website: www.bb.org.bd

Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka-1000

BRPD Circular Letter No-52

Date : 20 October, 2020 / 04 Kartik, 1427

Managing Director/Chief Executives
All Scheduled Banks in Bangladesh.

Dear Sir,

Loan Classification and Provisioning

Please refer to BRPD Circular No. 05 dated 29 May, 2013 and BRPD Circular No. 12 dated 20 August, 2017 on the captioned subject.

2. According to BRPD Circular- 05/2013, banks are required to maintain 5% General Provision against unclassified loans under Consumer Financing (other than House Finance and Loan to Professionals) and BRPD Circular-12/2017; banks have to maintain 2% General provision against unclassified credit card loans.

3. With a view to meeting emergent demand of consumer loan and to encourage banks' participation in this segment, it has now been decided that banks have to maintain 2% General Provision against unclassified loans of all categories under Consumer Financing excluding House Finance. In case of House Finance, the required rate of General Provision will remain same (i.e. 1%) as before.

4. All other instructions of the above mentioned circulars will remain unchanged.

5. This circular letter has been issued under the power conferred by section 45 of Bank Company Act, 1991.

This circular will come into force with immediate effect.

Yours sincerely,

(Md. Nazrul Islam)
General Manager
Phone: 9530252