

Rating Transitions & Cumulative Default Rates - 2025

VIS Credit Rating Company Limited

- Rating Transition & Cumulative Default Rate Study, updated at the beginning of each calendar year, uses data from VIS rating database;
- Rating Transition and Cumulative Default Rate Study are based on last 10 Static Pools that include ratings conducted from January 1, 2014 to December 31, 2025;
- Only 'Medium to Long term' ratings on VIS' Issue/Issuer Rating Scale are used;
- Ratings at Issuer level are used; In case of multiple instrument ratings by an issuer, long term instrument rating taken as the issuer's rating. In case of subordinated or other structures, rating of the senior most debt is taken.
- Ratings of Structured Obligations and Insurer Financial Strength (IFS) ratings are not included in both studies due to limited number and non-comparability respectively;
- Cumulative Transition and Default Rates are expressed in Percentage Terms
- The above methodology is consistent with the methodology proposed to be implemented at the level of ACRAA.

DETAILS OF DATA SETS

- Rating Transitions are calculated for Periods: 1 year, 2 years, 3 years and 5 years since Jan. 1, 2014;
- Rating Transitions are calculated for All Rating Categories including Modifier Levels (+/-);
- Groups of all Outstanding Ratings at the Beginning of Each Period are formed;
- These Groups are called Static Pools or Cohorts;
- Rating Transitions Matrix for Each Period is developed using Static Pool Method;
- Ratings at the Beginning-of-the-period are displayed on the Y (Vertical) Axis of the Matrix;
- An Accumulated Migration Percentage of Rating Category at the End-of-the-period is depicted on the X (Horizontal) Axis;

RATING TRANSITIONS DEFINITION

	Counts	End-of-Period Rating																			
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
Beginning-of-Period Rating	4 AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	4 AA+	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	7 AA	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5 AA-	-	-	20.0	80.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	9 A+	-	-	-	-	88.9	11.1	-	-	-	-	-	-	-	-	-	-	-	-	-	
	9 A	-	-	-	-	11.1	77.8	11.1	-	-	-	-	-	-	-	-	-	-	-	-	
	12 A-	-	-	-	-	-	-	83.3	8.3	-	8.3	-	-	-	-	-	-	-	-	-	
	4 BBB+	-	-	-	-	-	-	-	75.0	-	-	25.0	-	-	-	-	-	-	-	-	
	3 BBB	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	
	0 BBB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1 BB+	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	
	0 BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1 BB-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	
	0 B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

RATING TRANSITIONS 2015

	Counts	End-of-Period Rating																			
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
Beginning-of-Period Rating	5 AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5 AA+	20.0	80.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	8 AA	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	8 AA-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	9 A+	-	-	-	-	77.8	11.1	11.1	-	-	-	-	-	-	-	-	-	-	-	-	
	9 A	-	-	-	-	22.2	44.4	22.2	11.1	-	-	-	-	-	-	-	-	-	-	-	
	10 A-	-	-	-	-	-	30.0	70.0	-	-	-	-	-	-	-	-	-	-	-	-	
	4 BBB+	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	
	2 BBB	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	
	0 BBB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 BB+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	2 BB-	-	-	-	-	-	-	-	-	-	-	-	-	50.0	-	50.0	-	-	-	-	
	0 B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

RATING TRANSITIONS

2016

	Counts	End-of-Period Rating																			
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
Beginning-of-Period Rating	6 AAA	83.3	16.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	3 AA+	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	4 AA	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	8 AA-	-	-	12.5	87.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	9 A+	-	-	-	22.2	77.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	7 A	-	-	-	-	14.3	85.7	-	-	-	-	-	-	-	-	-	-	-	-	-	
	12 A-	-	-	-	-	-	25.0	75.0	-	-	-	-	-	-	-	-	-	-	-	-	
	3 BBB+	-	-	-	-	-	-	33.3	33.3	33.3	-	-	-	-	-	-	-	-	-	-	
	2 BBB	-	-	-	-	-	-	-	-	50.0	50.0	-	-	-	-	-	-	-	-	-	
	0 BBB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 BB+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1 BB-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	
	0 B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	0 CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

