

Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular No.-11

July 19, 2012
Date: -----
Shrabon 04, 1419

Chief Executives
All Scheduled Banks in Bangladesh

Definition of Defaulted Borrower

With a view to determining Defaulted Borrower for the purpose of Section 5(GaGa) of the Banking Companies Act, 1991, Overdue Loan has been redefined below:

- (1) Any Continuous Loan if not repaid/renewed within the fixed time limit for repayment will be treated as "Overdue" from the following day of the expiry date.
- (2) Any Demand Loan if not repaid within the fixed time limit for repayment or after the demand by the bank will be treated as "Overdue" from the following day of the expiry date or demand date.
- (3) In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date or due date, the amount of unpaid installment(s) as well as the loan will be treated as "Overdue" from the following day of the expiry date or due date.
- (4) The Short-term Agricultural Loan or Micro-credit is not repaid within the fixed time limit for repayment will be considered "Overdue" after 06(six) months of the expiry date.

If any loan or part of it or accrued interest thereon to any person/organization of his/its own or related concern remains "Overdue" for more than 06(six) months, the borrower availing of such loan facility will be treated as Defaulted Borrower as per Section 5(GaGa) of the Banking Companies Act, 1991.

BRPD Circular No. 10 dated May 14, 2001 on the captioned subject will be considered as void.

This circular will come into force with immediate effect.

Please acknowledge receipt.

Yours sincerely,



(K.M. Abdul Wadood)
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