MBPLC Spectrum

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বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

Contents

GLOBAL ECONOMY
04

13
BANGLADESH ECONOMY

BANK
35
BANKING INDUSTRY

MBPLC NEWS
44

Editorial

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July 2026 was marked by a complicated global economic environment as well as geopolitical issues, elevated energy prices, persistent inflation and increasing trade fragmentation. The prolonged Middle East conflict and disruption to energy supplies have increased risks to commodity prices, global trade and financial stability. At the same time, strong AI and semiconductor-related investment continues to provide an important growth momentum, particularly in Asia.

Against this backdrop, Bangladesh's economy continued to face significant headwinds, with growth constrained by weak investment, subdued exports, high energy costs and persistent inflation. ADB estimates FY2026 GDP growth at 3.7% and projects 4.5% growth for FY2027, while inflation is forecast at 9.0% and 8.8%, respectively. Nevertheless, strong remittance inflows, improving economic activity and a July PMI of 57.8 indicate emerging signs of resilience.

The banking sector remained at the forefront of macroeconomic stabilization efforts. Banks continued strengthening governance, capital adequacy, and risk management while adopting more cautious lending strategies amid relatively high funding costs. Ongoing expansion of digital banking, mobile financial services, and agent banking further promoted financial inclusion and transaction efficiency. Simultaneously, regulatory initiatives continued to focus on improving asset quality, strengthening provisioning, and addressing non-performing loans to enhance financial sector resilience.

Bangladesh Bank maintained its prudent monetary policy stance during July under the Monetary Policy Statement for July–December 2026. The policy rates remained unchanged at Repo Rate: 10.00%, Standing Lending Facility (SLF): 11.50%, and Standing Deposit Facility (SDF): 7.50%, reinforcing the commitment to containing inflation without undermining economic growth.

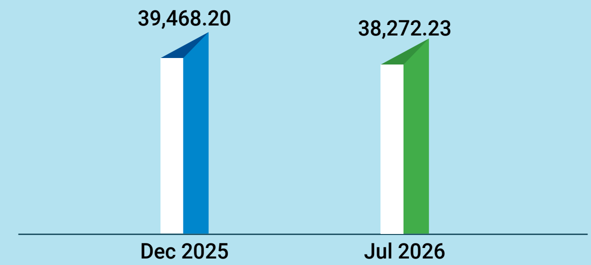
Overall, July 2026 reflected a strengthening macroeconomic landscape, supported by robust remittance inflows, resilient external sector performance, prudent monetary policy, and continued banking sector reforms, laying the foundation for sustainable and inclusive economic growth in the medium term.

MBPLC Key Business Performance

JULY 2026

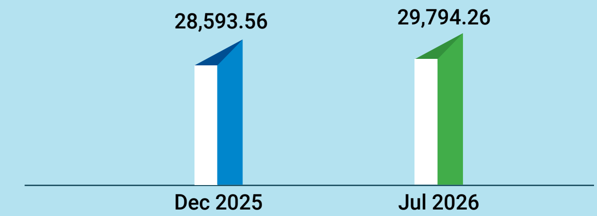
Deposits

BDT in Crore



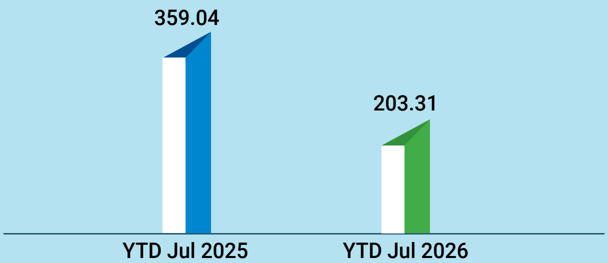
Loans & Advances

BDT in Crore



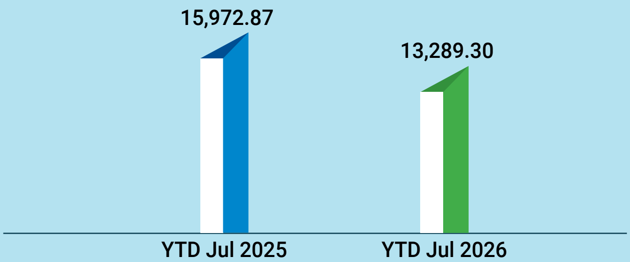
Operating Profit

BDT in Crore



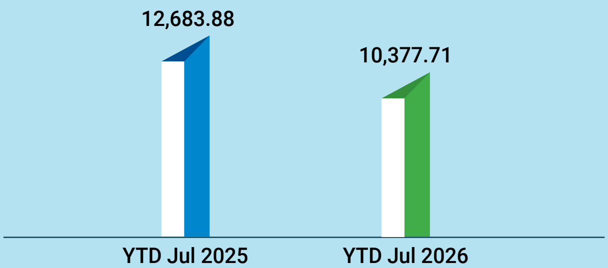
Import

BDT in Crore



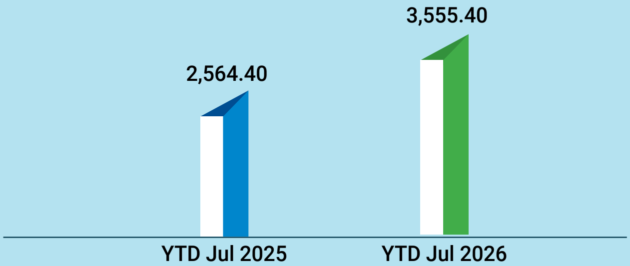
Export

BDT in Crore



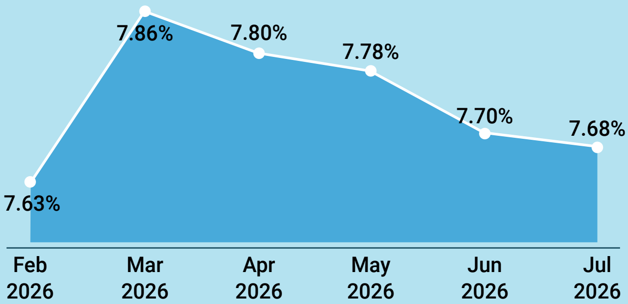
Inward Remittance

BDT in Crore



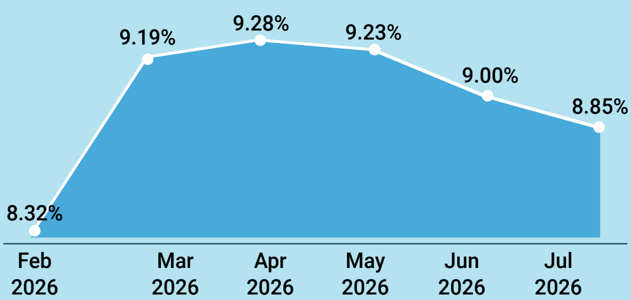
Cost of Deposit

(YTD)



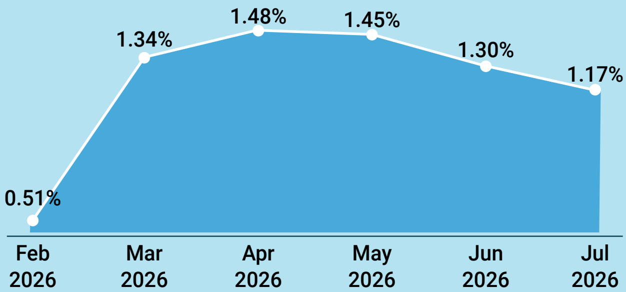
Yield on Advances

(YTD)



Spread

(YTD)



GLOBAL ECONOMY

GLOBAL ECONOMIC OUTLOOK

JULY 2026

War Shock Meets AI Boom: Growth Holds Firm

A snapshot of the global economy as growth navigates the Middle East energy shock and an accelerating AI-driven technology cycle

Global Snapshot — At a Glance

Global Growth	3.0% (2026)→3.4% (2027)	vs. 3.5% avg. in 2024-25 (IMF)
Global Inflation	4.7% (2026)→3.9% (2027)	Disinflation trend has stalled (IMF)
Brent Crude Oil	Avg. $89/bbl (2026)	Peaked at $144/bbl in Apr; eased post 14-Jun deal
Developing Asia & Pacific Growth	4.9% (2026)→5.1% (2027)	Down 0.2 ppt vs April (ADB)
Developing Asia & Pacific Inflation	4.3% (2026)→3.4% (2027)	Up 0.7 ppt vs April (ADB)
World Trade Volume Growth	3.5% (2026)→4.3% (2027)	Slowing from 5.0% in 2025 (IMF)

Source: IMF, World Economic Outlook Update, July 2026; ADB, Asian Development Outlook, July 2026.

Global Growth
3.0% → 3.4%
2026f 2027f | vs. 3.5% avg. in 2024-25

Global Inflation
4.7% → 3.9%
2026f 2027f | Disinflation trend has stalled

Brent Crude Oil
$89/bbl
2026 avg. | Peaked at $144/bbl in Apr; eased post 14-Jun deal

Developing Asia & Pacific Growth
4.9% → 5.1%
2026f 2027f | Down 0.2 ppt vs April (ADB)

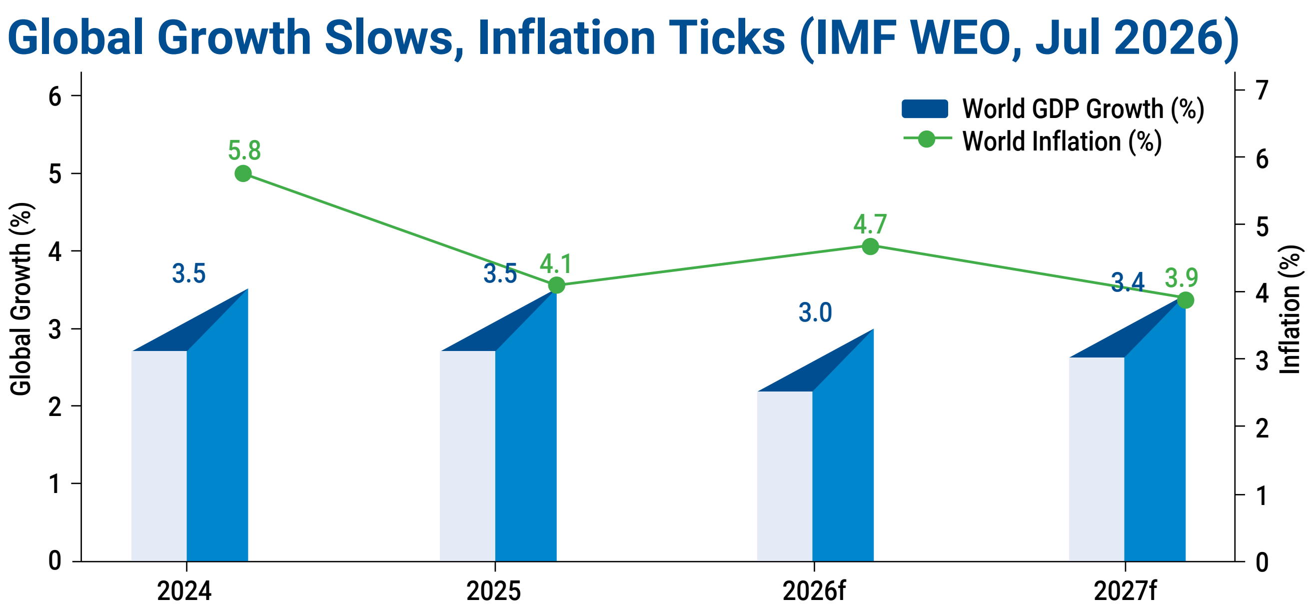
Developing Asia & Pacific Inflation
4.3% → 3.4%
2026f 2027f | Up 0.7 ppt vs April (ADB)

World Trade Volume Growth
3.5% → 4.3%
2026f 2027f | Slowing from 5.0% in 2025

1. Overview

- **Global growth: 3.0% (2026) → 3.4% (2027)** — vs. 3.5% average in 2024-25; broadly unchanged cumulatively vs April'26 WEO
- **Global inflation: 4.7% (2026) → 3.9% (2027)** — up from 4.1% in 2025; disinflation trend since early-2024 has stalled
- **Growth drivers: War shock (-) vs AI/tech cycle (+)** — Middle East conflict (28-Feb-26) vs AI-led global tech/ semiconductor upswing
- **Oil supply loss (peak): 13.6 mb/d below pre-conflict level** — largest disruption on record; exceeded 1973 embargo & 1990 Gulf War
- **Brent crude: Peak $144/bbl (7-Apr) → ~$80-90/bbl (Jul)** — 2026 avg. assumption: $89/bbl (IMF); still 9% above April reference forecast
- **DAP growth: 4.9% (2026) → 5.1% (2027)** — cut by 0.2 ppt vs April; 0.6 ppt below 2025's 5.5% (ADB)
- **DAP inflation: 4.3% (2026) → 3.4% (2027)** — raised by 0.7 ppt vs April; above 3.0% recorded in 2025 (ADB)
- **World trade volume growth: 3.5% (2026) → 4.3% (2027)** — sharp slowdown from 5.0% in 2025 amid tariffs & trade fragmentation
- **US effective tariff on DAP: 24.8%** — nearly double pre-April-2025 levels; highest of any world region (ADB)
- **Q1 2026 growth surprise: AI-hardware exporters +4.4 ppt vs rest of world −0.3 ppt** — Korea, Taiwan, Thailand, Malaysia outperformed on tech demand (IMF)
- **Key downside risks: 5 major risks flagged** — Middle East re-escalation, AI equity correction, tariffs, El Niño/food, PRC property (IMF/ADB)
- **Policy stance: Tight-but-credible monetary policy + targeted fiscal support** — central bank independence, temporary subsidies, structural reform (IMF/ADB)

Overview Snapshot: Growth vs. Inflation Trend



Source: IMF, World Economic Outlook Update, July 2026.

2. GDP Growth Forecasts — Major Economies

Growth trajectories continue to diverge sharply based on countries' exposure to the war and their position in the global AI/technology value chain. Net energy exporters and AI-hardware exporters have been upgraded, while energy-importing, technology-light economies have been downgraded relative to the April 2026 WEO.

Country / Group	2025	2026f	2027f	Chg. vs Apr'26 (2026)
World Output	3.5	3.0	3.4	-0.1 ppt
United States	2.1	2.3	2.2	0.0 ppt
Euro Area	1.4	0.9	1.2	-0.2 ppt
Germany	0.2	0.7	1.0	-0.1 ppt
United Kingdom	1.4	1.0	1.3	+0.2 ppt
Japan	1.1	0.6	0.7	-0.1 ppt
China	5.0	4.6	4.1	+0.2 ppt
India*	7.7	6.4	6.7	-0.1 ppt
Korea	1.1	2.6	2.5	+0.7 ppt
ASEAN-5	4.5	4.1	4.3	0.0 ppt
Saudi Arabia	4.6	1.7	5.5	-1.4 ppt
Sub-Saharan Africa	4.5	4.3	4.5	0.0 ppt

*India on IMF calendar-year basis. Figures in percent, real GDP growth.

Source: IMF, World Economic Outlook Update, July 2026 (Table 1).

GROWTH HIGHLIGHTS

US 2026
2.3%
cushioned by net energy-exporter status + AI-linked investment

Euro Area 2026
0.9%
downgraded 0.2 ppt; hit hardest by energy-cost drag

China 2026
4.6%
supported by infrastructure & high-tech exports, weak consumption

Korea 2026
2.6%
upgraded 0.7 ppt — largest AE/EM upgrade on semiconductor exports

Saudi Arabia 2026
1.7%
downgraded 1.4 ppt — largest cut, on Strait of Hormuz disruption

3. Headline Consumer Price Inflation — Major Economies

Global headline inflation is set to pause its decline in 2026 as higher energy and food prices pass through, before resuming disinflation in 2027. Core inflation has been comparatively more stable, but pressures are broadening in energy-import-dependent emerging markets.

Country / Group	2025	2026f	2027f	Chg. vs Apr'26 (2026)
World	4.1	4.7	3.9	+0.3 ppt
Advanced Economies	2.5	3.0	2.4	+0.2 ppt
United States	2.6	3.6*	2.4*	—
Euro Area	2.1	2.9*	2.3*	—
Japan	2.5	2.3*	2.5*	—
Emerging Mkt & Dev. Economies	5.2	5.8	4.8	+0.3 ppt
China	0.0	1.2	0.9	+0.6 ppt
India	2.1	5.2	4.0	+0.7 ppt
Türkiye	35.2	29.7	21.5	+2.0 ppt
Developing Asia & Pacific	3.0	4.3	3.4	+0.7 ppt

*IMF underlying country assumptions embedded in the WEO Update model. Figures in percent, annual average CPI inflation.

Source: IMF, World Economic Outlook Update, July 2026 (Table 1); ADB, Asian Development Outlook, July 2026 (Table 1).

INFLATION HIGHLIGHTS

Core inflation back to target:

UK mid-2027 | Japan & US end-2027 | Euro Area 2028

gradual normalisation path (IMF)

Inflation-targeting economies above target:

10 of 17

7 economies crossed above target since February 2026 (ADB)

Policy-rate hikes (Apr–Jun’26):

Indonesia, Pakistan, Sri Lanka +100bp | Philippines +50bp | Georgia +25bp

selective tightening amid growth-inflation trade-off (ADB)

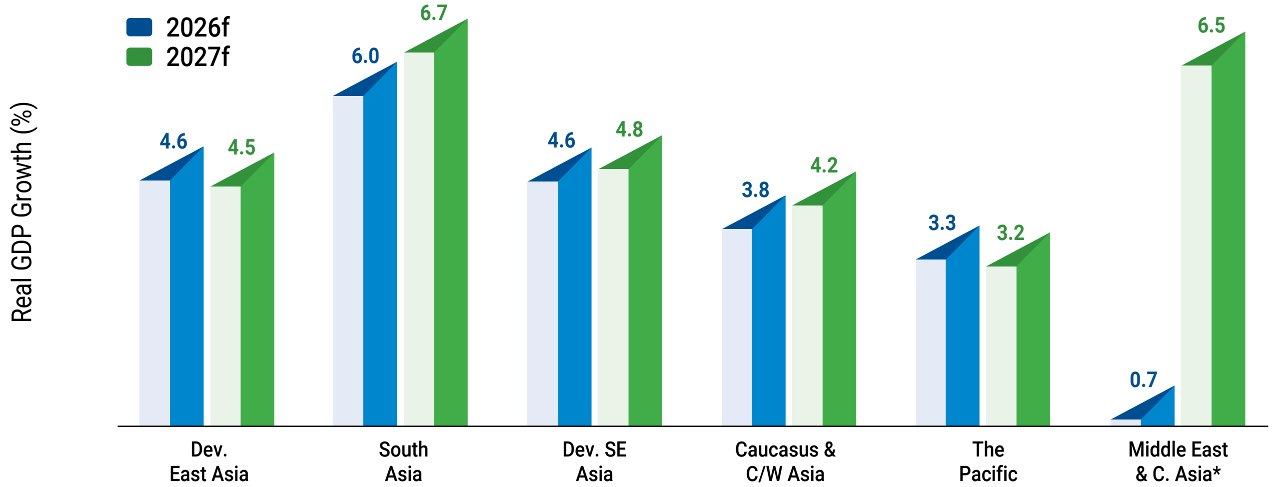
DAP regional inflation:

2.9% (Jan) → 4.1% (May 2026)

energy + second-round transport/ input cost effects (ADB)

4. Regional Outlooks

Asia-Pacific Regional Growth Outlook, 2026-2027 (ADB ADO / IMF WEO, Jul 2026)



**Middle East & Central Asia per IMF WEO Update; other subregions per ADB Asian Development Outlook*

Source: ADB, Asian Development Outlook, July 2026; IMF, World Economic Outlook Update, July 2026 (Middle East & Central Asia).

