Sohail RK Hussain

Bank Asia ramps up retail-SME drive, bets on digital banking

Managing director shares plans with The Daily Star

MD MEHEDI HASAN

Bank Asia plans to accelerate the expansion of retail and SME lending, strengthen its presence at home and abroad, widen its agent network, and continue leading digital innovation in the coming years. The private bank wants to expand SME and retail loans to at least 50 percent of the total portfolio within the next three years.

To achieve this, Bank Asia is crafting a business ecosystem through an integrated approach. At the same time, it is reinforcing its risk management and credit monitoring frameworks to ensure responsible expansion.

"We are focusing on strong, reputable clients with proven track records and solid business fundamentals while closely reviewing marginal accounts in our existing corporate portfolio and taking targeted actions to address early warning signals," said Sohail RK Hussain, managing director of Bank Asia PLC.

He shared the plan in an interview with The Daily Star, marking the 26th anniversary of the bank. It began operations on November 27, 1999.

Hussain, who led two leading private commercial banks prior to joining Bank Asia, said the lender has tightened the alignment between facility approvals and the borrower's business fundamentals, and placed greater emphasis on post-disbursement monitoring to ensure credit is used as intended.

"Ultimately, our objective is clear: to support sectors with genuine growth potential while safeguarding asset quality and maintaining a well-balanced, resilient loan portfolio," he said.

As of September 2025, Bank Asia's loans and advances stood at Tk 28,908 crore, while deposits and other accounts totalled Tk 44,615 crore, according to its quarterly report.

The private commercial bank logged Tk 351 crore in net profit in the January-September period of the current financial year, surpassing its full-year earnings in 2024. The profit surge was driven by stronger treasury operations, improved cost efficiency, lower tax expenses, and a strategic shift in lending and digital priorities.

Hussain said the bank aims to position itself among Bangladesh's top two or three banks within the next three to five years -- not only in size and profitability but also in efficiency, asset quality, governance, capital strength, sustainability, and inclusion.

The bank is making a "deliberate strategic shift" towards SME and retail lending, targeting these segments to account for at least half of its total loans within the next three years. He said these groups offer more sustainable long-term growth and a more diversified risk profile.

To support this transition, the lender is strengthening its market positioning, redesigning products around customer needs, restructuring teams, and enhancing internal delivery channels.

"We plan to further expand our presence both at home and abroad through new branches, agent networks, and overseas offices, while continuing to lead in innovation and digital transformation."

He said promoting financial inclusion, gender-sensitive finance, and environmental, social, and governance (ESG) practices will continue to be at the heart of its operations.

"In essence, Bank Asia aspires to be a technology-driven, customer-centric, sustainable, well-governed, and inclusive financial institution, creating lasting value for all stakeholders."

Hussain said the lender will continue to expand its agent banking and micro merchant networks across the country, with a strong focus on rural areas.

Bank Asia has established an agent banking network spanning 64 districts across the country, with more than 5,000 agent outlets, ensuring convenient access to banking services in remote and underserved areas.

To further extend the service to the doorstep of customers, it has innovated the micro merchant channel and onboarded 28,800-plus micro merchants to date, he added.

"Our substantial rural presence -- 89 percent rural agents, 90 percent rural accounts, 83 percent rural deposits, 85 percent rural loans, and 64 percent female account ownership -- demonstrates our dedication to financial inclusion through agent banking," he said.

Some 580 agent outlets are owned by women.

"We plan to open more rural branches and sub-branches and introduce tailored deposit products, as well as small, micro, and nano loan facilities for CMSE and agricultural customers," he said. "We are also digitising lending, account opening, and remittance processes and developing value-based products such as an insurance-linked remittance product."

Digital banking has become central to Bank Asia's growth strategy. More than 70 percent of card and retail transactions are now digital, and the Bank Asia SmartApp has become the primary banking channel for many customers, he added.

In the interview, Hussain also spoke about challenges of the financial sector. To him, weak governance remains one of the most critical concerns. "Over the years, lax oversight, undue influences, political interference, and poor risk management practices have weakened the health of many banks and financial institutions.

"Secondly, past lenient loan classification and generous rescheduling policies allowed banks to understate the true extent of their non-performing loans. With the central bank tightening regulations under the interim government, the real picture has now come to light," he said.

