EDITORIAL

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CHIEF EDITOR
Tapash Chandra Paul, PhD
Chief Financial Officer
We have entered the last quarter of the year 2022. This year has been an eventful year owing to pose different challenges. The Russia-Ukraine war will be in the forefront which puts the global economy at risk. Of course there are other reasons as well. The world was in its recovery stage from the pandemic when this manmade disaster hit the globe. Energy crisis has become a major concern all over the world because of this. Amidst this turmoil, the Supremacy of US dollar as the global currency has been challenged. All the concerns will be monitoring the future developments with keen interest.

There have been signs that some of the stronger countries and economic blocs are motivated to move away from Dollar. China, Russia and EU are some of this stronger force that we are referring to. During these times, the currency of Bangladesh became quite volatile against the US dollar. Our reserves declined quite a bit over the last few months as the export and remittances were less than before. To counter this, Bangladesh is broadening its use of China’s yuan as an alternative to the US dollar in international transactions. This is expected to lessen the stress of USD reserve.

Under the circumstances, this edition will shed light on the current economic scenario of the Bank as well as the country's overall economy. Along with all these of course there will be all the key information of the bank up to September, 2022.

Tapash Chandra Paul, PhD
Chief Financial Officer
Email: tapchpaul@gmail.com
MBL PERFORMANCE SEPTEMBER 2022

**Deposits**

<table>
<thead>
<tr>
<th></th>
<th>YTD Dec 2021</th>
<th>YTD Sep 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>27,490.56</td>
<td>28,548.25</td>
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**Loans & Advances**

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<th>YTD Sep 2022</th>
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<tbody>
<tr>
<td>Loans</td>
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<td>27,844.53</td>
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**Import**

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<tr>
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**Export**

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<th>YTD Sep 2022</th>
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<tr>
<td>Export</td>
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<td>16,004.81</td>
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**Inward Remittance**

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<th>YTD Sep 2022</th>
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<tbody>
<tr>
<td>Remittance</td>
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**Cost of Deposit**

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<th>Sept-21</th>
<th>Dec-21</th>
<th>Mar-22</th>
<th>June-22</th>
<th>Sep-22</th>
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<tbody>
<tr>
<td>Cost</td>
<td>4.81%</td>
<td>4.76%</td>
<td>4.58%</td>
<td>4.62%</td>
<td>4.65%</td>
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**Yield on Advances**

<table>
<thead>
<tr>
<th></th>
<th>Sept-21</th>
<th>Dec-21</th>
<th>Mar-22</th>
<th>June-22</th>
<th>Sep-22</th>
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<tbody>
<tr>
<td>Yield</td>
<td>7.36%</td>
<td>7.37%</td>
<td>7.11%</td>
<td>7.02%</td>
<td>6.94%</td>
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**Spread**

<table>
<thead>
<tr>
<th></th>
<th>Sept-21</th>
<th>Dec-21</th>
<th>Mar-22</th>
<th>June-22</th>
<th>Sep-22</th>
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<tbody>
<tr>
<td>Spread</td>
<td>2.55%</td>
<td>2.61%</td>
<td>2.53%</td>
<td>2.40%</td>
<td>2.29%</td>
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GLOBAL ECONOMY

IMF sees further global economic slowdown in third quarter

Downside risks continue to dominate the global economic outlook and some countries are expected to slip into recession in 2023, but it is too early to say if there will be a widespread global recession, IMF spokesman Gerry Rice said on 15 September, 2022.

Rice told reporters that high-frequency data pointed to a further loss of momentum in the third quarter, given continued high inflation, supply chain problems and tighter financial market conditions, but gave no details on any further revisions to the International Monetary Fund’s outlook. The IMF in July revised down global growth to 3.2 per cent in 2022 and 2.9 per cent in 2023. It will release a new outlook next month.

Rice said a continuing COVID-19 lockdown and real estate issues were weighing on economic activity in China, while the strengthening dollar had implications for many countries.

(Ref: https://thefinancialexpress.com.bd)
World Bank delivers record $31.7b aid in climate finance

The World Bank Group delivered a record $31.7 billion in the fiscal year 2022 (FY22) to help countries address climate change. This is a 19 percent increase from the $26.6 billion all-time high in financing reached in the previous fiscal year.

The Bank Group continues to be the largest multilateral financier of climate action in developing countries, it says. “In our last fiscal year ending June 2022, we provided a record $31.7 billion to countries to identify and enable high-priority climate-related projects as part of their development plans,” said David Malpass, President of the World Bank Group. IBRD and IDA together delivered $26.2 billion in FY22 in climate finance. Nearly half of that—$12.9 billion—specifically supported investments in adaptation and resilience.

IFC, the private sector arm of the World Bank Group, delivered an unprecedented $4.4 billion in climate finance and mobilised an additional $3.3 billion from other sources. MIGA, the World Bank Group’s political risk insurance, and credit enhancement arm, delivered $1.1 billion in climate finance.

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

New UK finance minister Kwarteng seeks end to ‘cycle of stagnation’

Britain’s new finance minister Kwasi Kwarteng unleashed historic tax cuts and huge increases in borrowing on 23rd September 2022 in an economic agenda that floored financial markets, with British government bonds in freefall.

Kwarteng scrapped the country’s top rate of income tax and for the first time put a price tag on the spending plans of Prime Minister Liz Truss, who wants to double Britain’s rate of economic growth.

Investors unloaded short-dated British government bonds as fast as they could, with 2-year gilts on track for their biggest one-day fall since at least 2009, as Britain raised its debt issuance plans for the current financial year by 72.4 billion pounds ($81 billion).

(Ref: https://thefinancialexpress.com.bd)
China’s economy perks up but dogged by property crisis

China’s economy showed surprising resilience in August, with faster-than-expected growth in factory output and retail sales shoring up a fragile recovery, but a deepening property slump weighed on the outlook.

