



Economy Update

"Bangladesh has a healthy macroeconomic performance with a strong real GDP growth, stable inflation rate and robust foreign exchange reserves."



Market Update

"The benchmark index of Dhaka Stock Exchange (DSEX) was slightly up by 0.4% in November 2015 and it was down by 5.9% Year-to-Date as on November 30 2015."



Industry Review

"Financial Institutions contribute significantly for economic development of a country. Bangladesh is not any different; here, both Banks and Non-Bank Financial Institutions (NBFIs) perform their part to achieve the goal."

November : 2015 Issue : 26

ILGL-ILSL MONTHLY

Economy and Market Review

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Non-Bank Financial Institution in Bangladesh

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November, 2015

Editorial

Welcome to our November 2015 issue. Our vision is to establish ourselves as one of the leading Investment Banking solution providers in Bangladesh with high ethical standards and best practices. We started our first monthly publication “**ILCL Monthly Economy and Market Review**” with September, 2013 edition and seek every opportunity to make it more informative and beneficial for our readers that cover honorable business community, corporate clients and high net worth retail clients.

This edition covers **NBFIs in Bangladesh** with a snapshot over the stocks defined under the sector in prime bourse.

We are looking forward to any advice or suggestions from our readers or any other concern to make it distinguished and complete. Please do not hesitate to contact us to convey your opinion. We are also committed to the readers for any assistance or explanation over any doubt or confusion arising from our publications.

Thanking You-



Saad Faisal

Chief Operating Officer, IL Capital

ILCL-ILSL MONTHLY Economy and Market Review

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Economy Update

Bangladesh has a healthy macroeconomic performance with a strong real GDP growth, stable inflation rate and robust foreign exchange reserves. According to the International Monetary Fund (IMF), FY2016 is expected to have similar inflation and GDP growth rates to that of FY2015. The government has already taken up 7th Five Year Plan with the target of increasing employment by 20% in the manufacturing sector which will then contribute 21% in the GDP. The United Nations Conference on Trade and Development (UNCTAD) stated in their recent report that Bangladesh can graduate from the least developed countries (LDCs) list by FY2024 if it can meet at least two among the three graduation criteria - income, human asset index (HAI) and economic vulnerability index (EVI).

The country already has achieved EVI and is nearing the HAI index with the current HAI level of 63.8, to be raised to 66 by FY2016, if it is to be considered for the graduation. And economists believe that this level can be attainable by the next review of UNCTAD in FY2018. The per capita income level of the nation is the concern here, with the graduation level set at USD 1,242 per capita GNI, USD 926 is making the country fall behind from reaching the graduating threshold. Among the neighboring countries, Bhutan and Nepal have already achieved the minimum two criteria to come out of the LDCs. Currently the UN lists 48 countries as LDCs.

With the strengthening remittance, higher public sector wages and cautious policies, the Bangladesh economy will soon reflect a strong image to the neighboring countries and to the rest of the World. But there remain big challenges for the country. The recent outcry of the economists is the country's missed opportunity to be part of major free trade blocs, like the Trans-Pacific Partnership (TPP). Although LDCs get duty-free market access to developed countries, technical assistance and flexibility in international treaties, the Free Trade Agreements (FTAs) offer further more benefits. Moreover, when country like Vietnam is part of the TPP, threat to the country's RMG sector is very much obvious. Yet the RMG sector insiders are staying optimistic. With the sector's preferential market access in parts of USA and in particular countries of

Europe, the apparel sector has brought back around USD 241.37 million in FY2013-14. Garment exports grew 4.08% to USD 25.5 billion in fiscal FY2014-15, which is 42 times the amount in FY1984 and this growth trend is expected to continue in future. Countries like USA, Canada, Mexico, Peru, Malaysia, Singapore, Brunei, Vietnam, Australia, New Zealand and Japan are included in the TPP, and the immediate neighbors like India and Indonesia have already expressed their willingness to join the TPP.

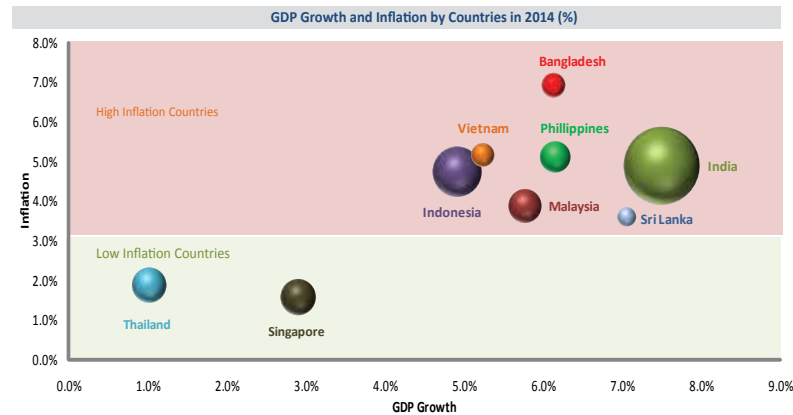
Economists around the globe expects that the future economic growth will be centered on Asia including China, India, Indonesia, Malaysia, Thailand, Vietnam, few African countries and newly emerged European countries. It is estimated that the total global annual consumption spending in fast growing markets will increase from USD 12 trillion in FY2014 to USD 63 trillion in FY2030.

Unfortunately Bangladesh still has no bilateral FTAs with any country. The Bangladesh, China, India and Myanmar Economic Corridor (BCIM EC) is still under discussion. On the other hand, Bangladesh, Bhutan, India and Nepal Motor Vehicle Agreement (BBIN MVA) has been signed in June FY2015, with the terms to pass passengers, goods and vehicles between these countries.

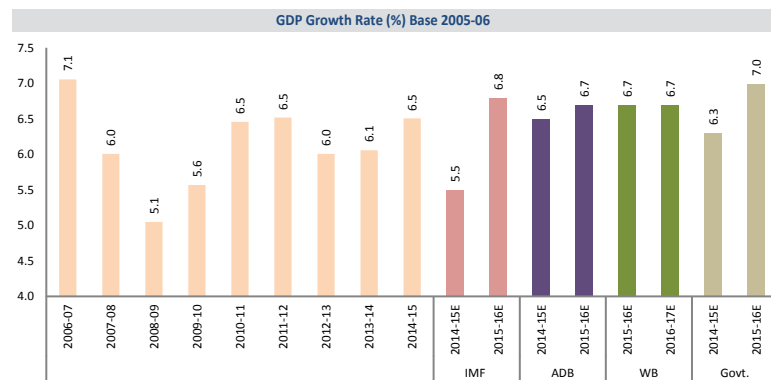
Bangladesh has yet to be part of strong Regional Trade Agreements (RTAs). The economists believe that the country will make quick progress in RTAs if the government can set standards in labour, working environment and governance situations. Already both the private and public sectors are gradually trying to incorporate good corporate ethos and green business practices, which will eventually be reflected in the anticipated thriving economy of the country.



GDP:

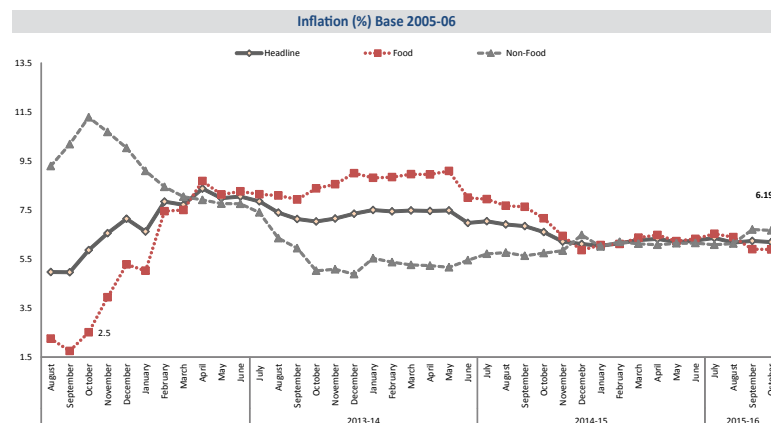


The Asian Development Bank (ADB) has projected that South Asia's GDP growth rate will be accelerated to 6.9% in FY2015 and 7.3% in FY2016 which will exceed forecast of developing Asia's. At present, regional financial and economic integration are more important than ever in this South Asian region. Implementation of new economic reform program and an East policy aimed at reshaping closer economic ties with East Asian economies. With the sluggish economy of China, world economy is dealing with an influential role of South Asian countries.



Bangladesh adopted fast economic development policy by strengthening export oriented industries. Agriculture and export oriented industries including readymade garments and frozen industries have been playing an important role to achieve the GDP growth rate. The IMF has forecasted that Bangladesh's economy will grow in current fiscal year like the previous years and the inflation will remain same as well. Government emphasized on increased public spending on cost-effective projects in power and transport infrastructure and climate change for stable positive economic growth of Bangladesh.

Inflation:

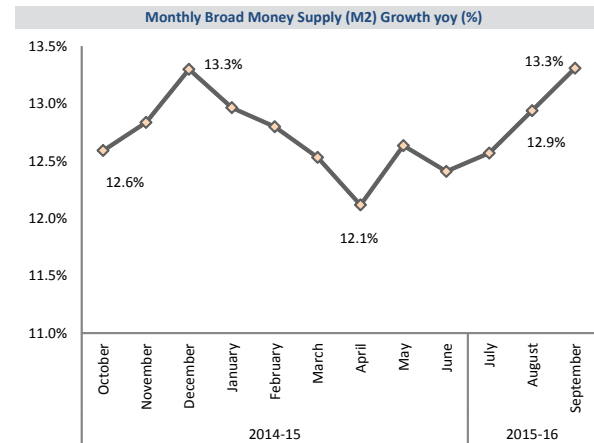
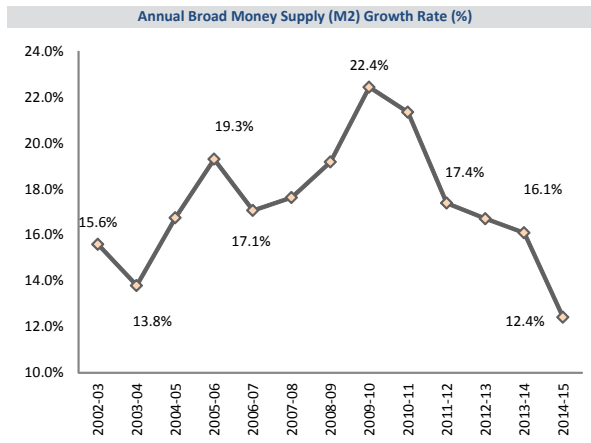


The point-to-point inflation rate experienced a moderate decreasing trend from 6.24% to 6.19% in October FY2016 because of downward trend in global commodity price including fuel. The average Y-o-Y inflation rate stood at 6.21% along with decelerated rate in food inflation and non-food inflation.

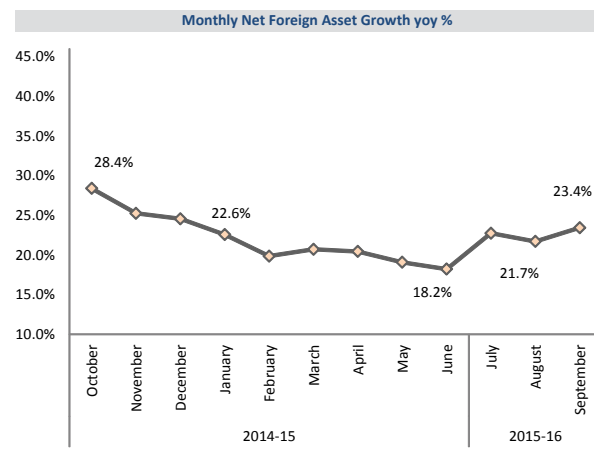
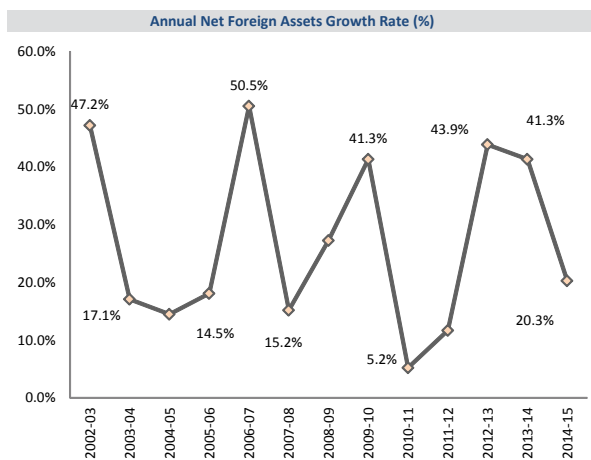
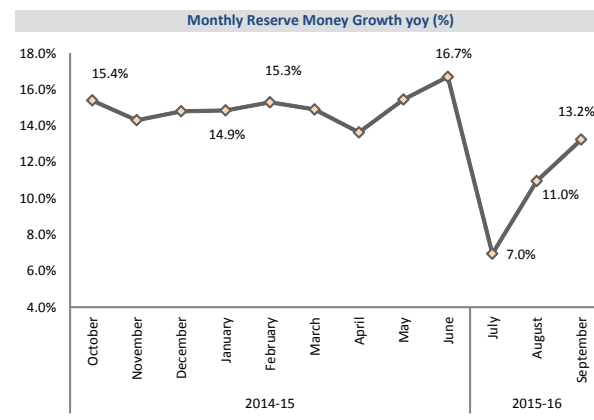
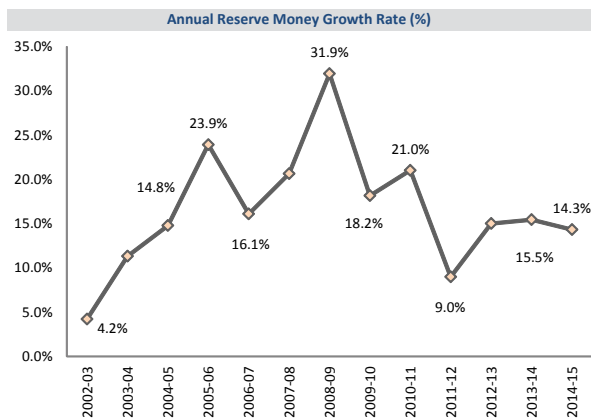
The national wage index rate witnessed a 7.11% growth in the month of October with 131.70 index.

Source: United Nation: World Economic Situation and Prospects 2015, Bangladesh Bank and IL Capital Research

Money Supply:



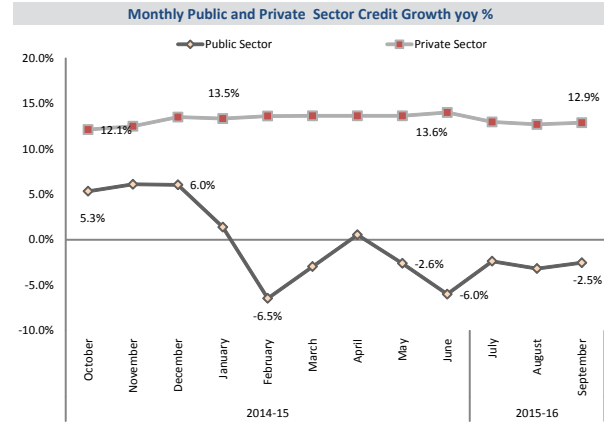
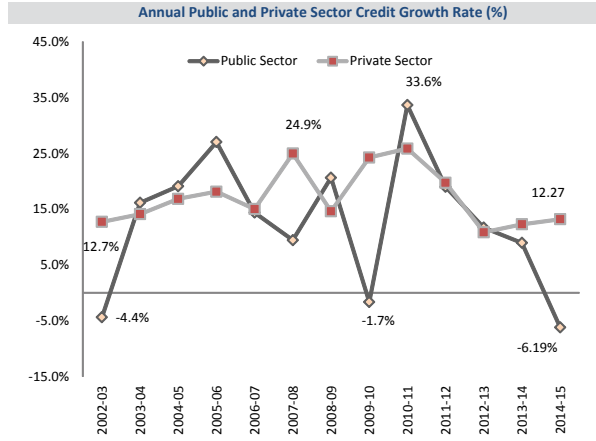
The broad money growth rate in the economy showed an upward trend with 13.3% for the month of September compared to 12.9% of the previous month of FY2016. M2 increased due to higher net foreign assets and net domestic assets that recorded 23.43% and 10.32% growth in September FY2016 respectively.



