



## NBFI crisis locks up depositors' savings

Nine non-banks set for liquidation owe Tk 15,370cr to savers

MD MEHEDI HASAN

With high blood pressure and diabetes, Khalil Ahmed Khan needs regular medical visits and drugs. A Tk 23 lakh fixed deposit receipt was meant to cover those costs. Instead, the 64-year-old now faces despair.

Khan's deposit at Aviva Finance Ltd matured on September 21 this year, yet he has received only Tk 8.98 lakh.

He said he went to the managing director of Aviva Finance to demand the rest. Months later, he still has no repayment and no idea when it might come.

"But I need the amount urgently to pay my dues and other treatment costs this month," Khan told The Daily Star.

Like the elderly citizen, thousands of non-bank depositors are in a similar situation, knocking on doors to recover their savings.

After Bangladesh Bank announced plans to liquidate nine troubled non-bank

BY THE NUMBERS	
(Until Dec 2024)	
35	Total NBFI
Tk 25,089cr	Total bad loans
Tk 75,451cr	Their loans
Tk 48,966cr	Deposits
20	Distressed NBFI
9	NBFI likely to face liquidation

FAS Finance, BIFC, Premier Leasing, Fareast Finance, GSP Finance, Prime Finance, Aviva Finance, People's Leasing, International Leasing

### Key points

- No clear guideline yet on how depositors will get back their money
- NBFI sector facing an image crisis due to scams and irregularities
- BB accused of neglecting the sector compared to banks

### NBFI to be liquidated

SONARGAON STEELS LIMITED

Angle | Channel | Plain Bar



A Product Of RAHIM GROUP | Hotline: 01958 083 601

IPDC ডিপোজিট | ১৬৫১৯

HALAL SAVINGS THRIVING FUTURE

Mudaraba  
Savings,  
scheme &  
term deposit  
accounts

Al-Wadeah  
Current &  
business  
accounts

Digital  
Hasanah  
MyPrime

Prime Bank

HASANAH  
ISLAMI BANKING  
البنكية الإسلامية

Shariah-compliant islami banking products with excellent account features, attractive provisional profit and digital banking services.



24/7 Helpline  
16218 primebank.bd  
Sign Language Video Call Service  
013 211 16218 10 AM - 4 PM

## Ctg port's higher tariffs put on hold for a month



The decision follows widespread criticism from exporters and importers, who said higher charges will push up the cost of foreign trade and erode the country's competitiveness as it prepares to graduate from least developed country status next year.

In the first

revision in nearly 40 years, the Chittagong Port Authority (CPA) last week raised service charges by an average of 41 percent through a gazette notification.

Container handling fees were among the steepest increases, with loading and unloading charges rising by almost \$25 per container.

CPA collects fixed tariffs for services provided from the moment a ship enters Bangladeshi waters.

READ MORE ON B3

### STAR BUSINESS REPORT

### STAR BUSINESS REPORT

The government will sell the properties of Nassa Group Chairman Nazrul Islam Mazumder to pay the company's workers, after the embattled businessman signed a draft power of attorney from jail.

Mazumder signed the document just a day before a deadline set by Labour and Employment Adviser M Sakhawat Hussain was due to expire. The ministry confirmed the development in a statement yesterday.

The assets to be sold include plot 6 on Road 7 in Gulshan, five bighas of land and a seven-storey building in Ashulia, 10 bighas

READ MORE ON B3

## Tariff hurdles stall Bangladesh's export growth in Malaysia

JAGARAN CHAKMA,  
from Kuala Lumpur

Despite strong diplomatic and economic ties, Bangladeshi exporters continue to face steep tariff and non-tariff barriers in the Malaysian market, constraining trade growth and widening the bilateral imbalance.

While regional competitors such as India and Pakistan enjoy duty-free or reduced-tariff access under bilateral agreements, Bangladeshi products are subject to import duties of up to 30 percent.

