

ACRA AFFIRMS AA(RU) TO JSC “AUTO FINANCE BANK”, OUTLOOK POSITIVE, AND AFFIRMS AA(RU) TO BOND ISSUES

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The credit rating of JSC “Auto Finance Bank” (hereinafter, Auto Finance Bank or the Bank) is determined by the Bank’s stable business profile, strong capital adequacy and risk profile assessments, and the adequate funding and liquidity position. The moderate influence of external support on the Bank’s credit rating reflects, on the one hand, the creditworthiness of the entity that may serve the source of support and, on the other hand, the degree of integration between the Bank and this entity and the role the Bank plays in the implementation of its strategy.

The retained Positive outlook for the Bank’s credit rating reflects ACRA’s opinion that as the auto loan market resumes growth in the context of easing monetary policy, further growth of the Bank’s business will help strengthen its competitive position, including through operational partnership between Auto Finance Bank and the largest national automaker, which will be a factor positively affecting the Bank’s creditworthiness.

Auto Finance Bank is a medium-sized bank in terms of capital and assets. The Bank’s business is focused on retail car loans and financing carmakers and dealers of a number of car brands.

KEY ASSESSMENT FACTORS

The business profile is assessed as stable. The credit institution is among Russia’s 50 largest banks in terms of assets. Auto Finance Bank continues to expand its retail loan portfolio, but at the same time has curtailed its corporate loan portfolio. Further development plans provide for stronger ties with Russian automakers and overall growth of the core business. Operating income is still assessed as fairly stable, the concentration on certain sources of such income is somewhat increased. The value of the Herfindahl-Hirschman index for H1 2025 was about 0.47 (revenues are almost entirely formed by interest income from lending operations). In the Agency’s opinion, Auto Finance Bank’s organizational structure and the experience of its management team ensure efficient operation of the Bank and match the risks taken by the Bank.

ACRA maintains its strong capital adequacy assessment, despite a decline in regulatory ratios since the previous rating action. The N1.2 was 16.22% as of September 1, 2025 (25.23% as of September 1, 2024). The ratio has decline due to both the fast growth of the portfolio during H2 2024 and the influence of macroprudential buffers. However, the Bank’s current margin of safety allows it to withstand a significant credit risk increase without breaching capital adequacy ratios as shown by ACRA’s stress test. The Bank maintains stable profitability (the ROE as of the end of H1 2025 was 14.9%); the assessment of ability to generate capital, which among other things, takes into account dividend payments, demonstrates a certain trend to decline. The

profitability of operations is supported by a relatively high level of operational efficiency (the average CTI for 2022–2024 was 31.4%, the average NIM for the same period exceeded 7%).

The risk profile is assessed as strong. Auto Finance Bank's high-quality risk management system is based on independent internal decision-making processes and supervised by the Bank's shareholder. The system is also characterized by high underwriting standards, transparent and streamlined risk management procedures, and regularly updated risk management solutions. ACRA notes a slight increase in the volume of loans classified as Stage 3 under IFRS, leading to a moderate increase in their share in the loan portfolio. Rapid growth of assets in H2 2024 limited the impact of the increase in non-performing loans on the asset quality assessment. At the same time, against the backdrop of a general slowdown in the auto loan market in H1 2025, portfolio growth amounted to less than 1.5%. ACRA notes the Bank's continued interest in further expanding its loan portfolio, but believes that the implementation of these plans will largely depend on the overall market situation and the continuation of government incentives for the passenger car industry. The concentration of credit risk has decreased due to the rapid growth of the retail portfolio. Thus, the share of the 10 largest groups of related borrowers at the end of the first half of this year amounted to 7.86%, compared to 11.67% at the end of 2024. The bulk of loans issued by the Bank are car loans to individuals, the rest are used to finance car dealers.

Adequate funding and liquidity position. Auto Finance Bank has a strong capability to fulfil its obligations within a 90-day horizon given its substantial short-term liquidity surplus demonstrated in both the base case scenario and the stress scenario of the Agency. ACRA notes no imbalances within longer periods, as the long-term liquidity shortage indicator is assessed as strong. All the Bank's liquidity-related ratios exceed regulatory minimums: as of September 1, 2025, the instant liquidity (N2) and current liquidity (N3) ratios were 523.41% and 121.01%, respectively.

Assessing the funding structure, ACRA notes the rapid growth in the share of retail funds, which reached 20% by the end of the first six months of 2025. As a result, the concentration of the resource base on funds from the largest creditors (depositors) has decreased. However, the majority of liabilities come from legal entities, accounting for over 30%. Despite a reduction in the share of wholesale funding in 2025, ACRA does not expect this trend to continue if the Bank's plans for rapid loan portfolio growth are realized. In view of the above, the Bank's diversification by funding source is still assessed as satisfactory.

The moderate influence of potential support on the Bank's credit rating stems from, on the one hand, the creditworthiness of the entity that may act as the source of support, and on the other hand, the degree of integration between Auto Finance Bank and this entity and the role the Bank plays in the implementation of its strategy.

