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Private credit growth target lowered amid low appetite

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Bangladesh Bank (BB) has lowered the target for private sector credit growth in its latest monetary policy, citing a lack of appetite arising from political uncertainties.

Ahsan H Mansur, governor of the central bank, read out the summary of the Monetary Policy Statement (MPS) for the next six-month period at a press conference at the BB's headquarters yesterday.

The BB set the private sector credit growth target at 7.2 percent for the six months, down from a target of 9.8 percent set for the preceding six months, reflecting the contractionary nature of the monetary policy.

Private sector credit grew by only 6.4 percent in June, the lowest on record in more than two decades, according to BB data.

The MPS projected that private sector credit will remain at 8 percent till June next year, due to the contractionary nature of monetary policy aimed at containing persistently high inflation and low credit demand from non-bank financial corporations.

However, industry insiders said the lowering of the private sector credit growth target would have a detrimental effect on employment generation and GDP growth.

In a reaction, the Dhaka Chamber of Commerce and Industry (DCCI) expressed concern over Bangladesh Bank's continued contractionary monetary policy, saying it is undermining private investment and industrial activity.

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BB to intervene in forex market
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Bangladesh Bank (BB) will intervene in the foreign exchange market to curb volatility in the exchange rate and rebuild the country's foreign exchange reserves.

This was announced in the BB's latest Monetary Policy Statement for the first half of fiscal year 2025-26.

The move came as pressure continued to mount on the taka due to persistent inflation, widening trade imbalance, and external headwinds, including a proposed tariff hike by the US.

The central bank reaffirmed its commitment to a flexible exchange rate regime but said it would adopt a more proactive approach to ensure market stability.

In May 2025, the BB transitioned to a more flexible exchange rate regime aimed at enhancing stability in the foreign exchange market.

The central bank said the regime remains essential for facilitating smoother adjustments to external imbalances, easing market pressures, and preserving reserves.

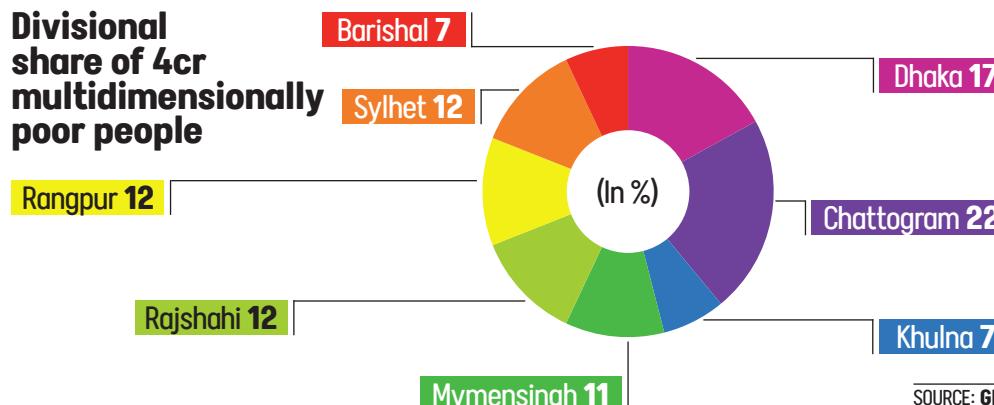
While the BB remains committed to flexibility, it retains the option to intervene to smooth out excessive fluctuations, it said.

This marks a more pragmatic shift as the central bank seeks

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4 crore people face multidimensional poverty

Shows the country's first poverty beyond income index



BY THE NUMBERS

Number of multidimensionally poor dropped to 4cr in 2019 from 6.5cr in FY13

Around 27% of rural population is poor, compared to 13% in urban areas

Sylhet has the highest multidimensional poverty rate at 38%

Over 40% of people are poor in Bandarban, Cox's Bazar, Sunamganj, Rangamati, and Bhola

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More than four crore people in Bangladesh are trapped in multidimensional poverty, a form of deprivation that goes beyond income and includes limited access to education, healthcare, and basic living conditions.

The figure, revealed in the country's first Multidimensional Poverty Index (MPI), shows that the rate of such poverty is higher than income poverty.

