

ICRA LANKA'S RATING SCALES AND DEFINITIONS

ICRA Lanka's Long-Term Rating Scale

Long-Term rating Scale: All Bonds, NCDs, and other debt instruments with original maturity exceeding one year.

[SL]AAA	The highest-credit-quality rating assigned by ICRA Lanka. The rated instrument carries the lowest credit risk.
[SL]AA	The high-credit-quality rating assigned by ICRA Lanka. The rated instrument carries low credit risk.
[SL]A	The adequate-credit-quality rating assigned by ICRA Lanka. The rated instrument carries average credit risk.
[SL]BBB	The moderate-credit-quality rating assigned by ICRA Lanka. The rated instrument carries higher than average credit risk.
[SL]BB	The inadequate-credit-quality rating assigned by ICRA Lanka. The rated instrument carries high credit risk.
[SL]B	The risk-prone-credit-quality rating assigned by ICRA Lanka. The rated instrument carries very high credit risk.
[SL]C	The poor-credit-quality rating assigned by ICRA Lanka. The rated instrument has limited prospects of recovery.
[SL]D	The lowest-credit-quality rating assigned by ICRA Lanka. The rated instrument has very low prospects of recovery.

ICRA Lanka's Short-Term Rating Scale

Short-Term Rating Scale: All instruments with original maturity within one year.

[SL]A1	The highest-credit-quality rating assigned by ICRA Lanka to short-term debt instruments. Instruments rated in this category carry the lowest credit risk in the short term.
[SL]A2	The above-average-credit-quality rating assigned by ICRA Lanka to short-term debt instruments. However, instruments rated in this category carry higher credit risk than instruments rated A1.
[SL]A3	The moderate-credit-quality rating assigned by ICRA Lanka to short-term debt instruments. However, instruments rated in this category carry higher credit risk than instruments rated A1 and A2.
[SL]A4	The risk-prone-credit-quality rating assigned by ICRA Lanka to short-term debt instruments. Instruments rated in this category carry high credit risk.
[SL]D	The lowest-credit-quality rating assigned by ICRA Lanka to short-term debt instruments. Instruments rated in this category have very low prospect of recovery.

Notes:

For the short-term ratings of [SL]A1 through to [SL]A4, the sign of + (plus) may be appended to the rating symbols to indicate their relatively stronger position within the rating categories concerned. Thus, the rating of [SL]A2+ is one notch higher than [SL]A2.

For the rating categories [SL]AA through to [SL]C, the sign of + (plus) or – (minus) may be appended to the rating symbols to indicate their relative position within the rating categories concerned. Thus, the rating of [SL]AA+ is one notch higher than [SL]AA, while [SL]AA- is one notch lower than [SL]AA.



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