MBPLC Spectrum

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বাংলার ব্যাংক

মার্কেন্টাইল ব্যাংক পিএলসি.
Mercantile Bank PLC.
দক্ষতাই আমাদের শক্তি

Editorial Panel

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Editorial

Tapash Chandra Paul, PhD
CHIEF EDITOR
Email: tapchpaul@gmail.com

Bangladesh's economic landscape stands at a crucial juncture in the halfway of 2026, marked by both emerging opportunities and persistent challenges. The country's provisional GDP has officially crossed the half-a-trillion-dollar mark, reflecting the continued expansion of the economy. At the same time, the National Budget for FY2026–27 has been announced, placing emphasis on development spending, fiscal reforms, and measures aimed at strengthening economic recovery and stability.

Globally, economic resilience continues to face significant challenges. The intensifying conflict in the Middle East has disrupted energy supplies and key shipping routes, putting upward pressure on fuel, fertilizer, and freight costs. Against this backdrop, global GDP growth is projected to moderate to 2.8% this year, while renewed supply-side pressures may further fuel inflation across major economies.

Domestically, the economy is showing signs of resilience. Remittance inflows reached a historic high in FY26, contributing to a strengthening of the country's gross foreign exchange reserves. Although full-year merchandise exports edged down slightly, a strong 25.9% year-on-year rebound in June exports provides a positive momentum for the new fiscal year. Meanwhile, headline inflation eased slightly in June; however, the cost of living continues to rise faster than national wage growth, putting continued pressure on household purchasing power.

The banking sector is also experiencing the impact of these global and domestic economic pressures. Rising costs, persistent inflation, and subdued economic activity have weakened credit demand, while global uncertainties have increased risks in trade and investment. Against this backdrop, strengthening asset quality, risk management, and productive lending remains essential for maintaining banking-sector resilience.

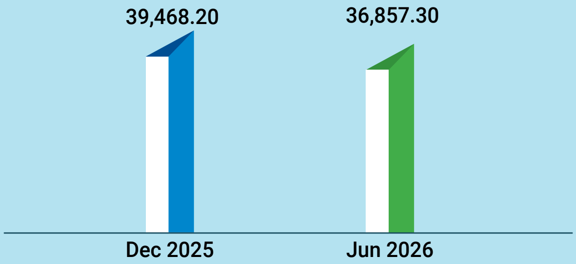
Looking ahead, prudent economic management, stronger financial-sector governance, export diversification, and effective inflation control will be key to overcoming these challenges. With coordinated efforts and sound policies, we remain hopeful that Bangladesh can achieve sustainable and resilient economic growth.

MBPLC Key Business Performance

JUNE 2026

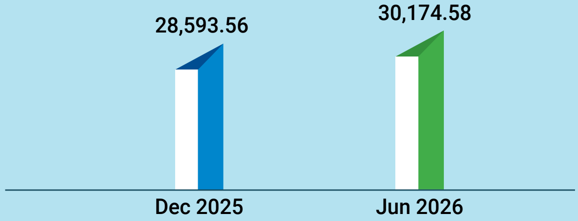
Deposits

BDT in Crore



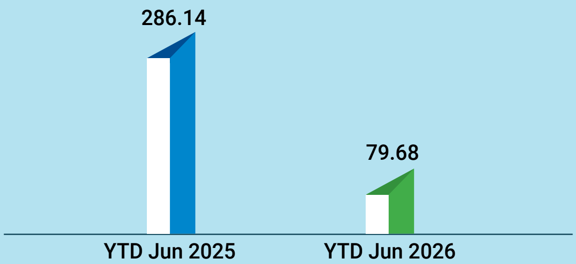
Loans & Advances

BDT in Crore



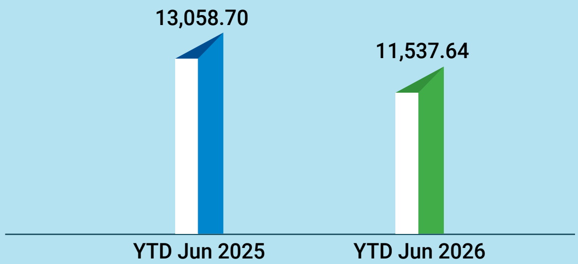
Operating Profit

BDT in Crore



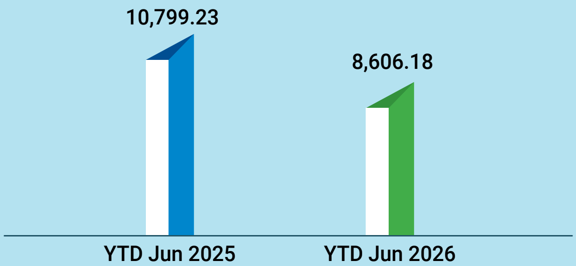
Import

BDT in Crore



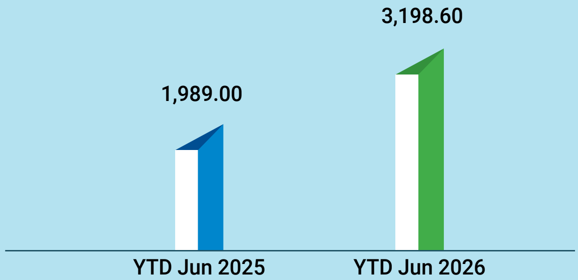
Export

BDT in Crore



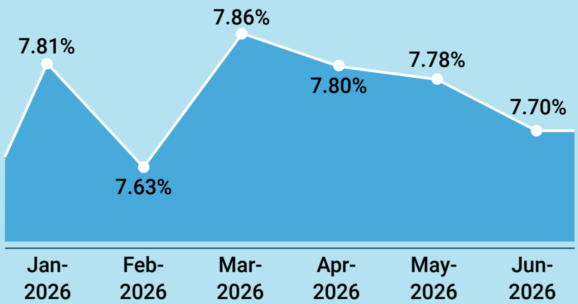
Inward Remittance

BDT in Crore



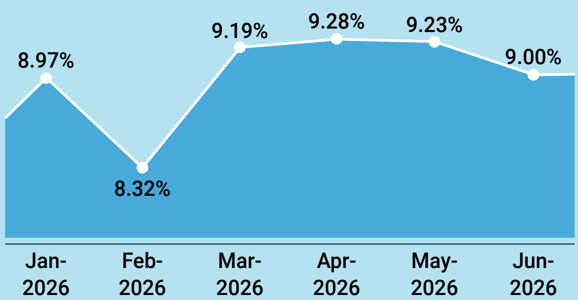
Cost of Deposit

(YTD)



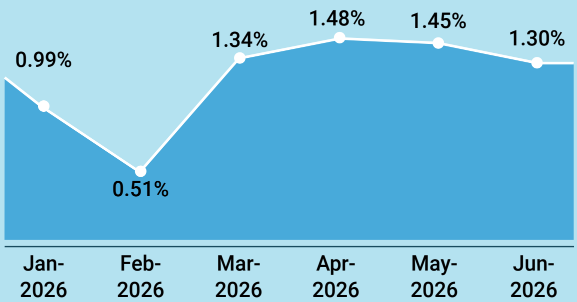
Yield on Advances

(YTD)



Spread

(YTD)



GLOBAL ECONOMY

GLOBAL ECONOMIC OUTLOOK
JUNE 2026

" Gulf Conflict Clouds Global Growth, Fuels Inflation "

GLOBAL SNAPSHOT — 2026

2.8%	4.0%	US$94/bbl	3.1%
World GDP Growth	**G20 Inflation**	**Brent Crude Oil**	**World Trade Growth**
down from 3.4% in 2025 (OECD)	up from 3.4% in 2025 (OECD)	+36% vs 2025 average (WB)	down from 5.0% in 2025 (OECD)

Conflict in the Middle East has disrupted Gulf energy supply, pushing up energy, food and fertilizer prices and clouding an otherwise resilient global economy.

1. Overview

The Middle East conflict has become the dominant force shaping the global economic outlook in 2026. Entering the year, the world economy showed considerable resilience — underpinned by strong AI-related investment, supportive financial conditions and easing trade tensions — and prospects had appeared to be improving. Since late February, however, disruptions to shipping through the Strait of Hormuz and damage to Gulf energy infrastructure have triggered a sharp rise in energy and fertilizer prices, weakening confidence and household demand worldwide.

Growth

Global GDP growth is projected to slow from 3.4% in 2025 to 2.8% in 2026, before recovering to 3.1% in 2027 (OECD — "time-limited disruption" scenario). The World Bank projects a slightly softer path of 2.9% → 2.5% → 2.8%. Should the conflict and energy disruptions persist well into 2027, OECD's "prolonged disruption" scenario sees global growth slowing sharply to just 2.1% in 2026 and 1.8% in 2027, with several economies pushed into or close to recession.

Inflation

G20 headline inflation is expected to rise to 4.0% in 2026 from 3.4% in 2025, before easing to 3.1% in 2027 as energy and food price pressures fade (OECD). Global commodity prices are projected to rise by 22% in 2026 — a sharp reversal from the 7% decline expected as recently as January (World Bank).

Energy Problem

Global oil supply fell about 13½% between February and April 2026, with Gulf oil production down 45% in April; LNG exports have also been disrupted, notably from Qatar. Brent crude is projected to average US$94/barrel in 2026, 36% above 2025 and over 50% above the January projection (World Bank/OECD).

Trade Barriers

US effective tariff rates have fallen from about 14% (December 2025) to roughly 9.6% by April 2026 following a Supreme Court ruling and policy changes, though a flat 10-point tariff and new pharmaceutical tariffs (effective 31 July 2026) add continued uncertainty. World trade growth is set to moderate from 5.0% in 2025 to about 3.1% in 2026 (OECD).

Key Challenges

- Limited fiscal space amid elevated public debt, ageing costs and rising defence spending.
- Risk of inflation expectations becoming de-anchored after the 2022–23 price spike.
- Corporate debt strains (~US$90 trillion in G20, ~90% of GDP) and AI-sector financing vulnerabilities.
- Heaviest burden falling on commodity-importing developing economies with weak buffers — including much of South Asia.

Recommendations

- Central banks: look through supply-driven price rises while remaining ready to act if pressures broaden.
- Governments: targeted, temporary energy relief with sunset clauses rather than broad, costly subsidies.
- All economies: diversify energy sources, boost efficiency, and pursue constructive trade dialogue.

Source: OECD Economic Outlook, Volume 2026 Issue 1 (June 2026); World Bank Global Economic Prospects, June 2026.

2. GDP Growth Forecasts — Major Economies

Growth prospects have been marked down almost everywhere for 2026 as the Middle East energy shock feeds through into weaker household and business demand, before a partial recovery in 2027. South Asia, led by India and Bangladesh, remains the fastest-growing region in the world despite the downgrade.

Economy	2025	2026f	2027f	Source / Note
World	3.4	2.8	3.1	OECD
United States	2.1	2.0	1.8	OECD
Euro Area	1.4	0.8	1.2	OECD
Germany	0.3	0.7	1.1	OECD
France	0.9	0.7	0.8	OECD
Italy	0.5	0.5	0.6	OECD
United Kingdom	1.4	0.9	1.1	OECD
Japan	1.1	0.6	0.8	OECD
Korea	1.0	2.6	1.9	OECD
Canada	1.7	1.2	1.7	OECD
Australia	2.0	1.9	1.8	OECD
China	5.0	4.5	4.3	OECD
India *	7.6	6.3	6.4	OECD (FY basis)
Indonesia	5.1	4.7	5.0	OECD
Brazil	2.3	1.6	2.1	OECD
Mexico	0.8	0.8	1.8	OECD
Saudi Arabia	4.5	3.2	4.3	OECD
South Africa	1.1	1.2	1.6	OECD
Türkiye	3.6	3.1	3.8	OECD
Bangladesh *	3.5	3.8	4.6	World Bank (FY basis)

* Fiscal-year basis. Source: OECD Economic Outlook, June 2026 (time-limited disruption scenario); World Bank Global Economic Prospects, June 2026 (Bangladesh).

GDP growth Forecasts - Major Economies

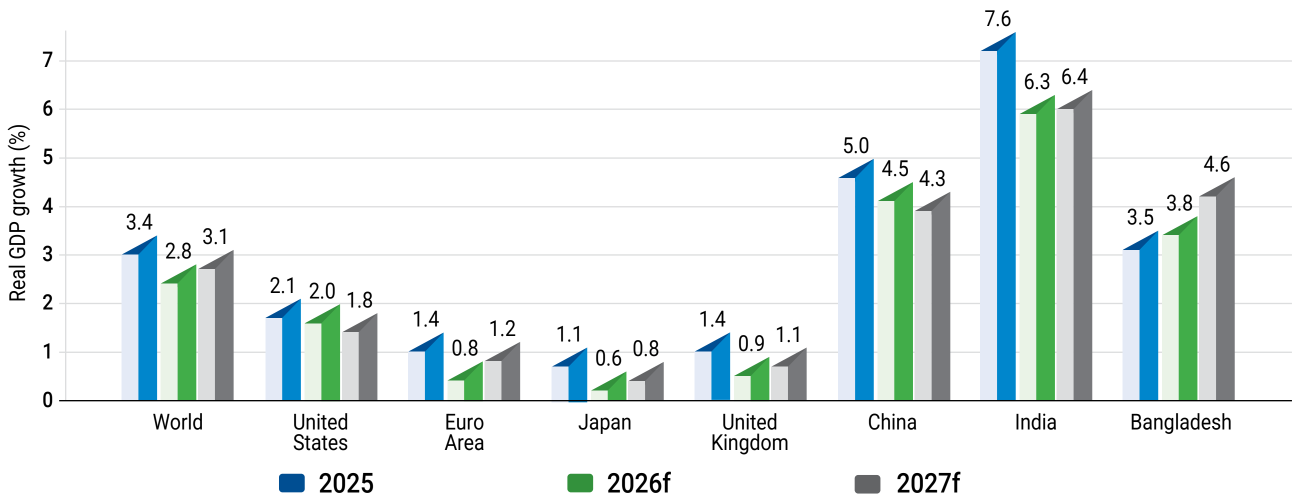


Figure 1: GDP Growth Forecasts — Major Economies (%)

3. Headline Consumer Price Inflation — Major Economies

Higher energy, fertiliser and food costs are pushing headline inflation up across almost all major economies in 2026, reversing the disinflation trend of 2024–25. Inflation is expected to ease again in 2027 as energy prices gradually normalize, assuming a durable resolution to the conflict.

Economy	2025	2026f	2027f
World (G20)	3.4	4.0	3.1
United States *	2.6	3.7	2.1
Euro Area	2.1	2.8	2.4
Germany	2.3	2.7	2.8
France	0.9	2.1	1.8
United Kingdom	3.4	3.7	2.4
Japan	3.2	1.8	2.2
Korea	2.1	2.6	2.2
China	-0.1	1.5	1.9
India	2.1	4.8	4.0
Indonesia	1.9	3.4	2.5
Brazil	5.0	4.4	3.6
South Africa	3.2	4.2	3.7
Türkiye	34.9	28.4	18.3

* US figure is the personal consumption expenditures (PCE) deflator. Source: OECD Economic Outlook, June 2026.

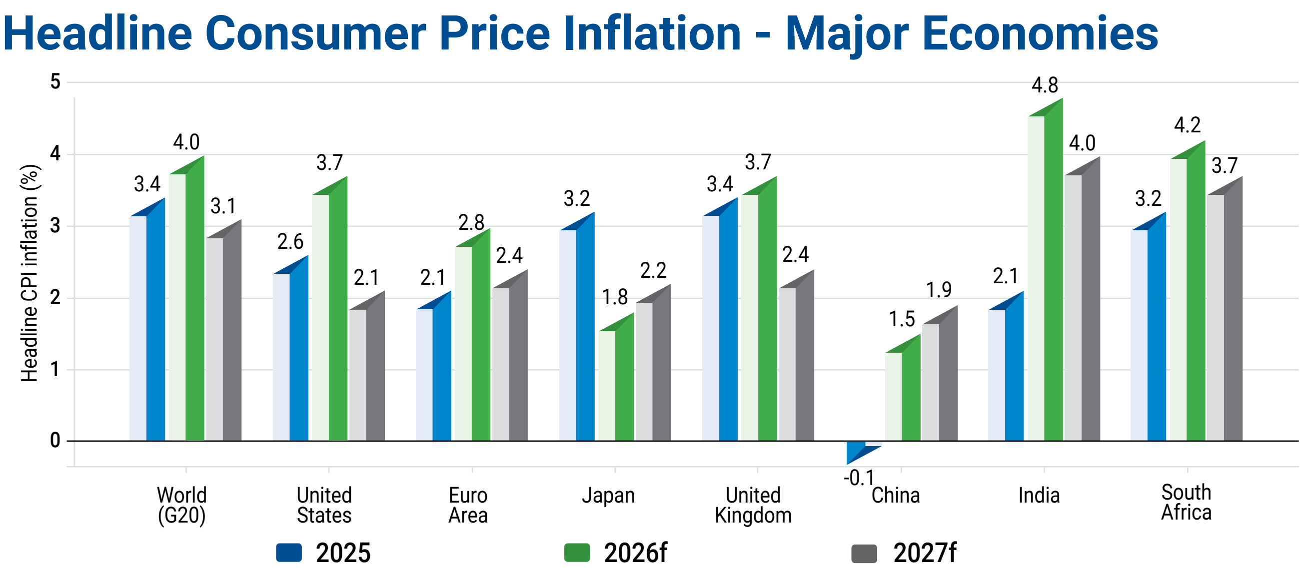


Figure 2: Headline CPI Inflation — Major Economies (%)

4. Regional Outlooks

Regional GDP Growth Outlook (EMDE Regions)

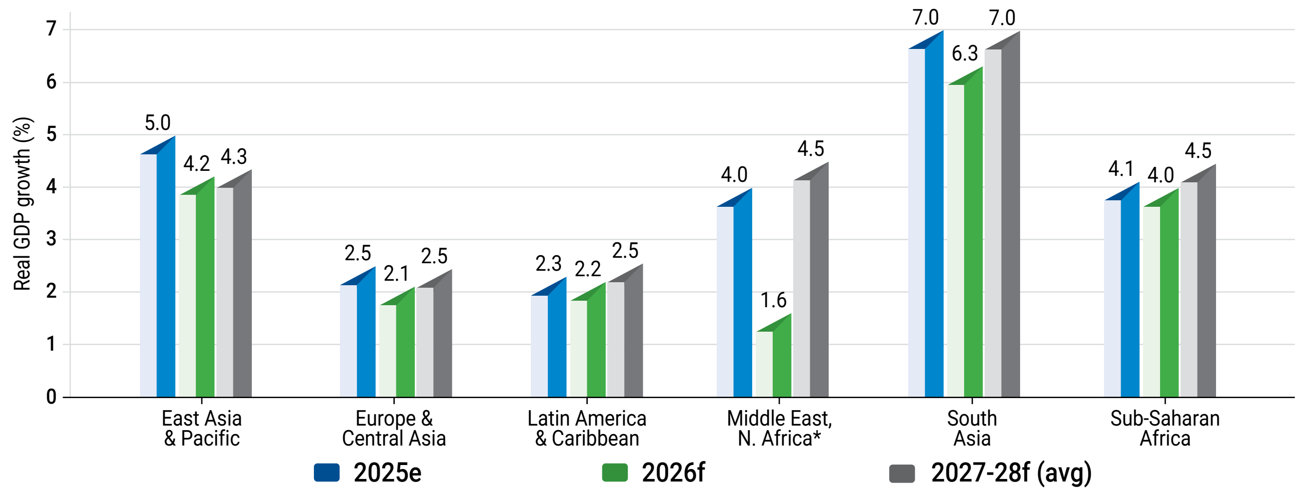


Figure 3: Regional GDP Growth Outlook (EMDE Regions)

Region	GDP growth % (25→26→27-28)	Inflation	Key Challenges
East Asia & Pacific	5.0 → 4.2 → 4.4	Elevated	Property-sector drag in China; tariff relief; robust AI/tech exports
Europe & Central Asia	2.5 → 2.1 → 2.3	Elevated	High energy import dependence; weak Euro-area investment; Russia/Türkiye divergence
Latin America & Caribbean	2.3 → 2.2 → 2.5	Moderate	Commodity-export gains offset by tight financial conditions in Brazil, Mexico
Middle East, N. Africa, Afg. & Pak.	4.0 → 1.6 → 5.0	High	Oil-export disruption in the Gulf; sharp near-term hit, strong rebound expected
South Asia	7.0 → 6.3 → 6.9	Rising	Fastest-growing region; energy import costs squeeze India, Bangladesh, Sri Lanka
Sub-Saharan Africa	4.1 → 4.0 → 4.4	Elevated	Higher oil-import bills; reform momentum continues in Nigeria, South Africa

Source: World Bank Global Economic Prospects, June 2026.

