

# KEY CONCEPTS USED BY THE ANALYTICAL CREDIT RATING AGENCY WITHIN THE SCOPE OF ITS RATING ACTIVITIES

<b>1. SCOPE OF THE METHODOLOGY .....</b>	<b>3</b>
<b>2. GENERAL DEFINITIONS .....</b>	<b>3</b>
<b>2.1. Credit ratings .....</b>	<b>3</b>
2.1.1. Credit ratings of various rating objects .....	4
2.1.2. Long-term and short-term credit ratings .....	5
2.1.3. Credit ratings in different currencies .....	5
2.1.4. Solicited and unsolicited credit ratings .....	6
2.1.5. Expected credit ratings .....	6
2.1.6. Credit assessment .....	6
2.1.7. Standalone creditworthiness assessment .....	7
<b>2.2. Credit rating outlook and status .....</b>	<b>7</b>
2.2.1. Credit rating outlook .....	8
2.2.2. "Rating under review" status .....	8
<b>2.3. Rating actions .....</b>	<b>9</b>
<b>2.4. Default and default ratings .....</b>	<b>9</b>
2.4.1. Category D credit rating (default) .....	9
2.4.2. Category SD credit rating (selective default) .....	9
2.4.3. Definition of default .....	10
<b>2.5. Non-credit ratings .....</b>	<b>11</b>
<b>3. RATING SCALES .....</b>	<b>12</b>
<b>3.1. National credit rating scales .....</b>	<b>12</b>
3.1.1 National Credit Rating Scale for the Russian Federation .....	12
3.1.2 Structured Finance Sector National Credit Rating Scale for the Russian Federation .....	13
3.1.3 National Credit Rating Scale for the Republic of Kazakhstan .....	14
<b>3.2. International credit rating scales .....</b>	<b>16</b>
3.2.1 International Credit Rating Scale .....	16
3.2.2 International Short-term Credit Rating Scale .....	17
3.2.3 International Structured Finance Credit Rating Scale .....	18
<b>3.3. Non-credit rating scales .....</b>	<b>19</b>
3.3.1 National Asset Management Company Reliability Non-credit Rating Scale for the Russian Federation .....	19
3.3.2 ESG Rating and ESG Assessment Scales .....	20
3.3.3 Assessment Scale of the Compliance of Green Debt Obligations with ICMA and LMA Principles	21
3.3.4 Assessment Scales of the Compliance of Social Debt Obligations and Sustainable Development Debt Obligations with SBP, SBG and SLP Principles .....	22
3.3.5 Assessment Scale of the Compliance of Debt Obligations with SLBP and SLLP Principles .....	23
<b>APPENDIX 1. CORRESPONDENCE BETWEEN CREDIT ASSESSMENTS AND CREDIT RATINGS .....</b>	<b>25</b>
<b>APPENDIX 2. IDEALIZED TABLES FOR THE INTERNATIONAL CREDIT RATING SCALE .....</b>	<b>27</b>
<b>APPENDIX 3. CORRESPONDENCE BETWEEN FULL AND SHORT NAMES OF SCALES .....</b>	<b>29</b>

## 1. SCOPE OF THE METHODOLOGY

In this methodology, the Analytical Credit Rating Agency (hereinafter, ACRA, or the Agency) outlines the key concepts and scales used in its rating activities.

This methodology ensures consistent application of all of ACRA's methodologies, rating models, and key rating assumptions as a unified set of documents. This methodology is applicable to all rating objects, unless their descriptions state otherwise.

This methodology shall be applied on an ongoing basis until a new version is approved by ACRA's Methodology Committee. To keep this methodology up to date, ACRA may review and amend it ahead of schedule in the following cases:

- More than three deviations from the methodology in a quarter when performing rating actions;
- The need to review based on methodology application monitoring by ACRA's Methodology Group;
- Non-compliance with Federal Law No. 222-FZ dated July 13, 2015, "On the Activity of Credit Rating Agencies in the Russian Federation, on Amending Article 76.1 of the Federal Law 'On the Central Bank of the Russian Federation' and Recognizing Null and Void Certain Provisions of Legislative Acts of the Russian Federation";
- Immediate review of the methodology requested by ACRA's Compliance and Internal Control Service.

ACRA reviews this methodology in accordance with its internal documents no later than one calendar year from the date of its latest review. This methodology may be amended based on the review.

Any deviation from this methodology is documented and disclosed by ACRA on its official website at [www.acra-ratings.ru](http://www.acra-ratings.ru) when publishing a credit rating or a credit rating outlook, stating the reason for the deviation.

If any errors are found in this methodology that have affected or may affect credit ratings and/or credit rating outlooks, ACRA will analyze and review it in accordance with the Agency's established procedures. Information about these actions, a new version of the methodology, as well as information about identified errors if they affect previously assigned credit ratings, is disclosed by ACRA on its official website.

If the proposed changes to this methodology are significant (such as the modification of individual factors or the wording of the methodology) and affect or may affect existing credit ratings, ACRA will:

- 1) Post information about the proposed changes in the methodology on its official website, stating the reasons for, and implications of, such changes, including the effect on credit ratings assigned in accordance with the methodology;
- 2) Assess whether it is necessary to review all credit ratings assigned in accordance with this methodology within six months of its amendment;
- 3) Review credit ratings within six months of the assessment specified in the previous point, provided the need to review them is discovered based on the conducted assessment.

## 2. GENERAL DEFINITIONS

### 2.1. CREDIT RATINGS

**Credit rating.** A credit rating assigned by ACRA is the Agency's subjective opinion on the ability of a rated entity to fulfill its financial obligations (creditworthiness, financial reliability, financial stability) and/or on the credit risk of its individual financial obligations or financial instruments, expressed using a rating category.

**Rated entity.** A legal entity or public-law entity whose ability to fulfill assumed financial obligations is directly or indirectly evaluated in a credit rating.

The Agency can assign credit ratings to financial obligations and instruments without assigning credit ratings to the obligors of the rated financial obligations or issuers of the rated financial instruments.

**Credit rating of a rated entity.** A credit rating assigned by ACRA to a rated entity is the Agency's subjective opinion on the current and future ability of a rated entity to fulfill its financial obligations, expressed in a rating category within the corresponding rating scale.

A rated entity's credit rating does not assess credit risk with regard to any debt financial instruments issued by the rated entity.

A credit rating does not serve as a recommendation to purchase, sell, or otherwise dispose of a security issued by a rated entity. Credit rating users must perform their own independent assessments of their counterparties' creditability and not automatically rely on credit ratings.

**Credit rating of a financial instrument.** A credit rating assigned by ACRA to a financial obligation or financial obligation issue program is the Agency's subjective opinion on a rated entity's ability to fulfill its outstanding financial obligations with regard to individual debt financial instruments or total financial obligations, expressed through the use of alphanumeric symbols reflecting a rating notch within the corresponding rating scale.

The Agency takes into account the fundamental terms of a financial obligation or financial instrument, including its collateral structure, contractual subordination, and structural subordination, which can affect payments on the financial obligation or instrument if the rated entity defaults on it or any other financial obligations or instruments.

**Methodology (rating methodology).** A public document of ACRA that defines the principles and forms of analysis of quantitative and qualitative factors, model applications and key rating assumptions on the basis of which the decision on the rating action is made.

### 2.1.1. Credit ratings of various rating objects

**Fundamental credit rating.** Fundamental credit ratings include credit ratings assigned to rated entities from the corporate sector (or their financial obligations or financial obligation issue programs), banks, non-bank financial institutions, insurance companies, sovereign ratings, as well as project finance ratings and ratings of instruments for repackaging financial obligations. Fundamental credit ratings do not include ratings assigned to financial instruments and structured financial obligations.

**Sovereign credit rating.** A credit rating, the object of which is the Russian Federation or a foreign state, a region of the Russian Federation or an administrative-territorial unit of a foreign state, a government body of the Russian Federation or a foreign state, a government body of a region of the Russian Federation or an administrative-territorial unit of a foreign state or a municipal entity, a local government of the Russian Federation or a foreign state, a union of states, an international financial organization and/or their individual financial obligations or financial instruments.

Belonging to the sovereign credit rating category does not equate the level of the credit risk of rating objects with the credit risk of any sovereign government or its obligations.

**Structured finance credit rating.** A credit rating assigned by ACRA to structured finance instruments and obligations (as well as instruments for repackaging structured finance instruments and obligations) is the

Agency's subjective opinion on the likelihood and magnitude of losses on the rated obligations of a specialized company (or similar issuers and rated entities), which depend on the ability of the specialized company to fulfill its financial obligations secured by a pledge of monetary claims and/or a pledge of other property belonging to this specialized company and/or third parties.

Credit ratings of structured finance instruments and obligations usually reflect:

- Credit quality of several assets in collateral portfolios of financial obligations of a specialized company (or other issuers and rated entities);
- Legislative and contractual arrangements that define a special legal status of a specialized company and reduce the probability of its bankruptcy;
- Procedure of cash distribution between holders of one or more issues by a specialized company and its transaction counterparties;
- Credit and operational risks associated with transaction counterparties, and their impact on the credit quality of a specialized company's financial obligations;
- Mechanisms to support credit quality and/or liquidity of a specialized company's financial obligations.

ACRA differentiates credit ratings of structured finance instruments and obligations and fundamental credit ratings. The Agency applies the (ru.sf) indicator to all credit ratings of structured finance instruments and obligations under the national scale for the Russian Federation and the .sf indicator to all credit ratings of structured finance instruments and obligations under the international scale.

The (ru.sf) and .sf indicators used for credit ratings of structured finance instruments and obligations indicate that structured finance instruments and obligations and the underlying securities may have different risk characteristics.

However, ACRA's methodologies have been developed with the purpose of achieving comparability of structured finance sector credit ratings and fundamental credit ratings within the scope of collecting long-term default statistics.

### 2.1.2. Long-term and short-term credit ratings

**Long-term credit rating.** A credit rating assigned to a rated entity that reflects ACRA's opinion on the rated entity's ability to fulfill its outstanding financial obligations within a period exceeding one year following the credit rating date, or a credit rating assigned to a financial obligation or a financial obligation issue program with a maturity period exceeding one year following the credit rating assignment date. Short-term credit ratings are usually based on long-term credit ratings.

**Short-term credit rating.** A credit rating assigned to a rated entity (sovereign issuer) that reflects ACRA's opinion on the rated entity's ability to fulfill its outstanding financial obligations within a period not exceeding one year following the credit rating assignment date. Short-term credit ratings are usually based on long-term credit ratings, taking into account access to liquidity and short-term financing. Short-term credit ratings are assigned based on the short-term credit rating scales.

