

# MBPLC Spectrum

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মার্কেন্টেলি ব্যাংক



মার্কেন্টেলি ব্যাংক পিএলসি.  
Mercantile Bank PLC.

দক্ষতাই আমাদের শক্তি

# CONTENTS



## EDITORIAL

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**02** Editorial Note

**03** MBPLC Key Business  
Performance August 2025

**04** Global Economy

**08** Bangladesh Economy

**25** Banking Industry

**34** MBPLC News

**40** Bangladesh Bank Circular  
August 2025

**41** MBPLC Circular August 2025

# EDITORIAL NOTE

August 2025 was a month that profoundly embodied Bangladesh's enduring spirit of resilience—a period where quiet domestic adjustment met dramatic global trade realignment. Despite emerging external headwinds, the fundamental indicators of our economy strengthened: foreign exchange reserves solidified, inflation eased to a 37-month low, and the Taka maintained its firm footing. This stability signaled a confident, measured intent to align our economic pace with new global realities.

The shifting global landscape introduced its most consequential development early in the month. The United States introduced a broad tariff package, initiating a new phase in global trade. While baseline duties were set at 15 percent, the initial prospect for Bangladesh was a painful 35 percent levy on our exports. Through swift and pragmatic negotiations, our trade access was successfully safeguarded, mitigating the shock by reducing the effective rate to a compromise of 20 percent. This outcome underscored the necessity of rapid market diversification and diplomatic agility. Globally, signals remained mixed, with the European Central Bank holding firm while the U.S. Federal Reserve hinted at policy easing, highlighting the uneven path of recovery worldwide.

At home, our macroeconomic narrative mirrored this balance between progress and prudence. Reserves climbed to USD31.17 billion, and inflation eased significantly to 8.29 percent. Yet, this prudence manifested as moderation in key performance indicators. Private credit growth slipped to 6.49 percent (the lowest on record), ADP implementation lagged, and the composite PMI softened to 58.3. Furthermore, while the external position improved, export earnings softened, and the revenue-GDP ratio fell below 8 percent for the first time in five years—stark reminders that fiscal resilience and investment revitalization remain crucial work in progress.

The banking sector navigated persistent liquidity constraints, evidenced by heavy repo borrowing that exceeded Tk. 1.5 trillion. In response, Bangladesh Bank pursued a critical mix of stabilization and reform. This included purchasing dollars to support reserves, relaxing foreign currency retention rules for specialized exporters, and issuing new directives on credit risk management (ICRR), digital bank licensing, and dividend policies linked to non-performing loans (NPLs). This dual focus aims to simultaneously secure the external position and strengthen internal governance.

This edition of Spectrum reflects on these evolving dynamics—the strategic recalibration of trade, credit, and fiscal governance that defined August. It offers not forecasts, but perspective: a view of an economy that continues to advance with steadiness and intentionality, proving that in times of global uncertainty, resilience itself is the most tangible form of progress.

**Tapash Chandra Paul, PhD**

Chief Financial Officer

Email: [tapchpaul@gmail.com](mailto:tapchpaul@gmail.com)

# MBPLC KEY BUSINESS PERFORMANCE AUGUST 2025

## MBPLC KEY BUSINESS PERFORMANCE

### Deposits BDT in Crore



### Loans & Advances BDT in Crore



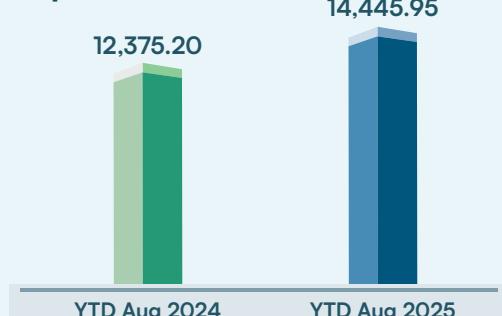
### Operating Profit BDT in Crore



### Import BDT in Crore



### Export BDT in Crore



### Inward Remittance BDT in Crore



### Cost of Deposit



### Yield on Advances



### Spread





# GLOBAL ECONOMY

## The Geopolitical Economy

August 2025

### Trade Realignment and Policy Divergence Define the H2 2025 Outlook

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.

**2.6%**

World Growth Forecast (2025)

**2.9%**

World Inflation Forecast (2026)

**15%**

U.S. Baseline Tariff Rate

**8.29%**

Bangladesh Inflation (37-Month Low)

## 1. Regional GDP Growth Trajectories

Global GDP growth is projected to decelerate, driven primarily by expected sharp slowdowns

in advanced economies, with continued policy tightening impacting the OECD region.

Developing markets are exhibiting varied resilience.



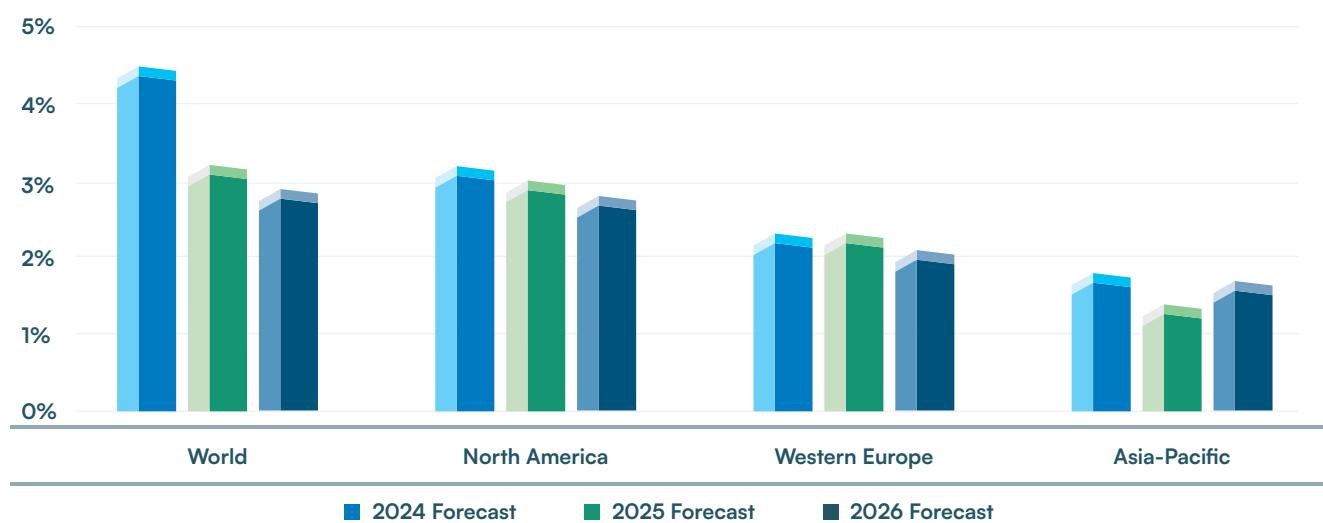
Source: Haver Analytics, Forecasts from Dun & Bradstreet

## 2. Global Disinflation: Moderation and Targets

Headline inflation is easing across most advanced economies, a trend expected

to persist through 2026. While developing markets experienced a sharper fall in prices, North

America remains comparatively challenged in achieving full price stability.



Source: S&P Global Market Intelligence, August 2025

### 3. Escalation in Global Tariff Structures

The implementation of new U.S. tariffs in August is the

core geopolitical development, translating directly into escalated

operational risk and cost for importers globally.

#### U.S. Tariff Structure (Effective August 7)

15% Baseline: imposed on countries maintaining a trade deficit (E.U., Japan, S. Korea).

20% Tariff: Applied to imports originating from Bangladesh, Taiwan, and Vietnam.

Up to 50% (India): Linked to specific geopolitical and trade policies.

#### Trade Consequences

U.S. Inflationary Pressure: Tariffs translate directly into increased U.S. goods inflation.

E.U. Trade Deal: Finalized (July 27), with a 15% tariff on strategic goods (autos, semiconductors).

Currency Volatility: The Indian Rupee depreciated by 0.17% against the USD post-tariff announcement

### 4. Central Bank Policy Divergence and Eurozone Dynamics

Monetary policy trajectories are diverging significantly. The ECB has concluded its easing cycle,

contrasting with the U.S. Federal Reserve, which is anticipated to commence further rate cuts

to counterbalance domestic economic deceleration.



#### U.S. Federal Reserve

Further sasing anticipated to counter sharp GDP deceleration.



#### ECB (Euro Area)

Rate cuts have concluded; rates held steady in July.



#### Eurozone Health

-0.1% contraction in Germany/Italy; marginal 0.1% aggregate Q2 growth.

Furthermore, Bulgaria completed accession procedures and is scheduled

to become the 21st Eurozone member on January 1, 2026, marking continued institutional

expansion amidst regional economic unevenness.

### 5. Bangladesh: Resilience Amidst External Headwinds

The domestic economy demonstrates renewed resilience despite recent external shocks. Inflation moderated significantly

to 8.29% in August, marking the lowest level recorded in 37 months. Foreign Exchange Reserves remain robust at

US\$30.3 billion, maintained after clearing substantial import payments.

## PMI Summary: Moderating Expansion Momentum

Economic expansion moderated in August, reflecting domestic challenges, notably in the agricultural sector.

Sector	Aug 2025	Change
Aggregate PMI	<b>58.3</b>	<b>-3.2</b>
Manufacturing	<b>60.5</b>	<b>-1.3</b>
Services	<b>61.3</b>	<b>3.3</b>
Construction	<b>49.0</b>	<b>-3.5</b>
Agriculture	<b>46.7</b>	<b>71 (Contraction)</b>

Source: Bangladesh PMI, August 2025

### Key Challenges

U.S. Tariffs: The 20% tariff poses a material threat to export competitiveness.

Domestic Growth: Agriculture PMI drop (46.7) signifies supply-side challenges restricting expansion.

### Strategic Focus

Trade Diversification: Mitigating risk from highly specific U.S. tariff policy.

Inflation: Maintaining the disinflation momentum toward single digits.

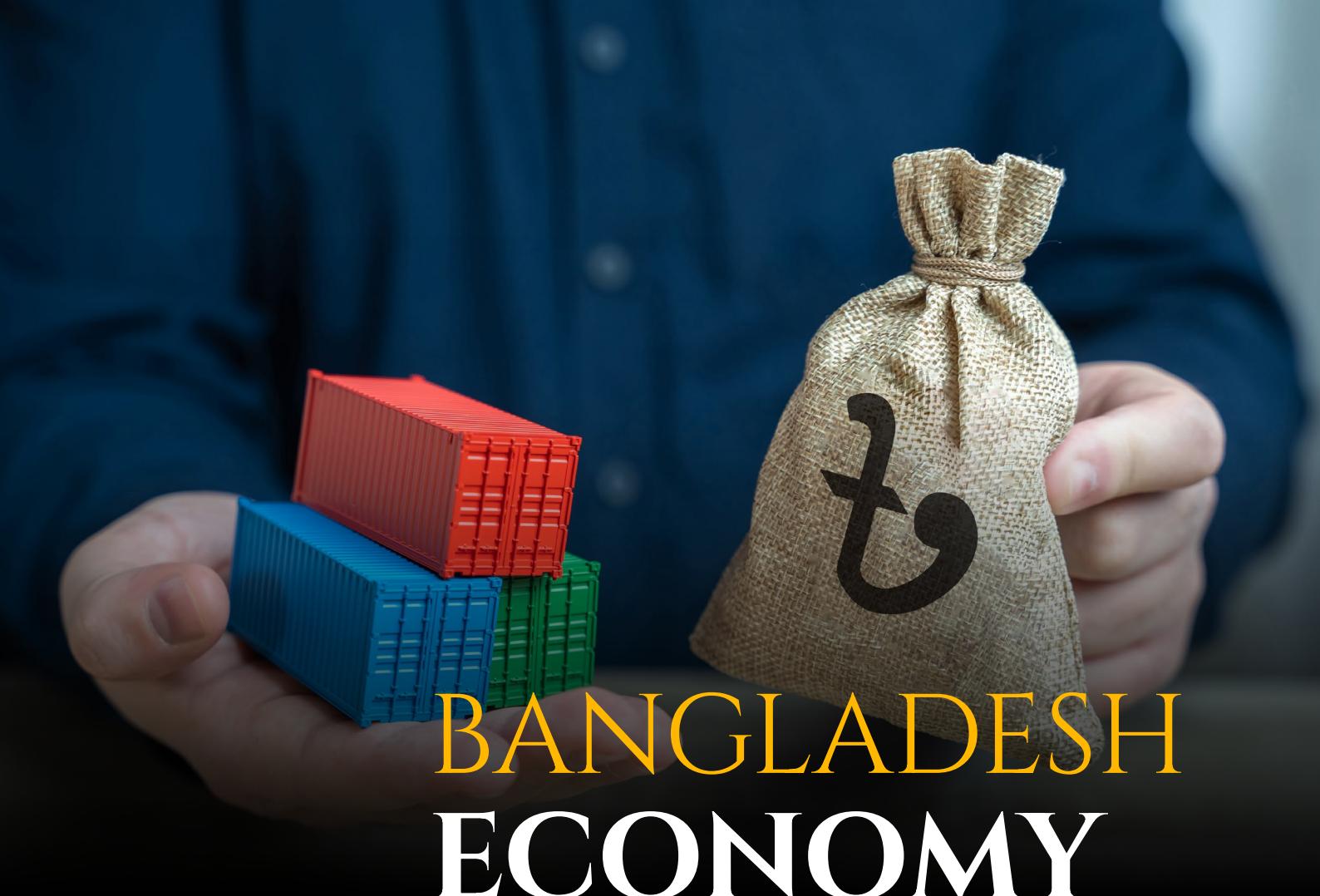
PMI: Addressing sectoral weaknesses, especially in the agricultural supply chain.

