BRAC Bank to issue country's first Tk 1,000cr green bond

The three-year zero-coupon paper targets 7.5% return

STAR BUSINESS REPORT

BRAC Bank is set to issue a Tk 1,000 crore green bond, the first in the country to align with Bangladesh Bank's policy on green bond financing for banks and financial institutions, as the private lender seeks to channel long-term money into renewable energy and energy-efficient industry.

The three-year bond will be senior, unsecured, non-convertible, fully redeemable and zero-coupon, the bank said at a press conference in Dhaka yesterday.

Each bond will carry a face value of Tk 10 lakh and will be offered to corporate institutions and individual investors. Eligible company provident and gratuity funds may also invest, subject to regulatory and investment requirements.

Proceeds will go to eligible green projects, including renewable energy, green buildings and industrial energy-efficiency initiatives.

The bank said the framework follows the International Capital Market Association's Green Bond Principles and has received a second-party opinion from S&P Global Ratings. It also said it expects the funds to contribute to four United Nations Sustainable Development Goals: affordable and clean energy (SDG 7), industry, innovation and infrastructure (SDG 9), sustainable cities and communities (SDG 11), and climate action (SDG 13).

Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank, said many factories were turning to renewable energy amid the global energy crisis and rising fuel prices, but such projects needed affordable, long-term financing.

"This green bond marks an important milestone in BRAC Bank's sustainable finance journey and represents a meaningful step towards deepening Bangladesh's capital market," he said.

He said the bank was targeting a return of 7.5 percent and that the tax treatment of zero-coupon bonds could make the paper attractive to investors.

He thanked the government and the Bangladesh Securities and Exchange Commission for their support for the tax benefits. To ensure transparency, he added, the bank would conduct annual audits to verify that proceeds were used only for eligible green projects. A zero-coupon bond pays no periodic interest. Investors buy it at a discount and receive the full face value at maturity, with the difference being their return.

At a 7.5 percent yield, a Tk 10 lakh bond would be priced at roughly Tk 8.05 lakh at issue, assuming annual compounding.

For a banking sector that has struggled with a shortage of long-term funding, the issue is also a test of the domestic corporate bond market, which remains shallow, BRAC Bank officials said.

"Most bank lending to renewable energy and energy-efficiency projects is tied to tenors that are hard to match with short-term deposits, so a three-year instrument, though modest in length, could help ease that mismatch."

BRAC Bank said sustainable finance accounts for more than 60 percent of its loan portfolio. It has been named among Bangladesh Bank's top sustainable banks for five consecutive years and ranked first among Bangladeshi banks in Bloomberg's ESG Rating. It previously issued a social bond.



Tareq Refat Ullah Khan, *2nd from right,* managing director and CEO of BRAC Bank PLC, attends a programme marking the issuance of a Tk 1,000 crore green bond by the bank at Pan Pacific Sonargaon Dhaka yesterday. PHOTO: BRAC BANK



Md Alamgir Kabir, chairman of GPH Ispat Limited, presides over the company's 20th annual general meeting, held virtually yesterday. The meeting approved a 2 percent cash dividend for fiscal year 2025-2026. PHOTO: GPH ISPAT

GPH Ispat approves 2% cash dividend for FY26

STAR BUSINESS DESK

GPH Ispat Limited has approved a 2 percent cash dividend for the fiscal year 2025-2026.

The approval was given at the company's 20th annual general meeting (AGM), held virtually yesterday.

Md Alamgir Kabir, chairman of the company, presided over the meeting, according to a press release.

Alamgir said there was strong potential for long-term growth in demand for quality steel products, driven by Bangladesh's infrastructure development, urbanisation, industrialisation and expanding economic activities.

He added that as macroeconomic conditions improve, inflation eases, political stability returns, and the construction and infrastructure sectors regain momentum, steel demand is likely to rise. To capitalise on this potential, GPH Ispat is focusing on better utilisation of production capacity, technological expertise, quality control and commercial capability.

Describing the company's overall operations in FY2025-26, Mohammed Jahangir Alam, group chairman and managing director, said the company faced challenges including inflation, high interest rates, rising fuel costs, working capital shortages and adverse banking conditions.