Government officials and industry insiders say this puts key sectors, including processed food, agro-processing, and consumer goods, at a distinct disadvantage, where competitiveness is crucial.

For instance, Bangladeshi plastic and electronics goods face up

to a 30 percent tariff, juice and confectionery items face up to 20 percent, and biscuits 8 percent.

"There's enormous potential, but without tariff relief and streamlined regulations, it's difficult for Bangladesh to compete," said

standardisation."

Speaking to The Daily Star in Kuala Lumpur, Monica, along with Export Promotion Bureau (EPB) Director General Baby Rani Karmakar and top business executives, stressed the urgency of addressing barriers to unlock Bangladesh's export prospects in Malaysia.

EPB data show that the trade deficit between the countries stands at over \$2 billion, in favour of Malaysia. While Bangladesh exports only \$200-250 million, it imports over \$2.5 billion from the Southeast Asian country.

Bangladesh's exports largely consist of readymade garments, knitwear, and a few basic food items. In contrast, Malaysia exports a diverse mix of electronics, consumer goods, fertilisers, and machinery to Bangladesh.

READ MORE ON B3



16474 16230 16230 16230

EXCELLENCE IN BANKING

**EBL is a Superbrand**

Eastern Bank has once again been honored with the internationally recognized Superbrands Award, reaffirming its position as one of the most valuable and trusted financial brands in Bangladesh.

Eastern Bank PLC.

US flags fiscal transparency gaps in Bangladesh

### STAR BUSINESS REPORT

Bangladesh suffers from a lack of transparency in government revenue and expenditures, the US Department of State said in a report released on September 19.

In its 2025 Fiscal Transparency Report, the US State Department said Bangladesh was among 69 countries that did not meet the minimum requirements for fiscal transparency in 2025.

In South Asia, Pakistan and the Maldives also failed to meet the minimum requirements for fiscal transparency, according to the report, which reviewed 139 countries.

The US report said 71 governments met the minimum fiscal transparency requirements.

It suggested Bangladesh make its end-of-year report publicly available within a reasonable period. The country could also prepare budget documents according to internationally accepted principles, said the Fiscal Transparency Report, which reviews whether foreign governments meet minimum fiscal transparency standards.

The US Department of State said a non-political interim government replaced the administration previously responsible for budget creation.

READ MORE ON B3

**Mudaraba Junior Savings Scheme**

**Safe and profitable future for 'Mudaraba Porua & Youth' accounts**

- Tenor: 2, 3, 4, 5, 7 & 10 years
- Start monthly savings at BDT 100

\*Conditions Apply

Trust Bank PLC.

To Know More 16201

# Independence of central banks tested by Trump attacks on Fed

AFP, Frankfurt

For months, US President Donald Trump has been piling pressure on the Federal Reserve over delayed cuts to interest rates, casting the institution's independence into doubt.

Trump's recent attacks have caused quite a stir as central bank independence is considered a key factor in protecting price stability and investor confidence in a country's economy.

## WHAT DOES TRUMP WANT?

Trump has repeatedly called out Fed chair Jerome Powell for not lowering interest rates quickly enough to support the weakening US economy.

While rates were lowered on Wednesday for the first time this year, the cuts were deemed too small by Stephen Miran, the new Fed governor appointed by Trump.

Cutting interest rates helps households borrow for consumption and businesses for investment, promoting growth but at the risk of spurring inflation.

Low rates would also make it less expensive for the US government to borrow.

Public debt has been rising for years, and with the recently extended Trump tax cuts, the deficit is expected to grow further.

Under Powell, the Fed has maintained a policy guided by data and resisted political pressure.

However, Trump is attempting to stack the Fed's leadership with loyalists and is trying to remove Governor Lisa Cook, with that case going before the Supreme Court.

In 2026, several seats, including Jerome



The Federal Reserve building is set against the blue sky in Washington, DC. Trump's recent attacks have caused quite a stir as central bank independence is considered a key factor in protecting price stability and investor confidence. PHOTO: REUTERS/FILE

Powell's, will be up for appointment.

