Insight

MONETARY POLICY
TO BOOST DOMESTIC DEMAND

DHAKABANK
LIMITED
EXCELLENCE IN BANKING

MARCH 2016 | VOLUME 15 | ISSUE 1

www.dhakabankltd.com

Insight

Published by Research & Development Unit
Sara Tower, 3rd Floor,
11/A Toyenbee Circular Road, Motijheel C.A., Dhaka 1000
Email: hored@dhakabank.com.bd

Design
Visual Communication Ltd.

MARCH 2016 VOLUME 15 ISSUE 1

CONTENTS

EDITORIAL

Card Business: Risks and Remedies

Uncertain - investment environment caused by ever struggling infrastructures and energy crises got Banking Industry on hold for another year; affecting sluggishness in the indexes. Add to that increasing trend in NPL graph and few big ticket scams in recent years have shaken the Financial Institution while talking about safe lending. Amid those uninspiring perspective yet Dhaka Bank Ltd has netted operating profit of BDT 345.29 crore for the year 2015. DBL Management upholds their effort by re-discovering potential credit market and re-designing products and processes to find a get-away.

Meanwhile safe transactions (!) through cards got quite a space in talk of the town recent times. In February, refer to a Daily Star report dated 14th February, one of the renowned Commercial Banks tracked 21 suspicious transactions within 24 hours and was forced to shut down all its ATM for six hours. Further media reports revealed (bdnews24.com, 14th March, 2016) 1200 fraudulent transactions in 40 bank's cards took place in six ATM booths of 3 renowned Commercial Banks causing theft of almost 2 million Taka.

Eventually law enforcing agencies arrested 3 Bank officials and one foreigner who allegedly set devices and cameras in ATM machines to capture data and PIN. Few Bank officials accused NPS (National Payment System) that has connected 48 banks out of 56 to ease the ATM cash withdrawal, to increase vulnerability of cards information. Central Bank immediately denied the allegation. However referring to the staggering no. of 9.8 million cards (Debit & Credit transacting in nearly 8000 ATM & 31000 POS across the country) in operations the incident may be a wake- up call for card industry and regulators to understand the magnitude of card-info and system security.

In 2015 United Kingdom experienced loss of hefty 300 million pound due to fraudulent activities in card industry. In recent years they suffered ATM frauds worth 40 million pounds every 365 days. Daily Mail revealed interesting information in August 2013; 90% of UK ATM cash frauds executed by one Romanian group of hackers who are recognized as 'fraud artists' in the trade. In that particular year the Kingdom compromised 32 million pound only to 'ATM evil doers'.

A research note from Barclays stated that the U.S. is responsible for 47 percent of the world's card fraud in 2015. About 31.8 million U.S. consumers had their credit cards breached in 2014, more than three times the number affected in 2013. Nearly 90 percent of card breach victims in 2014 received replacement credit cards, costing issuers as much as $12.75 per card. An Assocham-Mahindra SSG study had cautioned that the number of cyber crimes in India could touch 3,00,000 in 2015, almost double the level of last year, which eventually proved right!

Then what is the solution. First confession; there is no permanent solution. By default this plastic money always carries risks with convenience. The aim is to reduce the volume as much as the stakeholders can. For ATM machines there has been more developed and secured devices are in line though the cost is too high. As high only companies like JP Morgan Chase and Bank of America installed those by the end of 2015. Rather Strict supervision and consumer awareness could do a world of good. One solution for credit card has been on the table for a while, EMV, in elaboration Europay, MasterCard and VISA; a chip based plastic which creates and encrypts a new number every time while making transaction. Unlike magnetic stripe transactions, where typically only the card's track 2 data containing the card number and expiry date is processed, every chip card transaction contain dozens of pieces of information to be exchanged between the card, the terminal and the acquiring bank or processors host. This requires the terminal to perform many stages of complex processing, including cryptographic authentication, to successfully complete a transaction.
Then again conversion of all cards across world into EMV is a hell of a job involving time and money to some serious degrees. Till September VISA re-issued 151.80 million EMV cards covered only 20 % of the existing plastics. Country like USA only converted its 40% of magnetic-stripe plastic into EMV. Good news is that few banks in Bangladesh already started the conversion. Dhaka Bank is just about to launch the EMV project. But then what about the E-commerce transactions? Yes, remain vulnerable to good extent. 2FA is a jargon which has passed few miles to provide E-com security. 2FA/ Two Factor Authentication, two step verification or TFA (as an acronym), is an extra layer of security that is known as "multi factor authentication" that requires not only a password and username but also something that only, and only, that user has on them, i.e. a piece of information only they should know or have immediately to hand - such as a physical token.

The downside to this security process is that new hardware tokens (in the form of key fobs or card readers) need to be ordered, then issued and this can cause slowdowns and problems for a company's customers wanting and waiting to gain access to their own private data via this authentication procedure. The tokens are also usually small and easily lost. It causes more problems for everyone when customers ask for new ones. It needs sizable board to figure out the real danger and remedies against. May be in next INSIGHT we shall try to draw the bigger picture of security evolution of plastic money; the risk against convenience, the loopholes against luxury!

From The Desk of **Chairman**

After passing the Winter days behind, we are now embracing the lovely Spring with all its rose and romance! Days ahead are waiting to offer the juicy fruits of Summer. We are also approaching towards attaining some fruits of time at the cost of our hard-work and endeavour. Solidarity amongst all the stakeholders of the Bank certainly will widen the chance to enrich our achievements in tomorrows of endless possibility.

The year 2015 was a mixed bag again. Global economy faced a bit challenging situation as some key factors bothered the way to shape the economy in a holistic standpoint. The world GDP growth was estimated as 3.50 percent and 3.80 percent for the year 2015 and 2016 respectively by The International Monetary Fund's World Economic Outlook.On the other side, growth in emerging economies has been recorded as around 70 percent of the global growth, while a modest recovery continued in advanced economies. The Greek crisis, refugee issue in the Europe, China's economic slowdown, declining oil price and raising interest rates by the Fed summed up the global economy in the previous year having both direct and indirect effects on the Bangladesh economy.

Despite the challenging realityin view of home and abroad, the Bangladesh economy registered an unswerving 6.55 percent growth at the end of the FY2015 which is expected to grow at 7.00 percent at the end of the FY2016, where the International Monetary Fund (IMF) and the World Bank (WB) are anticipative enough about the growth as 6.80 percent and 6.70 percent respectively for the year 2016.

Amid this situation, Dhaka Bankcontinues its voyage towards banking excellence. At the year ended 2015, the Bank recorded Tk. 345.29 crore as Operating profit. We have ensured our presence through 87 Branches, 53 ATMs, 19 ADMs, 3 SME Service Centres and 1 Kiosk. We are committed to deliver superior services to our valued customers supported by an excellent team of professionals. We are working on upgrading the Core Banking System (CBS) of the Bank on the road to more hassle free and smooth banking experience for the customers.

Banking business here in Bangladeshis in a bit worrying situation with the excessive liquidity due to insufficient investment drives. IT security followed by financial scam is another headache for this sector right now. Together we will ensure a safe and sound banking in Bangladesh in the days ahead we hope.

Best wishes!

Reshadur Rahman
Chairman

Message from the MANAGING DIRECTOR & CEO

Leaving behind year after year and approaching towards new days ahead while appraising gains and losses is a common math for us. The foregoing year ending with all its light and dark let us assess the performance in terms of indicators manifold. Apart from this usual talk, let me wish you have a better and brighter destiny throughout the ongoing year.

Banking in Bangladesh is now facing some problems with all its idlemoney in finding a safe basket. The excessive liquidity due to insufficient investment is a hindrance in doing the customary banking here. Around BDT 1000 billion remained idle throughout the year 2015. In the Monetary Policy Statement (January-June 2016), the private sector credit is projected to grow at 14.8 percent in June 2016 from 13.8 percent in December 2015. Public sector credit is expected to grow at 18.7 percent from a negative number of 1.7 percent in December 2015. Bangladesh Bank also changed the Repo and Reverse repo rates as 6.75 and 4.75 percent respectively expecting it will stimulate the investment. The case being so, we are on a move for new & sustainable sectors to serve with quality market offerings. Introducing newly designed product for sector specific target market is what we prioritize now.

Cyber security has become an alarming phenomenon for banking in Bangladesh. The IT investment is the area where Dhaka Bank always attaches priority considering it a sensitive issue. For a secured and smooth banking experience for the customers, the Bank is working onintroducing an advanced Core Banking System.

Bangladesh is expecting 7.0 percent growth in the current fiscal year while the World Bank (WB) and the Asian Development Bank (ADB) are optimistic about the growth of 6.7 and 6.8 percent respectively. Days ahead will knock at enormous possibilities we believe. Dhaka Bank will continue its voyage towards a better Bangladesh in the days ahead.

Best wishes for all!

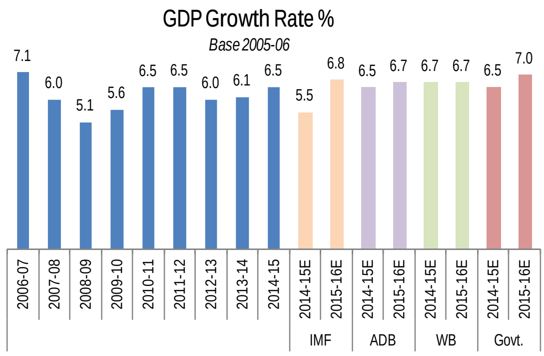
Syed Mahbubur Rahman
Managing Director & CEO

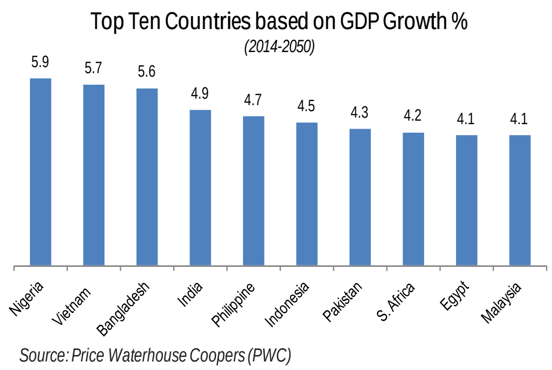
BANGLADESH ECONOMY AND BANKING SECTOR UPDATE

R&D Desk

BB sets its sights high on GDP growth

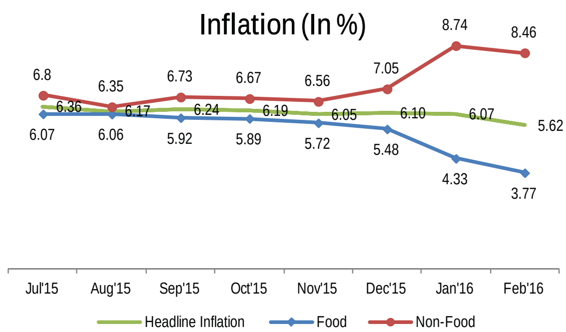
Country's gross domestic product (GPD) will continue to grow at a steady rate, averaging annually 7.0 percent in the near to medium term, according to a central bank's economic analysis. An expected increase in public consumption fuelled by the implementation of new pay scale, large infrastructure spending on power, road communications, and transportation and establishment of special economic zones (SEZ) will bring about a momentum in the GDP growth in the near to medium term as per BB estimation. The central bank expects 14 percent growth in imports, 7.5 percent growth in exports and 10 percent growth in remittances in FY16. The foreign-currency reserves are projected to keep rising to reach US$ 26 billion in FY16 from US$ 25 billion in FY 15. Already crossed US$ 28 billion mark. However Bangladesh's aspiration to become an upper-middle-income country by 2030 might prove realistic if its economy succeeds in overcoming the difficulties of supply-side disruptions due to political and non-political factors, financial scams, and cumbersome overseas employment process, etc. Inflation as measured by consumer price index (CPI) will remain low in the short term as estimated by BB. Moreover, low inflation is supported by supply factors and the declining import prices. Banks and financial institutions are drawing on low-cost refinance windows of the BB against their financing of Micro, Small and Medium Enterprise (MSME) output initiatives and environmentally benign green projects. BB will keep on continuing low-cost financial support from export development fund (EDF) and other funds to the exporters to expand productive capacity in textiles, apparels and leather sectors in order to accelerate export. Besides, recent sustained pick-up in investment and consumption imports will ease appreciation pressures on Bangladesh Taka in the near future, enhancing its export competitiveness.





