

Summary consolidated financial statements of
***Joint stock company Russian Agricultural Bank
and its subsidiaries***
for 2022

with independent auditor's report

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and its subsidiaries**

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Independent auditor’s report

To the shareholder and Supervisory Board of
Joint stock company Russian Agricultural Bank

Opinion

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2022, the summary consolidated statement of profit or loss and other comprehensive income for 2022, summary consolidated Statement of changes in equity for 2022, and notes to the summary consolidated financial statements, are derived from the audited consolidated financial statements of Joint stock company Russian Agricultural Bank (the Bank) and its subsidiaries (the Group) for 2022, prepared in accordance with International Financial Reporting Standards (the “audited consolidated financial statements”).

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 criteria specified in Note 1 “Basis of preparation of Summary Consolidated Financial Statements” to the summary consolidated financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Therefore, reading the summary consolidated financial statements and the auditor's report thereon is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The summary consolidated financial statements and the audited consolidated financial statements do not reflect the impact of events that occurred after the date of our conclusion on the audited consolidated financial statements.

Audited consolidated financial statements and our auditor's report thereon

We have expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 13 March 2023. This report also includes information on key audit matters.

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 criteria specified in Note 1 “Basis of preparation of Summary Consolidated Financial Statements”.



**NEW CHALLENGES
NEW SOLUTIONS**

Auditor's 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*.

G.A. Shinin,
acting on behalf of TSATR – Audit Services Limited Liability Company
on the basis of power of attorney dated 18 April 2022,
partner in charge of the audit resulting in this independent auditor's report
(main registration number 22006013387)

3 April 2023

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the audited entity

Name: Joint stock company Russian Agricultural Bank
Record made in the State Register of Legal Entities on 22 October 2002, State Registration Number 1027700342890.
Address: Russia 119034, Moscow, Gagarinsky pereulok, 3.

Russian Agricultural Bank Group
Summary Consolidated Statement of Financial Position
as at 31 December 2022

<i>In millions of Russian Roubles</i>	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents		305 568	495 987
Mandatory cash balances with the Bank of Russia		5 236	28 972
Securities and derivative financial instruments		614 302	597 739
Due from other banks		30 632	50 293
Loans and advances to customers	2	3 177 822	2 854 359
Current and deferred income tax assets		12 762	13 698
Premises, equipment, intangible assets and right-of-use assets		76 159	75 407
Other assets		38 734	39 317
Total assets		4 261 215	4 155 772
Liabilities			
Due to other banks		209 261	116 524
Customer accounts	3	3 363 165	3 290 845
Promissory notes issued		64 652	77 875
Bonds issued		115 227	167 944
Current and deferred income tax liabilities		660	386
Other liabilities		85 233	88 169
Total liabilities before subordinated debts		3 838 198	3 741 743
Subordinated debts		134 404	139 512
Total liabilities		3 972 602	3 881 255
Equity			
Share capital	4	523 333	505 733
Perpetual bonds		49 865	51 325
Revaluation reserve for premises and investment securities at fair value through other comprehensive income		(8 906)	(5 062)
Accumulated loss		(275 678)	(277 478)
Equity attributable to the Bank's shareholder		288 614	274 518
Non-controlling interest		(1)	(1)
Total equity		288 613	274 517
Total liabilities and equity		4 261 215	4 155 772

Approved for issue and signed on behalf of the Management Board on 03 April 2023.


 B.P. Listov
 Chairman of the Management Board




 E.A. Romankova
 Deputy Chairman of the Management Board, Chief Accountant

Russian Agricultural Bank Group
Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2022

