

Quarterly Financial Stability Assessment Report

Issue: 31, 2025 (I)
January-March 2025



Bangladesh Bank

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- *The report is based on data and information available as of end-March 2025, unless stated otherwise.*
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Financial Stability Department
Bangladesh Bank

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ACRONYMS

| | |
|-----------|--|
| ADR | Advance-to-Deposit Ratio |
| BB | Bangladesh Bank |
| BDT | Bangladeshi Taka |
| BRICS | Brazil, Russia, India, China and South Africa |
| BRPD | Banking Regulation and Policy Department |
| CAR | Capital Adequacy Ratio |
| CASPI | CSE All Share Price Index |
| CCB | Capital Conservation Buffer |
| CPI | Consumer Price Index |
| CRAR | Capital to Risk-weighted Asset Ratio |
| CRR | Cash Reserve Ratio |
| CSE | Chittagong Stock Exchange |
| CSE30 | CSE 30 Index |
| CSI | CSE Shari'ah Index |
| DAX | Deutscher Aktienindex (German stock index) |
| DF | Doubtful |
| DFIM | Department of Financial Institutions and Markets |
| DOS | Department of Off-site Supervision |
| DSE | Dhaka Stock Exchange |
| DSES | DSEX Shari'ah Index |
| DS30 | DSE 30 Index |
| DSEX | DSE Broad Index |
| FE | Foreign Exchange |
| FCBs | Foreign Commercial Banks |
| FCs | Finance Companies |
| FoB | Free on Board |
| FSD | Financial Stability Department |
| FSV | Forced Sale Value |
| FTSE | Financial Times Stock Exchange |
| FY | Fiscal Year |
| GDP | Gross Domestic Product |
| IMF | International Monetary Fund |
| LCR | Liquidity Coverage Ratio |
| MPD | Monetary Policy Department |
| MSCI | Morgan Stanley Capital International |
| NASDAQ | National Association of Securities Dealers Automated Quotations |
| NPL | Non-performing Loan |
| NSFR | Net Stable Funding Ratio |
| PCBs | Private Commercial Banks |
| P/E Ratio | Price-Earnings Ratio |
| ROA | Return on Assets |
| ROE | Return on Equity |
| RWA | Risk-weighted Assets |
| SOCBs | State-owned Commercial Banks |
| SDBs | Specialized Development Banks |
| SLR | Statutory Liquidity Requirement |

| | |
|-----|------------------------------|
| SS | Sub-Standard |
| USA | The United States of America |
| USD | US Dollar |
| UK | The United Kingdom |

EXECUTIVE SUMMARY

This report presents Bangladesh Bank's assessment on the resilience of Bangladesh's financial system to emerging risks and vulnerabilities during the January-March quarter of 2025 (CY25). It also highlights several developments with implications for domestic financial stability.

Globally, economic activity remained mostly resilient in the review quarter, with strong expansion in major emerging markets and the euro area. Trade picked up alongside higher industrial production and stronger international commerce. Global inflation showed a downward trend, reflecting a decline in major commodity price indices. Nevertheless, ongoing tariff debut poses potential risk to trade flows and global output.

The domestic economy, however, continued to face significant macroeconomic headwinds, marked by subdued growth, persistent inflation, and a weakening currency. Headline inflation eased slightly to 9.35 percent, down 46 basis points from a year earlier. Remittance inflows improved, reaching USD 8.01 billion compared with USD 7.23 billion in the previous quarter. Gross foreign exchange reserves stood at USD 25.51 billion at end-March 2025, equivalent to 4.2 months of prospective import coverage. The exchange rate depreciated by 1.67 percent during the review quarter, with BDT trading at 122.00 against the USD.

The banking sector recorded mixed performance in the review quarter. While total assets grew marginally to BDT 26,937.00 billion, asset quality deteriorated further. The Non-Performing Loan (NPL) ratio climbed to 24.13 percent from 20.20 percent, while provision maintenance ratio fell to 37.97 percent from 50.75 percent in the previous quarter. Profitability weakened sharply, with Return on Assets (ROA) and Return on Equity (ROE) declining to -0.18 percent and -3.99 percent, respectively.

Despite these challenges, capital adequacy improved and most of the banks were able to comply with regulatory capital requirements in the review quarter. The banking sector's Capital to Risk-weighted Assets (CRAR) ratio rose to 6.74 percent at end-March 2025, up 3.66 percentage points from end-December 2025. The Tier-1 capital ratio also increased by 4.06 percentage points to 4.54 percent, while both the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained above regulatory thresholds.

Stress test results, based on end-March 2025, suggest that the banking sector would remain vulnerable to various shock scenarios. The pre-shock CRAR of the sector was only 6.74 percent, which would fall further under all credit and market shocks. Among these, the default of the top two borrowers posed the most severe impact to capital adequacy, followed by depletion in collateral. Under a combined shock

scenario, aggregate of the results of all credit and market risk shocks by applying different weights on the changes in CRAR due to shocks, the CRAR of the banking sector would fall to 3.33 percent. Liquidity stress tests showed that most banks remained resilient.

Finance Companies (FCs) reported assets growth and improved profitability, but their asset quality deteriorated further. Total assets rose to BDT 1,022.33 billion, while annualized Return on Assets (ROA) improved to -1.65 percent from -3.56 percent, while the Capital Adequacy Ratio (CAR) of Finance Companies (FCs) deteriorated to -20.58 percent at end-March 2025. While the Statutory Liquidity Ratio (SLR) exceeded regulatory requirement, the Cash Reserve Ratio (CRR) showed shortfalls.

Capital markets displayed mixed trend. The Dhaka Stock Exchange (DSE) registered modest growth in market capitalization and turnover, whereas the Chittagong Stock Exchange (CSE) experienced reduced turnover. DSE's market capitalization relative to GDP remains low compared with regional peers, raising structural concerns. However, banks' exposure to equities, well below the regulatory ceilings, keeps risks to banking stability contained, though close monitoring of market volatility remains necessary.

To safeguard financial system, Bangladesh Bank implemented several policy measures during the quarter. These included a roadmap for the phased adoption of Expected Credit Loss (ECL) provisioning framework in line with IFRS 9 by 2027, new guidelines on offshore banking, revisions to the Foreign Exchange Risk Management Guidelines, upgrades to the BD-RTGS system, and issuance of an updated Master Circular on financing for CMSMEs.

CHAPTER 1: MACROECONOMIC DEVELOPMENTS

1.1 Global Macroeconomic Situation

Global growth was steady but modest in 2024, and it was expected to continue at a similar pace in January 2025. However, the announcement of US tariffs and at the same time almost similar measures by its major trading partners have pushed the effective tariff rates to unprecedented levels. The rapid rise in trade tensions and very high levels of policy uncertainty are supposed to seriously affect the global economic activities. Global inflation is also expected to decrease at a slightly slower rate.

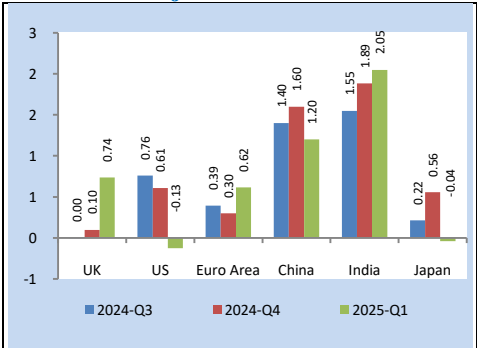
1.1.1 Global GDP Growth

Global GDP grew by 3.3 percent in 2024, but is expected to slow down with projected growth of 2.8 percent in 2025¹. In Q1 of 2025, **The Euro Area**, comprising 20 member countries, registered an economic growth rate of 0.62 percent in the first quarter, higher than the growth observed in the last quarter of 2024. Within the region, the **German** economy recorded a growth of 0.31 percent following a contraction in the previous quarter. **France** attained a growth of 0.14 percent while **Italy** bounced back from 2024 Q3 contraction with a growth of 0.30 percent. The **United Kingdom**

performed better in the review quarter compared to the last two quarters, achieving a growth of 0.74 percent. However, **the US economy** contracted by 0.13 percent amidst ongoing tariff disputes.

In **Asia**, major economies showed continued resilience. **Indian** economy grew by 2.05 percent, supported by strong domestic demand. Robust industrial production enabled **China** to maintain moderate growth of over 1 percent during the review quarter. On the other hand, the **Japanese** economy contracted by 0.04 percent. **South Korea's** economy also experienced a slowdown with a contraction of 0.22 percent.

Chart 1.1: Quarterly GDP Growth of Major Economies



Source: OECD.

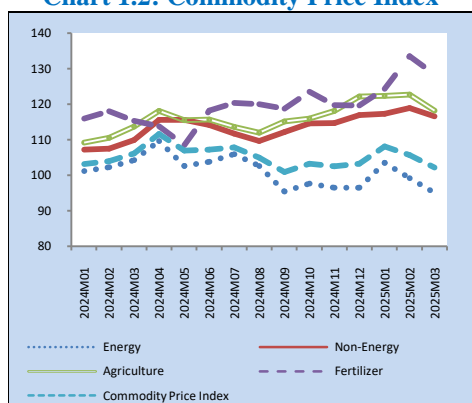
1.1.2 Global Inflation

IMF predicts that global headline inflation will decline in 2025, with notable upward revisions for advanced economies and minor downward

¹ IMF, WEO, April 2025.

revisions for emerging market and developing economies. In Q1 of 2025, the price indices for energy, non-energy and agricultural commodities decreased slightly, while the fertilizer price index increased. The price indices for agricultural commodities and fertilizer stood at 118.21 and 128.40, while indices for energy and non-energy were at 95.06 and 116.56, respectively (Chart 1.2).

Chart 1.2: Commodity Price Index



Note: Index base was 100 in the year 2010.
Source: World Bank.

1.1.3 Global Financial Condition

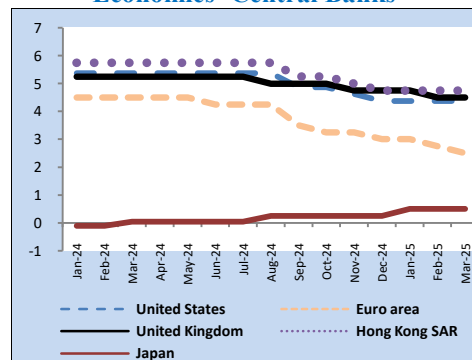
The global financial condition remained relatively stable in the review quarter. Major stock indices across the globe experienced mild volatility. Most central banks changed their policy rates.

1.1.3.1 Global Monetary Policy Response

Among the most advanced economies, the Euro Area and the UK decreased their policy rates by 0.5 and 0.25 percentage points, respectively

compared to the preceding quarter. In contrast, Japan increased its policy rate by 0.25 percentage point. However, the United States and Hong Kong SAR kept their policy rates unchanged (Chart 1.3).

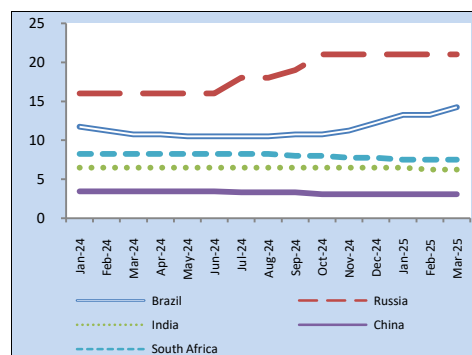
Chart 1.3: Policy Rates of Advanced Economies' Central Banks



Source: BIS.

Among the BRICS nations, the policy rates of Russia and China remained unchanged in the review quarter. However, Brazil increased its policy rate by 2 percentage points, while both South Africa and India reduced the same by 25 percentage points compared to the previous quarter (Chart 1.4).

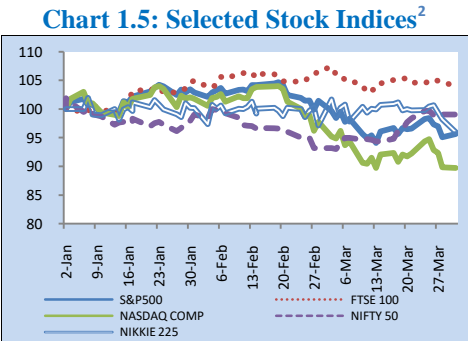
Chart 1.4: Policy Rates of BRICS' Central Banks



Source: BIS.

1.1.3.2 Global Equity Market

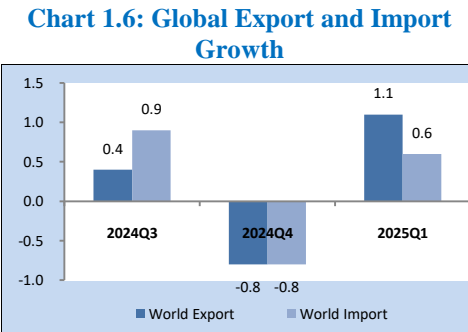
Major indices such as the S&P 500, Nasdaq Composite, Nifty 50 and Nikkei 225 decreased while FTSE 100 increased in the review quarter (Chart 1.5). The S&P 500 and Nasdaq Composite showed high volatility.



Note: Index base was 100 as on 02 January 2024.
Source: The Wall Street Journal, FSD Calculation.

1.1.4 Global Trade and Production

Although both global exports and imports contracted at end-December 2024, they increased to 1.1 Percent and 0.6 percent respectively, at end-March 2025. In addition, exports of advanced economies grew faster than those of emerging economies.

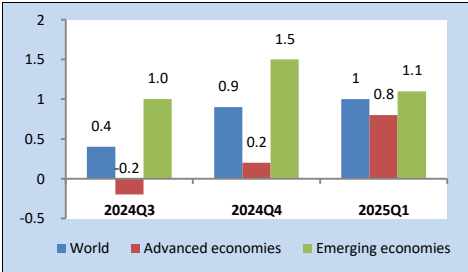


Note: Volumes (s.a.); Merchandise Trade.
Source: CPB World Trade Monitor.

²S&P 500, Nasdaq Composite, FTSE 100, Nikkei 225, Nifty 50 are stock indices listed on major stock exchanges of the US,UK, Japan and India respectively.

Among the advanced economies, industrial production of both the United States and the Euro Area increased by 0.8 percent, while that of Japan decreased in the review quarter. Industrial production in emerging economies increased by 1.1 percent during the review quarter, driven primarily by China. On the whole, global industrial production exhibited 1 percent growth (Chart 1.7).

Chart 1.7: Global Industrial Production Growth



Source: CPB World Trade Monitor.

1.1.5 Impact of Global Tariff

IMF predicts that US tariff may cause inflationary pressure in the US, as higher import costs are eventually passed to consumers. Since many countries use US currency for international trade, their own currencies may depreciate against a strong US dollar. However, the exchange rate movement would be minimal if tariff increases are perceived as temporary. Tariffs may permanently reduce global trade, but it would depend crucially on how quickly importers can substitute across different suppliers. The IMF further predicts that tariffs could generate

global long-term output losses, as the combined effects from lower capital accumulation, sectoral misallocation, and prolonged trade policy uncertainty would offset any positive impact from trade reallocation.

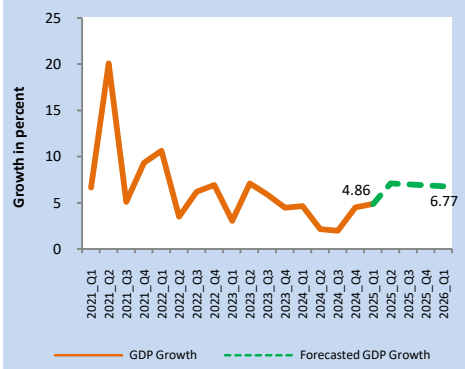
1.2 Domestic Macroeconomic Situation

Bangladesh’s economy faces several macroeconomic headwinds including sluggish economic growth, stubbornly high inflation, and depreciation of the local currency. However, a significant rise in wage earners remittances could play a crucial role in strengthening the foreign exchange reserves. Yet, the government’s continued reliance on borrowing from the banking sector could constrain private investment.

1.2.1 Gross Domestic Product (GDP)

During the first quarter (Q1³) of 2025, the real GDP grew by 4.86 percent compared to 4.62 percent in Q12024. The forecasted⁴ GDP growth till Q1 2026 is likely to remain stable without significant fluctuations (Chart 1.8).

Chart 1.8:Quarterly Real GDP Growth



Source: BBS; Calculation: FSD, BB.

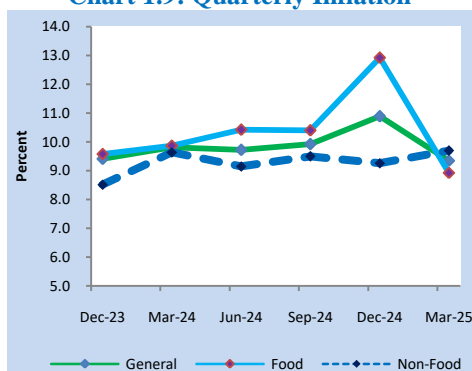
1.2.2 Inflation

Despite several policy initiatives by the Bangladesh Bank, inflation remained high at the end of March 2025. However, it declined moderately during the review quarter and is expected to decrease gradually. At end-March 2025, the headline inflation rate stood at 9.35 percent (point-to-point, base year 2021-2022), 154 basis points lower than that of end-December 2024. Food inflation decreased by 399 basis points and reached 8.93 percent, while non-food inflation increased marginally by 44 basis points to reach 9.70 percent. The headline inflation declined by 46 basis points compared to March 2024, mainly driven by a 94-basis point decrease in food inflation (Chart 1.9).

³Q3 indicates July-September quarter.

⁴ The forecasting is made by linear regression using single variable.

Chart 1.9: Quarterly Inflation

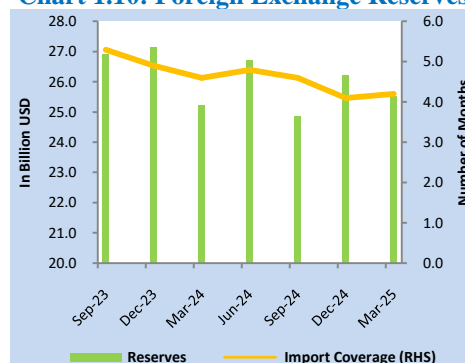


Source: Major Economic Indicator, BB.

