

Banking Regulation and Policy Department

Bangladesh Bank
Head Office
Dhaka

November 16, 2011

BRPD Circular No-09

Date:-----

Agrahayan 02, 1418

Chief Executives
All Scheduled Banks in Bangladesh

Dear Sir,

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

Please refer to BRPD Circular No. 35 dated December 29, 2010 regarding the issuance of Guidelines on Risk Based Capital Adequacy (RBCA) for banks. According to the guidelines, Risk Weighted Asset (RWA) against Credit Risk is to be computed on the basis of credit rating conducted 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 specific reporting formats enclosed in the RBCA guidelines.

2) From this point of view, ARGUS Credit Rating Services Limited (ACRSL) has been recognized as an eligible ECAI in addition to existing 04 (Four) rating agencies (i.e. CRISL, CRAB, NCRL and ECRL). All the scheduled banks operating in Bangladesh may nominate any one or more rating agency (ies) for their own and counterparty credit rating for the purpose of calculating RWA against credit risk as per RBCA Guidelines.

3) The mapping of rating scales of CRISL, CRAB, NCRL and ECRL with BB rating grades has already been specified in the Guidelines. Now, the rating scales of ARGUS have been mapped with BB rating grades as given below:

Long Term		Short Term	
BB's Rating Grade	Equivalent Notch/Notation of ACRSL	BB's Rating Grade	Equivalent Notch/Notation of ACRSL
1	AAA	S1	ST-1
	AA+, AA, AA-		
2	A+, A, A-	S2	ST 2
3	BBB+, BBB, BBB-	S3	ST 3
4	BB+, BB, BB-	S4	ST 4
5	B+, B, B-, CC+, CC, CC-	S5	ST-5
6*	C+, C, C-, D	S6	ST-6

* Includes Default Rating (DR)

Please acknowledge receipt.

Yours Sincerely,

(K. M. Abdul Wadood)
General Manager
Phone: 7117825