

OUR GROWTH is Built on Trust



ISO 27001 certification. At a time when the overall banking industry's reputation is facing challenges, we have positioned ourselves differently, reinforcing customer confidence.

As a result, our deposits have been growing steadily, increasing by 22-23% year-on-year, propelling us into the Tk 2,000 crore club.

TDS: What key factors contributed

technology-focused, with advancements in AI, robotics, and data mining reshaping the banking sector. We aim to integrate these technologies into our operations, enhancing all product offerings, including corporate banking, international trade, retail banking, and leasing, so customers can access services from their premises. Decision-making will be AI-driven for

MOHAMMAD ALI,
MANAGING DIRECTOR & CEO, PUBALI BANK

The Daily Star (TDS): Your bank has recently achieved an annual operating profit surpassing Tk 2,000 crore. What does this milestone signify for your organization?

Mohammad Ali (MA): Our significant contribution lies in expanding our marketing efforts across various sectors and building a dedicated marketing team, particularly for our export-oriented customers. As a result, we have successfully onboarded numerous exporters over the past two to three years. This has led to a remarkable 61% year-on-year growth in exports, while imports have also increased by 50%, allowing us to maintain a balanced trade portfolio. Another key development has been the lifting of the 6% and 9% interest rate restrictions, which has allowed us to leverage our goodwill effectively.

However, the most profound impact has been on customer perception. We have consistently worked to enhance our brand image by highlighting our achievements, such as earning the prestigious Triple-A Rating, being recognized as the Best Financial Institution, and obtaining

to reaching this milestone despite the current challenges in the banking sector?

MA: Our non-performing loan (NPL) ratio stands at 2.66%, the lowest in the country. One of our key strengths has been our cautious approach to lending. Rather than immediately approving business proposals, we conduct thorough due diligence.

To uphold strong corporate governance, we have implemented a tiered evaluation system that scrutinizes loan proposals at multiple levels, from branch offices to the head office. This structured approach helps us maintain loan quality and mitigate risks effectively.

In my view, the banking industry's primary focus should be on asset quality. While creating assets is relatively easy, maintaining their quality is the real challenge. On the other hand, the liability side of banking is built on trust—the more confidence customers have in us, the greater our deposit inflow.

TDS: Looking ahead, what strategies do you have in place to ensure continued growth and adaptability?

MA: Our future planning is

instant responses. We've already developed two AI-enabled products for flat purchases and credit card applications, marking the start of our broader digital transformation roadmap, which will progressively automate and optimize banking services, providing real-time responses to financial proposals.

TDS: What are the most critical areas for reform in the banking sector, and how should they be addressed to ensure long-term stability and development?

MA: The banking sector is in dire need of reform, and it starts with the corporate governance framework. While corporate governance measures may be in place, they are ineffective if the individuals in management roles lack quality and expertise. To truly drive reform, we must prioritize the recruitment and retention of top-tier talent.

To attract and retain high-quality professionals, the banking industry needs to offer competitive compensation packages. This includes not only higher salaries but also enhanced benefits, enabling us to bring in the best talent from both within the country and abroad.

BRAC Bank leads with TRUST, INNOVATION AND IMPACT



the challenges in the banking sector?

SRFH: At BRAC Bank, we view challenges as opportunities. Our well-governed, transparent, and accountable practices have led us to consistent financial success.

BRAC Bank's superior performance indicators in the Bangladesh banking sector are reflected in the highest market capitalization and the highest

challenges and thrive in the face of them.

TDS: What strategies do you have in place to ensure continued growth in 2025 and beyond?

SRFH: As we look toward 2025 and beyond, our vision is clear: to be Bangladesh's largest, most impactful, and most financially inclusive bank. By "impactful," we mean meaningful to all stakeholders - customers, co-

SELIM R. F. HUSSAIN,
MANAGING DIRECTOR & CEO, BRAC BANK

The Daily Star (TDS): Your bank has recently achieved an annual operating profit surpassing Tk 2,000 crore. What does this milestone signify for your organization?