### 2.1.3. Credit ratings in different currencies

**Foreign currency credit rating.** A credit rating that reflects ACRA's opinion on a rated entity's ability to fulfill its outstanding financial obligations denominated in a foreign currency, or a credit rating of a financial obligation or a financial obligation issue program assigned to obligations denominated in a foreign currency.

**Local currency credit rating.** A credit rating that reflects ACRA's opinion on a rated entity's ability to fulfil its outstanding financial obligations denominated in a local currency, or a credit rating of a financial obligation or a financial obligation issue program assigned to obligations denominated in a local currency.

#### 2.1.4. Solicited and unsolicited credit ratings

**Solicited credit rating.** A credit rating assigned by ACRA in accordance with a contract concluded with a rated entity is solicited. ACRA's rating analysts interact with the rated entity as part of the procedure for assigning the solicited credit rating.

**Unsolicited credit rating.** An unsolicited credit rating is a credit rating assigned by ACRA without executing an agreement with a rated entity. In certain cases, ACRA's rating analysts can interact with the rated entity as part of the procedure for assigning an unsolicited credit rating at the initiative of the rated entity or at ACRA's initiative.

Different rating objects of the same rated entity may be simultaneously assigned solicited and unsolicited credit ratings.

#### 2.1.5. Expected credit ratings

In the process of assigning a credit rating to financial instruments, including structured finance instruments and obligations, when determining a rated entity's ability to fulfill its liabilities for specific financial obligations or issued debt instruments, ACRA may draw conclusions based on draft issue (or, if applicable, credit) documentation. In those instances, ACRA assigns an expected credit rating, which is a stage of the credit rating assignment process and is marked with the symbol 'e'. Expected credit ratings are assigned for a period of up to one calendar year (for warehouse-type interest-bearing structures of structured finance instruments, this period is limited by the date of placement of the corresponding instrument with annual revision). Upon expiration of this period, the expected credit rating is withdrawn or revised. Once the final issue documentation is received, ACRA assigns credit ratings to financial instruments that may diverge from the expected ones.

Expected credit ratings can also be assigned to rated entities or their debt obligations at the pre-investment stage of project finance transactions, including projects implemented on the principles of concessions or public-private partnerships (hereinafter, PPPs). Assignment of expected credit ratings is carried out on the basis of draft financing agreements and project documentation, including draft concession agreements and PPP agreements.

An expected credit rating may be revised in the event of major changes to the issue (transaction) conditions, and also if the creditworthiness of the issuer changes.

#### 2.1.6. Credit assessment

**Credit assessment.** This is the Agency's subjective opinion on the current and future creditworthiness of an assessed entity or regarding the credit quality of financial obligations, and is expressed using the appropriate type of rating scale for the assessed entity or financial obligation (prefixed with 'a').

Credit assessments are used by the Agency exclusively for the purposes of assigning credit ratings to, or revising credit ratings assigned to, transactions, instruments, obligations, or rated entities, the credit risk of which depends on the creditworthiness of assessed entities. Credit assessments are assigned based on ACRA's appropriate methodologies for assigning credit ratings, as well as using information available to the Agency, provided that it is sufficient.

A credit assessment is not a credit rating and is used if the assessed entity or financial obligation does not have a credit rating assigned by ACRA as of the time of the rating action in relation to transactions, instruments, obligations, or rated entities whose credit risk depends on the creditworthiness of the assessed entities.

A credit assessment is assigned to an assessed entity (issuer) without a request from the assessed entity (issuer) and only if there is no current rating services agreement with the assessed entity (issuer) on assigning credit rating to it.

Credit assessments are not subject to disclosure to the general public, including ACRA employees who are not given access as per their duties, or to assessed entities (issuers), whose obligations are assessed. However, certain factors that influence the credit assessment may be disclosed as part of information on rating actions in relation to transactions, instruments, obligations or rated entities whose credit risk depends on the creditworthiness of the assessed entities.

A credit assessment may be assigned without holding rating meetings and without receiving internal information from the assessed entity (issuer) or through the liaison of ACRA's rating analysts with the assessed entity (issuer) as part of the procedure for assigning credit assessments.

The correspondence between the levels of credit assessments and credit ratings is given in Appendix 1 to this methodology.

**Post-default credit assessment.** This is the Agency's subjective opinion on the current and future creditworthiness of an assessed entity in relation to its obligations that are not subject to selective default, and is expressed using the appropriate type of rating scale for the assessed entity or financial obligation (prefixed with 'ap').

A post-default credit assessment is not a credit rating. A post-default credit assessment is assigned to an assessed entity (issuer) without a request from the assessed entity (issuer) and only if this assessed entity is assigned an SD credit rating (credit assessment). The post-default credit assessment is assigned based on ACRA's specialized methodologies.

Post-default credit assessments are not subject to disclosure to the general public, including ACRA employees who are not given access as per their duties, or assessed entities (issuers), whose obligations are assessed. However, certain factors that influence the post-default credit assessment may be disclosed as part of information on rating actions in relation to transactions, instruments, obligations or rated entities whose credit risk depends on the creditworthiness of the assessed entities.

A post-default credit assessment may be assigned without holding rating meetings and without receiving internal information from the assessed entity (issuer). In certain cases it is possible for ACRA's rating analysts to liaise with the assessed entity (issuer) as part of the procedure for assigning post-default credit assessments.

### 2.1.7. Standalone creditworthiness assessment

A standalone creditworthiness assessment (SCA) is the Agency's subjective opinion on a rated entity's ability to fulfill its financial obligations in a full and timely fashion but without taking into account the following factors:

- Extraordinary external support from the maternal group/owners;
- Extraordinary external support from the a government or public-law entities, administrative and territorial units;
- The rated entity's systemic importance;
- Other external factors capable of affecting the rated entity's creditworthiness.

When determining the SCA, ACRA uses a rating scale analogous to the credit rating scale of the rated entity, although with lower case letters.

## 2.2. CREDIT RATING OUTLOOK AND STATUS



### 2.2.1. Credit rating outlook

An outlook is ACRA's opinion on the probable change of a credit rating within a certain time interval (typically, from 12 to 18 months). When establishing a credit rating outlook, the Agency accounts not only for the changes in the standalone creditability of the rated entity in question (or the credit quality of a financial obligation) and its supporting factors, but also the ongoing trends of the operational environment and the economy as a whole. Credit rating outlooks are assigned within the following four categories:

- Positive, which indicates high probability of a rating improvement;
- Negative, which indicates high probability of a rating deterioration;
- Stable, which indicates high probability that the rating will stay unchanged;
- Developing, which indicates a variety of trends: the rating may stay unchanged, be upgraded or downgraded.

Credit rating outlooks are not assigned to credit ratings of financial instruments, structured finance instruments and obligations, project finance transactions, or if D and SD credit ratings are assigned. An assigned credit rating outlook or any changes thereto do not necessarily precede revisions of the credit rating itself.

### 2.2.2. "Rating under review" status

This status means that the Agency may revise a credit rating in the future (typically, within a 90–180 day horizon). This status is assigned on the basis of identifiable events and short-term/medium-term trends that can affect the creditability level of a rated entity or the credit quality of the financial obligation in question.

ACRA holds a rating committee with respect to the credit rating within one calendar year after a "Rating under review" status is assigned, but no later than the deadline for credit rating revision specified by regulation. The rating committee is authorized to either withdraw or retain the "Rating under review" status. If the rating committee decides to keep the "Rating under review" status, ACRA will hold the next rating committee with regard to the credit rating no later than the deadline for its revision specified by regulation.

The "Rating under review" status may be assigned to both fundamental ratings and credit ratings of structured finance instruments and obligations.

ACRA identifies the following types of circumstances that may result in assigning the "Rating under review" status:

- An event (deviation of short-term/medium-term trends from the expected vector) occurred or is very likely to occur within a 90-180 day horizon, and/or more information is required to make a decision on the rating action;
- In the Agency's opinion, a significant change occurred in the rated entity's creditability or the credit quality of a financial obligation, but the degree of impact of this change cannot be easily assessed in the short term.

The "Rating under review" status is assigned within the following three categories:

- Positive, which indicates the probability of a rating upgrade;
- Negative, which indicates the probability of a rating downgrade;
- Developing, which indicates a variety of trends: the rating may stay unchanged, be upgraded or be downgraded.



A “Rating under review” status does not necessarily precede a credit rating revision. The Agency does not assign a credit rating outlook if the “Rating under review” status is assigned. The “Rating under review” status is assigned with its category stated (positive, negative, or developing).

### 2.3. RATING ACTIONS

**Credit rating assignment.** An action of the Agency to determine the credit rating level and the relevant outlook for a rated entity, which is performed for the first time or after the withdrawal of a previously assigned credit rating. Credit rating assignments are carried out by a rating committee of ACRA.

Credit ratings assigned by the Agency are posted on ACRA’s official website [www.acra-ratings.ru](http://www.acra-ratings.ru) in the form of a press release announcing the credit rating assignment to a rated entity or other rating action. The contents of the press release shall be made available to the general public.

**Credit rating affirmation.** A credit rating affirmation is a credit rating review by the rating committee, which results in a decision to keep its level unchanged.

**Credit rating revision.** A credit rating revision is a credit rating review by the Rating Committee, which results in a credit rating level change: downgrade (by one or more levels with regard to the current level) or upgrade (by one or more levels with regard to the current level).

A change of a credit rating outlook is a rating action; however, it is not the same as a credit rating revision.

**Credit rating withdrawal.** A credit rating withdrawal means that the current rating of a rated entity (or financial obligation) is no longer valid and can no longer be used to assess the current ability of the rated entity to fulfill its financial obligations. A credit rating withdrawal may be initiated by either a rated entity or the Agency.

The credit rating withdrawal procedure is carried out in accordance with ACRA’s internal regulations and the terms of the agreements between ACRA and a rated entity. However, a decision by a rating committee to review its rating actions with regard to a rated entity (or financial obligation) when a credit rating is being withdrawn is made separately in each case. These decisions are made primarily if it is necessary to update the existing credit rating or assess events that immediately preceded the withdrawal.

ACRA is not authorized to withdraw its credit ratings on the basis of and/or in connection with a decision taken by foreign governments, legal entities under international law or other entities, whose decisions depend on the decisions by the abovementioned entities, if these decisions, in ACRA’s opinion, do not directly affect the rated entity’s ability to fulfill its financial obligations, or credit risk obligations of a financial instrument or obligation.

