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বক্সার ব্যাংক



মার্কেটাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.

দক্ষতাই আমাদের শক্তি



EDITORIAL

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EDITORIAL NOTE

September 2025 was marked by macroeconomic divergence and escalating global trade protectionism, confronting Bangladesh with significant domestic policy challenges. The country's focus remains on stabilizing the external position, managing persistent inflation, and driving structural reforms in the banking sector.

The global forecast for GDP Growth was trimmed to 3.2% for 2025, a slight deceleration influenced heavily by rising trade protectionism, particularly the highest US effective tariff rate since 1933, which continues to dampen export prospects. While Developing Asia saw forecasts of easing inflation, Bangladesh faced acute pressure, underscoring structural headwinds across emerging markets. Cautious monetary easing by the US Fed offered minimal relief, overshadowed by the risk of sharp asset repricing fueled by investment exuberance in Artificial Intelligence.

For Bangladesh's Economy, September presented a mixed but resilient picture. The external sector demonstrated gradual stabilization, with Gross Foreign Exchange Reserves climbing to \$31.43 billion. This recovery, however, was shadowed by a trade reality: export earnings softened to \$3.63 billion (a 4.61% year-on-year decline), a direct fallout of the new 20% US tariff. In contrast, remittance inflows proved robust, increasing 11.67% year-on-year to \$2.69 billion, providing critical current account support. Domestically, the chief concern remained inflation, which surged point-to-point to 8.36% in September, driving a grim 10.0% forecast for FY25. This pressure is exacerbated by the government's increasing reliance on non-bank domestic borrowing to finance the budget deficit.

The Banking Industry continued to navigate persistent structural issues. Total credit showed a strong 11.28% growth, yet profitability faced strain as the weighted average interest rate spread narrowed to a 25-month low of 5.75%. More critically, the sector grapples with high Non-Performing Loans (NPLs), with RMG (26%) and Textiles (25%) featuring prominently. In response, the Bangladesh Bank (BB) took decisive steps: it continued purchasing US dollars to stabilize the exchange rate, and, critically, announced the phase-out of the Assured Liquidity Support (ALS) facility, aligning with IMF-recommended monetary tightening. Further, raising the general provisioning requirement for CMSME loans to 1.0% addresses stability but introduces hurdles for credit flow to this vital sector.

In Concluding Remarks, September 2025 confirmed that Bangladesh's economic future hinges on effective domestic policy execution. While external shocks are unavoidable, the nation's strong remittance flow demonstrates underlying resilience. The immediate imperative is a dual focus: tightening monetary and fiscal discipline to aggressively tackle the elevated inflation, and expediting structural reforms in the banking sector, particularly in asset quality and NPL management. Only through intentional, pragmatic policy action can the economy successfully absorb external headwinds and unlock sustainable growth.

Tapash Chandra Paul, PhD

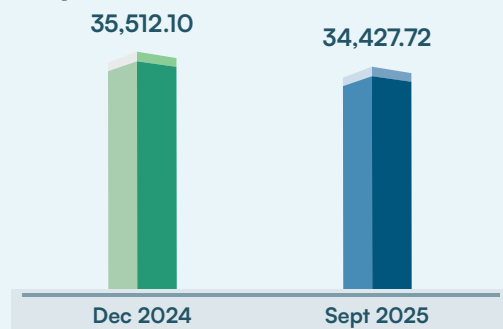
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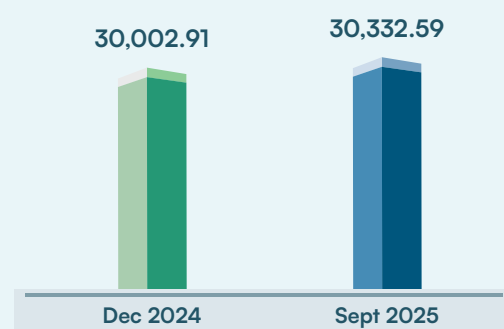
MBPLC KEY BUSINESS PERFORMANCE SEPTEMBER 2025

MBPLC KEY BUSINESS PERFORMANCE

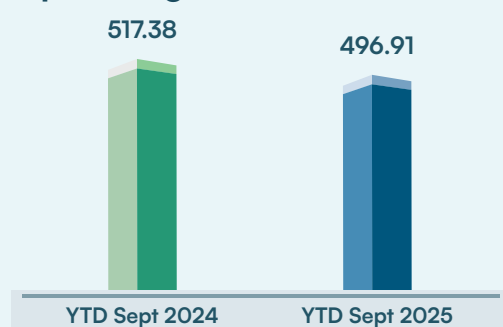
Deposits BDT in Crore



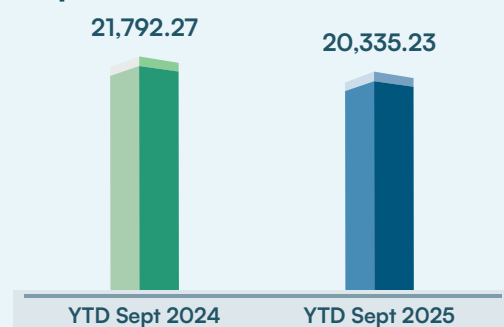
Loans & Advances BDT in Crore



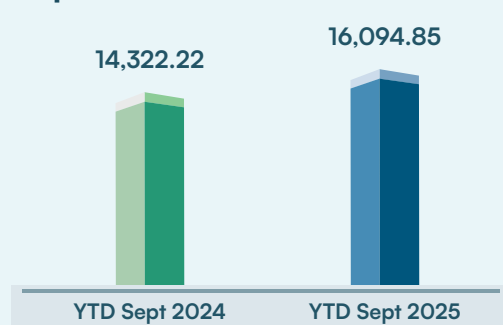
Operating Profit BDT in Crore



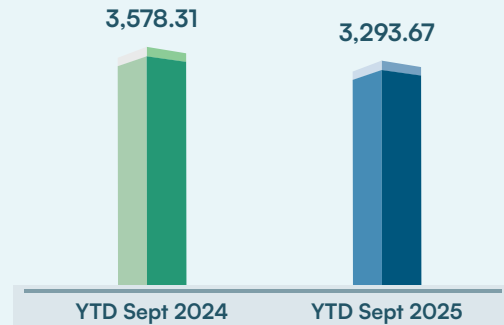
Import BDT in Crore



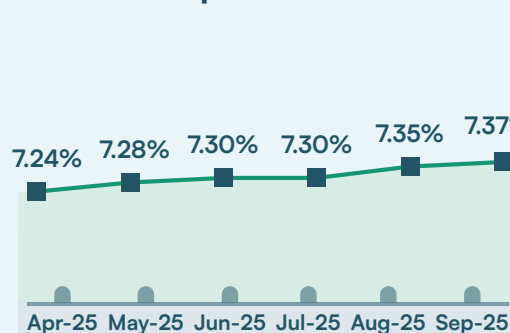
Export BDT in Crore



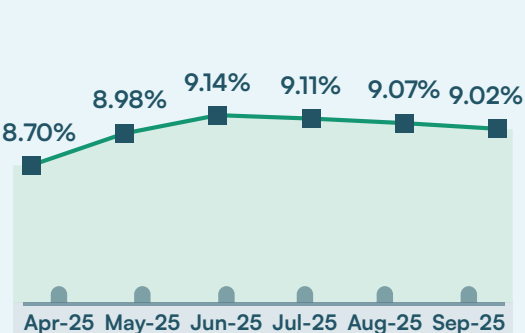
Inward Remittance BDT in Crore



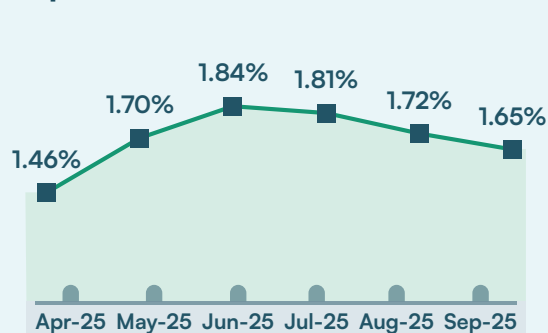
Cost of Deposit



Yield on Advances



Spread





GLOBAL ECONOMY

Global Economic Outlook

September 2025

Analyzing global policy shifts, the structural rise of AI, and the pivotal forecasts for Bangladesh and the South Asian region.

Global Headwinds & Policy Moves

The global macroeconomic environment is characterised by divergent regional performance and escalating trade complexity. The implementation of fresh U.S. tariffs, effective from August 7,

has significantly altered market dynamics and is anticipated to contribute to a deceleration of global growth through the remainder of the year.

Corporate strategy must prioritise

operational agility to mitigate mounting costs associated with shifting trade barriers and to maintain competitive stability in this increasingly fluid environment.

Global GDP
Growth

3.2%
(2025)

Slowing from 3.3% in
2024 (IMF).

US Effective Tariff
Rate

19.5%

Highest rate since 1933
(OECD).

Inflation
Challenge

Divergent

US high, China deflationary,
Food Prices rising globally.

Emerging Market
Strength

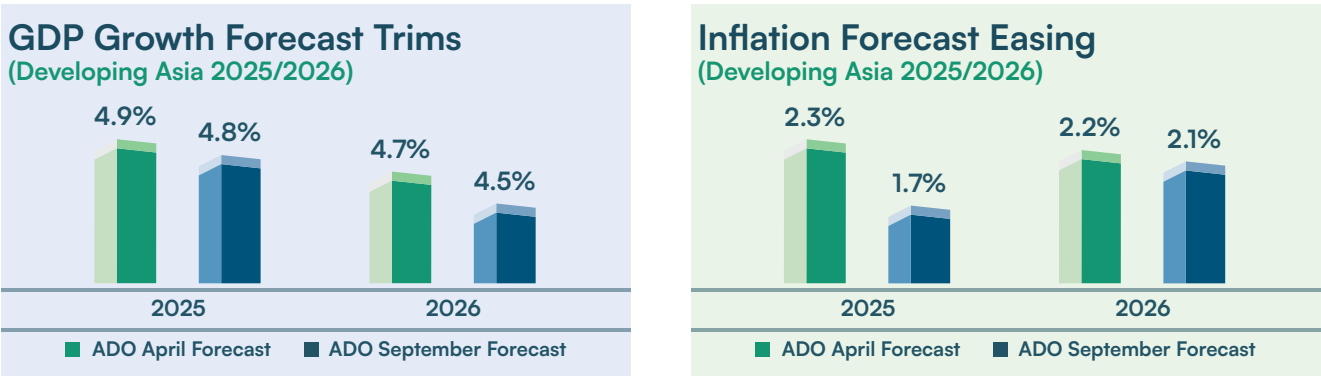
Growth >4%

Outperforming Advanced
Economies (IMF).

Global Policy Response & Structural Risks



Developing Asia: The Shifting Forecast



Developing Asia’s growth forecast is trimmed to 4.8% (2025) and 4.5% (2026).

Inflation is projected to ease further in 2025 to 1.7%, driven by lower energy and food prices

globally—a trend countered by local dynamics in South Asia.

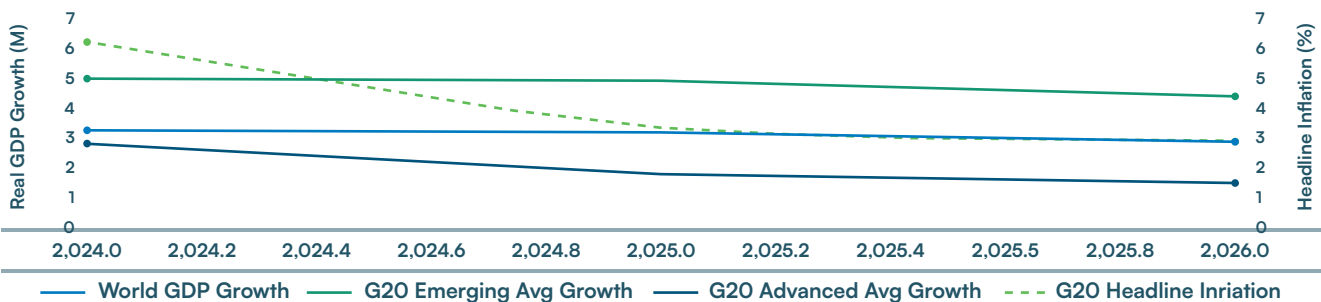
Global Demand Outlook: G20 Growth Trends (2024—2026)

“The front-loading effect that temporarily boosted industrial production and trade in the

first half of 2025 is now fading, leading to a

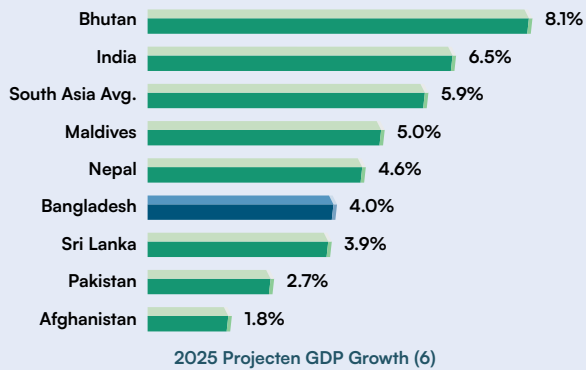
moderation in global growth into 2026.” (OECD)

Projection Source: DEGO Interim Economic Outlook Sen 25

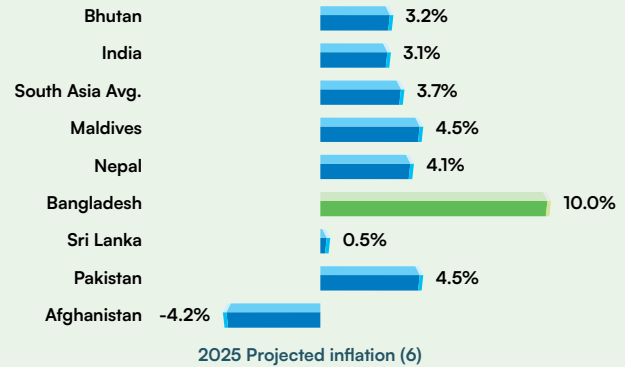


FOCUS: South Asia Economic Outlook (2025)

GDP Growth Forecast by Country (2025)



Inflation Forecast by Country (2025)



Bangladesh: High Inflation & Growth Target

- GDP Growth (2025): 4.0% (Forecast).
- Inflation (2025): 10.0% (Forecast, highest in the sub-region). Inflation is anticipated to pick up to 4.7% in 2026 for the average sub-region on normalizing food prices, but Bangladesh faces acute local pressure.
- Tariff Headwinds: India's growth (6.5%) faces new US tariffs of 50% on exports, which contributes to the overall downward revision of South Asia's growth outlook to 5.9%.
- Policy Note: Continued efforts are needed to stabilize currency and manage imported inflation alongside domestic fiscal prudence.

