

# Ten banks face provision shortfall of over Tk 31,000cr

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**Online Desk :** Ten banks, including six private commercial ones, faced a provision shortfall of around Tk 31,549 crore in total at the end of June this year, as per the latest data of Bangladesh Bank (BB). The banks are National Bank, BASIC Bank, Agrani Bank, Rupali Bank, Bangladesh Commerce Bank, Dhaka Bank, Standard Bank, Bangladesh Development Bank, IFIC Bank and Southeast Bank. According to the policy, banks are required to maintain a provision of 0.50 percent to 5 percent of their deposits. However, provisioning requirements can range from 20 percent to 100 percent depending on the classification of default loans.

Central Bank data shows that the provision shortfall in the banking sector has risen by Tk 4,963 crore between April and June. As of the end of March this year, the sector's provision shortfall stood at Tk 26,586 crore. According to the Bangladesh Bank report, default loans in the banking sector reached Tk 2,11,391 crore, or 12.56 percent of the total loans, by the end of June. During the June quarter (April-June), classified loans rose by Tk 29,096 crore from Tk 182,295 crore as of March 30.

The BB data shows that state-owned commercial banks hold the largest share of the classified loans (Tk 1,02,483 crore or 32.77 percent) followed by specialised banks (Tk 5,756 crore or 13.11 percent), private commercial banks (Tk 99,921 crore or 7.94 percent), and foreign commercial banks (Tk 3,229 crore or 4.74 percent).