Summary consolidated financial statements of

Joint stock company Russian Agricultural Bank and its subsidiaries

for 2024

with independent auditor's report

Summary consolidated financial statements of Joint stock company Russian Agricultural Bank 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 2024, summary consolidated statement of profit or loss and other comprehensive income, 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 Joint stock company Russian Agricultural Bank (the Bank) and its subsidiaries (the Group) for 2024 prepared in accordance with IFRS Accounting 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 principles specified in Note 1 "Basis of Preparation of Summary Consolidated Financial Statements".

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

Audited consolidated financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 17 March 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 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 principles specified in Note 1 "Basis of Preparation of Summary Consolidated Financial Statements".

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 are conducted in accordance with International Standard on Auditing (ISA) 810 (Revised) *Engagements to Report on Summary Financial Statements*.

Shinin Gennadiy Alexandrovich,
acting on behalf of TSATR – Audit Services Limited Liability Company
on the basis of power of attorney dated 29 February 2024,
partner in charge of the audit resulting in this independent auditor's report
(main registration number 22006013387)

17 March 2025

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, 75.
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 2024

In millions of Russian Roubles	Note	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	6	734 928	433 659
Mandatory cash balances with the Bank of Russia		16 152	8 958
Trading securities	7	30 697	42 283
Trading securities pledged under repurchase agreements	7	19 900	-
Due from other banks	8	46 744	48 886
Derivative financial instruments	32	24 485	18 210
Loans and advances to customers	9	4 029 340	3 486 593
Investment securities	10	451 171	566 791
Investment securities pledged under repurchase agreements	10	44 502	706
Current income tax assets		588	540
Deferred income tax asset	25	8 865	10 005
Intangible assets	11	38 649	28 582
Premises, equipment and right-of-use assets	11	74 998	59 527
Other assets	12	45 332	41 413
Assets classified as held for sale		-	66
Total assets		**5 566 351**	**4 746 219**
Liabilities			
Due to other banks	13	630 889	294 678
Derivative financial instruments	32	653	389
Customer accounts	14	4 119 336	3 653 685
Promissory notes issued	15	37 701	28 464
Bonds issued	16	139 140	130 350
Current income tax liability		1 020	770
Deferred income tax liability	25	919	473
Other liabilities	17	104 904	105 132
Total liabilities before subordinated debts		**5 034 562**	**4 213 941**
Subordinated debts	18	224 165	234 209
Total liabilities		**5 258 727**	**4 448 150**
Equity			
Share capital	20	523 333	523 333
Perpetual bonds	19	55 999	54 363
Revaluation reserve for premises		7 132	2 649
Revaluation reserve for investment securities at fair value through other comprehensive income		(36 785)	(16 770)
Accumulated loss		(242 054)	(265 505)
Equity attributable to the Bank's shareholder		**307 625**	**298 070**
Non-controlling interest		(1)	(1)
Total equity		**307 624**	**298 069**
Total liabilities and equity		**5 566 351**	**4 746 219**

Approved for issue and signed on behalf of the Management Board on 17 March 2025.

B.P. Listov
Chairman of the Management Board

«Российский Сельскохозяйственный банк»
АО «Россельхозбанк»
МОСКВА

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

The notes 1 to 35 form an integral part of these summary consolidated financial statements.

In millions of Russian Roubles	Note	2024	2023
Interest income at effective interest rate	21	657 700	408 175
Other interest income	21	39 715	20 953
Interest expense	21	(553 260)	(290 133)
Deposit insurance expenses	21	(11 531)	(9 777)
Net interest income		**132 624**	**129 218**
Credit loss expense	22	(32 976)	(47 058)
Net interest income after credit loss expense		**99 648**	**82 160**
Fee and commission income	23	25 768	24 908
Fee and commission expense	23	(3 450)	(3 273)
(Losses net of gains) / gains less losses from trading securities		(659)	16
Losses net of gains from financial instruments and loans to customers at fair value through profit or loss		(10 913)	(753)
Losses net of gains from securities at fair value through other comprehensive income		(250)	(967)
Gains less losses from derivative financial instruments, foreign exchange, dealing in foreign currencies and dealing in precious metals		19 372	8 328
Gains from non-banking activities		1 887	1 191
Losses from non-banking activities		(1 549)	(1 002)
Revenue from insurance activities		14 975	16 456
Losses from insurance activities		(14 630)	(11 010)
Income on reinsurance contracts held (transferred)		2 435	575
Insurance finance losses on groups of insurance contracts		(3 214)	(875)
Losses from disposal of subsidiaries	35	-	(14)
Other operating income		7 173	5 419
Administrative and other operating expenses	24	(87 459)	(80 179)
Profit before tax		**49 134**	**40 980**
Income tax expense	25	(9 309)	(9 133)
Profit for the year		**39 825**	**31 847**
Profit/(loss) is attributable to:			
Shareholder of the Bank		39 825	31 847
Non-controlling interest		-	-
Profit for the year		**39 825**	**31 847**
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:			
Debt securities at fair value through other comprehensive income:			
- Net losses on debt securities at fair value through other comprehensive income		(21 663)	(8 327)
- Realised revaluation reserve on debt securities (at disposal)		250	967
- Changes in allowance for expected credit losses of debt securities at fair value through other comprehensive income		1 398	2 191
Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax		**(20 015)**	**(5 169)**
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Revaluation of premises		6 080	-
Income tax		(1 551)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax		**4 529**	**-**
Total other comprehensive loss		**(15 486)**	**(5 169)**
Total comprehensive income for the year		**24 339**	**26 678**
Total comprehensive income is attributable to:			
Shareholder of the Bank		24 339	26 678
Non-controlling interest		-	-
Total comprehensive income for the year		**24 339**	**26 678**

In millions of Russian Roubles	**Attributable to shareholder of the Bank**						**Non-controlling interest**	**Total equity**
	Share capital	**Perpetual bonds**	**Revaluation reserve for premises**	**Revaluation reserve for investment securities**	**Accumulated loss**	**Total**		
Balance at 31 December 2022	**523 333**	**49 865**	**2 695**	**(11 601)**	**(275 678)**	**288 614**	**(1)**	**288 613**
Impact of adopting IFRS 17	-	-	-	-	(9 581)	**(9 581)**	-	**(9 581)**
Restated balance at 31 December 2022 under IFRS 17	**523 333**	**49 865**	**2 695**	**(11 601)**	**(285 259)**	**279 033**	**(1)**	**279 032**
Profit for the period, net of tax	-	-	-	-	31 847	**31 847**	-	**31 847**
Other comprehensive loss for the period, net of tax	-	-	-	(5 169)	-	**(5 169)**	-	**(5 169)**
Total comprehensive (loss)/income for the period, net of tax	**-**	**-**	**-**	**(5 169)**	**31 847**	**26 678**	**-**	**26 678**
Depreciation of revaluation reserve for premises	-	-	(46)	-	46	-	-	**-**
Other changes in equity	-	4 498	-	-	(12 139)	(7 641)	-	**(7 641)**
Balance at 31 December 2023	**523 333**	**54 363**	**2 649**	**(16 770)**	**(265 505)**	**298 070**	**(1)**	**298 069**
Balance at 31 December 2023	**523 333**	**54 363**	**2 649**	**(16 770)**	**(265 505)**	**298 070**	**(1)**	**298 069**
Profit for the period, net of tax	-	-	-	-	39 825	**39 825**	-	**39 825**
Other comprehensive income/(loss) for the period, net of tax	-	-	4 529	(20 015)	-	**(15 486)**	-	**(15 486)**
Total comprehensive income/(loss) for the period, net of tax	**-**	**-**	**4 529**	**(20 015)**	**39 825**	**24 339**	**-**	**24 339**
Depreciation of revaluation reserve for premises	-	-	(46)	-	46	**-**	-	**-**
Other changes in equity	-	1 636	-	-	(16 420)	**(14 784)**	-	**(14 784)**
Balance at 31 December 2024	**523 333**	**55 999**	**7 132**	**(36 785)**	**(242 054)**	**307 625**	**(1)**	**307 624**

1 Basis of Preparation of Summary Consolidated Financial Statements

These summary consolidated financial statements of Joint stock company Russian Agricultural Bank ("Bank") and its subsidiaries ("Group") have been prepared based on audited consolidated financial statements of the Group prepared in accordance with in accordance with IFRS Accounting Standards ("IFRS") for the year ended 31 December 2024. These summary consolidated financial statements consist of:

- Summary consolidated statement of financial position as at 31 December 2024;
- Summary consolidated statement of profit or loss and of comprehensive income for the year ended 31 December 2024;
- Summary consolidated statement of changes in equity for the year ended 31 December 2024; and
- Selected notes.

These summary consolidated financial statements contain all the information necessary for disclosure under IFRS excluding Statement of cash flows and information stated in Annex 1 to the Bank of Russia Board of directors' decision dated 24 December 2024 "About requirements of financial statements and information disclosure by credit organizations (head credit organizations of bank groups) in 2025" (the "Decision"), in particular:

- Investments in companies over which the Group has significant influence;
- Transactions (volume of transactions/funds) in foreign currency;
- Gains and losses (net gains) from trading in foreign currencies and foreign exchange;
- Profit from participation in the capital of other legal entities;
- Risks taken, its assessment procedures, risk and capital management;
- Subsidiaries of credit organization (bank group);
- Transactions (deals) of credit organization, its controlling parties and its controlled entities;
- Restricted assets.

In accordance with the Decision, the Bank doesn't publish audited consolidated financial statements of the Group for 2024 prepared in accordance with IFRS and containing information stated in Annex 1 of the Decision.

Principal activity. The Bank's principal business activity is commercial and retail banking operations in the Russian Federation with emphasis on lending to agricultural enterprises. The main objectives of the Bank are:

- To participate in realisation of the monetary policy of the Russian Federation in the area of agricultural production;
- To develop within the agricultural industry a national system of lending to the domestic agricultural producers; and
- To maintain an effective and uninterrupted performance of the settlement system in the area of agricultural production across the Russian Federation.