In September FY2016, reserve money recorded an increasing trend of 13.24% on a Y-o-Y basis which increased to 25.99% during the same period of the preceding year. Net foreign assets of Bangladesh Bank increased by BDT 37570.10 crore or 23% in September FY2016 for lower credit demand by the government. Net domestic assets of Bangladesh Bank decreased by BDT 18546.90 crore.

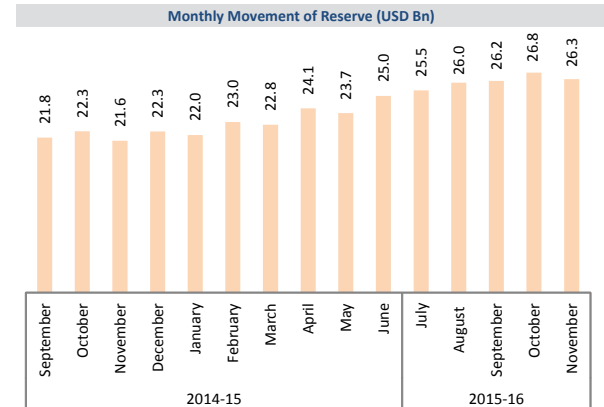
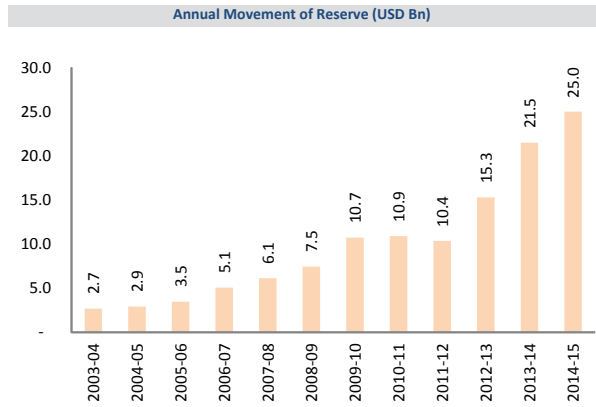
Source: Bangladesh Bank and IL Capital

Money Supply (Continued):



In spite of an improved political environment, credit growth in Bangladesh economy remained downward with 12% to 13% compared to positive growth rates in previous year of 16% to 18%. Slowdown in credit demand has pulled down banking sector's Advance/Deposit ratio below 70%. Around 90% of excess funds are now invested in treasury bills and bonds which earn less relative to commercial bank loans, eroding profitability of the sector.

Reserve:



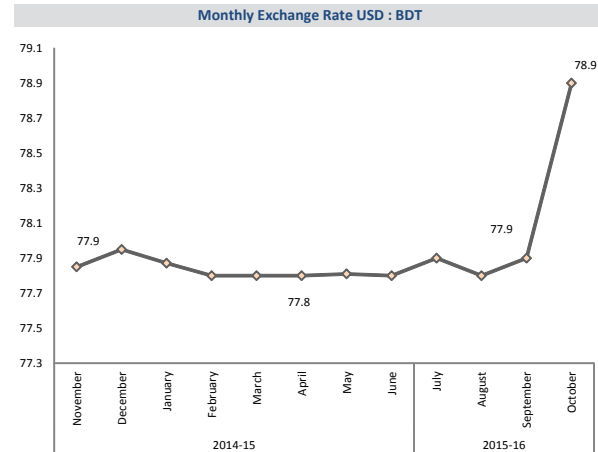
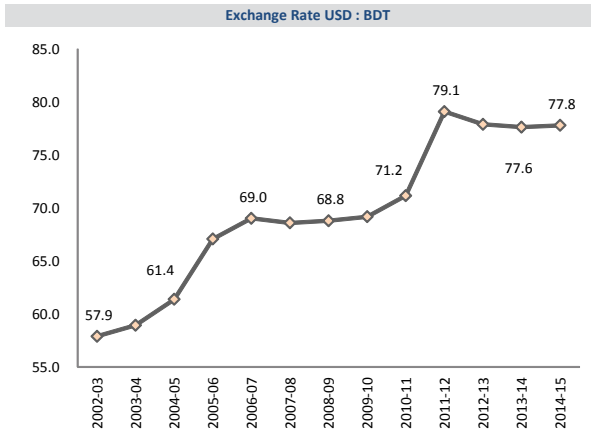
Bangladesh's foreign exchange reserves fell to USD 26.8 bn to USD 26.3 bn for the month of November FY2016. The central Bank attributed the M-o-M drop in November because of a rise in imports. The reserves are enough to cover more than seven months of imports. Garments exports and remittances from Bangladeshies working overseas are the two mainstay revenue generators for the country of 160 mn people, which have helped foreign exchange reserves to grow steadily in recent years.

Source: Bangladesh Bank and IL Capital Research

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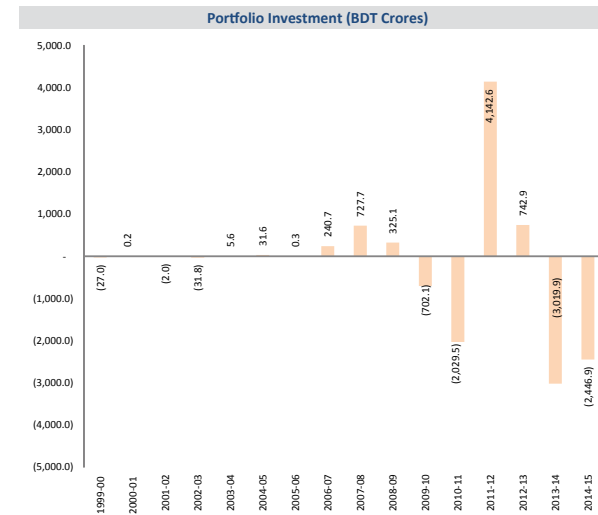
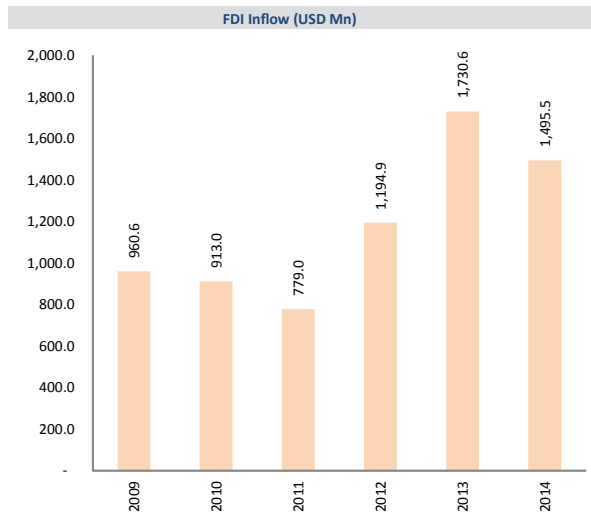
Economy and Market Review

Exchange Rate:



The domestic currency regained strength against dollar at the end of November. The inter-bank exchange rate remained high, stood at BDT 78.95 at the end of October FY2016. The price of the dollar in the kerb market has also risen at BDT 82. Because of slow export growth, negative growth in remittance and payment pressure for oil import caused fall in the exchange rate.

FDI Inflow and Portfolio Investment:

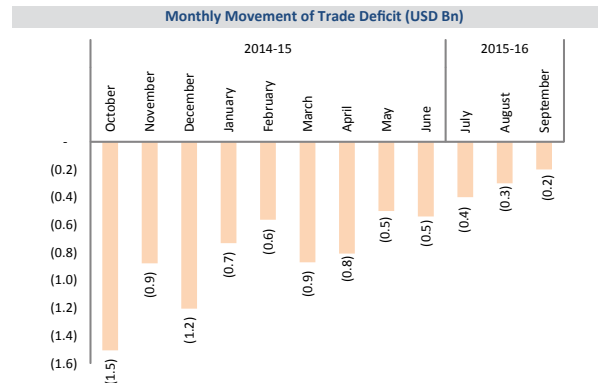
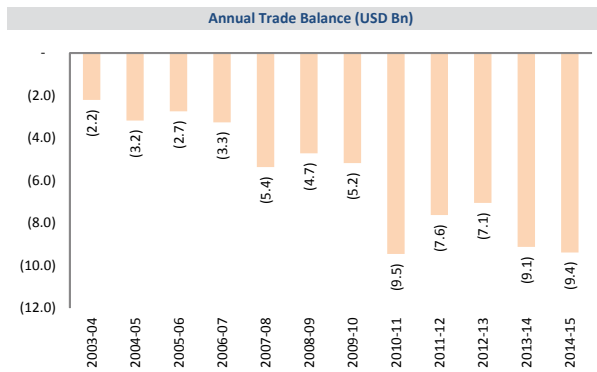


Bangladesh Bank stated that net inflow of FDI stood at USD 449 mn in the period of July –September of FY2016 compared to USD 331 mn of the same period of FY2015. This amount is 23% higher than the FDI amount of same period of FY2015. Net FDI inflow recorded at USD 1495.5 mn.

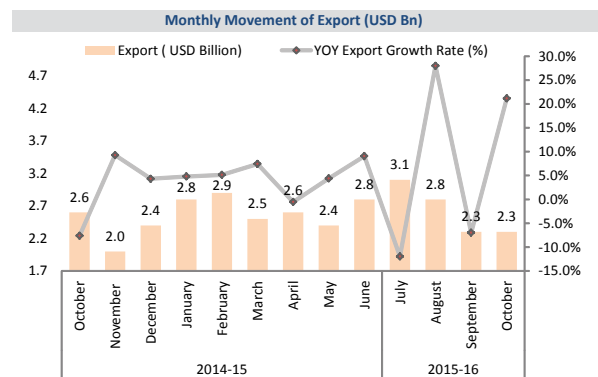
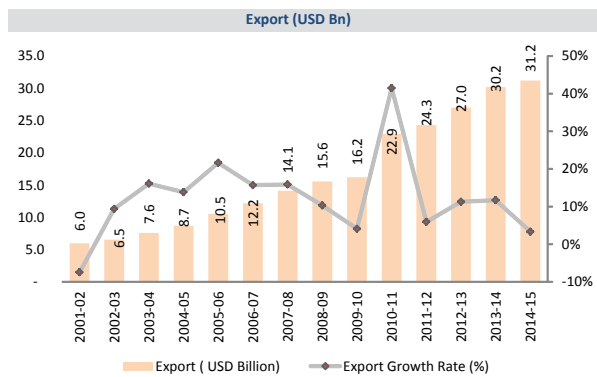
Net FDI inflow from India to Bangladesh was increased by 45.52% in the last fiscal year. FDI inflow from China was increased by 2.5 times in a last four years. FDI from China in Bangladesh is mostly concentrated to textile industries. Bangladesh has great potential for FDI and investors are interested to invest in Bangladesh in power, infrastructure, leather, pharmaceuticals and IT.

Source: Bangladesh Bank and IL Capital Research

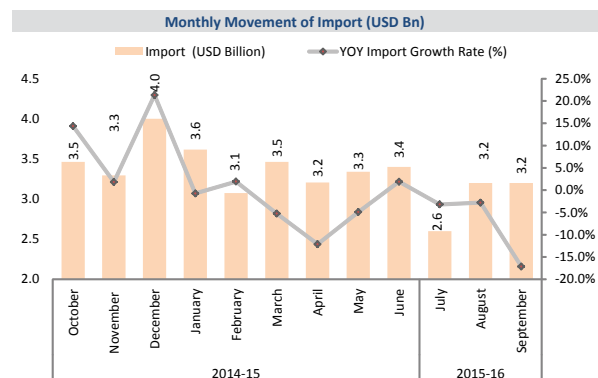
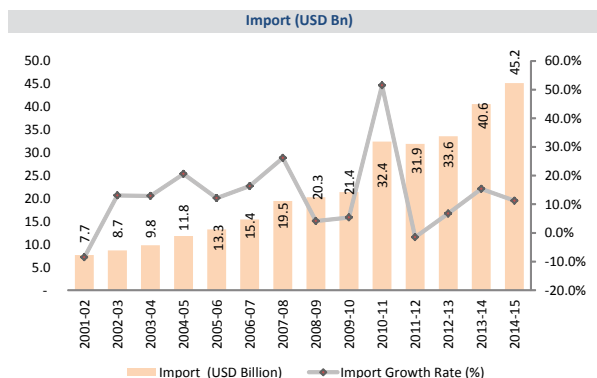
International Trade:



The country's overall trade deficit dropped by more than 37% in the first quarter of FY2016 mainly due to lower imports. The overall trade deficit came down to USD 1.5 bn during July-September period of FY2016 compared to the same period of FY2015. The current account balance got into positive vive with USD 739 mn from the negative balance of USD 293 mn of FY2015

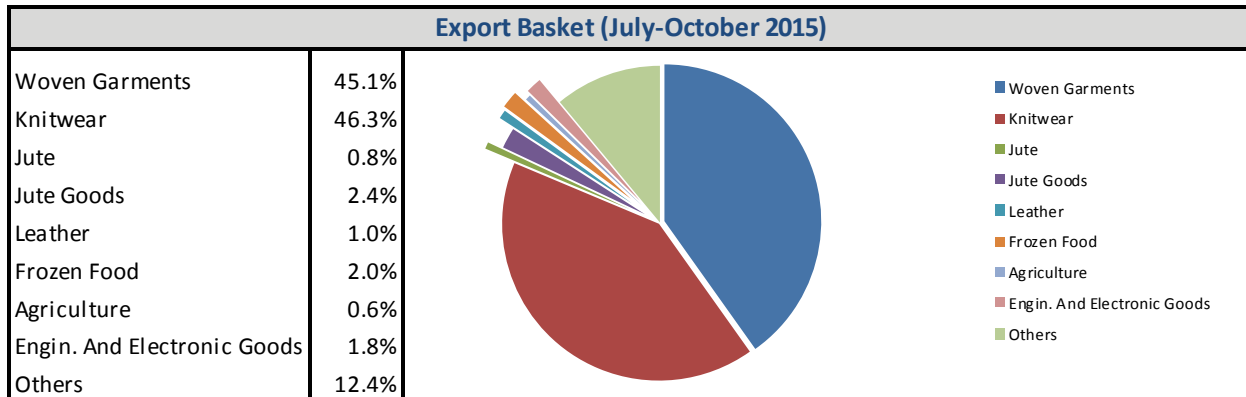


The country's overall import payments dropped to USD 9.15 bn in Q1 of FY2016 compared to the USD 10 bn for the same period of FY2015. Export earnings including export processing zones raised to USD 7.6 bn from 7.5 bn in the Q1 of FY2016. Exports from July to October, the first four months of the FY2016 increased by USD 10.13 bn from the same period of preceding year. Sales of garments, comprising knitwear and woven items, totalled USD 8.24 bn in the July-October FY2016, compared to USD 7.75 bn of FY2015.

