Website: www.bb.org.bd

# Banking Regulation & Policy Department Bangladesh Bank Head Office Dhaka

		August 02, 2015
BRPD Circular No. 08	Date:	
		Shraban 18, 1422

**Chief Executives All Scheduled Banks in Bangladesh** 

Dear Sir,

## **Loan Classification and Provisioning**

Please refer to the BRPD Circular No.14 of 2012, 19 of 2012, 05 of 2013 & 16 of 2014 dated September 23, 2012 , December 27, 2012 , M ay 29, 2013 & November 18, 2014 respectively and attached CL formats on the captioned subject.

For the purpose of meticulous compliance with the Banking Companies Act, 1991 (amended up to 2013) along with the view to strengthening banking supervision, few changes have been brought in the CL formats. Revised formats are attached herewith.

The Enterprise Data Warehouse (EDW) template (T\_PS\_Q\_LN\_PROV) for loan classification and provisioning has been changed and uploaded on the Bangladesh Bank website accordingly.

Banks are advised to report according to the amended CL formats along with the changed EDW template from September, 2015 quarter. All other instructions of the above circulars will remain unchanged.

Yours sincerely,

Enclo: 06 (Six)

(Chowdhury Md. Feroz Bin Alam) General Manager Phone-9530252

Ref : BRPD Circular no. 14/2012, 19/2012, 05/2013, 16/2014, 08/2015

# CL-1 BRANCH SUMMARY OF LOAN CLASSIFICATION AND PROVISION AS OF.....

**Bank Name:** 

**Branch Name:** 

## Stamp of Branch Serial No......

(As Provided by Bangladesh Bank)

(AMOUNT IN TAKA)

SL.	Categories of Loans	Total			Balance o	utstandir	ισ			Base for	provision		Amount	Amount of		nterest su	ispense on	
No.	Categories of Louis	Total	Unclassifi			Classifie			SMA	SS	DF	B/L	of	actual	UC	SMA	Classified	Total
1.0.			Standard	SMA	SS	DF	B/L	Defaulted	514171	55	Di	D/L	Provision	Provision	(standard)	DIVIT 1	A/Cs	Total
			Standard	DIVII I	55	Di	D/L	Bollanica					required		(if any)		12.05	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Continuous Loan (CL-2)																	1
	I) Small & Medium Enterprise Financing (SMEF)																	1
	II) Consumer Financing (CF)																	
	III) Loans to BHs/MBs/SDs																	
	IV) Other than SMEF, CF, BHs/ MBs,/SDs																	
	Sub-total of I, II, III & IV																	1
2	Demand Loan (CL-3)																	
	I) Small & Medium Enterprise Financing (SMEF)																	
	II) Consumer Financing (CF)																	
	III) Loans to BHs/MBs/SDs																1	
	IV) Other than SMEF, CF, BHs/ MBs,/SDs																	
	Sub-total of I, II, III & IV																ĺ	
3	Fixed Term loan (CL-4)																	
	I) Small & Medium Enterprise Financing (SMEF)																ĺ	1
	II) Consumer Financing (Other than HF & LP)																	
	III) Housing Finance (HF)																ĺ	
	IV) Loans for professionals to set up business (LP)																	
	V) Loans to BHs/MBs/SDs																1	
	VI) Others than SMEF, CF, HF, LP, BHs/ MBs,/SDs																ĺ	
	Sub-total of I, II, III, IV, V & VI																	
4	Short term Agri. Credit and Microcredit (CL-5)																1	
	I) Short Term Agri. Credit																	
	II) Microcredit																	
	Sub-total of I & II																	
	Sub-total (1+2+3+4)																	
	Staff Loan																	
	Grand Total																	
	Off-Balance Sheet Exposure																1	

## CHECK LIST

Form No.	No. of Page (s)	Form No.	No. of Page (s)
CL-2		CL-4	
CL-3		CL-5	

NB: CF=CONSUMER FINANCING, HF=HOUSING FINANCE, LP=LOANS FOR PROFESSIONALS TO SET UP BUSINESS, SMA=SPECIAL MENTION ACCOUNT, SS=SUBSTANDARD, DF=DOUBTFUL, B/L=BAD/LOSS, BHs/ MBs,/SDs= LOANS TO BROKERAGE HOUSES/MERCHANT BANKS/STOCK DEALERS. DEFAULTED=AS PER 5(GaGa) OF THE BANKING COMPANIES ACT, 1991.

