

**CREDIT BANK OF
MOSCOW**
**Public Joint-Stock
Company (MKB)**

Annual Report 2024

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About the Report

Approach to the Report

GRI 2-1, GRI 2-2, GRI 2-3, IFRS S1 59 (b)

The Annual Report for 2024 of CREDIT BANK OF MOSCOW Public Joint-Stock Company (hereinafter the "Report") contains information about the performance of CREDIT BANK OF MOSCOW (MKB/ the Bank), including information about the bank's sustainable development activities. This Annual Report consists of two structural parts: the Management Report and the ESG Report.

When preparing the Report, MKB was guided by the laws of the Russian Federation, including:

- Federal Law "On Joint-Stock Companies" No. 208-FZ dated December 26, 1995;
- Regulation of the Bank of Russia No. 714-P "On Disclosure of Information by Issuers of Issue-Grade Securities" dated March 27, 2020;
- Letter of the Bank of Russia No. IN-06-28/102 "On Disclosure in the Annual Report of a Public Joint-Stock Company of the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code" dated December 27, 2021;
- Information Letter of the Bank of Russia No. IN-06-28/49 "On Recommendations for Disclosure by Public Joint-Stock Companies of Non-Financial Information Related to the Activities of Such Companies" dated July 12, 2021;
- Information Letter of the Bank of Russia No. IN-02-28/145 "On Recommendations for Financial Institutions to Consider ESG Factors and Sustainable Development Issues in Organizing Corporate Governance" dated December 28, 2022;
- Information Letter of the Bank of Russia No. IN-02-28/44 "On Recommendations for Disclosure of Information in the Domain of Sustainable Development by Financial Institutions" dated July 13, 2023;
- Information Letter of the Central Bank of the Russian Federation (Bank of Russia, CBR) No. IN-018-35/60 "On Recommendations for Financial Institutions to Consider Climate Risks" dated December 4, 2023.

The Report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) – SASB Commercial Banks and SASB Consumer Finance. In addition, when preparing the Report, the methodological recommendations of the Ministry of Economic Development of the Russian Federation concerning the preparation of sustainability reports (Order of the Ministry of Economic Development of Russia No. 764 dated November 1, 2023), the Corporate Sustainability, Responsibility and Openness Index of the Russian Union of Industrialists and Entrepreneurs (RUIE), as well as the requirements for the preparation of annual reports of joint-stock companies of the Moscow Exchange were taken into account.

The information in the Report is disclosed in conformity with the UN Global Compact Principles, the Sustainable Development Goals adopted by the UN General Assembly in 2015, the Principles for Responsible Banking UNEP FI, as well as the IFRS S1 and S2 requirements for the disclosure of information in the field of sustainable development of the International Sustainability Standards Board (ISSB).

GRI 2-5

The Report is subject to the assurance procedure of the non-financial indicators by a professional organization, AO "Business Solutions and Technologies".

Boundaries of the Report

GRI 2-2, GRI 2-3

This Report contains information on the performance of MKB for the reporting period from January 1, 2024 to December 31, 2024, as well as on plans for 2025. Financial data is presented in accordance with the consolidated financial statements under IFRS and RAS. Financial and non-financial information has been disclosed only with respect to MKB. Non-financial information is prepared annually; financial statements, on an annual and quarterly basis.

Approval of the Report

GRI 2-14

This Report was preliminarily approved by the Supervisory Board of CREDIT BANK OF MOSCOW PJSC on May 23, 2025.

The reliability of the data provided herein was confirmed by the Internal Audit Commission of CREDIT BANK OF MOSCOW Public Joint-Stock Company.

Message of the Chairman of the Supervisory Board

GRI 2-22

Dear shareholders, investors, customers, and partners,

2024 was probably one of the most controversial years in Russia's economic history. Through the prism of statistics, its most prominent aspect is the high rate of economic growth, which was achieved despite a wave of new international sanctions.

The banking system—and MKB as an important part of it—contributed significantly to that growth. We expanded financing for large and medium-sized companies, meeting particularly high demand from agribusinesses, industrial machinery manufacturers, transport, and chemical companies. We also developed our business with the public sector at both federal and sub-federal levels, improved our infrastructure for stable foreign trade settlements, and relaunched our small and micro-business franchise, achieving the first notable results in expanding our target customer base.

Targeting various customer segments, MKB made its digital service channels more reliable and convenient, and actively participated in the Bank of Russia's technological projects and initiatives, including those related to contactless payment services and the digital rouble.

It has already become a good tradition for us to deliver on our sustainable development priorities. In 2024, MKB topped Expert RA's ESG transparency ranking in the "Banks and Finance" category.

Our efforts propelled our business: our assets exceeded 5 trillion roubles for the first time ever, and our retail accounts crossed the 1 trillion rouble threshold.

Despite the sanctions and monetary policy challenges, this growth was profitable. I would like to thank the bank's team for their professional day-to-day work and especially praise their readiness to respond quickly and flexibly to macroeconomic changes.

When the entire Russian banking sector must find ways to adapt to the new realities, this quality is our key strategic advantage and enables us to look to the future with confidence.

Chairman of the Supervisory Board

[...] - Information about the person who is a member of the bank's management bodies is not disclosed in accordance with paragraph 2 of clause 1 of the Decree of the Government of the Russian Federation dated 04.07.2023 No. 1102 "On the specifics of disclosure and (or) provision of information subject to disclosure and (or) provision in accordance with the requirements of the Federal Law "On Joint-Stock Companies" and the Federal Law "On the Securities Market" (hereinafter referred to as the Decree of the Government of the Russian Federation No. 1102) (clause 1 of the List to the Appendix) and paragraph 2 of clause 1 of the Decree of the Government of the Russian Federation dated 28.09.2023 No. 1587 "On the specifics of disclosure of insider information subject to disclosure in accordance with the requirements of the Federal Law "On Counteracting the Unlawful Use of Insider Information and Market Manipulation and on Amendments to Certain Legislative Acts of the Russian Federation" (hereinafter referred to as the Decree of the Government of the Russian Federation No. 1587) (item 2 of the List to the Appendix).

Message of the Chairman of the Management Board

GRI 2-22

Dear shareholders, investors, customers and partners,

2024 brought new challenges to the Russian banking sector. Two years earlier, banks had been forced to adapt to a new reality shaped by international sanctions. Time has shown that we succeeded in doing so. Remaining a reliable partner for our customers and offering them relevant solutions, we expanded our business volumes.

The challenges of 2024 were fundamentally different from those we faced two years ago. The increase of the key rate to a two-year high, where it remained for an extended period, tighter monetary policy, and the cooling of corporate and retail lending – all of these became a serious test not only for banks, but for every sector of the economy.

Having weathered several crises with various organisations, I am convinced there is no universal recipe for overcoming them successfully. However, there are fundamental qualities that help to navigate the most difficult times: the ability to respond quickly and flexibly to change while staying true to your values. That is what we did in 2024.

In line with our corporate slogan, we strove to be a client-focused bank. We continued to find the best solutions for our customers and to create new, useful tools for individuals and businesses alike. We relaunched our strategically important small and micro-business segment. At the same time, we prioritised protecting the interests of those who entrusted their funds to the bank, primarily our depositors.

As a result, we achieved a balance between business growth, high asset quality, and profitability, all combined with a moderate risk appetite. In addition, we were able to finish the year with one of the best cost-to-income ratios in the Russian banking market.

I would also like to highlight that we managed to combine effective cost management with high-quality customer service throughout the year. The professional community recognised MKB's products and services with awards across all retail client categories – from mass market and premium to private banking.

The results achieved by our team in 2024 give us every confidence as we look ahead to 2025. Our strategy has passed another real-life stress test and has proven its viability even in a situation that could not have been predicted by even the boldest analysts. We closed the year with a strong capital buffer: the capital adequacy ratio N1.0 was met with a wide margin and amounted to 11%. We will continue to transform and evolve to remain a client-focused bank for each and every one of you.

Chairman of the Management Board

M.A. Korzhov

Statement of Management's responsibility

I confirm that, to the best of my knowledge:

(a) the financial reporting prepared in accordance with the International Financial Reporting Standards and in accordance with the Russian Accounting Standards present a true and fair view of the assets, liabilities, financial position, profit and loss of CREDIT BANK OF MOSCOW PJSC;

(b) the Management Report includes a fair description of the development and performance of business operations and the position of the Bank, along with a description of the principal risks and uncertainties that it faces.

On behalf of the Management Board: Maksim A. Korzhov

Chairman of the Bank's Management Board

Management Report

MKB today – a brief overview

GRI 2-1

MKB is one of the largest Russian non-state banks, which has been on the list of systemically important credit institutions since 2017.

MKB ranks sixth for assets in the Russian banking system.

MKB has been operating in the Russian financial market for 32 years¹

Universal bank with a focus on corporate clients

Top 6
among all Russian banks for asset size²

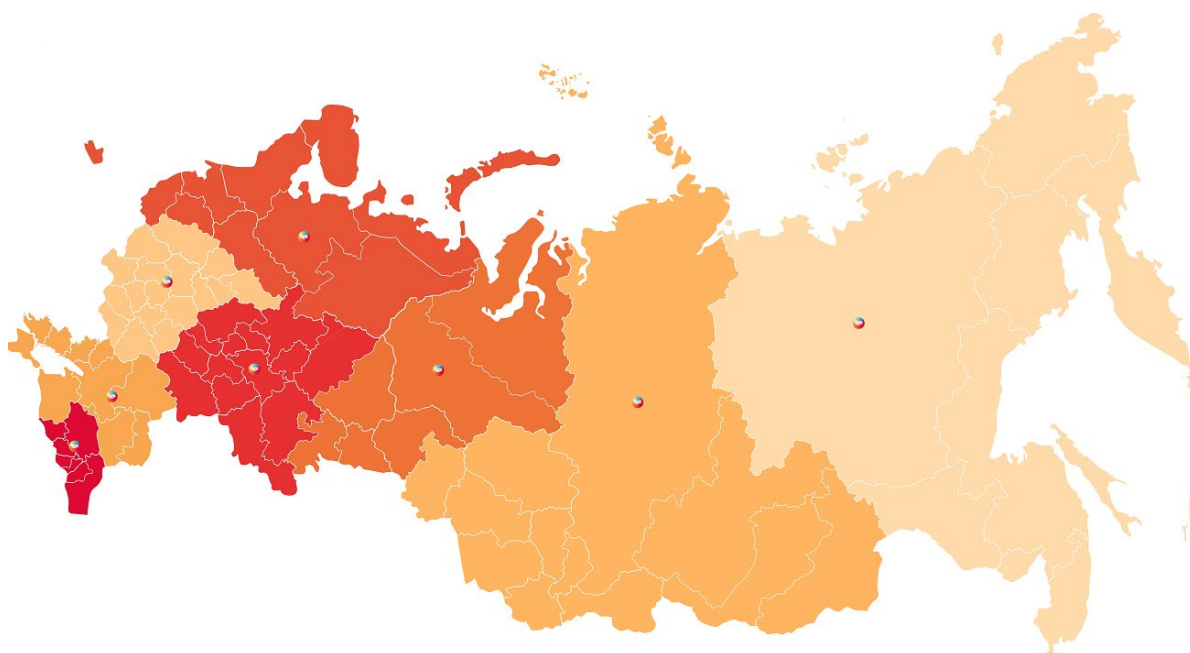
6th place
in the ranking of the Russian banks
by total assets³

42,000 corporate clients
>75% of corporate
clients use more than one MKB product

909,000 retail clients

95 offices,
1,700+ ATMs and terminals in Russia
Top 10 best banks for client service

MKB operates in the Russian Federation. The Bank has representative offices in the Central, South, North-Western, Far Eastern, Siberian, Ural, Volga, and North Caucasian Federal Districts of Russia. The Bank's head office is located in Moscow.



¹ The Bank was established in 1992.

² Based on the data from the banks' RAS reporting.

³ <https://www.banki.ru/banks/ratings/?ysclid=luav3mmoqs468841664>

The Bank's reliability and stability are confirmed by leading credit and ESG ratings. Both the entire activity of the Bank and its sustainable development efforts receive high scores as part of ratings, the analysis of which allows the Bank to understand its strengths and areas for further development.

Rating type	The target achieved in 2024	
Credit ratings	EXPERT RA ruA+ outlook: stable	NRA AA- ru outlook: stable
	ACRA A+(RU) outlook: stable	CHINA LIANHE CREDIT RATINGS AA- outlook: stable
ESG ratings	EXPERT RA ESG-II(b) refers to a very high level of compliance with sustainable development interests when making key decisions outlook: stable	RAEX AA [ESG] RAEX EUROPE Ranked No. 2 among the Russian banks Top 10 companies in the Russian Federation
Financial indicators		
Total assets: RUB 5.0 tln		Total capital: RUB 349.3 bln
Market capitalization: RUB 300+ bln. ⁴		CIR – 37.2% The ratio of operating expenses to operating income at the year-end 2024 reflects the high level of the Bank's operational efficiency

⁴ As of 31.12.2024

MKB values

The key value of MKB is the trust and loyalty of our clients. The Bank strives to make life better for every person and offers its clients quality, reliable, and high-tech products and services for this purpose. That said, MKB pays great attention to building long-term relationships with the clients. At the same time, the Bank remains committed to the fundamental principles of the client relationship management, such as integrity, openness, and reliability.

MKB's mission is to be a Bank for people, i. e., to use its capabilities and expertise in the financial sector for the benefit of employees, clients, shareholders, and the whole society. People are the keystone of our business model.



Offering a complete range of banking services

MKB provides a full range of banking services in the financial market for corporate clients, small-size businesses and individuals, including private banking services.

MKB products and services			
For individuals			
Deposits	Loans	Bank cards	Mortgage
Insurance	Payments and transfers	Service products	Investments
Premium service	Services in the securities market	MKB Private banking	Cash management services
For corporate clients			
Small and medium-size businesses			
Cash management services	Trade and Internet acquiring	Factoring	Shares and special offers for individual industries
Remote service	Placement of funds	Loans and guarantees	Foreign trade activities
Payroll project	Bank cards	Acceptance of payments via QR code (FPS)	

For large businesses			
Standard loans	Cash management services (CMS)	Deposits	Documentary operations
Guarantees and letters of credits	Remote banking service (RBS)	Promissory notes	Factoring
Bank support of contracts	Virtual pooling	Payroll projects	Project financing
Acquiring	Minimum required balance (MB)	Services in the securities market	Credit products within the framework of state support and subsidy programs
FPS. Payments via QR code	Average monthly balance	Leasing	Debt and Equity Capital Markets
Foreign trade activities products	M&A financing	FX and derivatives transactions	Brokerage services
Structured finance and REPO			
For financial institutions			
Conversion transactions	Banknote transactions	Documentary operations	Interbank lending
Setting limits	Cash management services		

MKB plays a significant role in stimulating the development of the national economy, promoting economic growth and its sustainable development. The bank works with all categories of corporate clients - from the largest Russian companies to medium-sized federal and regional enterprises from key sectors of the Russian economy: from oil, ore and precious metals production, raw materials and metallurgy trade to development, food production, agro-industrial complex and wholesale trade.

The team's industry and product expertise allows finding effective solutions taking into account the specifics of a particular client's business, including in the field of sustainable development.

MKB offers individuals products with favorable and transparent terms, as well as convenient, high-quality customer service. It is important for the bank to make banking services comfortable for everyone, so for several years it has been systematically working with the older generation.

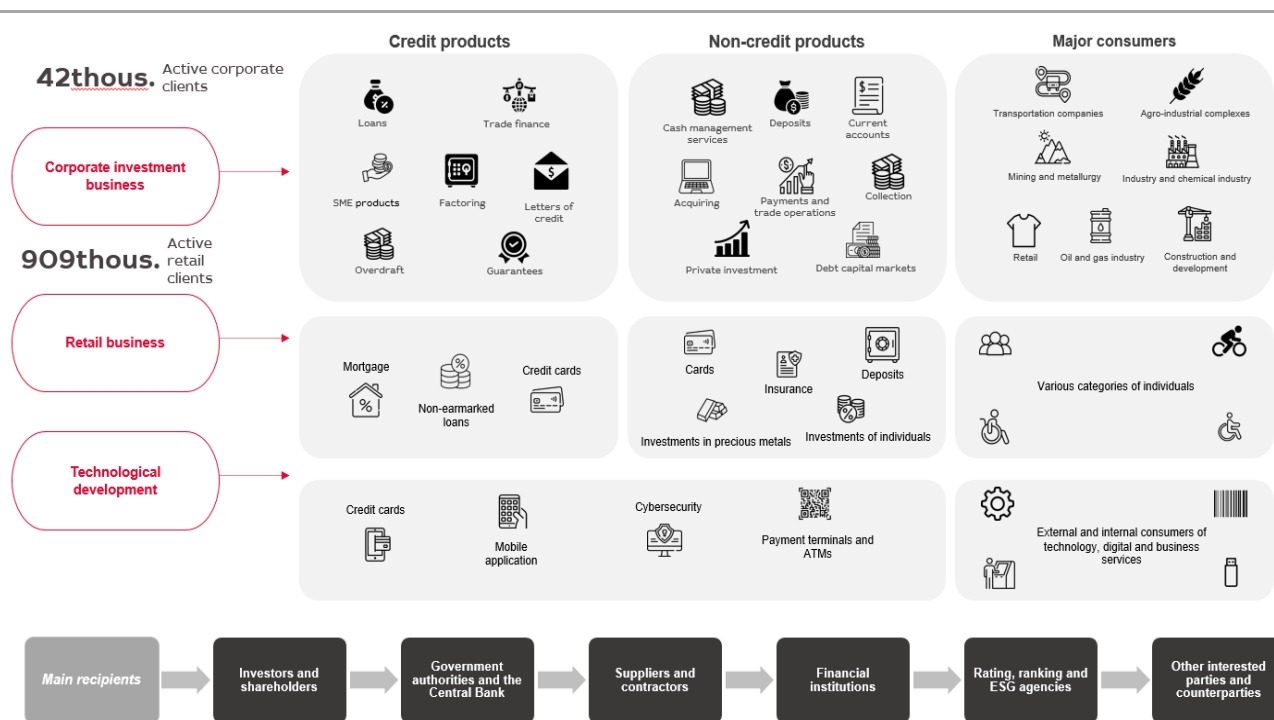
MKB has a "Wisdom" card, taking into account the needs of clients in this category, and a "Care" service, which allows you to receive free consultations from doctors, psychologists, lawyers and other specialists.

Generated and distributed direct economic value

GRI 201-1, GRI 3-3, IFRS S1 29 (b d)

In the course of its operational activities, MKB creates value for a wide range of stakeholders of the Bank, such as clients, suppliers and contractors, employees, shareholders, investors, creditors, the state, and local communities. MKB aims to increase the value created and distributed, and maintain a high level of transparency in matters of information disclosure. Undistributed economic value is reinvested in further development, making it possible to successfully achieve the goals and objectives for the benefit of stakeholders.

Value chain



Corporate investment business in 2024

MKB is one of the leaders in the sector in terms of corporate business size:

- **42,000 clients** of the Bank are legal entities
- **> 3.9%** – growth of corporate clients' funds
- **> 15.4%** – growth of corporate loan portfolio after deduction of reserves
- **1st place** in import factoring portfolio and **2nd place** in export factoring segment
- MKB acted as organizer of **96** transactions in the Russian debt capital market. The total par value of the placed bonds in ruble equivalent amounted to about **1.5** trillion rubles.
- Based on the results of 2024, MKB took leading positions in several Cbonds Awards 2024 rankings among bond issue organizers in Russia:
 - **4th place** in the ranking of replacement bond organizers, market share of 11%;
 - **6th place** in the ranking of market issue organizers, market share of 5%.

Retail business in 2024

Extensive sales network with branches in strategically important locations and advanced online services

One of the best deposit offers on the market with favorable and transparent conditions for clients

Best retail loyalty programs

65% – customer penetration into remote banking services channels in 2024

7th place in the People's Rating on the Banki.ru portal for client satisfaction⁵

30% - growth of funds of individuals, which exceeded 1 trillion rubles

12% - growth of the base of active retail clients

18% - growth of the number of salary clients

36% - growth of the number of premium segment clients

MKB Premium is the most client-centric premium service in Russia (FRG)

Family financial office MKB Private banking is the best on the market (FRG)

Technological development in 2024

In 2024, thanks to the systematic development of its own IT projects, the Bank successfully solved a number of technological tasks:

- **In-house development and technological independence:**

- MKB has finally established itself on the course of in-house development with active use of open source solutions. This allows for the prompt implementation of new solutions and flexible adaptation to business requirements.

- As part of in-house development, in-house front-end solutions for individuals and legal entities, contact center interfaces, as well as middle-office systems supporting key business processes have been implemented.

- **Import substitution and infrastructure:**

- The bank successfully switched to domestic massively parallel DBMS, abandoning foreign vertically scalable solutions. This ensured increased flexibility and reduced dependence on suppliers.

- A comprehensive transition from foreign operating systems to Astra Linux was completed within the bank's integration platform, covering more than 25 clusters.

- Full cryptographic protection of card transactions was ensured using domestic crypto modules, including a card processing system.

- An internal framework for load testing based on open source solutions was developed to ensure efficient resource allocation and reduce operating costs.

⁵ Source: People's rating of banks <https://www.banki.ru/services/responses/?date=2024>

Generated, distributed, and undistributed direct economic value, RUB million

	2021	2022	2023	2024
Created economic value (operating income)	62,129	43,626	113,541	64,068
Distributed economic value	(29,634)	(35,173)	(40,270)	(41,469)
Operating expenses	(29,634)	(35,173)	(40,270)	(41,469)
including personnel costs	(19,562)	(21,872)	(25,942)	(26,480)
Income tax expenses	(6,296)	(986)	(13,493)	(1,712)
Undistributed economic value	26,199	7,467	59,778	20,887

1. Market Overview

1.1 Current Situation in the Russian Economy

THE RUSSIAN ECONOMY GOT OVERHEATED IN 2024. A DEFICIT IN THE LABOUR MARKET AND GOVERNMENT PAYOUTS BOOSTED HOUSEHOLD INCOME, PROVOKING EXTRA DEMAND WHICH COULD NOT BE MET DUE TO THE PREVAILING LABOUR AND CAPITAL RESTRICTIONS. THIS INCREASED THE INFLATION PRESSURE, WHICH PROMPTED THE BANK OF RUSSIA TO TAKE TOUGH MEASURES.

Early 2024 GDP forecasts were modest⁶:

- CBR: +1.0-2.0%;
- Ministry of Economic Development: +2.3%;
- median consensus of CBR's macroeconomic survey: +1.6%.

Below are the key macroeconomic trends of 2024⁷.

The average Brent oil price as at end-2024 declined by 2% yoy to 80.4 USD/bbl, while the average Urals price rose by 8.6% yoy to 68.3 USD/bbl.

By preliminary estimations, the Russian federal budget received 11.1 tln roubles of oil & gas income in 2024, up by 26.2% compared to 2023. As exporters faced problems in repatriating their foreign currency revenues due to sanction restrictions, and as the trade balance shrank due to exports falling greater than imports, the national currency's average annual exchange rates weakened in 2024 from 85.8 to 92.7 RUB/USD, from 92.9 to 100.3 RUB/EUR and from 12.1 to 12.8 RUB/CNY.

The Russian economy continued to grow in 2024, at a higher rate than the previous year: the GDP rose by 4.1% yoy and by 8.4% compared to 2022. This was mainly driven by internal demand and investments, which expanded by 5.2% yoy and by 3.7% yoy, respectively.

Change in Russia's GDP in 2023 and 2024

■ 2023

■ 2024

+4.1%

+4.1%

In 2024, growth rates varied widely from sector to sector. The highest rates were shown by industrial production (especially the processing sector), retail trade, construction and consumer services, and the lowest by the agricultural and extractive sectors.

2024 results	vs 2023	vs 2022
Industrial production	+4.6%	+9.1%
Processing industry	+8.5%	+17.9%

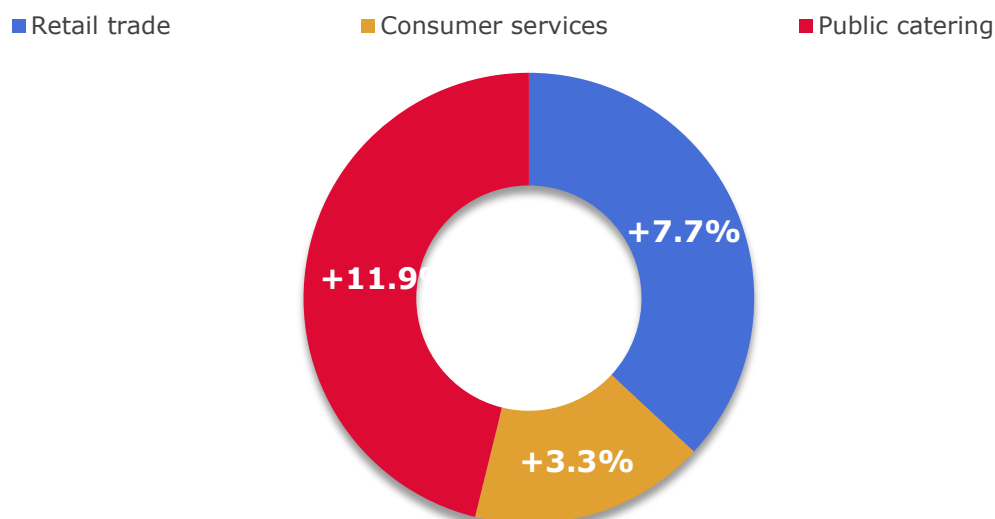
⁶ https://www.cbr.ru/analytics/bank_sector/analytical_review_bs/#a_123445

⁷ The data is sourced from the official websites of the Ministries of Finance and Economic Development.

2024 results	vs 2023	vs 2022
Extractive industry	-0.9%	-1.9%
Construction	+2.1%	+11.3%
Agriculture	-3.2%	-3.0%
Freight turnover	+0.5%	-0.1%
Freight turnover net of pipeline transport	-2.6%	-0.7%
Retail trade	+7.7%	+16.3%
Consumer services	+3.3%	+10.4%

CONSUMER ACTIVITY CONTINUED TO GROW FAST IN 2024, BUT AT A SLIGHTLY LOWER RATE. AS A RESULT, THE TURNOVER OF RETAIL TRADE, CONSUMER SERVICES AND PUBLIC CATERING ROSE BY 7.7%, 3.3% AND 11.9%, RESPECTIVELY.

Consumer activity in 2024 by sectors (%)



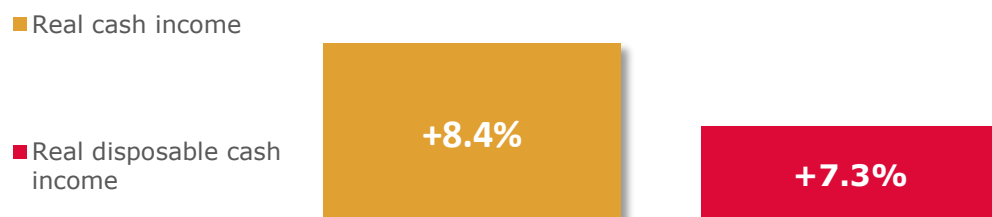
To address the looming inflation pressure, the Bank of Russia toughened drastically its monetary policy, raising the key rate by 500 bps (cumulatively) to 21%.

The consumer price index was +9.5% as at end-2024, up by 2.1 pp yoy. The aggregate domestic price index for the processing industry increased by 8.4% yoy. Overall industry prices rose by 7.9% in 2024.

The labour market in 2024 saw supply hitting the all-time low as various sectors of the Russian economy, including the retail trade and processing industry, remained notably undermanned. The unemployment rate reached 2.3% in October and remained unchanged till the year end. Its average annual value declined by 0.7 pp yoy to 2.5% as at end-2024.

The deficit of labour boosted wages. Real accrued wages increased by 8.7% in January-November 2024, while real household income rose by 8.4% and real disposable income by 7.3% yoy for the whole year.

2024 real and disposable household income growth (%)

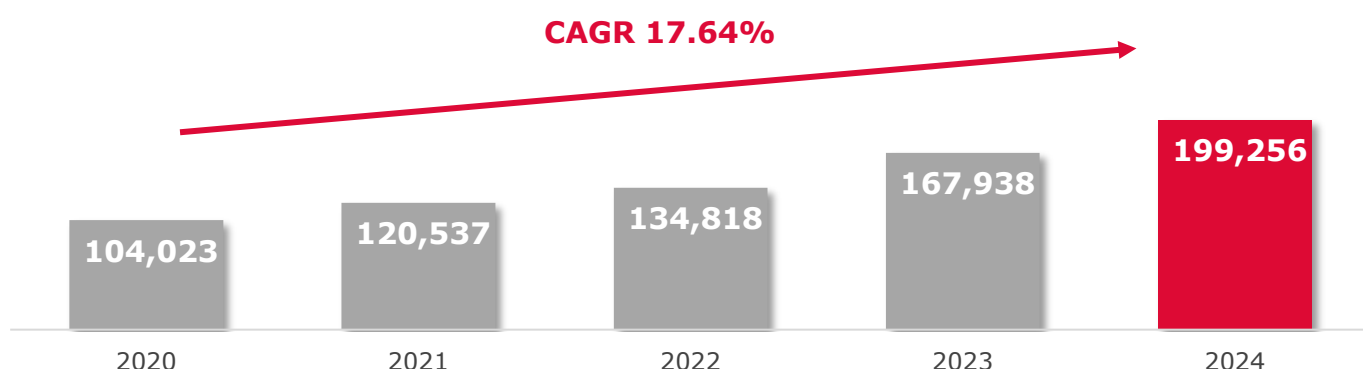


1.2 Key Banking Sector Indicators⁸

Financial Result

According to the Bank of Russia, 314 banks were active in Russia as at December 2024, of which 218 held a general license and 96 held a basic license. The banking sector's assets increased by 16.9% to RUB 199 tln in 2024.

Russian banking system's end-of-period assets (RUB bln)



The banking sector earned a record profit of RUB 3.8 tln in 2024 (net of subsidiary banks' revenues). This resulted from business expansion, stable operating margins, currency revaluation and lower provisioning charges. The high results of 2024 should be regarded as continuation of the recovery growth after the 2022 slump. On average, banks earned RUB 2.4 tln annually during the last 3 years (2022-2024), matching the 2021 level.

The key factors of growth included:

- higher operating income: NII⁹ (+11%) + NFI¹⁰ (+13%) = RUB 8.9 tln;
- income from floating-rate loans (~55% of the corporate portfolio) supported the interest margin¹¹ amidst rising deposit rates. Floating-rate loans with outstanding profitability were subsidised mortgages, representing more than 50% of banks' mortgage portfolio;
- positive revaluation of securities at RUB 0.2 tln after a RUB 30 bln loss in 2023.

⁸ Based on data from the Bank of Russia's official website https://cbr.ru/analytics/bank_sector/develop/#a_48876

⁹ Net Interest Income

¹⁰ Net Fee and Commission Income

¹¹ A net income measure showing by how much the income from loan products exceeds the interest paid to account holders and depositors.

Apart from higher incomes in the reporting period, banks charged slightly lower provisions compared to the preceding year: RUB 1.7 tln vs RUB 1.8 tln. At the same time, the cost of credit risk (CoR) moved in opposing directions in different segments of lending. Corporate loans' quality was preserved as the portfolio grew dynamically, while retail portfolio quality declined due to the ageing of loans issued before the Bank of Russia toughened its macroprudential measures.

CoR for corporate loans, YoY¹² (%)



CoR for retail loans, YoY¹³ (%)



The Bank of Russia forecasts that the sector will earn RUB 2.7–3.2 tln in 2025. Profits will likely decline due to higher credit risks, narrower interest margins and greater operating expenses.

Retail Loans

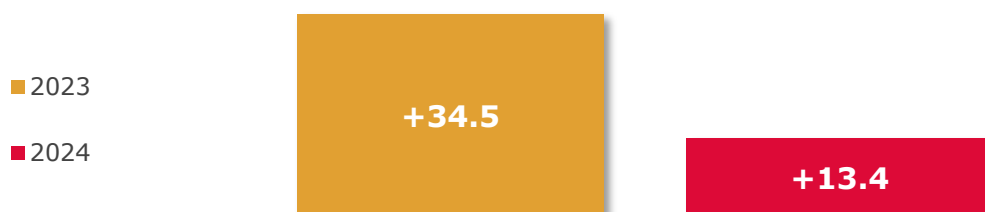
Retail lending expansion in 2024 was under pressure from: the tough monetary policy, the Bank of Russia's cool-down measures, and the cancellation / modification of some mortgage subsidy programmes. The retail portfolio grew by RUB 4.79 tln (+14.2% yoy compared to +26.5% in 2023).

Mortgage lending increased by 13.4% yoy (2023: 34.5%). Such a slowdown was caused by the cancellation of the mass subsidised mortgage programme (at 8%) and by the raising of the bar under other programmes. In the second half-year, originations more than halved to RUB 350 bln and stayed at this level till the year end, with c. 80% of new originations still stemming from subsidy programmes.

¹² The Bank of Russia's analytical review "Banking Sector" at https://cbr.ru/analytics/bank_sector/develop/#a_48876

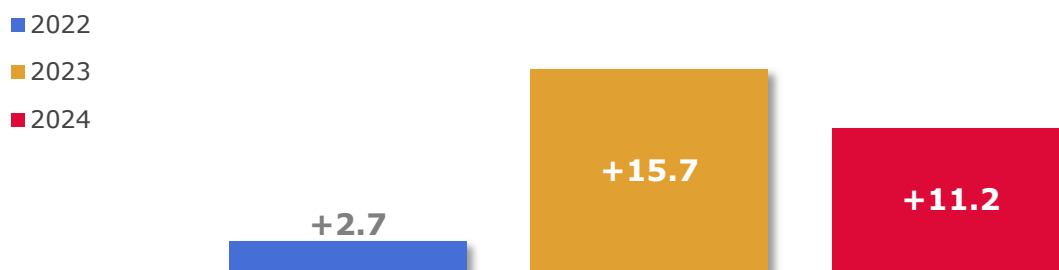
¹³ The Bank of Russia's analytical review "Banking Sector" at https://cbr.ru/analytics/bank_sector/develop/#a_48876

Mortgage portfolio growth (%)



Consumer lending slowed down in 2024 to 11.2% yoy (after 15.7% in 2023), with originations hitting the minimum since 2022. This was due to both lower demand for loans given high rates (up to 40%) and lower supply given the Bank of Russia's cool-down measures.

Consumer loan portfolio growth (%)



Car lending demonstrated a record-high growth rate in 2024 (+51.7% yoy) as car sales expanded (1.6 mln cars), households' wealth improved, and car dealers offered promotion programmes. Car loan originations slowed down somewhat in the second half-year as the utilisation charge was raised (on 1 October), rates rose and macroeconomic adjustments were increased for car loans.

Car loan portfolio growth (%)

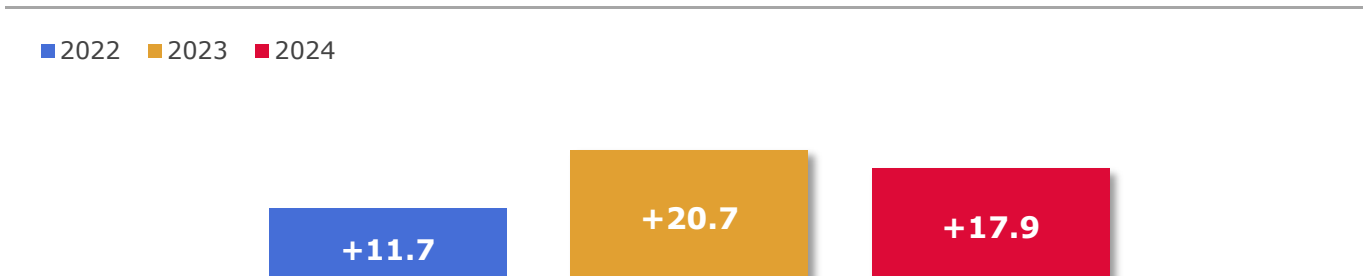


As at end-2024, the ratio of non-performing retail loans was 4.6% compared to 4.2% in 2023. The coverage of categories IV–V loans by individual provisions declined somewhat from 92% as at end-2023 to 87% as at end-2024, but remained at a quite high level.

Corporate Loans

Overall corporate loan growth in 2024 was 17.9%, somewhat below the record level of 2023 (+20.7%), but still higher than in 2022 (+11.7%).

Corporate portfolio growth (RUB tln)



Experts attribute this to the following customer needs:

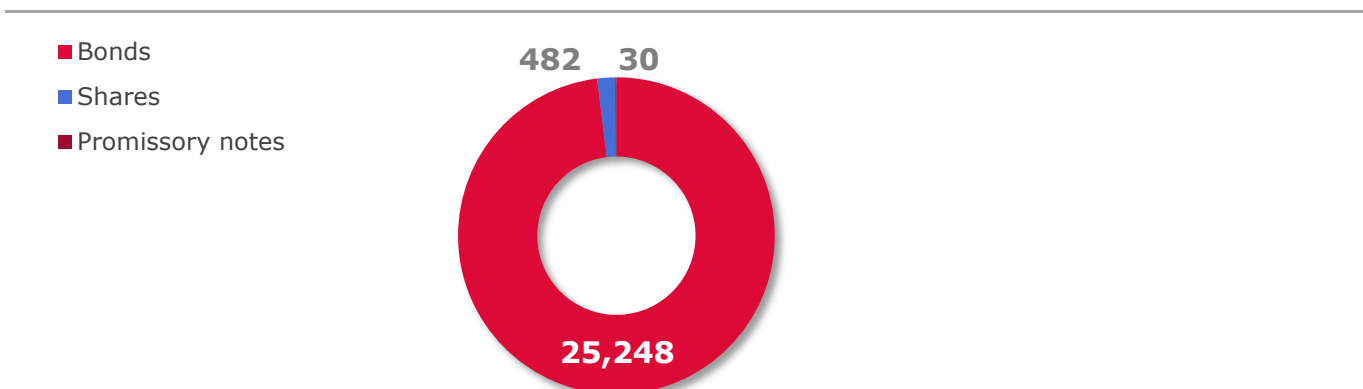
- financing of existing business processes and new investment projects (45% of growth);
- project finance for housing development (16% of growth).

The rapid growth of the corporate loan portfolio and settlement of problem debt allow banks to keep the NPL ratio at ~4% for quite a few years: it was 3.8% as at end-2024 compared to 4.4% in 2023. The coverage of categories IV–V loans by individual provisions declined somewhat from 77% as at end-2023 to 72% as at end-2024, but remained at a quite high level.

Securities

Russian banks' proprietary securities portfolio rose by 18.8% in 2024 and reached RUB 25.8 tln. It is dominated by Russian sovereign bonds: ~64%, while domestic corporate bonds account for ~26%. Banks' investments in debt securities (after revaluation) grew by RUB 3.7 tln. On the whole, banks' investments in OFZ rose by RUB 2.7 tln, in corporate bonds by RUB 1.4 tln, and in mortgage securities by RUB 0.3 tln.

Banking sector's securities portfolio as at end-2024 (RUB bln)



Companies continue to replace Eurobonds by local notes nominated in US dollars and other "toxic" currencies, but settled in roubles (banks held RUB 0.35 tln worth of replacement bonds as at 01.01.2025, which is RUB 60 bln less than the year before).

Funding

Customer accounts increased by RUB 21.1 tln in 2024 (+RUB 18.8 tln in 2023), driven by rouble balances only, while foreign currency balances fell (-RUB 1.2 tln in rouble equivalent, -9.0%).

Companies' accounts grew by RUB 6.4 tln, firstly due to high profits (in the oil & gas, mining and metallurgic sectors), and government expenditures.

Retail accounts grew by 26.1% yoy (+RUB 11.9 tln) vs +19.7% yoy in 2023. This was mainly driven by high interest rates, pay rises, social and budget payouts, as well as redepositing of physical cash in view of growing rates.

Liquidity

RUB-denominated liquid assets, such as cash, due from the Bank of Russia, and unpledged market collateral, retained some of their 2023 characteristics: they cover current needs but are still unevenly distributed across the banking sector.

RUB-denominated liquid assets totalled RUB 24.3 trillion as at year-end 2024. This is enough to cover 21% of customer accounts in roubles.

The foreign currency liquidity reserve dwindled significantly in the reporting period, but remains at a satisfactory level given the current restrictions.

Equity

The sector's balance sheet capital demonstrated strong growth in 2024, reaching RUB 17.5 tln, up by RUB 2.0 tln compared to a RUB 2.2 tln increase in 2023.

Change in the banking sector's balance sheet capital (%)



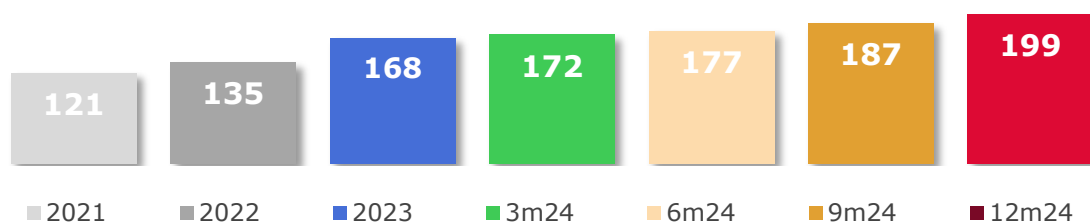
Despite the faster growth of the loan portfolio, the total capital adequacy ratio (N1.0) stays at comfortable 12.5% (as at end-December 2024). The capital surplus (above the minimum ratios) is ~RUB 7 tln.

Interest Rates

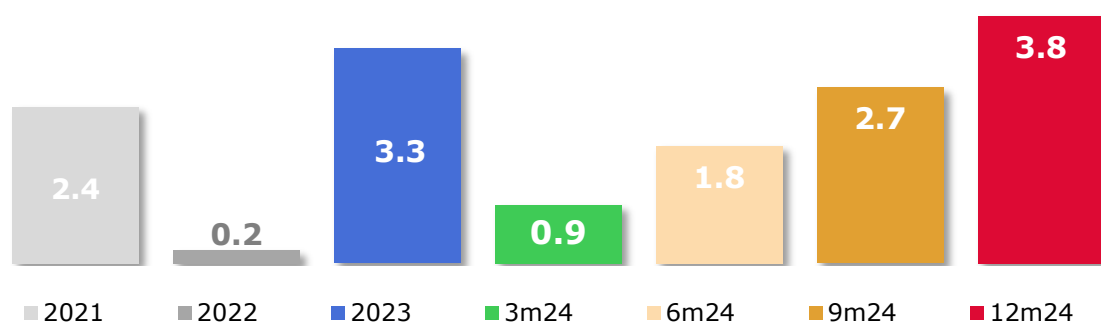
The Bank of Russia's Board of Directors raised the key rate a few times in 2024. All in all, it rose from 16% in December 2023 to 21% in October 2024, staying at this level till the year end.

The banking sector's financial indicators changed in line with the key rate changes.

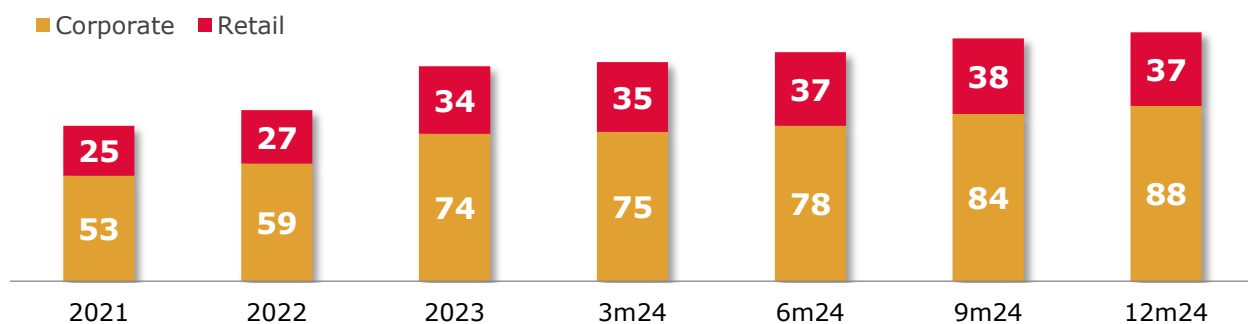
Assets (RUB tln)



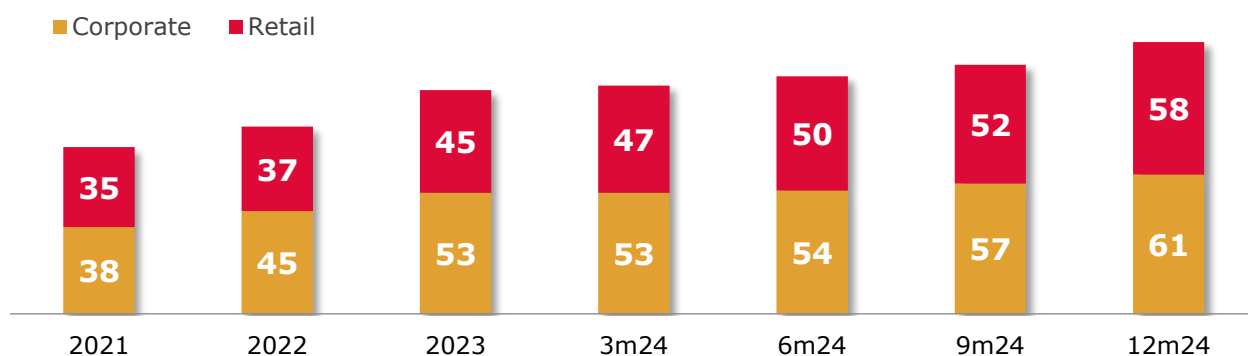
Net income (RUB tln)



Loan portfolio (RUB tln)



Customer deposits (RUB tln)



1.3 The Bank of Russia's Monetary Policy

The Bank of Russia's Policy in 2024

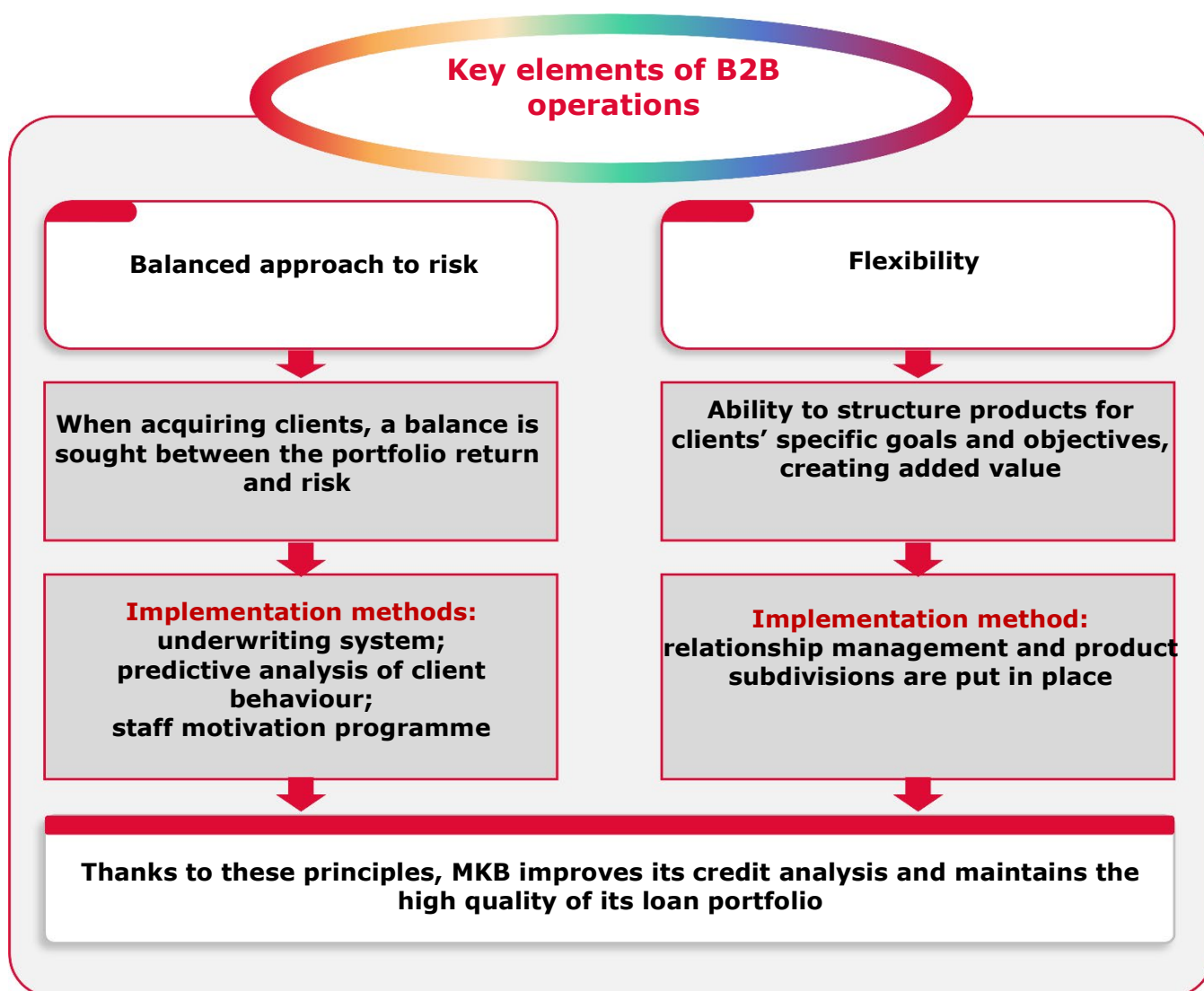
Key areas of focus in 2024	Changes and forecasts
Key rate	<p>The key rate was raised by 5.0 pp – from 16% to 21%.</p> <p>The monetary policy was tightened mainly to address the ongoing buildup of inflationary pressure in both volatile and baseline consumer basket components.</p> <p>The Bank of Russia's October baseline forecast of the average key rate:</p> <ul style="list-style-type: none"> • in 2025: 17–20% per annum; • in 2026: 12–13% per annum; • in 2027: 7.5–8.5% per annum.
Inflation	<p>The annualised inflation in November-December stopped declining, as it used to from the start of the second half-year, and finally reached 9.5% YoY.</p> <p>Consumer prices (seasonally adjusted) rose across the board: inflation accelerated in food and non-food goods, as well as in services.</p> <p>Households' inflation expectations reached the year's peak (13.9%) in December, while those of businesses got close to the highs of March 2022.</p> <p>As per the Bank of Russia's October forecast, annual inflation will slow down to 4.5–5.0% in 2025 and will then stay around the 4.0% target.</p>
Monetary conditions	<p>As estimated by the Bank of Russia, monetary conditions toughened in December due to autonomous factors, related in particular to the scheduled normalisation of regulatory requirements to banks.</p> <p>OFZ yields fell as the Bank of Russia decided to keep the key rate at 21% at its December board meeting, contrary to investors' expectations (the consensus opinion was a 100-200 bps rise).</p> <p>The current structure of market rates suggests that the monetary easing cycle may start as early as in the first half of 2025.</p> <p>High rates encouraged deposit operations and drastically slowed down the loan portfolio growth in the retail segment. The corporate portfolio cooled down more gradually, partly due to the ongoing investment programmes.</p> <p>The weakened credit impulse coupled with lower government expenditures tempered money supply expansion compared to 2022-2023.</p>
Economic activity	<p>Domestic demand was still ahead of production capacity. GDP grew by 4.1% yoy in 2024. As per the Bank of Russia's October medium-term forecast, it will grow in 2025 by +0.5-1.5%, in 2026 by +1.0-2.0%, and in 2027 by 1.5-2.5%.</p> <p>The economy slowdown in the forthcoming years is due to the internal demand being cooled down by the Bank of Russia's tough monetary policy and lower money supply coming from the public sector as the budget policy gets back to normal.</p>

2. Business Development

2.1 Corporate Investment Business (B2B)

The principles of corporate investment business (CIB) are a balanced approach to risk, and flexibility in finding solutions for corporate customers, which allows the Bank to offer unique products that meet their needs at the right time, while maintaining the portfolio quality.

The Bank's B2B principles



In the reporting period, MKB confirmed its focus of developing long-term, partner-style, multi-product relations with corporate customers.

Customers' interests have been, and continue to be, a priority for MKB. Its hallmarks are: a custom approach, high-quality sectoral expertise, and tailored product offering.

As at 31 December 2024, MKB had over 42,000 active corporate customers. It offers them an effective system of comprehensive banking, offline and online, covering all core needs of companies and sole proprietors. MKB seeks to develop multi-product relationships with its corporate customers and achieve a universal coverage of customer needs of any scale or complexity.

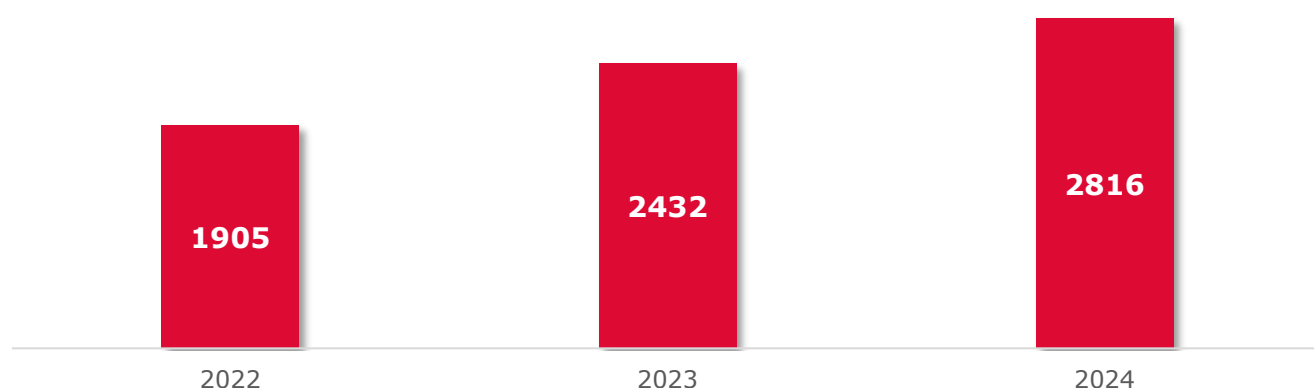
Products and Services

Corporate Lending

A wide product range, covering overdrafts, trade finance, leasing, all forms of project finance, investment loans, including PPP / concession financing, allows the Bank to expand corporate lending and find structured solutions for each customer's needs.

A new product *Commercial Subsidy Lending* was designed and approved in 2024. It will help vendors to boost sales, their buyers to get better rates, and the Bank to increase its loan portfolio. The main targeted vendors at the first stage are the entire spectrum of IT companies, and then the largest holdings of Russia.

Gross corporate loan portfolio (RUB bln)



The net loan portfolio grew by 17% to RUB 2,592.5 bln in 2024. Despite the notable rise of the key rate during 2024 and the continuing sanction pressure affecting both the banking and the real sectors, the loan portfolio quality did not deteriorate substantially.

The Bank's development strategy focuses on the coverage of prime borrowers and systemically important companies, state-supported corporate lending, balancing portfolio risks and profitability, as well as preserving the traditionally low ratio of non-performing loans (NPL 90+).

MKB's customer base includes large and medium-sized Russian companies, in particular regional ones, operating in various sectors and picked up for good credit quality. The Bank lends to all key sectors of economy, including construction, equipment leasing, metallurgy, agribusiness, industrial chemistry, healthcare, food products etc.

Key areas of corporate lending in 2024:

- support of agribusinesses, in particular poultry producers who struggled to meet demand in 2023-2024: financing of capacity-expanding investment projects and working capital;
- financing of big long-term energy projects, on- and off-shore;
- support of imports of Western brands-substituting machinery from friendly countries: guaranteeing international contracts with a Chinese manufacturer;
- support of the socially relevant healthcare sector as regards supply of pharmaceuticals: expansion of international letter-of-credit business.

One of the segments which saw favourable trends in 2024 was gold mining. The prices in rouble equivalent soared by 41% to 8,400 RUB / gram, which made this sector more profitable and resilient to external challenges. Given that consensus forecasts rule out any

notable price drop, the Bank emphasised this sector in its credit policy. This resulted in new products "Deposit in gold" and "Loan in gold".

MKB remains an active participant of the main anti-crisis support programmes run by the Russian Government. In 2024:

- the Bank became accredited as an account bank with Tula Region Industry Development Fund, so its loans can be disbursed to accounts held with MKB;
- the Bank became accredited as a partner with Archangelsk Regional SME Guarantee Support Organisation, so the Bank's SME customers can get state suretyships;
- the Bank's credit transactions were recognised as technological sovereignty projects under Government Decree No. 603 resulting in lower RWA;
- its state-subsidised agribusiness loan portfolio rose by 78%, and a 15-year investment loan was issued;
- its subsidised loan portfolio expanded by 36%, despite notable cuts to subsidy programmes;
- new projects were selected under subsidised lending programmes supporting priority production investments, tourism infrastructure investments, housing construction, agricultural producers and processors, and SMEs.

Trade finance and documentary transactions

MKB's trade finance portfolio expanded by 12% in 2024 and exceeded RUB 130 bln. This was mainly driven by:

- letters of credit covering contracts with Russia's largest trading partners;
- guarantees, suretyships and letters of credit for financial institutions;
- guarantees for corporates in favour of beneficiaries from friendly countries;
- replacement of lost customers and development of new relationships;
- establishment of alternative financial messaging channels with key counterparties.

Factoring

The Bank persistently expands its factoring portfolio and remains a leader of the Russian factoring market (top 7 by the overall factoring portfolio as at 01.01.2025), and dominates the international factoring sector (top 1 / 2 by the import / export factoring portfolios).¹⁴

+1.3-fold expansion of MKB's factoring portfolio compared to 2023.

As at end-2024, the portfolio expanded by 1.3 times yoy and stood at RUB 147.8 bln. Net interest income from factoring transactions almost doubled compared to 2023.

¹⁴ According to the Association of Factoring Companies' report



Factoring Store project for fast processing of applications

The Factoring Store (FaSt) product helped expand the portfolio by speeding up the processing of customer applications and providing a package of services. The aggregate FaSt portfolio more than tripled y-o-y and reached RUB 25 bln.

Thanks to the updated concept, even more customers got access to prompt financing with this product.

The 2024 portfolio expansion left the risks at an acceptable level. That expansion was largely driven by digitisation and tailored limit offering. The deal making process and the document flow take place electronically, spanning the whole cycle from the application and signing to reporting. Also, for customers' convenience, the Bank each year extends the pool of its partners allowing online exchange of legally binding electronic documents. As at 1 January 2025, MKB actively cooperates with 7 largest electronic platforms.

The most popular international factoring products are, and have been, agency import factoring, non-recourse export and import factoring. The average annual international factoring portfolio expanded by 96% compared to 2023 and exceeded RUB 17.5 bln.

Digital Credit Products

Digital product initiatives were carried out in 2024 with a view to boost the portfolio without compromising its high margins and moderate risks. The electronic guarantee issue process, the internal routing of applications, and the interaction with in-house lawyers were automated, while the automatic decision-making model was improved and extended. Those initiatives helped drive the number of automatic decisions to 30,000 in 2024, a 10% increase compared to 2023.

Much attention was given to risk assessment and quality of onboarded customers, which was reflected in the guarantee portfolio. They were also allowed to offer pledges when taking express products in order to get a better risk assessment.

To cover more potential customers, contractual relations were set up with big players of the express guarantee segment, which helped retain the inflow of applications. The hybrid risk assessment technology used since 2022 for the *express guarantee plus* product confirms that the current approach with in-depth financial analysis helps keep the product free of overdue debt at the overall portfolio level.

The implemented changes helped expand the guarantee portfolio by 7.2% yoy as at end-2024 to RUB 95+ bln.

Transaction Business

The transaction business continues to develop and improve in the areas of innovation and digitisation.

A brand-new online banking platform was launched for corporate customers. It will become the basis for digitisation of the entire transaction business and improve customer loyalty by ensuring the most up-to-date, convenient, and transparent customer journeys. Now corporate customers can easily and quickly access their accounts, make payments and transfers, as well as get necessary information and consultation.

The functionality for basic rouble cash management (payment operations, accounts, statements, letters) was put in place. This made settlements for customers simpler and faster, and also reliable and secure.

H2H¹⁵ solutions for largest customers were refactored and upgraded. The productivity in terms of payments quantity soared by 6-7 times, allowing customers to expect quick and effective execution of operations and minimisation of risks related to delays and errors.

In less than a year, a hundred customers were migrated to the new platform. This evidences MKB's ability to promptly respond to market needs and come up with up-to-date and user-friendly solutions.

An electronic document flow was implemented for CFs¹⁶ and FMD¹⁷, saving time and resources on manual paperwork. All necessary documents now may be delivered and signed electronically, ensuring convenience and security for all involved.

The existing customers can now open new accounts. Customers can be sure that they will always get the most beneficial and convenient terms of service.

Complementing the existing products and services, new solutions were developed to make settlements more secure, automate account balance management and simplify foreign trade operations. A new product was created allowing corporate customers to make safe transactions with multiple top-ups to the depositor's account and transfers to the beneficiary. An automated account balance management system was put in place, allowing customers to get account information in real time and set up automatic top-ups with chosen parameters.

In addition, we offer innovative foreign trade solutions, including tools to simplify settlements, automate foreign exchange control and optimise international payments. These solutions help our customers reduce risks related to international operations and make their business more efficient.

Our strong reputation and high quality of services convinced some big companies to work with us. We are proud to offer our customers not only advantageous terms, but also cutting-edge technologies helping them succeed in their business.

Small Business Development

In 2024, MKB approved a development strategy for micro and small businesses (MSB) as one of the priority areas of improvement for the current strategic period. The new team is to double the Bank's MSB customer base in the next three years.

Step-by-step development of the product range and service technologies is to cover MSB customers' basic needs with smooth delivery (also in remote service channels).

The key initiatives are:

- create a new range of transaction and credit products;
- implement a new process for remote opening of current accounts;
- launch a loan pipeline;
- migrate customers to a new online banking solution.

As a step towards those goals, it was decided to expand the Bank's presence in Moscow, Saint Petersburg and Ekaterinburg, and to open new offices in Tyumen and Chelyabinsk.

¹⁵ Host-to-Host communication channel between the bank's and a corporate customer's automated systems for interchanging data objects, including electronic documents.

¹⁶ Customer files

¹⁷ Financial Monitoring Division

Investment Banking Business

MKB's investment banking segment demonstrated consistent growth and achieved its key targets in 2024. It actively developed its product range, offering a wide choice of investment solutions and showing deep expertise for its customers.

The main investment banking areas include:

- capital market operations;
- asset management;
- depository and brokerage services;
- advice on mergers and acquisitions;
- PESS segment (private equity and special situations);

Debt Capital Markets (DCM)

MKB arranged 96 bond issues in 2024, exceeding in total face value **RUB 1.5 tln**, nominated in roubles, yuan and dollars.

MKB topped several **Cbonds Awards 2024**¹⁸ rankings of bond arrangers in Russia:

- High yield bonds: **#1**, 39% market share;
- Replacement bonds: **#4**, 11% market share;
- Publicly placed issues: **#6**, 5% market share.

12 transactions co-arranged by MKB in 2024 won their Cbonds nominations:

- **Best transaction** in the machinery industry: RUB 10 bln KAMAZ BO-P11;
- **Comeback of the year**: ALROSA (2 deals totaling RUB 70 bln).

Hallmark deals of 2024



FX and Derivatives Market

MKB was listed in 2024 as a contributor of two main money market indicators **ROISfix** and **RUONIA**, which confirms its key role as a stable and reliable market player.

¹⁸ <https://cbonds.ru/rankings/1089/>

Securities Market Operations

MKB made the first credit default swap (CDS) deal in the Russian market. This sophisticated deal was a fruit of the local infrastructure's development and re-launch of the Russian credit derivative market. The buyer was Sber, and the seller was MKB.

Structured Finance and Repo Portfolio

In the repo market, MKB continued to prioritise financing in roubles and CIS currencies. It also continued to develop relationships with companies from friendly jurisdictions, in particular in structured finance, by finding new customers and expanding the deal portfolio.

The Bank made structured finance deals in the repo format in 2024 for¹⁹:

RUB 28 bln CNY 6.1 bln

MKB continues developing its structured finance and repo portfolio secured by high-quality tradable assets, inter alia, by intensifying the existing partnerships and creating new ones with the largest national holdings and companies from friendly jurisdictions, expand its customer base and the Private Banking customer portfolio. This will improve the structure of liabilities (refinancing of asset-side operations) and widen the net interest margin of MKB.

2.2 Retail Banking (B2C)

MKB's approach to the retail segment is based on understanding customer needs and combining digital experience with a high level of service at branches and premium lounges. Just like with the corporate segment, MKB follows a client-oriented bank strategy.

Key 2024 Results

Pursuant to its approved strategy, MKB continues to solidify its retail franchise in liabilities-side operations, transaction business and premium banking. It also actively develops its payroll service business in synergy with corporate investment business and lending infrastructure re-vamping in contemplation of a revival of lending to payroll customers in coming years. A focus is placed on improving service in the key regions and segments: 2024 saw notable growth of the consumer loyalty index in Moscow and the premium segment.

The Bank also regularly made attractive deposit offers with higher rates and more cashback categories. 2 new deposit products were launched: "MKB. Grand" for pensioners and "MKB. Premium".

¹⁹ Rounded figures

Retail Banking Figures

Development drivers	2024 result
Profit	RUB 4 bln pre-tax earned ²⁰ , much more than in 2023.
Liabilities portfolio²¹	Ahead-of-market 34% growth driven by the rising key rate and the optimal interest rate policy. RUB 858 bln portfolio as at end-2024.
Loan portfolio	Remained at the stable level of RUB 217.6 bln , reflecting the conservative credit policy amid high rates and macroeconomic prudential limitations. The cost of risk also stayed stable throughout 2024.
Active customer base	12% growth of the active customer base 44% growth of the target (loyal) base Debit cards are used more and more: POS turnover rose by 28% . Special attention is given to pensioners, who represent 40% of our active customers.
Premium service	42,600 <i>Premium</i> customers, up by 36% yoy. The main focus was on the service quality as evidenced by awards for the "best premium service growth", "best relationship managers' work", "most customer-centric premium service" and premium credit card.
Payroll business	After years of stagnation, the retail segment jointly with CIB managed, following a new strategy, to expand the portfolio of payroll customers by 18% , and continues to develop the infrastructure for faster growth in the coming years.

The Bank's retail strategy seeks to expand the active customer base by 40% by 2027, with the average annual growth rate of 33% for premium customers and 40% for payroll customers.

Remote Banking (RBS)

65% of customers used RBS in 2024.

22 monthly logins per customer.

+8% growth in daily RBS users.

Given the expanding customer base and monthly RBS audience, the team focused on ensuring the front-end quality remote services, increasing the availability indicators and reducing the occurrence of errors.

²⁰ Based on internal management accounts.

²¹ Net of escrow accounts.

In parallel with the audience expansion, customers' RBS transaction activity also rose. The average number of financial operations per client grew by 10% to 6.4.

45% of customers make at least 1 remote financial operation per month.

In December 2024, remote channels brought 55% of new consumer loans and 56% of new deposits.

Last year the Bank continued developing its remote service channels, adding new features:

- taking up products in its offices through the mobile application Paper-Free Bank;
- online banking chat;
- account opening applications for sole proprietors;
- new banking product statements;
- redemption of mutual fund units, taking new products and long-term savings programmes for investors;
- international transfers;
- FPS QR code-based payments through online banking;
- optional data feed from the Digital Profile and the Pension Fund of Russia.

Mortgage Loans

In 2024 the Bank continued improving the customer service, geographical reach and profitability of mortgage lending:

- Mortgage specialists were made available in 5 more cities of presence.
- A remote transaction format was launched, enabling disbursements in any region of Russia regardless of the consulting office's location; banking operations are made remotely where the customer needs them.
- The mortgage partner base doubled.
- The Bank focused on the segment's profitability and adjusted its approaches to products and sales accordingly.

Despite the market trends and a notable reduction of originations compared to 2023, the Bank managed to expand its portfolio by 17.8% yoy to RUB 154.6 bln as at end-2024.

Mortgage lending retained its leading position in MKB's retail portfolio, despite the regulatory limitations, high rates and much weaker demand.

RUB 154.6 bln mortgage portfolio in 2024.

MKB was #11 by portfolio size as at 01.12.2024 in the ranking of mortgage banks by FRG²².

²² Frank RG (until 2018, Frank Research Group) is an analytical consultancy, specialising in research of the competitive environment in the Russian financial services market.

Consumer Loans

The performing general-purpose consumer loan portfolio was RUB 64.7 bln as at end-2024. Consumer loan origination was affected by last year's regulatory initiatives and restrictions:

- tougher macroprudential limitations;
- higher key rate.

Nevertheless, the Bank retained origination amounts and increased profitability in the target ranges compared to 2023.

The Bank launched Simple Loan on its website in April 2024: a general-purpose loan with transparent terms allowing customers to make well-balanced credit decisions, as recommended by CBR. The Bank also took steps to improve its customer service and develop its remote processes.

Card Products

In 2024 the Bank launched a long-awaited product – Kid's Card, logically continuing its customer approach based on tailored services and adaptation to the audience's features. The card can be ordered for a child aged 6 - 17 years. Children can use the card to pay for purchases, withdraw cash from ATMs, make card-to-card and phone number-linked transfers, as well as get 3% cashback from all purchases. The Bank is going to further improve its product offering for kids in 2025, by adapting MKB Online application and creating a moneybox account.

MKB put in place a new courier service in 2024 to deliver debit cards, notably cutting the delivery time. Card delivery can now be ordered through the mobile application.

Thanks to process optimisation, big payroll projects can now be deployed promptly.

In 2024 MKB started issuing debit cards to retail customers who only have foreign telephone numbers, with operation reports texted to such numbers. The service is available to nationals of 41 friendly countries.

In 2024 the Bank launched a new card product "Foreigner's Card" and made an agreement with a foreign financial organisation allowing it to issue the cards to foreigners before their arrival to Russia.

MKB is the first bank to issue cards in a foreign state.

Senior clients remain a key retail area for MKB: it supports social events, educates the "silver generation", creates comfortable and accessible banking products for retirees, organises financial literacy lectures and social tourism programmes.

MKB adjusted its card interest accrual basis in 2024: instead of the minimum balance within a month, interest now accrues on daily balances.

The Bank will also work on such technological tasks as:

- pension account designation through its mobile application;
- making its accounts selectable on the state service portal Gosuslugi for receiving pensions and welfare;
- booking accounts for pension cards ordered by new customers on its website.

In 2024 MKB systematised its debit card sale partner engagement efforts and paved the way for further development and boost of sales in 2025 – by the factor of 2 to 40,000 sales.

The partner channel is being developed towards private pension funds, online marketplaces, insurers and telecommunication companies.

MKB's POS turnover rose by **28%** yoy.

Payments and Transfers

In 2024 the Bank added more than 200 service providers and expanded its transfer functionality:

- FPS-based me2me transfers up to RUB 30 mln through MKB Online;
- FPS QR code-based payments for goods and services through MKB Online;
- cross-border transfers to Tajikistan, Kyrgyzstan, Kazakhstan, and Azerbaijan.

MKB Premium

The number of MKB Premium customers rose by 36% in 2024. Their portfolio expanded by 46% yoy to RUB 157.7 bln. Customers appreciated the Bank's work as evidenced by the consumer loyalty index rising in 2024 compared to 2023.

Last year MKB updated its range of product and services for premium customers:

- launched Accumulation Account+ allowing higher balances;
- expanded its product offering for "Premium+" customers with net worth over RUB 10 mln;
- launched MKB Premium deposit on Finuslugi platform;
- made it possible to get foreign cards;
- extended the welcome period for payroll cards under its loyalty programme.

In the reporting period, the Bank expanded the geography of branches with premium lounges, and opened a new branch in Kazan. As a result of retail network transformation, 13 offices with new format premium lounges started working. The total number of offices with premium lounges rose by 4 yoy to 40.



MKB Premium got Frank RG Award 2024

"Most customer-centric service"

For a third year in a row, MKB Premium was awarded by Frank RG. After the last year's award for the best relationship managers' work, this year MKB won the "Most customer-centric service" nomination.

In 2024 MKB Premium launched a remote service channel under a strategic project – a new service model for the premium segment, providing a high level of service in the remote format to more than 9,000 customers as at the year end.

Payroll Customers

Payroll business development is a strategic task of MKB's retail segment.

The retail segment jointly with CIB managed, following a new strategy, to expand the portfolio of payroll customers by 18% in 2024, keeping the consumer loyalty index and the payroll card satisfaction level on the rise.

Corporate customers also start preferring service over price. MKB updated its range of products and services for payroll customers in 2024:

- enabled companies using its payroll solutions to issue individual links/QR codes for their employees to order payroll cards, thus:
 - relieving their accountants from the burden of preparing registers with personal data, while card order statuses appear online in YBO;
 - making the card ordering process simpler and faster for their employees.
- extended the welcome period for MKB Premium payroll cards;
 - launched "Family Bank" programme allowing payroll customers to invite their relatives to become its customers on special terms;
 - simplified the onboarding process, optimising the document package for individuals and the form of register with personal data for companies.

MKB is to improve the quality of payroll customer journeys and services in 2025 by:

- redesigning the YBO accountant dashboard;
- implementing and developing the "Bank at Work" technology;
- optimising the processes of:
 - making a payroll agreement;
 - opening accounts and ordering payroll cards;
 - compiling payroll registers.

Retail Deposits

Accumulation Accounts

In the reporting period, the Bank modified the existing product, and expanded its product range and sale channels:

- improved its programme of card spendings-based rate additions;
- introduced a new interest accrual logic: the higher interest now always accrues on the maximum set limit;
- increased the rate additions for designating MKB to receive salaries or pensions;
- launched Accumulation Account+ for MKB Premium and Private Banking customers;
- enabled the opening of accumulation accounts on Moscow Exchange's Finuslugi platform.

MKB is the first and only bank opening accumulation accounts online on Finuslugi.

MKB is to improve the quality of accumulation account customer journeys and services in 2025 by:

- redesigning the "Deposits and Accounts" section;
- giving a privilege to Prosto subscribers;
- integrating with marketplaces (Banki.ru, Sravni.ru);
- creating savings tools for the younger generation.

Deposits

During the year, MKB promptly adjusted deposit rates, and retained its leading positions in terms of customers' satisfaction with deposit products' pricing and transparency of their terms.

Updates of MKB's retail deposit range in 2024

Deposits	Features
MKB. Warm Welcome	Promotion offer with attractive rates.
MKB. Premium	Unique offer for premium customers, furthering the cooperation with Moscow Exchange, – the first and only deposit on its platform paying monthly interest.
MKB. Grand	Higher rate for depositors receiving pensions through the bank, and priority of long-term investments. Cross selling vehicle for pensioners.
MKB. New Year	Special winter offer.
All inclusive	Rate increases given to Premium customers, pensioners and payroll customers.
MKB. Premium modification	To meet the demand for the product, the balance cap was removed.
MKB. Outlook modification	New longer terms were added. When the key rate is high, this gives an opportunity to fix a higher deposit rate for a long period. The balance cap was raised to 3 mln roubles.

Distribution Network

The pivotal element of retail business is the end-to-end omnichannel customer service platform combining online and offline channels. MKB offers the full range of products and services through its mobile application, complemented by a cost-effective branch network which also plays an important role in customer acquisition and servicing.

MKB continued to develop its retail network in 2024 with a focus on improving offices' ergonomics, locations and service quality. The chosen functional zoning system makes customers more loyal by instilling the sense of comfort and convenience. The retail network counted 95 offices as at end-2024, covering 6 federal districts, 15 regions, and 49 cities.