## Outlook Summary: Agility as a Prerequisite for Success

The global economy is currently defined by persistent volatility. With major economies slowing, policy paths diverging, and trade barriers intensifying, corporate entities must institutionalise operational and strategic agility to adapt swiftly to external market fluctuations. Proactive navigation of these complexities will be the defining metric of success in the latter half of 2025.

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# BANGLADESH ECONOMY

## Bangladesh Economic Outlook

August 2025

### External Resilience and the Path to Strengthening Domestic Foundations

The economic assessment for August 2025 reveals a nuanced picture of Bangladesh's economy, marked by significant external resilience providing a robust foundation for growth. While key domestic areas present immediate challenges, they are viewed as opportunities to strengthen fiscal and financial discipline and accelerate medium-term development.

#### 1. External Sector Resilience

**\$4.77B**

Export Earnings  
(July 2025)

**\$31.17B**

FX Reserves (August 2025)

**Tk 121-122**

Exchange Rate  
(Broadly Stable)

## Foreign Exchange Reserve Trend

The General Economics Division (GED) described this as a “soild cushion” against potential external debt and trade risks.

**\$24.88**

Billion (September 2024)

**\$31.17**

Billion (August 2025)

## 2. Domestic Challenges and Opportunities for Growth

### Financial Sector Opportunities

**Private Credit: 6.49% (Lowest on record, signalling potential for future stimulus).**

**Public Credit:** 13.09% (Reflecting necessary government investment to offset private slowdown).

**Opportunity:** Targeted policies can be deployed to revive private sector borrowing confidence.

### Fiscal & Spending Acceleration

**Revenue Shortfall: Tk 3,727 crore (Highlights the urgency for structural tax reform).**

**ADP Implementation:** 2.39% (A marginal slowdown creates room to significantly accelerate execution).

**Opportunity:** Accelerating ADP execution will be key to a strong second-half growth push.

## 3. Inflation Insights: Lowest in Three Years

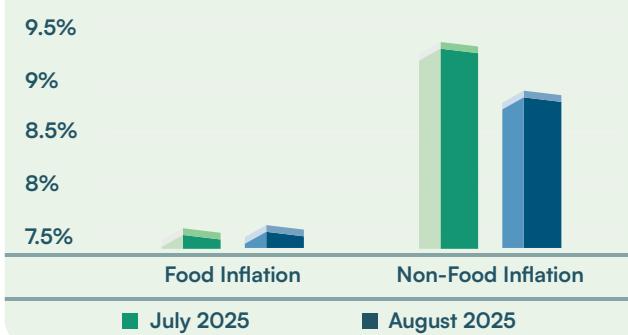
The continued easing of General Inflation to 8.29 percent in August, the lowest level in over three years, provides substantial relief and policy space. This trend is anchored by strong disinflation in the non-food sector.

### Point-to-Point Inflation Trend



Source: Bangladesh Bureau of Statistics (885)

### Inflation Components (Monthly Change)



Source: Bangladesh Bureau of Statistics (BBS)

## General Inflation

**8.29%**

August 2025 (Downward trajectory offers policy flexibility)

## Non-Food Inflation

**8.90%**

Strong decline from 9.33% (July), confirming easing price pressures.

## Outlook Summary: Balancing External Strength with Domestic Reform

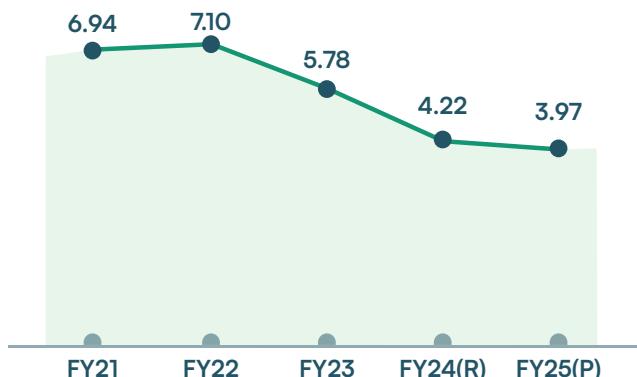
The economic outlook is fundamentally a story of two speeds. External resilience, evidenced by strong reserves and exports, provides a vital buffer. However, the outlook is challenged by domestic fragilities—specifically the record low private credit growth and disappointing fiscal execution. Swift action is required to stimulate private investment, strengthen revenue mobilization, and expedite development spending to prevent these domestic strains from undermining medium-term growth prospects.

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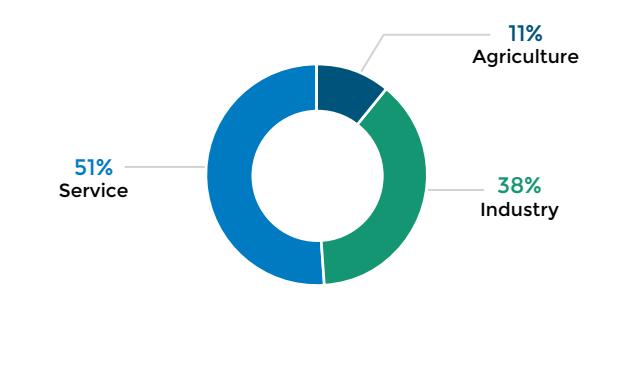
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## Major Indicators of Economy

### Real GDP Growth Rate %



### Sectoral Share of GDP 2023-2024



## Current national income aggregates

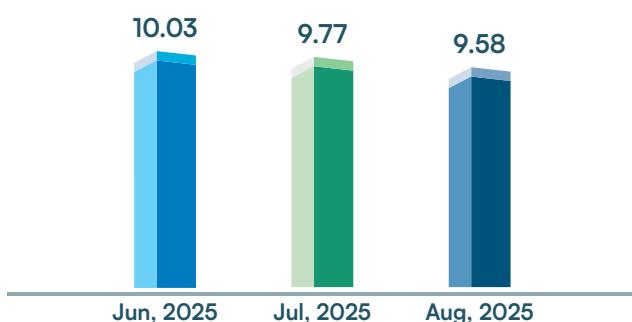
Items	2024-25	Percentage Change over previous year
GDP at current prices, in million Taka	5,55,27,527	11.00%
Per Capita GDP at current prices, in Taka	321,254	10.19%
GNI at current prices, in million Taka	5,86,31,245	12.36%
Per Capita GNI at current prices, in Taka	339,111	11.55%

## Reserve Money and Broad Money (BDT in Crore)

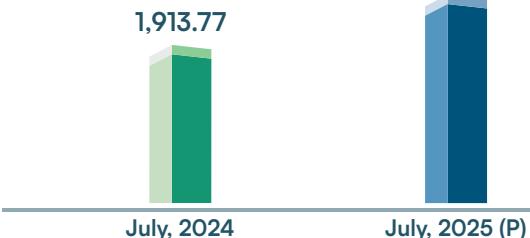
Items	June, 2024	May'25 (p)	Percentage Change May'25 over May'24
Reserve Money	413,647.00	413,179.00	-0.11%
Broad Money	2,033,234.00	2,174,621.80	6.95%

## Inflation Rate Annual Average

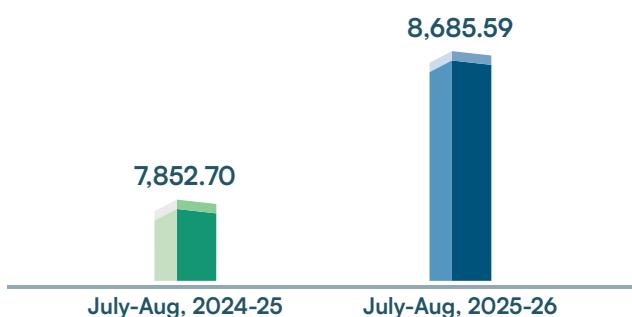
Inflation Rate (12 Month Average)



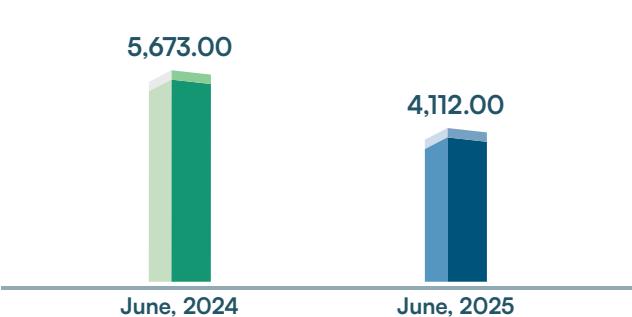
## Wage Earners Remittance in Million US\$



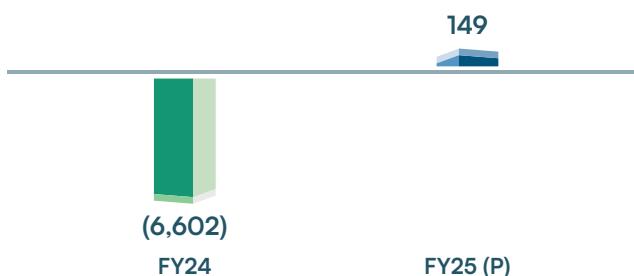
## Export (EPB) in Million US\$



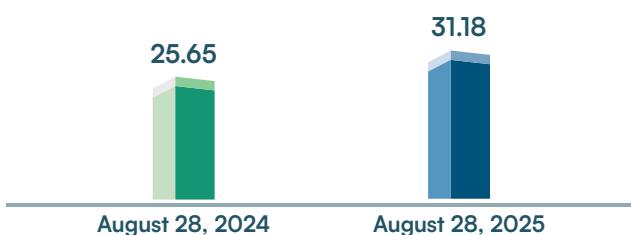
## Import (FOB) in Million US\$



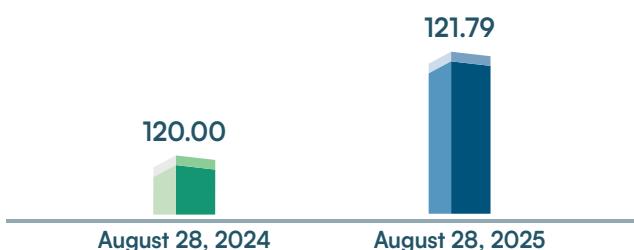
### Current Account Balance In Million US\$



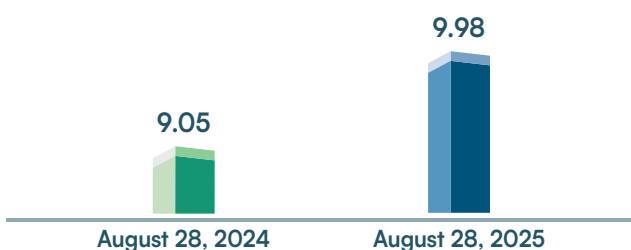
### Foreign Exchange Reserve In Billion US\$



### Interbank TK.-USD Exchange Rate



### Call Money Rate (%)



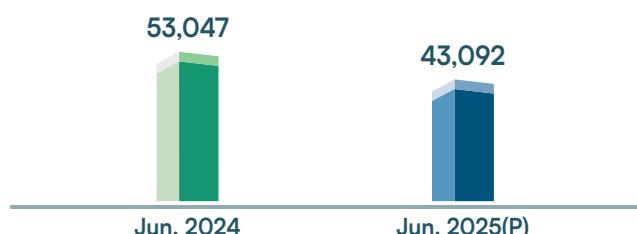
### Classified Loan (%)



### L/C Opening and Settlement In million US\$



### Tax Revenue (NBR) BDT in crore



Source: Bangladesh Bank Website

# US bends steep tariffs to 20pc for Bangladesh

US TARIFF CUT	
Trump-decreed cut from 35% puts BD exporters on equal, or more advantageous, footing on American market	
Apparel exporters laugh a cautious laugh over scaling tariff wall	
The White House has not yet clarified whether the new tariffs are permanent or part of an interim trade-enforcement measure	
The reciprocal tariff rates will get aggregated with the existing duties for all the countries coming under the updated US tariff regime	
For Bangladesh, the incidence will come to 20% plus 15%, equalling 35%	

Bangladesh finally clinches a deal leveling the trading field amongst the competitors on the US market as the United States cut tariffs on Bangladeshi exports to 20 per cent from the threatened 35 per cent. The decision on the concessional deal was made on Thursday (July 31) local time on extensive tradeoffs conceded by Bangladesh in the form of augmented imports from the USA.

