Issue 02, February 2019

CENT PERCENT

Monthly Newsletter by Group Treasury

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Bank Asia

Year 2019: Prospects, Pitfalls & Our Response

The year 2019 begins with new hope and aspirations under different purviews of micro and macro level of economy. While the policy makers are scheming the uplifting of country's infrastructural and overall economic status, the banking industry is also committed about achieving a strong balance sheet footing at the same time through working as the financial engine in the process. Thus, for an inevitable reason, bank has to recognize the policy decisions and macro-economic factors to set future courses of actions. As we experienced, inception of the year is marked by an imbalance of supply and demand side of economy which is in turn influencing the money stocks and liquidity, interest rates, exchange rates, inflation, public preference of liquidity holding, movement of deposits, private sector credit, etc.

Macro economic indicators

Country's money supply (Broad money, M2) increased by 8.76% (y-o-y) in November 2018 which was lower than 10.83% of November 2017. Private sector credit recorded 14.01% growth in November 2018. However, the deposit growth was not at par with credit growth. This happened due to significant amount sale of national savings certificates (NSD) during the period.

Total liquid assets of the scheduled banks decreased by 2.53 % and stood at BDT 257.57 bln as of end October, 2018 which was BDT 264.27 bln at the end of June, 2018. Then again, most of the liquid assets are in the form of treasury securities which is mandatory for SLR/ LCR requirements. However, overall liquidity in interbank market is in dwindling trend as sale of NSD and demand for foreign currency are increasing. Besides, with the increase of govt. borrowing, there is a possibility of crowding out of private investment opportunity if it can affect the interest rate.

Meanwhile, total amount BDT 254.92 bln was net borrowed by Govt. from banking & Non-banking sources during Jul-Nov'18. On the other hand, in the same period, BDT 76.73 bln has been withdrawn from market by selling USD by Bangladesh Bank. Thus it can be deduced, total BDT 331.65 bln sipped out of interbank market during Jul-Nov'18. Given the net borrowing target of govt. for amount BDT 71.23 Bln from domestic sources in FY18-19, as well as soaring sales of NSD in Jul-Nov'18 period, it is assumed that govt. bank borrowing may rise effecting the benchmark securities yield. This may push the overall lending rate up.

If we look into external balance indicators, we find merchandise export amounted to USD 17.07 bln during July-Nov'18. LC settlement during July-Nov'18 increased by 9.18 % and stood at USD 20.59 bln. Concurrently, opening of import LCs during July-Oct'18 stood at USD 24.68 bln showed negative growth but if we separate the LC opening of NPP of Rooppur, there is still a marginal growth. During the same period, wage earners' remittances was only to USD 6.29 bln. Consequently Country's trade balance recorded deficit of USD 6.66 bln and current account balance deficit USD 2.56 bln. The gross foreign exchange reserves of BB stood at $31.06 ban as of end November 2018. The FX reserve now covers 6.06 months of payment, which was 7.50 months just one year before. This implies that current pressure in FC liquidity is more likely to continue further until there is any mentionable jump in export data.

(Continued in next page)

Year 2019: Prospects, Pitfalls & Our Response

Shrinking Earning Source

Meanwhile, the spread between the weighted average interest rate on advances and deposits of both banks and NBFIs decreased due to ongoing competition for deposit amongst the commercial banks. Besides, bank's exchange gain from commercial transactions and commission earnings are also diminishing in corporate business segments.

