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# MONTHLY BUSINESS REVIEW

*August 2010*

Vol. 6 Issue 08



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Eid Mubarak!**

**Industry and Equity Analysis Team**

**Credit Risk Management  
IDLC Finance Limited**

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# Monthly Business Review

August 2010

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## ECONOMY AND BUSINESS

### Bangladesh ranks 88<sup>th</sup> on World's Best Countries' list

Bangladesh ranks 88<sup>th</sup> on the World's Best Countries' list compiled by the USA based Newsweek magazine, which placed nations on the basis of health, education, economy and politics. Among neighbour countries, India ranked 78<sup>th</sup>, China 59<sup>th</sup>, Sri Lanka 66<sup>th</sup> position while Pakistan has been placed at 89<sup>th</sup> spot. Japan, South Korea and Singapore are the only three Asian countries in the top 20.

### Economic Governance Index launched

International Finance Corporation (IFC), a member of the World Bank Group, and The Asia Foundation have launched a local governance program to facilitate public private dialogue on policy reform and make sustainable business climate improvements in 19 Bangladeshi districts. An important component of the program is the Bangladesh Economic Governance Index, a survey of 3,800 micro, small and medium growth oriented firms that measures and compares districts based on the firms' perceptions of the ease and challenges of doing business. The index looks at the quality of governance locally, and highlights various districts' strengths and weaknesses. The index's overall rankings reveal clear high performers districts such as Faridpur, Dinajpur and Kushtia and low performers including Tangail, Chittagong, Barisal and Rajshahi. About 42% of the districts surveyed fall into the medium category, indicating that with some business environment improvements, they could climb in the rankings.

### Country marks USD 2.66 bn surplus balance of payments

Country marked a USD 2.661 bn surplus balance of payment (BoP) during eleven months of last fiscal year from July 2009 to May 2010 on a record jump in inflow of remittance and exports receipts, associated with rise in other head of current transfers. The BoP during same period of the previous fiscal 2008-09, registered a surplus of USD 1.393 bn. The country's current account balance posted a massive surplus, due to surging remittance numbers and modest growth in imports. Inflow of remittance contributed USD 10.095 bn to current transfer against USD 8.770 bn in the corresponding period of the previous fiscal. Although the trade balance during the period was in disfavour of the country, the export earnings recorded a substantial rise, managing to escape from a negative growth due to global recession. Capital accounts, including direct investment, portfolio investment and other investments, totalled USD 291 mn in eleven months of last fiscal against USD 409 mn in the previous fiscal. Although foreign direct investment fell to USD 621 mn from USD 901, other investment heads managed to reduce the deficit.

### FDI makes a comeback

A positive trend has appeared in foreign direct investment (FDI) in Bangladesh, which observers see as a result of gradual easing of global recession and improved investor confidence. According to Bangladesh Bank (BB) data, during last half of fiscal 2009-10 (FY10), the net FDI inflow reached USD 439 mn from USD 358 mn in the same period a year ago showing 22% rise in FDI flow. However, the first half of FY10 witnessed a 66% drop in FDI causing 34% during the entire FY10.

### Industrial loan disbursement marks significant rise in FY10

The disbursement of industrial term loans stood at BDT 258.75 bn in the fiscal 2009-10 (FY10). Despite shortage of gas and power supply, industrial credit disbursement recorded a significant rise by over 29% compared to the disbursement of BDT 199.72 bn in the previous fiscal, according to the central bank statistics. Opening of letters of credit (LCs) for capital machinery imports

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scaled up by over 55% to USD 1.918 bn in FY10 while settlement of LCs increased by 3.95% to USD 1.459 bn against USD 1.403 bn. The energy and power, telecommunications, pharmaceuticals, textile, housing, construction and transportation sectors have received the lion's share of the credit. In fiscal FY10, the industrial credit recovery was BDT 189.82 bn compared to BDT 163.02 bn of the previous fiscal, BB's data showed.

## Export earning target set at USD 18.5 bn for this fiscal

The government has fixed a USD 18.5 bn export target for the current fiscal year, which would be a nearly 14.2% increase over the last year's actual earnings. Export earnings for the 2009-10 fiscal were USD 16.2 bn against a target of USD 17.6 bn that represented around 8% short of the target. Despite failing to achieve expected export earnings in the last fiscal government has approved a 10% increase in earnings for the highest export earning RMG sector (combining knitwear and woven garments).

## Investments in EPZs

- Investment in EPZs rose by 50% last year. Actual investment in the country's eight export processing zones (EPZs) stood at USD 222 mn in FY 2009-10 against USD 148 mn in FY 2008-09 showing a growth of 50%. This heavy investment flow is due to robust growth in the sectors of shoes, garments and textiles. Investment made in eight EPZs during the FY 2009-10 is as follows:

INVESTMENT IN EPZs		
EPZs	FY 2009-10 (USD mn)	FY 2008-09 (USD mn)
Dhaka EPZ	64.38	30.39
Chittagong EPZ	57.52	47.22
Comilla EPZ	20.44	8.20
Ishwardi EPZ	12.21	14.04
Adamjee EPZ	26.17	21.07
Karnaphuli EPZ	39.58	27.9
Mongla EPZ	0.01	(0.96)
Uttara EPZ	1.69	0.17

- Investment of USD 8.872 mn in Mongla EPZ. Pace Tobacco Industries (BD) Ltd., a Bangladesh-India company will invest USD 8.872 mn in setting up its unit to manufacture tobacco in the Mongla EPZ. This will create employment opportunity for 340 persons including 6 foreign nationals.
- Taiwanese company increases its investment in Comilla EPZ. Xin Chang Shoes (BD) Ltd. of Taiwan will expand investment from USD 8.194 mn to USD 16.666 mn in Comilla EPZ. It will increase employment opportunities in the company for 2,138 Bangladeshi nationals.

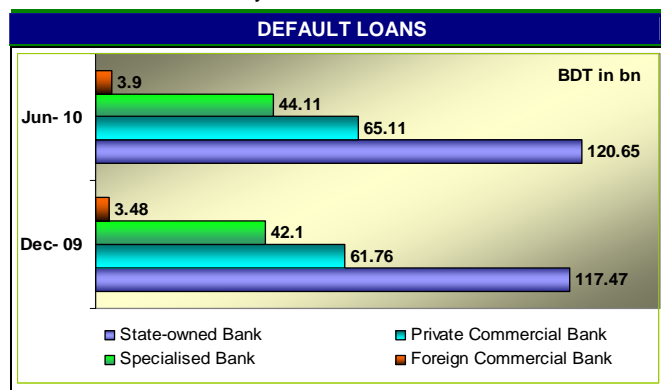
## Govt moves to bail out financially sick RMG units

The government has approved a policy to bail out 270 financially feeble garment factories to keep industrial units from being "sick". According to the decision, the sick industries will get an opportunity to receive fresh loans to repay the principal amount of their default bank loans. Factories which have less than BDT 50 mn in credits have to repay the amount within five years while units having outstanding loans above BDT 50 mn will do it in 10 years. Owners of the sick garment industries will not have to pay any amount for getting their default loans rescheduled. In case of default on four instalments in a row, the delinquent companies will face the forfeiture of the facilities.

## Banks record 4% rise in bad debt

Default loans have marked a 4% rise in the first six months of this year, for which bankers blame labour unrest, energy crisis, and also seasonal factors. Such bad debt rose by around BDT 8.97 bn

to reach BDT 233.79 bn on June 30, 2010, from BDT 224.82 bn on December 31, 2009. Though the amount has increased, it decreased in terms of percentage. At the end of June, the total default loan against total outstanding loan was 8.67%, which was 9.21% at the end of last year.



## Mobile subscribers crossed 60 mn in July 2010

Operators' efforts to take mobile technology to the masses at affordable prices led the industry to cross the 60 mn subscriber base in July, 2010 adding 13 mn new users from the same period of the previous year. Bangladesh Telecommunication Regulatory Commission (BTRC) statistics showed that Grameenphone holds the top position in picking new subscribers by adding 0.816 mn new customers in the last month followed by Banglalink, Robi and Warid. Number of subscribers remains almost unchanged for CityCell while it decreased for Teletalk during July, 2010.

