CREDIT BANK OF MOSCOW
(public joint-stock company)

Summary Consolidated Financial Statements
as at 31 December 2024 and for 2024

Contents

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Independent Auditors’ Report on the Summary Consolidated Financial Statements

To the Shareholders and Supervisory Board of CREDIT BANK OF MOSCOW (public joint-stock company)

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of profit or loss for the year ended 31 December 2024, the summary consolidated statement of other comprehensive income for the year ended 31 December 2024, the summary consolidated statement of financial position as at 31 December 2024 and the summary consolidated statement of changes in equity for the year ended 31 December 2024, and related notes, are derived from the audited consolidated financial statements of CREDIT BANK OF MOSCOW (public joint-stock company) (the “Bank”) and its subsidiaries (the “Group”) as at and for the year ended 31 December 2024.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described in Note 2.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the Group’s audited consolidated financial statements and our report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 4 April 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period.

Management’s Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in Note 2.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised) *"Engagements to Report on Summary Financial Statements."*

The engagement partner on the audit resulting in this independent auditors' report is:

Tatarinova Ekaterina Vyacheslavovna

Principal registration number of the entry in the Register of Auditors and Audit organizations No. 21906100653, acts on behalf of the audit organization based on the power of attorney No. 318/25 as of 9 January 2025

JSC "Kept"

Principal registration number of the entry in the Register of Auditors and Audit Organizations No. 12006020351

Moscow, Russia

4 April 2025

in millions of Russian roubles	Notes	2024	2023
Interest income calculated using the EIR method	5	664 579	410 161
Other interest income	5	9 653	10 909
Interest expense	5	(564 040)	(301 717)
Deposit insurance costs	5	(4 354)	(3 169)
Net interest income	5	**105 838**	**116 184**
Charge for credit losses on debt financial assets	10,11,12,13	(41 565)	(24 123)
Net interest income after credit loss allowance on debt financial assets		**64 273**	**92 061**
Fee and commission income	6	20 529	22 380
Fee and commission expense	6	(7 808)	(5 818)
(Expenses less income) / income less expenses from changes in FV of loans to customers at FVTPL		(48)	100
Expenses less income on securities at FVTPL and DFI for securities		(11 506)	(274)
Expenses less income from sale and redemption of securities at FVOCI		(4 275)	(8 271)
Income less expenses from transactions with foreign currency and precious metals		6 909	14 772
Income less expenses / (expenses less income) from transactions with financial liabilities at FVTPL		545	(219)
Net charge of credit loss allowances on other financial assets and credit related commitments	8	(5 712)	(3 191)
Net charge of impairment of other non-financial assets and other provisions	8	(21)	(126)
Other income		1 182	2 127
Non-interest (expense) / income		**(205)**	**21 480**
Operating income		**64 068**	**113 541**
Salaries and employment benefits	7	(26 480)	(25 942)
Administrative expenses	7	(12 538)	(12 062)
Depreciation of premises and equipment and ROU		(2 451)	(2 266)
Operating expense		**(41 469)**	**(40 270)**
Profit before income tax		**22 599**	**73 271**
Income tax expense	9	(1 712)	(13 493)
Profit for the year		**20 887**	**59 778**
Basic and diluted earnings per share (RUB per share)	30	**0.48**	**1.69**

Approved and signed on behalf of the Management Board on 4 April 2025.

Chairman of the Management Board Korzhov M.A.

Chief Accountant Sass S.V.

in millions of Russian roubles	Notes	2024	2023
Profit for the year		**20 887**	**59 778**
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of office real estate			
- accumulated income from revaluation of the office real estate		372	50
- income tax for revaluation of the office real estate		(125)	(10)
Items that are or may be reclassified subsequently to profit or loss:			
Debt financial instruments at FVOCI			
- net change in FV and other changes		(29 521)	19 563
- accumulated expenses from revaluation transferred to profit or loss on sale or repayment		4 275	7 946
- income tax		6 602	(5 502)
Change in FV of financial liability attributable to changes in own credit risk		-	(49)
Income tax related to change in FV of financial liability attributable to changes in own credit risk		-	10
Other comprehensive (loss) / income for the year, net of income tax		**(18 397)**	**22 008**
Total comprehensive income for the year		**2 490**	**81 786**

in millions of Russian roubles	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	10	1 429 849	1 379 038
Obligatory reserves with the CBR		18 387	9 747
Accounts and due from banks and other financial organisations	11	72 846	91 341
Loans to customers	12	2 697 626	2 349 903
- loans to corporate clients	*12*	*2 479 997*	*2 149 285*
- loans to individuals	*12*	*217 629*	*200 618*
Securities	13	692 253	780 309
- held by the Group	*13*	*679 826*	*755 437*
- pledged under sale and repurchase agreements	*13*	*12 427*	*24 872*
Requirements for derivative financial instruments		13 797	12 884
Property and equipment and right-of-use assets	14	17 149	15 632
Deferred tax asset		13 911	268
Assets held for sale		165	267
Other assets	15	52 968	27 629
Total assets		**5 008 951**	**4 667 018**
LIABILITIES AND EQUITY			
Deposits by the CBR		71 129	881
Accounts and due to banks and other financial organisations	16	1 169 299	1 200 108
Due to customers	17	3 178 512	2 861 071
- corporate clients	*17*	*2 155 643*	*2 075 583*
- individuals	*17*	*1 022 869*	*785 488*
Liabilities at FVTPL		3 531	-
Derivative financial liabilities		6 028	5 694
Debt securities issued	18	168 914	213 118
Deferred tax liability		193	9 320
Other liabilities	19	62 044	28 894
Total liabilities		**4 659 650**	**4 319 086**
Equity			
Share capital	20	34 292	34 292
Additional paid-in capital		77 290	77 290
Perpetual debt issued	21	61 261	54 626
FV reserve for financial assets through OCI		(23 267)	(4 623)
Other reserves	22	766	526
Retained earnings		198 959	185 821
Total equity		**349 301**	**347 932**
Total liabilities and equity		**5 008 951**	**4 667 018**

Notes 1-31 form an integral part of these summary consolidated financial statements.

in millions of Russian roubles	Share capital	Additional paid-in capital	Perpetual debt issued	FV reserve for financial assets through OCI	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2023	**34 292**	**77 290**	**49 876**	**(26 630)**	**527**	**138 421**	**273 776**
Total comprehensive income for the year	-	-	-	22 007	1	59 778	**81 786**
Perpetual debt redemption	-	-	(6 465)	-	-	337	**(6 128)**
Interest accrued on perpetual debt issued	-	-	-	-	-	(4 609)	**(4 609)**
Foreign exchange differences on perpetual debt issued	-	-	11 215	-	-	(11 215)	**-**
Tax effect on perpetual debt issued	-	-	-	-	-	3 107	**3 107**
Transfer of revaluation reserve upon disposal	-	-	-	-	(2)	2	**-**
Balance as at 31 December 2023	**34 292**	**77 290**	**54 626**	**(4 623)**	**526**	**185 821**	**347 932**
Balance as at 1 January 2024	**34 292**	**77 290**	**54 626**	**(4 623)**	**526**	**185 821**	**347 932**
Total comprehensive income for the year	-	-	-	(18 644)	247	20 887	**2 490**
Interest accrued on perpetual debt issued	-	-	-	-	-	(6 068)	**(6 068)**
Foreign exchange differences on perpetual debt issued	-	-	6 635	-	-	(6 635)	**-**
Tax effect on perpetual debt issued	-	-	-	-	-	4 947	**4 947**
Transfer of revaluation reserve upon disposal	-	-	-	-	(7)	7	**-**
Balance as at 31 December 2024	**34 292**	**77 290**	**61 261**	**(23 267)**	**766**	**198 959**	**349 301**

Notes 1-31 form an integral part of these summary consolidated financial statements.

1 Background

Principal activities

These summary consolidated financial statements include the summary financial statements of CREDIT BANK OF MOSCOW (public joint-stock company) (the «Bank») and its subsidiaries (together referred to as the «Group«).

The Bank was formed on 5 August 1992 as an open joint-stock company, then re-registered as a limited liability company under the legislation of the Russian Federation. On 18 August 1999 the Bank was reorganised as an open joint-stock company. On 16 May 2016 the Bank was re-registered as a public joint-stock company under the legislation of the Russian Federation. The Bank's registered legal address is 2 (bldg. 1), Lukov pereulok, Moscow, Russian Federation. The Bank operates under a general banking license from the CBR, renewed on 6 May 2016. In December 2004 the Bank was admitted to the state programme for individual deposit insurance.

The Bank is a universal commercial bank providing a wide range of financial services for corporate and private clients, as well as financial and credit organisations.

The Group's main activity is corporate and retail banking. These operations include (but are not limited to) raising funds on deposit and providing commercial loans, providing services to clients when carrying out export/import transactions, conversion transactions, trading in securities and derivative financial instruments, as well as conducting other transactions with securities, including brokerage, dealer and depository activities.

The Bank is among the 10 largest banks in the Russian Federation by assets and conducts its business in Russia with a branch network comprising 95 additional branches, 741 ATMs and 1 029 payment terminals.

The number of employees of the Group as at 31 December 2024 was 7 779 people (31 December 2023: 8 278 people).

Russian business environment

The Group operates in the Russian Federation.

In 2024, sanctions pressure remains on the Russian economy, which arose as a result of the escalation of the conflict between the Russian Federation and Ukraine in 2022.

The Bank's management is considering the possibility of reorganising the allocation of blocked assets within the framework of the provisions of Federal Law No. 292-FZ «On Amendments to Certain Legislative Acts of the Russian Federation, Invalidation of Paragraph Six of Part One of Article 7 of the Law of the Russian Federation «On State Secrets», suspension of Certain Provisions of Legislative acts of the Russian Federation and on the establishment of regulatory features corporate relations in 2022 and 2023». As part of this activity, in December 2024, an Extraordinary General Meeting of Shareholders adopted a decision approving a potential reorganisation. The implementation of this decision involves obtaining approval from the CBR, as of the date of signing these financial statements, regulatory approvals have not been received. Currently, the Bank continues to work on obtaining regulatory approval.

Below are the main macroeconomic trends for 2024[*].

The average price of Urals crude oil in 2024 increased compared to 2023, reaching USD 67.85 per barrel against USD 62.82 per barrel in 2023.

The average exchange rate of the RUB againts USD weakened to RUB 92.66 per USD in 2024 from RUB 85.81 per USD in 2023 amid a tightening of the sanctions regime on exports of goods from Russia.

Inflation in 2024 was 9.5%, accelerating compared to 7.4% in 2023. Amid persistent high inflationary pressures, the CBR continued to maintain tight monetary conditions.

In the first half of 2024, the key rate of the CBR remained at 16.0% per annum. In the third quarter of 2024, the CBR gradually increased the key rate to 19.0% per annum. As at 25 October 2024, the CBR raised the key rate to 21.0% per annum. Thus, at the end of 2024, the key rate was 21.0%.

In 2024, the Russian economy continued to grow steadily. GDP grew by 4.1% in 2024, showing the same growth as in 2023.

The main contribution to GDP growth was made by domestic demand. Consumption and investment were supported by fiscal stimulus and an increase in real income of the population.

Consumer activity grew in 2024. Retail trade turnover increased by 7.2% in 2024. The volume of paid services to the population grew by 3.3%. Real disposable incomes of the population increased by 7.3%.

[*] Statistical data is presented on the official web-sites of the Ministry of Finance of Russian Federation and of the Ministry of Economic Development of Russion Federation

1 Background (continued)

The average unemployment rate in 2024 was 2.5%, with the rate standing at 2.3% throughout the fourth quarter, marking a historic low.

The summary consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

2 Basis of preparation

Statement of compliance

These summary consolidated financial statements are based on the Group's audited consolidated financial statements as at 31 December 2024 and for 2024, prepared in accordance with International Financial Reporting Standards («IFRS«), and comprise:

- the summary consolidated statement of profit or loss for 2024;
- the summary consolidated statement of other comprehensive income for 2024;
- the summary consolidated statement of financial position as at 31 December 2024;
- the summary consolidated statement of changes in equity for 2024;
- the related notes.

The summary consolidated financial statements of the Group do not contain all the necessary information, the disclosure of which is required to present a complete set of consolidated financial statements of the Group in accordance with IFRS. Therefore, familiarization with the summary consolidated financial statements and the independent auditor's opinion on such summary consolidated financial statements is not a substitute for familiarization with the audited consolidated financial statements and the independent auditor's opinion on such consolidated financial statements. The Group's consolidated financial statements for 2024 are located at 2 (bldg. 1), Lukov pereulok, Moscow, 107045, Russian Federation, e-mail: ir@mkb.ru.

The summary consolidated financial statements of the Group contain all the information necessary to disclosure in accordance with IFRS, excluding the information on which Management has decided not to disclose, as well as the following information provided in Appendix 1 to the decision of the Board of Directors of the CBR at 24 December 2024 «On requirements for disclosure by credit institutions (head credit institutions of banking groups) reporting and information in 2025» (hereinafter referred to as the «Decision»), in particular:

- investments in associated companies;
- provisions for credit losses on commitments and other possible losses on transactions with residents of offshore zones;
- own shares (stakes) repurchased from shareholders;
- transactions (volume of transactions / funds) in foreign currency;
- income and expenses (net income) from operations with foreign currency and its revaluation;
- income from participation in the capital of other legal entities;
- the summary consolidated statement of cash flows for for the reporting period and the comparable period;
- accepted risks, procedures for their assessment, risk and capital management;
- the shareholders (participants), as well as about the persons controlling the shareholders (participants);
- the persons under whose control the Bank is located;
- subsidiaries of the Bank (Group);
- the operations (transactions) of the Bank, its controlling persons and persons controlled by it;
- the concentration and industry structure of credit risk;
- the counterparties of the Bank and the industry and geographical structure of operations (transactions) with them;
- on the reorganisation of the Bank (with the exception of information about the fact of the decision on reorganisation);
- blocked assets.

In accordance with the Decision, the Bank does not publish the Group's audited consolidated financial statements prepared in accordance with IFRS and containing the information set out in Appendix 1 to the Decision for 2024.

2 Basis of preparation (continued)

In preparing these summary consolidated financial statements, the Group has followed the principles of aggregated presentation, where appropriate. In particular:

- «Other assets» in the summary consolidated statement of financial position includes «Investments in associated companies» and «Other assets».

Basis of measurement

The summary consolidated financial statements have been prepared in accordance with the cost accounting principle, with the exception of financial instruments and investment property measured at fair value, changes in which are reflected in profit or loss or in other comprehensive income, as well as buildings recorded at revalued amounts.

Functional and presentation currency in the summary consolidated financial statements

The functional currency of the Bank and of its subsidiaries is the Russian Rouble (RUB) as, being the national currency of the Russian Federation, it reflects the economic substance of the majority of underlying events and circumstances relevant to the Group.

The RUB is also the presentation currency for the purposes of these summary consolidated financial statements.

Data in the summary consolidated financial statements is rounded to the nearest million, unless otherwise stated.

Below is information on the exchange rates of the main currencies that are used to convert the Group's monetary assets and liabilities into the presentation currency:

	31 December 2024	**31 December 2023**
USD	101.6797	89.6883
EUR	106.1028	99.1919
CNY	13.4272	12.5762

Use of estimates and judgments

Preparation of summary consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a regular basis. Adjustments to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing these summary consolidated statements the critical judgments made by management in applying the accounting policies Professional judgments that have the most significant impact on the amounts reflected in the summary consolidated financial statements and estimates that may result in significant adjustments to the present value of assets and liabilities over the next financial year include the following:

Classification of financial assets

An assessment of the business models that apply to the assets and an assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on principal is disclosed in Note 3.

Fair value of financial instruments

The Group calculates the fair value of financial instruments based on available market information, if any, and appropriate valuation techniques. However, professional judgment is required to interpret market data in order to calculate fair value. The fair value of financial instruments that are not quoted in active markets is determined using valuation techniques. To the extent applicable, the models use available market information adjusted to reflect the credit quality of counterparties, however, some areas require other management assessments. Management has used all available information to assess the fair value of financial instruments. See Note 29.

Assessment of the reserve for expected credit losses

The assessment of the allowance for expected credit losses for financial assets measured at amortised cost and measured at fair value through other comprehensive income is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

2 Basis of preparation (continued)

The following significant judgments are used to estimate expected credit losses:

- determination of criteria for a significant increase in credit risk;
- selection of suitable models for measuring expected credit losses;
- establishing the quality of data and valuation models for assets that are expected to be received as a result of procedures for resolving problematic debt;
- creation of groups of similar financial assets.

Information about the incoming data for the expected credit loss assessment model and the inclusion of forward-looking data in the expected credit loss assessment is described in detail in Note 4.

Changes in judgment and assessment

The Group makes estimates and judgments that are constantly analysed based on statistical data, actual and forward-looking information, as well as management's experience, including expectations regarding future events that are reasonable in the light of current circumstances.

In the first quarter of 2024, the Group revised the approach to calculating allowance for credit losses regarding collateral accounting for estimating the level of default losses for non-targeted loans to individuals, and also introduced an assessment of early repayments in assessing the amount at risk. These measures resulted in a reduction of the estimated allowance by RUB 0.6 billion.

In the first quarter of 2024, the Group applied a lifetime probability of default ratio (PD Life Time) for certain categories of loans in the corporate segment, for which an annual probability of default ratio was previously applied. This measure led to the recovery of the allowance by RUB 0.5 billion.

Abbreviations used

Below is the list of standard abbreviations used in these summary consolidated financial statements:

DFI	Derivative financial instruments
ECL	Expected credit losses
EIR	Effective interest rate
EUR	Euro (the single European currency)
FV	Fair value
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
IFRS	International Financial Reporting Standards
NCO JSC NSD	National Settlement Depository
OCI	Other comprehensive income
PD	Probability of default
ROU	Right-of-use assets
RUB	Russian Rouble
The Bank	CREDIT BANK OF MOSCOW (public joint-stock company)
The CBR	The Central Bank of the Russian Federation
The Group	CREDIT BANK OF MOSCOW (public joint-stock company) and its subsidiaries
LTV	The ratio of the loan amount to the market (or estimated) value of the collateral
SPPI	Cash flows representing the solely payment of principal and interest criterion on the principal amount outstanding
PD_PIT	The probability of default in the future is one year on the horizon, without taking into account cyclical fluctuations in macroeconomic parameters
USD	United States Dollar
CNY	Chinese Yuan
ICAAP	Internal Capital Adequacy Assessment Process

3 Material accounting policies

The following material accounting policy information are applied in the preparation of the summary consolidated financial statements. The accounting policies are consistently applied by the Group entities to all periods presented in these summary consolidated financial statements.

Financial instruments

Depending on the classification, financial instruments are reported at fair or amortised cost. On initial recognition, financial assets or financial liabilities are measured at fair value, increased or decreased for instruments not measured at fair value through profit or loss by the amount of transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

On initial recognition, a financial asset is classified as being measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. Classification is based on the business model chosen by the Group for managing the financial asset and the compliance of the cash flows on the instrument with the criteria of the basic credit ratio.

Upon initial recognition of equity investments not held at fair value, the Group may elect, irrevocably, to present subsequent changes in the fair value of the investment in other comprehensive income. This choice is made for each investment separately.

In addition, on initial recognition, the Group may irrevocably recognise an asset that otherwise qualifies at amortised cost or fair value through other comprehensive income as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets are not reclassified after their initial recognition, except in rare cases when the Group changes its business model for managing financial assets. Reclassifications are accounted for prospectively.

Financial liabilities

On initial recognition, financial liabilities are classified for subsequent measurement as measured at amortised cost or at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss are classified into financial liabilities held for trading (including derivative financial instruments with negative fair value) and financial liabilities that are classified at the Group's discretion as measured through profit or loss upon initial recognition. Other financial liabilities are measured at amortised cost.

Financial liabilities are not reclassified after their initial recognition.

Modification of financial assets and liabilities

From time to time in the normal course of business, the Group may change the cash flows of financial instruments. If the cash flows of a financial instrument change significantly, the Group derecognises the financial instrument and recognises a new financial instrument. If the cash flows of a financial instrument do not change significantly, the original financial instrument is not derecognised. In this case, the Group restates the gross carrying amount of the financial asset or the amortised cost of the financial liability using the EIR at the date of initial recognition and recognises the adjustment to the gross carrying amount of the financial asset or the amortised cost of the financial liability as profit or loss.

Interest income and expenses

Interest income and expense on financial assets and liabilities measured at amortised cost and financial assets measured at fair value through other comprehensive income are recognised in profit or loss on an accrual basis using the EIR. The EIR on a financial asset or financial liability is calculated at initial recognition of the debt financial instrument and includes transaction fees and charges, transaction costs and other premiums and discounts that are an integral part of the EIR. When calculating interest income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or the amortised cost of the liability. For financial assets that are credit-impaired, interest income is calculated by applying the EIR to the amortised cost of the financial asset.

3 Material accounting policies (continued)

Commission income and expenses

Fees, commission income and expenses (except those included in the calculation of the EIR) are generally recognised on an accrual basis and are recognised, generally on a straight-line basis, over the period the service is provided or received.

As part of its standard operating activities, the Bank acts as an agent for insurance companies, offering insurance products to consumer and mortgage borrowers. Commission income from the Bank's sale of insurance products represents commissions for agency services and is recognised upon the provision of services. This commission income is not considered as an integral part of the profitability of consumer and mortgage loans, since (1) it is determined and recognised on the basis of the Bank's contractual relationship with the insurer (2) the Bank does not participate in the insurance risk, (3) borrowers have a choice in terms of purchasing or not purchasing insurance policy and place of purchase (choice of insurer).

Fees for arranging public debt or equity financing are recognised on the date the service is provided.

Account service fees, investment management fees, sales commissions, custody fees and similar service fees are recognised on an accrual basis as the related services are rendered.

Payment commissions are recognised on the date the relevant service is provided or received.

Foreign currency

The functional currency of the Bank and the Group companies is the national currency of the Russian Federation, the Russian rouble. Monetary assets and liabilities nominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into the functional currency are recognised in the income statement. The effect of exchange differences on the fair value of equity securities nominated in foreign currencies is recognised as part of the fair value gain or loss. Non-monetary assets and liabilities nominated in foreign currencies and recorded at cost are translated into the functional currency at the exchange rate at the date of the transaction.

Salary expenses

Wage expenses, contributions to the Pension Fund and the Social Insurance Fund, paid annual leave and sick leave, bonuses, and non-cash benefits are recognised in profit and loss on an accrual basis in the year when the relevant work is performed by the Group's employees.

Cash and cash equivalents

The Group includes cash and the correspondent account with the CBR, nostro accounts with other banks and deposits in credit and other financial institutions with maturity of less than 1 month in cash and cash equivalents. The obligatory reserves with the CBR is not considered to be a cash equivalent due to restrictions on its withdrawability. Cash and cash equivalents are carried at amotised cost in the summary consolidated statement of financial position.

Repurchase and reverse repurchase agreements

Securities sold under sale and repurchase agreements («REPO») are recorded as operations to attract financing secured by securities. The Group has determined that it retains substantially all the risks and rewards of ownership of these securities and, therefore, does not derecognise them. These securities are presented as «collateralised under repurchase agreements» as part of the item «Securities» in the summary consolidated statement of financial position. Obligations to counterparties are reflected in the items «Deposits by the CBR», «Due to credit institutions» and «Due to customers». The difference between the sale price and the repurchase price for «REPO» transactions is an interest expense.

Securities purchased under agreements to resell (reverse repurchase agreements) are recodred as financial placement transaction and included in the summary consolidated statement of financial position as «Cash and cash equivalents«, «Accounts and deposits with banks and other financial institutions« and «Loans to customers«. The difference between the purchase price and the resale price for reverse «REPO» transactions represents interest income.

Interest income / expense on «REPO» and reverse «REPO» transactions is recognised in profit or loss over the period of the transaction using the EIR.

3 Material accounting policies (continued)

Securities may be re-pledged or sold by counterparties, including in the absence of a case of non-fulfillment by the Group of its obligations, however, the counterparty undertakes to return the securities upon expiration of the contract. If securities purchased under agreements to purchase and resell are sold to third parties, the obligation to return the securities is recorded in the summary consolidated statement of financial position as a financial liability measured at fair value through profit or loss.

Loans to customers

Loans to customers caption in the summary consolidated statement of financial position include:

- loans to customers measured at amortised cost;
- loans to customers mandatorily measured at fair value through profit or loss.