US TARIFF REDUCTION	
Angola	32% to 15%
Bangladesh	35% to 20%
Bosnia and Herzegovina	35% to 30%
Botswana	37% to 15%
Brunei	24% to 25%
Cambodia	49% to 19%
Cameroon	11% to 15%
Chad	13% to 15%
Congo	11% to 15%
Equatorial Guinea	13% to 15%
European Union	20% to 15%
Falkland Islands	41% to 10%
Fiji	32% to 15%
Guyana	38% to 15%
India	26% to 25%
Indonesia	32% to 19%
Iraq	39% to 35%
Israel	17% to 15%
Japan	24% to 15%
Jordan	20% to 15%
Kazakhstan	27% to 25%
Laos	48% to 40%
Lesotho	50% to 15%
Libya	31% to 30%
Leichtenstein	37% to 15%
Madagascar	47% to 15%
Malawi	17% to 15%
Malaysia	24% to 19%
Mauritius	40% to 15%
Moldova	31% to 25%
Mozambique	16% to 15%
Myanmar	44% to 40%
Namibia	21% to 15%
Nauru	30% to 15%
Nigeria	14% to 15%
North Macedonia	33% to 15%
Pakistan	29% to 19%
Philippines	17% to 19%
Serbia	37% to 35%
South Korea	30% to 15%
Sri Lanka	44% to 20%
Switzerland	31% to 39%
Taiwan	32% to 20%

The breakthrough came after a series of hard bargains at bilateral talks between a high-powered Bangladesh delegation and the Office of the United States Trade Representative (USTR), the primary agency responsible for overseeing US trade policy. Chief Adviser of the interim government Prof Yunus hails the deal as a triumph of adept negotiations and of diplomacy. Political leaders, businesses and economists also breathed a sigh of relief following the scaling of a tariff wall. The final round of discussions was held on July 29-31 in Washington, DC, close by the 1st-August cutoff time set by President Trump for signing tit-for-tat reciprocal tariffs against US trade partners. This pared-down tariff is expected to enhance Bangladeshi exports to the US market, especially in the apparel and clothing sector.

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

## Low revenue-GDP ratio stokes worry

Bangladesh's lowly revenue-GDP ratio dipped further in the last financial year mainly due to economic downturn and sluggish business ambiance, coupled with unrest in the revenue-gathering entities.

The revenue-to-GDP (gross domestic product) ratio dropped to 7.69 per cent in the FY2024-25 after having maintained a stand above 8.0 per cent in the last five years [Source: the Ministry of Finance (MoF) data].

The aggregate revenue include tax revenue mobilised by the National Board of Revenue (NBR) and non-NBR revenue.

The tax-GDP ratio also declined to 6.7 per cent in FY25 from

7.39 per cent. However, non-tax revenue marked a hefty growth by above 35 per cent

in the bygone year due to minor adjustments to some government fees and charges.

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

## Consolidated licensing, cap on foreign ownership likely

A new-look telecommunications network and licensing policy is in the making with a sweeping reform package aimed at simplifying regulation, reducing inefficiencies and enabling the sector to adapt to modern technological and market realities. The government unveiled the draft Telecommunications Network and Licensing Policy 2025 to replace the outmoded International Long-Distance Telecommunications Services (ILDTS) Policy 2010. The new framework proposes discontinuing several existing licence categories, including Interconnection Exchange (ICX), International Internet Gateway (IIG), and International Gateway (IGW), and replacing them with a consolidated licensing structure. The structure



SWEEPING REFORMS IN NEW TELECOM POLICY		RESTRICTIONS ON FOREIGN OWNERSHIP
Several existing licence categories to be discontinued		Cellular Mobile Service Provider Max 85%
Telecommunications ecosystem to be under		National Infrastructure and Connectivity Service Provider Max 65%
4 major licence categories		International Connectivity Service Provider 49%
1 enlistment category	Final stage of migration to begin no later than June 30, 2027	

aims to simplify regulation, reduce inefficiencies, and help the sector adapt to modern technological and market realities. The new framework is designed to establish a simplified network

topology, foster a business-friendly and innovation-driven licensing system, and enhance affordability and accessibility for consumers.

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

## ADB outpaces WB, provides \$2.52b in FY'25



WB provides \$2.01 billion while Bangladesh's third largest donor Japan gives \$1.578 billion

Overall foreign aid disbursement, however, falls by 16.63pc from \$10.28b in FY'24

The Asian Development Bank (ADB) has emerged as the top development partner for Bangladesh as it disbursed US\$2.52 billion in foreign assistance in the last fiscal year (FY) 2024-25. The Manila-based lender surpassed Bangladesh's largest multilateral development partners (DPs)-the World Bank, in terms of annual fund release.

The World Bank provided \$2.01 billion in loans and grants while

the Bangladesh's third largest donor Japan gave \$1.578 billion in the last fiscal [Source: the Economic Relations Division (ERD)]. Since the country's independence, the WB was the largest DPs of Bangladesh until the FY 2023-24 in terms of annual aid disbursements. ADB's contribution was a key component of Bangladesh's total foreign aid disbursement, which stood at \$8.57 billion in the fiscal year. The overall foreign aid disbursement by

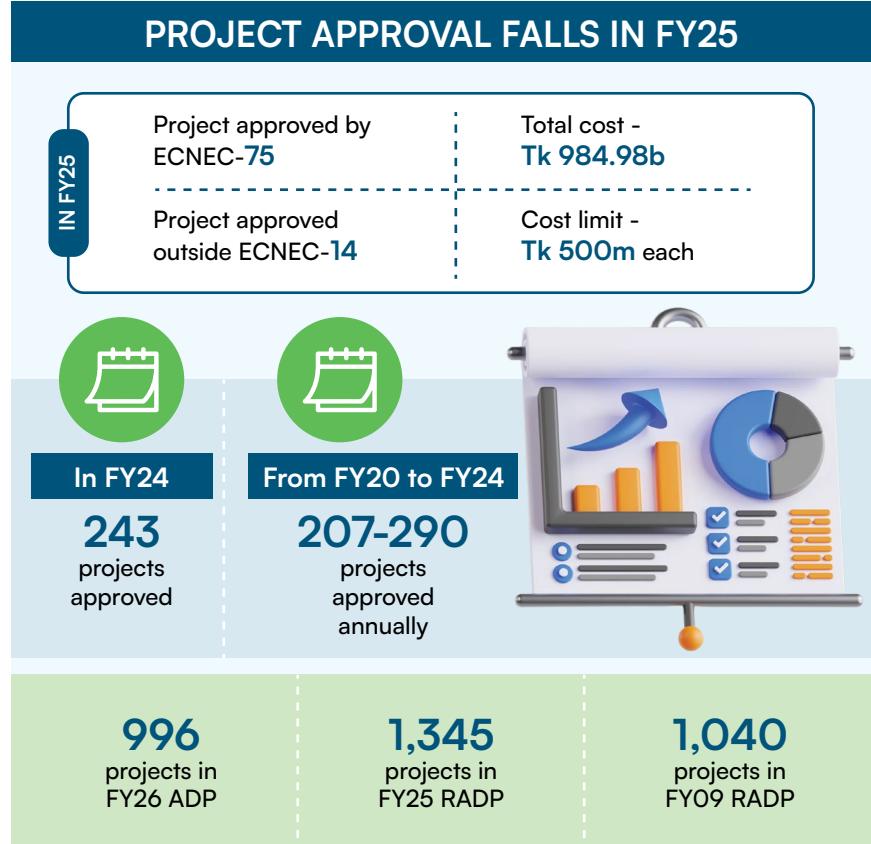
all bilateral and multilateral donors, however, fell by 16.63 per cent from \$10.28 billion

in FY 2023-24, reflecting broader challenges in project implementation and aid inflows.

Source: *The Financial Express*-23 August, 2025

## Development works slow as only 75 projects cleared last fiscal

Development works suffered badly because only 75 new projects involving Tk. 984.98 billion were endorsed in the past fiscal year. In terms of both their number and expenditure, it is regarded as the lowest in two decades. The Executive Committee of the National Economic Council (ECNEC) gave its seal of approval to these few development projects in the fiscal year 2024-25, evidently as the entire time reeled from political upheavals and regime change. However, the total approved projects came to 79 as the Planning Adviser and former Planning Minister approved another 14 projects with a cost limit of Tk. 500 million each outside the ECNEC purview which reveals several documents of the planning commission. The lowest implementation of the Annual Development Programme (ADP) in a decade has already increased



pressure on ordinary people by reducing the flow of cash in the economy.

Source: *The Financial Express*-23 August, 2025

## BDT appreciates after years of depreciation



Bangladeshi currency taka gained value by 0.39 per cent to 122.3 in July against per US dollar, marking its strongest exchange clout that has implications particularly for trade and remittance. The appreciation is attribute to a combination of weaker greenback globally, robust remittance inflows and

sluggish private-sector- credit growth that curbed import demand. The July rebound stands in contrast to the currency's broader trajectory: the BDT depreciated by 3.89 per cent in the fiscal year 2025 and 8.17 per cent in the fiscal

year 2024. When a domestic currency appreciates, it makes import cheaper while export and remittance expensive. In August, the foreign-exchange reserves stood at \$30.83 billion in gross calculation (as per IMF's BPM6 measure at \$25.82

billion). However, to strengthen financial position, the central bank has purchased around US\$700 million through August.

Source: *The Financial Express*-23 August, 2025

## Lift business booms, sans safety regulations

Bangladesh sees lift market making quantum leaps but largely unregulated to raise concerns about safety of users. The market, worth around Tk. 12 billion which is dominated by imports accounted for around 70%. The rest is supplied by two local suppliers-Pran-RFL Group and Walton-- who together hold around 30% of the market share. Imports comes from Finland, Spain and China. There is another group of technicians who assemble and install lifts in buildings. They use local parts and some imported parts for the hybridization. But they allegedly

### LIFT MARKET IN BANGLADESH

- Market size Tk 12b
- Imports account for 70pc
- Two local suppliers, Pran-RFL Group and Walton, account for 30pc



“

Locally manufactured lifts are cheaper by at least Tk 700,000 per unit than imported ones  
Mr. RN Paul, Managing Director  
PRAN-RFI. Group

- Big-name cos plan export
- None to see, however, as some shoddy hybrid products being churned out by some technicians
- Incidents of lift turning trap not few

do not comply with all safety issues. Many make import from China and Europe. And many assemble by procuring some

local markets and some from imported ones.

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

## Govt launches centralised digital platform for project approvals

The Planning Division under the Ministry of Planning has launched a centralised digital platform to streamline the public investment cycle, from preparing Development Project Proposals (DPPs) to appraisal and final approval. The Project Processing, Appraisal and Management System (PPS) is designed to enhance efficiency, accountability and transparency by making the process paperless, while reducing time, cost and effort. Integrated with existing systems

across ministries and divisions, the platform will also facilitate component-wise, time-bound financing and enable real-time monitoring and evaluation of project implementation.

Four major software systems, including the PPS, have been developed under the Tk. 500-million Strengthening Digital Processing of Projects (SDPP) initiative (Source: Planning Division).

