



# Bangladesh Bank

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**Banking Regulation &  
Policy Department- 1**

BRPD-1 Circular Letter No.- 18

14 May 2026  
Date: -----  
31 Baishakh 1433

Managing Director/Chief Executives  
All Scheduled Banks operating in Bangladesh

Dear Sir,

**Single Borrower and large Loan Exposure Limit  
(Aggregate Exposure and Applicable Conversion Factor)**

Please refer to BRPD Circular No. 01, dated 16 January 2022, and subsequent circulars or circular letters on the captioned subject.

2. Section 2A(i)(b) of the aforesaid circular states that the aggregate principal amount of funded exposure to a single person/counterparty or a group shall not exceed 15% of the capital at any point of time. Section 2A(ii)(a) of the aforesaid circular states that “In order to calculate aggregate principal amount, a conversion factor of 0.50 shall be used against non-funded exposure; i.e., 100% of funded exposure and 50% of non-funded exposure shall be considered”. Section 2B(ii) of the aforesaid circular states that “In order to determine Large Loan Portfolio Ceiling of any bank, 100% of funded exposure, 50% of non-funded exposure except for the power sector, and 25% of non-funded exposure in the power sector shall be included in total Loans & Advances as well as in large loan exposure”.
3. In order to ease of international trade finance of the business and industry, the following decisions have been taken:
  - a) The direction of the Section 2A(i)(b) will be postponed until 30 June 2028. So, the aggregate principal amount of funded and non-funded exposure to a single person/counterparty or a group shall not exceed 25% of the capital at any point of time until the aforesaid date.
  - b) A reduced conversion factor of 0.25 shall be applied to non-funded exposure; i.e., 25% of non-funded exposure shall be taken into account. Similarly, in order to determine the Large Loan Portfolio Ceiling of any bank, 25% of non-funded exposure shall be included in total loans & advances, as well as in large loan exposure.
  - c) The above relaxation on the conversion factor will remain in effect until 30 June 2027. Thereafter, banks shall raise this conversion factor up to 0.30 (i.e., 30%) by 31 December 2027, up to 0.40 (i.e., 40%) by 31 December 2028, and up to 0.50 (i.e., 50%) by 31

December 2029. From 01 January 2030, Section 2A(ii)(a) and Section 2B(ii) will be applicable as they are.

d) Additionally, section 2B(i) of BRPD Circular No. 01/2022 will be replaced as follows:

**“Aggregate Exposure:** The banks shall sanction large loans as per the following limits set against their respective classified loans:

<b>Percentage of Classified Loan to Total Outstanding</b>	<b>Large Loan Portfolio Ceiling against Bank's Total Loans &amp; Advances</b>
Less than or equal to 10%	50%
Greater than 10% but less than or equal to 15%	46%
Greater than 15% but less than or equal to 20%	42%
Greater than 20% but less than or equal to 25%	38%
Greater than 25% but less than or equal to 30%	34%
Greater than 30%	30%

However, the aggregate amount of large loan exposure shall not exceed 600% of the bank’s capital at any point of time.”

e) The replacement clause in Paragraph 3(d) of this circular will remain effective until 31 December 2027. From 01 January 2028, Section 2B(i) will be applicable as stated in BRPD Circular No. 01/2022.

4. The other instructions provided vide BRPD Circular No. 01/2022, and subsequent circulars or circular letters will remain unchanged.
5. This directive has been issued by Bangladesh Bank in exercise of its power conferred on it under Sections 26(Kha) and 45 of the Bank Company Act, 1991, as amended. This circular Letter will come into force with immediate effect.

Yours faithfully,



(Gazi Md. Mahfuzul Islam)  
Director (BRPD)  
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