## WHY CENTRAL BANK INDEPENDENCE?

Christine Lagarde, president of the European Central Bank, said that a takeover of US monetary policy by Trump would be a "very serious danger" for the global economy.

Undermining the autonomy of the Fed constitutes "a very dangerous road," echoed Andrew Bailey, Governor of the Bank of England.

The Fed's institutional independence is "not a technical detail but a cornerstone of economic stability," stressed Stephan Bales, author of a study for the German public bank KfW.

More broadly, "if I can no longer rely on the fact that interest rate developments genuinely reflect, in good faith and conscience, the economic reality, then I obviously have a problem," Ingrid Hengster, head of the German branch of Barclays bank told AFP.

"I can no longer properly invest in that country," she added.

The "credibility" of a central bank, whichever it may be, is an "anchor" that prevents "a spiral of rising inflation expectations," Bales said.

## ANY OTHER EXAMPLES?

"Less independent central banks are unable to ensure price stability. Just think of Turkey," said Carsten Brzeski from ING bank.

Turkey has one of the highest annual inflation rates in the world, exceeding 30 percent in August.

Capital Economics said that central banks in emerging countries "sporadically face political pressure," as recently seen in Brazil.

However, countries with independent central banks show lower inflation rates, according to several studies.

Bales warned 2026 will be a "stress test" for the Fed's independence and consequently "for the stability of the global financial system."

"There is clearly a risk that President Trump's pressure on the Fed could motivate politicians in EMs (emerging markets) to follow suit," Capital Economics said.

The ECB also faces "indirect attacks but not against its independence," noted Brzeski.

However, he warned that "the high level of public debt" in the eurozone, particularly in France, "could increase pressure on the ECB to steer its policy toward financing states."

Countries must therefore take measures to "contain this debt," which "the ECB is fully aware of," Ingrid Hengster said.

# Nvidia takes stake in rival Intel

AFP, New York

Shares in chipmaker Intel skyrocketed on Thursday after AI giant Nvidia announced it would invest \$5 billion in its struggling rival.

The investment represents a significant commitment to Intel's turnaround efforts. Nvidia joins Japanese investment giant SoftBank and the US government in backing the once dominant chipmaker, which has fallen behind in recent years after missing key technology shifts.

"This marks a fusion of two world class platforms," said Nvidia CEO Jensen Huang. "Together, we will expand our ecosystems and lay the foundation for the next era of computing."

The Trump administration surprised the tech industry last month by taking a 10 percent equity stake in Intel, recognizing the strategic importance of the company that powered the PC and internet revolution with its processors.

It is very rare for the US government to take shares in private companies, and Trump has signaled he is willing to pursue more such deals that he sees as strategically necessary.

"This is a game changer for Intel as it now brings the company front and center into the AI game," said Dan Ives of Wedbush Securities.

**"Along with the recent US government investment of 10 percent, this has been a golden few weeks for Intel after years of pain and frustration for investors," said Dan Ives of Wedbush Securities**

"Along with the recent US government investment of 10 percent, this has been a golden few weeks for Intel after years of pain and frustration for investors," he added.

Huang insisted that the Trump administration "had no involvement in this partnership at all, though they would have been very supportive, of course."

The deal was "an incredible investment...it's going to be fantastic for Intel and fantastic for us," Huang told reporters.

However, the deal made no mention of Nvidia using Intel's struggling manufacturing business to build chips, with Huang praising TSMC, the AI giant's main manufacturer.

Bringing manufacturing of high-tech products back to the United States has been a major priority of the Trump administration.

Intel largely missed the smartphone boom and failed to develop competitive hardware for the AI era, allowing Asian manufacturers TSMC and Samsung to dominate the custom semiconductor market.

Most notably, Intel was blindsided by Nvidia's rise as the world's leading AI chip provider.