Among them, the GIS-based Resource Management System

(GRM) links project processing with graphical data, allowing decision-makers to visualise project locations on maps for better assessment. The National Plan Management System (NPM) will build a database for short- and long-term development plans, while the Research Management System (RMS) uses AI and machine learning to generate insights from large research datasets.

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

## DIGITAL PLATFORM FOR PROJECT APPROVALS

- PPS designed for transparent, paperless project processing
- Linked with authorities; real-time monitoring, financing



### SDPP SOFTWARE (Tk 500m)

**GRM:** Map-based project visualisation

**NPM:** Database for short- & long-term plans

**RMS:** AI/ML insights from research data

### PROGRESS

703 of 1,009 FY26 ADP projects enlisted on PPS

Mandatory DPP upload before submission

All new projects processed online

### TIMELINE, COST:



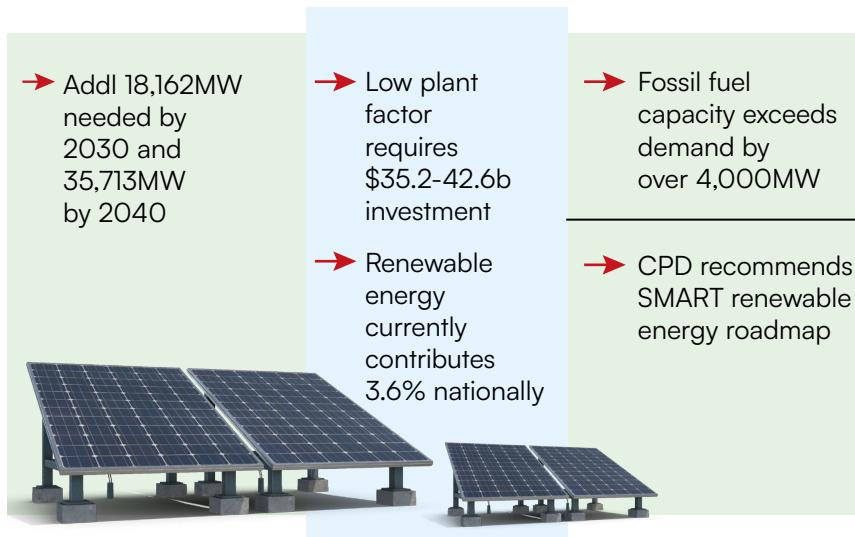
Launched 2019:  
**Tk 376.4m**  
completed  
June 2023  
(initial)

Revised 1:  
**Tk 577.8m**  
deadline  
June 2025

Revised 2:  
**Tk 508.5m**  
approved  
recently

Source: Planning Division

## BD needs \$42b investment by 2040, says CPD



According to research by the Centre for Policy Dialogue (CPD), Bangladesh will need an additional 18,162 megawatts (MW) of renewable power

capacity by 2030 to reach a 20 per cent share of total power capacity, and 35,713 MW by 2040 to achieve a 30 per cent share. The study shows that a

low plant factor of just 0.25 would require an additional investment of US\$35.2-42.6 billion, with most of the funding needed between 2030 and 2035 to meet the targets. The need for a comprehensive energy plan is emphasised and called for greater private sector engagement to meet growing investment demands in the renewable power sector. The study estimates that between \$35.2 billion and \$42.6 billion will be required from 2025 to 2040 to integrate renewable energy alongside existing fossil fuel-based plants.

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

# Bangladesh emerging as Chinese firms' investment destination

Bangladesh seems rapidly emerging as an investment hub for Chinese manufacturers seeking to diversify production bases to tide over high tariffs imposed by the United States on Chinese goods. Such change of fortune is in sight as a number of companies from China have recently signed agreements with the Bangladesh Export Processing Zones Authority (BEPZA).

This trade migration highlights growing confidence of Chinese investors in Bangladesh's economic zones, particularly the BEPZA Economic Zone (BEPZA EZ) in Mirsarai, close by the Chattogram seaport. The country's preferential duty benefits on the vast European Union (EU) market,

## US TARIFFS SHIFT CHINESE INVESTMENT TO BD

Over 45 firms inked  
\$1b+ deals with BEPZA EZ

19,000 jobs may be created

### WHY INVESTORS CHOSE BD

- Preferential duty benefits in EU market
- Comparatively lower tariffs in US market
- Expanding industrial infrastructure

Company	Investment (million USD)	Items	Expected number of jobs
Dunion Taiyang Sheng Shoes (BD)	10.20	Footwear	1,939
Baishili Household Products	10.47	Household products,bags	989
Khaixi Group	40.05	Lingerie, related articles	3003
Handa (Bangladesh) Garments	41.33	Garments	10112
Unifa Accessories (BD)	48.66	Fashion	2830

comparatively lower tariffs on the US market, and expanding industrial infrastructure with low labour costs make Bangladesh an attractive alternative for

Chinese firms which face higher tariffs both in the United States and India.

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

## 27.93pc of people live below poverty line: Survey

### RISING POVERTY & FRAGILITY IN BANGLADESH

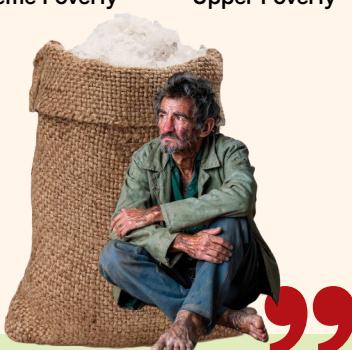
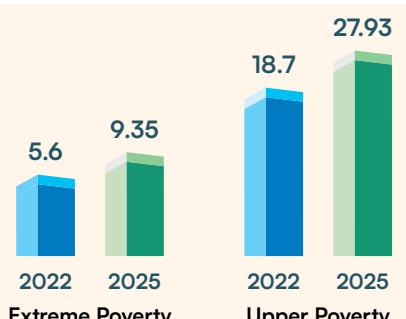
8,067 HOUSEHOLDS IN 64 DISTRICTS SURVEYED IN MAY

Inequality peaks, Gini coefficient at national level reaches **0.436**, urban **0.532**

**36%** of households still use unsanitary toilets

**65.5%** of women lack full-time or sufficient work

Smartphone penetration **74%**



99

People are coping, but these are fragile adaptations, not substitutes for structural policy action

-Dr Hossain Zillur Rahman, PPRC Executive Chairman

Poverty in Bangladesh has risen alarmingly. More than one in four citizens are now living below the poverty line and inequality reaching its steepest level in decades [Source: Participation Research Centre (PPRC)]. Commissioned by the finance ministry through a competitive process, a survey covered 8,067 households across all 64 districts. The survey shows 27.93 per cent of the population now living below the upper poverty line, up from 18.7 per cent in 2022. Extreme poverty has also risen sharply, from 5.6% to 9.35%.

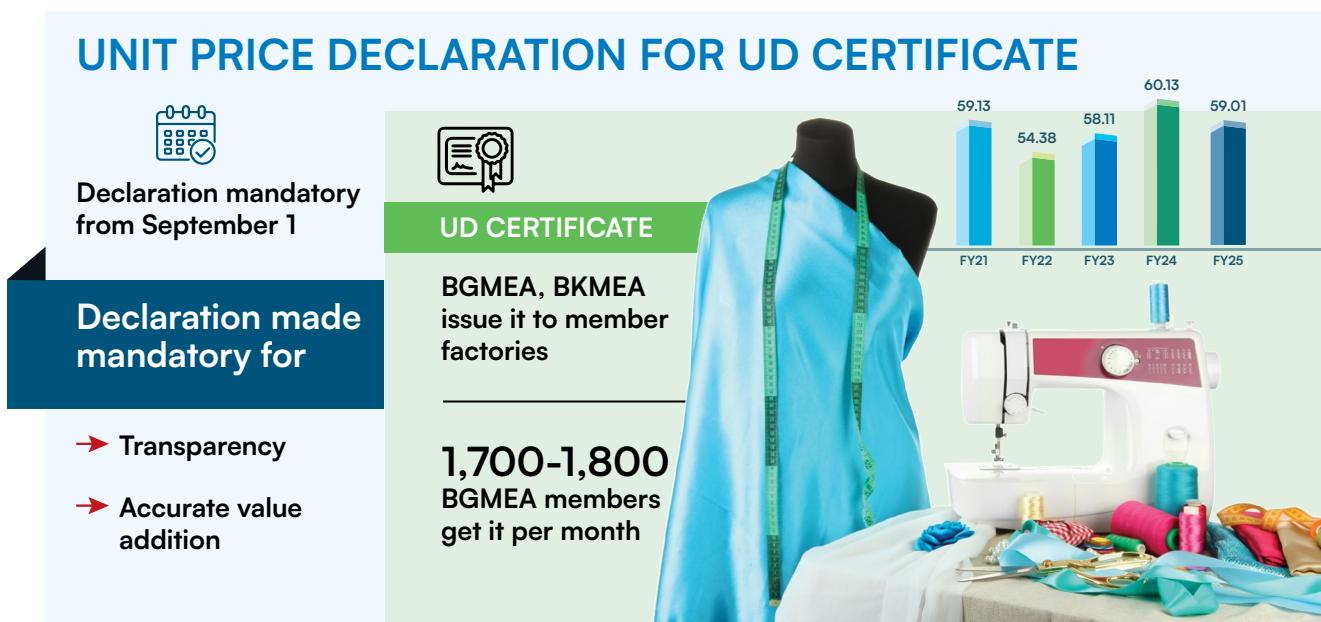
Rural areas were found to be hardest hit with 31.6 per cent of households below the upper

poverty line, compared to 19.7 per cent in urban areas. The middle class is increasingly

fragile with dwindling savings, rising debt, and difficult trade-offs in education expenses.

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

## BGMEA makes unit price declaration mandatory for UD certificates



Bangladesh Garment Manufacturers and Exporters Association (BGMEA) -- the apparel apex body -- has tagged new requirements mandating factories to provide the unit price of imported raw materials and readymade garments produced for export to get utilization declaration (UD) certificates aiming to ensure transparency and

accurate valuation in the industry. In a circular, BGMEA instructed its member factories to include the information to receive the UD certificates from the trade body.

A UD certificate is a key customs document authorizing the use of duty-free imported raw materials for manufacturing export-oriented garments. It is required for customs

clearance, export processes and trade preferences and cash incentives. Both BGMEA and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) issue UD certificates to their members against each work order, detailing exporter, importer and raw material information.

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

## Over 80pc businesses find current tax rates 'unfair'

According to a survey conducted by the Centre for Policy Dialogue (CPD), Eighty-two per cent of businesses consider the current tax rate "unfair" and a major obstacle to growth. The survey found that 79 per cent of participating

businesses identified lack of accountability among tax officials as a major problem, while 72 per cent cited corruption in tax administration as their primary obstacle. Another key challenge highlighted was the absence

of a fully digital tax filing system. Conducted among 123 enterprises in Dhaka and Chattogram, the survey showed that 65 per cent of businesses frequently end up in disputes with tax officials over routine tax demands.

Many complained that officials impose taxes arbitrarily, without proper explanation or

prior notice, creating invisible pressure beyond the actual tax amount, which is often more

harmful to business operations.

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

## BUSINESSES FLAG TAX SYSTEM CHALLENGES

► **82%** of businesses call current tax system unfair

CPD survey covered 123 enterprises in Dhaka, Ctg

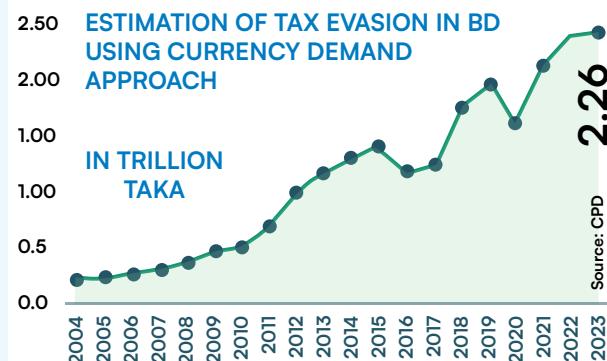
### MAJOR TAX ISSUES

**79%** report tax officials' lack of accountability

**72%** cite corruption as key issue

**65%** face frequent disputes with tax officials

Arbitrary tax imposition adds hidden pressure



### VAT-SPECIFIC CHALLENGES

**73.5%** cite multiple VAT rates as main hurdle

**BARRIERS:**  
unclear policies,  
poor  
cooperation,  
high costs

## Internet, smart phone users up in country

The number of Bangladesh's internet and smart phone users increased significantly in the last fiscal year as the countrymen are fond of using hand phones with internet facilities [Source: Bangladesh Bureau of Statistics (BBS) ]. As per the quarterly ICT Access and User Survey 2024-25 of the BBS, the only-mobile-

phone users in villages are higher than that in the urban areas in the country. The number of households (HH) with internet users expanded by 11.2 percentage points within one and a half years and the smart phone users by 9.5 percentage points. According to the BBS, the rate of Bangladesh's internet use

by the households increased to 54.8 per cent in last fiscal year (FY) 2024-25 from 43.6 per cent in the previous year. Similarly, the smart phone users in the country also rose to 72.8 per cent in FY2025 from 63.3 per cent in 2023, the BBS showed.