The better-than-expected figures show the world’s second-largest economy is gaining some steam, after narrowly escaping a contraction in the June quarter and lifting recovery prospects marginally for the rest of the year. Industrial output grew 4.2 percent in August from a year earlier, the fastest pace since March, according to the National Bureau of Statistics (NBS). That beat a 3.8 percent increase expected by analysts in a Reuters poll and July’s 3.8 percent expansion. Retail sales rose 5.4 percent from a year ago, the quickest in six months and also beating forecasts for 3.5 percent growth and the 2.7 percent gain in July.

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

India says it starts talks with Sri Lanka on restructuring debt

India said that it had begun talks with Sri Lanka on restructuring its debt and promised to support the crisis-hit neighbour mainly through long-term investments after providing nearly $4 billion of financial aid.

Sri Lanka, a tourism-dependent South Asian country of 22 million, is struggling with its worst economic crisis in more than seven decades, which has led to shortages of essentials and the ouster of a president. The country earlier this month reached a preliminary deal with the International Monetary Fund for a loan of about $2.9 billion contingent on it receiving financing assurances from official creditors and negotiations with private creditors.

India’s support to Sri Lanka this year has included a $400 million currency swap, a $1 billion credit line for essential goods and a $500 million line for fuel. In addition, India has also deferred payment on Sri Lankan imports of about $1.2 billion and given a credit line of $55 million for fertiliser imports.

(Ref: https://thefinancialexpress.com.bd)
UK downturn deepens, raising recession risk

The downturn in British businesses steepened this month as they battled soaring costs and faltering demand, according to a survey on that hammered home the rising risk of recession. Released just as finance minister Kwasi Kwarteng was due to flesh out the economic agenda of new Prime Minister Liz Truss, the S&P Global/CIPS flash Composite Purchasing Managers’ Index (PMI) fell to 48.4 from 49.6 in August.

It marked the lowest reading since the Covid-19 lockdown of January last year. A Reuters poll of economists had pointed to a reading of 49.0. Any reading below 50 marks a contraction in activity. The PMI is likely to raise new questions about the health of Britain’s economy, after consumer confidence fell this month to the lowest level since records began in 1974, according to a survey published earlier on 23rd September 2022.

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

Japan’s inflation hits near 8-year high, stays above BOJ’s target

Japan’s core consumer inflation quickened to 2.8 percent in August, hitting its fastest annual pace in nearly eight years and exceeding the central bank’s 2 percent target for a fifth straight month as price pressure from raw materials and yen weakness broadened.

The strength of August inflation reinforced growing suspicions among economists that price pressure will last longer than the Bank of Japan (BOJ) has been expecting, though many still expect no immediate change to its ultra-easy policy.

“The weak yen is importing inflation into Japan. Core consumer inflation is set to top 3 per cent in October,” said Takeshi Minami, chief economist at Norinchukin Research Institute. “Inflation may stay above 2 per cent for another year or so. That could prod the BOJ to change the way it looks at prices,” he said.

(Ref: https://thefinancialexpress.com.bd)
UAE to supply gas, diesel to Germany

The United Arab Emirates agreed on 25th September 2022 an “energy security” deal with Germany to supply liquefied natural gas and diesel as Berlin searches for new power sources to replace Russian supplies. Emirati industry minister Sultan Ahmed Al Jaber called it a “landmark new agreement” that “reinforces the rapidly growing energy partnership between the UAE and Germany”, at a signing attended by German Chancellor Olaf Scholz, the UAE’s state news agency WAM reported.
(Ref: https://www.thedailystar.net)

Reserve Bank of India to raise interest rates again

The Reserve Bank of India is set to raise interest rates again next week with a slim majority of economists in a Reuters poll expecting a half-point hike and some others expecting a smaller 35 basis point rise.

The RBI has lagged many of its global peers, despite inflation sticking above the top end of its target range of 2-6 percent all year. It has raised rates in three separate moves since May, one of them unscheduled, totalling 140 basis points and taking the key repo rate to 5.40 per cent. Slightly over half, 26 of 51, said the RBI would go for a 50 basis point hike, taking the repo rate to 5.90 per cent. Another 20 predicted a 35 basis points increase. The remaining five respondents pencilled in more modest increases, ranging from 20 to 30 basis points.
(Ref: https://www.thedailystar.net)
Brent Crude Oil ($/barrel)

West Texas Intermediate Crude Oil Price ($/barrel)

Gold Price (USD/oz)

Natural Gas (p/therm)

Sources:
1. www.bbc.com
2. www.goldprice.org
Bangladesh Economy

ADB cuts growth forecast to 6.6pc

Bangladesh may see lower GDP growth at 6.6 percent in the current fiscal year for some global and local shocks to the economy, the Asian Development Bank says in its latest forecast.

The ADB projection on gross domestic product (GDP) growth for FY2022-23 is 0.5-percentage-point down the 7.1 percent forecast in its Asian Development Outlook (ADO) released in April, as the world continues to be troubled by war and conflicts. The downgraded 6.6-percent growth projection for Bangladesh is shown in the ADO Update, released 21st September in Dhaka.

"Although Bangladesh's GDP growth is forecast lower than the earlier projection, still the 6.6-percent rate is much better amid the current global scenario," ADB Country Director in Bangladesh Edimon Ginting told journalists.

(Ref: https://thefinancialexpress.com.bd)
Austerity works as Bangladesh’s import orders dropped nearly 24 per cent or US$1.77 billion in August following regulatory measures to ease pressure on the economy from forex crunch, officials said. The opening of letters of credit (LCs), generally known as import orders, came down to $5.65 billion in August 2022 from $7.42 billion in the same month of the previous calendar year, according to the central bank’s latest statistics. It was $6.22 billion in July 2022. Import orders stood at $213 million during the first four days of September 2022 against $1.2 billion in the same period of August this calendar year. It was $842 million in July.