### 2.4. DEFAULT AND DEFAULT RATINGS

#### 2.4.1. Category D credit rating (default)

ACRA’s credit rating scales contain the rating category D or D(XX). This rating is assigned if a rated entity is in default on one or more of its financial obligations and the Agency believes that the rated entity will not promptly service other financial obligations.

Assigning a category D rating requires ACRA to record the occurrence of one or more events listed in the definition of default in this section. A category D credit rating can be assigned to both a rated entity and its financial obligations (instruments).

#### 2.4.2. Category SD credit rating (selective default)

ACRA’s credit rating scales contain the rating category SD or SD(XX). This rating is assigned if a rated entity is in default on one of its financial obligations, but the Agency believes that the rated entity will continue to service its other financial obligations.

Assigning an SD category rating requires the Agency to record the occurrence of one or more events listed in the definition of default in relation to the individual obligations of a rated entity. A category SD credit rating can be assigned to a rated entity, but not to its financial obligations (instruments).

Credit ratings of financial instruments of a rated entity with an SD rating, with regard to which an event of default has been recorded can have a category D credit rating.

Credit ratings of financial instruments of a rated entity with an SD rating, with regard to which an event of default has not been recorded are assigned on the basis of a post-default credit assessment, as well as on the results of an analysis of the reasons for the occurrence of the selective default.

If the reason for the selective default is not a deterioration in the rated entity's basic creditworthiness indicators, and also if the selective default is short-term and/or ACRA has been provided with a realistic plan for recovering from default, the occurrence of a default event for individual obligations may not impact the rated entity's ability to fulfill its other obligations. In this case, ACRA applies a post-default credit assessment for the purpose of conducting a rating analysis of those obligations.

If the reason for the selective default is a deterioration in the rated entity's basic creditworthiness indicators, the occurrence of an event of default on individual obligations may impact the rated entity's ability to meet its other obligations. In this case, ACRA applies a post-default credit assessment with the highest possible level — B+ under the international rating scale or BB+(RU) under the national scale for the Russian Federation for the purpose of conducting rating analysis.

A post-default credit assessment is applied until the assessed entity is assigned a rating other than SD. ACRA uses a similar approach when assessing support in cases where the supporting entity is assigned a credit rating at the SD level.

### 2.4.3. Definition of default

ACRA understands default as a disruption in the continuity of financial and economic activities of a rated entity, including:

- Termination of its business activity without universal legal succession of its rights and obligations to other business entities;
- Positive ruling on its bankruptcy in court;
- Seizure of its property by a third party, as a result of which the rated entity can no longer conduct business activities;
- Performance of a bankruptcy procedure in line with current legislation, if, in ACRA's opinion, this procedure will likely lead to one of the situations described below.

Default is also taken into account if ACRA believes that a rated entity is not currently able (or will not be able in the future) to service its financial obligations that are based on one of the following credit events or their combination:

- Failure to pay or insufficient payment of interest or the principal for the rated entity's debt liabilities over more than 10 days since the date established by a loan contract or other borrowing contract (with the exception of missed payments that fall within the contract-stipulated grace period);
- Failure to fulfill or improper fulfillment of obligations to issue bonds or other financial obligations, including those with a repayable and/or payment basis, for more than 10 days from the date determined by the legislation of the Russian Federation and/or the decision to issue bonds or an agreement (except for improper performance permitted by a contract-stipulated grace period);
- Coming into effect of an obligation acceleration provision due to the coming into effect of acceleration provisions on any other similar obligation (cross-acceleration);

- Coming into effect of an obligation acceleration provision due to a declared default on any other similar obligation (cross-default);
- Waiver or moratorium, which prompts the counterparty to refuse a payment or dispute its legal obligations;
- Debt restructuring that entails a unilateral withdrawal, deferment, changes in the debt repayment schedule and/or interest rate that are viewed as less favorable by the creditors;
- Asset substitution under the stress scenario, in which the following two conditions are met simultaneously: (1) the rated entity offers its creditors new or restructured debt (in combination with other assets), discounted cash receipts for which are smaller than the discounted cash receipts for the original debt; (2) this operation allows the rated entity to avoid bankruptcy or default on future payments;
- Withdrawal or non-renewal of the rated entity's business operating license, membership in a self-regulatory organization or a certificate of admission to a certain type of work issued by a self-regulatory organization, exclusion of a legal entity from the state register maintained by the Bank of Russia, except for situations in which there is reason to believe that the financial obligations of the rated entity will be duly fulfilled.

ACRA's specialized methodologies may contain clarifications and additions to this definition of default.

In certain cases, the Agency may decide to not consider past due payments in recognition of default, if the delayed payment occurred due to technical or administrative reasons, it was not linked to the rated entity's creditability.

ACRA does not consider the fulfillment by the rated entity of foreign currency obligations in the currency of the Russian Federation as an event of default of the rated entity, except for cases leading to a decrease in the financial obligations of the rated entity.

In structured and project finance transactions, a partial write-off of the principal debt amount of the issuer's financial obligation may not be an event of default, including cases in which financial instrument credit quality improvement mechanisms are used along with contractual subordination on multiple issue deals.

If the scope of application of ACRA's specialized methodology includes assessing the risk of loss by investors in non-credit obligations of a rated entity, then, the current and/or future inability of the rated entity, in ACRA's opinion, to service its obligations in a timely manner and in full, or discontinuity of a rated entity's business operations, shall be recognized as an event of default.

## 2.5. NON-CREDIT RATINGS

**Asset management company reliability rating.** A symbol (letter) indicator representing ACRA's subjective opinion obtained at the time of research regarding the current and future ability of an asset management company to provide quality services under a standard asset management agreement.

**ESG rating.** A symbol indicator that reflects the independent and subjective opinion of ACRA, acting as a third-party organization, on the activities of a rated entity in the environmental, social and governance (ESG) areas.

**Assessment score of the compliance of issues of green debt obligations with ICMA and LMA principles.** A symbol indicator that reflects the independent and subjective opinion of ACRA, acting as a third-party organization, on the level of compliance of a particular debt instrument with the principles of the International Capital Market Association (ICMA) and the Loan Market Association (LMA).

**Assessment score of the compliance of social debt obligations and sustainable development debt obligations with SBP, SBG, and SLP principles.** A symbol indicator that reflects the independent and subjective opinion of ACRA, acting as a third-party organization, on the level of compliance of a particular social debt obligation or sustainable development debt obligation with the Social Bond Principles (SBP) or Sustainability Bond Guidelines (SBG), or Social Loan Principles (SLP).

**Assessment score of the compliance of debt obligations with sustainability-linked principles.** A symbol indicator that reflects the independent and subjective opinion of ACRA, acting as a third-party organization, on the level of compliance of a particular debt instrument with the sustainability-linked debt principles published by the ICMA and LMA; ACRA's subjective opinion is based on the results of an independent assessment provided for by these principles (assessing bond issues for compliance with the ICMA's Sustainability-Linked Bond Principles (SLBP) and assessing loans for compliance with the LMA's Sustainability-Linked Loan Principles (SLLP)).

### 3. RATING SCALES

#### 3.1. NATIONAL CREDIT RATING SCALES

##### 3.1.1 National Credit Rating Scale for the Russian Federation

In order to categorize credit ratings assigned to rated entities operating in the Russian Federation or issuing bonds in the Russian financial market, and their financial obligations, the Agency uses the national credit rating scale for the Russian Federation, which is an alphanumerical notation system.

ACRA's national credit rating scale is used exclusively to assign fundamental credit ratings and is not used to assign credit ratings to structured finance instruments and obligations.

ACRA's national credit rating scale allows to compare only the credit ratings assigned by the Agency within the Russian Federation: comparing the credit ratings assigned by the Agency with the credit ratings of Russian obligations or with the credit ratings of other issuers operating in the Russian Federation or placing financial obligations in the Russian financial market.

In economic terms, credit ratings on the national scale assigned by ACRA can reflect the relative default probabilities or the expected loss rates of rated entities (or their securities) compared to the highest creditability level in the Russian economy, which, in ACRA's opinion, pertains to obligations of the Russian government and a number of their derivatives.

The credit rating of the Russian Federation and its issued financial obligations on the national scale for the Russian Federation is set at AAA(RU).

**TABLE 1. ACRA'S NATIONAL CREDIT RATING SCALE FOR THE RUSSIAN FEDERATION**

CATEGORY	RATING	DESCRIPTION
AAA	AAA(RU)	Maximum creditability level assigned to rated entities, securities issues, or financial obligations. The highest credit rating under the national scale of the Russian Federation, according to the Agency. The credit rating of financial obligations of the Government of the Russian Federation.
	AA+(RU)	
AA	AA(RU)	High creditability level compared to other rated entities, securities, or financial obligations in the Russian Federation; although, according to ACRA, slightly lower than AAA(RU).
	AA-(RU)	
A	A+(RU)	
	A(RU)	Moderately high creditability level compared to other rated entities, securities or financial obligations in the Russian Federation; however, somewhat sensitive to a diverse changes in the business, financial, and economic environment in the Russian Federation.
	A-(RU)	

<b>BBB</b>	BBB+(RU)	Moderate creditability level compared to other rated entities, securities, or financial obligations in the Russian Federation, with a higher sensitivity to adverse changes in the business, financial and economic environment in the Russian Federation.
	BBB(RU)	
	BBB-(RU)	
<b>BB</b>	BB+(RU)	Moderately low creditability level compared to other rated entities, securities, or financial obligations in the Russian Federation. Creditability is stable in the short term, but there is high sensitivity to adverse changes in the business, financial, and economic environment in the Russian Federation.
	BB(RU)	
	BB-(RU)	
<b>B</b>	B+(RU)	Low creditability compared to other rated entities, securities, or financial obligations in the Russian Federation. At this stage, the entity can still fulfill its debt obligations in a full and timely fashion but is highly vulnerable to unfavorable commercial, financial, and economic conditions in the Russian Federation.
	B(RU)	
	B-(RU)	
<b>CCC</b>	CCC(RU)	Very low creditability level compared to other rated entities, securities, or financial obligations in the Russian Federation. There is a possibility of failure by the rated entity to fulfill its debt obligations in the short term. Timely fulfillment of debt obligations is largely dependent upon a favorable commercial, financial, and economic environment in the Russian Federation.
<b>CC</b>	CC(RU)	Very low creditability level compared to other rated entities, securities, or financial obligations in the Russian Federation. There is a high probability of the Rated Entity defaulting on its debt obligations in the short term. Timely fulfillment of debt obligations hinges on a favorable external economic and financial environment in the Russian Federation, as well as on good creditor relations.
<b>C</b>	C(RU)	Very low creditability level compared to other rated entities, securities, or financial obligations in the Russian Federation. There is a high probability of the rated entity defaulting on its debt obligations in the short term. Timely fulfillment of debt obligations is highly unlikely without concessions from creditors.
<b>SD</b>	SD(RU)	The rated entity is in default on one of its financial obligations, but the Agency believes that the rated entity will continue to timely service its other financial obligations.
<b>D</b>	D(RU)	The rated entity is in default on its financial obligations.

