

IDLC MONTHLY

BUSINESS

REVIEW

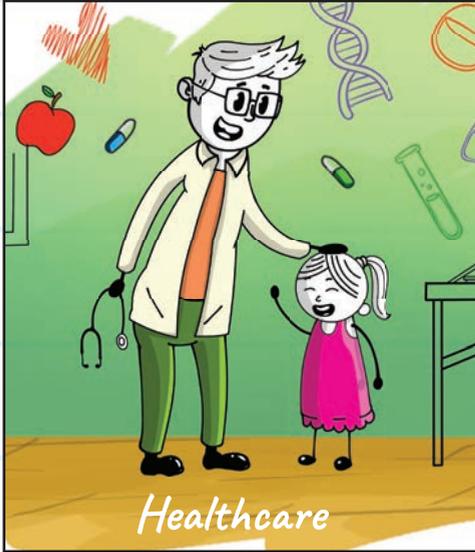
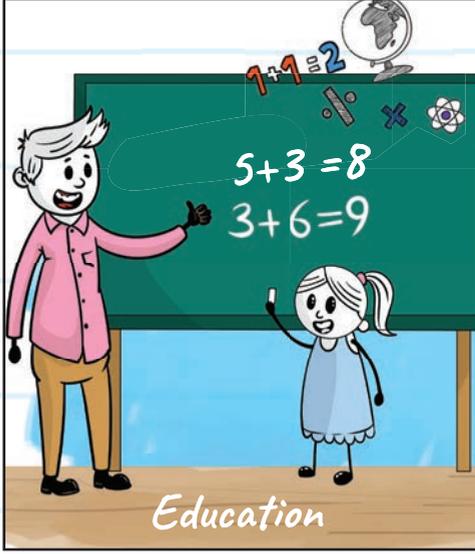


E-COMMERCE OF BANGLADESH

SHAPING THE FUTURE
OF SHOPPING



তুমি চাইলে খুশির রাজ্য আটকাবে কে?

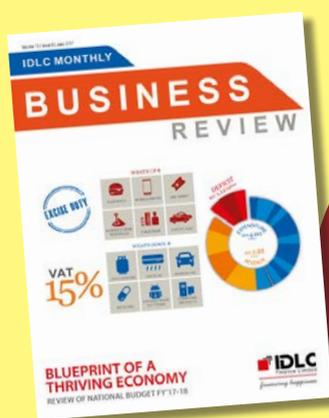


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FROM THE EDITOR



E-commerce taking off

Over the past decade, global e-commerce has been expanding at an average rate of 20% a year as bricks-and-mortar shops have languished. Although its share of total retail trade last year, at 8.5% worldwide, was still modest. Even in South Korea, the country with the highest percentage of retail sales online, online purchase accounts to 18% of total retail sales. The same statistics is 5%-6% for India and a meagre 0.7% for Bangladesh. However, there is every reason to think the pie will get bigger in upcoming decades, at least for Bangladesh.

In Bangladesh, rapid internet penetration, spread of cheap feature phones/smartphones and a vibrant

youth pool brought more shoppers into this fairly nascent e-commerce ecosystem. Also, the thriving mobile financial service across all the parts of the country is reinforcing the e-commerce space of Bangladesh as the most preferred payment method. Having realized the untapped opportunities in this market, the Chinese smartphone maker Xiaomi already announced to open an ecommerce plant in Bangladesh.

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contents



04

Research in Focus
Mobile money in emerging markets:

The business case for financial inclusion

06

Cover Story
**E-commerce in Bangladesh
Shaping the future of shopping**

The e-commerce landscape in Bangladesh started its journey in 2013-14 timeframe. Not until recently, the market has started taking a shape with the emergence and active participation of few major players. Alongside, e-commerce is being largely aligned to the Mobile Financial Service (MFS) as it's mode of payment, which complements each other and demonstrates great promise to grow. The recent announcement of the Chinese smartphone maker Xiaomi of setting up an e-commerce plant in Bangladesh, is prone to open new doors of opportunities for this market.

14

Expert Opinion
Waseem Alim
Co-founder & CEO, Chaldal

16

New Idea!
Dorpon

20-21

IDLC News

- First ever football World Cup team management game in Bangladesh 'IDLC Kickstart Fantasy Football Challenge' Final Round Winners Awarded
 - IDLC Investments wins Best Investment Bank in Bangladesh by Euromoney Awards for Excellence 2018
-

22-23

Economy At a Glance

24-30

Trailblazers
Dr. M. A. Baqui Khalily
Former Professor
Department of Finance
University of Dhaka

32-33

Industry Update

- **RMG**
 - **Power-Cable**
 - **Plastic**
 - **Fuel and Power**
-

34-35

Month in Brief

36

For the Record

38-40

Capital Market Review

Mobile money in emerging markets: The business case for financial inclusion

RESEARCH IN FOCUS

Most people and small businesses in emerging economies today do not fully participate in the formal financial system. Two billion individuals and 200 million small businesses in emerging economies today lack access to formal savings and credit. They transact exclusively in cash, have no safe way to save and invest their money, and must rely on informal lenders and personal networks for credit. Even those with access can pay dearly for a limited range of products. Success in financial inclusion entails reaching these individuals and small businesses with products that go beyond payments and that can significantly improve their financial lives. For providers of digital financial services, mobile money can be a gateway into huge and largely untouched markets. Digital finance has the potential to reach over 1.6 billion new retail customers in emerging economies and to increase the volume of loans extended to individuals and businesses by USD 2.1 trillion.

Mckinsey's study: Mckinsey examined the actual financial data of a sample of mobile money providers, all on a blinded basis. To understand the economics of mobile money, they relied on proprietary data from

six institutions for detailed benchmarking analysis, and also on publicly available data. The benchmarking analysis focused most heavily in **East Africa** but also included representative companies from both West Africa and Southeast Asia. It included banks, mobile network operators (MNOs), as well as other third-party providers of mobile money services. Some of the providers were subscale, capturing under 25% percent of their markets and only a small amount of transaction volume; others were operating at scale as the dominant players in their markets. The examined companies also ranged in degree of maturity, from under five years in operation to over ten years.

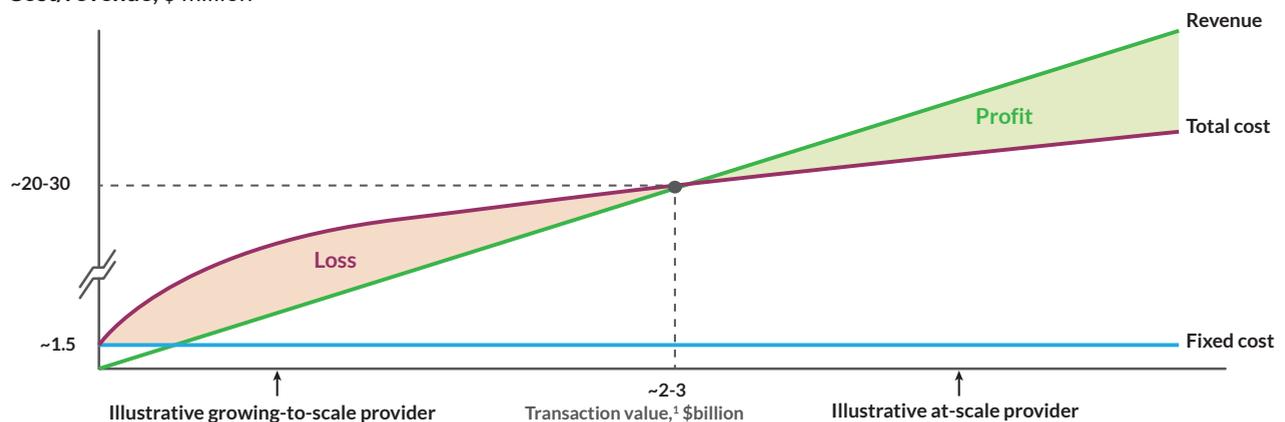
Scale enables profitability but requires significant up-front spend

Mobile money can be a 35% margin business; but small providers may need to spend over two times what they earn just to maintain their size. Since mobile money requires fixed investment, unit costs decrease as more value flows through the system. The most significant fixed-cost component is the IT backbone required for transactions processing, which can include software licensing fees.

Mobile money providers must achieve scale to be profitable.

Provider cost and revenue with scale

Cost/revenue, \$ million



ABOUT THE RESEARCH

Mobile money in emerging markets: The business case for financial inclusion is a survey research by Mckinsey & Co. which reflects on the total business modality of mobile money providers.

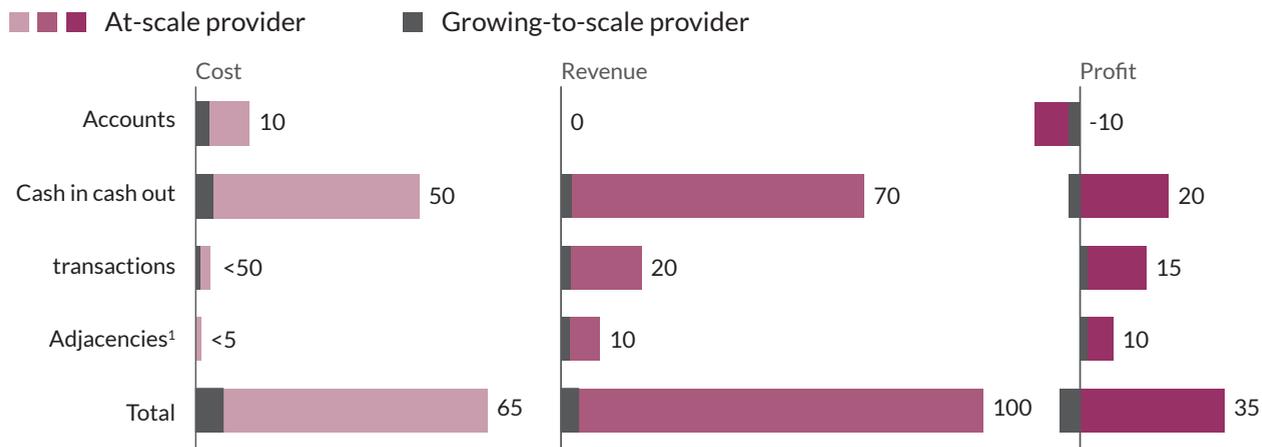
Opportunities for providers will increase as mobile money business models evolve

Mobile money providers make money by charging customers for some combination of four types of activities: those associated with opening and maintaining the account, Cash In- Cash Out (CICO) services, transactions between two accounts, and

adjacent activities tied to the mobile money wallet or services. A provider is profitable as long as total revenues from the underlying activities exceed total associated costs. In today's mobile money business models, CICO drives provider economics. For at-scale providers, it represents roughly 60% of profits and accounts for the largest share of both revenues (70%) and costs (80%).

Cash-in-cash-out models dominate the economics as providers grow to scale.

Breakdown of mobile money economics, % of total baseline revenue (rounded to nearest 5%)



¹Costs includes those associated with deposit insurance; revenues includes those associated with net interest margin.

