

## ACRA DOWNGRADES ING BANK (EURASIA) JSC TO A+(RU), WATCH STATUS

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The credit rating of **ING BANK (EURASIA) JSC** (hereinafter, the Bank) has been downgraded based on the lowering of the assessment of the degree of extraordinary support from the parent bank (hereinafter, the Supporting Entity or the SE) from medium to low and the related reduction in the number of support notches added to the Bank's standalone creditworthiness assessment (SCA) from two to zero. At the same time, the SCA (a+) reflects the adequate business profile, strong assessments of capital adequacy and the risk profile, as well as the Bank's adequate funding and liquidity position.

The Watch status has been assigned due to the need for ACRA to receive and then analyze information about changes to the shareholder structure and other significant information in order to clarify the SCA and credit rating of the Bank if the SE executes its plan to sell the Bank to a Russian owner (this transaction may be closed in Q3 2025, but only after permission is received from the relevant bodies).

ING BANK (EURASIA) JSC is a subsidiary of a foreign bank that is part of a major European financial group (hereinafter, the Group). It specializes in working with corporations and large financial institutions.

### KEY ASSESSMENT FACTORS

**The assessment of support from the Supporting Entity has been downgraded from medium to low.** ACRA believes it is inappropriate to take support into account as part of the credit rating after a statement about an agreement to sell the Bank was published on the Group's official website in January 2025. In addition, the Agency continues to note the lack of explicit guarantees and assurances from the SE's authorized persons to provide extraordinary support to the Bank if necessary.

Due to the above, ACRA has set the Bank's credit rating at the same level of its SCA (previously, ACRA added two notches to the SCA).

**The adequate business profile assessment (bbb)** reflects the Bank's significant capital positions coupled with continued low diversity of operating income and areas of business (the Herfindahl-Hirschman index was 0.57 at the end of 2024). The quality of management is assessed as sufficiently high, while the Bank's strategy continues to involve a conservative approach to accepting risks.

**The Bank's strong capital position** is determined by it maintaining regulatory capital adequacy ratios at a very high level (including N1.2 at 119% as of April 1, 2025), which enables the Bank to withstand significant growth of the cost of credit risk. At the same time, the averaged capital generation ratio (ACGR) calculated for the past five years considerably exceeds 300 bps due to

the Bank recording substantial net profit in 2022–2024 coupled with the absence of dividend payments (for example, in the period from 2019 to 2021). The Bank's operational efficiency indicators calculated for the last three years remain at the average level for the group of peer banks.

**The strong risk profile assessment** reflects the Bank maintaining a consistently high quality of assets (mainly placed with the Bank of Russia and interbank receivables) on the back of a rather conservative risk management policy.

**The adequate funding and liquidity position** is based on the significant surplus of short-term liquidity in both ACRA's base case and stress scenarios and the stable long-term liquidity position. At the same time, the concentration of the resource base on both the largest groups of lenders and the largest funding source (funds of legal entities) remains high at around 83% of liabilities.

## KEY ASSUMPTIONS

- Capital adequacy ratio (N1.2) well above 12% within the 12 to 18-month horizon.

## POTENTIAL OUTLOOK OR RATING CHANGE FACTORS

The **Watch status** assumes that the rating may stay unchanged or be downgraded.

**Removal of the Watch status and affirmation of the credit rating may be prompted by:**

- Obtaining information to clarify the SCA and determine the creditworthiness assessment of the new owner at a level sufficient to affirm the current credit rating.

**Removal of the Watch status and downgrade of the credit rating may be prompted by:**

- Sale of the Bank to an owner who has low creditworthiness and/or downgrade of the SCA.

## RATING COMPONENTS

SCA: a+.

Adjustments: none.

Support: none.

## ISSUE RATINGS

There are no outstanding issues.

## REGULATORY DISCLOSURE

The credit rating has been assigned under the national scale for the Russian Federation based on the [Methodology for Credit Ratings Assignment to Banks and Bank Groups Under the National Scale for the Russian Federation](#), [Methodology for Assigning Credit Ratings with External Support](#), and the [Key Concepts Used by the Analytical Credit Rating Agency within the Scope of Its Rating Activities](#).

The creditworthiness assessment of the SE was determined based on the principles of the [Methodology for Assigning Credit Ratings to Banks and Banking Groups under the International Scale](#), [Methodology for Mapping Credit Ratings Assigned under ACRA's International Scale to Credit Ratings Assigned under ACRA's National Scales](#), and the [Methodology for Assigning Credit Ratings to Sovereign Entities under the International Scale](#).

The credit rating of ING BANK (EURASIA) JSC was published by ACRA for the first time on August 10, 2017. The credit rating and its outlook are expected to be revised within one year following the publication date of this press release.

The credit rating was assigned based on data provided by ING BANK (EURASIA) JSC, information from publicly available sources, and ACRA's own databases. The rating analysis was performed using the IFRS financial statements of ING BANK (EURASIA) JSC and the financial statements of ING BANK (EURASIA) JSC drawn up in compliance with the requirements of the Bank of Russia. The credit rating is solicited and ING BANK (EURASIA) JSC participated in its assignment.

In assigning the credit rating, ACRA used only information, the quality and reliability of which were, in ACRA's opinion, appropriate and sufficient to apply the methodologies.

ACRA provided additional services to ING BANK (EURASIA) JSC. No conflicts of interest were discovered in the course of credit rating assignment.

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