

Star

BUSINESS



# ONE IN FOUR stocks trades below face value

AHSAN HABIB

One in four stocks on the Dhaka Stock Exchange (DSE) is trading below face value, due mainly to the companies behind them failing.

Banks and finance firms weighed down by bad loans dominate this group, alongside mutual funds that have lost investor confidence. There are also textile stocks in this basket.

Analysts say this weakens the overall market, making it less attractive to both local and foreign investors.

According to them, strong companies do exist, but they are few, so investors now favour only those with solid performance.

They have urged the regulator

A breakdown shows 33 of the low-priced companies are banks or NBFI, 35 mutual funds and 17 are textile factories. Many of the textile units have either shut down production or suffered losses for years.

Although the market index has been rising in recent months, low-priced shares have barely moved. Almost half of these low-priced stocks are classified as junk, according to DSE data.

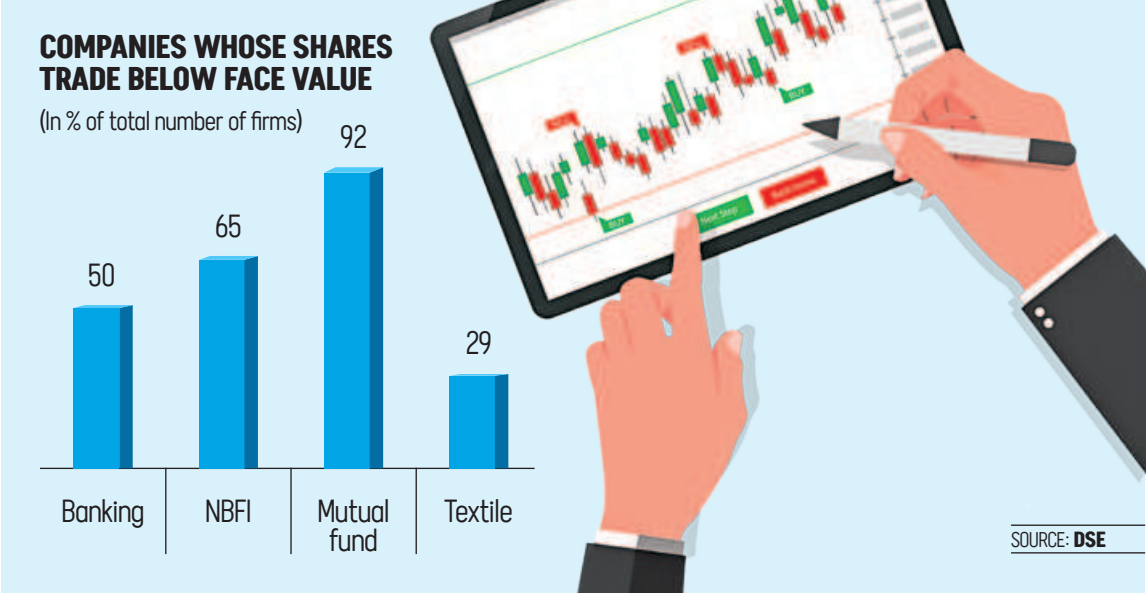
"The huge number of companies with low share prices indicates that their performance is not good, so demand for these stocks is low, and the high number of such companies

banks stand out.

Non-performing loans (NPLs) in the sector reached a record Tk 4.20 lakh crore at the end of March, accounting for nearly a quarter of all loans, according to the Bangladesh Bank. Distressed loans totalled Tk 7.56 lakh crore last year, 45 percent of all outstanding loans.

Among the listed banks, 18 commercial lenders have been barred from paying dividends because of fragile finances. Most of the banks are being traded below their face value.

"Once, the banking stocks were much in demand among



to clean up the mess by shutting down or merging the bad ones and bringing in stronger companies.

Face value is the nominal price of a share or mutual fund unit set by the regulator, which in Bangladesh is Tk 10 for all equity and mutual fund securities.

At the DSE yesterday, 397 stocks changed hands, of which 98 traded below the face value of Tk 10. Half of these slipped below Tk 5.

indicates that there is an abundance of low-performing companies," said Kazi Monirul Islam, chief executive of Shanta Asset Management.

The exchange lists around 400 companies, yet only 50 to 60 are considered investable for foreign and institutional investors.

"Overall, it shows that the market has a lack of good stocks," Islam said.

