



CENTRAL BANK OF SRI LANKA

DEPARTMENT OF SUPERVISION OF NON-BANK FINANCIAL INSTITUTIONS

24 September 2021

CIRCULAR

No. 08 of 2021

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

The Central Bank of Sri Lanka recognizes Lanka Rating Agency Ltd (LRA) as an acceptable External Credit Assessment Institutions for the following purpose,

- i. Circular No.01 of 2018 - Credit Ratings;
- ii. Finance Business Act Directions No.03 of 2018 – Capital Adequacy Requirement for Licensed Finance Companies (LFCs) and Finance Leasing Act Directions No.03 of 2018- Capital Adequacy Requirements for Specialized Leasing Companies (SLCs);
- iii. Finance Business Act Directions No. 01 of 2020 – Classification and measurement of credit facilities and Finance Leasing Act Directions No.01 of 2020 – Classification and measurement of credit facilities;
- iv. Finance Business Act Directions No.04 of 2021 – Foreign Currency Borrowings and
- v. Other related regulatory requirements pertaining to LFCs ad SLCs.

Accordingly, Table 5 under the item No. 2.3 of Part 2- Computation of Total Risk Weighted Assets of Schedule I of the Finance Business Act Directions No.03 of 2018 – Capital Adequacy Requirement for LFCs and Finance Leasing Act Directions No.03 of 2018- Capital Adequacy Requirements for SLCs is revised as in Annex.

A handwritten signature in blue ink, appearing to be 'JP Gamalath'.

J P Gamalath

*Director, Department of Supervision of Non-Bank
Financial Institutions, Central Bank of Sri Lanka*

Table 5 - Mapping of Notations of the Credit Rating Agencies in Sri Lanka

Fitch Rating Lanka	ICRA Lanka Limited	Lanka Rating Agency Limited	Rating Scale for Capital Ratios
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