Regional expansion is another important area of retail network development.

MKB's offices

To improve service and sales quality, 15 more offices were refitted. Customers in Moscow Region, Saint Petersburg and Ekaterinburg can evaluate the service in the new format offices

The opening of offices in Chelyabinsk and Tyumen expanded MKB's presence in the Ural Federal District

Sales quality improvements are driven by the growing customer loyalty resulting from the personalised approach and the development of long-term trust-based customer relationships.

Service Model

Thanks to maintaining a service model for retail customers, MKB improved its service quality metrics and became more customer-centric. As a result, certain customer satisfaction indicators increased.

Retail customers' satisfaction

Customer satisfaction criterion	2024	2023	Outcome
Mystery shopper evaluation	92%	90%	+ 2 pp
VoC evaluation ²³	91%	84%* (from May 2023)	+ 7 pp

2.3 Technological Development

Technological development is an important component of the MKB value chain. During the reporting period, MKB continued to focus on improving technologies, developing, optimizing, and enhancing the reliability of banking information systems. The need to guarantee the execution and high efficiency of client operations was dictated by the main requirements in designing the Bank's IT infrastructure.

The key focus for the immediate future will be on:

- implementing the business strategy (as part of the implementation of strategic projects that must be completed within the stated time frame);
- import substitution as per the plan submitted to the Central Bank;
- ensuring the stability and accessibility of business applications.

MKB is actively developing a methodology focused on the continuous improvement of service quality delivered to its customers. In 2024, the Integral Quality Indicator incorporated more

²³ Voice of client – a method of gathering customers' feedback and opinions on their experience.

than 120 metrics sourced from over 50 of the Bank's key IT systems. The indicator remains consistently high at 92%. The integral Key Quality Indicator IT (KQI_IT) was developed by the Client Experience Directorate with support from the Information Technology Directorate (ITD). Its key goal is to show the quality of service that clients receive from the Bank using a single metric. This involves the following action: based on the data obtained from various IT systems of the Bank, a set of metrics is calculated, which, with different weights and levels of target and threshold values, highlight the quality level. This index includes indicators such as the availability of key IT systems, the success of operations within the standard time, the reduction of the number of erroneous actions of clients, etc.

The Bank continues to invest in strengthening the stability of its payment infrastructure. In 2024, all hardware and software components responsible for securing card transactions (HSM modules) were completely replaced. The new HSM modules are fully compliant with import substitution requirements and have successfully completed all stages of preliminary testing. Migration to the new modules was carried out seamlessly, with no interruptions to client services.

In 2024, MKB also introduced a new remote banking platform for corporate clients, which is set to gradually replace the current system over the medium term. The new platform leverages an event-driven architecture and a microservices-based approach, significantly enhancing the availability of banking services for corporate customers. In addition, the platform offers exceptionally high potential for horizontal scalability.

92% – the Bank's KQI_IT level based on the results of 2024.

The projects launched by MKB in 2024 include:

- Unified front-end solution for the Contact Centre:
 - the UFES functionality enables the handling of 80% of customer queries from B2C²⁴ mass segment customers;
 - customer satisfaction, as assessed using the VoC²⁵, increased from 61% to 71%;
 - the average call duration for customer queries transitioned to the UFES decreased from 254 to 175 seconds.
- Enhancement of Corporate RBS (remote banking):
 - a new corporate RBS platform was launched;
 - customer migration has commenced;
 - over 300 CIB customers are operating successfully;
 - basic transactional products for rouble settlements have been implemented.
- Implementation of FPS services within the corporate RBS channel:
 - technological upgrade: replacement of systems and technology stacks;
 - implementation of new FPS features.
- Refactoring of CBR reporting using the new Corporate Data Warehouse (CDW):
 - Data on corporate credit products has been uploaded, ensuring that 80% of the required IRB²⁶ attributes have been provided.
- Transition to a new HR and payroll system:

²⁴ Business-to-Client

²⁵ Voice of client - methodology for collecting valuable customer feedback and opinions about their experience with a company's products or services.

²⁶ Internal ratings-based approach.

- technological substitution through the deployment of domestic operating systems and DBMS²⁷.

MKB IT Academy continued to develop courses and programmes of further training.

20 training profiles at the Academy.

> 100 graduates working in the Bank's teams.

Infrastructure and Security

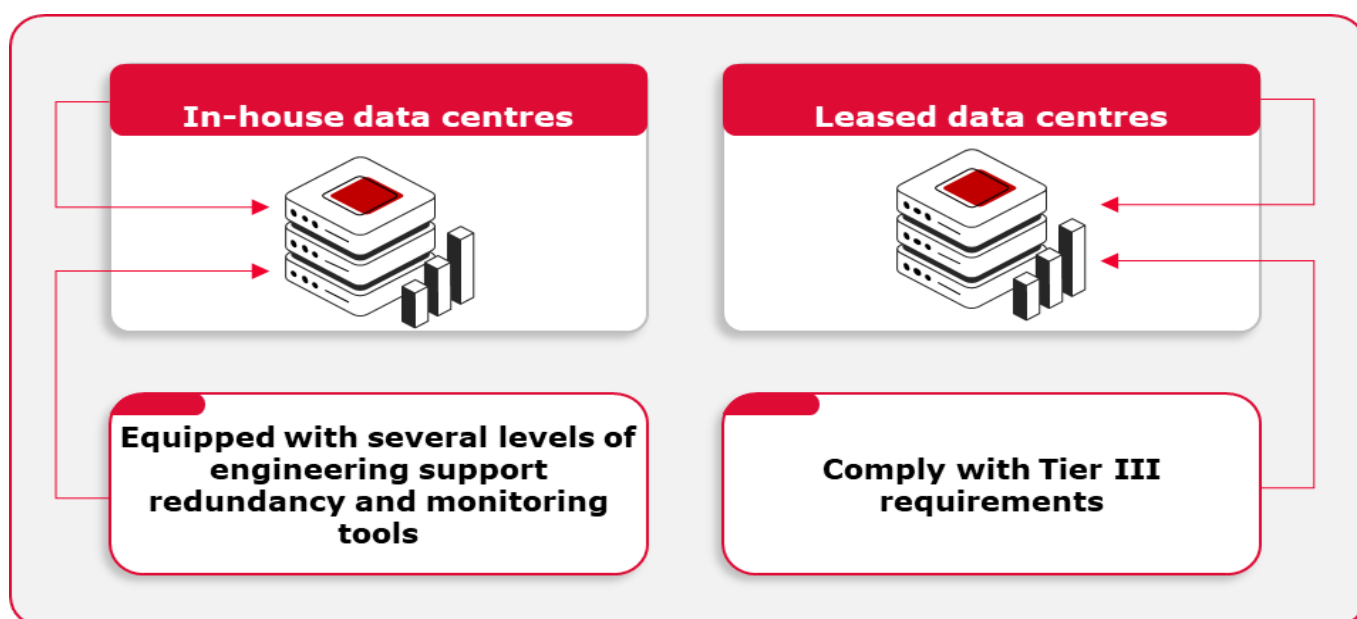
The Bank pays close attention to information security and cyber resilience. The procedures for detecting and eliminating both purely technical vulnerabilities inherent in information systems and logical vulnerabilities affecting client service processes and products continue to play a key role in the information security processes.

The key goals for 2024 included:

- completion of corporate data network core migration to commercial data centres (DCs);
- elimination of Single Points of Failure (SPoFs²⁸);
- reserving critical processes;
- ability to promptly expand IT systems' processing capacities.
- deployment of import-substituted hardware and software solutions.

To enhance the protection of the infrastructure, the Bank regularly updates its system and application software. In 2024, disaster recovery tests were conducted in the backup data processing centre of information systems (DR tests). With their help, the Bank's IT specialists verified and confirmed the target recovery time for a number of system criticality categories.

Deployment of the Bank's IT infrastructure



The measures taken by the Bank's IT specialists to enhance security included:

²⁷ Database management systems.

²⁸ A system node, the failure of which leads to the shutdown of the entire system.

- Business Operational and Office Productivity systems migrated to Tier III²⁹ data processing centres, along with Business and Mission Critical systems;
- DosGate filtering gateways implemented on internet-facing channels;
- backup systems modernised with LTO-9 tape drives across all data centres to improve recovery speed and storage capacity;
- full outage scenario successfully tested at one of the Bank's data centres as part of DR procedures.
- event-driven architecture piloted successfully. Following pilot results, the Bank expanded its technology stack for IT system integration. Key findings and technologies from the pilot were applied in the development of corporate and retail remote banking systems, the Treasury platform, and other core systems, reducing real-time dependency on Master (back-office) systems and decreasing overall system load.

In 2024, the number of microservices deployed within MKB's corporate microservice orchestration platform exceeded 1,300 and continues to grow. The development has enhanced the accessibility of individual services deployed within the platform and increases the security level of sensitive banking services. Microservice orchestration systems were deployed across all segments (PCIDSS, GOST, standard segment).

1,300 microservices published on the Kubernetes platform.

Innovative Developments

MKB is actively involved in the Russian IT industry and fully participates in key sectoral projects. In 2024, the Bank:

- made agreements with the Moscow Innovation Cluster, the Association of Russian Banks, MTS AI, and Innopolis to tackle IT challenges, specifically, to analyse the innovation landscape and identify promising technologies, set benchmarks, and exchange expertise;
- conducted the MKB Reactor acceleration programme in cooperation with Moscow State University, resulting in the completion of 16 projects with startups and one project prepared for pilot launch;
- signed a partnership agreement with the Financial Literacy Development Association (FLDA). The MKB Reactor accelerator programme in cooperation with the FLDA is at the launch stage;
- in support of open banking development in Russia, MKB collaborates with the FinTech Association (FTA) to advance Open API usage. The Bank is among the first to participate in Open API and Open Banking projects in Russia, which allow third-party companies to access data and services for the creation and delivery of their own products. These solutions offer significant advantages for customers, including a broader range of services in a convenient format, access to the bank's services via open interfaces, and foster competition and improved service quality in the banking sector. MKB is a member of the FTA Expert Council on Open API implementation for the Bank of Russia and other market stakeholders. The Council's key objectives include:
 - defining approaches to governing and organising data exchange with Open API;
 - defining approaches to setting out information security requirements;
 - consolidating proposals for the issuance of Open API standards and specifications.

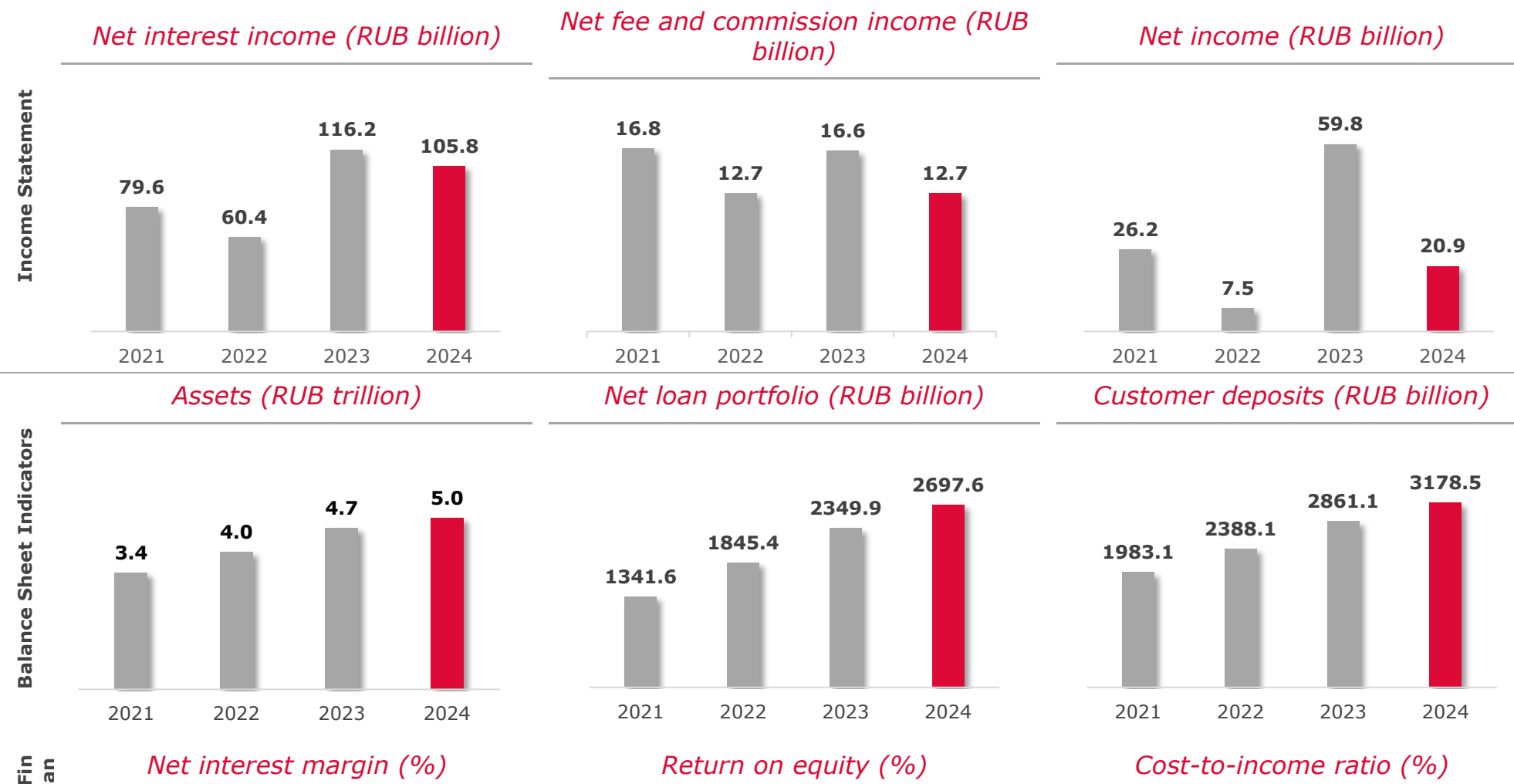
²⁹ Tier means international guidelines for the classification of reliability and availability of data processing centres.

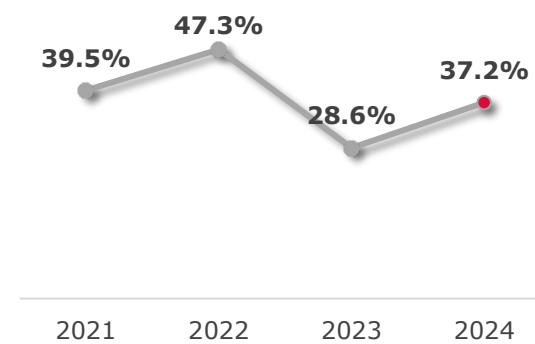
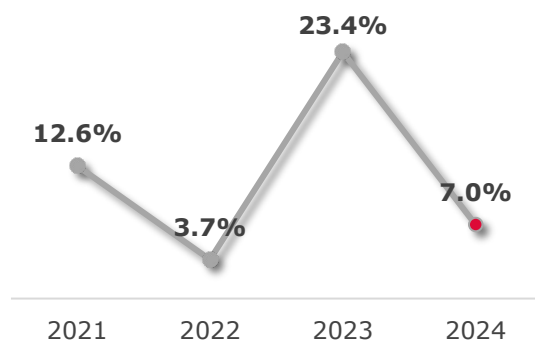
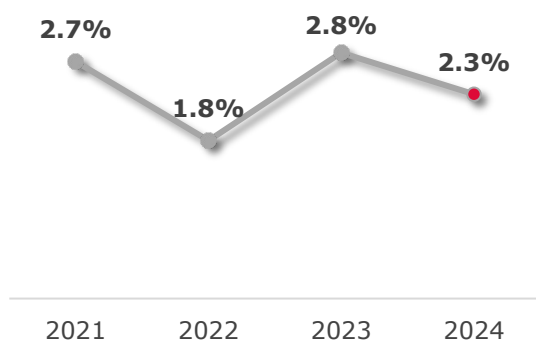
- in cooperation with major financial institutions (Sberbank, PSB, VTB, Alfa-Bank), the Bank launched a pilot of the Corporate Multibanking customer solution, enabling companies to manage their accounts across multiple financial organisations via a single window;
- conducted seven financial market studies jointly with the FinTech Association;
- completed pilot projects with startups:
 - in information and cyber security: an integrated platform for managing risks, audits, compliance, IT assets (ITAM), vulnerabilities (VM), planning and tasks, with full process automation;
 - in neural network-based services for extracting digital data from documents;
 - in the creation of a digital service for managing commercial real estate used by the Bank.

3. Financial Performance

GRI 3-3

3.1 Key Financial Results





3.2 Key Results

- Total assets rose by 7.3% in 2024 and reached RUB 5 tln (as at 31 December 2023: RUB 4.7 trillion).
- Return on equity and return on assets were 7.0% and 0.4% respectively (23.4% and 1.4% as at end-2023).
- Net loan portfolio rose by 14.8% to RUB 2.7 tln (as at 31 December 2023: RUB 2.4 trillion)
- Gross corporate loan portfolio rose by 16.5% and reached RUB 2.6 tln (as at 31 December 2023: RUB 2.2 trillion)
- Gross retail loan portfolio expanded by 7.6% to RUB 223.2 bln (as at 31 December 2023: RUB 207.4 bln)
- Customer deposits increased by 11.1% yoy to RUB 3.2 tln (as at 31 December 2023: RUB 2.9 trillion)
- Corporate deposits increased by 3.9% yoy to RUB 2.2 tln (as at 31 December 2023: RUB 2.1 trillion)
- Retail deposits rose by 30.2% to RUB 1 tln (as at 31 December 2023: RUB 0.8 trillion)
- Net interest income decreased by 8.9% compared to 2023 to RUB 105.8 bln, net interest margin was 2.3% (for 2023, respectively: RUB 116.2 bln and 2.8%)
- Net income reached RUB 20.9 bln (as at end-2023: RUB 59.8 bln)
- Cost-to-income ratio (CTI) was 37.2% (as at end-2023: 28.6%)

3.3 Income Statement Analysis

Interest Income

The bank's interest income rose by RUB 253.2 bln, or by 60.1%, in 2024 to RUB 674.2 bln (2023: RUB 421.1 bln) due to the greater profitability and volume of the working assets and the rising key rate.

Interest Expense

In 2024, the bank's interest expenses increased by RUB 262.3 billion and amounted to RUB 564.0 billion (2023: RUB 301.7 billion) as a result of the increase in the cost of funding and high competition for customer funds in the banking sector.

Net Interest Income

The table below shows the main components of the bank's NII for 2024 and 2023.

	2024	2023
	(RUB bln)	
Interest income	674.2	421.1
Interest expense	(564.0)	(301.7)
Deposit insurance costs	(4.4)	(3.2)
Net interest income	105.8	116.2
Net interest margin	2.3%	2.8%
Net interest income as percentage of average RWA	3.6%	4.4%

The bank closed 2024 with lower net interest margin and net interest income. Its NII fell by RUB 10.3 bln, or 8.9%, to RUB 105.8 bln (2023: RUB 116.2 bln), while the net interest margin narrowed by 50 bps to 2.3% as the cost of funding grew faster due to high rates and funding market competition.

Fee and Commission Income

The largest source of the bank's non-interest income is its fee and commission income which comprises commissions earned on guarantees and letters of credit, bank cards, cash operations, settlements and wire transfers, and other fee-generating operations.

The bank's total fee income dropped by RUB 1.9 bln, or by 8.3%, in 2024 to RUB 20.5 bln (2023: RUB 22.4 bln) mainly due to the cessation of an inefficient part of the cash collection business.

Fee and Commission Expense

The bank invested much in customer loyalty and development of an active customer base in 2024, which was one of the primary drivers of the fee expense growth (by RUB 2 bln to RUB 7.8 bln).

Net Fee and Commission Income

As a result, the bank's net fee and commission income fell by 23.2% to RUB 12.7 bln in 2024 (2023: RUB 16.6 bln).

Operating Expense

The bank's operating expense rose by RUB 1.2 bln, or by 3%, to RUB 41.5 bln in 2024 (2023: RUB 40.3 bln) driven by the salaries and employment benefits, and administrative expenses.

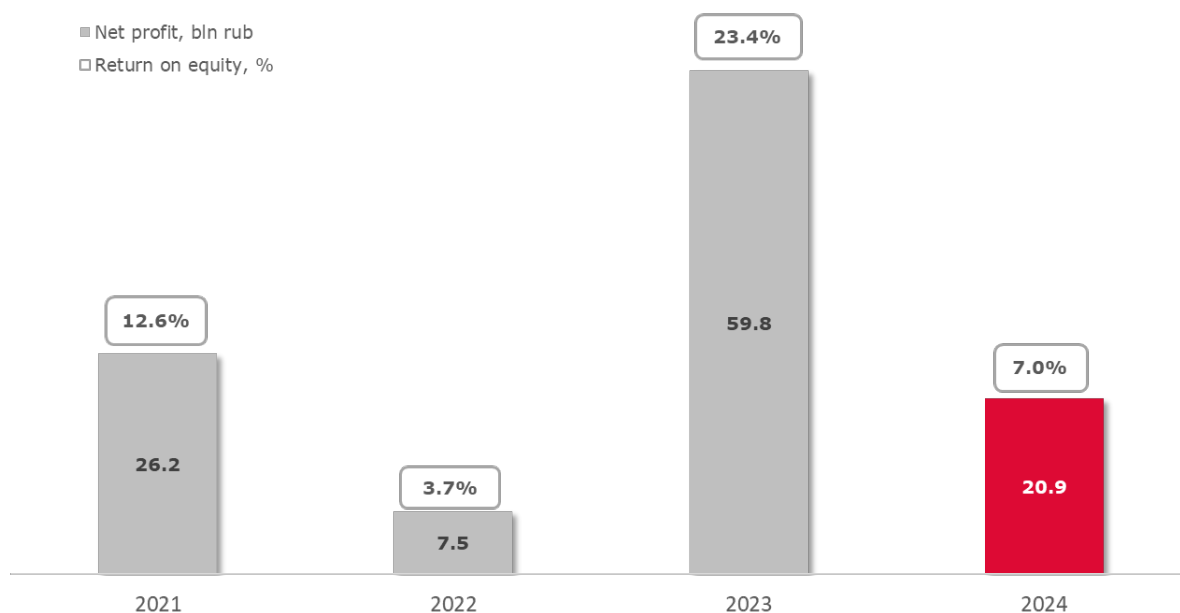
The bank invested in digitalisation and import replacement, while making sure its operating expenses grew below the inflation. The cost-to-income (CTI) ratio was 37.2% at 2024YE (2023: 28.6%).

Net Income

Net income for 2024 was RUB 20.9 bln (2023: RUB 59.8 bln). The profitability was under heavy pressure from one-off developments (of both market and regulatory nature): negative revaluation of the securities portfolio as the Bank of Russia toughened its monetary policy and provisions charged for blocked assets.

Return on equity was 7.0% as at end-2024 (2023: 23.4%).

Net Income and Return on Equity



3.4 Structure of Assets and Liabilities

Balance Sheet

RUB mln	2024	2023	Change
Assets			
Cash and cash equivalents	1,429,849	1,379,038	+3.7%
Obligatory reserves with the CBR	18,387	9,747	+88.6%
Due from credit institutions	72,846	91,341	-20.2%
Loans to customers	2,697,626	2,349,903	+14.8%
Securities	692,253	780,309	-11.3%
Derivative financial assets	13,797	12,884	+7.1%
Property and equipment	17,149	15,632	+9.7%
Other assets	67,044	28,164	+138.0%
Total assets	5,008,951	4,667,018	+7.3%
Liabilities and equity			
Due to CBR	71,129	881	+7,973.7%
Due to credit institutions	1,169,299	1,200,108	-2.6%
Due to customers	3,178,512	2,861,071	+11.1%
Liabilities at FVTPL	3,531	-	-
Derivative financial liabilities	6,028	5,694	+5.9%
Debt securities issued	168,914	213,118	-20.7%
Other liabilities	62,237	38,214	+62.9%
Total liabilities	4,659,650	4,319,086	+7.9%
Equity Capital			
Share capital	34,292	34,292	0.0%
Additional paid-in capital	77,290	77,290	0.0%
Perpetual debt issued	61,261	54,626	+12.1%
Revaluation reserve for financial assets at fair value through other comprehensive income	(23,267)	(4,623)	+403.3%
Other provisions	766	526	+45.6%
Retained earnings	198,959	185,821	+7.1%
Total equity	349,301	347,932	+0.4%
Total liabilities and equity	5,008,951	4,667,018	+7.3%

Assets

The bank's total assets increased by 7.3% or RUB 341.9 bln in 2024 and reached RUB 5,009 bln (31 December 2023: RUB 4,667 bln) driven mainly by the loan portfolio.

Loan portfolio

The gross loan portfolio grew by 15.8% to RUB 2,815.6 bln in 2024 (31 December 2023: RUB 2,432 bln). The portfolio had a 92.1% share of corporate loans and a 7.9% share of retail loans (31 December 2023: 91.5% and 8.5%, respectively).

The corporate loan portfolio expanded by 16.5% to RUB 2,592.5 bln in 2024 (31 December 2023: RUB 2,224.6 bln). The bank continues to focus on sectoral diversification, increasing its exposure to such sectors as transport services (+244%), food and agricultural products (+56%), mining of precious metals and ores (+49%), industrial machinery and equipment (+40%), chemicals (+36%), clothes, shoes, textile, sporting goods (+22%); while also seeking to do more business with its existing customers.

As retail customers prioritised savings, MKB's retail loan portfolio expanded by 7.6% to RUB 223.1 bln (31 December 2023: RUB 207.4 bln).

The ratio of non-performing loans (NPL 90+) was 3.2% as at end-2024 (as at 31 December 2023: 1.1%). The LLP/NPL coverage ratio was at a comfortable level of 132.5% (31 December 2023: 305.5%).

Cash and Cash Equivalents

As at 31 December 2024, cash and cash equivalents increased by 3.7% to RUB 1,429.8 bln as compared to RUB 1,379 bln as at 31 December 2023.

As at 31 December 2024, cash and cash equivalents included claims under reverse repos of RUB 1,189.2 bln (31 December 2023: RUB 1,126.6 bln) secured upon liquid securities. As at 31 December 2024, RUB 1,120.3 bln worth of securities held under reverse repos were on the Lombard List published by CBR (31 December 2023: RUB 1,065.6 bln).

Accounts and deposits with banks and credit institutions contracted from RUB 91.3 bln as at end-2023 to RUB 72.8 bln as at end-2024.

Securities Portfolio

MKB's securities portfolio comprised 13.8% and 16.7% of its total assets as at 31 December 2024 and 2023, respectively.

As at 31 December 2024, its securities portfolio totalled RUB 692.3 bln (31 December 2023: RUB 780.3 bln).

As at 31 December 2024, RUB 583.9 bln worth of securities were on the Lombard List published by CBR (31 December 2023: RUB 636.7 bln).

Liability Structure

The bank's funding base consists primarily of deposits from corporate and retail customers. Other financing sources include domestic bond and Eurobond issues, as well as funds raised in the Russian interbank market. The bank also has access to the Bank of Russia's financing on a secured and unsecured basis.

As at 31 December 2024, MKB's liabilities totalled RUB 4,659.7 bln (31 December 2023: RUB 4 319,1 bln), having increased by RUB 340.6 bln, or 7.9%. The growth was mainly driven by customer deposits.

Funding Base

Current Accounts and Deposits by Customers

As at 31 December 2024, customer accounts and deposits represented 68.2% of the total liabilities, or RUB 3,178.5 bln (31 December 2023: RUB 2,861.1 bln) which is 11.1% more than the year before.

The deposit base expanded mainly due to a strong 30.2% inflow of retail deposits that reached thus RUB 1,022.9 bln (31 December 2023: RUB 785.5 bln), and their share of total deposits rose from 27.5% as at 31 December 2023 to 32.2% as at 31 December 2024. This was mainly driven by growing term deposits and accumulation accounts as the Bank of Russia raised the key rate. The bank continues to offer highly competitive terms in the retail deposit market, diversifying its funding base and sticking to its strategic liquidity management goals.

The corporate accounts also increased in 2024 – by 3.9% to RUB 2,155.6 bln (31 December 2023: - RUB 2,075.6 bln). Historically, customer deposits are a strong source of liquidity for the bank as they grow steadily with the expansion of its customer base.

Due to Credit Institutions

Due to credit institutions include payables under repurchase agreements, term deposits and current accounts. Due to credit institutions represented 25.1% and 27.8% of total liabilities as at 31 December 2024 and 2023, respectively.

This item barely changed in 2024 and was RUB 1,169.3 bln as at 31 December 2024 (31 December 2023: RUB 1,200.1 bln).

Due to CBR

Deposits by the Bank of Russia grew from RUB 0.9 bln as at end-2023 to RUB 71.1 bln as at end-2024.

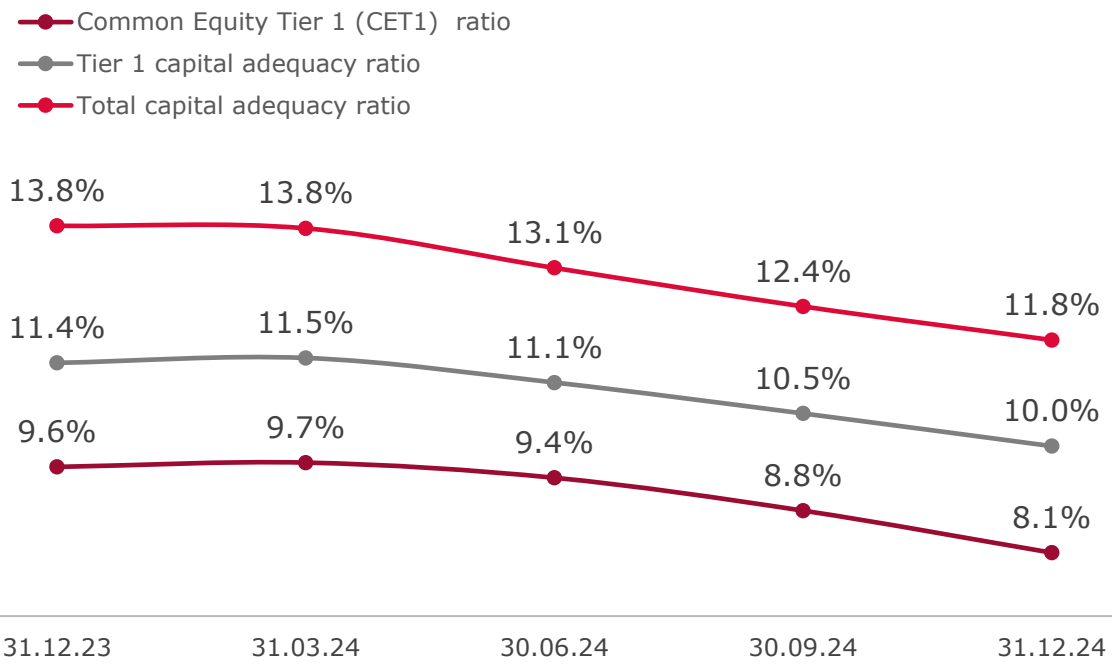
Debt Instruments

Debt securities issued represented 3.6% and 4.9% of MKB's total liabilities as at 31 December 2024 and 2023, respectively. The total amount of debt instruments shrank by 20.7% yoy to RUB 168.9 bln (31 December 2023: RUB 213.1 bln) due to the redemption of maturing items.

Equity

Equity Capital

The bank's total capital saw a year-on-year increase of 0.4%, reaching RUB 349.3 bln (31 December 2023: RUB 347.9 bln). This was primarily driven by a 7.1% increase in retained earnings, which amounted to RUB 199 bln (31 December 2023: RUB 185.8 bln). The capital adequacy ratios slightly decreased as at end-2024 (see the chart). As at 31 December 2024, the Common Equity Tier 1 (CET1) ratio was 8.1%, the tier 1 capital adequacy ratio was 10.0%, and the total capital adequacy ratio was 11.8% (31 December 2023: 9.6%, 11.4% and 13.8%).

IFRS Capital Adequacy (Basel III)

4. Risk Management

4.1 Approach to Management

GRI 2-12, GRI 2-13, GRI 2-16, GRI 2-25, IFRS S1 27(a), IFRS S1 44 (a)

MKB has developed comprehensive risk management and internal control systems designed to protect the Bank's assets, enhance business processes, and ensure compliance with Russian laws.

→ For more information, see the [Internal Control section](#).

MKB's primary objective in risk management is the timely identification and effective management of risks. In other words, the Bank seeks to minimise the likelihood of risk events and manage their consequences optimally should they occur. The Supervisory Board, the Bank's authorised governing bodies, the Internal Control Section, and the Risk Management Directorate regularly review risk management issues, ensuring the effectiveness, maintenance and improvement of the Bank's risk management system at an appropriate level.

MKB has developed bylaws governing its risk management activities, the most important being the Risk and Capital Management Strategy of the Banking Group.

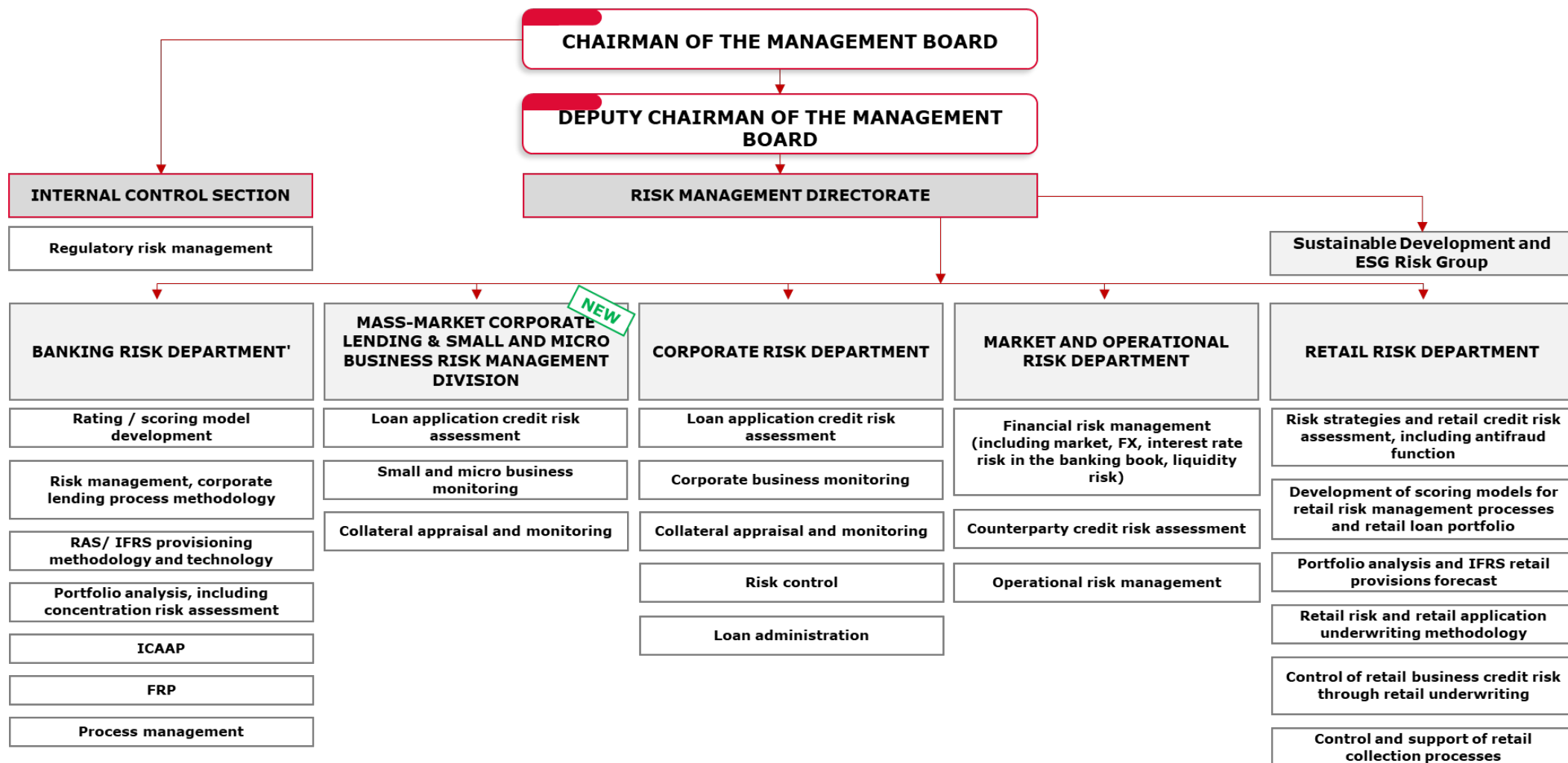
MKB places particular emphasis on fostering risk-aware behaviour across all levels of staff. Regular training is delivered both in person (seminars and webinars) and through mandatory online courses. In 2024, all bank employees (more than 5,000 people) received training in operational risk management. A key driver of a strong risk culture at the Bank is the example set by leadership, from top executives to mid-level and line managers.

To attract future talent, the Bank also organises specialised seminars for students at leading Russian universities.

The integrated risk management system established at MKB enables it to adapt to both external and internal challenges and supports the achievement of the goals set forth in the Bank's Strategy. The pace of loan portfolio growth in 2024 was slower than in 2023, as the increased key interest rate continued to weigh on the creditworthiness of counterparties.

A new "*Small and Micro Business*" segment was approved as part of the Bank's Strategy. Accordingly, in 2024, a separate Mass-Market Corporate Lending & Small and Micro Business Risk Management Division was established within MKB's risk management structure. It was carved out of the Banking Risks Department and reports directly to the Head of the Risk Management Directorate. Its specialisation includes the analysis of credit transactions, the development of methodologies, and the creation of risk assessment tools tailored to this segment.

Risk Management Structure



NEW

Changes vs 2023

MKB assesses the effectiveness of its system at least annually through internal and external audits and inspections, which aids the Bank in refining its risk management methods.

Indicators for assessing the performance of risk management subdivisions:

- compliance with the target COR³⁰ level at the end of the reporting period;
- compliance with established risk appetite levels and economic capital limits;
- delivery of approved risk management objectives, such as:
 - development of small and micro business risk management procedures;
 - development of quantitative risk assessment models;
 - development of retail and Private Banking risk management procedures;
- achievement of the required level of operational quality within the risk management divisions;
- participation in the implementation of the bank's strategic projects.

As at the year-end 2024, all targets were achieved.

In addition to changes in the risk management structure, MKB significantly improved certain elements of its risk management system during the reporting period:

- an individual roadmap for MKB's transition to the internal ratings-based (IRB) approach by 2030 was developed and submitted to the Bank of Russia for approval; the project is now being implemented in accordance with the approved schedule;
- the structure of regulatory documents and internal processes under the ICAAP³¹ was substantially optimised following a methodology audit of internal capital adequacy assessment procedures conducted with an external consultant;
- regular stress tests to assess the impact of elevated key interest rates and their potential further increases on the quality of the Bank's corporate loan portfolio, as well as targeted industry-specific stress tests in response to issues in certain sectors (e.g., the effect of crop losses caused by frost on the agricultural producers' portfolio) are conducted;
- the infrastructure required for the launch of the "Small and Micro Business" segment was prepared: the segment development strategy, credit process and product concepts, and risk assessment tools were agreed, enabling the Bank to begin lending in this segment in 2025;
- new anti-fraud tools were implemented and scoring models used in loan decision-making were enhanced in retail risk management;
- behavioural models were improved for assets- and liabilities-side products to assess interest rate risk in the banking book and ensure risk-based pricing; the calculation of interest rate risk metrics was automated;
- the method for calculating operational risk included in the Bank's capital adequacy ratio was revised to use internal loss ratio calculations, with both the Bank's

³⁰ Cost of risk represents the extent of the Bank's risk exposure and is measured as the ratio of credit loss provisions to the total loan portfolio

³¹ ICAAP means the Internal Capital Adequacy Assessment Process.

financial indicators and statistics on operational risk event losses taken into account;

- individual business continuity and/or recovery plans were tested, and the documentation governing operational resilience risk management was updated.

4.2 Risks Identified by MKB

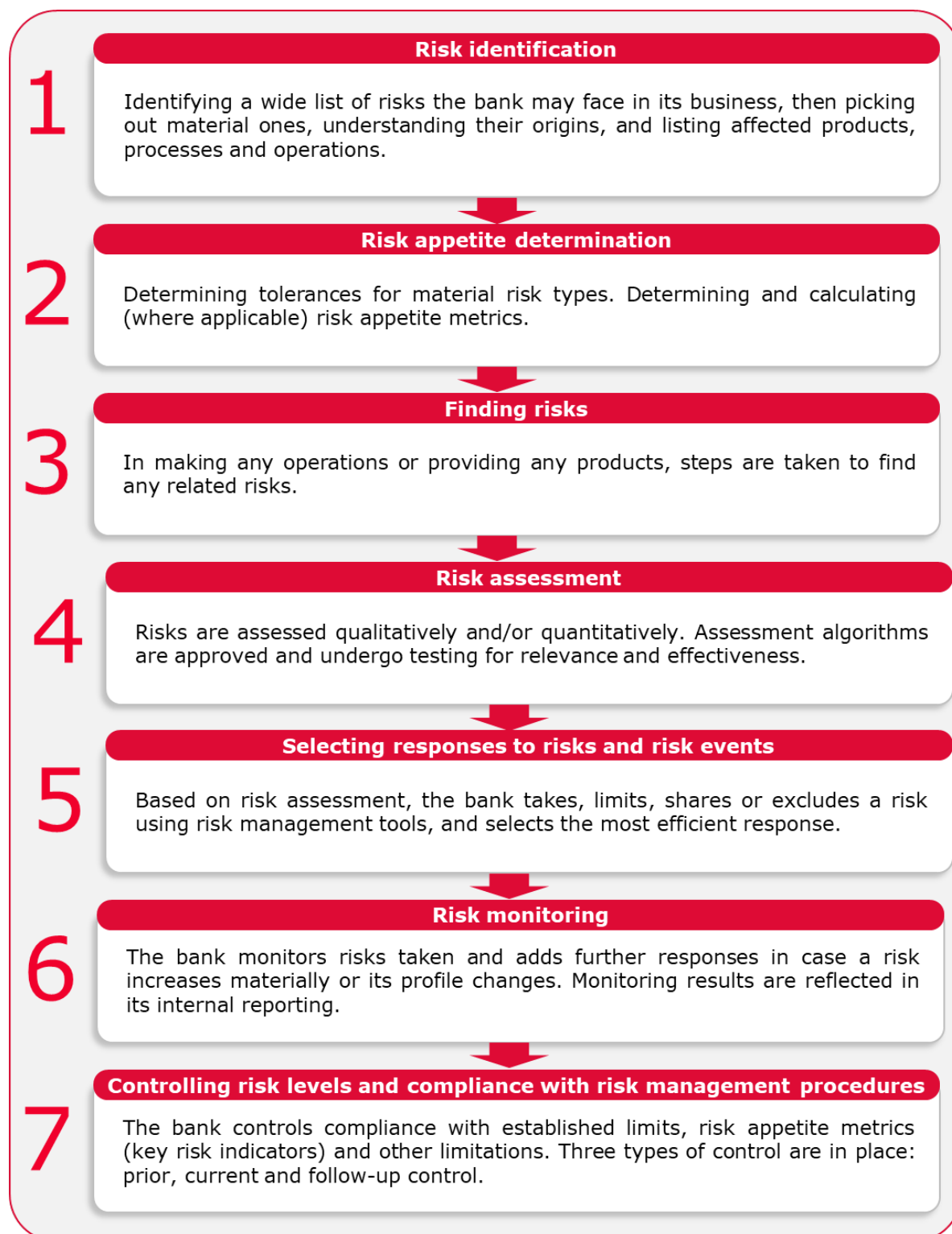
MKB identifies seven groups of material risks that encompass all aspects of its operations. The Bank places a high emphasis on information security risks, being one of Russia's systemically important credit and financial institutions and valuing its clients' trust.

MKB singles out ESG risks that are incorporated into its holistic risk management system.

➔ *For more information, see [the Sustainability at MKB section](#).*

The Bank manages risks in accordance with the following stages, each involving responsible subdivisions/employees:

Risk Management Stages



4.3 Risk Materiality Assessment

As part of the 2024 annual material risk identification process, the full list of risks to which the Bank is exposed was updated and their materiality was assessed. As per the Bank's internal procedures, risk materiality assessment depends on two factors:

- the quantum of risk arising from operations (transactions), determined by assessing:
 - the amount of potential loss;
 - their complexity;
 - their ageing (risks of new operations);
 - their amount and exposure to each identified risk type.
- probability (forecasted frequency) of risk events assessed through:
 - frequency of risk events;
 - probability of risk events.

Each of these factors is analysed in accordance with the Bank's internal methodology using numerical criteria.

The materiality tests result in a risk map. Based on this, the Bank decides to recognise certain types of risks as material and subsequently develops a management system for each such risk.

IFRS S1 30 (a)

Map of MKB's Material Risks 2024

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
Credit risk (including residual risk)			
The bank's exposure to losses due to non-performance, late or partial performance of contractual financial obligations owed to it, and to consequences of a deteriorated condition of its borrowers, counterparties or securities issuers.	<ul style="list-style-type: none"> credit risk of default counterparty credit risk 	<p>The bank has in-house models to quantify the probability of default and other credit risk components used to estimate expected losses, required economic capital and risk-weighted assets. The Bank sets aside provisions for credit operations that are adequate to the risk taken, in conformity with the Bank of Russia's requirements.</p> <p>Credit risk is measured using an evaluation system involving analysis of general risk factors, sectoral features, and counterparty-specific risk factors and nature of business. Credit risk is limited (controlled) by means of a multi-level system of limits applicable to individual counterparties/exposures and to portfolios of exposures grouped by a certain attribute (sector limits, limits by business areas and types of financing, limits</p>	<ul style="list-style-type: none"> Implementation of major changes in corporate credit risk management through the IT projects "New Credit Process 2.0" and IRB was continued; to centralise operations, the monitoring function for construction projects and contracts was transferred from business subdivisions to the risk management subdivision; stress tests of the Bank's corporate customers were conducted to assess the impact of key rate increases and other factors on their ability to service their obligations to the Bank; infrastructure (decision-making systems and risk

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
		<p>on concentration of largest borrowers, etc.).</p> <p>In order to reduce credit risk, the Bank limits the total exposure to a single borrower (group of related borrowers). Credit risks are managed using limits set for various types of transactions, with regular monitoring of borrowers' creditworthiness. Lending activities are coordinated, and related decisions are taken, by the bank's Credit Committee whose members represent all subdivisions concerned, including risk management (with veto and advisory rights). Some decision-making powers in respect of credit transactions and amending credit resolutions made earlier by an authorised body may be delegated to authorised officers under the four-eyes principle. Credit risk management activities are coordinated by the Credit Risk Committee, a specialised management body reporting to the Management Board.</p>	<p>assessment tools) to support the issuance of guarantees to customers in the <i>Small and Micro Business</i> segment was developed;</p> <ul style="list-style-type: none"> • an industrial-grade system for calculating internal credit ratings was put into industrial operation; • new anti-fraud models using new external data sources to assess the probability of fraud were implemented in the retail segment; • the share of manual underwriting decisions was reduced to 4–19%, depending on the retail product, through process optimisation; • the loan restructuring decision-making process under special support programmes for the population in combat zones was automated.

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
Operational risk (including residual risk)			
Exposure to direct and indirect losses resulting from imperfect or wrong internal processes, actions of staff and other persons, failures of and flaws in information, technological or other systems, or from external events.	<ul style="list-style-type: none"> • model risk • risk of project management errors • risk of management process errors • payment system risk • risk of business continuity interruption • risk of losing funds belonging to clients, counterparties, employees, and third parties • risk of personnel management process errors • information systems risk • risk of errors in the internal controls execution processes • legal risk • information security risk 	<p>The Bank's set of measures to mitigate the likelihood of operational risk events:</p> <ul style="list-style-type: none"> • standardisation of operations (transactions), collective decision-making for major transactions, distribution of authority and duties in making transactions, ensuring related reporting and follow-up control designed to prevent (limit) operational risk, and implementation of a control system for those procedures; • implementing systems for automating banking technologies and information security and developing them continuously, which allows the scope and nature of the Bank's activities to align with its technical capabilities. Establishing and segregating rights of access to information and information systems; 	<ul style="list-style-type: none"> • Operational risk training sessions were held for employees across all subdivisions (including specialised training on certain operational risk management procedures); • as part of preparations for the transition to operational risk calculation using an internal loss-based coefficient, a retrospective analysis of losses incurred in 2019–2021 from operational risk events was conducted; • the set of key risk indicators (KRIs) was updated, and the Bank's Process Register was updated and approved, indicating the criticality category of each process; • individual business continuity plans were developed and, in some cases, tested for specific subdivisions and the processes they manage.

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
	<ul style="list-style-type: none">outsourcing risk	<ul style="list-style-type: none">transfer of risk, in particular by insurance, including property insurance (insurance of buildings, other assets, including money and securities, from loss, shortage or damage, in particular inflicted by third parties or staff, and business risk insurance covering losses resulting from banking risk events) and personal insurance (H&S insurance);development and optimisation of internal processes and their regulation in bylaws that are subject to mandatory approval by the subdivisions responsible for assessing operational risk.	

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
Market risk (including residual risk)			
Exposure to any losses or impact due to adverse changes in the market value of financial instruments in the trading portfolio, including any derivatives (on- and off-balance sheet), as well as in foreign exchange rates.	<ul style="list-style-type: none"> • interest rate risk associated with the instrument • FX risk in the banking book (FXRBB) • equity risk • commodity risk 	<p>The bank manages market risks in line with the Bank of Russia's regulations and also uses internal methods compliant with guidelines of the Basel Committee on Banking Supervision. The Bank manages its market risk by setting limits on sensitivity to risk factors, position limits, and limits on scenario Stress P&L. Limits and positions are monitored on a regular basis, reviewed, and approved by the Assets and Liabilities Management Committee/the Management Board. In addition, the bank uses stress tests to model the impact of different market scenarios.</p> <p>The Bank applies conservative approaches to building its securities portfolio so as to avoid significant losses that could affect its financial stability. To assess its exposure to maximum market risk losses, the Expected Shortfall (ES) is calculated.</p>	

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
Liquidity Risk			
<p>The risk of the Bank's failure to fund its activities, i.e. to ensure the growth of its assets and perform its obligations in full as they fall due without incurring losses threatening its financial stability.</p>	<ul style="list-style-type: none"> • physical liquidity risk • regulatory liquidity risk • structural liquidity risk 	<p>The bank's liquidity risk management procedures include the following:</p> <ul style="list-style-type: none"> • funding needs determination procedures, including liquidity surplus/shortage identification and limitation (setting liquidity limits); • procedures for liquidity forecasting and time analysis of liquidity (short-term, current and long-term liquidity); • procedures for setting liquidity limits and developing ways to control compliance with such limits, to report limit violations to the bank's management bodies and suggest corrective actions; • procedures for daily and longer-term liquidity management; • methods for analysing liquidity of assets and stability of liabilities; 	<ul style="list-style-type: none"> • The quality of liquidity risk management was improved by introducing a more advanced (and exceeding regulatory standards) liquidity control metric – "Survival Horizon" – which provides an assessment of the bank's resilience to liquidity risk under various stress scenarios.

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
		<ul style="list-style-type: none"> liquidity recovery procedures, including procedures for making decisions on mobilisation (sale) of liquid assets and other possible (and most easily accessible) ways of additional funding in case of liquidity shortage. <p>Final decisions as to liquidity risk are taken by the ALCO/Management Board, thus ensuring comprehensive and effective control over that risk. Stress testing is conducted with due regard for risk factors that affect changes in the projected liquidity status, as well as the Bank's ability to mobilise liquid assets in case of a liquidity shortage. This ensures the lack of significant liquidity gaps, uninterrupted discharge of obligations, reduced costs in connection with the unscheduled raising of additional liabilities in emergencies, and increased profitability of active operations due to the correct choice of placement instruments.</p>	

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
Interest Rate Risk in the Banking Book (IRRBB)			
<p>The exposure to financial losses and/or equity erosion due to a decrease in net interest income (interest margin) and/or adverse changes in the value of the assets and liabilities, and off-balance sheet commitments and liabilities resulting from a change in financial market interest rates.</p>	<ul style="list-style-type: none"> • risk of gaps in the term structure • basic risk • option risk 	<p>Interest rate risk in the banking book management procedures include the following:</p> <ul style="list-style-type: none"> • gap analysis using interest rate stress tests; • identification of major sources of IRRBB inherent in operations (transactions) sensitive to interest rate changes; • modelling of the maturities and cost of assets (liabilities), in particular setting target product maturities at the business subdivisions' level in the course of the business planning process; • IRRBB limits with related compliance controls, a system to report limit violations to the bank's management bodies, and a correction process. <p>Final decisions as to interest rate risk in the banking book are taken by the Assets & Liabilities Committee / Management Board, thus ensuring comprehensive and effective control over that risk.</p>	

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
		<p>The bank sets and regularly controls relevant limits linked to loan utilisation effectiveness, profitability and maximum interest rate gaps on various time horizons. To limit the impact of interest rate risk in the banking book on the bank's financial results, the bank analyses maturities of loans issued and funding raised to find any mismatches between its interest rate-sensitive assets and liabilities. This analysis helps decide what structure of assets and liabilities is optimal and ensures maximum resilience to financial losses caused by interest rate risk.</p>	
Concentration Risk			
<p>The risk of significant losses that can pose a threat to the credit institution's solvency and ability to continue its business due to its large exposures.</p>	<ul style="list-style-type: none"> • major counterparties • branch of economy • individual liquidity sources 	<p>Concentration risk management procedures include the following:</p> <ul style="list-style-type: none"> • concentration risk identification and measurement procedure; • a list of concentration limits on the existing structure of the bank's risk-bearing assets grouped into portfolios by various attributes, and on 	<ul style="list-style-type: none"> • The industry classifier was updated, resulting in a redistribution of customer across sectors and a reduction in concentration compared to 2023: the share of the top-1 sector decreased from 26% to 14%, and of the top-3 sectors from 56% to 33%.

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
		<p>aggregate indicators of its operations. The aim is to limit losses resulting from overconcentration on certain counterparties, groups of counterparties or groups of assets;</p> <ul style="list-style-type: none"> defining ways to control compliance with such limits, in particular control the bank's portfolios of instruments with the aim to identify risk concentrations that are new for it and are not captured by the concentration limit system, reporting of limit violations to its management bodies, and corrective procedures. 	
Reputational risk			
The exposure to losses due to negative perception of the Bank by shareholders, counterparties, supervisory bodies or other stakeholders, which may affect its		<p>Reputational risk management procedures include the following:</p> <ul style="list-style-type: none"> procedures/tools/mechanisms for dealing effectively with all categories of stakeholders; ethical conduct in providing services; 	<ul style="list-style-type: none"> Reputational risk reporting was introduced and incorporated into the overall risk reporting framework.

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
<p>ability to maintain and/or establish business relationships and maintain access to funding sources on an ongoing basis.</p>		<ul style="list-style-type: none"> • ongoing monitoring of internal and external reputational threats; • understanding shareholders' and investors' expectations as to disclosure; • maintaining an advanced corporate governance system and developing it in line with the bank's strategic goals and interests of all stakeholders; • ensuring an advanced corporate culture; • adherence to the code of professional ethics and culture; • transparent and advanced staff remuneration, incentive, training and refresher system. <p>The bank makes considerable efforts to promote its image in the eyes of its customers and the public by becoming more transparent. Reputational risk management is an integral part of the risk management system and directly involves the bank's management.</p>	

Risk definition	Risk subtypes	Key risk management elements	Risk mitigation measures taken in 2024
		The probability and amount of losses that can be caused by this risk largely depends on the level of this risk in the Russian banking sector as a whole.	

5. Corporate Governance System

Key facts and results for 2024

14,438 shareholders – the total number of Bank shareholders as at 31.12.2024

33,429,709,866 ordinary shares with a nominal value of RUB 1 each – the total number of the Bank's registered, issued, and outstanding shares

25% – the proportion of women in the Supervisory Board

6 sustainable development issues were discussed at the Supervisory Board meetings

96% – attendance rate at the Supervisory Board meetings

UN Global Sustainable Development Goals



Bylaws

- Charter
- Regulation on the General Shareholders' Meeting
- Regulation on the Supervisory Board
- Regulation on the Management Board and Chairman of the Management Board

5.1 Corporate Governance Memorandum

GRI 3-3

The Bank recognises the importance of developing its corporate governance system and due observance of stakeholders' interests.

Enhancing the Bank's corporate governance is a crucial aspect of harmonious and sustainable business development. The Bank continuously refines its corporate governance system, guided by the best Russian and international management practices, and with due regard for the expectations and needs of all its stakeholders. Effective business management enables the Bank to achieve goals and remain competitive in a rapidly changing world.

The Bank seeks to meet the best international and Russian standards by continuously improving its governance system in line with the Russian Corporate Governance Code recommended by the Bank of Russia and international corporate governance standards setting out most important principles shared by the bank's shareholders, directors and officers.

The commitment of the Bank's shareholders, Supervisory Board members and employees to the Corporate Governance Code is attested by the fact that its principles and provisions are incorporated into the bank's bylaws, and its corporate governance

system is being developed according to a plan approved by the Supervisory Board. The development of corporate governance practices in the Bank is overseen by the Compensation, Corporate Governance and Nominations Committee of the Supervisory Board.

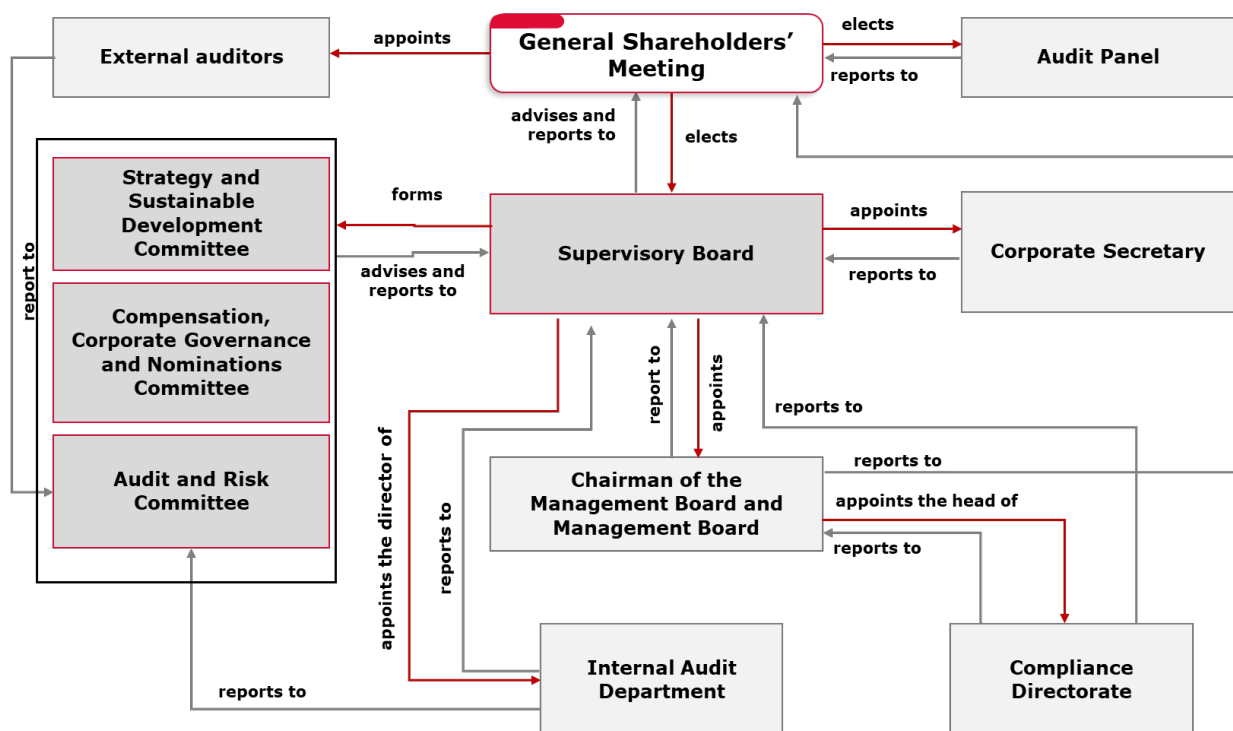
The Supervisory Board pays much attention to the protection of minority shareholders' interests and to the quality of the Bank's disclosures to all stakeholders. To protect shareholders' interests and facilitate the achievement of the Bank's goals, the Supervisory Board regularly reviews the risk management and internal control system's effectiveness.

The controlling shareholder recognises the importance of the issues listed above and is interested in their comprehensive consideration in order to protect the interests of the Bank's stakeholders.

5.2 MKB's Corporate Governance System

GRI 2-9, GRI 2-12

The Bank's corporate governance structure comprises the General Shareholders' Meeting, the Supervisory Board, its three committees, and the Management Board. The sustainable development management is integrated into the existing corporate governance system of the Bank and is performed across all its organisational levels.



Key bylaws governing the Bank's corporate governance are:

- the Charter;
- the Regulation on the General Shareholders' Meeting;
- the Regulation on the Supervisory Board;
- the Regulation on the Management Board and Chairman of the Management Board.

Improvement and Development of the Bank's Corporate Governance System in 2024 and Plans for 2025

In 2024, due to changes in applicable Russian laws and regulations, as well as to enhance corporate governance practices, the Bank amended its Charter, Regulation on the General Shareholders' Meeting, Regulation on the Supervisory Board, and Regulation on the Management Board and Chairman of the Management Board.

1. The Supervisory Board is given competence to:

- police proper use of rating systems as per cl. 15.2 of the Bank of Russia's Regulation No. 483-P dated 06.08.2015;
 - approve IRB³² evaluation reports as per cl. 15.4 of the Bank of Russia's Regulation No. 483-P dated 06.08.2015;
 - approve the procedure for applying credit risk management and quantification techniques as per cl. 15.1 of the Bank of Russia's Regulation No. 483-P dated 06.08.2015;
 - approve the Sustainability Policy;
 - approve the scope of related services to be provided by the audit firm (or its affiliates) as a new version of the External Audit Policy was approved.
2. The requirement to obtain approval for Supervisory Board members' parallel engagements in other organisations' governing bodies was dropped.

3. The Management Board is given competence to:

- police proper use of rating systems as per cl. 15.2 of the Bank of Russia's Regulation No. 483-P dated 06.08.2015;
- approve the setup and operation rules of the Bank's credit risk management system as per cl. 15.3. of the Bank of Russia's Regulation No. 483-P dated 06.08.2015;
- review the Internal Audit Department's audit reports to control the quality of the IRB approach implementation as per cl. 15.7. of the Bank of Russia's Regulation No. 483-P dated 06.08.2015;
- ensure compliance with the Bank's operational risk management procedures;
- approve alert triggers and control metrics of operational risk for annual planning periods across business areas, including their component processes, and subdivisions, within the Bank's overall operational risk alert triggers and control metrics;
- set operational risk limits based on approved control metrics by allocating them across business areas, including their component processes, subdivisions, and risk subtypes;
- ensure control of the operational risk level and addressing any cases where control metrics approved under cl. 14.2.12 of the Charter are exceeded;
- authorise the taking of operational risks;
- approve the list of subdivision functions, banking operations and services that were not performed during a calendar year, and other changes to the Bank's critically important processes, including any functions, operations, or services

³² Internal ratings-based approach.

outsourced in whole or in part (to external contractors, counterparties, or banking group members).

4. The internal control system was updated to reflect the creation of the Compliance Directorate.

As part of the ongoing monitoring of legislation, certain existing documents were amended and new documents were approved:

- the Dividend Policy;
- the Banking Group's Risk and Capital Management Strategy;
- the Banking Group's Risk Appetite Determination Manual;
- the Internal Audit Department's Work Manual;
- the External Audit Policy;
- the Banking Group's Financial Recovery Plan;
- the Regulation on the Audit and Risk Committee of the Supervisory Board;
- the Compliance Policy;
- the Operational Risk Management Policy;
- the Regulation on Remuneration of Members of the Management Board and Selected Senior Executives;
- the Payroll and Overall Remuneration Regulation;
- the HR Policy;
- the Policy for Preventing, Detecting and Obstructing Insider Information Abuse and/or Market Manipulation.
- the Business Continuity/Disaster Recovery Plan;
- the Regulation on the Strategy and Sustainable Development Committee of the Supervisory Board;
- the Regulation on the Financial Incentives for Employees of the Underwriting Division of the Retail Risk Department of the Risk Directorate, and the Verification Unit of the Regional Service Centre in Smolensk (Operations Department);
- the employee motivation system for the Underwriting Division of the Retail Risk Department of the Risk Directorate, and the Verification Unit of the Regional Service Centre in Smolensk (Operations Department);
- the Banking Group's Liquidity Risk Management Policy;
- the Conflict of Interest in the Course of Professional Activities in the Securities Market Management Policy;
- the Code of Financial Analysts' Ethics;
- the Sustainability Policy.

In 2025, the Bank will continue to enhance its corporate governance practices and adapt its procedures and bylaws to evolving market conditions and in line with the Bank of Russia's recommendations.

5.3 General Shareholders' Meeting

14,438 shareholders — the total number of Bank shareholders as at 31.12.2024.

The total number of registered, issued and outstanding ordinary shares of the bank is **33,429,709,866** shares of 1 rouble par value each. The bank's shares are admitted to trading on Moscow Exchange in the first level quotation list.

Information about the persons that directly or indirectly hold shares and/or control votes carried by the shares and/or are beneficiaries of the Bank's shares, representing five or more percent of the authorized capital of, or ordinary shares in, the Bank, is disclosed as part of [the Bank's Issuer Report](#)³³ on the website of news agency Interfax-CRKI. The Bank's executive bodies declare that the Bank has no information about the existence of shareholdings exceeding five percent, other than what has already been disclosed by the Bank.

There is no information about the possibility of certain shareholders acquiring or having acquired a level of control disproportionate to their participation in the Bank's authorized capital, including under shareholder agreements.

*Share Capital Structure*³⁴

[...] - Information on the share capital structure is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government Resolution of 04.07.2023 No. 1102 (clause 7 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 9 of the List to the Appendix).

Information about the Bank's Shares

Categories (classes) of shares	
Type and category of shares	Ordinary
Issue form	Uncertificated
Number of shares issued	33,429,709,866
Par value of 1 (one) security, RUB	1

³³ The list of information included in the Issuer's Report may be restricted from public disclosure in accordance with Russian Government Decree No. 1102 dated 04.07.2023 and other regulations and clarifications issued by the Bank of Russia.

³⁴ Shareholders holding one percent or more of the Bank's share capital as of 31.12.2024.

Preparations for General Shareholders' Meetings

Shareholders exercise their right to participate in managing the Bank by voting at general meetings. Shareholders' meetings have the power to approve the annual report and annual accounting statements, elect the bank's key management and control bodies, approve major transactions and interested party transactions and a number of other important matters.

The procedure for preparing and holding General Shareholders' Meetings is governed by the bank's Charter and Regulation on the General Shareholders' Meeting, which are intended to ensure observance of shareholders' rights and comply with all requirements of Russian laws and recommendations of the Bank of Russia's Corporate Governance Code. The Supervisory Board shall, when acting on any matters related to the calling or preparing of the General Shareholders' Meetings, observe the following rules:

- The bank shall send to the shareholders, and post on its website, a notice of the General Shareholders' Meeting at least 21 days or, if the bank's reorganisation is on the agenda, 30 days before the date thereof, at the same time giving the shareholders access to the materials, and enough time to prepare for the agenda items, of the General Shareholders' Meeting; if the agenda of an extraordinary General Shareholders' Meeting includes election of Supervisory Board members or reorganisation of the bank by way of merger, spin-off or demerger and election of the board of directors (supervisory board) of the company so created, the bank notifies the persons entitled to participate therein and named in the shareholder register about calling thereof at least 50 days before the date thereof.
- To ensure equal treatment of all its shareholders, including foreign shareholders, the bank may provide materials and voting ballots in Russian and English.
- During the preparation for the General Shareholders' Meeting, the shareholders can ask questions by sending them to the Corporate Secretary's e-mail address cs@mkb.ru.
- The General Shareholders' Meetings shall be held as in-person meetings (joint attendance of shareholders) in Moscow. The venue and time shall be chosen with account taken of the number of shareholders and the possibility of personal attendance at such meetings by all of the bank's shareholders.
- Each shareholder can participate in an in-person General Shareholders' Meeting exercising his/her right to vote in a way convenient for him/her: mailing the voting ballot or attending in person.
- In contemplation of the General Shareholders' Meeting, the shareholders shall be given such information and in such manner as will enable them to get a comprehensive view of the bank's performance and make well-grounded decisions on the items of the agenda thereof.

General Shareholders' Meetings in 2024

Once a year, all shareholders gather together at the annual General Meeting. In 2024, it was held on 25 June. The extraordinary General Shareholders' Meetings took place on 17 January and 28 December.

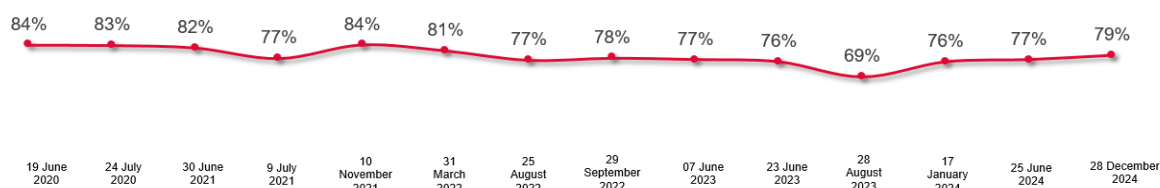
The list of agenda items of the extraordinary and annual General Shareholders' Meetings for 2024 and its resolutions are available on the bank's website in the

disclosure [section](#), and on the website of [Interfax-CRKI](#), the information agency accredited by the Bank of Russia disclosures (the "Interfax website").

Access to information (materials) available on the Bank's official website and the right of the Bank's shareholders to receive copies of this information were fully or partially restricted by the Bank in line with Resolutions of the Government of the Russian Federation No. 586³⁵ dated 5 April 2022 and No. 1102³⁶ dated 4 July 2023, resolutions of the Bank of Russia's Board of Directors dated 22 December 2023³⁷, as well as other regulations and clarifications from the Bank of Russia. The full set of information (materials) was available to shareholders at the Bank's premises.

In order to make decisions at General Meetings of Shareholders, it is important to have a quorum, i.e. a minimum number of shares that must be presented at the meeting for it to be considered valid. If a quorum is not reached, the meeting cannot make legal decisions and may be postponed or cancelled.

Quorum of the General Shareholders' Meetings in 2020–2024



Dividend Policy

The Supervisory Board's approach to recommending dividend size and payment mechanics is set forth in the bank's Dividend Policy.

Any decision to pay (declare) dividends, including any decision on dividend size and payment procedure for shares of each category (type) shall be taken by the General Shareholders' Meeting based on the Supervisory Board's recommendations.

The Supervisory Board recommends the dividend amount for any reporting year to the General Shareholders' Meeting based on the bank's IFRS net income, its compliance with covenants and mandatory capital adequacy ratios, maintenance of a balance between the bank's and its shareholders' interests, including the bank's compliance with other mandatory ratios set forth by the Bank of Russia.

³⁵ Resolution of the Government of the Russian Federation No. 586 "On Certain Peculiarities of Disclosure and/or Provision of Information in Accordance with Certain Legislative Acts of the Russian Federation" dated April 5, 2022.

³⁶ Resolution of the Government of the Russian Federation No. 1102 "On the Peculiarities of Disclosure and/or Provision of Information Subject to Disclosure and/or Provision as Required by the Federal Law "On Joint-Stock Companies" dated July 4, 2023, and the Federal Law "On the Securities Market" (together with the "List of Information That Securities Issuers Are not Entitled to Disclose and/or Provide, as Well as of the Persons Whose Information May not Be Disclosed and/or Provided").

³⁷ Resolution of the Bank of Russia's Board of Directors dated 22.12.2023 "Resolution of the Bank of Russia's Board of Directors specifying which information disclosable by credit institutions, non-credit financial organisations, and financial market professional service providers under Russian laws or the Bank of Russia's regulations they need not disclose from 1 January 2024 to and including 31 December 2024, and which information listed in Russian laws or the Bank of Russia's regulations the latter shall not disclose on its official website from 1 January 2024 to and including 31 December 2024".

The Bank seeks to maintain the dividend payout ratio at 25% or more of its IFRS net income.

In 2024 an updated Dividend Policy was approved (Minutes of Supervisory Board meeting No. 03 dated 27.03.2024).

Dividend History

The Annual General Shareholders' Meeting held on 25 June 2024 decided not to pay (not to declare) any dividends for 2023 to the bank's shareholders. No dividends were paid from 2014 to 2018 and from 2020 to 2023. Only in 2019 it was decided to pay out RUB 2,978,768,085.26 as dividends on ordinary shares for 2018.

Registrar

As a means to safeguard the shareholders' title to shares, the Bank's share register is maintained by an independent registrar. Since December 2016, it has been JSC "IRC – R.O.S.T." (former JSC "R.O.S.T. Registrar"), which also has the statutory duty to act as the counting commission.

5.4 Supervisory Board

The Supervisory Board is a collective body and the key element of the bank's corporate governance system. It represents shareholders' interests and is responsible for increasing the value of the business by formulating the long-term strategy, defining principles and approaches to arranging a risk management system and internal controls, and by monitoring performance of the bank's executive bodies.

The Supervisory Board's competence is set out in the bank's Charter and the Regulation on the Supervisory Board of CREDIT BANK OF MOSCOW, which also specifies the procedure for convening and holding Supervisory Board meetings.

Supervisory Board meetings are called according to a timetable of meetings to be approved by the Supervisory Board, and cover main issues of the bank's operations.

Preparation of Supervisory Board Meetings

The Charter requires that materials relating to the agenda be provided to Supervisory Board members at least 7 days prior to the meeting so as to allow them to make reasonable decisions. The Supervisory Board seeks to make any resolutions on agenda items at in-person meetings after they are first considered at meetings of the Supervisory Board committees. The Supervisory Board's work plan pre-defines which committee is to examine and scrutinise which matter.

No Supervisory Board meeting was adjourned for want of quorum.

Structure and Membership of the Supervisory Board

GRI 2-9, GRI 2-10, MED-37

In line with bylaws, the Supervisory Board members are elected annually by the General Shareholders' Meeting through cumulative voting, with no term limits for membership. Candidates for the Supervisory Board must possess the necessary competencies and maintain a clean personal and business reputation. A candidate can be re-elected an unlimited number of times, provided that he/she remains active and

his/her work quality is highly rated for the previous period. As at 31 December 2024, there are eight Supervisory Board members.

Changes in the Supervisory Board in 2024

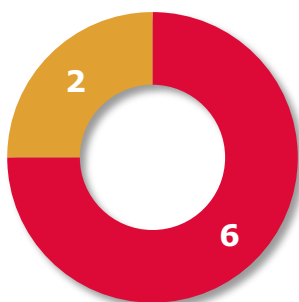
[...] - Information on changes in the Bank's Supervisory Board is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government Resolution of 04.07.2023 No. 1102 (clause 1 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 2 of the List to the Appendix).

GRI 2-9, GRI 2-11, GRI 405-1, MED-37, MED-44

The Supervisory Board is gender-diverse and comprises two women. In 2024, there were no independent directors in the Supervisory Board. The Chief Independent Director was not elected to the Board of Directors during the reporting period.

