



Credit Rating Agency of Bangladesh Limited



Credit Rating agency of Bangladesh Ltd. (CRAB)

was established in 2003 at the initiative of some leading personalities in private sector and institutions of the country with the commitment to contribute to the development of the capital market by providing quality ratings and comprehensive research services. CRAB was incorporated as a public limited company in 2003 and received its Certificate for Commencement of Business in the same year. In 2004, CRAB was granted licence by the Securities & Exchange Commission (SEC) of Bangladesh (under the Credit Rating Companies Rules 1996) for operating as a Credit Rating Company. In 2009 CRAB has been accredited as an External Credit Assessment Institution (ECAI) by Bangladesh Bank, to provide rating of Bank Clients under Basel II regime. CRAB has established its reputation as a reliable source of independent opinion on risks based on systematic and standardized analysis done by professionals.

Our Services

A. Rating Service

Entity / Issuer Rating:

Banks and Financial Institutions
Insurance Companies (General & Life)
Corporate (Public & Private)

Instruments Rating:

Debt Instruments (Bonds, Debentures, Pref. Shares etc.)
Structured Finance / Securitizations
Project Loans / Syndicated Loans
Lines of Credit
Equity Instruments (IPO, Rights)
Mutual Funds
Other Instruments

Client Rating for Banks / Financial Institutions

State Owned Entities

Micro Finance Institutions

Small & Medium Enterprises (SME)

Other Organizations / Entities

B. Grading Service

C. Advisory Service

D. Information Service

Objectives

- ◆ To undertake analysis and to provide information on investment proposals for raising resources through equity or debt, on credit risk of clients of financial institutions etc. for guidance of entrepreneurs, investors and creditors.
- ◆ To assist clients in making judgement about the prospects of raising resources from financial and capital markets.
- ◆ To provide a basis for judgement by the regulatory authorities.
- ◆ To help and promote transparency in the investment environment and in the financial market for healthy growth of investment.
- ◆ To provide access to international standards of analysis and information flow for institutional and individual investors, creditors and regulatory authorities.



Board of Directors





CHAIRMAN
M. Syeduzzaman
Former Finance Minister, Govt. of Bangladesh



VICE CHAIRMAN
Md. Matiul Islam, FCA
*Chairman, Industrial and Infrastructure Development Finance Company Ltd.
 Former Secretary of Finance, Govt. of Bangladesh*

Directors



Samson H. Chowdhury
Chairman, Square Phamaceuticals Ltd. Astras Ltd.



Syed Manzur Elahi
*Chairman, Apex Footwear Ltd. & Apex Tannery Ltd.
 Former Advisor to the Caretaker Govt. of Bangladesh*



M. Haider Chowdhury
Former Chairman, National Life Insurance Co. Ltd.



Mir Mustafizur Rahman
Former Secretary of Finance, Govt. of Bangladesh



M. Anis Ud Dowla
Chairman, ACI Ltd.



A K M Rafiqul Islam, FCA
Managing Director, Pragati Insurance Ltd.



Muhammed Faizur Rahman
Chairman, Asian Surveyors Ltd.



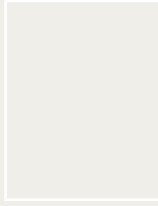
A. S. M. Quasem
Chairman, New Age Group



Sohail Humayun
Managing Director, Unicorn Equities Ltd



Md. Humayun Kabir
Managing Director, Investment Corporation of Bangladesh



*Managing Director
 IDLC Finance Ltd.*



Hamidul Huq
*Managing Director
 Credit Rating Agency of Bangladesh Ltd.*

CRAB Profile

ACRAA Membership

CRAB is a member of the Association of Credit Rating Agencies in Asia (ACRAA). ACRAA, established in 2001, is a federation of domestic rating agencies of the Asian Continent- including those of Japan, Philippines, Uzbekistan, Sri Lanka, Malaysia, Indonesia, Korea, India, Pakistan, Taiwan, China, Thailand and Bangladesh, formed with support and cooperation of the Asian Development Bank (ADB). As a member, CRAB participates in all the activities of this Association. As of April 2009, membership has increased to 25 members from 14 countries. (web: www.acraa.com).

The Association of Credit Rating Agencies in Asia is organized for the following purposes:

- ◆ To develop and maintain cooperative efforts that promote interaction and exchange of ideas, experiences, information, knowledge and skills among credit rating agencies in Asia that would enhance their capabilities and their role of providing reliable market information.
- ◆ To undertake activities aimed at promoting the adoption of best practices and common standards that ensure high quality and comparability of credit ratings throughout the region, following the highest norms of ethics and professional conduct.
- ◆ To undertake activities aimed at promoting the development of Asia's bond markets and cross-border investment throughout the region.



Dr. Masihur Rahman, former MD & Economic Advisor to Board, CRAB, attending the Best Practices Dialogue of ACRAA in Jakarta, 2007.

Technical Collaboration with ICRA (an Associate of Moody's)

CRAB has a Technical Collaboration Agreement with ICRA Ltd. of India, one of the leading credit rating agencies of the region. This collaboration has provided CRAB with facility for development of rating methodologies, for performing rating assignments and for training of its professionals. ICRA-CRAB collaboration facilitates sharing of resources and information base and professional expertise between the two organizations, much to the advantage of CRAB.

