

Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular No. 07

Date : August 28, 2006

Bhadra 13, 1413

Chief Executives
All Scheduled Banks in Bangladesh

Dear Sir,

Master Circular on Capital Adequacy of Banks

Please refer to our BRPD Circular No. 10 dated November 25, 2002 on the captioned subject and also to the Annexure-1 containing Constituents of Capital.

02. Constituents of Supplementary Capital (Tier-2) has been reviewed and it has been decided to replace "**General provision (1% of Unclassified loans)**" by "**General provision maintained against Unclassified loans**".

As such the components of Supplementary Capital now stands as under:

- A. General provision maintained against Unclassified loans
- B. Assets Revaluation Reserves
- C. All other Preference Shares
- D. Perpetual Subordinated debt
- E. Exchange Equalisation Account

03. All other instructions as stipulated in BRPD Circular No. 10 dated November 25, 2002 will remain unchanged.

Please acknowledge receipt.

Yours sincerely,

(Naba Gopal Banik)
General Manager
Phone : 7117825