



Sammilito Islami Bank set to launch next week

Depositors can withdraw up to Tk 2 lakh immediately: BB governor

STAR BUSINESS REPORT

Sammilito Islami Bank, the proposed largest shariah-based state-run bank to be formed by merging five troubled ones, is going to be launched within the next week, said Bangladesh Bank Governor Ahsan H Mansur yesterday.

The bank will begin operations with Tk 35,000 crore in paid-up capital, the highest in Bangladesh, he said at an economic conference at Pan Pacific Sonargaon Dhaka organised by the business daily Bonik Barta.

His comments came as the BB board is scheduled to sit for a meeting today, where the proposed new bank is expected to receive approval. After the approval, the central bank will issue a letter awarding the bank its licence.

Earlier on November 9, the BB issued a preliminary licence and the new entity received name clearance from the Registrar of Joint Stock Companies and Firms (RJSC).

Later in the day, responding to The Daily Star, Mansur said depositors will be able to withdraw their money after the launch of the new bank.

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Initially, depositors of all the five banks will be able to withdraw a maximum of Tk 2 lakh immediately, and then every three months, they can receive a certain portion of their deposits, he said.

The BB chief said all the accounts in those banks will be operational as will the branches of these banks.

"Depositors will get interest at the market rate on their deposits and realise the interest after the launch of the new bank," he said, but added that they will be unable to realise the interest accrued against their savings in the past.

As part of the move, the central bank has drawn up a detailed roadmap outlining specific timelines for the repayment process. This will be announced soon through an official gazette, with the repayment schedule taking effect from the date specified.

To ensure investment income for the new bank, the new bank is expected to invest Tk 10,000 crore in the shariah-based sukuk bond. This is expected to generate Tk 800 crore-Tk 900 crore in income for the bank.

"We are not going to cut any staff in these banks. But their salaries and benefits will be rationalised," he said, replying to another question. The existing employees of the five banks — nearly 16,000 — may see their salaries reduced by 20 percent.

On November 5, the BB took over the five troubled shariah-based banks — First Security Islami Bank, Union Bank, Global Islami Bank, Social Islami Bank, and EXIM Bank — on a temporary basis by dissolving their boards as part of the formal merger process.

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A decade needed to get rid of bad loan crisis

BB governor says as businesses demand action



Bangladesh Bank Governor Ahsan H Mansur speaks at the inaugural session of the "Fourth Bangladesh Economic Conference 2025", organised by Bangla daily the Bonik Barta, at the Pan Pacific Sonargaon in Dhaka yesterday.

PHOTO: COLLECTED

STAR BUSINESS REPORT

Bangladesh's banking sector is staring at a long climb out of its deepening bad loan crisis, with Bangladesh Bank Governor Ahsan H Mansur warning yesterday that it may take five to ten years for soaring non-performing loans (NPLs) to return to safer territory, despite expectations that they will stabilise at the current level.

However, business leaders, already weighed down with high borrowing costs, want immediate actions to put a stop to the surge in toxic loans, saying they fear the NPLs will continue to rise, impacting investment.

According to the central bank, defaulted loans stood at Tk 6.44 lakh crore at the end of September this year, nearly 36 percent of total disbursed loans. Net NPLs also jumped to 26.4 percent, or Tk 4.15 lakh crore, as of September. A year earlier, bad loans accounted for 16.93

percent of outstanding loans.

"A default rate exceeding one-third of total loans poses a severe challenge. The true scale of bad loans is now becoming apparent due to stricter loan classification rules," Mansur told business leaders at the Fourth Bangladesh Economic Conference 2025, organised by the Bonik Barta in Dhaka.

With banks effectively operating on only two-thirds of their asset quality intact, the governor described the crisis as a structural risk that cannot be resolved quickly.

"We expect NPLs to stabilise at this level. After that, a gradual decline may begin. But a full recovery will require five to ten years of sustained reform and discipline," he said.

Business leaders, however, were sceptical about any stabilisation without a crackdown on serial defaulters.

"If the average NPL is around 35 percent, then where has this money gone? Strict action

against defaulters is necessary," said AK Azad, chairman of Ha-Meem Group.

With such a large share of loans outside the system, he said, "running the state will be impossible, and GDP will decline even further."

The next government, he stressed, must identify the borrowers behind the bad loans and bring them under the law.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association, said they believe the NPLs may rise in the future.

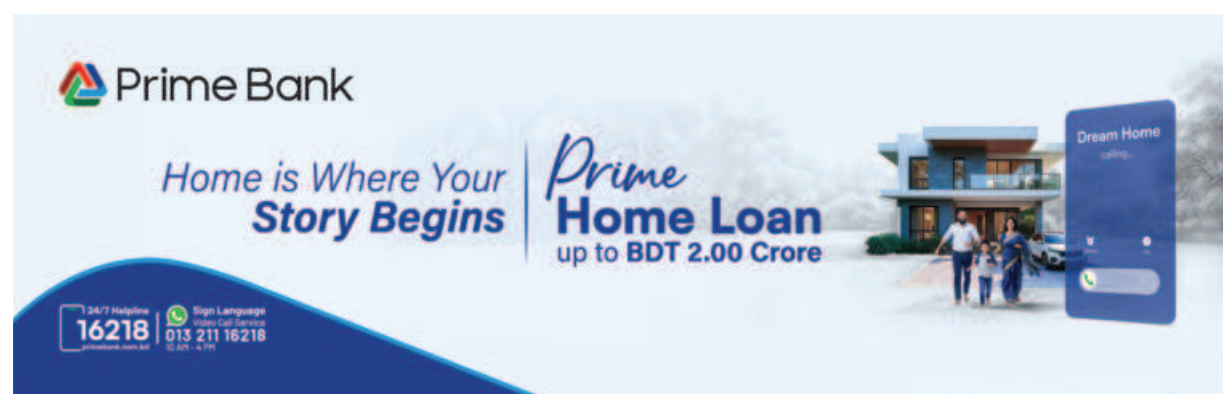
"Steps must be taken to prevent any further increase. Industries should keep running so banks can get returns; if they get shut by dint of the law, banks get nothing," he said.

Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry, echoed the concern. "When will this upward trend be checked, and when will it start moving in the right direction?"

'FIX LENDING RATE 2-3% BELOW TREASURY BOND YIELDS'

Industry representatives also pressed the central bank to ease monetary policy, arguing that high interest rates are choking investment at a time of already weakened demand.

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Govt unifies fertiliser distribution with new dealer policy

SUKANTA HALDER

In order to improve fertiliser distribution and ensure farmers receive timely access, the interim government has introduced the Integrated Fertiliser Dealer Appointment and Distribution Policy-2025, effective since November 16.

The move comes after farmers repeatedly complained about paying higher than government-set rates for fertilisers, which are crucial for rice cultivation, particularly during the Boro season.

Bangladesh used over 50 lakh tonnes of chemical fertiliser in the 2024-25 fiscal year, according to official data.

Under the new policy, all dealers will be considered government-appointed, with no distinction between Bangladesh Chemical Industries Corporation (BCIC) dealers and Bangladesh Agricultural Development Corporation (BADC) dealers.

DEALER UNITS AND RETAIL CENTRES

The policy specifies that in unions and municipalities, one dealer unit will be formed for every three wards, with a maximum of three dealers per union or municipality—one per unit.

Existing BCIC and BADC dealers will have their responsibilities redistributed, and vacant units will be filled by new appointments.

In city corporation areas, dealers may be appointed if there is significant cultivable land, with the number of dealers based on land area and crop density, following recommendations from the Department of Agricultural Extension (DAE) and approval from the Central Management Committee on Fertiliser Dealers.

Each union-level dealer must establish one retail sales centre in each of their three



NEW POLICY INTRODUCED TO ...

- Ensure discipline in fertiliser distribution
- Deliver fertiliser to farmers on time
- Make fertiliser available at govt-fixed prices

KEY POINTS

Around 2,000 problematic dealers identified for review

New policy aims to save Tk 3,000cr-Tk 4,000cr annually through reforms

designated wards. Municipal dealers will establish up to three retail centres, and city corporation dealers will establish the required number of centres at convenient locations, as approved by relevant authorities.

The policy also eliminates sub-dealers and retail sellers. Existing sub-dealers may continue operations under the old rules until 31 March 2026, after which fertiliser sales will only be through designated sales centres.

Within 15 days of the gazette, upazila or district Fertiliser and Seed Monitoring Committees will determine dealer units and operational areas, assigning responsibilities

accordingly. The policy also prohibits multiple family members from holding fertiliser dealerships.

INDUSTRY CONCERNS

Riaz Uddin Ahmed, executive secretary of the Bangladesh Fertilizer Association, expressed concerns about the policy's sustainability.

"Currently, dealers receive Tk 2 per kg as commission, which also covers carrying costs. This rate was set in 2008," he said. "Since then, costs for transport and other expenses have risen above Tk 4 per kg."

He added, "Under the new policy, a union dealer will need to establish two more storage

centres, further increasing costs. Without addressing this, the policy may not be sustainable."

Ahmed also warned that merely increasing the number of dealers per union will not control prices. "Prices will rise unless supply at the district level is increased," he said.

Khorshed Alam, joint secretary of the fertiliser management and monitoring branch at the Ministry of Agriculture, said, "Under the new policy, all fertiliser dealers are brought under one umbrella. The same dealer will now handle both urea and non-urea fertilisers."

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NEW POLICY AT A GLANCE

Sub-dealers and retailers abolished to prevent overpricing

Dealers must run warehouses and cannot sell pesticides with fertiliser

Multiple dealers from the same family no longer allowed

Only three licensed dealers per union, operating fixed sales centres

Existing compliant dealers must reapply under new rules

Existing sellers may operate only until the deadline



Potato festival begins in Dhaka on Dec 12

STAR BUSINESS REPORT

The Bangladesh Cold Storage Association (BCSA) is going to organise a two-day potato festival to introduce the country's potato industry to the world.

The event is scheduled to begin on December 12 at the International Convention City Bashundhara (ICCB) in Purbachal, Dhaka.

The festival aims to showcase modern technologies and expand both local and international investment and export opportunities.

The festival aims to showcase modern technologies and explore export opportunities

Mostofa Azad Chowdhury Babu, president of the BCSA, said that although Bangladesh ranks seventh in the world and third in Asia in potato production, the country has yet to fully utilise its potential due to insufficient modern storage systems, processing technologies, and export-friendly infrastructure.

"The international exhibition will see participation from hundreds of domestic and foreign organisations involved in potato production, storage, processing, value addition, export, cold-chain technology, agricultural machinery, food innovation, and culinary arts," he added.

Alongside the exhibition, international business-to-business (B2B) meetings, technical seminars, and expert discussions will also be held, he said.