Risks and Policy Imperatives for the Region

Key Downside Risks

- Trade Policy Uncertainty: Escalating bilateral tariffs impact regional exports, dampening overall South Asia growth outlook (revised down to 5.9%).
- Fiscal Vulnerabilities: Mounting global debt and high real interest rates will limit foreign aid and concessional financing for low-income countries (World Bank).
- Inflation Surprises: Driven by persistent rising food prices globally and locally, requiring continued vigilance from policymakers.

Policy Focus for Bangladesh

- Monetary Policy: Must remain vigilant, actively targeting the 10.0% inflation challenge and stabilizing currency.
- Fiscal Discipline: Credible measures needed to safeguard debt sustainability and strengthen buffers against external shocks.
- Structural Reforms: Enhanced efforts required to boost longterm productivity and leverage benefits from Agentic AI adoption and digital transformation.

Source: Asian Development Bank (ADO September 2025), IMF, OECD Interim Economic Outlook (September 2025), and Global Financial and Economic Analyses (September/Q3 2025).

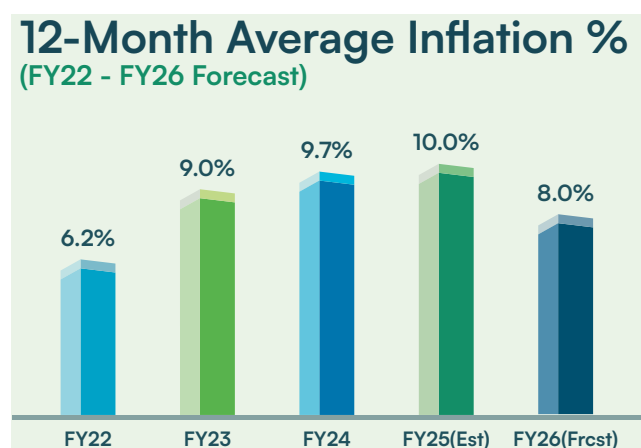
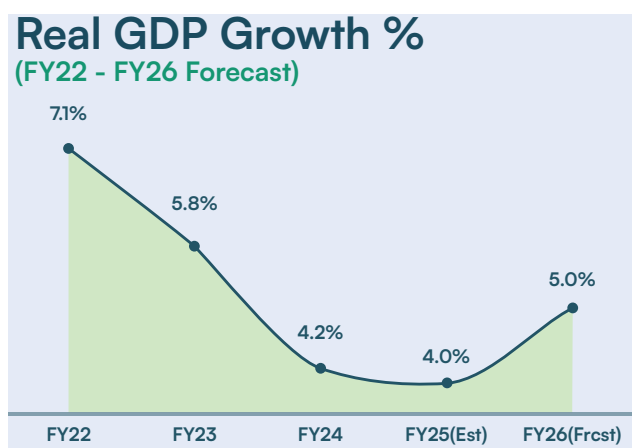
BANGLADESH ECONOMY

Bangladesh Economic Snapshot

September 2025: Key Trends and Policy Risks

Overview: Slower growth amid political uncertainty while moderate inflation expected.

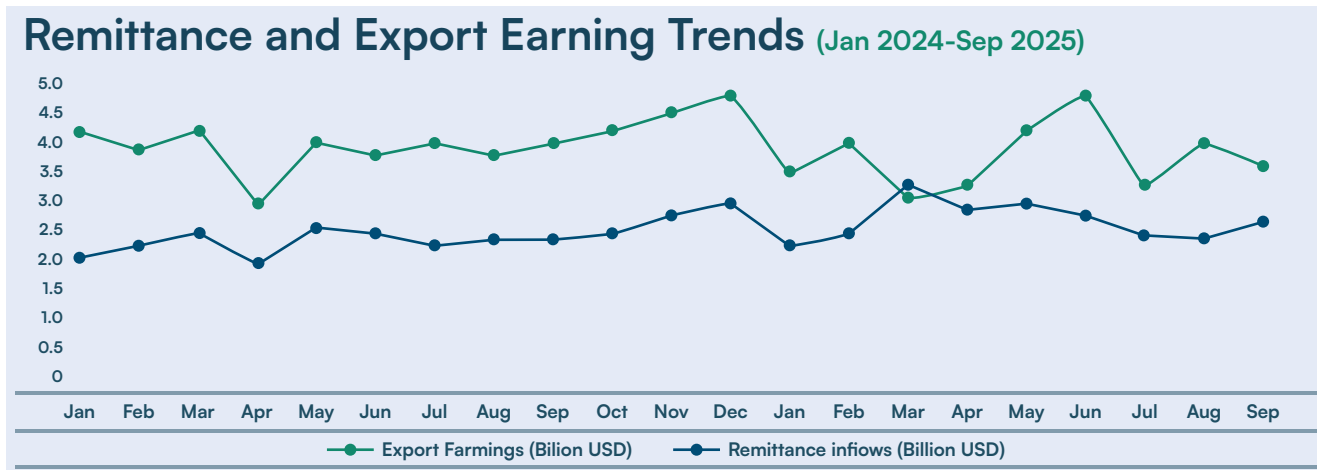
1. Growth & Inflation Outlook (FY22 - FY26)



Source: ADB

Key ADB Highlights: Growth trimmed to 5.0% in FY26 (from 5.1%). Inflation expected to ease to 8.0% in FY26 (from 10.0% in FY25). Consumption will be the main driver of growth.

2. External Sector Health & Foreign Currency



Foreign Exchange Reserves (In billion US\$)

Metric	Sep'24	Jul'25	Aug'25	Sep'25 (latest)
Gross Reserves	\$24.86	\$29.80	\$31.17	\$31.43
BPM6 Reserves	\$19.86	\$24.78	\$26.17	\$26.60

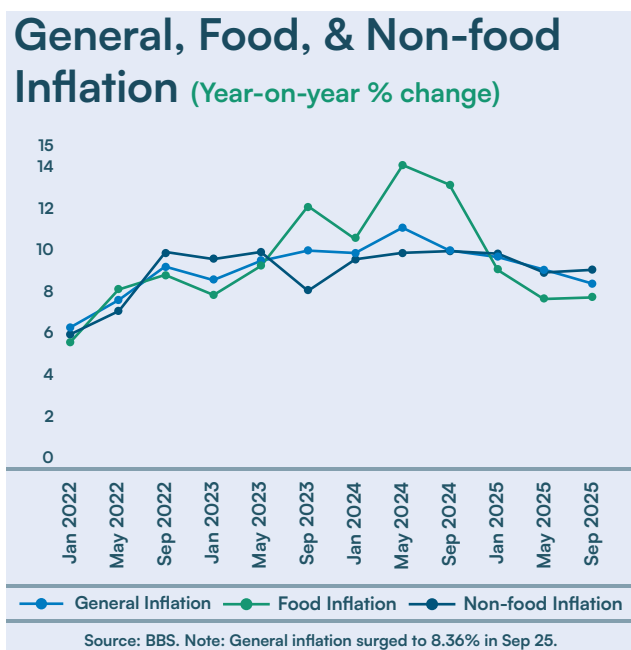
Export Position (Sep'25 vs Sep'24)

- September 2025 Exports: **\$3.63 billion**
- Year-on-Year Change (Sep'25 over Sep'24): **-4.61%** (Impacted by **20% US tariff**).
- Quarterly Exports (Jul-Sep FY26): **\$12.31 billion (+5.64% YoY)**.

Remittance Position (Sep'25)

- September 2025 Inflow: **\$2.69 billion** (Up from \$2.40B in Sep'24).
- YoY Growth (Sep'25): **11.67%** (Riding on higher manpower exports).
- Highest Inflow (2025): **\$3.29 billion** (March).

3. Domestic Financial & Monetary Indicators



Key Monetary & Banking Data (Sep'25)

INDICATOR	SEP'25 RATE	CHANGE SINCE AUG'25
Interbank TK-USD Rate (Avg)	121.8008	Stable (vs 122.5488 in Aug'25)
Call Money Rate (WA)	9.96%	Slight increase (vs 9.75% in Aug'25)
Monthly Avg Inflation (12-Mo)	9.45%	Easing (vs 9.58% in Aug'25)

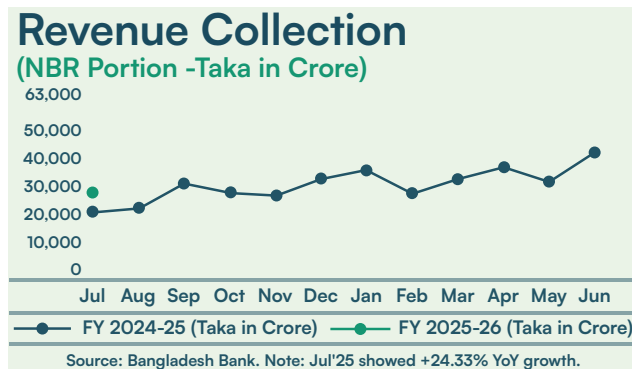
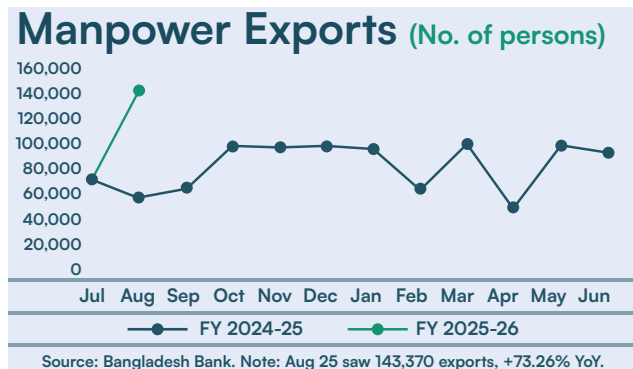
Money Supply (August 2025)

ITEM	AUG'25 (P)	YOY % CHANGE (AUG'25 OVER AUG'24)
Reserve Money (RM)	390,508.30 Crore	1.22%
Broad Money (M2)	2,181,764.80 Crore	7.78%

4. Other Key Economic Indicators

National Income Aggregates (2024-25)

ITEM	PER CAPITA (TAKA)	YOY % CHANGE
Per Capita GDP	321,254	10.19%
Per Capita GNI	339,111	11.55%



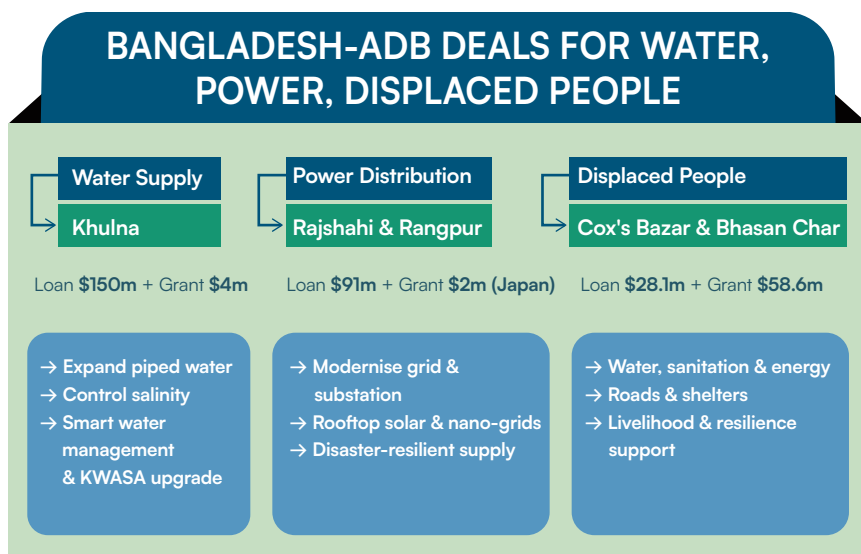
Downside Risks Summary

- US Tariffs:** The **20% US tariff** on exports since August 2025 is a primary headwind impacting the external sector.
- Banking Sector:** Vulnerability and need for **finance sector reforms** persist.
- Inflation:** Despite forecasts to ease, point-to-point inflation surged in September, driven by rising food and non-food prices.

Data Sources: ADB, Bangladesh Bank (BB), BBS, EPB. All data reflects September 2025 unless otherwise noted.

News Coverage

BD, ADB ink \$331.7m deals



The Asian Development Bank (ADB) and the Bangladesh government signed agreements on funding worth US\$269.1 million in loans and US\$62.6 million in

grants to support water supply, power distribution, and displaced people from Myanmar. They signed agreements for a \$150 million loan and a \$4.0 million

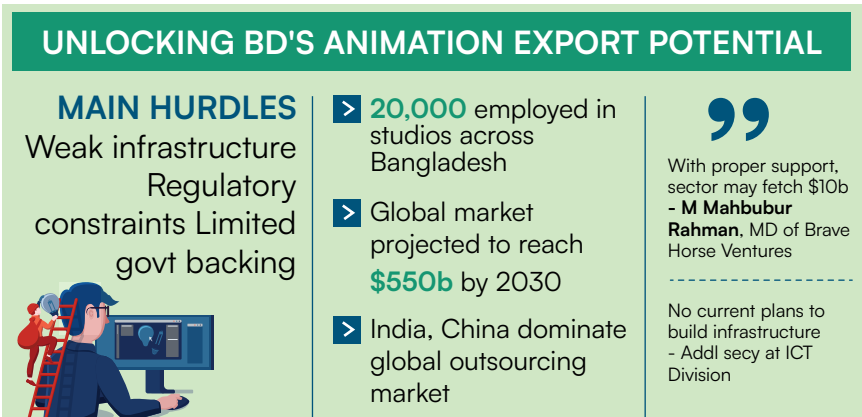
grant to expand water supply services for unserved residents of Khulna city and to address groundwater salinity, ensuring a sustainable piped water supply during the dry season. The both sides also signed a \$91 million agreement to enhance the quality, efficiency, reliability, and resilience of the power distribution network in Rajshahi and Rangpur divisions. However, an agreement also been signed for a \$58.6 million grant from the Asian Development Fund (ADF) and a \$28.1 million concessional loan to improve basic infrastructure and services for displaced people from Myanmar (DPFM) and host communities in Bangladesh.

Source: The Financial Express-30 September, 2025

Animation industry holds \$3.0 billion export earnings potential

Bangladesh’s animation industry which is still a niche player on the global stage, holds the potential to fetch as much as US\$3.0 billion in annual export if it can be given the right policy support. For more than a decade, Bangladeshi animators have quietly been producing high-quality works for global entertainment giants. Yet, despite their brains, the sector has struggled to emerge as a standalone export earner which is hampered by weak infrastructure, regulatory constraints and limited government backing.

