

Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular Letter No.08

16 October, 2005
Date : -----
01 Kartik , 1412

Chief Executives
All Scheduled Banks in Bangladesh

Dear Sir,

Amendments of the formats regarding
Loan Classification, Provisioning and Interest Suspense Account

Please refer to our BRPD Circular Letter No. 02 dated 18-01-1999 on the captioned subject.

02. Necessary CL forms on Loan Classification, Provisioning and Interest Suspense Account were forwarded through the said circular letter. It needs to be mentioned that policy on maintaining general provision @ 5% on "Special Mention Account" has been circulated vide BRPD Circular No. 09 dated 20-08-2005. Furthermore, banks have already been advised to maintain general provision @ 2% on Small Enterprise Financing and Consumer Financing. Hence, in case of loan classification from 31/12/2005 being the reference date necessary adjustment has been made to the existing CL forms (CL-1, CL-2, CL-3, CL-4 and CL-5) and incorporated in the amended CL forms enclosed here-with. The other format (CL-6) forwarded through circular letter no. 2/99 will remain unchanged.

03. You are advised to inform all of your branches immediate and take necessary action on the matter.

Please acknowledge receipt.

Yours sincerely,

Encl : 05(five)

(Naba Gopal Banik)
General Manager
Phone : 7117825

CL-1

BRANCH SUMMARY OF LOAN CLASSIFICATION AND PROVISION AS OF-----

BANK NAME:

BRANCH NAME:

Stamp of Branch Serial No. (As provided by Bangladesh Bank).....

(Taka in '000)

Sector	Total	Balance outstanding					Base for provision				Amount of provision required	Interest suspense
		Unclassified (UC)		Substandard (SS)	Doubtful (DF)	Bad/Loss (B/L)	SMA	Substandard (SS)	Doubtful (DF)	Bad/Loss (B/L)		
		Standard	SMA									
1	2	3	4	5	6	7	8	9	10	11	12	13
Continuous Loan(CL-2)												
Demand Loans(CL-3)												
Term Loan upto 5 years (CL-4)												
Term Loan over 5 years (CL-5)												
Short Term Agri. credit and Microcredit (CL-6)												
Sub-Total												
Staff Loan												
Total												

CHECK LIST

Form No.	No. of Pages	Form No.	No. of Pages
CL-2		CL-5	
CL-3		CL-6	
CL-4			

RATE OF PROVISION

Particulars	Short Term Agri. credit and microcredit	All other credit
Unclassified	5%	1%(Except Small Enterprise Financing & Consumer Financing) and 2%(For Small Enterprise Financing & Consumer Financing)
SMA		5%
Sub-standard	5%	20%
Doubtful	5%	50%
Bad/Loss	100%	100%

CL-4

RETURNS FOR CLASSIFICATION OF TERM LOANS AND ADVANCES (UPTO 5 YEARS) AS OF

BANK NAME:

BRANCH NAME:

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

Page No.

SL. No.	Name of borrower	Loan identification No	Principal Amount	Date of sanction/last renewal/Rescheduling DD MM YY	Outstanding as of reference date	Amount in arrears	Time equivalent of amount in arrears	Preliminary status of classification		Final Classification	
								Objective criteria	Qualitative Judgement	Classification status	Basis for classification
1	2	3	4	5	6	7	8	9	10	11	12
Total											

SL No	Amount classified/Unclassified					Cumulative interest suspense as on reference date	Value of eligible securities (in nearest Taka)	Base for Provision for				Remarks
	Unclassified (UC)		Substandard (SS)	Doubtful (DF)	Bad/Loss (BL)			SMA (Col. 14-18)	Substandard (SS) (Col.15-18-19)	Doubtful (DF) (Col.16-18-19)	Bad/Loss (BL) (Col.17-18-19)	
	Standard	SMA										
1	13	14	15	16	17	18	19	20	21	22	23	24
Total												

Note

Col.7= Amount due-Amount paid

Col.8= $\frac{\text{Col.7} \times \text{Instalment Frequency (months)}}{\text{Instalment size}}$

