

APPENDIX 2

Long and Short Term Credit Ratings

	Audit Commission grading (for the purpose of standardisation)	Fitch		Moody's		Standard & Poor's				
		Long Term	Short Term less than or equal to one year		Long Term	Short Term less than or equal to one year		Long Term	Short Term less than or equal to one year	
Investment Grade	Extremely strong Grade	AAA	F1+		Aaa	P-1		AAA	A-1+	
	Very Strong Grade	AA+	F1+		Aa1	P-1		AA+	A-1+	
		AA	F1+		Aa2	P-1		AA	A-1+	
		AA-	F1+		Aa3	P-1		AA-	A-1+	
	Strong, but susceptible to adverse conditions grade (strong grade)	A+	F1+	F1	A1	P-1		A+	A-1+	A-1
		A	F1		A2	P-1	P-2	A	A-1+	
		A-	F1	F2	A3	P-1	P-2	A-	A-1+	A-2
	Adequate grade	BBB+	F2		Baa1	P-2		BBB+	A-2	
		BBB	F2	F3	Baa2	P-2	P-3	BBB	A-2	A-3
		BBB-	F3		Baa3	P-3		BBB-	A-3	
Sub-investing Grade	Speculative grade	BB+	B		Ba1	Not Prime (NP)		BB+	B-1	
		BB	B		Ba2	NP		BB	B-2	
		BB-	B		Ba3	NP		BB-	B-3	
	Very speculative grade	B+	B		B1	NP		B+	-	
		B	B		B2	NP		B	-	
		B-	B		B3	NP		B-	-	
	Vulnerable grade	CCC	C		Caa1	NP		CCC+	C	
		CCC	C		Caa2	NP		CCC	C	
		CCC	C		Caa3	NP		CCC-	C	
		CC	C		-	NP		CC	C	
		C	C		Ca	NP		C	C	
	Defaulting grade	D	D		C	NP		D	D	

SCDC Investment Criteria