<i>In millions of Russian Roubles</i>	Note	2022	2021
Interest income at effective interest rate	5	338 044	250 384
Other interest income	5	20 095	11 435
Interest expense	5	(275 780)	(162 783)
Net interest income		82 359	99 036
Credit loss expense		(42 026)	(20 643)
Net interest income after credit loss expense		40 333	78 393
Fee and commission income	6	29 491	32 823
Fee and commission expense	6	(3 771)	(3 730)
Gains less losses / (losses net of gains) from financial instruments and at fair value through profit or loss, dealing in foreign currencies and precious metals, foreign exchange accounts translation		18 193	(1 621)
Gains less losses from investment securities at fair value through other comprehensive income		147	214
Other net operating income		8 375	2 875
Administrative and other operating expenses		(79 213)	(79 907)
Profit before tax		13 555	29 047
Income tax expense		(8 513)	(6 849)
Profit for the year		5 042	22 198
Profit/(loss) is attributable to:			
Shareholder of the Bank		5 042	22 200
Non-controlling interest		-	(2)
Profit for the year		5 042	22 198
Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax		(3 797)	(11 403)
Total other comprehensive loss		(3 797)	(11 403)
Total comprehensive income for the year		1 245	10 795
Total comprehensive income/(loss) is attributable to:			
Shareholder of the Bank		1 245	10 797
Non-controlling interest		-	(2)
Total comprehensive income for the year		1 245	10 795

Russian Agricultural Bank Group
Summary Consolidated Statement of Changes in Equity
for the year ended 31 December 2022

<i>In millions of Russian Roubles</i>	Note	Attributable to Shareholder of the Bank					Non-controlling interest	Total equity
		Share capital	Perpetual bonds	Revaluation reserve for premises and investment securities	Accumulated loss	Total		
Balance at 31 December 2020		470 733	52 296	6 388	(294 591)	234 826	(123)	234 703
Profit/(loss) for the year, net of tax		-	-	-	22 200	22 200	(2)	22 198
Other comprehensive loss for the year, net of tax		-	-	(11 403)	-	(11 403)	-	(11 403)
Total comprehensive income/(loss) for the year, net of tax		-	-	(11 403)	22 200	10 797	(2)	10 795
Share issue	4	35 000	-	-	-	35 000	-	35 000
Depreciation of revaluation reserve for premises		-	-	(47)	47	-	-	-
Disposal of subsidiaries		-	-	-	-	-	124	124
Perpetual bonds buy back		-	(107)	-	-	(107)	-	(107)
Secondary issue of perpetual bonds		-	107	-	-	107	-	107
Foreign exchange translation of perpetual bonds		-	(971)	-	971	-	-	-
Coupon paid and due under perpetual bonds		-	-	-	(4 945)	(4 945)	-	(4 945)
Dividends paid		-	-	-	(1 160)	(1 160)	-	(1 160)
Balance at 31 December 2021		505 733	51 325	(5 062)	(277 478)	274 518	(1)	274 517
Profit/(loss) for the year, net of tax		-	-	-	5 042	5 042	-	5 042
Other comprehensive loss for the year, net of tax		-	-	(3 797)	-	(3 797)	-	(3 797)
Total comprehensive income/(loss) for the year, net of tax		-	-	(3 797)	5 042	1 245	-	1 245
Share issue	4	17 600	-	-	-	17 600	-	17 600
Depreciation of revaluation reserve for premises		-	-	(47)	47	-	-	-
Foreign exchange translation of perpetual bonds		-	(1 460)	-	1 460	-	-	-
Coupon paid and due under perpetual bonds		-	-	-	(4 749)	(4 749)	-	(4 749)
Balance at 31 December 2022		523 333	49 865	(8 906)	(275 678)	288 614	(1)	288 613

The notes 1 to 7 form an integral part of these summary consolidated financial statements.

1 Basis of Preparation of Summary Consolidated Financial Statements

These summary consolidated financial statements have been prepared based on audited consolidated financial statements for Joint stock company Russian Agricultural Bank (the “Bank”) and its subsidiaries (together referred to as the “Group”) for the year 2022 prepared in accordance with International Financial Reporting Standards, and consist of summary consolidated statement of financial position as at 31 December 2022, summary consolidated statement of profit or loss and other comprehensive income for the year ended at the mentioned date, summary consolidated statement of changes in equity for the year ended at the mentioned date, and selected summary notes. The summary consolidated financial statements do not contain all the information required for disclosure under International Financial Reporting Standards, therefore the analysis of summary consolidated financial statements and independent auditors’ report on these summary consolidated financial statements does not substitute the analysis of the audited consolidated financial statements and independent auditors’ report on these consolidated financial statements.

