

IDLC MONTHLY

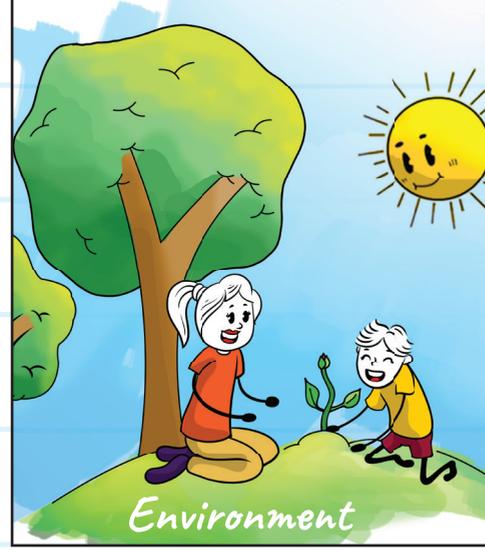
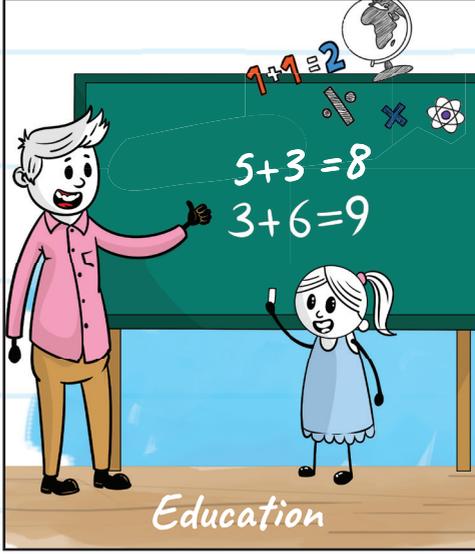
BUSINESS

REVIEW



**BANGLADESH HEADING
TOWARDS TECH-DRIVEN
BANKING SOLUTIONS**

তুমি চাইলে খুশির রাজ্য আটকাবে কে?

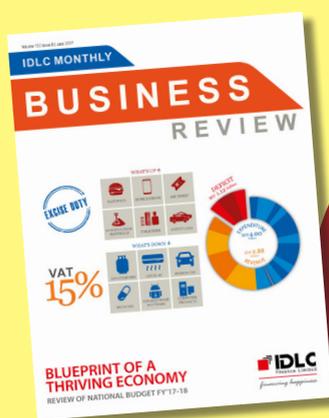


সমাজের সুবিধাবঞ্চিত মানুষের মুখে হাসি ফোটাতে IDLC সর্বদাই সচেষ্ট, যার ধারাবাহিকতায় আমরা নিয়ে এসেছি খুশির খেয়া প্ল্যাটফর্ম। এই উদ্যোগের পাশে থাকতে পারো তুমিও।
তুমি একটু সময় দিলেই কেউ পাবে শিক্ষার আলো, কেউ হাসবে সুস্থতার হাসি অথবা কেউ ফিরে পাবে প্রবীণ বয়সে তারুণ্যের উচ্ছলতা। তোমার একটু চেষ্টায় সবুজ হবে চারপাশ, বদলে যাবে দেশ।

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Banking sector making strides towards tech-disruption

There used to be a time when a “Kodak moment” meant something worth saving and savoring. Today, the term is increasingly used in corporate that warns executives of the need to stand up and respond when disruptive developments encroach on their market. Blinded by its own success and driven by myopic vision, Kodak, the American photography company and once one of the most powerful companies in the world completely missed the rise of digital technologies and eventually fell back on defeat when digital cameras took over the market.

Banking industry is experiencing the same trend. Across the world, disruptive technologies from companies termed fintech, are providing financial services in a more tech-savvy way and in lightning speed, making potential customers slowly drifting away from the traditional services offered by banks. Having said that, banks have started realizing the power of Big Data, Data Analytics, Artificial Intelligence and lastly Blockchain. Big banks in India are now deploying big data to customer profiling, collaborating with e-wallets to make the payment system more

convenient, putting analytics into play in creating loan scorecards and gradually partnering with fintechs to leverage their technology for superior customer experience.

Bangladesh, albeit trailing far behind from India when innovation in banking service is in question, it started making strides. Top-tier banks coming up with smart downloadable mobile apps, emergence of the first-ever blockchain-backed universal payment platform namely uPay, the first e-wallet namely iPay are all testimonials that Bangladesh's financial sector is on the cusp of technological disruption. Having said that, wealth of unstructured data, information availability and dearth of tech experts pose big challenge in this realm. Its time banks should realize the importance of data and start putting technologies into play.

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**Bangladesh Heading
Towards Tech-driven
Banking Solutions**

There is much technological innovation going on in global banking realm. India made remarkable progress with the use of big data. Big data analytics is coming to aid in areas of credit scoring, debt recovery, fraud detection and so on. Also, big banks in India are collaborating with Fintechs to leverage their technology. In Bangladesh, innovations in banking industry are taking place in a smaller scale. The top-tier banks are making strides towards digital means by coming up with mobile banking apps like Citytouch, EBL Skybanking and the like. Although struggling with pack of roadblocks, the industry leaders started realizing the importance of tech-intervention and paving the way for infusing technology with banking.

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RESEARCH IN FOCUS

Doing business is a report which is a birth child of a project of World Bank which initiated in 2002. This project mainly focus on the business environment for the domestic entities of different countries, mainly focusing on the regulation that companies need to maintain throughout lifespan. Doing business report exclusively provide a clear insight about the ease to start a business in any country and compares it with other countries. The comparison is normally done against the score of regional averages or the averages of scores of OECD countries. Which gives clear insight about the position of that particular country. This report gives insight of the difference of ease between the cities in a country and not only score is compared many other parameters are compared like number of process to complete any process to start business and cost associated with it.

This report is done on total of 190 economy and the reforms that are made to get the business environment be improved. The Aim of this project is to provide an objective basis for understanding and improving the regulatory environment for business around the world. Based on the ease of doing business the projects ranks the economies from top to bottom.

How Bangladesh is doing business?

For past several years Bangladesh's doing business ranking was deteriorating which got stabled in last 3 years and in 2018 Bangladesh is ranked 177th among 190 countries around the world, which means the business environment of Bangladesh is not satisfactory at all. There are some changes in different indicators in the performance of Bangladesh compared to the previous year. The key area that changed in the Doing Business 2018 from previous year is briefly described in following description.



ABOUT THE RESEARCH

"Doing Business 2018" is an annual report published by World Bank provides objective measures of business regulations and its enforcement across 190 countries.

What are the Parameters of Doing Business?

- Starting a business
- Dealing with construction permit
- Getting Electricity
- Registering property
- Getting Credit
- Protecting minority investor
- Paying taxes
- Trading across border
- Enforcing contracts
- Resolving insolvency
- Labor Market Regulation

Starting a business

NTDF of starting a business has decreased from 81.51 to 80.67. Cost of starting a business has increased from 15.6% to 22.3%. This is because, the registration cost in Registered Joint Stock Companies and Firm has been increased this year, 2018 which affected the overall DTF of business.

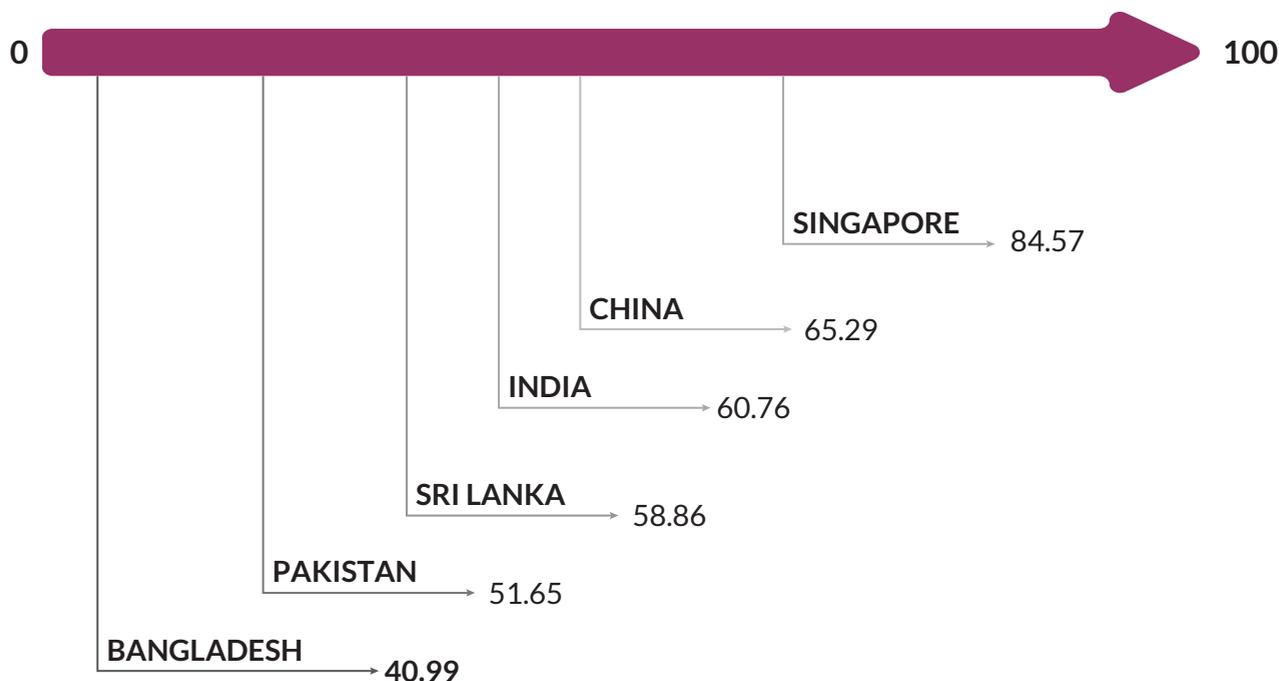
Getting Electricity

Condition of getting electricity in Bangladesh has improved from past years. Cost of getting electricity connection has significantly decreased from 2864.9% to 2602.9% of per capita income in 2018 which was 4407.2% in 2014.

Registering property

In this indicator, Bangladesh has made a small improvement but still there is hope of better doing business environment. Cost of registering property has reduced to 6.9% of property value which was 7% in 2017. It was even higher, 7.2% in 2014 i.e. over last five years the cost has not reduced much.

Distance to Frontier (DTF)



The Distance to Frontier (DTF) measure shows the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy’s distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier.

