

## Grant No. 9

## 112 - Financial Institutions Division

## Medium Term Expenditure

(Taka in Thousands)

Description	Budget 2023-24	Projection	
		2024-25	2025-26
Operating Expenditure	97,59,00	106,86,00	117,01,00
Development Expenditure	2851,30,00	3122,17,00	3418,78,00
<b>Total</b>	<b>2948,89,00</b>	<b>3229,03,00</b>	<b>3535,79,00</b>
Recurrent	177,98,80	129,29,09	116,33,00
Capital	78,82,20	61,00	68,00
Financial Asset	2692,08,00	3099,12,91	3418,78,00
Liability	0	0	0
<b>Total</b>	<b>2948,89,00</b>	<b>3229,03,00</b>	<b>3535,79,00</b>

**1.0 Mission Statement and Major Functions****1.1 Mission Statement**

Developing financial market and improving service delivery system through strengthening legal and institutional framework.

**1.2 Major Functions**

- 1.2.1 Enactment/ formulation of policies, laws, rules and regulations related to Bank, Insurance, Capital market and other financial institutions.
- 1.2.2 Work method, work environment and improvement of service.
- 1.2.3 Development of financial markets and institutions through strengthening institutional structure;
- 1.2.4 Co-ordination of the activities of regulatory authorities of financial sector;
- 1.2.5 The overall Monitoring and Evaluation of the activities of state-owned banks and financial institutions;
- 1.2.6 Expansion of Capital Market through introduction of new products and supply of securities having good fundamentals;
- 1.2.7 To implement 'Bangabandhu Education Insurance', increase the rate of settlement of insurance claims and conduct training in insurance;
- 1.2.8 Creating self-employment and reducing poverty through expansion of microcredit activities;

## 2.0 Medium Term Strategic Objectives and Activities

Medium Term Strategic Objectives	Activities	Implementing Departments/Agencies
1	2	3
1. Strengthening of bank and financial institutions	<ul style="list-style-type: none"> <li>• Formulation and amendment of laws, rules and regulations related to the Department/ Agency under Financial Institutions Division</li> </ul>	<ul style="list-style-type: none"> <li>• Secretariat</li> </ul>
2. Increasing professionalism and financial inclusion in financial institutions	<ul style="list-style-type: none"> <li>• Increase participation of adult people in the banking sector</li> <li>• Reduction of classified loan of state-owned commercial banks</li> <li>• Supervision of Agricultural loan</li> <li>• Supervision of SME Loan Disbursement</li> <li>• Expansion of Agent banking activities</li> </ul>	<ul style="list-style-type: none"> <li>• Bangladesh Bank</li> </ul>
3. Establishment of more effective capital market	<ul style="list-style-type: none"> <li>• New investment growth in the capital market</li> <li>• Increase number of listed companies in the capital market</li> <li>• Issuance of IPO/RPO/Right/Debt securities for capital withdraw</li> <li>• Nationwide financial literacy and training for investors</li> </ul>	<ul style="list-style-type: none"> <li>• Bangladesh Securities and Exchange Commission</li> </ul>
	<ul style="list-style-type: none"> <li>• Training for investors in the capital market</li> <li>• Post Graduate Diploma on capital market</li> <li>• Certificate Course on Capital Market</li> </ul>	<ul style="list-style-type: none"> <li>• Bangladesh Institute of Capital Market</li> </ul>
4. Inclusive insurance and strengthen discipline in insurance sector	<ul style="list-style-type: none"> <li>• Increase settlement of insurance claims.</li> <li>• Increases public awareness on insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance Development and Regulatory Authority</li> </ul>
	<ul style="list-style-type: none"> <li>• Training on insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Bangladesh Insurance Academy</li> </ul>
5. Strengthening facilitation and expansion of well-regulated and effective micro-finance sector	<ul style="list-style-type: none"> <li>• Disbursement and recovery of microcredit.</li> <li>• Increase the number of beneficiaries of MIFs</li> <li>• Microcredit distribution among women</li> </ul>	<ul style="list-style-type: none"> <li>• Micro- credit Regulatory Authority</li> </ul>

## 3.0 Poverty Alleviation and Gender Reporting

### 3.1 Impact of Strategic Objectives on Poverty Reduction and Women's Advancement

#### 3.1.1 Strengthening of bank and financial institutions:

**Impact on Poverty Reduction:** It would be possible to bring larger segment of the population under the coverage of banking and non-banking financial institutions. As a result, their participation in economic activity would be ensured which would facilitate reduction of their poverty.

**Impact on Women's Advancement:** Due to expansion of banking and non-banking sector, women entrepreneurs would be benefitted by having access to the banking services. As a result, new opportunities would be created for employment of women.

