Quarterly

Financial Stability Assessment Report

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Bangladesh Bank

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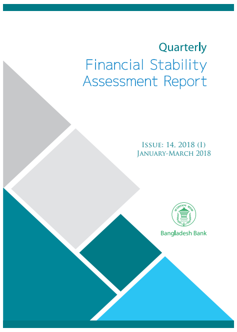
January-March 2018

Financial Stability Department

Bangladesh Bank



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This report is based on unaudited and provisional data of banks and financial institutions available up to March 31, 2018 unless stated otherwise in the relevant chapters/sections.

Web link of this report: https://www.bb.org.bd/pub/index.php

MESSAGE FROM THE GOVERNOR

The global economy has strengthened in the review quarter, supported by rising trade and investments, robust business environment, positive market expectations and improving employment indicators. Against the backdrop of the stronger global economy, the priorities for policymakers are to foster productivity, make growth more inclusive and enhance resilience against plausible risks and vulnerabilities.

The Bangladesh economy has grown vibrantly during the last couple of years attributable to the successes reaped from various socio-economic policy reforms initiatives as well as exports of the readymade garments (RMG) sector with a robust growth of remittance inflow. Our economic growth for FY18 has been estimated to be 7.65 percent and we need to take growth in the double digit as fast as we can. To this end, we need to strengthen our financial stability to achieve the growth outlook. In particular, banks and financial institutions (FIs) will have to play an important role by financing rising investment demands to ensure sustainability of the growth.

During January-March 2018, prudent monetary management and fiscal discipline contributed to maintaining macroeconomic stability and strong growth outlook. Our policy stance allowed the financial system to benefit from increasing private sector credit and export, moderate flow of remittances along with higher import demand for investment. Judicious microprudential regulation and supervision, blended with macroprudential oversight and inclusive finance initiatives contributed considerably to the stability of the financial system. However, a few banks faced idiosyncratic liquidity stress, which was duly addressed by revising cash reserve requirement of the banks with the central bank.

Bangladesh Bank works relentlessly to introduce global best practices in the field of regulation and supervision taking into account national circumstances. Banks need to continue cooperation in our stability endeavor, contributing to proper implementation of our policy stances. In particular, they have to emphasize on proper liquidity management and on enhancing regulatory capital. Besides, while extending new loans, banks and FIs need to adhere to due diligence for addressing the causes of default of the disbursed loans. Furthermore, banks could continue bringing innovations in the service delivery as well as reducing the size of existing non-performing loan portfolio complying with prudential regulations and norms.

I hope our analyses and assessments will help creating risk awareness among stakeholders of the financial system as well as enable them to prepare for and adapt to potential shocks.

Fazle Kabir
Governor

MESSAGE FROM THE DEPUTY GOVERNOR

Global growth remained robust during the review quarter though the momentum in global activity has eased slightly. In tandem with strengthened growth, global trade recovered strongly. The upsurge was more pronounced in emerging markets and developing economies. Besides, financial conditions remain accommodative, despite a rise in short-term interest rates and a fall in equity prices. Risks to medium-term growth, stemming from easy financial conditions, remain well above the historical norms. However, inflationary pressures in some countries have begun to rebuild and expectations of future official interest rates have risen.

On domestic front, export receipts picked up during the review quarter while interest rate spread and gross Government borrowing from the banking system declined with respect to those in the same quarter of the previous year. Likewise, gross foreign exchange reserve and wage earners' remittance recorded an increase on a year on year basis. On aggregate basis, banking sector profitability increased during the review quarter, compared to that of the same quarter of the previous year albeit slight decline in capital adequacy and asset quality. Banking and FI sectors did not face any significant liquidity stress.

Several initiatives were taken by Bangladesh Bank during the review quarter that have implications to macro-financial stability of the country. Amendment in the Bank Company Act, changes in the foreign exchange regulations, issuance of Policy of Buyback Program for Treasury Bills/Bonds, amendment in loan classification and provisioning regulations, withdrawal of provision requirement against letter of credits issued in favour of fast track power plant projects, reduction in Advance-Deposit Ratio (ADR) limit of banks and financing facility under IPFF II Project are instances of notable initiatives.

For smooth functioning of the financial system, Bangladesh Bank has been implementing global best practices regarding capital, provisioning, liquidity, leverage, governance and risk management to its possible best extent. The success of our efforts depends largely on the cooperation of banks and financial institutions. In this connection, I urge all the banks and FIs to work hard in order to improve their financial performance, asset quality and capital adequacy in particular, complying with the prudential norms and standards.

I expect that this report will facilitate the path of sustaining our financial stability effort in the days to come. I also hope that the financial intermediaries will play appropriate and timely role towards maintaining stability of the financial system. Finally, I would like to thank the officials of Financial Stability Department and other contributing departments of Bangladesh Bank in preparing this report.

Ahmed Jamal

Deputy Governor

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Acronyms

ADs	Authorised Dealers
ADR	Advance-to-Deposit Ratio
B/L	Bad and Loss
BB	Bangladesh Bank
BBS	Bangladesh Bureau of Statistics
BDT	Bangladesh Taka
BPS	Basis Point
BRPD	Banking Regulation and Policy Department
CAR	Capital Adequacy Ratio
CPI	Consumer Price Index
CRAR	Capital to Risk-weighted Asset Ratio
CRR	Cash Reserve Ratio
CSE	Chittagong Stock Exchange
CY	Calendar Year
DFIs	Development Finance Institutions
DFIM	Department of Financial Institutions and Markets
DOS	Department of Off-site Supervision
DSE	Dhaka Stock Exchange
EMEs	Emerging Market Economies
FCBs	Foreign Commercial Banks
FIs	Financial Institutions
FOB	Free on Board
FSD	Financial Stability Department
FSV	Forced Sale Value
FX	Foreign Exchange
FY	Fiscal Year
GDP	Gross Domestic Product
GFET	Guidelines for Foreign Exchange Transactions
IS	Interest Suspense
NPL	Non-performing Loan
PCBs	Private Commercial Banks
P/E Ratio	Price Earnings Ratio
QFSAR	Quarterly Financial Stability Assessment Report
ROA	Return on Assets
ROE	Return on Equity
RWA	Risk-weighted Assets
SCBs	State-owned Commercial Banks
SLR	Statutory Liquidity Requirement
SME	Small and Medium-sized Enterprise
TSL	Two-Step Loan
USA	United States of America
USD	United States Dollar
UK	United Kingdom
WAR	Weighted Average Resilience
WIR	Weighted Insolvency Ratio

Executive Summary

This report conveys the assessment of Bangladesh Bank on the resilience of the domestic financial system to risks and vulnerabilities during the January-March quarter of the calendar year 2018. The report also discusses different financial sector issues having implications to stability of the Bangladesh financial system.

The global growth remained robust during the review quarter. Global growth remained robust during the review quarter, even though inflationary pressures in some countries have begun to rebuild. Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging markets as well as developing economies were notable drivers of the uptick in global GDP growth. However, GDP growth rate in UK, USA and euro area slightly declined compared to the same of the preceding quarter. Monetary policy has eased further in Brazil and Russia, while it has been tightened in Mexico. Equity markets have strengthened and global trade has recovered strongly. Among advanced economies, large exporters, for instance, Germany, Japan, UK, and USA made strong contribution to the recovery in exports while the recovery in imports was broad based, except in UK.

During the review quarter, the domestic macroeconomic situation showed mixed performance. Average annual inflation slightly edged up during the review quarter due to minor rise in both food and non-food inflation. Export receipts picked up while import payments declined. Wage earners' remittance increased compared to the same quarter of the previous year. The Bangladesh Taka (BDT) adjusted downward to maintain competitiveness of exports in external world. Gross foreign exchange reserves stood at USD 32.4 billion, equivalent to meeting more than five months' imports. Average deposit rate increased while the interest rate spread reduced further at end-March 2018. Moreover, gross government borrowing from the banking system maintained the downward trend.

The banking sector demonstrated mixed trend in the review quarter. The asset size of the banking sector, led by notable rise in loans and advances, increased and stood at 72.9 percent of the gross domestic product (GDP) at end-March 2018. Gross non-performing loan (NPL) ratio increased by 150 basis points (bps) during the review quarter and reached at 10.8 percent. However, the share of bad and loss loans in the classified loan portfolio recorded a marked decrease of 3.9 percentage points and provision maintenance ratio decreased by 90 bps compared to that of the previous quarter. Key profitability indicators, both Return on Assets (ROA) and Return on Equity (ROE), increased in the review quarter on a year on year basis. At end-March 2018, capital to risk-weighted assets ratio (CRAR) of the banking sector stood at 10.1 percent, slightly higher than minimum regulatory requirement of 10.0 percent. A majority of the banks were able to maintain the minimum capital conservation buffer of 1.875 percent. Besides, the banking industry maintained a leverage ratio notably higher than the regulatory minimum requirement on both solo and consolidated basis. Advance-to-deposit ratio (ADR) of the banking industry increased to 77.0 percent.

Financial Institutions (FIs) sector exhibited a downward trend. During the review quarter, asset quality of FIs declined as the ratio of classified loans and leases to total loans and leases increased from 7.3 percent at end-December 2017 to 8.8 percent at end-March 2018. Profitability indicators of FIs, both ROA and ROE, decreased over the previous quarter. The capital adequacy ratio (CAR), in line with Basel II capital framework, decreased and stood at 13.0 percent at the end of March 2018. Still, the maintained ratio was higher than the regulatory requirements of 10 percent. During the quarter, FIs sector had no shortfall in CRR and SLR.

The banking and FIs sectors were found to demonstrate mixed resilience. Stress tests on banks, based on the data as of end-March 2018, indicate that, banking sector remain resilient to increase in NPL to highest outstanding sector and exchange rate shock, when minor stresses are applied. Besides, default of top borrowers would have major adverse impacts on the banking sector CRAR. However, individual bank and the banking system, as a whole, appear to be resilient against liquidity stress scenarios. On the other hand, stress test on FIs reveals that a majority of them remain resilient in the event of stress scenarios as of end-March 2018.

The domestic capital market demonstrated price correction. The main indices of DSE (DSEX) and CSE (CASPI), and market capitalization in both bourses demonstrated a decrease during the review quarter. Besides, both DSE and CSE turnover recorded a drop during this period. Importantly, DSE price/earnings (P/E) ratio decreased while CSE P/E ratio increased. The highest turnover was recorded by the banking sector in both bourses.

Several initiatives have been taken during the review quarter having bearing on financial system stability. During the review quarter, a number of initiatives have been taken at the end of Bangladesh Bank having implications to stability of the financial system. Some of the important ones are amendment in Bank Company Act, policy on buyback program for treasury bill/bond, amendment in loan classification and provisioning regulations, withdrawal of provision against L/Cs issued in favour of fast track power plant projects, reduction in Advance-Deposit Ratio (ADR) of banks, financing facility under IPFF II Project, and changes in foreign exchange regulations.

Chapter-1

Macroeconomic Developments

1.1 Global macroeconomic situation

The momentum in global activity has eased slightly since the start of the year 2018, but growth remains robust during the first quarter[1] . Resurgent investment spending in advanced economies and an end to the investment decline in a number of commodity-exporting emerging markets as well as developing economies were notable drivers of the uptick in global GDP growth. Albeit a rise in short-term interest rates and a fall in equity prices, global financial conditions remain broadly accommodative compared to that of the preceding quarter[2].

1.1.1 Advanced Economies

GDP growth rate in UK, USA, and Euro area remained robust, even though slightly declined on a quarter on quarter basis[3]. However, upsurge in activity across advanced economies has lifted job creation, lowered unemployment rates and narrowed output gaps. Nominal wage growth and core inflation remained subdued in most advanced economies. Besides, equity prices fell back and implied volatility levels rose.

1.1.2 Emerging Market Economies

Financial conditions have generally remained supportive of an expansion in economic activity in emerging market economies (EMEs). Equity markets have strengthened. Long-term interest rates on local currency bonds have increased modestly in countries growing rapidly. Following a strong start to 2018, portfolio flows to emerging market economies softened in the immediate aftermath of the global equity market turbulence of early February but have recovered thereafter.

Recent currency stability or appreciations against the US dollar have contributed to keeping a lid on core inflation in many emerging market as well as developing economies. Core inflation is around historical lows in Russia. In China, core inflation remains broadly stable at around 2 percent. On the other hand, other countries, for instance, in sub-Saharan Africa; the Commonwealth of Independent States; and the Middle East, North Africa, Afghanistan, and Pakistan region-continued to grapple with high inflation.

1.1.3 Global trade

Global trade has recovered strongly. Among advanced economies, large exporters, for instance, Germany, Japan, the United Kingdom, and the United States, made strong contribution to the recovery in exports while the recovery in imports was broad based, except in the United Kingdom. Among emerging market and developing economies, rebound in export growth was strong in emerging Asia, especially in China. In contrast, rebound in imports largely reflects an import recovery among commodity exporter countries that had experienced sharp investment and import contraction earlier.

1. 2 Domestic Macroeconomic Situation

The Bangladesh economy showed mixed performance during the review quarter, as evident from minor increase in inflation and interest rate, a slight decrease in foreign exchange reserves and wage earners' remittance, and slight increase in export.

[1] May 2018 issue of Inflation Report of Bank of England.

[2] World Economic Outlook, April 2018

[3] https://stats.oecd.org/index.aspx?queryid=350

1.2.1 Inflation

At end-March 2018, annual average CPI inflation (base: 2005-06=100) slightly increased to 5.8 percent with respect to 5.7 percent of end-December 2017 and 5.4 percent of end-March 2017. Food inflation increased to 7.3 percent from 7.2 percent of the preceding quarter, while non-food inflation rose to 3.6 percent from 3.5 percent recorded at end- December 2017 (Chart 1.1).