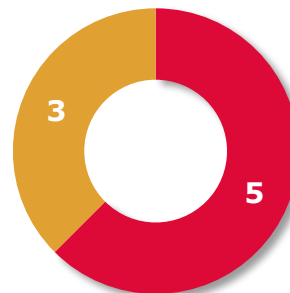
Breakdown of Supervisory Board members by gender (persons)

■ Men
■ Women



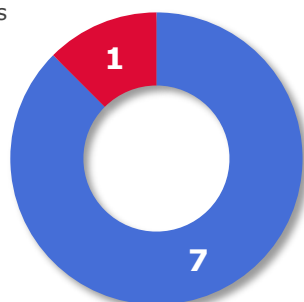
Breakdown of Supervisory Board members by age (persons)

■ 30–50 years
■ >50 years



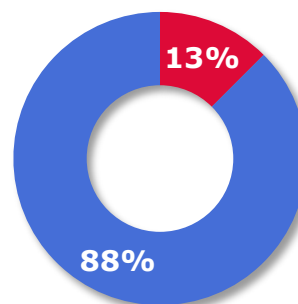
Breakdown of Supervisory Board members by years of service (persons)

■ Less than 1 year
■ 1 to 3 years
■ 4 to 7 years



Percentage of executive and non-executive directors (%)

■ Executive Directors
■ Non-Executive Directors



GRI 2-17

All members of the Supervisory Board are experts in various fields, ensuring effective decision-making and Bank management.

Supervisory Board Members

Information about the persons who are members of the bank's management bodies is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government Resolution of 04.07.2023 No. 1102 (clause 1 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 2 of the List to the Appendix).

Supervisory Board's activities in 2024

35 Supervisory Board meetings were held in 2024 (of which five were in-person meetings).

The agendas of Supervisory Board meetings, and their resolutions (subject to applicable Russian laws) are available on the bank's website in the disclosure [section](#) and on [Interfax's](#) website.

Access to information available on the Bank's official website was fully or partially restricted by the Bank in line with Resolutions of the Government of the Russian Federation No. 586 dated 5 April 2022 and No. 1102 dated 4 July 2023, resolutions of the Bank of Russia's Board of Directors dated 22 December 2023, as well as other regulations and clarifications from the Bank of Russia.

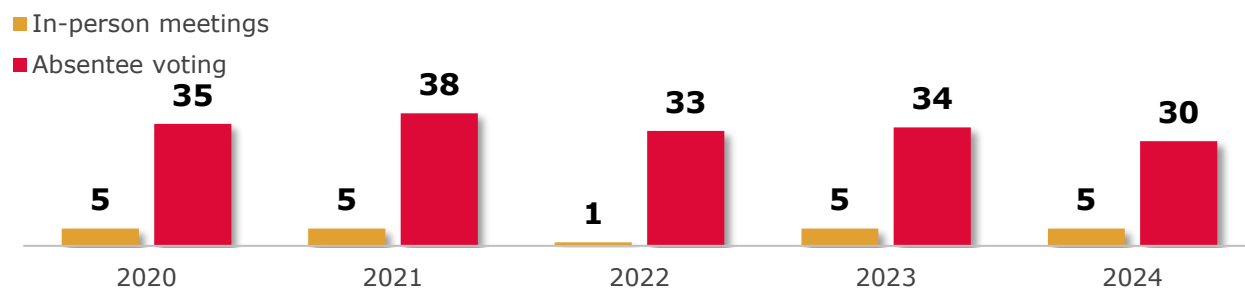
GRI 2-16, MED-36, MED-38

The Supervisory Board sets the Bank's strategic goals, including those in sustainable development, conducts an annual review and approval of the Sustainability Report, and discusses significant issues at the meetings, whether physical or virtual. In 2024, the Supervisory Board reviewed the following matters related to sustainable development:

- ESG Development Reports for 2023 and 1H2024;
- Climate Risk Materiality Assessment Report for 2024;
- Climate Transition Strategy for 2024-2026;
- Sustainable Development Strategy for 2024-2026;
- Sustainability Policy;
- The competences of the Audit and Risk Committee and the Strategy and Sustainable Development Committee were updated to address climate risk considerations and the climate transition strategy development.

No critical issues were submitted to the Supervisory Board for consideration in the reporting year.

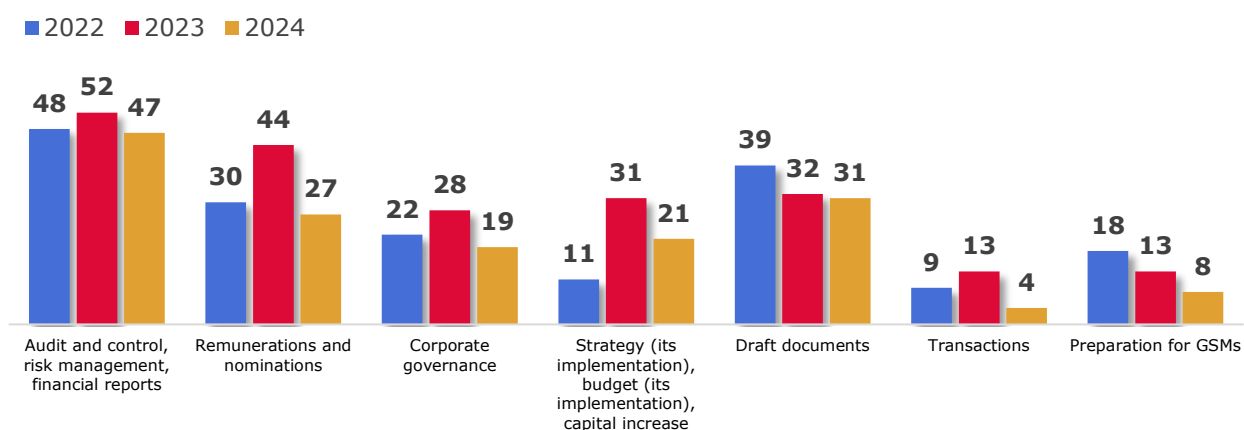
Number of Supervisory Board Meetings



Number of Issues Transacted at Supervisory Board Meetings



Statistics of Issues Discussed



Attendance of Supervisory Board and Supervisory Board Committees Meetings by Directors in 2024

Director*	Supervisory Board	Audit and Risk Committee	Compensation, Corporate Governance and Nominations Committee	Strategy and Sustainable Development Committee
Number of meetings	35	20	14	10
Meeting attendance rate	96%	99%	98%	90%

* Information about the persons who are members of the bank's management bodies is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government

Resolution of 04.07.2023 No. 1102 (clause 1 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 2 of the List to the Appendix).

5.5 Corporate Secretary

The Corporate Secretary of the Bank is an official independent from the Bank's executive bodies, reporting directly to the Supervisory Board.

The Corporate Secretary's main functions include:

- arranging preparation and holding of General Shareholders' Meetings;
- supporting the functioning of the Bank's Supervisory Board and its committees;
- assisting in implementation of the disclosure policy and keeping the Bank's corporate documents;
- managing the Bank's relationships with its shareholders and contributing to the prevention of corporate conflicts;
- ensuring the Bank's interactions with regulators, trading facilities, the registrar and other professional stock market participants;
- ensuring and checking the fulfilment of statutory and internal procedures intended to give effect to shareholders' rights and lawful interests;
- informing the Supervisory Board forthwith of any identified violations of laws or the Bank's bylaws;
- contributing to improvement of the Bank's corporate governance.

Svetlana S. Sukhareva has been the Corporate Secretary of the Supervisory Board and its committees since December 2014.

Date of birth: 29.11.1984

Education:

2007: degree in Finance and Credit from the Plekhanov Russian Academy of Economics.

2013: degree in Translation and Translation Studies from the Russian State University for the Humanities.

2014: specialised course *Corporate Secretary* at the Russian Institute of Directors.

2017: qualification upgrade course *Corporate Secretary*.

Current employer (position): CREDIT BANK OF MOSCOW, Corporate Secretary

Experience:

Svetlana Sukhareva started her career in 2007 at VTB Bank's FI Department. In 2014, she joined CREDIT BANK OF MOSCOW's Corporate Secretary Section, and, in December 2014, was appointed the Bank's Corporate Secretary by resolution of its Supervisory Board.

In addition, the Bank's Corporate Secretary supervises the holding of its subsidiaries' board proceedings.

Positions held in governing bodies of other entities in the last five years:

None.

Stake in the bank's charter capital as at the end of the reporting year: 0.0%.

Percentage of ordinary shares held in the bank as at the end of the reporting year: 0.0%.

Shares of the bank acquired or disposed of in the reporting year: none.

5.6 Supervisory Board Committees

GRI 2-9, IFRS S1 27(a)

The Bank has three Supervisory Board committees. All committee members possess the necessary skills and experience for their roles.

Strategy and Sustainable Development Committee

- analyses the Bank's strategic management issues, including its ESG activities;
- ensures functioning of the strategic management cycle;
- formulates and updates the Bank's dividend policy;
- evaluates the effectiveness of the Bank's long-term performance;
- provides expert support in making economic, environmental, and social decisions at the highest level.

Compensation, Corporate Governance and Nominations Committee

- formulates the Bank's remuneration policy, principles and criteria for Supervisory Board members, Management Board members and the Chairman of the Management Board;
- preliminarily appraises the Management Board and the Chairman of the Management Board and annually conducts a self-appraisal, puts forward proposals, and develops recommendations;
- communicates with shareholders to prepare the list of Supervisory Board nominees,
- plans appointments;
- advises on building a good corporate governance system.

Audit and Risk Committee

- analyses the efficiency of the Bank's internal control and risk management procedures;
- and advise on their improvement to the Supervisory Board when making decisions with respect thereto.

Changes to the Audit and Risk Committee's membership in 2024

Information about the persons who are members of the bank's management bodies is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government Resolution of 04.07.2023 No. 1102 (clause 1 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 2 of the List to the Appendix).

Changes to the Compensation, Corporate Governance and Nominations Committee's membership in 2024

Information about the persons who are members of the bank's management bodies is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government Resolution of 04.07.2023 No. 1102 (clause 1 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 2 of the List to the Appendix).

Changes to the Strategy and Sustainable Development Committee's membership in 2024

Information about the persons who are members of the bank's management bodies is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government Resolution of 04.07.2023 No. 1102 (clause 1 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 2 of the List to the Appendix).

5.7 Chairman of the Management Board and the Management Board

MKB's management plays a significant role in the governance of the Bank, ensuring strategy implementation, making key financial policy decisions, and ensuring the effective operation of all subdivisions. The Bank's management is also responsible for promoting sustainable development practices, supporting employee initiatives and introducing its own best practices. Senior managers are responsible for approving, updating, and overseeing the implementation of the Bank's sustainable development strategy and social initiatives (including environmental projects).

The Management Board is the Bank's collective executive body responsible for the overall direction of its current activities. It is headed by the Chairman, who is the Bank's sole executive body. The Management Board's responsibilities include: ensuring the implementation of any resolutions of the General Shareholders' Meeting and the Supervisory Board and any recommendations of the Audit Panel; forming committees for any activities of the Bank and delegating to these committees some of the powers of the Management Board under respective committee regulations in accordance with approved regulations; determining the bank's organisational structure and total headcount, and reviewing the staffing of the Bank. The competence of the Management Board and the Chairman of the Management Board are set out in the Charter and the Regulation on the Management Board and the Chairman of the Management Board.

Key responsibilities of the Management Board include:

- ensuring implementation of any resolutions of the General Shareholders' Meeting and the Supervisory Board, and any recommendations of the Audit Panel;
- establishing committees for various activities and delegating some of the Management Board's powers to these committees in line with approved regulations;

- setting out the Bank's organisational structure and total headcount (save for its branches, representative offices, and Internal Audit Department), and reviewing its staffing table.

The Chairman of the Management Board directs Management Board proceedings, represents the Bank and undertakes transactions without a power of attorney, disposes of the Bank's property, organises the accounting and reporting, and decides other matters arising in the Bank's day-to-day activities.

The Management Board is elected by the Supervisory Board indefinitely as recommended by the Chairman of the Management Board. The Management Board and the Chairman of the Management Board report to the Supervisory Board.

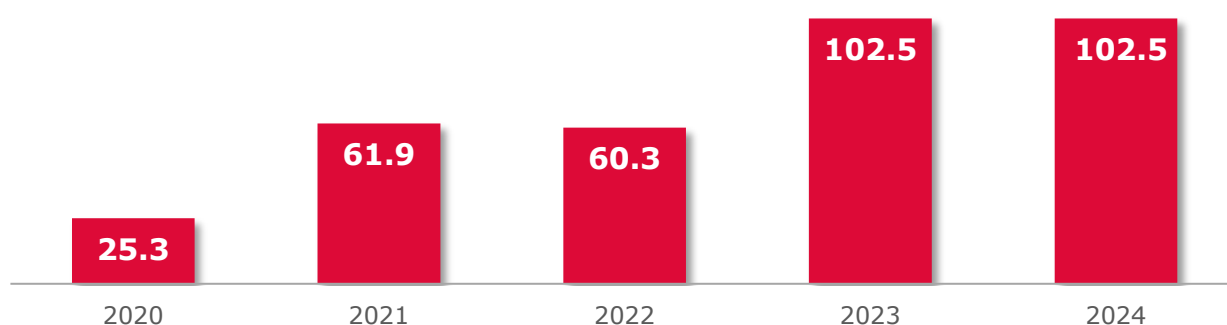
Members of the Management Board

Information about the persons who are members of the bank's management bodies is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government Resolution of 04.07.2023 No. 1102 (clause 1 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 2 of the List to the Appendix).

5.8 Liability Insurance

To provide liability protection for the Supervisory Board members and officers of the bank, since 2013, the bank has taken out liability insurance for the directors, Management Board members and key officers. The Bank selects an insurance company through tender procedures.

D&O Insurance Costs (RUB million)



5.9 Performance Evaluation of the Supervisory Board and its Committees

GRI 2-18

- Starting from 2014, in accordance with best corporate governance practices, in particular with the Corporate Governance Code recommendations, the Supervisory Board annually evaluates its own and its committees' performance. On two occasions, it did so engaging an external organisation (in respect of 2015 and

2018). In 2025, by resolution of the Supervisory Board, the evaluation for 2024 was conducted by way of self-evaluation.

The self-evaluation was made under the Regulation on Appraisal of the Supervisory Board. The purpose of the self-evaluation was to identify the strengths of the Supervisory Board and its committees' performance and to determine areas for improvement.

The appraisal covered:

- the Supervisory Board;
- the Supervisory Board committees;
- Chairman of the Supervisory Board.

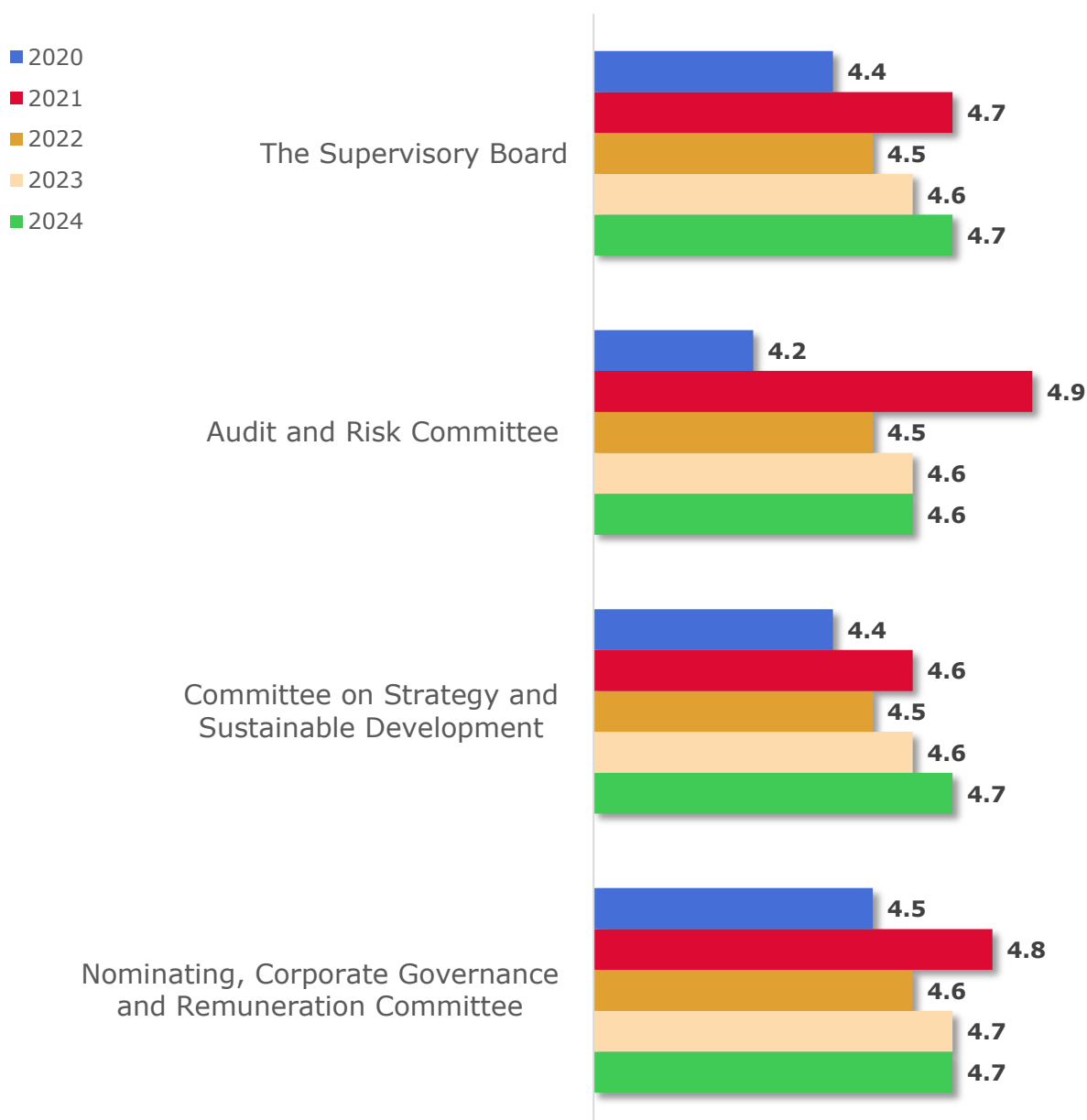
The self-evaluation was made through a questionnaire for directors, which included both closed- and open-ended questions. Responses to closed-ended questions were assessed on a five-point scale, with the opportunity to provide additional comments.

The self-evaluation identified the following strengths of the Supervisory Board and its committees:

- qualification and experience of the Supervisory Board members;
- a sufficient number of committees to meet the needs of the Supervisory Board;
- a clear understanding of the Bank's strategic goals;
- prompt and effective interaction with management;
- confidence that the risk management and internal control system allows the Bank to respond to emerging risks in a timely manner;
- an effective remuneration and incentives policy for executive management bodies and key employees;
- the presence of the Bank's defined key objectives in sustainable development and regular monitoring of non-financial indicators;
- proper consideration of risks and opportunities associated with ESG factors and sustainable development issues;
- high level of organisation of Supervisory Board meetings;
- timely access of the Supervisory Board members to all necessary materials for making informed decisions;
- members of the Supervisory Board highly appreciate the work of the Chairman of the Supervisory Board.

Based on the self-evaluation, areas for development that will receive special attention in 2025 were identified.

Results of the performance evaluation of the Supervisory Board and its committees on a five-point scale



5.10 Performance Evaluation of the Management Board

Starting from 2023, the Management Board has evaluated its work in accordance with the Regulations on the Performance Appraisal of the Management Board.

The purpose of the evaluation is to obtain reliable information on the activities of the Management Board, its strengths and weaknesses, to determine the need for training and professional development of Board members and improve its performance.

In 2025, the evaluation (based on 2024 results) was conducted by having each Management Board member complete an appraisal form that contained open- and closed-ended questions with the opportunity to provide comments. The evaluation results were considered at an in-person meeting of the Supervisory Board.

The performance evaluation of the Management Board for 2024, which involved gathering anonymous feedback from individual Board members, indicates that all

evaluated criteria meet high standards. The Management Board determined its priority activities for 2025 based on the evaluation results.

5.11 Supervisory Board Members Remuneration System

GRI 2-19, GRI 2-20

The Supervisory Board members remuneration system is regulated by the Compensation, Corporate Governance and Nominations Committee and is based on the Regulation on Remuneration and Compensation, which outlines the amount and procedures for payment of remuneration. The bylaw provides for the payment of remuneration and reimbursement of expenses incurred in the performance of job duties. Remuneration for performing duties is paid to independent directors and members who are not employed by, or serve on the management bodies of, any legal entities forming part of the Bank’s group.

GRI 2-19

The total annual remuneration consists of two parts: basic remuneration and remuneration for extra duties.

The aggregate annual remuneration to be paid to a Supervisory Board member may not exceed USD 325,000.

Any Supervisory Board member’s remuneration for any past calendar quarter may be reduced by:

- 10%, if he or she missed up to 25% of Supervisory Board meetings and absentee voting in that quarter;
- 30%, if he or she missed more than 25% and up to 50% of Supervisory Board meetings and absentee voting sessions in that quarter;
- 50%, if he or she missed more than 50% and up to 75% of Supervisory Board meetings and absentee voting sessions in that quarter;
- 75%, if he or she missed more than 75% of Supervisory Board meetings and absentee voting sessions in that quarter.

In 2024, no members of the Supervisory Board received remuneration, as there were no directors on the Supervisory Board eligible for such payments.

Supervisory Board Members’ Remunerations in 2020-2024 (RUB million)



5.12 Prevention of Conflicts of Interest

GRI 2-15

To avoid conflicts of interest within the management team and mitigate potential repercussions, the Supervisory Board members appoint an independent director to serve as the senior independent director. Their role involves overseeing the actions of the management team members and using their best efforts to resolve conflicts by liaising with the Chairman of the Supervisory Board, other Supervisory Board members, and the bank's shareholders with the aim of ensuring that the Supervisory Board operates effectively and consistently.

No independent directors were elected to the Supervisory Board at the annual General Shareholders' Meeting in 2024. Currently, the Bank remains exempted by the Bank of Russia from having independent directors on its Supervisory Board until the annual shareholders' meeting in 2025. However, the Bank takes into account the Bank of Russia's recommendations to public companies and does its best to ensure it will have independent directors on its Supervisory Board.

The Bank has developed a Conflict of Interest Prevention Manual. The Bank identifies conflict of interest among all its employees. The Compliance Division is responsible for managing conflicts of interest in the Bank's activities and among its employees. Its duties include drafting bylaws, as well as providing training and guidance on related matters. The Bank's management bodies are regularly kept informed about any issues relating to potential conflicts of interest.

Regular anti-corruption and conflict of interest management training, including testing, is provided for all employees of the Bank, and is mandatory for all newly hired staff.

The Bank continually develops its compliance training programmes for employees and managers and introduces new practices for raising awareness among staff and external counterparties on conflict of interest, anti-corruption, and business ethics, drawing on leading Russian and international business practices.

5.13 Internal Control System

In accordance with the Bank of Russia's Regulation No. 242-P dated 16.12.2003 "On Organisation of Internal Control in Credit Institutions and Banking Groups" the Bank has established and maintains an internal control system for the purpose of ensuring:

- sound and productive business performance in making banking operations and other transactions, sound assets and liabilities management, in particular preservation of assets, and management of banking risks;
- correct, complete, fair and prompt preparation and provision of financial, accounting, statistical and other reports (for external and internal users), and information security (protection of the Bank's (its banking group's) interests (goals) in the information sphere defined as the totality of information, IT infrastructure, parties collecting, generating, disseminating and using information, and systems regulating resulting relationships);
- compliance with regulations, self-regulatory organisations' standards, the Bank's and its banking group's constitutive documents and bylaws;
- preventing the Bank and its staff from being involved in any illicit activity, including money laundering, financing of terrorism and weapons of mass destruction financing, and organising timely reporting to state authorities and the Bank of Russia as required by Russian laws.

The internal control system is an integral part of the corporate governance system and one of the most vital elements in the bank's effective performance. It provides for protection of the interests of the Bank's investors and customers by ensuring that the Bank's employees act in compliance with Russian laws, regulations and professional standards. It ensures a level of reliability appropriate to the nature of the Bank's operations and minimises banking risks.

→ For more information, see the [Risk Management section](#).

The internal control system is a complex of bodies and areas of internal control ensuring compliance with the procedure of implementation and achievement of objects set forth by Russian laws, regulations, the Charter and bylaws of the Bank and its banking group.

The system of internal control is based on a clear allocation of authorities and responsibilities between the banks' executive bodies, subdivisions and employees. The main requirements for the organisation of internal control as well as the allocation of authority and areas at responsibility are enshrined in the Charter and bylaws of the Bank.

Internal control is carried out, within the powers defined by the Charter and bylaws of the Bank, by:

- the General Shareholders' Meeting;
- the Supervisory Board;
- the Audit and Risk Committee of the Supervisory Board;
- The Management Board;
- the Chairman of the Management Board and his deputies (First Deputy Chairmen of the Management Board, Deputy Chairmen of the Management Board);
- the Audit Panel;
- the Chief Accountant and his/her deputies;
- the heads (their deputies) and chief accountants (their deputies) of the Bank's branches;
- the Internal Audit Department (IAD);
- the Compliance Directorate, including:
 - the Internal Control Section of the Compliance Directorate (the "Internal Control Section"), which comprises in particular the Stock Market Professional Participant Comptroller and the Insider Information Abuse and Market Manipulation Compliance Officer;
 - the subdivision responsible for anti-money laundering, combating financing of terrorism and counter-weapons of mass destruction financing, headed by a designated AML/CFT/CWMD compliance officer;
- the Risk Management Directorate;
- other subdivisions and/or employees of the Bank carrying out functions within the internal control system.

The roles of the internal control system participants are defined by the system's goals and objectives, in line with the allocation and separation of powers.

The Bank's internal control system includes the following areas:

- control by its management bodies over its business processes;
- control over performance of the Bank's risk management and assessment system;
- control over distribution of authority to make banking operations and other transactions;
- control over management of information flows (obtaining and sharing of information) and information security;
- ongoing monitoring of the internal control system's performance to appraise its adequacy for the Bank's business goals, detect flaws, propose improvements and control their implementation, as well as prevent critical situations (the "internal control system monitoring").

The internal control system is subject to ongoing monitoring in order to assess its compliance with external and internal documents, the Bank's goals and objectives, the nature and scale of its operations, and the level and combination of risks taken, with the aim of minimising banking risks.

Audit Panel

The bank's Audit Panel is a standing, elective body forming part of the bank's internal control system. The Audit Panel acts in the interests of the Bank and its shareholders for the purposes of mitigating the risks of the Bank's business activities.

The Audit Panel of the Bank is subject to the legislation of the Russian Federation, the regulations of the Bank of Russia, the Bank's Charter, the Regulation on the Audit Panel and the resolutions of the General Shareholders' Meeting.

Within its competence, the Audit Panel shall inspect the Bank's compliance with applicable laws and regulations, organising the Bank's internal control, the legality of operations made by the Bank (by full or selective verification) and the state of the Bank's cash and property.

According to the Charter, the Audit Panel consists of three members, elected by the General Shareholders' Meeting for a term ending at the next annual General Shareholders' Meeting.

On 25 June 2024, the following persons were elected to the Audit Panel by the annual General Shareholders' Meeting:

Information about the persons who are members of the bodies that control the financial and economic activities of the bank is not disclosed in accordance with paragraph 2 of clause 1 of the RF Government Resolution of 04.07.2023 No. 1102 (clause 2 of the List to the Appendix) and paragraph 2 of clause 1 of the RF Government Resolution of 28.09.2023 No. 1587 (clause 3 of the List to the Appendix).

5.14 Internal Audit

The IAD's main purpose is to assist the Bank's governing bodies in enhancing its performance, in particular through a systematised and consistent approach to appraising the effectiveness of its internal control and risk management systems and its corporate governance practice and by providing independent and impartial assurances and advice.

The Internal Audit Department audits all areas of the Bank's operations, and any of its subdivisions and employees may be an audit target. The results of audits and the progress in implementing the relevant recommendations are duly reported to the Bank's executive bodies and the Supervisory Board.

The Supervisory Board's Audit and Risk Committee at its meetings suggests ways to improve the Bank's internal control and risk management procedures, in particular by advising the Supervisory Board on how to improve the IAD's performance.

In the course of their self-assessment and taking into account the IAD's reports reviewed during the year, the Supervisory Board members confirmed that they were reasonably satisfied that the risk management and internal control system enabled the Bank to respond promptly to any arising risks.

The Department's independence is declared in the Bank's bylaws and is achieved by a set of organisational measures and principles ensuring that the Department:

- is accountable to the Supervisory Board and administratively subordinate to the Chairman of the Management Board;
- does not perform any activities that are subject to audits, provided that its activity may be audited by an independent audit organisation at request of the Supervisory Board;
- performs its functions in compliance with the principles of continuity, independence, impartiality, integrity, objectiveness and professional competence;
- on its own initiative, reports to the Supervisory Board on, and also informs the Chairman of the Management Board and the Management Board of, any matters coming to its attention when exercising its functions, and on proposals regarding their resolution.

The internal audit function's mandate was not subject to any restrictions that could prejudice its efficiency in 2024.

The IAD's performance self-assessment is performed annually and demonstrates the compliance of the internal audit activities with all applicable requirements.

External assessment of internal audit is made by an independent and qualified external assessor at least once every five years. An external assessment conducted by KEPT JSC on CREDIT BANK OF MOSCOW's internal audit function showed that, as at November 2023, its organisation and performance generally conforms³⁸ with the International Standards for the Professional Practice of Internal Auditing (the "IA Standards") and the Code of Ethics of the Institute of Internal Auditors.

The following was done in 2024 to develop and improve the internal audit function:

- an internal audit model was updated to get a structured list of all potential audit targets (audit model) and reflect changes in the Bank's and Banking Group's risk profile;
- the long-term strategic internal audit plan for 2025 – 2027 was updated;
- the Department's bylaws³⁹, setting out the basic rules of, requirements to, and practical recommendations on, organisation and execution of audits, were updated in line with the IA Standards;
- control measures were implemented in member companies of the Banking Group within the rights granted to the Bank as their shareholder/member.

³⁸ As used under the IA Standards, "generally conforms" is the highest grade, meaning that the internal audit function has an internal audit regulation, policies and procedures, and their fulfilment and results are assessed as conforming to the Standards.

³⁹ The IAD's Work Manual was updated.

Internal Control Section of the Compliance Directorate

The Compliance Directorate (the "Directorate") is the Bank's subdivision created to conduct internal control and assist the Bank's governing bodies in ensuring its efficient operation, growth and development. The Compliance Directorate also operates in accordance with chapter 4(1).10 of the Bank of Russia's Regulation No. 242-P dated 16.12.2003 "On Organisation of Internal Control in Credit Institutions and Banking Groups".

The Directorate Head is the Head of the Bank's Internal Control Section in accordance with section 4(1) of the Bank of Russia's Regulation No. 242-P dated 16.12.2003 "On Organisation of Internal Control in Credit Institutions and Banking Groups" (the "ICS Head").

The Directorate reports to a Deputy Chairman of the Management Board, who is a member of the Management Board but does not participate in decisions regarding the Bank's banking operations and other transactions.

The Internal Control Section is the Compliance Directorate's subdivision created to conduct internal control. The Internal Control Service carries out the following functions:

- identifying compliance risk, i.e. the Bank's exposure to losses due to non-compliance with Russian laws, the Bank's bylaws, standards of self-regulatory organisations (if mandatory for it), as well as due to sanctions and/or other enforcement actions imposed by supervisory bodies (the "regulatory risk");
- registering regulatory risk events, assessing their probability and quantifying possible impact;
- monitoring regulatory risk, in particular analysing the bank's new banking products, services and their intended delivery methods for regulatory risks;
- giving, where necessary, regulatory risk recommendations to the heads of the bank's subdivisions and the executive body designated by the bank's bylaws;
- coordinating and promoting development of regulatory risk mitigation efforts at the bank;
- monitoring efficiency of regulatory risk management;
- promoting development of regulatory risk management bylaws;
- informing the bank's staff on regulatory risk management matters;
- identifying conflicts of interest at the level of the bank and its individual employees, promoting the development of related bylaws;
- analysing customer grievance indicators and the bank's observance of customers' rights;
- analysing the economic suitability of contracting legal entities and sole traders to render services and/or perform works required for the bank to provide for banking operations (outsourcing);
- ensuring the drafting of bylaws intended to combat commercial bribery and corruption;
- promoting development of bylaws, and arranging actions, to ensure compliance with rules of corporate conduct and standards of professional ethics;
- participating, within its competence, in the Bank's communications with supervisory bodies, self-regulatory organisations, associations and participants of financial markets;

- participating, within its competence, in the Bank's communications with supervisory bodies, self-regulatory organisations, associations and participants of financial markets.

The internal control in the Bank as a stock market professional participant is exercised by the Stock Market Professional Participant Comptroller who reports to the Chairman of the Management Board and carries out the following functions:

- identifying, analysing, assessing, monitoring and managing the risk of the Bank incurring any expenses (losses) and/or other adverse effects as a professional participant as a result of its or its operations' non-compliance with any securities market laws and regulations of the Russian Federation, basic and internal standards of any self-regulatory financial market organisation of which it is a member as a stock market professional participant, its constitutive documents or bylaws related to the professional stock market activity, and/or the risk of any enforcement action against it as a stock market professional participant from the Bank of Russia and/or the self-regulatory organisation (regulatory risk of professional stock market activity);
- carrying out other functions within responsibilities set out in the Bank's bylaws.

The internal control for the purposes of countering insider information abuse and market manipulation ("CIIA/MM") is exercised by the Stock Market Professional Participant Comptroller and the Insider Information Abuse and Market Manipulation Compliance Officer who reports to the Chairman of the Management Board. The Insider Information Abuse and Market Manipulation Compliance Officer:

- identifies, analyses, assesses and monitors the risk of the Bank incurring any expenses (losses) and/or other adverse effects as a result of its or its operations' non-compliance with any insider information abuse and market manipulation requirements or its bylaws, and/or as a result of any enforcement action against it from the Bank of Russia and/or any self-regulatory financial market organisation (the "regulatory risk of insider information abuse and market manipulation");
- organises processes to manage the regulatory risk of insider trading and market manipulation, in particular design and control actions to avoid and prevent the consequences of such risk materialising.
- Other matters related to the organisation of the activities of the Internal Control Section and the Compliance Directorate are determined by the Regulation on the Internal Control Section of the Compliance Directorate, the Regulation on the Compliance Directorate, and other bylaws of the Bank.

5.15 External Auditors

At the Annual General Shareholders' Meeting held on 25.06.2024, Joint-Stock Company Kept was appointed as the Bank's external auditor, upon the Supervisory Board's recommendation. The Audit and Risk Committee reviewed the external auditor's reports, and confirmed that the information therein was fair and the audit process was efficient.

6. Relations with Investors and Shareholders

As the largest non-state-owned public bank, MKB maintains an open dialogue with its existing and potential shareholders and investors. The IR function, intended to ensure the bank's informational transparency and investment attractiveness, is being

constantly developed. Leading positions in sustainable development enhance the Bank's brand and strengthen its investment appeal.

Throughout 2024, the bank provided large-scale information support to all investor groups by promptly posting press releases, and responding to queries received through various communication channels, including the e-mail box ir@mkb.ru.

The bank's IR website <https://ir.mkb.ru/> remains one of the key channels of interaction with investors, shareholders and analysts. Improving communication with external users and providing up-to-date and transparent information about the bank to all its stakeholders remains a top priority. The Bank continues to place particular emphasis on developing new solutions that enhance communication with shareholders and investors by improving its effectiveness and convenience.

In 2024, the Bank of Russia preserved some limits on the extent of disclosures, including financial reporting, on it's and credit institutions' websites to mitigate their sanction risks. Therefore, some information was not disclosed temporarily on the bank's website.

Shares

MKB's shares are on the first-level list of Moscow Exchange.

Instrument type	Short name	Ticker	ISIN
Ordinary share	MKB PJSC	<u>CBOM</u>	RU000A0JUG31

MKB's initial public offering supported by institutional and private investors took place in June 2015. Selling at **RUB 3.62** per share, it aggregated **RUB 13.2 bln**.

In December 2015, in October 2017 and in November 2019, the bank made secondary public offerings on Moscow Exchange, raising **RUB 16.5 bln**, **RUB 14.4 bln** and **RUB 14.7 bln**, respectively.

An additional share issue raised **RUB 22.7 bln** in May 2021. In total, MKB placed additional 3.6 bln shares at RUB 6.3 per share. The resulting market capitalisation was RUB 210.6 bln.

The bank's shares form part of Moscow Exchange's index family benchmark. Since June 2016, they are included in MOEX and RTS indices. As at 31 December 2024, MOEX⁴⁰ and RTS⁴¹ indices cover the top 49 liquid shares of Russian companies from key sectors of the economy. MOEX equity indices are free-float adjusted market capitalisation weighted indices. The free float ratio is 22%⁴².

MKB's Share Prices in 2024 (RUB)

⁴⁰ <https://www.moex.com/ru/index/IMOEX/constituents>

⁴¹ <https://www.moex.com/ru/index/RTSI/constituents>

⁴² As at 31.12.2024

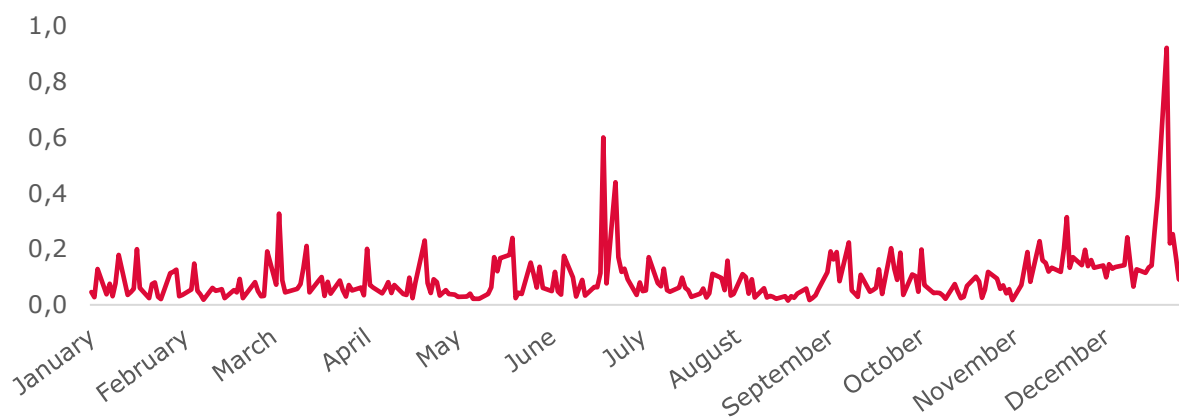
Share Price (RUB)



RUB **10.25**
price as at end-2024

RUB **7.26**
average price

Share Trading Volume (RUB bln)



Debt Instruments

Eurobonds

MKB has been an active player in the Eurobond market since 2006. As at end-2024, it had 7 Eurobond issues outstanding with the nominal amount totalling USD 2.5 bln, EUR 0.6 bln and RUB 5 bln.

Security type	Issue date	ISIN	Nominal value	Amount outstanding	Coupon rate	Maturity, years
Subordinated Eurobonds 2025	21.11.2014	XS1143363940	RUB 5,000,000,000	RUB 4,977,800,000	16.50%	10.5
Subordinated Eurobonds 2027	29.03.2017	XS1589106910 / US12504PAD24	USD 600,000,000	USD 320,539,000	7.50%	10.5
Subordinated perpetual Eurobonds	26.04.2017	XS1601094755 / US12504PAE07	USD 700,000,000	USD 231,252,000	8.974%	Perpetual
Eurobonds 2025	22.01.2020	XS2099763075 / US12504PAH38	USD 600,000,000	USD 343,717,728	4.7%	5
Eurobonds 2026 EUR	13.01.2021	XS2281299763 / XS2281299847	EUR 600,000,000	EUR 310,890,000	3.1%	5
Eurobonds 2026 USD	14.09.2021	XS2384475930 / US12504PAJ93	USD 500,000,000	USD 284,751,000	3.875%	5
Subordinated perpetual Eurobonds	27.09.2021	XS2392969395 / US12504PAK66	USD 350,000,000	USD 215,938,000	7.625%	Perpetual

2024 was another year of challenging conditions for investors and issuers globally. MKB remains subject, among other restrictions, to blocking sanctions imposed by the United States, the United Kingdom, and the European Union. The Bank was disconnected from the international interbank financial messaging system SWIFT in 2022. The sanction restrictions made it technically impossible for MKB to make any payments as set out in the original issue documentation.

The Bank continues to make payments on Eurobonds issued by CBOM Finance plc (the "Eurobonds") to investors within the Russian depository system via NSD on the contractual due dates. Pursuant to Presidential Decrees No. 95 dated 05.03.2022 "On Temporary Order of Performing Obligations to Certain Foreign Creditors" and No. 430 dated 05.07.2022 "On Repatriation of Foreign and National Currency by Residents Engaged in Foreign Trade", MKB ensures settlements in favour of the holders of all its Eurobond issues within the Russian infrastructure (in Russian depositories) in Russian roubles at CBR's exchange rate on the payment date. This procedure for performing the bank's Eurobond-related obligations has also been reflected in the amended bond documentation: following a vote by the holders of all Eurobond issues (excluding the CBOM RUB issue, which is fully held within the Russian infrastructure), MKB amended the respective Eurobond loan agreements to incorporate an Alternative Payment Method in compliance with current legislation.

The introduction of the Alternative Payment Method not only legitimised payments made through the NSD infrastructure, but also enabled the bank to fulfil its obligations to foreign Eurobond holders who cannot receive payments under the original documentation due to sanctions, by way of direct payments. One of MKB's key projects in 2024 was the issue of replacement bonds. On 18 October 2023, the Supervisory Board resolved to issue replacement bonds in compliance with Russian laws, including Presidential Decree No. 364 dated 22.05.2023 "On Amendments to Presidential Decree No. 430 dated 5 July 2022 "On Repatriation of Foreign and National Currency by Residents Engaged in Foreign Trade". MKB fully complied with the legislative requirements by placing all nine replacement bond issues by 1 July 2024.

In 2024, the Bank engaged with the regulator to coordinate a mechanism for making direct payments to investors whose securities are held in foreign infrastructure. MKB prepared a full set of documents to obtain authorisation from the Bank of Russia to make such payments in accordance with clause 2g of Presidential Decree No. 529 dated 08.08.2022 "On the Temporary Procedure for the Fulfilment of Obligations under Bank Account (Deposit) Agreements Denominated in Foreign Currency and Obligations under Bonds Issued by Foreign Organisations".

In November 2024, MKB announced the launch of an investor identification procedure to collect data on Eurobond holders for inclusion in the register of holders whose rights are recorded by foreign depositories (brokers). At year-end, the Bank was actively compiling an updated list of identified holders in full compliance with applicable regulatory requirements. MKB thoroughly gathered and verified the necessary information on each investor, which resulted in the creation of the most comprehensive and up-to-date list. This register of Eurobond holders will be submitted to the Bank of Russia for review. Upon regulatory approval, MKB plans to begin collecting the originals of all required documents to verify the accuracy and relevance of the submitted information. NSD is expected to assist in the investor documentation verification process, as it provides similar services to issuers in the Russian securities market. MKB is currently in dialogue with the central depository to discuss terms of potential cooperation to optimise the direct payment process. Upon completion of

document verification, a final list of investors will be compiled, enabling direct payments subject to the Bank of Russia's approval.

MKB continues to operate in accordance with the principle of ensuring the repayment of borrowed funds to the widest possible range of investors, despite stringent regulatory constraints.

Local Bonds

MKB's bonds are on the first-level list of Moscow Exchange.

Security type	Placement date	ISIN	Size, RUB mln	Coupon rate	Maturity date
Exchange-traded bond series 001R-04	05.08.2021	RU000A103GW9	20,000	8.42%	31.07.2025

The Bank also has bond issues included in the third-level list of Moscow Exchange.

Security type	Placement date	ISIN	Size, RUB mln	Coupon rate	Maturity date
Corporate bond series 15	24.07.2018	RU000A0ZZE87	RUB 5,000,000	12.0%	-
Corporate bond MKB ZO-2026-02	19.03.2024	RU000A107VV1	USD 160,108,000	3.875%	21.09.2026
Corporate bond MKB ZO-2026-01	25.04.2024	RU000A107R03	EUR 210,232,000	3.1%	21.01.2026
Corporate bond MKB ZO-2025-02	18.04.2024	RU000A1086M4	USD 160,126,000	4.7%	29.01.2025
Corporate bond MKB ZO-2025-01	28.06.2024	RU000A108RN4	RUB 22,200,000	16.5%	26.05.2025
Corporate bond MKB ZO-2021	18.06.2024	RU000A108L24	USD 91,996,000	7.625%	-
Corporate bond MKB ZO-2017	20.06.2024	RU000A108LX6	USD 137,204,000	8.974%	-
Corporate bond MKB ZO-2027	26.06.2024	RU000A108NQ6	USD 77,965,000	7.5%	05.10.2027

MKB's ratings as at 31.12.2024

Rating agency	Rating		Affirmation date
Credit ratings			
ACRA	A+(RU)	Outlook: stable	25.10.2024
Expert RA	ruA+	Outlook: stable	14.06.2024
NRA	AA- ru	Outlook: stable	18.10.2024
China Liahne	AA-	Outlook: stable	27.02.2024
ESG ratings			
RAEX Agency	AA[esg]		17.12.2024
Expert RA	ESG-II(b)	Outlook: stable	23.12.2024

The credit rating confirms the bank's reliability and its ability to meet its financial obligations. Maintaining credit ratings from three Russian rating agencies enables the Bank to fully comply with regulatory requirements for banks authorised to hold funds from state-owned companies, the federal budget, and the Deposit Insurance Agency.⁴³ This provides MKB with access to a broad range of investment and debt resources, which in turn helps the Bank maintain a comfortable liquidity position, reduce funding costs, and diversify its funding base.

Rating agencies note the high quality of the bank's assets and risk management. Analysts also highlight the Bank's systemic importance⁴⁴ to the Russian banking sector, which reflects the Bank's high level of reliability and its significance to the national economy.

In June 2024, MKB's credit rating and outlook were affirmed by the national credit rating agency Expert RA. In the second half of 2024, two more Russian agencies – ACRA and NRA – also reaffirmed the Bank's high credit ratings with a stable outlook.

Analysts positively assess the Bank's market position and capital buffer. In the course of its monitoring, Expert RA confirmed the Bank's strong competitive standing in corporate lending and cash management services. Analysts noted that MKB had restored its profitability indicators to pre-crisis levels, driven by improved operational efficiency amid business growth.

NRA also highlighted the Bank's sound and diversified funding structure, supported by the attraction of new customers and the expansion of services to systemically important enterprises and companies from key sectors of the economy.

⁴³ <https://bondguide.moex.com/articles/assignment-credit-ratings/27>

⁴⁴ CBR included MKB in the list of systemically important banks in 2017.

Changes in MKB's National Credit Ratings

Rating agency	2020	2021	2022	2023	2024
Expert RA	ruA	ruA+	ruA+	ruA+	ruA+
ACRA	A(RU)	A+(RU)	A+(RU)	A+(RU)	A+(RU)
NRA	-	AA- ru	AA- ru	AA- ru	AA- ru

High ratings confirm the Bank's systemic importance and its role as one of the leading players in the Russian market.

In December 2024, two rating agencies highlighted the Bank's significant achievements in implementing ESG practices. Expert RA upgraded MKB's ESG rating to **ESG-II(b)** with a stable outlook and assigned an ESG-A rating according to the Bank of Russia's scale, indicating a very high level of implementation and planning of sustainable development practices. This rating achievement was driven by the Bank's development of responsible finance practices and increased expenditure on social and charitable purposes. RAEX upgraded MKB's rating for the third time since 2021. In 2024, following a reassessment, the Bank was awarded an **AA[esg]** rating, with an improved score of 86.87 out of 100. The highest score among the three components was in corporate governance – AAA – which reflects a high level of business ethics, high-quality sustainability disclosure, and the effective integration of environmental, social, and governance factors into credit and investment analysis.

ESG Report

Sustainable Development – MKB's View

Key ESG Results for 2024

E	S	G
3,228 tons of CO₂e — greenhouse gas emissions (Scopes 1 and 2) 100% of emissions offset	47.7 hours — the number of training hours per employee	53% — the share of small and medium-sized businesses in the purchase volume
>23% — growth of the responsible financing portfolio	93.7% — personnel engagement	0 incidents of data leakage, theft or loss
3 largest offices of MKB upgraded their Ecogreenoffice certification	"Great Place to Work" from Happy Job company in the <i>Russia</i> and <i>Top 10 Banks</i> categories	Approval of ESG Strategy 2024-2026

Rating and Rankings

MED-39

MKB's sustainable development efforts were highly appraised by the expert community in 2024⁴⁵.

	
<p>AA [ESG] (↑)</p> <p>AA [E] — Environmental</p> <p>AA [S] — Social</p> <p>AAA [G] — Corporate Governance</p> <p>RAEX Europe</p> <p>Ranked No. 2 among Russian banks</p> <p>Top 10 companies in the Russian Federation</p>	<p>ESG-II (b) — a very high level of implementation and planning of sustainable development practices</p> <p>Stable outlook</p>
Indices	Awards and achievements
<ul style="list-style-type: none"> • Responsibility and Transparency (RSPP) • Sustainable Development Vector (RSPP) • Raex ESG balanced (MOEX) • RBC ESG Index "Level I" 	<p>"Gold" status in the Forbes ranking of Russia's best employers</p> <p>1st place for leadership in ESG transparency in the <i>Banking and Finance</i> category, according to the Expert RA ranking</p> <p>5 stars - highest quality of annual report (RAEX-Analytics)</p>

⁴⁵ The resulting ranking values assigned by the rating agencies are available on the Bank's website: [MKB – For Shareholders and Investors \(mkb.ru\)](#).

Sustainability Strategy 2024–2026

IFRS S1 30 (b, c), IFRS S1 33(a), IFRS S1 46 (b), IFRS S1 51 (a, b, c, d)

In 2024, the Supervisory Board approved the updated ESG Strategy 2024–2026 (the “Strategy”). The document addresses the key needs of stakeholders and is intended to facilitate the implementation of the national social and environmental agenda in the Russian Federation. As part of the new Strategy, a decision was made to revise some of the targets and increase the list of MKB’s priority Sustainable Development Goals (SDGs) from 6 to 9.

Approach to Updating the ESG Strategy

1

17 UN Sustainable Development Goals and the national sustainable development goals of the Russian Federation **were analysed, MKB selected 9 priorities**



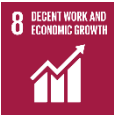


-  Good health and well-being
-  Quality education
-  Decent work and economic growth
-  Industry, Innovation, and infrastructure
-  Sustainable Cities and Communities
-  Responsible Consumption and Production
-  Climate Action
-  Peace, Justice, and Strong Institutions
-  Partnerships for the Goals







2

34 Bank's KPIs corresponding to the selected priority goals **were defined and included in the Strategy** for 2024-2026

Key Areas of the Sustainable Development Strategy for 2024–2026⁴⁶

UN SDGs	Key areas	Examples of goals
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> Employee well-being and health Occupational health and safety 	<ul style="list-style-type: none"> Develop and promote well-being tools Design and implement a programme to reduce workplace injuries and protect employee health
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> Training of employees Support of educational projects and initiatives 	<ul style="list-style-type: none"> Develop and provide remote ESG-courses for employees Achieve at least 10% annual growth in systemic investments in education and science
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Comfortable environment and decent working conditions Making financial services more accessible to all 	<ul style="list-style-type: none"> Transform the current branch network Increase the number of active small business clients Increase the number of active pension cards
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> Digitalisation Support of innovation 	<ul style="list-style-type: none"> Increase the share of digital mortgages in the total number of transactions Develop and improve in-house technological solutions
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> Responsible financing 	<ul style="list-style-type: none"> Achieve 35% growth in the current ESG portfolio by end-2026 Assist customers with ESG bond issuance

⁴⁶ Progress towards the targets will be measured relative to the baseline year of 2023.

	<ul style="list-style-type: none"> • Reducing consumption and increasing resource efficiency • Responsible waste management 	<ul style="list-style-type: none"> • Carrying out an external energy efficiency audit, followed by the development and implementation of a plan aimed at reducing consumption and enhancing resource efficiency • Ensuring the responsible disposal of 100% of ATMs decommissioned by the bank
	<ul style="list-style-type: none"> • Reducing the negative impacts on the climate and the environment 	<ul style="list-style-type: none"> • Reduce own carbon footprint and achieve carbon neutrality (Scopes 1 and 2) by the end of 2026 • Financing projects that support the climate transition
	<ul style="list-style-type: none"> • Continuous improvement of the corporate governance system 	<ul style="list-style-type: none"> • Optimization and development of an effective integrated system for managing social, environmental and climate risks. • Improving non-financial disclosure practices
	<ul style="list-style-type: none"> • Partnerships for sustainable development 	<ul style="list-style-type: none"> • Raising financial awareness with particular attention to vulnerable communities

MKB’s Compliance with Best Sustainable Development Practices





GRI 2-23, GRI 2-24

In organising and carrying out its activities, MKB relies on widely recognised principles of sustainable development activities. The Bank complies with the applicable requirements of the Russian laws, strives to adhere to international agreements and conventions, taking into account accumulated experience and best ESG practices.

Key sustainability-related documents approved in 2024
<ul style="list-style-type: none">• Sustainability Policy• Sustainability Strategy 2024–2026• Climate Transition Strategy 2024–2026• Procedure for Preparation and Submission of Sustainability Reporting

MKB is committed to the global and national sustainable development goals and strives to make a feasible contribution to their achievement.

Compliance with best practices

Corporate governance	Strategy	Risk management	Information disclosure
			
<ul style="list-style-type: none">• transparency and a high level of accountability and trust between MKB and stakeholders• integration of ESG principles into key business processes• optimal governance structure for effective social, environmental, and climate management	<ul style="list-style-type: none">• consideration of and focus on stakeholders’ needs and expectations• measurable contribution to the achievement of SDGs• engagement in key areas of sustainable development and climate agenda work• focus on forward-looking recommendations from international and national regulators regarding sustainable development and climate-related risks	<ul style="list-style-type: none">• effective identification , assessment and mitigation of risks• development and planning of response measures, their implementation and monitoring of metrics	<ul style="list-style-type: none">• achieving a high level of transparency of activities• using sustainability reporting as a tool for improvement of governance practice

Participation in External Initiatives and Membership in Organisations

GRI 2-28

MKB actively participates in both Russian and international initiatives and organisations promoting the ESG agenda and achievement of the UN SDGs.

Russian organisations and initiatives		International organisations and initiatives
Association of Banks of Russia (Association Russia)	Expert Council for Sustainable Development Financing (the State Duma Committee on the Financial Market)	UNEP FI Global Partnership at the UN
Association of Corporate Lawyers (OKUR), nonprofit partnership	National Financial Market Council (NFMC), nonprofit partnership	BRICS Business Council – Financial Cooperation Working Group
Association for Financial Technologies Development (FinTech Association)	Moscow Exchange MICEX-RTS (PJSC Moscow Exchange)	International Chamber of Commerce in Russia (ICC-Russia)
Association for Financial Literacy Improvement	Expert Council of the FAS Russia on Protection of Competition on the Market of Financial Services	
Association of Factoring Companies (AFC)	Participation in working and consultation groups on sustainable development at the Bank of Russia	
Council of Participants and Users of the Payment Market under National Payment Card System Joint Stock Company (NSPK JSC)	National Association of Securities Market Participants (NAUFOR)	
Russian Partnership for Climate Preservation		

In order to promote sustainability practices and to raise awareness about them among stakeholders at large, MKB took part in a number of external events in 2024, including:

- BRICS Business Council events to discuss ESG and Green Finance Task Force initiatives

- Fourth Annual Conference ESG Day organised by Expert RA
- An event of the Russian National Committee of the International Chamber of Commerce (ICC Russia) dedicated to the development of carbon markets “Emerging Carbon Markets: New Approaches to Regulating Greenhouse Gas Emissions”.

Material Factors of Sustainable Business Development

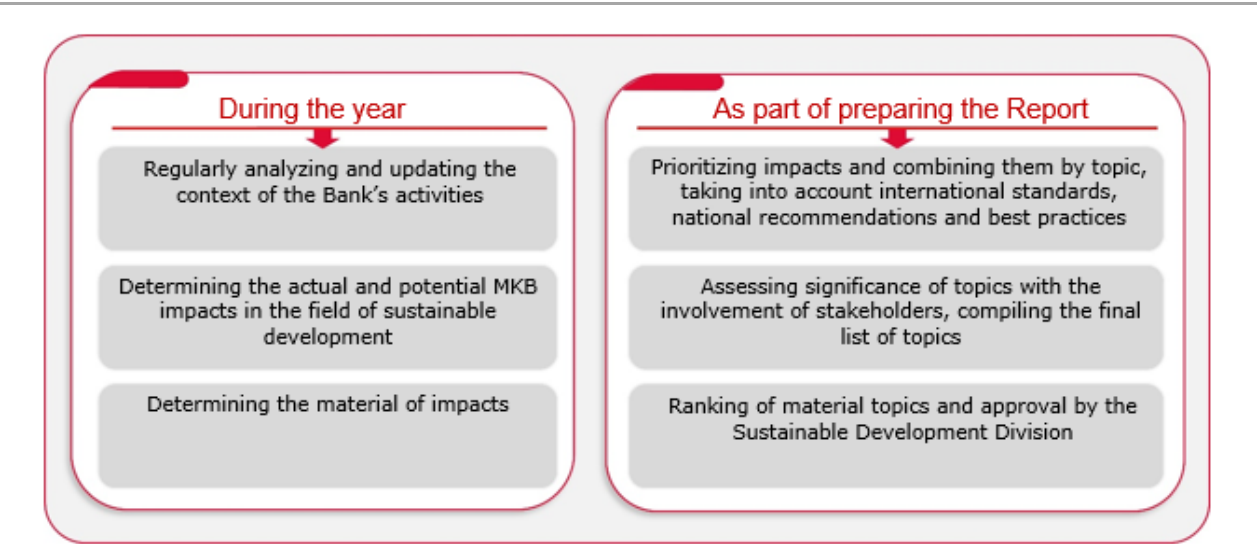
Identification of Material Topics

GRI 3-1, GRI 2-14, GRI 2-25

MKB systematically assesses and manages its direct and indirect impact on the environment and social context, taking into account the interests of stakeholders. The Supervisory Board Committees participate in development of measures for enhancement of positive environmental and socio-economic effects and reduction of negative impacts. The Bank regularly informs stakeholders about the results of this work, publishing sustainability reports in accordance with the principles of openness and transparency.

Guided by the GRI recommendations (2021), MKB assesses material topics for preparing this Annual Report. In 2024, there were no changes in the materiality assessment approach.

Approach to identification of material topics













The Sustainable Development Division is responsible for the analysis of the context of activities and determination of positive and negative impacts in the field of ESG within the scope of the Bank's procedures and operating processes.












In order to assess the materiality of material topics, the Bank conducted an online survey among the stakeholders. The representatives of all stakeholder groups took part in the survey, including expert communities, government and regulatory authorities, shareholders and investors, NPOs, suppliers and contractors, financial institutions, mass media, clients and employees.

GRI 3-2

Following the results of the survey, the topics that are most material for the Bank were identified, and the final list of material topics was compiled with the involvement of the Sustainable Development Division. In 2024, 11 material topics in the field of sustainable development were identified as a result of materiality assessment.

Material topics in 2024

Aspect	Material topic	Related UN SDGs	Disclosure in the Report
Environmental aspect	Climate change and contribution to low-carbon development	<ul style="list-style-type: none"> • Sustainable cities and communities • Climate action • Affordable and clean energy   	Climate Agenda, page 204
	Energy consumption and energy efficiency	<ul style="list-style-type: none"> • Affordable and clean energy • Climate action  	Environmental Responsibility, page 219
Social aspect	Workplace health and safety	<ul style="list-style-type: none"> • Good health and well-being 	Employee Care, page 181
	Ensuring employment and decent working conditions	<ul style="list-style-type: none"> • Decent work and economic growth 	Employee Care, page 181
	No discrimination	<ul style="list-style-type: none"> • Gender equality • Decent work and economic growth  	Employee Care, page 181
	Talent development, employee support and training	<ul style="list-style-type: none"> • Sustainable cities and communities 	Employee Care, page 181

Aspect	Material topic	Related UN SDGs	Disclosure in the Report
	Client security and personal data protection		Responsible Management, page 124
Economic aspect and corporate governance	Economic performance and indirect economic impact	<ul style="list-style-type: none"> • Decent work and economic growth • Sustainable cities and communities  	Sustainable Banking, page 163
	Responsible finance	<ul style="list-style-type: none"> • Zero hunger • Affordable and clean energy • Decent work and economic growth • Industry, innovation and infrastructure • Sustainable cities and communities • Sustainable cities and communities • Responsible consumption and production • Climate action       	Sustainable Banking, page 163
	Business ethics and integrity	<ul style="list-style-type: none"> • Peace, justice and strong institutions 	Responsible Management, page 124
	Anti-Corruption	<ul style="list-style-type: none"> • Peace, justice and strong institutions 	Responsible Management, page 124

Stakeholder Engagement

GRI 2-29

MKB establishes relationships with all stakeholders on the basis of the openness, transparency and responsibility principles, which contributes to the success in the operating activities. The Bank maintains regular communication with the stakeholders, develops various channels of interaction with them and takes into account their interests and expectations when making decisions, including in the field of sustainable development. In order to monitor the effectiveness of communication with the stakeholders, MKB conducts surveys of their satisfaction with the interaction with the Bank on a periodical basis.

MKB annually updates the list of stakeholders on the basis of the assessment of the following criteria:

- significance of stakeholders to the Bank;
- significance of the Bank to them;
- level of the Bank's influence on the stakeholders;
- level of the stakeholders' influence on the Bank's activities;
- frequency of stakeholder engagement.

In 2024, MKB identified 12 main groups of stakeholders.

Bank's interaction with stakeholders

Stakeholder group	Interaction methods	Results of interaction in 2024
Shareholders and investors	<ul style="list-style-type: none"> • General Shareholders' Meeting • Publication of the Annual Report and the Sustainable Development Report • Holding meetings and events for the investors 	<ul style="list-style-type: none"> • The Annual General Shareholders' Meeting and the Extraordinary General Shareholders' Meeting were held
Employees	<ul style="list-style-type: none"> • Information through corporate channels, i. e. mailings, internal portal for the employees • Annual engagement and satisfaction surveys • Consideration of requests sent through the employee hotline and feedback forms • Internal trainings and education 	<ul style="list-style-type: none"> • 93.4% – staff satisfaction level • 47.7 hours – average duration of training per year per one employee
Clients	<ul style="list-style-type: none"> • Selling services via physical and digital channels 	<ul style="list-style-type: none"> • Current programmes were improved and new

Stakeholder group	Interaction methods	Results of interaction in 2024
	<ul style="list-style-type: none"> Considering client requests and complaints Collecting and analysing client feedback (SMS surveys, mystery shopper assessments) Consultation on responsible business practices 	programmes were introduced to support vulnerable categories of clients
Suppliers and contractors	<ul style="list-style-type: none"> Procurement accreditation system, including ESG criteria Regular inspections for compliance with the social and environmental requirements Consultation on responsible business practices 	<ul style="list-style-type: none"> 100% – the share of local suppliers in the total procurement volume 53% – the share of small and medium-size businesses in the total procurement volume
Public authorities	<ul style="list-style-type: none"> Cooperation with the representatives of regional authorities Participation in forums, meetings, working and consulting groups Participation in government programmes Disclosure of information in accordance with the legal and regulatory requirements 	<ul style="list-style-type: none"> Cooperation Agreement with the Republic of Sakha (Yakutia) Agreement with the Ministry of Economic Development within the scope of the “Project Financing Factory” programme Participation in the programme of integrated development of territories of the Department of State Property of Moscow
Regulatory authorities (Bank of Russia)		
Financial institutions	<ul style="list-style-type: none"> Participation in industry events Analysis of the best industry and global practices for their integration into the Bank’s activities 	<ul style="list-style-type: none"> Participation in external events, including those related to sustainable development
Professional and expert communities	<ul style="list-style-type: none"> Participation in implementation of joint projects and programmes 	<ul style="list-style-type: none"> Participation in joint events as experts
Rating, ranking and ESG agencies	<ul style="list-style-type: none"> Disclosure of information on the Bank’s ESG activities 	<ul style="list-style-type: none"> High grades received in credit and ESG ratings

Stakeholder group	Interaction methods	Results of interaction in 2024
	<ul style="list-style-type: none"> • Disclosure of information to address the requests 	
Local communities	<ul style="list-style-type: none"> • Support and implementation of charitable, social, environmental projects 	<ul style="list-style-type: none"> • >RUB 250 million allocated for investments in social and environmental projects
Non-profit organisations (NPOs)	<ul style="list-style-type: none"> • Joint projects with non-profit and charitable organisations • Support of educational and healthcare institutions 	
Mass media	<ul style="list-style-type: none"> • Disclosure of information on the Bank's ESG activities • Media activism: publications, press releases, interviews with the Bank's representatives 	

7. Sustainability at MKB

IFRS S1 27(a)

For MKB, the sustainability concept underlies the selected strategic long-term development course. ESG principles constitute an integral part of our corporate culture and operations. Besides, the Bank is actively developing a sustainable finance system, offering clients relevant ESG products and services.

ESG aspects are deeply integrated into operational activities: the Bank assesses and manages social, environmental and climate-related risks, both its own and those of its clients. The initiatives implemented by the Bank are aimed at creating a sustainable and responsible business that factors in the impact of its activities on the environment and society.

Employee involvement in the implementation of the ESG agenda increases their motivation and loyalty, which, in turn, contributes to more effective fulfilment of the Bank’s business strategy.

MKB's approach to sustainability

E	Stakeholder engagement	<ul style="list-style-type: none">• Environmental responsibility• Carbon footprint management
S		<ul style="list-style-type: none">• Occupational health• Health and safety• Human rights• Charity
G		<ul style="list-style-type: none">• Socially responsible banking• ESG assessment of projects• Sustainable supply chain.⁴⁷

7.1 Sustainability Management Framework

GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-19, IFRS S1 27(a, b)

MKB has a comprehensive sustainability management system in place, targeting implementation of long-term goals pertaining to implementation of responsible banking principles at all levels, from subdivisions to the Supervisory Board.

Responsibility for the ESG agenda management is assigned to specific units and includes fulfilment of the assigned tasks and achievement of the key performance indicators (KPIs) set in the ESG strategy. ESG goals and initiatives are aggregated in the ESG Strategy Implementation Plan and assigned to responsible members of the Management Board as well as heads of subdivisions, and then transferred to the next implementation level within the involved divisions.

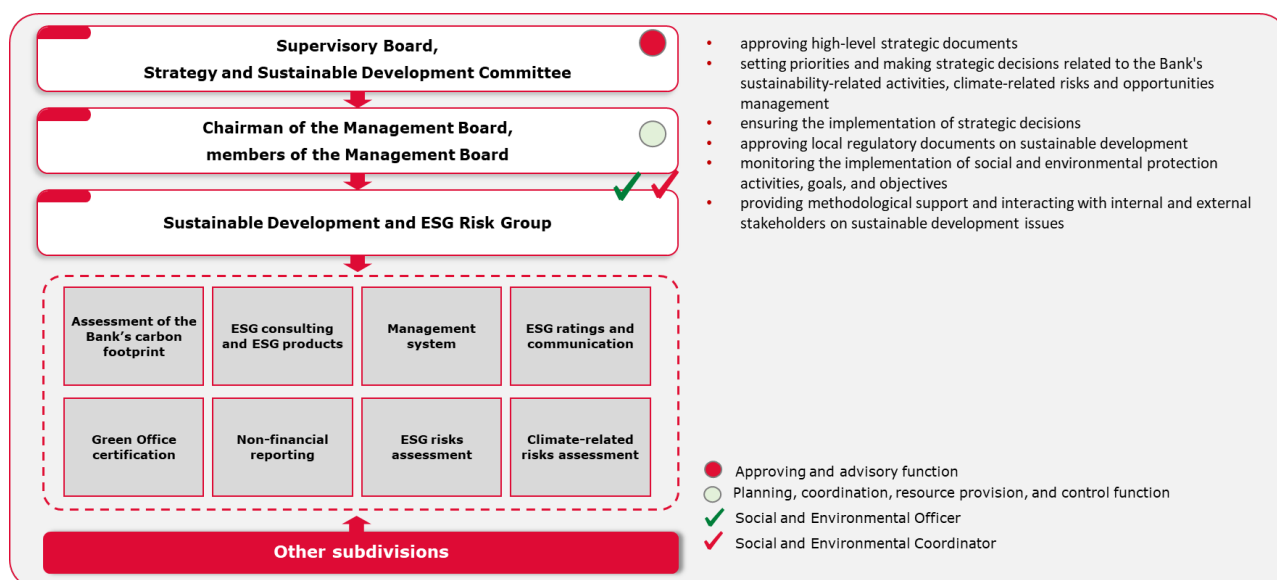
⁴⁷ A supply chain characterised by management of environmental, social and economic impacts on the environment and the company as well as encouragement of best management practices throughout the life cycle of a product or service.

IFRS S2-29 (g)

MKB's sustainable development management system is supported by an effective remuneration mechanism. The total share of remuneration that is dependent on the ESG KPIs of individual managers, including climate management, is at least 10%.

Sustainable development issues are regularly considered at meetings of the highest governing bodies. The Sustainable Development Division controls the implementation of the Bank's planned ESG activities.

MKB's sustainable development management organizational structure



GRI 2-23, GRI 2-24, MED-35

The sustainable development strategic vision, procedures and objectives of MKB are reflected in its bylaws aimed at integrating the ESG principles into the Bank's principal business processes. The documents were elaborated with due regard for the applicable laws as well as best available Russian and international sustainable development practices. The said documents apply to all Bank employees and, in some cases, to business partners.

Priority areas and strategic goals of the Bank's sustainable development activities, including the long-term ones, are determined by the Bank's Supervisory Board. The main document defining the Bank's sustainable development priorities and goals is the ESG strategy approved by the Supervisory Board.

MKB regularly analyses best corporate practices, which is reflected both in development of new and in updating of existing bylaws on the climate agenda, diversity and gender equality, approach to the supply chain and other sustainable development matters.

In 2024, MKB approved [the Sustainability Policy](#), the basic document defining the main objectives, principles and approaches to MKB's sustainable development activities.

GRI 2-24

Familiarisation of employees with corporate documents is carried out through MKB's information system in effect and at the recruitment stage. External stakeholders may familiarise themselves with the documents [on the Bank's official website](#). In specific cases, when entering into agreements, the Bank may on an individual basis inform its business partners of the necessity to observe the sustainable development principles.

7.2 Sustainability Risks and Opportunities Management

GRI 201-2, IFRS S1 29 (a,b,c,d), IFRS S1 44 (a,c)

To shape and successfully implement the Sustainable Development Strategy, MKB regularly identifies sustainability-related risks and opportunities (direct and indirect). The Bank performs risk assessment, elaborates risk mitigation measures, and carries out risk monitoring. The assessment is performed by the specialists of the Sustainable Development and ESG Risk Group together with employees of divisions responsible for managing other significant types of risks who have sufficient expertise and experience and are capable of making unbiased and good-faith judgments to form a position and appropriate recommendations for further decision-making.

➔ *For more information, see the [Risk Management section](#)*

Indirect ESG Risk Management at MKB

MKB exerts its main influence on the economy, environment, and society indirectly, that is through its clients and partners. For managing the indirect impact, MKB analyses and assesses the material (potential) ESG risks of counterparties and, where necessary, proposes measures to prevent, mitigate or compensate for potential negative impacts, and provides ESG financing.

The sustainable development risk management system is integrated into the Bank's risk management system. At the Bank, risk management is carried out in accordance with the following phases, each of which implies the involvement of responsible subdivisions/persons: risk identification, risk appetite determination, risk detection, risk assessment, selection of risk and risk event response methods, risk monitoring as well as risk level control and monitoring the observance of risk management procedures.

Following the results of the material risks identification, social and environmental and climate-related risks were recognised as insignificant. A detailed assessment of climate-related risks was carried out as a part of risk identification. It was determined that in 2025 and, in general, in the short-term perspective, climate-related risks are insignificant for the Bank.

In order to elaborate strategic approaches to climate-related risks and opportunities management, the Bank also assessed the potential materiality of climate-related risks in the medium and long term, using a scenario analysis mechanism and stress testing.

➔ *For more information, see the [Climate Agenda section](#)*

Managing Direct ESG Risks at MKB

IFRS S1 41



Main MKB's ESG risks in 2024

IFRS S1 30 (a)

Risk types	Risk description	Risks materialisation in 2024
Occupational health and safety risks	<ul style="list-style-type: none"> • Danger of falling due to loss of balance when slipping or tripping; • Risk of fire, exposure to open flame; • Risk of being hit by falling random objects; • Risk of general vibration impact; of local vibration exposure; • Risk of injury as a result of a road traffic accident; • Risk of electric shock due to contact with conductive parts that are under voltage of up to 1000 V due to a faulty condition (indirect contact); • Risk of falling due to differences in heights 	<p>The risk of falling due to differences in heights materialized.</p> <p>To mitigate it, the Bank:</p> <ul style="list-style-type: none"> • <i>organized an extraordinary OHS briefing for employees whose activities are associated with this risk</i>
Environmental risk	<ul style="list-style-type: none"> • Risk of an increase in electrical power consumption; • Risk of increased emissions from mobile fuel combustion resulting from business trips and travel of the Bank's employees 	<p>The risks materialized in the reporting year. To mitigate them, the Bank:</p> <ul style="list-style-type: none"> • conducted an external energy efficiency audit and developed a plan for reduction and efficient use of resources; • scheduled employee business trips and travel only when absolutely necessary
Nature- and climate-related risk	<p>Direct physical climate-related risks:</p> <ul style="list-style-type: none"> • operational risks with regard to potential impact on own and leased property; • loss of equipment integrity; 	<p>No risks materialized in the reporting year</p>

Risk types	Risk description	Risks materialisation in 2024
	<ul style="list-style-type: none">• discontinuity of core and auxiliary business processes	
	Direct transition climate-related risks: <ul style="list-style-type: none">• the impact on the need to allocate additional funds;• insurance cost	No risks materialized in the reporting year

8. Responsible Management

2024 Highlights	Material Topics
<p>0 incidents related to data leaks, thefts, or losses, including the data that may expose customer data and identity</p> <p>13 blocked DDoS attacks on information systems</p> <p>100% – the share of local suppliers in the procurement budget</p> <p>53% – the share of small and medium-sized businesses in the procurement budget</p> <p>A Regulation on the Compliance Hotline developed</p> <p>A Compliance section created on the Bank's website</p>	<ul style="list-style-type: none"> • Business ethics and integrity • Anti-corruption • Client security and personal data protection
UN Global Sustainable Development Goals	
<div>    </div>	
Bylaws	
<ul style="list-style-type: none"> • Human Rights Policy • Anti-Corruption Policy • Code of Corporate Ethics • Corporate Governance Code • Information Security Policy • Confidentiality Policy • Supplier and Contractor Code of Conduct • Regulation on the Hotline of the Audit and Risk Committee of the Supervisory Board of the Bank 	

8.1 Ethical Norms and Standards of MKB

GRI 3-3, GRI 2-23, GRI 2-24

One of the key aspects of achieving sustainable development goals for MKB is establishment of an ethical, honest, and transparent business, respecting the rights of shareholders, employees, and other stakeholders.