Paying taxes

Tax situation has improved in Bangladesh as Bangladesh government has taken steps to improve the business environment and reduced the corporate tax. Tax rate reduced to 33.4% of net income in 2018 which was 34.4% in 2017 and back in 2014 the rate was 35.5%. Therefore tax environment has an optimistic flavor in future.

Resolving insolvency

Again, in this sector have shown some improvement increasing the recovery rate to 28.3% on dollar in 2018 which was 27 in 2017 and in 2014 it was 25.8%.

Comparison with neighboring India

Bangladesh is in behind of most of the neighboring countries in almost every indicators of doing business. The table demonstrates the key difference in procedure and time needed to complete those procedure is shown to compare Bangladesh with the neighboring country India, Average of South Asia and also with the average of OECD countries.

Parameter wise required time	Bangladesh	India
Starting a Business (Days)	19.5	29.5
Dealing with construction Permit (Days)	278	128.5
Getting Electricity (days)	404	47
Registering Property (Days)	244	53
Paying Tax (Hour Per Year)	435	214
Trading Across Border (Hour per Year)	100	85
Trading Across Border (Hour Per year)	183	267

Business Reforms in Bangladesh

<p>DB2018</p> <p> Starting a Business Increased cost of business registration at RJSC</p>	<p>DB2017</p> <p> Paying Tax Increased time to prepare VAT & corporate income tax return</p>	<p>DB2016</p> <p> Paying Tax Reduced corporate income tax</p>	<p>DB2015</p> <p> Trading Across Border Introduced fully automated, computerized customs data management system.</p>
<p>DB2014</p> <p> Starting a Business Automated registration process faster process of obtaining trade license, tax and VAT registration</p>	<p>DB2013</p> <p> Getting Electricity 7% Electricity to be supplied by solar panel installation for improved connection</p>	<p>DB2013</p> <p> Getting Credit Sharing credit information in online platform</p>	<p>DB2012</p> <p> Getting Electricity Moratorium on new electricity connection</p>
<p>DB2011</p> <p> Starting a Business Eliminating adhesive stamps and enhancing online registration system</p>	<p>DB2011</p> <p> Registering Property Reduced property transfer tax to 6.7% of the property value</p>	<p>DB2010</p> <p> Starting a Business Online business name clearance and registration process</p>	<p>DB2010</p> <p> Paying Taxes Reducing company income tax rate</p>
<p>DB2010</p> <p> Trading Across Border Reducing time to clear goods in Chittagong customs by automating process</p>	<p>DB2009</p> <p> Starting a Business Simplified business registration process by reducing the red tape & cost</p>	<p>DB2009</p> <p> Registering Property Increasing efficiency at registry office to speed up property registration</p>	<p>DB2008</p> <p> Starting a Business Complicating process by introducing additional verification of the payment stamp duty</p>
<p>DB2008</p> <p> Paying Taxes Increasing the corporate income tax rate</p>	<p> Doing business reform making it easier to do business</p> <p> Changes making it more difficult to do business</p>		

নিজের বাড়ি মানে
স্বপ্ন আঁকার ক্যানভাস
আইডিএলসি হোম লোন



BANGLADESH HEADING TOWARDS TECH-DRIVEN BANKING SOLUTIONS



As global tech industry is witnessing a boom, it has opened a new frontier for the “ever-traditional” banking system to cater more sophisticated and personalized service to its clients. Amalgamation of technology and banking service is a global buzzword now. New technologies and banks being open to adapt innovation are reshaping global business and operating models of banking sector, and financial service has got a broader aspect to serve. Early movers in this sector are getting way more competitive advantage than the others, although some of the banks were deliberately delaying adoption of technologies and innovation in banking sector for strategic and regulatory purposes. The wind of change first started in the western part of world, which gradually flowed to the Asian subcontinents. Asian countries have graciously adapted the tech-disruptions in the banking realm, from the drive of staying in the market. China being a global economic giant is leading the trend. India is another name to pop up on this trail. Bangladesh is way behind in the Asian landscape; however, the top-tier banks have slowly started to realize the benefits of cashing-in on data and technology.

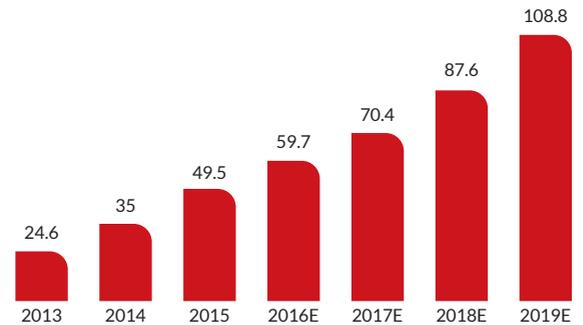
The starting point

In literal meaning, banking sector came out of its traditional shell when internet opened the doorway to many prospective ways of banking. Online Banking/E-Banking was the obvious solution to reduce transaction costs, easy and efficient integrated services, interactive marketing capabilities, and many other benefits that help increasing customer size and leveraging profitability significantly. Additionally, online banking services allow institutions to bundle more services into single packages, resulting into luring customers and minimizing overhead. Since, the word ‘bank’ used to have a ‘traditional’ connotation in the customer base, there was a hesitation among them to adopt to the online mode. Companies like Amazon, Ebay and few other online businesses grew the need of online banking in the industry and gradually more and more customer got into this platform.

The online mode of banking service gradually shifted towards mobile-based from desktop-based. Heavy penetration of smartphones made financial services accessible in the palm of the hand. Indeed worldwide, even in Bangladesh, mobile banking got all the rage for having widespread mobile internet and bringing feature phones and smartphones within lower-middle

class people’s purchasing power. Smartphones and, less visibly, cloud computing have transformed people’s daily lives and hence their use of money. Consumers expect to be able to use the powerful computers in their palms to pay for goods or move cash around as easily as they stream videos or share photos with friends. Around 2010, global banks came up with app-based mobile banking and at this moment, in Bangladesh, the top-tier banks have their own app for mobile banking.

Mobile Payments Transactions (In Billion, USD)



Source: CAPGEMINI/BNP Paribas

“A world where data is king”

- Rightly put by Christine Lagarde, Managing Director of International Monetary Fund (IMF), the banking world is embracing a pattern of change. From the use of Blockchain to Alternative Credit Scoring to Robo Advisors, the cutting-edge inventions have transformed the aura of banking services in the last two-three years.

Although late, most of the banks in the western part are making data-driven approach. Banks are data businesses and they have long had access to more consumer data than other businesses. Every digital touch-point of the bank including social media, kiosks, apps, website and chatbot, leaves a digital footprint of the customer, making the banking industry sitting on a motherlode of information. By using data science to collect and

TOP THREE PRIORITIES TO RESHAPE BANKING



Simplifying/
restructuring
business operations
or legal entities

43%



developing partnerships
with industry
disruptors/fintech
companies

39%



Developing partnerships
or joint ventures with
other financial
organizations

24%

Source: Ernst & Young

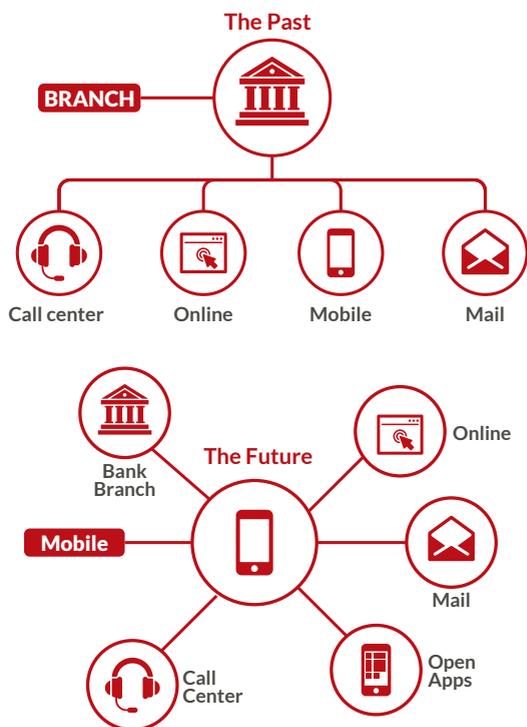
analyze Big Data, banks can improve, or reinvent, nearly every aspect of banking. The volume and variety of data that banks hold about their customers have steadily increased over the time, with the frequent use of web and mobile banking channels increasing in customer interactions. Holding detailed customer profiles, rich information on spending and income, an accurate idea of where geographically people spend their time, their detailed payment and credit history, put banks in a unique position to paint a vivid picture of each of their customers and create successful 'Next-Best-Offers.' Not only that, Big Data Analytics in banking sector enables early detection of high risk accounts and thereby by reducing the cases of frauds and defaults.

Citigroup, one of the world's largest providers of financial services holding over 200 million customer accounts, has adopted a fully Big Data-driven approach for business growth and enhancing customer experience in recent years. Customer retention and acquisition is one area of Citi's operations where Big Data analytics has been implemented successfully. This involves analyzing data and targeting promotional spending using machine learning algorithms.

Banks are using big data and segmentation to lure depositors. Banks are not offering higher rates to all of their customers. Over the past two quarters, at least two of U.S.A's biggest banks- Wells Fargo and Bank of America- have tinkered with the way they set deposit rates. Other banks, meanwhile, are exploring new ways to use data and analytics to adjust rates for lucrative customer segments. For instance, some are offering promotions to affluent millennial who may be tempted to open higher-yielding accounts at online banks. Billions of dollars of profit being at stake for banks is the rationale for segmenting existing and new depositors. This move illustrates how the industry's biggest players are becoming more precise, tech-savvy and analytical on each aspect of banking.

Banks are targeting the 'credit invisible' chunk through Alternative Credit Scoring. More than 25 million Americans are considered 'credit invisible,' meaning they have no credit history with any of the three main credit reporting bureaus. In India, nearly 80% of the adult population are potential to be termed as 'Credit invisible'. The high costs of serving these consumers via conventional models, the relatively small transaction values involved, and the difficulty of knowing and assessing many of these consumers through traditional means (such as the credit bureaus) dramatically limit the products and services that are

Banking models of the past and future



Source: Deloitte, December 2017

made available to this huge but underserved market. The expanded data points and data aggregator technology can transform the credit decision process for both borrowers and lenders. From phone to utility bills to social media presence, there are plenty of common data points to consider while evaluating a borrower's ability to pay back a loan. As 'traditional' credit score improved access to credit, 'alternate' credit score is poised to enable financial inclusion for the next set of such unserved and underserved people.