1.2.2 Foreign Exchange Reserve and its Import Coverage

At end-March 2018, the gross foreign exchange reserves reached at USD 32.4 billion recording a decline of 2.4 percent from USD 33.2 billion of end-December 2017. The reserve position was equivalent to meeting more than five months' imports of goods and services[4]. It is noteworthy that at end-March 2017, reserve position was USD 32.2 billion.

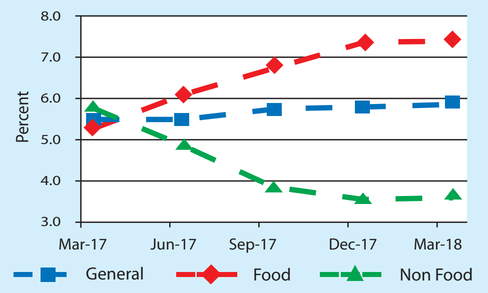
1.2.3 Wage Earners' Remittance

Remittance from Bangladeshi nationals, working abroad, stood at USD 3,829.3 million during the review quarter, recording a decline of 2.3 percent compared to USD 3,920.7 million of the preceding quarter. Still, the remittance of the review quarter was 26.5 percent higher than that of the same period of the previous calendar year.

1.2.4 Imports and Exports

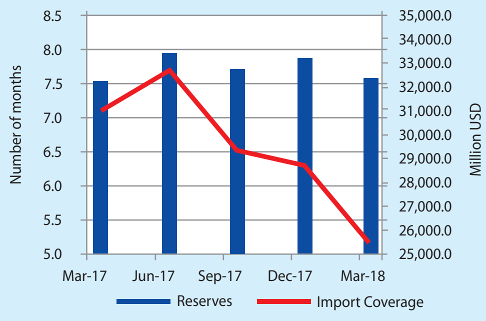
In the review quarter, aggregate import payment[5] decreased by 0.9 percent from USD 14,115.0 million of the preceding quarter and increased by 22.2 percent from USD 11,448.0 million of the same quarter of CY17. On the other hand, export receipts increased by 3.0 percent from that of the preceding quarter and by 5.5 percent from March quarter of 2017.

Chart 1.1 Inflation



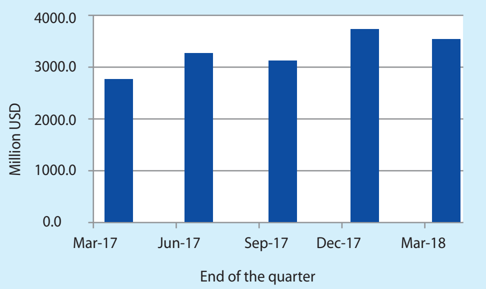
Source: Bangladesh Bureau of Statistics, Base 2005-06=100.

Chart 1.2 Foreign Exchange Reserves



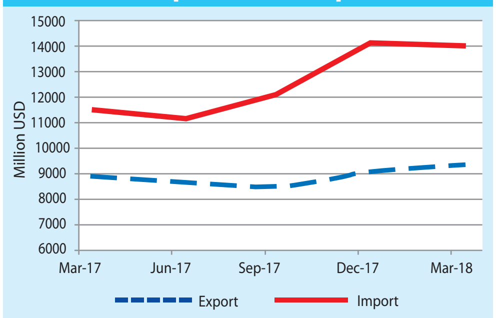
Source: Statistics Department, BB.

Chart 1.3 Wage Earners' Remittance



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

Chart 1.4 Exports and Imports (FOB)



Source: Statistics Department, BB.

[4] Compiled on the basis of import (shipment) data received from NBR website.

[5] On FOB basis.

Note: P = provisional

1.2.5 Interest Rate

The spread between weighted average lending and deposit rates decreased to 4.4 percent with respect to that of end-December 2017; spreads of 11 out of 57 banks were above 5.0 percent. Out of these 11 banks, 6 and 5 were in the category of FCBs and PCBs respectively.

Pertinently, in March 2018, the weighted average lending and deposit rates were 9.7 percent and 5.3 percent respectively compared to 9.4 percent and 4.9 percent of December 2017, and 9.7 percent and 5.0 percent of March 2017.

1.2.6 Exchange Rate [6]

The exchange rate of Bangladesh Taka against US dollar, recording a depreciation, stood at 82.96 in March 2017 from 82.55 in December 2017. The rate was BDT 79.50 per USD in March 2017.

1.2.7 Credit to the Government (Gross) by the Banking System

Credit to the Government (gross) by the banking system decreased by 5.1 percent and 4.8 percent respectively from the position of end-December 2017 and end-March 2017.

Chart 1.5 Interest Rate Spread

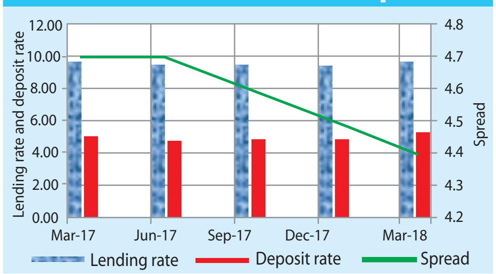
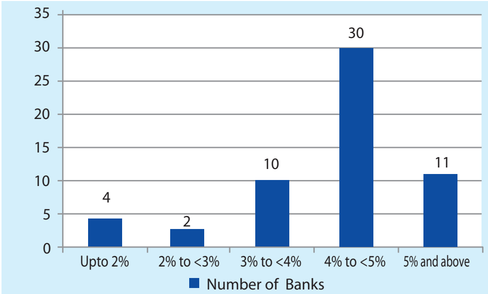
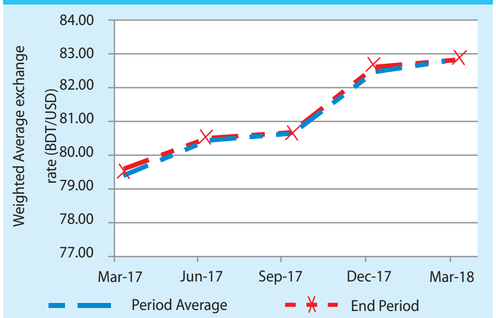


Chart 1.5 Interest Rate Spread-Contd.



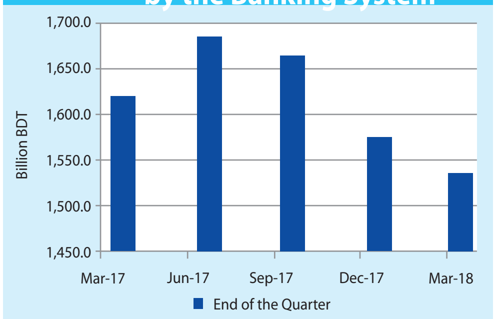
Source: Statistics Department, BB.

Chart 1.6 Exchange Rate



Source: Monthly Economic Trends, BB (Various issues).

Chart 1.7 Credit to the Govt. (Gross) by the Banking System



Source: Statistics Department, BB.

6 BDT per USD on weighted average basis.

Chapter-2

Banking Sector Performance

The banking sector demonstrated a mixed trend during the review quarter. Asset size notably increased; however, asset quality and profitability recorded decline.

2.1 Assets Structure

The balance sheet size of the banking sector[7] stood at BDT 14,401.9 billion at end-March 2018, recording an increase of 10.3 percent from BDT 13,059.3 billion of end-December 2017 and 22.2 percent from BDT 11,781.2 billion of end-March 2017. Maximum portion of the banking industry's assets were held by PCBs. It is worth noting that banking sector assets-to-GDP ratio stood at 72.9 percent at end-March 2018 which was 66.1 percent at end-December 2017 [8].

Loans and advances, the largest segment among the asset items, constituted 63.0 percent of total assets during the review quarter. Major portion of loans and advances were extended by PCBs. However, the share of loans and advances, as a percentage of total assets, decreased by 200 basis points at end-March 2018, compared with that of end-December 2017.

The share of banks' assets with Bangladesh Bank decreased by 30 basis points while balances with other banks and financial institutions decreased by 10 basis points compared to that of end-December 2017. The share of other assets increased by 80 basis points. Besides, the share of investments in government and other securities increased by 160 basis points.

The asset concentration ratios of Top 5 and Top 10 banks against the total banking system assets were 34.4 and 47.3 percent respectively at end- March 2018 (Chart 2.5 and 2.6).

Banking sector asset concentration has also been illustrated using Lorenz Curve and Gini Coefficient. The position of the Lorenz Curve, shown in Chart 2.7, indicates the presence of a moderate concentration in assets of the banking industry. The calculated Gini coefficient of 0.496 supports the presence of moderate concentration in asset. It is worth noting that, there has been no major change in asset concentration ratio in the banking sector.

2.2 Asset Quality

The gross NPL ratio[9] stood at 10.8 percent at end-March 2018, increasing by 150 basis points from 9.3 percent of end-December 2017 and increasing by 30 basis points from 10.5 percent of end-March 2017. Besides, non-performing loans net of specific loan loss provisions and interest suspense to total loans increased to 3.3 percent from 2.2 percent of end-December 2017 and from 2.9 percent of end-March 2017. Moreover, non-performing loans net of specific loan loss provisions and interest suspense to regulatory capital increased to 27.6 percent from 17.2 percent of end-December 2017 and from 22.7 percent of end-March 2017. Pertinently, 12 banks had double-digit gross NPL ratios in March CY18 while 14 banks had such ratio in March CY17.

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[7] Taking into account only scheduled banks (57).

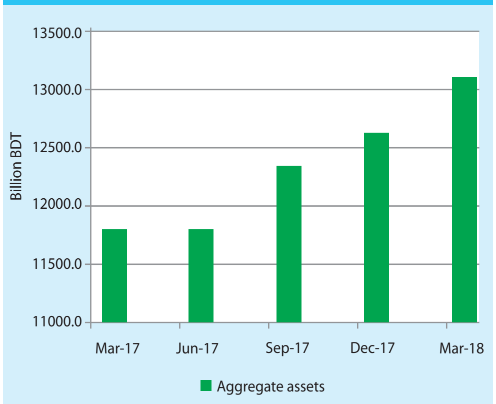
[8] Taking into account GDP at current market price for the financial year 2016-17.

[9] Non-performing loan to total loan ratio.

The provision maintenance ratio, at end-March 2018, slightly decreased to 83.8 percent from 84.7 percent recorded at end-December 2017 and 87.5 percent at end-March 2017 (Chart 2.10).

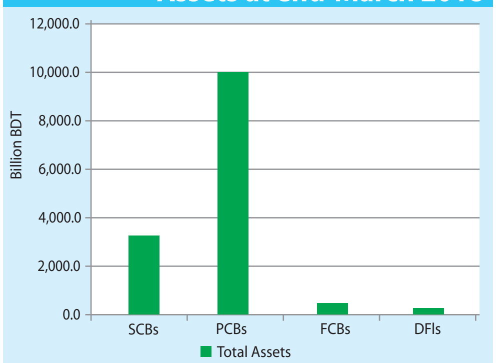
Based on NPL, 48.4 and 64.4 percent of the non-performing loans were concentrated in the Top 5 and Top 10 banks[10] respectively at end-March 2018 (Chart 2.11 & 2.12).

Chart 2.1 Asset Size of the Banking Industry



Source: Compilation (Aggregate B/S account of banking industry): FSD, BB.

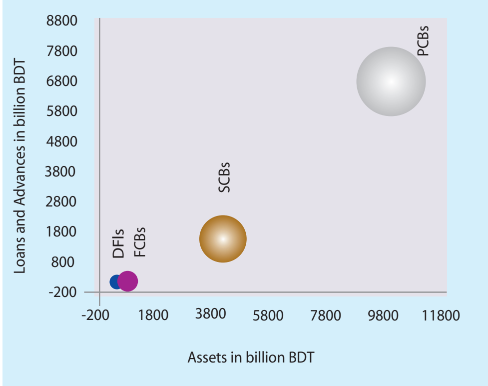
Chart 2. 2 Bank Cluster-wise Assets at end-March 2018



Source: Compilation (Aggregate B/S account of banking industry): FSD, BB.

During the review quarter, the ratio of bad and loss loans to total classified loans stood at 83.1 percent while sub-standard and doubtful loans constituted 10.2 and 6.7 percent of total NPLs respectively. Importantly, the proportion of bad

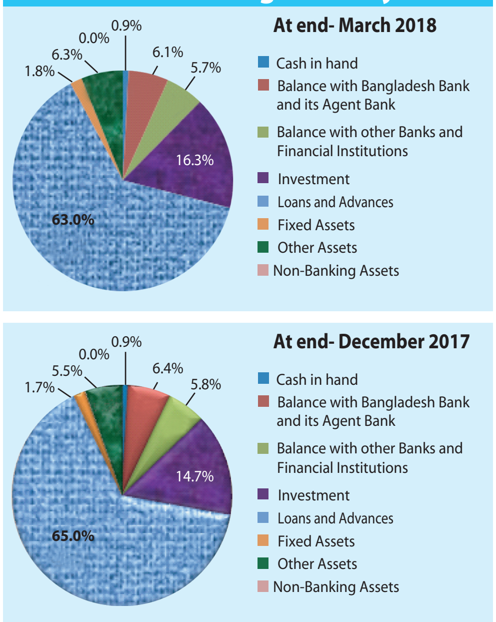
Chart 2. 3 Banking Sector Assets and Loans/Advances end-March 2018



Source: Compilation (Aggregate B/S account of banking industry): FSD, BB.

Note: PCB-Private Commercial Bank,
SCB-State-owned Commercial Bank,
FCB- Foreign Commercial Bank,
DFI-Development Finance Institutions.

