



Website: <http://www.bangladesh-bank.org>

**Department of Off-site Supervision  
Bangladesh Bank  
Head Office  
Dhaka-1000**

DOS Circular No.-02

Date: 15 February 2012  
03 Falgun 1418

Chief Executives  
All Scheduled Banks in Bangladesh

Dear Sir,

**Risk Management Guidelines for Banks**

You are aware that banks in the financial services industry are facing various challenges attributable to increased competition and expansion of diversified business network. Though Bangladesh has fortunately been spared some of the recent worst upheavals that have occurred in other countries, the necessity of constant vigilance cannot be ignored. Bangladesh Bank has already issued guidelines on risk based capital adequacy, stress testing and managing banking risks in six core areas.


With a view to managing various risks in a prudent manner, scheduled banks are hereby instructed to follow the attached risk management guidelines. The document should be treated as *supplement to, and not a substitute for, existing core risks guidelines.*

Banks have to prepare a risk management paper and must place the same in the monthly meeting of the Risk Management Unit. The minutes of the meetings should contain specific decisions based on the analyses/recommendations made in the risk management paper.

Banks have to submit risk management papers (hard & soft copies for successive months of each quarter) along with the minutes of the meetings within 10 days of each quarter end to the Department of Off-site Supervision.

This circular along with the guidelines are available on the website of Bangladesh Bank and shall come into force with immediate effect.

Yours sincerely,

  
(K.M. Gousuzzaman)  
General Manager  
Phone: 7120376

Enclosure: As above