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BUSINESS

BB sets age limit,
bad loan recovery
target for aspirant
CEOs of banks

STAR BUSINESS REPORT

The central bank has for the first time set the minimum age, default loan recovery targets and other criteria for aspirant chief executive officers of banks and those looking to be reappointed in the top job as part of its efforts to restore good governance and reduce bad debts.

It comes more than two weeks after the Bangladesh Bank (BB) fixed the age, education and other criteria for directors of banks.

The minimum age for the managing director or CEO has been set at 45 years and the maximum age at 65, according to the guidelines yesterday.

For the appointment or re-appointment of CEOs, banks should include the specific targets to recover the defaulted loans and write-off loans and monitor the progress from time to time.

“A competent, professional and experienced managing director is important to ensure good governance in the banking sector,” the new guidelines said.

A senior central bank official, who was involved in formulating the guidelines, told The Daily Star that the inclusion of the targets would help bring down the bad loans in the banking sector.

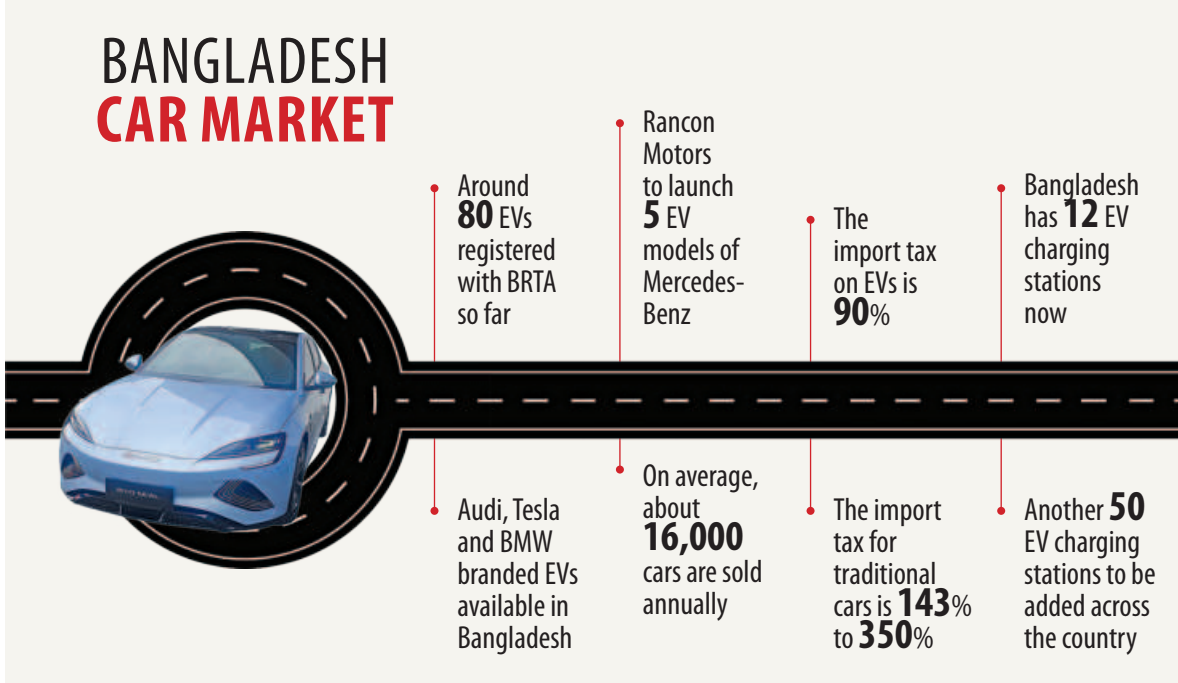
In Bangladesh, the banking sector is going through one of its toughest times as people's trust in them has taken a beating owing to massive irregularities at some lenders, directors' undue intervention, and rising bad loans.

On February 4, the banking regulator unveiled a roadmap to bring down default loans below 8 percent by June 2026 from 9 percent in 2023 and ensure corporate governance.

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Electric vehicles etching
their way into domestic
automobile industry



MOHAMMAD SUMAN

The automobile industry of Bangladesh is seeing a notable shift towards electric vehicles (EVs) with BYD Auto Co Ltd, the world's biggest EV maker, set to launch its Seal model on the domestic market.

CG-Runner Bangladesh, an authorised distributor of BYD, will roll out the premium passenger sedan on March 2 and later introduce electric SUVs, buses, trucks and other vehicles produced by the Chinese automaker.

The BYD Seal is equipped with a battery capacity of 82.5 kilowatt hours and can travel 540 kilometres at full charge, which can

be achieved in 40 minutes using its fast charging capability.

CG-Runner is a collaboration between Chowdhury Group, a leading conglomerate of Nepal, and Runner Group, a local company that pioneered two-wheeler and three-wheeler manufacturing in Bangladesh.

The company is also developing a nationwide charging network with the help of Genex Infrastructure Limited, with the two having signed a memorandum of understanding to this end on January 16.

Amid Sakif Khan, director of marketing at Runner Group, said they would launch the BYD Seal through a ceremony at the International

Convention City Bashundhara in the capital's Purbachal.

“We will disclose the car's price at the event, where top officials of BYD and Chowdhury Group will be present,” he added.

Khan also informed that the Atto-3, an SUV designed by the Chinese brand, will be brought to Bangladesh within the next three months.

Khan said it was currently impossible to determine how much customers would have to spend on maintaining EVs considering the absence of a finalised government policy regarding EV registration and charging costs.

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Moody's
upgrades Social
Islami Bank's
outlook to stable

STAR BUSINESS REPORT

Moody's Investors Service has changed Social Islami Bank PLC's (SIBP) rating outlook to stable from negative as it expects the lender's funding and liquidity to remain stable over the next 12 to 18 months.

“Depositor confidence is returning in the bank as reflected by the continued deposit growth in the June and September 2023 quarters, amid tight liquidity conditions in Bangladesh,” said the global ratings agency in a statement yesterday.

It said SIBP's foreign currency liquidity has improved, supported by the strong inflow of remittances from overseas Bangladeshis.

The bank's deposit base has also become more granular, driven by the increase in retail deposits, which will reduce the likelihood of large depositor outflows.

Nonetheless, the bank remains vulnerable because of its very weak liquidity buffers, Moody's said.

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STOCKS	
DSEX ▲	CASPI ▲
0.20% 6,272.72	0.03% 17,937.81

COMMODITIES	
Gold ▲	Oil ▼
\$2,036.51 (per ounce)	\$77.38 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.42% 73,095.22	▲ 0.01% 39,239.52	▼ 0.44% 3,157.32	▲ 1.29% 3,015.48

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