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MONTHLY BUSINESS REVIEW

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Industry and Equity Analysis Team

**Credit Risk Management
IDLC Finance Limited**

committed to you

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ECONOMY AND BUSINESS

Per capita income crosses USD 700

The per capita income crossed the USD 700 mark in the current fiscal year. The people of lower strata have got a share of the rise in the income as small-scale industries have shown a rapid growth and employed the poor segment. The per capita income has reached USD 750 this fiscal year from USD 676 last year. Bangladesh Bureau of Statistics (BBS) recently finalised the provisional account of gross domestic product (GDP) for the current fiscal year and the actual GDP calculations for the last year. BBS provisional account shows that GDP growth in the year to June 2010 came in at 5.54%, the lowest since 2002-2003, when the economy expanded just 5.3%. In the manufacturing sector, small-scale industries, which are more labour intensive, have shown the most rapid growth. The services sector showed a good growth this year, but the overall GDP growth was lower because of a fall in the agriculture and industries sectors. The expansion of the services sector was better-than-expected 6.5%, Industry grew only 5%, while agriculture expanded 2.77%.

Employed laborers 51 mn in 2009

The number of the country's employed labour forces was 51 mn in 2009 out of 59.3 mn economically active population, according to a Bangladesh Bureau of Statistics (BBS) survey. Of the employed labour forces, 38.5 mn are males and 12.5 mn females. A total of 12.2 mn labourers are employed in the urban areas and 38.8 mn in the rural areas. However, the number of unemployed labourers was 2.7 mn in the period, the survey said. The number of males of the total active labour forces reached 40.2 mn while female labour forces 13.5 mn. Of the employed labour forces, 43.6% are employed in the agriculture sector while 56.4% in the non-agricultural sector. The status in the employment during the period was self-employed 20 mn, employers 0.2 mn, employees 8.7 mn, unpaid family helpers 10.8 mn, day labourers 10.3 mn and others 0.9 mn. BBS conducted the survey in 2009 on 700 primary sampling units mainly to review the labour forces dynamics of the country. According to the survey of 2005-06, there were 47.4 mn labour forces in the country.

NEC gives nod to BDT 385 bn ADP for fiscal 2010-11

The BDT 385 bn annual development programme (ADP) for the next fiscal year, with the second highest allocation for energy, power and mineral resources, has got the government's nod. The National Economic Council (NEC) meeting, chaired by Prime Minister Sheikh Hasina, approved the development plan on May 25, 2010. The development budget is BDT 80 bn higher than BDT 305 bn original outlay and BDT 100 bn up from BDT 285 bn revised allocations for the ADP in the outgoing fiscal 2009-10. Out of total BDT 385 bn allocations, BDT 197 bn or 51% funds would come from local resources, while BDT 188 bn or 49% from external resources. The number of projects will be 910, of which 94 are new projects and the rest carried over from this fiscal year's revised ADP. Besides, 787 projects have been kept on the waiting list, while 23 projects are under public-private partnership. Agriculture, rural development and institutions and water resources have got the highest allocation of BDT 81.67 bn or 21% this time, while energy comes next. BDT 60.75 bn or 16% has been earmarked for energy. BDT 55.10 bn or 14% goes to the transport sector, BDT 51.84 bn or 13% for education and BDT 39.20 bn or 10% of the ADP for health, nutrition, population and family welfare sector.

Farm, SMEs take centre stage in BB's 5-year plan

Bangladesh Bank (BB) has recently identified 17 strategies in its five-year plan to become a caring regulator for its stakeholders. In

the Strategic Plan 2010-2014, announced on May 30, 2010 for the first time in its profile, the central bank has set its core focus on agriculture, small and medium enterprises (SMEs) and financial inclusion. All BB departments and branch offices will drill down the strategies into performance management system-compatible components such as key performance area, performance outcome and timeline.

No.	Strategies listed for adoption
1	Revisit the current monetary policy framework to ensure continuing effectiveness of monetary policies
2	Strengthen regulatory and supervisory framework to enhance financial sector resilience and stability
3	Further deepen financial markets in Bangladesh
4	Financial inclusion and broadening of access
5	Develop more efficient currency management and payment systems
6	Strengthen reserve management capabilities
7	Enhance regulatory and supervisory framework against money laundering
8	Introduce separate and comprehensive guideline and supervision for Islamic banking
9	Develop more effective management of government domestic debt
10	Streamline and transform data reporting, processing and dissemination through full fledged ICT framework
11	Full automation of credit information bureau (CIB)
12	Enhance the legal empowerment of BB in different functional areas
13	Attract, retain and develop people ensuring sound organizational development
14	Strengthen risk-based internal audit to add value to the risk management process in Bangladesh Bank
15	Promote CSR activities and preparedness for climate change in Bangladesh with conducive policy support
16	Develop effective channels for communicating central banks policies and initiatives to stakeholders to enhance effectiveness of implementation
17	Create a 'Strategic Planning Unit' as a process owner of BB strategic plan

WB forecasts slow growth for fiscal 2010-11

The World Bank (WB) on May 19, 2010 projected low economic growth for Bangladesh in the next fiscal year, taking into account fallout from the continuing energy crisis. The WB said GDP could be between 5.5% and 6.1%, against the government's prediction for 6.7%. "A shortage of energy poses perhaps the biggest threat to Bangladesh's growth recovery," the WB said in its Bangladesh economic update. The multilateral lending agency said the country's economy would grow by 5.5% in fiscal 2009-10, against the government estimate of 6%. The WB said the growth outlook for fiscal 2010-11 depends on the domestic supply constraints, particularly energy. Energy shortages will continue to stifle Bangladesh's recovery. The estimated demand-supply gap is currently one-third of demand (2,000 MW) at peak hours. A shortage of gas accounts for nearly a half of this gap. "Maintaining growth at its recent 6% average over the medium term will thus be a challenge to Bangladesh, given the current infrastructure and energy deficit," it said.

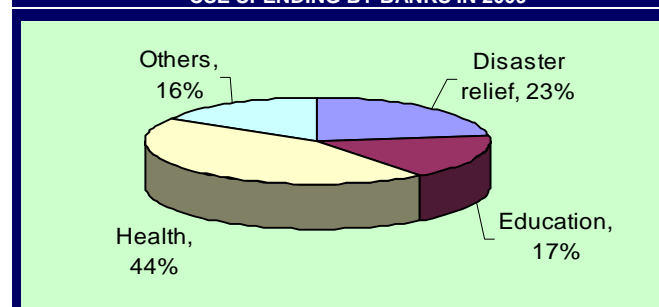
Investments in EPZs

- **Jemina Accessories (BD) Limited**, a Bangladeshi company, will set up a garments accessories manufacturing industry in the Chittagong EPZ with an investment of USD 1.532 mn. The company will also create employment opportunity for 35 Bangladeshis.

Banks shell out 35% more for CSR

Commercial banks hiked spending on corporate social responsibility (CSR) by 35% last year and shifted from passive grants and donations. The banks' expenditure for social welfare jumped to BDT 553.80 mn in 2009 from BDT 410 mn in 2008, according to a Bangladesh Bank report titled Review of CSR Initiatives in Banks (2008-2009), first of its kind. Besides the passive engagements by way of grants or donations, the banks are now getting actively engaged in socially responsible business operations, by way of increased lending to under-served sectors like agriculture and SMEs, the report added. Of 48 scheduled banks in Bangladesh, 46 were involved in CSR activities in 2009. The number was 27 in 2008. Dutch-Bangla Bank Ltd spent the highest, BDT 159.20 mn, on education, health, disaster relief, sports and social welfare in 2009. Islami Bank Bangladesh Ltd secured the second position, spending BDT 116.20 mn mainly on education and disaster relief.