1.2.3 Foreign Exchange Reserves and Import Coverage

In comparison with the preceding quarter, the gross foreign exchange reserves decreased, whereas the import coverage enhanced marginally. The gross foreign exchange reserves decreased by 2.66 percent and reached USD 25.51 billion (USD 20.39 billion as per BPM6) at the end of March 2025. The gross reserves were sufficient to cover 4.2 months' import payments (CIF) on a prospective basis compared to 4.1 months' coverage at end-December 2024 (Chart 1.10). The gross reserves were USD 0.28 billion higher than those of end-March 2024. Notably, the gross foreign exchange reserves were USD 31.77 billion at the end of June 2025.

Chart 1.10: Foreign Exchange Reserves



Source: Statistics Department, BB.

1.2.4 Wage Earners' Remittance

Likewise, the previous quarter, wage earners' remittances inflow increased significantly in the review quarter. Remittances stood at USD 8.01 billion in the review quarter, compared to USD 7.23 billion in the previous quarter. Moreover, wage earners' remittance inflow rose by 27.73 percent compared to the same quarter of 2024 (Chart 1.11).

Chart 1.11: Wage Earners' Remittance



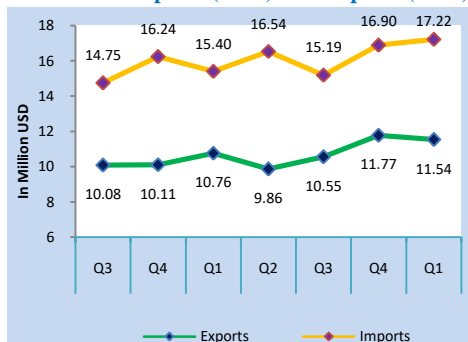
Source: Monthly Economic Trend, BB (various issues).

1.2.5 Exports (FOB) and Imports (FOB)

The external trade deficit widened slightly in the review quarter due to an increase in imports and a decline in

exports. Aggregate exports⁵ stood at USD 11.54 billion, a 1.98 percent decrease compared to the previous quarter, while aggregate imports⁶ were recorded at USD 17.22 billion, registering an increase of 1.91 percent (Chart 1.12).

Chart 1.12: Exports (FOB) and Imports (FOB)



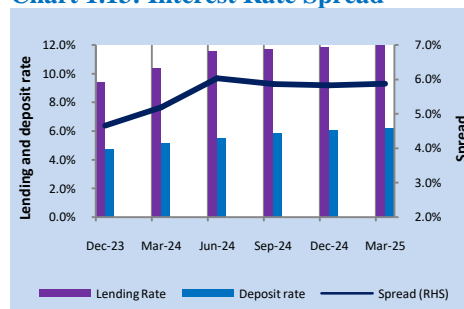
Source: Statistics Department, BB and Bangladesh Bank Quarterly.

1.2.6 Interest Rate

Interest rates in the banking sector exhibited an increasing trend in recent quarters. The weighted average lending rate increased by 20 basis points at end-March 2025 compared to that of end-December 2024 and reached 12.04 percent. Moreover, the weighted average deposit rate rose by 16 basis points and registered at 6.17 percent. The spread⁷ increased by 4 basis points in the review quarter and stood at 5.87 percent (Chart 1.13). In comparison

with the same quarter of 2024, the spread increased by 68 basis points. The rising interest rates may be attributed to the adoption of contractionary monetary policy by the BB.

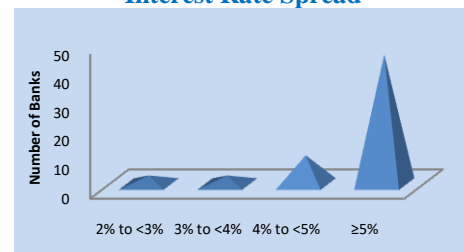
Chart 1.13: Interest Rate Spread



Source: Statistics Department, BB.

Among the 61 scheduled banks, 45 banks maintained a spread of at least 5 percent. Besides, 13 banks operated with a spread between 3 and less than 5 percent, whereas the remaining 3 banks had a spread of less than 3 percent (Chart 1.14).

Chart 1.14: Number of Banks by Interest Rate Spread



Note: Upper limit inclusive.

Source: Statistics Department, BB

The Specialized Development Banks (SDBs) had the lowest spread (4.01 percent) at end-March 2025, whereas the Foreign Commercial Banks (FCBs) retained the highest spread (8.95

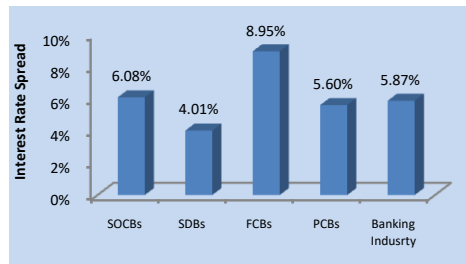
⁵NBR revised and provided the export shipment data to Bangladesh Bank and EPB by adjusting multiple entries from October 2023 to March 2024. The export (FOB) has been adjusted for export from EPZ to Bangladesh, CMT exports etc.

⁶The import (FOB) has been adjusted for freight, goods procured in ports etc.

⁷Difference between weighted average lending rate and weighted average deposit rate.

percent) during the same period (Chart 1.15).

Chart 1.15: Cluster-wise Interest Rate Spread

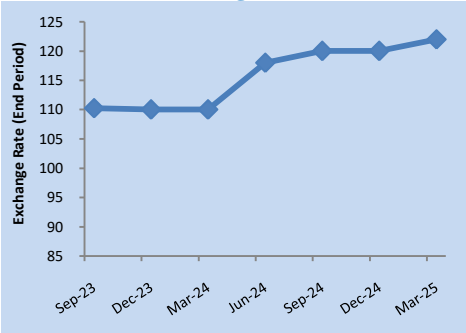


Source: Statistics Department, BB.

1.2.7 Exchange Rate

The Bangladeshi Taka (BDT) lost value against the USD in recent times. Compared to the preceding quarter, the BDT depreciated by 1.67 percent, and the exchange rate of BDT per USD⁸ reached 122.00 at end-March 2025. Moreover, in comparison with end-March 2024, the local currency depreciated by 10.91 percent at end-March 2025 (Chart 1.16).

Chart 1.16:Exchange Rate Movement

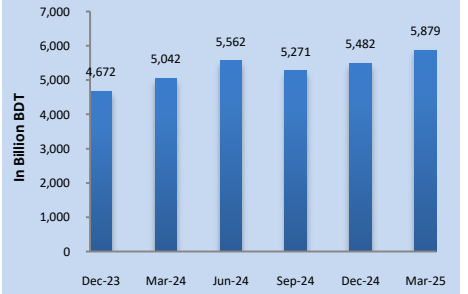


Source: Monthly Economic Trends, BB.

1.2.8 Credit to the Government (gross) by the Banking System

At the end of March 2025, the banking system's credit to the Government appeared at BDT 5,879 billion, registering an increase of 7.24 percent from the previous quarter. Furthermore, compared to the same quarter of 2024, the Government credit from the banking sector increased by 16.60 percent at end-March 2025 (Chart 1.17).

Chart 1.17: Credit to the Government. (Gross) by the Banking System



Source: Statistics Department, BB.

⁸BDT per USD on period-average basis.

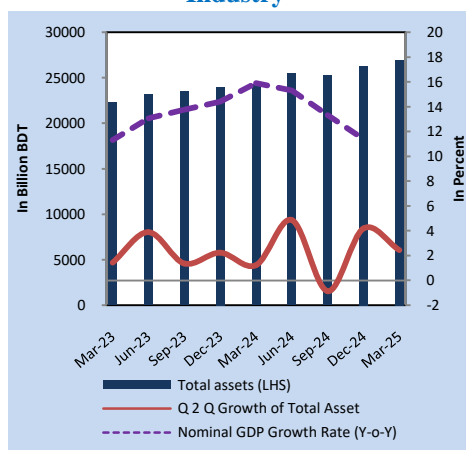
CHAPTER 2: BANKING SECTOR PERFORMANCE

Like the previous couple of quarters, asset quality in the banking industry deteriorated considerably at end-March 2025, and thus a downward trend in the profitability indicators particularly Return on Assets (ROA) and Return on Equity (ROE) was observed.

2.1 Assets Structure

Total assets of the banking industry increased to BDT 26,937.00 billion in the review quarter from BDT 26,297.74 billion in the preceding quarter. However, asset growth decreased to 2.43 percent from 4.19 percent at end-March 2025 (Chart 2.1).

Chart 2.1: Asset Size of the Banking Industry



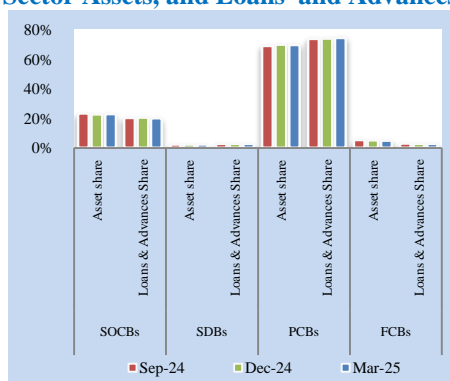
Source: DOS, BB and BBS; Compilation: FSD, BB.

The growth in total assets in the review period was mainly contributed to the increase in several asset categories such as balance with other banks and FCs, and investment. The

banking sector assets-to-GDP⁹ ratio was 47.36 percent at end-December 2024, observing a decrease of 0.50 percentage point compared to end-September 2024. Among the different clusters of the scheduled banks, Private Commercial Banks (PCBs) held the lion's share of the sector's total assets, and loans and advances, which were 69.70 percent and 74.42 percent, respectively, followed by State Owned Commercial Banks (SOCBs) with 22.94 percent and 20.07 percent, respectively, in the review period. However, asset shares of Private Commercial Banks (PCBs) and Foreign Commercial Banks (FCBs) decreased while those of SOCBs and specialized Development Banks (SDBs) improved slightly. On the other hand, shares in loans and advances' of SOCBs, and SDBs reduced marginally while that of FCBs remained unchanged. But PCB registered a slight upturn in the review quarter (Chart 2.2).

⁹ GDP at current market price for the financial year 2024-25 is taken into account where the base year is 2015-16.

Chart 2.2: Cluster-wise Share of Banking Sector Assets, and Loans and Advances



Source: DOS, BB; Compilation: FSD, BB.

Among the different categories of assets, loans and advances was the paramount segment, holding 63.57 percent of industry's total assets at the end of March 2025, followed by investments (18.89 percent), and other assets (5.11 percent) (Table 2.1).

Table 2.1: Asset Structure of the Banking Industry

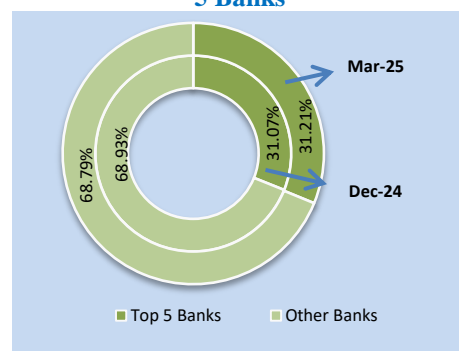
| Component of Assets | % of Total Asset (End Dec'24) | % of Total Asset (End Mar'25) | Change (PP) |
|--|-------------------------------|-------------------------------|-------------|
| Cash in hand | 1.10% | 0.93% | -0.17% |
| Balance with Bangladesh Bank and Sonali Bank | 4.17% | 3.68% | -0.49% |
| Balance with other banks and Finance Companies | 3.15% | 3.59% | 0.45% |
| Money at call and short notice | 0.58% | 0.60% | 0.02% |
| Investment at cost | 18.33% | 18.89% | 0.56% |
| Loans and Advances | 63.78% | 63.57% | -0.21% |
| Bill discounted and purchased | 2.60% | 2.41% | -0.19% |
| Fixed Assets | 1.15% | 1.14% | -0.01% |
| Other Assets | 5.06% | 5.11% | 0.05% |
| Non-banking assets | 0.08% | 0.08% | 0.00% |

Note: PP-Percentage Point.

Source: DOS, BB; Compilation: FSD, BB.

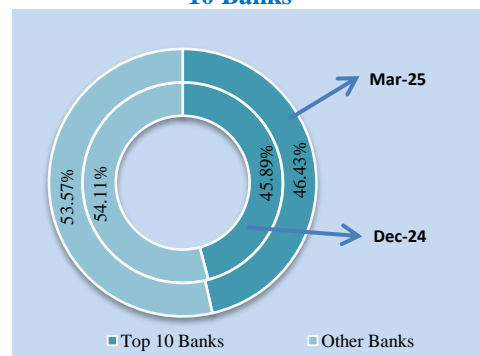
In the review quarter, asset concentration ratio¹⁰ of the top 5 and the top 10 banks slightly increased. As of end-March 2025, the top 5 banks held 31.21 percent of the banking sector's total assets, an increase of 0.14 percentage point from that of end-December 2024. For the top 10 banks, this ratio was 46.43 percent at end-March 2025, which was 0.54 percentage point higher than that of the previous quarter (Chart 2.3 and Chart 2.4).

Chart 2.3: Asset Concentration of Top 5 Banks



Source: DOS, BB; Compilation: FSD, BB.

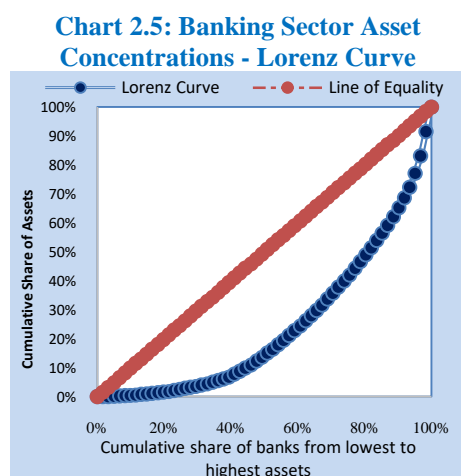
Chart 2.4: Asset Concentration of Top 10 Banks



Source: DOS, BB; Compilation: FSD, BB.

¹⁰ Asset concentration ratio of top 5 or 10 banks (based on their asset size) is defined as the ratio of total assets of top 5 or 10 banks respectively over the total assets of the banking industry.

The Gini Coefficient, which is determined based on the Lorenz Curve, has also been used to illustrate the existence of uneven asset concentration in the banking sector. The Lorenz Curve divulges that top 20 percent of banks held 51.39 percent of banking sector's assets, representing a modest level of concentration in the banking sector's asset structure (Chart 2.5). At the end of March 2025, the computed Gini Coefficient¹¹ was 0.515, indicating a moderate level of unequal asset distribution among the banks.



Source: DOS, BB; Compilation: FSD, BB.

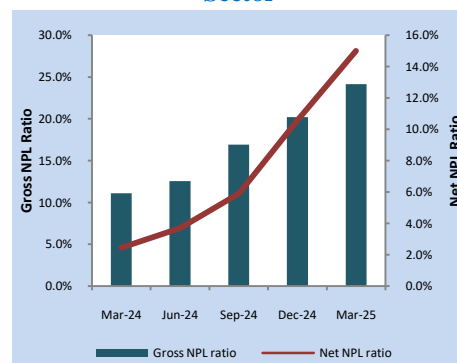
2.2 Asset Quality

Non-Performing Loan (NPL) ratio of the banking sector experienced a rising trend over several quarters. The gross NPL ratio¹² increased by 3.93 percentage points and recorded at

24.13 percent at end-March 2025 (Chart 2.6).

In addition, the net NPL ratio¹³ of the Banking sector stood at 15.00 percent at end-March 2025, which was 10.57 percent in the preceding quarter. This surge appeared to be attributed to a notable rise in classified loans. Hence, several initiatives such as rigorous oversight of loans and advances and strong drive for loan recovery may be taken to overcome this issue.

Chart 2.6: NPL Ratios of the Banking Sector



Source: BRPD, BB.

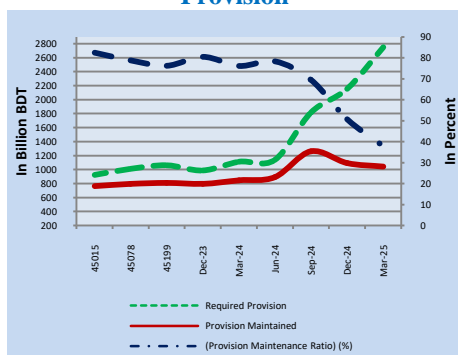
Although the required loan loss provision in the banking sector increased by 27.65 percent and stood at BDT 2,751.03 billion, maintained provision reached only BDT 1,044.48 billion in the review quarter. As a result, total provision shortfall stood at BDT 1,706.55 billion and provision maintenance ratio registered at 37.97 percent in relation with required provision (Chart 2.7).

¹¹ A value of zero expresses perfect equality whereas a value of one refers to perfect inequality.

¹² Ratio of non-performing loans to total outstanding loans inclusive of domestic banking unit (DBU) and off-shore banking unit (OBU).

¹³ Net NPL Ratio is defined as percent of classified loan on total loan outstanding, netting of interest suspense and actual provision.

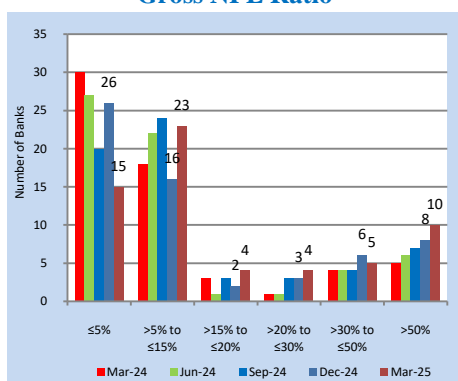
Chart 2.7: Banking Sector Loan Loss Provision



Source: BRPD, BB; Compilation: FSD, BB.

In the review quarter, the distribution of banks, based on gross NPL ratios, showed that the number of banks having NPL ratio within 5 percent reduced to 15 from 26 in the previous quarter. On the other hand, at end-March 2025, the number of banks having NPL ratio from >5 percent to ≤15 percent reached to 23 from 16 in the preceding quarter. Likewise, the banks with NPL ratio more than 50 percent increased to 10 from 8 in the previous quarter (Chart 2.8).

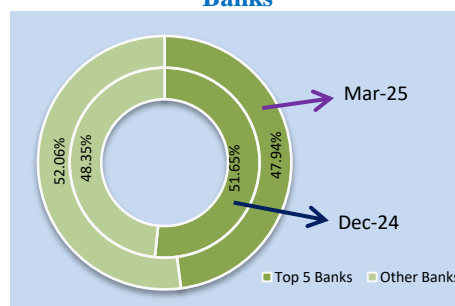
Chart 2.8: Distribution of Banks by Gross NPL Ratio



Source: BRPD, BB; Compilation: FSD, BB.