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

## US importers shifting from tax-laden India, China to Bangladesh

Bangladeshi exporters are receiving increased inquiries from American buyers, retailers, and traders as the steep US

tariff hike for India and China is making the sourcing from there much costlier. In addition to the country's largest export

item-apparel, Bangladesh's companies are now securing some non-traditional export orders that US firms previously

imported from India, such as hardware items, construction materials, PVC pipes, and PP woven bags.

Since 27 August, 2025 - Indian exports to the US market have been subject to tariffs of up

to 50 per cent. As a result, total tariffs on Indian products such as ready-made garments (RMG), gems and jewelry, footwear, sporting goods, furniture and chemicals have now come to as high as 50

per cent - among the highest imposed by the United States, comparable to those faced by Brazil and China.

Source: *The Financial Express*-29 August, 2025

## Foreign Debt-July repayment more than double of aid receipt

### JULY FY'26 (Figures in million USD)

#### FOREIGN LOAN REPAYMENT: 446.68

Principal	327.72
Interest	118.96

#### FOREIGN AID RECEIPT: 202.75

Loans	202.44
Grants	0.31

#### FOREIGN AID COMMITMENT: 83.46

Loans	82.59
Grants	0.87

Bangladesh's repayment of foreign loans in July - the first month of FY26 was more

than double the external aid it received from global lenders that month. The country repaid \$446.68 million against the outstanding medium to long-term loans that month [Source: Economic Relations Division's (ERD) provisional data]. On the contrary, external development partners released \$202.75 million worth of assistance - \$202.44 million in loans and \$0.31 million in grants - that month. The government borrowed massively over the last few years, especially for budgetary support, repayments started rising in FY25.

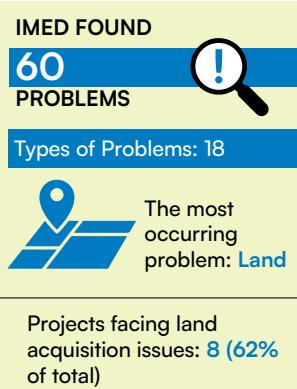
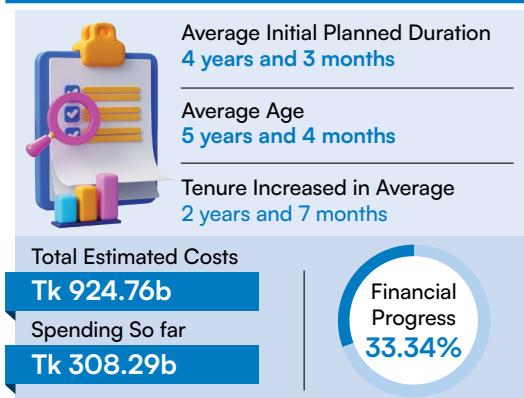
According to the ERD data, the July repayment of \$446.68 million included \$327.72 million in principal and \$118.96 million in interest. In the same month of FY25, Bangladesh repaid \$385.67 million against its outstanding loans.

In FY25, Bangladesh spent half the foreign aid it received to repay external loans. In that fiscal year, the government repaid \$4.087 billion - the highest in history - and secured \$8.11 billion in assistance.

Source: *The Financial Express*-29 August, 2025

## More than a dozen major projects overspend lifespan, needing cure

### 13 "CRITICAL" PROJECTS



Thirteen large development projects with an aggregate cost of Tk.924.76 billion have spent over five years against their approved lifespans, warranting a government review soon for remedies. Although their entire sanctioned tenures have expired, only one-third financial progress has been made in the projects. According to the document of the Implementation Monitoring and Evaluation Division (IMED),

● Close oversight on sectors that drive growth, public welfare imperative

● High-level govt meet to recommend remedies

out of the total estimated cost, ministries and divisions managed to spend Tk.308.29 billion which accounts for only 33.34 per cent of the funds.

After time extension to complete the schemes, 18 months left with an average requiring to

spend Tk. 616.46 billion. The IMED of the Planning Ministry has tagged these projects as 'Critical' and placed them under special monitoring for cure.

Source: The Financial Express-28 August, 2025

## Banks' borrowings from BB window hit record high

Commercial banks' hefty borrowings from the central bank betray perceived double dealings-healing liquidity crunch in the banking system and investing the funds in plum state treasuries. The country's scheduled banks altogether borrowed Tk 1.55 trillion from the banking regulator under the repo facility in July 2025-at the very outset of the financial year( Source: Bangladesh Bank). The commercial lenders who are in need of short-term liquidity are largely bent on 14-day-tenure repurchase instrument of the BB and keep banking on it as much as possible. As a result, the volume of credits handed out through the liquidity-availing window continues surging.

Source: The Financial Express-30 August, 2025

### BANKS' BORROWING FROM BB THROUGH REPO

March, 2025

Tk 838b

April 2025

Tk 940b

May, 2025

Tk 1.33t

June, 2025

Tk 1.45t

July, 2025

Tk 1.55t

Such reinvestment occurs amid economic sluggishness dampening credit needs

If BB ceases repo facility for a fortnight majority banks will collapse, says private banker

Review of yields on treasury bills, bonds can prompt 6 banks to divert assets into economic activities  
- Dr M Masrur Reaz

### VOLUME OF NPLS IN BANKS

Tk 4.20 trillion, one-fourth of Tk 17.42t loans disbursed until March last

### BANKS' DEPOSIT GROWTH

By June last 7.77pc  
Three years ago  
Over 12pc



## NPA mulls Shariah-based pension scheme launch

To attract more participants, the subscribers of the much-vaunted Universal Pension Scheme (UPS) have deposited over Tk 2.01 billion which is planning to introduce a Shariah-aligned pension scheme. A total of 374,153 citizens enrolled in the scheme

under four categories. Of the contributions, more than Tk 1.987 billion has already been invested in government treasury bills and bonds (Source: the National Pension Authority). The universal pension system was rolled out through NPA which was formed under the

provisions of the Universal Pension Management Act 2023. It has launched four pension products - Probash, Progati, Samata, and Surakkha. In addition, it has already received 11 loan applications, all of which have been approved and the loans have been disbursed.

This initiative took into account the increase in life expectancy and the rising dependency ratio

as the working-age population was projected to decline in the future.

Source: The Financial Express-30 August, 2025

## UPS AT A GLANCE

Launched  
**2023**

### PREMATURE WITHDRAWAL

➡ Application: **103**

➡ Resolved: **100**

Subscribers  
**374,153**

Deposits  
**Tk 2.01b**

Funds invested  
in T-bills, bonds  
**Tk 1.98b**

### LOAN



➡ Application: **11**

➡ Approved and  
disbursed: **All**

Scheme	Number of subscribers	Deposits (Million Tk)
Probash	1,013	79.22
Progati	23,444	859.67
Samata	286,000	488.16
Surakkha	63,696	581.17

Till Aug 28, 2025

Source: NPA



## Govt's fiscal deficit exceeds Tk 1.0t in 11 months of FY'25

Driven largely by higher operating costs including increased food imports the government's fiscal deficit during the first 11 months of the fiscal year (FY) 2024-25 exceeded Tk. 1.0 trillion. According to official data, the amount was 42% up from that of the corresponding period of the previous fiscal year. Imports of foods including rice marked a significant rise during the period as the country faced three consecutive floods. The government's total borrowing during the July-May period of the last fiscal year stood at about Tk. 1.06 trillion. During the period the government's total expenditures --both operating and development--were recorded at Tk. 4.922 trillion. The operating expenses alone amounted to Tk. 3.928

## FISCAL DEFICIT

11 months of FY 2024-25

**TOTAL EXPENDITURE**  
(both operating and dev cost)

**Tk 4.922 trillion**

**REVENUE EARNINGS**

**Tk 3.868 trillion**

**FISCAL DEFICIT**

**Tk 1.06 trillion**

**42%↑**  
(year on year)

The fiscal deficit could have been even higher without steady inflows of foreign grants

With additional fund release in June 2025, the final deficit may climb higher

Of the fiscal deficit, **Tk 916.76b** came from domestic sources and **Tk 145.71b** from external sources

trillion during the mentioned period, reflecting nearly 21.52% up from the matching period of the previous fiscal. On the other hand, the amount of revenue, generated during

the first 11 months of FY '25, was Tk.3.868 trillion, marking nearly 10% rise over the same period the earlier fiscal.

Source: The Financial Express-30 August, 2025

## Bangladesh's export to Brazil up 26% in FY25

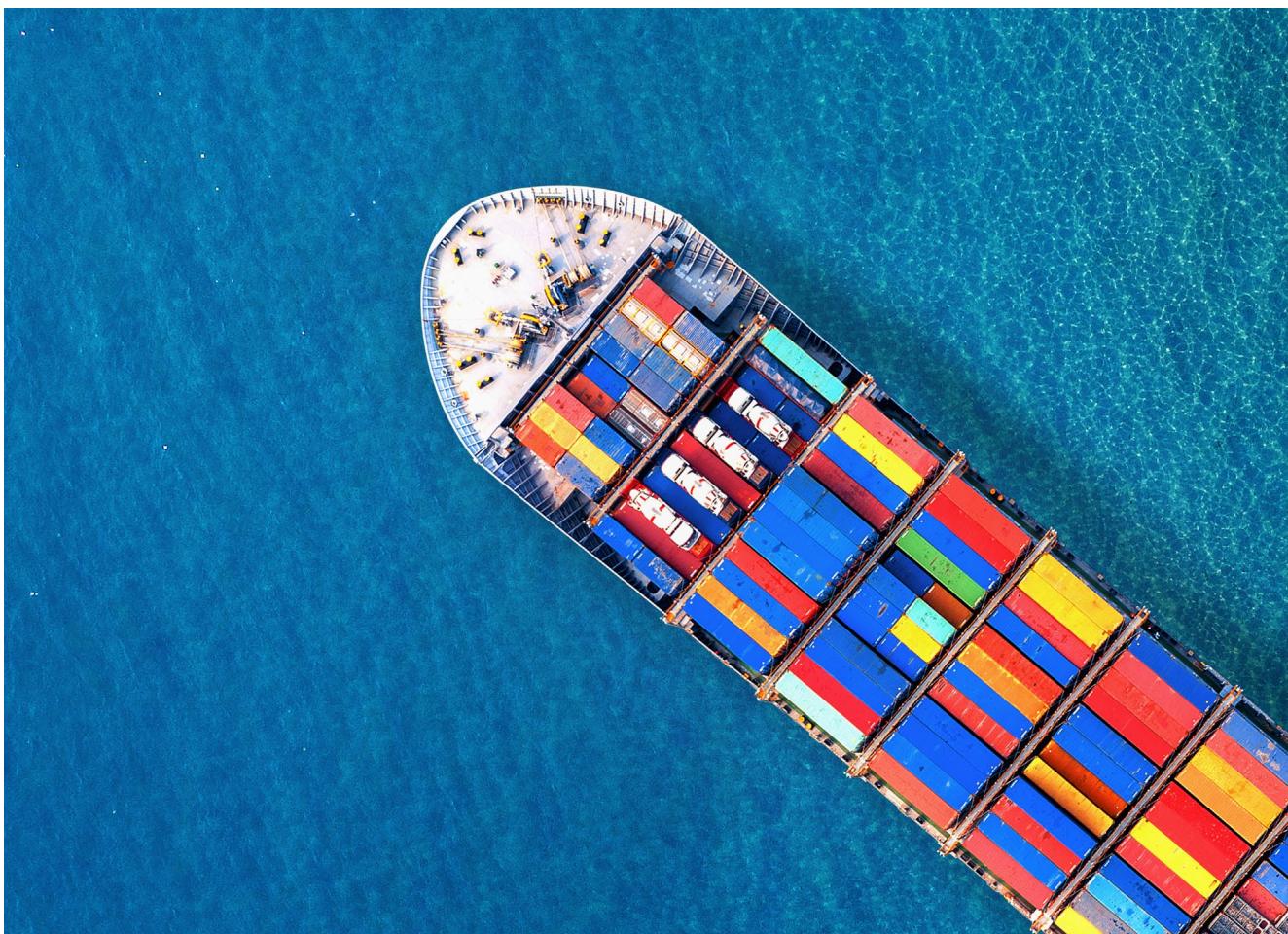


Bangladesh's multilateral engagement with Brazil, particularly in the economic sector, has deepened as Dhaka and Brasilia explore new avenues to elevate bilateral relations to greater heights.