Global banks use big data analytics in macro-decision making. JP Morgan Chase, an investment bank and financial services company generates a vast amount of credit card information and other transaction transactional data about its US based customers. The bank does customer segmentation- even into individual level, and generates reports in seconds through big data analytics. Bank of Japan uses analytics to analyze economic statistics to forecast its GDP. Bank of Indonesia is using data analytics for effective policy making using social media, news sites and other contents. European Central Bank for measuring inflation in real time and Bank of England uses big data to examine large exchange-rate changes.

Blockchain: Reshaping the banking sector

According to a study conducted by the Accenture consulting company, which specializes in strategic planning, over half of all top finance managers admit that blockchain is going to play a key role in the success of financial companies in the near future.

Accenture analysts have found that the world banking sector will save up to USD 20 billion by 2022 through blockchain implementation.

According to a recent survey by PwC, financial service is prone to be the most disrupted area by the impact of blockchain. The main areas in which banks and other financial institutions will be able to implement blockchain technology are reducing costs and making bank-to-bank and international transfers faster. Another field of blockchain application in the banking industry is for the creation of a client identification system based on the distributed ledger technology. JPMorgan Chase believes in the future of blockchain and they are testing applications for financial processes and has already issued an annual deposit certificate with a floating rate based on a distributed registry.

Open Banking: The breakthrough in retail banking

Perhaps one of the most significant business model shifts on the horizon is in retail banking, with the emergence of 'open banking'. Retail banks to provide third-party providers—from young fintech start-ups to technology giants such as Apple and Amazon—access to their customers' online accounts through open application programming interfaces (APIs), where account holders have provided consent to do so. That, in turn, will enable customers to access services from these providers, direct from their bank accounts—price comparison apps for mortgages, for example, or services that help them to manage household budgets better.

In the UK, HSBC was the first to publish an open banking API in September 2017, and it has already built a new mobile banking app to test out some of the features that open banking promises to bring. Some of the features of this HSBC Beta app include Safe Balance, which shows customers how much disposable

income they have before their next payday, and a Spend Analysis tool, which categorises spending and analyses patterns for more informed financial decision making.

Is technology in banking sector going to replace human touch?

Technology is all over the banking process, as it is apparent. As a spillover effect, China has launched 'unmanned bank' which has no human involvement. The bank is equipped with facial-scanning software, a hologram machine, robots to greet customers and many other advanced features. 'Digibank'—funded by Singapore's largest bank DBS, is India's first bank where 82% of request is automated using artificial intelligence. However, does that mean the stream of technological changes will cut the jobs of thousands?

In June, the Financial Times reported that blockchain-related jobs had trebled in the past year, as financial services scrambled to recruit the expertise they'll need to harness the technology. Similarly, in algorithmic trading, human talent is needed to develop and train algorithms—another rich source of employment opportunities for those with these sought-after skills. In other words, financial institutions in the future will rely far more on IT and regulatory experts that can get systems up and running that create new efficiencies and less on administrative staff to handle routine tasks that machines can perform faster and more cost-effectively.

Indian banks ramp up on innovation

Indian banking and finance sector has long been at the forefront of innovation. From making payments to walking towards a cashless economy—banks have been opening the doors to innovation. Partnering and acquiring start-ups have become a popular method of creating an alliance with the sector. Corporates are also setting up tech labs to foster innovation.



Leveraging on big data

- **Integrating analytics with social media**

State Bank of India (SBI) structured over 60 models that will help them decide on lending, setting up branches/ATMs, launching new schemes and more. They studied over 120 branches' data, identified trends and then used the power of social media to contact their customers directly. For instance, if a student is congratulated by his family and friends over clearing an entrance exam, SBI congratulates and makes an offer of education loan.

- **Analytics in debt recovery**

Banks are saddled with having to retain customers on one hand while recovering their debts on the other. ICICI bank adopted non-intrusive and friendly methods like using SMS, IVR, reminder calls or personal visits. They deployed a 'centralized debtors' allocation model to deal with high-risk and low-risk debts using Big Data to zero in on their debtors.

- **One-stop shop for customers**

HDFC bank used banking analytics technology in setting up data warehouses to manage their wealth of unstructured data, using which, they could

better learn the financial habits of the customers, their spending patterns and areas of expenditure. Based on these statistics, they promote contextually relevant offers which benefit customers and ultimately add to the bank's revenue. Putting analytics into play, HDFC Bank started offering net banking services to customers who were more active in using ATMs or bank branches to carry out financial transactions in a bid to make it more convenient, as they didn't have to repeatedly visit branches, didn't have to make a call or go to ATMs multiple times.

In another case, they determined whether bank is “just another account” to a customer by analyzing the customers' financial habit on that account. Based on the analytics, they wanted to address the question of how to become the primary bank for these customers.



Partnering With E-wallets

Riding on the back of cashless economy initiatives, most of the top banks in the country have partnered with or acquired start-ups, to adapt their e-wallets and make them accessible to customers. The partnership with startups allowed the banks to grasp the advanced payment mechanism in exchange of banks' database with the former. HDFC bank was first of its kind offering customized service collaborating with Fintech Company, MobMe in 2014. The bank's first digital solution was 'Missed Call Banking' which enabled account holders to check their account balance, giving requisition for cheque book and so on without visiting the bank, which graduated to mobile banking later. Also, HDFC has partnered with PayZapp, a complete payment solutions app where the bank offers digital savings bank accounts, credit cards and instant loan to the 14 million users of PayZapp. Other banks like Yes Bank have partnered with FreeCharge and PhonePe. The alliance gives the banks easy access to technology while also providing start-ups an access to the banks' database.

Smarter Services for Faster Growth

Another way of attracting more customers through innovation has been the launch of services by a bank that promises faster processes to a consumer. YES Bank has rolled out an initiative like SIMsePay, a service that allows a consumer to transfer money, pay bills and use other bank services, without access to the internet. Similarly, ICICI Bank's visa-powered e-wallet Pocket eliminates the need to visit a bank. Apart from mobile recharge, bill purchase, ticket purchase and the like options, a customer can touch and pay without carrying the card at the time of purchase. Also, the app lets the user to open savings accounts anytime from the app. This feature is known as tab banking facility.

Jumping on the Fintech Bandwagon:

India's core banking processes around 24,000 transactions per second and 1.5 billion transactions per day. That capacity may increase multifold over the years as technologies such as blockchain seem promising to traditional banks.

Banks in India have begun outsourcing core banking features such as loans, payments and credit risk underwriting to fintech start-ups. While fintech start-ups provide a better payment experience with a superior user interface and faster processing, banks can provide them with a stronger foundation to stand on. The payments segment has seen the first set of partnerships between tech start-ups and banks. More than 20 banks in India have come to a single platform to explore, build and implement blockchain solutions under an alliance named BankChain, which has big names under its belt, e.g. State Bank of India, ICICI Bank Ltd, Kotak Mahindra Bank Ltd, HDFC Bank Ltd, Yes Bank Ltd., among others. The Indian fintechs are just starting to scratch the surface of the banking industry, having only touched around 5% of the entire credit market. Having said that, the mega banks namely State Bank of India, ICICI Bank Ltd. and Axis Bank Ltd., which are looking to access customers of small unsecured credit, are collaborating with fintech startups like CreditVidya, which uses alternative data sources to assess fraud and risk with the help of machine learning and AI.

Building Sandboxes? Future of Indian Banking industry

The way banking pundits of India envisage the fate of the industry is quite bold and can be a game-changer if implemented. Within the short course of 12-14 months, the big banking guns see a big tipping point happening in the lending space, where there will be one-three fintech companies breaking through the clutter, and that breakthrough is going to happen through adoption (of partnerships with banks). Over the long run, banks need open Application Programming Interfaces (APIs) (operating system which enables developers to create software applications) and sandboxes (virtual space in which new or untested software can be run securely) that are permission-less, where start-ups can come and build products on top of APIs. This is a mega plan which has regulatory restriction as the biggest roadblock. However, when the road ahead for banks and fintechs is clear collaboration and since tech start-ups require a free and unrestricted environment to beta test their ideas, the best way forward is to test products in a sandbox- a testing environment that allows isolated execution of code, away from main servers and systems, and in turn, away from the commercial market. Over long term, banks that have best pattern of tie-ups with start-ups will have the competitive advantage.

Internet Banking in top-tier bank's in 2017

Bank	No. of transactions	Amount
City Bank	10.5 lacs	BDT 1,500 crore
Eastern Bank Limited	3.5 lacs	BDT 230 crore

Bank	Internet Banking customer size
Mutual Trust Bank Limited	25,000
Eastern Bank Limited	60,000
BRAC Bank	90,000

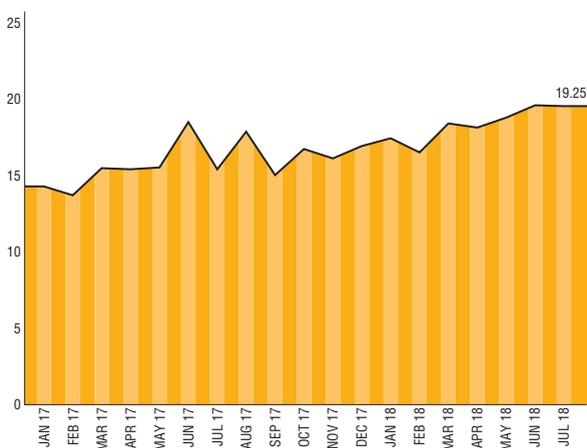
Source: Industry insiders

Banking in Bangladesh: Hanging back innovation

In comparison to the Indian landscape, Bangladesh is trailing behind adopting the new streams of disruption in the banking process and combating with coming out of the conservative shell. The lukewarm-responsiveness to digital means of banking ascribes to mindset of the stakeholders, unavailability and unstructured condition of data and dearth of technology-based financial service providers, mostly commonly known as Fintech. An interesting trend is discerned across the globe when innovations in banking sector comes in question, Fintechs work as the driving force behind banks' pulling out their conventional shells.

