

Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular No-12

05 November 2007

Date -----
21 Kartik 1414

Chief Executives
All Scheduled Banks in Bangladesh.

Dear Sir,

**Minimum ceiling of Paid up Capital and Statutory Reserve
of all Scheduled Banks operating in Bangladesh.**

The Paid up capital and Statutory Reserve of all Bank Companies in Bangladesh has been raised at the minimum ceiling of taka 200.00 crore by amending Article 13 of Bank Company Act, 1991 vide Bank Company (Amendment) Ordinance 2007 on October 08, 2007.

In view of the aforesaid amendment of the Act, banks having shortfall of paid up capital and Statutory Reserve will follow the following instructions to meet the shortfall:

1. At least 50% of shortfall of required capital must be fulfilled within June 2008;
2. The residual portion of the required capital must be fulfilled within June 2009;
3. To raise minimum required capital banks may raise the reserve by keeping profit after tax, by issuing Right Shares or IPO, if applicable;
4. Feasibility of merging with other banks and financial institutions may be considered to ensure the fulfilment of required capital and reserve within the given time limit;
5. Any bank having shortfall of required capital and reserve will not pay or declare cash dividend;
6. Foreign bank will have to meet the capital shortfall by not repatriating the profit or by bringing in additional capital from abroad within the said time limit;
7. All Scheduled Banks will take necessary measures to amend their Memorandum and Articles of Association in conformity with the amendment of the Act.

Please acknowledge receipt.

Yours Sincerely

Sd/-
(Naba Gopal Banik)
General Manager
Phone: 7117825