

Dhaka Bank sets sights on digital transformation

AKM ZAMIR UDDIN

DHAKA Bank is increasingly embracing digital transformation to serve its clients better as tech-savvy customers expect advanced services and products, its top executive said. "Digital innovations are the next big thing in the banking sector. And we have decided to embrace the transformation to make banking easier," said Syed Mahbubur Rahman, managing director of Dhaka Bank. He said consumers were increasingly choosing banks based on their digital capabilities. So, mere online fund transfers from one branch to another and availability of a list of recent transactions on a smartphone are no longer deemed satisfactory.

On the occasion of its 24th founding anniversary, the private commercial bank has taken up a plan to run 90 percent of its SME and retail banking programme using digital platforms within the next two years. The second-generation bank, which commenced its commercial operation in 1995, has already rolled out a number of digital banking products.

A few months back the bank introduced blockchain technology, the first of its kind in the country, on a pilot basis to help exporters and importers carry out banking from offices or homes.

The move is allowing clients to submit all export and import-related documents digitally. The businesses are being allowed to carry out trade-related procedures just by turning up at a branch once.

The bank is one of the leading players in trade-based financing in Bangladesh. It accounts for more than 3 percent of the country's total trade volume.

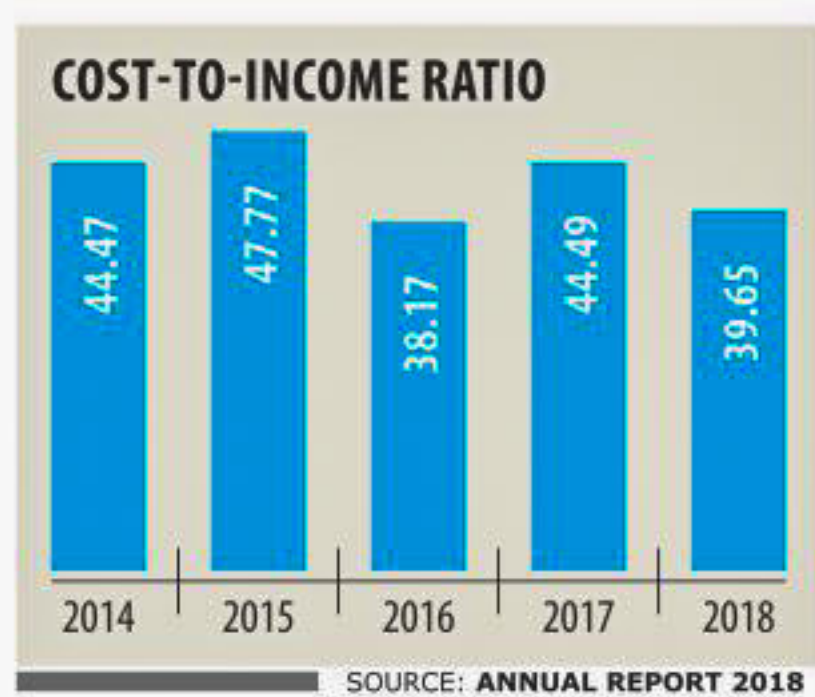
Import payments through the bank stood at Tk 12,517 crore last year, up 17.67 percent year-on-year while export earnings channeled through the bank increased 15.71 percent to Tk 1,384 crore.

"The blockchain technology will perk up the trade-based financing," Rahman told The Daily Star in an interview recently.

Historically, Dhaka Bank has been focused on wholesale banking but it has started shifting more attention to retail and SME banking.

Of the Tk 18,062 crore disbursed as loans as of December last year, wholesale banking accounted for 80 percent, followed by the SME sector at 17 percent and retail banking at 3 percent.

As per the new plan, the bank will reduce the volume of wholesale banking to 50 percent and increase SME credits to 30 percent and retail



loans to 20 percent within the next three years.

"The bank has introduced digital banking services to materialise the plan," Rahman said.

Under the retail banking operation, the bank has recently launched a product named "Dhaka Bank e-Loan", a first in Bangladesh, which will help clients get personal loans without any physical contact with the bank's officials.

Everything -- from submitting loan applications to processing relevant works -- will be done through the digital platform. Initially, the loans will be available for clients with payroll accounts with the bank.