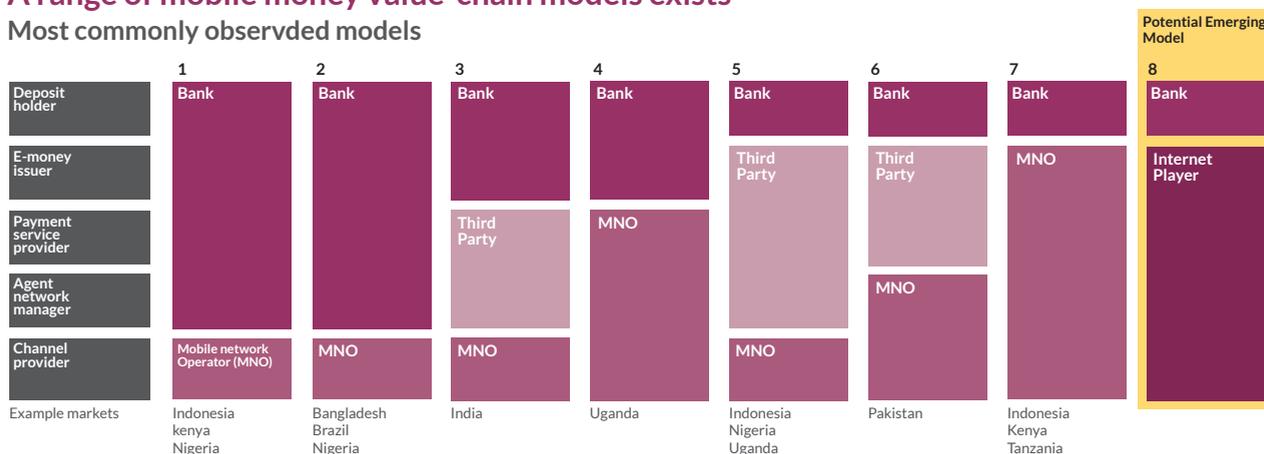
A range of mobile money value chain models exist.

While a range of value chain models are possible, not all are equally well suited to foster profitable growth or to take advantage of evolving mobile money business models. While models differ, there are typically five main roles across the value chain: deposit holder, e-money issuer, payments service provider, agent network manager, and

telecommunications channel provider. Bank, MNO, or other third-party provider—plays each of the five main roles varies by country, and sometimes even within a single country. In all value chains of which we are aware, a bank or other depository institution plays the role of deposit holder and an MNO plays the role of telecom provider. Banks, MNOs, or third-party providers can play each of the remaining three roles.

A range of mobile money value-chain models exists

Most commonly observed models



E-COMMERCE IN BANGLADESH

SHAPING THE FUTURE OF SHOPPING



The e-commerce landscape in Bangladesh started its journey in 2013-14 timeframe. Shopping from home was not a popular phenomenon at that time because people used to take comfort in dropping by the mall or kitchen market or superstores and have a look-and-feel shopping experience. Not until recently, the market has started taking a shape with the emergence and active participation of few major players. Although, e-commerce in Bangladesh is still at quite nascent stage, the 165 million population with 33% mobile internet penetration, the market seems to be substantially potential in upcoming days. Alongside, e-commerce is being largely aligned to the Mobile Financial Service (MFS) as it's mode of payment, which complements each other and demonstrates great promise to grow. The recent announcement of the Chinese smartphone maker Xiaomi of setting up an e-commerce plant in Bangladesh, is prone to open new doors of opportunities for this market.

Catalysts of growth

In the past 4-5 years, certain factors accelerated the expansion of e-commerce market. The penetration of mobile internet and the active mobile internet usage have been remarkable. Alongside, bringing feature phones and smartphones within lower-middle class people's purchasing power expanded the e-commerce market to a great extent.

● Meteoric penetration of internet

The rise of e-commerce in Bangladesh predominantly ascribes to the rollout of 3G internet in 2012. Since 2012, internet subscription grew at an average rate of 19.4% annually, which amounts to 87 million as of June 2018. However, internet subscribers may not be the active internet users as anyone who used the internet just once in the past 90 days, is called an internet user (BTRC). According to Google, Bangladesh had 40 million active internet users as of November 2017, which is 24% of the total population. Amongst them, 14 million are daily active internet users, making up 8.7% of total population. Neighboring India which made a stellar progress in e-commerce, has 35% of its population as internet users.

■ Internet subscription rushing up

19.4% average annual growth since 2012

Year	Value
2012	30.5
2013	35.8
2014	43.6
2015	54.1
2016	66.6
2017	80.5
2018 (June)	87.7

■ 35% of total active mobile internet users use it daily

40 million
active internet users
24% of total population

14 million
daily active internet users
8.7% of total population

	Bangladesh	India
Mobile internet penetration	33%	35%
Proportion of 3G connections	36%	18%
Proportion of 4G connections	0%*	49%

* Rolled out in February 2018

● Smartphone penetration

It is a surprise how smartphone has been penetrated into all ranks of Bangladeshis. The newly launched feature phones by the local handset manufacturer Walton got popular in the lower-class households due to its cheap price, BDT 999. Affordable brands like Symphony, Infinix brought the smartphone and feature phones within mass people's purchase ability. Mobile subscribers amounted to 145 million as of December 2017, amongst which, 45 million are smartphone users.

● Worsening traffic condition

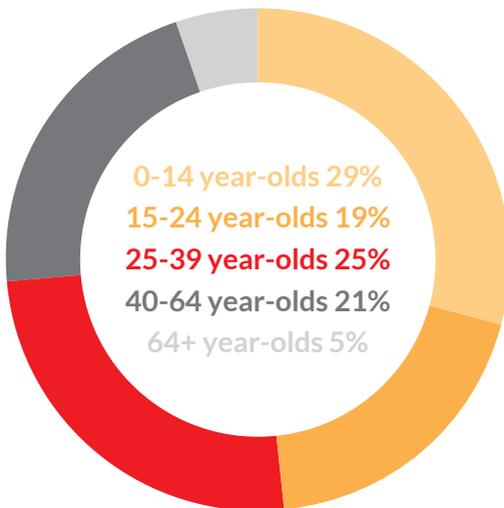
With 36% of the country's urban population living in capital Dhaka, it has become one of the world's most densely populated cities. According to a World Bank estimate, in the last 10 years, average traffic speed has dropped from 21 km/hour to 7 km/hour,

only slightly above the average walking speed. Congestion in Dhaka eats up 3.2 million working hours per day. Where reaching workplace in time has become a challenge now, making time to drop by shopping malls or kitchen market is a hassle. People sitting at gridlocked traffic in their vehicles and going through the popular e-commerce sites, has become a regular sight in recent times.

● **Young population**

The young and vibrant population of Bangladesh is making the e-commerce websites more and more popular. Even, electronic e-commerce sites are breaking the notion that online purchase of electrical items may pose risk of getting faulty products.

■ **Around 45% of the total demography are potential e-commerce users**

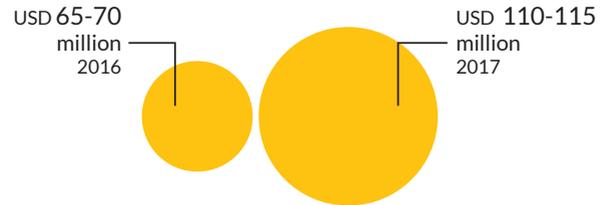


Dynamics of Bangladesh e-commerce Market

● **Total Market Size**

The e-commerce market made a quantum leap in 2017; growing at a whopping 70% from 2016. In 2017, the B2C ecommerce market size amounts to USD 110-115 million (around BDT 900 crore) against the 133,571 crore total retail market. On the contrary, the size of Indian mega e-commerce market stands at USD 17 billion. According to the experts, Bangladesh e-commerce is at a stage where the Indian market was probably 5-7 years ago.

Bangladesh's B2C E-commerce Market



0.7% share of e-tailing industry vs total retail market

India's B2C E-commerce Market



20+% growth estimate for e-commerce market

● **E-grocery market size:**

The size of Bangladesh's e-grocery market is much smaller at USD 4-5 million, or about 0.03% of the country's overall grocery market and 3-4% of total ecommerce industry. Chaldal made the mark in e-grocery space, being the first of its kind in Bangladesh. Basically, they started out in 2013, at a time when selling fresh was not very common in global grocery picture. Only two companies, Instacart (U.S.A) and Bigbasket (India) were doing it.

Bangladesh's E-FMCG Sector

USD 4-5 million
Total size of online grocery market



3-4%
share of e-FMCG Market vs. e-tailing industry

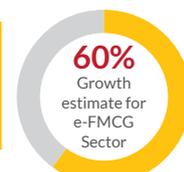
Leading Starups:

Chaldal, Directfresh, Meena-click

0.03%
share of e-FMCG Market vs. total retail industry

India's E-FMCG Sector

USD 0.6 billion
Total size of online grocery market in 2016



6%
Estimated share of e-FMCG Market vs. total ecommerce in 2017

USD 1 billion
Total size of online grocery market in 2017

0.2%
Estimated share of e-FMCG Market vs. overall food/FMCG retail industry in 2017

E-commerce Booth



2 million people purchase products online



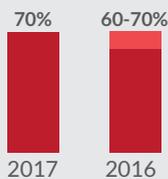
10,000 e-commerce transactions take place daily during the year

3X

Increase in transactions to 30,000 during festivals and celebrations

100 e-commerce companies in the country
50 of them are currently active

E-Tailing Industry's Estimated Y-O-Y Growth



Over **10,000** Facebook-based e-commerce entrepreneurs



BDT 300 crore online sales during Eid



the most preferred payment method for e-commerce followed by Rocket

● Demand side

According to market experts, the size of the online purchasers is about 2 million.

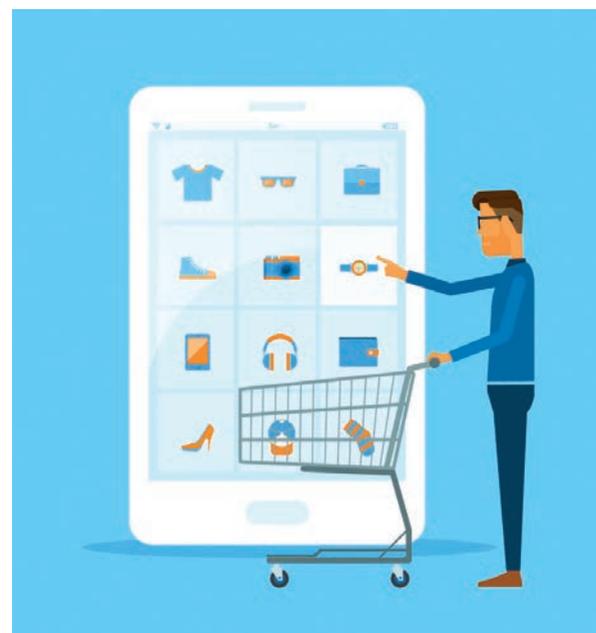
How many business models exist in e-commerce space?

The e-commerce space of Bangladesh is at a nascent stage now, however the industry got some variations in business models. With each models, comes unique advantages and challenges to deal with. Since the e-commerce space in Bangladesh is mostly teemed with ventures focusing on lifestyle products, there is a prevalence of "Retail model/ Inventory-led model".

Besides these two models, some e-commerce ventures in Bangladesh operate in different modalities. Ajkerdeal.com, one of the leading e-commerce ventures in Bangladesh follow **Mercantile model**. They merely act as an online marketplace; without having to maintain inventories. The merchants make the delivery in exchange for a small commission of 8% to 10%, depending on the type of product. However, Ajkerdeal.com on-boards merchants after without screening.

Another modality in ecommerce landscape is discerned in Bangladesh. A handful of ecommerce companies sell

uncommon products like organic fruits and vegetables and local handicraft artisan items. **Directfresh** and **Dorpon** are two such ecommerce ventures. Directfresh is an agri-tech startup which trains the farmers on cultivation, procures products from them and sell to the customers via their online stores. On the other hand, Dorpon works with local handicraft artisans.



Model	Retail Model/ Inventory-led Model	Marketplace Model/ Zero Inventory Model
What it defines	E-commerce companies buy products from merchants and sell them to customers	E-commerce companies act as a “trustee” between seller and customer
How does it benefit ?	<ul style="list-style-type: none"> ● Speedier Delivery ● Better quality control –both seller and product ● Best customer experience and trust 	<ul style="list-style-type: none"> ● Highly Scalable ● Wide product portfolio and large number of sellers ● Investor friendly model ● Customers get the best and competitive price because multiple sellers sell one product
What are the demerits?	<ul style="list-style-type: none"> ● Requires huge investments in warehousing ● Substantial investment and expertise in logistics (difficult in Bangladesh’s perspective ● Difficult to build customer’s trust and loyalty 	<ul style="list-style-type: none"> ● Scaling is difficult ● Difficult to conduct quality check ● High fixed costs
Who are the players?	Bagdoom, Chaldal, Pickaboo, Kiksha	Daraz, Bikroy

What challenges ecommerce ventures deals with?

