

Eastern Bank partners with Shanta Life to roll out bancassurance services

STAR BUSINESS DESK

Eastern Bank PLC (EBL) and Shanta Life Insurance PLC have jointly launched bancassurance products and services, enabling customers to access life insurance solutions directly through banking channels.

Ali Reza Iftekhar, managing director of the bank, inaugurated the service at a ceremony held at EBL's head office in Dhaka recently.

The initiative is expected to support broader financial inclusion by making insurance products more accessible to bank customers, according to a press release.

The bancassurance offering aims to provide convenient access to financial protection and long-term security while strengthening the delivery of integrated financial services.

By combining EBL's robust banking platform with Shanta Life Insurance's expertise in life insurance, the partnership seeks to enhance financial planning options for individuals and families.

As one of the leading private commercial banks in Bangladesh, EBL continues to diversify its financial services to better serve its growing customer base. Shanta Life Insurance, a concern of the renowned Shanta Group, focuses on delivering reliable and innovative life insurance solutions tailored to evolving customer needs.



Ali Reza Iftekhar, managing director of Eastern Bank PLC, attends the launch of bancassurance products and services, offered by the bank and Shanta Life Insurance PLC, at EBL's head office in Dhaka recently.

PHOTO: EASTERN BANK

Shafiquzzaman elected president of CAB

STAR BUSINESS DESK

AHM Shafiquzzaman, former labour and employment secretary, has been elected president of the Consumers Association of Bangladesh (CAB) for a two-year term (2026-28).



AHM Shafiquzzaman

The election took place during the association's annual general meeting and central executive council election at its head office in Segunbagicha, Dhaka, yesterday, according to a press release.

Humayun Kabir Bhuiyan was elected general secretary of the association.

Professor Anwarul Islam served as the chief election commissioner, while Akbar Hossain and Mostaque Ahmed assisted him as election commissioners.

Jamil Chowdhury (senior vice-president), SM Najer Hossain (vice-president), Masudur Rahman Rony (joint secretary), Mohammad Shawkat Ali Khan (treasurer), Md Abul Kalam Azad (organising secretary), and Anwar Hossain Chowdhury (publicity secretary) have been included in the new central executive council.

Anwar Hossain, MA Kader Mandol and Bahadur Sajeda Akhter were also included in the 11-member committee.

NRBC Bank celebrates 13th anniversary



Md Ali Hossain Prodhania, chairman of NRBC Bank PLC, inaugurates the bank's 13th founding anniversary celebration at its head office in Dhaka recently.

PHOTO: NRBC BANK

STAR BUSINESS DESK

NRBC Bank PLC has completed 13 years of operations and stepped into its 14th year, reaffirming its commitment to good governance and inclusive banking.

The bank marked the milestone with a ceremony at its head office in Dhaka recently, highlighting its progress and future plans, according to a press release.

Md Ali Hossain Prodhania, chairman of the bank, inaugurated the programme as the chief guest.

He said that since its inception on April 2, 2013, NRBC Bank has achieved strong performance among fourth-generation banks.

He emphasised that ensuring good governance, expanding service coverage, and enhancing the bank's reputation remain key priorities. Increasing loan recovery and reducing non-performing loans will help boost profitability and protect the interests of depositors and

investors, he added.

The chairman also reiterated the bank's goal of becoming a "people's bank" by increasing lending to cottage, micro, and small sectors, with a target of raising the share of such loans to 40 percent. He stressed the need to expand technology-driven services.

Md Touhidul Alam Khan, managing director and CEO, said the bank remains committed to maintaining growth momentum while strengthening compliance. Over the past 13 years, deposits have reached Tk 19,590 crore and loans Tk 14,962 crore.

NRBC Bank now operates nearly 500 branches and sub-branches and more than 600 agent banking outlets, serving over 21.5 lakh accounts nationwide.

Mohammad Abdul Qaium Khan, deputy managing director, along with divisional heads and officials from various zones, branches, and sub-branches, also joined the programme virtually.

Nagad administrator Billah made exec director of BB

STAR BUSINESS DESK

Md Motasem Billah, the serving administrator of Nagad Limited, has been promoted to the post of executive director at Bangladesh Bank.



Md Motasem Billah

Prior to his appointment as the administrator of Nagad in February 2025, Billah was serving as a director of the Banking Inspection Department at the Bangladesh Bank's Chattogram office, according to a press release.

He began his career at the central bank in 1999 as an assistant director. Over a span of 27 years, he has held key positions in several important departments, including the Banking Inspection Department, and the Payment Systems Department.

He played a leading role in modernising the country's payment ecosystem, including initiatives such as the introduction of the national card scheme TakaPay, NPSB migration, the Cashless Bangladesh programme, and Bangla QR.

Since taking charge as the administrator of Nagad, he has led a series of positive transformations within the organisation.

Within a year, the platform's transaction volume nearly doubled, while significant progress was also made in technological advancement.

Billah obtained his BBA and MBA degrees from the University of Chattogram and later earned a master's degree in development studies from the University of Dhaka.