Loans to customers include loans granted to customers and counterparties – individuals and legal entities, arrears on factoring operations, acquired claims and assigned claims with installment payments, financial leasing operations and reverse «REPO» agreements.

The Group provides loans for the construction of residential real estate, which buyers purchase using escrow accounts. Interest rates on these loans usually depend on the balance in the escrow account. The Group believes that the parameters of such loans are consistent with market conditions and carries these loans at amortised cost, except for loans for which the SPPI test is not performed.

Finance lease agreements

Leases under which the lessee assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. As a lessor, the Group records accounts receivable under finance lease agreements in an amount equal to the net investment in finance leases, starting from the start date of the lease term. The difference between the total and the present value of the lease payments to be received represents the unrecognised financial income. Financial income is recorded over the term of a finance lease using the EIR method, which allows maintaining a constant periodic rate of return.

Securities

The Group's investments in debt securities, depending on the business management model chosen by the Group and the compliance of cash flows on the instrument with the criteria for payment of principal and interest, are included in the following items:

- securities valued at amortised cost;
- securities measured at fair value through profit or loss;
- debt securities measured at fair value through other comprehensive income.

The Group’s investments in equity securities, depending on the business management model, are included in the following items:

- equity securities measured at fair value through other comprehensive income,
- equity securities measured at fair value through profit or loss.

Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are measured at amortised cost excluding derivative financial instruments are carried at fair value through profit or loss.

Impairment of financial assets: expected credit losses allowance

Non-derivative financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;
- debt investments measured at fair value through other comprehensive income;
- loan commitments issued.

3 Material accounting policies (continued)

The Group applies a «three-stage« impairment model based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired at initial recognition is classified as Impairment Stage 1. For financial instruments classified as Impairment Stage 1, expected credit losses are measured at an amount that is based on expected contractual defaults over the next 12 months after reporting date or until the contractual maturity date if it occurs before the expiration of 12 months. Financial instruments that have experienced a significant increase in credit risk since initial recognition are transferred to Impairment Stage 2 and the expected credit losses for such assets are assessed based on lifetime expected credit losses. If the Group determines that a financial instrument is credit-impaired, the financial instrument is classified as Impairment Stage 3 and the expected credit losses for such assets are estimated based on lifetime expected credit losses. For acquired or originated credit-impaired debt financial assets, expected credit losses are always measured as lifetime expected credit losses. Note 4 provides more detailed information on credit risk management, indications of a significant increase in credit risk, information about the input data, assumptions and calculation methods used to estimate expected credit losses.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- *financial assets that are not credit-impaired at the reporting date:* as the difference between the discounted cash flows due to the Group under the agreement and the discounted cash flows that the Group expects to receive;
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *undrawn loan commitments:* as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive;
- *financial guarantee contracts:* the present value of expected payments to the beneficiary under the contract to reimburse the holder less any amounts that the Group expects to recover.

The main input data and indicators for assessing ECL are presented in Note 4.

Credit-impaired financial assets

At each reporting date, the Group assesses whether debt financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the presence of outstanding overdue debts lasting more than 90 days;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties.

A loan whose terms have been renegotiated due to a deterioration in the borrower's financial condition is generally considered to be credit-impaired unless there is evidence that the risk of non-collection of contractual cash flows has decreased significantly and there are no other indicators of impairment.

Contingent credit related liabilities

Financial guarantees are contracts that require the Group to make specified payments to the beneficiary to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. With respect to loan commitments, the Group is potentially exposed to the risk of incurring losses in the amount of unused commitments. However, the likely amount of losses is less than the total amount of unused obligations, as the loan commitment usually depends on the client's compliance with certain creditworthiness requirements.

A non-financial guarantee contract is a contract that generally obliges the Group to make certain payments to the holder of the guarantee to compensate for the principal's outstanding obligations under the contract, other than payment obligations. Based on their economic substance, the Group considers non-financial guarantee agreements to be loan commitments.

3 Material accounting policies (continued)

Financial guarantees issued, non-financial guarantees or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

For other loan commitments and non-financial guarantee contract the Group recognises a loss allowance.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividends

The ability of the Bank to declare and pay dividends is subject to the rules and regulations of the Russian legislation. Dividends in relation to ordinary shares are reflected as an appropriation of retained earnings in the period when they are declared.

Perpetual instruments

Perpetual subordinated irrevocable debt instruments are classified by the Group as equity financial instruments based on the contractual terms of the relevant instruments. Interest payments on such instruments are accounted for as a distribution of equity when they are paid or a liability to pay is recognised.

Taxation

The amount of income tax includes the amount of current tax for the year and the amount of deferred tax. Income taxes are recognised in full in profit or loss, except for amounts attributable to transactions recognised in other comprehensive income or transactions with owners recognised directly in equity, which are therefore recognised in other comprehensive income. income or directly as part of own funds.

Depository services

The Group provides depository services to its clients, provides documents, services on behalf of clients and receives commissions for services rendered. These assets are not assets of the Group and, accordingly, are not reflected in its summary consolidated statement of financial position.

Transactions under common control

Transactions under common control are considered to be transactions in which all parties involved are under the control of the same party both before and after the transaction. Transactions under common control, including acquisitions of interests in a company under common control, are accounted for using the acquisition method as of the acquisition date, namely the date on which control is transferred to the Group.

The acquisition cost is estimated as the sum of the transferred remuneration, estimated at fair value at the acquisition date, and non-controlling interests in the acquired company. The fair value of consideration transferred for the acquired company is measured at the fair value of assets provided, equity instruments issued, and liabilities incurred or assumed, including the fair value of assets and liabilities arising from contingent consideration agreements, but not including acquisition-related costs such as consulting, legal, and security fees. assessment and similar professional services. The transferred compensation does not include amounts related to the settlement of the initially existing relationship. Such amounts are usually reflected in profit or loss. Transaction costs incurred in the issue of equity instruments are deducted from equity; transaction costs incurred in connection with the issue of debt securities are deducted from their book value, and all other acquisition-related transaction costs are expensed as incurred.

Identifiable assets acquired, as well as liabilities and contingent liabilities received in transactions under common control, are carried at fair value at the acquisition date, regardless of the size of the non-controlling interest.

Goodwill at the acquisition date is calculated as the excess of the fair value of the transferred consideration and the value of non-controlling interest in the acquired company over its net identifiable assets and liabilities at the acquisition date. Subsequently, goodwill is tested for impairment.

If the value of the identifiable net assets acquired and liabilities assumed at the acquisition date exceeds the amount of consideration transferred and the value of non-controlling interests in the acquired company, such difference is reflected as a contribution to the capital of the receiving party from the transferring party.

3 Material accounting policies (continued)

Adoption of new or revised standards and interpretations

The amendments to the standards set out below became applicable to the Group starting from 1 January 2024 but did not have a significant impact on the Group's summary consolidated financial statements:

- Amendments to IAS 1 – Classification of Short- and Long-Term Liabilities (issued in January 2020 and finalised in June 2022);
- Amendments to IFRS 16 Leases (issued on 22 September 2022);
- Amendments to IFRS (IAS) 7 «Statement of Cash Flows» and to IFRS (IFRS) 7 «Disclosure of Information» (issued in May 2023).

4 Financial risk review

This note presents information about the Group's exposure to financial risks.

Credit risk assessment in order to calculate the value of estimated reserves for ECL

Inputs, assumptions and techniques used for estimating impairment

Credit risk grades

The Group assigns an appropriate credit risk rating to each position exposed to credit risk based on various data used to predict the risk of default, as well as through the application of expert judgment regarding credit quality. Credit risk ratings are determined using qualitative and quantitative factors that serve as an indicator of the risk of default. These factors vary depending on the nature of the position exposed to credit risk and the type of borrower.

Credit risk ratings are determined and calibrated in such a way that the risk of default increases exponentially as credit risk increases – for example, the difference between 1 and 2 credit risk ratings is less than the difference between 2 and 3 credit risk ratings.

Each position exposed to credit risk is assigned to a specific credit risk rating at the date of initial recognition based on the information available about the borrower. Positions exposed to credit risk are subject to constant monitoring, which may lead to the position being assigned a rating different from the credit risk rating at initial recognition. Monitoring usually involves analysing the following data.

Corporate exposure	All exposures (corporate and retail exposures)
• Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections	• Payment record – this includes overdue status as well as a range of variables about payment ratios
• Data from credit reference agencies, press articles, changes in external credit ratings	• Requests for and granting of forbearance
• Quoted bond and credit default swap prices for the borrower where available	• Existing and forecast changes in business, financial and economic conditions
• Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	

Generating the term structure of probability of default

Credit risk ratings are the main input data when creating a temporary default probability structure for positions exposed to credit risk. The Group collects information on the quality of debt servicing and the level of default in relation to positions exposed to credit risk, analysed depending on the jurisdiction or region, type of product and borrower, as well as depending on the credit risk rating.

The Group uses statistical models developed on its own statistical data to obtain estimates of the probability of default for the remaining period for positions exposed to credit risk and expectations of their changes over time.

This analysis includes determining and calibrating the relationship between changes in default levels and changes in key macroeconomic factors, as well as a detailed analysis of the impact of some other factors (for example, the practice of renegotiating loan agreements) on the risk of default. The Group takes into account various sets of macroeconomic indicators that are characteristic of different segments of credit requirements and take into account their specifics.

4 Financial risk review (continued)

ECL allowance

For corporate clients

The estimated ECL reserve reflects an objective analysis of all information received by the Group on the client as a result of procedures for monitoring the level of increased attention (IA), determining the client's rating and other risk factors that may affect the client's solvency in the future.

The monitoring results take into account all available information about the client when determining the problematic factors (characteristics) that divide all clients into levels of increased attention. These levels are used to determine the stage of impairment in the formation of an estimated reserve for ECL on customer debt:

Impairment Stage 1

Level IA0 - client class «Standard»:

- the debt is serviced and repaid by the client within the time limits set by the agreements / ahead of schedule,
- there are no signs of deterioration in the financial condition / negative trends in the client's activities,
- there are no client requests for restructuring / prolongation,
- the covenants established by the Bank are fulfilled / violations of the covenants can be recognised as technical,
- technical delays up to 5 days are allowed,
- AI factors are absent or recognised as not affecting the level of AI (not indicative of a propensity to realise credit risks).

or

Level IA1 - client class «Under supervision»:

- AI factors reflect a deviation from the original plan (when issuing a loan), which in itself does not entail a significant risk of debt default, but may complicate the return in combination with more significant factors, including but not exclusively: there have been unforced prolongations and/or there are signs of deterioration in the financial condition, negative trends in the client's activities and/or there are minor violations of covenants and/or there is a current delay of 6 to 30 days.

Impairment Stage 2

Level IA2 - client class «Loans with an increased level of credit risk»:

- AI factors indicate a high probability of non-fulfillment by the Debtor of obligations to the Bank (including due to problems in the economic activity of the Debtor), including but not exclusively: there is a current delay from 31 to 90 days and / or there are violations of established covenants, which may trigger early recovery of loans and / or the client applied for debt restructuring / prolongation due to the inability to fulfill contractual conditions.

Impairment Stage 3

Level IA3 - client class «Collection / withdrawal of assets»:

- AI factors clearly indicate the impossibility of fulfilling obligations to repay the issued loan / financing (including due to the termination of the business), including but not exclusively: there is a current delay of 91 to 180 days and / or the client is unable to either service the debt or repay it within a reasonable time from the income from the current business and / or an involuntary restructuring has been carried out and / or debt recovery is possible only by foreclosing on property (including pledged) and other assets of the client / through the sale of third-party assets of the client and his guarantors (including individuals).

or

Level IA4 - client class «Bad Loan»:

- there is a current delay of more than 180 days and/or debt recovery measures have not yielded a positive result and/or there are no sources of debt recovery or cannot be determined in the foreseeable future and/or debt cancellation is planned.

4 Financial risk review (continued)

For retail clients

Determination of impairment stages for the formation of allowances for ECL is carried out according to the following criteria:

Impairment Stage 1:

- there are no indications for the financial instrument that it is necessary to classify it in the 2nd or 3rd stage of impairment.

Impairment Stage 2:

- overdue debt on a financial instrument with a duration of 31–90 days (inclusive);
- there is a restructuring in the form of a full deferred payment / forced prolongation of a financial instrument for a period of 31–90 days (inclusive);
- the presence of restructuring with a partial deferred payment associated with the impossibility of the client to fulfill the initial terms of the contract for a period of more than 30 days;
- an increase in the PD_PIT/ (1 – PD_PIT) ratio (non-macro) for a credit requirement by more than 6 times compared to the estimate of the PD_PIT/ (1 – PD_PIT) ratio (non-macro) for the corresponding requirement at the time of initial recognition for all products, with the exception of mortgages. For a mortgage, the criterion is an increase in the PD_PIT estimate (non-macro) for a loan claim by 10 percentage points compared with the PD_PIT estimate (non-macro) for this claim at the time of initial recognition.

Impairment Stage 3:

- overdue debt on a financial instrument with a duration of more than 90 days;
- the presence of a forced prolongation / provision of a full deferment of payment on a financial instrument for a period of more than 90 days;
- recognition of the client as insolvent (bankrupt) by a court decision.

Determining whether credit risk has increased significantly

In assessing the significant increase in credit risk for a financial instrument since its initial recognition, the Group uses both quantitative and qualitative information, as well as analysis based on the Group's historical experience and expert assessment of credit quality.

If the criteria for a significant increase in credit risk are identified for the client, all of his debt is assigned to the impairment stage 2 for the purpose of forming of allowance for ECL.

As part of the quantitative assessment, a comparison is carried out to determine whether there has been a significant increase in credit risk in relation to a position exposed to credit risk:

- the probability of default for the remainder of the entire period as of the reporting date;
- the probability of default for the remainder of the entire term, calculated with respect to a given point in time at the initial recognition of a position exposed to credit risk (adjusted, if appropriate, to reflect changes in expectations regarding early repayment).

The criteria for determining a significant increase in credit risk vary depending on the portfolio and include both quantitative changes in the values of the probability of default indicator and qualitative factors, including the delinquency limiter. As a sign of a «limiter», indicating a significant increase in credit risk, the Group considers the presence of an asset delay of more than 30 calendar days, but not more than 90 calendar days. The number of days overdue is determined by counting the number of days starting from the earliest day on which the full payment has not been received. The payment dates are determined based on the grace period that can be provided to the borrower.

The criterion for a significant increase in credit risk for debt owed by legal entities is to assign a level of increased attention to the client, which corresponds to a set of problem factors for the value «IA2 level», including current overdue debts in the range of 31-90 days (inclusive).

4 Financial risk review (continued)

Based on an expert assessment of credit quality and, where possible, relevant historical experience, the Group may conclude that there has been a significant increase in credit risk for a financial instrument, if this is indicated by certain qualitative indicators that are an indicator of a significant increase in credit risk, the effect of which cannot be fully identified in a timely manner within the framework of quantitative analysis.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- balances generally do not transfer from impairment stage 1 to impairment stage 3 for assets that are credit-impaired;
- there is no unexplained volatility between ECL, which is formed for assets in impairment stage 1, and ECL, which is formed for assets in impairment stage 2, at the reporting date.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 3.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

The Group renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms to the Group.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy.

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect interest and principal and the Group's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioral indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired is creditworthy (see Note 3) or there is a default event. A customer needs to demonstrate consistently good payment behavior over a period of time before the exposure is no longer considered to be credit-impaired in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

Definition of default

The Group considers a financial asset to be in default when:

- it is unlikely that the borrower's credit obligations to the Group will be repaid in full without the Group taking measures such as realizing collateral (if any), including the following events:
    - Existence of a forced prolongation of a credit claim for a period of more than 90 (ninety) calendar days, i.e., a prolongation made due to the impossibility for the client to repay the claim within the originally established time frame.
    - Presence of forced refinancing of a credit claim, i.e. a new credit claim was provided to replace the current one due to the impossibility for the client to repay the current claim within the originally established time frame.
    - The decision of the authorities of the Bank to recognise the client's credit claim as distressed (IA3 level) stating the impossibility for the client to repay the claim within the originally established time frame, and the decision to transfer it for support to a specialised division for working with bad debts.

4 Financial risk review (continued)

  - Assignment to the client registered in the territory of the Russian Federation and the Republic of Belarus a default rating (D) by independent rating agencies Expert RA Rating Agency (RAEX), National Credit Ratings (NKR), National Rating Agency (NRA), Analytical Credit Rating Agency (ACRA) and to all other clients by Moody's investors Service (Moody's), Standard & Poor's Global (S&P), Fitch Ratings (Fitch),.
  - Recognition of the client as insolvent (bankrupt) by a court decision.
  - Revocation of the license to carry out the main type of activity (only for credit claims of the type «Loan claims on financial institutions«).
  - Assignment of a credit claim (or a set of credit claims), including claims on securities, at a discount of more than a certain amount. The amount of the sales discount at which a default is recognised must exceed the amount of expected losses as of the date of the assignment agreement, taking into account the allowable error. The margin of error is the difference between the discount and the expected losses on a credit claim within 10% of the expected losses.
  - Application of the client to the court for recognition of bankruptcy.
- the borrower's debt under any of the Group's material loan commitments is overdue by more than 90 calendar days. Overdrafts are considered to be overdue from the moment when the client has violated the stipulated limit or the limit has been reduced to an amount less than the amount of the current outstanding debt.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative – e.g. breaches of covenant;
- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group;
- other information obtained from our own and external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:
- probability of default (PD);
- loss given default (LGD);
- gross carrying amount, including the expected repayment of balance sheet assets and the expected amount of disposal of contingent liabilities of commitments.

These parameters are generally derived from statistical models, used by the Group and other historical data and adjusted to reflect forward-looking information, as described below.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on the Group's internally compiled data comprising both quantitative and qualitative factors. Where it is available, the Group also use market data to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PD indicators are estimated taking into account the contractual maturities of positions exposed to credit risk and expectations regarding early repayment, but do not exceed the 12-month level for the 1st stage of impairment and at least the 12-month level for the second stage of impairment.

The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD indicators are adjusted to take into account various economic scenarios, and for loans secured by real estate, to take into account possible changes in real estate prices. They are calculated on a discounted cash flow basis using the EIR as the discounting factor.

The amount at risk in case of default is an estimated estimate of the amount exposed to credit risk at the date of default. This indicator is calculated by the Group based on the current value at the reporting date, taking into account expected changes in this value according to the terms of the agreement, including depreciation. For loan commitments and financial guarantee agreements, the exposure at default (EAD) value includes both the required amount and the expected amounts that may be required under the agreement, which are estimated based on historical observations and forecasts.

4 Financial risk review (continued)

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings;
- collateral type;
- date of initial recognition;
- remaining term to maturity.

Incorporating of forward-looking information

The Group takes into account forward-looking information when calculating the probability of default (PD), using information obtained from official external sources.

The Group identified and documented a list of the main macro factors influencing the assessment of credit risk and credit losses, using an analysis of historical data, assessed the relationship between macroeconomic variables, credit risk and losses from the probability of default. The Group takes into account various sets of macroeconomic indicators combined into mathematical models that are characteristic of different segments of credit requirements and take into account their characteristics. The main macroeconomic factors that the Group uses in its models are the Urals oil price, the USD exchange rate, the unemployment rate, and the consumer price index.

Credit quality analysis

The Group applies the procedure for disclosing the credit quality of financial assets with the priority of ratings of Russian rating agencies over international ones for residents of the Russian Federation. For the purposes of calculating the probability of default (PD), the Group uses statistical assessment models that include a quantitative assessment of the client's financial situation, a qualitative assessment and the industry specifics of the clients. The assessment of the probability of default is updated on a regular basis in connection with the updating of financial data of clients (financial statements) and/or their qualitative characteristics. The Group uses internal PD estimates and market data to evaluate PD indicators for large counterparties – legal entities, in particular, counterparty ratings assigned by the Russian rating agencies ACRA, EXPERT RA, NRA, NKR, and then by the international rating agencies Fitch, Moody's, Standard&Poor's.

The Group classifies financial instruments into the following credit risk categories:
• «Minimum credit risk level» – assets, counterparties with insignificant probability of default, the rating range of Russian rating agencies from AAA to AA+, AAA – BBB- on the S&P rating scale or comparable PD based on internal ratings;

- «Low credit risk level» – assets with counterparties with low probability of default, the rating range of Russian rating agencies from AA to A-, BB+ – B+ on the S&P rating scale or comparable PD based on internal ratings;
- «Moderate credit risk level» – assets with counterparties with average probability of default, the rating range of Russian rating agencies from BBB+ to B, from B to CCC on the S&P rating scale or comparable PD based on internal ratings;
- «High credit risk level» – assets with counterparties high probability of default, the rating range of Russian rating agencies from B- to RD, from CCC- to R on the S&P rating scale or comparable PD based on internal ratings;
- «Distressed assets» – assets that are qualified as defaulted considering all available signs of impairment.

5 Net interest income

in millions of Russian roubles	2024	2023
Interest income calculated using the EIR method		
Financial assets measured at amortised cost		
Loans to customers	422 855	249 267
Accounts and due from banks and other financial organisations and the CBR	150 277	119 127
Debt securities measured at amortised cost	18 054	10 754
Total interest income on financial assets measured at amortised cost	**591 186**	**379 148**
Financial assets measured at FVOCI		
Debt securities measured at FVOCI	73 393	31 013
Total interest income on financial assets measured at FVOCI	**73 393**	**31 013**
Total interest income calculated using the EIR method	**664 579**	**410 161**
Other interest income		
Securities at FVTPL	8 972	10 672
Loans to customers at FVTPL	681	237
Total other interest income	**9 653**	**10 909**
Total interest income	**674 232**	**421 070**
Interest expense calculated using the EIR method		
Due to customers	(341 728)	(178 268)
Accounts and due to banks and other financial organisations and the CBR	(211 484)	(110 982)
Debt securities issued	(10 067)	(11 721)
Lease liabilities	(761)	(730)
Total interest expense calculated using the EIR method	**(564 040)**	**(301 701)**
Other interest expense		
Issued structured bonds	-	(16)
Total other interest expense	**-**	**(16)**
Total interest expense	**(564 040)**	**(301 717)**
Deposit insurance costs	(4 354)	(3 169)
Net interest income	**105 838**	**116 184**

6 Net fee and comission income

in millions of Russian roubles	2024	2023
Fee and commission income		
Guarantees and letters of credit	9 532	8 826
Bank cards	4 399	3 790
Settlements and wire transfers	2 468	1 999
Agency fees	1 229	1 397
Financial services fees, trust management and brokerage commission	818	1 186
Opening and maintenance of bank accounts	760	1 012
Cash operations	589	2 498
Currency exchange commission	465	238
Cash handling	17	961
Other	252	473
Total fee and commission income	**20 529**	**22 380**
Fee and commission expense		
Bank cards	(3 734)	(2 650)
Guarantees and other credit related facilities received	(1 620)	(1 066)
Agency fees	(1 532)	(827)
Settlements and wire transfers	(558)	(660)
Other	(364)	(615)
Total fee and commission expense	**(7 808)**	**(5 818)**
Net fee and commission income	**12 721**	**16 562**

Depending on the type of the service commission income when not an integral part of the EIR on a financial asset or liability is recognised either at a point of time or over time according to the pattern the Group fulfils a performance obligation under the contract:

- commission fee for settlement transactions and wire transfers, cash operations, payment transactions with plastic cards, loan insurance contracts processing, cash handling, currency exchange and brokerage commission, opening of bank accounts commission are charged for the execution of payment order in accordance with tariffs depending on the type of the transaction and recognised as income at the moment of the transaction execution;

- commission fee on guarantees and letters of credit issued is recognised as income over the time of the relevant guarantee or letter of credit.

7 Salaries, employment benefits and administrative expenses

in millions of Russian roubles	**2024**	**2023**
Salaries	21 854	21 083
Social security costs	4 626	4 859
Salaries and employment benefits	**26 480**	**25 942**
Computer maintenance and software expenses	4 780	3 538
Advertising and business development	1 843	1 785
Property maintenance	1 607	1 444
Operating taxes	1 461	1 517
Legal and consulting services	920	719
Communications	826	805
Write-off of low-value fixed assets	399	725
Insurance	329	241
Occupancy	181	121
Security	92	608
Transport	56	234
Other	44	325
Administrative expenses	**12 538**	**12 062**

For the year ended 31 December 2024, «Salaries» included remuneration to members of the Supervisory Board and the Management Board in the amount of RUB 835 million (31 December 2023: RUB 786 million).