Nvidia's graphics processing units (GPUs), originally designed for gaming systems, have become the essential building blocks of artificial intelligence applications, with tech giants scrambling to secure them for their data centers and AI projects.

The partnership announced Thursday will focus on creating custom data center and PC products designed for AI applications. Nvidia will purchase Intel common stock at \$23.28 per share, subject to regulatory approval.

# aamraActive offers lifestyle privileges to Prime Bank clients

STAR BUSINESS DESK

Prime Bank PLC has signed a strategic partnership agreement with aamraActive, a corporate boutique gym in Dhaka, to provide lifestyle privileges to its women banking and priority customers.

Mamur Ahmed, senior executive vice-president and head of branch distribution at Prime Bank PLC, and Nibras Panni, executive director of aamraActive, signed the agreement at the bank's corporate office in Gulshan, Dhaka recently, according to a press release.



Nibras Panni, executive director of aamraActive, and Mamur Ahmed, senior executive vice-president and head of branch distribution of Prime Bank PLC, pose for photographs after signing the agreement at the bank's corporate office in Gulshan, Dhaka recently.

PHOTO: PRIME BANK

# BoJ holds interest rates

AFP, Tokyo

The Bank of Japan kept interest rates on hold Friday amid lingering political uncertainty and economic concerns but said it would start offloading funds bought as part of its earlier monetary easing campaign.

The announcement came hours after official data showed inflation in the fourth-largest economy slowed to 2.7 percent in August, with rice price rises slowing following a sharp spike that rattled the government.

In a widely expected decision the central bank decided against hiking borrowing costs, keeping them at 0.5 percent, but said it would begin reducing its exchange-traded fund and real estate investment trust holdings.

The BoJ began buying the funds -- in a bid to boost liquidity and reduce the cost of capital for firms, among other things -- more than a decade ago as part of its campaign to kickstart the torpid economy and end years of almost non-existent inflation.

Officials began hiking rates from below zero in March last year as figures signalled an end to the country's "lost decades" of stagnation, with inflation surging.

However, with worries about the global outlook and US tariffs growing, the bank paused its tightening measures at the start of 2025, with the last increase in January, taking rates to their highest level in 17 years.

The yen rose against the dollar but Tokyo's Nikkei 225 index fell around 0.5 percent.

In a statement following Friday's announcement, the BoJ said: "Japan's economic growth is likely to moderate, as trade and other policies in each jurisdiction lead to a slowdown in overseas economies and to a decline in domestic corporate profits and other factors."

# BRAC Bank wins accolade at Global SME Finance Awards

STAR BUSINESS DESK

BRAC Bank PLC has been honoured "Sustainable SME Financier of the Year" in Asia at the Global SME Finance Awards 2025 for its pioneering Water, Sanitation and Hygiene (WASH) financing programme.

Syed Abdul Momen, additional managing director and head of SME banking at BRAC Bank, received the award in Johannesburg, South Africa recently, according to a press release.

worldwide, 50 institutions were shortlisted, including three from Bangladesh. BRAC Bank secured the accolade for Asia, highlighting its leadership on the global stage.

"This honour reinforces our commitment to building a sustainable future through innovative SME financing. We will continue to invest in solutions that uplift communities and drive inclusive growth," said Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank.

The Global SME Finance Awards, organised by the SME Finance Forum under the World Bank Group, form part of the G20 Global Partnership for Financial Inclusion (GPFI). The awards celebrate institutions that deliver impactful and scalable SME solutions.



Syed Abdul Momen, additional managing director and head of SME banking at BRAC Bank, poses for photographs after receiving the award in Johannesburg, South Africa recently.

PHOTO: BRAC BANK



AKM Shahnewaj, managing director (current charge) of Dhaka Bank PLC, inaugurates the sub-branch at Noapara in Jashore recently.

# Dhaka Bank opens 36th sub-branch at Noapara

STAR BUSINESS DESK

Dhaka Bank PLC has recently opened a new sub-branch under its Akij City Branch at Noapara in Jashore.