ICRA Limited (an Associate of Moody's Investors Service, USA) was incorporated in 1991 as an independent and professional company. ICRA is a leading provider of investment information and credit rating services in India. ICRA's major shareholders include Moody's Investors Service and leading Indian financial institutions and banks. With the growth and globalisation of the Indian capital markets leading to an exponential surge in demand for professional credit risk analysis, ICRA has been proactive in widening its service offerings, executing assignments including credit ratings, equity gradings, specialised performance gradings and mandated studies spanning diverse industrial sectors. In addition to being a leading credit rating agency with expertise in virtually every sector of the Indian economy, ICRA has broad-based its services for the corporate and financial sectors, both in India and overseas. (Web: icra.in)



Mr. M. Syeduzzaman, Chairman, CRAB, with Mr. P.K. Choudhury, Vice Chairman & Group CEO, ICRA and Mr. D.N. Gosh, Chairman, ICRA at the press conference in Kolkata arranged by ICRA India.

Rating Service of CRAB

Code of Conduct

The Board of Directors of CRAB on 02 April 2006 adopted the Code of Ethics prescribed by Association of Credit Rating Agencies in Asia (ACRAA) and Code of Conduct for Credit Rating Agencies prescribed by International Organization for Securities Commission (IOSCO).

CRAB complies with the Code of Conduct as prescribed under the Credit Rating Agencies Rules of Securities & Exchange Commission. These Code of conduct focus on the followings:

1. **Responsibility & Trust:** CRAB deems the Credit Rating as a function of serious responsibility and the persons exercising the function view it as a matter of great trust.
2. **Integrity & Competence:** Rating Committee members and professionals apply highest degree of integrity, competence, objectivity and thoroughness.
3. **Quality of Rating:** CRAB uses standardized methodologies following international standard considering local context. The methodologies are regularly fine tuned through rigorous validity tests.
4. **Confidentiality:** CRAB and its staff presume the confidentiality of the information received from clients
5. **Independence:** CRAB's ratings are assigned by independent Rating Committee Members.
6. **Avoidance of Conflict of Interest:** Rating Committee members and professionals disclose conflict of interest in the internal process and refrain from participating in any manner in such assignments.
7. **Transparency and Timeliness of Rating Disclosure:** Disclosures given through website and information to regulators.

Requirement for Rating in Bangladesh

- i) The Credit Rating Agencies Rules 1996 issued by the Securities & Exchange Commission requires that the following instruments be rated prior to making issuance and that the information on rating be incorporated in the prospectus of offer documents:
 - a. Public offering of all debt instruments: bond, debenture, commercial paper, structured finance (asset/mortgage backed securities) and preference shares
 - b. Public issue of shares at a premium
- ii) Securities & Exchange Commission through its Securities and Exchange (Rights Issue) Rules, 2006 requires rating of the followings:
 - a. All rights issue at premium
- iii) The SEC rules 2004 (asset backed security issue) requires the credit rating of asset pools to be securitised with optional requirements of credit rating of the originator.
- iv) Bangladesh Bank through its circulars require mandatory credit rating for the followings:
 - a. All scheduled Banks on an annual basis
 - b. All financial institutes in case of IPO
 - c. Bank exposures
- v) Chief Controller of Insurance through its circulars require mandatory credit rating for the followings:
 - a. All general insurance companies on an annual basis
 - b. All life insurance companies on biennial basis

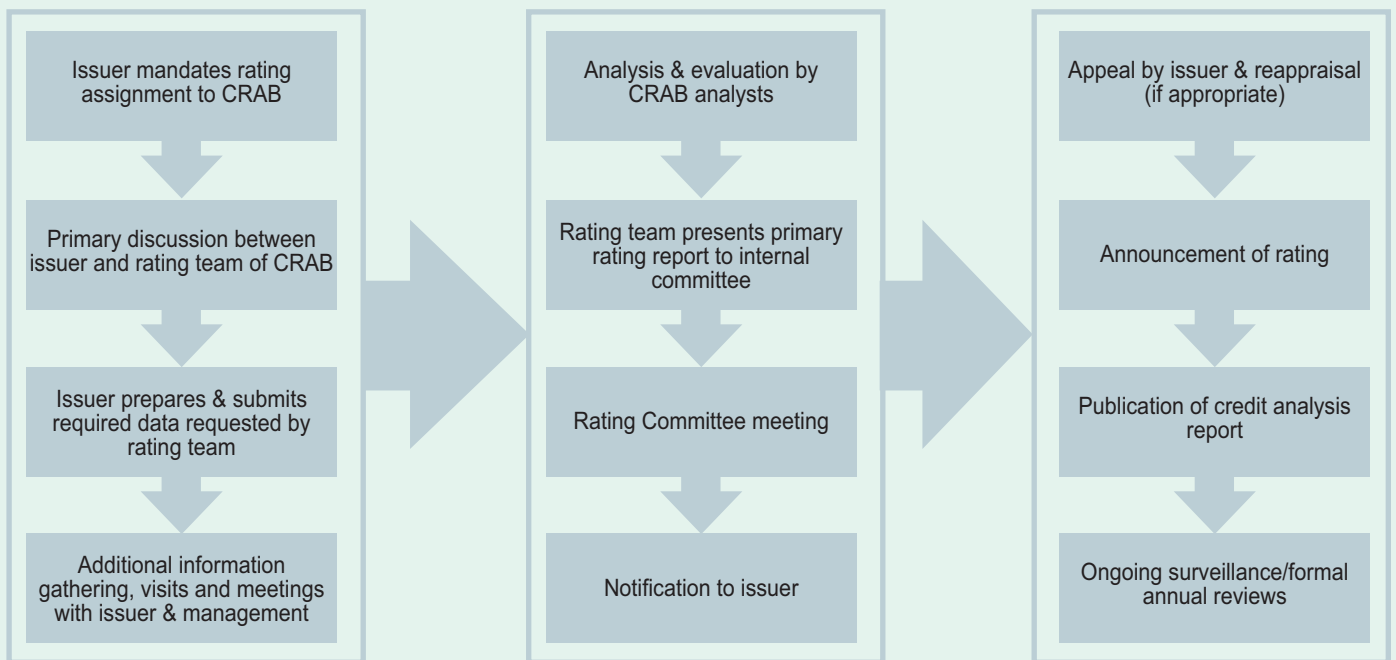
CRAB's Rating process is initiated on receipt of a formal request (or mandate) from the Client. A Rating team consisting of Financial Analysts is engaged for conducting Rating assignment. Analysts collect information from the client through documents, data, meeting, site visits etc. CRAB also draws on secondary sources of information, including its own research division.

