



Cyber intelligence detects illegal transactions on dual currency credit cards

STAR BUSINESS REPORT

The Bangladesh Cyber Security Intelligence (BCSI) has recently detected some illegal transactions made through dual currency credit cards without the knowledge of the cardholders.

The state agency has found cybercriminals who are active on different social media platforms and are harassing cardholders of different banks by illegally obtaining data used in social media ad management platforms.

The intelligence unit detected the problem at a time when cardholders from various banks are reporting falling prey to such unauthorised transactions.

Nabil Rahaman, a credit cardholder of Standard Chartered Bangladesh, shared his experiences with this correspondent.

On August 23 this year, he was notified about six unauthorised transactions on his StanChart credit card, made on Facebook.

"After checking my credit card transaction history, I found out that 3 out of those 6 transactions have been charged to my credit card," Rahaman said.

"I immediately called the SCB helpline and requested the bank to block my credit card and issue a new one."

Rahaman said some of his friends also experienced similar transactions made with dual currency credit cards.

He said one of his friends was charged on LinkedIn although he did not even subscribe to the premium services provided by the employment-focused social media platform.

Sinan Arefin, a card user of United Commercial Bank, told this correspondent that he also fell victim to such transaction on his dual currency card in September this year.

To fight such cyberattacks, banks have been asked to immediately notify the central bank in case of any potential data breach.

The chances of banks being hit by cyberattacks are increasing significantly and malware attacks are commonplace, the Bangladesh Bank said in a statement on October 31 where it mentioned 17 cybersecurity measures for banks.

The banking watchdog suggested banks use enhanced security methods, one-time passwords for each transaction and multi-factor authentication for any financial transaction. Banks should also determine how many times a card can fail verification before being blocked.

READ MORE ON B3

	STOCKS		WEEK-ON WEEK
	DSEX ▲	CASPI ▲	
	1.66% 5,199.40	0.97% 14,442.00	

	COMMODITIES		AS OF FRIDAY
	Gold ▼	Oil ▼	
	\$2,736.41 (per ounce)	\$69.32 (per barrel)	



Bangladesh's garment exports fell 4.34 percent year-on-year to \$44.47 billion in FY24, according to Bangladesh Bank. The decline was attributed primarily to reduced shipments of readymade garments, reflecting broader economic challenges. The photo was taken recently at a garment factory in Gazipur, around 25 kilometres north of the capital Dhaka.

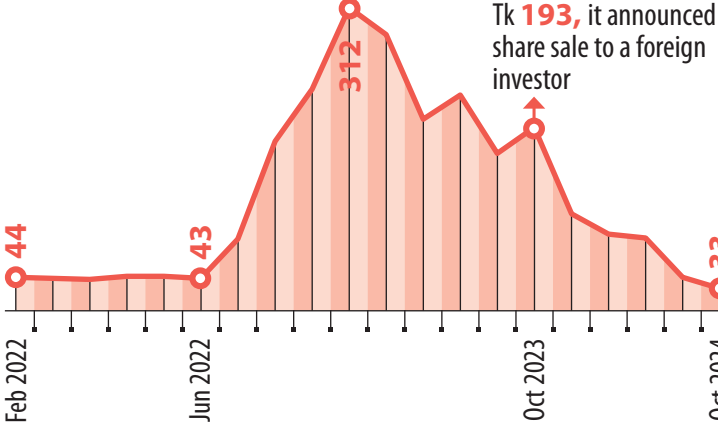
PHOTO: ANISUR RAHMAN

Hollow price-sensitive promises leave investors holding the bag

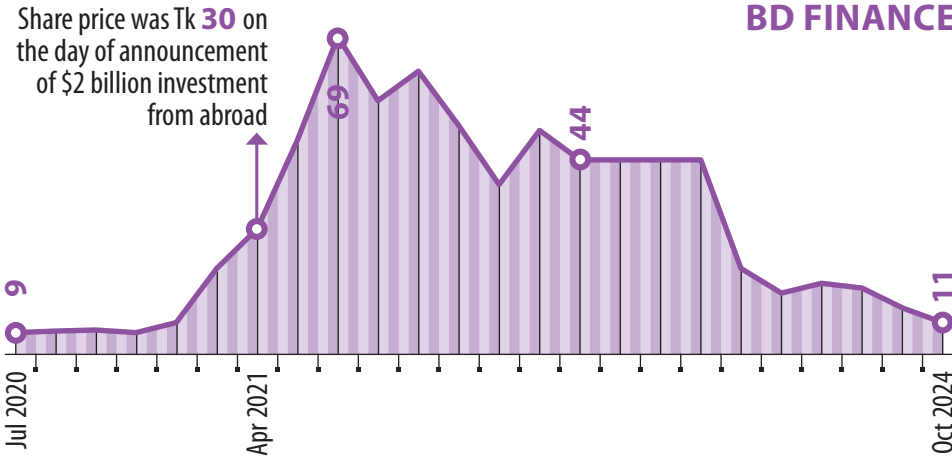
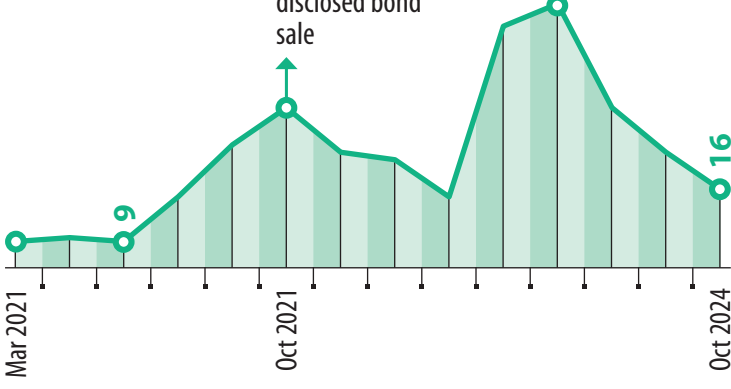
SHARE PRICES OF THE COMPANIES BEFORE AND AFTER DISCLOSURES

Tk per share; SOURCE: DSE

SEA PEARL



DESHBANDHU POLYMER



AHSAN HABIB

The share prices of Sea Pearl Beach Resort and Spa Limited soared from Tk 60 to Tk 320 on the Dhaka Stock Exchange (DSE) within just one year after frenzied speculation in 2023 that a foreign investor would buy a significant stake in the company.

Peculiarly, the sudden speculation proved to be prophetic.

