

**IDLC MONTHLY**

# BUSINESS

# REVIEW

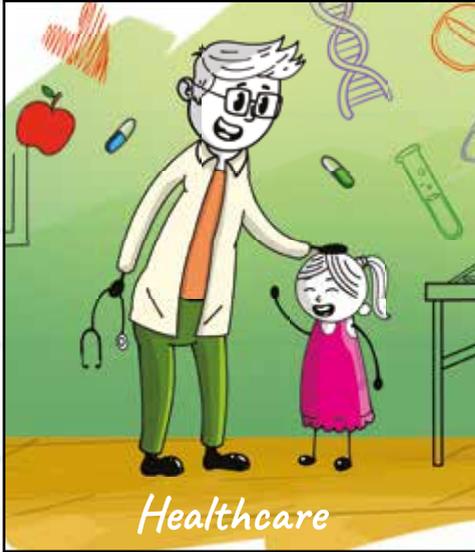
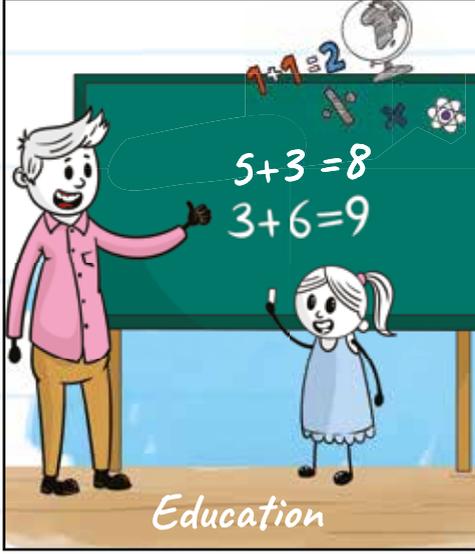
**AFFORDABLE HOUSING**

**CAPTURING BANGLADESH'S "MISSING MARKET"**



*financing happiness*

# তুমি চাইলে খুশির রাজ্য আটকাবে কে?



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

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## Making homes affordable

Bangladesh is struggling with some stark realities in housing sector. Currently, 7 out of 10 households in Bangladesh dwell in conditions that are not permanent. In Dhaka alone, there are over 4,000 informal settlements, or slums, home to 3.5 million people, who consist of a majority of the workforce. Housing loan makes up only 9.1% of the total loan, which implies a big chunk of the population is totally off the radar of existing housing finance sector. Affordable housing comes to rescue in a bid to revive the fortunes of the flagging housing sector.

The idea of affordable housing is embedded in providing housing for the low and middle income (monthly income within the upper ceiling of BDT 60,000 or USD 750 as per IFC) households, a currently untapped segment in our housing finance sector. Most of the apartments constructed size more than 1000

sq.ft., for which, private developers eye to the upper-middle and upper classes for reputedly having high credit worthiness. However, the ever-burgeoning middle and affluent class, rising income of this segment, more nuclearization of urban families are prone to make affordable housing a compelling story for Bangladesh, the way it happened in India. Housing for low and middle income households grew triple in just 3 years in India, accounting for 21% of the total housing finance sector and anticipated to grow 30%-40% by 2025. For Bangladesh, it is a first-hand concept which is yet to be explored and has the power to be game-changer for housing sector.

### **Adnan Rashid**

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# contents



04

Research in Focus  
**Financial Stability  
Report 2017**

---

06

Cover Story  
**Affordable Housing  
Capturing Bangladesh's  
"Missing Market"**

The housing sector of Bangladesh needs to address the housing requirement of the lower and middle income segment, which is popularly known as "down-market" in real estate sector. The middle income segment is growing in this economy more than ever and lack of affordable housing averts them from one of the fundamental human rights: housing. A meagre 9% housing to total loan ratio indicated that it is high time financial institutions should come up with customized products for this segment to enable them to purchase their budget homes. .

14

New Idea!  
**Khaas Food**

---

18-19

IDLC News

- IDLC organized five day IDLC Theatre Festival 2018
- 

20-21

Economy At a Glance

---

22-23

Performance Analysis  
of Top 10 Commercial  
Banks with IDLC

24-25

Industry Update

- Rice
  - Steel
  - Commercial Vehicle
  - Pharmaceuticals
- 

26-27

Month In Brief

---

28

For the Record

---

30-32

Capital Market Review

# Financial Stability Report 2017

## RESEARCH IN FOCUS

Banking Sector gave a mixed outcome in 2017 as most of the balance sheet items indicated growth in banking sector but the stability of those items are not improving as it should be based on the NPL Ratio though the Net NPL Ratio has shown some improvement.

Here is the outline of last year's bank performance-

- Balance sheet size increased by **12.4%**
- Increase in loan portfolio was **18.9%**
- Growth of deposit was **11.7%**
- Net NPL was **2.2%**
- Gross NPL was **9.3%**

The size of loan portfolio of banking sector should be compatible with deposit, but there is a slight mismatch between those two. The deposit were lower than the loan disbursed, effect of which was nullified by the investment in government & Equity securities. To highlight the performance of banks individually, if the asset of banks compared with the total asset of banking sector, it shows that, most of the assets are concentrated within top performing banks. 44% of the total asset of banking sector is of top ten performing bank. Bangladesh Bank's financial stability report indicated one problem as one most important problem for the banking sector which is inadequate due diligence of banking operation especially regarding funding companies. Technology based system and anti-money laundering regulation establishment and meeting compliance is the core suggestion came from financial stability report 2017.

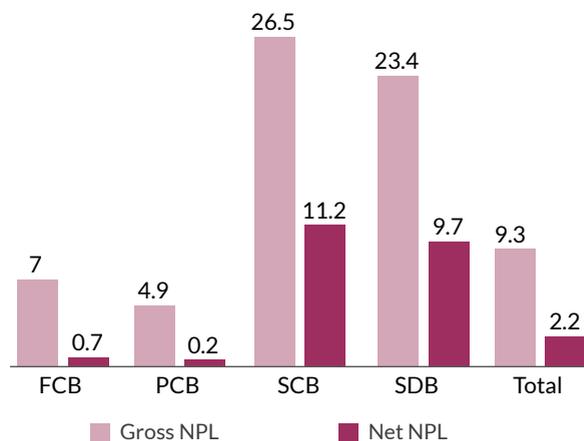


### ABOUT THE RESEARCH

"Financial Stability Report 2017" is an annual report published by Bangladesh Bank which highlights the performance of Banking sector in the preceding year.

## How was Non Performing Loan (NPL) in 2017?

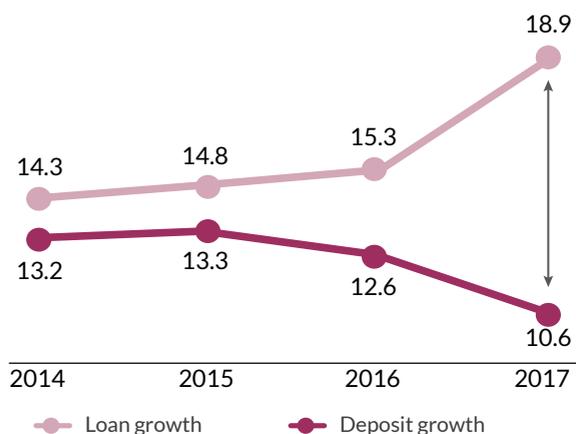
Non-performing Loans ratio was stable in 2017. But NPL ratio is too high for the overall banking sector and only two private commercial bank could maintain gross NPL within single digit rate. The NPL is a big concern for the SCB (state-owned commercial bank) and SDB (specialized development bank) because NPL ratio of both of these category is really high. Still there are improvements which is visible in SDBs is that the NPL ratio for SDB is better than last year. But overall reason of bad NPL ratio for the industry is because of increase of NPL in SCB and PCB, beside overall NPL ratio of SCB and SDB is poor. The major reason of rise in NPL is inadequate due diligence in credit management according to Bangladesh Bank. However, 29 bank was able to maintain a lower Net NPL less than 5%. Which is a good sign that in this deteriorated scenario which means many bank are doing great job maintaining loan portfolio. The Net Nonperforming Loan (net NPL) ratio was 2.2% at end-December 2017 which was 2.3% at end-December 2016. This ratio did not decline much due to an increase in provision shortfall in SCBs albeit some improvement for other categories of banks. Aggregate provision shortfall of the banking sector was BDT 67.7 billion in CY17 while SCBs had a shortfall of BDT 82.6 billion. Though few banks faced provision shortfall and availed regulatory forbearance on standalone basis, PCBs, FCBs and SDBs maintained provision surplus during the same period. The gross NPL and net NPL for the year 2017 is represented in the following exhibit.



## Banking Sector Structure

Banking industry depends on deposit as its major source of fund. The share of deposit against loan has lowered than the previous year's share which is because the lower interest rate slowed down deposit among people. Besides, foreign remittance and foreign exchange income were significantly lowered which can be also one of the reason of slow growth in deposit. Banks met the required liquidity even though there was mismatch between loan and deposit amount. But at the end of the year fund was managed in a smooth manner which took care of the shortage of deposit. At end-December 2017, total deposits and borrowings from other banks and FIs increased by 11.7% (12.8% in CY16) and 45.5% (22.6% in CY16) respectively. Bills payable decreased by 8.2% in CY17 against 71.7% increase in CY16. The slow growth of deposit and sharp increase in borrowing from other banks and FIs indicates that a few banks might have faced some liquidity pressures.

Here is the trend analysis of last few years loan and deposit growth rate over the year in the following figure.