Region	Growth 2026f	Growth 2027f	Inflation 2026f	Key Driver (data point)
Developing East Asia (incl. PRC)	4.6	4.5	1.2	PRC PPI hit 46-mth high 3.8% (May); exports/ high-tech mfg. resilient
South Asia (incl. India)	6.0	6.7	5.7	India WPI inflation hit 43-mth high 9.7% (May)
Developing Southeast Asia	4.6	4.8	3.9	Vietnam fastest at 7.2%; Philippines cut to 3.8% (−0.6 ppt)
Caucasus & Central/West Asia	3.8	4.2	22.0	Türkiye inflation 29.7%; largest regional downgrade (−0.4 ppt)
The Pacific	3.3	3.2	4.2	Fuel-subsidy cushioning only partly offsets import cost shock
Middle East & Central Asia*	0.7	6.5	n/a	Iraq, Kuwait, Qatar: sharp 2026 contraction, double-digit 2027 rebound
Advanced Asia & Pacific	2.6	1.7	2.6	Taiwan +9.5% (2026) on AI/semiconductor export boom

*Middle East & Central Asia figures are IMF WEO groupings and are not strictly comparable to ADB subregional definitions.
Source: ADB, Asian Development Outlook, July 2026; IMF, World Economic Outlook Update, July 2026.

BANGLADESH & SOUTH ASIA — KEY FIGURES

South Asia growth 2026:
6.0%
cut from 6.3% (April) on costlier oil, freight & remittance risk

India growth FY2026:
6.6%
cut from 6.9%; still among fastest-growing major economies

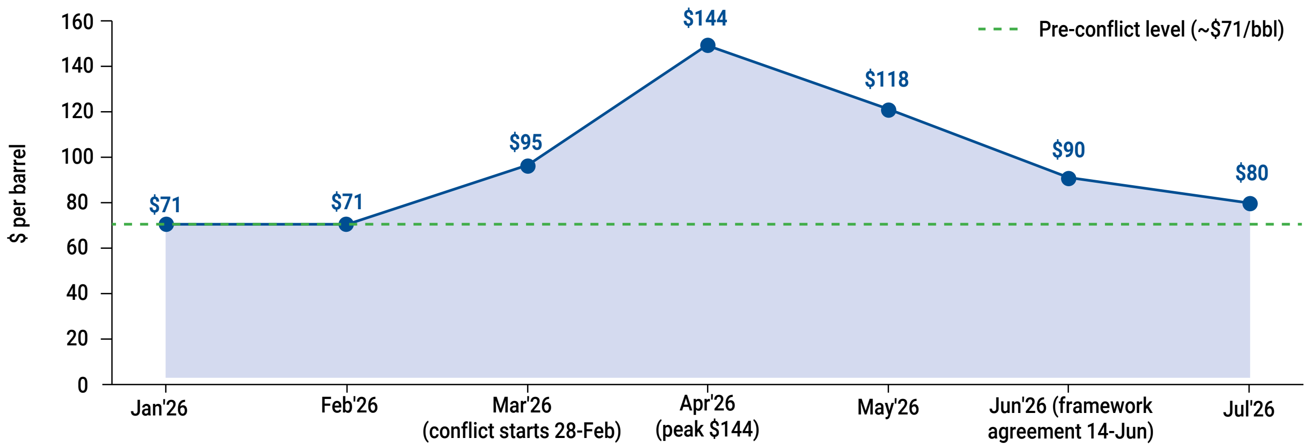
Bangladesh growth FY2026:
3.7%
below April's 4.0% forecast, on weak exports & subdued investment

Bangladesh inflation FY2026:
9.0%
unchanged from April; FY2027 revised up to 8.8% (ADB)

5. Dependence on Middle East Energy Imports & the Energy Crisis

- **Conflict start date: 28 February 2026** — Strait of Hormuz disrupted — ~25% of global seaborne oil & ~20% of LNG trade
- **Peak oil supply loss: 13.6 mb/d (≈13% of 2025 global supply)** — largest disruption on record — exceeds 1973 embargo (4-6 mb/d) & 1990 Gulf War
- **Brent crude peak: $144/bbl (7 April 2026)** — +104% from pre-conflict $71/bbl
- **Brent crude, post-deal: ~$80-90/bbl (Jul 2026)** — framework agreement announced 14 June 2026
- **2026 average oil price (IMF assumption): $89/bbl** — 9% above April reference forecast ($82); still above pre-conflict levels through 2027
- **Emergency stock release: 400 million barrels (IEA-coordinated)** — US committed 172.2 mn bbl from SPR; Japan 79.8 mn bbl
- **Global oil inventory buffer (2025): +477 million barrels** — cushioned the shock; drew down ~330 mn bbl Mar-May 2026
- **Natural gas prices: +5% vs April reference forecast** — LNG Asia +50%, Europe +25%, US Henry Hub +10% since war onset
- **Urea/fertilizer price spike: +71% (peak, April 2026)** — raises food-production costs; ammonia +37%
- **DAP energy-related inflation: 2.8% (Feb) → 9.8% (May 2026)** — more than tripled; regional headline inflation 2.9%→4.1%
- **Rice output risk (severe scenario): Philippines −14%, Cambodia −13%, Thailand −15 ppt** — vs. business-as-usual, if oil +75% (IRRI model, ADB)

Brent Crude: Middle East Conflict Shock and Partial Easing



Source: Bloomberg, cited in ADB Asian Development Outlook, July 2026 (illustrative price path); IMF WEO Update, July 2026.

Recommendations to Manage the Energy Crisis

- Diversify energy sourcing & routes — alternative import corridors, long-term G2G supply deals, strategic reserves to cut chokepoint dependence.
- Phase out broad-based fuel subsidies/price caps as the shock eases; replace with temporary, tightly-targeted cash transfers (IMF, ADB).
- Accelerate renewable energy investment — global oil & gas intensity of GDP already down from ~7.3 MJ/$ (1970s) to <4.0 MJ/$ (2024) (ADB).
- Maintain/replenish strategic petroleum & gas reserves; coordinate emergency releases regionally to dampen future spikes.
- Condition industrial support on energy-efficiency gains with clear sunset clauses, preserving price signals (IMF).
- Diversify fertilizer supply chains and build coordinated regional rice/grain stock buffers given ~71% fertilizer price spike (IMF, ADB).

6. Global Risk & Policy Challenges

Key Challenges — Risk Matrix

Risk Factor	Transmission Channel	Severity*
Monetary policy credibility	Energy-driven inflation may de-anchor expectations, esp. where pre-war inflation already above target	High
Eroded fiscal buffers	Elevated public debt; interest burdens above 2019 levels across most of developing Asia (ADB)	High
Declining ODA	Complicates fiscal adjustment; weakens health/education/social protection in LICs (IMF)	Medium
AI equity concentration	US, Japan, Korea, Taiwan markets outperforming — risk of abrupt global repricing (IMF Box 1)	Medium
Central bank independence pressure	Political pressure could weaken policy credibility during tightening (IMF)	Medium

*Severity is a qualitative synthesis of IMF/ADB risk narratives, not an official numeric rating.
Source: IMF, World Economic Outlook Update, July 2026; ADB, Asian Development Outlook, July 2026.

POLICY PRIORITIES — DATA POINTS

Monetary policy:

Hold real rates constant if inflation shock judged temporary

tighten further where credibility weaker / pass-through greater (IMF)

Fiscal policy:

Rebuild buffers via durable revenue + spending efficiency

reallocate toward infrastructure, skills, targeted social protection (IMF)

Financial stability:

Intensify surveillance of AI-linked equity/ credit exposure

stress-test sovereign, bank & non-bank balance sheets (IMF Box 1)

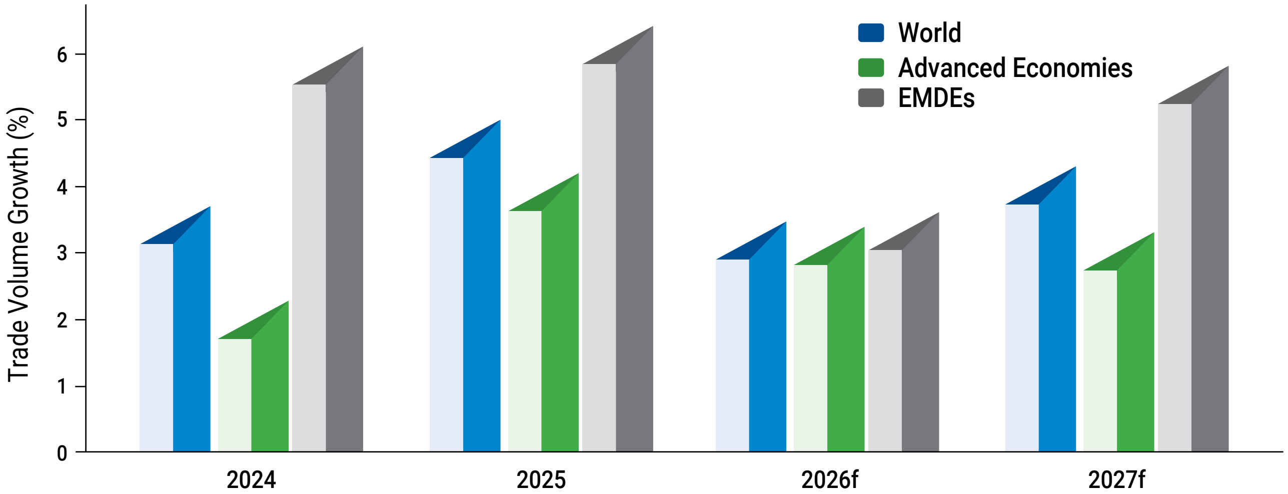
Structural reform focus:

Energy security + AI readiness + rebalancing

China rebalancing, US fiscal consolidation, deeper EU single market (IMF)

7. Global Trade

World Trade Volume Growth Slows in 2026 (IMF WEO, Jul 2026)

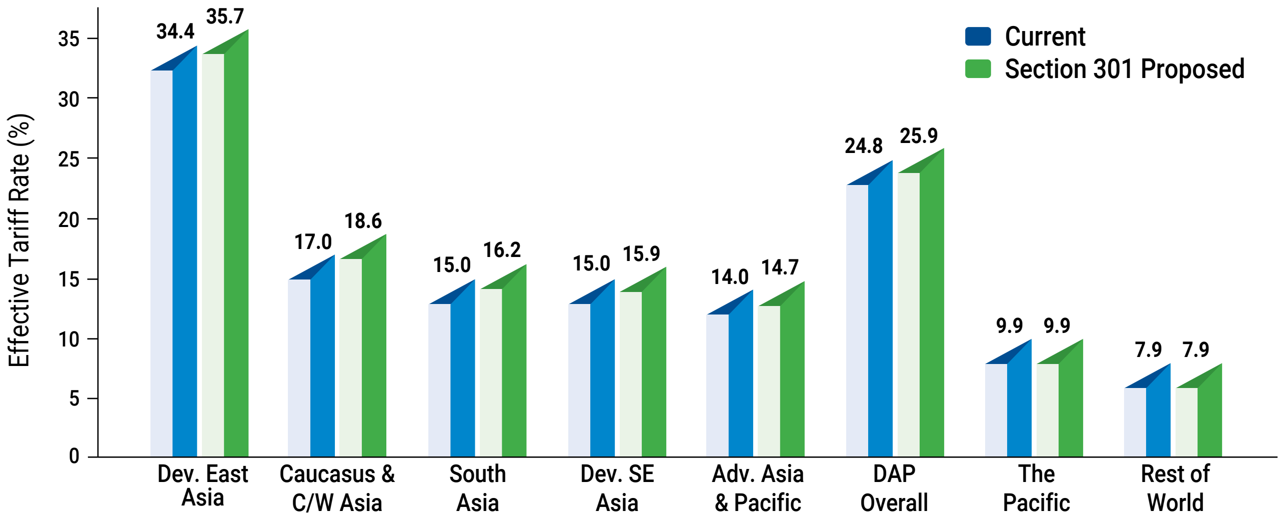


Indicator	2025	2026f	2027f
World trade volume growth, %	5.0	3.5	4.3
Advanced economies trade growth, %	4.2	3.4	3.3
EMDE trade growth, %	6.4	3.6	5.8

Source: IMF, World Economic Outlook Update, July 2026 (Table 1).

US Tariff Snapshot

US Effective Tariff Rates: Current vs. Proposed Section 301



Source: ADB, Asian Development Outlook, July 2026 (Box 3, illustrative figures).

POLICY PRIORITIES — DATA POINTS

Section 122 global surcharge:

10% (capped 15%), expires 24-Jul-2026

imposed after Feb-2026 Supreme Court ruling voided IEEPA tariffs

Section 301 proposed tariffs:

10-12.5% on ~ 60 economies

forced-labour investigation; public hearings 7-15 Jul 2026 (ADB)

DAP effective tariff rate:

24.8%

highest of any world region; nearly double pre-Apr-2025 level

Developing East Asia tariff:

34.4%

highest subregional rate, largely reflecting PRC-specific tariffs

Top Q1’26 export driver:

Electronics & machinery (AI hardware)

Taiwan chip exports +76% y/y; Korea semiconductor-led export boom

8. Risks to the Outlook

Risk Factor	Transmission Channel	Severity*
Middle East re-escalation	Breakdown of 14-Jun framework → oil price spike, higher risk premia, inflation & external pressure	High
Global equity correction (AI)	Re-pricing of stretched AI valuations → tighter financial conditions, EM capital outflows	High
Renewed tariff shocks	Section 301 measures disrupt trade & constrain regional exports	Medium
Food-price / El Niño shock	63% probability of strong El Niño (Nov'26-Jan'27); fertilizer costs elevated	Medium
PRC property downturn	Worse-than-expected deterioration weighs on regional growth & financial stability	Medium
Eroded fiscal buffers / low ODA	Balance-of-payments stress in vulnerable, highly-indebted LICs	Medium

*Severity is a qualitative synthesis of IMF/ADB risk narratives, not an official numeric rating.

Source: IMF, World Economic Outlook Update, July 2026; ADB, Asian Development Outlook, July 2026.

Upside scenario:

Faster energy normalisation + stronger tech investment + trade cooperation revival

could push growth above baseline (IMF)

9. Opinion — Navigating the Path Ahead

- Keep monetary policy credible and data-driven; avoid premature easing while inflation (4.7% in 2026) remains above target.
- Rebuild fiscal buffers through targeted, temporary support — not broad-based subsidies — given elevated debt-servicing costs.
- Diversify energy sources & trading partners to cut exposure to Middle East supply shocks (13.6 mb/d peak loss) and US tariff shifts (24.8% DAP rate).
- Fast-track AI-readiness investment (skills, power, digital infrastructure) to capture the technology upswing driving 4.4 ppt growth outperformance.

Data sources: IMF, World Economic Outlook Update, July 2026; ADB, Asian Development Outlook, July 2026. Supplementary data as cited inline.

BANGLADESH ECONOMY

BANGLADESH ECONOMIC OUTLOOK

July 2026

GROWTH SLOWS, INFLATION STAYS HIGH AMID ENERGY SHOCK

Economic Snapshot

GROWTH (GDP)	INFLATION (CPI)	EXTERNAL SECTOR
FY26: 3.7% (ADB) FY27f: 4.5% (ADB) | 3.5% (IMF)	FY26: 9.0% FY27f: 8.8% (↑ from 8.5%)	Reserves: ~$31.6bn (BPM6) Taka/US$: 123.82 (30 Jul'26)
ENERGY (Brent, ADB)	**BANKING SECTOR**	**REMITTANCE**
2026 avg: $87/bbl 2027 avg: $77/bbl	Classified loans: 32.3% of total (Mar'26)	FY26: $35.56bn (+17.3% y-o-y)

Source: Asian Development Outlook (ADO) July 2026, ADB; IMF World Economic Outlook Update, 16 July 2026, and Bangladesh Bank.

1. OVERVIEW

GROWTH (GDP)

- **FY26 GDP:** 3.7% (ADB) vs 4.14% (BBS, provisional)
- **FY27f:** 4.5% (ADB, ↓ from 4.7%) | 3.5% (IMF)
- **Key supports:** remittances, services activity, targeted credit
- **Key drags:** weak exports, subdued private investment, high energy costs

Inflation

- **FY26:** 9.0% | FY27f: 8.8% (↑ from 8.5% in April)
- **Drivers:** energy/transport pass-through, exchange-rate pass-through, food & services inflation

Energy & External Shock

- **Middle East conflict (from 28 Feb 2026):** record global oil-supply disruption
- **Impact:** costlier energy imports, wider subsidy bills, higher freight costs
- Pressure on remittance and export corridors

Banking & Fiscal

- **Classified (NPL) loans:** 32.3% of total outstanding (Mar’26)
- **NBR tax revenue growth:** +2.2% (FY25) — weak revenue base
- **IMF:** growth risk below 3% medium-term without reforms

Trade

- Elevated US effective tariff rate on developing Asia, incl. Bangladesh

Recommendations (ADB & IMF)

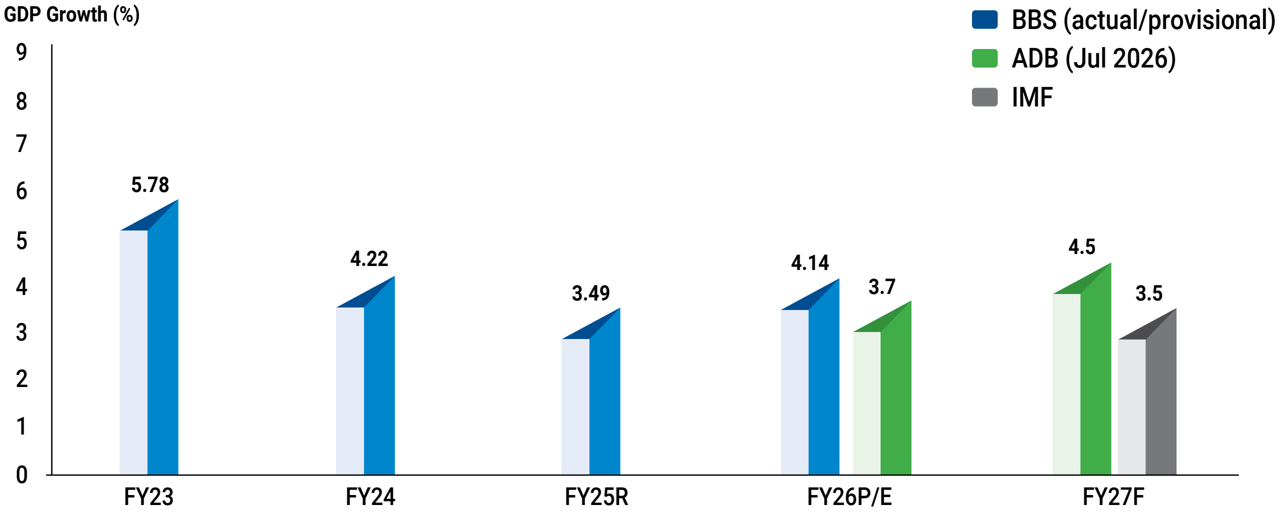
- Strengthen revenue mobilisation & subsidy rationalisation
- Tight, well-calibrated monetary policy to protect reserves
- Credible, comprehensive banking-sector restructuring
- Exchange-rate flexibility under crawling-peg regime
- Well-targeted social safety nets for vulnerable households

2. GDP GROWTH FORECASTS

Indicator	FY2025	FY2026	FY2027 (F)
BBS (actual/provisional)	3.49%*	4.14% (provisional)	–
ADB (Asian Development Outlook, Jul'26)	–	3.7%	4.5% (↓ from 4.7%)
IMF (Mission Statement, 16 Jul'26)	–	–	3.5%; below 3% medium-term w/o reforms
Government target	–	–	6.5%

Source: Asian Development Outlook, July 2026, ADB; IMF World Economic Outlook Update, 16 July 2026, and Bangladesh Bank. (BBS GDP series, base FY2015-16). *FY2025 figure per BBS/BB weekly indicators.

