



Muhit Rahman

# ONE Bank targets digital growth

Managing Director Muhit Rahman highlights plans for SMEs and foreign trade

MD MEHEDI HASAN

Private commercial ONE Bank plans to expand digital banking and strengthen engagement with small and medium enterprises (SMEs) and foreign trade.

"ONE Bank currently has strong corporate clients, but there is significant room for growth in retail, SME, and digital services," said Muhit Rahman, managing director of the bank, in an interview with The Daily Star.

He added that future banking will not rely solely on expanding branches, as digital platforms and fintech will play a major role.

Rahman, a former foreign bank executive with more than three decades of international banking experience, joined the local commercial lender as managing director in November 2025.

He previously worked at American Express and Standard Chartered Bank. He said his long career with global financial institutions convinced him that a mid-sized Bangladeshi bank could improve significantly with focused reforms.

Discussing digital expansion and SME lending, he said the new strategy includes expanding retail and SME banking while building on the bank's traditional strength in corporate banking.

The bank plans to introduce more digital solutions in corporate banking, including cash management systems, payment solutions, payroll services, and distributor financing for corporate supply chains. He said the bank also plans to deepen partnerships with fintech companies to expand financial inclusion.

ONE Bank already operates more than 160 locations and around 260 agent outlets, but these services require

stronger promotion and better digital integration, he added.

The bank is also studying nano-loan products, which some banks have recently introduced through mobile financial service platforms.

## FOREX MARKET AND EXTERNAL RISKS

Regarding the forex market, Rahman, an MBA graduate from the Institute of Business Administration at the University of Dhaka, said ONE Bank has maintained strong foreign currency liquidity and did not delay international payments even during the dollar shortage over the past years.

## The new strategy includes expanding retail and SME banking while building on the bank's traditional strength in corporate banking

He said many Bangladeshi banks faced overdue import payments mainly because of temporary dollar shortages and exchange rate distortions rather than loan defaults.

"Bangladesh has never defaulted on international payments," he said.

However, the ongoing war in the Middle East could pose risks if the conflict drags on, particularly through higher energy import costs and possible shipping disruptions. He suggested maintaining strong foreign currency liquidity and prioritising essential imports if global tensions intensify.

## ADDRESSING NON-PERFORMING LOANS

On the non-performing loans (NPLs) situation, Rahman said NPLs in the

banking sector generally come from three sources: legacy loans, business downturns with weak monitoring, and, in some cases, loans taken under questionable circumstances.

However, he said ONE Bank has not found any fraudulent lending cases in its portfolio. He expressed hope that stronger governance, better monitoring, and an economic recovery could gradually improve asset quality.

Pointing to governance issues in some local banks, he said, "In multinational banks, decisions follow strict processes, and credit approvals go through multiple committees. Boards set strategy but do not approve individual credit proposals."

"In many local banks, accountability gaps exist. Strengthening accountability is essential before driving business growth."

He also said that ONE Bank's board has been supportive of improving governance and strengthening management structures.

## NEED FOR STRONGER CAPITAL MARKET

Rahman said Bangladesh needs to develop its capital market to reduce heavy reliance on banks for financing.

"Almost everything in Bangladesh depends on bank lending. In developed markets, companies raise funds through bond markets and capital markets," he said.

He added that Bangladesh could attract foreign portfolio investment and tap global funding sources such as green, sustainable, and Islamic finance.

The managing director of the third-generation bank also proposed organising an international banking forum in Dhaka to present Bangladesh's

economic story and attract foreign lenders and investors.

"Many global banks already take part in trade finance linked to Bangladesh, but they rarely come together on a single platform to discuss opportunities. Such engagement could help increase trade finance flows, foreign investment, and international confidence in Bangladesh's financial sector," he said.

## LENDING STRATEGY AND OUTLOOK

Regarding ONE Bank's lending strategy, Rahman said the private bank plans to increase its exposure to Bangladesh's key export sector – ready-made garments – as well as pharmaceuticals, commodities, and infrastructure-related industries such as steel.

He said future lending will increasingly depend on cash-flow-based credit assessment rather than collateral-based lending.

"If banks focus more on cash-flow-based lending instead of relying only on collateral, asset quality will improve," he said, adding that weak collateral execution has contributed to the country's high level of non-performing loans.

While discussing the outlook, Rahman remained cautiously optimistic despite challenges such as high interest rates, slow private sector credit growth, and global uncertainties.

