

# MBL

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MONTHLY ONLINE BULLETIN

RESEARCH AND PLANNING DIVISION  
MERCANTILE BANK LIMITED  
HEAD OFFICE, DHAKA.

FEBRUARY 2023

# SPECTRUM

Original and Revised ADP Outlays

বাংলা ব্যাংক

 মার্কেন্টাইল ব্যাংক লিমিটেড  
Mercantile Bank Limited  
দক্ষতাই আমাদের শক্তি

# EDITORIAL

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Tapash Chandra Paul, PhD  
Chief Financial Officer

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# EDITOR'S NOTE

The first two months of the year 2023, have already been completed. February is one of the most significant months in the history of Bangladesh. The Date 21 February, 1952 has left an indelible mark in the history of Bangladesh when people sacrificed their lives for language, which has never happened anywhere else in the world. This bloodshed created the pathway for Bangladesh to gain independence and ultimately today the country is standing proud and progressing towards being a developed nation. On 17 November, 1999 UNESCO declared 21 February as the 'International Mother Language Day'. We feel proud that the sacrifice of the martyrs of 21 February, 1952 has been recognized on the world stage. Like the previous years, February 21 was proudly observed around the world, including Bangladesh, as International Mother Language Day. In this edition of the MBL spectrum, the language martyrs from 1952 will be reverently commemorated.

Corresponding macroeconomic parameters impacted by the recent global events, including inflation, supply disruptions, and a weakening currency, pose serious economic concerns. As a result, there is uncertainty in Bangladesh's financial industry. Due to the removal of the deposit floor rate and the banks' inability to raise the lending rate due to the cap, commercial banks in January saw an interest-rate spread of 2.95 percent, the smallest in 27 months. According to Moody's, the asset risk for banks in Bangladesh will worsen amid macroeconomic challenges. In the newest Global Economic Prospects report for January 2023, the World Bank projects that Bangladesh's GDP growth rate will fall to 5.2 percent in fiscal year (FY) 2023. But is expected to be back in the ascendancy during FY 2024, the growth rate is expected to rise to 6.2 percent.

Despite all the adversities, over the past decade, the Bangladeshi economy has grown rapidly, with annual GDP growth rates consistently above 6 percent, placing it among the fastest-growing economies in Asia. As per Metropolitan Chamber of Commerce and Industry, Bangladesh economy shows some signs of improvement by facilitating export earnings and discouraging import payments. Since last August, inflation has steadily decreased to 8.57%, demonstrating a favorable trend. As well as infrastructural development projects such as the Padma Multipurpose Bridge, Dhaka Metro Rail etc will add efficiency and productivity to the economy. In this continuation, the honorable Prime Minister Sheikh Hasina suggests being more innovative to become a smart Bangladesh.

A similar subject will be present in this edition of "MBL Spectrum." The bulletin will once again provide several measures and information that will project the bank's progress as of February 2023.

**Tapash Chandra Paul, PhD**

Chief Financial Officer

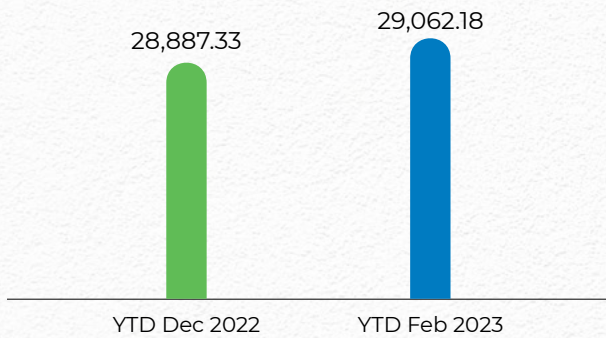
Email: Tapchpaul@gmail.com

# MBL PERFORMANCE

## FEBRUARY 2023

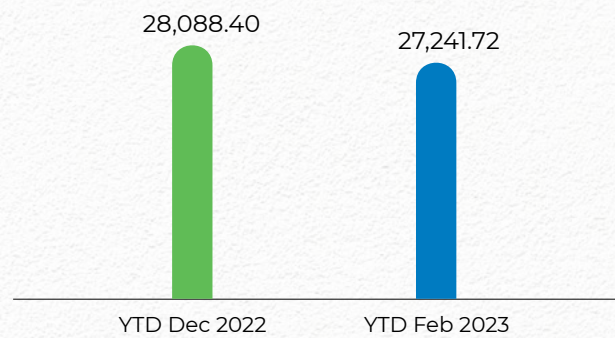
### Deposits

BDT in Crore



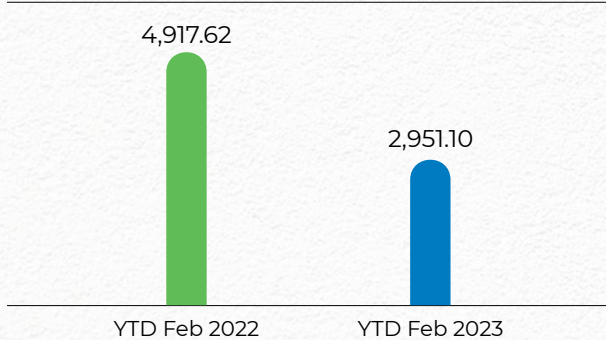
### Loans & Advances

BDT in Crore



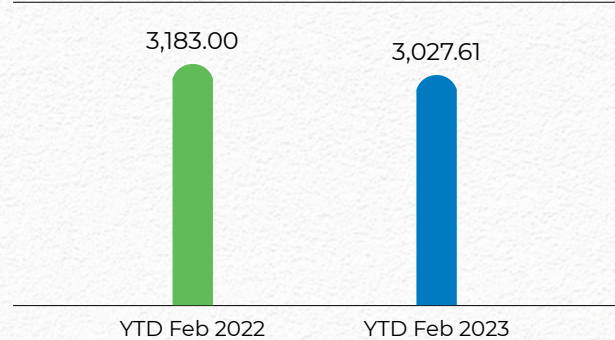
### Import

BDT in Crore



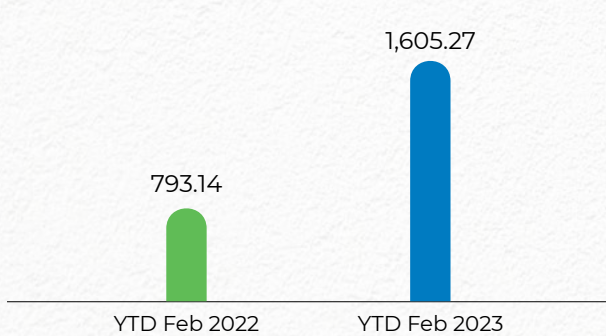
### Export

BDT in Crore

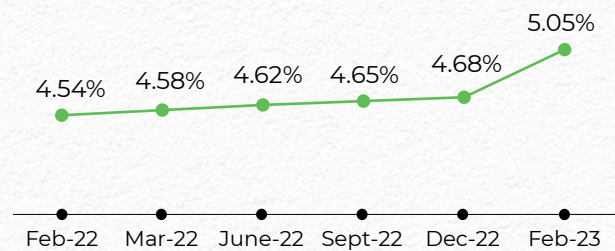


### Inward Remittance

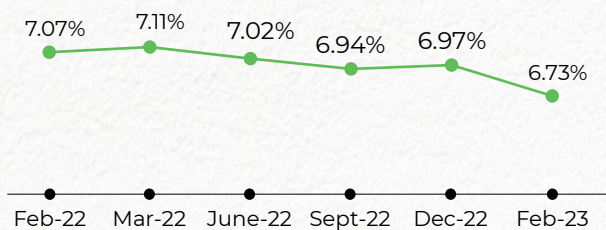
BDT in Crore



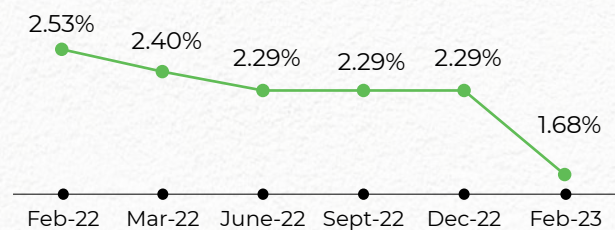
### Cost of Deposit



### Yield on Advances



### Spread



# GLOBAL ECONOMY



## The world economy faces multiple mutually reinforcing shocks

A series of severe and mutually reinforcing shocks hit the world economy in 2022, as it approached the mid-point for achieving the Sustainable Development Goals (SDGs) by 2030. While the impacts of the COVID-19 pandemic continue to reverberate worldwide, the war in Ukraine unleashed a new crisis, disrupting food and energy markets and exacerbating food insecurity and malnutrition in many developing countries.

