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Alfa-Bank JSC

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Alfa-Bank JSC

SACP	bb+

Anchor	bb-	
Business Position	Strong	+1
Capital and Earnings	Adequate	0
Risk Position	Strong	+1
Funding	Average	0
Liquidity	Adequate	

\+

Support	0
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating

BB+/Stable/B

Major Rating Factors

Strengths:	Weaknesses:
• Leading commercial position among private-sector banks. • Efficient risk-management framework. • High systemic importance in Russia.	• Challenging operating environment in Russia. • Declining, but still-high, single-name concentration in the loan book. • High level of foreign currency lending, although historically well-managed foreign currency risk.

Outlook: Stable

The outlook on both Alfa-Bank and ABH Financial is stable, because we believe that, over the next 12-18 months, the bank will be able to withstand the negative operating environment, and sustain its current risk profile.

Downside scenario

The possibility of a negative rating action on Alfa-Bank is remote, because it would require simultaneously a deterioration in the issuer's credit standing and a downgrade of Russia. We could take a negative rating action on ABH Financial if, contrary to our base-case scenario, the group did not successfully manage risks associated with the current adverse operating conditions, with new loan-loss provisions significantly exceeding market average metrics.

Upside scenario

A positive rating action on either entity is also remote at this stage, since it would require either significant improvement in the group's capitalization (with the risk-adjusted capital [RAC] ratio sustainably above 10%) or, generally, a more supportive operating environment for banking in Russia.

Rationale

Our analysis focuses on the consolidated accounts of ABHF, the NOHC of Alfa-Bank. We refer to ABHF as the Alfa banking group, or the group, in this report. Alfa-Bank houses ABHF's banking operations in Russia, which are by far the group's largest operations and its backbone. We therefore view Alfa-Bank as a core entity of ABHF. Alfa-Bank represents more than 90% of ABHF's assets and liabilities and remains the driving force of the group's creditworthiness.

The ratings on Alfa-Bank incorporate our 'bb-' anchor for banks operating predominantly in Russia, as well as our view of Alfa-Bank's longstanding leading competitive position among private-sector banks in Russia in terms of assets, product lines, and efficiency. The bank continues to maintain adequate capitalization, with our expected RAC ratio remaining above 8%. We expect the bank to remain profitable in the next 12-18 months. We view positively the bank's efficient risk-management framework and absence of direct lending, as well as its very swift reaction to collateral foreclosure, which supports asset-quality management, even in downturns. Alfa-Bank benefits from a stable funding base and sufficient liquidity coverage, and has better access to capital markets than local peers. We consider Alfa-Bank to have high systemic importance in Russia and believe there is a moderately high likelihood that the Russian government would provide extraordinary support to Alfa-Bank if needed. However, this factor remains neutral with regards to the rating on Alfa-Bank, since the difference between the sovereign's creditworthiness and that of Alfa-Bank is too low, in our view.

Anchor:'bb-' for a commercial bank operating in Russia

Our bank criteria use our Banking Industry Country Risk Assessment (BICRA) economic and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. The anchor for a commercial bank operating only in Russia is 'bb-', based on an economic risk score of '8' and an industry risk score of '7'.

We believe that the economic environment will remain challenging for Russian banks over the next two years. We expect the Russian economy to contract by 4.8%, reflecting the blow to external demand, compounded by the shock to domestic demand from containment measures. However, the Russian economy could absorb the current shocks and will likely recover by 4.5% in 2021, in line with recovering oil prices and the wider global economy. At the same time, the risks to our baseline forecast remain firmly on the downside. That said, what the spread of the coronavirus means for economic outcomes remains unclear and could be worse than we currently assume. The speed of the recovery will also depend on policy measures to cushion the blow and limit economic dislocation.

We believe Russian banks' loan books will likely demonstrate anemic growth of about 5% in 2020 (net of foreign exchange revaluation) in line with the overall deceleration of business activity in Russia and in the wider global context. We also expect limited demand from corporate borrowers and a more pronounced deceleration in the retail segment resulting from regulatory actions--aimed at decreasing banks' appetites for unsecured consumer lending.