CSE SPENDING BY BANKS IN 2009



Power crunch weighs loan recovery down

Default loans have marked a 5% rise in the first quarter of the current fiscal year, for which bankers blame the severe gas and power crisis. Such bad debt rose by around BDT 11.10 bn. The amount reached BDT 235.92 bn on March 31, 2010, up from BDT 224.82 bn on December 31, 2009. Bangladesh Bank (BB) data shows that all banks -- be it state-run, private local and foreign or specialised -- have experienced an increase in the classified loans that range from 1% to 5%. The default loans for state banks rose by BDT 4.16 bn, private banks by BDT 5.95 bn, foreign banks by BDT 180 mn and specialised banks by BDT 800 mn.

Operators add 4 mn new mobile phone subscribers in January-April 2010

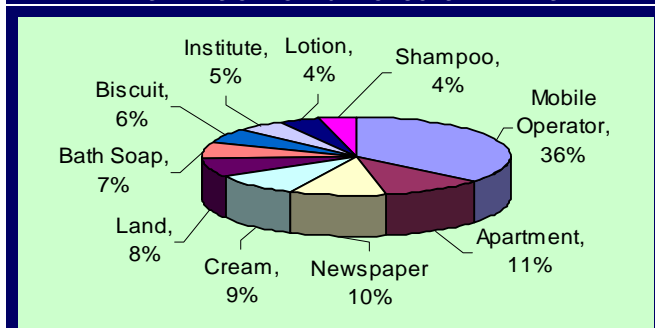
According to Bangladesh Telecommunications Regulatory Commission (BTRC), 3.93 mn new mobile phone users were added between January and April, posting a sizzling growth of 164% over the same period last year. The latest acquisition by the operators took the number of subscribers to 56.36 mn - still hovering around 38% of the country's nearly 150 mn population. Among the operators, Robi, formerly known as Aktel, was the top seller, adding 1.53 mn new connections in January-April 2010. Grameenphone added 1.29 mn users while Banglalink sold 1.07 mn new connections during the same period.

Service Provider	New Subscriber Addition in April 2010 [In Million]	Total Subscribers at the end of April 2010 [In Million]
GrameenPhone	0.65	24.55
Banglalink	0.72	14.94
Axiata (Bangladesh) Ltd [Robi]	0.34	10.82
Warid Telecom	0.02	3.03
PBTL (CityCell)	(0.02)	1.89
Teletalk	0.06	1.13
Total	1.77	56.36

TV ad spending beaming

Spending on TV commercials by major brands rose by around 16% in January 2010, compared to a month ago. Mobile phone operator Grameenphone maintained the lead as before. However, real estate and personal care products such as soap, cream, body lotion and shampoo spent less in the month. According to a report by Ryans Archive, a media-monitoring agency, spending on television commercials increased from around BDT 830 mn in December 2009 to BDT 965 mn in January 2010.

SHARES OF TOP 10 PRODUCTS IN TV ADS



Source: Ryans Archive

Bangladesh yet to make any stride in ASEAN market

Despite the government's much-vaunted 'Look East' policy, Bangladesh's exports to the ASEAN countries remain at a miserably low volume of 1.2% of the total export shipments. A recent report of Export Promotion Bureau (EPB) reveals that Bangladesh exported goods worth USD 7.3 bn to the world market in July-December i.e. the first half of the current 2009-2010 fiscal year while shipments to the 10-nation ASEAN market amounts only USD 92 mn. The ASEAN countries' import from world market beyond their own region amounted USD 574 bn in 2009 with India exporting goods worth USD 14.2 bn and Pakistan USD 529 mn, according to a report of the ASEAN headquarter. A previous record showed that in 2008 calendar year, Bangladesh imported USD 2.3 bn worth of products from the ASEAN countries and exported goods worth only USD 118 mn.

SELECTED ECONOMIC INDICATORS

Item	Period/As of	Value/bn	Period/As of	Value/bn	+/(-)%
Broad Money (M2)	Mar'10	3,376	Mar'09	2,783	21.29%
Bank deposits	Feb'10	2,928	Feb'09	2,385	22.77%
Bank credit	Feb'10	2,566	Feb'09	2,178	17.81%
Total Domestic Credit	Mar'10	3,141	Mar'09	2,773	13.27%
Revenue Collection	Mar'10	59	Mar'09	47	27.09%
Export	Jul-Mar' 2009-10	11.541	Jul-Mar' 2008-09	11.634	-0.80%
Opening of LC	Jul-Apr' 2009-10	22.602	Jul-Apr' 2008-09	18.248	23.86%
Foreign Exchange Reserve	Apr'10	10.602	Apr'09	6.509	62.90%
Workers' Remittances	Apr'10	0.922	Apr'09	0.841	9.65%
Annual rate of Inflation	Mar'10	6.26%	Mar'09	7.69%	

Source: Selected Indicators: Weekly Update: June 02, 2010; Bangladesh Bank.

EXPORT STATISTICS

Figures in USD mn

Item	Jul-Mar 2009-10	Jul-Mar 2008-09	Change +/(-)
Knitwear	4,577.66	4,750.61	-3.64%
Woven RMG	4,329.12	4,464.69	-3.04%
Frozen Food	300.01	355.67	-15.65%
Home Textile	208.55	240.66	-13.34%
Leather	153.13	139.21	10.00%
Chemical Products	148.62	218.04	-31.84%
Foot Wear	146.84	144.69	1.49%
Engineering Products	185.61	131.65	40.99%
Agricultural Products	94.25	93.81	0.47%
Raw Jute	155.53	102.84	51.23%
Others	1,241.91	992.49	25.13%
Total	11,541.23	11,634.36	-0.80%

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

IMPORT LC STATISTICS

Figures in USD mn

Items	July-March 2009-10			July-March 2008-09		
	FLCO	SOLC	OSTLC	FLCO	SOLC	OSTLC
Capital Machinery	1,316	1,058	1,047	876	1,100	827
Textile Fabrics (B/B & Others)	2,425	2,047	1,658	2,323	2,317	1,419
Rice and Wheat	856	620	315	716	710	231
Chemicals & Chem. Products	1,726	1,472	757	1,883	1,933	578
Petroleum & Petro Products	1,773	1,607	914	1,556	1,674	918
Edible Oil & Oil Seeds	769	818	247	673	731	222
Raw Cotton	1,237	923	751	895	943	379
Scrap Vessels	603	579	33	670	684	15
Pulses	309	254	108	147	117	95
Cotton Yarn	438	315	400	354	395	263
Paper and Paper Board	222	215	90	244	226	92
Synthetic Fibre & Yarn	327	252	168	237	244	129
Sugar and Salt	660	534	201	197	262	107
Others	7,440	5,837	4,390	5,647	5,302	3,023
Total	20,101	16,533	11,079	16,417	16,638	8,299

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

REGULATORY NEWS

National service holders can open bank account with BDT 50

People enrolled under the newly introduced National Services programme will be able to open bank accounts with only BDT 50 for obtaining facilities in the commercial banks. The government introduced the National Services programme at upazila level in the current fiscal year to train unemployed youths having higher secondary certificate for temporary appointment in agriculture, social welfare and housing and public works ministries for one and a half year. Bangladesh Bank (BB) on May 02, 2010 issued a circular to all commercial banks for providing the banking facilities

to the beneficiaries of the National Services. They will be able to withdraw their allowances from their bank accounts and for this they will not need to pay any service charge to the concerned commercial banks.

Electronic media's transactions come under BB scanner

Financial transactions including inward remittances in the form of subscription or ad of electronic media have come, for the first time, under scrutiny of the central bank. Under the new measure, commercial banks and financial institutions will have to report to Bangladesh Bank (BB) about any transaction amounting to USD 50,000 or above in inward remittance or any other suspicious financial transaction. The central bank issued a circular in this connection on May 03, 2010 asking the Chief Executives of all commercial banks and financial institutions (non-bank) to comply with the instruction properly.