Hussain also spoke about the increased non-performing loan (NPL) ratio of his own bank.

He said NPLs at Bank Asia crossed double digits but said the bank maintains a strong provisioning buffer. Its loan-loss provisions stand at Tk 3,679 crore, and provision coverage has improved to 86.39 percent.

"The rise in NPLs is largely due to the tough economic environment-customers have struggled with the prolonged domestic slowdown as well as external shocks such as Covid-19 and recent geopolitical unrest. The stricter loan classification rules introduced on April 1, 2025, also contributed to the temporary spike."

He said the bank has taken a disciplined approach.

"We avoided arbitrary rescheduling, instead insisting on equity injection, additional collateral, and proper repayment plans. We are also using legal measures where necessary, including filing cases and securing asset attachments. With these corrective actions underway, we expect our NPL ratio to decline and our loan book to be significantly cleaner by next year."

TAKEAWAYS FROM INTERVIEW

Financial performance

- Net profit up 71% to Tk 351cr (Jan-Sept 2025)
- Treasury income up 97% to Tk 1,930cr

Strategy & expansion

- Bank Asia targets to be among top 2-3 banks in 3-5 years
- Retail and SME to form 50% of loans within 3 years
- Expanding agent and micro merchant networks, rural branches, and nano loans

Digital transformation

- Digital banking now central to growth strategy
- Over 70% of retail and card transactions are digital
- SmartApp to offer instant digital nano loans after pilot success

Inclusion & sustainability

- 85% of loans and 90% of accounts originate outside urban centres
- 580 agent outlets run by women, prioritising ESG and gender finance

Can AI solve farmers' problems?

ZULKARIN JAHANGIR

There is a rule in complex systems: fragility gathers at the bottom, but the tremor is felt at the top. Bangladesh's food system follows this rule to the letter.

Every season, millions of farmers behave like rational agents trapped inside an irrational market. They generate the most granular data ecosystem in the country – soil moisture, pest movement, rainfall shifts, seed-quality microclimate anomalies – far richer than anything in Dhaka's dashboards.

Yet paradoxically, the farmer has the least access to the intelligence produced by his own labour. This is the Agricultural Intelligence Paradox: the people who generate the data have the least claim over its value.

Economists label this as market failure, technologists call it a systems gap, activists/philosophers call it injustice and farmers simply call it loss. And loss compounds.

Walk through any bazaar in Bangladesh and you will see two different nations: one that grows the food and another that controls its fate. The prices of potatoes, onions and vegetables appear to rise and fall mysteriously. But mystery is merely a polite word for opacity, which in turn is a polite word for power.

For the farmer, each season is a gamble without probabilities. He sells without knowing what others are selling. He stores without knowing who else is storing. He buys fertiliser without knowing the expected return. He takes loans without knowing the real risk.

In Nassim Nicholas Taleb's language, he is exposed to full downside and denied the upside.

Everyone in the chain is hedged – the trader hedges with information, the wholesaler with storage and the exporter with forward contracts. Only the farmer walks naked into volatility.

The zeitgeist of our times, AI, can actually help here, can actually matter, if we let it.

Most conversations about AI are marinated in buzzwords and grandstanding. Large models, digital nations, predictive governance – too often spoken from air-conditioned rooms far from the realities that matter.

But in agriculture, AI becomes brutally simple: it converts uncertainty into probability. It turns volatility into foresight. It turns the blindfold into a window.

Imagine this: price signals two weeks ahead; crop disease detection from a simple photo; storage facility mapping within a 5-10 km radius; hyperlocal weather intelligence instead of vague national alerts; and decision trees for when to sell, store, bargain or wait.

This is not technology hype; it is the mathematics of survival. And survival is political. A nation reveals its priorities by what it chooses to formalise. For decades, we formalised bureaucracy, not intelligence. A Farmer's ID changes that.

It has the potential to be the first institutional acknowledgment that farmers deserve a share of the intelligence they produce.

Through it, a farmer gains: predictive price insights, targeted subsidies, credit access rooted in real data, verified production identity and crop advisory aligned with market cycles. Along with the visibility of storage and transport options.

In other words, that ID shifts the farmer from a price-taker to a player. He gains optionality – the ability to choose rather than be chosen for.

Bangladesh's economy can survive many shocks, but food system fragility is not one of them. A nation collapses not when it lacks food, but when it loses trust in prices. And food prices are simply signals distorted by missing intelligence.

