

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSGX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 1.01%	▲ 0.92%	\$1,267.90 (per ounce)	\$49.40 (per barrel)	▲ 0.63%	▼ 0.17%	▼ 0.04%	▲ 0.64%	BUY TK 80.35	93.78	105.14	0.71
5,860.64	10,960.20			32,514.94	19,925.18	3,329.52	3,274.13	SELL TK 81.85	97.38	108.74	0.75

রোগ নির্ণয়ে সর্বাধুনিক যন্ত্রপাতি, সর্বোচ্চ মান।
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star BUSINESS

DHAKA TUESDAY AUGUST 1, 2017, SRABAN 17, 1424 BS

Tk 70,400cr loans rescheduled in last five years: BB

STAR BUSINESS REPORT

Banks have rescheduled loans amounting to about Tk 70,400 crore of troubled borrowers over the last five years, putting extra pressure on the sector.

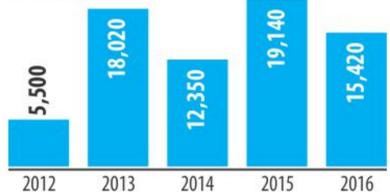
"The rescheduling of loans has created extra stress on the banking system in recent times as this constitutes a significant part of the banks' total loan portfolio," said the central bank's Financial Stability Report 2016.

The report was unveiled yesterday by Bangladesh Bank Governor Fazle Kabir at an event that was attended by chief executives of all banks.

At the end of December last year, the loans that had been rescheduled at least once reached 10.5

RESCHEDULED LOANS

In crores of taka
SOURCE: BB



percent of the banks' total outstanding loans. Of the total outstanding loans of Tk 673,720 crore, 75.8 percent are unclassified. Along with over-leverage, poor due dili-

gence, influenced lending, fraud and negligence in compliance with risk management practices could be the reasons for the rise in rescheduled loans, according to the report.

In 2012, about Tk 5,500 crore of loans were rescheduled, and from 2013 onwards the amount ranged from Tk 12,000 crore to Tk 19,000 crore.

Beyond the regular rescheduling in 2015, some large loans, of more than Tk 500 crore, were restructured for the long-term.

Many borrowers who took long-term loans are now unable to repay the loans properly.

The banking sector is said to be the main source of funds for fuelling economic growth through short-term investment, the report said.

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BGMEA irked by poor state of Ctg port

STAR BUSINESS REPORT

Chittagong port has only four key gantry cranes, two of which are now out of order, whereas it needs 26. It requires 52 rubber tyred gantry cranes but has only 23 at the moment.

Only 87 container loading and unloading equipment are in operation at the country's largest port against the requirement of 299. The number of cargo handling equipment is 285 but should be 895.

The weak infrastructure scenario speaks a lot on why the port is failing time and again to facilitate the country's growing international trade.

The port facilitates 92 percent of the country's exports and imports. But the equipment shortage is weighing in on exports and imports as port users are regularly facing delays in the shipment of goods.

Under the circumstances, garment manufacturers have urged the government to take

immediate measures to address the congestion at the port in order to help them maintain the strict lead time set by international retailers.

The situation prompted the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday to hold an urgent press conference at its office in Dhaka.

Addressing the media, BGMEA President Siddiqui Rahman said it takes 15 to 20 days for releasing goods from the port whereas earlier it took two days.

"As a result, the costs of production at factory level and shipment are increasing," he said.

He said although BGMEA has been pleading for the government to set up new jetties and yards at the port for many years, such important decisions have not been taken yet.

In a written statement, Rahman said there are 19 empty handlers at the port whereas it needs at least 39. Some 43 tractor trailers are in place instead of the required 130.

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Households database created on pilot basis

STAR BUSINESS REPORT

Bangladesh Academy for Rural Development and Manusher Jonno Foundation have jointly developed an online database of households of two unions with a view to helping policymakers manage social safety net schemes through proper selection of beneficiaries.

The database was unveiled yesterday at a workshop organised by BARD and MJF at the Cirdap International Convention Centre.

"This is a good job. This will play a vital role," said NM Zeaul Alam, a secretary of the cabinet division.