"Slowed public and private infrastructure and housing investments kept construction activity sluggish. Excess steel industry capacity and intense competition created severe price pressure, while limited and irregular natural gas supply disrupted production," he said.

"Amid this climate, GPH Ispat maintained continuous factory operations, aligned production and sales with market demand through strict cost control, and upheld product quality and customer trust," he added.

Md Mosharraf Hossain, company secretary, moderated the meeting.

A large number of shareholders attended the meeting from across the country. They approved the financial statements for the year ended June 30, 2026, along with the related audit report and the board of directors' report.

Mohammed Jahangir Alam was reappointed as managing director for five years. Independent director Rezina Parveen was appointed for three years, while Safiul Alam Khan Chowdhury was reappointed for three years.

Among others, Mohammed Almas Shimul, additional managing director of the company; Mohammad Ashrafuzzaman, Md Abdul Ahad, Md Azizul Hoque, Sadman Syka Sefa, Salehin Musfique Sadaf and Saiham Sadik Pial, directors; Safiul Alam Khan Chowdhury and Rezina Parveen, independent directors; Mukter Hossain Talukder, group chief executive officer; HM Ashrafuzzaman, group chief financial officer; and Md Atiqur Rahman, chief financial officer, were also present.

bKash wins two awards at Money Awards 2026

STAR BUSINESS DESK

Country's leading digital financial service provider, bKash Limited, has won a Gold and a Silver award at The Money Awards 2026 for its efforts to promote financial inclusion among small merchants and accelerate Bangladesh's transition to a cashless economy.

The awards were presented at a ceremony in Las Vegas, US recently, according to a press release.

The mobile financial services provider received the Gold Award in the 'Payments – Financial Inclusion' category for its efforts to bring small and micro-entrepreneurs from diverse socioeconomic backgrounds into the formal financial system through accessible digital payment solutions.

In the top-tier 'Diamond' category, bKash secured the Silver Award for building an interconnected transaction ecosystem between consumers and merchants, facilitating everyday digital payments and advancing the country's cashless agenda.

Country's only

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The current shutdown, however, has been caused by a lack of raw materials.

Even after approval for the import is secured, it could take another one and a half to two months for the factory to resume production, they said.

The plant typically produces around 500 tonnes of fertiliser a day using imported phosphoric acid and ammonia supplied by Kafco and CUFL. It has two production units with a combined capacity of 800 tonnes per day.

Established to meet domestic demand for nitrogen- and phosphorus-based fertilisers, DAPFCL has been in commercial operation since 2006 under BCIC, which operates under the Ministry of Industries.

Bangladesh relies heavily on imports to meet its DAP fertiliser demand. According to BCIC and the Ministry of Agriculture, annual demand for DAP stands at around 1.507 million tonnes, while approximately 1.4 million tonnes are imported.

BB to relax

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source said. Most of the lenders have already approved the funding at their board meetings.

The proposed rescue plan has, however, exposed differences among lenders over how to handle City Group's financial distress.

A central bank official, speaking on condition of anonymity, said Bank Asia, BRAC Bank and Eastern Bank PLC had sought to withdraw from the revival plan and pursue legal action against the group.

Representatives of the three banks were invited to yesterday's meeting and urged to join the rescue effort, the official said.

Meanwhile, some lenders, including HSBC, have already classified City Group's loans as defaulted. The meeting source said other banks would also have to classify the loans in October under normal banking rules, requiring them to make provisions against them.

The lenders would reschedule the group's existing loans only if it made a down payment, with no exceptions. "The client is not in a position to pay, so the banks cannot reschedule the loans," the source said.

A managing director of a private commercial bank said the BB had not agreed to extend the exemption to all City Group companies and had asked the lenders to select five entities.

Opening letters of credit for those five companies would require approval from the finance ministry, which the BB could not grant on its own, he said. "BB has promised to pursue it with the ministry, fully sincerely," he added.

The group's importance to the domestic market for essential commodities is another argument for the proposed intervention.

The chief executive of another bank, who requested anonymity, said City Group accounted for roughly 30 percent of the sugar market, 40 percent of the edible oil market and 30 percent of other commodities.

"Roughly a third of the market could vanish suddenly (if City Group cannot operate)," he said. "In such a crisis, people exploit shortages and raise prices, and the poor suffer most. That is a major motivation, not only the banks' own losses."

