City Bank arranges Tk 234cr for Far East Spinning's capacity expansion

STAR BUSINESS DESK

City Bank PLC has arranged a syndicated term loan worth Tk 234 crore for Far East Spinning Industries PLC to support the company's ongoing expansion project.

The financing will help fund the addition of 28,500 spindles to the company's production capacity. The project is expected to commence commercial operations in early 2027.

City Bank acted as the mandated arranger, agent and participating lender for the transaction, according to a press release issued by the bank. Dhaka Bank PLC and Eastern Bank PLC (EBL) also participated in the syndication, while Bangladesh Infrastructure Finance Fund Limited (BIFFL) provided bilateral support for the transaction.

Speaking on the occasion, Mashrur Arefin, managing director and chief executive officer of City Bank PLC, said syndicated financing provides an effective platform for mobilising capital and supporting reputable businesses that contribute to Bangladesh's economic development.

"We are pleased to support Far East Spinning Industries through this transaction," he added. Asif Moyeen, chairman of Far East Spinning Industries, said the project is progressing as planned and is expected to begin commercial operations in early 2027.

"The expansion will enable us to better serve the growing needs of Bangladesh's textile and apparel sector," he said.

Osman Ershad Faiz, managing director and chief executive officer of Dhaka Bank PLC; Hasan O Rashid, managing director and chief executive officer of EBL; and Anisuzzaman Chowdhury, chief executive officer of BIFFL, along with senior executives from the participating financial institutions and members of the board of directors of Far East Spinning Industries, were also present at the event.

PHOTO: CITY BANK

Mashrur Arefin, managing director and CEO of City Bank PLC, and Asif Moyeen, chairman of Far East Spinning Industries PLC, pose for a photograph at the closing ceremony of the syndicated financing transaction in Dhaka recently.

Monzurur Rahman re-elected chairman of Pubali Bank

STAR BUSINESS DESK

Monzurur Rahman

Monzurur Rahman has been re-elected chairman of Pubali Bank PLC for another two-year term.

The re-election took place at the 1,520th meeting of the bank's board of directors, according to a press release.

He embarked on his banking career at Eastern Mercantile Bank, the predecessor of Pubali Bank PLC, as its youngest director in 1967.

After the privatisation of Pubali Bank in 1983, he served as chairman of the bank from January 25, 1985, to January 18, 1986.

Subsequently, he has been serving as chairman of the bank since July 31, 2020.

His competent leadership and far-sighted vision have contributed significantly to the growth and modernisation of Pubali Bank.

Alongside his extensive involvement in banking, he plays a prominent role in Bangladesh's tea industry as chairman of Rema Tea Company Ltd.

In addition, he served as an independent director of LafargeHolcim Bangladesh Limited.

Bank Asia, CPDL partner to offer home loans to flat buyers

GM Farhad Sarwar, chief relationship officer of CA Property Development Limited, and Kayesh Chowdhury, deputy managing director and head of Chattogram Zone at Bank Asia PLC, pose for a photograph after signing the memorandum of understanding in the port city recently. PHOTO: BANK ASIA

STAR BUSINESS DESK

Bank Asia PLC has signed a memorandum of understanding (MoU) with CA Property Development Limited (CPDL), a Chattogram-based real estate and construction company, to provide convenient and attractive home loan facilities to prospective apartment buyers of CPDL projects.

The partnership will also include joint marketing initiatives, customer engagement programmes, and promotional activities.

Kayesh Chowdhury, deputy managing director and head of the Chattogram Zone at the bank, and GM Farhad Sarwar, chief relationship officer of the real estate company, signed the MoU at a programme held recently in Chattogram, according to a press release.

Iftekhar Hosen, president and managing director of the real estate company, attended the signing ceremony.

The partnership is expected to simplify access to home financing and help fulfil the aspirations of individuals and families seeking quality housing solutions, the release added.

The collaboration will further strengthen the relationship between the two institutions while contributing to the growth of Bangladesh's housing and financial services sectors.