Our base case scenario assumes that tough economic conditions will erode the debt-servicing capacity of corporate, small and midsize enterprises, and individual borrowers. We assume that nonperforming loans (Stage III loans) may reach up to 15% in 2020, compared with about 8% reported Stage III loans by the largest banks in 2019. The impact on the banks' profitability from additional provisioning could be deferred over 2020-2021, which would lessen substantial reduction of capital buffers. For 2020, we expect that Russian banks' new lending will slow while credit costs will likely increase up to 2.5%-3.0% of their average loan books under IFRS, leaving some banks with only breakeven financial results.

Some banks will be more affected than others, depending on their exposures to the most vulnerable segments and industries, and their capacity to handle the current shock. Multiple aspects could be affected, including banks' business prospects, credit quality, profitability, and potentially liquidity. However, as they have in the past, we expect the authorities (both the government and the Central Bank of Russia [CBR]) to act in a timely manner and support the financial system. The size and channels of this support are evolving. Russian banks' accumulated capital and liquidity cushions, potential extraordinary government support, and regulatory relaxation should help them--particularly large and systemic banks--weather the stress for now, though the situation may change quickly.

Although access to external funding remains limited because of the economic sanctions imposed on several large banks and corporates, we believe that banking sector funding stability in Russia has recently improved, supported by stable and growing domestic deposits over the past three years. The sector's external funding needs are small (around 5% of total liabilities compared with 15% in 2014). The deposit base has been stable at large banks. We expect that in case of increased volatility, larger banks will benefit from flight to quality, due to brand recognition and the perception that government support would be available. However, the situation is more nuanced at small banks, most of which have a confidence-sensitive funding profile. Recent volatility in the foreign exchange market and a worsening of the coronavirus pandemic-related effects could potentially lead to a higher risk of a temporary panic-driven outflow of deposits. However, we believe the resulting liquidity squeeze would likely be manageable and would remain supported by the CBR's liquidity tools where needed. The CBR's liquidity support is available for banks in case of need, and the efficiency of the liquidity support tools and mechanisms has been successfully tested over the past 10 years. The dominance of state banks in the Russian banking sector continues to distort competition and weigh on private-sector banks' creditworthiness, especially the small ones. In our view, banking regulation and supervision remain reactive rather than proactive. However, the CBR's efforts to clean up the banking sector have been positive for its stability.

Table 1

Alfa-Bank JSC--Key Figures

(Mil. $)	2019	2018	2017	2016	2015
Adjusted assets	59,275.0	47,049.0	44,568.0	38,079.0	31,377.0
Customer loans (gross)	38,569.0	29,626.0	27,889.0	23,243.0	20,996.0
Adjusted common equity	6,980.0	6,100.0	5,489.0	4,822.0	4,153.0
Operating revenues	2,989.0	3,132.0	2,334.0	1,979.0	2,263.0
Noninterest expenses	1,254.0	1,170.0	1,125.0	906.0	928.0
Core earnings*	746.0	1,380.0	851.0	568.0	423.0

*Adjusted by S&P Global Ratings and excludes one-off items.

Business position: The largest privately owned bank in Russia, successfully competing with government banks

With total assets at $59.7 billion as of year-end 2019, Alfa-Bank JSC ranks No. 4 among Russian banks in terms of assets, and No. 1 among privately owned financial institutions in Russia. For many years, Alfa Bank has been successfully competing with larger government-owned banks, demonstrating consistently good revenue generation, a sustainable strategy, and balanced approach to risk management. The bank has 525 retail branches across the country, and it served more than 543,000 active corporate customers and about 5.7 million active retail clients as of year-end 2019.

The group's management and strategy are key strengths for the bank's overall business position. Alfa-Bank's rapid and successful recovery after the downturns of the past decade, notably the efficient workout of problem loans, demonstrates the bank's focused strategy and leads us to believe that it will continue to manage the risks arising from pressured macroeconomic conditions efficiently. The bank's ultimate owners, foremost among them Mikhail Fridman, have been with Alfa-Bank since the 1990s, and we consider them committed to the banking activities in Russia.