Bangladesh exported goods worth \$187 million to Brazil in the 2024-25 fiscal year which marks a 26% rise from \$147 million in 2023-24 (Source: Export Promotion Bureau). In July 2025 alone, exports stood

at \$16 million. Earlier, exports amounted to \$175 million in 2022-23 and \$109.2 million in 2021-22 which shows a steady upward trend. The main export items from Bangladesh include readymade garments such as jerseys, pullovers, cardigans, shirts, suits, jackets, trousers, and shorts. Brazil which is one of the world's largest cotton producers and exporters, could become a key supplier to Bangladesh- the second-largest cotton importer globally. At the same time, Bangladesh could diversify its export basket by promoting jute goods, leather products, and other non-traditional items to narrow the trade gap.

Source: *The Business Standard*-30 August, 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)

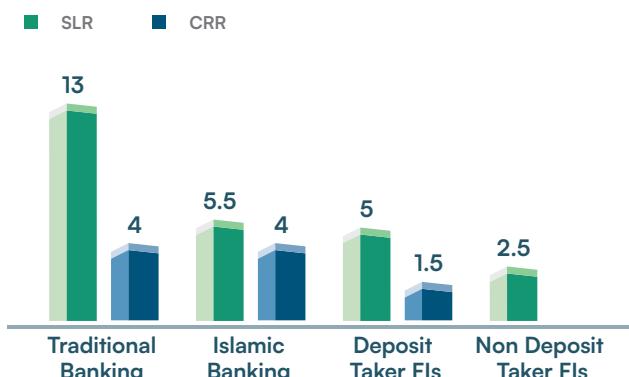
Items	July, 2025	July, 2024	Percentage Changes July, 2025 over July, 2024
Deposits held in DMBs	18,801,079	17,006,084	8.42%
Bank Credit	23,198,806	20,854,485	11.24%

## Policy Rates and Reserve Ratios

### Policy Rates (%)

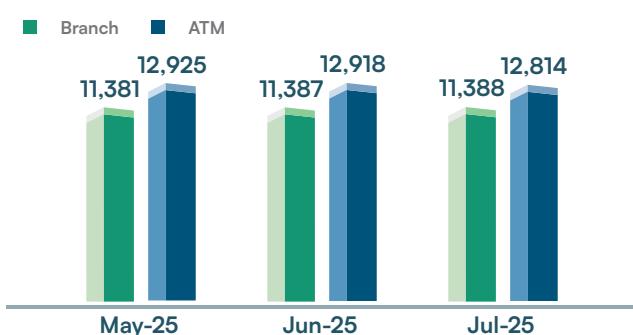


### Reserve Ratios (%)

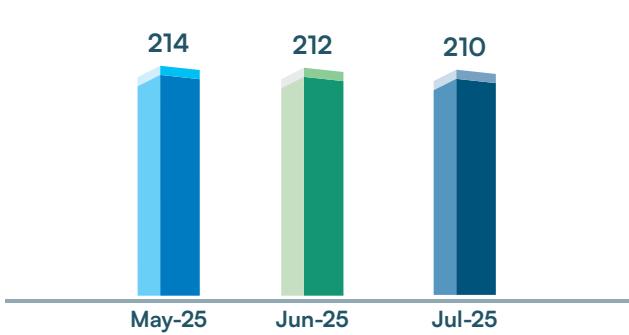


## Branches, ATM, POS, CDM and CRM

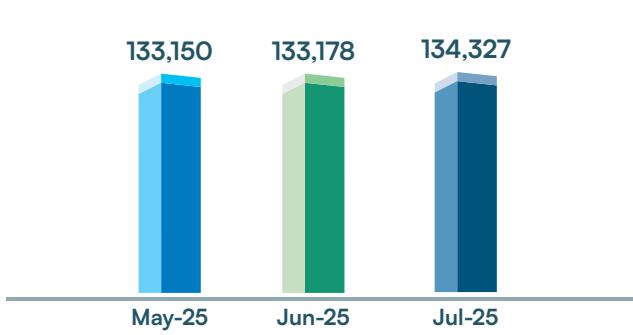
### Branch & ATM



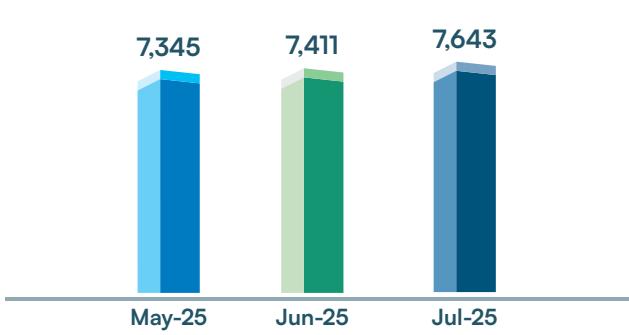
### CDM



### 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 1 in the reporting month. In perspective of the total population [172.85 million source: BBS] of Bangladesh,

on an average 15,188 people receive financial services from one branch and 13,373 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)
May — 2025	41.83	2.58	7.99	55.51	506,515.94
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

The number of issued Debit, Prepaid and Credit Cards in July, 2025 are 44.08, 9.83 and 2.98 million, respectively, which are 2.16%, 39.58% and 1.13% higher

than those of the previous month. Using these cards the number of local and foreign currency transactions is 55.45 million with an amount of TK. 478,170.54

million in July, 2025. The number have been increased by 0.01% and amount of transactions have been decreased 0.80% respectively, compared to the previous month.

### Mobile Financial Services (MFS)

(In Million)

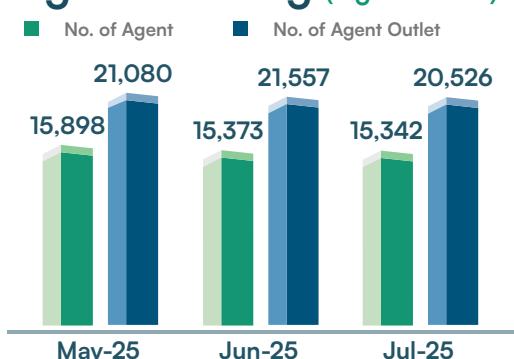
Period	MFS Agent	MFS A/C	Transaction Number	Transaction Amount (TK)	Remittance through MFS (TK)
May — 2025	1.43	145.00	613.27	1,548,527.39	16,467.04
June — 2025	1.43	145.64	592.32	14,63,518.23	18,656.09
July — 2025	1.44	145.82	625.30	14,85,666.61	16,643.78

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 145.83 million of which 69.49 million is in urban areas and 76.34 million is in rural areas in July, 2025. Among the services provided by the MFS operators, Government is providing cash incentives

in Inward Remittance. In July, 2025 Inward Remittance Tk. 16,643.78 million is disbursed through MFS channel. The e-money balance in this month is Tk. 128,673.58 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)
May-2025	25.18	453,179.03	15.12	686,429.62
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

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 July, 2025 the

number of agent and outlet both have been decreased by 31 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 24.62 million and deposit balance is TK. 4,57,310.48 million and a total of TK. 8,547.98 million is disbursed as loan in July, 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)
May — 2025	1.6821	1,648,357.46	32.4667	852,851.43
June — 2025	1.5804	1,708,279.88	41.0600	866,619.96
July— 2025	1.6084	1,580,488.51	41.0680	878,115.27

Period	Internet Banking		e-Commerce	
	Number	Amount (in TK)	Number	Amount (in TK)
May — 2025	19.2880	996,181.95	6.7038	23,654.24
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

### 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
May — 2025	9.81	2.51	9.67	3.74	25.73
June — 2025	9.38	2.50	9.74	3.73	25.36
July— 2025	9.38	2.50	9.74	3.73	25.35

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)

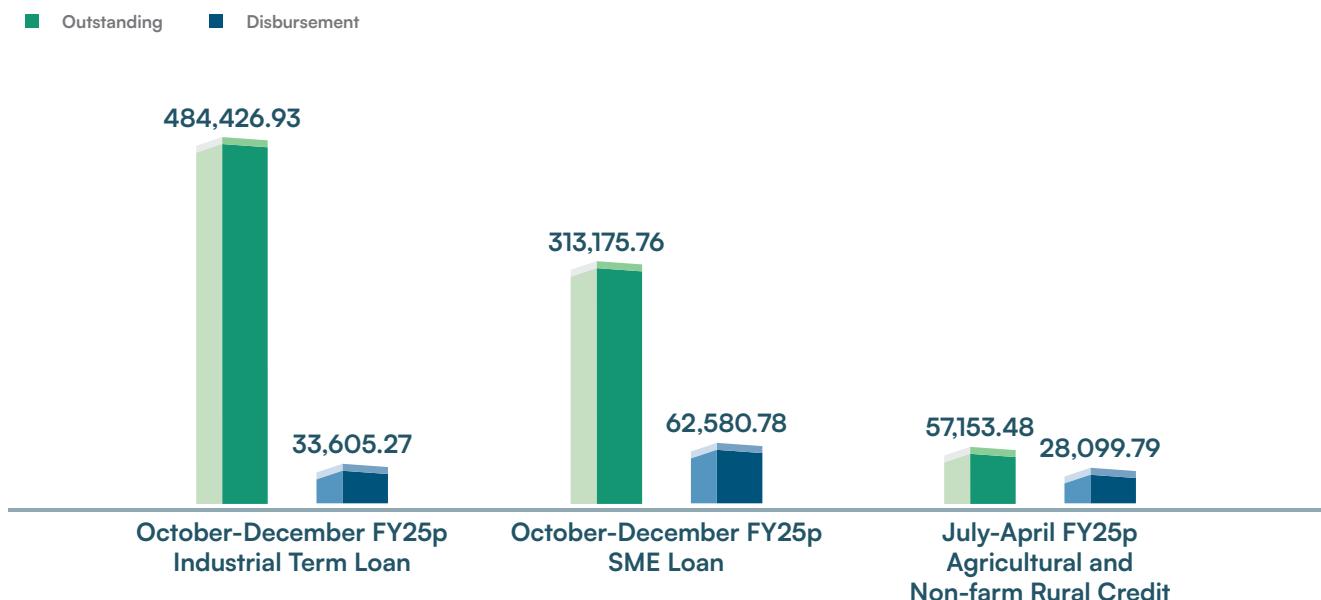
Period	School Banking A/C	Deposit Balance (in TK)
May — 2025	4.48	19,643.78
June — 2025	4.51	21,397.85
July— 2025	4.52	21,086.35

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

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

accounts and the total deposit balance of these accounts is TK. 21,086.35 million.

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

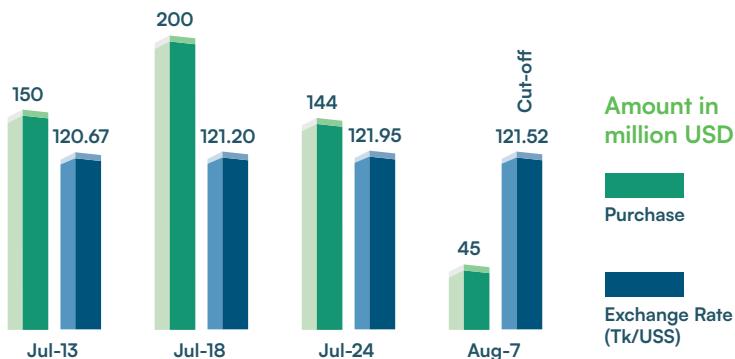


Source: Bangladesh Bank

## BB buys \$45m more from banks to stabilise forex mkt

### BB INTERVENTION IN FOREX MARKET

#### TIMELINE



#### OBJECTIVES OF INTERVENTION

- Curb exchange rate volatility
- Support forex reserves
- Align with IMF \$5.5b programme



We're intervening in the market whenever necessary to keep the exchange rate at a tolerable level - Senior BB official

Bangladesh Bank (BB) purchased US\$45 million

more on 07 August, 2025 from commercial banks in a

bid to help keep the country's foreign-exchange (forex)

market stable. According to the BB sources, the regulator took the decision to go for fresh intervention in the forex market in the backdrop of a persistent fall in the exchange rate in interbank spot market. Such purchases were intended to bolster the country's forex reserves which came under

pressure due mainly to rising import payments and global economic headwinds. The BB launched its dollar purchase drive on July 13, aiming to ease volatility in the dollar-taka exchange rates and restore stability in the forex market. Usually, the central banker go for intervention to prevent

the downfall in the value of Bangladeshi Taka in exchange of US dollar, and also bolster the foreign currency reserve in line with the prescription of IMF (international monetary fund) under its \$5.50-billion lending package for the country's macroeconomic stability.

