

**Banking Regulation and Policy Department**  
Bangladesh Bank  
Head Office  
Dhaka

BRPD Circular No. 31

October 25, 2010  
Date:-----  
Kartik 10, 1417

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. 24 dated August 03, 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 an 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, National Credit Rating Ltd. (NCRL) and Emerging Credit Rating Ltd. (ECRL) have been recognized as eligible ECAIs in addition to existing two rating agencies (i.e. CRISL and CRAB). 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 and CRAB with BB rating grades has already been specified in the Guidelines. Now, the rating scales of NCRL and ECRL have been mapped with BB rating grades as given below:

BB Rating Grade	Equivalent Rating of NCRL	Equivalent Rating of ECRL
1	AAA	AAA
2	AA+, AA	AA+, AA, AA-
3	AA-, A+	A+, A
4	A, A-	A-, BBB+, BBB, BBB-, BB+
5	BBB+, BBB	BB, BB-
6	BBB-, BB+, BB, BB-, B+, B, B-, C+, C, C-, D	B+, B, B-, C, D
<b>Short-Term Rating Category Mapping</b>		
S1	N1	ECRL-1
S2	N2	ECRL-2
S3	N3	ECRL-3
S4	N4	ECRL-4
S5	N5	D
S6		

Please acknowledge receipt.

Yours Sincerely,  
Sd/-

(Md. Jahangir Alam)  
General Manager  
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