Chart 2.4 Asset Structure of the Banking Industry



Source: Compilation (Aggregate B/S account of banking industry): FSD, BB.

and loss loans decreased by 3.9 percentage points while that of sub-standard and doubtful loans increased by 2.7 and 1.2 percentage points compared to those of the previous quarter.

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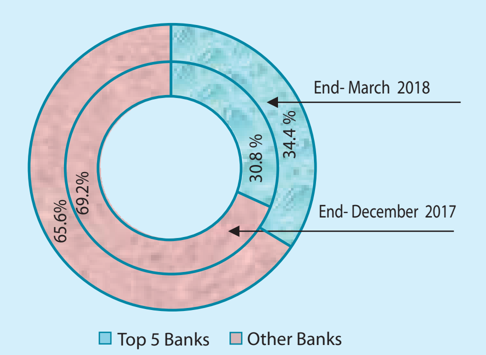
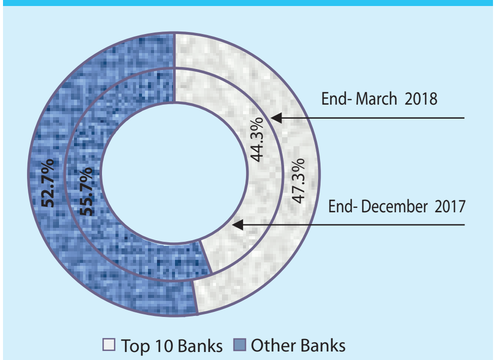
10 Ranked in terms of Gross NPL amount.

Chart 2.5 Top 5 banks based on Assets Size



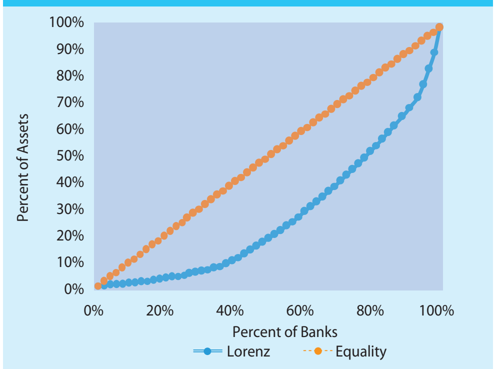
Source: Compilation (Aggregate B/S account of banking industry): FSD, BB.

Chart 2.6 Top 10 banks based on Assets Size



Source: Compilation (Aggregate B/S account of banking industry): FSD, BB.

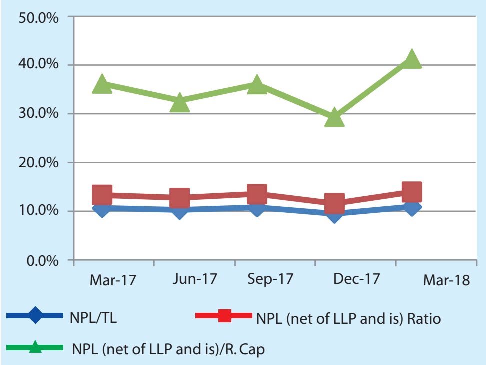
Chart 2.7 Banking Sector Asset Concentration: Lorenz Curve



Note: Assets are displayed from lowest to highest (ascending order) from the origin.

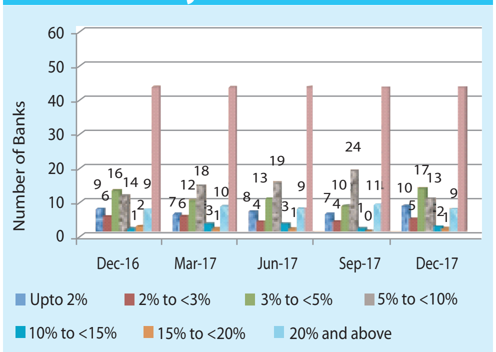
Source: FSD Staff calculation.

Chart 2.8 NPL Ratio of the Banking Industry



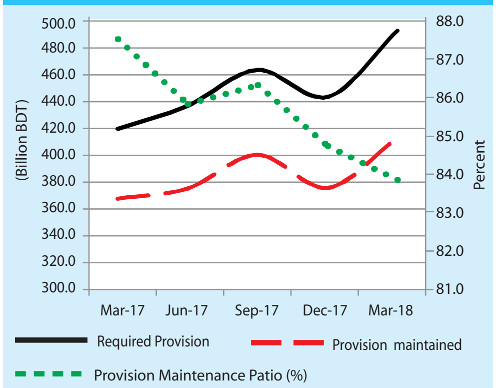
Source: BRPD, BB.

Chart 2.9 Distribution of banks by NPL ratio



Source: BRPD, Compilation FSD.

Chart 2.10 Banking Sector Loan Loss Provision

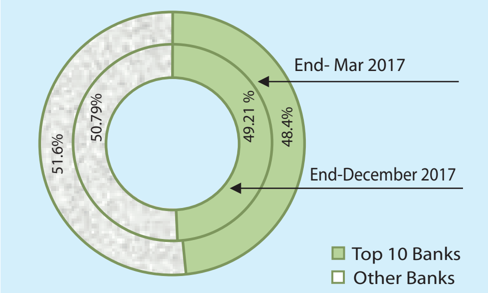


Source: BRPD, BB.

2.3 Profitability

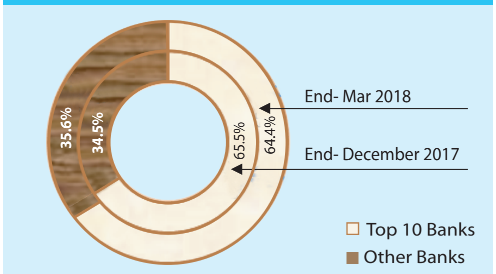
In the review quarter, return on assets (ROA) and return on equity (ROE) of the banking sector stood at 0.4 percent and 6.0 percent respectively against 0.8 percent and 10.9 percent of the preceding quarter, and 0.1 percent and 1.2 percent respectively in the same quarter of the previous year[11]. Almost 89.5 percent of the banks' ROA was up to 2.0 percent. On the other hand, 63.2 percent of the banks' ROE was higher than 5.0 percent.

Chart 2.11 Top 5 Banks based on NPL



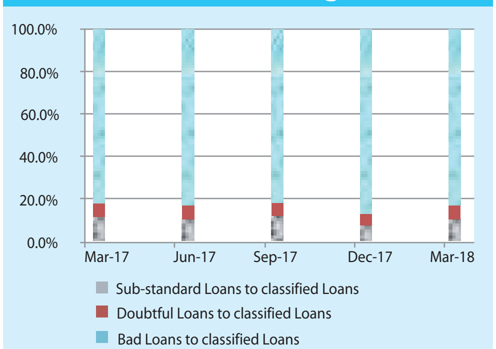
Source: BRPD, Compilation FSD.

Chart 2.12 Top 10 Banks based on NPL



Source: BRPD, Compilation FSD.

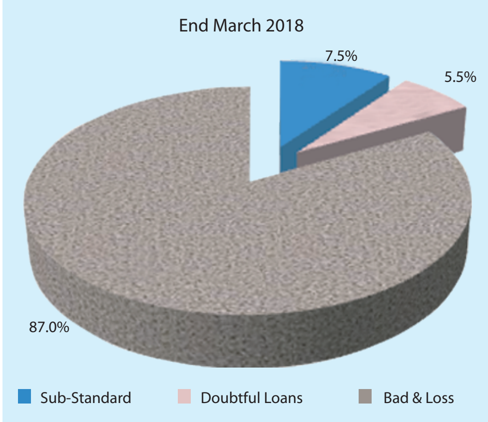
Chart 2.13 Proportion of NPL Categories



Source: BRPD, BB.

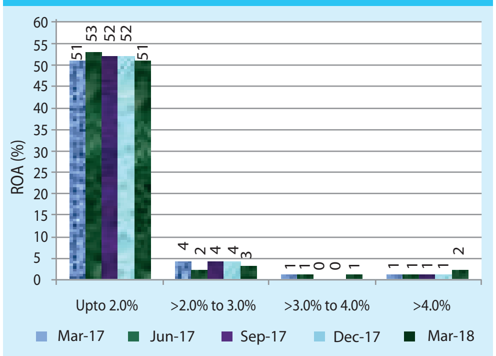
11 The figures are annualised form of quarterly ratios.

Chart 2.14 NPL Composition of Banks



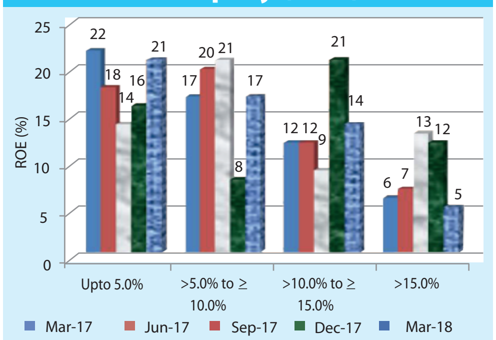
Source: BRPD, BB.

Chart 2.15 Distribution of Banking Sector Return on Assets (ROA)



Source: Compilation (Aggregate P/L account of banking industry): FSD, BB.

Chart 2.16 Distribution of Banking Sector Return on Equity (ROE)



Source: Compilation (Aggregate P/L account of banking industry): FSD, BB.

Chapter-3

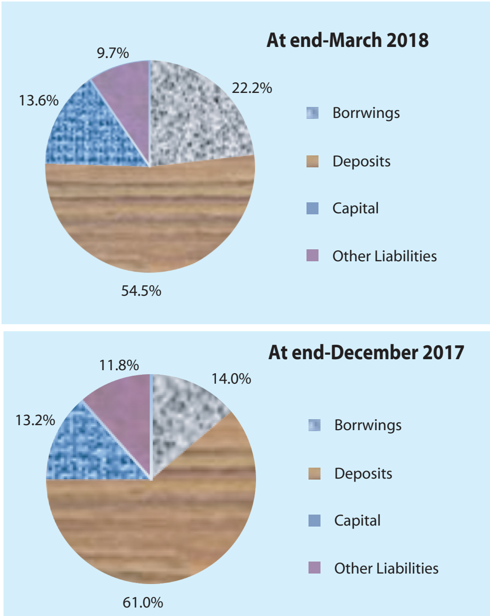
Financial Institutions' Performance

Key financial soundness indicators, such as gross non-performing loans and leases ratio and profitability ratios of the financial institutions (FIs) recorded minor decline when compared with those of the preceding quarter.

3.1 Sources of Funds

At end-March 2018, borrowings, deposits, capital and other liabilities constituted 22.2 percent, 54.5 percent, 13.6 percent and 9.7 percent of the sources of funds of the FIs respectively. In comparison with end-December 2017, the shares of borrowings and capital increased by 8.2 percentage points and 0.4 percentage point respectively whereas deposits and other liabilities decreased by 6.5 percentage points and 2.1 percentage points respectively.

Chart 3.1 FIs' Sources of Fund



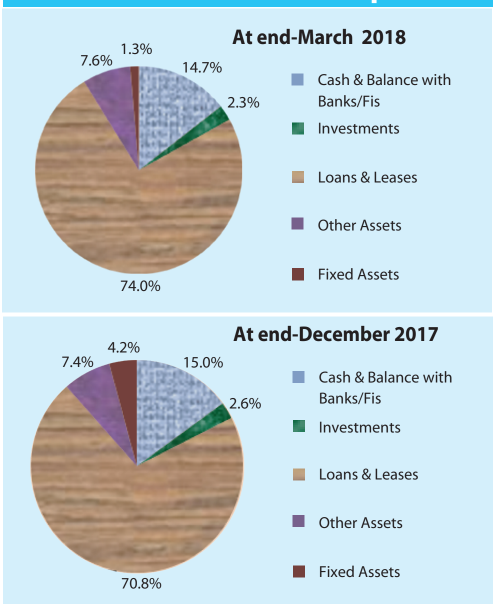
Source: FIs; Compilation: FSD, BB.

3.2 Assets Composition

Loans and leases constituted 74.0 percent of total assets of FIs at end-March 2018. Cash and balances with banks/FIs, investments, fixed assets and other assets comprised 14.7 percent, 2.3 percent, 1.3 percent and 7.6 percent of total assets respectively.

When compared with end-December 2017 positions, the share of loans and leases increased by 3.2 percentage points. Cash and balances with other banks/FIs decreased by 0.3 percentage points; the proportion of investments decreased by 0.3 percentage points and fixed assets increased by 2.9 percentage points, while the share of rest of the assets remained almost same.

Chart 3. 2 FIs' Assets Composition



Source: FIs; Compilation: FSD, BB.

3.3 FI's Liability-Asset Ratio

The liabilities-assets ratio stood at 86.4 percent which is 40 basis points lower than the liabilities- assets ratio of 86.8 percent recorded at the end of the previous quarter.

3.4 Asset Quality

FIs' classified loans and leases, increasing by 23.0 percent, stood at BDT 55.6 billion from 45.2 billion of end-December 2017. The ratio of classified loans and leases to total loans and leases rose to 8.8 percent at end-March 2018, 1.5 percentage points higher than the ratio of 7.3 percent recorded at end-December 2017.

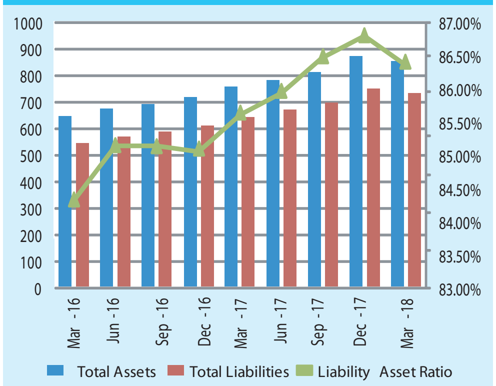
3.5 Profitability

FIs' return on assets (ROA) and return on equity (ROE) stood at 0.4 percent and 2.9 percent respectively in the review quarter compared to 1.1 percent and 7.9 percent respectively recorded in the preceding quarter and 0.6 percent and 4.2 percent respectively in the same quarter of the previous year[12].