The Bank has operated under a full banking license issued by the Bank of Russia since 13 June 2000. The Bank participates in the State deposit insurance scheme, which was introduced by Federal Law No. 177-FZ *Deposits of Individuals Insurance in Russian Federation* dated 23 December 2003. The State Deposit Insurance Agency guarantees repayment of 100% of individual and/or individual entrepreneur current accounts and deposits up to RR 1 400 thousand per individual or individual entrepreneur. Since 2019, similar guarantees are applied to legal entities considered in accordance with the legislation of the Russian Federation to small enterprises. Since 2020, the guaranteed reimbursement also applies to other individual cases, the maximum amount of payments for which is not more than RR 10 000 thousand.

The Bank has 64 (31 December 2023: 65) branches within the Russian Federation. The Bank's registered address is Russia 119034, Moscow, Gagarinsky Pereulok, 3. The Bank's principal place of business is Russia 123112, Moscow, Presnenskaya naberezhnaya, 10, bld. 2.

The number of the Group's employees as at 31 December 2024 was 30 340 (31 December 2023: 30 653).

Presentation currency. These consolidated financial statements are presented in Russian Roubles ("RR"). All amounts are expressed in RR millions unless otherwise stated.

2 Operating Environment of the Group

Russian Federation. During 2024, economic growth continued, but at a slower pace than the previous year. The highest growth was observed in retail and wholesale trade, manufacturing, as well as in the catering industry and the retail service sector. However, there was stagnation in the mining industry, due possibly to the impact of sanctions as well as the Russian government's voluntary decision to cut oil production. The growth rate also declined in construction. In addition, the share of foreign trade decreased, while role of consumption and government investment increased.

There was increase in inflation in 2024, leading to the tightening of monetary policy. Starting July, the Bank of Russia continued hiking its key rate — from 16% in December 2023 to 18% in July 2024, to 19% in September 2024 and to 21% in October 2024.

The Russian ruble exchange rate fluctuated in the range of from 83 to 110 rubles per US dollar during 2024. The sanctions imposed by the US against the Moscow Exchange and the National Clearing Center in June 2024 increased the volatility of the exchange rate. The sanctions also caused a drop in foreign trade, while boosting the role of consumption and government investment.

Furthermore, restrictive measures imposed on JSC Russian Agricultural Bank by foreign countries in 2022 continued to apply during 2024, including the US and EU sectoral sanctions, the disconnection from the SWIFT global financial messaging network, and the blocking sanctions imposed by a number of foreign countries. There is still uncertainty about the future development of the Russian economy.

The current restrictions imposed on the Bank are not having a material impact on the Group's operations. The management of the Group monitors the current developments in the economic and political environment and takes the measures it deems necessary to maintain the sustainable development of the Group's business in the near future.

During 2024, key changes in selected macroeconomic indicators were as follows:

- The official US dollar exchange rate established by the Bank of Russia increased from 89,6883 rubles to 101,6797 rubles per US dollar;
- The Bank of Russia key rate rose from 16,0% p.a. to 21,0% p.a.;
- The MOEX index dropped from 3 099.1 to 2 883.04.

3 Summary of Significant Accounting Policies

Basis of preparation. These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of premises, investment securities at fair value through other comprehensive income, financial instruments categorised as at fair value through profit or loss and derivatives. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New requirements effective from 1 January 2024

Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. In June 2022 the IASB decided to finalize the proposed amendments to IAS 1, published in the exposure draft *Non-current Liabilities with Covenants,* with some modifications (the 2022 Amendments).

3 Summary of Significant Accounting Policies (Continued)

The amendments are the following:

- What is meant by a right to defer settlement of obligation;
- Right to defer settlement of obligation must exist at the end of the reporting period;
- Classification of liabilities is unaffected by the likelihood that an entity will exercise its right to defer settlement of obligation;
- The terms of the liability will not affect its classification only if the derivative embedded in the convertible liability is an equity instrument itself;
- Additional disclosure is required by an entity that classifies obligations arising from credit agreements as long-term when it has the right to defer the payment of those obligations that are subject to the entity's future covenants during twelve months.

Amendments to IFRS 16 Leases. In September 2022, the IASB issued amendments to IFRS 16 *Leases*, adding guidance on the subsequent measurement of assets and liabilities in sale and leaseback transactions that meet the criteria for a transfer of control of an asset in IFRS 15 *Revenue from Contracts with Customers*.

The amendments require a seller-lessee to measure the lease liability arising from a leaseback in a way that it would not result in the recognition of any gain or loss that relate to the seller-lessee's retained right of use.

Entities should use IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to develop an accounting policy for determining how to measure lease payments for such transactions. The amendments shall be applied retrospectively in accordance with IAS 8 to sale and leaseback transactions after the date of initial application of the amendments.

Financial instruments — key measurement terms. At initial recognition, financial asset or financial liability is measured at its fair value. After initial recognition, depending on their classification, financial instruments are carried at fair value or amortised cost as described below.

Fair value measurements are analysed by level in the fair value hierarchy depending on the availability of quotations in an active market, valuation methods based on observable and unobservable data. Refer to Note 33.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. Transaction costs include fees and commissions paid to agents, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Financial assets and liabilities

Initial recognition

(a) Classification and measurement

IFRS 9 includes three principal classification categories for financial assets: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI) and financial assets measured at fair value through profit or loss (FVTPL).

3 Summary of Significant Accounting Policies (Continued)

Business model assessment

Under IFRS 9, all debt financial assets that do not meet a "solely payment of principal and interest" (SPPI) criterion, are classified at initial recognition at fair value through profit or loss (FVTPL). Under this criterion, debt instruments that do not correspond to a "basic lending arrangement", such as instruments containing embedded conversion options or "non-recourse" loans, are measured at FVTPL. For debt financial assets that meet the SPPI criterion, classification at initial recognition is determined based on the business model, under which these instruments are managed:

- Instruments that are managed on a "hold to collect contractual cash flows" basis are measured at amortised cost;
- Instruments that are managed on a "hold to collect contractual cash flows and for sale" basis are measured at fair value through other comprehensive income (FVOCI);
- Instruments that are managed on other basis, including trading financial assets, are measured at FVTPL.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because it's the best way to reflect how the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

All financial assets not classified as measured at amortised cost or at FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All of the Group's retail loans and certain fixed-rate corporate loans contain prepayment features. A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Equity financial assets are classified at initial recognition as FVTPL unless an irrevocable designation is made to classify the instrument as FVOCI. For equity investments classified as FVOCI, all realised and unrealised gains and losses, except for dividend income, are recognised in other comprehensive income with no subsequent reclassification to profit and loss.

Derivatives are measured at FVTPL.

(b) Impairment

The Group has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

3 Summary of Significant Accounting Policies (Continued)

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or lifetime ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12-month ECL). The 12-month ECL is the portion of lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both lifetime ECL and 12-month ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. Financial assets are grouped on a collective basis according to the segments defined by the Group, industry sector, revenue size and other criteria.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Group groups financial instruments into Stage 1, Stage 2 and Stage 3, as described below:

- *Stage 1:* When loans do not have factors that indicate a significant increase in credit risk and are not in default at the reporting date, Group recognises an allowance based on ECL over one year;
- *Stage 2:* When loans have factors that indicate a significant increase in credit risk, but are not in default at the reporting date, Group records an allowance for the lifetime ECL;
- *Stage 3:* When loans are considered credit-impaired (defaulted) at the reporting date, Group recognises an allowance based on ECL resulting from all possible cash flows arising from different recovery scenarios given default already happened.

For purchased or originated credit-impaired assets ECL is formed in the amount of cumulative changes in expected credit losses over the lifetime of the instrument from the date of acquisition or grant.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses and measured as follows:

- Financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls — i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive, where ECL from including undrawn loan commitments are estimated using credit conversion factor (CCF);
- Financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows.

Definition of default

Under IFRS 9, the Group considers a financial asset to be in default when there is available information that:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The borrower is more than 90 days past due on the respective material credit obligation to the Group. Overdrafts are considered past due once the customer has breached an advised limit or been advised of a limit that is smaller than the current amount outstanding.

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

- Qualitative;
- Quantitative: e.g. overdue status; and
- Based on data developed internally and obtained from external sources (e.g. insolvency or bankruptcy loan registers).

Credit ratings and risk grades

Credit ratings and client's score are primary inputs into the determination of the probability of default (PD) estimation.

The Group also employs statistical models to analyze internal and external data to generate estimates lifetime PD-s and how these are expected to change as a result of the passage of time.

3 Summary of Significant Accounting Policies (Continued)

This analysis includes — where reasonable and supportable information is available — the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, as well as analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macroeconomic indicators are likely to include variables such as GDP growth, benchmark interest rates and unemployment.

Determining whether credit risk has increased significantly

Under IFRS 9, when determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group consider reasonable and supportable information that is relevant and available without undue costs or efforts, including both quantitative and qualitative information and analysis consisting — based on availability and complexity — of the Group's historical experience, expert credit assessment and forward-looking information.

The criteria may vary by portfolio and will include a backstop based on delinquency in accordance with IFRS 9. As a backstop, and as required by IFRS 9, the Group will presumptively consider that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. The Group determines days past due by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

The Group primarily identifies whether a significant increase in credit risk has occurred for an exposure by comparing:

- Credit rating as at the reporting date; with
- Credit rating that was estimated on initial recognition of the exposure.

The Group also may, using its expert credit judgement and, where possible, relevant historical experience, determine that an exposure has undergone a significant increase in credit risk if particular qualitative factors indicate so.

Inputs into measurement of ECLs

The key input variables into the measurement of ECLs are the following:

- Probability of default (PD) including lifetime PD-s;
- Loss given default (LGD);
- Credit conversion factor (CCF); and
- Exposure-at-default (EAD).

These parameters derived — alone or together — from internally developed statistical models based on own historical data or derived from available market data.

For portfolios in respect of which the Group has limited historical data, external benchmark information is used to supplement the internally available data.

Forward-looking information

Under IFRS 9, the Group incorporates forward-looking information as part of measurement of ECLs. External information used may include economic data and forecasts published by governmental bodies and monetary authorities in Russia.

The Group is based on data availability and credibility of sources — using an analysis of historical data to estimate relationships between macro-economic variables and credit risk and credit losses. The key drivers include variables such as interest rates, unemployment rates, GDP forecasts and other.

Premises and equipment. Premises and equipment are stated at cost, restated to the equivalent purchasing power of the Russian Rouble at 31 December 2002 for assets acquired prior to 1 January 2003, or revalued amounts, as described below, less accumulated depreciation and provision for impairment, where required.