South Asia in Focus

South Asia remains the world's fastest-growing region despite a downgrade to 6.3% growth in 2026 (from 7.0% in 2025), as higher energy prices, reduced remittances and weaker tourism weigh on activity. Growth is set to rebound to an average of ~7% in 2027–28 as conflict-related disruptions fade.

India: growth to moderate to 6.6% in FY2026/27 (from 7.7%) on higher energy and input costs, before rebounding to 7.2% in FY2027/28.

Bangladesh: growth projected at 3.8% in FY2025/26, improving to 4.6% in FY2026/27 and 5.5% in FY2027/28, supported by a gradual investment recovery; the World Bank revised the 2026 forecast down by 0.8 percentage points since January amid weaker consumption/export growth and higher import costs.

Sri Lanka: recovery continues post-Cyclone Ditwah, though growth slows to 3.6% in 2026 amid tighter monetary policy to tame inflation.

Regional fiscal and current-account balances are set to deteriorate in 2026 owing to higher energy-subsidy costs, weaker remittances and lower tourism receipts, before improving in 2027–28.

Source: World Bank Global Economic Prospects, June 2026 (South Asia chapter).

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

Global Energy Prices: Sharp Spike in 2026 Amid Gulf Conflict

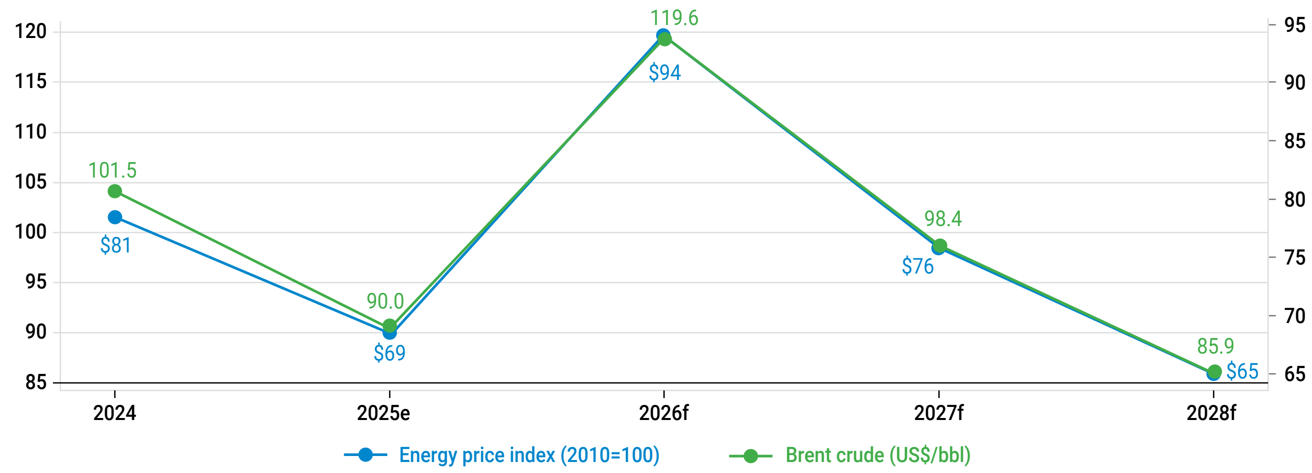


Figure 4: Global Energy Prices — Sharp Spike in 2026 Amid Gulf Conflict

Scale of the Disruption

- Gulf oil production fell 45% in April 2026 versus pre-conflict levels; overall global oil supply is down ~13½% (Feb–Apr 2026).
- LNG exports from the region have effectively halted, notably from Qatar, following damage to production facilities; global gas supply is estimated ~15% lower than previously anticipated.
- Fertiliser, sulphur and helium supplies — all significant Gulf exports — have also been disrupted, with knock-on effects for agriculture and semiconductor manufacturing.
- Strait of Hormuz shipping traffic remains a fraction of pre-conflict levels; port congestion is severe at Jeddah and in Oman, where cargo is being re-routed by road.

Who Is Most Exposed?

Direct energy-import dependence on the Persian Gulf varies widely across economies. Asian and European economies show the highest import intensities — Thailand, Korea, India and Greece stand out for crude oil and refined-petroleum reliance. Once indirect exposure through global supply chains is included, exposure rises further still, with Thailand, Korea, India, Japan and Chinese Taipei among the most exposed economies overall. The United States and other diversified energy producers have comparatively low direct exposure. (OECD)

Exposure by Sector

Within economies, coke and refined petroleum, electricity/gas/steam, transport services, chemicals and basic metals are the most exposed sectors — both directly and through embedded energy inputs in their supply chains. Even sectors with low direct energy use, such as machinery, construction and services, carry meaningful indirect exposure. (OECD)

Implications for Bangladesh & South Asia

As a net energy importer heavily reliant on imported LNG, oil and fertiliser, Bangladesh — like much of South Asia — faces higher import bills, wider current-account and fiscal deficits, and renewed inflationary pressure. The region's central banks and governments face a difficult balance between supporting households and preserving already-limited fiscal space.

Recommendations to Address the Energy Crisis

- Diversify energy supply sources and routes; reduce single-chokepoint dependence on the Strait of Hormuz.
- Accelerate investment in renewables, grid connectivity and storage to durably lower fossil-fuel import dependence.
- Use strategic petroleum/gas reserves and international coordination to cushion short-term shortages.
- Prefer targeted, temporary relief (e.g., transfers to vulnerable households) over broad-based fuel-price caps or tax cuts, which blunt incentives to save energy and are fiscally costly; attach automatic sunset clauses.
- Improve energy efficiency across industry and transport to reduce the economy-wide impact of future price shocks.

Source: OECD Economic Outlook, June 2026 (Box 1.2 — Exposures to energy supply from the Persian Gulf); World Bank Global Economic Prospects, June 2026.

6. Global Risk & Policy Challenges

Key Risks

- A prolonged conflict/energy-disruption scenario could push global growth down to just 2.1% (2026) and 1.8% (2027), with several economies at risk of recession.
- AI investment is exposed: energy costs make up ~60% of data-centre operating expenses, and semiconductor manufacturing relies on Gulf-sourced petrochemical feedstocks; disruption could weaken one of the strongest sources of current growth.
- Corporate debt strains: G20 non-financial corporate debt stands at ~US$90 trillion (~90% of GDP); a quarter of this matures within three years, much of it issued at low pre-2022 rates, raising refinancing risk as borrowing costs stay elevated.
- Rapid, debt-fuelled AI-related capital expenditure (projected to reach US$1.1 trillion in 2027 among the largest technology firms) raises financial-stability and valuation-repricing risks, with potential spillovers to banks and non-bank lenders.
- Persistent supply-side inflation risks de-anchoring inflation expectations, particularly given the still-recent memory of the 2022–23 price spike.

Policy Challenges

- Central banks must judge whether to look through a supply-driven price shock or tighten pre-emptively if price pressures broaden or expectations start to shift.
- Governments face limited fiscal space — constrained by high public debt, ageing-related costs, rising defence spending and more frequent extreme-weather events — just as energy-relief measures add pressure.
- Balancing near-term relief for households and firms against the need to preserve incentives for energy conservation and to safeguard medium-term fiscal sustainability.
- Sustaining global cooperation on energy security, food security and an open, rules-based trading system amid heightened geopolitical fragmentation.

Source: OECD Economic Outlook, June 2026; World Bank Global Economic Prospects, June 2026.

7. Global Trade

World trade growth is projected to moderate from 5.0% in 2025 to 3.1% in 2026, and slow further to 2.9% in 2027 (OECD), as disruptions to trade with the Gulf economies and higher transport costs weigh on flows — partly offset by resilient AI-related trade and lower US tariffs. The World Bank projects a similar deceleration in world trade volume growth, from 4.8% (2025) to 2.9% (2026).

Trade Policy

- The US effective tariff rate on merchandise imports fell from about 14% (December 2025) to an estimated 9.6% by early April 2026, after a Supreme Court ruling limited tariffs imposed under emergency powers; a flat 10-percentage-point tariff remains in place and is due to expire in late July 2026 unless extended.
- A new US pharmaceutical tariff regime takes effect on 31 July 2026 (up to 100% on branded products without pricing agreements), with the impact likely concentrated in a small number of exporters, mainly in Europe.
- Reduced tariff rates have particularly benefited Switzerland and several emerging markets, including Brazil, China and India.

Trade Patterns

- China and dynamic Asian economies are projected to see export volumes grow over 6.5% in 2026, among the fastest globally, led by AI-related and high-tech goods.
- European trade growth is set to roughly halve in 2026 versus 2025 given high energy costs and limited AI-related exports.
- US trade growth is supported over time by lower tariffs and reduced policy uncertainty.
- An improved trade-policy environment and buoyant AI-related investment are providing some countervailing support to global trade despite conflict-related commodity disruptions (World Bank).

Source: OECD Economic Outlook, June 2026; World Bank Global Economic Prospects, June 2026.

8. Risks to the Outlook

Downside Risks

- A renewed escalation or more prolonged disruption to Gulf energy flows: OECD's prolonged-disruption scenario cuts global growth to 2.1% (2026) / 1.8% (2027) and raises inflation by a further 0.4pp (2026) and 1.3pp (2027).
- The World Bank warns that if energy disruptions prove more severe and are accompanied by substantial financial stress, global growth could fall to as low as 1.3% in 2026.
- Further export restrictions on scarce commodities, which would intensify shortages and price pressures rather than resolve them.
- Additional financial-market repricing, particularly around highly leveraged non-bank institutions (private credit/ equity funds) and AI-related corporate debt.
- Persistent trade-policy uncertainty, renewed tariff escalation, and weather-related shocks affecting food security, particularly for import-dependent developing economies.
- Wider fertiliser shortages reducing crop yields, adding to food-price inflation and poverty risk, especially in low-income countries.

Upside Risks

- A swift, durable peace settlement in the Middle East, allowing energy prices to decline faster than currently assumed in futures markets.
- Continued resilience and adaptability of businesses to shocks, and stronger-than-expected productivity gains from AI adoption.
- Further reductions in US tariff levels or a durable de-escalation of trade tensions more broadly, lifting trade and investment.

Source: OECD Economic Outlook, June 2026; World Bank Global Economic Prospects, June 2026.

9. Recommendations

Monetary Policy

- Look through the current supply-driven rise in prices as long as inflation expectations remain well-anchored; be ready to tighten if price pressures broaden or expectations shift.
- Communicate clearly to help the public and markets understand finely balanced policy decisions during an uncertain, scenario-dependent outlook.

Fiscal Policy

- Favour targeted, temporary relief for vulnerable households and firms over broad-based subsidies or price caps, which are costly and blunt energy-saving incentives.
- Attach automatic sunset clauses to support measures so they are withdrawn once conditions normalise.
- Where growth risks are more severe (prolonged-disruption scenario), fiscal policy will need to carry more of the burden given limited room for further monetary easing — but must be calibrated to avoid worsening inflation or debt sustainability.

Energy Security

- Diversify energy sources, suppliers and shipping routes to reduce dependence on a single chokepoint (the Strait of Hormuz).
- Accelerate investment in renewables, grid interconnection, storage and energy efficiency.
- Coordinate strategic reserves internationally and use emergency demand-restraint measures to bridge near-term shortages.

Trade Policy

- Pursue constructive dialogue to secure a lasting resolution to trade tensions and deepen trade relationships, improving policy certainty for investment.
- Avoid new export restrictions in response to shortages, which only intensify global scarcity and price pressures.

Structural Reform

- Reduce regulatory burdens, strengthen skills development, and promote labour mobility and participation to raise medium-term growth potential and resilience.
- For South Asia/Bangladesh specifically: strengthen energy-import diversification and reserve buffers, reform broad fuel subsidies toward targeted transfers, safeguard fiscal space, and support financial-sector resilience amid subdued credit growth.

Source: OECD Economic Outlook, June 2026; World Bank Global Economic Prospects, June 2026.

NATIONAL BUDGET FY2026-27, BANGLADESH: KEY FACTS & FIGURES

1. MACRO SNAPSHOT

Budget size:

Tk 9,38,000 crore (13.7% of GDP) — up 19% from Tk 7,90,000 crore in FY25-26

GDP growth target:

6.5%

Inflation target:

7.5% (Actual, May-2026: 9.42%, a 16-month high; food 9.06%, transport 9.86%)

Theme:

"Journey Towards a Democratic, Humane and Inclusive Economy" | First budget of FM Amir Khasru Mahmud Chowdhury

Tax-free income limit

raised to Tk 3.75 lakh for individual taxpayers

2. REVENUE COLLECTION TARGET

Total revenue target:

Tk 6,95,000 crore (+18.2% over FY25-26 revised Tk 5,88,000 crore)

NBR tax revenue:

Tk 6,04,000 crore (+20.1%)

Non-NBR tax:

Tk 25,000 crore (+25%)

Non-tax:

Tk 66,000 crore (+1.5%)

Risk:

July-Apr FY25-26 actual NBR collection trailed target, raising doubts on nearly-doubling of NBR collection needed for FY27 goal

3. DEFICIT & FINANCING

Overall deficit (incl. grants):

Tk 2,36,850 crore = 3.5% of GDP (FY25-26 revised: Tk 1,95,000 crore, 3.2%)

Overall deficit (excl. grants):

Tk 2,43,000 crore = 3.6% of GDP (FY25-26 revised: Tk 2,00,000 crore, 3.3%)

Financing:

Domestic borrowing Tk 1,27,000 crore | Foreign borrowing Tk 1,09,850 crore (up 89.4% y-o-y)

4. SECTOR-WISE BUDGET ALLOCATION (TK CRORE)

Sector	FY25-26 (Rev.)	FY26-27 (Prop.)	Growth
Social Infrastructure	1,83,574	2,79,001	+51.98%
General Services	2,10,615	2,45,117	+16.40%
Others	2,29,301	2,38,894	+4.20%
Physical Infrastructure	1,64,510	1,74,988	+6.37%

5. EXPENDITURE PRIORITIES (% OF TOTAL BUDGET)

Head	% of Budget	Head	% of Budget
Public Administration	15.1%	Social Security & Welfare	5.8%
Interest Payment	13.6%	Local Govt. & Rural Dev.	4.6%
Education	13.1%	Defence	3.8%
Subsidy & Incentives	9.5%	Agriculture	3.2%
Health	6.7%	Science & ICT	2.1%
Transport & Communication	6.6%	Energy & Power	1.8%

6. ANNUAL DEVELOPMENT PROGRAMME (ADP)

Human Resources:

Tk 45,805 cr → Tk 1,28,426 crore — largest jump

Transport & Communication:

Tk 37,438 cr → Tk 49,111 crore

Power & Infrastructure:

Tk 16,810 cr → Tk 17,193 crore

Agriculture & Rural Dev.:

Tk 57,745 cr → Tk 53,789 crore — only sector with a cut

ADP execution risk:

only 40.7% implemented as of Apr-2026 (FY25-26)

7. BANKING SECTOR: KEY CONCERNS

NPLs at Tk 5,57,000 crore, 30.60% of outstanding loans

(Dec-2025) — highest NPL ratio in the world, above war-affected Ukraine's 26%

Capital Adequacy Ratio:

negative 2.64% (end-2025), down from +7.3% in 2005 — banking sector deeply undercapitalised

Deficit financing risk:

Tk 1,27,000 crore domestic bank borrowing planned from a sector running negative capital adequacy

Private sector credit growth

fell to a historic low of 4.72%, reflecting crowding-out and banking stress

Policy response:

Budget flags plan for a dedicated banking resolution vehicle (e.g., Bangladesh Asset Management Company); IMF/WB have raised Bangladesh's debt-risk classification

8. OUTLOOK

Growth (6.5%) and inflation (7.5%) targets exceed WB/IMF/ADB projections (<5% growth; ~8.9% inflation in FY26) — success hinges on NBR reform, ADP execution and banking-sector stabilisation.

BANGLADESH ECONOMY

MACROECONOMIC BRIEF · END OF FY2025–26

BANGLADESH'S ECONOMIC OUTLOOK

A fragile recovery — rebuilt reserves and record remittances sit alongside the slowest growth since Covid, a still-stressed banking sector and a widening revenue gap, as three external headwinds converge.

01. MIDDLE EAST CONFLICT

~31% of energy imports transit the region; higher fuel costs and freight are feeding into inflation and the trade bill.

02. LDC GRADUATION, NOV 2026

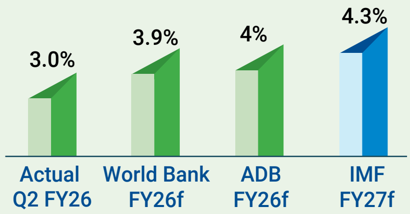
Loss of preferential trade access looms just as export markets remain soft, pressuring RMG competitiveness.

03 · US TARIFF UNCERTAINTY

Unsettled tariff policy clouds the outlook for Bangladesh's largest single-country export market.

GROWTH PRI / BBS

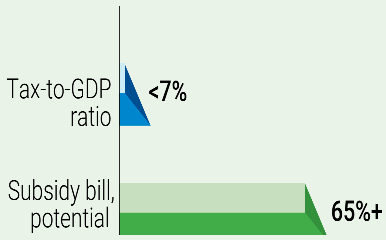
3.0% Q2 FY26 GDP growth
Slowest pace since the Covid period



GDP growth, % — actual vs. FY26/27 forecasts

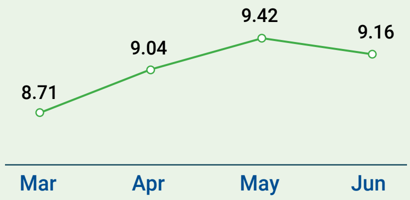
FY26 PROJECTIONS PRI / NBR

Tk 100–130k cr revenue shortfall Projected against the FY26 budget target



INFLATION & WAGES BBS / TE

9.16% headline CPI, June
Eased from May's 16-month high of 9.42%



CPI, YoY %, 2026 — source: BBS / Trading Economics

- Manufacturing PMI slipped to 53.5 in March 2026, still expansionary but cooling
- World Bank cut its FY26 forecast to 3.9%; ADB projects 4.0%, IMF 4.3% for FY27
- Growth has slowed and poverty risen for three consecutive fiscal years (WB)

- Government leans on high-interest domestic borrowing amid thin fiscal room
- Energy-subsidy costs are climbing with global fuel prices
- PRI frames reform continuity as a national, not IMF-driven, imperative

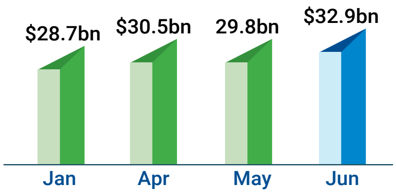
- Real wages have lagged inflation for over four years running
- FY27 target of 7.5% depends on the taka, energy prices and OMS reach
- ~5,500 reported job losses point to a soft supply-side recovery

EXTERNAL SECTOR EPB / BB

$48.0bn FY26

merchandise exports

-0.58% YoY, despite a 25.9% June rebound



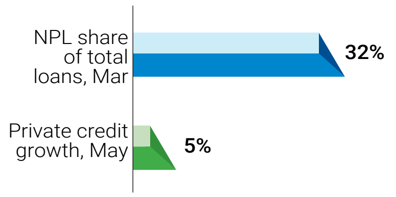
Reserves, BPM6, US$bn, 2026 — source: Bangladesh Bank

- RMG earned $38.70bn in FY26, down 1.64% YoY, still >80% of exports
- Remittances hit a record $35.5bn+ for FY26 (March alone: $3.75bn)
- FY25 current account swung to a $149m surplus from a $6.6bn FY24 deficit

FINANCIAL SECTOR PRI / BB

~32%+ non-performing loans

Latest available reading, March' 26

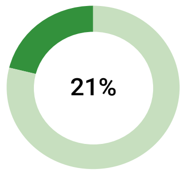


- Bad loans keep banks cautious, choking private-sector credit flow
- Reversing the Bank Resolution Act risks reviving moral hazard, PRI warns
- Thin fiscal space pushes govt toward costlier bank & central-bank financing
- Private Credit at historic low at 5% (May)

JOBS & POVERTY World Bank

600K jobs estimated at risk

Poverty rate holding near ~21%+



Poverty rate, % — World Bank estimate

- Weak industrial momentum and factory closures weigh on job creation
- Stronger employment flagged as the key lever for easing cost-of-living strain
- Household purchasing power still lags a permanently higher price level

Reading the year-end picture

Bangladesh closes FY26 on a two-track economy: external buffers — reserves, remittances and a June export rebound — have visibly strengthened, while domestic engines (growth, credit, revenue, jobs) remain subdued. PRI frames continued reform, not retrenchment, as the condition for turning this fragile stabilization into durable recovery.