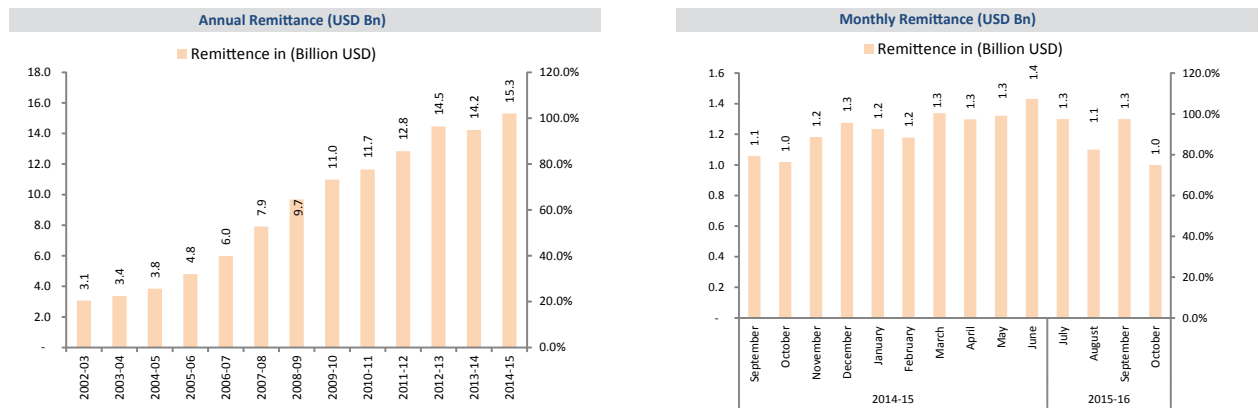


Source: Bangladesh Bank and IL Capital Research

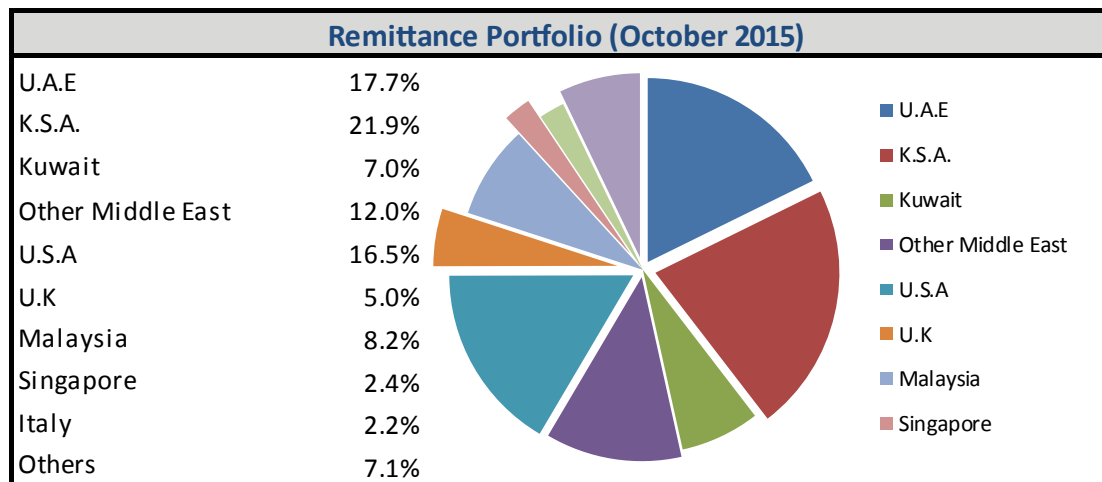
International Trade (Continued):



Remittance:

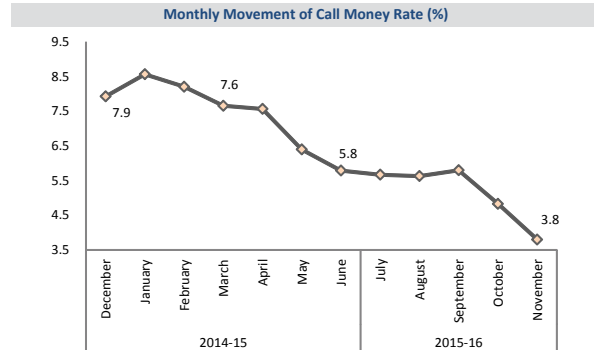
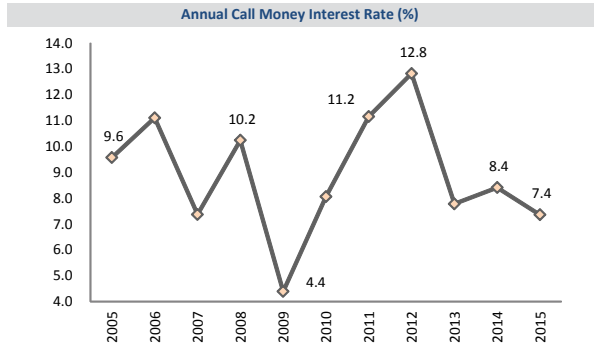


In the Q1 of FY2016, flow of inward remittance dropped by 2.44%. It stood at USD 3.88 bn in the Q1 of FY2016 from USD 3.98 bn of the same period of FY2015. On the other hand, fiscal account surplus declined to USD 798 mn in the Q1 of FY2016 from USD 1.53 bn during the same period of FY2015. Overall balance of payments (BoP) raised to USD 1.97 bn from USD 1.18 bn of the same period of FY2015. The overall BoP may increase in the coming months because of healthy position of the country's foreign exchange reserve.

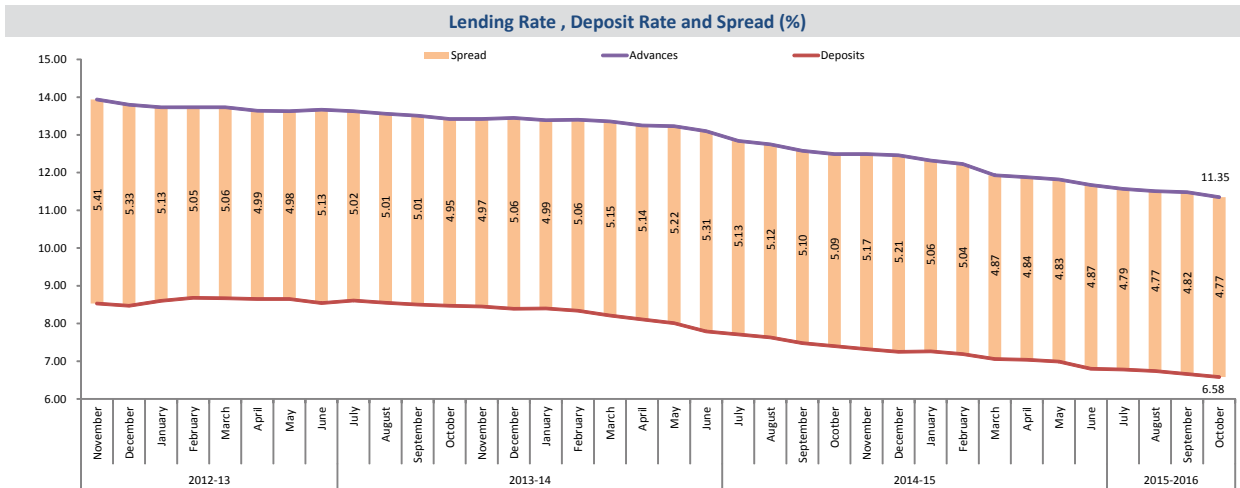


Source: Bangladesh Bank and IL Capital Research

Interest Rate:



The decreasing trend of disbursement of credit slowed down the call money rate at 3.8%. This rate is 21.32% lowered than the rate of previous month of FY2016. The spreads between the weighted average advance and weighted average deposit stood at 4.77% in the month of October FY2016 which was 4.82% in the previous month. The spread of NBFIs stood at 4.11% in September FY2016.



Source: Bangladesh Bank and IL Capital Research



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The Progressive Steel Industry

The steel industry in Bangladesh and its future opportunities are the talk of the current period. The prospects of the ship breaking sector with new technologies supported by suitable government policies are in concern. Bangladesh has China as the most preferred import destination for billets. The local mills in Bangladesh currently need 4 million tonnes billet annually. With the devaluation of the Chinese Yuan, the local growing need for raw materials and steel making technologies will eventually have a positive impact on the overall local steel industry.

Bangladesh can be considered as one of Asia's leading emerging steel markets. With the country's mega projects in progress, the demand for steel in the local market is on the rise. Already the construction of Padma Multipurpose Bridge has begun, with projects like Metro Rail/Mass Rapid Transit Line by JICA and Dhaka City Elevated Express to follow. Other projects such as the Dual Gauge Double Rail Tracks, Dhaka Underground Railway, and Deep-Sea Port at Sonadia are expected to progress in the near future.



Apart from the Government projects, the real estate sector is also dependent on the steel industry. According to the Real Estate and Housing Association of Bangladesh (REHAB), contribution of the real estate sector to the gross domestic product is around 15% with an estimated employment for 35 lakh people.

Although with the rising population of the Dhaka city the demand for housing is increasing, the real estate sector is experiencing turmoil. Sales have dropped almost 25% in recent period due to higher interest rates on loans along with fewer purchases of apartments by non-residential Bangladeshies due to slow recovering economy in the West. Bankers are also uncertain over the investment in this sector. Since all these industries are linked to each other, analysts believe that the government needs to take immediate necessary measures and make a combined effort to stabilize the turmoil in the real estate sector.



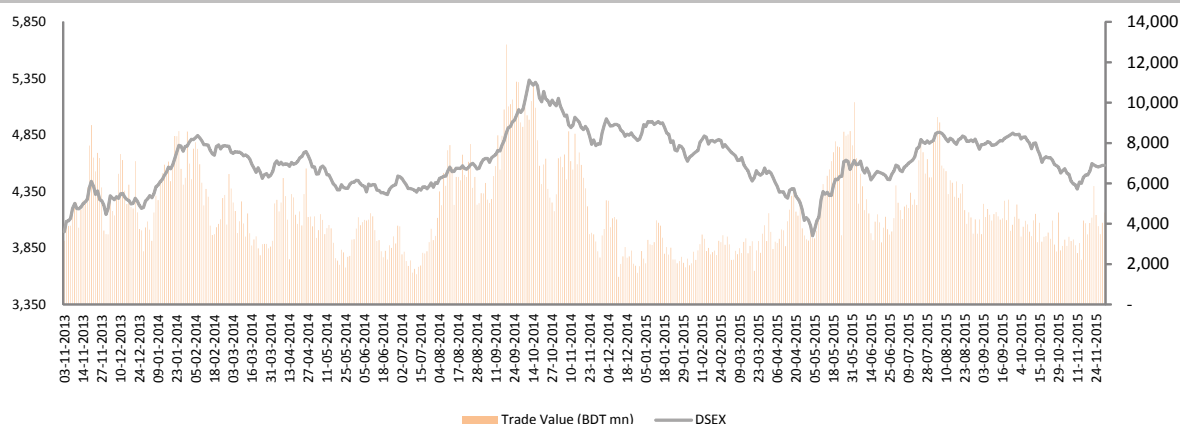
Bangladesh had roughly 1 million tonnes of steel capacity in FY2014 but this figure is expected to grow to 3 million tonnes by the end of FY2015. To maintain quality in a cost effective manner, the local steel mills have adopted backward integration system. The giants in the local steel industry have already taken required measures to expand their capacities to deliver and satisfy the upcoming need for greater output in the market.

There is a tremendous level of optimism among the industry insiders regarding the potentials of the steel industry of Bangladesh. And with the upcoming infrastructural developments under the government's focus, we can strongly assume the progression of the steel industry to be sustainable.

Market Update

- The benchmark index of Dhaka Stock Exchange (DSEX) was slightly up by 0.4% in November 2015 and it was down by 5.9% Year-to-Date as on November 30 2015.
- During the month of November 2015, Market (DSEX) witnessed mixed trend mainly driven by the down-trend in share prices of Paper and Printing, Fuel & Power, NBFi, Jute, Textile, Travel & Leisure sector and up-trend driven by Engineering, Telecommunication sector.
- The major sectors that set backed during the month of November 2015 were Paper and Printing (-9.9%), Fuel & Power (-6.6%), NBFi (-5.5%), and Jute (-5.2%).
- On the other hand, the sectors that gained was Engineering (8.5%) and Telecommunication (6.8%) in November 2015.
- Among the companies traded in the Dhaka Stock Exchange (DSE), QSMRDYCELL (44.4%), ISNLTD (33.9%) and ARAMIT (29.5%) were the top gainers in November 2015.
- On the other hand, the major loser companies in November 2015 were BANGAS (-28.0%), GEMINI-SEA (-25.0%) and ZEALBANGLA (-24.7%).
- During the month of November 2015 the average daily turnover in the public market of Dhaka Stock Exchange was up by 29.8% and it reached to BDT 6.73 bn from BDT 3.68 bn in October 2015.
- Average daily turnover of Life Insurance sector increased by (134.8%) followed by Bank (114.0%), Engineering (104.1%) in November 2015 than that of October 2015.
- However, in Dhaka Stock Exchange the average daily turnover of Travel & Leisure sector declined by 53.0% in November 2015 followed by Mutual Funds (28.8%), Miscellaneous (25.0%).
- There are sectors that have outperformed DSEX Year-To-Date namely Pharma & Chemicals by 30.7%, Food by 18.0%, Mutual Funds by 10.6% and Tannery and Footwear by 7.4% as of November 30 2015.
- On the other hand, Travel & Leisure, Telecommunication, Insurance, and Cement have underperformed DSEX Year-To-Date as of November 30 2015 by 20.6%, 19.4%, 17.8%, and 16.7% respectively.
- Market capitalization of DSE decreased by 0.05% to BDT 2.605 trillion (USD 33.39 billion) as of November 30 2015 from BDT 2.606 trillion (USD 33.40 billion) in October 30 2015.
- SIMTEX was listed in November, 2015. KDSALTD was listed in DSE in October 2015 and AMANFEED has been listed in September 2015.

DSEX and Turnover movement in DSE



Sources: DSE and IL Capital Research

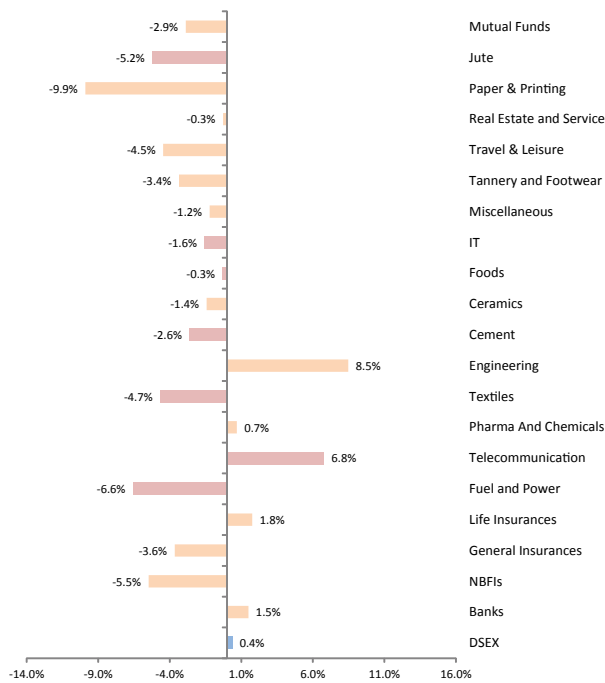
Market Capitalization of DSE

Instruments	30-Nov-15			29-Oct-15			Change (%)
	BDT mn	USD mn	Weight (%)	BDT mn	USD mn	Weight (%)	
Equity	2,574,805.2	32,997.6	98.8%	2,575,167.8	33,002.3	98.8%	0.0%
Mutual Fund	30,434.2	390.0	1.2%	31,337.7	401.6	1.2%	-2.9%
Total	2,605,239.4	33,387.7	100.0%	2,606,505.5	33,403.9	100.0%	-0.05%

Note: Exchange Rate USD 1 : BDT **78.03**

Source: DSE and IL Capital Research

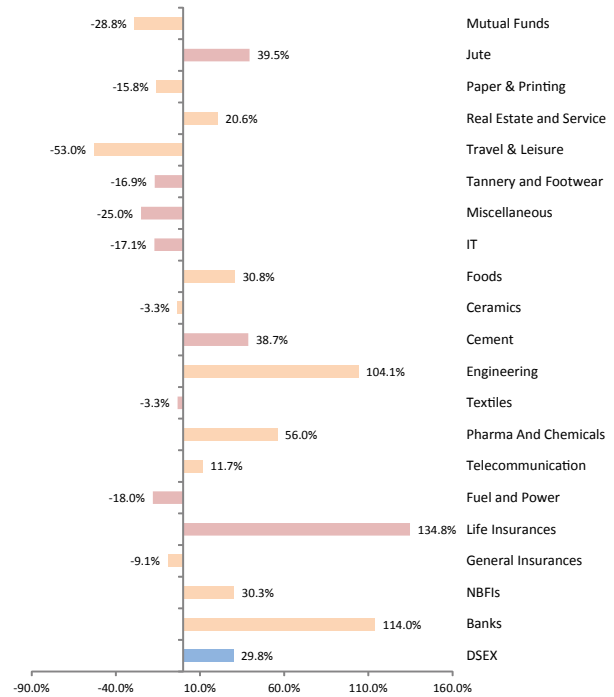
DSEX and Sectors Movement in DSE (Monthly)



Note: Sector movement considers changes in Market Capitalization of the sectors

Source: DSE and IL Capital Research

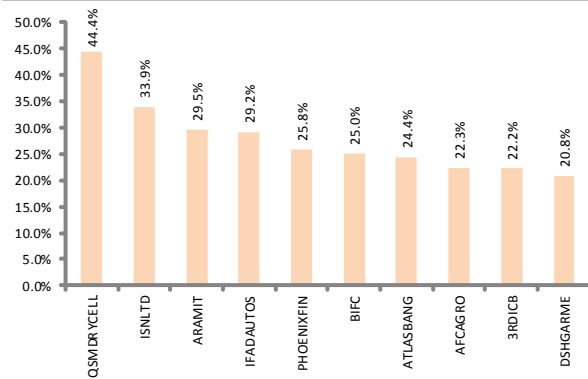
Average Turnover Movement in DSE (Monthly)