This marks the bank's 36th sub-branch, according to a press release.

AKM Shahnewaj, managing director (current charge) of Dhaka Bank PLC, inaugurated the sub-branch as the chief guest.

Md Mostaque Ahmed, deputy managing director and chief emerging market officer of the bank; Altamas Nirjhor, executive vice-president and head of the general services division; and Md Razib Hossain, branch manager of Akij City Branch and in-charge of the Noapara sub-branch, were present at the event.

Nazmul Haq Kokhon, proprietor of Avoynagar Transport, and Shahjalal Hossain, proprietor of Brothers Corporation, along with branch managers from the Khulna region, local business leaders, and other senior officials, were also present.

# Enhance light engineering capacity to diversify exports: experts

## LIGHT ENGINEERING SECTOR AT A GLANCE

- \$12.56b export potential by 2030
- 80,000 light engineering units in Bangladesh
- \$8b estimated size of domestic market
- 28% annual growth rate of the sector
- \$300-800m current annual export earnings (last eight years)
- 10 lakh workers engaged in the sector



## GROWTH DRIVERS

- Low-cost labour
- Technology adoption
- Infrastructure development
- Increasing access to int'l markets

## CHALLENGES

Skills gap	Technology lag	Training mismatch	Need for R&D facilities	Weak standards and certification
------------	----------------	-------------------	-------------------------	----------------------------------

## Key point

In FY24, Bangladesh exported \$487m from light engineering sector

## STAR BUSINESS REPORT

Bangladesh needs to strengthen local capacity, enhance value addition, and develop backward linkages in agricultural machinery, automobiles, and light engineering to ensure sustainable growth and diversify its export base, according to experts and industry leaders.

They also urged facilitating more local and foreign investments, citing that appropriate policy support was essential for reducing reliance on imports.

"Although Bangladesh has immense potential in the light engineering, agro-machinery, and automobile sectors, its trade basket remains heavily concentrated on readymade garments (RMG)," said M Masrur Reaz, chairman of the Policy Exchange of Bangladesh.

Reaz made his remarks at the inaugural ceremony of the "Road to Made in Bangladesh and Agro Machinery Fair 2025" in the capital's Tejgaon.

The Bangladesh Chamber of Industries (BCI), with support from the Bangladesh Automobiles Assemblers and Manufacturers Association and the Agricultural Machinery Manufacturers Association Bangladesh, organised the two-day fair at the BCI office.

Bangladesh's light engineering sector has the potential to generate \$12.56 billion in export earnings by 2030, according to the Policy Exchange of Bangladesh.

The country is home to about 80,000 micro, small, and medium light

engineering units, with a domestic market valued at around \$8 billion and an annual growth rate of nearly 28 percent, said Reaz.

The annual export earnings have hovered between \$300 and \$800 million in the last eight years. However, Bangladesh exported \$487 million worth of goods from the light engineering sector in FY24, he said in a presentation.

There are some growth drivers for light engineering in Bangladesh, including low-cost labour and adoption of technology. Around 10 lakh low-cost labourers are involved, and high domestic and external demand will work as a growth driver, he said.

Reaz said local manufacturers currently meet only 20 percent of the demand for agricultural machinery in the country, with the rest being imported.

He warned that the agricultural workforce, once the largest, fell behind the service sector in 2020, posing risks to food security.

Post-harvest losses account for 40 to 45 percent of crops due to poor handling and storage, he noted, adding that agricultural machinery can improve efficiency by reducing seed, fertiliser, and water use.

Speaking as the chief guest, Industries Adviser Adilur Rahman Khan said the national industrial policy has prioritised three sectors—automobiles, agricultural machinery, and light engineering.

"These sectors are playing a very important role in developing productive industries, diversifying exports, and

creating employment," he said.

"Agro-mechanisation is strengthening national food security, while the automobile industry is modernising transportation and energising the economy," he added.

The government has already taken effective measures to support these sectors through policy incentives, tax benefits, and infrastructure development, he added.

