

to deliver credible
superior & quality
credit rating opinion



RESPONSIVENESS
CREDIBILITY
TRANSPARENCY
QUALITY



EMERGING
Credit Rating Ltd
an independent house of risk assessment

EMERGING CREDIT RATING LTD

Emerging Credit Rating Limited (hereinafter referred to as ECRL) began its journey in the year 2009 with the motive to deliver credible superior & quality credit rating opinion in various industry segments around Bangladesh. Our drive to deliver the promised quality has helped ECRL to complete over **4,900 rating assignments** from the time of inception to December 2015. ECRL's team is devoted towards the continuous improvement of processes, striving for an important role in the leadership of the business world. Every individual in ECRL is committed to provide top most ingenious Credit Rating Services and Comprehensive Research Services in Bangladesh.

Malaysian Rating Corporation Berhad

ECRL established technical collaboration with Malaysian Credit Rating Company, Malaysian Rating Corporation Berhad (MARC). Under the agreement, ECRL gets technical support in relation to rating procedures and methodologies along with other supports whenever necessary.

Bangladesh Securities and Exchange Commission

ECRL obtained credit rating license from Bangladesh Securities and Exchange Commission (BSEC) in June 2010 as per Credit Rating Companies Rules 1996. BSEC is the regulator of the country's capital market, enacted through the Securities and Exchange Commission Act 1993. In accordance to BSEC Rules 2004, every public offering of debt instruments, shares at premium and right share issued at premium are to be rated by an External Credit Rating Institution (ECAI).

Bangladesh Bank

ECRL received Bangladesh Bank's accreditation as an ECAI in October 2010. ECRL's rating methodologies are developed within the guidance of Bangladesh Bank (BB), which is the central bank and apex regulatory body for the country's monetary and financial system. In accordance to Bangladesh Bank's circular no. 06 through BRPD, every financial institutions and NBFIs are to be rated by an ECAI along with bank loans sanctioned by the financial institutions.

Association of Credit Rating Agencies in Asia

ECRL achieved its membership with Association of Credit Rating Agencies in Asia (ACRAA) in April 2011. The membership enables and requires ECRL to uphold a degree of service quality and conducts of operation; helps to promote interaction and exchange of ideas, experiences, information, knowledge and skills among over 30 credit rating agencies in Asia.

Insurance Development & Regulatory Authority Bangladesh

ECRL has received accreditation with Insurance Development & Regulatory Authority Bangladesh (IDRA) in February 2015. IDRA's mission is to make the insurance industry the premier financial service provider in the country and as per Bangladesh Bank's circular, every life and general insurance company needs to prepare credit rating reports with validity of one year.

BOARD OF DIRECTORS



Dr. Jamaluddin Ahmed FCA

Chairman & Director



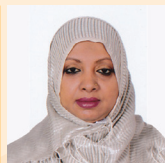
N.K.A. Mobin FCA, FCS, CFC

Director & Managing Director



Ahsan Parvez FCA

Director



Mrs. Kohinoor Sultana

Director

ADVISORY COMMITTEE

Prof. Dr. Abul Kalam Azad Chowdhury

(Professor, Dept. of Clinical Pharmacy and Pharmacology
Former Chairman of University Grants Commission of
Bangladesh)

Mr. Syed Anisul Huq

(Independent Director, IFIC Bank Limited)

Mr. Siddiqur Rahman Chowdhury

(Former Finance Secretary, Government of Bangladesh)

Mr. A.S.M. Shahidullah Khan

(Director, SECUREX
Director ONE Bank Limited)

Dr. Fahmida Khatun

(Research Director, Centre for Policy Dialogue)

Syed Fahim Munaim

(Former CEO & Chief Editor, Maasranga Television)

RATING COMMITTEE

Dr. Abul Barkat

(Professor in the Economics Department,
University of Dhaka)

Dr. Muhammad Abdul Mazid

(Former Chairman NBR
Chairman, Chittagong Stock Exchange)

Prof. Jagadish Chandra Sukla Das

(Professor in the Accounting Department,
University of Dhaka)

Mr. Masud Isa

(Former General Manager, The business for Milenium
Development, Melbourne, Australia)

Mr. Chowdhury Abdul Quayum

(Former Managing Director,
National Credit & Commerce Bank Ltd)

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(Professor of Department of Finance, University of
Dhaka)

Mr. H. M. Moazzem Hossain

(Editor, The Financial Express)

Mr. Habibullah Bahar

(Senior Economic Adviser, MCCI
Former Economic Adviser, Bangladesh Bank)

RATING SERVICE

Corporate Debt Rating

Assess the probability of timely repayment of principal and payment of interest over the term till the maturity of a particular debt.

