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MONTHLY BUSINESS REVIEW

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Industry and Equity Analysis Team

**Credit Risk Management
IDLC Finance Limited**

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committed to you

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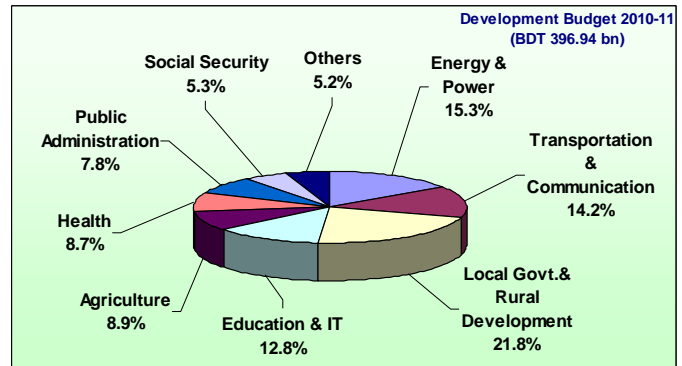
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ECONOMY AND BUSINESS

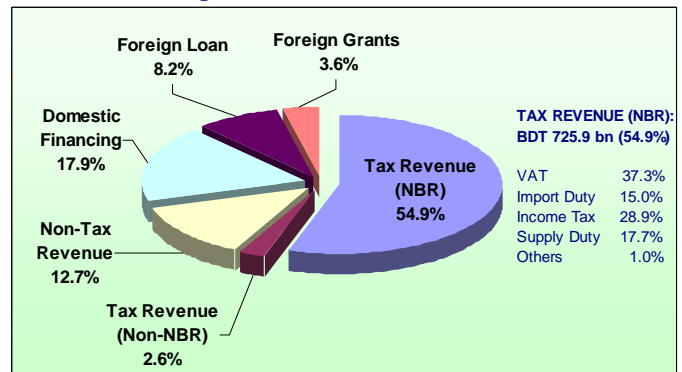
GLIMPSES OF BUDGET 2010-2011

Finance Minister Abul Maal Abdul Muhith on June 10, 2010 rolled out a BDT 1.3217 TN national budget for 2010-11 fiscal, which was later approved by the parliament (Jatiya Sangsad) on June 29, 2010 with some changes in the original proposal. Some important features of Budget 2010-11 are given below:

Sector-Wise Distribution of Development Expenditure



Resources Coming From



Key Highlights

- Income Tax & Corporate Tax:** The rate of tax on gain of sales of shares and securities has been fixed at 5% held by sponsor shareholders or directors of a company listed with any stock exchange and 7.5% in the hands of companies, irrespective of the status (private, public or banking companies, financial institutions etc). Tax has been imposed at a rate of 3% on the premium value of shares of companies being sold at a premium value. Tax at source on the commission of the members of the stock exchanges has been reduced to 0.05% from the proposed 0.1%. Income tax of stevedoring agencies, C&F agents and private security service providers was reduced from 15% to 10%.
- Power & Energy Sector:** An allocation of BDT 61.15 bn has been made for power and energy sector for the next fiscal year which is 61.5% higher than the revised budget of FY2009-10. VAT from manufacturers of energy saving lamp along with its raw materials has been withdrawn for 5 years and tax holiday has been provided for industries engaged in manufacturing solar panel and energy saving bulb.
- SME:** For the first time in 2010, a target of BDT 239.95 bn as SME loan has been fixed to be disbursed by the banks and financial institutions. Considering the role of small and medium industries (SMEs) in the industrialization of the country, annual turnover limit for turnover tax has been

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proposed to expand up to BDT 6 mn from the current limit of BDT 4 mn per year.

- **Housing Sector:** Tax to be collected at source from real estate developers at the time of registration of flat or building at the following rate- BDT 2,000 per square meter for a building or apartment situated at Gulshan Model Town, Banani, Baridhara, DOHS, Dhanmondi, Lalmatia, Uttara, Basundhara, Motijheel, Dilkusha, Dhaka Cantonment and Karwan Bazar of Dhaka and Khulshi, Agrabad and Panchlaish of Chittagong and BDT 800 per square meter for all other areas.
- **Import Duty:** Four-tier customs tariff structure will be continued this fiscal year too. 0% customs duty rates on commodities like rice, wheat, onion, pulse and edible oil, seeds, fertilizer, medicine and cotton will be maintained. Import duty has been reduced from 12% to 5% and 5% regulatory duty on milk powder has been retained. 5% regulatory duty that was imposed in the previous budget on all the products with the highest customs duty of 25% will be continued for another year. Specific rate of duty on raw sugar and refined sugar at the rate of BDT 2,000 and BDT 4,000 per metric ton respectively has been re-imposed.
- **VAT:** At businessmen level, the advance trade VAT has been made 2%, which was proposed at 3% from 1.5%. VAT has been revised at very low fixed rate for small businessmen, for Metropolitan cities of Dhaka and Chittagong at BDT 6,000, for other Metropolitan cities at BDT 4,800, for other district towns at BDT 3,600 and for other parts of the country at the rate of BDT 1,800. Other critical points are- withdrawal of VAT from manufacturers of refrigerator, freezer, motor cycle for 4 years and provision of incentive for complete manufacturing industries instead of assembling industries. VAT exemption on waste paper at import stage will be continued till June 30, 2011.
- The other major changes are reduction in export sector tax at source from 1% to 0.5%. 10% export duty has been imposed on un-manufactured tobacco.
- **Vehicles:** 15% VAT on import of CBU/diesel/petrol/CNG buses having 40 seats or more has been imposed. New rationalizing duty-taxes for motor cars are given below:

Description of motor car	SD (Present)	SD (Proposed)
Cylinder capacity - From 1001 cc to 1500 cc	30%	45%
Microbus with cylinder capacity upto 1800 cc	20%	30%
CKD motor car, jeep and station wagon (excluding 3 wheeler)	30%	45%

The minister has reversed a proposal to lower supplementary duty on cars with capacity between 1,501cc and 1,650cc and pulled the duty regime back to the previous 100%.

- **Agriculture:** An allocation of BDT 74.92 bn has been made for the ministry of Agriculture in FY2010-11. Subsidy in agricultural sector has been proposed to be BDT 40 bn. Agricultural credit target has been proposed to be BDT 120 bn.
- **PPP:** An allocation of BDT 30 bn has been made for supporting PPP (Public Private Partnership) in the budget of FY2010-11.
- **Stimulus Package:** In FY2009-10, the allocation for cash incentive/subsidy in export sector was scaled up to BDT 21 bn with an increase of BDT 3 bn. The core subsidy provided in the existing stimulus packages will continue in the next

fiscal year to help the export sector to stabilize in the context of gradual recovery of global economy. An allocation of BDT 20 bn has been made in the budget for FY2010-11.

- **Poverty Reduction and Employment Generation:** In the current fiscal, BDT 11.76 bn was allocated for the program titled Employment Generation for the Hard Core Poor. In the first phase, employment has been generated for about 0.6 mn people in 16 districts. In the second phase, there is a plan to create employment opportunities for about 1.7 mn people in 64 districts across the country. An allocation of BDT 10 bn has been made for this purpose in FY2010-11. In FY2009-10, through different programs under development and non-development budget, 526.7 lakh man months of employment opportunities have been created. Under the budget for FY2010-11, an estimated total of 621.6 lakh man months of employment will be created which is 98.4 lakh man months higher than the previous year. These additional man months will provide employment opportunities for 39.5% of the unemployed population of the country.

