

Annexure VII-a – Structured Instruments¹

Average Default Rates for the last 5-Financial Year Periods: April 2014 to March 2019

Rating category	Weighted by Number of Issuers in Static Pool		Weighted by Amount of Debt in Static Pool	
	1-year Default Rate	3-year Cumulative Default Rate	1-year Default Rate	3-year Cumulative Default Rate
CRISIL AAA (SO)	0.00%	0.00%	0.00%	0.00%
CRISIL AA (SO)	0.23% ^{@@}	0.00%	0.38% ^{@@}	0.00%
CRISIL A (SO)	1.72% [^]	10.50% [@]	5.87% ^{^^}	28.80% ^{^^}
CRISIL BBB (SO)	1.19%	0.90%	0.27%	11.51%
CRISIL BB (SO) [#]	20.55%	41.46%	44.67% ^{^^}	60.93% ^{^^}
CRISIL B (SO) [#]	9.09%	0.00%	16.64%	0.00%
CRISIL C (SO)	N.A. ^{**}	N.A. ^{**}	N.A. ^{**}	N.A. ^{**}

@@ On account of default on the guaranteed instrument of an issuer

[^] Includes default on multiple guaranteed instruments of one issuer. If all such instruments are considered as one, since they have the same structure and guarantor, the default rate will be 0.29%

[@] Includes default on multiple instruments of two issuers. If all instruments of the same issuer are considered as one, since they have the same structure and guarantor, the default rate will be 1.54%

^{^^} Majority of the debt defaulted in 'CRISIL A(SO)' rating category was contributed by eleven guaranteed instruments of two issuers. All the defaulted instruments were guaranteed by the government of Andhra Pradesh. This is an extraordinary event arising due to non-servicing of repayment obligations on account of the ongoing dispute regarding the bifurcation of assets and liabilities between the state of Telengana and erstwhile state of Andhra Pradesh

[#] Sample size is small in 'CRISIL BB (SO)' and 'CRISIL B (SO)' rating categories

^{**} No data points in rating category 'CRISIL C (SO)'

Note: The overall sample size for structured instruments have decreased over the past few years, due to structural shift in securitization market

¹ Computed on issue basis