Source: *The Financial Express*-08 August, 2025

## BB allows loan rescheduling for 250 firms for up to 15 years

### Highlights

A 5-member panel was formed in January to assess loan applications	Around 1,250 companies have applied for support	Panel prioritises firms affected by factors beyond their control
Borrowers will get 5-15 yrs to repay, with a down payment of just 1-5%	Banks are facing trouble as many applicants have stopped repaying their loans	Defaulted loans hit a record Tk 4.20 lakh cr in Mar 2025

The central bank has approved a mega loan rescheduling facility for some 250 companies, including some of the country's biggest corporate

defaulters, in an attempt to boost business activity amid slowing economic growth. The Bangladesh Bank (BB) will allow these firms to extend loan

repayment over 5 to 15 years, with down payments as low as 1 percent and grace periods of up to 3 years. The scheme is meant for aiding companies hit by foreign-exchange losses, energy shortages, and those that suffered under political retaliation during the previous government. The willful defaulters will be excluded. The initiative comes eight months after the central bank formed a five-member committee to assess corporate borrowers whose loan defaults were deemed beyond their control.

Source: *The Daily Star*-10 August, 2025

## BB eases forex rules for exporters in SZs

Bangladesh Bank has relaxed the foreign currency rules for exporters in specialised zones like Export Processing Zones (EPZs), Private Export Processing Zones (PEPZs), Economic Zones, and High-Tech Parks to retain foreign

currency. This move is aimed at simplifying foreign exchange management and streamlining transactions for these businesses (Source: UNB). The central bank issued a circular stating that Type B and Type C factories

within these zones can now hold their export earnings in a foreign currency account until their back-to-back import liabilities are settled. The foreign currency can be divided into two portions: one for back-to-back import

payments and another for the value addition portion of local production. The local value addition portion can be held

as dollars for a maximum of 30 days. If the funds are not spent within this period, they can be transferred to another

bank to cover the company's import liabilities.

Source: *The Financial Express*-11 August, 2025

## Forex robust, bank liquidity eases

Bangladesh Bank intervention to bring stability in foreign-exchange market proves a boon for both -- the central bank builds up forex stock and commercial banks quench their liquidity thirst in trying times. In a latest intervention made the BB purchased \$83 million from eleven commercial banks at rates ranging from Tk. 121.47 and Tk. 121.50 a dollar to stabilise the country's forex market and injected around Tk. 10 billion. The central bank

has so far been bought \$622 million from the commercial banks since July 13 under the prevailing free-floating exchange regime. Apart from forex-market stabilisation, such regular intervention by the banking regulator to keep the exchange rate within the undisclosed band of the crawling-peg system also helps in bolstering the country's foreign-currency reserves.

Source: *The Financial Express*-12 August, 2025

Take taka, give disposable dollar

Repo meeting banks' local-currency obligations amid poor deposit, lending growth

Inflow of foreign currencies continues to grow on remarkable remittance, export receipts: BB official

## BB buys \$45m more from banks to stabilise forex mkt

### HIGHLIGHTS (As of Jun, 2025)

Banks with agent banking licence:  
31

Outlets:  
20,557

No of accounts:  
2.44cr

Female-owned accounts:  
1.20cr

Rural accounts:  
2,890

### Agent Banking : Key Data (In crore taka)

#### AGENT BANKING



Bangladesh's agent banking network is continuing to play a transformative role in the country's financial system, especially through the channelling of remittances through agent outlets. Remittance amounting to Tk. 1,83,888 crore was routed through the agent outlets in the April-June period of fiscal year 2024-25 (Source: Bangladesh

Bank). This was a year-on-year growth of 16.15%. Moreover, an overwhelming 90% of the remittance reached rural recipients. Agent banking has quietly emerged as one of the most effective, yet underreported channels for remittance distribution, particularly for reaching rural and previously unbanked populations. Three banks accounted for more

than 90 percent of the total agent-based remittance disbursement. This highlights growing concentration in the segment. Introduced in 2013, agent banking was designed to serve as a secure and alternative delivery channel for financial services in remote areas beyond the reach of traditional bank branches.

Source: *The Daily Star*-15 August, 2025

## Higher NPLs reduce banks' capital adequacy to lowest in South Asia

Countries	CRAR (%)				
	2020	2021	2022	2023	2024
India	15.8*	16.6*	16.0*	16.8*	16.7*
Pakistan	18.6	16.7	16.6	19.7	20.6
Sri Lanka	17.1	16.5	16.2R	18.4R	18.4P
Bangladesh	11.6	11.08	11.83	11.64	3.08

\* Data as of end-September, R-Revised, P-Provisional.  
Source: Financial Stability Report 2024

Higher classified loans have dragged the capital adequacy of Bangladesh's banking sector to the lowest level among neighbouring South Asian countries. The capital-to-risk-weighted-asset ratio (CRAR) fell drastically to 3.08 percent

in 2024, driven largely by weak capital positions in state-owned commercial banks (SoCBs), specialized development banks (SDBs), and Islamic private commercial banks (PCBs). [Source: Financial Stability Report (FSR) 2024]. The banking

industry's CRAR decreased by 8.56-percentage points to 3.08 percent at the end of December 2024 from 11.64 per cent a year ago [Source: Bangladesh Bank].

Classified loans in Bangladesh's banking sector continued to rise sharply. With such a surge in NPLs, the volume hit a record Tk. 3.45 trillion by the end of last year, accounting for 20.20 per cent of the total Tk. 17.11 trillion in loans disbursed by all scheduled banks in the country. The banks had kept aside more money from their capital for maintaining provisioning requirement against their NPLs.

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

## Applications to set up digital bank invited again

To accelerate the country's shift to cashless transactions and digital financial services, Bangladesh Bank (BB) has once again invited applications from eligible institutions to secure a

license of establishing a digital bank. The central bank has, in principle, decided to issue licences for digital banks against suitable proposals under the Bank Company Act, 1991.

As a processing fee, each application must be submitted along with a non-refundable pay order of Tk. 500,000 issued by any scheduled commercial bank in favour of Bangladesh

Bank. It added that failure to provide all required documents and information would result in the automatic cancellation of the application. Submissions must be sent both physically during office hours and digitally via [apply.db@bb.org.bd](mailto:apply.db@bb.org.bd). The

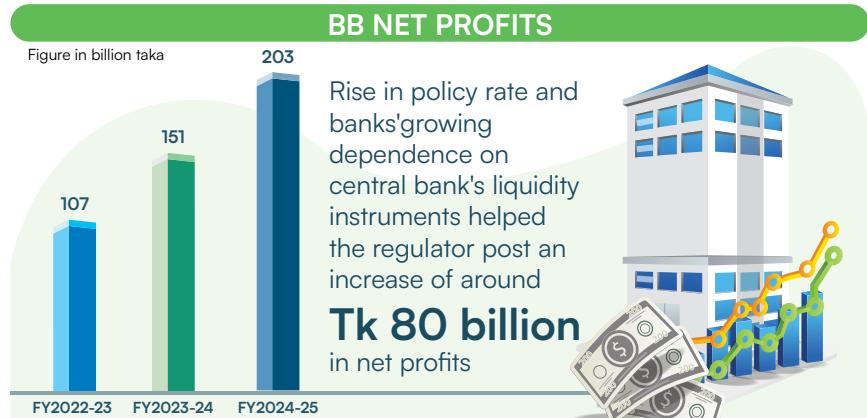
central bank approved the guideline on digital banks in 2023 to accelerate the country's transition to cashless transactions and digital financial services. The latest development comes following suspension of Nagad Digital Bank's license

after a changeover in state power following last year's July-August mass uprising and a review of the digital bank licensing process.

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

## Bangladesh Bank net profits up 52pc in FY25

The Bangladesh Bank (BB) made a record by bagging net profits of around Tk. 230 billion in FY25 which is a 52 per cent increase from the previous fiscal year. The frequent rise in the policy rate and commercial banks' growing dependence on the central bank's liquidity-feeding instruments helped the regulator enjoy an increase of around Tk. 80 billion in net profits in a single financial year. The central bank's incomes and expenses were shared at its 443rd board meeting held on 26 August, 2025 with Governor Dr Ahsan H Mansur in the chair. Its board of directors approved



the FY25 financial statement in the meeting.

The banking regulator made net profits of around Tk. 230 billion which was Tk. 107.5 billion in the 2022-23 financial year. The banking regulator had earned

the highest amount from repo and special repo against short-term loans given to several banks in the last fiscal year (Source: BB).

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



# MBPLC NEWS

## Mercantile Bank signed an Agreement with ShareTrip



Mercantile Bank PLC has signed an agreement with ShareTrip Limited on 17

August, 2025 at Bank's Head Office, in the city. Dr. Md. Zahid Hossain, DMD & CBO

of the Bank and Shibly Sadiq, Chief Sales Officer of ShareTrip signed agreement on behalf of

respective organizations. As per the agreements, Mercantile Bank credit card holders will enjoy the 0% EMI facility from 3 to 24 month installment for purchase of any services from ShareTrip Limited. Mostafizur Rahman, Head

of Card & ADC, Mohammad Faruque Ahmmed, Head of Corporate Banking Division, Md. Mukitul Kabir, Head of Corporate Affairs Division, Tapon James Rozario, Head of ILMD of the Bank and Arup Ratan Barua, Chief Finance

Officer, Md. Nafiz Chowdhury, Asst. General Manager, Sanaul Haque Niloy, Executive, Marketing of ShareTrip and other senior officials of both the organizations were present on the occasion.

## Mercantile Bank and CDRC (RDA), Bogura jointly arranged seminar



Mercantile Bank PLC and CDRC jointly arranged a seminar on Sunday (17.08.2025) at the Bank's Head Office on 10 units Lightning Arrester installed by RDA in char & haor area donated from special CSR Fund by the Bank. Participants discussed the operational work of the Lightning Arrester in the said area with a video presentation in the seminar. Dr. A.K.M

Wali Ullah, DG (Additional Secretary), Rural Development Academy (RDA), Bogura was present as Chief Guest on the seminar. Managing Director of Mercantile Bank Mati Ul Hasan as Chairperson and DMD & CBO Dr. Md. Zahid Hossain were present as special guest in the seminar. Bank's DMDs Md. Zakir Hossain, Shamim Ahmed & Ashim Kumar Saha, SEVPs Shah Md. Sohel

Khurshid & Mohammad Iqbal Rezwan, Head of Agriculture Credit Division Md. Zillur Rahman and RDAs Director Dr. Md. Abdul Majid Pramanaik, Md. Siam Salauddin, Assistant Director and Md. Murad Hossain, Project Engineer and other senior officials of both organizations were participated in the seminar.

# Mercantile Bank signed an Agreement with IFAD Motors



Mercantile Bank PLC has signed an agreement with IFAD Motors Ltd on today 17 August 2025 at Bank's Head Office, Dhaka. Dr. Md. Zahid Hossain, DMD & CBO of the Bank and Muidur Rahman Tanvir, Head of Business of IFAD Motors signed the agreement on behalf of respective organizations. As per the agreements, Mercantile

Bank credit card holders will enjoy the 0% EMI facility from 3 to 24 months installment for any purchase from IFAD Motors. Mostafizur Rahman, Head of Card & ADC, Mohammad Faruque Ahmed, Head of Corporate Banking Division, Md. Mukitul Kabir, Head of Corporate Affairs Division, Tapon James Rozario, Head of ILMD of the

Bank and Md. Rabiul Haque, Head of Sales & Marketing, M. A Aziz, Head of Commercial & Banking and Md. Masud Hossain Mizi, Sr. Manager, Accounts & Finance of IFAD Motors and other senior officials of both the organizations were present on the occasion.

