

Contents	Page
Economy of Bangladesh	1
Capital Market	3
Insights	5
Bridging the Gender Gap in Sustainable Finance through Orange Bonds	

## Editor

Faysal Ahmad Khan  
Assistant Professor and  
Chief Coordinator,  
Academic Program, BICM

## Associate Editor

Md. Adnan Ahmed  
Lecturer, BICM

## Team Members

Imran Mahmud  
Lecturer, BICM

Faima Akter  
Lecturer, BICM

Gourav Roy  
Lecturer, BICM

Md. Adnan Ahmed  
Lecturer, BICM

The BICM Financial Market Review provides analytical insights about the performance of the financial market in Bangladesh on a monthly basis.



### "BDT 7.9 trillion Budget Unveiled for FY26 with Major Focus on Revenue Mobilization and Development"



— Imran Mahmud, Lecturer, BICM & Md. Adnan Ahmed, Lecturer, BICM



## Economy of Bangladesh

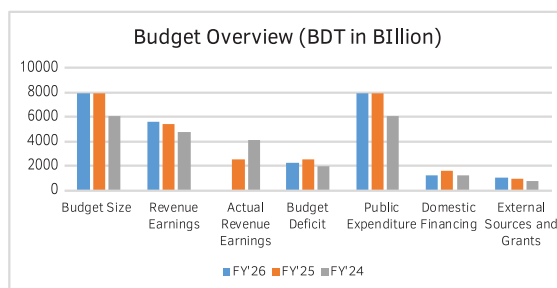


Figure 01: Budget Snapshot for Fiscal year 2025-2026

The national budget data (in billion BDT) reveals that while the budget size remained relatively stable at around BDT 7,900 billion in FY'26 and BDT 7,970 billion in FY'25—up from BDT 6,114 billion in FY'24—actual revenue earnings dropped sharply from BDT 4,086 billion in FY'24 to just BDT 2,495 billion in FY'25, indicating a significant shortfall in revenue realization. Although projected revenue earnings have increased gradually across the years (BDT 4,780 billion in FY'24, BDT 5,410 billion in FY'25, and BDT 5,640 billion in FY'26), the large gap between targets and actuals raises concerns about fiscal efficiency. The budget deficit, though slightly lower in FY'26 (BDT 2,260 billion) compared to FY'25 (BDT 2,560 billion), remains high and is financed through a mix of domestic borrowing and external sources, with domestic financing at BDT 1,250 billion in FY'26 and external sources and grants rising to BDT 1,010 billion. This trend suggests ongoing fiscal stress and the need for improved revenue collection and prudent debt management.

In the FY 2025–26 budget, the highest allocation goes to Human Development (23.91%, BDT 1,889 billion), followed by General Services (22.59%, BDT 1,785 billion) and Interest Payments (15.44%, BDT 1,220 billion). Agriculture and Rural Development receive 11.54% (BDT 912 billion), while Subsidy and Liability account for 10.43% (BDT 824 billion). Transportation and Communication receive 8.76% (BDT 692 billion), Power and Energy 2.85% (BDT 225 billion), Food and Social Safety 2.37% (BDT 187 billion), and Other sectors 2.10% (BDT 166 billion). [Fig-02].

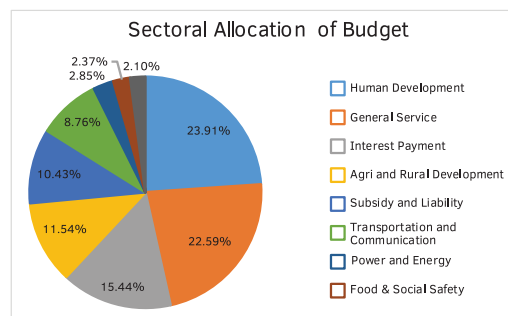


Figure 02: Sectoral Allocation of Budget for Fiscal year 2025-2026

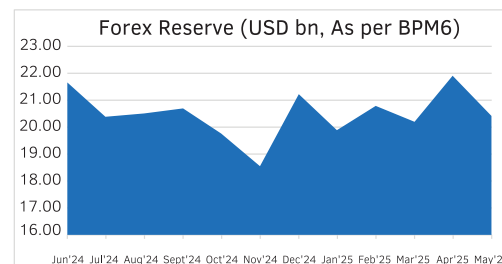


Figure-03 Forex Reserve

Bangladesh's foreign exchange reserves have stood at \$25.77 billion in May 2025. But, as per the International Monetary Fund (IMF) methodology under the Balance of Payments and International Investment Position Manual (BPM6), Bangladesh's foreign exchange reserves stood at \$20.50 billion. [Fig-03].

Bangladesh received a total of \$27.51 billion in remittances during the first 11 months of FY25, marking a 28.7% year-on-year increase compared to \$21.37 billion in the same period of the previous fiscal year. This month (May 2025) saw a monthly inflow of \$2.97 billion, the second-highest ever, driven by the upcoming Eid-ul-Adha and a stable US dollar exchange rate. This also represented a 31.7% rise from May 2024 and an 8% increase from April 2025. The highest monthly inflow was recorded in March 2025 at \$3.29 billion, supported by Eid-ul-Fitr-related transfers. Since August 2024, monthly remittance has averaged around \$2.5 billion, supported by the central bank's adoption of a market-based exchange rate regime. [Fig-04].