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

Liberal trade could boost Bangladesh’s GDP by 14.8%: World Bank study

Unilateral trade and investment liberalisation could boost Bangladesh’s GDP, investment, and exports by 14.8%, 20%, and 63.2%, respectively, according to a World Bank study. Such unilateral reforms will help Bangladesh reduce trade costs and access to cheaper and better-quality imported inputs to boost domestic firms’ competitiveness and output, it says, pointing out that Bangladesh’s trade competitiveness is eroding mainly due to lack of lower export base.

(Ref: https://www.tbsnews.net)
Industrial credit rises 22% in FY22 on higher import costs

Credit flow to the industrial sector has registered a 22% jump year-on-year in FY22, riding on high import costs and rising dollar prices. In the last fiscal year, banks and non-bank financial institutions disbursed Tk4,81,517 crore in loans to the industrial sector, while the disbursement was Tk3,74,719 crore in FY21, according to the central bank's industrial quarterly report. The central bank report shows that in the second quarter (April-June) of this year, disbursements to the CMSME sector stood at Tk56,484 crore, up by 35% from the amount in the same period last year. Besides, lending in the April-June quarter increased by 9% compared with the January-March quarter.

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

<table>
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<tr>
<th>RISE IN INDUSTRIAL LOAN</th>
<th>Figures in crore taka</th>
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<tbody>
<tr>
<td>FY 2020-21</td>
<td>FY 2021-22</td>
</tr>
<tr>
<td>Outstanding loans of financial institutions in FY22 TK 6,69,531CR</td>
<td>333,591</td>
</tr>
<tr>
<td>Year-on-year loan rise 22.34%</td>
<td>57,811</td>
</tr>
<tr>
<td>State-owned banks account for 22.56% OF CLASSIFIED LOANS</td>
<td>68,157</td>
</tr>
<tr>
<td>Default loans of NBFIs 29.96%</td>
<td>29.96%</td>
</tr>
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JICA's help sought for modernising power sector in south-western region

State Minister for Power, Energy and Mineral Resources Nasrul Hamid has sought the cooperation of the Japan International Cooperation Agency (JICA) to modernise the gas and electricity transmission and distribution systems in the country’s south-western region. He made the call at a meeting with JICA’s newly appointed Chief Representative to Bangladesh Tomohide Ichiguchi at the latter’s office at the Secretariat.

“After the construction of the Padma Bridge, a rapid development is taking place in the south-western part of the country. JICA can play a major role in modernising electricity transmission and distribution systems in the region,” he told Tomohide.

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

Production of jute textiles slumps

The production of jute textiles has fallen significantly over the past two years due to a drop in exports and the government’s failure to strictly impose the mandatory packaging law that led to decreased domestic demand, according to jute textile millers.

As a result, a number of jute textile millers in the country have been either forced to shut down their factories or operate at below capacity, they said. Overall production of jute textiles was 2.43 lakh tonnes in fiscal 2021-22, down by about 28 per cent compared to 3.39 lakh tonnes the previous year. Similarly, production in fiscal 2020-21 was 12 per cent less than what it was the year before, shows data from the Bangladesh Bureau of Statistics.

(Ref: https://www.thedailystar.net)
Japan may extend $600 million as budget support

Japan may extend $600 million to Bangladesh as budget support, Planning Minister MA Mannan said on 26th September, 2022.

Bangladesh earlier sought the loan from the island country and discussions are now going on, he said. Mannan shared the information with journalists after a meeting with Ichiguchi Tomohide, chief representative of the Bangladesh office of the Japan International Cooperation Agency, at the minister’s office in the planning ministry in Dhaka.

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

Bangladesh-China bilateral trade crosses $25b

Chinese ambassador Li Jiming informed that bilateral trade between Bangladesh and China exceeded US$25 billion. Terming the economic cooperation between the two countries ‘most eye-catching’ Mr Li also informed that China has granted 98 per cent duty-free treatment to help boost Bangladesh’s export to the East Asian country.

He said these while addressing a function organised to mark the 73rd Anniversary of the Founding of the People’s Republic of China held at the Bangabandhu Bangladesh-China Friendship Exhibition Center on 24th September 2022. The ambassador said that China has arranged six chartered flights to take back the Bangladeshi students who are stranded in Dhaka during the pandemic.

(Ref: https://thefinancialexpress.com.bd)
Influential US trade bodies want GSP’s reactivation

The American Apparel and Footwear Association (AAFA) along with 270 other trade bodies has urged the US Congress for reactivating the Generalised System of Preferences (GSP) for the convenience of the American traders.

The Congressional authorisation of GSP expired on December 31 in 2020 for all the eligible countries. As a result, American companies have paid at least $1.4 billion in extra taxes due to the GSP lapse while also dealing with Covid-19 impacts, high freight costs, and supply chain disruptions in both the United States and beneficiary countries, according to data of the AAFA.

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

Forex reserves now below $37 billion

Bangladesh’s foreign exchange reserves on 21 September 2022 dipped below $37 billion due to high import payments against the slower than expected export earnings.

The reserves stood at $36.98 billion on Wednesday, down from around $37 billion a day ago, according to data from Bangladesh Bank.

The country’s reserves stood at $46.19 billion in September last year. The reserves slid after the central bank sold $70 million to several banks today to facilitate them for clearing import bills. The central bank has so far injected more than $3 billion into the market this financial year after supplying a record amount of $7.62 billion in the last fiscal year.

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

Private sector credit gallops to 14% amid rising inflation

At a time when global central banks are tightening monetary policy to tame inflation, Bangladesh is going in the opposite direction with credit growth crossing 14% in August, a four-year high. Though inflation cooled slightly in July, rising credit growth has turned the heat on prices of goods and services. In August, credit growth reached 14.07% signalling that it may cross the monetary target of 14.1% set for the current fiscal year by the Bangladesh Bank in its latest monetary policy. High import costs amid the rising dollar price led to increased financing costs, which contributed to the increase in private sector credit growth, said industry insiders.