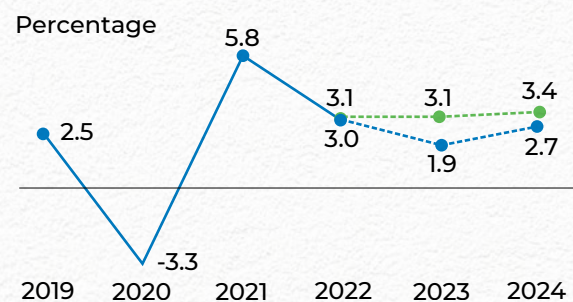
### ● World Gross Product Forecast:

Against this backdrop, the world output growth forecast was revised down significantly from the May 2022 projection. The world gross product growth is projected to decelerate from an estimated 3.0 percent in 2022 to only 1.9 percent in 2023, marking one of the lowest growth rates in recent decades. Global growth is forecast to moderately pick up to 2.7 percent in 2024 should, as

expected, some of the macroeconomic headwinds begin to subside next year

### World Gross Product forecast

—● Forcenst in May 2022 —● Latest forecast

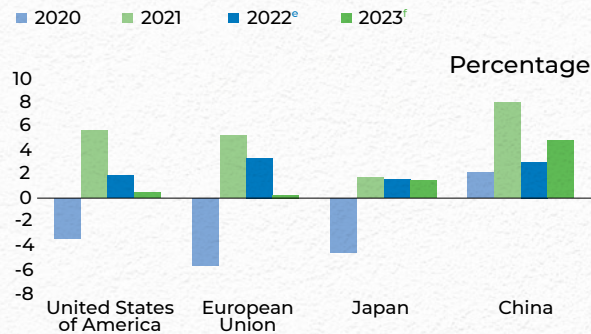


### ● Sharp downturn in most developed economies

In the United States, GDP is projected to expand by only 0.4 percent in 2023 after estimated growth of 1.8 per cent in 2022. Consumers are expected to cut back spending amid higher interest rates, lower

real incomes, and significant declines in household net worth. Rising mortgage rates and soaring building costs will likely continue to weigh on the housing market, with residential fixed investment projected to decline further.

### Growth prospects of world's major economies



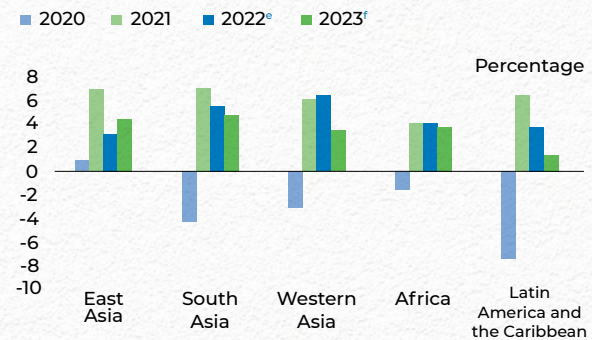
### Worsening outlook in most developing regions

Growth in China is projected to moderately improve in 2023 after a weaker-than-

(Ref: United Nations)

expected performance in 2022. Amid recurring COVID-19 related lockdowns and prolonged stress in the real estate market, the economy expanded by only 3 percent in 2022. With the Government abandoning its Zero-COVID policy in late 2022 and easing of monetary and fiscal policies, economic growth is forecast to accelerate to 4.8 percent in 2023. But the reopening of the economy is expected to be bumpy, and growth will likely remain well below the pre-pandemic rate of 6 to 6.5 percent.

### Growth prospects of developing economies



## UK in surprise boost after record tax payments

The UK government saw a surprise surplus in its finances in January despite “substantial spending” to help with energy bills and EU payments. The highest self-assessed income tax receipts since records began in 1999 boosted the UK’s coffers. It meant it spent less than it received in tax, leaving a £5.4bn surplus. Economists said the figures showed a “mixed picture” with public finances still weaker than this time last year ahead of next month’s Budget. Chancellor Jeremy Hunt will set out his plans for tax and spending on 15 March. Martin Beck, chief economic advisor to the EY ITEM Club which is a UK economic forecasting group, said the figures gave Mr Hunt “some positives to work on” in his Budget. Mr Beck said the fall in cost of wholesale energy meant the government’s spending on support



for bills “will be a fraction” of what was officially forecast last year.

However, because the government’s self-imposed fiscal rules around debt relate to five years in the future, he said short-term movements in UK’s finances “don’t have much bearing” on policies.

(Ref: <https://www.bbc.com>)

## Russia's economy shrinks by less than expected

Russia's economy shrank last year by less than had been expected given its invasion of Ukraine. The economy contracted by 2.1%, according to the country's statistics agency, but this was less than an earlier prediction of a 12% fall.

While questions have been raised about the reliability of the data, many commentators have been surprised at the Russian economy's resilience. High oil prices and military spending have helped to support the economy.

After the invasion, hundreds of Western firms withdrew from Russia. The initial shock forced the stock market in Russia to close temporarily and saw the rouble



tumble as people queued up at cash machines. The Institute for International Finance had predicted the Russian economy would shrink by 15% in 2022 and last March, US President Joe Biden said it was "on track to be cut in half".

(Ref: <https://www.bbc.com>)

## US GDP less than earlier reported



The US economy grew slightly less than reported in the final three months last year, the Commerce Department said, citing a downward revision to consumer spending.

GDP growth in the October to December period was 2.7 percent, annualised, lower

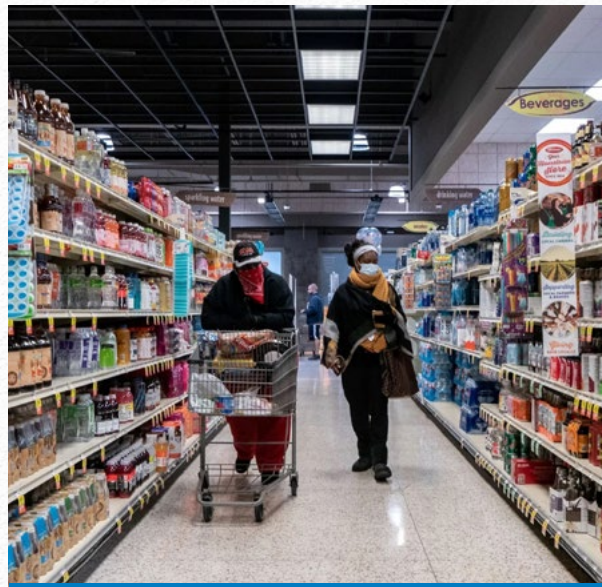
than the 2.9 percent increase originally reported. "The updated estimates primarily reflected a downward revision to consumer spending that was partly offset by an upward revision to nonresidential fixed investment," said the Commerce Department in a statement.

(Ref: <https://www.bbc.com>)

## US consumer spending posts biggest gain in two years

US consumer spending increased by the most in nearly two years in January amid a surge in wage gains, while inflation accelerated, adding to financial market fears that the Federal Reserve could continue raising interest rates into summer.

The report from the Commerce Department on 24 February was the latest indication that the economy was nowhere near a much-dreaded recession. It joined data earlier this month showing robust job growth in January and the lowest unemployment rate in more than 53 years. Consumer spending, which accounts for more than two-thirds of US economic activity, shot up 1.8 percent last month. That was the largest increase since March 2021. Data for December was revised higher to show spending dipping 0.1 percent instead of falling 0.2 percent as



previously reported. Economists polled by Reuters had forecast consumer spending rebounding 1.3 percent.

(Ref: <https://www.thedailystar.net/>)

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## Eurozone recovery accelerates in February

Economic growth in the eurozone accelerated in February and hit a nine-month high, according to the closely watched S&P PMI output index. Data from the survey published on 21 February showed the indicator at 52.3, up from 50.8 in January. A reading over 50 represents economic growth.

Output in the single currency bloc turned around in January after a slump tied to supply chain disruptions, the Covid pandemic and the war in Ukraine. With inflation still high but falling and China reopening its economy after strict Covid lockdowns, European growth has returned, raising hopes the eurozone will escape falling into recession. "Business activity across the eurozone grew much faster



than expected in February," said Chris Williamson, chief business economist at S&P Global market Intelligence.