To achieve these goals, MKB adheres to high standards of corporate ethics and observes the compliance rules and regulations. The Bank has an open and fair approach to building relationships with employees, counterparties, regulators, government authorities, and other stakeholders.

The Bank's activities fully conform to the applicable requirements of the national legislation. During the reporting period, there were no reported violations of the laws of the Russian Federation currently in force by the Bank, and no forms of restrictions were imposed on the Bank by the regulator.

To observe and regulate the ethical standards in all business processes, MKB developed the following bylaws:

- [Code of Corporate Ethics;](#)
- [Corporate Governance Code;](#)
- [Human Rights Policy;](#)
- [Anti-Corruption Policy;](#)
- [Supplier and Contractor Code of Conduct;](#)
- [Regulation on the Hotline of the Audit and Risk Committee of the Bank's Supervisory Board;](#)
- Regulation on the Compliance Hotline;
- Gift-Giving Standard.

MKB has a Code of Corporate Ethics that was developed on the basis of the best Russian and international corporate practices.

The Code establishes the mission and values of the Bank, the main rules of business conduct for employees and managers, including regulations regarding potential conflicts of interest and corruption.

The Code is mandatory for compliance by all Bank employees, regardless of their position level, as well as by members of the governing bodies. Employees at all levels may be held accountable under labor and other applicable laws for non-compliance with the Code.

The Bank regularly monitors employees for compliance with the provisions of the Code of Corporate Ethics. A periodic monitoring conducted in 2024 covered such issues as:

- observance of the Bank's bylaws requirements by employees,
- compliance with information security rules by employees,
- completion of mandatory training.

The implementation of recommendations from the 2023 monitoring was also analyzed, and as a result, no violations of the Code of Corporate Ethics were identified.

During the reporting period, a survey was conducted among the Bank employees regarding compliance with the Code of Corporate Ethics. Based on the survey results, the level of corporate ethics was assessed as high. Based on the results obtained, a

plan was developed for further activities aimed at improvement of specific metrics and maintaining the corporate ethics level within the Bank.

The Bank's management takes measures to manage conflicts of interest, combat corruption, protect confidential and insider information, and demands the same responsible behavior from employees.

MKB strives to promptly identify and manage conflicts of interest. The responsible employees analyze all such cases in accordance with the Bank's bylaws. To mitigate the negative impact, MKB elaborates and implements measures to resolve the emerging conflicts of interest and minimize potential risks for the Bank. All the issues detected in the reporting period relating to a potential conflict of interest were resolved.

In 2024 MKB:

- developed the Regulation on the Compliance Hotline covering all processes related to acceptance, registration, and review of inquiries received through the Compliance Hotline, with posting of contact information for submission of inquiries [on the MKB's website](#).
- approved a new version of the Compliance Policy establishing the principle of zero tolerance towards regulatory risk.



Compliance assistant

In order to develop and automate compliance processes in 2024, a chatbot called 'Compliance Assistant' was developed based on the Bank's internal messenger. The Compliance Assistant simplifies for the Bank employees the process of reporting potential conflicts of interest, which in turn can enhance the efficiency of risk reporting and identification processes. The Bank is considering expanding the list of topics available for reporting through the bot in the future.

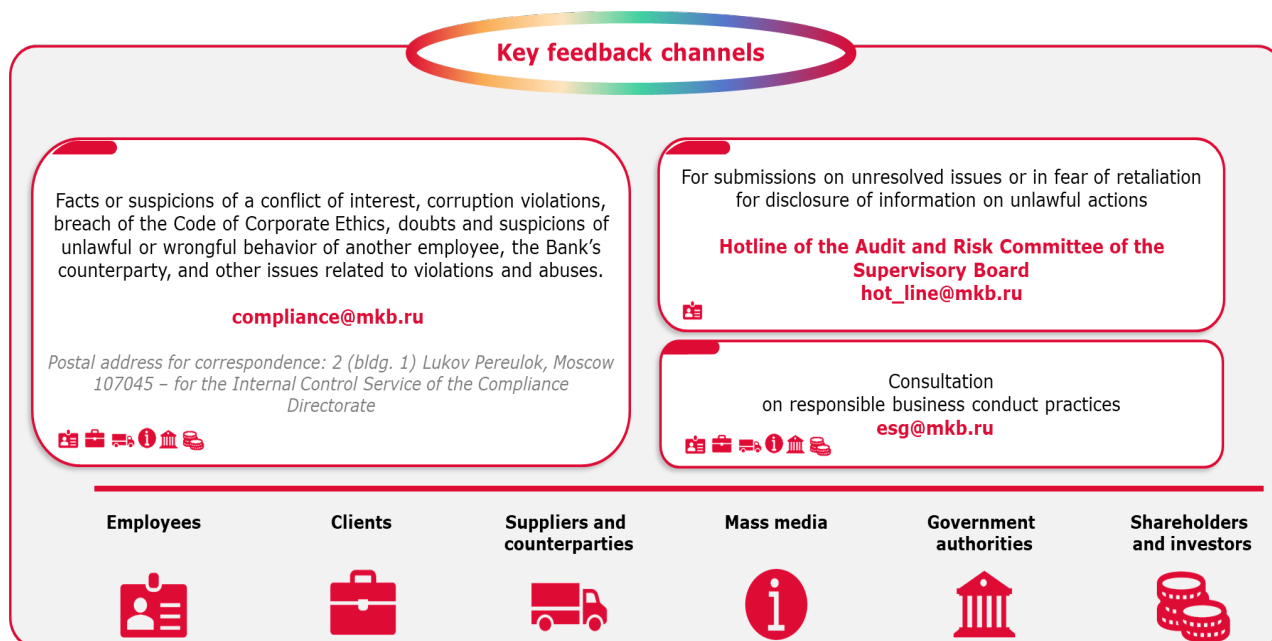
GRI 206-1

One of the aspects of responsible business conduct is competitive behavior in the market. The Bank strives to prevent violations related to unfair competition. If or when necessary, the Bank requests a respective consent or clarification from the Federal Antimonopoly Service of the Russian Federation (FAS Russia). In the reporting year, there were no incidents related to violations of antimonopoly legislation.

Information Line and Feedback

GRI 2-16, GRI 2-25, GRI 2-26, FN-CB-510a.2

The Bank continuously develops feedback mechanisms to enable representatives of all stakeholders to receive the necessary support and information about products and services, report identified risks and any potential cases of the Bank's or its counterparties' misconduct.



In 2024, one of the key innovations in the compliance area was creation of the [Compliance section](#) on the Bank's website.

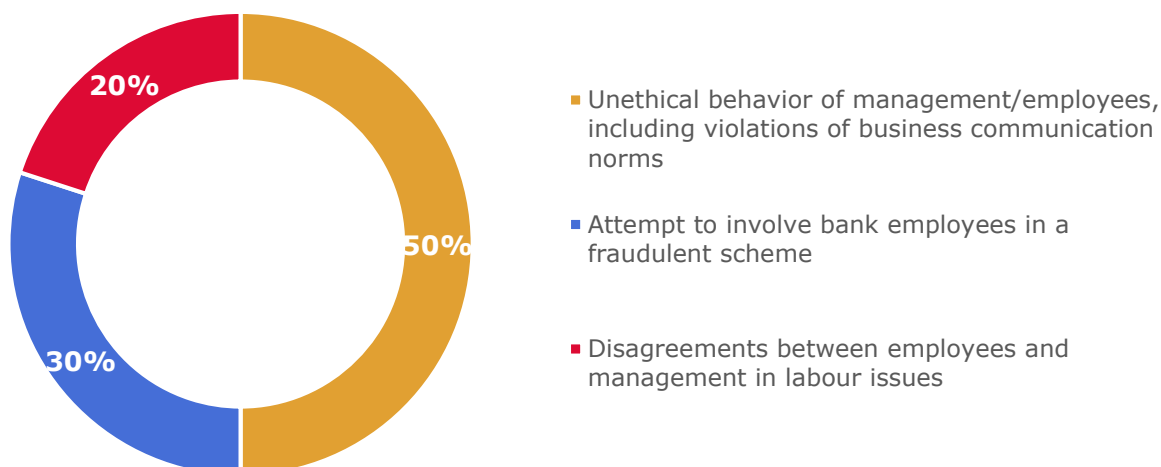
To increase the awareness of external users and the Bank's employees, information about the Bank's compliance activities and relevant documents are posted in the Compliance section.

This section also provides details about the opportunity to contact [the Compliance Hotline](#) where any stakeholders can submit inquiries (including anonymous ones) on such matters as:

- labor legislation;
- corporate ethics;
- occupational health and safety;
- interaction with contractors, procurements;
- corruption, theft;
- conflict of interest;
- antimonopoly legislation;
- insider information legislation;
- other issues related to compliance violations.

The compliance unit reviews all inquiries, including anonymous ones, and, if necessary, conducts investigations into the circumstances outlined in the inquiries. If there are doubts about the presence of compliance violations and potential risks for the Bank in a certain situation, all employees can contact the compliance unit to receive a consultation and to obtain a reasoned position within its competence.

In 2024, the compliance unit received inquiries on such topics as:



As a result of reviewing the inquiries submitted to the Compliance Hotline, responses were sent to all applicants, and, when necessary, measures were taken to improve internal processes.

The procedure for submission and review of inquiries regarding compliance violations is detailed in the Regulation on the Compliance Hotline.

The Bank ensures confidentiality and applicants' data protection, strives for a comprehensive and unbiased analysis of the reported circumstances, and guarantees non-application of retaliation towards those who reported a violation (potential violation) in good faith at all stages of the investigation.

Inquiries are accepted 24 hours a day, 7 days a week. Inquiries are registered and reviewed on the Bank's working days.

Hotline of the Audit and Risk Committee

GRI 2-16

In line with best corporate practices, the Bank operates a Hotline of the Audit and Risk Committee of the Bank's Supervisory Board, which can be contacted if in the applicant's opinion the inquiries filed through other channels have not been properly addressed or if there are concerns about the potential disclosure of information regarding unlawful actions. The Bank, in its turn, guarantees provision of feedback as well as applicants' security, confidentiality, and non-retaliation against them.

In 2024, the Hotline of the Audit and Risk Committee received one inquiry on a personnel issue.

The inquiry was reviewed by the responsible units, the necessary measures were taken to resolve the conflict situation, and the applicant's issue was settled. Upon review of the inquiry, the feedback was sent to the applicant.

Compliance Control Procedures

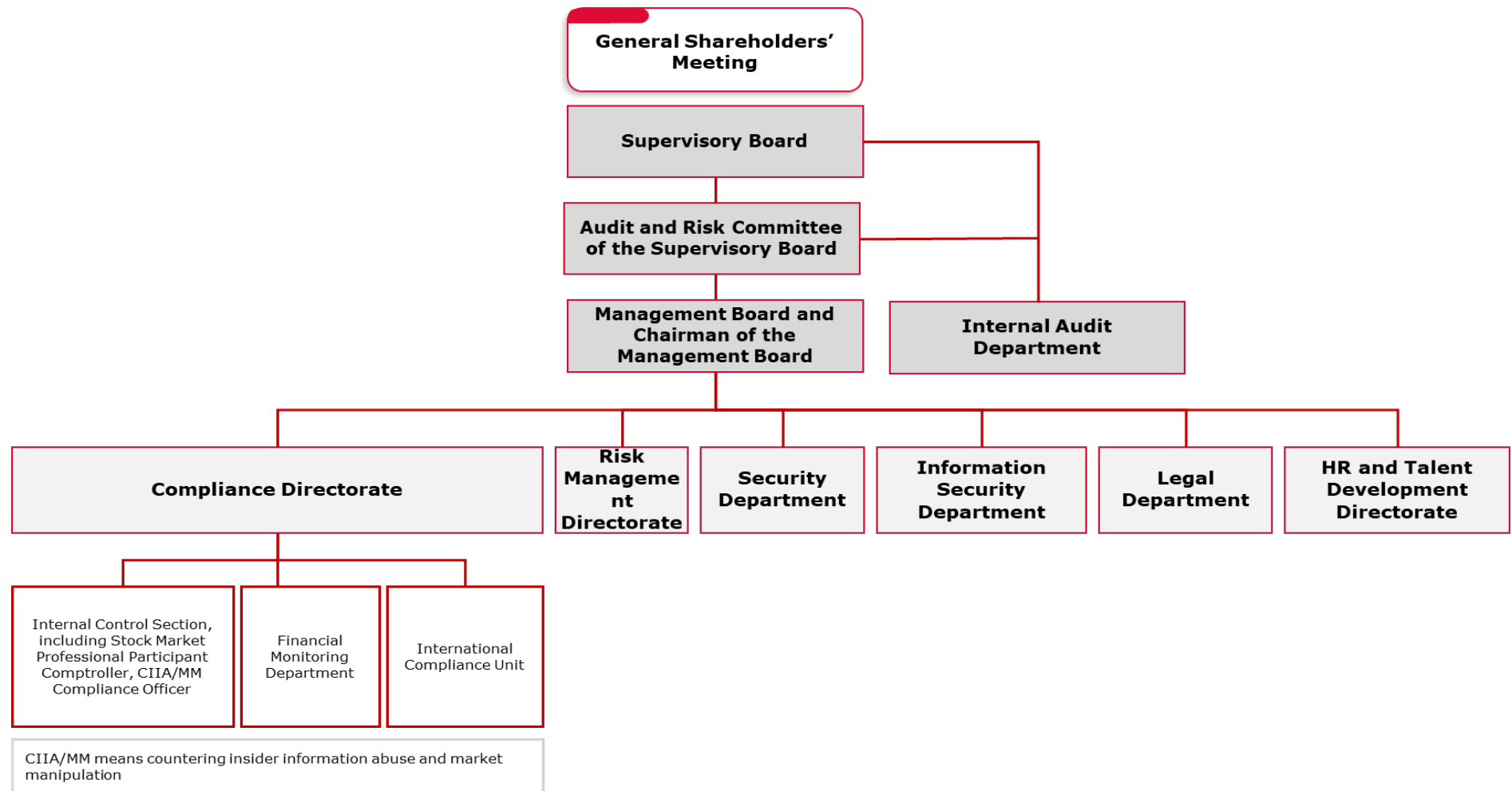
For the Bank, the continuous compliance control of all phases of the business processes is an important part of its activities. MKB's compliance system is based on the best available Russian and international practices, corporate governance standards, and business ethics, as well as on anti-corruption and abuse control rules.

Creation of the Bank's compliance system is carried out through the use of the Three Lines of Defense model:

- The First Line refers to divisions responsible for the day-to-day and efficient Compliance Control, take actual measures to manage regulatory (compliance) risks associated with their activities, thus ensuring the continuous risk identification, assessment and control process;
- The Second Line refers to divisions responsible for elaborating and introducing the Compliance Control rules and procedures, determining the regulatory (compliance) risk management standards, principles, limits and restrictions, monitoring the level of regulatory (compliance) risks, forming the reporting, checking the compliance of the regulatory (compliance) risk appetite level with the regulatory (compliance) risk of the Bank and its Group, as well as consulting, modeling and aggregating the overall risk profile;
- The Third Line refers to internal audit entrusted with an independent assessment of the compliance system efficiency.

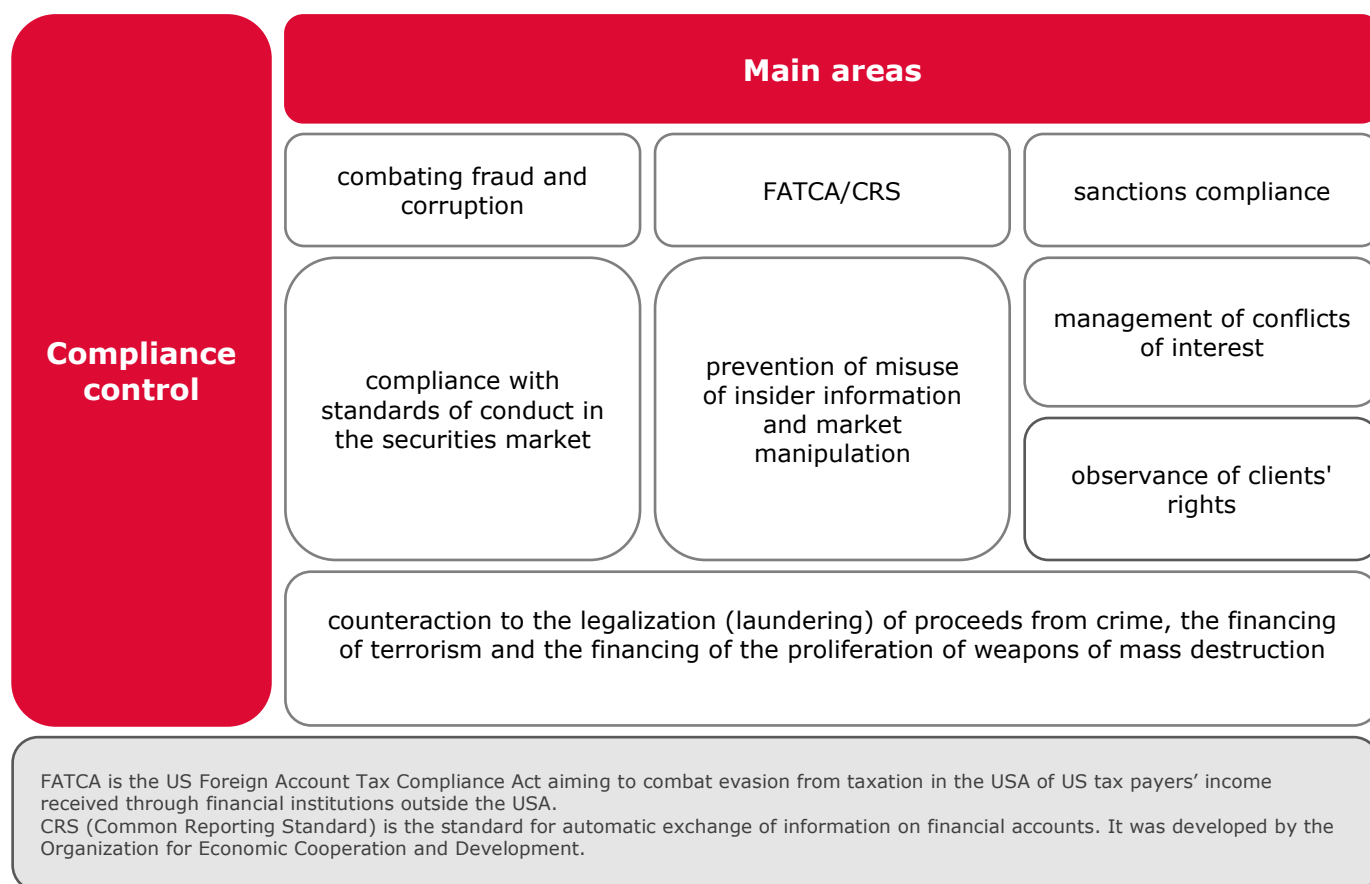
The Compliance Directorate exercises control over the activities of the Bank's divisions related to the management of regulatory (compliance) risks, coordinates the compliance system and integrates it into the internal control system of the Bank and Bank Group. The Directorate reports to the Deputy Chairman of the Management Board. The Internal Control Section of the Compliance Directorate is responsible for the analysis and management of regulatory (compliance) risk. The Risk Management Directorate, the Legal Department as well as the Security Department, the Information Security Department, the HR and Talent Development Directorate are responsible for the implementation of the compliance system standards and/or principles across the Bank within their powers set forth in the Bank's bylaws.

Compliance System Participants



➔ For more details on the internal control system, including the compliance control, see the Corporate Governance section of the Management Report.

➔ For more details on the risks, including the compliance risks, see the Risk Management section of the Management Report.



Compliance Training

To raise employee awareness of compliance issues, MKB develops its compliance culture and conducts respective training.

Induction procedures for new employees include the following mandatory training courses:

- on conflicts of interest and anti-corruption;
- on the Bank's core values and ethical principles.

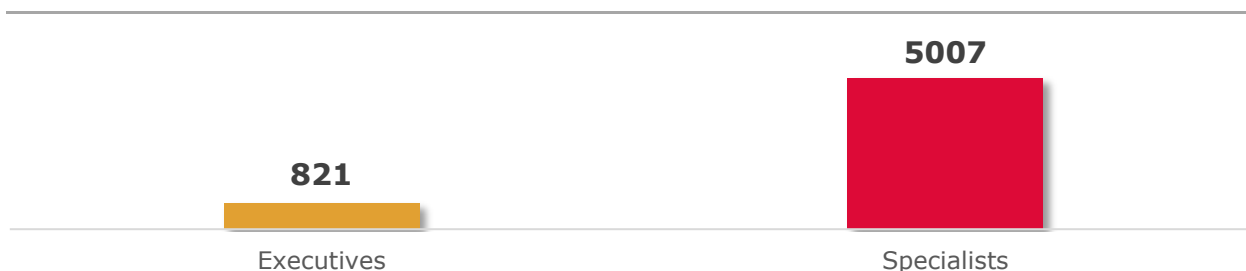
In order to continuously improve the compliance culture, the Bank, guided by best business practices, is constantly developing training programmes and implements new ways for informing employees and external counterparties on matters pertaining to conflict of interest, anti-corruption and business ethics.

Additionally, MKB annually enhances its training materials to improve quality and tailor them to different categories of trainees based on the specifics of their work. Efforts are continuously made to update informational materials and enhance the ease of understanding and assimilation of information.

More than 82% of employees completed general bank compliance training in 2024.

The course is additionally scheduled for all newly hired Bank employees, with mandatory testing.

Employee training in anti-corruption and conflict of interest management in 2024 (persons)

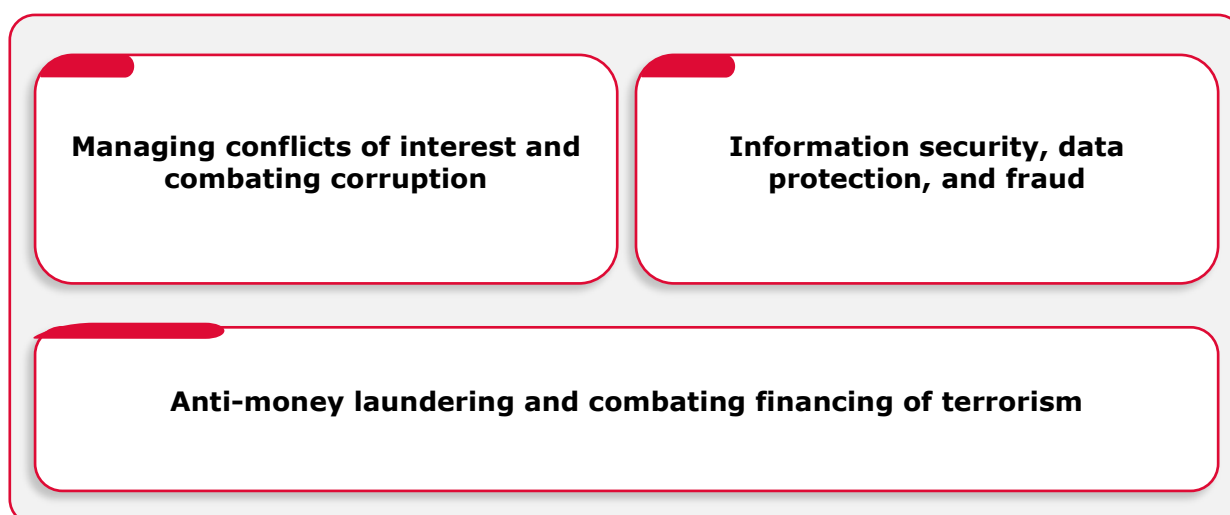


The updated course includes examples of situations presented inter alia in a question-and-answer format, a schematic outline of information disclosure procedures, and checklists for self-assessment.

Additionally, educational activities regarding compliance issues are conducted among employees. Memos and other visual materials concerning the new procedures adapted for easy comprehension are developed. Publications are posted in the news section of the internal MKB portal.

Memos, templates, and necessary bylaws are available in a dedicated section on the corporate portal.

Topics of the compliance training



In 2024, to enhance qualifications, expertise and skills, as well as to obtain clarifications regarding regulatory requirements in the area of regulatory (compliance) risk management, all employees of the compliance unit took external training. This included topics concerning the development of the internal control framework and ethics management within the organization.

Respect for Human Rights

GRI 2-23, GRI 2-24

MKB's activities are based on the principle of strict observance of human rights. The Bank operates in conformity with the requirements of national laws and is guided by international principles and documents in human rights, including the International Bill of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms, and the UN Guiding Principles on Business and Human Rights.

The Bank's approaches to human rights management is enshrined in MKB's Human Rights Policy. The Bank makes sure that the Policy's provisions are observed by each and every employee, and conducts personnel training on human rights. In 2024, a special course on human rights and financial inclusion was posted on the bank's internal portal for employees. This course explains the relationship between the concepts of human rights and financial inclusion, as well as how understanding this topic can impact employees' work. The course is not mandatory but is available to all bank employees.

Key principles of stakeholder interaction on human rights issues

Stakeholders	Key interaction principles
Customers	MKB expands the availability of financial and non-financial products and services as well as offices for vulnerable population groups.
Employees	Governed by the principles of diversity, inclusiveness and equality as well as the work-life balance maintenance, MKB provides favorable and safe working conditions that enable employees to unlock their potential.
Counterparties	MKB expects its suppliers and contractors to respect human rights, exercises control and informs them of the importance of this aspect.

GRI 2-26

Submissions and complaints handling mechanisms

Should any issues or violations of human rights occur at MKB or its counterparties, internal and external stakeholders may report these through the existing feedback channels.

→ *For more information on the feedback channels, see the [Information Line and Feedback section](#).*

MKB does not allow retaliation against stakeholder representatives who make submissions on potential violations of human rights. The Bank reviews all submissions and, where necessary, pursues investigations followed by remedial measures.

GRI 408-1, GRI 409-1

In 2024, there were no cases of human rights violation, including those related to the use of child and forced labor. Any risks of human rights violation among the Bank's suppliers were not detected either.

8.2 Anti-Corruption⁴⁸

GRI 2-27, GRI 3-3

A key element of responsible business conduct at MKB is the anti-corruption framework.

MKB adheres to the zero tolerance policy towards any manifestations of corruption on the part of its employees and counterparties.

GRI 205-3, MED-43

As per 2024 results	
0 cases of corruption and judicial proceedings related to corruption	
0 events indicative of corruption risks and violation of the Bank's anti- corruption standards	0 cases of imposition of administrative sanctions on the Bank for corruption offenses

MKB has the efficient anti-corruption system in place. To prevent corrupt practices among its employees and managers, the Bank informs its staff about the existing risks in a timely manner through online newsletters and by posting useful materials on its internal portal.

⁴⁸ In this report, the term 'corruption' refers to unlawful actions related to interactions with both governmental authorities and non-governmental organizations, as well as other parties.

Anti-corruption management structure



To comply with provisions and requirements of the legislation of the Russian Federation and regulatory acts of the Bank of Russia, the following bylaws have been developed:

- Anti-Corruption Policy;

- Code of Corporate Ethics;
- Regulation on the Hotline of the Audit and Risk Committee of the Supervisory Board;
- Regulation on the Compliance Hotline;
- Procedure for Preventing Conflicts of Interest;
- Gift-Giving Standard.

[The Anti-Corruption Policy](#) is a key document for managing anti-corruption issues. The document contains a detailed description of the roles and powers of the management bodies, the Bank's divisions and employees responsible for anti-corruption issues, as well as the measures being carried out for and areas of preventing and combating corruption.

The Bank has also developed the Standard for Giving Gifts and Other Rewards. The Standard outlines the conditions under which giving and receiving gifts is permissible, as well as the circumstances in which a gift may lead to potential conflicts of interest for the Bank.

To enhance the awareness, these documents are posted in [the Compliance section](#) on the Bank's website.

GRI 205-2

The Anti-Corruption Policy provisions and information about MKB's existing anti-corruption procedures are communicated to all employees of the Bank, including its management bodies, and to business partners.

➔ *For more information on compliance training, see the Compliance Training section.*

Identification and Assessment of Corruption Risks

GRI 205-1

The Bank implements the measures for identifying and counteracting corruption-related cases. In the case of detection of corruption risks as well as receipt of information on suspicions related to corruption the authorized divisions of the Bank conduct mandatory internal investigations, and the results thereof are communicated to the Bank's management. In the reporting period, high corruption risks were not detected.

On a regular basis, MKB takes the following measures to counter corruption and minimize the risks of corrupt actions:

- conducts expert reviews of the internal regulatory documents as well as the contracts concluded by the Bank for compliance with anti-corruption laws;
- regulates the procedure for assessing, analyzing, and selecting the Bank's counterparties, as well as the rules of interaction with them in conformity with the requirements of the external and internal regulatory acts;
- sets forth the requirements to the Bank's officials and candidates for managerial positions in accordance with the Policy's provisions;
- prevents preconditions for conflicts of interest and conducts training events for employees and managers;

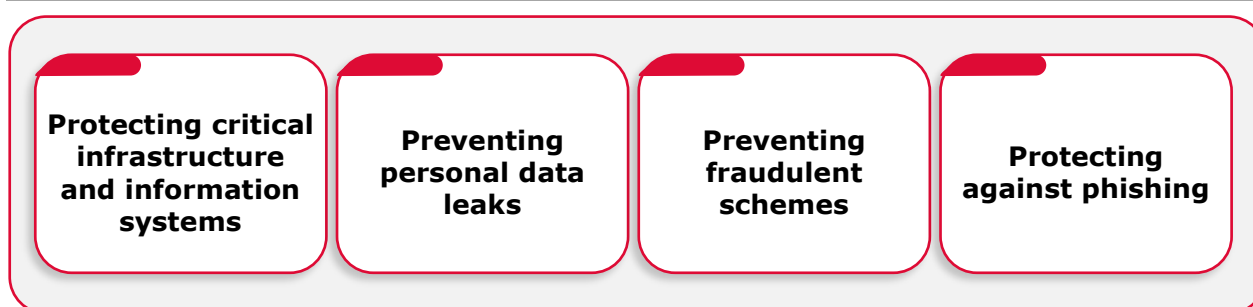
- restricts co-employment by the Bank of close relatives who are immediate subordinates and perform control procedures in relation to each other.

8.3 Information Security and Confidentiality






GRI 3-3


As a systemically important bank, MKB strictly observes legislative requirements in information security and ensures the confidentiality of its clients' data. The Bank monitors the trends and latest technologies in information security, including cybersecurity, and continuously improves its business processes and controls.

Focal areas in information security



To minimise the information security risks, the Bank implements information protection measures in accordance with the laws of the Russian Federation, approaches and requirements of regulatory and supervisory authorities as well as with best practices. MKB annually updates the elaborated bylaws in line with legislative changes in order to regulate the activities of all of the Bank's employees in information security and data confidentiality.

Bylaw	Status
Information Security Policy	
Confidentiality Policy	
Personal Data Processing Policy	
Data Encryption Policy	
Procedure for Managing Access Rights to Information Infrastructure Facilities	
Information Resource Backup Policy	
Information Security Policy for Money Transfers	
Regulation on the Organization of Application of Malware Protection Tools	

Bylaw	Status
Procedure for Disputing Transactions Consummated Using Bank Cards / Bank Card Details and FPS Transactions	
Plan of action to be implemented when establishing the risk levels of targeted computer attacks against objects of critical information infrastructure	
Procedure for processing high-risk transactions through the use of bank cards and remote retail banking systems	
Procedure for verifying individual clients when confirming transactions with the signs of money transfers without client consent, and conducting investigations on incidents related to money transfers without client consent	
Procedure for interacting with the automated information processing system – Interaction and Response Center under the Information Security Department of the Bank of Russia	
Information Security Incident Management Policy	

Legend

The document was updated in 2024	
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Regulation of the information security and confidentiality issues is within the competence of the supervising Deputy Chairman of the Management Board and the Bank's collective bodies. Furthermore, the team of technology and cybersecurity specialists provides information security support and manages the comprehensive program for the protection of the Bank from hacks and other incidents. The team's tasks include:

- 24/7 monitoring;
- reporting potential suspicious events and security incidents;
- responding to emerging and potential incidents in a timely and effective manner.

The Bank regularly conducts internal and external audits of cybersecurity systems to identify and promptly eliminate malfunctions.

Internal audits (conducted by the Comprehensive Information Security Division)	External independent audits
<i>on an ongoing basis</i>	<i>frequency depends on the regulatory authorities' requirements</i>
<ul style="list-style-type: none"> • Quarterly checks of network accesses, user accesses for the Bank of Russia payment circuits and processing • Half-yearly checks of network and user access to critical systems • Regular search and elimination of system vulnerabilities, including those in the code; monitoring the operability of protective equipment, monitoring of leaks, monitoring of new accesses, etc. • Continuous monitoring and response to information security threats • Annual development of an action plan subject to additional audits 	<ul style="list-style-type: none"> • Mandatory audits by the Bank of Russia in accordance with GOST 57580.1 once every two years • Annual penetration testing and external vulnerability scanning • Annual PCI DSS audits • Audit of compliance with NIST Cyber Security Framework 2.0

Anti-fraud⁴⁹ Section

The Bank has the Anti-Fraud Section in place that is responsible for:

- implementation of measures aimed at reducing the incident processing time related to suspected fraud against clients;
- centralization of anti-fraud for individuals and legal entities;
- operation and improvement of a unified cross-channel anti-fraud platform;
- optimization of the actual rules of identification of fraud against clients;
- identification of registration of Internet domains that contain similar letter combinations and may be associated with the MKB domain.

In 2024, MKB continued to enhance its Anti-Fraud Section, which contributed to the following achievements:

- reduction of fraud by 17.6% with individuals;
- migration to a unified anti-fraud platform for detecting suspicious transactions involving both individuals and legal entities, as well as acquiring operations;
- suspicious activity's processing reached the pace of 98% of incidents handled in less than 30 minutes.

⁴⁹ Anti-fraud stands for the set of measures aimed at preventing fraudulent transactions.

GRI 418-1, FN-CB-230a.1, FN-CF-230a.1

2024 results:

- 101,127 incidents detected and eliminated at early stages;
- 20 minutes is the average SOC response time to an incident;
- 0 incidents related to data leaks, thefts or losses, including those that may expose client data and identity;
- 13 blocked DDoS attacks on information systems;
- 6 phishing websites blocked by the Incident Monitoring and Response Unit of the Information Security Department.

Information Security Risk Management and Data Protection

FN-CB-230a.2, FN-CF-230a.3

The Bank works on improving its business processes in information security to strengthen protection against cyber attacks and reduce the number of incidents.

Data leakage risk mitigation measures

Inventory of all client data storage and processing locations

Implementation of the personnel information security awareness programme

Analysis of reports on the sale of banks' databases in DarkNet and on specialised forums

Continuous monitoring of employees' access to data and data use as well as analysis of conformity of such actions to employees' job duties

Minimisation of using contact details as client identifiers during client service

Measures to prevent theft involving technical vulnerabilities

In-depth study of user web traffic to identify signs of attacks on information systems and malicious activity based on the market leaders' solutions

Implementation and maintenance of a service for protecting web publications from external attacks

External vulnerability scans and penetration tests conducted jointly by own Red Team and external qualified partners

24/7 incident response under the in-house Security Operation Center (SOC) project

2024 events

Transition to a domestic platform for continuous monitoring of external vulnerabilities	As part of the bug bounty ⁵⁰ program for internet banking systems, involving hundreds of "white" hackers to identify vulnerabilities, more than 10 vulnerabilities were discovered and eliminated	A domestic system was implemented to analyse the software developed in the Bank for vulnerabilities
Transition to a domestic system for monitoring of the Bank's database queries	A domestic NGFW ⁵¹ was implemented for part of the infrastructure	Cyber exercises were successfully conducted in cooperation with the Bank of Russia
Antivirus software on the servers was replaced with domestic solutions, and an EDR ⁵² solution was deployed on some servers.		



MKB implemented the Russian platform Indeed AM to enhance cybersecurity levels

The project for DDoS protection was completed, with the implementation of the DDoSgate local traffic cleansing system and modernization of firewalls.

⁵⁰ The program allows companies to identify vulnerabilities before they can be exploited by malicious actors.

⁵¹ NGFW is a next-generation firewall that has numerous mechanisms for ensuring security.

⁵² EDR is a technology for proactive detection of atypical threats and targeted attacks on endpoints.



MKB supported import substitution

More than 80% of protection systems were replaced from imported to domestic equivalents without loss of quality in the controls and protection system



MKB automated incident response

In 2024, implementation of the information security incident response automation platform, SecurityVision SOAR, was completed⁵³. This platform not only partially compensates for the shortage of personnel by automating standard actions in incident response but also simplifies their analysis by enriching and contextualising data through integration with various Bank's IT systems and protection tools.

➔ *For more details on the risks, including the information security risks, see the [Risk Management section](#) of the Management Report.*

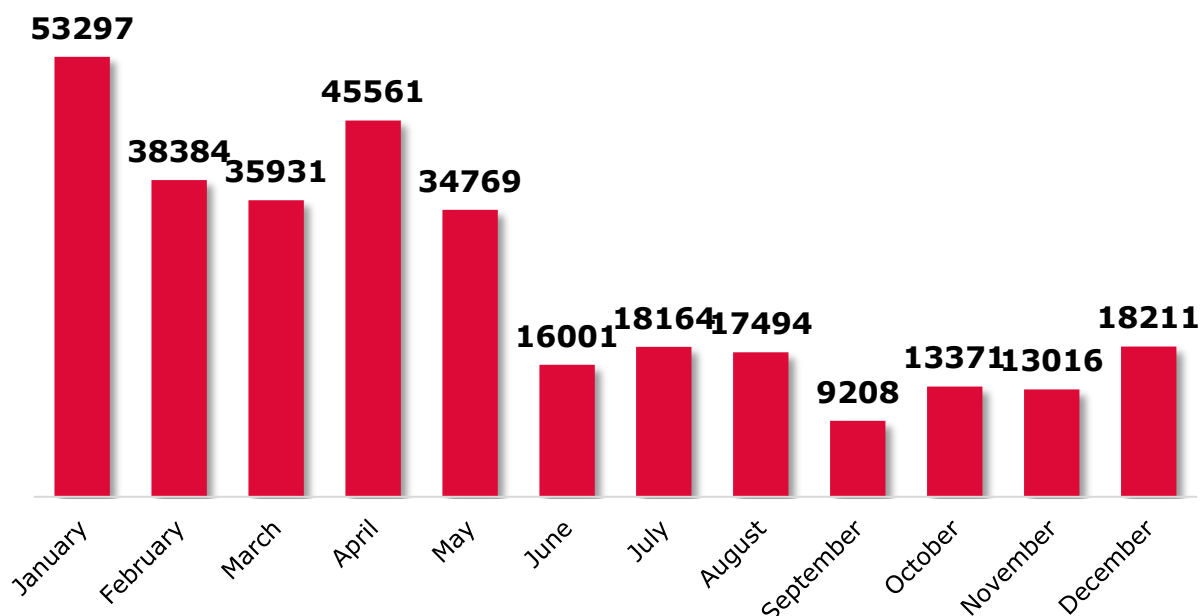
GRI 418-1

In the reporting year, the Bank identified 316 incidents related to violation of the confidential information processing rules. With that, none of the incidents resulted in data leaks. To prevent data leakage, MKB's employees are prohibited from using foreign messengers on their corporate devices.

In 2024, the Bank's protection and response measures successfully blocked 84 external attacks, such as malicious letters, malware, and attempts to infect network nodes, malicious links, abnormal network activity in the infrastructure, phishing mailings, and DDoS/DoS attacks on the Bank's infrastructure, external attacks on multiple resources of the Bank (brute-force attacks), attempts to use illegitimate means of remote access, abnormal remote connections of employees, etc.

⁵³ SOAR (Security Orchestration Automation and Response) is a class of solutions designed for coordination and centralised management of information protection tools and security systems.

Incident statistics for 2024 (units)



MKB provides information security support to its clients and responds to incoming complaints in a timely manner.

➔ *For more information on the feedback channels, see the [Information Line and Feedback section](#).*

For the purpose of efficient countering the money transfers made without client consent, the Bank has been receiving data on financial transactions from the automated system of the Interaction and Response Center under Information Security Department of the Bank of Russia since 2024. The system ensures:

- interaction with the federal executive body via the Bank of Russia on transactions made without client consent;
- reduced time for sending information about transfers made without consent (three hours from the moment of transaction detection);
- automated verification of the banking details with the database obtained from the Bank of Russia of cases and attempts to carry out money transfer operations.

Also, the Bank takes good care of information security when interacting with counterparties and implementing joint products and services, thus ensuring a high degree of data protection during the exchange.

Information Security Training

GRI 404-1

To enhance the information literacy of its employees, MKB conducts personnel training on a regular basis. In 2024, the Bank modified the courses on handling confidential information and countering phishing. The Bank also designed new courses on safe development for IT staff.

In 2025, MKB intends to continue modifying the courses and conducting personnel trainings, including on emulating phishing and launching ransomware⁵⁴ as well as elaborating specialized topic-specific courses for IT teams. Additionally, MKB plans to launch an internal bug bounty programme to address vulnerabilities in systems and processes identified by MKB employees.

The motivation to adhere to information security standards is ensured by the incentive system aimed at engaging employees in reporting information security incidents and operational risks, investigating them, and taking measures to minimize negative consequences. Owing to the incentive system, employees actively participate in the procedures for early risk identification, elaborate and implement risk prevention measures.

8.4 Tax Strategy

GRI 207-1, GRI 207-2

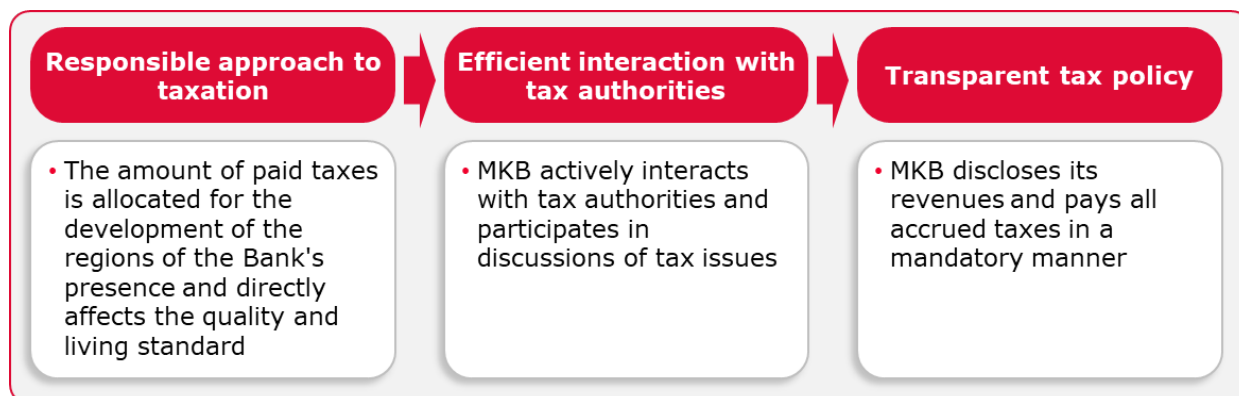
As a major taxpayer, MKB makes significant tax payments to the federal budget of the Russian Federation and to the budgets of the regions of presence. This is the Bank's considerable contribution to the development of regional economies.

As a systemically important bank, MKB strictly observes the tax laws of the Russian Federation and actively interacts with governmental bodies on tax issues.

MED-6, MED-7

In 2024, the Bank fulfilled all its tax obligations. The amount of income tax expenditure totaled to RUB 13.2 billion as at end-2024.⁵⁵

The Bank's work on tax issues is based on the following three core principles:



⁵⁴ Ransomware, extortionware is malicious software designated for extortion; it blocks access to a computer system or prevents reading the data recorded in it and demands a ransom from the victim to restore the original state.

⁵⁵ As per the 2024 corporate income tax return.

Following these principles, the Bank minimises the risks of potential disputes with tax authorities and maintains an open dialogue with their representatives at different levels.

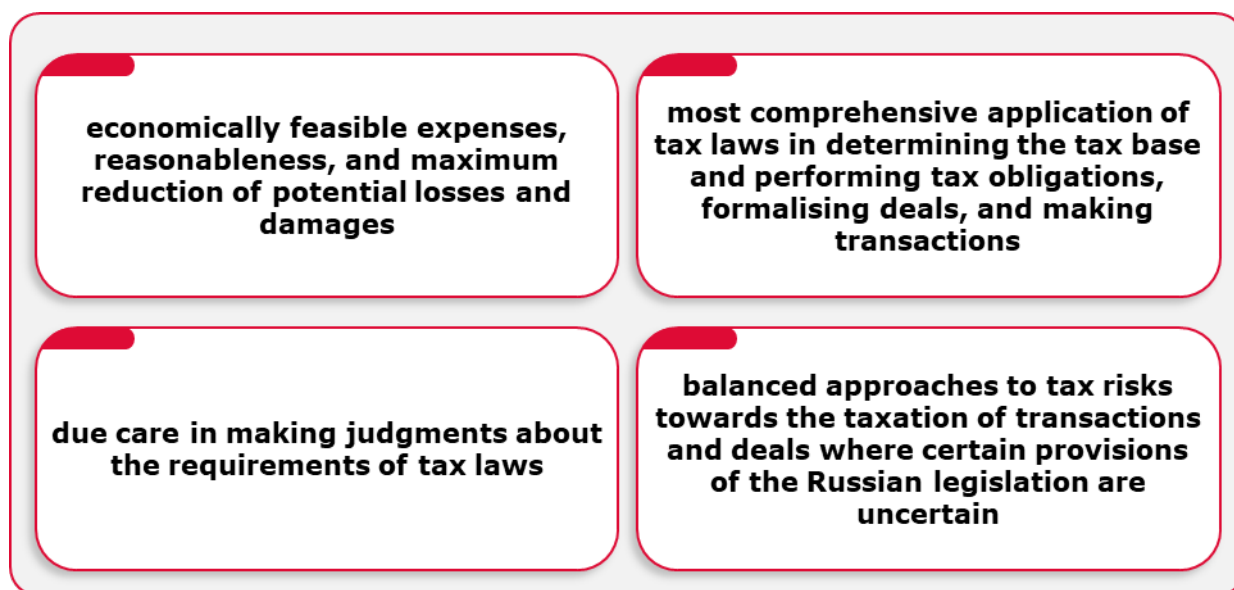
GRI 207-2

At the Bank, the tax issues are handled by the Tax Accounting and Reporting Division within the Accounting and Taxation Department. The Chief Accountant is responsible for the tax issues strategic management.

GRI 207-2

The Bank maintains its Tax Policy elaborated with due regard for the provisions and requirements of the legislation of the Russian Federation in effect. The Policy outlines the system of procedures, approved by the Tax Code of the Russian Federation, for determining, recognizing, evaluating, and distributing revenues and expenses or other financial and economic performance indicators required for tax purposes. MKB annually reviews and updates its Tax Policy in accordance with changes in tax laws.

Key Tax Policy Principles and Provisions



MKB regularly monitors and analyses tax risk factors to reduce their occurrence probability and implements relevant measures for preventing the consequences of negative impacts, and exercises control over implementation of the risk optimisation and mitigation measures.

GRI 207-3



Tax Monitoring

Since 2024, MKB has been part of the tax monitoring system.

Tax monitoring replaces traditional inspections by tax authorities for online control based on remote access to the Bank's information systems and its accounting and tax reporting, and also enables the Bank to promptly coordinate with the tax authority the standpoint on the taxation of planned and accomplished transactions.

Participation in this form of tax control ensures prompt settlement of disputed uncertain tax positions, helps avoid litigation with tax authorities and strengthens the Bank's reputation as a conscientious taxpayer.

The tax accounts of MKB are audited as part of the audit of its financial reporting. Independent organizations annually carry out external audits across the Bank. In addition, the Bank conducts internal tax audits throughout the year.

8.5 Sustainable Supply Chain

GRI 2-6, GRI 2-23, GRI 2-25, GRI 2-26, GRI 3-3

In building its sustainable supply chain, the Bank follows the principle of due diligence and strives to maintain cooperation with counterparties with a good business reputation observing the requirements in environmental and social protection, health and safety, and professional ethics. The Bank has a zero tolerance towards any forms and manifestations of corrupt behavior in business relations with counterparties and requires its business partners to strictly observe human rights. MKB regards the interaction with suppliers and contractors as one of the mechanisms for expanding its positive indirect impact on the regions of presence and contribution to sustainable development.

In addition to the principles and recommendations reflected in the Code of Corporate Ethics and the Anti-Corruption Policy, a database of special bylaws was created at MKB for managing a sustainable supply chain:

- [Supplier and Contractor Code of Conduct;](#)

The Code establishes ESG requirements for suppliers and contractors and the procedure for monitoring compliance with these requirements.

- [Procurement Policy.](#)

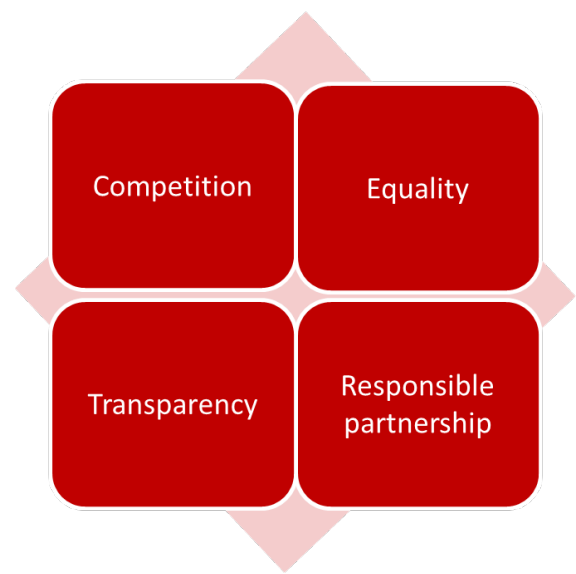
The policy defines the principles of procurement activities and the norms for organizing procurement procedures implemented by the Bank to ensure administrative and economic operations.

The Bank's procurement activities are carried out by a specialized subdivision, namely, the Tender Unit, directly subordinate to the Deputy Chairman of the Management Board.

- Procedure for environmental and social impact management at the design and procurement stage;

The Procedure was developed for internal use by the Bank's divisions and defines MKB's approach to environmental and social impact management at the stage of designing own capital construction projects and mobile facilities, and procurement of goods, works, and services. The Procedure also contains the ESG criteria for supplier and contractor selection.

Procurement principles



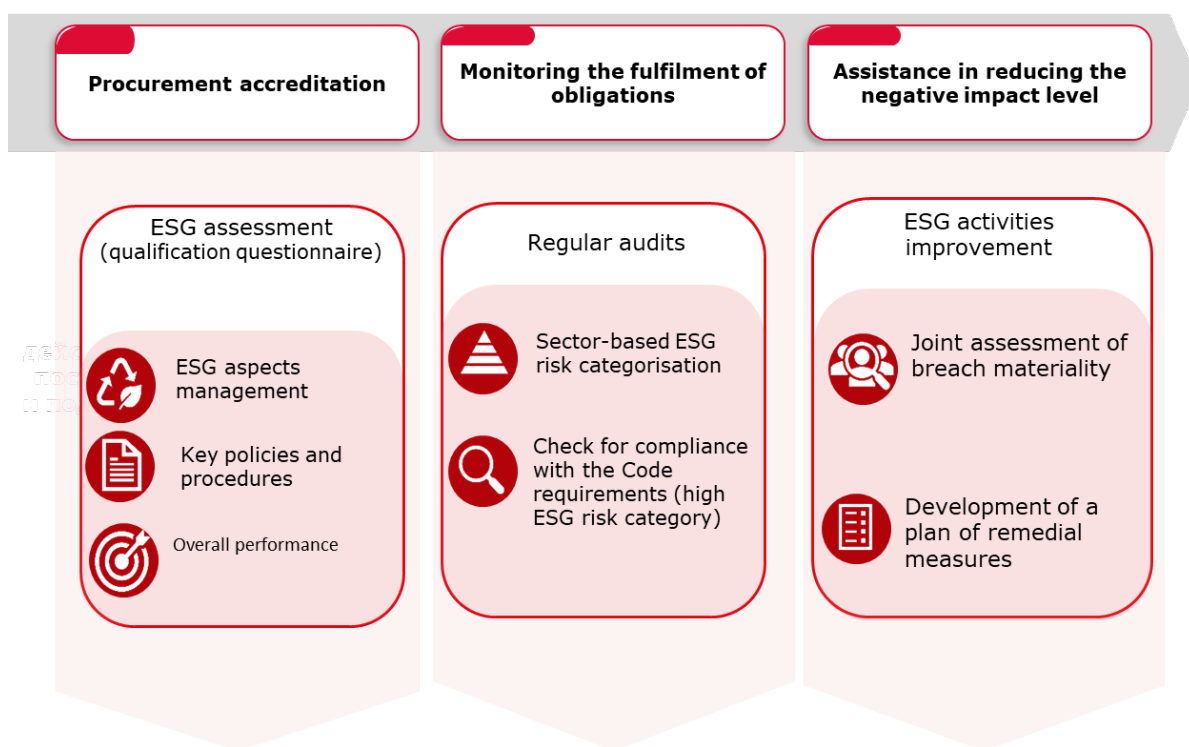
The Bank publishes information about the procurement procedure launch with the indication of the Bank’s needs on open electronic resources – electronic trading platforms. MKB's procurement process is based on the principles of competition and equality of participants, transparency of procedures and responsible partnership with companies that comply with the laws of the Russian Federation and corporate and business ethics standards. Additionally, the Bank involves small and medium-sized enterprises (SMEs) in its procurement activities.

If there are any questions, complaints, suggestions or additional information is needed, suppliers and contractors may contact MKB's 24/7 contact centre. Alternatively, they may make a submission via [the feedback form on the website](#).

Management of ESG Aspects across MKB’s Supply Chain

GRI 2-24

MKB manages ESG aspects in the supply chain throughout the entire cycle of interaction with suppliers and contractors.






ESG selection criteria for suppliers and contractors are integrated into the tendering procedures. When concluding an agreement, MKB gives preference to companies with a high level of compliance with the fundamental requirements in environmental, social, and corporate governance. Furthermore, a mandatory condition for participation in procurement is a potential business partner's prior approval of the MKB Supplier and Contractor Code's principles.

The Bank informs all its counterparties about the content of the Code, specifically, by including the requirements of the Code in respective agreements and procurement procedures, and recommends to accept it as an internal regulatory act. The Bank also expects its counterparties to implement the internal procedure for exercising control over the observance of the Supplier and Contractor Code of Conduct.

All suppliers and contractors of the Bank shall adhere to the following principles:

- presumption of potential environmental hazard;
- due diligence and caution;
- compliance with Russian laws and applicable international laws;
- high standard of workplace safety, fire safety, industrial and environmental safety.

ESG requirements to the Bank's counterparties

Code's ESG requirements	
 Environmental aspects	<ul style="list-style-type: none"> • Availability of a built-in environmental management system or environmental policy and implementation of the procedure for identifying environmental aspects and risks • Implementation of the atmospheric air protection measures • Reduction of greenhouse gas emissions, climate impact management, including energy-efficient solutions • Reduction of the generated production and consumption waste, reuse of materials' increase • Water consumption reduction • Conservation of biodiversity • Reduction of the areas of alienated and contaminated lands, reclamation
 Social aspects	<ul style="list-style-type: none"> • Respect for human rights • Non-discrimination • Elimination of child and forced labour • Ensuring freedom of association and collective bargaining • Observance of contractual working conditions in terms of salaries and working hours • Ensuring safe and healthy working conditions • Maintaining ethical relationship with local communities • Conservation of cultural heritage sites
 Corporate governance and business ethics	<ul style="list-style-type: none"> • Combating corruption and financial crimes, including money laundering • Avoiding conflicts of interest • Protecting data confidentiality • Observance of antitrust laws • Maintaining political neutrality • Ensuring transparency in the use of the sustainable development principles and the Code

MKB accurately assesses the risks across the supply chain, conducts risk categorization of the existing suppliers and identifies companies with medium to high levels of social and environmental risk. When evaluating its business partners, the Bank factors in the types of their activities, size of business, headcount, and survey data obtained at the tendering stage.




The Bank also requires its partners to independently conduct human rights observance audits and implement remedial measures upon revealing a violation. Contractors determine audit procedures on their own based on the specifics of their companies.

For suppliers with a high level of industry ESG risk, MKB reserves the right to conduct regular audits of compliance with the principles of the Supplier and Contractor Code of Conduct and adherence to social and environmental requirements. In the event of violations, the Bank, together with the supplier, assesses their significance and develops a plan of remedial actions. If non-compliance persists after remedial actions or if the counterparty refuses to participate in development and/or implementation of the action plan, as well as in the case of a counterparty's refusal to comply with the Code requirements, the Bank reserves the right to suspend further business cooperation.

MKB considers production activities and/or existence of hazardous production facilities as a high ESG risk level criterion and categorizes companies that have a significant negative impact on the environment as companies with such risks.

The Bank uses a procedure for assessment of ESG maturity of all categories of suppliers participating in the tendering procedures. To participate in any tender, both new and existing suppliers fill out a qualification questionnaire that includes 24 questions covering all ESG units. Based on the assessment results, the Bank makes a decision on supplier accreditation.

ESG criteria for selecting candidate companies

Qualification questionnaire	
 ESG aspects management	<ul style="list-style-type: none">• Availability of systems for managing the ESG aspects of the activities, including environmental protection, occupational health and safety, and energy management
 Key policies and procedures	<ul style="list-style-type: none">• The existence of key policies and procedures, including those in human rights, business ethics, observance of the antitrust and anti-corruption laws, and disclosure of information on sustainable development
 Overall performance	<ul style="list-style-type: none">• Overall performance (number of breaches, injuries and other negative cases) and allocation of responsibility

GRI 308-1, GRI 414-1

All Bank’s counterparties underwent a screening on social and environmental issues as part of the questionnaire completion during the selection process.

Procurement Results

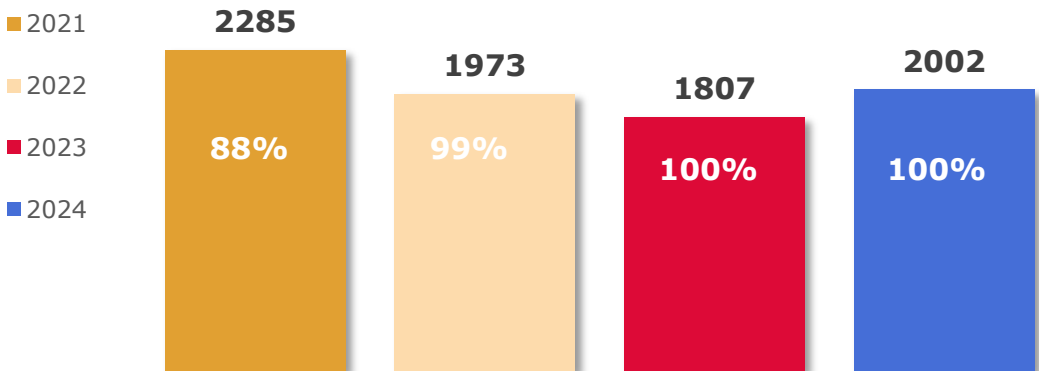
The Bank's database of active suppliers and contractors numbers over 2,000 companies, including small and medium-sized enterprises. In 2024, software, hardware, and public relations segments accounted for the largest volume of supplies. The Bank conducted 414 procurement procedures⁵⁶.

MED-8, MED-9

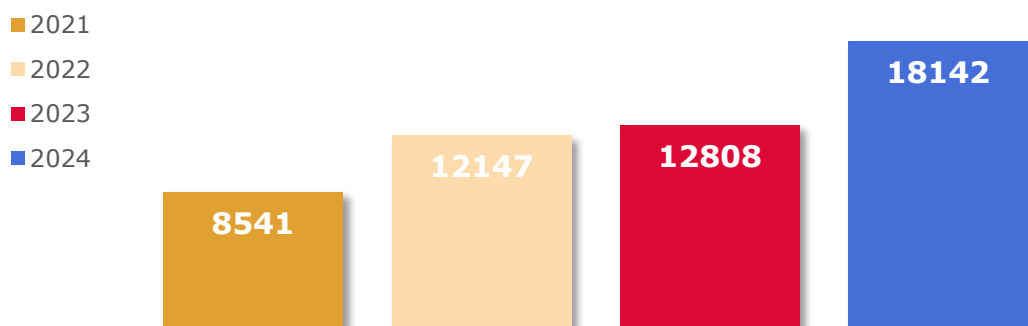
With that, local companies⁵⁷ constituted almost 100% of the Bank's total purchase volumes in the reporting year, whereas the share of small and medium-sized businesses reached 53%.

GRI 204-1

Number of suppliers and the share of local suppliers in the total purchase volume in 2021–2024 (units and %)

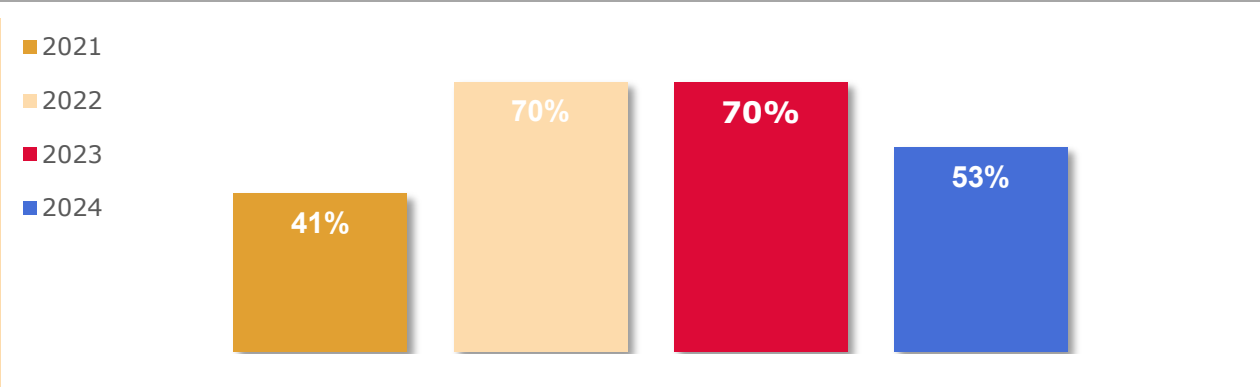


Payments to suppliers in 2021–2024 (RUB million)

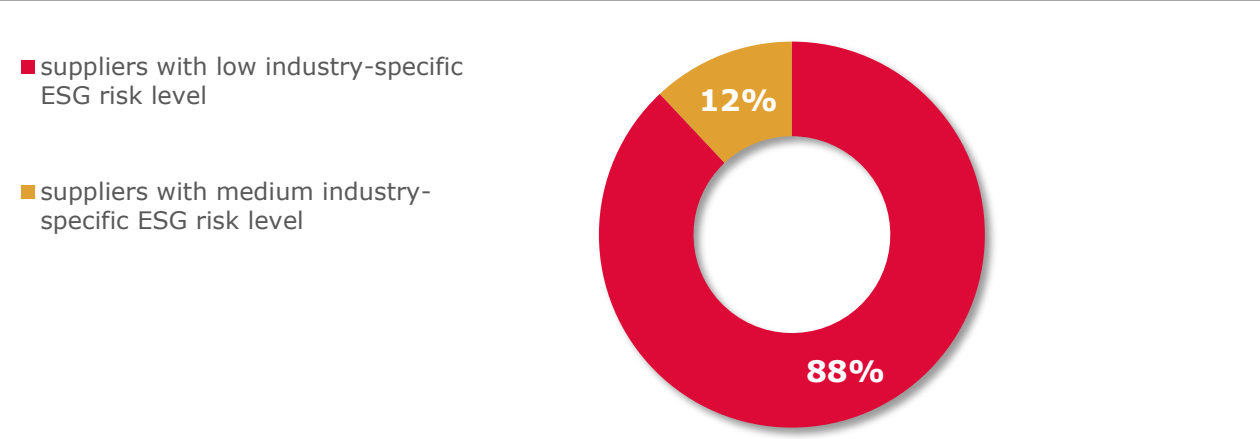


⁵⁶ Purchases under the amount of RUB 1.0 million are not factored in.
⁵⁷ Local suppliers are defined as suppliers registered in the Russian Federation.

Shares of small and medium-sized businesses in MKB’s procurement process, 2021–2024 (%)



Industry-specific ESG Risk Level 2024



GRI 308-2, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2

The prevailing majority of the Bank's suppliers accounted for companies with low industry-specific ESG risk, i.e. companies engaged in non-production activities, mainly in software development, consulting, information services, and trade.

The medium industry-specific ESG risk category includes companies involved in construction and installation, finishing and auxiliary works, and those providing security or telecommunication services.

In 2024:

- there were no suppliers and contractors with a high level of industry-specific ESG risk requiring additional audits by the Bank and measures aimed at improving environmental indicators.
- no cases that resulted in the termination of contracts with suppliers due to corruption and other ESG violations were detected;
- no cases of violation of human rights or freedom of association, of child and forced labor in MKB's supply chain were detected.

Most of MKB's counterparties (over 90%) adopted the principles of the MKB Supplier and Contractor Code of Conduct, thereby confirming its applicability to their own supply chains. The companies which refused to adopt it were companies with low industry-specific risk (consulting, information, and advertising activities).

Generally, based on the 2021–2024 assessments, companies with negative social and environmental impacts were not identified among the Bank's counterparties.

➔ *For more details on risk management, see the [Risk Management section](#) of the Management report*

9. Business Digitalisation and Innovation

2024 Highlights	Material Topics
Partnerships were concluded with the Moscow Innovation Agency, the Moscow Innovation Cluster, the Association of Russian Banks, MTS AI, and Innopolis	-
Contribution to national projects of the Russian Federation	
	
UN Global Sustainable Development Goals	
 	

9.1 Approach to Digitalization and Innovation Management

MKB continuously implements state-of-the-art high-tech digital and innovative solutions in all corporate business processes and strives to follow the trends in information technology. Digitalization and innovation are among the key drivers for increasing the Bank's competitiveness as well as for enhancing the customer service.

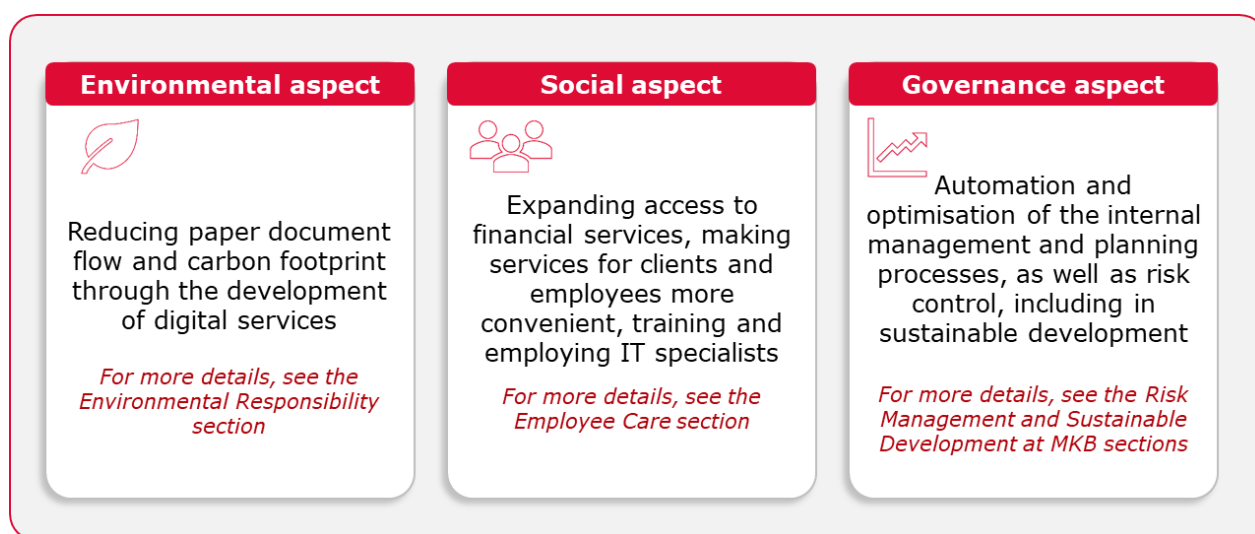
Thanks to modern technologies, the Bank systematically optimizes business processes, ensures a high level of information security, including client confidentiality, and offers innovative products, services, and solutions satisfying most diverse user needs.

The Bank's strategic priorities are focused on development of digital solutions, including flexible IT platforms, remote banking and high-tech products based on artificial intelligence.

The Information Technology Directorate subdivisions are responsible for digitalization and innovation management at MKB.

MKB implements projects in digitalization and innovation in various fields, continuously optimizing own business processes and developing the appropriate IT infrastructure. Several MKB projects in this domain directly impact the Bank's sustainable development.

Digitalization and innovation interrelation with sustainable development at MKB



9.2 IT Training

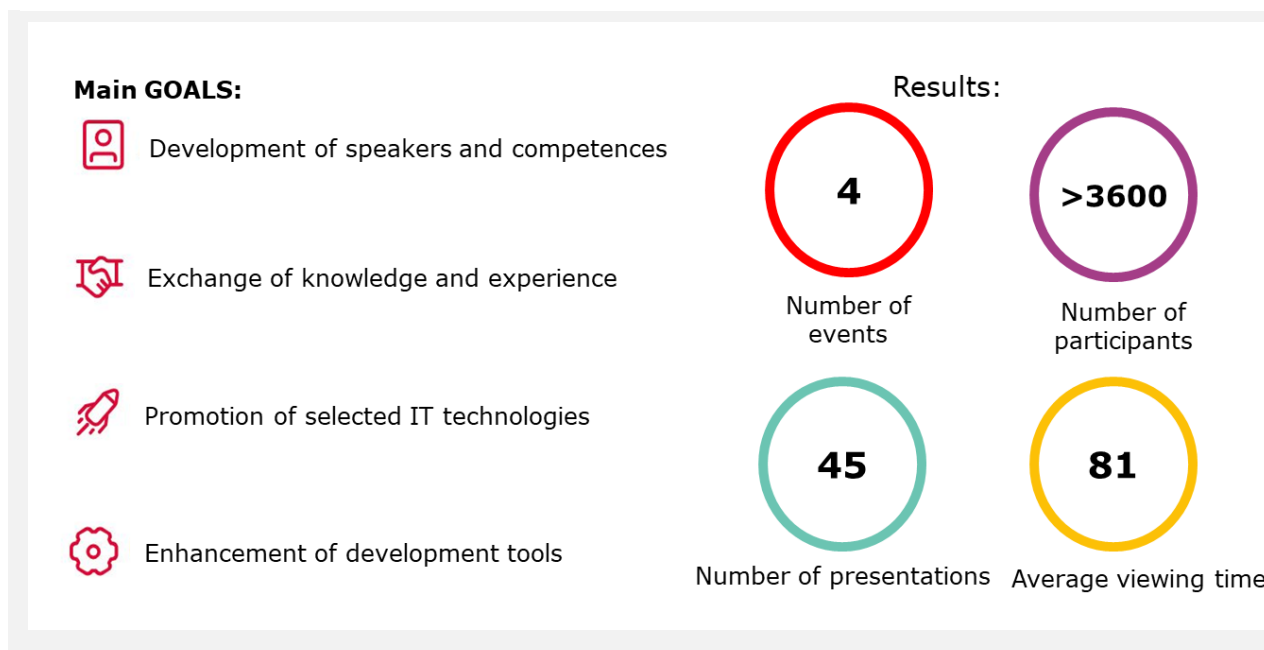
GRI 404-2

MKB pays special attention to training processes. The Bank has its own platform in place — the MKB IT Academy — with the published free training materials for employees. The Academy's work is focused on the training and professional conversion of IT personnel. Since the establishment of the Academy, training has been provided 169 specialists in 14 streams, of whom 119 continue to work at MKB.



IT squad MeetUP MKB

MKB continues to hold IT MeetUP events for exchanging opinions, professional experiences, discussing issues, and developing solutions for specialists from various banks and technology companies.



9.3 Partnerships in Digitalization and Innovation

The Bank is actively developing partnership and exchange of experience with experts in digitalisation and innovation. The Bank's interaction with stakeholders on digital technologies and innovative activities makes it possible to develop the digital services market, creating new digital business solutions. This also contributes to the growth of the number of clients, their satisfaction and the Bank's continuous operation.

Open API Partnerships⁵⁸

As part of the development of the open banking environment in Russia, MKB implements measures for developing the Open API together with FinTech Association (AFT). The Bank was one of the first to participate in the projects for developing the Open API and Open Banking in the Russian Federation. The projects are based on providing access to data and services for third-party companies that can use them to create and distribute their own products. Such solutions expand the range of services available to clients, ensure a convenient access to the Bank's services through open interfaces, stimulate competition and improve the quality of services in the banking industry.

MKB, together with market participants and the Bank of Russia, has commenced development of the most in-demand Open API standards in order to ensure non-binding application of the standards by major financial market participants in 2025 and create conditions for transition to their mandatory application in 2026.



Corporate Multibanking

Together with the largest financial market participants (Sber, PSB, VTB, Alfa Bank), Corporate Multibanking, a pilot project (business case) of a client service, was launched to manage company accounts opened with different financial organisations as a one-stop service.

⁵⁸ Open API (application programming interface) is a technology with a public set of software tools. They can be used to enable different applications and services to interact with each other. With that, the Open API uses the principle of open data access.

Development of open APIs at MKB

1. Open API developer portal

MKB has started upgrading the Portal, launched in 2023, with the aim of:

- Technical modernisation
- Improvement of fault tolerance
- Improvement of information security
- Adaptation of current requirements to the user interface
- Adding functionality for test API calls

2. New product SalaryNow

In the reporting year, the Bank commenced the development of the SalaryNow API, which allows to calculate and pay out to a company employee's salary without a payroll for a certain number of days worked. It is planned to publish the solution at the same time with the release of the updated MKB Open API Developer Portal.

Other MKB Partnerships

MKB's partnerships on digitalisation and innovation

Interaction with companies

In the reporting year, MKB continued to develop significant partnerships with the Moscow Innovation Agency, the Moscow Innovation Cluster, the Association of Russian Banks, MTS AI, and Innopolis for joint development and implementation of IT solutions that will allow not only to identify promising technologies for MKB's work, but also to analyse the innovation market.

MKB and VK's collaboration in the fintech sector

In 2023, MKB and VK signed an agreement on development of strategic cooperation in the field of information technology through 2026. In the reporting year, as part of the agreement, the teams worked on the Process Mining solution for analysis of banking processes, ways of optimization of a high-load database for the IT department and HR solutions: HR electronic document management, a candidate's personal account, an employee's single digital place.

Cooperation between MKB and T1 Holding in the IT environment

In 2023, MKB and T1 Holding signed a cooperation agreement in the IT sector. As part of this agreement, the teams undertook a pilot project utilising a Process Mining solution aimed at analysing banking processes. Currently, the Sfera software production platform developed by T1 is undergoing testing, and solutions for data anonymisation are being created to enhance information security and automate HR processes.

Acceleration Programmes of MKB

MKB runs acceleration programmes, where participants develop projects, interact with the leading digital experts, and raise bank investments for their developments. The best projects developed under the acceleration programmes are further developed at MKB.