(Ref: https://www.tbsnews.net)
The Bangladesh Bank has set the all-in-cost ceiling for short-term permissible trade finance in foreign exchange. ‘Given the global market trends, it has been decided to set all-in-cost ceiling per annum at SOFR + 3.50 per cent for short term trade finance in foreign exchange,’ said a BB circular. All other applicable instructions in this regard shall remain unchanged, the circular added.

(Ref: https://www.newagebd.net)
Agri credit disbursement posts 43% growth

Classified loans in farming sector also drop in the first two months of FY23 compared to the corresponding period of the previous year. Agri loan disbursement surged around 43% in the first two months of the current fiscal year compared to the corresponding period last year, according to the central bank, thanks to pricier fertilisers, seeds, pesticides, irrigation and labour. Farming loan disbursement by banks in FY22 was 102% – more than the Tk28,391 crore target, show Bangladesh Bank data. For FY23, the disbursal target was raised to Tk30,911 crore.

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

Banks asked to suspend evening banking

Bangladesh Bank asked bank to suspend their evening banking operation in order to reduce electricity consumption as part of the government’s austerity measures. The evening banking was rolled out in 2012, afterwards a good number of banks embraced the operation. The lenders will have to keep their operations suspended until further instruction is given by the central bank in this regard, according a notice issued by the banking watchdog.

The evening banking is usually operated between 6pm and 8pm specially in the commercial and industrial zones. In late July, Bangladesh Bank asked the lenders to cut spending for petrol, diesel, gas and lubricant by at least 20 per cent within this fiscal year. Under this situation, banks were also instructed not to use official vehicles for personal purposes.

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

Cash transactions sharply increase: BB Report

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<tbody>
<tr>
<td>Q1 22</td>
<td>0.93%</td>
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<tr>
<td>Q2 22</td>
<td>11.17%</td>
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<th>Narrow Money (M1) Growth</th>
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<tbody>
<tr>
<td>Q1 22</td>
<td>-0.99%</td>
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<tr>
<td>Q2 22</td>
<td>13.41%</td>
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<table>
<thead>
<tr>
<th>Inflation (Point to Point)</th>
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<tbody>
<tr>
<td>Mar’22</td>
<td>6.22%</td>
</tr>
<tr>
<td>Jun’22</td>
<td>7.56%</td>
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</table>

Inflationary pressure has increased the demand for cash with the cost of living increasing. Cash transaction increased by 11 percent in the June quarter this year compared to the March quarter. In the March quarter, it increased by only 0.93 percent compared to the last year’s December quarter. As per the fiscal year, cash transaction increased by 12.85 percent in the last FY compared to the previous fiscal year. In the FY21 it increased by 9.06 percent. Cash held by the people at the end of June was Tk2.36 lakh crore, according to the Bangladesh Bank latest report titled ‘Quarterly review on Money and Exchange Rate’.

(Ref: https://businesspostbd.com)
Central bank makes Tk26,300cr profit from taka devaluation in FY22

The huge exchange gains came in the form of a faster devaluation of the taka, which pushed its total profit up to Tk29,247 crore in FY22 – more than five times higher than the Tk5,777 crore in FY21. The Bangladesh Bank has made a profit of nearly Tk26,300 crore from foreign currency revaluation in the last fiscal year. The central bank built up the country’s foreign exchange reserve by buying dollars from banks at a rate of Tk78-Tk84 previously, which was sold at Tk87 to banks in the last fiscal year amid a dollar scarcity, causing huge exchange gains for the authorities. The gain from foreign currency revaluation was only Tk2,605 crore in FY21, central bank data show.

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

MFS distributors, agents now can transact on weekends, holidays

The Bangladesh Bank has allowed the distributors of mobile financial services (MFS) to have e-money and cash transactions on weekends and public holidays. On 4 September, 2022, the Payment Systems Department of the central bank issued a notification in this regard. The new rules will allow MFS distributors to trade e-money in exchange for cash after collecting it from their agents. But a distributor will not be able to transact more than Tk50 lakh in a day. The BB notification stated that customers were deprived of uninterrupted services as the MFS distributors could neither lift e-money from banks by depositing cash nor could withdraw cash by refunding e-money on public holidays.

(Ref: https://www.tbsnews.net)
Bank accounts with above Tk1cr rise 4,860 in 3 months

The number of bank customers with at least Tk1 crore in their accounts increased by 4,860 in the April-June period, with such accounts now holding 43% of the country’s total bank deposits, according to a report of the Bangladesh Bank. At the end of March this year, the number of bank accounts with crores of taka in the country was 1,03,597, which increased to 1,08,457 at the end of June – a 4.69% increase. At the end of June this year, the amount of deposits in these accounts was Tk6,83,362 crores, up from Tk6,63,505 crores in March. The amount was Tk6,53,858 crore in such accounts at the end of December 2021. The total amount of deposits in the banks at the end of June this year was over Tk14,71,000 crore.

(BRef: https://www.tbsnews.net)

Banks prefer govt bonds to private sector lending

Banks with surplus funds in Bangladesh are increasingly preferring government securities to lending to the private sector as the former gives higher yields amid the continued interest rate cap. Excess liquidity totalled Tk 189,910 crore in July, down 7 per cent a month before and 15 per cent year-on-year, data from the Bangladesh Bank showed. However, 62 per cent of the excess fund was concentrated in only nine banks. Excess liquidity held by banks means the country’s private sector is not getting adequate loans, experts say. This is because the banks that sit on surplus funds usually invest them in the bills and bonds issued by the government.