BB hikes cash reserve requirement of commercial banks

Worried by growing inflation, Bangladesh Bank (BB) has increased the cash reserve requirement of the commercial banks in a clear hint to follow a contractionary monetary policy. The central bank on May 04, 2010 issued a directive and set the new cash reserve ratio (CRR) for the commercial banks at 5.5% from previous 5% which was fixed in 2005. BB on the same day issued another directive and set the statutory liquidity ratio (SLR) required on the banks' time and demand liabilities at 18.5% from previous 18%. On May 12, 2010, BB also issued another circular to all Islamic banks for resetting the SLR required on the banks' time and demand liabilities at 10.5% from previous 10%.

Banks asked to reduce interest rate for import of 9 essential items ahead of Ramadan

Bangladesh Bank (BB) has directed all commercial banks to slash their interest rate from exiting 13% to 12% for import-financing for nine essential items in a bid to bring down their prices in the month of Ramadan. Besides, BB also directed the banks not to take exorbitant fees and commissions from the importers of essential commodities. BB issued a circular on May 06, 2010 in this regard. According to the circular, the banks were advised to reduce the interest rates to 12% for financing of import of edible oil, lentil, gram, peas, onion, date, fruit, spices and sugar.

BB suspends realization of farm loan for flash flood hit areas

Bangladesh Bank (BB) has directed all scheduled banks for suspending realization of farm loan from the farmers of the flash-flood-hit areas across the country. Besides, it has also asked the banks to introduce new credit programme for the farmers of those areas. The central bank issued the circular in this regard on May 11, 2010 asking all the scheduled banks to suspend realization of the farm loan for one year after the expiry of payment of loan of the farmers of north-east Sylhet and Sunamganj haor areas affected by the flash flood.

Banks asked to submit farm credit target for FY 2010-11 by June 2010

Bangladesh Bank (BB) has asked the commercial banks to submit their individual agriculture credit target for fiscal year (FY) 2010-11 reflecting 5-10% growth over the ongoing fiscal year. All scheduled banks will have to inform their farm credit disbursement target for FY 2010-11 mentioning sector-wise amounts through a prescribed form by June 10, 2010. The loans will be available for different agro-based sub-sectors like crops, irrigation equipment, livestock, marketing of agricultural products, fisheries and poverty alleviation. The banks will have to add the undisbursed amount, if any, to the new projection before calculating the target for FY 2010-11. The banks and financial institutions achieved 77.74% of

their annual target, which has been fixed at BDT 115.12 bn, during July-April period of this fiscal, compared to 82.41% in the same period of the last fiscal, according to BB statistics.

BB revises account maintenance fees

Bangladesh Bank (BB) has revised its schedule of charges asking the commercial banks not to impose any maintenance fee on savings account with deposits of up to BDT 5,000. However, the banks will be allowed to levy BDT 100 as half-yearly charge against accounts having average deposit balance between BDT 5,001 and BDT 25,000. The central bank issued a circular in this connection on May 13, 2010 and asked the Chief Executives and Managing Directors of all scheduled banks to follow the latest instruction on charges for saving accounts. The central bank has taken the decision to protect the interests of the small savers.

Finance ministry approves SEC proposal on face value change

The finance ministry has given its consent to a Securities and Exchange Commission proposal to allow companies to change the face value of their shares to BDT 10. The ministry on May 10, 2010 informed the SEC of its approval to the proposal. Willing companies, however, will have to fulfil necessary formalities to change the face value of their shares.

SEC moves to phase out paper shares

The Securities and Exchange Commission (SEC) will not allow paper shares to trade on the main boards of stock exchanges from October, a move meant to ensure a smooth and transparent trading system. SEC on May 25, 2010 took the decision, as paper shares are not compatible with the electronic trading system. As an earlier step, the regulator will not let paper shares trade under B-category from July 2010. The issues with paper shares will be downgraded to Z-category, an area of junk stocks. SEC banned the trading of paper shares in A-category in January. The decision was taken at a meeting presided over by SEC Chairman Ziaul Haque Khondker.

INTERNATIONAL

Inflation in industrialized countries climbs: OECD

Inflation in the world's industrialized nations climbed to an annual 2.1% in March 2010 from 1.9% in February, driven mainly by higher energy prices, the Organisation for Economic Co-operation and Development (OECD) said on May 04, 2010. Energy prices were up 11.3% in March compared with the same month last year, against an annual gain of 8.4% in February. Consumer prices for food in the 30 economies covered by the OECD rose by 0.2% in March from a year earlier. Excluding food and energy, prices rose 1.4% in March 2010 from March 2009, compared with a yearly rise of 1.5% in February. Canada was the only member of the Group of Seven leading industrialized countries where inflation slowed in March, coming to 1.4% from a year earlier compared with an annual 1.6% in February. The OECD said deflation remained in Japan where consumer prices fell by 1.1% in March from the same month last year.

Bangladesh, Indonesia, Iran top world disaster risk rankings

Bangladesh, Indonesia and Iran are the countries that are the most vulnerable to natural disasters, according to a study released by Maplecroft, a British risk advisory firm that compiles the Natural Disaster Risk Index (NDRI). Asia's twin giants, China and India, join them in the 15 countries that, out of 229, are rated as "extreme" risk. The NDRI is compiled on the basis of disasters that occurred from 1980 to 2010. According to the NDRI's figures,

Bangladesh has suffered more than 191,000 fatalities as a result of natural disasters in the past 30 years, and Indonesia a nearly equal number, the vast majority of which were inflicted by the December 2004 tsunami.

OECD raises global growth forecast due to Asia

The global economy is recovering faster than expected from recession with Asia leading the way, but it is at risk from huge debts in developed countries and possible overheating in countries such as China, the OECD said on May 26, 2010. In a twice-yearly report, the Paris-based Organisation for Economic Co-operation and Development (OECD) raised its forecast for global growth to 4.6% in 2010 and 4.5% in 2011. Last November it predicted growth of 3.4% this year and 3.7% in 2011, after a 0.9% contraction in 2009. The developed economies where the 2009 recession exacted the biggest toll were getting a lift from resurgent international trade, propelled primarily by export demand from rising economies in Asia, the OECD said. It raised its forecast for US growth this year and next to 3.2% each time, from 2.5% and 2.8% in its forecasts of last November. It predicted Japanese growth of 3% in 2010 and 2% in 2011, up from 1.8% and 2% previously, and forecast the euro zone to lag with growth of 1.2% and 1.8% this year and next, still marginally more than forecasts of 0.9% and 1.7% last November.

MARKET ROUNDUP

WEEKLY CURRENCY ROUNDUP (30 May-03 June, 2010)

Global Markets, Standard Chartered Bank

Money Market

Money market rates traded around 4.0%. The market was liquid.

Foreign Exchange Market

Local: The local market was active on May 31, 2010. USD/BDT rates maintained the same range as the previous working day.

International: The euro inched up on May 31, 2010, recovering slight losses suffered after a cut to Spain's sovereign debt rating, but the currency remained on the back foot as the downgrade highlighted weakness in some euro zone countries already suffering from debt problems.

EXCHANGE AND FORWARD RATES: (As on May 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	69.67	68.67	INR	46.48	1.49
EUR	87.18	83.17	PKR	85.20	0.81
GBP	102.20	97.96	LKR	113.85	0.61
AUD	60.54	56.90	THB	32.49	2.13
JPY	0.78	0.74	MYR	3.30	20.96
CHF	61.34	58.73	USD forward rate against BDT		
SEK	9.13	8.58			
CAD	67.64	64.70			
HKD	8.96	8.79			
SGD	50.96	48.85		Buy	Sell
AED	19.07	18.60	1 Month	68.71	69.82
SAR	18.68	18.21	2 Months	68.76	70.37
DKK	11.87	11.23	3 Months	68.84	70.68
KWD	237.50	234.28	6 Months	69.19	71.72

Source: Standard Chartered Bank

TREASURY BILL/BOND AUCTION INFORMATION

Auction Date	Tenure & Name of the Securities	Sale Value (in BDT mn)	Weighted Average Yield (%)
31-May-2010	91 days T. Bill	283.307	2.40
24-May-2010	182 days T. Bill	1100.64	3.52
31-May-2010	364 days T. Bill	479.662	4.28
21-Apr-2010	5 years T. Bond	1,136.305	7.86
02-June-2010	10 years T. Bond	1,200.796	8.79
12-May-2010	15 years T. Bond	260.000	8.80
26-May-2010	20 years T. Bond	750.363	9.20