Acceleration Programmes		
Acceleration programme MKB Reactor	Joint acceleration programme with Lomonosov MSU	Joint acceleration programme with FLDA
Programme's goal		
<p>For participants: fundraising for startups and providing an opportunity to interact with experts</p> <p>For MKB: development of innovative startups and establishment of long-term partnerships</p>	<p>For participants: development of a pilot project with MKB, a business client</p> <p>For MKB: implementation of pilot projects with promising Fin Tech ideas, including solutions for small, medium and micro enterprises, developing non-banking services for B2B and B2C clients, attracting clients and ensuring sales growth</p>	<p>For participants: developing skills and competencies for efficient interaction with companies, adapting projects to the real orders of corporations</p> <p>For MKB: increasing the number of high-quality state-of-the-art services by launching pilot projects that include development of financial literacy of the population and supervision of the use of financial services</p>
Outcomes		
<p>451 applications received 8 projects being elaborated with clients</p>	<p>1 project: Pilot project completed 1 project: Pilot project launch in progress</p>	<p>Partnership agreement signed. New programme: currently being launched.</p>

9.4 Digitalization Projects

MKB actively elaborates and improves the digital products, services, and solutions for both the employees and corporate and retail clients. The key lines in this area include improving the online banking platforms for clients and the Bank's software.

MKB’s Digital Products and Services

	For retail customers	For corporate customers	For the Bank's employees
Goal	Improved accessibility and usability of banking products and services		Enhancing and digitalizing the workplaces and processes; employee training in IT skills
MKB’s digital products and services	Remote banking; digital bank card issuance and maintenance; digital tax services; digital legal services	Remote banking; digital business cards issuance	IT Academy; digital services; MKB Reactor pilot projects; internal portal and other support resources for employees

9.5 Implementation of Innovations



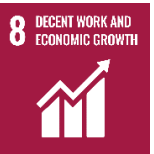





MKB regularly analyses the technological innovative solutions available in the market, assesses the possibilities and the need for their implementation. The key areas are the use of machine learning tools and algorithms for analyzing the market data and creating personalized financial solutions on their basis. In addition, the Bank develops in-house innovative products and services.

Innovations implemented in 2024

Innovation	Description	Implementation effect
Intelligent Document Recognition System	A service for extracting digital data from documents based on neural networks.	Reduces document processing time, manual input errors, and labor costs. Replaces imported software and modernizes solutions.
Service Processes Automation	A digital service for managing commercial real estate. Helps managers automate maintenance processes, making spaces comfortable and attractive for tenants, clients, and employees.	Automates the creation of requests for maintenance and servicing of offices.
Security Management Service	A solution for managing risks, audits, compliance, assets (ITAM ^[1]), technical vulnerabilities (VM ^[2]), planning, tasks through automation of all processes on a unified management platform.	Reduces time spent on task execution/audit checks. Pilot project results: <ul style="list-style-type: none"> allows consolidation and control of information regarding the composition, ownership, and protection of the entity's information assets. facilitates the collection of information during control and audit activities. allows to maintain a register of protective measures and risks linked to information assets and systems.
Employee Burnout Detection Service	Software comprehensively monitors employees' well-being and recommends specific actions for their self-development.	The solution allows to identify internal mobility and to retain employees. The pilot project was successfully conducted within a focus group.

^[1] ITAM (IT Asset Management) is an automation system for managing IT assets, which includes a set of tools and processes for control, maintenance, and optimization of an entity's IT assets.
^[2] VM (Vulnerability Management) is management of technical vulnerabilities.

10. Sustainable Banking

2024 Highlights	Material topics
<p>186.5 billion RUB — MKB's total responsible finance portfolio</p> <p>86.6 billion RUB — volume of express guarantees issued to SMEs</p> <p>87.7 billion RUB — volume of the subsidised mortgage loan portfolio</p>	<ul style="list-style-type: none"> Responsible finance⁵⁹ Economic performance and indirect economic impact
UN Global Sustainable Development Goals	
      	
Contribution to national projects of the Russian Federation	
	
Bylaws	
<ul style="list-style-type: none"> Sustainable Development Strategy 2024–2026 Responsible Investment Policy Procedure for Managing E&S Impact of Proposed Financing 	
<p>IFRS S1 29 (b, d), IFRS S1 33 (c), IFRS S1 34 (a, b), IFRS S1 35 (a), IFRS S1 40 (b, c), IFRS S1 41, IFRS S1 44(b)</p>	

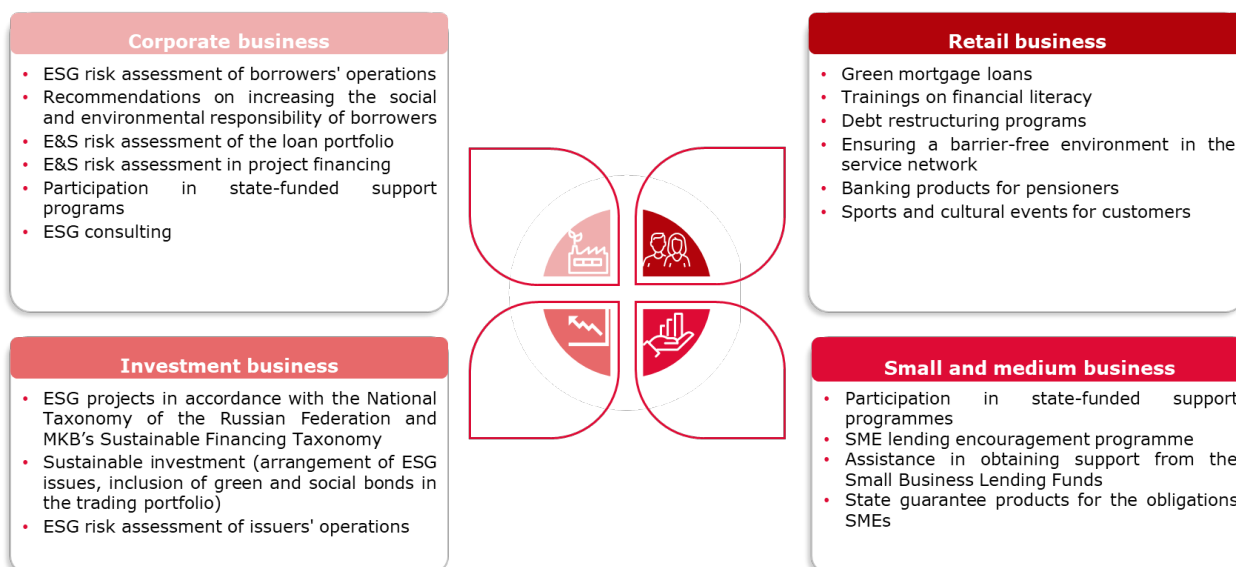
⁵⁹ Involves using the funds raised to finance projects that have a favorable effect on the environment and/or society.

10.1 Approach to Sustainable Banking

GRI 3-3, GRI 2-24, GRI 2-6

MKB's approach to sustainable banking is based on understanding the needs of clients for ESG products, as well as on the implementation of environmental and social (E&S) principles in internal corporate procedures. The Bank, if necessary, consults clients and provides them with recommendations that help create conditions for their long-term sustainable development.

Sustainable Banking in MKB

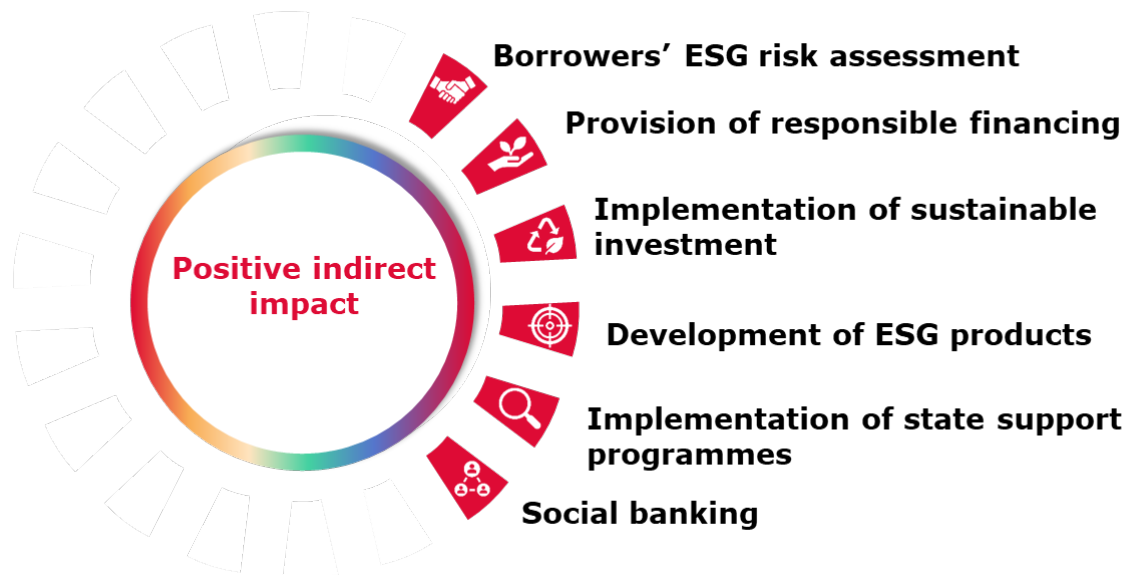


Due to the specifics of its activities, the bank primarily contributes to sustainable development through provision of financing. MKB implements ESG principles in its lending processes, which helps it to encourage clients to reduce their negative E&S impact and facilitates their transition to a sustainable and responsible business model. The Bank provides consultation and recommendations when necessary, helping to create conditions for the long-term sustainable development of its clients.

MKB's strategic goals in responsible financing are outlined in the updated Sustainable Development Strategy of the Bank for 2024–2026. The Bank's approach to responsible financing is reflected in the following key documents:

- Procedure for managing E&S impact when providing financing;
- [Responsible Investment Policy](#).

Positive indirect impact



➔ For more details on the sustainability management framework, see the [Sustainability at MKB section](#)

10.2 ESG Risks Assessment

GRI 2-24, SASB FN-CB-410a.2

Clients' ESG risk assessment is integrated into the Bank's lending process. The main document defining the sequence of actions for the ESG assessment is the Procedure for Managing E&S Impact of Proposed Financing (hereinafter referred to as the Procedure).

When making decisions on incoming applications for financing, MKB takes into account the level of industry-specific E&S risk as well as the ESG maturity of the borrower. MKB gives due regard not only to the type of financial product and the inherent level of industry-specific E&S risk but also to the organizational form and size of the borrower. The degree of the company's publicity in terms of disclosure of non-financial information is also taken into account in accordance with the Procedure.

The level of sectoral E&S risk is assigned on the basis of four categories.



MKB's ESG industry-specific risks assessment scale

ESG risk levels with due regard for industry-specific E&S impacts management

Low risk	<ul style="list-style-type: none"> The borrower's business activities have minor / few E&S risk and impacts associated with them.
Medium risk	<ul style="list-style-type: none"> The borrower's business activities have limited E&S risks and impacts, and these are capable of being readily prevented or mitigated through technically and financially feasible measures.
High risk	<ul style="list-style-type: none"> The borrower's business activities may give rise to significant or long-term E&S risks and impacts.
Highest risk - Category A⁶⁰	<ul style="list-style-type: none"> Projects of new construction, large-scale expansion or transformation/redevelopment in the industries characterized by the highest risk (significant or long-term environmental or social impacts).

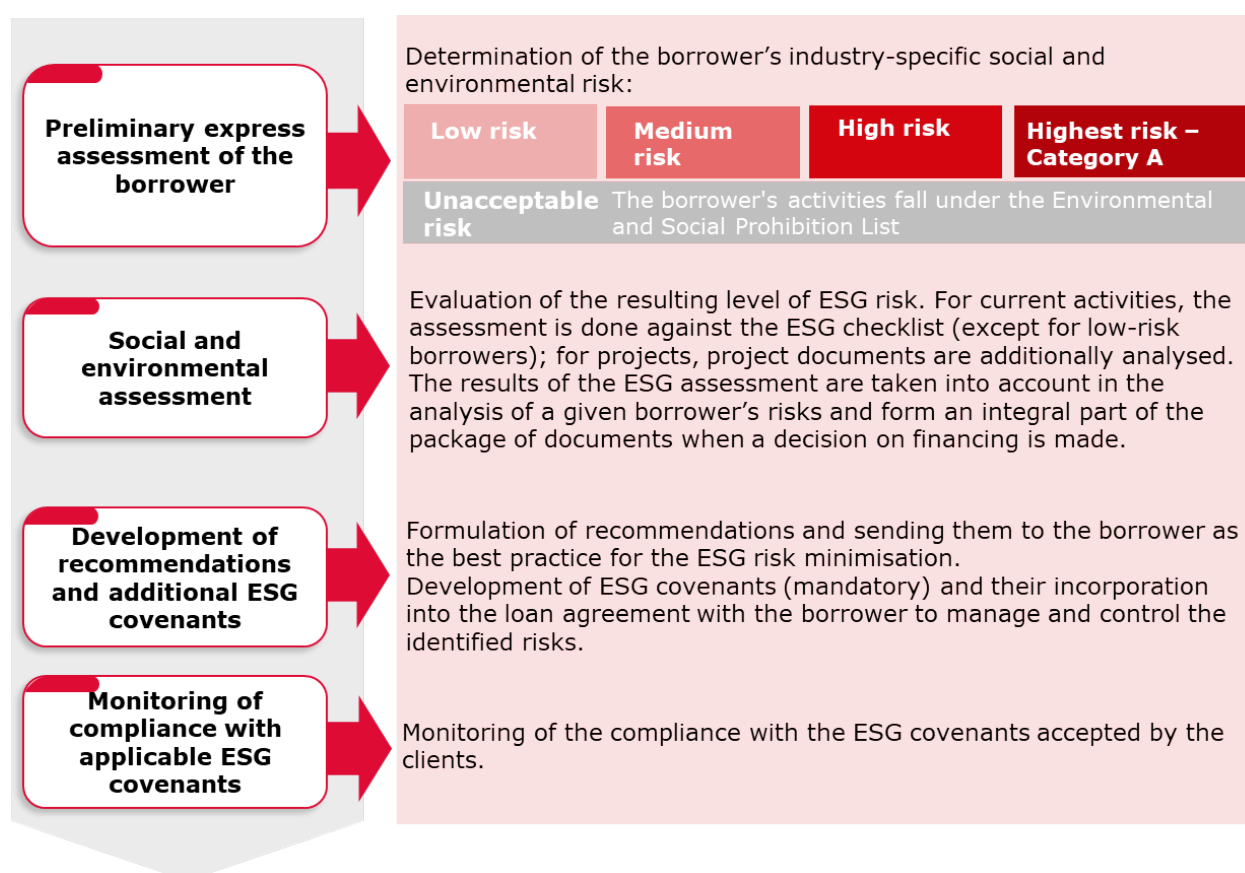
In case of providing financing that meets the criteria of the Equator Principles⁶¹ the borrower is additionally assigned the level of project risk.

➔ For more information on projects falling under the Equator Principles see the [Project Finance section](#).

⁶⁰ Category A includes project financing and is a generally accepted category of separation of borrowers with the highest level of risk.

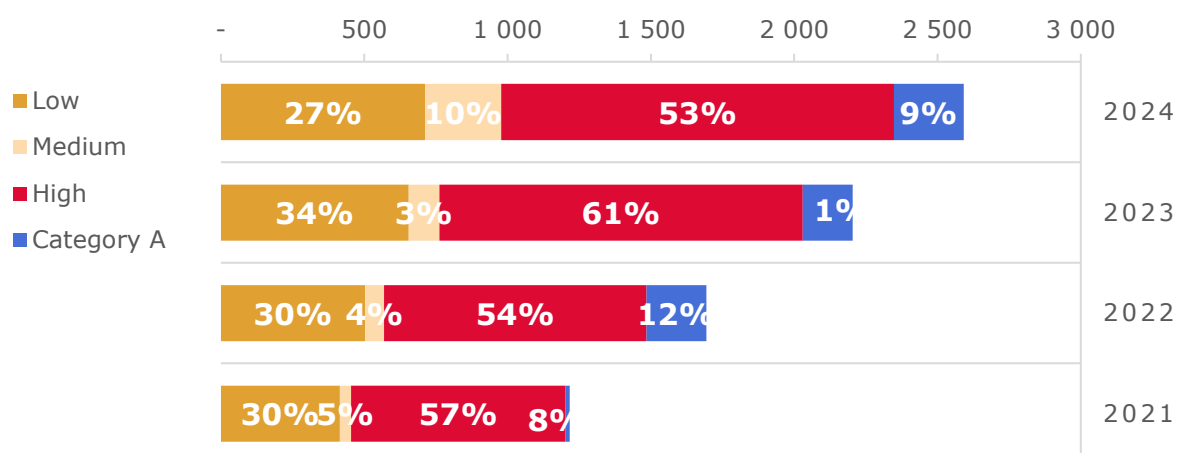
⁶¹ https://equator-principles.com/app/uploads/The-Equator-Principles_EP4_July2020.pdf

Assessment Procedure Phases



GRI 201-2

Trends in the level of E&S risk of MKB's clients for 2021–2024, share (%) of the loan portfolio volume (RUB billion)



➔ See also the ESG Databook annex – [the Sustainable Banking section](#).

Based on these criteria, the Bank classifies borrowers into four industry-specific E&S risk categories. As at end-2024, the share of financing with the highest risk level (category A) decreased, whereas the share of clients with high and medium industry-specific risk increased slightly.

Among the clients with high and medium levels of E&S risk, companies operating in such areas and industries as oil refining, heavy industry, production of construction materials, mining, wholesale and retail trade (including oil trading), agriculture, forestry and fishing prevail.

The low-risk group mainly includes companies engaged in wholesale and retail trade.

Special attention during the E&S expertise is given to climate-related risks. The Bank analyses the following parameters:

- availability of climate-related risk assessment procedures,
- presence of developed adaptation measures / climate strategy,
- availability of carbon footprint data.

Based on the results of the expertise, for borrowers with high exposure to climate-related risks and management governance levels having no targets for reduction of their greenhouse gas (GHG) emissions, the Bank considers the following measures for mitigation of risks and consequences of climate-related risks:

- formulate and provide recommendations;
- include covenants in the contract to improve climate-related risk management practices,
- shorten loan terms, increase discounts on assets assessed for financing, and lower financing and investment limits.

Project Financing

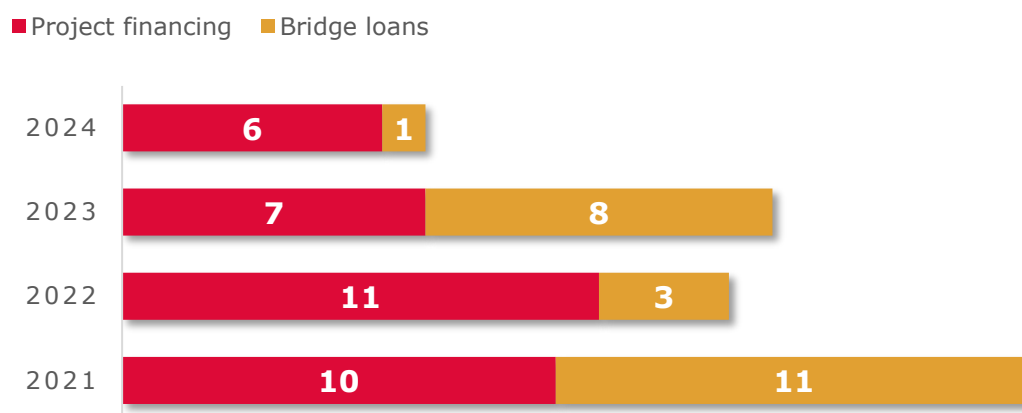
Since 2021, when financing projects, MKB has been taking into account the Equator Principles as the leading international instrument for assessing and managing E&S risks in project financing.

In addition to the general categorization of industry-specific social and environmental risk of the loan portfolio, MKB's assessment also extends to financial products and services that meet the Equator Principles criteria.

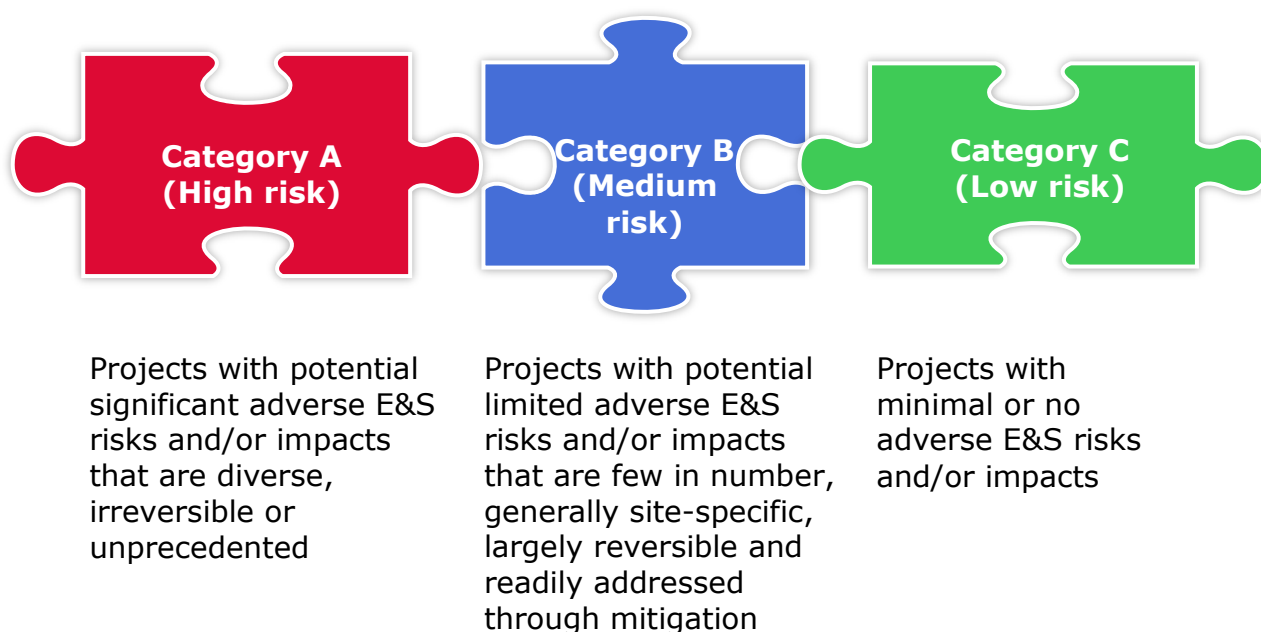
In 2024, MKB's loan portfolio included two types of such products: project financing and bridge loans.

MKB categorizes projects according to the level of social and environmental risk in accordance with the Principle 1 Review and Categorization.

Trends in the scope of MKB's project financing in accordance with the Equator Principles, 2021–2024 (number of new projects)



In accordance with the Equator Principles, the following categories of social and environmental risk are used in the project categorization process⁶²:



With that, all the projects that received the Bank's financial support in the form of project financing in 2024 were characterized by a medium level of social and environmental risk (Category B) and were related to residential construction.

⁶² The project risk category is assigned in addition to sectoral E&S categorization. In particular, residential construction projects (category B) are classified as a high category of E&S risk in the overall category of the loan portfolio, which characterizes the construction industry.

10.3 Sustainable Financing

GRI 2-24, GRI 203-1, FN-CB-410a.2, IFRS S2-29 (d,e), IFRS S2-35

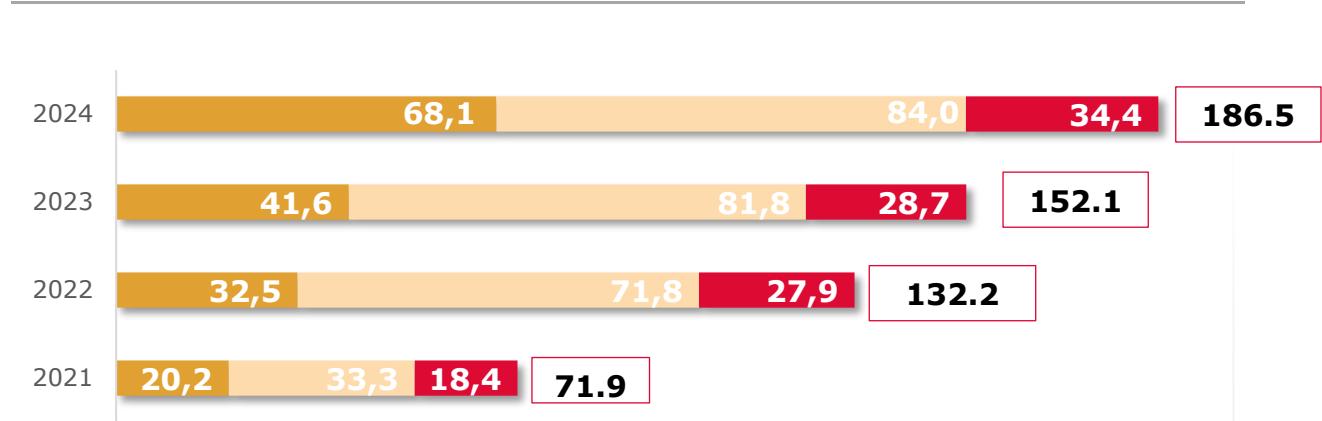
The Bank strives to develop support for projects aimed at reducing the negative environmental, social and climate impact as well as contributing to the implementation of Sustainable Development Goals (hereinafter also referred to as ESG projects).

MKB defines ESG projects on the basis of the criteria specified in the National Taxonomy of the Russian Federation, in accordance with the Executive Order of the Government of the Russian Federation No. 1587 dated 21.09.2021 (with amendments and additions) and the MKB’s Sustainable Financing Taxonomy elaborated with due regard for the ICMA, LMA, CBI international approaches. The document is based on national and international requirements and represents a criteria list that makes it possible to classify incoming projects as green, social or sustainable.






ESG Loans

During the reporting period, MKB's total portfolio of responsible financing went up by more than 15% in terms of outstanding loan debt and amounted to RUB 186.5 billion. The portfolio includes green, social, and sustainable loans.

Volume of sustainable financing (RUB billion)

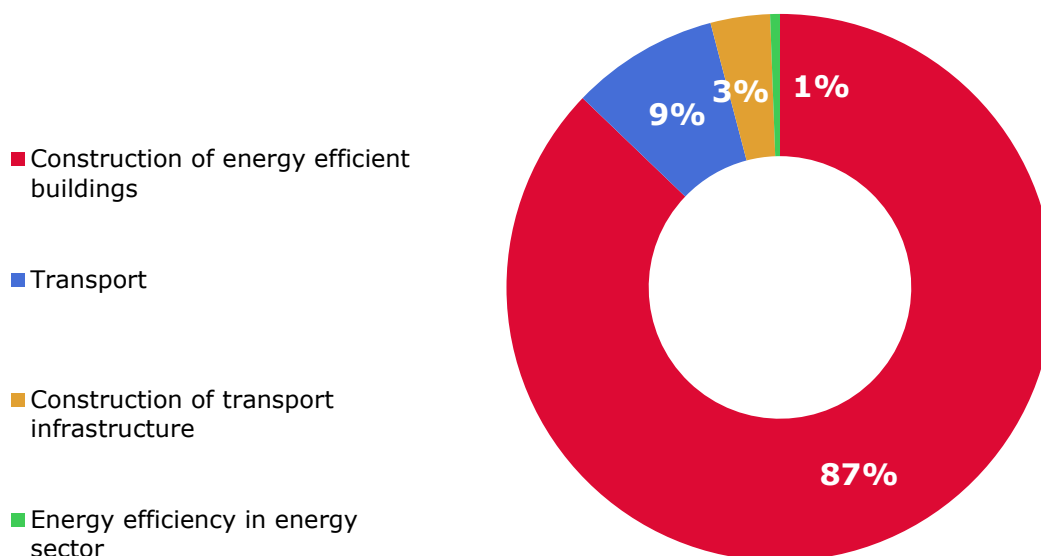


As at end-2024, nearly 50% of the Bank's ESG project portfolio accounted for sustainable projects that met the criteria of both green and social projects. Most of them were projects for construction of energy efficient (building energy efficiency class A and above, green criterion) and at the same time affordable housing with social infrastructure facilities (social criterion)⁶³. With that, the share of green energy efficiency projects in residential construction in terms of loan debt balance comprised 87% of the total green financing as at end-2024. The remaining portion of the green portfolio is represented by projects for energy efficiency improvement in the energy sector and development of environmentally friendly transport.

Area	Compliance with the National Taxonomy (clause of the Executive Order of the Government of the Russian Federation No. 1587 dated 21.09.2021)	SDG
Construction of energy efficient buildings	Projects aimed at energy efficiency improvement (clause 3.2)	 
Energy efficiency in the energy sector		
Electric vehicles	<p>Construction and modernization of the transport infrastructure (clause 5.8).</p> <p>Construction and modernization of the transport infrastructure facilities contributing to the reduction of GHG emissions (clause 5.1)</p>	  

⁶³ The responsible finance portfolio for 2021–2022 was updated to account for the adjustment of the methodology, including accounting for energy efficient construction (class A and above).

Green projects in accordance with the National Taxonomy in 2024



10.4 Sustainable Investment

IFRS S2-29 (d, e), IFRS S2-35

The Bank has a Responsible Investment Policy in place which stipulates the Bank's approach to investment decision making taking into account ESG factors. To that end, when investing, the Bank gives preference to the securities, whose issue is identified as green, adaptive, sustainable, or social.

When making investment decisions, the Bank analyses clients' activities and takes into account the ESG factors associated with clients' activities and projects planned for implementation using the raised investments.

ESG factors assessed as part of the Bank's investment analysis

environmental factors 	<ul style="list-style-type: none">• environmental factors• GHG emissions and climate aspects• data on energy consumption and energy efficiency• environmental management system• accidents and fines related to violations of environmental laws• supply chain management
social factors 	<ul style="list-style-type: none">• employees' working conditions• wage system• staff turnover• occupational health&safety measures, including employee training• accident data• supply chains management
corporate governance factors 	<ul style="list-style-type: none">• availability of a board of directors or supervisory board as well as independent directors• compliance with the recommendations of the Corporate Governance Code• the strategy factoring in the ESG factors and sustainable development issues• reporting on sustainable development• internal control and audit, risk management• conflict of interest management procedures• key performance indicators of the senior management and ESG performance indicators

As a part of its investing activities, the Bank performs annual monitoring and assessment of the discharge of obligations assumed by the clients to reduce ESG risks and improve metrics related to sustainability factors. MKB monitors the investment asset from the time it is acquired until a decision is made to sell or redeem it. This approach also allows, when necessary, to recommend additional measures to clients to prevent and minimize sustainability-related risks.

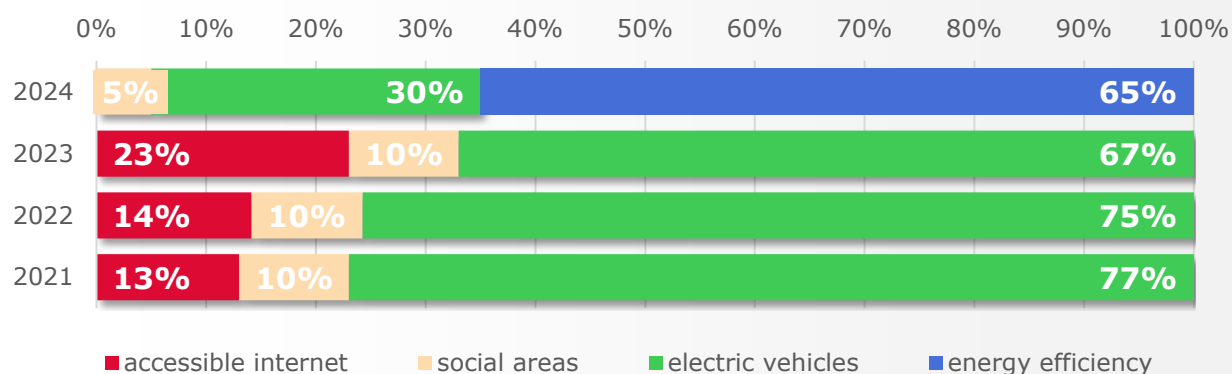
ESG Bonds

MKB is an active participant in the ESG bond market. MKB's activities in sustainable investments are focused on facilitating the arrangement of Russian issuers' ESG bonds issuance. Since 2020, MKB has organized 10 ESG placements, and in 2023, it ranked among top 5 organizers of ESG issues in Russia according to Cbonds.ru.



In 2024, MKB acted as the organizer of the placement of the first issue of climate transition bonds of Metalloinvest Holding Company in the amount of RUB 10 billion on the Russian debt market.

The Bank's own trading portfolio of green and social bonds in 2024 more than doubled compared to 2023 and amounted to RUB 13.9 billion. The portfolio structure also changed, with a significant increase in the share of energy efficiency projects.

Structural changes of MKB's investments in ESG bonds in 2021–2024



→ See also the ESG Databook annex – [the Sustainable Banking section](#)



AREA	APPLICABLE STANDARDS	SDG
SOCIAL		
Social areas	Social Bond Principles (SBP)	  
Accessible Internet	Social Bond Principles (SBP)	
GREEN		
Electric vehicles	Green Bond Principles (GBP) / Green Project Taxonomy of the Russian Federation	
Energy efficiency	Green Bond Principles (GBP) / Green Project Taxonomy of the Russian Federation	

10.5 Participation in State-Funded Support Programmes

GRI 203-1

MKB is an active participant in the key state programmes implemented by the Government of the Russian Federation. In 2024, the Bank actively participated in the following subsidized lending programmes: programmes in accordance with Executive Orders of the Government of the Russian Federation No. 1528, No. 512, No. 1764, No. 141, No. 895, No. 295, programmes implemented by DOM.RF and Russian Export Centre. The specified programmes are designed to support inter alia investment projects focused on production of priority products, residential construction initiatives, agricultural producers and processors, small and medium enterprises, and more.

In 2024, MKB granted RUB 89.6 billion of subsidized loans under state-funded programmes. Of these, about RUB 39.8 billion were allocated to ensure food security and RUB 26.9 billion to support SMEs.

Area	Contribution to the UN SDGs	Participation in the state programme in accordance with the Executive Orders of the Government of the Russian Federation	Amount of financing (RUB billion)		
			2022	2023	2024
Ensuring food security		No. 1528 No. 512	0.89	19.89	39.82
Support of SMEs		No. 1764	3.26	-	26.91

10.6 Social Banking

Expanding the positive social impact is one of the priority areas of ESG banking. One of the national development goals of the Russian Federation for the period through 2030, and extending to 2036, is preservation of the population, improvement of public health, enhancement of individual well-being, and support of families.

In its activities, MKB strives to develop and implement ESG products and services that contribute to achieving this goal, including by:

- improving the availability of banking products and services for SMEs,
- improving access to banking products and services for people in difficult life situations,
- creating a barrier-free banking environment for people with disabilities, elderly people, and people with limited mobility,
- implementing financial literacy programmes,
- conducting cultural and sports events for clients.

➔ *For more information on financial literacy programmes, sports and cultural events for the Bank's clients, see the [Social Responsibility and Voluntary Initiatives section](#).*

GRI 417-1, GRI 417-2, GRI 417-3

When ensuring the availability of banking products and services, the Bank provides reliable and comprehensive information on its offering and informs its clients on the features and possible risks associated with its products. No instances of non-compliance with regulatory requirements for information on banking products and services, or regarding the marketing of MKB's products and services, were recorded in 2024.

Support to SMEs

MKB offers a wide range of products for SMEs, ranging from cash management and payment services to professional support for foreign economic activity.

Under the Executive Order of the Government of the Russian Federation No. 1764, the Bank provides SMEs with working capital and investment loans, refinancing and business loans.

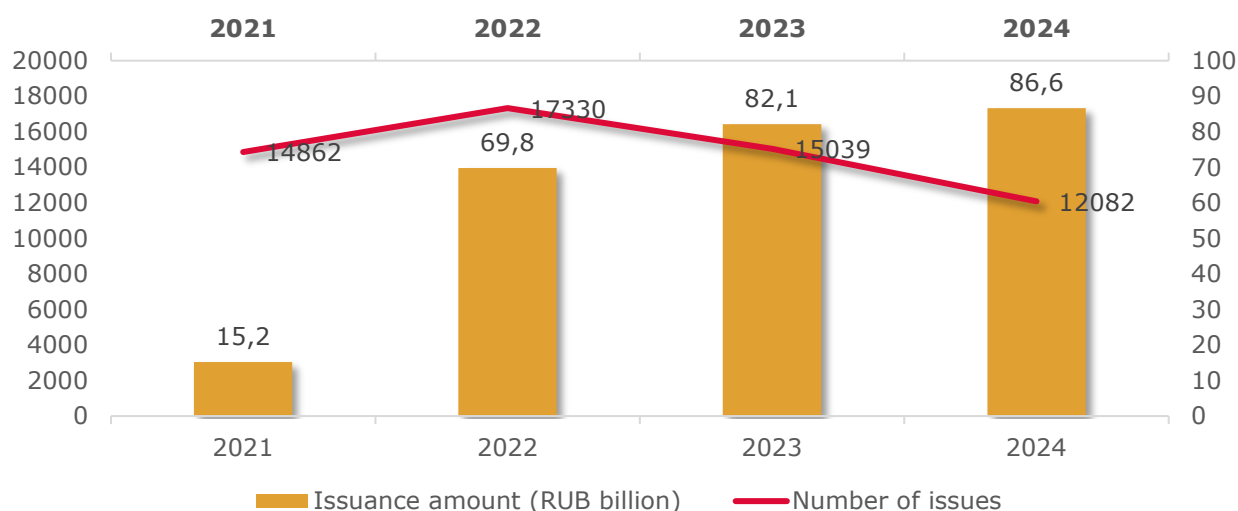
The Bank's product line also features subsidized lending to SMEs without regard to the borrower's industry. Where a SME has insufficient resources, the Bank provides services for preparing a document package to obtain state support from the Small Business Lending Assistance Funds.

In 2024, MKB paid special attention to the development of micro and small businesses. The micro and small businesses strategy was developed and approved.

➔ *For more information see the [Small Business Development section](#).*

The Bank provides state guarantee products with respect to the obligations of small and medium-sized businesses as well as regional organizations under surety agreements with banks for the loan obligations of micro and small enterprises.

Trends in the amount of instant bank guarantees issued by MKB in favor of SMEs, 2021–2024



GRI 2-24

The amount of guarantees issued to SMEs in 2024 increased compared to 2023, continuing the trend of MKB's positive social impact expansion.

Proposals for Vulnerable Clients

To enhance its efficiency and develop optimal programmes, products, and services – including those with a social focus – the Bank regularly analyses the structure of its client segments to identify their current needs.

In 2024, the retail portfolio had the following structure.

Metrics	Loan portfolio	Deposit portfolio
Gender		
Men	51.5%	42.7%
Women	48.5%	57.3%
Age⁶⁴		
Youth	22.4%	8.8%
Middle age	69.8%	39.9%

⁶⁴ The following age limits are defined: youth - up to 35 years old, middle age - up to 55 years old – women; up to 60 years old – men, senior - from 55 years old – women; from 60 years old – men).

Metrics	Loan portfolio	Deposit portfolio
Senior	7.8%	51.3%
Income		
Low	17.3%	
Medium	65.4%	
High	17.4%	

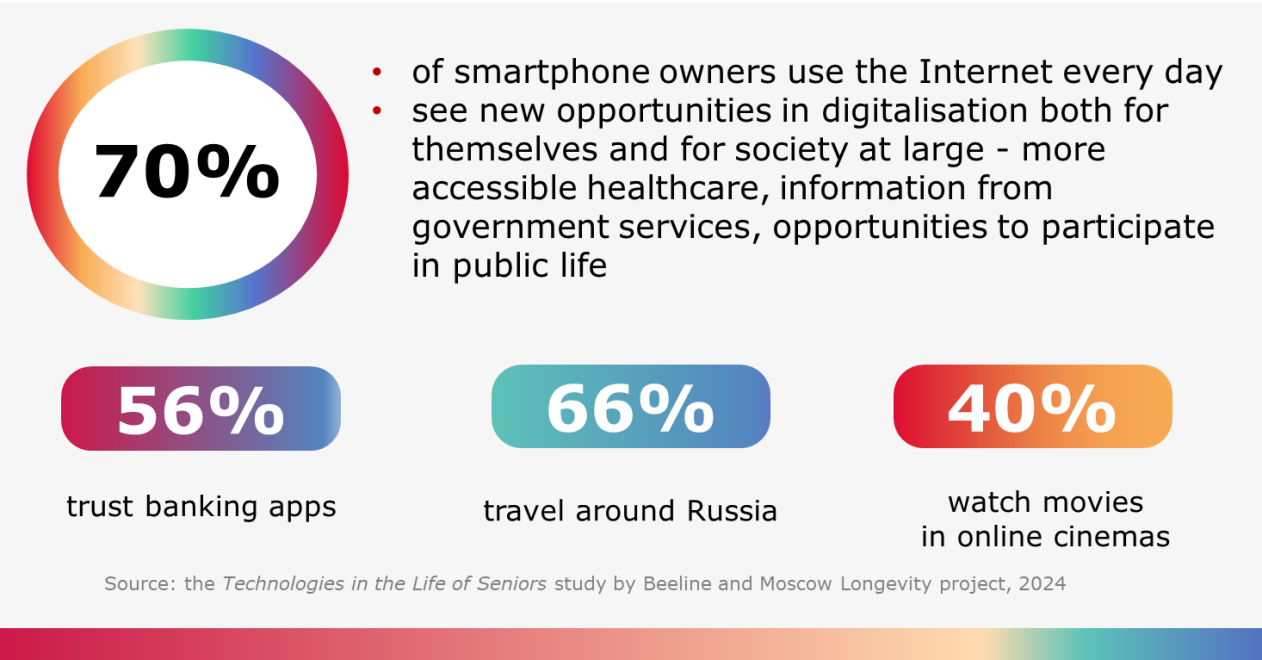
GRI 203-2

In addition to conventional retail products, MKB offers special products to support elderly people and young families, restructuring programmes, credit holidays for people in difficult situations, and subsidized mortgage.

Assistance to pensioners




MKB annually implements many projects to improve the quality of life and pays special attention to supporting the social well-being of the population. As part of setting goals for the ESG strategy for 2024–2026, the Bank once again chose support for senior citizens as one of the key areas. Also, when setting goals, MKB took into account the Strategy of Actions in the Interests of Senior Citizens in the Russian Federation until 2030.

Study of preferences of the older generation



It is essential for the Bank not only to provide convenient and profitable products but also to establish a caring customer service approach. Since the launch of special products and programmes, MKB has significantly increased the number of clients in this segment.

Examples of Current Products and Services for Senior Citizens

Mudrost pension card	MKB. Grand Deposit	24-hour Care service
		
<ul style="list-style-type: none">▪ 7% p.a. income on the balance and a profitable loyalty programme▪ Competitive pricing for trips to historically and culturally significant destinations, along with the arrangement of vouchers for resorts that offer therapeutic treatments• Personal solutions for various areas of life: finance, education, health and much more	<ul style="list-style-type: none">▪ The opportunity to receive income every month▪ Increased interest for those who receive a pension on an MKB card	<ul style="list-style-type: none">▪ Legal, social and emergency assistance in various life situations▪ Remote consultations in all areas of law, assistance in obtaining social benefits▪ Remote consultations on health issues, age-related diseases and provision of medical services▪ Remote consultations on technical issues related to the operation of a computer, laptop, phone or tablet

In order to make the Bank’s services convenient and beneficial for as many pensioners as possible, the Bank continually expands the features of existing products and develops new valuable services. For example, in 2024, a new promotion campaign was launched jointly with the GORZDRAV pharmacies, whereby 10% of the purchase amount made with the Moodrost card is returned in MKB Bonus points.

Additionally, in partnership with the Union of Pensioners, MKB annually provides support for training in the use of modern banking technologies, aimed at enhancing the financial and computer literacy of pensioners.

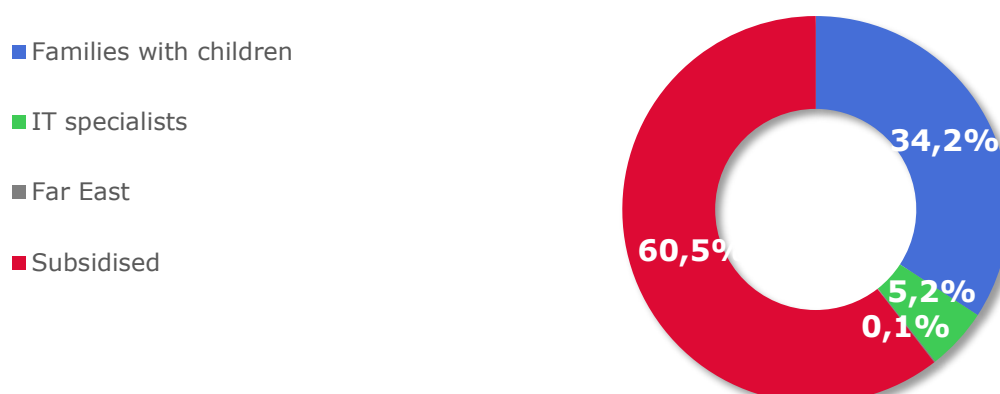
GRI 2-24

As of the end of 2024, the portfolio of pension cards exceeded 268 thousand pcs (+5% compared to 2023).

Subsidized mortgage for individuals

In 2024, the Bank provided subsidized social mortgage loans at reduced interest rates in accordance with the Government’s Executive Orders No. 1711 of December 30, 2017 (mortgage for families with children), No. 805 of April 30, 2022 (mortgage for IT specialists), No. 566-PP of April 23, 2020 (other subsidized mortgage), No. 1609 of December 07, 2019 (mortgage for housing located in the Far East and the Arctic).

Structure of mortgage loans extended on preferential terms under the state-funded support programmes in 2024



The total portfolio of subsidized mortgage loans increased by RUB 2.97 billion in 2024 and amounted to RUB 87.74 billion.

Improving Availability of Banking Services

MKB, in active cooperation with the All-Russian Society of Disabled People and the Department of Social Protection of the Population of the Moscow Region Ministry of Social Development, pays special attention to availability of financial services for all clients. As part of the "Barrier-Free Environment" project, a set of measures was implemented, by which the Bank strives to equip offices with entrance ramps, handrails and buttons to call an employee for assistance at the entrance. Information on the extent of accessibility of bank branches for people with limited mobility is presented on the Bank's [website](#).

ESG Consulting

MKB offers its existing and potential clients a wide range of consulting services in the field of sustainable development. MKB has successfully implemented a number of projects for developing various documents in the field of sustainable development for clients, as well as for preparing specific researches.

The Bank reviews the possibility of continuing the implementation of new projects, in case of a corresponding interest on the part of clients or appropriate market conditions in the future.

Furthermore, MKB advises clients on obtaining subsidies from the federal budget under investment projects in sustainable development.

Green Lending in the Retail Segment

In the reporting year, MKB continued to develop green lending in the retail segment. The criterion for classifying a loan as green is compliance with the National Taxonomy, specifically the purchase of housing in apartment buildings with energy efficiency classes A (very high), A+, and A++ (the highest).

The amount of retail green loans as at end-2024 totaled RUB 8.44 billion.

11. Employee Care

2024 Highlights	Material Topics
<p>RUB 348.8 million allocated for social programmes for employees</p> <p>47.7 hours — average duration of training per annum per one employee</p> <p>93.4% — staff satisfaction level</p> <p>The Gold status in the rating of Russia's best employers in 2024, according to Forbes</p> <p>"Great Place to Work" certificate from Happy Job company</p>	<ul style="list-style-type: none"> Ensuring employment and decent working conditions Non-discrimination Talent development, employee support and training Occupational health and safety
UN Global Sustainable Development Goals	
<div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> </div>	
Bylaws	
<ul style="list-style-type: none"> HR Policy Personnel Training and Development Policy Regulations for Compensation and Remuneration Package Code of Corporate Ethics Procedure for Annual Personnel Performance Assessment Corporate Competencies Model Internal Labour Policy Staff Selection and Recruitment Procedure Procedure for Conducting an Internal Competition Among Candidates Procedure for Participation in the You Can Choose Your Colleagues Referral Programme Regulation on the Occupational Health Management System Regulation on Additional Benefits Occupational Health Policy 	

11.1 Personnel Management Approach

GRI 3-3

MKB creates conditions for professional development and career growth of each employee and forms a comfortable work environment. The Bank implements a suite

of social programmes to maintain a high level of staff satisfaction and help employees maintain a work-life balance. The Bank adheres to the principles of ethical, socially responsible business conduct and ensures equal opportunities for all employees.

The approach to personnel management and requirements for ensuring decent working conditions are set forth in the Bank's Human Rights Policy and other bylaws.

GRI 2-23

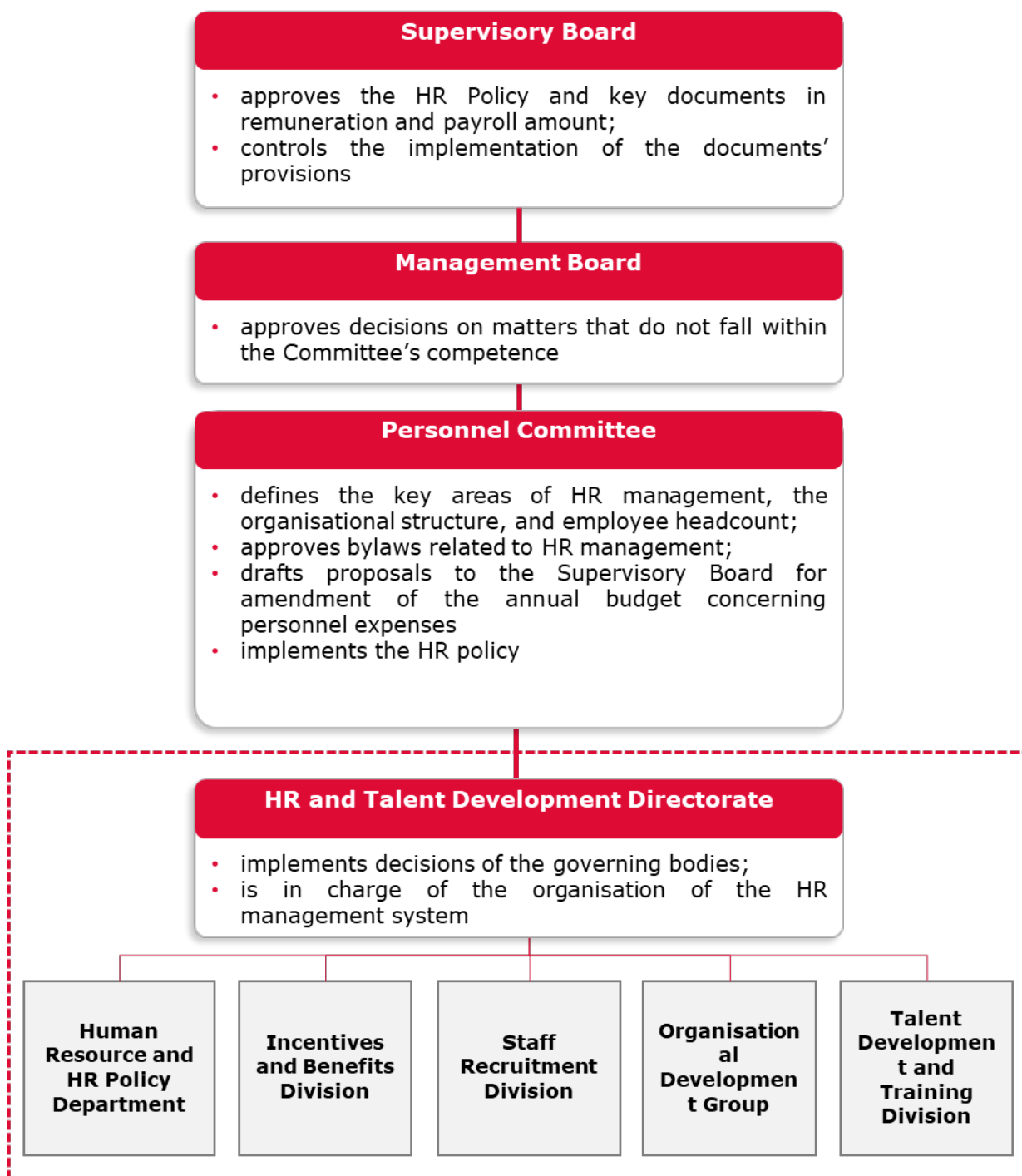
MKB strictly complies with the employment laws and regulatory requirements of the Bank of Russia. To ensure transparency in the management of employment relations, the Bank provides an opportunity for employees to get advice from the HR Director regarding the labor laws. For this, a special form titled Ask the HR Director is available for employees on the internal portal. In 2024, the Bank received 33 submissions. No cases of non-compliance with employment laws were recorded in the reporting year.

GRI 408-1, GRI 409-1

MKB does not accept the use of child and forced labor, any forms of discrimination and violence, and ensures freedom of association. These principles are stipulated in [the Human Rights Policy](#) and [the Code of Corporate Ethics](#). The Bank informs each employee of the Policy's and Code's provisions and ensures the observance thereof.

GRI 2-24

The Bank's Supervisory Board and the management are involved in the personnel management system across all managerial levels. The Supervisory Board and the Personnel Committee determine the key growth areas in personnel management, and the HR and Talent Development Directorate is responsible for implementing the decisions of the management bodies.



The fact that the Bank's management shall follow the system of key performance indicators (KPIs) in personnel management serves as an additional incentive for active involvement of the senior management in the process of observance of the requirements to the working conditions and their continuous improvement.

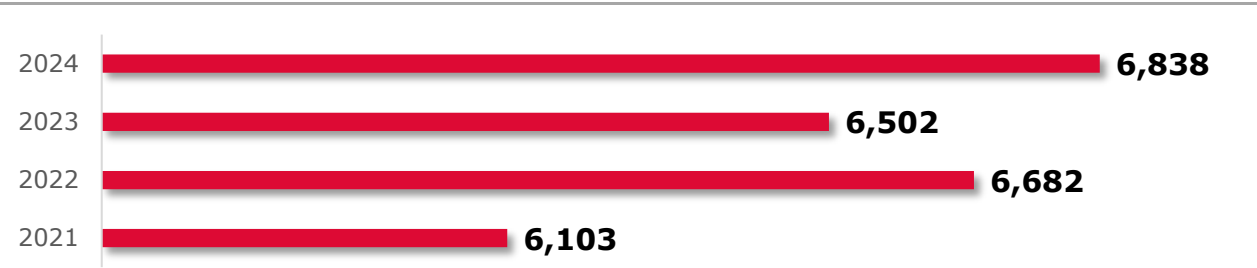
11.2 Personnel Structure

GRI 2-7

As at end-2024, the actual headcount of MKB numbered 6,838 employees, which is a 5.2% increase compared to 2023. The prevailing majority of employees work under open-term employment contracts (97%) and on a full-time basis (97%). Most of the Bank's employees (68%) belong to the age group from 30 to 50 years old.

GRI 2-7

Headcount as at end-2024 (persons)

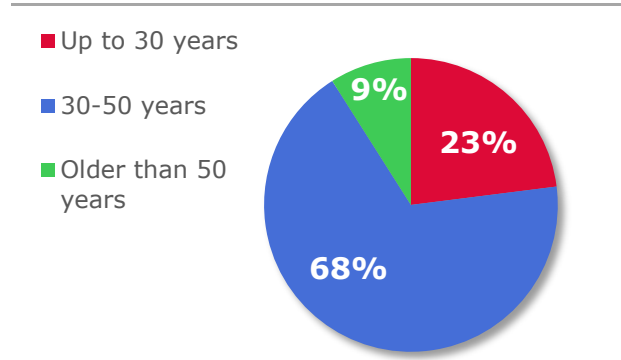


MED-25

6,052 employees – average headcount in 2024.

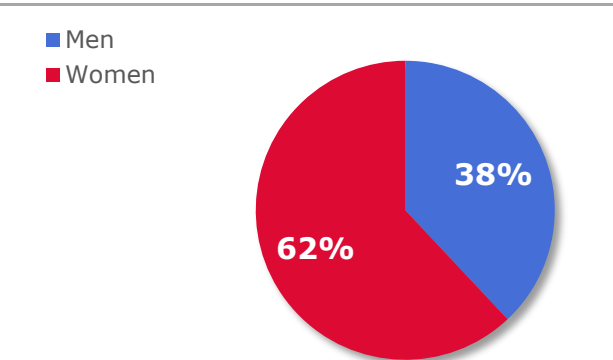
GRI 405-1

Personnel structure by age groups in 2024 (%)



GRI 405-1

Personnel structure by gender in 2024 (%)



➔ For more details, see the [Personnel section](#) in the ESG Databook annex.

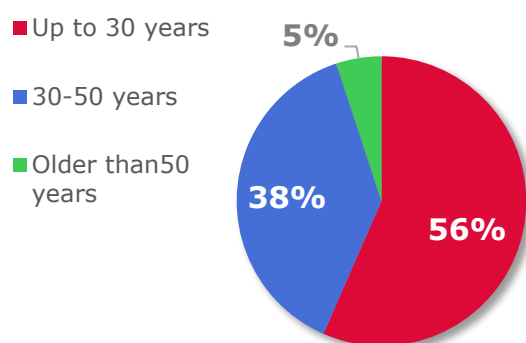
11.3 Employee Attraction and Retention

Staff Recruitment

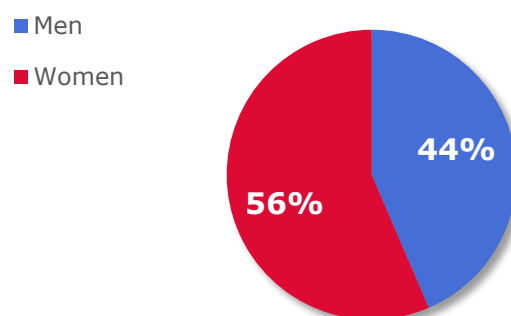
GRI 3-3, GRI 401-1

In 2024, the Bank's team welcomed 1,982 new employees, with the majority aged 30-50 years old, accounting for 56% of the total number of new employees.

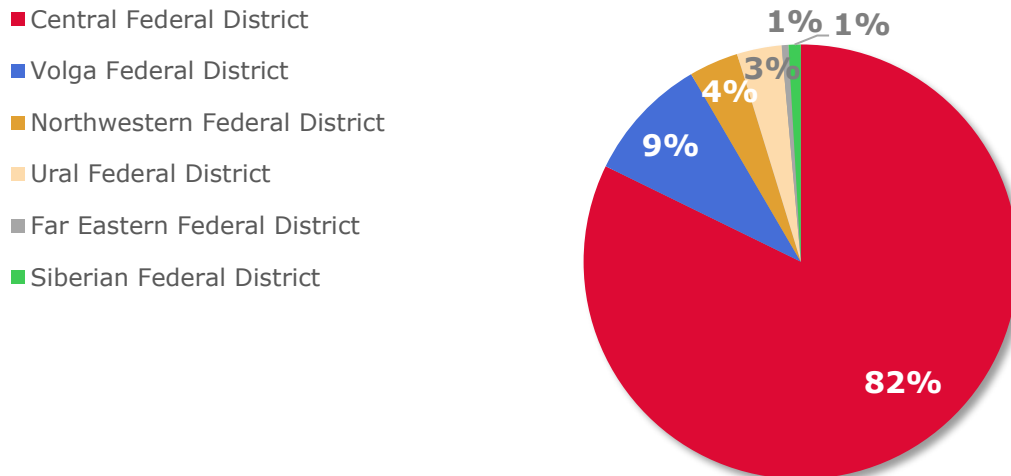
New employees by age in 2024



New employees by gender in 2024



New employees by regions of presence in 2024



Employee Recruitment Programmes

MKB has staff recruitment programmes for effective employee selection among external candidates and transfer of employees between the Bank's subdivisions.

Key Personnel Selection Programmes

Programme	Description	2024 results
Internal competition for employees that have worked with the Bank for at least one year	<p>The Bank's employees may apply for vacancies within MKB by submitting an application on the corporate portal and notifying the line manager of their intention to participate in the competition.</p> <p>Internal candidates are reviewed on general grounds, and the competition results do not affect the career growth of those who did not succeed.</p>	101 employees hired under the internal competition
You Can Choose Your Colleagues referral programme	<p>The Bank's staff members may independently recommend specialists for MKB's open vacancies.</p> <p>Upon successful completion of the probationary period by the recommended candidate, the employee who invited him/her receives a remuneration.</p>	176 employees hired under the referral programme

MKB actively involves young professionals in its team and implements internship programmes for this purpose, which help students and schoolchildren gain valuable professional experience. Every year, the Bank conducts the MKB Universe Internship Programme for Bachelor's and Master's students. The participants of the programme are involved in real tasks and business processes of the Bank, and upon successful completion of the internship, they can continue to work as MKB's full-time employees. In 2024, more than 4,000 applications for participation in the programme were received; upon the selection, the Bank accepted 44 students for internships.

The Bank also offers talented schoolchildren an opportunity of the summer internship in cooperation with the Second School Lyceum in Moscow. To participate in the internship, 10th and 11th graders of the Lyceum undergo a competitive selection in the format of a business game. The best participants join the Bank's team for the summer months with a flexible schedule, a four-hour working day. During the internship, the schoolchildren study global financial markets, analyze economic sectors and financial products. In 2024, seven schoolchildren completed the programme.

171 young talents attended internships in various divisions of MKB in 2024.

Onboarding

For successful adaptation of new employees, the Bank operates the system of measures for socialization and integration of employees into the team. MKB is actively developing the process of adapting a new employee to the work environment. To

date, supervisors of newcomers and responsible divisions can prepare in advance for their joining the team, organizing the necessary access rights and work stations.

New employees are immersed in the corporate culture of the Bank with support from a more experienced colleague called 'buddy'. The buddy assists the new team member in adapting to the new role, provides a comfortable atmosphere to get involved in the work process from the first day of work. At the end of the onboarding period, the Bank collects feedback from new employees, on the basis of which it develops and implements measures to improve the onboarding process.

New employees also undergo training courses on the corporate platform and set goals for the probationary period. This way, they get the opportunity to understand the Bank's expectations, quickly immerse themselves in work processes, receive feedback from the supervisor in a timely manner, and realize their progress in achieving the goals of the probationary period.

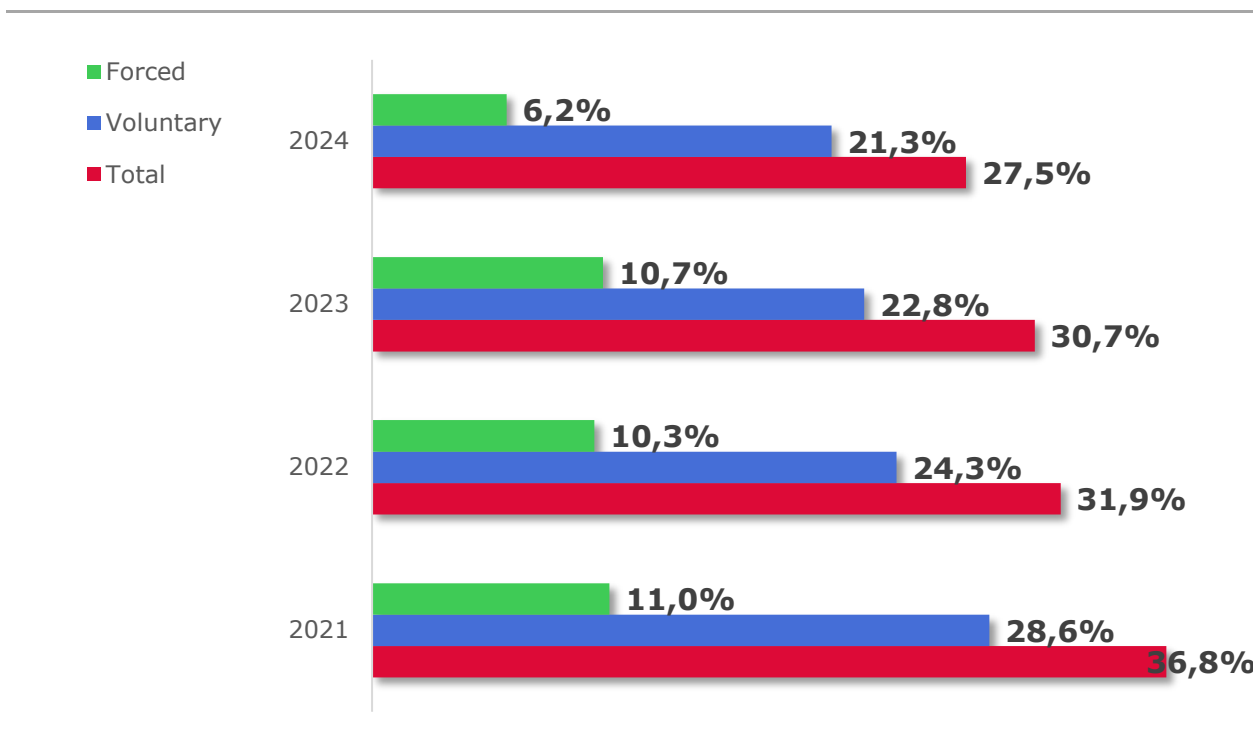
Retention and Dismissal

GRI 401-1, MED-33

In 2024, the total employee turnover rate decreased by 3.2% to 27.5%, whereas the voluntary staff turnover rate decreased by 1.5% to 21.3%.

MKB analyses the factors of employee dismissal and feedback as part of the annual engagement survey, based on which it develops and implements corrective actions. Thanks to the measures taken, including the improvement of the motivation and remuneration system, the Bank managed to reduce the turnover rate in the reporting year. For those employees who decided to leave the Bank, an electronic checklist was implemented, allowing them to track the list of tasks related to their quitting.

Employee turnover (%)



➔ For more details, see the [Personnel section](#) in the ESG Databook annex.

11.4 Diversity and Equal Opportunities

GRI 3-3, GRI 405-1, GRI 405-2, GRI 406-1

MKB incorporates the diversity and inclusivity principles in its operations and ensures equal opportunities for all employees at every stage of interaction with them. Employees receive detailed information on these principles from training materials and a special course on Diversity and Inclusion. Furthermore, all new employees of subsidiary offices are trained in the basics of interacting with people with limited mobility and people with disabilities.

GRI 406-1

MKB has a zero tolerance towards any forms of discrimination among its employees as stipulated by the Human Rights Policy, the Personnel Policy, and the Code of Corporate Ethics. At each stage of the personnel management process, the Bank differentiates employees solely by the level of performance and the development of corporate competencies, and excludes preferences based on criteria not related to professional activities. No cases of discrimination were recorded in 2024.

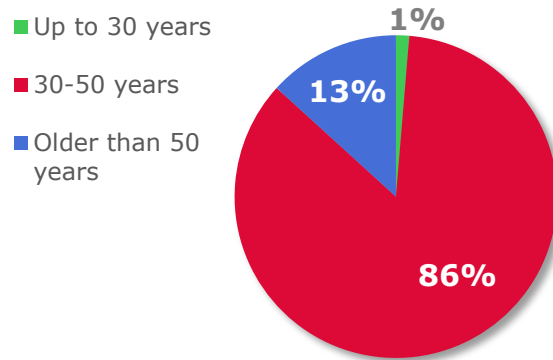
MED-25, MED-44

41% — the share of women in managerial positions.
62% — the share of women in the total headcount.
2% — the share of employees with disabilities in the total headcount.

MKB provides equal opportunities for employment and career advancement as well as strives to maintain a gender balance both among the personnel and the senior management. To support women at MKB, a Women's Club and a maternity support programme are in place, available to all employees on parental leave. This programme includes benefits, educational and thematic events, as well as assistance with reintegration after returning from maternity leave. The Bank also conducts educational activities for employees on career management, dining and business etiquette, fashion trends, and the image of female leaders. Additionally, female employees on maternity leave have the opportunity to participate in corporate training on various topics and access the electronic library.

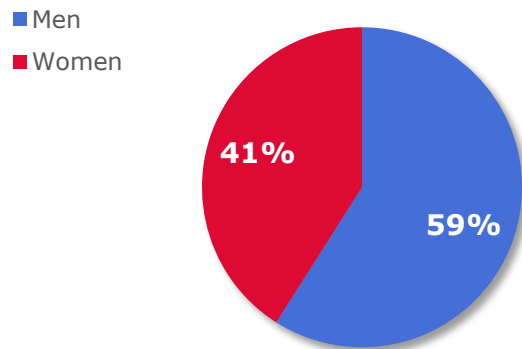
GRI 405-1

Management Board and senior management structure by age groups in 2024 (%)



GRI 405-1

Management Board and senior management structure by gender in 2024 (%)



→ For more details, see [the Personnel section in the ESG Databook annex](#).

GRI 405-2

MKB strives to ensure equal and fair remuneration for men and women who hold equal positions and achieve comparable results. In the reporting year, the ratio of the average salary of women to men was 0.69⁶⁵.

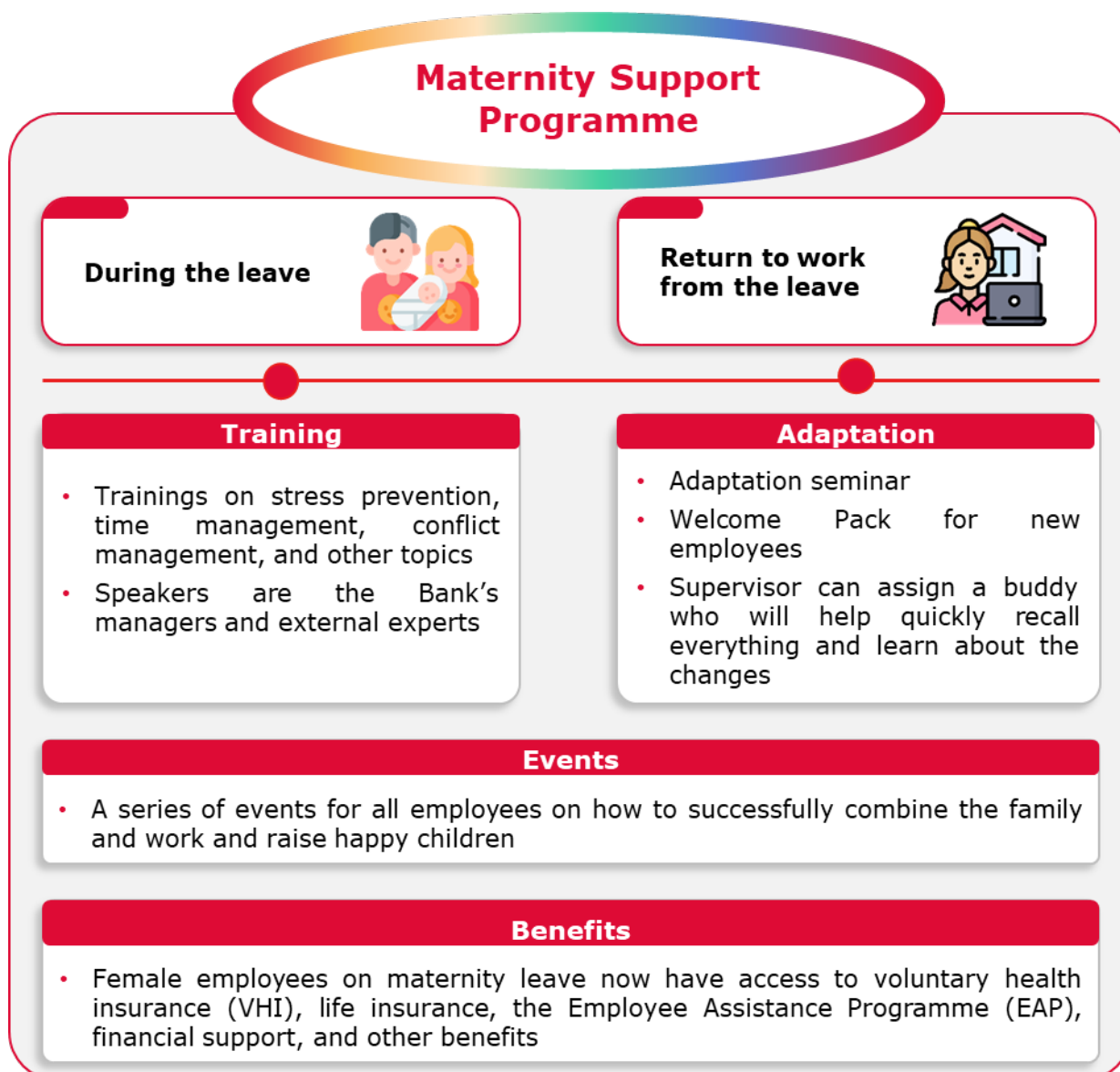
GRI 401-3

Each Bank employee is entitled to take a parental leave. In 2024, 200 employees took parental leaves, and the number of employees who returned to work after the leave was 89.

Bank employees may work part-time or from home during the parental leave, with retaining the right to receive the state social insurance benefits. The Bank retains employees' job/positions while they take a parental leave, and the leave period is included in the total length of service and work experience in the relevant profession, except for cases of early assignment of an insurance old-age pension.

MKB helps employees on parental leave maintain their professionalism and provides the opportunity to remain in the context of corporate life.

⁶⁵ The indicator exceeds similar indicators of a number of systemically important banks and generally corresponds to the industry average (the available data among systemically important banks is factored in).



Moreover, MKB holds annual children's days for employees' families.

➔ *For more details on MKB's Kids programme, see [the Social Responsibility and Voluntary Initiatives section](#).*

11.5 Remuneration and Motivation of Employees

Financial motivation

GRI 202-1, MED-24, MED-26

RUB 16 billion – personnel expenses in 2024.

RUB 204,000 – average salary per employee.

70% – the share of employees with the revised salaries.

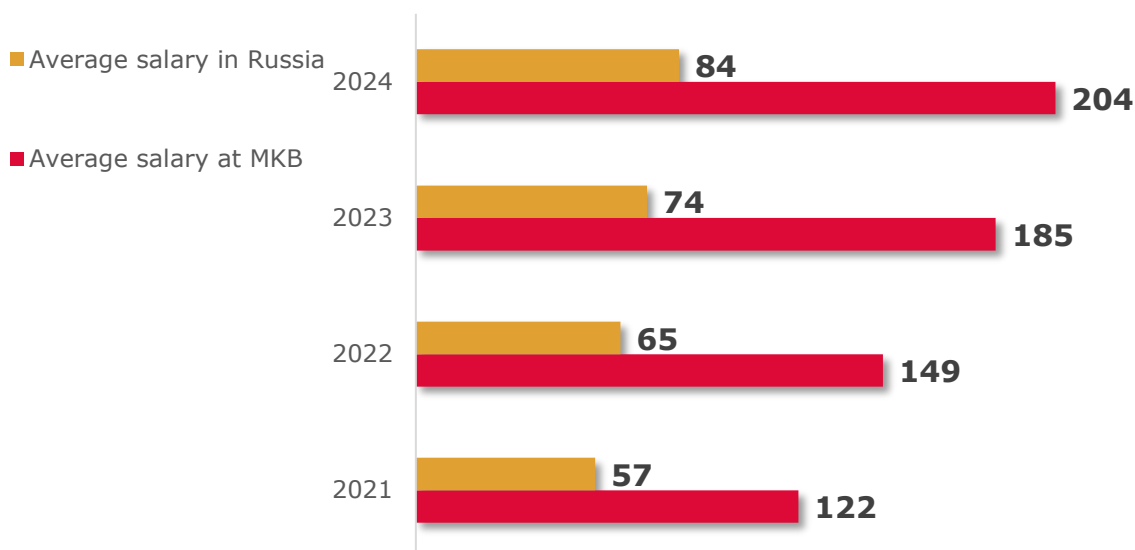
59% – the share of employees entitled to year-end bonuses.

RUB 348.8 million allocated to social programmes for employees.