■ Internet banking leading the way

No. of Transaction (Crore) Growing at 11.24% CAGR

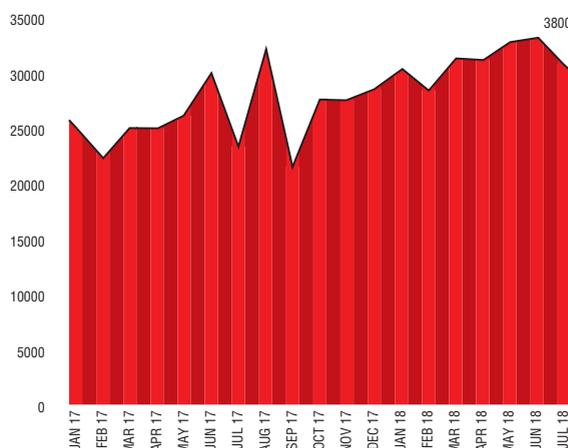


App-based mobile banking

Banking without a mobile screen is hard to imagine in this age. Although, internet banking facility is offered by about 40 out of 57 banks in Bangladesh, only 6 banks (5 local and 1 foreign) took online banking service to the next level- The City Bank, Eastern Bank Limited, BRAC Bank Limited, United Commercial Bank Limited, Mutual Trust Bank Limited and Standard Chartered Bank. These banks rolled out downloadable apps which enable customers access their bank accounts securely from their smartphones. Services offered in these internet banking app include account to account fund transfer (including RTGS, BEFTN), utility bill and internet bill payment, mobile phone recharge, service requests such as re-issue of debit card if lost, cheque-book issue, bank statement request, loan information and the like. Fund transfer leads the internet banking transactions, accounting for 38% of the total transactions made in 2017.

Of late, City Bank and bKash, the country's largest mobile financial services provider went into an agreement that allow Citytouch users make their credit card bill payment from their bKash wallets, Customers of bKash will be able to withdraw cash from any of the 350 City cash machines across the country, with a charge for the transactions. This is the first of its kind in the payment system in Bangladesh. In this way, a customer doesn't have to walk to the City Bank branch to make credit card payment and bKash customers, who are out of baking reach, can enjoy banking services without having a bank account.

Amount (crore) Growing at 6.91% CAGR



Establishing interoperability among Bangladeshi banks

In a bid to make banking timesaver for the consumers and bring about innovation in the payment system, the Central Bank, of late, instructed the commercial banks of Bangladesh to connect their fund transfer channel to the National Payment Switch Bangladesh (NPSB). The initiative is prone to enable customers to pay their credit card bills and make their monthly instalment payments on deposit pension schemes, loans and insurance premiums from the comforts of one's homes. Also, the facility allows cardholders from any of the banks to use Point of Sales (POS) terminals of all the member lenders in merchant outlets for retail purchases. Some 48 banks are presently interoperable for POS transactions through the payment switch.

Digital Interactive Agent (DIA): Artificial Intelligence (AI) based chatbot

In December 2017, Eastern Bank Limited introduced an Artificial Intelligence (AI) based chatbot, called Digital Interactive Agent (DIA), which communicates with customers via Facebook Messenger and skybanking apps, providing information about their accounts, credit and prepaid cards, and general information about EBL's products and services.

uPay: the Blockchain-based universal payment system

For the first time ever in Bangladesh, in December 2017, United Commercial Bank rolled out uPay, a mobile based app bringing most advanced and reliable technologies like Blockchain and QR or Quick Response Code to secure all financial transactions. All the accounts (Savings/Credit Card/ Credit Card Reward Point) of a customer are linked in Upay and any account can be debited without requiring the client carrying the card. It is the first attempt towards cashless payment in Bangladesh. Also, it provides services like fund transfer, remittance, bill payment and the like.

Each field (name, age, address and the like) of the account information is hash-encrypted in a bid to ensure customer information security. A customer can pay through their uPay account, even with our carrying the cash/card. They have more than 2,000 accounts in the platform.

iPay: the first e-wallet of Bangladesh

iPay is an e-wallet where a customer can transfer funds from their bank account to their iPay account. Without carrying cash, a customer can make payment to the tagged retailers of iPay platform, just by showing the app. They are tagged with a couple of startups namely, Othoba, Kiksha, Sindabad, telcom (Robi) and a number of retailers.

What are the ways Bangladesh's banking industry can move up to the next level?

● Dealing with unstructured data

Not until recently, the banking industry started realizing the importance of data. Banks need considerable time to streamline their wealth of unstructured data. Also, banks only keep information related to the credit behavior of customers. No such information pertaining to social /behavioral aspect of customers are recorded, which make it difficult for banks to go for alternative scorecard for lending.

Bank's biggest impediments to big data success

Too many silos- data is not pooled for the benefit of the entire organization
57%

Time taken to analyze big data sets
44%

Shortage of skilled people for data analytics
40%

Big data is not viewed strategically by senior management
34%

Unstructured content in big data is too difficult to interpret
33%

High cost of sorting and analyzing large data sets
24%

Big data sets are too complex to collect and store
17%

● Partnering with e-wallets

In India, the big banks are collaborating with fintech startups in a bid to leverage their technology. The option is not explorable in Bangladesh since no such company showed up till now. Having said, of late, iPay emerged in this scenario which is giving traction to the payment scenario.

HOMECHEF

HomeChef has brought the homemade food to the foodies of Bangladesh who want to explode their taste buds with healthy homemade food. Main perk of using HomeChef is, users can note down the recipes of the food they are ordering and explore the taste of amazing Bangladeshi cuisine.

In pursuit of passion

Hailing from an engineering background, Mr. Ashiqur Rahman Rean, a mechanical engineer from IUT, started his career at the operations of British American Tobacco (BAT). Nonetheless, he was more keen into marketing than engineering. In a bid to pursue his interest, he received an MBA degree from IBA and started his journey at Grameenphone (Brand) in 2006. After that, he held positions like Head of Brand at Qubee and Head of Communication at Ericson. At this moment, he is employed at Grameenphone in the capacity of Head of Business Innovation, Digital Division in Grameenphone. He reckoned that corporate environment is a hub of learning and networking; however, the entrepreneurial practices and implementation of innovative idea are not much encouraged here. That is why, from the drive of doing something new, he first started Dhaka Foodies in 2013, which solely focused on food review. With course of time, he came up with the idea of a platform, where people will share their recipes. HomeChef initially started as merely a recipe sharing platform, which, later on bridged the gap between demand and supply side of homemade food.

Starting own company brought a transformation in Mr. Rean; as working for a company and working upon a company are two different things. Also, the market should be ready to take a new service to make the venture scalable.

Home-cooked food delivery platform is not yet common and popular; however, it has potent to become so as the number of working women is on higher trajectory, who don't get the time to cook for their families and also, an inclination towards healthy eating among the people is discerned.

Solution for the generation who wants healthy and home cooked food

Since the market is still not adequately aware and mature, HomeChef is intending to create a community for home-cooked food lovers at first, prior purely going for making business out of this platform. Ensuring quality service for customer retention is their top priority.

Office lunch & tiffin for children are now HomeChef's next target to cater service to offices or to the busy yet caring working mothers, who want homemade food for their children. Besides that, HomeChef has takeaway service for the customers. The

food is delivered after one day, however, some home chefs have always ready-to-serve food on their menu, which can be delivered on the same day. Currently, HomeChef operates in Dhaka and Chittagong and they have plans for creating their footmark in the other five divisions too. At this moment, they charge 15% commission on the selling price of the food from the cook as service charge, which is the revenue of the company. Within one and a half years, the team grew to a size of 10, including delivery personnel. HomeChef, albeit, have their own delivery team now, they have plans to outsource it if suitable delivery channels are found.

About the demand side

Currently, on regular days, HomeChef receives 20-30 order requests on an average per day. When festivals are around the corner, the number shoots up to 300-

HOMECHEF



Ashiqur Rahman (Rean)

Founder, HomeChef

600. The order volume varies with special customized orders. Demographically, most orders are coming from age group of over 30. Besides the working group, interestingly, housewives also take an interest in home-cooked food as a good number of order requests come from them.

Hunt of HomeChefs

Initially, the HomeChef team searched for the home chefs by reviewing the recipes people share on Facebook. Now, many people want to join the platform in their Facebook page. The recruitment is referral-based currently. Also, the team runs some special activities on Facebook to attract the interested one's attention.

HomeChef has a total of 1,037 home chefs registered in this platform. While they don't have any direct quality control of the home chefs' kitchen, they do it by the customer reviews. Home chefs need to upload their recipe on HomeChef website and orders are placed after that. After placing an order, a home chef is requested to make his/her neighbor place an order and give a review of the food. That is the quality control mechanism of home chefs' kitchen and only after getting a positive review, home chefs are welcomed in this platform.

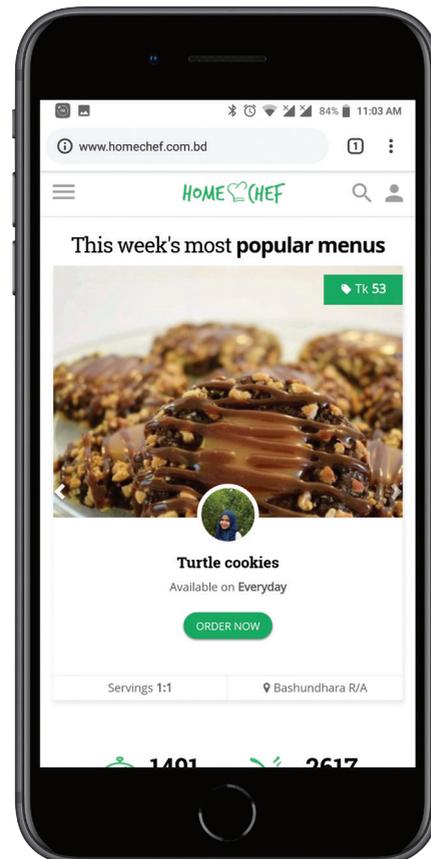
Challenges

People are still not convinced with the phenomenon of ordering home-cooked foods online. Undoubtedly,

a number of people are now coming out of this conventional mindset, it will take time for this market to go mass. This is the prime challenge HomeChef is battling with at this moment. However, the way e-commerce made its space in this market that people are purchasing apparel to electronics in this platform, homemade foods will have its market in no time.

Plans down the line

HomeChef plans to launch their app soon and the crucial feature of the app will be location based delivery system. The feature will enable the customer to find homechef in his/her area. This is how, the team is also planning to address the delivery issue. However, to this end, they need to build a solid community of home chefs and homemade food lovers in a bid to create that match. This is the reason, HomeChef is solely concentrating on developing this community at this moment. Also, they plan to expand their service to the other five divisions. Although, the demand will not be as desired outside Dhaka, HomeChef intends to target those people who are staying in those parts of the country for the sake of their work and need food on daily basis due to lack of better options in those areas.