Alfa-Bank continues to focus mainly on corporate lending. However, the bank is also increasing its retail lending portfolio quite rapidly, with particular focus on personal instalment loans, credit card loans, and mortgages. Retail lending represented about 26% of the loan portfolio as of year-end 2019 (from 20% a year earlier), versus a target of 30% over the next two years. We think that expansion in retail over the previous years could contribute to the bank's future provisioning needs, putting additional pressure on profitability. However, we believe that an increase in cost of risk will be manageable, due to Alfa-Bank's long track record in the Russian market, as well as its cautious and balanced approach to risk taking.

Table 2

Alfa-Bank JSC--Business Position

(%)	2019	2018	2017	2016	2015
Loan market share in country of domicile	4.0	3.8	3.8	3.3	2.6
Deposit market share in country of domicile	4.4	4.0	3.5	3.3	2.7
Total revenues from business line (currency in millions)	2,985.0	3,154.0	2,362.0	1,979.0	2,264.0
Commercial banking/total revenues from business line	57.6	47.2	59.2	58.2	53.5
Retail banking/total revenues from business line	45.6	38.3	44.3	44.0	43.6
Commercial and retail banking/total revenues from business line	103.2	85.5	103.5	102.2	97.1
Other revenues/total revenues from business line	(4.7)	16.5	2.2	1.7	2.9
Investment banking/total revenues from business line	1.5	(2.0)	(5.6)	(3.9)	N/A
Return on average common equity	10.2	22.4	15.0	11.3	8.8

N/A--Not applicable.

Capital and earnings: Adequate capitalization, supported by sound earning buffers

We expect that the group will continue to show positive results and that internal capital generation capacity will be sufficient to cover the growth in risk-weighted assets. Therefore, we expect the group's capitalization, measured by our RAC ratio, to stay at around 8.5%-8.7% over the next 12-18 months (versus 7.9% at year-end 2019).

The group's historical profitability metrics are better than privately owned domestic peers', and align more toward those of government-owned banks and foreign subsidiaries. We expect that revenue generation capacity will reduce in 2020-2021, however, owing to economic slowdown in Russia, exacerbated by the COVID-19 pandemic and lower oil prices. However, we expect the bank to remain profitable, with return on equity at about 8%-10%.

We understand that the shareholders are ready and capable to provide Tier 1 capital for Alfa-Bank, if needed. However, in our base case, we do not include any additional capital injections for the next two years. This is because

Alfa-Bank and the larger group have sufficient capital buffers, in our view, thanks to good internal capital generation capacity and the RUB5 billion in perpetual subordinated bonds that the bank raised in June 2019, and that we include in our capital calculations as having intermediate equity content.

The group's appetite for dividends is uncertain, as its operating environment is volatile and less predictable. However, we expect that, should the bank pay dividends, this will not distort capitalization metrics, because of sufficient earnings generation capacity.

Table 3

Alfa-Bank JSC--Capital And Earnings					
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Tier 1 capital ratio	16.3	17.3	15.7	16.2	16.8
S&P Global Ratings' RAC ratio before diversification	7.9	8.7	7.5	8.6	7.2
S&P Global Ratings' RAC ratio after diversification	7.3	7.9	6.7	7.5	7.6
Adjusted common equity/total adjusted capital	87.8	86.6	88.8	87.3	100.0
Net interest income/operating revenues	75.3	64.2	74.5	69.2	58.4
Fee income/operating revenues	34.9	31.2	36.2	32.0	25.9
Market-sensitive income/operating revenues	(6.2)	7.3	(9.5)	1.0	15.0
Noninterest expenses/operating revenues	42.0	37.4	48.2	45.8	41.0
Preprovision operating income/average assets	3.3	4.3	2.9	3.1	3.6
Core earnings/average managed assets	1.4	3.0	2.1	1.6	1.1

RAC--Risk-adjusted capital.