KEY ASSUMPTIONS

- Maintaining the shareholder structure and corporate governance system;
- Further adapting the Bank's business model to the changing operating environment, as well as development in line with the approved new strategy;
- Stronger positions of the Bank as a major provider of auto loans for the purchase of new cars;
- Strong capital adequacy over the next 12 to 18 months.

POTENTIAL OUTLOOK OR RATING CHANGE FACTORS

The **Positive outlook** assumes that the rating will highly likely be upgraded within the 12 to 18-month horizon.

A positive rating action may be prompted by:

- Significant strengthening of the Bank's market position as a result of a sustainable increase in the scale of activities with adequate and successful implementation of the strategic plans along with the risk profile remaining unchanged;
- Stable trend toward a reduction of resource base concentration;
- Considerable strengthening of the Bank's role in terms of developing the company that is a potential source of extraordinary support.

A negative rating action may be prompted by:

- Increased volume and/or share of non-performing loans in the Bank's loan portfolio;
- Significant growth in concentration on creditors and/or sources of funding;
- Considerable deterioration of capital adequacy indicators (N1.2 ratio falling below 12%);
- Lower ability to provide extraordinary support to the Bank by the company that is the potential source of this support.

RATING COMPONENTS

Standalone creditworthiness assessment (SCA): **a+**.

Adjustments: none.

Support: SCA plus two notches.

ISSUE RATINGS

Exchange-traded interest-bearing non-convertible uncertificated bonds of JSC "Auto Finance Bank" subject to centralized title registration, series BO-001P-10 (RU000A105HN1), maturity date: December 1, 2025, issue volume: RUB 7 bln — **AA(RU)**.

Exchange-traded interest-bearing non-convertible uncertificated bonds of JSC "Auto Finance Bank" subject to centralized title registration, series BO-001P-11 (RU000A107HR8), maturity date: December 24, 2026, issue volume: RUB 7 bln — **AA(RU)**.

Exchange-traded interest-bearing non-convertible uncertificated bonds of JSC "Auto Finance Bank" subject to centralized title registration, series BO-001P-12 (RU000A108RP9), maturity date: June 18, 2027, issue volume: RUB 10 bln — **AA(RU)**.

Exchange-traded interest-bearing non-convertible uncertificated bonds of JSC "Auto Finance Bank" subject to centralized title registration, series BO-001P-13 (RU000A109KY4), maturity date: September 17, 2027, issue volume: RUB 10 bln — **AA(RU)**.

Rationale. In the Agency's opinion, Auto Finance Bank's bond issues are senior unsecured debt instruments, the credit ratings of which correspond to the credit rating of the Bank — **AA(RU)**.

REGULATORY DISCLOSURE

The credit ratings have been assigned to JSC "Auto Finance Bank" and the bond issues of JSC "Auto Finance Bank" (ISIN RU000A105HN1, RU000A107HR8, RU000A108RP9, RU000A109KY4) based on the following methodologies: the [Methodology for Assigning Credit Ratings to Banks and Bank Groups under the National Scale for the Russian Federation](#) to calculate the SCA and determine the credit rating and the credit rating outlook of JSC "Auto Finance Bank" under the national scale for the Russian Federation, [Methodology for Assigning Credit Ratings with External Support](#) to determine factors of external influence, [Methodology for Assigning Credit Ratings to Financial Instruments under the National Scale for the Russian Federation](#) to

determine the credit rating of the bond issues under the national scale for the Russian Federation, and the [Key Concepts Used by the Analytical Credit Rating Agency within the Scope of Its Rating Activities](#) to ensure consistent and uniform application of ACRA's methodologies, models, and key rating assumptions.

The credit rating of JSC "Auto Finance Bank" and the credit ratings of the bond issues (ISIN RU000A105HN1, RU000A107HR8, RU000A108RP9, RU000A109KY4) of JSC "Auto Finance Bank" were published by ACRA for the first time on March 2, 2017, November 28, 2022, December 28, 2023, December 28, 2023, June 20, 2024, and September 20, 2024, respectively.

The credit rating of JSC "Auto Finance Bank" and its outlook and the credit ratings of the bond issues (ISIN RU000A105HN1, RU000A107HR8, RU000A108RP9, RU000A109KY4) of JSC "Auto Finance Bank" are expected to be revised within one year.

The credit ratings were assigned based on data provided by JSC "Auto Finance Bank", information from publicly available sources, and ACRA's own databases. The rating analysis was performed using the IFRS financial statements of JSC "Auto Finance Bank" as of June 30, 2025 and the financial statements of JSC "Auto Finance Bank" as of July 1, 2025 drawn up in compliance with the Bank of Russia's requirements. The credit ratings are solicited and JSC "Auto Finance Bank" participated in their assignment.

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

ACRA provided no additional services to JSC "Auto Finance Bank" during the year preceding the rating action.

No conflicts of interest were discovered in the course of credit rating assignment.

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