Recent Initiatives of Bangladesh Bank in 2018

- Bangladesh Bank revised calculation of net demand and time liabilities and also effect determining CRR/SLR in Guidelines on Risk Based Capital Adequacy (RBCA) for banks regarding criteria for Inclusion of Instruments of Regulatory Capital".
- Bangladesh Bank replaced section 1.3.1.1 of Asset Liability Management (ALM) Guidelines regarding the calculation of advance-to-deposit ratio (ADR) due to inclusion of sub-debt net liability.
- In order to rationalise the charges for bank guarantee, Bangladesh Bank has issued a circular imposing commission depending on tenor and maturity.
- Giving importance to good governance, Bangladesh Bank introduced 'National Integrity Award Guideline' in conformity with "National Integrity Strategy" for the employees of bank and non-bank financial institutions.
- Bangladesh Bank brought a number of changes in its foreign exchange regulations as such: i) Reporting and statement for Bangladeshi private airlines operating in international route ii) Encourage deposit in Resident Foreign Currency Deposit (RFCD) accounts, by allowing application of interest rates, (FEPD Circular-23, dated: 24 July, 2018) iii) Allowing ADs to issue bid-bonds on behalf of residents favoring foreign organizations/entities inviting tenders in Bangladesh or from Bangladesh to overseas. (FEPD Circular-24, dated: 29 July, 2018) iv) Allowing ADs to open foreign currency clearing account in Chinese Yuan (CNY) with Bangladesh Bank, and v) To facilitate export, 09 new sectors have been added for cash incentives/subsidy with the existing list for 26 specific sectors.
- Bangladesh Bank has recently introduced "Bangladesh Mobile Financial Services Regulations, 2018". allowing only banks to set-up a MFS subsidiary with at least 51 per cent stake along with equity partnership from other banks, NBFIs, and NGOs, investment and fin-tech companies except for mobile network operators and extended the scope of product/service offerings by a MFS provider.
- Bangladesh Bank has decided to allow investment by non-resident investors in Alternative Investment Funds (AIF) registered under Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, to widen the scope for foreign investment.
- Widening the TOR and scope of 'Equity and Entrepreneurship Fund' (EEF) Bangladesh Bank introduced Support Fund (ESF) Loan under "Entrepreneurship Support Fund (ESF) Policies, 2018".

Monetary Policy H2 FY18-19

Particulars	Target Dec'2018	Actual Dec'2018	Target Jun'2019
Broad Money (M2)	12.00%	9.41%	12.00%
Domestic Credit	15.90%	13.30%	15.90%
Private sector Credit	16.80%	13.30%	16.50%
Public sector credit	8.50%	13.30%	10.90%
Inflation expectation	5.80%	5.35%	5.60%
GDP Growth Projection	7.50% - 7.70%	7.86%	7.50% - 8.20%

Courses of Actions: Bank's Strategic Focus

Immunization of balance sheet

Liquidity mismatch in FCY & LCY market is experienced due to international trade volume of country & govt. borrowing pattern. Upcoming pressure on interest rate and inflation is also evident. Balance sheet management, compliance of regulations for example, LCR, NSFR, Leverage, ADR, Commitment, NOP will give bank a proper safeguard and strong footing. Furthermore, since market predictions speak for interest rates volatility, bank must prepare itself with enough tools in hand. Besides, Bangladesh Bank issued stringent circular about loan re-pricing. Thus, designing appropriate deposit and loan product is a necessity.

Evolving customer demand & rising competition

Growing complexity in business will create new product & service requirements. Therefore, risk –adjusted pricing of product in the book is essential. At the same time, service improvement and strengthening the breadth of customer relationship is a key for way out.

Policy focus on un-banked population

Govt.'s policy and priority is to bring whole country population under financial network, which is simultaneously a challenge as well as an opportunity for bank. Though our bank is pioneer in this aspect, we should continue our endeavour to penetrate further.

Technological revolution – Fin-Tech

Being a forerunner technology based bank in industry, Bank cannot ignore the current wave of 4th industrial revolution. Pro-active measures in this regard is now required for every division and department of bank.

CENT PERCENT
Issue 02, February 2019

As China's Economy Slows, Why the World Should Care!

China is facing its most difficult economic environment in years. Though economists forecast 6.2 percent growth this year, that's down from 6.6 percent in 2018, already the slowest in almost three decades. When China sneezes these days, many companies far from its shores risk catching a cold, including makers of airliners and handbags, growers of soybeans and operators of tourist attractions.

What explains all the worry?

China's $13 trillion economy, second in size only to the U.S., accounts for almost a third of global growth each year, which makes it a vital driver of job creation and improved living standards. The advanced age of the U.S. expansion and worries about growth in Europe make China's pace of continued growth that much more important.

If China's current slowdown were to accelerate, the ripple effects could squelch the global recovery. A slowdown is structural -- something that's expected to happen over time. But a plunge defies expectations and is therefore far more disruptive. There were some tentative signs in December that efforts to cushion the slowdown are beginning to take hold.

What's wrong with 6 percent?