Note: Average Turnover excludes Block and Oddlot Market transaction

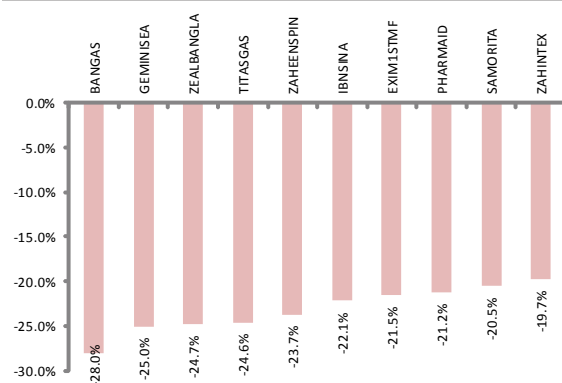
Source: DSE and IL Capital Research

Top Gainers This Month

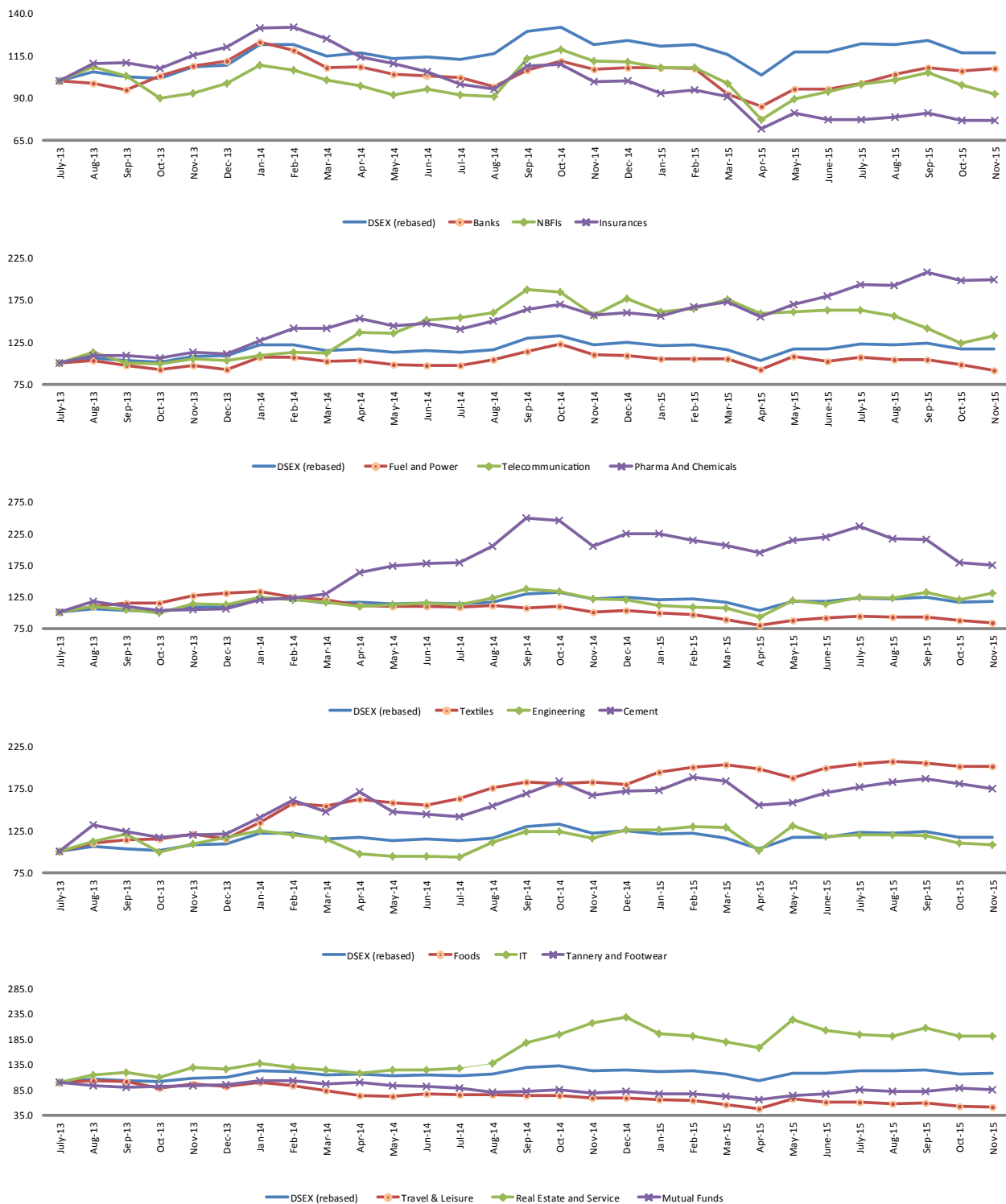


Source: DSE and IL Capital Research

Top Losers This Month



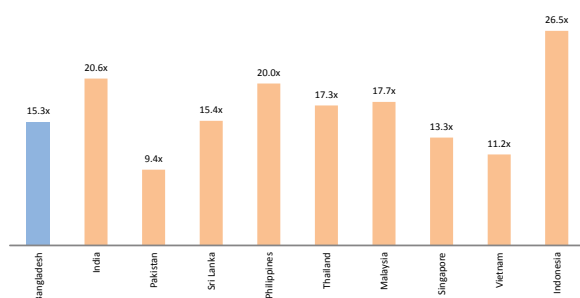
DSEX vs Sectors Movement (Base Value: 100 and Base Date: July 2013)



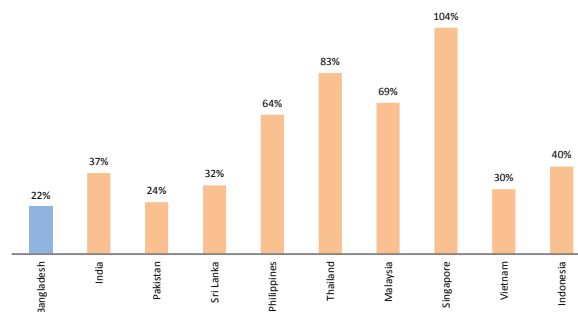
Note: The sector Indices are market capitalization weighted indices. Should you require any further clarification over index calculation methodology, please don't hesitate to contact IL Capital Research Team.

Source: DSE and IL Capital Research

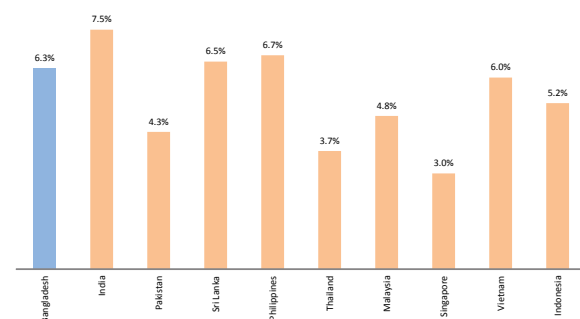
Price to Earning Ratio



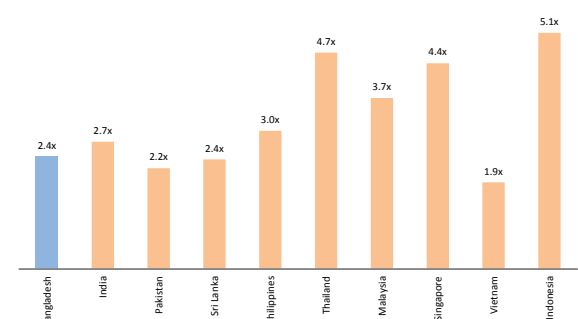
Market Cap. To GDP Ratio (%)



GDP Growth Rate in 2015 (%)



PEG Ratio (PE Ratio to GDP Groth Rate)



Sources: www.bloomberg.com, www.imf.org, knoema.com, DSE and IL Capital Research

- Stock Exchange) is trading at 15.3x PE, which is lower than that of Philippine (20.0x), India (20.6x) and Indonesia (26.5x). However, Bangladesh (DSE) is trading higher than that of Pakistan (9.4x) and Vietnam (11.2x).
- The PEG (Price Earning Growth) Ratio of Bangladesh as on November 30, 2015 is 2.4x which is lower than that of Singapore (4.4x), Malaysia (3.7x), Indonesia (5.1x) and India (2.7x). However, it is higher than that of Srilanka (2.4x) and Vietnam (1.9x).

Regional Market Comparables

Country	Index Symbol	Index Point	52-Week Low	52-Week High	PE Ratio	PEG Ratio	M. Cap (USD bn)
Bangladesh	DSEX	4,581	3.96K	5.00K	15.3x	2.4x	33.4
India	SENSEX	25,980	24.83K	30.02K	20.6x	2.7x	654.3
Pakistan	KSE100	32,423	28.65K	36.47K	9.4x	2.2x	56.3
Sri Lanka	CSEALL	6,880	6.76K	7.67K	15.4x	2.4x	20.5
Philippines	PCOMP	6,962	6.60K	8.14K	20.0x	3.0x	174.3
Thailand	SET	1,329	1.29K	1.62K	17.3x	4.7x	353.4
Malaysia	FBMKLCI	1,675	1.50K	1.87K	17.7x	3.7x	236.3
Singapore	FSSTI	2,875	2.74K	3.55K	13.3x	4.4x	280.7
Vietnam	VNINDEX	575	0.51K	0.64K	11.2x	1.9x	50.7
Indonesia	JCI	4,542	4.03K	5.52K	26.5x	5.1x	348.5

Sources: www.bloomberg.com, www.imf.org, knoema.com, DSE and IL Capital Research

We Dig Through The Bottom...



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INDUSTRY REVIEW: NON-BANK FINANCIAL INSTITUTION SECTOR OVERVIEW

Financial Institutions contribute significantly for economic development of a country. Bangladesh is not any different; here, both Banks and Non-Bank Financial Institutions (NBFIs) perform their part to achieve the goal.

NBFI sector in Bangladesh is regulated under Financial Institution Act, 1993 and Financial Institution Regulation, 1994. The main activities of NBFIs are consisted of syndicated financing, bridge financing, lease financing, securitization instruments, private placement of equity etc. NBFIs have significant contribution to country's Capital Market through its separate subsidiaries – Merchant Banks and Brokerage houses. Few NBFIs specialize in Real Estate sector financing.

Country's earliest NBFI started its journey in 1981. Since then, the sector experienced remarkable progress. At present, 31 NBFIs are functioning of which 3 are fully government owned, 18 are private domestic initiatives and 10 are joint ventures with total 198 branches. Recently, one new NBFI got approval from Bangladesh Bank.

NBFI Sector's Progression					
	2010	2011	2012	2013	2014
Govt. Owned	1	2	3	3	3
Joint-Venture	8	8	10	10	10
Private	20	20	18	18	18
Total NBFIs	29	30	31	31	31
Total Branches	108	161	169	176	198

Source: Bangladesh Bank

Since origination Bangladesh NBFI sector has gone through many transformations. The sector commenced to provide lease financing. Over time, it has diversified its business models and products. The sector is now also involved in giving term-loans and syndicated loans. Since 2006, most NBFIs are heavily involved in the capital market.

Bangladesh Bank (BB), the regulatory body, undertook several policy and regulatory measures time to time to improve the financial strength of the sector. BB has issued a guideline namely Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) to cope up with the international best practices and to make the capital of NBFIs more risks based as well as more shock resilient. Basel-II has been implemented in the NBFIs from 1 January 2012. To increase the capital base and lessen underlying risks, Bangladesh Bank had increased capital requirement in three phases.

Initially paid up capital requirement for NBFIs was BDT 100 mn which was increased to BDT 250 mn in phase one then in phase two to BDT 500 mn and finally in phase three it increased to BDT 1,000 mn (DFIM circular no: 05; 24-07-2011).

In Bangladesh, business scope of NBFIs is narrow in comparison with Banks. There are certain boundaries for the NBFIs to operate in the financial sector in Bangladesh. NBFIs cannot receive demand deposits. It also cannot issue cheques, pay-orders or demand drafts. Earlier, it could not also be involved in foreign exchange financing. However, in 2012, BB has relaxed foreign exchange regulations so that now NBFIs can provide term loans in local currency to foreign companies through authorized dealer (AD) banks.

Major sources of funds of NBFIs are Term Deposit, Credit Facility from Banks and other NBFIs, Call Money as well as Bond and Securitization. In 2013, BB eased the term deposit tenure from six months to three months (DIFM Circular no: 9, dated 01-Dec-2013) for NBFIs.

To run its business, NBFIs face tough competition from commercial banks and development financing institutions. Here banks have advantages over NBFIs; as they can obtain funds from cheaper sources. On the other side, NBFIs have to offer, in general, higher deposit rate than that of banks to attract customers as mass people prefer banks over NBFIs for deposit purpose. NBFIs have to depend on the Borrowing from other banks and NBFIs to fulfill its financing needs. This source of fund is logically costlier than deposit.

Snapshot of NBFI Sector				
	2011	2012	2013	2014
Assets (BDT bn)	276.4	326.7	435.8	520.1
Assets Growth	13.5%	18.2%	33.4%	19.3%
Liabilities (BDT bn)	219.1	267.1	349.3	424.3
Liabilities Growth	9%	22%	31%	21%
Liability-asset ratio	81	82.2	80.3	81.3
Loan/lease (BDT bn)	200	247.4	315.1	371
Loan/lease Growth	18%	24%	27%	18%
Deposit (BDT bn)	116.4	145.2	197.6	245.7
Deposit Growth	17%	25%	36%	24%
Deposit as % of Liabilities	53%	54%	57%	58%
Classified loan (BDT bn)	10.3	13.7	17.7	19.7
Classified as % of total Loan/Lease	5.15%	5.54%	6.20%	5.40%
ROE	12.1	10.2	9.2	9.9
ROA	2.5	1.9	1.8	1.8

Source: Bangladesh Bank

NBFIs in Stock Market

23 NBFIs got enlisted to Dhaka Stock Exchange (DSE) so far. This sector accounts for more than 6% of DSE market capitalization.

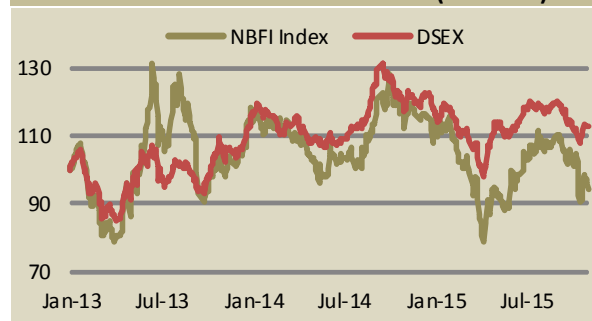
NBFI Sector in DSE	
Market Capitalization of Sector (BDT bn)	150.1
Market weight of Sector (based on Market Cap)	6%
3-month Avg Turnover (BDT mn)	202
3-month Return	-12%
NBFI Sector Trailing P/E	15
NBFI Sector Forward P/E	21
NBFI Sector P/B	1.4
No of Listed Stocks	23

Listed NBFIs at a Glance

	Weight (based on M.Cap)	Asset* (BDT mn)	Equity* (BDT mn)
BAYLEASING	1.65%	10,499	2,763
BDFINANCE	0.76%	16,334	1,615
BIFC	0.64%	12,313	1,224
DBH	8.49%	36,771	3,350
FAREASTFIN	1.01%	13,196	1,922
FASFIN	0.77%	12,503	1,555
FIRSTFIN	0.85%	9,924	1,575
GSPFINANCE	1.00%	5,660	1,637
ICB	46.49%	121,997	46,620
IDLC	10.60%	70,784	7,478
ILFSL	1.04%	23,137	1,838
IPDC	2.35%	7,708	2,394
ISLAMICFIN	1.18%	9,115	1,506
LANKABAFIN	4.55%	49,208	6,830
MIDASFIN	1.22%	6,776	902
NHFIL	1.95%	8,702	1,513
PHOENIXFIN	1.72%	19,824	2,415
PLFSL	2.64%	22,924	4,564
PREMIERLEA	0.64%	14,493	1,268
PRIMEFIN	2.09%	19,537	3,912
UNITEDFIN	2.19%	17,367	2,566
UNIONCAP	1.28%	19,826	2,408
UTTARAFIN	4.90%	30,981	5,504
	100%	559,579	107,359

Source: ILSL Research; *as of September 2015

Movement of DSEX & NBFI Index (Rebased)

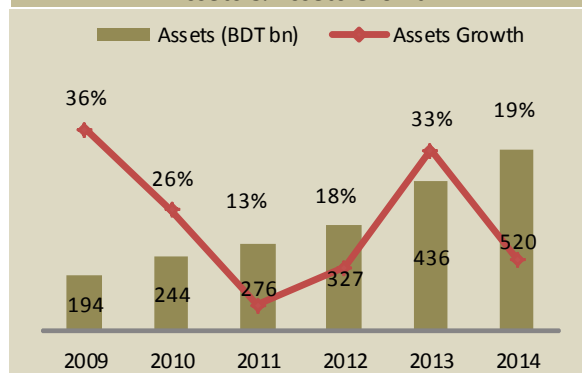


Source: DSE, ILSL Research

Assets: Loans & Advances; Investments

The asset size of the NBFI sector stood at BDT 520.1 bn in 2014 from BDT 435.8 bn in 2013 increased by 19.3%, which was BDT 326.7 bn in 2012.

