

Economy has room for new banks: Atiur

BB governor opens Modhumoti Bank

STAR BUSINESS REPORT

Bangladesh Bank Governor Atiur Rahman believes the country is capable of accommodating new banks as the economy has achieved significant growth in the last one decade.

New banks got licences for the last time in 2001, he said. Since then, the size of the economy – from gross domestic product to foreign trade, remittance and per capita income – grew manifold, Rahman said.

In the last one decade, exports increased by more than three times, inward remittance by 5.5 times and foreign exchange reserve by over 10 times, Rahman said.

He spoke at the opening of Modhumoti Bank, one of the nine new banks of this year, at Ruposhi Bangla Hotel in the city on Saturday.

Most banks now have to rely on syndicated loans to meet the loan demand of big companies, because of the higher rate of industrial growth than the capital growth of

banks during the decade, he said.

Besides, new banks are required to serve more rural customers, he said.

However, analysts have been opposing the government move of allowing new banks, which will require strict monitoring and supervision.

They said the central bank with its present capacity cannot control the already exposed industry.

In recent times, swindlers have taken the chance and made money, especially from state banks. Hall-Mark and five other companies took away over Tk 3,500 crore from Sonali Bank between 2010 and 2012 on forged documents.

Janata, Agrani and Rupali banks were also blamed to be involved in lending to fake companies. Recently, Basic Bank came into media reports that loaned over Tk 4,000 crore through irregularities, throwing the depositors' money into great risk.

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AMA Muhith, finance minister; Atiur Rahman, Bangladesh Bank governor; Humayun Kabir, chairman of Modhumoti Bank; Sheikh Fazle Noor Taposh, a sponsor and director, and Md Mizanur Rahman, managing director, attend the launch of Modhumoti Bank, at Ruposhi Bangla Hotel in Dhaka on Saturday.