Among the low-priced shares,

investors. But their attraction dropped over the years when investors realised that many banks were impacted during the previous years," said Islam.

He added that while failing banks dragged down the sector, a handful of stronger lenders had attracted more deposits and stood out during the downturn.

"Thankfully, investors realised it and their share prices edged

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# Stocks hit 11-month high Junk shares spark concerns

STAR BUSINESS REPORT

Stocks closed higher for the second day in a row yesterday, with the main index of the Dhaka Stock Exchange (DSE) reaching the highest level in nearly a year.

The upward trend has raised optimism among some analysts but also sparked unease among many as some financially weak companies are dominating the list of top gainers.

Trading was also more active than the previous day.

## IPDC ডিপোজিট | ১৬৫১৯

The DSEX, the benchmark index of the DSE, gained 76 points, or 1.38 percent, to close at 5,594. This is the highest level since September last year, when the index stood at 5,624 points, according to DSE data.

Other indices also moved up. The Shariah-compliant index, known as the DSES, increased by 1.69 percent to 1,227.70, while the blue-chip index, DS30, which tracks the performance of large, well-established companies, rose by 1.70 percent to 2,193.72.

Despite the growth, industry experts are cautious as no 'A' category, those regarded as stable, or blue-chip stocks took place on the top five gainers' list.

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# Regulator fixes audit fees for banks

STAR BUSINESS REPORT

For the first time, the Financial Reporting Council (FRC), an autonomous regulatory body, yesterday set audit fees for chartered accountants who will audit the financial statements of banks in the current fiscal year of 2025-26.

In a notification, the FRC said, for banks with total assets or risk-weighted assets of up to Tk 10,000 crore, the total audit fee will be Tk 14.38 lakh, and where total assets or risk-weighted assets exceed Tk 150,000 crore, the fee will be Tk 70.33 lakh.

"We have set audit fees for the banking sector to bring discipline. We will gradually fix such fees for other sectors as well," said FRC Chairman Md Sajjad Hossain Bhuiyan.

The FRC said the new rule will apply from the fiscal year 2025-26, and banks and auditors are expected to comply accordingly.

The fees were determined following consultations with stakeholders, including banks and the Institute of Chartered Accountants of Bangladesh (ICAB).

Bhuiyan said chartered accountants will audit the financial statements of banks in line with external auditor rules introduced by Bangladesh Bank in 2024.

According to the notification, audit fees may be based either on the total assets of banks or on their risk-weighted assets. Banks and chartered accountants themselves will decide which approach to adopt.

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# Abul Hashem made MD of Uttara Bank

**STAR BUSINESS DESK**

Md Abul Hashem has been appointed managing director (MD) and chief executive officer of Uttara Bank PLC.

Prior to this appointment, Hashem served the bank as deputy managing director, head of treasury, and chief anti-money-laundering compliance officer (CAMLCO) concurrently, according to a press release.

He began his professional banking career at Uttara Bank PLC as a probationary officer in 1997.

During his 28 year career, he has held various positions in the bank, including roles in the credit division, accounts department, reconciliation department, recovery department, development and support department, card department, credit business development department, and asset and liability management department at the head office.

He was awarded the Integrity Reward for the fiscal year 2020-21 in recognition of his contribution to the practice of integrity in the bank.

In his professional career, he visited the United Kingdom, Germany, France, Sri Lanka, Indonesia, Singapore, Bahrain, Oman, the Kingdom of Saudi Arabia, and India to attend official training sessions, meetings, seminars and symposiums.

Hashem holds an MSS degree in political science from the University of Dhaka and completed an Executive Master of Business Administration (EMBA) from the Bangladesh University of Business and Technology.



**Md Abul Hashem**

**Nazeem A Choudhury, deputy managing director-consumer banking at Prime Bank PLC, poses for photographs at the launch of the card named “Zero by Prime Bank” at Prime Tower in the capital’s Nikunja yesterday.**

**PHOTO: PRIME BANK**

Department office in the capital's Sukrabad recently, according to a press release.

Bank Asia PLC has entered into a partnership agreement with Sayeman Beach Resort, Cox's Bazar to offer privileges to the bank's credit cardholders.