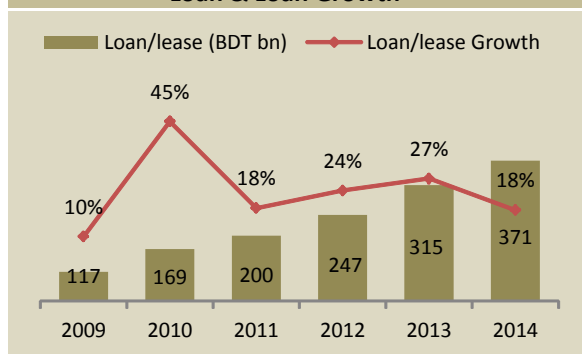
Assets & Assets Growth



Source: Bangladesh Bank, ILSL Research

Loans & Advances – Loans and advances is the major component of the NBFI's asset base consists of approximately 71% of total assets in 2014. In 2014 aggregate loan and lease was BDT 371 bn grew by 18% from 2013. Over last 5 year, Loan portfolio of the sector grew at a CAGR (Compound Annual Growth Rate) of 26%. In 2014, political turmoil created hindrance in all kinds of business activities that slowed down the overall growth rate of the sector's assets. Loan growth was 27% in 2013, which was 24% in 2012.

Loan & Loan Growth

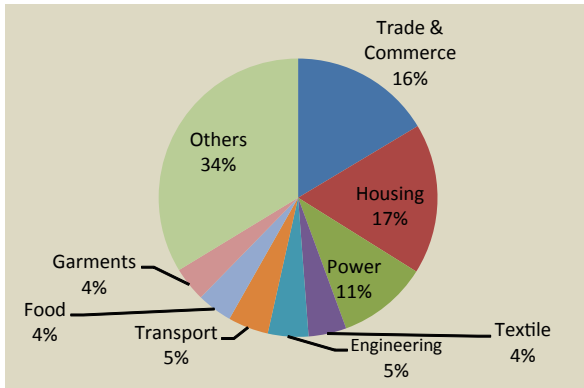


Source: Bangladesh Bank, ILSL Research

Major investments of the industry are mainly concentrated in housing sector (17.5%) that shows a 67% growth in 2014 compared to 2013 followed by trade & commerce (16.4%) and power sector (10.5%).

Source: BASIS survey

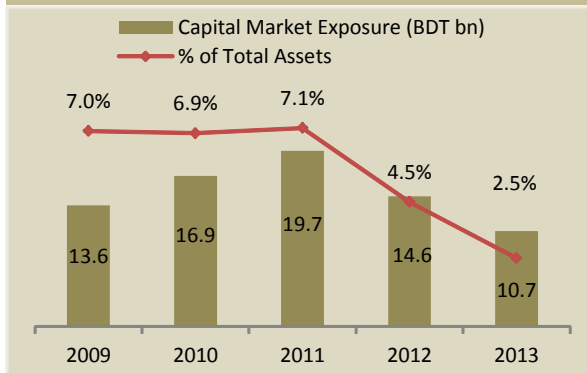
Loan Portfolio Distribution, December 2014



Source: Bangladesh Bank & ILSL Research

Investments in Capital Market – According to Financial Institutions Act, 1993, section 16, NBFIs are allowed to invest in the capital market up to 25% of its paid-up capital and reserves for the acquisition or holding of any kind of shares of financial, commercial, agricultural or industrial or of any similar institution. At the end of December 2013, total investment in capital market of the sector was BDT 10.7 bn whereas it was BDT 14.6 bn in December 2012.

Sector's Exposure in Capital Market



Source: Bangladesh Bank & ILSL Research

NBFIs extend margin loan to the clients through its capital market subsidiaries. At present margin loan ratio is 1:0.5. In September 30, 2012, BSEC issued a directive regarding margin loan ratio. In the directive, BSEC instructed the brokerage houses to limit the maximum margin loan from 1:2 to 1:0.5 in four phases within July 2014. In October 2015, the BSEC in its Directive advised the Stock Brokers not to provide loan facilities in between 1st to 30th trading day to purchase any newly listed security after listing and also any existing listed security after change of categorization.

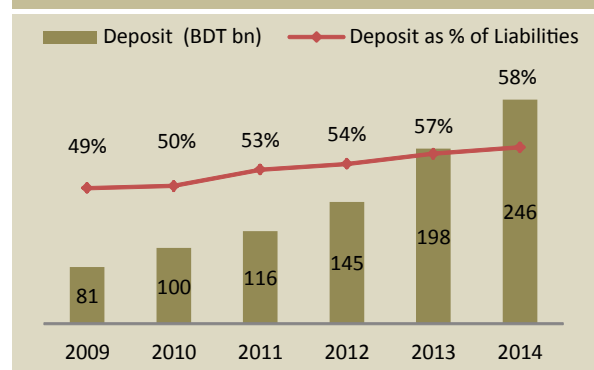
Liabilities: Deposits & Bank Borrowing

The aggregate liabilities of the industry in 2014 increased to BDT 424.3 bn from BDT 349.3 bn in 2013, showing overall increase of 21%. Major

financing source of NBFIs are term deposit and borrowing from other banks & financial institutions.

Deposits – Around 58% of total liabilities consists of deposit as of December 2014. Aggregate deposit of NBFIs sector was BDT 245.7 bn in 2014 increased by 24% from 2013. 5-year CAGR of the sector deposit was 24.9%. Previously, NBFIs were not eligible to take term deposit for less than 6-month. In 2013, BB eased the term deposit tenure from six months to three months (DIFM Circular no: 9, dated 01-Dec-2013) for NBFIs.

Deposit & Deposit as % of Liabilities



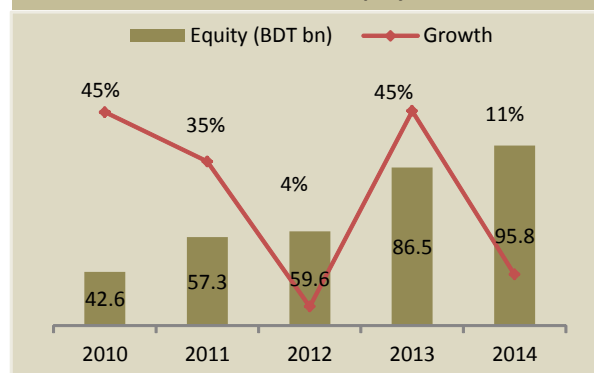
Source: Bangladesh Bank & ILSL Research

Bank Borrowing – Bank borrowings is another source of fund for the NBFIs. In 2014, 24.59% of total liabilities of the NBFIs sector came from this source. At the same period, NBFIs' bank borrowings were BDT 127.9 bn increased by 18.32% from BDT 108.1 bn in 2013.

Shareholders' Equity

Sector's aggregate equity increased to BDT 95.8 bn in 2014 compared with BDT 86.5 bn in 2013, showed a growth rate of 10.75%. To help consolidate their capital base for minimizing risks, BB increased the minimum paid-up capital requirement of the financial institutions to BDT 1.0 bn from the existing BDT 500 mn. Among the listed NBFIs all of them have complied with the rule.

Shareholders' Equity



Source: Bangladesh Bank & ILSL Research

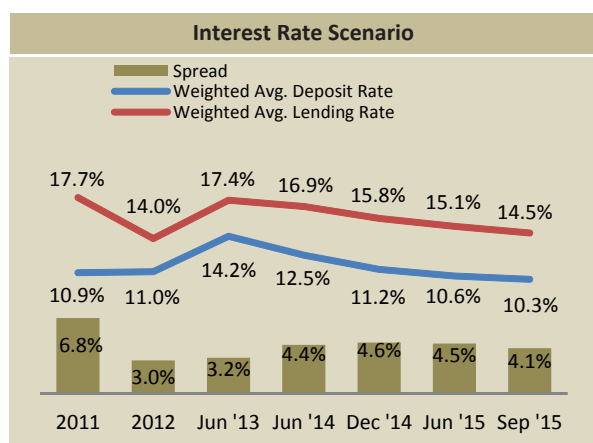
Operating Income

Operating income of the sector is mainly generated from net interest income, investment income, income from commission & brokerage and other operating income.

Operating Income & its Components					
	2010	2011	2012	2013	2014
Operating Income (BDT bn)	19.9	14.7	14.9	21.5	23.8
<i>% of Total Operating Income</i>					
Net interest Income	38%	59%	65%	77%	72%
Investment Income	36%	18%	15%	7%	5%
Commission & Brokerage	7%	3%	1%	4%	1%
Others	20%	20%	18%	12%	22%

Source: Bangladesh Bank & ILSL Research

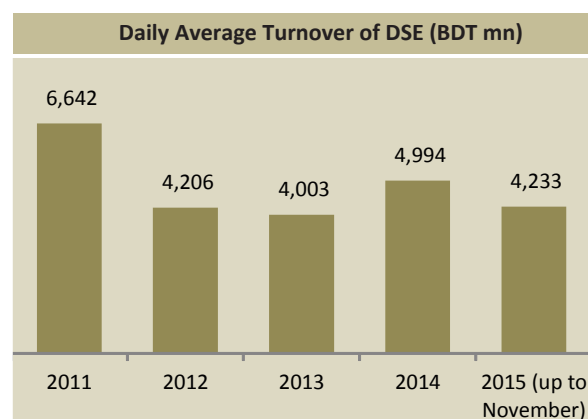
Net Interest Income – This is the prime source of operating income for NBFIs. Net interest income is generated from difference between interest income earned from interest-bearing assets and interest paid out for servicing liabilities. To promote transparency in product pricing and encourages healthy competition in the economy, BB introduced Cost of Fund Index (CoFI) for NBFIs' in 2013, (DFIM Circular No: 06, dated August 20, 2013) to track movement of cost data and serve as reference rate for floating rate loan/lease products. For this purpose, NBFIs must calculate their base rate, which is the minimum rate to lend, and report to BB.



Source: Bangladesh Bank & ILSL Research

As on 2014, net interest income of the industry was BDT 17.1 bn which was BDT 16.6 bn in CY 2013. Although interest spread declined in CY 2012 than that of CY 2011, boost in loan portfolio generated the additional net interest income.

Commission, Exchange & brokerage – Commission & Brokerage income is directly related with capital market's turnover situation. NBFIs' generate this income from its subsidiary which provides stock brokerage service, underwriting service etc. Debacle of capital market dried up this income source. In 2010, DSE's average daily turnover was BDT 16.43 bn and NBFIs reported BDT 1.3 bn as commission & brokerage income. This situation reversed later; as in 2014, DSE's average daily turnover fell down to BDT 4.99 bn and NBFIs' reported commission & brokerage income dropped to BDT 0.3 bn.

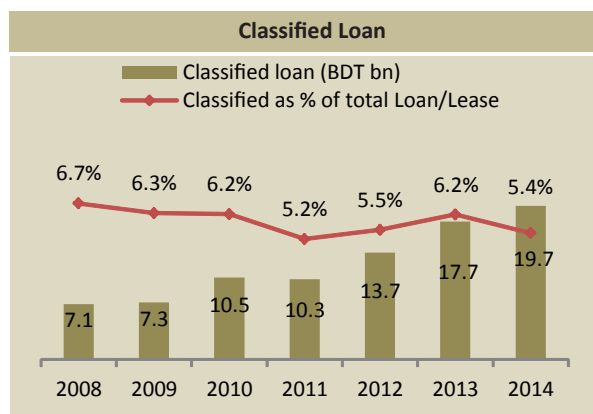


Source: DSE, ILSL Research

Investment Income – NBFIs' investment income component consists of capital gain and dividend income from capital market investment. This income can come from NBFIs own investment or from its subsidiaries' investment in capital market. The income source, by default, is volatile as it depends on country's capital market condition. As evident, in 2010 NBFIs' investment income was BDT 7.2 bn which came down to BDT 1.2 bn in 2014.

Asset Quality & Provision –

The ratio of non-performing loans/lease to total loans/lease is one of the key indicators to identify problems with asset quality in the loan portfolio. Total classified loan of all NBFIs stood at BDT 19.7 bn in December 2014 which is 5.4% of total industry loan. However, the default loan decreased to 5.4% in 2014 from 6.2% in the last year mainly due to higher increase in the total loans and leases (18%), in CY14, compared with the previous year.



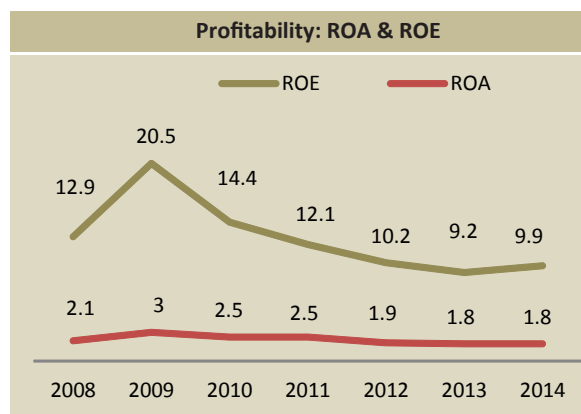
Source: Bangladesh Bank, ILSL Research

For maintaining provision against the classified loan, BSEC (Bangladesh Securities and Exchange Commission) had issued a directive allowing merchant banks and stockbrokers to keep provision of the unrealized losses against their own portfolio investments in the capital market incurred in 2012 in five installments - 20% provision in each installment. In January 2015, BB has extended the deadline by one year to December 31, 2015 for keeping the provision against the loss including 2014. According to BSEC directive, the organizations which will take the facility will not be allowed to declare any cash dividend for their shareholders. This initiative will provide room to the fellow organizations to smoothen their profitability.

Profitability: ROA & ROE

ROA (Return on Asset) and ROE (Return on Equity) measure profitability relative to asset and equity. Aggregate ROA and ROE of the NBFIs skyrocketed to 3.0 and 20.5 respectively in 2009 due to buoyant profitability resulted from bubbled capital market. Later on, that bubble busted consequently both ratios dropped to its normal level. Over time, ROA and ROE ratios plunged gradually and stood at 1.8% and 9.9% respectively in 2014 mainly because of the high borrowing costs, tightening monetary policy, poor repayment of the borrowers, lower revenue from the capital market and increasing provisioning requirements for prolonged bear-run of the capital market.

In the national budget 2015-16, the Government has decreased the corporate tax rate to 40% from 42.5% for the publicly traded Banks, Insurance and Non-Banks Financials Institutions. It may positively impact the profitability indicators in 2015.



Source: Bangladesh Bank, ILSL Research

Capital Adequacy –

Capital Adequacy Ratio (CAR) measures capital (both tier I & II) as a percentage of the risk weighted credit exposures. It helps absorb major financial risks (credit risk, market risk, interest rate risk etc.). In 2011 the NBFIs in Bangladesh were instructed under the Basel Accord to maintain a minimum of 10% Capital Adequacy Ratio (CAR) with at least 5% in core capital, which came into effect on January 1, 2012.

CAR of the NBFIs was 18.3% in 2011 (under Basel I) and 21.2% in 2014 (under Basel II), which was well in excess of the regulatory minimum requirement of 10%.

