



**B1**  
**Forex reserves slip further**



**P11**  
**'Our importance increased massively'**



**P7**  
**Rhodes wildfires prompt biggest ever Greek fire evacuation**



**P5**  
**Batibari Canal: Once a lifeline, now a source of misery**

## Banks' risky loans thrice as large

Figure to be disclosed in BB's upcoming financial stability report

REJAUL KARIM BYRON

After the sudden drop in Bangladesh's official foreign exchange reserves on July 13, another rude shock awaits: as per IMF conditions, the banking sector's distressed assets will be published, in what would make for a grim reading about the industry's health.

As per international best practices, distressed assets are reported alongside non-performing loans (NPLs) to reflect the true state of the banking sector's stressed assets.

Distressed assets comprise classified loans, rescheduled loans, restructured written-off loans and loans that were unclassified by court order. All four categories of loans are dicey for a bank and must be adequately provisioned.

The Bangladesh Bank used to report the sector's distressed assets in its annual financial stability report that comes out every June, and the International Monetary Fund has stipulated that the practice is restarted as per the conditions agreed for the \$4.7 billion loan.

"The COVID-19 financial support policies are set to expire in December 2022. As the unwinding of these policies may lead to a gradual realisation in the losses in the banking system, asset classifications, in particular restructured loans, should accurately reflect current balance sheet risks and distressed assets be adequately provisioned," said the IMF staff report published in February.

The annual financial stability report for 2022 is yet to be published as the BB is still gathering data on the banking sector's restructured written-



**PERILS OF POLYTHENE ...** The point where three canals – Khalgaon-Basabo canal, Jirani canal and Manda canal – meet at Shukhnagar Modinabagh in the capital's Mugdapara barely has any sign of water, as it is now filled with garbage and polythene bags, dumped by locals. The government's 2002 polythene ban seems to have done little to do away with such environmental hazards. The photo was taken recently.  
PHOTO: SHEIKH ENAMUL HAQ

### HOW GOVT FARING WITH IMF CONDITIONS AS OF JUNE

Net reserves	✗
Revenue collection	✗
Budget deficit	✓
Social spending	✓
ADP implementation	✓
Interest rate corridor	✓
Distressed assets published	✓
Publish FX as per BPM6	✓
BCA amendment in parliament	✓
Reserve money	✓

### WHAT ARE DISTRESSED ASSETS?

- 1 Classified loans
- 2 Rescheduled loans
- 3 Restructured written-off loans
- 4 Loan unclassified by court order

As of Dec 2022, it would be hovering around  
**Tk 300,000cr**

off loans and loans that were unclassified by court order, The Daily Star has learnt from central bank officials informed with the proceedings.

It is yet to work out the total amount of rescheduled loans as well.

In recent years, about 10 percent of total outstanding loans were rescheduled. At the end of last year, total outstanding loans stood at Tk 1,477,788 crore. It can then be assumed that the total volume of rescheduled loans would not be less than Tk 146,778 crore.

The total volume of restructured written off loans would be in the neighbourhood of Tk 45,000 crore, said a BB official working on the calculations.

At the end of 2022, the banking sector's classified loans amounted to Tk 120,657 crore.

Going by the numbers, it can be said that the banking sector's distressed assets would not be less than Tk 300,000 crore.

Working out the exact volume of loans that were unclassified by court orders would be a time-consuming affair, so the central bank would use a ballpark figure for this such that it can produce the report in good time for the IMF staff review.

SEE PAGE 2 COL 2

### HOSPITALISED DENGUE PATIENTS

## Most of them from 11 areas of Dhaka

Tejgaon, Mirpur, Dhanmondi, Mohammadpur, Basabo, Uttara among them, says DGHS

STAFF CORRESPONDENT

Most of the hospitalised dengue patients in Dhaka are from 11 areas of the capital.

They are from Jatrabari, Mugda, Kadamtali, Jurain, Dhanmondi, and Basabo under Dhaka South City Corporation and Uttara, Mohammadpur, Mirpur, Tejgaon, and Badda under Dhaka North City Corporation, said officials at the Directorate General of Health Services (DGHS) at a briefing.

According to the DGHS, nine dengue patients died while 2,292 others were admitted to hospitals in 24 hours ending yesterday morning.

This year's death toll is now 176 and the total number of dengue cases is 32,977, of which 19,949 are in Dhaka.

The number of dengue cases usually starts rising in June, but this year it started rising in May.