The payroll account holders will come to know within 72 hours whether they will be getting the loan or not. The bank has introduced a signature credit card that gives cardholders access to more than 1,000



Syed Mahbubur Rahman

airport lounges in 130 countries.

"Cardholders will not require using any priority card to avail services at the lounges. For the first time in the country's banking sector, we have introduced such a unique facility," Rahman said.

Rahman joined Dhaka Bank in 2015. Prior to that, he worked at Brac Bank as managing director and nearly a dozen local and global banks and non-bank financial institutions.

For the SME sector, the lender has rolled out three digital platforms -- i-Khata, i-Samadhan and Dhaka Bank MSME Bazar -- to facilitate entrepreneurs.

Entrepreneurs can give inputs about their daily transactions into i-Khata through an app and the information will help create a financial profile of the users. On the basis of the profile, the bank will extend financing to the clients.

i-Samadhan, another app-based solution, is giving decisions to SME clients on real-time basis whether they qualify for a loan or not. Dhaka Bank MSME Bazar -- a web-based shopping centre -- has created the opportunity for women entrepreneurs to display their products.

Customers from anywhere in the country can buy products from the platform online.

"But Dhaka Bank is not satisfied about what we have done so far. We have a long way to go keeping pace with the latest innovation in the global banking arena. We want to

Association of Bankers, Bangladesh, a platform of the managing directors of private banks.

He said the banking sector has been going through various challenges and the hope was that the central bank has taken initiatives to amend laws related to the financial sector.

"But the process should be completed immediately or else the crisis will prolong."

Rahman said habitual defaulters should be brought to book in order to restore discipline in the banking sector. "But there is no explanation about who the willful defaulters are.

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offer all kinds of business solutions," Rahman said.

"More digital platforms will have to be introduced in the days ahead to fulfill the demand of young clients."

The embracing of the latest innovations has started to pay off. The Banker, a concern of Financial Times, recognised the lender as the "Best Bank of the Year 2018" in Bangladesh.

Rahman also touched upon a number of issues confronting the banking sector.

He said liquidity pressure and the upward trend of default loans were the main problems and these should be addressed immediately.

"Strengthening the bad loan recovery procedures will help banks mitigate the ongoing liquidity stress."

A large amount of the delinquent loans is now stuck with courts, mounting pressure on banks, said Rahman, also the chairman of the

The central bank should define them." Default loans soared to Tk 110,874 crore as of March this year.

The CEO said a vibrant bond market could resolve the liquidity crunch in the banking sector in the long run. Lenders are now compelled to disburse long-term loans by mobilising short-term deposits, which frequently creates a fund mismatch, he said.

He said a stable interest rate was also important to run the banking sector smoothly. The government has recently moved to bring down the lending to single-digit.

"This is good and we also want to do it. But dictation is not the way to manage the rate," he said. "Only the market can determine the rate, otherwise the banking industry will face volatility," said Rahman, who attained an MBA from the Institute of Business Administration at the University of Dhaka.

Malaysia woos Bangladeshi medical tourists

ZAHANGIR ALOM, back from Kuala Lumpur

MALAYSIA is increasingly becoming a top choice for Bangladeshi medical tourists as the Southeast Asian country has been working hard to establish itself as a leading destination for healthcare services.