Meghna Bank celebrates Tk 10,000cr deposit milestone in Q1 of 2026

STAR BUSINESS DESK

Meghna Bank PLC has recently celebrated reaching a deposit milestone of Tk 10,000 crore in the first quarter of 2026.

The bank organised a programme at its head office in Dhaka to mark the achievement, according to a press release.

Syed Mizanur Rahman, managing director of the bank, inaugurated the event as the chief guest.

Rahman thanked all stakeholders, especially depositors, for their continued trust in Meghna Bank.

Other senior officials and members of the bank's senior management team were also present.



Syed Mizanur Rahman, managing director of Meghna Bank PLC, inaugurates a programme marking the bank's achievement of a Tk 10,000 crore deposit milestone in the first quarter of 2026, at its head office in Dhaka recently.

PHOTO: MEGHNA BANK

War is exposing Bangladesh's economic

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Asian LNG markets have tightened as cargoes are delayed or diverted, while rising war-risk insurance premia are pushing up freight costs across multiple commodities.

Fertiliser markets have also reacted quickly. The Gulf is a major supplier of urea and other critical inputs, and even temporary disruptions can translate into higher food production costs months later – an important risk for fertiliser-importing countries like Bangladesh.

These developments do not arrive separately – they arrive together. Higher LNG prices raise power generation costs. Higher fertiliser prices increase agricultural costs. Higher freight rates push up import prices. But the deeper risk is not price alone – it is access. When disruptions affect fuel, fertiliser, and shipping simultaneously, the constraint becomes one of physical availability as much as affordability.

Availability risks matter more than price movements: prices strain budgets, but shortages strain the economy's ability to function. The adjustments will have to occur not only through higher inflation but through rationing of energy, transport, and industrial activity – a far more difficult shock to manage.

HOW THE SHOCK SPREADS THROUGH THE ECONOMY

The first major pressure point will be the balance of payments. Import costs will rise as energy, fertiliser, and freight prices increase, while the main sources of foreign exchange face uncertainty. Exports are likely to be

hit hard, migration flows may slow, and even strong remittances – such as the recent \$3.75 billion monthly record – cannot be assumed to persist if GCC labour markets weaken. Usable reserves of roughly \$30 billion provide a cushion, but not a large one relative to Bangladesh's import needs and external debt obligations. They can smooth adjustment, but not shield the economy from prolonged pressure.

The shock is also propagating through the fiscal channel. By limiting the domestic pass-through of global fuel price increases, the government is effectively absorbing part of the external price shock through higher subsidy costs, even as revenue mobilisation remains weak.

Price pressures are likely to intensify. Higher energy costs are pushing up transport and industrial prices, while fertiliser shocks will eventually feed into food inflation. This is classic cost-push inflation – precisely the type monetary policy alone cannot easily control. This creates a familiar emerging-market dilemma: tightening policy risks slowing growth, while insufficient adjustment risks allowing inflation to become entrenched.

The financial sector may become another channel through which the shock spreads. Officially reported non-performing loans stand at around 31 percent and even this likely understates underlying stress. With balance sheets already weakened, any slowdown in economic activity could quickly translate into further borrower distress. In stronger

financial systems, banks cushion such shocks through continued lending, but in weaker ones, fragility can amplify stress – a vulnerability Bangladesh faces if conditions deteriorate.

LIMITED BUFFERS AGAINST THE SHOCK

Bangladesh retains some buffers, but they are modest relative to the scale of the shock. Foreign exchange reserves provide time, not immunity. Multilateral financing may help smooth adjustment, but such support is gradual and conditional rather than immediate crisis relief.

Beyond these buffers, policy space is narrow. Fiscal options are limited, and with one of the lowest tax-to-GDP ratios in the world, the government has little room for tax relief or additional spending. Weak financial intermediation limits the scope for credit adjustment.

Administrative controls may restrain demand temporarily, but they cannot alter the global price shock. These constraints explain the government's initial focus on conservation: shorter commercial hours, tighter load-shedding schedules, restrictions on energy use, and administrative demand controls.

Such measures may slow fuel consumption, but they do not reduce the underlying cost of energy imports. Nor do they fully address enforcement risks, as shortages often create incentives for diversion, preferential allocation, and other irregularities in distribution systems. When supply tightens, governance weaknesses can quickly become economic vulnerabilities.

WHAT THIS CRISIS REQUIRES

In shocks like this, the priority is not ambitious reform or rapid expansion. It is keeping the system functioning – ensuring energy and food security, protecting reserves, maintaining financial stability, and avoiding disorderly adjustment until external conditions improve.

This requires difficult but unavoidable policy choices. The exchange rate must be allowed enough flexibility to prevent excessive reserve losses. Reserves should be used to prevent disorderly movements, not to defend symbolic levels.

Energy subsidies cannot expand indefinitely. Where support is necessary, it should be more tightly targeted to protect vulnerable households rather than suppress prices across the board. At the same time, public investment may need temporary reprioritisation toward areas that sustain economic functioning – energy supply, logistics, and food security – while lower-return projects are deferred.