#### 3.1.2 Increasing professionalism and financial inclusion in financial institutions

**Impact on Poverty Reduction:** Large sector of people will come under banking sector and poverty alleviation will be ensured through participation of more people on economic activities.

**Impact on Women's Advancement:** With the expansion of the banking sector women entrepreneurs will get access to more and more banking services and that will result, new increased employment.

### 3.1.3 Establishment of more effective capital market

**Impact on Poverty Reduction:** A strong capital market would facilitate the establishment of new industries in the country. Employment opportunities would be created in those industries resulting in the reduction of poverty.

**Impact on Women's Advancement:** The process of industrialization would be accelerated if the capital market becomes more effective. As a result, more employment opportunities for women would be created.

### 3.1.4 Inclusive insurance and strengthen discipline in insurance sector.

**Impact on Poverty Reduction:** Poverty reduction would be possible through economic growth and creation of employment opportunities due to the expansion of insurance industry.

**Impact on Women's Advancement:** Poverty of women would be reduced following creation of more employment opportunities for women if coverage of insurance industry is expanded.

### 3.1.5 Strengthening facilitation and expansion of well-regulated and effective micro-finance sector

**Impact on Poverty Reduction:** Poverty reduction would be expedited at the grass-roots level by providing micro-finance and training on the related activity for generating different types of entrepreneur and self-employment.

**Impact on Women's Advancement:** Provision of technical and vocational training, and promoting income generating activities would contribute to the socio-economic development of women.

## 3.2 Poverty Reduction and Women's Advancement Related Spending

(Taka in Thousands)

Description	Budget 2023-24	Projection	
		2024-25	2025-26
Poverty Reduction	1843,11,56	1622,69,20	1626,82,49
Gender	402,31,60	402,55,72	388,14,65

## 4.1 Priority Spending Areas/Schemes

Priority Spending Areas/Schemes	Related Strategic Objectives
<p><b>1. Banking and financial sector reform</b></p> <p>Required assistance is being extended to on-going reforms in the areas of loan portfolio management, internal audit, accounts, risk management, human resource development, fund management, branch management and automation process in the banks. Through these activities, efficiency, transparency, and accountability in the banking sector will be ensured. So, this area has been given as the top priority. In addition to these initiatives have been taken to increase financial inclusion through the activities like disbursement of agricultural loan, agent/mobile banking, and school banking. With a view to taking forward the agenda of financial sector reforms the boards of state-owned banks have been reconstructed. Capitalization and re-capitalization programs have been taken for state-owned banks and financial institutions as per the demand of time. Major reforms are amendment of Bank Company Act-1994, limiting the number of shares held with the commercial banks in the share market, execution of the Annual Performance Agreement (APA) with the banks and amendment of MOU between Bangladesh Bank and state-owned commercial banks.</p>	<ul style="list-style-type: none"> <li>Strengthening the institutional structure</li> </ul>

Priority Spending Areas/Schemes	Related Strategic Objectives
<p><b>2. Increasing professionalism and financial inclusion in financial institutions</b></p> <p>The initiative to deepen the social responsibility in the mainstream activities of banking and financial sector was strengthened. As part of financial inclusion, poor farmers were given the opportunity to open bank accounts with an initial deposit of Tk. 10 only. At the end of September 2022, the number of such accounts stood at 98,83,689 and the amount deposited in these accounts was Tk. 602.32 crore. In this process, the distribution of money of different social security programs of the government, helpless freedom fighters, small life insurers, unemployed youths, cleaners, garment workers, and even street urchin/working children can open bank accounts. One of the most important ways to accelerate financial inclusion is 'school banking'. It has a huge response among students and guardians. Bangladesh Bank has formulated Agent Banking Policy to take steps to increase the financial inclusion process. Through agents, banks will be able to transfer some of their banking services, such as foreign remittance, with a small amount of money depositing and withdrawing, distribution of bank accounts opening papers, and distribution of small size loans, etc. to the locality of remote areas. In addition, various activities and action plans have been taken to increase the collection of classified loans.</p>	<ul style="list-style-type: none"> <li>Increasing Professionalism and financial inclusion in financial institutions</li> </ul>
<p><b>3. Establishment of more effective capital market</b></p> <p>Initiatives have been taken for establishing legal framework to protect the interests of the investors' vis-a-vis stock brokers and sub-brokers, share transferring agents, issue bankers, merchant bankers, issue registrars and managers, underwriters, portfolio managers, investment advisors in the capital market and for effective coordination with other organizations related to the capital market. In order to develop efficient human resources in this sector, the government has established Bangladesh Institute of Capital Market and Bangladesh Academy for Securities Market. Initiatives have been taken for modernization and expansion of this institution for building a developed and quality training system with a view to creating skilled human resources for capital market. Meanwhile, in order to strengthen the capital market regulator, manpower and other instruments of Bangladesh Securities and Exchange Commission have been increased. The refinancing program is going on to help small investors who are affected in stock markets. Considering the importance of this sector the insurance industry has been included as a 3rd priority area.</p>	<ul style="list-style-type: none"> <li>Increasing the efficiency of the capital market.</li> </ul>
<p><b>4. Inclusion of the insurance sector and increasing widespread public awareness about insurance.</b></p> <p>Various initiatives have been taken like supervision of the insurance business, insurance policy holders and beneficiaries and for the development and management of the insurance industry. The Insurance Development and Regulatory Authority (IDRA) manages its activities under Insurance Development and Regulatory Authority Act, 2010. Initiatives have been taken for building confidence of the people on insurance through implementing reform programs and increasing use of ICT. For the purpose of making professional manpower in insurance sector Bangladesh Insurance Academy is providing regular training for those who are involved in the profession. To increase the quantity and quality of training and to build this institution as an international standard training institute some infrastructural and academic expansion activity have been taken. Considering the importance of this sector the insurance industry has been included as a 4<sup>th</sup> priority area.</p>	<ul style="list-style-type: none"> <li>Establish inclusive insurance sector and strengthen discipline</li> </ul>