MKB creates conditions for attracting, retaining, and professional development of its employees and maintains a competitive level of remuneration. The decent level of remuneration enables the team to achieve high results and deliver the Bank's strategic goals.

MKB regularly analyses the average salary in the regions of presence and reviews the amount of remuneration of each employee at least once every three years. In 2024, the Bank revised the salaries of 70% of its employees.

Average salary (excluding senior management) at MKB compared to average salary in Russia⁶⁶ (RUB'000)



⁶⁶ As per [Rosstat](#).

The staff remuneration system is based on the principles of employee performance and compliance with corporate competencies. This way, the Bank provides fair and equal opportunities for employees' career growth. The compensation consists of the fixed and variable parts. The Bank determines the optimal ratio of their amount depending on the areas of activity and categories of employees, their job duties and the level of taken risks. The Bank ensures the observance of legislative and regulatory requirements.

The fixed part:

- basic salary / hourly wage rate;
- monthly bonuses.

The variable part:

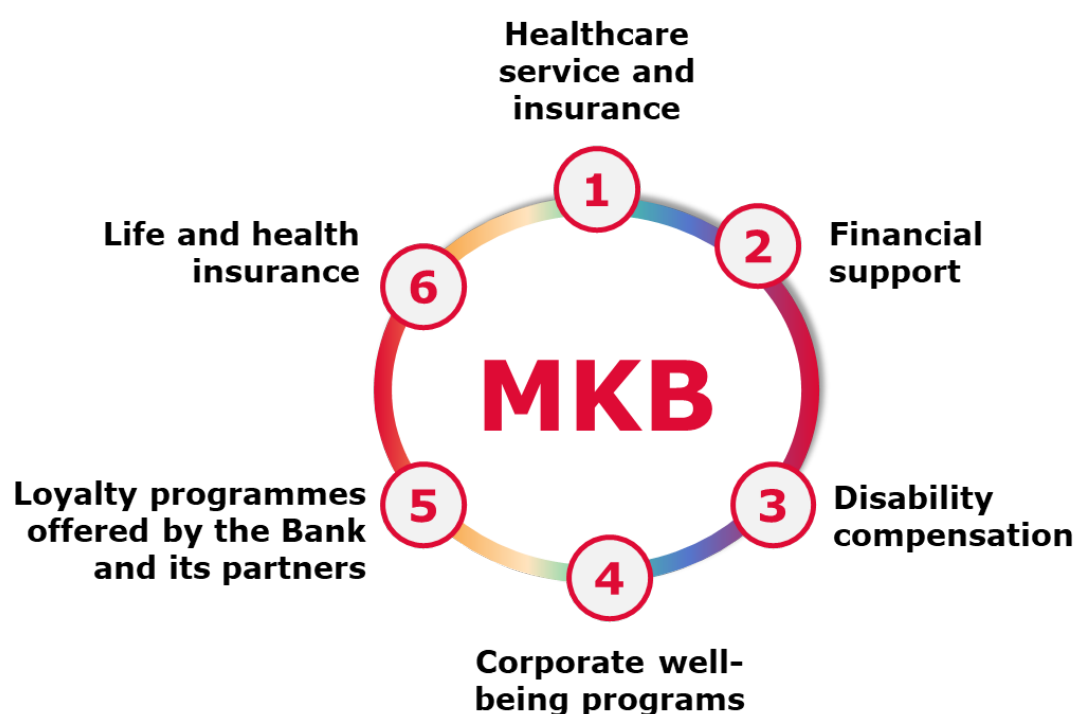
- one-off bonuses;
- other bonuses.

Corporate Benefits

GRI 401-2

MKB takes good care of the well-being of its employees and provides a set of corporate benefits in accordance with the requirements of the law. The Bank, also, has additional employee support programmes in place.

The social benefits system includes:

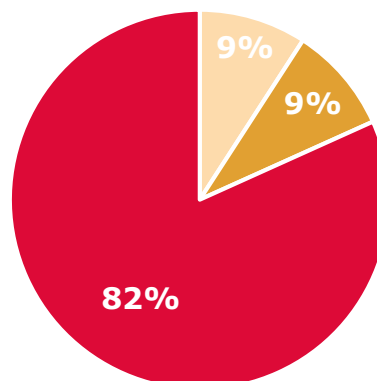


The benefit system applies to all regions of presence, whereas the voluntary health insurance (VHI) programme, life and health insurance, disability compensation, and material aid are provided to employees after the probationary period, regardless of the term of employment and full- or part-time employment. Other benefits are available to all employees without exception.

MED-28

Expenditures on social programmes for employees and their family members in 2024 (%)

- Social programmes
- Fitness and health recreation programmes
- Medical treatment programmes



In 2024, MKB continued to implement its well-being programmes for improving the well-being level of its employees. The events aimed to improve employees' quality of life in various areas are held both under the comprehensive well-being programme and under individual initiatives, such as on-site checkups at office locations, webinars on psychology and financial literacy, sports marathons and guided tours.

MKB cares about the emotional and psychological health of its employees. The Bank's Business Academy regularly holds trainings on the prevention and handling of the emotional burnout, as well as on maintaining a resourceful state. Additionally, in 2024, the Bank conducted group sessions on the psychology of family relationships with adolescents.



Launch of employee insurance against accidents and illnesses (life and health insurance /accident insurance)

In 2024, MKB launched insurance for employees against accidents and illnesses. Under this insurance, employees can receive compensation in the event of injury and sick leave due to injury, disability resulting from an injury or illness, and close relatives of employees receive an insurance payout in the event of their death.



Atmosphere well-being programme

The programme allows to increase the level of personnel efficiency, engagement, and loyalty, as well as to maintain employee health and well-being.

- 1,500 employees underwent instant medical check-ups in the offices
- 2,900 employees used the Bank's discounts, with cost saving of RUB 13.7 million of the employees' personal budget
- 2,000 employees attended the guided tours organised by the Bank



Dobrosfera well-being programme

The Dobrosfera programme offers all employees of the Bank free support from a lawyer, psychologist, telemedicine doctor, and financial consultant on conditions of complete confidentiality. More than 250 specialists are available for 24/7 consultations by phone, in the mobile application, or through an online account.

- The Bank's employees received more than 2,200 consultations.



MKB League gamified employee loyalty programme

In 2024, a new level of the programme and new privileges that employees can receive were introduced, new activities were added to accumulate points and at the same time the number of points for already familiar activities was increased, the range of available merch was expanded, too.

- The number of applications for privileges grew by 11%
- The number of orders placed with the corporate store increased by 7%

The Bank actively develops its corporate volunteering practices: in 2024, the charity volunteering initiatives among employees were carried out: community clean-up events in city parks, visits to an animal shelter, and volunteer outings in collaboration with a charity fund.

➔ *For more information on corporate volunteering, see the [Social Responsibility and Voluntary Initiatives section](#).*

11.6 Personnel Training and Development

GRI 3-3, MED-31

7,575 employees completed the training and development programmes.

47.73 – the average number of training hours per employee.

7,503 employees completed the distance learning courses.

MED-30

MKB expands the opportunities for employees in training and professional development in order to form a highly qualified team and increase the labour productivity of each employee. A wide range of training programmes allows employees to reveal their potential, achieve career growth, and adapt to innovations in the Bank's activities.

RUB 118.3 million – expenses for employee training in 2024.

RUB 19.5 thousand – average training expenses per employee in 2024.

Training Programmes

GRI 404-2

MKB implements a range of educational programmes in various fields for employees of different subdivisions. Employees have access to both distance programmes (e-courses and video materials) and face-to-face trainings, including as part of corporate training and development systems — the Academy of Leadership and Management, as well as the Business Academy. Furthermore, the Bank's employees may apply for training at external educational institutions to acquire new knowledge in accordance with market trends.

Programmes for advanced training and professional development of employees

Programme	Description	2024 results
Internal development programmes for middle managers	Academy of Leadership and Management: training for senior executives	14 programmes, each launched once a month (268 participants, 670 completed courses)
	School for Young Executives: training for executives with up to six months of management experience	3 programmes, each launched once a month (96 participants, 172 completed courses)

Programme	Description	2024 results
Internal programmes for developing employees' soft skills	Programmes aimed at developing the skills that improve employee performance	32 programmes launched on a monthly basis, 2939 visits, including participation in the Book Club programme
Programmes for highly productive employees' development	Capacity building and flexible skills development activities for high-performing employees	212 employees participated in these activities
Programmes as part of the corporate culture development	A cycle of general education, informative and entertaining lectures and master classes aimed at the general development and awareness of employees, as well as enhancing cross-functional interaction	733 participants of master classes and lectures, and 397 participants of cross-functional interaction events
Internal professional training programmes for products, software, and processes	Specialized professional training courses for Bank employees from different subdivisions	7067 completed courses, 1319 participants



ESG training

Training on sustainable development is one of the important goals of the Bank, reflected in the ESG strategy for 2024–2026.

In 2024, training for employees in 3 sustainable development courses was developed and carried out:

- Managing E&S impacts when providing financing;
- Carbon footprint;
- Human rights and financial inclusion.

A special section dedicated to ESG training was also created on the corporate portal, where remote ESG-focused courses are collected and available to employees for self-study. This section will be updated with new educational materials on an annual basis.

MKB implements various initiatives to support employees in their career development: career models are developed and implemented for specific functions, training events on self-career development are conducted, etc. Additionally, each employee can receive career counseling from a Bank expert.

For more experienced employees, the Bank conducts programmes for developing managerial competencies within the framework of the Academy of Leadership and Management. This focal area includes the courses on management theory and practical aspects of efficient team management.

Additionally, the Bank has implemented Mentoring and Succession programmes for leaders.

→ Mentoring Programme

A programme of informal managerial mentoring that allows a mentor to transfer their knowledge, skills, and experience to a mentee, thereby facilitating their development and successful achievement of work goals. Mentors are key leaders in the Bank with significant professional and managerial experience, willing to invest their time, experience, and knowledge in the further development of others.

→ Succession Programme

The programme is aimed at developing employees who possess the necessary abilities, potential, and motivation to subsequently occupy key leadership positions in the Bank. For each successor, an annual individual development programme is developed and implemented, including assessment, training events, and fulfilment of new work tasks for gaining the necessary experience.

Team Building

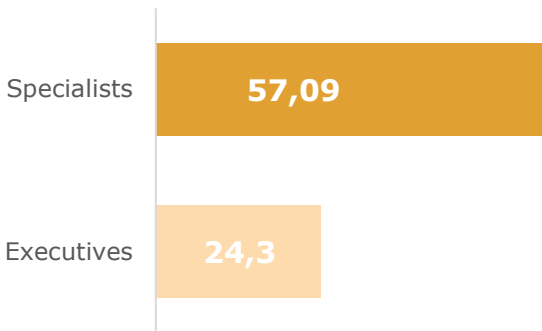
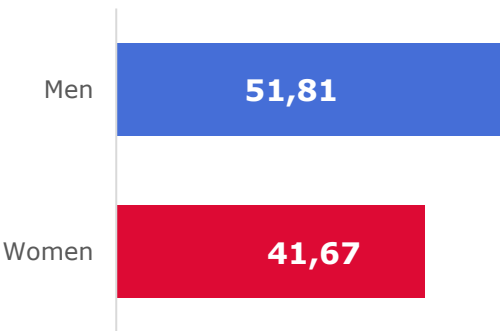
To maintain the team spirit, the Bank organizes annual team-building events for its units. In 2024, 2202 people participated in these events.

GRI 404-1

GRI 404-1, МЭР-31

*Average number of training hours
per employee, by gender, in 2024
(hours)*

*Average number of training hours
per employee, by employee
category, in 2024 (hours)*



Annual Personnel Performance Assessment

GRI 404-3

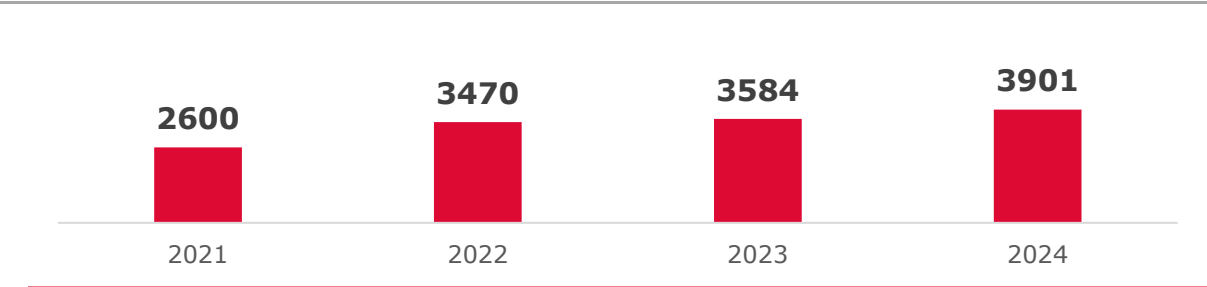
Each employee's performance is evaluated as part of the annual Performance Management and/or at other times (motivation system). In 2024, the proportion of employees covered by transparent performance management and other motivation systems was 98%.

Performance Management has been conducted to manage the performance of MKB's employees since 2019. In 2024, 3,901 employees (64%) took part in the assessment under this programme.

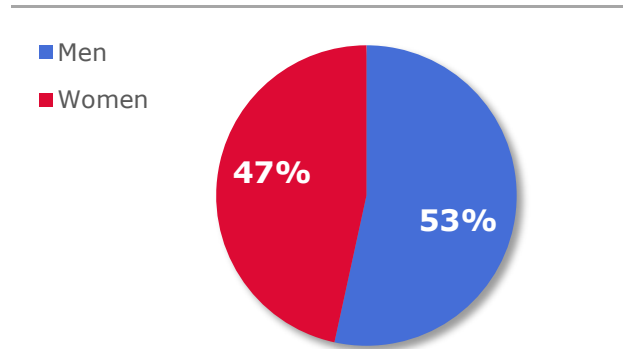
To enhance the interaction between employees and managers at each stage of annual performance assessment, the Bank arranges training webinars and provides training materials on the corporate training and development portal for employees.

GRI 404-3

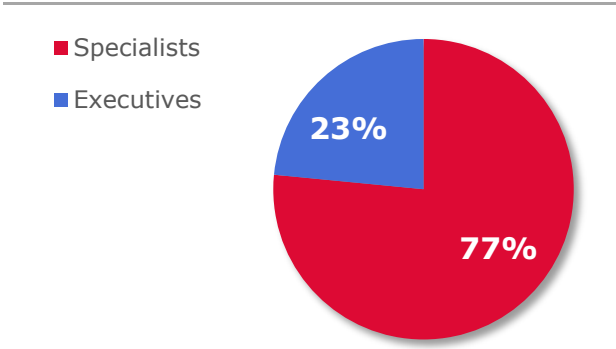
Number of employees covered by the annual assessment (persons)



Employees covered by the annual personnel performance assessment, by gender, in 2024 (%)



Employees covered by the annual personnel performance assessment, broken down by employee category, in 2024 (%)



11.7 Comfortable Working Conditions

Safe working environment

GRI 3-3

MKB constantly improves the working conditions and arranges for a safe environment for the sake of employees' efficient work.

➔ *For more information about the approach to improving the environmental friendliness of the offices, see [the Green Office section](#).*

GRI 403-1, GRI 403-8

The Bank operates its Occupational Health Management System (OHMS) that complies with the legal requirements. This system represents an integrated approach to ensuring the safety and health of employees, covering all aspects of labor activity.

The system includes the development and implementation of comprehensive measures aimed at preventing workplace injuries and occupational diseases. Each element of the system meets modern standards and requirements, allowing not only to comply with legal norms but also to minimize risks associated with labor activities.

MED-27

RUB 4.6 million – expenditures on the occupational health management activities in 2024.

RUB 0.76 thousand – expenditures on the occupational health management activities, average, per employee, in 2024.

GRI 403-2, GRI 403-7

To ensure safety and health of its employees, MKB regularly conducts a special assessment of working conditions (SAWC) and production control over compliance with sanitary regulations (PC). These activities are an integral part of a comprehensive approach to occupational safety and creation of comfortable working conditions.

In 2024, the Bank conducted instrumental research and assessed the parameters of harmful and hazardous production factors at 1923 workplaces within SAWC and in 625 work zones within the framework of PC. No exceedances or deviations of indicators from regulatory values for workplace environment factors were detected.

The data obtained as a result of the SAWT and PC activities is used as the basis for development of the annual plan of measures carried out for improvement of working conditions and labor protection in the Bank and mitigation and prevention of professional risks.

The Bank regularly identifies and assesses occupational health risks, ensuring the safety and health of employees. Based on assessment results, MKB develops universal risk maps compiled according to respective business lines of the Bank. The maps take into account all risks employees may face and enable more targeted and effective risk assessments, reacting to changes in working conditions only when necessary. In 2024 there was no such need.

GRI 403-9, MED-29

To monitor the effectiveness of activities in the field of occupational health, MKB keeps records of the key indicators of injuries among employees, including the coefficients of the frequency and severity of injuries.

Over the past four years, the Bank has not recorded any cases of fatal injuries.

GRI 403-9, MED-29

Key Injury Indicators⁶⁷

	2021	2022	2023	2024
Number of Lost Time Injuries	0	2 ⁶⁸	2	2
Injury frequency rate	0	0.49	0.33	0.33
Injury severity rate	0	29.0	87.5	6.5
LTIFR ⁶⁹	0.00	0.18	0.19	0.18

In 2024, two cases of industrial injuries were recorded in the Bank.

Each accident is investigated in accordance with the laws, which allows to identify the causes of incidents and develop preventive measures. To prevent such incidents extraordinary labor safety briefings are conducted with employees on the circumstances of accidents, with a detailed analysis of actions that caused them.

An important step in the safety strategy is the Zero Injury Programme for 2024–2026, with the main goal of achieving a zero injury level. The programme consists of measures aimed at improvement of working conditions, personnel training, conducting safety audits, and involving employees in safety assurance matters.

GRI 403-4, GRI 403-5

MKB informs each employee about working conditions at workplaces and conducts briefings. Employees are also provided with occupational health reminders, including information on how to respond to accidents and injuries. Furthermore, the Bank seeks to prevent potential threats from clients or other persons in relation to the employees and takes care of their safety by conducting training and developing information sheets on measures to respond to critical situations.

3,374 employees – were instructed on safe behavior in specific conditions of team-building events.

The Bank's employees have the opportunity to share their ideas for improving the occupational health system by sending an e-mail to the Operational Risks Department (Operrisk@mkb.ru) or through the internal service Say It Right. All inquiries are

⁶⁷ Injury frequency rate (FR=I/E*1000), Injury severity rate (total number of disability days per year due to accidents / number of accidents during the reporting period).

⁶⁸ The number of injuries in 2022 was adjusted vs. the previous year Report as according to the results of the expert review conducted by the Social Insurance Fund of the Russian Federation one injury was not qualified as an occupational injury.

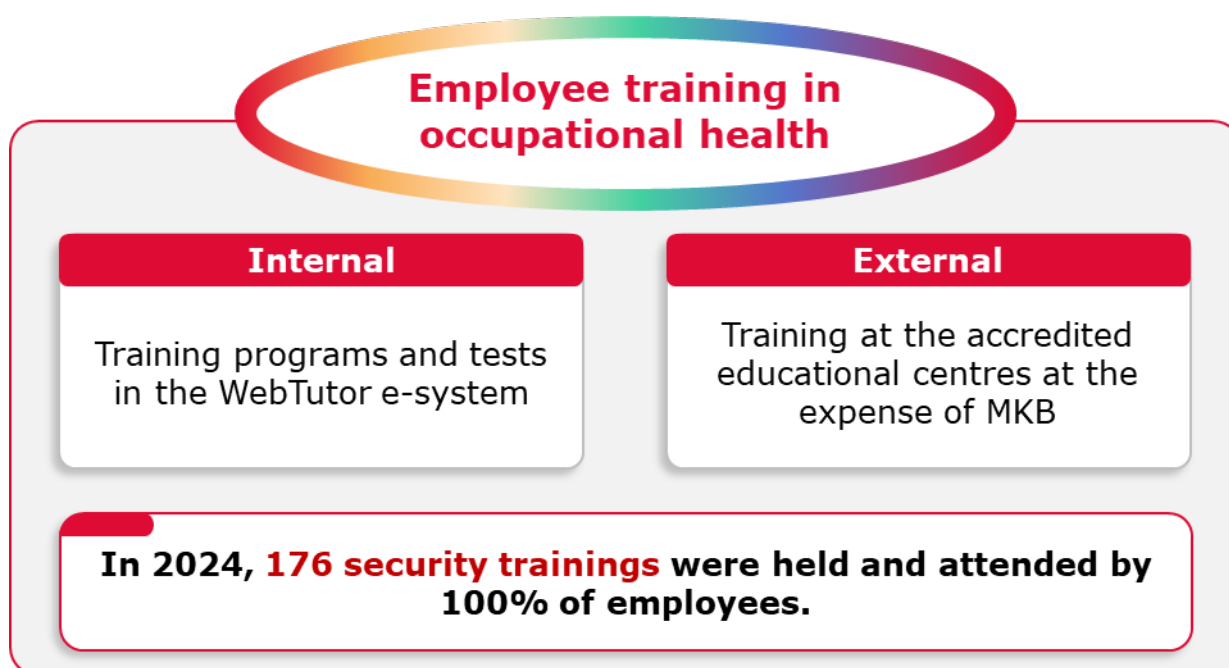
⁶⁹ LTIFR (Lost Time Injury Frequency Rate) is frequency rate of industrial injuries of the entity staff excluding contractor's personnel per 1,000,000 man-hours.

handled by specialists of the Occupational Health Management Section. In 2024, there were no respective suggestions from employees.

An important part of the Bank's strategy for taking care of its employees' health is occupational safety training and providing them with full personal protective equipment.

In 2024, electronic courses on labor protection were updated and new ones were developed, which include practical sessions and interactive modules. The updated courses cover a wide range of topics, from the use of personal protective equipment to providing first aid to the injured.

5,616 employees received training covering labour protection and safety issues, including fire safety and civil defense.



GRI 403-3, GRI 403-6

MKB takes care of the health and well-being of employees and regularly conducts mandatory preliminary and periodic medical examinations.

In 2024, 76 employees underwent mandatory medical examinations, and 56 employees underwent psychiatric evaluations.

Such measures not only ensure the preservation of employees' health but also contribute to increased work efficiency and reduced stress levels in the workplace. The Bank not only complies with labor protection legislation but also creates an atmosphere in which every employee feels valued and protected.

Employee health support measures include:

- voluntary health insurance programme;
- doctor's consultations in offices (in 2024, the number of appointment days was increased);
- Health Days in offices (consultations of various specialist doctors);
- corporate sports events, marathons, and challenges.

The Bank provides its employees with a VHI programme and compensates for any loss of income in case of illness. These benefits are available to all employees who successfully completed the probationary period, regardless of the term and form of employment. In 2024, the VHI programme covered 90% of the staff.

With a view to enhancing the quality of the insurance programme, MKB regularly assesses the level of employee satisfaction with the VHI programme using the Say It Right survey. Satisfaction with the programme remains at a stable positive level.

Safe Working Conditions

The Bank considers it necessary to improve the comfort and labor productivity of its employees. With this in mind, the Bank offers flexible work formats, with 38% of employees working remotely.

MKB creates convenient office spaces and workplaces in each region of presence. Under the renovation project, the Bank equips offices up to employees' needs, fitting them with up-to-date equipment and introducing state-of-the-art technologies. MKB pays great attention to the creation of functional and comfortable workspaces and recreation areas.



MKB's office is listed among the top 50 headquarters of Russian companies, according to Forbes

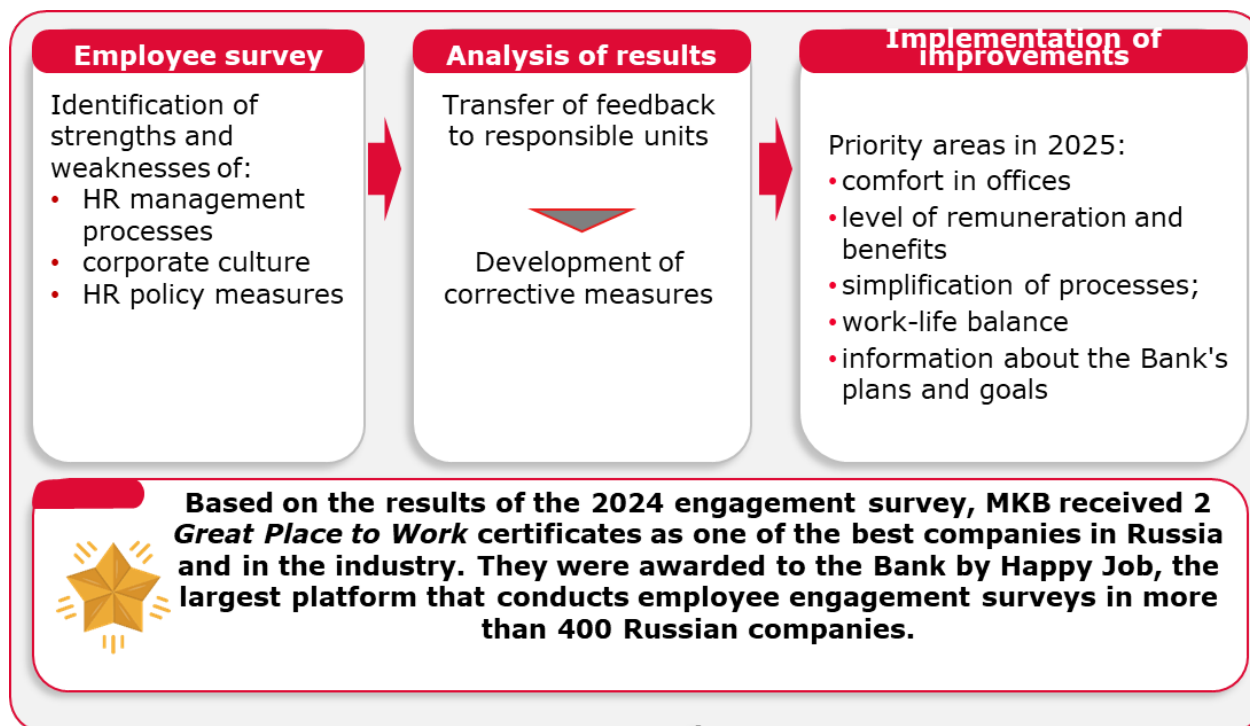
The Moscow Office of the Bank in the Neva Towers Office Centre was included in the Forbes ranking of the best headquarters for the second year in a row. Experts included this office in the Gold category and noted the quality of the building, ergonomics and focus on the employee comfort and convenience.

Employee Engagement Survey

93.7% (↑1.3 p.p.) — employee engagement.

89.7% (↑0.3 p.p.) — employee loyalty.

93.4% (↑1.4 p.p.) — employee satisfaction.



Satisfaction with the Quality of Internal Services

MKB is working to improve the efficiency and annually assesses the quality of internal services of its subdivisions under the Say It Right Project. The project makes it possible to expand the channels of feedback from the Bank's employees and identify the services and business processes that require improvement, according to the staff. Based on the results of the survey, the level of satisfaction with the quality/ working conditions grows year on year, and in 2024 it increased from 4.51 points to 4.71 points compared to 2023.

12. Climate Agenda

2024 Highlights	Material Topics
<p>100% of direct emissions (Scopes 1 and 2) for 2024 compensated.</p> <p>Climate Transition Strategy for 2024–2026 approved</p>	<ul style="list-style-type: none">Climate change and contribution to low-carbon development
UN Global Sustainable Development Goals	
<div><div><p>7 AFFORDABLE AND CLEAN ENERGY</p></div><div><p>13 CLIMATE ACTION</p></div></div>	
Contribution to national projects of the Russian Federation	
	
Bylaws	
<ul style="list-style-type: none">ESG Strategy 2024–2026Climate Transition Strategy 2024–2026Integrated Environment, Health, Safety and Energy Management PolicyProcedure for Managing E&S Impact of Proposed Financing	

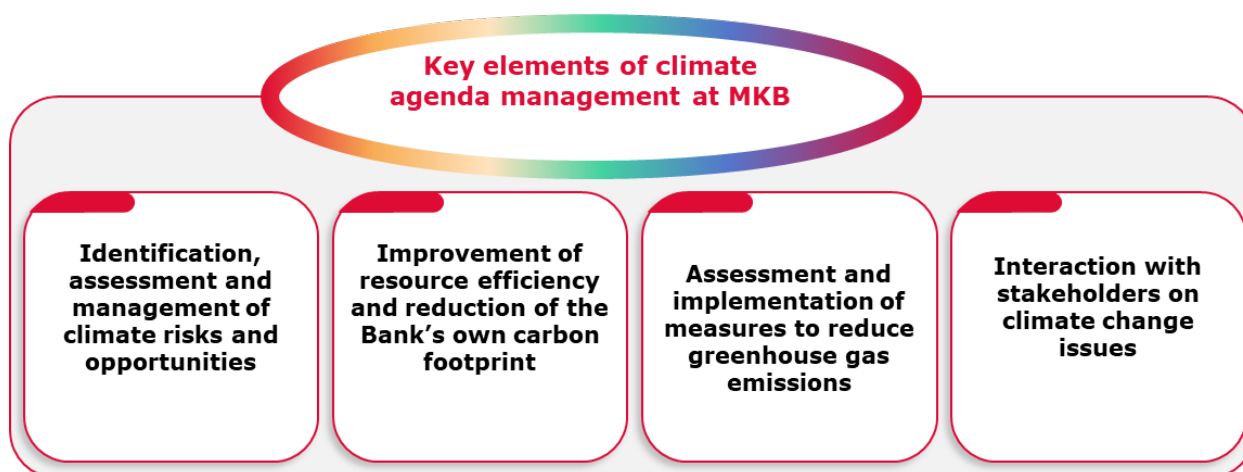
IFRS S1 30 (b,c), IFRS S1 32 (a,b), IFRS S1 34(b,d),
IFRS S1 35 (a), IFRS S1 46 (b)

12.1 Approach to Climate Change Management

GRI 3-3

MKB takes a responsible approach to climate change, recognizing the unique ability of financial institutions to stimulate positive changes and contribute to climate mitigation.

The Bank developed and maintains a system for managing the climate agenda.



IFRS S2-9 (c), IFRS S2-13 (a), IFRS S2-14 (a), IFRS S2-33

Climate Transition Strategy

In 2024, the Climate Transition Strategy 2024-2026 ("the Climate Strategy"/"the CTS") was approved. The CTS is synchronized with the ESG strategy and takes into account the performance targets and objectives of the Bank's corporate-wide strategy through 2029. 2023 was selected as the base year for assessing progress towards the Climate Strategy goals.

The Climate Strategy aims to achieve three strategic goals:

I. Financing projects that contribute to the climate transition

- MKB's main strategic goal is to increase the portfolio of green/adaptive projects and actively participate in financing projects aimed at reducing the carbon footprint and enhancing energy efficiency, specifically:

- ✓ growing the green loan portfolio by 35% by the end of 2026 compared to the base year 2023
- ✓ growing the green bond portfolio by 10% by the end of 2026 compared to the base year 2023

To enhance financial support for ESG projects aimed at low-carbon development, the Bank participates in tenders and competitions for financing relevant projects, collaborates with other financial institutions for joint financing of green/adaptive projects, and participates in organizing the issuance of ESG bonds.

➔ *For the status of implementation, see the [Sustainable Financing](#) and [Sustainable Investment](#) sections.*

II. Raising awareness and supporting clients for reduction of the carbon footprint of the loan portfolio

Considering that the Bank's main impact on the climate is realized through financing of sectors with a significant carbon footprint, the Bank aims to assist borrowers in every possible way in reduction of their carbon footprint, including through assessment and management of borrowers' ESG risks.

➔ *More details can be found in the [ESG Risks Assessment](#) section.*

By implementing measures to support clients and analyzing their greenhouse gas (GHG) emissions, the Bank plans to obtain comprehensive and reliable information about the carbon footprint of the portfolio and its trends by the end of 2026. Based on the analysis of the data that will be obtained, the Bank plans to set quantitative targets for reduction of specific or absolute emissions for the entire loan portfolio or individual carbon intensive sectors in order to reduce financed emissions and the total carbon intensity of the loan portfolio.

III. Achieving carbon neutrality in the Bank's own operational activities for scopes 1 and 2 by the end of 2026

The Bank is taking various measures to reduce the impact of its operational activities on the climate, including training employees on rational energy consumption, managerial activities with respect to energy management, introduction of energy efficient solutions in building operation, and offsetting residual CO₂ emissions.

To identify key areas for reduction of GHG emissions (scopes 1 and 2) and implement additional energy efficiency measures, an energy audit of the Bank's operational activities was conducted in accordance with the ESG strategy in 2024. In line with the SBTi recommendations ⁷⁰(Criteria and Recommendations for Financial Institutions, April 2021), for emissions that cannot be reduced, the Bank conducts offsetting activities, including purchasing carbon credits and green certificates.

➔ *For the status of implementation, see [the Assessment and Management of Greenhouse Gas Emissions from Operational Activities](#) section.*

IFRS S2-34

The Climate Strategy provides for regular interim monitoring of the achievement of goals, the implementation of planned activities and, if necessary, the revision and updating of approved goals at the level of the Supervisory Board.

Managing the climate agenda, MKB, in addition to the CTS, is guided by the following bylaws:

- ESG Strategy 2024–2026;
- ESG Strategy and CTS Implementation Plan;
- Sustainability Policy;
- Integrated Environment, Health, Safety and Energy Management Policy;
- Procedure for Managing E&S Impact of Proposed Financing, which defines the procedures for assessing companies' ESG risks, including climate risks.

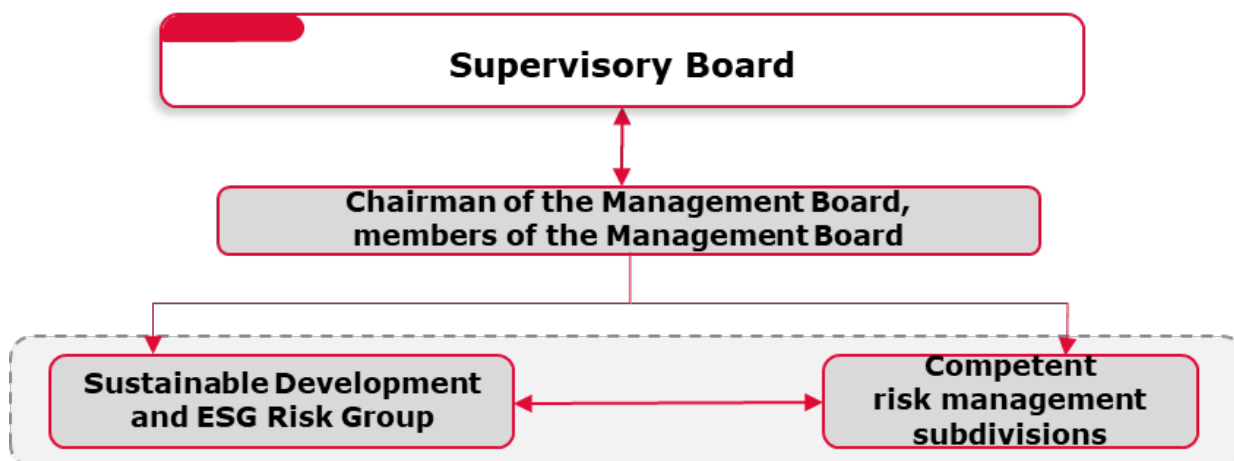
⁷⁰ Science Based Targets Initiative is an international organization.

Organizational Structure and Allocation of Responsibility

IFRS S2 6 (a), IFRS S2 6 (b)

MKB has the organizational structure for managing climate-related issues which clearly delineates the areas of responsibility of different bodies and subdivisions. It includes the Bank's Supervisory Board, senior management and specialized subdivisions.

Organizational structure of climate-related issues management



Allocation of responsibility in climate agenda:

Strategic level	
Supervisory Board	<ul style="list-style-type: none"> make decisions with respect to climate-related risks and opportunities management strategy; approve the Climate Strategy and other high-level documents on climate-related risks and opportunities management; make decisions on integration of non-financial indicators, climate-related among them, into the KPI maps of the Management Board members; review the reporting materials containing the results of work and achievement status of the climate-related targets.
Management level	
Chairman of the Management Board, members of the Management Board	<ul style="list-style-type: none"> organize implementation of the Supervisory Board's decisions on climate change management; ensure the achievement of climate-related targets;
Operational level	

Sustainable Development Division	<ul style="list-style-type: none"> • <i>develop and support the implementation of the Climate Strategy and specialized Bank's documents on management of climate aspects;</i> • <i>assess climate risks, organize climate stress testing, produce climate reporting;</i> • <i>monitor climate-related metrics (including the share of carbon-intensive assets and green projects in the loan portfolio), the amount of GHG emissions;</i> • <i>assess the significance of climate-related risks and opportunities.</i>
Competent risk management subdivisions	<ul style="list-style-type: none"> • <i>conduct stress tests factoring in the climate-related risk factors (when necessary).</i>
Other subdivisions	<ul style="list-style-type: none"> • <i>participate in Climate Strategy implementation activities;</i> • <i>collect and provide data.</i>

IFRS S2-9 (a-b), IFRS S10 (a-d), IFRS S2-13 (a), IFRS S2 22 (b), IFRS S2 25 (a-c), IFRS S1 41

12.2 Climate Risks and Opportunities

Identification, assessment, and monitoring of climate-related risks and opportunities are carried out by the Bank on a regular basis and are integrated into the corporate risk management framework and strategic planning.

➔ See also [the Sustainability-related Risks and Opportunities Management section in the Risk Management section](#).

In 2024, detailed identification and assessment of climate-related risks were conducted using scenario analysis based on scientifically grounded climate change scenarios taking into account the recommendations of the Bank of Russia for financial organizations on accounting of climate-related risks and IFRS S2 requirements.

In 2025, MKB plans to develop a procedure determining the approaches to climate-related risks identification, assessment, prioritization, and monitoring.

Climate Risks

When assessing climate-related risks, the Bank takes into account physical and transitional climate risks.

Climate risks	
Physical risks	Transitional risks
<ul style="list-style-type: none"> • <i>Changes in topography and groundwater levels</i> 	<ul style="list-style-type: none"> • <i>Introduction of emissions charges at national (carbon tax) and</i>

<ul style="list-style-type: none"> • <i>Precipitation and flooding</i> • <i>Wind loads and storms</i> • <i>Temperature extremes</i> • <i>Throwing permafrost, changes in sea and ocean levels fire and droughts</i> • <i>availability of water resources</i> 	<p><i>cross-border levels (the most significant risk)</i></p> <ul style="list-style-type: none"> • <i>Rising prices for electricity and equipment</i> • <i>Fixed assets overhaul, equipment modernization, economy digitalization, transition to more environmentally friendly fuels</i> • <i>Gradual abandonment of carbon energy sources</i>
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Given that the recommendations of international and national regulators suggest that climate-related risks are not stand-alone types of banking risks but rather factors affecting traditional banking risks, MKB has identified two groups of climate-related risks considering the transmission of climate-related risks to traditional banking risks:

Risks with indirect impact	Risks with direct impact
<ul style="list-style-type: none"> • <i>Credit risk</i> • <i>Market risk</i> • <i>Liquidity risk</i> 	<ul style="list-style-type: none"> • <i>Operational risk</i> • <i>Reputational risk</i>

Climate-related risks that directly affect the Bank are not considered within the risk identification and risk materiality assessment procedures; they are included in the existing operational and reputational risk management procedures.

Climate-related risks that affect the Bank indirectly through borrowers and counterparties are taken into account separately in the identification and assessment of risk materiality to determine the need for implementation of specific management procedures:

- *in the loan portfolio,*
- *in the securities portfolio,*
- *in the borrowings*

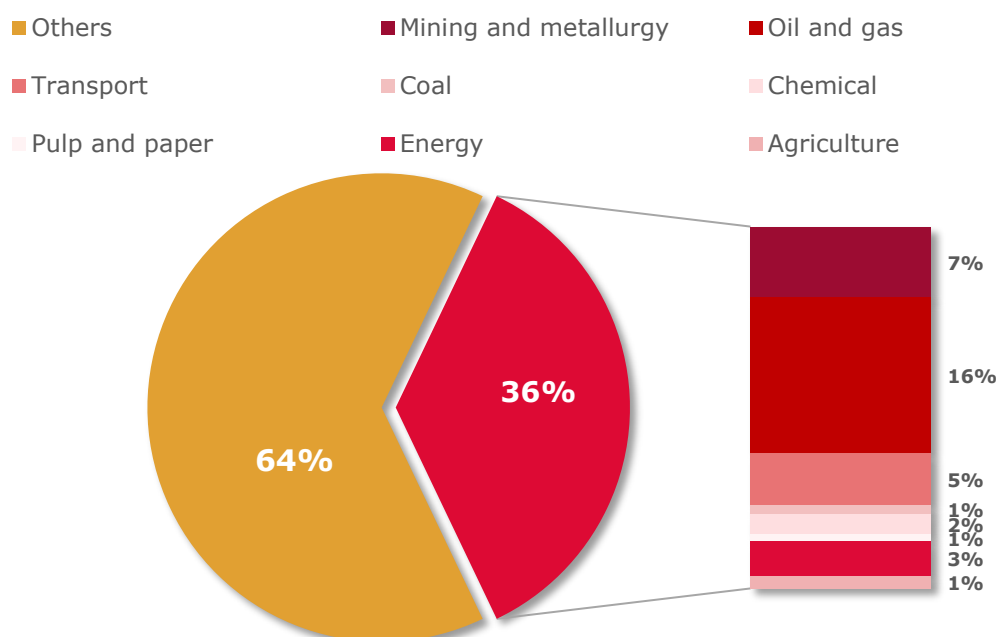
Climate risks are assessed over three horizons:

- *short-term (1–3 years),*
- *medium-term (4–10 years),*
- *long-term (10–30 years).*

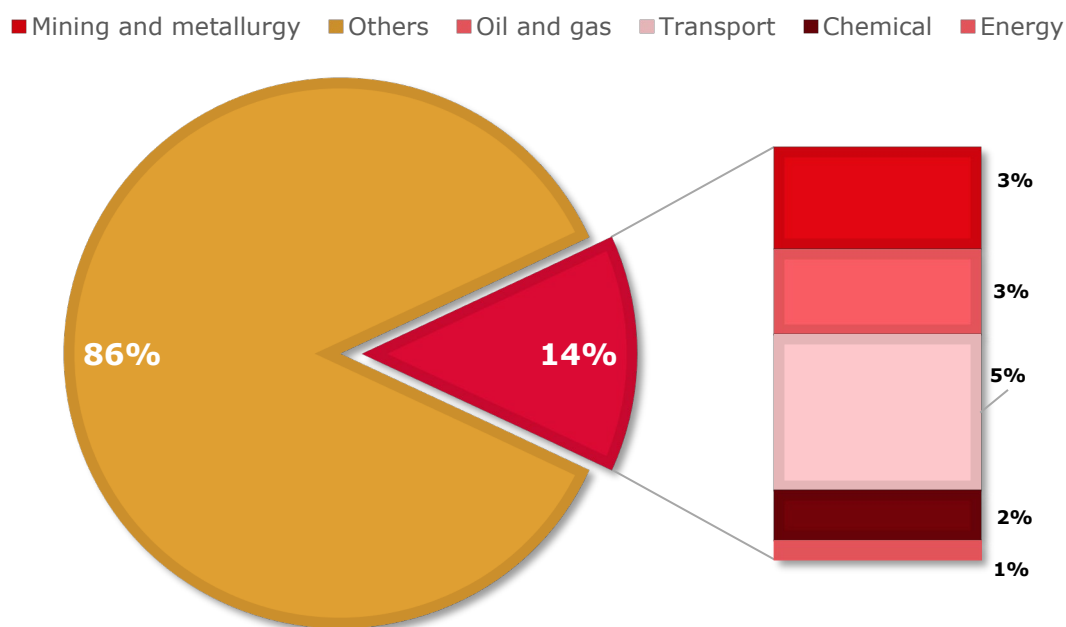
IFRS S2 13 (b), IFRS S2 15 (a), IFRS S2 29 (b-c), FN-CB-410a.1

For climate-related risks assessment and monitoring, MKB determines the share of assets in the loan portfolio and securities portfolio exposed to transition and physical climate-related risks.

Share of assets exposed to climate-related risks in MKB's corporate loan portfolio in 2024



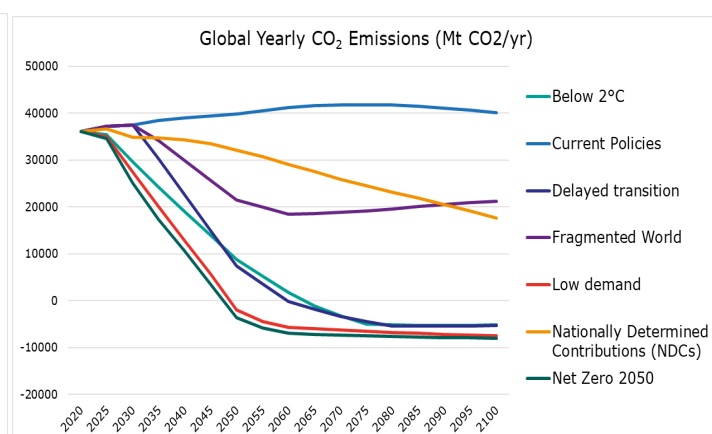
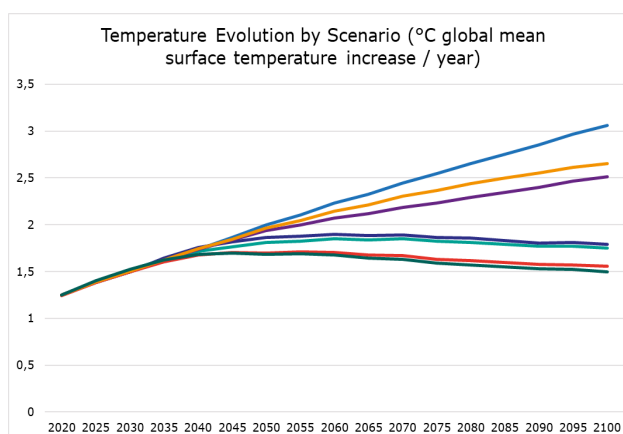
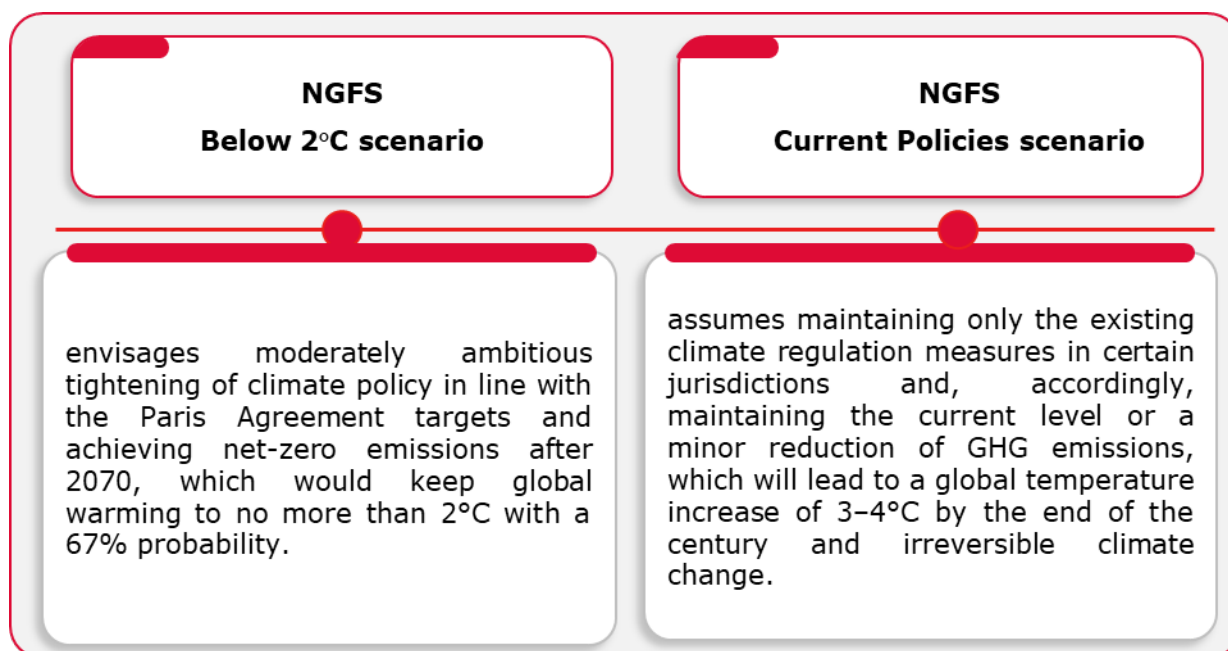
Share of assets exposed to climate-related risks in MKB's securities portfolio in 2024



As at the end of 2024, the share of assets exposed to climate risks in the loan portfolio was 36%, and in the securities portfolio, it was 14%. All identified assets from carbon-intensive sectors are exposed to transition risks, while physical risks are more pronounced for assets in the transportation and agriculture sectors. These assets constitute 6% and 5% of the loan portfolio and securities portfolio, respectively. The total share of assets exposed to climate risks as of December 31, 2024, was 20%.

IFRS S2-22 (a-b), FN-CB-550a.2

To assess climate risks, scenario analysis was conducted. In this analysis, the Bank used the NGFS ⁷¹ Below 2°C scenario (corresponding to IPCC’s SSP1-2.6 scenario) and the NGFS Current Policies scenario (corresponding to IPCC’s SSP5-8.5 scenario) recommended and adapted by the Bank of Russia, which were also used for development of the Strategy of socio-economic development of the Russian Federation with low greenhouse gas emissions until 2050 (the target (intensive) and inertial scenarios).



NGFS scenarios

According to the results of the assessment conducted in 2024, climate-related risks were deemed insignificant in the short term, with transition climate-related risks being significant in the medium term and significance of climate-related risks increasing in the long term.

⁷¹ Central Banks and Supervisors Network for Greening the Financial System.

IFRS S2-9 (d,e), IFRS S2-15 (a,b)

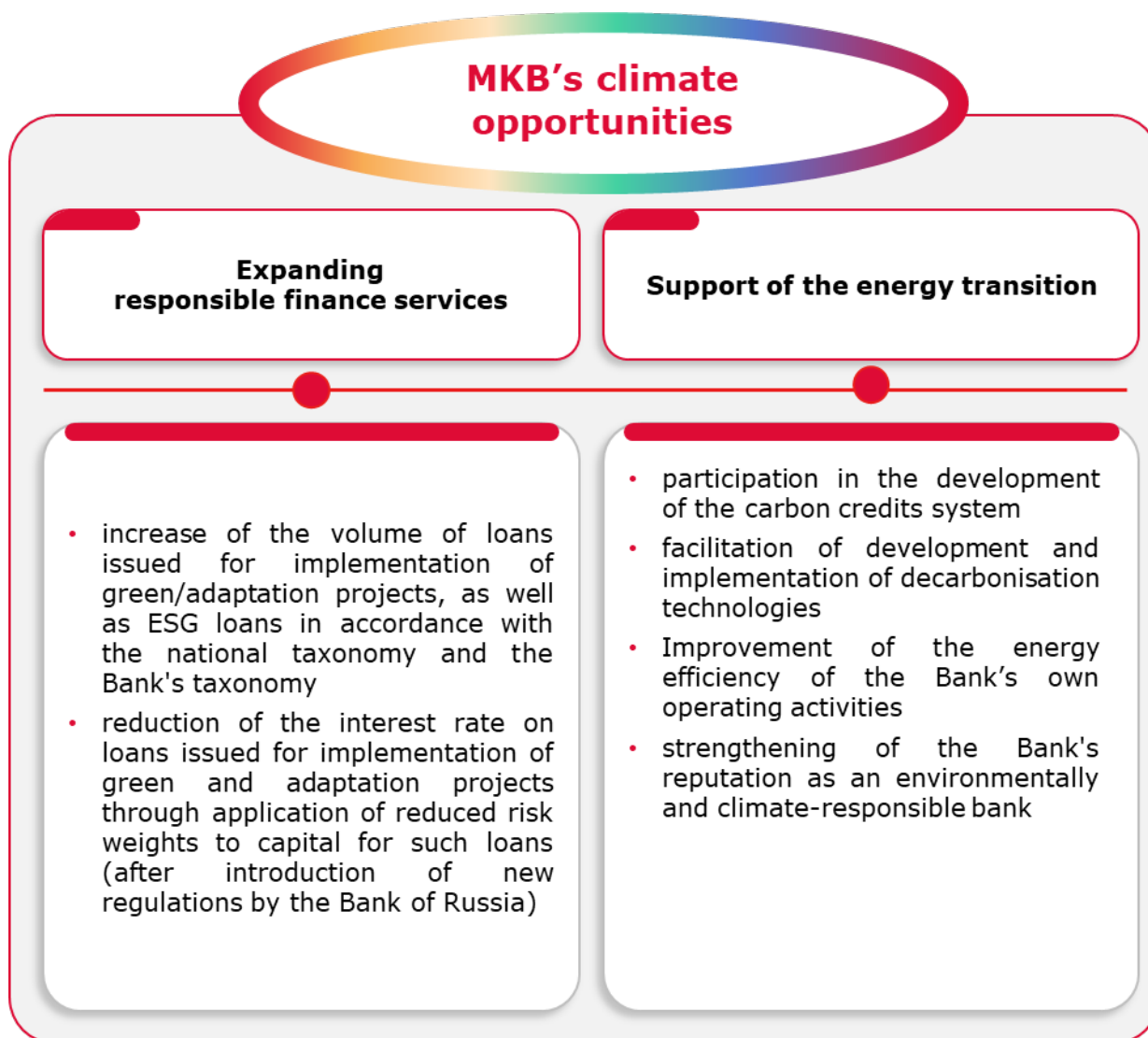
In 2024, as part of the Climate Strategy resilience assessment, the Bank conducted detailed stress testing of transition climate-related risks in the corporate loan portfolio over short, medium, and long-term periods using the Bank of Russia's scenarios based on NGFS's Below 2°C and Current Policies scenarios.

The results of the stress testing indicated a minor impact of climate-related risks on the capital adequacy under the current strategy in the Current Policies scenario and the need to change the structure of the loan portfolio in the event of materialization of the Below 2°C scenario. In the latter case, measures such as reducing carbon-intensive sectors, enhancing support for clients in restructuring their businesses towards a low-carbon economy, and increasing financing for green sectors will be necessary.

Climate Opportunities

GRI 201-2, IFRS S2 9 (a), IFRS S2 10 (a, b)

MKB regards climate change not only as a challenge but also as a potential for the Bank's development. Climate opportunities are regularly identified and assessed and are taken into account in the development of the corporate-wide strategy.



➔ *For more information on pursuing opportunities in responsible finance and green lending, see the [Sustainable Finance section](#).*

12.3 Metrics and Initiatives for Achieving Climate-related Targets

Assessment and Management of Greenhouse Gas Emissions Resulting from Operating Activities

IFRS S2 29 (a), MED-20

MKB assesses the GHG emissions resulting from its operating activities⁷² in accordance with the Greenhouse Gas Protocol⁷³, international standard ISO 14064-1: 2018 and the IPCC Guidelines for National Greenhouse Gas Inventories⁷⁴.

The Bank factors in the direct emissions (Scope 1) from the stationary and mobile fuel combustion and use of refrigerants⁷⁵, as well as the indirect energy emissions (Scope 2) from the consumption of external electric and heat. Moreover, the Bank assesses other indirect emissions (Scope 3) resulting from the leased vehicles use and employees' business trips and office travels. The data on the greenhouse gas emissions is to be certified by a third party.

GRI 305-5

In 2024, GHG emissions for scopes 1 and 2 amounted to 3,302 t CO₂e. The specific value of GHG emissions, taking into account scopes 1 and 2 and normalized to a unit of personnel, decreased by 1.5% in 2024 compared to 2023 and amounted to 1.39 t CO₂e/person.

⁷² GHG emissions from operating activities of the Bank's owned offices were taken into account.

⁷³ According to this document, the Bank consolidates its greenhouse gas emissions using the equity or financial control method (factors in the emissions across the assets it owns or controls financially).

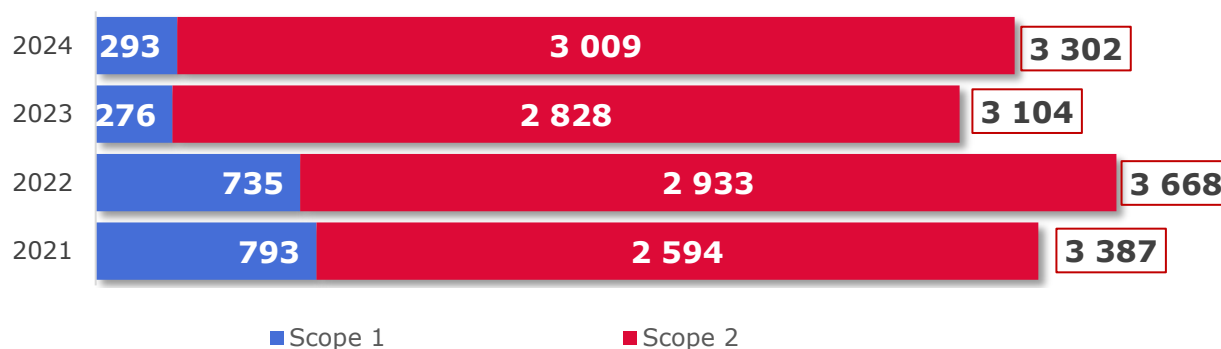
⁷⁴ The Intergovernmental Panel on Climate Change.

⁷⁵ In 2023, MKB factored in the emissions from the use of refrigerants for the cooling equipment in the data processing centers for the first time. Previously, these emissions were not factored in.

GRI 305-1, GRI 305-2, MED-20

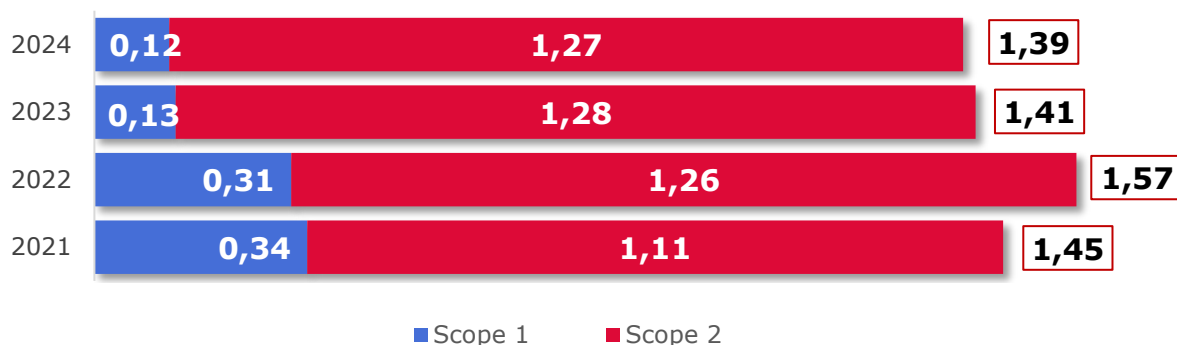
Direct (Scope 1)⁷⁶ and indirect energy (Scope 2)⁷⁷ greenhouse gas emissions

Absolute emissions (t CO₂e)



GRI 305-4

GHG emissions intensity factor⁷⁸ (t CO₂e/person)



IFRS S2 14 (a)

The key measures for reducing MKB's impact on the climate include those in energy saving and energy efficiency: the Bank trains its employees in rational energy consumption, implements managerial activities with respect to energy management, implements energy-efficient solutions in buildings maintenance.

➔ *For more information on measures in energy saving and energy efficiency, see the [Energy Management section](#).*

IFRS S2 36 (e)

⁷⁶They include emissions of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) and are assessed on the basis of the IPCC Guidelines (2006). The calculation is based on the global warming potential of the IPCC Sixth Assessment Report.

⁷⁷ They are calculated under the location-based method in accord with the IPCC Guidelines (2006); the calculation is based on CO₂ emissions. The emission factor from the purchased heat was calculated using the International Energy Agency data on the fuel and energy balance of Russia, and the current reference network GHG emission factor for electricity generation in Russia was applied to the purchased electricity.

⁷⁸ The calculation is based on the average employee headcount at MKB's offices as energy consumption is largely driven by the necessity to ensure the operations of the offices and the number of employees therein.

In addition, MKB has set a strategic goal to offset its own carbon footprint annually.



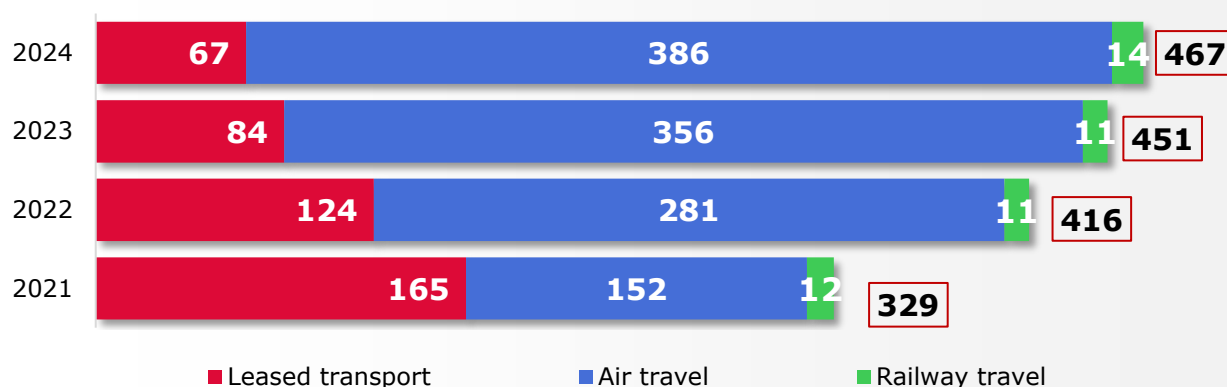
Offsetting the carbon footprint for Scopes 1 and 2

In 2024, MKB offset own carbon footprint (Scope 1) by purchasing 329 carbon units, and it also purchased green certificates for the amount of 6,356,890 kWh fully offsetting for Scope 2.

GRI 305-3, MED-20

In 2024, other indirect emissions (Scope 3) in the Employee Business Trips and Office Travels and Leased Transport categories amounted to 467 t of CO₂e. Compared to 2023, their value increased by 3% due to the business development and expansion of the Bank's presence.

Other Indirect Emissions (Scope 3) in the Employee Business Trips and Office Travels and Leased Transport categories.⁷⁹ (t CO₂e)



⁷⁹ Calculation of the emissions for Scope 3 factors in the CO₂ emissions and has been carried out since 2021 in accordance with ISO 14064-1:2018 and the guidelines for calculation of GHG emissions for Scope 3 of the Greenhouse Gas Protocol. The Employee Business Trips and Office Travels category includes emissions from railway transport and air travel, and the Leased Transport category includes the consumption of diesel fuel and gasoline. The assessment is based on the number of trips and fuel consumption by type.

Loan Portfolio Carbon Footprint Assessment and Indirect Impact Management

GRI 305-3, IFRS S2 28 (a, b), IFRS S2 32

Recognizing that the Bank's clients can have a significant climate impact, MKB monitors the carbon footprint of its loan portfolio, the GHG emissions of companies in carbon-intensive industries (hereinafter referred to as the Financed GHG emissions).

MKB calculates the carbon footprint of business loans in accordance with the Global GHG Accounting and Reporting Standard for the Financial Industry developed by the Partnership for Carbon Accounting Financials (PCAF).

According to the Standard, the portfolio carbon footprint is calculated under the formula:

$$\text{Financed emissions} = \text{Borrower's emissions} \times \text{Attribute ratio}, \text{Attribute ratio} = \frac{(\text{Liabilities to the Bank})}{(\text{Company's equity} + \text{Company's non-current and current liabilities})}.$$

When calculating the GHG, the Bank was guided by the IPCC Guidelines for National Greenhouse Gas Inventories, Executive Order of the Government of the Russian Federation No. 355 of March 14, 2022 On the Criteria for Classifying Legal Entities and Individual Entrepreneurs as Regulated Organisations (within the law on limiting the GHG emissions), and the UNEP FI recommendations⁸⁰.

The emissions within the portfolio are categorised as other indirect emissions (Scope 3 under the GHG Protocol).

In 2024, MKB expanded the list of industries for calculating emissions, which currently covers 8 carbon-intensive industries⁸¹:

- energy
- oil and gas (extraction and processing)
- coal (mining and processing)
- mining and metallurgy (including ferrous (iron, steel) and non-ferrous (aluminum and others))
- chemical industry
- pulp and paper
- transport (sea, air and road)
- agriculture

To calculate the carbon footprint, various data sources were used, assigned to the corresponding categories according to the PCAF standard, including:

- publicly verified reporting – data quality score 1
- publicly unverified reporting or self-calculation based on company survey data – data quality score 2

⁸⁰ United Nations Environment Programme Finance Initiative,

⁸¹ UNEP FI also recommends to calculate the greenhouse gas emissions from production of cement (not financed) and operation of commercial and residential real estate. The Bank plans to include the calculation of emissions from commercial and residential real estate in the next reports.

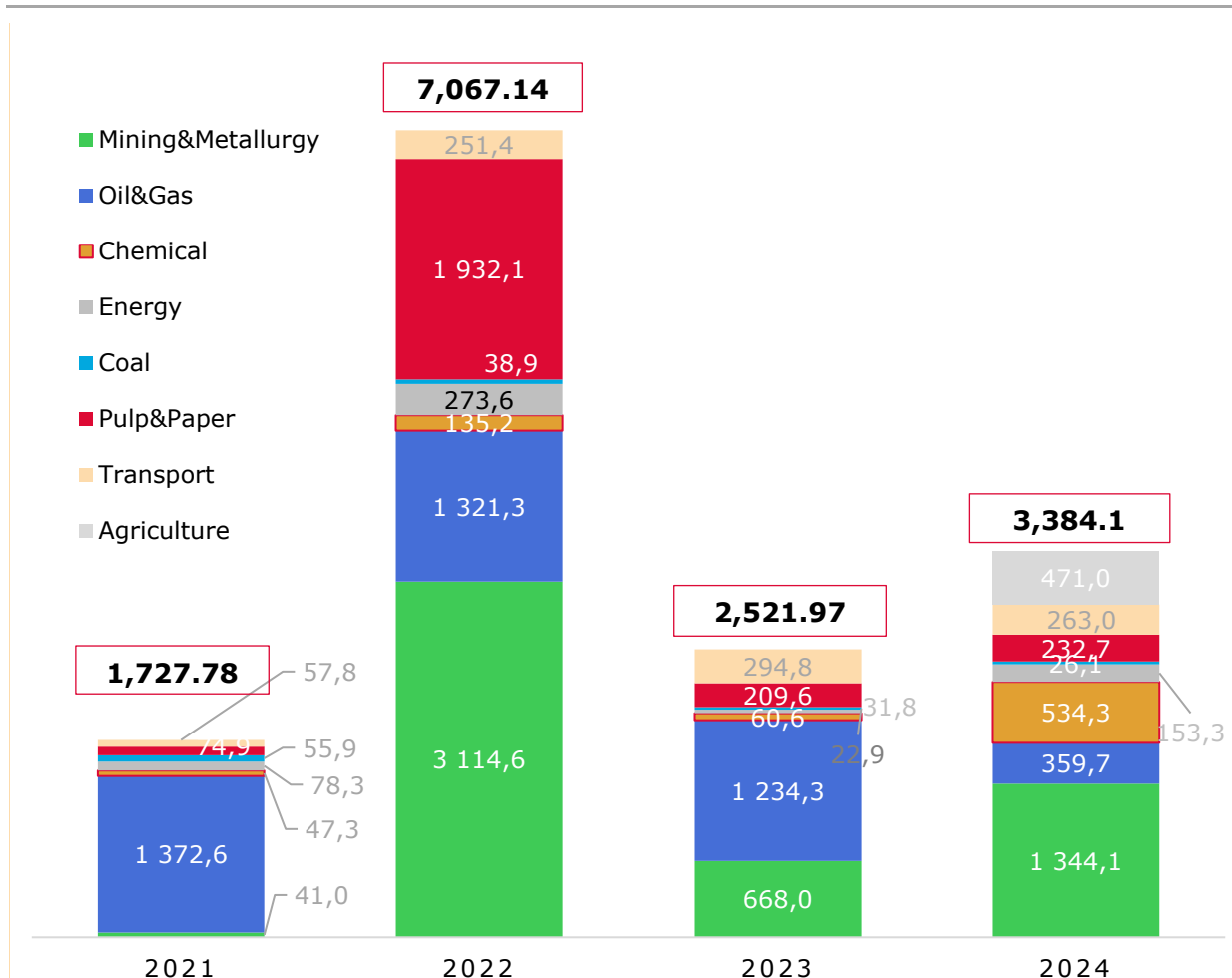
- calculation of emissions based on revenue indicators – data quality 4

The Weighted data score for business loans emissions is 1.88.

➔ For more details, see the ESG Databook annex – [Climate section](#).



In 2024, the total amount of the financed emissions from the target carbon-intensive industries totaled 3.38 million t CO₂e. The largest volume of the financed emissions accounted for the oil and gas industry (40%), the chemical industry (16%) and agriculture (14%).

Dynamics of the Loan Portfolio Carbon Footprint by Industry (thousand tons of CO₂e)



The loan portfolio carbon footprint in 2024 increased compared to 2023 primarily due to the growth of the loan portfolio in the chemical and metallurgical industries and due to addition of the data on the carbon footprint of agriculture into the calculation (471 thousand tons of CO₂e). In 2024, a positive trend was observed for the oil and gas industry (the carbon footprint decreased by more than 3 times (from 1234 to 360 thousand tons of CO₂e).

13. Environmental Responsibility

2024 Highlights	Material Topics
<p>17% – reduction in the paper consumption against 2023</p> <p>19% – reduction in the potable water consumption against 2023</p>	<ul style="list-style-type: none"> Energy consumption and energy efficiency
UN Global Sustainable Development Goals	
	
Contribution to the national projects of the Russian Federation	
	
Bylaws	
<ul style="list-style-type: none"> Sustainable Development Strategy Sustainability Policy Integrated Environment, Health, Safety and Energy Management Policy 	

13.1 Approach to Environmental Management

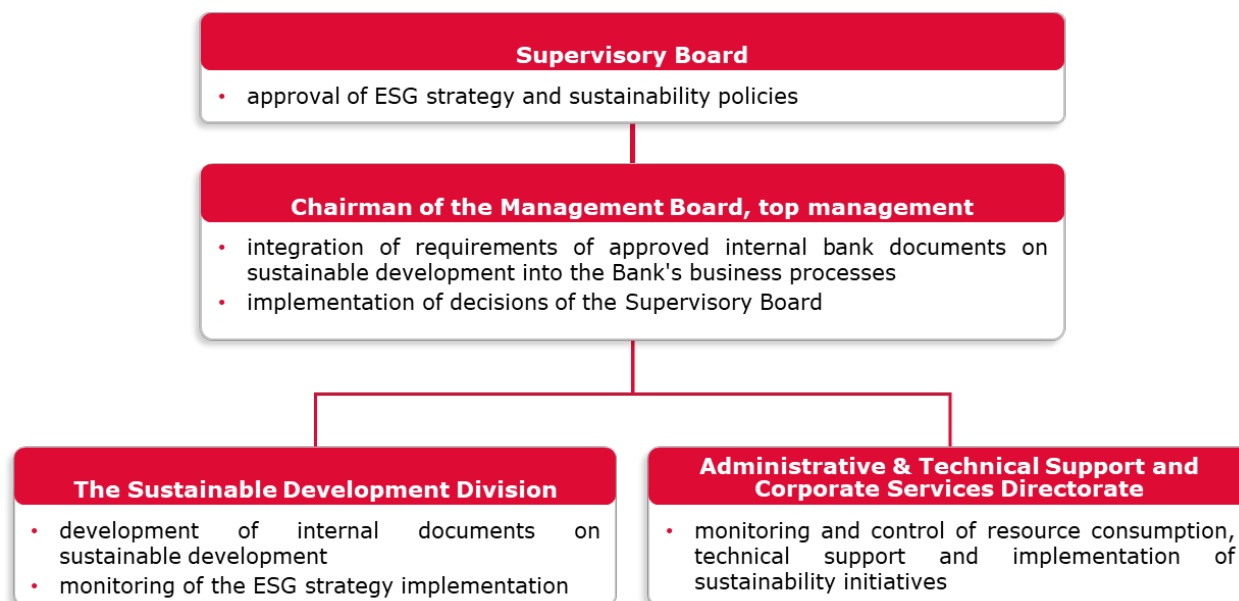
GRI 3-3, GRI 2-23

Reducing the negative impact on the environment is one of MKB's priorities of sustainable development and responsible business conduct. The Bank manages both the direct and indirect impact by acting with due diligence, consistently implementing social and environmental principles into its activities and services.

The Bank's strategic goals of consumption reduction and efficient resource use were set forth in the Sustainable Development Strategy 2024–2026.

→ *For more information on the results of the Strategy implementation in the reporting year, see the Sustainable Development Strategy 2024–2026.*

The objectives in environmental protection are allocated between certain structural divisions and the top management.



➔ For more information, see the [Sustainability at MKB section](#).

The main objectives, principles and approaches to the Bank's sustainable development activities are established in the [Sustainability Policy](#) approved in 2024.

In order to ensure the systematic approach, MKB implemented the elements of the integrated management system in E&S protection, occupational health and safety, energy efficiency and energy saving (IMS). The key document governing the IMS operation is [Integrated Environment, Health, Safety and Energy Management Policy](#).

MKB adopted the internal procedure for identifying environmental aspects of the Bank's activities that it can control and presumably influence. This procedure determines the aspects that have or may have a significant impact on the environment (i.e., material environmental aspects). Following the results of the assessment held in 2024, it was determined that MKB does not have any significant environmental aspects that have a significant impact on the environment or are associated with environmental risks. The environmental aspects with medium impact include the electricity consumption by the Bank's offices as well as the emissions resulting from the fuel combustion during employee transportation. Other aspects identified during the procedure have a low impact on the environment.

GRI 2-27

Compliance with environmental requirements

MKB makes every effort to observe the environmental laws. In 2024, no non-financial sanctions or penalties were imposed on the Bank for violation of the environmental requirements.

In the reporting year, all mandatory payments for negative impact on the environment were made on time and in full.

Moreover, the Bank annually supports environmental protection activities, allocating part of its funds for relevant projects, including those related to biodiversity preservation.

➔ For more information on the implemented projects, see [MKB's Social and Environmental Initiatives section](#).

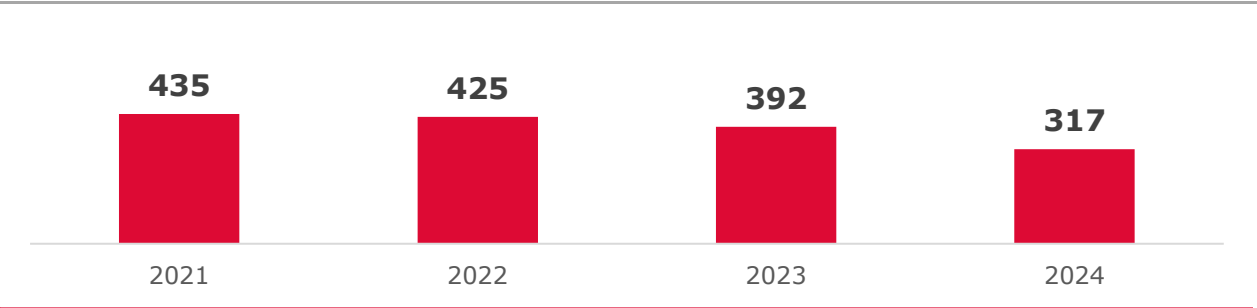
13.2 Responsible Water Use

GRI 303-1, 303-3, MED-13, MED-16

Banking activities do not have a direct impact on water resources as MKB does not carry out water withdrawal from natural sources and does not operate in water-stressed regions. Water for the offices’ domestic needs is only withdrawn from municipal water supply systems. For drinking, the Bank uses purifiers and purchases bottled water from third-party organizations.