In one respect, nothing, since it's more than twice the global rate. But China's economy is loaded up on debt and its ability to service repayments depends on rapid growth to generate the profits and tax revenues needed. Slower growth challenges China's ability to stem the buildup of its government, corporate and household debt -- which is on track to add up to more than 300 percent of GDP by 2022. The bigger that debt pile becomes, the bigger the impact on global economic growth should it collapse.

How's the slowdown being felt?

Apple Inc. cut its revenue outlook for the first time in almost two decades, citing weaker demand in China, and global equity markets swooned. Starbucks Corp., which has been opening a new store in China every few hours, saw its same-store sales growth begin to slow in 2018. Jaguar Land Rover shut a U.K. plant for two weeks in October, blaming sinking demand in China. And the list goes on. Chinese consumers accounted for roughly a third of the $121 billion spent on luxury goods worldwide in 2017. Many of those purchases are made outside China, making companies like Louis Vuitton, Gucci and Hermès heavily dependent on globe-trotting mainlanders. The whole travel and tourism sector is especially nervous. About one of every four jets that Boeing Co. builds is bound for China. The country also accounts for more than a fifth of the money spent annually by tourists traveling outside their homeland, almost twice as much as the next-biggest spender, the U.S. (Source: Bloomberg.com)

Commodity

Oil has rallied this year as the OPEC+ coalition started a fresh round of output cuts to ease a glut, with Saudi Arabia pledging to pump below the limit it agreed in December. Still, price gains have been capped by record U.S. output, expanding inventories and trade tensions with China. It's still unclear what effect political turmoil in Venezuela will have on crude markets. Though we are predicting not so much increase in the price of oil in near future.

In line with our prediction last month, Gold price surpasses $1,300 per ounce registering a growth of 1.88% from December, 2018. All other commodities like Rice, Wheat, Soyabeen Oil and Raw Cotton are also showing growing trend at varying degrees and our prediction is the growth in price will continue for these crops. Wheat price, of which Bangladesh is a major importer, can reach as high as $556 this year.

Commodity	Unit	31-Dec-18	28-Jan-19	Changes
Crude Oil	USD/Barrel	$ 45.4	$ 52.7	16.14%
Coal	USD/	$ 98.5	$ 97.5	-1.02%
Rice	USD/cwt.	$ 10.4	$ 10.7	2.89%
Wheat	USd/bu.	$ 503.3	$ 521.5	3.63%
Soybean oil	USd/lb.	$ 27.9	$ 30.2	8.26%
Raw cotton	USd/lb.	$ 72.2	$ 73.9	2.38%
Gold	USD/Ounce	$ 1,281.3	$ 1,305.4	1.88%

Foreign Exchange Market

Import

Fresh opening in October, 2018 was $4.76 Billion which is 0.41% increase from September, 2018 and 1.58% increase Y-O-Y from October, 2018. At the same time, import LCs during July-October, 2018 marginally increased by 0.65 percent as compared to the same period of the previous year and stood at $ 19.51 billion. On the basis of sectoral distribution the share of LCs opening on industrial raw materials is 34.88%, machinery for miscellaneous industry is 12.13%, intermediate goods is 9.66%, consumer goods is 9.72%, capital machinery is 8.20% and petroleum and petroleum products is 7.96% during July-October, 2018.

Settlement of LC in October, 2018 was $4.81 Billon which is 11.71% increase from September, 2018 and 11.15% increase Y-O-Y from September, 2018

LC outstanding in July-October, 2018 has reached to $39.61 Billion which is increase of 60.50% Y-O-Y from July-October, 2017

The projection of opening of import LCs and probable liabilities against back to back LCs are $13.53 billion and $2.85 billion respectively during December-February, 2018-19. The mentioned liability is around 53.94% of foreign currency holdings of banks as on December, 2018

Export

Export in October,2018 was $3.71 Billion which was $3.15 Billion in September, 2018 with a increase of 17.98%. However export in July-October, 2018 has reached $13.65 Billion which is a 18.65% growth Y-O-Y from July- October, 2017.