## A Visual Tour of the Key Statistics

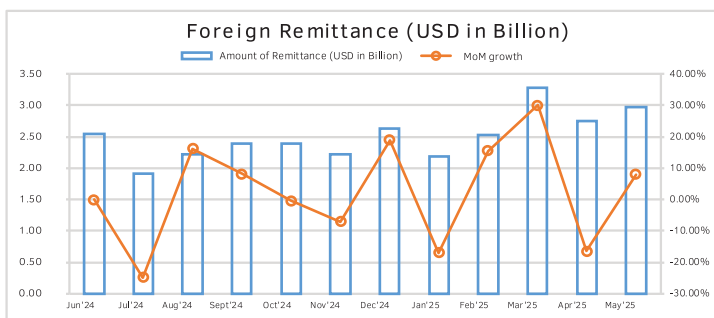


Figure-04 Foreign Remittance

In May 2025, Bangladesh's inflation rate decreased to 9.05%, a slight reduction from 9.17% in April. This decline was attributed to lower food inflation (8.59%) and non-food inflation (9.42%), with a similar pattern observed in both rural and urban areas. The government's forecast shows a continued decline in inflation over the next few months, with projections indicating that inflation will reach 8.90% by June 2025 and continue decreasing to 8.62% by August 2025, suggesting improving price stability in the coming months. [Fig-05].

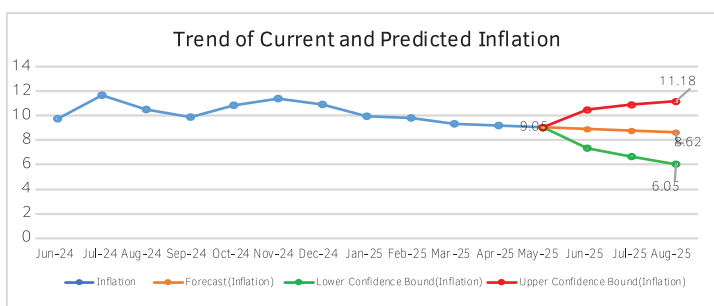


Figure-05 Inflation trend and prediction

Between April and June 2025, yields on short-term treasury securities in Bangladesh (91-day, 182-day, and 364-day) increased, with the 91-day T-bill rising from 11.61% to 12.02%. In contrast, medium- and long-term bond yields mostly declined, such as the 10-year bond yield falling from 12.48% to 11.88%, and the 5-year from 12.39% to 12.00%. The only exception among long-term instruments was the 15- and 20-year tenors, which recorded relatively smaller declines. [Fig-06].

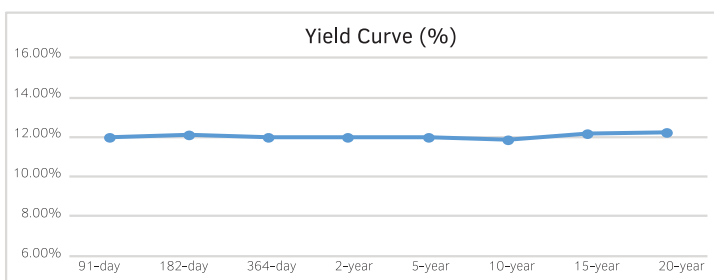


Figure-06 Yield Curve

From April to May 2025, the call money rate increased slightly from 9.90% to 9.99%, and the interbank repo rate remained unchanged at 10.26%. In contrast, the 10-year treasury bond yield declined from 12.48% to 11.88%, indicating a fall in long-term borrowing costs. [Fig-07].

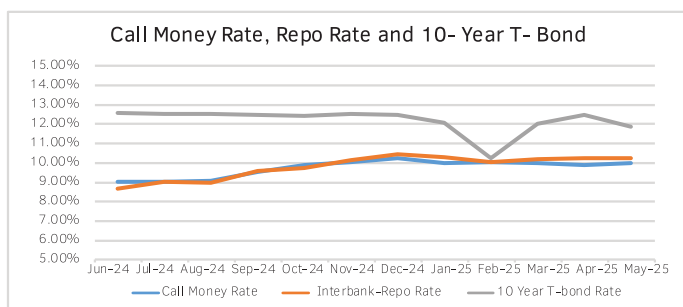


Figure-07 Money Rates

In March 2025, total deposits in scheduled banks rose by 1.42% month-on-month and 8.51% year-on-year, mainly due to growth in time deposits. Total bank credit increased by 1.71% over February 2025 and 11.31% over March 2024, with notable contributions from a 2.02% rise in advances and a 5.42% rise in bills. Investment growth moderated to 0.43% MoM, though it remained 27.62% higher YoY. [Table-01].

Items	Mar, 2025	Feb, 2025	Mar, 2024	Percentage Changes	
				Mar, 2025 over Feb, 2025	Mar, 2025 over Mar, 2024

Items	Mar, 2025	Feb, 2025	Mar, 2024	Mar, 2025 over Feb, 2025	Mar, 2025 over Mar, 2024
Demand Deposits*	1,926,707	1,903,033	1,936,261	1.24	-0.49
Time Deposits*	16,254,732	16,023,826	14,818,668	1.44	9.69
Total	18,181,439	17,926,859	16,754,929	1.42	8.51

Items	Mar, 2025	Feb, 2025	Mar, 2024	Mar, 2025 over Feb, 2025	Mar, 2025 over Mar, 2024
Advances	17,045,658	16,707,827	15,837,804	2.02	7.63
Bills (Import & Inlands Bills)	325,337	308,598	343,929	5.42	-5.41
Investments	5,014,115	4,992,760	3,928,804	0.43	27.62
Total	22,385,110	22,009,185	20,110,537	1.71	11.31

Table-01 Trend of Amount of Deposits and Credit in Banking Industry of Bangladesh