In late October of 2023, the stock market regulator announced in a price-sensitive disclosure that it had given approval to GEM Global Yield to buy around 10 percent of the company's shares within a year.

Interestingly, after the price-sensitive information (PSI) was revealed, the company's share price fell drastically.

It has become a common scenario in the last few years to see the prices of stocks soar manifold based on speculation. It is also commonplace that when such conjecture is confirmed through the disclosure of PSI, stock prices begin to tumble.

According to Saiful Islam, president of

the DSE Brokers Association, if a stock price triples before PSI is brought to light, it indicates the existence of insider trading.

"Definitely, whoever is trading such shares knows some PSI and is spreading it to people to raise share prices," he said.

He added that investors suffer the most if plans revealed in such disclosures are not implemented, which is exactly what happened in the case of Sea Pearl.

One year has passed since the disclosure, but the sale of shares to the foreign investor has not yet been executed.

In the meantime, Sea Pearl's share price has plummeted to Tk 33.

In such cases, if investors purchase stocks after seeing price-sensitive disclosures with the assumption prices may rise, they face huge losses.

The case of Sea Pearl is not the only example of unfulfilled promises in a price-sensitive disclosure. Similar incidents abound. Take the case of Deshbandhu Polymer Limited.

The manufacturer of polypropylene woven bags announced in 2021 that it planned to

“Share price of a company is positively influenced when the firm announces that a foreign company will buy its shares. So, the regulator should monitor the progress of price sensitive information disclosed by companies and see if there is any ill-motive.”

FARUQ AHMAD SIDDIQUI
a former chairman of the BSEC

raise Tk 500 crore by issuing a Sukuk bond abroad to repay loans and fund business expansion.

Before the announcement, the share price of the company soared 178 percent within six months to Tk 27.

Afterwards, the company never bothered to provide any further disclosures on the topic. At present, its share price has dropped to Tk 16.

Moreover, the DSE and the Bangladesh Securities and Exchange Commission (BSEC) have done nothing about such companies' failure to implement what they had outlined in disclosures.

Neither have the companies done anything to shed light on the status of those plans.

Another company that employed similar tricks is Central Pharmaceuticals Limited.

The drug company announced in February of 2017 that a local group would buy its sponsors' shares, leading the stock price to nearly triple from Tk 13.6 to Tk 36.1 within four months.

READ MORE ON B3



40 UCB officials forced to resign

STAR BUSINESS REPORT

United Commercial Bank (UCB) has forced 40 officials, including an additional managing director (AMD), a deputy managing director (DMD) and five general managers, to resign.

The bank's management body asked them to resign last Thursday.

Another 150 or so officials have been listed, who are likely to resign or be terminated, officials of the bank informed to The Daily Star on seeking anonymity.

After the fall of the Sheikh Hasina-led government last August, Bangladesh Bank dissolved the bank's board of directors, which was allegedly dominated by former land minister Saifuzzaman, and formed a new one.

Over the years, Saifuzzaman has allegedly influenced various activities at the bank, including approval of loans, according to the insiders.

One of the officials who had resigned told this newspaper that the management body had sought the resignation on Thursday, warning that the bank would otherwise go for job terminations.

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Bangladesh skips India, reroutes global textile exports through Maldives

STAR BUSINESS REPORT

Bangladesh, the world's second-largest garment producer, has opted to bypass India and ship its textiles to global markets through the Maldives, hurting the cargo revenue prospects of India's airports and ports amid strained bilateral ties, reports Mint.

The Indian business newspaper, citing three people aware of the development, reports that Bangladesh was rerouting its textile exports to the Maldives by sea and then dispatching cargoes by air to its global customers, including H&M and Zara.

"Previously, Bangladeshi goods were shipped through Indian airports, but now they are rerouting shipments from other locations," Deepak Tiwari, managing director of MSC Agency (India) Pvt Ltd, told Mint over the phone.

"This shift means India's airports and ports lose revenue previously earned from handling these cargoes," he said.

The Mediterranean Shipping Company (MSC) is a leading global container shipping company.

The redirection of textile exports could weaken trade relations between India and Bangladesh and reduce the collaborative opportunities in logistics and infrastructure projects, said the newspaper.

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Heidelberg Materials to avail BRAC Bank solutions

STAR BUSINESS DESK

BRAC Bank and Heidelberg Materials Bangladesh signed a deal recently on tailored financial services covering collection, payment and reconciliation solutions.

Terence Ong Kian Hock, managing director of the multinational building materials company, and Tareq Refat Ullah Khan, deputy managing director and head of corporate and institutional banking division at the bank, penned the deal at the latter's Dhaka head office.

Heidelberg will be able to use the bank's countrywide distribution network and over 1,100 agent banking outlets to accept receivables from distributors beyond regular banking hours and on holidays, said a press release.

The bank's virtual account solution will allow Heidelberg to segregate and manage funds efficiently, enhancing visibility and control over their receivables.

In addition, Heidelberg will also be able to avail CORPnet, the bank's internet banking platform, for access to payment round the clock.

Jashim Uddin Chowdhury, director and chief financial officer of the Heidelberg, Emdadul Haque, company secretary, AKM Faisal Halim, head of transaction banking of the bank, and Abu Sadat Chowdhury, area head of Dhaka regional corporate, were present.



Terence Ong Kian Hock, managing director of Heidelberg Materials Bangladesh, and Tareq Refat Ullah Khan, deputy managing director and head of corporate and institutional banking division at BRAC Bank, shake hands and exchange signed documents of an agreement at the latter's head office in Dhaka recently.

PHOTO: BRAC BANK



M Khorshed Anowar, deputy managing director and head of retail and SME banking of Eastern Bank PLC, and Md Shamim Hasan, head of sales and marketing of Best Western Heritage, Cox's Bazar, pose for photographs after signing an agreement at the bank's head office in Dhaka recently.

PHOTO: EASTERN BANK

Eastern Bank strikes deal with Best Western Heritage

STAR BUSINESS DESK

Eastern Bank PLC recently signed an agreement with Best Western Heritage, a luxury hotel in Cox's Bazar.

M Khorshed Anowar, deputy managing director and head of retail and SME banking of the bank, and Md Shamim Hasan, head of sales and marketing of the hotel, penned the deal at the bank's head office in Dhaka, said a press release.

Under this agreement, the bank's cardholders will get special benefits from the hotel.

Among others, Farzana Qader, senior manager of retail alliance of the bank, and Sarowar Hossain, sales manager of the hotel, were also present.