(Ref: <https://www.thedailystar.net/>)

# Turkey quake could result in loss of up to 1pc of country's GDP in 2023

The potential economic effects of the earthquake in Turkey could result in a loss of up to 1 percent of the country's gross domestic product this year, the European Bank for Reconstruction and Development (EBRD) said in a report. The bank added this is a "reasonable estimate" due to the expected boost from reconstruction efforts later this year, which will offset the negative impact to infrastructure and supply chains, reports Reuters. "The earthquake affected to a large extent agricultural areas and areas where there is light manufacturing, so spillovers to other sectors are limited," EBRD chief economist Beata Javorcik told Reuters.



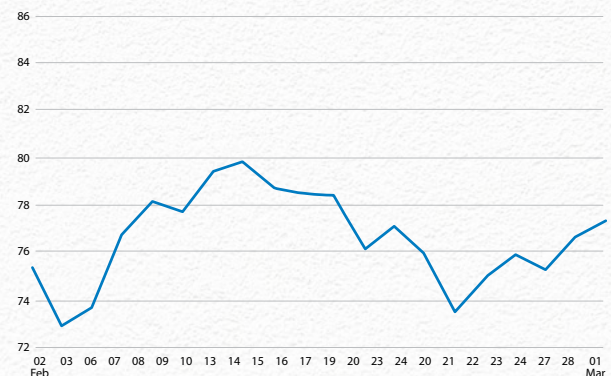
Growth for Turkey, the single biggest recipient of EBRD funds, has been revised down to 3 per cent from 3.5 per cent in 2023, without considering the impact of the earthquake in the estimates.

(Ref : <https://thefinancialexpress.com.bd/>)

## Brent Crude Oil (\$/barrel)



## West Texas Intermediate Crude Oil Price (\$/barrel)



## Gold Price (USD/oz)



## Natural Gas (p/therm)



Sources:  
 1. [www.bbc.com](http://www.bbc.com)  
 2. [www.goldprice.org](http://www.goldprice.org)

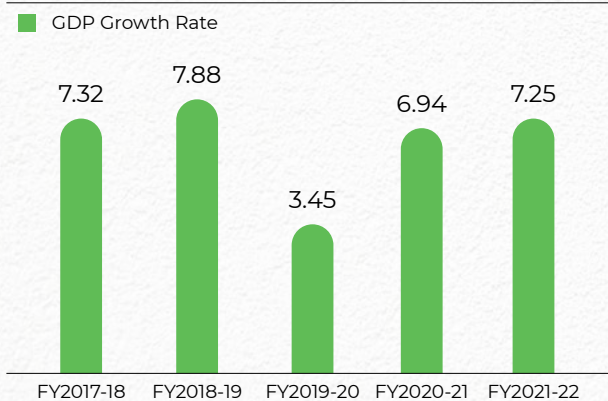
Graph: Global Economy Scenario

# BANGLADESH ECONOMY

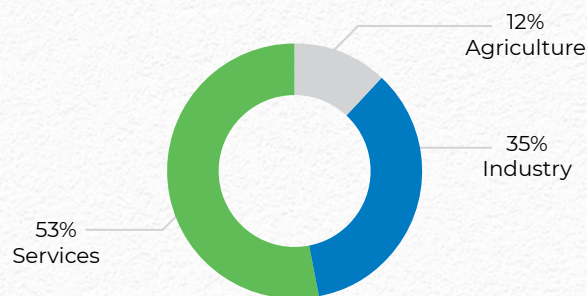


## Key indicators of economy at a glance

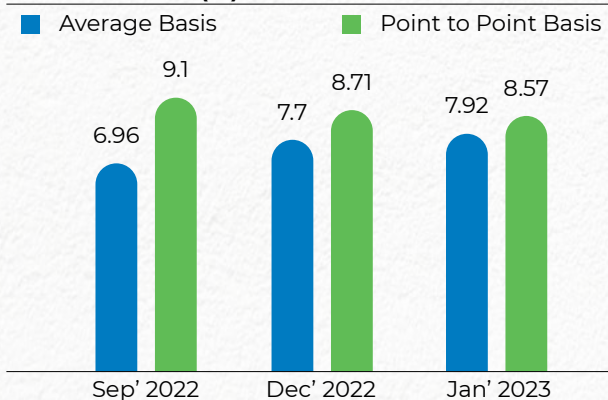
**Five years GDP growth rate (Base: 2005-06=100)**



**Sector wise contribution in GDP, 2022**

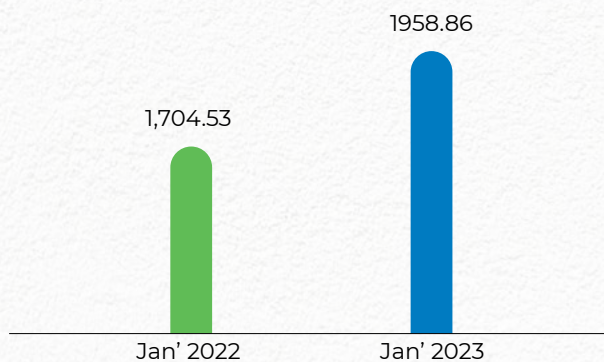


**Inflation Rate (%)**

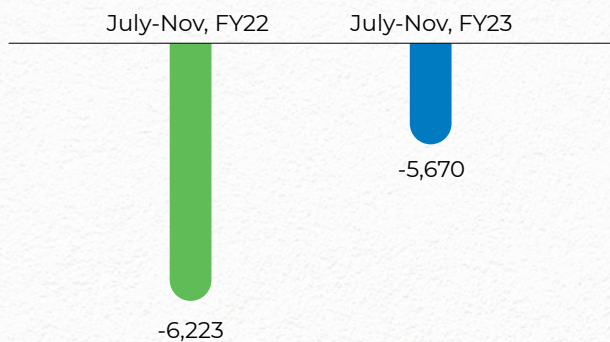


**Wage Earners' Remittances**

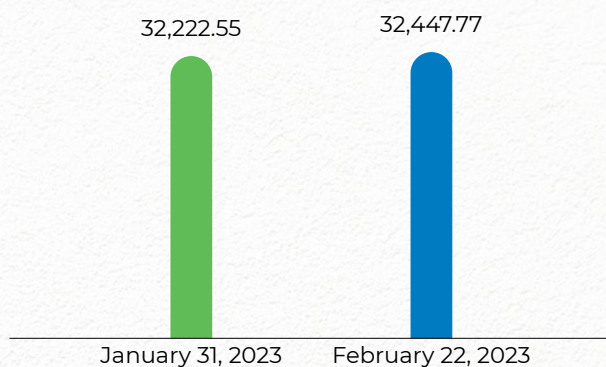
In million US\$



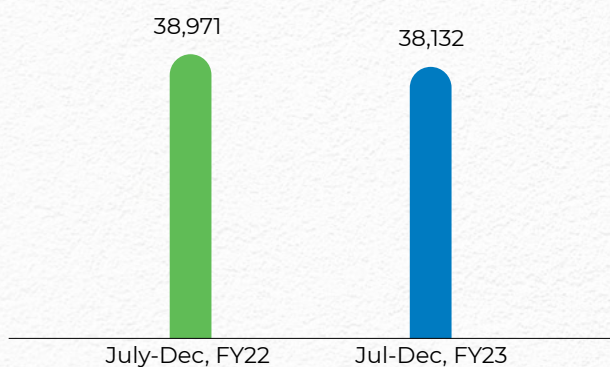
### Current Account Balance In million US\$



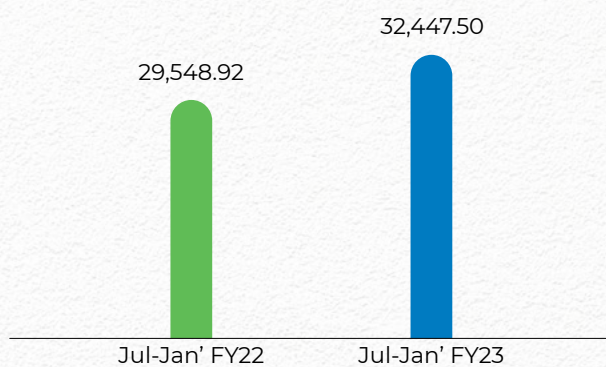
### Foreign Exchange Reserve In million US\$