Watch list, H2 2026

- Middle East conflict trajectory and its pass-through to fuel & freight costs
- US tariff policy resolution and its effect on RMG order books
- Election-related political stability ahead of LDC graduation, Nov 2026
- Whether NPL clean-up and Bank Resolution Act reforms hold course

FY26/27 growth projections

SOURCE	FY26	FY27
World Bank	3.9%	–
ADB (April' 26)	4.0%	4.7%
IMF (April' 26)	4.7%	4.3%
Actual, Q2 FY26	3.0%	–

BANGLADESH INFLATION SNAPSHOT: JUNE'26

"Point-to-point headline inflation eased to 9.16% in June 2026, dropping from 9.42% in May 2026, driven primarily by slower growth in food prices".

Headline Inflation
9.16%

Food
8.60%

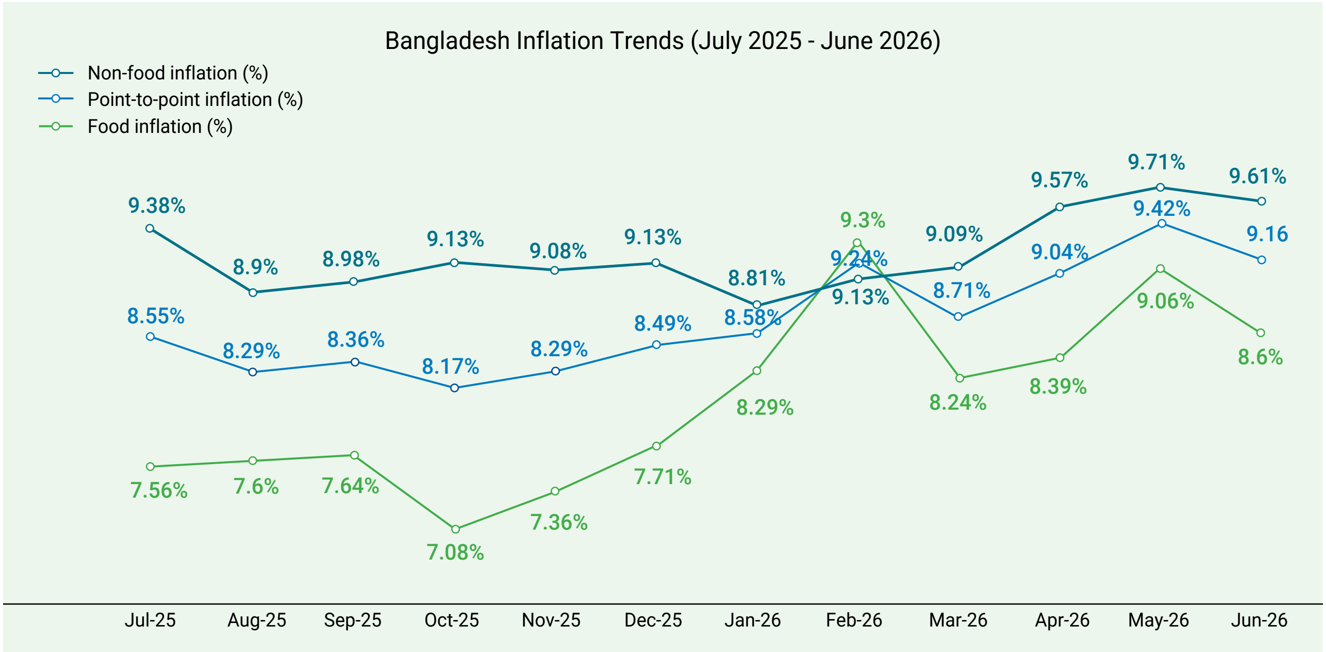
Non-Food
9.61%

12-Month Moving Average Inflation

8.68%

Key Insights

- June inflation eased to **9.16%** from **9.42%** in May
- Inflation stayed above **9%** for third consecutive month
- June inflation exceeded **8.48%** recorded a year earlier
- Food inflation fell to **8.60%** from **9.06%**
- Non-food inflation declined to **9.61%** from **9.71%**.
- Twelve-month average inflation dropped to **8.68%**



WAGE RATE INDEX (WRI): JUNE'26

Wage growth continues to lag inflation

National Wage Growth Rate

8.18%

Head Line Inflation Rate

9.16%

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

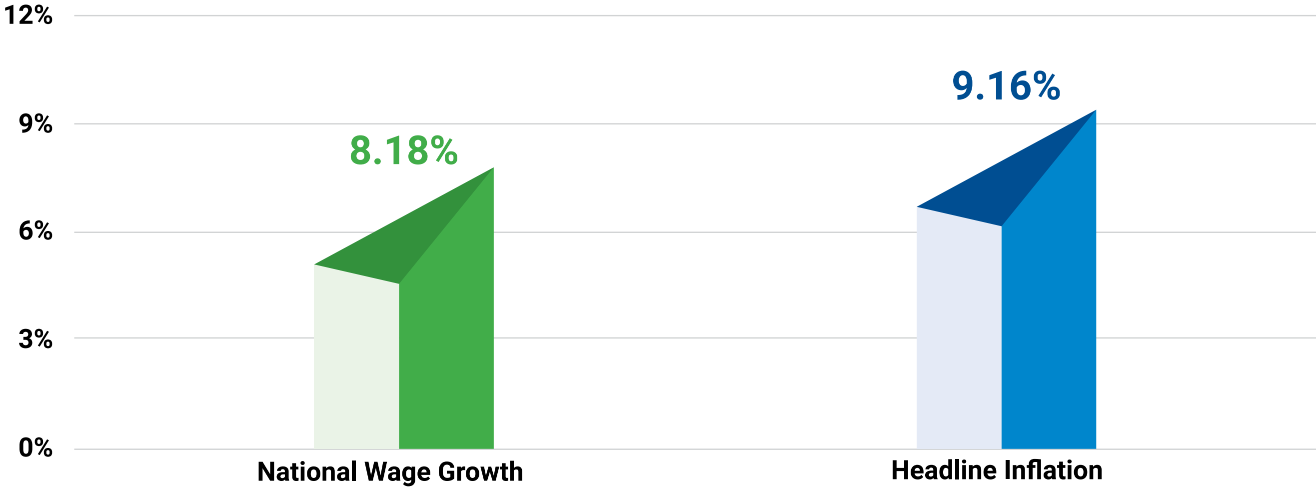
Agriculture: 8.21%
(Down from 8.22% in May)

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

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

Inflation Gap: June 2026

Headline inflation exceeded national wage growth by 0.98 percentage points in June 2026.



EXTERNAL STABILITY INDICATORS:

EXPORTS SNAPSHOT

June exports rebound, but **FY26** earnings edge down to **$48b**

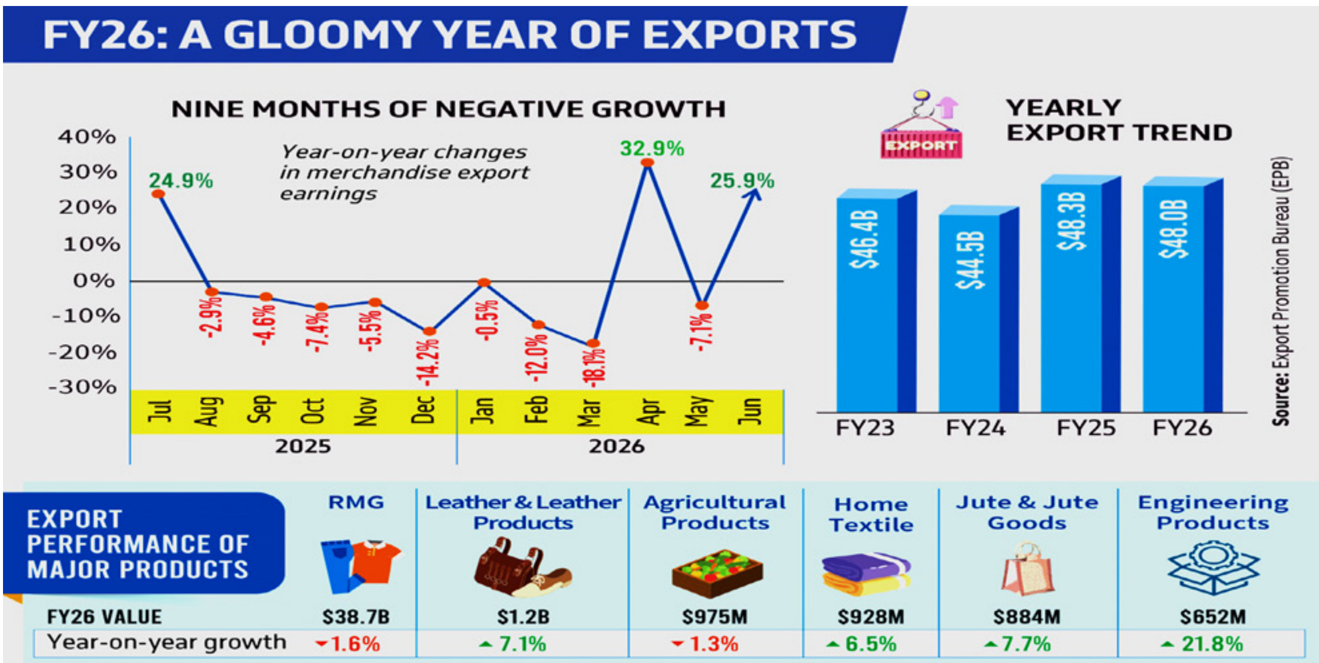
- June 2025: **$3.3B**
- June 2026: **$4.2B**

YoY Change: **25.91%** & MoM Change: **-4.54%**

- July- June FY2024-25: **$48.3B**
- July- June FY2025-26: **$48.0B**

YoY Change: **Decline –0.58%**

- **Top Sector:** The RMG sector retained its dominance, exporting **$3.39B (81%)** in June and recording a **21.52%** growth compared to may exports of **$2.79B.**



Key Insights

- Exports dip **0.58%** to **$48bn** in FY26, missing **$55bn** target
- June exports surge nearly **26%** to **$4.2bn**
- RMG exports reach **$38.7bn** despite full-year slowdown
- All top **20** export markets post growth in June
- US remains Bangladesh's largest export destination
- EPB sees June rebound as strong start for FY27

REMITTANCE FLOW ANALYSIS

REMITTANCE INFLOWS:

- June 2025: **$2.82B**
- June 2026: **$2.80B**

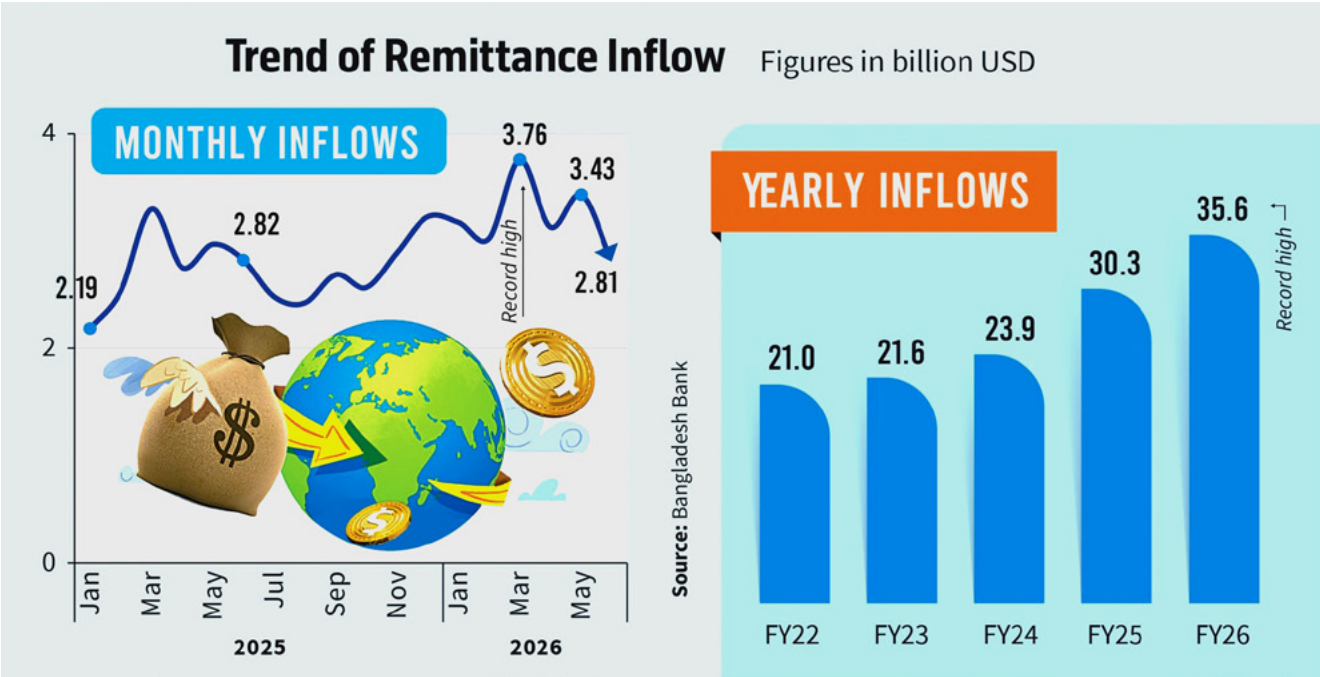
YoY Change: **-0.60%**

- July- June FY2024-25: **$30.32B**
- July- June FY2025-26: **$35.56B**

YoY Change: **+17.3%**

Key Insights

- Bangladesh records historic remittance inflows of **$35.56bn** in FY2025-26
- FY26 remittance receipts rise **17.3%** year-on-year from **$30.32bn**
- Country receives **$120m** in remittances on final day of FY26 (provisional)
- June remittance inflows stand at **$2.80bn**, down **0.6%** from a year earlier



FX Reserve Movement (In billion US$)

Month wise comparison	June'26	May'26	June'25
Foreign Exchange Reserves (Gross)	37.58	34.48	31.77
Foreign Exchange Reserves (as per BPM6)	32.93	29.82	26.74

Key Reserve Drivers:

- **Consistence Remittance Inflows**
- **Export Surge in June**
- **External Payments**

Domestic Financial & Monetary Indicators

Import position (in billion US$)

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

Interbank TK.-USD Exchange Rate (average)

Month wise comparison	June'26	May'26	June'25
Exchange Rate	122.8500	122.7500	122.7700

Call Money Rate (Weighted Average)

Month wise comparison	June'26	May'26	June'25
Weighted Average Rate (in Percent)	9.64	9.95	10.05

Current Account Balance (in million US$):

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

POLICY RATES		RESERVE RATIOS		
Policy Rate (Repo Rate)	10.00%		SLR	CRR
SLF Rate	11.50%	Traditional banking	13%	4%
SDF Rate	7.50%	Islamic banking	5.5%	4%
Bank Rate	4.00%			

BANGLADESH PURCHASING MANAGERS' INDEX (PMI)

Bangladesh's Purchasing Managers' Index (PMI) dropped by 9.9 points to 52.9 in June 2026 down from 62.8 in May 2026, pointing to a softer pace of overall economic expansion.

P PURCHASING | **M** MANAGERS' | **I** INDEX

Head Line PMI

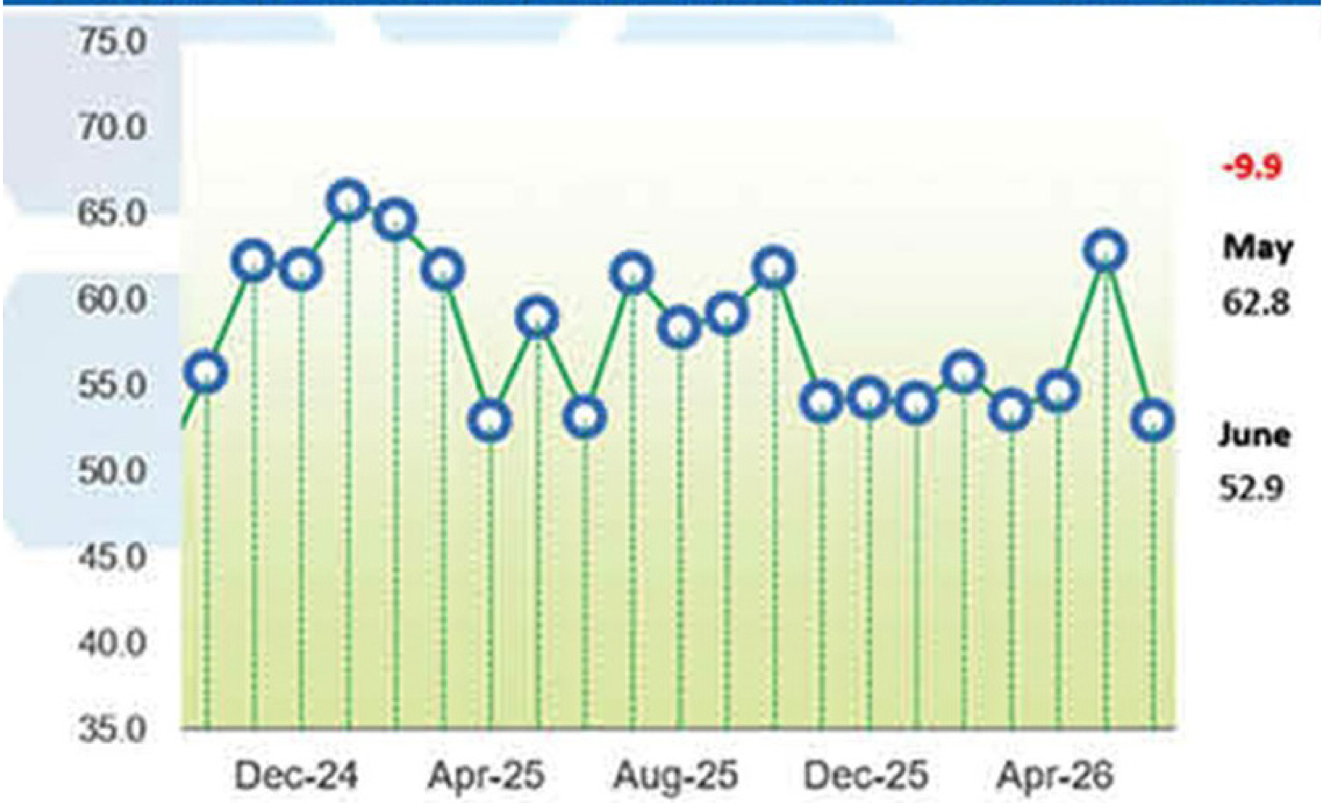
52.9

Key Sector Highlights

- Manufacturing Sector: Slipped back into contraction with a decreased score after just two months of expansion.
- Agriculture Sector: Recorded its 10th consecutive month of expansion, though growth moderated.
- Construction: Reverted to contraction following a brief recovery in May.
- Services Sector: Extended its continuous growth streak to 21st consecutive months, moving at a slower pace.

