

BB eases credit rating to facilitate more business loans

A Monitor Report

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Dhaka : The Bangladesh Bank has eased conditions related to Internal Credit Risk Rating (ICRR) to facilitate loans to businesses for their rebound amid the pandemic. From now on, aspirant borrowers having rating scores of 50 or more can reschedule their loans for two times. Earlier, at least 55 points were needed for that. The rule will be in effect until December 31, 2022.

The Banking Regulation and Policy Department of the central bank issued a circular in this regard and sent it to the managing directors of all the scheduled banks on February 23.

"Many businesses became financially weak thanks to the pandemic-induced crisis in 2020 and 2021. The facility [relaxing the credit score] has been given so that they can apply for new loans and reschedule the previous ones," the circular read.

However, no "unacceptable" borrowers can be provided with loans, it clarified.

Following the Bangladesh Bank ICRR policy, lenders classify their clients into four categories - ones having at least 75 scores as excellent, 65 as good, 50 as marginal and below 50 as unacceptable - analysing the clients' last audited financial reports. Excellent and good clients can avail loans easily, while marginal ones have to go through extra scrutiny.