Zishan Ahmammad, executive vice-president and head of cards, ADC and internet banking at Bank Asia PLC, and Md Ahsanul Hossain, manager of sales and marketing at Sayeman Beach Resort, signed the agreement at the Bank Asia Cards

As part of this collaboration, Bank Asia cardholders can now enjoy a special "Buy 1 Get 2 Nights Stay" offer at the renowned beachfront resort.

The offer will remain valid from September 1 to December 31 this year.

This partnership reflects Bank Asia's continued commitment to enhancing customer experience by offering unique lifestyle and travel benefits to its cardholders, the press release added.

**STAR BUSINESS DESK**

The life insurer received accolades across categories celebrating digital transformation, insurtech innovation, and marketing leadership, cementing its status as a forward-looking insurer in the Commonwealth region.

Key categories in which Sonali Life was honoured include “Digital Insurance Initiative of the Year,” “Insurtech Initiative of the Year,” “Education Insurance Initiative of the Year,” “Best Marketing Initiative of the Year,” “New Insurance Product of the Year,” and “Best Customer Service Initiative of the Year.”

Sheikh Mohammad Daniel, director of Sonali Life Insurance Company Limited, along with a team from the insurer, received the awards from the organisers at the summit, according to a press release.



# UCB holds 'Hajj Agency Conference' to enhance services for pilgrims

United Commercial Bank PLC (UCB) recently organised a “Haji Agency Conference” at a local hotel in Sylhet, aiming to ensure better and more convenient services for Hajj pilgrims.

Abul Alam Ferdous, additional managing director of United Commercial Bank PLC, attended the conference as the chief guest, according to a press release.

In his speech, Ferdous emphasized, "UCB is always committed to delivering innovative financial solutions and the best possible services to meet the needs of Hajj pilgrims."

With the active participation of UCE officials and leading Hajj agencies from the Sylhet region, the conference served as a significant platform for strengthening mutual cooperation.

Participants expressed optimism that such initiatives would further ensure safer, more efficient, and higher-quality services for future pilgrims.

Mohammad Abdul Hoque, chairman of the Sylhet Zonal Committee of the Hajj Agencies Association of Bangladesh (HAAB), and Mohammad Abdul Kadir, secretary of the committee, along with senior officials from both organisations were also present at the conference.

**STAR BUSINESS DESK**

Shahjalal Islami Bank PLC yesterday opened a relocated Muradpur Branch at Katalganj in Panchlaish thana of Chattogram, aiming to provide better services to clients.

Mosleh Uddin Ahmed, managing director of Shahjalal Islami Bank PLC, inaugurated the branch as the chief guest, according to a press release.

In his speech, Ahmed said, "We have relocated this branch to a more spacious location to provide better services to our clients. We hope our customers will now receive improved services."

The branch, which began operations on December 18, 2007, has contributed to the overall development of the area, including industry, trade and infrastructure.



**Mosleh Uddin Ahmed, managing director of Shahjalal Islami Bank PLC, inaugurates the relocated Muradpur branch at Katalganj in Panchlaish thana of Chattogram yesterday.**

## REUTERS

The dollar weakened against the euro and Swiss franc on Friday, on course for a 2 percent decline in August against a basket of currencies, as traders prepared for a US interest rate cut by the Federal Reserve next month.

The dollar, which initially firmed after US inflation data came in as expected, later gave up gains, failing to break a three-day losing streak.

The US Commerce Department reported on Friday that its Personal Consumption Expenditures (PCE) Price Index rose 0.2 percent last month after an unrevised 0.3 percent rise in June.

The data keeps the Fed on track for a widely expected rate cut at its upcoming meeting on September 16-17. Money markets are pricing in an 87 percent chance of an easing, up from 63 percent a month earlier. CME's FedWatch tool showed

The dollar index, which measures the greenback against a basket of currencies, was down 0.09 percent at 97.803 in afternoon trading.

"FX markets remain range bound as investors await the next US labor market report on September 5th," said Dan Tobon, head of G10 FX strategy at Citi.

Weak consumer sentiment continues to hang over an anxious market, which is rebalancing and hedging portfolios at month's end after US equities rallied throughout August, said Uto Shinohara, senior investment strategist at Mesirow Currency Management.