#### Rate of Provision:

211110	01 1 1 0 1 1 3 1 0	•						
		Short	Consu	mer finan	icing		Loans to BHs/MBs/	All
Particula	ars	Term	Other	HF	LP	SMEF	SDs	other
		Agri.	than					Credit
		Credit	HF,LP					
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%
	SMA	ı	5%	2%	2%	0.25%	2%	1%
	SS	5%	20%	20%	20%	20%	20%	20%
Classified	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%

Ref : BRPD Circular no. 14/2012, 19/2012, 05/2013, 16/2014, 08/2015

# CL-2 RETURNS FOR CLASSIFICATION OF CONTINUOUS LOANS AS OF......

Page No.

Bank Name: Stamp of Branch Serial No.......

(As Provided by Bangladesh Bank)

(Amount in Taka)

	Name of	Nature	Loan	Date of sanction & last renewal	Amount sanctioned,	Balance Outstanding	Date of	Period of arrears (in		nary status of sification	Final C	lassification
Sl. No.	borrower and NID	of Loans and Advances	Identification No.	[RNL(1/2//n)] & last rescheduling [RSDL (1/2//n)] (if any) DD/MM/YY	renewed, rescheduled (if any)	as of reference date	Expiry DD/MM/YY	months) (Ref. Date-Col. 8)	Objective Criteria Qualitative Judgement		Classification Status	Basis for Classification
1	2	3	4	5	6	7	8	9	10	11	12	13
Total												

			A	mount			Cumulative	interest su	ispense as of re	ference	Value of		Base fo	r Provision for		
	Unclassifie	d (UC)		Classified				da	ate		eligible					
Sl. No.	Standard	SMA	A Sub- standard (SS) Doubtful Bad/Loss (B/L) Defaul outstand			Defaulted outstanding	UC (Standard) (If any)	SMA	Classified A/Cs	Total	collateral (to nearest amount)	SMA Col. (15-21)	Sub-standard (SS) Col. (16-22-24)	Doubtful (DF) Col. (17-22-24)	Bad/Loss (B/L) Col. (18-22-24)	Remarks
1	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Total																

Ref : BRPD Circular no. 14/2012, 19/2012, 05/2013, 16/2014, 08/2015

CT 2	DESCRIPTION OF A CONTROL OF DESCRIPTION OF DESCRIPT
CL-3	RETURNS FOR CLASSIFICATION OF DEMAND LOANS AS OF

Bank Name: Stamp of Branch Serial No.......

Page No.

(As Provided by Bangladesh Bank)

(Amount in Taka)

	Name of	Nature	Loan	Date of sanction &	Amount Disbursed,	Balance Outstanding	Claim date	Period of arrears (in		ary status of ification	Final Clas	sification
Sl. No.	borrower and NID	of Loans and Advances	Identification No.	last rescheduling [RSDL (1/2//n)] (if any)	rescheduled (if any)	as of reference date	DD/MM/YY	months) (Ref. Date –Col.8)	Objective Criteria	Qualitative Judgement	Classification Status	Basis for Classification
1	2	3	1	DD/MM/YY	6	7	Q.	Q	10	11	12	13
1	2	3	7	3	0	,	0	,	10	11	12	13
Total												

			I	Amount			Cumulat		st suspense as	of	Value of		Base for	Provision for		
	Unclassifie	ed (UC)		Classified				referenc	e date		eligible					
Sl. No.	Standard	SMA	Sub- standard (SS)	Doubtful (DF)	Bad/Loss (B/L)	Defaulted outstanding	UC (Standard) (If any)	UC (Standard) SMA Classified Total (				SMA Col. (15-21)	Sub-standard (SS) Col. (16-22-24)	Doubtful (DF) Col. (17-22-24)	Bad/Loss (B/L) Col. (18-22-24)	Remarks
1	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Total																

Ref: BRPD Circular no. 14/2012, 19/2012, 05/2013, 16/2014, 08/2015

CL-4

# RETURNS FOR CLASSIFICATION OF FIXED TERM LOANS AS OF.....

Page No.

**Bank Name:** 

**Branch Name:** 

**Stamp of Branch Serial No......** (As Provided by Bangladesh Bank)

(Amount in Taka)

	Name of	Nature	Loan	Date of sanction and last	Principal Amount,	Balance Outstanding			Date of first Repayment	Repayment due (Ref. date –	. *	Time equivalent of	Period of Arrears		ary status of ification	Fin Classifi	
SI No		of facilities	Identification No.	rescheduling [RSDL (1/2//n)] DD/MM/YY	Rescheduled Amount	as of reference date	Size	Frequency	due	col.10)+col.9 (in months)	sanctioning /Last rescheduling	(in months)			Qualitative Judgement	Classif- ication Status	1 1
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
To	otal																