### Import In million US\$

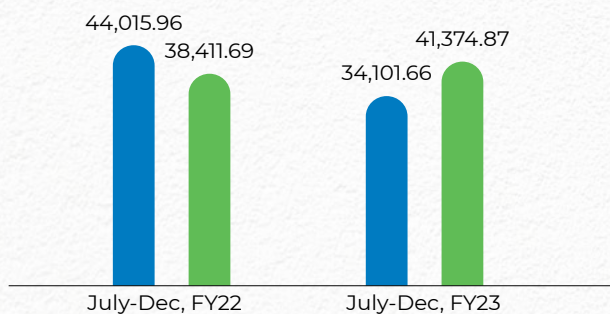


### Export In million US\$

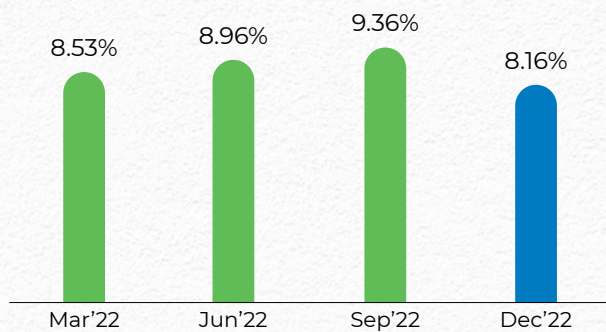


### L/C Opening and Settlement In million US\$

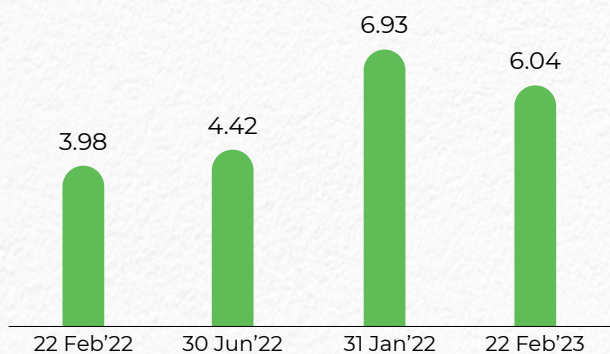
■ Opening ■ Settlement



### Classified Loan in percent



### Call Money Rate in percent

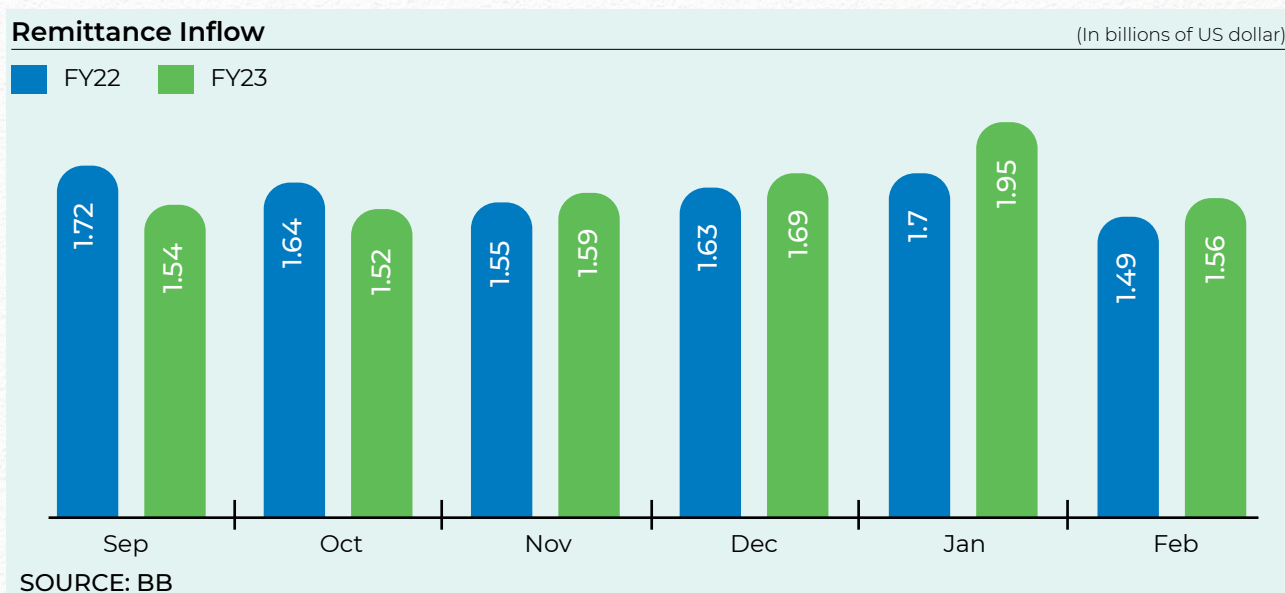


## Remittance rises 4.46% in February

Remittances increased 4.46 per cent year-on-year to \$1.56 billion in February this year as expatriate Bangladeshis have been opting for the legal channel in the last several months to send their hard-earned money. Remittances in February, however, declined 20.3 per cent from January when expatriate Bangladeshis sent home \$1.95 billion.

The BB official said the month of January contains 31 days whereas February is 28 days, so it is logical for a lower amount of remittances in the last month. Between July and February of this fiscal year, remittance inflow stood at \$14.01 billion, down 4.27 per cent year-on-year.

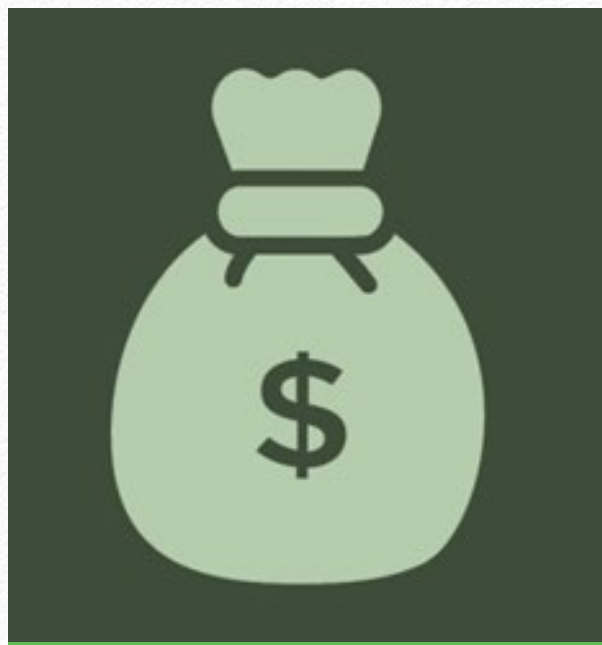
(Ref: <https://www.thedailystar.net/>)



## Bangladesh economy shows signs of improvement, MCCI observes

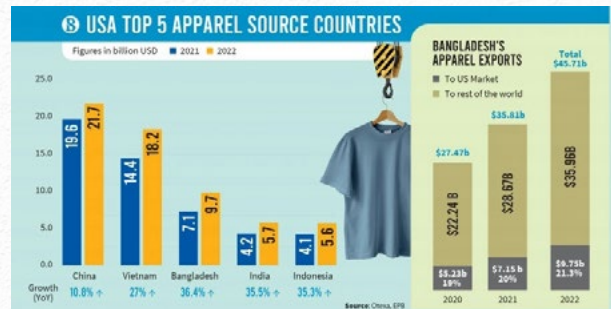
The Metropolitan Chamber of Commerce and Industry (MCCI) has observed that Bangladesh's economy has been showing some signs of improvement. In a report titled 'Review of Economic Situation in Bangladesh October - December 2022 (Q2 of FY23)', MCCI mentioned that Bangladesh's robust economic recovery from the Covid-19 pandemic has been interrupted by the war in Russia-Ukraine, resultant supply-chain disruptions, global oil-and food-price spikes, slowdown in external demand, weak remittance inflow, rise in inflation, negative current account balance, depreciation of the Taka and a decline in foreign exchange reserves.