- Manufacturing and construction return to contraction
- Eid holidays, monsoon disruptions and weaker demand main reasons
- **Agriculture and services grow but more slowly than in May**
- Businesses face rising costs, citing higher fuel, gas, labour expenses and new **15%** VAT
- Firms remain cautiously optimistic, expecting manufacturing to recover in the coming months

PURCHASING MANAGERS' INDEX



DATA SOURCES:

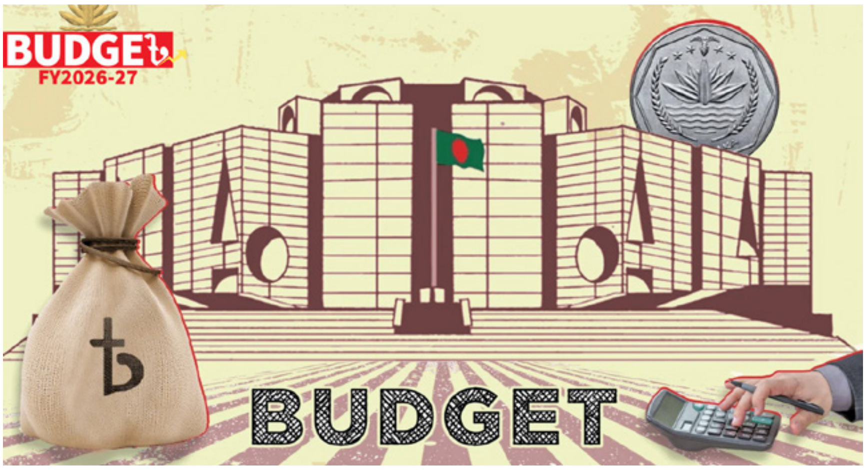
Policy Research Institute of Bangladesh (PRI) Monthly Macroeconomic Insights (MMI)

Bangladesh Bank, Monthly Economic Trends (June 2026)

Bangladesh Bureau of Statistics (BBS)

Export Promotion Bureau (EPB)

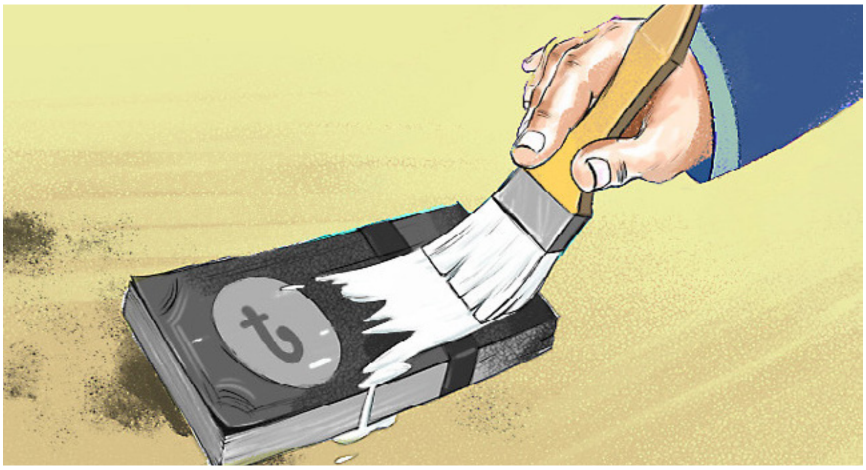
JS passes Tk9.38 lakh crore FY27 budget amid high hopes, tough challenges



Parliament has approved the Tk. 9.38 lakh crore national budget for FY2026–27, the BNP government's first full-year budget, with a strong emphasis on development spending, fiscal reforms and economic recovery. The budget allocates Tk. 3.16 lakh crore for development expenditure and sets a Tk. 6.95 lakh crore revenue target, while projecting 6.5% GDP growth and 7.5% inflation for FY27. Key measures include raising the individual tax-free income threshold to Tk. 4,00,000, reducing VAT on digital advertisements, and lowering the tax rate for private educational institutions. The budget also outlines a fiscal deficit of Tk. 2.43 lakh crore, to be financed through domestic and external borrowing. However, economists have raised concerns regarding ambitious revenue targets, inflationary pressures, implementation capacity, and the potential crowding out of private-sector investment.

Source: The Business Standard – 30 June, 2026

Govt drops black money immunity clause for real estate investments



The government has withdrawn a controversial provision in the Finance Bill 2026 that would have allowed taxpayers to invest undisclosed income in the real estate sector without scrutiny of its source. The decision follows widespread criticism that the proposal could facilitate the legalization of illicit funds by granting immunity from investigation. Under the revised framework, taxpayers may still disclose and invest previously unreported income in accordance with existing regulations by paying the applicable tax and an additional 10% penalty. However, unlike the earlier proposal, the revised provision does not provide immunity, allowing authorities to examine the source of funds where necessary. The amendment aims to strengthen transparency, discourage money laundering, and maintain accountability while preserving a regulated mechanism for voluntary income disclosure.

Source: The Business Standard – 29 June, 2026

Finance Bill passed with tax-free income threshold set at Tk4 lakh

Plan to legalise undeclared money in housing sector withdrawn

TIN no longer required to open a bank account

Private university tax reduced from 10% to 5%

Capital gains tax on gold sales reduced from 15% to 5%

Individual investors will pay a flat 15% tax on dividends

Companies can qualify for 22.5% reduced tax rate through RPO

Parliament has passed the Finance Bill 2026 with several key amendments aimed at easing the tax burden, improving transparency and supporting economic activities. The legislation raises the individual income tax-free threshold to Tk. 4,00,000 for FY2026–27 and FY2027–28, with further increases to Tk. 5,00,000 by FY2030–31. It also withdraws proposals requiring Taxpayer Identification Number (TIN) certificates for most bank accounts and certain property transactions, as well as a controversial provision that would have allowed investment of undisclosed income in real estate without scrutiny. Additionally, the bill reduces the income tax rate for private universities to 5%, expands tax exemptions for indigenous communities, provides duty and VAT relief for shrimp industry inputs, and lowers import duty on PVC and PET resin to support domestic industries.

Source: The Business Standard – 29 June, 2026

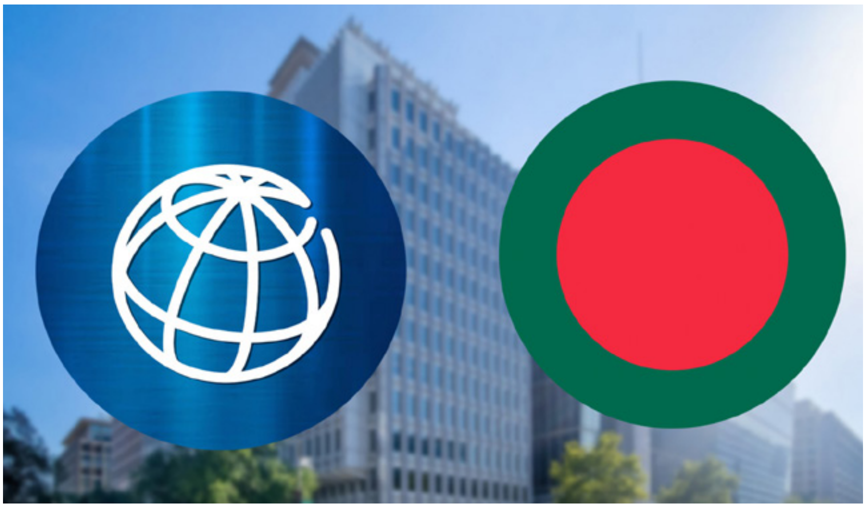
Tech, innovation crucial for agro-industrial growth

AI-assisted infographic

Information and Broadcasting Minister Zahir Uddin Swapan emphasized that Bangladesh must transform agricultural products into value-added agro-industrial products to achieve industrialization and sustainable economic growth. Speaking at the Bangladesh Agro-Industry Media Award 2025, he highlighted the importance of technology, innovation, and knowledge in strengthening domestic markets, boosting exports, and enhancing competitiveness. The minister also stressed that investigative journalism can support better policymaking by identifying opportunities and challenges in the agriculture and agro-processing sectors. He noted the government's waiver of interest on agricultural loans of up to Tk10,000 as a key support measure. Industry leaders described agro-processing as a promising export sector after garments, while the awards recognized journalists for outstanding reporting that promotes innovation and development in Bangladesh's agro-industry.

Source: The Daily Star - 07 June , 2026

World Bank approves $250m project to strengthen Bangladesh's public institutions



The World Bank has approved a US$250 million project to strengthen Bangladesh's public institutions through digital transformation, improved governance and enhanced transparency. The Strengthening Institutions for Transparency and Accountability (SITA) project will support reforms across five key institutions: the Bangladesh Bureau of Statistics (BBS), National Board of Revenue (NBR), Planning Division, Bangladesh Public Procurement Authority (BPPA) and the Office of the Comptroller and Auditor General (OCAG). The initiative aims to modernize public financial management, tax administration, procurement, data systems and audit processes through digital technologies and automation. By improving institutional efficiency, accountability and evidence-based policymaking, the project is expected to strengthen public service delivery, enhance domestic resource mobilization, and create a more transparent and effective governance framework to support Bangladesh's long-term economic development.

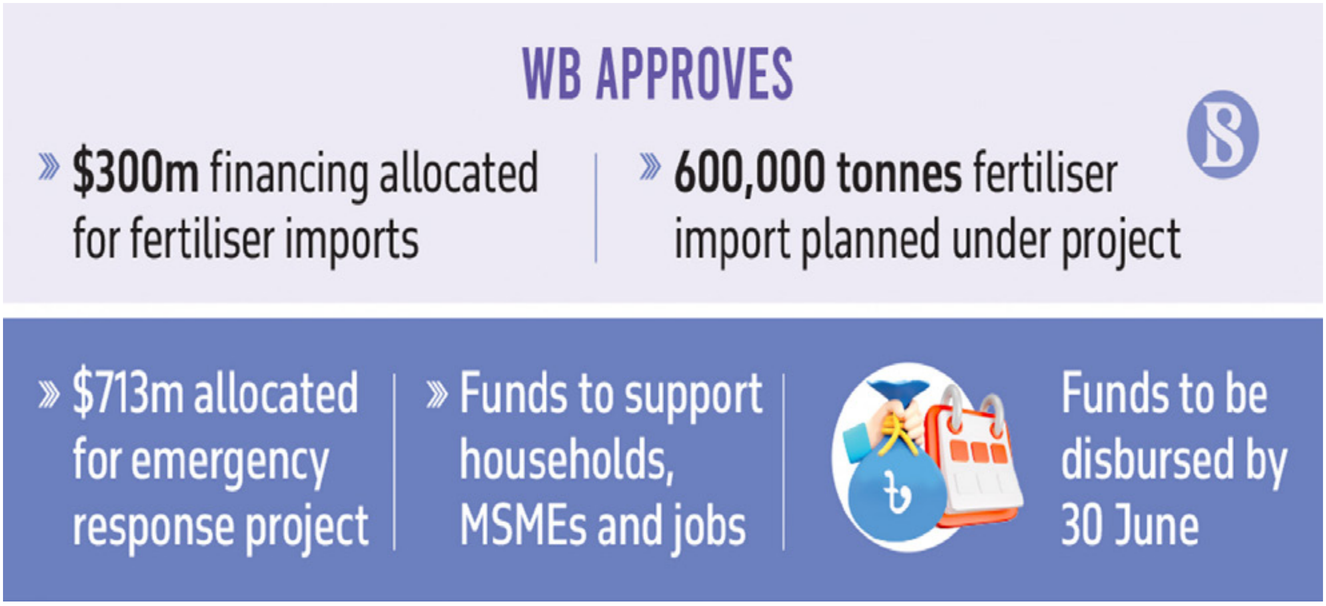
Source: The Business Standard – 28 June, 2026

Mobile phones to become costlier from July as duty cut expires

The temporary customs duty concession on imported smartphones will expire on 1 July 2026, increasing the effective tax burden from approximately 43.43% to 64.25%. As a result, industry stakeholders expect official smartphone prices to rise by 20–25%, adding to existing cost pressures from higher global prices of electronic components. While the concession was introduced to encourage legal imports and local assembly, the government decided not to extend it, citing limited success in achieving these objectives. Industry representatives warn that higher taxes may widen the price gap between officially imported and grey-market devices, encouraging unofficial imports despite regulatory measures. The policy is expected to increase costs for consumers and may affect smartphone affordability, digital adoption and long-term government revenue from the formal market.

Source: The Business Standard - 28 June , 2026

WB approves $1.1b emergency support to safeguard Bangladesh's food security



The World Bank has approved US$1.1 billion in financing to help Bangladesh address rising food, fertiliser and fuel costs caused by global economic disruptions and strengthen resilience against future shocks. The package includes US$300 million under the Emergency Support for Food Security Project to finance the import of 600,000 tonnes of fertiliser for the Aman and Boro cultivation seasons, supporting smallholder farmers and national food security. An additional US$713 million will fund the Contingent Emergency Response Project, providing rapid financial assistance for emergency cash transfers, livelihood support, and the continued supply of essential fuel and energy services. The initiative aims to protect vulnerable populations, sustain agricultural production, preserve jobs, and enhance Bangladesh's capacity to respond effectively to economic crises.

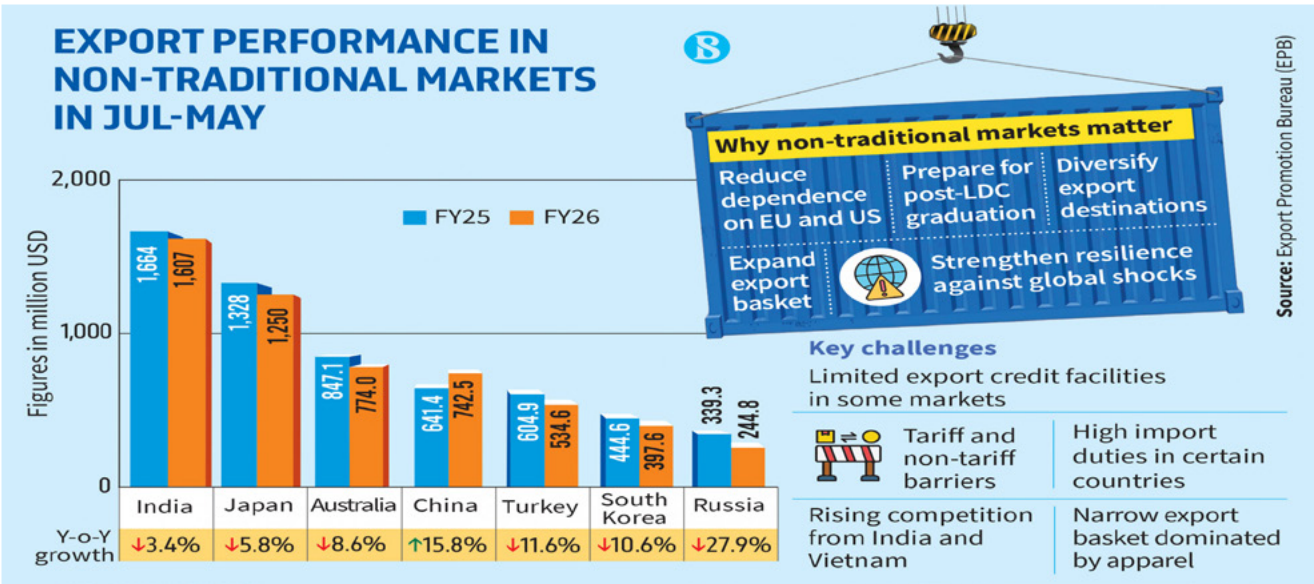
Source: The Business Standard - 27 June , 2026

Govt targets 8.5% GDP growth by FY31 under 3R strategy: Finance Minister

The government has adopted a medium-term Three-R Strategy—Recovery and Stabilisation, Restoration, and Reconstruction for Acceleration—to strengthen the investment climate and support sustainable economic growth. The strategy targets 8.5% real GDP growth, FDI equivalent to 2.7% of GDP, and total investment of 40% of GDP by FY2030–31 through legal and institutional reforms, improved ease of doing business, and enhanced investor protection. Key initiatives include the BanglaBiz one-stop investment platform, development of new economic and export processing zones, expansion of bonded warehouse facilities, and promotion of long-term financing through capital markets and green instruments. The government has also introduced measures to mitigate external risks by promoting export diversification, sustaining remittance inflows, strengthening foreign exchange reserves, and addressing the economic impacts of the ongoing Middle East conflict.

Source: The Business Standard - 24 June , 2026

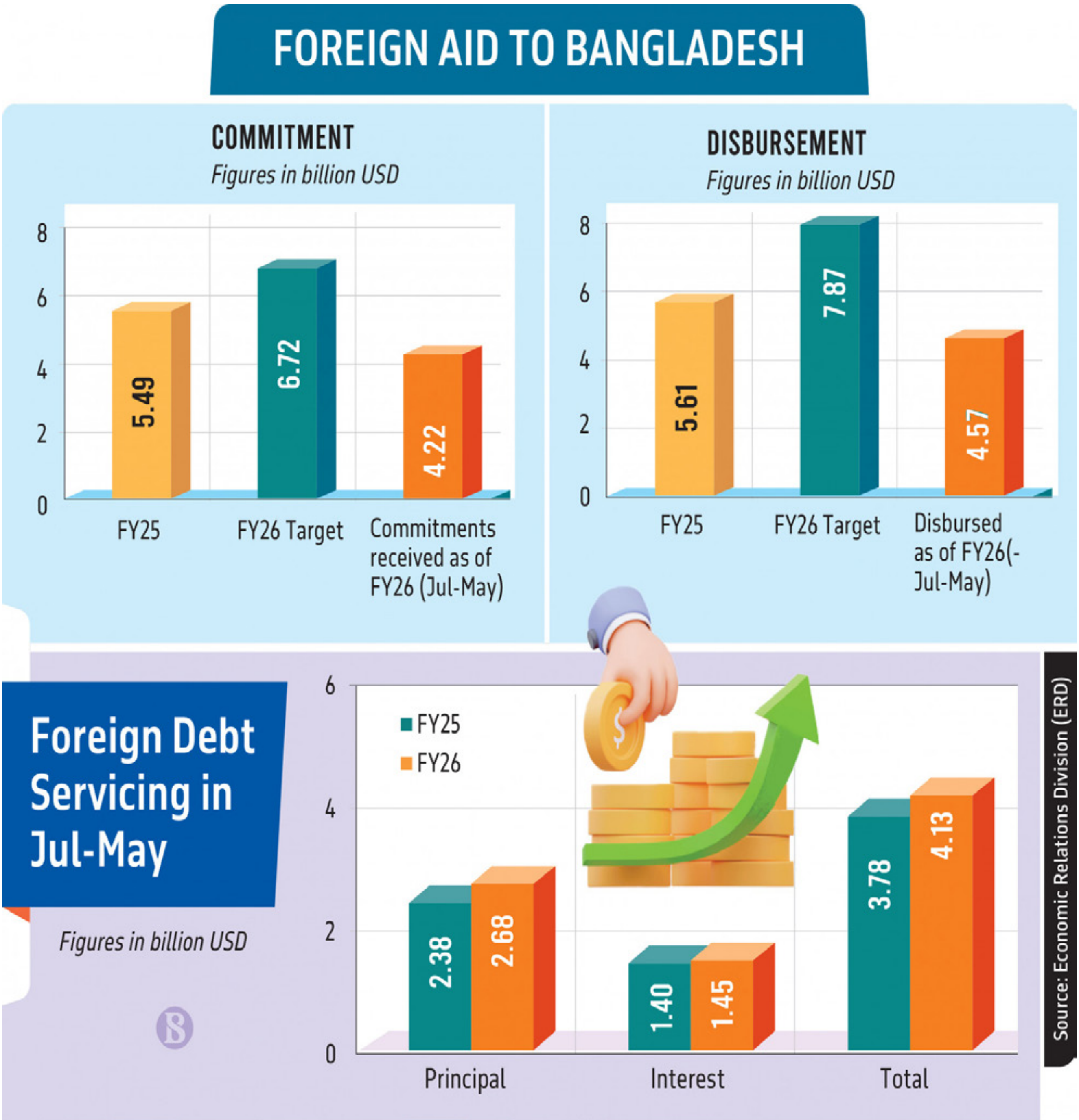
Bangladesh sees mixed fortunes in non-traditional export markets



Bangladesh's export diversification efforts showed mixed performance during July–May FY2025–26, with strong export growth to China, Saudi Arabia, the UAE, Malaysia and Brazil, while shipments declined to key non-traditional markets including India, Australia, Turkey and Russia. China recorded notable growth, supported by exports of garments, leather goods, footwear and jute products, indicating progress in product diversification. However, overall exports to non-traditional markets remained uneven, reflecting continued dependence on traditional labour-intensive products. Industry experts emphasised that successful diversification ahead of Bangladesh's LDC graduation will require stronger trade agreements, improved market access, enhanced productivity, expanded export financing, and sustained trade diplomacy. These measures are considered essential to strengthen Bangladesh's export competitiveness and reduce reliance on traditional Western markets.

Source: The Business Standard - 24 June , 2026

Foreign aid declining, debt servicing rising – how it's affecting the economy



Bangladesh experienced a significant slowdown in foreign loan inflows during July–May FY2025–26, as both loan disbursements and new commitments declined, while foreign debt repayments reached a record US$4.13 billion. Foreign loan disbursements fell to US$4.57 billion, and commitments declined to US$4.22 billion, reflecting slower project implementation and reduced development partner engagement. Economists warn that rising debt-servicing obligations are placing increasing pressure on the national budget, foreign exchange reserves and overall macroeconomic stability by limiting resources available for development and social spending. They recommend adopting a more selective external borrowing strategy focused on high-return projects, while strengthening domestic revenue mobilization, improving project execution and enhancing the banking sector to ensure sustainable public debt management and long-term economic resilience.

