



Abdul Hai Sarker

Dhaka Bank turns 30, looks to a digital horizon

Its chairman says in an interview with The Daily Star

MD MEHEDI HASAN

Dhaka Bank has weathered many highs and lows since its inception, and its founding Chairman Abdul Hai Sarker credits the lender's resilience to a foundation built on good intentions.

In an interview with The Daily Star ahead of the bank's 30th anniversary tomorrow, Sarker said the focus is now firmly on digital transformation and reducing reliance on paper.

"We have endured many ups and downs over the past 30 years, and it is because our intentions were good that we have managed to survive well," he said, reflecting on the journey.

Dhaka Bank launched its banking operations on July 5, 1995. However, the path to that milestone was long.

The chairman recalled that the initial application to set up the bank was submitted in 1984, along with around 40 others. The proposal did not receive approval at the time. It was eventually greenlit in 1991.

In addition to leading Dhaka Bank, Sarker is also the chairman and CEO of Purbani Group—one of the country's oldest textile conglomerates—and heads the Bangladesh Association of Banks (BAB), an industry trade body of private banks.

The seasoned banker and businessman described Dhaka Bank as a fully service-oriented bank for customers. "The bank always tries to serve the customer."

However, he admitted past missteps. "Like many banks, we were overly enthusiastic about lending to some Chattogram-based parties," he said. "We are now suffering the consequences of that craziness."

"Around 10 Chattogram-based borrowers, including Habib Group and SA Oil, are now fugitives who defaulted on loans from our bank worth around Tk 2,000 crore," Sarker informed.

Aiming for complete digitalisation

As it steps into its 31st year, Dhaka Bank is focusing on digitalisation and paperless operations. "Many of our



TAKEAWAYS FROM INTERVIEW

CHALLENGES

Around **Tk 2,000cr** of Dhaka Bank loans were defaulted by about **10** Chattogram-based businesses

80% of defaulters are able but unwilling to repay

SYSTEMIC ISSUES & REFORMS

- ➔ Restoring depositor confidence is more crucial than funding weak banks
- ➔ Dividend restrictions discourage shareholders and erode trust in banking system
- ➔ Fugitive defaulters should not enjoy legal protection—they must face trial

VISION & STRATEGY

Dhaka Bank is moving towards full digitalisation, with **25-30%** of operations already digital

neighbouring countries have already achieved this. India, Dubai, Abu Dhabi, Thailand, Finland, and Malaysia have all modernised significantly," said Sarker.

He noted that around 25–30 percent of the bank's operations are currently digitised.

Beyond lending, Sarker believes banks should guide customers in growing their businesses. "A bank's job is not just to give loans—it's also to guide customers in the right direction."

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Bank chairman, adding, "Banks should also advise on how to improve a business. That's the direction we want to move in."

Merger good, but customer confidence the key

Turning to the broader state of the banking sector, Sarker emphasised that depositor confidence is key. "It is very difficult to restore confidence once it is lost," he said.

He opined that Bangladesh Bank is on the right track to merge some weak banks—a significant move taken by the interim government to reform the

banking sector.

However, he expressed concerns about the feasibility of these mergers.

"Funding weak banks would not bring any positive outcomes unless depositor confidence is restored," he stated, adding, "Depositors' confidence comes first; otherwise, you cannot survive."

Sarker also criticised the central bank's restrictive dividend policy, stating that it discourages shareholders and prompts them to sell shares. "Shareholders need some form of return," he said. "If the banking regulator continues with the policy, then both depositors and shareholders will lose trust in banks," he warned.

80% of defaulters not willing to repay

On the issue of non-performing loans (NPLs), Sarker pointed to an alarming trend. As of March 2025, NPLs in Bangladesh hit a record Tk 420,335 crore—representing 24.13 percent of total loans in the sector, which stood at Tk 17,41,992 crore.

Sarker opined that about 80 percent of defaulters are not willing to repay despite having the ability to clear the loans.

"When the banks go to auction their mortgaged assets, these defaulters send their representatives to the court, and the High Court also takes their words into consideration. We can't recover the money when the court imposes a stay order on the default status of the client," he said.

"But fugitive defaulters should not be allowed to enjoy such legal rights," he added.

Calling for an immediate stop to such practices, he demanded that the defaulters return to the country and attend court hearings to protect their property.

"The authorities will have to establish more money loan courts (Artho Rin Adalat) and strengthen them to clear the logjam of cases in the financial sector and recover the money from the defaulters," he said.

Eyes that lead

MAHTAB UDDIN AHMED

A classic and familiar office tale: Meet VP (Vice President) Mojnu. Mojnu bhai, known for his "strict leadership," has one peculiar habit: never making eye contact. During meetings, his gaze is always fixed on the projector, the ceiling, or his own fingers. His team jokes that he's either camera-shy or spiritually connected to office furniture. One day, a new recruit thought Mojnu bhai was angry at him just because he never looked his way. HR had to intervene and explain, "No, young boy, he's not angry. He just suffers from 'Eye Contact Avoidance Syndrome.'" Meanwhile, Mojnu bhai wonders why his team lacks enthusiasm, consistently misses deadlines, and often fails to follow instructions with genuine commitment. The answer? He never truly saw them.