3.6 FI sector asset concentration

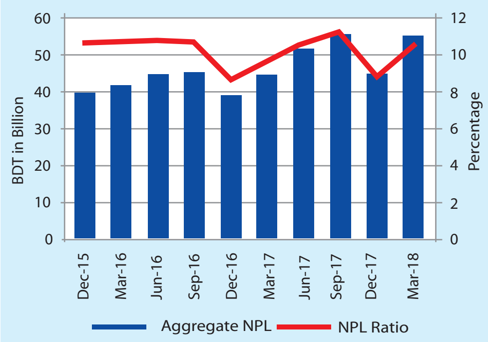
FI sector's asset concentration has been illustrated using Lorenz curve and Gini Coefficient. As depicted in Chart 3.6, the position of Lorenz Curve implies the presence of lower concentration in the assets of the FI sector. The calculated Gini coefficient of 0.36 also supports the presence of aforementioned type of concentration.

Chart 3.3 FIs' Liability-Asset Ratio



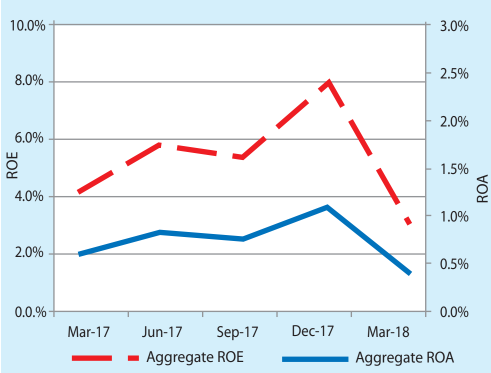
Source: FIs; Compilation: FSD, BB.

Chart 3.4 FIs' Non-performing Loans and Leases



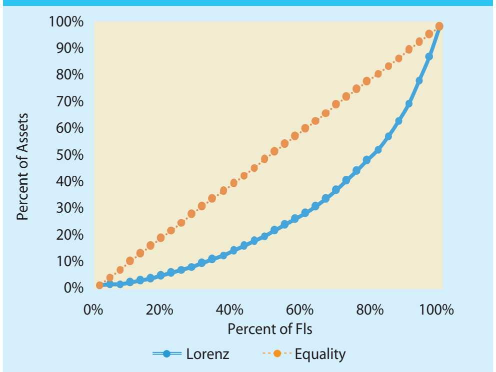
Source: DFIM, BB.

Chart 3.5 FIs' ROA and ROE



Source: FIs; Compilation: FSD, BB.

Chart 3.6 FI sector asset concentration: Lorenz Curve



Source: FSD, Staff Calculation.

12 Here profitability indicators-ROA and ROE- are annualized from quarterly ratios.

Banking Sector Liquidity and Capital Adequacy

Banking sector capital to risk-weighted assets ratio (CRAR) slightly decreased with respect to that of the previous quarter. Still, majority of the banks were able to maintain minimum capital conservation buffer. Besides, the advance-to-deposit ratio (ADR) increased.

4.1 Capital Adequacy

In the review quarter, 47 out of 57 banks maintained CRARs of 10.0 percent or higher in line with Pillar 1 of the Basel III capital framework (Chart 4.1). Importantly, CRARs of 31 banks were within the range of 10-15 percent and their assets accounted for nearly 67 percent of the total banking industry's assets at end-March 2018. (Chart 4.2)

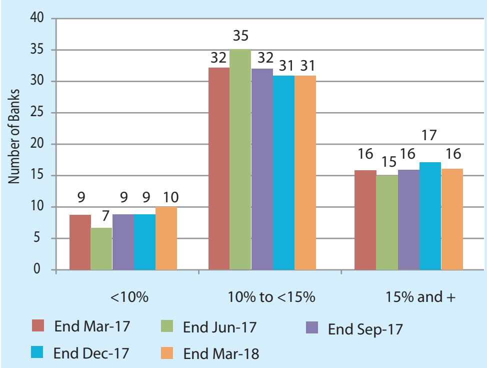
The banking sector aggregate CRAR stood at 10.1 percent[13], which is respectively 70 basis points and 60 basis points lower than the ratio recorded at end-December 2017 and end-March 2017. Similar trend was observed in case of Tier-1 capital ratio too. Tier-1 capital ratio slightly decreased to 7.0 percent at end-March 2018 from 7.5 percent of the previous quarter and declined slightly from 7.8 percent of end-March 2017. Still, Tier-1 ratio was considerably higher than the minimum regulatory requirement of 6.0 percent.

FCBs maintained higher CRAR while CRAR of the DFIs was negative in the review quarter (Chart 4.4).

[13] In the review quarter, minimum required CRAR was 10 percent.

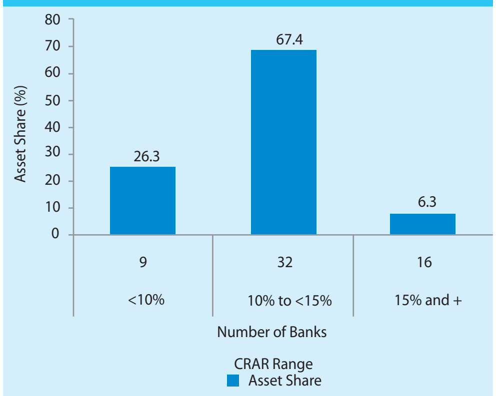
At end-March 2018, risk-weighted assets, arising from credit risks, accounted for 88.1 percent of the total industry's risk-weighted assets under Pillar 1 of the Basel III capital adequacy framework. It is mentionable that the proportion of credit risk weighted assets was same as in the previous quarter and higher than 87.2 percent at end-March 2017. Next positions were held by operational and market risks respectively (Chart 4.5).

Chart 4.1 Banking Sector Capital to Risk- Weighted Assets Ratio



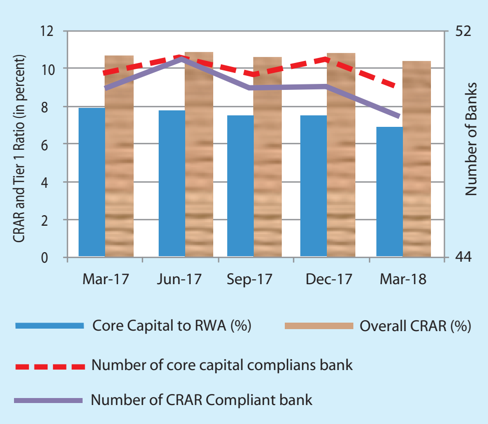
Source: DOS, BB.

Chart 4.2 Assets Share of Banks based on CRAR at End-March 2018



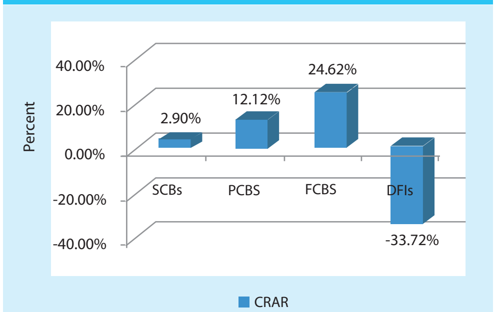
Source: DOS; Compilation FSD.BB.

Chart 4.3 Tier-1 Capital Ratio and Overall CRAR of the Banking Industry



Source: DOS, BB.

Chart 4. 4 Bank Cluster-wise CRAR at End-March 2018



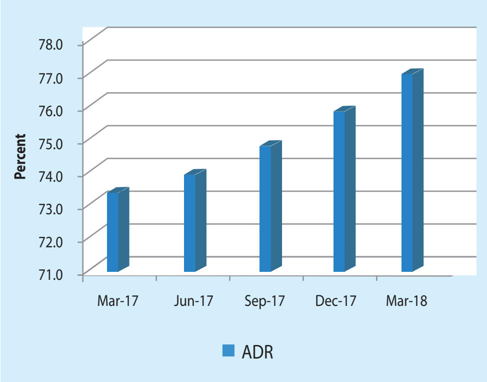
Source: DOS, BB.

Chart 4. 5 Distribution of Risk Weighted Assets

Source: DOS, BB.

In the review quarter, against the regulatory requirement of 1.875 percent, 39 out of 57 banks have been able to maintain the minimum required capital conservation buffer (CCB) on solo basis. However, in case of consolidated basis, 22 out of 36 banks fulfilled this regulatory requirement. The aggregate figure of CCB of the banking sector, in the stated quarter, was 0.11 and 0.50 percent on solo and consolidated basis respectively.

Chart 4.6 Banking Sector Advance-to-Deposit Ratio

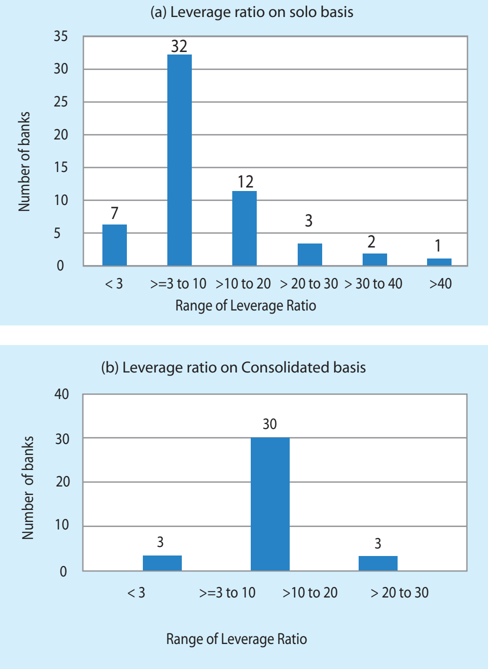


Source: DOS, BB.

4.2 Liquidity

During the review quarter, Advance to Deposit Ratio (ADR) of the overall banking industry stood at 77.0 percent, 1.2 percentage points higher than that of end-December 2017 and 3.7 percentage points higher than that of end-March 2017 (Chart 4.6).

Chart 4.7 Leverage ratio of banks at End-March 2018

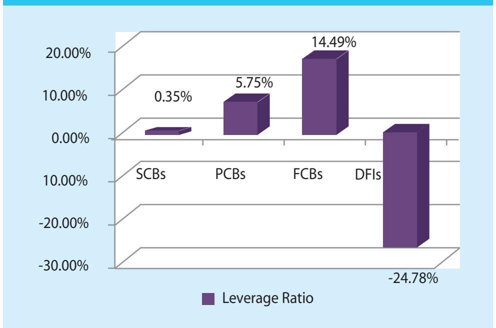


Source: DOS, BB.

4.3 Leverage ratio

In the review quarter, banking industry fulfilled the minimum leverage ratio requirement of 3.0 percent, on both solo and consolidated basis[14]. At end-March 2018, banking industry's leverage ratio was 4.3 percent on solo basis; 50 out of 57 banks maintained a leverage ratio of 3.0 percent or higher (Chart 4.7). On the other hand, in case of consolidated basis, 33 out of 36 banks were able to fulfill the regulatory requirement. FCBs maintained higher leverage ratio compared to other banking clusters.

Chart 4. 8 Bank Cluster-wise Leverage ratio at End-March 2018



Source: DOS, BB.

[14] In line with Basel III guidelines issued by Bangladesh Bank vide BRPD Circular No. 18 dated December 21,2014.

Financial Institutions' Liquidity and Capital Adequacy

During the review quarter, the FIs sector did not show any shortfall in cash reserve ratio (CRR) and statutory liquidity ratio (SLR), but capital adequacy ratio (CAR) decreased compared to that of the previous quarter.

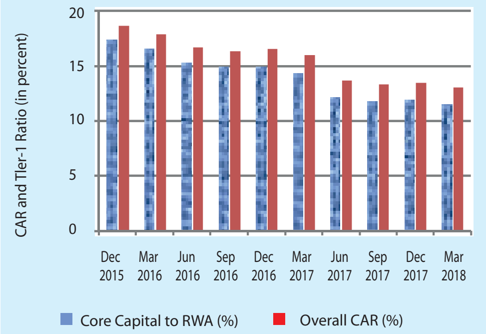
5.1 Capital Adequacy

In the review quarter, capital adequacy ratio (CAR) of the FIs sector decreased slightly from 13.5 percent of the December quarter of CY17 to 13.7 percent in the March quarter of CY17. It is to mention that the maintained CAR was well above the minimum regulatory requirement. In addition, the Tier-1 capital ratio was recorded at 11.5 percent; 0.5 percentage points lower than the ratio of end-December 2017[15].

5. 2 Liquidity

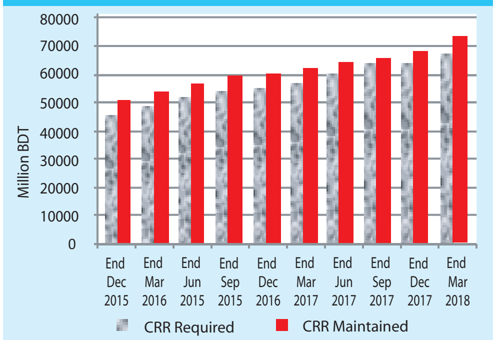
As of end-March 2018, the aggregate amount of maintained CRR was BDT 7,358.7 million as compared to BDT 6,968.5 million recorded at end- December 2017, scoring an increment of 5.6 percent. On the other hand, at end-March 2018, the amount of maintained SLR was BDT 96.2 billion against the required amount of BDT 18.1 billion. The maintained SLR is 18.0 percent higher than the amount maintained at end-December 2017. During the review quarter, the FIs sector had no CRR and SLR shortfall.