Among others, Md Zahed Chowdhury, executive vice-president and head of assets, retail banking division at the bank, and AHM Shahidullah, assistant vice-president of the Chattogram Zonal Office, were also present.

Myanmar inflation hits 25% on fuel shock: WB

AFP, *Yangaon*

Myanmar's inflation spiked to nearly 25 percent as shocks from the Middle East conflict compounded the effects of the country's civil war, the World Bank said Tuesday.

The Bank also slashed its growth forecast for the financial year that started in April, citing "a less favorable external environment".

Myanmar has been mired in civil war since the military snatched power in a 2021 coup, plunging it into a half-decade of instability and a backslide into poverty for many of its more than 50 million citizens.

The country also imports 90 percent of its fuel oil, according to official figures, leaving it highly exposed to closure of the Strait of Hormuz since the US-Iran war started on February 28.

That sent inflation to as high as 24.6 percent on-year in April, according to the Bank's biannual Myanmar Economic Monitor report, which also saw officials cut their 2026-27 economic growth outlook to two percent, from three percent previously estimated.

Myanmar's economy is "stabilising at low levels" the World Bank said, but "a renewed fuel shock magnifies longstanding structural weaknesses and leaves the outlook highly vulnerable to further disruption".

"The fuel shock has reignited inflation pressures," senior economist Kemoh Mansaray told reporters.

"What this means is household purchasing power has gone down, and these households were already facing very thin buffers with high poverty levels."

Inflation for the 12 months to the end of March came in at 21.1 percent.

Citizens Bank organises 5th AGM

STAR BUSINESS DESK

Citizens Bank PLC recently organised its 5th annual general meeting (AGM) at its head office in Dhaka.

Chowdhury Mohammed Hanif Shoeb, chairman of the bank, presided over the meeting, according to a press release.

Demonstrating strong and sustainable growth, Citizens Bank achieved remarkable financial results in 2025.

Operating profit rose by 21 percent, deposits grew by 30 percent, and advances increased by 34 percent. The bank also maintained an exceptionally low non-performing loan (NPL) ratio of just 0.20 percent, reflecting its prudent risk management and sound asset quality.

Among others, Masuduzzaman, Mukhlesur Rahman, and SM Shofiqul Hoq, directors of the bank; NKA Mobin and AKM Shahidul Haque, independent directors; and Alamgir Hossain, managing director, were also present.

PHOTO: CITIZENS BANK

Chowdhury Mohammed Hanif Shoeb, chairman of Citizens Bank PLC, attends the bank's 5th annual general meeting (AGM) at its head office in Dhaka recently.

Dutch-Bangla Bank approves 30% dividend

Sadia Rayen Ahmed, chairman of Dutch-Bangla Bank PLC, presides over the bank's 30th annual general meeting, held virtually yesterday. The meeting approved a 30 percent dividend, including a 25 percent cash dividend, for 2025. PHOTO: DUTCH-BANGLA BANK

STAR BUSINESS DESK

Dutch-Bangla Bank PLC has approved a 30 percent dividend, including a 25 percent cash dividend, for the year that ended on December 31, 2025.

The approval came at the bank's 30th annual general meeting (AGM), held virtually yesterday, according to a press release. Sadia Rayen Ahmed, chairperson of the bank, presided over the meeting.

The AGM approved the reappointment of Sadia Rayen Ahmed and Md Fakhrul Islam as directors of the bank. It also approved the appointments of Manjur Ahmed and Mohammad Jahangir Alam as independent directors.

The meeting also appointed Aziz Halim Khair Choudhury, Chartered Accountants, as the bank's external auditor and Hoda Vasi Chowdhury & Co, Chartered Accountants, as the corporate governance compliance auditor for 2026.

A large number of shareholders joined the AGM virtually from across the country.

During the meeting, shareholders made various observations and suggestions regarding the bank's performance.

The bank's audited financial statements, along with other agenda items, were placed before the meeting.

New budget faces

FROM PAGE B1

citing continued fragility in the banking sector, weak private-sector credit growth, shortcomings in the policy framework and an uncertain external environment that continues to weigh on investment.

