

Rating Advisory Service

Our independent rating advisory service facilitates relations with international rating agencies. Based on twenty-seven years of expertise in emerging markets and our independence from both rating agencies and investment banks, our advisory service should benefit

- Banks that would like to be reviewed confidentially by a ratings expert without requiring a credit rating.
- Banks that are thinking about granting a mandate to a rating agency.
- Banks that are preparing for a rating.
- Banks that are not satisfied with assessments by a rating agency.

Confidential Pre-Rating Reviews

Foreign counter-parties assess banks by using global credit standards. Internationally active banks without ratings should check what steps would be needed to gain a good rating. Our independent and confidential Rating Advisory Service can provide clear and practical advice on how a bank can best present itself to rating agencies and counter-parties. As this is our specialism, we do not have the conflicts of interest faced by advisors from investment banks or rating agencies, both of which want to solicit further business from you.

Our long experience of rating emerging market banks allows us to communicate efficiently with top management about all aspects of their operations. In addition to a detailed credit review, this includes a thorough examination of the non-financial aspects of banks' operations that rating agencies include in their evaluations but usually do not explain to subject banks.

Confidential In-House Credit Analysis

For banks with or without an international credit rating, Rating Developments can undertake a confidential in-house credit analysis. The analysis would highlight areas and operations where modest improvements could have a significant impact on a rating. The analysis would also provide a basis for dialogue and negotiation with rating agencies.

Assistance with Preparations for a Rating

Rating agencies request banks to complete standard forms and to provide voluminous data. We help banks assemble their Rating Book for the agencies. We can also advise on which data are most important to the agencies, what they are looking for, and how to best present the information that they really need.

Dissatisfaction with a Current Rating Proposal

Banks are sometimes dissatisfied with the rating process of an agency for one or more of the following reasons:

- During their on-site meetings, the rating analysts over-emphasised negative developments or did not adequately recognise progress in strategies, resources or operations.
- A rating agency proposes a rating that is too low:
 - A first rating may be too harsh according to the agency's own rating definitions.
 - Perhaps the bank is assigned a rating that is lower than those of comparable banks in its peer group.
 - Sometimes an agency wants to downgrade a rating when there has been no perceivable deterioration in bank performance or business environment.

The major rating agencies provide for an appeal process that allows for banks to make direct presentations to the rating committee. Where appropriate, we can assist by preparing an alternative analysis based on developments at the bank and comparisons with other banks in its peer group. Assistance can also be provided with the actual appeal presentation.