Table 4

Alfa-Bank JSC--Risk-Adjusted Capital Framework Data			
(Mil. US$)	**Exposure***	**S&P Global RatingsRatings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk			
Government & central banks	8,682.0	1,748.0	20.1
Of which regional governments and local authorities	0.0	0.0	0.0
Institutions and CCPs	6,705.0	3,450.8	51.5
Corporate	33,461.5	62,565.6	187.0
Retail	10,423.3	17,192.2	164.9
Of which mortgage	1,800.0	1,664.8	92.5
Securitization§	0.0	0.0	0.0
Other assets†	2,132.0	5,330.0	250.0
Total credit risk	61,403.8	90,286.5	147.0
Credit valuation adjustment			
Total credit valuation adjustment	--	0.0	--
Market risk			
Equity in the banking book	0.0	0.0	0.0
Trading book market risk	--	4,929.0	--
Total market risk	--	4,929.0	--

Table 4

Alfa-Bank JSC--Risk-Adjusted Capital Framework Data (cont.)			
Operational risk			
Total operational risk	--	5,872.5	--
	Exposure	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments			
RWA before diversification	--	101,088.0	100.0
Total diversification/ concentration adjustments	--	7,146.6	7.1
RWA after diversification	--	108,234.6	107.1
		Total adjusted capital	**S&P Global Ratings RAC ratio (%)**
Capital ratio			
Capital ratio before adjustments		7,946.0	7.9
Capital ratio after adjustments‡		7,946.0	7.3

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of 'Dec. 31 2019', S&P Global Ratings.

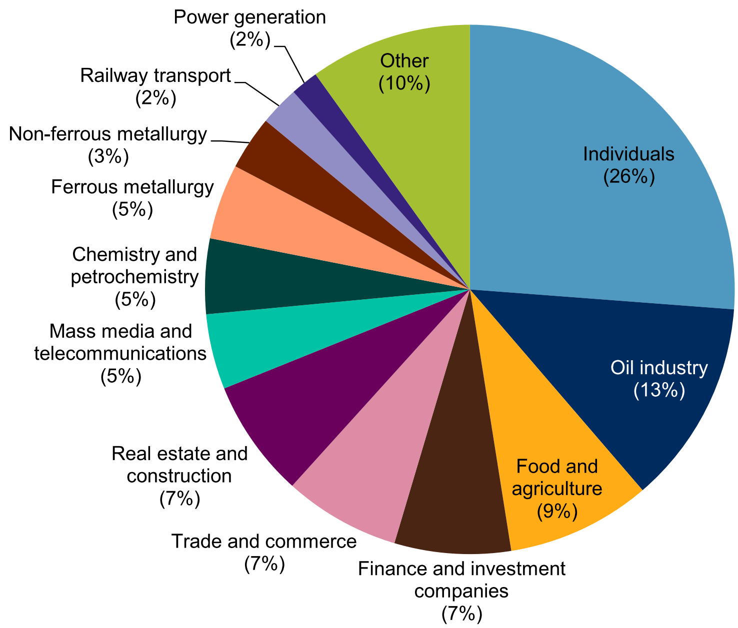
Risk position: Asset quality is stronger than the system average, although single-name concentrations remain significant in an international context

In recent years, the group proved to be more resilient than peers' to the ongoing economic problems besetting the Russian economy. We acknowledge the group's track record in navigating financial crises and consider its risk position to be strong and better than most peers'. Alfa-Bank's cost of risk is below the system average, despite recent fast growth in the risky retail segment. Its average cost of risk over the past five years stands at 1.07%, versus an estimated 2.5% for the system. In 2020, however, we expect the group's cost of risk to come closer to system-average levels of around 2.5%-3.0%.

We also acknowledge the group's progress in reducing single-name concentrations, with top-10 loans dropping to 17.4% of total loans as of year-end 2019, from 21.7% as of year-end 2018. At the same time, we think that single-name concentrations will remain high in an international context, reflecting the concentrated structure of the Russian economy and the group's market position as one of the leading lenders to large Russian corporates. That said, the top-10 loans are to blue-chip Russian companies with higher-than-average credit quality.