Source: Bangladesh Bank Website

INTERNATIONAL COMMODITY PRICES

Commodity	Unit	Price on May 28, 2010 (USD/unit)	Price on April 23, 2010 (USD/unit)	Change +/-
Platinum	Ounce	1,555	1,725	-9.86%
Gold	Ounce	1,211	1,140	6.27%
Palladium	Ounce	471	555	-15.14%
Silver	Ounce	18.36	17.89	2.63%
Nickel	Tonne	21,050	27,000	-22.04%
Tin	Tonne	17,800	18,910	-5.87%
Lead	Tonne	1,825	2,305	-20.82%
Aluminium	Tonne	2,025	2,340	-13.46%
Zinc	Tonne	1,925	2,415	-20.29%
Copper	Tonne	6,860	7,765	-11.65%
Crude Oil	Barrel	73.97	83.96	-11.90%

Source: The Financial Express

IDLC NEWS

IDLC publishes un-audited quarterly report for first quarter ended on March 31, 2010

IDLC Finance Limited has recently finalized its un-audited financial statements for the first quarter ended on March 31, 2010 at the 173rd board meeting held on May 04, 2010. As per the un-audited quarterly accounts for the first quarter ended on March 31, 2010 (Jan'10 to Mar'10), the Company has reported consolidated net profit after tax of BDT 244.40 mn with consolidated basic EPS of BDT 81.47 as against BDT 116.11 mn and BDT 38.70 (restated) respectively for the same period of the previous year. However, considering bonus share @ 100% for the year 2009, consolidated diluted EPS is BDT 40.73 as on March 31, 2010 and BDT 19.35 (restated) as on March 31, 2009.

IDLC Finance Limited organizes CRO Induction Program

IDLC Finance Limited recently organized an induction training program for its newly recruited Customer Relationship Officer (CRO) under Personal Finance Division (PFD). The training program was held from May 05-06, 2010 at Nabab Nawab Ali Senate Building Auditorium, University of Dhaka. The resource persons delivered their presentations on various aspects including Loan & Deposit Products, Loan Documentation & Customer Service, Basics of Credit Appraisal, SME Products & Cross Selling Techniques and Anti Money Laundering & Compliance. Shaikh Kamruzzaman, Deputy General Manager & Head of PFD, Zahid Ibne Hai, Head of SME division, Mahbub ul Kader, Senior Manager of Internal Control & Compliance and other senior officials spoke on different sessions.



Selim R. F. Hussain, CEO & Managing Director of IDLC Finance inaugurated the training program. Arif Khan, Deputy Managing Director of IDLC delivered the closing speech and distributed the certificates to the participants.

IDLC Finance Limited holds training on "Policy, Programs and Reporting on SME Loan"

IDLC Finance Limited, a multi-product Financial Institution, arranged a training program on "Policy, Programs and Reporting on SME Loan" which was held at the Corporate Head Office of IDLC Finance Limited on May 15, 2010.



Selim R. F. Hussain, CEO & Managing Director of IDLC Finance Limited inaugurated the training program. Forty seven executives from different branches and operational units participated in the training program. Sukamal Sinha Chowdhury, General Manager, SME & Special Programmes Department, Bangladesh Bank, and Md. Ashraf Alam, Joint Director, SME & Special Programmes Department, Bangladesh Bank conducted the program as resource person.

NEWS IN BRIEF

ECONOMY

■ **Foreign Direct Investment (FDI)** proposals dropped by 70.47% in the first eight months of the current fiscal compared to the corresponding period last year, according to the data of Board of Investment (BoI). The BoI has received FDI proposals worth BDT 42.626 bn in July-February period which is one-third less than the proposals worth BDT 144.345 bn placed in the same period of the previous fiscal. Total investment

proposals, both foreign and local, worth BDT 168.997 bn were placed with the BoI until February this year against BDT 252.280 bn in the same period last year. BoI found the total fall in investment proposals at about 33.01% in the eight months compared to the corresponding period.

- **Bangladesh received USD 1,638.159 mn in foreign loans and grants** from the development partners and lenders for the first 10 months (July-April) of the current fiscal year. Of the amount, USD 1,364.077 mn came as loan while USD 274.082 mn as grants, according to Economic Relations Division. Of the amount, Asian Development Bank provided USD 969.84 mn, World Bank USD 283.65 mn, Japan USD 68.08 mn and the UN agencies provided USD 34.26 mn. During the period, Bangladesh made repayment of USD 551.125 mn as principal and USD 158.766 mn as interest.
- **Credit to private sector** slowed down in March 2010 after five months of upward trend as demand for lending in the farm sector declined ahead of boro rice harvest. The banks' lending to the private sector including manufacturing, farms, consumers and foreign trade rose to BDT 408.904 bn in the year to March, up from BDT 323.414 bn a year ago. The banks disbursed BDT 9.68 bn farm credit in March, which was BDT 9.63 bn during the same month last year. Private sector credit growth in the year to February was 19.56%.

BUSINESS-GENERAL

- **Bangladesh Bank (BB)** will strengthen its re-financing facility with USD 250 mn disbursement target for infrastructure development in six key sectors including power through increasing the number of participating commercial banks and financial institutions. BB has taken the latest move after the approval of a fund worth USD 257 mn by the World Bank (WB) for improving infrastructure facilities through the Investment Promotion and Financing Facility (IPFF) Project of the central bank on May 4, 2010.
- **A total of 16,712 Bangladeshi workers were sent back by the countries of their employment in the first four months of the year 2010**, mainly from Middle East and Southeast Asia, government statistics revealed. The kingdom of Saudi Arabia (KSA) immigration authorities deported 5,894 Bangladeshi workers, while the Malaysian authorities turned back 3,971 workers during the period, according to the statistics of the Bureau of Manpower, Employment and Training (BMET).
- **Bangladesh Post Office (BPO)** has started operation of its Mobile Money Order, an electronic money transfer service for the people, on May 05, 2010. Under the system, the post offices will charge BDT 20 for transfer of first BDT 1,000 and BDT 10 for each of the next BDT 1,000. Besides, BDT 7 will be charged as electronic cost. Any one can remit maximum BDT 10,000 at a time.
- **Bangladesh Bank (BB)** has entered into the e-tendering (electronic tendering) system on May 12, 2010, bringing an end to the traditional tendering process. BB Governor Dr. Atiur Rahman launched the system at the central bank headquarters in Dhaka. Initially the common services department and expenditure management department of the central bank will go for e-tendering for all purchases.
- **South Korea has extended duty-free access to 46 ready-made garment items**, but the other RMG products are subject to 10% basic tariff rate. Bangladesh has requested duty-free access of many products and the Korean government has allowed 85% of the tariff lines duty-free, according to South Korean envoy Taiyoung Cho.

- **The Chittagong Stock Exchange (CSE)** on May 23, 2010 started a road show from Sylhet to make internet trading service (ITS) popular among local and expatriate investors. The bourse also plans to organize similar road shows in major cities including Rajshahi, Barisal and Comilla.