(Ref: https://www.thedailystar.net)
Deposits in banks declined by Tk 5,808 crore to stand at Tk 14,65,268 crore in July compared with that in the previous month. According to Bangladesh Bank data, the deposits in banks was Tk 14,71,000 crore at the end of June. The deposit growth in the financial year 2021-22 was lower than that in the previous fiscal year. In FY22, Tk 1.20 lakh crore deposits were added to the banking system while Tk 1.69 lakh crore deposits were added in the previous fiscal year of FY21. Deposits in banks witnessed a 45.97-per cent growth in FY21. Of the total deposits in July, time (term) deposits were Tk 12.85 lakh crore and demand deposits were Tk 1.79 lakh crore.

Private-sector foreign borrowings are falling which entrepreneurs interpret as indicator of slower investment in the economy for pandemic-induced poor demand and higher cost of funds on the other hand. Officials and bankers familiar with the developments, however, say the borrowings have now turned expensive in relation to the 9.0-percent cap on lending and local currency taka's appreciation over the US dollar. Meanwhile, the approved loans at the end of June last stood at US$11.98 billion, down by nearly 5.0 per cent from September 2021. The amount was $12.0 billion at the end of December 2021. In March it was $11.99 billion, Bangladesh Bank data show.

Private foreign borrowings fall, investment slows

Private-sector foreign borrowings are falling which entrepreneurs interpret as indicator of slower investment in the economy for pandemic-induced poor demand and higher cost of funds on the other hand. Officials and bankers familiar with the developments, however, say the borrowings have now turned expensive in relation to the 9.0-percent cap on lending and local currency taka's appreciation over the US dollar. Meanwhile, the approved loans at the end of June last stood at US$11.98 billion, down by nearly 5.0 per cent from September 2021. The amount was $12.0 billion at the end of December 2021. In March it was $11.99 billion, Bangladesh Bank data show.
Investment in sustainable finance grows 87% YoY

Financing to the sustainable finance sector as of the end of June this year stood at Tk31,622 crore, which is 87.20% year-on-year increase in investment, according to the Bangladesh Bank data. At the end of June, financing in this sector increased to 12% of the country’s total loan disbursement against the central bank’s target of 20%. However, in June last year, financing in this sector was only 6.48% of the total loans. The central bank has set a target of 5% of the country’s total term loan from 2016 to further develop the country’s green financing. At the end of June, the amount of green financing loans of the country’s banks and financial institutions stood at Tk2,621 crores, which is 4.13% of the total term loans of the country. However, during the same period last year, the loan amount was Tk1,788 crore, which was 2.39% of the total term loan.

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

Do more to keep financial inclusion momentum going

Bangladesh should do more to keep up its momentum in the area of financial inclusion, expand access and bridge the gender gaps that persist, said a top official of the International Monetary Fund (IMF). While giving her opening remarks at a virtual discussion on “Fintech and Financial Inclusion and the Case of Bangladesh: Peer-Learning Series” IMF Deputy Managing Director Antoinette M Sayeh said in Bangladesh, financial inclusion has been a decades-long journey to include segments of the population that previously had limited access to formal finance. Today, the use of mobile phones for financial transactions is commonplace in Bangladesh. People are accustomed to digital financial services, agent banking, branchless banking, and mobile money.

(Ref: https://www.thedailystar.net)
BB hikes key interest rate by 25 basis points

The Bangladesh Bank raised on September 29 its benchmark interest rate by 25 basis points to 5.75 per cent as it stepped up its fight against inflation, which is running at a multi-year high. This was the third hike since May 29, an unprecedented move on the part of the BB as it has never revised the rate upwards multiple times in such a short time. The move is in line with the efforts of central banks around the globe as they are desperately trying to curb inflationary pressures amid supply chain disruption, driven by the Russia-Ukraine war.

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

Mandatory tax return filing relaxed for loans, credit cards

The National Board of Revenue (NBR) has relaxed the provision of mandatory submission of tax returns for obtaining loans up to Tk 20 Lakh.

Borrowers will not need to submit proof of income tax returns in case of taking loans up to Tk 20 lakh and for credit card transactions up to Tk 2 lakhs, in the student category. The relaxed condition, however, will not be applicable for those who have taxable income.

In a bid to increase the number of tax returns, the finance minister, in the national budget for FY23, made submission of tax returns mandatory for borrowing over Tk 5 lakh, acquiring credit cards and availing of various public and private services.

Earlier, an entrepreneur could take a loan from banks by only submitting an Electronic Taxpayer’s Identification Number (e-TIN) and relevant documents.

https://www.tbsnews.net/nbr/mandatory-tax-return-filing-relaxed-loans-credit-cards-498442
আমরা গভীরভাবে শোকাহত
d. আকবর আলি খান
(১৯৪৪-২০২২)

tপ্পাবধায়ক সরকারের সাবেক উপদেষ্টা, বিশিষ্ট অর্থনীতিবিদ, গবেষক ও বীর মুক্তিযোদ্ধা ড. আকবর আলি খান-এর মৃত্যুতে মার্কেন্টাইল ব্যাংক পরিবার গভীরভাবে শোকাহত। তিনি অর্থনীতি ও অর্থনীতি বিষয়ক গবেষণায় অসামান্য অবদানের জন্য ‘মার্কেন্টাইল ব্যাংক সম্মাননা ২০০৭’ পেয়েছেন।

আমরা পরম করুণাময়ের কাছে মরহুমের বিদেহী আত্মার মায়েরা মাগফেরাত কামনা করছি এবং তাঁর শোকসন্ন্যাস পরিবারের প্রতি গভীর সমবেদনা জাপন করছি।
Mercantile Bank Limited has been awarded South Asian Business Excellence Award-2022 as ‘Best Bank in the Private Sector’ by South Asian Partnership Summit. Md. Quamrul Islam Chowdhury, Managing Director and CEO of Mercantile Bank Limited received the award from Mr. Abdul Mannan, MP, Honorable Minister of Planning of Bangladesh at a function organized by the SAPS at Hotel Sonargaon on Thursday, 22 September 2022. Morshed Alam, MP, Chairman of Mercantile Bank Limited was present on the occasion as Special Guest. Shamim Ahmed, DMD, Tapash Chandra Paul, PhD, CFO of Mercantile Bank and other distinguished guests and senior officials from different organizations were present.
Mercantile Bank launches complete ‘Islamic Banking Branch’