The ecommerce space in Bangladesh is struggling with some challenges for which the entrepreneurs are yet to maximize their benefits.

- **Earning Credibility:**

Ecommerce seems to have a connotation of “not selling what it promises to sell” among the customers. There is still a huge trust issue from customers’ end that the products they receive do not match to the image viewed on the screen at the time of purchase. However, the ecommerce ventures are constantly focusing on and taking measures for ensuring quality control.

Bagdoom, one of the popular lifestyle e-commerce, makes it a point that every product undergoes an inspection check after arriving at the company’s warehouse from the merchants, and only after receiving a quality control seal, that it meets the quality specifications, is the product allowed to be shipped to consumers.

Pickaboo goes live on Facebook often to respond to their customer queries.

- **Logistics:**

Logistics is the heart of any ecommerce venture and it is a big issue in Bangladesh’s perspective. Often the ecommerce companies have a hard time managing their logistics and transportation requirements since they have to deal with a huge quantity of deliveries everyday both inside and outside Dhaka city. However, the sudden emergence of few e-delivery companies are coming to aid to the ecommerce venture in a bid to handle their large delivery requests.

- **Unstructured supply chain/ Merchant illiteracy:**

The supply chain for E-commerce is not strong yet. The merchants do not have proper warehousing facility to store the products, usually no formal or structured inventory management. The products are not arranged in an organized way, which results in a greater time to deliver an order. However, ecommerce companies are working with the merchants to address these challenges.

Kiksha.com is working with the suppliers in a bid to come up with solutions for better storage of products as well as online merchant panels to better manage their sales and inventories.

Predominantly, the merchants of the ecommerce ventures are SMEs (Small and Medium Sized Enterprises) or SOHOs (Small Office/Home Office), who are often technologically challenged. It is very hard to integrate with such merchants' backend or inventory systems. Also, most of the merchants are not handy with laptops. Education the merchants take a big deal of effort for the ecommerce ventures.

Bagdoom holds training sessions twice a month with its merchants to make them more technologically savvy. They have a vision to implement 'real-time' integration so that once a product is sold from its inventory, its suppliers' inventory is also updated.

- **Inclination towards F-commerce:**

Dhaka has 22 million active Facebook users, according to a statistic published in April 2017. The soaring number of Facebook users is making room for the F-commerce startups to grow. However, these F-commerce frequently fail to fulfill customer orders, which is where customers cannot take any legal steps as the shops do not operate within any legal framework. After a sour experience by using F-commerce, consumers usually hesitate to choose the electronic platforms for their future shopping purpose.

- **Funding**

E-commerce in Bangladesh is at a nascent stage of development. Funding is a big issue since the lenders are not fully oriented with the e-commerce ecosystem. Banks, for instance, are subsidizing marketing and promotional costs for credit/debit cards with the leading apparel brands or restaurants; however, they are not warming up to e-commerce startups for lack of collateral. Banks are also not adequately prepared and aligned to finance E-commerce ventures, neither are local venture capital firms. In E-commerce sectors, investors have to burn their capital for over 5 years, but in reality, everyone focuses on short term investment. Venture capital firms are now realizing the potential in e-commerce ecosystem and come forward with convenient financial tools.

Kiksha.com and **Sindabad.com** recently raised investment from Frontier Bangladesh, a Bangladeshi venture capital firm.

Besides local venture capital firms, the leading e-grocery shop **Chaldal.com** received investment from seed fund and accelerator 500 Startups.

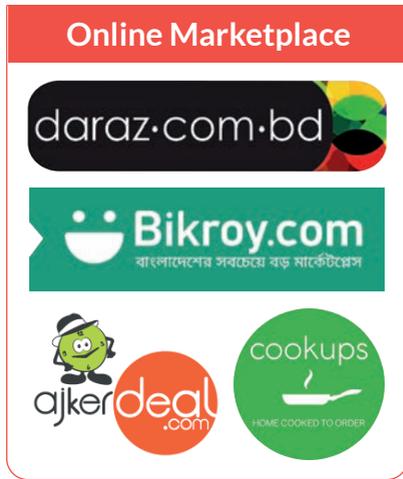
Direct Fresh received investment from a host of investment partners including RSA Capital, as a lead investor, Business Research International Corporation Inc. (BRIC), a global public and private equity investor and Razor Capital, a Bangladesh focused, recently launched private equity fund.

- **Human Resource**

Finding the right people for the right job is difficult, and finding someone with the entrepreneurial mindset needed at a start-up is even more difficult. This sector needs adventurous youngsters at the base level, and adaptive, tech-savvy leaders at the top. Finding this right combination is rare, and finding someone from a similar industry with necessary skill-sets is even rarer.

The recent events in the ecommerce space in Bangladesh

- **Xiaomi intends to set up an e-commerce platform:** Of late, Chinese smartphone maker Xiaomi officially announced its entrance to Bangladesh with a view to establishing an e-commerce platform within the next couple of years. Xiaomi's mi.com is the eighth largest e-commerce venture in the globe and third in China and India. Having discerned the potential in Bangladesh e-commerce space, they have an intention to scale it up through their platform.
- **Alibaba snaps up Daraz:** The digital space of Bangladesh has properly piqued the Chinese e-commerce titan's interests. In May 2018, Chinese tech giant Alibaba has expanded its footprints in Bangladesh after it snapped up online marketplace Daraz. Thanks to the deal, Bangladeshi customers will be able to purchase products directly from Alibaba's vast marketplace without paying the high shipment charges and customs duty. With Alibaba's involvement, Daraz's total merchant number will expand significantly from existing two lakh.



Digital payment in cashless electronic shopping

bKash leading the pack

At the starting phase of e-commerce, Cash on Delivery (CoD) used to be the most popular method of payment, ascribing to a lot of reasons. People used to prefer paying after they receive the product since there was still a credibility issue in the market. However, tables have turned now. Major e-commerce companies have successfully cast away the doubts of mass people regarding the product quality by putting increasing effort in quality control. In the course of time, people are gradually shifting away cash payment. Although a substantial portion of the demand side still pay with cash, the rising popularity and wide penetration of Mobile Financial Services (MFS) are the new preferred

method of payment for e-commerce market. According to the e-commerce entrepreneurs, their customers are taking comfort in paying with bKash, thanks to its occasional cashback offers. Especially, during festive season, sales through MFS shoots up.

On the occasion of Eid-UI-Fitre in 2017, bKash partnered with 28 e-commerce companies for their cashback offers. This is one of the reasons, the online purchase sales crossed BDT 300 crore, which is 30% more than the sale of any other time in the year.

Rocket by Dutch Bangla Bank Limited (DBBL) follows the suit after bKash. Online payment platforms like iPay, uPay have already tagged with some major e-commerce companies.

Rollout of National Digital Commerce Policy

In a bid to encourage the home-grown investors, the government rolled out the long waited National Digital Commerce Policy.

- The new policy does not allow foreign investors to hold a stake of over 49% in any e-commerce venture in Bangladesh- **an endeavour to protect and boost the local investors**
- The policy also mandated that the e-commerce entities clearly highlight the details of the products they sell online, which include the product's quality along with its return policy- **in a bid to prevent fraudulence and protect customer rights**
- E-commerce companies will have to also sign deals with the products' suppliers, delivery channels and payment gateways to ensure that customers' rights are protected properly- **an attempt to make the supply chain transparent**

Future Trends in E-commerce space in Bangladesh

- According to market analysts, Bangladesh's ecommerce market will surge to USD 20 billion by 2020, by when, according to Goldman Sachs, India's online retail market is expected to reach USD 69 billion.
- Global investors are heading to India are beginning to make a stopover at Bangladesh. The opportunity in Bangladesh prompted Delhi-based digital marketing company MoMagic Technologies to launch Pickaboo, which is clocking monthly revenue of USD 600,000.
- Electronics will be more desired category in upcoming days since it falls under the category where what is seen on the marketplace, and what is received, is the same.
- In terms of payment method, focus on cash on delivery is gradually being shifted away to MFS, which will fully rely on the MFS and payment service providers eventually.
- Few big investors are likely to invest in this e-commerce space realizing its potential. Already, International Finance Corporation (IFC) shortlisted and is actively monitoring 43 startups for funding purpose.



CHALDAL

Launched in 2013, Chaldal is the leading e-grocery store in Bangladesh. MBR had a one to one conversation with Waseem Alim, Co-founder & CEO of Chaldal to get an idea about the total e-grocery market as part of the e-commerce market.

MBR: Online grocery was completely a new genre of e-commerce business when Chaldal started out in 2013. What are the opportunities you discerned in the market that you brought the local groceries in electronic platform? What are the new opportunities in the market you discovered while running Chaldal?

Waseem Alim: We wanted to set up an ecommerce business in Bangladesh. However, after studying similar businesses in India and China, we realized that establishing a successful ecommerce company requires tremendous amount of investment (billions of dollars). We did not think we would be able to attract that kind of investment – as a result, we analyzed why these businesses were requiring so much cash. It dawned upon us that most of this money went into subsidizing consumer spending and fighting competition. It was not possible to build loyalty by selling traditional ecommerce items like electronics and apparels. Hence, we decided to focus on groceries, because we felt that it would build customer loyalty and that we would face limited competition due to the inherent execution challenges of the grocery business. We wanted to build a business that would be strong operationally and challenging to replicate. Once we succeed in groceries, we hope that we can use the same infrastructure to deliver other items at a low cost.

While running Chaldal, we discovered that there is big gap in logistics sector. There are a growing number of Facebook-commerce players who do not have the infrastructure for fulfilling orders. Hence, we began supporting them with warehousing and deliveries. We are also noticing a trend towards part-time work, led by companies such as Uber and Pathao. We think in the long-run, most jobs will offer more flexibility. We launched a ride sharing platform called Chalao that will employ third party providers on part-time basis.

There are lots of opportunities in Bangladesh for improving the economy by using Information Technology.

The proliferation of Android devices will help the country tremendously and we are positioning Chaldal to take advantage of that trend.

MBR: Could you please shed some light on the market response at initial phase vs. currently?

Waseem Alim: In the initial days, it was about building trust. Consumers could not envision ordering vegetables online. It took us more than 5 years to change that. There were also very few online players.

These days, everyone in Dhaka is curious about shopping online. We see at least 100 new customers try our service every day. The challenge right now is to keep the quality of service high and fulfill the deliveries on time. We spend very little on marketing, most of our focus is on improving the service – however, we continue to grow every month.

MBR: We know that logistics is a prime factor in e-commerce business and from the perspective of Bangladesh, having a good logistics is a challenge. How do you manage your logistics to ensure superior service quality?

Waseem Alim: Logistics has been a challenge since day 1. We have come far, but we continue to struggle because of logistics. There are simply too many variables – weather, road conditions, strikes. Our approach has been to build an in-house team and to have a culture that focuses on delivering orders no matter what.

We have applied a lot of software to plan our deliveries. We are building small warehouses across Dhaka, so that our executives spend less time on the road. Number of Deliveries per employee is a key metric for the company and we are trying our level best to push that number. Going forward, we are hoping to synthesize full-time workers with part-time workers.





The best we can do here is to ensure that the management is not detached from the realities on the ground. We make senior managers go for deliveries occasionally. When the pressure is high, it is expected that everyone will jump in. That motivates the team and solidifies the culture.

MBR: What are the challenges you faced when you started out and what are the challenges you are facing now?

Waseem Alim: The challenges we faced in the initial days were around convincing people – customers, employees and investors. We realized that this business needs more capital than a traditional business and we had to spend considerable effort in building an investor base and figuring out the capital structure. Initially, we had to focus on foreign investors only. We were not able to get good applicants for jobs in the company because no one thought that we'd succeed. Similarly, customers were hesitant about relying on us.