GDP size touches USD 100 bn and GDP growth target set at 6.7% for next fiscal

The country's gross domestic product (GDP) at current prices has touched USD 100 bn after the economy clocked nearly 6% growth in the outgoing fiscal, according to the government's annual economic survey. According to the Bangladesh Economic Survey, the country's GDP size stood at BDT 6,905.70 bn as of June 2010, or USD 100.08 bn, when a US dollar traded at BDT 69 each. The government has projected the growth in gross domestic product for the next fiscal year at 6.7%. The country's population has been estimated at 146.10 mn as of June 2010, although the figure is nearly 20 mn shorter than the estimate made by the United Nations. According to survey, the per capita GNI (gross national income) has also soared to USD 750, up USD 74 from the previous FY2009. Net foreign direct investment in Bangladesh fell by 66% to USD 228 mn in the first seven months of this fiscal year from USD 662 mn in the corresponding period of the previous year, according to Bangladesh Bank (BB).

Bangladesh scores higher than average CPIA rating of WB

Bangladesh has scored higher than the average rating of around 100 developing countries in the Country Policy and Institutional Assessment (CPIA) of the World Bank (WB) that assesses four broad areas including economic and public sector management. The country has scored 3.5 points out of total 6, 0.2% higher than the average 3.3 points of International Development Association (IDA) borrower countries, reveals in the CPIA report. The assessment of the WB has been conducted on the entire indicators of governance in 2009. According to the assessment report, Bangladesh has scored the highest marks in the area of economic management with four points followed by 3.6 points in the area of Policies for Social Inclusion/Equity and 3.5 points each in the areas of structural policies and public sector management and institutions.

Private sector credit flow rises again in April

Private sector credit flow again witnessed a rising trend in April after a month of declining growth following increased financing in productive sectors and trading. The credit flow to private sector recorded a growth of 20.67% to BDT 438.93 bn in April 2010 on a year-on-year basis compared to 16.97% or BDT 308 bn of the previous year, according to Bangladesh Bank (BB) statistics. The SME credit disbursements increased by 17.01% to BDT 526.18 bn at the end of March 2010 from BDT 449.69 bn at the end of March 2009. On the other hand, farm credit disbursements recorded a 15.78% growth during the first 10 months of this fiscal. The banks and financial institutions disbursed BDT 89.493 bn as

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agri-credits during July-April period of the fiscal 2009-10 against BDT 77.290 bn during the same period of the previous fiscal.

Major boost for PPP projects as Government approves policy, strategy

Private investors and non-resident Bangladeshis (NRBs) will enjoy several fiscal and special benefits in the public-private partnership (PPP) projects. Tax will be imposed at reduced rate on import of capital machinery for the PPP projects, according to the Policy and Strategy of PPP 2010 approved by the cabinet on June 17, 2010. Such projects will enjoy a reduced tax on profit, and tax waiver for a certain period. The policy also said special incentives will be given to PPP projects targeted for rural or underprivileged population. There will be three types of projects under the PPP. A small project will be of BDT 500 mn, a medium project of BDT 500 mn to BDT 2.5 bn and a large project will be of BDT 2.5 bn and above, excluding on-going capital for expansion. The bidding process of the big projects should be complete in six months to one year, the medium projects from five months to 10 months and for the small ones the awarding process will take three months to six months. There will be a separate and autonomous office headed by a chief executive officer (CEO) for implementing the PPP projects. The chief executive will report directly to the prime minister.

Investments in EPZs

- **Nasco Inc**, a Bangladeshi company, will set up a textile manufacturing industry at Karnaphuli EPZ involving USD 5.12 mn. Through the investment, the company will create employment opportunities for 300 people, including 12 foreign nationals.

Cell phone operators rope in 2 mn subscribers in May 2010

The country's six mobile operators added 2 mn subscribers in the month of May 2010, the highest monthly growth in 28 months, led by the two top players Grameenphone and Banglalink. According to the latest official statistics of Bangladesh Telecom Regulatory Commission (BTRC), the country's total number of mobile phone subscribers reached 58.36 mn at the end of May 2010. The figure was 56.36 mn a month ago.

Service Provider	New Subscriber	Total Subscribers
	Addition in May 2010 [In Million]	at the end of May 2010 [In Million]
GrameenPhone	1.00	25.55
Banglalink	0.65	15.59
Axiata (Bangladesh) Ltd [Robi]	0.14	10.96
Warid Telecom	0.05	3.08
PBTL (CityCell)	0.10	1.99
Teletalk	0.06	1.19
Total	2.00	58.36

Overseas employment in May drops

Overseas employment in May dropped because of dwindling demand for workers in the country's traditional job markets, government statistics revealed. During the month a total of 33,239 Bangladeshis secured employment abroad, mostly in the United Arab Emirates, according to data revealed by the state-run Bureau of Manpower, Employment and Training (BMET). This is a drop by 6.76% compared with 35,647 in April 2010. In the first five months of the current calendar year, the country's overseas employment stood at 168,026 only, a 20% fall over that of the corresponding period of last year. In January-May of 2009, total overseas employment was 212,332, the government statistics elaborated.

SELECTED ECONOMIC INDICATORS

Item	Period/As of	Value/bn	Period/As of	Value/bn	+/(-)%
Broad Money (M2)	Apr'10	3,430	Apr'09	2,819	21.69%
Bank deposits	Mar'10	2,961	Mar'09	2,432	21.73%
Bank credit	Mar'10	2,602	Mar'09	2,194	18.59%
Total Domestic Credit	Apr'10	3,195	Apr'09	2,799	14.12%
Revenue Collection	Apr'10	52	Apr'09	48	27.09%
Export	Jul-Apr' 2009-10	14.001	Jul-Apr' 2008-09	11.763	19.03%
Opening of LC	Jul-May' 2009-10	25.726	Jul-May' 2008-09	19.939	29.03%
Foreign Exchange Reserve	May'10	10.146	May'09	6.563	54.59%
Workers' Remittances	May'10	0.885	May'09	0.895	-1.14%
Annual rate of Inflation	Apr'10	6.26%	Apr'09	7.49%	

Source: Selected Indicators: Weekly Update: June 23, 2010; Bangladesh Bank.

IMPORT LC STATISTICS

Figures in USD mn

Items	July-April 2009-10			July-April 2008-09		
	FLCO	SOLC	OSTLC	FLCO	SOLC	OSTLC
Capital Machinery	1,510	1,177	1,134	980	1,175	853
Textile Fabrics (B/B & Others)	2,784	2,315	1,762	2,567	2,581	1,396
Rice and Wheat	921	732	244	773	821	172
Chemicals & Chem. Products	1,899	1,635	817	1,987	2,050	561
Petroleum & Petro Products	1,931	1,807	898	1,622	1,795	885
Edible Oil & Oil Seeds	877	911	269	764	762	279
Raw Cotton	1,449	1,087	772	1036	1039	421
Scrap Vessels	700	678	26	739	755	12
Pulses	376	274	158	190	141	108
Cotton Yarn	514	356	420	396	427	269
Paper and Paper Board	255	245	97	269	253	90
Synthetic Fibre & Yarn	361	227	182	268	273	135
Sugar and Salt	696	586	184	261	287	144
Others	4,410	3,344	2,852	3,147	3,023	1,810
Total	22,786	18,668	11,665	18,248	18,307	8,440

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

EXPORT STATISTICS

Figures in USD mn

Item	Jul-Apr 2009-10	Jul-Apr 2008-09	Change +/(-)
Knitwear	5,123.04	5,231.01	-2.06%
Woven RMG	4,835.02	4,902.48	-1.38%
Frozen Food	332.66	385.31	-13.66%
Home Textile	234.21	264.29	-11.38%
Leather	174.91	151.22	15.67%
Chemical Products	164.12	240.95	-31.89%
Foot Wear	161.60	155.04	4.23%
Engineering Products	215.80	153.53	40.56%
Agricultural Products	102.40	101.27	1.12%
Raw Jute	170.41	118.05	44.35%
Others	1,425.88	1,112.96	28.12%
Total	12,940.05	12,186.11	0.97%

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

REGULATORY NEWS

BB to impose penalty for failing to maintain CRR

Commercial banks will have to pay penalty in case of their failure in maintaining cash reserve requirement. Bangladesh Bank (BB) in a circular on June 01, 2010 said the rate of penalty would be the bank rate plus 5% on the shortfall of CRR on any given day of a month. The rate of penalty will be the same if any bank fails to maintain its bi-weekly CRR and the penalty would be calculated on the shortfall of the required amount. BB said the penalty would have retrospective effect from May 15, 2010 the day when it raised the CRR by 0.5 percentage points to 5.5%.