Chart 5.1 Capital Adequacy Ratio of FIs Sector



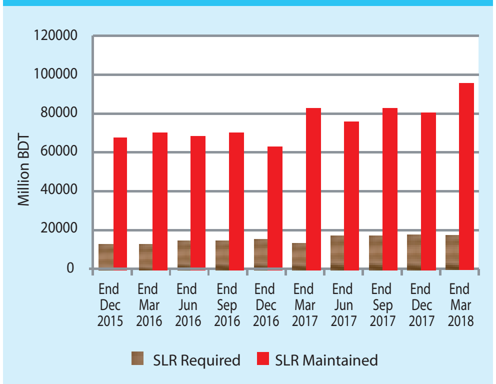
Source: DFIM, BB.

Chart 5.2 FIs' CRR



Source: DFIM, BB.

Chart 5.3 FIs' SLR

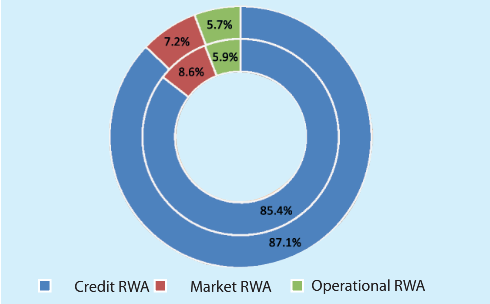


Source: DFIM, BB.

15 In 2018Q1, FIs were required to maintain a capital adequacy ratio (CAR) of 10.0 percent with at least 5.0 percent in Tier-1 capital in line with the Basel II framework.

In the overall risk weighted assets (RWA) of the FIs sector, RWA for credit, market and operational risks were 87.1 percent, 7.2 percent and 5.7 percent respectively at end-March 2018. These figures were 85.4 percent, 8.6 percent and 5.9 percent at end-December 2017 (Chart 5.4).

Chart 5.4 Capital Adequacy Ratio of FI Sector



Source: DFIM, BB.

Chapter-6

Stress Test and Resilience of the Banking and FI Sectors

6.1 Stress Test

Bangladesh Bank conducts stress tests on banks and Financial Institutions (FIs) on quarterly basis.

6.2 Stress Test on Banks[16]

Stress test on banks is conducted through sensitivity analysis, incorporating impacts of the shock scenarios for credit risk, market risk and liquidity risk.

6.2.1 Individual Shocks

Banking sector's capital to risk weighted asset ratio (CRAR) was 10.11 percent. Out of 57 banks, 10 banks' pre-shock CRARs were below the minimum regulatory requirement of 10.0 percent. That is why, the remaining 47 banks were considered for the analyses based on end-March 2018 data. The following sub-sections presents details of the shocks and the associated outcomes.

6.2.1.1 Credit Risk

a) **Increase in Non-performing Loans (NPL):** If NPLs increased by 3, 9 and 15 percent, then 4, 28 and 34 banks respectively would fail to maintain the minimum required CRAR.

b) **Increase in NPL due to Default of Top Large Borrowers:** If 3, 7 and 10 largest borrowers of each bank in the industry defaulted, then 23, 33 and 38 banks respectively would have become non-compliant in maintaining the minimum required CRAR.

c) **Fall in the Forced Sale Value (FSV) of Mortgaged Collateral:** If FSV of mortgaged collateral declined by 20 and 40 percent, then it would make 1 and 6 banks respectively non-compliant in maintaining the minimum required CRAR.

d) **Negative Shift in the NPL Categories:** If NPL categories shifted downward by 10 and 15 percent, then 7 and 13 banks respectively would have become non-compliant in maintaining the minimum required CRAR.

e) **Increase in NPL in Highest Outstanding Sector:** In the event of minor, moderate and major shocks, 1, 3 and 8 banks respectively would fall below the minimum regulatory requirement.

6.2.1.2 Market Risk

The banking industry[17] found to be resilient to exchange rate shock but vulnerable to equity price and interest rate shock:

a) **Interest Rate Risk:** In the event of interest rate shock of 1, 2 and 3 percent, 1, 3 and 5 banks respectively would fail to maintain the minimum required CRAR.

[16] The analyses here are based on the data as of end-March 2018 unless stated otherwise.

[17] Only scheduled banks have been considered here.

Table 6.1 Stress test on the Banking Sector Based on Data as of End-March 2018

Shocks[18]	Banking Sector (%)
Pre-shock CRAR	10.11
CRAR after shock (%)	
Credit Risks:	
Increase in NPLs:	
Shock-1: 3%	9.16
Shock-2: 9%	6.77
Shock-3: 15%	2.99
Increase in NPLs due to default of top large borrowers	
Shock-1: Top 3 borrowers	8.37
Shock-2: Top 7 borrowers	6.83
Shock-3: Top 10 borrowers	6.00
Fall in the FSV[19] of mortgaged collateral	
Shock-1: 10%	9.47
Shock-2: 20%	8.82
Shock-3: 40%	7.49
Negative shift in the NPL categories	
Shock-1: 5%	9.44
Shock-2: 10%	7.25
Shock-3: 15%	5.84
Increase in NPLs in highest outstanding sectors	
Sector concentration 1[20] ***(Performing loan directly downgraded to B/L[21])***	
Shock-1: 3%	10.05
Shock-2: 9%	9.91
Shock-3: 15%	9.77
Sector concentration 2[22] ***(Performing loan directly downgraded to B/L)***	
Shock-1: 3%	9.98
Shock-2: 9%	9.72
Shock-3: 15%	9.46
Market Risks	
Interest rate risk (Change in interest rate)	
Shock-1: 1%	9.80
Shock-2: 2%	9.48
Shock-3: 3%	9.16
Exchange rate risk (Currency appreciation/depreciation)	
Shock-1: 5%	10.10
Shock-2: 10%	10.09
Shock-3: 15%	10.07
Equity price risk (Fall in equity prices)	
Shock-1: 10%	9.86
Shock-2: 20%	9.61
Shock-3: 40%	9.11
Combined Shock	
Shock-1	7.25
Shock-2	1.45
Shock-3	-5.92

18 Shock-1 = Minor, Shock-2 = Moderate, Shock-3 = Major.
19 FSV = Forced Sale Value.
20 Sector with highest outstanding.
21 B/L = Bad/Loss.
22 Sector with second highest outstanding.

b) **Exchange Rate Risk:** In the event of currency appreciation or depreciation by 5, 10 and 15 percent, no bank would fall below the minimum regulatory requirement.

c) **Equity Price Risk:** In the event of minor and moderate shocks, no bank would fall below the minimum regulatory requirement. However, due to major shocks, 3 banks would fall below the minimum regulatory requirement.

In sum, if minor individual credit shocks were applied, banking sector would have remained resilient to increase in non-performing loan to highest outstanding sector and exchange rate shock. In case of moderate and major shocks, banking sector would have remained resilient to exchange rate shock only. Furthermore, default of top 3 large borrowers would have major adverse impact on the banking sector capital adequacy.

6.2.2 Combined Shock[23]

In the event of minor, moderate and major combined shocks, 18, 34 and 39 banks respectively would be undercapitalized.

6.2.3 Liquidity Shock

The individual banks and the banking system as a whole seemed to remain resilient against specified liquidity stress scenarios at end-March 2018.

Table 6.2 Liquidity Risk in the Banking Sector: End-March 2018

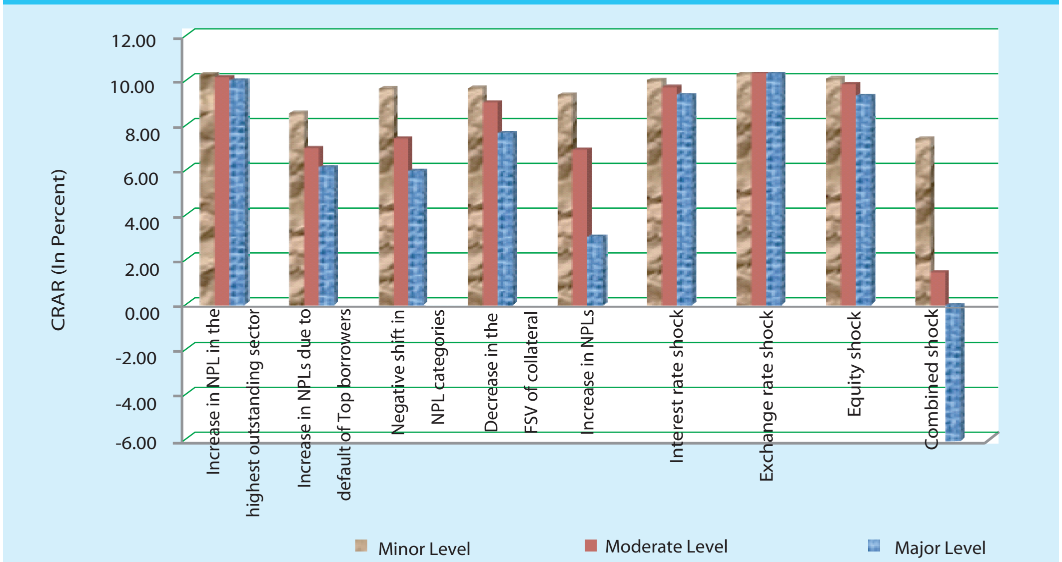
Liquidity Stress*	Stress Scenarios		
	Minor	Moderate	Major
Day 1	1	1	1
Day 2	1	1	1
Day 3	1	1	1
Day 4	1	1	1
Day 5	1	1	1

* Consecutive 5 working days.

Note: '1' indicates that the system is liquid and '0' not liquid.

Source: FSD, BB.

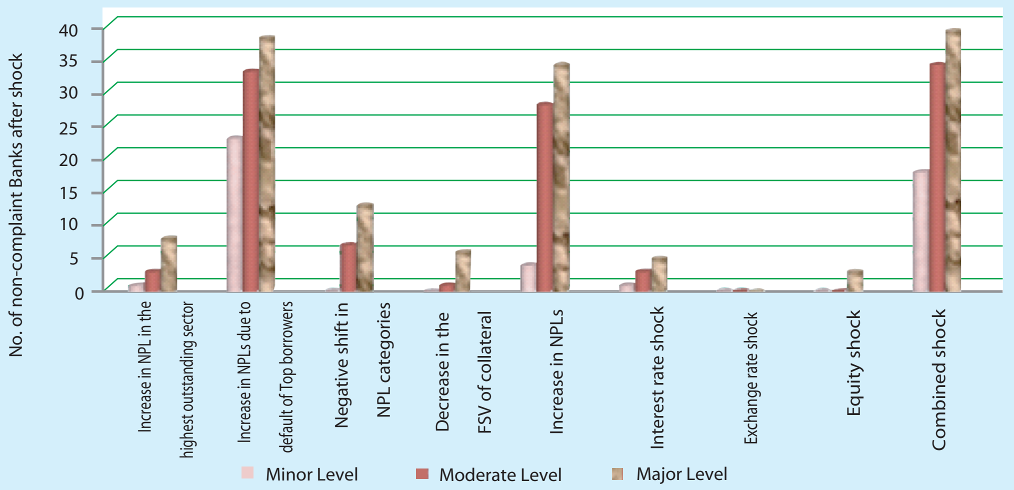
Chart 6.1 Banking Sector CRAR at Different Shock Scenarios: March 2018



Source: FSD, BB.

[23] Combined shock comprised of aggregate stress results of increase in NPLs, negative shifts in NPL categories, decrease in the FSV of the mortgaged collateral, exchange rate shock, equity price shock and interest rate shock.

Chart 6.2 Number of Non-compliant Banks at Different Shock Scenarios: March 2018



Source: FSD, BB.

6.3 Stress Test on FIs

Bangladesh Bank also conducts stress tests on FIs based on a simple sensitivity analysis, in which four risk factors- credit, interest rate, equity price and liquidity - are analyzed.

At end-March 2018, out of 34 FIs, 5, 17, and 12 were positioned in Green, Yellow, and Red zones respectively on the basis of stress test result.

Table 6.3 Stress Tests: Zonal Position of FIs (Number of FIs)

Quarter	Green	Yellow	Red
End-Dec 2016	5	21	7
End-Mar 2017	4	18	11
End-Jun 2017	4	17	12
End-Sep 2017	3	17	13
End-Dec 2017	4	19	10
End-Mar 2018	5	17	12

Source: DFIM, BB.

Capital Market Development

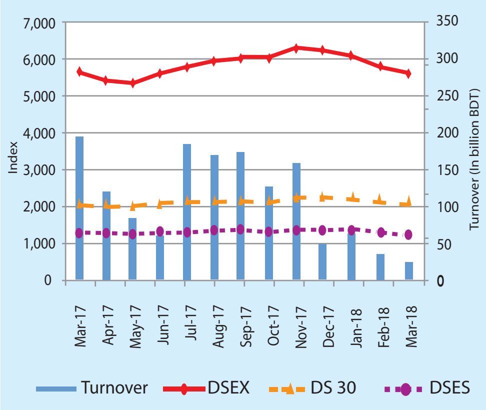
In the review quarter, most of the domestic capital market indicators in both bourses demonstrated a scenario of price correction with respect to the positions of the previous quarter.