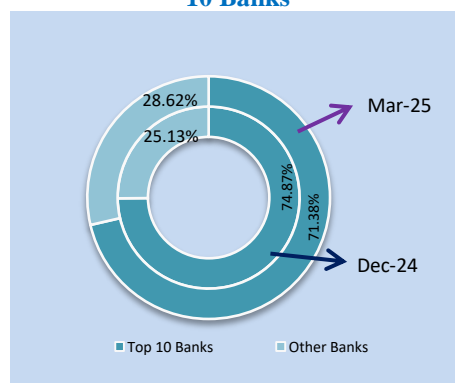
In the review quarter, the NPL concentration¹⁴ among the top 5 and the top 10 banks decreased by 3.71 percentage points and 3.49 percentage points, respectively, compared to the preceding quarter. At the end of March 2025, the top 5 and the top 10 banks' NPL concentrations were 47.94 percent and 71.38 percent, respectively (Chart 2.9 and Chart 2.10). The NPL concentration among a few banks is a concern for the overall banking sector.

Chart 2.9: NPL Concentration in Top 5 Banks



Source: BRPD, BB; Compilation: FSD, BB.

Chart 2.10: NPL Concentration in Top 10 Banks

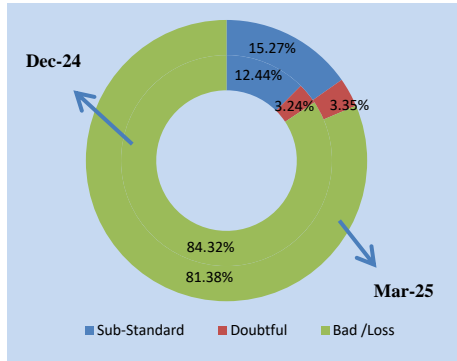


Source: BRPD, BB; Compilation: FSD, BB.

¹⁴ NPL concentration (in percentage) for top 5 and top 10 banks is defined as the NPLs of top 5 and top 10 banks respectively to total NPLs of the banking system. Here, top 5 and top 10 banks are defined based on their size of NPLs.

Although the share of Bad and Loss loans in total NPLs reduced in March 2025 quarter, it remained as the largest portion of total NPLs, as usual. In relation with total classified loans, the share of Bad and Loss category consisted of 81.38 percent while Sub-standard and Doubtful loans constituted 15.27 percent and 3.35 percent, respectively (Chart 2.11).

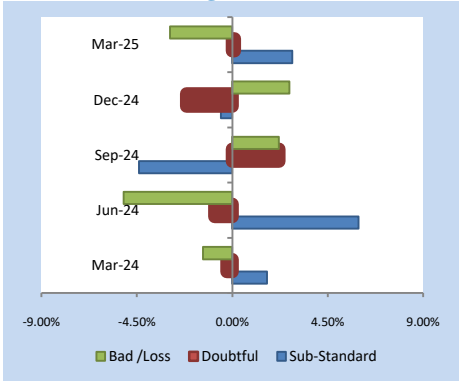
Chart 2.11: NPLs Composition



Source: BRPD, BB; Compilation: FSD, BB.

In the review quarter, the proportion of Sub-standard loans and Doubtful loans to total NPLs increased by 2.83 percentage points and 0.11 percentage point, respectively, whereas the proportion of Bad/Loss loans decreased by 2.94 percentage points in comparison with the preceding period (Chart 2.12).

Chart 2.12: Proportional Shift of NPLs Categories

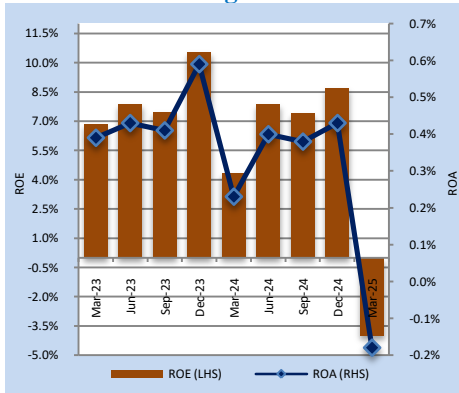


Source: BRPD, BB; Compilation: FSD, BB.

2.3 Profitability

In the review quarter, the banking sector's profitability indicators determined by annualized Return on Assets (ROA) and Return on Equity (ROE) decreased by 0.61 percentage point and 12.69 percentage points, respectively, compared to the previous quarter. At end-March 2025, the banking sector's ROA and ROE stood at -0.18 percent and -3.99 percent, respectively (Chart 2.13).

Chart 2.13: ROA and ROE of the Banking Sector

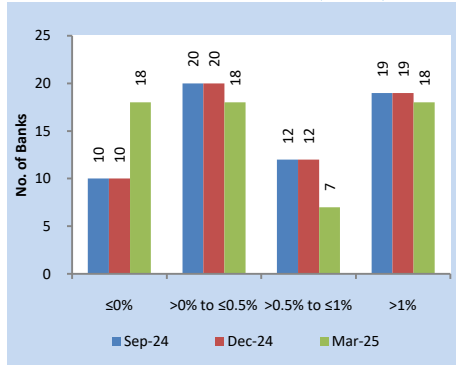


Note: Except December quarters, figures of rest of the quarters are annualized.

Source: DOS, BB; calculation: FSD, BB.

At end-March 2025, 36 banks achieved a ROA within 0.50 percent while the remaining 25 banks exceeded this value. The corresponding number of banks in the previous period was 30 and 31, respectively (Chart 2.14).

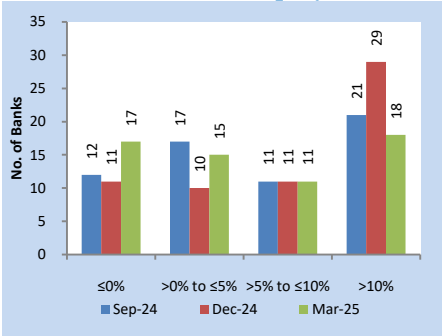
Chart 2.14: Distribution of Banking Sector Return on Assets (ROA)



Source: DOS, BB; Compilation: FSD, BB.

In the review quarter, 32 banks had a ROE within 5 percent while 21 banks recorded ROE in the same range at end-December 2024. Besides, 18 banks recorded a ROE exceeding 10 percent in the review quarter (Chart 2.15).

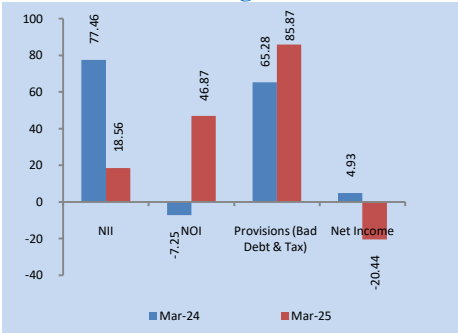
Chart 2.15: Distribution of Banking Sector Return on Equity (ROE)



Source: DOS, BB; Compilation: FSD, BB.

In the review quarter, the banking sector's net income was BDT -20.44 billion at end-March 2025 while the corresponding figure was BDT 4.93 billion in the same quarter of previous year (Chart 2.16). The net income became negative at end-March 2025 due to maintaining considerable amount of loan loss and tax provision.

Chart 2.16: Decomposition of Earnings of Banking Sector



Source: DOS, BB; Compilation: FSD, BB.

CHAPTER 3: FINANCE COMPANIES' PERFORMANCE

In March 2025 quarter, total assets of Finance Companies (FCs) marginally increased compared to the previous quarter. Return on Assets (ROA), remained negative, and asset quality continued to deteriorate.

3.1 Growth of Assets, Liabilities and Shareholders' Equity

Total assets of the FCs stood at BDT 1,022.33 billion at end-March 2025, which was 1.91 percent higher than the previous quarter. Amongst the different segments of total assets, cash and liquid assets¹⁵, earning assets¹⁶, and other assets increased by 12.00 percent, 0.63 percent and 2.57 percent, respectively. On the other hand, fixed assets declined by 0.80 percent in the review quarter.

At end-March 2025, FCs' borrowings¹⁷ decreased by 0.84 percent, while deposits and other liabilities increased by 3.19 percent and 9.94 percent, respectively compared to the previous quarter. However, the total shareholders' equity of the FCs further reduced to BDT -122.58 billion in the review quarter from BDT -97.16 billion at end-December 2024.

¹⁵ Cash and liquid assets consist of total cash, total balance with other banks and FCs, and money at call and short notice.

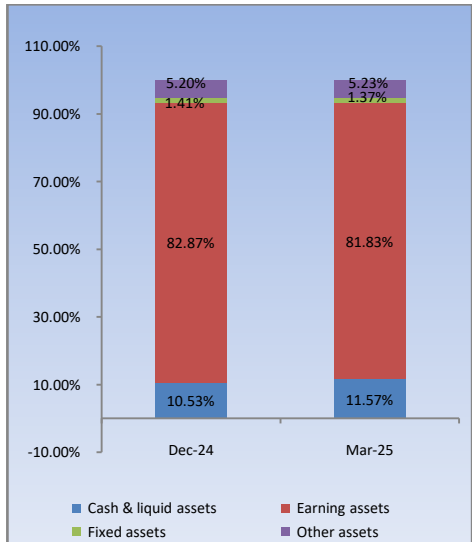
¹⁶ Earning assets consist of total investments and total loans, advances and leases.

¹⁷ Borrowings from other banks, financial institutions and agents.

3.1.1 Assets: Composition and Contribution

At the end of March 2025, total earning assets constituted the largest portion of finance companies' total assets with 81.83 percent. The shares of cash and liquid assets, fixed assets, and other assets were 11.57 percent, 1.37 percent and 5.23 percent respectively (Chart 3.1).

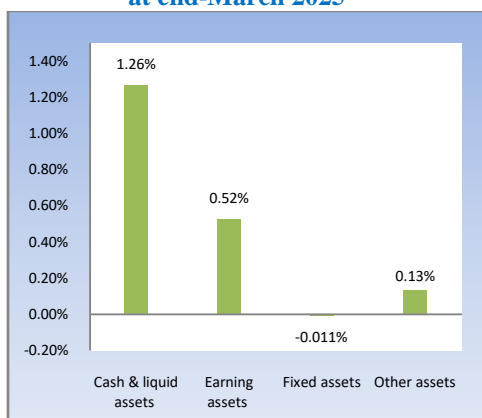
Chart 3.1: Composition of Assets



Source: DFIM; Compilation: FSD, BB.

At the end of March 2025, cash and liquid assets, earning assets and other assets contributed positively in the growth of assets by 1.26 percentage points, 0.52 percentage point and 0.13 percentage point respectively. On the contrary, the fixed assets contributed negatively (0.01 percentage point) in the review quarter (Chart 3.2).

Chart 3.2: Contribution of Different Components in Growth of Total Assets at end-March 2025

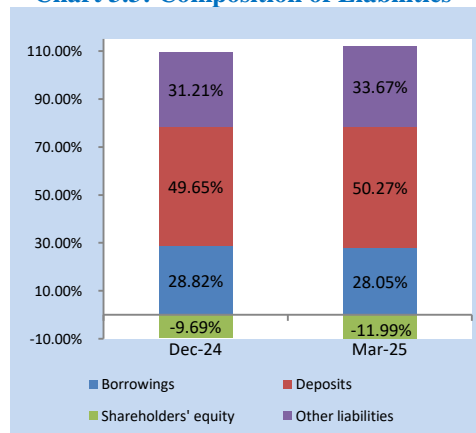


Source: DFIM; Compilation: FSD, BB.

3.1.2 Liabilities: Composition and Contribution

In the review quarter, FCs' total fund, total liabilities and equity, comprised deposits (50.27 percent), borrowings (28.05 percent), shareholders' equity (-11.99 percent) and other liabilities (33.67 percent). At end-March 2025, the shares of deposits and other liabilities increased by 0.62 percentage points and 2.46 percentage points, respectively, whereas the share of borrowings and shareholders' equity declined by 0.78 percentage point and 2.30 percentage points, respectively, compared to those of end-December 2024 (Chart 3.3).

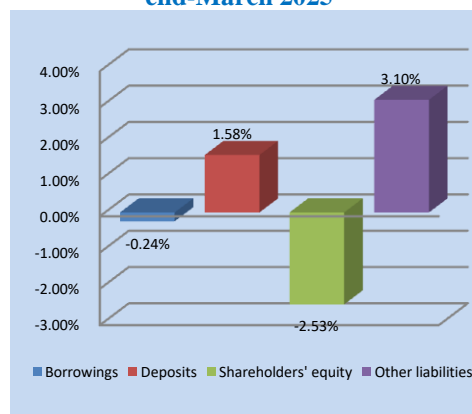
Chart 3.3: Composition of Liabilities



Source: DFIM; Compilation: FSD, BB.

In the review quarter, the increase in total liabilities and shareholders' equity was mainly attributed to the increase in deposits and other liabilities. These two had positive contributions of 1.58 percentage points and 3.10 percentage points in that order. In contrast, borrowings and shareholders' equity had negative contribution of 0.24 percentage point and 2.53 percentage points, respectively (Chart 3.4).

Chart 3.4: Contribution of Different Components in Growth of Total Liabilities and Shareholders' Equity at end-March 2025

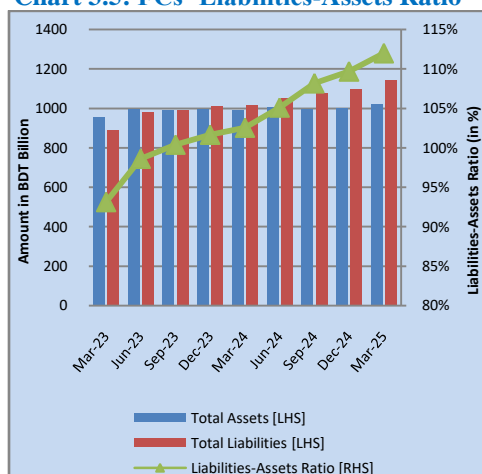


Source: DFIM; Compilation: FSD, BB.

3.1.3 Liabilities-Assets Ratio

The liabilities to assets ratio reached 111.99 percent at end-March 2025, which was 2.30 percentage points higher than that of end-December 2024 (Chart 3.5).

Chart 3.5: FCs' Liabilities-Assets Ratio

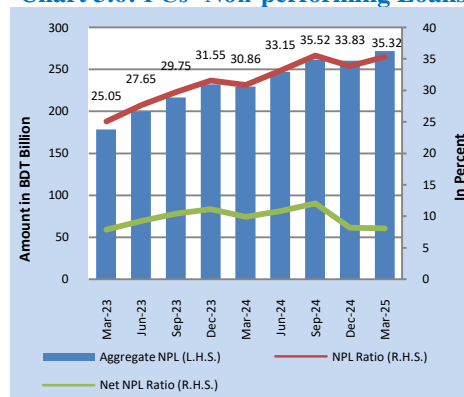


Source: DFIM; Compilation: FSD, BB.

3.2 Asset Quality

At end-March 2025, FCs' non-performing loans and leases rose by 4.42 percent and reached BDT 271.90 billion from BDT 260.38 billion at end-December 2024. Non-Performing Loan ratio (NPL ratio) registered at 35.32 percent at end-March 2025, which was 1.49 percentage points higher than that of end-December 2024. On the other hand net NPL ratio slightly declined to 8.08 percent at end-March 2025, which was 0.09 percentage point lower than the previous quarter (Chart 3.6).

Chart 3.6: FCs' Non-performing Loans



Source: DFIM; Compilation: FSD, BB.

3.3 Profitability

During the review period, the aggregate Return on Assets (ROA) of finance companies appeared at -1.65 percent from -3.56 percent in the previous quarter (Chart 3.7).

Chart 3.7: FCs' ROA



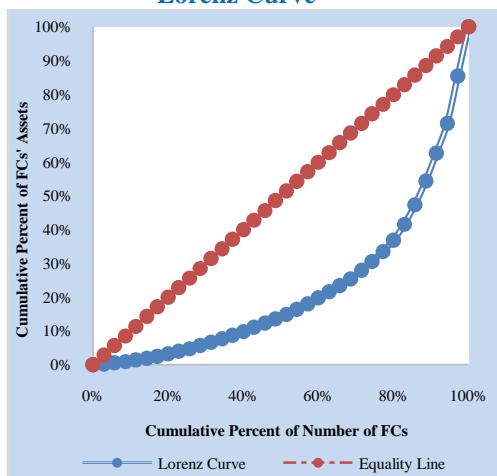
Source: DFIM; Compilation: FSD, BB.

3.4 Asset Concentration

Asset concentration of the FC sector has been analyzed using the Lorenz curve and Gini coefficient. In the review quarter, the largest 20 percent (07 FCs) finance companies possessed 63.13 percent of total assets of the industry. It demonstrates the presence of moderate concentration in asset

distribution of the FC sector (Chart 3.8). The calculated Gini coefficient at end-March 2025 was 0.556, implying an unequal distribution¹⁸ of assets among the FCs.

Chart 3.8: FCs' Asset Concentration- Lorenz Curve



Source: DFIM; Compilation: FSD, BB.

¹⁸ Gini coefficient's value of zero expresses perfect equality whereas a value of one refers to perfect inequality.

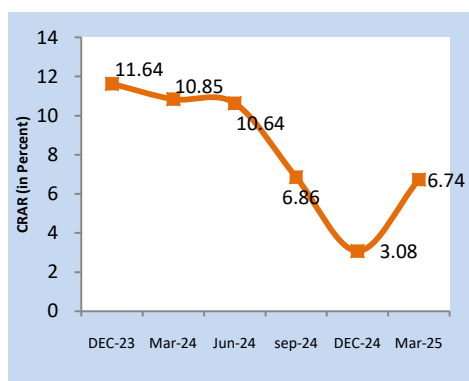
CHAPTER 4: BANKING SECTOR CAPITAL ADEQUACY AND LIQUIDITY

The overall capital position of the banking sector improved in the March-2025 quarter, with most banks maintaining the minimum regulatory capital requirement. At the same time, sector-wide liquidity indicators, i.e., SLR, LCR, and NSFR, remained above the prescribed thresholds, signaling compliance with regulatory liquidity standards.