			I	Amount			Cumulative	interest su	spense as of ref	erence	Value of		Base for l	Provision for		
	Unclassifie	d (UC)		Classified				da	te		eligible					
Sl.						Defaulted	UC				collateral		Sub-standard	Doubtful	Bad/Loss	Remarks
No.	Standard	SMA	Sub-	Doubtful	Bad/Loss Defaulted outstanding		(Standard)	SMA	Classified	Total	(to nearest	SMA	(SS)	(DF)	(B/L)	
			standard	(DF)	(B/L)	outstanding	(If any)		A/Cs		amount)	Col.	Col.	Col.	Col.	
			(SS)									(20-26)	(21-27-29)	(22-27-29)	(23-27-29)	
1	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Total																

Note:

Col. 9 = Installment Frequency in months

Col.  $13 = (Col. 12 \times Col.9) \div Col.8$ 

Ref: BRPD Circular no. 14/2012, 19/2012, 05/2013, 16/2014, 08/2015

Page No.

## CL-5 RETURNS FOR CLASSIFICATION OF SHORT TERM AGRICULTURAL

CREDIT AND MICRO CREDIT AS OF.....

Stamp of Branch Serial No...... **Bank Name: Branch Name:** 

(As Provided by Bangladesh Bank)

Short Term Agri. Credit II. Microcredit (Amount in Taka)

					Period of		Bala	nce Outstan	ding		In	iterest suspen	se	Value of	Base f	or provision	n for
S1.	Loan	Date of sanction	Principal	Due date	arrears (in			Classified						eligible			
No.	Identification	& last	Amount,	DD/MM/YY	months)									collateral	Substandard	Doubtful	Bad/Loss
110.	No.	rescheduling	Rescheduled		(Ref.	Unclassified	Sub-	Doubtful	Bad/Loss	Defaulted	UC	Classified	Total	(to nearest	(SS)	(DF)	(B/L)
	and	[RSDL (1/2//n)]	Amount		Date -	O II O III O II	standard	(DF)	(B/L)		(if	A/Cs		amount)	Col.	Col.	Col.
	NID	DD/MM/YY			Col.5)		(SS)				any)			ĺ	(8-13-15)	(9-13-15)	(10-13-15)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Total							•										

CL-1 OBU SUMMARY OF LOAN CLASSIFICATION AND PROVISION AS OF..... **Bank Name: Branch Name:** 

Ref: BRPD Circular no. 14/2012, 19/2012, 05/2013, 16/2014, 08/2015

Stamp of Branch Serial No......

(As Provided by Bangladesh Bank)

(AMOUNT IN TAKA)

SL.	Categories of Loans	Total	Balance outstanding				Base for provision				Amount	Amount of	Interest suspense on					
No.			Unclassified(UC) Classified			SMA	SMA SS DF B/L		of	actual	UC	SMA	Classified	Total				
			Standard	SMA	SS	DF	B/L	Defaulted					Provision	Provision	(standar		A/Cs	
								Defaulted					required		d) (if			
															any)			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Continuous Loan (CL-2)																	
	I) Small & Medium Enterprise Financing (SMEF)																	
	II) Consumer Financing (CF)																	
	III) Loans to BHs/MBs/SDs																	
	IV) Other than SMEF, CF, BHs/ MBs,/SDs																	
	Sub-total of I, II, III & IV																	
2	Demand Loan (CL-3)																	
	I) Small & Medium Enterprise Financing (SMEF)																	
	II) Consumer Financing (CF)																	
	III) Loans to BHs/MBs/SDs																	
	IV) Other than SMEF, CF, BHs/ MBs,/SDs																	
	Sub-total of I, II, III & IV																	
3	Fixed Term loan (CL-4)																	
	I) Small & Medium Enterprise Financing (SMEF)																	
	II) Consumer Financing (Other than HF & LP)																	
	III) Housing Finance (HF)																	
	IV) Loans for professionals to set up business (LP)																	
	V) Loans to BHs/MBs/SDs																	
	VI) Others than SMEF, CF, HF, LP, BHs/ MBs,/SDs																	
	Sub-total of I, II, III, IV, V & VI																	
4	Short term Agri. Credit and Microcredit (CL-5)																	
	I) Short Term Agri. Credit																	
	II) Microcredit																	
	Sub-total of I & II																	
	Sub-total (1+2+3+4)																	
	Staff Loan																	
	Grand Total																	
	Off-Balance Sheet Exposure							_										

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#### Rate of Provision:

		Short	Consu	mer finar		Loans to BHs/MBs/	All	
Particula	Term	Other	HF	LP	SMEF	SDs	other	
	Agri. Credit	than					Credit	
			HF,LP					
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%
	SMA	-	5%	2%	2%	0.25%	2%	1%
	SS	5%	20%	20%	20%	20%	20%	20%
Classified	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%