When syndicates can manipulate markets because farmers lack information, you get structural injustice. When farmers take loans without knowing demand curves, you get debt traps. When storage is absent or invisible, you get waste disguised as fate.

AI does not solve politics. But it forces transparency into places where manipulation once hid comfortably. That alone alters power.

The Agricultural Intelligence Paradox is not resolved by apps, dashboards or another round of rural training workshops. These are cosmetic technicalities applied to a structural wound. It is resolved when the intelligence generated by farmers serves the farmers first. When the producer has more information than the middleman. When the price-taker becomes the price-negotiator. When the most fragile actor finally claims the upside.

This is how you restore symmetry in a system built on asymmetry. And that is not just digital reform. It is a political reform. For decades, Bangladesh has built agricultural institutions but not agricultural intelligence.

The Bangladesh Agricultural Research Council (BARC), the Department of Agricultural Extension (DAE) and a constellation of specialised agencies produced reports, trials and pilot projects, yet the intelligence loop never reached the farmer.

Data stayed in silos, research stayed on paper, and decisions stayed in ministries. The system optimised for bureaucratic output, not farmer outcomes.

Every agency guarded its turf; none built a coherent intelligence layer that connected plots to prices, storage to supply, weather to yield or risk to credit.

In a system where information is fragmented, the farmer remains fragmented. The way forward is not another department, another project or another dashboard – it is integration. A single farmer-centric intelligence spine linking BARC's science, DAE's extension network, Barind Multipurpose Development Authority's irrigation data, the Department of Agricultural Marketing's market prices and the Bangladesh Bureau of Statistics' production cycles.

When these silos speak to each other – and to the farmer – Bangladesh finally moves from agricultural administration to agricultural intelligence.

Food-independent countries – whether the Netherlands, Denmark or Japan – did not achieve security through land or luck, but through relentless investment in farmer intelligence. They removed the blindfold.

The Farmer's ID, strengthened with AI, price prediction and storage mapping, is more than a programme. It is a correction and rebalancing. The future of food security in Bangladesh will not be written in conferences or policy memos.

It will be written in the fields, by farmers who finally see, decide, negotiate and win. With their intelligence comes the nation's stability.

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Sri Lanka counts on IMF funds as vehicle import costs surge

AFP, *Colombo*

Sri Lanka's central bank said Wednesday it was counting on the IMF releasing a $350 million loan instalment to bolster foreign reserves owing to a surge in vehicle imports since a five-year ban was lifted in February.

Governor Nandalal Weerasinghe said he was hopeful of receiving the sixth tranche of a $2.9 billion, four-year bailout agreed in early 2023 as part of a deal to support the island's tottering economy.

"With the IMF instalment and other funding, we expect an inflow of about $750 million next month," Weerasinghe told reporters in Colombo after a review of the economy.

Officials imposed a raft of import restrictions in 2020 when the country was running out of foreign exchange.

The government lifted the ban on vehicle imports in February, sparking a huge splurge by Sri Lankans.

Weerasinghe said about $1.2 billion had been spent on bringing in cars between February and September, far more than expected.

"We are seeing the pent-up demand easing since July and next year we won't have the same level of vehicle imports," he said.

How China leveraged its rare earths dominance over US

AFP, *Beijing*

China's stranglehold on the rare earths industry -- from natural reserves and mining through processing and innovation -- is the result of a decades-long drive, now giving Beijing crucial leverage in its trade war with the United States.

The 17 key elements will play a vital role in the global economy in coming years, as analysts warn that plans to secure alternative supply chains by Western governments could take years to bear fruit.

Rare earths are crucial for the defence sector -- used in fighter jets, missile guidance systems and radar technology -- while also having a range of uses in everyday products including smartphones, medical equipment and automobiles.

Visited this month by AFP, the southeastern mining region of Ganzhou -- which specialises in "heavy" rare earths including yttrium and terbium -- was a hive of activity.

Media access to the secretive industry is rarely granted in China, but despite near-constant surveillance by unidentified minders, AFP journalists saw dozens of trucks driving in and out of one rare earths mine, in addition to several bustling processing facilities.

Sprawling new headquarters are being built in Ganzhou for China Rare Earth Group, one of the country's two largest state-owned companies in the industry following years of consolidation directed by Beijing.