The total amount of fresh water taken in by the Bank's owned offices in 2024 totaled 11,880 thousand litres (5.01 thousand l/person), and the consumption of potable water amounted to 317,000 litres (including 117,000 litres in own offices). The total potable water consumption decreased by 19% against the previous year.

Potable water consumption at the Bank's own and leased offices⁸² (thousand litres)



MKB strives to minimize the water consumption and actively works on improving the efficiency of water management in its offices. In particular, the Bank's offices are fitted with the equipment for leakage monitoring: isolation valves for mixers, stopcocks or valves on bathroom manifolds, water-efficient plumbing fixtures, and metering devices with pulse output.

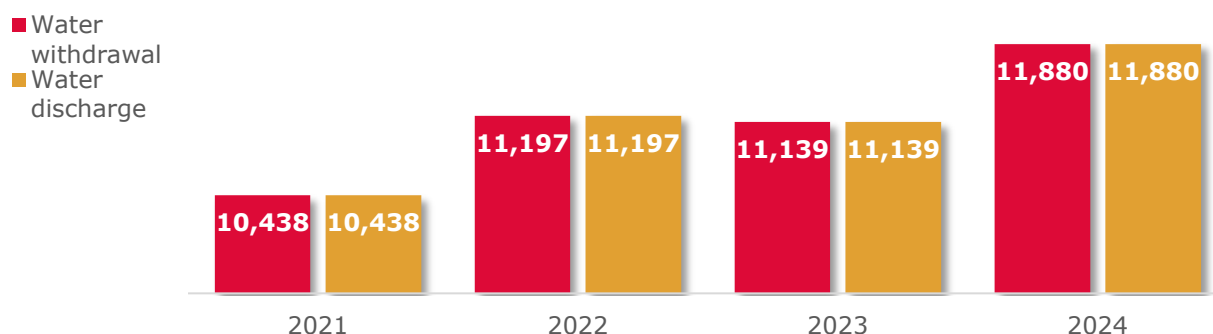
GRI 303-1, 303-2, 303-4

Domestic and rainfall wastewater generated in the course of MKB’s activities is transferred to third-party companies under water supply and water discharge contracts. The Bank does not discharge wastewater into natural surface or underground water bodies.

GRI 303-3, 303-4, 303-5, MED-15

⁸² The entire amount of the purchased potable water was consumed; the amount of the remaining water not consumed at year-end is insignificant.

Water withdrawal⁸³ and water discharge⁸⁴ indicators of MKB's offices (thousand litres)



13.3 Waste Management

GRI 306-1

MKB keeps internal accounting of waste management in accordance with the legislative requirements of the Russian Federation. The major part of waste in the Bank's own offices accounts for non-hazardous waste⁸⁵, i.e., garbage from the office premises and waste paper.

GRI 306-3, MED-17

Waste generation by hazard classes⁸⁶ (t)

	Hazard class	2021	2022	2023	2024
Total weight of hazardous waste generated, including:	I–III	0.4	1.6	0.4	0
Fluorescent lamps	I	0.4	0.6	0.4	0
Batteries and accumulators	II	0	1.0	0	0
Total weight of low-hazard waste generated, including:	IV–V	226.1	297.6	328.9	394.7
Garbage from office premises	IV	199.7	269.3	268.2	277.3
Waste paper	V	26.4	28.3	60.7	117.4

⁸³ The amount of water withdrawal is determined on the basis of the readings of commercial water meters and includes only the water taken in from the engineering sources.

⁸⁴ The amount of wastewater is determined by the calculation and balance method with the assumption that it is equal to the amount of water withdrawal due to the unavailability of significant sources of irrevocable water consumption to the Bank. Rainfall wastewater was not factored in due to the unavailability of metering devices at the outlet.

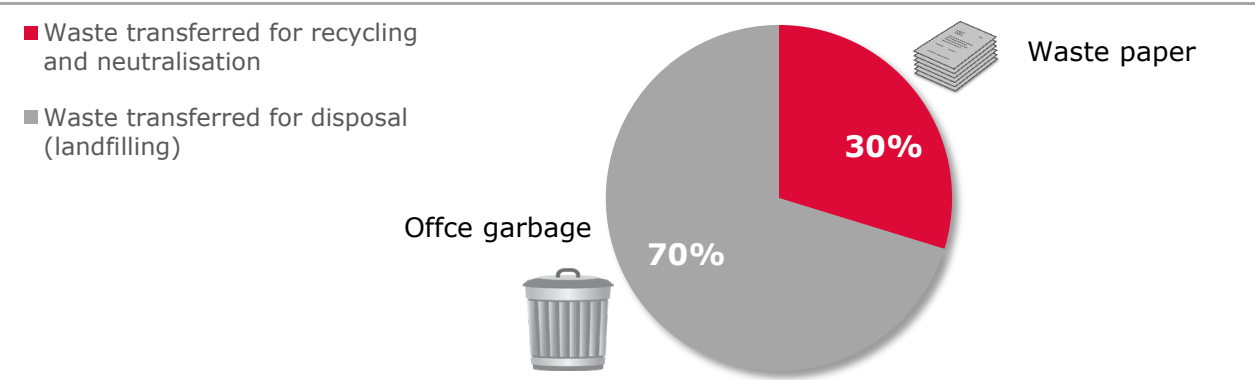
⁸⁵ Order of the Federal Service for Supervision of Natural Resources No. 242 of May 22, 2017 (as amended on May 16, 2022) On the Approval of the Federal Classification Catalog of Waste.

⁸⁶ The amount of waste generation in 2021–2024 is assumed to be conditionally equal to the amount of the waste transferred.

	Hazard class	2021	2022	2023	2024
Total		226	299	329	395

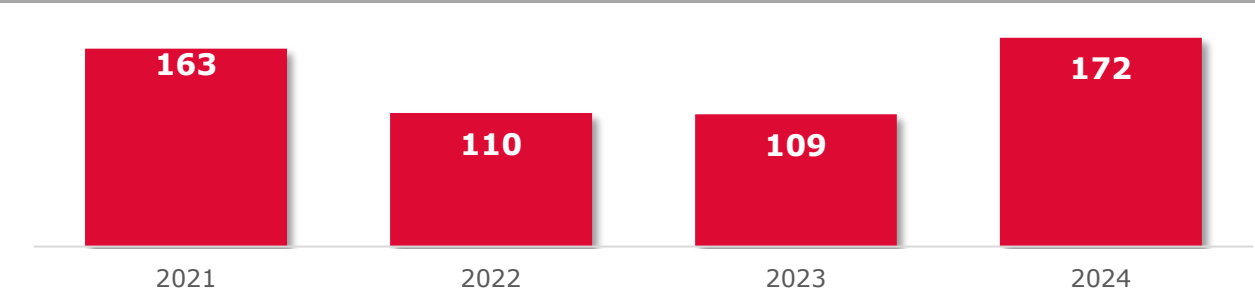
GRI 306-4, GRI 306-5, GRI G4-EN23, MED-18

Waste Management



Electrical appliances and products that have lost their consumer attributes are subject to sales as raw materials for processing and disposal. In 2024, 172.2 tons of used electrical appliances and products were transferred for disposal.

Weight of Electronics Transferred for Disposal (t)



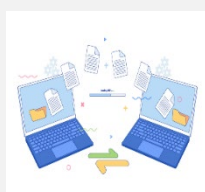


Examples of activities aimed to prevent waste generation and reduce the amount of waste disposal at landfills

GRI 306-2

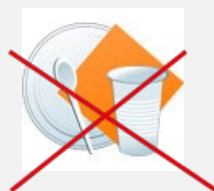
Introduction of electronic document management

to reduce the volume of paper documents



Discontinuing the use of disposable tableware in offices

to reduce waste generation



Replacement of dispensers with flow-through water purification systems (purifiers)

allows to stop using plastic bottles, thus reducing the plastic waste



Paper Consumption

GRI 301-1

Traditionally, a significant part of the waste generated by the Bank's offices accounts for paper waste. In its strive to reduce paper consumption, MKB is developing electronic document management in all its offices and Bank's branches. In particular, the specific paper consumption (per employee) has decreased by two times since 2021 owing to automation and digitalization of the internal and external processes and services. In 2024, the share of the Bank's paper and cardboard waste amounted to about 30% of the total waste volume.

Paper consumption

	2021	2022	2023	2024
Absolute paper consumption, packs	53,961	37,165	36,727	30,365
Specific paper consumption, packs per employee	10.5	6.1	6.2	5.0

13.4 Energy Management

GRI 3-3

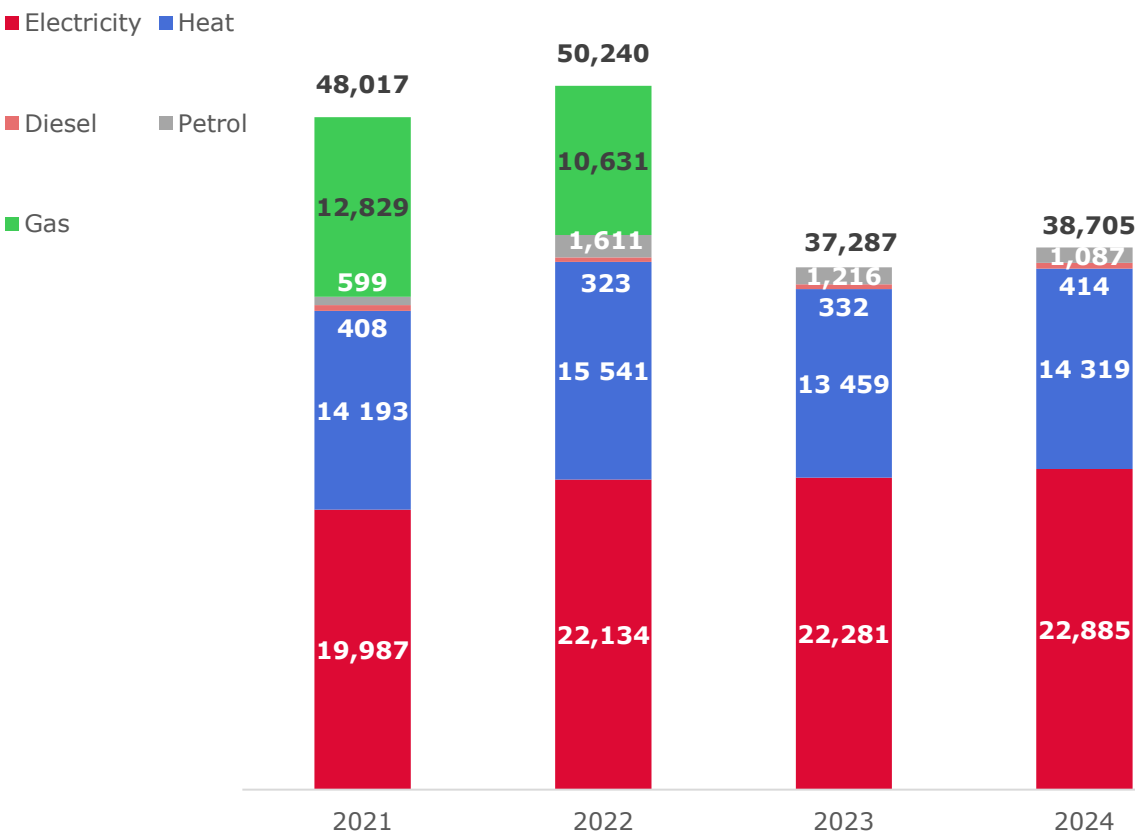
The fuel and energy consumption increased by 4% against 2023. The growth is due to the transformation of the office network and opening of the offices after the renovation.

Energy consumption by the objects owned by the Bank (offices, motor vehicles)

The total fuel and energy consumption by MKB’s owned offices and motor vehicles amounted to 38,700 GJ in 2024. The level of electricity and heat consumption is determined on the basis of readings of the commercial metering devices or by the calculation method depending on the area of the premises. The Bank purchases all fuel and energy resources from third-party organizations.

GRI 302-1, GRI 302-4

Fuel and energy consumption by the offices and motor vehicles owned by MKB (GJ)⁸⁷



⁸⁷ In order to convert kW-h and Gcal to GJ, conversion factors of 0.0036 and 4.1868 were used respectively. The average density of gasoline and diesel fuel is calculated on the basis of the data from GOST R 51105-2020, GOST 32513-2013, GOST 305-2013. The calorific value of gasoline and diesel fuel is obtained from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

The fuel and energy consumption increased by 4% against 2023. The growth is due to the transformation of the office network and opening of the offices after the renovation.

Measures for reducing the energy and heat losses by MKB's offices

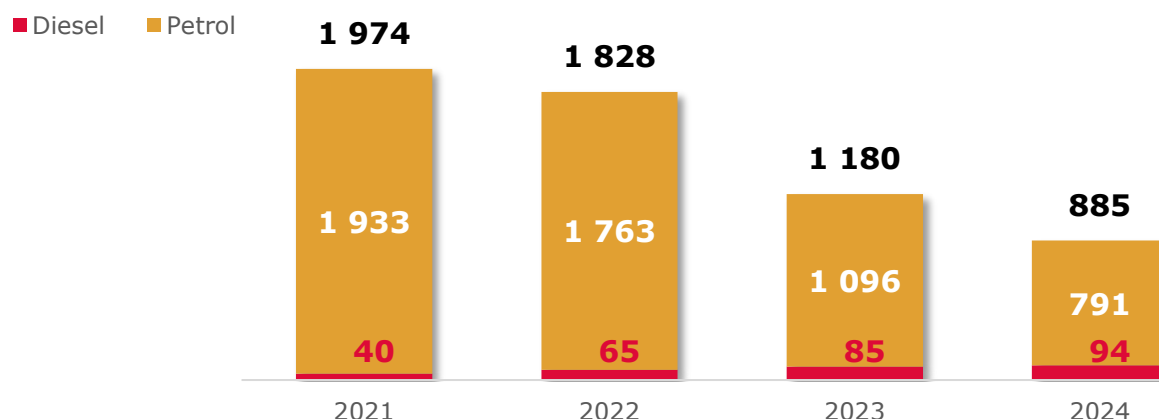
Optimization of heat consumption by the Bank's offices	Reduction of electricity consumption by the Bank's offices
<ul style="list-style-type: none"> • Thermal insulation of pipelines • Renovation and modernization of utility systems; • Replacement of utility equipment (split systems); • Installation of thermostatic heads for temperature control; • Elimination of defects in the building envelope; • Heat recovery in combined extract-and-input systems. 	<ul style="list-style-type: none"> • Installation of low energy consumption equipment; • Installation of energy-saving lamps • Installation of adaptive lighting, motion sensors; • Zoning of user control of lighting and operation of climate control equipment and ventilation; • Adaptation of the operation schedule of ventilation systems in the office buildings; • Optimization of the air conditioning system; • Implementation of modern methods of control and accounting of energy consumption; • Automation of outdoor lighting control by means of timers and photocells; • Energy-efficient chillers for centralized cold supply of input ventilation and channel/cassette fan coil units.

Energy consumption by the leased objects (offices, motor vehicles)

In 2024, the amount of fuel consumption by the leased vehicles decreased by 25% against the previous year and amounted to 885 GJ.

GRI 302-2, GRI 302-4

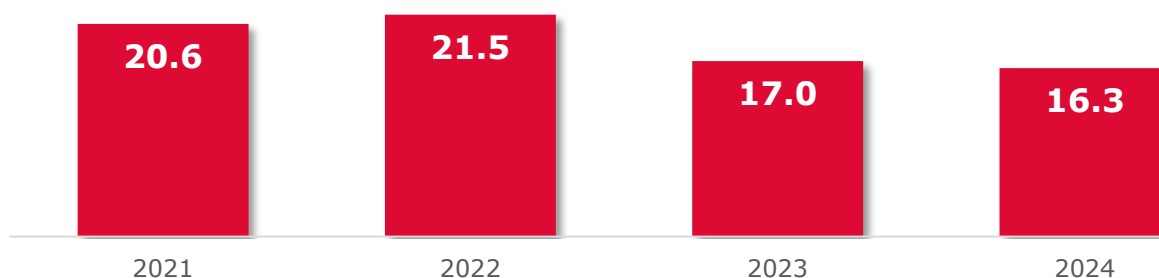
Fuel consumption by leased motor vehicles (GJ)



The electricity and heat consumption at the leased facilities was not recorded.

GRI 302-3, MED-23

Energy consumption per employee (GJ/person)⁸⁸



13.5 Green Office

In the reporting year, MKB continued to carry out activities for its environmental footprint reduction, developing the Green Office concept⁸⁹. New initiatives were implemented to increase energy efficiency, reduce water consumption, improve waste management practices and improve working conditions. Owing to the Bank's integrated approach, all certified offices⁹⁰ successfully upgraded the certification level from Basic to Standard as a part of Green Office Ecogreenoffice certification.

In addition, the Bank's certified facilities were nominated for the Green Standard Awards. The office in the Akademika Koroleva street won a prize in the Best ESG / green building nomination.

In 2025, MKB plans to continue systematic work to improve facilities in accordance with the Green Office concept.

⁸⁸ When calculating the specific value, only fuel and energy consumption by own offices and motor vehicles was taken into account in relation to the employees working at the owned facilities. The calculation is based on the average number of personnel working in MKB offices, as energy consumption is largely determined by the need to ensure the operational work of the offices and the number of employees in them.

⁸⁹ The Green Office concept is implemented only in the Bank's own offices.

⁹⁰ The offices are located in Moscow at: 2 (Bldg. 1) Lukov Pereulok; 32 (Bldg. 1) Tsvetnoy Boulevard; 4 (Bldg. 4) Akademika Koroleva Street.

14. Social Responsibility and Voluntary Initiatives

2024 Highlights	Material Topics		
>RUB 250 million allocated for social and environmental investments			
UN Global Sustainable Development Goals			
<div>3 GOOD HEALTH AND WELL-BEING</div> 	<div>4 QUALITY EDUCATION</div> 	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> 	
Contribution to the national projects of the Russian Federation			
<div>ОБРАЗОВАНИЕ</div> <div>НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ</div> 	<div>ЖИЛЬЕ И ГОРОДСКАЯ СРЕДА</div> <div>НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ</div> 	<div>ЭКОЛОГИЯ</div> <div>НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ</div> 	<div>НАУКА И УНИВЕРСИТЕТЫ</div> <div>НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ</div> 
Bylaws			
<ul style="list-style-type: none">Sustainability Policy			

14.1 Approach to Management

GRI 3-3, GRI 413-1, GRI 413-2

Implementation of voluntary and charitable initiatives is an important part of MKB’s Sustainability Strategy. The Bank takes an active part in addressing social and environmental challenges in the regions of its presence. MKB supports and implements the projects aimed at developing the regions’ infrastructure, protecting the environment and helping those who need support.

MKB improves the efficiency of social and charitable projects owing to its clear social responsibility management system. The Bank’s approach is set out in the Sustainability Policy approved in the reporting year.

The Bank's activities do not have a significant actual and potential negative impact on local communities. With that, the Bank strives to positively impact the human well-being as well as to contribute to the improvement of the environment through social and environmental investments and charitable projects.

In order to make a decision on investing in programmes and activities aimed to support local communities, as well as to assess the implemented investments’

efficiency, MKB builds a direct and open dialogue with a wide range of stakeholders among the representatives of the local communities and takes their opinion into account. Owing to this approach, the Bank implements social projects in the territory of its presence that significantly improve the living standards of the people.

MKB does not quantify the impact of the Bank's activities on the local communities. However, prior to decision making on the implementation of any social and environmental projects or initiatives, the Bank analyses their anticipated positive impact. It is not the amount of funds allocated for project implementation that is important to the Bank but the project's quality as such, i.e., how much the project contributes to addressing particular social and environmental challenges.

Key spheres of support within the framework of local community development:






- regions of presence and socially significant projects;
- accessibility of financial services;
- well-being, health and sports;
- financial literacy;
- educational initiatives and projects;
- socially vulnerable groups of the population;
- etc.

MKB does not quantify the impact of the Bank's activities on the local communities. However, prior to making a decision to implement any social and environmental projects or initiatives, the Bank analyses their anticipated positive impact. It is important for the Bank to which extent the project contributes to addressing particular social and environmental challenges.

14.2 MKB's Social and Environmental Initiatives

GRI 203-1, GRI 203-2, MED-34

MKB is confident that it is necessary to improve the quality of life of the people residing in the regions of presence. The Bank takes part in the initiatives aimed to respect human rights and ensure equal opportunities by supporting significant social and environmental projects and initiatives.

Focal areas of project support in 2024				
				
support to children; general and inclusive education	promoting sports	humanitarian and medical aid programmes	support programmes for the elderly	Environmental initiatives

Social and environmental investments in 2024

>RUB 250 million

allocated by MKB for investments in various projects

Development of the Regions of Presence

GRI 203-1, GRI 203-2

MKB maintains cooperation with governmental authorities and enterprises throughout Russia and takes an active part in the implementation of significant infrastructure and investment projects. The Bank has extensive experience in implementing projects aimed at creation of new facilities, modernization and expansion of existing production plants, as well as construction of social infrastructure.

Collaboration with Regions	MKB has signed a number of agreements for implementation of infrastructure projects in Murmansk, Yekaterinburg, Kazan, and other regions. The projects aim to improve living conditions for residents and develop regional infrastructure.
	MKB signed an agreement with the Sakha Republic (Yakutia) to carry out joint work and finance investment projects focused on the socio-economic development of the region. The main objective of the agreement is to unlock the natural resource potential of the republic, as well as to create a new high-quality venue for domestic film production.
Collaboration with Developers	MKB has actively financed projects that combine environmental responsibility with social significance. Such projects include construction of energy-efficient buildings and social infrastructure, including affordable housing and educational facilities. This helps create favorable conditions for societal development and preservation of the surrounding nature.
Project Financing Factory	<p>MKB signed an agreement with the Ministry of Economic Development and will actively participate in the Project Financing Factory programme.</p> <p>The Bank's responsibilities will include not only financing but also assessment of the effectiveness of existing and new financial support instruments for businesses.</p>
Comprehensive Development of Territories Programme	In addition to its work in the regions, the Bank actively participates in the Comprehensive Development of Territories (CDT) programme implemented by the Department of State Property of the City of Moscow under the signed agreement. The programme envisages creation of multifunctional urban quarters on the sites of former industrial zones, comfortable for life and work.

The Bank is an active participant in international and federal forums and conferences, inter alia aimed at promoting not only economic but also sustainable development in the regions. The Bank organizes thematic sessions and panel discussions, sharing its own experience and expertise.



MKB and the Club of Young Industrialists' Interregional Union signed a cooperation agreement⁹¹

The Bank and the Interregional Union jointly assist small and medium-sized enterprises in organizing and expanding the product sales markets, integrating them into the supply chains of the federal and regional retail chains and major companies, as well as in organizing interregional and international cooperation.


MKB provides comprehensive expert support in the assessment of various projects, in particular, those related to setting up a separate production or an integral industrial cluster, and also helps find a technological solution customized for a particular enterprise. The Bank is ready to promptly assess projects in terms of financial success prospects and existence of the need for new developments among the largest customers. The Bank also provides support in looking for opportunities for using public financial instruments.

- In 2024, 21 projects were developed with a total amount of RUB 1.4 billion.
- The amount of issued bank guarantees is RUB 1.5 billion.
- The club consists of 140 company executives from 44 regions of Russia.
- With MKB's support, including at the Bank's headquarters, more than 10 events with participation of the Bank's representatives were held.




⁹¹ The Club of Young Industrialists Interregional Union unites senior managers of enterprises aged under 40. The enterprises of the Club members are small and medium-sized enterprises with the annual revenue of RUB 120 million to RUB 2 billion and headcount not exceeding 250 employees. The Chairman of the Board of Trustees of the Club is D. V. Manturov, Deputy Chairman of the Government of the Russian Federation, Minister of Industry and Trade.

Key areas of support to local communities and case studies of implemented projects

GRI 203-1, GRI 203-2, FN-CB-240a.4, FN-CB-510a.1

Projects implemented in 2024		
 Education	Summer Multidisciplinary School	
	<p>Since 2021, MKB has been conducting summer math classes in the camp for pupils of the Litsey Vtoraya Shkola state budgetary educational institution in cooperation with the Foundation of Vtoraya Shkola Friends charitable organisation.</p> <p>In class, the schoolchildren receive valuable knowledge on physics and mathematics directly from doctors and candidates of science as well as from the former pupils of Vtoraya Shkola, current students of the Faculty of Mechanics and Mathematics of the Lomonosov Moscow State University.</p>	<p>Outcome</p> <p>200 schoolchildren took part in the Summer Multidisciplinary School</p>
	Grants from MKB for Young Talents	
	<p>MKB provides financial support to talented students, and its employees participate as speakers at events organised by the Russian Economic School (RES). In the reporting year, MKB financed the RES grant programme for the best research works. The awards were presented to the graduates at a festive graduation ceremony.</p>	<p>More details about the programme can be found on the RES website.</p>
	MKB Kids	
	<p>For several years, the Bank has been implementing the MKB Kids programme, under which children of MKB's employees may visit the Bank's offices, learn more about its activities and take part in various workshops.</p> <p>In 2024, the Bank held the first IT Kids Day in regional offices – Smolensk and St. Petersburg, and also continued to hold events in Moscow and Perm. During the events, such topics as financial literacy, bank products (bank cards for different</p>	<p>Outcome</p> <p>327 employees' children aged 6 to 15 years visited</p>

Projects implemented in 2024		
	<p>age groups: children and adults), cybersecurity online and when using cards, as well as development of creative thinking were discussed.</p> <p>Additionally, MKB held its first Kids Day for children from foster families of the Arifmetika Dobra charitable foundation, with 21 children participating. During the event, the children explored the Bank's activities and branches, and engaged in a fun workshop on financial literacy.</p>	MKB within the scope of the programme.
Improvement of financial literacy		
	<p>The Bank implements social programmes to improve financial literacy of the population through various available channels, i.e., social media, its mobile application, etc. Educational projects are targeted at the vulnerable social categories.</p> <ul style="list-style-type: none"> • The Financial Security Rules section on the Bank's website contains various tips for people and organizations on how to prevent financial fraud. These are compiled on the basis of the Bank of Russia's recommendations, with detailed guidelines for cases when malicious users try to get access to the banking data of financial institutions' clients. • Jointly with the Moscow branch of the Union of Russian Pensioners, MKB implements educational campaigns aimed to improve financial literacy and socialize senior citizens. Also, MKB regularly holds financial literacy events for seniors in cooperation with the Pension Fund of Russia (PFR). 	<div>Outcome</div> <ul style="list-style-type: none"> • >16,000 attendees in 2024 • Lectures on financial literacy in the Moscow Longevity Centres: 3 lectures, more than 40 attendees each. • 2 guidance manuals for seniors were developed in an edition of 10,000 copies. • 8 educational events were organised for holders of the Wisdom (Moodrost') pension cards

Projects implemented in 2024		
 Culture and arts	Assistance in organizing cultural and creative programmes	
	<p>As a part of the Atmosphere programme:</p> <ul style="list-style-type: none"> • Exhibition <i>MKB. Rules of Life</i>. The exhibition showcased works by renowned artists from different eras and countries. All the images focused on what is important to all of us: how we communicate, ask for help, build dialogue, and even conflict. • An art course on Russian visual arts and foreign painting was dedicated to the most outstanding artists. The course was concluded by 10 excursions to the Pushkin Museum and the Tretyakov Gallery. • For employees, the Bank organized a series of excursions around Moscow, Tver and Ekaterinburg. 	<div>Outcome</div> <ul style="list-style-type: none"> • Exhibition in 5 Moscow offices • 15 online lectures and 10 museum excursions • 2,000 employees attended guided city tours
 Healthcare	Provision of necessary targeted assistance	
	<p>MKB provides support in addressing the most essential social challenges. In 2024, the Bank, inter alia, rendered its assistance to Alexander Nevsky Charity Foundation that deals with targeted social support to multi-child families, parents of children with disabilities or families in hardship. The Foundation also organizes material, technical and management support for the activities of the Radost Moya Center for comprehensive social support of families raising children with disabilities.</p> <p>In addition, in 2024, the Bank also allocated funds to provide emergency humanitarian aid for elimination of the consequences of the flood in Orenburg and to help the affected local residents.</p>	
	Biodiversity conservation projects	
	<p>MKB continues to systemically finance the project of the Federal State Budgetary Institution Joint Directorate of the State Natural Biosphere Reserve Kedrovaya Pad and the Land of Leopard national park named after Vorontsov.</p>	

Projects implemented in 2024	
Environmental projects	<p>The goal of the project is to support the population of the Far Eastern leopard on the territory of the national park. The Bank's funds will be used to buy equipment for photo and video monitoring for the forest protection service to enable them to watch forest inhabitants and safeguard the territory.</p> <p>This project is a continuation of the selected course and complements the Bank's efforts to preserve one of the rarest animals on the planet. In addition, MKB continues to sponsor the two leopards at the Moscow Zoo's Rare Animal Species Reproduction Centre</p>
	Water bodies research project
	<p>The project aiming to study the water bodies in Ekaterinburg was implemented jointly with the Clean Hands, Clean Rivers Foundation. It allowed to assess the quality and composition of water and its suitability for various human activities on the water (fishing, swimming, etc.). Based on the results of the conducted studies, excess concentrations were identified and a report was compiled. The results of the study were submitted to the environmental protection agencies of the region for further use free of charge.</p>

MKB’s support to social and environmental initiatives is not limited to the above-listed projects. The Bank provides its assistance to various charitable foundations, which enables the beneficiaries to receive the help they need.

Support to children

Support to the Arifmetika Dobra foundation

MKB has been cooperating closely with the Arifmetika Dobra charitable foundation for several years helping to solve the orphanhood-related problems.

The goal is to help orphaned schoolchildren in 8–11 grades catch up with the school programme and prepare for the upcoming exams. Classes for orphans are conducted by highly qualified tutors using the remote technologies, which enables children from any region of Russia to join the project.

Achievements:

- 2,482 lessons were conducted during the academic year (mathematics, geography, the Russian language, biology, the English language, computer science, physics, chemistry, history and literature).
- 50 children from 5 regions of the Russian Federation were trained (the Vladimir, Leningrad, Murmansk, and Moscow Regions, Moscow, the Komi Republic).

Sport

Support to *Become a Champion* foundation

The *Become a Champion* Foundation for Support to Physical Education and Sports renders organizational and financial assistance to the projects aimed to promote and develop physical education and sports, provides targeted support to nationwide and regional sports federations, organizes sports events, builds, modernizes and equips sports facilities and supports the activities of educational and physical education and sports organizations.

Regions/cities of implementation:
All regions of the Russian Federation

14.3 Volunteering

MKB managers own volunteer movement. The Bank's employees take part in charitable events and races, donate money for the implementation of programmes of partnering charitable foundations.

Examples of volunteer projects

Assistance to animal shelter

MKB continues to provide assistance to the Biryulyovo animal shelter. The Bank's employees collected food, medicines and other useful stuff for the animals and handed these over to the volunteers.

More than **100** MKB's employees took part in the action.

Collecting stationery and school supplies

In the reporting year, MKB organised the collection of stationery and school supplies for children from orphanages and foster families.

The Arifmetika Dobra foundation compiled the lists of articles required by their wards, and the Bank's employees from different regions purchased the stuff.

Charity fair

The lots for the fair were made by the Bank's employees who are keen on creative hobbies. The money raised at the charity fairs were donated as an aid to orphaned children and foster families.

Annexes

ESG Databook

Personnel

Personnel Breakdown

GRI 2-7, GRI 405-1

Number of employees at the year-end by gender and age groups (persons)

	2021	2022	2023	2024
Total employees	6,103	6,682	6,502	6,838
By gender				
Men	2,221	2,389	2,421	2,586
Women	3,882	4,293	4,081	4,252
By age				
Under 30 years old	1,934	1,776	1,569	1,567
30 to 50 years old	3,780	4,306	4,300	4,649
Over 50 years old	461	594	536	622

GRI 2-7

Number of employees at the year-end by type of employment contract (persons)

	2021	2022	2023	2024
Indefinite term employment contract	5,912	6,506	6,302	6,607
Fixed-term employment contract	191	176	200	231
Full-time employment contract	5,984	6,541	6,334	6,636
Part-time employment contract	119	141	168	202

GRI 2-7

Number of employees at the year-end by region (persons)

	2021	2022	2023 ⁹²	2024
Total employees	6,103	6,682	6,502	6,838
Central Federal District	5,324	5,522	5,466	5,837
Southern Federal District	0	0	0	0
Northwestern Federal District	266	197	150	162
Far Eastern Federal District	0	0	14	17
Siberian Federal District	4	76	67	64
Ural Federal District	33	367	338	333
Volga Federal District	476	520	467	425
North Caucasus Federal District	0	0	0	0

GRI 405-1

Number of staff by employee category (persons)

	2021		2022		2023		2024	
Top management	67	1%	71	1%	79	1%	75	1%
Employees	6,036	99%	6,611	99%	6,423	99%	6,763	99%

Number of senior managers by gender and age (persons)

	2021	2022	2023	2024
By gender				
Men	69%	62%	62%	59%
Women	31%	38%	38%	41%
By age				
Under 30 years old	0%	0%	0%	1%
30 to 50 years old	90%	89%	91%	86%
Over 50 years old	15%	11%	9%	13%

MED-44

⁹² The regional breakdown of employees for 2023 was revised: all remote employees were assigned to the Central Federal District in line with their official place of employment.

Proportion of women in leadership positions (%)

	2021	2022	2023	2024
Proportion of female executives	31%	38%	38%	41%

Labor Remuneration

MED-24

Expenses for labour remuneration (RUB thousand)

	2021	2022	2023	2024
Total expenses for labour remuneration	8,101,588	10,876,798	13,052,163	16,285,983

MED-26

Average salary⁹³ by gender (RUB thousand)

	2021	2022	2023	2024
Average salary per employee, total	122	149	185	204
By gender				
Men	166	193	232	250
Women	108	120	154	172

Average salary by region (RUB thousand)

	2021	2022	2023	2024
Central Federal District	142	167	203	220
Southern Federal District	-	-	-	-
Northwestern Federal District	68	85	113	142
Far Eastern Federal District	-	-	68	166
Siberian Federal District	41	57	82	104
Ural Federal District	72	88	114	130
Volga Federal District	44	49	66	74
North Caucasus Federal District	-	-	-	-

⁹³ Hereinafter, the average salary is indicated, excluding top management.

CBR (IN-02-28/44)

Ratio of the median salary of employees and the salary of high-paid management

	2021	2022	2023	2024
Ratio of the median salary of employees and the salary of high-paid management	0.08	0.08	0.09	0.07

GRI 405-2

Ratio of the average salary of men and women in 2023

	2021	2022	2023	2024
Total for Russia	0.65	0.62	0.67	0.69
Central Federal District	0.64	0.64	0.64	0.65
Southern Federal District	-	-	-	-
Northwestern Federal District	0.54	0.46	0.48	0.82
Far Eastern Federal District	-	-	0.29	0.21
Siberian Federal District	0.44	0.45	0.57	0.85
Ural Federal District	0.53	0.62	0.57	0.60
Volga Federal District	0.63	0.96	0.86	0.82
North Caucasus Federal District	-	-	-	-

GRI 405-2

Ratio of the bonus fund for men and women

	2021	2022	2023	2024
Ratio of the bonus fund for men and women	3	1.9	2.1	1.7

Expenses for organization and holding of social, health and fitness and medical events for employees and their families (RUB million)

	2021	2022	2023	2024
Total	259.2	232.7	331.3	348.8
Social programmes	24.3	25.7	27.6	31.9
Health and fitness programmes	14.9	21	29.9	31.8
Medical events	220	186	273.8	285.1

Number of employees who received support (financial and non-financial, including permanent or temporary changes in working conditions) in a difficult life situation (persons)

	2021	2022	2023	2024
Total	317	317	416	388

Expenses for family and parenting support programmes (RUB thousand)

	2021	2022	2023	2024
Total		1,940	2,140	1,970

New Employees

GRI 401-1

Number of new employees (persons)

	2021	2022	2023	2024
Total employees	2,485	2,196	1,763	1,982

New employees by gender (persons)

	2021		2022		2023		2024	
Men	926	37%	847	39%	741	42%	863	44%
Women	1,559	63%	1,349	61%	1,022	58%	1,119	56%

New employees by age groups (persons)

	2021		2022		2023		2024	
Under 30 years old	1299	45%	1065	39%	697	40%	762	38%
30 to 50 years old	1468	51%	1521	55%	978	55%	1116	56%
Over 50 years old	65	3%	79	4%	70	4%	104	5%

New employees by region (persons)

	2021		2022		2023		2024	
Central Federal District	1,888	76%	1,665	76%	1,408	80%	1630	82%
Southern Federal District	0	0%	0	0%	0	0%	0	0%
Northwestern Federal District	158	6%	115	5%	65	4%	73	4%
Far Eastern Federal District	0	0%	0	0%	16	1%	10	1%
Siberian Federal District	4	0%	28	1%	18	1%	18	1%
Ural Federal District	28	1%	124	6%	74	4%	66	3%
Volga Federal District	407	16%	264	12%	182	10%	185	9%

North Caucasus Federal District	0	0%	0	0%	0	0%	0	0%
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Number of unfilled positions intended for the unskilled candidates with their further training, and the ratio to the similar filled positions.⁹⁴

CBR (IN-02-28/44)				
	2021	2022	2023	2024
Number of unfilled positions intended for the unskilled candidates with their further training	14	58	34	15
Ratio of the number of unfilled positions to the similar filled positions	0.03	0.23	0.10	0.04

⁹⁴ The data for 2021–2023 was revised to reflect the addition of the “Manager” position.

Employee Turnover

GRI 401-1, MED-33

Employee turnover⁹⁵ (%)

	2021	2022	2023	2024
General	36.8	31.9	30.7	27.5
Voluntary	28.6	24.3	22.8	21.3
Forced	11.0	10.3	10.7	6.2

Employee turnover by gender, age group and region (%)

	2021	2022	2023	2024
By gender				
Men	35.2	33.3	30.9	28.8
Women	32.9	36.8	35.2	26.7
By age				
Under 30 years old	51.1	50.6	51.7	44.0
30 to 50 years old	21.9	28.4	27.7	23.4
Over 50 years old	21.7	20.7	27.4	16.9
By region				
Central Federal District	32.3	29.2	30.1	25.1
Southern Federal District	-	-	-	-
Northwestern Federal District	66.5	87.7	74.9	45.6
Far Eastern Federal District	-	-	22.1	34.4
Siberian Federal District	-	43.2	42.9	36.4
Ural Federal District	67.9	42.7	37.1	23.4
Volga Federal District	71.1	58.7	54.8	54.1
North Caucasus Federal District	-	-	-	-

⁹⁵ The indicator of total employee turnover was calculated in accordance with the GRI methodology, with the approach to determining the number and share of technical dismissals applied in accordance with the Russian Federation legislation (in determining the level of staff turnover, technical dismissals (related to the inability to enter into an additional agreement) were not taken into account, due to which a new employment contract was concluded).

Childcare Leave

GRI 401-3

Number of employees who took a parental leave (persons)

	2021	2022	2023	2024
Total employees	163	175	188	200
including women	163	175	187	190
including men	0	0	1	10

Number of employees who returned to work after the end of parental leave (persons)

	2021	2022	2023	2024
Total employees	71	62	56	89
including women	71	62	55	79
including men	0	0	1	10

Number of employees who returned to work after the end of parental leave and continued working 12 months after returning to work (persons)

	2021	2022	2023	2024
Total employees	8	33	45	61
including women	8	33	45	53
including men	0	0	0	8

Return rate (%)

	2021	2022	2023	2024
Total employees	44	35	30	45
including women	44	35	29	42
including men	-	-	100	100

Retention rate (%)

	2021	2022	2023	2024
Total employees	11	53	80	69
including women	11	53	82	67
including men	-	-	-	80

Training and Development

GRI 404-1

Average number of training hours per employee by gender (hours)

	2021	2022	2023	2024
Average number of training hours per employee	44.03	46.7	47.0	47.7
Average number of training hours per man	29.71	30.9	35.3	41.7
Average number of training hours per woman	53.59	56.5	54.6	51.8

MED-30

Expenses on employee training, total, including average per employee (RUB thousand)

	2021	2022	2023	2024
Expenses on employee training, total	19,053	73,259	83,393	118,339
Expenses on employee training, per employee	3.7	12.1	14.9	19.6

MED-31

Average number of training hours per employee by employee category (hours)

	2021	2022	2023	2024
Average number of training hours per executive	20.17	24.8	23.7	24.3
Average number of training hours per specialist	51.7	53.8	55.6	57.1

Occupational Health

GRI 403-9, MED-29

Key injury indicators⁹⁶

	2021	2022	2023	2024
Number of Lost Time Injuries	0	2 ⁹⁷	2	2
Injury frequency rate	0	0.32	0.33	0.33
Injury severity rate	0	42.5	87.5	6.5
LTIFR	0.00	0.18	0.19	0.18

MED-27

Expenses on employee training, total, including average per employee

	2021	2022	2023	2024
Expenses on occupational and industrial safety measures (RUB million)	0.87	1.52	2.12	4.6
Expenses on occupational and industrial safety measures per employee (RUB thousand)	0.16	0.24	0.35	0.76

⁹⁶ Injury frequency rate (FR=I/E*1000), Injury severity rate (total number of disability days per year due to accidents / number of accidents during the reporting period).

⁹⁷ The number of injuries and 2022 ratios were adjusted vs. the previous year report as according to the results of the expert review conducted by the Social Insurance Fund of the Russian Federation, one injury was not qualified as an occupational injury.

Environmental protection

Compliance with Environmental Requirements

GRI 2-27

Fee for negative environmental impact of MKB's own offices (RUB thousand)

	2021	2022	2023	2024
Fee for negative environmental impact (RUB thousand)	131	230	443	388

Water Withdrawal and Water Discharge

GRI 303-3, GRI 303-4, MED-13, MED-15

*Water withdrawal and water discharge indicators of the MKB offices
(thousand litres)*

	2021	2022	2023	2024
Water withdrawal ⁹⁸	10,438	11,197	11,139	11,880
Wastewater volume ⁹⁹	10,438	11,197	11,139	11,880
Water discharge to municipal sewage systems	10,438	11,197	11,139	11,880

MKB only discharges wastewater into the municipal sewage system.

⁹⁸ The volume of water withdrawal is determined on the basis of the readings of commercial water meters.

⁹⁹ The volume of wastewater is determined by the calculation and balance method with the assumption that the volume of wastewater is equal to the volume of water withdrawal due to the unavailability of significant sources of irrevocable water consumption to the Bank. Storm wastewater was not taken into account due to the unavailability of metering devices at the outlet.

Waste Generation

GRI 306-3, MED-17

Waste generation by hazard classes¹⁰⁰ (t)

	Hazard class	2021	2022	2023	2024
Total weight of hazardous waste generated, including:	I–III	0.4	1.6	0.4	0
Mercury lamps	I	0.4	0.6	0.4	0
Batteries and accumulators	II	0	1.0	0	0
Total weight of low-hazard waste generated, including:	IV–V	226.1	297.6	328.9	394.7
Garbage from the office premises	IV	199.7	269.3	268.2	277.3
Waste paper	V	26.4	28.3	60.7	117.4
Total		226	299	329	395

¹⁰⁰ The volume of waste generation in 2021–2024 is assumed to be conditionally equal to the volume of transferred waste.

Resource Consumption

GRI 301-1

Paper consumption

	2021	2022	2023	2024
Absolute paper consumption, packs	53,961	37,165	36,727	30,365
Weight of used office paper¹⁰¹ (t)	135.3	93.2	92.1	76.8
Specific paper consumption, packs per employee	10.5	6.1	6.2	5.0

GRI 302-1, GRI 302-4

Fuel and energy consumption by own offices and motor vehicles

Energy resource	UoM	2021	2022	2023	2024	2024 vs 2023
Electricity	million kW·h	5.55	6.15	6.19	6.36	+3%
	thousand GJ	19.99	22.13	22.28	22.88	+3%
Heat	Gcal	3,390	3,712	3,215	3,420	+6%
	thousand GJ	14.19	15.54	13.46	14.32	+6%
Diesel fuel	thousand litres	11	9	9	11	+25%
	thousand GJ	0.41	0.32	0.33	0.41	+25%
Gasoline	thousand litres	18	48	36	33	-11%
	thousand GJ	0.59	1.61	1.22	1.09	-11%
Gas	thousand m ³	374	307	-	-	-
	thousand GJ	12.83	10.63	-	-	-
TOTAL	thousand GJ ¹⁰²	48.02	50.24	37.29	38.70	+4%

GRI 302-2, GRI 302-4

¹⁰¹ When calculating the weight of used office paper, the average weight of one pack of A4 paper was taken equal to 2.5 kg, and the weight of one pack of A3 paper was 4.924 kg. The share of A4 paper in the total consumption of office paper is 99.72%, and the share of A3 paper is 0.28%.

¹⁰² In order to convert kW·h and Gcal to GJ, conversion factors of 0.0036 and 4.1868 were used, respectively. Average density of gasoline and diesel fuel is calculated on the basis of data from: GOST R 51105-2020, GOST 32513-2013, GOST 305-2013. The calorific value of gasoline and diesel fuel is taken from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Fuel consumption by leased motor vehicles

Energy resource	UoM	2021	2022	2023	2024	2024 vs 2023
Diesel fuel	thousand litres	1.1	1.8	2.3	2.6	+11%
	thousand GJ	0.04	0.07	0.09	0.09	+11, %
Petrol	thousand litres	58.0	52.9	32.9	23.7	-28%
	thousand GJ	1.93	1.76	1.10	0.79	-28%
TOTAL	thousand GJ	1.97	1.83	1.18	0.88	-25%

Sustainable Banking

Level of Social and Environmental Risk of the Loan Portfolio

GRI 201-2

Level of the industry-specific social and environmental risk, share (%) of the loan portfolio

Category	2021	2022	2023	2024
Low	34%	30%	30%	27%
Medium	5%	4%	3%	10%
High	57%	54%	61%	53%
Category A	8%	12%	1%	9%

ESG Loans

Amount of Sustainable Financing (RUB billion)

Category	2021	2022	2023	2024
Green	20.20	32.5	41.6	68.07
Sustainable (Green + Social)	33.3	71.8	81.8	84.04
Social	18.4	27.9	28.7	34.43
Total	71.90	132.20	152.10	186.54

ESG Bonds

Volume of investments in ESG bonds (RUB billion)

Category	2021	2022	2023	2024
Green	7.47	7.47	4.15	13.25
Social	2.25	2.43	2.06	0.68
Total	9.72	9.91	6.21	13.93

Climate

Direct (Scope 1) and Indirect Energy (Scope 2) Greenhouse Gas Emissions

Absolute emissions (t CO₂e)

Category	2021	2022	2023	2024
Scope 1	793	735	276	293
Scope 2	2,594	2,933	2,828	3,009
Total (Scope 1+Scope 2)	3,387	3,668	3,104	3,302

Other Indirect (Scope 3) GHG Emissions

Employee business trips and office travels and leased transport categories (t CO₂e)

Category	2021	2022	2023	2024
<i>Leased Transport</i>	165	124	84	67
Flights	152	281	356	386
Railway travel	12	11	11	14
Total	329	416	451	467

Loan portfolio category, data structure, 2024

Sector	The weighted data quality, (% ratio)	Share of calculated emissions from sector volume in portfolio	% of loan portfolio (category – business loans)
Mining and metallurgy	1.5	97%	14.7%
Oil and gas	1.4	96%	14.5%
Energy industry	1	100%	6.9%
Chemical	1.9	100%	4.0%
Transport	1.6	71%	2.7%
Pulp and paper	2	100%	1.5%
Coal	2	100%	0.1%
Agriculture	4	100%	2.4%

Loan portfolio category, volume of financed emissions (thousand tons of CO₂e)

Sector	2021	2022	2023	2024
Mining and metallurgy	41.02	3,114.57	668.04	1,344.07
Oil and gas	1,372.62	1,321.29	1,234.29	359.65
Chemical industry	47.29	135.23	60.57	534.28
Energy industry	78.33	273.65	31.76	153.35
Coal industry	55.86	38.93	22.92	26.03 ¹⁰³
Pulp and paper industry	74.91	1,932.08	209.60	232.73
Transport	57.75	251.40	294.79	262.97
Agriculture	n/a	n/a	n/a	471.03
Total	1,727.78	7,067.14	2,500.15	3,384.15

¹⁰³ The amount of emissions is given only for coverage 1.

Compliance with the Principles for Responsible Banking of the UNEP Finance Initiative

PRINCIPLE 1: COMPLIANCE	PRINCIPLE 2: IMPACT ASSESSMENT AND GOAL SETTING	PRINCIPLE 3: CLIENTS AND CONSUMERS
<p>The sustainable development concept underlies MKB's development course. The approach to sustainable development is reflected in the ESG Strategy 2024-2026. The Bank has identified 9 SDGs as priority goals.</p> <p>When developing annual sustainability reporting, the Bank adheres to the GRI, SASB standards for companies in the banking sector and for companies in the financial sector, and also takes into account the requirements of the IFRS Standards for sustainability-related disclosures S1 and S2 of the International Sustainability Standards Board (ISSB).</p> <p>The Bank's business model for the current year is slightly changed:</p> <ul style="list-style-type: none"> – 69% of operating income comes from corporate and investment business, share of retail business has increased to 31% of the bank's operating income. 	<p>In 2022, based on impact analysis results, MKB identified two areas of the most significant positive and negative impacts:</p> <ul style="list-style-type: none"> – climate-related change mitigation; – accessibility of financial services and support for social welfare projects (social banking). <p>In 2024, additional analysis was conducted, and the priority of the selected impact areas was reconfirmed.</p> <p>In the area of climate change mitigation, in 2024 targets were set for achieving carbon neutrality and support of green energy-efficient projects contributing to the climate transition in 2024. These goals are included in the Climate Strategy 2024–2026.</p> <p>By the end of 2024, the carbon footprint of the oil and gas and coal mining sectors in the corporate portfolio reduced.</p> <p>The Bank achieved carbon neutrality Scope 1 and Scope 2.</p> <p>In the area of social banking, MKB continued to develop and provide a wide range of products for the elderly, and subsidised lending.</p>	<p>MKB takes a responsible approach to interacting with clients, suppliers, and business partners.</p> <p>In client interactions, MKB aims to support borrowers in reducing their E&S impact. Since 2024, special attention has been given to climate impact. The Bank assesses and, if necessary, provides recommendations for clients from carbon-intensive industries and offers various types of ESG financing.</p> <p>During the reporting period, MKB's total responsible financing portfolio grew by more than 15% in outstanding loan balances compared to 2023, amounting to RUB 186.54 billion (USD 1.83 billion). The portfolio includes green, social, and sustainable loans.</p> <p>The Bank's own portfolio of green and social bonds in 2024 more than doubled compared to 2023, reaching RUB 13.9 billion (USD 13.7 million). The main focus in providing sustainable loans and bonds is supporting energy-efficient construction.</p>
<p>References:</p> <ul style="list-style-type: none"> – ESG Strategy for 2024–2026 – Annual Report for 2024, p.5 – Current Bank presentation – MKB Reports on Compliance with UNEP Principles 2022, 2023 	<p>References:</p> <ul style="list-style-type: none"> – Section 10.6 of the Annual Report – Social Banking, pp. 177-181 – Section 12 of the Annual Report – Climate Agenda, pp. 205-215 – MKB Reports on compliance with UNEP Principles 2022, 2023 	<p>References</p> <ul style="list-style-type: none"> – Section 10 of the Annual Report – Sustainable Banking pp. 164-181 – Responsible Investment Policy, pp. 173-174 – Supplier and Contractor Code of Conduct

PRINCIPLE 4: STAKEHOLDERS	PRINCIPLE 5: GOVERNANCE AND CULTURE	PRINCIPLE 6: TRANSPARENCY AND ACCOUNTABILITY
<p>The Bank identifies and annually updates its list of stakeholders, taking into account their impact on the Bank and the level of MKB's influence. In 2024, the Bank conducted its annual stakeholder assessment. It confirmed identification of 12 key stakeholder groups: shareholders and investors, employees, clients, suppliers and contractors, government authorities, regulatory bodies (the Bank of Russia), financial institutions, professional and expert communities, rating, ranking, and ESG agencies, local communities, non-profit organizations, and media.</p>	<p>The implementation of responsible banking principles is integrated into the governance structure for sustainable development established at MKB. Compared to the previous year, there were no changes in the governance structure or the remuneration scheme.</p> <p>In 2024, the Supervisory Board meeting was convened to discuss issues related to the management of ESG aspects of activities, climate risks, and other matters concerning the implementation of sustainable development plans and activities.</p> <p>To enhance the accountability of banking activities in 2024, the Bank organized and conducted 3 training courses on sustainable development for its employees.</p> <p>Management of ESG factors within the credit and investment processes at MKB is carried out through the implementation of the E&S Impact Management Procedure for Financing and the Responsible Investment Policy.</p>	<p>Commitments to the Principles of Responsible Banking were publicly disclosed on the official website and in the annual report.</p> <p>In the annual report, the Bank discloses information in accordance with GRI standards, considers SASB standards, IFRS S1 and S2 standards, and the Methodological Recommendations of the Ministry of Economic Development of the Russian Federation on Preparation of Sustainable Development Reporting (Order of the Ministry of Economic Development of Russia dated November 1, 2023, No. 764).</p> <p>As a part of the report disclosure in 2024, the Bank received external assurance for selected ESG financing-related indicators, environmental impact, and personnel.</p>
<p>References</p> <ul style="list-style-type: none"> – Material Factors of Sustainable Business Development, p. 113 	<p>References</p> <ul style="list-style-type: none"> – Section 7 of the Annual Report - Sustainability at MKB, pp. 119-124 – Section 5.4 of the Annual Report - Supervisory Board, p. 81-82 – Section 10.2 of the Annual Report - ESG Risks Assessment, p.167, p.173 – Section 11.6 of the ESG Report - Training, p. 197 – MKB Reports on Compliance with the UNEP Principles 2022, 2023 	<p>References</p> <ul style="list-style-type: none"> – Tables of GRI, SASB, IFRS S1, IFRS S2, MED metrics of the Annual Report - pp. 260-285. – Report on the assignment providing assurance of the Annual Report, p. 321.

GRI Content Index

Statement of Use	CREDIT BANK OF MOSCOW has prepared this report in accordance with the GRI Standards for the period from 01.01.2024 to 31.12.2024
GRI 1 Standard Used	GRI 1: Foundation 2021
Applicable Sector Standard	Not applicable

Indicator		Disclosure in the Report/Comment	Page
General Disclosures			
Organization and Reporting Practices			
GRI 2-1	Organizational details	Approach to the Report MKB today – a brief overview Contact Details	5 11 320
GRI 2-2	Entities included in the organization’s sustainability reporting	Approach to the Report Boundaries of the Report	5 6
GRI 2-3	Reporting period, frequency and contact point	Approach to the Report Boundaries of the Report	5 6
GRI 2-4	Restatements of information	In the reporting year, the data on injuries were adjusted, and the breakdowns by staff were adjusted and retrospectively recalculated in line with Bank of Russia's guidelines. The regional headcount for 2023 was recalculated: all remote employees were reclassified under the Central Federal District based on their legal registration.	-
GRI 2-5	External assurance	Approach to the Report <i>The report is independently certified by a professional organisation, the relations with which are fixed by a service agreement. Representatives of the Sustainable Development and ESG Risks Group, structural divisions, and the bank's management were actively involved in the process of information verification.</i> <i>Based on the results of the audit, MKB will receive an opinion (Report on the assignment providing limited assurance), which will be</i>	5

Indicator		Disclosure in the Report/Comment	Page
		<i>presented on the MKB website as an appendix to this report after its approval by the Annual General Shareholders' Meeting.</i>	
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	MKB today – a brief overview Approach to Sustainable Banking Sustainable Supply Chain	11 165 148
GRI 2-7	Employees	Personnel Structure ESG Databook. Personnel <i>Indicator represents the number of employees on the payroll as of 31.12.2023. No breakdown of non-guaranteed hours employees/part-time employees by gender and region due to the Bank's accounting practices.</i> <i>Collection methodology: Information obtained from accounting systems used by the Bank</i>	185 240
GRI 2-8	Workers who are not employees	<i>Number of staff working under civil law contracts is less than 5% of the total number of employees</i>	-
Governance			
GRI 2-9	Governance structure and composition	MKB's Corporate Governance System	72
GRI 2-10	Nomination and selection of the highest governance body	MKB's Corporate Governance System	72
GRI 2-11	Chair of the highest governance body	MKB's Corporate Governance System	72
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Approach to Management MKB's Corporate Governance System Sustainability Management Framework	54 72 119
GRI 2-13	Delegation of responsibility for managing impacts	Approach to Management Sustainability Management Framework <i>Reports are submitted to top management on a regular basis, at least twice a year.</i>	54 119
GRI 2-14	Role of the highest governance body in sustainability reporting	Approval of the Report Material Factors of Sustainable Business Development	6 113

Indicator		Disclosure in the Report/Comment	Page
		Sustainability Management Framework	119
GRI 2-15	Conflicts of interest	Prevention of Conflicts of Interest Corporate Governance System	89 72
GRI 2-16	Communication of critical concerns	Approach to Management Supervisory Board Ethical Norms and Standards of MKB <i>No critical concerns were communicated to the Board of Directors in the reporting period.</i>	54 79 126
GRI 2-17	Collective knowledge of the highest governance body	Corporate Governance System <i>MKB has developed and operates a training programme that includes sustainability issues and applies to the top management of the company.</i>	72
GRI 2-18	Evaluation of the performance of the highest governance body	Corporate Governance System	72
GRI 2-19	Remuneration policies	Supervisory Board members remuneration system Sustainability Management Framework Regulation on the Compensation, Corporate Governance and Nominations Committee of the Supervisory Board	89 119
GRI 2-20	Process to determine remuneration	Corporate Governance System <i>For more details, see the Payroll and Overall Remuneration Regulation, and the Regulation on the Compensation, Corporate Governance and Nominations Committee of the Supervisory Board</i>	72
GRI 2-21	Annual total compensation ratio	Currently, the annual total compensation ratio is not monitored.	
Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	Message from the Chairman of the Supervisory Board Message from the Chairperson of MKB's Management Board Sustainable Development: MKB's View	7 8 105
GRI 2-23	Policy commitments	MKB's Compliance with Best Sustainable Development Practices Sustainability Management Framework Ethical Norms and Standards of MKB	111 119 126

Indicator		Disclosure in the Report/Comment	Page
		Sustainable Supply Chain	148
		Personnel Management Approach	183
		Approach to Environmental Management	220
GRI 2-24	Embedding policy commitments	MKB's Compliance with Best Sustainable Development Practices	111
		Sustainability Management Framework	119
		Ethical Norms and Standards of MKB	126
		Sustainable Supply Chain	148
		Approach to Sustainable Banking	165
		ESG Risks Assessment	167
		Sustainable Financing	171
		Social Banking	177
		Personnel Management Approach	183
GRI 2-25	Processes to remediate negative impacts	Approach to Management	54
		Ethical Norms and Standards of MKB	126
		Sustainable Supply Chain	148
		Material Factors of Sustainable Business Development	113
GRI 2-26	Mechanisms for seeking advice and raising concerns	Ethical Norms and Standards of MKB	126
		Sustainable Supply Chain	148
GRI 2-27	Compliance with laws and regulations	Anti-Corruption	136
		Approach to Environmental Management	220
		<i>No significant cases of non-compliance in the reporting year. No monetary fines imposed.</i>	
GRI 2-28	Membership associations	Participation in External Initiatives and Membership in Organisations	112
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	Material Factors of Sustainable Business Development	113
GRI 2-30	Collective bargaining agreements	<i>The Bank does not have collective bargaining agreements</i>	-
Material topics			
GRI 3-1	Process to determine material topics	Material Factors of Sustainable Business Development	113

Indicator		Disclosure in the Report/Comment	Page
GRI 3-2	List of material topics	Material Factors of Sustainable Business Development <i>The list of material topics has remained unchanged compared to the previous reporting period</i>	113
Economic performance and indirect economic impact			
GRI 3-3	Management of material topics	<i>The Bank does not have a significant measurable negative impact due to its financial activities, and there is no stakeholder engagement on this issue</i>	-
GRI 201 Economic performance			
GRI 201-1	Direct economic value generated and distributed	Direct economic value generated and distributed <i>The adopted approach to financial reporting does not provide for identification of payments to providers of capital and community investments.</i> <i>Therefore, these elements are included in other items</i>	15
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Management Framework Sustainable Banking Climate Agenda	119 164 205
GRI 201-3	Defined benefit plan obligations and other retirement plans	<i>Currently not monitored as part of non-financial reporting</i>	-
GRI 201-4	Financial assistance received from government	<i>Currently not monitored as part of non-financial reporting</i>	-
GRI 202: Market presence			
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Remuneration and Motivation of Employees	192
GRI 203 Indirect economic impacts, MED			
GRI 203-1	Infrastructure investments and services supported. Projects to support local communities	Sustainable Banking Social Responsibility and Voluntary Initiatives	164 229
GRI 203-2	Significant indirect economic impacts	Sustainable Banking Social Responsibility and Voluntary Initiatives	229
Anti-corruption practices			
GRI 3-3	Approach to governance	Anti-Corruption	136

Indicator		Disclosure in the Report/Comment	Page
		<i>The Company aims to maintain a zero level of corruption. There is no direct stakeholder engagement on this issue, except for information described in the relevant chapter on anti-corruption management</i>	
GRI 205 Anti-corruption, MED			
GRI 205-1	Operations assessed for risks related to corruption	Anti-Corruption	136
GRI 205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption	136
GRI 205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption	136
Business ethics and integrity			
GRI 3-3	Management of material topics	Corporate Governance Memorandum	72
		Ethical Norms and Standards of MKB	126
		Anti-Corruption	136
		Information Security and Confidentiality	139
		Sustainable Supply Chain	148
GRI 206 Anti-competitive behavior			
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Ethical Norms and Standards of MKB <i>No anti-trust and monopoly practices were recorded in the reporting year. There were also no instances of contract termination or non-renewal with business partners due to corruption-related issues</i>	126
Energy consumption and energy efficiency			
GRI 3-3	Management of material topics	Approach to Environmental Management	220
		Energy Management	226
		<i>MKB conducts annual monitoring of ESG strategy goals related to consumption of fuel and energy resources</i>	
GRI 302 Energy			
GRI 302-1	Energy consumption within the organisation	Energy Management	226
		ESG Databook. Environment	251
		<i>No energy consumption from renewable sources. Energy used for cooling is included in total electricity consumption. There is no steam consumption. There are also no energy sales.</i>	

Indicator		Disclosure in the Report/Comment	Page
GRI 302-2	Energy consumption outside of the organisation	Energy Management	226
		ESG Databook. Environment	251
		No consumption of fuel and energy resources outside of the Bank	
GRI 302-3	Energy intensity	Energy Management	226
GRI 302-4	Reduction of energy consumption	Energy Management	226
		ESG Databook. Environment	251
Climate change and contribution to low-carbon development			
GRI 3-3	Management of material topics	Approach to Climate Change Management	206
GRI 305 Emissions			
GRI 305-1	Direct (Scope 1) GHG emissions	Metrics and Initiatives for Achieving Climate-related Targets 2023 was selected as the baseline for result comparison	215
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Metrics and Initiatives for Achieving Climate-related Targets 2023 was selected as the baseline for result comparison	215
GRI 305-3	Other indirect (Scope 3) GHG emissions	Metrics and Initiatives for Achieving Climate-related Targets No data on biogenic CO2 emissions.	215
GRI 305-4	GHG emissions intensity	Metrics and Initiatives for Achieving Climate-related Targets The number of employees was chosen as the denominator for calculating GHG emissions intensity, since energy consumption is largely determined by the need to ensure office operations and the number of staff working on-site	215
GRI 305-5	Reduction of GHG emissions	Metrics and Initiatives for Achieving Climate-related Targets	215
Ensuring employment and decent working conditions			
GRI 3-3	Management of material topics	Personnel Management Approach	183
		Diversity and Equal Opportunities	189
		Personnel Training and Development	196
		Due to the nature of its activities, MKB has no significant negative impact on local communities when hiring employees	
GRI 401 Employment			

Indicator		Disclosure in the Report/Comment	Page
GRI 401-1	New employee hires and employee turnover	Employee Attraction and Retention ESG Databook. Personnel	186 240
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration and Motivation of Employees	192
GRI 401-3	Parental leave	Diversity and Equal Opportunities ESG Databook. Personnel	189 2470
GRI 402 Labour/management relations			
GRI 402-1	Minimum notice periods regarding operational changes	<i>In accordance with the labour laws of the Russian Federation, notices on changes in the terms of employment contracts initiated by the employer are made 2 months in advance</i>	-
Workplace health and safety			
GRI 3-3	Management of material topics	Personnel Management Approach Diversity and Equal Opportunities Personnel Training and Development	183 189 196
403 Workplace health and safety, MED			
GRI 403-1	Occupational health and safety management system	Comfortable Working Conditions	200
GRI 403-2	Hazard identification, risk assessment and incident investigation	Comfortable Working Conditions	200
GRI 403-3	Occupational health services	Comfortable Working Conditions	200
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Comfortable Working Conditions	200
GRI 403-5	Worker training on occupational health and safety	Comfortable Working Conditions	200
GRI 403-6	Promotion of worker health	Comfortable Working Conditions	200
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Comfortable Working Conditions	200
GRI 403-8	Workers covered by an occupational health and safety management system	Comfortable Working Conditions	200
GRI 403-9	Work-related injuries	Comfortable Working Conditions ESG Databook. Personnel	200 240

Indicator		Disclosure in the Report/Comment	Page
GRI 403-10	Work-related ill health	<i>There is no work-related ill health among MKB employees</i>	-
Developing talents, supporting and training employees			
GRI 3-3	Management of material topics	Personnel Training and Development	196
GRI 404 Training and education, MED			
GRI 404-1	Average hours of training per year per employee	Information Security and Confidentiality	139
		Personnel Training and Development	196
		ESG Databook. Personnel	240
		<i>Average hours of training are calculated as the ratio of total number of training hours completed to average headcount</i>	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Personnel Training and Development	196
		IT Training	157
		<i>The Bank has no transition assistance programmes for employees of pre-retirement age or employees retiring or terminating employment</i>	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Personnel Training and Development	196
Non-discrimination			
GRI 3-3	Management of material topics	Diversity and Equal Opportunities	189
GRI 405 Diversity and equal opportunity			
GRI 405-1	Diversity of governance bodies and employees	Supervisory Board	79
		Personnel Structure	185
		Diversity and Equal Opportunities	189
		ESG Databook. Personnel	240
		<i>a) iii and b) iii not relevant as per GRI requirements</i>	
GRI 405-2	Ratio of basic salary and remuneration of women to men	Diversity and Equal Opportunities	189
		ESG Databook. Personnel	240
		<i>Indicator disclosed without breakdown by job category due to the irrelevance of disclosure for the banking sector</i>	
GRI 406 Non-discrimination			
GRI 406-1	Incidents of discrimination and corrective actions taken	Diversity and Equal Opportunities	189

Indicator		Disclosure in the Report/Comment	Page
GRI 407 Freedom of association and collective bargaining			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainable Supply Chain	149
GRI 408 Child Labour			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	Ethical Norms and Standards of MKB Sustainable Supply Chain	126 148
GRI 409 Forced or compulsory labour			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Ethical Norms and Standards of MKB Sustainable Supply Chain Personnel Management Approach	126 148 183
Client security and personal data protection			
GRI 3-3	Management of material topics	Information Security and Confidentiality	139
GRI 410 Security practices			
GRI 410-1	Security personnel trained in human rights policies and procedures	Neither internal nor external security personnel receive human rights training	-
GRI 416 Customer health and safety			
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<i>In the reporting year, there were no incidents of non-compliance concerning the health and safety impacts of the Bank's products and services</i>	-
GRI 417 Marketing and labeling			
GRI 417-1	Requirements for product and service information and labeling	Social Banking	177
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	Social Banking <i>In the reporting year, there were no incidents of non-compliance concerning product and service information and labeling</i>	177
GRI 417-3	Incidents of non-compliance concerning marketing communications	Social Banking <i>In the reporting year, there were no incidents of non-compliance concerning marketing communications</i>	177
GRI 418 Customer Privacy			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Confidentiality	139

Indicator		Disclosure in the Report/Comment	Page
Responsible financing			
GRI 3-3	Management of material topics	Approach to Sustainable Banking	165
Responsible financing			
GRI 204 Procurement practices			
GRI 204-1	Proportion of spending on local suppliers	Sustainable Supply Chain	148
GRI 207 Tax			
GRI 207-1	Approach to tax	Tax Strategy	146
GRI 207-2	Tax governance, control, and risk management	Tax Strategy Auditors' opinion under RAS	146
GRI 207-3	Stakeholder engagement and management of concerns related to tax	Tax Strategy <i>Approach to protecting public interests in tax matters is not disclosed in the current reporting period</i>	146
GRI 207-4	Country-by-country reporting	<i>MKB operates solely within Russia, and therefore tax payments are made only to the budget of the Russian Federation</i>	-
GRI 301 Materials			
GRI 301-1	Materials used by weight or volume	Waste Management ESG Databook. Environment	223 251
GRI 303 Water and effluents			
GRI 303-1	Interactions with water as a shared resource	Responsible Water Use	222
GRI 303-2	Management of water discharge related impacts	Responsible Water Use	222
GRI 303-3	Water withdrawal	Responsible Water Use ESG Databook. Environment <i>The Bank withdraws only fresh water (as per the GRI Standards)</i>	222 251
GRI 303-4	Water discharge	Responsible Water Use ESG Databook. Environment <i>Due to the nature of the Bank's activities, no wastewater treatment is performed. The Bank discharges only fresh water (as per the GRI Standards)</i>	222 251

Indicator		Disclosure in the Report/Comment	Page
GRI 303-5	Water consumption	Responsible Water Use <i>Currently, within MKB's non-financial reporting, the volume of water consumption is equal to the volume of water purchased under water supply contracts</i>	222
GRI 306 Waste, MED			
GRI 306-1	Waste generation and significant waste-related impacts	Waste Management	223
GRI 306-2	Management of significant waste-related impacts	Waste Management <i>MKB's waste management operators work in accordance with Russian laws</i>	223
GRI 306-3	Waste generated	Waste Management ESG Databook. Environment	223 251
GRI 306-4	Waste diverted from discharge (recycling, reuse)	Waste Management	223
GRI 306-5	Waste directed to discharge	Waste Management	223
GRI 308 Supplier environmental assessment			
GRI 308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain	148
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain	148
GRI 411 Rights of indigenous peoples			
GRI 411-1	Incidents of violations involving rights of indigenous peoples	Not applicable	-
GRI 413 Local communities			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Social Responsibility and Voluntary Initiatives	229
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Social Responsibility and Voluntary Initiatives	229
GRI 414 Supplier social assessment			
GRI 414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain	148
GRI 414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain	148

SASB Indicators Table

Indicator		Link/Comment	Page
SASB Commercial Banks			
Data security			
FN-CB-230a.1	Number of data leaks, number of identified data among the leaks, number of affected clients	Information Security and Confidentiality No incidents related to data leaks, thefts, or losses, including data that could lead to the identification of clients in the reporting year	139
FN-CB-230a.2	Description of the approach to identifying and addressing data security issues	Information Security and Confidentiality	139
Financial inclusion and capacity building			
FN-CB-240a.4	Number of participants in the financial literacy initiatives for underserved clients	Social Responsibility and Voluntary Initiatives	229
Inclusion of environmental, social and management factors in loan analysis			
FN-CB-410a.1	Commercial and industrial loans by industry	Business Development	27
FN-CB-410a.2	Description of the approach to the implementation of environmental, social and corporate governance factors (ESG) in loan analysis	Sustainable Banking	164
Business ethics			
FN-CB-510a.1	Number of participants in the financial literacy initiatives for non-bank, low-income or underserved clients	Social Responsibility and Voluntary Initiatives	229
FN-CB-510a.2	Description of policies and procedures for handling complaints	Ethical Norms and Standards of MKB	126
System risk management			
FN-CB-550a.2	Description of the approach to including the results of mandatory and voluntary stress testing in capital	Climate Agenda	205

	adequacy planning, long-term corporate strategies and other activities		
Economic activity			
FN-CB-000.B	(1) Number and (2) cost of loans by segments: (a) personal, (b) small business, and (c) corporate	Business Development	27
SASB Consumer Finance			
Client confidentiality			
FN-CF-220a.2	Total amount of financial losses resulting from litigation related to the client confidentiality	There were no litigations related to client confidentiality in the reporting year	-
Data security			
FN-CF-230a.1	(1) Number of data leaks (2) Share of identified data among the leaks (3) Number of affected clients	Information Security and Confidentiality	139
FN-CF-230a.3	Description of the approach to identifying and eliminating data security risks	Information Security and Confidentiality	139
Sales practice			
FN-CF-270a.5	Total amount of financial losses resulting from litigation related to product sales and services	There were no litigations related to product sales and services in the reporting year	-

Compliance with Recommendations of the Ministry of Economic Development of the Russian Federation

No.	Indicator	Measurement unit	2024	Disclosure in the Report / Comment	Page
Economic indicators					
1	Revenue (indicator similar to revenue)	RUB million	694,761	IFRS The amount of interest income and commission income is indicated	IFRS
6	Amount of accrued mandatory payments (excluding fines, penalties), total, including taxes, insurance fees, other mandatory payments	RUB billion	13.2	Tax strategy	146
7	Total amount of paid mandatory payments (excluding fines, penalties), including taxes, insurance fees, other mandatory payments	RUB billion	13.2	Tax strategy	146
8	Share of purchases of Russian goods, works, services in the total volume of purchases of goods, works, services	%	100	Procurement results <i>Share of suppliers registered in the Russian Federation</i>	155
9	Share of purchases of goods, works, services from small and medium-sized businesses in the total volume of purchases from Russian entities	%	53	Procurement results	148
10	Sustainable investments, including green	RUB billion	186.54	Sustainable banking <i>The portfolio includes green, social and sustainable loans.</i>	164
Environmental indicators					
13	Volume of used water from all water supply sources	thousand m3	11.88	Responsible water management	222
14	Volume of recycled and repeated sequential water supply	thousand m3, %	0	The Bank does not use these types of water supply	-
15	Volume of discharge of polluted wastewater, total	thousand m3	11.88	Responsible water management	222
16	Efficiency of water use (specific water consumption)	m3 / person	5.01	Responsible water management	222
17	Total waste of hazard classes I – V generated, including: <ul style="list-style-type: none"> Class IV Class V 	tons	394.7 <ul style="list-style-type: none"> 277.3 117.4 	Waste management	223
18	Total waste management, including by category: <ul style="list-style-type: none"> Disposed of and neutralised Buried 	%	100 <ul style="list-style-type: none"> 30 70 	Waste management	223

No.	Indicator	Measurement unit	2024	Disclosure in the Report / Comment	Page
19	Mass of pollutant emissions into the atmosphere from stationary sources	tons	-	No emissions from stationary sources	-
20	Greenhouse gas emissions <ul style="list-style-type: none"> • Scope 1 • Scope 2 	tons	3,302 <ul style="list-style-type: none"> • 293 • 3,009 	Assessment and management of greenhouse gas emissions from operating activities	215
23	Energy efficiency: average energy consumption per employee	GJ/person	16.3	Energy management	226
Social indicators					
24	Labour expenses, total	RUB billion	16.3	Employee remuneration and motivation	196
25	Average number of employees, <ul style="list-style-type: none"> • <i>including the number of disabled people</i> 	persons → %	6,052 → 2	Personnel structure	189
26	Average employee salary, total, <ul style="list-style-type: none"> • Men • Women 	RUB thousand	204 <ul style="list-style-type: none"> • 250 • 172 	Remuneration and Motivation of Employees ESG Databook. Personnel	192 240
27	Expenses on occupational safety measures, total <ul style="list-style-type: none"> • <i>average per employee</i> 	RUB million	4.6 <ul style="list-style-type: none"> • 0.76 	Safe work environment	200
28	Expenses for organising and holding social, health and fitness, medical events for employees and their family members	RUB million	348.8	Material motivation	192
29	Number of victims of industrial accidents with loss of ability to work for 1 working day or longer and resulting in death, including resulting in death	persons	2	Safe work environment <i>Over the past four years, the Bank has not recorded any cases with fatal injuries</i>	200
30	Employee training expenses, total <ul style="list-style-type: none"> • <i>average per employee</i> 	RUB thousand	118,300 <ul style="list-style-type: none"> • 19.5 	Personnel training and development	196
31	Average number of training hours per year per employee by occupation groups	hours	47.73	Personnel training and development	196
32	Share of employees covered by collective agreement in the average employee headcount	%	-	The bank does not have collective agreements	-
33	Employee turnover rate	%	27.5	Retention and dismissal	186
34	Expenses on participation in support of social programmes not targeted at employees and their family members, total	RUB million	>250	MKB's social and environmental initiatives	229
Management indicators					
35	Availability of a Sustainability Policy and (or) other strategic documents in this area	units	yes	Sustainability Management Framework	119

No.	Indicator	Measurement unit	2024	Disclosure in the Report / Comment	Page
36	Number of Board of Directors meetings and their attendance rate	units %	35 96	Work of the Supervisory Board in 2024	79
37	Number of the Board of Directors members, total, including: <ul style="list-style-type: none"> • <i>Under 30 years of age</i> • <i>30-50 years of age</i> • <i>Over 50 years of age</i> 	persons	8 <ul style="list-style-type: none"> • - • 5 • 3 	Structure and composition of the Supervisory Board	79
38	Number of the audit committee meetings and their attendance rate	units %	35 96	Work of the Supervisory Board in 2024	79
39	Participation in sustainable development indices and ratings (ESG)	units	2	Ratings and rankings	106
40	Number of recorded incidents of violation of rights of indigenous peoples of the Russian Federation	units	-	There are no incidents of violation of the rights of indigenous peoples	-
41	Share of employees holding positions with high corruption risk	%			
42	Average number of hours of anti-corruption training per employee	hours	1.11		
43	Number of cases when the entity, its subsidiaries and dependent companies were held administratively liable for corruption offenses	units	-	Anti-Corruption	136
44	Share of female managers in the total number of managers, total, including the Board of Directors (Supervisory Board)	%	41 25	Diversity and equal opportunities Structure and composition of the Supervisory Board	189 79

IFRS S1 Metrics Table

Metrics		Disclosure in the Report / Comment	Page
Basic information			
Corporate governance			
IFRS S1 27. ¹⁰⁴ (a)	i. Responsibility for sustainability-related risks and opportunities; ii. Existence and development of sustainability competencies of management bodies; iii. Practice and periodicity of communicating sustainability information to management bodies; iv. Taking into account sustainability-related risks and opportunities when monitoring strategy and making key decisions; v. Relationship between key performance indicators and sustainability-related risks and opportunities	Risk management Supervisory Board Committees Sustainability at MKB Sustainability Management Framework GRI 2-13	54 84 119 119
IFRS S1 27 (b)	Integration controls and procedures for sustainable development management into internal processes	Sustainability Management Framework	119
Strategy			
IFRS S1 29(a)	Impact of sustainability-related risks and opportunities on the entity's prospects	Sustainability risks and opportunities management	121
IFRS S1 29(b)	Impact of sustainability-related risks and opportunities on the business model and value chain	Sustainability risks and opportunities management Sustainable Banking Generated and distributed direct economic value	121 164 15
IFRS S1 29(c)	Impact of sustainability-related risks and opportunities on strategy and decision making	Sustainability risks and opportunities management	121
IFRS S1 29(d)	Impact of sustainability-related risks and opportunities on financial position, performance and cash flows	Sustainability risks and opportunities management Sustainable Banking Generated and distributed direct economic value	121 164 15
Strategy / Sustainability-related risks and opportunities			
IFRS S1 30 (a)	Description of sustainability-related risks and opportunities affecting the entity's prospects	Map of significant MKB's risks in 2024 Main MKB's ESG risks in 2024	57 121
IFRS S1 30 (b)	Determination of time horizons of impact of sustainability-related risks and opportunities	Sustainability Strategy 2024-2026 Climate agenda	107 205
IFRS S1 30(c)	Determining time horizons and linking them to the planning horizon for strategic decisions	Sustainability Strategy 2024-2026 Climate Agenda	107 205

¹⁰⁴ Prior to IFRS S1 27, the standard contains general provisions, their disclosure is not envisaged by the standard.