Eastland Insurance gets new vice-chair

STAR BUSINESS DESK

Eastland Insurance PLC has elected a sponsor director to the post of vice-chairman through a board meeting recently.

The official, Rizwan Rahman, is the managing director of ETBL Holdings, which has interests in infrastructure, financial services, warehousing and print media, said a press release.

He is also a former president of the Dhaka Chamber of Commerce and Industry for 2021 and 2022.

Rahman also served in the boards of the Export Promotion Bureau, Bangladesh Standards and Testing Institution, Bangladesh Foreign Trade Institute, Bangladesh Chamber of Industries, Dutch Bangla Chamber of Commerce and Industry, and the Bangladesh-Philippines Chamber of Commerce and Industry.



Rizwan Rahman

DBH Finance Q3 profit up 40%

STAR BUSINESS DESK

DBH Finance PLC logged a 40 percent year-on-year increase in profits in the July-September quarter this year.

In the same period of the preceding year, the company had reported an 18 percent increase in profits, said a press release.

Its earnings per share (EPS) stood at Tk 1.68 in the third quarter this year, whereas it was Tk 1.20 in the corresponding quarter of the previous year.

The EPS for the January to September period stood at Tk 3.73 whereas last year it was Tk 3.66 in the same period.

As of the end of September 2024, the DBH's loan disbursements increased by 18 percent from that in the previous year.

The financial results showcased the company's ability to execute plans efficiently, despite volatile macroeconomic conditions, said Nasimul Baten, managing director and CEO of the company.



Islami Bank promotes 6 officials to DMD post

STAR BUSINESS DESK

Islami Bank Bangladesh PLC has promoted six senior executive vice-presidents to the post of deputy managing director (DMD).

The promotees are Mahmudur Rahman, Md Rafiqul Islam, Muhammad Sayeed Ullah, KM Munirul Alam Al-Mamoon, M Kamaluddin Jasim and Md Maksudur Rahman, the bank said in a press release.

Working as the head of Dhaka

central zone, Mahmudur Rahman had joined as a probationary officer in 1995.

Working as the international trade wing's head, Md Rafiqul Islam joined as a senior officer in 1998.

Muhammad Sayeed Ullah had been working as the head of the special investment wing and had joined as a probationary officer in 1992.

KM Munirul Alam Al-Mamoon had been working as the principal

of Islami Bank Training and Research Academy and had joined as a probationary officer in 1992.

M Kamal Uddin Jasim had been working as chief anti-money laundering compliance officer and head of operations wing. He had joined as a probationary officer in 1992.

Md Maksudur Rahman had been working as the head of internal control and compliance wing. He had joined as a probationary officer in 1995.



PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (NOV 2, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 70-Tk 80	4.17 ↑	13.64 ↑
Coarse rice (kg)	Tk 52-Tk 55	1.90 ↑	7.00 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-2.30 ↓
Lentil (kg)	Tk 105-Tk 110	0	0 ↑
Soybean (litre)	Tk 158-Tk 160	3.92 ↑	7.80 ↑
Potato (kg)	Tk 55-Tk 65	9.09 ↑	4.35 ↑
Onion (kg)	Tk 103-Tk 150	30.23 ↑	5.66 ↑
Egg (4 pcs)	Tk 48-Tk 52	-9.91 ↓	2.04 ↑

SOURCE: TCB

Social Islami Bank launches 'Building a Stronger Tomorrow' campaign



M Sadiqul Islam, chairman of Social Islami Bank PLC, attends a campaign, styled "Building a Stronger Tomorrow", at the bank's head office in Dhaka recently.

PHOTO: SOCIAL ISLAMI BANK

STAR BUSINESS DESK

Social Islami Bank recently launched a campaign, styled "Building a Stronger Tomorrow", at its head office in Dhaka and unveiled a new motto "Resilience, Recovery, and Rejuvenate."

M Sadiqul Islam, chairman of the bank, inaugurated the campaign as chief guest, according to a press release.

"With this momentum, the bank is set for a full rejuvenation with deposit procurement, ensuring uninterrupted and enhanced services for all clients," he said, underscoring the bank's commitment to Shariah compliance and the campaign's core objectives.

Mohammad Forkanullah, managing director (acting) of the bank, presided over the programme.

Maksuda Begum, vice-chairman and chairman of the executive committee of the bank, said deposits are the lifeblood of banks while highlighting the campaign's strong focus on both recovery and deposit mobilisation.

Md Morshed Alam Khondoker and Md Anwar Hossain, directors, were present.

Hannan Khan and Md Nazmus Saadat, deputy managing directors, and other senior executives were also present.

Oil prices settle slightly higher on Iran worries

REUTERS, New York

Oil prices edged up on Friday on reports Iran was preparing a retaliatory strike on Israel from Iraq in coming days, but record US output weighed on prices.

Brent futures were up 29 cents, or 0.4 percent, to settle at \$73.10 a barrel. US West Texas Intermediate (WTI) crude gained 23 cents, or 0.3 percent, to settle at \$69.49. At their session highs, both benchmarks were up over \$2 a barrel.

Brent posted a weekly decline of about 4 percent with WTI down about 3 percent.

On Thursday, US news website Axios reported that Israeli intelligence suggests that Iran is preparing to attack Israel from Iraq within days, citing two unidentified Israeli sources.

"Any additional responses from Iran might remain restrained, similar to Israel's limited strike last weekend, hence primarily intended as a demonstration of strength rather than an invitation to open warfare," said SEB Research analyst Ole Hvalbye.



MA Kashem, chairman of Southeast Bank PLC, presides over the 746th board meeting of the bank at its head office in Dhaka recently. Rehana Rahman, vice-chairperson of the bank, Alamgir Kabir, Azim Uddin Ahmed, Jusna Ara Kashem, Duluma Ahmed, Md Akikur Rahman, Nasir Uddin Ahmed, Md Rafiqul Islam and Md Nurul Islam, directors, attended the meeting.

PHOTO: SOUTHEAST BANK

Dollar rebounds

FROM PAGE B4

The subdued jobs report, he added, maintains the Fed's trajectory for a 25-basis-point interest-rate cut this month.

The euro was down 0.40 percent against the dollar at \$1.084.

The dollar index, which tracks the greenback against six major currencies, was up 0.36 percent at 104.24.

"It's important when looking at the downward revisions, especially that most of that wildly negative figure came in August rather than in September, so the picture for the end of the year still doesn't seem too grisly," said Helen Given, associate director of trading at Monex USA.

Traders of futures that settle to the Fed's policy rate were pricing about a 99 percent chance of a quarter-point interest rate cut on Nov. 7, to 4.5 percent-4.75 percent.

