



# CITIZENS BANK targets rural unbanked in growth push

Says its chairman in interview with The Daily Star

**Chowdhury Mohammed Hanif Shoeb**

**AHSAN HABIB**

In Bangladesh's saturated banking market, rural customers are often overlooked. Citizens Bank PLC, a new entrant to the troubled sector, aims to tap into this underserved segment to grow its customer base, with a focus on strong and independent governance.

"Although there are many banks in the country, they have failed to reach a large portion of the population. Citizens Bank's goal is to serve those who remain unbanked," said Chowdhury Mohammed Hanif Shoeb, chairman of the bank, in an interview with The Daily Star marking its third anniversary.

The bank is expanding its branches, sub-branches, and digital presence in villages to that end, he stated.

Launched in July 2022, Citizens Bank has spread its presence across the country through its 20 branches – 10 in cities and 10 in rural areas – and three sub-branches so far.

"We have a target to open around 100 branches in the country. Once we reach that number, our main focus will be reaching rural people through sub-branches and digital channels," said Chowdhury.

"We want to launch branches in rural areas so that people gain confidence in us. That way, we can attract deposits from them and remittances from abroad. We aim to see our deposits grow based on core deposits from individual savers, which can help boost the bank's sustainable deposit base," he noted.

The banker also pointed out that deposits from concentrated groups may create risks. "Our goal is to keep our loan ticket size small so that the default of any single loan cannot significantly harm the bank."

Initially, Citizens Bank plans to grow by catering to small and medium enterprises instead of large borrowers. "Once the bank grows, we will target large corporations."

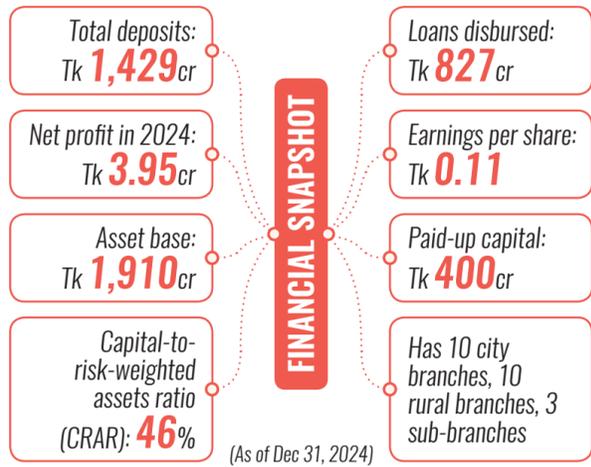
The bank's chairman further noted that catering to SMEs is costly, but the bank aims "not only to make a profit but to serve the nation".

Citizens Bank was incorporated as a public limited company in December 2020. But due to a number of domestic and global challenges, including the aftermath of the Covid-19 pandemic,

**MAIN GOALS TO SERVE UNBANKED RURAL CUSTOMERS**



Plans **100** branches nationwide  
Focuses on sub-branches and digital banking for rural inclusion



the Russian invasion of Ukraine, and a lack of confidence among depositors, its launch was delayed by two years.

"While several banks faced difficulties in returning depositors' money, Citizens Bank did not face any such problem as its advance-to-deposit ratio is very healthy and its investments are also very prudent," its chairman stated.

The bank also did not face any challenges during the period when

the central bank fixed the interest rate in the banking sector, as it was not aggressive in collecting deposits during its initial phase.

"No loan on board influence" Chowdhury believes that customers will choose his bank among a myriad of others as it provides "better services, prioritises strong corporate governance, and has a deep connection with people".

"We are not here merely to make profits but to provide better services

to the people – profits will come naturally," he said.

"From the beginning, the sponsors of this organisation had a firm commitment to transforming it into the most acceptable and trustworthy financial institution, and all our efforts have been directed toward that goal since inception," he further stated.

After three years of operation, Citizens Bank's total asset base stands at Tk 1,910 crore. It has 274 employees working across its branches and sub-branches. During this time, it has attracted a total of 16,176 depositors.

The bank has set up 16 ATM and CRM points. It also allows card transactions across all ATMs under the NPSB, Q-Cash, and Visa networks, said Chowdhury, who is also the CEO and managing director of Salma Group.

As of December 31, 2024, the bank's paid up capital stood at Tk 400 crore, and its capital-to-risk weighted-assets ratio was 46 percent – far above the required rate of 12.5 percent.

Its total deposits amounted to Tk 1,429 crore, and the disbursed loan amount stood at Tk 827 crore. Its net profit was Tk 3.95 crore, translating to earnings per share of Tk 0.11.

Although it was required to go public within three years, the board now plans to enlist the bank on the stock exchanges in 2027.

Chowdhury noted that he is aware of how a lack of governance has ruined many banks.