These days the struggles are around maintaining service quality as we scale. We are one of the largest grocery retailers in the country now. Most large grocery retailers in Bangladesh have failed to create a cash flow positive business. This is a major concern for us and keeps us awake at night. We hope to solve it by innovation and technology.

MBR: What is your take on the market competition (the e-version of supershops and some other e-grocery shops)? Where is the e-grocery market moving towards and what are the trends likely to flow into this market?

Waseem Alim: E-grocery is a challenging business. We had the advantage of growing up in a market with no established online player. However, new entrants to

the market now must do better than Chaldal to create a foothold.

Over the years, we have seen many players enter the market. Many of them have shut down already. Ultimately, it requires a combination of three things – technology, finance and raw grit. We were lucky to get that combination right. It will be very difficult for offline players to change their strategy and they are unlikely to get the “technology” part right.

However, the future is promising. The demography of Bangladesh is getting used to online shopping and higher labor force participation means that people have less time to spend in shops. These will automatically help the sector grow.

MBR: Where do you see the e-commerce picture of Bangladesh, as a whole, in the next 5 years? What are the trends likely to flow in this area?

Waseem Alim: E-commerce is doing well in many countries. It is obvious, that this is the future. In an economy with poor infrastructure, e-commerce allows the country to leapfrog into a new era.

Online commerce will allow us to supply a much wider variety of products to consumers across the country. The true potential will reveal once ecommerce becomes strong in rural areas – where the offline retail infrastructure is poor. By reducing the number of middlemen involved, e-commerce will unlock a lot of value in the economy.

DORPON

Dorpon is a unique platform which connects the local artisans with the people who take interest in handicraft and local artisan products. Recently, MBR had a one-to-one conversation with Mr. Firoz Ahmed Khan to be enlightened about his entrepreneurial venture from an extended corporate career and his vision about Dorpon down the line.

MBR: Tell us about your professional background.

Firoz Ahmed Khan: I am a graduate in Aerospace Engineering from Indian Institute of Technology in Madras. Most of my contemporary Bangladeshi students who went to India to study in this field, either went to more developed countries to build a desirable career or opt for higher studies in India. But, for familial reasons, I had to come back to Bangladesh and started searching for jobs. At one point, I got an offer from Techno Heaven which was, at that time, working with Bangladesh Railway in building the e-ticketing system. That's where I started my career.

While working at Techno Heaven, I realized that I needed to do an MBA in order to get a more suitable job. So, I left Techno Heaven and enrolled in the master's program at the Institute of Business Administration (IBA) at University of Dhaka. While at IBA, I also started a small independent business along with Yasir Azman, a close friend of mine who is now the Deputy CEO of Grameenphone and a few other friends which did not go far, of course. Upon finishing my post-graduation from IBA, I applied for jobs in several companies. This time I was looking for something different. So, when I came to know about Ekushey Television's foray outside the typical network system, I was positively fascinated. I joined ETV as a Management Trainee Officer and began working in a number of areas from the beginning including program management, logistics management, finance, and marketing.

Later on, I concentrated more on the company's finance department and used to coordinate with the banks. While working at the Ekushey Television, I met Abrar Anwar, former CEO of Standard Chartered Bank, Bangladesh, currently CEO of Standard Chartered Bank Malaysia. At one point, he offered me to join Standard Chartered Bank which eventually led to me

joining Standard Chartered Bangladesh and beginning of my Banking career.

I worked at Standard Chartered bank for eight years, mostly in the finance department, and learned a great deal about banking. Those who work in the finance get to have a bird's eye view of the entire operation. So, it helped me a lot. Later on, I joined BRAC Bank as the Head of Retail operation. BRAC Bank was an emerging brand at that time. They had a consistent growth rate and were trying to bring in a new business model which particularly focused on Small and Medium Enterprises (SME). I worked there for eight years and saw the company grow large.

During the end of my tenure at BRAC Bank, I felt the need to do something on my own. No matter how late, the urge kept growing inside me. Afterward, I sought consultancy from a dear friend of mine, Shariful Islam, Founder of Bangladesh Brand Forum. We discussed and planned to do something in the financial industry. Traditionally, this industry is characterized by high-regulation and dominance of a few entities. Banks who have been the major players for a long time in the sector have never faced any competition from disruptive outside sources. Hence, there is a little place for innovation here.



দর্পণ

So, our idea was to build a knowledge and innovation platform to help the finance industry grow. We formed a company called FinAction Bangladesh and we launched a platform called Financial Forum Bangladesh with an ambition to help the financial industry grow. We arranged some programs and organized training events. But building a platform is a challenging affair and it takes time. And if you are working in the financial industry which is a highly regulated industry where there is no pressure for change and innovation, it is even harder to break into. While working on the Financial Forum, I came across an opportunity at LankaBangla Finance



Firoz Ahmed Khan

Funder, Dorpon

and joined there as Deputy Managing Director. But the itch inside me of doing something of my own was there and growing.

After a while, I again felt the need to build something on my own. The urge this time was stronger. I gathered my former partners and this time we decided to work on a more root level initiative. That eventually led to the founding of Finova Technologies Limited – a company that aims to build fintech solutions.

MBR: What opportunities you discerned in the market that you opted for this line of business?

Firoz Ahmed Khan: As I said, when we started Finova, our goal was to build financial technology solutions. But once we started working, we came to find that it is difficult to build many of these solutions due to several challenges including regulatory ones which eventually led to the founding of Dorpon, which is not a financial product at its core but has several components that could facilitate build fintech solutions in the future.

We decided that we would build an e-marketplace that would be selling handcrafted products made by rural artisans. Our idea is unique in the sense that we are facilitating collaboration with these craftsmen and connecting artisans with customers directly without any middleman and in the process helping these artisans to earn the fair price for their products. We believed that if these two groups meet in a single platform, scaling up businesses would be much easier for the artisans and it

would unleash a bounty effect where customers will get better products and artisans will be able to make better products.

So, essentially, Dorpon is an online marketplace, which connects artisans, craftsman and creative entrepreneurs with the customers and enables both parties to have a win-win relationship. Despite the fact that there is a huge market for crafts and artisan products, artisans often struggle to survive and build a meaningful career. We hope our platform will help artisans to earn the fair price for their products.

MBR: Could you briefly share how the business model of Dorpon works?

Firoz Ahmed Khan: Dorpon is an e-commerce platform where we are promoting all kinds of local handmade products produced by the creative artisans from all over the Bangladesh. Dorpon is mainly an open platform. Any entrepreneur of creative goods can open shop at www.mydorpon.com at free of cost and start selling products. There are few procedures one needs to follow while opening shop, that artisan has to go through our verification process. Once they have created their virtual shop at www.mydorpon.com, they can upload the images of their products with details contents by setting the product price by themselves.

As we are working with creative artisans from remote areas of Bangladesh, most of them are not techno savvy. We support them by providing photography service of their products along with products content development.

After then, customers can all over the world place order for these products. Dorpon ensures proper packaging to proper delivery of that product to customers through its logistics systems.

Currently Dorpon has more than **150 creative artisans** on boarded at its platform from all over the Bangladesh. Specifically from the remote area of Khustia, Jessore, Chittagong, Chittagong Hill Tracts, Sylhet and so on. Once customers place order at www.mydorpon.com ,

our logistic partner pick those ordered products from the producers or artisans of those products. Then they do the proper packaging of those products with Dorpon's packaging materials and deliver it to customer's end. Usually it takes 3-6 days to deliver the products. For doing all those above mentioned activities Dorpon charges 15-18% commission from artisan's selling price.

We all know that Bangladesh is the largest suppliers of handmade local products but the artisans behind these creativity are not properly recognized because of middlemen interference. As a result the original craftsmen are being marginalized. At Dorpon's platform they are selling their products by setting up the price by themselves to the wide range of customers.

Likewise, when customers are purchasing their products from Dorpon, they are being able to know the story behind the craftsmanship of that product as well as that of a particular artisan. Additionally, Dorpon is keeping track of the sales report of these creative artisans that by showing them in future they can generate finance from different Banks and NBFIs.

As well as, Dorpon is creating opportunities for young creative entrepreneurs who can utilities the technology and its advancement to flourish their inherent talents. Furthermore, Dorpon is giving medium to those underprivileged creative women entrepreneurs who are not being able to step forward due to lack of support. By using Dorpon's platform these underprivileged creative women entrepreneurs can explore, endorse and sell their products by sitting at their home and able to be financially sustain. Moreover, other women are getting inspired to come forward and show their capabilities and get a way to earn by themselves.

Since we are committed to be transparent, we aims to target only individual buyers who are fond of local handmade products and know the value of this products. Mostly our targeted customers are middle class group of people and upper-middle class group since our product's price range are affordable.

Well, Dorpon is being partnered with NGOs from root level. Along with them Dorpon arranged workshops to increase their knowhow on Dorpon and about online marketplace. On skill development we officially have not organized any training session but we are planning to do it very soon. Although, our team are guided them with customers choice, feedbacks and what customers are really up for and all. By getting all those feedbacks these creative artisans have started developed their designs and works as well.

MBR: What is the marketing strategy you follow for Dorpon, as we know handicrafts and artisan products have a huge demand in the market?

Firoz Ahmed Khan: Well, we have just soft launched our platform and currently we are focusing our marketing strategy based on Social Media. We are posting and boosting different products of artisans on our Facebook page and group as our customer group is also in the social media. In future we have different plans on marketing.

MBR: What challenges you are currently dealing with and how do you overcome them?

Firoz Ahmed Khan: Ever since, we have started working with Dorpon we are facing few challenges.

Finding and taking new artisans onboard is one of the biggest challenges for us. This is actually pretty challenging process. Since, most of the creative artisan of the handmade local products are from root levels and they are not technologically savvy at all. To make them understand about e-commerce platform and Dorpon's model is a quite challenging task.

The other challenge is managing the shops of the artisans. A significant number of these artisans keep up a wholesale business action plan. Since we are aiming to divert our providers from distributor to retailer, evaluating has turned into an issue. Their pricing strategies are not generally helpful either for us or for themselves. Thus, to give them a retailer's point of view is a challenge on instance.

The quality and outline of the items is likewise a matter of concern. If we want to take the advantage of the top line market, at some point they will demand for more advanced sophisticated products. So, the skilled workers, in such manner, appear to need learning of value changes like of design, color and fabric. To make



them aware of it we have to prepare them which implies extra speculation. From the earliest starting point, we understood that we would require putting resources into outline – helping artisans with plans and related stuff. Be that as it may, it is difficult to actualize. We are investigating choices. Indeed, Government can help us in such manner by giving some preparation to these artisans keeping in mind the end goal to make them more appropriate.

Another challenge is attracting customers with handmade local products. Our people has become more fixated on foreign products specifically Indian and Pakistani products. To get these customers focus on handmade local products is also a bit challenging matter to us.

These are a few ration of the difficulties we see. Having said that, there will dependably be challenges. Tending to these challenges is our activity.

MBR: What is your take on e-commerce business in Bangladesh? To what extent, do you think, buyers dependency on e-commerce platform, will increase in coming days?

Firoz Ahmed Khan: As we all know e-commerce is one the fastest moving business sectors of Bangladesh. Among 163 million of 73 million people are internet users. We have seen that people has dependent online shopping mostly on Facebook Pages. Most of the creative artisans are also selling their products through

Facebook pages. Buyers are most likely depending on online platform to get their necessary products by sitting at office or home without facing any hassle. So, we are assuming that in coming future online based customers will increase more.

MBR: What is your plan down the line regarding Dorpon? Do you have any plan to have a physical store of Dorpon?