That Fed bets haven't changed much either indicate "traders are treating this as more of a fluke" and the healthy labor market is keeping the greenback aloft, Given said.

"There's also a big contingent of the market that's likely going to stay quite cautious until all of the risk events of next week are off the table, keeping USD range-bound," she added.

The Labor Department's closely watched employment report was the last major economic data before Americans head to the polls on Nov. 5 and face a choice of Democratic Vice President Kamala Harris or Republican former President Donald Trump as the country's next president.

Opinion polls show the race is very tight. The Fed announces its policy decision two days after the election.

The dollar was on pace to snap a three-session losing streak against the yen, rising 0.60 percent to 152.94, ahead of a three-day weekend in Japan.

Less dovish comments from Bank of Japan Governor Kazuo Ueda following the central bank's decision to stand pat on Thursday had lifted the yen earlier this week.

List good firms to boost investor confidence

Experts say at DBA discussion

STAR BUSINESS REPORT

Listing companies that perform well, rationalising the tax regime and ensuring transparency in all activities related to the stock market will help raise investor confidence, according to several market players.

Additionally, the mindset among investors and market intermediaries that stocks are the means of doubling their money overnight needs to change. Also, they must not rush to conduct trade based on speculations in a bid to make a quick buck, they said.

These comments came at a views-exchange meeting, styled “Bangladesh Capital Market: Present Perspective and Future Action Plan”, organised by the DSE Brokers Association (DBA) at Dhaka Club in the capital yesterday.

Mominul Islam, chairman of Dhaka Stock Exchange (DSE), said the market’s current condition was a result of corruption and inefficient management of previous years.

“Besides, we failed to make investors realise that the stock market is not a way of making money overnight. So, their mindset needs to change,” he added.

Pointing out how the market regulator did not carry out its duties properly, Islam informed that the DSE was working on a proposal for rationalising related taxes.

He said the move would benefit the market as people would be keener to invest if they can retain more profit, while government revenue would also rise in the long run.

Islam assured that the new DSE board will work to increase its efficiency and capacity to develop the market environment.

“This is the best time to develop the market,” he added.

DBA President Saiful Islam focused on reviewing the demutualisation act and urged brokers to bring about some reforms to their operations.

“No broker should not fuel overtrading in any BO account as it is costlier for investors. Furthermore, they should not rush to any initial public offering if the company is not fundamentally strong,” he added.

Among others, Ziaur Rahman, editor of arthosuchak.com, Sujoy Mohajan, business editor of Prothom Alo, Golam Samdani, president of Capital Market Journalists Forum, Monir Hossain, a former government secretary, Jebunnesa Alo, special correspondent of The Business Standard, and Ahsan Habib, senior reporter of The Daily Star, spoke at the event.

They stressed for listing companies with a good track record, including those of state-run companies, and ensuring accountability in the market to boost investor confidence.

Reckitt makes slightly lower Q3 profit

STAR BUSINESS REPORT

Reckitt Benckiser (Bangladesh) PLC has recorded a year-on-year fall in profit of over 9 percent in the July-September quarter of this year.

The profit amounted to Tk 20.37 crore, as per the unaudited financial statements of the company whose brands include Dettol, Mortein and Harpic.

As a result, its earnings per share stood at Tk 43.13.

In contrast, it was Tk 47.53 in the same quarter of 2023

The company’s profit in the first nine months of this year amounted to Tk 49.77 crore.

Net operating cash flow per share stood at Tk 60.66 in the January-September period of 2024, whereas it was Tk 195.6 in the same period last year, signifying liquidity challenges.

Hollow price-sensitive promises

FROM PAGE B1

However, the stock price dropped massively after the company later announced that the deal would not be signed.

This sudden U-turn caused huge losses to general investors, but nobody has been held accountable.

At present, the company’s shares are traded at Tk 8.50 each.

“Information provided in price-sensitive disclosures may not be implemented for business reasons. But, when it happens time and again, it indicates that the PSI was fabricated as part of a scam,” added DSE Brokers Association President Islam, also a director at Brac EPL Stock Brokerage.

He emphasised the need for the DSE and BSEC to strengthen the monitoring of price-sensitive disclosures and their implementation, adding that it was nothing more than a simple monitoring issue.

Faruq Ahmad Siddiqi, a former chairman of the BSEC, said a company’s share price is usually influenced positively after it discloses that a foreign company will buy its shares.

“Sometimes, listed companies provide such disclosures intentionally to influence share prices. But a primary deal may fall through for business reasons as well,” he said.

He suggested the BSEC scrutinise whether the disclosed plans are being implemented and investigate any ill-motivated decisions.

The BSEC has a responsibility to get to the bottom of such matters and inform investors, Siddiqi added.

Sharif Anwar Hossain, a former president of the DSE Brokers Association, said directors sometimes provide disclosures to raise share prices.

Such directors then sell their stakes and buy back the shares in someone else’s name, he added.

Hossain suggested the BSEC rethink disclosure-related rules and consider only allowing companies to make such disclosures when a deal is close to happening, especially as investors are heavily impacted.

The stock market regulator should

strongly punish directors if it finds they provided disclosure to only raise share prices, he added.

“Without exemplary punishments, such activities will not end,” added Hossain, also managing director of Sahidullah Securities.

A top official of a leading listed drugmaker said on condition of anonymity that companies are not bound to issue disclosures by the law if their plans are not implemented within the stipulated time.

However, the official said listed companies should inform investors regardless.

“It’s a question of good governance and responsibility from the company’s side.”

According to the rules, listed companies must provide updates on price-sensitive disclosures whether they implement them or not. However, they can do so in various ways, such as by reporting it in financial reports, and are not required to file another disclosure.

The official recommended the government make changes here, saying if a company failed to implement plans, it should be required to issue another disclosure.

Mohammad Rezaul Karim, an executive director and spokesperson of the BSEC, said the regulator would take action against such companies if they do not provide updates through disclosures soon.

Stock exchanges are also responsible for monitoring listed companies. Bourses can identify those who are not implementing the plans presented in disclosures and inform the main regulator to take action, he added.

Sattique Ahmed Shah, chief financial officer and acting managing director of the DSE, said it is difficult for stock exchanges to monitor these issues due to a lack of manpower.

However, not all cases are necessarily malicious.