(Ref: <https://thefinancialexpress.com.bd>)



## IMF sets floor for net forex reserve at \$24.4b for June

Bangladesh will have to maintain net international reserves of at least US\$24.46 billion in June this year in line with the International Monetary Fund (IMF)'s BPM6 definition. The IMF set this floor for the foreign-exchange reserves in Quantitative Performance Criteria (QPC) of its \$4.7 billion-loan programmes approved this week to Bangladesh to help maintain macroeconomic stability. The net international reserves are gross reserves minus central bank's



foreign currency liabilities and reserves earmarked for quasi-fiscal activities  
(Ref: [www.thefinancialexpress.com.bd](http://www.thefinancialexpress.com.bd))

## One in every ten garments exported to the US goes from Bangladesh

According to the latest data from the US Office of Textiles and Apparel (Otexa), Bangladesh's clothing exports to the US grew by 36.4% to \$9.75 billion year-on-year in 2022. It showed that Bangladesh's current share in the US market is about 9.8% (of the nearly \$100 billion worth of clothing the US imported globally), meaning one in every ten garments exported to America from around the world originated from Bangladesh. Bangladesh's apparel exports to the United States have been growing steadily, despite not having



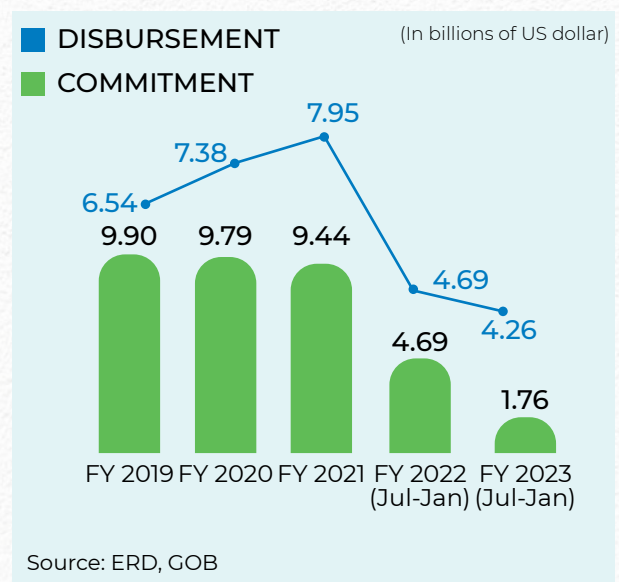
duty benefits from the world's largest market, as its market share stood at 8.2% in 2020 and 8.8% in 2021.

(Ref: <https://www.tbsnews.net>)

## Bangladesh's exports rise 5.89pc to \$5.13b in January

Bangladesh managed to bring in more than 5.0 billion US dollars in export receipts for a third consecutive month in January, beating the expectations of businesses. Exports increased 5.89 per cent year-on-year to \$5.13 billion in January, according to the data released by the Export Promotion Bureau. However, the figure was below the target of \$5.25 billion set by the government, falling short by 2.10 per cent. Bangladesh earned over \$5 billion in November and December, with the December figure of \$5.37 billion being the highest in the country's history.

(Ref: <https://thefinancialexpress.com.bd>)



## Foreign aid flow into BD falling headlong

Foreign-aid flow into Bangladesh is ebbing down drastically in recent months as the country received 62-percent less assistance confirmation in July-January period and aired despair about any early rebound. Government's belt-tightening stance on public spending, lax reform initiatives, country's waning creditworthiness, and global economic shocks have shrunk the overseas development assistance (ODA) inflow to the country. Economists point out that reluctance in reform, lower local resource allocation for the



foreign-funded development projects, and historically weak capacity in project implementation as the dampers on the ODA inflow.

(Ref: <https://thefinancialexpress.com.bd>)

## BBS to calculate inflation on new base year per IMF advice

The inflation will be calculated for the base year 2021-22 instead of the existing base year of 2005-06, which will be more accurate as lifestyle and consumer behaviours made a big change in the present time. According to the BBS, in the new base year, the changes in consumption patterns of people during the last one and a half decade have been prioritized. For example, in the base year 2005-06, inflation was calculated using only 426 goods and services. About 300 more products and services are increasing in the new base year. There will



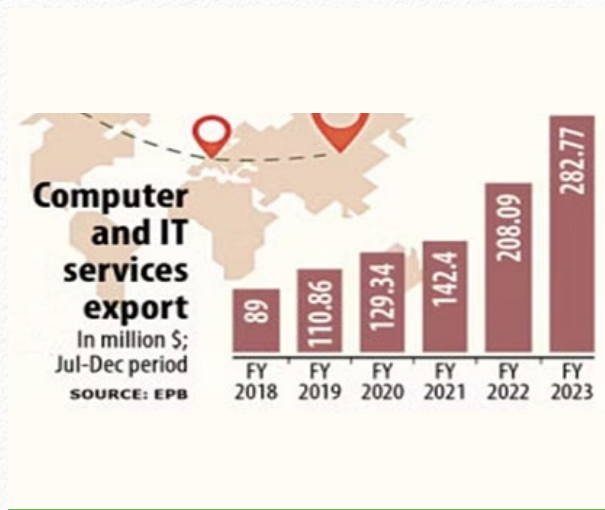
be a total of 722 products and services as new, which will be calculated by taking 100 points and the contribution of these products to inflation, reports UNB.

(Ref: <https://thefinancialexpress.com.bd>)

## Welcome positive trend in remittance receipt

Amid the many negative developments in the country's economy over the past few months including a declining remittance flow, volatility in the forex market and high inflation, to name but a few, some positive reports are also coming in. One of those is the significant increase in remittance receipt in January this year compared to its trend over previous months. The remittance money sent by the migrant overseas workers amounted to US\$1.96 billion, informed central bank sources.

(Ref: [www.thefinancialexpress.cpm.bd](http://www.thefinancialexpress.cpm.bd))



## Bangladesh's IT export surges despite global economic crisis

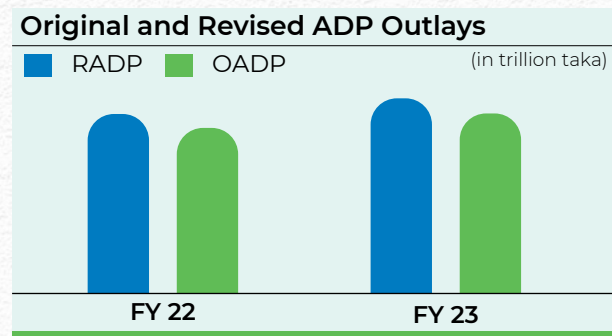
Information technology exports from Bangladesh shot up 36 per cent in the first half of the current financial year, beating expectations of industry players as the local IT industry showed resilience against the global economic turmoil. IT companies brought home \$282.77 million in the July-December period of 2022-23, up from \$208.09 million in the identical half of 2021-22, data from the Export Promotion Bureau (EPB) showed.

(Ref: <https://www.thedailystar.net>)



## Tax revenue collection at below-average rate

The collection of government tax revenues continued to grow at below-average rate in the first seven months of the current fiscal year (FY), 2022-23, compared to that of the corresponding period of the last fiscal. The slow growth is reflected in the government's belt-tightening measures and erosion of income of both corporate entities and individuals. The National Board of Revenue's (NBR) resource mobilisation grew by nearly 10 per cent in July-January period of FY 23, while average tax revenue-collection growth was 12 per cent in the last five years. Tax



revenue-collection growth was 11 per cent until December 2022

(Ref: <https://thefinancialexpress.com.bd>)

## Financial dearth dents development spending

Financial dearth dents Bangladesh's development spending as the government may prune its annual development recipe, officials said, attributing much of the tightfistedness to lower foreign-aid inflow. A 7.52-percent cut to Tk 2.27 trillion in the overall allocations for the Annual Development Programme (ADP) for this fiscal is envisaged. The Planning

Commission (PC) has chopped the foreign-aid allocation by 20 per cent to Tk 745 billion in the proposed Revised ADP (RADP), they said, in the wake of global financial flu induced by pandemic and war. The original size of the ADP for the current fiscal year (FY) 2022-23 is Tk 2.46 trillion.

(Ref: <https://thefinancialexpress.com.bd>)

# BANKING INDUSTRY



## Summary of Banking Statistics

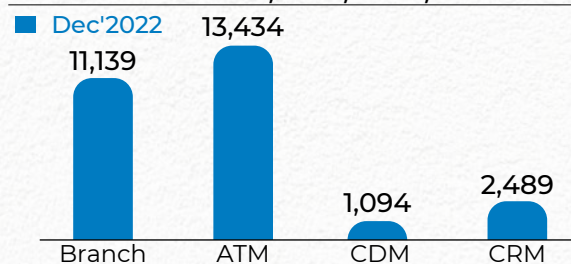
### ● Bank Deposit and Credit

Items	Dec, 2022	Nov, 2022	Dec, 2021	Percentage change Dec, 2022 over Dec, 2021
Deposits held in DMBs* (Taka In million)	1,48,91,691	1,48,68,881	1,40,93,426	5.66
Bank Credit (Taka In million)	1,75,82,944	1,75,42,237	1,62,64,939	8.1

\* Excludes Inter bank Deposits and Government Deposits.