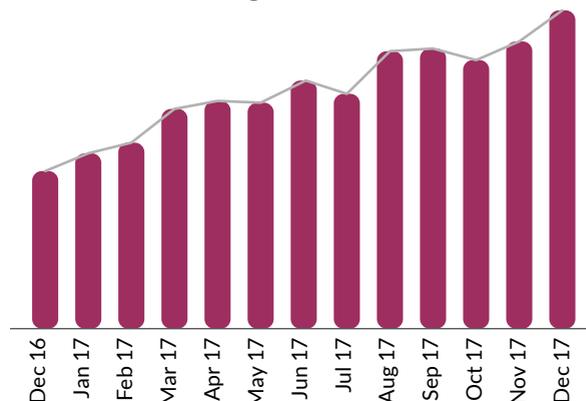


## Liquidity Situation

Recent private sector growth has boosted loan disbursement in banking sector which as a result reduced the excess liquidity but still the liquidity is enough to sustain any big liquidity shock. As the liquidity can be measured by different indicators, all the indicator shows enough liquidity in banking

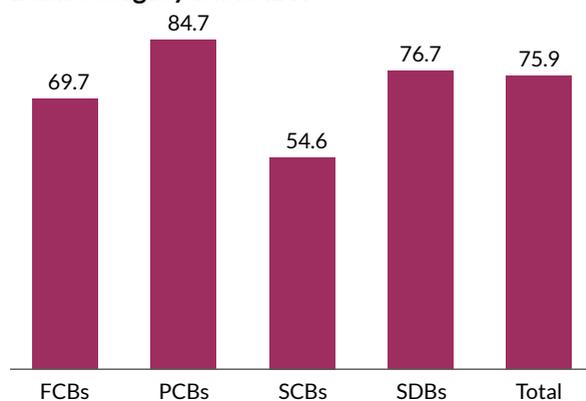
industry. Here the ADR (advance to deposit ratio) for the year 2017 is presented in the exhibit. Which shows that ADR on December 2017 was 75.9%. Beside different bank category wise ADR is shown

## Monthly ADR During 2017



in the exhibit which shows that private commercial banks has the highest ADR of 84.7% which means no excess of liquidity in PCBs. On the Other hand state-owned commercial banks has lowest ADR. SCB has a huge portion of unutilized liquidity.

## Bank Category wise ADR



Call money rate was declining from January 2015 to till 2nd month of 2017 and it reached 3.5%. But again it increased to 3.9% at the end of the year. This shows the trend that credit growth which increase the demand for call money that is increasing the call money rate. Other indicator ratios like Liquidity Coverage Ratio (LCR) & Net Stable Funding Ratio (NSFR) are also showing a positive sign that means the excess of liquidity that was unused are now getting into moderate amount.

# **AFFORDABLE HOUSING**

CAPTURING BANGLADESH'S "MISSING MARKET"



Urbanization in Bangladesh witnessed a faster pace between 2000 and 2010 in all other South Asian countries. During this timeframe, the share of its population living in officially classified urban settlements soared by 1.69% a year, according to World Bank (2015). Acceleration of housing demand mainly ascribes to this faster pace of urbanization. In Bangladesh, real estate emerged as a crucial sector of economy after the liberation war, having a multiplier effect on economic activities, being the source of massive employment generation after agriculture and garments and stimulating demand for allied industries, steel, cement, tiles and sanitary ware, cable and electric wire, paint, glass and aluminum, brick, building materials, and consumer durables. Contribution from this sector has been very significant and over the last two decades it contributed on an average 8.24% on the overall GDP of the country.

After a prolonged downturn of real estate sector for the last few years, the market rebounded in 2017. The housing market went on a downturn in 2012 for intermittent political instability, a bearish stock market and the halting of gas connections to new buildings. Also, property price corrections in the past few years have lured in many prospective home buyers. Realtors are expecting the property market to flourish in 2018 as sales of 2017 finally picked up upon banks' slashing of interest rates to single digits. According to Real Estate & Housing Association of Bangladesh (REHAB), the sector grew 5%-7% in 2017, bucking the downturn of the last several years. However, the sector is still

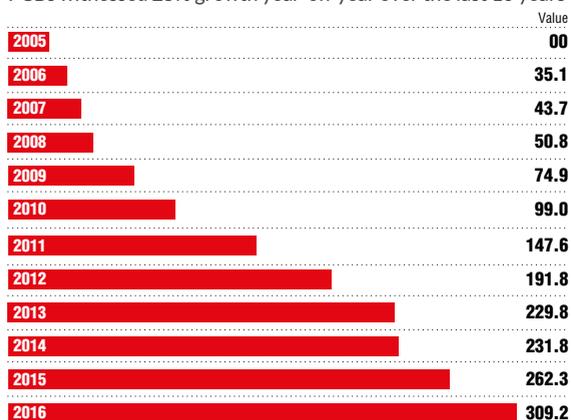
struggling with high rod prices and cement prices, which makes the overall construction price high and exceeds homebuyers' budget.

Every year more than 120,000 household units are required to house the added population in Dhaka. In this situation, the supply of housing in the city is only around 25,000 units in private sector. The private sector contributors include formal private sector (Real Estate Development Companies) and informal private sector (Individual Initiatives). Among these 25,000 units, 15,000 units (appx.) are developed by real estate developers per year and the rest are developed by individual developers.

Home loan in the banking industry of Bangladesh remained on a steady growth over the last 10 years, with having a CAGR of 20% in 2016. Notwithstanding the high growth rate, the mortgage debt to GDP ratio is alarming for Bangladesh (a meagre 3.5%), whereas other Southeast Asian countries demonstrates high level of housing loan- Thailand (19%), Malaysia and Japan (37%) and Singapore (54%). The low penetration of housing loan ascribes to lack of improvement in housing condition for lower and middle-income households. According to a survey report by BIBM, 85% of all rural and 70% of all urban-dwellers units fall under inadequate/deficient categories, which indicates they are out of the bank/FIs financing reach.

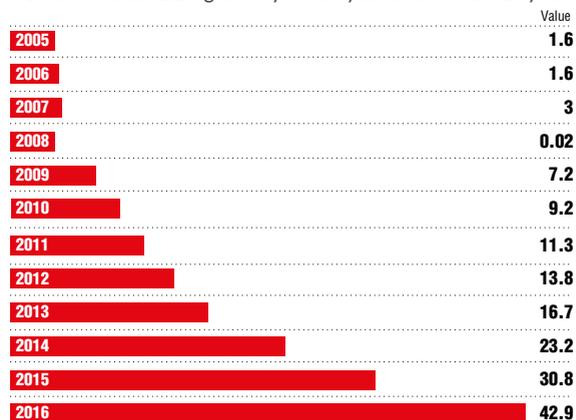
### ■ Outstanding Home Loan of PCBs

PCBs witnessed 25% growth year-on-year over the last 10 years



### ■ Outstanding Home Loan of NBFIs

NBFIs witnessed 21% growth year-on-year over the last 10 years



## Real Estate Facts

- Growth of 5%- 7% in 2017
- **1018 developers** functioning till 2017
- Prices rose by **BDT 200-500/ sq.ft** in 2017
- **Falling interest rates, bearish stock market** fueled the growth
- Deficit of **4.6 million units** (10% of urban population) in urban areas
- **15,000 units** are supplied by private developers are annually
- Unsold flats dropped to 10,000 in early 2016, down from 12,185 in 2014
- **BDT 562.9 billion** outstanding home loan as of FY 16
- **55%** of total outstanding home loans are disbursed by PCBs, whereas NBFIs disbursed **8%**
- Non-performing loan of Home Loan accounts for **3.12%** against **8.16%** NPL in total loan in FY'16
- Most of the new apartments constructed are **>1,000 sq. ft.**
- Target group mostly **upper class/ upper-middle class**
- Affordable housing constitutes **less than 2%** of newly constructed apartments

### Should the real-estate stakeholders stretch the target group to capture potential market?

Traditionally, the demand-side of housing sector comprise the upper/upper-middle income class, who are believed to possess the credit-worthiness required to avail a home loan. The “below middle-class income group” or most familiarly known as “the down-market” in real estate realm go unnoticed when house finance is in question. Given the fact that, most of the apartments are constructed on an area of more than 1,000 sq.ft., the heavy Equal Monthly Installment (EMI) of housing loans reaches beyond the financial capacity of this income group, therefore, rentals remain the only option to them. However, it is worth to note that in this way, realtors are missing out a chunk of their potential market, which is 20% of the total population. According to Boston Consultancy Group (BCG), middle and

affluent class of Bangladesh tantamount to 12 million, which is anticipated to grow triple to 35 million by 2025.

Change of the target group from upper/ upper-middle class to low-income class, developing more small-sized flats to purchase and coming up with customized financial products can ameliorate the demand of housing sector.

### Defining Affordable Housing

Affordable housing refers to housing units that are affordable by that section of society whose income is below the median household income. It enables house finance companies/banks/financial institutions to provide long-term loans to the people belonging to the economically weaker section- low and middle income groups in peripherals of urban and semi-urban areas. Affordable housing has become a key issue especially in developing nations where a “majority of the population isn’t able to buy houses at high market price”- or vividly they are termed as “the missing market”. In most of the developing countries, especially in South Asian countries, owning a house is seen as a luxury that not many can afford. Only the upper-middle income class of the income rung are eligible to avail housing finance due to their credit worthiness. Faced with a large unmet demand, the supply of good credit risk borrowers crowds out the lower end of the market. Also, developers dedicate supply to the higher end of the value pyramid, with an eye on greater margins.

Limited housing development is starkly evident in Asia pacific region, where income disparity only widens with the course of time. A low housing loan as a share of total credit ratio is an indicator that housing development throughout the region is constrained. Where Indonesia and Bhutan show comparatively bright performance in disbursing housing loans, the most densely populated Bangladesh gives a gloomy picture, indicating there is a severe gap between demand and supply.

#### ■ Low housing for Bangladesh

Housing loan to total credit ratio

Indonesia	29.17%
Bhutan	22.70%
Thailand	19.90%
India	12.46%
Bangladesh	9.10%
Philippines	7.10%

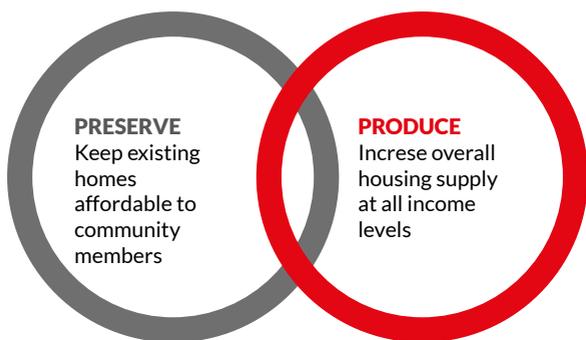
Housing development is about integrating the various components that make up the demand and supply factors underlying this ecosystem and their respective links.