4.1 Capital Adequacy

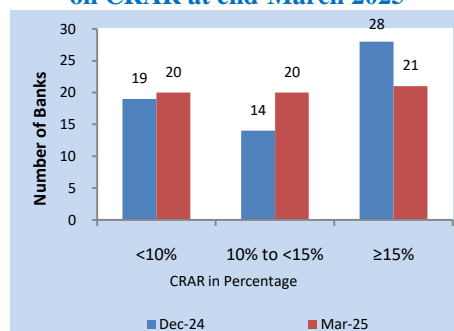
At end-March 2025, the aggregate regulatory capital of banking sector stood at BDT 1,236.72 billion, falling short of the required minimum of BDT 1,868.16 billion. The sector-wide Capital to Risk-Weighted Assets Ratio (CRAR) rose to 6.74 percent in March 2025 from 3.08 percent at end-December 2024 (Chart 4.1). Out of 61 banks, 41 maintained CRAR at or above the 10 percent regulatory minimum (Chart 4.2).

Chart 4.1: Banking Sector CRAR



Source: DOS; Compilation: FSD, BB.

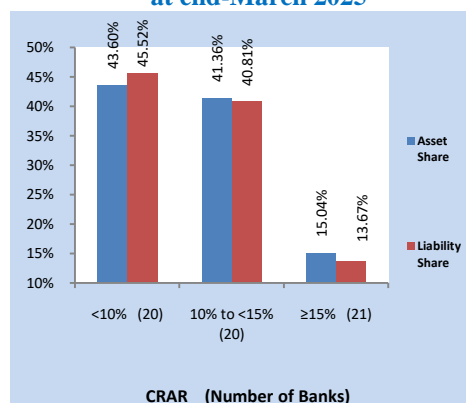
Chart 4.2: Distribution of Banks based on CRAR at end-March 2025



Source: DOS; Compilation: FSD, BB.

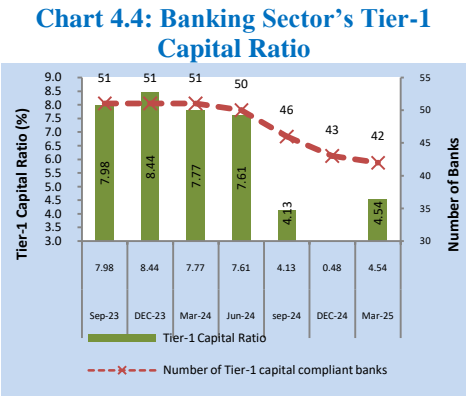
At end-March 2025, 20 banks with CRAR between 10 to 15 percent held 41.36 percent of sector total assets and 40.81 percent of total liabilities. Another 20 banks with CRAR below 10 percent held 43.60 percent of total assets and 45.52 percent of the total liabilities. In addition, 21 banks with CRAR above 15 percent accounted for 15.04 percent of the total assets and 13.67 percent of the total liabilities (Chart 4.3).

Chart 4.3: Banks' shares in Assets, and Liabilities based on CRAR at end-March 2025



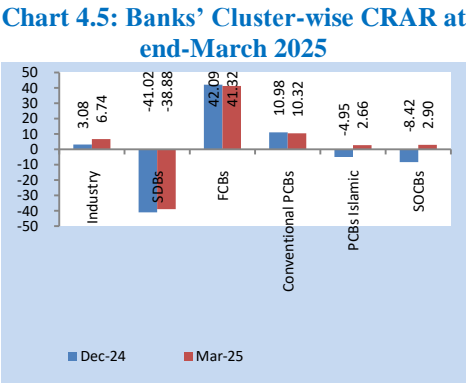
Source: DOS; Compilation: FSD, BB.

The Tier-1 capital ratio improved significantly, reaching 4.54 percent in end-March-2025 compare to only 0.48 percent in end-December-2024 (Chart 4.4). Despite this recovery, it remained below the regulatory minimum of 6 percent.



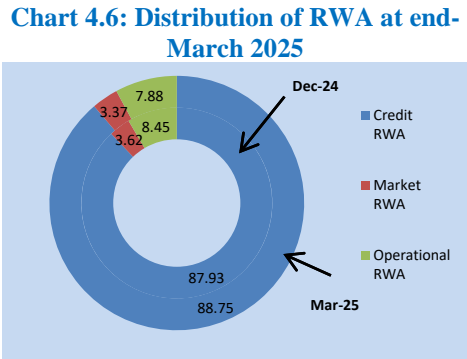
Source: DOS, Compilation: FSD, BB.

At end-March 2025, Foreign Commercial Banks (FCBs) recorded the highest CRAR (41.32 percent), while Specialized Development Banks (SDBs) reported the lowest (-38.88 percent) (Chart 4.5). The SOCBs showed progress, with their CRAR turning positive at 2.90 percent, compared to the previous quarter (- 8.42 percent).



Source: DOS, Compilation: FSD, BB.

Total risk-weighted assets (RWA) comprised credit RWA at 88.75 percent, market RWA at 3.37 percent and operational RWA at 7.88 percent. The composition of these categories showed only marginal changes in the March-2025 quarter compared to the previous quarter (Chart 4.6).



Source: DOS, Compilation: FSD, BB.

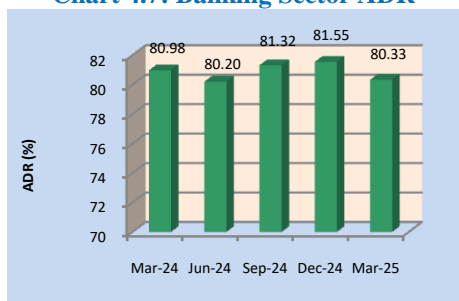
At end-March 2025, 35 out of 61 banks (solo basis) and 20 out of 40 banks (consolidated basis) met the regulatory Capital Conservation Buffer (CCB) requirement of 2.50 percent. The sector-wide CCB, however, remained below the regulatory requirement in that period.

4.2 Liquidity

At end-March 2025, the banking sector's average Cash Reserve Ratio (CRR) was 4.07 percent on daily basis, exceeding the minimum requirement of 3.14 percent. Similarly, the Statutory Liquidity Ratio (SLR) was 24.14 percent, which was 12.43 percentage points higher than the minimum requirement. At end-March 2025, the Advance to Deposit Ratio (ADR)

declined to 80.33 percent, down by 1.22 percentage points from end-December 2024 (Chart 4.7).

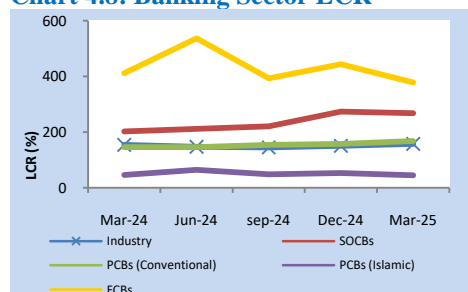
Chart 4.7: Banking Sector ADR



Source: DOS, Compilation: FSD, BB.

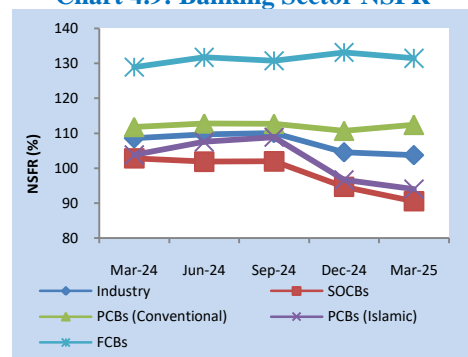
The LCR rose slightly to 159.25 percent (Chart 4.8), while the NSFR declined to 103.79 percent (Chart 4.9) at end-March 2025 compared to the previous quarter. Despite sector-wide compliance, several banks faced pressure in liquidity management.

Chart 4.8: Banking Sector LCR



Source: DOS, Compilation: FSD, BB.

Chart 4.9: Banking Sector NSFR

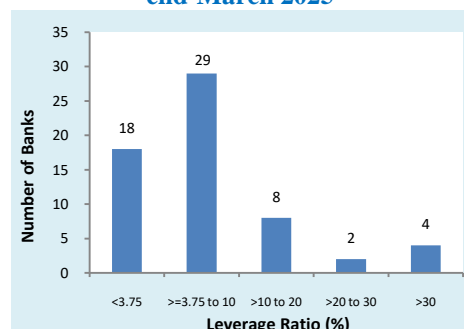


Source: DOS, Compilation: FSD, BB.

4.3 Leverage Ratio

At end-March 2025, the sector's leverage ratio stood at 2.99 percent (solo basis). Out of 61 banks, 43 complied with the regulatory minimum leverage ratio of 3.75 percent (Chart 4.10).

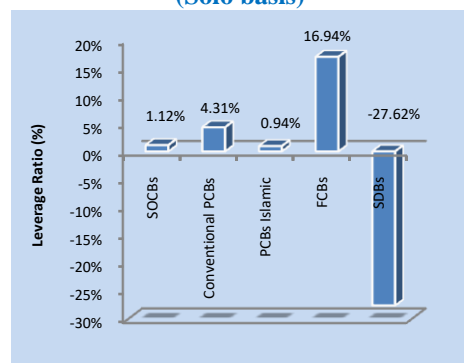
Chart 4.10: Leverage Ratio of Banks at end-March 2025



Source: DOS, Compilation: FSD, BB.

The SDBs, SOCBs and Islamic PCBs failed to meet the minimum leverage ratio. However, Conventional PCBs were able to maintain the required level, while FCBs operated with higher leverage ratio compared to other bank clusters (Chart 4.11).

Chart 4.11: Leverage Ratio of Bank Clusters at end-March 2025 (Solo basis)



Source: DOS, Compilation: FSD, BB.

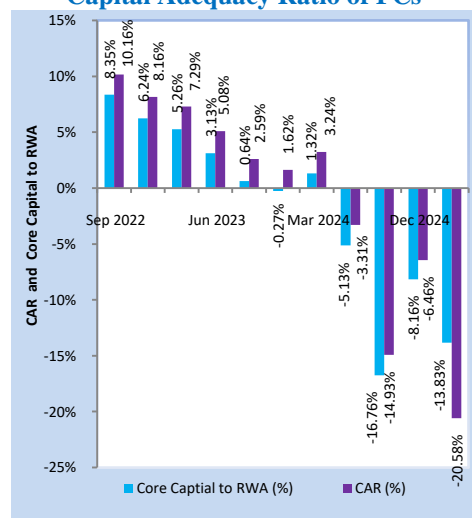
CHAPTER 5: FINANCE COMPANIES' CAPITAL ADEQUACY AND LIQUIDITY

At the end of March 2025, Finance Companies' (FCs) Capital Adequacy Ratio (CAR) and core capital (Tier-1) ratio both declined significantly, compared to the previous quarter. The Statutory Liquidity Ratio (SLR) maintained by FCs remained well above the regulatory requirement, while a shortfall was observed in their Cash Reserve Ratio (CRR).

5.1 Capital Adequacy

During the review quarter, Finance Companies' (FCs) Capital Adequacy Ratio (CAR) and Tier-1 capital ratio stood at -20.58 percent and -13.83 percent, respectively, indicating a further deterioration compared to the preceding quarter, with CAR declined by 14.12 percentage points and Tier-1 capital ratio by 5.67 percentage points (Chart 5.1). Among the 35 FCs, only 16 enabled to maintain the minimum Capital regulatory requirement, while 18 met the Tier-1 capital requirement. The continued deterioration of CAR and Tier-1 capital ratio raises serious concerns about the financial health of the FC sector and its impact on the overall stability of the financial system.

Chart 5.1: Core Capital to RWA and Capital Adequacy Ratio of FCs

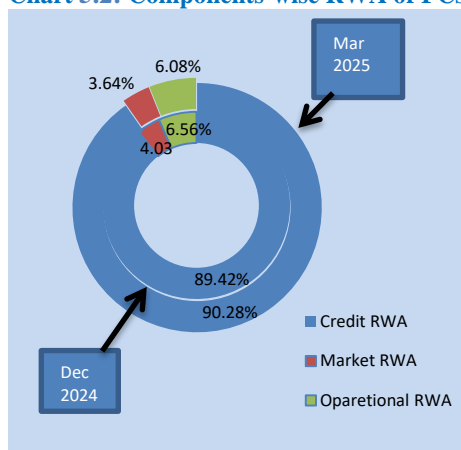


Source: DFIM, BB.

5.2 Risk-Weighted Assets (RWA)

As of end-March 2025, the total risk-weighted assets (RWA) of Finance Companies (FCs) stood at BDT 688.33 billion, showing a slight decline from BDT 690.17 billion at end-December 2024. The RWA composition remained largely concentrated in credit risk, accounted for 90.28 percent, followed by operational risk at 6.08 percent, and market risk at 3.64 percent (Chart 5.2). During the review quarter, the RWA originated from credit risk rose by 0.86 percentage point, whereas market risk and operational risk declined by 0.38 and 0.48 percentage point, respectively, compared to the previous period.

Chart 5.2: Components-wise RWA of FCs

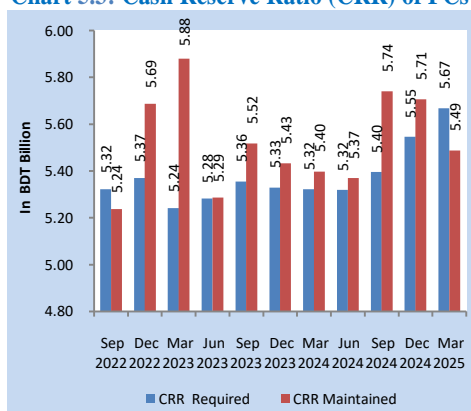


Source: DFIM, BB.

5.3 Liquidity

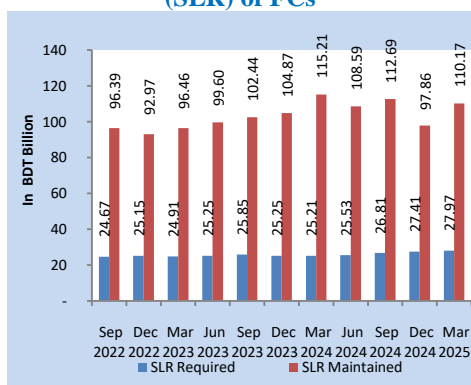
During the review period, the FCs held an aggregate amount of BDT 5.49 billion with a view to maintaining Cash Reserve Ratio (CRR), marking a 3.84 percent decline from the previous quarter and resulting in a shortfall of BDT 0.18 billion (Chart 5.3). Besides, the Statutory Liquidity Ratio (SLR) held by the FCs was BDT 110.17 billion, significantly exceeding the required amount of BDT 27.97 billion (Chart 5.4). The maintained SLR rose by 12.57 percent at the end of March 2025 compared to December 2024.

Chart 5.3: Cash Reserve Ratio (CRR) of FCs



Source: DFIM, BB.

Chart 5.4: Statutory Liquidity Ratio (SLR) of FCs



Source: DFIM, BB.

CHAPTER 6: STRESS TEST AND RESILIENCE OF THE BANKING SECTOR

Financial Stability Department (FSD) conducts quarterly stress tests on scheduled banks to assess their resilience under various plausible shocks¹⁹. This chapter highlights the results of stress tests carried out both at the individual bank level and for the banking industry as a whole. Results as of March 2025 suggest that the banking sector shows some vulnerability when exposed to minor shocks.

6.1 Credit, Market, and Combined Shocks

At end-March 2025, under the pre-shock scenario, 20 out of 61 banks could not maintain the minimum regulatory requirement of capital to risk-weighted asset ratio (CRAR) of 10 percent. Hence, the analysis focused on the remaining 41 banks. Chart 6.1 shows the number of banks unable to maintain the minimum CRAR under different minor shocks, indicating that most banks remained resilient against adverse scenarios during the review

¹⁹Stress tests on banks are carried out through sensitivity analysis, incorporating the impacts of the shock scenarios for credit risk, market risk, and liquidity risk. Under each scenario, the after-shock Capital to Risk-weighted Assets Ratio (CRAR) is compared with the minimum regulatory requirement of 10 (ten) percent in line with the Basel III capital framework. This hypothetical test is a useful risk management tool for instructing banks to ensure safety measures in respect of capital maintenance and liquidity management against any probable adverse economic and financial condition.

period. Table 6.1 summarizes the sector's CRAR before and after applying various minor shocks. At end-March 2025, the system-wide CRAR stood at 6.74 percent, which declined further under credit and market risk shocks. The following subsections explain the stress scenarios and their associated results.

6.1.1 Credit Shocks

a) Increase in NPLs: A 3 percent rise in NPLs would cause three (03) banks to fall below the minimum CRAR threshold of 10 percent.

b) Increase in NPLs in top 02 sectors: If 3 percent of performing loans of the top 2 sectors are downgraded to bad/loss category, one (01) bank would breach the minimum CRAR requirement.

c) Increase in NPLs due to default of top borrowers: If the top 2 borrowers of each bank defaulted, fourteen (14) banks would fail to maintain required CRAR.

d) Depletion in collateral: A 30 percent drop in the Forced Sale Value (FSV) of eligible collateral would leave three (03) banks unable to meet the regulatory CRAR standard.

e) Negative shift in the NPLs categories: If 10 percent of existing

NPLs are downgraded to worse categories, two (02) banks would fall short of minimum CRAR requirement.

f) Negative shift in rating categories:

A 10 percent downgrade in loan rating categories would cause one (01) bank to breach required CRAR threshold.

6.1.2 Market Shocks

g) Changes in interest rate: A 2 percent change in interest rate would render one (01) bank non-compliant with the minimum required CRAR.

h) Exchange Rate Shock: A 20 percent revaluation of bank's overall net exchange position would cause

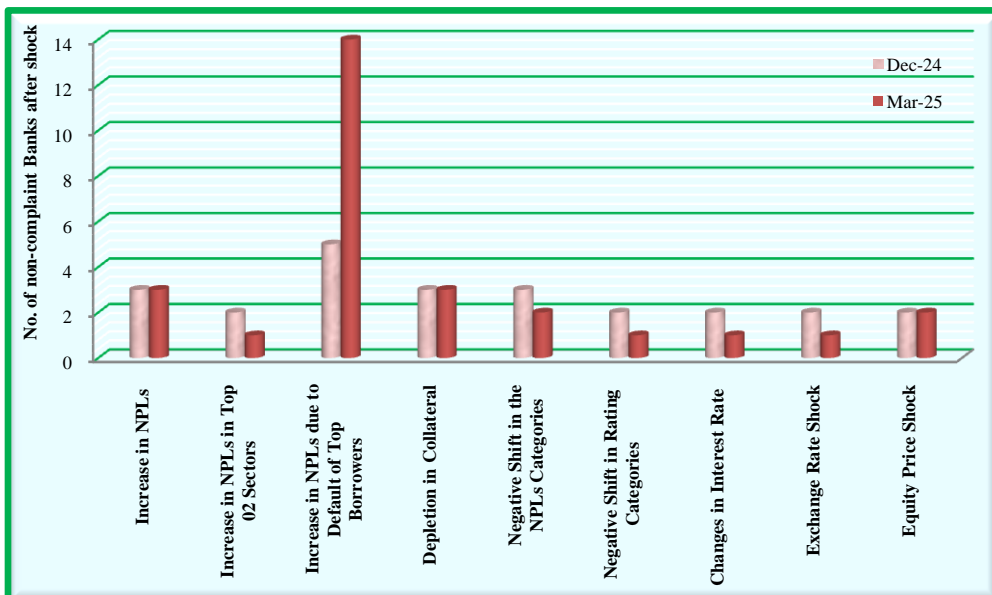
one (01) bank to fail to meet the minimum required CRAR.

i) Equity Price Shock: A 30 percent drop in the market value of the listed securities would push two (02) banks below the minimum required CRAR.