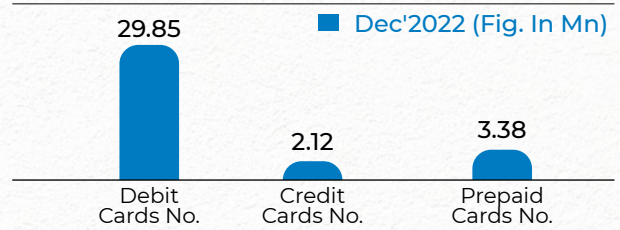
- In perspective of the total population (165.16 million, source: Preliminary Report on Population and Housing Census 2022, BBS) of Bangladesh, on an average 14,827 people receive financial services from one branch and 12,294 people receive digital financial services from one ATM.

### Number of Branch, ATM, CDM, CRM



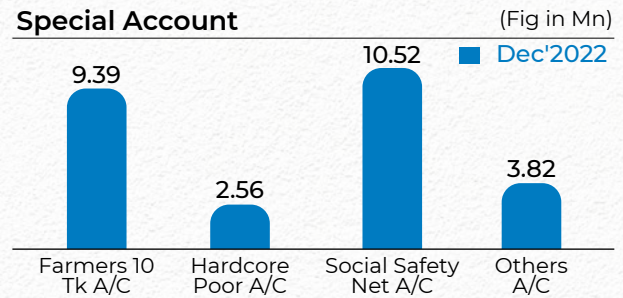
- In December 2022, the number of local and foreign currency transactions were 42.14 million with an amount of TK. 3,96,651.77 million.

### Number of Debit Card, Credit Card and Prepaid Card



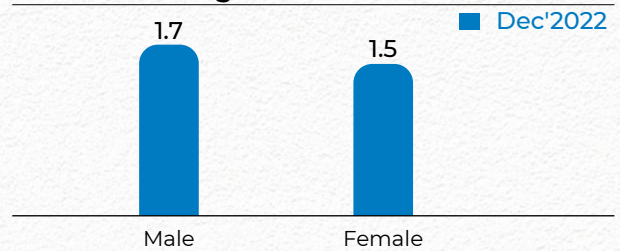
- Total No. of Special Account (Underprivileged people receive government allowances through no-frill accounts such as Farmers 10 TK. Account, Hardcore Poor Account, Social Safety Net Account etc.)

### Special Account



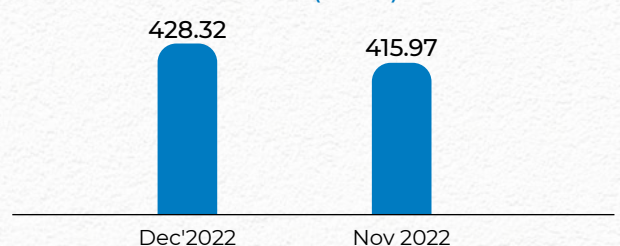
- In December, 2022, it is observed that there are more male student accounts than female student accounts and the total deposit balance of those accounts is TK. 22,546.1574 million.

### School Banking Account



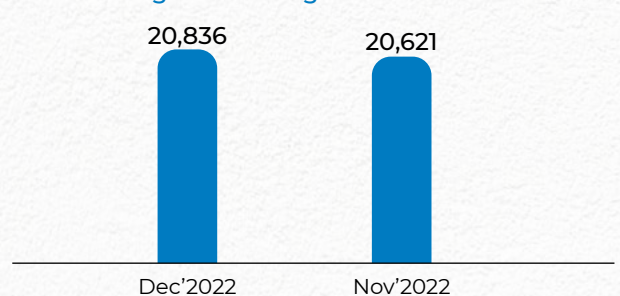
- In December 2022, the number of MFS (Mobile Financial Service) accounts is 191.06 million of which 85.04 million are in urban area and 106.03 million are in rural area. The float amount in this month is Tk. 92,064.53 million.

### MFS Transaction No. (In Mn)



- Currently, 31 Scheduled Banks are operating Agent Banking Activities in Bangladesh and at the end of December, 2022, the ratio of Agent Banking accounts in urban and rural areas is about 16:84. In Agent Banking, total number of accounts is 17.48 million and deposit balance is TK. 2,96,872.97 million in December, 2022.

### No. of Agent Banking Outlet



## Central bank raises interest rate for loans from EDF

Bangladesh Bank (BB) has raised the interest rate on loans made from its Export Development Fund (EDF). It has been decided that interest rate on EDF loans to ADs will be charged by Bangladesh Bank at 3 per cent, while ADs will charge interest to manufacturer-exporters at 4.50 per cent, for disbursements until further instructions. Other relevant instructions on EDF shall remain unchanged.

(Ref: <https://thefinancialexpress.com.bd>)



## Provisioning rules eased for broker, merchant banks

Bangladesh Bank (BB) has raised the interest rate on loans made from its Export Development Fund (EDF). It has been decided that interest rate on EDF loans to ADs will be charged by Bangladesh Bank at 3 per cent, while ADs will charge interest to manufacturer-exporters at 4.50 per cent, for disbursements until further instructions. Other relevant instructions on EDF shall remain unchanged.

(Ref: <https://thefinancialexpress.com.bd>)



## BB lifts MFSP's transaction limit; Bangla QR code by June

All the banks were asked to introduce "Bangla QR" code payment systems by 30 June, 2023. Bangladesh Bank has lifted the daily transaction limit through the "Bangla QR" code. From now on, customers can do transactions as many numbers as they want by using the 'Bangla QR' code. The payment system department of Bangladesh Bank (BB) issued a circular in this regard withdrawing the maximum daily transaction limit of Tk 20,000. The instructions were sent to all banks, mobile financial service providers (MFSP), payment service providers, and payment service operators across the country.

(Ref: <https://thefinancialexpress.com.bd>)



## Expatriates can send higher remittance sans declaration



### Central bank doubles dollar-denominated ceiling

Bangladesh is working abroad can now send home higher remittance sans declaration as the central bank raised the limit, under current government drives for recharging the country's receding foreign-exchange reserves. From now on, Bangladeshi expatriate workers can bring remittance amounting to US\$20,000 or its equivalent without any declaration, says the Bangladesh Bank (BB) in a latest circular. The ceiling on undeclared amount of remittance has been doubled from the current limit at US\$ 10,000 or its equivalent.

(Ref: <https://thefinancialexpress.com.bd>)

## Interest rate spread at 27-month low in January

Interest Rate Spread based on Monthly Weighted Average Rate of Interest (Jan'2023)

Particulars	Weighted Average Deposits	Weighted Average Advances	Spread
Private Banks	4.52	7.46	2.94
All Banks	4.29	7.24	2.95

Source: BB

Commercial banks have witnessed an interest-rate spread of 2.95 per cent in January, lowest in 27 months, triggering concerns among the bankers over further squeezing of their profitability. The deposit rates went up after lifting the minimum deposit floor rate but the lending rates still remained capped, leading to the uncomfortable situation. Earlier the lowest weighted average spread between

the lending and deposit rates of all banks operating in the country was 2.94 per cent in October 2020, according to Bangladesh Bank (BB) statistics. The spread was widening since then and stayed over 3.0 per cent for a long period of time. However, it fell below 3.0 per cent in November last year and stood at 2.99 per cent in December 2022.

(Ref: <https://thefinancialexpress.com.bd>)

## Agent banking changes rural socioeconomic landscape

Agent banking continues changing rural socioeconomic landscape with formal credit inflow, deposit netting and injection of inward remittance marking a remarkable increase in the heretofore backwoods. Since access to finance is one of the key challenges facing financial inclusion, lending through agent banking is explicitly beneficial to rural customers. Banking on this facility of easy access to the stakeholders, the operations of agent banking recorded a remarkable growth in the fourth quarter (Q4) of 2022. As of December 2022, the lending through agent banking rose by 92.77 per cent year

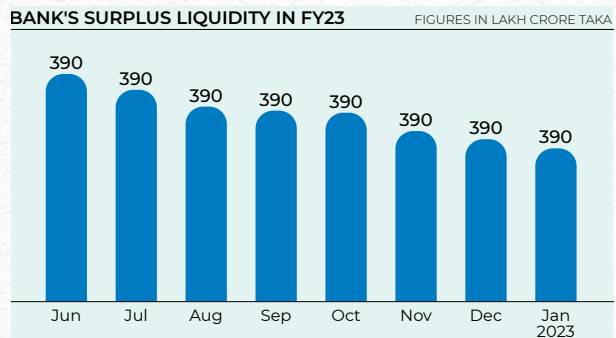


on year to reach Tk 103 billion. The volume of loans disbursed until December 2021 was Tk 53.47 billion.

