

Banking Regulation & Policy Department  
Bangladesh Bank  
Head Office  
Dhaka

BRPD Circular No.08

Date : August 07, 2007  
-----  
                    Sraban 23, 1414

Chief Executives  
All Scheduled Banks in Bangladesh

Dear Sir,

**Master Circular- Loan Classification and Provisioning**

Please refer to our BRPD Circular No. 05 dated June 05, 2006 on the captioned subject.

02. It is observed that a considerable amount of Off-balance sheet exposure is being converted into funded facilities and part of it becomes overdue and classified which needs to be taken care of.
03. In view of the above, banks are advised to maintain **1% general provision against Off-balance sheet exposures** in addition to the existing provisioning arrangement and this general provision will be treated as Supplementary Capital(Tier-2). The amount of Off-balance sheet exposures and required provision, actual provision against the same has to be shown in a separate sheet and submitted along with the CL statement on quarterly basis. This instruction will be effective from December 31, 2007.
04. All other instructions as stipulated in BRPD Circular No. 05 dated June 05, 2006 will remain unchanged.

Please acknowledge receipt.

Yours sincerely,

(Naba Gopal Banik)  
General Manager  
Phone : 7117825