



Women's role in toppling the government

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Mob justice goes against the spirit of the student movement

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Students protest removal of graffiti in the hills

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'BNP-linked' group now after control of slums, footpaths

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Tk 45,000cr stuck in shady loans

Eight banks provide loans to directors of other banks in a murky practice, bringing significant risks to the entire sector

AHSAN HABIB

Directors of eight private banks borrowed heavily from each other's banks in reciprocal lending practices fraught with serious risks. Some banks went one step further and lent thousands of crores to relatives of these banks' chairmen or directors.

The loans going in and out of these eight banks for directors amounted to Tk 25,000 crore at the end of 2023, according to their financial reports analysed by The

serious risks.

The combined contribution of the eight bank directors in question to the lenders' paid-up capital is Tk 2,400 crore, or about 5 percent of the Tk 45,000 crore loans they have taken from each other.

Most of these groups were not capable of getting loans if their business practices and financial health were taken into account, and so they lent reciprocally.

As the central bank rules prohibit the lending of a bank to its own directors, the directors deployed this cunning method.



PHOTO: PRABIR DAS

Raiyan Mehezad Kazi, a second grader, paints graffiti on the wall portraying the quota reform protest, while his mother looks on. Students across the capital are covering walls with graffiti that convey messages of protest, patriotism, and equality. The photo was taken in the capital's Central Shaheed Minar area yesterday.

Prof Yunus assures Modi of protecting minorities

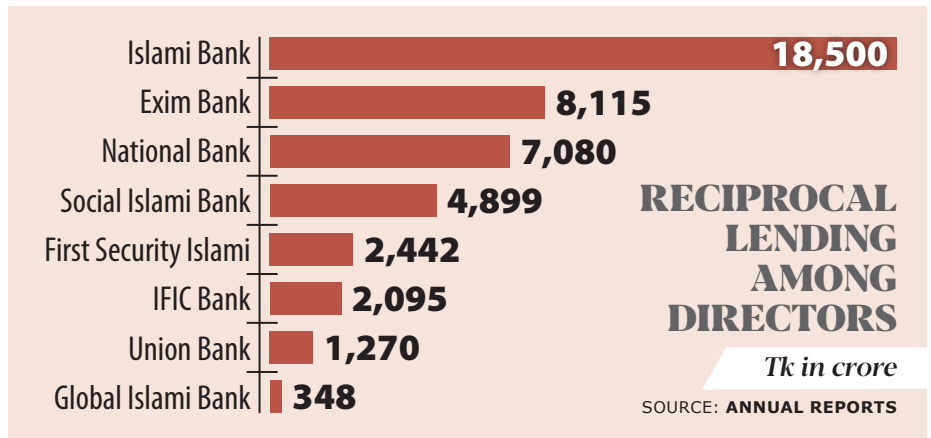
STAFF CORRESPONDENT

Chief Adviser Prof Muhammad Yunus yesterday assured Indian Prime Minister Narendra Modi of the interim government's commitment to safeguarding every citizen of Bangladesh, including minorities.

In the first call between the two leaders, he assured the Indian PM of the "protection, safety and security" of Hindus in the country.

He invited Indian journalists to visit Bangladesh and make reports on the issues of minority safety and protection, saying that the "reports of attacks on

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Daily Star. Apart from this, four of these lenders provided around Tk 20,000 crore to the relatives of the bank directors. That means the total reciprocal loans sanctioned for these directors and their relatives amounted to Tk 45,000 crore. Most of these loans changed hands in the last five years.

Over the last three months, The Daily Star analysed the financial reports of the 51 scheduled banks currently operating in Bangladesh and found that no other banks except these eight were engaged in such lending practices.

The banks are Exim Bank, Islami Bank, Social Islami Bank, National Bank, IFIC Bank, First Security Islami Bank, Union Bank and Global Islami Bank.

These banks are known for their questionable banking practices and were allegedly linked with the just-ousted Awami League government. During Sheikh Hasina's 15-year rule, powerful business groups with banking assets, including S Alam, Beximco, Nassa and Sikder Group, thrived on murky politics and bent rules, exposing the entire financial sector to

This trend is not new, but it spread in the banking sector in the last seven to eight years, officials said.

"As most of the bank owners are also successful in their own businesses, the central bank cannot prevent banks from lending to the owners of other banks," a banking analyst said.

According to a 2014 central bank circular, commercial banks can lend to their directors' firms up to 50 percent of their contribution to the paid-up capital. Four of these banks declined to comment for this story, and two others said the loans were sanctioned under relevant laws. The Daily Star could not reach the two other banks.

Bankers say such reciprocal lending is risky for the relevant banks and the banking sector as a whole.

This type of borrowing indicates that these directors helped each other out with depositors' money as they would find it difficult to secure loans from other banks, they add.