The Group does not have pension arrangements separate from the State pension system of the Russian Federation. The Russian Federation system requires current contributions by the employer calculated as a percentage of current gross salary payments; such expense is charged to profit or loss in the period the related compensation is earned by the employee.

8 Provisions for impairment of other non-financial assets, other financial assets and credit related contingent liabilities and other reserves

Changes in the allowance for impairment and the allowance for ECL for the year ended 31 December 2024 are presented below:

in millions of Russian roubles	**Other financial assets and credit related liabilities**	**Other non-financial assets and other reserves**
Balance at 1 January 2024	**7 048**	**369**
Net charge / (recovery) of ECL allowance	5 712	21
Foreign exchange revaluation	76	-
Write-offs	(617)	(70)
Balance at 31 December 2024	**12 219**	**320**

Changes in the allowance for impairment and the allowance for ECL for the year ended 31 December 2023 are presented below:

in millions of Russian roubles	**Other financial assets and credit related liabilities**	**Other non-financial assets and other reserves**
Balance at 1 January 2023	**4 301**	**420**
Net charge / (recovery) of ECL allowance	3 191	126
Foreign exchange revaluation	38	-
Write-offs	(482)	(177)
Balance at 31 December 2023	**7 048**	**369**

9 Income tax

in millions of Russian roubles	2024	2023
Current income tax	13 566	7 037
Deferred taxation	(11 854)	6 456
Income tax income	**1 712**	**13 493**

Russian legal entities must report taxable income and remit income taxes thereon to the appropriate authorities. The statutory income tax rate in 2024 is 20% (2023: 20%).

The effective income tax rate differs from the statutory income tax rate. A reconciliation of income taxes based on the statutory rate with the actual income tax expense is presented below:

in millions of Russian roubles	2024	%	2023	%
Profit before tax	22 599		73 271	
Income tax using the applicable tax rate	4 520	20.00	14 654	20.00
Income taxed at lower rates	(4 291)	(18.99)	(2 076)	(2.83)
Net non-deductible costs	323	1.40	915	1.25
Change in the income tax rate	1 160	5.10	-	-
Income tax expense	**1 712**	**7.51**	**13 493**	**18.42**

In accordance with Federal Law No. 176-FZ of 12 July 2024 and the amendments to the Tax Code of the Russian Federation, from 1 January 2025, the income tax rate will be 25%. The Group expects that deferred tax assets and deferred tax liabilities will be realised in practice after 1 January 2025, respectively, starting with the financial statements as at 30 September 2024 and for the nine months to that date, the Group applied the specified rate to calculate deferred tax.

9 Income tax (continued)

Movements in temporary differences during 2024 and 2023 are presented as follows.

in millions of Russian roubles	**Balance at 1 January 2024**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Recognised directly in equity**	**Acquisition of subsidiaries**	**Balance at 31 December 2024**
Cash and cash equivalents	(129)	(37)	-	-	-	(166)
Accounts and due from banks and other financial organisations	(747)	(1 966)	-	-	30	(2 683)
Loans to customers	4 268	1 731	-	-	(276)	5 723
Securities	21 499	12 502	(6 602)	-	-	27 399
Requirements for derivative financial instruments	2 577	953	-	-	-	3 530
Property and equipment and right-of-use assets	1 655	321	125	-	153	2 254
Other assets	(2 111)	3 262	-	-	-	1 151
Due to customers	1	13	-	-	-	14
Obligations on derivative financial instruments	(1 168)	(341)	-	-	-	(1 509)
Debt securities issued	552	1 617	-	(4 372)	-	(2 203)
Other liabilities	(2 215)	(2 395)	-	-	28	(4 582)
Tax loss carry-forwards	(15 132)	(27 514)	-	-	-	(42 646)
Total net deferred tax liabilities (assets)	**9 050**	**(11 854)**	**(6 477)**	**(4 372)**	**(65)**	**(13 718)**

in millions of Russian roubles	**Balance at 1 January 2023**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Recognised directly in equity**	**Balance at 31 December 2023**
Cash and cash equivalents	(109)	(20)	-	-	(129)
Accounts and due from banks and other financial organisations	(391)	(356)	-	-	(747)
Loans to customers	1 948	2 320	-	-	4 268
Securities	8 311	7 686	5 502	-	21 499
Requirements for derivative financial instruments	6 273	(3 696)	-	-	2 577
Property and equipment and right-of-use assets	1 638	7	10	-	1 655
Other assets	(55)	(2 056)	-	-	(2 111)
Due to customers	1	-	-	-	1
Liabilities at FVTPL	54	(44)	(10)	-	-
Obligations on derivative financial instruments	(2 019)	851	-	-	(1 168)
Debt securities issued	470	2 305	-	(2 223)	552
Other liabilities	(3 432)	1 217	-	-	(2 215)
Tax loss carry-forwards	(13 374)	(1 758)	-	-	(15 132)
Total net deferred tax liabilities (assets)	**(685)**	**6 456**	**5 502**	**(2 223)**	**9 050**

9 Income tax (continued)

The tax effects relating to components of other comprehensive income (loss) comprise the following:

	2024			2023		
in millions of Russian roubles	**Amount before tax**	**Tax benefit / (expense)**	**Amount net-of-tax**	**Amount before tax**	**Tax benefit / (expense)**	**Amount net-of-tax**
Revaluation surplus for buildings	372	(125)	247	50	(10)	40
Fair value reserve for securities	(25 246)	6 602	(18 644)	27 509	(5 502)	22 007
Own credit risk of financial liabilities	-	-	-	(49)	10	(39)
Other comprehensive loss	**(24 874)**	**6 477**	**(18 397)**	**27 510**	**(5 502)**	**22 008**

10 Cash and cash equivalents

	31 December	
in millions of Russian roubles	**2024**	**2023**
Cash on hand	22 198	25 806
Correspondent account with the CBR	185 025	143 751
Nostro accounts with other banks		
Minimum credit risk	11 910	15 136
Low credit risk	330	142
Moderate credit risk	9 393	781
High credit risk	93	-
Total nostro accounts with other banks	**21 726**	**16 059**
Placements with banks and other financial organisations with maturity of less than 1 month		
Minimum credit risk	21 122	60 465
Moderate credit risk	1 120 698	1 068 583
High credit risk	59 739	64 839
Total placements with banks and other financial organisations with maturity of less than 1 month	**1 201 559**	**1 193 887**
Total gross cash and cash equivalents	**1 430 508**	**1 379 503**
ECL allowance	**(659)**	**(465)**
Total net cash and cash equivalents	**1 429 849**	**1 379 038**

Counterparty ratings are based on the counterparty credit quality scale developed by the Group. The information is presented in Note 4.

A correspondent account with the CBR represents funds with the CBR used for settlement operations and the free use of which is not limited at the end of the period.

10 Cash and cash equivalents (continued)

As at 31 December 2024, receivables under reverse sale and repurchase agreements included in Cash and cash equivalents are RUB 1 189 246 million (31 December 2023: RUB 1 126 591 million), secured by liquid securities: bonds (95.8%), stocks (4.2%) (31 December 2023: bonds (95.5%), stocks (4.5%)).

As at 31 December 2024, the fair value of securities that serve as collateral under reverse sale and repurchase agreements is RUB 1 257 826 million (31 December 2023: RUB 1 242 737 million).

As at 31 December 2024, securities received under reverse «REPO» operations in the amount of RUB 1 120 266 million were on the Lombard List published by the CBR (31 December 2023: RUB 1 065 644 million).

Movements in cash and cash equivalents ECL allowance for the year ended 31 December 2024 and 31 December 2023 are as follows:

	31 December	
in millions of Russian roubles	**2024**	**2023**
Balance at 1 January	**465**	**542**
Net charge / (recovery) of loss allowance	194	(77)
Balance at 31 December	**659**	**465**

As at 31 December 2024 and 31 December 2023 the Group recognises ECL allowance for cash and cash equivalents in the amount of 12-month ECL (Stage 1).

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

11 Accounts and due from banks and other financial organisations

	31 December	
in millions of Russian roubles	**2024**	**2023**
Minimum credit risk	37 776	37 108
Low credit risk	1 855	17 167
Moderate credit risk	44 973	41 846
Total gross accounts and due from banks and other financial organisations	**84 604**	**96 121**
ECL allowance	**(11 758)**	**(4 780)**
Total net accounts and due from banks and other financial organisations	**72 846**	**91 341**

Ratings are based on internally scale developed by the Group, see Note 4.

As at 31 December 2024, receivables under reverse sale and repurchase agreements included in accounts and due from banks and other financial organisations are RUB 1 109 million (31 December 2023: RUB 10 790 million), secured by liquid securities: stocks (100.0%) (31 December 2023: stocks (68.1%), bonds (31.9%)).

As at 31 December 2024, the fair value of securities that serve as collateral under reverse sale and repurchase agreements is RUB 1 076 million (31 December 2023: RUB 9 436 million).

Movements in accounts and due from banks and other financial organisations ECL for the year ended 31 December 2024 and 31 December 2023 are as follows:

in millions of Russian roubles	**2024**	**2023**
Balance at 1 January	**4 780**	**2 253**
Net charge / (recovery) of loss allowance	6 495	2 519
Changes in models / risk parameters	7	-
Recovery of written off amounts	-	8
Foreign exchange	476	-
Balance at 31 December	**11 758**	**4 780**

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

12 Loans to customers

in millions of Russian roubles	31 December 2024	31 December 2023
Loans to customers at amortised cost		
Loans to corporate clients	2 588 843	2 219 895
ECL allowance	**(112 459)**	**(75 310)**
Total loans to corporate clients at amortised cost, net	**2 476 384**	**2 144 585**
Loans to individuals		
Mortgage loans	140 755	131 172
Cash loans	64 713	72 636
Credit card loans	3 858	3 572
ECL allowance	**(5 525)**	**(6 762)**
Total loans to individuals at amortised cost, net	**203 801**	**200 618**
Total gross loans to customers at amortised cost	**2 798 169**	**2 427 275**
ECL allowance	**(117 984)**	**(82 072)**
Total loans to customers at amortised cost, net	**2 680 185**	**2 345 203**
Loans to customers at FVTPL		
Loans to corporate clients	3 613	4 700
Loans to individuals	13 828	-
Total loans to customers at amortised cost and FVTPL	**2 697 626**	**2 349 903**

As at 31 December 2024, receivables under reverse sale and repurchase agreements included in Loans to corporate clients are RUB 11 964 million, secured by liquid securities: stocks (66.1%), bonds (33.9%) (31 December 2023: there were no receivables under reverse sale and repurchase agreements).

As at 31 December 2024, the fair value of securities that serve as collateral under reverse sale and repurchase agreements is RUB 27 657 million (31 December 2023: there were no receivables under reverse sale and repurchase agreements).

Credit quality of loan portfolio

The following table provides information on credit quality of the loan portfolio as at 31 December 2024 and 31 December 2023:

in millions of Russian roubles	31 December 2024	31 December 2023
Loans to customers		
-Not past due	2 722 408	2 372 780
-Overdue less than 31 days	2 367	31 080
-Overdue 31-60 days	968	753
-Overdue 61-90 days	811	499
-Overdue 91-180 days	6 869	2 603
-Overdue 181-360 days	50 225	5 842
-Overdue more than 360 days	31 962	18 418
Total gross loans to customers	**2 815 610**	**2 431 975**

For the purposes of these summary consolidated financial statements, a loan is considered past due when the borrower is late in any payment under the loan agreement. In this case, the total amount of debt under the loan agreement, including debt to pay interest and commissions, is recognised as overdue.

As at 31 December 2024, the gross amount of overdue loans with payments that are overdue at least for one day totals RUB 93 202 million, which represents 3.3% of the gross loan portfolio (31 December 2023: RUB 59 195 million and 2.4%, respectively).

As at 31 December 2024, loans with payments that are overdue over ninety days, amount to RUB 89 056 million or 3.2% of the gross loan portfolio (31 December 2023: RUB 26 863 million and 1.1%, respectively).

As at 31 December 2024, the ratio of total credit loss allowance to overdue loans equals 127.0%, the ratio of total credit loss allowance to NPLs equals 132.5% (31 December 2023: 138.6%, 305.5%, respectively).

12 Loans to customers (continued)

Credit quality of loans to corporate clients

The following table provides information on credit quality of the loan portfolio as at 31 December 2024 and 31 December 2023:

	31 December	
in millions of Russian roubles	**2024**	**2023**
Loans to corporate clients		
- Not past due	2 507 545	2 171 942
- Overdue less than 31 days	1 049	30 195
- Overdue 31-60 days	233	82
- Overdue 61-90 days	284	142
- Overdue 91-180 days	5 663	1 839
- Overdue 181-360 days	48 741	4 748
- Overdue more than 360 days	28 941	15 647
Total gross loans to corporate clients	**2 592 456**	**2 224 595**

Analysis of collateral

Corporate loans are secured by the following types of collateral, depending on the type of transaction: real estate and other property, equipment and motor vehicles, inventories, receivables, guarantees and sureties, securities, promissory notes.

The following table provides information on collateral securing loans to corporate customers, net of ECL, by types of collateral as at 31 December 2024 and 31 December 2023:

	31 December	
in millions of Russian roubles	**2024**	**2023**
Real estate and other property	265 288	201 538
Equipment and motor vehicles	76 457	98 871
Securities	86 666	90 998
Claims for contract receivables	63 108	75 045
Guaranteed deposits	14 600	10 816
Goods in turnover	6 607	9 144
Corporate guarantees and no collateral	1 967 271	1 662 873
	2 479 997	**2 149 285**

The Group generally does not consider corporate guarantees for impairment assessment purposes.

The amounts in the table above represent the carrying value of the related loan, and do not necessarily represent the fair value of the collateral.

As at 31 December 2024 net amount of credit-impaired corporate loans measured at amortised cost amounted to RUB 10 548 million (31 December 2023: RUB 12 073 million), and the value of collateral (mainly commercial real estate) available for these loans amounted to RUB 14 044 million (31 December 2023: RUB 13 018 million). The repayment of non-impaired and non-overdue loans primarily depends on the solvency of borrowers, and not on the cost of collateral. Thus, the Group does not need to reassess the collateral at each reporting date.

For loans secured by multiple types of collateral, collateral that is most relevant for impairment assessment is disclosed. Guarantees and sureties received from individuals, such as shareholders of SME borrowers, are not considered for impairment assessment purposes. Accordingly, such loans and unsecured portions of partially secured exposures are presented as loans without collateral or other credit enhancement.

Collateral obtained

During 2024, the Group did not acquire securities and other assets by gaining control over collateral taken on loans to corporate clients (2023: RUB 13 902 million).

12 Loans to customers (continued)

The following table contains information on loans to corporate clients measured at amortised cost by impairment stage as at 31 December 2024:

	31 December 2024				
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Originated credit-impaired**	**Total**
Loans to corporate clients at amortised cost					
Minimum credit risk	374 739	44	-	-	374 783
Low credit risk	661 231	-	-	-	661 231
Moderate credit risk	1 309 165	7 432	-	-	1 316 597
High credit risk	111 996	38 055	-	-	150 051
Distressed assets	-	-	70 890	15 291	86 181
Total	**2 457 131**	**45 531**	**70 890**	**15 291**	**2 588 843**
ECL allowance	**(21 252)**	**(15 574)**	**(61 894)**	**(13 739)**	**(112 459)**
Carrying amount	**2 435 879**	**29 957**	**8 996**	**1 552**	**2 476 384**

The following table contains information on loans to corporate clients measured at amortised cost by impairment stage as at 31 December 2023:

	31 December 2023				
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Originated credit-impaired**	**Total**
Loans to corporate clients at amortised cost					
Minimum credit risk	334 493	-	-	-	334 493
Low credit risk	587 616	-	-	-	587 616
Moderate credit risk	1 097 511	32 128	-	-	1 129 639
High credit risk	71 004	45 788	-	-	116 792
Distressed assets	-	-	37 757	13 598	51 355
Total	**2 090 624**	**77 916**	**37 757**	**13 598**	**2 219 895**
ECL allowance	**(17 271)**	**(18 757)**	**(32 822)**	**(6 460)**	**(75 310)**
Carrying amount	**2 073 353**	**59 159**	**4 935**	**7 138**	**2 144 585**

12 Loans to customers (continued)

Analysis of movements in the ECL allowance for loans to corporate clients

Movements in the expected credit loss allowance for loans to corporate clients by ECL stages for the year ended 31 December 2024 and 31 December 2023 are as follows:

	2024				
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Originated credit-impaired**	**Total**
Balance at 1 January 2024	**17 271**	**18 757**	**32 822**	**6 460**	**75 310**
Transfer to 12-month ECL	4	-	(4)	-	-
Transfer to lifetime ECL not credit-impaired	(40)	6 834	(6 794)	-	-
Transfer to lifetime ECL credit-impaired	(663)	(7 046)	7 709	-	-
Net charge / (recovery) of ECL allowance	(2 623)	1 494	26 289	5 756	30 916
New financial assets originated or purchased	14 733	4 878	748	-	20 359
Financial assets that have been fully repaid	(6 933)	(9 276)	(809)	-	(17 018)
Changes in models / risk parameters	(393)	(68)	-	-	(461)
Write-offs and cessions	-	-	(98)	-	(98)
Unwinding of discount	-	-	2 841	563	3 404
Foreign exchange revaluation and other changes	(104)	1	(810)	960	47
Balance at 31 December 2024	**21 252**	**15 574**	**61 894**	**13 739**	**112 459**

	2023				
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Originated credit-impaired**	**Total**
Balance at 1 January 2023	**14 905**	**10 336**	**23 987**	**428**	**49 656**
Transfer to 12-month ECL	14	-	(14)	-	-
Transfer to lifetime ECL not credit-impaired	(58)	58	-	-	-
Transfer to lifetime ECL credit-impaired	(110)	(2 056)	2 166	-	-
Net charge of ECL allowance	229	1 244	5 545	4 841	11 859
New financial assets originated or purchased	11 793	15 243	939	-	27 975
Financial assets that have been fully repaid	(8 382)	(5 550)	(2 469)	-	(16 401)
Financial assets that have been derecognised	(1 305)	62	-	-	(1 243)
Write-offs and cessions	(7)	(580)	-	-	(587)
Unwinding of discount	-	-	1 273	424	1 697
Foreign exchange revaluation and other changes	192	-	1 395	767	2 354
Balance at 31 December 2023	**17 271**	**18 757**	**32 822**	**6 460**	**75 310**

12 Loans to customers (continued)

Changes in the gross carrying amount of loans to corporate clients

Changes in the gross carrying amount of loans to corporate clients, which resulted in a change in the ECL allowance for the year ended 31 December 2024 are presented below:

	2024				
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Originated credit-impaired**	**Total**
1 January 2024	**2 090 624**	**77 916**	**37 757**	**13 598**	**2 219 895**
Acquisition of subsidiaries	25 011	156	174	-	25 341
Transfer to 12-month ECL	4	-	(4)	-	-
Transfer to lifetime ECL not credit-impaired	(3 459)	13 283	(9 824)	-	-
Transfer to lifetime ECL credit-impaired	(16 729)	(27 618)	44 347	-	-
New financial assets originated or purchased	1 540 785	14 191	886	-	1 555 862
Financial assets that have been fully repaid	(1 011 977)	(31 127)	(4 486)	-	(1 047 590)
Cessions	(50 836)	-	(968)	-	(51 804)
Foreign exchange revaluation	51 555	13	93	3 227	54 888
Partial repayment and other changes	(167 847)	(1 283)	2 915	(1 534)	(167 749)
Gross loans to corporate clients as at 31 December 2024	**2 457 131**	**45 531**	**70 890**	**15 291**	**2 588 843**

Changes in the gross carrying amount of loans to corporate clients, which resulted in a change in the ECL allowance for the year ended 31 December 2023 are presented below:

	2023				
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Originated credit-impaired**	**Total**
1 January 2023	**1 562 191**	**93 078**	**26 851**	**11 169**	**1 693 289**
Transfer to 12-month ECL	14	-	(14)	-	-
Transfer to lifetime ECL not credit-impaired	(6 641)	6 641	-	-	-
Transfer to lifetime ECL credit-impaired	(3 393)	(44 476)	47 869	-	-
New financial assets originated or purchased	1 400 143	61 583	941	-	1 462 667
Financial assets that have been fully repaid	(848 975)	(35 714)	(23 372)	-	(908 061)
Financial assets that have been derecognised due to modification	(3 517)	-	-	-	(3 517)
Sales	(4 668)	(2 500)	-	-	(7 168)
Foreign exchange revaluation	111 718	462	123	5 250	117 553
Partial repayment and other changes	(116 248)	(1 158)	(14 641)	(2 821)	(134 868)
Gross loans to corporate clients as at 31 December 2023	**2 090 624**	**77 916**	**37 757**	**13 598**	**2 219 895**

12 Loans to customers (continued)

Credit quality of loans to individuals

The following table contains information on credit quality of loans to individuals by product type as at 31 December 2024:

	31 December 2024			
in millions of Russian roubles	**Cash loans**	**Mortgage loans**	**Credit card loans**	**Total**
Loans to individuals				
- Not past due	60 650	150 663	3 550	214 863
- Overdue less than 31 days	640	678	-	1 318
- Overdue 31-60 days	355	342	38	735
- Overdue 61-90 days	240	261	26	527
- Overdue 91-180 days	558	582	66	1 206
- Overdue 181-360 days	783	621	80	1 484
- Overdue more than 360 days	1 487	1 436	98	3 021
Total gross loans to individuals	**64 713**	**154 583**	**3 858**	**223 154**
ECL allowance	**(4 803)**	**(276)**	**(446)**	**(5 525)**
Total net loans to individuals	**59 910**	**154 307**	**3 412**	**217 629**

The following table contains information on credit quality of loans to individuals measured at amortised cost by impairment stage as at 31 December 2024:

	31 December 2024			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
- Not past due	199 923	2 762	731	203 416
- Overdue less than 31 days	573	387	60	1 020
- Overdue 31-60 days	-	518	57	575
- Overdue 61-90 days	-	356	57	413
- Overdue 91-180 days	-	-	755	755
- Overdue 181-360 days	-	-	961	961
- Overdue more than 360 days	-	-	2 186	2 186
Total gross loans to individuals	**200 496**	**4 023**	**4 807**	**209 326**
ECL allowance	**(1 458)**	**(1 295)**	**(2 772)**	**(5 525)**
Total net loans to individuals	**199 038**	**2 728**	**2 035**	**203 801**

12 Loans to customers (continued)

The following table contains information on credit quality of loans to individuals measured at amortised cost by product type as at 31 December 2023:

	31 December 2023			
in millions of Russian roubles	**Cash loans**	**Mortgage loans**	**Credit card loans**	**Total**
Loans to individuals				
- Not past due	67 531	130 035	3 272	200 838
- Overdue less than 31 days	690	195	-	885
- Overdue 31-60 days	443	200	28	671
- Overdue 61-90 days	303	31	23	357
- Overdue 91-180 days	650	65	49	764
- Overdue 181-360 days	957	72	65	1 094
- Overdue more than 360 days	2 062	574	135	2 771
Total gross loans to individuals	**72 636**	**131 172**	**3 572**	**207 380**
ECL allowance	**(6 118)**	**(204)**	**(440)**	**(6 762)**
Total net loans to individuals	**66 518**	**130 968**	**3 132**	**200 618**

The following table contains information on credit quality of loans to individuals measured at amortised cost by impairment stage as at 31 December 2023:

	31 December 2023			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
- Not past due	198 193	1 952	693	200 838
- Overdue less than 31 days	424	357	104	885
- Overdue 31-60 days	42	556	73	671
- Overdue 61-90 days	-	304	53	357
- Overdue 91-180 days	-	90	674	764
- Overdue 181-360 days	-	-	1 094	1 094
- Overdue more than 360 days	-	-	2 771	2 771
Total gross loans to individuals	**198 659**	**3 259**	**5 462**	**207 380**
ECL allowance	**(1 986)**	**(1 142)**	**(3 634)**	**(6 762)**
Total net loans to individuals	**196 673**	**2 117**	**1 828**	**200 618**

Analysis of collateral

Mortgage loans are secured by the underlying housing real estate. Auto loans are secured by the underlying cars. Credit card overdrafts and other loans to individuals are not secured.

For the ECL on a portfolio basis, management does not estimate ECL based on a specific analysis of the fair value of collateral but instead applies actual historical loss experience.