3 Summary of Significant Accounting Policies (Continued)

Premises owned by the Group and used in a banking activity were for the first time revalued at fair value as at 31 December 2007 and are subject to regular subsequent revaluation. The frequency of revaluation depends upon the movements in the fair values of the premises being revalued. The revaluation is recognised by proportionally restating the gross carrying amount and accumulated depreciation of the revalued premises. These changes in values are shown separately in the reconciliation of movements in premises in Note 11. The revaluation reserve for premises included in equity is transferred directly to retained earnings when the surplus is realised, i.e. either on the retirement or disposal of the asset, or as the asset is used by the Group; in the latter case, the amount of the surplus realised is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's initial cost.

At the end of each reporting period management assesses whether there is any indication of impairment of premises and equipment. If such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use.

Depreciation. Land is not depreciated. Depreciation on other items of premises and equipment is calculated using the straight-line method to allocate cost or revalued amounts of premises and equipment to their residual values over the estimated remaining useful lives. The following useful lives in years are applied for the main categories of premises and equipment:

Useful lives in years	Used in banking activities	Used in non-banking activities
Premises	40-100	20-40
Equipment	5-20	5-20

Intangible assets. The Group's intangible assets other than goodwill have definite useful life and primarily include capitalised computer software.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with identifiable and unique software controlled by the Group are recorded as intangible assets if the inflow of incremental economic benefits exceeding costs is probable. Capitalised costs include staff costs of the software development team and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalised computer software is amortised on a straight line basis over expected useful lives.

The useful life of intangible assets is determined based on the term of the agreement and other restrictions on the terms of use of intellectual property in accordance with the legislation of the Russian Federation. If it is impossible to determine the validity period of the license, the useful life of the computer program or the term of the contract in numerical terms from the terms of the agreement (other document), then the useful life is recognized as five years.

Bank guarantees, letters of credit and undrawn loan commitments. The Group issues guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit or loss, or — under IFRS 9 — an ECL provision. The premium received is armotised over the period of the guarantee.

Performance guarantees are contracts that provide compensation if the other party fails to fulfill its contract obligation. The contractual risk of performance guarantee is the possibility that the other party fails to fulfil its contractual obligation. If the contract does not provide for the party issuing the performance guarantee to have a right of recourse, that is, the existence of a contractual right to reimbursement by the client of the amounts paid, then the performance guarantee can be accounted for in accordance with the requirements of IFRS 17 *Insurance Contracts*.

Otherwise, the right of recourse is provided for by law, and performance guarantees can be accounted for in a similar way to the accounting for credit contingencies in accordance with the requirements of IFRS 9 *Financial Instruments*.

3 Summary of Significant Accounting Policies (Continued)

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. These contracts are in the scope of the ECL requirements.

Derivative financial instruments. All derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative financial instruments are included in gains less losses from derivative financial instruments. The Group does not apply hedge accounting.

Perpetual bonds. Due to undefined maturity and an option for non-cumulative cancellation of coupon payments (without occurrence of rights of investors for accumulation of unpaid coupons), the Group accounts for perpetual bonds as an equity instrument and as a Tier I eligible instrument for the purpose of Basel Capital Adequacy Ratio calculation. The Bank of Russia approved the inclusion of these subordinated bonds in the regulatory capital calculation of the Bank.

The Group accounts for perpetual bonds denominated in the foreign currency in the amount of RR equivalent amount using the foreign exchange rate at the reporting date with foreign exchange translation effects recorded in retained earnings.

Coupon payments may be cancelled or deferred in accordance with the terms of the notes. Transaction costs are recorded in retained earnings. At the moment the coupon under perpetual bonds becomes mandatory, it is recorded as a dividend declaration described below.

Revenue recognition — sale of goods. Revenue is recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct are separately recognised, and any discounts or rebates on the contract price are generally allocated to the separate elements. When the consideration varies for any reason, minimum amounts are recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

Interest and similar revenue and expense. The Group calculates interest revenue on debt financial assets measured at amortized cost or at FVOCI by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Group calculates interest revenue by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest revenue on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest revenue by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest revenue on all financial assets at FVTPL is recognised using the contractual interest rate in “Other interest income” in the consolidated statement of profit or loss.

Fee and commission income. Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example loan fees, credit rating, loan servicing.

Commitment fees received by the Group to grant loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after its origination.

Customer loyalty programs. The Group offers a number customer loyalty programs. Accounting for such programs varies depending on who is identified as the customer, and whether the Group acts as an agent or as a principal under the contract. Cashbacks on plastic card transactions reduce fee and commission income.

Foreign currency translation. The functional currency of each consolidated entity of the Group is the currency of the primary economic environment in which each entity operates. The functional currency of the Bank and its subsidiaries, and the Group’s presentation currency, is the national currency of the Russian Federation, Russian Roubles (“RR”).

Transactions in foreign currencies are initially recorded in the functional currency, translated into Russian Roubles at the rate of exchange at the date of the transaction.

3 Summary of Significant Accounting Policies (Continued)

Monetary assets and liabilities are translated into functional currency at the official exchange rate of the Bank of Russia at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into functional currency at year-end official exchange rates of the Bank of Russia, are recognised in profit or loss for the year (as foreign exchange translation gains less losses). Translation at year-end rates does not apply to non-monetary items that are measured at historical cost.

At 31 December 2024 and 31 December 2023 the principal rates of exchange used for translating foreign currency monetary balances were as follows:

Currency	31 December 2024 RR	31 December 2023 RR
USD	101,6797	89,6883
EUR	106,1028	99,1919
CNY	13,4272	12,5762

Government grants and government assistance. Government grants are recognized where there is reasonable assurance that the grant will be received and all the related conditions will be complied with. Where the grant relates to an expense item, it is recognized as income in the same periods as the respective expenses it is intended to compensate on a systematic basis. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Government loans provided at below market interest rates are recognized in accordance with IFRS 9. The benefit of the government loan is measured at the inception of the loan as the difference between the cash received and the amount at which the loan is initially recognized in the consolidated statement of financial position. This benefit is accounted for in accordance with IAS 20.

The Group considers subsidies an integral part of the contractual terms and treats them as part of a single contract flow under the loan in accordance with IFRS 9.

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies

In the process of applying accounting policies, the management of the Group, in addition to accounting estimates, makes judgments and assumptions that affect the amounts reflected in the consolidated financial statements. Judgments and assumptions are made based on management experience and other factors, including expectations regarding future events that management believes are reasonable in the light of current circumstances. The most significant cases of using judgments and estimates are presented below:

Expected credit losses / Impairment losses on financial assets. The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group’s ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group’s internal credit rating model, which assigns PDs to the individual grades;
- The Group’s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL (lifetime expected credit loss) basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

- Determination of correlation between macroeconomic scenarios and economic inputs, and the effect on PDs, EADs and LGDs. Thus, the functional dependence of the level of defaults on macroeconomic factors is determined by evaluating the regression between the values of the default level and various transformations of this indicator taking into account macroeconomic factors such as GDP growth rate, oil prices, inflation rate, etc.;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

More details are provided in Notes 9 and 28.

The impact of the change in the methodology of defaults definition for measurement of ECLs. During 2024, the Bank implemented measures to change the methodology and processes to calculate credit risk based on the Internal Ratings-Based Approach (hereinafter — IRB-approach) due to changes in the regulatory acts of the Bank of Russia and in the legislation of the Russian Federation for the purpose of the accepted credit risk amount measurement for the inclusion in the regulatory capital calculation.

As part of the phased-in plan for IRB-approach, the methodology for defaults definition has been changed, in particular, the following criteria of a credit default recognition has been added:

- Creation (additional charge) of a regulatory provision in the amount of at least 51% of the borrower's debt (estimated provision without collateral) in accordance with the requirements of the Bank of Russia;
- Arrangement by the Bank of the cession agreement on loans and advances to customers with a discount rate of 5% or more of the total amount of the obligations;
- The borrower is subject to measures aimed to defaulting on its obligations to the Bank.

Additionally, the definition of a forced restructuring has been updated, which is an event of the borrower's default recognition, and materiality level (threshold) has been set for loans to legal entities and individuals. The criteria to change stages of financial assets during recovery period have also been clarified. The financial asset continues to be part of Stage 3 during recovery period, at the completion of all events of default.

As a result of the changes, there is an increase in the volume of credit claims in Stage 3, which led to an increase in ECL. The increased default statistics affected the modelling of the accumulated probability of default. These changes impacted on the estimate of the ECL as of 31 December 2024, the total effect is RR 14 158 million.

Fair value of financial instruments. Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Additional details are provided in Note 33.

Fair value of derivatives. The fair values of financial derivatives that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect fair reported values. Refer to Note 32.

Leases — estimating the incremental borrowing rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay'.

Leases — estimating the lease term. Some of the contracts are unlimited and are automatically prolonged if neither side sends a notice to the other party about the termination of the contract. Under certain lease agreements, the Group has an option to extend the lease of assets for an additional period of up to five years. The Group uses judgment to determine whether it has sufficient assurance that it will exercise the extension option. At the same time, the Group takes into account all relevant factors that give rise to an economic incentive to exercise the option to extend the lease. The Group uses the exemptions provided for in the standard for leases that expire within 12 months from the date of initial application, as well as for leases of low-value (not more than RR 300 thousands) underlying assets.

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Deferred income tax asset recognition. The recognised deferred tax asset represents income taxes recoverable through future deductions from taxable profits, and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on a medium term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances and approved by the management of the Bank. A key assumption in the business plan is to obtain profits in subsequent financial years through widening of product range and client base. Refer to Note 25.

5 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

The amended standards and interpretations that are issued at the date of issuance of the Group's financial statements are disclosed below. However, they are not mandatory and the Group has not early adopted them in its 2024 financial statements.

