

December 7, 2018

ACRA assigns AAA(RU) to RU000A0ZZX19 bond issued by JSCo “RZD”**Lead analysts:**

Ekaterina Mozharova, Senior Director
+7 (495) 139-0498
ekaterina.mozharova@acra-ratings.ru

Alexander Gushchin, Expert
+7 (495) 139-0489
alexander.gushchin@acra-ratings.ru

Credit rating rationale. The issue represents senior unsecured debt of [Joint Stock Company “Russian Railways”](#) (hereinafter, the Company, RZD). Due to the absence of either structural or contractual subordination of the issue, ACRA ranks the bond *pari passu* with other existing and future unsecured and unsubordinated debt obligations of the Company. In accordance with the ACRA methodology, and taking into account high creditworthiness and the moderate leverage of the issuer, as well as the absence of secured debt obligations, the bond issue is rated AAA(RU), on par with the credit rating assigned to RZD.

The credit rating assigned to RZD is on par with the financial obligations of the Russian Government, in view of very high systemic importance of the Company for the Russian economy and very high state influence on the Company.

Key issue properties

Borrower	Joint Stock Company “Russian Railways”
Issuer’s credit rating	AAA(RU), outlook Stable
Actual issuer	Joint Stock Company “Russian Railways”
Type of security	Exchange-traded interest-bearing non-convertible certified bearer bonds subject to mandatory centralized custody, 001P-10R series
Issue volume	RUB 10 bln
RegS	4B02-10-65045-D-001P
ISIN	RU000A0ZZX19
Final placement date	December 7, 2018
Maturity date	June 3, 2022

Regulatory disclosure

The credit rating has been assigned under the national scale for the Russian Federation and is based on the Methodology for Assigning Credit Ratings to Individual Issues of Financial Instruments Under the National Scale of the Russian Federation, and the [Key Concepts Used by the Analytical Credit Rating Agency within the Scope of Its Rating Activities](#).

The credit rating has been assigned to 001P-10R series bond issued by Joint Stock Company “Russian Railways” for the first time. The credit rating is expected to be revised within one year following the rating action date (December 5, 2018).

The assigned credit rating is based on the data provided by Joint Stock Company “Russian Railways”, information from publicly available sources, as well as ACRA’s own databases. The credit rating is solicited, and Joint Stock Company “Russian Railways” participated in its assignment.

No material discrepancies between the provided data and the data officially disclosed by Joint Stock Company “Russian Railways” in its financial statements have been discovered.

ACRA provided no additional services to Joint Stock Company “Russian Railways”. No conflicts of interest were discovered in the course of credit rating assignment.

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75, Sadovnicheskaya embankment, Moscow, Russia
www.acra-ratings.com

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