The timing for expansion could not be more urgent. Globally,

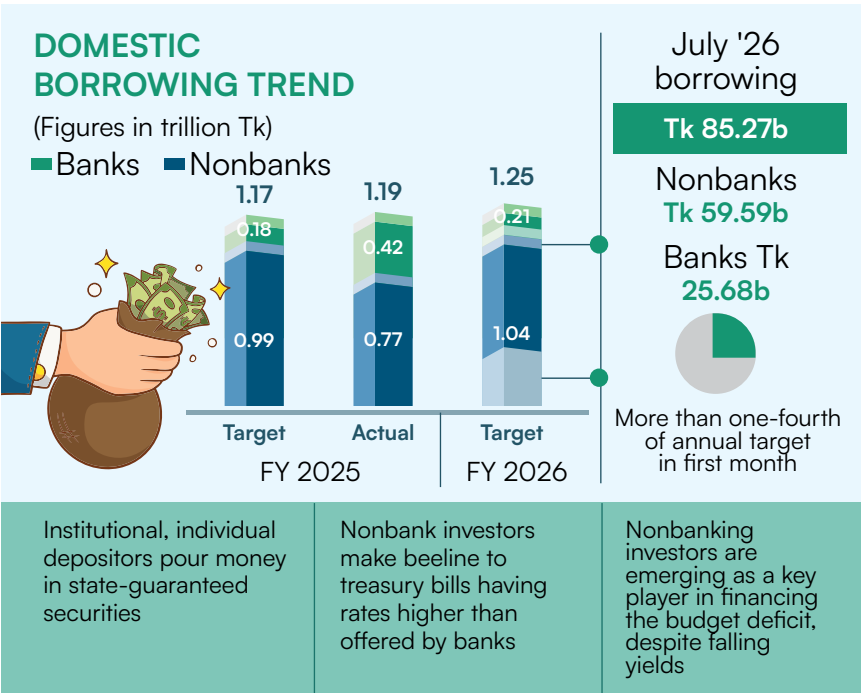


the animation market is booming nowadays. It is expected to reach \$550bn by 2030 which is propelled by the rise of streaming platforms, video games and demand for visual content. Bangladesh has a window of

opportunity to capture a share of this growth cake in the fastest-growing knowledge economy of digital era.

Source: The Financial Express-30 September, 2025

Govt’s nonbank borrowing bloats as G-Sec becomes hotcakes



Government’s domestic borrowing from nonbanking sources bloats as institutional and

individual depositors pour their money into secure government securities (G-Sec) failing to find

better alternative investment choices. Normally, major portion of government’s domestic debts to meet budgetary shortfall comes from the banking sector while the remaining smaller quantum is generated from the nonbanking sources. At present, things start changing course as the share of contribution of the nonbanking avenues like institutional and individual depositors continues rising.

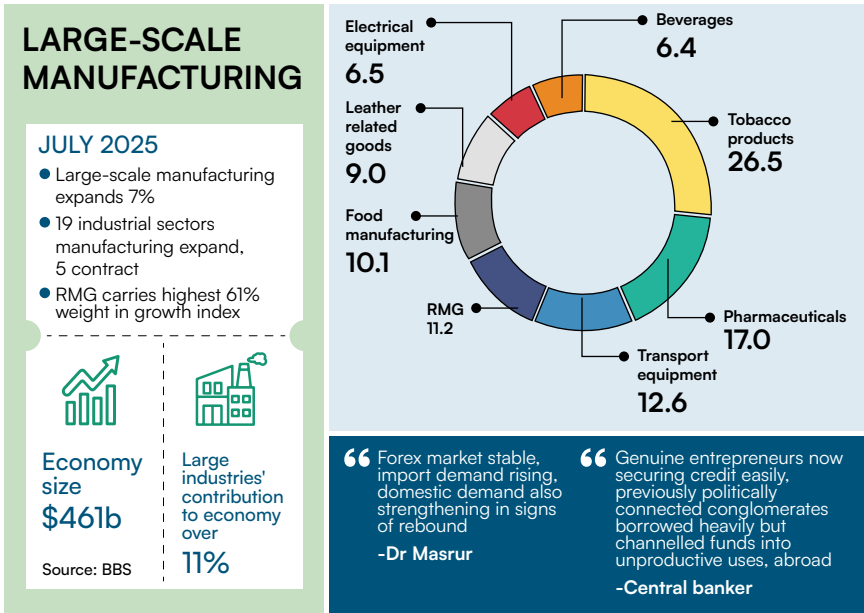
In the current national budget for FY’26, the target of total domestic borrowing has been set at Tk 1.25 trillion, Tk 1.04 trillion of which planned to be borrowed from the banking system while Tk 210 billion from the nonbanking sources.

Source: The Financial Express-30 September, 2025

Industrial throughput on upswing, economy shows steady pickup

In signs of a steady economic pickup, large-scale manufacturing output is expanding buoyed by a double-digit growth in dominant clothing sector amid a feel-good external ambiance. According to official data, Bangladesh's large-scale manufacturing output expanded nearly 7.0 per cent the first month of the 2026 fiscal year.

The industrial production index published by the Bangladesh Bureau of Statistics or BBS, is a key barometer of economic activity. The ready-made garment sector, which carries the highest weight in the index at 61 per cent, posted a 11.2-percent year-on-year growth in July. Out of 23 industrial sectors



tracked, 19 expanded during the month while five recorded contractions. Tobacco products led the gains with 26.5-percent

growth. By a contrast, textiles shrank 4.2 per cent.

Source: The Financial Express-29 September, 2025

Cross-industry eligibility status to be spot-checked



Bangladeshi exporters' compliance with European Union's regulations including GSP rules of origin, implementation of REX system and statement on origin, is set

to be spot-checked for extended privileged market access. To retain the generalised system of preferences (GSP) facility, Bangladeshi exporters have to comply with the EU's Registered

Exporter (REX) certification system of origin of goods.

The REX system is based on principle of self-certification by exporters, who issue statements on origin (SoO) to themselves and to be entitled to issue statements on origin. The exporters have to be registered in a database by the competent authority of their respective countries. Under the system, all Bangladeshi exporters have to register with the state-run Export Promotion Bureau (EPB) to export their products to the continental bloc -- the European Union -- Bangladesh's largest export destination for everything but arms or EBA.

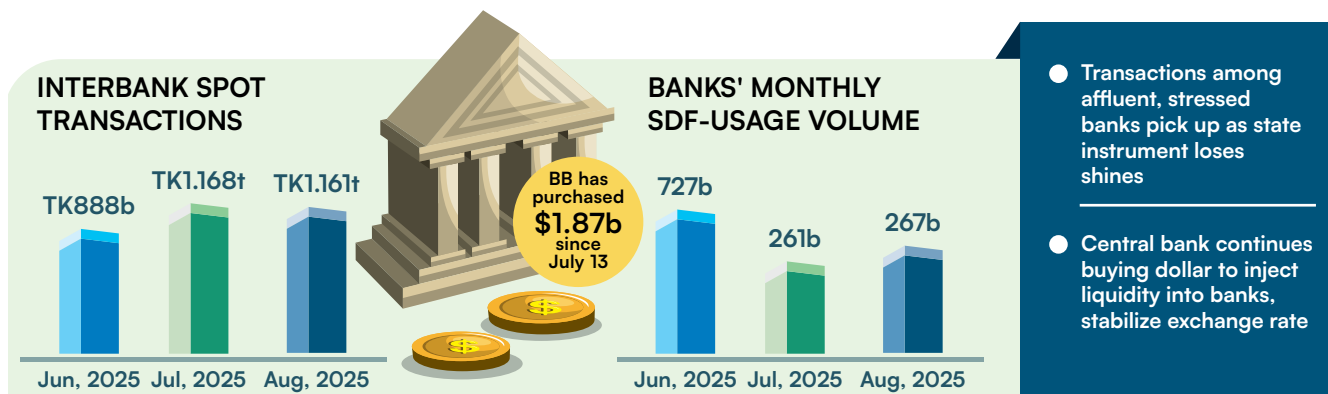
Source: The Financial Express-29 September, 2025

Policy twist to state-guaranteed SDF reviving call-money market

Cash transactions on the call money-market rise in a rebound of the moribund interbank platform as the central bank's policy revision. At the same time, the Bangladesh Bank (BB) keeps

purchasing US dollars from the commercial banks as part of its move to stabilize the taka-US dollar exchange rate and injected caches of the local currency in exchange. This activity in fact,

increases the flow of liquidity on the money market. The commercial banks, encouraged by the cash flow, are investing in interbank spot market amid persisting economic sluggishness.



Call-money market is a key platform where borrowing and lending take place among banks to fill the asset-liability mismatch, comply with the statutory CRR

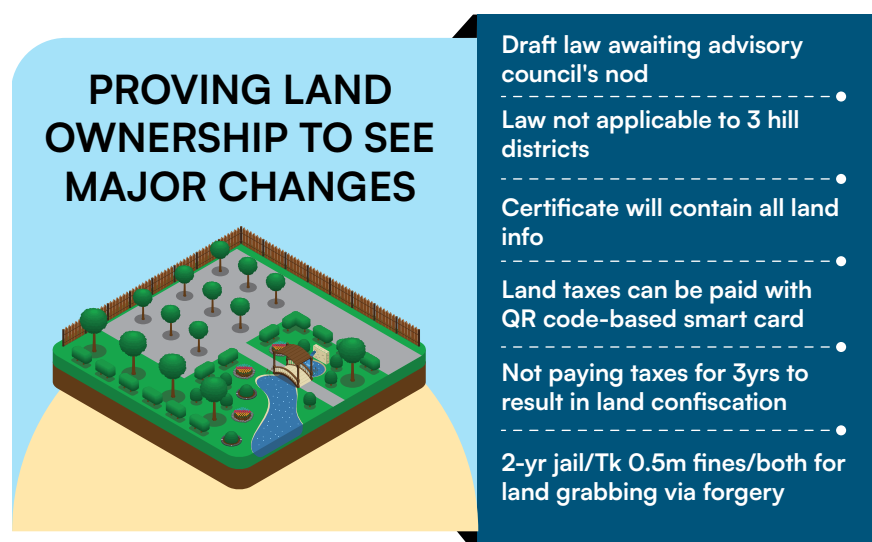
and SLR requirements and to meet any exigent demand for funds. The banking regulator has been taking various policy steps like squeezing borrowing

facilities of the central bank only to breathe life into the moribund call-money market.

Source: *The Financial Express*-28 September, 2025

Govt to issue land ownership certificates, smart cards

The government will issue certificates of land ownership (CLOs) and land smart cards to land owners to ensure the authenticity of ownership. The government has finalized the draft of the Land Ownership and Use Act 2023 with the provision of providing CLOs and land smart cards. The land smart card will have a QR code or a unique number. Once the act comes into effect, a land owner will be able to pay land taxes by using the card. If a land owner fails to pay land development taxes for three years consecutively, the government will lawfully confiscate the land, which will then be treated as khas (government-owned) land. Besides, if anyone grabs another



person's land through forgery, they will face a two-year jail term or Tk. 0.5 million in fines or both. The CLO will be treated as a final and authentic document that will

prove the real ownership of land. It will contain all information about the land.

Source: *The Financial Express*-27 September, 2025

US buyers switching to BD for sourcing travel goods

TRAVEL-GOODS EXPORTS TO US



Luggage, handbag, sport-bag, purses shipments to America surge over 23pc YoY in seven months of 2025

Long lead times in shipment, import dependence for raw materials stand in way

American buyers are increasingly switching to Bangladesh for sourcing travel goods in a trade redirection driven by high US tariffs and rising production costs in China. The rebound has already begun to be conspicuous in export earnings with Bangladesh's shipments of luggage, handbags, sports bags and purses to the United. Notwithstanding the momentum, Bangladesh has yet to capture its potential share in the market due to structural bottlenecks, such as long lead times in shipment and dependence on imported raw materials.

Bangladesh earned US\$60.99 million from travel-goods exports to the US between January and July 2025, up from \$49.44 million in the same period of 2024 [Source: the US Department of Commerce's Office of Textiles and Apparel (OTEXA)]. Among all product categories, man-made fibre (MMF) backpacks posted the strongest growth during the period, rising by 73.91 per cent to \$6.98 compared to \$4.01 million a year earlier.

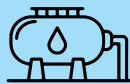
Source: *The Financial Express*-26 September, 2025

Numerous global energy majors vying for deal

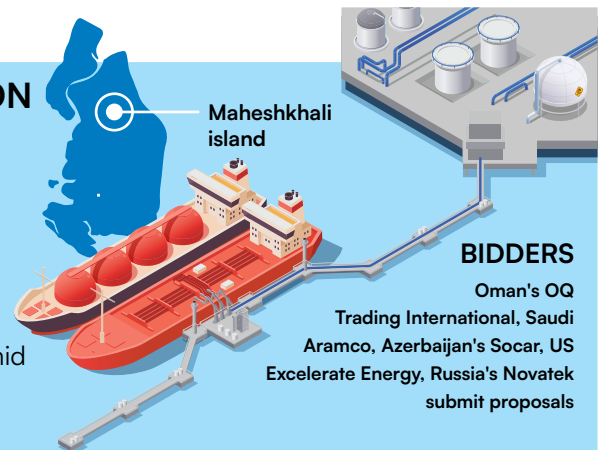
Half a dozen international firms are vying for contract to construct a new floating storage and regasification unit (FSRU) at Moheshkhali island as Bangladesh opts for enhancing LNG-handling capacity amid falling domestic gas reserves against rising demand. Oman's OQ Trading International, Saudi Arabia's Aramco Trading, Azerbaijan's Socar, US-based Excelerate Energy, and Russia's Novatek are among the global players interested in setting up the FSRU or related infrastructure used for regasifying imported LNG to feed into national grid.

Bangladesh's LNG-regasification capacity has

CONSTRUCTION OF NEW FSRU



Govt bids for enhancing LNG-handling capacity amid falling gas reserves



Maheshkhali island

BIDDERS

Oman's OQ Trading International, Saudi Aramco, Azerbaijan's Socar, US Excelerate Energy, Russia's Novatek submit proposals

reached a near-saturation point at about 1,050 million cubic feet per day (mmcf), with its two operational FSRUs running at roughly 96 per cent of capacity. Current infrastructure allows for a

maximum regasification of 1,100mmcf, provided both FSRUs run at full capacity (Source: Petrobangla).