As at 31 December 2024, impaired mortgage loans includes impaired loans with the net book value of RUB 1 046 million and fair value of RUB 1 001 million (31 December 2023: RUB 1 054 million and RUB 753 million, respectively).

During the year ended 31 December 2024, the Group obtained assets by taking possession of collateral for loans to individuals in the amount of RUB 86 million (during the year ended 31 December 2023: RUB 77 million). The Group's policy is to sell such assets as soon as it is practicable.

12 Loans to customers (continued)

Analysis of changes in the ECL allowance

Movements in the expected credit loss allowance by classes of loans to individuals at amortised cost and by three ECL stages for the year ended 31 December 2024 are as follows:

	2024			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
Cash loans				
Balance at 1 January 2024	**1 830**	**1 020**	**3 268**	**6 118**
Transfer to 12-month ECL	306	(238)	(68)	-
Transfer to lifetime ECL not credit-impaired	(94)	128	(34)	-
Transfer to lifetime ECL credit-impaired	(149)	(447)	596	-
Net (recovery) / charge of ECL allowance	(277)	758	1 068	1 549
New financial assets originated or purchased	212	82	-	294
Financial assets that have been fully repaid	(123)	(73)	(139)	(335)
Write-offs and cessions	-	-	(2 426)	(2 426)
Recoveries of amounts previously written-off	-	-	107	107
Unwinding of discount	-	-	67	67
Changes in models / risk parameters	(440)	(127)	-	(567)
Foreign exchange revaluation and other changes	-	(1)	(3)	(4)
Balance at 31 December 2024	**1 265**	**1 102**	**2 436**	**4 803**

12 Loans to customers (continued)

in millions of Russian roubles	2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
Mortgage loans				
Balance at 1 January 2024	**51**	**26**	**127**	**204**
Transfer to 12-month ECL	21	(15)	(6)	-
Transfer to lifetime ECL not credit-impaired	(3)	7	(4)	-
Transfer to lifetime ECL credit-impaired	-	(2)	2	-
Net charge / (recovery) of ECL allowance	(15)	33	3	21
New financial assets originated or purchased	24	-	-	24
Financial assets that have been fully repaid	1	-	(9)	(8)
Recoveries of amounts previously written-off	-	-	32	32
Unwinding of discount	-	-	5	5
Changes in models / risk parameters	-	(1)	-	(1)
Foreign exchange revaluation and other changes	3	-	(4)	(1)
Balance at 31 December 2024	**82**	**48**	**146**	**276**
Credit card loans				
Balance at 1 January 2024	**105**	**96**	**239**	**440**
Transfer to 12-month ECL	17	(17)	-	-
Transfer to lifetime ECL not credit-impaired	(11)	11	-	-
Transfer to lifetime ECL credit-impaired	(9)	(29)	38	-
Net charge / (recovery) of ECL allowance	(6)	69	100	163
New financial assets originated or purchased	36	40	-	76
Financial assets that have been fully repaid	(20)	(23)	(16)	(59)
Write-offs and cessions	-	-	(172)	(172)
Changes in models / risk parameters	-	(2)	-	(2)
Unwinding of discount	-	-	2	2
Foreign exchange revaluation and other changes	(1)	-	(1)	(2)
Balance at 31 December 2024	**111**	**145**	**190**	**446**

12 Loans to customers (continued)

Movements in the expected credit loss allowance by classes of loans to individuals at amortised cost and by three ECL stages for the year ended 31 December 2023 are as follows:

	2023			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
Cash loans				
Balance at 1 January 2023	**2 930**	**1 888**	**4 713**	**9 531**
Transfer to 12-month ECL	902	(702)	(200)	-
Transfer to lifetime ECL not credit-impaired	(67)	134	(67)	-
Transfer to lifetime ECL credit-impaired	(178)	(762)	940	-
Net charge / (recovery) of ECL allowance	(636)	193	845	402
New financial assets originated or purchased	489	184	223	896
Financial assets that have been fully repaid	(485)	(84)	(147)	(716)
Write-offs and cessions	-	-	(4 429)	(4 429)
Recoveries of amounts previously written-off	-	-	64	64
Unwinding of discount	-	-	179	179
Changes in models / risk parameters	(1 125)	169	1 109	153
Foreign exchange revaluation and other changes	-	-	38	38
Balance at 31 December 2023	**1 830**	**1 020**	**3 268**	**6 118**
Mortgage loans				
Balance at 1 January 2023	**108**	**30**	**143**	**281**
Transfer to 12-month ECL	24	(11)	(13)	-
Transfer to lifetime ECL not credit-impaired	(5)	6	(1)	-
Transfer to lifetime ECL credit-impaired	-	(2)	2	-
Net recovery of ECL allowance	(79)	(1)	(97)	(177)
New financial assets originated or purchased	14	-	-	14
Financial assets that have been fully repaid	(6)	(8)	(30)	(44)
Recoveries of amounts previously written-off	-	-	60	60
Unwinding of discount	-	-	9	9
Changes in models / risk parameters	(5)	12	12	19
Foreign exchange revaluation and other changes	-	-	42	42
Balance at 31 December 2023	**51**	**26**	**127**	**204**

12 Loans to customers (continued)

	2023			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
Credit card loans				
Balance at 1 January 2023	**186**	**99**	**193**	**478**
Transfer to 12-month ECL	23	(23)	-	-
Transfer to lifetime ECL not credit-impaired	(16)	16	-	-
Transfer to lifetime ECL credit-impaired	(12)	(23)	35	-
Net charge of ECL allowance	47	60	53	160
New financial assets originated or purchased	35	27	55	117
Financial assets that have been fully repaid	(51)	(37)	(13)	(101)
Write-offs and cessions	-	-	(160)	(160)
Changes in models / risk parameters	(107)	(23)	57	(73)
Unwinding of discount	-	-	9	9
Foreign exchange revaluation and other changes	-	-	10	10
Balance at 31 December 2023	**105**	**96**	**239**	**440**

Analysis of changes in the gross carrying amount of loans to individuals

Changes in the gross carrying amount of loans to individuals at amortised cost by three ECL stages for the year ended 31 December 2024 are as follows:

	2024			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
Balance at 1 January 2024	**198 659**	**3 259**	**5 462**	**207 380**
Transfer to 12-month ECL	1 234	(1 005)	(229)	-
Transfer to lifetime ECL not credit-impaired	(3 034)	3 161	(127)	-
Transfer to lifetime ECL credit-impaired	(2 401)	(955)	3 356	-
New financial assets originated or purchased	33 318	425	-	33 743
Financial assets that have been fully repaid	(10 607)	(285)	(617)	(11 509)
Write-offs and cessions	-	-	(2 598)	(2 598)
Acquisition of subsidiaries	758	4	68	830
Partial repayment and other changes	(17 431)	(581)	(508)	(18 520)
Balance at 31 December 2024	**200 496**	**4 023**	**4 807**	**209 326**

12 Loans to customers (continued)

Changes in the gross carrying amount of loans to individuals by three ECL stages for the year ended 31 December 2023 are as follows:

	2023			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
Balance at 1 January 2023	**194 177**	**5 680**	**7 372**	**207 229**
Transfer to 12-month ECL	2 894	(2 467)	(427)	-
Transfer to lifetime ECL not credit-impaired	(1 878)	2 012	(134)	-
Transfer to lifetime ECL credit-impaired	(2 298)	(1 679)	3 977	-
New financial assets originated or purchased	44 323	448	387	45 158
Financial assets that have been fully repaid	(22 509)	(476)	(1 124)	(24 109)
Write-offs and cessions	-	-	(4 589)	(4 589)
Partial repayment and other changes	(16 050)	(259)	-	(16 309)
Balance at 31 December 2023	**198 659**	**3 259**	**5 462**	**207 380**

Net investment in financial leasing

The table below contains information on net investments in financial leasing as at 31 December 2024, included in loans to legal entities:

in millions of Russian roubles	**31 December 2024**
Gross investment in financial leasing	
- the current part	13 318
- the long-term part	30 848
Unearned income from financing	
- the current part	(6 248)
- the long-term part	(11 953)
Net investment in finance leasing	
- the current part	7 070
- the long-term part	18 895
Net investments in finance leases before ECL	**25 965**
ECL allowance	**(47)**
Net investment in finance leasing, net of provision for ECL	**25 918**

The table below contains information on contractual maturities of net investments in finance leases as at 31 December 2024:

in millions of Russian roubles	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Gross investment in financial leasing	13 318	26 259	4 589	44 166
Unearned income from financing	(6 248)	(10 536)	(1 417)	(18 201)
ECL allowance	(7)	(27)	(13)	(47)
Net investment in finance leasing, net of provision for ECL	**7 063**	**15 696**	**3 159**	**25 918**

Loan maturities

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

13 Securities

in millions of Russian roubles	31 December 2024	31 December 2023
Securities measured at FVTPL	67 999	131 318
Debt securities measured at FVOCI	431 894	449 341
Securities measured at amortised cost	192 253	199 584
Securities measured at FVOCI - equity instruments	107	66
Total securities	**692 253**	**780 309**

As at 31 December 2024 there are no securities recognised at initial recognition as irrevocable as measured at FVTPL, but meeting the requirements of measurement at amortised cost or FVOCI (31 December 2023: none).

As at 31 December 2024, securities in the amount of RUB 583 927 million are published in the CBR Lombard List (31 December 2023: RUB 636 743 million).

As at 31 December 2024, the Group transferred securities owned by the Group with a book value of RUB 12 427 million (31 December 2023: RUB 24 872 million), and the book value of related liabilities was RUB 11 336 million (31 December 2023: RUB 21 153 million).

Securities measured at fair value through profit or loss

	31 December 2024			**31 December 2023**		
in millions of Russian roubles	**Unpledged**	**Pledged under repurchase agreements**	**Total**	**Unpledged**	**Pledged under repurchase agreements**	**Total**
Debt securities						
Minimum credit risk	34 255	5 546	**39 801**	61 678	7 244	68 922
Low credit risk	12 773	88	**12 861**	29 401	8 316	37 717
Moderate credit risk	431	-	**431**	2 812	-	2 812
Equity investments	14 906	-	**14 906**	21 867	-	21 867
Total	**62 365**	**5 634**	**67 999**	**115 758**	**15 560**	**131 318**

Ratings are based on internally scale developed by the Group, see Note 4.

Securities measured at fair value through other comprehensive income

	31 December 2024			**31 December 2023**		
in millions of Russian roubles	**Unpledged**	**Pledged under repurchase agreements**	**Total**	**Unpledged**	**Pledged under repurchase agreements**	**Total**
Minimum credit risk	416 448	6 783	**423 231**	418 277	3 084	**421 361**
Low credit risk	8 653	10	**8 663**	14 050	3 773	**17 823**
Moderate credit risk	-	-	-	10 157	-	**10 157**
Total	**425 101**	**6 793**	**431 894**	**442 484**	**6 857**	**449 341**

13 Securities (continued)

Movements in the ECL allowance for securities measured at FVOCI by three ECL stages for the year ended 31 December 2024 and 31 December 2023 are as follows:

	2024		
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Total**
Securities, measured at FVOCI - debt instruments			
Balance at 1 January 2024	**210**	**49**	**259**
Net recovery of ECL allowance	(51)	(49)	(100)
Changes in models / risk parameters	25	-	25
Balance at 31 December 2024	**184**	**-**	**184**

	2023		
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Total**
Securities, measured at FVOCI - debt instruments			
Balance at 1 January 2023	**805**	**60**	**865**
Net recovery of ECL allowance	(595)	(11)	(606)
Balance at 31 December 2023	**210**	**49**	**259**

Credit quality analysis

The following table sets out information about the credit quality of the securities measured at FVOCI as at 31 December 2024 and 31 December 2023:

	31 December 2024	
in millions of Russian roubles	**Stage 1 12-month ECL**	**Total**
Minimum credit risk	452 899	452 899
Low credit risk	10 122	10 122
Total gross carrying amount	**463 021**	**463 021**
ECL allowance	**(184)**	**(184)**
Adjustment of amortised cost to fair value	**(30 943)**	**(30 943)**
Total fair value	**431 894**	**431 894**

	31 December 2023		
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Total**
Minimum credit risk	427 240	-	427 240
Low credit risk	15 260	2 704	17 964
Moderate credit risk	10 056	-	10 056
Total gross carrying amount	**452 556**	**2 704**	**455 260**
ECL allowance	**(210)**	**(49)**	**(259)**
Adjustment of amortised cost to fair value	**(5 654)**	**(6)**	**(5 660)**
Total fair value	**446 692**	**2 649**	**449 341**

Ratings are based on internally scale developed by the Group, see Note 4.

13 Securities (continued)

Securities measured at amortised cost

	31 December 2024			31 December 2023		
in millions of Russian roubles	**Unpledged**	**Pledged under repurchase agreements**	**Total**	**Unpledged**	**Pledged under repurchase agreements**	**Total**
Minimum credit risk	190 656	-	**190 656**	196 230	-	**196 230**
Low credit risk	1 656	-	**1 656**	960	2 460	**3 420**
Total	**192 312**	**-**	**192 312**	**197 190**	**2 460**	**199 650**
ECL allowance	**(59)**	**-**	**(59)**	**(61)**	**(5)**	**(66)**
Total securities measured at amortised cost	**192 253**	**-**	**192 253**	**197 129**	**2 455**	**199 584**

Movements in the ECL allowance for securities measured at amortised cost by three ECL stages for the year ended 31 December 2024 and 31 December 2023 are as follows:

	2024	
in millions of Russian roubles	**Stage 1 12-month ECL**	**Total**
Securities measured at amortised cost		
Balance at 1 January 2024	**66**	**66**
Net recovery of ECL allowance	(37)	(37)
Changes in models/ risk parameters	30	30
Balance at 31 December 2024	**59**	**59**

	2023	
in millions of Russian roubles	**Stage 1 12-month ECL**	**Total**
Securities measured at amortised cost		
Balance at 1 January 2023	**32**	**32**
Net charge of ECL allowance	34	34
Balance at 31 December 2023	**66**	**66**

Credit quality analysis

The following table sets out information about the credit quality securities measured at amortised cost as at 31 December 2024 and 31 December 2023:

	31 December 2024	
in millions of Russian roubles	**Stage 1 12-month ECL**	**Total**
Minimum credit risk	190 656	190 656
Low credit risk	1 656	1 656
Total	**192 312**	**192 312**
ECL allowance	**(59)**	**(59)**
Carrying amount	**192 253**	**192 253**

	31 December 2023	
in millions of Russian roubles	**Stage 1 12-month ECL**	**Total**
Minimum credit risk	196 230	196 230
Low credit risk	3 420	3 420
Total	**199 650**	**199 650**
ECL allowance	**(66)**	**(66)**
Carrying amount	**199 584**	**199 584**

Ratings are based on internally scale developed by the Group, see Note 4.

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

14 Property and equipment and right-of-use assets

The movement in property and equipment for the year ended 31 December 2024 is presented in the table below:

in millions of Russian roubles	Office buildings	Vehicles	Computers and office equipment	Furniture and other property	Construction in progress	Right-of-use assets	Total
Cost/Revalued amount							
At 1 January 2024	**4 784**	**417**	**3 324**	**4 719**	**1 742**	**9 023**	**24 009**
Acquisition of subsidiaries	-	-	8	4	-	82	94
Additions	135	9	419	184	1 669	1 187	3 603
Modification	-	-	-	-	-	717	717
Disposals	(118)	(255)	(269)	(415)	-	(839)	(1 896)
Transfers	-	-	1 735	574	(2 309)	-	-
Revaluation	139	-	-	-	-	-	139
Elimination of accumulated depreciation on revalued buildings	(126)	-	-	-	-	-	(126)
At 31 December 2024	**4 814**	**171**	**5 217**	**5 066**	**1 102**	**10 170**	**26 540**
Accumulated depreciation							
At 1 January 2024	2	201	2 397	2 697	-	3 080	8 377
Depreciation charge	131	68	569	514	-	1 169	2 451
Modification	-	-	-	-	-	(2)	(2)
Disposals	(4)	(167)	(253)	(379)	-	(506)	(1 309)
Elimination of accumulated depreciation on revalued buildings	(126)	-	-	-	-	-	(126)
At 31 December 2024	**3**	**102**	**2 713**	**2 832**	**-**	**3 741**	**9 391**
Carrying value at 31 December 2024	**4 811**	**69**	**2 504**	**2 234**	**1 102**	**6 429**	**17 149**

14 Property and equipment and right-of-use assets (continued)

The movement in property and equipment for the year ended 31 December 2023 is presented in the table below:

in millions of Russian roubles	**Office buildings**	**Vehicles**	**Computers and office equipment**	**Furniture and other property**	**Construction in progress**	**Right-of-use assets**	**Total**
Cost/revalued amount							
At 1 January 2023	**4 685**	**479**	**2 849**	**4 596**	**283**	**10 464**	**23 356**
Additions	53	24	129	380	2 913	420	3 919
Modification	-	-	-	-	-	(86)	(86)
Disposals	-	(238)	(31)	(1 334)	-	(1 615)	(3 218)
Transfers	14	146	377	1 077	(1 454)	(160)	-
Transfer to investment property	(23)	-	-	-	-	-	(23)
Revaluation	176	6	-	-	-	-	182
Elimination of accumulated depreciation on revalued buildings	(121)	-	-	-	-	-	(121)
At 31 December 2023	**4 784**	**417**	**3 324**	**4 719**	**1 742**	**9 023**	**24 009**
Accumulated depreciation							
At 1 January 2023	-	250	2 108	3 388	-	2 740	8 486
Depreciation charge	124	73	318	461	-	1 290	2 266
Disposals	-	(122)	(29)	(1 152)	-	(950)	(2 253)
Transfer to investment property	(1)	-	-	-	-	-	(1)
Elimination of accumulated depreciation on revalued buildings	(121)	-	-	-	-	-	(121)
At 31 December 2023	**2**	**201**	**2 397**	**2 697**	**-**	**3 080**	**8 377**
Carrying value at 31 December 2023	**4 782**	**216**	**927**	**2 022**	**1 742**	**5 943**	**15 632**

14 Property and equipment and right-of-use assets (continued)

The office buildings were independently valued at 31 December 2024. The valuation was carried out by an independent firm of appraisers, who hold a recognised and relevant professional qualification and who have recent experience in valuation of assets of similar location and category.

The appraisals were performed using the income capitalisation and comparative sales and/or offer approaches of valuation. The income capitalisation approach considers income and expense data relating to the property being valued and estimates fair value through a capitalisation process. The market approach is based upon an analysis of the results of comparable sales and/or offers of similar buildings. Final fair value was calculated based on integrated analysis of both approaches. Thus, these office buildings were classified to Level 3 of the fair value hierarchy.

The following key assumptions are used in applying the income capitalisation approach:

– net income for the base year is calculated using information on actual rental rates, possible vacancy losses, operating and maintenance expenses;
– vacancy losses as a percentage of potential gross rent income are estimated in the range of 4.2% to 18.6% (31 December 2023: 4% to 20.17%);
– buildings maintenance and general administrative expenses are estimated in the range from 19.2% to 25.2% (31 December 2023: 19.02% to 25.5%) of effective gross rent income;
– capitalisation rate in the range from 11% to 15% (31 December 2023: 10.4% to 15.3%) is applied to capitalise net income for the base year.

For the comparative sales and/or offers approach the most significant assumption made is a negotiation discount in the range from 4.5% to 12.5% (31 December 2023: 4% to 6.5%) implicit in advertised market prices.

Changes in these estimates could effect the value of the office buildings. For example, to the extent that adjustments differs by plus/minus 10%, the office building valuation as at 31 December 2024 would be RUB 481 million (31 December 2023: RUB 478 million) higher/lower.

If office real estate were measured at acquisition cost less depreciation and impairment, its book value as at 31 December 2024 would amount to RUB 4 011 million (31 December 2023: RUB 4 152 million).

15 Other assets

	31 December	
in millions of Russian roubles	**2024**	**2023**
Other financial assets		
Receivables and settlements with counterparties	23 333	18 905
Receivables for commissions	1 359	962
Other	17 658	2 610
ECL allowance	(7 027)	(4 104)
Total other financial assets	**35 323**	**18 373**
Other non-financial assets		
Intangible assets	6 421	3 808
Advances to suppliers of leasing equipment	4 522	-
Taxes other than income tax	2 308	1 019
Deferred expenses	1 572	1 627
Inventory	598	211
Security payments	535	394
Current tax assets	278	1 091
Investment property	55	60
Other	1 671	1 344
Impairment allowance	(315)	(298)
Total other non-financial assets	**17 645**	**9 256**
Total other assets	**52 968**	**27 629**

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

15 Other assets (continued)

Credit quality of other financial assets

in millions of Russian roubles	31 December 2024	31 December 2023
Financial assets		
Minimum credit risk	12 286	11 231
Low credit risk	917	1 777
Moderate credit risk	10 275	5 898
High credit risk	689	531
Distressed assets	1 018	451
Total	**25 185**	**19 888**
ECL allowance	**(7 027)**	**(4 104)**
Carrying amount	**18 158**	**15 784**

16 Accounts and due to banks and other financial organisations

in millions of Russian roubles	31 December 2024	31 December 2023
Payables under repurchase agreements	967 925	999 883
Term deposits	158 667	100 547
Current accounts	42 707	99 678
Total accounts and due to banks and other financial organisation	**1 169 299**	**1 200 108**

As at 31 December 2024, the fair value of securities pledged as collateral under sale and repurchase agreements is RUB 1 034 037 million (31 December 2023: RUB 1 070 473 million), including the fair value of securities received under reverse repurchase agreements that are pledged under direct repurchase agreements was RUB 1 021 610 million (31 December 2023: RUB 1 045 341 million).

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

17 Due to customers

in millions of Russian roubles	31 December 2024	31 December 2023
Corporate clients		
Term and demand deposits	1 851 608	1 723 983
Current accounts	249 014	301 248
Subordinated loans	53 272	49 662
Payables under repurchase agreements	-	690
Term notes	1 749	-
Total corporate clients	**2 155 643**	**2 075 583**
Individuals		
Term and demand deposits	771 287	556 171
Current accounts	251 582	229 317
Total individuals	**1 022 869**	**785 488**
Total due to customers	**3 178 512**	**2 861 071**

As at 31 December 2024, there are no securities pledges as collateral under sale and repurchase agreements (31 December 2023: RUB 464 million).

As at 31 December 2024, there are no securities received under reverse repurchase agreements that are pledged under direct repurchase agreements (31 December 2023: RUB 464 million).

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

18 Debt securities issued

	31 December	
in millions of Russian roubles	**2024**	**2023**
Bonds	133 789	178 707
Subordinated bonds	35 125	34 411
Total debt securities issued	**168 914**	**213 118**

Debt securities issued by the Group are mainly represented by Eurobonds. As discussed in Note 1 of these summary consolidated financial statements, the Group is subject to blocking sanctions imposed by USA, the EU and the UK, which prevents the use of foreign infrastructure to fulfil obligations in the manner determined by the initial issue documentation. In addition, applicable Russian legislation, adopted in response to sanctions restrictions, also limits the ability to transfer funds to residents of unfriendly countries. In the current situation, after making appropriate changes to the issue documentation, the Group fulfils its obligations under Eurobonds by transferring payments to NCO JSC NSD in Russian roubles at the official exchange rate of the CBR on the date of payment:

- in favour of holders of Eurobonds whose rights are recorded at NCO JSC NSD in accordance with the procedure prescribed by Decree of the President of the Russian Federation No. 95 of 5 March 2022 «On the Temporary Procedure for the Execution of Obligations to Certain Foreign Creditors» and by Decree of the President of the Russian Federation of 5 July 2022 № 430 «On repatriation by residents - participants of foreign economic activity of foreign currency and currency of the Russian Federation»;

- in favour of investors whose ownership rights are accounted by Russian depositories with the participation of foreign depositories (Euroclear, Clearstream, DTC). The funds are delivered to security holders via NCO JSC NSD infrastructure, bypassing foreign intermediaries.