**Bangladesh's light engineering sector has the potential to generate \$12.56 billion in export earnings by 2030, according to the Policy Exchange of Bangladesh**

BCI President Anwar Ul Alam Chowdhury (Parvez) said Bangladesh must tap into the large automobile market and diversify exports beyond readymade garments ahead of the nation's least developed country (LDC) status graduation.

He noted that the economy relies heavily on remittances, RMG, and agriculture, where growth is limited, and for which it was crucial to build up alternative sectors.

"Although money laundering has been curbed to some extent, private sector growth remains sluggish while unemployment is rising rapidly," he observed.

"RMG alone cannot sustain our

economic ambitions; the future lies in manufacturing, particularly in light engineering," he added, stressing the need for strong policy support and government incentives.

He also underscored the importance of industry academia collaboration in the era of artificial intelligence and automation and called for expanding capacity in automobile and agricultural machinery production to ensure economic sustainability.

Hafizur Rahman Khan, president of the Bangladesh Automobiles Assemblers and Manufacturers Association, emphasised the need to identify sectoral challenges and address them through business-to-business meetings.

M Abu Eusuf, executive director of the Research and Policy Integration for Development, said Bangladesh lagged behind in export and economic diversification, even though RMG was thriving due to strong compliance.

He added that developing backward linkages could cut import dependency. He emphasised the need for foreign direct investment, policy support, and better ease of doing business to leverage the domestic market.

Alimul Ahsan Chowdhury, president of the Association of Agricultural Machinery Manufacturers, said food security was dependent on agricultural machinery. He called for easier access to the Bangladesh Bank's small and medium enterprise refinancing scheme.

## NBFI crisis locks up

One retired private-sector employee said he has Tk 80 lakh with Aviva. With heart problems and other age-related ailments, the 65-year-old wants to cash out for medical costs, but cannot because of the company's crisis.

The Daily Star sought comment from Mohammad Modasser Hasan, managing director and chief executive of Aviva Finance, by phone and text. But he was not available.

Demanding the return of their savings, depositors of Peoples Leasing held a press conference at the Jatiya Press Club in Dhaka last week.

They said many retirees depend on the funds to run their households, pay for treatment and cover their children's education.

They said at least 35 depositors have died so far while waiting for their money.

Ahsan H Mansur, governor of the central bank, recently told The Daily Star that the government has given its approval in principle to liquidate the said NBFI. The process, to be carried out under the Finance Company Act 2023, may begin soon.

However, the Bangladesh Bank (BB) has yet to issue guidelines on how the liquidations will proceed or how depositors will be reimbursed.

A central bank document shows that Tk 15,370 crore of deposits from individuals and institutions are locked in those nine NBFI.

Of it, Tk 3,525 crore belongs to individuals and Tk 11,845 crore to banks and corporate depositors.

Among individuals, the largest sum, Tk 1,405 crore, is stuck with People's Leasing, followed by Tk 809 crore at Aviva Finance, Tk 645 crore at International Leasing, Tk 328 crore at Prime Finance and Tk 105 crore at FAS Finance, as per BB data.

Industry people say the NBFI sector has long been mired in scams and irregularities. They blame lax oversight, noting that the central bank did not supervise non-banks as closely as banks.

As of March this year, non-performing loans at 35 NBFI stood

at Tk 27,189 crore, or 35.32 percent of total outstanding loans of Tk 76,987 crore, according to central bank data.

Meanwhile, other NBFI say that the liquidation move is eroding confidence across the sector.

"We are facing serious difficulties due to the decision to liquidate several NBFI, because our clients are now losing trust in us," said Mustafizur Rahman, managing director of Midas Finance.

"Before taking such decisions, there should have been discussions with all stakeholders in the sector."

He said the sector wants some form of cash or liquidity support.

"Right now, our three major sources -- depositors, bank borrowings, and our own collections -- are all severely affected. Among these, bank borrowings have completely stopped, and depositors have lost confidence as well."