BUSINESS - FIRM SPECIFIC

- **Eastern Bank Ltd (EBL) has arranged a syndicated term loan facility of USD 114.49 mn for Biman Bangladesh Airlines** to finance Pre-Deliver Payment (PDP) to purchase two brand new Boeing 777-300ER aircrafts. For the first time in the history of Bangladesh such kind of foreign currency loan has been arranged by the local commercial banks. Ten private commercial banks through their offshore Banking Units participated in the Syndicated Loan of which EBL is the leading bank. The other participating banks in the loan syndicate are: AB Bank Ltd, BRAC Bank Ltd, Dhaka Bank Ltd, IFIC Bank Ltd, Mutual Trust Bank Ltd, National Bank Ltd, Prime Bank Ltd, The City Bank Ltd and Premier Bank Ltd. The loan agreement was handed over to Biman at a ceremony held on May 07, 2010.
- **ONE Bank has recently arranged BDT 1.16 bn under syndication for MI Cement Factory Limited, well known as Crown Cement.** The fund will be utilized for expansion of production capacity of Crown Cement from existing 2,800 tonnes per day to 5,800 tonnes per day to meet the growing demand of the market. Besides ONE Bank, the participants in the syndication were Bank Asia, Dutch-Bangla Bank, Eastern Bank, Jamuna Bank, Mutual Trust Bank, National Bank, Prime Bank, SABINCO, Shahjalal Islami Bank and United Commercial Bank. Recently an agreement was signed for raising the syndicated finance.
- **Pacific Ceramic Limited**, a concern of the Pacific Group, signed a memorandum of understanding in Dhaka recently with the **Industrial and Infrastructure Development Finance Company (IIDFC) Limited** for raising syndicated loan facilities amounting to BDT 1.98 bn for setting up a tiles plant. Pacific Ceramic plant will be installed at Gajaria in Munshiganj and use European machineries.
- **Eastern Bank Limited (EBL)** has arranged a syndicated term loan facility of BDT 570 mn for Giant Textiles Ltd to finance its capital expenditure for setting up a knit composite factory at Gazipur. The participating banks are: Bank Asia Limited, The City Bank Limited, IFIC Bank Limited, United Commercial Bank Limited, Trust Bank Limited, AB Bank Limited and Eastern Bank Limited, as the lead bank. A signing ceremony was held between the Giant Textile and the participant banks in this regard in Dhaka recently.
- **A bank for expatriates got the government's go-ahead on May 24, 2010.** With the approval to a bill in the cabinet meeting, chaired by Prime Minister Sheikh Hasina, the Expatriate Welfare Bank will be set up to provide financial assistance to overseas jobseekers. Around 95% of the bank's initial capital will come from the BDT 5 bn Wage Earners Welfare Fund, while the rest amount will be funded by the government. The new bank can run commercial activities on a limited scale and upon permission from Bangladesh Bank.

TRAINING / SEMINARS / WORKSHOPS

- **A three-day interactive media workshop** titled 'Reporting on Corporate Governance in Bangladesh', has recently been jointly organized by Bangladesh Enterprise Institute (BEI), Thomson Reuters Foundation, International Finance Corporation and Global Corporate Governance Forum at the

BEI auditorium in Dhaka. BEI President Farooq Sobhan inaugurated the ceremony on May 30, 2010. Paul Gallagher, trainer of Thomson Reuters Foundation, moderated the workshop supported by the Dutch embassy. Ian Crosby, Manager of IFC Advisory Services in Bangladesh, Yawer Sayeed, Chief Executive Officer of AIMS of Bangladesh, Anis A Khan, CEO and Managing Director of Mutual Trust Bank Ltd, and Eugene Spiro, Senior Project Officer of Global Corporate Governance Forum, also spoke at different sessions. A total of 17 business journalists from press, television and radio took part in the programme.

REWARDS AND RECOGNITIONS

- **The City Bank** has won the Strongest Bank in Bangladesh-2010 award of the Asian Banker, one of the leading providers of financial intelligence services in Asia. The City Bank's Chief Executive Officer K Mahmood Sattar also won Leadership Achievement Award-2010 at a ceremony of the Asian Banker Leadership Achievement Award and Strongest Banks in Asia Awards 2010 held recently in Singapore.
- **Citi's Global Transaction Services** has won The Asian Banker Achievement Award for Payments (Asia Pacific) recently. Citi won the award for the second straight year.
- **Concord Engineers and Construction Limited** has won the International Quality Summit Award from Spain-based Business Initiative Direction (BID), a non-governmental institution. It won the award in 'gold category' by defeating 267 companies from 100 countries around the world.
- **AB Bank Limited Chairman M Wahidul Haque was awarded with the prestigious Atish Dipankar Gold Medal 2010** for his contribution to the overall development and a long time association with the tea industry of Bangladesh. The prize giving ceremony coincided with the completion of 27 years of Atish Dipankar Research Centre.

CSR ACTIVITIES IN THE MONTH

- Bangladesh Bank Governor Dr. Atiur Rahman on May 08, 2010 inaugurated a **new hospital funded by Exim Bank Limited**. The 20 beds' hospital is located at Kazipara, Rokeya Shoroni of the Mirpur area in Dhaka. The set up cost of the state-of-the-art hospital is estimated at BDT 35 mn and it is entirely funded by the Exim Bank Foundation.
- **Standard Chartered Bank, Qatar** has committed USD 0.068 mn to Standard Chartered Bank in Bangladesh for its 'Seeing is Believing' projects in Dhaka. David Godwin, CEO, Standard Chartered Bank, Qatar recently visited Bangladesh to officially hand over the cheque to Jim McCabe, CEO, Standard Chartered Bank, Bangladesh and meet local beneficiaries under Dhaka Comprehensive Eye Care Project of Seeing is Believing- Phase IV. A total of USD 0.068 mn will be distributed equally amongst two of Seeing is Believing's local partners here - Sightsavers & Islamia Eye Hospital.
- **Viyellatex Group**, an export-oriented garment maker, has set up an IT laboratory on Dhaka University (DU) campus at BDT 5 mn -- a bright example of corporate social responsibility. The laboratory is equipped with 30 computers and broadband internet. The company has also provided IT logistics for the Department of International Business of the university. The information technology lab and the new office of the department were launched on May 15, 2010 at a function.
- **Mercantile Bank Limited** has donated BDT 5 mn to Kidney Foundation to establish a hospital, which will provide modern diagnostic facilities to the kidney affected patients at a nominal

cost. Mercantile Bank Limited Chairman Md Abdul Jalil MP handed over the cheque of the donation to Kidney Foundation President Dr. Harun Ur Rashid at a simple ceremony at the Dhanmondi office of the foundation on May 26, 2010.

- **Southeast Bank Foundation** arranged a program recently at Bangabandhu International Conference Centre in Dhaka to distribute scholarship money amongst the poor but meritorious students of different schools and colleges. As a part of corporate social responsibility, Southeast Bank Foundation distributed scholarship among 490 students of which 230 are college students and 260 are school students. Each college student received BDT 22,000 and each school student received BDT 8,500 as scholarship money in advance for the next one year. Total scholarship money amounted to BDT 6.75 mn.
- **English in Schools (EIS)**, one of the largest CSR programmes of the country, launched its 'Enriching schools with new resources' programme at Khulna Zilla High School recently. EIS is a joint initiative by Robi and The Daily Star. Khulna City Corporation (KCC) Mayor Talukder Abdul Khaleque inaugurated the programme as the Chief Guest. Managing Director and CEO of Robi Michael Kuehner and Editor and Publisher of The Daily Star Mahfuz Anam were present among others. EIS aims at enhancing English language learning skills among the secondary school students throughout the country.

INTERNATIONAL

- **The United Nations** has projected a growth of 7.9% for India in the current fiscal as it hailed the country along with China for leading developing nations to recovery from the worst economic downturn since World War II. In its 2010 World Economic Situation and Prospects report, the world body has predicted the global economy will grow by 3% this year and then by another 3.1% next year.
- **British annual inflation surged to a 17- month high point of 3.7% in April** as clothing and food costs rose last month at a faster pace compared with a year earlier, official data showed on May 18, 2010. April's rate compared with 12-month inflation of 3.4% in March, according to the Office for National Statistics (ONS). On a monthly basis, consumer prices index inflation rose by 0.6% in April from March.
- **The US economy expanded at a 3.2% annual rate in the first quarter** as consumers increased spending at the fastest pace in three years, the strongest sign yet a sustainable recovery may be taking hold. US economy expanded at a 3.4% annual rate in the first three months of the year, according to the economists polled by Reuters.
- **Singapore's economy** grew by a better-than-expected 15.5% in the first quarter year-on-year, spurred mainly by strong demand for electronics. On a seasonally adjusted quarter-on-quarter basis, Singapore's gross domestic product surged 38.6% in the three months to March, according to the Ministry of Trade and Industry.