He also said the group had used foreign currency to import machinery, which the BB views as a national asset.

The central bank had previously instructed banks not to classify City Group's loans as defaulted until last September. With that deadline having passed, several lenders have begun classifying the loans.

Yesterday's meeting was also attended by BB Deputy Governors Kabir Ahmed and Sarwar Hossain, along with City Group Managing Director Md Hasan.

Bank representatives included Association of Bankers, Bangladesh Chairman and City Bank Managing Director Masrur Arefin, as well as the managing directors of Mutual Trust Bank, Bank Asia, BRAC Bank, Prime Bank, EBL, Pubali Bank and Southeast Bank, among others.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, told The Daily Star that City Group had never defaulted before and that there were no allegations against it.

"Everyone wants the group to overcome its difficulties and recover," he said, adding that all banks wanted to support the conglomerate, although its loans would need to be restructured or rescheduled.

The central bank has also advised lenders against taking decisions that could further worsen the group's situation, he said.

Mahbubur pointed to the widespread use of City Group's Teer-branded products in households across the country.

Building a business group of comparable scale would take considerable time, he said.

The group's products have become less available in the market because of its financial difficulties, but support could help it regain its former position, he added.

According to data, a large share of City Group's borrowings is concentrated among a few lenders, including HSBC, Standard Chartered, City Bank, United Commercial Bank (UCB), EBL and BRAC Bank.

Japanese firms

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The companies are investing mainly in readymade garments (RMG) and consumer goods, he said, as a large and growing middle-income population drives demand.

"Mitsubishi and Toyota, for example, have already approached the government for help with producing cars in Bangladesh. Japanese firms are also interested in fast-moving consumer goods and food processing," he added.

According to Kazuiki, the domestic market is the main attraction.

He said that Japan has a long-term plan for Bangladesh, which explains why the close relationship between the two countries is being emphasised during Prime Minister Tarique Rahman's visit.

"Japan is now focused on Bangladesh as a market in its own right, rather than using the country as a gateway to other markets," Kazuiki added.

Tareq Rafi Bhuiyan (Jun), the immediate past president of JBCCI, said Big B, or the Free and Open Indo-Pacific (FOIP), was adopted mainly with Bangladesh's market in mind. Regional issues are now also being discussed to some extent under the FOIP framework.

He said that several major projects were also planned with the domestic market in mind, including the third terminal at Hazrat Shahjalal International Airport in Dhaka, the deep-sea port and power plants at Matarbari, and the Japanese economic zone at Araihazar.

Matarbari also has strategic importance, as the port is intended to serve as a hub linking the Indian subcontinent with ASEAN and East Asian countries, including Japan.

In July, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) launched a dedicated Japan desk to tap the market's potential.

BGMEA President Mahmud Hasan Khan said Bangladesh's apparel exports to Japan have already exceeded $1 billion, but there is considerable scope to increase them further.

He stressed the need for single-stage rules of origin under the agreement, which he said would make exports simpler and cheaper.

Currently, about 98 percent of Bangladeshi goods enter Japan duty-free under the least developed country (LDC) category. Japan is the only Asian country where Bangladesh's exports have exceeded $1 billion over the past decade.

Annual exports to Japan have topped $1 billion since the fiscal year 2015-16, while two-way trade exceeded $3 billion in FY18, according to the Export Promotion Bureau (EPB).

Bangladesh imports iron and steel, vehicles and accessories, ships, machinery, mineral fuels, medical and surgical instruments, plastics and electrical machinery from Japan, according to Bangladesh Bank data.

Industry people say the "China plus one" strategy adopted by industrialised countries has made the South Asia region a natural destination for investment. They point to South Asia's economy of nearly $5 trillion, a population of almost 2 billion, a largely young workforce and a strategic location.

Business leaders say more than 350 Japanese companies now operate in Bangladesh across trading, manufacturing and infrastructure.

Japanese manufacturers, from motorcycle makers to clothing firms, create jobs and help upgrade technology. Small and medium-sized Japanese enterprises are also exploring opportunities in Bangladesh's information technology, logistics and other service sectors.

Business leaders in both countries expect more Japanese companies to enter Bangladesh once the EPA comes into force.