Bangladesh GDP Growth: Actual vs Forecasts



Source: Bangladesh Bureau of Statistics (BBS), ADB, IMF

Key drivers

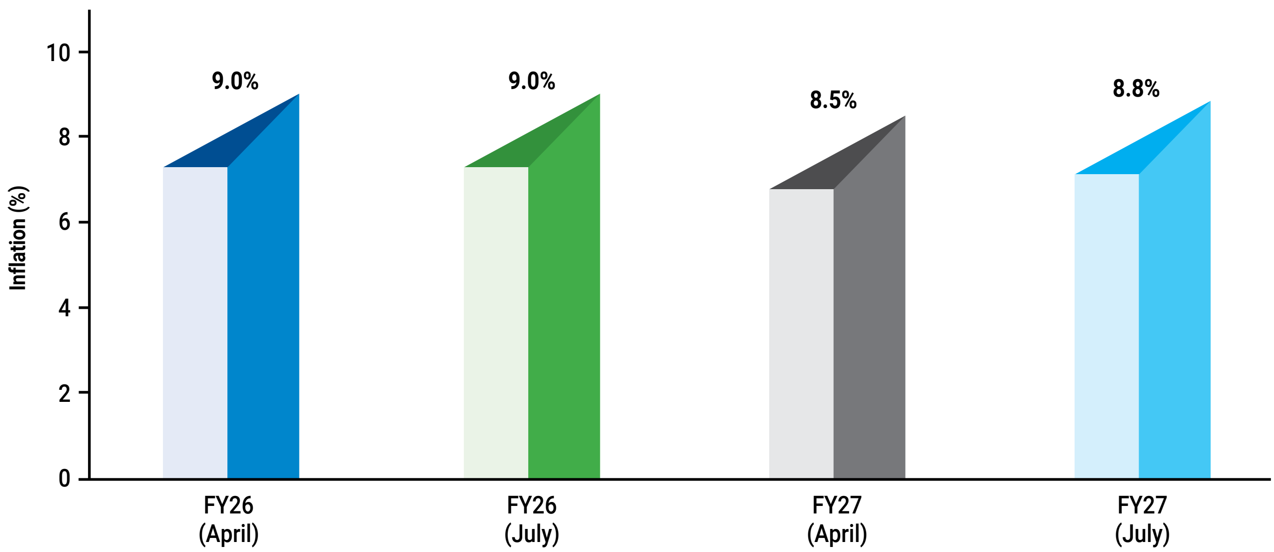
- Remittances & services activity — main growth support
- Export manufacturing under pressure — high energy cost
- Private investment subdued — tight financing
- Agriculture at risk — fertiliser shortage (energy shock)

3. INFLATION FORECASTS

Forecast round	FY2026	FY2027
ADB — April 2026 (ADO)	9.0%	8.5%
ADB — July 2026 (ADO, latest)	9.0%	8.8% (revised up)

Source: Asian Development Outlook, April 2026 and July 2026, ADB.

Bangladesh Inflation Forecast (ADB), FY2026-FY2027

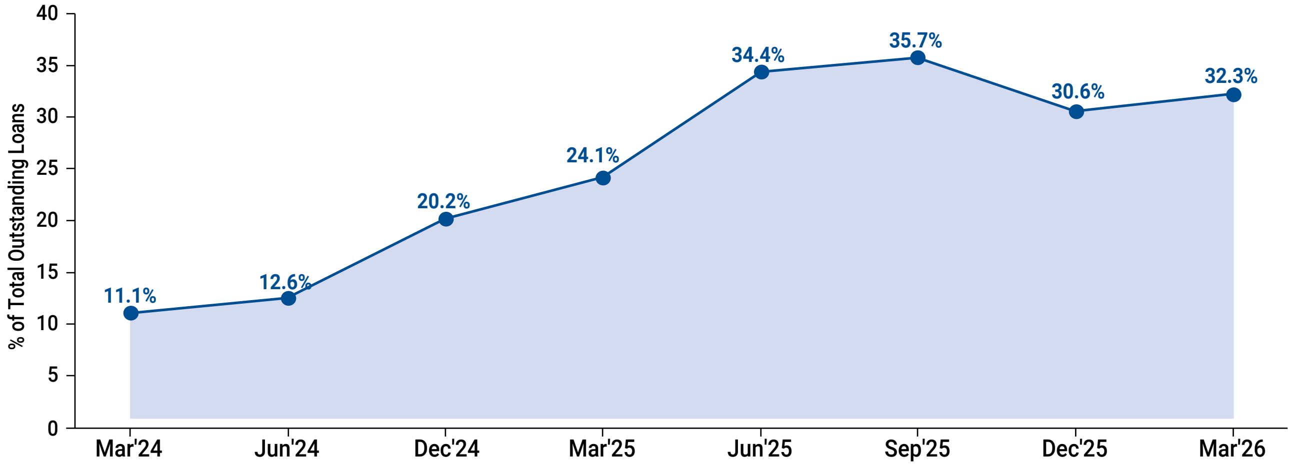


Source: Asian Development Outlook, April 2026 and July 2026, ADB.

4. MAJOR CHALLENGES

- Banking sector stress: NPL ratio 32.3% (Mar’26), up from 24.13% (Mar’25)

Classified (Non-Performing) Loan Ratio Trend



Source: Bangladesh Bank Weekly Selected Economic Indicators, 2 August 2026.

- **Fiscal constraint:** NBR tax revenue growth only +2.2% (FY25)
- High inflation eroding real income & private consumption
- Weak exports, moderate imports — soft external demand
- Elevated US effective tariff rate on Bangladesh/developing Asia
- Taka: Tk 123.82/US$; Reserves: ~US$31.60bn (BPM6), 30 Jul’26
- New IMF programme talks pending — post Oct’26 IMF-WB meetings

5. MIDDLE EAST ENERGY DEPENDENCE & THE ENERGY CRISIS

Global Energy Shock (2026)

- Conflict began 28 Feb 2026; record oil-supply disruption (>10 mb/d loss)
- Brent crude: peak ~$144/bbl (early Apr) → below $80 (post mid-Jun agreement)
- ADB price assumption: $87/bbl (2026), $77/bbl (2027) — above pre-conflict levels
- Strait of Hormuz shipping disruption; supply chain impact

Bangladesh’s Exposure

- South Asia sources ~34% of fertiliser imports from Middle East — highest in Asia
- Agriculture vulnerable to input-cost shocks, output losses
- Higher fuel/fertiliser subsidy cost; wider import bill
- Pass-through to transport, electricity and gas tariffs

Recommendations to manage the energy crisis

- Target energy subsidies — cash transfers vs. broad subsidies
- Diversify energy/fertiliser sourcing; build strategic reserves
- Scale up renewables; improve energy efficiency
- Calibrated tariff pass-through + social safety nets
- Coordinate with ADB/IMF/World Bank on energy-security financing

6. RISK TO THE OUTLOOK

- Renewed Middle East conflict escalation — oil, shipping, remittance risk
- Slower reforms — IMF: growth risk below 3% medium-term
- Further US tariffs / trade restrictions on exports
- Exchange-rate & external financing pressure
- El Niño risk: 63% chance of intensifying, Nov'26–Jan'27 — food/agri impact
- Delay in new IMF programme — confidence & reserve-buffer risk

7. OVERALL OPINION

Bangladesh's near-term outlook hinges on decisive, phased fiscal and banking-sector reforms, disciplined but well-targeted energy-subsidy management, and diversification away from Middle East energy dependence. Sustaining remittance and services-led resilience while rebuilding reserves and investor confidence will be key to steering growth back toward the government's medium-term potential.

Sources: Asian Development Outlook (ADO), July 2026, ADB; IMF World Economic Outlook Update, 16 July 2026; Bangladesh Bank Weekly Selected Economic Indicators, 2 August 2026; The Business Standard.

BANGLADESH INFLATION SNAPSHOT:

Core Inflation Metrics Breakdown

June 2026 Headline Inflation:
9.16% (point-to-point)

Food Inflation (June):
8.60%

Non-Food Inflation (June):
9.61%

Rural Inflation (June):
9.23%

Urban Inflation (June):
9.01%

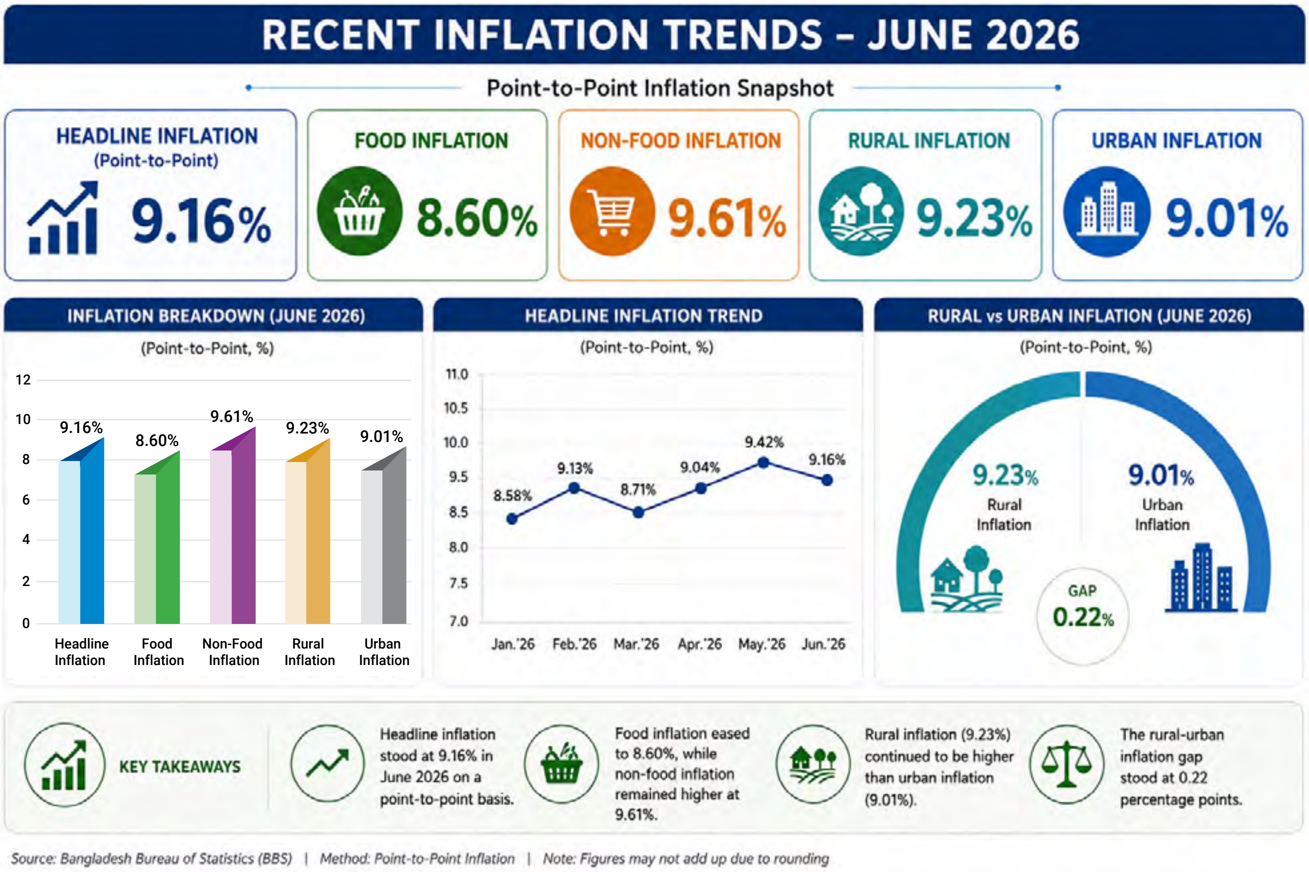
Economic Measures

Policy Rate:

Maintained at 10% by Bangladesh Bank under a continuing contractionary monetary policy stance.

FY2026-27 Target:

The central bank aims for an inflation ceiling of 7.5% for the current fiscal year.



WAGE RATE INDEX (WRI): JUNE'26

Bangladesh Wage vs. Inflation Context

Wage Growth:
8.18%

Inflation Rate:
9.16%

Sectoral Breakdown on June 2026 Wage Rate Index (WRI):

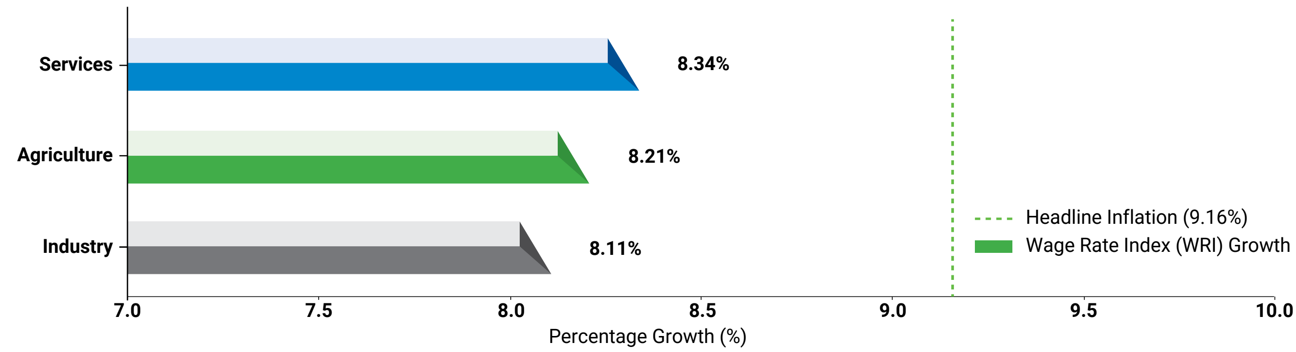
Agriculture:
8.21%
(down from 8.22% in May)

Industry:
8.11%
(down from 8.15% in May)

Services:
8.34%
(down from 8.36% in May)

Purchasing Power Trend: Real wages have remained in negative territory, continuing a prolonged streak where inflation outpaces nominal wage increases.

June 2026 Sectoral Wage Rate Growth vs. Headline Inflation

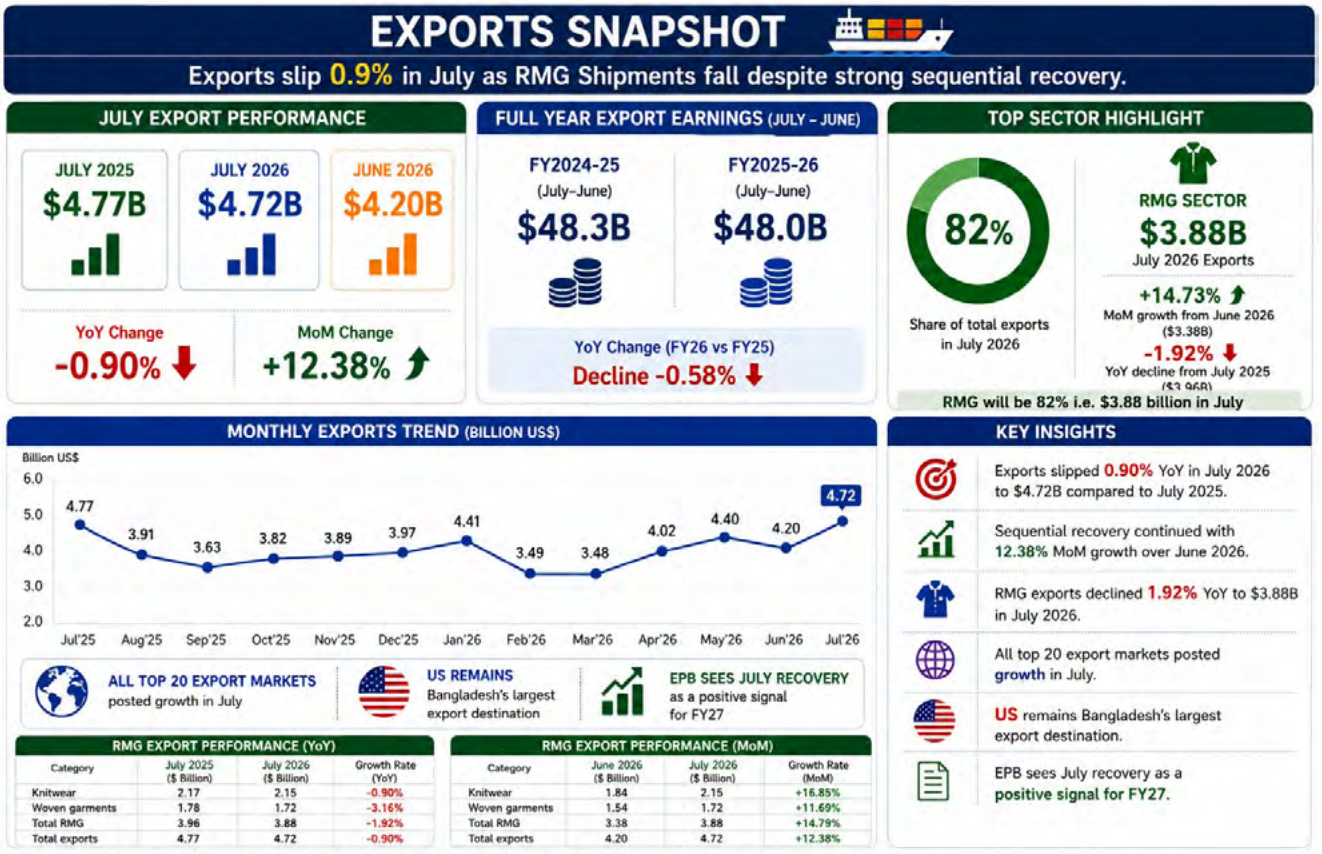


EXTERNAL STABILITY INDICATORS

EXPORTS SNAPSHOT

- July 2025: **$4.77B**
- July 2026: **$4.72B**
- June 2026: **$4.20B**
  YoY Change: **-0.90%**
  MoM Change: **12.38%**
- July- June FY2024-25: **$48.3B**
- July- June FY2025-26: **$48.0B**
  YoY Change: **Decline −0.58%**

RMG Exports: $3.88 billion (up 14.73% month-on-month, but down 1.92% year-on-year)



RMG EXPORT PERFORMANCE (YoY)

Category	July 2025 ($ Billion)	July 2026 ($ Billion)	Growth Rate (YoY)
Knitwear	2.17	2.15	-0.90%
Woven garments	1.78	1.72	-3.16%
Total RMG	3.96	3.88	-1.92%
Total exports	4.77	4.72	-0.90%

RMG EXPORT PERFORMANCE (MoM)