UPCOMING EVENTS

Event	Period	Location
Amar Panya Amar Desh 2010 Fair	10-12 June 2010	Dhaka, Bangladesh
Single Country Trade Fair	25-27 June 2010	Italy
Hong Kong Fashion Week for Spring/Summer	05-08 July 2010	Hong Kong

Event	Period	Location
Bangladesh Property Fair 2010	10-12 July 2010	London, United Kingdom
Texworld USA	13-15 July 2010	New York, United States
Bangladesh Property Fair 2010	17-19 July 2010	Rome, Italy
Hong Kong International Tea Fair	12-14 August 2010	Hong Kong
Food Expo	12-16 August 2010	Hong Kong
Bangladesh International Travel and Tourism Fair, EBL BTTF 2010	30 September-02 October 2010	Dhaka, Bangladesh
Eco Expo Asia	03-06 November 2010	Hong Kong

KEY DIPLOMATIC / INTERNATIONAL ORGANIZATIONS APPOINTMENTS

Organization	Position	Name
Asian Development Bank (ADB)	Country Director for Bangladesh Resident Mission	Thevakumar Kandiah

MANAGEMENT CHANGE - BANKS & FIS

Organization	Position	Name
Shahjalal Islami Bank	Chairman	Mohammad Solaiman
National Bank Limited	Chairman	Zainul Haque Sikder
Islami Bank Bangladesh Limited	Chairman (Re-elected)	Abu Nasser Muhammad Abduz Zaher
Islamic Finance and Investment Limited	Chairman (Re-elected)	Anis Salahuddin Ahmad
Pubali Bank Limited	Chairman (Re-elected)	Hafiz Ahmed Mazumder, MP
International Leasing and Financial Services Limited (ILFSL)	Chairman (Re-elected)	Mahbub Jamil
Pioneer Insurance Limited	Chairman (Re-elected)	Anis Ud Dowla
Takaful Islami Insurance Limited	MD	Md Zainul Huda
Islami Bank Bangladesh	MD	Mohammad Abdul Mannan
Sonali Bank Limited	MD & CEO	Md Humayun Kabir

MANAGEMENT CHANGE - OTHER ORGANIZATIONS

Organization	Position	Name
Real Estate and Housing Association of Bangladesh	President	Nasrul Hamid Bipu
Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA)	President	Shahedul Islam Helal
Bangladesh Association of Software and Information Services (BASIS)	President	Mahboob Zaman

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.

CAPITAL MARKET REVIEW

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.
ILFSL	FINANCIAL INSTITUTIONS	57.1%	25.9	22.6	1,593.8	20.5%	5,319.51	-	75%
BERGERPBL	MISCELLANEOUS	56.4%	30.9	37.8	945.8	17.8%	17,895.48	15.0	-
ALARABANK	BANK	48.9%	18.7	2.3	87.0	34.1%	12,510.73	-	30%
UTTARAFIN	FINANCIAL INSTITUTIONS	47.6%	18.2	22.7	3,556.3	12.9%	8,994.37	30.0	25%
FEDERALINS	INSURANCE	47.1%	84.9	94.1	863.8	19.9%	780.98	-	12%
BSRMSTEEL	ENGINEERING	46.7%	(12.6)	(14.7)	1,930.0	10.2%	23,936.78	-	15%
PREMIERBAN	BANK	41.9%	19.5	24.0	535.5	16.1%	12,662.77	-	30%
ACIFORMULA	PHARM. & CHEM.	40.5%	34.0	42.6	225.7	17.2%	5,412.60	2.5	-
ICBIBANK	BANK	40.4%	(3.6)	(4.6)	1,431.8	12.4%	7,406.53	-	-
MEGHNALIFE	INSURANCE	37.7%	na	na	3,690.5	10.4%	3,685.06	5.0	30%
PHOENIXFIN	FINANCIAL INSTITUTIONS	37.6%	36.0	43.0	1,372.3	9.0%	3,866.76	-	30%
BDFINANCE	FINANCIAL INSTITUTIONS	36.1%	33.5	37.7	826.3	5.6%	2,697.64	-	20%
MERCINS	INSURANCE	35.9%	52.4	57.1	691.8	4.5%	952.48	-	10%
GLAXOSMITH	PHARM. & CHEM.	35.0%	104.1	114.8	1,362.6	12.0%	14,879.26	16.0	-
SOUTHEASTB	BANK	34.2%	22.6	27.3	523.5	10.9%	20,074.68	15.0	35%

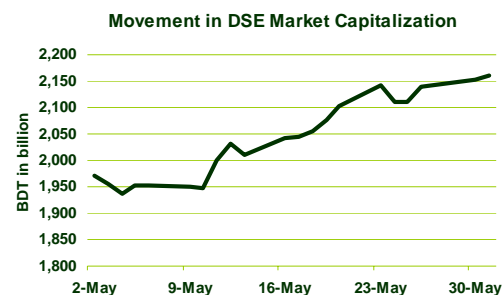
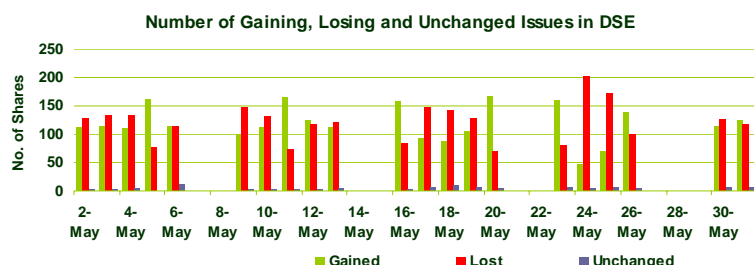
*The above is based on all DSE A, N-Category Stocks and selected B & Z category stocks. Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. "-" indicates "not available" or "zero". For further information, please write to creditriskmgt@idlc.com

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.
KOHINOOR	PHARM. & CHEM.	-33.2%	44.3	not traded	not traded	8.8%	1,405.76	40.0	-
SPCERAMICS	CERAMIC	-30.9%	37.4	33.2	71.1	7.2%	6,730.67	-	15%
BEXTEX	TEXTILE	-25.9%	(54.4)	(47.1)	70.7	9.4%	33,115.74	-	15%
BXPHERMA	PHARM. & CHEM.	-22.4%	49.5	44.9	146.3	6.0%	26,989.31	-	15%
KPCL	FUEL & POWER	-21.8%	62.8	60.3	201.2	5.5%	43,721.09	-	15%
BXSYNTH	PHARM. & CHEM.	-18.5%	103.2	95.4	325.0	5.0%	1,950.24	7.5	7.5%
BEXIMCO	MISCELLANEOUS	-18.4%	40.8	33.5	323.7	14.2%	37,170.47	-	60%
GEMINISEA	FOOD & ALLIED	-18.4%	12.9	not traded	not traded	3.2%	145.40	15.0	-
OCL	SERVICES & REAL ESTATE	-18.0%	3.7	3.4	185.6	4.7%	5,285.49	1.0	10%
BDCOM	IT-SECTOR	-17.8%	66.6	59.9	51.5	6.2%	705.81	1.0	-
DACCADYE	TEXTILE	-16.6%	67.8	64.1	40.5	4.6%	1,927.07	-	-
INTECH	IT-SECTOR	-15.0%	100.8	91.9	34.9	5.4%	504.03	-	10%
GP	TELECOMMUNICATION	-14.9%	129.9	125.1	276.4	4.2%	387,548.97	6.0	-
AL-HAJTEX	TEXTILE	-14.5%	80.8	75.8	74.2	3.6%	608.33	-	10%
AMBEEPHA	PHARM. & CHEM.	-14.0%	81.3	76.4	242.6	2.8%	516.06	3.0	-