As part of the implementation of measures to issue replacement bonds in accordance with the requirements of the Russian legislation in the first half of 2024:

- The Group placed replacement bonds for five issues of senior Eurobonds:
  - Eurobonds CBOM Finance P.L.C. 5.15 02/20/24 in the amount of 111 040 units were replaced by bonds MKB ZO-2024-01;
  - Eurobonds CBOM Finance P.L.C. 7.121 06/25/24 in the amount of 77 942 units were replaced by bonds MKB ZO-2024-02;
  - Eurobonds CBOM Finance P.L.C. 3.875 09/21/26 in the amount of 160 108 units were replaced by bonds MKB ZO-2026-02;
  - Eurobonds CBOM Finance P.L.C. 4.70 01/29/25 in the amount of 160 126 units were replaced by bonds MKB ZO-2025-02;
  - Eurobonds CBOM Finance P.L.C. 3.1 01/21/26 in the amount of 210 232 units were replaced by bonds MKB ZO-2026-01.

- The Group has placed two issues of replacement bonds for subordinated Eurobonds:
  - subordinated Eurobonds CBOM Finance P.L.C. 7.5 10/05/27 in the amount of 77 965 units were replaced by bonds of MKB ZO-2027;
  - subordinated Eurobonds CBOM Finance P.L.C. 16.5 05/26/25 in the amount of 222 units were replaced by bonds of MKB ZO-2025-1.

Substitution was available to holders of Eurobonds, the rights to which are recorded in Russian depositories.

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

19 Other liabilities

	31 December	
in millions of Russian roubles	**2024**	**2023**
Other financial liabilities		
Accounts payable	26 727	3 758
Lease commitments	7 311	6 607
Payable to employees	6 782	5 579
Payables to suppliers and other creditors	859	481
Other	462	651
Total other financial liabilities	**42 141**	**17 076**
Other non-financial liabilities		
Deferred income	5 306	4 746
Allowance for credit related commitments	5 192	2 944
Taxes payable	4 724	2 950
Current tax liabilities	2 114	2
Advances received	1 198	20
Payables to Deposit Insurance Agency	1 192	881
Allowance for other commitments	5	71
Other	172	204
Total other non-financial liabilities	**19 903**	**11 818**
Total other liabilities	**62 044**	**28 894**

Maturity information are disclosed in Note 27. Information on fair value is provided in Note 29.

20 Share capital

Share capital consists of ordinary shares and was contributed by the shareholders in Russian roubles. The shareholders are entitled to receive dividends as declared. The Bank's registered, issued and outstanding share capital at 31 December 2024 comprises 33 429 709 866 ordinary shares (31 December 2023: 33 429 709 766 ordinary shares) with par value of RUB 1 per share. In addition, at 31 December 2024 the Bank has 166 570 290 134 authorised ordinary registered shares, which the Bank is entitled to place in addition to its outstanding shares with nominal value of RUB 166 570 million. In 2024, the Bank sold 100 previously repurchased shares (2023: repurchase of its own shares in the amount of 100 shares). The hyperinflation capital adjustment as at 31 December 2002 was RUB 862 million.

21 Perpetual debt issued

The terms of the issue of perpetual subordinated bonds meet the criteria of an equity financial instrument.

The Group accounts for perpetual subordinated Eurobonds and bonds in equity for the purposes of these summary consolidated financial statements. The CBR has approved the inclusion of perpetual subordinated Eurobonds and bonds in the calculation of the capital adequacy ratio as additional Tier 1 capital.

Perpetual subordinated Eurobonds nominated in foreign currency are converted into the rouble equivalent at the exchange rate effective at the end of the reporting period, exchange differences are recognised as part of retained earnings. Interest payments on perpetual subordinated bonds are accounted for as a distribution of own funds only when they are paid or payment obligations are assumed.

As at 31 December 2024 perpetual subordinated bonds are represented by the following issues:

- CBOM Finance P.L.C. 7.625;
- CBOM Finance P.L.C. 8.974;
- MoskovKredBank-15-ob;
- MKB ZO-2021;
- MKB ZO-2017.

As at 31 December 2023 perpetual subordinated bonds are represented by the following issues:

- CBOM Finance P.L.C. 7.625;
- CBOM Finance P.L.C. 8.974;
- MoskovKredBank-15-ob.

As part of the implementation of measures to issue replacement bonds in accordance with the requirements of the Russian legislation in the first half of 2024, the Group placed two replacement issues of securities placed by the Group corresponding to the parameters of perpetual subordinated bonds:

- subordinated Eurobonds CBOM Finance P.L.C. 7.625 in the amount of 91 996 units were replaced by bonds of MKB ZO-2021;
- subordinated Eurobonds CBOM Finance P.L.C. 8.974 in the amount of 137 204 units were replaced by bonds of MKB ZO-2017.

The substitution was available to holders of Eurobonds, the rights to which are recorded for in Russian depositories.

The Group fulfils its obligations under perpetual subordinated Eurobonds by transferring payments to NCO JSC NSD in Russian roubles at the official exchange rate of the CBR on the payment date in favour of holders of Eurobonds, the rights to which are recorded at NCO JSC NSD and in favour of investors whose ownership rights are recorded at Russian depositories with the participation of foreign depositories (Euroclear, Clearstream, DTC) through the infrastructure of NCO JSC NSD, bypassing foreign intermediaries.

22 Other reserves

in millions of Russian roubles	**Revaluation reserve for buildings**	**Change in FV of financial liability attributable to changes in own credit risk**	**Total**
Balance as at 1 January 2023	**488**	**39**	**527**
Total comprehensive income / (loss) for the year	40	(39)	**1**
Transfer of revaluation reserve upon disposal	(2)	-	**(2)**
Balance as at 31 December 2023	**526**	**-**	**526**
Balance as at 1 January 2024	**526**	**-**	**526**
Total comprehensive income for the year	247	-	**247**
Transfer of revaluation reserve upon disposal	(7)	-	**(7)**
Balance as at 31 December 2024	**766**	**-**	**766**

23 Contingencies

Litigation

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations of the Group.

As at 31 December 2024 the amount of contingent liabilities was RUB 1 788 million (31 December 2023: RUB 3 418 million).

Taxation contingencies

Transfer pricing rules in Russia provide tax authorities with the opportunity to make adjustments to transfer pricing and impose additional tax obligations on controlled transactions if their prices differ from the market range or profitability range.

Tax liabilities in respect of controlled transactions have been reflected in these summary consolidated financial statements based on the actual prices used in such transactions, which were within the market range determined in accordance with the applicable tax legislation of the Russian Federation.

24 Commitments

The main purpose of credit obligations is to ensure that funds are available to customers as needed.

Financial guarantees and standby letters of credit, which represent the Group's irrevocable obligations to make payments in the event of a customer's failure to fulfil its obligations to third parties, have the same levels of credit risk as loans.

Documentary and commercial letters of credit are written obligations of the Group to make payments on behalf of customers within the agreed amounts under certain conditions, secured by appropriate supplies of goods or cash deposits and have a lower level of risk than direct lending.

Loan commitments include the unused portion of the loan amounts. With respect to loan commitments, the Group is potentially exposed to the risk of incurring losses in the amount of unused liabilities. However, the likely amount of losses is less than the total amount of unused liabilities, since the obligation to provide loans, as a rule, depends on the client's compliance with certain creditworthiness requirements.

Non–financial guarantees are contracts that provide for compensation if the other party to the contract does not fulfil the contractual obligation. Such agreements do not transfer credit risk, but always provide for monetary execution and are considered by the Group as obligations to provide loans.

The contractual amounts of off-balance sheet obligations are presented in the table below by category. The amounts shown in the table in terms of guarantees and letters of credit represent the maximum amount of accounting loss that would have been recorded as at the reporting date if the counterparties were unable to fulfil their obligations in accordance with the terms of the contracts.

	31 December	
in millions of Russian roubles	**2024**	**2023**
Loan commitments	169 709	375 199
Non-financial guarantees	460 870	341 842
Letters of credit	27 619	86 120
Financial guarantees	70 929	61 855
Total credit related commitments	**729 127**	**865 016**

Many of these commitments may expire or terminate without being fully or partially funded. Consequently, the above commitments do not represent expected cash outflows.

24 Commitments (continued)

Analysis of the credit related commitments by credit quality

The following table contains information on the quality of main credit related commitments as at 31 December 2024:

	31 December 2024			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
Loan commitments and non-financial guarantees				
Minimum credit risk	122 226	-	-	122 226
Low credit risk	249 616	-	-	249 616
Moderate credit risk	221 783	1 800	-	223 583
High credit risk	11 130	5 109	-	16 239
Distressed assets	-	-	2 106	2 106
Loan commitments to individuals	11 665	141	3	11 809
Loan commitments to banks and other financial organisations	5 000	-	-	5 000
Total	**621 420**	**7 050**	**2 109**	**630 579**
Financial guarantee contracts and letters of credit				
Minimum credit risk	3 090	-	-	3 090
Low credit risk	41 332	-	-	41 332
Moderate credit risk	39 789	-	-	39 789
High credit risk	14 337	-	-	14 337
Total	**98 548**	**-**	**-**	**98 548**

The following table contains information on the quality of main credit related commitments as at 31 December 2023:

	31 December 2023			
in millions of Russian roubles	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
Loan commitments and non-financial guarantees				
Minimum credit risk	167 684	-	-	167 684
Low credit risk	342 586	12	-	342 598
Moderate credit risk	166 129	1 358	-	167 487
High credit risk	6 742	5 593	-	12 335
Distressed assets	-	-	32	32
Loan commitments to individuals	11 306	95	4	11 405
Loan commitments to banks and other financial organisations	15 500	-	-	15 500
Total	**709 947**	**7 058**	**36**	**717 041**
Financial guarantee contracts and letters of credit				
Minimum credit risk	6 226	-	-	6 226
Low credit risk	20 332	-	-	20 332
Moderate credit risk	120 864	-	-	120 864
High credit risk	553	-	-	553
Total	**147 975**	**-**	**-**	**147 975**

25 Capital management

The main objectives of the Group's capital management are to comply with the capital requirements established by the CBR and to ensure the Group's ability to function as a continuously operating enterprise.

The Group calculates the amount of regulatory capital in accordance with the Regulation of the CBR No. 729-P «On the methodology for determining Equity (Capital) and Mandatory Standards, Capital Adequacy Allowances, numerical values of mandatory standards and the size (limits) of open currency positions of Banking Groups». In accordance with applicable law, the Group is required to comply with capital adequacy allowances: capital adequacy maintenance, countercyclical allowance and systemic significance allowance. In accordance with the Instruction of the CBR No. 199-I «On mandatory standards and surcharges to the capital adequacy standards of banks with a universal license« for 2024, the amount of surcharges to the capital adequacy standard is set at the following levels: for systemic importance - 0%, for maintaining capital adequacy - 0.25%. As at 31 December 2024 and 31 December 2023 the Group complies with regulatory capital adequacy standards.

The Group also monitors the level of capital adequacy calculated in accordance with the requirements of the Basel Committee on Banking Supervision adopted in the Russian Federation (Basel III), based on metrics calculated in accordance with IFRS.

The capital adequacy ratio of the Group calculated in accordance with the Basel III requirements as adopted in the Russian Federation, as at 31 December 2024 and 31 December 2023 is as follows:

	31 December	
in millions of Russian roubles	**2024**	**2023**
Tier 1 capital		
Share capital and additional paid-in capital	111 582	111 582
Retained earnings	198 959	185 821
Deferred tax assets	(13 718)	-
FV reserve for financial assets through FVOCI	(23 267)	(4 623)
Intangible assets	(6 421)	(3 808)
Tier 1 core capital	**267 135**	**288 972**
Additional paid in capital		
Perpetual debt issued	61 261	54 626
Total Tier 1 capital	**328 396**	**343 598**
Tier 2 capital		
Revaluation for buildings	766	526
Subordinated loans		
Subordinated loans	42 060	48 543
Subordinated bonds	18 191	22 873
Total Tier 2 capital	**61 017**	**71 942**
Total capital	**389 413**	**415 540**
Risk-weighted assets		
Banking book	2 957 820	2 651 866
Trading book	120 336	166 305
Operational risk	217 301	190 942
Total risk weighted assets	**3 295 457**	**3 009 113**
Total Tier 1 core capital as a percentage of risk-weighted assets (Tier 1 core capital ratio) (%)	**8.1**	**9.6**
Total Tier 1 capital as a percentage of risk-weighted assets (Tier 1 capital ratio) (%)	**10.0**	**11.4**
Total capital as a percentage of risk-weighted assets (total capital ratio) (%)	**11.8**	**13.8**

26 Analysis by segment

As at 31 December 2024, the Group has four reportable segments, which are the Group's strategic business units, as described below. The strategic business units offer different products and services, and are managed separately because they require different technologies and market strategies to be applied. For each of the strategic business units, the Chairman of the Management Board and other Group's execitivs review internal reports at least quarterly. The following summary describes the operations of each reportable segment:

- Corporate banking comprises corporate lending, overdrafts to legal entities, factoring, financial and operating leasing, letters of credit, guarantees, corporate deposit services, settlements, money transfers and cash operations;
- Retail banking comprises retail demand and term deposit services; retail lending, including cash loans, car loans and mortgages, and other loans to individuals; bank card products, settlements and money transfers;
- Investment comprises operations on financial markets and brokerage services, foreign exchange services, «REPO» transactions;
- Treasury comprises interbank lending and borrowings from banks, issuance of debt securities, conducting operations on fanancial markets in order to manage financial risks.

Transfer income and expenses are conditional income and expenses of the objects of analysis in the form of payment for resources conditionally attracted by them (to fund their active operations) or conditionally placed by them (when «selling« attracted resources) at transfer prices. To calculate transfer income and expenses, the Group uses transfer rates, which are determined based on benchmark market interest rates.

Information regarding the performance of each reportable segment is provided below. Segment performance on the summary consolidated financial statements prepared in accordance with IFRS is measured based on segment profit before income tax. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to others who operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

The Group primarily conducts its activities in the Russian Federation. All non-current assets are located on the territory of the Russian Federation. In 2024 and 2023, the Group did not have counterparties whose revenue from transactions with them exceeded 10% of total revenue.

Starting with the summary consolidated financial statements as at 31 December 2023 and for 2023, the Group clarified its approach to disclosing comparative segment reporting data:

- financial results from foreign exchange transactions were transferred from the Corporate and Retail operations segments to the Treasury segment;
- the «Collection and cash operations» segment was merged with the «Corporate Operations» segment.

The segment breakdown of assets and liabilities is set out below:

	31 December	
in millions of Russian roubles	**2024**	**2023**
ASSETS		
Corporate banking	2 626 895	2 265 351
Retail banking	205 275	232 583
Investment	1 409 992	1 429 105
Treasury	766 789	739 979
Total assets	**5 008 951**	**4 667 018**
LIABILITIES		
Corporate banking	1 863 953	1 832 048
Retail banking	930 143	790 332
Investment	1 498 030	1 551 464
Treasury	367 524	145 242
Total liabilities	**4 659 650**	**4 319 086**

26 Analysis by segment (continued)

Segment information for the main reportable segments for the year ended 31 December 2024 is set below:

in millions of Russian roubles	**Corporate banking**	**Retail banking**	**Investment**	**Treasury**	**Total**
Interest income	408 322	31 310	165 464	69 136	674 232
Interest expense	(254 233)	(100 090)	(205 212)	(4 505)	(564 040)
Deposit insurance costs	(397)	(3 957)	-	-	(4 354)
Transfer (expense) / income	(85 900)	92 003	43 971	(50 074)	-
Net interest income	**67 792**	**19 266**	**4 223**	**14 557**	**105 838**
Charge for ECL allowance on debt financial assets	(33 797)	(1 154)	(323)	(6 291)	(41 565)
Net interest income after ECL allowance on debt financial assets	**33 995**	**18 112**	**3 900**	**8 266**	**64 273**
Fee and commission income	15 823	3 726	820	160	20 529
Fee and commission expense	(4 927)	(2 382)	(223)	(276)	(7 808)
(Expenses less income) / income less expenses arising from changes in FV of loans to customers at FVTPL	(70)	22	-	-	(48)
Expenses less income on securities at FVTPL and DFI for securities	(4 764)	-	(6 742)	-	(11 506)
Income less expenses / (expenses less income) from sale and redemption of securities at FVOCI	2	-	(5 599)	1 322	(4 275)
Income less expenses / (expenses less income) from transactions with foreign currency and precious metals	-	-	8 118	(1 209)	6 909
Income less expenses on operations with financial liabilities at FVTPL	-	-	545	-	545
Net charge of credit loss allowances on other financial assets and credit related commitments	(5 712)	-	-	-	(5 712)
Net charge of impairment other non-financial assets and other provisions	(21)	-	-	-	(21)
Other operating income / (expenses)	353	663	(1 124)	1 290	1 182
Operating income / (expenses)	**34 679**	**20 141**	**(305)**	**9 553**	**64 068**
General administrative and other expenses	(14 882)	(17 133)	(3 287)	(6 167)	(41 469)
Internal provision of services	277	430	(517)	(190)	-
Profit / (loss) before income tax	**20 074**	**3 438**	**(4 109)**	**3 196**	**22 599**

26 Analysis by segment (continued)

Segment information for the main reportable segments for the year ended 31 December 2023 is set below:

in millions of Russian roubles	**Corporate banking**	**Retail banking**	**Investment**	**Treasury**	**Total**
Interest income	235 090	21 542	132 557	31 881	421 070
Interest expense	(134 584)	(42 514)	(106 491)	(18 128)	(301 717)
Deposit insurance costs	(259)	(2 910)	-	-	(3 169)
Transfer (expense) / income	(40 773)	34 926	(1 181)	7 028	-
Net interest income	**59 474**	**11 044**	**24 885**	**20 781**	**116 184**
(Charge) / recovery for ECL allowance on debt financial assets	(21 607)	(650)	227	(2 093)	(24 123)
Net interest income after ECL allowance on debt financial assets	**37 867**	**10 394**	**25 112**	**18 688**	**92 061**
Fee and commission income	17 295	3 802	1 199	84	22 380
Fee and commission expense	(3 312)	(1 980)	(288)	(238)	(5 818)
Income less expenses arising from changes in FV of loans to customers at FVTPL	100	-	-	-	100
Income less expenses / (expenses less income) on securities at FVTPL and DFI for securities	3 878	-	(4 152)	-	(274)
Expenses less income from sale and redemption of securities at FVOCI	-	-	(3 540)	(4 731)	(8 271)
Income less expenses from transactions with foreign currency and precious metals	-	-	7 905	6 867	14 772
(Expenses less income) / income less expenses on operations with financial liabilities at FVTPL	-	-	(220)	1	(219)
Net charge of credit loss allowances on other financial assets and credit related commitments	(847)	20	(2 199)	(165)	(3 191)
Net charge of impairment other non-financial assets and other provisions	(33)	1	(87)	(7)	(126)
Other operating income	273	1 025	136	693	2 127
Operating income	**55 221**	**13 262**	**23 866**	**21 192**	**113 541**
General administrative and other expenses	(18 354)	(16 054)	(4 739)	(1 123)	(40 270)
Internal provision of services	(113)	126	(66)	53	-
Profit / (loss) before income tax	**36 754**	**(2 666)**	**19 061**	**20 122**	**73 271**

27 Risk management, corporate governance and internal control

Corporate governance framework

The Bank is established as a public joint-stock company in accordance with the Russian Federation legislation. The supreme governing body of the Bank is the General shareholders' meeting that is called for annual or extraordinary meetings. The General shareholders' meeting makes strategic decisions on the Bank's operations.

The General shareholders' meeting elects the Supervisory Board. The Supervisory Board is responsible for overall governance of the Bank's activities.

Russian legislation and the Charter of the Bank establish decisions that are exclusively approved by the General shareholders' meeting and that are approved by the Supervisory Board.

Internal control policies and procedures

In accordance with the Regulation of the CBR No. 242-P «On the Organisation of Internal Control in Credit Institutions and Banking Groups», the Group has established and operates an internal control system in order to ensure:

- the efficiency and effectiveness of financial and economic activities in banking operations and other transactions aimed at achieving the goals set by statutory documents, including the effectiveness of asset and liability management, including asset security, and banking risk management;
- reliability, completeness, objectivity and timeliness of preparation and presentation of financial, accounting, statistical and other reports (for external and internal users), as well as information security (protection of interests (goals) of the Group in the information sphere, which is a set of information, information infrastructure, entities collecting, forming dissemination and use of information, as well as systems for regulating the relationships that arise in this case);
- compliance with the requirements of legislation, regulatory legal acts of the Russian Federation and regulations of the CBR, basic and internal standards of self-regulatory organisations of which the Bank and / (or) participants are members as professional participants in the securities market, Charter and other internal documents of the Bank and the Group, as well as ethical standards, including those following from custom or practice established during the implementation of the relevant type of activity;
- excluding the involvement of the Group and its employees in illegal and unscrupulous activities, including the legalisation (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction, as well as the misuse of insider information and (or) market manipulation, and to ensure timely submission of information in accordance with the legislation of the Russian Federation in government agencies and the CBR.

The internal control system is a set of internal control bodies and areas that ensure compliance with the procedure for implementing and achieving goals established by the legislation of the Russian Federation, other regulatory legal acts, including the CBR, the Charter and internal documents of the Bank and the Group. The system of internal control bodies is a set of management bodies defined by the Bank's Charter and internal documents, as well as structural divisions and responsible employees of the Bank who perform functions within the framework of the internal control system (participants in the internal control system).

The internal control system assumes a clear distribution of powers and responsibilities between the management bodies, structural divisions and employees of the Bank, and the exclusion of situations in which the employee's field of activity allows for a conflict of interest. The basic requirements for the organisation of internal control, as well as the distribution of powers and areas of responsibility are fixed in the Charter and internal documents of the Bank.

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

- control over the organisation of the Bank's activities by the Bank's management bodies;
- control over the functioning of the banking risk management system and assessment of banking risks;
- control over the distribution of powers in banking transactions and other transactions;
- control over the management of information flows (receiving and transmitting information) and ensuring information security;
- ongoing monitoring of the functioning of the internal control system in order to assess its compliance with the objectives of the Bank's activities, identify deficiencies, develop proposals and monitor the implementation of decisions to improve the Bank's internal control system, as well as prevent critical situations (hereinafter referred to as monitoring of the internal control system).

27 Risk management, corporate governance and internal control (continued)

The internal control system is constantly monitored in order to assess the degree of its compliance with external and internal documents, the goals and objectives of the Bank's activities, the nature and scale of operations, the level and combination of risks taken, in order to minimise banking risks.

The Group developed a system of standards, policies and procedures to ensure effective operations and compliance with relevant legal and regulatory requirements, including the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the recording, reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentating of controls and procedures;
- requirements for the periodic assessment of operational risks faced by the Group, and the adequacy of controls and procedures to address the risks identified;
- requirements for the preparation of reports on operational losses and proposed measures to reduce operational risk;
- developing contingency plans to restore operations;
- attending trainings and professional development;
- development of principles aimed at combating commercial bribery and corruption;
- rules of corporate conduct and professional ethics;
- reducing the level of risks, including through insurance in cases where this is effective.

Organisational structure of the risk and capital management system

The General shareholders' meeting performs its functions in accordance with the Charter.

The Supervisory Board of the Bank is a collegial governing body accountable to the General shareholders' meeting of the Bank. The main functions of the Bank's Supervisory Board in terms of risk and capital management include:

- general management and identification of priority areas of activity;
- review and approval of the Bank's (Group's) Development Strategy;
- approval of the Risk and Capital Management Strategy, which regulates, among other things, the issues of ensuring the sufficiency of own funds (capital) and liquidity to cover risks both for the Bank as a whole and in certain areas of its activities, including: approval and regular review of the signal values and limits risk appetite (risk aversion) indicators of the Bank (Group), monitoring of their compliance with the Bank's (Group's) strategic development plans; approval of the planned capital structure, the value of the planned (target) capital level, the value of the planned (target) capital adequacy level based on risk appetite (risk aversion) indicators, approval of signal values and capital limits; approval of the procedure for managing risks significant and monitoring the implementation of this procedure;
- approval of the procedure for the application of banking risk and capital management methodologies and quantitative risk assessment models (in cases provided by law), including the assessment of assets and liabilities, off-balance sheet claims and liabilities, as well as scenarios and results of stress testing;
- approval of reports on the Bank's (the banking Group and its participants) compliance with the requirements of the ICAAP and their effectiveness, on the results of stress testing of significant risks, on significant risks, on compliance with mandatory standards, on the amount of capital and on the results of the assessment of the Bank's capital adequacy;
- approval of the procedure for preventing conflicts of interest, a plan for restoring the Bank's (Group's) financial stability in the event of a significant deterioration in the Bank's (Group's) financial condition, and an action plan aimed at ensuring business continuity and/or restoring the Bank's (Group's) operations in the event of non-standard and emergency situations;

27 Risk management, corporate governance and internal control (continued)

- determination of key performance indicators of the Bank's (Group's) executive bodies, heads of structural divisions, and key employees, taking into account the results of an assessment of the effectiveness of risk management and internal control, in cases and in accordance with the procedure provided by the Bank's Charter and current legislation;
- making managerial decisions, including regarding the determination of the amount of payments and remuneration to the sole executive body and members of the collegial executive body of the Bank, the head of the internal audit service, key employees of the Bank, in cases and in accordance with the procedure provided by the Bank's Charter and current legislation, including based on the results of the Bank's compliance with the requirements of the ICAAP and their effectiveness, and also, approval of major transactions and related-party transactions, transactions with related parties and other transactions in cases and in accordance with the procedure, provided by the Bank's Charter and current legislation.