Inflation hits lowest in 41 months in February 2016

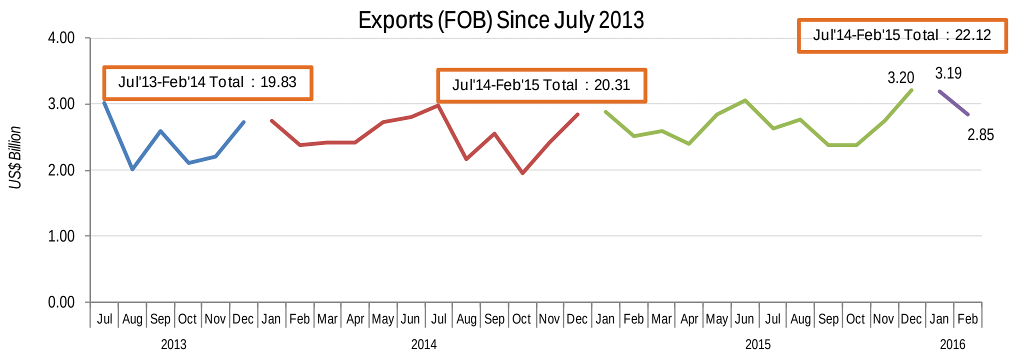
The month of February saw inflation rate declining to 5.62 percent, the lowest in 41 months, riding on a downward trend in prices of food and consumer goods alongside a stable exchange rate. Point-to-Point inflation rate came down at 5.62 percent, which is the lowest in the last 41 months. Earlier lowest was 4.96 percent in September 2012. The inflation rate stood at 6.07 percent in January. According to the Bangladesh Bureau of Statistics (BBS) statistics point-to-point food inflation has came down to 3.77 percent in February 2016, from 4.33 percent in January 2016. Declining trend of inflation would prove beneficial for the country, as it would translate into a higher purchasing power. If current trend continues, government is expecting to limit the inflation rate in this fiscal year within 5.5 percent. The price of most consumer goods in both local and international markets is lower, with sufficient supply. Besides, the exchange rate has remained stable, which means the price of imported materials and goods has not gone up. These are major factors that attributed this persistent point-to-point inflation fall. The BBS data showed that the point-to-point non-food inflation rate also declined slightly to 8.46 percent in February 2016, down from 8.74 percent in January 2016. Besides, the general inflation rate at the urban level in February declined marginally to 7.22 percent in February, while it was 4.76 percent at the rural level. At the rural level, food inflation also declined to 3.04 percent in February, down from 3.63 percent in the previous month, while non-food inflation declined to 7.97 percent in



February as against 8.37 percent in January this year. In urban areas, food inflation declined to 5.48 percent in February, down from 5.96 percent in January. The non-food inflation rate has also witnessed a downward trend with 9.14 percent in February, from 9.25 percent in January last. The National Wage Index rate witnessed a 5.96 percent growth in February with 134.19 points against 6.04 percent growth with 133.49 point in January. The average year-to-year rate of inflation from March 2015 to February 2016 also declined to 6.15 percent, from 6.76 percent from March 2014 to February 2015.

Exports up 9 percent in July-February of 2015-16

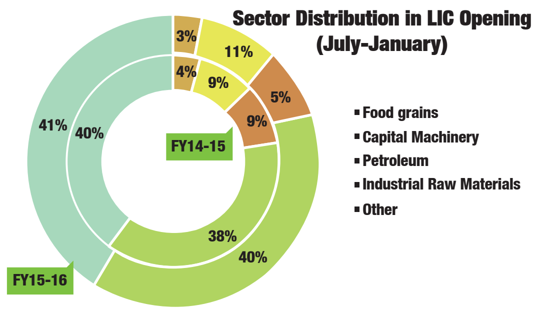
Bangladesh's export earnings grew by 14 percent in February, majority was contributed by garments sector. The growth was 10.41 percent in January. In the first eight months (July-February) of the 2015-16 fiscal export earnings rose by around 9 percent, over 2.35 percent more than the target. It is expected that export growth will exceed 10 percent in the 2015-16 financial year. According to the Export Promotion Bureau, Bangladesh exported goods worth over US$ 22.12 billion in the July-February period. The garments sector

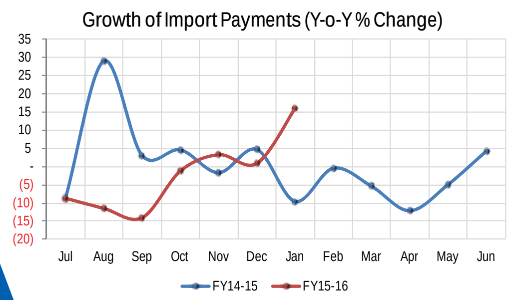


contributed over US$ 18.12 billion to the earnings, accounting for 82 percent of total exports. The national budget had set an export target of over US$ 21.61 billion for this period. The exports totalled over US$ 20.31 billion in the same period last year. In February this year, the exports were over US$ 2.85 billion, 5 percent more than the target. The amount was over US$ 2.51 billion in February, 2015. Political stability, gradual improvement from gas and electricity crisis and economic turned around of US and Europe heavily support this growth. It would be possible to achieve the US$ 50 billion garment export target by 2021 if the current stability sustains, according to the BGMEA.

Import rebounded in the year-opening month

Import payments during July-January, 2016 decreased by 2.41 percent and stood at US$ 23.55 billion against US$ 24.13 billion in the corresponding period of earlier fiscal. Settlement of import LCs during July- January, 2016 increased by 4.54 percent and stood at US$ 23.66 billion against US$ 22.63 billion in the same period of earlier year. Fresh opening of import LCs during July- January, 2016 decreased by 1.35 percent and stood at US$ 24.45 billion compared with USD 24.79 billion in July-January, 2015.





Import of rice, wheat and petroleum have been declined by significant percentage in these comparing periods, witnessed degrowth of 27 percent and 43 percent respectively. Falling commodity and oil prices in the exporting countries caused the lower cost of import compared to corresponding period of earlier year. One significant point to mention that LC opening for capital machinery import has been raised by 20.70 percent equivalent to US$ 457.31 million. It is considered as one of the indicators of domestic industrialization growth. Good sign going forward.

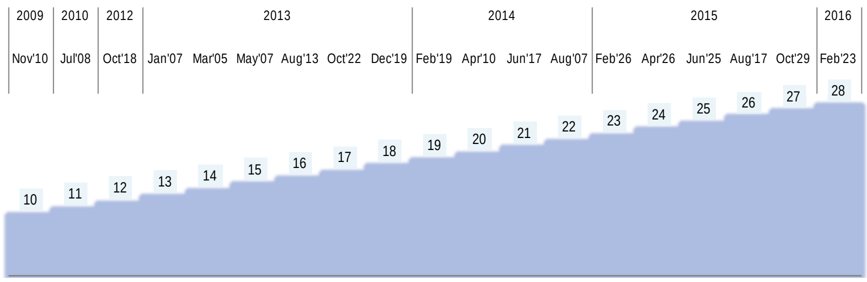
Remittance falls in February 2016

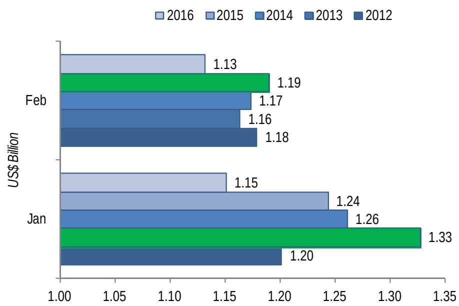
Bangladesh received US$ 1.20 billion inward remittance in this February, which is 4.89 percent lower than the same month a year ago. Compared to December, the remittance receipt in the first month of the year went down 13.80 percent, according to data from the central bank. The downward spiral in oil price has set off the fall in remittance as the country receives most remittances from Saudi Arabia, Kuwait and other countries in the Middle-East. Around 10 million Bangladeshis are working abroad. Of them, over 60 percent is working in the Middle-East. These oil-producing countries are in a financial crisis due to the fall in the international oil price. The oil price has been plunging for over a year, affecting stock markets and leaving global economy tanking. It fell to US$ 22.48 a barrel recently. The drop in remittance caused by the oil price rout has hit the remittance Bangladesh received in the first eight months (July-February) of current 2015-16 fiscal year. According to the Bangladesh Bank, the expatriates sent US$ 9.77 billion in this period – down from US$ 9.92 billion of the same period last year. In 2012-13 fiscal non-resident Bangladeshis remitted US$ 14.46 billion. It dropped to US$ 14.22 billion in the following fiscal year. The remittance Bangladesh received in 2014-15 hit a new high at US$ 15.31 billion.