In accordance with the decision of the Board of Directors of the Bank of Russia dated 29 December 2022 and point 3 part 1 clause 3 of Federal Law dated 14 March 2022 № 55-FZ “*On amendments to clauses 6 and 7 of Federal Law “On amendments to Federal Law “On the Central Bank of the Russian Federation (the Bank of Russia)” and certain legislative acts of the Russian Federation concerning specificities of changes in terms of loan agreement, debt agreement”* and clause 21 of Federal Law “*On amendments to certain legislative acts of the Russian Federation*” (as amended by Federal Law dated 19 December 2022 № 519-FZ), credit organisations have the right not to disclose on public information resources the annual (interim) consolidated financial statements subject to disclosure in accordance with part 4 clause 8 of Federal Law dated 2 December 1990 № 395-1 “*On banks and banking operations*” and clause 7 of Federal Law dated 27 July 2010 № 208-FZ “*On consolidated financial statements*”. In accordance with the abovementioned regulatory acts the Bank does not disclose to the full extent information subject to disclosure on public information resources, starting from the interim condensed consolidated financial statements of the Group for the three months ended 31 March 2022 including audited consolidated financial statements of the Group for 2022. Audited consolidated financial statements of the Group can be provided subject to submitting an inquiry to the official e-mail address reporting@rshb.ru.

Main principles for the preparation of these summary consolidated financial statements and for the disclosure of information in it. These summary consolidated financial statements provide aggregate information on the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity of the Group, as well as information on the most significant assets, liabilities and changes in the structure of Group’s own funds as at 31 December 2022 and for the year 2022, and the most significant for the banking business items within interest and commission income and expenses for 2022.

Information disclosed in the summary consolidated statement of financial position

“Securities and derivative financial instruments” line includes information on trading securities, investment securities (including those pledged under repurchase agreements) and derivative financial instruments with positive fair value.

“Other assets” line includes information on assets classified as held for sale and other financial and non-financial assets of the Group.

“Other liabilities” line includes information on derivative financial instruments with negative fair value and Group’s other financial and non-financial liabilities.

Information on revaluation reserve for premises and revaluation reserve for investment securities measured at fair value through other comprehensive income is presented in the summary consolidated statement of financial position collectively in one line item.

1 Basis of Preparation of Summary Consolidated Financial Statements (continued)

Information disclosed in the summary consolidated statement of profit or loss and other comprehensive income

“Gains less losses / (losses net of gains) from financial instruments and at fair value through profit or loss, dealing in foreign currencies and precious metals, foreign exchange accounts translation” line includes information on the following gains and losses:

- from trading securities;
- from financial instruments and loans to customers at fair value through profit or loss;
- from derivative financial instruments;
- from dealing in foreign currencies, and foreign exchange translation gains and losses;
- from dealing in precious metals.

“Other net operating income” line includes the following information:

- gains and losses from non-banking activities;
- gains and losses from disposal of subsidiaries;
- other operating income.

“Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax” line includes:

- changes in fair value of debt securities measured at fair value through other comprehensive income net of tax;
- realised revaluation reserve on debt securities (at disposal) net of tax;
- changes in allowance for expected credit losses of debt securities at fair value through other comprehensive income net of tax.

In 2022 and 2021 total comprehensive income did not include any income or loss that would not be reclassified to profit or loss in subsequent periods.

Information disclosed in the summary consolidated statement of changes in equity

Changes in equity in respect of revaluation reserve for premises and revaluation reserve for investment securities are presented in the summary consolidated statement of changes in equity on an aggregated basis.

2 Loans and Advances to Customers

<i>In millions of Russian Roubles</i>	31 December 2022	31 December 2021
Loans to legal entities	2 804 248	2 438 020
- Loans to corporates	2 783 459	2 437 153
- Lending for food interventions	20 789	867
Loans to individuals	589 549	615 831
- Mortgage loans	403 533	390 309
- Consumer and other loans	186 016	225 522
Total loans and advances to customers at amortised cost (before impairment)	3 393 797	3 053 851
Allowance for ECL	(235 260)	(256 054)
Total loans and advances to customers at amortised cost	3 158 537	2 797 797
Loans to customers at fair value through profit or loss	19 285	56 562
Total loans and advances to customers	3 177 822	2 854 359

Lending for food interventions is represented by loans to the company under the control of the Government of the Russian Federation.