Service Provider	New Subscriber Addition in July 2010 [In Million]	Total Subscribers at the end of July 2010 [In Million]
GrameenPhone	0.816	27.276
Banglalink	0.704	16.804
Axiata (Bangladesh) Ltd [Robi]	0.226	11.326
Warid Telecom	0.126	3.296
PBTL (CityCell)	0.006	1.996
Teletalk	(0.013)	1.147
<b>Total</b>	<b>1.865</b>	<b>61.845</b>

## SELECTED ECONOMIC INDICATORS

Item	Period/As of	Value/bn	Period/As of	Value/bn	+/(-)%
Broad Money (M2)	Jun'10	3,630	Jun'09	2,965	22.4%
Bank deposits	May'10	3,076	May'09	2,510	22.5%
Bank credit	May'10	2,717	May'09	2,244	21.0%
Total Domestic Credit	Jun'10	3,402	Jun'09	2,886	17.8%
Revenue Collection	Jun'10	94.00	Jun'09	78.00	19.5%
Export	Jul-Jun' 2009-10	16.205	Jul-Jun' 2008-09	15.565	4.11%
Opening of LC	Jul' 2010-11	30.033	Jul' 2009-10	21.266	41.2%
Foreign Exchange Reserve	Jun'10	10.749	Jun'09	7.470	43.9%
Workers' Remittances	Jul'10	0.847	Jul'09	0.885	-4.29%
Annual rate of Inflation	May'10	6.78%	May'09	7.32%	

Source: Selected Indicators: Weekly Update: August 25, 2010; Bangladesh Bank.



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## IMPORT LC STATISTICS

Figures in USD mn

Items	July-June 2009-10			July-June 2008-09		
	FLCO	SOLC	OSTLC	FLCO	SOLC	OSTLC
Capital Machinery	1,919	1,459	1,243	1,235	1,404	881
Textile Fabrics (B/B & Others)	3,405	2,869	1,879	2,995	3,037	1,373
Rice and Wheat	1,187	855	384	838	871	171
Chemicals & Chem. Products	2,064	1,720	(0.57)	2,210	2,244	582
Petroleum & Petro Products	2,367	2,291	909	1,865	2,037	872
Edible Oil & Oil Seeds	1,068	1,062	283	990	915	344
Raw Cotton	1,850	1,382	880	1,277	1,217	474
Scrap Vessels	714	712	5	782	795	15
Pulses	453	337	165	256	214	101
Cotton Yarn	624	448	418	473	501	280
Paper and Paper Board	314	301	100	324	299	94
Synthetic Fibre & Yarn	702	469	1,128	322	321	136
Sugar and Salt	795	610	253	328	337	156
Others	6,044	4,254	3,471	3,939	3,672	1,934
<b>Total</b>	<b>28,657</b>	<b>22,969</b>	<b>13,130</b>	<b>21,803</b>	<b>21,445</b>	<b>8,745</b>

FLCO = Fresh LC Opening, SOLC = Settlement of LC, OSTLC=Outstanding LC  
Source: Major Economic Indicators: Monthly Update; August 2010; Bangladesh Bank.

## EXPORT STATISTICS

Figures in USD mn

Item	July-June 2009-10	July-June 2008-09	Change +/-
Knitwear	6,483.29	6,429.26	0.84%
Woven RMG	6,013.43	5,918.51	1.60%
Frozen Food	445.18	454.53	-2.06%
Home Textile	539.28	313.51	72.01%
Leather	226.10	177.32	27.51%
Chemical Products	102.87	237.11	-56.62%
Foot Wear	204.09	186.93	9.18%
Engineering Products	311.09	181.34	71.55%
Agricultural Products	242.35	267.41	-9.37%
Raw Jute	196.27	148.17	32.46%
Others	1,440.70	1,251.10	15.15%
<b>Total</b>	<b>16,204.65</b>	<b>15,565.19</b>	<b>4.11%</b>

Source: Export performance for the month of July-June 2009-2010; Export Promotion Bureau, Bangladesh

## REGULATORY NEWS

### BB to bring FIs (non-bank) under Basel-II from 2012

Financial institutions (non-bank) will come under the Basel-II accord from January 2012 aiming at consolidating capital base of the country's financial institutions. Earlier, Bangladesh Bank (BB) asked the FIs (non-bank) to raise their paid-up capital to a minimum of BDT 500 mn by the end of 2010. Recent circular of BB said that the new Basel accord has been prepared on the basis of three pillars: minimum capital requirement, supervisory review process and market discipline. The Basel-II will be implemented with three specific approaches- standardised approach, standardised rule-based approach and basic indicator approach - as initial steps.

### BB curbs stock holdings of FIs (non-bank)

Bangladesh Bank (BB) in a circular on August 22, 2010, restricted non bank financial institutions' (non-bank) investments in the stock market to 25% of their paid-up capital and reserves. Seven FIs (non-bank) have made investments of more than 100% of their total capital in the share market, while 15 FIs (non-bank) invested more than 50% of their total equity. Their limit is just 25%.

Besides, all of the FIs (non-bank) excepting only seven have borrowed from the inter-bank call money market which is being invested in the capital market. To save bank depositors' interest, BB has asked the FIs (non-bank) to bring down total capital market investment to 25% of their equity by December 2010 to avoid a dive in share prices.

### BB raises policy interest rate to curb inflation

Bangladesh Bank (BB) has increased its policy interest rate by 1% aiming to curb inflationary pressures on economy. The interest rate on repurchase agreement (repo) was re-fixed at 5.5% from 4.5% while the reverse repo rate was increased to 3.5% from 2.5%. The new policy interest rates came into effect from August 19, 2010, according to BB circular.

### BB builds BDT 6.65 bn SME fund

Small and medium enterprises (SMEs) outside Dhaka and Chittagong cities will get a special financing of around BDT 6.65 bn under an SME refinancing scheme according to a circular of Bangladesh Bank (BB) issued on August 02, 2010. Out of it, the Asian Development Bank will provide BB USD 76 mn under the small and medium sized enterprises development project. BB will finance USD 19 mn from its own sources. The amount of the loan for a single unit of SME will be BDT 0.05 mn to BDT 7 mn. BB will finance 75% of a project when the participating bank will lend 15% and the borrower will invest 10%. The circular also said 15% of the fund is reserved for women entrepreneurs with maximum interest rate of 10%.

### SEC asks 2 bourses to open complaint cell

The Securities and Exchange Commission (SEC) on August 16, 2010 directed Dhaka and Chittagong stock exchanges to create 'complaint cell' for investors by September 01, 2010. This will help investors to file their grievances regarding trading or any other matter. The cells will have to send a report to SEC by 10<sup>th</sup> of every month about the complaints filed and steps taken to address those.

### SEC aims to calm market with margin rules

On August 24, 2010, the Securities and Exchange Commission (SEC) asked the stockbrokers and merchant banks to follow a net asset value (NAV) calculation for determining new margin loan at ratio of 1:1. Under the new guideline, for example, if the market price and NAV of a stock are BDT 1,000 and BDT 500 respectively the value for a margin-loan will be BDT 750 [(BDT 1,000 + BDT 500)/2]. In this case if a client deposits BDT 1,000, he or she will get BDT 750 under the existing loan margin ratio 1:1. Concerned with the continued rally at the market, regulators urged the stockbrokers and merchant bankers to adjust margin loan under the new criteria within October 15, 2010.

### Regulator to strengthen market watch

Public participation in the market is increasing gradually, making it necessary to strengthen market monitoring to maintain transparency and accountability as well as safeguard the interest of the investors. In this concern the bourses will have to submit reports on market monitoring on a weekly basis to the stock market regulators, a move to strengthen market intelligence. In the reports, the stock exchanges will mention any irregularities such as insider trading, spread of rumour and transaction manipulation and will also advise on the possible measures to tackle these irregularities.

### SEC tightens compliance of rights issue rules

The Securities and Exchange Commission (SEC) has tightened compliance of rights issue rules in a move to avoid delay in approval. The move is a result of insufficient information provided

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by the issue manager seeking clearance of rights share. According to the existing rights issue rules 2006, on receipt of an application for approval from an issuer, the SEC will examine the application. In case of incomplete application, the commission will inform the applicant in writing of the deficiencies within 28 days of receipt of application and the issuer should correct the deficiencies within 15 days of communication. From now on, to avoid unnecessary delay, an issue manager will have to explain failure on providing complete information required for obtaining clearance of issuing rights share.

## SEC hikes credit limit for mutual funds

The Securities and Exchange Commission (SEC) on August 30, 2010 reset the margin loans criteria for mutual funds by increasing the limit by 35%. In line with the new criteria, the mutual funds that will trade 50% higher than their latest NAV (net asset value) will not qualify for credit. The earlier limit was 15% that the regulator fixed five months ago. The new ceiling will come into effect from September 02, 2010.

