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**Bangladesh Bank**  
Head Office  
Dhaka

**Financial Institutions  
Department**

FID Circular No. **06**

Dated : **20** August, 2006

Managing Director/Chief Executive  
All Financial Institutions

Dear Sir,

**Policy on Loan/lease Classification and Provisioning**

In order to strengthen credit discipline and bring classification policy in line with international standards, Bangladesh Bank has revised its prudential norms for loan/lease classification and provisioning from time to time. As part of the process, Bangladesh Bank has introduced "Special Mention Account" and provisioning thereof vide FID Circular No-03, dated 03 may 2006. In terms of the above, the Financial Institutions will conduct their loan/lease classification and provisioning. For this purpose, we are enclosing herewith the revised format of (FICL-1, 2A, 2B, 3A, 3B, 4A, 4B, 5 & 6).

All other instructions contained in FID Circular No.08/2002, 11/2005 & 03/2006 will remain unchanged.

Please acknowledge receipt.

Yours faithfully,

Enclosure : 09 (Nine) .

(Md. Masum Patwary)  
Joint Director  
Phone : 7126101-20/3155.

NAME OF THE FI :

BRANCH NAME:

(taka in thousand)

SL. NO.	Sectors	Total	Balance Outstanding					Base for provision				Amount of provision required	Interest suspense on			
			Unclassified(UC)		Classified			SMA	SS	DF	B/L		Standard (if any)	SMA	Classified A/Cs	Total
			Standard	SMA	SS	DF	B/L									
			3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Lease Finance (FICL-2A)															
	Lease Finance (FICL-2B)															
	Term Loans(FICL-3A)															
	Term Loans(FICL-3B)															
	Housing Finance(FICL-4A)															
	Housing Finance(FICL-4B)															
	Other Assets(FICL-5)															
	Investments(FICL-6)															
	Total															

CHECK LIST	
Form No.	No.of Pages
FICL-2A	
FICL-2B	
FICL-3A	
FICL-3B	
FICL-4A	
FICL-4B	
FICL-5	
FICL-6	

RATE OF PROVISION	
Particulars	All Loan/Leases
Standard	1%
SMA	5%
Sub-standard	20%
Doubtful	50%
Bad/Loss	100%

AMOUNT OF ACTUAL PROVISION(taka in thousand) -----

SMA ➔ SPECIAL MENTION ACCOUNT, SS ➔ SUB-STANDARD, DF ➔ DOUBTFUL, B/L ➔ BAD/LOSS

**RETURN FOR CLASSIFICATION OF LEASES OF FINANCIAL INSTITUTIONS(Repayable within 5 Years) as of .....**

Name of the FI :

Branch name :

Page-  
(Amount in Taka)

SI No.	Name of the Lessee	Lease No./Lease A/C No	Lease Amount	Date of Lease Execution DD MM YY	Rescheduled Amount	Date of rescheduling DD MM YY	Amount of Outstanding as of Reference date	Installment		Amount due as on Reference date	Amount Paid as on Reference date	Amount in Arrears	Time Equivalent of Amount in Arrears*	Preliminary Status of Classification		Final Classification	
								Size	Frequency					Objective Criteria	Qualitative Judgement	Classification Status	Basis for Classification
1	2	3	4	5	6	7	8	9	10	11	12	13=11-12	14	15	16	17	18

Amount Unclassified(UC)		Amount Classified			Cumulative Interest suspense as of reference date				Value of eligible securities (in nearest taka)	Base for Provision for				Remarks	
Standard	SMA	Sub-standard (SS)	Doubtful (DF)	Bad/Loss (BL)	Standard (if any)	SMA	Classified A/Cs	Total		SMA {col.20-25}	Sub-standard (SS) {col.21-26-28}	Doubtful (DF) {col.22-26-28}	Bad/Loss (BL) {col.23-26-28}		
19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	

\* Time Equivalent of Amount in Arrears =  $\frac{\text{Amount in Arrears} \times \text{Installment Frequency}}{\text{Installment Size}}$

RETURN FOR CLASSIFICATION OF LEASES OF FINANCIAL INSTITUTIONS(Repayable in more thn 5 Years) as of .....