Source: ACRA

### 3.1.2 Structured Finance Sector National Credit Rating Scale for the Russian Federation

In order to categorize credit ratings assigned to structured finance instruments and obligations in the Russian Federation, ACRA uses the structured finance sector national credit rating scale for the Russian Federation, which is an alphanumeric notation system.

TABLE 2. STRUCTURED FINANCE SECTOR NATIONAL CREDIT RATING SCALE FOR THE RUSSIAN FEDERATION

CATEGORY	RATING	DESCRIPTION
<b>AAA</b>	AAA(ru.sf)	Structured finance obligations or instruments with the AAA(ru.sf) rating are considered by the Agency to have the highest credit quality under the national scale for the Russian Federation, with minimal credit risk; the credit rating of financial obligations secured by the guarantee of the Government of the Russian Federation.
	AA+(ru.sf)	
	AA(ru.sf)	
<b>AA</b>	AA-(ru.sf)	High level of credit quality compared to other rated structured finance obligations and instruments in the Russian Federation; however, as a rule, slightly lower than that of rated obligations and instruments with the AAA(ru.sf) credit rating.
	A+(ru.sf)	
<b>A</b>	A(ru.sf)	Moderately high level of credit quality compared to other rated structured finance obligations and instruments in the Russian Federation, but with some sensitivity to adverse changes in the

	A(ru.sf) A-(ru.sf)	business, financial and economic environment in the Russian Federation and to their impact on parameters of underlying assets, collaterals, and other assets securing rated structured finance obligations and instruments, as well as operating risks.
<b>BBB</b>	BBB+(ru.sf) BBB(ru.sf) BBB-(ru.sf)	Moderate level of credit quality compared to other rated structured finance obligations and instruments in the Russian Federation, but with a higher sensitivity to adverse changes in the business, financial and economic environment in the Russian Federation and to their impact on parameters of underlying assets, collaterals, and other assets securing the rated structured finance obligations and instruments, as well as operating risks.
<b>BB</b>	BB+(ru.sf) BB(ru.sf) BB-(ru.sf)	Moderately low level of credit quality compared to other rated structured finance obligations and instruments in the Russian Federation, with little to no risk of sharp deterioration in credit quality in the short term. However, displays higher sensitivity to adverse changes in the business, financial, and economic environment inside in the Russian Federation and to their impact on parameters of underlying assets, collaterals, and other assets securing the rated structured finance obligations and instruments, as well as operating risks.
<b>B</b>	B+(ru.sf) B(ru.sf) B-(ru.sf)	Low level of credit quality compared to other rated structured finance obligations and instruments in the Russian Federation. At this stage, the entity can still fulfil its debt obligations in a full and timely fashion; however, there it is highly vulnerable to adverse business, financial and economic conditions in the Russian Federation and their considerable impact on the parameters of underlying assets, collaterals, and other assets securing the rated structured finance obligations and instruments, as well as operating risks.
<b>CCC</b>	CCC(ru.sf)	Very low level of credit quality compared to other rated structured finance obligations and instruments in the Russian Federation. There is a possibility of failure to fulfill rated obligations in the short term. Timely fulfillment of rated obligations depends on favorable business, financial, and economic conditions in the Russian Federation and their impact on the parameters of underlying assets, collaterals, and other assets securing the rated structured finance obligations and instruments, as well as measures to reduce operating risks.
<b>CC</b>	CC(ru.sf)	Very low level of credit quality compared to other rated structured finance obligations and instruments in the Russian Federation. There is an increased probability of default on rated obligations in the short term. Timely fulfillment of rated obligations depends on favorable business, financial and economic conditions in the Russian Federation and their impact on the parameters of underlying assets, collaterals, and other assets securing the rated structured finance obligations and instruments, as well as measures to reduce operating risks.
<b>C</b>	C(ru.sf)	Very low level of credit quality compared to other rated structured finance obligations and instruments in the Russian Federation. There is a high probability of default on rated obligations in the short term. Timely fulfillment of obligations is highly unlikely without attracting additional sources capable of improving credit quality and reducing operating risks.
<b>D</b>	D(ru.sf)	The rated financial obligation is in default.

Source: ACRA

### 3.1.3 National Credit Rating Scale for the Republic of Kazakhstan

In order to categorize credit ratings assigned to rated entities operating in the Republic of Kazakhstan or placing their obligations in the Kazakh financial market, as well as their financial obligations, the Agency applies the national credit rating scale for the Republic of Kazakhstan, which is an alphanumeric notation system.

ACRA's national credit rating scale is used solely to assign fundamental credit ratings and not to assign credit ratings to structured finance instruments and obligations.



ACRA's national credit rating scale allows to compare only the credit ratings assigned by the Agency within the Republic of Kazakhstan: comparing the credit ratings assigned by the Agency with the credit ratings of Kazakh obligations or with the credit ratings of other issuers operating in the Republic of Kazakhstan or placing financial obligations in the Kazakh financial market.

In economic terms, credit ratings on the national scale assigned by ACRA can reflect the relative default probabilities or the expected loss rates of rated entities (or their securities) compared to the highest creditability level in the Kazakh economy, which, in ACRA's opinion, pertains to obligations of the Government of the Republic of Kazakhstan and a number of their derivatives.

The credit rating of the Republic of Kazakhstan and its issued financial obligations on ACRA's national scale for the Republic of Kazakhstan is set at AAA(KZ).

**TABLE 3. ACRA'S NATIONAL CREDIT RATING SCALE FOR THE REPUBLIC OF KAZAKHSTAN**

CATEGORY	RATING	DESCRIPTION
AAA	AAA(KZ)	Maximum creditability level assigned to rated entities, securities issues, or financial obligations. The highest credit rating under the national scale of the Republic of Kazakhstan, according to the Agency. The credit rating of financial obligations of the Government of the Republic of Kazakhstan.
AA	AA+(KZ)	High creditability level compared to other rated entities, securities, or financial obligations in the Republic of Kazakhstan; although, according to ACRA, slightly lower than for rated entities, securities issues, or financial obligations rated AAA(KZ).
	AA(KZ)	
	AA-(KZ)	
A	A+(KZ)	Moderately high creditability level compared to other rated entities, securities or financial obligations in the Republic of Kazakhstan; however, somewhat sensitive to adverse changes in the business, financial, and economic environment in the Republic of Kazakhstan.
	A(KZ)	
	A-(KZ)	
BBB	BBB+(KZ)	Moderate creditability level compared to other rated entities, securities, or financial obligations in the Republic of Kazakhstan, with a higher sensitivity to adverse changes in the business, financial and economic environment in the Republic of Kazakhstan.
	BBB(KZ)	
	BBB-(KZ)	
BB	BB+(KZ)	Moderately low creditability level compared to other rated entities, securities, or financial obligations in the Republic of Kazakhstan. Creditability is stable in the short term, but there is high sensitivity to adverse changes in the business, financial, and economic environment in the Republic of Kazakhstan.
	BB(KZ)	
	BB-(KZ)	
B	B+(KZ)	Low creditability compared to other rated entities, securities, or financial obligations in the Republic of Kazakhstan. At this stage, the entity can still fulfil its debt obligations in a full and timely fashion but is highly vulnerable to unfavorable commercial, financial, and economic conditions in the Republic of Kazakhstan.
	B(KZ)	
	B-(KZ)	
CCC	CCC(KZ)	Very low creditability level compared to other rated entities, securities, or financial obligations in the Republic of Kazakhstan. There is a possibility of default on debt obligations in the short term. Timely fulfillment of debt obligations is largely dependent upon a favorable commercial, financial, and economic environment in the Republic of Kazakhstan.
CC	CC(KZ)	Very low creditability level compared to other rated entities, securities, or financial obligations in the Republic of Kazakhstan. There is a high probability of default on debt obligations in the short term. Timely fulfillment of debt obligations hinges on favorable external economic and financial environment in the Republic of Kazakhstan, as well as on good creditor relations.



<b>C</b>	C(KZ)	Very low creditability level compared to other rated entities, securities, or financial obligations in the Republic of Kazakhstan. There is a high probability of default on debt obligations in the short term. Timely fulfillment of debt obligations is highly unlikely without concessions from creditors.
<b>SD</b>	SD(KZ)	The rated entity is in default on one of its financial obligations, but the Agency believes that the rated entity will continue to timely service its other financial obligations.
<b>D</b>	D(KZ)	The rated entity is in default on its financial obligations.

Source: ACRA

## 3.2. INTERNATIONAL CREDIT RATING SCALES

### 3.2.1 International Credit Rating Scale

In order to categorize credit ratings assigned to rated entities operating in various jurisdictions and their financial obligations, the Agency applies an international credit rating scale, which is an alphanumerical notation system.

ACRA's international credit rating scale is used solely to assign fundamental credit ratings and not to assign credit ratings to structured finance instruments and obligations.

ACRA's international credit rating scale allows for comparing credit ratings assigned by the Agency under the international scale, at the supranational level.

ACRA may assign both local and foreign currency international scale credit ratings. Local currency international scale credit ratings do not take into account additional risks of restrictions on currency conversion needed to repay issuer's obligations denominated in foreign currency.

In the economic terms, ACRA's credit ratings assigned under the international scale can reflect the relative probability of default or the expected loss rates of rated entities or securities issues.