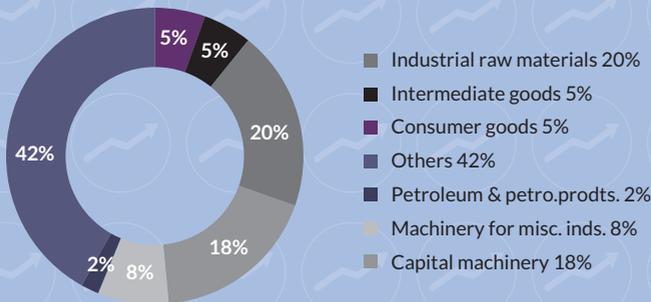
KEY INFO

Private credit growth slumps
at 15.87%
 in July'18

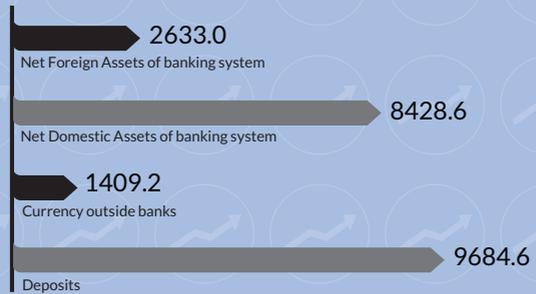
Remittance inflow up
7.70%
 y-o-y in July

Inflation
Gen
5.48%

IMPORT



MONETARY AND CREDIT DEVELOPMENTS



REMITTANCE



ECONOMY AT A GLANCE

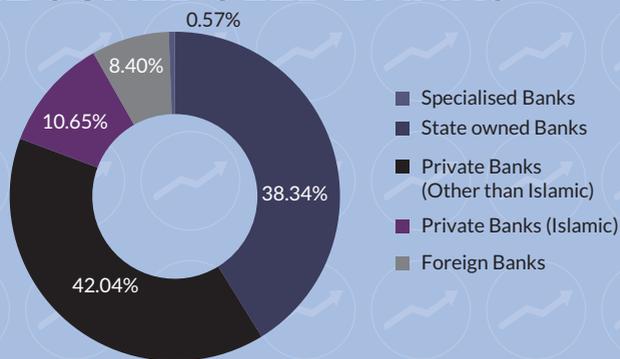
SEEING ECONOMIC TREND IN DATA

Inflation rate Down
General inflation
3% in August 18

SPREAD OF ADVANCE & DEPOSIT RATE

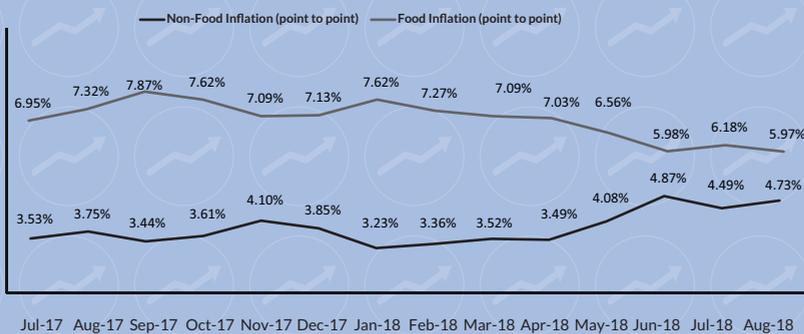


LIQUIDITY POSITION OF THE SCHEDULED BANKS



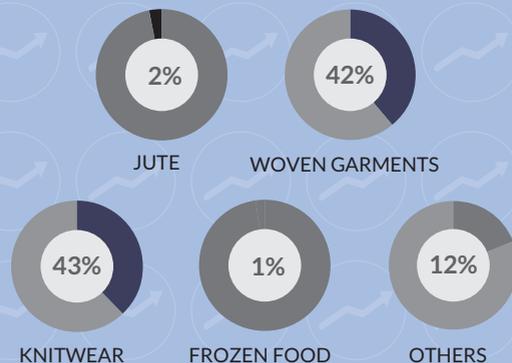
Total Liquidity Assets for December 2015 was BDT 2577.94 Billion

INFLATION



Inflation rate in August 2018 decreases as food inflation falls

EXPORT



IDLC brings back smiles on the faces of 30 children

On 13 and 14 September 2018 IDLC Finance Limited as a part of its CSR initiative, organized a cleft lip surgery camp at the premises of TMSS Medical College and Rafattullah Community Hospital, Bogra. 30 children from underprivileged communities born with cleft lips were operated on by 10 doctors from Sadhinota Chikitschok Parishad, Bogra and Dhaka Medical College Hospital who volunteered to be part of this surgery camp. 30 volunteers were mobilized during the event in total.

The inaugural ceremony of the cleft lip surgery camp was graced by chief guest Md Nure Alam

Siddiki, Deputy Commissioner of Bogra. Arif Khan, CEO and MD of IDLC Finance Limited also present during the occasion said, “Health care is one of the basic human rights and IDLC prioritizes children from impoverished areas who cannot access affordable health care. This camp is a humble effort to ensure that innocent children can smile to their hearts content disregarding all societal barriers.”

This initiative was undertaken as a part of IDLC’s one-of-a-kind CSR platform “Khushir Kheya”.



IDLC Renovates Chhalia Government Primary School at Sylhet

During the end of April 2018 IDLC extended assistance to Chhalia Government Primary School in Sylhet for renovation and expansion of the classrooms, in response to a report published on The Daily Star in January. Now the students have a classroom and no longer need to do classes under the open sky in the field. To celebrate the collaboration an event was organized in school premise on September 12, 2018 where around 120 students participated in sports and quiz games upon pre-selection by the school authority. Head of Consumer Division Syed Javed Noor, Head of Sylhet Branch Mohammad Enam Ahmed Chowdhury, along with other IDLC officials were present during the event. Syed

Javed Noor said, “IDLC by using its branch networks, works with the communities in various ways to improve the lives and livelihoods. As a responsible company we try our best to contribute positively in all aspects and this initiative is one of the ways to create better access to education” Shitangshu Ranjan Das, Headmaster of Chhalia Govt. Primary School said, “IDLC’s initiative is commendable and we hope more corporates and organizations will actively volunteer for such causes in future.” IDLC organized this event as part of Khushir Kheya an on-line CSR platform designed to engage volunteers to help manage challenges and explore opportunities at the community level.





Mr. Shykh Seraj

Agriculture Development Activist,
Media Person and Journalist.

Mr. Shykh Seraj is a public figure who strolled a complete different path compared to any other individual of his time. He always intended to add value for the country with his work and became the role model for the whole world. He was born in Chandpur, but was not raised up there for too long. His schooling was completed in Khilgaon Gov't High School and completion of his college life was done in Notredame College. His background was not related to agriculture or media, he studied Geography in Dhaka University. However, his devotion to his country inspired him to work on development of rural community of Bangladesh through modern agriculture and agricultural knowledge sharing through media. In his lifetime he achieved many awards and was honoured by different renowned institutes in home and abroad. He has received country's two highest civilian honours

Swadhinata Puroshkar (2018) and Ekushey Padak (1995 as youngest ever), Highest award for agro-journalism, UN's FAO A.H. Boerma Award (2008-2009), Gusi Peace Prize (2015) and many more. He is also the Ashoka and Bangla Academy Fellow. He regularly writes for Bangla and English dailies of the country. His TV and also social media presence encourages millions of his followers.

Understanding the power of media

Interestingly, getting involved in agriculture sector was never a plan for Mr. Shykh Seraj. Rather, like every child with full of dreams, he also had different aspirations at different phases of his life. Even he had the dream to become truck driver because truck was the biggest vehicle of that time and his adolescent mind felt the desire to run the biggest vehicle. When he was young, he grew an aspiration to become an Economist. However, when he was a school-goer, he used to find radio quite fascinating since it was the prime medium of communication at that time and news was the premium source of entertainment for mass people. Also, news was not broadcasted in Bengali all the time, mostly Urdu was used. People were more interested to listen to BBC news for their wide coverage of news around the country.

Mr. Shykh used to listen to the radio news and wonder if he could be the one newsreader. After completing his graduation, he decided to pursue career in media from the thought that his voice would be spread all over Bangladesh. As Mr. Shykh says,

The power of media is so solid that it can motivate, educate people in such an effective manner that no other medium can do it faster.

At that time, television was rare to find in households. The usual scenario was, the well-off household used to have a TV set in their house and they kept the set in the front yards of their home so that the surrounding



During an episode filming of Mati O Manush (Soil & People) for Bangladesh Television (Early 80s)

households could watch it twice a week. It was more like an occasion to them to convene and spend some quality time together, for which they waited for the whole week. Watching people such fascinated about Television and having realized the power of media to actually make an impact on a society, made Mr. Shykh pursue career in media.

Coming up with “Mati o Manush” (Soil and people)

Mr. Shykh started his career in media in shows pertaining to entertainment; however, at one point he realized that these programmes could not create any constructive impact on the then war-torn Bangladesh economy and society. Agriculture was the cornerstone of the economy and the lion’s share of the society, especially the rural bunch of the society depended on agriculture for survival. It dawned upon him that this is the sector holding the potential of changing lives of so many people in true sense. Also, in broader spectrum, the country can also be developed if expertise on agriculture can be enhanced.

At that time, the common perception regarding agriculture was cultivation of rice and jute only. Cultivation of vegetable, fruits and other crops was

non-existent whatsoever. Mass people did not have the idea to have the concept of farm-based business like poultry, fisheries etc. They nurtured the notion that fish could be found in water and chicken could be raised without poultry. Also, Bengali people, by nature was driven by the “Organic” (Deshi) flavour, rather than farm-produced food items for being something undesirable and tasteless. The farmers also shied away from exploring new techniques of farming since no training and knowledge were available and they did not understand the value of these techniques resulting to high production volume. Mr. Shykh wanted to equip the farmers with adequate farming knowledge, which could lead them to a better standard of living. Another problem of that time was unemployment, which was severe after independence. He realized that way to solve this problem is engaging youth in agriculture. Another crucial aspect he wanted to address, was unemployment. Bangladesh was just born and the unemployment rate, especially among the youth, was sky-rocketing. He realized that training the youth on agriculture was a way to provide them with a means of survival.



With Gerbera flower farmers

From 1982 till 1996, Mr. Shykh Seraj worked as the host of “Mati o Manush” (Soil and people), aired on BTV, which brought revolutionary impact on the lives of the farmers, on the agriculture industry as a whole and in broader spectrum, on the overall economy. His presentation on farming sector and the stake of farming was amazing which really attracted millions of people across the country to get motivated towards farming.

Hurdles on the way

There was a stream of roadblocks coming in his way one after another after he initiated the programme. Mindset of people was one of the key barriers. At the time he started the career, there was some misconception regarding youth and entrepreneurship. Also, that agro-based entrepreneurship could be an initiative was out of mass people’s imagination. However, in true sense, a young guy from a small town going for a entrepreneurship venture without any capital and technical backup, faces much more hurdles than a youth attempting the same from a city. The rural agro based entrepreneur are the real fighters, but to what extent the society values these people arises a doubt. Pulling people out from this perception and engaging more youth into agro-based entrepreneurship were real challenge for Mr. Shykh.