RATING TRANSITIONS 2017

Beginning-of-Period Rating	Counts	End-of-Period Rating																		
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C
7	AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	AA+	14.3	85.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	AA	-	20.0	80.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	AA-	-	-	14.3	85.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	A+	-	-	-	-	92.3	7.7	-	-	-	-	-	-	-	-	-	-	-	-	-
11	A	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-
12	A-	-	-	-	-	-	8.3	83.3	-	-	8.3	-	-	-	-	-	-	-	-	-
5	BBB+	-	-	-	-	-	-	20.0	80.0	-	-	-	-	-	-	-	-	-	-	-
2	BBB	-	-	-	-	-	-	-	-	50.0	50.0	-	-	-	-	-	-	-	-	-
1	BBB-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-
1	BB+	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-
0	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	BB-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-
0	B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

RATING
TRANSITIONS
2018

	Counts	%	End-of-Period Rating																		
			AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C
Beginning-of-Period Rating	9	AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10	AA+	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	8	AA	-	-	87.5	-	12.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14	AA-	-	-	7.1	78.6	-	14.3	-	-	-	-	-	-	-	-	-	-	-	-	-
	19	A+	-	-	-	5.3	89.5	5.3	-	-	-	-	-	-	-	-	-	-	-	-	-
	24	A	-	-	-	-	4.2	95.8	-	-	-	-	-	-	-	-	-	-	-	-	-
	29	A-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-
	8	BBB+	-	-	-	-	-	-	37.5	62.5	-	-	-	-	-	-	-	-	-	-	-
	4	BBB	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-
	2	BBB-	-	-	-	-	-	-	-	-	50.0	50.0	-	-	-	-	-	-	-	-	-
	0	BB+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1	BB-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-
	0	B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0	CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

RATING TRANSITIONS 2019

	Counts	%	End-of-Period Rating																		
			AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C
Beginning-of-Period Rating	10	AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14	AA+	-	92.9	-	-	-	-	7.1	-	-	-	-	-	-	-	-	-	-	-	-
	10	AA	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	18	AA-	-	-	11.1	88.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	17	A+	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31	A	-	-	-	-	3.2	80.6	9.7	6.5	-	-	-	-	-	-	-	-	-	-	-
	58	A-	-	-	-	-	1.7	3.4	87.9	6.9	-	-	-	-	-	-	-	-	-	-	-
	15	BBB+	-	-	-	-	-	-	-	93.3	-	6.7	-	-	-	-	-	-	-	-	-
	13	BBB	-	-	-	-	-	-	7.7	-	84.6	-	7.7	-	-	-	-	-	-	-	-
	6	BBB-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-
	1	BB+	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-
	0	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1	BB-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-
	0	B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0	CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

RATING TRANSITIONS 2020

	Counts	%	End-of-Period Rating																		
			AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C
Beginning-of-Period Rating	8	AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	13	AA+	7.7	92.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	13	AA	7.7	-	92.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	13	AA-	-	7.7	7.7	84.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	19	A+	-	-	-	5.3	89.5	5.3	-	-	-	-	-	-	-	-	-	-	-	-	-
	31	A	-	-	-	-	12.9	83.9	3.2	-	-	-	-	-	-	-	-	-	-	-	-
	67	A-	-	-	-	-	-	14.9	85.1	-	-	-	-	-	-	-	-	-	-	-	-
	21	BBB+	-	-	-	-	-	-	38.1	61.9	-	-	-	-	-	-	-	-	-	-	-
	9	BBB	-	-	-	-	-	-	11.1	11.1	77.8	-	-	-	-	-	-	-	-	-	-
	5	BBB-	-	-	-	-	-	-	-	-	20.0	80.0	-	-	-	-	-	-	-	-	-
	1	BB+	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-
	0	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1	BB-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-
0	B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
0	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
0	CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

RATING TRANSITIONS 2021

	%	End-of-Period Rating																		
		AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C
Beginning-of-Period Rating	AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AA+	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AA	-	9.1	90.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AA-	-	-	8.3	91.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	A+	-	-	-	-	96.0	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-
	A	-	-	-	-	4.9	85.4	4.9	-	-	-	-	-	4.9	-	-	-	-	-	-
	A-	-	-	-	1.3	-	11.5	83.3	3.8	-	-	-	-	-	-	-	-	-	-	-
	BBB+	-	-	-	-	-	-	7.1	85.7	-	-	-	-	-	7.1	-	-	-	-	-
	BBB	-	-	-	-	-	-	-	11.1	88.9	-	-	-	-	-	-	-	-	-	-
	BBB-	-	-	-	-	-	-	-	16.7	-	83.3	-	-	-	-	-	-	-	-	-
	BB+	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-
	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