TABLE 4. ACRA'S INTERNATIONAL CREDIT RATING SCALE

CATEGORY	RATING	DESCRIPTION
<b>AAA</b>	AAA	The highest rating. An entity or an issue of securities or a financial obligation rated AAA demonstrates the maximum creditworthiness and the minimum sensitivity to unfavorable changes in business, financial and economic conditions, either domestic or international, and other external factors.
<b>AA</b>	AA+	High creditworthiness compared to other rated entities or issues of securities or financial obligations. Low sensitivity to unfavorable changes in business, financial and economic conditions, either domestic or international, and other external factors. In ACRA's opinion, the rating is insignificantly lower than that of entities, securities issues, or financial obligations rated AAA.
	AA	
	AA-	
<b>A</b>	A+	Moderately high creditworthiness compared to other rated entities or issues of securities or financial obligations. Certain sensitivity to unfavorable changes in business, financial and economic conditions, either domestic or international, and other external factors.
	A	
	A-	
<b>BBB</b>	BBB+	Moderate creditworthiness compared to other rated entities or issues of securities or financial obligations. Higher sensitivity to unfavorable changes in business, financial and economic conditions, either domestic or international, and other external factors.
	BBB	
	BBB-	
<b>BB</b>	BB+	Moderately low creditworthiness compared to other rated entities or issues of securities or financial obligations. The creditworthiness is sustainable in the short-term, but there is high sensitivity to unfavorable changes in business, financial and economic conditions, either domestic or international, and other external factors.
	BB	

	BB-	
<b>B</b>	B+	Low creditworthiness compared to other rated entities or issues of securities or financial obligations. The rated entity is able to perform debt obligations when due and in full, but it is highly vulnerable to unfavorable business, financial and economic conditions, either domestic or international, and other external factors.
	B	
	B-	
<b>CCC</b>	CCC	Very low creditworthiness compared to other rated entities or issues of securities or financial obligations. The default on debt obligations is likely in the short term. Timely performance of debt obligations largely depends on favorable business, financial and economic conditions, either domestic or international, and other external factors.
<b>CC</b>	CC	Very low creditworthiness compared to other rated entities or issues of securities or financial obligations. The default on debt obligations is highly likely in the short term. Timely performance of debt obligations depends on favorable business, financial and economic conditions, either domestic or international, and other external factors, as well as on relations with creditors.
<b>C</b>	C	Very low creditworthiness compared to other rated entities or issues of securities or financial obligations. The default on debt obligations is highly likely in the short term. Timely performance of debt obligations is extremely unlikely without favorable attitude of creditors.
<b>SD</b>	SD	The rated entity is in default on one of its financial obligations. However, ACRA believes that the rated entity will continue to timely service other financial obligations.
<b>D</b>	D	The rated entity or financial obligation is in default.

Source: ACRA

### 3.2.2 International Short-term Credit Rating Scale

In order to categorize short-term credit ratings assigned to rated entities and their financial obligations, the Agency applies an international short-term credit rating scale, which is an alphanumeric notation system.

The international short-term credit rating scale is used solely to assign fundamental credit ratings and not to assign credit ratings to structured finance instruments and obligations.

The international short-term credit ratings scale allows for comparing credit ratings assigned by the Agency under the international scale, at the supranational level. International scale short-term credit ratings may be assigned both in local and foreign currency.

In the economic terms, ACRA's short-term ratings assigned under the international scale reflect a relative probability of default of rated entities or issues of securities within a one-year horizon.

TABLE 5. INTERNATIONAL SHORT-TERM CREDIT RATING SCALE

CATEGORY	DESCRIPTION
<b>S1+</b>	The rated entity has the maximum creditworthiness with respect to short-term (less than a year) obligations, and its access to liquidity and short-term funding demonstrates the minimum sensitivity to unfavorable changes in the financial and economic conditions (including those at the international level) and other factors.
<b>S1</b>	The rated entity has a high creditworthiness with respect to short-term (less than a year) obligations, and its access to liquidity and short-term funding demonstrates a weak sensitivity to unfavorable changes in the financial and economic conditions (including those at the international level) and other factors.
<b>S2</b>	The rated entity has a moderately high creditworthiness with respect to short-term (less than a year) obligations, and its access to liquidity and short-term funding may be sensitive to unfavorable changes in the financial and economic conditions (including those at the international level) and other factors.

<b>S3</b>	The rated entity has a moderate creditworthiness with respect to short-term (less than a year) obligations, and its access to liquidity and short-term funding is sensitive to unfavorable changes in the financial and economic conditions (including those at the international level) and other factors.
<b>B</b>	The rated entity has a moderately low creditworthiness with respect to short-term (less than a year) obligations, and its access to liquidity and short-term funding is exposed to unfavorable changes in the financial and economic conditions (including those at the international level) and other factors.
<b>C</b>	The rated entity has a very low creditworthiness with respect to short-term (less than a year) obligations; its obligations depend heavily on access to liquidity and short-term funding and favorable financial and economic conditions (including the support from international lenders) and other factors.
<b>D</b>	The rated entity or financial obligation is in default.

Source: ACRA

### 3.2.3 International Structured Finance Credit Rating Scale

In order to categorize credit ratings of structured finance instruments and obligations in different jurisdictions, ACRA applies its international structured finance credit rating scale, which is an alphanumerical notation system.

TABLE 6. INTERNATIONAL STRUCTURED FINANCE CREDIT RATING SCALE

CATEGORY	RATING	DESCRIPTION
<b>AAA</b>	AAA.sf	The highest rating. Structured finance obligations or instruments rated AAA.sf are, in the Agency's opinion, obligations and instruments of the highest credit quality with the lowest credit risk.
<b>AA</b>	AA+.sf	High credit quality compared to other rated structured finance obligations and instruments. Typically, it is slightly lower than obligations and instruments rated AAA.sf.
	AA.sf	
	AA-.sf	
<b>A</b>	A+.sf	Moderately high credit quality compared to other rated structured finance obligations and instruments, however, there is some sensitivity to adverse changes in commercial, financial or economic conditions (including those at the international level) and their impact on the performance of underlying assets, collateralized and other assets securing the rated structured finance obligations and instruments, as well as operational risks.
	A.sf	
	A-.sf	
<b>BBB</b>	BBB+.sf	Moderate credit quality compared to other rated structured finance obligations and instruments, however, there is elevated sensitivity to adverse changes in commercial, financial or economic conditions (including those at the international level) and their impact on the performance of underlying assets, collateralized and other assets securing the rated structured finance obligations and instruments, as well as operational risks.
	BBB.sf	
	BBB-.sf	
<b>BB</b>	BB+.sf	Moderately low credit quality compared to other rated structured finance obligations and instruments. There is almost no risk of sharp decline in the credit quality in the short term, however, there is high sensitivity to adverse changes in commercial, financial or economic conditions (including those at the international level) and their impact on the performance of underlying assets, collateralized and other assets securing the rated structured finance obligations and instruments, as well as operational risks.
	BB.sf	
	BB-.sf	
<b>B</b>	B+.sf	Low credit quality compared to other rated structured finance obligations and instruments. There is possibility to fulfill debt obligations when due and in full, but there is high vulnerability to adverse changes in commercial, financial or economic conditions (including those at the international level) and their impact on the performance of underlying assets, collateralized
	B.sf	

	B-.sf	and other assets securing the rated structured finance obligations and instruments, as well as operational risks.
<b>CCC</b>	CCC.sf	Very low credit quality compared to other rated structured finance obligations and instruments. There is a potential for default on the rated obligations in the short term. Timely fulfilment of rated obligations depends on favorable commercial, financial or economic conditions (including those at the international level) and their impact on the performance of underlying assets, collateralized and other assets securing the rated structured finance obligations and instruments, as well as operational risks mitigation measures.
<b>CC</b>	CC.sf	Very low credit quality compared to other rated structured finance obligations and instruments. There is an elevated likelihood of default on the rated obligations in the short term. Timely fulfilment of rated obligations depends on favorable commercial, financial or economic conditions (including those at the international level) and their impact on the performance of underlying assets, collateralized and other assets securing the rated structured finance obligations and instruments, as well as operational risks mitigation measures.
<b>C</b>	C.sf	Very low credit quality compared to other rated structured finance obligations and instruments. There is a high likelihood of default on the rated obligations in the short term. Timely fulfilment of rated obligations is extremely unlikely without additional sources of credit quality enhancement and operational risks mitigation measures.
<b>D</b>	D.sf	The rated entity or financial obligation is in default on its structured finance obligations.

Source: ACRA

ACRA applies the assumptions on the probability of default and expected losses for different rating levels and the different time horizons of international credit ratings, as specified in Appendix 2 hereto. Similar assumptions are applied to international structured finance credit ratings.

### 3.3. NON-CREDIT RATING SCALES

#### 3.3.1 National Asset Management Company Reliability Non-credit Rating Scale for the Russian Federation

In order to categorize the reliability of asset management companies operating in Russia or Russian financial markets, the Agency applies the national scale described below. Ratings assigned under this scale are not credit ratings or their components.

**TABLE 7. NATIONAL ASSET MANAGEMENT COMPANY RELIABILITY NON-CREDIT RATING SCALE FOR THE RUSSIAN FEDERATION**

CATEGORY	RATING	DESCRIPTION
<b>AAA</b>	AAA(ru.am)	<ul style="list-style-type: none"> <li>– Highest reliability;</li> <li>– Very low sensitivity to changes in legislation, client base, or investor pool.</li> </ul>
<b>AA</b>	AA+(ru.am) AA(ru.am) AA-(ru.am)	<ul style="list-style-type: none"> <li>– Very high reliability;</li> <li>– Low sensitivity to changes in legislation, client base, or investor pool.</li> </ul>
<b>A</b>	A+(ru.am) A(ru.am) A-(ru.am)	<ul style="list-style-type: none"> <li>– High reliability;</li> <li>– Moderate sensitivity to changes in legislation, client base, or investor pool.</li> </ul>
<b>BBB</b>	BBB+(ru.am) BBB(ru.am)	<ul style="list-style-type: none"> <li>– Sufficient reliability;</li> <li>– Sufficient sensitivity to changes in legislation, client base, or investor pool.</li> </ul>

	BBB-(ru.am)	
<b>BB</b>	BB+(ru.am)	– Satisfactory reliability;
	BB(ru.am)	– Medium sensitivity to changes in legislation, client base, or investor pool.
	BB-(ru.am)	
<b>B</b>	B+(ru.am)	– Low reliability;
	B(ru.am)	– High sensitivity to changes in legislation, client base, or investor pool.
	B-(ru.am)	
<b>CCC</b>	CCC(ru.am)	– Very low reliability; – Very high sensitivity to changes in legislation, client base, or investor pool.
<b>SD</b>	SD(ru.am)	– Unacceptably low reliability; – The Bank of Russia has either ordered the asset management company to cease operating or limited its scope; – Massive client outflow.
<b>D</b>	D(ru.am)	– Bankruptcy or license withdrawal.

Source: ACRA

### 3.3.2 ESG Rating and ESG Assessment Scales

In order to assign ESG ratings, the Agency applies the scale described below. Ratings assigned under this scale are not credit ratings or their components.