### Insights from Numbers

- ▶ The FY 2025–26 budget, totaling BDT 7.9 trillion with a deficit of BDT 2.26 trillion—financed by BDT 1.25 trillion from domestic sources and BDT 1.01 trillion from foreign sources—reflects a focus on fiscal consolidation and revenue mobilization. While the revenue target of BDT 5.64 trillion, including BDT 4.99 trillion from NBR, shows intent to strengthen tax collection, concerns remain over the feasibility of achieving a 24.31% private investment-to-GDP ratio amid persistent inflation, high interest rates, energy shortages, and declining domestic demand. Despite some duty reductions and VAT reliefs, increased turnover tax and higher specific taxes on sectors like textiles and cement could dampen industrial activity and development. The budget offers limited stimulus for job creation, with Tk1,000 crore allocated for CMSME loans and Tk5,400 crore for PPP projects, which may not be sufficient given the current investment slowdown and rising unemployment risks. Overall, the budget appears cautious and stability-oriented but lacks bold reforms to address deeper structural challenges in the economy.
- ▶ As of latest data, gross foreign exchange reserves (BPM6) stand at \$20.5 billion. Remittance inflows have shown a strong recovery trajectory in FY25, driven by festive seasons, a stable exchange rate, and a shift away from informal channels like hundi. The move to a market-based exchange rate, aligning with IMF conditionalities, has likely restored expat confidence in formal remittance channels. With remittance flows crossing \$2.5–3 billion regularly, a full-year remittance figure exceeding \$30 billion appears achievable. This is crucial amid rising import costs and repayment obligations, as remittance remains Bangladesh's most resilient source of foreign exchange. The improved remittance trend also provides breathing space to the central bank, especially with reserves still under pressure at \$20.5 billion. Sustaining this flow will depend on continued policy support, confidence in the formal channel, and regional labor demand.
- ▶ Inflation in Bangladesh showed a slight downward trend in May 2025, reaching 9.05%, down from 9.17% in April 2025. Both food and non-food inflation decreased marginally, with food inflation falling to 8.59% from 8.63% and non-food inflation dropping to 9.42% from 9.61%. The inflation rates in both rural and urban areas followed a similar decline. Looking forward, the forecasted inflation rates for June to August 2025 suggest a steady decline, with inflation projected to decrease further, reaching 8.90% by June 2025 and continuing to ease throughout the summer months.
- ▶ The upward movement in short-term yields alongside declining long-term yields suggests a flattening of the yield curve, potentially reflecting market expectations of slowing inflation or reduced long-term borrowing pressure. This shift may also signal that investors anticipate lower interest rates in the future, despite current monetary tightening aimed at curbing inflation.
- ▶ From June 2024 to May 2025, Bangladesh's short-term interest rates trended upward. The call money rate rose from 9.01% in June 2024 to 9.99% in May 2025, peaking at 10.23% in December. Similarly, the interbank repo rate increased from 8.67% to 10.26%, indicating tightening liquidity conditions in the banking system. Meanwhile, the 10-year treasury bond yield, after remaining around 12.50%–12.60% for much of 2024, declined to 11.88% by May 2025, with a notable drop to 10.27% in February, before partially recovering. Rising short-term rates reflect sustained liquidity tightening and central bank policy discipline aimed at managing inflation and currency stability. However, the declining 10-year bond yield suggests a shift in market sentiment, possibly indicating expectations of easing inflation and reduced long-term borrowing costs. The divergence between short- and long-term rates may signal a flattening yield curve, often interpreted as a precursor to slower economic growth or a potential policy pivot.
- ▶ The consistent expansion in deposits and credit highlights stable banking sector liquidity and lending activity. While time deposits indicate growing savings confidence, the sharp YoY increase in investments suggests banks continue to channel funds into government securities or low-risk instruments amid slowing trade-related bill activities. The modest MoM rise in credit reflects cautious lending in a still-tight monetary environment.

Data Source: Bangladesh Bank

## Bearish Trend Dominates May 2025 Trading



Capital Market

“In May 2025, the Dhaka Stock Exchange experienced a broad-based decline, with DSEX down 6.42%, DSES falling 8.09%, DS30 dropping 5.69%, CDSET decreasing 5.72%, and DSMEX slipping 3.24%, reflecting a bearish market sentiment across all segments

Faima Akter [Lecturer, BICM] &  
Gourav Roy [Lecturer, BICM]

During the month of May 2025, the Dhaka Stock Exchange (DSE) experienced a notable downturn across all major indices, reflecting a broad-based decline in investor confidence and market sentiment. The benchmark index, DSEX, fell sharply by 318.33 points or 6.42%, closing at 4,637.92 on 29 May, down from 4,956.25 on 4 May. The DSES index, which represents Shariah-compliant securities, recorded the most significant percentage loss, dropping by 89.02 points or 8.09%, indicating that Islamic-compliant stocks were particularly affected during this period. The DS30 index, which tracks the performance of the top 30 large-cap companies, declined by 104.39 points or 5.69%, highlighting widespread sell-offs even among fundamentally strong and well-capitalized firms. Similarly, the CDSET index, which reflects performance of companies in the CSE-DSE collaborative segment, dropped by 5.72%. Meanwhile, the DSE SME Index (DSMEX), which monitors small and medium enterprises, witnessed a relatively milder fall of 31.05 points or 3.24%, suggesting comparatively greater resilience within the SME segment. This collective decline in all indices suggests persistent bearish pressure, likely driven by macroeconomic uncertainties, liquidity concerns, or investor apprehension over regulatory and political developments during the month.

