**Demands for Grants and Appropriations 2018-19**

**Grants No. - 08**

**112-Financial Institution Division**

**Functions, Allocations and Activities**

1. The main functions of Bank and Financial Institutions Division:
	1. Enactment/formulation of policies, laws, rules and regulations related to Bank, Insurance, Capital market and others financial institutions and services;
	2. Development of financial markets and institutions;
	3. Co-ordination of the activities of regulatory authorities of financial sector;
	4. The overall Monitoring and Evaluation of the activities of state-owned banks and financial institutions;
	5. Expansion of Market through introduction of new product and supply of securities having good fundamentals in the capital market;
	6. Building confidence of the people on insurance sector through implementing reform programs and creating mass awareness to expand the coverage of insurance;
	7. Creating self-employment and reducing poverty through expansion of microcredit activities.

 2. The revised budget allocation (Non-Development and Development) from FY 2015-16 to FY 2017-18 and the proposed allocation (Non-Development and Development) for FY 2018-19 of Financial Institutions Division are shown below:

 **(Amount in Thousand Taka)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial Year** | **Operating** | **Development** | **Total** | **Recurring** | **Capital** | **Asset** | **Liability** |
| 2015-16 | Revised Budget | 130,70,06 | 1031,21,81 | 1161,91,87 | 224,28,13 | 18,50 | 937,45,24 | 0 |
| 2016-17 | Revised Budget | 158,24,80 | 1950,30,50 | 2108,55,30 | 253,47,30 | 41,00 | 1854,67,00 | 0 |
| 2017-18 | Revised Budget | 358,93,66 | 1985,56,00 | 2344,49,66 | 373,37,66 | 12,65,50 | 1958,46,50 | 0 |
| 2018-19 | Budget | 439,04,00 | 2183,05,00 | 2622,09,00 | 341,39,60 | 126,02,00 | 2154,67,40 | 0 |

3. In FY 2018-19 the following important activities/projects/programs are scheduled to be implemented:

* 1. Framing rules and regulation and effective monitoring of the activities under the Insurance Development and Regulatory Authority Act, 2010 and Insurance Act, 2010;
1. Implementation of time bound action plan for the National Insurance policy 2014;
2. Continuation of the reform programs to ensure transparency and efficiency and to infuse dynamism in the capital markets for safeguarding the interests of general investors;
3. Monitoring the activities of the state-owned commercial banks, specialized banks and financial institutions as well as making amendment of the related laws;
4. Monitoring and evaluation of the activities of Microcredit Regulatory Authority (MRA), Bangladesh Institute of Capital Market (BICM) and Bangladesh Insurance Academy (BIA);
5. Monitoring of Equity Entrepreneurship Fund (Agriculture/IT) managed by Bangladesh Bank and Investment Corporation of Bangladesh (ICB).
6. Coordination and supervision of activities relating to receive foreign loan/grant, loan agreement, authorization of programs implemented by Palli Karma-Shahayak Foundation (PKSF), Social Development Foundation (SDF) and Bangladesh Municipal Development Fund (BMDF) including functions relating to financial inclusion and social safety nets;
7. Budget allocation, authorization, coordination, monitoring and supervision of Non-ADP projects like Financing Brick Klin Efficiency Improvement project (BKEIP), Foreign Direct Investment Promotion Project (FDIPP), Urban Building Safety Project, Financial Sector Support Project (FSSP), Second Small & Medium Enterprise Development project (SMEDP-2), Small and Medium sized Farmers Agricultural productivity Improvement and Diversification Financing Project being implemented by Bangladesh Bank and Rural & Perry Urban Housing Finance Project being implemented by Bangladesh House Building Finance Corporation.
8. Monitoring and implementation of the following Development projects (ADP):
	* 1. Financial Sector Support Project (FSSP) being implemented by Bangladesh Bank (BB);
		2. Capital Market Development Project-III being implemented by Bangladesh Securities and Exchange Commission (BSEC);
		3. Credit Facility Program to Finance-RMG being implemented by BB;
		4. Second Small & Medium Enterprise Development project (SMEDP-2) being implemented by BB.
		5. Bangladesh Insurance Sector Development Project being implemented by Insurance Development Regulatory Authority (IDRA);