

**Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka**

BRPD Circular No. 05

Date: May 29, 2013

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