Index Name	6-Apr-25	30-Apr-25	Change	% Change
DSEX	4,956.25	4,637.92	-318.33117	-6.42%
DSES	1,100.38	1,011.36	-89.02	-8.09%
DS30	1,834.02	1,729.63	-104.3851	-5.69%
CDSET	1,011.55	953.64	-57.91	-5.72%
DSMEX	957.07	926.02	-31.05	-3.24%

Table-01 Performance of Capital Market Indices in May, 2025

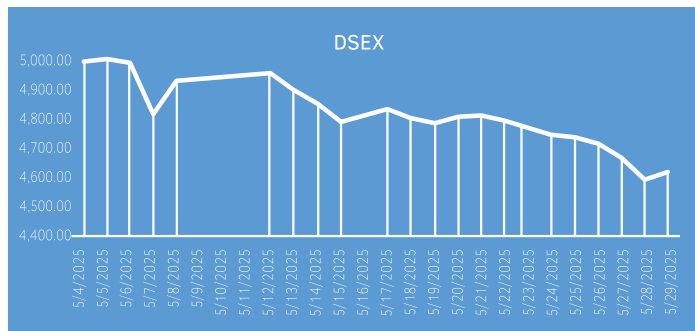


Figure 1: DSEX in May, 2025

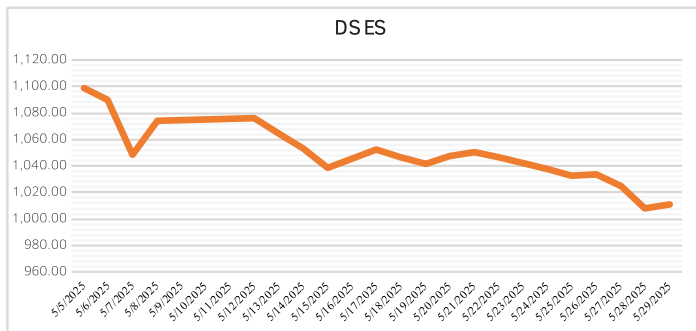


Figure 2: DSES in May, 2025

The data on stock movement in the Dhaka Stock Exchange (DSE) for May 2025 reveals a bearish market trend dominated by declines. On average, 193 stocks declined per day, significantly outpacing the 147 that advanced,

with 53 remaining unchanged. This imbalance is reflected in the Advance-Decline (AD) ratio, which hovered below 1.0 on most trading days, indicating that declining stocks consistently outnumbered advancing ones. Notably, extreme bearish sentiments were evident on days such as May 7 and May 15, when the AD ratios plunged to as low as 0.02 and 0.13, respectively. However, on May 8, the market witnessed a sharp reversal, with an AD ratio of 37.70, as only 10 stocks declined while 377 advanced — likely a technical rebound or response to positive market news. Despite occasional rebounds like May 17 and May 29, the broader pattern throughout the month was marked by declining breadth in the market. The frequent and substantial negative shifts in the AD ratio, such as -36.52 on May 12 and -3.08 on May 18, reinforce the notion of prevailing selling pressure and investor pessimism. These trends collectively align with the falling indices observed during the same period, confirming a challenging market environment for most equities on the DSE.

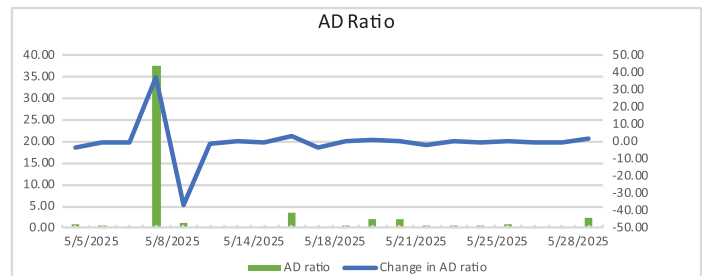


Figure 03: Advance Decline Ratio in May, 2025

The market aggregates of the Dhaka Stock Exchange (DSE) for the period from 30 April to 29 May 2025 present a mixed picture of market activity. Despite a notable decline in the major indices and a broader bearish trend, several key liquidity and trading indicators exhibited positive momentum. The average market capitalization experienced a marginal increase of 0.12%, rising by BDT 8,067.3 million to BDT 6,505,530.9 million, indicating overall stability in the listed companies' valuations. More significantly, the average traded value jumped by 9.67%, reaching BDT 3,341.8 million from BDT 3,047.1 million, suggesting heightened investor participation and increased turnover. Likewise, the average number of trades grew by 4.50%, reflecting a rise in transactional activity across the exchange. Additionally, the average trade volume surged by 6.31%, with over 10 million more shares traded compared to the previous month. These increases in liquidity and trading activity, despite declining price indices, could be attributed to intensified speculative trading, bargain hunting, or increased short-term repositioning by investors reacting to volatile market conditions.

Particulars	30 April 2025	29 May 2025	Change	% Change
Average Market Capital (TK Million)	6497463.6	6,505,530.9	8,067.3	0.12%
Average Traded Value (TK Million)	3047.1	3,341.8	294.8	9.67%
Average Number of Trades	110788.3	115,776.8	4,988.4	4.50%
Average Trade Volume	161481871.3	171,665,865.6	10,183,994.3	6.31%

Table-02 Market Aggregates in May, 2025

In May 2025, Bangladesh's macroeconomic landscape continued to exert pressure on the capital market. Although inflation slightly eased to 9.05% from 9.17% in April, it remained above the 9% mark for the 27th consecutive month, keeping business costs elevated and eroding investor confidence. Additionally, the taka depreciated further, hitting 122.22 BDT/USD by month's end, worsening import costs and discouraging foreign investors. Thus, persistent inflation, high interest rates, and currency depreciation dampened corporate earnings outlooks and heightened market volatility throughout the month.

