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# Banking Regulation & Policy Department Bangladesh Bank Head Office Dhaka

**BRPD** Circular No. 05

May 29, 2013

Date: -----

Jaistha 15, 1420

Chief Executives All Scheduled Banks in Bangladesh

Dear Sir,

# **Loan Classification and Provisioning**

Please refer to BRPD Circular No.14 dated September 23, 2012 and attached CL formats on the captioned subject.

With a view to recognizing potential losses on loan pools of similar risks in a similar manner, following amendments have been made into the circular:

- 1. Section 4.a)(4) of the circular will be replaced as under:
  - "Rate of provision on the outstanding amount of loans kept in the 'Special Mention Account' will be same as the rates stated in (1), (2), (3) of Section 4.a) which one is applicable. i.e. @ 0.25% against all unclassified loans of Small and Medium Enterprise (SME), @ 5% on the unclassified amount for Consumer Financing, @ 2% on the unclassified amount for Housing Finance, Loans for Professionals to set up business under Consumer Financing Scheme, Loans to Brokerage House, Merchant Banks, Stock dealers, etc. and @ 1% against all other unclassified loans."
- 2. CL-1 format will be replaced by the format attached herewith.

This circular will come into force with immediate effect and all other instructions as well as other CL formats attached with BRPD Circulars No.14 and 19 dated September 23, 2012 and December 27, 2012 respectively will remain unchanged.

Please acknowledge receipt.

Yours sincerely,

(Md. Anwarul Islam)
Deputy General Manager

Phone-9530094

# CL-1

# BRANCH SUMMARY OF LOAN CLASSIFICATION AND PROVISION AS OF.....

Ref: B	RPD C	ircular	no.	14,	19/2012
R	RPD (	'ircular	no.	05	/2013

**Bank Name:** 

#### **Branch Name:**

# **Stamp of Branch Serial No.....**(As Provided by Bangladesh Bank)

(AMOUNT IN TAKA)

No.     Unclassified (UC)   Classified   SMA   SS   DF   B/L   Of Standard   SMA   SS   DF   B/L   Provision   required   Provision   required   Off any support   Off any s	SL.	Categories of Loans	Total	Balance or		outstand	ling			Base for	r provisio	n	Amount	Amount of		Interest	suspense on	
1	No.		Ī			SMA				of	actual				Total			
Continuous Loan (CL-2)			1	Standard	SMA	SS	DF	B/L					Provision	Provision		1	A/Cs	
1   2   3   4   5   6   7   8   9   10   11   12   13   14   15   16   1			i										required		/ \	1	İ	
1   Continuous Loan (CL-2)   1)   Small & Medium Enterprise Financing (SMEF)   1)   Consumer Financing (CF)   1   1   1   1   1   1   1   1   1				2							10		10	10		است	1.5	4-
D. Small & Medium Enterprise Financing (CF)   D. Small & Medium Enterprise Financing (CF)   D. Small & Medium Enterprise Financing (CF)   D. Small & Medium Enterprise Financing (SMEF)   D. Small & Medium Enterprise Finan		1	2	3	4	5	6	-7	- 8	9	10	11	12	13	14	15	16	17
II) Consumer Financing (CF)	1															<del> </del>	<del> </del>	
III) Loans to BHs/MBs/SDs																<b></b> '	<b></b>	
IV) Other than SMEF, CF, BHs/MBs/SDs																<b></b> '	<b></b>	
Sub-total of I, II, III & IV																ļ!	<b></b>	
2   Demand Loan (CL-3)																<u> </u>	<b></b>	
1) Small & Medium Enterprise Financing (SMEF)   1  Consumer Financing (CF)   1  Consumer Financing (CMEF)		, ,														ļ!		
II) Consumer Financing (CF)	2															ļ!		
III) Loans to BHs/MBs/SDs																		
IV) Other than SMEF, CF, BHs/ MBs/SDs   Sub-total of I, II, III & IV   Sub-total of I & II   Sub-total of I, III   Sub-total of I, III   Sub-total of I, III   Sub-total of I, III   Sub-total of I & II   S																	<u> </u>	
Sub-total of I, II, III & IV		III) Loans to BHs/MBs/SDs														<u> </u>		
3 Fixed Term Ioan (CL-4)  1) Small & Medium Enterprise Financing (SMEF)  II) Consumer Financing (Other than HF & LP)  III) Housing Finance (HF)  IV) Loans for professionals to set up business (LP)  V) Loans to BHs/MBs/SDs  VI) Others than SMEF, CF, HF, LP, BHs/MBs/SDs  Sub-total of I, II, III, IV, V & VI  4 Short term Agri. Credit and Microcredit (CL-5)  I) Short Term Agri. Credit  II) Microcredit  Sub-total of I & II  Sub-total of I & II  Grand Total		IV) Other than SMEF, CF, BHs/ MBs,/SDs														1		
I) Small & Medium Enterprise Financing (SMEF)   II) Consumer Financing (Other than HF & LP)   III) Housing Finance (HF)   III) Housing Finance (HF)   IV) Loans for professionals to set up business (LP)   IV) Loans for Bls/MBs/SDs   IV) Loans to Bls/MBs/SDs   IV) Others than SMEF, CF, HF, LP, BHs/ MBs/SDS   IV) Others than SMEF,		Sub-total of I, II, III & IV														1		
II) Consumer Financing (Other than HF & LP)	3	Fixed Term loan (CL-4)														1		
III) Housing Finance (HF) IV) Loans for professionals to set up business (LP) V) Loans to BHs/MBs/SDs VI) Others than SMEF, CF, HF, LP, BHs/ MBs/SDs Sub-total of I, III, III, IV, V & VI 4 Short term Agri. Credit and Microcredit (CL-5) I) Short Term Agri. Credit II) Microcredit Sub-total of I & II  Sub-total (1+2+3+4) Staff Loan Grand Total		I) Small & Medium Enterprise Financing (SMEF)														i I		
IV) Loans for professionals to set up business (LP)		II) Consumer Financing (Other than HF & LP)														1		
IV) Loans for professionals to set up business (LP)		III) Housing Finance (HF)														i I		
VI) Others than SMEF, CF, HF, LP, BHs/ MBs/SDs   Sub-total of I, II, III, IV, V & VI   Short term Agri. Credit and Microcredit (CL-5)   Short Term Agri. Credit   Sub-total of I & II   Sub-total of																1		
Sub-total of I, II, III, IV, V & VI																		
Sub-total of I, II, III, IV, V & VI		VI) Others than SMEF, CF, HF, LP, BHs/ MBs,/SDs																
I) Short Term Agri. Credit																i		
II) Microcredit	4	Short term Agri, Credit and Microcredit (CL-5)														i		
Sub-total of I & II		I) Short Term Agri. Credit														i -		
Sub-total (1+2+3+4)		II) Microcredit														i		
Sub-total (1+2+3+4)		Sub-total of I & II	•													i i		
Staff Loan Grand Total		Sub-total (1+2+3+4)														i -		
Grand Total		` /																
I TOIT-DATABLE SHEEL FAUGULE		Off-Balance Sheet Exposure														i		