For example, in 2021, BD Finance announced that it had signed a deal with US-based Sovereign Infrastructure Group (SIG) to attract \$2 billion worth of investment in infrastructure projects

Agent banking sees rise in female participation

FEDA AL HOSSAIN

The number of women in Bangladesh using agent banks for deposits and loans saw growths of 16.58 percent and 17.31 percent respectively over the past year, according to a report of Bangladesh Bank.

On a quarterly basis, the number of deposits made by women rose by 4.81 percent in the April-June period, while the number of loans availed edged down by 0.39 percent.

The Bangladesh Bank’s Agent Banking Statistics for April-June 2024 also highlighted the crucial role women play in advancing financial inclusion.

It showed that women now account for 49.67 percent of the total deposits made through agent banks while men contribute 48.78 percent, and the remaining 1.55 percent comes from “others”.

The rise in female engagement points to a positive trend toward financial empowerment and inclusion within the country’s

banking sector.

At present, some 31 banks comprising two state-owned banks, 21 private commercial banks and 8 Islamic banks are operating agent banking services across the country.

The rise in female engagement points to a positive trend toward financial empowerment and inclusion within the country’s banking sector

As of June 2024, there were 21,473 outlets managed by 15,991 agents, indicating a growth of 3.09 percent year-on-year and 0.99 percent from the previous quarter.

However, the number of agent banking outlets registered more modest growth of 0.87 percent year-on-year, while its quarterly performance shrank by 0.65 percent in the April-

June period.

The report also mentioned that there has been a significant growth in the overall number of account holders, which has reached 23.03 million, with deposits amounting to about Tk 398,136 million.

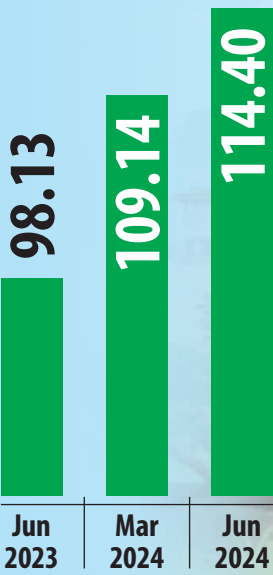
These figures indicate an annual growth of 16.24 percent in overall account numbers and 22.34 percent in deposits, while the quarterly growth was 4.62 percent and 11.74 percent respectively, it said.

The number of loans availed and total outstanding loans in agent banking also saw substantial annual growth of 11.53 percent and 14.42 percent respectively.

In rural areas, deposits and loans through agent banking have seen growths of 16.15 percent and 12.54 percent year-on-year while the quarterly growth was 4.82 percent and 0.48 percent respectively in the April-June period, the report said.

TOTAL NUMBER OF DEPOSIT ACCOUNTS OF FEMALE SAVERS

In Lakh; SOURCE: BB



Cyber intelligence detects illegal transactions

FROM PAGE B1

Moreover, banks should use artificial intelligence and machine learning, if possible, to detect unusual trends in bank identification number (BIN) attacks and regularly examine transaction patterns for irregularities that could indicate a BIN attack, the BB said.

“We are aware that some transactions were recently made by fraudsters with a few clients’ credit card details on a social media platform,” Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, said in a written response to queries sent by The Daily Star’s queries in this regard in September.

The transactions were made on a platform that was not compliant with industry standard EMV/3DS security protocol, he said.

“Our internal investigation has shown no evidence of any cyberattacks on the Standard Chartered Bank credit card database,” he said.

Naser said his bank has taken action immediately to ensure the security of clients who faced such cyberattacks.

“We have blocked the credit cards to ensure that no further fraudulent transactions can be made. Replacement cards have been issued free of cost and sent to clients. We are refunding the disputed amount to the impacted credit card accounts so that clients do not incur any financial loss.”

The bank also said it has a dedicated fraud risk surveillance team which remains active round-the-clock, monitors card transactions and takes immediate corrective actions if any fraudulent transaction is identified.

On behalf of UCB, CEO and Managing Director Mohammad Mamdudur Rashid, said the bank’s communication department will talk to the media after discussing the issue with the department concerned.

Bangladesh skips India

FROM PAGE B1

It could also potentially threaten India’s revenue from port and transit fees, alongside business generated from Bangladesh’s exports that pass through Indian borders, it said.

Seized by the issue, the Indian government is exploring a balanced solution to ensure that Bangladesh’s textile exports—significant in volume and linked to Indian manufacturing hubs in Bangladesh—remain beneficial to Indian interests, one person said.

“A significant portion of these Bangladesh textile exports are being produced in facilities or factories owned or operated by Indian companies based in Bangladesh,” the first person said.

Bangladesh’s textile industry contributes 80 percent of its exports and 13 percent of its GDP.

“The issue is under the government’s attention. We are currently reviewing its impact on India,” the second person said.

Industry experts suggested that Bangladesh took this step to gain greater control over its supply chain and meet its shipment deadlines by avoiding delays caused at India’s airports, said Mint.

“This new route offers Bangladesh a strategic advantage along with improved reliability, which is crucial for meeting tight deadlines in the international clothing market,” said Arun Kumar, president of the Association of Multimodal Transport Operators of India.

“Furthermore, by avoiding reliance on Indian ports, Bangladesh is ensuring greater control over its supply chain,” said the chief of the association advocating seamless, efficient transportation solutions across sea, rail and road networks in India.

Kumar explained that textiles were also treated as perishable goods and that failure to deliver them on time results in the rejection of consignments. Garments meant for a specific season lose their value if they are delivered late.

Indian textile exporters had a different perspective on the rerouting of exports by Bangladesh. “There’s nothing to read into this,” Anil Buchasia, executive member, eastern region, Apparel Export Promotion

BASIS appoints Rashidul Hasan as new president

STAR BUSINESS REPORT

The Bangladesh Association of Software and Information Services (BASIS) has appointed M Rashidul Hasan, managing director and CEO of Systech Digital Ltd, as its new president.

The association’s executive committee made the appointment in an emergency meeting on October 30 as the post became vacant after the resignation of its previous president, Russell T Ahmed.

Prior to the appointment, Hasan was the senior vice president, a position now filled by Md Mostafizur Rahaman Sohel.

The association also selected M Asif Rahman as its new vice president for finance as the previous one in the post, Iqbal Ahmed Fakhruul Hasan, resigned at the same time along with Russel T Ahmed.

BASIS made the new appointments from the current executive members for 2024-26.

BASIS decided to continue operations without co-opting any external members for the executive board.

Previously, on October 20, BASIS held an automated poll seeking members’ opinions on two issues – completing constitutional reforms and holding mid-term elections to transfer power or the resignation of the entire executive committee.