The online database, which has been developed on a pilot basis, was unveiled at a time when the state's expansive social safety net programmes are suffering from pilferage and misuse, mainly because of wrong selection of beneficiaries.



NM Zeaul Alam, a secretary to the cabinet division, speaks at a workshop organised by Bangladesh Academy for Rural Development and Manusher Jonno Foundation, at the Cirdap International Convention Centre in Dhaka yesterday.

Many relatively well-off people get the benefit although they should not, discussants at the workshop said.

The government has allocated Tk 54,206 crore under various social protection schemes for the current fiscal year, up 33 percent year-on-year. The allocation is 2.44 percent of the country's gross domestic product, according to the finance ministry.

At present, 23 ministries operate more than 140 social safety net schemes to support the poor. But there are some anomalies and irregularities relating to selection of beneficiaries, Alam said.

"There are ghost beneficiaries -- we can eliminate this if we can select beneficiaries properly," he added.

The BARD and MJF conducted the census in Sonabaria Union of Kolaroa under Sathkhira and Balarhat of Mithapukur under Rangpur.

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Muhith concerned over Ctg port mismanagement

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday expressed deep dissatisfaction at the mismanagement in container handling at Chittagong port as it pushes up the cost of imports and exports of products.

"This is a matter of shame that ships have to wait in the port for unloading goods. This is a national loss," he said at a meeting in the secretariat.

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BASIC Bank falls short of BB's performance targets

JEBUN NESA ALO

Scam-riddled BASIC Bank has failed to comply with the conditions imposed by the Bangladesh Bank for 2016 with the singular view of improving its financial health.

For instance, the bank last year went past the single borrower exposure limit, lending Tk 620 crore more than it is permitted to by the rule to a total of 20 clients, according to a BB report.

Alauddin A Majid, chairman of BASIC Bank, acknowledged the transgressions, adding that most of the loans were extensions of old loans.

Of the total excess loan amount, about Tk 200 crore were new loans, he said.

The BB had set a recovery target of Tk 1,118 crore from defaulted borrowers, but the state-run lender could manage

only 12.5 percent of the sum.

The recovery from top 20 defaulters was more disappointing; it managed only 1.63 percent against the target of Tk 538 crore.

But the recovery from other defaulters was relatively better as the lender managed to collect nearly Tk 132 crore against the target of Tk 580 crore.

The recovery from bad loans was very poor last year as many of the clients who were given loans violating rules during the tenure of earlier board could not be traced, said a senior executive of BASIC Bank.

The bank failed to cut its default loans by Tk 1,974 crore last year. Instead, it went up by Tk 648 crore.

As of March, the lender's total default loans swelled and stood at 53.9 percent, or Tk 7,373 crore.

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ALL-ROUND PERFORMANCE

2017 has been so far a year of all-round performance for us. EBL named the Best Bank of Bangladesh by FinanceAsia and EUROMONEY, adjudged the Best Retail Bank by Asian Banker, and the Best Corporate and Investment Bank by ASIAMONEY. World's top rating agency Moody's has assigned us Ba3 rating with stable outlook for the second consecutive year this year. Our credit rating by CRISL is one notch up this year. This is also our Silver Jubilee year. All these achievements would not have been possible without the trust of our customers, inspiring leadership of our board of directors, and prudent guidance of regulators. We thank you all for being so supportive for the last twenty-five years.

Moody's

AA+

EUROMONEY AWARDS FOR EXCELLENCE 2017

COUNTRY AWARDS FOR ACHIEVEMENT 2017 FinanceAsia

COUNTRY AWARDS 2017 ASIAMONEY

THE ASIAN BANKER EXCELLENCE IN RETAIL FINANCIAL SERVICES INTERNATIONAL AWARDS 2013-17 BEST RETAIL BANK, BANGLADESH

MOODY'S Assigns Ba3 ratings in 2016 and reaffirmed in 2017

CRISL Assigns top ratings in 2017

EUROMONEY Best Bank of Bangladesh in 2016 and 2017

FINANCEASIA Best Bank of Bangladesh in 2017

ASIAMONEY Best Corporate and Investment Bank

THE ASIAN BANKER Best Retail Bank of Bangladesh in 2013-2017 (consecutive five times)