



**MONETARY BOARD  
CENTRAL BANK OF SRI LANKA**

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**CIRCULAR**

**No. 09 of 2021**

**RECOGNITION OF LANKA RATING AGENCY LTD AS AN ACCEPTABLE  
CREDIT RATING AGENCY**

The Central Bank of Sri Lanka recognises Lanka Rating Agency Ltd (LRA) as an acceptable External Credit Assessment Institution for the purpose of Banking Act Directions No. 01 of 2016 on Capital Requirements Under Basel III for Licensed Commercial Banks and Licensed Specialised Banks and other related regulatory requirements pertaining to licensed commercial banks and licensed specialised banks.

Accordingly, Table 1 and Table 3 under the item No. 2.3 of Schedule I Appendix IV of the Banking Act Directions No. 01 of 2016 on Capital Requirements Under Basel III for Licensed Commercial Banks and Licensed Specialised Banks are revised as in Annex.

**Prof. W D Lakshman**

*Chairman of the Monetary Board and  
Governor of the Central Bank of Sri Lanka*

**Table 1 - Mapping of Notations of the Credit Rating Agencies in Sri Lanka**

<b>Fitch Rating Lanka</b>	<b>ICRA Lanka Limited</b>	<b>Lanka Rating Agency Limited</b>	<b>Rating Scale for Capital Ratios</b>
AAA (lka)	(SL) AAA	AAA	AAA
AA+ (lka)	(SL) AA+	AA+	AA+
AA (lka)	(SL) AA	AA	AA
AA- (lka)	(SL) AA-	AA-	AA-
A+ (lka)	(SL) A+	A+	A+
A (lka)	(SL) A	A	A
A- (lka)	(SL) A-	A-	A-
BBB+ (lka)	(SL) BBB+	BBB+	BBB+
BBB (lka)	(SL) BBB	BBB	BBB
BBB- (lka)	(SL) BBB-	BBB-	BBB-
BB+ (lka)	(SL) BB+	BB+	BB+
BB (lka)	(SL) BB	BB	BB
BB- (lka)	(SL) BB-	BB-	BB-
B+ (lka)	(SL) B+	B+	B+
B (lka)	(SL) B	B	B
B-(lka) & Lower	(SL) B- & Lower	B- & Lower	B- & Lower

**Table 3 - Mapping of Short-Term Ratings**

<b>Standard and Poor's</b>	<b>Moody's</b>	<b>Fitch Ratings</b>	<b>ICRA Lanka Limited</b>	<b>Lanka Rating Agency Limited</b>	<b>Risk weights</b>
A - 1+/A - 1	P - 1	F1+/ F1	(SL) A1+ / A1	A1+/A1	20%
A - 2+/A - 2	P - 2	F2	(SL) A2+ / A2	A2	50%
A - 3+/A - 3	P - 3	F3	(SL) A3+ / A3	A3	100%
Below A - 3	NP	Below F3	(SL) Below A3	A4	150%