Single borrower exposure limit relaxed for power sector

The central bank has decided to waive the single borrower exposure limit in the case of financing the power sector. According to a circular issued on June 14, 2010, the single borrower exposure limit will not be applicable in case of financing in power generation, distribution and transmission. Bangladesh Bank (BB) has taken the move against the backdrop of a greater need to make substantial investment to increase power generation. BB issuing a circular in this connection asked the Chief Executives and Managing Directors of all scheduled banks to follow the provision for sanctioning loans in the power sector.

BB sets capital market exposure limit for banks

Bangladesh Bank (BB) has for the first time set capital market exposure limit for the commercial banks. Under the new provisions, banks will be allowed to invest not more than 10% of their total liabilities in the capital market. BB issued a circular in this connection on June 15, 2010 and asked the Chief Executives of all scheduled banks to follow the capital market financing limit. Besides, the banks will not be allowed to conduct merchant banking or brokerage house business from October 01, 2010 without formation of subsidiary companies for the purpose. BB in its directive said that current market price of shares, debentures and bonds and mutual funds purchased by a bank would be considered for determining 10% exposure limit. Besides, BB would consider the guarantee of loans given by any bank to brokerage houses engaged in stock market for determining the exposure limit. BB has also asked the banks to maintain the existing single-borrower exposure limit for providing loan facilities to their subsidiary companies or others. BB also directed the banks to submit reports on their monthly-based share-holding position in a prescribed form to the Department of Off-site Supervision of BB within 10th of each month.

Housing loan limit raised

Bangladesh Bank (BB) has increased the highest limit of housing loans of all commercial banks to BDT 10 mn from the exiting BDT 7.5 mn because of price hike of construction materials for housing and real estate. The central bank on June 16, 2010 issued a circular to all commercial banks asking them to provide housing finance facility to their clients at a maximum debt equity ratio of 80:20. Banks are free to extend mortgage loans for housing, for a period not exceeding 25 years. BB also suggested banks to be mindful of adequate asset liability matching.

BB allows banks to appoint agents for loan disbursement

Bangladesh Bank (BB) has relaxed rules allowing the commercial banks to appoint agents for disbursement of loans under solar energy refinancing scheme. The agents will act for selection of customers, preparation of loan proposals, revaluation, sanction, distribution, monitoring and recovery of the loans, according to a circular, issued by the central bank on June 20, 2010. If banks

channelized the fund through the agents, the rate of interest on such lending will be the prevailing bank rate plus maximum 5%.

BB's new guideline for bank expansion

Bangladesh Bank (BB) on June 28, 2010 issued a new guideline for the expansion of branches, booths and headquarters of banks. In a circular, the central bank said all banks should keep business of their headquarters inside a single structure. In special cases, banks can house some wings in other buildings, not far from the headquarters, and should not be located in more than two separate sites, while IT backup, data centres, training institutions and warehouses can be located outside head offices. Banks should open at least one branch outside Dhaka for getting approval of two branches in the capital city, added the circular.

SEC moves to increase quality shares

Public limited companies (PLCs) with a paid-up capital of BDT 500 mn or more will have to go for initial public offerings (IPOs). The PLCs will have to apply for IPOs within one year of reaching or exceeding BDT 500 mn in the paid-up capital, according to a notification issued by the Securities and Exchange Commission (SEC) on June 01, 2010. However, if their paid-up capital reached or exceeded before the issuance of the notification, they will have to apply for IPOs within one year after the notification date. The companies will have to be in operation for at least three years, and this timeframe will be counted from the date of incorporation from the tax authorities.

SEC lowers P/E loan ceiling for investors

The Securities and Exchange Commission (SEC) has lowered the price-earning (P/E) ratio margin again to be eligible for taking out loans by investors in an effort to cool down the sizzling market. In a directive issued on June 15, 2010, the securities regulator ordered merchant bankers and stock brokers not to provide any credit facilities to their clients, who will snap up equity securities with P/E ratio of above 40. The decision, which will be valid until further notice, has come into effect from June 20, 2010.

SEC won't allow trading of paper shares after September

The Securities and Exchange Commission (SEC) said on June 24, 2010 it is determined to send the shares to over-the-counter (OTC) market for trading if the concerned companies fail to dematerialise or transform them into electronic shares by September 30, 2010. As per the directive, the 'B' category companies of paper shares will be shifted to 'Z' category from July 01, 2010 and from October 01, 2010 no paper share will be traded in the bourses.

BO account maintenance fee goes up

The Securities and Exchange Commission (SEC) has imposed an additional BDT 200 in annual maintenance fee on each beneficiary owner (BO) account. The decision effective from July 01, 2010 takes the total annual maintenance fee to BDT 500. SEC took the decision at a meeting on June 29, 2010 in a bid to increase government revenue from stock market.

Merchant banks asked not to take brokerage commission

The Securities and Exchange Commission (SEC) on June 07, 2010 issued a circular asking the merchant banks to refrain from taking brokerage commission from investors.

Bill on re-fixing uniform stamp duty passed

Parliament on June 09, 2010 passed the Stamp (Amendment) Bill 2010 re-fixing uniform stamp duty at 3% for land registration in both urban and rural areas. The finance minister also piloted the Income-tax (Amendment) Bill, 2010 re-fixing tax at source at 1%

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in the case of transferring non-agricultural land in rural areas outside City Corporation, Municipality or Cantonment Board.

Parliament passes labor bill into law

The parliament on June 28, 2010 railroaded a bill on labour law, raising the retirement age of workers to 60 years, from 57 now. Lawmakers passed the Bangladesh Labour Law (amendment) Bill, 2010 into a law. Labour and Employment Minister Khandkar Mosharraf Hossain, who placed the bill on June 24, 2010 for passage by the house, said it would remove the discrepancy in case of retirement of labours.

Tax at source from income of two saving tools withdrawn

The government has withdrawn tax at source from income of two saving tools while the interest income from other saving tools will be subjected to a 10% tax. The Finance Act-2010 has waived the tax from pensioner's saving certificate and the newly launched family saving certificate. The government has withdrawn the tax-free ceiling of BDT 0.15 mn from interest amount of the saving tools. Investors of the other saving instruments will have to pay tax at source at the rate of 10% on interest amount from July 01, 2010.

INTERNATIONAL

World exports post 27% growth in Q1

With significant increase in exports from China, Japan, India and other Asian countries, the global merchandise exports grew by a healthy 27% in the first quarter (Q1) of the year (during January-March 2010), the World Trade Organisation (WTO) has said in its international trade statistics report. India's exports during the period increased by a robust 33% while that of Japan and China surged 48% and 29%, respectively. 'Fuelled by Asia's demand and commodity prices, exports of Africa, the Middle East and the Commonwealth of Independent States (ex-Soviet republics) were more than 50% higher than in the corresponding period of 2009,' WTO said. Increased export and import (up 24%) activities during the three months pushed up global trade by around 25% over the same period last year. After the sharpest decline in more than 70 years, world trade is set to rebound in 2010 by growing at 9.5%, according to WTO economists.

Global steel output surges 29% in May 2010

Global steel production surged 29% in May 2010 from the level in May 2009, as output exceeded levels before the economic crisis depressed demand, the World Steel Association said on June 21, 2010. The 66 countries belonging to the trade body saw production reach 124 mn metric tons in May 2010, up from 96 mn in May 2009 as the world economy was just beginning to emerge from crisis. China's booming economy accounted for the bulk of the output, churning out 56 mn tonnes of steel, up 20.7% over 12 months. Meanwhile, Japan, the second-biggest producer with 9.7 mn tons, saw its production surge by 50% while US output rebounded 73.8% to 7.2 mn tons. German steel mills saw an even more dramatic comeback with their output jumping 78.7% to 4.1 mn tons.

