

Credit Circular No. 07/2017/8847

June 06, 2017

To : All Branch Managers, Dhaka Bank Limited
All SME Unit Heads, Dhaka Bank Limited
All Regional Managers, Dhaka Bank Limited
All Heads of Divisions/Departments/Units, DBL Head Office

Subject : Application of Revised Interest/Profit rate and Overdue charges

We would inform all concerned that ALCO, Head Office in a meeting held on June 06, 2017 has reviewed the rate of interest/ profit for different types of loans & advances and has revised the same to be effective from 07.06.2017. A copy of the revised interest/profit rate is enclosed for your necessary action. As per Credit Circular no. 02/2014/1927 dated 28.01.2014 penal interest is to be charged on Overdue liability @2% p.a. until further instruction from Head Office. Competent authority may allow to reduce the overdue interest rate in special cases.

In case of existing loan facility(ies)/ contracts, the new lending rate will be applicable at the time of next review/ renewal of the facility(ies) by the approving authority.

Maximum 3% interest rate will be varied among the borrowers in same lending categories considering comparative risk elements involved with the borrowers. For different sectors, interest may be proposed at 1.50% more or less than the announced mid-rate on the basis of the comparative credit risk. **Please note that branch/unit shall preferably apply the highest rate of interest/profit rate.**

However, in consideration of the client's credentials, satisfactory past performance, good credit rating and other justifiable aspects, lower rate within the band may be applied with the prior approval of the Head Office.

The special rate may be allowed to the clients on selective basis.

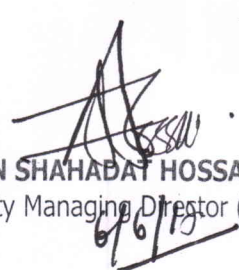
This circular will supersede all previous circulars on lending rates.

All concerned are requested to follow the instructions meticulously.

Head Office may be consulted should any further clarification is required.


MD. ABDUL MATIN

EVP and Head, CRM Division


KHAN SHAHADAT HOSSAIN
Deputy Managing Director (RM)

CC : The Acting Managing Director
The Deputy Managing Directors
The Company Secretary
The Principal, DBTI

For kind information

The Head, R&D Division

For information with the request to publish on the Bank's website.