Another problem was related to “Mati O Manush”, the content of the programme. At the time, Bangladesh Television mostly focused on the programmes pertaining to entertain, educational programmes was relatively out of focus. Therefore, these programs were deprived of all the facilities required, starting from shooting, technical supports. Again, the shooting of



Conversation with farmers over a rice field

“Mati O Manush” was done on outdoor locations, so technical supports were much needed. In addition, when it came to broadcasting the programme, the regular programme related to entertainment always used to get priority.

Dealing with the rural people right after the liberation of Bangladesh, posed a challenge for Mr. Shykh. The villagers were mostly shy, they witnessed blood, war, rifles, guns, sounds of firing. They were always scared of meeting new people in fear of getting attacked. Even they were scared of the shooting equipments: the big-sized cameras, microphone. They were under an impression that these equipment were brought there in a bid to destroy them. Therefore, they were much reluctant to talk to media. Mr. Shykh had to make his place in their good book so that they were comfortable talking to him and learning from him. Also, he had to make them believe that agriculture could be a game-changer in their lives, so they needed to grow expertise on it.

Another problem associated with outdoor shooting was, food and other supplies were not available in the rural areas. Therefore, when any outdoor shooting took place, most of the time he had to stay hungry. Sometimes even if they could find any rural hotels, those could not supply enough food for the whole crew. For example, a team consisted of eight to nine members, whereas the food was available only for two or three person, which was distributed based on hierarchy of the team. Most of the time Mr. Shykh used to starve because it might hinder his shoot. He mentioned about an event where in one shooting, he had his lunch and something interesting happened. When they finished shooting and editing the whole

shoot in the studio, he noticed there was no sound at all in the entire video. Then he found out that the sound engineer did not record the sound of the episode just because there was unavailability of food for him. These are kind of challenges Mr. Shykh had to come over in a bid to achieve his ultimate goal, i.e. spreading awareness about agriculture among the farmers.

Thoughts on agriculture

Mr. Shykh Seraj wants farmer to stay united and in a non-political way so that farmers get the actual value from the society that they deserve. Farmers are not getting respect as much it should be and price of farmer`s manual labor is not calculated in farming. He dreams of a day when people will recognize the value of a farmer and the value of the manual labor they need to render to accomplish farming. He is looking forward to the day when farmers will have an organization that all other people of different occupation do have. He wants to improve the rural community and the people whose livelihood runs on agriculture, wants their life standard to maintain a minimum standard. He dreams for a television channel that will be dedicated only for agriculture and he will be able to contribute to the agro community with latest update from different research done on efficient farming and high level production.

He feels someday Bangladesh will be renowned for efficient farming practice and Bangladesh will again full sufficiency on food production.

Advice for young professionals

Although Mr. Shykh feels that the youth is ambitious, however, the level of patriotism, dedication and utilization of knowledge in youth could have more than what it is now. Also, he deems that youth are engaged in technology more than required, which is eventually eating up their ability to utilize their brain. The more a person utilizes his/her brain, the more it gets sharper. Having said that, he also advices the youth to take the positive sides of the technology, which is essential to keep pace with the technology. Therefore, his advices the youth to use technology just as much needed to make themselves fir for the century.

Happiest recreation

Mr. Shykh Seraj is a family man and he loves to spend time with his wife Shahana Seraj and his two sons, Saqif Seraj and Ashiq Seraj. He lives in a house called “Shohodor” which has a literal meaning of brotherhood with all his siblings. Be it enjoying World Cup Football together or a simple occasion, he is the happiest when his loved ones are around.



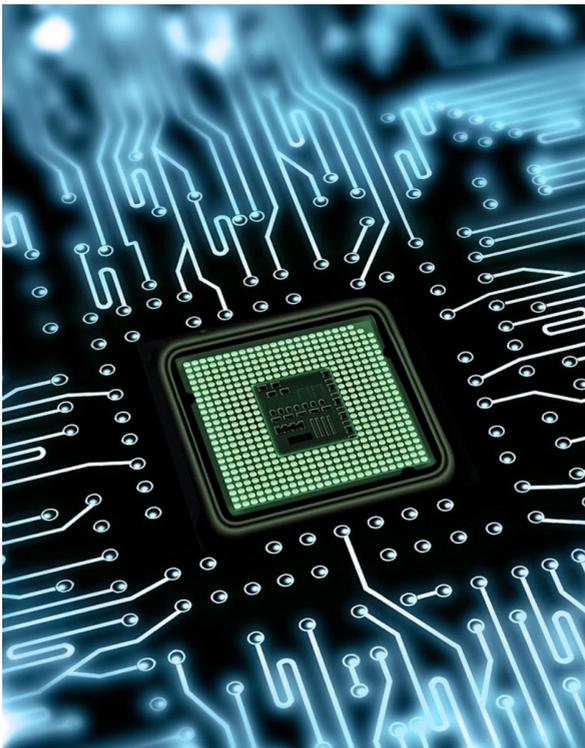
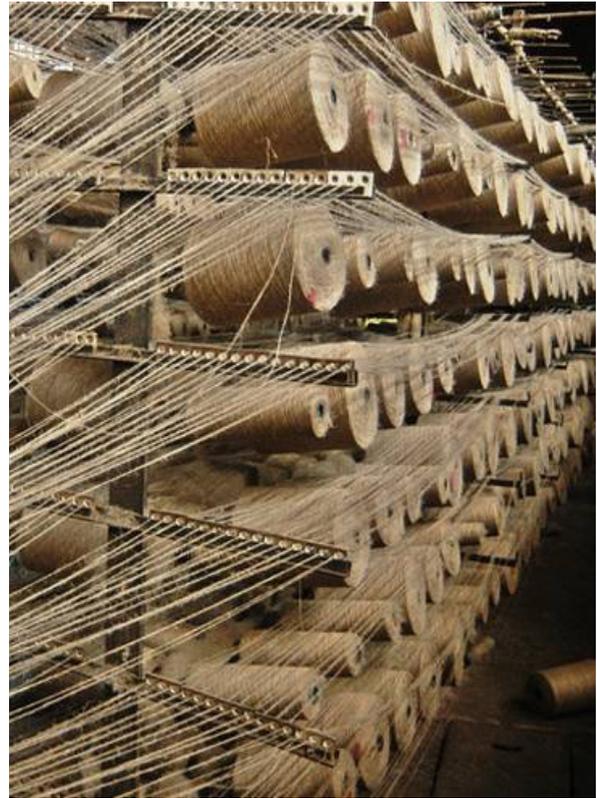
A very popular game power tiller race of Krishoker Eid Ananda (Farmers' Eid Delight)

INDUSTRY UPDATE

RAW JUTE PRICES WITNESS HIKE DUE TO CROP LOSS

JUTE

Punitive climatic condition pushed the price of raw jute by 30% resulting into supply shortage for more than 105 jute mills. Despite a 10% surge in jute acreage, acclaimed by the Department of Agriculture Extension, harvesters in Faridpur, Gopalganj, Shariatpur, Madaripur and Rajbari witnessed heavy loss due to the climatic condition. Moreover, poor quality seeds and decline in retting space fueled the low production of jute. Retted tossa and desi variety jutes per maund (40 kg) are sold at a 30% higher price than the previous year across the country. Government's ban on raw jute export was a futile attempt to control the price hike. The main distresses of the sector are increased price of raw materials and price fall of jute products in global market.



ELECTRONICS

BANGLADESH ON THE WAY TO BE A GADGET-MAKING HUB

Bangladesh is identified as hotspot for high-tech manufacturing hub by International Data Corporation (IDC). 80 million people aged under 25 are proved to be a boon for accelerating the growth of the sector. Each year tech industry is bagging USD 1.5 billion revenue by selling gadgets and laptops. Along with the foreign competitors, local companies (Walton, Amra Companies, Symphony) are also leaving its footprints for quality production. Walton has made a remarkable approach by exporting laptops to Nepal. The Korean tech giant Samsung has a plan to establish a smartphone manufacturing plant in Narsingdi to enhance their prominence in Indian subcontinent. The government is providing incentives for high quality infrastructure support, 100% VAT exemption on rent, tax holiday and has slashed import duties on raw materials to boost the growth.

RECORD EXPORT OF CERAMICS DUE TO GLOBAL DEMAND

CERAMICS **US tariff on Chinese ceramic products** benefited country's ceramics export. Including the US, Bangladesh exports ceramic products to Canada, the European Union and many other countries. Skilled human resource, advanced bone china technology, viable prices and diversified product offerings gave Bangladeshi ceramic products a competitive advantage in global market. Ceramics industry of the country successfully achieved more than 80% of its export target in the current FY. In last FY, the country bagged USD 52 million from ceramics export. The government plans to provide 10% cash incentives for the further growth of the industry which has a market size of BDT 290 million and employs 0.5 million people. Natural gas is a vital element for ceramics production as it also aids in maintaining the quality of the product.



RMG

APPAREL EXPORT TO INDIA SOARS

Rising number of outlets of Western and Indian clothing brands became a blessing for Bangladeshi RMG export to India. RMG export earnings from India brought home USD 244.65 million in FY-19 as Western and Indian clothing brands elevated their procurement from Bangladesh. The sector's export to the US also soared to USD 1.17 billion from USD 1.09 billion in FY-18. After the US, Germany is the second largest export destination of Bangladesh where RMG export witnessed 4% growth to USD 1.10 billion in FY-18. However, export earnings from the Euro zone undergone a downfall during the month of August of the current FY due to the Eid- ul- Azha holidays.

MONTH IN BRIEF

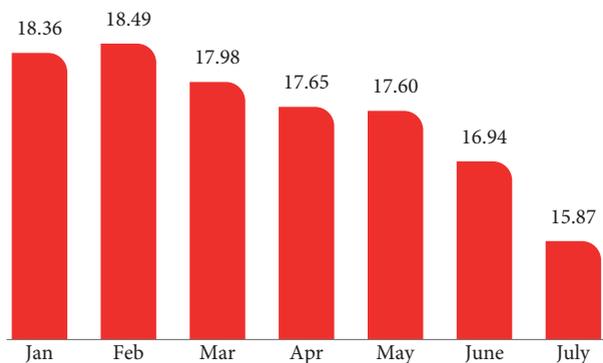
● **National Savings Certificates (NSC) sales hit BDT 50.4 billion in July**

● **Bangladesh ranked 106th in the Index of Quality of Economic Growth** moving up six notches among 156 nations

● **Interest rate spread dropped to 4.31%** due to lending rate slash by commercial banks.