Priority Spending Areas/Schemes	Related Strategic Objectives
<p><b>5. Provide employment and financial support through entrepreneurial creation</b></p> <p>A large number of small entrepreneurs and employment opportunities will be created in remote areas of the country through investment in the agro-based industry and ICT sectors due to various activities undertaken by Microcredit Regulatory Authority (MRA), Palli Karma Shahayak Foundation (PKSF), Social Development Foundation (SDF), Bangladesh NGO Foundation (BNF), Bangladesh Municipal Development Fund (BMDF), Equity Support Fund (ESF) and Small Enterprise Fund (SEF). Social and infrastructure facilities will be created under these Schemes. Ultra-poor, particularly the young women will be given priority. Microcredit has therefore, been identified as the 5<sup>th</sup> priority area</p>	<ul style="list-style-type: none"> <li>Strengthening facilitation and expansion of well-regulated and effective micro-finance sector</li> </ul>

#### 4.2 Medium Term Expenditure Estimates and Projection (2023-24 to 2025-26)

##### 4.2.1 Expenditure by Department/Agencies/Institutional Units

(Taka in Thousands)

Description	Budget	Revised	Budget	Projection	
	2022-23		2023-24	2024-25	2025-26
Secretariat, Financial Institutions Division	2851,82,00	3355,87,80	2948,89,00	3229,03,00	3535,79,00
<b>Grand Total :</b>	<b>2851,82,00</b>	<b>3355,87,80</b>	<b>2948,89,00</b>	<b>3229,03,00</b>	<b>3535,79,00</b>

##### 4.2.2 Expenditure by Economic Group Code

(Taka in Thousands)

Economic Group	Description	Budget	Revised	Budget	Projection	
		2022-23		2023-24	2024-25	2025-26
	<b>Recurrent Expenditure</b>					
3111	Wages and salaries in cash	7,09,42	7,12,42	7,88,70	8,52,24	8,87,14
3211	Administrative expenses	84,87	74,67	1,18,97	1,22,42	1,12,70
3231	Training	1,00,00	1,00,00	1,16,00	1,10,00	95,00
3243	Petrol, oil and lubricants	12,00	12,00	13,00	14,00	14,50
3244	Travel and Transfer	25,25	14,50	27,75	29,25	26,75
3255	Printing and stationery	35,48	28,68	38,74	47,53	52,50
3256	General supplies and materials	68	53	70	5,00	6,00
3257	Professional services, honorariums and special expenses	21,80,60	16,30,60	12,76,54	5,09,20	2,12,80
3258	Repairs and maintenance	1,87,60	1,73,60	1,85,10	2,24,60	2,27,50
3631	Current grants	99,37,60	87,46,23	110,02,30	108,97,22	95,08,81
3632	Capital grants	23,00	14,37	24,00	64,00	90,20
3823	Current transfers for projects	72,95,00	46,95,00	42,07,00	0	0
3911	Reserve	52,50	0	0	53,63	3,99,10
	<b>Total : - Recurrent Expenditure</b>	<b>206,44,00</b>	<b>162,02,60</b>	<b>177,98,80</b>	<b>129,29,09</b>	<b>116,33,00</b>
	<b>Capital Expenditure</b>					
4112	Machinery and equipment	34,00	13,20	42,20	61,00	68,00
4211	Capital expenditure for project	250,81,00	345,77,00	78,40,00	0	0
4911	Reserve	8,83,00	0	0	0	0
	<b>Total : - Capital Expenditure</b>	<b>259,98,00</b>	<b>345,90,20</b>	<b>78,82,20</b>	<b>61,00</b>	<b>68,00</b>