"Given the current market situation, even our large clients are struggling to make repayments properly, which has pushed us into a liquidity crisis," added the MD.

He said, "Therefore, we believe that the central bank should provide us with some form of liquidity support, based on our position and cash flow. This support could be similar to the financing or funding we used to get from banks, something like term lending. We are willing to repay it over the long term, along with interest."

Anis Khan, former managing director of Mutual Trust Bank and former chairman of the Association of Bankers, Bangladesh, told The Daily Star that apart from a handful, most non-bank financial institutions are in trouble.

He said vested interests were using these companies, and insider lending was one of the main reasons for their decline.

"There is a need for dialogue on the sector, where stakeholders, industry representatives, central bankers, and senior commercial bankers should be present," Khan said.

He believes recommendations from such talks could help rescue the sector.

FROM PAGE B1

The new administration generally followed the budget recommendations and implementation procedures of the prior one, while also initiating significant reforms to improve fiscal transparency.

The report said the prior government made its executive budget proposal and enacted budget publicly available, including online.

"It did not make its end-of-year report publicly available within a reasonable period."

The report, however, noted that budget information was considered generally reliable, although documents were not internationally accepted principles. Information on debt obligations was publicly available.

"Budget documents provided a reasonably complete picture of the government's planned expenditures and revenue, including natural resource revenues. However, the government did not break down expenditures to support executive offices, nor did the budget provide a substantially complete picture of the government's revenues and expenditures."

The report said that due to the change in government, Bangladesh's supreme audit institution did not review the government's accounts, but it released some summarised findings that were made publicly available within a reasonable period.

A central bank document shows that Tk 15,370 crore of deposits from individuals and institutions are locked in those nine NBFI.

Of it, Tk 3,525 crore belongs to individuals and Tk 11,845 crore to banks and corporate depositors.

Among individuals, the largest sum, Tk 1,405 crore, is stuck with People's Leasing, followed by Tk 809 crore at Aviva Finance, Tk 645 crore at International Leasing, Tk 328 crore at Prime Finance and Tk 105 crore at FAS Finance, as per BB data.

Industry people say the NBFI sector has long been mired in scams and irregularities. They blame lax oversight, noting that the central bank did not supervise non-banks as closely as banks.

As of March this year, non-performing loans at 35 NBFI stood

at Tk 27,189 crore, or 35.32 percent of total outstanding loans of Tk 76,987 crore, according to central bank data.

Meanwhile, other NBFI say that the liquidation move is eroding confidence across the sector.

"We are facing serious difficulties due to the decision to liquidate several NBFI, because our clients are now losing trust in us," said Mustafizur Rahman, managing director of Midas Finance.

"Before taking such decisions, there should have been discussions with all stakeholders in the sector."

He said the sector wants some form of cash or liquidity support.

"Right now, our three major sources -- depositors, bank borrowings, and our own collections -- are all severely affected. Among these, bank borrowings have completely stopped, and depositors have lost confidence as well."

"Given the current market situation, even our large clients are struggling to make repayments properly, which has pushed us into a liquidity crisis," added the MD.

He said, "Therefore, we believe that the central bank should provide us with some form of liquidity support, based on our position and cash flow. This support could be similar to the financing or funding we used to get from banks, something like term lending. We are willing to repay it over the long term, along with interest."

Anis Khan, former managing director of Mutual Trust Bank and former chairman of the Association of Bankers, Bangladesh, told The Daily Star that apart from a handful, most non-bank financial institutions are in trouble.

He said vested interests were using these companies, and insider lending was one of the main reasons for their decline.

"There is a need for dialogue on the sector, where stakeholders, industry representatives, central bankers, and senior commercial bankers should be present," Khan said.

He believes recommendations from such talks could help rescue the sector.

FROM PAGE B1

The new administration generally followed the budget recommendations and implementation procedures of the prior one, while also initiating significant reforms to improve fiscal transparency.