Category-wise breakdown of exports shows that during July-November, 2018 exports of agricultural products (+76.64%), specialized textile (+54.41%), chemical products (+44.51%), plastic products (30.07%), woven garments (+20.33%), knitwear (+17.00%) and engineering products (+13.99%) experienced positive growth. On the other hand, jute and jute goods (-22.09%), leather and leather products (-16.11%), and frozen & live fish (-6.57%) experienced negative growth during July-November 2018 as compared to that of July-November, 2017.

Remittances

Total Receipts of workers' remittances during July-November, 2018 increased by $ 0.52 billion or 8.98 percent to $ 6.29 billion against $ 5.77 billion of July-November, 2017. Receipt of workers' remittances in November 2018 stood lower at $ 1.18 billion against $ 1.24 billion of October, 2018.

Foreign Exchange holding

The gross foreign exchange reserves of BB stood at $ 32.02 billion as of end December 2018, as compared to $ 31.05 billion as on October 2018. This increase happened for higher inflow of foreign aid and loans of the government level.

Bangladesh will able to settle around five months import bills with the existing FX reserve.

Earlier on December, 2017 the reserve was S31.05 Billion, It was $32.11 Billion on July, 2018.

Exchange Rate Movement

Exchange rate of BDT against USD has slight change at BDT 83.95/USD from BDT 83.90/USD at the end of December, 2018 due to continuous monitoring and liquidity support by central bank.

A total of $1.27 Billion has been sold to the commercial banks since July,2018 to December, 2018, as a part of support and FX market stability, the BB Data showed.

Balance of Payment

Trade balance recorded a deficit of $ 5.32 billion during July-October, 2018 as compared to the deficit of $ 5.79 billion during July-October, 2017. Overall balance incurred a deficit of $ 0.44 billion during July-October, 2018 as compared to the deficit of $ 0.22 billion during July-October, 2017. This deficit of overall balance was due to the deficit in current account balance during July-October 2018, as trade deficit widened and primary income fell short as compared to the same period of the previous year.

Domestic Economic Insights

Deposit

Total deposit in banking sector stood at BDT 992,393.90 crore in November 2018, in which BDT1,035,064.70 crore is demand deposit and BDT 887, 329.20 is time deposit. Overall BDT 78,912 crore or 8.64% is increased compare to November 2017.

Advance

The domestic credit recorded an increase of Taka 124486.40 crore or 13.28 percent at the end of November 2018 against the increase of Taka 118740.30 crore or 14.50 percent at the end of November 2017. Credit to the private sector and public sector recorded a growth of 14.01 percent and 7.80 percent respectively in November 2018 as compared to the same month of the previous year.

Broad Money Growth

The broad money (M2) recorded an increase of Taka 91138.00 crore or 8.76 percent at the end of November 2018 against the increase of Taka 101643.70 crore or 10.83 percent at the end of November 2017. Of the sources of broad money, net domestic assets (NDA) rose by Taka 95969.60 crore or 12.34 percent but net foreign assets (NFA) decreased by Taka 4831.60 crore or 1.84 percent at the end of November 2018 as compared to the same month of the previous year.

Inflation

The point-to-point inflation decreased to 5.37 percent in November 2018 from 5.40 percent in October 2018. Twelve-month average inflation also decreased to 5.58 percent in November 2018 from 5.63 percent in October 2018.

Interest Rate Spread

The spread between the weighted average interest rate on advances and deposits of both banks and NBFIs decreased by 4.22 percent and 2.79 percent respectively at the end of October, 2018 as compared to September, 2018. Weighted average interest rate on deposits of banks decreased to 5.25 percent at the end of October, 2018 as compared to September, 2018, while the weighted average interest rate on deposits of NBFIs marginally increased and stood at 9.89 percent.

Liquidity Position of the Scheduled Banks

Total liquid assets of the scheduled banks decreased by 2.53 percent and stood at Taka 257,577.98 crore as of end October, 2018 which was Taka 264,267.37 crore at the end of June, 2018. The minimum required liquid assets of the scheduled banks were Taka 175,734.22 crore as of end October, 2018.

Sectoral distribution of total liquid assets as of end October, 2018 in the form of cash in tills & balances with Sonali Bank Ltd., CRR, excess reserves, foreign currency balances with Bangladesh Bank and un-encumbered approved securities were 5.62 percent, 22.76 percent, 6.40 percent, 2.94 percent and 62.28 percent respectively.