Liquidity: CRR & SLR

NBFIs are permitted to mobilize term deposits only. At present term liabilities are subject to a Statutory Liquidity Requirement (SLR) of 5% inclusive of an average 2.5% (at least 2% in each day) Cash Reserve Ratio (CRR) on bi-weekly basis. The SLR for the NBFIs operating without taking term deposit is 2.5%. The Infrastructure Development Company Limited (IDCOL), established by the Government of Bangladesh, is exempted from maintaining the SLR.

In this issue we covered four particular stocks of the NBFIs sector. These are: IDLC Finance Ltd. (DSE: IDLC), LankaBangla Finance Ltd. (DSE: LANKABAFIN), Delta Brac Housing Finance Corporation Ltd. (DSE: DBH), Investment Corporation of Bangladesh (DSE: ICB).

EQUITY INSIGHT: IDLC Finance Limited

 DSE: IDLC
BLOOMBERG: IDLC:BD

Company Overview

IDLC Finance Limited was incorporated on May 23, 1985 and commenced its operation on February 22, 1986. The firm initially started with Lease Financing as core product, later it has changed its focus to multi-product with almost equal attention in Corporate, Retail and SME sectors. Recently, it emphasized more on its SME sector. As on December 31, 2014 total customers in SME sector increased by over 14.78% to 7,619 and disbursement rose by 15.98% to BDT 12,053 mn. The group is working with 31 branches in the major cities of the country. It operates in capital market through its two fully owned subsidiaries – IDLC Investment Ltd & IDLC Securities Ltd.

As of September 2015, Company's loan portfolio was BDT 53.54 bn stating a 5 year CAGR (Compound Annual Growth Rate) of 20% and total deposit was BDT 46.94 bn with 5 year CAGR of 29%. Up to September 2015, 73% of total operating income generated from net interest income, 9% from investment income, 7% from Commission and brokerage and rest 10% from other operating income.

The firm enlisted in with DSE on March 20, 1993 and CSE on November 25, 1996. As of September 2015, around 59.66% of shares are held by Sponsors whereas 22.16% and 18.18% of shares are held by General and Institutional Investors respectively.

Investment Insight

- IDLC Finance Ltd. has established itself as market leader and is recognized as a reliable brand name in country's financial sector.
- As of September 30, 2015, the firm holds a Loan Portfolio of BDT 53.54 bn, which is the highest in size among all other sector players. During the same period, the portfolio increased by around 13.74% compared to Dec 31, 2014.
- As on Dec 31, 2014, Loan Diversification was ensured as SME sector got 32.3% of loan portfolio followed by real estate finance (29.6%) and industrial loan (20.0%).
- Interest rate Spread (difference between lending rate and borrowing rate), on an average, has increased to 4.7% up to September 2015 compared to last year interest rate spread (3.3%).
- In September 2015, IDLC has obtained consent from BSEC for issuing 'IDLC Infrastructure & SME Zero Coupon Bond' amounting to BDT 5,000 mn through private placement in different phases, for the tenure ranging from 3 to 7 years to meet its ongoing financing requirements. The Board has also applied for Rights shares 1R:2 (i.e. 1 Rights share for every 2 Ordinary shares held) at an issue price of Tk. 20.00 each (including a premium of Tk. 10.00 per share), which is yet to get permission from BSEC.
- The Company has decided to set up a wholly-owned subsidiary Company for establishing an Asset Management Company (AMC). This will diversify the company's existing line of business.
- Non-performing loan (NPL) of the company increased to 2.02% in 2014 than the last year (1.63%). However, it is one of the lowest in the industry.

- Most of the classified loans of IDLC are concentrated to 'Bad/Loss' segment for which it has to maintain 100% provision. In 2014, 'Bad/Loss' loan was 47.26% of total classified loan, which was 14.69% in 2013.

Company Fundamentals

Market Cap (BDT mn)	15,735.6
Market weight	0.6%
No. of Share Outstanding (in mn)	251.4
Free-float (Public+Inst.)	39.5%
Paid-up Capital (BDT mn)	2513.7
3 Months Average Turnover (BDT mn)	44.1
3 Months Return	5.4%
Current Price (BDT)	62.6
52-week price range (BDT)	41.0–84.7
Sector Forward P/E	20.9

	2012	2013	2014	2015 (9M Ann)
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Financial Information (BDT mn):

Operating Income	2,403	2,763	3,658	4,532
Profit After Tax	713	669	1,246	1,534
Equity	4,693	5,363	6,528	7,478
Deposit	22,999	30,187	36,595	46,943
Loans and Advances	32,595	40,941	47,069	53,537
Total Asset	37,784	50,429	58,927	70,784
Div. % (C/B)	-/30	5/25	10/25	-/

Margin:

Operating Profit	56.0%	55.0%	60.0%	64.4%
Net Profit	29.7%	24.2%	34.1%	33.9%

Growth:

Loans & Advances	23.7%	25.6%	15.0%	13.7%
Deposits	30.4%	31.3%	21.2%	28.3%
Equity	17.9%	14.3%	21.7%	14.5%
Operating Income	11.3%	14.9%	32.4%	23.9%
Net Profit	42.5%	-6.1%	86.0%	23.2%

Financial Indicators:

Credit/Deposit	1.4	1.4	1.3	1.1
Asset/Equity	8.1	9.4	9	9.5
Capital Adequacy Ratio	13.9%	15.4%	14.5%	--
NPL	2.1%	1.6%	2.0%	--
Cost to Income	44.0%	45.0%	40.0%	35.6%

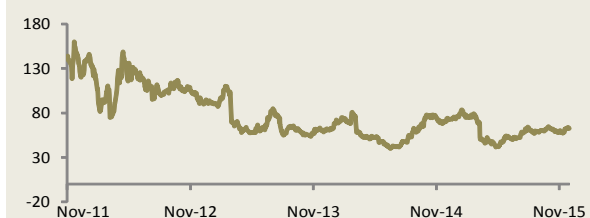
Profitability:

ROA	2.1%	1.5%	2.3%	2.4%
ROE	16.4%	13.3%	20.9%	21.9%

Valuation:

Price/Earnings	20.7	18.9	15.1	10.3
Price/BV	3.2	2.8	2.3	2.1
EPS (BDT)	2.9	4	4.9	6.1
NAVPS (BDT)	29.2	26.7	32.5	29.7

Price Movement (BDT) Since Listing



Source: Annual Reports, DSE website, CSE website, the Financial Express, the Daily Star, ILSL Research and IDLC website

EQUITY INSIGHT: LankaBangla Finance Limited
**DSE: LANKABAFIN
BLOOMBERG: LBF:BD**
Company Overview

LankaBangla Finance Limited was incorporated and commenced its operation on November 05, 1996. The principal activities of the Company are providing integrated financial services including corporate financial services, retail financial services, SME financial services, stock broking, corporate advisory and wealth management services. The company is a primary dealer of government securities since November 2009. It is the lone financial institution to operate credit card (MasterCard and VISA) and also provide third party card processing services to different banks in Bangladesh. The firm conducts its operation with 24 branches (including subsidiaries').

As per 2014 Annual Report, Company's loan portfolio was BDT 30.39 bn stating a 5-year CAGR (Compound Annual Growth Rate) of 30.40% and total deposit was BDT 16.68 bn with 5-year CAGR of 30.35%. Up to 9 months of 2015, 40.56% of total operating income generated from net interest income, 23.81% from Commission and brokerage, 19.41% from investment income and rest 16.22% from other operating income.

The Company displayed its strong presence in capital market through three subsidiaries – LankaBangla Investment Ltd. (99%), LankaBangla Securities Ltd. (90%) and LankaBangla Asset Management Company Ltd. (99%).

The firm enlisted with DSE on October 17, 2006 and CSE on October 31, 2006. As of October 2015, around 38.56% of shares are held by Sponsors and 30.90% of shares by General Investors, 28.69% shares by Institutional Investors and 1.85% are held by Foreign Investors.

Investment Insight

- LankaBangla Finance Ltd. has successfully established its brand name in Country's financial sector. Moreover, LankaBangla Securities Ltd., one of its subsidiaries, maintained constantly the top position as the most active brokerage house in DSE & CSE.
- In September 2015, the Company has reported around 33.39% growth in its loan portfolio compared over December 2014.
- As on 30 Sep 2015, the company obtained around 72% of financing from Deposits and 28% came from borrowing from other banks & NBFIs which is less costly means of financing compared to bank's borrowing.
- As on December 2014, 5.08% of total loan of the company was considered as Non-Performing Loan whereas the industry average NPL was 5.3% at the same time; increased by 4.96% from 4.84% over last year. In 2012, it was 3.96%.
- Around 45% of its operating income is dependent on capital market condition (Commission and brokerage & investment income) which is volatile in nature.
- Net profit after tax of the company is in declining trend because of the increased cost to income ratio and huge provisioning.
- Most of the classified loans are concentrated to 'Bad/Loss' segment for which it has to maintain 100% provision. In 2014, 'Bad/Loss' loan was 55% of total classified loan.

Company Fundamentals

Market Cap (BDT mn)	6,713.9
Market weight	0.3%
No. of Share Outstanding (in mn)	240.6
Free-float	61.4%
Paid-up Capital (BDT mn)	2,406.4
3 Months Average Turnover (BDT mn)	24.3
3 Months Return	0.4%
Current Price (BDT)	27.9
52-week price range (BDT)	22.6 – 48.0
Sector Forward P/E	20.9

	2012	2013	2014	2015 (9M, Ann)
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Financial Information (BDT mn):

Operating Income	1,390	2,218	2,067	2,424
Profit After Tax	348	955	454	155
Equity	6,667	7,029	7,131	7,013
Deposit	7,616	10,827	16,683	26,866
Loans and Advances	18,702	24,841	30,396	40,545
Total Asset	25,337	32,065	39,129	49,208
Div. % (C/B)	-/10	15/5	10/10	-/

Margin:

Operating Profit	42.9%	59.8%	37.8%	38.1%
Net Profit	25.0%	43.0%	22.0%	6.4%

Growth:

Loans & Advances	20.5%	32.8%	22.4%	33.4%
Deposits	43.4%	42.2%	54.1%	61.0%
Equity	9.5%	5.4%	1.5%	-1.7%
Operating Income	-31.0%	59.6%	-6.8%	17.2%
Net Profit	-59.5%	174.3%	-52.4%	-65.9%

Financial Indicators:

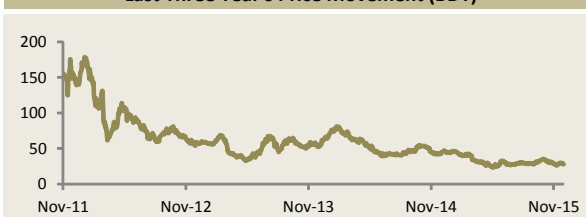
Credit/Deposit	2.5	2.3	1.8	1.5
Asset/Equity	3.8	4.6	5.5	7
Capital Adequacy	19.6%	20.8%	17.3%	--
NPL	3.9%	4.8%	5.1%	--
Cost to Income	57.1%	40.2%	62.2%	61.9%

Profitability:

ROA	1.5%	3.3%	1.3%	0.4%
ROE	5.5%	13.9%	6.4%	2.2%

Valuation:

Price/Earnings	37.6	15.3	23.9	43.4
Price/BV	1	0.9	0.9	0.9
EPS (BDT)	1.8	4.6	2	0.6
NAVPS (BDT)	34.2	32.8	31.6	29.1

Last Three Year's Price Movement (BDT)


Source: Annual Reports, DSE Website, CSE Website, the Financial Express, the Daily Star, ILSL Research and LankaBangla website

EQUITY INSIGHT: Investment Corporation of Bangladesh

 DSE: ICB
BLOOMBERG: ICB:BD

Company Overview

The Investment Corporation of Bangladesh (ICB) was established under Investment Corporation of Bangladesh Ordinance (No:XL) in 1976. The principal activities of the Company are to provide various kinds of Investment Banking Services, providing advance against ICB Unit Certificates & ICB Mutual Fund Certificates, Lease Financing, Management of existing Unit Fund and Mutual Funds as well as Operating Investors' Accounts, issuing Bank Guarantee and Consumer Credit Scheme etc. ICB pioneered the mutual fund industry in Bangladesh. Bangladesh Fund, a special purpose open-end growth fund, has been sponsored by the ICB with other state owned banks and financial institutions with a view to stabilize and develop the capital market of the country.

As per 2015-16 1st quarter unaudited financial statements, company's loan portfolio was BDT 18.99 bn stating a 5-year CAGR (Compound Annual Growth Rate) of 8.35% and total deposit was BDT 52.86 bn with 5-year CAGR of 18.31%. Up to 3 months of 2015-16, net negative interest income was BDT 862.89 mn which was 870.45 mn in the same period of the previous year. At the same time, 35.82% of total operating income generated from interest income, 58.86% from dividend income, 83.65% from capital gain and 36.46% from commission and service charges.

The company has three subsidiary companies. ICB Asset Management Company Limited, ICB capital Management Limited and ICB Securities Trading Company Limited.

The company enlisted with DSE in 1977 and CSE in 1995. As of November 2015, around 69.81% shares of the company are held by Sponsors, 27% of shares are held by Government whereas 1.58% of shares by Institutional Investors and 1.61% are held by General Investors.

Investment Insight

- In June 2015, total loans and advances of the company increased by 5.22% than last year to BDT 18.91 bn.
- The company is giving attractive cash dividends over the years.
- The company maintained higher Capital Adequacy Ratio (29.68% in 2014) than required (10.0%).
- Net interest margin of the company remained negative since last few years, which is alarming for the long-term sustainability of the going concern.
- As of September 2015, 67.78% of the company's total loan is consisting of margin loan for capital market investment which is volatile in nature.
- As of September 2015, the company's investment in marketable securities is BDT 79.37 bn which is 65.07% of total assets.
- Up to 1st quarter of 2015-16, net profit of the company has decreased by 52.35% from the same period of the previous year because of decreasing total operating income (26.42%) and increasing in provision against loans and advances (169%).
- As of June 2014, NPL (classified loan to total loan) of the company has increased to 22.41%, which was 18.9% in last year where the industry average was 5.4%.

Company Fundamentals

Market Cap (BDT mn)	69,799.2
Market weight	2.6%
No. of Share Outstanding (in mn)	632.8
Free-float (Public +Inst.)	73.0%
Paid-up Capital (BDT mn)	6,328.1
3 Months Average Turnover (BDT mn)	10.3
3 Months Return	-19.4%
Current Price (BDT)	110.3
52-week price range (BDT)	90.5 – 143.5
Sector Forward P/E	20.9

	2012-13	2013-14	2014-15 (9M Ann.)*	2015-16 (3M Ann.)
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Financial Information (BDT mn):

Operating Income	4,922	5,822	4,288	4,354
Profit After Tax	3,289	3,606	4,394*	1,893
Equity	25,639	30,829	43,791*	46,620
Deposit	34,884	43,528	50,197*	52,866
Loans and Advanc	17,455	17,974	18,912*	18,991
Total Asset	77,929	95,343	111,940*	121,997
Div. % (C/B)	40/-	45/-	35/-	-/-

Margin:

Operating Profit	86.6%	86.8%	79.6%	80.0%
Net Profit	66.8%	61.9%	51.5%	43.5%

Growth:

Loans & Advances	17.5%	3.0%	5.2%	2.3%
Deposits	41.9%	24.8%	15.3%	25.1%
Equity	-1.3%	20.2%	42.0%	14.5%
Operating Income	-22.0%	18.3%	-26.3%	1.5%
Net Profit	-28.9%	9.6%	21.8%	-56.9%

Financial Indicators:

Credit/Deposit	0.5	0.4	0.4	0.4
Asset/Equity	3	3.1	2.6	2.6
Capital Adequacy	32.6%	29.7%	--	--
NPL	18.9%	22.4%	--	--
Cost to Income	15.1%	14.0%	20.5%	20.0%

Profitability:

ROA	4.7%	4.2%	4.2%	1.6%
ROE	12.7%	12.8%	11.8%	4.3%

Valuation:

Price/Earnings	20.1	22.1	15.9	36.9
Price/BV	2.7	2.2	1.6	1.5
EPS (BDT)	8.9	8.5	7.7*	3
NAVPS (BDT)	60.8	73.1	69.2*	73.7

**The Annual Report for the year ended on June 2015 is yet to be published;
*Data from the Company's dividend declarations and 1st quarter financial statements.