Standards not effective for the reporting period ended 31 December 2024	**Effective for annual reporting periods beginning on or after**
• Amendments to IAS 21 − *Lack of Exchangeability*	1 January 2025
• Amendments to IFRS 9 and IFRS 7 − *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
• *Annual Improvements to IFRS Accounting Standards − Volume 11*:	
• *Cost method* (Amendments to IAS 7)	
• *Derecognition of lease liabilities* (Amendments to IFRS 9)	
• *Determination of a 'de facto agent'* (Amendments to IFRS 10)	
• *Disclosure of deferred difference between fair value and transaction price* (Amendments to *Guidance on implementing IFRS 7*)	
• *Gain or loss on derecognition* (Amendments to IFRS 7)	
• *Hedge accounting by a first-time adopter* (Amendments to IFRS 1)	
• *Introduction* (Amendments to *Guidance on implementing IFRS 7*)	
• *Credit risk disclosures* (Amendments to *Guidance on implementing IFRS 7*)	
• *Transaction price* (Amendments to IFRS 9)	1 January 2026
• IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
• IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

These amendments and new standards are not expected to have a material impact on the Group, except for IFRS 18 for which the Group is currently in the process of analyzing its impact on the financial reporting.

5 New Accounting Pronouncements (Continued)

In April 2024, the IASB issued a new standard, IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements, the most important of which are:

- On the classification of income and expenses in the statement of profit or loss into three defined categories corresponding to operating, investing and financing activities. It also requires all entities to provide new defined subtotals, such as:
  - Operating profit or loss; and
  - Profit or loss before financing and income taxes;
- On the disclosure of information on management-defined performance measures in the financial statements, including reconciliation of those measures to the closest total or subtotal presented in the statement of profit or loss;
- On the presentation of aggregated and disaggregated financial information in the primary financial statements and in the notes.

IFRS 18 has also introduced limited changes to the statement of cash flows and certain other changes.

Entities shall apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. If an entity applies this standard for an earlier period, it shall disclose that fact.

6 Cash and Cash Equivalents

In millions of Russian Roubles	**31 December 2024**	**31 December 2023**
Cash on hand	51 387	42 934
Cash balances (other than mandatory) with the Bank of Russia	420 338	189 670
Correspondent accounts and deposits with other banks with original maturities less than one month settlement accounts with other financial organizations	252 482	193 609
Deals with securities pledged under repurchase agreements with original maturities of less than one month	10 736	7 457
Allowance for ECL	(15)	(11)
Total cash and cash equivalents	**734 928**	**433 659**

As at 31 December 2024, correspondent accounts and deposits with other banks with original maturities less than one month within cash and cash equivalents included balances with three counterparties, individually above 10% of the Group’s equity (31 December 2023: correspondent accounts and deposits with other banks with original maturities less than one month within cash and cash equivalents included balances of one counterparty individually above 10% of the Group’s equity).

6 Cash and Cash Equivalents (Continued)

Analysis by credit quality as at 31 December 2024 is as follows. Refer to Notes 3 and 28 for the description of credit risk grading system used by the Group and the approach to ECL measurement.

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Cash on hand	51 387	-	-	**51 387**
Cash balances (other than mandatory) with the Bank of Russia	420 338	-	-	**420 338**
Settlement accounts with clearing organisations	4 658	-	-	**4 658**
Settlement accounts with stock and currency exchanges	13 177	-	-	**13 177**
Correspondent accounts and deposits with other banks and deals with securities pledged under repurchase agreements with original maturities of less than one month				
Low credit risk (nationally rated)	59 789	-	-	**59 789**
Moderate credit risk (nationally rated)	184 264	-	-	**184 264**
Increased credit risk (nationally rated)	1 328	-	-	**1 328**
High credit risk (nationally rated)	-	-	-	**-**
Default (nationally rated)	-	-	-	**-**
Not rated	-	-	2	**2**
Total cash and cash equivalents (before impairment)	**734 941**	**-**	**2**	**734 943**
Allowance for ECL	(13)	-	(2)	**(15)**
Total cash and cash equivalents	**734 928**	**-**	**-**	**734 928**

Analysis by credit quality of cash and cash equivalents as at 31 December 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Cash on hand	42 934	-	-	**42 934**
Cash balances (other than mandatory) with the Bank of Russia	189 670	-	-	**189 670**
Settlement accounts with clearing organisations	1 709	-	-	**1 709**
Settlement accounts with stock and currency exchanges	783	-	-	**783**
Correspondent accounts and deposits with other banks and deals with securities pledged under repurchase agreements with original maturities of less than one month				
Low credit risk (internationally rated)	177 781	-	-	**177 781**
Moderate credit risk (internationally rated)	20 637	-	-	**20 637**
Increased credit risk (internationally rated)	154	-	-	**154**
High credit risk (internationally rated)	-	-	-	**-**
Default (internationally rated)	-	-	-	**-**
Not rated	2	-	-	**2**
Total cash and cash equivalents (before impairment)	**433 670**	**-**	**-**	**433 670**
Allowance for ECL	(11)	-	-	**(11)**
Total cash and cash equivalents	**433 659**	**-**	**-**	**433 659**

6 Cash and Cash Equivalents (Continued)

As at 31 December 2024, cash and cash equivalents in the amount of RR 10 736 million were effectively collateralized by securities purchased under reverse repo agreements with a fair value of RR 11 306 million (31 December 2023: cash and cash equivalents in the amount of RR 7 457 million were effectively collateralized by securities purchased under reverse repo agreements with a fair value of RR 7 480 million). The Group had the right to sell or repledge securities.

Refer to Note 33 for the disclosure of fair value and fair value hierarchy for cash and cash equivalents. Liquidity analyses of cash and cash equivalents are disclosed in Note 28. The information on related party transactions is disclosed in Note 34.

7 Trading Securities

In millions of Russian Roubles	31 December 2024	31 December 2023
Federal loan bonds (OFZ)	16 866	34 939
Corporate bonds	13 806	7 314
Corporate shares	25	30
Total trading securities	**30 697**	**42 283**
Federal loan bonds (OFZ)	19 900	-
Total trading securities pledged under repurchase agreements	**19 900**	**-**
Total trading securities	**50 597**	**42 283**

Federal loan bonds (OFZ) are represented by state securities denominated in Russian Roubles issued by the Ministry of Finance of the Russian Federation. Federal loan bonds (OFZ) are traded at a discount or premium to face value and carry a coupon payable quarterly or semi-annually. As at 31 December 2024, these bonds had maturity dates from January 2025 to May 2041 and coupon rates from 4,5% to 19,8% p.a. (31 December 2023: these bonds had maturity dates from February 2024 to March 2041 and coupon rates from 5,90% to 10,29% p.a.).

Corporate bonds in the Group's portfolio are represented by securities denominated in Russian Roubles issued by major Russian companies and banks. Corporate bonds are traded at a discount or premium to face value and carry a coupon payable quarterly or semi-annually depending on the type of the bond issue and the issuer. As at 31 December 2024, these bonds had maturity dates from February 2025 to June 2048 and coupon rates from 0,01% to 23,5% p.a. (31 December 2023: these bonds had maturity dates from January 2024 to November 2033 and coupon rates from 5,8% to 22,5% p.a.), depending on the type of the bond issue, the issuer and the market conditions.

Refer to Note 33 for the disclosure of fair value hierarchy for trading securities. Liquidity analyses of trading securities are disclosed in Note 28.

8 Due from Other Banks

In millions of Russian Roubles	31 December 2024	31 December 2023
Current term placements with other banks	19 020	22 294
Other placements with other banks	28 418	27324
Allowance for ECL	(694)	(732)
Total due from other banks	**46 744**	**48 886**

8 Due from Other Banks (Continued)

An analysis of changes in gross carrying value and corresponding ECL allowance on amounts due from other banks during the year ended 31 December 2024 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2024	**48 968**	**-**	**650**	**49 618**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Change in gross carrying value (new issue and repayments)	(2 182)	-	2	**(2 180)**
Amounts written off	-	-	-	**-**
Foreign exchange adjustments	-	-	-	**-**
Gross carrying value as at 31 December 2024	**46 786**	**-**	**652**	**47 438**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**82**	**-**	**650**	**732**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
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)	(40)	-	2	**(38)**
Unwind of discount (recognised in interest income)	-	-	-	**-**
Amounts written off	-	-	-	**-**
Foreign exchange adjustments	-	-	-	**-**
ECL as at 31 December 2024	**42**	**-**	**652**	**694**

An analysis of changes in gross carrying value and corresponding ECL allowance on amounts due from other banks during the year ended 31 December 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2023	**30 836**	**-**	**679**	**31 515**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Change in gross carrying value (new issue and repayments)	18 132	-	(29)	**18 103**
Amounts written off	-	-	-	**-**
Foreign exchange adjustments	-	-	-	**-**
Gross carrying value as at 31 December 2023	**48 968**	**-**	**650**	**49 618**

8 Due from Other Banks (Continued)

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**207**	**-**	**676**	**883**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
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)	(125)	-	(26)	**(151)**
Unwind of discount (recognised in interest income)	-	-	-	**-**
Amounts written off	-	-	-	**-**
Foreign exchange adjustments	-	-	-	**-**
ECL as at 31 December 2023	**82**	**-**	**650**	**732**

Analysis by credit quality of amounts due from other banks as at 31 December 2024 is as follows. Refer to Notes 3 and 28 for the description of credit risk grading system used by the Group and the approach to ECL measurement.

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Low credit risk (nationally rated)	16 707	-	-	**16 707**
Moderate credit risk (nationally rated)	12 495	-	-	**12 495**
Increased credit risk (nationally rated)	17 583	-	634	**18 217**
High credit risk (nationally rated)	-	-	-	**-**
Default (nationally rated)	-	-	18	**18**
Not rated	-	-	-	**-**
Total due from other banks (before impairment)	**46 785**	**-**	**652**	**47 437**
Allowance for ECL	(42)	-	(652)	**(694)**
Total due from other banks	**46 743**	**-**	**-**	**46 743**

Analysis by credit quality of amounts due from other banks as at 31 December 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Low credit risk (internationally rated)	17 246	-	-	**17 246**
Moderate credit risk (internationally rated)	9 120	-	-	**9 120**
Increased credit risk (internationally rated)	22 602	-	633	**23 235**
High credit risk (internationally rated)	-	-	-	**-**
Default (internationally rated)	-	-	17	**17**
Not rated	-	-	-	**-**
Total due from other banks (before impairment)	**48 968**	**-**	**650**	**49 618**
Allowance for ECL	(82)	-	(650)	**(732)**
Total due from other banks	**48 886**	**-**	**-**	**48 886**

8 Due from Other Banks (Continued)

Due from other banks are represented by unsecured due from other banks placements.