6.1.3 Combined Shock

When combining the results of all credit risk and market risk shocks, weighted according to their respective impacts, the banking sector's CRAR would fall to 3.33 percent from the pre-stock level of 6.74 percent (Table 6.1). Under this scenario, twelve (12) banks would not be able to maintain the regulatory minimum CRAR.

Chart 6.1: Number of Non-compliant Banks in case of Different Minor Shock Scenarios



Source: Data from Banks, Calculation: FSD, BB.

Table 6.1: The Results of Different Minor Shock Scenarios in the Banking Sector

(In Percent)

| Description | December 2024 (Unaudited and Provisional) | December 2024 (Audited) | March 2025 |
|--|---|-------------------------|--------------|
| Required minimum CRAR | 10.00 | 10.00 | 10.00 |
| Pre-shock CRAR | 3.08 | 7.39 | 6.74 |
| After-Shock CRAR | | | |
| Credit Risks | | | |
| <i>CR-1: Increase in NPLs by 3% or average NPLIR</i> | 1.25 | 5.72 | 4.81 |
| <i>CR-2: Increase in NPLs in top 02 sectors by 3% or average NPLIR</i> | 2.60 | 6.95 | 6.23 |
| <i>CR-3: Increase in NPLs due to default of top 02 borrowers</i> | -0.40 | 4.21 | 3.31 |
| <i>CR-4: Depletion in collateral by 30%</i> | 1.16 | 5.63 | 4.68 |
| <i>CR-5: Negative shift in the NPLs categories by 10%</i> | 1.94 | 6.35 | 5.35 |
| <i>CR-6: Negative shift in rating categories by 10%</i> | 3.00 | 7.20 | 6.60 |
| Market Risks | | | |
| <i>MR-1: Change in interest rate by 2%</i> | 2.68 | 7.01 | 6.34 |
| <i>MR-2: Change in exchange rate by 20%</i> | 2.98 | 7.30 | 6.62 |
| <i>MR-3: Fall in equity prices by 30%</i> | 2.53 | 6.89 | 6.23 |
| Combined Shock* | -0.29 | 4.28 | 3.33 |

* Aggregate of the results of all credit and market risk shocks by applying 25%, 0%, 45%, 10%, 10% and 10% weight for CR-1, CR-2, CR-3, CR-4, CR-5 and CR-6, respectively. 100% weight applied for each market risk-related shocks.

Source: Data from Banks, Calculation: FSD, BB

6.2 Climate Shock

If 3 percent of the climate-vulnerable loans across all banks were downgraded directly to the bad and loss category, the sector would require maintaining additional provisions of BDT 95.73 billion.

6.3 Liquidity Shock

a) As of end-March 2025, the banking industry as a whole remained resilient under simulated liquidity stress scenario, i.e., withdrawal of 2 percent, 3 percent, 4 percent, 5 percent, and 6

percent of deposits, in addition to normal withdrawal patterns, for day 1, day 2, day 3, day 4, and day 5, respectively. However, 19 scheduled banks would fail to withstand this stress scenario.

b) If the top 10 depositors of each bank fully withdraw their deposits, the ratio of liquid assets to total assets for the sector would fall to 19.37 percent, representing a decline of 6.61 percentage points from the pre-shock scenario.

c) With a 5 percent haircut on government securities and 5 percent increase in net cash out flows, the sector's liquidity coverage ratio (LCR) would drop to 147.24 percent from 160.72 percent in the pre-shock position. Under this test, 4 more banks

would fail to comply with the minimum LCR requirement of 100 percent.

CHAPTER 7: CAPITAL MARKET DEVELOPMENT

During the review quarter, both global and Bangladesh's capital markets displayed mixed performances. The Dhaka Stock Exchange (DSE) recorded slight growth in market capitalization and turnover compared to the previous quarter, whereas the Chittagong Stock Exchange (CSE) experienced a decline in turnover. Although DSE's market capitalization-to-GDP ratio remained relatively low compared to other Asia-Pacific markets, the limited exposure of banks to capital market (well below the regulatory threshold) minimized any immediate risks to banking sector stability.

7.1 Global Capital Market

In the first quarter of 2025, global equity markets moved in divergent directions. Germany's DAX and the UK's FTSE 100 advanced by 11.32 percent and 5.01 percent, respectively, while Japan's Nikkei 225 dropped by 10.72 percent. The MSCI Emerging Markets Index gained 2.41 percent, to close at 1101.40, whereas the Dow Jones Industrial Average (DJIA) slipped by 1.28 percent, ending at 42,001.76 (Table 7.1).

Table 7.1: Quarterly Performance of Leading Indices

| Name of Index | Dec'24 | Mar'25 | Change (%) |
|-----------------------------|-----------|-----------|------------|
| MSCI Emerging Markets Index | 1,075.48 | 1,101.40 | 2.41% |
| DJIA (USA) | 42,544.22 | 42,001.76 | -1.28% |
| Nikkei 225 (Japan) | 39,894.54 | 35,617.56 | -10.72% |
| DAX (Germany) | 19,909.14 | 22,163.49 | 11.32% |
| FTSE 100 (UK) | 8,173.02 | 8,582.81 | 5.01% |

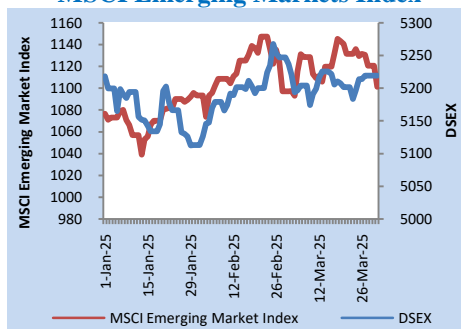
Source: msci.com and DSE Monthly review; Compilation: FSD, BB.

7.2. DSEX and MSCI Emerging Markets Index

During January-March 2025 quarter, both the MSCI Emerging Markets Index²⁰ and DSEX²¹ showed marginal positive movement. During the period, the MSCI Index rose from 1075.48 to 1,101.40, registering a growth of 2.41 percent (from 1,075.48 to 1,101.40), while the DSEX inched up just 0.05 percent (from 5216.44 to 5219.16). However, the DSEX displayed higher volatility, with a standard deviation of 34.68 compared to 26.58 for the MSCI index. Notably, DSEX volatility declined sharply from 112.93 in the previous quarter (Chart 7.1).

²⁰ <https://www.msci.com/end-of-day-data-search>
²¹ DSE Broad Index

Chart 7.1: Performance of DSEX and MSCI Emerging Markets Index



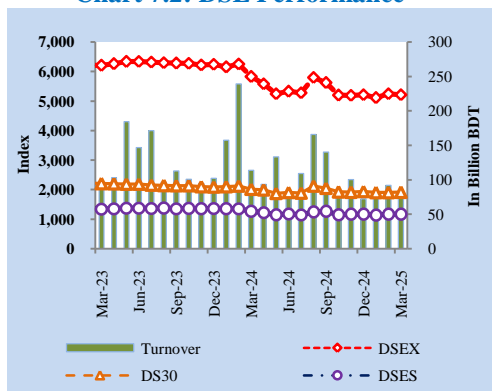
Source: msci.com and DSE Monthly review;
Compilation: FSD, BB.

7.3 Dhaka Stock Exchange (DSE)

7.3.1 DSE Performance

DSE turnover stood at BDT 249.88 billion at end-March 2025, slightly up (0.18 percent) from the previous quarter. While the DSEX showed minor growth, other indices like DS30 and DSES declined (Chart 7.2).

Chart 7.2: DSE Performance



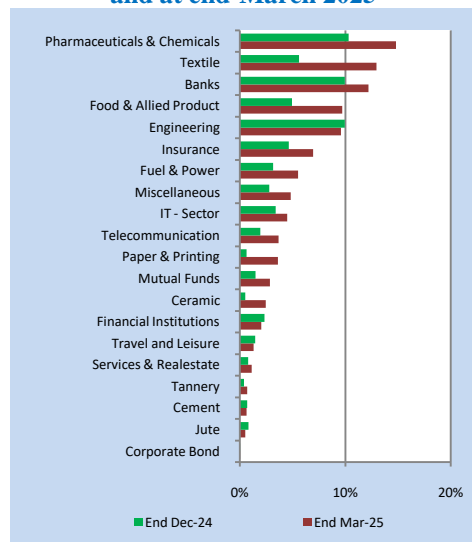
Source: DSE Monthly Review; Compilation: FSD, BB.

7.3.2 Sectoral Turnover at DSE

During the review quarter, Pharmaceuticals & Chemicals contributed the most to the DSE's overall turnover (14.82 percent), followed by Textiles (12.97 percent) and Banks (12.20 percent).

Collectively, financial sector entities (Banks, Finance Companies, and Insurance Companies) accounted for 21.16 percent of turnover, up from 16.92 percent in the previous quarter (Chart 7.3).

Chart 7.3: Contribution of Sectors in DSE's Turnover at end-December 2024 and at end-March 2025



Source: DSE Monthly Review; Compilation: FSD, BB.

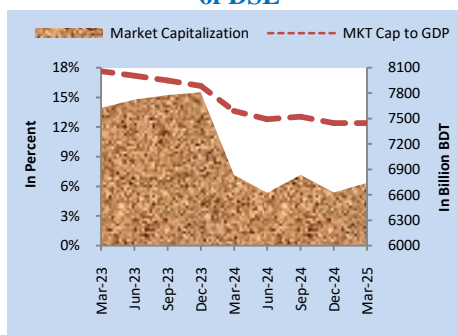
7.3.3 Market Capitalization

In the first quarter of 2025, DSE market capitalization rose by 1.70 percent to BDT 6738.66 billion, though the market capitalization to GDP²² ratio dipped slightly to 12.38 percent from 12.40 percent. This remains low relative to asia pacific region peers²³ (Chart 7.4).

²²Represents sum of GDP of four consecutive quarters at Current Market Prices, Base: 2015-16, Source: BBS website.

²³Monthly Review, April 2025, Dhaka Stock Exchange PLC website.

Chart 7.4: Market Capitalization Trend of DSE

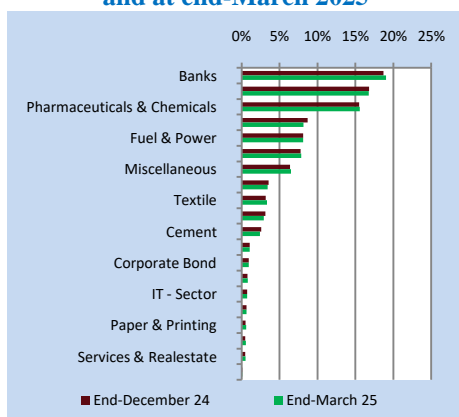


Source: DSE Monthly Review; Compilation: FSD, BB.

7.3.4 DSE Sectoral Market Capitalization

By March 2025, Banking dominated with 19.05 percent of market capitalization, followed by Telecommunications (16.76 percent), Pharmaceuticals and Chemicals (15.60 percent), and Food & Allied Products (8.14 percent). Market shares of these sectors' in the previous quarter were 18.70 percent, 16.81 percent, 15.49 percent, and 8.69 percent, respectively (Chart 7.5).

Chart 7.5: DSE Sectoral Market Capitalization at end-December 2024 and at end-March 2025

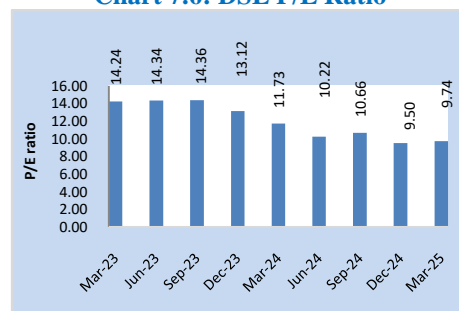


Source: DSE Monthly Review; Compilation: FSD, BB.

7.3.5 Price/Earnings (P/E) Ratio

The weighted average market P/E ratio of the companies listed on the DSE climbed from 9.50 in December 2024 to 9.74 in March 2025 (Chart 7.6).

Chart 7.6: DSE P/E Ratio

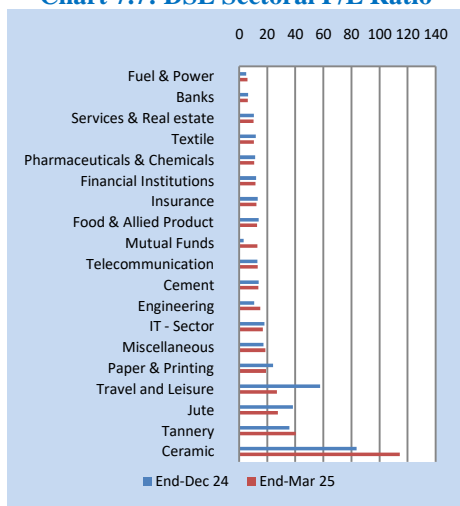


Source: DSE Monthly Review; Compilation: FSD, BB.

7.3.6 DSE Sectoral P/E Ratio

The Ceramic sector recorded the highest P/E ratio of 114.55 at the end of March 2025. Next in line were the Tannery sector 40.34 and the Jute sector 27.68. By contrast, as of December 2024, these sectors had P/E ratios of 83.79, 35.85, and 38.38, respectively. On the contrary, at the end of March 2025, the Fuel & Power sector posted the P/E ratio of 5.93, followed by the Banking at 6.26 and Services & Real Estate at 10.23. At the end of December 2024, those ratios were 4.93, 6.34, and 10.4, respectively (Chart 7.7).

Chart 7.7: DSE Sectoral P/E Ratio

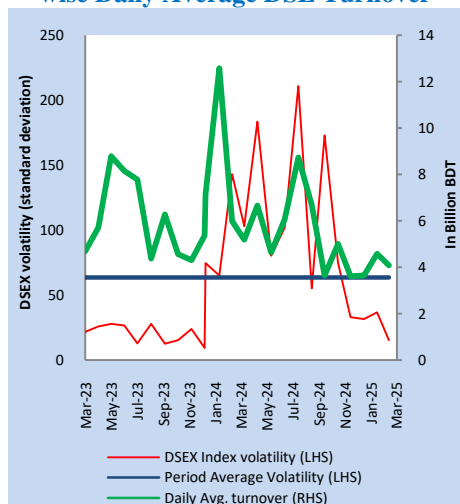


Source: DSE Monthly Review, Compilation: FSD, BB.

7.3.7 Index Volatility and Market Liquidity

Chart 7.8 depicts month-on-month daily average turnover, daily average index volatility, and period average volatility. Between March 2023 to March 2025, market volatility and turnover showed a positive 15.97 percent correlation.

Chart 7.8: DSEX Volatility and Month-wise Daily Average DSE Turnover



Source: DSE Monthly Review; Computation: FSD, BB.

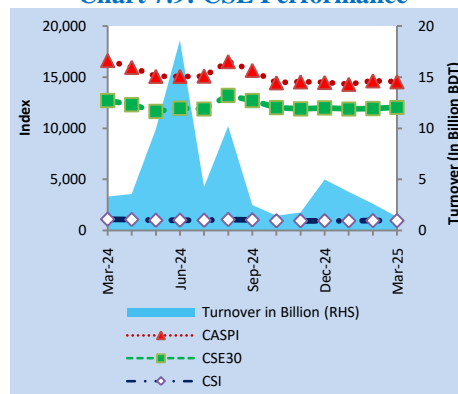
The highest DSEX volatility was in August 2024 (standard deviation 210.86), and the lowest in December 2023 (standard deviation 9.54). The average volatility during this period was 63.56.

7.4 Chittagong Stock Exchange (CSE)

7.4.1 CSE Performance

Chart 7.9 illustrates the performance of CSE from March 2024 through March 2025. At end-March 2025, the main CSE indices had climbed modestly compared to the previous quarter, CASPI²⁴ rose by 0.47 percent, CSE30²⁵ by 0.35 percent and CSI²⁶ by 0.96 percent. In contrast, the CSE turnover during January–March 2025 dropped by 5.76 percent, falling to BDT 7.69 billion from BDT 8.16 billion in the preceding quarter.

Chart 7.9: CSE Performance



Source: CSE Bazar Parikrama; Compilation: FSD, BB.

7.4.2 Sectoral Turnover at CSE

Chart 7.10 displays the sectoral turnover distribution at the CSE for the

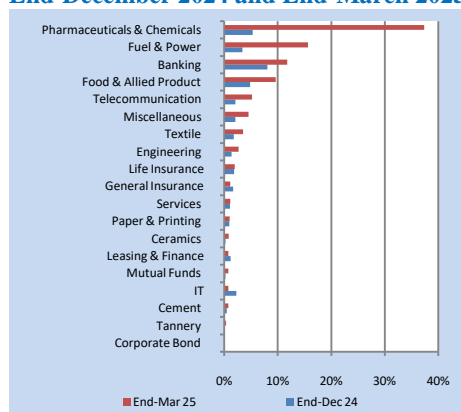
²⁴ CASPI = CSE all share price index

²⁵ CSE30= CSE 30 Index

²⁶ CSI= CSE Shariah Index

quarters ending in December 2024 and March 2025. The Pharmaceuticals & Chemicals sector led turnover contribution with 37.39 percent, followed by the Fuel & Power sector with 15.68 percent, the Banking sector with 11.77 percent, and the Food & Allied Products with 9.65 percent.