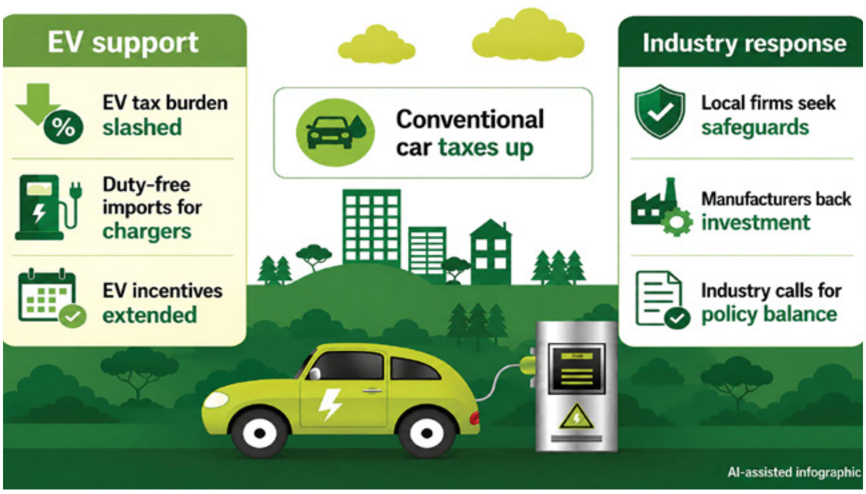
Source: The Business Standard - 23 June , 2026

IMF ties uniform 15% VAT, turnover tax to new loan package

The International Monetary Fund (IMF) has requested a time-bound reform roadmap covering revenue mobilisation and banking sector reforms as part of negotiations for Bangladesh's proposed new loan programme. Key recommendations include introducing a unified VAT system, strengthening tax administration, reducing non-performing loans, consolidating weak banks, and limiting government interference in bank management. Bangladesh has expressed support for tax and banking reforms but prefers a lower VAT rate and a gradual implementation approach. The government is seeking a new IMF programme of approximately US$4 billion, with negotiations expected to conclude by December 2026. Beyond financial support, an IMF programme is expected to strengthen Bangladesh's macroeconomic credibility, facilitate access to external financing, and support broader fiscal and structural reform initiatives.

Source: The Business Standard - 23 June , 2026

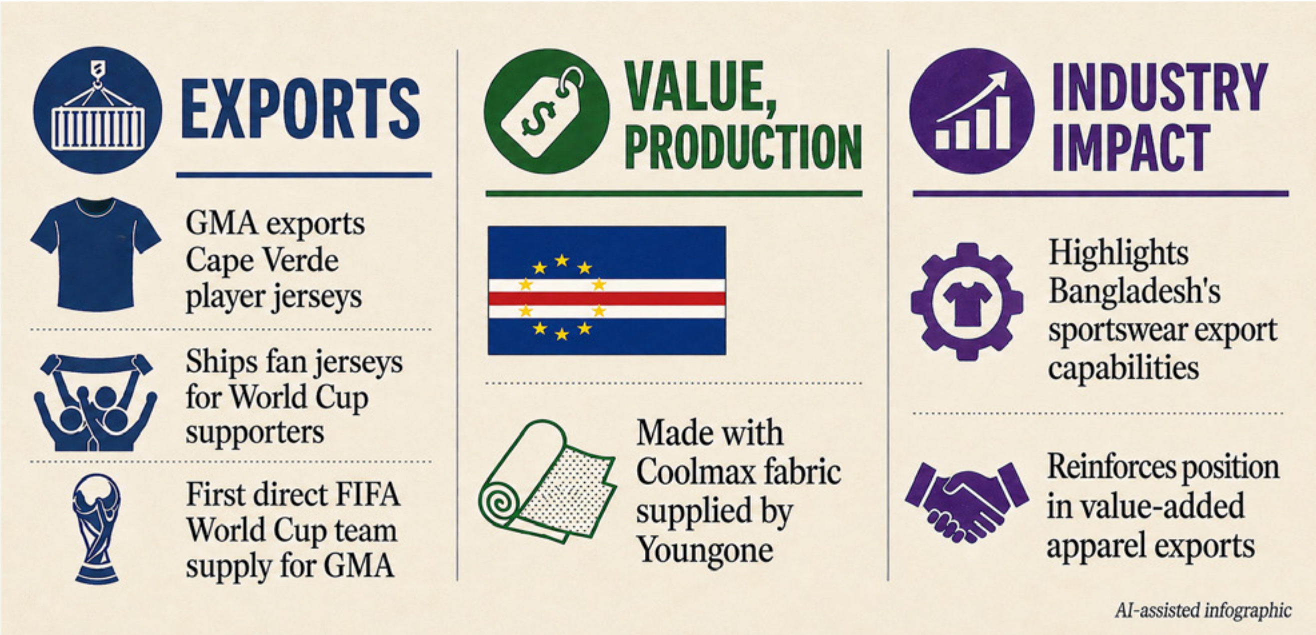
Tax cuts poised to boost the EV market



The FY2026–27 proposed budget introduces significant tax incentives to accelerate electric vehicle (EV) adoption and support cleaner transportation in Bangladesh. Import duties on EVs have been reduced, lowering the tax burden to 64% for EVs priced up to $25,000 and 80% for those up to $50,000. Taxes on EV chargers and charging stations have been eliminated, while incentives for EV manufacturing, battery production, electric buses, and trucks have been extended until 2030. Conversely, taxes on conventional petrol and diesel vehicles have increased, encouraging a shift toward electric mobility. Industry leaders welcomed the measures but expressed concerns that lower import duties may benefit imported vehicles more than local manufacturers. They urged balanced policies that promote domestic EV production, technology transfer, employment generation, and long-term industrial competitiveness alongside wider EV adoption

Source: The Business Standard - 24 June , 2026

Made in Bangladesh jerseys reach FIFA World Cup 2026



Bangladesh has reached the FIFA World Cup 2026 through its garment industry, with jerseys made in Bangladesh worn by Cape Verde during their World Cup debut against Spain. The player jerseys were manufactured by Garments Manufacturing and Assembling Ltd (GMA) in Dhaka and supplied through a New York-based sportswear company. The order was received in January and delivered in March. The jerseys use Coolmax fabric, produced with special yarn imported and supplied locally by Youngone Corporation. This marks GMA's first supply of player jerseys for a FIFA World Cup. Industry leaders noted that Bangladesh already exports sportswear for major international tournaments and remains a leading global apparel producer, capable of manufacturing high-quality, value-added garments for renowned international brands and sporting events.

Source: The Daily Star - 17 June , 2026

- Loans will carry **8%** interest in line with Finance Division directive
- Karmasangsthan Bank will provide loans to returnee migrants at **7%** interest
- **25%** of funds reserved for women entrepreneurs and **20%** for SME clusters
- Entrepreneurs can borrow up to **Tk25 lakh**

- Agro and food-processing businesses may access up to Tk1 crore at 9% interest
- Collateral-free up to Tk10 lakh, repayment tenure of up to 4 years

The SME Foundation has partnered with Mutual Trust Bank, Dhaka Bank, and Karmasangsthan Bank to disburse over Tk45 crore in financing to micro, small and medium enterprises (MSMEs) under its Credit Wholesaling Programme. The initiative offers loans from the Foundation's revolving fund at an 8% interest rate, while returnee migrant workers can access entrepreneurial loans through Karmasangsthan Bank at 7% with support from the International Labour Organization (ILO). Eligible entrepreneurs may obtain loans ranging from Tk1 lakh to Tk25 lakh, with agro-based and food processing enterprises eligible for financing of up to Tk1.00 crore. The programme also promotes collateral-free lending for loans up to Tk10 lakh, aiming to expand access to finance, encourage entrepreneurship, create employment, and support MSME sector development.

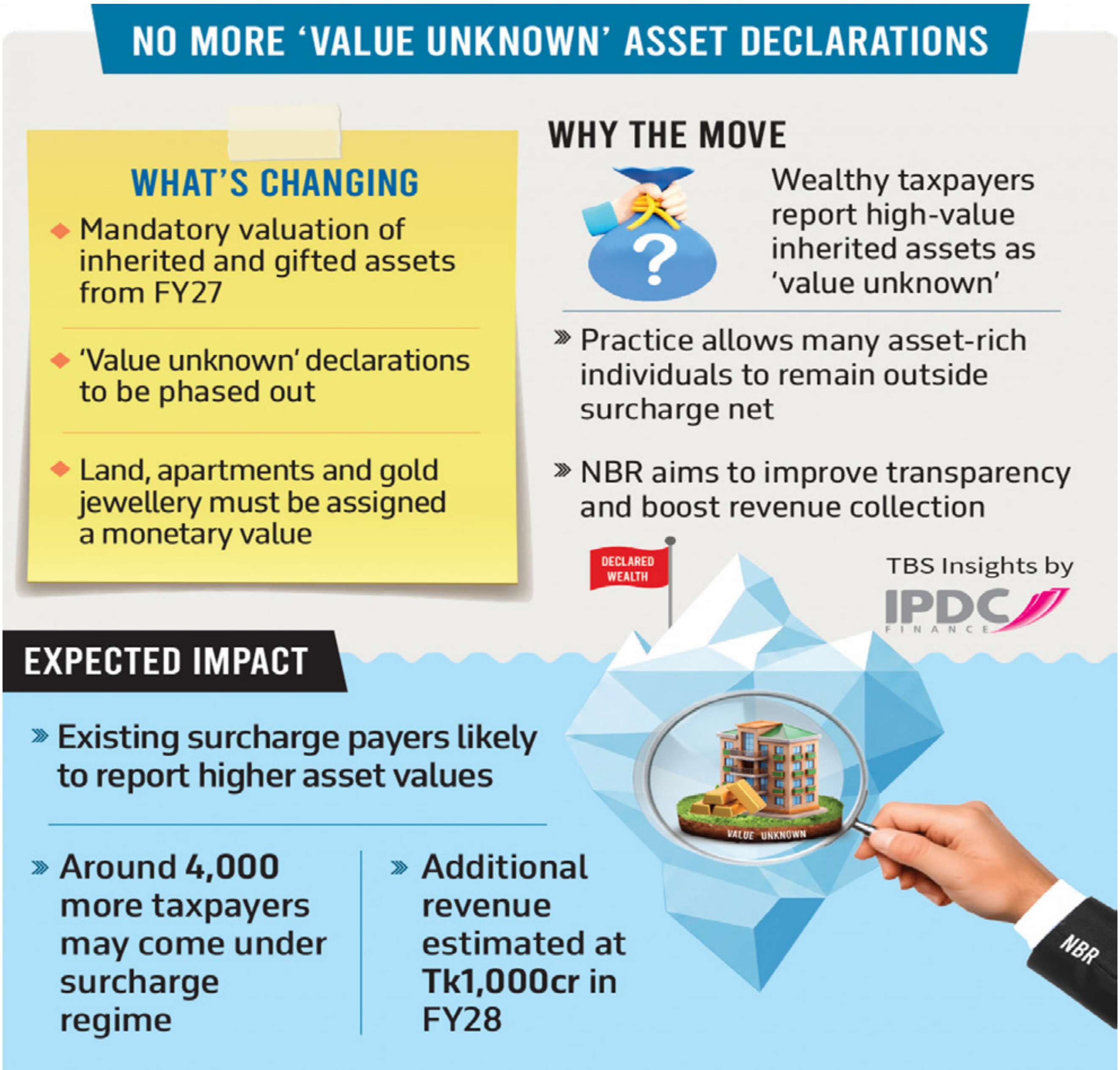
Source: The Business Standard - 17 June , 2026

Govt approves Tk4,189 crore Chinese Economic Zone project

The Executive Committee of the National Economic Council (ECNEC) has approved the Tk. 4,189 crore Chinese Economic and Industrial Zone (CEIZ) project in Anwara, Chattogram, with Tk. 2,467 crore in financing from the Chinese government. Developed on approximately 800 acres under a government-to-government initiative, the project aims to promote industrialisation, attract around US$500 million in foreign investment, and generate approximately 100,000 direct and indirect jobs. The zone will include key infrastructure such as roads, a multipurpose jetty, power and gas facilities, water reservoirs, and a central effluent treatment plant. Strategically located near the Karnaphuli Tunnel and Chattogram Port, the CEIZ is expected to become a major hub for Chinese manufacturing investment and strengthen Bangladesh's industrial and export competitiveness.

Source: The Daily Star - 18 June , 2026

Inherited assets must be valued in tax files as NBR seeks to widen the surcharge net



The National Board of Revenue (NBR) plans to require taxpayers to disclose the monetary value of inherited and gifted assets in tax returns from the upcoming financial year, closing a long-standing loophole that allowed high-value assets to be reported as "value unknown." The initiative is expected to improve asset transparency, bring approximately 4,000 additional taxpayers under the asset-based surcharge regime, and generate around Tk.1,000 crore in additional revenue in FY2027–28. To support implementation, the NBR will integrate historical mouza land valuation data into its online tax system and issue valuation guidelines. The measure is expected to strengthen tax compliance, improve wealth assessment, and ensure that taxpayers contribute surcharges based on the actual value of their assets.

Source: The Business Standard – 15 June , 2026

Govt forms high-level committee to ease industrial licensing

The government has formed two high-level committees to improve Bangladesh's investment climate by simplifying business approvals and easing access to industrial financing. A seven-member inter-ministerial committee will recommend measures to streamline licences, permits, and regulatory clearances, introduce provisional approvals, and eliminate unnecessary compliance requirements to improve the ease of doing business. A second committee will develop solutions to help industries operating on government-owned land secure bank financing through leasehold rights. These initiatives complement the FY2026–27 budget's reforms, including a digital single-window system for issuing business licences within seven days. Business leaders welcomed the measures, saying faster approvals, digitalisation, and improved financing could reduce business costs, enhance competitiveness, attract investment, and support private sector-led economic growth, provided the reforms are effectively implemented.

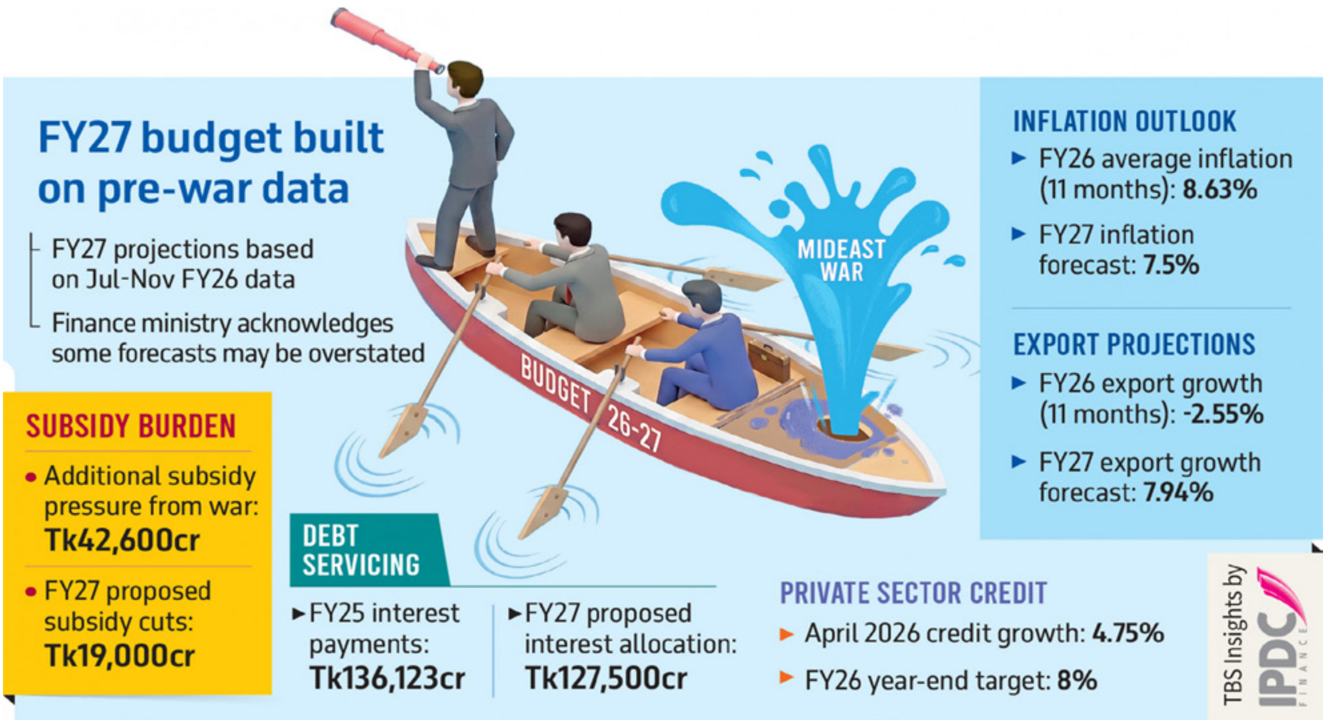
Source: The Daily Star - 15 June , 2026

ADB loan lifts Bangladesh foreign exchange reserves to $31b

Bangladesh's foreign exchange reserves increased to US$31.08 billion following the disbursement of US$1 billion in budget support from the Asian Development Bank (ADB). The inflow raised reserves from US$30.07 billion recorded on 10 June, strengthening the country's external liquidity position. According to Bangladesh Bank, the additional funding enhances the nation's capacity to meet external payment obligations and support macroeconomic stability. Officials also indicated that further disbursements from other development partners are expected in the coming months, which could provide additional support to the reserve position. The increase in reserves reflects continued multilateral financial assistance aimed at reinforcing Bangladesh's economic resilience amid ongoing domestic and global economic challenges.

Source: The Business Standard – 14 June , 2026

FY27 subsidy, debt servicing projections based on pre-Mideast war data



The proposed FY2026–27 national budget has been criticized for relying on macroeconomic assumptions that do not reflect the economic impact of the ongoing Middle East conflict. Analysts note that the budget understates allocations for subsidies and public debt servicing despite rising global energy, fuel and fertilizer prices. Subsidy allocations have been reduced to Tk. 89,538 crore, while interest payments on public debt have also been lowered, even as the government's debt stock continues to increase. Economists have further questioned the realism of the budget's projections for inflation, exports and private sector credit growth, arguing that they are inconsistent with current economic trends. Officials acknowledge that actual expenditure on subsidies and debt servicing may exceed budgeted amounts if global market conditions remain unfavorable, potentially creating fiscal pressures during FY27.

Source: The Business Standard - 14 June , 2026

Resin duty hike poses new challenge for plastic industry

- PVC, PET duty doubled to 10%
- 70% of resin demand met by imports
- Production costs set to rise
- Multiple industries face impact
- Competitiveness may weaken

The proposed FY2026–27 budget doubles the import duty on PVC and PET resins from 5% to 10%, raising concerns about higher production costs for Bangladesh's plastic industry. Since around 70% of the country's annual resin demand (8.5 lakh tonnes) is met through imports, manufacturers are highly dependent on imported raw materials. The duty hike is expected to increase costs for products such as pipes, fittings, water tanks, beverage bottles, packaging materials, electrical cables, footwear, and synthetic leather, affecting downstream sectors including construction, packaging, electronics, healthcare, and automobiles. Industry leaders warn that higher costs will reduce export competitiveness, increase consumer prices, and put additional pressure on over 5,000 plastic manufacturers, most of which are SMEs, already facing rising global resin prices.

Source: The Daily Star - 14 June , 2026

Govt sets aside Tk 200 crore for blue economy research, development

The government has proposed allocating Tk200 crore in the FY2026–27 budget to promote Bangladesh's blue economy through research, innovation, and sustainable marine resource development. Of the total allocation, Tk100 crore will establish a Blue Economy Research Fund, while the remaining Tk100 crore will support blue economy development initiatives. The government aims to increase fisheries exports from about $450 million in FY2024–25 to $1 billion by 2030. Planned initiatives include commercial deep-sea fishing for tuna and other pelagic species, expansion of seaweed cultivation, declaration of Kuakata and Salimpur as new marine protected areas, establishment of a modern fishing port at Matarbari, and upgrading the fish landing centre in Cox's Bazar to ensure sustainable utilization of marine resources.

