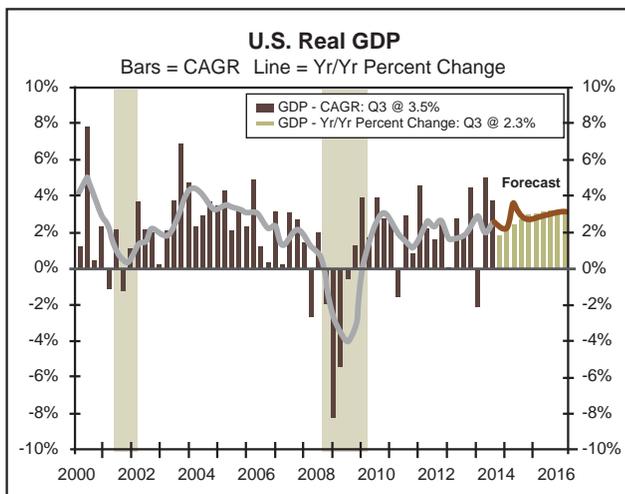
Ending on a Soft Note

The economy has shown a great deal of resilience in recent weeks, shrugging off worries about slower global economic growth, plunging commodity prices and the Ebola scare. Real GDP grew at a 3.5% pace in the third quarter. Job growth has also remained strong, with employers adding at least 200,000 jobs during each of the past nine months and the unemployment rate falling to 5.8% in October. Wells Fargo expects the pace of economic growth to moderate. Estimates for Q3 growth are likely to be tamped down a bit, as September's wider trade deficit should pull growth back to around a 3% pace. Growth will likely slow a bit more in the current quarter. Once again the big swing will likely come from the trade sector, where slower growth overseas is curbing the appetite for U.S.-made goods. Business investment in structures is another area to watch. The recent sharp pullback in oil prices has already caused some producers to curb energy production. Of course, lower gasoline prices are good news for consumers and Wells Fargo sees spending rising solidly during the quarter and throughout the forecast period. The Federal Reserve has successfully wound down its bond purchases and attention is now focusing on when the Fed will begin to raise interest rates and how fast and how high the FOMC will ultimately raise them. With inflation receding and global growth sputtering, the Fed may err on the side of beginning rate hikes a little later and raising rates a little slower than their most recent "plot map" would suggest.

International Overview

Slightly Softer Global Growth Outlook

Wells Fargo has slightly pared back its expectations in its global forecast for the next two years to reflect a slightly slower pace of growth in the United States and the challenging economic prospects in Europe. Even after the downward revision the prospects for the global economy are still more or less in line with the long-term trend. Well Fargo's forecast for full-year GDP growth of 3.5% in 2015 and 3.7% in 2016 would, if realized, straddle the long-term average annual growth rate of 3.6%. Even though headline global growth is essentially normal, the world's major economies are at an inflection point in terms of monetary policy; not surprising given the uneven rates of growth and inflation around the world. The building momentum in U.S. economy that gave the FOMC the confidence to end QE and talk about raising rates is being mirrored to some extent in the United Kingdom. While the Bank of England left its target rate unchanged at its October meeting, there are some members of the Monetary Policy Committee that are ready to embark on rate hikes now. In Europe, shaky business confidence and spotty industrial production figures rattled financial markets that are already concerned about below-target inflation. Each new piece of disappointing economic data raises the odds of eventually QE and lowers the yield on the benchmark German 10-year government bond. Finally, the Bank of Japan surprised financial markets by upping the ante on its QQE program.



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

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