The Bangladesh Securities and Exchange Commission (BSEC) continued its commitment to strengthening the capital market by enhancing regulatory oversight and promoting transparency. The commission has actively monitored market activities to ensure compliance and swiftly address irregularities such as market manipulation. As part of its efforts to support sustainable development, BSEC signed a Memorandum of Understanding (MoU) with the United Nations Development Programme (UNDP) aimed at building regulatory capacity and fostering good governance in the capital market. Concurrently, BSEC has been working to introduce Orange Bonds, innovative green finance instruments designed to fund environmental and climate-related projects, aligning Bangladesh's capital market with global ESG trends and attracting impact-driven investments. These initiatives highlight BSEC's proactive role in creating a more transparent, compliant, and sustainable capital market environment. Additionally, BSEC clarified that listed companies categorized under the Z category, as well as those where sponsors and directors jointly hold less than 30% of shares, must comply with the Corporate Governance Code, 2018 by appointing independent directors.

Currently, there are 14 Initial Public Offerings (IPOs) in the pipeline awaiting approval from BSEC. Out of these, 6 IPOs are applying for the SME board, while the remaining 8 companies are applying for the main board.

On average, the market PE ratio of the Dhaka Stock Exchange Limited this month was 37.88 [Figure-04].

Given Bangladesh's economic challenges such as persistent inflation and currency depreciation, the elevated PE ratio signals cautious attention to market sustainability and investor sentiment going forward. BEACHHATCH and NAHEEACP emerged as the top companies with the highest turnover and return respectively, over the month. On the other hand, SEMLLECMF was the top loser [Table-03]. In terms of sector return, almost all sectors showed negative returns except mutual fund sector [Figure-05]. In terms of sectoral turnover, bank, food and allied, mutual fund and engineering sectors have higher contributions [Figure-06].

Turnover			Gainer			Loser			
Sl	Stock	Turn Over	Total (%)	Sl	Stock	Return (%)	Sl	Stock	Return (%)
1	BEACHHATCH	488.22	-11.31%	1	NAHEEACP	16.57%	1	SEMLLECMF	-23.81%
2	MIDLANDBNK	473.26	10.74%	2	SALAMCRST	15.38%	2	BANKASIA	-19.78%
3	SPCERAMICS	482.89	4.38%	3	FAREASTFIN	14.63%	3	CITYBANK	-19.74%
4	BPPL	409.34	4.05%	4	RENWICKJA	11.70%	4	NRBBANK	-17.12%
5	SQRPHARMA	379.13	-1.20%	5	ATLASBANG	10.81%	5	BGIC	-15.31%

Table-03 Top Five Turnover, Gainer, and Loser

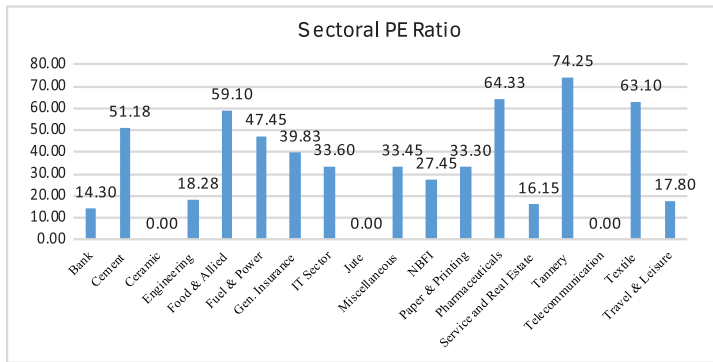


Figure-04: Sectoral PE Ratios

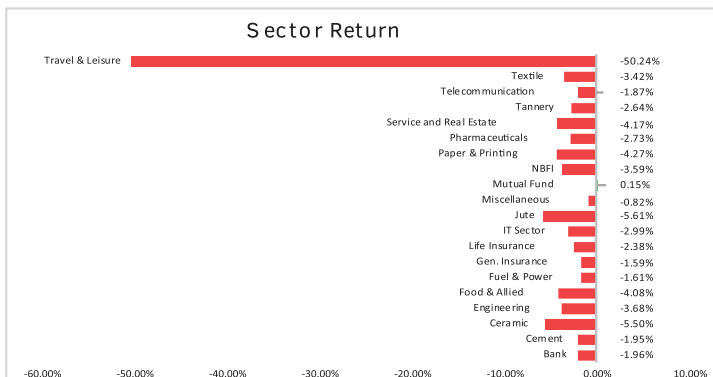


Figure-05: Sector Return

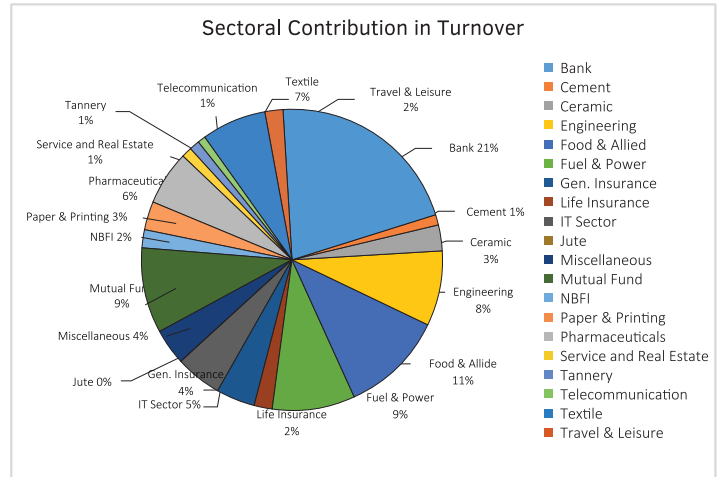


Figure-06: Sectoral Contribution in Turnover

In May 2025, global stock indices showed mixed performances. Pakistan's Karachi 100 led with a strong gain of 4.89%, followed by Japan's Nikkei 225 at 4.15%, and China's China A50 at 1.77%. India's BSESENSEX recorded a moderate increase of 1.18%. In contrast, Bangladesh's DSEX declined sharply by -6.42%, reflecting significant negative sentiment in its market. This highlights the relative outperformance of major Asian markets like Pakistan and Japan compared to Bangladesh. [Table-04]. Among commodities, Crude Oil was the top performer in May 2025 with a return of 10.88%, driven by strong market demand. Natural Gas also posted a notable gain of 3.63%. Other commodities showed more subdued movements, with Gold rising 0.82%, and Soybean gaining 0.20%. However, Cotton and Sugar declined by -1.71% and -2.69%, respectively, indicating weakness in agricultural commodity markets. [Table-05]