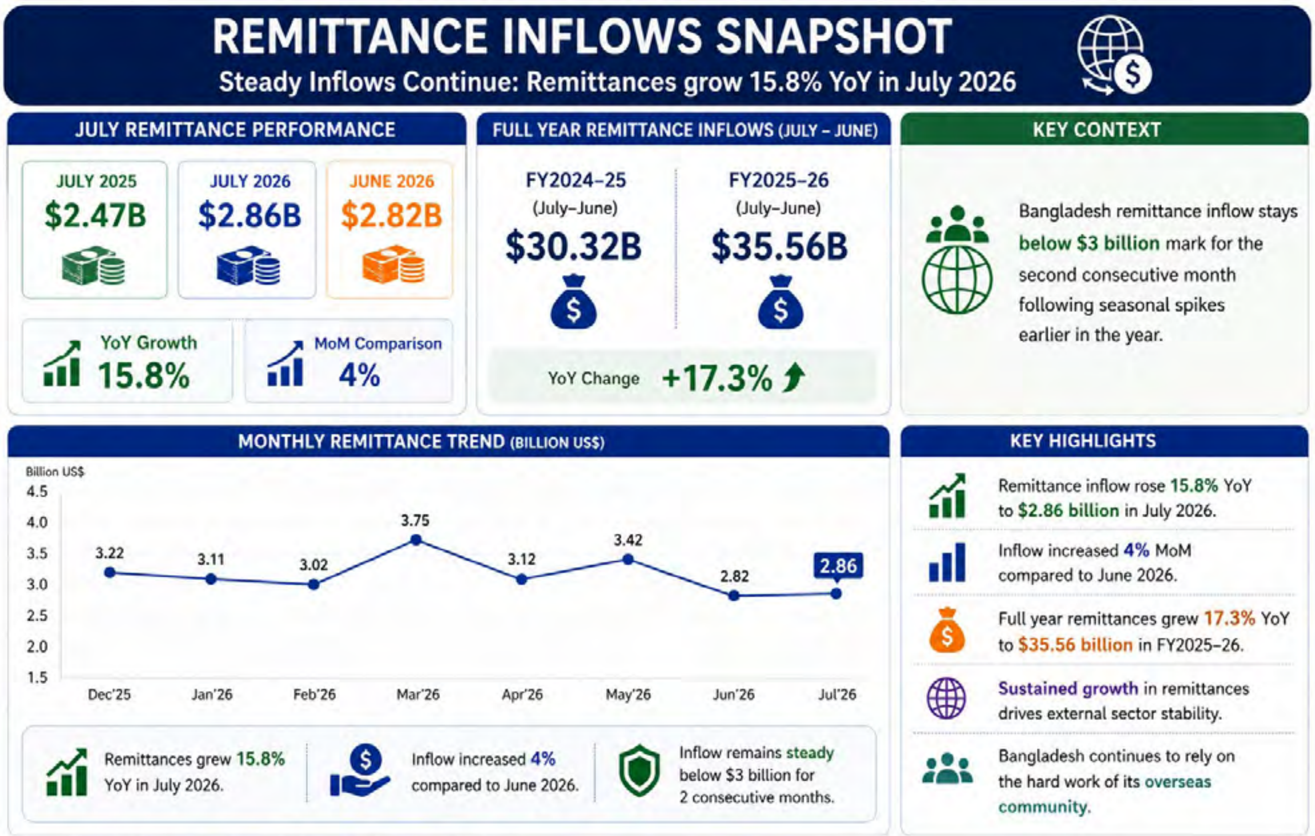
Category	June 2026 ($ Billion)	July 2026 ($ Billion)	Growth Rate (MoM)
Knitwear	1.84	2.15	+16.85%
Woven garments	1.54	1.72	+11.69%
Total RMG	3.38	3.88	+14.79%
Total exports	4.20	4.72	+12.38%

Source: Export Promotion Bureau (EPB) and BGMEA. | **Note:** B = Billion, FY = Fiscal Year (July – June)

REMITTANCE FLOW ANALYSIS

REMITTANCE INFLOWS:

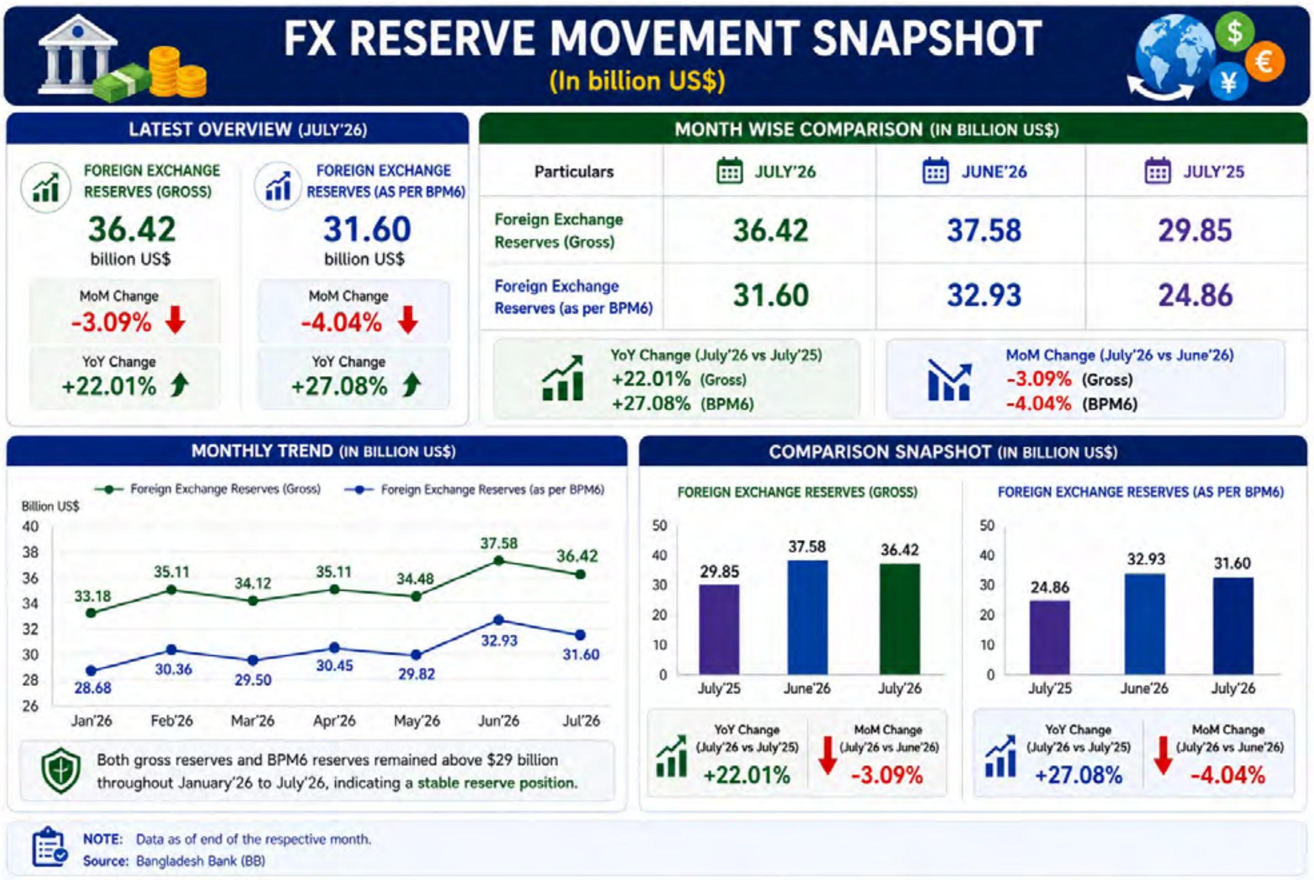
- July 2025: **$2.47B**
- July 2026: **$2.86B**
- June 2026: **$2.82B** YoY Growth: **15.8%** MoM Comparison: **4%**
- July- June FY2024-25: **$30.32B**
- July- June FY2025-26: **$35.56B** YoY Change: **+17.3%**



Source: Bangladesh Bank (BB) | **Note:** B = Billion, FY = Fiscal Year (July – June)

FX Reserve Movement (In billion US$)

Month wise comparison	July'26	June'26	July'25
Foreign Exchange Reserves (Gross)	36.42	37.58	29.85
Foreign Exchange Reserves (as per BPM6)	31.60	32.93	24.86



Domestic Financial & Monetary Indicators

Import position (in billion US$)

Month	May'25	July- May FY25	May'26 (p)	July- May' FY26 (P)	FY25 (P)
Import (f.o.b) (in billion US$)	5.45	60.25	5.80	64.02	64.36
Annual %	4.89	4.66	6.44	6.26	1.75

Interbank TK.-USD Exchange Rate (average)

Month wise comparison	30 July'26	30 June'26	30 July'25
Exchange Rate	123.8200	122.8500	122.8400

Call Money Rate (Weighted Average)

Month wise comparison	30 July'26	30 June'26	30 July'25
Weighted Average Rate (in Percent)	9.75	9.64	9.99

Current Account Balance (in million US$):

	July- May, FY25	July- May, FY26	FY'25
Current Account Balance (in million US$)	-777.57	-301.43	-139.00

POLICY RATES		RESERVE RATIOS		
Policy Rate (Repo Rate)	9.50%		SLR	CRR
SLF Rate	11.00%	Traditional banking	13%	4%
SDF Rate	7.50%	Islamic banking	5.5%	4%
Bank Rate	4.00%			

BANGLADESH PURCHASING MANAGERS' INDEX (PMI)

Bangladesh's Purchasing Managers' Index (PMI) rose by 4.9 points to reach 57.8 in July 2026 up from 52.9 in June 2026, pointing to a faster economic expansion led by a major manufacturing rebound.

P	M	I
PURCHASING	MANAGERS'	INDEX

Headline PMI

57.8

Key Sector Highlights

- Manufacturing Sector: Surged by **16.6** points to **65.4**, showing strong gains in new orders, exports, and output.
- Agriculture Sector: Stood at **55.2**, marking 11 straight months of growth despite dropping **9.6** points.
- Construction: Improved by **9.1** points to **49.3,** staying just below the 50-point growth threshold.
- Services Sector: Rose by **1.4** points to **56.0**, continuing an expansion streak for **22** months.

DATA SOURCES:

Asian Development Outlook (ADO), July 2026, ADB;

IMF World Economic Outlook Update, 16 July 2026

Bangladesh Bank, Monthly Economic Trends (July 2026)

Bangladesh Bureau of Statistics (BBS)

Export Promotion Bureau (EPB)

MONETARY POLICY STATEMENT, H1FY27 (JUL-DEC 2026): KEY FACTS & FIGURES

1. KEY POLICY RATES

Rate	Before (H2FY26)	H1FY27 (30-Jun-26)	Revised (2-Aug-26)
Policy Repo Rate	10.0%	10.0% (unchanged)	9.5% (-50 bps)
Standing Lending Facility (SLF)	11.5%	11.5% (unchanged)	11.0% (-50 bps)
Standing Deposit Facility (SDF)	7.5%	7.5% (unchanged)	7.5% (unchanged)

- **MPS stance (30-Jun-26):** Contractionary policy maintained through H1FY27 to anchor inflation expectations; repo rate held at 10.0% since Oct-2024
- **Post-MPS update:** MPC cut repo rate by 50 bps to 9.5% on 30-Jul-26 (effective 2-Aug-26) to revive private investment, despite inflation still above target

2. GDP & INFLATION TARGETS

GDP growth target FY27:

6.5% (Govt.) | BB forecast: 6.1% | FY26 actual (BBS est.): 4.14% (up from 3.49% in FY25)

Inflation ceiling FY27:

7.5% | Headline inflation: 11.66% (Jul-2024 peak) → 9.42% (May-26) → 9.16% (Jun-26)

BB inflation forecast:

8.9% by Dec-26, 8.6% by Jun-27 | IMF forecast: 9.4% (CY2026), 4.9% (CY2027)

3. PRIVATE SECTOR CREDIT & INVESTMENT

Private credit growth:

fell to a historic low of 4.72% (May-26), down from 6.58% (Nov-25) and well below the 8.5% projection

Public sector credit growth:

surged to 25.9% (Jun-26 est.) vs 21.6% projected — govt. borrowing crowding out private credit

Govt. bank borrowing:

Tk 1,31,711 crore (up to 14-Jun-26), already exceeding the FY26 revised target of Tk 1,18,000 crore

Cause:

Banks channeling excess liquidity (Tk 3,27,877 crore, May-26) into risk-free T-bills/bonds instead of private lending

4. MONETARY & CREDIT PROJECTIONS (YOY % CHANGE)

Indicator (YoY)	Jun-26 (Est.)	Dec-26 (Proj.)	Jun-27 (Proj.)
Broad Money (M2)	10.8%	11.5%	13.0%
Private Sector Credit	5.5%	6.8%	8.0%
Public Sector Credit	25.9%	21.8%	17.2%
Domestic Credit	10.2%	10.5%	10.4%

5. CORE FOCUS AREAS & MACRO CHALLENGES

NPL crisis:
Gross NPL ratio 32.26% (Mar-26), net NPL 15.01% — peaked at 35.73% in Sep-25, up from 20.20% (Dec-24)

Structural reforms:
Bank Resolution Act 2026 & Deposit Protection Act 2026 enacted; deposit insurance raised from Tk 1 lakh to Tk 2 lakh

Bank restructuring:
5 Shariah banks merged into Sammilito Islami Bank PLC with Tk 20,000 crore govt. capital injection

Global risk:
Middle-East conflict raising energy/fertilizer costs; global inflation projected at 4.4% for 2026 (IMF)

6. POLICY MEASURES TO SUPPORT GROWTH & CURB INFLATION

Tk 60,000 crore stimulus package:
Tk 41,000 cr from banking-system surplus liquidity + Tk 19,000 cr from BB's own sources; targets ~25 lakh jobs

Rate design:
Refinance at 4.0% (govt. subsidises 6.0% of the 10% policy rate); BB's own-source portion lent at 7.0%

Other tools:
ECL framework under IFRS 9 (full rollout CY2027), Risk-Based Supervision (launched 1-Jan-26), DAMA finalisation, flexible market-based exchange rate

7. EXTERNAL SECTOR SNAPSHOT

FX reserves (BPM-6):
USD 31.74 billion (28-Jun-26), up from USD 26.74 billion (Jun-25); BB net USD purchase of USD 6.43 billion in FY26

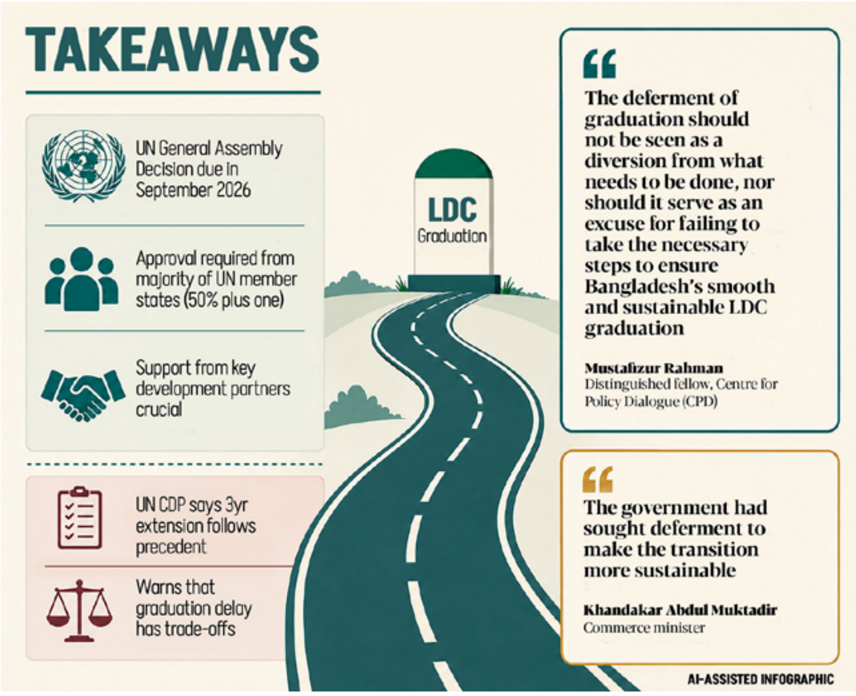
Remittance:
USD 32.75 billion, +19.07% YoY (Jul-May FY26)

Exchange rate:
BDT 123.18/USD (29-Jun-26), -0.39% in FY26

Trade:
Exports -1.67% YoY to USD 39.8 bn (11M-FY26); Imports +5.92% YoY to USD 61.62 bn (Jul-Apr FY26); CAD narrowed to USD 1.07 bn

Source: Monetary Policy Statement, July-December 2026, Bangladesh Bank; BSS; The Business Standard (June-August 2026)

Prepare for LDC graduation despite possible delay



Bangladesh should continue implementing reforms for a smooth and sustainable LDC graduation despite its request to defer graduation by three years, economist Mustafizur Rahman said. The UN General Assembly is expected to decide on the request in September 2026, requiring majority support. While Bangladesh has exceeded all three graduation criteria by a significant margin, external shocks and adjustment challenges have prompted the deferment request. Key priorities include securing continued duty-free market access, particularly through an EU trade agreement, strengthening pharmaceutical and energy-sector resilience, and expanding trade agreements with Asian markets. The government also plans to introduce a digital business registration system, reducing approval time from 355 days to 14 days. Experts stressed that postponement should be used to accelerate—not delay—structural reforms.

Source: The Daily Star – 31 July, 2026

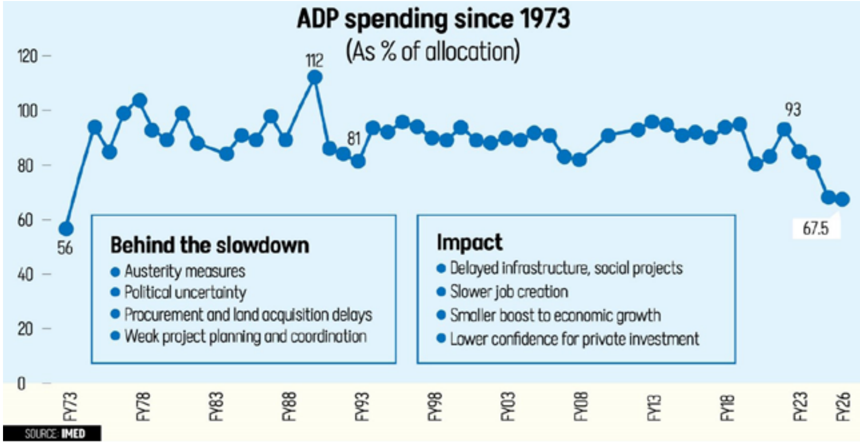
Bangladesh gets new ADB country director

The Asian Development Bank (ADB) has appointed Qingfeng Zhang as its new country director for Bangladesh. He began his role in Dhaka, where he will oversee ADB's operations, strengthen government relations, lead policy dialogue, and guide the preparation of the next Country Partnership Strategy. Zhang brings over 30 years of experience in sustainable development, including more than two decades at ADB. Previously, he served as senior director of ADB's Agriculture, Food, Nature and Rural Development Sector Office. His expertise spans agriculture, food systems, water resources, environmental management, natural capital and rural development. A Chinese national, Zhang holds a doctorate in environmental engineering from Tsinghua University and degrees in water resources management and hydrology, along with executive education from Harvard Business School.