After completing the analysis, Analysts prepare a Draft Rating Report, which is discussed in the Internal Committee. A draft report is provided to the client also to ensure that there is no factual mistake or misrepresentation in the report. The report is then presented to the CRAB Rating Committee. The Rating Committee is the final authority for assigning Ratings.

The assigned Rating, along with the key issues, is communicated to the issuer's top management for acceptance. If the client does not find the Rating acceptable, it has a right to appeal for a review. Such reviews are usually taken up only if the issuer provides certain fresh inputs. During a review, the issuer's response is presented to the Rating Committee. If the inputs and/or fresh clarifications so warrant, the Rating Committee would revise the initial Rating decision.

As part of a mandatory surveillance process, CRAB monitors the accepted Ratings over the tenure of the contract period. The Ratings generally reviewed once every year, unless the circumstances of the case warrant an earlier review. The Rating outstanding may be retained or revised (that is, upgraded or downgraded) on surveillance.

Rating Process



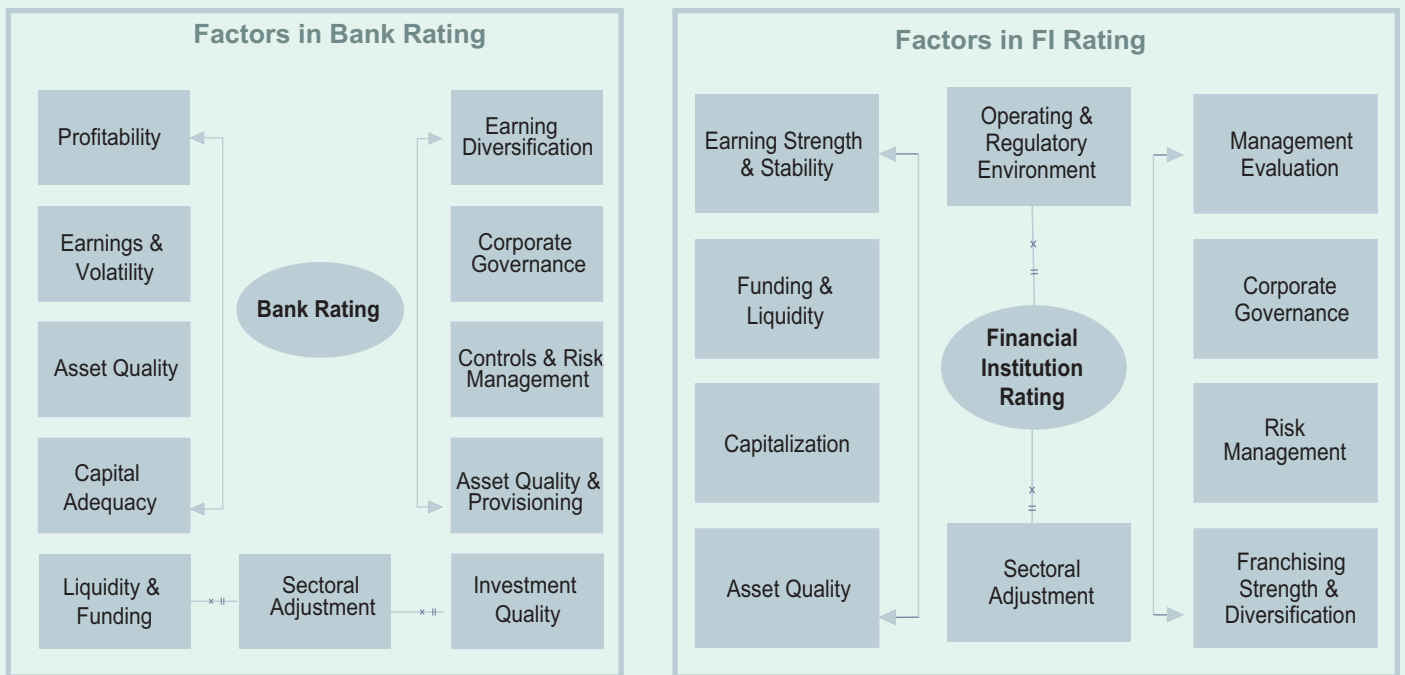
Rating Methodology

CRAB has developed highly standardised rating methodologies for different instruments and entities. The methodologies have been developed considering all the relevant factors affecting the future cash generation capacity of the issuers. These factors include industry characteristics, competitive position of the issuer, operational efficiency, management quality, commitment to new projects and other associate companies, and future funding policies of the issuer.

A detailed analysis of the past financial statements is made to assess the actual business performance. Analysis considers the estimated future earnings under various sensitivity scenarios are drawn up and evaluated against the future obligations that require servicing over the tenure of the instrument being rated. CRAB rating methodology intends to assess the relative comfort level of the issuers to service the obligations and this is reflected in the rating of a debt instrument. In case of equity instruments, the rating reflects the future earning capabilities with reference to the resilience to perform in adverse situations.

Banks and Financial Institutions

CRAB's ratings assess the creditworthiness of financial institutions, i.e. commercial and merchant banks, non bank finance companies, housing finance companies etc. While each of these entities has the same function, i.e. leveraging on own funds and lending to others on a cost plus basis, there are significant differences in terms of scale of operations, products and services offered, product delivery, regulatory obligation, and their internal control system. Ratings of financial institutions focus on the risks that can possibly affect the operations of such a company - operating risks, financial risks and management risks.



RATING DEFINITION

Banks & Financial Institutions

Long Term

AAA (Triple A): Have extremely strong capacity to meet financial commitments, maintains highest quality, with minimal credit risk.

AA₁, AA₂, AA₃ (Double A): Have very strong capacity to meet financial commitments, maintains very high quality, with very low credit risk.

A₁, A₂, A₃ (Single A): Have strong capacity to meet financial commitments, maintains high quality, with low credit risk, but susceptible to adverse changes in circumstances and economic conditions.

BBB₁, BBB₂, BBB₃ (Triple B): Have adequate capacity to meet financial commitments but are susceptible to moderate credit risk. Adverse changes in circumstances and economic conditions are more likely to impact capacity to meet financial commitments.

BB₁, BB₂, BB₃ (Double B): Have inadequate capacity to meet financial commitments and possess substantial credit risk, with major ongoing uncertainties and exposure to adverse business, financial, or economic conditions.

B₁, B₂, B₃ (Single B): Have weak capacity to meet financial commitments and are subject to high credit risk. Currently meeting the financial commitments, but adverse business, financial, or economic conditions are likely to impair capacity to meet obligations.

CCC₁, CCC₂, CCC₃ (Triple C): Currently vulnerable, and are dependent upon favourable business, financial, and economic conditions to meet financial commitments. Have very weak standing and are subject to very high credit risk.

CC (Double CC): Currently highly vulnerable, highly speculative and are very near to default, with some prospect of recovery.

C (Single C): Currently very highly vulnerable to non-payment, may be subject of bankruptcy petition or similar action, though have not experienced payment default. C is typically in default, with little prospect for recovery.

D Default: 'D' rating also will be used upon the filing of bankruptcy petition or similar action if payments on an obligation are jeopardized.

Short Term

ST-1: Highest Grade. Highest capacity for timely repayment of obligations.

ST-2: High Grade. Strong capacity for timely repayment of obligations.

ST-3: Average Grade. Average capacity for timely repayment of obligations.