Performance Comparison of the World's Major Index		
Country	Index Name	Return
India	BSESENSEX	1.18%
China	China A50	1.77%
Japan	Nikkei 225	4.15%
Pakistan	Karachi 100	4.89%
Bangladesh	DSEX	-6.42%

Table 04 Performance Comparison of the World's Major Index

Performance Comparison of Commodity Futures			
Commodity name	Return	Price (USD)	Parameter
SUGAR	-2.69%	16.96	Lbs
NATURAL GAS	3.63%	3.67	MMBtu
COTTON	-1.71%	65.86	Lbs
SOYBEAN	0.20%	1041.14	Bu
GOLD	0.82%	3362.94	t.oz
CRUDEOIL	10.88%	63.37	Barrel

Table 05 Performance Comparison of Commodity Futures

In summary, May 2025 saw a challenging performance in Bangladesh's capital market, with the DSEX declining by 6.42%, reflecting investor caution amid persistent macroeconomic pressures such as high inflation and currency depreciation. Despite this downturn, the BSEC continued its efforts to strengthen regulatory oversight and promote sustainable market practices, including advancing initiatives like Orange Bonds and enforcing corporate governance compliance. Moving forward, addressing these economic challenges and ensuring effective implementation of reforms will be essential to restoring investor confidence and supporting long-term market recovery.



**Faima Akter**  
Lecturer  
Bangladesh Institute of Capital Market

# Bridging the Gender Gap in Sustainable Finance through Orange Bonds



Insights

In the evolving landscape of sustainable finance, Orange Bonds have emerged as a groundbreaking financial instrument aimed at addressing gender inequality and promoting climate resilience. Fundamentally, an Orange Bond is a debt asset that is issued by corporations, governments, impact investment firms, or financial institutions. The clear promise to use the money raised to fund initiatives that significantly and disproportionately benefit women, girls, and gender minorities is what sets it apart. These bonds, which were created by the Impact Investment Exchange (IIX) and are in line with the United Nations Sustainable Development Goal (SDG) 5: Gender Equality (represented by the color orange), are the first asset class designed for and by the Global South that focusses on gender lens investment (GLI).

## Origin of Orange Bonds

Orange Bonds originated from the Impact Investment Exchange (IIX), a pioneer in impact investing, to create a distinct and comprehensive financial instrument for gender-lens investing (GLI). Recognizing a gap where gender-focused investments were often generalized within broader social bonds, IIX launched the Orange Bond Initiative™ and the Orange Bond Principles™ (OBP) in October 2022. Named after UN Sustainable Development Goal 5: Gender Equality, these bonds aim to mobilize significant capital globally, particularly for women, girls, and gender minorities, building on IIX's prior success with the Women's Livelihood Bond™ series, with the Women's Livelihood Bond™ 5 (WLB5) becoming the world's first Orange Bond issued under the new principles in December 2022. The name "Orange Bonds" was chosen primarily because the color orange is the official color representing United Nations Sustainable Development Goal (SDG) 5: Gender Equality.

## Orange Bond Mechanisms: How Orange Bonds Bridge the Gender Gap

Orange Bonds bridge the gender gap by channeling investment through a multi-faceted approach. The Orange Bond Initiative operates through a robust gender lens investing framework developed by IIX, which ensures that capital directly benefits and empowers women across four key dimensions: women as users of products and services, women in leadership roles, women embedded throughout the value chain, and gender diversity within organizations. This integrated approach ensures that women are not just passive recipients but active participants and decision-makers, fostering inclusive economic growth and driving sustainable gender-equitable outcomes.

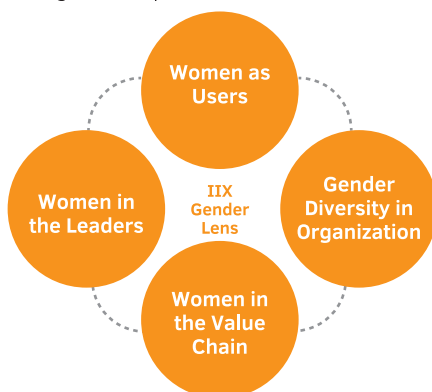


Figure 1: Gender lens investing (Source: IIX)

## Core Principles

To qualify as an Orange Bond, issuers must adhere to three core principles:

**(1) Gender-Positive Capital Allocation:** This principle ensures that the proceeds from the bond are intentionally directed towards projects, enterprises, or initiatives that substantially and disproportionately benefit women, girls, and gender minorities. This can involve financing products/services for these groups, supporting gender-diverse and equitable workforces, or investing in organizations with significant women or gender minority leadership.

Bond	Year	Capital Raised	Women & Girls Impacted	Key Sectors	Countries Involved
WLB5	2022	US\$50 million	300,000	Microfinance, SME Lending, Clean Energy, Sustainable Agriculture, Water & Sanitation, Affordable Housing	Cambodia, India, Indonesia, Kenya, Vietnam
WLB6	2023	US\$100 million	880,000+	Agriculture, Water & Sanitation, Clean Energy, Affordable Housing, SME Lending, Microfinance	India, Cambodia, Indonesia, Kenya, Vietnam

Table-01 Orange Bonds under the Women's Livelihood Bond™ Series (Source: IIX)

**(2) Gender-Lens Capacity and Diversity in Leadership:** According to this principle, Orange Bond issuers must demonstrate internal capacity and commitment to diversity by satisfying at least one of three criteria: having over 30% women/gender minorities in their leadership team, over 30% women in the core Orange Bond functions team, or including women from the target population's ethnicity within their leadership or core teams for relevant regions. While issuers are also encouraged to disclose related diversity policies, these specific targets do not extend to external implementation partners.