Mercantile Bank Limited inaugurated shariah-based complete “Islamic Banking Branch” at Dilkusha in the capital on September 22, 2022. Bank’s Chairman Morshed Alam M.P., opened the branch by cutting ribbon as the chief guest while Bank’s Managing Director & CEO Md. Quamrul Islam Chowdhury presided over the opening ceremony. A. S. M. Feroz Alam & Md. Abdul Hannan, Vice Chairmen; M. Amanullah, Chairman, Risk Management Committee; M. A. Khan Belal, Chairman, Mercantile Bank Securities Ltd.; Al-Haj Akram Hossain (Humayun), Alhaj Mosharref Hossain, Mohammad Abdul Awal, Directors of the bank and Maulana Shah Mohammad Wali Ullah, Member of Shariah Supervisory Committee, spoke as special guests.

Engr. Md. Zahirul Islam Zahir, MD of Zee Fashion Ltd., Kazi Touhid Ul Alam, Director of Tafrid Cotton Mills Ltd., Md Zahangir Alam, MD of Saracen Corporation Ltd., Md. Asadur Rahman Khan & Moinul Islam Khokon, distinguished businessmen also spoke as the invited guests. Mati ul Hasan, AMD & CRO, Shamim Ahmed and Hasne Alam, DMDs, Tapash Chandra Paul PhD, CFO and Abu Asghar G. Haruni, Company Secretary of the bank and invited guests, valued customers along with senior executives of the bank were present on the occasion. Mohammad Amir Hossain Sarkar, EVP & Head of Islamic Banking Branch gave his vote of thanks.
Mercantile Bank Inaugurates 25 more new ‘Agent Banking’ Outlets

Mercantile Bank Limited launched 25 more new ‘Agent Banking’ Outlets across the country to provide basic banking services to the unbanked population of the country. Bank’s Managing Director & CEO Md. Quamrul Islam Chowdhury inaugurated the 25 ‘Agent Banking’ outlets on September 20, 2022 virtually as the chief guest. Mati ul Hasan, AMD & CRO of the bank delivered his speech on the occasion as special guest while Adil Raihan, DMD & CSBO delivered welcome speech. Among others DMDs and senior executives of the bank along with Darpan Kanti Roy, Head of Agent banking Division were present at the ceremony. At present, the total numbers of ‘Agent Banking’ outlets of the MBL are 187.

Customer can enjoy many banking services like opening different A/Cs and deposit schemes or Cash deposit, withdrawal, transfer, utility bill payment and remittance easily through Biometric Authentication.

Banani Branch’ of Mercantile Bank shifted at own space

The “Banani Branch” of Mercantile Bank Limited has been shifted at its own space on September 18, 2022. Bank’s Chairman Morshed Alam M.P. virtually launched the branch in new location as the chief guest. Bank’s Managing Director & CEO Md.
Quamrul Islam Chowdhury opened the banking activities of the branch virtually by cutting ribbon in a ceremony arranged at the Head Office of the bank. A. S. M. Feroz Alam & Md. Abdul Hannan, Vice Chairmen; Md. Anwarul Haq, Chairman, Executive Committee; M. Amanullah, Chairman, Risk Management Committee; Al-Haj Akram Hossain (Humayun), Director of the bank joined the program virtually as special guests.

Mati ul Hasan, AMD & CRO, Md. Zakir Hossain, Adil Raihan, Shamim Ahmed, Hasne Alam and Md. Mahmood Alam Chowdhury, DMDs, Tapash Chandra Paul PhD, CFO of the bank, Ashim Kumar Saha, Shah Md. Sohel Khurshid & Mohammad Iqbal Rezwan, SEVPs and Abu Asghar G. Haruni, Company Secretary of the bank, Zareen Ahmad, SVP & Head of Banani branch, Selim Khan, MD of York Group and Engr. Sirajul Islam, President of Banani DNCC Super Market and invited guests, valued customers along with senior executives of the bank were connected virtually on the branch shifting ceremony.

Mercantile Bank conducted virtual seminar on ‘Sustainable Finance’

Mercantile Bank recently organized a virtual seminar titled “Sustainable Finance-Challenges and opportunities” conducted on September 12, 2022 from its training institute in Dhaka. A total of 243 officials including the heads of various divisions, cells of Head Office and branches participated in the seminar. Bank’s Additional Managing Director & CRO Mati ul Hasan inaugurated the workshop and delivered his speech highlighting the importance of sustainable finance and advised all officials to strictly adhere with the concerned policy & guidelines.
Mercantile Bank Limited recently organized a virtual training on ‘CIB Online Reporting and its impact on credit judgment’ at its training institute in Dhaka. A total of 104 executives & officers from different branches of the bank participated at the training. Md. Mahmood Alam Chowdhury, DMD & COO of the Bank inaugurated the training and delivered his speech advising the participants to strictly abide by the legal and regulatory framework and operating guidelines of Bangladesh Bank to understand CIB online reporting and its impact on credit judgment. Md. Golam Kibria, SVP & Head of MIS Division and other senior executives of the concerned division conducted the online sessions. Javed Tariq, Principal of MBTI moderated the program.