Economic Group	Description	Budget	Revised	Budget	Projection	
		2022-23		2023-24	2024-25	2025-26
	<b>Assets</b>					
7215	Loans	2385,40,00	2847,95,00	2692,08,00	3099,12,91	3418,78,00
	<b>Total : - Assets</b>	<b>2385,40,00</b>	<b>2847,95,00</b>	<b>2692,08,00</b>	<b>3099,12,91</b>	<b>3418,78,00</b>
	<b>Grand Total :</b>	<b>2851,82,00</b>	<b>3355,87,80</b>	<b>2948,89,00</b>	<b>3229,03,00</b>	<b>3535,79,00</b>

## 5.0 Key Performance Indicators (KPIs)

Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
			2021-22		2022-23		2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8	9	10
1. Increase financial inclusion in banking sector (Adult Participation rate)	2	%	84	83	84	84	85	86	87
2. Classified loans rate of state-owned commercial banks (cumulative)	2	%	24.85	21.93	23.5	20.07	23	22	21
3. Increasing the percentage of Companies listed in capital market	3	%	4.75	4.5	4.75	4.75	5	5.25	5.5
4. Increasing the percentage of insurance policy subscribers	4	%	2.25	2.5	2.5	2.75	2.5	2.75	3
5. Increasing the percentage of savings of MFI members	5	%	17.55	17.5	18	18	19	20	21

## 6.0 Recent Achievements, Activities, Output Indicators, Targets and Expenditure Estimates of the Departments/Agencies

### 6.1 Secretariat

**6.1.1 Recent Achievements:** Financial Institutions Division has prepared "National Financial Inclusion Strategy Paper" to increase financial inclusion. The introduction of performance indicators for the managing directors of the state-owned commercial banks and the training of the directors of the board of directors have been undertaken. A new KYC form has been introduced from 2020 to facilitate the opening of bank accounts. Initiatives are being taken to introduce foreign investment friendly banking services. The government has declared 1 March as 'B' category 'National Insurance Day' with a view to expanding the insurance industry. The 'Bangabandhu Education Insurance' scheme has been introduced for students in the Mujib year. With a view to improving the quality of the banking sector, activities like formulation of human resource guidelines and automation have been undertaken for state-owned commercial banks. Existing manpower shortage in the banks has been solved, new posts have been created at the senior management level and experienced persons have been appointed in the board of directors. Efforts have been taken to increase financial inclusion through agricultural credit distribution, agent/mobile banking, and school banking activities. In order to increase the inclusion and integrity of the insurance sector, three (3) rules/regulations have already been issued under insurance law at fiscal year 2020-21 and about 1,275 trainees were provided training. Three (3) rules/regulations have been issued to increase the effectiveness of the capital market during fiscal year 2020-21. In the capital market, 6,837 investors were provided training, countrywide Financial Literacy Program has been launched. The number of MFI beneficiaries has been increased to 32.5 million for the expansion and management of well-coordinated micro-credit programs. Besides, the mandatory strategic objectives set by the cabinet division have been implemented 100%.

### 6.1.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22		2022-23		2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8	9	10	11
1. Formulation and amendment of laws,	Prepared and amended	1	Number	4	5	6	6	5	5	5

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22	2022-23		2023-24	2024-25	2025-26	
1	2	3	4	5	6	7	8	9	10	11
rules and regulations related to the Department / Agency under FID	law/rules/policies									

### 6.1.3 Medium Term Expenditure Estimates by Institutional Units, Schemes and Projects

(Taka in Thousands)