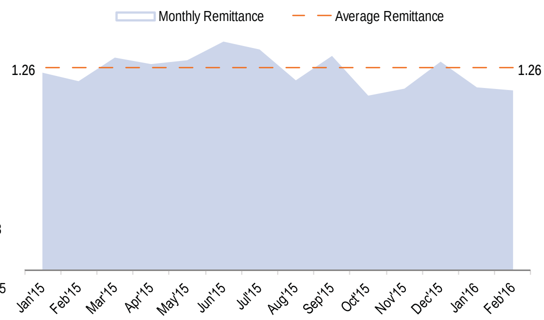
Reserve crosses US$ 28 billion mark

Foreign exchange (FOREX) reserve of the country crossed the US$ 28 billion-mark for the first time on 23rd February this year. The reserve stood at US$ 28.06 billion on the day after making a payment worth US$ 186 million as member quota allocation to the International Monetary Fund (IMF). It was US$ 27.05 billion on October 29 last. The FOREX reserve has crossed the mark due mainly to higher export earnings and upward trend of inward remittance according to FOREX Reserve and Treasury Management Department of the Bangladesh Bank (BB). The country will be able to settle more than eight months import bills with the existing FOREX reserve. Lower prices of commodities particularly petroleum and food grains in the global market have also helped to raise the country's FOREX reserve. Besides, purchasing of the US dollar from the commercial banks has contributed to increasing the FOREX reserve recently. The central bank continues to buy the greenback from the banks to help keep the inter-bank FOREX market stable. As part of the move, the BB purchased US$ 40 million from seven commercial banks on last 23rd February to protect the interests of both exporters and migrant workers by keeping the exchange rate of the local currency against the greenback stable. A total of US$ 2.56 billion was bought from the commercial banks between July 2 and February 25 of the current fiscal year (FY) 2015-16 as part of the BB's

Foreign Exchange Reserves saw a rapid growth in latest one and half years
(US$ Billion)



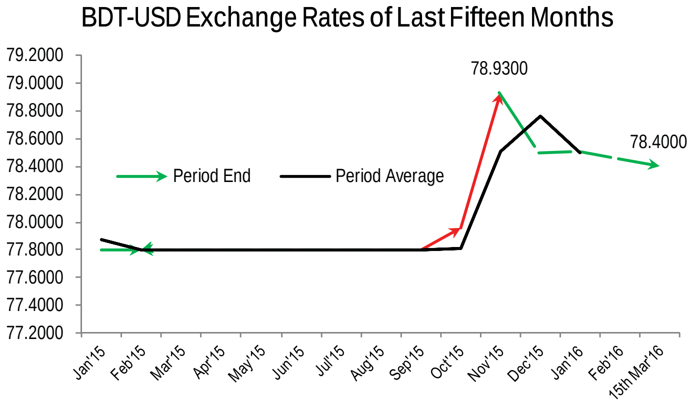




intervention in the market. Bangladesh received US$ 827.26 million as remittances between February 01 and February 19 from Bangladeshi nationals who are working abroad, according to the central bank's latest statistics. In January 2016, the inflow of remittance was US$ 1.15 billion.

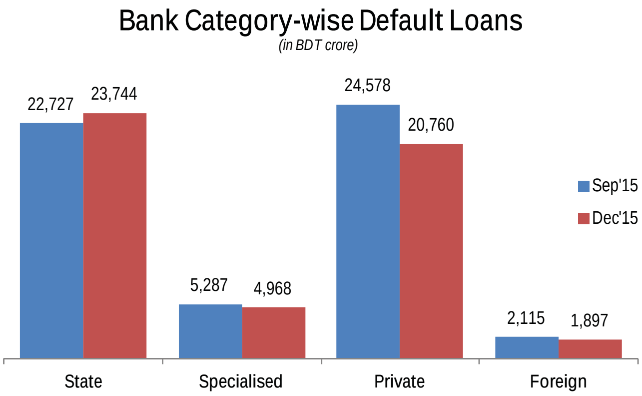
BDT appreciates against US dollar – persistent stabilization is eroding the nation's export competitiveness

The Bangladesh Taka (BDT) continued its appreciation against the US dollar since December last as well and was traded around BDT 78.40 to 78.70 levels in the first half of latest March. In last November, USD-BDT exchange rate has sharply raised to 78.93, primarily driven by sluggish export and remittance growth in the preceding months, coupled with large infrastructure-related payments and foreign loan repayments. It has been foresighted that USD-BDT exchange rate remains stable as adequate liquidity is prevalent in the market and continues the same trend in the next week. Most of the banks kept their published foreign exchange rates almost unchanged in recent times. The US$/BDT selling rates for importers of major foreign and private banks ranged between BDT 79.00-79.75, while US$ buying rates from exporters were at BDT 78.00-78.75. For non- commercial payments such as telegraphic transfer as donations, wage earners remittance, dollar drafts etc, the average T.T buying rate was in the range of BDT 78.00-78.75 while average T.T selling rate was at 79.34. US$/BDT swap market in this ongoing month was active. The daily average volume of swap transaction was around US$ 35 million.



Default loans decline slightly

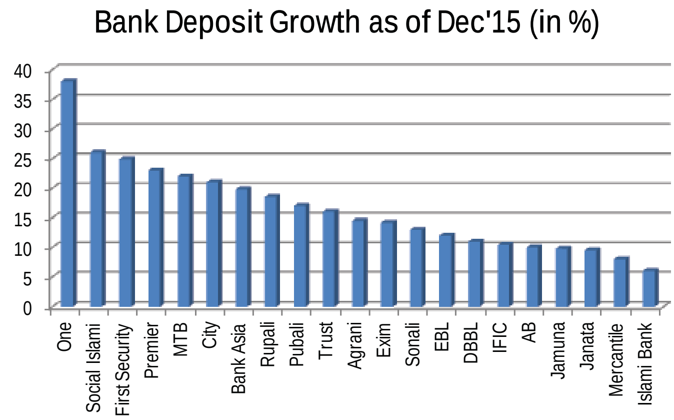
Banks' default loans dropped 6.22 percent to Tk 51,300 crore in the last quarter of 2015 mainly due to restructuring of big loans. On December 31 last year, bad loans accounted for 8.79 percent of the total loans in the banking system, which was 9.89 percent on September 30. The amount of total default loans at the end of September last year stood at Tk 54,708 crore. The reason for the drop in bad loans is that banks wrote off a large chunk of their piled-up bad loans in the last quarter following instructions from Bangladesh Bank. The BB directed banks to cut their default loans by making proper use of the central bank rules. A good number of loans were restructured or rescheduled by applying the rules properly, which also helped cut the bad loans. The BB last year gave an opportunity to reschedule loans of large borrowers. Some 11 large borrowers rescheduled Tk 15,000 crore of loans with the approval of the central bank. Besides, banks were sincere in recovering their bad loans last year, forming a special taskforce for the purpose. The BB has also appointed observers in state-owned banks and some private ones. The observers closely monitored the loan management process of the banks. Yet, the five state banks saw their bad loans rise between the months of September and December last year.



The default loans of state banks rose 4.47 percent, or Tk 1,017 crore, to Tk 23,744 crore, according to central bank statistics. Default loans of each of the private, foreign and government-owned specialised banks dropped. Default loans of private banks fell 15.53 percent to Tk 20,760 crore. Their default loans on December 31 last year were 4.85 percent of their total outstanding loans. Foreign banks' default loans in the September-January period decreased 10.30 percent to Tk 1,897 crore.

Banks' deposit grew aggressively last year in spite of the declining returns

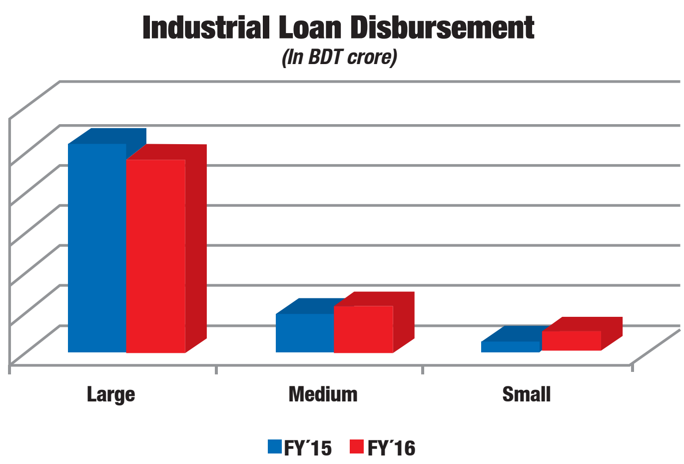
In December 2015, the average rate of interest on bank deposits stood at 6.34 percent in contrast to 7.26 percent a year earlier. The rate of inflation rate is a little above 6 percent, meaning savers do not get much of a return after adjusting for the rise in price level. People have been depositing their money with banks as they do not have any better alternatives to park their funds. People abroad have the option of investing their savings in the stock market. However after the two crashes, people have lost their trust in stocks. Another reason for the fast increase in deposit base is that the investment situation is dull.



Many businessmen and industrialists have been unable to invest their money for various reasons and the money has been kept idle in their deposit accounts with the banks, he added. On December 31 last year, the banks' deposits stood at Tk 803,512 crore, up 13.1 percent year-on-year, according to central bank statistics. The private banks, where the rate of interest is even lower than at state banks, saw their deposits swell the most, of 14.45 percent. The state banks' deposits grew 12.98 percent. However, the scenario is different in case of foreign banks: their deposit grew only 0.77 percent. In state banks, the interest rates ranged between 4 percent and 7.5 percent, whereas it is 5 percent to 6 percent in private banks.

Small loans surge

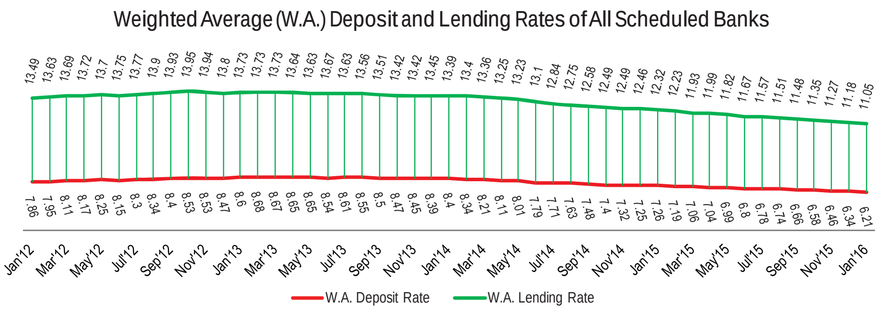
Banks' lending to small and cottage firms rises 70 percent, while it drops 8 percent for big companies year-on-year in Jul-Sept. Term loans to large companies dropped in the first quarter of the fiscal year, while disbursement of credit among small and medium enterprises soared. It is a good sign. If this trend continues employment will increase, financial inclusion will deepen. Banks are now becoming more conscious, due to which they are lending more to small-scale entrepreneurs, who are said to contribute more to the economy and are of low-risk in a bid to diversify their investment risk and learning from business failure of local and global large corporates.



Besides many large loans had to be restructured in recent times, which discouraged banks to give out fresh credit to large companies. When a large loan becomes default much pressure is created on the banks. As a result, banks are now more interested in distributing small loans. Besides, the small and medium loans have more contribution to economic growth realized by the scheduled financial intermediaries. So, the banks have shifted their focus more towards them.

