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ACRA assigns BBB(RU) to RU000A1005T9 bond issued by "Garant-Invest Commercial Real Estate" JSC

Credit rating rationale. The issue represents senior unsecured debt of ["Garant-Invest Commercial Real Estate" JSC](#) (hereinafter, the Company). Due to the absence of either structural or contractual subordination of the issue, ACRA regards it as *pari passu* with other existing and future unsecured and unsubordinated debt obligations of the Company in terms of priority. When assessing a loss recovery rate, ACRA considered the planned purchase of new commercial real estate. According to the ACRA methodology, the reimbursement rate for the Issuer's unsecured debt belongs to Category III, and ACRA proceeds from the fact that new facilities will be acquired directly to the balance sheet of the Company. Therefore, the bond issue is rated BBB(RU), i.e. one notch lower than the credit rating of the Company.

The credit rating of the Company is based on a strong business profile, high business profitability and very strong cash flow. The rating is under pressure from a high industry risk and a low liquidity assessment.

Key issue properties

Issuer	"Garant-Invest Commercial Real Estate" JSC
Issuer's credit rating	BBB+(RU), outlook Stable
Actual issuer	"Garant-Invest Commercial Real Estate" JSC
Type of security	Certified exchange-traded interest-bearing unregistered bond, 001P-05 series
Issue volume	RUB 6 bln
ISIN / RegS	RU000A1005T9 / 4B02-05-71794-H-001P
Placement start date	March 12, 2019
Maturity date	April 5, 2024

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](#).

A credit rating has been assigned to RU000A1005T9 (001P-05 series) bond of "Garant-Invest Commercial Real Estate" JSC for the first time. The credit rating is expected to be revised within one year following the publication date of this press release.

The assigned credit rating is based on data provided by "Garant-Invest Commercial Real Estate" JSC, information from publicly available sources, and ACRA's own databases. The credit rating is solicited, and "Garant-Invest Commercial Real Estate" JSC participated in its assignment.

No material discrepancies between the provided data and data officially disclosed by "Garant-Invest Commercial Real Estate" JSC in its financial statements have been discovered.

ACRA provided no additional services to "Garant-Invest Commercial Real Estate" JSC. No conflicts of interest were discovered in the course of credit rating assignment.

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