Name of the Institutional Unit/Scheme/Project	Related Activity	Actual 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23		2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8
<b>Operating Activities</b>							
<b>General Activity</b>							
1120101 - Secretariat, Financial Institutions Division	1-3	1257,44,82	12,60,90	11,48,70	13,06,20	16,67,37	21,01,99
<b>Total : General Activity</b>		<b>1257,44,82</b>	<b>12,60,90</b>	<b>11,48,70</b>	<b>13,06,20</b>	<b>16,67,37</b>	<b>21,01,99</b>
<b>Support Activity</b>							
131015000 - Social Development Foundation (S.D.F.)	2	100,00,00	64,35,00	52,35,00	68,00,00	70,00,00	74,00,00
132011900 - Municipal Development Fund	2	3,50,00	3,50,00	3,50,00	3,50,00	4,23,50	4,65,85
<b>Total : Support Activity</b>		<b>103,50,00</b>	<b>67,85,00</b>	<b>55,85,00</b>	<b>71,50,00</b>	<b>74,23,50</b>	<b>78,65,85</b>
<b>Total : Operating Activities</b>		<b>1360,94,82</b>	<b>80,45,90</b>	<b>67,33,70</b>	<b>84,56,20</b>	<b>90,90,87</b>	<b>99,67,84</b>
<b>Development Activities</b>							
<b>Non-Annual Development Program</b>							
212000400 - Foreign Direct Investment Promotion Project	2	174,56,66	62,00,00	62,00,00	90,00,00	148,00,00	0
212000500 - Urban Building Safety Project	3	31,50,01	71,00,00	50,00,00	50,00	0	0
212002600 - Palli Karma-Sahayak Foundation project (PKSF)	2	886,56,44	1204,05,00	1703,70,00	1640,00,00	2411,12,91	3218,78,00
212002800 - Social Development Foundation project (SDF)	2	122,82,00	700,00,00	700,00,00	650,00,00	500,00,00	200,00,00
212003001 - Special Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-made Garments sector (RMG)	4	89,43,36	176,35,00	176,35,00	60,00,00	40,00,00	0
212003100 - Rural and Peri-Urban Housing Finance Project	3	286,62,50	25,00,00	8,90,00	0	0	0
212003401 - Line of Finance to Support SMEs Project in Bangladesh (BGD 1074)	1-3	0	147,00,00	147,00,00	251,58,00	0	0
<b>Total : Non-Annual Development Program</b>		<b>1591,50,97</b>	<b>2385,40,00</b>	<b>2847,95,00</b>	<b>2692,08,00</b>	<b>3099,12,91</b>	<b>3418,78,00</b>
<b>Annual Development Program</b>							
221000112 - Reserve for unapproved project Financial Institutions Division	1-3	0	8,83,00	0	0	0	0
223032200 - * Program to Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-made Garments sector (01/01/2018-31/12/2022)	4	54,11	22,66,00	22,66,00	30,00,00	23,04,09	0
<b>Total : Annual Development Program</b>		<b>54,11</b>	<b>31,49,00</b>	<b>22,66,00</b>	<b>30,00,00</b>	<b>23,04,09</b>	<b>0</b>
<b>Total : Development Activities</b>		<b>1592,05,08</b>	<b>2416,89,00</b>	<b>2870,61,00</b>	<b>2722,08,00</b>	<b>3122,17,00</b>	<b>3418,78,00</b>
<b>Total :</b>		<b>2952,99,90</b>	<b>2497,34,90</b>	<b>2937,94,70</b>	<b>2806,64,20</b>	<b>3213,07,87</b>	<b>3518,45,84</b>

## 6.2 Bangladesh Bank (BB)

**6.2.1 Recent Achievements:** Bangladesh Bank, under its Strategic Plans, has been implementing monetary policy to keep inflation at a tolerable level and to help achieving desired GDP growth declared by the government. The growth of total domestic credit was 16.10 percent in FY22 and year on year growth stood at 14.98 percent in December'22 of ongoing FY23. It may be mentioned that, the growth in the credit to private sector was 13.66 percent in FY22 and year on year growth stood at 12.89 percent in December'22 of ongoing FY23. The spread of interest rate has decreased from 3.12 percent in June 2022 to 2.99 percent at the end of December, 2022. With a view to facilitating the financing of environment friendly products/sectors, Bangladesh Bank has disbursed BDT 741.63 crore till January, 2023 under the refinancing scheme of environment friendly products/sectors of BDT 400 crore. A total of US dollar 140.94 million has been disbursed from the 200 million dollar component and Euro 71.21 million has been disbursed from the 200 million Euro component till January, 2023 from the Bangladesh Bank's self-financed Green Transformation Fund (GTF). In order to keep the export activities of the country dynamic, BDT 2,525 crore has been disbursed to banks till January, 2023 from the pre-shipment credit scheme of BDT 5,000 crore. In addition, BDT 63.24 crore has been disbursed till January, 2023 from the BDT 1,000 crore technology development/upgradation fund.

### 6.2.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22	2022-23	2023-24	2024-25	2025-26		
1	2	3	4	5	6	7	8	9	10	11
1. Reduction of classified loan of state-owned commercial banks	Classified loan	2	Thousand Crore TK	40	55.43	39	40.5	39	38	37
2. Supervision of Agricultural loan sector	[Distributed loan	2	Thousand Crore TK	28.39	28.83	30.91	30.91	33.69	36.72	40.02
3. Supervision of SME Loan Disbursement	Distributed loan	2	Thousand Crore TK	170	207.39	171	168	184	203	223
4. Expansion of agent banking activities	New Accounts	2	Number (Lac)	50	38.69	55	42	45	48	50

### 6.2.3 Medium Term Expenditure Estimates by Institutional Units, Schemes and Projects

(Taka in Thousands)

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23	2023-24	2024-25	2025-26	
1	2	3	4	5	6	7	8
<b>Operating Activities</b>							
<b>Support Activity</b>							
134000100 - Bangladesh Bank		0	10	10	0	0	0
<b>Total : Support Activity</b>		<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total : Operating Activities</b>		<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total :</b>		<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 6.3 Bangladesh Securities and Exchange Commission (BSEC)