Firoz Ahmed Khan: Amid the staying of this current year, enhancing and improving our platform is the main need. Making the experience consistent for both the artisans and the clients. You will likewise observe a couple of new highlights. Our mobile app is also in the making. Mobile continues to play an important role in digital shopping. Many people predict that mobile is the next growth frontier. Before long you will be able to see our mobile application. At the start of one year from now, we will endeavor to craft-centers (training centers for craftsmen) the nation over and client encounter communities for clients to come, understanding and request our items if everything goes well. At the present time, our primary spotlight is on giving quality support of our clients. The stage is developing every day. New traders are joining. Gradually clients are putting orders. As we push development, guaranteeing predominant shopping knowledge will dependably get priority.

we have planned to have a Flagship store at the end of the year 3 of Dorpon's operation as currently we want to focus on our online platform and its development.

First ever football World Cup team management game in Bangladesh 'IDLC Kickstart Fantasy Football Challenge' Final Round Winners Awarded



The winners of the first ever football World Cup team management game in Bangladesh "IDLC Kickstart Fantasy Football challenge" final round winners were awarded in a recent ceremony held at IDLC's office Head Office at Gulshan. Arif Khan, CEO & Managing Director of IDLC Finance, handed over the prizes to the winners.

Zia Ahmed was awarded '4 to Bali' for overall winner category. Shovon Zia and Shah Farhan Abid were awarded XBOX and PLAYSTATION respectively.

To keep up with the excitement of the Football World Cup 2018, IDLC has launched a unique football team

management game - IDLC Kickstart Fantasy Football Challenge. 56,365 people played this strategic game during World Cup month from website and Android App.

Exciting prizes like Smart Watch, DSLR camera, PlayStation 4, XBOX etc. were given for the highest scorers at each stage. The highest scorer of the whole tournament won a trip for 4 to Bali.



IDLC Investments wins Best Investment Bank in Bangladesh by Euromoney Awards for Excellence 2018



‘Euromoney Awards for Excellence 2018’ recognizes IDLC Investments Limited as the ‘Best Investment Bank in Bangladesh.’

IDLC Investments has been recognized by Euromoney for its profitability, outstanding performance in comparison to market peers and ability to offer and deliver innovative solutions to clients across a range of products and services considering the market trends.

Arif Khan, CEO & Managing Director of IDLC Finance along with Md. Moniruzzaman, Managing Director of IDLC Investments received the award at an event held in Hong Kong on July 18, 2018.

Commenting on this achievement Arif Khan, CEO & Managing Director said

“IDLC has been serving the community for the last 33 years. This award is a recognition of IDLC’s good governance, strong market performance and groundbreaking deals covering various product suites across equity and debt capital market, portfolio management and margin lending.”

Euromoney’s Awards for Excellence were first given in 1992. This year Euromoney received almost 1,500 submissions from commercial and investment banks in an awards programme that covers 20 global awards, more than 50 regional awards, best bank and best investment bank awards in close to 100 countries.

KEY INFO

Private credit growth slumps

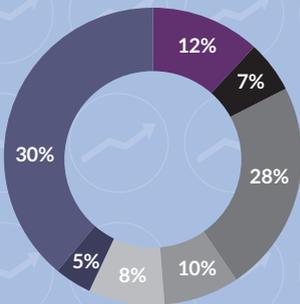
at **16.95%**
in June'18

Remittance inflow up

18.0%
y-o-y in July

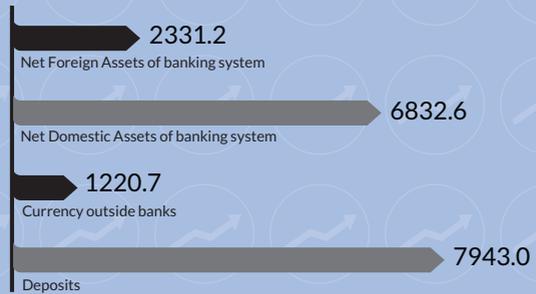
Bangl
5th
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IMPORT



- Industrial raw materials 28%
- Intermediate goods 7%
- Consumer goods 12%
- Others 30%
- Petroleum & petro.prodts. 5%
- Machinery for misc. inds. 8%
- Capital machinery 10%

MONETARY AND CREDIT DEVELOPMENTS



REMITTANCE

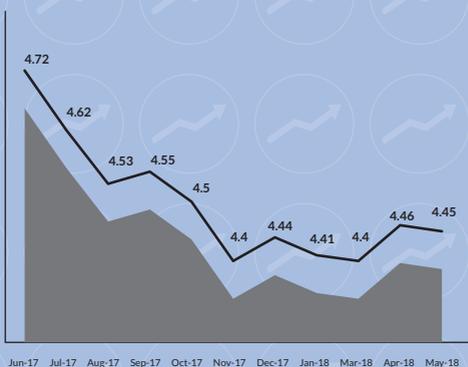


Bangladesh
 sourcing hotspot
 for US fashion
 companies

ECONOMY AT A GLANCE

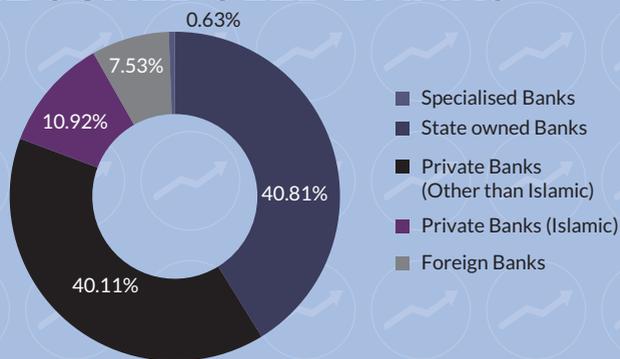
SEEING ECONOMIC TREND IN DATA

SPREAD OF ADVANCE & DEPOSIT RATE



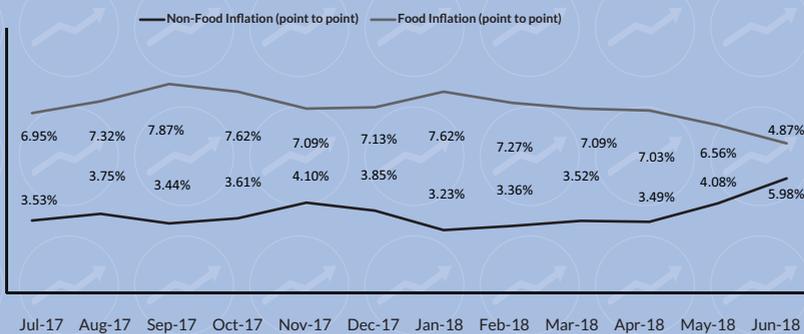
Jun-17 Jul-17 Aug-17 Sep-17 Oct-17 Nov-17 Dec-17 Jan-18 Mar-18 Apr-18 May-18

LIQUIDITY POSITION OF THE SCHEDULED BANKS



Total Liquidity Assets for December 2015 was BDT 2577.94 Billion

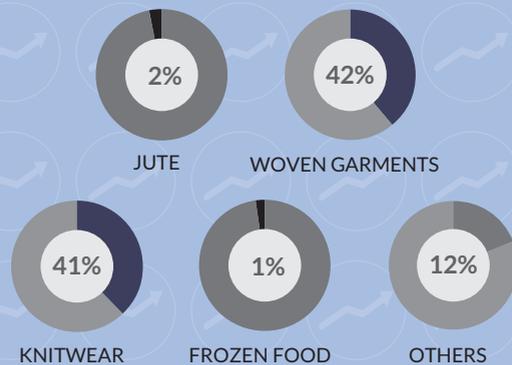
INFLATION

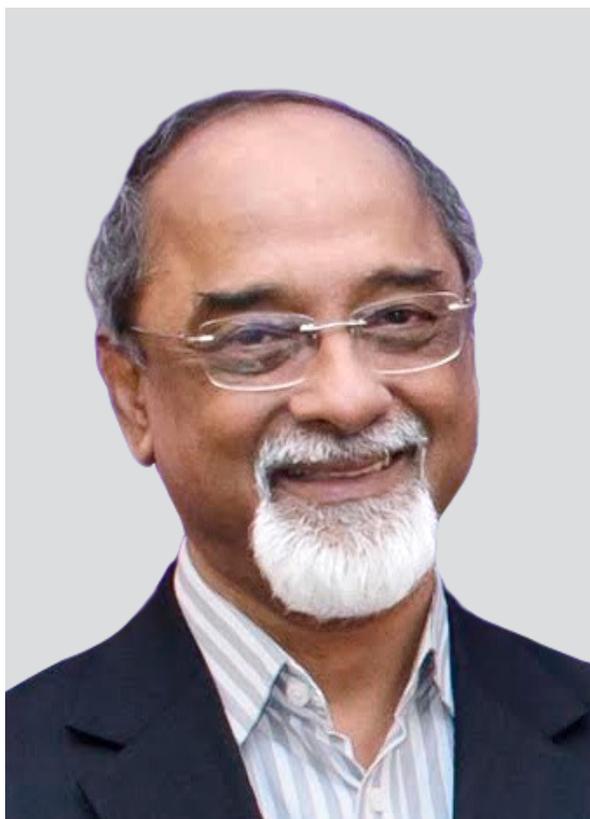


Jul-17 Aug-17 Sep-17 Oct-17 Nov-17 Dec-17 Jan-18 Feb-18 Mar-18 Apr-18 May-18 Jun-18

Inflation rate in March 2018 decreases as food inflation falls

EXPORT





Dr. M. A. Baqui Khalily

Former Professor
Department of Finance
University of Dhaka

The influencers

Hailing from a remote village in Kushtia, young Mr. Baqui Khalily moved to Dhaka along with his family in 1964. He was enrolled into a local school, and appeared in Secondary School Certificate Examination exam from Humanities group in 1967. In those days, Chartered Accountant (CA) used to be the trendiest profession among the elite class of the society. Driven by the trend, he got himself enrolled in Commerce discipline in Dhaka College. This part of his academic life shaped himself into a more disciplined person and provided him with an aspiration to pursue teaching profession, as he came across two influencing characters. One was an utterly administrative Professor Jalaluddin Ahmed (Principal

of Dhaka College) and another was a confident and composed, Professor Mohammad Noman (Vice Principal of Dhaka College). These two personalities reinforced the moral and intellectual ground in Mr. Khalily. In 1969, he got admission in University of Dhaka. The year, albeit, was not favorable since the country was buzzing with political turmoil. The university professors were iconic to Mr. Khalily; their firmness and intellect really impressed him. By that time, he already wiped off his intention of pursuing CA as a profession. He aspired to become a teacher who would add value to the society by instilling real values in the students.

Broadening the horizon

Time came to choose between Accounting and Management discipline in his Masters program. He was not interested in either of the disciplines. In 1974, Finance department just got off the ground. Mr. Khalily decided to study Finance in his Masters. This decision changed his vision and future career goal. He joined University of Dhaka as a Lecturer in December, 1975 in an uncertain environment following shocking assassination of the Father of the Nation and his family members including his good friend, Sheikh Kamal, the eldest son of Bangabandhu Sheikh Mujibur Rahman.

Throughout his professional career, Mr. Khalily always deemed teaching as his duty to educate his students and instill good values in them, rather a mere job.

Probably because of his association with left politics in his student life, Mr. Khalily developed keen interest in development issues. As such, his earlier stint of teaching at the university focused more on development finance than on core corporate finance or investment analysis. He also realized that integration of finance and development economics would broaden horizon of knowledge of a finance student.