The index has been developed by the General Economics Division (GED) using data from the

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2019 Multiple Indicator Cluster Survey and was published yesterday. The multidimensional poverty rate was 24 percent of the population that year.

Although based on pre-Covid data, a senior GED official said the current rate of multidimensional poverty is likely to be higher than the income poverty rate of 18.7 percent estimated in 2022.

Poverty is not just about not having money. Rather, it is like being stuck in a maze with multiple locked doors. Even if someone has a little cash, they still might not have access to essential services like schools, healthcare, clean water, or electricity.

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Banks to come under risk-based supervision: BB

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Banks will come under risk-based supervision (RBS) from January 2026, the central bank said yesterday, as it aims to bring qualitative changes to the monitoring and regulation of banks.

The BB said consistently high levels of non-performing loans (NPLs) are a major challenge in the sector.

"The surge in NPLs has raised growing concerns for the banking sector. This sharp increase is primarily attributed to the implementation of stricter loan classification guidelines, which took effect on 30 September 2024," it said.

The observations come from the Bangladesh Bank (BB) in the monetary policy statement for July-December 2025, which was unveiled yesterday.

The banking regulator said the introduction of comprehensive loan classification and provisioning guidelines from April this year, along with the non-renewal of large loans and the non-repayment of rescheduled ones, has worsened the situation.

- Risk-based supervision starts in January 2026
- BB updating credit risk guidelines

NPLs & LOAN RULES

Stricter loan rules raise NPLs
Classified loans weaken bank stability



The rising volume of classified loans is weakening banks' capital adequacy, profitability, and lending capacity, it added.

The BB said it has launched significant reform initiatives to address the rising NPLs in order to avoid a crisis and ensure long-term economic stability.

The central bank said it will be in a position to restore good governance and bolster stakeholder confidence in the banking system through the effective implementation of ongoing initiatives, coupled with robust resolutions for distressed banks based on the findings from an Asset Quality Review.

The BB is revising the core risk guidelines, including those on credit risk management for banks, for the implementation of RBS.

To further strengthen the banking sector's resilience, the BB has announced a roadmap to implement expected credit loss (ECL)-based loan provisioning by 2027, aligning with the International Financial Reporting Standard (IFRS) 9, which sets out how an entity should classify and measure financial assets and liabilities.

Under Phase I, scheduled banks are currently complying with the BB's directives and have submitted time-bound action plans, it said.

These plans include pre-assessment reports detailing the transition from the existing rule-based model to the ECL model, anticipated challenges, and the necessary actions for full implementation of IFRS 9.

"Once fully operational, the ECL-based provisioning system will benefit banks, regulators, investors, and the public by promoting early recognition of credit risks, enhancing financial transparency, and ensuring banking sector stability."

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Shipping agents seek 3-month delay in vessel cap

STAFF CORRESPONDENT, Ctg

The Bangladesh Shipping Agents Association (BSAA) has urged the Chittagong Port Authority (CPA) to postpone a planned reduction in the number of container vessels permitted to call at the port, warning that an abrupt cut could disrupt foreign trade and push up freight rates.

In a letter to the CPA's deputy conservator on Tuesday, BSAA Chairman Syed Mohammad Arif requested a three-month observation period before any cap is enforced.

"A sudden decrease in the number of vessels will lead to a sharp rise in freight rates and could result in surcharges by main line operators (MLOs)," Arif wrote.

The move comes amid growing tensions between port officials and shipping agents over how to address severe berth congestion and yard overflow that have left vessels stranded for up to 11 days at the outer anchorage.

The CPA recently moved to reduce the number of permitted vessels from 118 to 103, citing operational backlogs, extended turnaround times, and longer queues offshore.

In a meeting with BSAA leaders on July 20, they argued that when only 96 vessels were authorised earlier this year, delays were minimal. The number later rose to 118 through ad-hoc approvals, which the CPA claims contributed to the current crisis.

But the BSAA says yard congestion, not vessel count, is to blame.

In his letter, Arif attributed the backlog to a combination of

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Dhaka eyes deep cut in US tariff as deadline ends

REFAYET ULLAH MIRDHA

As the tariff talks between Bangladesh and the United States wrap up today, Dhaka is expecting a deal that would see tariffs on its exports to the American market well below the steep 35 percent rate imposed by the Trump administration from August 1.