Certain loans to customers did not meet the SPPI criterion. Therefore, Group classifies these loans as financial assets at FVTPL.

2 Loans and Advances to Customers (continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans to legal entities during the year ended 31 December 2022 is as follows:

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities					
Gross carrying value as at					
1 January 2022	1 948 814	246 194	242 484	528	2 438 020
Transfers to Stage 1	30 257	(29 968)	(289)	-	-
Transfers to Stage 2	(50 268)	50 444	(176)	-	-
Transfers to Stage 3	(966)	(4 659)	5 625	-	-
Change in gross carrying value (new issue and repayments)	470 005	17 622	(29 644)	823	458 806
Amounts written off	-	-	(6 998)	-	(6 998)
Foreign exchange adjustments	(12 394)	(32 365)	787	(4 468)	(48 440)
Loans sold during the period	(12 746)	(1 160)	(22 928)	-	(36 834)
Derecognition of restructured loans	-	-	(23 639)	23 639	-
Disposal of subsidiaries	-	-	(306)	-	(306)
Gross carrying value as at 31 December 2022	2 372 702	246 108	164 916	20 522	2 804 248
Loans to legal entities					
ECL as at 1 January 2022	16 109	27 662	186 966	449	231 186
Transfers to Stage 1	1 480	(1 200)	(280)	-	-
Transfers to Stage 2	(686)	747	(61)	-	-
Transfers to Stage 3	(3)	(235)	238	-	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations (including expense on new issue and income from repayments)	3 923	15 112	7 875	7 489	34 399
Unwind of discount (recognised in interest income)	-	-	1 544	540	2 084
Amounts written off	-	-	(6 998)	-	(6 998)
Foreign exchange adjustments	(175)	(6 609)	(247)	-	(7 031)
Allowance for loans sold during the period	-	-	(19 056)	-	(19 056)
Derecognition of restructured loans	-	-	(22 739)	-	(22 739)
Disposal of subsidiaries	-	-	(229)	-	(229)
ECL as at 31 December 2022	20 648	35 477	147 013	8 478	211 616

2 Loans and Advances to Customers (continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans to legal entities during the year ended 31 December 2021 is as follows:

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities					
Gross carrying value as at					
1 January 2021	1 797 614	264 678	254 913	7 018	2 324 223
Transfers to Stage 1	17 215	(15 580)	(1 635)	-	-
Transfers to Stage 2	(33 515)	38 899	(5 384)	-	-
Transfers to Stage 3	(1 030)	(51 732)	52 762	-	-
Change in gross carrying value (new issue and repayments)	175 605	12 959	(7 679)	636	181 521
Amounts written off	-	-	(6 360)	-	(6 360)
Foreign exchange adjustments	(7 075)	(3 028)	(3 608)	(108)	(13 819)
Loans sold during the period	-	(2)	(40 525)	(7 018)	(47 545)
Gross carrying value as at					
31 December 2021	1 948 814	246 194	242 484	528	2 438 020

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities					
ECL as at 1 January 2021	20 681	26 175	203 177	3 543	253 576
Transfers to Stage 1	1 822	(1 695)	(127)	-	-
Transfers to Stage 2	(868)	4 399	(3 531)	-	-
Transfers to Stage 3	(86)	(8 363)	8 449	-	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations (including expense on new issue and income from repayments)	(5 437)	7 505	16 412	(301)	18 179
Unwind of discount (recognised in interest income)	-	-	2 486	-	2 486
Amounts written off	-	-	(6 360)	-	(6 360)
Foreign exchange adjustments	(3)	(359)	(565)	(83)	(1 010)
Allowance for loans sold during the period	-	-	(33 239)	(2 710)	(35 949)
Recovery of loans previously written off sold during the period	-	-	159	-	159
Recovery of loans previously written off	-	-	105	-	105
ECL as at 31 December 2021	16 109	27 662	186 966	449	231 186