TABLE 8. ESG RATING SCALE

CATEGORY	RATING	DESCRIPTION
<b>ESG-A</b>	ESG-1	Highest ESG assessment. ESG aspects are top priority for the rated entity.
<b>ESG-B</b>	ESG-2	Very high ESG assessment. The rated entity pays considerable attention to ESG affairs.
	ESG-3 ESG-4	
<b>ESG-C</b>	ESG-5	High ESG assessment. The rated entity pays sufficient attention to ESG aspects.
	ESG-6	
	ESG-7	
<b>ESG-D</b>	ESG-8	Medium ESG assessment. The rated entity pays attention to a significant portion of ESG aspects.
	ESG-9	
	ESG-10	
<b>ESG-E</b>	ESG-11	Acceptable ESG assessment. The rated entity does not pay any attention to some ESG aspects.
	ESG-12	
	ESG-13	
<b>ESG-F</b>	ESG-14	Low ESG assessment. No clear ESG strategy; ESG aspects are not considered when making managing decisions.
	ESG-15	
	ESG-16	
<b>ESG-G</b>	ESG-17	Very low ESG assessment. Attention is not paid to any ESG aspects.

Source: ACRA

In order to assign ESG assessments, the Agency applies the scale described below. Assessments assigned under this scale are credit ratings or their components.

TABLE 9. ESG ASSESSMENT SCALE

CATEGORY	ASSESSMENT	DESCRIPTION
ESG-AAA	ESG-1	Highest ESG assessment. ESG aspects are top priority for the assessed entity.
ESG-AA	ESG-2	Very high ESG assessment. The assessed entity pays considerable attention to ESG affairs.
	ESG-3	
	ESG-4	
ESG-A	ESG-5	High ESG assessment. The assessed entity pays sufficient attention to ESG aspects.
	ESG-6	
	ESG-7	
ESG-BBB	ESG-8	Medium ESG assessment. The assessed entity pays attention to a significant portion of ESG aspects.
	ESG-9	
	ESG-10	
ESG-BB	ESG-11	Acceptable ESG assessment. The assessed entity does not pay any attention to some ESG aspects.
	ESG-12	
	ESG-13	
ESG-B	ESG-14	Low ESG assessment. No clear ESG strategy; ESG aspects are not considered when making managing decisions.
	ESG-15	
	ESG-16	
ESG-C	ESG-17	Very low ESG assessment. Attention is not paid to any ESG aspects.

Source: ACRA

### 3.3.3 Assessment Scale of the Compliance of Green Debt Obligations with ICMA and LMA Principles

In order to assign assessment scores for the compliance of issues of green debt obligations with ICMA and LMA principles, ACRA applies the scale described below. ACRA expresses its independent and subjective opinion based on the abovementioned principles. Assessments assigned under this scale are not credit ratings or their components.

**TABLE 10. ASSESSMENT SCALE OF THE COMPLIANCE OF ISSUES OF GREEN DEBT OBLIGATIONS WITH ICMA AND LMA PRINCIPLES**

COMPLIANCE	FINAL ASSESSMENT	DESCRIPTION
Yes	GR1	In ACRA's opinion, the proceeds from the issuance of green debt obligations are very highly likely to be allocated to implementation of environmental projects. The issuer's approaches to selecting projects and managing the funds raised are in line with best global practices. The issuer is willing to provide, not less than once a year (or with a maximum possible frequency of reporting periods), as detailed reports as possible on the use of funds and the environmental effect of projects.
	GR2	In ACRA's opinion, the proceeds from the issuance of green debt obligations are highly likely to be allocated to implementation of environmental projects. The issuer's approaches to selecting projects and managing the funds raised are close to best global practices. The issuer is willing to provide, not less than once a year, sufficiently detailed reports on the use of funds and the environmental effect of projects.
	GR3	In ACRA's opinion, the proceeds from the issuance of green debt obligations are fairly likely to be allocated to implementation of environmental projects. The issuer's approaches to selecting projects and managing the funds raised are on a fair level compared to best global practices. The issuer is willing to provide on a regular basis informative reports on the use of funds and the environmental effect of projects.

No	GR4	In ACRA's opinion, the proceeds from the issuance of green debt obligations are unlikely to be allocated to implementation of environmental projects. The issuer's approaches to selecting projects and managing the funds raised lag behind best global practices. The issuer is willing to provide reports on a regular basis only containing general information about the use of funds and the environmental effect of projects.
	GR5	In ACRA's opinion, the proceeds from the issuance of green debt obligations are very unlikely to be allocated to implementation of environmental projects. The issuer's approaches to selecting projects and managing the funds raised are not in line with best global practices. The issuer is not willing to provide reports on a regular basis on the use of funds and the environmental effect of projects.

Source: ACRA

### 3.3.4 Assessment Scales of the Compliance of Social Debt Obligations and Sustainable Development Debt Obligations with SBP, SBG and SLP principles

In order to assign assessment scores for the compliance of social debt obligations and sustainable development debt obligations with SBP, SBG and SLP principles, the Agency applies the scales described below. ACRA expresses its independent and subjective opinion based on the above mentioned principles. Assessments assigned under this scale are not credit ratings or their components.

TABLE 11. ASSESSMENT SCALE OF THE COMPLIANCE OF SOCIAL DEBT OBLIGATIONS WITH SBP AND SLP PRINCIPLES

COMPLIANCE	FINAL ASSESSMENT	DESCRIPTION
Yes	SR1	In ACRA's opinion, the proceeds from the issuance of social debt obligations are very highly likely to be allocated to implementation of social projects. The issuer's approaches to selecting projects and managing the funds raised are in line with best global practices. The issuer is willing to provide, not less than once a year (or with a maximum possible frequency of reporting periods), as detailed reports as possible on the use of funds and the social effect of projects.
	SR2	In ACRA's opinion, the proceeds from the issuance of social debt obligations are highly likely to be allocated to implementation of social projects. The issuer's approaches to selecting projects and managing the funds raised are close to best global practices. The issuer is willing to provide, not less than once a year, sufficiently detailed reports on the use of funds and the social effect of projects.
	SR3	In ACRA's opinion, the proceeds from the issuance of social debt obligations are fairly likely to be allocated to implementation of social projects. The issuer's approaches to selecting projects and managing the funds raised are on a fair level compared to best global practices. The issuer is willing to provide on a regular basis informative reports on the use of funds and the social effect of projects.
No	SR4	In ACRA's opinion, the proceeds from the issuance of social debt obligations are unlikely to be allocated to implementation of social projects. The issuer's approaches to selecting projects and managing the funds raised lag behind best global practices. The issuer is willing to provide reports on a regular basis only containing general information about the use of funds and the social effect of projects.
	SR5	In ACRA's opinion, the proceeds from the issuance of social debt obligations are very unlikely to be allocated to implementation of social projects. The issuer's approaches to selecting projects and managing the funds raised are not in line with best global practices. The issuer is not willing to provide reports on a regular basis on the use of funds and the social effect of projects.

Source: ACRA



**TABLE 12. ASSESSMENT SCALE OF THE COMPLIANCE OF SUSTAINABLE DEVELOPMENT DEBT OBLIGATIONS WITH SBG PRINCIPLES**

COMPLIANCE	FINAL ASSESSMENT	DESCRIPTION
Yes	SDR1	In ACRA's opinion, the proceeds from the issuance of sustainable development debt obligations are very highly likely to be allocated to implementation of sustainable development projects. The issuer's approaches to selecting projects and managing the funds raised are in line with best global practices. The issuer is willing to provide, not less than once a year (or with a maximum possible frequency of reporting periods), as detailed reports as possible on the use of funds and the sustainable development effect of projects.
	SDR2	In ACRA's opinion, the proceeds from the issuance of sustainable development debt obligations are highly likely to be allocated to implementation of sustainable development projects. The issuer's approaches to selecting projects and managing the funds raised are close to best global practices. The issuer is willing to provide, not less than once a year, sufficiently detailed reports on the use of funds and the sustainable development effect of projects.
	SDR3	In ACRA's opinion, the proceeds from the issuance of sustainable development debt obligations are fairly likely to be allocated to implementation of sustainable development projects. The issuer's approaches to selecting projects and managing the funds raised are on a fair level compared to best global practices. The issuer is willing to provide on a regular basis informative reports on the use of funds and the sustainable development effect of projects.
No	SDR4	In ACRA's opinion, the proceeds from the issuance of sustainable development debt obligations are unlikely to be allocated to implementation of sustainable development projects. The issuer's approaches to selecting projects and managing the funds raised lag behind best global practices. The issuer is willing to provide reports on a regular basis only containing general information about the use of funds and the sustainable development effect of projects.
	SDR5	In ACRA's opinion, the proceeds from the issuance of sustainable development debt obligations are very unlikely to be allocated to implementation of sustainable development projects. The issuer's approaches to selecting projects and managing the funds raised are not in line with best global practices. The issuer is not willing to provide reports on a regular basis on the use of funds and the sustainable development effect of projects.

Source: ACRA

### 3.3.5 Assessment Scale of the Compliance of Debt Obligations with SLBP and SLLP Principles

In order to assign assessment scores for the compliance of debt obligations with sustainability-linked principles, the Agency applies the scale described below. Assessments assigned under this scale are not credit ratings or their components.

**TABLE 13. ASSESSMENT SCALE OF THE COMPLIANCE OF SUSTAINABILITY-LINKED DEBT OBLIGATIONS WITH SLBP AND SLLP PRINCIPLES**

COMPLIANCE	FINAL ASSESSMENT	DESCRIPTION
Yes	SLR1	In ACRA's opinion, market participants may rely upon the sustainability-linked debt obligations, all assessment factors comply with the best international practices. KPIs* selected by the assessed entity are well-substantiated, relevant and very important for the assessed entity's business. The established level of TSDPIs** is reasonable and very ambitious, and it is calculated using a wide range of benchmarks. The conditions for changing the terms of obligations are very important, the assessed entity is ready to

		provide regular detailed reports on the progress towards TSDPIs, as well as to ensure high-quality verification of this progress.
	<b>SLR2</b>	In ACRA's opinion, market participants may rely upon the sustainability-linked debt obligations, many assessment factors comply with the best international practices. KPIs selected by the assessed entity are satisfactorily substantiated, relevant and very important for the assessed entity's business. The established level of TSDPIs is reasonable and rather ambitious, and it is calculated using trusted benchmarks. The conditions for changing the terms of obligations are important, the assessed entity is ready to provide regular reports on the progress towards TSDPIs, as well as to ensure verification of this progress.
	<b>SLR3</b>	In ACRA's opinion, the sustainability-linked debt obligations sufficiently comply with SLBP and SLLP principles. KPIs selected by the assessed entity are substantiated and relevant for the assessed entity's business. The established level of TSDPIs is rather ambitious. The conditions for changing the terms of obligations are significant, the assessed entity is ready to provide reports on the progress towards TSDPIs, as well as to ensure verification of this progress.
<b>No</b>	<b>SLR4</b>	In ACRA's opinion, the sustainability-linked debt obligations partially comply with SLBP and SLLP principles. On or more assessment factors are elaborated by the assessed entity superficially.
	<b>SLR5</b>	In ACRA's opinion, the sustainability-linked debt obligations do not comply with SLBP and SLLP principles. Most assessment factors are weakly elaborated by the assessed entity.