Fitch kept its FY27 fiscal deficit forecast unchanged at 3.6 percent of GDP, matching the government's target. However, the agency said this reflects expectations of both lower revenue and lower expenditure than projected in the budget.

Fiscal performance in FY26 illustrated that pattern.

The revised deficit estimate for FY26 is reduced to 3.3 percent of GDP from the original 3.6 percent, supported by lower-than-expected spending disbursements. Revised revenue estimates are slightly above the budget target.

Fitch said this reduces the risk of near-term slippage on the headline deficit, but also underlines how difficult it may be to implement the FY27 budget in full.

Over the medium term, the agency said improvements in revenue collection and economic growth would depend on whether the government could deliver reforms more effectively than in the past.

The authorities aim to raise the revenue-to-GDP ratio to 11 percent by FY30-FY31, increase total investment to 40 percent of GDP and lift foreign direct investment to 2.7 percent of GDP. These measures are intended to boost real GDP growth to 8.5 percent while bringing inflation down to 5 percent.

The budget includes several initiatives intended to support investment and export growth.

The government has reduced withholding tax on machinery rental payments to non-residents to 7.5 percent from 15 percent, highlighted bridge and expressway projects, and continued to promote public-private partnership initiatives.

It has also retained the 2.5 percent cash incentive for remittances sent through formal channels and extended duty-free import facilities and bank guarantees for raw materials and intermediate goods to encourage export diversification beyond the ready-made garment sector.

LB Group delegation visits Aqua Paints factory in Dhaka

STAR BUSINESS DESK

A three-member delegation from LB Group, one of the world's leading manufacturers of titanium dioxide (TiO_2), visited Octagon Fibres & Chemicals Limited (OFCL), a factory of Aqua Paints, in Dhaka yesterday.

The delegation comprised Lingfeg Yan, Renzhen Wang and Yun Men from LB Group, according to a press release.

Senior representatives from Aqua Paints and OFCL welcomed the delegation and held discussions on technical and business matters, with a focus on raw materials and paint manufacturing.

Titanium dioxide is one of the most important raw materials used in the paint and coatings industry, contributing to whiteness, opacity, brightness, coverage, colour performance and durability.

Aqua Paints uses high-performance TiO_2 grades, including both chloride-process and sulfate-process variants, depending on product requirements and applications.

PHOTO: AQUA PAINTS

Members of the LB Group delegation pose for a photograph during a visit to Aqua Paints' factory in Dhaka yesterday.

Capital position

FROM PAGE B1

Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development (InM) and a former chief economist of the Bangladesh Bank, said the negative capital adequacy ratio pointed to deep structural weaknesses in the sector.

"The latest figures indicate that the sector's health has deteriorated further compared to previous years. The problems are becoming increasingly severe and harder to resolve," said Mujeri.

He added that the scale of damage has built up over many years.

"If policymakers want to restore the banking sector to a healthy and sustainable position, there is no alternative to taking strong and decisive corrective measures," said the former BB economist.

Meanwhile, Mutual Trust Bank CEO Rahman said the current government has taken office at a difficult time, with the financial sector's weakness adding to its challenges.

"Therefore, the government must take the matter seriously. There appears to be no alternative to recapitalisation, but the government itself lacks the necessary funds."

Recapitalisation refers to the process of injecting fresh capital into banks to restore their financial stability after losses. In practice, it usually involves government support or mergers between weak lenders.

In his budget speech last week, Finance Minister Amir Khosru Mahmud Chowdhury said that the government is spending around Tk 40,000 crore in the current fiscal year to recapitalise weak banks to restore discipline and stability in the banking sector.

He said Tk 20,000 crore of that amount was allocated to Sammilito Islami Bank, formed through the merger of five troubled lenders.

Rahman said broader structural reforms, including bank mergers and other resolution mechanisms, would be needed to stabilise the sector.

He pointed to Greece as an example of a country that faced a similar banking crisis but managed recovery through large-scale recapitalisation backed by the European Union.

Bangladesh, he added, does not have the same fiscal capacity.