

Banking Regulation and Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular No. 05

April 29, 2009
Date:-----
Baishakh 16, 1416

Chief Executives
All Scheduled Banks in Bangladesh

Dear Sir,

**Mapping of External Credit Assessment Institutions (ECAIs)
rating with Bangladesh Bank Rating Grade**

Please refer to BRPD Circular Number 09 dated December 31, 2008 wherein detailed guideline and reporting formats for the implementation of Basel II in Bangladesh were issued. As it has been decided to use Standardized Approach for calculating Risk Weighted Assets (RWA) against Credit Risk, credit rating is to be determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank (BB).

2) From this point of view, Credit Rating Information and Services Ltd. (CRISL) and Credit Rating Agency of Bangladesh Ltd. (CRAB) have been recognized as eligible ECAIs. All the scheduled banks operating in Bangladesh may nominate any or both the rating agency (ies) for their own and counterparty credit rating for the purpose of calculating RWA against credit risk under Standardized Approach of Risk Based Capital Adequacy for Banks.

3) The mapping of CRISL and CRAB rating with BB Rating Grade will be as follows:

BB Rating Grade	Equivalent Rating of CRISL	Equivalent Rating of CRAB
1	AAA	AAA
2	AA+, AA	AA1, AA2
3	AA-, A+, A, A-	AA3, A1, A2, A3
4	BBB+, BBB, BBB-	BBB1, BBB2, BBB3
5	BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-	BB1, BB2, BB3, B1, B2, B3, CCC1, CCC2,
6	CC+, CC, CC-, C+, C, C-, D	CCC3, CC, C, D
Short-Term Rating Category Mapping		
S1	ST-1	ST-1
S2	ST-2	ST-2
S3	ST-3	ST-3
S4	ST-4	ST-4
S5	ST-5	ST-5
S6	ST-6	ST-6

4) Banks may use the ratings of these two rating agencies and corresponding risk weight as mentioned in the guideline for calculating RWA for Credit Risk under Standardized Approach of Risk Based Capital Adequacy for Banks.

Please acknowledge receipt.

Yours sincerely,



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