Source: *The Financial Express*-25 September, 2025

Govt looks for alternative funds as Indian LoC in limbo

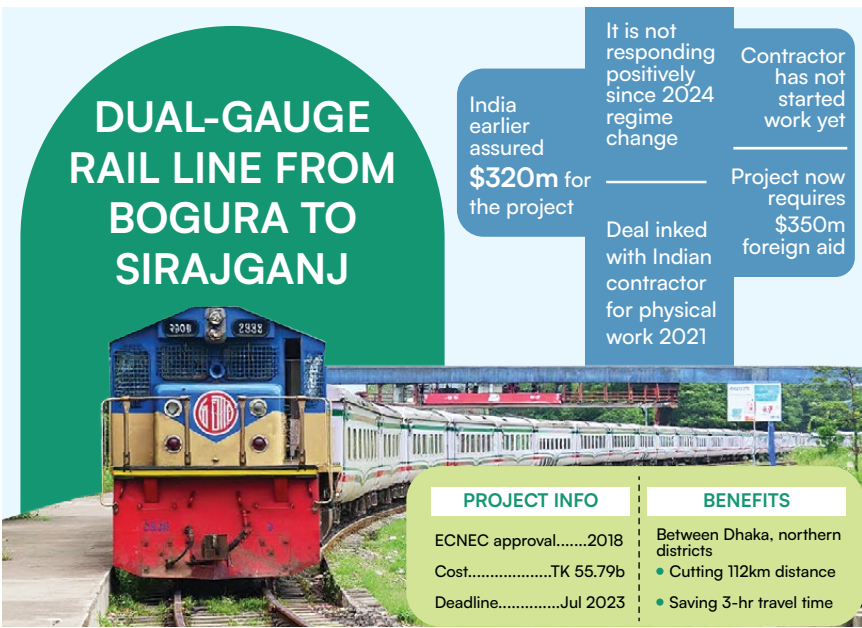
The government is looking for foreign funds from

development partners to implement the protracted

Sirajganj-Bogura rail line project as India is unwilling to

finance it from the line of credit (LoC) programme. The project would require nearly \$350 million in foreign assistance. Earlier, the Indian government in its LoC deal assured of lending some \$320 million for the project. Bangladesh Railway (BR) started implementing the project in 2018, which still drags on. The slow response from India and the selected consultant mainly led to the delay. The confirmed LoC has not been furnished after the 2024 July-August political changeover, and India has not responded positively since then either.

When completed, the project will establish a shorter dual-gauge link between the western and northern parts

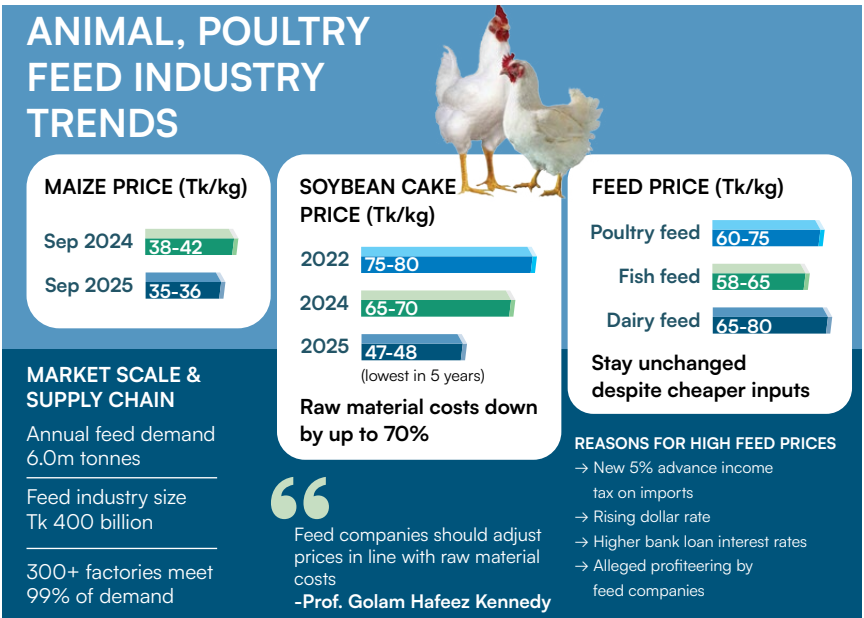


of Bangladesh, as well as the eastern and southern areas, via Dhaka. It will reduce travel distance by about 112 kilometres, thus saving about

three hours of travel time from Dhaka to the northern districts.

Source: *The Financial Express*-25 September, 2025

Feed prices high despite cheaper inputs



paying more for protein-rich foods. Maize and soybean cake prices have fallen to their lowest levels in five years, yet feed millers are accused of keeping retail feed prices artificially inflated.

This disconnect between raw material costs and feed prices is squeezing farmers' profit margins, forcing many to abandon livestock and poultry farming. With over 450 million heads of livestock and poultry depending on feed, the issue has significant implications not only for farmers but also for food inflation, nutrition, and livelihoods across the country.

Source: *The Financial Express*-24 September, 2025

Despite record harvests of maize and a glut of soybean cake in storage, the cost of animal and

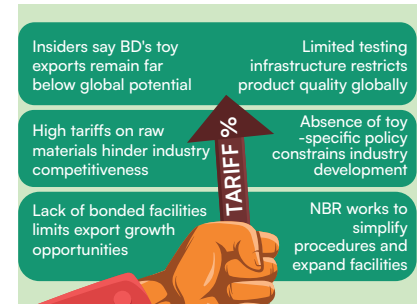
poultry feed remains stubbornly high, leaving small farmers struggling and consumers

Tariff, policy hurdles bane of toy exports

Bangladesh's toy industry has shown promise but continues to fall short of its global potential, largely due to tariff barriers, infrastructure gaps, and the absence of a supportive policy framework. Stakeholders at a focus group discussion titled "Diversifying the Export Basket: Innovation, Export Potential and Market Expansion of the Toy Manufacturing Industry" stressed that unless these challenges are addressed, the sector will remain underutilized

despite its growing domestic base and expanding international demand. The global toy market, valued at over US\$100 billion and projected to reach \$150 billion by 2030, offers enormous scope for Bangladesh. Yet the country's export earnings from toys are just \$77 million - a fraction of its potential.

Limited research capacity, weak product innovation, and overreliance on imported inputs further inflate costs, leaving



local manufacturers unable to compete on design, price, or quality in international markets.

Source: *The Financial Express*-24 September, 2025

Exports to India via Ctg port soar after land port curbs



Merchandise shipments to India through the country's premier seaport in Chattogram have surged after New Delhi imposed restrictions on goods entering through land ports. India introduced three separate restrictions on Bangladeshi exports of items such as

garments, processed food, plastics, yarn, furniture, raw jute and jute products. Sea routes are still open for Indian importers, but they are slower and costlier. Bangladeshi goods now travel from Chattogram to Colombo before reaching Kolkata or Mumbai's Nhava

Sheva port.

Despite the added time and expense, Indian importers have continued sourcing from Bangladesh due to the lack of viable alternatives. Benapole—the busiest land port for bilateral trade, suffered the steepest losses. Mongla port also saw exports collapse.

The new trade flow with India has piled pressure on Chattogram port, which already handles about 84% of Bangladesh's total international trade. The port's storage capacity is 53,500 twenty-foot equivalent units (TEUs), and operations remain smooth if container numbers stay below 40,000.

Source: *The Daily Star*-24 September, 2025

Remittance share in GDP, imports rises to 7-year high

Bangladesh's remittance sector achieved record growth

in fiscal year (FY) 2024-25, with contributions to import

payments and Gross Domestic Product (GDP) hitting the

highest point in seven years. Non-resident Bangladeshis and migrant workers sent \$30 billion in FY25 which marks the highest inflow on record in a fiscal year and a 27% year-on-year increase (Source: Bangladesh Bank). In the last fiscal year, remittances accounted for 6.57% of GDP and 47.13% of the country's import payments which highlights their critical role in the economy. The share of remittances relative to exports also improved, reflecting the sector's growing significance in maintaining macroeconomic stability.



While the upward trajectory of inflows offers immediate relief to external sector stability, strategic policy measures are needed to diversify migration destinations, reduce costs, and

sustain growth in remittances without overreliance on fiscal incentives.

Source: The Daily Star-24 September, 2025

Govt supports exporters to attend 46 int’l trade fairs

The government has rolled out an extensive plan to support Bangladeshi exporters from eight potential sectors in participating in 46 international trade fairs during fiscal year 2025-26. The aim is to diversify the country's export basket and reduce reliance on traditional markets such as the USA and the European Union (EU). As part of this strategy, Bangladesh will also host its first-ever

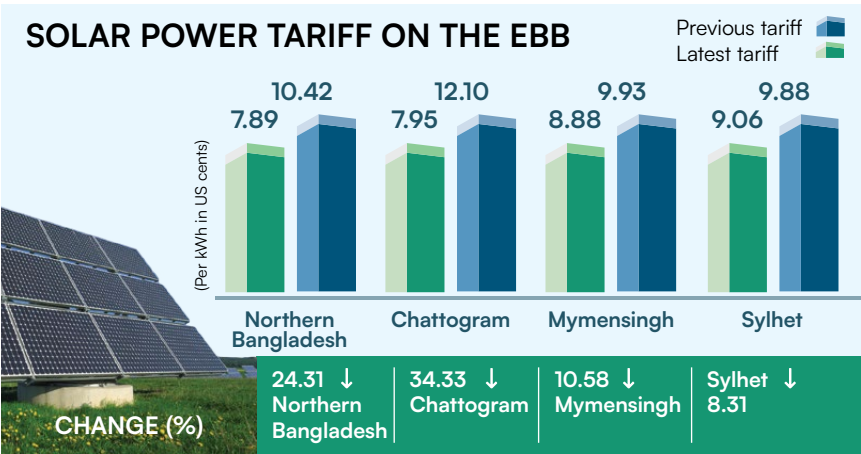
Global Sourcing Expo, branded as “Sourcing Bangladesh,” scheduled for December 1-3 in Dhaka, to attract global buyers and brands directly to the country. According to the Export Promotion Bureau (EPB), Bangladeshi companies will be supported to join international fairs across multiple sectors, including ready-made garments (RMG), textiles, leather, pharmaceuticals,

furniture, seafood, handicrafts, and ICT.

The EPB will coordinate the initiative covering both financial and logistical support to help exporters tap into new and emerging markets, particularly in East Asia, the Middle East, Africa, and Latin America.

Source: The Financial Express-24 September, 2025

Govt mulls over awarding a dozen solar projects



The government is planning to award around a dozen solar-based power-plant projects as it has received lower tariff rates in tenders compared to all such previous facilities. These plants will help ease the growing dependency on fossil fuels to generate electricity and diversify the country's energy sources. The tender tariffs for the solar projects are lower than the energy costs of some

other conventional fossil fuels including furnace oil and those running on re-gasified liquefied natural gas (RLNG), as well as

previous solar plants that are operational. After implementing the tendered solar projects, the overall cost of electricity

generation will be reduced, especially during the daytime.

Source: The Financial Express-23 September, 2025

Mrt-5 southern route project on backburner

Multi-donor-funded Dhaka metro-rail southern-route project is put on the backburner as the post-uprising government culled some previously conceived megaprojects under reset development priorities to make the most of scant resources. Put on hold is the proposed Dhaka Mass Rapid Transit Development Project (Line-5): Southern Route aimed at developing a 17.20-km metro rail from Gabtoli to Dasherbandi through Panthapath and Hatirjheel. The project bankrolling includes Tk. 323.31 billion in foreign loans from the Asian Development Bank (ADB) and South Korea's EDCF.

The project on 17.20km metro rail--13.10km underground from Gabtoli to Aftabnagar and 4.10km elevated from Aftabnagar to Dasherbandi--

MRT LINE 5 SOUTHERN ROUTE

SUSPENSION FALLS IN LINE OF CULLING MEGAPROJECTS BY INTERIM GOVT IN BELT-TIGHTENING MEASURE



is expected to host over 0.92 million commuters daily on average, with 15 proposed stations. The line is projected to save over 214.9 working hours per year. According to an Asian Development Bank

(ADB) study, the metro line is expected to save 41,220 tonnes of fuel annually. Annual carbon emissions are projected to drop by 207,964 tonnes.

Source: The Financial Express-22 September, 2025

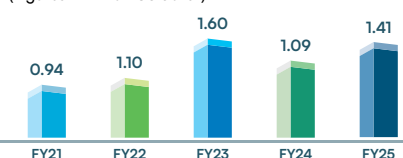
BD eyes vast Japanese RMG mkt

APPAREL EXPORT OPPORTUNITY IN JAPAN

JAPAN'S 2024 APPAREL IMPORTS



BD'S TOTAL EXPORTS TO JAPAN (Figures in Billion US dollar)



KEY GROWTH DRIVERS

- Imminent EPA
- China Plus One strategy
- Shared commitment to quality, sustainability

WHAT BANGLADESH NEEDS

- > Strategic planning
- > Consistent engagement
- > Investment in innovation

Bangladeshi apparel exporters are increasingly focusing on the Japanese market after understanding its vast untapped potential. Many readymade garment (RMG) manufacturers and buying houses are preparing to expand their presence in this high-value destination. This will require strategic planning, consistent engagement, and investment in innovation to meet Japan's exacting standards and fully capture the potential of the lucrative market.

According to the International Trade Centre (ITC), Japan imported apparel worth \$22.86 billion in 2024. However, Bangladesh accounted for only \$1.26 billion, representing

5.5 per cent of the imports. This underscores a huge opportunity for Bangladesh to grow its market share in a country renowned for premium pay rates, demanding quality

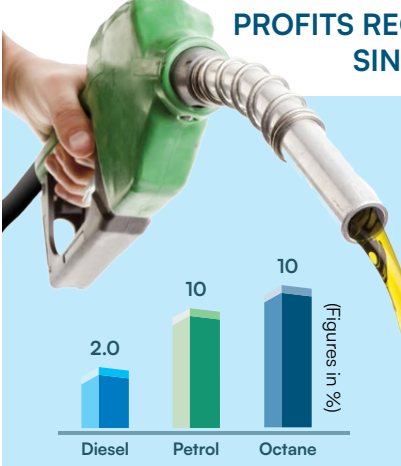
standards, and fast-evolving fashion trends.

Source: *The Financial Express*-22 September, 2025

BPC posts consistent monthly profits under new fuel pricing formula

Bangladesh Petroleum Corporation (BPC) has reported consistent monthly profits since the introduction of the automatic fuel pricing formula driven by regular price adjustments and margins on petrol, octane, and diesel sales. Since independence in 1971, domestic fuel prices were determined by government executive orders. BPC typically made profits from petroleum trading, paying dividends to the government after clearing debts, taxes, and VAT. When global oil prices were high and volatile, the finance ministry subsidised BPC's losses.

The automatic oil pricing formula was introduced last year in line with International



Monetary Fund (IMF) recommendations. It is one of several conditions linked to reducing subsidies under a \$4.7 billion loan programme agreed by the previous government. Of this package, the IMF approved about \$3.3 billion under the

Extended Credit Facility (ECF) and the Extended Fund Facility (EFF), and around \$1.4 billion under the Resilience and Sustainability Facility (RSF).