MARKET ROUNDUP

WEEKLY CURRENCY ROUNDUP (27 June-01 July, 2010)

Global Markets, Standard Chartered Bank

Money Market

Call Money rate mostly traded at around 2.5%.

Foreign Exchange Market

Local: The local market was active on June 30, 2010. USD/BDT moved up sharply yesterday and maintained the bullish run.

International: The euro gained broadly on June 30, 2010 after banks borrowed less funds than expected from the European Central Bank, easing concerns over European banks' funding issues and raising risk appetite.

EXCHANGE AND FORWARD RATES: (As on June 30, 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	69.80	68.80	INR	46.59	1.48
EUR	86.80	82.66	PKR	85.48	0.81
GBP	106.52	102.20	LKR	113.47	0.61
AUD	60.85	57.19	THB	32.43	2.13
JPY	0.81	0.76	MYR	3.26	21.23
CHF	65.69	62.77	USD forward rate against BDT		
SEK	9.21	8.63			
CAD	67.49	64.56			
HKD	8.99	8.82			
SGD	51.11	48.98		Buy	Sell
AED	19.11	18.63	1 Month	68.84	69.95
SAR	18.71	18.25	2 Months	68.89	69.95
DKK	11.73	10.97	3 Months	68.97	70.81
KWD	235.61	233.57	6 Months	69.32	71.85

Source: Standard Chartered Bank

TREASURY BILL/BOND AUCTION INFORMATION

Auction Date	Tenure & Name of the Securities	Sale Value (in BDT mn)	Weighted Average Yield (%)
28-June-2010	91 days T. Bill	1,491.016	2.41
20-June-2010	182 days T. Bill	1,228.40	3.52
28-June-2010	364 days T. Bill	479.704	4.24
16-June-2010	5 years T. Bond	110.00	7.87
02-June-2010	10 years T. Bond	1,200.796	8.79
09-June-2010	15 years T. Bond	60.00	8.80
23-June-2010	20 years T. Bond	750.00	9.15

Source: Bangladesh Bank Website

INTERNATIONAL COMMODITY PRICES

Commodity	Unit	Price on June 25, 2010 (USD/unit)	Price on May 28, 2010 (USD/unit)	Change +/- (%)
Platinum	Ounce	1,556	1,555	0.06%
Gold	Ounce	1,254	1,211	3.55%
Palladium	Ounce	471	471	0.00%
Silver	Ounce	18.65	18.36	1.58%
Nickel	Tonne	19,985	21,050	-5.06%
Tin	Tonne	18,200	17,800	2.25%
Lead	Tonne	1,845	1,825	1.10%
Aluminium	Tonne	2,005	2,025	-0.99%
Zinc	Tonne	1,875	1,925	-2.60%
Copper	Tonne	6,860	6,860	0.00%
Crude Oil	Barrel	78.55	73.97	6.19%

Source: The Financial Express

IDLC NEWS

IDLC relocates its Merchant Banking Division Dilkusha Branch

IDLC Finance Limited on June 13, 2010 relocated its Merchant Banking Division Dilkusha Branch from 36 Dilkusha Commercial Area (13th floor), Dhaka-1000 to Eunoos Trade Centre, Level 21, 52-53 Dilkusha Commercial Area, Dhaka-1000.

Rakeen Development Company (BD) Private Limited signs Issue Management Agreement with IDLC Finance Limited

Rakeen Development Company (BD) Private Limited, a subsidiary of UAE based Rakeen Development PJSC, is planning to raise funds from the Bangladesh Capital Market soon. IDLC Finance Limited and BRAC EPL Investments Limited will work as Joint Advisors and Issue Managers in this effort.



An agreement was signed on June 13, 2010 between Rakeen, IDLC and BRAC-EPL in this regard. SAK Ekamruzzaman, Managing Director of Rakeen, Selim R.F. Hussain, MD & CEO of IDLC Finance Limited, Saiful Islam, Vice Chairman of BRAC EPL Investments Limited and Arif Khan, Deputy Managing Director of IDLC Finance Limited and other senior officials were present during the signing ceremony.

IDLC launches "IDLC - 50" Index for capital market

IDLC Finance Limited, with technical support from Alif Assets Management Limited, on June 20, 2010 publicly launched the "IDLC - 50" Index, the first float-adjusted Index in the country. IDLC-50 will reflect the performance of 50 selected liquid stocks traded on Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). IDLC-50 is based on the "Float Adjusted Market Capitalization Weighted" methodology and follows internationally accepted methodologies for stock inclusion or exclusion.



CEO & MD of IDLC Selim R F Hussain, Deputy Managing Director of IDLC Arif Khan, Head of Merchant Banking division of IDLC Md. Moniruzzaman, Chief Investment Strategist & Director of Alif Assets Management Md. Azimul Islam and CEO & Director of Alif Assets Management Tanim Noman Sattar were present at

the launching ceremony of the index IDLC-50. An Index Committee has been formed to conduct and monitor the overall operations of the index. IDLC-50 performance data will be published in newspapers. More detailed information, such as quote details, liquidity data, portfolio characteristics and sectoral information will also be available on both the IDLC website (www.idlc.com) and Alif Assets' website (www.alif-amc.com).

Matin Spinning Mills Limited signs Issue Management Agreement with IDLC Finance Limited

Matin Spinning Mills Limited, a flagship concern of DBL Group, signed an agreement on June 17, 2010 with IDLC Finance Limited for the purpose of raising capital through Initial Public Offering (IPO) under Book Building Method. IDLC Finance Limited will act as Manager to the Issue in this regard. Matin Spinning Mills, a 100% export oriented cotton spinning mill, has a production capacity of 25,000 kg per day. It started commercial operation in October 2006.



Dignitaries from DBL Group, Abdul Wahed, Chairman; M.A. Jabbar, Managing Director; M.A. Rahim (Feroz), Director; M.A. Quader Anu, Director; Md. Ishaque, FCMA, Advisor; ARM Masud, FCA, Executive Director (Accounts & Finance); and from IDLC Finance Limited Selim R.F. Hussain, Managing Director & CEO and Arif Khan, Deputy Managing Director were present at the signing ceremony.

Workshop stresses educating investors to help market grow

IDLC Finance Limited on June 26, 2010 organized a daylong workshop on "Capital Market Operations and Financial Institutions" for Media at BRAC Inn Auditorium in Dhaka. Issues relating to corporate governance, financial statement analysis, merchant banking and brokerage operations were discussed at different sessions of the workshop where 20 business journalists from the print and electronic media took part.



Selim R F Hussain, CEO and Managing Director of IDLC Finance Limited inaugurated the workshop. HM Ziaul Hoque Khan, Chief Financial Officer and General Manager, and Mohammad Moniruzzaman, Head of Merchant Banking division of IDLC Finance Limited, also spoke in the event.