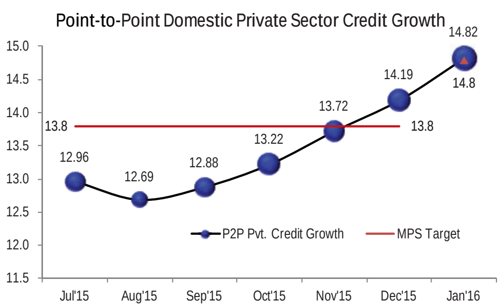
Banks continue to cut interest rates on dull business

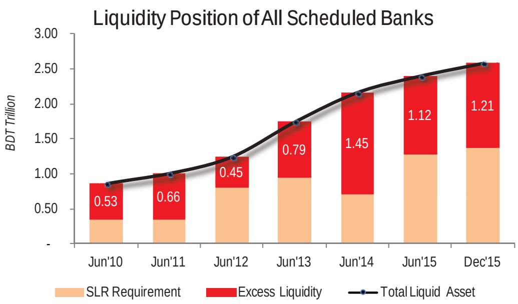
The scheduled banks cut rates of interest on lending further in January as the businessmen continued to show reluctance in receiving loans from the banking sector due to sluggish business amid political uncertainty. According to the latest BB data, the weighted average interest rate on lending in the banking sector declined to 11.05 percent in January 2016 from 11.18 percent in December 2015. The weighted average interest rate on lending continued to decline over the recent months. The lending rate in the banking sector maintained the downward trend as banks were forced to decrease the rate due to a sluggish credit demand from the businesspeople amid the political unrest. The BB data showed that the weighted average interest rate on deposit of the banks also decreased to 6.21 percent in January from 6.34 percent in December of 2015. However, the interest spread rate, the gap between the interest rates on credit and deposit, remain unchanged at 4.84 percent both January and December. Majority of the banks had recently cut their interest rates both on deposits and lending as they were now facing dull business. The country's businesspeople have adopted a 'wait and see' approach to expansion of their business by taking loans from banks due to the sluggish business trend. Due to the lower credit demand from the industrial sector, banks are now facing huge excess liquidity that is forcing them to rush for the government treasury bills and bonds. The BB data showed that interest rates on all types of T-bills and bonds dropped in recent months as most of the banks submitted bids worth huge amount of money at the central bank's auctions for the government tools to invest their idle fund. Banks cut their rates of interest on lending throughout last year to encourage entrepreneurs but their (businessmen's) response was yet to reach to a satisfactory level. At the same time, due to the lower credit disbursement, banks also cut the rates of interest on deposit to discourage the depositors so that they (banks) get a relief from the burden of paying the interest. Central bank frequently asks the banks to disburse more credit to SME and agriculture sectors to stimulate the private sector credit growth. Due to the sluggish business trend, the BB cut the target of the private sector credit growth to 14.80 percent for the financial year 2015-16 from the previous rate of 15 percent for the financial year. The BB data showed that the weighted average rate on lending in the state-owned commercial banks stood at 10.20 percent in January, that in specialised development banks at 9.40 percent, that in foreign commercial banks at 9.70 percent, and that in private commercial banks at 11.45 percent. The weighted average rate on deposit in the state-owned commercial banks stood at 6.42 percent in January, that in specialised development banks at 7.41 percent that in private commercial banks at 6.30 percent, and that in foreign commercial banks at 2.49 percent.



Excess liquidity is becoming the thorn in the flesh

The inter-bank call money rate has fallen sharply in 2015 and continues the falling trend in 2016 as well, as liquidity soared in the banks. The weighted average call money rate, which was at 7.66 percent in March 2015,

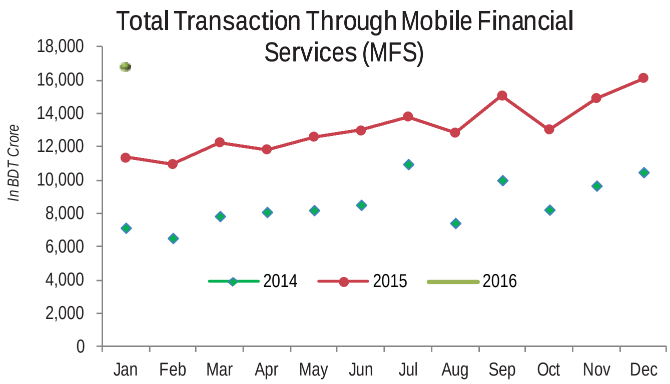




plunged to 3.76 percent just one year after. The private sector credit growth remained stable at 12.69 – 14.82 percent range in FY2015-16. Point to Point private sector credit growth started picking up in September onwards and reaching to 14.82 percent in January 2016. Despite the gradually improvement of local financing scenario, domestic credit growth wasn't lifted as expected as many corporates resorted to foreign borrowing due to lower interest rates, the inter-bank money market volumes remained low, and interest rate dipped, as liquidity soared in banks. Failing to source for secured and profitability financing opportunities, banks deployed the excess liquidity with BB through reverse repo throughout the years. Meanwhile, the overall excess liquidity with the commercial banks stood at around BDT 1.21 trillion at the close of last December. The excess reserve, generally known as excess over daily minimum cash reserve requirement (CRR) with the central bank, stood at around BDT 37 billion. Recent statistics from central bank shows that more than 20 banks are still heavily burdened with excess liquidity because of lower credit demand from the businesses. However, from mid-October, the BB squeezed acceptance of reverse repo bids, and suspended it altogether from November 16. The central bank changed its mode of absorbing excess liquidity by stepping up 30-day BB bills bid acceptance, which however, yields a lower rate compared to reverse-repo rate of 5.25 percent, putting more pressure on the call money rate. BB's is doing so to prompt the banks towards investing more in the productive sectors by slashing both the benchmark rate and call money rates. With falling call money rates and subdued credit demand, the commercial banks have flocked towards the government securities to deploy excess funds, which drastically dragged down the securities' yields across all tenures. Slower-than-expected implementation rate of Annual Development Programme (ADP) projects, less subsidy requirements driven by low global oil prices, and higher sales of savings certificates meant lower borrowing requirement by the government denting the yields further.

Mobile banking sees stellar growth

Mobile banking in Bangladesh continues to grow fast, scaling a new height last year with 53 percent growth year-on-year. More to that January this year saw record high transactions through this alternate banking channel. Tk 16,745.27 crore was transected in this January which is the highest ever since the introduction of MFS in the country. In 2015, the industry saw Tk 157,773.31 crore in transactions through mobile phones -- the amount being more than half the country's national budget, according to a report of Bangladesh Bank. In 2014, the mobile banking industry saw Tk 103,155.37 crore in transactions. People are becoming increasingly comfortable with the banking platform as per the industry experts. The average monthly transactions made through mobile phones stood at more than Tk 13,147.77 crore last year, rising from Tk 8,596.28 crore in 2014. There are about 3.19 crore mobile banking accounts and this figure will increase in the coming days. Of the total accounts, only 1.25 crore are active users, according to the BB report. Currently, 28 banks have approval for offering mobile financial service although 20 launched operations so far. Two leading operators hold around 90 percent market share.



DYNAMICS SHAPING THE GLOBAL ECONOMY IN 2015

R&D Desk

Nothing is out of anything today while the concept of Globalization is initssolidever base. Some Global dynamics always influence to shape the economy here in Bangladesh, urging utterly scrutinizing those for making the best of it. Analysing the assorted effects of Global economic dynamics can lead us ahead of others in taking decisions and getting better upshots as well.

At a glance

The Global growth was not in a position to portray the vibrant look in the year 2015 as previously envisioned. The world GDP growth was projected as 3.5 percent and 3.8 percent for the year 2015 and 2016 respectively by The IMF's World Economic Outlook (WEO). The Greek crisis, declining oil price, advent of two newly formed multinational banks (AIIB & NDB), China's economic slowdown and raising the interest rates by the Fed summed up the previous year. As WB's Global Economic Prospects 2016 (January) stated that the advanced economies passed through a modest recovery in the year 2015 which will continue throughout the current year as well. This recovery influenced the developing economies in that year positively.

Despite China's economic slowdown, the other emerging countries including India showed a brighter growth, while Japan was still on the way to get rid of the undesirable deflation. Consumer prices in Japan were flat year-on-year in September of 2015, slowing from a 0.2 percent gain in August, which rose 0.3 percent in November of the same. 'Abenomics', the economic recovery policy taken by the Japanese President Shinzo Abe tried to salvage.

Global inflation

Most of the countries recorded moderate inflation in the preceding year mainly relying on the declining crude oil price in the International market. The declining food and gold price around the globe made another ground for keeping the inflation rate as in this trend. The inflation year-on-year basis was 0.50 percent,in the USA, 0.078 percent in the UK, 1.35 percent in Canada, 1.87 percent in China , 0.30 percent in Japan,14.97 percent in Russia, 10.47 percent in Brazil, 4.77 percent in South Africa, 6.72 percent in India and 6.10 percent in Bangladesh at the end of December 2015. Japan fought against its deflated economy with all its capabilities where Russia and Brazil also fought but for completely the reverse cause.

These are depressing numbers. The most obvious danger of too-low inflation is the risk of slipping into outright deflation, when prices persistently fall. As Japan's experience shows, deflation is both deeply damaging and hard to escape in weak economies with high debts. Since loans are fixed in nominal terms, falling wages and prices increase the burden of paying them. And once people expect prices to keep falling, they put off buying things, weakening the economy further.

The United States: standing on the recovery drive

The United States was in the battle to continuous recovery drives throughout the year 2015 which is still going on.Vigorous growth in business investment will be the major driver, but household consumption is also expected to strengthen, along with a continued improvement in employment. The fiscal drag on GDP growth from cuts in government spending will remain, but to a lesser degree. The contribution from the external sector to GDP growth will be limited, as export growth is expected to be curbed by the strong appreciation of the dollar.

After the Great Recession, payroll employment in the United States has finally exceeded the pre-crisis peak registered in January 2008. Total nonfarm payroll employment rose by 292,000 in December 2015, and the unemployment rate was unchanged at 5.0percent, the U.S. Bureau of Labour Statistics reported. Employment gains occurred in several industries, led by professional and business services, construction, health care, and food services and drinking places. Mining employment continued to decline.

The Fed took a crucial decision in raising the interest rates dishonouring the IMF's advice. On December 16, 2015, The Federal Reserved hiked interest rates for the first time in nearly a decade signalling faith that the US economy had largely overcome the wounds of the 2007-2009 financial crisis. It raised the key interest rates from a range of 0.00percent to 0.25 percent to a range of 0.25 percent to 0.5 percent. The Wall Street celebrated the rate hike and expected more in the mid of this year.

Europe and Central Asia

Throughout the whole year 2015, the Europe was presented with the two vital phenomena; one was the Greek crisis while the other one was the migrant issue. The failure of Greece as the first European country was one of the most notable concern for the economy of this region. Growth is anticipated to rise to 3 percent in 2016 from 2.1 percent in the year just ended as oil prices fall more slowly or stabilize, the Russian Federation's economy improves, and Ukraine recovers. Economic activity in Russia is projected to contract by 0.7 percent in 2016 after lessening by 3.8 percent in the year just ended. Growth could resume modestly in the eastern part of the region, which includes Eastern Europe, South Caucasus, and Central Asia, if there is a stabilization of commodity prices. The western part of the region, which includes Bulgaria, Romania, Turkey and the Western Balkans, should grow moderately in 2016, sustained by recovery in the Euro Area, the World Bank expected earlier in the year.