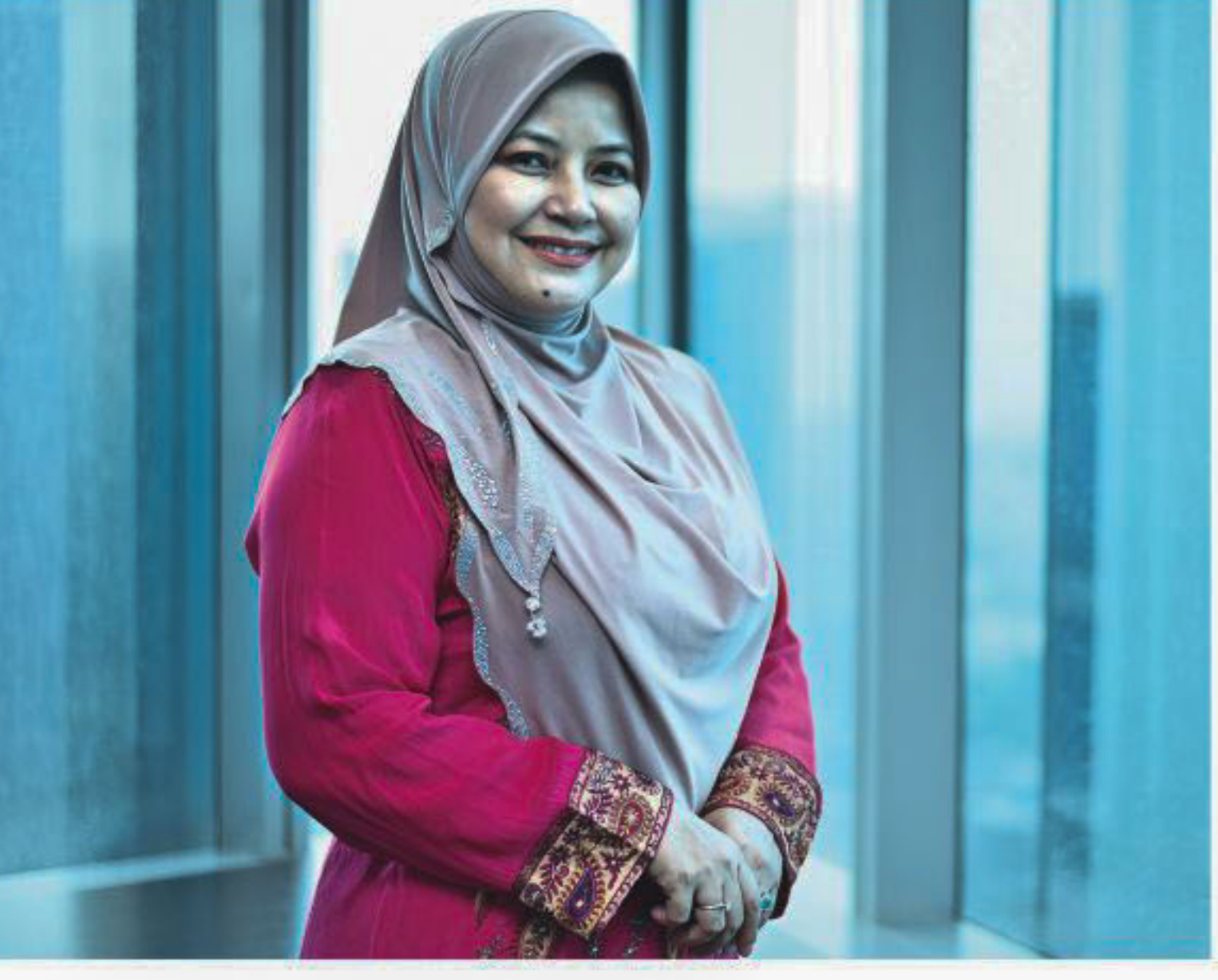
The number of Bangladeshis going to Malaysia for treatment was around 50,000 in 2018 and this year's growth rate is on track, according to a top official of the Malaysian government.

"Last year Malaysia Healthcare served more than 1.2 million healthcare travellers globally. Of them, nearly 50,000 were from Bangladesh," Sherene Azli, CEO of the Malaysia Healthcare Travel Council (MHTC), a wing of the finance ministry.

Addressing a group of Bangladeshi journalists who were there on a four-day visit, she said this year's growth rate -- 14 percent -- in the five months till May is also very encouraging for Malaysia.

"Inflow of healthcare travellers is rising because of the world-class quality service we provide at affordable cost," she said.

Malaysia has also been internationally recognised for its



Sherene Azli

achievement in medical healthcare.

Azli said the Southeast Asian country was adjudged the "Best Country in the World for Healthcare" from 2015 to 2019. A US-based International Medical Travel Journal also commended Malaysia for its impressive improvement in medical treatment.

"As we move into 2020, we want more healthcare travellers to come and experience Malaysia Healthcare," she said, adding that Malaysia would observe 2020 as a "Year of Healthcare Travel".

Malaysia is getting ready to offer more for everyone next year, she noted without elaborating on those initiatives.