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NEWS IN BRIEF

ECONOMY

- **International Monetary Fund (IMF)** on June 09, 2010 predicted around 6% growth of Bangladesh economy for the next fiscal year, but suggested that the removal of infrastructure bottlenecks and improvement in business environment can help log a higher growth.
- **The World Bank** has recently forecast that the growth in Bangladesh's gross domestic product in the next fiscal year would be 5.8%, almost 1% lower than the finance minister's projected growth at 6.7%.
- **Citi**, a leading global financial services company, in its 'Asia Macro and Strategy Outlook' forecast **Bangladesh growth, inflation and current account balance**. Bangladesh grew by 5.7% last fiscal year (2008-09), according to the Citi outlook, released on June 25, 2010. For the current fiscal year, the country's GDP (gross domestic product) growth has been forecast at 6.1% and for the next year 6.7%. Inflation was around 7% last year, while the rate will be 6.5% this year and 6% next fiscal year, says Citi.
- **Remittance for the first time has crossed the USD 10 bn mark in the first 11 months of the current fiscal year**, according to statistics released by Bangladesh Bank. Remittances receipts during July-May, FY2009-10 increased by USD 1.307 bn or 14.90% to USD 10.077 bn against USD 8.770 bn during July-May, FY2008-09.
- **Disbursement of industrial term loans** recorded a fall by nearly 14% in third quarter of current fiscal year due mainly to worsening supply of gas and electricity. The disbursement of industrial term loans dropped to BDT 62.12 bn during the January-March period of FY10 from BDT 72.11 bn the previous quarter, according to the central bank statistics.
- **Investment slipped by 0.02 percentage points worth of GDP**, affected by decreasing public investment this fiscal year, according to Bangladesh Bureau of Statistics (BBS) provisional estimates. According to BBS statistics, the investment to GDP ratio is 24.35% in fiscal 2009-10, down from 24.37% a year ago. Private investment swelled 0.07 percentage points to 19.74% of GDP, but public investment fell 0.08 percentage points to 4.62% of GDP this fiscal year.

BUSINESS-GENERAL

- **The government spent 68% or BDT 195.22 bn of the revised allocation of Annual Development Programme (ADP) in the first 11 months of the current fiscal year**. The government spent 61% or BDT 140.88 bn of the revised ADP allocation in the same period last year. According to a report by Implementation, Monitoring and Evaluation Division, the local component of the implemented ADP was 71%, while 64% of the project aid of their respective revised allocation was spent.
- **Proposals for setting up 2,249 industries were registered with the Board of Investment (BoI) in the last 17 months up to March** with an estimated investment of BDT 362.63 bn, according to Industries Minister Dilip Barua. On the investment scenario, Dilip Barua said of the proposed 2,249 industries, 138 will be set up on joint venture with BDT 8.253 bn, 65 with BDT 55.03 bn 100% foreign investment and the rest 2046 units with BDT 299.355 bn local investment.
- The commerce ministry in a bid to rein in soaring price of rice in the open market has asked Bangladesh Bank for taking necessary measures for discontinuing cash credit facility for

rice mill owners. **The commerce ministry on June 28, 2010 issued a letter to the central bank requesting to halt the cash credit facility to the rice mill owners** extended by the commercial banks during harvest period.

- Finance minister Abul Maal Abdul Muhith on June 10, 2010 said **the target for manpower export has been set at 0.577 mn in 2010-11 fiscal year** over last year's 0.475 mn despite global economic recession.

BUSINESS - FIRM SPECIFIC

- **The finance ministry on June 01, 2010 issued a circular about creation of the Bangladesh Infrastructure Finance Fund (BIFF)** that will focus on social and economic infrastructure such as power, energy and transport. The circular said: "The BIFF will attract investment from local and foreign investors through internationally practiced financing options such as bonds, debt instruments and equity offering. It will also invest in different companies that are implementing projects in Bangladesh's infrastructure sector."
- **Grameen Telecom Trust and IES Alliance of Bahrain** have signed a memorandum of understanding (MoU) to set up a joint-venture fibreglass company in Bangladesh. Prof Muhammad Yunus, Chairman of Grameen Telecom Trust, and Shahid Ahmed, Managing Director of Alliance Fibre Glass and False Marble Company, signed the MoU at the Grameen headquarters in Dhaka on June 03, 2010.
- **The Switzerland-based, Malaysian-owned ICB Banking Group** that acquired Oriental Bank and renamed it ICB Islamic Bank Bangladesh has decided to sell its entire shareholding for USD 55 mn to a group of Bangladeshi buyers. ICB signed a sale and purchase agreement with Summit Industrial and Mercantile Corporation, Cosmopolitan Traders, Alliance Holdings, Summit Alliance Port Ltd and Shore Cap Holdings Ltd on June 03, 2010. Of the buyers, Summit Industrial and Mercantile Corporation, Cosmopolitan Traders and Summit Alliance Port are owned by Summit Group.

TRAINING / SEMINARS / WORKSHOPS

- **Citibank, N.A. Bangladesh** organized a two-day seminar on "Emerging Markets - A Changing Paradigm" at Nazimgarh Resorts, Sylhet recently. The seminar was attended by senior finance executives of leading local and multinational companies. Mr. Vipul Chandra, Head of Corporate Sales & Structuring, Citibank, N.A. South Asia presented the keynote paper in the seminar which was attended by senior officials of the Global Markets division of Citibank, Bangladesh.
- **Mutual Trust Bank Limited** recently organized, as lead organizer, a day long training programme on anti-money laundering at the Bangladesh Sugarcane Research Institute at Ishwardi in Pabna for the officials of the commercial banks operating in the district. The training programme was held under the sponsorship of MTB corporate head office and MTB Pabna branch at the Bangladesh Sugarcane Research Institute at Ishwardi in the district. Deputy Managing Director of the bank Md Hashem Chowdhury inaugurated the programme. A total of 50 participants from various banks operating in the district participated in the training programme.

REWARDS AND RECOGNITIONS

- **Environmental Finance**, a monthly magazine based in the United Kingdom covering the impact of environmental issues on the lending, insurance, investment and trading decisions

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affecting industry, **has ranked Citi top in five categories in socially responsible investment analysis and research.** In its inaugural Investment Research Survey, Environmental Finance polled 250 institutional investors that use environmentally themed investment research. The investors selected the best research team across five categories—renewable energy, climate change, water, resource/energy efficiency, and carbon markets. Citi has come out top overall based on number of votes received across all 5 categories.

- **Standard Chartered Bank** has been named the 'Best Foreign Commercial Bank in Bangladesh 2010' by FinanceAsia, a leading financial publication in the region, for the second consecutive year. The bank received the award as part of FinanceAsia 2010 Country Awards for Achievement. The winners will be awarded at a ceremony in Hong Kong on September 01, 2010.
- **BRAC Bank** has clinched the 'Sustainable Bank of the Year 2010' award at the FT Sustainable Banking Awards. The award was jointly announced by Financial Times newspaper and International Finance Corporation, a member of the World Bank Group, at an award ceremony on June 03, 2010 in London. BRAC Bank was awarded under the 'Emerging Markets in Asia' category. Executive Vice President of IFC Lars Thunnel presented the award to BRAC Bank Chairman Muhammad A (Rumeel) Ali and Chief Executive Syed Mahbubur Rahman.
- **The Financial Times**, London-based FDI magazine, has ranked the Chittagong Export Processing Zone (CEPZ) as the 3rd best cost competitive zone in the world and 4th in best economic potential for 2010-11. The magazine's Global Ranking Competition of Economic Zones ranked the CEPZ along with Clark Freeport in the Philippines, Togo Export Processing Zone in West Africa, after evaluating data of 200 economic zones for the first time.

CSR ACTIVITIES IN THE MONTH

- **AB Bank Limited** recently handed over necessary medicines worth BDT 0.5 mn to Dr. Shamonto Lal Sen, Head of Burn & Plastic Surgery Unit of Dhaka Medical College & Hospital for the treatment of the victims of the devastating Nimtali Fire at Old Dhaka. AB Bank also donated BDT 5 mn to Prime Minister's Fund to be distributed among Nimtoli fire victims.
- **Four private banks and BSRM Steel recently donated BDT 11.5 mn** to the Prime Minister's Relief and Welfare Fund for the victims of Nimtali and Begunbari tragedies in Dhaka. IFIC Bank handed over a cheque for BDT 3 mn to Prime Minister Sheikh Hasina recently while NCC Bank, Islami Bank and City Bank donated BDT 2.5 mn each. BSRM Steel gave BDT 1 mn to the fund.
- **Mobile phone operator Robi has recently launched setting up computer corners** on college campuses across the country. The programme was inaugurated at Shaheed Mashiur Rahman Degree College at Jhikargachha upazila in Jessore. Under the programme, each college will be given four to six computers at free of cost. Robi has taken up the programme as a part of its corporate social responsibility.