Out of the 594 voting members, 77.27 percent supported carrying out reforms in collaboration with the membership and holding elections, while 22.72 percent favoured the immediate resignation of the current executive committee, BASIS said in a statement.

After the voting, BASIS agreed to carry out essential reforms to safeguard member interests and uphold organisational functions.

The current executive committee is also committed to completing the reforms and holding elections within the next six months.

A roadmap has been outlined for constitutional amendments, membership audits, and member protection, with plans to present these ideas at an annual general meeting or an extraordinary general meeting by January 2025 and to hold elections by April 2025.

Gold edges lower as US dollar, yields rise

REUTERS

Gold prices edged down on Friday, pressured by a stronger US dollar and Treasury yields, but a weak job growth data from the world’s biggest economy prompted analysts to increase bets for a rate cut from the Federal Reserve, limiting some losses.

Spot gold fell 0.2 percent to \$2,736.28 per ounce by 1:55 p.m. ET (1755 GMT). Prices fell 1.5 percent on Thursday as some traders took profit after bullion hit a record high of \$2,790.15.

US gold futures settled largely steady at 2,749.2.

Nonfarm payrolls increased by 12,000 jobs last month, the smallest gain since December 2020, affected by disruptions from hurricanes and strikes by aerospace factory workers.

The dollar erased earlier losses and gained 0.4 percent, while benchmark 10-year US Treasury yields also rebounded from an earlier drop, making non-yielding gold less appealing.

Council, told Mint over the phone.

“Indian airports are already congested, and we had also requested the government to restrict Bangladeshi textiles from passing through Indian airports,” he said.

The third person aware of the developments dismissed suggestions that the move was linked to the ouster in August of former Bangladesh prime minister Sheikh Hasina, who is currently said to be staying in India.

The International Crimes Tribunal (Bangladesh) had issued an arrest warrant against her in October.

“The government does not see this as a reaction to Sheikh Hasina’s asylum. Textiles are the backbone of Bangladesh’s economy, so they must have made this decision to promote their textile exports,” the third person said.

Bangladesh’s garment exports fell 4.34 percent to \$444.7 billion in FY24, according to Bangladesh Bank.

The decline was attributed primarily to reduced shipments of readymade garments, reflecting broader economic challenges.

40 UCB officials

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The list of officials who will end up being forced to resign will get longer, the official said, adding that many of these officials were not involved in any irregularities.

“Some of them were sent on compulsory leave, but others were not sacked despite being involved in irregularities,” said the official.

The bank’s communication department, on behalf of Mohammad Mamdudur Rashid, managing director and CEO, told The Daily Star that the new board and management body found proof of the 40 being involved in various irregularities and anomalies.

Once audits are complete, more officials will be sacked or forced to resign, added the department.

Contacted, the bank’s new chairman, Sharif Zahir, did not agree to comment on the matter.

The Daily Star could not immediately reach Saifuzzaman for comment.

Eastern Bank Q3 profit falls 23%

STAR BUSINESS REPORT

Eastern Bank PLC (EBL) reported a 23 percent year-on-year decline in net profit in the July-September quarter of this year.

The profit amounted to Tk 140.91 crore, according to the bank's unaudited financial statements published recently.

As a result, the private commercial lender's earnings per share amounted to Tk 1.04 in the quarter, whereas it was Tk 1.35 in the same quarter of the previous year.

However, in context to the first nine months of the current year, the EBL saw an over 8 percent year-on-year rise in its profit.

The profit stood at Tk 462.73 crore, whereas it was Tk 425.78 crore in the same period of the previous year.

The bank's nine-month net interest income amounted to Tk 791.60 crore, whereas it was Tk 582.24 crore in the same three quarters last year.

The EBL attributed this growth to the lifting of a lending rate cap and an expansion of its loan portfolio. Additionally, its investment income jumped by Tk 185.55 crore, totalling Tk 789.36 crore in the January-September period.

For the uptick in investment income, the private commercial lender credited an increase in yields, a higher volume of investment in government securities, gains from repo transactions and quoted share sales.

Bank Asia posts Tk 103cr Q3 loss

STAR BUSINESS REPORT

Bank Asia PLC has incurred a loss of Tk 103.13 crore in the third quarter of 2024, reasoning that it was for the retention of a higher amount in provisioning compared to that in the same quarter a year ago.

The lender had generated a profit of Tk 27.74 crore in the same period last year.

This shift led to a loss per share of Tk 0.89, compared to earnings per share (EPS) of Tk 0.18 a year earlier, per its unaudited financial statements published recently.

This has also dented the performance for the January-September period, with the profit falling 42 percent year-on-year to Tk 205.55 crore.