Source: The Daily Star - 13 June , 2026

$404m WB loan, grant for health, nutrition services in Bangladesh

The government has signed a $404 million financing agreement with the World Bank, comprising a $379 million loan and a $25 million grant from the Global Financing Facility (GFF), to strengthen Bangladesh's health, nutrition, and population services. The funding will support two projects under the Ministry of Health and Family Welfare during 2025–2029. One project will improve the quality, accessibility, and resilience of health and nutrition services, particularly in Chattogram and Sylhet, while the other will enhance climate-responsive reproductive health and family planning services through stronger institutional systems. The loan carries a 30-year repayment period, including a five-year grace period, with concessional interest and service charges, supporting long-term improvements in Bangladesh's healthcare system.

Source: The Daily Star - 10 June , 2026

Bangladesh's per capita GNI surpasses $3,000 for first time

Bangladesh's per capita Gross National Income (GNI) exceeded the $3,000 milestone for the first time, reaching $3,020 in FY2025–26, up 9.1% from $2,769 in the previous fiscal year, according to provisional BBS estimates. In local currency, per capita GNI increased to Tk368,873 from Tk334,511. The latest figure places Bangladesh ahead of India, Pakistan, and Nepal in South Asia, though it remains behind Sri Lanka, Bhutan, and the Maldives. Per capita GDP also rose to $2,866 from $2,625. Despite persistent inflation and external-sector challenges, the continued rise in nominal income reflects Bangladesh's improving economic performance and living standards, although economists caution that inflation may reduce the real purchasing power of households.

Source: The Daily Star - 11 June , 2026

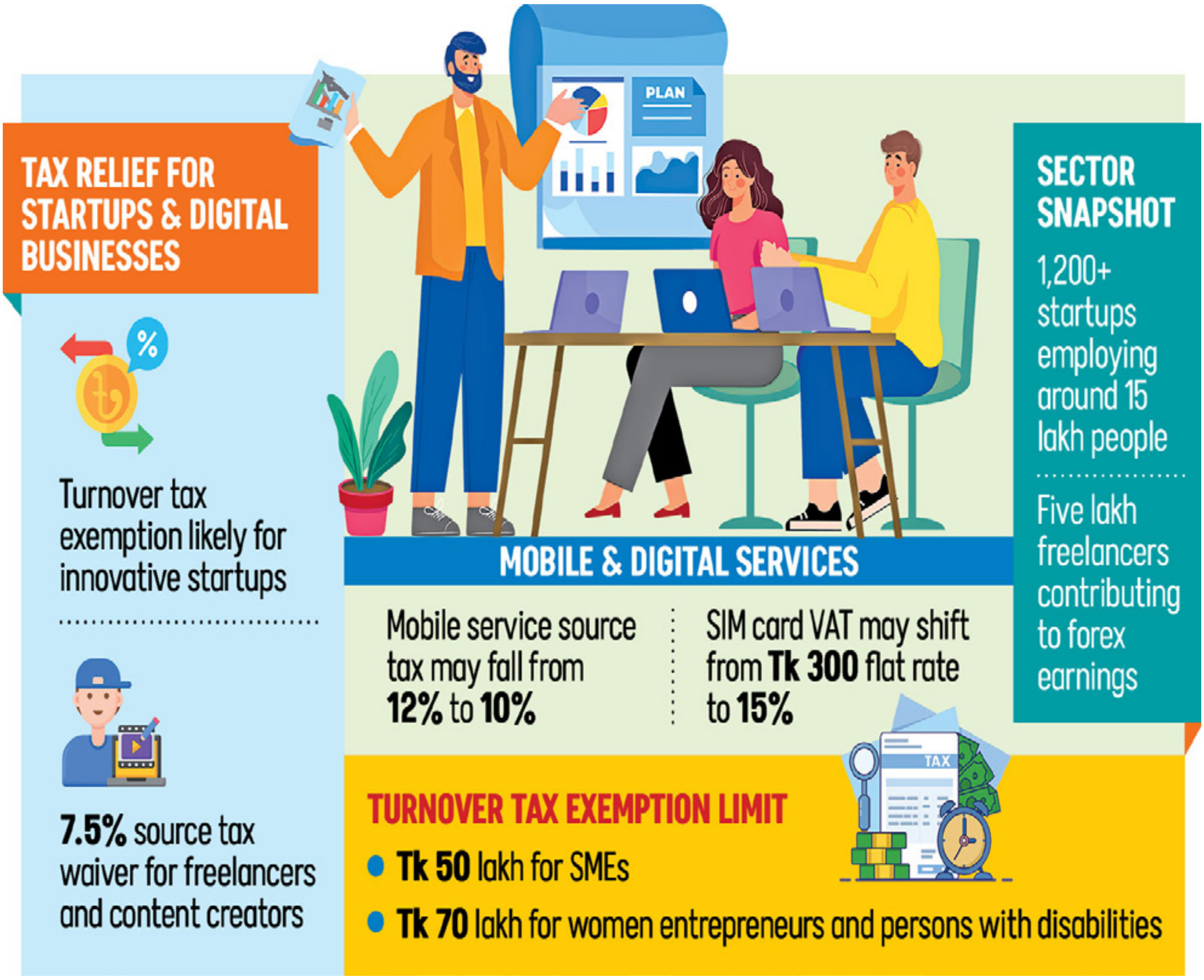
Bangladesh economy crosses $500bn mark for first time

Bangladesh's economy surpassed the $500 billion milestone for the first time in FY2025–26, with provisional GDP reaching $501 billion, according to the Bangladesh Bureau of Statistics (BBS). Economic growth accelerated to 4.14%, up from 3.49% in the previous fiscal year, driven mainly by stronger performances in the agriculture and services sectors. Agriculture expanded by 2.78%, while services grew 4.59%. However, manufacturing growth slowed to 2.86% from 3.71% due to weaker exports and subdued domestic demand amid persistent inflation. The growth rate exceeded earlier projections by the International Monetary Fund (IMF) and other multilateral agencies, which had forecast growth below 4%, indicating a modest but encouraging recovery in Bangladesh's economic performance.

Source: The Daily Star - 10 June , 2026

Budget boost targets entrepreneurs, tech innovators

The proposed FY2026–27 budget includes major tax incentives to support Bangladesh's startup, IT, and digital economy. The government plans to eliminate the 0.1% turnover tax for eligible startups, exempt around 500,000 freelancers and content creators from the existing 7.5% source tax, and reduce the source tax on mobile services from 12% to 10%. It also proposes replacing the Tk300 flat tax on SIM cards with 15% VAT. Additional measures include tax exemptions for SME, women, and disabled entrepreneurs with specified turnover limits, and accelerated depreciation



benefits for industries established outside Dhaka and Chattogram. These reforms aim to encourage entrepreneurship, attract investment, support regional industrialisation, strengthen the digital economy, and generate employment across the country.

Source: The Daily Star - 09 June , 2026

BANKING INDUSTRY

Banking Industry at a glance

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

Photo: Bangladesh Bank

Bangladesh has fostered the development of its banking sector to support economic progress, leading to considerable expansion over the last thirty years. At the start, the sector included seven nationalized commercial banks, three specialized state-owned banks, and nine foreign banks following independence in 1971. The 1980s brought additional growth with the establishment of private banks. Presently, the banking sector consists of 57 scheduled banks and 5 non-scheduled banks, all governed by Bangladesh Bank under various laws and regulations. Furthermore, there are 35 non-bank financial institutions that are also under the supervision of Bangladesh Bank.

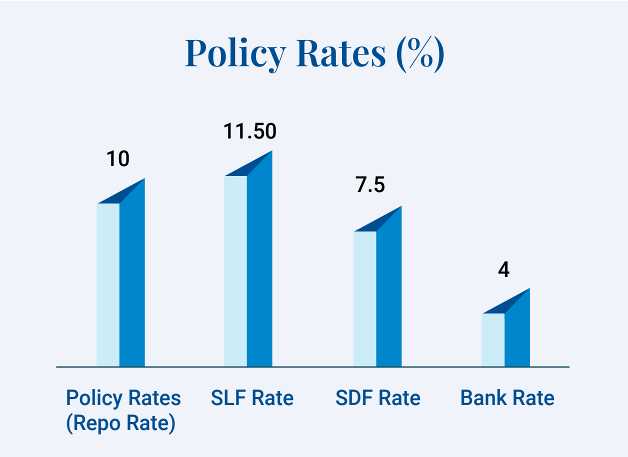
Banking Statistics Summary

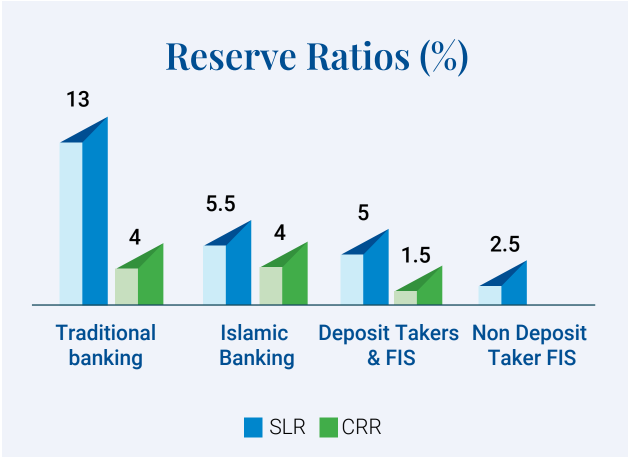
Bank Deposit and Credit

(Fig in Million)

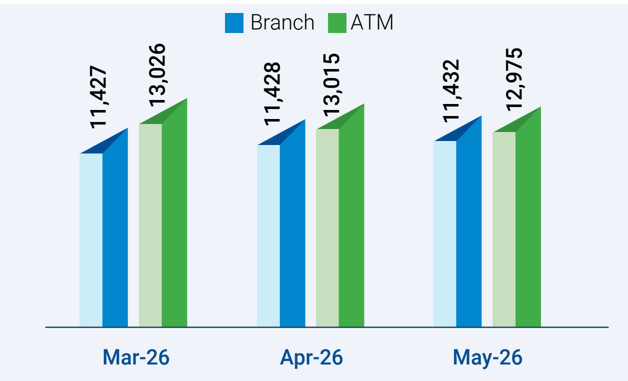
Items	May, 2026	May, 2025	Percentage Changes May, 2026 over May, 2025
Deposits held in DMBs	20,410,993	18,320,652	11.41%
Bank Credit	24,793,388	22,849,631	8.51%

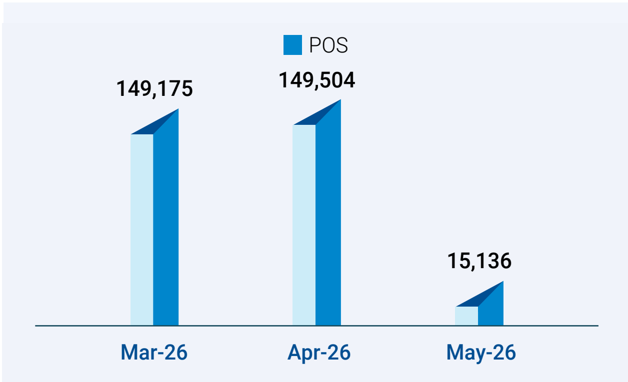
Policy Rates and Reserve Ratios

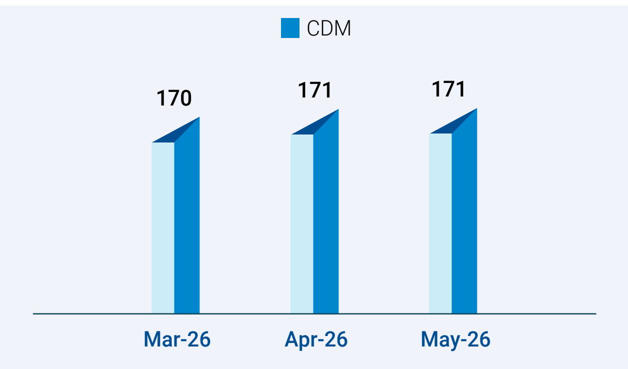


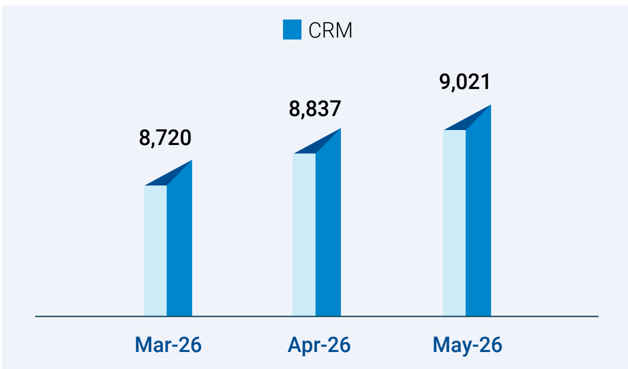


Branches, ATM, POS, CDM and CRM









Scheduled Banks facilitate financial transactions by establishing Branches, ATM, POS, CDM and CRMs in urban and rural areas. The number of scheduled bank branches has been increased by 4 in the reporting month. In perspective of the total population [172.85 million source: BBS] of Bangladesh, on an average 15,119 people receive financial services from one branch and 13,322 people receive digital financial services from one ATM.

Debit, Credit and Prepaid Cards

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

Period	Debit Cards	Credit Cards	Prepaid Cards	Transaction Number	Transaction Amount (TK)
May-2026	39.75	2.65	8.60	61.53	612.72
April-2026	39.79	2.63	8.30	54.51	499.54
March-2026	39.98	2.62	8.20	62.68	605.73

The number of issued Debit, Credit and Prepaid Cards in May, 2026 are 39.75, 2.65 and 8.60 million respectively, which are 0.10% lower 0.76% and 3.61% higher respectively than those of the previous month. Using these cards the number of local and foreign currency transactions is 61.53 million with an amount of TK. 612.72 billion in May, 2026. The number of transactions increased by 12.88% and the transaction amount increased by 22.66% compared to the previous month.

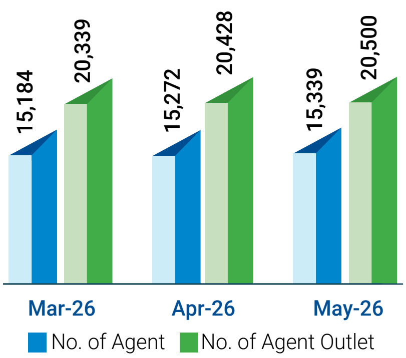
Mobile Financial Services (MFS)

Amount: Tk. in billion, Number: In million

Period	MFS Agent	MFS A/C	Transaction Number	Transaction Amount (TK)	Remittance through MFS (TK)
May-2026	2.07	255.76	1123.72	2473.74	28.18
April-2026	2.06	254.72	993.61	2,013.37	21.61
March-2026	2.07	253.28	1082.28	2,395.94	29.52

Mobile Financial Services (MFS) are increasing remarkably. MFS Statistics are compiled considering MFS providers such as bKash, Rocket, Upay et cetera. According to Table (MFS), the number of MFS accounts is 255.76 million of which 126.92 million is in urban areas and 128.84 million is in rural areas in May-2026. Among the services provided by the MFS operators, Government is providing cash incentives in Inward Remittance. In May, 2026 Inward Remittance Tk. 28.18 billion is disbursed through MFS channel.

Agent Banking



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

Period	Total No. of A/C	Deposit Balance	No. of Transaction	Transaction Amount
May-2026	26.99	517.50	17.17	675.10
April-2026	26.76	513.02	13.47	685.95
March-2026	26.46	505.63	16.85	682.22

Currently, 30 scheduled banks are offering Agent Banking facilities to provide a safe alternative channel of banking service for the people of remote areas in Bangladesh. At the end of May, 2026 the number of agent has been increased by 67 and the number of agent outlet has been increased by 72 compared to the previous month.

MICR and Non-MICR, EFT and Internet Banking

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

Period	MICR & Non-MICR Cheque		EFT	
	Number	Amount (in TK)	Number	Amount (in TK)
May-2026	1.46	1401.87	43.55	789.34
April-2026	1.56	1532.83	18.29	719.29
March-2026	1.51	1446.89	35.07	840.85

Period	Internet Banking		e-Commerce	
	Number	Amount (in Tk)	Number	Amount (in Tk)
May-2026	42.54	1735.88	6.63	24.67
April-2026	33.78	1589.17	6.16	21.56
March-2026	35.40	1678.86	6.17	22.75

No-frill Accounts

(Number: In million)

Period	i) Farmers 10 Tk A/C	ii)Hardcore Poor A/C	iii) Social Safety Net A/C	iv) Others A/C	Total Special A/C
May-2026	9.28	2.54	9.86	4.34	79.85
April-2026	9.27	2.53	9.84	4.32	75.62
March-2026	9.26	2.52	9.83	4.30	77.75

Underprivileged people receive government allowances through Special Accounts (Farmers 10 TK. Account, Hardcore Poor Account, Social Safety Net Account etc.) of financial institutions. This initiative plays a significant role to include people under financial activities. There are more accounts of rural people than urban people in case of Special Accounts.

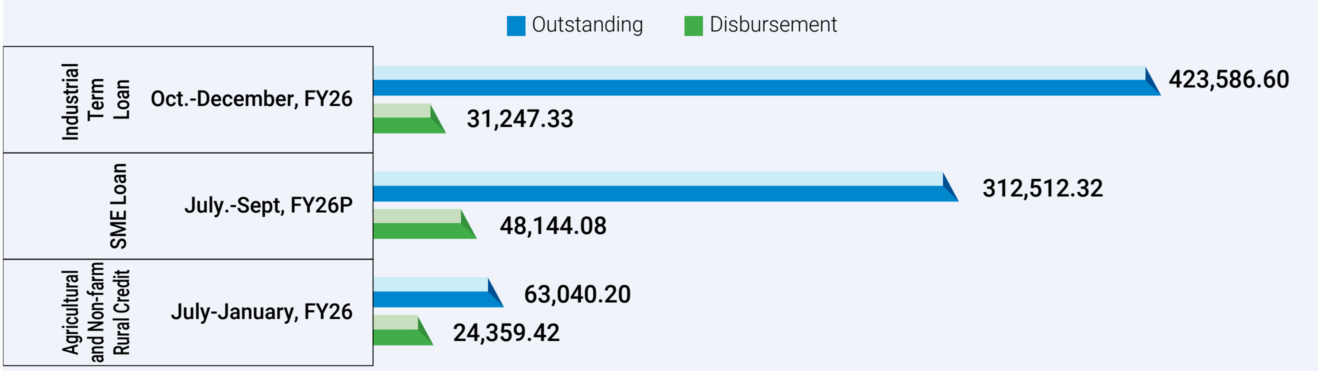
School Banking

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

Period	School Banking A/C	Deposit Balance (in TK)
May-2026	5.33	20.29
April-2026	5.18	20.24
March-2026	4.99	20.03

School Banking activities encourage students (below 18 years) to develop their savings behavior. In May, 2026, there are considerably more male student accounts than female student accounts and the total deposit balance of these accounts is TK. 20.29 billion.

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



Source: Bangladesh Bank

Bangladesh Bank projects 6.1% GDP growth for FY27, below Govt's 6.5% target

Bangladesh Bank has projected Bangladesh's GDP growth at 6.1% for FY27, slightly below the government's 6.5% target, while maintaining all key policy interest rates to support macroeconomic stability and curb inflation. According to provisional BBS estimates, the economy expanded by 4.14% in FY26, up from 3.49% in the previous fiscal year. The FY27 Monetary Policy Statement highlights a fiscally prudent, growth-oriented strategy that emphasizes development expenditure, tax reforms, expenditure rationalization, targeted subsidies and expanded social protection. It also aligns with the government's 3R Strategy, focusing on economic stabilization, institutional reforms, improved public service delivery and a more investment-friendly environment. Bangladesh Bank kept the repo, Standing Lending Facility (SLF) and Standing Deposit Facility (SDF) rates unchanged at 10.0%, 11.5% and 7.5%, respectively.

Source: The Business Standard - 30 June , 2026

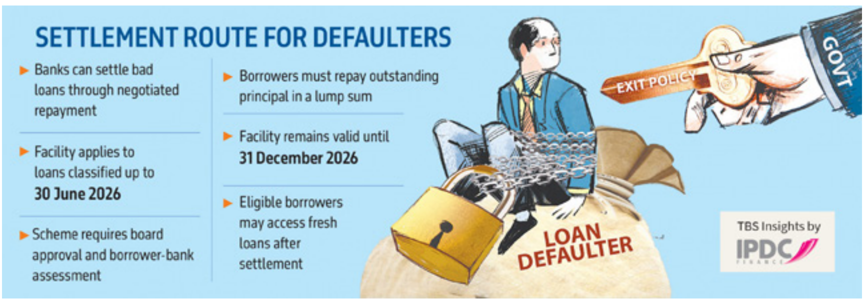
BB caps bank interest rate spread at 4% to support industrial growth

Bangladesh Bank has instructed all banks to maintain a maximum weighted average spread of 4% between lending and deposit rates, effective immediately, to reduce borrowing costs and support investment and industrial growth. The decision follows concerns over widening interest spreads, which have reached an industry average of 5.72%, with some banks charging as much as 7–9%. The central bank stated that excessive spreads have increased financing costs for businesses, particularly productive sectors. However, the ceiling will not apply to credit card and consumer finance loans due to their higher risk profile. While the measure aims to ensure rational lending rates and improve access to finance, bankers and economists have expressed concerns that it may distort market pricing and potentially constrain credit growth, especially for SMEs and higher-risk borrowers.