## INTERNATIONAL

### Global youth unemployment at all-time high: UN

The global youth unemployment rate has soared to a record high and is expected to climb even higher as the year progresses, according to the United Nations International Labour Organisation (ILO). Of the world's 620 mn economically active youth between the ages of 15 and 24, 81 mn were out of work at the end of 2009, the highest number ever. UN News Centre reported that the youth unemployment rate climbed from 11.9% in 2007 to 13% in 2009. ILO forecasts that this rate will reach 13.1% this year cautioning possibility of 'lost generation' of young people dropping out of the labour market. In developing economies, 90% of the world's young people, are more vulnerable to unemployment and poverty.

### WGC predicts robust gain for gold in 2010

Gold will remain robust during 2010 as a result of accelerating demand from India and China, as well as increasing global investment demand driven by continuing uncertainty over public debt and economic recovery, the World Gold Council (WGC) said in a report. Total gold demand jumped 36% from a year earlier to 1,050 tonnes in the second quarter, the London-based WGC added. This was largely because of an enormous 118% increase in investment demand during the three months to June. The precious metal hit a record USD 1,265.30 per ounce on June 21, 2010 due to economic uncertainties and the ongoing search for less volatile and more diversified assets by the investors.

## MARKET ROUNDUP

### WEEKLY CURRENCY ROUNDUP (01-31 August, 2010)

Global Markets, Standard Chartered Bank

#### Money Market

Call Money Rates fluctuated mostly around 5%.

#### Foreign Exchange Market

**Local:** USD/BDT was relatively stable this week.

**International:** The yen nudged back towards a 15-year high against the dollar on August 31, 2010 as investors shrugged off the Bank of Japan's latest policy easing, betting instead on more yen gains that would keep the threat of intervention alive. With mounting U.S. economic worries likely to keep investors away

from riskier assets such as stocks and high-yielding currencies, the market is likely to push up the low-yielding yen. That could eventually prompt Japan to sell its currency in the markets for the first time in more than six years.

### EXCHANGE AND FORWARD RATES: (As on August 31, 2010)

Major Currency Exchange Rates			Exchange Rate of Some Currencies		
Currency	BC Sell BDT	TT Buy BDT	Currency	Currency Per USD	BDT per Currency
USD	69.90	68.90	INR	47.02	1.47
EUR	89.88	85.68	PKR	85.50	0.81
GBP	109.51	105.01	LKR	112.65	0.61
AUD	63.92	60.23	THB	31.31	2.21
JPY	0.86	0.80	MYR	3.14	22.05
CHF	69.61	66.44	USD forward rate against BDT		
SEK	9.69	9.06			
CAD	67.25	64.32			
HKD	9.00	8.84			
SGD	52.89	50.64		Buy	Sell
AED	19.13	18.66	1 Month	68.95	70.06
SAR	18.74	18.28	2 Months	69.01	70.62
DKK	12.19	11.38	3 Months	69.11	70.95
KWD	239.32	235.43	6 Months	69.50	72.04

Source: Standard Chartered Bank

### TREASURY BILL/BOND AUCTION INFORMATION

Auction Date	Tenure & Name of the Securities	Sale Value (in BDT mn)	Weighted Average Yield (%)
19-July-2010	91 days T. Bill	860.774	2.44
26-July-2010	182 days T. Bill	1,754.924	3.55
26-July-2010	364 days T. Bill	767.358	4.26
18-Aug-2010	5 years T. Bond	115.90	7.88
04-Aug-2010	10 years T. Bond	595.00	8.82
11-Aug-2010	15 years T. Bond	14.00	8.86
25-Aug-2010	20 years T. Bond	612.50	9.23

Source: Bangladesh Bank Website

### INTERNATIONAL COMMODITY PRICES

Commodity	Unit	Price on August 22, 2010 (USD/unit)	Price on June 25, 2010 (USD/unit)	Change +/-
Platinum	Ounce	1,530	1,541	-0.71%
Gold	Ounce	1,244.30	1,200	3.69%
Palladium	Ounce	503	460	9.35%
Silver	Ounce	19.03	18.17	4.73%
Nickel	Tonne	21,450	20,425	5.02%
Tin	Tonne	20,610	18,789	9.69%
Lead	Tonne	2,034	1,950	4.31%
Aluminium	Tonne	2,013	2,038	-1.23%
Zinc	Tonne	2,055	1,926	6.70%
Copper	Tonne	7,291	7,030	3.71%
Crude Oil	Barrel	73.88	78.72	-6.15%
Sugar	Pound	0.1944	0.1830	6.23%
Maize	Bushel	4.37	3.90	12.05%
Coffee	Tonne	1,645	1,724	-4.58%
Cocoa	Tonne	2,710	2,967	-8.66%
Wheat	Bushel	6.87	6.01	14.36%

Source: The Financial Express



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### IDLC NEWS

#### **IDLC Finance inaugurates its 2<sup>nd</sup> branch in Chittagong**

IDLC Finance Limited, a leading multi-product financial institution, inaugurated its Nandankanon Branch in Chittagong at A.K. Mansion (1<sup>st</sup> Floor), 17 J.C. Guha Road, Nandankanon, Chittagong on August 8, 2010. This is the second branch of IDLC Finance in Chittagong and 10<sup>th</sup> branch in Bangladesh. IDLC Finance Limited's Nandankanon Branch will offer a full range of SME, Corporate and Personal finance products including Term Loans, Lease Finance, Home Loans, Car Loans, Personal Loans and attractive Deposit schemes.



Selim R. F. Hussain, CEO & Managing Director of IDLC Finance Limited, inaugurated the Nandankanon Branch, Chittagong. Arif Khan, Deputy Managing Director of IDLC, was also present in the ceremony along with General Manager & Chief Financial Officer Ziaul Hoque Khan, Head of SME Zahid Ibne Hai, and other IDLC senior officials.

#### **IDLC Securities Limited Inaugurates its Khatoongonj Branch**

IDLC Securities Limited (IDLC SL), a fully owned subsidiary of IDLC Finance Limited and one of the top brokerages of Bangladesh, opened its 7<sup>th</sup> branch in Chittagong at 3/A, Ramjony Mohajon Lane (5<sup>th</sup>-floor), Khatoongonj on August 08, 2010. IDLC SL is a corporate member of both Dhaka and Chittagong Stock Exchanges and a full service Depository Participant of Central Depository Bangladesh Limited.



Selim R. F. Hussain, CEO & Managing Director of IDLC Finance Limited, and Chairman of IDLC SL, inaugurated the Khatoongonj Branch, Chittagong. Md. Saifuddin, Managing Director of IDLC Securities Limited, Arif Khan, Deputy Managing Director and Ziaul

Hoque Khan, General Manager & CFO of IDLC Finance Limited, were present in the ceremony along with other IDLC senior officials.

#### **IDLC Securities Limited Inaugurates its Narayanganj Branch**

IDLC Securities Limited (IDLC SL), a fully owned subsidiary of IDLC Finance Limited, and one of Bangladesh's top brokerages, has recently opened its 8<sup>th</sup> branch in Narayanganj at Sattar Tower (Ground floor), Municipal Holding No. 50, S.M. Maleh Road, Tanbazar, Narayanganj-1400.



Arif Khan, Deputy Managing Director of IDLC Finance Limited inaugurated Narayanganj Branch. Md. Saifuddin, Managing Director of IDLC Securities Ltd, Md. Moniruzzaman, Head of Merchant Banking of IDLC, were also present in the ceremony along with other IDLC SL senior officials.

#### **IDLC Finance Limited organizes a training program on "Credit Risk Management"**

As part of staff growth and development program, IDLC Finance Limited organized a three day training program on "Credit Risk Management" from August 6 – 8, 2010 which was facilitated by CRISIL Executive Training, CRISIL Limited of India, one of the most reputed training institutes in this region. The training sessions were conducted by Praloy Majumder, a renowned independent trainer and Manish Tripathy, the Director and Chief Operating Officer of Dissimare Consulting Pvt. Limited (DCPL).



26 members of IDLC's Credit Risk Management team participated in this program and were awarded certificates at the end of the program. The objective of the training program was to help relevant staff members acquire a comprehensive understanding on assessment of working capital needs of different types of businesses, development & interpretation of risk grading model for small business financing clients, methodology to be used for risk based pricing of loan products, sources of credit risk in SME

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financing and different ways of identifying & mitigating credit risk for SME clients etc.

### **IDLC Finance Ltd. organizes training program on “Creative & Successful Selling Techniques for Excellence”**

IDLC Finance Limited organized a day long training program on “Creative & Successful Selling Techniques for Excellence” for 30 members of its Liability Sales team on August 7, 2010.



The training was facilitated by Bdjobs Training of Bdjobs.com Limited. The program was designed to improve sales skills and it provided participants with a comprehensive understanding on modern selling techniques, buying processes, selling sequences, objection handling & negotiation etc.