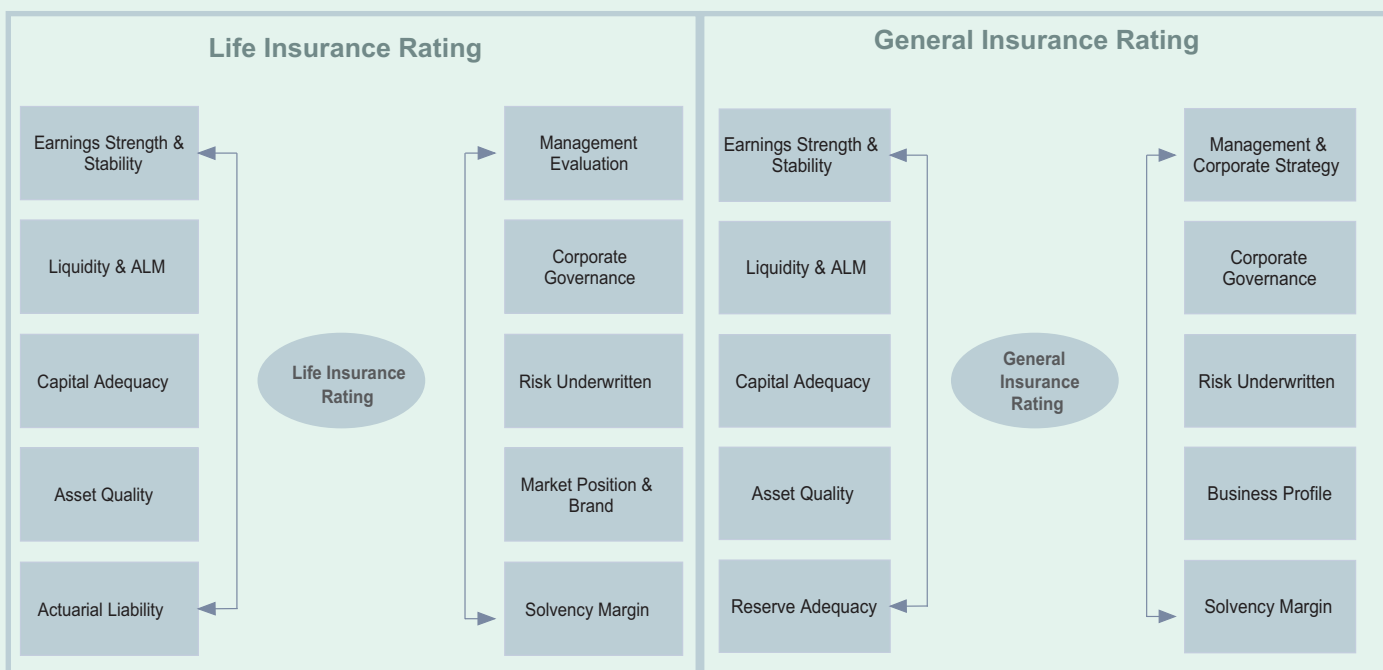
ST-4: Below Average Grade. Below average capacity for timely repayment of obligations.

ST-5: Inadequate Grade. Inadequate capacity for timely repayment of obligations.

ST-6: Lowest Grade. High risk of default or are currently in default.

General and Life Insurance

CRAB ratings of Insurance Companies assess the ability of the insurers concerned to honour policyholder claims and obligations on time. Rating provides an opinion on the financial strength of the insurer from a policyholder's perspective, which may act as an important input influencing the consumer's choice of insurance companies and products. The analysis also includes an assessment of company's ownership strength, profitability, liquidity, operational and financial leverage, capital adequacy, and asset/Liability management method.



RATING DEFINITION

Insurance Companies

Long Term

AAA (Triple A): Extremely Strong Financial Security. The highest Insurer Financial Strength Rating assigned by CRAB.

AA₁, AA₂, AA₃ (Double A): Very Strong Financial Security, differing only slightly from those rated higher.

A₁, A₂, A₃ (Single A) Strong Financial Security, with some likeliness to be affected by adverse business conditions.