Price Movement (BDT) Since Listing



Source: Annual Reports, DSE website, CSE website, the Financial Express, the Daily Star, ILSL Research and ICB website

EQUITY INSIGHT: Delta Brac Housing Finance Corporation Limited

DSE: DBH
BLOOMBERG: DBHF:BD

Company Overview

Delta Brac Housing Finance Corporation Limited (DBH) was incorporated on May 11, 1996 and commenced its operation on early 1997. The core business activities of DBH is mainly comprised of home loan operations - construction of houses, purchases of flats and housing plots, extension and improvement of houses etc. The company also provides services for purchase, sale and transfer of real estate assets. They offer various deposit schemes like monthly deposit, quarterly deposit, profit deposit etc. The Company has total six branches of which three are in Dhaka, one is in Chittagong and another is in Sylhet.

As per 2014-15 Annual Report, the company's loan portfolio was BDT 29.29 bn stating a 5 year CAGR (Compound Annual Growth Rate) of 6.5% and total deposit was BDT 24.70 bn with 5 year CAGR of 14.0%. As on September 2015, around 79% of financing originated from Deposits and 21% came from borrowing from other banks & NBFIs. Up to 3 months of 2015-16, 89.0% of total operating income generated from net interest income, 6.19% from Commission and brokerage, 3.38% from investment income and rest 1.44% from other operating income.

The firm got enlisted in DSE and CSE in 2008. As of November 2015, around 75.77% of shares are held by Sponsors whereas foreign Investors, institutional investors and general investors held 13.77%, 7.50% and 2.97% of shares respectively.

Investment Insight

- The company has a steady growth in its loans and advances over the years. In June 2015, loans and advances of the company increased by 8% over last year to BDT 29.25 bn.
- The Company achieved highest credit rating award (AAA for long term and ST-1 for short term) from CRAB (Credit Rating Agency of Bangladesh Ltd.) for nine consecutive years which reflects good financial strength of the firm.
- DBH showed excellent performance regarding its Non-Performing Loan (NPL) over the years. In 2014-15, NPL was BDT 87.68 mn which was only 0.30% of total loan portfolio whereas industry average was 5.3% in December 2014.
- The firm offered attractive dividend over the years to its investors.
- The Company's loan portfolio is not diversified. As on 30 June 2015, around 98.51% of its total loan was confined on real estate sector. Therefore, any setback in real estate industry will affect its earnings.
- Currently, the firm is running at P/B ratio of 3.7 which is quite higher than that of sector's (1.4).
- Interest rate Spread (difference between lending rate and borrowing rate), on an average, has decreased to 4.4% up to June 2015 compared to last year interest rate spread (5.6%).

Company Fundamentals

Market Cap (BDT mn)	12,312.8
Market weight	0.5%
No. of Share Outstanding (in mn)	116.0
Free-float	24.2%
Paid-up Capital (BDT mn)	1,160.0
3 Months Average Turnover (BDT mn)	10.9
3 Months Return	5.2%
Current Price (BDT)	106.1
52-week price range (BDT)	64.8 – 118.5
Sector Forward P/E	20.9

	2012-13	2013-14	2014-15	2015-16 (Q 1 Ann.)
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Financial Information (BDT mn):				
Operating Income	1,417	1,703	1,784	1,837
Profit After Tax	528	607	685	715
Equity	2,569	2,776	3,171	3,350
Deposit	19,540	21,550	24,703	25,661
Loans and Advances	25,267	27,087	29,248	29,640
Total Asset	33,004	33,945	35,686	36,771
Div. % (C/B)	25/-	25/-	30/-	-/-

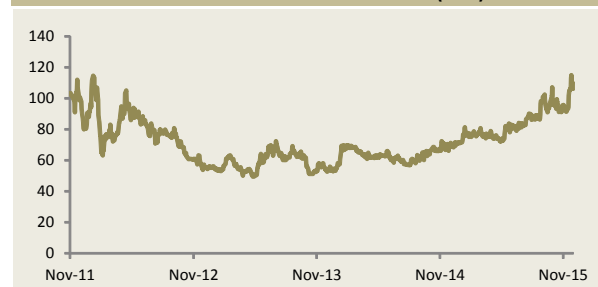
Margin:				
Operating Profit	79.9%	81.9%	80.6%	78.4%
Net Profit	37.3%	35.7%	38.4%	38.9%

Growth:				
Loans & Advances	5.1%	7.2%	8.0%	1.3%
Deposits	24.1%	10.3%	14.6%	3.9%
Equity	19.4%	8.1%	14.2%	5.6%
Operating Income	25.5%	20.2%	4.7%	3.0%
Net Profit	30.7%	14.9%	12.8%	4.4%

Financial Indicators:				
Credit/Deposit	1.3	1.3	1.2	1.2
Asset/Equity	12.8	12.2	11.3	11
Capital Adequacy	15.7%	15.6%	17.4%	–
NPL	0.2%	0.2%	0.3%	–
Cost to Income	20.0%	18.0%	19.0%	22.0%

Profitability:				
ROA	1.7%	1.8%	2.0%	2.0%
ROE	22.4%	22.7%	23.0%	21.9%

Valuation:				
Price/Earnings	14.8	12	13.8	17.2
Price/BV	4.8	4.4	3.9	3.7
EPS (BDT)	4.5	5.2	5.9	6.2
NAVPS (BDT)	20.3	21.3	23.9	28.9

Last Three Year's Price Movement (BDT)


Source: Annual Reports, DSE Website, CSE Website, the Financial Express, the Daily Star, ILSL Research, REHAB and DBH website

Mutual Fund : Monthly Update

Performance of Mutual Funds

Mutual Fund Sector of DSE posted 1.66% loss over the month (29 October - 26 November, 2015), while the prime index of the bourse, DSEX, increased by 0.2%. Price of 16 Mutual Funds increase, 4 Mutual Funds remain unchanged and 21 Mutual Funds decreased over the period. On the other hand, NAV @ Market Price of 18 Mutual Funds increased, 3 Mutual Funds remain unchanged and 20 Mutual Funds decreased. Out of 41 Mutual Funds, 36 were traded below their respective NAV. PHPMF1 Mutual Fund had the lowest Price/NAV ratio (40.2%) whereas 2NDICB was traded at highest Price/NAV ratio (126.4%). Price of 3RDICB Mutual Fund increased by 21.8% against decrease in NAV by 5.3%.

Name of Fund	NAV Per Unit @		Price 26 Nov, 2015	Close Price/ NAV per Unit	% Change in NAV	% Change in Price	52-Week Price Range	Avg Monthly Turnover (BDT mn)	Year of Redemption	Asset Manager
	Market Price	Cost Price								
AIMS1STMF	26.23	10.7	22.1	84.3%	-0.3%	12.2%	19.2 - 34.8	7.58	31/Dec/15	AIMS
GRAMEEN1	24.77*	10.35*	20.2	81.6%	-0.4%	12.8%	16.9 - 48.5	1.37	31/Dec/15	AIMS
GRAMEENS2	16.6	10.43	10.1	60.8%	0.5%	0.0%	8.7 - 17.9	3.71	2/Sep/23	AIMS
RELIANCE1	11.51	11.06	6.8	59.1%	0.8%	-1.4%	5.6 - 9.6	0.94	7/Jul/21	AIMS
ATCSLGF	11.89	11.91	7.7	64.8%	-0.5%	4.1%	5.7 - 9.6	0.50	30/Mar/25	AT CAPITAL
1STICB	1807.4*	308.75*	1492.5**	82.6%	-0.2%	0.2%	855 - 1667.9	0.24	31/Dec/15	ICB
2NDICB	236.3	108.22	298.6	126.4%	-2.9%	7.4%	235.7 - 333.3	0.32	31/Jan/16	ICB
3RDICB	346.51	86.43	318.0	91.8%	-5.3%	21.8%	188 - 330	0.14	29/Feb/16	ICB
4THICB	246.89	77.61	216.6	87.7%	-2.5%	2.8%	185.9 - 246.6	0.14	31/Mar/16	ICB
5THICB	221.91	63.02	210.0	94.6%	1.1%	0.0%	171 - 220	0.02	30/Apr/16	ICB
6THICB	47.6	27.62	58.5	122.9%	1.8%	1.4%	49.8 - 72.4	0.41	30/Jun/16	ICB
7THICB	93.54	42.3	104.9	112.1%	-1.0%	6.0%	75 - 118.2	0.05	30/Sep/16	ICB
8THICB	56.55	34.51	68.0	120.2%	-1.7%	1.3%	53.2 - 75.3	0.27	31/Dec/16	ICB
1STPRIMFMF	10.26	16.19	11.7	114.0%	0.4%	14.7%	9.1 - 20.7	1.97	15/Mar/16	ICB AMCL
ICB1STNRB	21.08	32.24	18.8	89.2%	-0.5%	5.0%	15.7 - 31.9	0.30	28/Mar/17	ICB AMCL
ICB2NDNRB	10.27	14.6	7.6	74.0%	0.6%	-2.6%	5.7 - 11	0.96	27/Jul/18	ICB AMCL
ICB3RDNRB	7.34	11.35	4.0	54.5%	0.8%	-2.4%	3.7 - 5.5	0.71	24/May/20	ICB AMCL
ICBAMCL2ND	8.22	12.99	4.4	53.5%	0.6%	-4.3%	3.8 - 6.8	0.42	28/Oct/19	ICB AMCL
ICBEPMF1S1	7.49	11.76	5.5	73.4%	0.0%	-8.3%	3.6 - 7	0.41	18/Jan/20	ICB AMCL
ICBSONALI1	8.74	10.74	5.7	65.2%	-1.4%	-1.7%	4.7 - 9.5	0.12	12/Jun/23	ICB AMCL
IFILISLMF1	9.19	11.08	6.0	65.3%	-2.0%	-1.6%	4.8 - 8	0.65	22/Nov/20	ICB AMCL
PF1STMF	7.63	11.38	4.2	55.0%	0.9%	-4.5%	4 - 6.3	0.24	9/May/20	ICB AMCL
PRIME1ICBA	7.98	11.42	4.2	52.6%	0.8%	-8.7%	3.7 - 6.1	0.15	2/Feb/20	ICB AMCL
AIBL1STIMF	11.77	11.16	7.9	67.1%	-0.1%	1.3%	3.7 - 9	0.95	10/Jan/21	LR Global
DBH1STMF	10.75	10.54	5.0	46.5%	0.8%	-2.0%	3.7 - 6.7	1.27	7/Feb/20	LR Global
GREENDELMF	10.4	10.12	4.9	47.1%	0.6%	-5.8%	3.8 - 6.3	3.33	28/Sep/20	LR Global
LRGLOBMF1	11.27	11.4	6.6	58.6%	1.3%	17.9%	3.3 - 7	6.13	19/Sep/21	LR Global
MBL1STMF	11.35	11.05	6.1	53.7%	0.5%	0.0%	3.4 - 8.9	4.63	8/Feb/21	LR Global
NCCBLMF1	11.19	10.76	6.0	53.6%	3.2%	0.0%	3.3 - 7.5	2.28	24/May/22	LR Global
1JANATAMF	10.7	10.57	4.4	41.1%	-0.7%	-2.2%	4.1 - 7.2	0.89	20/Sep/20	RACE
ABB1STMF	11.09	11.02	4.6	41.5%	-0.4%	-2.1%	4.4 - 6.5	1.33	29/Jan/22	RACE
EBL1STMF	10.43	11.18	4.3	41.2%	0.6%	-4.4%	4 - 7	0.68	19/Aug/19	RACE
EBLNRBMF	10.38	10.58	4.2	40.5%	-1.1%	-4.5%	4 - 7.5	0.47	23/May/21	RACE
EXIM1STMF	10.45	10.41	5.6	53.6%	0.0%	-13.8%	4.5 - 7.3	0.00	16/Jul/23	RACE
FBFIF	10.75	10.52	5.7	53.0%	0.1%	-14.9%	5.4 - 10	0.04	19/Mar/22	RACE
IFIC1STMF	10.5	10.59	4.4	41.9%	-0.5%	-2.2%	3.9 - 7.1	0.74	1/Apr/20	RACE
PHPMF1	10.45	11.03	4.2	40.2%	-1.4%	-6.7%	3.9 - 6.7	0.94	29/Nov/20	RACE
POPULAR1MF	10.69	10.89	4.4	41.2%	-0.6%	-2.2%	3.9 - 6.9	1.39	19/Oct/20	RACE
TRUSTB1MF	10.65	10.55	4.4	41.3%	-0.2%	-4.3%	4 - 7.9	2.16	27/Jan/20	RACE
NLI1STMF	13.19	12.3	9.2	69.7%	0.4%	3.4%	6.7 - 9.7	0.54	27/Feb/22	VIPB
SEBL1STMF	12.41	11.63	8.9	71.7%	0.0%	7.2%	6.6 - 9.4	0.98	23/May/21	VIPB

Source: DSE, ILSL Research

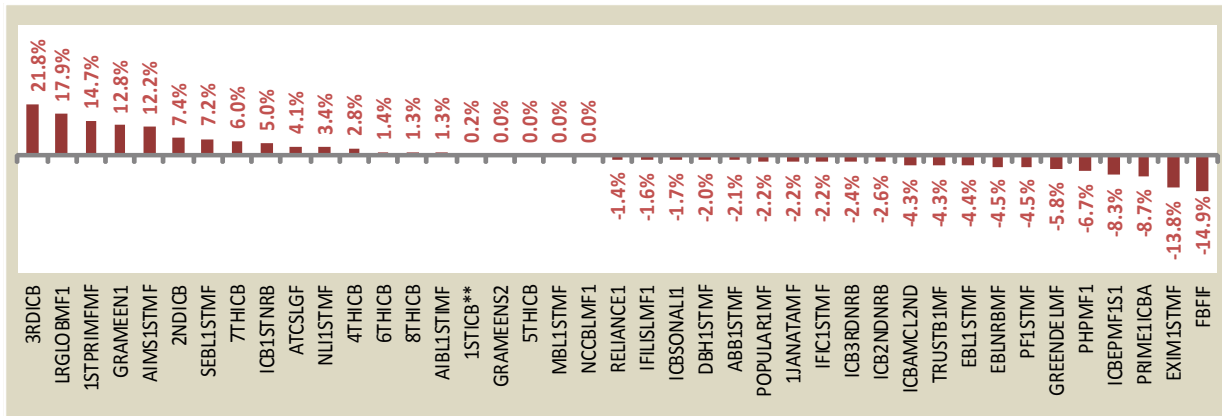
*NAV per unit as of 05 Nov 2015 for GRAMEEN 1 & 10 Nov 2015 for 1st ICB; **As the Trustee of the 1st ICB has informed that as per Clause 3 and 7 of the BSEC Conversion Guidelines, Directive No. SEC/CMRRCD/2009-193/175/admin/62, dated July 08, 2015; trading of the scheme shall remain suspended from the Effective Date (i.e. November 10, 2015) until advised otherwise, closing price is reported as of 08 November 2015.