(Ref: <https://thefinancialexpress.com.bd>)

## Banks' excess liquidity falls by Tk8,128cr in January

The excess liquidity in the banking sector dropped by Tk8,128 crore to Tk1,37,600 crore in January compared to the previous month. According to data from the Bangladesh Bank, the amount of excess liquidity in banks was Tk2,03,435 crore in June last year. According to bankers, some banks are still facing a liquidity crunch while others have this cash surplus. Bankers said the central bank's massive sale of dollars, low deposit rates, dollar appreciation, and large cash withdrawals by customers have reduced excess liquidity. It dropped sharply to



Tk1.53 lakh crore in November from Tk1.69 lakh crore in October 2022.

(Ref: <https://thefinancialexpress.com.bd>)

## Pvt sector credit growth dips further to 12.62pc

The private sector credit growth dropped in January 2023 due to liquidity stress and an unfavourable business environment resulting from the ongoing economic crisis in the country. According to Bangladesh Bank data, the private sector credit growth dropped to 12.62 per cent in January 2023 from 12.89 per cent in December 2022. In November 2022, the growth was 13.97 per cent. According to banking sector experts, the decline in private sector credit growth in January was a consequence of a liquidity shortage in Bangladesh's banking sector. According to the central bank data,



the amount of excess liquidity in banks dropped to Tk 1.37 lakh crore in January 2023 compared with that of Tk 1.45 lakh crore in December 2022.

(Ref: <https://www.newagebd.net>)

## Mudarabah comes to feed cash-strapped Islamic banks



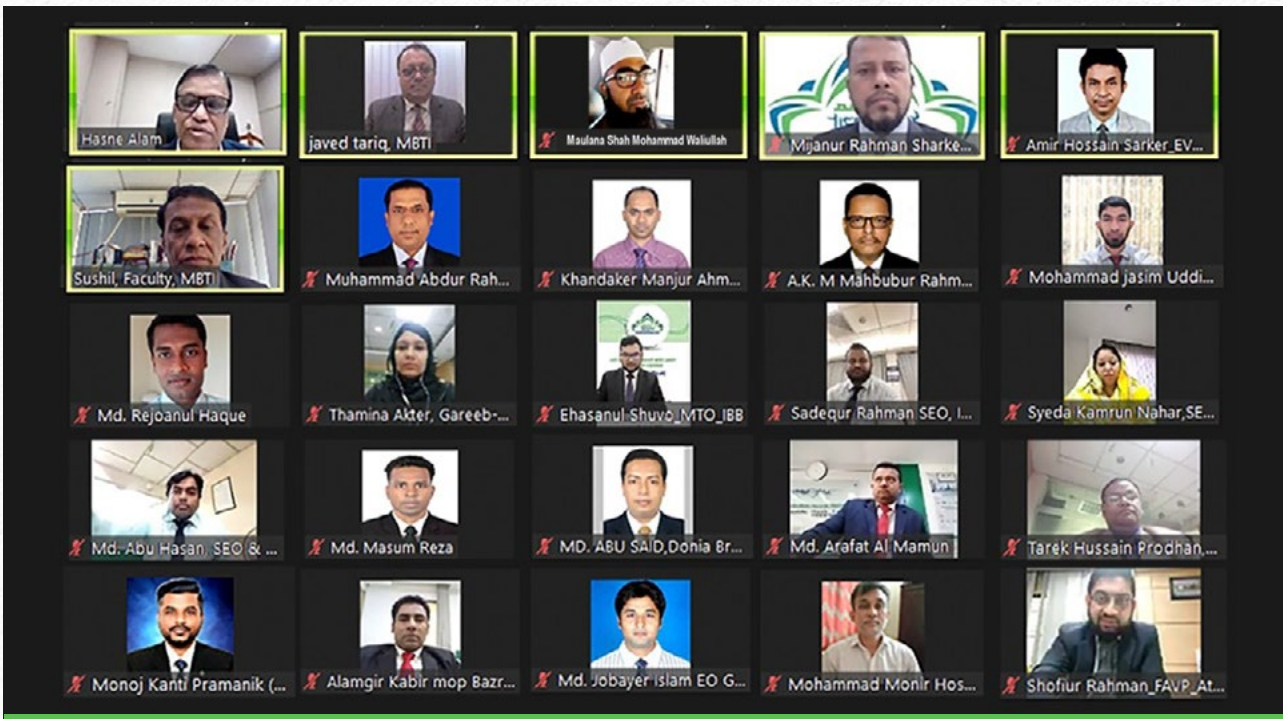
A new financial instrument styled Mudarabah Liquidity Support (MLS) comes for feeding the cash-strapped Islamic banking system, in the wake of reports of recent hefty withdrawals. In order to ensure “financial stability and resilience” in the banks, Bangladesh Bank (BB) introduced the Shari’ah-compliant financial instrument. The main feature of the MLS is claims of banks on the

government of Bangladesh arising from subsidies or incentives to be received against special schemes/programmes shall be considered collateral. Claims against remittance incentives and against financial stimulus or incentives facilities are also to be used as collateral. The tenure of the MLS is 07/14/28 days.

*(Ref: <https://thefinancialexpress.com.bd>)*



## Mercantile Bank held Training on Shariah Based Banking & Finance



Mercantile Bank Limited organized a virtual training on 'Fundamentals of Shariah Based Banking & Finance' recently. A total number of 94 officials

from various branches of the bank attended the three day online program. Hasne Alam, DMD and CBO of Mercantile Bank inaugurated the training. In

his address Hasne Alam advised participating officers to be conversant with the framework of Islamic banking operations in discharging their assigned responsibilities. Eminent Islamic scholars Shah Mohammad Waliullah, Member, Mercantile Bank Shari'ah Supervisory

Committee virtually joined as a resource person. Md. Mijanur Rahman Sharker, Head of Islamic Banking Division of MBL along with other officials from Islamic Banking Division conducted various sessions. Javed Tariq, Principal of MBTI moderated the program.

## Mercantile Bank held Training on 'Customer Service'



Mercantile Bank Training Institute organized a Training on 'Customer Service and Compliant Management: Bangladesh Bank Guidelines' recently. Respective officers from various branches across the country participated in the program. Tapash Chandra Paul, PhD, CFO of the bank inaugurated the training. In his speech, Tapash Chandra

Paul advised participating officers to be strictly compliant with the central bank circulars and guidelines provided by the experts in the training sessions. Md. Enayet Ullah, EVP & Head of ICCD and Muhammad Khorshed Alam, VP & Head of Operations Division of MBL conducted the sessions. Javed Tariq, Principal of MBTI moderated the program.

## Blanket Distribution



# WE MOURN



**MD. FAISOL HYDER CHOWDHURY**

First Assistant Vice President  
Mercantile Bank Limited  
Financial Administration Division  
(11 June, 1964 - 30 January, 2023)

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**MD. ABU SAKIN**

Ex Senior Vice President  
Mercantile Bank Limited  
(31 July, 1959 – 08 January, 2023)

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# BANGLADESH BANK CIRCULAR

## FEBRUARY 2023

### BRPD Circular

- BRPD Circular No. 04, Date: 22.02.2023, Subject: Identification of Limited Company as per The Companies (2nd Amendment) Act, 2020
- BRPD Circular No. 03, Date: 08.02.2023, Subject: Inclusion of Passing Banking Diploma Examination in the Promotion Policy of Officers as Mandatory Requirement
- BRPD Circular Letter No. 04, Date: 06.02.2023, Subject: Preserving audited financial statements in the loan file.
- BRPD Circular Letter No. 03, Date: 02.02.2023, Subject: Loan Classification and Provisioning.
- BRPD Circular Letter No. 05, Date: 15.02.2023, Subject: Refinance Scheme to Support Cinema Hall Owners

### CGD Circular

- CGD Circular Letter No. 01, Date: 19.02.2023, Subject: Settlement of Guarantee Claim under Credit Guarantee Scheme

### DCM Circular

- DCM Circular No. 01, Date: 16.02.2023, Subject: Direct destruction of defective and non-circulating notes deposited in the vaults of Bangladesh Bank