As a Lecturer in 1977 at a Freshers' Reception of the Department

In his days, the finance curriculum did not encompass any course pertaining to Development Finance; only mainstream courses were being offered. Holding on to that thought and being intrigued to be enlightened about this area, in 1985, Mr. Khalily went to Ohio State University, U.S.A with the World Bank Scholarship, for higher education in development economics. Since he was not originally a student of Economics, the university required him to pursue Master degree program at first and then go for the Ph.D program. His major area was Rural Finance and Development. At that time, globally Ohio State University was the top-ranked university in Rural Finance and Development. Right after completing Master degree program, he got into the Ph.D. program. In both the Masters and Ph.D. program, his concentration was banking sector. His MS thesis was on deposit mobilization and Ph.D dissertation was efficiency of banks in Bangladesh. The school of thought that he belong to focuses on financial market liberalization, political economy of finance and sustainable economic growth through efficient use of resources. His training makes him to strongly believe that financial market should be regulated independently devoid of political intervention. His journey of education starting from Humanities group in school to Commerce in college and university to

core finance in Master degree program and finally to development economics with focus on rural finance and development, has made him a person with diversified knowledge, different perspectives and vision. However, lateral career progression in NGO sector and research institution in the later part of Dr. Khalily's career has broadened his horizon of knowledge further into the areas of micro finance, financial inclusion and climate change.

In 1991, Mr. Khalily after completing his Ph.D returned to Bangladesh. Although he had opportunities to settle down in the U.S.A like most of his contemporaries did, he decided to fulfill his study-leave contract with the Dhaka University. His morality and ethics did not allow him to violate the contract. Another reason of his coming back to Bangladesh was to take care of his parents. He strongly believes that children should take care of their parents as they did for their children in their active life. Apparently, Mr. Khalily was the first to return to the Faculty of Business Studies with a Ph. D from the USA, to the surprise of many of his colleagues. After coming back, he not only taught academic courses but also tried to instill human values in them. He wanted to see his students disciplined and do their work timely. In his teaching life, Dr. Khalily was hardly late in his class. This is the value of time and commitment to job that he wanted to instill in his students. He wanted his students to be fair in their thinking and recognize the value of positive thinking.

Understanding Development Should Be A Critical Element In Finance

His diversified training in Bangladesh and the USA in development economics made Dr. Khalily to realize that integration of finance discipline and development issues will enrich knowledge of finance students, and make them professionally effective in future. Moreover, it will help the students to understand implications of finance on development and growth. During the early 90s, the trend of Bachelors of Business Administration (BBA) program just started. When he returned to Bangladesh, he saw a movement towards four-year BBA program. The Faculty was renamed as Faculty of Business Studies. Then, as he envisioned earlier, the integration of core finance and development courses actually took place. The integrated BBA and

MBA programs focus on the courses related to finance, economics, financial markets and monetary economics, in addition to accounting, management and marketing areas. Dr. Khalily strongly believes that the curriculum should continue to change to respond to the needs of Bangladesh economy and development, not in response to what is taking place in the western economies.

Diversified Professional Experiences

During his professional life, Dr. Khalily had diversified professional experiences. He became full Professor at the Department of Finance, University of Dhaka. In addition to teaching at the university, Dr. Khalily was deeply involved in research. He has published large number of papers in national and international journals, and presented papers on different issues in national and international conferences. Dr. Khalily was a member of Governing Body of Bangladesh Insurance Academy. He was acting Vice Chancellor at a private university. But his passion for research made him to leave the university in short time. He was also on the board of a private asset management company. He was also on the Board of Dhaka Stock Exchange. He was a member of the General Body of PKSF. He has been member on different selection committees of different public universities. Currently, he is a member of Dispute Resolution Committee of IDRA. He has worked for international agencies like the World Bank and ADB as a consultant. In the process of all these experiences, Dr. Khalily has worked with distinguished personalities of the country and interacted with professionals very closely at home and abroad. Most importantly, Dr. Khalily has extensively travelled to most part of Bangladesh as part of his research and involvement in NGO sector and poverty. It has given deeper insight of the problem of rural development and finance in poverty alleviation. Such professional diversification and exposure has broadened his understanding about finance, development issues, poverty, and inter-linkage of politics and development, which has contributed enormously to his research agenda.

Interest In Corporate Governance

Dr. Khalily, by training, is a student of political economy. As such, he perceives governance in the



Visit to Grameen Bank Pilot Project in 1978 with Mr. L. R. Sarker and colleague and student of the Department of Finance

context of political economy. In wake of the financial debacle in U.S.A in 2007, corporate governance became a burning issue across the globe. Having realized the importance of corporate governance in all aspects of corporate hierarchy, courses on corporate governance were introduced in the BBA and MBA program to prepare the finance students long before they join a corporate entity. Dr. Khalily along with a few of his colleagues established a research centre named as “Center for Corporate Governance and Finance” at the University of Dhaka. He is still the Chairman of the Centre. The Centre organised a major international conference in Dhaka on corporate governance in Bangladesh with participation from renowned scholars from different countries in 2005. Dr. Khalily is passionate about governance in general and corporate governance in particular. He lamented that lack of effective governance in practice is adversely impacting the banking sector in Bangladesh. Political interventions in board composition, lending decisions and regulations have to be removed to ensure proper governance in the banking and financial sector. The problem of poor governance is largely a problem of public sector organizations.

Thoughts on the Stock Market

In 2000, Dr. Khalily became Chairman of Department of Finance, University of Dhaka. At that time, the Chairman of the Department was an ex-officio member of the Board of Directors of Dhaka Stock Exchange (DSE). First as the Chairman and later on in individual capacity, Dr. Khalily was the Director

of DSE till 2010, and witnessed all the major changes that DSE has initiated to strengthen the stock market during these 10 years. At the same time, he saw inherent weaknesses of the stock exchange. As he opines:

“There have been many important structural changes, product development, rolling out of new regulations in the Stock Market. Despite the changes, the market has inherent weakness. Our stock market is still vulnerable because of its higher dependency on bank finance. Whenever there is a loan portfolio adjustment by the banks, the index sharply decreases. The market will have its strength when portfolio will be more financed by savings, which is not happening right now. It is true that foreign portfolio investment will have larger impact but their impact will be short run as foreign investors will exit with profit at a better time making the market vulnerable again. I would like to see that the market develops with internal strength.”

Terming the stock market still inherently vulnerable, Dr. Khalily stated that dearth of expert and credible fund managers are the reasons that general people shy away from stock market in fear of losing money. From his experience, he discerned a poor performance of the fund managers.

Getting into Microfinance

After Dr. Khalily came back from U.S.A, he started pondering on how to enable the poverty-stricken people financially. In 1991, the World Bank undertook a three-year impact study jointly with Bangladesh Institute of Development Studies (BIDS). They were on the lookout for an expert in finance and development. One fine morning, Dr. Khalily got an invitation from renowned Development Economist, the then Director General of BIDS, Dr. Mahbub Hossain to join the research team. That is the juncture, Dr. Khalily ventured into the microfinance realm.

Initially, Dr. Khalily was responsible for analyzing the sustainability of Microfinance Institutions (MFIs). Therefore, his research focused on the supply side of micro finance analysis. The research led into series of widely cited papers. Globally, it was the first impact study on micro finance. As a result, the study drew huge attention of the international agencies, scholars, professionals and practitioners.

In 2006, Palli Karma-Sahayak Foundation (PKSF) established a research and training institution named as “Institute of Microfinance (InM)”, which is now known as Institute For Inclusive Finance and Development. The promoters included the then Managing Director of PKSF, Dr. Fakhruddin Ahmed (the former Governor of Bangladesh Bank), Professor Wahiduddin Mahmood and Professor Muhammed Yunus, among others. Dr. Khalily joined as the founding Executive Director of the institute in 2006 with leave from the university for three years. He re-joined the university in 2010. During his stint at InM, his area of research shifted from supply side to demand side. He was more interested in impact assessment of micro finance on borrowers, incidence of poverty and micro enterprise development. By then, Professor Khalily has derived a full spectrum of knowledge and experience on microfinance and all other branches of finance and development.



Seminar on Access to Financial Services in Bangladesh With Mr. A. M. Abdul Muhit, Finance Minister, GoB, as the Chief Guest

From 2010 to 2012, InM looked for a suitable Executive Director; they even gave an advertisement on *The Economist*. Having found no perfect match for the position, the then Chairman of InM again called Professor Khalily to retain his position in InM in prior capacity.

That was a challenging moment for Dr. Baqui Khalily. On one hand, there was this prestigious and secured university job, and on the other hand, it was the area of research that he was passionate about. After analyzing the pros and cons and finally, taking consent from his family, he decided to pursue his passion and joined InM in 2012, leaving teaching profession in University of Dhaka. On health ground, he retired from InM at the end of 2015.

Working on Climate Change

After coming back to InM in 2006, Mr. Khalily felt that a window of opportunities was open to him to venture into this sector. He first started his research activity on *Monga* (the bengali term refers to extreme state of food insecurity and hunger) in the greater Rangpur region. The initial survey in 2006 revealed that most of the households could not even manage two full meals a day in *monga*-stricken areas. It was an eye-opener for him. He started feeling that finance is not of any use if these people are left out from development paradigm. He has studied impact of a PKSF program, called PRIME, in *monga* eradication continuously for eight years. It was really a very fascinating journey for gathering insight into the problem of poverty and climate change in the north-western part of Bangladesh. The issue of climate change has changed his research agenda over time. In 2007, *Sidr* (Extremely Severe Cyclonic Storm) struck the Southern districts of Bangladesh. He visited the areas several times – first in 2/3 years of the catastrophe and again as late as in 2017. He was appalled by the slow pace of recovery and no visible change in the lives of the *Sidr* victims, even after such a long period. He realized that adverse impact of covariate shocks can be overcome through long-term investment, transfer of risk and financial as

well as environmental literacy, along with community level initiatives. The traditional micro finance will have limited impact in such cases. But what paradigm can really help poor households in case of covariate shocks? This is the question that is dominating to Dr. Khalily now

Recently Dr. Khalily concluded a study on the role of finance in coping with disaster. The findings made him to realize that finance alone cannot solve the problem of long-run poverty in climate change prone areas. He feels that an integrated approach is required to make finance effective in financial and economic sustainability of poor households. His next research agenda is to experiment different interventions including micro insurance in the climate change prone areas of Bangladesh. Professor Khalily has presented papers in different international conferences on the role of finance in climate change in Japan, China and Norway.

Thoughts on Economic Growth And Micro Enterprise Financing

The Bangladesh economy has been growing at an annual average rate of seven percent. Largely private sector investment in selected sectors has contributed to it. At the same time, inequality in income distribution has been increasing. Such inequality has been growing at an annual average rate of one percentage point. Rural populations are largely deprived of higher pace of economic growth. Major economic activities are centered in urban areas because of developed financial infrastructure. The current development strategy can not solve the problem of unemployment and lower rural economic growth. What can be done to redistribute resources and ensure higher pace of rural economic growth?

Professor Khalily believes, banks need to be pro-people in their portfolio decisions. From the inclusive growth and equity perspective, enough opportunities need to be created for the excluded people in middle and low income groups. Development of micro and small enterprises are pre-requisite to higher rural economic growth. Dr. Khalily thinks that even the SME policy of banks are not serving the intended group of people. In the name of SME, he figured out, banks mostly finance

medium enterprises for lower transaction cost and risk. As such, he opines,

“The policy of SME financing should be revisited. It should be MSE (Micro and Small Enterprise) and MLE (Medium and Large Enterprise) financing. Such change will make the policy more focused and will have distributive effect with different types of loan contract.”

Considering the characteristics of bank-operations, high transaction cost and high risk, Micro Finance Institutions have been playing a critical role in financing micro and small enterprises, particularly in rural areas. Banks can partner with the MFIs to channel more funds for financing MSEs in rural areas whose development will have distributive impact.

Current thought process

Currently, Professor Khalily has the following thoughts:

- a) Climate change is a burning issue at this moment. Being an academia, Dr. Khalily feels that there should be a course based on finance and climate Change to be offered to the finance students, for giving them an idea on how finance can mitigate the impact of climate change on overall economy and business decisions. To be precise, business schools must equip students with knowledge in contemporary development and finance issues.
- b) **“Banking sector is at crossroads”**, according to Professor Khalily. He thinks that although many changes have taken place in this sector to make it more stable; nothing will eventually work out if the internal environment is polluted. The present state of banks seems to have shaken confidence of

the clients in the banking sector, making it quite vulnerable. Another aspect of banking sector that Dr. Khalily is concerned with the fact that, all related stakeholders of this sector are concerned with the lending side, but savers are forgotten. The core issue that he is concerned with limited role of Bangladesh Bank as a regulator.