Chart 7.10: CSE Sectoral Turnover at End-December 2024 and End-March 2025



Source: CSE Bazar Parikrama; Compilation: FSD, BB.

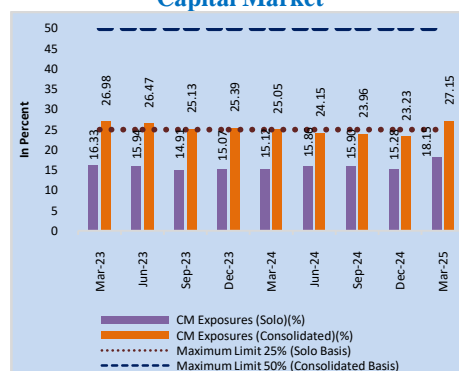
7.5 Banking Sector's Capital Market Exposures and Financial Stability

Through banks' participation in the capital market, the broader financial sector, especially banking sector can significantly be influenced. Under the Banking Companies Act, 1991, banks in Bangladesh are permitted to hold capital market exposures up to 25 percent on a solo basis and 50 percent on a consolidated basis of their total prescribed capital²⁷. As of end-March 2025, actual capital market exposures of banks stood at 18.15 percent (solo) and 27.15 percent (consolidated).

²⁷ Represented by paid up capital, statutory reserve, retained earnings and balance of non-repayable share premium account, as per Department of Offsite Supervision (DOS) circular no-02, dated 16-9-2023.

These figures represent a rise from the previous quarter, when exposures were 15.28 percent (solo) and 23.23 percent (consolidated) (Chart 7.11). Over the past nine quarters, banks' capital market exposures have consistently remained within the regulatory ceilings on solo and consolidated basis, suggesting limited risk to sectoral stability in the near term.

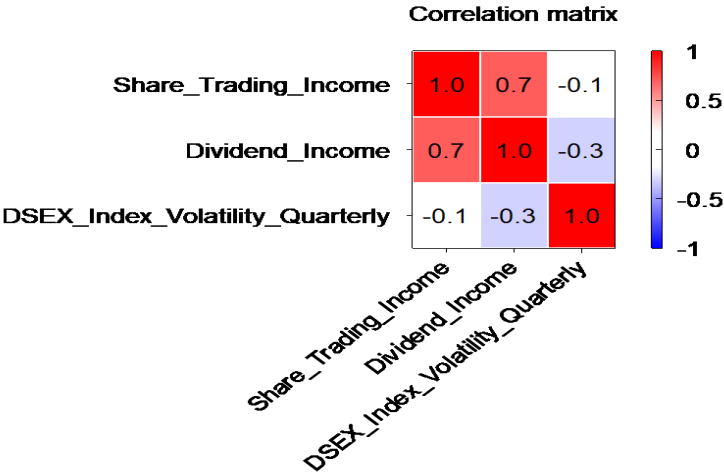
Chart 7.11: Banking Sector's Exposure in Capital Market



Source: DOS, BB.

Chart 7.12 illustrates the relationship between banks' share trading income, dividend income, and quarterly volatility of the DSEX index. Both income streams, trading and dividends, shows a negative correlation with market volatility, though the strength of this relationship varies between them. In light of this inverse link, banks should stay vigilant and monitor fluctuations in the market index closely.

Chart 7.12: Correlation between Banking Sector’s Income from Share Trading and Dividend with Market Index Volatility



CHAPTER 8: RECENT STABILITY INITIATIVES OF BANGLADESH BANK

In the wake of the student-led mass uprising and change of authoritarian regime that unfolded between July and August 2024, Bangladesh has been undergoing significant political transformation and extensive economic and legal reforms to rebuild its economy. To this end, Bangladesh Bank (BB) has introduced a range of policy measures. Some of those key measures are stated below:

8.1 Cash Margin for Importing Fully Electric and Hybrid Motorcar

To encourage import of fuel efficient and environment friendly vehicles Bangladesh Bank has issued a circular letter stating that the cash margin for opening Letters of Credit (LC) to import fully electric and hybrid motorcar will be determined based on the banker-customer relationship, whereas import LCs for all other motorcars will require a minimum cash margin of 50 percent. [Ref: BRPD Circular Letter No. 01, Date: 02 January 2025]

8.2 Implementation of ECL-based Loan Classification and Provisioning under IFRS9

Bangladesh Bank plans to implement an Expected Credit Loss (ECL) methodology-based provisioning framework for banks in alignment with International Financial Reporting

Standard (IFRS) 9 by 2027. To achieve the goal in due time, BB has outlined a roadmap for banks with the specified timelines. Moreover, to facilitate the banking sector's preparedness and enable early assessment of banks' financial health under IFRS 9, BB has provided preparatory instructions. [Ref: BRPD Circular Letter No. 03, Date: 23 January 2025]

8.3 Amendment of Exit Policy for Recovery/Settlement of Classified Loans

With reference to BRPD Circular No. 13, dated 08 July 2024, Bangladesh Bank issued a circular letter aimed at refinement, further clarification, and proper implementation of the exit policy for the recovery and settlement of classified loans. According to the circular letter, borrower will deposit minimum five percent of outstanding loan in cash as down payment for getting exit benefits. Bank will dispose of borrower's loan settlement application within sixty (60) days of receiving it. [Ref: BRPD Circular Letter No. 05, Date: 10 March 2025]

8.4 Appointment of Independent Directors in FCs from BB panel

To promote good governance in finance companies, Bangladesh Bank has issued a circular letter on appointment of independent directors from a panel prepared by Bangladesh

Bank. The circular letter outlines several directives on the appointment of independent directors in FCs. As per the circular letter, Bangladesh Bank will prepare a panel of eligible candidates for independent directorship and finance companies will appoint their independent directors from the panel. *[Ref: DFIM Circular Letter No. 01, Date: 12 January 2025]*

8.5 Dividend Declaration Policy for Banks

In view of the current overall state of country's banking sector, banks' financial solvency, the protection of depositors' interests, and the need to ensure fair returns for shareholders, Bangladesh Bank has issued a comprehensive policy on declaration of dividends by banks. According to the policy, if penal interest for shortfall of CRR (Cash Reserve Ratio) and SLR (Statutory Liquidity Ratio) is remaining unpaid and Non-Performing Loans (NPLs) exceed 10 percent of a bank's total loans, the bank will not be able to declare dividends to shareholders. Besides, cash dividends can only be distributed from the profits of the respective calendar year, but not from the previous accumulated profits. *[Ref: DOS Circular No. 01, Date: 13 March 2025]*

8.6 CIB Reporting for Agricultural and Rural Credit

A CIB report was not mandatory for sanctioning any new loan or renewal of existing loans up to BDT 0.25 million for grain and crop credits earlier. Due to increased risk of non-performing loans and easy access of banks' to BB's CIB server, all scheduled commercial banks are instructed to verify CIB reports for sanctioning any new loan or renewing existing loans in all sectors covered by agricultural and rural credit except MFI linkage. *[Ref: ACD Circular Letter No. 01, Date: 23 March 2025]*

8.7 Guidelines for Offshore Banking Business

Bangladesh Bank has formulated a set of instructions for conducting offshore banking business in Bangladesh. In this regard, Bangladesh Bank has issued a circular detailing the guidelines that needs to be followed by commercial banks for offshore banking operations. Offshore banking operations shall be carried out by Offshore Banking Unit (OBU) of scheduled banks in Bangladesh. Any commercial bank willing to operate offshore banking business needs to obtain license for OBU from Bangladesh Bank. All offshore banking units of scheduled commercial banks in Bangladesh shall follow the guidelines. *[Ref: FE Circular No. 11, Date: 30 January 2025]*

8.8 Flexibility in Exchange Rate Management

To bring greater flexibility in exchange rate management, spot exchange rates are allowed to vary from transaction to transaction in a business day, subject to movement within the prescribed band around the crawling peg mid rate, as per the guidance issued by BB from time to time. *[Ref: FE Circular Letter No. 08, Date: 09 February 2025]*

8.9 Updating Foreign Exchange Risk Management Guidelines

With the objectives of strengthening versatility, promoting diversity, enhancing risk management efficiency, and fostering innovation in the foreign exchange market, and also ensuring greater stability in the financial ecosystem, BB has reviewed and updated the Foreign Exchange Risk Management Guidelines. Authorized Dealers (ADs) are instructed to comply with the guidelines. *[Ref: FE Circular Letter No. 12, Date: 20 February 2025]*

8.10 Establishment of Legal Entities Abroad

Bangladesh Bank has issued a circular granting general authorization to establish legal entities abroad with an investment amount up to USD 10,000 or its equivalent, aimed at supporting start-up businesses in Bangladesh. Besides, BB will consider requests from resident companies to acquire

shares abroad by exchanging their own shares or securities with the shares of companies abroad, instead of utilizing cash consideration. *[Ref: FEID Circular No. 02, Date: 27 March 2025]*

8.11 Enhancing Student Involvement in Financial Inclusion under School Banking Policy

Bangladesh Bank has issued a circular letter to increase student involvement in financial inclusion under the School Banking Policy. This circular letter instructs all scheduled banks to introduce school banking services in at least one educational institution located near each of their branches with a purpose of actively promoting student engagement in account opening, financial literacy, financial awareness, and technical skill development. *[Ref: FID Circular Letter No. 01, Date: 16 March 2025]*

8.12 Easing CRR to Enhance Banks' Liquidity

To bring greater excellence in the monetary policy framework and aiming to streamline liquidity management, BB eased the Cash Reserve Ratio (CRR). According to the circular, BB has directed banks to maintain a CRR of minimum 3.00 percent of their time and demand liabilities on daily basis instead of 3.50 percent. However, the bi-weekly average CRR requirement will remain unchanged at 4.00 percent. *[Ref: MPD Circular No. 01, Date: 04 March 2025]*

8.13 Bangladesh Real Time Gross Settlement (BD-RTGS) System Rules

In order to facilitate safe, secured and efficient interbank payments, BB has upgraded the BD-RTGS system and updated the BD-RTGS system rules. BB has requested all scheduled banks and finance companies to participate in BD-RTGS, following the BD-RTGS System Rules Version 2.1. Based on this rules, FCs are allowed to execute both FI to FI transactions and Client to Client transactions in connection with loan disbursement and loan receipt. *[Ref: PSD Circular No. 01, Date: 19 January 2025]*

8.14 Master Circular on CMSME Financing

Bangladesh Bank has released an updated and comprehensive Master

Circular on cottage, micro, small, and medium enterprises (CMSMEs) financing, aimed at strengthening the sector's role in driving national economic growth. By improving access to funding and streamlining processes, the circular seeks to foster a more supportive environment for CMSMEs, thereby promoting greater employment opportunities and advancing financial inclusion throughout the country. *[Ref: SMESPD Circular No. 01, Date: 17 March 2025]*

APPENDICES

Appendix I: CPI Inflation (Point to Point)

(In Percent)

| Quarter end | Inflation (General) | Inflation (Food) | Inflation (Non-Food) |
|-------------|---------------------|------------------|----------------------|
| Dec-23 | 9.41 | 9.58 | 8.52 |
| Mar-24 | 9.81 | 9.87 | 9.64 |
| Jun-24 | 9.72 | 10.42 | 9.15 |
| Sep-24 | 9.92 | 10.4 | 9.50 |
| Dec-24 | 10.89 | 12.92 | 9.26 |
| Mar-25 | 9.35 | 8.93 | 9.70 |

Source: Major Economic Indicator, July 2025, BB.

Base: FY2021-2022.

Appendix II: Foreign Exchange Reserve

(Amount in Billion USD)

| Quarter end | International Reserve |
|-------------|------------------------------|
| Jun-23 | 31.20 (24.75 as per BPM6) |
| Sep-23 | 26.91 (21.06 as per BPM6) |
| Dec-23 | 27.13 (21.87 as per BPM6) |
| Mar-24 | 25.23 (19.91 as per BPM6) |
| Jun-24 | 26.71 (21.79 as per BPM6) |
| Sep-24 | 24.86 (19.86 as per BPM6) |
| Dec-24 | 26.21 (21.39 as per BPM6) |
| Mar-25 | 25.51 (20.39 as per BPM6) |

Source: Statistics Department, BB.

Appendix III: Wage Earners' Remittance

(Amount in Billion USD)

| Quarter | Amount |
|---------|--------|
| Mar-23 | 5.54 |
| Jun-23 | 5.58 |
| Sep-23 | 4.91 |
| Dec-23 | 5.89 |
| Mar-24 | 6.27 |
| Jun-24 | 6.84 |
| Sep-24 | 6.54 |
| Dec-24 | 7.23 |
| Mar-25 | 8.01 |

Source: Monthly Economic Trends, BB

Appendix IV: Exports and Imports

(Amount in Billion USD)

| Quarter | Aggregate Exports (F.O.B) | Aggregate Imports (F.O.B) |
|---------|---------------------------|---------------------------|
| Mar-23 | 10.61 | 15.81 |
| Jun-23 | 10.20 | 15.56 |
| Sep-23 | 10.08 | 14.75 |
| Dec-23 | 10.11 | 16.24 |
| Mar-24 | 10.76 | 15.40 |
| Jun-24 | 9.86 | 16.54 |
| Sep-24 | 10.55 ^R | 15.19 |
| Dec-24 | 11.77 | 16.90 |
| Mar-25 | 11.54 | 17.22 |

R-Revised

Source: Statistics Department, BB and Bangladesh Bank Quarterly.

Appendix V: Interest Rate (Weighted Average) Spread

(In Percent)

| Quarter | Lending Rate | Deposit Rate | Spread |
|---------|--------------|--------------|--------|
| Mar-23 | 7.31 | 4.35 | 2.96 |
| Jun-23 | 7.31 | 4.38 | 2.93 |
| Sep-23 | 7.83 | 4.52 | 3.31 |
| Dec-23 | 9.36 | 4.70 | 4.66 |
| Mar-24 | 10.36 | 5.17 | 5.19 |
| Jun-24 | 11.52 | 5.49 | 6.03 |
| Sep-24 | 11.70 | 5.84 | 5.86 |
| Dec-24 | 11.84 | 6.01 | 5.83 |
| Mar-25 | 12.04 | 6.17 | 5.87 |

Source: Statistics Department, BB.

Appendix VI: Weighted Average Exchange Rate (End Period)

(BDT/USD)

| Quarter | Exchange Rate |
|---------|---------------|
| Mar-23 | 102.00 |
| Jun-23 | 106.00 |
| Sep-23 | 110.25 |
| Dec-23 | 110.00 |
| Mar-24 | 110.00 |
| Jun-24 | 118.00 |
| Sep-24 | 120.00 |
| Dec-24 | 120.00 |
| Mar-25 | 122.00 |

Source: Monthly Economic Trends, BB.

Appendix VII: Credit to the Government (Gross) by the Banking System

(Amount in Billion BDT)

| Quarter end | Amount |
|-------------|----------|
| Mar-23 | 4,361.00 |
| Jun-23 | 4,970.72 |
| Sep-23 | 4,913.37 |
| Dec-23 | 4,671.75 |
| Mar-24 | 5,041.77 |
| Jun-24 | 5,561.52 |
| Sep-24 | 5,271.00 |
| Dec-24 | 5481.97 |
| Mar-25 | 5878.82 |

Source: Statistics Department, BB.

Appendix VIII: Asset to GDP Ratio

(Amount in Billion BDT)

| Quarter End | Total Assets | Quarterly Growth of Total Assets | Quarterly Change in Total Assets | GDP(Current Market Price) (Y-O-Y) | Quarterly Asset/GDP |
|-------------|--------------|----------------------------------|----------------------------------|-----------------------------------|---------------------|
| Mar-23 | 22,275.20 | 1.42% | 312.81 | 43,278.37 | 51.47% |
| Jun-23 | 23,142.84 | 3.90% | 867.64 | 44,908.35 | 51.53% |
| Sep-23 | 23,457.74 | 1.36% | 314.90 | 46,542.95 | 50.40% |
| Dec-23 | 23,983.97 | 2.24% | 526.24 | 48,356.11 | 49.60% |
| Mar-24 | 24,280.84 | 1.24% | 296.87 | 50,154.25 | 48.41% |
| Jun-24 | 25,462.60 | 4.87% | 1181.76 | 51,777.13 | 49.18% |
| Sep-24 | 25,240.13 | -0.87% | -222.47 | 52,739.75 | 47.86% |
| Dec-24 | 26,297.74 | 4.19 | 1057.61 | 55,527.53 | 47.36% |
| Mar-25 | 26,937.00 | 2.43 | 639.26 | - | - |

Source: DOS and Monthly Economic Trend, BB; Compilation: FSD, BB.

Appendix IX: Asset Structure of the Banking Industry (End Period)

(Amount in Billion BDT)

| Property and Assets | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash in hand | 251.36 | 308.13 | 300.81 | 282.82 | 290.74 | 251.46 |
| Balance with Bangladesh Bank and its Agent Bank | 1,111.08 | 760.29 | 1,275.15 | 724.80 | 1095.93 | 990.50 |
| Balance with other banks and finance companies (including Money at call and short notice) | 879.19 | 879.38 | 997.90 | 919.81 | 979.48 | 1130.08 |
| Investment | 3,785.19 | 4,080.26 | 4,401.66 | 4,491.88 | 4820.82 | 5089.05 |
| Loans and Advances (including bill discounted and purchased) | 16,491.45 | 16,709.72 | 17,031.30 | 17,139.23 | 17,454.08 | 17,772.23 |
| Fixed Assets | 294.12 | 299.34 | 302.64 | 302.98 | 301.52 | 306.73 |
| Other Assets | 1,155.45 | 1,225.16 | 1,132.26 | 1,357.39 | 1334.14 | 1376.00 |
| Non-banking assets | 16.13 | 18.56 | 20.88 | 21.23 | 21.03 | 20.95 |
| Total Assets | 23,983.97 | 24,280.84 | 25,462.60 | 25,240.14 | 26,297.74 | 26,937.00 |

Source: DOS, BB; Compilation: FSD, BB.

Appendix X: Banking Sector Assets and NPL Concentration (End-March, 2025)

(Amount in Billion BDT)

| Assets | Top 5 Banks | Other Banks | Top 10 Banks | Other Banks |
|------------------|-------------|-------------|--------------|-------------|
| Amount | 8,406.21 | 18,530.80 | 12,507.23 | 14,429.77 |
| Share (%) | 31.21% | 68.79% | 46.43% | 53.57% |
| NPL | Top 5 banks | Other banks | Top 10 banks | Other banks |
| Amount | 2,015.07 | 2,188.28 | 3,000.29 | 1,203.06 |
| Share (%) | 47.94% | 52.06% | 71.38% | 28.62% |

Source: DOS and BRPD, BB; Compilation: FSD, BB.