Source: *The Financial Express*-21 September, 2025

BD ranks 106th on Global Innovation Index

Bangladesh's position in the index has improved since 2020, when it was ranked 116th

Bangladesh ranked 106th out of 139 economies in the Global Innovation Index (GII) 2025, published by the World Intellectual Property Organization (WIPO). The index measures innovation performance based on factors such as human capital,

research, infrastructure, market sophistication, and knowledge outputs. However, the report also highlighted Bangladesh as one of the countries that experienced the fastest productivity growth from 2014 to 2024.

Bangladesh's overall innovation score stood at 21.0 points, placing it in the lower-middle-income group, alongside neighbors such as Pakistan (99th) and Nepal (107th). The GI consists of roughly 80 indicators, grouped into innovation inputs and outputs. It aims to capture the multidimensional aspects of innovation.

According to the report, Bangladesh shows relative

service. Although the contract was scheduled to end in 2021, the National Board of Revenue (NBR) was compelled to extend the tenure several times over the last five years. NBR floated tenders twice to appoint a local

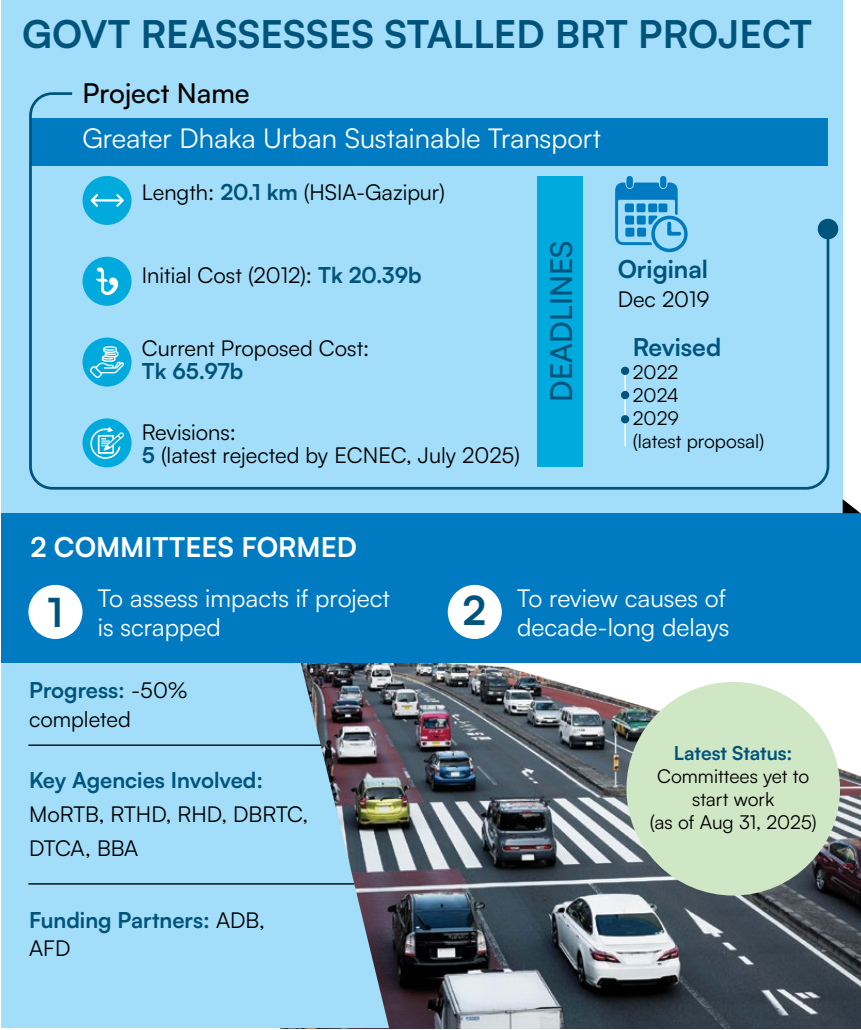
firm to run the system, but none of the bidders met the criteria. With the latest extension, the FPT contract is set to expire on December 31, 2025. However, VAT officials remain divided over the Enterprise Resource

Planning (ERP) software SAP, under which the system has been developed. SAP is a sophisticated platform requiring intensive expertise to operate. Source: The Financial Express-18 September, 2025

Govt reviews delayed BRT project after Tk 66b proposal rejected

The Ministry of Road Transport and Bridges (MoRTB) has moved to reassess the much-delayed Bus Rapid Transit (BRT) project after the Executive Committee of the National Economic Council (ECNEC) rejected its latest cost-escalation proposal in July this year. The project, initially estimated at Tk 20.39 billion, sought a fifth revision, raising the cost to Tk 65.97 billion - more than triple the original estimate - and extending the deadline to 2029. To guide the next steps, the Road Transport and Highways Division (RTHD) has formed two committees under the Roads and Highways Department (RHD). One committee will assess the overall impact of scrapping the project without completion, while the other will review why the scheme has struggled for more than a decade despite repeated revisions.

Source: The Financial Express-18 September, 2025





**Also expected
higher US
investment flows,
concessional credit
in key sectors**

**US stresses timely
execution of tariff
agreements,
purchase
commitments**

significant milestone in bilateral trade relations. Bangladesh seeks further lowering of the duty while the two sides are engrossed in finalizing swaps in the trade deal stipulating provisos coming out of a series of negotiations.

During a meeting, discussions took place on strategies to reduce the trade imbalance between the two countries as well as Bangladesh's intention to expand imports of US agricultural products such as cotton and soybeans. It also covered enhanced energy cooperation, including LPG imports from the US, civil-aircraft purchases, drug-control measures and the ongoing Rohingya humanitarian crisis.

Source: *The Financial Express*-16 September, 2025

Globe Biotech's Covid vaccine 'Bangavax' secures US patent

Globe Biotech Limited has secured a United States Patent for its indigenously developed COVID-19 vaccine Bangavax. It is the only single-dose mRNA vaccine developed in Bangladesh.

Globe Biotech, a subsidiary of Globe Pharma Group of Companies, made the announcement at a press conference titled "First US Patent in Bangladesh: A New Milestone in the Pharmaceutical Industry" at its Tejgaon office. The Globe Biotech expanded into COVID-19 research in 2020, developing diagnostic kits, vaccines, and therapeutics under Dr. Kakon Nag and Dr. Naznin Sultana's leadership. According to Dr. Nag, the patented platform



can be adapted for DNA, protein-based, inactivated, and recombinant vaccines, as well as treatments for cancer, diabetes, autoimmune, and blood disorders. However, he sought strong support from the

government and industry leaders to harness this innovation for Bangladesh in future.

Source: *The Financial Express*-15 September, 2025

Exporters getting competitive with tax waivers, import-duty cuts

TACKLING CASH INCENTIVE PHASE-OUT POST-LDC

Several non-RMG sectors enjoy cash incentives

Cash incentives will go after graduation

CAO makes 3 proposals to tackle phase-out

PROPOSALS

- > Limited incentives during transition for 6 priority sectors
- > Alternative support mechanisms
 - Tax rebates, exemptions, reduced import duties, policy incentives

OTHER MEASURES

- > Inter-ministerial committee formed Committee to work on enhancing export capacity
- > BIDA drafting new FDI incentive policy

Bangladesh moves forward with new policy measures as guardrails around its export sector as the country is destined to graduate from the least-developed country (LDC) category and thus forfeit marketing privileges. The swap comes amid a looming phase-out of cash subsidies for export products, which will no longer be permissible under World Trade Organization (WTO) rules once the graduation becomes effective. Currently, several non-apparel sectors - leather and leather goods, pharmaceuticals, agro-processed products, light

engineering, jute and jute goods, and IT/ITES - enjoy varying dollops of cash incentives handed out to support export competitiveness. But under the WTO Agreement on Subsidies and Countervailing Measures (ASCM), such direct export-linked cash assistance must be withdrawn after graduation. In line with this requirement, the government has already initiated a gradual reduction in the cash-incentive rates.

Source: The Financial Express-03 September, 2025

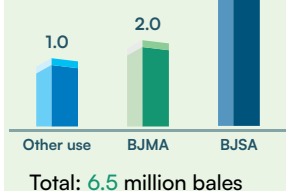
Jute prices hit record high

The price of raw jute has hit a record high in this harvesting season due to growing demand both at home and abroad. Farmers are happy with better prices, but jute factories are struggling as traders are hoarding large volumes of raw jute. Prices may even cross the record set in 2001. In major jute-producing areas such as Pabna, Tangail, Rajbari, Faridpur, Gopalganj, Shariatpur, and Madaripur, raw jute is selling at Tk 4,000-4,300 per maund (37.32 kg)-an all-time high for any harvesting season. Data from the Export Promotion Bureau (EPB) shows that jute and jute goods exports have been declining since FY'22. Export earnings from the

STATE OF JUTE SECTOR

JUTE FACTORIES 180

DEMAND FOR JUTE (In million bales)

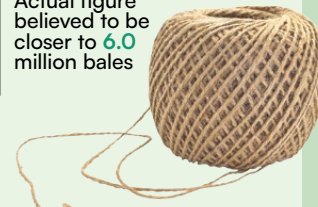


MAJOR JUTE-PRODUCING AREAS

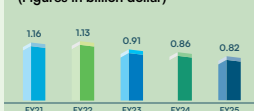
Pabna, Tangail, Rajbari, Faridpur, Gopalganj, Shariatpur, Madaripur

Govt estimates production at 7.5 million bales

Actual figure believed to be closer to 6.0 million bales



EXPORT EARNINGS FROM JUTE SECTOR (Figures in billion dollar)



> Raw jute price Tk 4,000-4,300 a maund now

> Farmers get rational prices, but middlemen making hay

> BJSA, BJMA urge export ban to avoid shortfall like FY '21

jute sector was \$1.16 billion in FY21, then dropped to \$1.13 billion in FY22, \$911.51 million in FY23, \$855.23 million in FY24, and

finally \$820.16 million in FY25.

Source: The Financial Express-01 September, 2025



BANKING INDUSTRY

Banking Industry at a glance

Scheduled Bank	61
State Owned Commercial Banks (SOCBs)	6
Specialized banks	3
Private commercial banks	43
Conventional PCBs	33
Islami Shariah based PCBs	10
Foreign Commercial Banks (FCBs)	9
Non-scheduled banks	5
Non Bank Financial Institutions (FIs)	35
Contribution of Banks in GDP (2023-24)	2.60%



Photo: Bangladesh Bank

Bangladesh has fostered the development of its banking sector to support economic progress, leading to considerable expansion over the last thirty years. At the start, the sector included six nationalized commercial banks, three specialized state-owned banks, and nine foreign

banks following independence in 1971. The 1980s brought additional growth with the establishment of private banks. Presently, the banking sector consists of 62 scheduled banks and 5 non-scheduled banks, all governed by Bangladesh Bank under various laws and

regulations. Furthermore, there are 35 non-bank financial institutions that are also under the supervision of Bangladesh Bank. As of 2023-24, the banking sector contributes 2.60% to Bangladesh's GDP, emphasizing financial inclusion for rural and unbanked communities.

Banking Statistics Summary

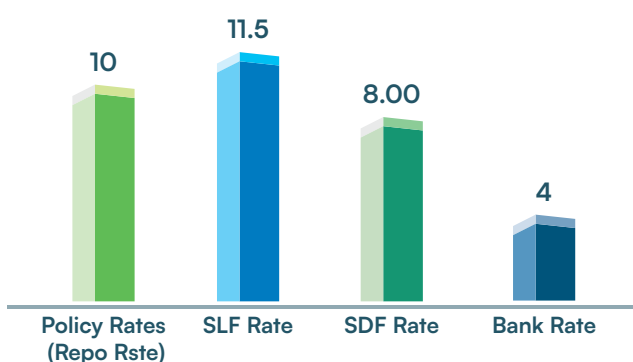
Bank Deposit and Credit

(Fig in Million)

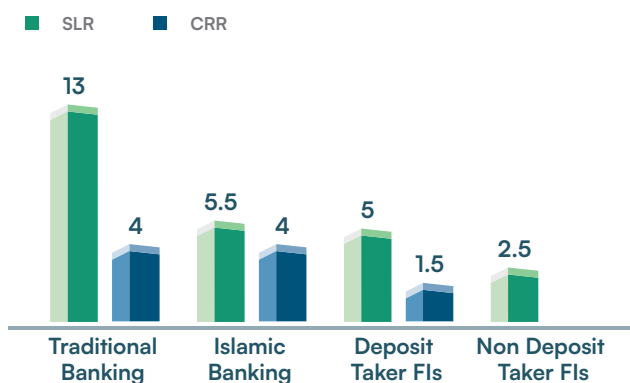
Items	August, 2025	August, 2024	Percentage Changes August, 2025 over August, 2024
Deposits held in DMBs	19,047,402	17,312,607	10.02 %
Bank Credit	23,355,649	20,988,189	11.28%

Policy Rates and Reserve Ratios

Policy Rates (%)

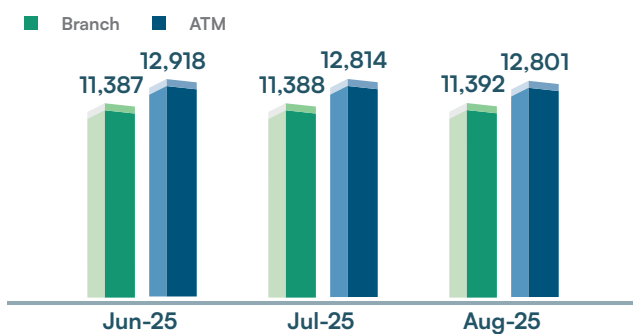


Reserve Ratios (%)

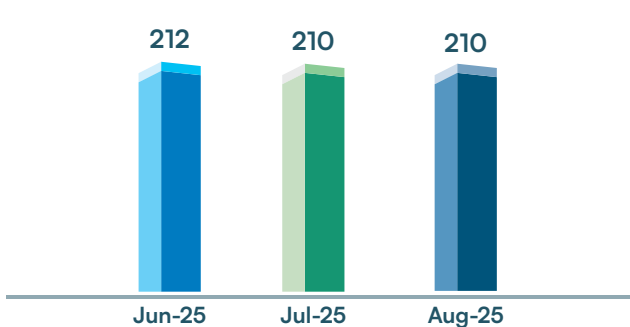


Branches, ATM, POS, CDM and CRM

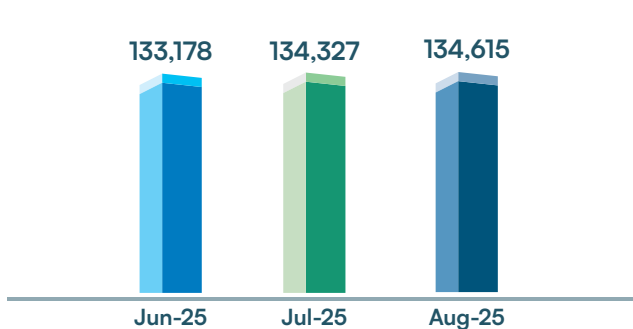
Branch & ATM



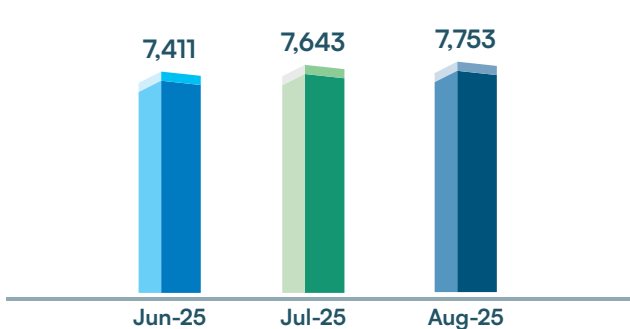
CDM



POS



CRM



Scheduled Banks facilitate financial transactions by establishing Branches, ATM, POS, CDM and CRMs in urban and rural areas. The number of scheduled bank

branches has been increased by 4 in the reporting month. In perspective of the total population [172.85 million source: BBS] of Bangladesh, on an average 15,173 people

receive financial services from one branch and 13,503 people receive digital financial services from one ATM.