Entity Rating

Assess the probability of timely repayment of principal and payment of interest over the term till the maturity of all debt obligations that the entity hold at that date. Since it does not analyze the individual characteristics of the borrowings based on their specific structure, terms and conditions, therefore it does not comment on each borrowing, instead entity rating gives a generalized opinion on all borrowings of the rated entity. This form of rating also includes IPO (Initial Public Offering) rating.

Bond Rating

Assess the likelihood of timely repayment of principal and payment of interest over the term till the maturity of a particular bond.

Financial Institutions Rating

Assess the creditworthiness of financial institutions, i.e. commercial and investment banks as well as Islamic Financial Institutions, finance companies and discount houses. ECRL is proud to be the first rating agency in Bangladesh to introduce a specific set of rating symbols and definitions designed exclusively for Islamic Financial Institutions.

Insurance Rating

Assess the creditworthiness of insurance companies, both general and life insurance, i.e. the financial security characteristics of the insurance company and its ability to meet its policy holder obligations.

Project Finance Rating

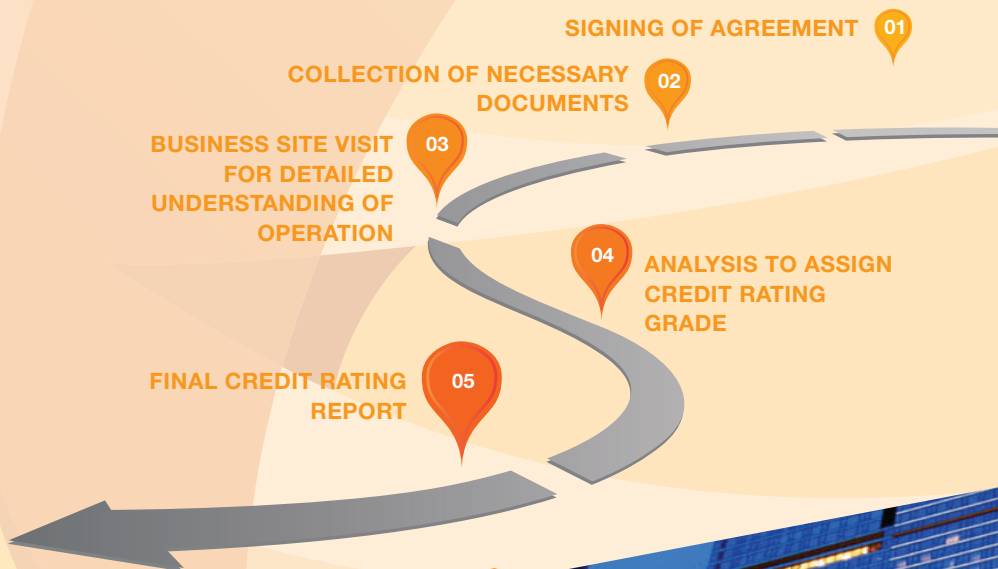
Assess the likelihood of timely repayment of principal and payment of interest on debt securities issued by a corporate.

SME Rating

The rating of Small and Medium Enterprises (SME) indicates relative level of creditworthiness of an SME entity in relation to other SMEs

*For detail methodology on the above, please visit our website (www.emergingrating.com).

RATING PROCESS



SMALL & MEDIUM ENTERPRISE (SME) RATING

Key Features

The rating of Small and Medium Enterprises (SME) indicates relative level of creditworthiness of an SME entity in relation to other SMEs. ECRL considers various factors among others such as: industry characteristics, operating efficiency, competitive position, management quality, financial risk characteristics, relationship with lenders and capital structure to evaluate overall risk profile of the SME entity.

