

Several banks in Bangladesh clinically dead : CPD

- A Monitor Report

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Dhaka : Several banks in Bangladesh are clinically dead, however, are kept alive through bailouts.

Fahmida Khatun, Executive Director of Centre for Policy Dialogue (CPD), said this while presenting a paper at a media briefing titled "Bringing discipline back to the banking sector immediately" organised at its office in the capital on August 12.

Banks on the verge of collapse should be allowed to shut down, stressed Khatun.

The briefing was organised by CPD, few days after an interim government was sworn in, following the fall of Awami League government in the face of a mass uprising on August 5.

Khatun informed, some third and fourth-generation banks that were awarded licenses during the Awami League's 15 years in power are now ailing.

"Additionally, several previously good banks have experienced an

unfortunate decline in their performance after hostile takeovers by crony capitalists," she claimed.

These ailing banks are being kept alive by injecting public money, further mentioned Khatun, adding, it would be better to let such lenders die.

According to the brief, the banking sector, a vital pillar of the economy, is suffering from vulnerability manifested through high loan defaults.