RATING TRANSITIONS 2022

RATING TRANSITIONS 2023

		End-of-Period Rating																			
	%	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
Beginning-of-Period Rating	AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA+	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA	-	9.1	90.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA-	-	-	8.3	91.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	A+	-	-	-	-	96.0	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-	
	A	-	-	-	-	4.9	85.4	4.9	-	-	-	-	-	4.9	-	-	-	-	-	-	
	A-	-	-	-	1.3	-	11.7	83.1	3.9	-	-	-	-	-	-	-	-	-	-	-	
	BBB+	-	-	-	-	-	-	7.1	85.7	-	-	-	-	-	7.1	-	-	-	-	-	
	BBB	-	-	-	-	-	-	-	11.1	88.9	-	-	-	-	-	-	-	-	-	-	
	BBB-	-	-	-	-	-	-	-	16.7	-	83.3	-	-	-	-	-	-	-	-	-	
	BB+	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	
	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	BB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

RATING TRANSITIONS 2024

		End-of-Period Rating																			
	%	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
Beginning-of-Period Rating	AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA+	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA	-	-	92.3	7.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA-	-	-	8.3	91.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	A+	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	A	-	-	-	2.4	-	92.7	4.9	-	-	-	-	-	-	-	-	-	-	-	-	
	A-	-	-	-	-	-	2.9	95.6	1.5	-	-	-	-	-	-	-	-	-	-	-	
	BBB+	-	-	-	-	-	-	11.1	77.8	7.4	3.7	-	-	-	-	-	-	-	-	-	
	BBB	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-	
	BBB-	-	-	-	-	-	-	-	-	33.3	66.7	-	-	-	-	-	-	-	-	-	
	BB+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	BB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	
	B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

RATING TRANSITIONS 2025

		End-of-Period Rating																			
	%	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
Beginning-of-Period Rating	AAA	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA+	9.1	90.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA	-	9.1	90.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA-	-	-	14.3	85.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	A+	-	-	-	16.0	84.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	A	-	-	-	-	4.4	95.6	-	-	-	-	-	-	-	-	-	-	-	-	-	
	A-	-	-	-	-	-	2.4	96.4	1.2	-	-	-	-	-	-	-	-	-	-	-	
	BBB+	-	-	-	-	-	-	12.5	87.5	-	-	-	-	-	-	-	-	-	-	-	
	BBB	-	-	-	-	-	-	-	27.3	72.7	-	-	-	-	-	-	-	-	-	-	
	BBB-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	-	
	BB+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	BB-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	B+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Year	Upgrades	Downgrades	No Change
2016	8	7	56
2017	11	4	84
2018	15	8	142
2019	22	13	190
2020	30	13	249
2021	54	6	229
2022	28	14	313
2023	19	12	298
2024	50	8	286
2025	17	1	176

RATING ACTIONS

	End-of-Period Rating																				
%	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D	
Beginning-of-Period Rating	AAA	98.4	0.8	-	-	-	-	-	-	-	-	-	-	0.8	-	-	-	-	-	-	
	AA+	3.9	94.6	0.8	-	-	-	0.8	-	-	-	-	-	-	-	-	-	-	-	-	
	AA	2.1	4.3	91.5	0.7	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	AA-	0.6	0.6	9.7	86.4	1.3	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	
	A+	-	-	1.7	5.4	88.0	3.7	0.8	-	-	-	-	-	-	-	-	-	-	-	0.4	
	A	0.3	-	-	0.3	7.5	85.2	3.9	1.1	-	-	-	0.3	0.6	-	-	-	0.3	-	-	0.6
	A-	-	0.2	-	0.2	0.2	8.2	87.3	2.3	0.2	0.7	-	-	-	-	-	0.2	-	0.2	0.4	
	BBB+	-	-	-	-	-	0.5	17.6	75.3	3.3	1.1	0.5	-	-	0.5	-	-	-	0.5	-	0.5
	BBB	-	-	-	-	-	-	1.9	12.3	78.3	3.8	0.9	0.9	-	-	-	-	-	-	-	1.9
	BBB-	-	-	-	-	-	-	-	5.1	15.4	74.4	5.1	-	-	-	-	-	-	-	-	-
	BB+	-	-	-	-	-	-	-	11.1	-	22.2	44.4	-	22.2	-	-	-	-	-	-	-
	BB	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-	-	-
	BB-	-	-	-	-	-	-	-	-	-	-	6.7	-	73.3	-	20.0	-	-	-	-	-
	B+	-	-	-	-	-	33.3	-	-	-	-	-	-	-	33.3	33.3	-	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	-
CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0	