*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

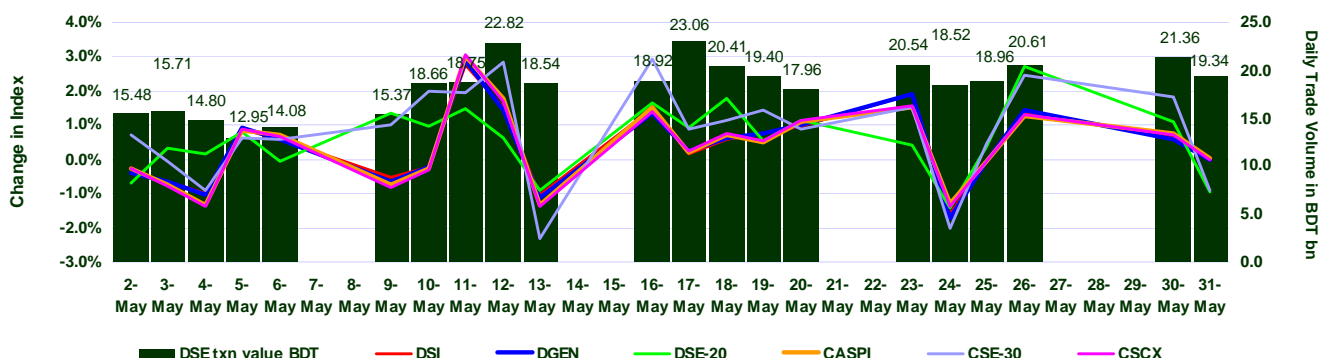


DSE* INDUSTRY-WISE STATISTICS

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	439,937	22.55%	30	21.31%	19.42	18.75
Cement	47,587	2.44%	4	15.64%	22.71	38.20
Ceramic	7,705	0.39%	3	-11.82%	233.47	(122.02)
Corporate Bond	3,738	0.19%	2	-0.97%	-	-
Engineering	73,024	3.74%	15	5.77%	47.55	68.56
Financial Institutions	223,270	11.45%	21	22.73%	40.24	33.18
Food & Allied	36,795	1.89%	9	-4.30%	52.66	25.54
Fuel & Power	274,476	14.07%	10	10.29%	55.60	29.57
Insurance	94,995	4.87%	40	9.87%	37.67	108.34
IT-Sector	3,913	0.20%	5	-11.60%	69.52	62.55
Jute	272	0.01%	2	-3.58%	18.03	58.85
Miscellaneous	69,023	3.54%	9	7.02%	40.44	49.77
Mutual Funds	25,434	1.30%	26	1.40%	16.69	37.39
Paper & Printing	4	0.00%	1	0.00%	-	-
Pharm. & Chem.	163,094	8.36%	18	-1.10%	52.13	30.61
Services & Real Estate	31,468	1.61%	6	-4.92%	36.68	33.03
Tannery	12,906	0.66%	3	7.17%	15.75	15.26
Telecommunication	387,549	19.87%	1	-14.90%	129.88	129.88
Textile	55,435	2.84%	15	-2.24%	29.72	45.72
TOTAL	1,950,623	100.0%	220	7.48%		

*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 creditriskmgt@idlc.com

MOVEMENT OF DSE AND CSE INDICES



FORTHCOMING IPO APPROVED BY SEC

Name of the issue	Pre-IPO Paid-up Capital (BDT mn)	IPO Amount (BDT mn)	Public Offer (in unit)	Date for subscription
Malek Spinning Mills Limited	1,200.00	400.00	40,000,000	06-10 June 2010
Beacon Pharmaceuticals Limited	1,900.00	300.00	30,000,000	20-24 June 2010

Source: DSE Website

INTERNATIONAL MARKET MOVEMENTS

Markets	Index May 26 th	One Week	% Change on	
			Dec 31 st 2009	In USD
United States (DJIA)	9,974.5	-4.5	-4.3	-4.3
United States (S&P 500)	1,068.0	-4.2	-4.2	-4.2
United States (NAScomp)	2,195.9	-4.5	-3.2	-3.2
Japan (Nikkei 225)	9,522.7	-6.5	-9.7	-7.1
China (SSEA)	2,753.9	+1.5	-19.9	-19.9
Britain (FTSE 100)	5,038.1	-2.3	-6.9	-16.9
Canada (S&P TSX)	11,543.9	-1.0	-1.7	-3.1
Germany (DAX)	5,758.0	-3.9	-3.3	-17.7
Hong Kong (Hang Seng)	19,196.5	-2.0	-12.2	-12.7
India (BSE)	16,387.8	-0.1	-6.2	-7.7
Pakistan (KSE)	9,611.6	-4.4	+2.4	+1.2
Singapore (STI)	2,696.0	-2.8	-7.0	-7.2

Source: The Economist

YEARLY PROFIT & DIVIDEND DECLARATIONS IN MAY

DSE Code	Latest Financial Year		Dividend Declaration		
	Profit (BDT mn)	EPS (BDT)	Cash	Stock	Right
ABBANK	3,417.19	133.26	20.00%	25.00%	-
ICBIBANK	(2,062.21)	(310.25)	NO DIVIDEND		
ILFSL	205.08	70.49	-	75.00%	-
MPETROLEUM	381.08	8.66	40.00%	5.00%	-

DSE Code	Latest Financial Year		Dividend Declaration		
	Profit (BDT mn)	EPS (BDT)	Cash	Stock	Right
NTC	103.47	156.78	20.00%	-	-
REPUBLIC	22.32	14.88	-	10.00%	-
SONARBAINS	27.36	16.58	-	10.00%	-
UTTARAFIN	495.43	156.39	-	25.00%	-

DIVIDEND DECLARATIONS IN MAY

DSE Code	Dividend Declaration		
	Cash	Stock	Right
AGRANINS	-	10.00%	-
ALARABANK	-	30.00%	-
ALPHATOBA	NO DIVIDEND		
BDWELDING	-	15.00%	-
BXSYNTH	7.50%	7.50%	-
ECABLES	5.00%	-	-
EXIMBANK	-	35.00%	-
FIRSTSBANK	-	10.00%	-
GOLDENSON	-	12.50%	-

DSE Code	Dividend Declaration		
	Cash	Stock	Right
IBNSINA	7.50%	20.00%	-
IFIC	-	25.00%	-
ISLAMIINS	NO DIVIDEND		
ISNLTD	-	10.00%	-
KARNAPHULI	-	15.00%	-
KPCL	10.00%	15.00%	-
LEGACYFOOT	10.00%	-	-
MEGHNACEM	35.00%	-	-
MERCINS	-	10.00%	-

DSE Code	Dividend Declaration		
	Cash	Stock	Right
MODERNIND	NO DIVIDEND		
ONEBANKLTD	-	32.00%	-
PARAMOUNT	-	10.00%	-
PHENIXINS	-	25.00%	-
PROVATIINS	NO DIVIDEND		
RNSPIN	-	10.00%	-
SAFKOSPINN	NO DIVIDEND		
SONARGAON	-	10.00%	-
TAKAFULINS	-	15.00%	-

UN-AUDITED HALF YEARLY RESULTS DECLARED IN MAY

DSE Code	Profit (BDT mn)	EPS (BDT)
ALPHATOBA	(4.28)	(1.49)

DSE Code	Profit (BDT mn)	EPS (BDT)
PADMACEM	(27.76)	(1.01)

DSE Code	Profit (BDT mn)	EPS (BDT)
SINOBANGLA	(7.58)	(0.75)

UN-AUDITED QUARTERLY RESULTS DECLARED IN MAY

DSE Code	Profit (BDT mn)	EPS (BDT)
ABBANK	923.67	36.02
ACI	76.43	3.42
ACIFORMULA	95.25	3.17
ALARABANK	384.03	21.35
ASIAINS	16.92	11.28
ASIAPACINS	14.49	7.52
BANKASIA	483.78	22.56
BATASHOE	103.60	7.57
BAYLEASING	66.19	32.44
BDFINANCE	36.76	10.02
BDSERVICE	73.35	1.97
BERGERPBL	206.58	8.78
BEXIMCO	966.91	10.26
BEXTEX	425.36	1.05
BOC	165.05	10.85
BRACBANK	326.44	15.85
BSRMSTEEL	486.46	33.55
BXPBARMA	217.96	1.30
CENTRALINS	18.29	10.76
CONFIDCEM	53.43	25.57
CONTININS	10.36	6.28
DBH1STMF	10.22	2.27
DHAKABANK	321.80	12.10
DHAKAINS	10.40	6.94