● **Remittance rose up 7.13% to USD 1.41 billion** in August'18 as taka depreciated against US dollar.

Private Sector Credit Growth



● **Private sector credit growth declined 15.87%** as sluggish loan disbursement of banks to follow BB's loan- deposit ratio

● **Bangladesh bagged USD 32.93 billion forex reserve**, 2% low than the previous year, due to lethargic garment exports and remittance from expats

● **Apparel export to US surged 5.61%**, making Bangladesh 3rd largest garment exporter

● **Tax receipt surged by 4.86%** to BDT 13,867 despite a decline in indirect tax collection

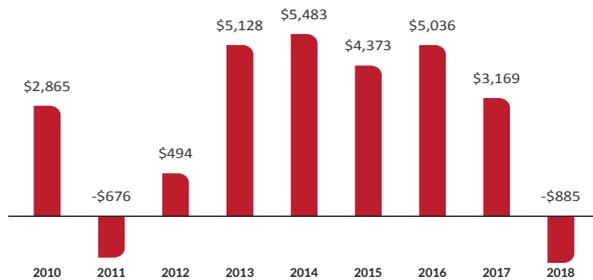
● **Mobile banking-getting acceptance rapidly** with an active consumer of 36 million, generating a daily average transaction of BDT 9.94 billion

● **17% sluggish ADP execution** than the previous FY according to the watchdog **Implementation, Monitoring, and Evaluation Division (IMED)**

MONTH IN BRIEF

● **BOP witnessed undesirable decline in seven years by USD 885 million in FY'18 as import payables soar**

BOP Trend (in million USD)



● **RMG export to India bagged USD 101 million in current FY from USD 42 million in last FY, witnessing a 138.54 % increase**

● **Final GDP count hits 7.86% as 4.19% agriculture growth played a key role**

● **Ceramics industry had a record export worth USD 52 million, local manufacturers may benefit from US tariff on Chinese ceramics products**

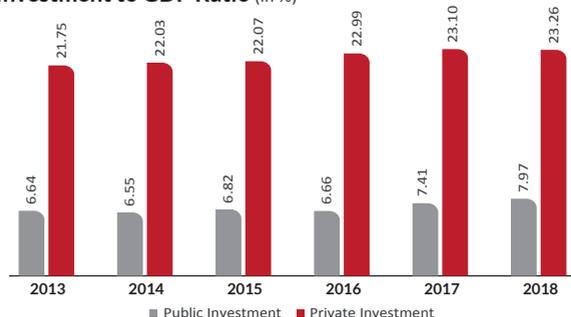
● **274% increase in fuel oil import pushed country's overall import by 16%**

● **The per capita income soared to USD 1,751 from USD 1,610 in FY- 18 due to 8.80% higher GNI**

● **85 million subscribers and 145 million connections have made mobile industry in Bangladesh 5th largest in Asia Pacific region**

● **Investment to GDP ratio touches a record high of 31.23% from 30.51% in FY-18 due to rise in public disbursements in mega infrastructure projects**

Investment to GDP Ratio (in %)



● **Country's power sector hits 11,534 MW production for the first time on 18th July, confirmed BPDB**

● **Sale of National Savings Certificates (NSCs) hits BDT 5,036 crore in July due to higher yields on NSCs than that of banks**

Monthly Commentary:

During the month of September, the upward momentum of the previous month could not linger. Out of total 20 sessions, market managed to close only 8 sessions in positive territory. Throughout the month, DSEX lost 231.7 (-4.1%) points, settling at 5,369.0 points. At the same time, DS30 settled at 1,889.7 points with 71.0 (-3.6%) points loss and DSES settled at 1,239.1 points with 30.5 (-2.4%) points loss.

However, market participation increased during the month with an average turnover of BDT 7.4 bn (USD 88.4 mn), a 16.0% increase from that of the previous month. Engineering sector was the turnover leader with 18.7% contribution to the month's average turnover. Fuel & Power followed next, contributing 17.1%. During the month, few major sectors managed

to close in positive territory. Among them, Life Insurance yielded the highest return appreciating by 22.6%. The sector's large cap scrip NATLIFEINS advanced by 54.7%. Besides, Fuel & Power and Food & Allied increased by 6.0% and 1.2%, respectively during the month. Fuel & Power's largest market cap scrip UPGDCL appreciated by 11.2%. On the contrary, NBFI (-10.0%), Bank (-9.4%), Textile (-4.5%), Telecommunication (-4.3%), and Miscellaneous (-3.2%) encountered highest selling pressure.

Meanwhile, MSCI Frontier Markets Index was down by 0.3% during September. Sri Lanka, and Pakistan lost 3.6%, and 1.8%, respectively, while Vietnam gained 2.8% this month. All three regional peers outperformed Bangladesh this month.

Monthly Market Statistics |

Table: Index Movement

Indices	Index Point, September 2018	1M Return	3M Return	YTD Return	3Y Return
Bangladesh					
DSEX	5,369.0	-4.1%	-0.7%	-14.0%	10.7%
DS30	1,889.7	-3.6%	-3.6%	-17.2%	2.3%
DSES	1,239.1	-2.4%	-2.0%	-10.9%	4.9%
Peer Countries					
Pakistan (KSE 100)	40,998.6	-1.8%	-2.2%	1.3%	27.0%
Sri Lanka (CSE - All Share)	5,862.2	-3.6%	-5.4%	-8.0%	-16.9%
Vietnam (VNI)	1,017.1	2.8%	5.9%	3.3%	80.8%
MSCI Frontier Markets Index					
	540.2	-0.3%	-2.5%	-15.3%	5.2%

All returns are Holding Period Return

Table: Market Statistics (September, 2018)

Market Statistics	30-Sep-18	30-Aug-18	% change
Mcap All (USD mn)	46,290.7	47,310.6	-2.2%
Mcap Equity (USD mn)	39,284.1	40,241.9	-2.4%
Daily Avg. Turnover (USD mn)	88.4	76.3	16.0%

Graph: DSE Turnover and DSEX

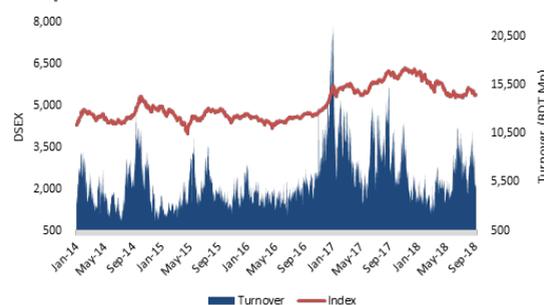


Table: Top Twenty Market Cap (September, 2018)

DSE Code	Sector	Mcap' (USD Mn)	Daily Avg. Turnover (USD Mn)	1M Return	3M Return	YTD Return	3Y Return
GP	Telecommunication	5,972.0	6,005.4	-4.2%	-1.6%	-17.1%	48.7%
BATBC	Food & Allied	2,416.0	2,390.0	1.5%	-2.4%	0.9%	19.1%
SQURPHARMA	Pharmaceuticals & chemicals	2,401.0	2,392.7	-1.7%	-7.0%	-9.6%	32.7%
UPGDCL	Fuel & Power	1,924.9	1,774.5	16.9%	65.6%	163.5%	255.7%
RENATA	Pharmaceuticals & chemicals	1,025.4	1,021.4	0.7%	-5.4%	9.1%	32.0%
ICB	NBFI	999.7	1,069.1	-9.9%	-17.0%	-21.3%	5.2%
BRACBANK	Bank	919.5	925.4	-6.8%	0.8%	-17.2%	179.0%
LHBL	Cement	719.7	732.7	-2.4%	-8.0%	-25.8%	-50.7%
BERGERPBL	Miscellaneous	692.5	677.9	-1.4%	-8.3%	22.1%	20.0%
SUMITPOWER	Fuel & Power	521.5	531.3	2.5%	7.9%	13.9%	30.3%
KPCL	Fuel & Power	512.5	488.9	54.5%	75.7%	103.1%	86.5%
OLYMPIC	Food & Allied	489.4	490.0	1.6%	-8.6%	-28.9%	-9.8%
TITASGAS	Fuel & Power	466.6	467.9	-1.0%	-1.3%	-10.6%	-39.1%
ISLAMIBANK	Bank	455.6	466.5	-9.9%	-0.4%	-32.5%	-9.6%
MARICO	Pharmaceuticals & chemicals	444.3	429.1	4.3%	3.2%	11.4%	-21.1%
BXPHARMA	Pharmaceuticals & chemicals	397.1	415.9	-7.8%	-12.7%	-21.0%	25.5%
CITYBANK	Bank	371.0	378.7	-9.6%	-4.5%	-39.7%	88.9%
MJLBD	Fuel & Power	365.6	374.1	-0.6%	-0.4%	-7.0%	18.8%
IFADAUTOS	Engineering	344.6	345.0	5.2%	15.7%	1.6%	136.8%
DUTCHBANGL	Bank	296.6	299.3	-4.6%	2.3%	-18.9%	28.3%

All returns are holding period return

1Mcap as on last trading session of the month

Table: Top Ten Gainers' List (September, 2018)

DSE Code	30-Sep-18	30-Aug-18	% Change
VFSTDL	31.0	10.0*	210.0%
MLDYEING	22.0	10.0*	120.0%
REPUBLIC	41.8	26.3	58.9%
INTECH	57.3	36.1	58.7%
NATLIFEINS	222.3	143.7	54.7%
KPCL	118.8	76.9	54.5%
STYLECRAFT	4106.8	2737.3	50.0%
MEGCONMILK	20.9	15.2	37.5%
MONNOCERA	357.3	261.8	36.5%
ISNLTD	26.8	21.1	27.0%

*IPO offer price of VFSTDL and MLDYEING

Table: Top Ten Losers' List (September, 2018)

DSE Code	30-Sep-18	30-Aug-18	% Change
ETL	9.7	16.8	-42.3%
TRUSTB1MF*	4.3	6.1	-29.5%
MHSML	12.4	17.2	-27.9%
1JANATAMF*	4.5	6.2	-27.4%
ABB1STMF*	4.5	6.2	-27.4%
IFIC1STMF*	4	5.5	-27.3%
HRTEX	38.4	52.3	-26.6%
PHPMF1*	4.6	6.2	-25.8%
POPULAR1MF*	4.1	5.5	-25.5%
EBLNRBMF*	4.6	6.1	-24.6%

