

Banking Regulation & Policy Department  
Bangladesh Bank  
Head Office  
Dhaka

BRPD Circular Letter No. 11

14 August, 2008  
Date: -----  
30 Srabon, 1415

Chief Executive Officer  
All Banking Companies working in Bangladesh.

Dear Sir,

**Paid-up Capital and Reserve Fund of bank-companies.**

On the above subject, this to inform that, with a view to strengthen financial sustainability of banking companies working in Bangladesh, empowered by the proviso under section 13(2) of the Banking Companies Act, 1991, in consultation with the government, Bangladesh Bank through the [notification no. BRPD\(R-1\)717/2008-511](#) dated 12 August 2008 has refixed that the minimum Paid-up Capital and Reserve Fund of banking companies shall be Taka to 400 crores, of which the Paid-up Capital shall be not less than Taka 200 crore.

02. To raise Paid-up Capital and Reserve Fund, as mentioned in the notification, banks shall have to follow instructions as stated below:

- (i) Banks shall have to fulfill the required Paid-up Capital and Reserve Fund of Taka 400 crore within 3 years from the notification date i.e. within 11 August 2011 and the paid-up capital will be not less than Taka 200 crore. .
- (ii) To maintain required capital Banks may raise the Reserve by keeping profit after tax by issuing right shares or IPO, if applicable.
- (iii) Any Bank having shortfall of required capital and reserve will not pay or declare cash dividend.
- (iv) Foreign Banks will have to meet the capital shortfall by not repatriating the profit or by bringing in additional/Capital from abroad within the stipulated.
- (v) In terms raising the capital, bank-company shall take necessary measures to amend their Memorandum and Articles of Association.
- (vi) Feasibility of merging with other banks and financial institutions may be considered to ensure the required capital and reserve within stipulated time limit.

A copy of notification is enclosed to take necessary action.

Please acknowledge receipt.

Yours faithfully,

Enclosed: 1(one) pages.

Sd/-

(Md. Jahangir Alam)  
General Manager  
Phone- 7117825

Banking Regulation & Policy Department  
Bangladesh Bank  
Head Office  
Dhaka

No. BRPD(R-1)717/2008-511

12 August 2008  
Date: -----  
28 Srabon 1415

**Notification**

With a view to strengthen financial sustainability of banking companies working in Bangladesh, empowered by the proviso under section 13(2) of the Banking Companies Act, 1991, in consultation with the government, Bangladesh Bank hereby fixes that the minimum Paid-up Capital and Reserve Fund of banking companies shall be Taka to 400 crores, of which the Paid-up Capital shall be not less than Taka 200 crore.

All banking company shall have to raise Paid-up Capital and Reserve Fund to the stated amount within 3 years from the date of the notification

Sd/-  
(Md. Nazrul Huda)  
Deputy Governor