

Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular No. 01

February 08, 2006
Date : -----
Magh 26, 1412

Chief Executives
All Scheduled Banks in Bangladesh

Dear Sir,

**Prudential Guidelines for Consumer Financing
and Small Enterprise Financing**

Please refer to our BRPD Circular No. 19 and 20 dated December 20, 2005 on the captioned subject wherein banks have been advised to maintain 5% General Provision instead of 2% against unclassified loan amount for Consumer Financing and as per circular No. 19, 5% General Provision for Consumer Financing has been made effective from January 01, 2006.

The issue has been reviewed further and it has been decided to reduce the rate of General Provision from 5% to 2% on the unclassified amount for (i) Housing Finance and (ii) Loans for Professionals to set up business under Consumer Financing Scheme.

Please acknowledge receipt.

Yours sincerely,

(Naba Gopal Banik)
General Manager
Phone: 7117825