"Economic activity could gradually recover if business confidence improves and reforms in the banking sector continue. With stronger governance, digital transformation, and support for SMEs, banks can play a bigger role in employment generation and economic growth," he said.

# Making the case for a regulatory reform commission

MAMUN RASHID

For years, businesses in Bangladesh have struggled with an invisible but formidable opponent: a web of outdated, inconsistent and burdensome regulations. Navigating this bureaucratic maze, often justified in the name of oversight, has meant unpredictable delays, opaque procedures and uneven enforcement. As the new government seeks to revitalise the economy and attract fresh investment, regulatory reform is not merely timely. It is essential.

In response to mounting pressure from domestic business leaders and international development partners, the immediate past interim government discussed an ambitious reform agenda. Although it produced little in the way of a concrete action plan, I believe the centrepiece should be a "Regulatory Reform Commission" (RRC), tasked with overhauling archaic rules that constrain economic activity. Its role must be continuous and proactive: to monitor, evaluate and streamline the full spectrum of economic, especially business-related, regulations.

This is not Bangladesh's first attempt. Against the backdrop of earlier efforts in 2005-2006, the caretaker government set up a commission in 2007, led by the late Akbar Ali Khan. It dissolved after 2008, largely because political continuity was lacking. That experience offers a clear lesson. From my engagement with the earlier "Better Business Forum", which helped establish the original RRC, I can say business owners repeatedly stressed that leaving reform solely to line ministries would yield little progress. What is needed is a central authority with a clear mandate and strong political backing.

The case for reform is also borne out by data. Bangladesh continues to lag behind regional peers in measures of the business environment.

In early 2025, the country scored 56.99 out of 100 in the regulatory framework pillar, placing it in the bottom quintile among 50 surveyed economies.

Despite positive steps such as the digitalisation of trade documentation and one-stop service initiatives, entrepreneurs still face regulatory uncertainty that stifles innovation and deters investment. Foreign direct investment fell by 5 percent in FY24, a worrying signal for an economy that relies on private capital to drive growth.

Recent economic headwinds have sharpened the urgency. GDP growth has slowed, prompting the World Bank to revise its annual forecast to 4 percent. Domestic revenue rose by just 3.7 percent in the first quarter of FY25, compared with 17.7 percent a year earlier. In response, the government has secured more than \$3 billion in World Bank funding, with a significant share earmarked for regulatory and structural reforms.

Analysts point to two persistent weaknesses. Many regulations are outdated or no longer fit for purpose. At the same time, Bangladesh lacks clear frameworks to govern emerging technologies and new business models. Policymakers are too often playing catch-up. This widening gap between regulation and reality strengthens the argument for a permanent reform commission.

If the RRC is to avoid becoming a token initiative, it must be established by law and insulated from political cycles. Drawing on past experience, a three-tier structure could prove effective: broad consultation to identify bottlenecks; expert-led design of reforms aligned with global best practice; and institutional mechanisms to ensure implementation. The earlier commission made tangible progress when backed by the Better Business Forum and strong leadership. It should again operate within a wider public-private ecosystem.

Bangladesh must move away from reactive, piecemeal regulation towards a strategic and forward-looking approach. A well-designed Regulatory Reform Commission can help achieve that goal, not only by cutting red tape but by making the economy more adaptive, inclusive and competitive in a fast-changing world.

The writer is an economic analyst and chairman at Financial Excellence Ltd



# Fishy trades before major news spark insider trading allegations

AFP, New York

Unusual bursts of trading on the oil and stock markets this week, just minutes before social media posts on the Iran war by President Donald Trump, have added to suspicions of insider trading linked to his administration.

Democratic lawmakers, traders and industry watchdogs are raising alarms, saying such seemingly prescient bets are forming a pattern that suggests people are profiting from prior knowledge of White House decision-making.

"This is the kind of thing that makes people wonder if their government is acting in their best interest or trying to enrich certain individuals," said Jordan Libowitz, vice president of the ethics watchdog Crew.

In the latest case, trading in oil and S&P 500 futures contracts, in which an investor promises to buy or sell an asset at a fixed price at a later date, saw an unusual spike in trading early Monday.

Just 15 minutes later, Trump posted on his Truth Social network that talks with Iran were "very productive" – a dramatic shift in tone after Trump warned Saturday that he had given Tehran 48 hours to reopen the Strait of Hormuz or face strikes on its energy grid.

The news sent oil prices plunging and stocks surging. People who placed the flurry of futures trades beforehand likely pocketed tens of millions of dollars, according to calculations by a market operator for AFP.

