Bank Asia, Guardian Life partner to offer privileges to account holders

STAR BUSINESS DESK

Bank Asia PLC has signed a partnership agreement with Guardian Life Insurance Limited to provide special benefits and privileges for its account holders.

Syed Zulker Nayen, deputy managing director and head of retail banking at Bank Asia PLC, and Sheikh Rakibul Karim, acting chief executive officer of Guardian Life Insurance Limited, signed the agreement at Bank Asia Tower in Karwan Bazar, Dhaka recently, according to a press release.

Under this partnership, Bank Asia's Star Savers and remitters will now enjoy insurance facilities from Guardian Life Insurance, ensuring greater financial security and peace of mind.

Md Shaminoor Rahman, head of micro, small, and medium enterprise at the bank; Md Zia Arfin, head of international division; and Ahmed Ishtiaque Mahmud, head of bancassurance at the insurer, were also present, along with senior officials from both organisations.

Sheikh Rakibul Karim, acting chief executive officer of Guardian Life Insurance Limited, and Syed Zulker Nayen, deputy managing director and head of retail banking at Bank Asia PLC, pose for photographs after signing the agreement at Bank Asia Tower in Karwan Bazar, Dhaka recently. PHOTO: BANK ASIA

Rehana Rahman re-elected vice-chairperson of Southeast Bank

STAR BUSINESS DESK

Rehana Rahman has recently been re-elected vice-chairperson of Southeast Bank PLC at its 777th board meeting.

She is also a director of the bank, according to a press release.

A prominent female entrepreneur in Bangladesh, Rehana serves as the managing director of Bengal Tradeways Limited. She is also a director of CHB Building Technologies Limited and the Bangladesh Chamber of Industries.

Rehana is a founder life member and past chairperson of North South University, a member of the United Nations Association of Bangladesh, and president of the Women Entrepreneurs Association of Bangladesh.

Additionally, she is a member of the Gulshan Club, Banani Club, Boat Club, Purbachal Club, Baridhara Diplomatic Enclave Club, and the Bangladesh-India Friendship Club.

She obtained her bachelor's degree in economics from Eden University College.

Mohammad Ali, managing director and chief executive officer of Pubali Bank PLC, inaugurates the virtual workshop on "Cybersecurity Awareness" recently. PHOTO: PUBALI BANK

Pubali Bank holds workshop on cybersecurity awareness

STAR BUSINESS DESK

Pubali Bank PLC recently organised a virtual workshop on "Cybersecurity Awareness".

Mohammad Ali, managing director and chief executive officer of Pubali Bank PLC, inaugurated the workshop as the chief guest and delivered a speech highlighting the bank's security roadmap, according to a press release.

Mohammad Esha, Mohammad Shahadat Hossain, Ahmed Enayet Manzur, and Mohammad Anisuzzaman, deputy managing directors of the bank, also joined the event.

Md Helal Uddin, general manager of the ICT operations division, and Mohammad Arif Ferdous, senior principal officer of the same division, spoke about basic security awareness and other related topics during the workshop.

Eurozone inflation slows to 2.1% in October

AFP, *Brussels*

Eurozone inflation eased in October, official data showed Friday, thanks to a faster fall in energy costs and a slowdown in the rate of food and drink price rises.

Consumer price rises reached 2.1 percent this month, moving closer towards the European Central Bank's two-percent target. The figure was in line with forecasts by analysts surveyed by Bloomberg and FactSet.

The data will reinforce the ECB's view that inflation is in check after the bank decided to keep interest rates unchanged again Thursday.

Core inflation, which strips out volatile energy, food, alcohol and tobacco prices, was also unchanged at 2.4 percent in October from the previous month -- disappointing expectations it would slow to 2.3 percent.

Energy costs, however, fell further by 1.0 percent in October -- a significantly larger decline than the 0.4 percent recorded in September, Eurostat data showed.

Food, alcohol and tobacco price rises eased to 2.5 percent this month, from 3.0 percent the previous month.

Consumer price rises in Germany and France, the EU's biggest economies, also slowed in October to 2.3 percent and 0.9 percent respectively, Eurostat said.