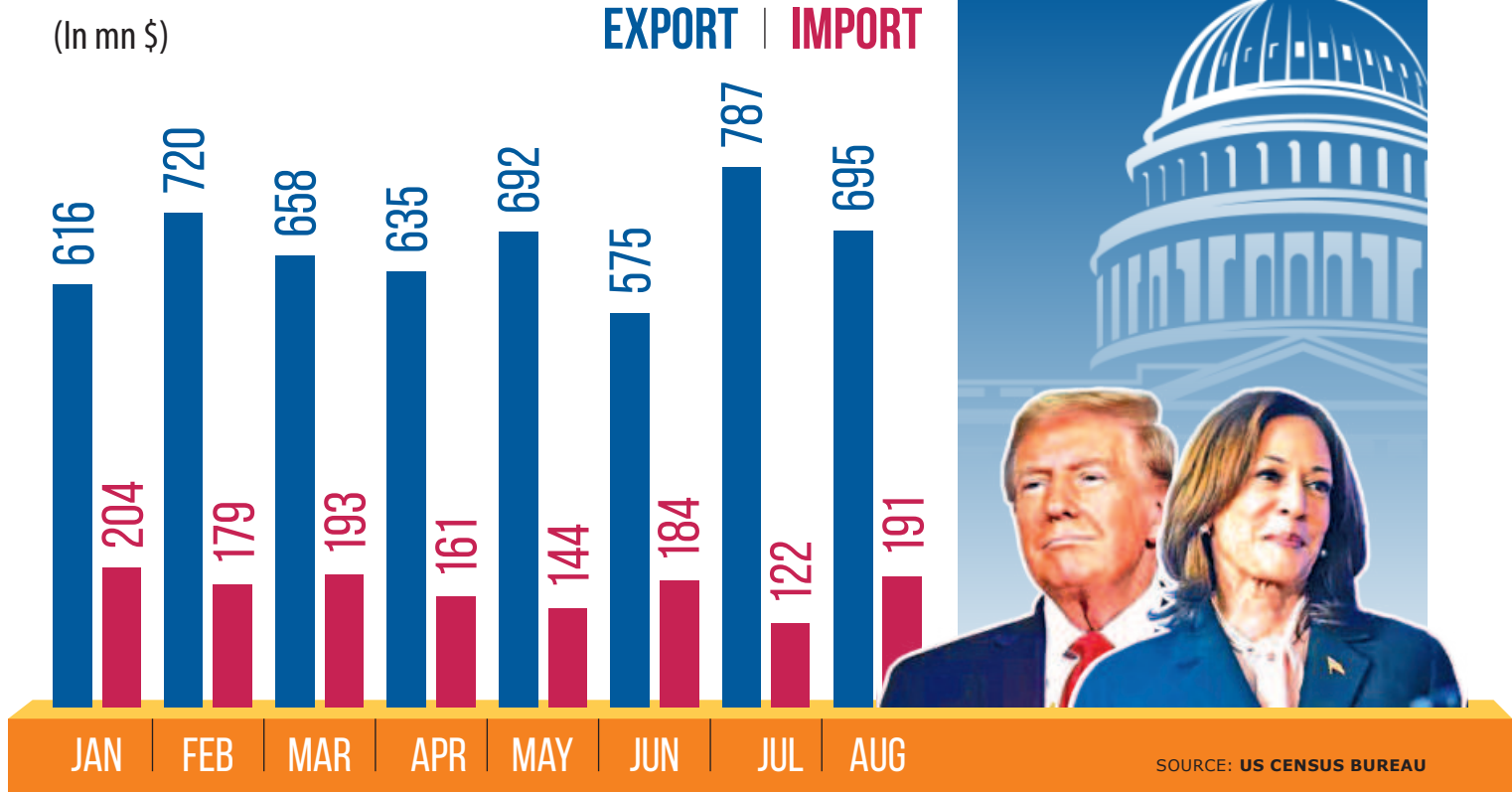
However, the bank's consolidated net operating cash flow per share (NOCFPS) rose sharply to Tk 32.91 from Tk 17.06 in the first nine months of this year.

"NOCFPS increased mainly due to cash inflow by way of increase in deposit," said the bank.

US election: What is at stake for Bangladesh's export

BILATERAL TRADE BETWEEN BANGLADESH AND US IN 2024

(In mn \$)



REFAYET ULLAH MIRDHA

As millions of Americans head to the polls on November 5 to vote for either Democratic Vice President Kamala Harris or her Republican rival Donald Trump, apparel business communities in Bangladesh, more than 13,119 kilometres away from Washington, will be watching the results of the presidential election closely.

The reason is largely related to trade, as the US is the single largest buyer of ready-made garments made in Bangladesh – the world's second-largest apparel manufacturer after China.

Local RMG makers believe US trade policy toward China, a major competitor in the global apparel market, will be crucial for their business in the coming years.

Besides, the role of the World Trade Organization (WTO) and other global trade organisations will be important as Bangladesh transitions to a developing country in 2026.

Apparel exporters say Republican Candidate Trump's plan to impose higher tariffs on imports from China could boost Bangladesh's garment exports.

But, they fear that a Trump presidency could also lead to challenges for multilateral trading institutions like the WTO and intensified global export competition.

Last year, Bangladesh exported \$8.27 billion worth of garment items to the US, facing a 15.62 percent tariff.

Under both Democratic and Republican administrations, garment exports from Bangladesh to the US have remained relatively stable.

During Trump's presidency from 2017 to 2021, Bangladesh's share of garment exports to the US fluctuated between 17 percent and 18.90 percent, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Under Democratic President Joe Biden, the share has not increased too much, varying between 21.15 percent and 18.12 percent.

Asking not to be named, a renowned garment exporter to the USA from Bangladesh said Trump's anti-China move could eventually benefit Bangladesh. If he imposes more tariffs on Chinese products, there is a possibility of work orders shifting to Bangladesh.

Khandoker Rafiqul Islam, immediate president of the BGMEA, said Trump's additional tariff on Chinese goods plan has already prompted many US-based clothing retailers and brands to look for alternative sourcing destinations such as Bangladesh and Vietnam.

"If Harris is elected, it is expected that the existing US tariff will continue for China. In this case, Bangladesh's business may not be affected negatively but the possibility of an export jump is thin," he said.

Local RMG makers believe US trade policy toward China, a major competitor in the global apparel market, will be crucial for their business in the coming years

However, Mohammad Abdur Razzaque, chairman of the Research and Policy Integration for Development (RAPID), a private research organisation, said there could be a significant change in approaches between Trump and Harris.

For instance, if Trump is elected, multilateral institutions and organisations like the WTO may face challenges. "Trump may adopt a more anti-China policy and impose more tariffs on import of Chinese goods to the USA," Razzaque said, "In this case, Bangladesh may be benefited indirectly as there is a possibility of shifting of work orders from China to Bangladesh."

However, an identified geo-political rivalry and undermining the fundamental multilateral trading system may result in a demand slump, he said.

The RAPID chairman said demand for

garment items has been declining over the past three to four years and most G-20 countries, including the US, have adopted protectionist trade policies.

He said Bangladesh may face additional challenges when it graduates from a Least Developed Country (LDC) to a developing nation in 2026. Rules-based trade may be affected.

According to Razzaque, a Democratic administration could lead to less intense geopolitical tensions, possibly benefiting Bangladesh through the maintenance of the multilateral trading system.

However, he reminded that the US's main interest remains containing China.

Masrur Reaz, chairman of the Policy Exchange Bangladesh, echoed Razzaque's views.

Reaz said Donald Trump was aggressive in imposing tariffs on Chinese imports during his previous term. If re-elected, he may adopt an even more aggressive stance toward Chinese imports.

Bangladesh should also restart negotiations with the US to revive the Generalized System of Preferences (GSP) for US markets, as the relationship between the two countries is improving, said Reaz.

Since the expiration of the Multi-Fibre Arrangement in 2004, Bangladesh has not enjoyed any tariff preferences on garment exports to the US.

Before the Trump administration imposed a 25 percent tariff on Chinese goods in January 2018, Chinese exporters faced a 3.08 percent duty on garment exports to the US.

According to the Hong Kong Ministerial Declaration of the World Trade Organization (WTO), the US was supposed to provide duty-free market access for all products from LDCs. However, the US government granted duty-free access to only 97 percent of products.

