



# Regular earnings calls could boost foreign investor confidence

Says Ruchir Desai, co-fund manager at Asia Frontier Capital

Ruchir Desai

AHSAN HABIB

The government should require listed companies to hold at least one annual earnings call and publish financial reports on time to improve transparency and attract foreign investors, said Ruchir Desai, co-fund manager at Asia Frontier Capital, in an interview with The Daily Star.

An earnings call is a conference in which a public company management team speaks with analysts, investors and the media to review results and discuss prospects.

Desai co-manages the AFC Asia Frontier Fund and has been with Asia Frontier Capital since its founding in June 2013. He manages \$27 million in assets.

His largest frontier market exposure is in Pakistan, followed by Sri Lanka. Bangladesh ranks fourth among these investment destinations, accounting for about 12 percent of total assets.

Desai said improving access to listed companies through proper, timely disclosure and regular earnings calls is a straightforward reform that could lift foreign investor confidence.

Alongside better disclosure, he called for more quality listings and fewer abrupt policy shifts.

The foreign fund manager said sudden regulatory changes and market interventions that distort price discovery, such as the floor price, should be avoided to maintain confidence.

## POLICIES

- Make earnings calls mandatory annually
- Ensure timely financial disclosures
- Avoid sudden policy changes
- Ensure that market distortions like floor price never return

## MARKET DEVELOPMENT

- Increase number of quality listings
- Improve liquidity of listed firms
- Expand investment opportunities

## TAKEAWAYS FROM INTERVIEW

Improving access to listed companies through proper, timely disclosure and regular earnings calls is a straightforward reform that could lift foreign investor confidence.

Ruchir Desai  
Co-fund manager at Asia Frontier Capital

## OUTLOOK

- Political stability supports market growth
- Banking sector may lead recovery
- Consumption sectors show long-term promise



# Banking cannot continue the way it is

MAMUN RASHID

After more than 35 years in commercial banking, I have seen a troubling pattern: persistently high non-performing loans, limited product innovation, weak risk management, a shortage of capable and transformational leadership, and undue interference by owner directors. Over time, these have become almost normal. They are compounded by uneven central bank supervision, outdated technology and limited institutional capacity to respond to shocks.

Meanwhile, global banking is changing rapidly. Technological advances, shifting customer expectations and new economic realities are reshaping how banks operate. Some institutions are struggling to keep up; others are moving ahead with stronger governance, modern systems and forward-looking strategies. This widening gap poses a pressing question: what will banking look like in the coming decade, and can our local banks remain competitive?

There are signs of progress. Several commercial banks in Bangladesh have begun centralising operations to improve efficiency and oversight. Effective centralisation brings large corporate and retail branches under unified control, strengthening governance while improving risk management and customer service. At the same time, the expansion of digital banking services is making transactions quicker, simpler and more accessible.

Banks are also placing greater emphasis on customer relationship management (CRM). Many have invested heavily in technology and staff training, and that effort is set to continue. Customers initially faced disruption, but many are now seeing the benefits. Banks are working to understand each client's overall financial needs and to offer tailored solutions. Relationship managers (RMs) are being deployed to integrate corporate banking, foreign exchange and personal financial services, enabling clients to access a full range of services through a single point of contact.

Lending strategies are shifting as well. Banks increasingly recognise that heavy reliance on traditional instruments such as cash credit is unsustainable. The focus is moving towards mobilising low-cost deposits and boosting profitability through a more balanced mix of corporate and retail banking.

To support this transition, banks are investing in digital platforms, data analytics, artificial intelligence and blockchain. AI, including generative AI, is beginning to transform financial services by enabling personalised advice and sharper market insights. Robo-advisers, for example, can analyse market trends and customer behaviour to provide recommendations aligned with individual risk profiles.

