Moody's Credit Rating

Moody's analysts conduct in-depth evaluations of the financial health, management practices, industry trends, and economic conditions of the entity being rated. They analyze various factors to form an understanding of the entity's credit risk.

After obtaining a sufficient understanding of an entity, Moody's assigns credit ratings using a standardized scale that indicates the likelihood of default or failure to meet financial obligations. The scale consists of both letter grades and numerical modifiers. Below is a listing of the grades from highest to lowest credit quality.

- Aaa
- Aa1, Aa2, Aa3
- A1, A2, A3
- Baa1, Baa2, Baa3
- Ba1, Ba2, Ba3
- B1, B2, B3
- Caa1, Caa2, Caa3 (speculative)
- Ca (highly speculative)
- C (lowest rated, indicating default is likely)

Moody's considers various factors when assigning credit ratings. These factors may include financial ratios, cash flow, debt levels, market position, industry trends, regulatory environment, geopolitical factors, and management quality. Moody's also compares the entity being rated to its peers within the same industry or sector to provide context for the rating and allows investors to understand how the entity's credit risk compares to others in a similar position.

Rating	Long-term ratings	Short-term ratings
Aaa	Rated as the highest quality and lowest credit risk.	
Aa1		
Aa2	Rated as high quality and very low credit risk.	**Prime-1** Best ability to repay short-term debt
Aa3		
A1		
A2	Rated as upper-medium grade and low credit risk.	**Prime-1/Prime-2** Best ability or high ability to repay short term debt
A3		
Baa1		**Prime-2** High ability to repay short term debt
Baa2	Rated as medium grade, with some speculative elements and moderate credit risk.	**Prime-2/Prime-3** High ability or acceptable ability to repay short term debt
Baa3		**Prime-3** Acceptable ability to repay short term deb