Middle East and North Africa

Middle East, the ever boiling part of the world gained nothing positive in the year 2015 owing to two leading reasons; the falling oil price and the IS (Islamic State) issue. Despite the situation, growth is estimated to accelerate to 5.1 percent in 2016 from 2.5 percent in the year just ended, as the predictedpostponement or removal of economic sanctions against the Islamic Republic of Iran will allow that country to play a larger role in global energy markets. Growth is likely to pick up in other oil exporters as well, predominantly on the assumption that oil prices will stabilize. The region is subject to serious risks from the probability of an escalation of conflict, a further decline in oil prices, and failure to improve living conditions, which could spark social unrest in the eyes of the World Bank.

South Asia

The growth in South Asian region was blessed with the low commodity and oil price in the International market in the year 2015. The remittance inflow was another key factor to mobilize the economy of this region. India has been the topmost remittance earning country for several years. As WB's Global Economic Prospects 2016 (January) stated,this region is projected to be a bright spot in the outlook for emerging and developing economies, with growth speeding up to 7.3 percent in 2016 from 7 percent in the year just ended. The region is a net importer of oil and will benefit from lower global energy prices. At the same time, because of relatively low global integration, the region is shielded from growth fluctuations in other economies. For FY 2016-17, India, the dominant economy in the region, is projected to grow at a faster 7.8 percent and growth in Pakistan (on a factor cost basis) is expected to accelerate to 4.5 percent. Bangladesh, another emerging country within this region is expected to grow at 6.8 percent (IMF) and 6.7 percent (ADB), though the country itself is confident enough to grow at around 7.0 percent this fiscal year.

The year 2016 will not be an extraordinary compared to the preceding year's economic performance projected by most of the prudential bodies. The International Monetary Fund (IMF) for example, forecasts growth of 3.6 percent this year after 3.1 percent in 2015. The IMF head Christine Lagarde warned that the year 2016 is going to disappoint again. Rising US interest rates, a Chinese slowdown and disappointing world trade will all weigh on growth prospects in 2016.The time will say how much the Bangladesh economy will be influenced by the Global economy throughout the year 2016

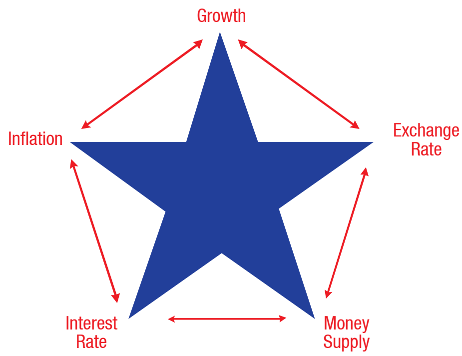
MONETARY POLICY STATEMENT (MPS) JAN-JUN (H2) FY 2015-16 REVIEW

Mr. Ashique Iqbal
SAVP
R&D Unit

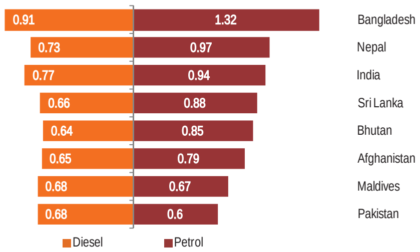
Investment stimulating policy to boost domestic demand

The Bangladesh Bank (BB) announced the second half-yearly monetary policy of Fiscal Year (FY) 2015-2016 on January 14, 2016. This H2 MPS was framed hovering around three core objectives, i.e. (a) Taming the inflation to the targeted national budget (b) Support inclusive, environmentally sustainable growth and (c) Stable foreign exchange rate to intact the country's external competitiveness. Main thrust of this MPS is to drive domestic demand alongside the export growth. It has also stressed on quality credit growth through an inclusive approach, selective easing for agricultural and other productive priority sectors and developmental role of central bank. Adjacent figure depicted the objectives of MPS formulation by the Bangladesh Bank.

The STAR Model of Monetary Policy



Recent Economic and Financial Developments

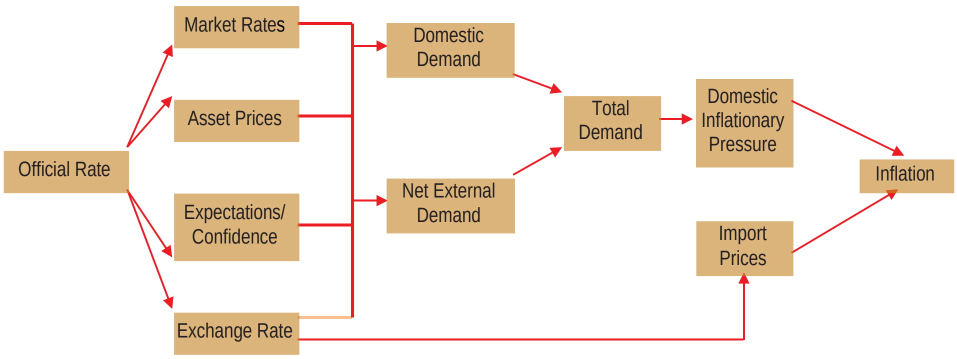


Current MPS has been announced at such a time when the economic indicators are doing well but the investment has not achieved the expected momentum. Banks are hosting huge sum of liquidity (around BDT 1.2 trillion) but their lending abilities have not utilized at fullest so far as the businessmen's are arguing about the double digit lending rate. However the lending rate of all scheduled banks' now placed at the historically lowest position. Weighted average lending rate of all banks at the end of December 2015 stood at 11.18% which has further slipped to 11.05% in succeeding month. Policy makers and industry practitioners rather stressed on improving the investment climate for the restoration of business confidence. Huge price differentials between domestic and international market is creating relatively higher pressure on cost of doing business. Petrol is costliest in Bangladesh within the SAARC countries. One liter petrol costs only 60 cents in Pakistan which is available here at US$ 1.32. Average price of petrol in the world for this period was US$ 0.99 per liter. Therefore it has been clearly indicative that BPC is charging much higher price for all sorts of oil at consumer level. In fact through this balancing act, government is actual offsetting the legacy loss burden of BPC. Since oil price has direct and positive influence on the production cost of electricity and transportation, it rather bleeds the businesses more than the borrowing cost as majority industrial plants runs on electricity in the country. With an expectation of positive and stable economic outlook, the latest policy contains some key changes in policy variable, which will have mixed outcome on the economy of the country according to our analysis.

How MPS Works?

MPS mostly influences on aggregate demand in the economy. It has little direct effect on the supply capacity. Rather, in the long run, MPS determines the nominal or money values of goods and services which are termed as general price level. In other words, in the long run, MPS in essence determines the value of money—movements in the general price level indicate how much the purchasing power of money has changed over time. Inflation, in this sense, is a monetary phenomenon. However, MPS changes do have an effect on real activity in the short to medium term. Though MPS is the dominant determinant of the price level in the long run, there are many other potential influences on price-level movements at shorter horizons. There are several links in the chain of causation running from monetary policy changes to their ultimate effects on the economy.

The broad transmission mechanism of monetary policy is shown below.



Note: for simple illustration, this figure does not show all the interactions between variables, but these can be important in actual scenarios

Like most of the central banks, BB uses a set of indirect instruments to control the money supply. According to the earlier figure, BB pursues its monetary policy within a framework of monetary targeting with Reserve Money (RM) as the operating target, and broad money as an intermediate target. The Broad Money (M2) can be influenced indirectly by changes in policy instruments that target and monitor the RM via the money multiplier (m). The primary objective of this mechanism is to directly control the liquidity in financial system on a day-to-day basis achieved by the ratio, reverse-ratio and the weekly T-bill auctions. The latter instruments have controlling mechanism on the inter-bank call money rate for overnight transactions. While adjusting the excess liquidity in the financial system through this mechanism, BB concurrently resets the ratio and reverses ratio on a daily basis depending on the money supply position.

Key Target Changes in H2 FY 2015-16 MPS vis-à-vis Actual Positions of Policy Variables

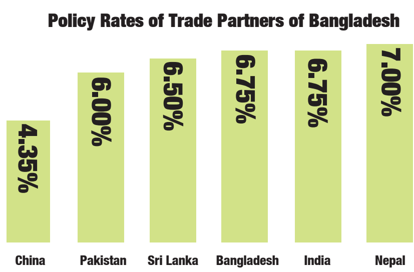
Key Target Changes in H2 FY 2015-16 MPS vis-à-vis Actual Positions of Policy Variables

	H2 FY2014-15 (Jan-Jun)		H1' FY2015-16 (Jul-Dec)		H2' FY2015-16 (Jan-Jun)		
Policy Variables	Target	Actual	Target	Actual	Target H1 FY'16	Revised Target H2 FY'16	Actual Jan'2016
Inflation – General %	6.50%	6.40%	6.20%	6.19%	6.20%	6.10%	5.62%*
Reserve Money Growth (%)	15.90%	15.40%	16.50%	15.14%	16.00%	14.30%	15.85%
Board Money Growth (M2) %	16.50%	12.60%	15.00%	14.20%	15.60%	15.00%	13.00%
Domestic Credit Growth %	17.40%	10.40%	13.10%	10.90%	16.50%	15.50%	10.30%
Public Sector Credit Growth	25.30%	(2.70%)	8.00%	(1.70%)	23.70%	18.70%	(8.69%)
Private Sector Credit Growth %	15.50%	13.60%	14.30%	13.80%	15.00%	14.80%	14.82%

Impact of Key Changes to Macro economy

Rate Cut: A Major Shift

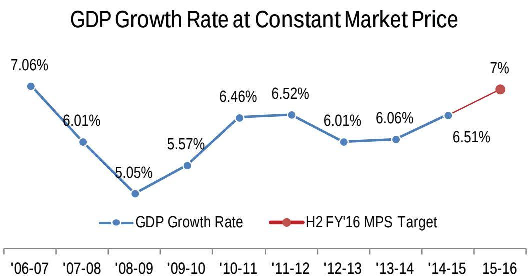
In a mixed performance of global economy where developed economy like USA is swiftly recovering from economic slowdown contrary to China's slowest economic growth in last 25 years, Bangladesh showed a macro-economic stability. Goldman Sache titled Bangladesh as 'Next 11', JP Morgan termed as 'one of the 'Frontier Five' and UBS analysis pointed that Bangladesh will be the '12th economic power of the world in 2050' and the 'second most preferred destination for foreign investment in South Asia'. In such backdrop, Bangladesh Bank has



reduced policy rate cuts by 50 basis points (bps), which is a major shift in this MPS from the last one, the policy rate, i.e. repo and reverse repo rate now stand at 6.75% and 4.75% respectively from the previous 7.25% and 5.25%. In fact it is much awaited move by the central bank in a bid to spur the lackluster investment situation of the country following India's policy rate downward revision of last year. BB has signaled such policy rate cut in last MPS condition was that if the inflation continues its falling trend. However as investment stimulation in the economy is the function of many other variables like infrastructure, availability of power and energy, political stability, cost of doing businesses, it is quite reasonable to doubt whether merely policy rate cut is good enough measure to mobilize current constipate domestic economic condition. Anyway such policy rate revision will definitely reduce the foreign currency borrowing by local corporate as interest rate differentials between local and foreign currency loan will be narrowed to motivate the local corporate to borrow from the country's banking system.