Source: The Business Standard - 29 June , 2026

Loan defaulters now offered one-time lump-sum exit

Bangladesh Bank has introduced a one-time settlement facility for borrowers with loans classified as bad/loss as of 30 June 2026, aiming to reduce non-performing loans (NPLs), strengthen banks' financial position, and improve credit flow to productive sectors. Effective until 31 December 2026, the scheme allows eligible borrowers to settle outstanding liabilities through a lump-sum payment, subject to bank board approval. The facility also provides flexibility in waiving accrued interest under specified conditions



and prioritizes agricultural and CMSME loans. Borrowers who fully rescheduled loans between 6 August 2024 and 30 June 2026 are also eligible. While the initiative is expected to improve loan recovery and asset quality, experts caution that its success will depend on borrowers' willingness to repay, particularly among willful defaulters.

Source: The Business Standard - 29 June , 2026

BIN made mandatory for business bank accounts, loans

The Finance Bill 2026 makes Business Identification Number (BIN) registration mandatory for businesses to access a wide range of financial and regulatory services. Under the amended law, businesses must provide proof of BIN registration to open or operate current and short-term deposit (STD) accounts, obtain loans from banks and non-bank financial institutions (NBFIs), and access other financial services. The requirement also applies to trade licence renewals, merchant account registration with Mobile Financial Services (MFS) providers, membership or renewal of trade organisations, utility connections for electricity and gas, and vehicle registration with the Bangladesh Road Transport Authority (BRTA). The measure aims to strengthen tax compliance, improve regulatory oversight, and enhance transparency across the business and financial sectors.

Source: The Business Standard - 29 June , 2026

BB chief calls for stronger capital market to boost private investment

Bangladesh Bank Governor Md Mostaqur Rahman emphasised the need to develop a stronger and more dynamic capital market to support long-term economic growth and reduce reliance on bank financing. He highlighted the importance of expanding private sector credit and investment to sustain higher economic growth through greater access to long-term equity financing. To strengthen the capital market, Bangladesh Bank outlined a phased roadmap to increase market capitalisation to Tk20,000 crore in FY2026–27, Tk25,000 crore in FY2027–28, and Tk30,000 crore in FY2028–29. The governor also noted recent regulatory reforms to attract foreign portfolio investment, including simplified procedures for Non-resident Investors' Taka Accounts (NITA), enabling easier fund repatriation and improving the overall investment environment in Bangladesh.

Source: The Business Standard - 29 June , 2026

BB extends personal loan tenure to 8 years, eases consumer credit cap

Bangladesh Bank has revised consumer financing policy by extending the maximum repayment period for personal loans from five to eight years and removing the restriction that limited consumer loan growth to the overall growth rate of bank lending. The policy aims to improve access to retail credit, lower borrowers' monthly instalments, and encourage banks to expand consumer financing. In addition, the central bank has increased the maximum auto loan limit to Tk. 80 lakh for electric, hybrid and locally manufactured vehicles. While the reforms are expected to stimulate consumer spending and support retail banking growth, bankers have noted that longer loan tenures will require prudent credit risk management to ensure sustainable lending practices and maintain asset quality.

Source: The Business Standard - 25 June , 2026

Bangladesh Bank introduces 'Non-Resident Convertible Taka Account' for expatriates

Bangladesh Bank has introduced Non-Resident Convertible Taka Accounts (NRCTA) to encourage remittance inflows through formal channels, promote expatriate investment, and expand offshore banking activities. The new facility allows expatriate Bangladeshis to open convertible current, savings, or fixed deposit accounts using remitted funds, with full repatriation of both principal and investment income. Account holders may also use these funds for domestic investments, portfolio investments, foreign direct investment (FDI), and approved local transactions. Additionally, banks may extend loans against NRCTA deposits, while account funds can finance selected foreign-owned export-oriented industries in specialised economic zones. The initiative is expected to strengthen remittance intermediation, enhance financial sector liquidity, and increase expatriate participation in Bangladesh's economic development.

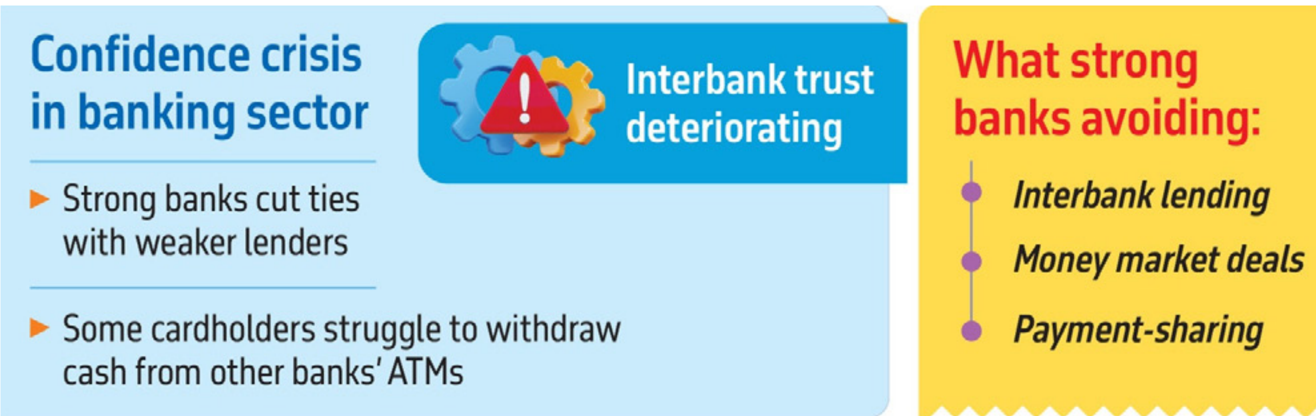
Source: The Business Standard - 23 June , 2026

Bangla QR code usage to be mandatory from 1 July

Bangladesh Bank has announced that the standardized interoperable Bangla QR system will become mandatory nationwide from 1 July 2026 to promote digital payments and accelerate the transition towards a cashless economy. The initiative aims to reduce cash transactions by enabling secure, convenient and interoperable QR-based payments across banks and payment service providers. Bangladesh Bank expects wider adoption of Bangla QR to enhance financial inclusion, improve transaction transparency, strengthen anti-money laundering measures, and reduce informal economic activities through greater digital transaction records. The central bank also plans to introduce a fully interoperable Instant Payment System (IPS) next year, enabling real-time transfers between bank accounts and mobile financial service wallets, further strengthening the country's digital payment ecosystem.

Source: The Business Standard - 25 June , 2026

Weak vs strong banks: How banking chain is snapped



Bangladesh's banking sector is experiencing a growing confidence crisis as financially strong banks increasingly limit interbank exposure to weaker institutions due to capital deficiencies, liquidity concerns and heightened financial risks. The trend has disrupted interbank lending, payment settlements and ATM services, with customers of weaker banks facing difficulties accessing cash and payment facilities. According to Bangladesh Bank, only 26 private commercial banks met the minimum capital adequacy requirement at the end of 2025, while the industry's capital adequacy ratio remained negative and 20 banks recorded a combined capital shortfall of Tk. 2.78 lakh crore. Bankers warned that restoring confidence will require more than liquidity support, emphasizing the need for stronger governance, improved transparency, effective resolution of non-performing loans and comprehensive banking sector reforms to ensure long-term financial stability.

Source: The Business Standard - 29 June , 2026

BB governor orders strict compliance in banking sector

Bangladesh Bank Governor Mohammad Mustakur Rahman has directed the central bank's supervision departments to adopt a zero-tolerance approach towards regulatory and legal violations by banks. Under the new directive, officials have been instructed to impose the maximum penalties permitted under existing laws for all identified violations and to strengthen monitoring of banks' compliance with prudential regulations. The governor also emphasised rigorous oversight by requiring regular updates from supervision departments on banks' operational conditions and enforcement actions. The policy aims to enhance regulatory discipline, improve governance and accountability within the banking sector, and reinforce compliance with banking laws, thereby supporting financial stability and strengthening public confidence in Bangladesh's banking system.

Source: The Business Standard - 20 June , 2026

Distressed loans soar to Tk10.87 lakh crore, swallowing 59% of bank credit

Bangladesh's banking sector faced severe stress in 2025 as distressed loans surged by nearly 44% year-on-year to Tk10.87 lakh crore, equivalent to 59% of total outstanding loans (Tk18.20 lakh crore). The increase was driven by higher defaulted, rescheduled, and written-off loans after Bangladesh Bank adopted stricter international loan-classification standards. The sector's financial health deteriorated sharply, with the Capital to Risk-Weighted Assets Ratio (CRAR) falling to -2.64%, Return on Assets (ROA) to -4.81%, and Return on Equity (ROE) to -243.90%. Rising provisioning requirements significantly reduced profitability and weakened banks' lending capacity. Experts stressed the need for structural reforms, stronger supervision, improved governance, effective loan recovery, adequate recapitalization, and stricter risk management to restore financial stability and support sustainable economic growth.

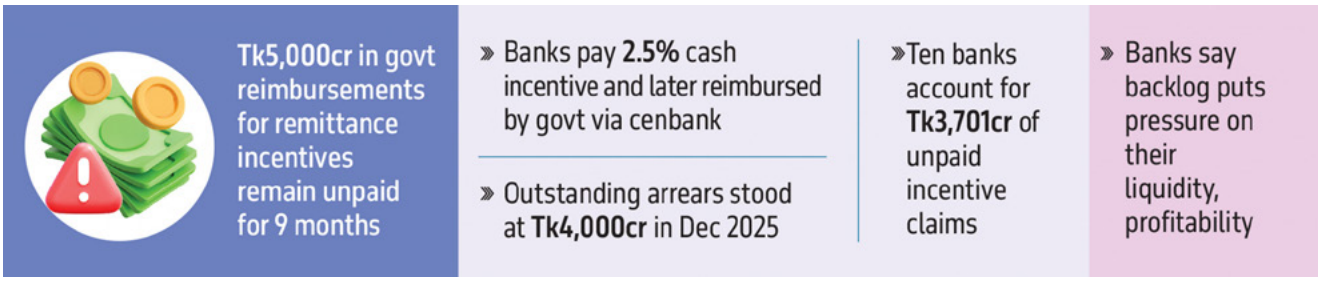
Source: The Business Standard - 17 June , 2026

What is holding Bangladesh back from becoming a cashless society?

Despite Bangladesh Bank's continued efforts to promote a cashless economy, cash remained the dominant payment method in 2025, accounting for 67.2% of total transaction value, while digital payments represented 32.8%. The slow adoption of digital payments is attributed to the large informal economy, where transactions largely occur outside the formal banking system, as well as infrastructure limitations, limited digital literacy, and concerns over security and fraud. Industry experts emphasise that expanding financial inclusion, improving digital payment infrastructure, and increasing user confidence are essential to accelerating the transition towards a cashless economy. The continued reliance on cash also imposes significant economic costs, with Bangladesh estimated to spend Tk.20,000–22,000 crore annually on printing currency, highlighting the importance of promoting efficient and secure digital payment systems.

Source: The Business Standard - 16 June , 2026

Banks hit by Tk. 7,550cr remittance incentive backlog



Government reimbursement arrears for the 2.5% remittance incentive scheme have exceeded Tk.7,550 crore as of 31 May 2026, creating liquidity and profitability pressures for commercial banks. Banks continue to advance incentive payments to remittance recipients while awaiting reimbursement, forcing them to finance the shortfall through deposits instead of investing in income-generating assets. Bankers estimate the delays have resulted in significant foregone interest income and increased funding costs, while also affecting liquidity management and balance sheet efficiency. Bangladesh Bank Governor Md Mostaqur Rahman has assured banks that efforts are underway to coordinate with the Ministry of Finance to clear the outstanding dues within the current fiscal year. Timely reimbursement is expected to strengthen banks' liquidity and sustain incentives for remittance mobilization.

Source: The Business Standard - 15 June , 2026

Bangladesh Bank allows exporters to display products via Amazon, Alibaba

Bangladesh Bank has eased foreign exchange regulations to enable business-to-consumer (B2C) exports through global e-commerce platforms such as Alibaba, AliExpress, and Amazon. Under the new rules, Bangladeshi exporters can directly showcase and sell products to international customers, expanding digital export opportunities. The facility applies to small-value exports up to $5,000 per transaction on Cost and Freight (CFR) terms. For shipments valued at up to $1,000, the EXP form requirement is waived if payment is received in advance through banking channels or approved digital payment systems. Authorised Dealer (AD) banks must verify exporters' agreements with online marketplaces. Export proceeds must be repatriated through formal banking channels, supporting small exporters, simplifying cross-border trade, and promoting Bangladesh's integration into the global digital economy.

Source: The Business Standard - 15 June , 2026

Govt prioritises banking reforms to rebuild trust

The FY2026–27 budget identifies restoring confidence and strengthening discipline in the banking sector as key priorities to support economic recovery and investment. The government has allocated Tk. 40,000 crore in FY26 to recapitalize distressed banks and plans reforms to improve governance, reduce political and family influence, enhance transparency in loan approval and rescheduling, and lower non-performing loans (NPLs). Former Bangladesh Bank Governor Ahsan H. Mansur stressed that visible reforms and greater central bank independence are essential for rebuilding confidence and reducing interference. Bank Asia MD Sohail RK Hussain welcomed the focus on recapitalization but emphasized that banks must also improve operational efficiency, strengthen monitoring, enhance loan quality, and remain free from political influence to ensure long-term financial stability.

Source: The Business Standard - 11 June , 2026

Cenbank positive on China's cross-border payment system proposal, Panda bond

Bangladesh is exploring participation in China's Cross-Border Interbank Payment System (CIPS) and the possibility of issuing Panda Bonds to diversify international payment and financing sources beyond the US dollar. Bangladesh Bank stated that there is no policy objection if commercial banks independently join CIPS, which facilitates RMB (Chinese yuan) cross-border transactions alongside SWIFT. Officials believe additional payment channels could enhance trade and business, although the benefits will depend on greater use of the RMB in international trade and stronger Bangladesh-China economic ties. Discussions also covered Panda Bonds, which allow foreign governments to raise yuan-denominated funds in China's domestic bond market. Experts noted that deeper Chinese investment and financing would determine the long-term effectiveness of these initiatives.

Source: The Business Standard - 09 June , 2026

BB launches Tk. 5,000 crore CMSME refinancing scheme; lending rate capped at 9%

Bangladesh Bank has launched a Tk. 5,000 crore refinancing scheme to improve access to working capital for cottage, micro, small and medium enterprises (CMSMEs). The revolving fund, financed from surplus liquidity of scheduled banks, will operate for three years and offer loans to entrepreneurs at a maximum interest rate of 9%. Participating banks will receive refinancing from Bangladesh Bank at 4%, while Islamic banks can provide Shariah-compliant financing. The scheme targets operational CMSMEs facing working capital shortages, although loan defaulters listed in the CIB are ineligible. Borrowers will receive a 3–6 month grace period, and banks with an Advance-Deposit Ratio (ADR) above 70% will receive priority, aiming to boost employment, production, and economic growth.

Source: The Business Standard - 08 June , 2026

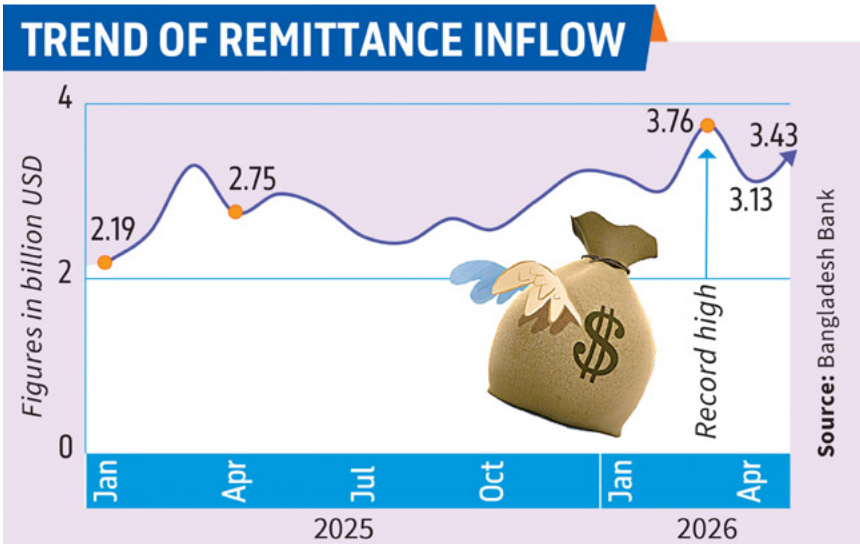
Govt pushes to include bank employees in universal pension's Progoti scheme

The government has directed scheduled banks to enrol their officials and employees in the "Progoti Scheme" under the Universal Pension Scheme (UPS) to strengthen post-retirement financial security for private-sector workers. Under the scheme, employees and employers each contribute 50% of the monthly subscription, ranging from Tk. 1,000 to Tk. 15,000. Subscribers receive lifetime monthly pensions, income tax rebates on contributions, tax-free pension income, and may withdraw up to 30% of accumulated savings

as gratuity after age 60. The government guarantees all investments. As of 30 May, 377,930 people had enrolled, with Tk. 260 crore in deposits. The government aims to bring one member from each of 40 million families under a universal pension scheme by 2030.

Source: The Business Standard – 03 June , 2026

Remittance inflow hits $3.42b in May as reserves cross $30b again



Bangladesh received $3.42 billion in remittances in May 2026, a 15.34% increase from $2.97 billion a year earlier and higher than $3.13 billion received in April. During the first 11 months of FY26, total remittance inflows reached $32.76 billion, up from $27.51 billion in the same period of the previous fiscal year. The growth was driven by Eid-ul-Adha remittances, favourable market-based exchange rates, and early transfers by expatriates due to uncertainty caused by the Middle East conflict. Bangladesh Bank also purchased over $6 billion from the foreign exchange market to strengthen reserves. Consequently, the country's gross foreign exchange reserves recovered to $30.10 billion, rising above the $30 billion mark after the ACU settlement.

Source: The Business Standard – 01 June , 2026

MBPLC NEWS

Mercantile Bank Holds 27th AGM

The 27th Annual General Meeting (AGM) of Mercantile Bank PLC was held virtually from its Head Office today (Wednesday, June 24, 2026). The Balance Sheet as on December 31, 2025 has been approved by the Shareholders. The meeting was presided over by Md. Anwarul Haq, Chairman of the Board of Directors of Mercantile Bank PLC. Bank's Managing Director Mati Ul Hasan delivered his welcome speech at the AGM.

Al-Haj Akram Hossain (Humayun) & Md. Abdul Hannan, MP, Vice Chairman; M. A. Khan Belal, Chairman, Executive Committee; Mohammad Abdul Awal, Chairman, Risk Management Committee; Prof. Dr. Md. Rezaul Kabir, Chairman, Audit Committee & Independent Director; A. S. M. Feroz Alam, M. Amanullah, Al-Haj Mosharref Hossain, Directors and Professor Dr. Mohammad Thoufiqul Islam & Professor Nasrin Sultana, PhD, Independent Directors were present at the AGM. Bank's DMD & CFO Tapash Chandra Paul, PhD, Company Secretary Mohammad Rezaul Karim, a significant number of Shareholders and Sponsors were also connected to the AGM virtually along with senior officials of the bank.

The Chairman of the Bank, in his speech, attributed the successes achieved in 2025 to the trust of customers, the cooperation of regulatory authorities, and the collective efforts of all stakeholders, expressing his sincere gratitude to everyone involved. He highlighted the bank's achievements in leveraging advanced technology, implementing sound risk management, and significantly reducing non-performing loans (NPLs). Furthermore, he emphasized the bank's forward-thinking policies and capital strengthening measures aimed at ensuring a risk-free future growth, which will safeguard the long-term interests of the shareholders.