2 Loans and Advances to Customers (continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans to individuals during the year ended 31 December 2022 is as follows:

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
Gross carrying value as at 1 January 2022	584 602	5 598	25 631	615 831
Transfers to Stage 1	2 004	(1 656)	(348)	-
Transfers to Stage 2	(7 047)	7 525	(478)	-
Transfers to Stage 3	(7 239)	(2 019)	9 258	-
Change in gross carrying value (new issue and repayments)	(15 645)	(1 104)	(3 956)	(20 705)
Amounts written off	-	-	(2 505)	(2 505)
Foreign exchange adjustments	(1)	-	-	(1)
Loans sold during the period	(5)	(4)	(3 062)	(3 071)
Gross carrying value as at 31 December 2022	556 669	8 340	24 540	589 549

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
ECL as at 1 January 2022	3 472	946	20 450	24 868
Transfers to Stage 1	355	(143)	(212)	-
Transfers to Stage 2	(95)	370	(275)	-
Transfers to Stage 3	(221)	(618)	839	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations (including expense on new issue and income from repayments)	(90)	610	3 488	4 008
Unwind of discount (recognised in interest income)	-	-	160	160
Amounts written off	-	-	(2 505)	(2 505)
Provision for loans sold during the period	(6)	(4)	(2 877)	(2 887)
ECL as at 31 December 2022	3 415	1 161	19 068	23 644

2 Loans and Advances to Customers (continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans to individuals during the year ended 31 December 2021 is as follows:

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
Gross carrying value as at 1 January 2021	530 100	6 653	26 637	563 390
Transfers to Stage 1	3 483	(2 806)	(677)	-
Transfers to Stage 2	(3 667)	4 002	(335)	-
Transfers to Stage 3	(5 388)	(1 873)	7 261	-
Change in gross carrying value (new issue and repayments)	60 084	(377)	(4 254)	55 453
Amounts written off	-	-	(760)	(760)
Foreign exchange adjustments	(1)	-	-	(1)
Loans sold during the period	(9)	(1)	(2 241)	(2 251)
Gross carrying value as at 31 December 2021	584 602	5 598	25 631	615 831

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
ECL as at 1 January 2021	3 394	839	20 724	24 957
Transfers to Stage 1	504	(194)	(310)	-
Transfers to Stage 2	(72)	245	(173)	-
Transfers to Stage 3	(172)	(400)	572	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations (including expense on new issue and income from repayments)	(175)	457	2 301	2 583
Unwind of discount (recognised in interest income)	-	-	198	198
Amounts written off	-	-	(760)	(760)
Provision for loans sold during the period	(7)	(1)	(2 102)	(2 110)
ECL as at 31 December 2021	3 472	946	20 450	24 868

2 Loans and Advances to Customers (continued)

The table below presents an analysis of the credit quality of loans to legal entities as of 31 December 2022.

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities at amortised cost					
Low credit risk (internally rated)	154 528	1	-	-	154 529
Moderate credit risk (internally rated)	1 532 197	26 062	-	-	1 558 259
Increased credit risk (internally rated)	685 977	89 967	-	-	775 944
High credit risk (internally rated)	-	130 078	-	-	130 078
Default (internally rated)	-	-	164 916	20 522	185 438
Unrated	-	-	-	-	-
Total loans to legal entities at amortised cost (before impairment)					
	2 372 702	246 108	164 916	20 522	2 804 248
Allowance for ECL	(20 648)	(35 477)	(147 013)	(8 478)	(211 616)
Total loans to legal entities at amortised cost					
	2 352 054	210 631	17 903	12 044	2 592 632

Analysis by credit quality in relation to loans to individuals as at 31 December 2022 is as follows:

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	Total
Loans to individuals at amortised cost				
Non overdue	550 904	4 508	-	555 412
Up to 30 days overdue	5 765	1 040	100	6 905
31 to 90 days overdue	-	2 792	1 062	3 854
91 to 180 days overdue	-	-	2 677	2 677
181 to 365 days overdue	-	-	4 832	4 832
Over 365 days overdue	-	-	15 869	15 869
Total loans to individuals at amortised cost (before impairment)				
	556 669	8 340	24 540	589 549
Allowance for ECL	(3 415)	(1 161)	(19 068)	(23 644)
Total loans to individuals at amortised cost				
	553 254	7 179	5 472	565 905