### **IDLC arranges annual iftar party for its employees**

IDLC Finance Limited arranged an iftar party for its employees at Emmanuelle’s Banquet Hall, Gulshan 1, Dhaka on August 26, 2010. Selim R. F. Hussain, CEO & Managing Director of IDLC and Deputy Managing Director Arif Khan, among other officials of IDLC, were present in the function.

## NEWS IN BRIEF

### **ECONOMY**

- **Government borrows record amount through savings tools in FY’10.** The net borrowing of the government from savings instruments during the 2009-2010 fiscal ( FY’10) was BDT115.90 bn, up by BDT 79.57 bn or about 220% more than the amount borrowed in the previous fiscal, according to the final data compiled by the National Savings Directorate (NSD).
- **Bangladesh made a great leap in garment exports to China.** Primary data from the state-run Export Promotion Bureau (EPB) showed that Bangladesh exported knitwear products to China worth USD 23.5 mn in fiscal 2009-10 a whopping 148% jump in the 12 months ending June 30, 2010. China recently began to shift its manufacturing focus to hi-end apparel items, and other industries creating room for Bangladeshi exporters. This trend may grow even faster as the world’s largest apparel supplier starts allowing duty-free access to Bangladesh in July. China now provides zero-tariff treatment to 4,762 Bangladeshi product categories and will extend this range to 60% of the products by the end of this calendar year.

### **BUSINESS-GENERAL**

- **First-half profits of listed Financial Institutions (non-bank) record robust growth.** Profits of listed FIs (non-bank) grew by 166% posting BDT 4.5 bn in net profits, up from BDT 1.7 bn in the first half of 2010 from a year earlier. Prime Finance and Investment (PFI), IDLC Finance, LankaBangla Finance,

Peoples Leasing and Financial Services, and United Leasing emerged as the top five performers, which achieved 100% profit growth in the year’s first half. The bottom five earners include Fidelity Asset, First Lease International, Premier Leasing, Phoenix Finance and Islamic Finance.

- **BTRC makes customer care calls toll-free.** Bangladesh Telecommunication Regulatory Commission (BTRC) has moved to ensure free customer care calls for mobile phone customers. At present, the operators charge between BDT 1 and BDT 2 per minute for calls made to customer care services. In a directive of August 4, BTRC also set certain benchmarks for the quality of customer service in an effort to “protect social and economic interest of the subscribers”. According to the directive, consumers will be able to lodge complaints with the commission if respective companies fail to address their problems. Operators will have to submit a quarterly report to the BTRC, where the number and type of complaints received and the actions taken against the same have to be included.

### **BUSINESS - FIRM SPECIFIC**

- **Six firms get merchant banking license.** The Securities and Exchange Commission allowed Jamuna Bank, Mutual Trust Bank, The City Bank, Alpha Capital Management, Cosmopolitan Traders and Green Delta Insurance Company to roll out full-fledged merchant banking operations in the capital market. The responsibilities of a full-fledged merchant bank include underwriting, issue management, portfolio management and lending to stock investors.
- **Mutual Trust Bank Limited (MTBL) set to issue subordinated bond to enhance capital base.** MTBL got approval from Bangladesh Bank (BB) to issue the bond (worth of BDT 2.50 bn) on private placement to consolidate its capital base in line with the Basel-II framework. The bonds will be amortized and have a tenure of seven years. The coupon rate has been fixed at 12 annually. Each bond will be for BDT 10 mn and will be private-placed among institutions like banks, insurance companies and financial institutions in the country.

### **TRAINING / SEMINARS / WORKSHOPS**

- **Bangladesh Enterprise Institute (BEI)** organized a workshop on “Promoting Transparency and Accountability: Advocacy for an Audit Act” on August 11, 2010. A H M Mustafa Kamal, MP, Chairman, parliamentary committee for the Ministry of Finance was the chief guest and Ahmed Ataul Hakeem, Comptroller and Auditor General (CAG) was the special guest. The main emphasis in the workshop was to adopt an Audit Act to sufficiently strengthen CAG overcoming the inadequacies in the existing laws.
- **DCCI Business Institute (DBI)** organized a training course on “Rules and Procedures of Value Added Tax (VAT) and Income Tax” recently. DCCI Deputy Secretary (Training) Md Shamsuddin Azad coordinated the session. Whereas, DCCI Director M Bashir Ullah Bhuiyan attended the function as the chief guest and distributed certificates among all the 22 participants from different organizations.
- **Grameen Phone** holds workshop for SME agencies to make efforts of small communication agencies in Bangladesh more meaningful. The workshop was divided into three sessions including ‘Basic Communication Framework’, ‘Understanding the Consumer and Influence on the Communication’ and ‘Creating Impactful Design’. The workshop offered participants with the unique opportunity to share the creative spirit of



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communication, learn from some of the expert practitioners in advertising and business and be inspired by some of the best creative advertising from the region and the rest of the world.

## REWARDS AND RECOGNITIONS

- **StanChart grabs 'Asia's Best Brand Award'.** Standard Chartered Bank, Bangladesh, has received "Asia's Best Brand Award", presented by CMO Asia Awards for its excellence in branding and marketing. The CMO Asia Awards, the first of its kind, honors organizations chief marketing officers and professionals who have shown leadership in building brands combined with consistent innovation and strategic marketing.
- **CEPZ ranks third in cost-effectiveness free zones category.** The Chittagong Export Processing Zone (CEPZ) ranked third in the category of the world's best cost-effectiveness free zones, according to fDi magazine of London-based Financial Times (FT). The FT magazine in its first Global Free Zones of the Future- 2010-11 also ranked the CEPZ fourth in the world's top 10 best economic potential zones. The magazine took more than four months to compile data from nearly 1000 free zones of the globe and published the ranking in its June-July 2010 issue.

## CSR ACTIVITIES IN THE MONTH

- **Prime Bank Limited** awarded scholarship to a total of 196 students from different educational institutions of the country. These student will receive monthly stipends of BDT 2,000 each for pursuing their graduation level studies this year through 'Education Support Programme' in the country.
- **Southeast Bank Limited (SEBL) Foundation** donated BDT 0.7 mn to Dhoritri, a foundation for Information Education (Dhoritri), for developing of living standard of women cleaners of Dhaka City Corporation and educating their awardees as a part of SEBL corporate social responsibility (CSR).
- **The Bangladesh Association of Banks (BAB)** donated over BDT 240 mn to Liberation War Museum. Thirty three commercial banks including four state-owned banks donated the money to the museum for conducting its activities including research on the liberation war. **Pubali Bank Limited (PBL) and Exim Bank** donated BDT 10 mn each to Liberation War Museum as a part of corporate social responsibility (CSR).
- **Dutch Bangla Bank Limited (DBBL)** donated BDT 24.7 mn to Ekmattra for establishing Ekmattra Dutch Bangla Bank (EDBB) Academy with a view to provide education as well as other facilities for underprivileged children of the country.

## INTERNATIONAL

- **Annual consumer-price inflation in Britain** edged down from 3.2% to 3.1% in July, but remained above the central bank's 2% target.
- **Inflation in the euro area** rose from 1.4% to 1.7% in July, according to an estimate from Eurostat, the EU statistics agency. On one of its measures of core prices which excludes energy and seasonal foods, inflation continued to creep up, reaching 1% in July.
- **America's GDP growth** slowed to an annualised 2.4% in the three months to the end of June 2010, from 3.7% during the quarters to the end of March.
- **Japan's GDP grew** by 0.1% in the second quarter, far less than had been forecast.

- **The euro-area economy** grew by 1% in the second quarter, thanks largely to surging output in Germany, the currency zone's largest number. German GDP rose by 2.2% in the quarter, an annualised rate of 9%.
- **China overtakes Japan** to become the world's second-largest economy, the fruit of three decades of rapid growth that has lifted hundreds of millions of people out of poverty. Depending on how fast its exchange rate rises, China is on course to overtake the United States and vault into the No.1 spot sometime around 2025, according to projections by the World Bank, Goldman Sachs and others.