INTERNATIONAL

- **US consumer spending rose edged up in May** as income growth slowed and saving increased, official data showed on June 28, 2010 in a report suggesting consumers remain cautious amid high unemployment. The commerce department

said consumer spending rose 0.2% from April, slightly better than the 0.1% rise expected by most analysts.

- **India's economy grew 7.4% in the year ended March**, official data showed recently. The strong growth data, which also showed 8.6% year on year growth in the fourth quarter, was boosted by stellar performances in the industrial and service sectors and comes as inflation is running at almost 10%.
- **Sri Lanka's economy expanded 7.1% during the first quarter of this year**, the statistics office said on June 25, 2010. The growth for the January-March period, up from 1.6% at the same point last year, was boosted by expansion in farm produce and services.

UPCOMING EVENTS

Event	Period	Location
Hong Kong Fashion Week for Spring/Summer	05-08 July 2010	Hong Kong
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
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

MANAGEMENT CHANGE - BANKS & FIS

Organization	Position	Name
Bank Asia	Chairman	A Rouf Chowdhury
Mercantile Insurance Co. Ltd.	Chairman	Mohammad Solaiman
Premier Leasing and Finance Ltd.	Chairman (Re-elected)	Dr. Mizanur Rahman Shelley
Prime Finance and Investment Ltd.	Chairman (Re-elected)	Md Aminul Haque
National Credit and Commerce (NCC) Bank	Chairman (Re-elected)	Yakub Ali Montu
Asia Insurance Ltd.	Chairman (Re-elected)	Yussuf Abdullah Harun
EXIM Bank	MD (Re-appointed)	Kazi Masihur Rahman
Janata Capital and Investment Ltd.	CEO	Md Jahangir Miah
Dhaka Insurance Ltd.	MD	AQM Wazed Ali
BRAC Bank Ltd.	MD & CEO	Syed Mahbubur Rahman
Islami Bank Bangladesh	MD	Mohammad Abdul Mannan

MANAGEMENT CHANGE - OTHER ORGANIZATIONS

Organization	Position	Name
Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)	President	AK Azad

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

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.
RAKCERAMIC	CERAMIC	314.4%	na	na	170.5	5.3%	41,922.68	-	-
UCBL	BANK	74.0%	9.1	10.4	2,667.3	19.3%	6,948.56	-	-
PLFSL	FINANCIAL INSTITUTIONS	33.5%	40.7	48.8	1,258.8	9.8%	7,563.38	-	38.5%
KOHINOOR	PHARM. & CHEM.	30.4%	43.7	48.8	3,098.0	5.6%	1,386.66	40.0	-
IFIC	BANK	29.6%	25.1	27.9	1,053.0	14.8%	16,494.35	-	-
IPDC	FINANCIAL INSTITUTIONS	27.5%	40.0	42.8	550.0	7.4%	4,427.07	5.0	10%
ONEBANKLTD	BANK	27.0%	23.5	27.2	736.3	10.7%	9,924.76	10.0	-
4THICB	MUTUAL FUNDS	23.4%	34.5	39.8	2,139.8	6.0%	185.52	80.0	-
3RDICB	MUTUAL FUNDS	22.6%	27.1	29.8	1,972.5	5.2%	179.43	85.0	-
ABBANK	BANK	22.3%	9.3	10.5	1,393.5	9.8%	31,621.03	20.0	-
PUBALIBANK	BANK	22.2%	24.6	25.9	788.8	8.0%	37,313.59	5.0	30%
BANKASIA	BANK	21.7%	19.2	20.8	666.0	8.8%	13,189.62	-	40%
BIFC	FINANCIAL INSTITUTIONS	20.1%	72.6	81.6	875.8	6.0%	3,449.52	10.0	22.5%
ISLAMIBANK	BANK	19.9%	20.7	23.1	637.8	10.5%	42,483.92	10.0	20%
MIDASFIN	FINANCIAL INSTITUTIONS	19.0%	68.5	74.7	1,512.0	7.3%	5,608.81	2.5	15%

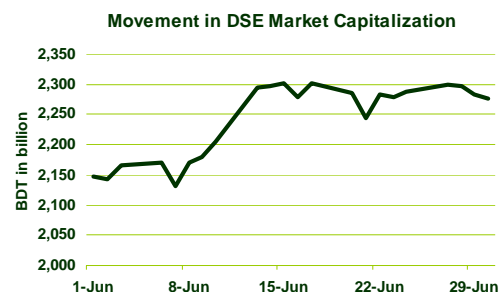
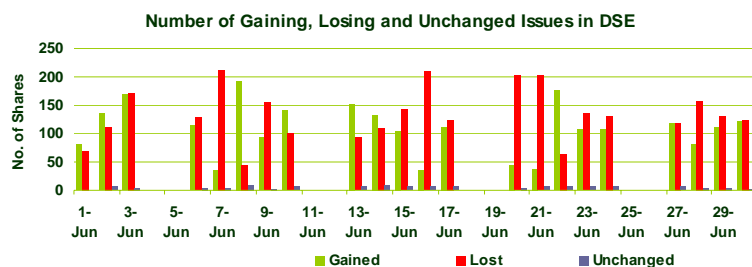
*The above is based on all DSE A, N-Category Stocks and selected B & Z category stocks. Earnings and dividend figures are the latest as available (audited) from DSE archives in the period of the review. "-" indicates "not available" or "zero". For further information, please write to creditriskmgt@idlc.com

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.
RECKITBEN	PHARM. & CHEM.	-48.0%	89.0	68.1	1,173.6	21.3%	7,249.87	25.0	-
NAVANACNG	ENGINEERING	-37.0%	34.2	25.9	174.4	14.0%	8,376.48	1.0	-
KPCL	FUEL & POWER	-34.3%	50.1	42.1	140.5	10.7%	34,872.78	1.0	15%
OCL	SERVICES & REAL ESTATE	-24.5%	3.0	2.6	144.5	8.7%	4,349.69	1.0	10%
PROGRESLIF	INSURANCE	-23.4%	na	na	2,158.0	7.3%	2,282.24	-	-
SOUTHEASTB	BANK	-21.9%	24.3	21.3	409.0	11.0%	21,524.66	15.0	35%
MONNOCERA	CERAMIC	-21.2%	658.3	586.5	447.5	6.2%	678.07	10.0	-
EASTRNLU	FUEL & POWER	-20.7%	179.6	147.3	723.1	8.9%	876.33	2.5	-
DACCADYE	TEXTILE	-20.4%	59.6	52.1	32.9	6.8%	1,693.84	-	-
IMAMBUTTON	PHARM. & CHEM.	-20.3%	84.3	73.2	231.3	7.6%	186.25	5.0	-
GLAXOSMITH	PHARM. & CHEM.	-19.5%	102.1	92.5	1,097.3	5.4%	14,596.03	16.0	-
PRAGATILIF	INSURANCE	-17.8%	na	na	2,672.3	10.3%	2,390.75	10.0	-
RENATA	PHARM. & CHEM.	-17.2%	31.1	28.7	10,468.8	3.5%	20,551.44	60.0	25%
ORIONINFU	PHARM. & CHEM.	-16.9%	38.7	34.4	639.5	7.1%	1,466.94	12.5	-
AL-HAJTEX	TEXTILE	-16.8%	70.2	63.8	62.5	6.0%	528.93	-	10%