Name of the FI

Branch name :

Page-  
(Amount in Taka)

SI No.	Name of the Lessee	Lease No./Lease A/C No	Lease Amount	Date of Lease Execution DD MM YY	Rescheduled Amount	Date of rescheduling DD MM YY	Amount of Outstanding as on Reference date	Installment		Amount due as of Reference date	Amount Paid as on Reference date	Amount in Arrears	Time Equivalent of Amount in Arrears*	Preliminary Status of Classification		Final Classification	
								Size	Frequency					Objective Criteria	Qualitative Judgement	Classification Status	Basis for Classification
1	2	3	4	5	6	7	8	9	10	11	12	13=11-12	14	15	16	17	18

	Amount Unclassified(UC)		Amount Classified			Cumulative Interest suspense as of reference date				Value of elligible securities (in nearest taka)	Base for Provision for				Remarks	
	Standard	SMA	Sub-standard (SS)	Doubtful (DF)	Bad/Loss (BL)	Standard (if any)	SMA	Classified A/Cs	Total		SMA {col.20-25}	Sub-standard (SS) {col.21-26-28}	Doubtful (DF) {col.22-26-28}	Bad/Loss (BL) {col.23-26-28}		
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	

\* Time Equivalent of Amount in Arrears = 
$$\frac{\text{Amount in Arrears} \times \text{Installment Frequency}}{\text{Installment Size}}$$

RETURN FOR CLASSIFICATION OF LOANS OF FINANCIAL INSTITUTIONS(Repayable within 5 Years) as of .....

Name of the FI :

Branch Name :

Page-  
(Amount in Taka)

SI No.	Name of the Borrower	Loan No./Loan A/C no.	Loan Amount	Date of Loan Execution DD MM YY	Rescheduled Amount	Date of rescheduling DD MM YY	Amount of Outstanding as of Reference date	Installment		Amount due as on Reference date	Amount Paid as on Reference date	Amount in Arrears	Time Equivalent of Amount in Arrears*	Preliminary Status of Classification		Final Classification	
								Size	Frequency					Objective Criteria	Qualitative Judgement	Classification Status	Basis for Classification
1	2	3	4	5	6	7	8	9	10	11	12	13=11-12	14	15	16	17	18

Amount Unclassified(UC)		Amount Classified			Cumulative Interest suspense as of reference date				Value of eligible securities (in nearest taka)	Base for Provision for				Remarks	
Standard	SMA	Sub-standard (SS)	Doubtful (DF)	Bad/Loss (BL)	Standard (if any)	SMA	Classified A/Cs	Total		SMA {col.20-25}	Sub-standard (SS) {col.21-26-28}	Doubtful (DF) {col.22-26-28}	Bad/Loss (BL) {col.23-26-28}		
19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	

\* Time Equivalent of Amount in Arrears =  $\frac{\text{Amount in Arrears} \times \text{Installment Frequency}}{\text{Installment Size}}$

RETURN FOR CLASSIFICATION OF LOANS OF FINANCIAL INSTITUTIONS(Repayable in more than 5 Years) as of .....

Name of the FI :

Branch Name :

Page-  
(Amount in Taka)

Sl No.	Name of the Borrower	Loan No./Loan A/C no.	Loan Amount	Date of Loan Execution DD MM YY	Rescheduled Amount	Date of rescheduling DD MM YY	Amount of Outstanding as of Reference date	Installment		Amount due as of Reference date	Amount Paid as of Reference date	Amount in Arrears	Time Equivalent of Amount in Arrears*	Preliminary Status of Classification		Final Classification	
								Size	Frequency					Objective Criteria	Qualitative Judgement	Classification Status	Basis for Classification
1	2	3	4	5	6	7	8	9	10	11	12	13=11-12	14	15	16	17	18

	Amount Unclassified(UC)		Amount Classified			Cumulative Interest suspense as of reference date				Value of eligible securities (in nearest taka)	Base for Provision for				Remarks	
	Standard	SMA	Sub-standard (SS)	Doubtful (DF)	Bad/Loss (BL)	Standard (if any)	SMA	Classified A/Cs	Total		SMA {col.20-25}	Sub-standard (SS) {col.21-26-28}	Doubtful (DF) {col.22-26-28}	Bad/Loss (BL) {col.23-26-28}		
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	

\* Time Equivalent of Amount in Arrears = 
$$\frac{\text{Amount in Arrears} \times \text{Installment Frequency}}{\text{Installment Size}}$$

RETURN FOR CLASSIFICATION OF HOUSING LOANS OF FINANCIAL INSTITUTIONS(Repayable within 5 Years) as of .....