"We do not interfere in management decisions. We only monitor whether the management is running the bank properly," he said regarding governance in the bank.

"We have created a mindset that no loan will be sanctioned based on connections or board members' requests. We have realised that the banking sector faces difficulties mainly due to such practices."

"When corporate governance breaks down in a bank, it can be severely harmed. That's why we are giving management the independence to operate," he said.

Outlining the bank's next two-year target, the chairman said the deposit size is planned to be raised to Tk 5,000 crore while maintaining an advance-to-deposit ratio of 70 percent.

# China: From copycat to innovator

**MD TAJDIN HASSAN**

I have just wrapped up an extraordinary week in Shenzhen and Guangzhou as part of the study tour to China, organised by the Stars Foundation, Switzerland. This dynamic programme brought together a vibrant group of global leaders and offered an amazing opportunity to learn directly from international champions, unicorns, and start-ups.

From autonomous vehicles to AI-powered cityscapes and sustainable technology, the tour provided on-the-ground insights into the state of China's economy and the opportunities it presents for foreign businesses.

Beyond the technological marvels, what stood out to me was China's structured, intentional approach to encouraging innovation. As I return inspired, I would like to share a few key learnings from this journey that may be useful not only for businesses but also for policymakers, educators, and entrepreneurs.

The days when China was merely replicating Western technology are over. Today, homegrown giants are setting global benchmarks in AI, electric vehicles, and quantum computing. This shift from imitation to invention is no accident; it is the result of strategic investment in research and development, education, and talent cultivation.

China's evolution offers a model for any country aiming for long-term competitiveness. Moving from dependency to originality demands deep investment in STEM education and high-tech research.

The innovation boom in China is not only market-driven but also policy-led.

Government support through subsidies, tax benefits, R&D incentives, and infrastructure development has played a vital role in transforming ideas into scalable businesses. Programmes such as "Made in China 2025" and state-backed venture capital funds ensure breakthroughs in AI, 5G, and green energy lead to commercial success.

Effective innovation requires public-private synergy, and governments must create enabling environments through funding, regulatory sandboxes, and research grants to drive technological progress.

Cities such as Shenzhen, Shanghai, and Beijing have become innovation hubs by concentrating talent, capital, and infrastructure in one place. Shenzhen's transformation from a fishing village into a global tech powerhouse is an example of how geography-based strategy and urban clustering can catalyse innovation.

Entrepreneurs in China are moving fast, experimenting boldly, and scaling globally. A lack of fear around failure, coupled with a massive domestic market to test ideas, allows companies to iterate rapidly. This bold, risk-taking mindset is valuable for anyone navigating fast-changing business environments or aiming to use local markets as testing grounds before international expansion.

To encourage this culture, companies must invest in the right talent. China is placing strong emphasis on producing experts in AI, engineering, science, and R&D.

Chinese firms are no longer only competing globally; they are collaborating as well, partnering with Western companies, co-investing, and sharing knowledge. This shift from zero-sum rivalry to shared innovation is reshaping the idea of globalisation. Large companies are now engaged in joint research, co-developing products, and investing in global ventures.

The future belongs to cross-border alliances. Nations and businesses alike can learn from China the value of seeking strategic partnerships over adversarial competition.

One of China's greatest advantages is its ability to deploy innovation at scale and speed. Whether it is electric vehicle adoption, AI integration, or smart city infrastructure, execution velocity sets Chinese firms apart.

From Chinese companies, I have learnt that innovation is not just about ideas. It is about how quickly and efficiently they are executed. That means streamlining regulatory processes, supply chains, and market strategies to stay ahead.

The writer is the chief business officer at The Daily Star.

# Berger Paints recommends 525% dividend, highest in 8 years

**STAR BUSINESS REPORT**

Berger Paints Bangladesh Ltd saw its profit rise for the year ended March 31, 2025, as the company recommended its highest dividend in eight years.

The leading paint producer has recommended a 525 percent cash dividend for its financial year, the highest payout by the company since 2017, when it paid a 600 percent dividend.

The board's decision was disclosed in a price sensitive information (PSI) notice published recently.

The company reported a net profit of Tk 336.97 crore for FY25, reflecting a 4 percent year-on-year growth.

Berger's consolidated earnings per share stood at Tk 72.66, up from Tk 69.92 in the previous year.

However, its consolidated net operating cash flow per share dropped to Tk 58.94 from Tk 139.64 a year earlier.

The company also announced a new investment plan involving the formation of a subsidiary named Jenson & Nicholson Packaging Ltd (JNPL), which will manufacture packaging products at the National Special Economic Zone.

Berger will hold a 51 percent equity stake in JNPL through an investment of Tk 5.1 crore, while its wholly owned subsidiary, Jenson & Nicholson (Bangladesh) Ltd, will contribute Tk 4.9 crore for the remaining 49 percent stake.