Capital Market Development

The DSEX maintained its post-election march on a surge of investors' optimism for an improved market, pushing the core index above the 5,800-points since April 2018. The bargain hunters took position on the lucrative price level especially in financial institutions, general insurance, engineering, bank and fuel & power sectors while some risk-averse investors reshuffled their holdings from telecom, textile and cement sectors stocks to book quick profit. Meanwhile, a new issue, S. S. Steel Limited, made debut in this month, gained 407% from its offering price of BDT 10 in the first day of trading.

Central Bank's focus on NPL: the Extensive supervision and priority on productive sector

(News courtesy: BBN, Dhaka)

Bangladesh Bank (BB) in its latest quarterly (Jul-Sep'2018) has emphasized improving financial intermediation efficiency by reducing the amount of classified loans through better supervision and risk management as well as prioritizing productive sectors for lending through banking system.

It says continued improvement in supervision and risk management is the pre-requisite of improving financial intermediation efficiency by reducing stressed asset in the banking system in the midst of sizeable current account deficit and complex global environment. The BB observations came against the backdrop of rising trend in the non-performing loans (NPLs) in country's banking system in recent months. The volume of default loans by nearly 34% to BDT 993.70 bln as on September 30, 2018 from BDT 743.03 bln as on December 31, 2017, according to the central bank's statistics.

Meanwhile, bankers from different platforms including Association of Bankers Bangladesh (ABB), has sought judicial support and social pressures to immediately to whittle down the amount of NPLs in the banking system.

The share of classified loans also rose to 11.45% of the total outstanding loans during the period under review from 9.31% nine months ago. The default loans include substandard, doubtful and bad/loss of total outstanding credits, which stood at BDT 8,680.07 bln as on September 30, 2018, from BDT 7,981.96 billion as on December 31, 2017. (Continued in next page)

Money Market

Call Money Market

Interbank call money rate moved in the third week of January 2019 comparing 2nd week in January 2019. More over volume of call money transaction also deceasing for liquidity crisis. The weight average call money rate was 4.43 % and amount was 4904.35 crore in January 28, 2019. Major stake holder bank is facing liquidity crisis due to payment of TAX &VAT, dollar payment.

National Savings Certificate

The sale of National Savings Certificates (NSC) during July-October 2018 stood at Taka 30,000.51 crore which was 11.27 percent higher than the sale of NSC during July-October 2017. The net borrowing of the government through NSC during July-October 2018 was Taka 17,828.73 crore against Taka 17,314.65 crore of July-October 2017. The outstanding borrowing of the government through NSC as of end October, 2018 stood at Taka 255,595.25 crore.

Treasury Bill Bond Market

The weighted average yields on 91-Day, 182-Day and 364-Day treasury bills increased to 2.99 percent, 3.30 percent and 3.48 percent up to January 20, 2019 compared to December, 2018 respectively.

The weighted average yields on 2-Year, 5-Year and 10-Year BGTB increased and stood at 5.09 percent, 5.93 percent and 7.63 percent in January, 2019. The weighted average yields on 15-Year and 20-Year BGTB stood at 7.70 percent and 8.44 percent respectively in December, 2018.

Central Bank's focus on NPL: the Extensive supervision and priority on productive sector

BB further stated its ongoing priority on inclusive financing philosophy which showed intention on productive sector support in lending. , Quarterly paper noted "To support inclusive growth and macro-financial stability, the focus has been on ensuring that credit flows to the productive sector through risk extensive and intrusive supervision."

Simultaneously, BB gave alerts and cautionary signals quoting some headwinds like slower global growth in FY 19, continued trade tensions and tighter monetary conditions in the advanced and emerging market.

BB expressed its hope about better result in NPL management on positive grounds of political stability, falling energy and food prices in the global market, favorable support to the inflation, "Buyers' confidence in the readymade garment (RMG), and also enhanced energy supply condition.

Regulator's Corner

DOS Circular Letter No.-01 -Date: 09/01/2018

Regarding Wholesale Borrowing and Commitment of a Bank

Wholesale Borrowing

Wholesale Borrowing (WSB) means money borrowed from inter-bank market, popularly known as "call Money". WSB amount should match the bank's borrowing capacity. WSB covers the followings:

1. Call Borrowing
2. Short Notice Deposit from Bank/Fls
3. Placement received maturities < 12 months
4. Commercial papers/similar instruments
5. Over Drawn of NOSTRO accounts Balance

To reduce the dependency on wholesale market for providing stability and avoid extreme volatility in Balance sheet funding, ALCO should observe the funding products and try to diversify/expand the bank's funding base. Under circumstances, it is mandatory to put a limit and accordingly to be followed by Treasury Dealing Room.