From the supply side and taking into account rapid urbanization across the region, three key factors drive up housing cost:

- **Land** (in particular, trunk land earmarked for development)
- **Finance** (including availability of mortgage finance within a sustainable share of household income, usually in the range of 20-30%)
- **Construction** to a lesser extent (both materials and the building process)

On the demand side, it is important that apex national housing development institutions, support other elements in the ecosystem. National Housing Development Corporation in Bhutan is a prime example of how housing finance companies address the chronic housing crunch in urban centers.

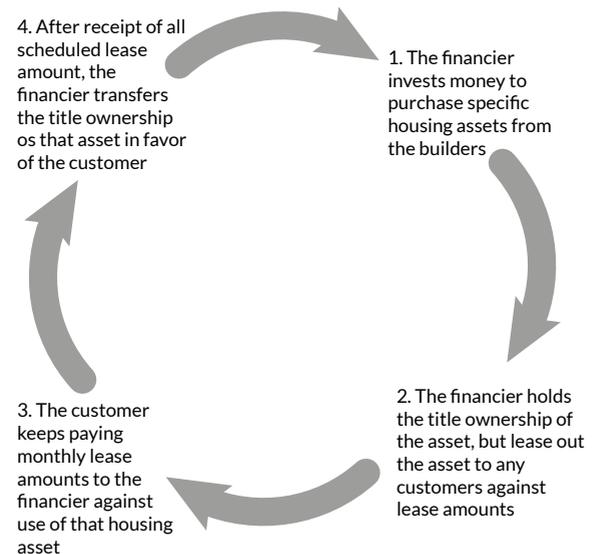
### How to build a holistic approach to affordable housing?



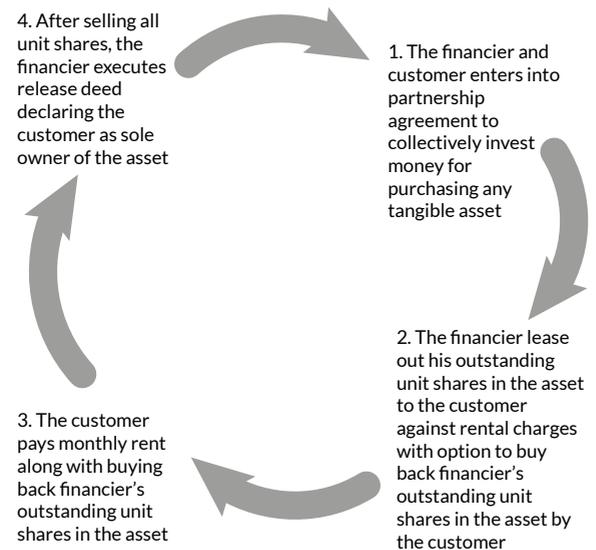
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|--|---|
| <ul style="list-style-type: none"> <li>■ Acquire and rehabilitate affordable homes at risk</li> <li>■ Advance new home ownership model</li> <li>■ Create supportive financing environment</li> <li>■ Link to seismic and energy retrofits</li> </ul> | <ul style="list-style-type: none"> <li>■ Simplify regulations</li> <li>■ Use available public land for affordable housing</li> <li>■ Expand funding at all levels</li> <li>■ Adopt proven policies</li> </ul> |
|--|---|

Financing models of affordable housing varies on certain factor, e.g., demography of the country, income-distribution, geography of the country and the like. However, two models are widely accepted in countries like India, where affordable housing is having a higher growth spectrum in housing sector.

### Lease Finance (LF) of Housing Asset



### Joint Asset Finance (JAF)



## Housing made affordable in India

Affordable housing is a problem that many countries are taking stock of, world-over. Over the last 5 years, India demonstrated remarkable growth in this sector of housing, once termed as “down market”, pushed by immense end-user demand and government’s thrust to ensure “Housing for All by 2022”. Houses in the affordable category – those costing less than Rs 25 lakh – now account for a fifth of all residential sales in India. Affordable housing refers to housing units that are affordable by that section of society whose income is below the Median Household Income.

### Why affordable housing took time to take off in India?

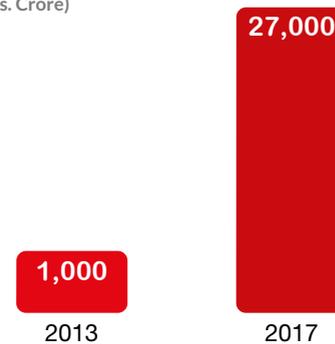
There was a raft of reasons for affordable housing getting off the ground in India despite having enormous demand from low-income consumers. Acquisition of land in urban areas at affordable price, inadequate infrastructure and a lengthy approval process -- all combined to make the progress very tardy. Since, it is the low-income group affordable housing sector deals with, not having enough money to give the margin for taking a housing loan and lack of access to home finance for low-income groups are constraints on the demand side.

### What are the reasons affordable housing picked up in India?

The demand for housing in the affordable segment has increased in cities due to a large migrant population. Affordable housing became a compelling story for India with a young population that is moving from villages with few jobs to the outskirts of cities in the hope of finding better work. This is the only segment in housing sector to get 100% tax exemption for developers. Also, the government is giving a subsidy of the 6.5% at the lowest rung of the ladder and crediting the entire subsidy of a 20-year loan to the loan account of an applicant, which reduces EMI, which further makes it more affordable to the applicant. For instance, Households with annual incomes of less than Rs. 18 lakh are eligible for a subsidy of Rs. 2.3 lakh, which is paid out upfront on a home loan.

### ■ 27x increase in Affordable Housing Loan book in 4 years

(Value in Rs. Crore)



Estimated shortage of around 4 crore houses (urban and rural), population growth of 1.3% per cent per annum, favourable demographics, ‘nuclearisation’ of families, migration to urban areas, fiscal benefits, rising income/aspirations all could lead to another one crore per annum demand for houses.

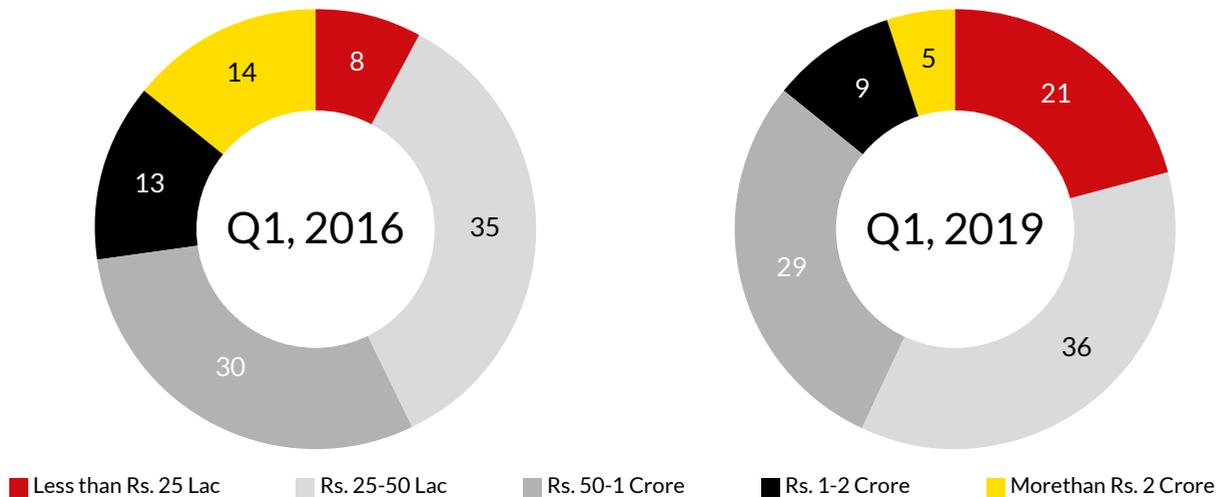
### Supply side diversifying portfolio

While 1% of the low housing supply comes from large and branded developers, around 9% of the supply are built by mid-size and formal developers. The rest 90% of the supply came from small and informal developers who typically construct small projects on the outskirts of cities, like in the jurisdiction of Gram Panchayats. The large and mid-sized formal developers have largely been “unsuccessful in supplying affordable housing to low-income customers” as projects tend to be more expensive and located further away from the city in less desirable locations. These distant locations also may lack infrastructure and require large investments, which further shrink the already low margins of such projects.

Having said that, developers are also diversifying their portfolio to cover the affordable housing segment. For instance, real estate firms launched projects spanning a cumulative Rs. 1 crore sq. ft in low cost housing. As per the real estate developers, the demand for budget homes will only increase and its share of the market will rise to 40% in the next two years.

## ■ Affordable Homes lead

Segment wise sales of real estate projects



The share of affordable houses in the property market has gone up from 8% in FY16 to 21% in the current financial year, according to data compiled by real estate consultancy firm Liases Foras. In the last three years, the share of luxury homes – those retailing for over Rs 2 crore – slipped from 14% to 5%. During this period, the sales of affordable homes almost tripled.

### Tectonic changes for affordable housing from policy level

The government is also offering all the sops possible to realize the aim of 'Housing for All by 2022' like various concessions, the most important of them being a lower Goods and Services (GST) rate. Besides, two other major reforms – demonetization and the enactment of the Real Estate (Regulation & Development) Act (RERA) have impacted the industry in a positive manner. Under RERA, the developer will not be able to divert funds received from flat buyers to outside the project, with 70% of receipts earmarked towards the project. Similarly, delivery timelines are monitored by the regulator with penal provisions for failure to deliver within committed timelines. Prospective buyers will have access to this information and violations by the builder will have adverse impact on sales offtake. Developers will thus have to launch projects where they are sure of completion and have good visibility of sales. The government has also granted infrastructure status to affordable housing, which has enabled the projects to avail benefits such as lower borrowing rates, tax concessions and increased flow of foreign and private capital.