The Chairman of the Management Board and *the Management Board of the Bank* are the sole and collegial executive bodies of the Bank, respectively, accountable to the Bank's Supervisory Board. The main functions of the Chairman of the Management Board and the Management Board of the Bank in terms of risk and capital management include:

- execution of resolutions of the General shareholders' meeting of the Bank and the Supervisory Board of the Bank, as well as recommendations of the Bank's Audit Commission on the organisation of the Bank's work in terms of capital adequacy assessment and management;
- modification of internal regulatory documents (IRD) regulating procedures for managing risks and capital significant to the Bank, in accordance with the hierarchy of the Bank's (Group's) IRD, and control over the implementation of these procedures, in cases and in accordance with the procedure provided by the Bank's Charter and current legislation;
- creation of collegial bodies of the Bank, approval of regulations on them, delegation of part of their powers (in accordance with the regulations on the relevant bodies) in terms of management and risk-taking (including approval by the Bank's Internal Regulatory Documents) (function of the Bank's Management Board);
- review of reports on the Bank's (the banking Group and its participants') compliance with the requirements of the ICAAP and their effectiveness, including information on the results of stress testing of significant risks, significant risks, compliance with mandatory standards, the amount of capital and the results of capital adequacy assessment (the function of the Bank's Management Board);
- making managerial decisions based on the results of the Bank's compliance with the requirements of the ICAAP and their effectiveness.

The Large Credit Committee is a collegial body accountable to the Bank's Management Board, and the Credit Committee is a collegial body accountable to the Bank's Large Credit Committee. The Committees are responsible for improving and ensuring the implementation of the Bank's credit policy. The competence of the committees includes:

- credit risk management by making decisions on setting limits on counterparties, indicative limits, on providing credit products and/or on concluding/changing all types of credit transactions, security transactions with corporate and retail clients within the authority of the committee;
- quality control of the Bank's corporate and retail loan portfolio;
- coordination of the activities of the Bank's divisions dealing with distressed assets.

The Bank's Asset and Liability Management Committee (ALCO) is a collegial body accountable to the Management Board and is responsible for setting a strategy for raising and placing funds, implementing the Bank's (Group's) overall strategy and policy in the field of financial market operations, as well as implementing a risk and capital management policy regarding the risk of loss of liquidity, interest rate Bank Book risk and currency risk. The competence of the ALCO includes:

- determining the optimal balance sheet structure of the Bank (Group) to ensure the necessary dynamics in the volume of balance sheet and off-balance sheet items, taking into account the restrictions imposed by authorised bodies, prudential restrictions, as well as the optimal ratio of risks and profitability of operations;
- implementation of general control of the current and future state of the assets and liabilities structure, liquidity, open foreign exchange position (OFCP) and profitability of the Bank (Group);

27 Risk management, corporate governance and internal control (continued)

- setting, within its competence, the values of structural limits for the Bank (Group) to conduct certain types of active and passive operations, investments in financial market instruments, taking into account the strategy, business plan, market conditions, risks and economic efficiency, as well as monitoring their compliance;
- ensuring compliance with mandatory capital adequacy standards for the Bank and the Group as a whole;
- setting preventive limits on the Bank's (Group's) capital adequacy indicators and approving response measures in case of violations within its authority;
- management of market risk, liquidity risk, Bank Book interest rate risk and currency risk, including making decisions on the expediency and forms of hedging the market risk of financial instruments and Bank Book interest rate risk, methods and procedures for managing these types of risks;
- approval of the Bank's (Group's) internal documents defining the procedure for implementing policies in the field of liquidity risk management, interest rate risk of the Bank Book, currency risk, market risk of financial instruments, the procedure for monitoring compliance with mandatory liquidity standards established by the CBR, the procedure for interaction of the Bank's divisions (Group members) regarding the redistribution of resources, as well as defining the methodology and the order of interaction of departments in the field of management of own funds (capital);
- approval of limits for the specified types of risks and higher-level limits;
- monitoring the established limits and making decisions on violations of these limits;
- delegation of authority to implement tasks and functions, if necessary.

The Bank's Risk Committee is a collegial body accountable to the Management Board and is responsible for implementing procedures for managing the Bank's (Group's) significant risks. The competence of the committee includes:

- approval and updating of basic principles, indicators, and approaches to risk management;
- development of recommendations on methods and tools for reducing risk, optimising the balance between risk and profitability in the areas of the Bank's corporate and retail business within the framework of the Bank's (Group's) Development Strategy;
- approval and updating of basic principles, management approaches, indicators, as well as approval of regulations, procedures, rules, procedures, methodologies and algorithms governing the Bank's risk management system, as well as development of recommendations for their improvement (within the powers delegated by the Bank's Management Board);
- approval and modification of the Bank's internal processes related to risk acceptance, including the IRD governing the credit process;
- review and preliminary approval (before submitting to the higher management bodies of the Bank) of internal documents regulating the objectives, principles and tools of the Bank's risk management system, the stages of its development, as well as the list and description of significant types of risks of the Bank;
- review and preliminary approval (before submitting to the higher management bodies of the Bank) of internal documents regulating the procedures and methodology for identifying significant risks of the Bank (Group), as well as reports on the identification of significant risks prepared in accordance with this methodology;
- consideration of issues related to improving the efficiency and optimisation of the credit process (with the exception of issues related to the implementation of plans of the Bank's business units and/or their financial efficiency), taking into account the specifics of various categories/segments of customers and the specifics of banking products, including ensuring competitive deadlines for the preparation and review of loan applications, decision-making procedures by authorised bodies / authorised persons of the Bank;
- making decisions on changing the methodology, technology and strategy for collecting overdue debts of individuals and approving the Bank's internal regulatory documents regulating work with overdue debts, approving relevant pilot projects, as well as approving the list of accredited partners of the Bank in terms of collecting overdue debts and approving standard discounts for assignment /forgiveness of loan agreements;

27 Risk management, corporate governance and internal control (continued)

- development of recommendations for the higher management bodies of the Bank regarding the values of the maximum permissible level of credit risk accepted by the Bank (Group) for each line of business, economic sector, region, country, etc. (allocation of credit risk);
- making decisions regarding the initiation of certain procedures within the framework of operational risk management, planning for continuity and restoration of the Bank's (Group's) activities, as well as based on the results of reviewing the results of such procedures, approving the values of individual indicators of the Bank's (Group's) operational risk level;
- review (monitoring) the results of portfolio risk management and regular reports containing calculations of risk indicators (risk metrics), limit values and dynamics of their changes, risk levels for individual products/stocks;
- monitoring the results of the application of the powers of the Bank's bodies and persons to accept and manage credit risk;
- reviewing reports on the quality of the Bank's (Group's) loan portfolio as a whole or its individual segments using risk metrics.

The Risk Directorate is an independent specialised risk management unit, whose activities cover all significant types of risks and involve coordination of the activities of the Bank's divisions and management bodies in the field of the functioning of the risk management system. In addition, the Risk Directorate is responsible for the organisation of a significant risk management system and is the 2nd line of defense within the framework of the risk management procedure in the context of significant types of risks. The Risk Directorate performs the following functions:

- implementation of the development, improvement and application, together with other structural divisions of the Bank responsible for managing certain types of risk, of internal documents describing the goals, objectives, top-level principles, rules, standards and tools for managing the types of risks identified by the Bank (Group) as significant, the analysis of the results of their application;
- development, improvement and application of a system of quantitative (internal credit rating model) and qualitative (creditworthiness assessment) assessment of credit (in terms of financial institutions and corporate clients) and market risks, as well as concentration risk and currency risk;
- development and improvement of models for quantitative (scoring models) and qualitative assessment of retail customers' credit risk (assessment of credit and solvency, unified classification and minimum requirements for retail customers, categorization of companies under retail lending programs), as well as internal regulatory documents describing these processes and procedures.
- forming an independent expert opinion on credit and market risk within the framework existing credit processes and the process of conducting operations in the financial markets. Participation in the selection of ways to respond to identified risks and their management tools in the framework of managerial decision-making;
- risk assessment in the framework of the implementation of retail credit products. Conducting an analysis of the creditworthiness and financial situation, verifying the information of individual clients, preparing the necessary documents for consideration by an authorised person of the Bank and forming conclusions based on the results of risk assessment in accordance with the Bank's regulatory and methodological documents, carrying out post–control over the quality of underwriting of retail loan applications/restructuring of the loan agreement of individuals;
- implementation of the development, improvement and application of the asset portfolio monitoring system, including stress testing procedures. Ensuring that the list of problematic clients and clients requiring increased attention is identified and updated during the monitoring of the corporate loan portfolio;
- implementation of the development, improvement and application of the risk limitation system, as well as monitoring compliance with certain types of limits;
- implementation of the development, improvement and application of an analytical reporting system containing information on the volume and profile of credit and market risks accepted by the Bank (Group), concentration risk, other information on the competence of the Directorate, as well as proposals to eliminate the identified negative aspects;

27 Risk management, corporate governance and internal control (continued)

- development, improvement and application of algorithms for taking into account the results of quantitative assessment of credit risk in the pricing of credit products, in calculating the economic capital of the Bank and the Group (as part of internal capital adequacy assessment procedures);
- implementation of the development, improvement and application of the Bank's Credit Policy, analysis and control of the results of its application;
- participation in the development, improvement and documentation of the Bank's credit processes;
- implementation of the development, improvement and application of financial analysis techniques for corporate clients and financial institutions within the framework of the Bank's current credit process and the process of conducting operations in financial markets. Analysing and preparing proposals on the structure of potential loan transactions and limits for corporate clients and financial institutions within the framework of the Bank's current credit process;
- development, improvement and application of methods for calculating the market value and liquidity of property accepted as collateral for loan transactions, as well as determining the conditions for its possible sale within the framework of the current credit process. Formation of an independent expert opinion on the expediency of accepting property as collateral for credit transactions, the risks associated with it, as well as preparation of proposals on ways to eliminate/minimise these risks;
- remote monitoring of the estimated value of certain types of collateral and on-site monitoring of the physical condition of the pledged property;
- implementation of control measures (in relation to corporate clients) aimed at ensuring compliance of credit decisions made by authorised bodies/persons with the limits of authority established in the Bank;
- analysing and preparing proposals for the development of new and/or changing the parameters of existing standardised lending programs and other types of Bank (Group) operations that carry credit and market risks;
- monitoring and control at the Bank and Banking Group level of supervised risk appetite indicators, as well as control (in terms of supervised risks and areas) of the activities of subsidiaries, including for compliance with group-wide standards and approaches to risk management;
- organisation, coordination and participation in the development of action plans aimed at ensuring the continuity and/or restoration of the Bank's (Group's) activities;
- organisation of an operational risk management system, including the development of internal regulatory documents (regulations, instructions, procedures) related to operational risk management, organisation of risk self-assessment and controls, implementation and periodic updating of a system of limits and key risk indicators, organisation and maintenance of an analytical database on losses incurred as a result of the implementation of operational risk, organisation of training the Bank's employees on operational risks and ensuring continuity and/or restoration of operations;
- providing support for the activities of the Risk Committee, the Credit Committee, the Large Credit Committee, the Asset Management Committee and the Changes Committee.

The main functions of *the Internal Audit Department* include:

- audit and efficiency assessment of the system of internal control as a whole, fulfillment of the decisions of key management structures;
- audit of efficiency of methodology of assessment of banking risks and risk management procedures, regulated by internal documents in the Bank (methods, programmes, rules and procedures for banking operations and transactions, and for the management of banking risks) and the completeness of the application of these documents;
- audit of reliability of internal control system over automated information systems;
- audit and testing of fairness, completeness and timeliness of accounting and reporting function and the reliability (including the trustworthiness, fullness and objectivity) of the collection and submission of financial information;
- audit of applicable methods of safekeeping of property;
- assessment of the economic feasibility and effectiveness of operations and other transactions carried out by the Bank (Group);

27 Risk management, corporate governance and internal control (continued)

- audit of internal control processes and procedures;
- audit of the activities of the Internal Control Service of the Compliance Directorate and the Risk Directorate.

The main functions of *the Compliance Directorate* in terms of risk and capital management of the Bank (Group) include:

- ensuring compliance with the requirements of the legislation of the Russian Federation, regulatory legal acts of the Russian Federation and regulatory acts of the CBR, basic and internal standards of self-regulatory organisations, constituent and internal documents, as well as ethical standards, including those following from custom or practice established in the conduct of the relevant type of activity, ensuring the exclusion of conflicts of interest, including the identification and control of conflicts of interest, as well as the prevention of its consequences;
- ensuring that the Bank (Group) and its employees are not involved in illegal and unscrupulous activities, including the legalization (laundering) of proceeds from crime, financing terrorism and proliferation of weapons of mass destruction, as well as the misuse of insider information and/or market manipulation;
- improvement of internal control in the Bank (Group), identification and elimination of deficiencies in internal regulatory documents, internal control environment, business processes, procedures, operating environment and information systems, in order to minimise the factors (sources) of regulatory (compliance) risk;
- implementation of internal control as a professional participant in the securities market;
- implementation of internal control in order to counteract the misuse of insider information and market manipulation.

The Department of Prudential Reporting and Capital Adequacy Management of the Financial Directorate, whose main functions within the framework of the ICAAP include:

- determining the planned (target) structure of regulatory capital, the value of planned (target) capital, the value of the planned (target) level of capital adequacy based on risk appetite indicators;
- monitoring of signal values of limits and limits of risk appetite according to monitored indicators for actual and forecast values of capital adequacy indicators;
- development of a capital adequacy management plan as part of the business planning procedure;
- regular forecast of capital adequacy indicators;
- coordination of the implementation of capital adequacy management measures;
- performing other capital adequacy management functions in accordance with the Regulations on the division.

The Finance Department of the Financial Directorate, whose main functions within the framework of the ICAAP Group include:

- defining the principles of business planning;
- preparation of a business plan for the Bank and the Group;
- monitoring the performance of the Bank's and the Group's business plan indicators.

The Project Analysis Department of the Finance Department of the Financial Directorate is a division of the third line of defense, whose main functions within the framework of the ICAAP Group include validating internal quantitative risk assessment models, generating reports on the results of the procedures performed.

The Treasury Department is the first line of defense in the framework of the procedure for managing the risk of loss of liquidity, interest rate risk of the Bank Book and currency risk.

Other structural divisions perform separate risk management functions in accordance with the requirements of the Bank's Risk and Capital Management Strategy and other internal regulatory documents.

Compliance with the Group's standards is maintained through a program of periodic audits carried out by the Internal Audit Department. The Internal Audit Department is independent of the Group’s management and reports directly to the Bank’s Supervisory Board. The results of inspections of the Internal Audit Department are discussed with the relevant employees responsible for conducting financial and economic activities. A brief report containing the results of the audits is brought to the attention of the Audit and Risk Committee of the Supervisory Board of the Bank, the Supervisory Board of the Bank and senior management of the Group.

27 Risk management, corporate governance and internal control (continued)

The legislation of the Russian Federation establishes requirements for professional qualifications, business reputation, and other requirements for members of the Bank's Supervisory Board, the Bank's Management Board, founders (shareholders, participants), heads of the Internal Audit Service, internal Control service, and risk management service, and other key management personnel. All members of the Bank's governing bodies and management bodies comply with these requirements.

The Group’s internal documents, effective as at 31 December 2024, establishing methods for identifying and managing risks significant to the Bank (Group) and performing stress testing for these risks, were approved by the authorised management bodies of the Bank in accordance with the requirements and recommendations of the CBR.

Management believes that the Bank (Group) complies with the CBR requirements related to risk management and internal control systems, including requirements related to the Internal Audit and Control function, and that risk management and internal control systems are appropriate for the scale, nature and complexity of operations.

Risk management policies and procedures

The purpose of risk management is to ensure the stability and reliability of the Bank (Group), as well as to protect the interests of shareholders and customers in the course of the Bank's (Group’s) core business and achieve the results stipulated by the Bank's (Group’s) strategy.

Risk management is at the core of the banking business and is an essential element of the Group's operational activities. Market risk (including currency risk), credit risk, liquidity risk, as well as concentration risks, interest rate risk of the Bank Book, operational and reputational risks are the main (significant) risks that the Group faces in the course of its activities.

The integrated risk and capital management process consists of the following main stages:

- identification and assessment of the significance of risks;
- determination of risk appetite (establishment of risk appetite through a set of qualitative and quantitative indicators of compliance with risk appetite);
- the procedure and principles of stress testing;
- capital planning and management (establishing risk appetite by allocating capital to significant risks and areas of the Bank's business);
- managing the cumulative risk level;
- reporting within the framework of the ICAAP.

Risk management is carried out using the following main tools and methods (for the Bank/Group):

- Provision of operations. The availability of collateral for the transaction (for example, in the form of collateral and/or guarantees and sureties) in an amount sufficient to fully or partially cover losses caused by the occurrence of adverse events, allows you to receive compensation for losses in the event of adverse events.
- A system of limits. Limiting the level of accepted risks through a system of limits, which includes procedures for calculating, setting, reviewing, using, and monitoring compliance with limits. The limit system is multilevel. The principles and procedures for calculating, setting, reviewing, using and controlling limits, as well as the types and list of limits used, are established by the internal documents of the Group members.
- Structuring of operations. The use of the tool consists in the detailed development of a scheme and procedure for conducting a specific operation / transaction in order to reduce the risks associated with it.
- Securitization. The instrument assumes the distribution of existing risk by transferring it in full or in part to financial markets through the issuance of securities, the risk of which includes the distributable risk.
- Risk-based pricing. The instrument assumes the inclusion of a risk fee in the cost terms of the products provided and allows you to distribute the risk between the credit institution and counterparties for operations.
- Transfer of risk. A method of responding to an identified risk involving insurance (the tool allows, in case of risk realization, to receive external compensation for losses, transfer of risk to another party, counterparty and/or client.
- Reservation. The instrument involves the creation of reserves of the Bank (Group) in order to compensate for losses (expected losses) in the event of the realization of credit risk.

27 Risk management, corporate governance and internal control (continued)

- Diversification. A risk reduction tool by distributing total risk across sources to prevent risk concentration on a single source.
- Hedging. A tool for reducing and distributing the risk of operations by performing other operations in order to compensate for possible losses.
- Gap analysis. A tool for analysing the strategic gap between the maturity of assets and liabilities in a certain time interval.
- Stress testing. A tool for assessing the potential impact on the financial condition of a Group or Group members of a number of specified changes in risk factors identified as significant, which correspond to exceptional but probable events. Stress testing procedures are carried out by the Group members with a certain frequency (at least once a year) in the context of each significant type of risk in accordance with the algorithms and based on the basic scenarios recorded in the internal documents of the Group member.
- Standardisation, regulation of processes, automation, ensuring physical and information security, risk assessment of new and existing products and processes.

The choice of one or more methods or tools used to limit, reduce and manage each significant type of risk depends on the type of operation(s) carried out by the Bank (Group).

The list of methods and tools for limiting, reducing and managing risks is not exhaustive. In addition to these methods, other tools and methods may be used, which are reflected in the relevant internal regulatory documents of the Group.

Credit risk

Credit risk is the risk of losses due to non–fulfillment, late or incomplete fulfillment by the debtor of financial obligations to the credit institution in accordance with the terms of the agreement or with a deterioration in the credit quality of the borrower, counterparty to the transaction, issuer of securities.

A deterioration in credit quality is understood as a deterioration in financial condition, as well as a deterioration in other quantitative and qualitative indicators (business reputation, positions among competitors, industry, the state of the regional economy, etc.), i.e. factors that can affect the solvency of the borrower, the counterparty to the transaction, the issuer of securities.

Credit risk includes:

- Credit default risk – the probability that the Group will incur losses as a result of the debtor's default due to non-fulfillment of the terms of the agreement concluded with the Group, as well as the consequences of deterioration in the credit quality of the borrower, the counterparty to the transaction, the issuer of securities.
- Counterparty credit risk is the risk of the counterparty's failure to fulfill contractual obligations before completing settlements on derivative financial instruments, «REPO» transactions and other similar transactions, where the probability and amount of credit risk depend on financial market factors. At the same time, transactions with counterparties are not carried out without a preliminary assessment of the counterparty's financial position, as well as an assessment of the likelihood of the counterparty's credit risk being realised, both before the settlement is completed and during the settlement of the transaction.

The Group applies internal models for quantifying the probability of default and other components of credit risk used to determine the amount of expected losses, economic capital requirements, and risk-weighted assets. The Group creates reserves for credit risk operations that are adequate to the risk assumed by the Group, strictly in accordance with the recommendations and requirements of the CBR and international standards.

Quantitative assessment of credit risk (in monetary terms) is performed by calculating the amount of losses/expected losses. A quantitative assessment of the need for capital to cover credit risk (the amount of economic capital) is carried out by calculating the amount of losses/unforeseen losses.

The amount of losses/expected losses, losses/unforeseen losses and risk-weighted assets (RWA) is calculated depending on the class of credit claims based on approved internal documents of the Group.

Credit risk is measured using an assessment system that involves analysing an individual set of counterparty risk factors based on its type and specifics of activity. Credit risk is limited (controlled) using a multi-level system of limits related to both a single counterparty/credit claim and a portfolio of credit claims combined according to a specific principle (industry limits, limits on types of activities and types of financing, limits on the concentration of the largest borrowers, etc.).

27 Risk management, corporate governance and internal control (continued)

As part of credit risk management, the Group limits the total amount of credit risk per borrower (a group of related borrowers). For all applications for setting credit limits, an independent risk assessment is carried out by the Risk Directorate, during which a comprehensive and in-depth analysis of potential borrowers is carried out. Credit risk management, among other things, is carried out on the basis of established limits for various types of transactions and involves regular monitoring of borrowers' creditworthiness. The Group also carefully and balanced analyses potential and existing borrowers for economic security, as well as the assessment of property assumed to ensure the fulfillment of borrowers' obligations to the Group, and subsequent monitoring of the availability and changes in its actual value at all stages of the life of the loan product. All loan documentation is subject to a thorough legal review.

The document defining approaches to decision-making on credit transactions of corporate counterparties, on interbank lending and placement operations, including credit related transactions carried out on financial markets, taking into account the Bank's risk appetite, is the Credit Policy, which is reviewed and approved by the Management Board.

The basic principles of the Credit Policy are:

- crediting counterparties on the terms of repayment, urgency and payment, as well as compliance with the target nature (if the loan is issued for certain purposes) and accepted approaches to security;
- implementation of continuous monitoring of the credit transaction and the counterparty until the moment of full repayment of the obligation;
- determining the cost terms of credit transactions in such a way that they compensate for the cost of attracted resources, the level of accepted credit risk, the cost of operating the Bank, as well as ensure the target level of profitability of the Bank's activities;
- ensuring a balanced structure of assets with credit risk in accordance with the Bank's development strategy;
- using the system of internal credit ratings, levels of increased attention and counterparty limits as an element of the credit risk management system;
- maintaining the high quality of credit services provided to counterparties, ensuring the competitiveness of the Bank's credit products, including their cost conditions;
- continuity and consistency in the application of the Credit Policy.

The maximum exposure to credit risk in recognised at 31 December 2024 and 31 December 2023 is as follows:

	31 December	
in millions of Russian roubles	**2024**	**2023**
ASSETS		
Cash and cash equivalents excluding cash on hand	1 407 651	1 353 232
Obligatory reserves with the CBR	18 387	9 747
Accounts and due from banks and other financial organisations	72 846	91 341
Loans to customers	2 697 626	2 349 903
Securities	677 347	758 442
Derivative financial assets	13 797	12 884
Other financial assets	18 158	15 784
Total maximum exposure to credit risk on statement of financial position	**4 905 812**	**4 591 333**

For the analysis of concentration of credit risk in respect of loans to customers refer to Note 12.