‘Ashulia Branch’ of Mercantile Bank shifted at new location

The “Ashulia Branch” of Mercantile Bank Limited has been shifted at new location on September 25, 2022. Bank’s Chairman Morshed Alam M.P., virtually launched the branch in new location as the chief guest. Bank’s Managing Director & CEO Shamim Ahmed, Deputy Managing Director & CAMLCO, also spoke on the occasion. The virtual seminar was conducted by Khondkar Morshed Millat, Director, Sustainable Finance Department of Bangladesh Bank. Javed Tariq, Principal of MBTI moderated the virtual program.
Md. Quamrul Islam Chowdhury opened the banking activities of the branch virtually by cutting ribbon in a ceremony arranged at the Head Office of the bank. M. Amanullah, Chairman, Risk Management Committee; M. A. Khan Belal, Chairman, Mercantile Bank Securities Ltd. spoke as special guests.

Mati ul Hasan, AMD & CRO, Md. Zakir Hossain, Adil Raihan, Shamim Ahmed, Hasne Alam and Md. Mahmood Alam Chowdhury, DMDs, Tapash Chandra Paul PhD, CFO of the bank, Shah Md. Sohel Khurshid & Mohammad Iqbal Rezwan, SEVPs, Abu Asghar G. Haruni, Company Secretary and invited guests, valued customers along with senior executives of the bank were connected virtually on the branch shifting ceremony. Md. Mijanur Rahman, FVP & Head of Ashulia branch, gave his vote of thanks.

Mercantile Bank inaugrated training on Entrepreneurship Development at Khulna

Mercantile Bank Limited inaugurated a month-long training course at Khulna for developing entrepreneurs and making new entrepreneurs under the Skills for Employment Investment Program (SEIP) tranche-3 Project of Bangladesh Bank. After successful completion of the training 25 participants will be awarded certificates. S M Hasan Reza, Executive Director of Bangladesh Bank Khulna Office inaugurated the training as the chief guest while Adil Raihan, DMD & CSBO of Mercantile Bank presided over the ceremony. Md. Iftekhar Ali Babu, Vice President of NASCIB was present as the special guest. Md. Arifuzzaman, Additional Director & Mohammad Zahid Iqbal, Joint Director from Bangladesh Bank along with Mohammad Faruque Ahmmmed, Head of SME, Md. Abdul Matin, Head of
Mercantile Bank Limited has signed a participatory agreement with Bangladesh Bank on September 25, 2022 to enhance the production of wheat and maize under the refinance scheme of Tk 10.00 billion at the conference hall of the central bank. In presence of Deputy Governor A K M Sajedur Rahman Khan, Md. Abul Kalam Azad, Director of Agricultural Credit Department of Bangladesh Bank and Md. Hasan Chisty, Joint Director & Marjia Akhtar, Deputy Director of Agricultural Credit Department of Bangladesh Bank and Mohammad Shafruzzaman Khan, Head of Agriculture Credit Division of Mercantile Bank along with senior officials from both the organizations were also present.

Bangladesh Bank & Mercantile Bank signs an Agreement

Hasne Alam, DMD & CBO of Mercantile Bank exchanged the agreement on behalf of their respective organizations. Md. Rezaul Islam, FVP from Khulna Branch, Mohammad Nazrul Islam, FVP and Md. Rezaul Islam, FAVP from Mercantile Bank were also present on the occasion.
ACD Circular
- ACD Circular No. 06, Date: 18/09/22, Subject: Disbursing agricultural credit for salt cultivation at 4% concessional interest rate

BRPD Circular
- BRPD Circular Letter No. 38, Date: 21/09/22, Subject: Regarding Rescheduling of Short-term Agricultural Credit.
- BRPD Circular Letter No. 37, Date: 07/09/22, Subject: Regarding Efficient Use of Fuel and Electricity, and Energy Efficient Use of Air Conditioners.
- BRPD Circular Letter No. 36, Date: 05/09/22, Subject: Regarding Evening Banking Operation at Bank Branches.
- BRPD Circular Letter No. 35, Date: 05/09/22, Subject: Regarding Cost Minimization and Practising Austerities
- BRPD Circular Letter No 34, Date: 05/09/22, Subject: Regarding National Integrity Award (Amendment) Guideline – 2022.

DMD Circular
- DMD Circular Letter No. 08, Date: 29/09/22, Subject: Appointment of Citizens Bank PLC as Primary Dealer of Government Securities
- DMD Circular Letter No. 07, Date: 06/09/22, Subject: Cancellation of 360 Days Term Repo Facilities

MPD Circular
- MPD Circular No. 03, Date: 29/09/22, Subject: Re-fixation of Repo interest rate of Bangladesh Bank

DFIM Circular
- DFIM Circular No. 12, Date: 29/09/22, Subject: Regarding loan/investment, interest waiver and loan write-off in subsidiary/associate companies
- DFIM Circular No. 11, Date: 25/09/22, Subject: Regarding Integrity Award (Amendment) Guideline-2022 for Financial Institutions
- DFIM Circular Letter No. 22, Date: 18/09/22, Subject: Taking Necessary Steps to Save Electricity and Fuel.
- DFIM Circular No. 10, Date: 04/09/22, Subject: Master Circular on Loan/Lease/investment Rescheduling/Restructuring of NBFI’s.

FEPD Circular
- FEPD Circular Letter No. 35, Date: 19/09/22, Subject: Appointment of Audit Firm for Auditing of Cash Incentive/Export Subsidy
- FEPD Circular Letter No. 34, Date: 15/09/22, Subject: Regulatory framework on repatriation of export proceeds and compliance thereof
- **FEPD Circular Letter No. 33, Date: 15/09/22, Subject: Partial repayment of loans against Export Development Fund (EDF)**

- **FEPD Circular Letter No. 32, Date: 06/09/22, Subject: Settlement of import liabilities out of export proceeds**

- **FEPD Circular No. 27, Date: 28/09/22, Subject: All-in-cost ceiling for short term permissible trade finance in foreign exchange**

- **FEPD Circular No. 26, Date: 19/09/22, Subject: Export subsidy/Cash incentive for the financial year 2022-2023**