**Government of the People's Republic of Bangladesh**  
Office of the Executive Engineer  
PWD Division, Noakhali  
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Memo No. 2745 Dated: 20-08-25

**2nd (Amendment) Corrigendum Notice**

It is hereby notified to all concern that the following amendment have been made to the invitation of work "Construction of 10-Storeyed Hospital Building with 10-Storeyed Foundation Including Single Basement for Noakhali Medical College Under the Project of Establishment of 500-Bedded Hospital & Ancillary Buildings in Jessore, Cox's Bazar, Pabna and Noakhali. (1st revised)" Tender ID: 1130979 vide Memo No. 2360/36 dated: 29/07/2025, vide Memo No. 2633/36 dated: 20/08/2025 due to unavoidable circumstance and the amendments shall be as follows.

Tender Notice field name	As Mentioned in original Tender Notice	To be Replaced
Document last selling date & time	01/09/2025 17:00	04/09/2025 17:00
Opening date & time	02/09/2025 15:00	07/09/2025 15:00
Last date & time for Tender/Proposal security submission	02/09/2025 14:00	07/09/2025 14:00
Closing date & time	02/09/2025 15:00	07/09/2025 15:00

  
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Syed M Omar Tayub

# Firms need to focus on finance mix to meet green demands

Prime Bank Investment CEO tells The Daily Star

## AHSAN HABIB

Bangladesh will require \$172 billion in green financing by 2030 if its industries are to remain globally competitive. The funds must come from a well-balanced mix of financing sources rather than relying too heavily on the banking sector, said Syed M Omar Tayub, managing director and CEO of Prime Bank Investment Ltd.

Citing an estimate from the International Finance Corporation (IFC), he said the total climate-smart investment potential stood at nearly \$172 billion for the period between 2018 and 2030.

This estimate was based on Bangladesh's Nationally Determined Contribution (NDC) targets, with priority given to the energy, transport and industrial sectors.

In an interview with The Daily Star recently, the CEO said Prime Bank Investment has already started working with industries to help them raise funds from both domestic and international markets through instruments such as equity, bonds and sukuk.

"In the next few years, there will be a requirement of \$100 billion in green buildings alone, in addition to financing for water management and agro-processing," Tayub said.

He said industries will need the fund for making their industries green while many international organisations are also ready to invest.

"To connect this financing, we have already started working with global leaders in these fields and are trying to figure out how to mobilise funds," said Tayub.

To play a more active role, Prime Bank Investment has launched an industry-wide initiative called "Capital Connect".

"Through it, we are advocating that raising money is not limited only to issuing shares in the stock market, but there are also various products such as Shariah-compliant financing, bonds, sukuk, etc," he said.

Prime Bank Investment has already engaged with senior executives of the pharmaceutical sector and will soon expand to textiles and other industries. It is also working with the Islamic Corporation for the Development of the Private Sector (ICD), a multilateral development finance institution, to

attract overseas financing.

Although the process is new to Bangladesh and taking time, Tayub said he is optimistic that Prime Bank Investment would be able to provide strong support to the industry.

Speaking at his office in Banani of the capital, he said if corporates depend on bank loans only for long-term projects, it will not be healthy as it will aggravate the maturity mismatch in the banking system.

Rather, he suggested that the Bangladesh Bank could require firms

open the door to concessional loans from development finance institutions and multilateral agencies.

"Many global agencies are sitting on large funds, and they are looking for sustainable and green bonds. It is also profitable for the corporates or issuers because repayment becomes smoother and they get some breathing space," said the Prime Bank Investment CEO.

As part of its broader strategy to position itself as a top investment bank, Prime Bank Investment has introduced new products for retail investors.

Asian Banking and Finance.

The firm invests only in companies it considers fundamentally strong, with good governance and sound financials. "We have defined 'investment universe' using risk management tools; therefore, it can invest in around 70 companies only," Tayub said.

Safeguards such as sectoral and stock caps are in place, and investment decisions are made collectively by a five-member committee. "Based on this approach, our analysis shows that it is very rare for a good stock to continue making losses for three consecutive years."

According to Tayub, Prime Bank Investment's strength lies not only in its Tk 300 crore capital but also in its strong board of directors.

"Essentially, we are working to establish the concept of investment banking in Bangladesh. Globally, many of the large financings, such as IPOs, bond or sukuk issuances, and mergers and acquisitions, are arranged by leading investment banks like Goldman Sachs, JP Morgan and Morgan Stanley, alongside other commercial banks. Bangladesh doesn't have an investment bank at that level yet. We are not saying that we will reach that level overnight, but we have started the journey."

