

**Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka-1000**

BRPD Circular No.-12

August 13, 2014
Date : -----
Shrabon 29, 1421

Chief Executives
All Scheduled Banks in Bangladesh

Dear Sir,

**Prudential Regulations for Consumer Financing
(Regulation for Auto Loans)**

Please refer to BRPD Circular No. 07, dated November 03, 2004, BRPD Circular No. 10, dated August 20, 2005 and BRPD Circular No.03 dated January 22, 2012 on the captioned subject.

Considering the existing market price and consumer demand for vehicles, it has been decided to make changes in Regulation-16 of Prudential Regulations for Consumer Financing which now stands as under:

Regulation 16:

“The banks shall not allow auto loan (including insurance) exceeding TK. 4 million per individual under this head. For the purpose of this regulation, auto facility to the dependent members of an individual shall also be treated as part of the exposure of that individual.

While allowing auto loans, the financing facility shall be provided at a maximum debt-equity ratio of 50:50.”

This instruction shall come into force with immediate effect.

Yours sincerely,



(Md. Anwarul Islam)
Deputy General Manager
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