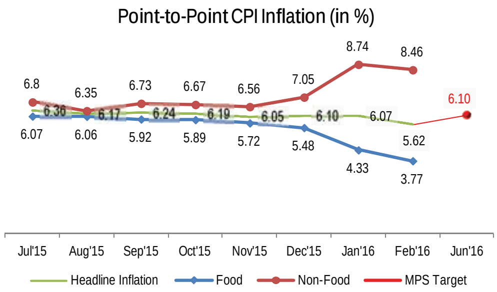
Adieu 6% Growth Trap

The projected output growth in the latest MPS is 7%, which is the same as the rate resonated in FY2015-16 Fiscal Budget. If so takes place, it will be almost double of the World's and higher than China's according to IMF. A recent World Bank study shows that one percentage increase in India's growth contributes to an increase in Bangladesh's growth by 0.4 percentages. Hence, the highest growth at 7.5 percent of India in the region will be beneficial for Bangladesh's investment and growth through the channels of trade and services. In line with these upbeat forecasts of WB and IMF on Bangladesh economy also assert that Bangladesh is probably saying adieu to 6% growth trap this year depending on rapid implementation of ADP and with a rise of private sector investment. In the meantime some positive news is coming from macroeconomic front along with the odds. Private sector credit saw a 2 bps more growth than targeted growth while inflation came down well below the revised target. However in the first seven months of this fiscal only 32% of ADP has been implemented. Slow ADP implementation giving a shock to the public sector investment prospects. On the other hand there is remote chance of depreciating the fuel price aligning with the international market immediately as it has been echoed from top authorities different times that until BPC debt burden is cleared current price will continue. Public sector investment is showing a Point-to-Point negative growth for the last one year. Hence achieving 7%+ GDP growth is many-a-ways contingent on governments' decision, alone MPS can do a little.



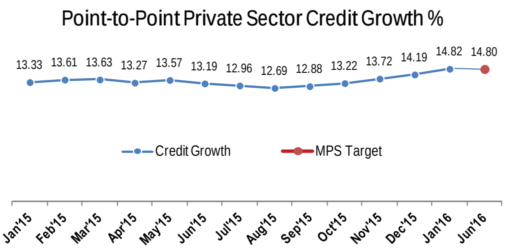
Grip on Inflationary Pressure

Point-to-Point inflation is on falling mode from above 7% of mid-2014 to 6.1% in December 2015 which is reported to 5.62% at the end of February 2016. Thanks to depressed global commodity market and falling fuel price. As food component occupies about 60% of our consumption basket and the price of food is falling all over the world, so sinking food inflation heavily attributed to this headline inflation control. However, the nonfood inflation is in an upward trend since October 2014 and may cause BB to be a bit cautious. Recent government pay scale revision is likely to push up prices at consumer level but expected fuel price adjustment in the country may balance it again.

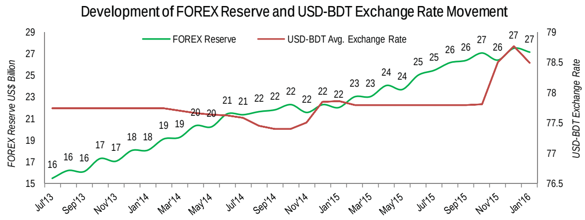


Reservation on Credit Expansion

On money supply aggregates, BB has taken a cautious stance through retaining the growth of RM and M2 within 14.3% and 15% respectively which is lower than the previous ones by 10.63% and 3.84% correspondingly. Meanwhile such movement to restrict money supply is self-conflicting with policy rate cut which is supposed to pump additional money into banking channel. The overall domestic credit growth is projected to be 15.5% which is underpinned by public sector credit growth by 18.7% and private sector credit growth of 14.8%. Though this growth projection is based on previous MPS experiences, it is not supportive with central bank stance of investment stimulation especially in case private sector investment. In a regime of the lowest lending rate regime when cost of borrowing is coming almost closer to single digit, more expansion in private sector credit growth is expected supported by this 'Pro-Investment Policy'.

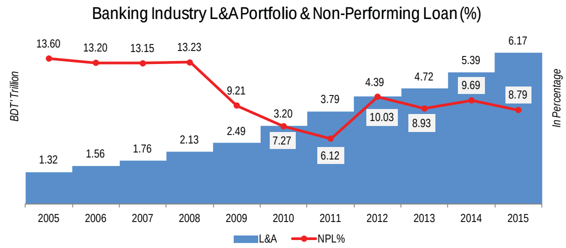


Exchange rate Management: To Remain Competitive Will Be A Challenge



BB has taken cautious stance regarding BDT-USD exchange rate. The recent appreciation of BDT forced BB to intervene in the market to preserve the export competitiveness of BDT. With a staggering volume of US$ 27.2 billion foreign exchange reserve (which crossed US$ 28 billion mark in February last) BB can meet more than 8 months' import payment. It is high time central bank devise strategies to leverage this large volume of reserve effectively before it becomes a burden. Both import and export is projected to grow at 8.5% in current MPS. Conservative import growth projection is questionable as in the same statement, it is expected that capital machinery and raw material import will grow high in a bid to support the investment growth.

NPL: Corporate Governance is the Key



At the end of 2015, the overall NPL in the banking system was 8.79%, down from 9.89% one quarter earlier. It is highly dubious, who will get the credit, regulator or the practitioners? How long BB's quantitative and qualitative easing will posture the window-dressed improved asset quality? To mitigate the worsening situation and to prevent from further deterioration, central bank emphasized more on quality credit expansion. The recent appointments of observers in 19 banks indicate BB's very stern motive in improving corporate governance in banks.

Continuation of Developmental Role of Central Bank

The latest MPS has spelled out priority in lending to Micro, Small and Medium Enterprises (MSMEs) which will help bank in developing new clientele, which is more sustainable than client takeover. It will also allow the banks to mitigate concentration risk. Such initiative is very timely and praiseworthy as it will channelize investment in productive sectors with the objectives of alleviating poverty and new employment creation. In addition to that, BB will carry forward its ongoing 'Selective Easing' policy for environment friendly priority sectors. With the help of WB, BB manages a US$ 500 million fund to extend credit to these sectors at a privileged wholesale rate. To promote export, BB has increased EDF fund size to US$ 2 billion to support export oriented industries.

Capital Market – No Silver Lining

There is no definite strategy in the latest MPS to invigorate the capital market from its ongoing shattering condition. The only noticeable thing done by BB is the exclusion of subsidiaries' capital from banks' capital market exposure. This move has given a breathing space to the banks to maintain their capital market exposure within 25% of their capital and also provide an opportunity to inject fresh investment.

Last word is, MPS is not the standalone silver bullet to break the current business shackle, respective authorities working on creating conducive domestic business climate have to come forward to attain the GDP growth at expected level of 7.5% in 2016. Meanwhile in pursuits of promoting inclusive, environment friendly, sustainable financing, BB will remain proactive in playing developmental role of Central Bank to uphold optimism of domestic demand generation and growth dynamism.

EVENTS

Financial Closure Ceremony

A "Financial Closure Ceremony" of the Syndicated IPFF Term Loan facility of USD 58.50 million for United Ashuganj Energy Limited was held on January 20, 2016 at a hotel in the capital. This is the LARGEST ever IPFF Term Loan facility for a single project in the country. The project is a 200 MW gas fired power plant at Ashuganj. The project is the –

- 1st joint venture power project between the Government of Bangladesh (Ashuganj Power Station Company Limited) and a Private Company (United Enterprises & Co. Limited) in Bangladesh.
- 1st Combined Cycle, Modular Power Plant in Bangladesh.

The cost of the project is USD 170.00 million, which is financed at a debt-equity ratio of 70:30. The project has already started commercial operation and running smoothly.

Meanwhile, the project has won the prestigious 'Asian Power Awards – 2015' under 3(three) categories, such as –

- GOLD for 'Combined Cycle Power Plant of the Year'.
- SILVER for 'Fast – Track Power Plant of the Year'.
- BRONZE for 'Gas Power Project of the Year'.

Dr. AtiurRahman, Former Governor of Bangladesh Bank graced the occasion as the chief guest.

Amongst other honorable guests, The Chairman and Directors of Dhaka Bank Limited, the Senior Officials of World Bank, IPFF Project Cell of Bangladesh Bank, Managing Directors of Dhaka Bank Limited, Trust Bank Limited and Mutual Trust Bank Limited, Chairman of United Group, Chairman and Managing Director of United Ashuganj Energy Limited along with other Senior officials of the respective organizations were also present in the program.

EVENTS

Signing Participation Agreement with Bangladesh Bank

Dhaka Bank signed Participation Agreement with Bangladesh Bank for Long Term Financing Facility under Financial Sector Support Project (FSSP), financed by the International Development Association (IDA) and implemented by Bangladesh Bank. Mr. Md. Ahsan Ullah, Executive Director & Project Director of FSSP and Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank signed the agreement on behalf of their respective organizations. Dr. Atiur Rahman, Former Governor of Bangladesh Bank and other high officials from respective organizations graced the occasion.

Signing NID Verification Deal with the EC

Dhaka Bank signed an agreement with the Election Commission to ensure effective verification services for the Bank's customers. DBL Deputy Managing Director (Operations) Md. Shakir Amin Chowdhury and EC Director (Operations, National Identity Registration Wing) Syed Mohammad Musa signed the agreement on behalf of their respective authorities.

Sultanuzzaman & Md. Saleh Uddin were present on the occasion as Chief Guests. Among others Dhaka Bank's Senior Vice President & Head of Business Operations Md. Fakhrul Islam and Assistant Vice President Md. Shaheenul Islam attended the signing ceremony.

Becoming the Ticketing Rights Partner of BPL 2015

Dhaka Bank signed an agreement with Music Super Star regarding the BPL 2015 (Season 3). Mr. Khandaker Anwar Ehtesham, SAVP & Head, Communications & Branding Division of Dhaka Bank and Mr. Shabbir Hossain, CEO of Music Super Star signed the agreement on behalf of the respective organizations. Managing Director & CEO of Dhaka Bank Mr. Syed Mahbubur Rahman along with Company Secretary Mr. Arham Masudul Huq, VP of Consumer Banking Division Mr. H.M. Mustafizur Rahaman and other senior officials of both the organizations were present.