- c) Financial market appears to operate with collusion of government officials, political leaders, and businessmen. There is hardly any demarcation line between principal and agents from the regulatory perspective. Consequently, governance and efficiency in resource allocation is subject to serious question. This is true for most institutions in financial and capital markets.

At this stage of life..

Professor Khalily is more thoughtful than ever. In retrospect, he thinks about the major events in his life. He feels that with experiences, people gain insight about life. He thinks, the society is not inclusive. The missing link in this society is that, the senior citizens have little role to play in. In south-east Asian countries like Japan, senior citizens are placed in advisory roles in government and/or private organizations. The institutions take their insight and plan their way forward. They play the role as part of a formal institutional system. It is ironic that Bangladesh society does not seem to value and utilize experiences of the senior citizens. He thinks,

“A corporate world and a society must be driven with the experiences and insights of senior citizens.”

It hurts Dr. Khalily very much that the society in the process of modernization and development is becoming more and more disconnected. People are driven by individualism, not by collectivism. It is overpowering rationale decisions. In such a society, human dignity and best use of social and economic resources will be mostly forgotten.

At this moment, Dr. Khalily is working on writing several books. He is writing his experience about what he has witnessed in his life, about the economic ups and downs, political changes and social dilemmas, his opinion about the turns of events that he has experienced in his lifetime. Another book that he is working on is about financial inclusion, his most passionate area of research.

Advice to the young professionals

Professor Khalily feels that one needs to work hard with a vision both at the individual, organizational and societal level to be successful in life. Young professionals have a vision and they are industrious. However, he is afraid that, their vision is not all-inclusive; rather based on their pure individualism. People cannot prosper alone; they should grow with others. Vision must be for inclusive growth with inclusive society. Otherwise, inequality and irrationality will drive the society and power structure at the institutional level, as Dr. Khalily argues. In today's Bangladesh most young people working in real sectors are technically sound and have the knowledge of tomorrow. This is the strength of Bangladesh. With appropriate vision, these young people will bring major economic, cultural and social advancement.

Happiest recreation?

Professor Khalily likes to read in his leisure time. Now he is interested in a wide array of knowledge in areas like history, human biology, philosophy, religion and the like. Being a homely person, he likes to spend time with his family. In his own times, he gets immersed in deep thought about the welfare of the society, the country and the countrymen. He dreams of an inclusive society that will be industrious, disciplined and dynamic but at the same time empathetic about helping others. Professor Khalily feels that a country should be known not only by the extent of wealth it has acquired but by morality and ethics of the people. In his words “high moral authority and ethical standard will take Bangladesh to the highest level of economic, cultural and spiritual development. We should strive for it.”

নিজের বাড়ি মানে
স্বপ্ন আঁকার ক্যানভাস
আইডিএলসি হোম লোন



INDUSTRY UPDATE

RMG INDUSTRY: ONE OF THE SAFEST FOR WORKERS

RMG The global apparel brands and retailers are placing higher volume of work orders to the compliant garment factories in Bangladesh. The industry of Bangladesh transformed over the last five years and now it has become one of the safest for workers in the world. Sean Cady, Vice President, global supply chain and responsible sourcing of VF Corporation opined that their sourcing from Bangladesh has increased significantly, but the number of factories is low, which implies that business is coming to the better and safer factories. Also, Alliance has reiterated its previous stance of not extending its tenure after next January, since their objective is finished now. Now, it is important to maintain the strong reputation of 'Made in Bangladesh' that has been achieved following the work of the Accord, the Alliance and the National Action Plan.



POWER- CABLE

CABLE INDUSTRY FLOURISHES

Bangladesh's cable market is growing at 15%-20% a year, thanks to the expansion of power gridlines as the government looks to provide electricity for all by 2021. In 2017, the cable manufacturing industry was worth about BDT 6,000 crore, up from BDT 2,000 crore 10 years ago. The demand for cables is increasing due to the expansion of power grid lines across the country in the last four years. More than 70 cable manufacturers exist in the market but the market leader is BRB with a 41% share, followed by Eastern at 15%, BBS at 13%, Paradise, Partex and Bizli at 6.5% each, and SQ at 5.3%. The other players account for 22.2% of the market.

EXPORTS OF PLASTIC PRODUCTS SLUMP

PLASTIC

Export earnings from plastic products dropped by about 16% in the just-concluded fiscal year mainly due to high prices of raw materials. The sector earned USD 98.48 million in the FY 2017-18 while the figure was USD 116.95 million in the FY 2016-17, according to the Export Promotion Bureau (EPB) data. The prices of raw materials increased in the international market. So, many companies failed to import necessary raw materials that led to lower production. Apart from plastic finished products, export of plastic pet bottle waste declined drastically in the last fiscal following restrictions imposed by China. It put a negative impact on the overall export earnings of plastic goods. At present, 5,000 plastic goods manufacturing units are running in the country.



Highest Levels of Power generation in Bangladesh in 2018

Date	Amount
July 18	11,387 MW
July 14	11,306 MW
July 11	11,210 MW
July 7	11,059 MW
May 28	10,958 MW
May 27	10,825 MW
May 22	10,699 MW
April 24	10,137 MW
March 19	10,084 MW

FUEL AND POWER

DOMESTIC POWER GENERATION HITS NEW HIGH

Bangladesh witnessed record levels of power generation on July 18, at 11,387MW, according to the Power Development Board (PDB). The previous highest level of electricity generation was 11,306MW, on July 14. Meanwhile, the country's third highest level of power generation was recorded at 11,210MW on July 11, just four days after first crossing the 11,000MW mark. On June 30, 2016, Bangladesh generated 9,000MW of power for the first time. As of June 30 this year, Bangladesh's installed power generation capacity, including captive power, stood at 18,753 MW. The PDB has taken up an extensive capacity expansion plan to add about 11,600 MW in the next five years, to meet the government target of generating 24,000MW of electricity by 2021, and 40,000MW by 2030.

MONTH IN BRIEF

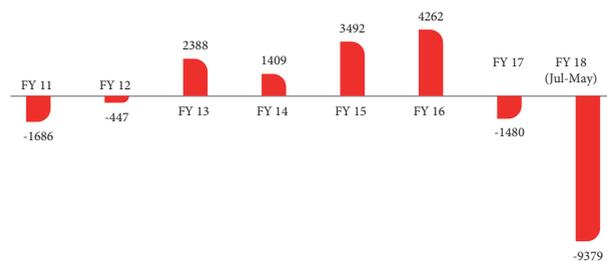
● **Private credit growth drops to 16.95% in June** after many banks adopted “go slow” policy in disbursing fresh loans to adjust their loan-deposit ratio

● **Remittance inflow up 18.0% y-o-y in July**, thanks to the depreciation of the BDT against the USD

● **Bangladesh fifth sourcing hotspot** for US fashion companies: 2018 Fashion Industry Benchmarking Study

● **Export earnings from plastic products dropped** by about 16% in the FY 17-18 due to high prices of raw materials

Current account deficit to cross USD 10 billion mark



● Current account deficit is set to cross the USD10 billion mark for the first time as the country’s capacity to export continues to lag behind its appetite for imports

● **Bangladesh ranked 115th** in the United Nations E-Government Survey 2018 among the 193 countries, moving 9 notches up from 2016

● **Telcos not welcome in mobile financial services:** decision by Bangladesh Bank Board

● **Country’s average annual growth** in merchandise export stood at 10.48% during the last 10 years

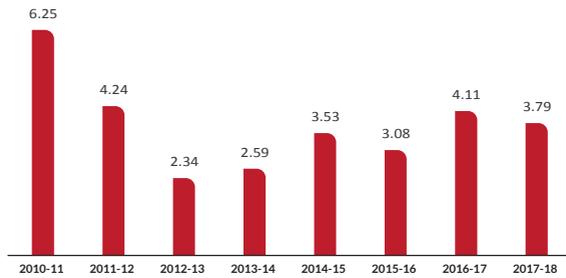
● **Industrial credit recovery jumps 24.65% in July-March**

● **Bangladesh witnessed record levels of power generation** on July 18, at 11,387MW: Power Development Board (PDB).

MONTH IN BRIEF

● **Government's revenue from capital market falls 7.61% in FY'18 due to reduced turnover value registered by both the stock exchanges**

Revenue Trend (BDT in billion)



● **Light engineering sector emerges as an important source of machinery for many of the USD30 billion export earning apparel-markers on the back of better quality and lower price**

● **SME loan disbursement declined by 10.34% or BDT 42.01 billion in January-March of 2018 as liquidity crisis bites**

● **Deposit growth remains slow despite private banks' intense efforts to attract funds due to a lack of confidence of depositors**

Deposit Growth of Private Banks (%)



● **Service trade gap crosses USD 4 billion in 11 months of FY17-18**

● **Growth of active mobile phone subscribers slowed in the first half (January-June) of FY 17-18; probably due to mobile operators' less efforts to attain new subscribers after the launch of 4G service**

● **Private sector credit growth target remained constant at 16.8% in newly announced Monetary Policy Statement (MPS) for H1, FY 19**

● **Bangladesh's share in global apparel export market reaches 6.46% in 2017: WTO**

● **Central Bank revised two guidelines risk-based capital adequacy and calculation method of loan-deposit ratio to help banks slightly mitigate their ongoing liquidity crisis**

● **Smartphone imports fall for the first time by more than 9% year-on-year on the back of a drastic fall in the arrival of lower-end devices amid higher tariffs**

“MONETARY POLICY WILL BE A RESTRAINED ONE LIKE THE PREVIOUS ONE TO FACILITATE ECONOMIC GROWTH AND CURB INFLATION”

FAZLE KABIR, Governor, Bangladesh Bank in wake of announcing Monetary Policy Statement for H1, 2019

“Higher import of consumer goods, including food grains, has pushed up the overall import expense during the period under review”

A senior Central Banker on country’s overall import jumping nearly 17% in the first 11 months of the just-concluded fiscal year (FY), 2017-18

“This is a decision which has come from the shareholders. Shareholders together have decided to wind up our tobacco business”

Sk. Bashir Uddin, Managing Director, Akij Group on the disclosure of the Japanese Tobacco Group acquiring Akij Group at a USD 1,476 million (BDT 124.8 billion) deal

“The 33% duty on handset imports from fiscal 2017-18 accounts for the decline mostly,”

Mohammad Mesbah Uddin Joint Secretary, BMPIA on the slump in smartphone imports for the first time ever.

“WE HAVE ALWAYS BEEN VERY PROUD OF OUR DIGITAL BANKING PLATFORM CITYTOUCH, INTEGRATION OF WHICH WITH THE TOP MFS LIKE BKASH WILL GIVE SOME UNIQUE BENEFITS TO OUR CUSTOMERS”

Sohail R K Hussain, Managing Director and Chief Executive Officer, The City Bank Limited on going through strategic partnership between City Bank and bKash to establish interconnectivity

THERE IS NO DENYING THAT JAPAN IS ONE OF THE MOST IMPORTANT AND POTENTIAL MARKETS BEYOND TRADITIONAL ONES

Fazlul Hoque, former president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) on rising apparel export to Japan

চেরাগের দৈত্য নয়



টাকা বাড়ায় স্মার্ট ইনভেস্টমেন্ট

চেরাগের দৈত্য টাকা বাড়ায় শুধুমাত্র রূপকথায়। বাস্তবে টাকা বাড়াতে স্মার্টলি ইনভেস্ট করুন দক্ষ ফান্ড ম্যানেজার দ্বারা পরিচালিত IDLC মিউচুয়াল ফান্ডে।

- বিনিয়োগের ঝুঁকি ব্যবস্থাপনা করে সর্বোত্তম লাভের সম্ভাবনা
- বার্ষিক আয় ও দীর্ঘমেয়াদী প্রবৃদ্ধি
- কোন ফি/চার্জ ছাড়াই যেকোন সময় fund withdrawal সুবিধা

বিস্তারিত জানতে ডায়াল করুন ১৬৪০৯

* মিউচুয়াল ফান্ডে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগের আগে প্রস্পেক্টাস ভালো করে পড়ে ও বুঝে নিন।

Monthly Commentary:

During the month of July, market could not continue the gaining streak of previous month. Even though market enjoyed 11 positive sessions out of 22, DSEX lost 102.8 (-1.9%) points and settled at 5,302.6 points by the end of the month. On the other hand, DS30 settled at 1,881.5 points with 78.5 (-4.0%) point loss and DSES settled at 1,251.2 points with 12.6 (-1.0%) points loss.

