

Banking Regulation and Policy Department
 Bangladesh Bank
 Head Office
Dhaka

BRPD Circular No-16

October 29, 2012

Date:-----

Kartik 14, 1419

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, Waso Credit Rating Company (BD) Limited has been recognized as an eligible ECAI in addition to existing 06 (Six) rating agencies (i.e. CRISL, CRAB, NCRL, ECRL, ACRSL and Alpha Credit Rating Limited-ACRL). 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) Rating scales of CRISL, CRAB, NCRL, ECRL, ACRSL and ACRL with BB rating grades has already been mapped earlier. Now, the rating scales of WASO have been mapped with BB rating grades as given below:

| Long Term | | Short Term | |
|-------------------|-----------------------------------|-------------------|-----------------------------------|
| BB's Rating Grade | Equivalent Notch/Notation of WASO | BB's Rating Grade | Equivalent Notch/Notation of WASO |
| 1 | AAA | S1 | P-1 |
| | AA1, AA2, AA3 | | |
| 2 | A1, A2, A3 | S2 | P- 2 |
| 3 | BBB1, BBB2, BBB3 | S3 | P- 3 |
| 4 | BB1, BB2, BB3 | S4 | P- 4 |
| 5 | B1, B2, B3,CCC | S5 | P-5 |
| 6* | CC1,CC2,CC3,C+, C, C-, D | S6 | P-6 |

* Includes Default Rating (DR)

Please acknowledge receipt.

Yours Sincerely,



(K. M. Abdul Wadood)
 General Manager
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