**6.3.1 Recent Achievements:** In the last three financial years 2019-2020, 2020-21 and 2021-22, the Commission approved different companies to raise capital respectively TK. 9,617.09 crore; TK. 12,792.08 crore and TK. 13,974.93 crore a total of TK. 36,384.10 crore through IPO, Rights, Different debt securities & other securities. During this time the Commission issued 51 stock broker certificates, 52 stock dealer certificates, 10 asset management company certificates, 55 trustee registration certificates to issue debt securities, 37 depository participant registration certificates, 8 fund manager registration certificates, 5



merchant banker registration certificates, 5 trustee registration certificates for alternative investment. 1 mutual fund trustee registration certificate, 4 securities custodian registration certificates, 1 credit rating registration certificate, 1114 authorized representative registration certificates and 161 digital booth registrations to increase the activities in the market intermediary. During this time the Commission has been taken 1351 enforcement action for maintaining disciplines in the market has been taken. During this time the Commission trained up total 21,727 investors for improving financial literacy among the investors. For timely reformation of market, Securities and Exchange Commission (Merchant banker and Portfolio manager) Rules 1996, Bangladesh Securities and Exchange Commission (Alternative investment) Rules 2015, Securities and Exchange Commission (Issue of capital) Rules 2001, Securities and Exchange Commission (Mutual fund) Rules 2001, Bangladesh Securities and Exchange Commission (Clearing & Settlement) Rules 2017, Securities and Exchange Commission (Securities custodial service) Rules 2003, Securities and Exchange Commission (Rights issue) Rules 2006, Securities and Exchange Commission (Stock dealer stock broker & authorized representative) Rules 2000, Securities and Exchange Commission (Asset related Securities issue) Rules 2004, Bangladesh Securities and Exchange Commission (Market Creator) Rules 2017, Depository regulation 2000, Depository (user) regulation 2003 etc. has been updated till August 2021.

### 6.3.2 Activities, Output Indicators, and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	
1	2	3	4	5	6	7	8	9	10	11
1. New investment growth in the capital market	Amount of new investment	3	Crore TK	12792.08	12792.08	13000	13000	13500	13500	13500
2. Increase number of listed Companies in the capital market	Enlisted Companies	3	Number	343	343	350	350	355	355	355
3. Issuance of IPO/RPO/Right debt securities for capital withdraw	[IPO/RPO/Right debt Securities issued	3	Number	16	16	18	18	20	20	20
4. Nationwide financial literacy and training for investors	Participants in the program	3	Number	4500	6916	7500	7500	7800	8000	8500

### 6.3.3 Medium Term Expenditure Estimates by Institutional Units, Schemes, and Projects

(Taka in Thousands)

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23	2022-23	2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8
<b>Support Activity</b>							
134001000 - Bangladesh Securities and Exchange Commission	1-4	0	10	10	0	0	0
<b>Total : Support Activity</b>		0	10	10	0	0	0
<b>Total : Operating Activities</b>		0	10	10	0	0	0
<b>Total :</b>		0	10	10	0	0	0

## 6.4 Insurance Development and Regulatory Authority (IDRA)

**6.4.1 Recent Achievements:** There are 46 non-life and 35 life insurance companies operating in the country under the supervision of the Insurance Development and Regulatory Authority. Authorities have overseen activities to ensure transparency and accountability in the insurance industry. From the financial year 2019-2020 to the financial year 2021-2022 Bangladesh Insurance Academy has provided training to 3,491 trainees through 82 training courses on insurance. In the last 3 (three) financial years Academy has organized 11 (Eleven) seminars/workshops on insurance. 77 students have obtained Associateship of Bangladesh Insurance Academy (ABIA) in life and non-life insurance and 26 students have been admitted & deposited membership fees in ACII (UK) course. The authority arranges demand-based insurance training for insurance companies in Bangladesh

#### 6.4.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22	2022-23		2023-24	2024-25	2025-26	
1	2	3	4	5	6	7	8	9	10	11
1. Increase the rate of insurance claims settlement	Claim settlement rate	4	%	76	58.72	70.5	70.5	71	72	73
2. Increasing awareness on insurance	[Arranged Workshop/ Seminar]	4	Number	11	12	12	12	12	12	12

#### 6.4.3 Medium Term Expenditure Estimates by Institutional Units, Schemes and Projects

(Taka in Thousands)

