

Banking Regulation and Policy Department
 Bangladesh Bank
 Head Office
Dhaka

BRPD Circular No- 08

April 15 , 2014
 Date: -----
 Boishakh 2 , 1421

Chief Executives
 All Scheduled Banks in Bangladesh

Dear Sir,

Mapping of SME Rating Scales of the External Credit Assessment Institutions (ECAIs) with Bangladesh Bank's SME Rating Grades

Please refer to BRPD Circular No. 35 dated December 29, 2010 and the subsequent BRPD Circular No.1 dated January 1, 2014 regarding the amendments of Guidelines on Risk Based Capital Adequacy (RBCA) for banks. As per the above mentioned circular, Risk Weighted Asset (RWA) against Credit Risk on Small and Medium Enterprise (SME) exposure is to be computed on the basis of credit rating assessed by External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank (BB). Consequently, calculated RWA and Capital Adequacy Ratio (CAR) will be reported as per reporting formats enclosed in the amended RBCA guidelines.

1) From this point of view, all scheduled banks operating in Bangladesh may nominate any one or more rating agency (ies) for the credit rating of their SME clients for the purpose of calculating RWA.

2) SME rating scales of The Bangladesh Rating Agency Limited (BDRAL), Credit Rating Information and Service Limited (CRISL), Credit Rating Agency of Bangladesh (CRAB), and Emerging Credit Rating Limited (ECRL) have already been mapped with BB's SME rating grades through BRPD Circular No.12/2013 and BRPD Circular No.03/2014 respectively. Now, the SME rating scales of National Credit Rating Limited (NCRL), ARGUS Credit Rating Services Ltd.(ACRSL), Alpha Credit Rating Limited(ACRL) and WASO Credit Rating Company (BD) Ltd. are being mapped with BB's SME rating grades as given below:

BB SME Rating Grade	Equivalent Rating of NCRL	Equivalent Rating of ACRSL	Equivalent Rating of ACRL	Equivalent Rating of WASO
SME 1	NSME-1	AQSE 1/AQME 1	ARSME-1	WCRSE 1/WCRME 1
SME 2	NSME-2	AQSE 2/AQME 2	ARSME-2	WCRSE 2/WCRME 2
SME 3	NSME-3	AQSE 3/AQME 3	ARSME-3	WCRSE 3/WCRME 3
SME 4	NSME-4	AQSE 4/AQME 4	ARSME-4	WCRSE 4/WCRME 4
SME 5	NSME-5	AQSE 5/AQME 5	ARSME-5	WCRSE 5/WCRME 5
SME 6	NSME-6,7,8	AQSE 6,7,8/AQME 6,7,8	ARSME-6,7,8	WCRSE 6,7,8/WCRME 6,7,8

Please acknowledge receipt.

Yours Sincerely

SD/-

(Md. Nasiruzzaman)
 General Manager
 Phone- 9530252