Debit, Credit and Prepaid Cards

(Fig in Million)

Period	Debit Cards	Credit Cards	Prepaid Cards	Transaction Number	Transaction Amount (TK)
June — 2025	43.15	2.95	7.04	51.44	482,004.31
July — 2025	44.08	2.98	9.83	51.45	478,170.54
August — 2025	44.99	3.01	9.99	53.57	450,899.74

The number of issued Debit, Prepaid and Credit Cards in August, 2025 are 44.99, 9.99 and 3.01 million, respectively, which are 2.07%, 1.73% and 0.97% higher than those of the

previous month. Using these cards the number of local and foreign currency transactions is 53.57 million with an amount of TK. 450,899.74 million in August, 2025. The number

have been increased by 4.12% and amount of transactions have been decreased 5.70% respectively, compared to the previous month.

Mobile Financial Services (MFS)

(In Million)

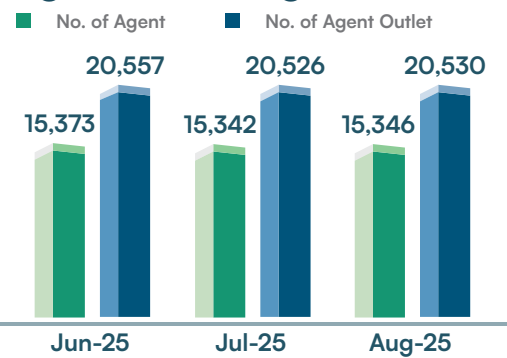
Period	MFS Agent	MFS A/C	Transaction Number	Transaction Amount (TK)	Remittance through MFS (TK)
June — 2025	1.43	145.64	592.32	14,63,518.23	18,656.09
July — 2025	1.44	145.82	625.30	14,85,666.61	16,643.78
August — 2025	1.44	146.46	653.59	1,511,236.45	16,626.98

Mobile Financial Services (MFS) are increasing remarkably. MFS Statistics are compiled considering MFS providers such as bKash, Rocket, Upay et cetera. According to Table (MFS), the number of MFS

accounts is 146.46 million of which 69.87 million is in urban areas and 76.60 million is in rural areas in August, 2025. Among the services provided by the MFS operators, Government is providing cash incentives in

Inward Remittance. In August, 2025 Inward Remittance Tk. 16,626.98 million is disbursed through MFS channel. The e-money balance in this month is Tk. 126,238.78 million.

Agent Banking (Fig in million)



Agent Banking

(Fig in Million)

Period	Total No. of A/C (in Million)	Deposit Balance (TK in Million)	No. of Transaction (In Million)	Transaction Amount (TK in Million)
June- 2025	24.41	4,52,965.76	16.72	6,27,854
July-2025	24.62	4,57,310.48	13.95	6,54,025
August-2025	24.86	4,66,894.34	13.31	6,35,711

Currently, 30 scheduled banks are offering Agent Banking facilities to provide a safe alternative channel of banking service for the people of remote areas in Bangladesh. At the end of August, 2025

the number of agent and outlet both have been increased by 4 compared to the previous month. Table (Agent Banking) shows that the ratio of Agent Banking accounts in urban and rural areas is approximately

15:85. In Agent Banking, total number of accounts is 24.86 million and deposit balance is TK. 466,894.34 million and a total of TK. 10,432.32 million is disbursed as loan in August, 2025.

MICR and Non-MICR, EFT and Internet Banking

(Fig in Million)

Period	MICR & Non-MICR Cheque		EFT	
	Number	Amount (in TK)	Number	Amount (in TK)
June — 2025	1.5804	1,708,279.88	41.0600	866,619.96
July — 2025	1.6084	1,580,488.51	14.6403	707,669.35
August — 2025	1.5182	1,447,923.55	16.2400	694,707.32

Period	Internet Banking		e-Commerce	
	Number	Amount (in TK)	Number	Amount (in TK)
June — 2025	18.3050	1,049,350.29	6.3311	22,839.29
July — 2025	20.3618	1,134,702.50	5.6136	20,115.98
August — 2025	21.2343	1,116,670.98	6.2471	21,927.03

No-frill Accounts

(Fig in Million)

Period	i) Farmers 10 Tk A/C	ii) Hardcore Poor A/C	iii) Social Safety Net A/C	iv) Others A/C	Total Special A/C
June — 2025	9.38	2.50	9.74	3.73	25.36
July — 2025	9.38	2.50	9.74	3.73	25.35
August — 2025	9.31	2.47	9.74	3.97	25.49

Underprivileged people receive government allowances through Special Accounts (Farmers 10 TK. Account, Hardcore Poor

Account, Social Safety Net Account et cetera.) of financial institutions. This initiative plays a significant role to include

people under financial activities. There are more accounts of rural people than urban people in case of Special Accounts.

School Banking

(Fig in Million)

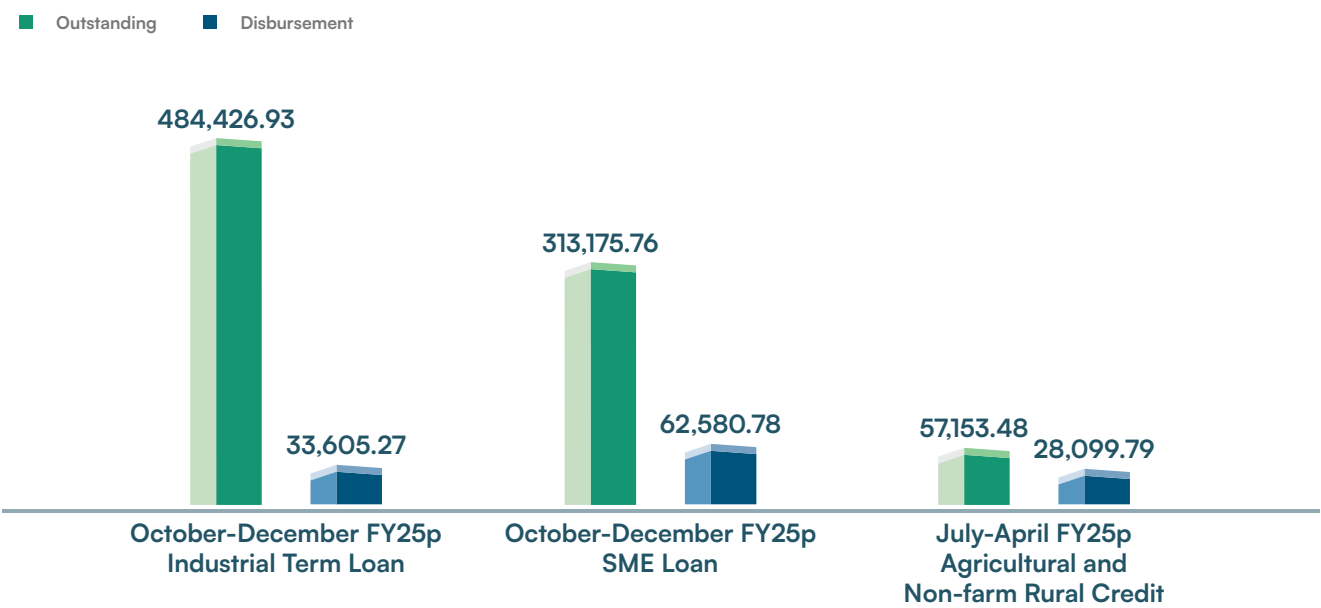
Period	School Banking A/C	Deposit Balance (in TK)
June — 2025	4.51	21,397.85
July — 2025	4.52	21,086.35
August — 2025	4.55	20,599.95

School Banking activities encourage students (below 18 years) to develop their savings

behavior. In August, 2025, there are considerably more male student accounts than female

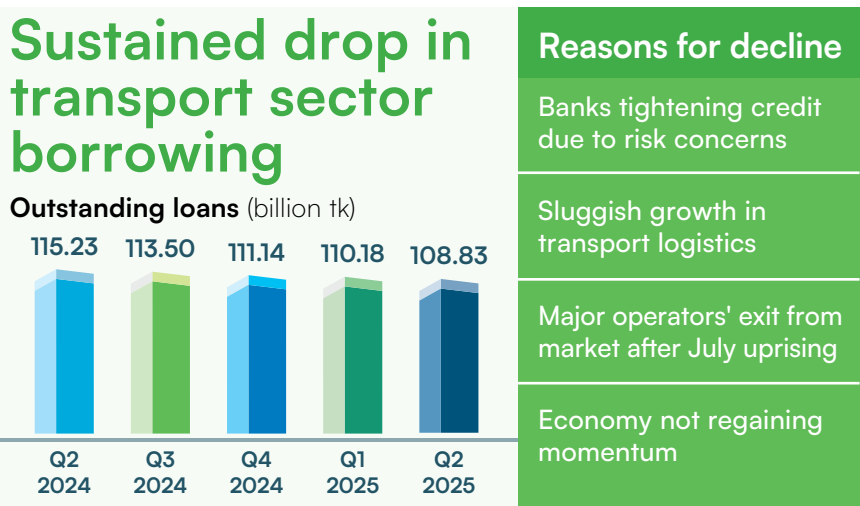
student accounts and the total deposit balance of these accounts is TK. 20,599.95 million.

Agricultural and Non-farm Rural Credit, SME Loan and Industrial Term Loan (TK in Cr)



Source: Bangladesh Bank

Transport loans fall 5.5pc YoY in Q2'25



The outstanding loans and advances by scheduled banks in the transport sector saw a consistent decline over the last year which reflects a slowdown in borrowing and cautious lending by banks. According

to the Bangladesh Bank (BB), transport loans included road transport (excluding personal vehicles and lease finance), water transport (excluding fishing boats), and air transport. According to the

latest central bank data, the outstanding transport loans stood at Tk. 108.83 billion in April-June 2025, down from Tk. 115.23 billion in April-June 2024 which marks a year-on-year decline of 5.55%.

According to bank insiders and experts the steady fall in transport sector loans reflects both cautious lending and weak investment appetite. Several major operators have exited the market following the July 2024 political transition, while the broader economy has yet to regain momentum.

Source: The Financial Express-27 September, 2025

Interest rate spread falls to 25-month low amid profitability concerns

The interest-rate spread between banks' weighted average lending and deposit rates narrowed to 5.75% in July which is raising concerns over profitability in the country's financial sector.

According to Bangladesh Bank data, the decline is driven by higher deposit costs and sluggish lending growth, reflects mounting stress in the banking industry. The spread is widely used as an indicator of the business efficiency of financial institutions and the regulator often takes corrective measures based on its movements. Until the end of fiscal year 2023, banks

operated under a capped formula that fixed the maximum lending rate at 9.0 per cent and the maximum deposit rate at 6.0 per cent, resulting in a spread of 3.0 per cent.

Bangladesh Bank has also revised its calculation method for spread to prevent banks and non-bank financial institutions (NBFIs) from artificially lowering their reported figures. The central bank now measures the weighted average lending rate by including the interest charged before loans become classified as defaulted.

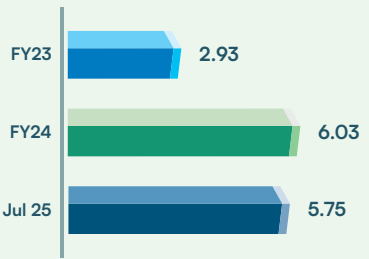
Source: The Financial Express-25 September, 2025

Interest rate spread in July 2025a

Weighted average

Lending rate....12.14%
Deposit rate.....6.39%
Spread.....5.75%

Spread Movement (%)



BB relaxes rule for cash incentive on frozen fish



The Bangladesh Bank has allowed cash incentive on export proceeds of shrimp and fish even if the earnings are repatriated from countries other than the original destination. Exporters who receive

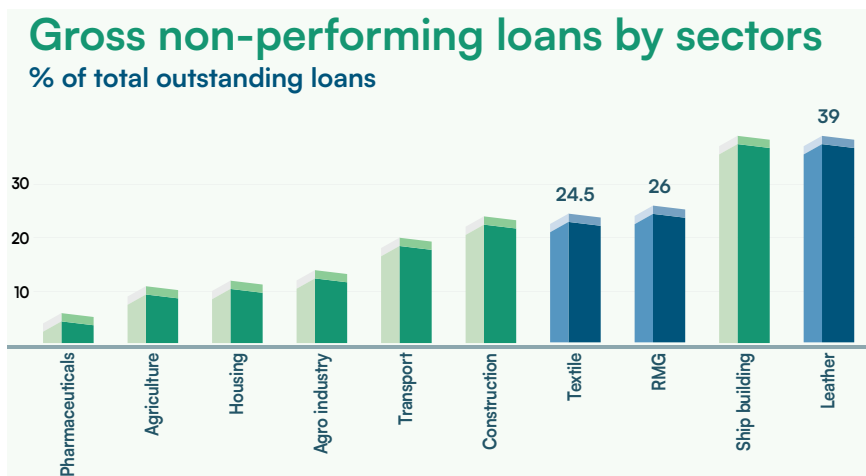
remittances from any other destination instead of exporting countries will be allowed to get cash incentives subject to comply with some conditions, according to a circular issued by the central bank. Previously,

cash incentives were allowed only against export proceeds received from the destination countries. As per the circular, exporters will have to ensure the source of remittance received from other than destination country which is connected with the export order provider or remittance sender has clear relation with the export order provider. Banks will have to verify the evidence provided by exporters before processing cash incentive against exports received from other than destination country.