But this success for Malaysia did not come easily.

The MHTC was founded in 2009 to facilitate and grow Malaysia's healthcare travel industry under a "Malaysia Healthcare" brand and make it the leading global healthcare destination by 2020.

Since then, the MHTC has worked to streamline industry players and service providers into a more focused development strategy to raise Malaysia's profile in healthcare travel on an international stage.

It is an example of a successful model of public-private partnerships in growing the healthcare travel sector in Malaysia.

Malaysia Healthcare says Bangladeshi patients can discover high quality, accessible and affordable healthcare services through some of its prominent service providers: Gleneagles Kuala Lumpur, KPJ Ampang Puteri Specialist Hospital, KPJ Damansara Specialist Hospital, Sunway Medical Centre and Thomson Hospital Kota Damansara.

Specialists explained to the journalists firsthand the advanced technology used at these internationally accredited medical facilities, which cater a variety of treatments, including fertility, aesthetics and wellness, cardiology and oncology.

On top of that, there was a showcasing of the availability of halal cuisine and prayer facilities at hospitals, hotels and even at shopping areas, reflecting why the nation was named Top Country for Muslim Travel from 2011 to 2019 by MasterCard-Crescent Rating Global Muslim Travel.

Healthcare travellers are also offered Malaysia Healthcare Meet-and-Greet Service, which welcomes healthcare travellers at the aerobridge, assists them through immigration, baggage claim, and hosts them at a dedicated lounge. "We are glad to have this delegation from Bangladesh experience Malaysia Healthcare," said the MHTC CEO.

"We want communities in all these countries to understand that Malaysia Healthcare offers more than medical treatment. We offer a seamless end-to-end healthcare journey experience, putting thought into the needs of patients at their most vulnerable moments," she said.

India-US trade talks end without major progress

REUTERS, New Delhi

US and Indian trade negotiators ended talks on Friday without making major progress on a range of disputes over tariffs and other protectionist measures imposed by both sides that are straining bilateral ties, according to officials with knowledge of the discussions.

Many of the toughest questions on agricultural commodities, e-commerce, and steel and aluminum, have been put off until Indian Commerce and Industry Minister Piyush Goyal goes to Washington for talks with United States Trade Representative Robert Lighthizer next month. The dates for that trip are yet to be settled.

India, though he set no timeline, and has only this week used Twitter to attack what he calls high Indian tariffs on American goods as "no longer acceptable".

The US sought the rollback of Indian tariffs imposed on some agricultural products, such as almonds, when the two sides met on Friday, said one of the Indian government sources.

Those tariffs were imposed in response to the Trump administration's decision to remove trade privileges from Indian products under the Generalized System of Preferences. India has asked for those privileges, effectively zero tariffs on a range of Indian products entering the United States, to be reinstated.

India did not commit to any changes to foreign investment rules for foreign



US President Donald Trump and India's Prime Minister Narendra Modi

"No breakthrough," said one of the senior Indian officials involved in the talks in New Delhi, which lasted a little over three hours. He declined to make any further comment.

Two other Indian officials said they hoped that some of the issues will be resolved when Goyal goes to Washington.

Friday's talks were more about understanding each other's positions in various disputes, they said.

In a short statement issued late on Friday, the Indian government said the countries agreed to continue their discussions for "addressing mutual trade concerns". The two sides resumed talks after US President Donald Trump and Prime Minister Narendra Modi met on the sidelines of the G20 summit in June and agreed to seek to deepen the two countries' relationship.

Trump said at that summit that there would be a "very big trade deal" with

e-commerce firms such as Walmart's Flipkart and Amazon, one of the Indian sources said. The rules have forced the two American companies to rework their business strategies for India.

Walmart told the US government privately in January that India's new investment rules for e-commerce were regressive and had the potential to hurt trade ties, Reuters reported on Thursday.

One concern now among Indian policymakers is that the Trump administration may push for a free trade agreement with India that could dent India's competitiveness, lead to a flurry of imports and hurt Modi's "Make in India" plan.

In a recent meeting, Foreign Minister Subrahmanyam Jaishankar told trade ministry officials that "Trump is clearly preparing for a larger game, a larger opening", according to one of the officials aware of the discussions.



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