Name of the FI :

Branch Name :

Page-  
(Amount in Taka)

Sl No.	Name of the Borrower	Housing Finance No./ Housing Finance A/C no.	Housing Finance Amount	Date of Housing Finance Execution DD MM YY	Rescheduled Amount	Date of rescheduling DD MM YY	Amount of Outstanding as of Reference date	Installment		Amount due as of Reference date	Amount Paid as of Reference date	Amount in Arrears	Time Equivalent of Amount in Arrears*	Preliminary Status of Classification		Final Classification	
								Size	Frequency					Objective Criteria	Qualitative Judgement	Classification Status	Basis for Classification
1	2	3	4	5	6	7	8	9	10	11	12	13=11-12	14	15	16	17	18

	Amount Unclassified(UC)		Amount Classified			Cumulative Interest suspense as of reference date				Value of eligible securities (in nearest taka)	Base for Provision for				Remarks	
	Standard	SMA	Sub-standard (SS)	Doubtful (DF)	Bad/Loss (BL)	Standard (if any)	SMA	Classified A/Cs	Total		SMA {col.20-25}	Sub-standard (SS) {col.21-26-28}	Doubtful (DF) {col.22-26-28}	Bad/Loss (BL) {col.23-26-28}		
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	

\* Time Equivalent of Amount in Arrears = 
$$\frac{\text{Amount in Arrears} \times \text{Installment Frequency}}{\text{Installment Size}}$$

RETURN FOR CLASSIFICATION OF HOUSING LOANS OF FINANCIAL INSTITUTIONS(Repayable in more than 5 Years) as of .....

Name of the FI :

Branch Name :

Page-  
(Amount in Taka)

Sl No.	Name of the Borrower	Housing Finance No./ Housing Finance A/C no.	Housing Finance Amount	Date of Housing Finance Execution DD MM YY	Rescheduled Amount	Date of rescheduling DD MM YY	Amount of Outstanding as of Reference date	Installment		Amount due as of Reference date	Amount Paid as of Reference date	Amount in Arrears	Time Equivalent of Amount in Arrears*	Preliminary Status of Classification		Final Classification	
								Size	Frequency					Objective Criteria	Qualitative Judgement	Classification Status	Basis for Classification
1	2	3	4	5	6	7	8	9	10	11	12	13=11-12	14	15	16	17	18

	Amount Unclassified(UC)		Amount Classified			Cumulative Interest suspense as of reference date				Value of eligible securities (in nearest taka)	Base for Provision for				Remarks	
	Standard	SMA	Sub-standard (SS)	Doubtful (DF)	Bad/Loss (BL)	Standard (if any)	SMA	Classified A/Cs	Total		SMA {col.20-25}	Sub-standard (SS) {col.21-26-28}	Doubtful (DF) {col.22-26-28}	Bad/Loss (BL) {col.23-26-28}		
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	

\* Time Equivalent of Amount in Arrears = 
$$\frac{\text{Amount in Arrears} \times \text{Installment Frequency}}{\text{Installment Size}}$$



**RETURN FOR CLASSIFICATION OF OTHER ASSETS OF FINANCIAL INSTITUTIONS as of .....**

**Name of the FI :**

**Branch Name :**

**Page-**

(Amount in Taka)

SI No.	Name/Nature of the Asset	Finance No./A/C No.	Finance Amount	Date of Initiation DD MM YY	Amount of Outstanding as os Reference Date	Due Date of Repayment	Time in Arrear	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

Standard	SMA	Amount Classified			Cumulative Interest suspense as of reference date				Value of eligible securities (in nearest taka)	Base for Provision for				Remarks
		Sub-standard (SS)	Doubtful (DF)	Bad/Loss (BL)	Standard (if any)	SMA	Classified A/Cs	Total		SMA {col.14-19}	Sub-standard (SS) {col.15-20-22}	Doubtful (DF) {col.16-20-22}	Bad/Loss (BL) {col.17-20-22}	
13	14	15	16	17	18	19	20	21	22	23	24	25	26	27

\*Time in Arrears = Reference Date -Due Date of Repay

