



**BASIC Bank Limited**  
*Serving people for progress*  
A STATE OWNED SCHEDULED BANK

**Treasury and Capital Market Services Division  
Head Office, Dhaka**

**Circular no: BASIC/HO/TCMSD/2019/03**

**Date: October 01, 2019**

**TO: ALL DIVISIONAL HEADS & BRANCH IN-CHARGES OF BASIC BANK LIMITED**

**Subject: Circulating afresh "Schedule of Interest Rates on Lending" incorporating all changes.**

The Board of Directors of the Bank in its 479<sup>th</sup> meeting held on September 11, 2019 approved revision of lending rates on different categories.

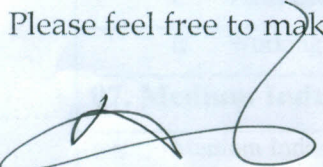
In light of the above and to avoid complexity of going through previously issued different amendments and clarifications related to prevailing lending rates, it was also approved to circulate afresh the revised "Schedule of Interest Rates on Lending" as per Annexure-1 updating all previously issued relevant amendments and clarifications and newly approved revisions and clarifications as mentioned above.

This newly issued "**Schedule of Interest Rates on Lending**" will be effective from October 02, 2019. Our previously issued circulars and amendments on "Schedule of Interest Rates on Lending" will stand cancelled from the effective date of this new circular; i.e., from October 02, 2019.

Please note that the interest rates that are mentioned in the Schedule of Interest rates on Lending (Annexure-1) will be applicable for all types of clients including those who are currently enjoying the facility of reduced/special/preferential interest rates of lending. However, if the current interest rate for any existing loan account is above the prescribed rate i.e the rate mentioned in the attached Schedule of Interest rates on Lending, that interest rate will remain unchanged.

The interest rate schedule is to be displayed in a prominent place of the Branch for information of all concerned.

Please feel free to make any relevant queries, if any, to the undersigned.

  
Md. Mahmud Hasan  
Deputy General Manager



  
Md. Ismail  
General Manager

Enclosed: Schedule of Interest Rates on Lending

Copy to:

1. PS to The Managing Director, Head Office, Dhaka
2. PS to The Deputy Managing Director, Head Office, Dhaka
3. All General Managers, Head Office, Dhaka.



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Schedule of Interest rates on Lending

Category	Interest Rate
<b>01. Agriculture :</b>	
a. Primary Products (Crops)-	9.00% p.a.
b. Others	9.00% p.a.
<b>02. Agro Based Industries :</b>	
a. Agro based Industries – Term Lending	9.00% p.a.
b. Agro based Industries – Working Capital	9.00% p.a.
<b>03. Micro and Cottage Industry:</b>	
a. Micro and Cottage Industry : Service and Manufacturing	
i. Term Lending	9.00% p.a.
ii. Working Capital	9.00% p.a.
<b>04. Micro and Cottage Enterprise :</b>	
a. Micro and Cottage Enterprise: Business / Commercial / Trading	
i. Term Lending	11.50% p.a.
ii. Working Capital	12.50% p.a.
b. Micro Enterprise : Business / Commercial / Trading	
i. Term Lending	12.50% p.a.
ii. Working Capital	13.00% p.a.
<b>05. Small Industry:</b>	
a. Small Industry: Service and Manufacturing	
i. Term Lending	9.00% p.a.
ii. Working Capital	9.00% p.a.
<b>06. Small Enterprise:</b>	
b. Small Enterprise: Business / Commercial / Trading	
i. Term Lending	12.50% p.a.
ii. Working Capital	12.75% p.a.
<b>07. Medium Industry:</b>	
a. Medium Industry: Service and Manufacturing	
i. Term Lending	9.00% p.a.
ii. Working Capital	9.00% p.a.
<b>08. Medium Enterprise:</b>	
a. Medium Enterprise: Business / Commercial / Trading	
i. Term Lending	12.50% p.a.
ii. Working Capital	12.75% p.a.





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Category	Interest Rate
<b>09. Large Industry (Service and Manufacturing):</b>	
i. Term Lending	9.00% p.a.
ii. Working Capital	9.00% p.a.
<b>10. Commercial Lending (Business/Commercial/Trading)</b>	
a. Enterprises not covered under Cottage/Micro/Small/Medium Enterprises	13.00% p.a.
b. Others	13.00% p.a.
<b>11. Loan against documentary bills accepted by banks -</b>	
a. Payment in Foreign Currency	11.00% p.a.
b. Payment in local Currency	12.00% p.a.
<b>12. Trade Financing :</b>	
a. Export (Direct): (applicable only for financing at pre-shipment stage)	
i. Packing Credit (PC)	7.00% p.a.
ii. Export Cash Credit (ECC)	7.00% p.a.
b. Import : (including PAD, LIM, LTR)	
i. Agro Based Industries	11.00% p.a.
ii. Micro and cottage Industry	11.00% p.a.
iii. Small Industry	11.00% p.a.
iv. Medium Industry	11.00% p.a.
v. Large Industry	11.00% p.a.
vi. Others	13.00% p.a.
<b>13. Other Short Term Loan(STL)</b>	
a. Agriculture-Primary products	9.00% p.a.
b. Agriculture- Others	9.00% p.a.
c. Agro Based Industries	11.00% p.a.
d. Industrial (Service and Manufacturing)	11.00% p.a.
e. Business/ Commercial / Others	13.00% p.a.
<b>14. Other Demand / Forced Loan</b>	
a. Industrial (Service and Manufacturing)	13.00% p.a.
b. Business / Commercial / Others	13.00% p.a.
<b>15. Advance / Loan against Work Order including STL</b>	13.00% p.a.