BBB₁, BBB₂, BBB₃ (Triple B) Good Financial Security, with more likeliness to be affected by adverse business conditions than higher rated insurers.

BB₁, BB₂, BB₃ (Double B) Marginal Financial Security. Positive attributes exist, but adverse business conditions can lead to insufficient ability to meet financial commitments.

B₁, B₂, B₃ (Single B) Weak Financial Security. Adverse business conditions are likely to impair ability to meet financial commitments.

CCC₁, CCC₂, CCC₃ (Triple C) Very Weak Financial Security. Dependent on favourable business conditions to meet financial commitments.

CC (Double C) Extremely Weak Financial Security. Likely not to meet some of their financial commitments.

C (Single C) Near to Default. Currently highly vulnerable to non-payment.

D Default. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Short Term

ST-1: Highest Grade. Highest capacity for timely repayment of obligations.

ST-2: High Grade. Strong capacity for timely repayment of obligations.

ST-3: Average Grade. Average capacity for timely repayment of obligations.

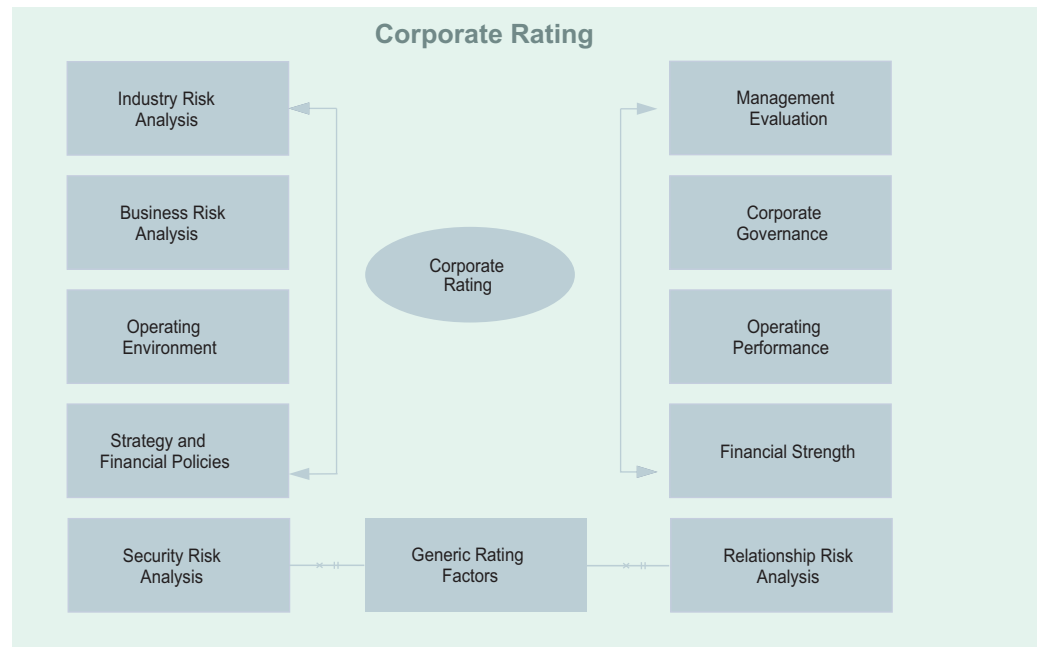
ST-4: Below Average Grade. Below average capacity for timely repayment of obligations.