Additionally, the board has approved an amendment to its land lease agreement with the Bangladesh Economic Zones Authority (BEZA) to bifurcate the use of 39.41 acres of land.

Under the revised agreement, Berger will retain 38.25 acres, while JNPL will use 1.16 acres for setting up its plant.

As of May 31, 2025, sponsor directors held 95 percent of Berger shares, while institutional investors owned 4.07 percent, foreign investors 0.20 percent, and the public 0.73 percent, according to Dhaka Stock Exchange data.

Berger Paints is a leading name in the paint industry, with a legacy spanning over 250 years. The company began its operations in the region in 1950, importing paints from Berger UK and later from Berger Pakistan.

By 1970, it had established its factory in Chatogram under Jenson & Nicholson (Bangladesh) Ltd, which was rebranded as Berger Paints Bangladesh Ltd on January 1, 1980, according to the company's website.

# Deal or no deal: What happens with Trump's July tariff deadline?

**AFP, Washington**

A week before US President Donald Trump reimposes steep tariffs on dozens of economies, including the EU and Japan, many are still scrambling to reach a deal that would protect them from the worst.

The tariffs taking effect July 9 are part of a package Trump imposed in April citing a lack of "reciprocity" in trading ties.

He slapped a 10 percent levy on most partners, with higher customized rates to kick in later in countries the United States has major trade deficits with.

But these were halted until July to allow room for negotiations.

Analysts expect countries will encounter one of three outcomes: They could reach a framework for an agreement; receive an extended pause on higher tariffs; or see levies surge.

"There will be a group of deals that we will land before July 9," said Treasury Secretary Scott Bessent last Friday on CNBC.

Policymakers have not named countries in this group, although Bessent maintains that Washington has been focused on striking deals with about 18 key partners.

"Vietnam, India and Taiwan remain promising candidates for a deal," Asia Society Policy Institute (ASPI) vice president Wendy Cutler told AFP.

Without a deal, Vietnam's "reciprocal tariff" rises from the baseline of 10 percent to 46 percent, India's to 26 percent and Taiwan's to 32 percent.

Josh Lipsky, international economics chair at the Atlantic Council, cited Indian negotiators' extension of their US trip recently

in noting that it "seems like a frontrunner."

"Japan was in that category, but things have set back a little," Lipsky said, referring to Trump's criticism Monday over what the president called Japan's reluctance to accept US rice exports.

The deals, however, will unlikely be full-fledged trade pacts, analysts said, citing complexities in negotiating such agreements.

Since April, Washington has

extended halt on higher tariffs that could last until Labor Day, which falls on September 1.

Bessent earlier said that Washington could wrap up its agenda for trade deals by Labor Day, a signal that more agreements could be concluded but with talks likely to extend past July.

For countries that the United States finds "recalcitrant," however, tariffs could spring back to the higher levels Trump previously announced, Bessent has warned.



PHOTO: AFP/FILE

and a deal to temporarily lower tariff duties with China.

Bessent has also said that countries "negotiating in good faith" can have their tariffs remain at the 10 percent baseline.

But extensions of the pause on higher rates would depend on Trump, he added. "With a new government, (South) Korea looks well positioned to secure an extension," Cutler of ASPI said.

Lipsky expects many countries to fall into this bucket, receiving an

extended halt on higher tariffs that could last until Labor Day, which falls on September 1.

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# Stocks rebound from losses

**STAR BUSINESS REPORT**

Indices on the Dhaka Stock Exchange (DSE) ended the day in positive territory yesterday, recovering from the losses of the previous session.

The DSEX, the benchmark index of the premier bourse, gained 26.94 points, or 0.55 percent, to close at 4,865.33.

The Shariah-compliant DSES index rose 0.47 percent to 1,065.78, while the DS30, which represents blue-chip stocks, gained 0.09 percent to 1,817.69.

Turnover, a key indicator of market activity, hit Tk 479.52 crore, up from Tk 464.53 crore in the previous session.

A total of 158,466 trades were executed during the session, with block transactions amounting to Tk 7.56 crore across 23 scrips.

Market breadth was positive, with 277 issues advancing, 69 declining, and 51 remaining unchanged.

Among the A-category shares, 155 advanced, 41 declined, and 21 remained unchanged.

In the B category, 60 scrips gained and 16 declined, while the N category had one issue unchanged.

Performance across other segments was mixed. In mutual funds, 18 issues advanced and 4 declined. In corporate bonds, two issues advanced.

Government securities saw one issue decline.

Islamic Finance & Investment posted the highest gain of the day, surging 10 percent, while Central Insurance Company was the worst performer, shedding 6 percent.