

Banking Regulation and Policy Department
Bangladesh Bank
Head Office
Dhaka

March 21, 2010

BRPD Circular No. 11

Date:-----

Chaitra 7, 1416

Chief Executives

All Scheduled Banks in Bangladesh

Dear Sir,

Guidelines on Subordinated Debt for inclusion in Regulatory Capital

Please refer to BRPD Circular No. 13 dated October 14, 2009 and attached guidelines on the captioned subject.

According to the guidelines, Scheduled Banks operating in Bangladesh can issue Subordinated Debt as an element of the Tier-II Regulatory Capital if the Bank meet up the rating requirements i.e. each of composite CAMELS rating, Issuer rating and Instrument/Issue rating will be at least 2 (two). The situation has since been reviewed and it has been decided that a Bank will be eligible to issue Subordinated Debt which has composite CAMELS rating at least 2(two), Issuer rating at least 3 (three) instead of 2 (two) and Instrument/Issue rating at least 3(three) instead of 2 (two).

Concerned sections of the guidelines i.e. 'Criteria to Qualify as Regulatory Capital' and 'Other Eligibility Criteria' will be rephrased by the above decision.

All other instructions of the said guidelines will remain unchanged

Please acknowledge receipt.

Yours sincerely,

Sd/-
(Md. Sohrawardy)
General Manager
Phone: 7117825