Chart 1

Alfa-Bank JSC Loans Breakdown By Economic Sectors



Source: IFRS consolidated financial statements as of Dec. 31, 2019

The group currently aims to increase the share of retail loans in its loan book to 30% over the next two years, from 26% as of year-end 2019. We expect the single-name portfolio concentrations to decrease slowly over the next two years, but still remain high in an international context. We believe that the bank would be able to expand retail lending without a significant increase in cost of risk, mostly because we believe that the management team's experience and market knowledge would facilitate cautious and sustainable expansion in the segment.

We also note the Alfa banking group's efficient risk-management framework and absence of direct lending, as well as its very swift and proactive reaction to collateral foreclosure, which supports asset-quality management, even in downturns. While some new problems may appear on the back of the higher growth rate we anticipate, we do not expect any material problem loans will arise, and expect the level of nonperforming loans to grow to about 4.5%-5%, with the majority of problem loans well provisioned.

We note that about 26% of the group's loans are in foreign currencies, mostly U.S. dollars, leaving the bank exposed to currency risk. However, these are matched by a 27% share of customer deposits denominated in foreign currencies. The group holds its net position in foreign currency close to zero, while foreign currency loans are extended mostly to exporting companies with foreign currency revenue and good operating performance.

Table 5

Alfa-Bank JSC--Risk Position					
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Growth in customer loans	30.2	6.2	20.0	10.7	(22.2)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	7.1	9.3	12.2	14.1	N/A
Total managed assets/adjusted common equity (x)	8.5	7.7	8.2	7.9	7.6
New loan loss provisions/average customer loans	2.0	0.9	0.2	1.2	3.0
Net charge-offs/average customer loans	1.2	0.9	1.5	3.2	2.9
Gross nonperforming assets/customer loans + other real estate owned	4.2	3.5	2.6	4.4	7.2
Loan loss reserves/gross nonperforming assets	73.3	86.6	114.2	110.5	94.3

N/A--Not applicable. RWA--Risk-weighted assets.

Funding and liquidity: The group benefits from lower funding costs than its peers

We assess funding as average and liquidity as adequate. The group has successfully increased its deposit base over 2019 without increasing the cost of funds.

In our view, the group benefits from Alfa-Bank's strong and stable retail deposit franchise in Russia. It is the third-largest Russian bank by retail deposits, with a 10% market share, after Sberbank and VTB Bank JSC. Concentration of corporate deposits was fairly stable over 2019, with the 20 largest customers accounting for about 17% of core deposits as of year-end 2019 (18% as of year-end 2018).

We note that Alfa-Bank also benefits from large volumes of cheap and stable current accounts, mainly because of its good infrastructure and client services. The bank's ratio of interest expense to average funding is 3.5%, one of the lowest among its peers, and it is one of the few banks in Russia that historically enjoyed relatively regular access to both domestic and international bond markets. The share of wholesale funding remained stable at 19% as of year-end 2019. We also positively note that Alfa-Bank is the largest bank issuer on the market not under sectoral sanctions, and consequently benefits from access to international markets.

As of year-end 2019, the group had about 28% of its assets in liquid assets and securities eligible for repurchase transactions. Broad liquid assets amply cover short-term wholesale funding at all times, while the debt redemption schedule appears smooth. There are limited refinancing needs over the next year, with more than 80% of outstanding debt maturing after year-end 2020, which we consider positive. The owners have a track record of providing liquidity to the group in times of need.

Table 6

Alfa-Bank JSC--Funding And Liquidity					
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Core deposits/funding base	82.9	82.8	79.9	71.0	69.1
Customer loans (net)/customer deposits	90.2	89.5	91.6	101.8	110.3
Long-term funding ratio	93.4	94.4	92.5	84.6	89.7
Stable funding ratio	126.8	131.4	127.5	119.8	120.5
Short-term wholesale funding/funding base	7.6	6.7	8.7	18.2	12.1
Broad liquid assets/short-term wholesale funding (x)	4.4	5.3	4.0	2.2	2.7
Net broad liquid assets/short-term customer deposits	60.4	61.2	58.4	54.4	46.3