\* KPIs — key performance indicators.

\*\* TSDPIs — target sustainable development performance indicators.

Source: ACRA

## APPENDIX 1. CORRESPONDENCE BETWEEN CREDIT ASSESSMENTS AND CREDIT RATINGS

This Appendix sets forth the correspondence between ACRA's credit ratings and credit assessments for various rating scales. A credit assessment may be taken into account in rating actions with regard to a transaction/instrument/rated entity whose credit risk depends on the creditworthiness of the rated entity.

**TABLE 14. CORRESPONDENCE BETWEEN CREDIT RATINGS AND CREDIT ASSESSMENTS ASSIGNED UNDER THE NATIONAL CREDIT RATING SCALES**

CREDIT RATING	CREDIT ASSESSMENT
AAA(XX)	aAAA(XX)
AA+(XX)	aAA+(XX)
AA(XX)	aAA(XX)
AA-(XX)	aAA-(XX)
A+(XX)	aA+(XX)
A(XX)	aA(XX)
A-(XX)	aA-(XX)
BBB+(XX)	aBBB+(XX)
BBB(XX)	aBBB(XX)
BBB-(XX)	aBBB-(XX)
BB+(XX)	aBB+(XX)
BB(XX)	aBB(XX)
BB-(XX)	aBB-(XX)
B+(XX)	aB+(XX)
B(XX)	aB(XX)
B-(XX)	aB-(XX)
CCC(XX)	aCCC(XX)
CC(XX)	aCC(XX)
C(XX)	aC(XX)
SD(XX)	aSD(XX)
D(XX)	aD(XX)

Source: ACRA

**TABLE 15. CORRESPONDENCE BETWEEN INTERNATIONAL SCALE CREDIT RATINGS AND INTERNATIONAL SCALE CREDIT ASSESSMENTS**

CREDIT RATING	CREDIT ASSESSMENT
AAA	aAAA
AA+	aAA+
AA	aAA
AA-	aAA-
A+	aA+
A	aA
A-	aA-
BBB+	aBBB+
BBB	aBBB
BBB-	aBBB-

BB+	aBB+
BB	aBB
BB-	aBB-
B+	aB+
B	aB
B-	aB-
CCC	aCCC
CC	aCC
C	aC
SD	aSD
D	aD

Source: ACRA

**TABLE 16. CORRESPONDENCE BETWEEN INTERNATIONAL SCALE SHORT-TERM CREDIT RATINGS AND INTERNATIONAL SCALE CREDIT ASSESSMENTS**

SHORT-TERM CREDIT RATING	CREDIT ASSESSMENT
<b>S1+</b>	aS1+
<b>S1</b>	aS1
<b>S2</b>	aS2
<b>S3</b>	aS3
<b>B</b>	aB
<b>C</b>	aC
<b>D</b>	aD

Source: ACRA

## APPENDIX 2. IDEALIZED TABLES FOR THE INTERNATIONAL CREDIT RATING SCALE

TABLE 17. IDEALIZED PROBABILITIES OF DEFAULT FOR ACRA'S INTERNATIONAL CREDIT RATING SCALE

RATING	1 YEAR	2 YRS	3 YRS	4 YRS	5 YRS	6 YRS	7 YRS	8 YRS	9 YRS	10 YRS	11 YRS	12 YRS	13 YRS	14 YRS	15 YRS	16 YRS	17 YRS	18 YRS	19 YRS	20 YRS	21 YRS	22 YRS	23 YRS	24 YRS	25 YRS	26 YRS	27 YRS	28 YRS	29 YRS	30 YRS
AAA	0.003	0.006	0.009	0.013	0.018	0.023	0.030	0.038	0.048	0.060	0.073	0.089	0.108	0.131	0.156	0.186	0.220	0.259	0.303	0.352	0.407	0.469	0.537	0.612	0.695	0.785	0.883	0.990	1.106	1.230
AA+	0.005	0.011	0.019	0.028	0.040	0.054	0.071	0.092	0.117	0.147	0.182	0.222	0.268	0.321	0.382	0.450	0.526	0.611	0.706	0.810	0.923	1.047	1.182	1.327	1.484	1.652	1.831	2.022	2.225	2.439
AA	0.009	0.020	0.034	0.051	0.072	0.096	0.126	0.162	0.203	0.251	0.307	0.371	0.443	0.524	0.615	0.716	0.827	0.950	1.083	1.228	1.385	1.554	1.736	1.929	2.135	2.353	2.584	2.827	3.082	3.350
AA-	0.017	0.038	0.065	0.098	0.138	0.185	0.240	0.304	0.378	0.462	0.557	0.663	0.782	0.912	1.055	1.211	1.381	1.563	1.760	1.970	2.194	2.432	2.683	2.948	3.226	3.517	3.821	4.137	4.466	4.806
A+	0.031	0.070	0.118	0.176	0.243	0.322	0.412	0.514	0.629	0.758	0.900	1.056	1.228	1.414	1.615	1.831	2.062	2.308	2.569	2.845	3.135	3.440	3.758	4.089	4.433	4.790	5.159	5.539	5.930	6.332
A	0.056	0.124	0.205	0.299	0.406	0.527	0.663	0.815	0.982	1.166	1.366	1.582	1.815	2.065	2.330	2.612	2.909	3.222	3.549	3.891	4.246	4.615	4.996	5.390	5.795	6.211	6.637	7.073	7.517	7.971
A-	0.101	0.219	0.353	0.505	0.675	0.863	1.070	1.295	1.539	1.801	2.082	2.380	2.696	3.029	3.378	3.743	4.122	4.516	4.923	5.342	5.774	6.216	6.669	7.131	7.602	8.082	8.569	9.063	9.563	10.068
BBB+	0.179	0.374	0.585	0.815	1.065	1.335	1.625	1.937	2.269	2.621	2.992	3.382	3.790	4.214	4.653	5.106	5.573	6.051	6.540	7.039	7.547	8.063	8.586	9.115	9.650	10.189	10.733	11.280	11.831	12.384
BBB	0.315	0.649	1.006	1.389	1.798	2.233	2.693	3.176	3.679	4.202	4.741	5.295	5.862	6.440	7.026	7.621	8.221	8.826	9.435	10.047	10.661	11.275	11.890	12.505	13.119	13.732	14.344	14.953	15.561	16.166
BBB-	0.547	1.146	1.795	2.485	3.212	3.967	4.742	5.533	6.333	7.139	7.946	8.751	9.552	10.348	11.136	11.917	12.689	13.451	14.203	14.946	15.679	16.401	17.114	17.817	18.510	19.194	19.869	20.534	21.191	21.839
BB+	0.943	1.975	3.063	4.181	5.309	6.434	7.545	8.637	9.706	10.749	11.765	12.753	13.715	14.651	15.561	16.447	17.310	18.150	18.970	19.770	20.551	21.314	22.061	22.791	23.506	24.206	24.893	25.567	26.229	26.878
BB	1.608	3.247	4.868	6.441	7.951	9.392	10.763	12.066	13.305	14.484	15.608	16.682	17.710	18.697	19.645	20.559	21.440	22.293	23.118	23.919	24.696	25.453	26.190	26.908	27.609	28.293	28.963	29.618	30.260	30.889
BB-	2.714	5.175	7.401	9.416	11.248	12.923	14.463	15.887	17.213	18.454	19.620	20.723	21.769	22.764	23.716	24.627	25.503	26.346	27.160	27.947	28.710	29.449	30.168	30.867	31.548	32.212	32.861	33.494	34.114	34.720
B+	4.537	8.194	11.213	13.761	15.954	17.876	19.587	21.128	22.533	23.826	25.025	26.145	27.198	28.191	29.134	30.032	30.889	31.711	32.501	33.262	33.996	34.706	35.394	36.062	36.710	37.342	37.957	38.557	39.142	39.715
B	7.509	13.208	17.627	21.132	23.975	26.331	28.325	30.045	31.555	32.900	34.115	35.225	36.248	37.200	38.091	38.931	39.726	40.482	41.205	41.897	42.561	43.202	43.820	44.418	44.998	45.561	46.108	46.641	47.160	47.666
B-	12.304	21.046	27.381	32.072	35.631	38.400	40.611	42.421	43.940	45.243	46.382	47.397	48.313	49.151	49.925	50.647	51.325	51.965	52.573	53.152	53.707	54.239	54.751	55.246	55.724	56.187	56.637	57.074	57.499	57.913
CCC	19.961	33.514	42.823	49.309	53.906	57.230	59.692	61.562	63.022	64.194	65.161	65.980	66.689	67.315	67.878	68.392	68.865	69.306	69.720	70.112	70.483	70.838	71.178	71.504	71.819	72.123	72.417	72.702	72.979	73.248
CC	32.063	50.758	61.923	68.772	73.105	75.939	77.861	79.216	80.210	80.968	81.567	82.058	82.471	82.830	83.146	83.431	83.692	83.932	84.157	84.368	84.568	84.758	84.939	85.113	85.281	85.442	85.598	85.749	85.895	86.037
C	50.990	72.832	82.666	87.390	89.842	91.226	92.074	92.633	93.027	93.318	93.545	93.728	93.881	94.012	94.127	94.230	94.323	94.409	94.489	94.564	94.635	94.702	94.766	94.827	94.886	94.943	94.997	95.050	95.102	95.151
D	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Probabilities are shown as percentages.