ST-5: Inadequate Grade. Inadequate capacity for timely repayment of obligations.

ST-6: Lowest Grade. High risk of default or are currently in default.

Corporate

CRAB's corporate rating methodology is developed for analysis of non-financial organizations operating in manufacturing, assembling, service sector etc. The generic factors are common for all entities/issuers, while criterion specific for different industries are used for rating. There are separate rating criterion for rating of entities in different industries.



RATING DEFINITION

Corporate

Long Term

AAA (Triple A) Have extremely strong capacity to meet financial commitments. Judged to be of the highest quality, with minimal credit risk.

AA₁, AA₂, AA₃ (Double A) Have very strong capacity to meet financial commitments. Judged to be of very high quality, subject to very low credit risk.

A₁, A₂, A₃ (Single A) Have strong capacity to meet financial commitments, but susceptible to the adverse effects of changes in circumstances and economic conditions. Judged to be of high quality, subject to low credit risk.

BBB₁, BBB₂, BBB₃ (Triple B) Have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. Subject to moderate credit risk. Possess certain speculative characteristics.

BB₁, BB₂, BB₃ (Double B) Have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. Have speculative elements, subject to substantial credit risk.

B₁, B₂, B₃ (Single B) Have weak capacity to meet financial commitments. Have speculative elements, subject to high credit risk.

CCC₁, CCC₂, CCC₃ (Triple C) Have very weak capacity to meet financial obligations. Have very weak standing and are subject to very high credit risk.

CC (Double C) Have extremely weak capacity to meet financial obligations. Highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C (Single C) Highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Typically in default, with little prospect for recovery of principal or interest.

D Default. Will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

Short Term

ST-1: Highest Grade. Highest capacity for timely repayment of obligations.

ST-2: High Grade. Strong capacity for timely repayment of obligations.

ST-3: Average Grade. Average capacity for timely repayment of obligations.

ST-4: Below Average Grade. Below average capacity for timely repayment of obligations.

ST-5: Inadequate Grade. Inadequate capacity for timely repayment of obligations.

ST-6: Lowest Grade. High risk of default or are currently in default.

Debt Instruments

CRAB ratings of debt instruments assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts, as per terms of a contract with specific reference to the instrument being rated. A missed or delayed payment by an issuer in breach of the agreed terms of the issue is considered as default. The rating is based on an objective analysis of the information and clarifications obtained from the Issuer, as also other sources considered reliable.

RATING DEFINITION

Debt Instruments

Long Term

AAA (Triple A) Have extremely strong capacity to meet financial commitments. Judged to be of the highest quality, with minimal credit risk.

AA₁, AA₂, AA₃ (Double A) Have very strong capacity to meet financial commitments. Judged to be of very high quality, subject to very low credit risk.

A₁, A₂, A₃ (Single A) Have strong capacity to meet financial commitments, but susceptible to the adverse effects of changes in circumstances and economic conditions. Judged to be of high quality, subject to low credit risk.

BBB₁, BBB₂, BBB₃ (Triple B) Have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. Subject to moderate credit risk. Possess certain speculative characteristics.

BB₁, BB₂, BB₃ (Double B) Have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. Have speculative elements, subject to substantial credit risk.

B₁, B₂, B₃ (Single B) Have weak capacity to meet financial commitments. Have speculative elements, subject to high credit risk.

CCC₁, CCC₂, CCC₃ (Triple C) Have very weak capacity to meet financial obligations. Have very weak standing and are subject to very high credit risk.

CC (Double C) Have extremely weak capacity to meet financial obligations. Highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C (Single C) Highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. Typically in default, with little prospect for recovery of principal or interest.

D Default. Will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

Short Term

ST-1: Highest Grade. Highest capacity for timely repayment of obligations.

ST-2: High Grade. Strong capacity for timely repayment of obligations.

ST-3: Average Grade. Average capacity for timely repayment of obligations.

ST-4: Below Average Grade. Below average capacity for timely repayment of obligations.

ST-5: Inadequate Grade. Inadequate capacity for timely repayment of obligations.

ST-6: Lowest Grade. High risk of default or are currently in default.