Banking sector weaknesses cannot remain indefinitely masked through regulatory forbearance. Temporary forbearance may be warranted to prevent liquidity pressures from becoming systemic stress, but prolonged accommodation risks deepening solvency problems. Targeted restructuring of the weakest institutions may therefore become unavoidable to safeguard financial stability.

These are not abstract reform agendas but standard crisis management tools. Their effectiveness depends

less on technical design than on how shortages are managed in practice. When fuel, credit, and foreign exchange become scarce, competition for access inevitably sharpens. Without credible discipline, adjustment can quickly become uneven and inefficient.

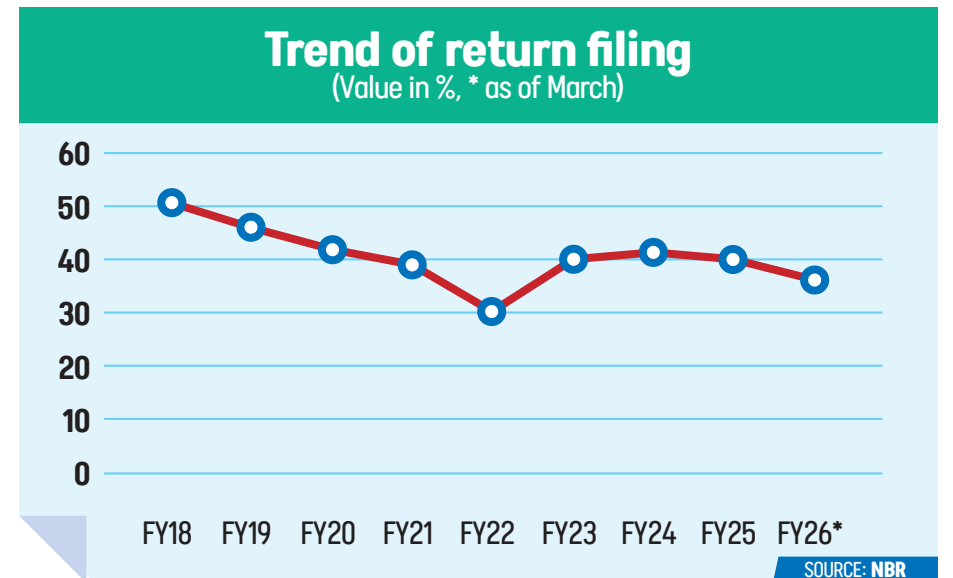
THE REAL CONSTRAINT IS POLITICAL, NOT TECHNICAL

The challenge is not identifying what needs to be done but implementing it. Exchange-rate flexibility affects those accustomed to privileged access to foreign exchange. Subsidy reform affects groups that benefit from generalised price support. Project rationalisation affects networks linked to public spending. Banking reform affects borrowers long accustomed to weak repayment discipline.

Adjustment is rarely delayed by a lack of economic understanding. It is delayed by the political costs of acting early. Yet crises rarely wait for political convenience. The Iran war is not creating Bangladesh's vulnerabilities – it is exposing them. Adjustment is a compulsion, not a choice. The only question is whether it happens early and gradually, or later under greater stress.

In shocks of this scale, economic strategy becomes clearer, even if implementation does not. When external shocks exceed domestic buffers, the first priority of economic policy is not growth. It is endurance.

The writer is a former lead economist of the World Bank's Dhaka office



Two-thirds of registered

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"Weak enforcement is a major issue. When many non-filers face little or no consequences, the cost of non-compliance becomes very low," he said. "Many treat tax payment as optional in this situation."

Islam highlighted the growing gap between registration and actual compliance.

"Many people obtain TINs for administrative reasons but lack the ability or incentive to file returns. This problem is made worse by the large informal economy, where many businesses operate without proper accounts or reliable records," he further said.

Prof Islam also said the tax system itself can be a barrier. "Frequent legal changes, multiple requirements, and complex procedures make it harder to comply, especially for small businesses and individual taxpayers." While making

online filing mandatory for individuals was a positive step, Islam said digitalisation alone cannot solve the problem. "Limited digital literacy and technical barriers can discourage timely filing. Repeated deadline extensions may weaken enforcement."

"Tax compliance depends on trust and fairness. When people believe public funds are not used properly, they are less willing to pay taxes. At the same time, widespread non-compliance becomes the norm," he said.

He said the economic impact could be serious. Low compliance leads to a low tax-to-GDP ratio, greater reliance on borrowing, and mounting fiscal pressure.

"A small group of compliant taxpayers ends up carrying most of the burden, which is unfair and distorts the business environment. In the long

run, this weakens the state's capacity," he said.

"To fix the problem, Bangladesh needs stronger enforcement, a simpler tax system, better services, and greater trust between the government and taxpayers," he added.

PROPOSED QUARTERLY FILING SYSTEM

Amid low submissions, the NBR is considering a year-round, quarterly tax filing system from the next fiscal year 2026-27.

Speaking at a pre-budget meeting on Wednesday, NBR Chairman Md Abdur Rahman Khan said the plan aims to improve compliance.

Under the proposal, the filing period would be divided into four quarters. Taxpayers would receive incentives for filing in the first quarter, pay standard rates in the second, and face higher costs or surcharges in the third and fourth quarters.