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<b>16. Overdraft against: (in case OD against FDRs having various rates, weighted average of FDR rates would be taken as basis)</b>	<b>Interest Rate</b>
a. Bank's own fixed deposit	2.00% p.a.+ FDR rate
b. Bank's own deposit scheme	2.00% p.a.+ scheme rate
c. Other bank's Fixed Deposit Receipt	11.00% p.a.
d. Government Bonds and Securities	12.00% p.a.
e. OD (Mortgage)/ Other Over Draft	13.00% p.a.
<b>17. Consumer Finance</b>	
a. Home Loan (against registered mortgage)	11.00% p.a.
b. Transport Loan	13.00% p.a.
c. Meet the Need	11.50% p.a.
<b>18. Credit to Real Estate (Industrial / Commercial)</b>	
a. Real Estate (Industrial)	12.00% p.a.
b. Real Estate (Commercial)	12.00% p.a.
<b>19. Credit to NBFIs</b>	
a. Wholesale credit (Term Loan) to NBFIs for on-lending purpose	11.00% p.a.
b. Other finance to NBFIs	11.00% p.a.
<b>20. Wholesale Finance to NGOs/MFI etc.</b>	
a. For Micro Credit and other / special programs	11.00% p.a.
b. For finance to Agricultural Sector under Agriculture & Rural Credit Policy and Program of Bangladesh Bank	9.00% p.a.
<b>21. Transport (Industrial/Commercial)</b>	
Transport of inland, water including ocean going vessel and air (Industrial)	9.00% p.a.
Transport of inland, water including ocean going vessel and air (Commercial)	13.00% p.a.





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**Notes to the Interest Rates on Lending:**

- i. Interest rates which are determined as per special instruction from Bangladesh Bank, will continue to be determined as per special instruction from Bangladesh Bank.
- ii. In case of import financing (PAD/LTR/LIM) of essential food items, Chemical Fertilizer/Fertilizer imported under Government Subsidy or any such item, interest rate is to be applied as per the directive of Bangladesh Bank, if any. However, if no directive/restriction is given by Bangladesh Bank, our prevailing lending rate schedule will be applicable.
- iii. *Clarification for Item no 12 (a) (i) under Direct Export-Trade Financing head:*
  - a) PC will expire after the period of 30 days; the beginning of which (the period) is to be counted from the date of shipment mentioned in the relative Letter of Credit /Sales Contract/Contract for Export.
  - b) In case of more than one shipment schedule and shipment date, the disbursement date and amount of PC will be determined and disbursed according to the schedule & value of each scheduled shipment. And expiry date of each PC will be determined according to the schedule and above mentioned rule of 30 days (mentioned in iii(a)). In this scenario, Branches are advised to maintain separate PC accounts according to multiple disbursements (i.e. separate account for separate schedule & value of each scheduled shipment).
  - c) After the expiry date of the PC interest is to be charged at the rate applicable for relevant industry /enterprise working capital mentioned in this schedule.
- iv. *Clarification for Item no 12 (a) (ii) under Direct Export-Trade Financing head:*

ECC will expire after the period of 120 days; the beginning of which is to be counted from the date of disbursement. The disbursement of ECC must be made against export order. After the expiry date interest is to be charged at the rate applicable for relevant industry / enterprise working capital mentioned in this schedule.
- v. Any lending rate specifically allowed to the borrowers under special programs like ADB, GoB, Bangladesh Bank financed projects, BASIC Kalyani, etc. will continue with existing rate of interest or any rate explicitly instructed to / agreed to by BASIC Bank Limited.
- vi. For Syndicate Finance, interest rate will be determined as per terms mentioned in the contract/agreement of the respective syndicate finance.