As at 31 December 2024, due from other banks included no balances individually above 10% of the Group's equity (31 December 2023: due from other banks included no balances individually above 10% of the Group's equity).

As at 31 December 2024, due from other banks included no balances in aggregate above 10% of the Group's equity (31 December 2023: due from other banks included no balances in aggregate above 10% of the Group's equity).

Refer to Note 33 for the disclosure of fair value and fair value hierarchy for due from other banks. Liquidity analyses of due from other banks are disclosed in Note 28. The information on related party transactions is disclosed in Note 34.

9 Loans and Advances to Customers

In millions of Russian Roubles	**31 December 2024**	**31 December 2023**
Loans to legal entities	**3 572 126**	**3 100 930**
- Loans to corporates	3 513 071	3 054 128
- Lending for food interventions	59 055	46 802
Loans to individuals	**580 798**	**567 271**
- Mortgage loans	469 997	419 805
- Consumer and other loans	110 801	147 466
Total loans and advances to customers at amortised cost (before impairment)	**4 152 924**	**3 668 201**
Allowance for ECL	(208 793)	(232 625)
Total loans and advances to customers at amortised cost	**3 944 131**	**3 435 576**
Loans to customers at fair value through profit or loss	85 209	51 017
Total loans and advances to customers	**4 029 340**	**3 486 593**

The Group participates in various government programs of concessional lending, including in order to provide financial support to the agro-industrial complex. Interest payments on loans are subsidized by the state. The Group considers subsidies an integral part of the contractual terms and treats them as part of a single contract flow under the loan in accordance with IFRS 9.

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

As at 31 December 2024, the Group has loans before allowance for ECL to ten largest borrowers (groups of borrowers) in the total amount of RR 1 132 032 million, or 27% of total loans and advances to customers (31 December 2023: the Group has loans before allowance for ECL to ten largest borrowers (groups of borrowers) in the total amount of RR 1 006 910 million, or 27% of total loans and advances to customers).

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

As at 31 December 2024, the total amount of loans to legal entities included no loans for which an allowance is zero as a result of applying the adjustment for the amount of collateral in the individual credit risk assessment model (31 December 2023: the total amount of loans to legal entities included no loans for which an allowance is zero as a result of applying the adjustment for the amount of collateral in the individual credit risk assessment model).

9 Loans and Advances to Customers (Continued)

If as at 31 December 2024, when calculating the allowance for expected credit losses on impaired Stage 3 and POCI loans, the scenario of sales of collateral in repayment of loan was not taken into account, the amount of allowance for expected credit losses would be RR 7 480 million higher (31 December 2023: RR 4 942 million higher). When calculating the allowance for expected credit losses on loans assessed on a case-by-case basis, at least two scenarios of receipts from debt repayment are included in the calculation. At the same time, for a number of loans, the sale of collateral is not accepted when constructing scenarios, since there are other sources of debt repayment.

The Group makes estimates and judgments, which are constantly analyzed based on statistical data, forecast information, and management experience, including expectations regarding future events that are reasonable in the light of current circumstances.

In order to objectively reflect the impact of prevailing macroeconomic conditions and in accordance with the recommendations of the IASB, the Group regularly updates its approaches to estimating the level of expected credit losses that have the most significant impact in the consolidated financial statements.

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 2024 is as follows:

In millions of Russian Roubles	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans to legal entities					
Gross carrying value as at 1 January 2024	**2 761 271**	**151 763**	**166 873**	**21 023**	**3 100 930**
Transfers to Stage 1	100 817	(99 816)	(1 001)	-	**-**
Transfers to Stage 2	(13 413)	15 284	(1 871)	-	**-**
Transfers to Stage 3	(31 256)	(4 609)	35 865	-	**-**
Change in gross carrying value (new issue and repayments)	510 602	(106)	(12 655)	(29)	**497 812**
Amounts written off	-	-	(24 993)	(120)	**(25 113)**
Foreign exchange adjustments	22 785	2 301	-	412	**25 498**
Loans sold during the period	-	(792)	(26 209)	-	**(27 001)**
Gross carrying value as at 31 December 2024	**3 350 806**	**64 025**	**136 009**	**21 286**	**3 572 126**

In millions of Russian Roubles	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans to legal entities					
ECL as at 1 January 2024	**30 671**	**7 927**	**152 633**	**19 261**	**210 492**
Transfers to Stage 1	5 493	(5 386)	(107)	-	**-**
Transfers to Stage 2	(356)	713	(357)	-	**-**
Transfers to Stage 3	(7 325)	(814)	8 139	-	**-**
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)	13 278	9 157	3 412	1 024	**26 871**
Unwind of discount (recognised in interest income)	-	-	260	-	**260**
Amounts written off	-	-	(24 993)	(120)	**(25 113)**
Foreign exchange adjustments	184	166	-	218	**568**
Allowance for loans sold during the period	-	(135)	(25 613)	-	**(25 748)**
ECL as at 31 December 2024	**41 945**	**11 628**	**113 374**	**20 383**	**187 330**

9 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 2024 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals (mortgage)				
Gross carrying value as at 1 January 2024	**411 172**	**2 815**	**5 818**	**419 805**
Transfers to Stage 1	1 607	(1 406)	(201)	**-**
Transfers to Stage 2	(670)	724	(54)	**-**
Transfers to Stage 3	(2 592)	(821)	3 413	**-**
Change in gross carrying value (new issue and repayments)	52 152	(278)	(1 422)	**50 452**
Amounts written off	-	-	(211)	**(211)**
Loans sold during the period	-	-	(49)	**(49)**
Gross carrying value as at 31 December 2024	**461 669**	**1 034**	**7 294**	**469 997**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals (consumer and other loans)				
Gross carrying value as at 1 January 2024	**127 531**	**3 270**	**16 665**	**147 466**
Transfers to Stage 1	1 025	(984)	(41)	**-**
Transfers to Stage 2	(2 171)	2 177	(6)	**-**
Transfers to Stage 3	(2 923)	(1 173)	4 097	**1**
Change in gross carrying value (new issue and repayments)	(30 022)	(919)	(1 750)	**(32 691)**
Amounts written off	-	-	(3 244)	**(3 244)**
Loans sold during the period	-	-	(731)	**(731)**
Gross carrying value as at 31 December 2024	**93 440**	**2 371**	**14 990**	**110 801**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals (mortgage)				
ECL as at 1 January 2024	**772**	**201**	**4 759**	**5 732**
Transfers to Stage 1	353	(86)	(267)	**-**
Transfers to Stage 2	(4)	22	(18)	**-**
Transfers to Stage 3	(186)	1	185	**-**
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)	148	(39)	668	**777**
Unwind of discount (recognised in interest income)	-	-	42	**42**
Amounts written off	-	-	(211)	**(211)**
Provision for loans sold during the period	-	-	(36)	**(36)**
ECL as at 31 December 2024	**1 083**	**99**	**5 122**	**6 304**

9 Loans and Advances to Customers (Continued)

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals (consumer and other loans)				
ECL as at 1 January 2024	**1 390**	**534**	**14 477**	**16 401**
Transfers to Stage 1	91	(8)	(83)	**-**
Transfers to Stage 2	(59)	78	(19)	**-**
Transfers to Stage 3	(124)	(430)	554	**-**
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)	(1)	252	2 351	**2 602**
Unwind of discount (recognised in interest income)	-	-	118	**118**
Amounts written off	-	-	(3 242)	**(3 242)**
Provision for loans sold during the period	-	-	(720)	**(720)**
ECL as at 31 December 2024	**1 297**	**426**	**13 436**	**15 159**

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 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities					
Gross carrying value as at 1 January 2023	**2 372 703**	**246 107**	**164 916**	**20 522**	**2 804 248**
Transfers to Stage 1	43 783	(43 769)	(14)	-	**-**
Transfers to Stage 2	(14 098)	14 237	(139)	-	**-**
Transfers to Stage 3	(7 350)	(56 668)	64 018	-	**-**
Change in gross carrying value (new issue and repayments)	322 166	(11 962)	(12 231)	(165)	**297 808**
Amounts written off	-	-	(22 741)	-	**(22 741)**
Foreign exchange adjustments	44 366	3 820	-	666	**48 852**
Loans sold during the period	(299)	(2)	(26 936)	-	**(27 237)**
Gross carrying value as at 31 December 2023	**2 761 271**	**151 763**	**166 873**	**21 023**	**3 100 930**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities					
ECL as at 1 January 2023	**20 649**	**35 478**	**147 012**	**8 478**	**211 617**
Transfers to Stage 1	893	(887)	(6)	-	**-**
Transfers to Stage 2	(130)	269	(139)	-	**-**
Transfers to Stage 3	(415)	(27 164)	27 579	-	**-**
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)	9 092	129	19 313	10 714	**39 248**
Unwind of discount (recognised in interest income)	-	-	709	-	**709**
Amounts written off	-	-	(22 741)	-	**(22 741)**
Foreign exchange adjustments	598	102	-	69	**769**
Allowance for loans sold during the period	(16)	-	(19 094)	-	**(19 110)**
ECL as at 31 December 2023	**30 671**	**7 927**	**152 633**	**19 261**	**210 492**

9 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 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals (mortgage)				
Gross carrying value as at 1 January 2023	**392 704**	**4 006**	**6 823**	**403 533**
Transfers to Stage 1	1 779	(1 533)	(246)	**-**
Transfers to Stage 2	(1 347)	1 612	(265)	**-**
Transfers to Stage 3	(1 304)	(687)	1 991	**-**
Change in gross carrying value (new issue and repayments)	19 340	(582)	(1 914)	**16 844**
Amounts written off	-	-	(311)	**(311)**
Loans sold during the period	-	(1)	(260)	**(261)**
Gross carrying value as at 31 December 2023	**411 172**	**2 815**	**5 818**	**419 805**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals (consumer and other loans)				
Gross carrying value as at 1 January 2023	**163 965**	**4 334**	**17 717**	**186 016**
Transfers to Stage 1	1 086	(1 000)	(86)	**-**
Transfers to Stage 2	(2 602)	2 657	(55)	**-**
Transfers to Stage 3	(4 251)	(1 643)	5 894	**-**
Change in gross carrying value (new issue and repayments)	(30 666)	(990)	(1 768)	**(33 424)**
Amounts written off	-	(77)	(2 311)	**(2 388)**
Loans sold during the period	(1)	(11)	(2 726)	**(2 738)**
Gross carrying value as at 31 December 2023	**127 531**	**3 270**	**16 665**	**147 466**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals (mortgage)				
ECL as at 1 January 2023	**1 213**	**313**	**5 519**	**7 045**
Transfers to Stage 1	256	(119)	(137)	**-**
Transfers to Stage 2	(13)	179	(166)	**-**
Transfers to Stage 3	(13)	(69)	82	**-**
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)	(671)	(103)	(52)	**(826)**
Unwind of discount (recognised in interest income)	-	-	43	**43**
Amounts written off	-	-	(311)	**(311)**
Provision for loans sold during the period	-	-	(219)	**(219)**
ECL as at 31 December 2023	**772**	**201**	**4 759**	**5 732**

