

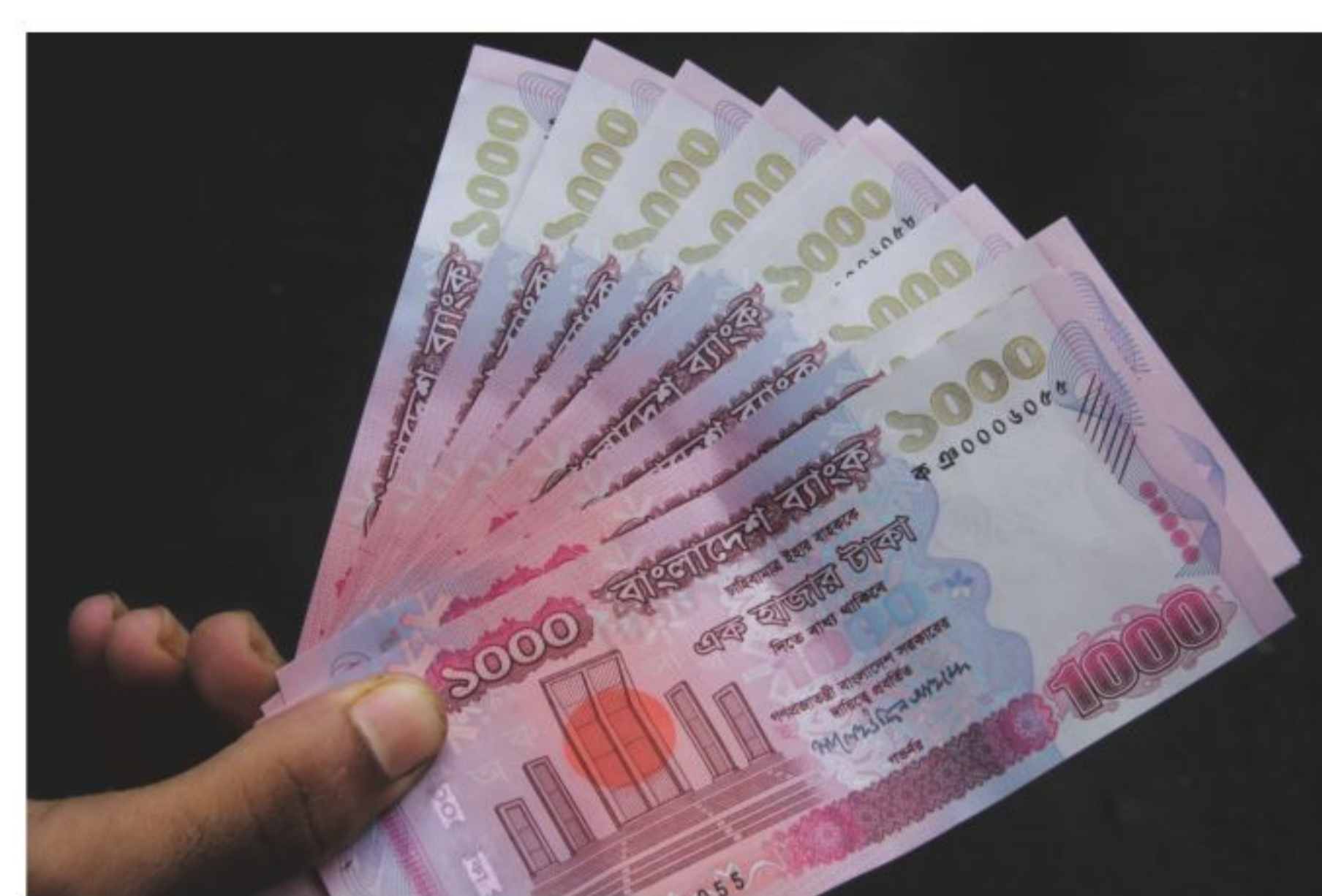
# Banking sector for sustainable growth

**FAHMIDA KHATUN**

Bangladesh's financial sector is dominated by the banking sector. The dominance of the banking sector makes the financial sector vulnerable on the one hand, but highlights the crucial importance of the sector in resource mobilisation and economic growth, on the other. The role of the banking sector in accelerating growth is contingent upon the soundness and depth of the sector. In Bangladesh the banking sector has travelled through a journey where the sector has experienced several ups and downs. Reforms measures have been undertaken in an attempt to improve upon the structural con-