Commitments:

It is a binding promise from a lender that a specified amount of loan or line of credit will be made available to the named borrower at a certain interest rate, during a certain period and, usually, for a certain purpose. The commitment letter often also specifies the terms and requirements under which the loan will be advanced.

Other off balance sheet items such as LC, BG etc are also components of commitments since these could be converted into funded obligation.

The commitment exerts pressure on balance sheet as it the yardstick of forthcoming liquidity requirement for bank. A prudent ALM process have clear picture of commitment position of bank i.e. funded and non funded commitment limit should be capped within a rational binding. The limit shall be considered as an aggregate limit of both conventional and Islamic banking.

Total Commitments= [undrawn portions of continuous loan including interest thereon + undrawn portions of term loan + outstanding irrevocable letters of credit and similar instruments+ letters of guarantee, acceptance and similar instruments] less [counter guarantee provided by foreign banks with BB rating grade 1 or similar + FC held against Bank to Back LC+ Margin on LC or guarantee]

TechTalk

BlockChain: Practical Uses

It will be an understatement to say that the Blockchain Technology is one of the greatest innovations of this century. More and more people are seeing that the decentralization and transparency that come along with the blockchain technology have the potential to shake multiple industries to its very core.

Some potential uses of BlockChain

Payment Processing and Money Transfers

Arguably the most logical use for blockchain is as a means to expedite the transfer of funds from one party to another. With banks removed from the equation, and validation of transactions ongoing 24 hours a day, seven days a week, most transactions processed over a blockchain can be settled within a matter of seconds.

Supply Chain Monitoring

Blockchain also comes in particularly handy when it comes to monitoring supply chains. By removing paper-based trails, businesses should be able to pinpoint inefficiencies within their supply chains quickly, as well as locate items in real time. Further, blockchain would allow businesses, and possibly even consumers, to view how products performed from a quality-control perspective as they traveled from their place of origin to the retailer.

Real Estate, Land, and Auto Title Transfers

One of the primary goals of blockchain is to take paper out of the equation, since paper trails are often a source of confusion. If you're buying or selling land, a house, or a car, you'll need to transfer or receive a title. Instead of handling this on paper, blockchain can store titles on its network, allowing for a transparent view of this transfer, as well as presenting a crystal-clear picture of legal ownership.

Food Safety

Yet another intriguing use for blockchain could be in tracing food from its origin to your plate. Since blockchain data is immutable, you'd be able to trace the transport of food products from their origin to the supermarket. What's more, should there be a food-borne illness, blockchain would allow the source of the contaminant to be found considerably quicker than it can be now.

Medical Record-keeping

The good news is the medical sector has already been moving away from paper for recordkeeping purposes for years. However, blockchain offers even more safety and convenience. In addition to storing patient records, the patient, who possesses the key to access these digital records, would be in control of who gains access to that data. It would be a means of strengthening the US HIPAA laws that are designed to protect patient privacy.

Though blockchain technology is still in its infancy, the promise of this technology is so fascinating that it has the potential to become the next big thing and encompass every aspect of our personal, professional and business life.

Banking Trivia

Impact of off-Balance Sheet items in Bank's Balance Sheet & Bank's Profitability

Off-balance Sheet (OBS) items include the potential obligations that may arise from the bank issuance letters of credit, letters of guarantee, acceptance, endorsements and unutilized receivables of continuous loan limits, sanctioned but not disbursed term loan or dealing with financial derivatives.

The importance of off-balance items for the banks increased around the world due to the financial liberalization and technological development. This led to increasing competitive pressures the banks encountered, which in turn led to lower interest margins charged by the banks for traditional banking products. The trend of the regulatory authorities to enhance the capital rules of banks and increasing capital adequacy made the banks to search non-traditional ways of funding which contributed to the increased preference of banks in OBS items. The OBS items achieve good returns to the banks without requiring the banks to allocate assets against that, but Bangladesh bank has recognized General Provision on the off balance sheet exposures as defined in BRPD Circular no. 10 Date: 24 November, 2002, the bank has to keep more high quality liquid assets, capital base and also total assets to maintain proper limit of commitment, Net Stable Funding Ratio set by ALM Guidelines.