Source: The Daily Star – 30 July, 2026

Development spending falls to 53-year low

Bangladesh's Annual Development Programme (ADP) implementation fell to a historic low of 67.5% in FY2025-26, the lowest in more than five decades. Ministries and agencies spent Tk. 141,071 crore against a revised allocation of Tk. 208,935 crore. Government austerity measures, political and administrative uncertainty, procurement delays, weak project planning, land acquisition problems and poor inter-agency coordination contributed to the slowdown. Education-related divisions recorded particularly weak implementation, while the Bridges, Roads and Highways, and Energy divisions performed strongly. Economists warned that weak ADP execution delayed infrastructure

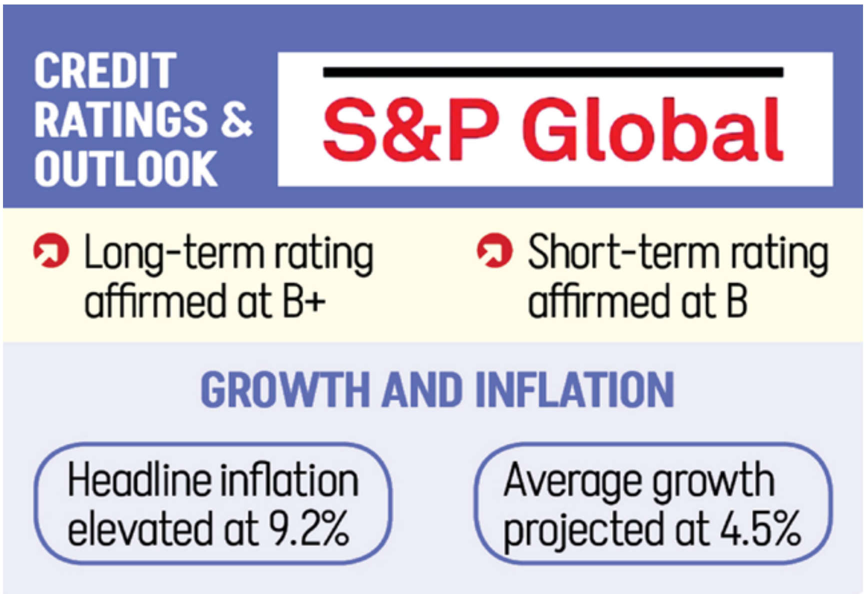


and social projects, constrained employment generation, weakened private-sector confidence and reduced the growth impact of public investment. Experts stressed that stronger project selection, faster procurement, better coordination, contract management and institutional reforms are essential to improve implementation.

Source: The Daily Star – 31 July, 2026

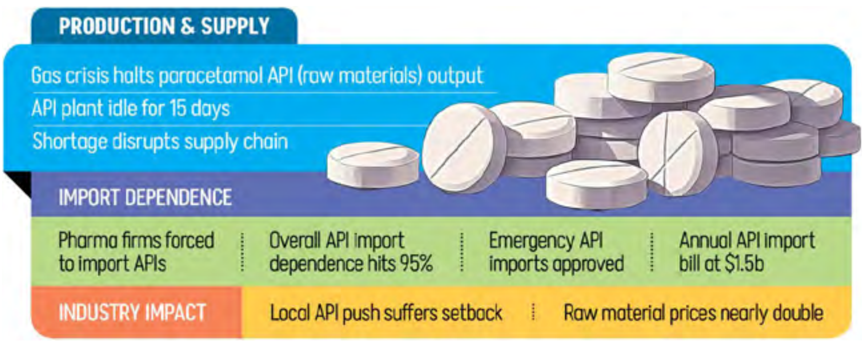
S&P revises Bangladesh outlook to negative

S&P Global revised Bangladesh's long-term outlook from stable to negative, citing persistent banking-sector weaknesses, fiscal constraints, external pressures and risks from volatile energy and trade conditions. The agency expects Bangladesh's economy to grow by around 4.5% annually over the next three years, constrained by weak banks, energy-market uncertainty and an uncertain garment export outlook. Banking-sector capital and asset-quality problems, particularly among state-owned and Islamic banks, remain major concerns, while high inflation could weaken private consumption. S&P also highlighted the government's high interest burden, which consumes around 30% of revenue, and projected the fiscal deficit to rise to 4.7% of GDP. A further downgrade could occur if economic growth or external reserves deteriorate significantly. Strong remittances, garment exports, and multilateral support remain crucial.



Source: The Daily Star – 31 July, 2026

Gas crisis strikes paracetamol API, other industries



Bangladesh's worsening gas crisis has severely disrupted pharmaceutical and manufacturing production, particularly paracetamol API manufacturing. Gonoshasthaya Basic Chemical Ltd's output has fallen from 4 tonnes to almost zero per day, while the price of a key imported precursor from China has nearly doubled to $4,300 per tonne. Although emergency imports are preventing medicine shortages, Bangladesh remains highly dependent on imported APIs, sourcing around 95% of its pharmaceutical raw materials from abroad. Gas shortages have also reduced national supply by around 17%, disrupting factories in Gazipur, Narayanganj and Chattogram, delaying export orders and reducing workers' overtime income. Several factories have temporarily suspended production. The crisis highlights Bangladesh's energy vulnerability, raises production costs, threatens export competitiveness and underscores the need for reliable gas supply and greater domestic API production.

Source: The Daily Star – 29 July, 2026

Chinese firm to build floating LNG terminal in Moheshkhali

Bangladesh has approved in principle a government-to-government (G2G) proposal by China National Energy Engineering and Construction Company to construct a floating LNG storage and regasification terminal at Moheshkhali, Cox's Bazar. The Cabinet Committee on Economic Affairs also approved G2G imports of LNG from Gunvor USA LLC on both short- and long-term contracts. Additionally, the government reduced the international tender submission period for refined petroleum imports from 42 to 21 days for September–December 2026. The measures come amid a severe gas shortage following the shutdown of one of Bangladesh's two FSRUs due to a technical fault, reducing national gas supply

by around 450 mmcfd, or 17%. The shortage has disrupted gas-dependent industries, including textiles, ceramics, spinning and fertiliser manufacturing, raising costs and threatening export competitiveness.

Source: The Daily Star – 28 July, 2026

Restructuring the energy sector for sustained progress

Bangladesh's energy sector has become a major macroeconomic challenge, driven by rising import dependence, growing subsidies and persistent governance weaknesses. Energy import costs increased from $4.3 billion in FY2021 to $11.2 billion in FY2026, while subsidies rose to Tk. 837 billion (1.5% of GDP), placing significant pressure on public finances and external balances. Energy shortages and high prices have reduced export competitiveness, slowed investment and growth, and contributed to rising non-performing loans. The article argues that comprehensive reforms are urgently needed, including greater private-sector participation, corporatisation of state-owned energy entities, renegotiation of costly IPP contracts, depoliticised energy pricing and stricter financial discipline. It also recommends developing a long-term primary energy strategy focused on domestic resource development, renewable energy, regional cooperation and energy security to ensure sustainable economic growth.

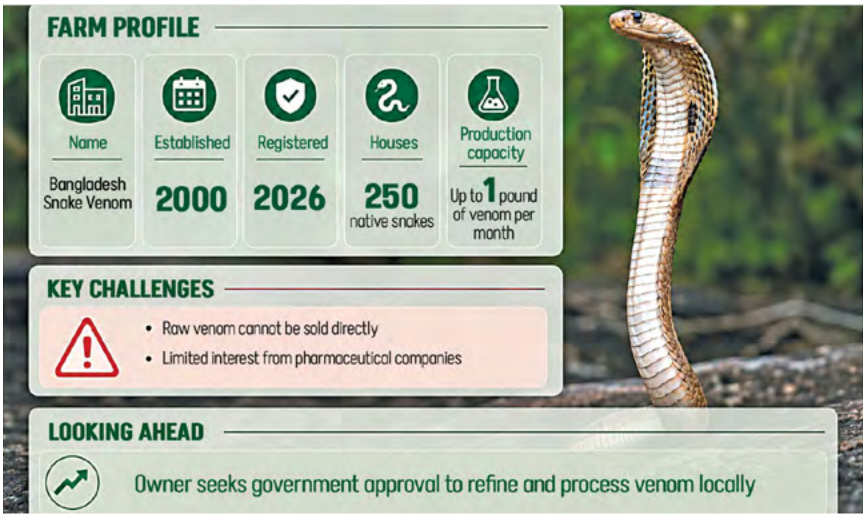
Source: The Daily Star – 27 July, 2026

Govt taskforce prescribes reforms for ailing tea sector

Bangladesh's tea industry is facing severe financial pressure due to persistent losses, high borrowing costs, rising production expenses, declining exports and low productivity. In 2024, production costs averaged Tk 260 per kg, against an auction price of only Tk 208.88, while exports have fallen 79% since 2002. A government taskforce proposed 59 reforms, including reclassifying tea estates as agriculture to enable loans at 6% instead of 13.75%, reducing VAT to 5%, restructuring debt and establishing a Tk 2,050 crore Tea Sector Assistance Fund. Other measures include replanting, factory modernisation, stronger export incentives, G2G trade agreements, green financing and improved worker welfare. With productivity significantly below India and Sri Lanka, the taskforce proposed a 90-day implementation roadmap to restore competitiveness, investment and sustainability in the sector.

Source: The Daily Star – 26 July, 2026

A snake venom farm with big hopes but no market



A privately owned snake venom farm in Patuakhali, established in 2000, aims to reduce Bangladesh's dependence on imported antivenom and foreign currency expenditure. The farm, Bangladesh Snake Venom, now has over 250 snakes and recently received official registration to collect venom. However, operations remain stalled because pharmaceutical companies require refined venom and no company has agreed to process or purchase the raw venom. The farm could potentially produce around 500 grams of venom monthly, with an estimated international value of Tk. 8 crore, while its owner claims commercial production could save nearly Tk. 100 crore annually in import costs. Bangladesh records an estimated 403,000 snakebites and 7,511 deaths annually, highlighting the need for locally produced antivenom and stronger government-private sector support.

Source: The Daily Star – 22 July, 2026

Mymensingh gets new aquaculture research centre

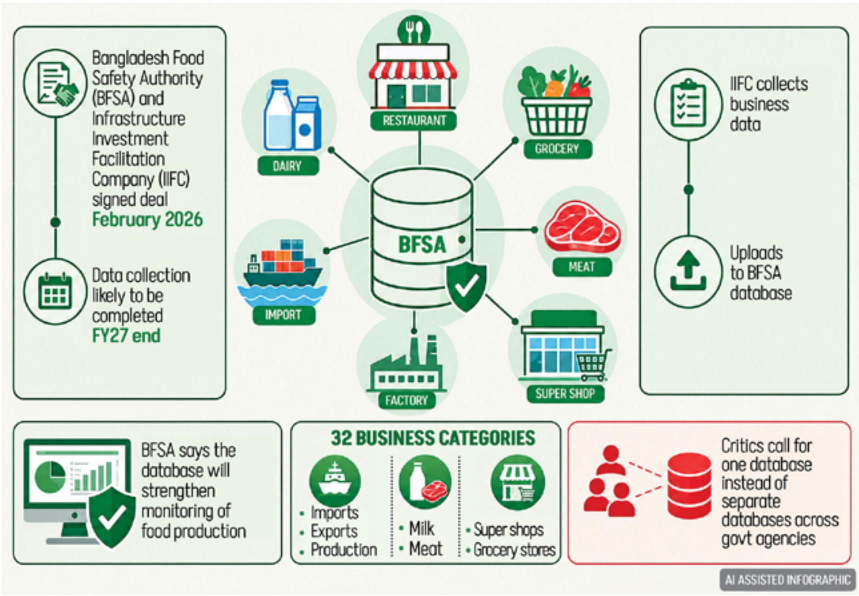
A new aquaculture research centre has been inaugurated in Mymensingh under the FoodTechBangladesh project to promote modern and sustainable fisheries technology. The centre will conduct research, demonstrations, training and technology extension on Recirculating Aquaculture System (RAS) technology, with tilapia cultivation already underway and shrimp and prawn production planned. Facilities include Tank and Pond RAS systems, disease diagnosis,

water-quality testing, research and consultation services. The centre will also provide training and internships for farmers, hatchery owners, entrepreneurs, students and researchers. Bangladesh's aquaculture sector now accounts for more than 60% of total fish production, compared with around 10% two to three decades ago. Stakeholders highlighted RAS technology and stronger public-private partnerships as important for increasing productivity, addressing climate risks and meeting growing demand for safe, traceable food.

Source: The Daily Star – 22 July, 2026

Govt begins mapping 10.13 lakh food businesses

The government has launched a nationwide initiative to collect data on 10.13 lakh food businesses to create a comprehensive database and strengthen food safety monitoring. Led by the Bangladesh Food Safety Authority (BFSA) in collaboration with the Infrastructure Investment Facilitation Company (IIFC), the project will record business ownership, trade licence status and business types across 32 categories. The information will be verified by district food safety officers and uploaded to a central BFSA database, with completion expected by FY2026-27. The database aims to improve monitoring, support training on safe food production and enhance regulatory oversight. However, restaurant industry representatives stressed the need for a coordinated one-stop system linking existing government databases, including VAT, TIN and NBR records. Effective implementation could improve accountability and consumer protection.

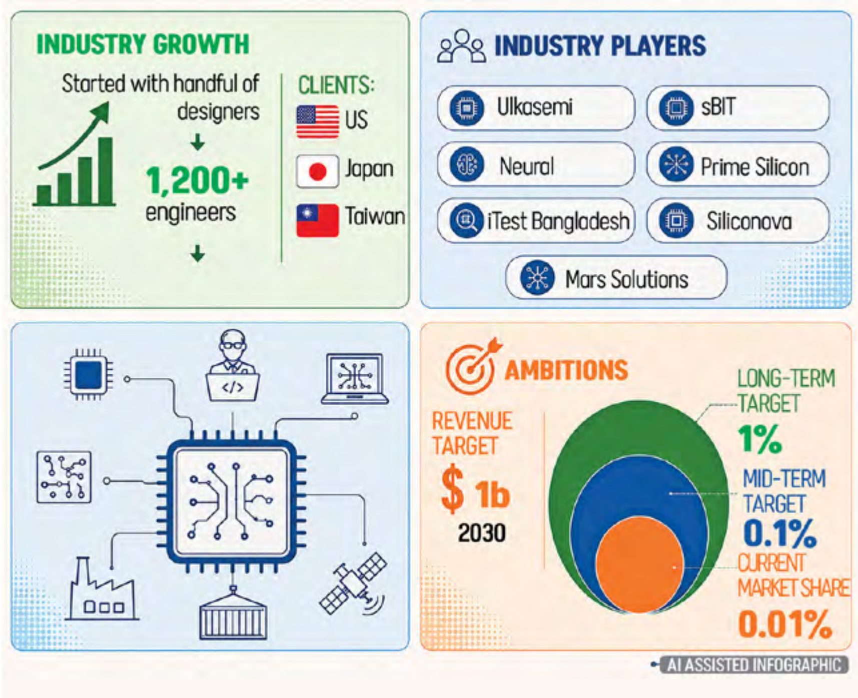


Source: The Daily Star – 24 July, 2026

Bangladesh steps up in global chip race

Bangladesh's semiconductor industry is entering a new growth phase, supported by government incentives, international partnerships and expanding engineering talent. The FY2026-27 budget provides tax exemptions on raw materials used in chip design, testing and packaging until 2031, while the sector currently employs around 1,200 engineers and generates an estimated

$12–15 million annually. Industry leaders are focusing on chip design, testing and assembly, rather than advanced semiconductor manufacturing. Major firms such as Ulkasemi, Neural Semiconductor and iTest Bangladesh are expanding their global client base and workforce. Training initiatives aim to develop around 3,500 professionals, with a long-term target of 10,000 skilled workers and over $1 billion in revenue by 2030. Stakeholders called for stronger financing, export incentives, infrastructure and policy support to increase Bangladesh's global semiconductor market share.



Source: The Daily Star – 24 July, 2026

BIDA converts over 15% of investment pipeline into active projects

More than $400 million from Bangladesh's $1.5 billion foreign investment pipeline for 2025 has progressed to implementation or final decision stages, according to BIDA. The pipeline was developed from interest expressed by 70 potential investors from 20 countries, with a conversion rate exceeding 15%. Major commitments include Hong Kong-based Handa Industries' $300 million apparel investment, expected to create over 25,000 jobs, and Chinese investments in advanced textiles, PVC and PEX pipes, solar panels and construction materials. Other notable investments include MR. DIY's retail expansion, Sri Lanka's Softlogic Life Insurance acquisition of a 60% stake in Diamond Life Insurance, and Megarich's $15 million manufacturing project. BIDA aims to add another $1.5 billion in prospective investments in 2026 through targeted sector engagement and dedicated investment desks.

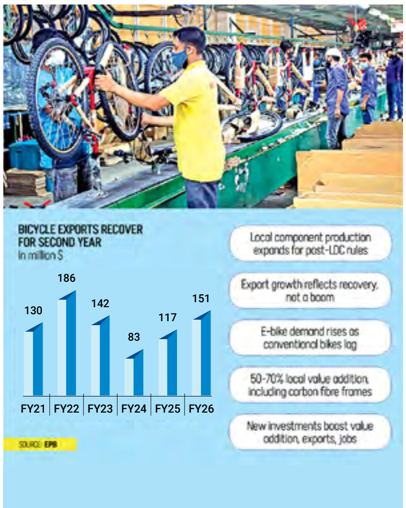
Source: The Daily Star – 23 July, 2026

What a $50m panda bond could buy Bangladesh

Bangladesh is considering issuing its first international sovereign bond, with the Bangladesh Bank governor proposing a $50 million Panda Bond in China's onshore market, alongside a conventional dollar Eurobond option. Although the amount is small relative to the country's budget and external repayment obligations, the primary objective should be establishing a market benchmark for sovereign risk, developing debt-market infrastructure and gaining practical experience in international borrowing. Pakistan's recent Panda Bond, supported by multilateral guarantees, demonstrates how credit enhancement can improve market access. A small, guaranteed Bangladeshi issue could similarly serve as a controlled debut while limiting financial risks. However, yuan borrowing creates currency-mismatch concerns, requiring hedging or suitable arrangements. The article recommends involving rating agencies early, seeking ADB/AIIB guarantees, publishing a clear debt strategy and focusing on building long-term market access rather than simply raising funds.

Source: The Daily Star – 23 July, 2026

Bicycle exporters look beyond recovery to post-LDC challenges



Bangladesh's bicycle industry is shifting from simple assembly towards deeper manufacturing and greater local value addition to remain competitive after LDC graduation. Bicycle exports rose nearly 30% to $151 million in FY2025-26, although industry leaders caution that this mainly reflects recovery from a weak base rather than a full market rebound. Manufacturers are increasingly producing components such as frames, tyres, rims and forks domestically, with some achieving 50–70% local value addition. This is crucial as the required value addition for export preferences may rise from around 30% to 50% after LDC graduation. Rising e-bike demand, however, poses a challenge. Overall, increased local production, technological upgrading and export diversification will be vital for sustaining Bangladesh's bicycle industry and strengthening its position in global markets.

Source: The Daily Star – 23 July, 2026

BSEC proposes easier margin loans even for low-dividend shares

Bangladesh's stock market regulator BSEC has proposed relaxing margin loan rules to boost trading and improve market liquidity. The draft amendments would allow margin financing for more B-category companies, reduce the minimum investor eligibility threshold from Tk. 5 lakh to Tk. 3 lakh, and increase intermediaries' lending limit from three to five times their core capital. The proposal would also raise single-stock exposure to 20% from 15% and lower the margin-call threshold to 70%. However, experts

MAJOR PROPOSED CHANGES

RULE	CURRENT	PROPOSED
B-category shares eligible for margin loans	Only B-category companies paying 5%+ dividend qualify	All B-category companies qualify, regardless of dividend
Minimum investment to get margin loan	Tk 5 lakh, held for at least one year	Tk 3 lakh
Free-float requirement	Company must have Tk 50 crore free-float market cap	Requirement scrapped
Single-stock exposure	Max 15% of total margin portfolio	20%
Lending capacity of intermediaries	Up to 3× core capital/net worth	Up to 5×
Margin call trigger	Portfolio falls below 75%	70% (forced sell remains at 50%)

warn that easier borrowing could encourage excessive speculation and amplify market volatility, particularly in Bangladesh's retail-driven market. They argue that weaker companies should face stricter lending limits and that sustainable market development requires stronger fundamentals and a larger institutional investor and mutual fund base rather than excessive leverage.