EVENTS

Dhaka Bank holds 6th Extraordinary General Meeting

The 6th Extra-ordinary General Meeting of Dhaka Bank Limited was held on Thursday, October 8, 2015 at 11.30 a.m. at Utsab Hall, Radisson Blu Water Garden Hotel Dhaka. Mr. Reshadur Rahman, Chairman of the Board of Directors, presided over the meeting. In the meeting, the Shareholders of the Bank unanimously passed the resolution for issuance of Dhaka Bank Non-convertible privately placed 2nd Subordinated Bond for Tk. 300.00 crore eligible as Tier II Capital of the Bank subject to approval of Regulatory Authorities. In the 6th EGM, among others, former Chairmen Mr. A T M Hayatuzzaman Khan & Mr. Khondoker Monir Uddin, Directors Messrs Md. Amirullah, JashimUddin, Khondoker JamilUddin, M. N. H. Bulu, Mirza Yasser Abbas, Independent Director Mr. Syed Abu Naser Bukhtear Ahmed, former Director Mrs. Rakhi Das Gupta, Former Managing Director Mr. Niaz Habib and Company Secretary Mr. Arham Masudul Huq were also present. Apart from them, Deputy Managing Directors Messrs Emranul Huq, Khan Shahadat Hossain, Shakir Amin Chowdhury & Mohammad Abu Jafar and a good number of Shareholders were also present on the occasion.

Dhaka Bank holds Annual Managers' Conference 2016

Annual Managers' Conference for the year 2016 of Dhaka Bank Limited held on Saturday, January 23, 2016 at Hotel Le Meridian, Nikunja, Dhaka. Mr. Reshadur Rahman, Chairman of the Board of Directors of Dhaka Bank Limited inaugurated the conference as Chief Guest while Mr. Syed Mahbubur Rahman, Managing Director & CEO presided over the conference. Among others, Founder Chairman & Director Mr. Abdul Hai Sarker, Former Chairman Mr. A T M Hayatuzzaman Khan, Directors Messrs Altaf Hossain Sarker, Mirza Yasser Abbas, Independent Director Mr. Syed Abu Naser Bukhtear Ahmed and Mr. M. A. Yussouf Khan attended the conference. Deputy Managing Directors Mr. Emranul Huq, Mr. Khan Shahadat Hossain, Mr. Md. Shakir Amin Chowdhury, Mr. Mohammad Abu Jafar and Company Secretary Mr. Arham Masudul Huq were also present on the occasion.

Branch Managers, Head of Divisions/Units from Head Office attended the conference. The Conference reviewed overall progress of the year 2015 and chalked out various strategies and tactics for achieving yearly target for 2016.

EVENTS

Dhaka Bank Donates Tk.1.00 crore to Hon'ble Prime Minister's Relief Fund

Mr. Reshadur Rahman, Chairman of Dhaka Bank Limited recently donated Tk. 1.00 crore at the Relief Fund of Hon'ble Prime Minister of Peoples' Republic of Bangladesh on December 9, 2015 for cold affected underprivileged people of the country. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at GonoBhaban. Mr. Altaf Hossain Sarker, Director of Dhaka Bank Limited was also present in that program.

Donation to Hon'ble Prime Minister's Relief Fund

Mr. Reshadur Rahman, Chairman of Dhaka Bank Limited along with Mr. Abdul Hai Sarker, Founder Chairman of Dhaka Bank Limited recently donated Tk. 1.00 crore at the Relief Fund of Hon'ble Prime Minister of Peoples' Republic of Bangladesh on October 12, 2015. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gana Bhaban.

Donating Taka 25 lac to Baridhara Society Park

Dhaka Bank Limited recently donated an amount of Tk. 25 lac towards Baridhara Society for the renovation works of the walkways of the Baridhara Society Park as a part of Corporate Social Responsibilities of the Bank. The cheque was ceremoniously handed over by the Chairman of Dhaka Bank Limited Mr. Reshadur Rahman to the President of Baridhara Society Mr. Badiur Rahman. Among others, Founder Chairman & Director Mr. Abdul Hai Sarker, Managing Director & CEO Mr. Syed Mahbubur Rahman of Dhaka Bank along with High Authorities of the Society and other distinguished guests were also present.

EVENTS

Donating Blankets to Distressed People

Dhaka Bank distributed blankets to the poor and distressed communities. Former Chairman of the Bank Mr. A T M Hayatuzzaman Khan donated the blankets to the poor and distressed people of Araihazar Thana, Narayanganj. Managing Director & CEO of the Bank Mr. Syed Mahbubur Rahman along with Deputy Managing Directors namely Mr. Enranul Huq, Mr. Khan Shahadat Hossain, Mr. Md. Shakir Amin Chowdhury, Mr. Mohammad Abu Jafar and Branch Managers of Narayanganj zone were also present in the event.

Donating Blankets at Former Chhitmahals

Mr. Md. Shakir Amin Chowdhury, DMD of Dhaka Bank Limited handed over blankets to the residents of former Chhitmahals (Enclaves) on behalf of the Bank. Former Governor of Bangladesh Bank Dr. Atiur Rahman was also preset in that remarkable moment. Among others, Branch Managers of Rangpur and Saidpur Branch were also present.

4th Dhaka Bank Victory Day Golf Tournament 2015

Dhaka Bank sponsored "4th Dhaka Bank Victory Day Golf Tournament 2015" at the Bhatiary Golf & Country Club on December 16, 2015. Maj. Gen. Md. Shafiqur Rahman, spp, afwc, psc, General Officer Commanding 24 Infantry Division & Area Commander, Chittagong and the President of BGCC was present as Chief Guest. On this special occasion, Managing Director & CEO of Dhaka Bank Mr. Syed Mahbubur Rahman handed over a golf cart to BGCC as donation. Among others, Director Mr. Jashim Uddin along with high officials of the Bank, distinguished guests and renowned golfers from home and abroad, et al were also present.

EVENTS

BB Acknowledges Contribution towards School Banking

Bangladesh Bank recognized Dhaka Bank Limited for its contribution towards School Banking in Chittagong Region. In this regard, a certificate (2nd Position) was formally presented to Dhaka Bank on Saturday, October 31, 2015 by the Former Governor of Bangladesh Bank Dr. Atiur Rahman. The certificate was received by the Deputy Managing Director of the Bank Mr. Md. Shakir Amin Chowdhury on behalf of the Bank. Other officials of the respective organizations were also present in that event.

Commerzbank AG Germany Awards Dhaka Bank

Commerzbank AG Germany has awarded 'Relationship Award' to Dhaka Bank on19-Nov-2015. Mr. Alexander Mondorf, Relationship Manager, Commerzbank AG, Mr. Philipp Merten, VIce President from Structured Export Trade Finance team in Singapore, Mr. Tawfiq Ali, Chief Representative, Commerzbank AG and Mr. Syed Naushad Zaman, Representative from Dhaka Representative Office were present at the occasion. Mr. Mohammad Abu Jafar, Deputy Managing Director (IB) of Dhaka Bank received the award from Mr. Alexander Mondorf. Other officials of the respective organizations were also present.

Dhaka Bank Launches New Service "Swipe It"

Dhaka Bank launched a new credit card service namely "Swipe It" at Corporate Office of the Bank on September 16, 2015. Former Managing Director of the Bank Mr. Niaz Habib officially announced the launching for this service. Deputy Managing Directors namely, Mr. Emranul Huq, Mr. Khan Shahadat Hossain, Mr. Mohammad Abu Jafar, SEVP & Company Secretary of Dhaka Bank Mr. Arham Masudul Huq, SEVP & Head of IT Mr. A.M.M Moyen Uddin and VP of Consumer Banking Division Mr. H.M. Mostafizur Rahaman were present.

EVENTS

Inaugurating 83rd Branch at Sherpur, Bogra

Dhaka Bank opened Sherpur Branch at Bogra on October 4, 2015 in a befitting manner. It is the 83rd Branch of the Bank. Founder Chairman of the Bank Mr. Abdul Hai Sarker inaugurated the Branch as Chief Guest. Founder Vice Chairman Mr. A T M Hayatuzzaman Khan, Directors messrs. Altaf Hossain Sarker, Mohammed Hanif and Md. Amirullah were also present in the event. Former Managing Director Mr. Niaz Habib and Deputy Managing Director Mr. Emranul Huq of Dhaka Bank along with other officials and local representatives and businessmen were also present in the occasion.

Inaugurating 85th Branch at Kamarpara, Tongi

Dhaka Bank Limited opened its 85th Branch at Kamarpara, Tongi, Dhaka. Mr. Syed Mahbubur Rahman, Managing Director & CEO of the Bank formally inaugurated the Branch. Deputy Managing Director Mr. Emranul Huq, SEVP & Company Secretary Mr. Arham Masudul Huq of the Bank along with local representatives namely, Mr. Jahangir Hossain, Member, Horirampur Union (Ward#1), Mr.Abdul Barek, Member, Horirampur Union (Word#3), high officials of the Bank were also present.

EVENTS

Dhaka Bank Opens 86th Branch at Nondipara, Khilgaon

Dhaka Bank Limited opened its 86th Branch at Nondipara, Khilgaon, Dhaka. Former Vice Chairperson of the Bank Mrs. Afroza Abbas inaugurated the Branch as Chief Guest. Mr. Syed Mahbubur Rahman, Managing Director & CEO of the Bank along with Deputy Managing Director Mr. Emranul Huq, SEVP & Company Secretary Mr. Arham Masudul Huq were present in the event. Among others, local valued clients and representatives, high officials of the Bank were also present.

Dhaka Bank Opens 87th Branch at Murapara, Narayanganj

Dhaka Bank Limited opened its 87th Branch at Murapara, Narayanganj, Dhaka on February 25, 2016. Mr. Syed Mahbubur Rahman, Managing Director & CEO of the Bank formally inaugurated the Branch. Deputy Managing Director Mr. Emranul Huq, SEVP & Company Secretary Mr. Arham Masudul Huq of the Bank along with high officials of the Bank and local Elites were present.

EVENTS

48TH FOUNDATION

The three-week long Foundation Training Program for the 48th Batch of Trainee Officers of Dhaka Bank arranged by the Dhaka Bank Training Institute (DBTI), concluded on September 10, 2015. The Bank's Managing Director (Former), Mr. Niaz Habib addressed the Closing ceremony as Chief Guest and distributed Certificates & Prizes among the Participants. The program was conducted by Mr. Md. Abdul Motaleb Miah, First Vice President, while Mr. Kaiser A. Chowdhury, Principal of DBTI, also spoke on the occasion. In the Course, Mr. Abdullah-al-Mamun, CPC-Trade Ops, Chittagong, Mr. Abdullah Al Mahbub, Feni Branch and Mr. Towfiqun Nur, Tangail Branch respectively secured First, Second and Third highest marks during overall evaluation of performances among 34 Participants.