2 Loans and Advances to Customers (continued)

Analysis by credit quality of loans to legal entities outstanding as at 31 December 2021 is as follows:

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities at amortised cost					
Low credit risk (internally rated)	88 489	-	-	-	88 489
Moderate credit risk (internally rated)	1 303 259	3 829	-	-	1 307 088
Increased credit risk (internally rated)	557 066	133 716	-	-	690 782
High credit risk (internally rated)	-	108 649	-	-	108 649
Default (internally rated)	-	-	242 484	528	243 012
Unrated	-	-	-	-	-
Total loans to legal entities at amortised cost (before impairment)					
	1 948 814	246 194	242 484	528	2 438 020
Allowance for ECL	(16 109)	(27 662)	(186 966)	(449)	(231 186)
Total loans to legal entities at amortised cost					
	1 932 705	218 532	55 518	79	2 206 834

Analysis by credit quality in relation to loans to individuals as at 31 December 2021 is as follows:

<i>In millions of Russian Roubles</i>	Stage 1	Stage 2	Stage 3	Total
Loans to individuals at amortised cost				
Non overdue	577 814	2 290	-	580 104
Up to 30 days overdue	6 788	909	79	7 776
31 to 90 days overdue	-	2 399	1 202	3 601
91 to 180 days overdue	-	-	2 552	2 552
181 to 365 days overdue	-	-	3 756	3 756
Over 365 days overdue	-	-	18 042	18 042
Total loans to individuals at amortised cost (before impairment)				
	584 602	5 598	25 631	615 831
Allowance for ECL	(3 472)	(946)	(20 450)	(24 868)
Total loans to individuals at amortised cost				
	581 130	4 652	5 181	590 963

3 Customer Accounts

<i>In millions of Russian Roubles</i>	31 December 2022	31 December 2021
State authorities		
- Current/settlement accounts	3 547	538
- Term deposits	303 249	498 975
Other legal entities		
- Current/settlement accounts	273 294	302 554
- Term deposits	1 119 862	990 232
Individuals		
- Current/demand accounts	296 573	320 212
- Term deposits	1 366 640	1 178 334
Total customer accounts	3 363 165	3 290 845

In 2022, the Group made payments for its bonds in accordance with the Decree of the President of the Russian Federation No. 95 dated 5 March 2022 *On the Temporary Procedure for Fulfilling Obligations to Certain Foreign Creditors*. As at 31 December 2022, customer accounts in the amount of RR 877 million represented liabilities to foreign holders of the Group's subordinated bonds and held in type "C" correspondent accounts for onward transfer to securities holders who are foreign creditors.

4 Share Capital

Share capital issued and fully paid comprises:

<i>In millions of Russian Roubles (except for number of outstanding shares)</i>	2022			2021		
	Number of outstan- ding shares	Nominal amount	Inflation adjusted amount	Number of outstan- ding shares	Nominal amount	Inflation adjusted amount
Ordinary shares	428 783	428 783	429 533	411 183	411 183	411 933
Preference shares	25 000	25 000	25 000	25 000	25 000	25 000
Type A preference shares	6 880	68 800	68 800	6 880	68 800	68 800
Total	460 663	522 583	523 333	443 063	504 983	505 733

All ordinary and preference shares have a nominal value of RR 1 million per share, except for 6 880 type A preference shares with nominal value of RR 10 million per share, and rank equally within the same class. Each ordinary share carries one vote.

The terms of the preference shares do not include any fixed dividends and the decision on repayment of dividends is approved by the shareholder of the Bank.

In 2022, the Bank increased its share capital by issuing 17 600 ordinary shares (2021: 35 000 ordinary shares) with the total nominal amount of RR 17 600 million (2021: RR 35 000 million).

In 2022 and 2021, all ordinary shares were purchased by the Bank's only shareholder — the Government of the Russian Federation represented by the Federal Agency for Managing State Property.

