

Rating Definitions

Long term debt

Investment Grade

AAA	Highest credit quality. The risk factors are negligible, being only slightly more than for risk free government bonds.
AA+ AA AA-	Very high credit quality. Protection factors are very strong. Adverse changes in business, economic or financial conditions would increase investment risk, although not significantly.
A+ A A-	High credit quality. Protection factors are good. However, risk factors are more variable and greater in periods of economic stress.
BBB+ BBB BBB-	Adequate protection factors and considered sufficient for prudent investment. However, there is considerable variability in risk during economic cycles.

Non-investment Grade

BB+ BB BB-	Below investment grade but capacity for timely repayment exists. Present or prospective financial protection factors fluctuate according to industry conditions or company fortunes. Overall quality may move up or down frequently within this category.
B+ B B-	Below investment grade and possessing risk that obligations will not be met when due. Financial protection factors will fluctuate widely according to economic cycles, industry conditions and/or company fortunes.
CCC	Well below investment grade securities. Considerable uncertainty exists as to timely payment of principal or interest. Protection factors are narrow and risk can be substantial with unfavourable economic/industry conditions, and/or with unfavourable company developments.
DD	Defaulted debt obligations. Issuer failed to meet scheduled principal and/or interest payments.

Short term debt

High Grade

A1+	Highest certainty of timely payment. Short-term liquidity, including internal operating factors and/or access to alternative sources of funds, is outstanding, and safety is just below that of risk-free treasury bills.
A1	Very high certainty of timely payment. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.
A1-	High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

Good Grade

A2	Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
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Satisfactory Grade

A3	Satisfactory liquidity and other protection factors qualify issues as to investment grade. However, risk factors are larger and subject to greater variation.
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Non-investment Grade

B	Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
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Default

C	Issuer failed to meet scheduled principal or interest payments.
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