### Affordable Housing becoming mainstay for Housing Finance Companies

The Credit-Linked Subsidy Scheme (CLSS), a part of the government's flagship Pradhan Mantri Awas Yojana – Urban (PMAY-U) enables borrowers from economically weaker section to avail house finance with an upfront subsidy. Housing finance companies (HFCs) are leading from the front with over 70% share in disbursements. While HFCs have been able to come up with tailored products and processes aimed at tapping the segment, banks continue to focus on the large-ticket salaried customers for driving their home loan portfolio. Predominantly, two reasons are highlighted behind this phenomenon: capital constraints and fear of default. According to industry insights, the sheer size and branch network of banks might also make it difficult for them to be able to communicate the scheme and educate their customers effectively. Moreover, there is usually a certain time lag between subsidy claim and settlement, and till then the borrower will be required to service the entire EMI. This could put pressure on his repayment capacity.

## ■ The Credit-Linked Subsidy Scheme (CLSS) to escalate affordable housing

Annual Household Income	Interest Subsidy (%)	Home Loan Amount
Rs. 3-6 lakh	6.5	Upto Rs.6 Lakh
Rs. 6-12 lakh	4	Upto Rs.9 Lakh
Rs. 12-18 lakh	3	Upto Rs.12 Lakh

However, other constraints at the state level include fiscal headroom, land clearances, land titles and single window clearances.

### Why Bangladesh is poised to take a lead in affordable housing sector by the next decade?

Affordable housing is yet a “to-be explored” realm in the house finance sector in Bangladesh. Currently, affordable housing constitutes less than 2% of the newly constructed apartments. However, a handful of socio-economic facts, akin to that of India, lead to enable aspiring homebuyers who want to purchase budget homes.

- **Population growth picks up**

The robust population of 166 million with an annual 1.1% growth rate, fits the bill for Bangladesh to venture into the affordable housing sector.

- **Urban migration surges**

Some 90 out of every 1,000 persons moved to urban areas in 2015, up 17% year-on-year, according to Bangladesh Sample Vital Statistics (BSVS) 2015. Increased number of people are moving from small towns to big towns or cities, particularly for economic factors, education and healthcare. Dhaka at present is one of the fastest growing megacities in the world with a population of about 18 million in 2016 over an area of 1528 sq.km, accounting for 11% of the total population. The population growth rate of the city is 4.65% against 1.48% of the national growth rate as per the Bangladesh Bureau of Statistics (BBS). Average dwelling size is 4.9 persons per household. With accommodating more than 600,000 people per year, Dhaka is now growing with an unprecedented growth more than ever.

- **Middle income class growth burgeoning**

Two million Bangladeshis are joining the rank of Middle And Affluent Class (MAC) a year, according to Boston Consulting Group (BCG) in Bangladesh, a global management consulting firm. By the year 2025, the number of MAC is expected to triple to about 34 million from around 12 million at present.

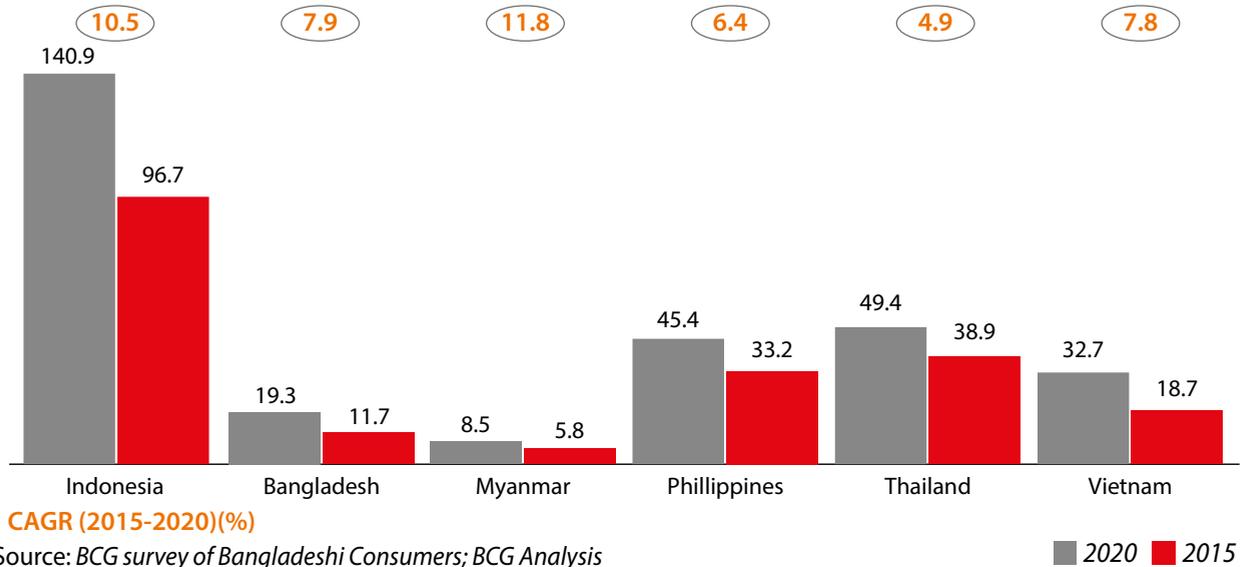
**A latest survey by BRAC Institute of Governance and Development (BIGD) finds 57% of middle-income people cannot afford to have a house in Dhaka. However, they are a major portion of the population, but there is a big gap between their income and the price of flats.**

In another study conducted by the Bangladesh Institute of Development Studies (BIDS), it reflects that one-fourth, or 25% of the total population will belong to the middle-class income category by 2025, due to greater access to education, finance and IT services, and private sector employment. At present, 20% of the population belongs to the middle-income category. As the share of middle-income category in the economy increases, the demand for housing will also pick up as part of better standard of living.

- **More nuclear families**

Nuclear families are now on growing trend in the society, fueling by high cost of living and affordability. With passing times, this trend will continue to increase and people will in need of more small-sized flats.

## ■ Today's Relatively Small MAC Population in Bangladesh is Growing Fast



### ● High apartment price

Pricing is a big challenge, especially within Dhaka and other major cities of Bangladesh. Real estate developers face many challenges providing affordable housing to city residents due to soaring land prices and higher construction costs. In order for developer costs to be covered in the face of higher costs, the price of property is being held at a higher rate, which in a lot of cases is actually well ahead of the market rate for a property in that area. High costs of borrowing, high transaction and registration fees are all deterrents to purchasing a property. With high property prices in cities, adding further costs through transaction fees and interest costs (if financed through bank loans), coupled with other risks and challenges, all lead the purchaser to defer the decision to enter the real estate market.

### Ways to create the “missing market”

- The refinance schemes of housing sector should be based on income of the target group, rather than size of the flat. In this way, the target market will be stretched.
- The major cities are all currently very densely populated and with increasing urbanization, there is a need to open up new residential areas on the outskirts of the cities which reduces pressure on city infrastructure, making the workings of any city more efficient. It will provide more affordable housing for Bangladeshis to purchase and live in and more providing security for themselves and their families.
- Developers need to come up with more small-sized flats in a bid to accommodate the middle-income group.



# KHAAS FOOD

*Khaas Food, a startup with a motto of delivering safe food to people who are looking for healthy and adulteration free food. Because food quality corruption is a huge problem in Bangladesh. In this context Khaas food has come up with a great initiative of selling safe food to people.*

## Why Safe Food?

Health condition in Bangladesh has been in a severe situation for recent years in the city areas, especially Dhaka, because of adulteration of food. The mass people started to notice the phenomenon and taking it seriously when mobile court started their periodical raid to different food vendors and found high level of medicine, formalin and also tampering the quality of food mixing low grade item. Besides, many seller did not maintain the hygiene level ensuring quality food standard. People were petrified when the news channels broadcasted how rotten chickens were used in their regular fast food items in popular restaurants. The situation alarmed Mr. Habibul Mustafa, the Co-founder of Khaas Food and he started to think how to ameliorate the quality of food people intake. Finally, he and his partner & Friend, MD. Tauhidul Islam, got an idea of selling safe food which will be free of medicine and with standard hygiene level. They came up with a venture selling fresh food and named it “Khaas Food”. “Khaas” which means ‘special’ or ‘close’, gives out a vibe of trustworthiness among the people regarding what they are selling is pure.

## Providing nutrition value

Khaas food has a unique consideration of food items which aims to provide the customers with highest nutrition value. Also now-a-days, processed foods minimize food less nutritious. Khaas food is giving the facility to the user to have the natural nutrition which is almost absent now in market. Healthy food items like brown sugar, brown rice etc. are products they promote and encourage customers to go for them.

## Product Sourcing

Khaas food strictly maintains food quality and they designed their product sourcing in a bid to complement that goal. Currently, Khaas Food has two sourcing channels: one is to purchase items from the producers directly. Khaas food makes an estimate of the quantity required of a particular food item that they want to source for a particular period. They have their quality control team consisting of 3 members, who visit the sourcing destination, stay there as long the product is source.



**Khaas Food**

**For instance, the quality control team goes Sundarbans when it is time to cultivate honey and spend time with the Mowals (honey cultivators) as long their desired standard is fulfilled. The team is run by experts in the food quality realm. They get sample of the products from the source, conduct quality-check and after that, monitor the whole production process.**

Upon completing the production process, the procurement team, which has a size of 5 members, bring the lot to their warehouses. Khaas Food heavily relies on the direct sourcing model.



## **Habibul Mustafa**

Co-founder, Khaas Food

Another sourcing process is procuring food products from third party suppliers. Prior getting any third party supplier onboard, they take their food sample, examine the quality of the item and if found satisfactory, they go for an agreement. Also, if the procured lot differs from the tested sample, they return the products to the suppliers. Currently, they have 35 suppliers of different variety of products in their portfolio.

### **Warehouse management**

Khaas Food maintains four warehouses in Dhaka city and one in Chittagong. The four warehouses in Dhaka are positioned strategically on Dhanmondi, Badda, Uttara and Mohammadpur, in a bid to respond to the delivery process, be the delivery request comes from any corner of the city.

