

ACRA credit rating definitions*

The ACRA national rating scale is used exclusively to assign underlying credit ratings and is not used to assign credit ratings to structured finance instruments and obligations. The underlying credit ratings include credit ratings assigned to rated entities (or to their financial obligations, or to individual financial instrument issuance programs) representing the corporate, banking, nonbank financial, and insurance sectors, as well as regional and municipal authorities, except ratings assigned to structured finance instruments and obligations.

The ACRA national rating scale allows to compare only the credit ratings assigned by the Agency within the Russian Federation.

In economic terms, the credit ratings assigned by ACRA under the national scale reflect a relative default probability of rated entities (or securities) when compared to the highest possible creditworthiness level in the Russian economy – the one that ACRA embeds in debt obligations of the Government of the Russian Federation and certain derivatives thereof.

It should be noted that in some cases, such as credit rating assignment to individual financial instruments, the scale reflects a relative probability assessment of a real default on a financial instrument, as well as that of a loss recovery the holders of such instrument can potentially count on in the event of bankruptcy.

CATEGORY	RATING	DESCRIPTION
AAA	AAA(RU)	Maximum creditability level assigned to rated entities, securities issues, or financial liabilities. The highest credit rating under the national scale of the Russian Federation, according to the Agency. The credit rating of financial liabilities of the Government of the Russian Federation.
AA	AA+(RU)	High creditability level compared to other rated entities, securities, or financial liabilities in the Russian Federation; although, according to ACRA, slightly lower than AAA(RU).
	AA(RU)	
	AA-(RU)	
A	A+(RU)	Moderately high creditability level compared to other rated entities, securities or financial liabilities in the Russian Federation; however, somewhat sensitive to adverse changes in the business, financial, and economic environment inside the Russian Federation.
	A(RU)	
	A-(RU)	
BBB	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 business, financial and economic environment inside the Russian Federation.
	BBB(RU)	
	BBB-(RU)	
BB	BB+(RU)	Moderately low creditability level compared to other rated entities, securities, or financial liabilities 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 inside the Russian Federation.
	BB(RU)	
	BB-(RU)	
B	B+(RU)	Low creditability compared to other rated entities, securities, or financial liabilities in the Russian Federation. At this stage, the entity can still fulfil its debt liabilities in a full and timely fashion but is highly vulnerable to unfavorable commercial, financial, and economic conditions inside the Russian Federation.
	B(RU)	
	B-(RU)	

CCC	CCC(RU)	Very low creditability level compared to other rated entities, securities, or financial liabilities in the Russian Federation. There is a possibility of failure by the Rated Entity to fulfil its debt liabilities in the short term. Timely fulfillment of debt obligations is largely dependent upon favorable commercial, financial, and economic environment inside the Russian Federation.
CC	CC(RU)	Very low creditability level compared to other rated entities, securities, or financial liabilities in the Russian Federation. There is a high probability of the Rated Entity defaulting on its debt liabilities in the short term. Timely fulfillment of debt liabilities hinges on favorable external economic and financial environment inside the Russian Federation, as well as on good creditor relations.
C	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 liabilities in the short term. Timely fulfillment of debt liabilities is highly unlikely without concessions from creditors.
RD	RD(RU)	The Rated Entity is controlled (or significantly influenced) by the regulator. As a rule, in such cases, the regulator may determine the priority of liabilities or suspend payments to creditors.
SD	SD(RU)	The Rated Entity is in default on one of its financial liabilities, but the Agency believes that the Rated Entity will continue to timely service its other financial liabilities.
D	D(RU)	The Rated Entity is in default on its financial liabilities.

*Source: <https://acra-ratings.com/about-ratings/scales>