In 2022, on the recommendation of the Supervisory Board, the Bank did not pay dividends on ordinary and preferred shares based on the results of 2021.

5 Interest Income and Expense

<i>In millions of Russian Roubles</i>	2022	2021
Interest income on debt financial assets carried at amortised cost		
Loans and advances to legal entities	227 149	157 059
Loans and advances to individuals	63 524	58 165
Cash equivalents	6 086	5 791
Due from other banks	5 298	2 620
Investment securities at amortised cost	3 051	3 496
	305 108	227 131
Interest income on debt financial assets carried at fair value through other comprehensive income		
Investment securities at FVOCI including pledged under repurchase agreements	32 936	23 253
	32 936	23 253
Total interest income at effective interest rate	338 044	250 384
Financial instruments at fair value through profit or loss	19 093	10 945
Lessor's net investment in finance lease	1 002	490
Total other interest income	20 095	11 435
Interest expense at effective interest rate		
Term deposits of individuals	(119 261)	(56 420)
Term deposits of legal entities	(106 460)	(60 837)
Current/settlement accounts	(14 474)	(9 450)
Debt securities issued and subordinated debts	(26 294)	(25 808)
Term deposits of banks	(8 815)	(9 666)
Total interest expense at effective interest rate	(275 304)	(162 181)
Lease liabilities	(476)	(602)
Total other interest expense	(476)	(602)
Net interest income	82 359	99 036

Interest expense on term deposits of individuals for 2022 includes income from early termination of agreements in the amount of RR 8 113 million (2021: RR 850 million).

6 Fee and Commission Income and Expense

<i>In millions of Russian Roubles</i>	2022	2021
Fee and commission income		
Commission on cash and settlements transactions	10 698	9 206
Commission on banking cards and acquiring	7 295	5 398
Fees for sale of insurance contracts and agency services	5 039	8 812
Commission for consulting and financial services and brokerage commission	3 351	5 238
Commission on guarantees issued	1 653	2 065
Other	1 455	2 104
Total fee and commission income	29 491	32 823
Fee and commission expense		
Commission on settlement transactions	(2 887)	(2 884)
Other	(884)	(846)
Total fee and commission expense	(3 771)	(3 730)
Net fee and commission income	25 720	29 093

7 Management of Capital

The Group's objectives when managing capital are:

- i. To comply with the capital requirements set by the Bank of Russia;
- ii. To ensure the Group's ability to continue as a going concern.

Compliance with the capital adequacy ratio set by the Bank of Russia is monitored by the Group's management on a monthly basis.

Under the capital requirements set by the Bank of Russia effective at 31 December 2022 and 2021, banks had to maintain a ratio of capital and assets weighted to risk ("Capital Adequacy Ratio") above a prescribed minimum level of 8% (N1.0), while a prescribed minimum level for Common Equity Tier 1 Ratio (CET1 ratio) (N1.1) is set at 4.5% and for Tier 1 Ratio (N1.2) is set at 6%.

During 2022 and 2021 the Bank's capital adequacy ratio in accordance with the Bank of Russia requirements exceeded the minimum level and as at 31 December 2022 and 31 December 2021 was as follows:

<i>In millions of Russian Roubles</i>	31 December 2022	31 December 2021
Capital of the Bank	530 842	519 378
CET1 Ratio (N1.1)	10.1%	9.8%
Tier1 Ratio (N1.2)	11.5%	11.3%
Capital Adequacy Ratio (N1.0)	14.5%	14.7%

Capital of the Bank and capital adequacy is calculated as required by the Bank of Russia Regulation No. 646-P *Methodology for Capital Adequacy Calculation by Credit Organizations (Basel III)* and the Bank of Russia Instruction No. 199-I *Methodology for Mandatory Prudential Ratios Calculation by Banks*.

As at 31 December 2022 and 2021, the Group is subject to minimum capital requirements established by covenants stated in loan agreements, including capital adequacy levels calculated on the IFRS figures in accordance with Basel II Capital Accord equals 8%. As at 31 December 2022 and 2021, the Group was in compliance with covenants for maintaining capital adequacy ratio under Basel II.