AI is also improving efficiency. Chatbots now handle routine enquiries such as account balances or transaction histories, cutting waiting times and operating costs. More advanced tools can assess financial statements, support credit decisions, detect fraud in real time and streamline processes, including customer onboarding, loan approvals and regulatory reporting. These innovations enhance service quality while reducing administrative pressure.

The revenue model must evolve, too. A balanced bank should aim for an equal split between interest income and fee-based income. Leading institutions are placing greater weight on fee-based services such as corporate advisory, foreign exchange, structured finance and syndication, where risks are shared. This reduces dependence on traditional lending and strengthens balance sheet resilience.

Risk management will determine future success. To manage interest rate volatility, banks are prioritising short-term, low-cost deposits over long-term liabilities. At the same time, they must develop robust credit policies aligned with emerging investment trends and economic needs.

Ultimately, the future of banking will be shaped by technology, market forces and rising customer expectations. Banks can no longer confine themselves to deposit-taking and lending. They must expand into wealth management, integrate with fintech platforms and ensure secure, technology-driven transactions.

In an era defined by globalisation and rapid technological change, continuous transformation is essential for survival. Banks that fail to adapt will become irrelevant. The message is unmistakable: banking cannot continue the way it is.

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



constraint. Some profitable firms do not hold even a single earnings call in a year.

"Every company should have an earnings call at least once a year and make it mandatory so that foreign investors can meet the companies and have an idea what's going on in the companies."

In Pakistan, at least one annual earnings call is mandatory, he said.

"I know they have an annual report, but when you meet a company face to face, you know you get a better idea of what's going on."

He added that regular engagement can also improve valuations and market capitalisation, supporting broader market development.

Timeliness is another issue. In Bangladesh, some companies take four, five or even six months to publish annual financial statements.

Under international best practice, Desai said, annual reports should be released within two months of the year-end.

On past policy measures such as the interest rate cap in banking and the floor price in the stock market, he

said, "This kind of mismanagement hit investor confidence hard and exposed the market's biggest weakness."

During the roughly two years when the floor price was in place, he said he was unable to execute any trades. "That's why you don't see any foreigners in the market now."

He said foreign investors will avoid markets where sudden regulatory changes can undermine funds. By preventing share prices from falling below a set level, the floor price created artificial pricing and "zero confidence in the transparency" among foreign investors.

He hoped that it would not be reinstated.

Despite these concerns, Desai expressed optimism. The removal of the floor price was a significant relief and an important step towards attracting investors.

He pointed to improving macroeconomic conditions and renewed political stability. The current account has stabilised, inflation remains high but is easing, and the exchange rate is steady. A national election held two months ago has produced a new government with a clear majority.

A credible election, he said, can act as a catalyst for a market rally by restoring confidence. "The platform is now in place. The authorities must follow through with consistent policymaking and implementation to draw investors back, both foreign and domestic."

Desai said one priority is listing larger companies to deepen the market. That would boost confidence and, crucially, improve liquidity.

He said investor participation in Bangladesh is low and is declining. To attract retail investors, the market needs stronger companies and more diverse products. The mutual fund industry remains small and requires development.

In India, he added, mutual funds have expanded rapidly over the past 15 years as households increasingly view them as long-term investments rather than short-term trading vehicles.

According to Desai, political stability and low valuations have created room for stronger growth than in the past two or three years.

In the short term, he said the banking sector could lead any rally once external risks such as the war in the Middle East ease.

Private sector credit growth in Bangladesh stands at about 6 percent, which he said is extremely low. "If GDP growth recovers to 5 or 6 percent or higher, banks usually lead because they are leveraged to the wider economy. Some well-run banks are still trading at big discounts."

He also favours consumer-focused stocks, citing the country's favourable demographics. These include healthcare and pharmaceutical companies, consumer appliance makers and fast-moving consumer goods producers.

# Middle East war hands Opec's swing producer crown to America

REUTERS, London

The US has stepped in to shield the global economy from the oil crunch triggered by the Iran war by boosting exports, selectively easing sanctions and tapping strategic reserves. The conflict may be denting Washington's standing in some quarters, but it is also cementing its transformation into the world's dominant energy superpower.