Source: The Daily Star-25 September, 2025

RMG, textile: Top export sectors among major loan defaulters

According to the latest Financial Stability Report of the Bangladesh Bank, the readymade garment (RMG) and textile industries- two of the country's largest employers and export earners, are also among the biggest defaulters on bank loans. The gross non-performing loan (NPL) ratio stood at 26% in the RMG sector and 25% in textiles in 2024. Only shipbuilding and leather have higher rates, both at 39%. The gross NPL ratio measures the share of defaulted loans in total loans. By comparison, construction has an NPL ratio of 24%, transport 20% and agro-based industries 14%. Pharmaceuticals, agriculture and housing are the best performers with NPL ratios of 6, 11 and 12 percent, respectively.



Despite these repayment problems, the RMG sector remains the backbone of the economy. In fiscal year (FY)

2024-25, it exported goods worth more than \$39 billion, accounting for 84 percent of national export earnings

[Source: Export Promotion Bureau (EPB)].

Source: The Daily Star-24 September, 2025

Assured liquidity support to banks bound for rollback

Assured liquidity support (ALS) from the central bank to commercial banks in Bangladesh faces rollback by following IMF-recommended freeze on money creation and actions for tightening monetary discipline. Bangladesh Bank (BB) will phase out its ALS

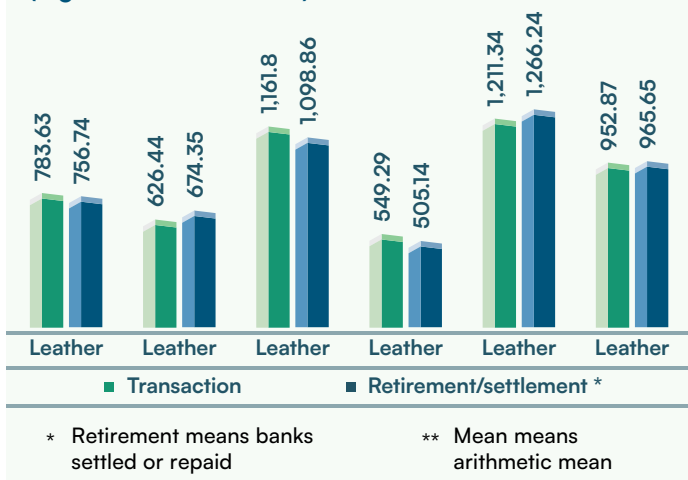
facility that feeds funds to banks to help them meet regulatory cash reserve requirements (CRR) in a move seen aligned with the International Monetary Fund (IMF) lending package tied with deep reforms. Primary dealer banks which underwrite government treasury bills and

bonds, currently access ALS by pledging their securities to the central bank at a rate of 10%. Liquidity shortages in the financial system in recent months forced lenders to rely heavily on the mechanism.

Source: The Daily Star-24 September, 2025

Cash generated through ALS

(Figures in billion Taka)



Total Transaction
5285.37

Total Retirement/
settlement
5285.37

Mean**
880.895

Primary dealer banks that underwrite treasury bills-bonds access ALS pledging their securities to BB at 10% rate

Step required to rationalise liquidity management for BB end: Dr Zahid Hussain

ALS withdrawal can encourage deposit mobilisation, inflation control, says Dr Masrur Reaz

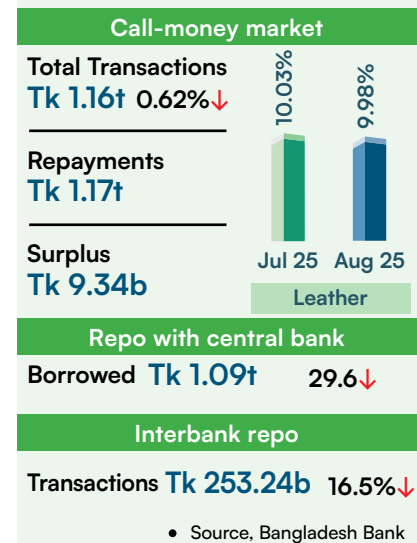
Liquidity improves as key indicators ease in August

The financial market experienced improved liquidity in August as major indicators pointed to stronger funding conditions across the banking sector (Source: Bangladesh Bank). Lower borrowing costs, smoother settlements, and reduced volatility marked the month's money market performance. Total call-money transactions amounted to Tk 1.16 trillion during the month, while repayments by borrowing banks reached Tk 1.17 trillion. This left a surplus of Tk 9.34 billion. The call-money market, a short-

term funding source for banks, consists of three instruments: overnight, short-notice, and term (15 days and above). Of these, overnight borrowing accounted for nearly 88 per cent of transactions. Repo transactions with the central bank also eased. In contrast, interbank repo activity displayed a mismatch. Transactions totaled Tk. 253.24 billion, while repayments reached Tk. 242.38 billion. This activity influenced overall treasury operations as well.

Source: The Financial Express-22 September, 2025

Money market in august 2025



Women employees in banking sector drop sharply in six months

The number of female employees in the country's banking sector has fallen sharply by 1,867 in the first six months of the current year which is a sudden reversal

of a long-standing upward trend. A significant number of employees were either dismissed or resigned voluntarily following the restructuring of several bank

boards by the central bank. According to the Bangladesh Bank's Gender Equality Report, the total number of female banking employees stood at



▶ **Female employees in banking sector fall by 1,867 in six months**

▶ **Significant drop in private commercial banks found**

▶ **Widespread dismissals and uncertainty cited as reasons**

▶ **Bangladesh Bank says the trend 'extremely concerning'**

35,782 at the end of June 2025, down from 37,649 six months earlier.

Women's representation remains particularly low at the top levels of the banking sector. As of June 2025, women accounted for just 13.61% of board members. While their participation is higher at the entry level (18.87%) and mid-level (15.96%), it drops significantly at the senior management level to just 9.73%. Furthermore, the participation rate of female officers over the age of 50 (10.36%) is less than half that of women under 30 (21.90%).

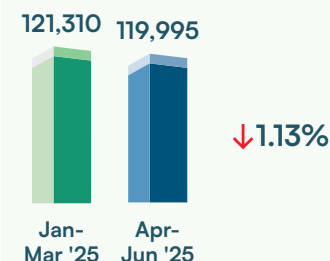
Source: *The Business Standard-19 September, 2025*

Q2 number of NBFCs' borrowers falls

The number of individual borrowers of non-bank financial companies (NBFCs) declined by more than 1.0 per cent in the April-June quarter (Q2) of 2025. Such a fall has been attributed to the sector's prolonged struggles amid a slowdown in private investment and weakening loan demand. According to Bangladesh Bank data, the number of NBFCs' borrowers reached 119,995 at the end of June, down 1.13 per cent from 121,310 in the previous quarter. The number of loan accounts with the NBFCs also dropped by 2.0 per cent to reach 204,965 as of June last.

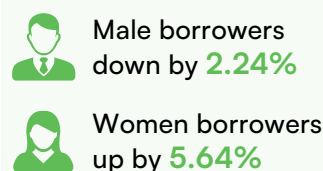
The contraction was linked to both demand-and supply-side

Number of NBFCs' borrowers



The number of loan accounts dropped by 2.0% to 204,965 by June 2025

Men vs Women in Q2



“

Situation worsened after BB published a list of 20 "red-category" NBFCs triggering panic withdrawal. After June quarter, NBFCs now are witnessing signs of improvements

- Md Kyser Hamid
MD and CEO
Bangladesh Finance

pressures. The overall financial sector has been under stress as private investment slowed significantly, reducing the demand for credit. At the same

time, deposit mobilization also dropped, restricting NBFCs' capacity to lend.

Source: *The Financial Express-19 September, 2025*

Banks' CSR spending drops by Tk159cr in first half of 2025



Spending by banks on corporate social responsibility (CSR) fell sharply in the first half of 2025, with allocations dropping by Tk. 159 crore compared with the same period last year (Source: Bangladesh Bank). Between

January and June, banks spent Tk. 150 crore on CSR activities, down from Tk. 309 crore in the first six months of 2024. In July-December 2024, CSR spending stood at Tk. 306 crore. The decline reflects falling

net profits across the sector. CSR spending had fallen across education, health, environment and climate, and other sectors. As per Bangladesh Bank regulations, banks and financial institutions may allocate up to 1% of their net profits to CSR. Of this, at least 30% must be spent on education, another 30% on health, and 20% on environmental protection and climate change mitigation. The remaining 20% may go towards income generation, disaster management, infrastructure development, sports, culture and other areas.

Source: *The Business* -17 September, 2025

Credit Information Bureau charges waived on agri loans up to Tk2.5 lakh

Banks are not allowed to charge any Credit Information Bureau (CIB) fees on agricultural and rural loans of up to Tk. 2,50,000. The central bank's Agricultural Credit Department issued a circular stating that while disbursing agricultural and rural loans under their own management, banks cannot collect fees from customers for obtaining CIB reports. Although banks were previously given the option to waive these charges, many institutions did not properly comply, depriving borrowers of the benefit. The circular further said that apart from the prescribed interest, no other fees



— such as charges, processing fees, or monitoring fees — can be imposed on agricultural and rural loans.

The decision aims to make loans more accessible for farmers. The Credit Information Bureau (CIB),

operated by the Bangladesh Bank, is the country's only authorized source of credit information for lenders, maintaining records only of existing borrowers of banks and non-bank financial institutions.

Source: *The Business* -15 September, 2025

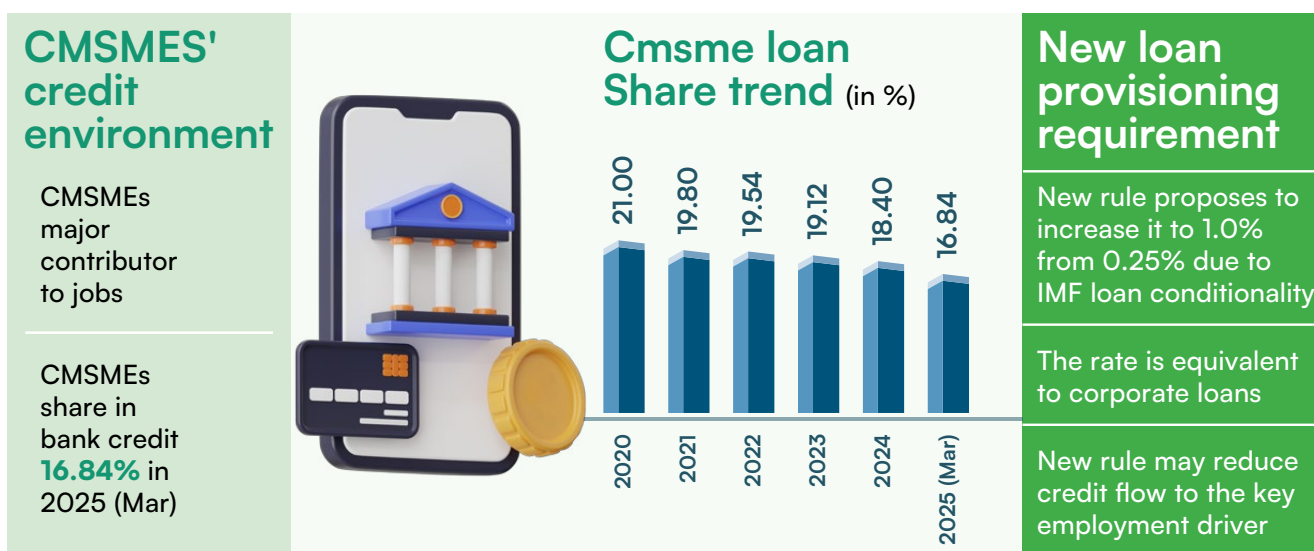
Bank credits to CMSMEs hit fresh compliance hurdles

Access to formal credits by cottage, micro, small and medium enterprises is strewn with fresh hurdles stemming from ramped-up general provision requirement that discourages commercial banks from such highly supervised lending. Such regulatory change in general provisioning came at

a time when most commercial banks in Bangladesh have been rebalancing their investment portfolios with high focus cast on funding to CMSMEs to avoid corporate-lending-dominating non-performing loan (NPL) buildup in the banking industry. Under the recently changed

requirement with effect from April last, the commercial banks are now required to keep 1.0 per cent as general provisioning against each CMSME-segment loan. Before the revision, banks would keep 0.25 per cent as general provision against such financing.

Source: *The Financial Express-02 September, 2025*



Move to grant greater BB autonomy faces roadblock



Bangladesh Bank Order 1972 under which the central bank functions.

With the greater objective in mind, the central bank authorities kept the important matter on its agenda of the board meeting held on August 26 for its approval before placing to the interim government. But the central bankers did not present the agenda before the board because of claimed non-cooperation by government secretaries on the 9-member board.

Source: *The Financial Express-01 September, 2025*

Much-envisaged independent functioning of the central bank now hangs in the balance mainly as bureaucrats on the Bangladesh Bank board steer a reverse course from reforms. As part of

the ongoing reform recipes to empower the central bankers for proper implementation of the regulations, the banking-regulatory body moved for amending the decades-old

MBPLC NEWS

BB & Mercantile Bank Jointly Organize Entrepreneurship Development Training Program



Bangladesh Bank and Mercantile Bank PLC. is jointly organizing a month long Entrepreneur Development Training Program in Narayanganj which commenced today (Sept 29, 2025). The initiative is financed by

Asian Development Bank (ADB) and implemented by Finance Division of Ministry of Finance under the 'Skills for Industry Competitiveness & Innovation Program (SICIP)'. BB Additional Director and Project Director

Md. Nazrul Islam attended the inaugural ceremony as the chief guest. The event was chaired by Mercantile Bank's SVP & head of Narayanganj Branch, Farid Uddin Ahmed Bhuiyan. SMSPD's Joint Director Mohammad Wasim,

Bank's CCO & SEVP Shah Md. Sohel Khurshid and VP & head of SME Division Md. Mostahidur

Reza Chowdhury were also present at the event. A total of 25 potential entrepreneurs have

been enrolled in the training program at Technical Training Centre, Jalkuri, Narayanganj.

Mercantile Bank organized Training Program on AML & CFT in Noakhali



A day-long Training Program on “Prevention of Money Laundering & Combating the Financing of Terrorism” was held in Majidee Court, Noakhali under the guidance of Bangladesh Financial Intelligence Unit (BFIU) recently. The officials of different scheduled Banks operating in Noakhali District joined this training program.

Mercantile Bank coordinated this program as the lead bank where A K M Nurunnabi, Additional Director, BFIU was the chief guest. The program was chaired by Shamim Ahmed, Deputy Managing Director & Chief Anti Money Laundering Compliance Officer (CAMLCO) of Mercantile Bank PLC. Besides, Md. Abdul Aowal Choudhury,

Additional Director, Imran Shah Omar Chowdhury, Deputy Director and Saiful Islam, Deputy Director of BFIU along with Abu Yusuf MD Abdullah Haroon, EVP & DCAMLCO of MBPLC. also attended the training program. Other officials of both organizations were present at the event.