The Managing Director, Mati Ul Hasan, presented the overall performance of 2025 and outlined the future roadmap for 2026. He stated that alongside delivering tech-driven modern banking services, the bank remains firmly committed to bringing down NPLs to a bare minimum in the coming days. He also highlighted the strategic initiatives undertaken to bolster the bank's sustainable growth.

The bank has also reported consolidated EPS of Tk.1.10, NAV per share (NAVPS) of Tk.24.35 and Net Operating Cash Flow per share (NOCFPS) of Tk.5.95 for the year ended on 31 December, 2025.

Deputy Managing Directors Md. Zakir Hossain, Shamim Ahmed, Ashim Kumar Saha, Dr. Md. Zahid Hossain & Shah Md. Sohel Khurshid; SEVPs Mohammad Iqbal Rezwan, Md. Abdul Halim and Md. Abdul Awal along with senior executives and concerned officers were present on the occasion.

Mercantile Bank organized Training on 'Understanding Bangla QR'

Mercantile Bank Training Institute (MBTI) recently organized a Virtual Training program on "Understanding Bangla QR: A Step towards Cashless Bangladesh" to enhance the participants' understanding of Bangla QR and its role in promoting a secure, convenient, and cashless digital payment ecosystem in Bangladesh. The program was inaugurated by Mati Ul Hasan, Managing Director of the bank, while Muhammad Mahmud Hasan, EVP & CTO, attended as the special guest.

Distinguished speakers included Mostafizur Rahman, SVP & Head of Card & ADC Division, and Muhammad Monirul Hoq, AVP & Head of Digital Banking and Innovation Department. All Heads of Branches, MOPs/GB In-Charges, and Sub-Branch In-Charges attended the program as participants.

Mercantile Bank Receives Certificate for Contribution to Employment Generation

Mercantile Bank PLC has recently been awarded a certificate by Bangladesh Bank for its significant contribution to inclusive finance and enterprise development. This recognition was presented under the "Supporting Post-COVID-19 Small-Scale Employment Creation Project (SPSSECP)" implemented by Bangladesh Bank with funding from the Asian Development Bank (ADB). Under this project, Mercantile Bank has successfully generated a notable number of new employment opportunities.

At the certificate awarding ceremony, Shamim Ahmed, Deputy Managing Director & CAMLCO of Mercantile Bank, received the certificate from Nurun Nahar, Deputy Governor of Bangladesh Bank; Manoj Kumar Howlader, Executive Director & Project Director; Kazi Tamanna Hoque, Director; and Ali Sabed, Team Leader. Other senior officials from the Ministry of Finance, Bangladesh Bank, and Mercantile Bank were also present at the event.

Mercantile Bank Launches Trade Finance Analytics Software

Mercantile Bank PLC has officially inaugurated and launched its new Trade Finance Analytics (TFA) software, a robust foreign trade-based reporting and monitoring solution. The launching ceremony took place at the bank's Head Office in Dhaka recently. The inauguration ceremony was chaired by Mati Ul Hasan, Managing Director of the Bank.

The event was held via a hybrid platform, allowing for both physical and virtual attendance. Participants included members of the bank's Senior Management Team, the TFA Software Steering Committee, and the Project Team. Officials from the bank's International Division, Authorized Dealer (AD) Branches and Central Trade Processing Centre (CTPC) units also attended the session.

The newly deployed TFA software provides Mercantile Bank PLC with an advanced, automated framework to streamline its foreign trade reporting and enhance monitoring capabilities across its network.

Mercantile Bank celebrates 27th Founding Anniversary

Mercantile Bank PLC celebrates 27th anniversary at its Head Office on 02 June 2026 (Today). Bank's Vice Chairman Al-Haj Akram Hossain (Humayun) inaugurated the program by cutting cake as Chief Guest with Directors and Senior Executives of the Bank. Managing Director of the Bank Mati Ul Hasan delivered his welcome speech on the occasion. M. A. Khan Belal, Chairman, Executive Committee, Mohammad Abdul Awal, Chairman, Risk Management Committee, A.S.M. Feroz Alam, Sponsor Director, Professor Dr. Mohammad Thoufiqul Islam & Professor Nasrin Sultana, PhD, Independent Directors also spoke on the occasion.

Deputy Managing Directors Md. Zakir Hossain, Shamim Ahmed, Ashim Kumar Saha, Dr. Md. Zahid Hossain & Tapash Chandra Paul, PhD, Senior Executive Vice Presidents Mohammad Iqbal Rezwan, Md. Abdul Halim & Head of Main Branch Md. Abdul Awal and other senior executives of the Bank were also present in the ceremony.

On the occasion of 27th Anniversary, all the divisions of head office were cut the cakes in a festive manner. At same time all the MBPLC branches and Sub-branches across the country also cut the cakes and entertained the customers with sweets and snacks.

Bank's Vice Chairman Akram Hossain (Humayun) stated that, Bank's progress in all variables, says that Mercantile Bank has been established as a sustainable, reliable and customer friendly bank by its tremendous effort over 27 years. He urges to provide techno-based and customer friendly banking services to ensure corporate governance in the coming days.

Managing Director of the bank Mati Ul Hasan told that, recovering classified loans will be the priority of the bank at this fiscal year. Agriculture, SME & Retail sector will be given preference regarding new loans whereas new Agent Banking outlets and Sub-branches will be opened across the country to ensure the access of the banking services to the unbanked people. Moreover, Digital Banking services will be easier and smart with the innovative products in the coming days, MBPLC MD added.

Mercantile Bank inaugurated Four more Sub-Branches

Mercantile Bank PLC inaugurated four new sub-branches today (Thursday, June 4, 2026) with the aim of providing modern and convenient banking services to customers. The new sub-branches are Miarhat Sub-Branch in Swarupkathi, Pirojpur, Shibchar Sub-Branch in Madaripur, Merajnagar Sub-Branch in Kadamtali, Dhaka and Bhola Banglabazar Sub-Branch in Bhola. Mati Ul Hasan, Managing Director of the Bank inaugurated the sub-branches as the Chief Guest. Bank's Deputy Managing Director Shamim Ahmed delivered his welcome speech and Deputy Managing Director Ashim Kumar Saha delivered give of thanks on the occasion.

DMDs Md. Zakir Hossain, Dr. Md. Zahid Hossain and Tapash Chandra Paul, PhD, SEVPs Mohammad Iqbal Rezwan, Md. Abdul Halim & Head of Main Branch Md. Abdul Awal, Head of Risk Management Division & DCRO Shamim Ahmed, Head of Branches Division Md. Aliullah and Heads of all controlling branches, In charges, Local distinguished persons, business representatives, media personnel, bank officials,

and invited guests were also present on the occasion.

Bank's Managing Director Mati Ul Hasan said that, after completing 27 years of operation, Mercantile Bank PLC remains committed to providing modern and quality banking services across the country. With the addition of these four new sub branches, the total number of Mercantile Bank sub branches has reached 52, on the other hand 153 branch, 200 ATM & CRM Booths and 188 Agent Banking outlets continuously providing the best banking services all over the country he added.

The addresses of 04 (four) sub branches are "Miarhat Sub-Branch" (under control of Barisal Branch) at DK Plaza, Uttar Kowrikhara, 9 no. Sutiakathi, Nesarabad (Sarupkathi), Pirojpur; "Shibchar Sub-Branch" (under control of Madaripur Branch) at Abdul Majid Khan Market, 0051-00, 0051-01, Sadar Road, Shibchar Bazar, Madaripur; "Merajnagar Sub-Branch" (under control of Demra SME/Krishi Branch) at Akter Garden, 128-129, Merajnagar Bazar Road, DSCC, Kadamtoli, Dhaka-1362 and Bhola Banglabazar Sub-Branch (under control of Bhola Branch) at Ma Shopping Complex, Pashchim Joynagar, 5 no. Dakkhin Joynagar, Doulatkhan, Bhola.

BANGLADESH BANK CIRCULAR
JUNE 2026

BRPD-1 CIRCULAR

- BRPD-1 Circular No. 23, Date: 29.06.2026, Special Exit Policy for Recovery/Settlement of Loans
- BRPD-1 Circular No. 22, Date: 29.06.2026, Regarding the Intermediation spread between the weighted average interest rate of advances and deposits.
- BRPD-1 Circular No. 21, Date: 25.06.2026, Prudential Regulations for Consumer Financing (Regulations for Auto Loans and Personal Loans).
- BRPD-1 Circular No. 20, Date: 23.06.2026, Prudential Regulations for Consumer Financing
- BRPD-1 Circular No. 13, Date: 04.06.2026, Pre-Finance Scheme to support the closed industry and service sectors.

FEPD-1 CIRCULAR

- FEPD-1 Circular No. 14, Date: 23.06.2026, Opening and Operation of Non-Resident Convertible Taka Accounts (NRCTA)
- FEPD-1 Circular No. 09, Date: 22.06.2026, Remittance of consular fees
- FEPD-1 Circular No. 13, Date: 18.06.2026, Remittance of ship lease rental by shipping companies incorporated in Bangladesh
- FEPD-1 Circular No. 12, Date: 15.06.2026, Business-to-Consumer (B2C) export through online marketplaces/platforms.
- FEPD-1 Circular No. 11, Date: 11.06.2026, Development and facilitation of alternative trade finance mechanisms

FEPD-2 CIRCULAR

- FEPD-2 Circular No. 04, Date: 08.06.2026, Facilitating the receipt of inward remittance from alternative entities by licenced freight forwarders

DFIM CIRCULAR

- DFIM Circular No. 12, Date: 16.06.2026, Name change of Hajj Finance Company Limited to Hajj Finance Company PLC.

SDAD CIRCULAR

- SDAD Circular No. 08, Date: 25.06.2026, Keeping Bank Branches Operational on Saturdays During Mango Season

DMD CIRCULAR

- DMD Circular No. 09 Date: 24.06.2026, Regarding the continuation of the savings certificate sales service.
- DMD Circular No. 08 Date: 01.06.2026, Regarding the Publication of an Effective Reference Rate for the Money Market Segment of Bangladesh's Financial Market.

SFD CIRCULAR

- SFD Circular No. 04 Date: 25.06.2026, Refinance Scheme for the Development of ICT Sector.
- SFD Circular No. 03 Date: 08.06.2026, Refinance Scheme for Green Factory Building and Green Industry
- SFD Circular No. 02 Date: 07.06.2026, Export Diversification Refinance Scheme

SMESPD CIRCULAR

- SMESPD Circular No. 04 Date: 08.06.2026, CMSME Working Capital Refinance Fund

FCRPD CIRCULAR

- FCRPD Circular No. 14 Date: 29.06.2026, Awareness and complaint resolution about online financial fraud.
- FCRPD Circular No. 13 Date: 28.06.2026, Name Change of Department of Financial Institutions and Markets (DFIM) to Finance Company Regulation and Policy Department.

ACD-1 CIRCULAR

- ACD-1 Circular No. 01 Date: 28.06.2026, Refinance Scheme for Agricultural and Rural Sector to Increase Agricultural Production and Employment Generation
- ACD-1 Circular No. 01 Date: 08.06.2026, Refinance Scheme for Agricultural and Rural Sector to Increase Agricultural Production and Employment Generation

STD CIRCULAR

- STD Circular No. 02 Date: 25.06.2026, Reporting of SBS-2 & SBS-3 Statements through RITs.

BRD CIRCULAR

- BRD Circular No. 01 Date: 10.06.2026, Bank Resolution Act, 2026

FID CIRCULAR

- FID Circular No. 01 Date: 02.06.2026, Refinancing Scheme for Marginal/Landless Farmers, Low Income Professionals, School Banking Account Holders and Small Businessmen with Tk.10/50/100 Account Holders

CIRCULAR

MBPLC Circular
JUNE 2026

- Circular No. 3877, Date: 30.06.2026, Subject: Inputting Customer Code in the Deposit Transaction Narration of Temenos T-24 on account of Bangladesh Steel Re-Rolling Mills Ltd., BSRM Steels Ltd., BSRM Wires Ltd. the concerns of BSRM Group.
- Circular No. 3876, Date: 30.06.2026, Subject: Revised Rent Rate of HPSM-House Building (Res.) Consumer & Retail (Taqwa Abason) under Bank's Islami Shari'ah Based Banking operations.
- Circular No. 3875, Date: 29.06.2026, Subject: Providing the following information (if any) within 02.07.2026: 1. Liability position (if any) on account of Barnali Collections Limited & Barnali Textile & Printing Industries (Pvt.) Limited. 2. personal as well as Business Bank Statement of the aforesaid companies for the last 10 years.
- Circular No. 3874, Date: 28.06.2026, Subject: সঞ্চয়পত্র বিক্রয় কার্যক্রম সেবা অব্যাহত রাখা প্রসঙ্গে।
- Circular No. 3873, Date: 29.06.2026, Subject: Update of customers' Credit Rating Status and input the same in the Core Banking Software TEMENOS T24.
- Circular No. 3872, Date: 28.06.2026, Subject: Revision of Limit, Debt-Equity Ratio, and Tenure for Auto Loans and Personal Loans.
- Circular No. 3871, Date: 25.06.2026, Subject: মেয়াদী আমানত হিসাব (FDR) খোলার ক্ষেত্রে সঞ্চয়ী হিসাব বাধ্যতামূলক নয়।
- Circular No. 3870, Date: 25.06.2026, Subject: চলমান আমের মৌসুমে ব্যাংকের সংশ্লিষ্ট শাখাসমূহ সাপ্তাহিক ছুটির দিন (শনিবার) সীমিত পরিসরে খোলা রাখা প্রসঙ্গে।
- Circular No. 3869, Date: 25.06.2026, Subject: Using of Bangla QR Payment solution through MBL Rainbow App.
- Circular No. 3868, Date: 24.06.2026, Subject: Instructions regarding Sukuk auction for "Short Term BGIS (273 Days).
- Circular No. 3867, Date: 23.06.2026, Subject: নারী উদ্যোক্তাদের জন্য স্মল এন্টারপ্রাইজ খাতে পুনঃঅর্থায়ন স্কিম এর আওতায় পুনঃঅর্থায়ন আবেদনের বিপরীতে বিতরণকৃত ঋণের সদ্ব্যবহার প্রসঙ্গে।
- Circular No. 3866, Date: 22.06.2026, Subject: Applicable Excise Duty for Islamic Banking Investments limit/account once in a year.
- Circular No. 3865, Date: 22.06.2026, Subject: Launching of New Retail Loan Product "SOD - Bond"
- Circular No. 3864, Date: 18.06.2026, Subject: Providing potential customer/s list with required working capital finance to determine total demand amount of the Bank for claiming from BRPD-3, Bangladesh Bank against "Closed Industry and Service Sector Facilitation Pre-Finance Scheme"
- Circular No. 3863 , Date: 22.06.2026, Subject: Revision of Rate of Interest on Loans & Advances.
- Circular No. 3862, Date: 18.06.2026, Subject: Display & Distribution of Brochure to attract prospective investors for 9th Bangladesh Government: 'CAFDRIRP Socio-Economic Development Sukuk'.
- Circular No. 3861, Date: 15.06.2026, Subject: ১০/৫০/১০০ টাকার হিসাবধারী প্রান্তিক/ভূমিহীন কৃষক, নিম্ন আয়ের পেশাজীবী, স্কুল ব্যাংকিং হিসাবধারী এবং ক্ষুদ্র ব্যবসায়ীদের গঠিত পুনঃঅর্থায়ন স্কিম প্রসঙ্গে।
- Circular No. 3860, Date: 15.06.2026, Subject: সিআইবি ডাটাবেইজে গ্রাহকদের ঋণ তথ্যাবলী রিপোর্ট না করা/ভুল/অসম্পূর্ণভাবে রিপোর্ট করায় গ্রাহকদের সীমাহীন ভোগান্তি লাঘবে ব্যাংকসমূহের অভ্যন্তরীণ তদারকি ব্যবস্থা জোরদারকরণ প্রসঙ্গে।
- Circular No. 3859, Date: 14.06.2026, Subject: Providing information regarding liability position (if any) on account of Divine Fashion (Pvt.) Ltd. along with its allied/sister/related concern and Directors within next three (3) working days.
- Circular No. 3858, Date: 14.06.2026, Subject: Launching of New Retail Loan Product "Secured Term Loan (STL)"
- Circular No. 3857, Date: 14.06.2026, Subject: বাংলাদেশ পরিসংখ্যান ব্যুরো (বিবিএস) কর্তৃক পরিচালিত অর্থনৈতিক শুমারি ২০২৩ প্রকল্পের আওতায় স্ট্যাটিসক্যাল বিজনেস রেজিস্টার জরিপে প্রয়োজনীয় সহযোগিতা প্রদান সংক্রান্ত।
- Circular No. 3856, Date: 11.06.2026, Subject: ১২ মে, ২০২৬ তারিখে অনুষ্ঠিত মার্কেন্টাইল ব্যাংক পিএলসি. এর পরিচালনা পর্ষদের অডিট কমিটির ২৪৬ তম সভার গৃহীত নির্দেশনা/সিদ্ধান্তসমূহের পরিপালন ও বাস্তবায়ন প্রসঙ্গে।
- Circular No. 3855, Date: 08.06.2026, Subject: Providing information regarding liability position (if any) and any documentation lapses on account of M/S Meghna Rice Mill & Boiler and M/S Meghna Rice Mill, Key Person: Mr. Md. Khalilur Rahman, Proprietor of both along with its allied/sister/related concern within 14.06.2026.

- Circular No. 3854, Date: 08.06.2026, Subject: Providing information regarding liability position (if any) on account Space Marketing Communication, Key Person: Mr. Subrata Chandra & Mr. Aminul Hasan Litu (Partners) along with its allied/sister/related concern within 14.06.2026.
- Circular No. 3853, Date: 07.06.2026, Subject: Half-Yearly Closing of Accounts as on June 30, 2026
- Circular No. 3852, Date: 07.06.2026, Subject: বোর্ড রিস্ক ম্যানেজমেন্ট কমিটির ৭৮ তম সভার সিদ্ধান্ত বাস্তবায়ন প্রসঙ্গে।
- Circular No. 3851, Date: 07.06.2026, Subject: Providing information regarding liability position (if any) and any documentation lapses on account Safa Electronics Limited, Key Person: Mr. Khondoker Mostak Ali (Managing Director) along with its allied/sister/related concern within 11.06.2026.
- Circular No. 3850, Date: 03.06.2026, Subject: Go live of web-based reporting software "Trade Finance Analytics (TFA)" with effect from 07.06.2026.

INFORMATION CIRCULAR

- Circular No. 2463, Date: 29.06.2026, Subject: Loss of Instruments
- Circular No. 2462, Date: 24.06.2026, Subject: Loss of Instruments
- Circular No. 2461, Date: 23.06.2026, Subject: Loss of Instruments
- Circular No. 2460, Date: 17.06.2026, Subject: Loss of Instruments
- Circular No. 2459, Date: 16.06.2026, Subject: Loss of Instruments
- Circular No. 2458, Date: 15.06.2026, Subject: Loss of Instruments
- Circular No. 2456, Date: 07.06.2026, Subject: Loss of Instruments
- Circular No. 2455, Date: 03.06.2026, Subject: Renewal of Enlistment of South Asia Insurance Company Limited as Approved Insurer of our Bank for the Year 2026.
- Circular No. 2454, Date: 02.06.2026, Subject: Loss of Instruments
- Circular No. 2453, Date: 03.06.2026, Subject: Loss of Instruments
- Circular No. 2452, Date: 03.06.2026, Subject: Loss of Instruments

ID CIRCULAR

- Circular No. 38, Date: 28.06.2026, Subject: Opening and Operation of Non-Resident Convertible Taka Accounts (NRCTA)
- Circular No. 37, Date: 23.06.2026, Subject: Remittance of Consular fees.
- Circular No. 36, Date: 23.06.2026, Subject: Remittance of ship lease rental by shipping companies incorporated in Bangladesh.
- Circular No. 35, Date: 18.06.2026, Subject: Business-to-Consumer (B2C) export through online marketplaces/platforms.
- Circular No. 34, Date: 14.06.2026, Subject: Development and facilitation of alternative trade finance mechanism.
- Circular No. 33, Date: 10.06.2026, Subject: Facilitating the receipt of inward remittance from alternative entities by licenced freight forwarders.
- Circular No. 32, Date: 08.06.2026, Subject: Foreign currency accounts of Bangladeshi shipping companies and airlines.

INVITATION FOR CONTENTS

You are cordially invited for any insightful write-up which will be published in next volumes of MBPLC. Spectrum subject to discretion of editorial board. In this regard, please contact Research & Planning Division, Head Office, Mercantile Bank PLC. or send email hod_rpd@mblbd.com

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