Selim R. F. Hussain (SRFH): First of all, I thank our 10,000-strong BRAC Bank team, whose dedication and hard work made this accomplishment possible; the credit for this success also goes to the Board of Directors for their strategic guidance.

Achieving an operating profit of Tk 2,000 crore symbolizes financial success and the incredible trust of our customers and stakeholders place in us. In the current banking sector scenario, where challenges often outpace opportunities, this achievement reaffirms our commitment to staying customer-focused, transparent, and resilient.

This milestone boosts our confidence in becoming an even better bank that remains committed to financial inclusivity and sustainable growth. It reminds us of our responsibility to contribute meaningfully to Bangladesh's banking sector and the broader economy.

TDS: What key drivers helped accomplish this milestone despite

international investor shareholding in the local banking sector and the highest bank credit rating of all banks in Bangladesh from both international rating agencies, S&P and Moody's. The bank leads the local banking industry in nearly all financial metrics and is also a benchmark for corporate governance and values-based banking. These indicators have firmly established BRAC Bank as a leading bank in Bangladesh.

The continuous expansion of the branch distribution network, relentless focus on customer-centricity and enhanced digital banking solutions have significantly contributed to the accomplishments. In line with our focus on customer-centricity, we tailor our services to meet individual customer needs, making banking more personal and accessible.

Our hybrid approach—combining cutting-edge technology with the warmth of human interaction has been another crucial driver. This innovative model has enabled us to enhance efficiency while maintaining a personal touch, ultimately delivering a superior customer experience. Staying agile and adaptive has helped us meet

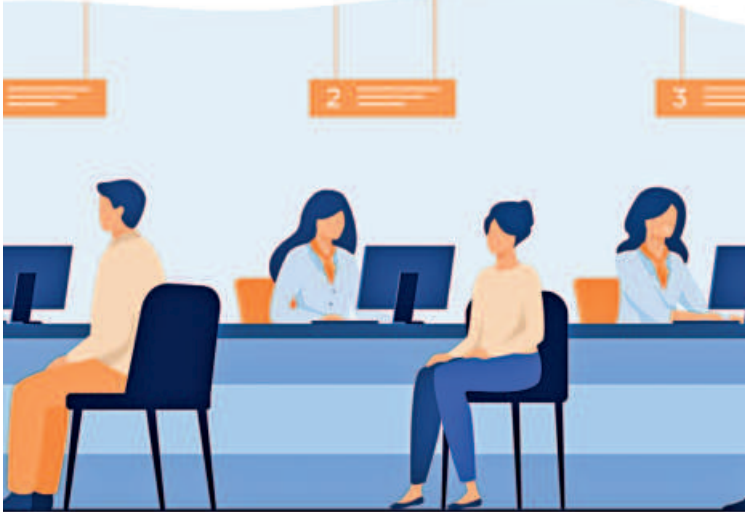
workers, shareholders, and the community.

We aim to make our services even more personalized, ensuring that every customer feels valued and understood. Financial inclusivity remains at the core of our mission, as we strive to reach underserved segments of society and bring them into the formal financial ecosystem. Ultimately, our goal is prosperity for all - a vision rooted in sustainable growth and shared success.

TDS: What strategies should banks adopt to improve financial performance and achieve sustainable growth?

SRFH: The key to sustainable growth in banking is simple but powerful: governance, good governance, and better governance. Banks must adhere to the fundamentals of sound financial management while fostering a culture of transparency and accountability. Emphasizing customer-centricity and innovation can also unlock new opportunities. BRAC Bank will continue to embed sustainability principles at its core for long-term positive impact on the people and society. The bank can deliver meaningful experiences and ensure long-term success by balancing technology and human connection.