Websites still vulnerable despite cyber warnings

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It advised them to check which PHP versions are running on public-facing applications, servers, containers and hosting environments.

The agency recommended upgrading vulnerable versions to secure releases, applying verified patches and replacing unsupported versions with ones that are still maintained.

Organisations unable to install patches immediately should restrict public access through virtual private networks, allow connections only from approved IP addresses or remove unnecessary internet exposure, the alert said.

CIRT also advised organisations to check server logs for suspicious requests, unexpected processes, unauthorised file changes and unusual outgoing connections. Those using managed or shared hosting should work with their providers to ensure PHP is updated.

Temporary access restrictions can reduce the risk of attacks but cannot replace security updates, the agency warned.

It stressed that organisations remain responsible for securing their applications and infrastructure even when third-party providers host or manage them. Those that have already applied fixes should also verify that their live systems are running the updated versions.

"Organisations should not delay remediation until a security incident occurs," the alert said, urging those that had received earlier notifications to act without further delay.

DIGITAL SERVICES DISRUPTED

The vulnerability has already disrupted digital services in Bangladesh.

Bangladesh Bank restored its website at 8am yesterday after keeping it offline for two and a half days.

On Saturday morning, the websites of six banks were offline. The websites of IFIC Bank, Standard Islami Bank and SBAC Bank were back online by Saturday evening. Those of Agrani Bank, Janata Bank and Bengal Commercial Bank remained offline until Sunday, when they were restored.

The land ministry also suspended digital services on land.gov.bd for about 36 hours from midnight on October 22, following CIRT's advisory.

The PHP2Shell vulnerabilities could allow attackers to run malicious code on affected servers without authentication. Researchers have also warned that attackers may be able to access data stored in a website's memory, including passwords, authentication tokens and application programming interface (API) keys.

As the vulnerabilities affect PHP itself rather than individual website code, applications could remain at risk even if their developers have followed good coding practices.

PHP released emergency security fixes on October 21. However, a related vulnerability disclosed on October 23 also affects the patched versions and is expected to require another update in a subsequent regular release, according to the earlier report.

Security researchers at Wiz estimate that around 70 percent of websites worldwide could be affected.

Governments in the United Kingdom, the Netherlands, France, Denmark and Finland have also taken some online services offline as a precaution.

ADP spending hits 17-year low in Q1

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the University of Dhaka, said the slow pace of ADP implementation was worrying because public investment plays a key role in driving domestic demand.

"If public spending falls short of planned levels, domestic demand will weaken, and economic growth will slow," he said.

Industries such as construction, cement and logistics depend directly on public investment and could suffer if government spending remains low, he added.

Weak implementation could also discourage private investment by undermining confidence in the government's ability to carry out its plans.

"If the private sector sees that the government cannot implement its plans, it sends the wrong signal. Investors may become more cautious and uncertain about whether to invest under these circumstances," Deen said.

Delays in major development projects could also increase costs and reduce their economic benefits, he said.

"Many projects may initially have a positive net benefit, meaning their benefits exceed their costs. But delays and rising costs can reduce those benefits," he said.

Delays in power and transport projects could also raise business costs and reduce private-sector productivity.

"If these projects are delayed or not completed properly and on time, the cost of doing business will rise, and productivity will fall. This could affect private-sector jobs and create further challenges," he said.

Deen warned that the new government needed to reverse the downward trend early in its tenure to avoid these risks.

"If the new government fails to reverse this downward trend early in its tenure, I am concerned that these risks could materialise," he added.

Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh (PRI), shared these concerns, saying the slow pace of ADP implementation reflected persistent weaknesses in government agencies' ability to carry out projects.

"The expected improvement in implementation capacity has not materialised, suggesting that government agencies continue to struggle to deliver on their budget commitments," he said.

He said the fact that the implementation rate had fallen below the level recorded under the interim government was particularly concerning, as agencies continued to miss their development targets.

"Budget allocations can deliver their intended economic benefits only when the money is spent on time, and projects are completed effectively," he said.

Ashikur said improving ADP implementation should be a priority as the economy needs fresh momentum.

"We cannot allow government agencies to remain stuck in an inefficient working mode when the economy urgently needs renewed momentum. Addressing this weakness must be a priority," he added.