"Seeing large transactions like these before an announcement is a little suspicious," said Michael Lynch, an oil analyst at Strategic Energy & Economic Research. "It's unusual. You don't see this at this level in the oil market."

Monday's incident came a few weeks after six accounts on the betting site Polymarket made \$1.2 million on bets that the United States would attack Iran on February 28, the day the war began.

According to an analysis by the

analytics firm Bubblemaps, the bets were placed just hours before the bombings were reported.

And in early January, an individual pocketed more than \$400,000 after betting on Polymarket that Venezuelan leader Nicolas Maduro would be ousted just hours before he was seized in a raid by US forces.

"Seeing large transactions like these before an announcement is a little suspicious,"

So far, there is no evidence to suggest that Trump or White House officials are linked in any way to these transactions.

"Any insinuation, without evidence, that a member of the government engaged

in these acts is baseless and irresponsible," a White House spokesperson told several media outlets.

Still, critics of the administration see the trades as evidence of corruption.

Democratic Senator Chris Murphy posted on X: "Who was it? Trump? A member of his family? Someone in the White House? This is unbelievable corruption."

The transactions have provided further ammunition for Democratic lawmakers and other critics who have accused Trump of conflicts of interest since the beginning of his second term last year.

Members of his family have made hundreds of millions of dollars in profits from cryptocurrencies, a market he has sought to deregulate.

The Chicago Mercantile Exchange, the world's largest market for trading derivative financial products, and the US Securities and Exchange Commission both declined to comment.

READ MORE ON B2

# UN chief launches task force to aid passage of fertiliser through Hormuz

AFP, United Nations

UN Secretary-General Antonio Guterres has launched an interagency task force to help secure the passage of fertilizers through the Strait of Hormuz, his spokesperson announced on Friday.

"As the conflict in the Middle East unfolds and threatens to intensify, disruptions in maritime trade through the Strait of Hormuz risk creating ripple effects impacting humanitarian needs and agricultural production in the coming months," Stephane Dujarric said. "Immediate action is essential to mitigate these consequences."

The "dedicated task force" will work to "develop and propose technical mechanisms" that will "facilitate fertilizer trade, including the movement of related raw materials" through the strait.

The group includes representatives from several international agencies and will work "in close consultation" with relevant UN member states.

Dujarric noted that the secretary-general had phone calls in recent days with representatives of Iran, the United States, Pakistan, Egypt and Bahrain.

"We have a lot of experience on kind of these types of mechanisms in conflict zones," he said while referencing an agreement that allowed Ukrainian grain to transit the Black Sea for a little over a year after Russia's invasion of Ukraine.

The establishment of the task force comes as the planting season – which will require fertilizer – is about to begin in many of the world's major agricultural regions.

# US consumer sentiment slides to three-month low as war fans inflation fears

REUTERS, Washington

US consumer sentiment fell more than expected in March, touching a three-month low, as war in the Middle East stoked inflation worries and cast a shadow over the economic outlook.

The decline, reported by the University of Michigan's Surveys of Consumers on Friday, occurred across political party affiliation and age groups, with large decreases among middle- and higher-income consumers as well as those owning stocks.

The month-long US-Israeli war with Iran has sent global oil prices surging more than 50 percent. Retail gasoline prices have jumped \$1 to an average of \$3.98 per gallon, data from motorist advocacy group AAA showed, while the S&P 500 index has dropped about 6.7 percent.

Though the correlation between consumer sentiment and spending is weak, rising gasoline prices and falling share values, combined with a stagnant labor market, could undercut consumption and hamper economic growth. Higher-income households have led consumer spending, underpinned by robust wealth levels.

"Sentiment hit a record low in mid-2022 when inflation was at its highest

level in decades, but the economy held up with solid GDP growth and an historically strong labor market," said Gus Faucher, chief economist at PNC Financial.

"But if the conflict drags on, gasoline prices move even higher in the summer driving season, and stocks continue to falter, consumers could throw in the towel

and start to pull back on their spending."

The University of Michigan said its Consumer Sentiment Index dropped to a final reading of 53.3 this month, the lowest reading since December, from 55.5 earlier. Economists polled by Reuters had forecast the index would ease to 54.0.

It was at 56.6 in February and is not



A shopper browses a food display while shopping for groceries at an Albertsons supermarket in Redmond, Washington, US.

PHOTO: REUTERS/FILE

READ MORE ON B2