Mutual Fund : Monthly Update

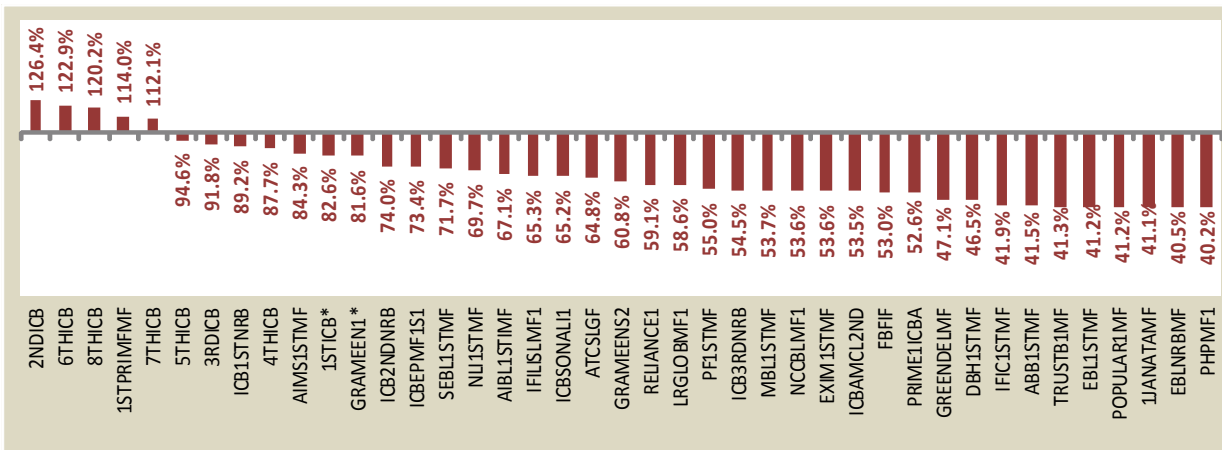
Monthly Top 10 Analysis

Highest Return	% Change in NAV	Lowest Return	% Change in NAV	Turover Leader	Avg Turnover (BDT mn)
NCCBLMF1	3.2%	3RDICB	-5.3%	AIMS1STMF	7.6
6THICB	1.8%	2NDICB	-2.9%	LRGLOBMF1	6.1
LRGLOBMF1	1.3%	4THICB	-2.5%	MBL1STMF	4.6
5THICB	1.1%	IFILISLMF1	-2.0%	GRAMEENS2	3.7
PF1STMF	0.9%	8THICB	-1.7%	GREENDELMF	3.3
DBH1STMF	0.8%	PHPMF1	-1.4%	NCCBLMF1	2.3
ICB3RDNRB	0.8%	ICBSONAL11	-1.4%	TRUSTB1MF	2.2
RELIANCE1	0.8%	EBLNRBMF	-1.1%	1STPRIMFMF	2.0
PRIME1ICBA	0.8%	7THICB	-1.0%	POPULAR1MF	1.4
ICBAMCL2ND	0.6%	1JANATAMF	-0.7%	GRAMEEN1	1.4

Monthly Price Return



Mutual Funds Trading at Premium/ Discount



Performance of Asset Managers

Asset Manager	Assets Under Management (AUM) (BDT mn)	% of Total AUM	Monthly Return on Portfolio	NAV @ Market Price/ Cost Price	Paid-Up Capital (BDT in mn)
AIMS	6,913	12.7%	N/A	1.80	3,140
AT CAPITAL	735	1.4%	-0.5%	1.00	606
ICB	3,201	5.9%	N/A	3.26	178
ICB AMCL	6,199	11.4%	-0.1%	0.71	7,150
LR Global	9,882	18.2%	0.8%	1.02	8,896
RACE	25,529	47.0%	-0.4%	1.00	22,181
VIPB	1,902	3.5%	0.1%	1.07	1,501

Source: DSE, ILSL Research



Addressing Your Financial Concerns

In today's competitive world, each of you is looking for growth opportunities. While some of you are considering expansion of your existing business, others are looking for expansion in a new field. Some may feel that working capital management is the priority while others need to focus on financial efficiency. Many have suffered from high interest burden in the past while others are looking for scope to minimize tax burden to safeguard a substantial profit. Few need hands-on assistance to explore business opportunities with major industry players while others require a strategic plan to make an acquisition successful.

Yes, we are talking about financial restructuring and investment alternatives. And a lot of questions come and wait in mind. Which type of financing is the best solution? Is it going to fit the long term strategy of the organization? Is it sustainable? Are you ready for this?

Faced with such dilemmas, what you need is an expert who can offer a wide array of financial services and benefits with comparative analyses of feasible alternatives.

Yes. IL Capital can do this for you. We offer –

- Issue Management & Underwriting
- Loan Syndication & Private Equity
- Merger & Acquisition
- Advisory Services for any other Financial Restructuring requirement that our clients may have

Realizing Your Investment Dream

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Business Newsflash

Economy

Bangladesh to seek USD 13 bn Chinese loan for 24,000 mw power plants

Dhaka Tribune, November 3, 2015

Bangladesh is set to seek over USD 13 bn loan from China to produce 24,000 mw electricity by 2021. The proposed projects are the part of the government plan to produce 24,000 mw electricity by 2021 and 40,000 mw by 2030, which will require USD 30 bn to implement. The three projects are coal-fired power plants in Cox's Bazar and in Patuakhali and combined cycle power plant in Khulna or Chittagong.

Exports go up 21% in October 2015

The daily star, November 6, 2015

Exports rose 21.15% year-on-year to USD 2.37 bn in October on the back of improved garment shipments, the country's largest foreign currency earner. The EPB's data for October, released yesterday, also reflects a rebound in exports from September, driven by recovery in overseas sales of knitwear items. In the July-October period of fiscal 2015-16, exports rose 5% year-on-year to USD 10.13 bn.

Bangladesh Institute of Development Studies (BIDS): Middle-class people to reach 33% by 2030

Dhaka Tribune, November 8, 2015

The middle-class group is expected to stand at 33% of the country's total population by 2030. Over the last two decades, the country witnessed a remarkable rise in middle class group; the country is expected to add 25% of its total population by 2025. Pro-middle class growth would be an important policy agenda along with "Pro-poor Growth" as Bangladesh moves into the next stage of development underpinned by upper middle income target and SDGs.

International

China to Allow Direct Conversion between Yuan and Swiss Franc

Bloomberg News, November 10, 2015

China took another step to boost the yuan's global usage, saying it will start direct trading with the Swiss franc, as the nation pushes its case for reserve-currency status at the International Monetary Fund. Making the franc the seventh major currency that can bypass a conversion into the USD and be directly exchanged for yuan. The rate will be allowed

to fluctuate a maximum 5% on either side of a daily fixing, according to CFETS.

China's yuan takes leap towards joining IMF currency basket

News Age, November 15, 2015

China's yuan moved closer to joining other top global currencies in the International Monetary Fund's benchmark foreign exchange basket. The recommendation paves the way for the Fund's executive board, which has the final say, to place the yuan on a par with the US dollar, Japanese yen, British pound and euro at a meeting scheduled for Nov 30. Economists said with the yuan's inclusion in the IMF basket as a reserve currency now looking like a formality, China should step up efforts to build trust between global investors and its policy makers.

Euro economy cools as China slowdown hurts exports

News Age, November 15, 2015

Growth in the 19-nation Eurozone slowed in the third quarter as low demand from China hurt Germany and applied a stiff handbrake on an already weak recovery in Europe. The disappointing data overrode news of the return to growth in France and fueled speculation that the European Central Bank will expand its stimulus programme next month as it battles low inflation and a sluggish economy in the currency bloc. The slight slowdown was accentuated by a stalling Germany economy that grew by a slower 0.3%, caught by falling demand from China and other emerging economies as well as fallout from the Volkswagen pollution scandal. Across the whole 28-nation EU, the economy expanded by 0.4% in the quarter, on course for 1.9% growth over 12 months.

CFA Institute USA approves Bangladesh chapter

The Financial Express, November 29, 2015

The Chartered Financial Analysts (CFA) commonly known as CFA charter holders have an opportunity to play a 'crucial' role for the development of the country's economy. Initially, an adhoc committee has been formed to give the shape of complete board for the CFA Society Bangladesh. The country's capital market will be the next destination for the foreign investors. Long term funds should come into the capital market for the sake of investors' own interest.

Stock Market

Regulator moves to revive capital market

The Financial Express, November 10, 2015

The securities regulator has taken several decisions including the extension of the timeframe for provision against unrealized losses, incurred by merchant banks and brokerage firms, in an effort to revive the country's capital market. As per the latest deadline, the merchant banks and brokerage firms were asked to complete the provision against their unrealized losses by December 31, 2015. To allow sell and buy in the accounts having negative equity, the regulator earlier suspended the compliance of Section 3 (5) till December 31, 2015.

Govt to extend banks' stocks exposure cut deadline by 2 years

News Age, November 16, 2015

Government would extend the July 2016 deadline for banks for reducing their stock market exposure by another two years amid demand from the capital market stakeholders for reviving investors' confidence. According to the Bank Companies Act (Amendment), 2013, all the banks, which injected fund beyond the allowable limit, will have to bring down their capital market exposure within the stipulated limit set by Bangladesh Bank by July 21 next year. The proposal said that banks' capital market exposure adjustment within July 21 next year would create an additional BDT 5,000 crore – BDT 6,000 crore share sales by the bank subsidiaries, which would result in further fall in share prices.

ADB signs USD 250 mn loan to help develop capital market

Dhaka Tribune, November 22, 2015

Asian Development Bank (ADB) signs USD 250 mn loan deal to help continue capital market reforms in Bangladesh. The deal will be inked under the third capital market programme (CMDP-III) that represents a continuation of previous works carried out so far. After signing of the agreement, USD 80 mn will be disbursed in the first installment and the remaining USD 170 mn by December 2017. The bank will provide an additional USD 70 mn in this regard.

Bangladesh, India sign deal on stock market

The Daily Star, November 23, 2015

Bangladesh Securities and Exchange Commission yesterday signed a deal with the Securities and Exchange Board of India (SEBI) to deepen bilateral cooperation for capital market development. Under the deal, the two regulators will exchange experiences and views, especially for the development of Bangladesh's capital market. However, the details of the deal will be disclosed later, as the two regulators were still fine-tuning some issues last night.

Bank

Listed banks see 'modest' growth in Q3

The Financial Express, November 1, 2015

Most of the listed banks registered a 'modest' growth during July-September (Q3), 2015 compared to same period of the previous year. The companies have performed well due to reduced tax and the management's efforts to reduce the amount of non-performing loans. Out of 30 listed banks, the consolidated EPS (earning per share) of 18 banks advanced and that of 11 declined for the period July-September, 2015 compared to July-September, 2014.

BB adds 3 green financing products

Dhaka Tribune, November 05, 2015

Bangladesh Bank has included three more products into its green banking refinancing scheme, which was initiated five years ago, following the expansion of environment-friendly activities in the country. The products include central effluent treatment plant, waste heat recovery system and used lead acid battery recycling plant. Currently, a total of 47 products are being facilitated in 10 sectors under the programme. The credit limit is set at BDT 15 crore for central effluent treatment plant, BDT 5 crore each for waste heat recovery system and used lead acid battery recycling plant. The interest rate will be highest 9% for each product with one year grace period.

JP Morgan clients buy into Islami Bank

The Daily Star, November 23, 2015

JP Morgan's clients have bought around 3% shares of Islami Bank Bangladesh Ltd or IBBL over the past several years, officials said. The US-based banking firm bought the shares for its institutional and individual investors. The shareholding empowers JP Morgan to hold a post in IBBL's board of directors as the law allows a shareholder to become a director in a publicly-listed company in Bangladesh with a stake of 2%.

Banks can invest up to BDT 200 cr in alternative investment fund

News Age, November 25, 2015

The Bangladesh Bank on Tuesday said that commercial banks could invest up to BDT 200 crore in the Alternative Investment Fund, a specialized fund focusing on investment in non-listed companies. A BB circular issued on the day also said that any bank's investment in this Alternative Investment Fund, at least 75% of which must be injected in non-listed companies and up to 25% to the listed companies or funds, will not be considered as their capital market investment. The Bangladesh Securities and Exchange Commission in June enacted Alternative Investment Rules in a bid to pool funds from high net worth local and foreign investors.

Cut down bank interest below 10%, spread 4%

The Financial Express, November 29, 2015

The chief of parliament's watchdog body on finance ministry listed Saturday scarcity of power and energy and high bank interests as major roadblocks on way to country's industrialisation and investment. The bank interest rates should be below 10% and spread (of interests) for financial institutions must not be more than 4.0%. Terming the fair successful, the BB governor said the 5-day banking fair created awareness among the people about the country's banking sector and financial inclusion that means taking all on board.

Fuel and Power

LINDEBD approved Investment

DSE News, November 26, 2015

The Company has informed that the Board of Directors of the Company has approved total investment of BDT. 1,237.00 mn for a new ASU plant at Rupganj Bangladesh with total production capacity of around 100 TPD. Projected investment of BDT. 1,237.00 mn is to be funded from the Company's own fund at this stage. Expected date of commercialization is by 1st January 2018.

Pharmaceutical

Patent waiver a boon for pharma

Dhaka Tribune, November 09, 2015

Bangladesh's pharmaceutical sector will be the second largest export earner following the RMG within the next three years, thanks to drug patent waiver for 17 years for LDCs. The council extended the drug patent exemption for Least Developed Countries (LDCs) including Bangladesh till 2032. Pharmaceutical products got registration for export earning that will see a massive jump within the next three years, Bangladesh Aushad Shilpa Samity President Nazmul Hassan told reporters at the briefing. The country would emerge as the second largest export earner from the pharmaceutical sector after the apparel. Bangladesh exported medicines worth USD 72.64 m in last fiscal year. Bangladesh as coordinator of LDCs played the leading role in the entire long negotiations that ultimately brought a desired decision of a 17-year extension. At present, some 250 Bangladeshi pharmaceutical companies are now meeting 97% of domestic demands while 30 companies are exporting to 107 countries, especially LDCs.

US FDA approves Beximco Pharma's blood pressure drug

Dhaka Tribune, November 19, 2015

The company expects to commence export of Carvedilol in the first half of 2016. Beximco Pharmaceuticals Limited has become the first Bangladeshi pharmaceutical company to receive approval for blood pressure drug to be manufactured in the country for export to the USA. This is a major milestone for the company as well as for the industry, as this is the first time the US FDA has approved a medicine to be manufactured in Bangladesh for supply into the US market. The company expects to commence export of Carvedilol in the first half of 2016. The full-year export revenue from this product is projected to be USD 3 - USD 4 mn initially.

Pharmaceuticals, non-traditional items to get cash incentives

Dhaka Tribune, November 22, 2015

The government has decided to provide cash incentives for boosting the export of pharmaceuticals, shipbuilding and some other non-traditional products. The non-traditional products include military uniform, travel bags, backpacks, sleeping bags, tents, outdoor jackets, jute slippers and other jute goods. Cash incentives will be provided for the non-conventional products and the Commerce Ministry has already issued a DO letter to the Finance Ministry in this regard.

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Textile

BD retains 5.1% share of global clothing export

The Financial Express, November 1, 2015

Bangladesh retained the 5% share of the global clothing export in 2014. The country also continued to remain the third largest clothing exporter after China and European Union (EU). The WTO annual statistics also shows that China continued to be the top clothing exporter in the world clinching 38.6% share of the global market.

Taiwanese RMG fabric makers eye expanding Bangladesh market

Dhaka Tribune, November 29, 2015

The Taiwanese manufacturers of apparel fabrics, especially polyester and accessories, plan to increase

their market share in Bangladesh. The first-ever single country expo on Nov 23-24 is designed to explore new market, where the manufacturers show the best of Taiwan's innovative and value-added fibers, yarns, fabrics, trimmings and apparels. The Taiwanese producers of RMG accessories, sports wears and zippers attended the event to find new buyers and form business ties.

Cement

Crown Cement signs treaty on Padma Bridge Project

The Financial Express, November 26, 2015

Crown Cement has signed an agreement with Sinohydro Corporation Limited for supplying cement in the country's largest project, Padma Bridge. In this regard a signing ceremony was held on the project premises on 23 of November 2015. The bridge is projected to be 6.15 kilometer long. The two-level steel truss bridge will carry a four-lane highway on the upper level and a single track railway on a lower level, said a statement.

Telecommunication

Bandwidth export to India from Dec 1

The Daily Star, November 24, 2015

Bangladesh Submarine Cable Company will start exporting bandwidth -- 10 gigabits per second -- to India's northeastern state of Tripura on December 1, in line with a deal signed with Bharat Sanchar Nigam of India. The two sides signed the bandwidth export deal on June 5, during Indian Prime Minister Narendra Modi's visit to Bangladesh. Bangladesh Submarine Cable will export bandwidth at USD 10 per Mbps and earn USD 1.2 mn or BDT 9.6 crore a year. On November 16, state-owned Bangladesh Telecommunications Company set up connectivity for bandwidth transmissions with Tripura's capital Agartala. India may take 40 Gbps of bandwidth in the next six months, which may rise further to 100 Gbps with the establishment of connection between Bangladesh and the second submarine consortium by 2016. Bangladesh has a bandwidth capacity of 200 Gbps, of which only 43 Gbps is currently being used.

Note: Business Newsflash is a collection of news published in the top daily newspapers like The Daily Star, The Financial Express, The NewAge and Dhaka Tribune. IL Capital is not responsible for any discrepancy in the information provided in the news.

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- IPO Note: Cover information regarding respective upcoming issue
- Performance of mutual fund: Contain information about NAV of all Mutual Funds with comparison of previous week.
- Corporate declaration: Includes information related to listed company (from DSE Website)
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