Bengal Commercial Bank opens new branch in Barishal

STAR BUSINESS DESK

Bengal Commercial Bank PLC has opened a new "Barishal Branch" at Fatima Centre in the Bibir Pukur Par area of the city.

This is the bank's 33rd branch, according to a press release.

Md Jashim Uddin, chairman of Bengal Commercial Bank PLC and president of the SAARC Chamber of Commerce and Industry, inaugurated the branch as the chief guest recently.

Tarik Morshed, managing director and CEO of the bank, presided over the inaugural ceremony.

Bengal Commercial Bank has branches in different parts of the country, including Dhaka, Chattogram, Barishal, Cumilla, Noakhali, Rangpur, Bogura, Pabna, Gazipur, Narayanganj, and Tangail.

The bank has been actively expanding its branch and sub-branch network across the country. The Sylhet branch will soon be opened, the release added.

Ebaydul Haque Chand, president of the Barishal Chamber of Commerce and Industry; Mohammad Nizam Uddin, president of the Barishal Metropolitan Chamber of Commerce and Industry; and Md Humayun Kabir, deputy managing director and company secretary of the bank, along with other senior officials, clients, and local businessmen, were also present.

PHOTO: BENGAL COMMERCIAL BANK

Md Jashim Uddin, chairman of Bengal Commercial Bank PLC and president of the SAARC Chamber of Commerce and Industry, inaugurates the bank's new "Barishal Branch" at Fatima Centre in the Bibir Pukur Par area of the city recently.

Jamuna Bank signs corporate health deal with United Healthcare Services

PHOTO: JAMUNA BANK

Mohammad Faizur Rahman, chief executive officer of United Healthcare Services Limited, and Noor Mohammed, deputy managing director and chief business officer of Jamuna Bank PLC, pose for photographs after signing the agreement at Jamuna Bank Tower in Gulshan-1 recently.

STAR BUSINESS DESK

Jamuna Bank PLC has entered into a partnership agreement with United Healthcare Services Limited.

Noor Mohammed, deputy managing director and chief business officer of Jamuna Bank PLC, and Mohammad Faizur Rahman, chief executive officer of United Healthcare Services Limited, signed the agreement at Jamuna Bank Tower in Gulshan-1, Dhaka recently, according to a press release.

Under this agreement, United Healthcare Services Limited will provide up to 20 percent discount on all healthcare benefits to Jamuna Bank PLC's credit cardholders, employees and their families.

Md Abdus Salam, additional managing director and chief operating officer of the bank, was also present, alongside other senior officials from both organisations.

AI giants turn to massive debt to finance tech race

AFP, *New York*

Meta raised $30 billion in debt on Thursday, as tech giants flush with cash turn to borrowing to finance the expensive race to lead in artificial intelligence.

On a day when Facebook-parent Meta's share price plunged on the heels of disappointing quarterly earnings, demand for its bonds was reportedly four times greater than supply in a market keen to hold the social networking titan's debt.

The $30 billion in bonds scheduled to be repaid over the course of decades is intended to provide money to continue a breakneck pace of AI development that has come to define the sector.

"(Mark) Zuckerberg seems like he's got no limit in terms of his spending," said CFRA Research senior equity analyst Angelo Zino.

Zino noted that Meta takes in more than $100 billion a year, and that while Wall Street may be concerned with Zuckerberg's spending it sees little risk debt won't get repaid.

"(But) they just can't use up all their excess free cash flow and completely leverage it into AI."

The analyst wouldn't be surprised to see Meta AI rivals Google and Microsoft opt for similar debt moves.

Shareholder worry over Meta spending, on the other hand, is believed to be what drove the tech firm's share price down more than 11 percent during trading hours on Thursday.

Meta's debt, however, drew flocks of investors despite rates for corporate bonds being at decade lows, noted Byron Anderson, head of fixed income at Laffer Tengler Investments.

"Is there some worry about the AI trade? Maybe," Anderson said. "But the revenue and profit coming off that company are massive."

If not for a one-time charge related to US President Donald Trump's Big Beautiful Bill, Meta would have recorded $18.6 billion in its recently ended quarter.

That amount of net income is more than General Motors, Netflix, Walmart and Visa profits for that quarter combined.