Sub: Revised interest/ profit rate with effect from 07.06.2017			Interest /Profit Rate p.a.	
SL	Category of Credit facilities		Previous	Revised
1	Agriculture ^[A]		Maximum 10.00%	Maximum 10.00%
2	Term Loan to Large Industries:			
	a.	Export oriented	10.00% (mid rate)	10.00% (mid rate)
	b.	Others	10.00% (mid rate)	10.00% (mid rate)
3	Working Capital loan to Large Industries:			
	a.	Export oriented	10.00% (mid rate)	10.00% (mid rate)
	b.	Others	10.00% (mid rate)	10.00% (mid rate)
4	Term Loan to Medium, Small, Micro and Cottage Industries:			
	a.	Medium	13.00% (mid rate)	12.00% (mid rate)
	b.	Small	13.50% (mid rate)	12.50% (mid rate)
	c.	Micro	13.50% (mid rate)	12.50% (mid rate)
	d.	Cottage	13.50% (mid rate)	12.50% (mid rate)
5	Working Capital loan to Medium, Small, Micro and Cottage Industries:			
	a.	Medium	11.50% (mid rate)	11.50% (mid rate)
	b.	Small	13.00% (mid rate)	12.50% (mid rate)
	c.	Micro	13.50% (mid rate)	12.50% (mid rate)
	d.	Cottage	13.50% (mid rate)	12.50% (mid rate)
6	Pre shipment export credit (Packing Credit) ^[A]		7.00%	7.00%
7	Commercial Lending/ Trading:			
	a.	Import/ post import financing		
		Large Corporate [100 Crore & Above]	11.00% (mid rate)	11.00% (mid rate)
		Other than Large Corporate [15 Crore to <100 Crore]	12.50% (mid rate)	12.50% (mid rate)
	b.	Others	12.50% (mid rate)	12.50% (mid rate)
8	Work Order Finance:			
	a.	Large Corporate [100 Crore & Above]	11.50% (mid rate)	10.00% (mid rate)
	b.	Other than Large Corporate [15 Crore to <100 Crore]	13.00% (mid rate)	12.00% (mid rate)
	c.	SME	14.00% (mid rate)	12.50% (mid rate)
9	Housing:			
	a.	Commercial		
		Large Corporate [100 Crore & Above]	11.00% (mid rate)	11.00% (mid rate)
		Other than Large Corporate [15 Crore to <100 Crore]	12.50% (mid rate)	12.50% (mid rate)
	b.	Commercial cum residential	12.50% (mid rate)	12.50% (mid rate)
	c.	Residential	12.50% (mid rate)	12.50% (mid rate)
10	Consumer Credit:			
	a.	Home Loan (upto Tk. 12.00 million) – individual	10.25% (mid rate)	10.25% (mid rate)
	b.	Car Loan:		
		i. Corporate tie up	11.50% (mid rate)	11.50% (mid rate)
		ii. Reputed Salaried & Professional	11.50% (mid rate)	11.50% (mid rate)
		iii. Businessperson & Others	11.50% (mid rate)	11.50% (mid rate)
	c.	Personal Loan:		
		i. Corporate tie up	12.50% (mid rate)	12.50% (mid rate)
		ii. Reputed Salaried & Professional ^[E]	12.50% (mid rate)	12.50% (mid rate)
		iii. Businessperson & Others	12.50% (mid rate)	12.50% (mid rate)
11	Finance to NBFIs [Non-Bank Financial Institutes]		11.50% (mid rate)	11.00% (mid rate)
12	Finance to MFIs [Micro-finance Institutes]		9.50% (mid rate)	9.00% (mid rate)
13	Others:			
	a.	Loan against Cash collateral:		
		i. DBL FDR ^[B]	3% spread	3% spread
		ii. a) Other Bank/ NBFi FDR	11.50% [mid rate]	11.50% [mid rate]
		b) Other Bank/ NBFi FDR for NBFi/Leasing Co./Corporate	8.50% [mid rate]	8.50% [mid rate]
		iii. Deposit schemes (other than SDS) of Dhaka Bank (Maximum 90%) ^[B]	3% spread	3% spread
		iv. For Special Deposit Scheme (Maximum 80%) ^[B]	3% spread	3% spread
		v. Special Loan against DBL Cash Collateral ^[B]	12.00% [mid rate]	12.00% [mid rate]
	b.	Special Scheme Loans ^[C]	13.00% (mid rate)	12.50% (mid rate)
	c.	Women Entrepreneur ^[D]	13.00% (mid rate)	12.50% (mid rate)
	d.	Bill Discount/Purchase ^[F]		
		Large Corporate [100 Crore & Above]	Prescribed WC rate	
		Others [Including SME]	Prescribed WC rate	
	e.	Lease Financing	10.50% (mid rate)	10.50% (mid rate)
		(Lease rental factor)	13.50% (mid rate)	12.50% (mid rate)
	f.	Others: Working Capital Short Term financing to corporate / 100% collateral based working capital / one off facilities to large corporate industry.	8.75% (mid-rate)	8.75% (mid-rate)
	g.	STL-Telecommunication/ FMCG [First Moving Consumer Goods]	Dibor+1.00%	Dibor+1.00%
	h.	Finance to our subsidiary	5.00%	5.00%

[A] Rate Ceiling Fixed by Central Bank with effect from 01.07.2016

[B] For lending against DBL FDR and deposit schemes, the rate will be minimum 3% above the rate of the instrument [Minimum 2% for DBL employees]. In case of more than one instrument, the weighted average rate plus 3% shall be applicable. The Management may allow lower rate and margin at their discretion in special cases. In case of lending against FDR, minimum 3 months FDRs will be acceptable as collateral. In case of more than one instrument, branch will ensure changing lending rate of SOD facility accordingly in line with change of FDR rate. Branches may maintain a separate database of liened FDRs with their respective maturity date for matching lending rate of SOD with FDR rate. Special Loan against DBL cash collateral applying 12.00% [mid-rate], prior Head Office approval is required.

[C] If refinance is available, Bangladesh Bank prescribed rate will be applicable.

[D] 10% p.a. in case of refinance received from Bangladesh Bank.

[E] 9% p.a. for DBL Employees.

[F] For Bill Discount/Purchase [viz. IDBP, LABA], Prescribed working capital rate of the respective ceiling will be applicable.

MD. ABDUL MATIN
EVP and Head, CRM Division

KHAN SHAHADAT HOSSAIN
Deputy Managing Director (RM)