Last year, the number of cases peaked in October.

A pre-monsoon survey of the DGHS, conducted on 3,150 homes in DSCC and DNCC between June 18 and 27, revealed that 15.47 percent of the homes under the DSCC and 20.04 percent under the DNCC had the larvae of Aedes mosquitoes, the carrier of the dengue virus.

SEE PAGE 2 COL 2

### JHALAKATHI CRASH

## Driver wasn't licensed to operate bus

STAFF CORRESPONDENT

The driver of the bus that veered off the road and plunged into a waterbody in Jhalakathi on Saturday, leaving 17 people dead and 35 injured, did not have a valid licence to operate the heavy vehicle.

Mohan Khan possessed a licence to operate light vehicles (motorcycles and private cars) and so was not supposed to be behind the wheel of the bus, said a probe committee member.

Mohan, who is on the run, got the licence from Barishal Circle of Bangladesh Road Transport Authority (BRTA) in 2020, the member told The Daily Star yesterday.

In response to a question, the member said the police got the licence-related documents from other sources. He could not give details about it.

SEE PAGE 2 COL 1

### NEWS ANALYSIS

## Road safety a pipe dream?

After every accident, driver or vehicle, or both found without valid documents

WASIM BIN HABIB

Every time there is a major road accident, some issues inevitably come to the fore: either the vehicles involved do not have the required documents or the drivers are without valid licences or both.

Saturday's bus accident in Jhalakathi that took away 17 lives was no exception.

Driver Mohon Khan, who was driving the bus with 62 passengers on board, did not have a licence to operate heavy vehicles.

According to the committee formed to probe the accident, Mohon had a licence to operate only light vehicles – motorcycles and private cars. But he illegally drove the bus, a heavy vehicle, and possibly would have continued to do so if the accident had not occurred.

Barely four months ago, a probe into another fatal road crash in Madaripur's Shibchar upazila that killed 19 passengers revealed that the vehicle's fitness certificate was expired, and the driver had a licence to only run

SEE PAGE 2 COL 5

### BUSINESS

## 'More Japanese firms to invest in Bangladesh'

Bangladesh has the potential to attract Japanese companies shifting operations to various parts of Asia, said Yasutoshi Nishimura, economy, trade and industry minister of Japan, yesterday.

He said factory relocation has already started.

Japanese company Honda has opened its factory in Bangladesh and BJIT, an information technology firm, has started production in the country.

"I do expect that more companies will come to Bangladesh," Nishimura said while speaking at a daylong summit styled "Bangladesh-Japan Economic Relations for the Next 50 Years: for the industry upgradation of Bangladesh" at the Pan Pacific Sonargaon Hotel in Dhaka.

Nishimura said the economic relationship between Bangladesh and Japan will be based on three pillars in the next 50 years: Bangladesh's industrial upgradation, the shifting of operations by Japanese companies, and the realistic energy transition.

STORY ON B1



**Dengue patients, most of whom are children, are crammed even on the floor of the dengue ward in the capital's Mugda Medical College Hospital. As patients keep pouring in from every corner of the country, hospitals in the city are running out of space. The photo was taken yesterday.**

PHOTO: ANISUR RAHMAN

### LIVER CANCER DETECTION

## Trial on new test in Bangladesh shows promising results

STAFF CORRESPONDENT

Bangladeshi scientists have successfully conducted a trial of an early liver cancer detection test.

The blood test was developed by HKG Epitherapeutics Ltd, a Hong Kong-based company, and has been on trial in other countries.

At least 554 individuals, including liver cancer patients, non-liver cancer patients, individuals with chronic hepatitis B, and healthy people, took part in the trial in Bangladesh between 2018 and 2021.

During the study, the test showed 84.5 percent "sensitivity", the ability of the test to diagnose an individual with liver cancer.

It also has 95 percent "specificity", which refers to the test's ability to identify an individual who does not have the disease.

Researchers from HKG Epitherapeutics Ltd, the International Centre for Diarrhoeal Disease Research, Bangladesh (icddr), and Bangabandhu Sheikh Mujib Medical University (BSMMU) jointly conducted the trial.

The trial findings were revealed yesterday at a seminar in Dhaka.

The test utilises a mechanism – distinctive DNA methylation signatures – to identify liver cancer in high-risk populations, including individuals with liver diseases, Type-2 diabetes, and alcoholics.

SEE PAGE 2 COL 1