

**Banking Regulation and Policy Department**

Bangladesh Bank  
Head Office  
Dhaka

February 20, 2014

BRPD Circular No-03

Date: -----

Falgun 08, 1420

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) have already been mapped with BB's SME rating grades through BRPD Circular No.12/2013. Now, the SME rating scales of Credit Rating Information and Service Limited (CRISL), Credit Rating Agency of Bangladesh (CRAB) and Emerging Credit Rating Limited (ECRL) have been mapped with BB's SME rating grades as given below:

BB SME Rating Grade	Equivalent Rating of CRISL	Equivalent Rating of CRAB	Equivalent Rating of ECRL
SME 1	CRISL Me-1/Se-1	CRAB-ME 1/SE 1	ESME 1
SME 2	CRISL Me-2/Se-2	CRAB-ME 2/SE 2	ESME 2
SME 3	CRISL Me-3/Se-3	CRAB-ME 3/SE 3	ESME 3
SME 4	CRISL Me-4/Se-4	CRAB-ME 4/SE 4	ESME 4
SME 5	CRISL Me-5/Se-5	CRAB-ME 5/SE 5	ESME 5
SME 6	CRISL Me-6,7,8,9,10 /Se-6,7, 8,9,10	CRAB-ME 6,7,8/ SE 6,7,8	ESME 6,7,8

Please acknowledge receipt.

Yours Sincerely

SD/

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