From the Dhanmondi warehouse, they make deliveries in Dhanmondi, Kalabagan, Mohammadpur, Azimpur, Old Dhaka, and some parts of Mirpur. The warehouse at Uttara covers South City Corporation areas including Bashundhara, Baridhara, Uttara, and the rest of Mirpur. The other warehouse at Badda make deliveries to the nearby locations. The Mohammadpur warehouse is the hub of other warehouses where all the products

come for quality check and then, distributed to other warehouses. What is unique about Khaas Food, consumers can purchase food items both online from their website, offline as well through which consumers can pick up their required items from their nearby warehouses.

### **Supplier Management**

Being a startup focusing on pure food, Khaas Food is fairly dependent on its suppliers. They concentrate on positioning ourselves as a safe food manufacturer/supplier in the market. To that end, they have made some investments in production to ensure a greater control on the backward linkage and better quality supplies. Like, they have invested in a dairy farm which used to be their third-party supplier up until recently. Being satisfied with their product quality and being aware of the fact that they were having some difficulties in meeting the rising demands from their customers, Khaas Food made them their supplier and aided them financially. Previously, the dairy farm had only three cows and now they have 23.

### Scalability of Safe food in Khaas Food

Safe food is the motto of Khaas food, ensuring quality is the most important feature of the agenda of Khaas Food, which has become a big challenge for them because maintaining quality comes at a cost. Scalability becomes an issue for Khaas Food since their product sourcing is costly and at the same time, the products are quite reasonably priced for the end customers. However, Khaas Food has managed to improve the overall process in a way that reduces the cost significantly. And right now Khaas food is keeping it scalable by curbing the margin. Down the line, they intend to achieve scale by going for larger-scale production in a contract farming model.

### How today's challenges differ from initial ones?

Funding was a big challenge at initial days for Khaas Food and still is. In e-grocery business, inventory management is cardinal in a bid to fulfill the customer requirement, which is costly. However, they successfully

won over the financial challenge and now they are handling with the high volume of orders. Also, they are working on their delivery channels, since some of their products are perishable and they need to get them reached to the customers before the products get spoiled. Maintaining the inventory, supply chain and logistics all three smoothly, is really a tough job.

### Future planning and vision

Khaas food's vision is to reach the people of all the city areas of Bangladesh. Besides, Khaas food is planning larger scale operation with farmers and producers in a contract farming model, especially to get the scalability of the business & to get better hold on production process and product itself. Because when the business size will increase, it will achieve the economies of scale. Khaas food would like to be an online store coupled with a chain of outlet cum warehouses like Wholefoods.



নিজের বাড়ি মানে  
স্বপ্ন আঁকার ক্যানভাস  
আইডিএলসি হোম লোন



## IDLC Theatre Festival 2018- bringing back the longlost glory of theatre



IDLC organized a five-day long theater fest titled- “Let the theater be a source of Joy” from 4 to 8 September 2018 with an aim to celebrate the long heritage of Theatre in Bangladesh. The inauguration ceremony graced by Honorable Minister of Cultural Affairs of The People’s Republic of Bangladesh, Asaduzzaman Nur, a veteran and one of the most instrumental behind the development of the group theatre of Bangladesh. IDLC CEO & MD Arif Khan along with prominent playwrights and other theater artists also attended the occasion. Ten of the most renowned theater groups performed in the fest. Esteemed intellectual and the National Professor of Bangladesh Dr. Anisuzzaman officially drew down the curtains on the fest. During the closing ceremony four thespian couples- Sara Zaker& Aly Zaker, Ferdousi Mazumder & Ramendu Majumdar, Lucky Enam & Dr. Enamul Haque and Shimul Yousuf & Nasiruddin Yousuff Bacchu were awarded “IDLC Natyojon Shommanona 2018” for playing an essential role in the theatre arena and shaping the Bangladeshi culture.

IDLC has also taken the initiative to honor four inspirational actor couples at the closing ceremony for their dedication and significant roles for molding the local culture and theatrical industry of Bangladesh.

“As a responsible and progressive organization, IDLC has always been the patron of the rich culture, art and heritage of Bangladesh. We have arranged this fest from that sense of responsibility to honor the brilliant artists of the industry.”

Arif Khan  
CEO & MD  
IDLC Finance Limited



*On the last day of five day long IDLC Natyautshob 2018 Prachyonat performed 'Circus Circus' on 8 September, 2018*



*On the last day of five day long IDLC Natyautshob 2018 Nagorik Nattyo Shomproday performed 'Open Couple' on 8 September, 2018*



*Inauguration ceremony started with a classical dance performance by Shadhona Cultural Circle under the direction of Lubna Mariam*



*In the closing ceremony, four thespian couples- Sara Zaker and Aly Zaker, Ferdousi Mazumder and Ramendu Majumdar, Lucky Enam and Dr. Enamul Haque and Shimul Yousuf and Nasiruddin Yousuff Bacchu were awarded "IDLC Natyoyon Shommanona 2018"*



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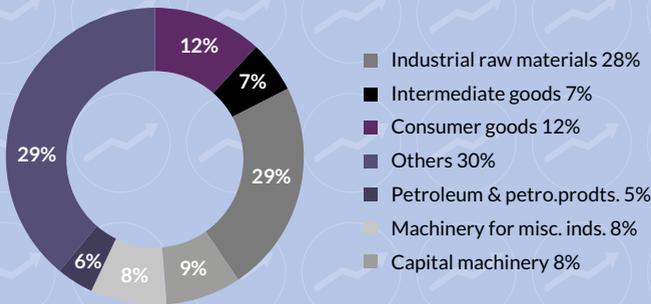
# KEY INFO

Private credit growth slumps  
**at 16.95%**  
 in June'18

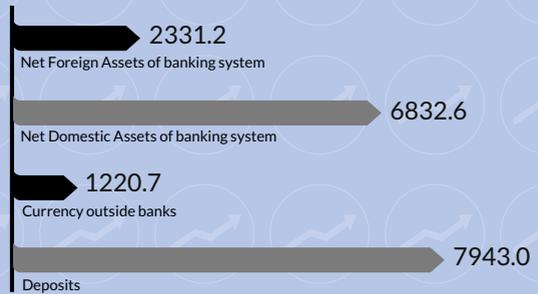
Remittance inflow up  
**17.30%**  
 y-o-y in July

Inflation  
**Gen**  
**5.51**

## IMPORT



## MONETARY AND CREDIT DEVELOPMENTS



## REMITTANCE

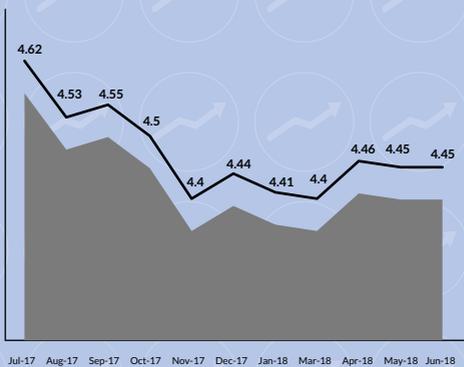


# ECONOMY AT A GLANCE

## SEEING ECONOMIC TREND IN DATA

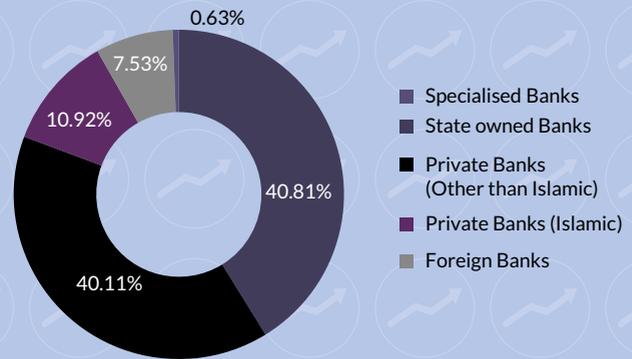
Inflation rate Down  
General inflation  
1% in July 18

### SPREAD OF ADVANCE & DEPOSIT RATE



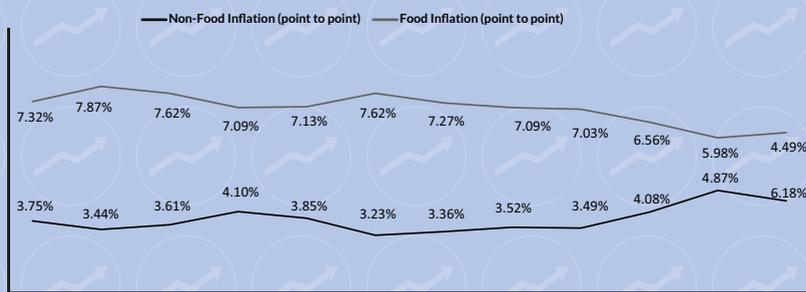
Jul-17 Aug-17 Sep-17 Oct-17 Nov-17 Dec-17 Jan-18 Mar-18 Apr-18 May-18 Jun-18