- **FEPD Circular No. 25, Date: 15/09/22, Subject: Maintaining Correspondent Accounts in Chinese Yuan Renminbi (CNY)**

- **FEPD Circular No. 24, Date: 15/09/22, Subject: Prohibition regarding virtual assets, virtual currencies and facilitating their exchange/transfer/trading**

- **FEPD Circular No. 23, Date: 15/09/22, Subject: Import of raw materials for pre-fabricated steel structure industries on deferred payment basis**

- **FEPD Circular No. 22, Date: 15/09/22, Subject: Foreign exchange transactions for merchanting trade**

- **FEPD Circular Letter No. 2022-4706, Date: 07/09/22, Subject: Encashment/Deposit of Foreign Currency held by resident Bangladeshi**

**PSD Circular**

- **PSD Circular No. 15, Date: 22/09/22, Subject: Issuance of PSO license to Service Hub Limited.**

- **PSD Circular No. 14, Date: 04/09/22, Subject: Inter-distributor Cash Management of Mobile Financial Services (MFS) Provider.**

**SMESPD Circular**

- **SMESPD Circular Letter No. 06, Date: 26/09/22, Subject: Re-fixing Interest Rate on Pre-finance Facility under SREUP**

**SFD Circular**

- **SFD Circular No. 05, Date: 20/09/22, Subject: Policy on Green Bond Financing for Banks and FIs**

- **SFD Circular Letter No. 02, Date: 18/09/22, Subject: Regarding Dedicated Sustainable Finance Help Desk**

**FEID Circular**

- **FEID Circular Letter No. 03, Date: 12/09/22, Subject: Amendment of Eligibility Criteria of End-borrowers under the Two-Step Loan (TSL) Component of Foreign Direct Investment Promotion Project (FDIPP).**

**FEOD Circular**

- **FEOD Circular No. 01, Date: 19/09/22, Subject: About Unique ID reporting on Online TM Form Monitoring System(OTFMS) and Online Inward Remittance Monitoring System(OIRMS)**

**ISMD Circular**

- **ISMD Circular Letter No. 3, Date: 20/09/22, Subject: Master Circular Regarding Submission of Data to Integrated Supervision System (ISS)**
MBL CIRCULARS DURING SEPTEMBER 2022

Instruction Circular
2. Circular No. 2918, Date: 28.09.2022, Subject: Revised provisional Profit Rate(s) on various Mudaraba Deposit Products w.e.f 1st October, 2022.
3. Circular No. 2917, Date: 28.09.2022, Subject: Revised Interest Rate on Scheme Deposits Products.
4. Circular No. 2916, Date: 29.09.2022, Subject: Credit Card Acquisition Campaign for Executives and Officers from 1st October to 31st December 2022.
5. Circular No. 2915, Date: 29.09.2022, Subject: Collection of IPO of Global Islami Bank Limited from the Eligible Investors (EI) and General Public (GP) through Electronic Subscription System (ESS) of Dhaka Stock Exchange Limited.
6. Circular No. 2914, Date: 28.09.2022, Subject: Regarding creation of all SWIFT messages through T24 Core Banking Software.
7. Circular No. 2913, Date: 28.09.2022, Subject: Information Regarding Changes of BTCL Telephone Number of MBL Nabiganj SME/Krishi Branch.

Information Circular
1. Circular No. 1888, Date: 27.09.2022, Subject: Information Regarding Changes of BTCL Telephone Number of MBL Nabiganj SME/Krishi Branch.
2. Circular No. 1887, Date: 26.09.2022, Subject: Information Regarding Changes of BTCL Telephone Number of MBL Khatungonj Branch.
4. Circular No. 1885, Date: 26.09.2022, Subject: "Towards the 152nd "Islamic Banking Week", Dhaka (Shahar Shaha)-e-Gorod will be observed.

5. Circular No. 1884, Date: 24.09.2022, Subject: Reformulation of Sustainable Finance Committee (SFC) & Sustainable Finance Unit (SFU).

6. Circular No. 1881, Date: 20.06.2022, Subject: "Towards the 152nd "Islamic Banking Week", Dhaka (Shahar Shaha)-e-Gorod will be observed.

7. Circular No. 1880, Date: 13.09.2022, Subject: Information Regarding Changes of BTCL Telephone Number of MBL Sadarghat Branch.

ID Circular

1. Circular No. 92, Date: 29.09.2022, Subject: All in cost ceiling for short term permissible trade finance in foreign exchange.

2. Circular No. 91, Date: 22.09.2022, Subject: Online TM Monitoring System (OTFMS) & Online Remittance Monitoring System (OIRMS) Unique ID.

3. Circular No. 90, Date: 20.09.2022, Subject: "Concerning the new exchange rates in the foreign exchange market and the new rates of exchange.


5. Circular No. 88, Date: 19.09.2022, Subject: Regulatory framework on repatriation of export proceeds and compliance thereof.


7. Circular No. 86, Date: 19.09.2022, Subject: Amendment of Eligibility of End-borrowers under the Two-Step Loan (TSL) Component of Foreign Direct Investment Promotion Project (FDIPP).


9. Circular No. 84, Date: 19.09.2022, Subject: Prohibition regarding virtual assets, virtual currencies and facilitating their exchange/transfer/trading.

10. Circular No. 83, Date: 19.09.2022, Subject: Import of raw materials for pre-fabricated steel structure industries on deferred payment basis.

11. Circular No. 82, Date: 19.09.2022, Subject: Foreign exchange transaction for merchanting trade.

12. Circular No. 81, Date: 12.09.2022, Subject: Regarding repatriation of non-repatriated and overdue export proceeds and calculation of Accurate Date of overdue Exports Bills.

13. Circular No. 80, Date: 08.09.2022, Subject: Encashment/Deposit of Foreign Currency held by resident Bangladeshi.

14. Circular No. 79, Date: 08.09.2022, Subject: Settlement of import liabilities out of export proceeds.

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

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