## Hajj and Umrah Fair-2025 Co-Sponsors by Mercantile Bank PLC



Mercantile Bank PLC co-sponsors Tk.1.00 million for Hajj and Umrah Fair-2025'

organized by Hajj Agencies Association of Bangladesh (HAAB). Managing Director

of the Bank Mati UI Hasan handed over the sponsorship cheque to HAAB Secretary

General Farid Ahmed Mojumder at a ceremony held at the bank's Head Office on Monday (August 11, 2025). The three days fair held at the Bangladesh-China Friendship Conference Centre (BCFCC) in Dhaka from August 14-16. Md. Zakir Hossain, Shamim Ahmed

& Dr. Md. Zahid Hossain, DMDs; Mohammad Golam Kibria, Head of Islami Banking Branch, Dilkusha; Mohammad Mijanur Rahman Sarker, Head of Islami Banking Division, Tapon James Rozario, Head of IMLD of the Bank; Mohammed Zafar Uddin, Joint Secretary

General, Mohammed Abdul Hamid, Finance Secretary & Mohammad Abu Saleh Razy (Javed), Member, Executive Committee of HAAB along with other officials of both organizations were present on the occasion.

## Mercantile Bank starts Foundation Training for MTO 14th Batch



Mercantile Bank started different two Foundation Training for its newly recruited Management Trainee Officers, MTO (IT) and MTO (Law) respectively at Bangladesh Institute of Bank Management (BIBM). A number of 20 MTOs (IT) participated in the training started from 27 July. Mati UI Hasan, Managing Director of the Bank inaugurated the training of MTO (IT) Course

and delivered his speech highlighting the importance of Foundation Training and advised the fresher's to gather knowledge from all areas of banking. On the other hand, 20 MTOs (Law) participated in the Training started from 03 August. Md. Zakir Hossain, DMD & CRO (Acting) was inaugurated the training course of MTO (IT). Ashim Kumar

Saha, DMD of the Bank, Md. Alamgir, Director Training, Md. Mohiuddin Siddique, Professor, Md. Foysal Hasan, Asstt. Professor & Mahmudul Ameen Masud, Faculty Member from BIBM and Javed Tariq, Principal of MBTI, along with other faculty members of the institutions were also present in the both training programs.

# Mercantile Bank implements “Tree Plantation”



Mercantile Bank PLC has implemented ‘Tree Plantation’ program in Mercantile Bank General Hospital (proposed) Premises at Uttara in Dhaka on 06 August, 2025 to observe the July Declaration & Uprising Day-2025. Bank’s Managing

Director Mati Ul Hasan inaugurated the program as the chief guest. Bank’s Deputy Managing Directors Md. Zakir Hossain, Shamim Ahmed & Ashim Kumar Saha, SEVPs Shah Md. Sohel Khurshid & Mohammad Iqbal Rezwan,

VPs Md. Salahuddin Khan, Md. Shah Jamal, Abul Kashem Mohammad Fazlul Haque & Md. Mukitul Kabir along with other senior executives and officers were also present on the occasion.

## Youth Festival 2025 rally



Executives and Officers of Mercantile Bank PLC participated in the Youth

Festival 2025' rally held on the occasion of July Mass Uprising Day at Manik Mia Avenue,

Dhaka on August 05, 2025.

# BANGLADESH BANK CIRCULAR AUGUST 2025

## **BPD Circular**

- FECD Circular No. 28, Date: 31.08.2025, Subject: Outward remittances for internet services

## **ACD CIRCULAR**

- ACD Circular No. 02, Date: 28.08.2025, Subject: Refinance scheme of Taka 1000.00 Crore for increasing production of wheat and maize
- ACD Circular No. 01, Date: 12.08.2025, Subject: Agricultural and Rural Credit Policy and Program for the FY 2025-2026

## **BRPD CIRCULAR**

- BRPD Circular No. 19, Date: 21.08.2025, Subject: Paid-Up Capital of Branchless Digital Bank-Companies
- BRPD Circular No. 18, Date: 19.08.2025, Subject: Guidelines on Internal Credit Risk Rating System
- BRPD Circular No. 17, Date: 12.08.2025, Subject: Regarding fraudulent activities under the name of Anti-Corruption Commission
- BRPD Circular No. 16, Date: 11.08.2025, Subject: Regulatory Reporting to Banking Regulation and Policy Department
- BRPD Circular No. 15, Date: 10.08.2025, Subject: Ordinance enacted to implement the government's financial proposals and amendment of certain Laws

- BRPD Circular No. 14, Date: 04.08.2025, Subject: Formation of Board and Responsibilities of Directors of a Bank-Company.

## **FEPD CIRCULAR**

- FEPD Circular No. 27, Date: 18.08.2025, Subject: Extension of usance period against imports of industrial raw materials
- FEPD Circular No. 33, Date: 14.08.2025, Subject: Foreign Exchange Regulations regarding Import Transactions
- FEPD Circular No. 32, Date: 10.08.2025, Subject: Retention of export proceeds in foreign currency by Type B and Type C industrial enterprises of specialized zones.

## **DFIM CIRCULAR**

- DFIM Circular No. 18, Date: 17.08.2025, Subject: Submission of Liquidity Profile and Statement of Affairs.

## **DMD CIRCULAR**

- DMD Circular No. 13, Date: 04.08.2025, Subject: Regarding Sukuk Allotment Quota

## **SPCD CIRCULAR**

- SPCD Circular No. 01, Date: 03.08.2025, Subject: Formation of Supervisory Policy and Coordination Department

# MBPLC CIRCULAR AUGUST 2025

## INSTRUCTION CIRCULAR

- Circular No. 3639, Date: 28.08.2025, Subject: মাসিক আমানত এবং ঋণ ও আগামের সুদহার, উপশাখা, এসবিএস -২, এসবিএস -৩ এবং এসবিএস -৩.১,৩.২ বিবরণী সঠিকভাবে দাখিল প্রসঙ্গে।
- Circular No. 3638, Date: 26.08.2025, Subject: Arrangement of program in the name of গ্রাহক সেবা পক্ষ in our Bank to assist financial literacy to the youth people of the country for celebrating তারঁগের উৎসব-২০২৫.
- Circular No. 3637, Date: 25.08.2025, Subject: Guidelines on Internal Credit Risk Rating (ICRR) system for Banks প্রসঙ্গে
- Circular No. 3636, Date: 20.08.2025, Subject: বিআরপিডি সার্কুলার নং ১৫/২০২৩ -এর নির্দেশনা যথাযথভাবে অনুসরন প্রসঙ্গে।
- Circular No. 3635, Date: 19.08.2025, Subject: Revised terms & conditions of Mudaraba Masik Munafa Amanat Prokolpo (MMMAP), a Mudarabah Deposit Product of Bank's Islamic Banking Operation.
- Circular No. 3634, Date: 20.08.2025, Subject: Half-Yearly Business Performance Review Meeting (6th & Last Phase).
- Circular No. 3633, Date: 18.08.2025, Subject: Revised terms & conditions of different scheme Deposit products.
- Circular No. 3632, Date: 18.08.2025, Subject: Grading of Employee's Key Performance Indicators (KPI) as on June 30,2025.
- Circular No. 3631, Date: 14.08.2025, Subject: Provide information regarding liability position (if any) on account of Louietex Manufacturing Limited along with its allied/sister/related concern and Directors within next three (03) working days.
- Circular No. 3630, Date: 17.08.2025, Subject: Opening of School Banking Account an Achievement of Corporate Deposit-2025.

- Circular No. 3629, Date: 14.08.2025, Subject: দুর্নীতি দমন কমিশনের মাননীয় চেয়ারম্যান, মাননীয়া কমিশনারদ্বয়, মাননীয় চেয়ারম্যান ও মাননীয়া কমিশনারদ্বয়ে একান্ত সচিব এবং কমিশনে কর্মরত কর্মকর্তা/কর্মচারী পরিচয়ে প্রত্যারক চক্র কর্তৃক জনগণকে হয়রানি ও বেআইনি কার্যকলাপের বিরুদ্ধে প্রয়োজনীয় নির্দেশনা প্রদান প্রসঙ্গে।
- Circular No. 3628, Date: 13.08.2025, Subject: ছেঁড়া-ফাঁটা ও ময়লা নোট গ্রহণ এবং তার বিনিময়মূল্য প্রদান, যথাযথভাবে নোট সঠিং, মূল্যমান নির্বিশেষ সকল প্রকার নোট গ্রহণ, ব্যাংকের কর্মকর্তাগণ কর্তৃক নোটের উপর লেখালেখি বন্ধ করা এবং এটিএম বুথে নগদ ফিডিং এর ক্ষেত্রে অধিক সতর্কতা প্রসঙ্গে।
- Circular No. 3627, Date: 13.08.2025, Subject: Half-Yearly Business Performance Review Meeting (5th Phase).
- Circular No. 3626, Date: 11.08.2025, Subject: Discontinuation of Instruction Circular no. 3538/2025 dated April 08,2025 regarding reciprocal tariff against export to USA market/ Final destination of export goods to USA.
- Circular No. 3625, Date: 07.08.2025, Subject: Cancellation of Authorized Signature.
- Circular No. 3624, Date: 06.08.2025, Subject: Half-Yearly Business Performance Review Meeting (4th Phase)
- Circular No. 3623, Date: 04.08.2025, Subject: Revised Terms & Condition of Mudaraba Super Munafa Amanat Prokolpa (MSMAP), a Mudarabah Deposit Product of Bank's Islamic Banking Operations.
- Circular No. 3622, Date: 04.08.2025, Subject: Discontinuation of existing Two (02) Products/ Schemes of Taqwa Islamic Banking Operations Namely (a) Mudaraba Digun Briddhi Amanat Prokolpa(MDBAP) and (b) Taqwa Kotipoti Sanchaya Prokolpo (TKSP)
- Circular No. 3621, Date: 04.08.2025, Subject: Revised Terms & Conditions of Super Munafa Amanat Prokalpa (SMAP).

- Circular No. 3620, Date: 03.08.2025, Subject: ১০ (দশ) লক্ষ টাকার অধিক মেয়াদী আমানত খোলায় ও বহাল রাখতে এবং সঞ্চয় পত্র বিনিয়োগগুরু ক্ষেত্রে আয়কর রিটার্ন দাখিল প্রসঙ্গে।

## INFORMATION CIRCULAR

- Circular No. 2330, Date: 28.08.2025, Subject: Renaming of the post of Principal as Head of Training & Development.
- Circular No. 2329, Date: 26.08.2025, Subject: Loss of Instruments
- Circular No. 2328, Date: 24.08.2025, Subject: Loss of Instruments
- Circular No. 2327, Date: 21.08.2025, Subject: Formation of new Division named Centralized Operation Division.
- Circular No. 2326, Date: 21.08.2025, Subject: Renaming of Operations Division as Branches Operations control Division.
- Circular No. 2325, Date: 21.08.2025, Subject: Loss of Instruments
- Circular No. 2324, Date: 19.08.2025, Subject: Loss of Instruments
- Circular No. 2323, Date: 17.08.2025, Subject: Loss of Instruments
- Circular No. 2322, Date: 17.08.2025, Subject: Formation of Post Import Financing (PIF) Monitoring unit of the Bank.

- Circular No. 2321, Date: 12.08.2025, Subject: Loss of Instruments
- Circular No. 2320, Date: 07.08.2025, Subject: Loss of Instruments.
- Circular No. 2319, Date: 04.08.2025, Subject: Loss of Instruments

## ID CIRCULAR

- Circular No. 73, Date: 19.08.2025, Subject: Extension of usance period against imports of industrial raw materials.
- Circular No. 72, Date: 19.08.2025, Subject: Foreign Exchange Regulations regarding import transactions.
- Circular No. 71, Date: 19.08.2025, Subject: Foreign exchange regulations - export trade transactions.
- Circular No. 70, Date: 14.08.2025, Subject: Retention of export proceeds in foreign Currency by Type B and Type C industrial enterprise of specialized zones.
- Circular No. 69, Date: 07.08.2025, Subject: Amendment of ID Circular No. 12/2018, Dated February 19, 2018 (Revision of Tenor of EDF interim Finance Loan account).



## INVITATION FOR CONTENTS

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