Appendix XI: Banking Sector NPL Ratio

(Amount in Billion BDT)

| Quarter End | NPL | NPL Ratio (%) |
|-------------|----------|---------------|
| Jun-22 | 1,252.57 | 8.96 |
| Sep-22 | 1,343.96 | 9.36 |
| Dec-22 | 1,206.57 | 8.16 |
| Mar-23 | 1,316.21 | 8.80 |
| Jun-23 | 1560.39 | 10.11 |
| Sep-23 | 1553.98 | 9.93 |
| Dec-23 | 1456.33 | 9.00 |
| Mar-24 | 1822.95 | 11.11 |
| Jun-24 | 2113.92 | 12.56 |
| Sep-24 | 2849.77 | 16.93 |
| Dec-24 | 3457.65 | 20.20 |
| Mar-25 | 4203.35 | 24.13 |

Source: BRPD, BB

Appendix XII: Distribution of Banks by NPL Ratio Range

| Range | Number of Banks as at end period | | | | | | | |
|--------------|----------------------------------|--------|--------|--------|--------|--------|--------|--------|
| | June-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
| ≤5% | 28 | 25 | 34 | 30 | 27 | 20 | 26 | 15 |
| >5% to ≤15% | 21 | 23 | 15 | 18 | 22 | 24 | 16 | 23 |
| >15% to ≤20% | 3 | 4 | 3 | 3 | 1 | 3 | 2 | 4 |
| >20% to ≤30% | 2 | 2 | 3 | 1 | 1 | 3 | 3 | 4 |
| >30% to ≤50% | 2 | 2 | 2 | 4 | 4 | 4 | 6 | 5 |
| >50% | 5 | 5 | 4 | 5 | 6 | 7 | 8 | 10 |
| Total | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 |

Source: DOS, BB; Compilation: FSD, BB.

Appendix XIII: Banking Sector Loan Loss Provisions

(Amount in Billion BDT)

| Quarter end | REQUIRED PROVISION | PROVISION MAINTAINED | PROVISION MAINTENANCE RATIO (%) |
|-------------|--------------------|----------------------|---------------------------------|
| Dec-22 | 841.57 | 731.48 | 86.92 |
| Mar-23 | 926.20 | 763.21 | 82.40 |
| June-23 | 1010.31 | 795.67 | 78.76 |
| Sep-23 | 1063.75 | 811.04 | 76.24 |
| Dec-23 | 989.41 | 796.80 | 80.53 |
| Mar-24 | 1114.70 | 848.84 | 76.15 |
| Jun-24 | 1141.66 | 893.55 | 78.27 |
| Sep-24 | 1815.92 | 1262.13 | 69.50 |
| Dec-24 | 2155.08 | 1093.77 | 50.75 |
| Mar-25 | 2751.03 | 1044.48 | 37.97 |

Source: BRPD, BB.

Appendix XIV: Banking Sector Classified Loans Ratios

| Quarter end | Classified Loans to Total Loans | Sub-Standard Loans to Classified Loans | Doubtful Loans to Classified Loans | Bad Loans to Classified Loans |
|-------------|---------------------------------|--|------------------------------------|-------------------------------|
| Dec-22 | 8.16% | 6.79% | 4.54% | 88.67% |
| Mar-23 | 8.80% | 8.43% | 4.62% | 86.95% |
| Jun-23 | 10.11% | 15.07% | 4.26% | 80.67% |
| Sep-23 | 9.93% | 8.02% | 4.26% | 87.72% |
| Dec-23 | 9.00% | 9.05% | 3.90% | 87.06% |
| Mar-24 | 11.11% | 11.44% | 4.02% | 84.54% |
| Jun-24 | 12.56% | 17.39% | 3.19% | 79.42% |
| Sep-24 | 16.93% | 12.98% | 5.40% | 81.62% |
| Dec-24 | 20.20% | 12.44% | 3.24% | 84.32% |
| Mar-25 | 24.13% | 15.27% | 3.35% | 81.38% |

Source: BRPD, BB.

Appendix XV: Classified Loan Composition at end-March 2025

(Amount in billion BDT)

| Particulars | Amount | Percent of total |
|-----------------------|---------|------------------|
| Substandard (SS) | 641.75 | 15.27% |
| Doubtful (DF) | 140.95 | 3.35% |
| Bad/Loss (BL) | 3420.60 | 81.38% |
| Total Classified Loan | 4203.34 | 100.00% |

Source: BRPD, BB.

Appendix XVI: Banking Sector ROA Range

| Quarter | ROA Range | | | |
|---------|-----------|---------------|---------------|------|
| | ≤0% | > 0% to ≤0.5% | > 0.5% to ≤1% | > 1% |
| Dec-22 | 8 | 11 | 17 | 24 |
| Mar-23 | 12 | 16 | 17 | 16 |
| Jun-23 | 11 | 15 | 21 | 14 |
| Sep-23 | 10 | 15 | 18 | 18 |
| Dec-23 | 8 | 9 | 17 | 27 |
| Mar-24 | 10 | 20 | 12 | 19 |
| Jun-24 | 8 | 17 | 15 | 21 |
| Sep-24 | 11 | 20 | 10 | 20 |
| Dec-24 | 10 | 20 | 12 | 19 |
| Mar-25 | 18 | 18 | 7 | 18 |

Note: ROAs have been annualized from respective quarterly ratios except the quarter of December.

Source: DOS, BB; Compilation: FSD, BB.

Appendix XVII: Banking Sector ROE Range

| Quarter | ROE Range | | | |
|---------|-----------|-------------|--------------|-------|
| | ≤0% | > 0% to ≤5% | > 5% to ≤10% | > 10% |
| Dec-22 | 8 | 7 | 13 | 32 |
| Mar-23 | 12 | 15 | 14 | 20 |
| Jun-23 | 11 | 11 | 14 | 25 |
| Sep-23 | 10 | 13 | 13 | 25 |
| Dec-23 | 8 | 6 | 11 | 36 |
| Mar-24 | 10 | 14 | 13 | 24 |
| Jun-24 | 9 | 10 | 18 | 24 |
| Sep-24 | 12 | 17 | 11 | 21 |
| Dec-24 | 11 | 10 | 11 | 29 |
| Mar-25 | 17 | 15 | 11 | 18 |

Note: ROEs have been annualized from respective quarterly ratios except the quarter of December.

Source: DOS, BB; Compilation: FSD, BB.

Appendix XVIII: Banking Sector ROA and ROE

| Ratio | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| ROA* | 0.62% | 0.39% | 0.43% | 0.41% | 0.59% | 0.23% | 0.40% | 0.38% | 0.43% | -0.18% |
| ROE* | 10.70% | 6.83% | 7.88% | 7.46% | 10.54% | 4.32% | 7.85% | 7.42% | 8.70% | -3.99% |

Note: *All are annualized except the quarter of December.

Source: DOS, BB; Compilation: FSD, BB.

Appendix XIX: Cluster-wise decomposition of Earnings

(Amount in Billion BDT)

| | SOCBs | | PCBs (Excluding IBs) | | FCBs | | SBs | | IBs | | Industry | |
|-------|--------|--------|-------------------------|--------|--------|--------|--------|--------|--------|--------|----------|--------|
| | Mar-24 | Mar-25 | Mar-24 | Mar-25 | Mar-24 | Mar-25 | Mar-24 | Mar-25 | Mar-24 | Mar-25 | Mar-24 | Mar-25 |
| NII | -5.49 | -16.17 | 44.80 | 18.28 | 11.59 | 13.56 | -0.95 | -0.79 | 27.50 | 2.66 | 77.46 | 18.56 |
| NOI | 5.20 | 26.53 | 4.74 | 31.94 | 9.47 | 9.10 | -11.87 | -11.87 | -14.79 | -8.83 | -7.25 | 46.87 |
| Prov. | 9.00 | 18.29 | 39.35 | 43.13 | 7.83 | 8.92 | 0.36 | -0.42 | 8.73 | 15.95 | 65.28 | 85.87 |
| NI | -9.29 | -7.94 | 10.19 | 8.11 | 13.23 | 13.75 | -13.18 | -12.24 | 3.99 | -22.12 | 4.93 | -20.44 |

Note: NII, NOI, Prov. and NI represent net interest income, net operating income, provisions and net income.

Source: DOS, BB; Compilation: FSD, BB.

Appendix XX: FCs' Asset Composition

(Amount in Billion BDT)

| Particulars | Dec-24 | Mar-25 |
|----------------------|----------|----------|
| Cash & liquid assets | 105.60 | 118.27 |
| Earning assets | 831.30 | 836.57 |
| Fixed assets | 14.10 | 13.99 |
| Other assets | 52.17 | 53.51 |
| Total | 1,003.17 | 1,022.33 |

Source: DFIM, BB.

Appendix XXI: FCs' Liability and Shareholders' Equity Composition

(Amount in Billion BDT)

| Particulars | Dec-24 | Mar-25 |
|----------------------|----------|----------|
| Borrowing | 289.16 | 286.73 |
| Deposits | 498.05 | 513.93 |
| Shareholders' equity | -97.16 | -122.58 |
| Other liabilities | 313.12 | 344.25 |
| Total | 1,003.17 | 1,022.33 |

Source: DFIM, BB.

Appendix XXII: FCs' Classified Loans and Leases

(Amount in Billion BDT)

| Quarter End | Aggregate NPL | NPL Ratio (%) |
|-------------|---------------|---------------|
| Dec-22 | 168.21 | 23.88 |
| Mar-23 | 178.54 | 25.05 |
| Jun-23 | 199.51 | 27.65 |
| Sep-23 | 216.58 | 29.75 |
| Dec-23 | 232.09 | 31.55 |
| Mar-24 | 229.61 | 30.86 |
| Jun-24 | 247.11 | 33.15 |
| Sep-24 | 261.63 | 35.52 |
| Dec-24 | 260.38 | 33.83 |
| Mar-25 | 271.90 | 35.32 |

Source: DFIM, BB.

Appendix XXIII: FCs' ROA & ROE

| Quarter | Aggregate ROA | Aggregate ROE |
|---------|---------------|---------------|
| Dec-22 | -1.27% | -5.95% |
| Mar-23 | -1.32% | -19.26% |
| Jun-23 | -1.43% | -20.67% |
| Sep-23 | -2.02% | - |
| Dec-23 | -1.81% | - |
| Mar-24 | -1.99% | - |
| Jun-24 | -2.44% | - |
| Sep-24 | -3.02% | - |
| Dec-24 | -3.56% | - |
| Mar-25 | -1.65% | - |

Note: The displayed ratios are annualized figures from respective quarterly/half yearly ratios.

Source: DFIM; Compilation: FSD, BB.

Appendix XXIV: Banking Sector Regulatory Capital Position- Solo Basis

(Amount in Billion BDT)

| Capital | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|-----------------------------|---------|---------|---------|---------|----------|
| Minimum Capital Requirement | 1505.07 | 1537.31 | 1608.34 | 1646.55 | 1868.16 |
| Total Regulatory Capital | 1590.44 | 1594.58 | 1075.79 | 506.43 | 1,236.72 |

Source: DOS, BB.

Appendix XXV: Banking Sector CRAR Distribution

| CRAR | Number of Banks (at End Period) | | | | | |
|-----------------|---------------------------------|--------|--------|--------|--------|--------|
| | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
| <10% | 10 | 11 | 11 | 16 | 19 | 20 |
| 10% to <15% | 19 | 22 | 22 | 21 | 14 | 20 |
| 15% and above | 32 | 28 | 28 | 24 | 28 | 21 |
| Compliant Banks | 51 | 50 | 50 | 45 | 42 | 41 |

Source: DOS, BB; Calculation: FSD, BB.

Appendix XXVI: Tier-1 Capital Ratio and Overall CRAR of the Banking Industry

| Particulars | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|---------------------------------------|--------|--------|--------|--------|--------|
| Tier-1 Capital Ratio (%) | 7.77 | 7.61 | 4.13 | 0.48 | 4.54 |
| No. of Tier-1 capital compliant banks | 51 | 50 | 46 | 43 | 42 |
| Overall CRAR (%) | 10.85 | 10.64 | 6.86 | 3.08 | 6.74 |
| No. of CRAR compliant banks | 50 | 50 | 45 | 42 | 41 |

Source: DOS, BB.

Appendix XXVII: Bank Cluster-wise CRAR

| Bank Clusters | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|--------------------------------------|--------|--------|--------|--------|--------|
| SOCBs | 5.80 | 5.44 | -2.48 | -8.42 | 2.90 |
| PCBs (Both Conventional and Islamic) | 12.49 | 12.29 | N/A | N/A | N/A |
| Conventional PCBs | N/A | N/A | 12.07 | 10.98 | 10.32 |
| Islamic PCBs | N/A | N/A | 3.70 | -4.95 | 2.66 |
| SDBs | -43.84 | -41.31 | -42.20 | -41.02 | -38.88 |
| FCBs | 38.93 | 39.46 | 43.67 | 42.09 | 41.32 |
| Industry | 10.85 | 10.64 | 6.86 | 3.08 | 6.74 |

Source: DOS, BB.

Appendix XXVIII: Distribution of Risk Weighted Assets (RWA) of the Banking Industry

(In Percent)

| RWA | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|--------------------------|--------|--------|--------|--------|--------|
| RWA for Credit Risk | 88.22 | 88.17 | 88.31 | 87.93 | 88.75 |
| RWA for Market Risk | 3.22 | 3.38 | 3.60 | 3.62 | 3.37 |
| RWA for Operational Risk | 8.57 | 8.45 | 8.09 | 8.45 | 7.88 |

Source: DOS, BB; Calculation: FSD, BB.

Appendix XXIX: Capital Conservation Buffer (CCB) at end-March 2025

| Particulars | No. of Compliant Banks | No. of banks considered | Aggregate CCB (%) |
|--------------|------------------------|-------------------------|-------------------|
| Solo | 35 | 61 | 0% |
| Consolidated | 20 | 40 | 0% |

Source: DOS, BB.

Appendix XXX: CRR and SLR at end-March 2025

| Bank Clusters | CRR | | SLR | |
|-------------------|----------|------------|----------|------------|
| | Required | Maintained | Required | Maintained |
| SOCBs | 3.00% | 4.42% | 13.04% | 31.04% |
| Conventional PCBs | 3.09% | 4.17% | 11.20% | 20.73% |
| FCBs | 3.00% | 5.93% | 12.71% | 39.77% |
| SDBs | 3.00% | 3.74% | 0.00% | 0.00% |
| Islamic PCBs | 3.80% | 2.71% | 5.50% | 6.63% |
| Industry | 3.14% | 4.07% | 11.71% | 24.14% |

*CRR on bi-weekly average basis; SDBs are exempted from maintaining SLR.

Source: DOS, BB.

Appendix XXXI: Banking Sector Advance-to-Deposit Ratio (ADR)

| Period | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|------------------|--------|--------|--------|--------|--------|
| ADR (in percent) | 80.98 | 80.20 | 81.32 | 81.55 | 80.33 |

Source: DOS, BB

Appendix XXXII: Number of Banks according to Range of Leverage Ratio - Solo Basis

| Leverage Ratio | Dec-24 | Leverage Ratio | Mar-25 |
|----------------|--------|----------------|--------|
| <3.50% | 19 | <3.75% * | 18 |
| ≥3.50% to 10% | 28 | ≥3.50% to 10% | 29 |
| >10% to 20% | 8 | >10% to 20% | 8 |
| >20% to 30% | 4 | >20% to 30% | 2 |
| >30% | 2 | >30% | 4 |

*The minimum regulatory requirement of leverage ratio has been changed from 3.50 percent to 3.75 percent.

Source: DOS, BB.

Appendix XXXIII: Bank Cluster-wise Leverage Ratio - Solo Basis

(In Percent)

| Bank Clusters | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
|--------------------------------------|--------|--------|--------|--------|--------|
| SOCBs | 2.15 | 1.95 | -2.56 | -6.30 | 1.12 |
| PCBs (Both Conventional and Islamic) | 5.15 | 4.85 | N/A | N/A | N/A |
| Conventional PCBs | N/A | N/A | 5.02 | 4.42 | 4.31 |
| Islamic PCBs | N/A | N/A | 0.66 | -5.54 | 0.94 |
| FCBs | 15.53 | 16.36 | 16.55 | 17.23 | 16.94 |
| SDBs | -28.96 | -27.71 | -28.23 | -27.89 | -27.62 |

Source: DOS, BB.

Appendix XXXIV: Bank Cluster-wise LCR and NSFR

(In Percent)

| Bank Clusters | LCR & NSFR | | | |
|-------------------|------------|--------|--------|--------|
| | Dec-24 | | Mar-25 | |
| | LCR | NSFR | LCR | NSFR |
| SOCBs | 273.93 | 94.69 | 268.21 | 90.59 |
| Conventional PCBs | 158.38 | 110.77 | 168.69 | 112.43 |
| Islamic PCBs | 53.47 | 96.70 | 45.28 | 94.07 |
| FCBs | 444.69 | 133.18 | 378.90 | 131.49 |
| Industry | 157.52 | 104.62 | 159.25 | 103.79 |

Note: SDBs are exempted from maintaining LCR & NSFR.

Source: DOS, BB.

Appendix XXXV: FCs' CRR and SLR

(Amount in Billion BDT)

| Quarter End | Aggregate CRR | | | Aggregate SLR | | |
|-------------|---------------|------------|-----------------------|---------------|------------|-----------------------|
| | Required | Maintained | Surplus/ Shortfall | Required | Maintained | Surplus/ Shortfall |
| Jun-22 | 5.30 | 5.80 | 0.50 | 21.77 | 91.40 | 69.63 |
| Sep-22 | 5.32 | 5.24 | -0.09 | 24.67 | 96.39 | 71.72 |
| Dec-22 | 5.37 | 5.69 | 0.32 | 25.15 | 92.97 | 67.82 |
| Mar-23 | 5.24 | 5.88 | 0.64 | 24.91 | 96.46 | 71.55 |
| Jun-23 | 5.28 | 5.29 | 0.01 | 25.25 | 99.60 | 74.35 |
| Sep-23 | 5.36 | 5.52 | 0.16 | 25.85 | 102.44 | 76.59 |
| Dec-23 | 5.33 | 5.43 | 0.10 | 25.26 | 104.87 | 79.61 |
| Mar-24 | 5.32 | 5.40 | 0.08 | 25.22 | 115.21 | 89.99 |
| Jun-24 | 5.32 | 5.37 | 0.05 | 25.53 | 108.59 | 83.06 |
| Sep-24 | 5.40 | 5.74 | 0.34 | 26.81 | 112.69 | 85.88 |
| Dec-24 | 5.55 | 5.71 | 0.16 | 27.41 | 97.86 | 70.45 |
| Mar-25 | 5.67 | 5.49 | 0.18 | 27.97 | 110.17 | 82.20 |

Source: DFIM, BB.