9 Loans and Advances to Customers (Continued)

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals (consumer and other loans)				
ECL as at 1 January 2023	**2 202**	**848**	**13 549**	**16 599**
Transfers to Stage 1	152	(86)	(66)	**-**
Transfers to Stage 2	(56)	88	(32)	**-**
Transfers to Stage 3	(156)	(519)	675	**-**
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)	(751)	298	5 104	**4 651**
Unwind of discount (recognised in interest income)	-	-	117	**117**
Amounts written off	-	(83)	(2 311)	**(2 394)**
Provision for loans sold during the period	(1)	(12)	(2 559)	**(2 572)**
ECL as at 31 December 2023	**1 390**	**534**	**14 477**	**16 401**

The economic sector structure of the credit portfolio is as follows:

	31 December 2024		31 December 2023	
In millions of Russian Roubles	**Amount**	**%**	**Amount**	**%**
Agriculture	2 010 055	47	1 780 088	48
Oil and gas	647 532	15	576 937	16
Individuals	580 798	14	567 271	15
Construction	291 607	7	208 649	6
Trading	268 794	6	188 559	5
Manufacturing	175 566	4	152 275	4
Information technologies	130 962	3	104 883	3
Other	132 819	4	140 556	3
Total loans and advances to customers (before impairment)	**4 238 133**	**100**	**3 719 218**	**100**

The table below presents an analysis of the credit quality of loans to legal entities as of 31 December 2024.

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities at amortised cost					
Low credit risk (internally rated)	621 963	92	45	-	**622 100**
Moderate credit risk (internally rated)	2 449 542	6 217	-	-	**2 455 759**
Increased credit risk (internally rated)	279 301	22 390	-	-	**301 691**
High credit risk (internally rated)	-	35 326	-	-	**35 326**
Default (internally rated)	-	-	135 964	21 286	**157 250**
Unrated	-	-	-	-	**-**
Total loans to legal entities at amortised cost (before impairment)	**3 350 806**	**64 025**	**136 009**	**21 286**	**3 572 126**
Allowance for ECL	(41 945)	(11 628)	(113 374)	(20 383)	**(187 330)**
Total loans to legal entities at amortised cost	**3 308 861**	**52 397**	**22 635**	**903**	**3 384 796**

9 Loans and Advances to Customers (Continued)

The classification of credit risk taking into account the credit quality scale of borrowers by levels and a description of the approach to estimating expected credit losses, including the determination of default and a significant increase in credit risk, is provided in Notes 3 and 28.

Analysis by credit quality in relation to loans to individuals as at 31 December 2024 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals at amortised cost				
Non overdue	550 454	1 625	2 305	**554 384**
Up to 30 days overdue	4 655	434	667	**5 756**
31 to 90 days overdue	-	1 346	1 083	**2 429**
91 to 180 days overdue	-	-	2 459	**2 459**
181 to 365 days overdue	-	-	1 900	**1 900**
Over 365 days overdue	-	-	13 870	**13 870**
Total loans to individuals at amortised cost (before impairment)	**555 109**	**3 405**	**22 284**	**580 798**
Allowance for ECL	(2 380)	(525)	(18 558)	**(21 463)**
Total loans to individuals at amortised cost	**552 729**	**2 880**	**3 726**	**559 335**

For ECL calculation on loans to individuals, the assessment of the probability of default is based on the migration matrix of overdue debts, taking into account the depth of overdue, the probability of default for scoring models and forecast information.

Analysis by credit quality of loans to legal entities outstanding as at 31 December 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to legal entities at amortised cost					
Low credit risk (internally rated)	320 250	1 105	-	-	**321 355**
Moderate credit risk (internally rated)	2 132 387	84 254	-	**-**	**2 216 641**
Increased credit risk (internally rated)	308 634	58 692	-	**-**	**367 326**
High credit risk (internally rated)	-	7 712	-	-	**7 712**
Default (internally rated)	-	-	166 873	21 023	**187 896**
Unrated	-	-	-	-	**-**
Total loans to legal entities at amortised cost (before impairment)	**2 761 271**	**151 763**	**166 873**	**21 023**	**3 100 930**
Allowance for ECL	(30 670)	(7 927)	(152 634)	(19 260)	**(210 491)**
Total loans to legal entities at amortised cost	**2 730 601**	**143 836**	**14 239**	**1 763**	**2 890 439**

9 Loans and Advances to Customers (Continued)

Analysis by credit quality in relation to loans to individuals as at 31 December 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Loans to individuals at amortised cost				
Non overdue	534 260	3 402	813	**538 475**
Up to 30 days overdue	4 443	954	135	**5 532**
31 to 90 days overdue	-	1 729	1 209	**2 938**
91 to 180 days overdue	-	-	1 842	**1 842**
181 to 365 days overdue	-	-	3 226	**3 226**
Over 365 days overdue	-	-	15 258	**15 258**
Total loans to individuals at amortised cost (before impairment)	**538 703**	**6 085**	**22 483**	**567 271**
Allowance for ECL	(2 161)	(735)	(19 237)	**(22 133)**
Total loans to individuals at amortised cost	**536 542**	**5 350**	**3 246**	**545 138**

Loan collateral. The Group accepts different types of collateral, such as: real estate, land plots, equipment, including agricultural machinery, motor vehicles, inventories (finished products, raw materials, goods in turnover), construction in progress, sea and other vessels, farm animals, future crop, property acquired in the future, property rights, warranties, banking guarantees, government guarantees of Russian Federation and municipal guarantees.

Where appropriate, the value of collateral was incorporated in the assessment of recoverable amount of loans and advances to customers.

Among other measures aimed at credit enhancement is the Group's requirement to insure the subject of collateral. Property is insured by insurance companies that have accreditation with the Bank.

The Group monitors the condition and reviews the structure of the collateral. The primary purpose of the review of the structure of collateral as well as monitoring of the collateral rights by the Group includes:

- Obtaining complete and objective information on the available collateral property and its structure;
- Development of optimal schemes of realisation of collateral rights with account for the specifics of regional distribution;
- Improving the effectiveness and timeliness of collateral foreclosure process.

The majority of collateral (over 67%) (31 December 2023: over 79%) relates to the following types: real estate – 45% (31 December 2023: 54%), equipment – 14% (31 December 2023: 17%) and vehicles – 8% (31 December 2023: 8%).

Refer to Note 33 for the disclosure of fair value of each class of loans and advances to customers and fair value hierarchy for loans and advances to customers. Liquidity analyses of loans and advances to customers are disclosed in Note 28. The information on related party transactions is disclosed in Note 34.

10 Investment Securities

Investment securities including those pledged under repurchase agreements comprise:

In millions of Russian Roubles	31 December 2024	31 December 2023
Investment securities at fair value through other comprehensive income	352 627	414 152
Investment securities at fair value through profit or loss (mandatory)	103 713	105 649
Investment securities at amortised cost	39 333	47 696
Total investment securities	**495 673**	**567 497**

10 Investment Securities (Continued)

In millions of Russian Roubles	31 December 2024	31 December 2023
Investment securities at fair value through other comprehensive income		
Federal loan bonds (OFZ)	241 937	276 541
Corporate bonds	49 803	74 640
State Eurobonds	12 632	14 272
Corporate Eurobonds	6 310	39 365
Foreign government bonds	4 681	4 453
Municipal and subfederal bonds	2 668	4 750
Total debt securities at fair value through other comprehensive income	**318 031**	**414 021**
Corporate Eurobonds	34 250	-
Federal loan bonds (OFZ)	212	-
Total debt securities at fair value through other comprehensive income pledged under repurchase agreements	**34 462**	**-**
Equity securities	134	131
Total investment securities at fair value through other comprehensive income	**352 627**	**414 152**

Federal loan bonds (OFZ) are represented by state securities denominated in Russian Rouble. Federal loan bonds (OFZ) are traded at a discount or premium to face value and carry a coupon payable quarterly or semi-annually. As at 31 December 2024, these bonds had maturity dates from January 2025 to September 2036 and coupon rates from 2,50% to 21,39% p.a. (31 December 2023: from February 2024 to July 2035 and coupon rates from 2,50% to 14,76% p.a.).

Corporate bonds in the Group's portfolio are represented by securities denominated in Russian Roubles, US Dollars and Chinese Yuan issued by major Russian companies and banks. Corporate bonds are traded at a discount or premium to face value and carry a coupon payable quarterly or semi-annually depending on the type of the bond issue and the issuer. As at 31 December 2024, these bonds had maturity dates from January 2025 to December 2037 and coupon rates from 2,80% to 24,35% p.a. (31 December 2023: from January 2024 to December 2037 and coupon rates from 3,39% to 18,35% p.a.).

State Eurobonds are represented by Russian Federation bonds denominated in Euros. As at 31 December 2024, these bonds had maturity dates from November 2027 to May 2036 and coupon rates from 1,13% to 2,65% p.a. (31 December 2023: from November 2027 to May 2036 and coupon rates from 1,13% to 2,65% p.a.), payable semi-annually.

Corporate Eurobonds are bonds denominated in Russian Roubles, US Dollars and Euros issued by major Russian companies and banks. As at 31 December 2024, these bonds had maturity dates from January 2025 to April 2034 and coupon rates from 1,45% to 8,63% p.a. (31 December 2023: from January 2024 to April 2034 and coupon rates from 1,45% to 15,02% p.a.), payable semi-annually.