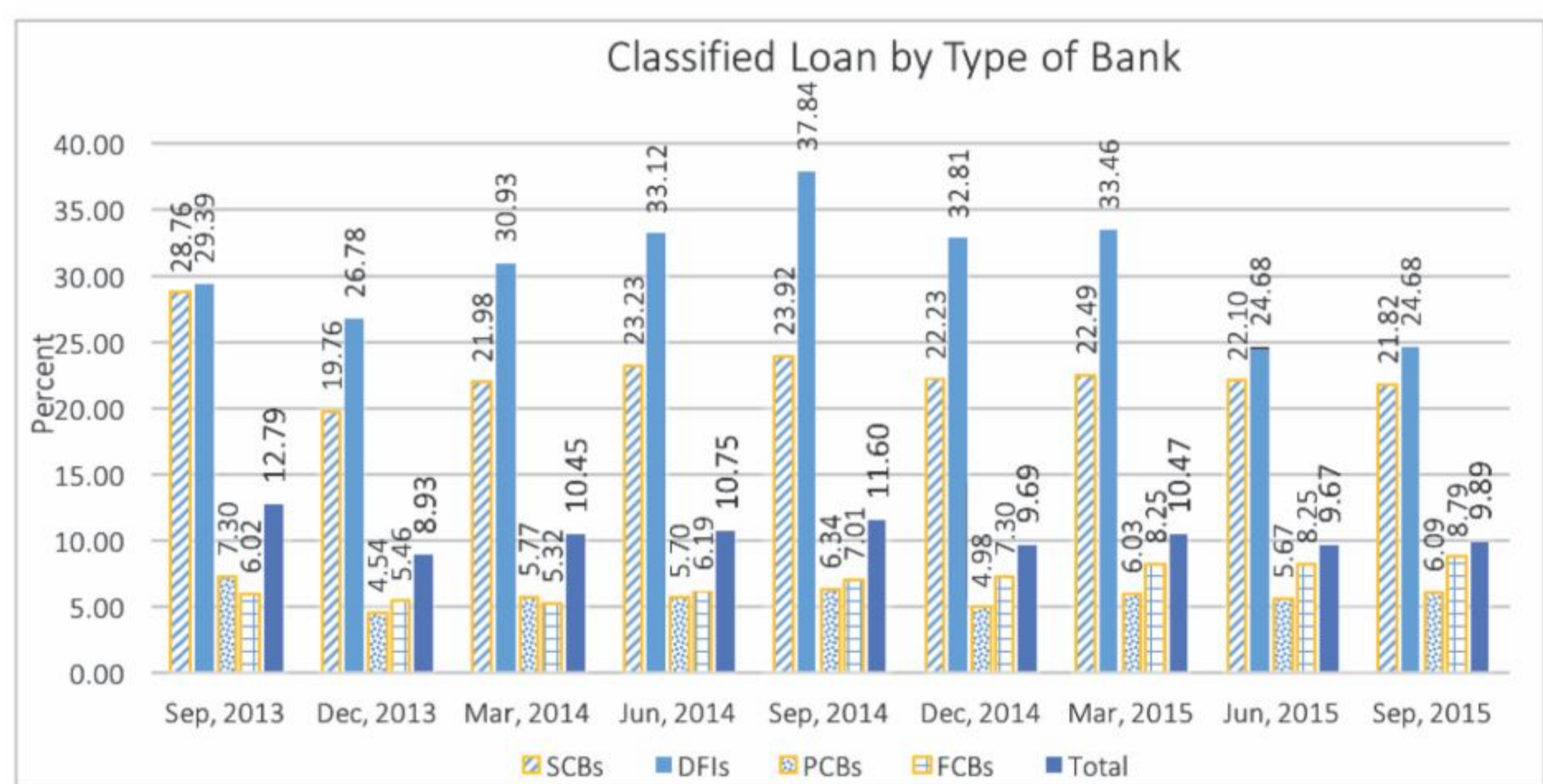
straints of the sector. Such measures have been driven by objectives such as increasing the capital adequacy of banks, streamlining guidelines for rescheduling of various types of loans, tightening provisions for non-performing loans, strengthening disclosure requirements and improving accounting system. These have undoubtedly improved the soundness of the sector over the years. However, the performance of the banking sector in the recent past has not been satisfactory. At present, key performance indicators of commercial banks in the country reflect the poor health of banks. Most banks have not been able to show significant improve-

ments on indicators such as capital to risk weighted asset, non-performing loans, expenditure-income ratio, return on asset, return on equity, liquid asset and excess liquidity despite several measures taken by the central bank. Since large financial irregularities in Sonali and BASIC banks, monitoring and inspection of Bangladesh Bank have increased. The central bank has also appointed observers in 14 banks and financial institutions, both state-owned and private to check further deterioration of these banks and supervise closely to improve their governance.