**(3) Transparency in the Investment Process and Reporting:** For Transparency in the Investment Process and Reporting Orange Bond issuers must: a) Provide an upfront framework detailing intended impact, project selection, and ongoing monitoring for Principle 1 alignment, b) Annually confirm impact by collecting data directly from the target population; and c) Submit annual reports with gender-disaggregated metrics on achieved impact. External reviews and reporting on co-benefits are also encouraged.

While alignment with all three is mandatory, issuers have flexibility under Principles 1 and 2, needing to comply with only one or more of their sub-points. Crucially, Principle 3 requires full compliance with all its sub-points, reflecting a strong commitment to transparent and transformative impact, with issuers needing to clearly demonstrate their alignment to investors.

## Global Impact and Potential of Orange Bonds

The Orange Bond Initiative (OBI), spearheaded by the Impact Investment Exchange (IIX), has emerged as a transformative force in sustainable finance, aiming to mobilize US\$10 billion by 2030 to benefit 100 million women and girls worldwide. This ambitious goal addresses the pressing need to bridge the gender gap in financial

inclusion, especially in the Global South. The fifth issuance, WLB5, raised US\$50 million to support approximately 300,000 women and girls in emerging markets across Asia and Africa, focusing on sectors like sustainable agriculture and renewable energy. Building on this success, WLB6 became the largest issuance in the series, raising US\$100 million to benefit nearly 900,000 women and girls in countries including India, Cambodia, Indonesia, Kenya, and Vietnam (Table 01).

Orange Bonds are driving gender empowerment and sustainable finance globally. In Vietnam, they support key sectors like textiles and agriculture, aligned with SDG goals. The Near East Foundation's Refugee Impact Bond became the first refugee-focused initiative to earn the Orange Bond label, proving their versatility. Tools like the Shades of Orange™ and Orange Seal ensure transparency and impact. At the Orange Forum 2024, it was revealed that eight bonds have mobilized \$374M, catalyzing \$2B in gender-climate investments across countries including Bangladesh and Indonesia.

### Bangladesh's Orange Bond Initiative

Bangladesh has emerged as a pioneer in adopting the Orange Bond concept at a national level. In November 2024, the Government of Bangladesh, in partnership with the United Nations Development Programme (UNDP) and Impact Investment Exchange (IIX), officially launched the Orange Bond Initiative. This ambitious initiative aims to raise \$1 billion through multiple bond issues to drive gender equity, climate action, and inclusive growth. Some key features of this initiative are given below:

- **National Development Alignment:** The initiative aligns with Bangladesh's national development priorities and the Sustainable Development Goals (SDGs), particularly those related to gender equality (SDG 5), climate action (SDG 13), and women's economic empowerment.
- **Target Sectors:** The Orange Bond Initiative in Bangladesh will focus on key areas such as the RMG sector, women-led SMEs, agriculture, green energy, and gender-responsive education and healthcare, all aimed at uplifting women through inclusive and climate-resilient development.
- **Multi-Stakeholder Collaboration:** The initiative involves key stakeholders including the Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, IFC, UNDP, and IIX, demonstrating a concerted effort to build an enabling ecosystem for Orange Bonds.

### Challenges and Opportunities

While Orange Bonds offer immense promise, their widespread adoption and effectiveness face certain challenges, alongside significant opportunities for growth.

#### Challenges

- **Lack of Awareness and Understanding:** As a relatively new financial instrument, particularly in a market like Bangladesh, there is a pressing need to raise awareness among both our local issuers and investors about what Orange Bonds are, their unique benefits, and how they specifically differ from existing sustainable bonds.
- **Data and Measurement Complexities:** While robust impact measurement is a core principle of Orange Bonds, establishing standardized, high-quality gender-disaggregated metrics across Bangladesh's diverse projects (from RMG to rural agriculture) can be complex. Ensuring data quality and avoiding "gender-washing" will require sophisticated frameworks and diligent verification processes, building on current initiatives like the BSEC-UNDP MoU.
- **Perceived Risk and Return Trade-off:** Some local and international investors may still perceive gender-lens investments in emerging markets like Bangladesh as carrying higher risk or lower returns compared to traditional investments. Overcoming this perception requires continued demonstration of strong financial and social performance from pioneering Orange Bond issuances.

- **Limited Pipeline of Investable Projects:** To meet potential investor demand, Bangladesh needs a robust pipeline of high-quality, genuinely gender-transformative projects. Developing and scaling such projects, particularly among women-led SMEs, in rural areas, and in climate-vulnerable sectors, requires targeted technical assistance and capacity building within our country.

- **Regulatory Frameworks:** While Orange Bonds can initially operate under broader sustainable finance regulations, a dedicated and clear regulatory framework from Bangladesh Bank and BSEC would provide greater clarity, standardization, and specific incentives for issuance, encouraging more entities to engage.

### Opportunities

- **Growing Global Investor Demand for Impact:** Bangladesh can strategically tap into the rapidly increasing global appetite among institutional and retail investors for impact investments that align with their values and contribute to positive social and environmental outcomes. Orange Bonds provide a direct pathway to attract this capital.