Mercantile Bank signed an Agreement with Bangladesh House Building Finance Corporation

Mercantile Bank PLC has signed a customer service agreement with Bangladesh House Building Finance Corporation at Bank's Head Office today (21/09/2025).

Md. Zakir Hossain, DMD of the Bank and Deputy General Manager & Project Director Mohammed Nazrul Islam of Bangladesh House Building Finance Corporation (BHBFC)

signed the agreement on behalf of respective organizations in presence of Managing Director of the Bank Mati Ul Hasan and Managing Director of BHBFC Md. Abdul Mannan. As per the

agreement, Mercantile Bank will provide banking services to customers under 'Rural & Peri-Urban Housing Finance Project (2nd Phase)' through its islami banking service 'Taqwa'. Mercantile Bank's DMDs Shamim Ahmed, Ashim Kumar Saha & Dr. Md Zahid Hossain; CFO Dr. Tapash

Chandra Paul; SEVPs Shah Md. Sohel Khurshid, Mohammad Iqbal Rezwana & Md. Abdul Halim; BHBFC's DMD Md. Noor Alam Sardar, General Manager (Administration) Md. Tofayel Ahmed, General Manager (Accounts & Finance) Md. Khairul Islam, General Manager (Loans and

Investment) Z. M. Hafizur Rahman, General Manager (Law & General Services) Nipu Rani Mitro, General Manager (ICT) Md. Zahirul Haque and other senior officials of both the organizations were present on the occasion.



Mercantile Bank joins Bangladesh Bank's Tk. 5 billion startup fund



Mercantile Bank PLC has joined Bangladesh Bank's Tk. 5 (five) billion startup refinancing fund to develop innovation and new entrepreneurs nationwide. A partnership agreement has been signed between Bangladesh Bank and Mercantile Bank in this regard. Mercantile Bank Managing Director Matiul Hasan and

Bangladesh Bank Additional Director Mohammad Mostafizur Rahman signed the agreement on behalf of their respective organizations. Bangladesh Bank Governor Dr. Ahsan H. Mansur was also present through online at the event. Deputy Governor Nurun Nahar, Executive Director Husne Ara Shikha

and Mercantile Bank PLC Head of SME Md. Mostahidur Reza Chowdhury were also present. Through this collaboration, Mercantile Bank will finance eligible startups to bolster economic growth by creating new job opportunities and empowering the next generation of innovators and business leaders.



BANGLADESH BANK CIRCULAR

SEPTEMBER 2025

FEID CIRCULAR

- FEID Circular No. 03, Date: 30.09.2025, Subject: Relaxation of Reporting Requirement of Temporary Non-resident Taka Accounts (NRTAs) and Temporary Foreign Currency (FC) Accounts for Foreign Investment.

CIB CIRCULAR

- CIB Circular No. 02, Date: 29.09.2025, Subject: Regarding reporting of non-listed securities and other asset in CIB database.
- CIB Circular No. 01, Date: 29.09.2025, Subject: Regarding reporting of private sector external debt (including suppliers' credit) information to the CIB database.
- CIB Circular No. 03, Date: 25.09.2025, Subject: Regarding sector-specific exemption from service charges/fees applicable for CIB reports prepared from Credit Information Systems (CIS).

ACD CIRCULAR

- ACD Circular No. 03, Date: 15.09.2025, Subject: About CIB Reporting for Agricultural and Rural Credit

IBRPD CIRCULAR

- IBRPD Circular No. 01, Date: 28.09.2025, Subject: Formation, appointment and removal of Shariah Supervisory Committee (SSC) members along with their roles and responsibilities for bank-company providing Islamic banking services.

BRPD CIRCULAR

- BRPD Circular No. 07, Date: 16.09.2025, Subject: Policy support for restructuring the business and financial condition of the affected borrowers.

- BRPD Circular No. 20, Date: 09.09.2025, Subject: Refinance Scheme for Digital Nano Loan

FEPD CIRCULAR

- FEPD Circular No. 37, Date: 30.09.2025, Subject: Foreign exchange regulations regarding outward remittances on account of current account transactions other than imports and transportation services
- FEPD Circular No. 36, Date: 25.09.2025, Subject: Cash incentive against export of frozen shrimps and other fishes
- FEPD Circular No. 31, Date: 25.09.2025, Subject: Receipts of advance remittances against exports.
- FEPD Circular No. 35, Date: 23.09.2025, Subject: Advance payment against imports
- FEPD Circular No. 30, Date: 14.09.2025, Subject: Regarding inclusion of raw jute as a conditional exportable item in Annex-2 of Export Policy 2024-2027
- FEPD Circular No. 29, Date: 10.09.2025, Subject: Regarding export of Hilsa fish.
- FEPD Circular No. 34, Date: 02.09.2025, Subject: Foreign exchange regulations regarding loans, overdrafts, guarantees, and external borrowings

DFIM CIRCULAR

- DFIM Circular No. 19, Date: 03.09.2025, Subject: Re-fixation of holiday for Eid-e-Milad-un-Nabi (S)

DMD CIRCULAR

- DMD Circular No. 14, Date: 22.09.2025, Subject: Assured Liquidity Support for Primary Dealers

PSD CIRCULAR

- PSD Circular No. 05, Date: 28.09.2025, Subject: Regarding the Operating Hour of RTGS system
- PSD Circular No. 11, Date: 08.09.2025, Subject: Self-Assessment of Payment System Operators and Payment Service Providers MFS Template | PSP Template | PSO Template

DOS CIRCULAR

- DOS Circular No. 17, Date: 24.09.2025, Subject: Temporary Intermission of Banking Operations of Midland Bank PLC. for the purpose of Core Banking system upgradation.

- DOS Circular No. 16, Date: 01.09.2025, Subject: Re-fixation of holiday for Eid-e-Milad-un-Nabi (S)

SFD CIRCULAR

- SFD Circular No. 03, Date: 07.09.2025, Subject: Submission of Annual CSR Budget of Bank and Finance Companies



MBPLC CIRCULAR SEPTEMBER 2025

INSTRUCTION CIRCULAR

- Circular No. 3669, Date: 29.09.2025, Subject: চলমান ঋণ নবায়ন সংক্রান্ত বিআরপিডি সার্কুলার নং ০৬/২০২৫ এর নির্দেশনা বাস্তবায়ন প্রসঙ্গে।
- Circular No. 3668, Date: 30.09.2025, Subject: মার্কেটাইল ব্যাংক পিএলসি এর শরীয়াহ সুপারভাইজারী কমিটির ১৯ তম সভায় গৃহীত সিদ্ধান্ত বাস্তবায়ন প্রসঙ্গে।
- Circular No. 3667, Date: 30.09.2025, Subject: Target of issuing 1000 Mastercard Credit Cards within December, 2025.
- Circular No. 3666, Date: 30.09.2025, Subject: 1. Inclusion of monthly installment size of tk.3,500, tk.4,000 & tk.4,500 under Masik Sanchaya Prokolpo(MSP) 2. Continuation of Scheme Deposit Product named pension enong poribar support prokolpo (PPSP) 3. Revised Interest Rate of DSigun Briddhi Amanat Prokolpo (DBAP)
- Circular No. 3665, Date: 30.09.2025, Subject: Revision of Mark-up Profit and Rent Rate on Investments.
- Circular No. 3664, Date: 29.09.2025, Subject: Regularizing with creation of each customer ID of existing joint name account bearing Single Customer ID.
- Circular No. 3663, Date: 28.09.2025, Subject: Go Live of ISO 20022 (MX) Messages for Cross-Border Payments.
- Circular No. 3662, Date: 29.09.2025, Subject: 'গম ও ভুট্টা উৎপাদন বৃদ্ধির লক্ষ্যে ১,০০০.০০ (এক হাজার) কোটি টাকার বিশেষ পুনঃ অর্থায়ন স্কিম' গঠন ও পরিচালনার নীতিমালা প্রসঙ্গে।
- Circular No. 3661, Date: 24.09.2025, Subject: Providing information regarding liability position if any on account of Muhammad Aminul Haque (pvt.)Ltd. along with its allied /sister/related concerns/directors within 28.09.25.
- Circular No. 3660, Date: 24.09.2025, Subject: Disclosure of any report of Bangladesh bank to other regulatory authorities.
- Circular No. 3659, Date: 23.09.2025, Subject: Revision of Rate of Interest on Loan & Advances.
- Circular No. 3658, Date: 21.09.2025, Subject: মার্কেটাইল ব্যাংক পিএলসি এর এক্সেলিকিউটিভ কমিটির ১০১৮ তম সভার পেমেন্ট গ্যারান্টি সুবিধা সম্পর্কিত সিদ্ধান্ত বাস্তবায়ন প্রসঙ্গে।
- Circular No. 3657, Date: 21.09.2025, Subject: VISA Card Digitization Services through MBL Rainbow.
- Circular No. 3656, Date: 21.09.2025, Subject: Introduction of Automated Challan (A-Challan Payment Service (E-Commerce Transaction) through MBL Rainbow.
- Circular No. 3655, Date: 18.09.2025, Subject: বোর্ড রিস্ক ম্যানেজমেন্ট কমিটির (BRMC) ৭২ তম সভার ঋণ সম্পর্কিত সিদ্ধান্ত বাস্তবায়ন প্রসঙ্গে।
- Circular No. 3654, Date: 17.09.2025, Subject: Roles & Responsibilities of Branch and Uposhakha regarding maintenance of FDR accounts opened through MBL Rainbow.
- Circular No. 3653, Date: 15.09.2025, Subject: নতুন ঋণ ও অগ্রিম প্রদান সংক্রান্ত মার্কেটাইল ব্যাংক পিএলসি এর অডিট কমিটির ২৪২ তম সভার কার্যবিবরণী প্রসঙ্গে।
- Circular No. 3652, Date: 15.09.2025, Subject: জামানত হিসাবে গৃহীত গাজীপুর জেলার সরকারি বনাঞ্চল সংলগ্ন এলাকায় অবস্থিত সম্পত্তি সম্পর্কিত ঋণের ক্ষেত্রে নির্দেশনা।
- Circular No. 3651, Date: 17.09.2025, Subject: Credit Information System (CIS) এ Monthly ডেটা আপলোড প্রসঙ্গে।
- Circular No. 3650, Date: 16.09.2025, Subject: Special Deposit Campaign (2nd phase) : 18 September 2025 to 18 December — 2025
- Circular No. 3649, Date: 15.09.2025, Subject: Implementation of the decisions of The Audit Committee of the Board of Directors of the Bank in it's 242nd meeting held on 04.09.2025.

- Circular No. 3648, Date: 14.09.2025, Subject: Collection of subscription for preference shares (PS) of Renata PLC from the Existing Share Holders who has holdings of ordinary share through Electronic subscription system (ESS) of Dhaka Stock Exchange PLC.
- Circular No. 3647, Date: 14.09.2025, Subject: Strict adherence to operational procedures regarding unauthorized entries in CBS.
- Circular No. 3646, Date: 09.09.2025, Subject: Mandatory use of audited Financial Statements with ICAB'S document verification system(DVS).
- Circular No. 3645, Date: 09.09.2025, Subject: Implementation of the Decisions of the Risk Management Committee of the Board of Directors of the Bank in it's 72nd meeting held on 26.08.2025.
- Circular No. 3644, Date: 08.09.2025, Subject: Retention Strategy of Existing Home Loan Takeover by other Bank or NBF.
- Circular No. 3643, Date: 08.09.2025, Subject: Providing information regarding liability position (if any) on account of Mr. Chandan Saha along with his allied/sister/related concern and proprietor within 10.09.2025.
- Circular No. 3642, Date: 04.09.2025, Subject: পবিত্র ঈদ-ই-মিলাদুন্নবী (সা.) উপলক্ষ্যে ছুটি পুনঃনির্ধারণ প্রসঙ্গে ।
- Circular No. 3641, Date: 03.09.2025, Subject: বাংলাদেশ ব্যাংক প্রণীত কৃষি ও পলী ঋণ নীতিমালা ও কর্মসূচি ২০২৫-২০২৬ প্রসঙ্গে
- Circular No. 3640, Date: 01.09.2025, Subject: Provide information regarding liability position (if any) on account of Nabila Boutiques Limited along with its allied/sister/related concern(s) and Directors within 04.09.2025.

INFORMATION CIRCULAR

- Circular No. 2343, Date: 30.09.2025, Subject: Regarding re-scheduling time of RTGS operations from 5th October 2025.
- Circular No. 2342, Date: 29.09.2025, Subject: কোর ব্যাংকিং সিস্টেম আপগ্রেডেশন এর উদ্দেশ্যে মিডল্যান্ড ব্যাংক পিএলসি এর সকল ব্যাংকিং কার্যক্রম সাময়িক বিরত রাখা প্রসঙ্গে ।
- Circular No. 2341, Date: 29.09.2025, Subject: Loss of Instruments

- Circular No. 2340, Date: 25.09.2025, Subject: Formation of new Division named Centralized Operation Division.
- Circular No. 2339, Date: 24.09.2025, Subject: Renaming of Operations Division as Branches Operations control Division.
- Circular No. 2338, Date: 23.09.2025, Subject: Notification for written examination and syllabus of written examination for promotion of eligible Officers as on 31.12.2024.
- Circular No. 2337, Date: 21.09.2025, Subject: Renewal of Enlistment of 03 (Three) Insurance Companies as Approved Insurers of Our Bank for the Year' 2025
- Circular No. 2336, Date: 17.09.2025, Subject: Loss of Instruments
- Circular No. 2335, Date: 16.09.2025, Subject: Loss of Instruments
- Circular No. 2334, Date: 11.09.2025, Subject: Loss of Instruments
- Circular No. 2333, Date: 07.09.2025, Subject: Loss of Instruments.
- Circular No. 2332, Date: 02.09.2025, Subject: Loss of Instruments
- Circular No. 2331, Date: 01.09.2025, Subject: Loss of Instruments

ID CIRCULAR

- Circular No. 80, Date: 28.09.2025, Subject: Cash incentive against export of frozen shrimps and other fishes.
- Circular No. 79, Date: 28.09.2025, Subject: Receipts of advance remittances against exports.
- Circular No. 78, Date: 28.09.2025, Subject: Advance payment against imports.
- Circular No. 77, Date: 21.09.2025, Subject: রপ্তানি নীতি ২০২৪-২০২৭ এর পরিশিষ্ট -২ এ কাঁচা পাট শর্তযুক্ত রপ্তানি পণ্যের তালিকায় অন্তর্ভুক্তি সংক্রান্ত ।
- Circular No. 76, Date: 11.09.2025, Subject: ইলিশ মাছ রপ্তানি সংক্রান্ত
- Circular No. 75, Date: 11.09.2025, Subject: Foreign exchange regarding loans, overdrafts, Guarantees and external borrowings.
- Circular No. 74, Date: 03.09.2025, Subject: Outward remittances for internet services.



INVITATION FOR CONTENTS

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