The report said the prior government made its executive budget proposal and enacted budget publicly available, including online.

"It did not make its end-of-year report publicly available within a reasonable period."

The report, however, noted that budget information was considered generally reliable, although documents were not internationally accepted principles. Information on debt obligations was publicly available.

"Budget documents provided a reasonably complete picture of the government's planned expenditures and revenue, including natural resource revenues. However, the government did not break down expenditures to support executive offices, nor did the budget provide a substantially complete picture of the government's revenues and expenditures."

The report said that due to the change in government, Bangladesh's supreme audit institution did not review the government's accounts, but it released some summarised findings that were made publicly available within a reasonable period.

A central bank document shows that Tk 15,370 crore of deposits from individuals and institutions are locked in those nine NBFI.

Of it, Tk 3,525 crore belongs to individuals and Tk 11,845 crore to banks and corporate depositors.

Among individuals, the largest sum, Tk 1,405 crore, is stuck with People's Leasing, followed by Tk 809 crore at Aviva Finance, Tk 645 crore at International Leasing, Tk 328 crore at Prime Finance and Tk 105 crore at FAS Finance, as per BB data.

Industry people say the NBFI sector has long been mired in scams and irregularities. They blame lax oversight, noting that the central bank did not supervise non-banks as closely as banks.

As of March this year, non-performing loans at 35 NBFI stood

at Tk 27,189 crore, or 35.32 percent of total outstanding loans of Tk 76,987 crore, according to central bank data.

Meanwhile, other NBFI say that the liquidation move is eroding confidence across the sector.

"We are facing serious difficulties due to the decision to liquidate several NBFI, because our clients are now losing trust in us," said Mustafizur Rahman, managing director of Midas Finance.

"Before taking such decisions, there should have been discussions with all stakeholders in the sector."

He said the sector wants some form of cash or liquidity support.

"Right now, our three major sources -- depositors, bank borrowings, and our own collections -- are all severely affected. Among these, bank borrowings have completely stopped, and depositors have lost confidence as well."

"Given the current market situation, even our large clients are struggling to make repayments properly, which has pushed us into a liquidity crisis," added the MD.

He said, "Therefore, we believe that the central bank should provide us with some form of liquidity support, based on our position and cash flow. This support could be similar to the financing or funding we used to get from banks, something like term lending. We are willing to repay it over the long term, along with interest."

Anis Khan, former managing director of Mutual Trust Bank and former chairman of the Association of Bankers, Bangladesh, told The Daily Star that apart from a handful, most non-bank financial institutions are in trouble.

He said vested interests were using these companies, and insider lending was one of the main reasons for their decline.

"There is a need for dialogue on the sector, where stakeholders, industry representatives, central bankers, and senior commercial bankers should be present," Khan said.

He believes recommendations from such talks could help rescue the sector.

FROM PAGE B1

The new administration generally followed the budget recommendations and implementation procedures of the prior one, while also initiating significant reforms to improve fiscal transparency.

The report said the prior government made its executive budget proposal and enacted budget publicly available, including online.

"It did not make its end-of-year report publicly available within a reasonable period."

The report, however, noted that budget information was considered generally reliable, although documents were not internationally accepted principles. Information on debt obligations was publicly available.

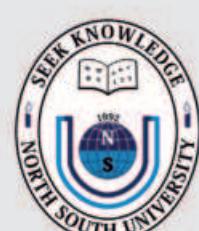
"Budget documents provided a reasonably complete picture of the government's planned expenditures and revenue, including natural resource revenues. However, the government did not break down expenditures to support executive offices, nor did the budget provide a substantially complete picture of the government's revenues and expenditures."

The report said that due to the change in government, Bangladesh's supreme audit institution did not review the government's accounts, but it released some summarised findings that were made publicly available within a reasonable



# CONGRATULATIONS

## SUPERBRANDS BANGLADESH 2025-26



PRAN-RFL GROUP  
Since 1981