Prime Bank Investment aims to offer a full suite of services, including equity and bond raising, underwriting, debt syndication, M&A advisory and balance sheet restructuring. To raise awareness, it has launched "Industry Alliance", which seeks to build partnerships at home and abroad.

"Recently, we went to Kuala Lumpur as BMCCI delegates and signed an agreement with Amanie Advisors to work together on Shariah-compliant investments. Another objective of this initiative is to work closely with different international chambers of commerce."

On the stock market, Tayub said Bangladesh needed to transform it into a genuine investment platform through new products and wider participation. While the country has 180 million people, 160 million bank accounts, 210 million mobile financial service accounts and 20 million agent banking accounts, the total number of stock market investors is only about 1.4 million, and that too with duplication.

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## TAKEAWAYS FROM INTERVIEW

### Green financing needs

Bangladesh will need **\$172b** in green financing by 2030

**\$100b** alone will be required for green buildings in coming years

Global agencies are eager to invest in green bonds from Bangladesh

### Prime Bank Investment's initiatives

Has launched Capital Connect to guide corporates in raising funds through multiple instruments

Offers Shariah-compliant, guaranteed, and women-focused investment products

### Finance mix

Corporates should diversify into bonds, sukuk, and equity to reduce risk

### Potential

Bangladesh has only **1.4m** active stock investors—far below potential



## India boosts oil purchases from US to narrow trade deficit

REUTERS, New Delhi/Singapore

Indian refiners boosted US crude oil purchases this month, drawn by competitive prices, trade sources said, a move that could help narrow the country's trade deficit with the United States amid tensions between the two nations.

The country's top refiner, Indian Oil Corp, has bought 5 million barrels of US West Texas Intermediate crude for delivery in October and November via a tender, trade sources said.

This came after another state refiner Bharat Petroleum Corp purchased 2 million barrels of US WTI crude while private refiner Reliance Industries has bought 2 million barrels of WTI crude from Vitol, other sources said.

Indian refiners, along with others in Asia, stepped up purchases after the arbitrage window for US crude to Asia opened. India is also under pressure to buy more US oil after the United States doubled its tariffs on Indian imports to 50 percent, citing New Delhi's buying of Russian oil.

European traders Gunvor and Equinor sold 2 million barrels each, while Mercuria sold 1 million barrels to IOC, the sources said.

## ICCB team off to Melbourne for World Chambers Congress

### STAR BUSINESS REPORT

An 11-member delegation from ICC Bangladesh, led by President Mahbubur Rahman, has left for Melbourne, Australia, to attend the 14th World Chambers Congress (WCC) from 2-4 September 2025.

Organised by the ICC World Chambers Federation (WCF) in partnership with the Victorian Chamber of Commerce and Industry (VCCI), the biennial forum will bring together over 1,000 business, chamber and political leaders from more than 100 countries, according to a press release.

This year's theme, "Business, Chambers, Government: Partners for Prosperity", highlights the role of collaboration between businesses, chambers of commerce and

governments in driving sustainable economic growth.

Key focus areas include geopolitical shifts, clean energy transitions, digital leadership, life sciences, workforce evolution and resilience in global trade.

Tanvir Ahmed, managing director of Green Textile, will participate as a speaker at the event.

Following the WCC, the delegation will visit ICC New Zealand and the Auckland



Chamber of Commerce for high-level talks on boosting bilateral trade and investment between Bangladesh and New Zealand.

The Delegation includes: Mahbubur Rahman, resident, ICC Bangladesh, AK Azad, vice president, ICC Bangladesh, Anwar-Ul-Alam Chowdhury (Parvez), managing director, Evince Group, Kutubuddin Ahmed, chairman, Envoy Textiles, Mohd Arshad Ali, managing director, The Merchants Limited, Mohammed Abdul Jabbar, managing director, DBL Group, Syed Ishtiaq Ahmed, managing director, Saiham Cotton Mills Limited, Matiur Rahman, chairman & managing director, Uttara Group of Companies, Simeen Rahman, CEO, Transcom Group, Tanvir Ahmed, managing director, Green Textile Limited, and Ataur Rahman, secretary general, ICC Bangladesh.

## China manufacturing shrinks for 5th month

AFP, Beijing

China's factory output ticked up in August but still recorded a fifth straight month of contraction, official data showed Sunday, as Beijing and Washington press on with trade talks.