Anderson doubts that so-called fear of missing out on the AI revolution drove demand for Meta's bond. "I don't think this was FOMO," he said.

"People want good quality names in their portfolios at attractive levels, and this is a high-quality name -- just like Oracle."

Business cloud application and infrastructure stalwart Oracle is reported to have raised $18 billion in a bond offering last month.

According to Bloomberg, the Texas-based tech firm is poised to issue an additional $38 billion in debt, this time through banks rather than bond sales.

Debt taken on by major AI firms is typically secured by physical assets, such as data centers or the coveted graphics processing units (GPUs) vital to the technology.

Given the cash flow and physical assets of tech titans, risk is low for lenders. And the markets have been shaking off the possibility of an AI bubble that might burst.

Meta just days ago announced creation of a joint venture with asset manager Blue Owl Capital to raise some $27 billion for datacenter construction.

Meta and Oracle are also benefiting from recent moves by the US Federal Reserve to reduce the cost of borrowing.

The trend toward debt is new for internet giants long accustomed to having ample cash flow to pay for what they want.

The best dollar debasement

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structural loss of fiscal continence is the profligacy of the Kingdom of France in the decades leading up to 1789. Given that the paper currency issued to finance the subsequent revolution – the infamous assignats – lost 99.5 percent of its value, over the next seven years, that's hardly an auspicious precedent.

The simplest and most ancient hedge against debasement is to desert the domestic currency and swap into foreign money backed by sounder collateral instead. In the medieval period, that meant switching to full-weight gold or silver coins minted by mercantile superpowers such as the Venetian Republic, instead of degraded local ones. The most extreme modern parallel is reallocating portfolios to gold or cryptocurrencies such as bitcoin. The former represents a complete rejection of trust-based finance, while the latter rests on total confidence in digital rules. For most investors fleeing the US dollar, however, the simplest equivalents of the Venetian ducats of yesteryear are the currencies of countries whose public finances are in sturdier shape than Uncle Sam's.

There is no shortage of those. Both the Australian and the New Zealand dollars are backed by sovereigns whose public debt as a percentage of GDP was less than half that of the US at the end of 2024, according to the Bank for International Settlements. The currencies of Norway, Sweden and Denmark, where government borrowing is respectively 45 percent, 34 percent and 30 percent of national output, are even more compelling on this basis. The best of the lot is the Swiss franc: the Alpine nation's public debt is a mere 26 percent of GDP.

Of course, currency valuations are forward-looking – and foreign exchange traders have already been bidding up these currency pairs aggressively this year. The New Zealand and Australian dollars are up 3 percent and 7 percent respectively against the greenback, while the Nordic currencies have appreciated by between 14 percent and 18 percent. Demand for Switzerland's sovereign risk is so strong that the Swiss franc is up 14 percent against the US dollar, while the yield on government bonds maturing up to five years from now has turned negative again. Investors hoping to protect themselves by shifting into the currencies of fiscal prudes thus need to take account of the fact that fears of US dollar debasement are already in the price.

There is a further, and more fundamental, problem with this flight to fiscal quality. In modern economies, most monetary liquidity is issued not by royal mints or even central banks, but by the commercial banking system – and increasingly by a vast range of private capital market institutions as well. As a result, the assets backing contemporary currencies are not just government debt, but loans to households and companies too. The risk that unsustainable debts lead directly to expropriation by inflation must therefore be measured both by public and private leverage as well.

Viewed through this lens, the leaderboard of debasement risk looks rather different. New Zealand and Australia have only modest public debt, but credit to their non-financial private sectors totals 160 percent and 175 percent of GDP, respectively. In Norway, Sweden and Denmark the ratio is between 217 percent and 240 percent. Switzerland's mountain of private credit is the most imposing of all, at nearly 270 percent of GDP. The world's fiscal saints, it turns out, are also its financial sinners.

Stratospheric private sector leverage is historically an even surer driver of debasement than public indebtedness. A recent BIS study, dubs the interest and principal payments of a country's private non-financial sector as a proportion of its income – the so-called aggregate Debt Service Ratio (DSR) – a "nearly perfect indicator" of impending financial doom. The DSRs of Australia (19 percent), Sweden (22 percent), and Norway (26 percent) were all flashing red as of early 2025.