CUMULATIVE
1 YEAR
RATING
TRANSITIONS

	End-of-Period Rating																				
%	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D	
Beginning-of-Period Rating	AAA	97.3	0.9	-	-	-	0.9	-	-	-	-	-	-	0.9	-	-	-	-	-	-	
	AA+	7.3	89.0	2.8	-	-	-	0.9	-	-	-	-	-	-	-	-	-	-	-	-	
	AA	4.3	7.7	83.8	0.9	2.6	-	-	0.9	-	-	-	-	-	-	-	-	-	-	-	
	AA-	0.8	2.3	17.6	76.3	1.5	-	0.8	-	0.8	-	-	-	-	-	-	-	-	-	-	
	A+	-	-	2.0	10.9	79.2	5.0	1.5	-	-	0.5	-	0.5	-	-	-	-	-	-	0.5	
	A	0.7	-	-	0.7	16.0	71.0	8.0	1.7	-	-	-	-	0.7	-	0.7	-	0.3	0.3	-	-
	A-	-	-	-	0.2	0.4	16.9	78.4	2.8	0.2	0.2	-	-	-	-	-	-	-	0.2	0.6	
	BBB+	-	-	-	-	-	0.6	29.7	61.9	3.2	1.9	-	0.6	-	0.6	0.6	-	-	-	0.6	
	BBB	-	-	-	-	-	-	5.8	19.8	65.1	3.5	2.3	-	1.2	-	-	-	-	-	2.3	
	BBB-	-	-	-	-	-	-	6.9	10.3	27.6	51.7	3.4	-	-	-	-	-	-	-	-	
	BB+	-	-	-	-	-	-	9.1	9.1	9.1	9.1	27.3	-	27.3	-	9.1	-	-	-	-	
	BB	-	-	-	-	-	-	-	-	-	-	33.3	33.3	33.3	-	-	-	-	-	-	
	BB-	-	-	-	-	-	-	-	-	-	-	15.4	-	69.2	-	15.4	-	-	-	-	
	B+	33.3	-	-	-	-	-	-	-	-	-	-	-	-	-	33.3	-	33.3	-	-	
B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

CUMULATIVE
2 YEARS
RATING
TRANSITIONS

	End-of-Period Rating																			
%	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
Beginning-of-Period Rating	AAA	97.9	-	-	-	-	1.1	-	-	-	-	-	-	-	1.1	-	-	-	-	-
	AA+	11.7	83.0	3.2	-	1.1	-	1.1	-	-	-	-	-	-	-	-	-	-	-	-
	AA	4.3	9.8	80.4	1.1	3.3	-	-	-	-	1.1	-	-	-	-	-	-	-	-	-
	AA-	-	5.1	21.2	66.9	2.5	1.7	0.8	0.8	-	-	0.8	-	-	-	-	-	-	-	-
	A+	-	-	3.7	12.4	72.0	8.1	1.9	-	0.6	0.6	-	0.6	-	-	-	-	-	-	-
	A	1.2	-	-	1.6	23.7	58.6	8.4	2.0	0.4	0.4	0.4	0.4	0.8	-	1.6	-	0.4	-	-
	A-	-	-	-	0.5	1.3	23.5	70.5	3.4	0.3	0.3	-	-	-	-	-	-	-	-	0.3
	BBB+	-	-	-	-	-	2.5	32.5	54.2	4.2	2.5	1.7	-	0.8	-	1.7	-	-	-	-
	BBB	-	-	-	-	-	-	7.6	27.3	53.0	6.1	3.0	-	1.5	-	-	-	-	-	1.5
	BBB-	-	-	-	-	-	-	11.5	15.4	15.4	50.0	3.8	-	3.8	-	-	-	-	-	-
	BB+	-	-	-	-	-	-	42.9	-	-	28.6	14.3	-	-	-	14.3	-	-	-	-
	BB	-	-	-	-	-	-	-	-	-	50.0	-	-	50.0	-	-	-	-	-	-
	BB-	-	-	-	-	-	-	-	10.0	-	-	10.0	-	80.0	-	-	-	-	-	-
	B+	50.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50.0	-	-
B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