Structured Finance Rating

Structured Finance Rating inducted under this category will be asset backed securitisation, mortgage backed securitisation, future flow transaction etc. Structured Finance ratings are opinions on the likelihood of the concerned structured instrument servicing its debt obligations in accordance with the terms. An SFR, which is generally different from the corporate credit rating of the originator, is based on the risk assessment of the individual components of the structured instrument.:

- ▶ Assessment of issuer and/or originator/servicer
- ▶ Legal issues and documentation
- ▶ Originations, underwriting criteria and portfolio servicing
- ▶ Historical portfolio performance
- ▶ Portfolio characteristics and concentrations
- ▶ Obligor characteristics and concentrations
- ▶ Loan and lease features
- ▶ Manufacturer/vendor concentration
- ▶ Derivation of credit enhancement
- ▶ Cash flow analysis

Services under BASEL II

Bangladesh Bank (BB) issued new guidelines on capital adequacy for Banks under the implementation process of Basel II framework. Under the guidelines, Banks require to link the minimum size of their capital to the credit risk in their portfolios. So far Banks were calculating required capital as proportion of the entire loan portfolio, regardless of the degree of credit risk. To determine credit risk in their loan portfolios, banks will need to use credit ratings assigned by approved External Credit Assessment Institutions (ECAIs) such as CRAB.

What is Basel II

Basel II is recommendatory framework for banking supervision, issued by the Basel Committee on Banking Supervision in 2004. The objective of Basel II is to bring about international convergence of capital measurement and standards in the banking system. BB, in December 2008, issued guidelines on the New Capital Adequacy Framework (BRPD Circular 09, dated 31.12.08) to banks operating in Bangladesh, based on the Basel II framework. These guidelines inform that BB suggests implementation of Basel II with the following approaches:

- i) standardised approach for calculating RWA against credit risk
- ii) standardised approach for calculating RWA against Market Risk; and
- iii) Basic indicator approach for calculating RWA against Operational Risk

Under standardised approach for measuring credit risks, the risk grades are determined on the basis of ratings assigned by ECAIs.

Risk Weights of Corporate Claims under Basel II

	Bangladesh Bank Rating Grade	Equivalent CRAB Rating	Risk Weight %
CLAIMS ON CORPORATE (excluding equity exposures)	1	AAA	20
	2	AA ₁ , AA ₂	50
	3,4	AA ₃ , A ₁ , A ₂ , A ₃ , BBB ₁ , BBB ₂ , BBB ₃	100
	5,6	BB ₁ , BB ₂ , BB ₃ , B ₁ , B ₂ , B ₃ , CCC ₁ , CCC ₂ , CCC ₃ , CC, C, D	150
	Unrated	-	125

Bank Loan Rating

CRAB offers Bank Loan Ratings to various types of facilities provided by banks, such as working capital demand loans, cash credit, project loans, loans for general corporate purposes, and non-fund-based facilities. Bank loan ratings indicate the degree of risk with regard to timely payment of interest and principal on the facility being rated.

The Bank Loan Rating service from CRAB entails evaluating the capability of an issuer (borrower of a bank) to timely meet its debt obligations against a specific line of credit, in the light of the relevant terms, conditions and covenants. CRAB considers all relevant factors that have a bearing on the future cash generation and debt servicing ability of the issuer. The rating methodology and scale used are similar to that used for **Debt Instrument Rating**.

Bank Client Rating

CRAB also offers entity ratings of different companies. CRAB has conducted ratings of companies of different industries, including textile, telecom, engineering, agro processing, power, manufacturing, and service sector. The rating methodology and scale used are similar to that used for **Corporate Rating**.

Special Offer for Corporate needing this service

We offer that Corporate would reach an arrangement with CRAB for rating of the companies and their bank exposures. Under such arrangement Corporate will have the following privileges.

- ◆ Assist Corporate in selecting the Companies under the Group for rating
- ◆ CRAB would offer special rates for rating of more than one Company and/or exposure
- ◆ CRAB would arrange programs for the officials of Companies for familiarization of rating
- ◆ CRAB would offer special privileges to all future rating requirements of the Corporate, i.e. IPO, Debenture, Bonds etc.
- ◆ CRAB professionals would assist Corporate in providing information

Other Rating Services

Mutual Funds Schemes Rating

Mutual Funds Schemes Rating is designed to provide investors, intermediaries and Fund Sponsors/Asset Management Companies with an Independent opinion on the performance record and risks associated with various Mutual Fund Schemes. Funds ratings incorporate various qualitative and quantitative factors affecting a fund's portfolio. Such analyses focus on the resilience of portfolio companies to economic changes, assessing asset quality, portfolio diversification and performance, and liquidity management.

Corporate Governance and Stakeholder Value Addition Rating

Such rating assesses the level to which an organisation accepts and follows the codes and guidelines of corporate governance practices. It is evaluated from the system of distribution of rights and responsibilities among different participants in the organisation such as the board, management, shareholders and other financial stakeholders, and the rules and procedures laid down and followed for making decisions on corporate affairs.

Micro Finance Capacity Rating

Micro Finance Capacity Assessment rating is intended as a service to lenders by providing Informed opinion on the credit worthiness of the MFIs, This would facilitate flow of funds to MFIs by providing detailed information and analysis on the programmes and performance of the organization. The rating would also provide suggestions for improvements in MFIs' performance strength facilitating the ability of more efficient utilisation of funds.