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23		2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8
<b>Support Activity</b>							
131002100 - Insurance Development and Regulatory Authority (IDRA)	1-2	0	10	10	0	0	0
<b>Total : Support Activity</b>		<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total : Operating Activities</b>		<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Development Activities</b>							
<b>Annual Development Program</b>							
224223900 - Bangladesh Insurance Sector Development Project (01/07/2018-31/12/2023)	2	44,21,89	341,76,00	405,22,00	129,22,00	0	0
<b>Total : Annual Development Program</b>		<b>44,21,89</b>	<b>341,76,00</b>	<b>405,22,00</b>	<b>129,22,00</b>	<b>0</b>	<b>0</b>
<b>Total : Development Activities</b>		<b>44,21,89</b>	<b>341,76,00</b>	<b>405,22,00</b>	<b>129,22,00</b>	<b>0</b>	<b>0</b>
<b>Total :</b>		<b>44,21,89</b>	<b>341,76,10</b>	<b>405,22,10</b>	<b>129,22,00</b>	<b>0</b>	<b>0</b>

#### 6.5 Microcredit Regulatory Authority

**6.5.1 Recent Achievements:** The Microcredit Regulatory Authority as the regulator of the microfinance sector is in the process of establishing the Microfinance Credit Information Bureau (MF-CIB) to ascertain the credit information of the customers of the microfinance sector. In the last 3 years, 75 institutions have been granted temporary certificate for conducting microcredit activities. MRA certified institutions have disbursed micro-credit loans of BDT 1 lakh 35 thousand 20 crore, BDT 1 lakh 27 thousand 480 crore and BDT 1 lakh 70 thousand crore in the financial years 2019-20, 2020-21 and 2021-22 respectively. During the mentioned period, the deposits collected from the members of MRA's certified institutions were BDT 30 thousand 200 crore, BDT 35 thousand 500 crore and BDT 42 thousand 600 crore respectively. In order to improve the efficiency of the microfinance sector, about 3,500 officials working in the microfinance institutions have been trained in MRA's laws and regulations and database in the last 3 years.

#### 6.5.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22	2022-23		2023-24	2024-25	2025-26	
1	2	3	4	5	6	7	8	9	10	11
1. Disbursement and recovery of microcredit	Disbursed microcredit	4	Thousand Crore	170	170	175	175	180	185	190
	[Recovered microcredit	4	Thousand Crore	153	153	161	161	165	170	175
2. Increase of MFI beneficiaries	Number of beneficiaries	4	Taka (Lac)	335	335	340	340	345	350	355
3. Supervision of microcredit distribution activities among women	Number of women taking microcredit	5	Number (Lac)	240	240.01	255	255	258	263	266

### 6.5.3 Medium Term Expenditure Estimates by Institutional Units, Schemes and Projects:

(Taka in Thousands)

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23		2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8
Operating Activities							
Support Activity							
131002200 - Microcredit Regulatory Authority	1-2	0	10	10	0	0	0
<b>Total : Support Activity</b>		<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total : Operating Activities</b>		<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total :</b>		<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 6.6 Bangladesh Institute of Capital Market (BICM)

**6.6.1 Recent Achievements:** Training has been provided to different key stakeholder institutions of Bangladesh Capital Market including Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, and Intermediary Institutions for updating and upgrading the level of knowledge and skills about different capital market products and procedures. BICM has conducted different training programs including the regular Investors Education Program, Certificate course on securities' Laws in Bangladesh, Reading and Understanding Financial Statements, International Accounting Standards (IAS and IFRS), Trading of Government Treasury Securities, Exchange Traded Funds, Advanced Technical Analysis, Advanced Fundamental Analysis, Forensic Analysis of Financial Statements, FinTech and Financial Data Analytics, BlockChain and its implications in the Capital Market, Money Laundering and Financial Crimes in the Capital Market, Advanced Data Analytics, Fundamentals of Portfolio Management, Fundamentals of Equity Valuation, Capital Raising Issue Management and Underwriting, Bond Issuance Valuation and Analysis, Investment Sukuk, Islamic Finance, Commodities Exchange, Risk Management in Money Market and Capital Market, Data Science for Finance and Economics, etc. Approximately 21,200 persons have been trained under different programs offered by the Institute. The institute launched a two-year specialized Masters on Applied Finance and Capital Market in addition to its existing nine-month long Post Graduate Diploma in Capital Market program. A professional certification program titled 'Certified Financial Modeling and Valuation Expert' (FMVE) has been started. Since January 2021, monthly research seminar series are being organized regularly and till to date 20 research seminar have already been organized. Besides, the institute have been organized workshop, seminar, symposium, conference and round-table discussion on the issues relating to finance and capital market. As a first in Bangladesh, the institute organized a virtual international conference on sustainable financing and investment in April 2021. BICM Bangabandhu FinQuiz 2021 have been organized in observance of the birth centenary of the father of the nation, Bangabandhu Sheikh Mujibur Rahman. The second issue of the BICM's journal, the Journal of Financial Markets and Governance has been published in December 2022. The journal focuses on facilitating the exchange of scholarly knowledge among academics, industry, stakeholders, and the regulators across the world in the fields of finance, accounting and governance studies. The first issue of the journal was dedicated to the golden jubilee of glorious independence of Bangladesh, and the birth centenary of the father of the nation, Bangabandhu Sheikh Mujibur Rahman. The institute now publishes monthly Financial Market Review, which provides a bird's eye view of the economy and the financial markets. The institute has entered into memorandum of understanding for academic and research collaboration with a number of academic and professional institutes including the Institute of Chartered Accountants of Bangladesh (ICAB), the Institute of Chartered Secretaries of Bangladesh (ICSB), the Association of Chartered Certified Accountants (ACCA), Bangladesh Merchant Bankers Association (BMBA), Ahsanullah University of Science and Technology (AUST), East West University (EWU), while a number of MoUs are awaiting for final inking.