- **Untapped Market Potential:** Investing in women represents a significant untapped economic opportunity for Bangladesh. Figure 02 highlights the crucial role of MFIs and MFSPs in advancing women's financial inclusion and underscores the need for targeted efforts, such as Orange Bonds, to enhance gender-responsive financial access across all sectors. Empowering our women through increased financial inclusion, entrepreneurial support, and improved working conditions leads directly to increased productivity, innovation, and overall economic growth, offering attractive returns for the nation.

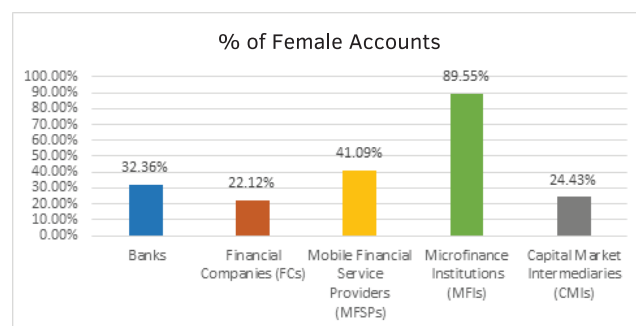


Figure 2: Number of Female Accounts ( Source: Bangladesh Bank)

- **Strong Government and International Support:** The official launch of the Orange Bond Initiative by the Government of Bangladesh in partnership with UNDP and IIX provides crucial legitimacy, technical support, and a strong platform for scaling Orange Bond initiatives across our country. This collaborative approach enhances the credibility and potential for success.

- **Strong Alignment with National and Global Goals:** Orange Bonds directly contribute to the achievement of Bangladesh's national development priorities, including the National Financial Inclusion Strategy, and multiple UN Sustainable Development Goals (SDGs), particularly SDG 5 (Gender Equality), but also SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action). This strong alignment appeals to our government and to international investors committed to sustainable development.

In summary, Orange Bonds present a unique opportunity to bridge gender gaps while promoting climate resilience and inclusive growth. By aligning with national priorities and SDGs, they can attract global impact investors. With the right awareness, data systems, and regulatory support, Bangladesh can strengthen its role in the regional movement toward inclusive, gender-focused finance.

ADMISSION  
**O P E N**  
(Summer-2025)

**28<sup>th</sup>**  
Batch



# Post-Graduate Diploma in Capital Market (PGDCM)

PGDCM will help attaining specialization in Securities Market that is rare in Business Schools

2 Semester

8 Courses

24 Credits

Application admission deadline

22 June 2025

Classes start

29 June 2025

the PGDCM program provides a unique exposure to capital market practices, investment decision making tools and techniques, and capital market regulations

classes will be held online in the evening from 6:30 PM to 9:30 PM, Sunday - Wednesday; only final examinations will be held in-person at BICM campus

PGDCM is highly regarded in the industry and recommended by the Bangladesh Securities and Exchange Commission for employment and career progression in capital market related jobs/organizations

Admission support

**01572-112496** 📞

**08-000-999-999** 📞

**For details and online application**

[www.bicm.ac.bd/pgd](http://www.bicm.ac.bd/pgd)

Total program fee: Tk.33,000/-

Application fee: Tk.500/- (non-refundable)

**Bangladesh Institute of Capital Market**

34, Topkhana Road, Dhaka - 1000 (Gr. - 3rd, and 8th-9th Floor)

[bicm.ac.bd](http://bicm.ac.bd) | [bicm.gov.bd](http://bicm.gov.bd) | [facebook.com/bicm.ac.bd](https://facebook.com/bicm.ac.bd) | [LinkedIn.com/school/bicm](https://LinkedIn.com/school/bicm)

# Bangladesh Institute of Capital Market

an affiliate institute of the University of Dhaka  
national institute for capital market education, research, and training

admission open

# MASTER OF APPLIED FINANCE AND CAPITAL MARKET

*designed for the next generation finance professionals*  
**degree awarded by the University of Dhaka**

**ADMISSION OPEN FOR THE INTAKE OF THE 9<sup>TH</sup> BATCH (SUMMER'25)**

**2-year | 51 credits | 16 Courses | 1 Project | Electives : Quantitative Finance and Financial Markets**  
**Evening classes to accommodate working professionals | easily accessible campus location**

Application deadline: 27 July 2025

Admission test: 1 August 2025 (Friday)

Application fee: Tk.1,000/- (non-refundable)

Classes commence: 17 August 2025

For online admission application visit **[www.bicm.ac.bd/mafcm](http://www.bicm.ac.bd/mafcm)**

**admission support : 01572-112496 (WhatsApp/mobile)**



Endeavour Education Excellence

**34 Topkhana Road, Dhaka - 1000**

Adjacent to Gate-B, Metro Rail Station, Bangladesh Secretariat Stoppage

[www.bicm.ac.bd](http://www.bicm.ac.bd) | [www.bicm.gov.bd](http://www.bicm.gov.bd) | [admission@bicm.ac.bd](mailto:admission@bicm.ac.bd)

#### Write to us

Submit your write-up on financial market of Bangladesh. Selected write-ups will be reviewed for publication in the next or appropriate issue of FMR.

Send your short paper to us at [fmr@bicm.ac.bd](mailto:fmr@bicm.ac.bd)

#### Contact

Coordinator, Financial Market Review  
Bangladesh Institute of Capital Market  
34, Topkhana Road, Dhaka-1000

Phone : +88-02-9588506, 9588507, Ext: 212

Mail: [fmr@bicm.ac.bd](mailto:fmr@bicm.ac.bd)

**Disclaimer :** The views and opinions expressed in this write-up are solely those of the authors and do not necessarily reflect the official policy or position of the Bangladesh Institute of Capital Market (BICM). Moreover, this report does not constitute any kind of investment decision. Readers are advised to use this report at their own discretion. BICM does not take any liability for outcomes arising from the use of the information published in this report.