## UPCOMING EVENTS

Event	Period	Location
Korea International Printing Machinery & Equipment Show	08-11 Sep, 2010	Goyang, Korea
Bangladesh Architectural Construction & Engineering Industry Trade Show	22-25 Sep, 2010	Dhaka, Bangladesh
Bangladesh International Travel and Tourism Fair, EBL BTTF 2010	30 Sep-02 Oct, 2010	Dhaka, Bangladesh
Thailand International Logistics Fair 2010	07-11 Oct, 2010	Bangkok
Dhaka Tourism Fair	28-30 Oct, 2010	Dhaka, Bangladesh
Eco Expo Asia	03-06 Nov, 2010	Hong Kong
BANGLA PLAST 2011	20-23 Apr, 2011	Dhaka, Bangladesh

## MANAGEMENT CHANGE - BANKS & FIS

Organization	Position	Name
Asia Pacific General Insurance Company Ltd.	Chairman	Aftab ul Islam
Rupali Insurance Company Ltd.	Chairman (Re-elected)	Mostafa Golam Quddus
Global Insurance Ltd.	Chairman	RA Howlader
Al-Arafah Islami Bank Ltd.	MD	Ekramul Hoque
Fareast Islami Life Insurance Company Ltd.	MD	Mohammad Hemayetullah
Bangladesh Mutual Securities Ltd.	MD	Md. Golam Sarwar Bhuiyan

## MANAGEMENT CHANGE - OTHERS ORGANIZATIONS

Organization	Position	Name
Bangladesh Specialised Textile Mills and Powerloom Industries Association	President	Abdul Tahid Mazumder
Bangladesh Tea Association (BTA)	Chairman	Mohd. Safwan Choudhury
Ericsson Bangladesh Ltd.	MD	Per-Henrik Nielsen

Note: The information in this and the preceding pages has been compiled from press reports and miscellaneous publicly available sources unless otherwise specified. The authenticity and correctness of the information has not been verified.



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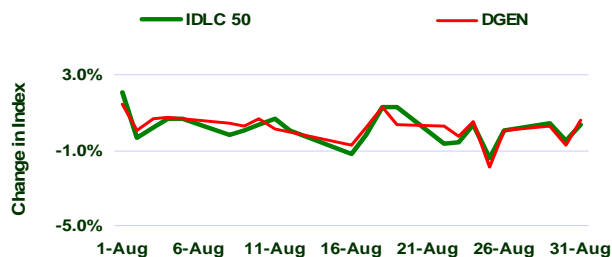
### CAPITAL MARKET REVIEW

#### PERFORMANCE OF IDLC 50 IN AUGUST 2010

Inst Code	Sector	Market Cap (BDT mn)	Turnover (BDT mn)	Monthly Av. P/E	Last Trading Day Price	Weekly Return (%)				Monthly Return (%)	Yearly Return (%)	Cash Dividend (BDT)	Stock Dividend (%)
						1-5 Aug'10	8-12 Aug'10	16-19 Aug'10	22-26 Aug'10				
ABBANK	Bank	30,726.16	174.97	11.63	1,198.25	4.91%	-1.61%	-1.80%	-2.37%	-2.28%	69.87%	20.00	25.00%
CITYBANK	Bank	12,426.66	36.68	43.81	632.75	5.09%	-0.26%	-35.22%	-5.40%	-37.75%	103.46%	-	25.00%
IFIC	Bank	18,580.84	65.42	35.91	1,065.50	6.52%	2.03%	-1.41%	-5.03%	2.18%	57.71%	-	25.00%
ISLAMIBANK	Bank	41,606.14	44.08	20.36	561.25	3.00%	-2.48%	0.89%	-2.43%	0.45%	28.96%	10.00	20.00%
NBL	Bank	34,403.59	83.55	23.06	779.75	7.97%	-3.81%	-1.00%	-2.49%	1.10%	149.84%	-	55.00%
PUBALIBANK	Bank	33,711.95	41.22	23.16	678.50	3.19%	-3.30%	-0.11%	-3.31%	-4.81%	128.66%	5.00	30.00%
UTTARABANK	Bank	25,235.63	49.56	23.05	1,053.25	0.92%	-1.31%	2.39%	-1.78%	-0.73%	46.66%	-	50.00%
EBL	Bank	1,968.63	24.83	22.70	67.40	9.69%	0.72%	-0.03%	-3.97%	-89.80%	-80.60%	20.00	17.00%
ALARABANK	Bank	23,082.37	194.27	34.16	98.70	-0.92%	1.54%	-0.10%	-2.63%	0.51%	-61.90%	-	30.00%
PRIMEBANK	Bank	32,304.33	26.08	26.05	559.25	3.09%	-1.22%	0.13%	-1.63%	0.31%	64.39%	10.00	30.00%
SOUTHEASTB	Bank	25,453.51	28.87	29.27	367.25	1.45%	-2.53%	0.27%	-1.86%	-3.29%	91.98%	-	35.00%
DHAKABANK	Bank	14,089.22	67.76	16.58	529.75	6.95%	-2.90%	0.72%	1.34%	5.90%	90.97%	-	25.00%
NCCBANK	Bank	19,524.19	41.64	22.14	433.75	2.61%	-1.81%	0.69%	-1.48%	0.52%	79.48%	-	47.00%
MTBL	Bank	9,612.30	15.49	11.68	453.50	5.44%	-2.63%	1.10%	-1.80%	2.83%	98.61%	-	20.00%
BANKASIA	Bank	17,430.89	22.07	26.38	580.50	1.64%	-1.41%	-0.37%	-2.62%	-4.95%	176.19%	-	40.00%
MERCANBANK	Bank	14,833.01	35.35	18.96	364.25	1.04%	-2.45%	0.86%	-2.69%	-4.96%	57.30%	-	22.00%
BRACBANK	Bank	18,578.10	59.75	13.96	694.00	0.45%	-1.33%	0.59%	-2.82%	-4.96%	57.31%	-	30.00%
SHAHJABANK	Bank	15,353.10	62.46	19.44	448.25	6.49%	-3.41%	-0.43%	-2.85%	-1.38%	139.19%	-	25.00%
HEIDELBCEM	Cement	19,394.85	39.94	23.45	3,432.50	2.83%	-2.05%	1.14%	-2.97%	-2.45%	118.80%	38.00	-
CONFIDCEM	Cement	4,884.96	86.70	(182.26)	1,947.75	2.35%	8.18%	-0.59%	-10.28%	-0.68%	264.49%	10.00	20.00%
ATLASBANG	Engineering	6,876.00	31.19	30.70	515.70	-0.25%	-0.57%	4.60%	-3.61%	0.49%	33.43%	7.50	33.33%
BSRMSTEEL	Engineering	38,064.86	454.93	(19.35)	2,282.75	2.65%	0.41%	9.01%	-4.80%	9.29%	237.42%	-	15.00%
IDLC	Financial Institutions	23,875.50	117.23	29.56	3,979.25	3.56%	7.98%	0.27%	-3.71%	6.20%	272.15%	10.00	100.00%
UTTARAFIN	Financial Institutions	1,467.18	127.03	25.67	370.50	5.16%	14.52%	-0.49%	-1.86%	-88.60%	-54.65%	-	25.00%
PRIMEFIN	Financial Institutions	3,334.74	197.79	49.27	369.50	1.54%	4.66%	1.66%	-4.51%	3.39%	170.78%	10.00	40.00%
LANKABAFIN	Financial Institutions	24,583.25	174.90	33.67	462.70	-1.45%	7.01%	-0.61%	-5.05%	-0.06%	-119.20%	1.50	20.00%
ILFSL	Financial Institutions	9,809.02	78.14	49.17	1,926.50	4.82%	6.28%	4.73%	-7.27%	6.95%	288.18%	-	75.00%
DBH	Financial Institutions	10,552.42	11.64	45.00	2,614.25	-0.19%	1.08%	6.86%	-2.21%	4.88%	63.17%	17.00	15.00%
BATBC	Food & Allied	40,746.00	54.46	19.81	679.10	-1.53%	5.20%	4.19%	-5.46%	1.75%	145.78%	30.00	-
BOC	Fuel & Power	11,220.44	41.46	32.25	737.30	-3.42%	1.22%	0.78%	-2.68%	-5.92%	99.32%	17.70	-
DESCO	Fuel & Power	40,467.06	94.50	25.63	2,526.50	2.84%	3.10%	-1.16%	-1.49%	2.32%	119.38%	25.00	20.00%
POWERGRID	Fuel & Power	37,793.04	53.03	22.68	1,037.25	3.23%	-1.97%	0.21%	-2.71%	-0.72%	47.28%	27.00	-
TITASGAS	Fuel & Power	93,440.78	329.61	22.48	1,091.00	6.33%	-0.04%	-0.58%	-2.02%	3.44%	70.20%	27.00	-
BGIC	Insurance	3,110.24	63.82	64.75	677.00	6.08%	0.26%	15.96%	6.31%	23.88%	12.32%	-	10.00%
GREENDELTA	Insurance	8,140.31	29.11	33.46	1,994.00	10.90%	1.37%	6.06%	-4.65%	10.92%	31.68%	25.00	-
NATLIFEINS	Insurance	9,907.90	6.24	na	7,091.00	10.96%	4.85%	0.16%	-4.53%	7.40%	253.72%	-	55.00%
RELIANCINS	Insurance	3,966.01	4.61	33.66	1,303.75	7.47%	-2.08%	-0.30%	-0.97%	2.48%	96.17%	-	30.00%
FAREASTLIF	Insurance	760.44	131.84	na	391.90	31.16%	-88.30%	-0.93%	-0.60%	-85.59%	-76.90%	-	45.00%
GQBALLPEN	Miscellaneous	1,138.92	14.90	353.68	253.50	-6.23%	0.32%	-1.71%	6.54%	-5.38%	32.51%	3.50	-
BEXIMCO	Miscellaneous	53,748.94	1834.67	56.95	336.00	1.28%	0.29%	-0.74%	2.38%	10.34%	96.20%	-	60.00%
BXPHERMA	Pharm. & Chem.	29,747.55	198.93	52.94	154.60	-1.79%	1.96%	-1.99%	2.51%	2.72%	11.33%	-	15.00%
ACI	Pharm. & Chem.	7,680.10	14.15	13.15	395.80	-1.98%	-0.27%	-1.16%	-0.10%	-4.40%	-10.05%	10.50	-
SQURPHARMA	Pharm. & Chem.	46,300.81	161.23	30.72	3,068.25	3.35%	4.63%	-2.41%	0.22%	-19.05%	60.03%	35.00	30.00%
ACIFORMULA	Pharm. & Chem.	5,178.00	16.20	32.77	172.60	-1.76%	-1.15%	-1.46%	5.51%	-2.10%	-5.84%	2.50	-
MARICO	Pharm. & Chem.	21,416.85	19.27	76.57	679.90	3.47%	4.08%	1.30%	4.05%	13.43%	na	2.50	-
APEXTANRY	Tannery	2,656.33	34.07	18.10	1,743.00	-4.57%	4.90%	5.27%	-2.92%	-0.81%	60.17%	21.00	-
BATASHOE	Tannery	9,705.96	34.55	21.27	709.50	-2.08%	11.67%	6.03%	-6.81%	8.37%	87.60%	10.50	-
GP	Telecommunication	345,001.66	89.36	118.38	255.50	0.08%	0.04%	2.67%	-2.94%	-1.12%	na	6.00	-
BEXTTEX	Textile	41,513.83	870.87	(59.56)	89.00	-0.98%	6.06%	1.33%	9.71%	24.30%	68.06%	-	15.00%
SQUARETEXT	Textile	17,395.74	266.61	61.68	211.70	18.30%	9.80%	7.94%	4.83%	59.41%	166.95%	1.60	15.00%

\* Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. "-" indicates "not available" or "zero".

#### MOVEMENT OF IDLC 50 AND DGEN



#### IDLC 50 & DGEN HIGHLIGHTS- AUG '10

	IDLC 50	DGEN
Index Value - August 31, 2010	6,735.79	6,657.97
Index Value - July 29, 2010	6,515.14	6,342.76
Monthly Return (%)	3.39%	4.97%
Highest Index Value	6,871.47	6,436.77
Lowest Index Value	6,629.68	6,777.96
Standard Deviation of the Index	± 60.17	± 94.81
Total Turnover - August 31, 2010 (BDT mn)	6,757.00	14,884.43

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## DSE\* TOP 15 APPRECIATING ISSUES IN THE MONTH

DSE CODE	SECTOR	MONTHLY APPRECIATION	MONTHLY Av. P/E RATIO	LAST TRADING DAY P/E RATIO	LAST TRADING DAY PRICE	STD. DEV. OF PRICES/ Av. PRICE	Av. MARKET CAPITALIZATION BDT mn	CASH DIV. IN BDT	STOCK DIV.
BEACONPHAR	PHARM. & CHEM.	805.5%	na	na	89.7	4.8%	18,931.85	-	-
MALEKSPIN	TEXTILE	252.5%	na	na	85.1	2.5%	13,592.38	-	-
EHL	SERVICES & REAL ESTATE	79.6%	62.7	92.7	1,599.8	21.7%	6,708.00	15.0	-
EASTERNINS	INSURANCE	50.1%	77.3	81.3	1,408.0	14.0%	2,497.30	-	20.00%
SQUARETEXT	TEXTILE	47.7%	61.7	73.5	211.7	12.7%	14,589.95	1.6	15.00%
CITYGENINS	INSURANCE	44.4%	60.7	70.9	766.5	15.5%	1,191.36	-	10.00%
FEDERALINS	INSURANCE	43.1%	123.5	16.4	134.4	39.9%	1,135.93	-	12.00%
SAIHAMTEX	TEXTILE	40.1%	36.3	44.9	566.5	9.2%	571.43	10.0	-
AFTABAUTO	ENGINEERING	39.1%	315.8	371.5	486.6	10.6%	18,131.54	10.0	-
GRAMEEN1	MUTUAL FUNDS	39.0%	24.4	30.1	105.9	13.7%	1,458.68	7.1	-
FAREASTLIF	INSURANCE	38.6%	na	na	391.9	98.9%	3,108.62	-	45.00%
KEYACOSMET	PHARM. & CHEM.	35.8%	30.9	not traded	not traded	11.6%	2,802.38	1.5	-
MIRACLEIND	MISCELLANEOUS	35.4%	(56.6)	(70.6)	48.6	7.9%	774.25	0.2	-
ICBIBANK	BANK	35.3%	(5.8)	(6.2)	1,915.5	10.9%	11,877.10	-	-
PRIMELIFE	INSURANCE	33.5%	na	na	3,425.3	8.0%	3,830.75	5.0	35.00%

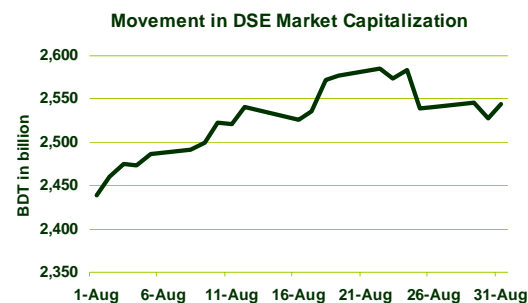
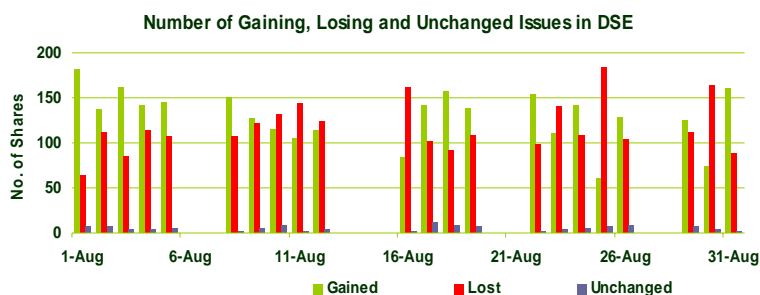
\*The above is based on all DSE A, N-Category Stocks and selected B & Z category stocks. Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. "-" indicates "not available" or "zero". For further information, please write to creditriskmgt@idlc.com

## DSE\* TOP 15 DECLINING ISSUES IN THE MONTH

DSE CODE	SECTOR	MONTHLY DECLINE	MONTHLY Av. P/E RATIO	LAST TRADING DAY P/E RATIO	LAST TRADING DAY PRICE	STD. DEV. OF PRICES/ Av. PRICE	Av. MARKET CAPITALIZATION BDT mn	CASH DIV. IN BDT	STOCK DIV.
UCBL	BANK	-54.2%	24.6	18.4	1,179.3	38.0%	18,808.75	-	30.00%
CITYBANK	BANK	-39.5%	43.8	31.2	632.8	23.4%	17,439.54	-	25.00%
ISLAMICFIN	FINANCIAL INSTITUTIONS	-28.7%	59.9	49.2	702.0	14.2%	3,406.93	15.0	25.00%
ASIAPACINS	INSURANCE	-27.8%	56.1	41.8	595.5	16.3%	1,693.72	-	10.00%
DAFODILCOM	IT-SECTOR	-23.3%	99.2	73.3	45.6	10.5%	1,410.07	-	12.00%
SQURPHARMA	PHARM. & CHEM.	-18.2%	30.7	24.5	3,068.3	8.3%	58,070.89	35.0	30.00%
MONNOSTAF	ENGINEERING	-13.1%	25.3	24.9	964.3	7.1%	39.14	10.0	-
5THICB	MUTUAL FUNDS	-11.0%	48.8	47.9	1,598.8	7.0%	244.40	100.0	-
APEXWEAV	TEXTILE	-9.9%	(2.5)	(2.5)	128.0	2.8%	504.30	-	-
BSC	MISCELLANEOUS	-9.5%	(68.2)	not traded	not traded	7.3%	6,993.79	-	-
OCL	SERVICES & REAL ESTATE	-9.3%	3.0	2.9	158.9	2.2%	4,311.25	1.0	10.00%
DELTALIFE	INSURANCE	-8.1%	na	na	23,901.5	3.5%	7,752.51	-	-
SIBL	BANK	-6.5%	69.7	67.5	33.9	3.1%	10,458.71	-	11.00%
BOC	FUEL & POWER	-5.8%	32.2	31.2	737.3	2.1%	11,587.78	17.7	-
PREMIERBAN	BANK	-5.5%	22.6	21.9	48.8	2.9%	14,716.63	-	30.00%