49TH FOUNDATION

The three-week long Foundation Training Program for the 49th Batch of Trainee Officers of Dhaka Bank, arranged by the Dhaka Bank Training Institute (DBTI), concluded on December 17, 2015. The Bank's Deputy Managing Director Mr. Emranul Huq addressed the closing ceremony as Chief Guest and distributed Certificates & Prizes among the Participants. The program was conducted by Mr. Md. Abdul Motaleb Miah, First Vice President, while Mr. Kaiser A. Chowdhury, Principal of DBTI, also spoke on the occasion. In the Course, Ms. Samia Naz, Syndication & Structured Finance Unit, Head Office, Mr.Sato Kumer Barua, Laldhighirpar Branch, Sylhet and Mr. S. M. Shahidul Islam, Card and ADC Operations, Head Office scored first, second and third highest marks during overall evaluation of performances among 22 Participants.

JOINING, TRANSFER & ASSIGNMENT

Mr. Syed Mahbubur Rahman
MD & CEO
Effective Date: November 08, 2015

Mr. Md. Shafquat Hossain
SEVP, Head
Consumer Banking Division, HO
Effective Date: March 15, 2016

Mr. Syed Ahsanur Reza
EVP, Head
CPC-Trade Operations, HO
Effective Date: November 12, 2015

Mr. Mehedi Hasan
SVP, In-charge
HR Division, HO
Effective Date: February 01, 2016

Mr. Md. Abu Sina
SVP,a Manager
Bogra Branch, Bogra
Effective Date: January 03, 2016

Mr. Md. Aminul Islam
VP
CPC-Trade Ops., HO
Effective Date: February 07, 2016

Mr. Sahabub Alam Khan
VP
Finance & Accounts Division, HO
Effective Date: February 11, 2016

Mr. Mohammad Mokhlesuzzaman Khan
VP, Head
Risk Management Division, HO
Effective Date: October 18, 2016

Mr. Mohammad Sirajul Islam
VP, Manager
Hathazari Branch, Chittagong
Effective Date: December 25, 2015

JOINING, TRANSFER & ASSIGNMENT

Ms. Shams Rumana Rimi
FVP
Kakrail Branch, Dhaka
Effective Date: February 15, 2016

Mr. Mohammad Mesbah Uddin Ahmed
FVP
Foreign Exchange Branch, Dhaka
Effective Date: February 17, 2016

Mr. Mohammad Mahbubul Alam Chowdhury
FVP, Manager In-charge
Madina Market Branch, Sylhet
Effective Date: September 13, 2015

Mr. Md. Mostafa Khaled Bin Ali
FVP, Manager In-charge
Kamarpara Branch, Dhaka
Effective Date: December 22, 2015

Mr. Ahmed Arefin
FVP, In-charge
BASEL Unit, HO
Effective Date: January 10, 2016

Mr. Mohammad Moinul Islam
SAVP
Gulshan Circle - 2 Branch, Dhaka
Effective Date: October 15, 2015

Mr. Mohammad Shahidul Islam
SAVP
CRM Division, HO
Effective Date: October 28, 2015

Mr. A.S.M. Jasim Uddin
SAVP
Banashree Branch, Dhaka
Effective Date: October 29, 2015

Mr. Ashique Iqbal
SAVP
R&D Unit, HO
Effective Date: January 31, 2016

Mr. Fayyaz Ahmed Mustafa
SAVP
Consumer Banking Division, HO
Effective Date: March 20, 2016

Mr. Md. Saifur Rahman
SAVP, Manager In-charge
Khilgaon Branch, Dhaka
Effective Date: September 13, 2015

Mr. Abul Bashar Mohammad Maruf
SAVP, Manager In-charge
Halishahar Branch, Chittagong
Effective Date: November 08, 2015

JOINING, TRANSFER & ASSIGNMENT

Mr. Md. Reaz Uddin
SAVP, Manager In-charge
Nandipara Branch, Dhaka
Effective Date: December 23, 2015

Mr. Mohammed Nazrul Islam Khan
AVP, Manager In-charge
Jessore Branch, Jessore
Effective Date: September 01, 2015

Mr. Asif Imran
AVP, Manager In-charge
CPC-Trade Operations, HO
Effective Date: September 29, 2015

Mr. Md. Abdul Halim Faruqi
AVP, Manager In-charge
Maijdee Branch, Noakhali
Effective Date: October 06, 2015

Mr. Mohammad Ataour Rahman
AVP, Manager In-charge
Murapara Branch, Dhaka
Effective Date: December 27, 2015

FAMILY CORNER

ACADEMIC ACHIEVEMENT

Fairooz Rashid Zeba
Exam : PSC 2015
Institution: Bandar Shishubag Bidyalay
Result : GPA-5(golden A+)
Parents : Ms. Farida Yasmin AVP, B. B. Road Branch & Mr. Md. Mahbub-Or-Rashid

Master Azraf Ameer Husain
Awards : 2nd Runner-up in the Aloha Abacus & Mental Arithmentic 8th National Level Competition
Parents : Mr. Mustafa Husain SVP & Manager, Gulshan Circle-2 Branch and Ms. Mohsina Hosain

Master Ahnaf Abrar Husain
Awards : 3rd Prize in the Project Display of the 8th National Science Festival 2015
Parents : Mr. Mustafa Husain SVP & Manager, Gulshan Circle-2 Branch and Ms. Mohsina Hosain

Musa Tur Farazi
Exam : JSC
Institution: Ideal School and College, Dhaka
Result : A+ (Golden)
Parents : Ms. Farhana Rabbi Tuly, Senior Officer (Cash) Motijheel Branch and Mr. Muhammad Abu Naser Muhammadulla, Officer Imamganj Branch

Labib Mostaque Khan
Exam : HSC
Institution : Notre Dame College
Result : GPA 5.00
Parents : Mr. Mostaque Ahmed Khan Executive Vice President & Head Special Asset Management & Legal Affairs Division Corporate Office & Mrs. Kazi Afroza Ahmed

Nuzaira Binte Neaz
Exam : HSC
Institution: Viqarunnisa Noon College, Dhaka
Result : GPA-5
Parents : Late Neaz Mohammad Khan Ex Deputy Managing Director & Ms. Dilshad Afroz Amin

Dewan Mahmud Mim
Exam : B.Sc
Institution: Islamic University of Technology (IUT)
Result : 1st (First Class)
Parents : Mr. Dewan Istak Ahmed, SAVP Business Operation Division and Ms. Shaheen Akhter

FAMILY CORNER

FIRST DAY AT SCHOOL

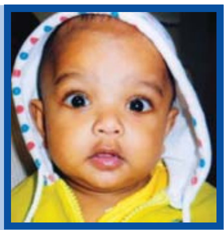
Tasnim Taha
Class : Play Group (Red)
School : Ashuganj River View Standard School
Parents : Mr. Muhammad Nazrul Islam Senior Officer & Cash In-charge Ashuganj Branch Brahmanbaria & Ms. Arifa Sultana Any

Mahnaz Afrin (Mahin)
Class : Play Group
School : Cordova Int'l School & College
Parents : Ms. Laila Parvin Senior Officer (Cash) Banashree Branch Dhaka & Mr. Md. Monir Hossain

Master Afsar Ahsan Husain
Class : Play Group
School : Scholastica School Dhanmondi Dhaka
Parents : Mr. Mustafa Husain, SVP & Manager Gulshan Circle-2 Branch & Ms. Mohsina Hosain

Mohammed Farhan Miraj Chowdhury
Class : Play Group
School : Shaheen School
Parents : Mr. Mohammed Mohsin Chowdhury, SAVP Agrabad Branch, Chittagong & Ms. Fardoshe Akhter

NEW BORN



Ahmed Al-Muktarir
Parents : Mr. Md. Manwar Hossain, Principal Officer Bogra Branch & Most. Anjuman Ara Begum
Date of Birth: June 20, 2015

Safwan Rahman (Sirat)
Parents : Mr. Tayefur Rahman, Senior Officer, F&AD Head Office and Ms. Shabiha Hossain
Date of Birth: October 11, 2015

Agnila Dutta
Parents : Mr. Kuldeep Dutta, Sr. Principal Officer Feni Branch & Ms. Dr. Susmita Dutta
Date of Birth: December 16, 2016

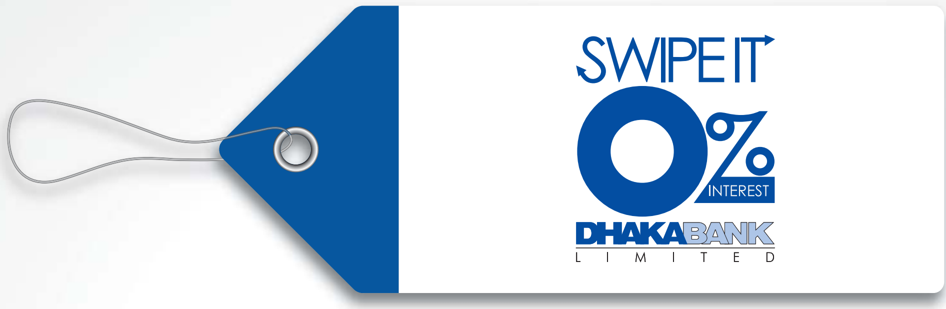
Fariz Abdullah Talha
Parents : Mr. Abu Basar Tuhin, Officer (Cash) Chatmohar Branch, Pabna & Ms. Farjana Yeasmin
Date of Birth: April 15, 2015

BRIDE GROOM

Bridegroom : Mr. Mohammed Faruk Tito, Officer, Card Business Unit, Head Office
Bride : Ms. Sharmin Sikder
Date of Wedding : October 31, 2015

Bridegroom : Mr. Razee-Ul-Ameen Assistant Vice President CPC-Credit Operations Head Office
Bride : Ms. Samia Tahseen, Senior Officer, AB Bank Limited
Date of Wedding : December 18, 2015

Bridegroom : Mr. Md. Taukibul Islam Officer & Cash In-charge Faridpur Branch
Bride : Ms. Farzana Khanom
Date of Wedding : January 08, 2016



Now you can shop as much as you want using Dhaka Bank Credit Cards.

***NO** interest will apply for 3 months, 6 months, 9 months or 1 year.

Keep shopping.

*Condition Apply

SWIPE IT service is now available with:

SONY | RANGS

TRANSCOM DIGITAL

SINGER MORE BRANDS • MORE CHOICE

electra INTERNATIONAL

Esquire Electronics Ltd

Electro Mart Limited

M.K. ELECTRONICS

ACI Electronics | Panasonic ideas for life

fdl | SAMSUNG

PARTEX FURNITURE total care

NADIA Furniture Limited

DIAMOND WORLD the art of beauty

and more...

For further details,
please call: 01922 101 050 | 01922 101 051
01755 607 335 | 01755 607 336

DHAKABANK
LIMITED
EXCELLENCE IN BANKING
www.dhakabankltd.com