### 6.6.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22	2022-23	2023-24	2024-25	2025-26		
1	2	3	4	5	6	7	8	9	10	11
1. Trained investors in the capital market	Trained investor/ manpower	1	Number	1500	1479	1550	1550	1600	1650	1700

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22	2022-23	2023-24	2024-25	2025-26		
1	2	3	4	5	6	7	8	9	10	11
2. Master of Applied Finance and Capital market (MAFCM)	Number of MAFCM Program	1	Batch	-	-	2	2	2	2	2
3. Post Graduate Diploma and Certificate Course on Capital Market Program	Number Post graduate diploma Program	1	Batch	3	3	3	3	3	3	3
	Number of Certificate Program	1	Number	21	21	22	22	24	24	24

### 6.6.3 Medium Term Expenditure Estimates by Institutional Units, Schemes and Projects

(Taka in Thousands)

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23	2023-24	2024-25	2025-26	
1	2	3	4	5	6	7	8
<b>Support Activity</b>							
131001900 - Bangladesh Institute of Capital Market (BICM)	1-2	10,00,00	10,79,60	10,79,60	11,00,00	13,65,13	14,93,16
<b>Total : Support Activity</b>		<b>10,00,00</b>	<b>10,79,60</b>	<b>10,79,60</b>	<b>11,00,00</b>	<b>13,65,13</b>	<b>14,93,16</b>
<b>Total : Operating Activities</b>		<b>10,00,00</b>	<b>10,79,60</b>	<b>10,79,60</b>	<b>11,00,00</b>	<b>13,65,13</b>	<b>14,93,16</b>
<b>Total :</b>		<b>10,00,00</b>	<b>10,79,60</b>	<b>10,79,60</b>	<b>11,00,00</b>	<b>13,65,13</b>	<b>14,93,16</b>

### 6.7 Bangladesh Insurance Academy

**6.7.1 Recent Achievements:** Bangladesh Insurance Academy organizes customized training, seminars and workshop on issues relating to the insurance sector in Bangladesh. From the financial year 2019-2020 to the financial year 2021-2022 Bangladesh Insurance Academy has provided training to 3,491 trainees through 82 training courses on insurance" In the last 3 (three) financial years Academy has organized 11 (Eleven) seminars/workshops on insurance. 77 students have obtained Associateship of Bangladesh Insurance Academy (ABIA) in life and non-life insurance and 26 students have been admitted & deposited membership fees in ACII (UK) course.

### 6.7.2 Activities, Output Indicators and Targets

Activities	Output Indicator	Related Strategic Objectives	Unit	Revised Target	Actual	Target	Revised Target	Medium Term Targets		
				2021-22	2022-23	2023-24	2024-25	2025-26		
1	2	3	4	7	8	9	10	11	12	13
1. Training on insurance	Trained manpower	3	Number	1100	1172	1125	1125	1150	1175	1200

### 6.7.3 Medium Term Expenditure Estimates by Institutional Units, Schemes and Projects

(Taka in Thousands)

Name of the Institutional Unit/Scheme/ Project	Related Activity	Actual 2021-22	Budget	Revised	Medium Term Expenditure Estimates		
			2022-23	2023-24	2024-25	2025-26	
1	2	3	4	5	6	7	8
<b>Support Activity</b>							
131002000 - Bangladesh Insurance Academy	1	1,70,00	1,91,10	1,91,10	2,02,80	2,30,00	2,40,00
<b>Total : Support Activity</b>		<b>1,70,00</b>	<b>1,91,10</b>	<b>1,91,10</b>	<b>2,02,80</b>	<b>2,30,00</b>	<b>2,40,00</b>
<b>Total : Operating Activities</b>		<b>1,70,00</b>	<b>1,91,10</b>	<b>1,91,10</b>	<b>2,02,80</b>	<b>2,30,00</b>	<b>2,40,00</b>
<b>Total :</b>		<b>1,70,00</b>	<b>1,91,10</b>	<b>1,91,10</b>	<b>2,02,80</b>	<b>2,30,00</b>	<b>2,40,00</b>