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Lead analysts:

Vasilii Tanurcov, Director
+7 (495) 139-0344
vasilii.tanurcov@acra-ratings.ru

Alexander Gushchin, Associate
Director
+7 (495) 139-0489
alexander.gushchin@acra-ratings.ru

Key rating assessment factors

Key assumptions

Potential outlook or rating change factors

Rating components

Issue ratings

Regulatory disclosure

ACRA affirms BBB+(RU) to "Gazprombank-Invest" Llc., outlook Stable

The credit rating of "[Gazprombank-Invest](#)" Llc. (hereinafter, the Company) is based on the Company's strong connection to Bank GPB (JSC) (hereinafter, the Bank, the Supporting Organization, or the SO), whose creditworthiness is high ([AA+\(RU\), outlook Stable](#)).

The Company is a wholly owned subsidiary of the Bank and is used to invest funds in development projects. The Company's financing comes exclusively from the Supporting Organization in the form of capital and loans.

Given that all investment and financial decisions are made by the SO, ACRA believes that assessing the Company's standalone creditworthiness is impractical and therefore has only used the [Methodology for Analyzing Member Company Relationships Within Corporate Groups](#).

ACRA assesses the Company's connection to the SO as strong. All of the Company's investment decisions are made by the Board of Directors, which consists of senior executives from the SO. Before a project is submitted to the Company's Board of Directors, it is approved by various divisions of the Bank.

The Company develops its business by reinvesting its own capital, as well as using borrowed funds. The Company's only source of credit is the Bank. The Company selects potential projects based on historical benchmarks, in particular the Company's participation, payback period, and project profitability. However, the Company's Board of Directors makes decisions on the capital structure and terms of participation for each project only after approval is received from authorized divisions of the Bank. The Bank determines the Company's dividend policy. No dividends were paid in 2016–2019.

The Bank determines all of the Company's key strategic decisions and therefore provides comprehensive support to the Company and companies belonging to its group. In addition, the Bank provides the Company with debt financing in the form of credit lines in order to implement projects. If necessary, the Bank is ready to provide extraordinary support to the Company, both in the form of capital and liquidity. ACRA assesses the likelihood of the Bank providing this support as high.

- The Supporting Organization maintaining shareholder and operational control.

The **Stable outlook** assumes that the rating will most likely stay unchanged within the 12 to 18-month horizon.

A positive rating action may be prompted by:

- Increased importance to the Bank.

A negative rating action may be prompted by:

- The Bank losing shareholder and operational control.

SCA: not determined.

Support: The Bank's credit rating minus 6 notches.

No outstanding issues have been rated.

The credit rating has been assigned to "Gazprombank-Invest" Llc. under the national scale for the Russian Federation based on the [Methodology for Analyzing Member Company Relationships Within Corporate Groups](#) and the [Key Concepts Used by the Analytical Credit Rating Agency within the Scope of Its Rating Activities](#).

The credit rating of "Gazprombank-Invest" Llc. was published by ACRA for the first time on October 7, 2019. 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 the data provided by "Gazprombank-Invest" Llc., information from publicly available sources, as well as ACRA's own databases. The credit rating is solicited, and "Gazprombank-Invest" Llc. participated in its assignment.

No material discrepancies between the provided data and the data officially disclosed by "Gazprombank-Invest" Llc. in its financial statements have been discovered.

ACRA provided no additional services to "Gazprombank-Invest" Llc. No conflicts of interest were discovered in the course of credit rating assignment.

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Analytical Credit Rating Agency (Joint-Stock Company), ACRA (JSC)

75, Sadovnicheskaya embankment, Moscow, Russia

www.acra-ratings.com

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