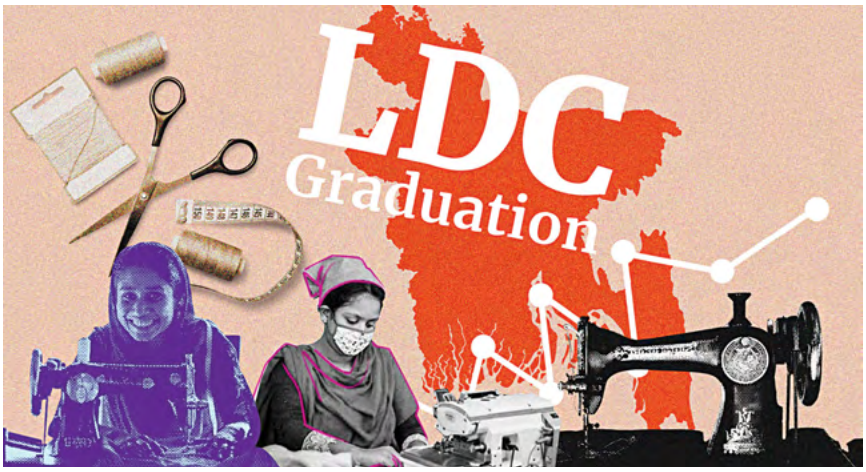
Source: The Daily Star – 21 July, 2026

Ban jute sliver exports to curb misuse of incentives

Bangladesh's jute sector is facing a policy dispute over jute sliver exports. The Bangladesh Jute Association has sought a ban, alleging that some mills are using jute sliver exports to bypass restrictions on raw jute and claim a 10% government cash incentive. Raw jute exports were placed under conditional restrictions in September 2025 to protect domestic supply and control prices. The association argues that jute sliver is a basic industrial input rather than a high-value diversified jute product and that its export reduces farmers' bargaining power while draining government funds. The controversy highlights the need for clearer export classifications, proper monitoring of incentives and balanced policies that protect both domestic industries and farmers. A transparent regulatory framework is essential to ensure that export incentives support genuine value addition in Bangladesh's jute sector.

Source: The Daily Star – 21 July, 2026

Govt adopts 5-year plan for post-LDC challenges



Bangladesh has adopted a new five-year programme under the WTO's Enhanced Integrated Framework (EIF) to improve the investment climate, business competitiveness and export capacity ahead of its LDC graduation in November 2026. The programme focuses on easing business procedures, liberalising tariffs and improving the overall business environment while addressing rising non-tariff barriers. Of 52 initially identified projects, 12 have been prioritised based on implementation capacity and donor funding. The initiative is particularly important as Bangladesh may face an estimated $17.5 billion annual export loss after graduation by losing LDC-specific trade preferences. Currently, around 73% of Bangladesh's trade benefits from LDC preferences. Therefore, regulatory reforms, export diversification, improved investment conditions and stronger competitiveness will be crucial for maintaining market access and sustaining economic growth after graduation.

Source: The Daily Star – 20 July, 2026

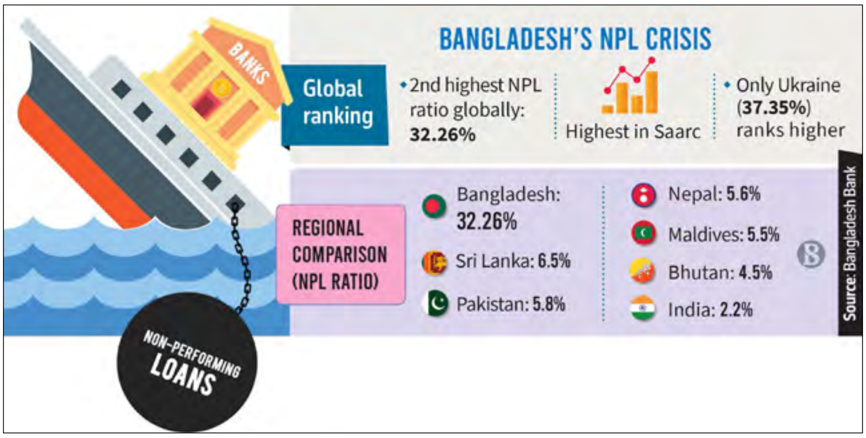
ADB cuts Bangladesh FY27 growth forecast to 4.5% over energy, banking sector concerns

The Asian Development Bank (ADB) has lowered Bangladesh's economic growth forecast for FY27 to 4.5%, warning that persistent energy supply shortages and vulnerabilities in the banking sector will continue to hamper the country's recovery.

In its Asian Development Outlook (ADO) July 2026, released on 8 July, the Manila-based lender revised down its FY27 growth projection from 4.7% forecast in April, citing ongoing energy constraints and weaknesses in the financial sector. The ADB also estimated that Bangladesh's economy expanded by 3.7% in FY26, below its earlier projection of 4.0% and lower than the Bangladesh Bureau of Statistics' provisional estimate of 4.14%.

Source: The Business Standard – 09 July, 2026

Bangladesh has world's second-highest NPL rate after war-hit Ukraine



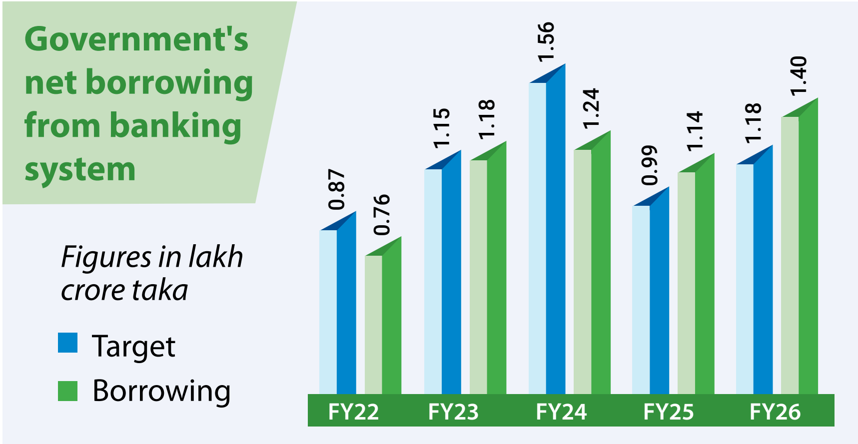
Bangladesh now has the world's second-highest non-performing loan (NPL) ratio after war-ravaged Ukraine, with nearly one-third of all bank loans classified as defaulted.

The country also has the highest NPL ratio among Saarc nations, highlighting growing concerns over weak credit discipline, politically influenced lending and poor loan recovery. According to the latest banking data, Ukraine tops the global list with an NPL ratio of 37.35%, largely reflecting the economic destruction caused by the ongoing war. Bangladesh follows with an NPL ratio of 32.26%, ahead of Chad (31.51%) and Guinea (31.15%). The issue was discussed at a finance ministry training session on reducing non-performing loans in state-owned banks, attended by the managing directors of state-owned lenders and chaired by the secretary of the Finance Division.

Source: The Business Standard – 08 July, 2026

Govt's FY26 bank borrowing surges by Tk22,000cr beyond target

The government's bank borrowing reached Tk1.40 lakh crore in FY26, exceeding the revised target of Tk1.18 lakh crore by nearly Tk22,000 crore. The original target was Tk1.04 lakh crore. Outstanding net borrowing rose to Tk6.87 lakh crore by 23 June 2026, up Tk1.37 lakh crore from FY25. Economists attributed the higher borrowing to a significant revenue shortfall, increased operational expenditure and development financing needs. NBR revenue collection stood at Tk4.15 lakh crore, nearly Tk88,000 crore below the Tk5.03 lakh crore target, despite 12% year-on-year growth. Weak private-sector credit demand limited crowding-out effects, but stronger private credit could increase pressure. Meanwhile, ADP implementation was only 48% in the first 11 months, the lowest in 16 years, further affecting revenue collection.



Source: The Business Standard – 03 July, 2026

BANKING INDUSTRY

Banking Industry at a glance

Scheduled Bank	57
State Owned Commercial Banks (SOCBs)	7
Specialized banks	3
Private commercial banks	38
Conventional PCBs	33
Islami Shariah based PCBs	5
Foreign Commercial Banks (FCBs)	9
Non-scheduled banks	5
Non-Bank Financial Institutions (FIs)	35

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 seven 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 57 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.

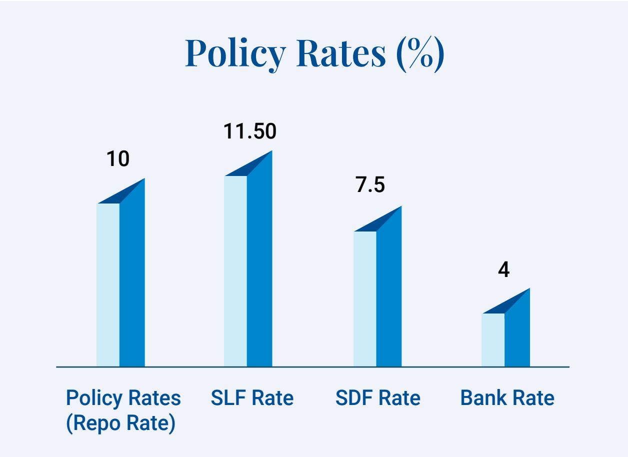
Banking Statistics Summary

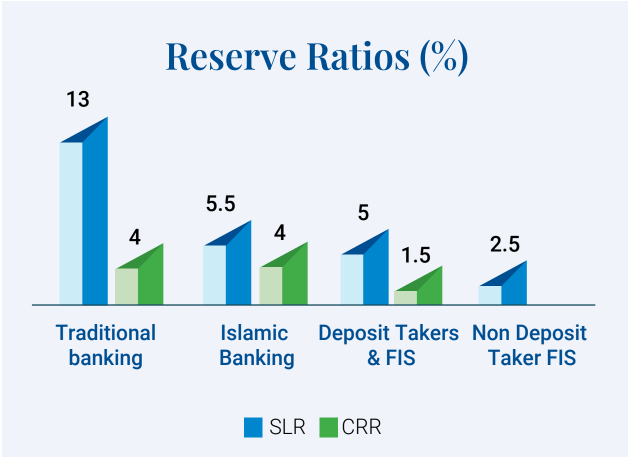
Bank Deposit and Credit

(Fig in Million)

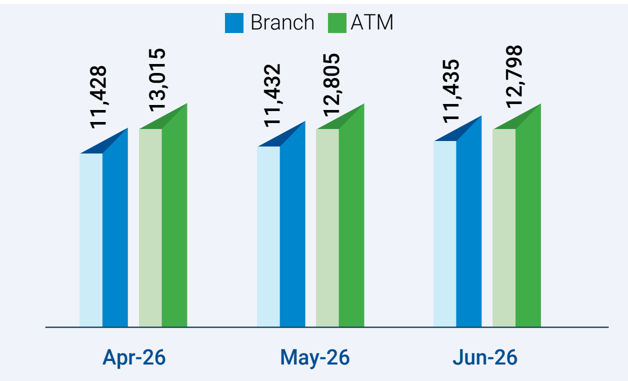
Items	June, 2026	June, 2025	Percentage Changes June, 2026 over June, 2025
Deposits held in DMBs	20,792,967	18,775,646	10.74%
Bank Credit	25,697,474	23,167,668	10.92%

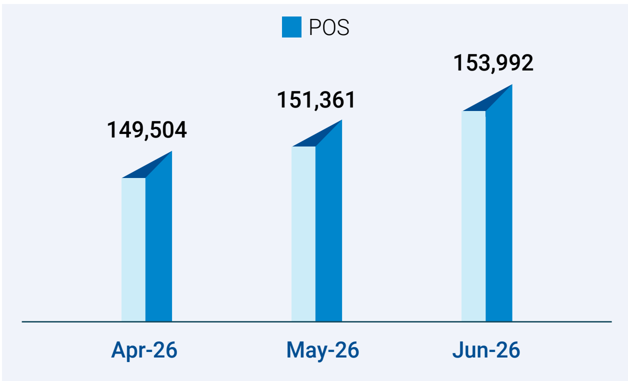
Policy Rates and Reserve Ratios

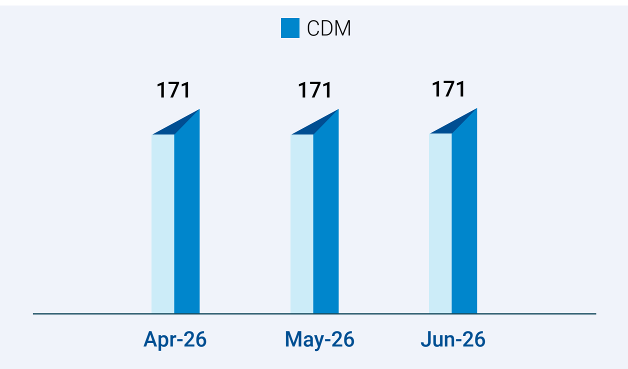


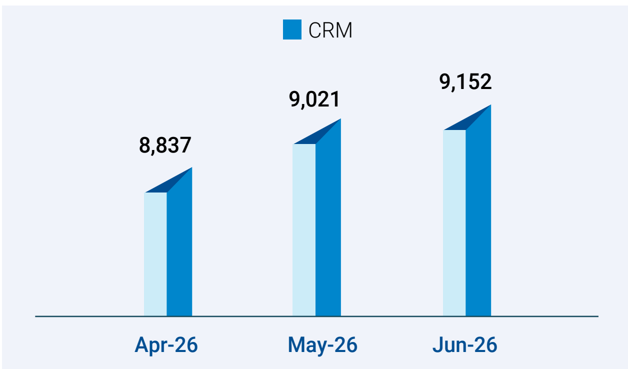


Branches, ATM, POS, CDM and CRM









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 3 in the reporting month. In perspective of the total population [172.85 million source: BBS] of Bangladesh, on an average 15,116 people receive financial services from one branch and 13,506 people receive digital financial services from one ATM.

Debit, Credit and Prepaid Cards

(Amount: Tk. in billion, Number: In million)

Period	Debit Cards	Credit Cards	Prepaid Cards	Transaction Number	Transaction Amount (TK)
June-2026	40.27	2.66	8.70	47.30	449.16
May-2026	39.78	2.65	8.60	61.47	624.32
April-2026	39.79	2.63	8.30	54.51	499.54

The number of issued Debit, Credit and Prepaid Cards in June, 2026 are 40.27, 2.66 and 8.70 million respectively, which are 1.23%, 0.38% and 1.16% higher respectively than those of the previous month. Using these cards the number of local and foreign currency transactions is 47.30 million with an amount of TK. 449.16 billion in June, 2026. The number of transactions decreased by 23.05% and the transaction amount decreased by 28.06% compared to the previous month.

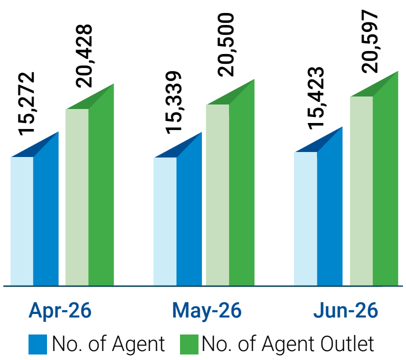
Mobile Financial Services (MFS)

Amount: Tk. in billion, Number: In million

Period	MFS Agent	MFS A/C	Transaction Number	Transaction Amount (TK)	Remittance through MFS (TK)
June-2026	2.08	256.97	1044.60	2088.12	22.29
May-2026	2.07	255.76	1123.72	2473.74	28.18
April-2026	2.06	254.72	993.61	2,013.37	21.61

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 256.97 million of which 127.77 million is in urban areas and 129.20 million is in rural areas in June-2026. Among the services provided by the MFS operators, Government is providing cash incentives in Inward Remittance. In June, 2026 Inward Remittance Tk. 22.29 billion is disbursed through MFS channel.

Agent Banking



(Amount: Tk. in billion, Number: In million)

Period	Total No. of A/C	Deposit Balance	No. of Transaction	Transaction Amount
June-2026	27.22	511.28	16.10	672.34
May-2026	26.99	517.49	17.17	675.17
April-2026	26.76	513.02	13.47	685.95

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 June, 2026 the number of agent has been increased by 84 and the number of agent outlet has been increased by 97 compared to the previous month.

MICR and Non-MICR, EFT and Internet Banking

(Amount: Tk. in billion, Number: In million)

Period	MICR & Non-MICR Cheque		EFT	
	Number	Amount (in TK)	Number	Amount (in TK)
June-2026	1.58	1891.78	38.24	925.31
May-2026	1.46	1401.87	43.55	789.34
April-2026	1.56	1532.83	18.29	719.29

Period	Internet Banking		e-Commerce	
	Number	Amount (in Tk)	Number	Amount (in Tk)
June-2026	39.87	1843.49	5.81	23.59
May-2026	42.51	1735.59	6.63	24.67
April-2026	33.78	1589.17	6.16	21.56

No-frill Accounts

(Number: 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-2026	9.34	2.56	9.86	4.35	26.14
May-2026	9.28	2.54	9.86	4.34	26.06
April-2026	9.27	2.53	9.84	4.32	26.00

Underprivileged people receive government allowances through Special Accounts (Farmers 10 TK. Account, Hardcore Poor Account, Social Safety Net Account etc.) 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.

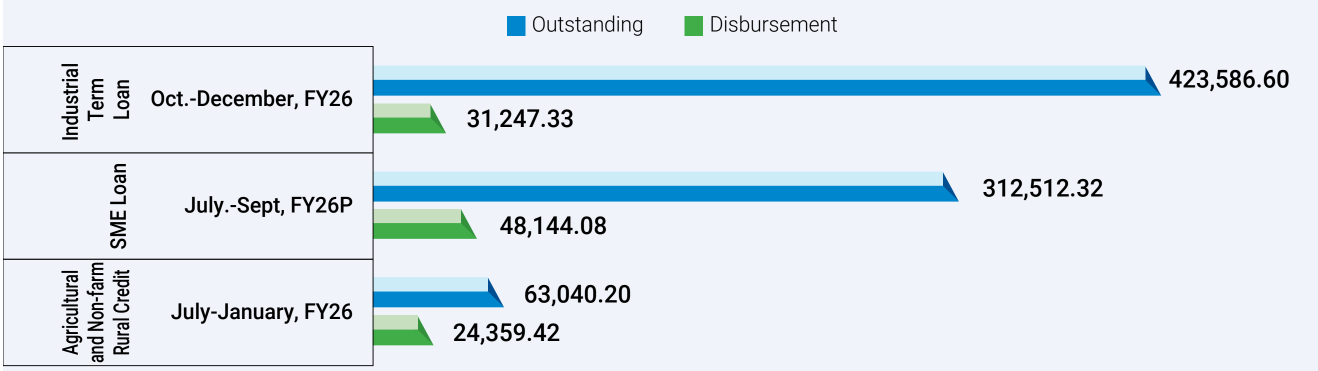
School Banking

(Amount: Tk. in billion, Number: In million)

Period	School Banking A/C	Deposit Balance (in TK)
June-2026	5.44	21.91
May-2026	5.33	20.28
April-2026	5.18	20.24

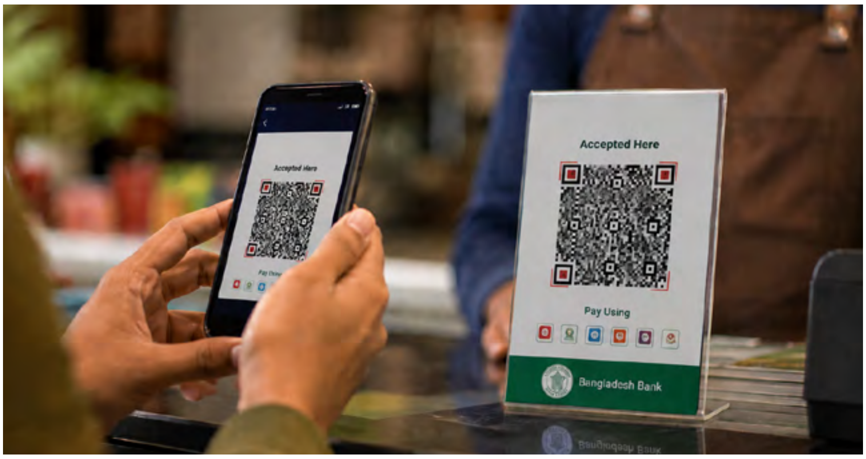
School Banking activities encourage students (below 18 years) to develop their savings behavior. In June, 2026, there are considerably more male student accounts than female student accounts and the total deposit balance of these accounts is TK. 21.91 billion.

