

## **PRESS RELEASE FROM CARE RATINGS**

6<sup>TH</sup> January 2011

Credit Analysis and Research Ltd., (CARE Ratings) in India has been granted a licence for conducting credit rating operations in the Maldives by the Capital Market Development Authority (CMDA) of Maldives, with effect from 6<sup>th</sup> January, 2011. This is the first rating agency to be awarded such a licence.

At the function organised at Male', Maldives, to grant the licence, the Minister for Economic Development, Government of Maldives, Mr Mahmood Razy said that this marked an important step forward for the financial sector in Maldives. While welcoming and congratulating CARE Ratings for commencing rating operations in Maldives, he looked forward to increased usage of credit rating for encouraging private sector participation in the economy because with credit rating, funds can come from sources other than banks and financial institutions also. He emphasised that with Maldives making a transition as a Middle Income Country, products like rating and grading services would be crucial in developing the financial system. He also stated that establishment of a rating agency is only one element of the chain. The other essential elements like capacity building, wider dissemination of information and legal/judicial support also need to go on simultaneously.

Speaking on the occasion, Mr D. R. Dogra, Managing Director and CEO, CARE Ratings, said, "We at CARE Ratings are glad to be the first rating agency in Maldives. It is a great opportunity for two dynamic markets to create synergies and grow together. CARE with its expertise, experience, professionalism, best practices and credibility will expand and extend the depth of credit rating in its new venture, giving it a more defined direction and meaning".

"On the face of it, the business of credit rating agencies (CRAs) is described by select symbols, but these very symbols define commitment and credibility on our part and mean an indicator to investors, an unbiased gauge of fundamentals; and CARE very duly recognizes this. We do see the Maldives market too getting a certain degree of buoyancy in future which will be supported by our presence", he added.

Ms Fathmath Shafeega, CEO of CMDA said that this was a very important step in Maldives for the development of efficient financial systems. She expressed confidence that with CARE's experience in rating services, new rating/grading products would find acceptance in Maldives. She also felt the need for quality research offerings in Maldives. She also looked forward to the support from Government of Maldives as well as Maldives Monetary Authority in establishing the usage of credit rating information in the country. Creating market awareness and skill development would be the key challenges, she observed.

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