The Purchasing Managers' Index – a key measure of industrial output – was 49.4, the National Bureau of Statistics (NBS) said, up slightly from 49.3 in July. A Bloomberg analysts' poll had forecasted the index would be 49.5.

The last time China recorded a figure above 50 – indicating growth – was in March.

NBS statistician Zhao Qinghe hailed the improvement from a month earlier as evidence that "overall economic prosperity continues to expand".

"The business climate has improved," he said.

In July, the NBS attributed

manufacturing struggles to severe weather, including floods and high temperatures.

China has struggled to maintain a strong economic recovery since the pandemic, as it fights a debt crisis in the crucial property sector, chronically low consumption and elevated youth unemployment.

"Economic momentum slowed in (the third quarter) as domestic demand remains weak," Zhiwei Zhang, chief economist at Pinpoint Asset Management, said Sunday.

"The macro outlook in the rest of the year largely depends on how long exports can stay strong and whether fiscal policy will become more supportive."

China's bruising trade war with the United States – now on hold pending a deal – threatens the export-dependent economy.

## Fixing capital crisis of local banking sector

MESBAH UDDIN AHMED

The banking sector in Bangladesh faces a severe capital shortfall of Tk 1.71 lakh crore, or around \$15.5 billion, as of late 2024, with the Capital to Risk Weighted Asset Ratio (CRAR) down to 3.08 percent, far below the regulatory requirement of 12.50 percent, including buffers.

The overall ratio has been dragged down by undercapitalised state-owned banks, posing risks to financial stability and weakening trust in local banks among foreign correspondents.

Key drivers of this shortfall include inadequate capital buffers, a high volume of classified loans, dividend policies, reliance on traditional instruments, and weak corporate governance.

The situation has been worsened by mounting non-performing loans (NPLs). Official figures put the NPL ratio at about 20 percent in December 2024, though the true level is likely higher when rescheduled and written-off loans are included. Political and board-level interference in lending decisions has allowed influential defaulters to escape accountability, eroding bank capital.

Unplanned expansion and lack of strategic focus have led to unhealthy competition, worsening asset quality. Heavy dependence on branch banking has pushed up costs and squeezed profitability. A further problem is the payment of dividends despite poor performance, aimed at keeping shareholders satisfied.

Bangladeshi banks have also done little to diversify their capital sources. Instruments such as plain vanilla subordinated bonds targeted at financial institutions are not enough to improve capital strength. The inability to issue market-based instruments reflects deeper investor mistrust of opaque balance sheets and poor governance.

Neighbouring countries offer useful contrasts. India, the Maldives and Malaysia show how strong regulation, effective implementation of Basel III standards and prudent capital management can underpin a stable banking system.

India maintains a capital adequacy ratio of about 15.5 percent, supported by close regulatory oversight, better risk practices and an active bond market. The State Bank of India has raised large sums through bond issuances and qualified institutional placements, while Bangladesh state-owned banks remain dependent on taxpayers for capital support.

The Maldives has one of the region's strongest banking systems, with a CAR consistently above 20 percent, thanks to cautious lending and firm supervision. Malaysia has a CAR close to 17.8 percent and an NPL ratio of only 1.5 percent, underpinned by a developed bond market, both traditional and Islamic, as well as regular stress testing and ongoing reforms.

These examples show that rules alone are not enough. They must be enforced consistently. For Bangladesh, strong government commitment, improved supervision, better risk management and deeper capital markets will be vital to overcome the capital crunch.

Beyond capital adequacy, the sector faces a wider crisis of governance. Politically influenced lending, widespread defaults and weak oversight have driven up NPLs, undermined public trust and increased threats to financial stability.

The government has launched a series of reforms, including mergers, capital injections, recovery plans and risk-based supervision by the Bangladesh Bank, to restore confidence. But further steps are needed.

To strengthen capital adequacy, the Bangladesh Bank must tighten enforcement of Basel III standards and ensure all banks meet minimum CAR requirements. The Bangladesh Securities and Exchange Commission (BSEC) also has a critical role in improving transparency and widening access to capital markets. Streamlined regulations, along with more efficient bond issuances, repeat public offerings and rights issues, would help banks raise funds and uphold public credibility.

Improving governance is equally important. Stronger boards, better structures and advanced risk management, including AI-driven models, would allow banks to assess asset quality and risks more accurately, aligning with global best practice.

The writer is the managing director of IDLC Investments Limited

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