CUMULATIVE
3 YEARS
RATING
TRANSITIONS

		End-of-Period Rating																			
	%	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	D
Beginning-of-Period Rating	AAA	98.5	-	-	-	-	1.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AA+	18.5	75.4	3.1	-	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AA	5.7	15.1	69.8	-	9.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AA-	-	7.5	29.9	55.2	1.5	-	4.5	-	-	1.5	-	-	-	-	-	-	-	-	-	-
	A+	-	1.0	9.8	9.8	62.7	8.8	3.9	1.0	1.0	-	1.0	1.0	-	-	-	-	-	-	-	-
	A	2.0	-	0.7	5.4	34.9	41.6	10.1	2.0	-	0.7	-	-	0.7	-	2.0	-	-	-	-	-
	A-	-	-	-	1.7	5.2	29.0	56.3	3.9	-	1.3	0.9	-	-	0.4	0.4	-	0.4	-	-	0.4
	BBB+	-	-	-	-	-	9.1	44.2	33.8	5.2	5.2	-	-	2.6	-	-	-	-	-	-	-
	BBB	-	-	-	-	-	-	20.0	28.6	37.1	2.9	5.7	-	2.9	-	2.9	-	-	-	-	-
	BBB-	-	-	-	-	-	8.3	16.7	33.3	33.3	8.3	-	-	-	-	-	-	-	-	-	-
	BB+	-	-	-	-	-	-	50.0	16.7	-	33.3	-	-	-	-	-	-	-	-	-	-
	BB	-	-	-	-	-	-	50.0	-	-	-	-	-	50.0	-	-	-	-	-	-	-
	BB-	-	-	-	-	-	-	25.0	-	-	-	-	-	75.0	-	-	-	-	-	-	-
	B+	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

CUMULATIVE
5 YEARS
RATING
TRANSITIONS

- Failure of an obligor to make timely payment of principal and/or interest under contractual terms of any financial obligation.
- A distressed restructuring whereby
 - lenders have diminished financial returns relative to the original obligation; and
 - the restructuring has the effect of allowing the obligor to avoid a bankruptcy or payment default.

Default is generally recognized after the expiry of grace period.

However, if VIS believes that the requisite payment will not be made in full by the due date (including the pre-specified grace period), then default may be recognized immediately.

DEFINITION OF DEFAULT

- Groups of all Outstanding Ratings at the Beginning of Each Period are formed;
- These Groups are called Static Pools or Cohorts;
- Changes in a particular Static Pool are then Tracked till the End-of-the-period;
- Adjustment for Withdrawn or Discontinued Ratings: All such ratings which do not continue to Exist till the End-of-the-period are Excluded at the time of Static Pool Formation;
- New ratings that are conducted during the period of a Static Pool are included in Static Pools of subsequent Periods;

DETAILS
OF CDR
STATIC POOLS

- Three-years Weighted Average Cumulative Default Rates (CDRs) are calculated using Static Pools of 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023
- CDRs are calculated at Category level and not on modifier level due to non-existence of critical mass;
- Calculation Steps e.g. 3-years CDRs:
 - Create Withdrawal-adjusted Static Pools and Survivor Rate for each Period
 - Calculate Marginal Default Rates (MDRs) for each Period for every Static Pool separately;
 - Calculate Weighted Average of each MDR (wMDR) weighted for Size of each Static Pool
 - Calculate $CDR = 1 - [(1-WMDR1)*(1-WMDR2)*(1-WMDR3)]$

CUMULATIVE DEFAULT RATES

Average 3-years Cumulative Default Rates (CDRs)			
As on December 31,	2023	2024	2025
AAA	0.00%	0.00%	0.00%
AA	0.59%	0.51%	0.45%
A	0.51%	0.42%	0.59%
BBB	0.52%	0.00%	0.47%
Investment Grade (AAA to BBB)	0.50%	0.34%	0.44%
BB	7.16%	7.43%	8.05%
B	0.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%
C	75.00%	100.00%	0.00%

AVERAGE
CUMULATIVE
DEFAULT
RATES

Composition of Last 3 Static Pools (Cohorts)						
	2021		2022		2023	
	Ratings ¹	Withdrawals ²	Ratings ¹	Withdrawals ²	Ratings ¹	Withdrawals ²
AAA	9	0	12	0	10	0
AA	39	10	44	10	37	5
A	137	23	172	19	180	17
BBB	52	29	45	17	76	20
Investment Grade (AAA-BBB)	237	62	273	46	303	42
BB	5	4	2	1	1	1
B	0	0	0	0	0	0
CCC	0	0	0	0	0	0
CC	0	0	0	0	0	0
C	0	0	0	0	0	0
Total	242	66	275	47	304	43

Notes:

1. Number of ratings outstanding at the beginning of each year
2. Number of rating withdrawals in the next 3 years

CDR
DATA COUNTS