In real life, I discovered I had this "eye contact allergy" during a senior leadership course at Four Acres in London, while I was at Unilever. The 360° feedback hit like a hard slap; apparently, my global colleagues found my habit of not making eye contact with people downright insulting. I was shocked. Back home, it was just my shy, introverted self in action. But in that room full of leaders, I realised that what felt normal to me came across as arrogance to everyone else.

We often believe leadership is about what you say, how loudly you say it, or how senior you are. But research by Simon Liegl and his team, "Eyes That Lead", shows that even something as simple as eye contact can make a big difference. Their findings suggest that when leaders look at their team members directly and with purpose, it builds approval, trust, and extra effort. In other words, eye contact isn't just polite, it's powerful.

In Bangladesh, where office culture still leans heavily on formality and hierarchy, this insight matters even more. Many employees hesitate to speak up unless spoken to. In such workplaces, a manager's eye contact during a meeting or even a passing compliment can make someone feel recognised. It creates a connection. But when managers always look at screens, documents, or somewhere far away while talking, they send the message: you don't matter enough to look at.

This small act of eye contact builds psychological safety. It tells people, "You're seen. You're heard. You're included. Employees who feel seen are far more likely to be engaged, committed, and willing to put in the extra effort. No motivational speech can replace the power of simply being acknowledged with a look.

According to Liegl's study and similar leadership research by Harvard and McKinsey, leaders should consciously use eye contact to connect, especially during feedback, recognition, and moments of team communication. Look at people when they speak. Make sure everyone, not just your favourites, gets attention. When appreciating someone's work, do so while looking at them, not at your laptop. Eye contact, combined with a smile or nod, works as a silent high-five.

However, remember that it's not about staring blankly or making people uncomfortable. One hard stare from an angry boss is enough to send shivers down a person's spine. It's about looking at others with respect and intention, being present in the moment. Presence is the new power. In leadership, the strongest messages are not always spoken. Sometimes, the most effective way to lead is to simply look someone in the eye and say, without words: I see you, I believe in you, and I'm with you. That single moment can inspire more loyalty, effort, and connection than a hundred memos. So, lift your eyes from the screen. Your team is waiting to be seen.

Not every eye contact is a love story; sometimes it's just poor eyesight. But in leadership, seeing your people clearly is where true connection begins.

The writer is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

S Korea 'doing utmost' for trade deal with US

AFP, Seoul

South Korea's President Lee Jae Myung said Thursday his administration was doing its "utmost" to secure a trade deal with the United States ahead of President Donald Trump's deadline next week for imposing fresh country specific levies.

"It's certainly not easy, that much is clear. And to be honest, I can't say with confidence that we'll be able to wrap everything up by July 8," Lee said at a press conference marking his first month in office.

"We're doing our best, and the goal is to reach a genuinely mutually beneficial outcome, but at this stage, both sides still haven't clearly defined what exactly they want," he said, adding: "All I can say for now is that we're doing our utmost."

Already hit by sector levies on steel and car exports, Seoul is laser-focused on negotiations over a 25 percent country-specific tariff that has been suspended until next week. Without an agreement, it will come into effect just after midnight Washington time on July 9.

Seoul's ministry of industry and trade confirmed this week it is seeking an extension.

"With the US tariff suspension deadline fast approaching, the direction of Washington's future actions remains highly uncertain and volatile, including whether the suspension will be extended," trade minister Yeo Han-ko said Thursday.

Yeo said the reimposition of US tariffs would be a "grave situation" requiring an all-out, government-wide effort to minimise the negative impact on Asia's fourth-largest economy.

Lee assumed office facing a daunting array of challenges, from a deepening economic slump and intensifying global trade tensions to rising alarm over growing military cooperation between nuclear-armed North Korea and Russia.

He inherited a nation deeply fractured by the political crisis triggered by his predecessor, Yoon Suk Yeol, whose attempted imposition of martial law in December sent shockwaves through South Korean democracy.

US-Vietnam trade deal sows new China standoff

AFP, Hanoi

Vietnam's trade deal with the United States averts the most punishing of Donald Trump's "reciprocal" levies but has provoked new friction between Washington and Beijing.

Vietnam has the third-biggest trade surplus with the United States of any country after China and Mexico, and was targeted with one of the highest rates in the US president's "Liberation Day" tariff blitz on April 2.

The deal announced Wednesday is the first full pact Trump has sealed with an Asian nation, and analysts say it may give a glimpse of the template Washington will use with other countries still scrambling for accords.