The maximum exposure to credit risk in relation to guarantees and commitments at the reporting date is presented in Note 24.

Concentration risk is the risk of significant losses that could endanger the solvency of a credit institution and its ability to continue its activities due to the credit institution's exposure to major risks.

The following types of concentration are recognised as significant:

- a significant amount of claims against one counterparty or a group of counterparties;
- credit requirements for counterparties located in the same sector of the economy (carrying out the same type of activity or selling the same goods and services);
- the dependence of the credit institution on individual sources of liquidity.

27 Risk management, corporate governance and internal control (continued)

Concentration risk management procedures include the following elements:

- the procedure for identifying and measuring concentration risk;
- a list of concentration limits that limit the current structure of the Group's risk-bearing assets, grouped into portfolios according to various criteria, as well as aggregate indicators of the Group's operations. These limits limit losses caused by excessive concentration of risk on individual counterparties, groups of counterparties and groups of assets;
- defining methods for monitoring compliance with these limits, including monitoring the Group's instrument portfolios in order to identify new forms of risk concentration for the Group that are not covered by the concentration limits system, as well as informing management bodies about violations of the limits and the procedure for their elimination.

The main methods and tools for limiting, reducing, and managing concentration risk include, but are not limited to: limiting, structuring operations, securitisation, diversification, and stress testing.

In accordance with the requirements of the CBR, the Bank also calculates on a daily basis mandatory maximum risk exposure ratio per borrower or group of related borrowers (N6), which regulates the Bank’s credit risk in respect of a borrower or group of related borrowers and sets the maximum ratio of the total liabilities of a borrower (borrowers within a group of related borrowers) owed to the Bank, to the Bank's own funds (regulatory capital).

The Bank’s management is responsible for the compliance of the Banking Group, wherein the Bank is the parent credit institution, with the requirements of the CBR in respect of mandatory ratios, including the Banking Group’s maximum risk exposure ratio per borrower or group of related borrowers (N21); the Banking Group’s maximum risk exposure to large credit risks ratio (N22).

As at 31 December 2024 and 31 December 2023 the values of mandatory ratios in relation to credit risks of the Banking Group corresponded to the level established by the CBR.

Operational risk

Operational risk is the risk of direct and indirect losses as a result of imperfections or erroneous internal processes of the Group, actions of staff and other persons, failures and deficiencies of information, technological and other systems, as well as a result of external events.

The reasons for the implementation of operational risk in the Group's activities may be such as the conduct of unauthorised operations by employees, errors made by employees under the influence of the human factor, errors resulting from failures of computer or telecommunication systems, the implementation by third parties of intentional and unintended actions resulting in both financial and non-financial losses, interruption of the Bank's activities, participants As a result of unforeseen events, the Group's involvement in money laundering and terrorist financing, including due to a malfunction in the internal control processes.

The main types of operational risk inherent in the Group's activities include the risk of errors in the personnel management process, the risk of errors in project management, the risk of errors in management processes, the risk of information systems, model risk, the risk of loss of funds from customers, counterparties, employees and third parties, legal risk, the risk of errors in the processes of internal control, information security risk, and business continuity risk.

The Group's operational risk management policies and procedures have been developed taking into account the requirements of Regulation No. 716-P of the Central Bank of the Russian Federation dated 8 April 2020 «On Requirements for the Operational Risk Management System in a Credit Institution and a Banking Group», the assessment of the amount of operational risk is carried out in accordance with the requirements of Regulation of the Central Bank of the Russian Federation dated 7 December 2020 No. 744-P «On the procedure for calculating the amount of operational risk («Basel III») and the CBR's supervision of its compliance» in order to calculate the amount of operational risk of the Bank and Regulation of the Central Bank of the Russian Federation dated 30 January 2023 No. 814 - P »On the procedure for calculating the amount of operational risk» calculation of the size of the operational risk of the Banking Group in order to calculate the size of the operational risk of the Group, other regulatory documents of the Central Bank of the Russian Federation on operational risk management and assessment, taking into account the recommendations of the Basel Committee on Banking Supervision, as well as internationally recognised principles of operational risk management.

The main objectives of operational risk management are to maintain the risk accepted by the Group at an acceptable level consistent with the Group's strategic objectives, as well as to ensure maximum asset safety and capital adequacy, including by reducing (eliminating) possible losses from operational risk events.

27 Risk management, corporate governance and internal control (continued)

Operational risk management procedures include the following methods:

- collection and registration of information on internal operational risk events and losses from their implementation, analysis of losses and compensation of losses from the implementation of operational risk events, development of measures to minimise losses from the implementation of operational risk events, reducing the likelihood of their implementation in the future;
- collection and registration of information on external operational risk events in order to assess their relevance to the Bank (Group) and make decisions on the need to take additional measures to minimise the likelihood of such events in the Bank's (Group's) activities and their possible consequences;
- identification of operational risks inherent in individual areas of activity, processes, products and services implemented by the Group, in the process of analysing the risks of new, changing products and processes, in the process of conducting a self-assessment of the level of operational risks and controls used to eliminate or minimise such risks, scenario analysis;
- conducting stress testing of the operational risk level;
- quantification of the operational risk level;
- qualitative assessment the operational risk level carried out in relation to identified operational risks in addition to the above procedures implemented as part of the operational risk management process;
- choosing and applying a way to respond to operational risk;
- monitoring the level of operational risk using various indicators, including, but not limited to, indicators of propensity to operational risk, key risk indicators, benchmarks for the level of operational risk, restrictions on the amount of capital allocated to cover losses from the implementation of operational risk events.

The organisation of operational risk management is carried out in accordance with the following basic principles:

- the Group ensures the identification, assessment and management of operational risk in all areas of activity;
- in order to regulate the technologies of operations, internal regulatory documents are approved with a clear description of business process technologies. The procedures for approving internal regulatory documents require their coordination with the department responsible for operational risk management;
- all employees understand and comply with established regulations and procedures to ensure operational risk management;
- heads of departments are responsible for monitoring and ensuring the appropriate competence of employees in order to fulfill their duties;
- the Group ensures regular assessment of the level of operational risk inherent in both existing at the time of assessment and new products, business processes, activities, automated systems and processes;
- the Group continuously monitors operational risk and losses from the implementation of operational risk events, as a result of which relevant information is provided in the form of reports to management for decision-making regarding operational risk management;
- the executive bodies are responsible for creating an effective operational risk management system, establishing the order of interaction and reporting on operational risk;
- the Bank's Supervisory Board is regularly informed about the level of operational risk and periodically evaluates the results of the operational risk management system.

The Group is constantly improving its approaches to operational risk identification, analysis and management and ensuring their compliance with the requirements of the CBR and the best practices applied by financial market participants to ensure effective operational risk management.

27 Risk management, corporate governance and internal control (continued)

In order to reduce operational risk, the Bank's internal documents, the Group members define an approximate list of measures aimed at reducing the likelihood of operational risk events and/or reducing (limiting) the amount of losses from such events, including the following main measures:

- regulation of the processes of conducting operations (transactions) in compliance with current legislation, standardisation of operations (transactions), forms of contracts with clients (counterparties);
- delineating the functions, responsibilities and powers of staff when conducting transactions (operations) and ensuring collegial decision-making, if necessary;
- automation of processes (operations), algorithmization of transactions (operations);
- use of dual control during transactions (operations), control (automated, manual) over compliance with the requirements of internal regulatory documents during operations;
- recruitment and certification of personnel, development of motivation programs, conducting trainings and staff trainings;
- control of transactions (operations), including special control over the conduct of large transactions (non–standard transactions);
- setting and monitoring compliance with limits when conducting transactions (operations);
- testing of processes, information and technological systems;
- establishment and separation of access rights to information and data systems;
- reservation of information in data systems;
- establishment and separation of access rights to the use of tangible and intangible assets;
- organisation of physical security of facilities and tangible assets;
- countering the misuse of insider information;
- data quality control;
- automatic control of input data in information systems, incl. setting restrictions on data entry in information systems;
- measures to enhance the culture of risk management;
- a system of key performance indicators that encourages employees to effectively manage risks;
- other measures aimed at reducing the negative impact of operational risk.

Also, in order to reduce the level of operational risk accepted by the Group, it is transferred using an insurance procedure, including property insurance (insurance of buildings, other property, including currency valuables and securities, against loss (death), shortage or damage, including as a result of actions of third parties, employees of the Banking Group), as well as insurance of business risks associated with the risk of losses due to the implementation of banking risks, and personal insurance (insurance of employees against accidents and injury to health).

In addition, the Group regularly monitors the level of operational risk to identify the segments most exposed to operational risk, to make decisions on the need to optimise activities in certain areas, and to apply additional measures to reduce operational risks.

The Risk Directorate defines the policy and develops procedures for operational risk management. The Risk Directorate, together with the divisions of the Bank and the Group, identifies operational risks, identifies the sources and causes of their occurrence, and based on the results of the study, develops and implements measures to limit operational risks.

27 Risk management, corporate governance and internal control (continued)

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in its ability to unconditionally and timely fulfill all its obligations to clients and counterparties, both in normal business conditions and in crisis situations, while complying with the requirements of the CBR in the field of liquidity risk management. The Group maintains the required level of liquidity to ensure the continued availability of funds necessary to meet all obligations as they fall due.

The Group identifies the following forms of liquidity risk:

- the risk of mismatches between the amounts and dates of cash receipts and debits (incoming and outgoing cash flows);
- the risk of unforeseen liquidity requirements is the risk that unforeseen events in the future may require more resources than anticipated;
- market liquidity risk is the risk of potential losses during the sale of assets or due to the inability to close an existing position due to insufficient market liquidity or insufficient trading volumes. The manifestation of this form of risk can be taken into account when assessing market risk;
- funding risk is the risk associated with potential changes in the cost of funding (own and market credit spread) that affect the amount of future income of the Group.

The Group has a system of limits and restrictions to ensure an acceptable level of liquidity risk within the established risk appetite of the Group and the requirements of local regulators, taking into account the business development strategy, the nature and scale of ongoing operations in order to ensure the sustainable functioning of the Group on a continuous basis and in the long term, in including in crisis situations.

On a daily basis, the Bank strictly monitors compliance with mandatory liquidity standards established by the CBR (instant liquidity standards (N2), current liquidity standards (N3), short-term liquidity standards (N26), long-term liquidity standards (N4) and net stable funding standards (N28)).

As at 31 December 2024 and 31 December 2023 the Bank was in compliance with the level established by the CBR.

The Group's liquidity risk management is based on constant monitoring of the structure of assets and liabilities and forecasting their future dynamics.

The risk analysis is performed in several stages:

- based on the forecast data, a graph of the inflow/outflow of resources is plotted in the context of individual groups of assets and liabilities;
- based on statistical analysis methods, the necessary standards of instant and short - term liquidity reserves are calculated;
- reserves of highly liquid and liquid assets necessary to maintain the Group's liquidity in stressful situations are calculated using scenario analysis;
- at the last stage, the surpluses / deficiencies of highly liquid and liquid assets are identified throughout the forecast period and possible options for their placement (in case of surpluses) or sources of attraction (in case of deficiencies) are determined.

The final decision on the degree of liquidity risk is made by a collegial body, the Asset and Liability Management Committee, which ensures comprehensive and effective control over liquidity risk.

The Group divides the risk management of instant, current, medium-term and long-term liquidity.

Management of instant and current liquidity - the main task solved by the Group in the field of operational asset and liability management consists in short-term forecasting and management of cash flows in terms of currencies and deadlines to ensure the fulfillment of the Group's obligations, settlements on behalf of clients, and financing of active operations. Current liquidity is managed by promptly (during the day) determining the Group's current payment position and making a forecast of changes in the payment position, taking into account the payment calendar and various scenarios.

The main objective of medium- and long-term liquidity management is the development and implementation of a set of asset and liability management measures aimed at maintaining the Group's solvency, as well as the planned expansion of the asset portfolio while ensuring an optimal ratio of liquid assets and profitability of operations. The Group builds long-term liquidity forecasts, the results of which are presented to the Bank's Asset and Liability Management Committee.

27 Risk management, corporate governance and internal control (continued)

The Group conducts stress testing taking into account risk factors affecting changes in the forecasted state of liquidity, as well as taking into account the Group's ability to mobilise liquid assets in case of a lack of liquidity. This technique ensures the absence of significant «liquidity gaps» and uninterrupted fulfillment of obligations, as well as reduces the cost of unplanned attraction of additional liabilities in case of emergencies and increases the profitability of active operations due to the correct choice of instruments for placement.

In order to analyse the need for funding and plan/diversify the structure of liabilities in terms of instruments and currencies, appropriate funding plans are being developed within the framework of the annual budget process with a horizon until the end of next year.

The concentration of liquidity risk is evenly distributed among the main sources of financing, such as:

- due to banks: interbank lending, «REPO», correspondent banks' «loro» accounts, settlements funds;
- due to legal entities: on demand, term deposits;
- due to individuals: on demand, term deposits;
- securities: promissory notes issued, bonds;
- international financing.

Liquidity support measures provide for the necessary actions and procedures that the Group must follow in the event of a significant deterioration in liquidity for the following reasons:

- deterioration of the liquidity situation in the Group;
- lack of liquidity in the financial system as a whole.

The Group develops and subsequently reviews on a regular basis a Plan for restoring financial stability in order to overcome crisis situations associated with a significant deterioration in the Bank's financial condition.

The Financial Stability Restoration Plan (hereinafter referred to as FSRP) defines a list of criteria for the loss of financial stability, one of which is the realization of the risk of loss of liquidity, as well as measures to restore it.

Within the framework of the FSRP, asset and liability management measures are defined that make it possible to eliminate the liquidity crisis, on the basis of which the responsibilities and actions of the relevant employees and departments are formed.

The Group implements the following measures to overcome the liquidity crisis:

- organisational arrangements;
- measures for the management of deposited funds (assets);
- measures to manage borrowed funds (liabilities).

The list and sequence of application of all three measures listed above will depend on the degree of shortage of funds and the ability to meet this increasing need at the time of the crisis.

The decision on the Group's transition to high-alert/crisis management mode, including in the event of events threatening the Bank's liquidity, is made by the Bank's (Group’s) Management Board in accordance with the procedures established by the FSRP.

Upon the adoption of a decision on transition to high-alert / crisis management mode, the authorised unit carries out:

- identification of the factors that caused the liquidity crisis;
- detailed analysis of the structure of assets and liabilities in the context of various indicators, with the main focus on the forecast of the outflow of resources from the Bank (Group) for the next 3 months;
- recommendations for restoring liquidity indicators.

Based on this report, the Management Board approves a mandatory action plan aimed at restoring liquidity.

27 Risk management, corporate governance and internal control (continued)

The following tables as at 31 December 2024 and 31 December 2023 show the undiscounted contractual cash flows (including future interest payments) for the Group's liabilities by remaining contractual maturities as at 31 December 2024 and 31 December 2023. Payments nominated in foreign currency are converted to the functional currency at the exchange rate of the CBR at the reporting date:

in millions of Russian roubles

31 December 2024	Less than 1 month	1 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total	Carrying value
Liabilities							
Deposits by the CBR	71 515	-	-	-	-	**71 515**	**71 129**
Accounts and due to banks and other financial organisations	494 062	602 284	110 696	1 148	1 734	**1 209 924**	**1 169 299**
Due to customers	1 059 337	1 345 528	449 211	416 923	109 197	**3 380 196**	**3 178 512**
Derivative financial liabilities executed by offsetting	1 417	(509)	378	1 685	476	**3 447**	**3 471**
Derivative financial liabilities executed in full amounts	662	548	472	488	1	**2 171**	**2 557**
- inflow	(33 611)	(24 316)	(10 368)	(12 655)	(249)	**(81 199)**	
- outflow	34 273	24 864	10 840	13 143	250	**83 370**	
Debt securities issued	49 742	24 348	38 844	65 265	-	**178 199**	**168 914**
Other financial liabilities	27 121	4 519	4 711	3 039	5 097	**44 487**	**42 141**
Total contractual future payments for financial obligations	**1 703 856**	**1 976 718**	**604 312**	**488 548**	**116 505**	**4 889 939**	**4 636 023**
Credit related commitments	729 127					729 127	

27 Risk management, corporate governance and internal control (continued)

in millions of Russian roubles

31 December 2023	Less than 1 month	1 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total	Carrying value
Liabilities							
Deposits by the CBR	-	898	-	-	-	**898**	**881**
Accounts and due to banks and other financial organisations	391 131	736 498	111 261	54	-	**1 238 944**	**1 200 108**
Due to customers	881 858	1 008 297	175 722	798 444	161 419	**3 025 740**	**2 861 071**
Derivative financial liabilities executed by offsetting	494	358	(640)	(57)	-	**155**	**2 611**
Derivative financial liabilities executed in full amounts	63	806	1 161	-	-	**2 030**	**3 083**
- inflow	(3 978)	(28 888)	(6 069)	(7 512)	-	**(46 447)**	
- outflow	4 041	29 694	7 230	7 512	-	**48 477**	
Debt securities issued	177 741	1 255	11 318	27 097	-	**217 411**	**213 118**
Other financial liabilities	3 426	3 888	4 730	2 733	5 002	**19 779**	**17 076**
Total contractual future payments for financial obligations	**1 454 713**	**1 752 000**	**303 552**	**828 271**	**166 421**	**4 504 957**	**4 297 948**
Credit related commitments	865 016					865 016	

In accordance with Russian legislation, individuals can withdraw their term deposits at any time, losing in most of the cases the accrued interest. Management believes term deposits from individuals to be a stable source of funding based on the past experience, thus classifying them in accordance with their stated maturity dates. The constractual amounts and maturities of these deposits, are as follows:

	31 December	
in millions of Russian roubles	**2024**	**2023**
Demand and less than 1 month	111 169	40 706
From 1 to 6 months	451 730	377 868
From 6 to 12 months	161 305	102 205
More than 1 year	47 083	35 392
	771 287	**556 171**

27 Risk management, corporate governance and internal control (continued)

The table below provides information on contractual maturities of securities as at 31 December 2024 and 31 December 2023. In respect of securities containing an offer, the contract period is calculated before the offer:

in millions of Russian roubles

31 December 2024	Less than 1 month	1 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	No maturity	Total
Securities	7 184	17 536	38 921	50 150	116 832	446 617	15 013	**692 253**

in millions of Russian roubles

31 December 2023	Less than 1 month	1 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	No maturity	Total
Securities	7 909	26 155	30 462	145 722	109 167	438 958	21 936	**780 309**

The tables below provide an analysis of the Group's liquidity position based on the following principles:

- Cash and cash equivalents are highly liquid assets and are classified in the «Less than 1 month» category;
- Securities that are included in the CBR Lombard List and can be pledged as collateral for loans provided by the CBR are included in the «Less than 1 month» category, as management believes that these are liquid assets that can be sold in the short term in case of a lack of liquidity;
- Securities pledged under repurchase agreements included in the Lombard List are classified based on the timing of repurchase agreements;
- Loans to customers, accounts and due to banks and other financial organisations, other assets, other liabilities, and due to customer are classified based on contractual flows, with the exception of overdue assets and liabilities, which are reflected in the «No maturity or overdue» line item.

27 Risk management, corporate governance and internal control (continued)

in millions of Russian roubles

31 December 2024	Less than 1 month	1 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	No maturity and overdue	Total
Assets							
Cash and cash equivalents	1 429 849	-	-	-	-	-	**1 429 849**
Obligatory reserves with the CBR	-	-	-	-	-	18 387	**18 387**
Accounts and due from banks and other financial organisations	28 572	38 941	2 322	-	-	3 011	**72 846**
Loans to customers	470 869	599 106	453 318	467 105	669 739	37 489	**2 697 626**
Securities	585 720	4 905	8 508	10 925	67 180	15 015	**692 253**
Derivative financial assets	854	839	5 263	5 249	1 592	-	**13 797**
Property and equipment and right-of-use assets	-	-	-	-	-	17 149	**17 149**
Deferred tax asset	-	-	-	-	-	13 911	**13 911**
Assets held for sale	-	-	165	-	-	-	**165**
Other assets	5 701	4 196	7 991	2 055	2 261	30 764	**52 968**
	2 521 565	**647 987**	**477 567**	**485 334**	**740 772**	**135 726**	**5 008 951**
Liabilities							
Deposits by the CBR	71 129	-	-	-	-	-	**71 129**
Accounts and due to banks and other financial organisations	490 889	580 489	96 169	827	925	-	**1 169 299**
Due to customers	1 053 627	1 295 370	410 825	391 135	27 555	-	**3 178 512**
Liabilities at FVTPL	3 531	-	-	-	-	-	**3 531**
Derivative financial liabilities	1 841	680	1 372	1 941	194	-	**6 028**
Debt securities issued	47 458	22 848	36 539	62 069	-	-	**168 914**
Deferred tax liability	-	-	-	-	-	193	**193**
Other liabilities	8 900	8 333	7 514	5 326	6 204	25 767	**62 044**
	1 677 375	**1 907 720**	**552 419**	**461 298**	**34 878**	**25 960**	**4 659 650**
Net position	**844 190**	**(1 259 733)**	**(74 852)**	**24 036**	**705 894**	**109 766**	**349 301**
Cumulative position	**844 190**	**(415 543)**	**(490 395)**	**(466 359)**	**239 535**	**349 301**	

The Group's management estimates in its liquidity forecasts that the liquidity gaps shown in the table above will be sufficiently covered by planned rollovers and attraction of financing from conventional sources, possible sale of securities, which are liquid assets, as well as unused credit lines from the CBR and other financial institutions.

In the analysis of the liquidity position, balances on customer funds are distributed according to the remaining contractual terms before the outflow of funds, funds on current accounts are reflected in the category «less than 1 month». At the same time, the diversification of current account balances of individuals and corporate clients by number and type of clients, as well as the Group's experience, indicate that such balances are a long-term and stable source of financing.

27 Risk management, corporate governance and internal control (continued)

in millions of Russian roubles

31 December 2023	Less than 1 month	1 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	No maturity and overdue	Total
Assets							
Cash and cash equivalents	1 379 038	-	-	-	-	-	**1 379 038**
Obligatory reserves with the CBR	-	-	-	-	-	9 747	**9 747**
Accounts and due from banks and other financial organisations	24 104	23 718	7 561	26 723	-	9 235	**91 341**
Loans to customers	386 359	340 375	478 337	520 795	585 796	38 241	**2 349 903**
Securities	515 138	19 241	16 795	67 718	139 483	21 934	**780 309**
Derivative financial assets	1 797	1 271	1 943	7 673	200	-	**12 884**
Property and equipment and right-of-use assets	-	-	-	-	-	15 632	**15 632**
Deferred tax asset	-	-	-	-	-	268	**268**
Assets held for sale	-	-	-	-	-	267	**267**
Other assets	5 674	2 674	1 627	1 374	2 056	14 224	**27 629**
	2 312 110	**387 279**	**506 263**	**624 283**	**727 535**	**109 548**	**4 667 018**
Liabilities							
Deposits by the CBR	-	881	-	-	-	-	**881**
Accounts and due to banks and other financial organisations	389 197	710 789	100 071	51	-	-	**1 200 108**
Due to customers	878 286	973 030	161 745	773 598	74 412	-	**2 861 071**
Derivative financial liabilities	958	2 310	1 553	873	-	-	**5 694**
Debt securities issued	177 691	772	9 660	24 995	-	-	**213 118**
Deferred tax liability	-	-	-	-	-	9 320	**9 320**
Other liabilities	5 720	6 050	6 620	4 429	6 075	-	**28 894**
	1 451 852	**1 693 832**	**279 649**	**803 946**	**80 487**	**9 320**	**4 319 086**
Net position	**860 258**	**(1 306 553)**	**226 614**	**(179 663)**	**647 048**	**100 228**	**347 932**
Cumulative position	**860 258**	**(446 295)**	**(219 681)**	**(399 344)**	**247 704**	**347 932**	

27 Risk management, corporate governance and internal control (continued)

Market risk

Market risk is the risk that movements in market prices, including foreign exchange rates, interest rates, credit spreads and equity prices will affect income or the value of portfolios. Market risk comprises currency risk, interest rate risk and other price risks. Market risk arises from open positions in interest rate currency and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return on risk.

The Asset and Liability Management Committee (ALCO) is responsible for managing market risk. The ALCO approves market risk limits based on the recommendations of the Financial Risk Analysis Department of the Risk Directorate.