#### CHECK LIST

Form No.	No. of Page (s)	Form No.	No. of Page (s)
CL-2		CL-4	
CL-3		CL-5	

NB: CF=CONSUMER FINANCING, HF=HOUSING FINANCE, LP=LOANS FOR PROFESSIONALS TO SET UP BUSINESS, SMA=SPECIAL MENTION ACCOUNT, SS=SUBSTANDARD, DF=DOUBTFUL, B/L=BAD/LOSS, BHs/ MBs,/SDs= LOANS TO BROKERAGE HOUSES/MERCHANT BANKS/STOCK DEALERS.

#### Rate of Provision:

Nate	01 1 1 0 1 1 5 1 0							
			Consu	mer finar	ncing		Loans to BHs/MBs/	All
Particula	ars	Term	Other	HF	LP	SMEF	SDs	other
		Agri.	than					Credit
		Credit	HF,LP					
UC	Standard	5%	5%	2%	2%	0.25%	2%	1%
	SMA	1	5%	2%	2%	0.25%	2%	1%
	SS	5%	20%	20%	20%	20%	20%	20%
Classified	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%

# CL-1

# OBU SUMMARY OF LOAN CLASSIFICATION AND PROVISION AS OF.....

Ref : BRPD	Circular no.	14, 19/2012
BRPD	Circular no.	. 05 /2013

**Bank Name:** 

## **Branch Name:**

# **Stamp of Branch Serial No.....**(As Provided by Bangladesh Bank)

(AMOUNT IN TAKA)

SL.	Categories of Loans	Total	1	Ralas	nce outstai	ading	Base for provision		ion Amount of		mount of Amount		Interest suspense on				
No.	Categories of Loans	1 Otal	Unclassif			Classified		SMA	SS	DF		Provision	of actual	UC	SMA	Classified	Total
110.			Standard	SMA	SS	DF	B/L	SWIA	55	Di	D/L	required	Provision	(standar	SWIA	A/Cs	1 Otal
			Standard	SMA	33	DF	D/L					required	110 1131011	d)		A/Cs	ŀ
														(if any)			ŀ
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Continuous Loan (CL-2)																
	I) Small & Medium Enterprise Financing (SMEF)																
	II) Consumer Financing (CF)																
	III) Loans to BHs/MBs/SDs																ŀ
	IV) Other than SMEF, CF, BHs/ MBs,/SDs																
	Sub-total of I, II, III & IV																
2	Demand Loan (CL-3)																
	I) Small & Medium Enterprise Financing (SMEF)																
	II) Consumer Financing (CF)																
	III) Loans to BHs/MBs/SDs																
	IV) Other than SMEF, CF, BHs/ MBs,/SDs																
	Sub-total of I, II, III & IV																
3	Fixed Term loan (CL-4)																
	I) Small & Medium Enterprise Financing (SMEF)																
	II) Consumer Financing (Other than HF & LP)																
	III) Housing Finance (HF)																
	IV) Loans for professionals to set up business (LP)																
	V) Loans to BHs/MBs/SDs																
	VI) Others than SMEF, CF, HF, LP, BHs/ MBs,/SDs																
	Sub-total of I, II, III, IV, V & VI																
4	Short term Agri. Credit and Microcredit (CL-5)																
	I) Short Term Agri. Credit																
	II) Microcredit																
	Sub-total of I & II																
	Sub-total (1+2+3+4)																
	Staff Loan																
	Grand Total																
	Off-Balance Sheet Exposure																

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## Rate of Provision :

Particula	urs	Short Term Agri. Credit	Consumer financing Other HF LP than HF.LP		SMEF	Loans to BHs/MBs/ SDs	All other Credit	
UC	Standard	5%	5%	2%	2%	0.25%	2%	1%
	SMA	-	5%	2%	2%	0.25%	2%	1%
	SS	5%	20%	20%	20%	20%	20%	20%
Classified	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%