### LIQUIDITY POSITION OF THE SCHEDULED BANKS



Total Liquidity Assets for December 2015 was BDT 2577.94 Billion

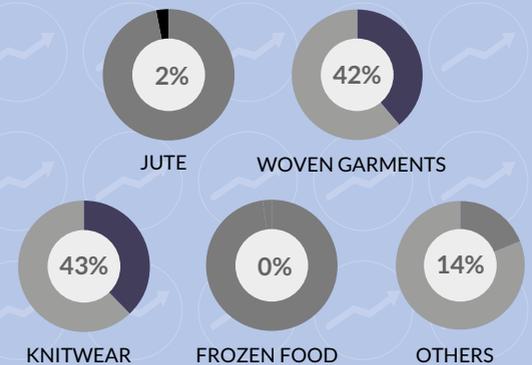
### INFLATION



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

Inflation rate in March 2018 decreases as food inflation falls

### EXPORT



# PERFORMANCE ANALYSIS OF TOP 10 COMMERCIAL BANKS\* WITH IDLC

## TOP 10 COMMERCIAL BANKS\*

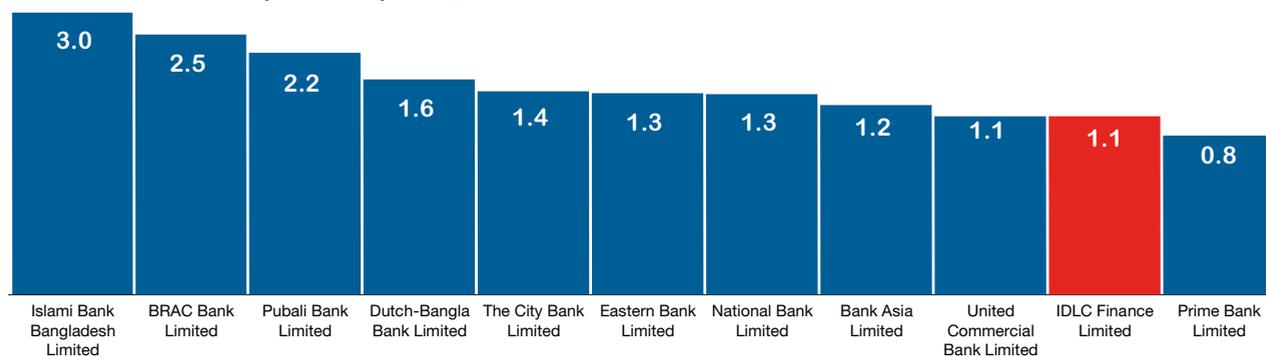
- Bank Asia Limited
- National Bank Limited
- BRAC Bank Limited
- Prime Bank Limited
- Dutch-Bangla Bank Limited
- Pubali Bank Limited
- Eastern Bank Limited
- The City Bank Limited
- Islami Bank Bangladesh Limited
- United Commercial Bank Limited

CRITERIA	RANKING	WEIGHTAGE
	<10,000 crore = 1	
	10,000 crore to < 15,000 crore = 2	
Loan Portfolio Size	15,000 crore to < 20,000 crore = 3	50%
	20,000 crore to 30,000 crore = 4	
	Above 30,000 crore =5	
Net Profit After Tax	-	50%
<b>Total Weightage</b>		<b>100%</b>

## Return On Equity (ROE) Half-yearly annualized

<b>IDLC Finance Limited</b>	<b>17.7%</b>	Bank Asia Limited	<b>11.3%</b>
BRAC Bank Limited	<b>17.6%</b>	The City Bank Limited	<b>10.7%</b>
Pubali Bank Limited	<b>17.4%</b>	United Commercial Bank Limited	<b>8.3%</b>
Dutch-Bangla Bank Limited	<b>16.3%</b>	National Bank Limited	<b>6.5%</b>
Eastern Bank Limited	<b>12.4%</b>	Prime Bank Limited	<b>6.4%</b>
Islami Bank Bangladesh Limited	<b>11.8%</b>		

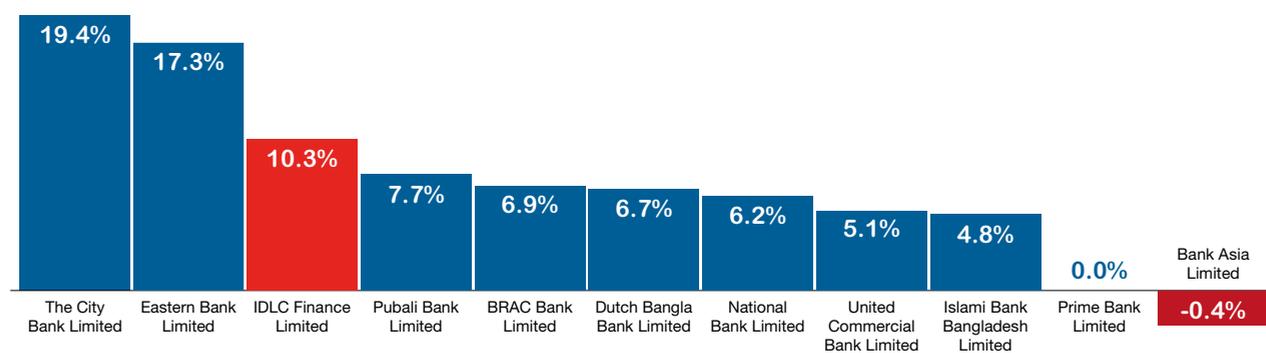
## NET PROFIT AFTER TAX (IN BILLION) Six M, 2018



### Loan Portfolio Growth %, Y-T-D

The City Bank Limited	13.2%	Dutch-Bangla Bank Limited	6.5%
National Bank Limited	10.3%	United Commercial Bank Limited	6.2%
<b>IDLC Finance Limited</b>	<b>10.3%</b>	Pubali Bank Limited	5.5%
Eastern Bank Limited	9.9%	Bank Asia Limited	4.1%
Islami Bank Bangladesh Limited	9.4%	Prime Bank Limited	0.9%
BRAC Bank Limited	7.1%		

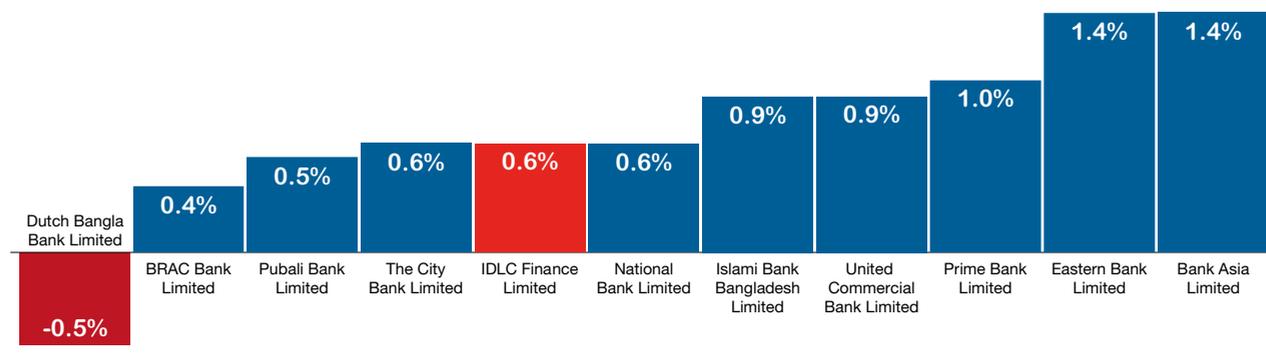
### DEPOSIT GROWTH %, Y-T-D



### COST TO INCOME %, Six M, 2018

<b>IDLC Finance Limited</b>	<b>38.8%</b>	Prime Bank Limited	60.0%
Bank Asia Limited	40.1%	United Commercial Bank Limited	60.1%
Eastern Bank Limited	44.8%	The City Bank Limited	63.1%
Pubali Bank Limited	47.0%	BRAC Bank Limited	64.5%
Islami Bank Bangladesh Limited	47.1%	Dutch-Bangla Bank Limited	75.6%
National Bank Limited	52.1%		

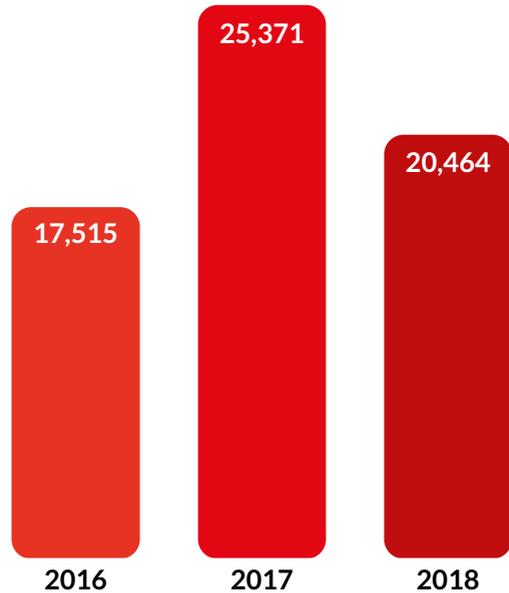
### COST OF RISK, Half-yearly annualized



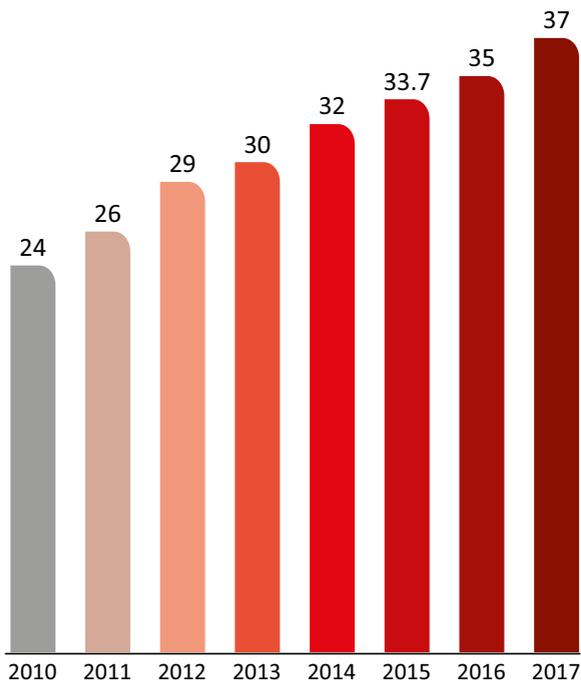
# INDUSTRY UPDATE

## RICE IMPORT TO DROP ON HIGHER YIELD

**RICE** Total rice imported in Bangladesh was 38.92 lac tonnes in July-June of 2017-18 which is highest amount of import for Bangladesh in last seven years. To protect the farmer 28% duty was imposed on the duty of the import of rice as the farmer had bumper production this year. This step was taken to reduce the import of rice from abroad. The US agency, USDA estimated that 6 lac tonnes will have to be imported from outside in 2018-19 financial year. As aus rice production is progressing on schedule. The overall monsoon rains have been normal thus far and seedling production for planting broadcast aman rice is progressing well under adequate soil moisture conditions. So the production of rice will be able to meet most of the demand from Bangladesh.