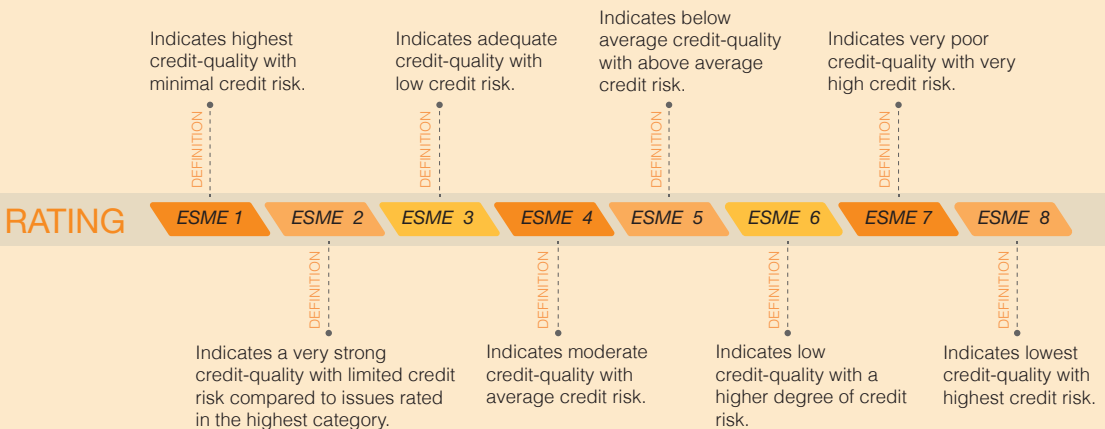
How ECRL's SME Rating Offers to Help the Business

- ☉ A detailed Credit Rating Report about the company and operation
- ☉ A wider access of borrowers and funding
- ☉ Enables to improve corporate image and publicity amongst Bank and Financial Institutions
- ☉ Rating process is easy and less cumbersome

List of Minimum Documents and Information Required

- ☉ Company financials signed by the MD/Proprietor (Management report)
- ☉ Managing Director/Proprietor's personal net worth statement
- ☉ Bank statement – current account and loan account
- ☉ Legal compliance documents e.g.: Trade License, Environmental certificate (if any)
- ☉ Collateral support

SME RATING SYMBOL



RATING OUTLOOK

ECRL's Rating Outlook assesses the potential direction of the SME Rating over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be:

POSITIVE	NEGATIVE	STABLE	DEVELOPING
Which indicates that a rating may be raised	Which indicates that a rating may be lowered	Which indicates that a rating is likely to remain unchanged	Which indicates that a rating may be raised, lowered or remain unchanged

BENEFITS OF ECRL RATING

"ECRL's assigned credit rating grade helped me to understand the true position of my company compared to the industry giants. The assigned grade helped me plan my investment decisions for the coming years. ECRL's service assisted me in taking much more informed decisions to attain higher business growth."

- commented by one of ECRL's Client

Benefits to the Business

- e Gives an insight on the financial health of a company
- e Gives an indication on how the company is performing in absolute terms
- e Helps compare a company's creditworthiness against its competitors
- e Facilitates international comparison amongst companies.
- e Gives an indication on how a company is expected to perform in the future.
- e Gives an indication whether it is well placed to repay its debts and meet its overall financial obligations.

Relevance of Credit Rating In The Light of Basel II

- e Basel II has been adopted by Bangladesh Bank in January 2010 and since then it has been applied to scheduled banks and financial institutions operating in Bangladesh
- e Basel II is now statutory compliance requirement for all banking companies operating in Bangladesh
- e Basel II describes techniques to compute Minimum Capital Requirement (MCR) for Banking Institutions in Bangladesh
Capital Adequacy Ratio (CAR) \geq 10%, which will be 12% by January 2020 upon implementation of BASEL III.
- e Banks calculate Risk Weighted Asset (RWA) on the basis of risk weight mapping circulated by BB against the credit rating assessment made by listed External Credit Rating Agencies (ECAI)

Changes After Implementation of Basel III

- e Bangladesh Bank through BRPD circular no. 7 dated March 31, 2014 introduced Basel III in Bangladesh.
- e Roadmap for Basel III prescribed by Banking Regulation & Policy Department