Challenges this year have "paved the way for more countries to look into expanding rare earth metal production and processing", Heron Lim, economics lecturer at ESSEC Business School, told AFP.

"This investment could pay longer-term dividends," he said.

TRADE WAR

Sweeping export restrictions China imposed on the sector in early October sent shockwaves across global manufacturing sectors.

The curbs raised alarm bells in Washington, which has been engaged in a renewed trade war with Beijing since President Donald Trump began his second term.

At a high-stakes meeting in South Korea late last month, Trump and Chinese counterpart Xi Jinping agreed to a one-year truce in a blistering tariff war between the world's top two economies.

The deal -- which guarantees supply of rare earths and other critical minerals, at least temporarily -- effectively neutralised the most punishing US measures and was widely seen as a victory for Beijing.

"Rare earths are likely to remain at the centre of future Sino-US economic negotiations despite the tentative agreements thus far," Heron Lim told AFP.

"China has demonstrated its willingness to use more trade levers to keep the United States at the negotiating table," he said.

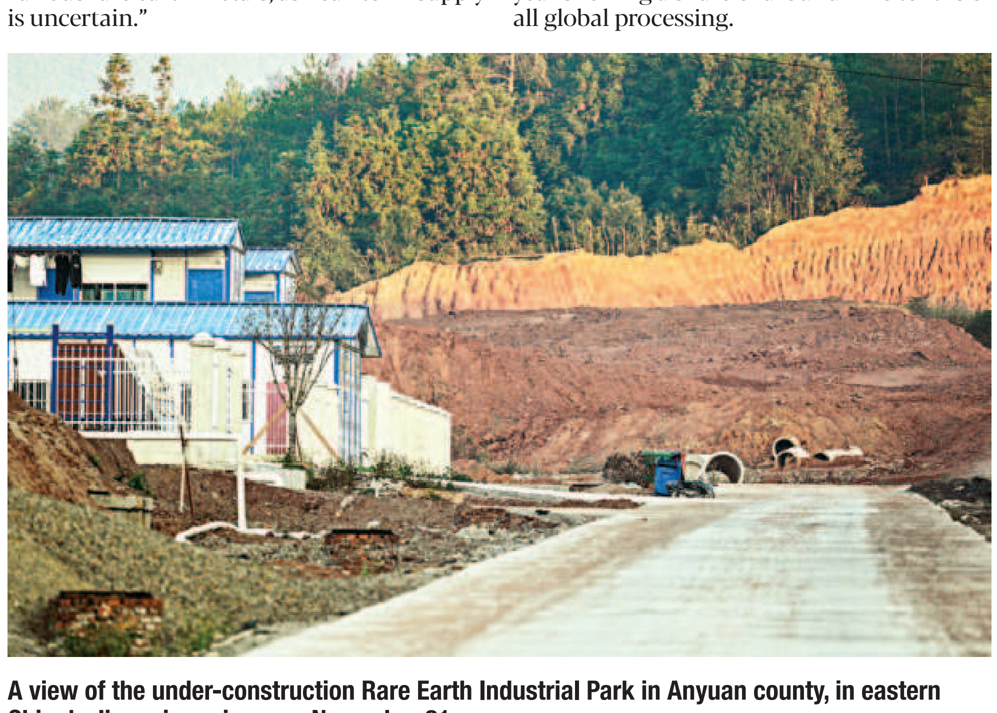
"The turbulence has created a challenging environment for producers that rely on various rare earth metals, as near-term supply is uncertain."

Washington and its allies are now racing to develop alternative mining and processing chains, but experts warn that process will take years. During the Cold War, the United States led the way in developing abilities to extract and process rare earths, with the Mountain Pass mine in California providing the bulk of global supplies.

But as tensions with Moscow eased and the substantial environmental toll wrought by the rare earth industry gained prominence, the United States gradually offshored capacity in the 1980s and 1990s. Now, China controls most of global rare earths mining -- around two thirds, by most estimates.

It is already home to the world's largest natural reserves of the elements of any country, according to geological surveys.

And it has a near total monopoly on separation and refining, with analysis this year showing a share of around nine tenths of all global processing.



A view of the under-construction Rare Earth Industrial Park in Anyuan county, in eastern China's Jiangxi province, on November 21. PHOTO: AFP