As an LDC, Bangladesh's garment exports were expected to be included in the 97 percent duty-free category, but apparel products were excluded from this package.

Addressing cyber risk in the financial sector

MAMUN RASHID

Despite various challenges, the financial sector in Bangladesh is undergoing a rapid digital transformation, driven by economic development and the increasing adoption of new technologies. This shift brings significant cybersecurity challenges that need to be addressed to protect the sector. Managing compliance, staying ahead of regulatory changes, and protecting customers, brand reputation, data, and technology infrastructure are crucial. Even the central bank is cautioning the stakeholders regarding this at frequent intervals.

Digital initiatives are reshaping our financial landscape, with institutions adopting new operating models to stay competitive. However, this transformation also exposes them to cyber threats. A comprehensive approach to transforming cybersecurity from a defensive stance to a value-added position is essential.

Key regulatory trends in the financial sector focus on operational resilience, outsourcing, and information and communications technology. Operational resilience emphasises the ability to withstand, absorb, and recover from disruptions, prioritising critical areas, setting standards, identifying vulnerabilities, and investing in resilience. Outsourcing regulations extend cybersecurity rules to third-party service providers, particularly cloud and infrastructure service providers. The increasing digitisation of business and workforce introduces new risks, necessitating effective asset inventory processes and risk monitoring and reporting capabilities.

Existing risk management practices in financial institutes are not enough to keep up with the rapid innovation and evolving technologies in financial services. Executive leadership often fails to understand the business impact of cyber risk due to vague risk tolerance and appetite. Mergers and acquisitions introduce integration challenges with inherent cyber risks. Decentralised teams make product decisions without considering cyber risk, and a product revenue focus inhibits support for key cyber strategic initiatives and decision-making.

A comprehensive cyber risk management policy guides the organisation, supported by robust governance processes to identify, assess, and mitigate risks. Metrics and reporting are essential to measure and communicate the programme's effectiveness, ensuring continuous improvement and alignment with the organisation's risk tolerance.

Bangladesh has adopted the 'National Information and Communication Technology (ICT) Policy 2018', 'National Digital Commerce Policy 2018', 'Cyber Security Act, 2023', and 'Electronic Transaction Act' to advance its ICT sector. These policies aim to develop country-wide ICT infrastructure to ensure information access for all citizens, facilitating empowerment, good governance, and sustainable economic development.

The Bangladesh Bank has published 'Guideline on ICT security for Banks and Non-Bank Financial Institutions, 2023', 'Guidelines on Cloud Computing March 2023', and 'Integrated Risk Management Guidelines for Banks, 2018'. These guidelines and regulations, including the 'Bangladesh Mobile Financial Services Regulations 2022' and 'Bangladesh Real Time Gross Settlement System Rules', 'Regulations on Electronic Fund Transfer 2014', 'Bangladesh Payment and Settlement Systems Regulations 2014' are essential for standardising, securing, and streamlining financial transactions, payments, and settlements. Additionally, the Copyright Law of 2000 has been revised to cover computer software.

The government and financial institutions hence must work together to address the challenges posed by cyber threats. By investing in comprehensive cybersecurity strategies and fostering a culture of security, the country, central bank and the operators can protect its financial sector and build trust in its digital economy.

Mamun Rashid is the chairman at Financial Excellence Ltd

Dollar rebounds after weak jobs data; traders eye US election

REUTERS, New York

The dollar rose against the euro and rebounded against most major currencies on Friday after traders digested data showing US job growth slowed sharply in October amid disruptions from hurricanes and strike action by aerospace factory workers.

Nonfarm payrolls rose by 12,000 jobs after a downwardly revised 223,000 in September, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast October payrolls rising 113,000.

The US unemployment rate, however, held steady at 4.1 percent, offering assurance that the labor market remains on a solid footing.

Hurricane Helene devastated the Southeast in late September and Hurricane Milton lashed Florida a week later. A total 41,400 new workers were on strike, including machinists at Boeing and Textron, an aircraft company, when employers were surveyed for October's employment report.

"The dollar index has fully recovered since this morning's data release, shifting focus towards the uncertainty surrounding the upcoming (US presidential) election," said Uto Shinohara, senior investment strategist at Mesirov in Chicago.

"Current polls continue to depict the race as a toss-up, with a potential risk of delayed results, making next week a busy one, since the (Federal Reserve) is also meeting just days later."

READ MORE ON B2

Asia's factory activity stagnates, taking shine off rebound in China

REUTERS, Tokyo

Asia's manufacturing activity stagnated in October as a rebound in China failed to give much of a boost to regional factories, private surveys showed, a discouraging sign for policymakers bracing for a potential escalation of US-China trade tensions.

The readings come as the International Monetary Fund (IMF) warned of rising risks to Asia's economic outlook from trade fragmentation, China's property sector woes and the potential for further market turbulence.

Factory activity shrank in Japan and South Korea due to weak domestic demand and slowing growth in US, European and Chinese markets, the purchasing managers' index (PMI) surveys showed on Friday.

In a glimmer of hope, however, China's manufacturing activity swung back to growth in October, helped by a slew of stimulus measures rolled out by Beijing to prop up a fragile economy.

The Caixin/S&P Global manufacturing PMI rose to 50.3 in October from 49.3 the previous month, a private survey showed, beating analysts' forecasts in a Reuters

poll of 49.7.

The reading echoed an official survey on Thursday, which showed China's manufacturing activity expanded for

the first time since April in a sign the economy was stabilising.

But Krishna Srinivasan, director of the IMF's Asia and Pacific Department,



An employee works at a factory that produces electric car charging stations in Ruichang, in central China's Jiangxi province.

PHOTO: AFP/FILE

warned that risks of deflation were rising in China and required further steps to fix its property sector troubles and boost consumption.

"China has a huge bearing on what happens in Asia," he told Reuters on Friday. "When China slows, the rest of Asia slows," he said, adding that the country must "move away from an investment and export-led model, to a consumption-led model."

Japan's final au Jibun Bank manufacturing PMI fell to 49.2 in October from 49.7 in September, shrinking at the fastest pace in three months due to weak domestic and overseas demand.

The index remained below the 50 threshold that separates growth from contraction for the fourth straight month.

South Korea's PMI stood at 48.3 in October, unchanged from the previous month and shrinking for a second straight month with output falling by the most in 16 months, a private survey showed.

Factory activity in October also shrank in Indonesia and Malaysia, but expanded in Taiwan and Vietnam, the surveys showed.