*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



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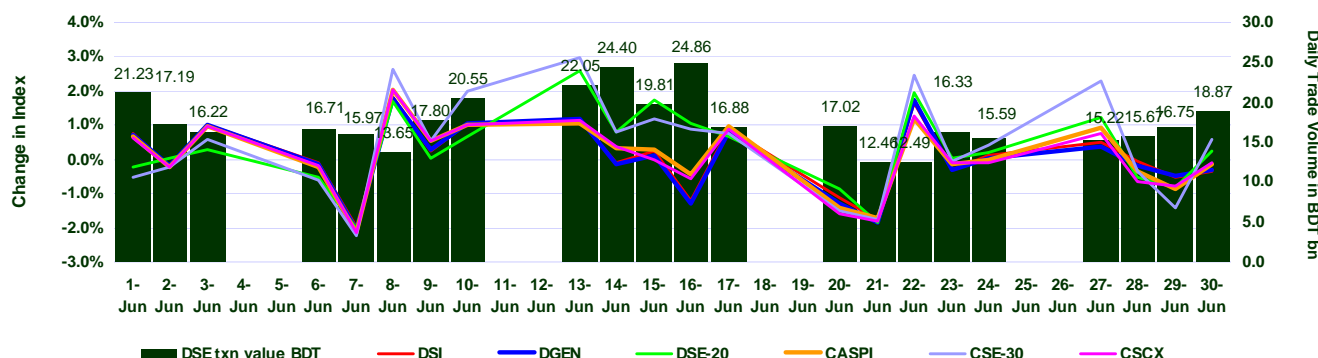
June 2010

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	508,481	24.16%	30	10.86%	20.34	24.00
Cement	51,910	2.47%	4	11.32%	29.24	44.94
Ceramic	48,655	2.31%	4	66.67%	164.29	(134.73)
Corporate Bond	3,768	0.18%	2	2.49%	-	-
Engineering	86,029	4.09%	16	-4.15%	48.16	62.76
Financial Institutions	265,965	12.64%	21	10.20%	49.55	38.86
Food & Allied	39,206	1.86%	10	-1.87%	51.09	25.39
Fuel & Power	297,692	14.15%	10	-0.55%	60.06	32.99
Insurance	101,932	4.84%	40	-4.06%	38.31	121.14
IT-Sector	3,800	0.18%	5	-2.50%	67.07	60.16
Jute	268	0.01%	2	0.19%	17.44	57.34
Miscellaneous	58,691	2.79%	9	-4.32%	48.58	25.78
Mutual Funds	25,092	1.19%	26	5.05%	18.24	40.52
Paper & Printing	4	0.00%	1	0.00%	-	-
Pharm. & Chem.	165,838	7.88%	18	-8.68%	49.30	31.96
Services & Real Estate	28,519	1.36%	6	-6.55%	34.68	31.15
Tannery	13,588	0.65%	3	2.73%	16.57	16.02
Telecommunication	353,238	16.79%	1	-15.53%	118.38	118.38
Textile	51,788	2.46%	15	-6.95%	30.72	47.38
TOTAL	2,104,460	100.00%	223	1.69%		

*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

MOVEMENT OF DSE AND CSE INDICES

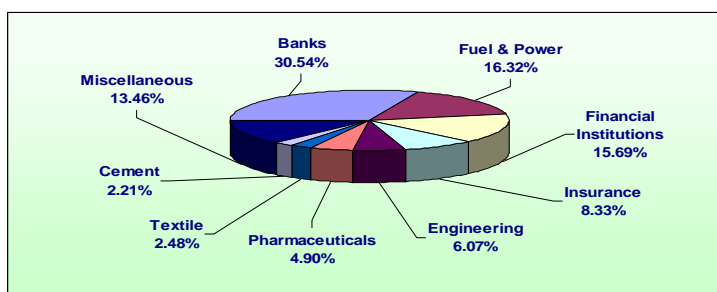


IDLC-50 INDEX: JUNE-30, 2010

Value	% Change
6,570.89	0.65% ▲

Source: IDLC website- www.idlc.com

SECTORAL TURNOVER - MAY 2010



Source: DSE Monthly Review- May 2010

INTERNATIONAL MARKET MOVEMENTS

Markets	Index Jun 16 th	One Week	% Change on	
			Dec 31 st 2009 In local currency	In USD
United States (DJIA)	10,409.5	+5.2	-0.2	-0.2
United States (S&P 500)	1,114.6	+5.6	nil	nil
United States (NAScomp)	2,305.9	+6.8	+1.6	+1.6
Japan (Nikkei 225)	10,067.2	+6.7	-4.5	-2.8
China (SSEA)	2,694.2	-0.5	-21.6	-21.7
Britain (FTSE 100)	5,237.9	+3.0	-3.2	-11.1
Canada (S&P TSX)	11,921.1	+4.1	+1.5	+3.8
Germany (DAX)	6,190.9	+3.4	+3.9	-10.8
Hong Kong (Hang Seng)	20,062.2	+2.2	-8.3	-8.7
India (BSE)	17,462.9	+4.8	nil	-0.1
Pakistan (KSE)	9,436.9	-2.5	+0.5	-0.7
Singapore (STI)	2,846.9	+3.7	-1.7	-1.0

Source: The Economist

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YEARLY PROFIT & DIVIDEND DECLARATIONS IN JUNE

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
CMCKAMAL	17.3	10.06	-	10.00%	-	RAKCERAMIC	340.05	1.83	NOT YET DECLARED		

DIVIDEND DECLARATIONS IN JUNE

DSE Code	Dividend Declaration			DSE Code	Dividend Declaration			DSE Code	Dividend Declaration		
	Cash	Stock	Right		Cash	Stock	Right		Cash	Stock	Right
BDSERVICE	-	15.00%	-	NATLIFEINS	-	55.00%	-	PURABIGEN	-	10.00%	-
BLTC	NO DIVIDEND			NAVANACNG	10.00%	20.00%	-	SANDHANINS	45.00%	-	-
FAREASTLIF	-	45.00%	-	PRIMELIFE	5.00%	35.00%	-	UCBL	-	30.00%	-
MEGHNALIFE	-	35.00%	-	PROGRESLIF	10.00%	-	-				

UN-AUDITED QUARTERLY RESULTS DECLARED IN JUNE

DSE Code	Profit (BDT mn)	EPS (BDT)	DSE Code	Profit (BDT mn)	EPS (BDT)	DSE Code	Profit (BDT mn)	EPS (BDT)
CMCKAMAL	7.09	4.12	EASTRNLUB	1.56	1.57	FIRSTSBANK	88.61	3.85
EASTERNINS	9.49	6.10	EHL	38.92	6.27	PURABIGEN	17.72	26.84

MUTUAL FUNDS VALUE DECLARED IN JUNE

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	1,670.60	100	ICB3RDNRB	10.59	10	First ICB	9,604.91	100
1STPRIMFMF	19.79	10	ICBAMCL1ST	617.79	100	Second ICB	3,094.17	100
AIMS1STMF	5.78	1	ICBAMCL2ND	138.41	100	Third ICB	2,326.86	100
DBH1STMF	12.06	10	ICBEPMF1S1	12.06	10	Fourth ICB	2,652.11	100
EBL1STMF	14.73	10	ICBISLAMIC	338.52	100	Fifth ICB	2,185.27	100
GRAMEEN1	54.28	10	IFIC1STMF	12.11	10	Sixth ICB	795.96	100
GRAMEENS2	19.15	10	PF1STMF	10.59	10	Seventh ICB	1,301.33	100
ICB1STNRB	440.54	100	PRIME1ICBA	11.80	10	Eighth ICB	945.19	100
ICB2NDNRB	209.29	100	TRUSTB1MF	12.49	10			