\*The above is based on all DSE A, N-Category Stocks and selected B & Z category stocks. Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. "-" indicates "not available" or "zero". For further information, please write to creditriskmgt@idlc.com

## DSE CAPITALIZATION AND GAINING, LOSING & UNCHANGED ISSUES



# Monthly Business Review

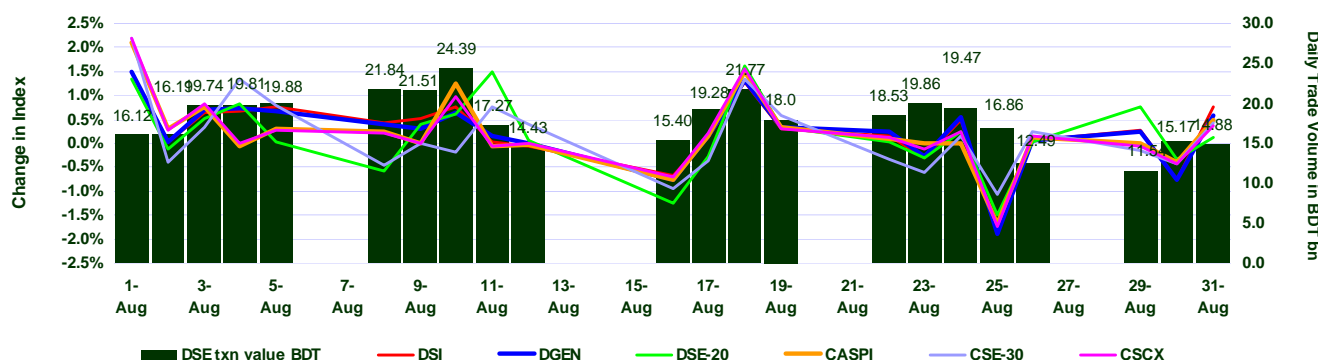
August 2010

## DSE\* INDUSTRY-WISE STATISTICS

Sector/Industry	Capitalization BDT mn (Avg.)	% Sector Caps	Number	Simple Av. Price Change in Period	Simple Av. P/E Ratio	Weighted Av. P/E Ratio
Bank	614,829	24.94%	30	-2.13%	25.77	37.95
Cement	64,485	2.62%	4	5.19%	34.15	54.04
Ceramic	58,063	2.36%	4	14.81%	166.40	(135.24)
Corporate Bond	3,792	0.15%	2	-0.72%	-	-
Engineering	112,388	4.56%	16	10.47%	65.25	70.57
Financial Institutions	316,329	12.83%	21	5.81%	64.23	49.44
Food & Allied	49,217	2.00%	10	8.61%	74.33	36.00
Fuel & Power	321,529	13.04%	10	0.74%	59.63	32.19
Insurance	108,494	4.40%	40	14.91%	44.75	135.85
IT-Sector	4,470	0.18%	5	5.92%	78.78	70.39
Jute	284	0.01%	2	9.31%	18.35	60.44
Miscellaneous	88,310	3.58%	9	3.68%	44.70	49.38
Mutual Funds	29,130	1.18%	26	9.03%	24.30	42.11
Paper & Printing	4	0.00%	1	0.00%	-	-
Pharm. & Chem.	193,081	7.83%	19	50.58%	49.63	32.29
Services & Real Estate	35,887	1.46%	4	23.11%	66.30	29.23
Tannery	15,575	0.63%	3	4.29%	18.93	18.06
Telecommunication	353,226	14.33%	1	-0.81%	118.38	118.38
Textile	88,561	3.59%	16	34.54%	39.47	53.75
Travel & Leisure	7,750	0.31%	3	6.91%	-	23.41
<b>TOTAL</b>	<b>2,465,399</b>	<b>100.00%</b>	<b>226</b>	<b>13.05%</b>		

\*The above includes all DSE A, G, N-Category Stocks and selected B & Z category stocks. Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. For further information, please write to [creditriskmgmt@idlc.com](mailto:creditriskmgmt@idlc.com)

## MOVEMENT OF DSE AND CSE INDICES



## FORTHCOMING IPO APPROVED BY SEC

Name of the issue	Sponsors' Equity and Pre-IPO paid up capital (BDT mn)	IPO Amount (BDT mn)	Public Offer (in unit)	Date for subscription
Active Fine Chemicals Limited	240.00	160.00	16,000,000	14-20 Sep 2010
IFIL Islamic Mutual Fund-1	500.00	500.00	50,000,000	26-30 Sep 2010

Source: DSE Website

## INTERNATIONAL MARKET MOVEMENTS

Markets	Index August 25 <sup>th</sup>	% Change on		
		One Week	Dec 31 <sup>st</sup> 2009	
			In local currency	In USD
United States (DJIA)	10,040.5	-3.6	-3.7	-3.7
United States (S&P 500)	1,051.9	-3.9	-5.7	-5.7
United States (NAScomp)	2,123.8	-4.1	-6.4	-6.4
Japan (Nikkei 225)	8,845.4	-4.3	-16.1	-7.7
China (SSEA)	2,720.4	-2.6	-20.9	-20.5
Britain (FTSE 100)	5,109.4	-3.6	-5.6	-9.8
Canada (S&P TSX)	11,557.4	-1.9	-1.6	-3.1
Germany (DAX)	5,899.5	-4.6	-1.0	-12.8
Hong Kong (Hang Seng)	20,635.0	-1.8	-5.7	-5.9
India (BSE)	18,179.6	-0.4	+4.1	+3.3
Pakistan (KSE)	9,553.8	-1.6	+1.8	+0.3
Singapore (STI)	2,926.6	+0.2	+1.0	+4.1

Source: The Economist



## YEARLY PROFIT & DIVIDEND DECLARATIONS IN AUGUST

DSE Code	Latest Financial Year		Dividend Declaration			DSE Code	Latest Financial Year		Dividend Declaration		
	Profit (BDT mn)	EPS (BDT)	Cash	Stock	Right		Profit (BDT mn)	EPS (BDT)	Cash	Stock	Right
APEXFOODS	8.56	15.01	12.00%	-	-	DBH1STMF	8.93	0.74	7%	-	-

## DIVIDEND DECLARATIONS IN AUGUST

DSE Code	Dividend Declaration			DSE Code	Dividend Declaration			DSE Code	Dividend Declaration		
	Cash	Stock	Right		Cash	Stock	Right		Cash	Stock	Right
1STICB	400.00%	-	-	8THICB	65.00%	-	-	ICBEPMF1S1	11.5% (for 6 months)	-	-
2NDICB	200.00%	-	-	APEXTANRY	25.00%	-	-	ICBISLAMIC	35.00%	-	-
3RDICB	140.00%	-	-	ICB1STNRB	35.00%	-	-	PRIME1ICBA	10% (for 5 months)	-	-
4THICB	125.00%	-	-	ICB2NDNRB	22.00%	-	-	STYLECRAFT	30.00%	-	-
5THICB	100.00%	-	-	ICBAMCL1ST	50.00%	-	-				
6THICB	75.00%	-	-	ICBAMCL2ND	14% (for 9 months)	-	-				
7THICB	70.00%	-	-								