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



Source: Bangladesh Bank

Bangla QR adoption faces resistance over merchant fees



Bangladesh Bank's mandatory Bangla QR system is facing adoption challenges, mainly due to the newly introduced minimum 1% Merchant Discount Rate (MDR), which merchants either absorb or pass on to customers. Other barriers include incomplete interoperability, limited smartphone and internet access, data privacy concerns, and low digital literacy. Despite these challenges, Bangla QR usage is growing, with around 200,000 daily transactions and 18.5 lakh registered merchants. Bangladesh Bank is reviewing the pricing mechanism and expects significant progress within three to four months. To accelerate adoption, the central bank has approved a Tk. 100 crore fund to subsidize charges for small merchants. The broader initiative aims to reduce cash dependency, enhance transparency, and promote financial inclusion through interoperable digital payments.

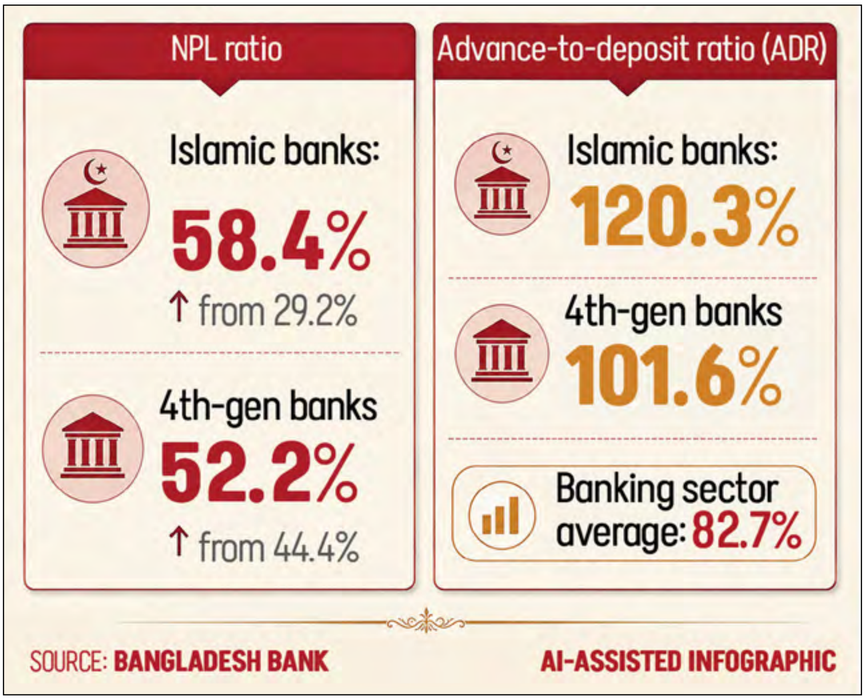
Source: The Daily Star – 31 July, 2026

Corporate-focused lending leaves SMEs short of credit

Bangladesh's banking system remains heavily concentrated on large corporate borrowers, with 75–80% of bank lending flowing to corporates, leaving SMEs, rural entrepreneurs and informal businesses with limited access to finance. Experts at a PEB-MCCI roundtable called for reforms including invoice financing, national collateral registration, movable-asset-based lending, digital lending and stronger data-sharing systems. BRAC Bank highlighted that collateral-free SME loans can perform well, suggesting that cash-flow-based credit assessment could improve financing access. Businesses also face rising energy costs, regulatory uncertainty and delays in bank guarantees and offshore financing. Experts stressed the need for stronger institutional support, improved financial data and private credit bureaus. Developing long-term financing sources beyond banks and strengthening distressed-asset resolution were also identified as essential for restoring credit growth and improving Bangladesh's business environment.

Source: The Daily Star – 28 July, 2026

Islamic, 4th-gen banks buckle under NPL, liquidity crises



Bangladesh Bank identified full-fledged Islamic banks and fourth-generation private commercial banks as the most vulnerable segments of the banking sector due to rising NPLs and severe liquidity pressures. By March 2026, the NPL ratio of full-fledged Islamic banks surged to 58.4%, up from 29.2% a year earlier, while fourth-generation banks recorded 52.2%, compared with 44.4%. Their ADRs also remained elevated at 120.3% and 101.6%, respectively, far above the banking sector average of 82.7%, indicating heightened liquidity risks. Bangladesh Bank attributed the deterioration to aggressive lending, weak credit discipline, governance concerns and limited liquidity-management capacity. In contrast, foreign banks maintained an NPL ratio of only 6.3% and an ADR of 53.4%. The central bank warned that urgent corrective measures are needed to contain broader systemic risks.

Source: The Daily Star – 28 July, 2026

BB extends disciplinary case deadline for bank staff

Bangladesh Bank has extended the deadline for banks to resolve disciplinary cases against employees from one month to two months, aligning the requirement with the Bangladesh Labour Rules, 2015. The amended directive, issued under Section 45 of the Bank Companies Act, 1991, takes immediate effect. Other provisions remain unchanged, including the requirement to accept an employee's resignation within seven days if no disciplinary case is pending and the submission of a Release Order when joining another bank. Employees dismissed for serious offences such as corruption, forgery, fund misappropriation or moral turpitude remain permanently barred from working in the banking sector. The updated rule aims to ensure greater consistency with labour regulations while maintaining disciplinary safeguards and preventing employees involved in serious misconduct from moving between banks.

Source: The Daily Star – 27 July, 2026

Classified loan accounts double as retail defaults surge

CLASSIFIED LOANS BY SIZE *In thousand crore taka

	March 2025		March 2026	
RANGE	TOTAL LOAN*	IN % OF CLASSIFIED LOAN	TOTAL LOAN*	IN % OF CALSSIFIED LOAN
Up to 1cr	402	12%	410	15%
1cr plus to 10cr	373	22%	361	27%
10cr plus to 20cr	171	26%	176	45%
20cr plus to 30cr	104	27%	109	36%
30cr plus to 40cr	79	26%	85	39%
40cr plus to 50cr	64	28%	68	45%
50cr plus and above	520	35%	576	43%
Total	**1,713**	**25%**	**1,784**	**33%**

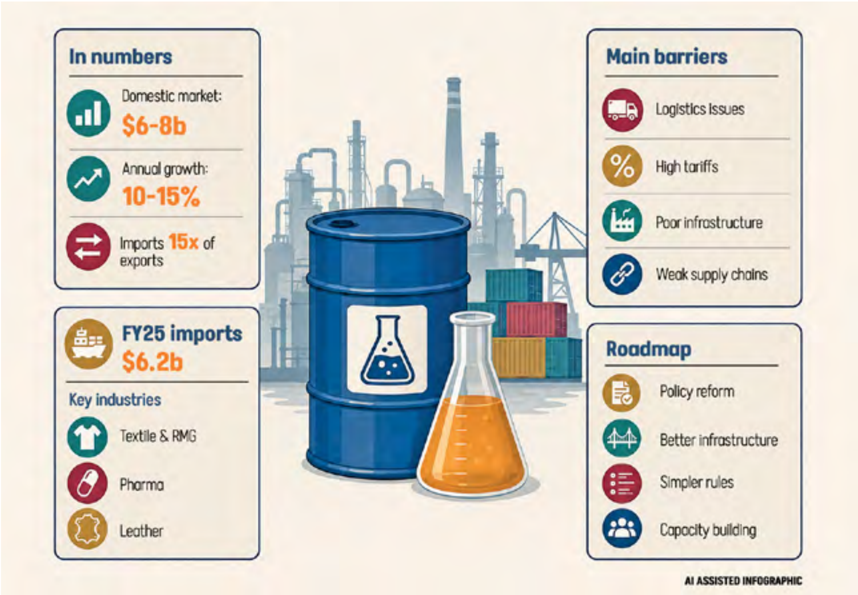
SOURCE: BB

Bangladesh's banking sector is experiencing a sharp deterioration in loan quality, with classified loan accounts more than doubling to 45.83 lakh in March 2026, from 21.63 lakh a year earlier. Accounts involving loans up to Tk 1 crore recorded the most significant increase, indicating widespread financial stress among retail borrowers, SMEs, farmers and small traders. The overall NPL ratio rose to 32.7% from 24.6% over the same period. The cottage industry had the highest classified-loan ratio at 52.8%, while CMSMEs and informal businesses accounted for 34.2% of classified loans despite receiving only 21.4% of total lending. However, large industries remain the biggest source of credit risk. Bangladesh Bank attributed the deterioration to weak credit appraisal, repayment capacity, inflationary pressures, governance weaknesses and problems involving large borrowers and willful defaulters.

Source: The Daily Star – 27 July, 2026

Stronger chemical industry needed to cut import dependence

Bangladesh's export-oriented industries remain heavily dependent on imported chemicals despite a $6–8 billion domestic chemical market growing by 10–15% annually. Chemical imports reached $6.2 billion in FY2025, rising 17.8%, and now account for around 10% of total imports, while the pharmaceutical sector imports nearly 90% of its APIs. Stakeholders stressed that developing domestic chemical backward linkages is essential for reducing import dependence and strengthening the competitiveness of RMG, textiles, pharmaceuticals, leather and other industries. Key barriers include high tariffs, inadequate infrastructure, environmental-clearance delays, logistics bottlenecks and weak supply chains. They called for a clear sectoral roadmap, supportive industrial policies, reliable energy, specialised industrial zones, research and skilled manpower. Achieving 60% chemical backward linkage could save billions in foreign exchange, create skilled employment and strengthen Bangladesh's industrial base.



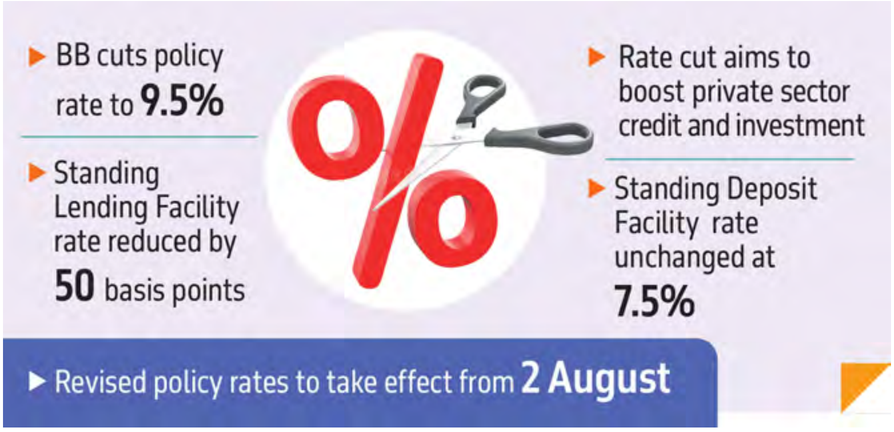
Source: The Daily Star – 26 July, 2026

BB chief economist acknowledges limits of contractionary monetary policy in curbing inflation

Bangladesh Bank's contractionary monetary policy is struggling to contain persistently high inflation, potentially weakening policy credibility and investor confidence. Although the policy rate has remained at 10% since October 2024, 12-month average inflation stood at 8.68% in June 2026, down from 10.13% a year earlier. BB Chief Economist Mohammad Akhtar Hossain noted that prolonged inflation has become entrenched through rising inflation expectations, making monetary tightening less effective. He warned that double-digit inflation could further undermine confidence in the central bank. While external shocks and supply disruptions contribute to inflation, excessive focus on these factors may reduce policy effectiveness. He called for a credible, transparent, rules-based monetary policy framework, potentially based on inflation targeting, alongside fiscal and banking-sector reforms. Stable prices and predictable macroeconomic conditions are essential for restoring investor confidence and supporting sustainable investment.

Source: The Daily Star – 24 July, 2026

BB cuts policy rate by 50 basis points after 2 years



After nearly two years, the Bangladesh Bank has reduced its policy interest rate (repo rate) – the benchmark for short-term lending – by 50 basis points to 9.5%, aiming to stimulate private sector investment despite persistently high inflation. The central bank had last raised the repo rate from 9.5% to 10% in October 2024, and had maintained it at that level since then. According to Bangladesh Bank data, private sector credit growth fell to a historic low of 4.72% in May. In contrast, the central bank has set a 6.8% growth target for private sector credit in its current monetary policy.

Source: The Business Standard – 30 July, 2026

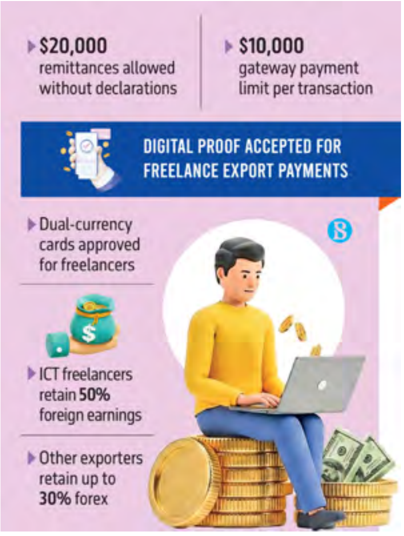
BB updates export trade rules, expands digital trade, financing framework

The Bangladesh Bank has updated its consolidated export trade guidelines, introducing a range of new provisions to support digital trade, diversify trade finance and facilitate the country's growing services and e-commerce exports. The central bank issued the revised export trade circular, consolidating all export-related foreign exchange instructions into a single document while incorporating policy refinements to keep pace with evolving international trade practices. For the first time, the guidelines include a dedicated chapter on foreign exchange transactions for freelancers and individual service exporters, enabling faster receipt of export earnings through digital payment channels.

Source: The Business Standard – 30 July, 2026

Cenbank eases forex rules for freelancers, service exporters

The Bangladesh Bank has eased foreign exchange regulations for freelancers and individual service exporters in a move aimed at supporting the country's growing digital services sector. In a circular issued, the central bank said freelancers will now be able to receive export payments using digital evidence instead of traditional export documents. Under the new guidelines, electronic records such



as platform statements, emails and other digital communications will be accepted as proof of service exports, simplifying payment processing for freelancers working on global digital platforms. The circular also allows banks to credit inward remittances of up to $20,000 without requiring formal declarations. Online Payment Gateway Service Providers will be able to process payments of up to $10,000 per transaction while ensuring the timely repatriation of export earnings.

Source: The Business Standard – 22 July, 2026

Bangladesh Bank sets 1% minimum MDR for merchant payments under NPSB

Bangladesh Bank has set a minimum Merchant Discount Rate (MDR) of 1% for merchant payments processed through the National Payment Switch Bangladesh (NPSB), in a move aimed at boosting digital transactions across the country. In its latest directive issued on 1 July, the central bank also kept the maximum MDR unchanged at 1.15%, creating what officials describe as a more predictable pricing framework for digital payment acceptance. The revised structure will apply to merchant transactions made through point-of-sale (POS) terminals, Bangla QR and e-commerce platforms operating under the NPSB network. Under the new rules, merchant payments via Bangla QR–using bank accounts, debit and prepaid cards, credit cards, mobile financial services and payment service providers–will be subject to a minimum MDR of 1%, with applicable value-added tax (VAT) charged separately where relevant.

Source: The Business Standard – 01 July, 2026

MBPLC NEWS

Mercantile Bank Relocates 'Nayabazar Branch'

Mercantile Bank PLC shifted its Nayabazar Branch to a new, spacious location to offer modern banking services to its customers. The bank's Vice Chairman, Al-Haj Akram Hossain (Humayun), attended the inauguration ceremony of the new premises as the chief guest, while Mati Ul Hasan, Managing Director of the bank, presided over the program. Bank's Director Alhaj Mosharref Hossain was present as the special guest.

The event was also attended by Deputy Managing Director Shamim Ahmed. Renowned business personalities, including Al-Haj Md. Nurul Amin, Md. Monir Hossain, Md. Jahangir Alam, and Dr. Chowdhury Golam Sobhani, spoke at the event. Head of Branches Division Md. Aliullah, Head of Nayabazar Branch Md. Zillur Rahman, other senior officials of the bank and valued customers also gathered at the event. The newly relocated branch is situated at Salambia Chowdhury Market, Holding No. 30, Zindabahar 1st Lane, Nayabazar, Ward No. 32, Dhaka South City Corporation, Kotwali, Dhaka-1100.

Mercantile Bank Accelerates Cashless Drive with Bangla QR Rally

Mercantile Bank PLC today intensified its ongoing nationwide digital payment campaign by hosting an awareness rally in the capital's Motijheel commercial area to fast-track the adoption of Bangla QR transactions. Mati Ul Hasan, Managing Director of the bank, led today's field deployment as the Chief Guest.

Bank's Deputy Managing Directors, a large contingent of senior executives and officials participated in the rally. The event marks the latest phase of the bank's active countrywide initiative to transition traditional retail merchant points into secure, cashless digital hubs.

Immediately following the rally, Bank officials conducted direct outreach to local merchants to make them aware of the benefits and implementation of Bangla QR. To mark the day's successful onboarding drive, bank's Managing Director Mati Ul Hasan executed a live retail transaction using a Bangla QR code at a local sweet shop.

The bank's nationwide digital enablement drive continues to deploy resources across all outlets to maximize merchant acquisition and consumer onboarding.

Mercantile Bank Signs Credit Guarantee Agreement with PKSF

Mercantile Bank PLC has officially signed an agreement with the Palli Karma-Sahayak Foundation (PKSF) to avail credit guarantee services under the Credit Enhancement Scheme (CES).

The signing ceremony was graced by Md. Fazlul Kader, Managing Director of PKSF, along with Md. Zakir Hossain, Deputy Managing Director & Chief Risk Officer (CRO) of Mercantile Bank, and Farid Ahmed, EVP & Head of the Gulshan Branch of the bank.

Under this strategic partnership, Mercantile Bank will extend credit and loan facilities to PKSF-enlisted partner organizations covered under the Credit Enhancement Scheme. These loan disbursements will be fully backed by the credit guarantee facilities provided by PKSF, significantly lowering lending risks and boosting financial resources for small businesses.

This joint initiative aims to reinforce micro-enterprise financing across Bangladesh by safely channeling banking sector funds into rural, low-income, and marginalized communities.

Mercantile Bank Launches SICIP Entrepreneur Training in Chattogram

Mercantile Bank PLC has launched a 100-hour "Entrepreneurship Development" training program in Chattogram. Supervised by Bangladesh Bank, the one-month initiative is part of the Ministry of Finance's Skills for Industry Competitiveness and Innovation Program (SICIP), which is funded by the Asian Development Bank (ADB).

The inaugural ceremony was presided over by Md. Zakir Hossain, Deputy Managing Director & CRO of Mercantile Bank. Syeda Amina Fahmeen, Additional Secretary, Finance Division, Ministry of Finance, attended as the Chief Guest, while Husne Ara Shikha, Executive Director of Bangladesh Bank, was present as the Guest of Honour.