SELECTED DSE NEWS OF THE MONTH

DSE CODE	NEWS
ABBANK	The Bank has further informed that Bangladesh Bank vide its letter dated June 13, 2010 has accorded its approval to the Bank for investment of 15% in the Equity of Amana Bank Limited (ABL) of Sri Lanka.
ABBANK	The Bank has informed that Credit Rating Agency of Bangladesh (CRAB) has rated the company as "AA3" in the long term and "ST-1" in the short term based on audited financial statements of the Bank for the year ended December 31, 2009.
ALARABANK	The Bank has informed that Credit Rating Agency of Bangladesh Limited (CRAB) has rated the Bank as "A2" for long term and "ST-2" for short term based on financial statements of the Bank for the year ended December 31, 2009.
BRACBANK	The Bank has informed that Credit Rating Agency of Bangladesh (CRAB) has rated the company as "AA3" in the long term and "ST-2" in the short term based on audited financial statements of the Bank for the year ended December 31, 2009.
DHAKABANK	The Bank has informed that the Board of Directors of the Bank has taken the following decisions: (i) to change the denomination of shares (Face Value) from existing BDT 100 to BDT 10 each and Market lot from 50 to 100 per lot and (ii) to increase Authorized Capital of the Bank from existing BDT 6 bn to BDT 10 bn subject to the approval of respective Regulatory Authorities and the shareholders. The Bank shall also amend the relevant Clauses/Articles of Memorandum and Articles of Association of the Bank in this respect subject to the approval of the respective Regulatory Authorities.
EBL	The Credit Rating Information and Services Limited (CRISL) has rated the Bank as "AA" in the long term and "ST-2" in the short term based on financial statements of the Bank up to December 2009 and other relevant quantitative as well as qualitative information up to date of rating declaration.
EXIMBANK	The Credit Rating Information and Services Limited (CRISL) has rated the Bank as "AA-" in the long term and "ST-2" in the short term based on financial statements of the Bank up to December 2009 and other relevant quantitative as well as qualitative information up to date of rating declaration.
FAREASTLIF	As per un-audited quarterly accounts for the 1st quarter ended on March 31, 2010 (Jan'10 to Mar'10), the Company has reported an increase in life revenue account of BDT 267.55 mn with total life insurance fund of BDT 9,549.71 mn as against BDT 288.87 mn and BDT 6,188.19 mn respectively for the same period of the previous year.

Monthly Business Review

June 2010

DSE CODE	NEWS
FIDELASSET	The Credit Rating Information and Services Limited (CRISL) has rated the company as "BBB+" in the long term and "ST-3" in the short term based on financial statements of the company up to December 2009 and other relevant quantitative as well as qualitative information up to date of rating declaration.
GLOBALINS	The company has informed that the Board of Directors of the company has taken the following decisions: (i) to increase the Authorized Capital of the company from existing BDT 300 mn to BDT 1 bn and (ii) to change denomination of shares of the company by fixing the face value of shares at BDT 10 each instead of existing BDT 100 each and determine the Market lot of share from 50 to 250 shares and amendment of relevant Clauses of Memorandum and Articles of Association of the company subject to the approval of Regulatory Authorities and shareholders in the EGM.
GREENDELT	The company has informed that the Board of Directors of the company has taken the following decisions: (a) to increase Authorized Capital of the company from existing BDT 500 mn to BDT 1 bn. (b) to change the denomination of shares of the company by fixing the face value of shares at BDT 10 each instead of existing BDT 100 each at par and determine the Market lot of shares from 10 to 100 per lot and amendment of relevant Clauses/Articles of Memorandum and Articles of Association of the company subject to the approval of Regulatory Authorities and the shareholders in the EGM.
IBBLPBOND	The Bank has informed that it has decided to remit the Profit of MPB for the year 2009 to the MPBholders' Banks to credit respective Bank Account, as per the bank account details disclosed in the CDBL data on record date who maintained Bank Account with Second & Third generation Banks and the profit of MPB will be directly distributed in the Dhaka Zilla Krira Sangstha, Jheelpar, Motijheel, Dhaka on 13, 14 and 15 June, 2010 to the MPBholders who maintained their Bank Accounts with the state owned commercial banks and some specialized banks. Also, the Bondholders who provided written option regarding receiving method of Profit of MPB will get their Profit as per their selected option.
ISLAMIBANK	The Credit Rating Information and Services Limited (CRISL) has rated the Bank as "AA+" in the long term and "ST-1" in the short term based on financial statements of the Bank up to 2009 and other relevant quantitative as well as qualitative information up to date of rating declaration.
NATLIFEINS	The Board of Directors of the company has decided to hold an EGM for amendment of the Memorandum of Association and the Articles of Association to increase the Authorized Capital of the company from BDT 200 mn to BDT 500 mn subject to the approval of shareholders in the EGM and Regulatory Authorities.
POPULARLIF	As per un-audited quarterly accounts for the 1st quarter ended on March 31, 2010 (Jan'10 to Mar'10), the Company has reported an increase in life revenue account of BDT 788.40 mn with total life insurance fund of BDT 10,000.11 mn as against BDT 602.74 mn and BDT 6,683.64 mn respectively for the same period of the previous year.
PRAGATILF	As per un-audited quarterly accounts for the 1st quarter ended on March 31, 2010 (Jan'10 to Mar'10), the Company has reported an increase in life revenue account of BDT 147.64 mn with total life insurance fund of BDT 1,658.87 mn as against BDT 87.05 mn and BDT 1,227.99 mn respectively for the same period of the previous year.
PRIMELIFE	As per un-audited quarterly accounts for the 1st quarter ended on March 31, 2010 (Jan'10 to Mar'10), the Company has reported an increase in life revenue account of BDT 162.75 mn with total life insurance fund of BDT 2,420.93 mn as against BDT 132.78 mn and BDT 1,521.02 mn respectively for the same period of the previous year.
PROGRESLIF	As per un-audited quarterly accounts for the 1st quarter ended on March 31, 2010 (Jan'10 to Mar'10), the Company has reported an increase in life revenue account of BDT 63.81 mn with total life insurance fund of BDT 1,474.55 mn as against BDT 31.68 mn and BDT 899.94 mn respectively for the same period of the previous year.
SANDHANINS	As per un-audited quarterly accounts for the 1st quarter ended on March 31, 2010 (Jan'10 to Mar'10), the Company has reported an increase in life revenue account of BDT 283.34 million with total life insurance fund of BDT 5,325.97 mn as against BDT 300.35 mn and BDT 3,971.53 million respectively for the same period of the previous year.
SAPORTL	The company has informed that the Board of Directors of the company has adopted the following resolution: 2,48,000 ordinary shares of face value BDT 1,000 each of ICB Islamic Bank Limited (Bank) representing 3.73% of Bank's equity, be and is hereby approved for purchase from its present owner, ICB Financial holdings AG on conditions stipulated in the draft Share Sale and Purchase Agreement (SSPA) and subject to all required regulatory approvals.
SEC NEWS	SEC vide its Directive No. SEC/CMRRCD/2009-193/39 dated May 31, 2010 has directed the Dhaka Stock Exchange Ltd. to the effect that, the paper securities shall not be traded under "B" category from July 01, 2010 and these securities should be transferred to "Z" category on the same day. No paper security shall be traded in the stock exchanges from October 01, 2010.
SEC NEWS	In partial modification of the Directive NO. SEC/ CMRRCD/2001-16/168 dated October 01, 2009 issued by the Securities and Exchange Commission and in exercise of the power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), considering information provided by the United Commercial Bank Ltd. (UCBL) that they have successfully conducted pending AGMs of UCBL for the years 2003 thru 2007, the Securities and Exchange Commission, in the interest of investors and securities market, hereby directs the Dhaka Stock Exchange Ltd. to transfer the above company from Over-the-Counter Market for trading shares of UCBL in the main market of the stock exchange effective from June 13, 2010 (Ref: SEC Directive No. SEC/SRMIC/94-205/369 dated June 08, 2010).

FINANCIAL GLOSSARY

Leveraged required return	The required return on an investment when the investment is financed partially by debt.
Leverage ratios	Measures of the relative contribution of stockholders and creditors, and of the firm's ability to pay financing charges. Value of firm's debt to the total value of the firm.

Source: Forbes.com

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SUBSIDIARIES

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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