



LECA™ Scale & Definitions | Insurance

A LECA™ rating is an opinion on the ability of an insurer to meet policyholder obligations and financial commitments. The evaluation considers a rated entity’s operating environment, competitive position and management expertise, as well as indicators measuring performance, solvency/capital strength, risk management and liquidity/financial flexibility.

LECA™	Definition
aaa	Superior capacity to meet policyholder obligations and financial commitments. An entity rated in this category is assessed favourably across all of the factors considered, demonstrating exceptional financial strength.
aa	Strong capacity to meet policyholder obligations and financial commitments. An entity rated in this category is assessed favourably across most of the factors considered.
a	Adequate capacity to meet policyholder obligations and financial commitments. An entity rated in this category is assessed favourably in some of the factors considered.
bbb	Moderate capacity to meet policyholder obligations and financial commitments. An entity rated in this category has satisfactory evaluations in some of the factors considered.
bb	Weak capacity to meet policyholder obligations and financial commitments. An entity rated in this category has weaknesses in one or more factors considered.
b	Very weak capacity to meet policyholder obligations and financial commitments. An entity rated in this category has material weaknesses in one or more factors considered and exhibits an elevated vulnerability to adverse conditions.
c	Very high risk of defaulting on policyholder obligations and financial commitments. An entity rated in this category is assessed poorly across most of the factors considered and its financial commitments are likely to be unfulfilled.

Ratings from ‘aa’ to ‘b’ may be modified with the addition of a (+) sign to indicate a relative ranking at the higher end of the major rating category.

For more information on LECA™, please visit <https://analytics.ram.com.my> or contact:

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LECA™ Scale & Definitions | Banks

A LECA™ rating is an opinion on the overall ability of a bank to meet its financial obligations. The evaluation considers a rated entity's operating environment, competitive position and management expertise, as well as indicators measuring performance, capital strength, risk management and liquidity/financial flexibility.

LECA™	Definition
aaa	Superior capacity to meet financial commitments. An entity rated in this category is assessed favourably across all of the factors considered, demonstrating exceptional financial strength.
aa	Strong capacity to meet financial commitments. An entity rated in this category is assessed favourably across most of the factors considered.
a	Adequate capacity to meet financial commitments. An entity rated in this category is assessed favourably in some of the factors considered.
bbb	Moderate capacity to meet financial commitments. An entity rated in this category has satisfactory evaluations in some of the factors considered.
bb	Weak capacity to meet financial commitments. An entity rated in this category has weaknesses in one or more factors considered.
b	Very weak capacity to meet financial commitments. An entity rated in this category has material weaknesses in one or more factors considered and exhibits an elevated vulnerability to adverse conditions.
c	Very high risk of defaulting on financial commitments. An entity rated in this category is assessed poorly across most of the factors considered and its financial commitments are likely to be unfulfilled.

Ratings from 'aa' to 'b' may be modified with the addition of a (+) sign to indicate a relative ranking at the higher end of the major rating category.

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LECA™ Scale & Definitions | Service Providers

A LECA™ rating for service providers is an opinion of an entity’s capacity and competence in fulfilling its roles and responsibilities. The ranking is derived from an evaluation of the entity’s experience, track record, staff strength, business support systems, regulatory compliance, governance and risk management as well as financial standing.

LECA™	Definition
LECA1	Excellent capacity and competence in fulfilling performance obligations. This is the best category. An entity rated in this category is assessed favourably across all factors considered, with no gaps in operational performance.
LECA2	Strong capacity and competence in fulfilling performance obligations. An entity rated in this category is assessed favourably in most of the factors considered, with no material gaps in operational performance.
LECA3	Adequate capacity and competence in fulfilling performance obligations. An entity rated in this category is assessed favourably in some of the factors considered, with some gaps, although not deemed to significantly affect operational performance.
LECA4	Satisfactory capacity and competence in fulfilling performance obligations. An entity rated in this category exhibits satisfactory levels of achievement in most of the factors considered, with some gaps which, if uncontrolled, may be an issue of concern.
LECA5	Limited capacity and competence in fulfilling performance obligations. An entity rated in this category has material weaknesses in one or more areas of the factors considered, which may significantly impact operations, if not managed.
LECA6	Poor capacity and competence in fulfilling performance obligations. An entity rated in this category is assessed poorly across most of the factors considered and has significant gaps that may result in a high likelihood of it failing to meet its performance obligations.

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