

Banking Regulation and Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular No- 12

October 31, 2013
Date:-----
Kartik 16, 1420

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 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 specific reporting formats enclosed in the RBCA guidelines.

2) From this point of view, The Bangladesh Rating Agency Limited (BDRAL) has been recognized as an eligible ECAI in addition to existing 07 (seven) rating agencies i.e. CRISL, CRAB, NCRL, ECRL, ACRSL, Alpha Credit Rating Limited-ACRL and Waso Credit Rating Company (BD) Limited . All scheduled bank operating in Bangladesh may nominate any one or more rating agency (ies) for their SME clients' credit rating for the purpose of calculating RWA against credit risk /against claims on SME.

3) Rating scales of CRISL, CRAB, NCRL, ECRL, ACRSL, ACRL and WASO with BB rating grades has already been mapped earlier. Now, the rating scales of BDRAL have been mapped with BB's SME rating grades as given below:

BB Rating Grade	Equivalent Rating of BDRAL
SME 1	SE1, ME 1
SME 2	SE2, ME 2
SME 3	SE3, ME 3
SME 4	SE4, ME 4
SME 5	SE5, ME 5
SME 6	SE6, SE7, SE8, ME 6 ME 7, ME 8

Please acknowledge receipt.

Yours Sincerely,



(K. M. Abdul Wadood)
General Manager
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