7.1 Dhaka Stock Exchange (DSE)

7.1.1 DSE Performance

DSE turnover decreased from BDT 433.6 billion at end-December 2017 to BDT 244.7 billion at end-March 2018, registering a drop of 43.6 percent. This decline is attributable mainly to a drop of BDT 104.6 billion in turnover of the banking sector. Key DSE indices DSEX, DS30 and DSES also dropped by 10.4 percent, 7.8 percent and 5.5 percent respectively at end-March 2018 compared to those of end-December 2017.

Chart 7.1 DSE Performance

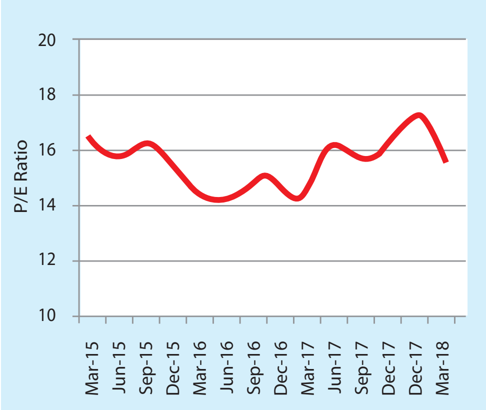


Source: DSE; Compilation: FSD, BB.

7.1.2 Price/Earnings (P/E) Ratio

The market P/E ratio decreased by 1.6 percentage points during the quarter and stood at 15.7 at end-March 2018. However, an overall upward trend was observed in market P/E ratio between March 2016 and December 2017.

Chart 7.2 Price/Earnings Ratio



Source: DSE.

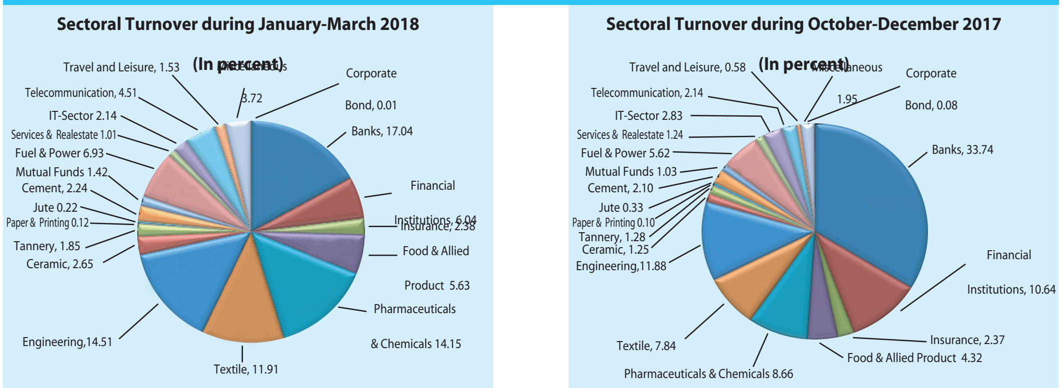
7.1.3 Sectoral Turnover

In the review quarter, more than 60 percent of total turnover was shared among five sectors - banking, engineering, pharmaceuticals and chemicals, textile, and fuel and power sectors. The banking sector continued to secure the highest turnover followed by engineering sector, and pharmaceuticals and chemicals sector (Chart 7.3). However, the share of banking sector turnover decreased notably from 33.7 percent at end-December 2017 to 17.0 percent at end-March 2018.

7.1.4 Market Capitalization

At end-March 2018, the market capitalization stood at BDT 3,917.2 billion, which is 7.4 percent lower than BDT 4,229.0 billion recorded at end-December 2017. A downward trend was observed in market capitalization since November 2017.

Chart 7.3 Sectoral Turnover (in percent) in DSE



Source: DSE; Compilation: FSD, BB.

7.2 Chittagong Stock Exchange (CSE)[24]

7.2.1 CSE Performance

Similar to DSE, CSE turnover decreased by 44.3 percent from BDT 29.9 billion at end-December 2017 to BDT 16.7 billion at end-March 2018. Besides, key CSE indices such as CASPI[25], CSE30 and CSI[26] also decreased by 10.7 percent, 7.9 percent and 6.8 percent respectively during the review quarter.

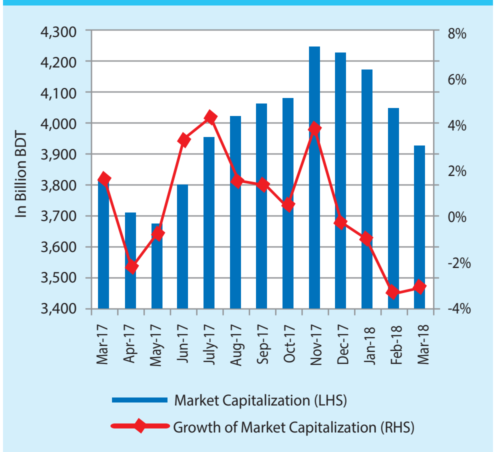
7.2.2 Price/Earnings (P/E) Ratio

The market P/E ratio increased by 1.5 percentage points and reached 18.5 at end-March 2018. The ratio remained upbeat since December 2016.

7.2.3 Sectoral Turnover

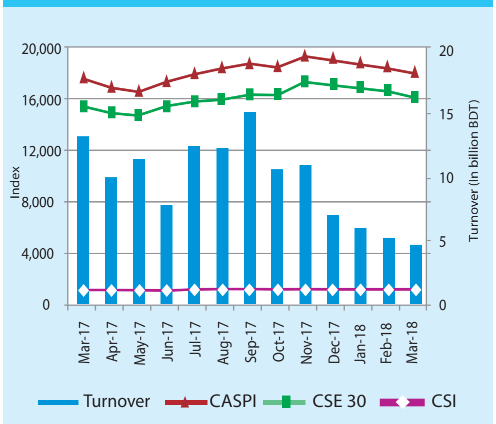
Banking sector continued to record the highest turnover during the review quarter. However, contribution of the banking sector to CSE turnover decreased from 49.0 percent at end-December 2017 to 21.3 percent at end-March 2018 (Chart 7.7).

Chart 7.4 Market Capitalization and Its Growth Rate



Source: DSE; Compilation: FSD, BB.

Chart 7.5 CSE Performance



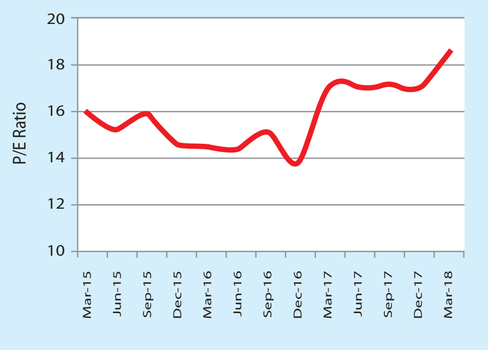
Source: CSE; Compilation: FSD, BB.

24 While most of the companies, mutual funds and corporate bonds listed in DSE are also listed with CSE, debentures and Govt. T-bonds are traded only through DSE.

25 CASPI refers to CSE All Share Price Index.

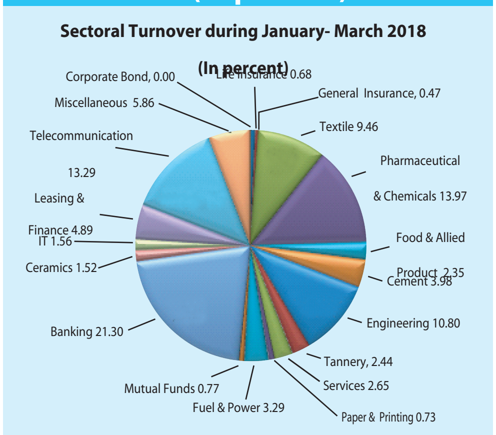
26 CSI refers to CSE Shari'ah Index.

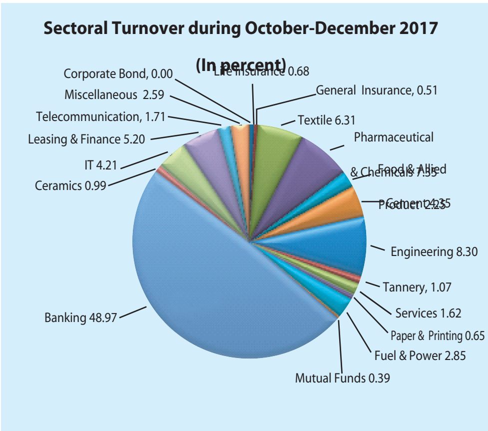
Chart 7.6 Price/Earnings Ratio



Source: CSE

Chart 7.7 Sectoral Turnover (in percent) in CSE





Source: CSE; Compilation: FSD, BB.

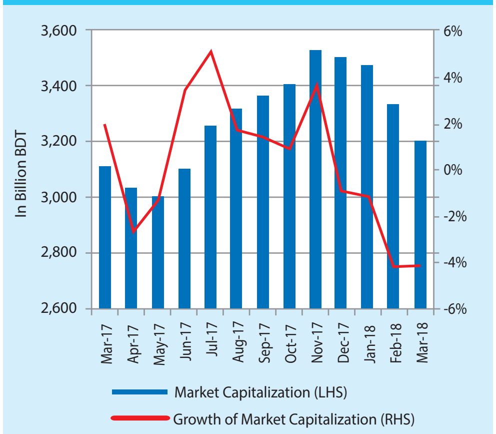
Note: Due to unavailability of data for the month of November, only October and December data were considered for calculating sectoral turnover during October-December 2017.

Mentionable that next four sectors in terms of turnover were recorded by pharmaceuticals and chemicals, telecommunication, engineering and textile sectors respectively.

7.2.4 Market Capitalization

At end-March 2018, the market capitalization of CSE stood at BDT 3,213.3 billion, which is 8.8 percent lower than that of end-December 2017 (i.e. BDT 3,523.0 billion). Like DSE, a downtrend was observed in market capitalization since November 2017.

Chart 7.8 Market Capitalization and Its Growth Rate in CSE



Source: CSE; Compilation: FSD, BB.

Recent Stability Initiatives of Bangladesh Bank

During January-March quarter of the calendar year 2018, Bangladesh Bank (BB) took a number of initiatives having implications to domestic financial system stability. Some of the important ones are:

8.1 Bank Company (Amendment) Act, 2018

Bank Company (Amendment) Act, 2018 came into effect from 28 January 2018. Notable amendments include change in the maximum number of persons eligible to be directors from the same family (changed from 2 to 4) under Sub-section 10 of Section 15 and change in the maximum tenure of a director at a stretch (changed from 3 to 9 years) under Section 15KaKa.

8.2 Policy for Treasury Bill/Bond Buyback Program

With an aim to balance the redemption profile and to reduce the number of government treasury securities, BB, on behalf of the Government, would execute the buyback program and to this end issued relevant terms and conditions. It is mentionable that the terms and conditions include issues relating to operational framework, buyback amount, eligible participants in buyback program, price determination, settlement process, bid submission, rights of auction committee and other relevant matters.

8.3 Amendment in Loan Classification and Provisioning

With a view to promoting growth in the real estate sector through banks' participation in housing finance, BB reduced the percentage of maintaining general provision from 2 percent to 1 percent against all unclassified housing finance loans under consumer financing.

8.4 Advance-Deposit Ratio (ADR)/Investment-Deposit Ratio (IDR)

Considering the overall capital base, liquidity situation and interbank dependency of the banking sector, BB amended the advance-deposit ratio (ADR) for conventional banks and investment-deposit ratio (IDR) for Islamic banks to ensure a credit growth consistent with the deposit growth. In this regard, BB reduced ADR from 85 percent to 83.5 percent and IDR from 90 percent to 89 percent. Banks maintaining ADR/IDR above this new allowable limit were instructed to bring down their ratios gradually within the allowable limit by 31 March 2019.

8.5 Amendment of the Operating Guideline of Islami Shari'ah Based Refinancing Fund

With a view to utilizing the excess liquidity of Statutory Liquidity Reserve (SLR) of Islami Banks, a refinance scheme under Islami Shari'ah based refinancing fund has been introduced to develop the industrial sector specially agro processing, small entrepreneurs, new entrepreneurs, renewable energy and environment friendly initiatives. BB amended the operating guideline of the fund and allowed Participating Financial Institutions (PFIs) to avail one year refinance facility instead of 03 (three) months which is renewable up to the period of principal amount invested. This investment is re-withdrawable subject to the refinanced amount remains unclassified and the refinance amount is repayable annually along with accrued quarterly profit.

8.6 Provision against L/Cs issued in favour of Fast Track Power Plant Projects

Considering fast track power plant projects as the priority sector of the Government, BB waived scheduled banks from maintaining 1 percent general provision against the liabilities of letter of credits (L/Cs) issued in favour of those projects, which have already received letter of intent (LOI) from Bangladesh Power Development Board (BPDB).

8.7 Tenor of Loan Against Trust Receipt (LTR)/Murabaha Trust Receipt (MTR)/Murabaha Post Import (MPI) Facility

To bring uniformity in determining the tenor of post import loan/investment facilities such as LTR/MTR/MPI, BB instructed banks to fix the tenor of each deal under LTR/MTR/MPI facility not exceeding 90 days for daily essential consumer goods and 180 days for industrial raw materials.