Entity Rating

Entity ratings are a measure of a company's intrinsic ability and overall capacity for timely repayment of its financial obligations. These ratings may be required for any regulatory compliance or sought by companies to enhance credit, corporate governance, and transparency. These ratings are useful for benchmarking a company against its peers, enhancing investors' confidence, market profiling, reducing time for future debt ratings, enhancing a company's standing for counter party risk purposes and facilitating credit evaluation for Bank borrowings and Bank credit lines.

Project Finance

Credit rating of Project Finance provides opinion on the types of risks associated with the project and the relative ability of the project and its sponsors/executing agency to service the financial obligations. These ratings are useful for the project sponsors in raising funds, and for the lenders in designing and pricing their funds.

Other Rating Services

Grading Service

CRAB is equipped to offer specialised evaluation methodologies addressing exclusive and area specific requirements under the umbrella of Grading services. The services are meant for evaluation of different activities and entities belonging to multi-faceted industries. CRAB's grading service is designed to provide an objective, credible and independent opinion on the quality of entities being examined with specific reference to parameters and issues unique to the sector/sub-sector. Construction and real-estate development activities, hospitals and diagnostic services are examples of such sector/sub-sectors. CRAB intends to establish strategic association with reputable and specialised bodies associated with the sector/sub-sector to develop and offer specialised grading products. The services include:

- A. Corporate Governance & Stakeholders Value Addition Grading
- B. Real Estate Developers Grading
- C. Health Care Institutions Grading
- D. NGO Social Impacts Grading
- E. Educational Institutions Quality Grading
- F. Other Grading Services

Advisory Service

The Advisory & Consultancy Services will offer wide-ranging management advisory services, which include client specific need-based service in the following areas for banks, financial institutions, corporate and other core sectors:

- A. strategic counselling
- B. restructuring solutions
- C. financial feasibility
- D. financial structuring/modelling
- E. studies in different areas
- F. credit risk management services for banks and other lenders
- G. Project design and feasibility reports etc.

CRAB also offers advisory/consulting services to clients who are seeking to be more competitive in their operating spheres. Such advisory services will be useful for a variety of clients - corporate entities, regulatory authorities, banks/financial service organisations, industry associations, local governments, government organisations, and multi-lateral agencies, through selective tie-ups with reputed organizations having expertise in specific sectors.

Information Service

CRAB Information Service focuses on providing authentic data and value-added products used by intermediaries, financial institutions, banks, asset managers, institutional and individual investors, and others. The service includes sector/industry-specific studies/publications and mandate-based studies (customised research).

Rating Committee

The credit rating process has at its apex a high powered Rating Committee composed of personalities with impeccable integrity, judgement and standing. The Committee is entrusted with the responsibility for finalisation of the Rating Report and Fixation of the "Rating Award" to client entities and/or instruments. Currently the members of the Committee* are:



Dr. Mohammad Haroonur Rashid
Former Secretary and Member Planning Commission and Chairman of Securities & Exchange Commission of Bangladesh



Dr. Muzaffar Ahmed
Noted Economist
Former Director, Institute of Business Administration, Dhaka University



Dr. AB Mirza Md Azizul Islam
Former Advisor to Caretaker Govt. of Bangladesh, Former Chairman of Securities & Exchange Commission of Bangladesh



Mohammad Sohrab Uddin Ph.D, AIA
Actuary, Former Deputy Governor, Bangladesh Bank



Ataul Haq
Former Deputy Governor, Bangladesh Bank
Former Managing Director, IFIC Bank Ltd



Khondkar Ibrahim Khaled
Former Deputy Governor, Bangladesh Bank
Chairman, Bangladesh Krishi Bank



Syed Yusuf Hussain
Chairman, Bangladesh Energy Regulatory Commission
Former Comptroller & Auditor General of Bangladesh



Asif Ali
Former Comptroller & Auditor General of Bangladesh



M. Azizul Huq
Noted Expert on Islamic Banking &
Former Executive President, Islami Bank Bangladesh Ltd.



Hamidul Huq
Managing Director
Credit Rating Agency of Bangladesh Ltd.

**The committee composition may change from time to time.*

CRAB's Professional Team

Managing Director

Hamidul Huq

Technical Advisor

Anwaruddin Chowdhury, FCA
Past President Institute of Chartered Accountants in
Bangladesh (ICAB), Former Managing Director, CRAB

A R Bhuiyan AIA
Noted Insurance Personality
Former Managing Director, Prime Insurance

Advisor

Md. Fokrul Islam ACA, LLB

Vice President & Company Secretary

H S Sohrawardhi

Manager (Ratings)

Md. Tajul Islam

Senior Financial Analyst

Enam Al Quddus
Ehsanul Kabir

Financial Analyst

Razib Ahmed
Nur Elahee Molla
Mir Arif Billah
Tahmina Islam
Shahtaj Noor
Fareba Naz Shaule
Snehashish Chakrobarty
Monir Ahmed
Nafiz Iftekhar
Md. Abdullah Omar
Mavin Ahmed
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