The Group manages its market risk by setting open position limits in relation to financial instruments, sensitivity to changes in risk factors, interest rate maturity and currency positions. Limits and positions are monitored on a regular basis and reviewed and approved by the Management Board and/or the ALCO.

In addition, the Group uses a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios on individual trading portfolios and the overall position. Stress tests provide an indication of the potential size of losses that could arise in extreme conditions.

Interest rate risk is also managed by monitoring the interest rate gap and is supplemented by monitoring the sensitivity of net interest margin to various standard and non-standard interest rate scenarios.

Interest rate risk on the Bank's Book (IRBB)

Interest rate risk on the bank's book is the risk of financial losses for the Group due to a decrease in net interest income (interest margin) and/or adverse changes in the value of claims (assets) and liabilities, as well as off–balance sheet claims and liabilities of the Group as a result of changes in interest rates.

The Group is exposed to fluctuations in prevailing market interest rates on its financial position and cash flows. Such fluctuations can increase the level of interest margin, but they can also reduce it or, in the event of an unexpected change in interest rates, lead to losses.

The types of interest rate risk are divided into linear and nonlinear. Within the framework of the linear approach, gap risk, business risk, and the risk of changes in the funding spread (liquidity) are distinguished. Non–linear risk is the risk of optionality.

- Gap risk (risk of gaps in the term structure) – the risk arising from differences in maturity and/or the deadline for reviewing interest rates on assets and liabilities of the Bank Book, and realised in the event of an adverse change in interest rates, changes in the shape and/or slope of the interest rate curve;
- Basis risk is the risk caused by the impact of relative changes in interest rates on assets (claims) and liabilities with the same maturity dates, sensitive to changes in different interest rates. The risk arises due to the use of different interest rate indicators/indices for pricing different financial instruments in the Bank Book and is realised when the values of these indicators/indices of interest rates vary;
- Option risk – the risk caused by concluded option agreements, the basic (basic) asset of which are interest rates or assets sensitive to changes in interest rates, as well as options embedded in the agreements, including those providing for the right of a credit institution and/or its client (counterparty) to change the terms of demand (execution) and/or interest rates.
- The risk of a change in the funding spread (liquidity) is the risk that arises when the cost of raising funds in the market changes relative to market interest rate indicators.

Transactions bearing the interest rate risk of a Bank Book include all operations for placing and raising funds related to receiving (paying) interest payments, as well as interest-free instruments that are sensitive to changes in interest rates.

The procedures for managing the interest rate risk of the Bank Book include the following elements:

- identification (identification) and assessment of the IRBB, including an assessment of the economic capital required to cover the IRBB;
- limitation of the IRBB, including the formation of a system of limits;
- managing the interest position of the Bank Book;
- stress testing of IRBB;
- control of the IRBB level and compliance with the established limits;

27 Risk management, corporate governance and internal control (continued)

- IRBB reporting;
- validation of models used to quantify the IRBB;
- assessment of the quality and effectiveness of the IRBB management system.

The main methods and tools for limiting, reducing and managing the interest rate risk of a Bank Book are: limiting, hedging and structuring operations, gap analysis, diversification, stress testing, etc.

The quantitative assessment of the interest rate risk of the Bank Book is carried out in relation to the totality of all the instruments of the Bank Book.

Two complementary interest rate risk indicators are used for quantitative assessment, calculated for several scenarios of interest rate changes:

- assessment of the impact of the interest rate shift on the economic cost of the Group's capital (ΔEVE), where the economic cost of capital is the sum of discounted cash flows (inflows and outflows) on the Group's assets, liabilities and off–balance sheet instruments;
- assessment of the impact of the interest rate shift on the Group's expected net interest income (ΔNII).

Detailed algorithms for quantifying the interest rate risk of the Bank Book are regulated by internal regulatory documents.

The calculation of capital requirements to cover the interest rate risk of the Bank's Book consists in assessing the impact of a shift in interest rates on the Group's expected net interest income (ΔNII), which directly affects the Group’s capital through its financial result.

The table below shows the Group's exposure to changes in interest rates. The Group's total financial assets and liabilities are stated at book value and allocated by maturity based on the earliest contractual interest rate review date or maturity dates:

in millions of Russian roubles	**Less than 1 month**	**1 to 6 months**	**6 to 12 months**	**Over 1 year**	**Overdue**	**Total**
31 December 2024						
Interest-bearing assets	2 515 324	643 525	469 411	1 216 994	37 489	4 882 743
Interest-bearing liabilities	1 216 696	1 876 970	527 749	469 474	-	4 090 889
Net interest sensitivity gap as at 31 December 2024	**1 298 628**	**(1 233 445)**	**(58 338)**	**747 520**	**37 489**	**791 854**
31 December 2023						
Interest-bearing assets	1 668 707	387 588	507 113	1 778 717	37 454	4 379 579
Interest-bearing liabilities	814 949	1 685 890	272 795	873 929	-	3 647 563
Net interest sensitivity gap as at 31 December 2023	**853 758**	**(1 298 302)**	**234 318**	**904 788**	**37 454**	**732 016**

27 Risk management, corporate governance and internal control (continued)

An analysis of sensitivity of profit or loss and equity to changes in market interest rates (net of income tax) based on a simplified scenario of a 200 bp symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024		31 December 2023	
in millions of Russian roubles	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
200 bp parallel rise	5 344	5 344	(857)	(857)
200 bp parallel fall	(5 344)	(5 344)	857	857

An analysis of sensitivity of profit or loss and equity as a result of changes in the fair value of securities measured at FVTPL and FVOCI (net of income tax) due to changes in the interest rates based on positions existing as at 31 December 2024 and 31 December 2023 and a simplified scenario of a 200 bp symmetrical fall or rise in all yield curves is as follows:

	31 December 2024		31 December 2023	
in millions of Russian roubles	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
200 bp parallel rise	(1 986)	(28 571)	(4 215)	(30 673)
200 bp parallel fall	1 986	28 571	4 215	30 673

Price risk

Price risk is the risk that the value of an equity financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments traded in the market. Price risk arises when the Group takes a long or short position in an equity financial instrument.

Price risk is not significant for the Group.

28 Offsetting of financial assets and liabilities

The disclosures set out in the tables below include financial assets and liabilities that:

- are offset in the Group's summary consolidated statement of financial position or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the summary consolidated statement of financial position.

Similar agreements include derivative clearing agreements, global master repurchase agreements. Similar financial instruments include derivatives, sales and repurchase agreements, and and agreements to borrow and lend securities.

The Group's derivative transactions that are not transacted on an exchange are entered into generally conducted pursuant to master netting agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of transactions outstanding in the same currency under the agreement are aggregated into a single net amount payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed, and only a single net amount is due or payable in settlement transactions.

The Group's sale and repurchase, reverse sale and repurchase transactions are covered by master agreements with netting terms, which are similar to master netting agreements for swaps and derivatives.

These master netting arrangements do not meet the offsetting criteria in the summary consolidated statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

28 Offsetting financial assets and liabilities (continued)

The table below shows financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2024:

			Related amounts subject to offset under specific conditions		
Types of financial assets/liabilities	**Amounts of recognised financial assets/liabilities**	**Amount of financial assets/liabilities presented in the summary consolidated statement of financial position**	**Financial instruments**	**Cash collateral received**	**Net amount**
Reverse sale and repurchase agreements	1 202 319	1 202 319	(1 202 319)	-	-
Derivative financial assets	10 748	10 748	(2 400)	-	8 348
Total financial assets	**1 213 067**	**1 213 067**	**(1 204 719)**	**-**	**8 348**
Sale and repurchase agreements	968 928	968 928	(968 928)	-	-
Derivative financial liabilities	3 471	3 471	(2 400)	(94)	977
Total financial liabilities	**972 399**	**972 399**	**(971 328)**	**(94)**	**977**

The table below shows financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2023:

			Related amounts subject to offset under specific conditions		
Types of financial assets/liabilities	**Amounts of recognised financial assets/liabilities**	**Amount of financial assets/liabilities presented in the summary consolidated statement of financial position**	**Financial instruments**	**Cash collateral received**	**Net amount**
Reverse sale and repurchase agreements	1 137 381	1 137 381	(1 137 381)	-	-
Derivative financial assets	9 229	9 229	(2 073)	(464)	6 692
Total financial assets	**1 146 610**	**1 146 610**	**(1 139 454)**	**(464)**	**6 692**
Sale and repurchase agreements	1 000 573	1 000 573	(21 542)	-	979 031
Derivative financial liabilities	2 611	2 611	(2 073)	-	538
Other financial liabilities	1 000	1 000	(1 000)	-	-
Total financial liabilities	**1 004 184**	**1 004 184**	**(24 615)**	**-**	**979 569**

The full amounts of financial assets and liabilities presented in the summary consolidated statement of financial position, which are disclosed in the tables above, are estimated in the summary consolidated statement of financial position on the following basis:

- claims and liabilities arising from reverse and direct «REPO» transactions – at amortised cost;
- claims and obligations on derivative financial instruments – at fair value.

29 Financial assets and liabilities: fair values and accounting classifications

Accounting classifications and fair values

The table below sets out the carrying amounts of financial assets and liabilities as at 31 December 2024, depending on the management business model chosen by the Group and the compliance of cash flows under the instrument with the criteria of the basic loan agreement:

in millions of Russian roubles	At FVTPL	At Amortised cost	At FVOCI	Net book value
Cash and cash equivalents	-	1 429 849	-	1 429 849
Obligatory reserves with the CBR	-	18 387	-	18 387
Accounts and due from banks and other financial organisations	-	72 846	-	72 846
Loans to customers	17 441	2 680 185	-	2 697 626
Securities	67 999	192 253	432 001	692 253
Derivative financial assets	13 797	-	-	13 797
Other financial assets	493	17 665	-	18 158
	99 730	**4 411 185**	**432 001**	**4 942 916**
Deposits by the CBR	-	71 129	-	71 129
Accounts and due to banks and other financial organisations	-	1 169 299	-	1 169 299
Due to customers	-	3 178 512	-	3 178 512
Derivative financial liabilities	6 028	-	-	6 028
Debt securities issued	-	168 914	-	168 914
Liabilities at FVTPL	3 531	-	-	3 531
Other financial liabilities	30	42 111	-	42 141
	9 589	**4 629 965**	**-**	**4 639 554**

The main assumptions used by management to estimate the fair values of financial instruments as at 31 December 2024 are:

- discount rates from 13.7% to 38.5% (roubles) and from 2.9% to 11.1% (foreign currency) are used for discounting future cash flows from corporate loans;
- discount rates from 21.4% to 42.7% (roubles) and from 5.2% to 9.0% (foreign currency) are used for discounting future cash flows from loans to individuals;
- discount rates from 12.2% % to 24.6% (roubles) and from 0.2% to 13.0% (foreign currency) are used for discounting future cash flows from corporate deposits;
- discount rates from 18.0% to 23.3% (roubles) and from 0.01% to 11.79% (foreign currency) are used for discounting future cash flows from retail deposits.

29 Financial assets and liabilities: fair values and accounting classifications (continued)

The table below sets out the carrying amounts of financial assets and liabilities as at 31 December 2023, depending on the management business model chosen by the Group and the compliance of cash flows under the instrument with the criteria of the basic loan agreement:

in millions of Russian roubles	**At FVTPL**	**At Amortised cost**	**At FVOCI**	**Net book value**
Cash and cash equivalents	-	1 379 038	-	1 379 038
Obligatory reserves with the CBR	-	9 747	-	9 747
Accounts and due from banks and other financial organisations	-	91 341	-	91 341
Loans to customers	4 700	2 345 203	-	2 349 903
Securities	131 318	199 584	449 407	780 309
Derivative financial assets	12 884	-	-	12 884
Other financial assets	21	15 763	-	15 784
	148 923	**4 040 676**	**449 407**	**4 639 006**
Deposits by the CBR	-	881	-	881
Accounts and due to banks and other financial organisations	-	1 200 108	-	1 200 108
Due to customers	-	2 861 071	-	2 861 071
Derivative financial liabilities	5 694	-	-	5 694
Debt securities issued	-	213 118	-	213 118
Other financial liabilities	136	16 940	-	17 076
	5 830	**4 292 118**	**-**	**4 297 948**

The main assumptions used by management to estimate the fair values of financial instruments as at 31 December 2023 are:

- discount rates from 11.9% to 25.0% (roubles) and from 2.9% to 10.2% (foreign currency) are used for discounting future cash flows from corporate loans;
- discount rates from 12.3% to 36.7% (roubles) and from 8.2% to 36.7% (foreign currency) are used for discounting future cash flows from loans to individuals;
- discount rates from 6.9% to 16.8% (roubles) and from 0.6% to 4.3% (foreign currency) are used for discounting future cash flows from corporate deposits;
- discount rates from 12.6% to 14.8% (roubles) and from 0.92% to 4.1% (foreign currency) are used for discounting future cash flows from retail deposits.

The estimates of fair value are intended to approximate the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or transfer of liabilities.

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. The Group determines the fair value of all other financial instruments of the Group using other valuation methods.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market-observable prices exist, Monte Carlo and polynomial-option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to determine the fair value that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting independently of each other.

The Group uses widely recognised valuation models to determine the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and do not require little management judgment or estimates. Quoted prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple over-the-counter derivatives such as interest rate swaps.

29 Financial assets and liabilities: fair values and accounting classifications (continued)

Fair value hierarchy

The Group measures fair values for financial instruments recorded in the summary consolidated statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: valuation techniques inputs other than quotes prices included within Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all inputs are directly or indirectly based on observable from market data.
- Level 3: valuation techniques input that are unobservable inputs. This category covers all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following tables show an analysis of financial instruments at FV as at 31 December 2024 and 31 December 2023, by level of the fair value hierarchy:

	31 December 2024			
in millions of Russian roubles	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans to customers	-	-	17 441	**17 441**
Securities	392 502	77 732	29 766	**500 000**
Derivative financial assets	-	13 797	-	**13 797**
Other financial assets	-	493	-	**493**
Derivative financial liabilities		6 028	-	**6 028**
Liabilities at FVTPL	3 531	-	-	**3 531**
Other financial liabilities	-	30	-	**30**

	31 December 2023			
in millions of Russian roubles	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans to customers	-	-	4 700	**4 700**
Securities	425 057	134 582	21 086	**580 725**
Derivative financial assets	-	12 884	-	**12 884**
Other financial assets	-	21	-	**21**
Derivative financial liabilities		5 694	-	**5 694**
Other financial liabilities	-	136	-	**136**

The following tables contain data on the FV financial instruments at amortised cost, which FV does not approximate their carrying amount as at 31 December 2024 and 31 December 2023:

	31 December 2024			
in millions of Russian roubles	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans to customers	-	-	2 602 077	**2 602 077**
Securities	65 215	63 923	-	**129 138**
Due to customers	-	3 174 078	-	**3 174 078**
Debt securities issued	52 869	58 360	50 314	**161 543**

29 Financial assets and liabilities: fair values and accounting classifications (continued)

	31 December 2023			
in millions of Russian roubles	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans to customers	-	-	2 273 429	**2 273 429**
Securities	82 987	75 085	791	**158 863**
Due to customers	-	2 856 912	-	**2 856 912**
Debt securities issued	9 654	19 237	167 354	**196 245**

During the year ended 31 December 2024 there was a transfer of financial instruments from Level 3 to Level 1 in the amount of RUB 455 million due to the appearance of quotations of financial instruments (31 December 2023: RUB 1 654 million).

During the year ended 31 December 2024, there were no transfers of financial instuments from Level 3 to Level 2 due to the organisation of an active market for identical (similar) financial instruments (31 December 2023: RUB 23 474 million)

During the year ended 31 December 2024, financial instruments were transferred from Level 1 to Level 3 in the amount of RUB 67 million due to the Bank's lack of access to an active market or the absence of an active market (31 December 2023: RUB 2 613 million) .

During the year ended 31 December 2024, financial instruments were transferred from Level 2 to Level 3 in the amount of RUB 1 642 million due to the Bank's lack of access to an active market or the absence of an active market (31 December 2023: there were no transfers).

During the year ended 31 December 2024, financial instruments were transferred from Level 1 to Level 2 in the amount of RUB 41 759 million due to the Bank's lack of access to an active market or the absence of an active market (31 December 2023: RUB 11 681 million).

During the year ended 31 December 2024, financial instruments were transferred from Level 2 to Level 1 in the amount of RUB 15 243 million due to the organisation of an active market for identical (similar) financial instruments (31 December 2023: RUB 6 243 million).

The table below provides information of movements in the fair value of loans to customers at FVTPL for the year ended 31 December 2024 and 31 December 2023:

	Loans to individuals	Corporate loans	
in millions of Russian roubles	**2024**	**2024**	**2023**
FV at 1 January	-	4 700	4 821
Loan repayments	(976)	-	(35)
Interest income	375	306	237
Changes in FV	22	(70)	100
Derecognition due to substantial modification	-	(845)	-
New financial assets originated or purchased	1 352	-	-
Acquisition of subsidiaries	13 055	-	-
Foreign exchange and other movements	-	(478)	(423)
FV at 31 December	**13 828**	**3 613**	**4 700**

29 Financial assets and liabilities: fair values and accounting classifications (continued)

The table below provides information on the movement of the fair value of securities, the fair value of which is assigned to Level 3 of the fair value hierarchy, for the year ended 31 December 2024 and 31 December 2023 is as follows:

	Securities	
in millions of Russian roubles	**2024**	**2023**
FV at 1 January	21 086	57 775
Revaluation FV in profit or loss	(2 062)	(428)
Interest income recognised in profit or loss	2 553	1 615
Coupon income received	(2 142)	(1 459)
Foreign currency revaluation	637	1 588
Revaluation reported in OCI	(308)	150
Purchases	10 825	1 948
Transfers to Level 3	1 709	2 613
Transfers from Level 3	(455)	(25 128)
Sales	(2 077)	(17 588)
FV at 31 December	**29 766**	**21 086**

The table below provides information about significant unobservable inputs used in the measuring of financial instruments categorised as Level 3 of the fair value hierarchy as at 31 December 2024:

Type of instrument	**FV**	**Valuation technique**	**Significant unobservable input**	**Unobservable inputs used**
Loans to corporate clients at FVTPL	3 613	Discounted cash flow	Credit risk-adjusted discount rate	EUR: 9.7%
Loans to individuals at FVTPL	13 828	Market method	Sales margin rate	RUB: 2.27%
Securities	18 297	Discounted cash flow	Credit spread	3.26 - 5.57

The table below provides information about significant unobservable inputs used in the measuring of financial instruments categorised as Level 3 of the fair value hierarchy as at 31 December 2023:

Type of instrument	**FV**	**Valuation technique**	**Significant unobservable input**	**Unobservable inputs used**
Loans to customers at FVTPL	4 700	Discounted cash flow	Credit risk-adjusted discount rate	RUB: 19.5% EUR: 10.6%
Securities	17 813	Discounted cash flow	Credit spread	0.19 - 9.82

If discount rates or margins were to change by plus / minus one percent, fair values of the loans to customers at FVTPL would be RUB 17 318 million and RUB 17 747 million, respectively, as at 31 December 2024 (31 December 2023: RUB 4 600 million – RUB 4 799 million).

If the discount rates were to change by plus / minus one percent, fair values of the securities would be RUB 18 160 million and RUB 18 537 million respectively as at 31 December 2024 (31 December 2023: RUB 17 447 million – RUB 18 179 million).

30 Earnings per share

Basic earnings per share are based on the profit for the year ended 31 December 2024 attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year and are determined as follows:

	31 December	
in millions of Russian roubles	**2024**	**2023**
Profit for the year	20 887	59 778
Interest on perpetual debt securities issued, net of tax	(4 854)	(3 687)
Perpetual debt redemption, net of tax	-	270
Total profit for the year	16 033	56 361
Weighted average number of ordinary shares in issue	33 429 709 846	33 429 709 852
Basic and diluted earnings per share (in RUB per share)	**0.48**	**1.69**

31 Events subsequent to the reporting date

In January 2025, the Group paid the 3rd coupon in the amount of RUB 178.3 million or RUB 1 938.02 for one bond under the perpetual subordinated bonds MKB ZO-2021. The issue was posted on 17 and 18 June 2024. The nominal value of the issue is USD 92 million.

In January 2025, the Group paid the 13th coupon in the amount of RUB 373.95 million or RUB 74.79 for one bond under the Series 15 internal perpetual subordinated bonds. The issue was posted on 24 July 2018. The nominal value of the issue is RUB 5 billion.

In January 2025, the Group paid a coupon on perpetual subordinated Eurobonds issued in September 2021, nominated in USD, with a coupon rate of 7.625% per annum. The nominal value of the issue is USD 350 million (USD 216 million outstanding). The coupon was paid in Russian roubles at the official exchange rate of the CBR on the date of payment in favour of holders of Eurobonds, the rights to which are accounted for in NCO JSC NSD and other Russian depositories in accordance with the legislation of the Russian Federation.

In January 2025, the Group paid the 1st coupon in the amount of RUB 684.6 million or RUB 3 256.42 for one bond under the bonds MKB ZO-2026-01. The issue was posted on 24 and 25 April 2024. The nominal value of the issue is EUR 210.2 million.

In January 2025, the Group paid a coupon on senior five-year Eurobonds issued in January 2021, nominated in euros, with a coupon rate of 3.1% per annum. The nominal value of the issue is EUR 600 million (EUR 311 million outstanding). The coupon was paid in Russian roubles at the official exchange rate of the CBR on the date of payment in favour of holders of Eurobonds, the rights to which are accounted for in NCO JSC NSD and other Russian depositories in accordance with the legislation of the Russian Federation.

In January 2025, the Group paid the 2nd coupon in the amount of RUB 368.6 million, or RUB 2 302.2 and repaid the issue of bonds of the ZO-2025-02 series (RU000A1086M4). The nominal value of the issue was USD 160.1 million or RUB 15 686.9 million.

In January 2025, the Group paid the 7th coupon in the amount of RUB 839.6 million or RUB 41.98 for one bond under the exchange-traded bonds of the 001P-04 series. The issue was posted on 5 August 2021. The nominal value of the issue is RUB 20 billion.

In February 2025, the Group paid a coupon and redeemed the senior five-year Eurobonds (XS2099763075) issued in January 2020, nominated in USD, with a coupon rate of 4.7% per annum. The payment was made in Russian roubles at the official exchange rate of the CBR on the date of payment in favour of holders of Eurobonds, the rights to which are accounted for in NCO JSC NSD and other Russian depositories in accordance with the legislation of the Russian Federation.

In February 2025, the Group paid the 3rd coupon in the amount of RUB 299.5 million or RUB 2 182.88 for one bond under the perpetual subordinated bonds of MKB ZO-2017. The issue was posted on 19 and 20 June 2024. The nominal value of the issue is USD 137 million.

In February 2025, the Group paid a coupon on perpetual subordinated Eurobonds issued in May 2017, nominated in USD. In November 2022, the coupon rate for subsequent coupon periods was set at 8.974% per annum. The nominal value of the issue is USD 700 million (USD 231 million outstanding). The coupon was paid in Russian roubles at the official exchange rate of the CBR on the date of payment in favour of holders of Eurobonds, the rights to which are accounted for in NCO JSC NSD and other Russian depositories in accordance with the legislation of the Russian Federation.

31 Events subsequent to the reporting date (continued)

In January 2025, the Group paid the 10th coupon in the amount of RUB 59.7 million, or RUB 59.7 per bond under the bonds of RG Leasing 1P3. The issue was posted on 28 July 2022. The nominal value of the issue is RUB 1 billion.

In March 2025, the Group paid out the 3rd coupon in the amount of RUB 261.8 million or RUB 1,635.16 for one bond under the bonds MKB ZO-2026-02. The issue was originally placed on 18 March 2024. The nominal value of the issue is USD 160.1 million.

In March 2025, the Group paid out the coupon on 3.875% senior USD Eurobonds, issued in September 2021, with the nominal value of USD 500 million (outstanding value of USD 285 million). The coupon was paid in Russian roubles at the official exchange rate of the CBR on the date of payment in favour of holders of Eurobonds, the rights to which are accounted for in NCO JSC NSD and other Russian depositories in accordance with the legislation of the Russian Federation.

In April 2025, the Group paid out the 4th coupon in the amount of RUB 147.9 mln or RUB 1 608.34 per bond on subordinated perpetual bonds MKB ZO-2021. The issue was originally placed on 17 and 18 June 2024. The nominal value of the issue is USD 92 mln.