8.8 Changes in the Foreign Exchange Regulations

During the review quarter, BB brought a number of changes in its foreign exchange regulations that are stated below:

i) To facilitate transactions under Asian Clearing Union (ACU) mechanism, BB advised ADs to resume transactions in 'ACU Euro' along with 'ACU Dollar' to settle current account transactions among ACU member countries. Accordingly, 'Japanese Yen (JPY)' was incorporated as a settlement currency in ACU mechanism.

ii) To facilitate export trade in meeting urgent needs, ADs were allowed to provide remittance facilities to exporters for bonafide service payments to beneficiary's bank account abroad up to USD 5,000 or equivalent, subject to compliance with relevant instructions.

iii) BB issued "Guidelines for Foreign Exchange Transactions (GFET) Volume 1 and Volume 2 version 2018", which are successor to 2009 and 2010 version for volume 1 and volume 2 respectively. Instructions of FE Circulars and Circular Letters issued up to November 30, 2017, other than instructions of different government bodies issued vide FE Circulars and Circular Letters, were incorporated in this GEFT, 2018 version.

iv) BB clarified that Taka fund credited in Non-Resident Taka Account (NRTA) of Bangladesh nationals residing abroad or in resident Taka accounts of their beneficiaries against inward remittances through normal banking channel or authorized exchange house channel is eligible to purchase Wage Earner Development Bond (WEDB) in accordance with the instructions of the Wage-Earner Development Bond Rules, 1981.

v) BB decided that ADs may allow carrier companies to draw railway receipts, bills of lading, airway bills and other documents of title to cargo to the order of importer or other designated parties as per stipulations of export letter of credit/valid sales contract only if the shipment is made against full payment received in advance through normal banking channel.

8.9 Financing Facility under IPFF II Project

The Government of Bangladesh signed a Financing Agreement with International Development Association (IDA) to carry out Investment Promotion and Financing Facility II (IPFF II) project with a view to increasing long-term financing for infrastructure development and to build capacity of the local financial institutions for promoting private sector-led infrastructure financing in Bangladesh. BB, on behalf of the government, was assigned the responsibility to carry out the IPFF II project and subsequently, developed a detailed Operations Manual (OM) including terms and conditions for availing the financing facility. Broadly, the OM of IPFF II project includes implementation arrangement, eligibility and responsibilities of PFIs, eligible sectors for IPFF II financing, terms and conditions for sanctioning infrastructure financing, operational procedure for availing facility loan, repayment mechanism, restructuring of facility loan, financial management, monitoring and reporting and other relevant issues.

Appendices

Table I : CPI Inflation (12 month Average)

(Percent)

Month	Inflation (General)	Inflation (Food)	Inflation (Non-Food)
Dec-16	5.5	4.5	7.1
Mar-17	5.4	5.2	5.7
Jun-17	5.4	6.0	4.6 R
Sep-17	5.6	6.7	3.8
Dec-17	5.7	7.2	3.5
Mar-18	5.8	7.3	3.6

Source: BBS, Base: 2005-06=100. R-Revised.

Table II Foreign Exchange Reserve

(Amount in million USD)

Month-end	International Reserve
Mar-16	28,265.9
Jun-16	30,168.2 R
Sep-16	31,385.9
Dec-16	32,092.0
Mar-17	32,215.0
Jun-17	33,493.0 R
Sep-17	32,816.6
Dec-17	33,226.9 R
Mar-18	32,403.0

Source: Statistics Department, BB. R-Revised

Table III Wage Earners' Remittance

(Amount in million USD)

Quarter	Amount
Mar-16	3,572.5
Jun-16	3,871.5
Sep-16	3,245.8
Dec-16	2,921.1
Mar-17	3,027.7
Jun-17	3,574.9
Sep-17	3,387.9
Dec-17	3,541.3 R
Mar-18	3,828.6 R

Source: Monthly Economic Trends, BB. R-Revised

Table IV Exports and Imports

(Amount in million USD)

Quarter	Aggregate Exports (F.O.B)	Aggregate Imports (F.O.B)
Mar-16	8,624.0	9,765.0
Jun-16	9,088.0	10,720.0
Sep-16	7,909.0	9,502.0
Dec-16	8,501.0	10,645.0
Mar-17	8,920.0	11,448.0
Jun-17	8,689.0	11,123.0
Sep-17	8,549.0	12,199.0
Dec-17	9,137.0	14,115.0
Mar-18	9,412.0	13,986.0

Source: Statistics Department, BB.

Table V Interest Rate (Weighted Average) Spread

(In Percent)

Period	Lending Rate	Deposit Rate	Spread
Mar-16	10.8	5.9	4.9
Jun-16	10.4	5.5	4.9
Sep-16	10.1	5.4	4.7
Dec-16	9.9	5.2	4.7
Mar-17	9.7	5.0	4.7
Jun-17	9.6[R]	4.8	4.8[R]
Sep-17	9.5	4.9	4.6
Dec-17	9.4	4.9	4.5
Mar-18	9.7	5.3	4.4

Source: Statistics Department, BB. R-Revised

Table VI Weighted Average Exchange Rate

(BDT/USD)

Quarter	Period Average	End Period
Mar-16	78.4100	78.4000
Jun-16	78.4000	78.4000
Sep-16	78.4000	78.4000
Dec-16	78.8040	78.7022
Mar-17	79.5000	79.7000
Jun-17	80.5900	80.6000
Sep-17	80.7400	80.8000
Dec-17	82.5500	82.7000
Mar-18	82.9600	82.9600

Source: Monthly Economic Trends, BB.

Table VII Credit to the Government (Gross) by the Banking System

(Amount in billion BDT)

Period	Amount
Mar-16	1,632.5
Jun-16	1,804.8
Sep-16	1,807.7
Dec-16	1,691.1
Mar-17	1,615.1
Jun-17	1,684.5
Sep-17	1,666.0
Dec-17	1,620.0
Mar-18	1,538.1

Source: Monthly Economic Trends, BB.

Table VIII Asset Structure of the Banking Industry

(Amount in billion BDT)

Property and Assets	30-06-2017	30-09-2017	31-12-2017	31-03-2018
Cash in hand	141.6	115.8	117.6	128.3
Balance with Bangladesh Bank and its Agent Bank	847.8	756.7	833.1	871.8
Balance with other banks and financial institutions	673.3	738.2	756.2	819.9
Investment	1942.5	1991.3	1918.9	2,346.7
Loans and Advances	7,775.7	8,004.5	8,487.3	9,072.6
Fixed Assets	225.8	226.3	226.7	256.4
Other Assets	760.1	772.3	715.8	902.6
Non-banking assets	3.5	3.5	3.7	3.6
Total Assets	**12,370.3**	**12,608.6**	**13,059.3**	**14,401.9**

Table IX Banking Sector Assets & NPL Concentration (March-2018)

(Amount in billion BDT)

Assets	Top 5 Banks	Other Banks	Top 10 Banks	Other Banks
Amount	4,949.1	9,452.8	6,815.4	7,586.5
Share (%)	34.4	65.6	47.3	52.7
NPL	**Top 5 banks**	**Other banks**	**Top 10 banks**	**Other banks**
Amount	428.8	457.1	570.8	315.1
Share (%)	48.4	51.6	64.4	35.6

Table X Banking Sector NPL Ratio

(Amount in billion BDT)

Quarter	Aggregate NPL	Gross NPL Ratio (NPL/TL) (%)	NPL (net of LLP and IS) Ratio (%)	NPL (net of LLP and IS)/ Reg. Cap. (%)
Mar-16	594.1	9.9	2.9	21.2
Jun-16	633.7	10.1	2.8	21.1
Sep-16	657.3	10.3	2.8	20.8
Dec-16	621.7	9.2	2.3	18.0
Mar-17	734.1	10.5	2.9	22.7
Jun-17	741.5	10.1	2.6	19.7
Sep-17	803.1	10.7	2.9	22.4
Dec-17	743.0	9.3	2.2	17.2
Mar-18	885.9	10.8	3.3	27.6

Table XI Distribution of Banks by NPL Ratio

Range	Number of Banks as at end				
	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Up to 2.0%	7	8	7	10	9
2.0% to <3.0%	6	4	4	5	4
3.0% to <5.0%	12	13	10	17	10
5.0% to <10.0%	18	19	24	13	22
10.0% to <15.0%	3	3	1	2	0
15.0% to <20.0%	1	1	0	1	2
20.0% & above	10	9	11	9	10
Total	**57**	**57**	**57**	**57**	**57**

Table XII Banking Sector Loan Loss Provisions

(Amount in billion BDT)

Period	Required Provision	Provision Maintained	Provision Maintenance Ratio (%)
Mar-16	336.2	294.9	87.7
Jun-16	361.8	317.3	87.7
Sep-16	372.3	328.5	88.2
Dec-16	362.1	307.4	84.9
Mar-17	419.2	366.9	87.5
Jun-17	436.4	374.5	85.8
Sep-17	463.1	399.7	86.3
Dec-17	443.0	375.3	84.7
Mar-18	492.4	412.8	83.8

Table XIII Banking Sector Classified Loans Ratios

(In percent)

Period	Classified Loans To Total Loans	Sub-Standard Loans To Classified Loans	Doubtful Loans To Classified Loans	Bad Loans To Classified Loans
Mar-16	9.9	15.1	5.4	79.6
Jun-16	10.1	11.8	8.3	79.9
Sep-16	10.3	11.6	6.0	82.4
Dec-16	9.2	10.2	5.4	84.4
Mar-17	10.5	11.1	6.8	82.1
Jun-17	10.1	10.2	6.8	83.1
Sep-17	10.7	12.0	6.0	82.0
Dec-17	9.3	7.5	5.5	87.0
Mar-18	10.8	10.2	6.7	83.1

Table XIV Classified Loan Composition (End-March 2018)		
		(Amount in billion BDT)
Particulars	**Amount**	**Percent Of Total**
Sub-Standard	90.2	10.2
Doubtful	59.5	6.7
Bad & Loss	736.2	83.1
Total	**885.9**	**100.0**

Table XV Banking Sector ROA Range

Quarter	ROA Range			
	Up to 2.0%	> 2.0% to ≤ 3.0%	> 3.0% to ≤ 4.0%	> 4.0%
Mar-16	48	2	2	4
Jun-16	49	3	3	1
Sep-16	49	4	3	0
Dec-16	48	7	1	1
Mar-17	51	4	1	1
Jun-17	53	2	1	1
Sep-17	52	4	0	1
Dec-17	52	4	0	1
Mar-18	51	3	1	2

Note: ROAs have been annualized from respective quarterly ratios.

Table XVI Banking Sector ROE Range

Quarter	ROE Range			
	Up to 5.0%	> 5.0% to ≤ 10.0%	> 10.0% to ≤ 15.0%	> 15.0%
Mar-16	20	18	7	11
Jun-16	17	17	13	9
Sep-16	14	20	14	8
Dec-16	11	12	16	18
Mar-17	22	17	12	6
Jun-17	18	20	12	7
Sep-17	14	21	9	13
Dec-17	16	8	21	12
Mar-18	21	17	14	5

Notes: ROEs have been annualized from respective quarterly ratios .

Table XVII Banking Sector ROA and ROE

Ratio	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
ROA	0.5	0.8	0.1	0.3	0.4	0.8	0.4
ROE	6.1	10.8	1.2	3.7	5.9	10.9	6.0

Notes: 1. The figures are annualized from respective quarterly ratios; e.g.

(a) Annualized ROA of 1st quarter of 2017 = (Profit in 1st quarter of 2017 x 4/Total asset at the end of 1st quarter of 2017) x 100.

(b) Annualized ROA of 2nd quarter of 2017 = ((Profit in 1st quarter of 2017+Profit in 2nd quarter of 2017) x 2/Average of assets at the end of 1st and 2nd quarters of 2017) x 100.

(c) Annualized ROA of 3rd quarter of 2017=((Profit in 1st quarter of 2017+Profit in 2nd quarter of 2017+profit in 3rd quarter) x (4/3) /Average of assets at the end of 1st and 2nd quarters of 2017) x 100.

(d) Annualized ROA of 4th quarter of 2017 = (Aggregate of profits in four quarters of 2017/Average of total assets at the end of four quarters of 2017) x100.

(e) Annualized ROA of 1st quarter of 2018 = (Profit in 1st quarter of 2018 x 4/Total asset at the end of 1st quarter of 2018) x 100.

(f) Similar method applied for annualizing quarterly ROE.

Table XVIII FIs' Borrowing, Deposit and Capital

(Amount in billion BDT)

Particulars	June-2017	September-2017	December-2017
Borrowings	177.0	121.4	188.4
Deposits	447.9	527.7	462.8
Capital	109.8	114.5	115.6
Other Liabilities	75.7	102.1	82.1
Total	**810.4**	**865.7**	**848.9**

Table XIX FIs' Asset Composition

(Amount in billion BDT)

Particulars	September-2017	December-2017	March-2018
Cash & Balance with Banks/FIs	121.4	130.0	124.9
Investments	22.6	22.1	19.8
Loans & Leases	593.7	613.0	628.5
Other Assets	62.0	63.8	64.3
Fixed Assets	10.7	36.8	11.4
Total	**810.4**	**865.7**	**848.9**

Table XX FIs' Classified Loans and Leases

(Amount in billion BDT)

Quarter	Aggregate NPL	Aggregate NPL to total loan (%)
Sep-15	45.2	10.6
Dec-15	40.0	8.9
Mar-16	41.8	8.9
Jun-16	45.1	9.0
Sep-16	45.6	8.9
Dec-16	39.3	7.4
Mar-17	45.0	8.1
Jun-17	52.0	8.9
Sep-17	55.9	9.4
Dec-17	45.2	7.3
Mar-18	55.6	8.8

Table XXI FIs' ROA & ROE

(In percent)

Quarter	Aggregate ROA	Aggregate ROE
Mar-16	0.6	3.9
Jun-16	0.8	5.5
Sep-16	0.9	6.0
Dec-16	0.8	5.4
Mar-17	0.6 R	4.2 R
Jun-17	0.8 R	5.8 R
Sep-17	0.8 R	5.3 R
Dec-17	1.1 R	7.9 R
Mar-18	0.4 R	2.9 R

Notes: 1. The figures are annualized from respective quarterly ratios; e.g.