The 46 percent rate due to take effect next week has been averted, with Vietnam set to face a minimum 20 percent tariff in return for opening its market to US products including cars. But a 40 percent tariff will hit goods passing through the country to circumvent steeper trade barriers – a practice called "transshipping".

Washington has accused Hanoi of relabelling Chinese goods to skirt its tariffs, but raw materials from the world's number two economy are the lifeblood of Vietnam's manufacturing industries.

"From a global perspective, perhaps the most interesting point is that this deal again seems in large part to be about China," said Capital Economics.

It said the terms on transshipment "will be seen as a provocation in Beijing, particularly if similar conditions are included in any other deals agreed over coming days".

Beijing's foreign ministry spokeswoman Mao Ning said on Thursday "negotiations and agreements should not target or harm the interests of third parties".

Shares in clothing companies and sport equipment manufacturers – which have a large footprint in Vietnam – rose on news of the deal in New York.

But they later declined sharply as details were released. "This is a much better outcome than a flat 46 percent tariff, but I wouldn't celebrate just yet,"



Workers stitch apparel at a garment factory in Vietnam's Thai Nguyen province on July 2. Vietnam has the third-biggest trade surplus with the United States of any country after China and Mexico.

PHOTO: AFP

said Hanoi-based Dan Martin, from Asian business advisory firm Dezan Shira & Associates.

"Everything now depends on how the US decides to interpret and enforce the idea of transshipment," he added.

"If the US takes a broader view and starts questioning products that use foreign parts, even when value is genuinely added in Vietnam, it could end up affecting a lot of companies that are playing by the rules."

A Vietnam foreign ministry spokesman told reporters on Thursday that negotiators were still "in detailed discussion to concretise agreements".

But there are scant details about the transshipment arrangements in the deal, which Trump announced on his Truth Social platform.

"The announced deal gives Vietnam a level of certainty that most other US trading partners do not have," said American Chamber of Commerce in Hanoi chief Adam Sitkoff.

But, he said, "assessing the pros and cons of the deal is difficult without seeing further details about what the tariffs actually mean".

"The answers to these questions can be the difference between celebrating or crying," Bloomberg Economics forecast Vietnam could lose a quarter of its exports to the United States in the medium term, endangering more than two percent of its gross domestic product as a result of the agreement.

"The Vietnamese government will now find itself under pressure to ensure that country-of-origin rules are enforced," explained Jack Sheehan, head of regional tax at Asian legal and tax firm DFDL.

But uncertainty over how transshipping will be "defined or enforced" is likely to have diplomatic repercussions, said Bloomberg Economics expert Rana Sajedi.

"The looming question now is how China will respond," she said. "Beijing has made clear that it would respond to deals that came at the expense of Chinese interests."

"The decision to agree to a higher tariff on goods deemed to be 'transshipped' through Vietnam may fall in that category," added Sajedi.

"Any retaliatory steps could have an outsized impact on Vietnam's economy."

Stocks rise for second session

STAR BUSINESS REPORT

Indices of the Dhaka Stock Exchange (DSE) closed higher yesterday, extending their gains for the second consecutive day.

The DSEX, the benchmark index of the premier bourse, gained 28.73 points, or 0.59 percent, to close at 4,894.06.

The Shariah-compliant DSES index declined slightly by 0.03 percent to 1,065.39, while the DS30, which represents blue-chip stocks, gained 1.01 percent to 1,836.11.

Turnover, a key indicator of market activity, hit Tk 506.18 crore, up from Tk 479.52 crore in the previous session.

A total of 159,410 trades were executed during the session, with block transactions amounting to Tk 16.78 crore across 33 scrips. Market breadth was mixed, with 154 issues advancing, 181 declining, and 62 remaining unchanged.

Among A-category shares, 93 advanced, 103 declined, and 21 remained unchanged. In the B category, 32 scrips gained and 39 declined, while the N category had no trading activity.

Performance across other segments was mixed. In mutual funds, 22 issues advanced and 5 declined. In corporate bonds, two issues declined.

Government securities saw one issue decline.

Rupali Bank posted the highest gain of the day, surging 9 percent, while Islamic Finance & Investment was the worst performer, shedding 9 percent.

Gold steadies

REUTERS

Gold prices were little changed on Thursday as investors held back from making significant bets, awaiting US payroll data later in the day for insight into the Federal Reserve's policy direction.

Spot gold held steady at \$3,357.96 per ounce as of 0601 GMT, while US gold futures edged up 0.2 percent to \$3,369.10.

Gold appears to be consolidating at present within the \$3,320 to \$3,360 range, with the market adopting a wait-and-see approach rather than taking significant positions ahead of US non-farm payroll and ISM Services PMI data, OANDA senior market analyst Kelvin Wong said.

Data released by ADP showed US private payrolls dropped by 33,000 jobs in June, marking the first decline in more than two years, as economic uncertainty hampered hiring, but low layoffs continued to anchor the labor market.