Most of the loans were approved

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Jahangir new home adviser

Replaces Sakhawat; 4 advisers take oath; 4 ordinances on local govt bodies on the cards

STAFF CORRESPONDENT

Brig Gen (ret'd) M Sakhawat Hussain was replaced as home adviser by Lt Gen (ret'd) Jahangir Alam Chowdhury last night, hours after four new advisers, including Jahangir, were sworn into office.

Sakhawat was given the charge of the textiles and jute ministry as the interim government redistributed the portfolios of eight advisers, according to the chief adviser's press wing.

The other new advisers are noted economist Wahiduddin Mahmud, former cabinet secretary Ali Imam Majumdar and former power secretary Muhammad Fouzul Kabir Khan.

President Mohammed Shahabuddin administered the oath to the four advisers at the Bangabhaban around 4:15pm. With them, the number of advisers to the interim government rose to 21.

In another development, the advisory council in a meeting yesterday approved the drafts of four ordinances, seeking to empower the government to remove the elected representatives of four local

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Law enforcers used unnecessary force on protesters: UN

DIPLOMATIC CORRESPONDENT

The UN Human Rights Office has said that there are strong indications that the security forces resorted to unnecessary and disproportionate use of force and extrajudicial killings during the mass uprising that led to the ouster of the Awami League government.

"According to available public reports by media and the protest movement itself, between July 16 and August 11, more than 600 people were killed. Of these, nearly 400 deaths were reported from July 16 to August 4, while around 250 people were reportedly killed following the new wave of protests between August 5 and 6," reads a report by the UN agency.

The reported death toll is likely an underestimate, as information collection has been hindered by restrictions on movement due to the curfew and the internet shutdown, it says.

The report titled "Preliminary Analysis of Recent Protests and Unrest in Bangladesh" was released yesterday by the UN Office of the High Commissioner for Human Rights (OHCHR).

It comes a week ahead of a UN team's visit to Dhaka to discuss the modalities for an investigation into human rights violations.

The report details the background of how the students' peaceful protests

eventually turned into a mass upsurge and the law enforcers used disproportionate force to quell the demonstrators.

"The police and paramilitary forces appear to have frequently used force indiscriminately against both peaceful protesters as well as those with elements of violence, employing rubber bullets, sound grenades and firearms with live lethal ammunition, including birdshot pellets and bullets.

"Additional, alleged violations, that also warrant thorough, impartial and transparent investigations, included extrajudicial killings, arbitrary arrests and detention, enforced disappearances, torture and ill-treatment, and severe restrictions on exercise of freedoms of expression and peaceful assembly."

One of the recommendations made by the UN was to ensure accountability for those who applied or ordered the unnecessary and disproportionate use of force.

"Considering that certain individuals among the protesters were seen typically using sticks, bricks or similar types of makeshift weapons, the security forces' recurring and persistent use of firearms, including pellet shotguns, handguns and rifles, would have regularly involved unnecessary and disproportionate force.

"Reports indicate that security forces also used helicopters to fire on protesters,

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UN calls for protection of peaceful assembly

STAFF CORRESPONDENT

The UN has called for the security forces to ensure that people can hold peaceful assemblies in Bangladesh.

"...we encourage the right to peaceful protest to be respected by all. And we call on security forces to ensure that no one engaging in peaceful protest is harmed," UN Secretary-General's Deputy Spokesperson Farhan Haq said during a routine press briefing on Thursday.

He was answering a question about the obstruction of people wishing to pay respect to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman at Dhanmondi-32 on the 49th anniversary of his murder.

Haq said the UN High Commissioner for Human Rights and Bangladesh's interim government chief, Muhammad Yunus, discussed the UN's potential support for the interim government, particularly on accountability issues, ahead of the UN fact-finding mission's visit to investigate recent killings and atrocities in Bangladesh.

Next week, a team will arrive in Dhaka to discuss the potential areas of support and the specific modalities for

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Four new advisers to the interim government take oath of office at the Bangabhaban's Darbar Hall yesterday. President Mohammed Shahabuddin, not in picture, administered the oath.

PHOTO: P10

Ex-Padma Bank chairman faces ACC probe

He allegedly embezzled Tk 800cr from share market

STAFF CORRESPONDENT

The Anti-Corruption Commission has launched an investigation into alleged embezzlement of Tk 800 crore by ex-banker Chowdhury Nafeez Sarafat.

An ACC director, requesting anonymity, said Nafeez took control of Padma Bank, formerly Farmers Bank, with the help of top officers of an intelligence agency and police.

There are allegations that he embezzled around Tk 800 crore from the stock market, said the director, adding, "We sent letters to Bangladesh Bank and some other authorities, asking for information regarding his irregularities."

Nafeez hogged headlines because of his involvement with Farmers Bank, which became a hotbed for irregularities in less than three years of its establishment in 2013.

According to a Bangladesh Bank report, over Tk 3,500 crore was siphoned out of the bank.

To rescue the bank, state enterprises Investment Corporation of Bangladesh, Sonali Bank, Janata Bank, Agrani Bank and Rupali Bank bought 60 percent stake in the bank for Tk 715 crore.



Nafeez Sarafat

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