

ICRA Lanka's Ratings Scale and Definitions for Debt Instruments

ICRA Lanka's Long-Term Rating Scale

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

[SL]AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
[SL]AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
[SL]A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
[SL]BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
[SL]BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
[SL]B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
[SL]C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
[SL]D	Instruments with this rating are in default or are expected to be in default soon.

Notes:

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.

ICRA Lanka's Short-Term Rating Scale

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

[SL]A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
[SL]A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
[SL]A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.

[SL]A4 Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.

[SL]D Instruments with this rating are in default or expected to be in default on maturity..

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.

Structured Finance Rating

Long term structured finance instruments. The instruments with original maturity exceeding one year

[SL]AAA(SO) Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

[SL]AA(SO) Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

[SL]A(SO) Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

[SL]BBB(SO) Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

[SL]BB(SO) Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.

[SL]B(SO) Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.

[SL]C(SO) Instruments with this rating are considered to have very high likelihood of default regarding timely payment of financial obligations.

[SL]D(SO) Instruments with this rating are in default or are expected to be in default soon.

The Structured Finance ratings assigned by ICRA also factor in the estimate of the relative potential loss to the investor (taking into account credit enhancements, if any) over the tenure of the rated instrument.

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