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- vii. If any industrial loan account becomes overdue i.e. crosses the expiry date (except CCOD and installment basis industrial Term Loan account), 2% **additional interest** will be charged on the outstanding balance of the loan. For example- if the original interest rate for any industrial loan is 9%, the interest rate that will be applicable for the loan once it becomes overdue is  $(9\%+2\%)=11\%$ . This rate will be applicable on the outstanding loan balance.
- viii. In case of installment basis industrial loans, 2% **additional interest** will be charged on the amount of overdue installment(s) for the overdue period. For example- if the original interest rate for any installment basis industrial loan is 9% and one or more installment(s) become overdue, the interest rate that will be applicable for the overdue installment(s) for the overdue period is  $(9\%+2\%)=11\%$ . This rate will be applicable only on the amount of overdue installment(s) for the overdue period. However, if this type of loan account gets expired, then only 2% **additional interest** will be charged for the whole outstanding loan balance.
- ix. In case of industrial CCOD account having EOL (Excess Over Limit), 2% **additional interest** will be charged on the EOL amount. For example- if the interest rate for any industrial CCOD account is 9% and there is EOL amount of Tk.1.00 lac in the loan account,  $(9\%+2\%)=11\%$  interest will be applicable on the EOL amount i.e Tk.1.00 lac and 9% interest will be applicable on the remaining amount of the loan. However, if this type of loan account gets expired, then only 2% **additional interest** will be charged for the whole outstanding balance.
- x. In case of any industrial loan having both EOL balance and overdue outstanding simultaneously, total 2% **additional interest** will be charged on the loan account.
- xi. If loans other than industrial loans become overdue (except non-industrial CCOD account and non-industrial installment basis loan), 1% **additional interest** will be charged on the outstanding balance of the loan. For example- if the original interest rate for any loan other than industrial is 11%, the interest rate that will be applicable for the loan once it becomes overdue is  $(11\%+1\%)=12\%$ . This rate will be applicable on the outstanding loan balance.
- xii. In case of installment basis loans other than industrial ones, 1% **additional interest** will be charged on the balance of overdue installment(s) for the overdue period. For example- if the original interest rate for any installment basis loan other than industrial





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nature is 11% and one or more installment(s) become overdue, the interest rate that will be applicable for the overdue installment(s) for the overdue period is  $(11\%+1\%)=12\%$ . This rate will be applicable only on the amount of overdue installment(s) for the overdue period.

- xiii. In case of CCOD account having EOL other than industrial CCOD accounts, 1.50% **additional interest** will be charged on the EOL amount. For example- if the interest rate for any non-industrial loan is 11% and there is EOL amount of Tk.1.00 lac in the loan account,  $(11\%+1.50\%)=12.50\%$  interest will be applicable on the EOL amount of the loan i.e Tk.1.00 lac and 11% interest will be applicable on the remaining amount of the loan. However, if this type of loan account gets expired, then 2% **additional interest** will be charged for whole outstanding balance.
- xiv. In case of any non-industrial loan having both EOL and overdue simultaneously, total 2% **additional interest** will be charged on the loan account.
- xv. **Additional interest** for EOL will not be applicable for any loan account (industrial/commercial/others) incurring EOL due to charging of interest during grace period/moratorium/such other facility.
- xvi. Any advance or loan, at first, should be matched with the specific rate mentioned above; if not matched, then approval must be taken from the concerned division of Head Office.
- xvii. **In case of time extension** of any LTR and/or STL, an **additional** 1% p.a. interest will be applicable for every extension. For example, an LTR account having interest rate of 13% has been extended first time for a further period; then the interest rate of that account will be  $14\%(13+1)$  for the extended period. If the same account is extended for another period, then the interest rate of that account will be  $15\%(14+1)$  for the further extended period and so on.
- xviii. In case of time extension/renewal of any continuous loan for adjustment purpose (without allowing withdrawal from the loan account), 1% **additional interest** will be applicable on the outstanding balance of the loan account. However, this rule will not be applicable for loans sanctioned from **Small Enterprise Finance Division (SEFD)** of the Bank.





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- xix. For defining Cottage, Micro, Small and Medium Industry / Enterprise, ruling circular issued by SME & Special Programs Department of Bangladesh Bank along with our Bank's related circular, if any to be followed.
- xx. For defining Large Industry, definition of ruling National Industrial Policy issued by Ministry of Industries, GoB along with our Bank's related circular, if any to be followed.
- xxi. For other clarifications, please refer to the existing policies / circulars / letters / instructions issued from time to time by GoB, Bangladesh Bank and our Head Office.
- xxii. Business/Commercial/Trading would not include any industrial concern/enterprise under Service or Manufacturing sector.
- xxiii. All interest rates will be compounded quarterly (i.e. at the end of March, June, September and December) if not otherwise expressly stated and approved by the competent authority.
- xxiv. All Branches and Divisions of BASIC are advised to apply Consumer Lending Rates (as mentioned under serial no.17 of this Schedule of Interest rates on Lending) for any of its clients if the concerned facility is specifically approved by our Consumer Finance Division (CFD) as Consumer Loan.
- xxv. In case of post import finance facility (PAD/LTR/LIM) which is usually followed by EDF facility/loan from Bangladesh Bank, interest rate for the interim period (i.e. from lodgment date to receiving date of EDF from Bangladesh Bank) will be fixed as per the ruling Circular of Bangladesh Bank.
- xxvi. The rate of import financing mentioned under serial no.12 for various industrial sectors should be applied in case of import through valid Industrial IRC. Otherwise, the rate will be applied as mentioned in serial no."12.b.vi-Others".
- xxvii. The rule of applying additional interest for any overdue loan account will not be applicable for PC, ECC and Agriculture loan.

