

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

BRPD Circular Letter No. - 02

January 09, 2006
Date-----
Poush 26, 1412

Chief Executives
All Private Commercial Banks in Bangladesh

Dear Sirs,

**Redefining of urban and rural areas for opening new
branches by private commercial banks.**

It may be mentioned that, as per existing rules relating to opening of new branches by private commercial banks in urban and rural areas 4:1 ratio is being maintained. Thus branches to be opened in the areas of "KA" and "KHA" categories municipalities are treated as urban branches and branches to be opened in the areas of "GA" category municipalities and union parishads are treated as rural branches.

After reviewing the existing rules relating to branch expansion of private commercial banks it has been decided that, from now on branches to be opened in the areas of district headquarters and six divisional headquarters will be treated as urban branches and branches to be opened in the areas of "GA" category municipalities, upazilla headquarters and union parishads will be treated as rural branches. But branches to be opened in the areas of upazillas (if any) within district headquarters will however be treated as urban branches. The required ratio of 4 : 1 for opening urban and rural branches will remain unchanged.

The above instruction will come into force with immediate effect.

Please acknowledge receipt.

Yours faithfully,

S/d-

(Naba Gopal Banik)
General Manager
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