Table 6

Alfa-Bank JSC--Funding And Liquidity (cont.)					
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Short-term wholesale funding/total wholesale funding	39.9	33.8	39.7	58.2	39.0
Narrow liquid assets/3-month wholesale funding (x)	13.0	12.8	7.6	4.1	6.4

Support: High systemic importance

We consider Alfa-Bank to have high systemic importance in Russia. We believe there is a moderately high likelihood that the Russian government would provide extraordinary support to Alfa-Bank if needed. However, we no longer incorporate an additional notch of support from the Russian government into the ratings on Alfa-Bank, since we believe that, as the bank's stand-alone creditworthiness has strengthened to 'bb+', the gap between the creditworthiness of the bank and the sovereign is now too narrow for the government to provide substantial extraordinary support that would translate into additional rating notches.

Additional rating factors: We base our analysis on the consolidated financial reports of the holding company

We consider Alfa-Bank to be a core entity of ABHF, as it represents more than 90% of ABHF's assets and liabilities and remains the driving force of the group's creditworthiness. Our unsupported group rating profile (UGCP) therefore largely reflects the strength of Alfa-Bank's operations.

The long-term rating on NOHC ABHF is two notches lower than the UGCP. The rating differential is mainly due to ABHF's status and reliance on dividends and other distributions from Alfa-Bank to meet its obligations.

Environmental, Social, and Governance

We believe ESG factors, more specifically governance, are having a more positive influence on Alfa Bank's credit quality than on its Russian peers, although we assess governance and transparency in the Russian banking sector as relatively weak by global standards. This is one of the reasons behind our strong assessment of the bank's business position, despite its relatively small size vs. large state-owned banks. Alfa bank is privately owned, which insulates it more from state interference. We also note its consistent and reasonable strategy, led by an experienced management team. We believe the bank's balanced approach to risk taking has led it to navigate more successfully than peers through several crises in its core markets, especially in Russia. At the same time, we recognize that the group's legal structure is complex, with several holdings within the shareholding structure. The Alfa Group, led by prominent Russian businessman Mikhail Friedman and several others, is the ultimate owner of the bank. The Group is not involved in the day-to-day management of the bank and we do not see unusual links between Alfa Bank and the other beneficiaries' businesses. Bank regulation in Russia focuses less on consumer protection as it may in Western Europe. Therefore, Alfa Bank appears less exposed to retail misselling or conduct risks compared with its EMEA counterparts. As with any large bank in Russia, Alfa Bank has exposure to the oil and gas and metals and mining sectors. This mirrors the structure of the Russian economy and the sectors where the largest and most creditworthy borrowers operate. Alfa Bank will not escape global trends in terms of energy transition and will likely have to gradually reduce concentrations to the most carbon-intensive industries, although we do not expect to see it in the near-to-medium term. We will observe how Amsterdam Trade Bank, Dutch subsidiary of Alfa Bank (76.9%) active in trade and commodities, will adjust its business model and manage the evolving environmental regulations in Western Europe, which are changing faster than in Russia.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Anchor Matrix

Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	**8**	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	**bb-**	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of May 18, 2020)*		
Alfa-Bank JSC		
Issuer Credit Rating		BB+/Stable/B
Russia National Scale		NR/--/--
Issuer Credit Ratings History		
27-Feb-2018		BB+/Stable/B
20-Feb-2017		BB/Positive/B
01-Jun-2016		BB/Stable/B
02-Jun-2017	*Russia National Scale*	NR/--/--

Ratings Detail (As Of May 18, 2020)*(cont.)	
04-Feb-2015	ruAA/--/--
30-Dec-2014	ruAA+/Watch Neg/--
Sovereign Rating	
Russia	
Foreign Currency	BBB-/Stable/A-3
Local Currency	BBB/Stable/A-2
Related Entities	
ABH Financial Ltd.	
Issuer Credit Rating	BB-/Stable/B
Senior Unsecured	BB-
Alfa Holding Issuance PLC	
Senior Unsecured	BB-

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.