CONTINUED ON PAGE 15

Figure: Non-performing loan in banks



Source: Bangladesh Bank.

Since large financial irregularities in Sonali and BASIC banks, monitoring and inspection of Bangladesh Bank have increased.

**Table 1 : NPL and Classified Loan to Total Loans by Type of Banks**

**Classified Loan (NPL) to total Loan (%)**

	SCBs	DFIs	PCBs	FCBs	Total
Mar, 2013	27.1	27.2	6.2	4.6	11.9
Jun, 2013	26.4	26.2	6.6	4.7	11.9
Sep, 2013	28.8	29.4	7.3	6.0	12.8
Dec, 2013	19.8	26.8	4.5	5.5	8.9
Mar, 2014	22.0	30.9	5.8	5.3	10.5
Jun, 2014	23.2	33.1	5.7	6.2	10.8
Sep, 2014	23.9	37.8	6.3	7.0	11.6
Dec, 2014	22.2	32.8	5.0	7.3	9.7
Mar, 2015	22.5	33.5	6.0	8.2	10.5



**Eastern University**  
A Leader in Quality Education

Go Ahead **The Daily Star**

**ADMISSION**  
**SPRING 2016**

**Vice Chancellor**  
**Dr. Abdur Rab**  
Former Director, IBA, University of Dhaka

**Pro Vice Chancellor**  
**Dr. Abdul Hannan Chowdhury**  
Former Dean, School of Business, North South University

**Treasurer**  
**Muhammed Siddique Hossain**  
M. A. in Economics; MBA, USA

**Senior Faculty Members**  
**Faculty of Business Administration**

**Dr. Sharif Nurul Ahkam**, Professor & Dean  
**Dr. Md. Ashraf Hossain**, Professor  
**Dr. AKM Shamsur Rahman**, Professor  
**Dr. Md. Abdul Jalil**, Professor  
**Dr. Nazrul Islam**, Professor  
**Dr. Raisul Awal Mahmood**, Professor  
**Dr. Md. Zamanur Rahman**, Associate Professor  
**Mr. Golam Mohammad Forkan**, Associate Professor

**Faculty of Engineering & Technology**

**Dr. Md. Mortuza Ali**, Professor & Dean  
**Dr. Md. Aynal Haque**, Professor & Advisor  
**Dr. Mirza Golam Rabbani**, Professor  
**Dr. Zakia Begum**, Professor  
**Dr. Md. Nurul Islam**, Professor  
**Dr. Md. Mahfuzur Rahman**, Associate Professor  
**Dr. Amena Ferdousi**, Associate Professor  
**Dr. A.K.M. Alamgir**, Assistant Professor  
**Dr. Iqbal Mahmud**, Assistant Professor

**Faculty of Law**

**Dr. Borhan Uddin Khan**, Professor & Advisor  
**Dr. Md. Zahurul Haq**, Assistant Professor

**Faculty of Arts**

**Prof. Kashinath Roy**, Dean  
**Prof. Iffat Ara Nasreen Majid**, Advisor, MA in ELT Program  
**Ms. Sureya Huda**, Chairperson and Associate Professor

**FOR ADMISSION**  
House # 26, Road # 5, Dhanmondi, Dhaka 1205  
Phone: 9671912, 9671925 Mobile: 01823660833  
E-mail: info@easternuni.edu.bd



**PROGRAMS**

- Undergraduate**
- BBA
  - B.A. (Hons.) in English
  - LL.B. (Hons)
  - B.Sc. in CSE
  - B.Sc. in CSE (Evening)
  - B.Sc. in EEE
- Graduate**
- LL.M. (1 year)
  - MBA (Evening)
  - EMBA (Evening)
  - M.A. in ELL (Evening)
  - M.A. in ELT (Evening)

Admission Helpline  
**01741300002**

www.easternuni.edu.bd



www.sebpo.com

ServiceEngineBPO takes your non-core and back office functions and performs them better, faster and more cost-effectively, allowing our customers to focus on activities that add value or profit to their business.

**Our Services:**

- Data Aggregation and Analysis
- Digital Advertising Operations
- Testing & Quality Assurance
- Software Development
- Back Office Processing
- Web Development

**Bangladesh Office :** Building-8, Abbas Garden, DOHS Mohakhali Dhaka-1206, Bangladesh, +880 1941 010 011