Among others present were Md. Masum Billah, Additional Director of Bangladesh Bank and Project Director of SICIP; Mahmuda Akter, Deputy Secretary, Finance Division; Md. Shaiful Alam Chowdhury, SEVP & Regional Head (Chattogram) & Mohammad Nizamul Hoque, Head of SME Finance Division of Mercantile Bank PLC along with other officials of Bangladesh Bank and Mercantile Bank. A total of 25 entrepreneurs will receive certificates upon successful completion of the training.

Mercantile Bank Inaugurates ATM Booth at Noakhali Club, Dhaka

Mercantile Bank PLC has officially inaugurated a new ATM booth adjacent to the Noakhali Club, Dhaka Limited premises to provide round-the-clock transaction services and enhanced financial convenience to club members and the local community.

M.A. Khan Belal, Chairman of the Executive Committee of Mercantile Bank, attended the ceremony as the chief guest and formally inaugurated the booth.

Md. Abdul Hai, General Secretary of Noakhali Club, Dhaka Limited spoke at the ceremony as the special guest. The event was also attended by Dr. Md. Zahid Hossain, Deputy Managing Director of Mercantile Bank, along with senior executives and officials of the bank, and prominent directors & members of the club.

This milestone aligns with Mercantile Bank's commitment to growing its digital banking footprint and delivering modern financial solutions.

Bangladesh Bank signs agreement with Mercantile Bank

An agreement was recently signed between Bangladesh Bank and Mercantile Bank PLC to provide low-interest loans to entrepreneurs under the cluster. Nowshad Mostafa, Director of SMESPD Department of Bangladesh Bank and Dr. Md. Zahid Hossain, Deputy Managing Director & CBO of Mercantile Bank PLC. signed the agreement on behalf of their respective organizations. The event was attended by Nurun Nahar, Deputy Governor of Bangladesh Bank, Mohammad Nizamul Hoque, SVP & Head of SME Financing Division of Mercantile Bank, along with executives and senior officials of both the organizations.

BANGLADESH BANK CIRCULAR

JULY 2026

BRPD-1 CIRCULAR

- BRPD-1 Circular No. 15, Date: 30.07.2026, Pre-Finance scheme for the Growth and Development of Leather and Leather Goods Industry Sector
- BRPD-1 Circular No. 25, Date: 29.07.2026, Regarding withdrawal of case filed by customer before receiving policy Support.
- BRPD-1 Circular No. 14, Date: 26.07.2026, Guidelines for Establishment, Relocation, Rent/ Lease and Contract Renewal of Bank Business Centers, 2026
- BRPD-1 Circular No. 24, Date: 26.07.2026, Appointment of Employee/Officer

BRPD-2 CIRCULAR

- BRPD-2 Circular No. 09, Date: 21.07.2026, Exemption from the provision of Section 10 of Bank Company Act, 1991 (amended up to 2023) for National Bank PLC. to allow Ijarah of one of the towers of 'NBL Twin Towers'.
- BRPD-2 Circular No. 03, Date: 21.07.2026, Guidelines on Internal Control Management System in Banks
- BRPD-2 Circular No. 08, Date: 14.07.2026, Regarding opening import LC of Shinepukur Ceramics Limited keeping 100% margin
- BRPD-2 Circular No. 07, Date: 06.07.2026, Opening Import LC for Loan Defaulter Abdul Monem Sugar Refinery Ltd. (AMSRL) Keeping 100% Margin

BRPD-3 CIRCULAR

- BRPD-3 Circular No. 01, Date: 07.07.2026, Pre Finance Scheme to Support the Closed Industry and Service Sectors

FEPD-1 CIRCULAR

- FEPD-1 Circular No. 26, Date: 30.07.2026, Consolidated circular on foreign exchange regulations - export trade transactions
- FEPD-1 Circular No. 25, Date: 29.07.2026, Bank-intermediated cross-border digital payment framework
- FEPD-1 Circular No. 12, Date: 23.07.2026, Regarding Hajj Performance by Non Resident Bangladeshi (NRB)
- FEPD-1 Circular No. 24, Date: 23.07.2026, Master Circular on Export Development Fund
- FEPD-1 Circular No. 23, Date: 22.07.2026, Enhancement of Exporter's Retention Quota (ERQ)
- FEPD-1 Circular No. 22, Date: 22.07.2026, Foreign exchange transactions by freelancers/individual service exporters
- FEPD-1 Circular No. 21, Date: 16.07.2026, Framework for import trade in Free Trade Zones (FTZs)
- FEPD-1 Circular No. 11, Date: 14.07.2026, Permission of Chief Inspector of Boilers before import of boiler and boiler components
- FEPD-1 Circular No. 20, Date: 13.07.2026, Remittance on account of royalty, technical know-how, technical assistance fees and other similar expenses for DPAs of EZs.
- FEPD-1 Circular No. 10, Date: 13.07.2026, Foreign currency-Taka Swap facility for exporters operating in Specialized Zones against unencumbered funds in foreign currency accounts.
- FEPD-1 Circular No. 19, Date: 12.07.2026, Export Subsidy/Cash Incentive for the financial year 2026-2027
- FEPD-1 Circular No. 17, Date: 05.07.2026, Export Subsidy/Cash Incentive for the financial year 2026-2027
- FEPD-1 Circular No. 18, Date: 05.07.2026, Appointment of Audit firms for Auditing of Export Incentive/Export Subsidy
- FEPD-1 Circular No. 16, Date: 02.07.2026, Forward Rate Agreements to hedge interest rate risk against imports under suppliers'/buyers' credit
- FEPD-1 Circular No. 15, Date: 01.07.2026, Pilot framework for digital processing of trade documents under documentary collections and letters of credit through approved trade corridors

SDAD CIRCULAR

- SDAD Circular No. 12, Date: 23.07.2026, Regarding additional economic sector code/ID for reporting government deposit through RIT.
- SDAD Circular No. 11, Date: 21.07.2026, Implementation of BASEL III Liquidity Ratio (NSFR)
- SDAD Circular No. 10, Date: 01.07.2026, Regarding approval of downtime of Citizens Bank Plc.

- SDAD Circular No. 09, Date: 01.07.2026, Policy regarding investment of scheduled banks in Non-listed securities.

DMD CIRCULAR

- DMD Circular No. 11 Date: 07.07.2026, Regarding the clarification of the provisions of Section 33 of the Public Debt Act, 2022 about the calculation of interest on savings certificates
- DMD Circular No. 10 Date: 06.07.2026, Regarding Profit Rate for July-December,2026 in National Savings Schemes

SMESPD CIRCULAR

- Addendum of Operating Guidelines for JICA assisted Urban Building Safety Project (UBSP, BD-P84)

FCRPD CIRCULAR

- FCRPD Circular No. 05 Date: 16.07.2026, Policy support for restructuring the business and financial condition of the affected borrowers.
- FCRPD Circular No. 04 Date: 16.07.2026, Special Policy on Loan Repayment through One Time Exit
- FCRPD Circular No. 03 Date: 15.07.2026, Individual Deposit limit.
- FCRPD Circular No. 02 Date: 15.07.2026, Loan/Lease/ Investment Write-off Policy for Finance Companies.
- FCRPD Circular No. 01 Date: 15.07.2026, Deferred Tax Accounting Policy.
- FCRPD Circular No. 15 Date: 13.07.2026, Regarding Source Tax Deduction

ACD-1 CIRCULAR

- ACD-1 Circular No. 02 Date: 06.07.2026, Refinance Scheme of Tk 3,000 Crore for Creating Agricultural Based Economic Hub in North Bengal of the Country
- ACD-1 Circular No. 02 Date: 01.07.2026, Formulation of Bangladesh Bank Agricultural Development Common Fund (BBADCF)

DID CIRCULAR

- DID Circular No. 01 Date: 30.07.2026, Regarding sending information of Customer Deposit Composition as per amended slabs

SD CIRCULAR

- SD Circular No. 03 Date: 30.07.2026, Regarding the Monthly Submission of Private Sector Medium and Long Term (MLT) External Debt Data.

PSD-1 CIRCULAR

- PSD-1 Circular No. 03 Date: 30.07.2026, Regarding "Add Money" from Card to MFS Personal Account

PSD-2 CIRCULAR

- PSD-2 Circular No. 05 Date: 01.07.2026, Determination of Fees/Charges for NPSB Transactions and Government Payments

CIB CIRCULAR

- CIB Circular No. 01 Date: 23.07.2026, সিআইবি অনলাইন সার্ভিসের রেজিস্ট্রেশন ফি, অনলাইন প্রক্রিয়ায় প্রস্তুতকৃত সিআইবি রিপোর্টের সার্ভিস চার্জ আরোপ ও আদায়, অনলাইন সিস্টেমে মাসিক ভিত্তিতে ঋণতথ্য যথাসময়ে Upload এ ব্যর্থ ব্যাংক/আর্থিক প্রতিষ্ঠানের বিরুদ্ধে জরিমানা আরোপ ও আদায় এবং সিআইবি রিপোর্টে সন্নিবেশিত ঋণতথ্যের গোপনীয়তা ভঙ্গের জন্য জরিমানা আরোপ ও আদায় প্রসঙ্গে।

FEID CIRCULAR

- FEID Circular No. 03 Date: 15.07.2026, External borrowing from parent companies, associates, and shareholders by fully foreign-owned industrial enterprises operating within and outside specialized zones

CIRCULAR

MBPLC Circular
JULY 2026

INSTRUCTION CIRCULAR

- Circular No. 3901, Date: 29.07.2026, Subject: Providing information regarding liability position (if any) and any documentation lapses on account of M/S. Orient International (Mr. Md. Abdul Kayem Khan, Proprietor) along with its allied/sister/related concern within 06.08.2026.
- Circular No. 3900, Date: 29.07.2026, Subject: Implementation of the Resolution of Meeting for Opening of Universal Pension Schemes of National Pension Authority.
- Circular No. 3899, Date: 28.07.2026, Subject: Capacity Building & Motivation Summit for CASA Direct Sales Team (DST)
- Circular No. 3898, Date: 27.07.2026, Subject: Revised Schedule of Charges
- Circular No. 3897, Date: 23.07.2026, Subject: Regarding collection of fund under Zero Coupon Bond in the name of Sajida Orange Zero Coupon Bond (2nd Slot) issued by Sajida Foundation from the Registered Investor (RI) through Electronic Subscription System (ESS) of Dhaka Stock Exchange Limited.
- Circular No. 3896, Date: 22.07.2026, Subject: Renewal of Agreement with BTCL
- Circular No. 3895, Date: 21.07.2026, Subject: Implementation of the decision of the 487th Board meeting.
- Circular No. 3894, Date: 16.07.2026, Subject: অর্থ আইন ২০২৬ অনুযায়ী উৎসে আয়কর ও মূল্য সংযোজন কর কর্তন প্রসঙ্গে।
- Circular No. 3893, Date: 16.07.2026, Subject: Deduction of Excise Duty as per Finance Act 2026
- Circular No. 3892, Date: 20.07.2026, Subject: Providing information regarding liability position (if any) on account of M. K. Bless World along with its allied/sister/related concern/directors within 22.07.2026.
- Circular No. 3891, Date: 19.07.2026, Subject: বয়লার ও বয়লার কম্পোনেন্ট আমদানির পূর্বে প্রধান বয়লার পরিদর্শকের পূর্বানুমোদন গ্রহন প্রসঙ্গে।
- Circular No. 3890, Date: 12.07.2026, Subject: Providing information regarding liability position (if any) and any documentation lapses on account of Dhaka Wash Limited, Key Person: Mr. Md. Mojibur Rahman, Managing Director along with its allied/sister/related concern and Directors within 17.07.2026.
- Circular No. 3889, Date: 13.07.2026, Subject: Re-fixation of validity & installment size against Employee Card Loan and House Building Loan due to Revision of Employee Retirement Age to 60 Years.
- Circular No. 3888, Date: 13.07.2026, Subject: Providing information regarding liability position (if any) on account of Al Madina Seeds Storage and Al Madina Enterprise along with its allied/sister/related concern and proprietor, Mr. Mahmudul Hasan (NID: 8125301364248) within 16.07.2026.
- Circular No. 3887, Date: 12.07.2026, Subject: সঞ্চয় স্কিমসমূহের মুনাফার হার প্রসঙ্গে।
- Circular No. 3886, Date: 09.07.2026, Subject: Emphasizing AML & CFT Compliance While Promoting Financial Literacy, Financial inclusion and Cashless Society initiatives.
- Circular No. 3885, Date: 09.07.2026, Subject: Adverse Media Monitoring.
- Circular No. 3884, Date: 08.07.2026, Subject: ১০ বৎসর ও তদুর্ধ্ব সময়কাল যাবৎ লেনদেনহীন ও অদাবিকৃত আমানত এবং মূল্যবান সামগ্রী বাংলাদেশ ব্যাংকে জমা নিশ্চিতকরণ প্রসঙ্গে।
- Circular No. 3883, Date: 08.07.2026, Subject: Providing information regarding liability position (if any) and any documentation lapses on account of Surovi Agro Industries Limited, Key Person: Mr. Zaker Riead, Managing Director along with its allied/sister/related concern and Directors within 13.07.2026.
- Circular No. 3882, Date: 06.07.2026, Subject: বীমা উন্নয়ন ও নিয়ন্ত্রন কর্তৃপক্ষ কর্তৃক নন-লাইফ বীমা কোম্পানীর ব্যাংক হিসাব পরিচালনা সংক্রান্ত তথ্য সরবারহ প্রসঙ্গে।
- Circular No. 3881, Date: 06.07.2026, Subject: Execution of Thematic Campaign for increasing awareness program on Financial Literacy should be introduced for safe cashless transactions in our Branch/Sub-branch/Agent Banking Outlets for expansion of financial literacy as per Financial Literacy Guidelines for Banks and Financial Institutions of Bangladesh Bank through the following Channels: 1) Conversation with Customers Physically 2) Distribution of Brochure/Leaflet, etc. among Customers 3) Hanging Banner/Festoon/X-Banner, etc. in front of Branch/Sub-branch/Agent Banking Outlets or inside of Branch/Sub-branch/Agent Banking Outlets Premises 4) Displaying the Contents of Financial Literacy at our Common Desktop Wallpaper for all Users of our Bank.

- Circular No. 3880, Date: 06.07.2026, Subject: বোর্ড রিস্ক ম্যানেজমেন্ট কমিটির ৭৫তম - ৭৮তম সভার সিদ্ধান্ত বাস্তবায়ন প্রসঙ্গে।
- Circular No. 3879, Date: 06.07.2026, Subject: অনাদায়ী ঋণ আদায়/সমন্বয়ে বিশেষ এক্সিট সংক্রান্ত নীতিমালা।
- Circular No. 3878, Date: 02.07.2026, Subject: Implementation of Password Length of Active Directory Domain Controller Services from Minimum 8 (eight) Characters to Minimum 12 (twelve) Characters.

INFORMATION CIRCULAR

- Circular No. 2481, Date: 29.07.2026, Subject: মার্কেন্টাইল ব্যাংক পিএলসি.-এর নয়াবাজার শাখা, ঢাকা (শহর) এর নাম অপরিবর্তিত রেখে ঠিকানা পরিবর্তন প্রসঙ্গে।
- Circular No. 2480, Date: 30.07.2026, Subject: ব্যাংকের পরিচালনা পর্ষদ, এক্সিকিউটিভ কমিটি, অডিট কমিটি ও রিস্ক ম্যানেজমেন্ট কমিটি পুনর্গঠন প্রসঙ্গে।
- Circular No. 2479, Date: 29.07.2026, Subject: Loss of Instruments
- Circular No. 2478, Date: 29.07.2026, Subject: Loss of Instruments
- Circular No. 2477, Date: 27.07.2026, Subject: Loss of Instruments
- Circular No. 2476, Date: 23.07.2026, Subject: Loss of Instruments
- Circular No. 2475, Date: 23.07.2026, Subject: শাখা স্থানান্তরের কারণে ২৫ জুলাই ২০২৬ তারিখে নয়াবাজার শাখার শনিবারের ব্যাংকিং কার্যক্রম বন্ধ রাখা প্রসঙ্গে।
- Circular No. 2474, Date: 21.07.2026, Subject: Loss of Instruments
- Circular No. 2473, Date: 16.07.2026, Subject: Loss of Instruments
- Circular No. 2472, Date: 16.07.2026, Subject: Loss of Instruments
- Circular No. 2471, Date: 14.07.2026, Subject: Loss of Instruments
- Circular No. 2470, Date: 12.07.2026, Subject: Credit Rating of Mercantile Bank PLC. as on December 31, 2025
- Circular No. 2469, Date: 09.07.2026, Subject: Revision of Employee Retirement age to 60 years.
- Circular No. 2468, Date: 09.07.2026, Subject: Loss of Instruments
- Circular No. 2467, Date: 05.07.2026, Subject: সিটিজেন ব্যাংক পিএলসি. এর ডাটা সেন্টার স্থানান্তরের লক্ষ্যে ডাউনটাইমের অনুমোদন প্রসঙ্গে।
- Circular No. 2466, Date: 08.07.2026, Subject: Renewal of Enlistment of 03 (Three) Insurance Companies as Approved Insurers of our bank for the Year 2026.
- Circular No. 2464, Date: 06.07.2026, Subject: Loss of Instruments

ID CIRCULAR

- Circular No. 51, Date: 29.07.2026, Subject: Master Circular on Export Development Fund
- Circular No. 50, Date: 28.07.2026, Subject: Regarding Hajj Performance by Non Resident Bangladeshi (NRB)
- Circular No. 49, Date: 26.07.2026, Subject: Enhancement of Exporters Retention Quota (ERQ)
- Circular No. 48, Date: 26.07.2026, Subject: Foreign exchange transactions by freelancers/individual service exporters
- Circular No. 47, Date: 22.07.2026, Subject: Framework for import trade in Free Trade Zones (FTZs)
- Circular No. 46, Date: 22.07.2026, Subject: External borrowing from parent companies, associates, and shareholders by fully foreign-owned industrial enterprises operating within and outside specialized zones
- Circular No. 45, Date: 14.07.2026, Subject: ২০২৬-২০২৭ অর্থবছরে রপ্তানির বিপরীতে রপ্তানি প্রণোদনা/নগদ সহায়তা প্রদান।
- Circular No. 44, Date: 14.07.2026, Subject: Foreign currency-Taka Swap facility for exporters operating in Specialized Zones against unencumbered funds in foreign currency accounts.
- Circular No. 43, Date: 14.07.2026, Subject: Remittance on account of royalty, technical know-how, technical assistance fees and other similar expenses for DPAs of EZs
- Circular No. 42, Date: 07.07.2026, Subject: অন্যান্য প্রযোজ্য খাতসহ রপ্তানিমুখী দেশিয় বস্ত্রখাতে শুল্ক বন্ড ও ডিউটি ড্র-ব্যাক-এর পরিবর্তে বিকল্প নগদ সহায়তা/রপ্তানি ভর্তুকি প্রদানের ক্ষেত্রে অডিট ফার্ম নিয়োগ প্রসঙ্গে।
- Circular No. 41, Date: 07.07.2026, Subject: ২০২৬-২০২৭ অর্থবছরে রপ্তানির বিপরীতে রপ্তানি প্রণোদনা/নগদ সহায়তা প্রদান।
- Circular No. 40, Date: 06.07.2026, Subject: Forward Rate Agreements to hedge interest rate risk against imports under suppliers'/buyers' credit
- Circular No. 39, Date: 05.07.2026, Subject: Pilot framework for digital processing of trade documents under documentary collections and letters of credit through approved trade corridors

INVITATION FOR CONTENTS

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