Appendix XXXVI: Capital Adequacy Ratio (CAR) of FC

| Particulars | End Mar-23 | End Jun-23 | End Sep-23 | End Dec-23 | End Mar-24 | End Jun-24 | End Sep-24 | End Dec-24 | End Mar-25 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Capital Adequacy Ratio (%) | 7.29 | 5.08 | 2.59 | 1.62 | 3.24 | (3.31) | (14.93) | (6.46) | (20.58) |

Source: DFIM, BB.

Appendix XXXVII: Overall Risk-weighted Assets and Tier-1 Capital of FC

| (Amount in Billion BDT) | | | | | | | | | |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Particulars | End Mar-23 | End Jun-23 | End Sep-23 | End Dec-23 | End Mar-24 | End Jun-24 | End Sep-24 | End Dec-24 | End Mar-25 |
| Credit RWA | 633.11 | 613.36 | 610.84 | 603.92 | 589.46 | 571.47 | 583.18 | 617.15 | 621.43 |
| Market RWA | 24.63 | 25.15 | 24.79 | 24.95 | 22.93 | 28.31 | 22.31 | 27.74 | 25.07 |
| Operational RWA | 47.88 | 44.07 | 43.84 | 42.43 | 40.61 | 43.35 | 41.99 | 45.28 | 41.83 |
| Total RWA | 705.62 | 682.58 | 679.47 | 671.30 | 653.00 | 643.13 | 647.48 | 690.17 | 688.33 |
| Core Capital (Tier -1) | 35.72 | 21.34 | 4.33 | (1.81) | 8.64 | (33.01) | (108.54) | (56.29) | (95.19) |
| Supplementary Capital (Tier -2) | 13.74 | 13.33 | 13.28 | 12.69 | 12.54 | 11.71 | 11.88 | 11.71 | 11.25 |
| Eligible (Total) Capital | 49.46 | 34.67 | 17.61 | 10.88 | 21.17 | (21.30) | (96.66) | (44.58) | (83.94) |

Source: DFIM, BB.

Appendix XXXVIII: DSEX and MSCI Emerging Markets Index

| Date | DSEX | Date | MSCI Emerging Markets Index |
|-----------|---------|-----------|-----------------------------|
| 2-Mar-25 | 5236.85 | 3-Mar-25 | 1097.37 |
| 3-Mar-25 | 5220.67 | 4-Mar-25 | 1093.00 |
| 4-Mar-25 | 5194.11 | 5-Mar-25 | 1115.55 |
| 5-Mar-25 | 5196.66 | 6-Mar-25 | 1131.26 |
| 6-Mar-25 | 5203.96 | 7-Mar-25 | 1128.55 |
| 9-Mar-25 | 5174.44 | 10-Mar-25 | 1113.06 |
| 10-Mar-25 | 5190.95 | 11-Mar-25 | 1109.16 |
| 11-Mar-25 | 5199.30 | 12-Mar-25 | 1111.13 |
| 12-Mar-25 | 5216.07 | 13-Mar-25 | 1106.07 |
| 13-Mar-25 | 5225.61 | 14-Mar-25 | 1119.61 |
| 16-Mar-25 | 5221.95 | 17-Mar-25 | 1131.44 |
| 17-Mar-25 | 5205.44 | 18-Mar-25 | 1145.17 |
| 18-Mar-25 | 5210.30 | 19-Mar-25 | 1143.29 |
| 19-Mar-25 | 5207.36 | 20-Mar-25 | 1140.69 |
| 20-Mar-25 | 5201.70 | 21-Mar-25 | 1131.38 |
| 23-Mar-25 | 5183.36 | 24-Mar-25 | 1136.01 |
| 24-Mar-25 | 5196.89 | 25-Mar-25 | 1129.41 |
| 25-Mar-25 | 5214.21 | 26-Mar-25 | 1131.54 |
| 27-Mar-25 | 5219.16 | 27-Mar-25 | 1130.54 |
| - | - | 28-Mar-25 | 1120.72 |
| - | - | 31-Mar-25 | 1101.40 |

Source: Msci.com and DSE Monthly Review.

Appendix XXXIX: DSE Performance

| Month | <i>(In Billion BDT)</i> | | Index | | |
|--------|-------------------------|-----------------------|----------|----------|----------|
| | Turnover | Market Capitalization | DSEX | DS30 | DSES |
| Mar-23 | 94.06 | 7,623.66 | 6,206.80 | 2,209.44 | 1,349.33 |
| Apr-23 | 102.96 | 7,656.91 | 6262.69 | 2,202.42 | 1,359.83 |
| May-23 | 184.62 | 7,737.19 | 6339.74 | 2,189.02 | 1,377.00 |
| Jun-23 | 146.80 | 7,720.78 | 6344.09 | 2,192.82 | 1,377.00 |
| Jul-23 | 171.28 | 7,812.79 | 6324.81 | 2157.41 | 1370.92 |
| Aug-23 | 96.52 | 7,760.58 | 6299.5 | 2141.61 | 1372.52 |
| Sep-23 | 113.06 | 7,774.76 | 6284.63 | 2140.36 | 1359.6 |
| Oct-23 | 100.69 | 7,842.67 | 6278.66 | 2133.87 | 1362.73 |
| Nov-23 | 94.98 | 7,718.17 | 6223.03 | 2108.32 | 1353.21 |
| Dec-23 | 102.06 | 7,806.50 | 6246.50 | 2093.83 | 1364.13 |
| Jan-24 | 157.47 | 7517.34 | 6153.34 | 2103.93 | 1351.96 |
| Feb-24 | 239.16 | 7607.24 | 6254.54 | 2126.8 | 1359.82 |
| Mar-24 | 114.03 | 6833.04 | 5829.70 | 2021.30 | 1266.31 |
| Apr-24 | 93.57 | 7035.11 | 5584.65 | 1995.31 | 1227.51 |
| May-24 | 133.56 | 6489.22 | 5221.96 | 1874.84 | 1143.70 |
| Jun-24 | 83.55 | 6621.56 | 5328.40 | 1909.64 | 1180.01 |
| Jul-24 | 109.18 | 6493.87 | 5280.47 | 1886.19 | 1153.97 |
| Aug-24 | 165.96 | 6995.82 | 5804.42 | 2124.71 | 1241.26 |
| Sep-24 | 140.50 | 6834.12 | 5624.50 | 2053.36 | 1263.73 |
| Oct-24 | 76.61 | 6653.32 | 5199.40 | 1926.05 | 1144.90 |
| Nov-24 | 100.35 | 6643.56 | 5192.59 | 1916.23 | 1166.89 |
| Dec-24 | 72.47 | 6626.20 | 5216.44 | 1939.73 | 1168.90 |
| Jan-25 | 80.26 | 6648.25 | 5112.90 | 1903.85 | 1133.98 |
| Feb-25 | 91.82 | 6953.64 | 5247.30 | 1905.55 | 1167.00 |
| Mar-25 | 77.80 | 6738.66 | 5219.16 | 1914.69 | 1168.11 |

Source: DSE Monthly Review.

Appendix XL: Sectoral Turnover at DSE

| Sectors | End-December, 2024 | End- March, 2025 |
|-----------------------------|--------------------|------------------|
| Corporate Bond | 0.01% | 0.01% |
| Jute | 0.83% | 0.53% |
| Cement | 0.69% | 0.65% |
| Tannery | 0.39% | 0.69% |
| Services & Realestate | 0.78% | 1.12% |
| Travel and Leisure | 1.47% | 1.30% |
| Financial Institutions | 2.32% | 2.02% |
| Ceramic | 0.51% | 2.47% |
| Mutual Funds | 1.47% | 2.86% |
| Paper & Printing | 0.65% | 3.62% |
| Telecommunication | 1.93% | 3.67% |
| IT - Sector | 3.40% | 4.48% |
| Miscellaneous | 2.79% | 4.82% |
| Fuel & Power | 3.14% | 5.52% |
| Insurance | 4.64% | 6.94% |
| Engineering | 9.96% | 9.59% |
| Food & Allied Product | 4.94% | 9.72% |
| Banks | 9.96% | 12.20% |
| Textile | 5.60% | 12.97% |
| Pharmaceuticals & Chemicals | 10.31% | 14.82% |

Source: DSE Monthly Review.

Appendix XLI: Sectoral Market Capitalization at DSE

| Sector | End-December, 2024 | End- March, 2025 |
|-----------------------------|--------------------|------------------|
| Banks | 18.70% | 19.05% |
| Telecommunication | 16.81% | 16.76% |
| Pharmaceuticals & Chemicals | 15.49% | 15.60% |
| Food & Allied Product | 8.69% | 8.14% |
| Fuel & Power | 8.12% | 8.11% |
| Engineering | 7.79% | 7.87% |
| Miscellaneous | 6.38% | 6.51% |
| Insurance | 3.53% | 3.43% |
| Textile | 3.15% | 3.33% |
| Financial Institutions | 3.13% | 2.93% |
| Cement | 2.58% | 2.39% |
| Travel and Leisure | 1.06% | 1.07% |
| Corporate Bond | 0.94% | 0.93% |
| Mutual Funds | 0.77% | 0.81% |
| IT - Sector | 0.73% | 0.73% |
| Tannery | 0.62% | 0.62% |
| Paper & Printing | 0.50% | 0.59% |
| Ceramic | 0.45% | 0.54% |
| Services & Real Estate | 0.48% | 0.52% |
| Jute | 0.09% | 0.07% |

Source: DSE Monthly Review.

Appendix XLII: Sectoral P/E Ratio at DSE

| Sector | End-December, 2024 | End-March, 2025 |
|-----------------------------|--------------------|-----------------|
| Fuel & Power | 4.93 | 5.93 |
| Banks | 6.34 | 6.26 |
| Services & Real estate | 10.40 | 10.23 |
| Textile | 11.75 | 10.44 |
| Pharmaceuticals & Chemicals | 11.34 | 10.65 |
| Financial Institutions | 12.03 | 11.57 |
| Insurance | 13.19 | 12.27 |
| Food & Allied Product | 14.02 | 12.82 |
| Mutual Funds | 3.28 | 13.09 |
| Telecommunication | 12.97 | 13.20 |
| Cement | 14.00 | 13.74 |
| Engineering | 10.65 | 15.03 |
| IT - Sector | 18.07 | 16.92 |
| Miscellaneous | 17.30 | 18.61 |
| Paper & Printing | 24.12 | 19.23 |
| Travel and Leisure | 57.61 | 26.99 |
| Jute | 38.38 | 27.68 |
| Tannery | 35.85 | 40.34 |
| Ceramic | 83.79 | 114.55 |

Source: DSE Monthly Review.

Appendix XLIII: Price/Earnings Ratio of DSE

| Quarter | DSE P/E Ratio |
|---------|---------------|
| Mar-22 | 15.63 |
| Jun-22 | 14.44 |
| Sep-22 | 14.91 |
| Dec-22 | 14.11 |
| Mar-23 | 14.24 |
| Jun-23 | 14.34 |
| Sep-23 | 14.36 |
| Dec-23 | 13.12 |
| Mar-24 | 11.73 |
| Jun-24 | 10.22 |
| Sep-24 | 10.66 |
| Dec-24 | 9.50 |
| Mar-25 | 9.74 |

Source: DSE Monthly Review.

Appendix XLIV: DSE Broad Index (DSEX) Volatility and DSE Turnover

| Month | Daily Average Index Volatility ²⁸ | Daily Average DSE Turnover (In Billion BDT) |
|--------|--|--|
| Mar-23 | 21.81 | 4.70 |
| Apr-23 | 26.10 | 5.72 |
| May-23 | 28.07 | 8.79 |
| Jun-23 | 26.66 | 8.16 |
| Jul-23 | 13.08 | 7.79 |
| Aug-23 | 27.96 | 4.39 |
| Sep-23 | 12.75 | 6.28 |
| Oct-23 | 15.51 | 4.58 |
| Nov-23 | 24.16 | 4.32 |
| Dec-23 | 9.54 | 5.37 |
| Jan-24 | 74.64 | 7.16 |
| Feb-24 | 65.28 | 12.59 |
| Mar-24 | 143.22 | 6.00 |
| Apr-24 | 103.18 | 5.20 |
| May-24 | 183.46 | 6.68 |
| Jun-24 | 80.34 | 4.64 |
| Jul-24 | 101.84 | 6.07 |
| Aug-24 | 210.86 | 8.74 |
| Sep-24 | 55.42 | 6.69 |
| Oct-24 | 172.95 | 3.65 |
| Nov-24 | 74.93 | 5.02 |
| Dec-24 | 33.10 | 3.62 |
| Jan-25 | 31.70 | 3.65 |
| Feb-25 | 36.98 | 4.59 |
| Mar-25 | 15.42 | 4.09 |

Source: DSE Monthly Review; Computation: FSD, BB.

²⁸ Measured by average of daily standard deviation of DSEX during each month.

Appendix XLV: CSE Performance

| Month | (In Billion BDT) | Index | | |
|--------|------------------|-----------|-----------|----------|
| | Turnover | CASPI | CSE30 | CSI |
| Jul-22 | 3.72 | 17,976.66 | 13,212.21 | 1,132.58 |
| Aug-22 | 5.93 | 19,005.94 | 13,705.61 | 1,208.55 |
| Sep-22 | 13.13 | 19,189.28 | 13,473.27 | 1,234.07 |
| Oct-22 | 4.91 | 18,622.82 | 13,281.64 | 1,186.57 |
| Nov-22 | 3.59 | 18,408.51 | 13,201.73 | 1,169.88 |
| Dec-22 | 2.87 | 18,328.02 | 13,207.07 | 1,160.95 |
| Jan-23 | 2.84 | 18,513.67 | 13,277.45 | 1,172.71 |
| Feb-23 | 2.03 | 18,326.02 | 13,300.72 | 1,158.45 |
| Mar-23 | 3.22 | 18,288.35 | 13,341.81 | 1,148.76 |
| Apr-23 | 1.37 | 18,451.91 | 13,460.29 | 1,161.04 |
| May-23 | 3.22 | 18,714.52 | 13,411.25 | 1,175.40 |
| Jun-23 | 13.81 | 18,702.20 | 13,398.21 | 1,176.32 |
| Jul-23 | 3.27 | 18683.43 | 13357.57 | 1171.84 |
| Aug-23 | 2.234 | 18633.19 | 13390.56 | 1175.13 |
| Sep-23 | 7.91 | 18580.58 | 13358.74 | 1167.7 |
| Oct-23 | 14.44 | 18589.42 | 13378.96 | 1170.47 |
| Nov-23 | 1.74 | 18479.52 | 13339.11 | 1171.02 |
| Dec-23 | 2.64 | 18520.14 | 13304.52 | 1178.65 |
| Jan-24 | 2.72 | 17427.99 | 13199.22 | 1131.44 |
| Feb-24 | 4.45 | 17928.39 | 13346.41 | 1148.7 |
| Mar-24 | 3.31 | 16628.71 | 12696.57 | 1079.79 |
| Apr-24 | 3.56 | 15953.06 | 12280.93 | 1051.52 |
| May-24 | 9.89 | 15072.20 | 11632.88 | 982.71 |
| Jun-24 | 18.62 | 15066.82 | 11943.43 | 990.22 |
| Jul-24 | 4.25 | 15093.13 | 11869.05 | 981.00 |
| Aug-24 | 10.20 | 16520.24 | 13199.92 | 1047.74 |
| Sep-24 | 2.49 | 15659.66 | 12697.19 | 1020.34 |
| Oct-24 | 1.43 | 14442.01 | 12017.01 | 923.81 |
| Nov-24 | 1.76 | 14532.31 | 11876.36 | 934.33 |
| Dec-24 | 4.98 | 14473.35 | 11986.09 | 933.23 |
| Jan-25 | 3.76 | 14294.08 | 11868.19 | 923.03 |
| Feb-25 | 2.60 | 14633.01 | 11925.87 | 946.71 |
| Mar-25 | 1.32 | 14541.35 | 12027.98 | 942.17 |

Source: CSE Bazar Parikrama.

Appendix XLVI: Sectoral Turnover at CSE

| Sectors | Contribution of Sectors | |
|-----------------------------|-------------------------|------------------|
| | End-December, 2024 | End- March, 2025 |
| Corporate Bond | 0.00% | 0.00% |
| Tannery | 0.13% | 0.35% |
| Cement | 0.46% | 0.76% |
| IT | 2.26% | 0.79% |
| Mutual Funds | 0.22% | 0.79% |
| Leasing & Finance | 1.18% | 0.79% |
| Ceramics | 0.25% | 0.83% |
| Paper & Printing | 0.93% | 1.00% |
| Services | 1.05% | 1.11% |
| General Insurance | 1.69% | 1.14% |
| Life Insurance | 1.87% | 1.97% |
| Engineering | 1.35% | 2.72% |
| Textile | 1.77% | 3.54% |
| Miscellaneous | 2.07% | 4.54% |
| Telecommunication | 2.11% | 5.18% |
| Food & Allied Product | 4.86% | 9.65% |
| Banking | 8.08% | 11.77% |
| Fuel & Power | 3.41% | 15.68% |
| Pharmaceuticals & Chemicals | 5.30% | 37.39% |

Source: CSE Bazar Parikrama.

Appendix XLVII: Capital Market Exposures of Banks

| Period | Solo basis (%) | Consolidated basis (%) |
|--------|----------------|------------------------|
| Mar-23 | 16.33 | 26.98 |
| Jun-23 | 15.94 | 26.47 |
| Sep-23 | 14.91 | 25.13 |
| Dec-23 | 15.07 | 25.39 |
| Mar-24 | 15.12 | 25.05 |
| Jun-24 | 15.86 | 24.15 |
| Sep-24 | 15.90 | 23.96 |
| Dec-24 | 15.28 | 23.23 |
| Mar-25 | 18.15 | 27.15 |

Source: DOS, BB.