## UN-AUDITED HALF YEARLY RESULTS DECLARED IN AUGUST

DSE Code	Profit (BDT mn)	EPS (BDT)	DSE Code	Profit (BDT mn)	EPS (BDT)	DSE Code	Profit (BDT mn)	EPS (BDT)
BIFC	59.25	13.38	FLEASEINT	70.77	17.58	PIONEERINS	57.07	30.44
BXSYNTH	6.35	1.07	GLOBALINS	18.02	10.92	PREMIERLEA	43.63	10.05
PLFSL	400.85	4.02	GQBALLPEN	14.89	3.31	PRIMEBANK	1,502.90	32.52
1STPRIMFMF	30.91	1.55	GREENDELTA	190.99	46.78	PROVATIINS	11.24	7.50
AGRANINS	12.34	7.48	ILFSL	226.97	44.58	PURABIGEN	39.31	59.56
APEXDELFT	50.45	44.85	INTECH	3.90	0.30	RELIANCINS	99.45	32.69
BAYLEASING	126.21	41.24	ISLAMIBANK	2,708.33	36.53	RENATA	443.80	245.54
BDFINANCE	111.55	25.33	ISLAMIINS	9.02	6.01	REPUBLIC	20.30	12.31
BEACONPHAR	8.11	0.04	JANATAINS	7.64	10.53	RUPALIINS	31.30	22.83
BEXIMCO	3,517.04	21.25	LANKABAFIN	829.90	15.62	SAPORTL	1,114.76	11.53
BEXTEX	943.53	2.02	MEGHNACEM	110.20	48.98	SONARBAINS	16.13	8.48
BXPBARMA	528.27	2.52	MERCANBANK	521.71	18.10	SPCERAMICS	131.50	1.36
CENTRALINS	27.00	13.82	MERCINS	23.18	14.05	SQUARETEXT	329.11	4.05
CITYGENINS	20.64	11.37	NITOLINS	23.96	15.98	STANDARINS	11.78	7.14
CONTININS	20.68	11.40	NORTHNRINS	22.00	12.75	TAKAFULINS	28.75	19.16
EASTERNINS	39.22	25.22	PEOPLESINS	26.07	9.21	UCBL	827.74	69.34
EBL	1,064.62	36.22	PHENIXINS	26.29	13.36	UTTARABANK	793.73	33.13

## UN-AUDITED QUARTERLY RESULTS DECLARED IN AUGUST

DSE Code	Profit (BDT mn)	EPS (BDT)	DSE Code	Profit (BDT mn)	EPS (BDT)	DSE Code	Profit (BDT mn)	EPS (BDT)
BIFC	45.26	10.22	GREENDELTA	99.68	24.42	PEOPLESINS	8.22	2.90
PLFSL	216.21	2.17	ILFSL	136.05	26.72	PHENIXINS	23.10	11.74
AGRANINS	6.20	3.76	ISLAMIBANK	1,390.11	18.75	PREMIERLEA	21.49	4.95
BAYLEASING	77.34	25.27	ISLAMIINS	3.63	2.42	PRIMEBANK	772.49	16.72
BDFINANCE	74.79	16.98	JANATAINS	4.49	6.19	RELIANCINS	43.19	14.20
BEACONPHAR	20.30	0.11	LANKABAFIN	457.28	8.61	RENATA	243.05	134.47
BXPBARMA	310.31	1.48	MALEKSPIN	58.73	0.49	RUPALIINS	17.93	13.07
CONTININS	10.32	5.69	MERCANBANK	321.03	11.14	SONARBAINS	9.77	4.62
EASTERNINS	604.29	20.69	MERCINS	16.75	10.15	SQURPHARMA	722.09	47.85
EBL	617.74	20.96	NAVANACNG	73.78	2.03	STANDARINS	6.32	3.83
FLEASEINT	37.49	9.31	NITOLINS	12.69	8.46	UTTARABANK	335.91	14.02

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## MUTUAL FUNDS VALUE DECLARED IN AUGUST

DSE Code	NAV (BDT/Unit)	Face Value (BDT/Unit)	DSE Code	NAV (BDT/Unit)	Face Value (BDT/Unit)	DSE Code	NAV (BDT/Unit)	Face Value (BDT/Unit)
1STBSRS	1,845.71	100	ICB3RDNRB	11.79	10	First ICB	10,805.15	100
1STPRIMFMF	23.04	10	ICBAMCL1ST	687.85	100	Second ICB	3,150.86	100
AIMS1STMF	6.43	1	ICBAMCL2ND	144.94	100	Third ICB	2,469.43	100
DBH1STMF	12.06	10	ICBEPMF1S1	12.79	10	Fourth ICB	2,715.60	100
EBL1STMF	16.31	10	ICBISLAMIC	350.77	100	Fifth ICB	2,218.44	100
GRAMEEN1	60.73	10	IFIC1STMF	13.13	10	Sixth ICB	843.13	100
GRAMEENS2	21.01	10	PF1STMF	11.97	10	Seventh ICB	1,308.90	100
ICB1STNRB	486.41	100	PRIME1ICBA	12.44	10	Eighth ICB	955.57	100
ICB2NDNRB	217.84	100	TRUSTB1MF	13.79	10			

## SELECTED DSE NEWS OF THE MONTH

DSE CODE	NEWS
<b>BAYLEASING</b>	SEC has approved the Rights Issue of Bay Leasing & Investment Ltd. for 30,60,000 Ordinary Shares of BDT 100 each at an issue price of BDT 350 per share (including a premium of BDT 250 each) totaling BDT 1.071 bn only at a ratio of 1R:1. The approval has been accorded subject to the condition that the company shall comply with the requirements embodied in the Securities and Exchange Commission (Rights Issue) Rules, 2006 and other relevant laws and Regulatory Requirements, and shall also adhere to the conditions imposed by SEC under Section-2CC of the Securities and Exchange Ordinance, 1969
<b>BEXTEX</b>	The Board of Directors of the company has resolved to purchase 35,00,000 shares of BDT 100 each for an aggregate amount of BDT 350 mn of Northern Power Solution Ltd. (NPSL) which represents 50% of the total shares of NPSL. NPSL has been awarded a 50 MW rental power plant project in Katakhal, Rajshahi by the Government of Bangladesh.
<b>MALEKSPIN</b>	As per decision of the Board of Directors of DSE, trading of the shares of Malek Spinning Mills Limited (DSE Trading Code # "MALEKSPIN" and DSE Company Code # 17451) will start at DSE on August 02, 2010 under 'N' category.
<b>BEACONPHAR</b>	As per decision of the Board of Directors of DSE, trading of the shares of Beacon Pharmaceuticals Limited (DSE Trading Code # "BEACONPHAR" and DSE Company Code # 18482) will start at DSE on August 12, 2010 under 'N' category.
<b>FAREASTLIF</b>	As per un-audited half yearly accounts as on June 30, 2010 (Jan' 10 to June' 10), the Company has reported an increase in life insurance fund of BDT 925.48 mn with total life insurance fund of BDT 10,207.64 mn as against BDT 1,002.39 mn and BDT 6,901.70 mn respectively for the same period of the previous year. Whereas increase in life insurance fund was BDT 657.93 mn for the period of 3 months (Apr' 10 to June' 10) ended on June 30, 2010 as against BDT 713.52 mn for the same period of the previous year.
<b>MEGHNALIFE</b>	As per un-audited half yearly accounts as on June 30, 2010 (Jan' 10 to June' 10), the Company has reported an increase in life insurance fund of BDT 890.06 mn with total life insurance fund of BDT 6,395.79 mn as against BDT 598.41 mn and BDT 4,757.50 mn respectively for the same period of the previous year. Whereas increase in life insurance fund was BDT 679.76 mn for the period of 3 months (Apr' 10 to June' 10) ended on August 30, 2010 as against BDT 437.21 mn for the same period of the previous year.
<b>MTBL</b>	SEC has given consent to the Bank vide its letter dated August 03, 2010 for issuance of partially convertible subordinated bond. The features of the bond are as follows: Issuer: Mutual Trust Bank Limited, Issue Size: BDT 2,500 mn, Minimum Subscription: 10 bonds equivalent BDT 10 mn, Issue Objective: Augmenting Tier-II capital to meet Basel II requirements as per Bangladesh Bank directive, Instrument: Unsecured 20% Convertible, Subordinated Tier-II Bonds, Mode of Placement: Private Placement and Tenor: 7 years.
<b>SALAMCRST</b>	The company has informed that in compliance with the terms and condition for the issue of 53, 34,480 Fully Convertible 6% Dividend Preference shares of BDT 100 each as approved by the shareholders in their EGM held on December 12, 2009 with subsequent consent thereto of SEC dated Jan 11, 2010, the remaining one-half (50%) i.e. BDT 50 each from such preference shares have in the second stage been converted on June 05, 2010 into 4,74,637 Ordinary shares of BDT 100 each at BDT 561.95 each. It may be mentioned here that the aforesaid converted ordinary shares of the company have been credited by the CDBL to the respective BO Account of the preference shareholders of the company on June 19, 2010.

## FINANCIAL GLOSSARY

<b>Market value-weighted index</b>	An index of a group of securities computed by calculating a weighted average of the returns on each security in the index, with the weights proportional to outstanding market value.
<b>Net asset value (NAV)</b>	The value of a fund's investment. For a mutual fund, the net asset value per share usually represents the funds market price, subject to a possible sales or redemption charge. For a closed end fund, the market price may vary significantly from the net asset value.

Source: Forbes.com

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