Unlike in previous oil crises, the Organization of the Petroleum Exporting Countries has been left largely powerless. The near-hermetic closure of the Strait of Hormuz trapped 13 percent of global oil supplies in the Gulf and forced Gulf producers to shut in around 9 million barrels per day of output, stripping the group of its most potent lever: spare production capacity.

Saudi Arabia, the world's top crude exporter and Opec's de facto leader, has maximized exports through its alternative pipeline route bypassing Hormuz via the Red Sea. But even that has been insufficient to offset the scale of the disruption.

Enter the United States. With the world's largest oil industry - surpassing Saudi Arabia

and Russia in production in 2018 - and the currency underpinning the global trading system, the US has extraordinary leverage over energy markets. This power is comparable, in some respects, to Opec's historic ability to recalibrate output in response to shifts in global supply and demand. And Washington hasn't been shy about using it.

**OIL FIREPOWER**  
US oil exports have soared in recent weeks, helping to temper the acute energy supply shock emanating from the Middle East, including the refined product squeeze.

Total US oil exports earlier this month hit an all-time high of 12.9 million bpd, of which refined products accounted for over 60 percent, according to Energy Information Administration data.

Seaborne US oil exports are set to climb to a record 9.6 million bpd in April, with flows to Asia nearly doubling from pre-war levels to 2.5 million bpd, according to data analytics firm Kpler.

This surge has helped cushion Asian economies - among the most exposed to Gulf supply losses - from even sharper price spikes.

For US producers, the Iran war

has delivered a sizeable windfall. The value of crude and refined product exports has increased by around \$32 billion compared with pre-war prices, according to ROI calculations, boosting both corporate earnings and tax receipts.

American oil firepower does not

end with production. Washington agreed in March to release 172 million barrels from its Strategic Petroleum Reserve in several tranches through 2027 as part of a coordinated global emergency drawdown of 400 million barrels.

The SPR stood at around 405

million barrels by April 17, down from 415 million barrels at the start of the war - meaning the buffer against further supply shortages remains ample.

**THE SANCTIONED BARRELS**  
Washington has yet another tool to influence global energy supplies: economic sanctions.

Since March, the US has selectively loosened restrictions on purchases of Russian and Iranian oil. The Trump administration on April 17 renewed a waiver allowing countries to buy sanctioned Russian oil at sea for about a month.

The impact has been swift. Volumes of Russian oil stored on tankers fell from a record high of more than 13 million barrels at the end of January to just 2.9 million barrels by April 24, as buyers swarmed back in.

By bolstering Moscow and Tehran's revenues - even temporarily - these measures are arguably undermining broader US foreign policy goals.

The US administration has recently backtracked on part of this strategy. It did not renew a separate 30-day waiver issued on March 20 that allowed purchases of around 140 million barrels of Iranian oil held at sea and simultaneously imposed its

own Hormuz blockade to squeeze Tehran's revenues.

Sanctions will always involve a delicate balance between exacting pressure and limiting collateral damage to the global energy system. But the US is still the one calling the shots.

Taken together, these measures show how the US has emerged as a de facto "swing supplier" - and what Uncle Sam giveth, he can also taketh away.

US President Donald Trump could, in theory, impose restrictions or outright bans on some US energy exports to cool rising domestic fuel prices - an especially sensitive political issue ahead of the midterm elections in November. Such a move would almost certainly send international energy prices sharply higher.

An export ban remains unlikely, however. It would risk severe disruption to US oil production and refining systems that are structurally geared toward exporting surplus volumes. It would also strain relations with allies in Asia, Europe and Latin America who are relying heavily on the US to replace lost Middle Eastern barrels and could prompt retaliatory measures.



A gas flare on an oil production platform is seen alongside an Iranian flag in the Gulf. PHOTO: REUTERS/FILE