During July, market participation paced up with an average turnover of BDT 8.5 bn (USD 101.4 mn), a 49.8% increase from that of the previous month. Engineering was the turnover leader with 22.6% contribution to the month's average turnover. Textile followed next, contributing 17.9%. Major sectors had mixed performance during the month. Among these, Textile yielded 13.4% return, with its second large

market cap scrip PTL enjoying 15% price appreciation during the month. Engineering followed next with 7.1% return, mainly driven by 13% price increase of the largest market cap scrip IFADAUTOS. Besides, Fuel & Power, Life insurance and Telecommunication gained 5.5%, 1.0% and 0.1%, respectively. On the contrary, NBFI faced the highest erosion in July losing 6.0%, as the largest market cap scrip ICB (-4.26%) stumbled. Bank, Food & Allied, Pharmaceuticals & Chemicals, and Miscellaneous were also on the losers' list, losing 6.0%, 5.2%, 5.1% and 3.2% respectively.

Meanwhile, MSCI Frontier Markets Index was up by 3.4% during July. Sri Lanka, and Vietnam lost 0.8%, and 0.5%, respectively while Pakistan gained 1.9% this month. Bangladesh underperformed all the three regional peers.

Monthly Market Statistics |

Table: Index Movement

Indices	Index Point, July 2018	1M Return	3M Return	YTD Return	3Y Return
Bangladesh					
DSEX	5,302.6	-1.9%	-7.6%	-15.1%	10.6%
DS30	1,881.5	-4.0%	-12.2%	-17.6%	-0.1%
DSES	1,251.2	-1.0%	-5.6%	-10.0%	5.2%
Peer Countries					
Pakistan (KSE 100)	42,712.4	1.9%	-6.1%	5.5%	19.5%
Sri Lanka (CSE - All Share)	6,147.3	-0.8%	-5.9%	-3.5%	-16.2%
Vietnam (VNI)	956.4	-0.5%	-8.9%	-2.8%	54.0%
MSCI Frontier Markets Index					
	573.0	3.4%	-10.2%	-10.1%	2.4%

All returns are Holding Period Return

Table: Market Statistics (July, 2018)

Market Statistics	31-Jul-18	28-Jun-18	% change
Mcap All (USD mn)	45,868.0	45,938.5	-0.2%
Mcap Equity (USD mn)	38,805.2	38,859.5	-0.1%
Daily Avg. Turnover (USD mn)	101.4	67.7	49.8%

Graph: DSE Turnover and DSEX

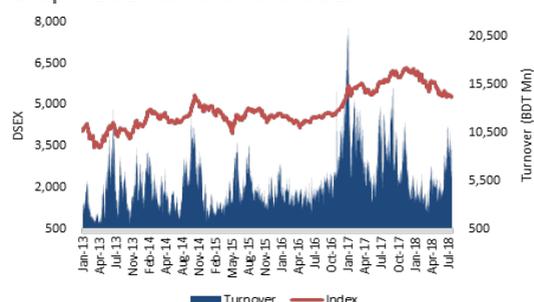


Table: Top Twenty Market Cap (July, 2018)

DSE Code	Sector	Mcap ¹ (USD Mn)	Daily Avg. Turnover (USD Mn)	1M Return	3M Return	YTD Return	3Y Return
GP	Telecommunication	6,291.2	1.3	0.3%	-16.9%	-15.4%	30.8%
SQURPHARMA	Pharmaceuticals & Chemicals	2,356.1	1.8	-8.7%	-12.8%	-11.3%	35.5%
BATBC	Food & Allied	2,347.8	0.8	-5.2%	-3.9%	-2.0%	13.1%
UPGDCL	Fuel & Power	1,625.6	2.8	36.6%	69.0%	88.3%	124.2%
ICB	NBFI	1,105.2	0.2	-8.2%	7.1%	-12.9%	25.0%
RENATA	Pharmaceuticals & chemicals	1,043.1	0.1	-3.8%	-1.1%	11.0%	35.0%
BRACBANK	Bank	841.4	0.9	-7.7%	-25.1%	-24.2%	161.7%
LHBL	Cement	759.9	0.6	-2.8%	-7.1%	-21.6%	-55.9%
BERGERPBL	Miscellaneous	701.2	0.2	-7.1%	23.0%	23.6%	48.7%
OLYMPIC	Food & Allied	493.0	0.3	-8.0%	-21.8%	-28.4%	-0.5%
SUMITPOWER	Fuel & Power	492.2	0.5	1.8%	3.2%	7.5%	15.2%
TITASGAS	Fuel & Power	451.2	0.1	-4.5%	-5.2%	-13.6%	-40.8%
ISLAMIBANK	Bank	438.3	0.2	-4.2%	-6.8%	-35.0%	21.6%
MARICO	Pharmaceuticals & chemicals	430.6	0.0	-1.3%	-5.0%	6.6%	-8.7%
EXPHARMA	Pharmaceuticals & chemicals	427.1	0.4	-6.1%	-16.4%	-15.0%	38.5%
MJLBD	Fuel & Power	360.2	0.2	-1.9%	-0.8%	-8.3%	6.8%
CITYBANK	Bank	345.6	0.4	-11.0%	-16.7%	-43.8%	93.2%
IFADAUTOS	Engineering	330.6	1.4	11.0%	4.1%	-2.5%	136.8%
KPCL	Fuel & Power	294.2	1.1	0.9%	26.3%	16.6%	2.2%
NBL	Bank	291.6	0.2	-6.1%	-11.9%	-20.7%	42.2%

All returns are holding period return

1Mcap as on last trading session of the month

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

DSE Code	31-Jul-18	28-Jun-18	% Change
SKTRIMS	31.9	10.0*	219.0%
LEGACYFOOT	214.1	75.3	184.3%
DSSL	44.7	19.7	126.9%
BPML	129.6	72.0*	80.0%
KDSALTD	106.3	62.1	71.2%
KPPL	20.3	12.1	67.8%
SAIHAMTEX	30.0	19.0	57.9%
PENINSULA	35.5	23.4	51.7%
PDL	23.3	16.0	45.6%
SIMTEX	37.9	26.2	44.7%

*IPO offer price of SKTRIMS and BPML

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

DSE Code	31-Jul-18	28-Jun-18	% Change
JUTESPINN	101.3	166.6	-39.2%
MEGHNAPET	13.0	20.3	-36.0%
MEGCONMILK	15.1	23.3	-35.2%
PLFSL	6.5	9.9	-34.3%
SHYAMPSUG	30.1	44.9	-33.0%
NORTHERN	252.4	348.1	-27.5%
BEACHHATCH	9.3	12.6	-26.2%
LIBRAINFU	913.7	1,225.3	-25.4%
MIDASFIN	22.2	28.5	-22.1%
ZEALBANGLA	36.9	46.5	-20.6%



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	16.0	15.43	103.4%	8.8%	-10.8%	31.8%	21.9%	19.3%	2022
SEBL1STMF	VIPB	13.6	14.40	94.4%	9.6%	-10.9%	31.1%	20.2%	18.5%	2021
GRAMEENS ²	AIMS	16.5	19.50	84.6%	6.7%	-3.0%	24.7%	13.6%	17.2%	2018
RELIANCE ¹	AIMS	10.3	13.95	73.8%	9.7%	-3.0%	21.2%	13.5%	16.3%	2021
IFILISLMF1	ICB AMCL	7.5	9.27	80.9%	12.0%	-5.7%	11.8%	10.3%	15.4%	2020
PRIMEIICBA	ICBAMCL	6.6	8.62	76.6%	10.6%	-9.5%	21.7%	12.5%	14.3%	2020
1JANATAMF	RACE	6.1	10.94	55.8%	3.3%	-9.7%	20.9%	13.0%	13.6%	2020
PHPMF1	RACE	6.0	10.94	54.8%	4.2%	-9.4%	25.0%	13.8%	13.2%	2020
POPULARIMF	RACE	5.4	10.91	49.5%	6.5%	-10.0%	22.7%	13.2%	12.9%	2020
PF1STMF	ICBAMCL	6.3	8.29	76.0%	7.9%	-9.4%	16.7%	10.9%	12.8%	2020

¹ Price and NAV published on July 29, 2018;

² On latest cash dividend declared

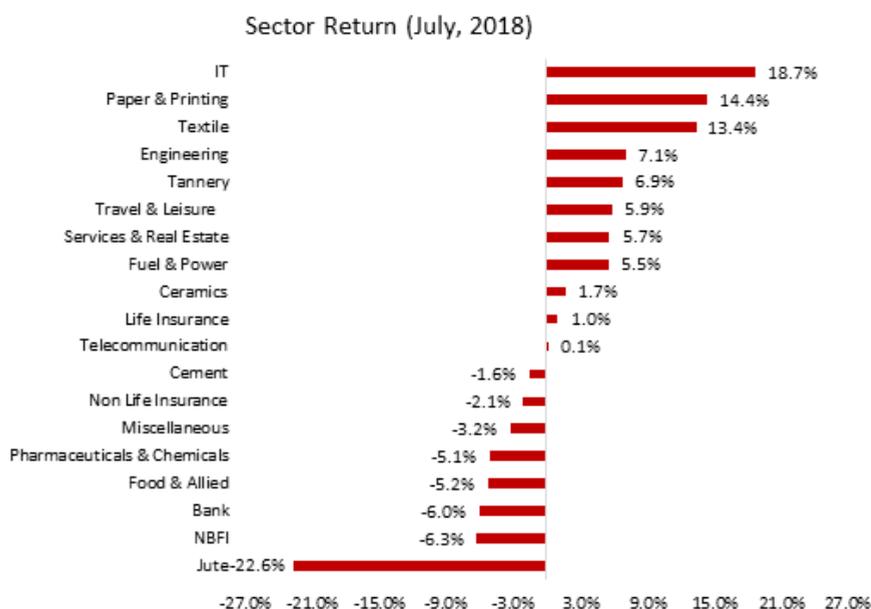
³ CAGR computed for respected periods, except for 2018, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

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	30,767	51.7%	3.6%	-7.9%	21.8%	12.7%	11.7%	5	4	4
LR Global	9,904	70.2%	9.3%	-7.8%	23.3%	12.5%	9.5%	4	5	5
ICB AMCL	6,276	79.8%	8.2%	-8.7%	16.5%	10.6%	11.9%	7	6	3
AIMS	4,400	82.5%	7.1%	-3.0%	24.0%	13.9%	16.6%	3	3	2
VAML	2,849	79.8%	13.0%	-10.7%	18.6%	-	-	6	-	-
VIPB	2,214	97.6%	9.3%	-10.9%	31.4%	20.8%	18.8%	1	1	1
SEML	1,584	81.8%	5.8%	1.1%	8.7%	-	-	9	-	-
ATCP AMCL	835	78.4%	14.6%	-4.2%	26.1%	16.2%	-	2	2	-
CAPM	1,225	75.3%	-	0.8%	10.8%	-	-	8	-	-
AMC Industry (Closed end)	60,054	64.6%	5.7%	-7.4%	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 (July, 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

