

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

27 September, 2017

BRPD Circular No- 15

Date : -----

12 Ashwin, 1424

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 BRPD Circular No. 16, dated November 18, 2014 on the captioned subject.

As per above mentioned circular (BRPD Circular No-16/2014) banks are required to maintain 2.5% provision against all unclassified credits (irregular and regular) under Short-term Agricultural and Micro-Credits. With a view to encouraging participation of the banks in disbursing agricultural and micro-credits, it has been decided that banks will maintain 1% General Provision instead of 2.5% against all unclassified Short-term Agricultural and Micro-Credits.

Accordingly, Section 4(c) of the BRPD Circular No. 14, dated September 23, 2012 has been replaced as follows:

“ Provision for Short-term Agricultural and Micro-Credits:

- | | |
|--|----------|
| (1) All unclassified Credits (irregular and regular) | : 1% |
| (2) Classified as ‘Sub-standard’ and ‘Doubtful’ | : 5% |
| (3) Classified as ‘Bad/Loss’ | : 100%.’ |

This circular will come into force with immediate effect.

Yours sincerely,



(Abu Farah Md. Nasser)
General Manager
Phone: 9530252