## PER CAPITA STEEL CONSUMPTION



## STEEL

### STEEL INDUSTRY EXPANSION

**Per Capita steel consumption** has created the way of expansion of steel industry. Top firms of this industry are investing huge amount of money to expand the operation and to increase the capacity of the steel mills. This is either to expand existing capacity or set up new units as consumption is on the rise. Per capita steel consumption in Bangladesh has grown more than 54% to 37kg from 24kg in 2010. This trend made Chinese companies to show interest to invest in the steel sector. Steel Industry growth is mainly driven by the government's spending on mega infrastructure projects, that is more than 40% of the consumption of steel in Bangladesh. Local manufacturers are quite optimistic about a consistent and healthy growth of the industry in the years to come.

## COMMERCIAL VEHICLE SALES GROWING RAPIDLY

**COMMERCIAL VEHICLE** Market size for commercial vehicle is increasing day by day and the growth rate is rapid. In FY 2017-18 at least 35000 units of commercial vehicle were sold and now the commercial vehicle size is 4200 crore. This size was 2000 crore decade ago. So the size of the market developed tremendously. Market size growth is almost 15 to 20 % each year. Bangladesh Road Transport Authority (BRTA) shown a statistic about the growth, 7808 unit were registered in last seven months till July and total number of registration of commercial vehicle is 10,353 unit in 2017. Truck, bus, auto-rickshaw, cargo van, human hauler, pickup and tanker are the most common commercial vehicle that are sold in last year. Which is an indicator of economic growth in Bangladesh.



## PHARMACEUTICALS

### PHARMACEUTICAL WINNING GLOBAL MARKETS

**USD 103.46 million earnings by local manufacturer of pharmaceutical industry** has been a milestone for this sector because this USD 100 million mark has been crossed for the very first time for Bangladesh's manufacturers. Total growth in the shipment of pharma item was 14.6% till 2016 which has become even healthier for improved compliance by local manufacturer getting 16.03% growth. Experts from pharma are expecting that this growth will end up having billion dollar mark crossed by five year. Among the prominent names of pharmaceuticals industry Beximco, Square, Incepta etc. are the big name and having most of the market share. Apart from foreign demand there is a strong growth of domestic demand which might help the industry flourish.

## MONTH IN BRIEF

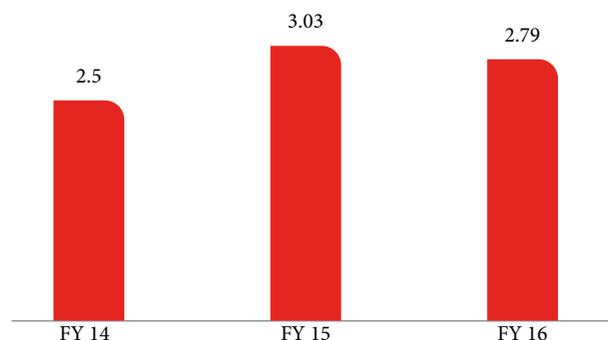
● **Trade deficit crosses USD 18 billion** due to higher import payments than lower export receipts

● **International calls fall by 20%** in 6 months because of increase in termination rate back in February

● **Government cuts** source tax to 0.6% for all exporters

● **Imports crossed USD 50 billion** mark, letters of credit settlement stood at USD 51.53 billion, ascribing to requirement for petroleum products and rice import

### Total



● Gross inflow of FDI declined by 7.90% to USD 2.79 billion in FY 2017-18

● **Commercial vehicle sales** growing rapidly by 15% to 20% rate each year as smooth economic growth is visible in our country

● **Export earnings** grew nearly 20% to **USD 3.58 billion** in the first month of the current FY 2018-19 for significant rise in the apparel exports

● **Remittance inflow** growth of **18.0%** in July because of the depreciation of the BDT against USD

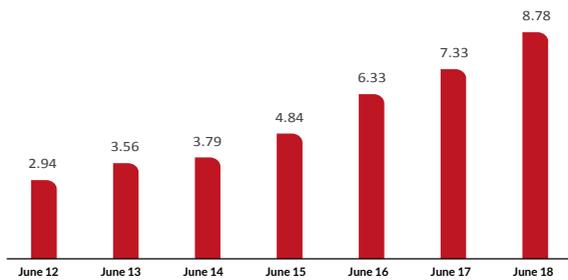
● **Smartphone imports** declined more than 9%, mainly because of 33% duty on smartphone import and also other low end devices

● **Private sector** targeted at **16.8%** in **FY19, H1** in the latest Monetary Policy Statement (MPS)

# MONTH IN BRIEF

● **Active internet connections increased about 20% to 87.80 million at the end of June 2018**

Number of Active Internet Connection

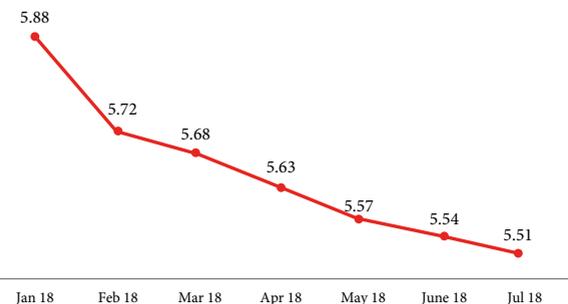


● **Government's revenue earnings from the DSC fell by 11% as trade volume and value declined**

● **Minimum Spending of Eid-UI- Ajha was 31,200 crore in Bangladesh, total cattle scarified was at least 90 lac.**

● **Inflation fell slightly to 5.51% in July due to a cut in non-food prices**

Inflation Trend



● **Medium and Long-term (MLT) foreign loans jump by 80% in FY18 to finance the part of the huge current account deficit**

● **RMG exports to US grow 4.81% in first half and country fetched USD2.70 billion**

● **Outbound jobs decline by 38% in last eight months with 0.5 million workers going abroad for job during the period between January and August in 2018**

● **Bangladesh Investment Development Authority (BIDA) has increased by around 11.89% during the last fiscal year (FY), 2017-18 in the investment proposals**

● **Bangladesh's rice bran oil was exported more than 20,000 tonnes for the second consecutive fiscal year in 2017-18 and high growth is visible in export**

● **Agent banking accounts across the country increased by 21.01% or 3.08 lakh in April-June quarter**

*“THOUGH RETURN ON INVESTMENT IS QUICK IN BANGLADESH, THE HIGHER RATE OF CORPORATE TAX IS DISCOURAGING NEW INVESTORS TO COME HERE”*

MR AFTAB UL ISLAM, former president of American Chamber of Commerce in Bangladesh on the issue of low FDI growth in FY 17-18

**“It is true that the number has increased noticeably. But I think we are at a primary level when it comes to internet using. The use has just started”**

Mahmud Hossain, Chief Corporate Affairs Officer, Grameenphone, on the growth of internet user of Bangladesh

**“The monetary policy will be a restrained one like the previous one to facilitate economic growth and curb inflation”**

Fazle Kabir, Governor, Bangladesh Bank on the aim of monetary policy

**“In the last few years, tremendous work has been done in making the workplace safe”**

Faruque Hassan, Vice President, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on export earnings growth in RMG

**“THE POLICYMAKERS SHOULD EXPLORE NEW EXPORT MARKETS ALONG WITH DIVERSIFYING PRODUCTS”**

Mustafa K Mujeri, former Director General of Bangladesh Institute of Development Studies (BIDS) on increasing trade deficit

**“HOWEVER, THERE ARE PRESSURES ON PRICES. INFLATION IN URBAN AREAS REMAINS VERY HIGH AND IT INCREASED IN JULY RATHER SIGNIFICANTLY DUE LARGELY TO AN INCREASE IN FOOD INFLATION”**

Zahid Hussain, lead economist of the World Bank’s Dhaka on decreasing inflation rate in 2018

চেরাগের দৈত্য নয়



## টাকা বাড়ায় স্মার্ট ইনভেস্টমেন্ট

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

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

বিস্তারিত জানতে ডায়াল করুন ১৬৪০৯

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

## Monthly Commentary:

During the month of August, market gained upward momentum, riding on the advancement of Bank and NBFi sectors. Out of total 18 sessions, market enjoyed 12 positive sessions with DSEX gaining 298.0 (+5.6%) points and settling at 5,600.6 points by the end of the month. At the same time, DS30 settled at 1960.7 points with 79.3 (+4.2%) points gain and DSES settled at 1,269.6 points with 18.4 (+1.5%) points gain.

However, market participation slowed down during the month with an average turnover of BDT 6.4 bn (USD 76.3 mn), a 24.8% decrease from that of the previous month. Textile was the turnover leader with 21.0% contribution to the month's average turnover. Engineering followed next, contributing 16.5%. Most of the major sectors gave positive return during the

month with Bank taking the lead with 16.0% return. The sector's largest market cap scrip BRACBANK enjoyed 17.2% price appreciation. NBFi followed next with 9.5% return, mainly driven by 14.9% price increase of the second largest market cap scrip IDLC. Besides, Non-Life insurance, Fuel & Power, and Telecommunication gained 7.0%, 4.1% and 2.3%, respectively. On the contrary, Textile and Engineering faced 1.2% and 1.0% loss, respectively.

Meanwhile, MSCI Frontier Markets Index was down by 5.5% during August. Sri Lanka, and Pakistan lost 1.1%, and 2.3%, respectively, while Vietnam gained 3.5% this month. Bangladesh outperformed all the three regional peers.