Despite the significant payback that earned by the bank by using off-balance items, it also includes serious risky dimensions on the bank in case they have been converted to real potential obligations. So, these items contain many risks; such as liquidity, market, operational and credential risks. The banking and exchange rate risks are increasing with the growing off-balance items.

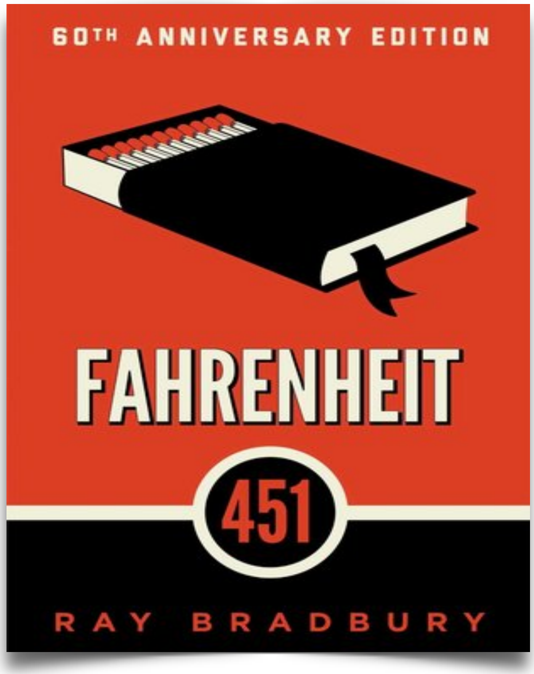
Considering the facts, BASEL accord as well as ALM core risk guidelines of Bangladesh Bank impose capital requirement & limit of commitment business. Under such circumstances, each of the business proposals should be critically viewed through profit parameters of threshold commission, margin, if necessary minimum commitment fees etc.

Bookmark

A Book about a civilization who abandoned Books!

Fahrenheit 451: Ray Bradbury

Fahrenheit 451 is a classic science fiction novel and a powerful commentary on humankind's urge to suppress what it doesn't understand. The shadow of the Cold War looms over the plot, which may confuse some readers, but the truths Ray Bradbury unearths are timeless.



The story revolves around a man named Guy Montag, who is a fireman. In his world, where television rules and literature is on the brink of extinction, firemen start fires rather than put them out. His job is to destroy the most illegal of commodities, the printed book, along with the houses in which they are hidden.

Montag never questions the destruction and ruin his actions produce, returning each day to his bland life and wife, Mildred, who spends all day with her television 'family'. But then he meets an eccentric young neighbor, Clarisse, who introduces him to a past where people did not live in fear and to a present where one sees the world through the ideas in books instead of the mindless chatter of television.

When Mildred attempts suicide and Clarisse suddenly disappears, Montag begins to question everything he has ever known.

Montag's inner emotional and moral journey from a character who burns books gleefully and with a smile on his face to someone who is willing to risk his career, his marriage, his house, and eventually his life for the sake of books is extremely compelling. That this man, product of a culture that devalues reading and values easy, thoughtless entertainments designed to deaden the mind and prevent serious thought, could come to find literature so essential that he would kill for it...!

It raises the question: why? What is it about books, about poetry, about literature that is so essential? Books don't contain any hard-and-fast answers to all of life's questions. They might contain great philosophical Truths, but only subjectively so -- there will always be someone who will argue and disagree with whatever someone else says.

Probably the reason that books are so important to our lives and to the health of our society is not because they give us answers, but because they make us ask the questions.

This is a book about the power of books that is itself steeped with references, both explicit and indirect, to the great works that permeate our culture so thoroughly that we do not always notice them - until they're gone. Bradbury shows us the horror of a hedonistic but unhappy world where books and ideas are banned in the futile pursuit of the illusion of happiness. The intended message of this 62-year-old novel is different: a prescient warning about the addictive power of continuous, passive imbibing from the virtual worlds and interactive screens that are our constant companions.