Officials said Bangladesh is "very close" to the signing of the trade agreement with the US, agreeing to increase imports of American goods to narrow the trade gap between the two countries.

US President Donald Trump is expected to announce the new tariff rate for Bangladesh later today.

The development follows the latest round of three-day negotiations with senior officials from the United States Trade Representative (USTR), Washington's top trade negotiating body.

Bangladesh's delegation was led by Commerce Adviser Sk Bashir Uddin, and included National Security Adviser Khalilur Rahman, Commerce Secretary Mahbubur Rahman, and an additional secretary from the commerce ministry.

On the US side, Assistant Trade Representative Brendan Lynch headed the team, joined by officials handling trade and tariff matters.

On condition of anonymity, an official familiar with the talks said, "Substantial progress has been made during the discussion and both countries are very close to the signing of the agreement."

"I cannot exactly say what the percentage of the tariff would be in the case of Bangladesh. Only I can say the tariff rate for Bangladesh will be much lower than the 35 percent, imposed earlier by Trump," the official added.

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BRAC Bank, a leading sustainable bank in Bangladesh, is committed to becoming the best bank in the country. It has pioneered SME Banking in Bangladesh and offers a comprehensive range of banking services to individuals and business entities. BRAC Bank stands out as a beacon of financial inclusion with solid financials, top credit ratings, and numerous accolades.

BRAC Bank is currently looking for an ambitious, intelligent, goal-oriented, and enthusiastic individual for the following position in its Internal Control and Compliance Division:



Head of Audit

Employment Type : Full-time
Job Location : Dhaka
Reporting to Grade : Head of Internal Control and Compliance : EVP

KEY RESPONSIBILITIES:

- Prepare risk-based audit plan for each year and anticipate risks in advance, identify themes and continually evaluate areas of priority against the Bank's risk profile and control environment.
- Implement and communicate Audit Committee's mission, goals and strategies.
- Supervise implementing the annual audit plan maintaining high ethical standard.
- Escalate the deficiencies identified through Risk-based Audits to an appropriate level.
- Prepare summary report on the audit findings and corrective actions taken by the Audit Committee.
- Manage effective and prompt audits by maintaining professionalism through relationship management, cooperation and proper communication.
- Lead the designing and promote the use of innovative tools and technology to drive continuous coverage of contemporary risks.
- Liaise with external auditors, professional bodies and regulatory authorities as and when required.
- Demonstrate critical, strategic & analytical mindset and lead to support change.
- Validate the effectiveness of existing policies and procedures and mitigate identified risks.
- Provide assurance to the audit committee and Board on the effectiveness of the control environment operating in the bank for managing the identified risks.

KEY QUALIFICATIONS:

- Masters/ Bachelor's degree from a reputed university with a satisfactory academic track record.
- Minimum 15 years of experience with a minimum of 6 years in Internal audit function, preferably in the banking or financial services industry.
- Professional certification e.g. CIA, ACA, ACCA, ACMA and/or CIMA is preferred.
- Experience in Management Accounting, knowledge of group financial reporting, Regulatory Audit & Inspection, Specialization on Core-risk areas, financial analysis & audit risk scoring, identifying trends/ typology of systemic control loopholes etc.
- Extensive experience in conducting internal audit in Bangladesh or other countries.
- Strong understanding of audit methodology and audit execution processes.
- Positive attitude with leadership, teamwork and decision-making capabilities.
- Self-propelled, proficient in customer-centricity, team player, and capability to meet deadlines.

BRAC Bank is a values-driven organization that prioritizes the protection of all its stakeholders, including coworkers and the community we work in, from harassment, abuse, neglect, exploitation, and discrimination. As an equal opportunity enabler, BRAC Bank encourages applications from any gender-diverse individuals and persons living with a disability. We consider personal persuasion to be a disqualification of candidature.

If you are interested in taking up the challenge, please send your resume to career@bracbank.com by mentioning "Head of Audit" in the subject-line.

Only short-listed candidates will be communicated for the next stage as per the recruitment process. BRAC Bank reserves the right to accept or reject any application without assigning any reason, whatsoever.

BRAC Bank does not charge any fee at any stage of the recruitment process.

Application Deadline: **12 August 2025**