Metrics		Disclosure in the Report / Comment	Page
Strategy/Business Model and value chain			
IFRS S1 32(a)	Description of the current and expected implications of sustainability-related risks and opportunities for the business model and value chain	Climate Agenda	205
IFRS S1 32(b)	Concentrating sustainability-related risks and opportunities in the business model and value chain	Climate Agenda	205
Strategy / Strategy and Decision Making			
IFRS S1 33(a)	Responses to sustainability-related risks and opportunities in strategy and decision making	Sustainability Strategy 2024–2026	107
IFRS S1 33(c)	Trade-offs between sustainability-related risks and opportunities in strategic decision making	Sustainable Banking	164
Strategy / financial position, performance and cash flows			
IFRS S1 34(a)	Current financial effects of sustainability-related risks and opportunities	Sustainable Banking	164
IFRS S1 34(b)	Expected effects of sustainability-related risks and opportunities on the financial position, performance, cash flows and financial planning over different time horizons	Sustainable Banking Climate Agenda	164 209
IFRS S1 35(a)	Impact of sustainability-related risks and opportunities on the financial position, performance and cash flows in the reporting period	Sustainable Banking Climate Agenda	166 205
IFRS S1 35(b)	Sustainability-related risks and opportunities that make probable material adjustment to the carrying amounts of the assets and liabilities within the next reporting period	Climate Agenda	205
IFRS S1 37(a)	Information used to assess the expected financial impact of sustainability-related risks and opportunities	All information sources are indicated in the footnotes	-
IFRS S1 37(b)	Approach to preparation of disclosures taking into account available skills, capabilities and resources	The Bank used internal expert assessments and historical data for information disclosure. Methods consistent with current competencies and resources were applied, and industry practice was taken into account.	-
IFRS S1 40 (b)	Qualitative information about the financial impact of sustainability-related risks and opportunities, identifying the affected financial statement items	Sustainable Banking	164
IFRS S1 40(c)	Quantitative assessment of the total financial impact of sustainability-related risks and opportunities	Sustainable Banking	164

Metrics		Disclosure in the Report / Comment	Page
Strategy/Resilience			
IFRS S1 41	Assessing the strategy and business model resilience to uncertainties associated with sustainability-related risks, including the methodology for conducting the analysis, time horizons and possible quantitative and qualitative adaptation metrics.	Indirect ESG risk management at MKB Sustainable Banking Climate risks and opportunities	121 164 209
Risk management			
IFRS S1 44(a)	i. The entity's processes and policies for identification, assessment, prioritization and monitoring of sustainability-related risks, including the inputs, metrics and scope of operations; ii. The use of scenario analysis to identify sustainability-related risks and its role in the assessment process; iii. Assessment of the nature, probability and scope of consequences of sustainability-related risks, including the criteria and methods used; iv. Prioritization of sustainability-related risks relative to other risk types and approaches to their prioritization; v. Sustainable development risk monitoring process; vi. Changes in sustainability risk management processes compared to the previous reporting period.	Risk management. Sustainability risk and opportunity management. There were no changes compared to the previous reporting period.	54 121
IFRS S1 44(b)	Processes for identification, assessment, prioritization and monitoring of sustainability opportunities	Sustainable Banking	164
IFRS S1 44(c)	Integrating sustainability-related risks and opportunities into the overall risk management process.	Sustainability risks and opportunities management	121
Metrics and targets			
IFRS S1 46(b)	i. Sustainability-related risks and opportunities measurement and monitoring metrics; ii. Performance indicators for sustainability-related risks and opportunities, including progress towards objectives and compliance with regulatory requirements	Sustainability Strategy 2024–2026 Climate Agenda	107 205
IFRS S1 51(a)	Metrics used for setting targets, monitoring progress towards them and compliance with mandatory legal sustainability-related requirements	Sustainability Strategy 2024–2026	107

Metrics		Disclosure in the Report / Comment	Page
IFRS S1 51(b)	Specific quantitative targets the entity has set or is required to meet for sustainable development	Sustainability Strategy 2024–2026	107
IFRS S1 51(c)	The period over which the sustainable development targets apply	Sustainability Strategy 2024–2026	107
IFRS S1 51(d)	Baseline period for measuring progress towards sustainable development goals	Sustainability Strategy 2024–2026	107
IFRS S1 51(g)	Changes to sustainable development goals and explanation of those changes	There were no changes to the sustainable development goals in the reporting period	-
General requirements			
Sources of guidance / identifying sustainability-related risks and opportunities			
IFRS S1 55(a)	Assessing the applicability of SASB disclosure topics in the context of sustainability-related disclosures	SASB Indicators table	272
IFRS S1 55(b)	i. Application of CDBS framework to water and biodiversity-related disclosures in the context of sustainability; ii. Taking into account relevant provisions of other standards to meet the information needs of financial statement users; iii. Sustainability-related risks and opportunities identified in similar industries and regions	The report discloses the most relevant requirements of the GRI, SASB, and the Ministry of Economic Development of the Russian Federation standards at the time of preparation of the report, and discloses compliance with the principles of the Corporate Governance Code of the Bank of Russia. The CDSB Framework was not applied to the sustainability-related disclosure.	
Sources of guidance / determination of applicable disclosure requirements			
IFRS S1 58(a)	Assessment of the applicability of SASB metrics in sustainability-related disclosures	SASB Indicators table	272
IFRS S1 58(b)	i. Applicability of CDSB guidance to sustainability-related disclosures; ii. Consideration of relevant provisions of other sustainability-related disclosure standards; iii. Use of industry and regional data, including metrics for sustainability-related disclosures	The report discloses the most relevant requirements of the GRI, SASB, and the Ministry of Economic Development of the Russian Federation standards at the time of preparation of the report, and discloses compliance with the principles of the Corporate Governance Code of the Bank of Russia. The CDSB Framework was not applied to the sustainability-related disclosure.	
IFRS S1 58 (c)	Use of additional sources of guidance (GRI, ESRS, etc.) from Appendix C to prepare sustainability-related disclosures	GRI Content Index	272
Sources of guidance / Disclosure of sources of guidance			
IFRS S1 59 (a)	Identification of standards and sources of guidance used for sustainability-related disclosures, including SASB standards	SASB Indicators table	272

Metrics		Disclosure in the Report / Comment	Page
IFRS S1 59 (b)	Identification of industry standards and sources of guidance used for sustainability-related disclosures and relevant metrics	About the report	5
Errors and changes			
IFRS S1 83	Corrections of material errors of prior periods and restatement of comparative metrics	All clarifications on adjustments of data for prior periods are provided in the footnotes.	-

IFRS S2 Metrics Table

In preparation of this report, including the terminology, MKB took into account the IFRS S2 guidance.

Metrics		Disclosure in the Report / Comment	Page
Corporate governance			
IFRS S2-6(a)	The role of the Board of Directors in overseeing climate-related risks and opportunities	Approach to Climate Change Management	206
IFRS S2-6(b)	The role of management in assessment and management of climate-related risks and opportunities	Approach to Climate Change Management	206
Strategy			
IFRS S2-9 (a)	Description of the risks and opportunities that may affect the entity's operations (see also IFRS S2-10)	Climate-related risks and opportunities	209
IFRS S2-9 (b)	Impacts of climate-related risks and opportunities on the entity's business model and value chain (see also IFRS S2-13)	Approach to Climate Change Management Metrics and initiatives for achieving climate-related targets Climate-related risks and opportunities Generated and distributed direct economic value Sustainable Banking	206 215 209 15 164
IFRS S2-9 (c)	The impact of climate-related risks and opportunities on the strategy and decision-making, including information about the climate-related transition plan (see also IFRS S2-14);	Approach to Climate Change Management	206
IFRS S2-9 (d)	The impact of climate-related risks and opportunities on the financial position, financial performance and cash flows in the reporting period, and their expected impact on the financial position, financial performance and cash flows in the short, medium and long term (see also IFRS S15-21);	Climate risks and opportunities	209
IFRS S2-9 (e)	The entity's climate strategy and business model resilience to climate-related changes, events and uncertainties, taking into account the entity's identified climate-related risks and opportunities (see also IFRS S15-22)	Approach to Climate Change Management Climate risks and opportunities	206 209
Climate-related risks and opportunities			
IFRS S2-10(a)	Description of identified climate-related risks and opportunities that may affect the entity's operations	Climate risks and opportunities	209

Metrics		Disclosure in the Report / Comment	Page
IFRS S2-10(b)	Identified transitional and physical climate-related risks	Climate risks and opportunities	209
IFRS S2-10(c)	Description of climate-related risks and opportunities which the entity has identified over the short, medium, and long term	Climate risks and opportunities	209
IFRS S2-10(d)	Definition of the short-term, medium-term and long-term planning horizons for making strategic decisions	Climate risks and opportunities	209
Business Model and value chain			
IFRS S2-13 (a)	Current and expected impact of climate-related risks and opportunities on the entity's business model and value chain	Approach to Climate Change Management Climate risks and opportunities Generated and distributed direct economic value Sustainable Banking	206 209 15 164
IFRS S2-13 (b)	Description of the concentration of the identified climate-related risks and opportunities per the business model and value chain of the entity (type of assets, etc.).	Climate risks and opportunities	209
Strategy and Decision Making			
IFRS S2-14 (a)	Description of the strategy for managing climate-related risks and opportunities, including climate goals achievement	Climate risks and opportunities	209
Financial results and cash flows			
IFRS S2-15 (a)	Impact of climate-related risks and opportunities on the entity's financial position, performance and cash flows in the reporting period	Climate risks and opportunities	209
IFRS S2-15 (b)	Expected impact of climate-related risks and opportunities on the entity's financial position, performance and cash flows in the short, medium and long term	Climate risks and opportunities	209
Climate resilience			
IFRS S2-22 (a)	Description of the entity's climate resilience strategy	Climate risks and opportunities	209
IFRS S2-22 (b)	Description of the climate scenarios	Climate risks and opportunities	209

Metrics		Disclosure in the Report / Comment	Page
Risk management			
IFRS S2-25 (a)	Description of processes, policies for climate-related risk identification, assessment, prioritisation and monitoring	Climate risks and opportunities	209
IFRS S2-25 (b)	Description of processes, policies the entity uses for climate-related opportunities identification, assessment, prioritisation and monitoring	Climate risks and opportunities	209
IFRS S2-25 (c)	Description of integration of climate-related risks and opportunities into the entity's overall risk management process	Sustainability risks and opportunities management	121
Metrics and targets			
Climate-related metrics (<i>categories of cross-sectoral metrics</i>)			
IFRS S2-29 (a)	Information on greenhouse gas emissions volumes for Scopes 1, 2 and, if applicable, Scope 3	Metrics and initiatives for achieving climate-related targets	215
IFRS S2-29 (b)	Volume and percentage of assets or activities exposed to climate transition risks	Climate risks and opportunities	209
IFRS S2-29 (c)	Volume and percentage of assets or activities exposed to physical climate-related risks	Climate risks and opportunities	209
IFRS S2-29 (d)	Volume and percentage of assets or activities related to materialisation of climate-related opportunities	Sustainable Banking	164
IFRS S2-29 (e)	Amount of capital expenditure, financing or investment directed at climate-related risks and opportunities.	Sustainable Banking	164
IFRS S2-29 (g)	Information on climate-related management and related remuneration for the current year.	Sustainability at MKB	119
Climate-related targets			
IFRS S2-33	Description of targets set by the entity to manage climate-related risks and opportunities, including timelines for achievement, milestones	Approach to Climate Change Management	206

	Metrics	Disclosure in the Report / Comment	Page
IFRS S2-34	Description of the approach to setting and updating targets to achieve goals, monitoring progress towards achieving goals	Approach to Climate Change Management	206
IFRS S2-35	Description of the status of achievement of established climate-related targets	Sustainable Banking Metrics and initiatives for achieving climate-related targets	164 215
IFRS S2-36	Description of greenhouse gas emission targets, including:	Approach to Climate Change Management Metrics and initiatives for achieving climate-related targets	206 215
IFRS S2-36 (a)	Greenhouse gases accounted for	Metrics and initiatives for achieving climate-related targets	215
IFRS S2-36 (b)	Indication of the scope (Scope 1, 2, 3)	Metrics and initiatives for achieving climate-related targets	215
IFRS S2-36 (c)	Indication of whether the target is gross greenhouse gas emissions or net greenhouse gas emissions (taking into account planned emission offsets)	Metrics and initiatives for achieving climate-related targets	215
IFRS S2-36 (e)	The entity's planned use of carbon credits to offset greenhouse gas emissions	Metrics and initiatives for achieving climate-related targets	215

IFRS Report

The consolidated financial statements as of December 31, 2024 and for 2024 are published on the Internet page <https://e-disclosure.ru/portal/files.aspx?id=202&type=4> and on the Issuer's website <https://ir.mkb.ru/en/investor-relations/reports/ifrs> .

The list of disclosed information in the consolidated financial statements as of December 31, 2024 and for 2024 is limited on the basis of the decision of the Board of Directors of the Bank of Russia dated December 24, 2024 "On the requirements for disclosure by credit institutions (parent credit institutions of banking groups) of reports and information in 2025", in accordance with paragraph 12 of clause 1 of Resolution of the Government of the Russian Federation No. 1102, paragraph 12 of clause 1 of Resolution of the Government of the Russian Federation No. 1587.

RAS Report

The Issuer's accounting (financial) statements for 2024 are published on the Internet page <https://e-disclosure.ru/portal/files.aspx?id=202&type=3> and on the Issuer's website <https://ir.mkb.ru/en/investor-relations/reports/ras/> .

The list of disclosed information in the Issuer's accounting (financial) statements for 2024 is limited on the basis of the decision of the Board of Directors of the Bank of Russia dated 24.12.2024 "On the requirements for disclosure by credit institutions (parent credit institutions of banking groups) of reports and information in 2025", in accordance with paragraph 12 of clause 1 of Resolution of the Government of the Russian Federation No. 1102 and paragraph 12 of clause 1 of Resolution of the Government of the Russian Federation No. 1587.

List of transactions completed in the reporting year (2024) in which there is an interest

None.

List of major transactions completed in the reporting year (2024)

None.

Report on the Compliance with the Principles and Recommendations of the Corporate Governance Code

This report on compliance with the principles and recommendations of the Corporate Governance Code recommended by the Bank of Russia (in its Letter No. 06-52/2463 dated 10.04.2014 "On the Corporate Governance Code") (the "Code") was reviewed by the Supervisory Board of CREDIT BANK OF MOSCOW (the "Bank") at the meeting held on 23 May 2025 (minutes No.19).

The Supervisory Board confirms that this report contains complete and true information on the company's compliance with the principles and recommendations of the Corporate Governance Code for 2024.

Description of the underlying methodology:

The Bank's compliance was evaluated in accordance with the relevant reporting recommendations (the Bank of Russia's Letter No. IN-06-28/102 dated 27.12.2021). The Bank evaluated compliance with each principle of the Code against the criteria proposed therein, providing justification in case of any partial compliance or non-compliance.

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
1	2	3	4	5
1.1	The company should ensure equal and fair treatment of all its shareholders in the course of exercise by them of their rights to participate in the management of the company.			
1.1.1	The company creates most favourable conditions for its shareholders, enabling them to participate in the general meeting, develop informed positions on its agenda items and provide them with the opportunity to coordinate their actions and express their opinions on the issues discussed.	1. The company provides accessible means to communicate with it, such as a hotline, e-mail or Internet forum, enabling shareholders to express their opinion and propose agenda items in the course of preparations for general meetings. Such communication means were set up by the company and provided to shareholders in the course of preparation for each general meeting held in the reporting period.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
1.1.2	Procedures for giving notice of the general meeting and provision of materials for it enables the shareholders to be properly prepared for participation therein.	1. General meetings were announced in the reporting period on the company's website at least 30 days in advance. 2. Meeting announcements specify the venue and documents required for admission. 3. Shareholders were given access to information as to who proposed agenda items and nominees to the company's board of directors and, if applicable, Audit Panel.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
1.1.3	During the preparation for and holding of the general meeting, the shareholders were able, freely and in a timely manner, to receive information about the meeting and its materials, to pose questions to members of the company's executive bodies and board of directors, and to communicate with each other.	1. In the reporting period, shareholders were given the possibility to ask questions to the company's executives and board members in preparation to and in the course of general meetings. 2. The board of directors' position (including any minuted dissenting opinions) on each item of the agenda of general meetings held in the reporting period was included in the materials for those meetings.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
		3. The company gave duly entitled shareholders access to the lists of persons entitled to participate in each general meeting held in the reporting period from the date such lists became available.		
1.1.4	There were no unjustified difficulties preventing shareholders from exercising their right to demand that a general meeting be convened, nominate candidates to the company's governing bodies, and to table proposals on its agenda.	<p>1. The company's charter allows shareholders to propose agenda items for the annual general meeting within at least the first 60 days after the relevant calendar year.</p> <p>2. The company did not reject any proposals made in the reporting period as regards agenda items or nominees to its governing bodies because of typos or other minor irregularities therein.</p>	<input type="checkbox"/> complied with V partly complied with <input type="checkbox"/> not complied with	<p>The first criterion is not complied with. The Bank's Charter allows the first 30 days of a year for adding items to the agenda of the annual general meeting, in line with art. 53, cl. 1 of the Federal Law "On Joint-Stock Companies". To date, shareholders have never proposed any items of agenda or nominated any candidates to the Supervisory Board.</p> <p>The aforesaid suggests that they are not interested in exercising that right.</p> <p>With the evolution of shareholders' equity and arrival of proposals from shareholders on agenda items and candidates, the Bank will consider reflecting this recommendation in the Charter. The Supervisory Board considered implementing this recommendation from time to time, but decided not to given the Bank's existing practice.</p>
1.1.5	Each shareholder was able to freely exercise their right to vote in the simplest and most convenient way.	1. The company's charter allows for electronic form ballots to be filled out on the website specified in meeting announcements.	<input type="checkbox"/> complied with <input type="checkbox"/> partly complied with V not complied with	The Bank's Charter does not allow for electronic form ballots to be filled out on a website. Shareholders may send ballots to the Bank's mailing address stated in meeting announcements, and exercise their voting rights by giving relevant instructions to the

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
				person recording their titles to shares (a nominee) electronically.
1.1.6	Procedures for holding a general meeting set by the company provide an equal opportunity to all persons present at the general meeting to express their opinions and ask questions.	<p>1. General meetings held in the reporting period as in-person meetings (joint attendance of shareholders) had enough time allocated for reports on and discussion of the agenda items, shareholders were allowed to express their opinions and ask questions.</p> <p>2. The company invited nominees to its governing and control bodies and took all requisite steps to ensure their attendance at the general meeting voting on their candidacies. Nominees to the company's governing and control bodies who were present at general meetings were available for answering shareholders' questions.</p> <p>3. The CEO, the CAO, the Chairman or other members of the Audit Committee were available for answering shareholders' questions at the general meetings held in the reporting period.</p>	<input type="checkbox"/> complied with <input type="checkbox"/> partly complied with V not complied with	<p>All meetings in 2024 were held by way of absentee voting.</p> <p>In respect of the first criterion: shareholders' meetings were held in 2024 by way of absentee voting. Going forward, when preparing in-person General Shareholders' Meetings, this recommendation will be followed.</p> <p>In respect of the second criterion: the annual General Shareholders' Meeting which elected the Supervisory Board and the Audit Panel was held on 25.06.2024 by way of absentee voting pursuant to the Supervisory Board's resolution (minutes No. 09 dated 20.05.2024) and art. 2 of Federal Law No. 25-FZ dated 25.02.2022.</p> <p>Nominees to the Bank's governing and control bodies were not invited as their election was transacted by way of absentee voting. When transacted in person, such nominees will be invited to the meetings.</p> <p>In respect of the third criterion: the Chairman of the Management Board, the Chief Accountant or Audit and Risk Committee members were not invited, as the annual General Shareholders' Meeting was held in 2024 by way of absentee voting. However, shareholders could ask their questions on the meetings'</p>

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
				agenda and materials using the Corporate Secretary's email: cs@mkb.ru. The third criterion will be complied with when holding general shareholders' meetings by way of joint attendance.
		4. In the reporting period, the company used telecommunication means to enable shareholders to participate remotely in general meetings, or the board of directors passed a reasoned decision that it was unnecessary (impossible) to do so.		In respect of the fourth criterion: shareholders' meetings were held in 2024 by way of absentee voting. Going forward, when preparing General Shareholders' Meetings in the form of joint attendance, the Supervisory Board will consider using telecommunication means for remote participation of shareholders.
1.2	Shareholders have an equal and fair opportunity to participate in the company's profits by means of dividends.			
1.2.1	The company has developed and put in place a transparent and clear mechanism for determining the amount of dividends and their payment.	<p>1. The company's dividend policy is approved by the board of directors and disclosed on its website.</p> <p>2. If the company's dividend policy links the size of dividends to its financials, reference is made to its consolidated financials, if applicable.</p> <p>3. The rationale for the proposed distribution of net income, including the dividend/retained earnings proportions, and a judgment on its consistency with the dividend policy, along with explanations and business case for the retained portion of net income were included in the materials for the general meeting which transacted the income distribution issue (including the issue of paying (declaring) dividends) in the reporting period).</p>	<p>V complied with</p> <p><input type="checkbox"/> partly complied with</p> <p><input type="checkbox"/> not complied with</p>	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
1.2.2	The company does not decide to pay dividends, if such decision, without technically violating any statutory restrictions, is economically inappropriate and might send a wrong signal about the company's business.	1. The company's dividend policy sets out, on top of statutory restrictions, financial/economic circumstances in which the company should not decide to pay dividends.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
1.2.3	The company does not allow deterioration of dividend rights of its existing shareholders.	1. The company did not take steps affecting existing shareholder' dividend rights in the reporting period.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
1.2.4	The company seeks to prevent its shareholders from deriving any profit or gain from it other than by way of dividends or distribution of its liquidation value.	1. The company's controlling parties did not derive any profit or gain from it other than by way of dividends (for example, through transfer pricing, inappropriate provision of overpriced services, or internal loans to them and/or their controlled parties in lieu of dividends) in the reporting period.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
1.3	The system and practices of corporate governance ensure equal terms and conditions for all shareholders owning shares of the same class (category) in a company, including minority and foreign shareholders as well as their equal treatment by the company.			
1.3.1	The company has created conditions enabling each shareholder to be treated fairly by its governing bodies and controlling parties, and, in particular, preventing any abuses by major shareholders in respect of minority shareholders.	1. In the reporting period, the company's controlling parties did not abuse their power to shareholders' detriment, there were no conflicts between the former and the latter, or any such conflicts were duly dealt with by the board of directors.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
1.3.2	The company does not perform any acts which will or might result in artificial reallocation of corporate control therein.	1. No quasi-treasury shares exist or participated in voting during the reporting period.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
1.4	The shareholders are provided with reliable and effective means of recording their rights in shares as well as with the opportunity to freely dispose of such shares in a non-onerous manner.			
1.4	The shareholders are provided with reliable and effective means of recording their rights in shares as well as with the opportunity to freely dispose of such shares in a non-onerous manner.	1. The registrar's technologies and terms of service meet the company's and its shareholders' needs, ensuring maximum efficiency in recording their titles to shares and in giving effect to their rights.	<input checked="" type="checkbox"/> V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.1	The board of directors is responsible for the strategic management of the company, determines major principles of and approaches to the creation of the risk management and internal control system within the company, monitors the activity of the company's executive bodies and carries out other key functions.			
2.1.1	The board of directors is responsible for decisions related to the appointment and removal of executive body members, in particular if they fail to perform their duties properly. The board of directors also ensures that the company's executive bodies act in accordance with its approved development strategy and main business goals.	1. The Charter entitles the board of directors to appoint, remove, and fix the terms of contracts with, members of executive bodies. 2. In the reporting period, the nominations (appointment, HR) committee reviewed the adequacy of executives' qualifications, skills and experience to the company's current and expected needs under its approved strategy. 3. In the reporting period, the board of directors reviewed the report(s) of the CEO and the collective executive body (if any) on implementation of the company's strategy.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> V partly complied with <input type="checkbox"/> not complied with	The third criterion is not complied with. In the reporting period, the Supervisory Board reviewed no report(s) of the CEO and the collective executive body on implementation of the company's strategy. Since the development strategy 2023-2029 was approved by the Board in late 2023, its implementation was to be reviewed in April 2025, based on the Bank's annual reporting for 2024.
2.1.2	The board of directors establishes basic long-term targets of the company's activity, evaluates and approves its key performance indicators and principal business goals, and evaluates and approves its strategy and business plans in respect of its principal areas at operations.	1. During the reporting period, the board of directors reviewed the implementation and updating of the company's strategy, approved its business plan (budget) and reviewed criteria and indicators (including those of an interim nature) pertaining to their implementation.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> V partly complied with <input type="checkbox"/> not complied with	The board did not review the strategy implementation or updating or any related criteria and indicators. In 2024 the Board reviewed a strategy update only in respect of sustainable development; and quarterly reviewed budget execution. Since the development strategy 2023-2029 was approved by the

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
				Board in late 2023, its implementation was to be reviewed in April 2025, based on the Bank's annual reporting for 2024.
2.1.3	The board of directors defines principles of and approaches to arranging a risk management system and internal controls in the company.	1. Principles of and approaches to arranging a risk management system and internal controls in the company have been defined by the board of directors and set out in its relevant bylaws. 2. In the reporting period, the board of directors approved (revised), or the audit and/or risk committee (if any) considered submitting to it the issue of revising, the company's risk appetite.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.1.4	The board of directors determines the company's policy on remuneration and/or reimbursement (compensation) of its board members, executives and other key managers.	1. The company has developed and put in place a board-approved policy on remuneration and/or reimbursement (compensation) of its board members, executives and other key managers. 2. The board of directors reviewed issues related to the said policy(ies) during the reporting period.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.1.5	The board of directors plays a key role in prevention, detection and resolution of internal conflicts between the company's bodies, shareholders and employees.	1. The board of directors plays a key role in prevention, detection and resolution of internal conflicts. 2. The company has set up a system to identify transactions involving a conflict of interest, and a system of measures designed to resolve such conflicts.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.1.6	The board of directors plays a key role in ensuring that the company is transparent, discloses information in full and in due time, and provides its shareholders with unhindered access to its documents.	1. The company's bylaws designate officers responsible for implementation of its information policy.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
2.1.7	The board of directors monitors the company's corporate governance practices and plays a key role in its material corporate events.	1. The board of directors reviewed the results of self-appraisal and/or of external appraisal of the company's corporate governance practices during the reporting period.	<input checked="" type="checkbox"/> V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.2	The board of directors is accountable to the company's shareholders.			
2.2.1	Information about the work of the board of directors is disclosed and provided to the shareholders.	1. The company's latest annual report discloses individual directors' attendance of board and committee meetings. 2. The annual report discloses key results of (self-)appraisal of the board's performance made in the reporting period.	<input checked="" type="checkbox"/> complied with <input checked="" type="checkbox"/> V partly complied with <input type="checkbox"/> not complied with	The first criterion is not complied with. Such attendance is included in the Bank's annual report, but is omitted in its online version pursuant to the Russian Government's Decrees No. 1102 dated 04.07.2023 and No. 586 dated 05.04.2022. Yet, the Bank's shareholders had access to its annual report in its office in preparation for the annual general meeting in 2025. Article 91 of the Federal Law "On Joint-Stock Companies" entitles the Bank's shareholders to access its annual report. As soon as the restrictive measures against the Bank are lifted and/or the exemptions granted by the Russian government cease to apply, the information will be disclosed in full on the Bank's website.
2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders.	1. The company has a transparent procedure enabling shareholders to communicate with and get feedback from the chairman of the board of directors (and, if applicable, senior independent director).	<input checked="" type="checkbox"/> V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.3	The board of directors is an efficient and professional governing body of the company which is able to make objective and independent judgments and pass resolutions in the best interests of the company and its shareholders.			

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
2.3.1	Only persons with impeccable business credentials and a personal reputation, who have the knowledge, skills, and experience necessary to make decisions that fall within their competence and perform their functions efficiently are elected to the board of directors.	1. The board of directors (or its nominations committee) appraised board nominees in the reporting period in terms of their experience, knowledge, business reputation, potential conflicts of interest, etc.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.3.2	Board members are elected pursuant to a transparent procedure enabling the shareholders to obtain information about respective candidates sufficient for them to get an idea of the candidates' personal and professional qualities.	1. All general meetings held in the reporting period with board election on agenda, were provided by the company with CVs of all board nominees, results of the board of directors' (or its nominations committee's) appraisal of the adequacy of their professional qualification, experience and skills to the company's current and expected needs, and information on whether they meet the independence criteria as per recommendations 102 – 107 of the Code and whether they have given written consents to their election to the board of directors.	<input type="checkbox"/> complied with V partly complied with <input type="checkbox"/> not complied with	Such CVs were only provided at the Bank's premises at the address stated in the notice of General Shareholders' Meeting, pursuant to the Russian Government's Decrees No. 1102 dated 04.07.2023 and No. 586 dated 05.04.2022. As soon as the restrictive measures against the Bank are lifted and/or the exemptions granted by the Russian government cease to apply, the Bank will continue to disclose this information to shareholders on its website.
2.3.3	The composition of the board of directors is balanced, in particular, in terms of the qualifications, experience, expertise and business skills of its members. The board of directors enjoys the confidence of the shareholders.	1. In the reporting period, the board of directors reviewed its needs in terms of professional qualifications, experience and skills and identified the competences it needs in the short term and in the long term.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.3.4	Membership of the company board of directors enables the board to organise its activities in a most efficient way, in particular, to create committees of the board of directors, and it enables substantial minority shareholders of the company to elect a nominee to the board of directors for whom they would vote.	1. In the reporting period, the board of directors reviewed the adequacy of its size for the company's needs and shareholders' interests.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
2.4	The board of directors includes a sufficient number of independent directors			
2.4.1	An independent director means any person who has the necessary professional skills and expertise and who is sufficiently able to have his/her own position and make objective and bona fide judgments, free from the influence of the company's executive bodies, any individual group of its shareholders or other stakeholders. It should be noted that, under normal circumstances, a candidate (or an elected director) may not be deemed to be independent, if he/she is associated with the company, any of its substantial shareholders, material trading partners or competitors, or the government.	1. During the reporting period, all independent board members met all of the independence criteria as per recommendations 102 – 107 of the Code, or were qualified as such by board resolution.	<input type="checkbox"/> complied with <input type="checkbox"/> partly complied with V not complied with	The Board has no independent directors. Once any such directors are elected, this criterion will be complied with. Currently, the Bank is exempted by the Bank of Russia ¹⁰⁵ from having independent directors on its Board until the annual shareholder meeting in 2025, because it is a target of restrictive measures. However, given the Bank of Russia's recommendations to public companies ¹⁰⁶ , the Bank does its best to ensure it will have independent directors on its Board.
2.4.2	The company evaluates whether its board nominees meet the independence criteria and reviews, on a regular basis, whether or not independent board members meet the independence criteria. When carrying out such evaluation, substance takes precedence over form.	1. In the reporting period, the board of directors (or its nominations committee) made an opinion on the independence of each board nominee and made it known to shareholders. 2. The board of directors (or its nominations committee) evaluated the incumbent board members' independence (after their election) at least once in the reporting period. 3. The company has put in place procedures to be followed by any board member who ceases to be independent, including the duty to notify the board of directors thereof in a prompt manner.	<input type="checkbox"/> complied with V partly complied with <input type="checkbox"/> not complied with	The second criterion is not complied with. Such evaluation did not take place, because no independent directors were elected at the annual General Shareholders' Meeting in 2023-2024. Once any such directors are elected, this issue will be submitted for review. Currently, the Bank is exempted by the Bank of Russia ¹⁰⁷ from having independent directors on its Board until the annual shareholder meeting in 2024, because it is a target of restrictive measures. However, given the Bank of Russia's

¹⁰⁵Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

¹⁰⁶ Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

¹⁰⁷Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
				recommendations to public companies ¹⁰⁸ , the Bank does its best to ensure it will have independent directors on its Board.
2.4.3	Independent directors account for at least one-third of all directors elected to the board.	1. Independent directors account for at least one-third of board membership	<input type="checkbox"/> complied with <input type="checkbox"/> partly complied with <input checked="" type="checkbox"/> not complied with	No independent directors were elected at the annual General Shareholders' Meeting in 2024. Currently, the Bank is exempted by the Bank of Russia ¹⁰⁹ from having independent directors on its Board until the annual shareholder meeting in 2025, because it is a target of restrictive measures. However, given the Bank of Russia's recommendations to public companies ¹¹⁰ , the Bank does its best to ensure it will have independent directors on its Board.
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and performance by the latter of material corporate actions.	1. Independent directors (who had no conflict of interest) pre-examined material corporate actions involving a potential conflict of interest, and reported the results to the board of directors.	<input type="checkbox"/> complied with <input type="checkbox"/> partly complied with <input checked="" type="checkbox"/> not complied with	No independent directors were elected at the annual General Shareholders' Meeting in 2024. Currently, the Bank is exempted by the Bank of Russia ¹¹¹ from having independent directors on its Board until the annual shareholder meeting in 2025, because it is a target of restrictive measures. However, given the Bank of Russia's recommendations to public companies ¹¹² , the Bank does its

¹⁰⁸ Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

¹⁰⁹Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

¹¹⁰ Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

¹¹¹Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

¹¹² Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
				best to ensure it will have independent directors on its Board.
2.5	The chairman of the board of directors helps it perform the functions imposed thereon in a most efficient manner.			
2.5.1	The board of directors is chaired by an independent director, or one of the elected independent directors is designated as the senior independent director to coordinate their work and liaise with the chairman of the board of directors.	1. The board of directors is chaired by an independent director, or one of the independent directors is designated as the senior independent director. 2. The role, powers and responsibilities of the chairman of the board of directors (and, if applicable, the senior independent director) are duly set out in the company's bylaws.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	The first criterion is not complied with. The Board is not chaired by an independent director and the senior independent director is not elected, as no independent directors were elected at the annual shareholders' meeting in 2024. Currently, the Bank is exempted by the Bank of Russia ¹¹³ from having independent directors on its Board until the annual shareholder meeting in 2025, because it is a target of restrictive measures. However, given the Bank of Russia's recommendations to public companies ¹¹⁴ , the Bank does its best to ensure it will have independent directors on its Board.
2.5.2	The board chairman ensures that board meetings are held in a constructive atmosphere and that any items on the meeting agenda are discussed freely. The chairman also monitors fulfilment of decisions made by the board of directors.	1. Performance of the chairman of the board of directors was appraised as part of the board performance (self-) appraisal procedure during the reporting period.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.5.3	The chairman of the board of directors takes any and all measures as may be required to provide the board members in a timely fashion with information required to make decisions on agenda items.	1. The company's bylaws set out the board chairman's duty to take measures to ensure board members are provided with complete and true information on agenda items of board meetings in a timely manner.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

¹¹³Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

¹¹⁴Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
2.6	Board members act reasonably and in good faith in the best interests of the company and its shareholders, being sufficiently informed, with due care and diligence.			
2.6.1	Board members make decisions considering all available information, in the absence of a conflict of interest, treating shareholders of the company equally and assuming normal business risks.	1. The company's bylaws require board members to notify the board of directors if they have a conflict of interest in respect of any board or committee meeting's agenda item before that item is taken up. 2. The company's bylaws require that board members do not vote on any issue in which they have a conflict of interest. 3. The company has a procedure allowing the board of directors to seek professional advice on issues within its competence at the company's expense.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.6.2	Rights and duties of board members are clearly stated and documented in the company's bylaws.	1. The company has adopted and published a bylaw clearly stating board members' rights and duties.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.6.3	Board members have sufficient time to perform their duties.	1. Individual attendance of, and time committed for, board and committee meetings were analysed in the course of board performance (self-)appraisal in the reporting period. 2. The company's bylaws require board members to notify the board of directors of their intention to serve in governing bodies of other entities (save for the company's controlled entities) and of any such appointment.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.6.4	All board members have equal opportunities to access the company's documents and information. Newly elected board members are provided with	1. The company's bylaws entitle board members to get information and documents, on a need-to-know basis, concerning it and its controlled entities, and its executive	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
	sufficient information about the company and work of its board of directors as soon as practicable.	bodies must ensure the same is provided to them. 2. The company has a formalised on-boarding programme for newly elected board members.		
2.7	Meetings of the board of directors, preparation for them, and participation of board members therein ensure the efficient work of the board.			
2.7.1	Meetings of the board of directors are held as needed, with due account for the company's scope of activities and its then current goals.	1. The board of directors met at least six times in the reporting year.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.7.2	A procedure for preparing for and holding meetings of the board of directors is set out in the company's bylaws. It enables the shareholders to get properly prepared for such meetings.	1. The company approved a bylaw setting out the procedure for preparing and holding board meetings, requiring, inter alia, at least five days' notice of any meeting, as a general rule. 2. Board members absent from the board meeting venue in the reporting period were allowed to participate in discussing the agenda and in voting remotely – by way of (video) conference calls.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.7.3	The form of a board meeting is chosen depending on the importance of items on its agenda. The most important issues are decided at in-person meetings.	1. The company's charter or bylaws require that the most important issues (including those listed in recommendation 168 of the Code) are reviewed at in-person board meetings.	<input type="checkbox"/> complied with V partly complied with <input type="checkbox"/> not complied with	The issues recommended by the Code to be reviewed at in-person meetings are not always reviewed so. Board members always signal if an issue requires in-person review or oral comments, in which case meetings are promptly set up with the Bank's management. Clause 3.2.5 of the Bank's Corporate Governance Code recommends to transact the aforesaid issues in person.

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
				The Board believes that such arrangement fully ensures prompt decision-making and reinforces the Bank's competitiveness.
2.7.4	Decisions on most important issues relating to the company's business are made at a board meeting by a qualified majority vote or by a majority vote of all elected board members.	1. The company's charter requires that the most important issues, including those listed in recommendation 170 of the Code, be decided at board meetings by a qualified majority of at least 3/4 of votes, or by a majority vote of all elected board members.	<input type="checkbox"/> complied with <input type="checkbox"/> partly complied with <input checked="" type="checkbox"/> not complied with	The principle is not complied with. However, the Bank makes sure all of its elected directors participate in Supervisory Board meetings and, in 2024, the most important issues were decided by a majority vote of all elected board members. The Supervisory Board considered amending the Charter accordingly but decided not to do so.
2.8	The board of directors forms committees for preliminary consideration of the most important issues of the company's business.			
2.8.1	An audit committee comprised of independent directors was set up to pre-consider any matters of control over the company's financial and business activities.	1. The board of directors set up an audit committee comprised exclusively of independent directors. 2. The company's bylaws set out the audit committee's tasks, including those listed in recommendation 172 of the Code. 3. At least one audit committee member is an independent director, experienced and knowledgeable in preparing, analysing, reviewing and auditing financial statements. 4. The audit committee met at least once per quarter during the reporting period.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	The first and third criteria are not complied with: In respect of the first criterion: as at 31.12.2024, the Audit and Risk Committee had no independent directors, as none were elected at the annual General Shareholders' Meeting in 2024. Currently, the Bank is exempted by the Bank of Russia ¹¹⁵ from having independent directors on its Board until the annual shareholder meeting in 2025, because it is a target of restrictive measures. However, given the Bank of Russia's recommendations to public companies ¹¹⁶ , the Bank does

¹¹⁵Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

¹¹⁶Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
				its best to ensure it will have independent directors on its Board. In respect of the third criterion: all of the Audit and Risk Committee members are experienced and knowledgeable in preparing, analysing, reviewing and auditing financial statements. But the criterion is not fully complied with, as the Supervisory Board has no independent directors.
2.8.2	A remuneration committee comprised of independent directors and chaired by an independent director who is not the board chairman was set up to pre-consider any matters concerning the development of effective and transparent remuneration practices.	1. The board of directors set up a remuneration committee comprised exclusively of independent directors. 2. The remuneration committee is chaired by an independent director who is not the chairman of the board. 3. The company's bylaws set out the remuneration committee's tasks, including those listed in recommendation 180 of the Code, and the conditions (events) in which the remuneration committee considers revising the company's remuneration policy for board members, executives and other key officers.	<input type="checkbox"/> complied with V partly complied with <input type="checkbox"/> not complied with	The first and second criteria are not complied with: As at 31.12.2024, the Compensation, Corporate Governance and Nominations Committee had no independent directors, as none were elected at the annual General Shareholders' Meeting in 2024. Currently, the Bank is exempted by the Bank of Russia ¹¹⁷ from having independent directors on its Board until the annual shareholder meeting in 2025, because it is a target of restrictive measures. However, given the Bank of Russia's recommendations to public companies ¹¹⁸ , the Bank does its best to ensure it will have independent directors on its Board.
2.8.3	A nomination (appointments, HR) committee, composed mostly of independent directors, was set up to pre-	1. The board of directors set up a nomination committee (or its tasks listed in recommendation 186 of the Code are carried	<input type="checkbox"/> complied with V partly complied with	The first criterion is not complied with, and the third criterion is partially complied with.

¹¹⁷Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

¹¹⁸Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
	consider any matters relating to HR planning (succession planning), the professional mix and efficiency of the board of directors.	out by another committee*), comprised mostly of independent directors. 2. The company's bylaws set out the nomination (or substitute) committee's tasks, including those listed in recommendation 186 of the Code. 3. In order to form a board of directors matching most fully the company's goals and challenges, the nominations committee, on its own or jointly with other board committees or the IR subdivision, arranged communications in the reporting period with shareholders (not only the largest ones) in the context of picking up board nominees.	<input type="checkbox"/> not complied with	In respect of the first criterion: as at 31.12.2024, the Compensation, Corporate Governance and Nominations Committee (the "Committee") had no independent directors, as none were elected at the annual General Shareholders' Meeting in 2024. Currently, the Bank is exempted by the Bank of Russia ¹¹⁹ from having independent directors on its Board until the annual shareholder meeting in 2025, because it is a target of restrictive measures. However, given the Bank of Russia's recommendations to public companies ¹²⁰ , the Bank does its best to ensure it will have independent directors on its Board. In respect of the third criterion: this was not arranged. But during the reporting period, shareholders could exercise their nomination rights within the first thirty days thereof.
2.8.4	Taking account of its scope of activities and levels of related risks, the company's board of directors checked that its committees' membership is fully consistent with its tasks and the company's business goals. Additional committees were either formed or considered unnecessary (strategy committee, corporate governance committee, ethics committee, risk	1. In the reporting period, the board of directors reviewed its committees' structure for consistency with the company's business scale, nature and goals, and its risk profile. Additional committees were either formed or considered unnecessary.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

¹¹⁹Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

¹²⁰ Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
	management committee, budget committee, health, safety and environment committee etc.).			
2.8.5	The composition of the committees is determined in such a way as to allow a comprehensive discussion of issues being considered on a preliminary basis with due account given to differing opinions.	1. The audit, remuneration, and nominations committees (or equivalent combined committee) were chaired by independent directors in the reporting period. 2. The company's bylaws (policies) limit non-member attendance of audit, nomination and remuneration (or equivalent) committee meetings to those invited by the chairman of the relevant committee.	<input type="checkbox"/> complied with V partly complied with <input type="checkbox"/> not complied with	The first criterion is not complied with. As at 31.12.2024, the Compensation, Corporate Governance and Nominations Committee and the Audit and Risk Committee had no independent directors, as none were elected at the annual General Shareholders' Meeting in 2024. Currently, the Bank is exempted by the Bank of Russia ¹²¹ from having independent directors on its Board until the annual shareholder meeting in 2025, because it is a target of restrictive measures. However, given the Bank of Russia's recommendations to public companies ¹²² , the Bank does its best to ensure it will have independent directors on its Board.
2.8.6	The chairmen of the committees regularly inform the board of directors and its chairman of the work of their committees.	1. The chairmen of the committees reported to the board of directors on the work of their committees on a regular basis during the reporting period.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
2.9	The board of directors ensures evaluation of the quality of its work and that of its committees and board members.			
2.9.1	Appraisal of the board of directors' performance is aimed at determining how effectively the board of directors, its	1. The company's bylaws set out board performance (self-) appraisal procedures.	<input type="checkbox"/> complied with V partly complied with	Second criterion is partly complied with.

¹²¹Resolution of the Bank of Russia's Board of Directors dated 16.02.2024 "On Requirements to Trading Facilities".

¹²² Bank of Russia's Information Letter No. IN-02-28/5 dated 17.01.2023 "On Forming the Boards of Directors (Supervisory Boards) in Public Joint-Stock Companies".

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
	committees and board members work and whether their work meets the company's needs, at making their work more intensive and identifying areas for improvement.	2. The board performance (self-) appraisal made in the reporting period included performance appraisal of the committees, individual board members and the board as a whole. 3. Results of the board performance (self-) appraisal made during the reporting period were reviewed at an in-person board meeting.	<input type="checkbox"/> not complied with	No performance appraisal of individual directors was made in the reporting period, as the Supervisory Board did not decide to do so. If the Supervisory Board decides so, such appraisal will be made in future.
2.9.2	Performance of the board of directors, its committees and board members is appraised on a regular basis, at least once a year. To conduct an independent performance appraisal of the board of directors' work, an outside organisation (consultant) is engaged on a regular basis, at least once every three years.	1. The company engaged an outside organisation (consultant) to conduct an independent performance appraisal of the board of directors at least once in the last three reporting periods.	<input type="checkbox"/> complied with <input type="checkbox"/> partly complied with V not complied with	The principle is not complied with. No outside organisation (consultant) was engaged in the reporting period, as the Supervisory Board did not decide to do so. If the Supervisory Board decides so, such organisation (consultant) will be engaged in future.
3.1	The company's Corporate Secretary is responsible for efficient interaction with the shareholders, coordination of the company's actions designed to protect the rights and interests of its shareholders, and support of effective work of its board of directors.			
3.1.1	The corporate secretary has the knowledge, experience, and qualifications sufficient for performance of his/her duties, as well as an impeccable reputation and enjoys the trust of the shareholders.	1. The company's website and annual report discloses the corporate secretary's background details (including the age, education, qualification, experience), and the positions held in governing bodies of other entities within at least the last five years.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
3.1.2	The corporate secretary is sufficiently independent of the company's executive bodies and is vested with powers and resources required to perform his/her tasks.	1. The company has adopted and disclosed a corporate secretary regulation. 2. The board of directors approves the corporate secretary's candidacy, removal and bonuses. 3. The company's bylaws entitle the corporate secretary to request and obtain company documents and information from	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
		its management bodies, subdivisions and officers.		
4.1	The company pays such remuneration that is sufficient to attract, motivate and retain persons having the required skills and qualifications. The company's directors, executives and other key managers are remunerated in accordance with an approved remuneration policy.			
4.1.1	The company remunerates its directors, executives and other key managers sufficiently to motivate them to work effectively and to attract and retain knowledgeable, skilled and duly qualified persons. The company avoids paying them more than necessary or unreasonably more than it pays to its staff.	1. The remuneration of board members, executives and other key officers reflects benchmark levels.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
4.1.2	The company's remuneration policy was developed by its remuneration committee and approved by the board of directors. With the aid of its remuneration committee, the board of directors monitors the company's implementation of and compliance with the remuneration policy and, where necessary, reviews and amends the same.	1. During the reporting period, the remuneration committee reviewed the remuneration policy(ies) and/or its (their) application in practice, evaluated their effectiveness and transparency, and, where necessary, recommended the board of directors to revise the policy(ies) accordingly.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
4.1.3	The company's remuneration policy provides for transparent mechanisms to be used to determine the amounts payable to board members, executives and other key managers of the company, and regulates any and all types of payments, benefits and privileges provided to any of the above persons.	1. The company's remuneration policy(ies) provide(s) for transparent mechanisms to be used to determine the amounts payable to board members, executives and other key managers of the company, and regulates any and all types of payments, benefits and privileges provided to any of the above persons.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
4.1.4	The company has developed a reimbursement policy listing reimbursable expenses and specifying service levels	1. The company's remuneration policy(ies) or other bylaws set out rules for reimbursement of expenses incurred by its	V complied with <input type="checkbox"/> partly complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
	provided to its directors, executives and other key managers. Such policy may form part of the company's compensation policy.	directors, executives and other key managers.	<input type="checkbox"/> not complied with	
4.2	The board remuneration system ensures harmonisation of the directors' financial interests with the shareholders' long-term financial interests.			
4.2.1	The company pays fixed annual remuneration to its directors. The company does not pay remuneration for attending specific board or committee meetings. The company does not use short-term incentives or bonus payments in respect of its directors.	1. The company paid remuneration to board members in the reporting period in line with its remuneration policy. 2. In the reporting period, the company did not grant to board members any short-term motivation forms or additional financial incentives linked to its performance. The company does not pay remuneration for attending specific board or committee meetings.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
4.2.2	Long-term holding of shares in the company is the best way to align board members' financial interests with the long-term interests of the company's shareholders. However, the company should not make the right to sell shares conditional upon achievement of certain performance targets, and board members do not participate in any option programmes.	1. If the company's remuneration policy entitles board members to shares in the company, their holding of such shares must be regulated and encouraged to be long-term by clear and disclosed rules.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
4.2.3	The company is not bound to pay any additional allowance or compensation in the event of early dismissal of board members upon a change of control over the company or in any other circumstances.	1. The company is not bound to pay any additional allowance or compensation in the event of early dismissal of board members upon a change of control over the company or in any other circumstances.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
4.3	The company's executive remuneration system links executives' remuneration to performance and their personal contributions thereto.			

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
4.3.1	Remuneration of the company's executives and other key managers is structured so as to ensure a reasonable and justified ratio between its fixed portion and its variable portion that is dependent on the company's performance and personal contributions thereto.	<p>1. During the reporting period, annual performance indicators approved by the board of directors were used to determine the variable portion of remuneration of the company's executives and other key managers.</p> <p>2. In the course of the last appraisal of the company's executive remuneration system, the board of directors (remuneration committee) made sure the company uses an appropriate ratio of the fixed and variable portions of remuneration.</p>	<p>V complied with</p> <p><input type="checkbox"/> partly complied with</p> <p><input type="checkbox"/> not complied with</p>	
		3. Remuneration payable to executives and other key officers is tied to risks taken by the company, in order to discourage too risky managerial decisions		
4.3.2	The company has put in place a long-term incentive programme for executives and other key managers linked to its shares (options or other derivatives based on its shares).	1. If the company has put in place a long-term incentive programme for executives and other key officers linked to its shares (derivatives based thereon), such programme has a three-year lock-up period. The right to sell them is subject to achievement of certain performance targets.	<p>V complied with</p> <p><input type="checkbox"/> partly complied with</p> <p><input type="checkbox"/> not complied with</p>	
4.3.3	Any golden parachutes paid by the company to its executives or key managers, whose powers it terminates early at the company's own initiative and with no bad faith on the part of such executives and key managers, do not exceed twice the fixed portion of their annual remuneration.	1. Any golden parachutes paid by the company in the reporting period to its executives or key managers, whose powers it terminates early at the company's own initiative and with no bad faith on the part of such executives and key managers did not exceed two times the fixed portion of their annual remuneration.	<p>V complied with</p> <p><input type="checkbox"/> partly complied with</p> <p><input type="checkbox"/> not complied with</p>	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
5.1	The company has in place an efficient risk management and internal control system designed to provide reasonable confidence that its goals will be achieved.			
5.1.1	The company's board of directors has defined principles of and approaches to arranging a risk management system and internal controls in the company.	1. Responsibilities of the company's governing bodies and subdivisions in respect of its risk management and internal control system are clearly defined in its bylaws/policy approved by the board of directors.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
5.1.2	The company's executive bodies ensure the establishment and continuing operation of an efficient risk management and internal control system in the company.	1. The company's executive bodies distributed risk management and internal control duties, authority and responsibilities among their subordinate subdivision/unit managers (heads).	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
5.1.3	The company's risk management and internal control system makes it possible to obtain an objective, fair and clear view of its current condition and prospects, integrity and transparency of its accounts and reports, and the reasonableness and acceptability of the risks it assumes.	1. The company has an approved anti-corruption policy. 2. The company has set up a secure, confidential and accessible channel (hotline) for informing the board of directors or its audit committee of any infractions of laws, the company's internal procedures or its code of ethics.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
5.1.4	The board of directors takes the necessary measures to ensure that the company's existing risk management and internal control system is consistent with the organisational principles and approaches set forth by the board and that it operates efficiently.	1. The board of directors (audit committee and/or the risk committee (if any)) organised an appraisal of the risk management and internal control system's reliability and effectiveness during the reporting period.. 2. The board of directors reviewed the results of the appraisal of the risk management and internal control system's reliability and effectiveness in the reporting period, and the results of such review are disclosed in the company's annual report	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
5.2	The company arranges for internal audits to independently appraise, on a regular basis, the reliability and efficiency of its risk management and internal control system and corporate governance practices.			
5.2.1	To ensure internal audits, the company set up a separate subdivision or engaged an independent external entity. The functional accountability of the internal audit subdivision is delimited from its administrative accountability. The internal audit subdivision is functionally accountable to the board of directors.	1. To ensure internal audits, the company has set up a separate internal audit subdivision, functionally accountable to the board of directors, or engaged a similarly accountable independent external entity.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
5.2.2	The internal audit subdivision appraises the risk management and internal control system's reliability and effectiveness, evaluates the corporate governance, and applies generally accepted internal audit standards	1. Internal audit appraised the internal control and risk management system's reliability and effectiveness in the reporting period. 2. Internal audit evaluated corporate governance practice (in part or in whole), including communication procedures (related to internal control and risk management or not) at all management levels, and interaction with stakeholders in the reporting period.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
6.1	The company and its activities are transparent to its shareholders, investors, and other stakeholders.			
6.1.1	The company developed and implemented an information policy enabling it to efficiently exchange information with its shareholders, investors and other stakeholders.	1. The company's board of directors approved its information policy aligned with recommendations of the Code. 2. The board of directors (or one of its committees) considered during the reporting period whether the company's communications with shareholders, investors and other stakeholders were efficient and whether to revise its information policy.	complied with V partly complied with <input type="checkbox"/> not complied with	The second criterion is not complied with. This was not reviewed in 2024, but the Board will consider revising the Bank's Information Policy in 2025.

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
6.1.2	The company discloses its corporate governance system and practices, including detailed information on its compliance with the principles and recommendations of the Code.	<p>1. The company discloses its corporate governance system and basic principles on its website and otherwise.</p> <p>2. The company discloses the membership of its executive bodies and board of directors, specifying which directors are independent and on which board committee they serve (as defined in the Code).</p> <p>3. If it has a controlling party, the company publishes such party's memorandum of intentions regarding the company's corporate governance.</p>	<input type="checkbox"/> complied with V partly complied with <input type="checkbox"/> not complied with	<p>The second criterion is not complied with.</p> <p>In respect of the second criterion: The Bank did not disclose the membership of its executive bodies and Supervisory Board, specifying which directors are independent and on which board committee they serve, pursuant to the Russian Government's Decrees No. 1102 dated 04.07.2023 and No. 586 dated 05.04.2022.</p> <p>As soon as the restrictive measures against the Bank are lifted and/or the exemptions granted by the Russian government cease to apply, the information will be disclosed in full on the Bank's website.</p>
6.2	The company discloses, on a timely basis, full, up-to-date and reliable information about itself so as to enable its shareholders and investors to make informed decisions.			
6.2.1	The company discloses information in accordance with the principles of regularity, consistency and timeliness, accessibility, reliability, completeness and comparability of disclosed data.	<p>1. The company has defined a procedure ensuring coordination among all its subdivisions and employees whose work is related to or may require disclosures.</p> <p>2. If the company's securities are traded in foreign organised markets, material information was disclosed in Russia and in such markets simultaneously and equivalently during the reporting year.</p> <p>3. In case of a material foreign equity interest in the company, disclosures were made during the reporting year not only in Russian, but also in one of the most widespread foreign languages.</p>	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
6.2.2	The company avoids using a formalistic disclosure approach and discloses material information about its activities, even if such disclosure is not required by law.	<p>1. The company's information policy defines approaches to the disclosure of other price-sensitive events (actions) which are not required by law to be disclosed.</p> <p>2. The company discloses its capital structure in full in its annual report and on its website in line with recommendation 290 of the Code.</p> <p>3. The company discloses information about its material controlled entities, including their key business areas, accountability mechanisms, and its board's powers as to steering their strategy and appraising their performance.</p>	<p><input type="checkbox"/> complied with</p> <p>V partly complied with</p> <p><input type="checkbox"/> not complied with</p>	<p>The first, second and third criteria are not complied with.</p> <p>In respect of the first criterion: Partially complied with as the information policy does not specify any such other price-sensitive events (actions).</p> <p>In respect of the second and third criteria: The Bank's capital structure and controlled entities were not disclosed in the reporting period pursuant to the Russian Government's Decree No. 1102 dated 04.07.2023 and the Russian Government's Decree No. 586 dated 05.04.2022.</p> <p>As soon as the restrictive measures against the Bank are lifted and/or the exemptions granted by the Russian government cease to apply, the information will be disclosed in full on the Bank's website.</p>
		4. The company discloses a non-financial report – sustainability, environmental, corporate social responsibility or other report covering non-financial matters, including factors related to the environment (including ecological and climate change factors), the society (social factors) and corporate governance, other than the emission securities issuer report and the annual report of a joint-stock company.		
6.2.3	The company's annual report, one of the most important tools of its information exchange with shareholders and other stakeholders, contains information	1. The company's annual report presents the audit committee's appraisal of the external and internal audit process.	<p>V complied with</p> <p><input type="checkbox"/> partly complied with</p>	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
	making facilitating appraisal of its annual performance results.	2. The company's annual report presents its environmental and social policy.	<input type="checkbox"/> not complied with	
6.3	The company provides any information or documents requested by its shareholders in accordance with the principle of equal and unhindered accessibility.			
6.3.1	Shareholders may access company documents and information without improper obstacles.	1. The company's information policy (equivalent bylaws) sets out a non-onerous way of giving access to its information and documents upon shareholders' request. 2. The company's information policy (equivalent bylaws) requires it to use its best efforts to get information about its controlled entities requested by its shareholders.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
6.3.2	When providing information to its shareholders, the company maintains a reasonable balance between individual shareholders' interests and its own need to keep confidential sensitive business information that might have a material impact on its competitiveness.	1. The company did not unreasonably deny shareholders' information requests during the reporting period. 2. Where so required by the company's information policy, shareholders are notified that certain information is confidential and acknowledge the duty of confidentiality in its respect.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
7.1	Any actions that will or may materially affect the company's share capital structure and financial position and, accordingly, the position of its shareholders ("material corporate actions") are taken on fair terms and conditions ensuring that the rights and interests of the shareholders as well as other stakeholders are observed.			
7.1.1	Material corporate actions are deemed to include reorganisation of the company, acquisition of 30 or more percent of its voting shares (takeover), its entry into any material transactions, increasing or decreasing its share capital, listing and delisting of its shares, as well as other actions that may be expected to materially change the rights of its shareholders or infringe on their interests.	1. The company's charter lists (the criteria of) transactions or other acts constituting material corporate actions. The company's charter requires board approval for material corporate actions. Where such corporate actions are expressly reserved by law to the general meeting, the board of directors gives shareholders appropriate recommendations.	V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
	The company's charter lists (or gives criteria of) transactions or other acts that constitute material corporate actions and as such require approval by its board of directors.			
7.1.2	The board of directors plays a key role in passing resolutions or making recommendations relating to material corporate actions; for that purpose, it relies on opinions of the company's independent directors.	1. The company has a procedure allowing independent directors to express their positions in respect of material corporate actions before they are approved.	<input checked="" type="checkbox"/> V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
7.1.3	When making any material corporate actions affecting shareholders' rights or lawful interests, all of them are treated equally; if statutory shareholder protection mechanisms prove to be insufficient to that end, additional measures are taken to protect their rights and lawful interests. In doing so, the company goes beyond formal legal compliance and follows the corporate governance principles set out in the Code.	1. The company's charter requires board approval, with due regard to its business realities, for more transactions of material importance than the law does. 2. During the reporting period, all material corporate actions received prior approval.	<input checked="" type="checkbox"/> V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
7.2	The company has in place such a procedure for taking material corporate actions as would enable its shareholders to become fully and timely informed about them and influence them, and as would also guarantee that their rights are observed and duly protected in the course of such actions			
7.2.1	When disclosing material corporate actions, the company explains their reasons, conditions and consequences.	1. The company disclosed any material corporate actions made during the reporting period in due time and in detail, including their reasons, terms and consequences for shareholders.	<input checked="" type="checkbox"/> V complied with <input type="checkbox"/> partly complied with <input type="checkbox"/> not complied with	
7.2.2	The company's bylaws set out rules and procedures for material corporate actions.	1. The company's bylaws set out the events and procedure for engaging an appraiser to	<input type="checkbox"/> complied with	The principle is not complied with. All of these criteria are set forth in Russian laws and are therefore

No.	Corporate governance principles	Compliance criteria	Status of compliance	Explanation of non-compliance
		<p>evaluate the underlying assets in a major or interested party transaction.</p> <p>2. The company's bylaws set out a procedure for engaging an appraiser to evaluate its shares to be acquired or bought back.</p> <p>3. The company's bylaws disfranchise its directors, CEO, other executives, controlling party or any party having the power to give it binding instructions when approving a transaction in which they are not formally interested, but which creates a conflict of interest for them or otherwise involves their actual interest.</p>	<p><input type="checkbox"/> partly complied with</p> <p>V not complied with</p>	<p>binding on the bank. The Supervisory Board considers and will continue to consider, as part of compliance with the best practices of corporate governance, whether to amend any bylaws in line with that recommendation. At present, it sees no point in doing so or in drafting any further bylaws because those recommendations are set forth in applicable laws and, in the relevant cases, would be binding on the bank whether or not they are set out in its bylaws.</p>

Abbreviations

AORMS: Automated Operational Risk Management System

ICAAP: Internal Capital Adequacy Assessment Process

FEA: Foreign Economic Activity

EEF: Eastern Economic Forum

SFIGE: State-Funded Institution for General Education

GIS: Geographic Information System

GOST: National Standard

GHG: Greenhouse Gas

RB: Remote Banking

VHI: Voluntary Health Insurance

CL Contract: Civil Law Contract

JAR: Jewish Autonomous Region

IT: Information Technology

IMS: Integrated Management System

KRIs: Key Risk Indicators

KPIs: Key Performance Indicators

SMEs: Small and Medium-Size Enterprises

IFRS: International Financial Reporting Standards

IIT: Individual Income Tax

NPO: Non-Profit Organization

OFCP (Open Foreign Currency Position): The ratio of balance-sheet and off-balance-sheet assets and liabilities of the Bank in foreign currencies

CTS: Climate Transition Strategy

SPIEF: Saint Petersburg International Economic Forum

SW: Software

DFI: Derivative Financial Instrument

REPO: Repurchase Agreement

CMPS: Cash Management and Payment Services

CSC: Corporation Settlement Centre

FPS: Faster Payments System

SAWC: Special Assessment of Working Conditions

FMS: Bank of Russia Financial Messaging System

OHMS: Occupational Health Management System

Payroll: Payroll Fund

Individual: Individual Person

Bank of Russia: Central Bank of the Russian Federation

DPC: Data Processing Centre

UN SDGs: United Nations Sustainable Development Goals

NFCI: Net Fee and Commission Income

NII: Net Interest Income

CBAM: Carbon Border Adjustment Mechanism

CIR: Cost to Income Ratio

CO₂e (Carbon Dioxide Equivalent): A unit used to compare the emissivity of greenhouse gases with carbon dioxide

Cost of risk represents the degree of the Bank's risk. Calculation formula: The sum of created loan loss provisions is to be divided by the size of the loan portfolio

CSI: Customer Satisfaction Index

DDoS: Distributed Denial of Service

E&S: Environmental and Social

ESG: Environmental, Social, Governance

ES: Expected Shortfall

GRI (Global Reporting Initiative): A global initiative that sets uniform reporting standards and recommendations that disclose non-financial performance indicators of the company

IPO: Initial Public Offering

IT: Information Technology

LTIFR (Lost Time Injury Frequency Rate): The international rate for analyzing occupational injuries

ML: Machine Learning

NGFS (Network for Greening the Financial System) - network for greening the financial system

NPL (Non-Performing Loan): A loan that has been overdue for more than 90 days

PCI DSS (Payment Card Industry Data Security Standard): A payment card data security standard set by the international payment systems

ROE: Return on Equity

SOC (Security Operations Centre): A subdivision within the organization responsible for IT monitoring

SPOF: Single Point of Fail

TCFD (Task Force on Climate-related Financial Disclosures): An international initiative promoting the disclosure of climate-related financial information by the organizations

UNEP FI: United Nations Environment Programme Finance Initiative

UX/UI (User Experience/User Interface): User experience (site or application navigation, scope of functions within the digital product)/user interface (site content, systematization of elements, selection of colors, button design)

Glossary

Bridge Loan means a type of a short-term loan issued by the Bank to individuals or legal entities for a period of up to one year to cover the current liabilities of the borrower.

Compliance Control (Engl. "to comply") means a set of measures aimed at monitoring and eliminating internal violations of legislative and ethical standards.

Macroprudential Policy means a set of proactive measures aimed at minimizing system risk in the financial sector as a whole or in its subsectors.

Risk Mitigation means a risk management method that involves mitigation of the risk consequences.

Equator Principles mean an international set of recommendations for the banks to manage the environmental and social risks in project financing.

Risk Appetite means the level of damage acceptable to the company from the possible materialization of risk when achieving the goals.

Contact Details

GRI 2-1, GRI 2-3

Full name	CREDIT BANK OF MOSCOW (public joint-stock company)
Short name	CREDIT BANK OF MOSCOW
Bank’s address	2 (bldg. 1) Lukov Pereulok, Moscow 107045
Mailing address	2 (bldg. 1) Lukov Pereulok, Moscow 107045
Phone	8 495 777-4-888; 8 800 100-4-888 (toll-free call within Russia)
Email address	info@mkb.ru
Bank’s official website	www.mkb.ru

ESG and Non-Financial Reporting Contact Details

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Independent practitioner's assurance report



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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

To the Shareholders and the Supervisory Board of CREDIT BANK OF MOSCOW PJSC:

Scope of limited assurance engagement

We performed an assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 to provide limited assurance of the Selected Data prepared in accordance with the Global Reporting Initiatives Standards (the 'GRI Standards') presented in the ESG Report within the Annual Report of CREDIT BANK OF MOSCOW Public Joint-Stock Company (the 'Company') for 2024 (the 'Report').

Selected Data

We carried out limited assurance procedures on accuracy of the following data for 2024 and included into the Report:

1. Of the Selected key performance indicators specified below in the section '*Selected non-financial performance data for limited assurance engagement*', related to 2024 and included into the Report; and
2. Company's self-declaration of preparing its Report in accordance with the Global Reporting Initiative Sustainability Reporting Standards as stated in section '*GRI content index*' of the Report.

Our key limited assurance procedures

To achieve limited assurance, the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our limited assurance conclusion.

To form our conclusion, we undertook the following procedures:

- Analyzed on a sample basis the key systems, processes, policies and controls relating to the collation, aggregation, validation and reporting processes of the selected sustainability performance indicators;
- Interviewed employees of the Company responsible for sustainability performance, policies and corresponding reporting;
- Conducted selective substantive testing to confirm accuracy of received data to the selected key performance indicators;
- Inquired management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management, materiality assessment and stakeholder engagement processes relevant to the identification, management and reporting of the sustainability issues and selected performance indicators;
- Performed selective review of disclosures in the Report on compliance with the GRI Standards.

Inherent limitations and restriction on use

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, errors or non-compliance may occur and not be detected. Additionally non-financial information, such as that included in reporting documents is subject to more inherent limitations than financial information, given the nature and methods used for determining, calculating and sampling or estimating such information.

Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work, for this Report, or for the conclusions we have formed.

Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Roles and responsibilities

The Supervisory Board is responsible for the preparation, accuracy and completeness of the sustainability information and statements contained within the Report. It is responsible for determining the Company's sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to express a conclusion on the Selected Data based on our procedures. We conducted our engagement in accordance with the ISAE 3000.

Independence and quality control

We are independent of the Company in accordance with the Auditor's Independence Rules and the Auditor's Professional Ethics Code, that are relevant to our audit of the financial statements in the Russian Federation together with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the 'IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

The firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Selected non-financial performance data for limited assurance engagement

We have been engaged by the Supervisory Board of the Company to perform limited assurance procedures on accuracy of the following key performance data for 2024 included into the Report:

Energy	<ul style="list-style-type: none"> Fuel consumption from non-renewable sources by own motor vehicles by fuel type, thousand litres; Fuel consumption from non-renewable sources by leased motor vehicles by fuel type, thousand litres; Electricity consumption by own offices, million kWh; Heat consumption by own offices, Gcal.
Water resources	<ul style="list-style-type: none"> Water withdrawal by own offices, thousand litres; Potable water consumption at the own and leased offices, thousand litres.
Waste	<ul style="list-style-type: none"> Weight of electronics transferred for disposal, tonnes; Absolute paper consumption, packs.
Greenhouse gas emissions	<ul style="list-style-type: none"> Direct greenhouse gas emissions (Scope 1), t CO₂e; Indirect energy greenhouse gas emissions (Scope 2), t CO₂e; GHG emissions intensity factor, t CO₂e/person.
Personnel	<ul style="list-style-type: none"> Number of employees at year-end by gender and age groups, persons; Management Board and senior management structure by gender and age groups, %; Personnel structure by gender and age groups, %; Number of new employees, persons; Employee turnover, %; Average number of training hours per employee, hours.
ESG Financing and Accessibility of financial services	<ul style="list-style-type: none"> Volume of sustainable financing in accordance with the Executive Order of the Government of the Russian Federation No. 1587 dated 21.09.2021 (amended on 11.03.2023) and the MKB's Sustainable Financing Taxonomy, billion RUB; Volume of investments in ESG bonds, billion RUB; Portfolio of pension cards, thousand pcs.

Based on the procedures performed and evidence obtained as part of limited assurance engagement, nothing has come to our attention that causes us to believe that the aforementioned Selected Data, as specified in the 'Roles and responsibilities' section above is not prepared in accordance with the GRI Standards or is materially misstated.

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Engagement partner
AO "Business Solutions and Technologies"
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Moscow, Russia
26 May 2025