Source: ACRA

TABLE 18. IDEALIZED EXPECTED LOSSES FOR ACRA'S INTERNATIONAL CREDIT RATING SCALE

RATING	1 YEAR	2 YRS	3 YRS	4 YRS	5 YRS	6 YRS	7 YRS	8 YRS	9 YRS	10 YRS	11 YRS	12 YRS	13 YRS	14 YRS	15 YRS	16 YRS	17 YRS	18 YRS	19 YRS	20 YRS	21 YRS	22 YRS	23 YRS	24 YRS	25 YRS	26 YRS	27 YRS	28 YRS	29 YRS	30 YRS
AAA	0.001	0.003	0.005	0.007	0.010	0.013	0.017	0.021	0.026	0.033	0.040	0.049	0.060	0.072	0.086	0.102	0.121	0.142	0.166	0.194	0.224	0.258	0.295	0.337	0.382	0.432	0.486	0.545	0.608	0.676
AA+	0.003	0.006	0.010	0.015	0.022	0.030	0.039	0.051	0.065	0.081	0.100	0.122	0.148	0.177	0.210	0.248	0.290	0.336	0.388	0.445	0.508	0.576	0.650	0.730	0.816	0.909	1.007	1.112	1.224	1.341
AA	0.005	0.011	0.019	0.028	0.039	0.053	0.069	0.089	0.112	0.138	0.169	0.204	0.244	0.288	0.338	0.394	0.455	0.522	0.596	0.676	0.762	0.855	0.955	1.061	1.174	1.294	1.421	1.555	1.695	1.842
AA-	0.009	0.021	0.036	0.054	0.076	0.102	0.132	0.167	0.208	0.254	0.306	0.365	0.430	0.502	0.580	0.666	0.759	0.860	0.968	1.084	1.207	1.338	1.476	1.621	1.774	1.934	2.102	2.276	2.456	2.643
A+	0.017	0.039	0.065	0.097	0.134	0.177	0.227	0.283	0.346	0.417	0.495	0.581	0.675	0.777	0.888	1.007	1.134	1.270	1.413	1.565	1.724	1.892	2.067	2.249	2.438	2.635	2.837	3.047	3.262	3.483
A	0.031	0.068	0.113	0.164	0.223	0.290	0.365	0.448	0.540	0.641	0.751	0.870	0.998	1.135	1.282	1.436	1.600	1.772	1.952	2.140	2.335	2.538	2.748	2.964	3.187	3.416	3.650	3.890	4.135	4.384
A-	0.056	0.120	0.194	0.278	0.371	0.475	0.588	0.712	0.846	0.991	1.145	1.309	1.483	1.666	1.858	2.058	2.267	2.484	2.707	2.938	3.176	3.419	3.668	3.922	4.181	4.445	4.713	4.984	5.259	5.538
BBB+	0.098	0.206	0.322	0.448	0.586	0.734	0.894	1.065	1.248	1.442	1.646	1.860	2.084	2.318	2.559	2.808	3.065	3.328	3.597	3.872	4.151	4.435	4.722	5.013	5.307	5.604	5.903	6.204	6.507	6.811
BBB	0.173	0.357	0.554	0.764	0.989	1.228	1.481	1.747	2.024	2.311	2.608	2.912	3.224	3.542	3.864	4.191	4.522	4.854	5.189	5.526	5.863	6.201	6.540	6.878	7.216	7.553	7.889	8.224	8.558	8.891
BBB-	0.301	0.631	0.987	1.367	1.767	2.182	2.608	3.043	3.483	3.926	4.370	4.813	5.254	5.691	6.125	6.554	6.979	7.398	7.812	8.220	8.623	9.021	9.413	9.799	10.181	10.557	10.928	11.294	11.655	12.012
BB+	0.519	1.086	1.685	2.299	2.920	3.538	4.150	4.750	5.338	5.912	6.471	7.014	7.543	8.058	8.559	9.046	9.520	9.983	10.434	10.873	11.303	11.723	12.133	12.535	12.928	13.314	13.691	14.062	14.426	14.783
BB	0.884	1.786	2.678	3.543	4.373	5.166	5.920	6.636	7.318	7.966	8.584	9.175	9.741	10.283	10.805	11.307	11.792	12.261	12.715	13.155	13.583	13.999	14.404	14.799	15.185	15.561	15.930	16.290	16.643	16.989
BB-	1.493	2.846	4.070	5.179	6.186	7.107	7.954	8.738	9.467	10.150	10.791	11.398	11.973	12.520	13.044	13.545	14.027	14.491	14.938	15.371	15.790	16.197	16.592	16.977	17.352	17.717	18.073	18.422	18.763	19.096
B+	2.495	4.507	6.167	7.568	8.775	9.832	10.773	11.620	12.393	13.104	13.764	14.380	14.959	15.505	16.024	16.517	16.989	17.441	17.876	18.294	18.698	19.088	19.467	19.834	20.191	20.538	20.876	21.206	21.528	21.843
B	4.130	7.264	9.695	11.623	13.186	14.482	15.579	16.525	17.355	18.095	18.763	19.374	19.937	20.460	20.950	21.412	21.849	22.265	22.663	23.043	23.409	23.761	24.101	24.430	24.749	25.058	25.359	25.652	25.938	26.216
B-	6.767	11.575	15.059	17.640	19.597	21.120	22.336	23.332	24.167	24.883	25.510	26.068	26.572	27.033	27.459	27.856	28.229	28.581	28.915	29.234	29.539	29.831	30.113	30.385	30.648	30.903	31.150	31.391	31.624	31.852
CCC	10.979	18.433	23.553	27.120	29.648	31.477	32.830	33.859	34.662	35.307	35.839	36.289	36.679	37.023	37.333	37.615	37.876	38.118	38.346	38.561	38.766	38.961	39.148	39.327	39.500	39.667	39.829	39.986	40.138	40.286
CC	17.635	27.917	34.057	37.825	40.208	41.766	42.824	43.569	44.116	44.532	44.862	45.132	45.359	45.556	45.730	45.887	46.030	46.163	46.286	46.403	46.512	46.617	46.717	46.812	46.904	46.993	47.079	47.162	47.242	47.321
C	28.045	40.058	45.466	48.064	49.413	50.174	50.641	50.948	51.165	51.325	51.450	51.551	51.635	51.707	51.770	51.826	51.878	51.925	51.969	52.010	52.049	52.086	52.121	52.155	52.187	52.218	52.249	52.278	52.306	52.333
D	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000

Probabilities are shown as percentages.

Source: ACRA

## APPENDIX 3. CORRESPONDENCE BETWEEN FULL AND SHORT NAMES OF SCALES

ACRA applies full and short names of scales in the relevant credit rating methodologies. This Appendix sets out the correspondence between full and short names of such scales.

TABLE 19. CORRESPONDENCE BETWEEN FULL AND SHORT NAMES OF SCALES

FULL NAME	SHORT NAME
National Credit Rating Scale for the Russian Federation	National Rating Scale for the Russian Federation
National Structured Finance Credit Rating Scale for the Russian Federation	National Structured Finance Rating Scale for the Russian Federation
National Credit Rating Scale for the Republic of Kazakhstan	National Rating Scale for the Republic of Kazakhstan
International Credit Rating Scale	International Rating Scale
International Structured Finance Credit Rating Scale	International Structured Finance Rating Scale

Source: ACRA



(C) 2023

Analytical Credit Rating Agency (Joint-Stock Company), ACRA (JSC)  
1 Bldg. 2 Bolshoi Gnezdnikovskiy Lane, Moscow, Russia  
[www.acra-ratings.com](http://www.acra-ratings.com)

The Analytical Credit Rating Agency (ACRA) was founded in 2015, with its 27 shareholders representing major Russian corporate and financial institutions and its authorized capital exceeding RUB 3 bln. ACRA's main objective is to provide the Russian financial market with high-quality rating products. Methodologies and internal documents of ACRA are developed in compliance with Russian legislation and with regard to global rating industry best practices.

The provided information, including, without limitation, credit and non-credit ratings, rating assessment factors, detailed credit analysis results, methodologies, models, forecasts, analytical reviews and materials, as well as other information placed on the ACRA website (further referred to as Information), coupled with the ACRA website software and other applications, are intended for information purposes only. Information must not be modified, reproduced or distributed by any means, in any way or form, either in whole, or in part, in marketing materials, as part of public relations events, in news bulletins, in commercial materials or reports without prior written consent from, and reference to, ACRA. Any use of Information in violation of these requirements or the law is prohibited.

ACRA credit ratings reflect ACRA's opinion about the ability of a rated entity to meet its financial obligations or about the credit risk of individual financial obligations and instruments of a rated entity at the time of publication of the relevant Information.

Non-credit ratings reflect ACRA's opinion about certain non-credit risks assumed by interested parties interacting with a rated entity.

The assigned credit and non-credit ratings reflect all material information pertaining to a rated entity and known by ACRA (including the information received from third parties), the quality and reliability of which ACRA considers appropriate. ACRA shall not be responsible for the accuracy of information provided by clients or relevant third parties. ACRA does not audit or otherwise verify the provided data and shall not be held responsible for their accuracy and completeness. ACRA conducts rating analysis of information provided by customers using its own methodologies, with the texts thereof available on ACRA's website — [www.acra-ratings.com/criteria](http://www.acra-ratings.com/criteria).

The only source that reflects the latest Information, including the one about credit and non-credit ratings assigned by ACRA, is ACRA's official website — [www.acra-ratings.com](http://www.acra-ratings.com). Information is provided on an "as is" basis.

Information shall be considered by users exclusively as ACRA's statement of opinion and must not be regarded as a advice, recommendation or suggestion to buy, hold or sell securities or other financial instruments of any kind, nor shall it be viewed as an offer or advertisement.

Neither ACRA, nor its employees and persons affiliated with ACRA (further referred to as the ACRA Parties) provide any direct or implied guarantee expressed in any form or by any means regarding the accuracy, timeliness, completeness or applicability of Information for making investment and other decisions. ACRA does not act as a fiduciary, auditor, investment or financial advisor. Information must be regarded solely as one of the factors affecting an investment decision or any other business decision made by any person who uses ACRA's information. It is essential that each of such persons conduct their own research and evaluation of a financial market participant, as well as an issuer and its debt obligations that may be regarded as an object of purchase, sale or possession. Users of Information shall make decisions on their own, involving their own independent advisors, if they deem it necessary.

ACRA Parties shall not be responsible for any action taken by users based on Information provided by ACRA. ACRA Parties shall under no circumstances be responsible for any direct, indirect or consequential damages or losses resulting from interpretations, conclusions, recommendations and other actions taken by third parties and directly or indirectly connected with such information.

Information provided by ACRA is valid only as of the date of preparation and publication of materials and may be amended by ACRA in the future. ACRA shall not be obliged to update, modify or supplement Information or inform anyone about such actions, unless the latter was recorded separately in a written agreement or is required by legislation of the Russian Federation.

ACRA does not provide advisory services. ACRA may provide additional services, if this does not create a conflict of interest with rating activities.

ACRA and its employees take all reasonable measures to protect all confidential and/or material non-public information in their possession from fraud, theft, unlawful use or inadvertent disclosure. ACRA provides protection of confidential information obtained in the course of its business activities as required by legislation of the Russian Federation.