DSE Code	Profit (BDT mn)	EPS (BDT)
DUTCHBANGL	425.13	28.34
EBL	446.87	15.26
EXIMBANK	42.24	1.25
FIDELASSET	21.92	5.61
FLEASEINT	43.76	19.02
GLOBALINS	16.97	10.28
GP	3,157.32	2.34
HEIDELBCEM	330.18	58.44
IDLC	244.40	81.47
IFIC	195.64	11.22
ILFSL	90.92	31.25
IPDC	(114.80)	(14.64)
ISLAMIBANK	1,318.22	21.34
ISLAMICFIN	23.49	7.37
JAMUNABANK	142.31	8.77
LAFSURCEML	315.72	5.44
LANKABAFIN	372.63	7.01
MEGHNACEM	31.45	13.98
MERCANBANK	200.68	9.30
MERCINS	14.30	9.53
MTBL	201.02	9.48
NCCBANK	278.15	12.17
NHFIL	36.43	7.01
NITOLINS	11.27	7.52

DSE Code	Profit (BDT mn)	EPS (BDT)
NORTHRNINS	18.35	10.63
ONEBANKLTD	344.96	22.13
PHENIXINS	12.76	6.49
PHOENIXFIN	65.92	19.61
PIONEERINS	24.06	16.04
PLFSL	184.65	25.62
PRAGATIINS	37.28	9.62
PREMIERBAN	174.50	5.99
PREMIERLEA	22.14	5.87
PRIMEBANK	730.41	15.81
PRIMEINSUR	15.12	8.81
PUBALIBANK	676.99	17.72
RELIANCINS	56.26	24.04
RENATA	187.20	129.46
RUPALIBANK	113.62	9.09
SAPORTL	1,028.68	117.03
SHAHJABANK	346.27	12.64
SIBL	125.58	4.67
SOUTHEASTB	178.83	5.22
SQUARETEXT	109.30	1.55
STANDBANKL	300.82	11.38
TRUSTBANK	287.11	15.54
UTTARABANK	457.82	28.66
UTTARAFIN	178.04	56.20

MUTUAL FUNDS VALUE DECLARED IN MAY

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	1,611.41	100	ICB3RDNRB	10.32	10	First ICB	9,943.77	100
1STPRIMFMF	18.81	10	ICBAMCL1ST	586.02	100	Second ICB	3,071.58	100
AIMS1STMF	5.49	1	ICBAMCL2ND	134.23	100	Third ICB	2,330.52	100
DBH1STMF	11.30	10	ICBEPMF1S1	11.70	10	Fourth ICB	2,454.16	100
EBL1STMF	14.34	10	ICBISLAMIC	321.28	100	Fifth ICB	2,144.74	100
GRAMEEN1	52.41	10	IFIC1STMF	11.69	10	Sixth ICB	778.15	100
GRAMEENS2	18.74	10	PF1STMF	10.38	10	Seventh ICB	1,271.07	100
ICB1STNRB	416.18	100	PRIME1ICBA	11.44	10	Eighth ICB	910.60	100
ICB2NDNRB	197.45	100	TRUSTB1MF	12.01	10			

SELECTED DSE NEWS OF THE MONTH

DSE CODE	NEWS
ABBANK	Bangladesh Bank (BB) has issued the Order to release the 6.12% shares of IFIC Bank Ltd. held by Arab Bangladesh Bank Foundation (ABBF) on May 09, 2010. These shares were ceased by Bangladesh Bank on July 13, 2008. As per the recent decision of BB, above mentioned shares have been released in favour AB Securities Ltd (ABSL), the newly formed Brokerage subsidiary of AB Bank Ltd.
DSE NEWS	This is for information of all concerned that DSE is going to modify the existing price file to make it more informative for its user. To implement the same, some changes will be done in the bases column of TESA application. As for example, for Equity type instrument currently the bases column in TESA for a Demated A category instrument is "DA" and now it will be changed to "DA-EQ", meaning Demated A category Equity share. Similarly, for the Demated A category Mutual Fund type instrument is "DA" and will be changed to "DA-MF", meaning Demated A category Mutual Fund and so on, i.e. DA-EQ for Demated A Category-Equity, DB-EQ for Demated B Category-Equity, DG-EQ for Demated G Category-Equity, DN-EQ for Demated N Category-Equity, DZ-EQ for Demated Z Category-Equity, A-EQ for Non-Demated A Category-Equity, B-EQ for Non-Demated B Category-Equity, G-EQ for Non-Demated G Category-Equity, N-EQ for Non-Demated N Category-Equity, Z-EQ for Non-Demated Z Category-Equity, DA-MF for Demated A Category-Mutual Fund, A-MF for Non-Demated A Category-Mutual Fund, DA-CB for Demated A Category-Corporate Bond, DB-CB for Demated B Category-Corporate Bond, DN-CB for Demated N Category-Corporate Bond, DA-DE for Demated A Category-Debtenture, A-DE for Non-Demated A Category-Debtenture, DA-TB for Demated A Category-Treasury Bond, A-TB for Non-Demated, A Category-Treasury Bond.
DSE NEWS	SEC vide its letter No. SEC/CMRRCD/2009-193/part-II/35/Admin/03-43 dated May 04, 2010 hereby imposes the following further conditions to the consent already accorded by it to the issue of capital in Bangladesh, or to the public offer of securities for sale, namely:- a) The record date or commencement of book closure period of the listed security issuers shall be as per requirements prescribed in the listing regulations of the stock exchanges. b) Annual General Meeting shall be held by the listed securities issuers within 45 working days from the record date or commencement of book closure date. This Notification shall supersede the previous Notification No. SEC/CMRRCD/2008-183/Admin/03-36 dated October 05, 2009 and shall have immediate effect.
IDLC	SEC has given consent to the company, under the provisions of the SEC (Issue of Capital) Rules, 2001, for issuance of 15 Debentures of BDT 20 mn each totalling BDT 300 mn only through private placement with Sadharan Bima Corporation. The consent has been accorded subject to the condition that the company shall comply with the 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
SEC NEWS	(Change of face value and market lot of listed companies): Revising the previous notification No. SEC/CMRRCD/ 2001-201/23 dated March 01, 2010, SEC has informed that the govt. has given consent to re-fix the face value of securities of those listed companies of the Stock Exchanges who would be able to complete all the necessary formalities to change the face value of shares to BDT 10. Therefore, if the interested listed companies of the Exchanges apply to the Commission after completing all the necessary formalities, the Commission will take necessary measures in this respect in accordance with the aforementioned government decision. (Ref: SEC Notification No. SEC/CMRRCD/ 2010-201/37 dated May 10, 2010).
SEC NEWS	Change of face value or market lot of shares by any listed company in the Capital Market does not bring any change in the fundamentals of that company. From the theoretical viewpoint, any remarkable change in the market price of shares for such change is also not logical. Therefore, investors should take their investment decisions based on proper judgment in this respect.

FINANCIAL GLOSSARY

Lessee	An entity that leases an asset from another entity.
Leveraged lease	A lease arrangement under which the lessor borrows a large proportion of the funds needed to purchase the asset and grants the lender a lien on the assets and a pledge of the lease payments to secure the borrowing.

Source: Forbes.com

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Custodial Services

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IDLC Securities Limited, a fully owned subsidiary of IDLC, offers full-fledged international standard brokerage service for retail and institutional clients. It has seats on both the Dhaka and Chittagong Stock Exchanges. It is also a Depository Participant (DP) of Central Depository Bangladesh Limited (CDBL).

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