(a) Annualized ROA of 1st quarter of 2017 = (Profit in 1st quarter of 2017 x 4/Total asset at the end of 1st quarter of 2017) x 100.

(b) Annualized ROA of 2nd quarter of 2017 = ((Profit in 1st quarter of 2017+Profit in 2nd quarter of 2017) x 2/Average of assets at the end of 1st and 2nd quarters of 2017) x 100.

(c) Annualized ROA of 3rd quarter of 2017=((Profit in 1st quarter of 2017+Profit in 2nd quarter of 2017+profit in 3rd quarter) x (4/3) /Average of assets at the end of 1st and 2nd quarters of 2017) x 100.

(d) Annualized ROA of 4th quarter of 2017 = (Aggregate of profits in four quarters of 2017/Average of total assets at the end of four quarters of 2017) x100.

(e) Annualized ROA of 1st quarter of 2018 = (Profit in 1st quarter of 2018 x 4/Total asset at the end of 1st quarter of 2018) x 100.

(f) Similar method applied for annualizing quarterly ROE.

2. R-revised.

Table XXII Banking Sector CAR/CRAR Distribution

CAR	Number Of Banks (At End Period)						
	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
< 10%	9	7	9	7	9	9	10
10% to ≤15%	32	33	32	35	32	31	31
15% +	15	17	16	15	16	17	16

Table XXIII Banking Sector Asset Share based on CRAR as at end-March 2018

CRAR	Number of banks & their asset size		Asset share (%)
	Number of banks	Asset size (in billion BDT)	
<10%	10	3,781.1	26.3
10% to ≤ 15%	31	9,710.3	67.4
15% +	16	910.5	6.3
Total	**57**	**14,401.9**	**100.0**

Table XXIV Tier-1 Capital Ratio and Overall CAR/CRAR of the Banking Industry

Particulars	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Core Capital to RWA (%)	7.6	7.6	7.9	7.8	7.8	7.5	7.5	7.0
Number of core capital compliant banks	49	49	50	49	50	49	50	48
Overall CAR (%)	10.3	10.3	10.8	10.7	10.9	10.7	10.8	10.1
Number of CAR compliant banks	47	47	50	48	50	48	48	47
No. of banks in the industry	56	56	57	57	57	57	57	57

Table XXV Distribution of Risk Weighted Assets of the Banking Industry

(Amount in billion BDT)

Particulars	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
RWA for Credit Risk	6,891.7	7,262.4	7,439.9	7698.2	7933.1
RWA for Market Risk	304.7	301.6	297.9	292.9	278.6
RWA for Operational Risk	707.2	718.6	724.4	743.4	796.3
Total RWA	**7,903.6**	**8,282.5**	**8,462.2**	**8,734.5**	**9,008.0**

Table XXVI Banking Sector Regulatory Capital Position (Solo Basis)

(Amount in billion BDT)

Period	Minimum Capital Requirement	Total Regulatory Capital
Jun-16	775.2	768.8
Sep-16	783.4	776.9
Dec-16	808.1	837.6
Mar-17	820.9	844.2
Jun-17	857.0	899.6
Sep-17	873.6	901.0
Dec-17	901.5	945.6
Mar-18	927.3	911.1

Table XXVII Banking Sector Advance-to-Deposit Ratio (ADR)

(In percent)

Period	ADR (%)
Jun-15	70.3
Sep-15	69.8
Dec-15	71.0
Mar-16	71.5
Jun-16	71.6
Sep-16	71.1
Dec-16	71.9
Mar-17	73.4
Jun-17	73.9
Sep-17	74.8
Dec-17	75.9
Mar-18	77.0

Table XXVIII Bank Cluster-wise ADR at end-March 2018

(In percent)

Bank wise	ADR (%)
SCBs	56.2
PCBs	85.8
FCBs	69.0
DFIs	76.2
Industry	77.0

Table XXIX FIs' CRR & SLR

(Amount in billion BDT)

Quarter End	Aggregate CRR			Aggregate SLR		
	Required	Maintained	Surplus/Shortfall	Required	Maintained	Surplus/Shortfall
Mar 2016	4,976.3	5,540.4	564.1	13,567.2	71,023.4	57,456.2
Jun 2016	5,312.6	5,829.6	517.0	14,570.9	69,361.9	54,791.0
Sep 2016	5,576.8	6,115.4	538.6	15,122.4	71,110.0	55,987.6
Dec 2016	5,805.0	6,177.7	372.8	15,514.5	64,958.2	49,443.7
Mar 2017	5,939.4	6,400.4	461.0	14,313.4	83,290.4	68,977.0
Jun 2017	6,158.8	6,509.6	350.8	16,880.2	76,950.7	60,070.5
Sep 2017	6,485.2	6,658.6	173.4	17,645.4	83,334.0	65,688.6
Dec 2017	6,512.1	6,968.4	456.3	17,981.9	81,455.7	63,473.8
Mar 2018	6,751.9	7,358.6	606.7	18,180.7	96,227.1	78,046.4

Table XXX Capital Adequacy Ratio of FI Sector

Particulars	End Dec-16	End Mar-17	End Jun-17	End Sep-17	End Dec-17	End Mar-18
Eligible Capital to RWA (%)	16.6	16.0	13.7	13.3	13.5	13.0

Table XXXI Overall Risk-weighted Assets and Tier 1 Capital of FI Sector

(Amount in billion BDT)

Particulars	End Dec-16	End Mar-17	End June-17	End Sep-17	End Dec-17	End Mar-18
Risk Weighted Assets (RWA)						
Credit RWA	518.3	543.8	579.3	592.6	622.5	666.8
Market RWA	50.0	55.3	54.2	61.5	62.9	54.8
Operational RWA	41.3	42.4	42.7	42.8	43.1	43.9
Total RWA	**609.6**	**641.5**	**676.2**	**696.9**	**728.5**	**765.5**
Capital						
Core Capital (Tier -1)	91.3	92.2	92.7	82.4	87.3	88.2
Supplementary Capital	9.7	10.2	10.4	10.6	11.0	11.5
Eligible Capital	101.0	102.4	103.1	93.0	98.3	99.7

Table XXXII Banking Sector's After Shock CRAR at Different Shock Scenarios

(Based on data as of end-March 2018)

Shocks	CRAR after Shock (%)		
	Minor Level	Moderate Level	Major Level
Increase in NPL in the highest outstanding sector	10.05	9.91	9.77
Increase in NPLs due to default of Top borrowers	8.37	6.83	6.00
Negative shift in NPL categories	9.44	7.25	5.84
Decrease in the FSV of collateral	9.47	8.82	7.49
Increase in NPLs	9.16	6.77	2.99
Interest rate shock	9.80	9.48	9.16
Exchange rate shock	10.10	10.09	10.07
Equity shock	9.86	9.61	9.11
Combined shock	7.25	1.45	-5.92

Table XXXIII Number of Non-complaint Banks at Different Shock Scenarios

(Based on data as of end-March 2018)

Shocks	No. of Banks		
	Minor Level	Moderate Level	Major Level
Increase in NPL in highest outstanding sector	1	3	8
Increase in NPLs due to default of Top borrowers	23	33	38
Negative shift in NPL categories	0	7	13
Decrease in the FSV of collateral	0	1	6
Increase in NPLs	4	28	34
Interest rate shock	1	3	5
Exchange rate shock	0	0	0
Equity shock	0	0	3
Combined shock	18	34	39

Table XXXIV Price/Earnings Ratio of Capital Market

Quarter	DSE Price/Earnings Ratio	CSE Price/Earnings Ratio
Mar-15	16.5	16.1
Jun-15	15.9	15.4
Sep-15	16.4	15.9
Dec-15	15.2	14.7
Mar-16	14.3	14.7
Jun-16	14.6	14.6
Sep-16	15.1	15.2
Dec-16	14.3	14.0
Mar-17	16.3	17.1
Jun-17	15.7	17.1
Sep-17	16.3	17.2
Dec-17	17.3	17.0
Mar-18	15.7	18.5

Table XXXV DSE Performance

Month	DSE Turnover (BDT in millions)	Index		
		DSEX	DSE 30	DSES
Mar-17	217.70	5,719.61	2,090.76	1,303.72
Apr-17	153.18	5,475.55	2,016.14	1,263.91
May-17	122.58	5,403.12	2,005.19	1,251.39
Jun-17	101.56	5,656.05	2,083.80	1,296.74
Jul-17	209.29	5,860.65	2,143.51	1,315.20
Aug-17	195.89	6,006.43	2,138.73	1,322.10
Sep-17	199.44	6,092.84	2,177.62	1,345.86
Oct-17	156.97	6,019.59	2,168.03	1,316.25
Nov-17	184.22	6,306.86	2,270.14	1,381.51
Dec-17	92.38	6,244.52	2,283.23	1,390.67
Jan-18	100.72	6,039.78	2,238.95	1,398.48
Feb-18	76.80	5,804.94	2,146.38	1,361.05
Mar-18	67.15	5,597.44	2,106.02	1,314.65

Table XXXVI CSE Performance

Month	CSE Turnover (BDT in millions)	Index		
		CASPI	CSE 30	CSI
Jan-17	20.07	16,937.97	14,768.35	1,150.34
Feb-17	11.88	17,375.73	15,064.53	1,185.02
Mar-17	13.77	17,738.31	15,583.38	1,188.16
Apr-17	10.51	16,993.94	15,078.78	1,150.63
May-17	11.95	16,707.07	14,897.02	1,131.42
Jun-17	8.22	17,516.71	15,580.37	1,178.39
Jul-17	13.04	18,148.44	15,918.75	1,200.62
Aug-17	12.85	18,604.76	16,068.52	1,207.35
Sep-17	15.86	18,881.60	16,424.84	1,227.25
Oct-17	11.11	18,633.29	16,501.17	1,203.48
Nov-17	11.47	19,508.77	17,517.22	1,253.13
Dec-17	7.35	19,268.04	17,235.59	1,251.61
Jan-18	6.30	18,691.23	16,953.17	1,250.24
Feb-18	5.74	17,926.43	16,262.77	1,208.50
Mar-18	4.63	17,215.11	15,875.16	1,166.32

Table XXXVII Market Capitalization

As on end-month	Market Capitalization (in billion BDT)		Growth of market capitalization (in percent)	
	DSE	CSE	DSE	CSE
Oct-16	3,236.34	2,579.05	-1.39	-1.28
Nov-16	3,328.81	2,664.98	2.86	3.33
Dec-16	3,412.44	2,741.34	2.51	2.87
Jan-17	3,668.12	2,998.77	7.49	9.39
Feb-17	3,739.30	3,064.14	1.94	2.18
Mar-17	3,798.31	3,124.93	1.58	1.98
Apr-17	3,710.93	3,038.78	-2.30	-2.57
May-17	3,683.02	3,005.92	-0.75	-1.08
Jun-17	3,801.00	3,113.24	3.20	3.57
Jul-17	3,961.34	3,273.16	4.22	5.14
Aug-17	4,020.91	3,332.30	1.50	1.81
Sep-17	4,072.08	3,382.72	1.27	1.51
Oct-17	4,090.27	3,416.79	0.45	1.01
Nov-17	4,241.50	3,548.35	3.70	3.85
Dec-17	4,228.95	3,522.97	-0.30	-0.72
Jan-18	4,185.13	3,488.26	-1.04	-0.99
Feb-18	4,044.39	3,345.60	-3.36	-4.09
Mar-18	3,917.19	3,213.30	-3.15	-3.95

Table XXXVIII Sectoral Turnover of DSE

(In percent)

Broad Sector	SECTOR	% of Total Turnover	
		2017Q4	**2018Q1**
Financial Sector	Banks	33.74	17.04
	Financial Institutions	10.64	6.04
	Insurance	2.37	2.38
Manufacturing	Food & Allied Product	4.32	5.63
	Pharmaceuticals & Chemicals	8.66	14.15
	Textile	7.84	11.90
	Engineering	11.88	14.51
	Ceramic	1.25	2.65
	Tannery	1.28	1.85
	Paper & Printing	0.10	0.12
	Jute	0.33	0.22
	Cement	2.10	2.24
Service & Miscellaneous	Mutual Funds	1.03	1.42
	Fuel & Power	5.62	6.93
	Services & Real estate	1.24	1.01
	IT - Sector	2.83	2.14
	Telecommunication	2.14	4.51
	Travel and Leisure	0.58	1.53
	Miscellaneous	1.95	3.72
Bond	Corporate Bond	0.08	0.01
	Total	**100.00**	**100.00**

Note: 2017Q4 = December quarter 2017, 2018Q1 = March quarter 2018

Table XXXIX Sectoral Turnover of CSE

(In percent)

Broad Sector	SECTOR	% of Total Turnover	
		2017Q4	**2018Q1**
Financial Sector	Banks	48.97	0.68
	Leasing & Finance	5.20	0.47
	Life Insurance	0.68	9.46
	General Insurance	0.51	13.97
Manufacturing	Food & Allied Product	2.25	2.35
	Pharmaceuticals & Chemicals	7.35	3.98
	Textile	6.31	10.80
	Engineering	8.30	2.44
	Ceramic	0.99	2.65
	Tannery	1.07	0.73
	Paper & Printing	0.65	3.29
	Cement	4.35	0.77
Service & Miscellaneous	Fuel & Power	2.85	21.30
	Services	1.62	1.52
	IT	4.21	1.56
	Telecommunication	1.71	4.89
	Mutual Funds	0.39	13.28
	Miscellaneous	2.59	5.86
Bond	Corporate Bond	0.00	0.00
	Total	**100.00**	**100.00**

Note: 2017Q4 ≡ December quarter 2017, 2018 Q1 ≡ March quarter 2018

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