## Monthly Market Statistics |

Table: Index Movement

Indices	Index Point, August 2018	1M Return	3M Return	YTD Return	3Y Return
<b>Bangladesh</b>					
DSEX	5,600.6	5.6%	4.8%	-10.3%	17.4%
DS30	1,960.7	4.2%	-0.7%	-14.1%	7.3%
DSES	1,269.6	1.5%	2.5%	-8.7%	7.9%
<b>Peer Countries</b>					
Pakistan (KSE 100)	41,742.2	-2.3%	-2.6%	3.1%	20.2%
Sri Lanka (CSE - All Share)	6,080.3	-1.1%	-5.0%	-4.5%	-16.8%
Vietnam (VNI)	989.5	3.5%	1.9%	0.5%	75.2%
<b>MSCI Frontier Markets Index</b>					
	541.6	-5.5%	-6.0%	-15.0%	2.8%

All returns are Holding Period Return

Table: Market Statistics (August, 2018)

Market Statistics	30-Aug-18	31-Jul-18	% change
Mcap All (USD mn)	47,310.6	45,868.0	3.1%
Mcap Equity (USD mn)	40,241.9	38,805.2	3.7%
Daily Avg. Turnover (USD mn)	76.3	101.4	-24.8%

Graph: DSE Turnover and DSEX

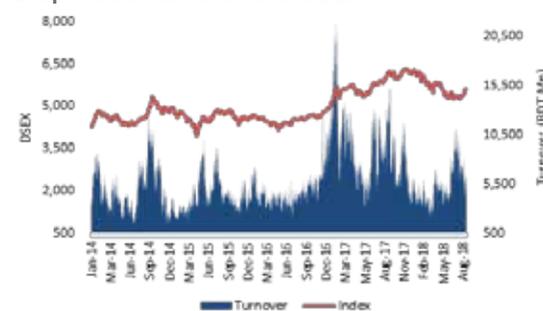


Table: Top Twenty Market Cap (August, 2018)

DSE Code	Sector	Mcap' (USD Mn)	Daily Avg. Turnover (USD Mn)	1M Return	3M Return	YTD Return	3Y Return
GP	Telecommunication	6,233.1	0.8	2.4%	-3.7%	-13.4%	39.8%
SQURPHARMA	Pharmaceuticals & Chemicals	2,442.4	0.8	3.7%	-1.7%	-8.1%	33.1%
BATBC	Food & Allied	2,379.6	0.1	1.4%	-2.2%	-0.6%	12.9%
UPGDCL	Fuel & Power	1,685.1	2.4	3.7%	65.0%	95.2%	151.8%
ICB	NBFI	1,109.9	0.1	0.4%	13.4%	-12.6%	16.2%
RENATA	Pharmaceuticals & chemicals	1,018.1	0.1	-2.4%	0.7%	8.3%	35.6%
BRACBANK	Bank	986.1	1.2	17.2%	3.4%	-11.2%	215.3%
LHBL	Cement	737.7	0.3	-2.9%	-1.8%	-23.9%	-51.7%
BERGERPBL	Miscellaneous	702.3	0.3	0.2%	1.8%	23.8%	29.8%
SUMITPOWER	Fuel & Power	508.8	0.3	3.4%	11.5%	11.1%	29.2%
ISLAMIBANK	Bank	505.6	0.2	15.4%	11.9%	-25.1%	3.4%
OLYMPIC	Food & Allied	481.5	0.3	-2.3%	-15.0%	-30.0%	-2.7%
TITASGAS	Fuel & Power	471.3	0.1	4.5%	3.4%	-9.7%	-39.7%
BXPHARMA	Pharmaceuticals & chemicals	430.5	0.2	0.8%	-9.6%	-14.4%	47.8%
MARICO	Pharmaceuticals & chemicals	426.1	0.0	0.3%	-2.2%	6.9%	-9.4%
CITYBANK	Bank	410.3	0.8	18.7%	5.0%	-33.3%	123.3%
MJLBD	Fuel & Power	367.8	0.2	2.1%	2.1%	-6.4%	15.7%
KPCL	Fuel & Power	331.7	0.8	12.8%	23.0%	31.5%	25.2%
IFADAUTOS	Engineering	327.6	1.4	-0.9%	8.7%	-3.4%	142.1%
EBL	Bank	326.0	0.1	17.1%	2.8%	-27.6%	102.4%

All returns are holding period return

1Mcap as on last trading session of the month

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

DSE Code	30-Aug-18	31-Jul-18	% Change
NHFIL	71.4	43.8	63.0%
IPDC	44.0	29.3	50.2%
ACFL	53.1	36.0*	47.5%
INTECH	36.1	24.5	47.3%
MIDASFIN	31.8	22.2	43.2%
TRUSTBANK	39.2	28.7	36.6%
GSPFINANCE	23.9	17.5	36.6%
PREMIERLEA	12.7	9.3	36.6%
ILFSL	17.5	12.9	35.7%
RDFOOD	23.3	17.6	32.4%

\*IPO offer price of ACFL

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

DSE Code	30-Aug-18	31-Jul-18	% Change
PADMALIFE	26.9	39.2	-31.4%
LIBRAINFU	680.1	913.7	-25.6%
SAVAREFR	106.6	142.3	-25.1%
DSSL	34.2	44.7	-23.5%
KDSALTD	81.8	106.3	-23.0%
AMBEEPHA	589.2	749.9	-21.4%
AZIZPIPES	174.7	219.8	-20.5%
MONNOCERA	261.8	329.0	-20.4%
SHYAMPSUG	24.6	30.1	-18.3%
FINEFOODS	27.7	33.8	-18.0%



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

DSE Code	Fund Manager	Price <sup>1</sup> (BDT)	NAV <sup>1</sup> (BDT)	Price/ NAV	Dividend Yield <sup>2</sup> (%)	NAV Return <sup>3</sup>			Redemption Year	
						2018 YTD	2017	2015-17		
NLI1STMF	VIPB	13.3	14.81	89.8%	10.5%	-6.2%	31.8%	21.9%	19.3%	2022
SEBL1STMF	VIPB	12.5	13.84	90.3%	10.4%	-6.4%	31.1%	20.2%	18.5%	2021
GRAMEENS2	AIMS	16.2	19.98	81.1%	7.4%	-0.6%	24.7%	13.6%	17.2%	2018
RELIANCE1	AIMS	10.7	14.44	74.1%	9.3%	0.4%	21.2%	13.5%	16.3%	2021
IFILISLMF1	ICB AMCL	7.9	9.27	85.2%	11.4%	-5.7%	11.8%	10.3%	15.4%	2020
PRIME1ICBA	ICBAMCL	7.0	8.79	79.6%	10.0%	-7.7%	21.7%	12.5%	14.3%	2020
1JANATAMF	RACE	6.2	11.54	53.7%	3.2%	-4.7%	20.9%	13.0%	13.6%	2020
PHPMF1	RACE	6.2	11.46	54.1%	4.8%	-5.1%	25.0%	13.8%	13.2%	2020
POPULAR1MF	RACE	5.5	11.31	48.6%	3.6%	-6.7%	22.7%	13.2%	12.9%	2020
PF1STMF	ICBAMCL	6.3	8.42	74.8%	7.9%	-8.0%	16.7%	10.9%	12.8%	2020

<sup>1</sup> Price and NAV published on August 26, 2018;

<sup>2</sup> On latest cash dividend declared

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

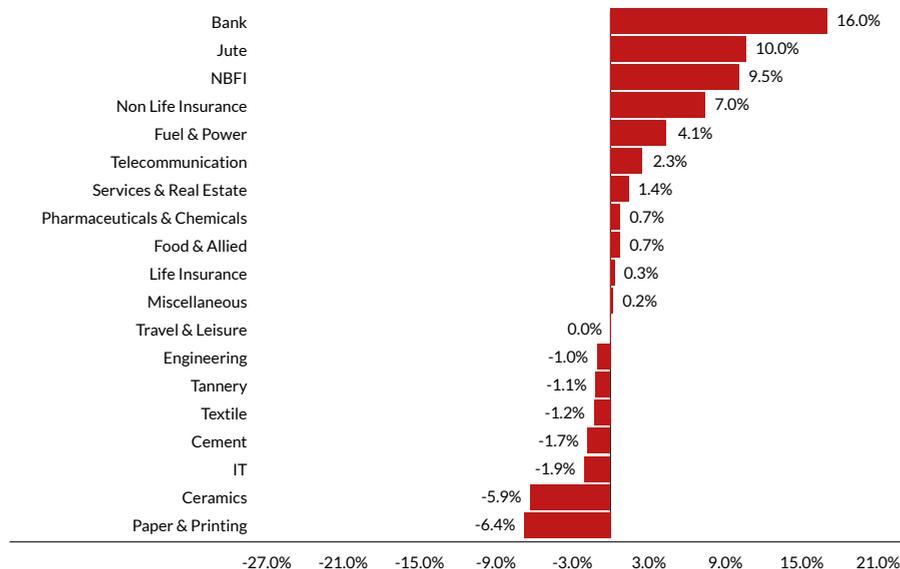
Table: Fund Managers Performance Summary

Fund Manager	AUM (BDT mn)	P/NAV	Dividend Yield (%)	NAV Return				Fund Managers' Ranking by Return <sup>1</sup>		
				2018 YTD	2017	2015-17	2013-17	2017	2015-17	2013-17
RACE	31,904	51.1%	3.5%	-3.8%	21.8%	12.7%	11.7%	5	4	4
LR Global	10,102	70.7%	10.6%	-6.0%	23.3%	12.5%	9.5%	4	5	5
ICB AMCL	6,383	80.0%	8.9%	-7.1%	16.5%	10.6%	11.9%	7	6	3
AIMS	4,448	79.7%	7.8%	-0.4%	24.0%	13.9%	16.6%	3	3	2
VAML	2,894	78.0%	13.1%	-9.4%	18.6%	-	-	6	-	-
VIPB	2,126	90.1%	10.4%	-6.3%	31.4%	20.8%	18.8%	1	1	1
SEML	1,585	76.4%	6.2%	1.2%	8.7%	-	-	9	-	-
ATCP AMCL	846	80.3%	10.9%	-2.9%	26.1%	16.2%	-	2	2	-
CAPM	1,231	81.2%	3.5%	1.2%	10.8%	-	-	8	-	-
<b>AMC Industry (Closed end)</b>	<b>61,519</b>	<b>63.6%</b>	<b>5.9%</b>	<b>-4.4%</b>	<b>21.3%</b>	<b>12.6%</b>	<b>12.1%</b>	-	-	-

<sup>1</sup> Position of the respective fund manager in the ranking of 6 managers by return in respective horizon

Graph: Sector Return (August, 2018)

Sector Return (August, 2018)



# CORPORATE HEAD OFFICE

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

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



HOME LOAN



AUTO LOAN



CORPORATE LOAN



SME LOAN

WOMEN  
ENTREPRENEUR LOAN