Fantastic 5



Islami Bank

Islami Bank, the first Islamic bank in the country, achieved the highest operating profit in 2024, totaling Tk 3,400 crore, a significant increase from Tk 2,261 crore in 2023. However, despite these impressive operating figures, the actual profit in 2023 was just Tk 610 crore, compared to a net profit of Tk 592 crore in 2022, when the operating profit was Tk 2,215 crore. This discrepancy highlights the impact of substantial deductions for bad loans and other expenses.

This year, while Islami Bank has set a new record for operating profit, its actual profit may see a considerable decline due to a large portion of loans issued to the S Alam Group remaining unrecovered. Nevertheless, the bank is optimistic about achieving better net profits in the near future, following an overhaul supervised by Bangladesh Bank aimed at restoring its financial position.

"Within five months, the board was able to add fresh Tk 8,500 crore in deposits. With good fund mobilization, the bank also made an operating profit exceeding Tk 2,000 crore. This achievement speaks volumes about the strategies taken by the board of directors, who are committed to safeguarding depositors' funds," mentions Obayed Ullah Al Masud, Chairman of Islami Bank Bangladesh.

BRAC Bank

BRAC Bank, the most SME-focused bank in the country, has emerged as the second-highest performer in terms of operating profit in 2024, reporting Tk 2,400 crore, a substantial increase from Tk 1,393 crore in 2023. The bank's net profit last year was Tk 730 crore, and in 2024, the actual profit is expected to exceed Tk 1,000 crore after adjustments. Managing Director and CEO of BRAC Bank, Selim R. F. Hussain states, "Achieving an operating profit of Tk 2,000 crore symbolizes financial success and the incredible trust our customers and stakeholders place in us."

Pubali Bank

Pubali Bank, the oldest bank founded by local entrepreneurs, recorded an operating profit of Tk 2,375 crore in 2024—a remarkable 55% increase from Tk 1,535 crore in 2023. That year, the bank's net profit amounted to Tk 679 crore.

Commenting on the bank's performance, Managing Director Mohammad Ali says, "We attracted significant deposits as several banks faced difficulties. Additionally, our focus on delivering better services and constant innovation played a key role in our strong year-end performance. However, the final net profit is subject to the central bank's inspection. I am optimistic that it will exceed Tk 1,000 crore."

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Operating profit is a key indicator of a bank's overall performance, offering insights into its financial health and the quality of services provided to customers. Ultimately, this contributes to the bank's net profit.

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At a time when many banks are struggling with liquidity crises and rising default loans, these five have defied the odds, leveraging strong governance, innovative banking solutions, and a loyal depositor base to set new benchmarks in the sector.

But what really drove this success? How did they outperform their peers in a challenging economy? As the final audits unfold, expectations are high that these banks will also report net profits exceeding Tk 1,000 crore.

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"Operating profit encompasses the total installments collected, payments made, and administrative expenses. After deducting a 37.5 percent tax and making provisions for bad assets and loans, the remaining amount constitutes the distributable profit," says Md. Arup Haider, Deputy Managing Director and Head of Retail Banking at City Bank.

Bank insiders attribute the recent surge in operating profits primarily to the rise in loan interest rates, along with substantial earnings from commission income, bonds, treasury operations, and foreign exchange transactions.

Mohammad Ali, Managing Director & CEO of Pubali Bank, notes that the sharp increase in operating profits for certain banks is closely tied to instability in the sector. "Had all banks remained stable, neither our deposits nor profits would have grown at this pace. When depositors lost confidence in other banks, they shifted their funds to institutions they perceived as more secure, prioritizing financial safety over higher interest rates," he explains.



A BANK OF EXCELLENCE

- Serving **25** million clients
- **400** branches & **265** sub-branches
- **2800** agent banking outlets
- **3000+** ATMs & CRMs
- Deposits of BDT **1.61** trillion
- **Largest dealer** in export & import
- **Highest remittance collector**
- Supporting **2** million entrepreneurs
- Generating **10** million employment by investing in **6000** industries
- **Highest SME investment**
- Provided micro-investments to over **1.8** million families
- Top **taxpayer** among banks