*Represents post record date adjustment



Table: Top Ten Closed End Funds based on 5 years' (CAGR) performance

DSE Code	Fund Manager	Price ¹ (BDT)	NAV ¹ (BDT)	Price/ NAV	Dividend Yield ² (%)	NAV Return ³			Redemption Year	
						2018 YTD	2017	2015-17		
NLI1STMF	VIPB	12.5	14.12	88.5%	11.2%	-10.2%	31.8%	21.9%	19.3%	2022
SEBL1STMF	VIPB	12.4	13.18	94.1%	10.5%	-10.5%	31.1%	20.2%	18.5%	2021
GRAMEENS2	AIMS	12.6	18.43	68.4%	9.5%	-2.4%	24.7%	13.6%	17.2%	2018
RELIANCE1	AIMS	9.1	12.96	70.2%	12.1%	-2.2%	21.2%	13.5%	16.3%	2021
IFILISLMF1	ICB AMCL	6.9	8.25	83.6%	13.0%	-6.9%	11.8%	10.3%	15.4%	2020
PRIME1CBBA	ICBAMCL	6.1	7.78	78.4%	11.5%	-10.9%	21.7%	12.5%	14.3%	2020
1JANATAMF	RACE	4.5	10.35	43.5%	4.4%	-8.4%	20.9%	13.0%	13.6%	2020
PHPMF1	RACE	4.6	10.22	45.0%	6.5%	-8.4%	25.0%	13.8%	13.2%	2020
POPULAR1MF	RACE	4.1	10.26	40.0%	4.9%	-9.6%	22.7%	13.2%	12.9%	2020
PF1STMF	ICBAMCL	5.3	7.61	69.6%	9.4%	-11.4%	16.7%	10.9%	12.8%	2020

¹ Price and NAV published on September 27, 2018;

² On latest cash dividend declared

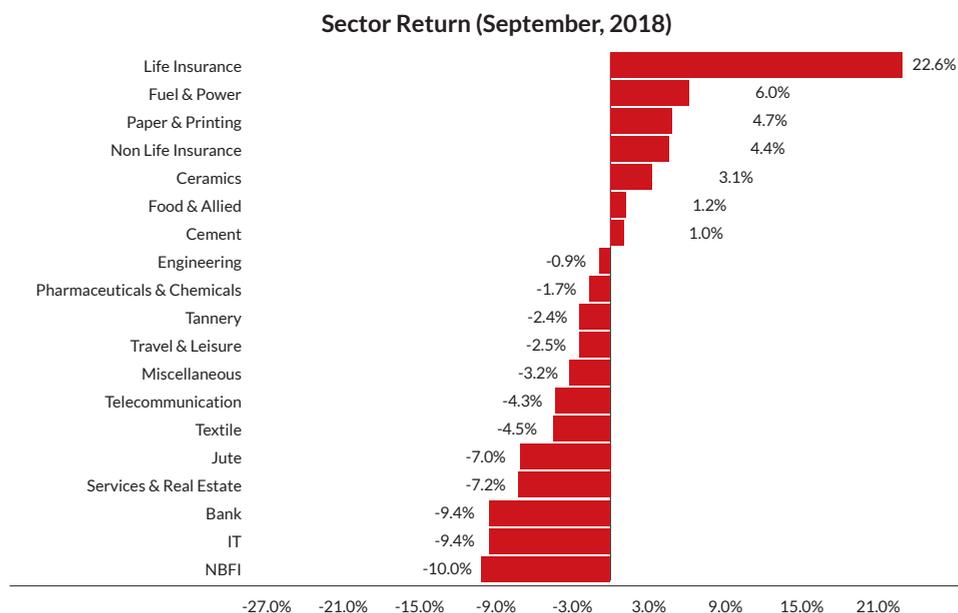
³ CAGR computed for respected periods, except for 2018, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

Table: Fund Managers Performance Summary

Fund Manager	AUM (BDT mn)	P/NAV	Dividend Yield (%)	NAV Return				Fund Managers' Ranking by Return ¹		
				2018 YTD	2017	2015-17	2013-17	2017	2015-17	2013-17
RACE	30,361	43.3%	4.3%	-6.9%	21.8%	12.7%	11.7%	5	4	4
LR Global	9,709	68.0%	11.4%	-7.3%	23.3%	12.5%	9.5%	4	5	5
ICB AMCL	5,751	76.9%	10.2%	-10.0%	16.5%	10.6%	11.9%	7	6	3
AIMS	4,081	68.7%	10.0%	-2.4%	24.0%	13.9%	16.6%	3	3	2
VAML	2,851	74.2%	13.9%	-10.6%	18.6%	-	-	6	-	-
VIPB	2,026	92.1%	10.7%	-10.4%	31.4%	20.8%	18.8%	1	1	1
SEML	1,537	81.3%	6.0%	2.9%	8.7%	-	-	9	-	-
ATCP AMCL	771	72.9%	13.2%	-3.0%	26.1%	16.2%	-	2	2	-
CAPM	1,192	82.6%	3.6%	0.9%	10.8%	-	-	8	-	-
AMC Industry (Closed end)	58,279	57.9%	6.9%	-6.9%	21.3%	12.6%	12.1%	-	-	-

¹ Position of the respective fund manager in the ranking of 6 managers by return in respective horizon

Graph: Sector Return (September, 2018)



CORPORATE HEAD OFFICE

IDLC FINANCE LIMITED Corporate Head Office Bay's Galleria (1 st Floor) 57 Gulshan Avenue	IDLC SECURITIES LIMITED D.R Tower, (4 th Floor) 65/2/2 Bir Protik Gazi Golam Dostogir Road, Purana Paltan, Dhaka-1000	IDLC INVESTMENTS LTD. D.R Tower, (4 th Floor) 65/2/2 Bir Protik Gazi Golam Dostogir Road, Purana Paltan, Dhaka-1000	IDLC ASSET MANAGEMENT LTD. South Avenue Tower (5 th Floor), Unit No. 502, House # 50, Road # 03, 7 Gulshan Avenue, Dhaka 1212
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BRANCH NETWORK OF IDLC FINANCE LIMITED

MIRPUR BRANCH Khan Plaza (1 st Floor) Plot No. 6, Main Road No. 1 Mirpur 10, Dhaka 1216 Tel: +880 (2) 805 1845	DILKUSHA BRANCH D.R Tower, (5 th Floor) 65/2/2 Bir Protik Gazi Golam Dostogir Road, Purana Paltan Dhaka-1000 Tel: +880 (2) 9560111	DHANMONDI BRANCH House # 39A (3 rd Floor) Road # 14A, Dhanmondi Dhaka 1209 Tel: +880 (2) 815 7632	GULSHAN BRANCH Bay's Galleria (4 th Floor) 57 Gulshan Avenue Gulshan 1, Dhaka 1212	UTTARA BRANCH Monsur Complex (3 rd Floor) Plot 59/A, Road 7, Sector 4 Uttara Model Town, Dhaka 1230 Tel: +880 (2) 8932340
GAZIPUR SME BOOTH Rahmat Tower (2 nd Floor) Holding No. 1034, Outpara Joydebpur, Gazipur 1700 Tel: +88 (02) 926 3505	KERANIGANJ BRANCH A.K Tower, Nagar Mahal Road Nadidhara Ispahani East Agarnagar South Keraniganj, Dhaka 1310 Tel: +88 02 7763805-6	IMAMGANJ SME BOOTH AK Tower, (3 rd Floor), 57-58, Mitford Road, Imamgonj Dhaka 1100, Bangladesh Tel: +88 02 7343766-7	NARSHINGDI BRANCH T Hussain Tower, Holding # 382 Kalibari Road, Narshingdi Bazar Narshingdi Tel: +880 (2) 945 2075-6	NARAYANGANJ BRANCH Sattar Tower 50 S.M. Maleh Road Tanbazar, Narayanganj 1400 Tel: +88 (2) 734 8213-6
SYLHET BRANCH Casablanca (2 nd Floor) 982 Dargah Gate Sylhet 3100 Tel: +880 (821) 728241-3	SAVAR BRANCH Alam Plaza (2 nd Floor) 122/B Jaleshwar, Savar Dhaka 1340 Tel: +880 (2) 774 4961-3	TONGI BRANCH Banesa Complex (Ground Floor) 26, Anarkoli Road Tongi Bazar, Tongi, Gazipur. Tel: +88 02 9817647-9	CHITTAGONG BRANCH World Trade Center (5 th Floor) 102-103 Agrabad Commercial Area, Chittagong 4100 Tel: +880 (31) 711034	NANDANKANON BRANCH A.K. Mansion (1 st Floor) Holding No. 17 J.C. Guha Road Nandankanon, Chittagong 4100 Tel: +880 (31) 612 732
BHULTA BRANCH Hazi Abdul Aziz Super Market (2 nd floor), Bhulta, Rugganj Narayanganj Mob- 01755532344	BOGRA BRANCH Sairul Complex (2 nd Floor) Sherpur Road, Sutrapur Bogra 5800 Tel: +880 (51) 69917	COMILLA BRANCH Nasir Center (2 nd Floor) 437 Nazrul Avenue Kandirpar, Comilla 3500 Tel: +88 (081) 64907-8	JESSORE BRANCH Rashid Center (2 nd Floor) 7/A, R.N. Road, Jessore 7400, Tel: +880 421 60892-95	KHULNA BRANCH Syed Ali Hossain Tower 181 Khan A Sabur Road Khulna 9100 Tel: +88 09609994352
MYMENSINGH BRANCH Swapnaneer Tower (1 st Floor), 27 C.K Ghosh Road, Mymensingh 2200	NATORE BRANCH Lili Plaza – 2 nd floor House no. – 838 Kanaikhali, Natore - 6400 Mob- 01730323042	HABIGANJ BRANCH Shankar City (1 st Floor), Ram Krishna Mission Road, Ghatia Bazar, Habiganj 3300	KUSHTIA BRANCH Momotaj Tower (2 nd Floor), 5/1, Jaliram Agarwal Lane Rokshi Goli, N.S. Road Kushtia	RANGPUR BRANCH Paper palace tower House no # 306, Road # 01 Pairachattor Central Road Rangpur.
Chowmuhani Branch N S SBhaban (2nd Floor), Feni Road, Chowmuhani, Noakhali 3821	Elephant Road Branch Pearsons Tower (1st Floor), 299 Elephant Road, 1205, Dhaka, Bangladesh	Rajshahi Branch Sahidullah Tower – 1 (2nd Floor), 32/A Ranibazar, Ghoramara, Boalia, Rajshahi 6100	Barisal Branch LL Tower, 3rd Floor, Sadar Road, Barisal	FARIDPUR BRANCH Hafeez Building (2nd Floor), 94 Mujib Sharak, Faridpur 7800



HOME LOAN



AUTO LOAN



CORPORATE LOAN



SME LOAN

WOMEN
ENTREPRENEUR LOAN