### DFIM Circular

- DFIM Circular No. 01, Date: 22.02.2023, Subject: DFIM Circular No. 01: Inclusion of Banking Diploma in the promotion policy as mandatory requirement for senior officer and above official of NBFIs
- DFIM Circular Letter No. 03, Date: 13.02.2023, Subject: Collecting & Preserving Audited Financial Statement in the Loan Files for Approval & Renewal of Loans of Financial Institutions
- DFIM Circular Letter No. 02, Date: 01.02.2023, Subject: Issuance of Bond by NBFIs for collecting long term funds

### DOS Circular

- DOS Circular Letter No. 05, Date: 02.02.2023, Subject: Regarding Celebration of National Library Day-2023
- DOS Circular Letter No. 06, Date: 08.02.2023, Subject: To observe mourning day for the devastating earthquake in Turkey and Syria

### FEPD Circular

- FEPD Circular No. 03, Date: 22.02.2023, Subject: Enhancement of limit for declaration on Form-C against inward remittances
- FEPD Circular No. 01, Date: 01.02.2023, Subject: Inward Remittance-Declaration on Form-C
- FEPD Circular Letter No. 02, Date: 05.02.2023, Subject: Retention quota accounts for export of software, ICT and other services
- FEPD Circular No. 02, Date: 01.02.2023, Subject: Interest rate on borrowing from Export Development Fund (EDF)

### **FEOD Circular**

- FEOD Circular No. 01, Date: 07.02.2023, Subject: Regarding Endorsement on Passport

### **DMD Circular**

- DMD Circular No. 02, Date: 05.02.2023, Subject: Guidelines for Shari'ah Compliant Mudarabah Liquidity Support (MLS).

### **SMESPD Circular**

- SMESPD Circular Letter No. 03, Date: 16.02.2023, Subject: Additional Refinance fund for COVID-19 affected Cottage, Micro, Small and Medium Enterprises (CMSME) sector under 'COVID-19 Emergency and Crisis Response Facility Project (CECRFP, L0415-A)' funded by Asian Infrastructure Investment Bank (AIIB)

### **SD Circular**

- SD Circular Letter No. 02, Date: 16.02.2023, Subject: Regarding data submission of Foreign Direct Investment according to new time schedule.

### **PSD Circular**

- PSD Circular Letter No. 01, Date: 08.02.2023, Subject: Regarding Augmentation of Bangla QR Code Based Payments
- PSD Circular No. 01, Date: 01.02.2023, Subject: Providing permission for Card-Based transaction through Contactless payment service by using NFC technology.

## Instruction Circular

- Circular No.3002, Date: 28.02.2023, Subject: Revision of Provisional Profit Rate with monthly Installment size under “Taqwa Mudaraba Hajj Sanchaya Prokolpo (TMHCP).
- Circular No.3001, Date: 27.02.2023, Subject: Time Extension for Haj Registration-2023
- Circular No. 3000, Date: 23.02.2023, Subject: Launching of 02 (two) New Deposit Products of MBL Taqwa Islamic Banking: 1. Taqwa Bibaho Sanchaya Prokolpo (TBSP) & 2. Taqwa Kotipotri Sanchaya Prokolpo (TKSP)
- Circular No. 2999, Date: 20.02.2023, Subject: Refraining from extending any sort of facility (ies) to Computer Services Ltd., Chairman: Mrs. Neera Hasnat Khan, a defaulted customer of Social Islami Bank Limited.
- Circular No. 2998, Date:19.02.2023, Subject: i. Celebration of “Financial Literacy Day” which will be held on 06/03/2023, (First Monday of March in Every Year) in our Branches/Sub-Branches 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 2. Publish Literacy Contents in Social Media/Web-Site in our Bank 3. Distribution of Brochure/Leaflet, etc. among Customers 4. Hanging Banner/Festoon/X-Banner, etc. in front of Branch/Sub-branch or inside of Branch/Sub-branch Premises 5. Common Desktop Wallpaper for all Users of our Bank. ii. Execution of Theme for increasing awareness program for Remitting of Foreign Remittance in our Branch/Sub-branch/Agent Banking Outlets using Proper Channel.
- Circular No. 2997, Date: 14.02.2023, Subject: Statement of FDR issued in the name of “Depreciation Fund /BBA Fund” of the authority of Ministry of Road Transport and Bridges.
- Circular No. 2996, Date: 12.02.2023, Subject: Introducing a new web based application to determine projected month-wise “Foreign Currency” inflow received from export proceeds.
- Circular No. 2995, Date: 12.02.2023, Subject: Revised Guidelines on Environmental & Social Risk Management (ESRM) of our Bank.
- Circular No. 2994, Date: 09.02.2023, Subject: Collection of IPO Midland Bank Limited from the General Public (GP) through Electronic Subscription System (ESS) of Dhaka Stock Exchange Limited
- Circular No. 2993, Date: 07.02.2023, Subject: Notice on Haj Registration of Pilgrims for the year 2023 Christian Era/1441Hijri 2. Request for :  
i. Opening of Haj Agencies Accounts with your branch/sub-branch;  
ii. Transfer the money for the purpose of House Rent, Different Services & Transport Charges, Extra Service Charges, Fooding and Accommodation for Non- Government Pilgrims to International Bank Account Number (IBAN) of Haj Agencies, who are maintaining the accounts with different banks in the Kingdom of Saudi Arabia through our International Division except AD branch (Authorised Dealer) according to rules and regulation of Ministry of Religious Affairs and Bangladesh Bank

- Circular No. 2992, Date:07.02.2023, Subject: Collection of Credit Card Payment of LankaBangla Finance Limited inputting “CARD ACCOUNT NUMBER” instead of “CARD NUMBER” with effect from March 01, 2023.
- Circular No. 2990, Date: 01.02.2023, Subject: Deposit Net Growth Campaign-2023 for All Branches & Sub -Branches

### Information Circular

- Circular No. 1945, Date:27.02.2023, Subject: Published of Approved Haj Agencies List (3rd phase) for 1444 Hijri/2023 Christian Era.
- Circular No. 1943, Date: 23.02.2023, Subject: পাস্টিকের ব্যবহার রোধকল্পে ছাপাখানায় আমন্ত্রণ/নিমন্ত্রণ/ডিজিটিং কার্ড, ফাইল ফোল্ডার ইত্যাদির লেমিনেটিং বন্ধ করা এবং বিভিন্ন দপ্তরের সভাকক্ষে সিঙ্গেল ইউজ পাস্টিক বোতলের পরিবর্তে কাঁচের বোতল ব্যবহার প্রসঙ্গে
- Circular No. 1940, Date: 14.02.2023, Subject: Renewal of Enlistment of 04 (Four) Insurance Companies as Approved Insurers of our Bank for the Year’ 2023.
- Circular No.1939, Date: 12.02.2023, Subject: Published of Approved Haj Agencies List (2nd phase) for 1444 Hijri/2023 Christian Era
- Circular No. 1938, Date: 12.02.2023, Subject: কাস্টমস, এক্সাইজ ও ভ্যাট (আপীল) কমিশনারেট, ঢাকা-১ এর ঠিকানা পরিবর্তনের বিজ্ঞপ্তি প্রসঙ্গে।
- Circular No.1936, Date: 07.02.2023, Subject: Haj Package -2023 Christian Era/1444 Hijri
- Circular No. 1933, Date:,02.02.2023 Subject: Published of Approved Haj Agencies (1st Phase) for 1444 Hijri/2023 Christian Era.

### ID Circular

- Circular No. 07, Date: 23.02.2023, Subject: Enhancement of limit for declaration on Form-C against inward remittances
- Circular No. 06, Date: 23.02.2023, Subject: Inward Remittance-Declaration on Form-C
- Circular No. 05, Date: 09.02.2023, Subject: পাসপোর্ট Endorsement প্রসঙ্গে।
- Circular No. 04, Date: 07.02.2023, Subject: Retention quota accounts for export of software, ICT and other services.
- Circular No. 03, Date: 02.02.2023, Subject: Interest rate on borrowing from Export Development Fund (EDF)

## INVITATION FOR CONTENTS

You are cordially invited for any insightful write up which will be published in next volumes of MBL Spectrum subject to discretion of editorial board. In this regard, please contact Research & Planning Division, Head Office, Mercantile Bank Limited or send email [hod\\_rpd@mblbd.com](mailto:hod_rpd@mblbd.com)

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