



# FINANCIAL SERVICES

ENSURING SUSTAINED GROWTH

DISCOVER  
LIMITLESS  
OPPORTUNITIES



# ABOUT BANGLADESH

- Strategic hub in South Asia linking India, China, and ASEAN countries
- 5-year GDP growth at a CAGR of 7%, one of the fastest growing economies in the world
- 41st largest economy, poised to become the world's 25th largest economy by 2035
- 10.5% annual growth in country's middle & affluent class population, projected to reach 34 million by 2025

## ACCOLADES & CREDENTIALS

- A 'Next-11' country, Bangladesh is poised to become one of the largest economies of the 21st century, according to Goldman Sachs
- Credit rating of BB- by Standard & Poor in 2021 indicates long-term stability
- As per JETRO survey on Business Conditions of Japanese Companies, 70% of surveyed firms present in Bangladesh want further 'expansion'



# FINANCIAL SERVICES INDUSTRY AT A GLANCE



The market size stands at USD 4.5 billion, contributing 3.4% to GDP



Among Top-10 FDI-attracting sectors with major inflows from UK, USA, Sri Lanka, China and Hong Kong



Banking industry contributed USD 3.8 billion to GDP in FY 20. It is projected to rise to USD 5.5 billion by FY 25



Insurance industry collected a total annual premium of USD 1.5 billion and clocked a growth of 7.6%



759 registered MFIs serving 30 million clients with a credit portfolio of USD 10 billion and savings of USD 6 billion



With 30% CAGR growth over past 5 years, mobile banking is the most popular medium for monetary transactions

## DEMAND DRIVERS



**Better awareness:** Highly educated new-age middle class is more outward going and aware of the benefits of new-age financial products like insurance, credit cards, mobile and online banking.



**High internet and telecommunication penetration:** Internet penetration rate is at 67%. 110.76 million internet users in 2020.



**Emergence of fintech companies:** New age fintech industry helped Bangladesh increase financial inclusion from 16% in 2011 to 60% in 2020

# POLICIES DRIVING SECTORAL GROWTH

- Automated Credit Information Bureau (CIB) service to provide credit-related information to prospective and existing borrowers
- Basel-III has been introduced in a phased manner, starting from January 2015
- Bangladesh Bank has issued comprehensive policy guidelines that guide the promotion of green banking
- Policy reforms for alternative investment instruments like venture capital and private equity to enable provision of funds by banks and NBFIs
- Dedicated collaboration acceleration programs like Vision 2025 to create a startup and VC-friendly eco-system

[Click here for detailed policies](#) [Recent developments in Bangladesh's Financial Sector](#)

# INVESTMENT OPPORTUNITIES

- **Green banking:** Third most active impact investing market in South Asia. Bangladesh's climate-smart investment potential is projected to reach USD 172 billion by 2030 in areas such as transport infrastructure, green buildings, renewable energy, agriculture, waste management and urban water infrastructure financing.
- **Fintech industry:** Startup ecosystem has the potential to reach a valuation of USD 10 billion by 2025 from USD 1.45 billion.

Opportunities to develop and launch innovative technologies such as artificial intelligence (AI) and distributed ledger technology.

[Click here to find out about policies supporting growth of blockchain, AI, cyber security, digital economy](#) [Repository of policies around promoting Bangladesh's digital capabilities](#)

- **Insurance sector:** Bancassurance, Microinsurance, Green insurance, Personal insurance protection and Agriculture sector cumulatively create investment opportunities of more than USD 600 million in Bangladesh.
- **Microfinance sector:** Investment opportunity available to the tune of USD 1.4 billion. Key opportunity areas include support to small and marginalized strata of the society, including women and MSMEs.





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