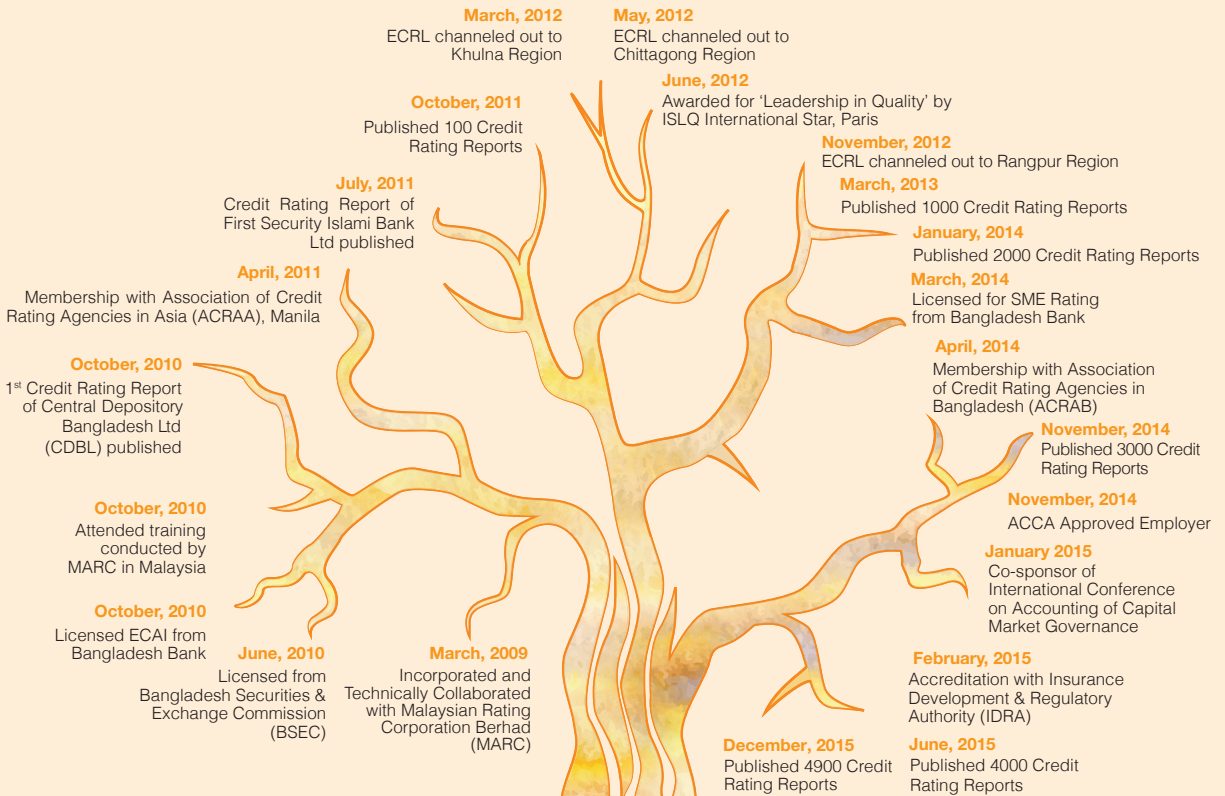
Action	Deadline
Issuance of Guidelines on Risk Based Capital Adequacy	December 2014
Commencement of Basel III Implementation Process	January 2015
Capacity Building of Bank and BB Officials	January 2015- December 2019
Initiation of Full Implementation of Basel III	January 2020

Previously Capital Adequacy Ratio calculated in Basel II are now termed as Capital to Risk-weighted Asset Ratio (CRAR) in Basel III, and is calculated as per guidelines of Basel III:

$$\text{CRAR} = \frac{\text{Total Eligible Capital}}{\text{Credit RWA} + \text{Market RWA} + \text{Operational RWA}}$$

To calculate Capital to Risk-weighted Asset Ratio (CRAR), Banks are required to calculate their Risk Weighted Assets (RWA) on the basis of credit, market, and operational risks.

MILESTONES OF ECRL



“Never test the depth of river with both the feet”

– Warren Buffet

“If you’re walking down the right path and you’re willing to keep walking, eventually you’ll make progress”

– Barack Obama

“Money won’t create success, the freedom to make it will”

– Nelson Rolihlahla Mandela

“Be sure you put your feet in the right place, then stand firm”

– Abraham Lincoln

“I’m convinced that about half of what separates successful entrepreneurs from the non-successful ones is pure perseverance”

– Steve Jobs

CONTACT DETAILS

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