10 Investment Securities (Continued)

Municipal and subfederal bonds are represented by Russian Roubles bonds of Russian municipal and subfederal authorities. These bonds are traded at a discount or premium to face value and carry a coupon payable quarterly or semi-annually depending on the type of the bond issue and the issuer. As at 31 December 2024, these bonds had maturity dates from May 2025 to May 2028 and coupon rates from 5,95% to 9,35% p.a. (31 December 2023: from June 2024 to May 2028 and coupon rates from 5,95% to 9,35% p.a.).

In millions of Russian Roubles	31 December 2024	31 December 2023
Investment securities at fair value through profit or loss (mandatory)		
Corporate bonds	103 464	104 149
Investments in mutual funds	70	79
Structured notes	-	1 278
Total debt securities at fair value through profit or loss (mandatory)	**103 534**	**105 506**
Equity securities	179	143
Total investment securities at fair value through profit or loss (mandatory)	**103 713**	**105 649**

Corporate bonds are represented by securities denominated in Russian Roubles, issued by Russian companies and banks. Corporate bonds are traded at a discount to face value and carry a coupon payable quarterly or semi-annually, depending on the type of the bond issue. As at 31 December 2024, these bonds had maturity dates from August 2028 to December 2037 and coupon rates from 0,51% to 23,00% p.a. (31 December 2023: from August 2028 to December 2037 and coupon rates from 0,51% to 18,00% p.a.).

Structured notes are debt securities that contain embedded derivatives that change the investor's income from simply receiving a fixed or floating interest rate to income that depends on some other variable, such as a stock or stock index.

In millions of Russian Roubles	31 December 2024	31 December 2023
Investment securities at amortised cost		
Federal loan bonds (OFZ)	17 125	21 617
Corporate bonds	12 305	25 100
Corporate Eurobonds	-	510
Allowance for ECL	(137)	(237)
Total investment securities at amortised cost	**29 293**	**46 990**
Corporate bonds	10 040	-
Federal loan bonds (OFZ)	-	706
Total investment securities at amortised cost pledged under repurchase agreements	**10 040**	**706**
Total investment securities at amortised cost	**39 333**	**47 696**

Federal loan bonds (OFZ) are represented by the state securities denominated in Russian Roubles issued by the Ministry of Finance of Russian Federation. As at 31 December 2024, these OFZ had maturity dates from January 2025 to February 2036 and coupon rates from 2,5% to 16,99% p.a. (31 December 2023: from February 2024 to February 2036 and coupon rates from 2,5% to 8,53% p.a.), payable quarterly or semi-annually, depending on the type of the bond issue and the market conditions.

10 Investment Securities (Continued)

Corporate bonds are represented by securities denominated in Russian Roubles, USD and Euro, issued by major Russian companies and banks. Corporate bonds are traded at a discount or premium to face value and carry a coupon payable quarterly or semi-annually. As at 31 December 2024, these bonds had maturity dates from January 2025 to December 2032 and coupon rates from 0,01% to 24,0% p.a. (31 December 2023: from January 2024 to May 2033 and coupon rates from 0,01% to 18,00% p.a.).

Corporate Eurobonds are bonds denominated in US Dollars and Euros issued by major Russian companies and banks. As at 31 December 2024 there were no corporate securities in the Group's portfolio. As at 31 December 2023, these bonds had maturity dates from January 2024 to March 2028 and coupon rates from 2,95% to 6,60% p.a., payable semi-annually or annually.

An analysis of changes in the gross carrying values and associated ECLs in relation to debt securities at fair value through other comprehensive income during 2024 is, as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Debt securities at fair value through other comprehensive income				
Gross carrying value as at 1 January 2024	**427 415**	**-**	**4 171**	**431 586**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Change in gross carrying value (new issue and repayments)	(46 815)	-	(9)	**(46 824)**
Foreign exchange adjustments	3 804	-	-	**3 804**
Gross carrying value as at 31 December 2024	**384 404**	**-**	**4 162**	**388 566**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Debt securities at fair value through other comprehensive income				
ECL as at 1 January 2024	**1 482**	**-**	**2 252**	**3 734**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used (including expense on new issue and income from repayments)	(289)	-	1 676	**1 387**
Foreign exchange adjustments	12	-	-	**12**
ECL as at 31 December 2024	**1 205**	**-**	**3 928**	**5 133**

An analysis of changes in the gross carrying values and associated ECLs in relation to debt securities at fair value through other comprehensive income during 2023 is, as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Debt securities at fair value through other comprehensive income				
Gross carrying value as at 1 January 2023	**422 403**	**-**	**-**	**422 403**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	(3 278)	-	3 278	**-**
Change in gross carrying value (new issue and repayments)	(2 274)	-	(8)	**(2 282)**
Foreign exchange adjustments	10 564	-	901	**11 465**
Gross carrying value as at 31 December 2023	**427 415**	**-**	**4 171**	**431 586**

10 Investment Securities (Continued)

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Debt securities at fair value through other comprehensive income				
ECL as at 1 January 2023	**1 543**	**-**	**-**	**1 543**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	(44)	-	44	**-**
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used (including expense on new issue and income from repayments)	(42)	-	2 194	**2 152**
Foreign exchange adjustments	25	-	14	**39**
ECL as at 31 December 2023	**1 482**	**-**	**2 252**	**3 734**

An analysis of changes in the gross carrying values and associated ECLs in relation to debt securities at amortised cost during 2024 is, as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Debt securities at amortised cost				
Gross carrying value as at 1 January 2024	**47 933**	**-**	**-**	**47 933**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Change in gross carrying value (new issue and repayments)	(8 275)	-	-	**(8 275)**
Foreign exchange adjustments	(188)	-	-	**(188)**
Gross carrying value as at 31 December 2024	**39 470**	**-**	**-**	**39 470**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Debt securities at amortised cost				
ECL as at 1 January 2024	**237**	**-**	**-**	**237**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used (including expense on new issue and income from repayments)	(101)	-	-	**(101)**
Foreign exchange adjustments	-	-	-	**-**
ECL as at 31 December 2024	**136**	**-**	**-**	**136**

10 Investment Securities (Continued)

An analysis of changes in the gross carrying values and associated ECLs in relation to debt securities at amortised cost during 2023 is, as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Debt securities at amortised cost				
Gross carrying value as at 1 January 2023	**42 690**	**-**	**-**	**42 690**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Change in gross carrying value (new issue and repayments)	4 710	-	-	**4 710**
Foreign exchange adjustments	533	-	-	**533**
Gross carrying value as at 31 December 2023	**47 933**	**-**	**-**	**47 933**

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Debt securities at amortised cost				
ECL as at 1 January 2023	**268**	**-**	**-**	**268**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used (including expense on new issue and income from repayments)	(33)	-	-	**(33)**
Foreign exchange adjustments	2	-	-	**2**
ECL as at 31 December 2023	**237**	**-**	**-**	**237**

Analysis by credit quality in relation to investment debt securities at fair value through other comprehensive income as at 31 December 2024 is as follows. Refer to Notes 3 and 28 for the description of credit risk grading system used by the Group and the approach to ECL measurement.

In millions of Russian Roubles	Rated	Stage 1	Stage 2	Stage 3	Total
Low credit risk	Internationally	-	-	-	**-**
	Nationally	76 006	-	-	**76 006**
	Internally	261 755	-	-	**261 755**
Moderate credit risk	Internationally	-	-	4 061	**4 061**
	Nationally	-	-	-	**-**
	Internally	9 750	-	-	**9 750**
Increased credit risk	Nationally	-	-	-	**-**
	Internally	921	-	-	**921**
High credit risk	Nationally	-	-	-	**-**
	Internally	-	-	-	**-**
Default	Nationally	-	-	-	**-**
	Internally	-	-	-	**-**
Unrated		-	-	-	**-**
Total investment debt securities at fair value through other comprehensive income		**348 432**	**-**	**4 061**	**352 493**

10 Investment Securities (Continued)

Analysis by credit quality in relation to investment debt securities at fair value through other comprehensive income as at 31 December 2023 is as follows.

In millions of Russian Roubles	Rated	Stage 1	Stage 2	Stage 3	Total
Low credit risk	Nationally	107 099	-	-	**107 099**
	Internally	295 079	-	-	**295 079**
Moderate credit risk	Internationally	-	-	3 603	**3 603**
	Nationally	-	-	-	**-**
	Internally	3 245	-	-	**3 245**
Increased credit risk	Internationally	-	-	-	**-**
	Internally	4 995	-	-	**4 995**
High credit risk	Nationally	-	-	-	**-**
	Internally	-	-	-	**-**
Default	Nationally	-	-	-	**-**
	Internally	-	-	-	**-**
Unrated		-	-	-	**-**
Total investment debt securities at fair value through other comprehensive income		**410 418**	**-**	**3 603**	**414 021**

Analysis by credit quality in relation to investment debt securities at amortised cost as at 31 December 2024 is as follows:

In millions of Russian Roubles	Rated	Stage 1	Stage 2	Stage 3	Total
Low credit risk	Internationally	-	-	-	**-**
	Nationally	10 208	-	-	**10 208**
	Internally	19 486	-	-	**19 486**
Moderate credit risk	Nationally	4 448	-	-	**4 448**
	Internally	5 267	-	-	**5 267**
Increased credit risk	Internationally	-	-	-	**-**
	Nationally	60	-	-	**60**
	Internally	-	-	-	**-**
High credit risk	Nationally	-	-	-	**-**
Default	Nationally	-	-	-	**-**
Unrated		-	-	-	**-**
Total investment debt securities at amortised cost (before impairment)		**39 469**	**-**	**-**	**39 469**
Allowance for ECL		(136)	-	-	**(136)**
Total investment debt securities at amortised cost		**39 333**	**-**	**-**	**39 333**

10 Investment Securities (Continued)

Analysis by credit quality in relation to investment debt securities at amortised cost as at 31 December 2023 is as follows:

In millions of Russian Roubles	Rated	Stage 1	Stage 2	Stage 3	Total
Low credit risk	Nationally	11 711	-	-	**11 711**
	Internally	26 054	-	-	**26 054**
Moderate credit risk	Nationally	6 204	-	-	**6 204**
	Internally	-	-	-	**-**
Increased credit risk	Nationally	61	-	-	**61**
	Internally	3 903	-	-	**3 903**
High credit risk	Nationally	-	-	-	**-**
Default	Nationally	-	-	-	**-**
Unrated		-	-	-	**-**
Total investment debt securities at amortised cost (before impairment)		**47 933**	**-**	**-**	**47 933**
Allowance for ECL		(237)	-	-	**(237)**
Total investment debt securities at amortised cost		**47 696**	**-**	**-**	**47 696**

11 Premises, Equipment, Right-of-use Assets and Intangible Assets

In millions of Russian Roubles	Note	Used in banking activities				Used in non-banking activities					
		Office premises and con-struction in progress	**Leasehold (premises) improve-ments**	**Office and computer equipment**	**Land**	**Production premises**	**Equipment**	**Land**	**Total premises and equipment**	**Intangible assets**	**Total**
Cost or valuation at 1 January 2023		**35 645**	**1 232**	**29 460**	**462**	**365**	**679**	**116**	**67 959**	**28 577**	**96 536**
Accumulated depreciation		(5 753)	(841)	(14 983)	-	(32)	(422)	-	**(22 031)**	(5 863)	**(27 894)**
Carrying amount at 1 January 2023		**29 892**	**391**	**14 477**	**462**	**333**	**257**	**116**	**45 928**	**22 714**	**68 642**
Additions		5 361	1	6 975	115	-	-	-	**12 452**	11 651	**24 103**
Disposal of subsidiaries		-	-	-	-	(54)	(1)	-	**(55)**	-	**(55)**
Disposals		(152)	(19)	(1 164)	-	(299)	(678)	(116)	**(2 428)**	(5 372)	**(7 800)**
Depreciation charge	24	(390)	(49)	(3 987)	-	-	-	-	**(4 426)**	(2 920)	**(7 346)**
Realised revaluation reserve		(15)	-	-	-	-	-	-	**(15)**	-	**(15)**
Depreciation release (disposals)		-	25	708	-	20	422	-	**1 175**	2 509	**3 684**
Carrying amount at 31 December 2023		**34 696**	**349**	**17 009**	**577**	**-**	**-**	**-**	**52 631**	**28 582**	**81 213**
Cost or valuation at 31 December 2023		**40 854**	**1 214**	**35 271**	**577**	**12**	**-**	**-**	**77 928**	**34 856**	**112 784**
Accumulated depreciation		(6 158)	(865)	(18 262)	-	(12)	-	-	**(25 297)**	(6 274)	**(31 571)**
Carrying amount at 31 December 2023		**34 696**	**349**	**17 009**	**577**	**-**	**-**	**-**	**52 631**	**28 582**	**81 213**

11 Premises, Equipment, Right-of-use Assets and Intangible Assets (Continued)

		Used in banking activities				Used in non-banking activities					
In millions of Russian Roubles	**Note**	**Office premises and con-struction in progress**	**Leasehold (premises) improve-ments**	**Office and computer equipment**	**Land**	**Production premises**	**Equipment**	**Land**	**Total premises and equipment**	**Intangible assets**	**Total**
Cost or valuation at 1 January 2024		**40 854**	**1 214**	**35 271**	**577**	**12**	**-**	**-**	**77 928**	**34 856**	**112 784**
Accumulated depreciation		(6 158)	(865)	(18 262)	-	(12)	-	-	**(25 297)**	(6 274)	**(31 571)**
Carrying amount at 1 January 2024		**34 696**	**349**	**17 009**	**577**	**-**	**-**	**-**	**52 631**	**28 582**	**81 213**
Additions		460	15	9 666	28	-	-	-	**10 169**	14 252	**24 421**
Changes in gross carrying value resulting from revaluation recognized in other comprehensive income		8 243	-	-	-	-	-	-	**8 243**	-	**8 243**
Changes in gross carrying value resulting from revaluation recognized in profit or loss		4 914	-	-	-	-	-	-	**4 914**	-	**4 914**
Disposals		(156)	(39)	(1 805)	(103)	-	-	-	**(2 103)**	(2 540)	**(4 643)**
Depreciation charge	24	(503)	(36)	(3 823)	-	-	-	-	**(4 362)**	(3 048)	**(7 410)**
Changes in accumulated depreciation resulting from revaluation recognized in other comprehensive income		(2 163)	-	-	-	-	-	-	**(2 163)**	-	**(2 163)**
Changes in accumulated depreciation resulting from revaluation recognized in profit or loss		(2 266)	-	-	-	-	-	-	**(2 266)**	-	**(2 266)**
Realised revaluation reserve		(14)	-	-	-	-	-	-	**(14)**	-	**(14)**
Depreciation release (disposals)		-	37	1 429	-	-	-	-	**1 466**	1 403	**2 869**
Carrying amount at 31 December 2024		**43 211**	**326**	**22 476**	**502**	**-**	**-**	**-**	**66 515**	**38 649**	**105 164**
Cost or valuation at 31 December 2024		**54 315**	**1 190**	**43 132**	**502**	**12**	**-**	**-**	**99 151**	**46 568**	**145 719**
Accumulated depreciation		(11 104)	(864)	(20 656)	-	(12)	-	-	**(32 636)**	(7 919)	**(40 555)**
Carrying amount at 31 December 2024		**43 211**	**326**	**22 476**	**502**	**-**	**-**	**-**	**66 515**	**38 649**	**105 164**

11 Premises, Equipment, Right-of-use Assets and Intangible Assets (Continued)

Intangible assets mainly include capitalised computer software.

Carrying amount of office premises without revaluation at 31 December 2024 is RR 31 813 million, including cost in amount of RR 37 529 million and accumulated depreciation of RR 5 716 million (31 December 2023: carrying amount of office premises without revaluation was RR 32 026 million, including cost in amount of RR 37 225 million and accumulated depreciation of RR 5 199 million).

As at 31 December 2024 the Group recognised revaluation of premises in the consolidated financial statements (31 December 2023: the Group has not recognised revaluation of premises in the consolidated financial statements).

Set out below, are the carrying amounts of the Group's right-of-use assets and the movements during the period:

	Right-of-use assets		
In millions of Russian Roubles	**Buildings**	**Office equipment**	**Total**
As at 1 January 2023	**7 466**	**51**	**7 517**
Additions	414	747	**1 161**
Revaluation and modification	1 471	40	**1 511**
Disposals	(441)	(42)	**(483)**
Depreciation expense	(2 545)	(340)	**(2 885)**
Depreciation release (disposals)	66	9	**75**
As at 31 December 2023	**6 431**	**465**	**6 896**

	Right-of-use assets		
In millions of Russian Roubles	**Buildings**	**Office equipment**	**Total**
As at 1 January 2024	**6 431**	**465**	**6 896**
Additions	756	223	**979**
Revaluation and modification	3 291	297	**3 588**
Disposals	(375)	(312)	**(687)**
Depreciation expense	(2 534)	(240)	**(2 774)**
Depreciation release (disposals)	271	210	**481**
As at 31 December 2024	**7 840**	**643**	**8 483**

Refer to Note 33 for the disclosure of the fair value hierarchy for office premises.

12 Other Assets

In millions of Russian Roubles	31 December 2024	31 December 2023
Non-financial assets		
Prepayment for work	8 212	5 914
Precious metals	4 424	6 097
Prepaid taxes	3 348	2 999
Prepayment for services	2 848	2 220
Prepayment for goods	997	61
Repossessed collateral	150	461
Inventory	113	211
Settlements on social insurance and security	20	5
Other	750	3 346
Total non-financial assets	**20 862**	**21 314**
Financial assets		
Settlements on banking cards and with payment systems	13 936	9 719
Trade receivables	2 287	1 391
Settlements on funds transfer operations	1 427	2 227
Investments in associates	883	869
State duty	200	257
Other	6 286	8 149
Provision for impairment of other financial assets	(7 315)	(7 411)
Total financial assets	**17 704**	**15 201**
Reinsurance assets	**6 766**	**4 898**
Total other assets	**45 332**	**41 413**

Prepayment for work includes settlements with counterparties on the main activities of subsidiaries.

As at 31 December 2024 trade receivables include fees for factoring services in the amount of RR 1 591 million (31 December 2023: RR 717 million).

Refer to Note 33 for the disclosure of fair value and fair value hierarchy for other financial assets. Maturity analysis of other financial assets are disclosed in Note 28. The information on related party transactions is disclosed in Note 34.

An analysis of corresponding ECL in relation to other financial assets during the year ended 31 December 2024 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	**9**	**5**	**7 396**	**7 410**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
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	-	818	**821**
Amounts written off	-	-	(917)	**(917)**
ECL as at 31 December 2024	**12**	**5**	**7 297**	**7 314**

12 Other Assets (Continued)

An analysis of corresponding ECL in relation to other financial assets during the year ended 31 December 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	**9**	**5**	**5 570**	**5 584**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
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)	-	-	2 899	**2 899**
Amounts written off	-	-	(1 073)	**(1 073)**
ECL as at 31 December 2023	**9**	**5**	**7 396**	**7 410**

13 Due to Other Banks

In millions of Russian Roubles	31 December 2024	31 December 2023
Correspondent accounts and overnight placements of other banks	130 291	5 322
Borrowings from other banks with term to maturity:		
- repo deals less than 30 days	39 138	691
- repo deals from 31 to 180 days	12 469	-
- less than 30 days	78 864	66 122
- from 31 to 180 days	60 453	23 684
- from 1 year to 3 years	1 255	889
Borrowings from the Bank of Russia with term to maturity:		
- less than 30 days	249 256	150 496
- from 31 to 180 days	9 619	100
- from 181 days to 1 year	47 943	1 396
- more than 1 year	1 601	45 978
Total due to other banks	**630 889**	**294 678**

As at 31 December 2024, due to other banks included balances with the Bank of Russia above 10% of the Group's equity in the amount of RR 308 419 million, or 49% of total due to other banks (31 December 2023: due to other banks included balances with the Bank of Russia above 10% of the Group's equity in the amount of RR 197 970 million, or 67% of total due to other banks).

As at December 2024, due to other banks included balances with three Russian banking groups with a parent bank rating of ruBBB+, ruAAA and ruAA- (Expert RA), individually exceeding 10% of the Group's equity, in the amount of RR 206 217 million, or 33% of the total amount of due to other banks (31 December 2023: due to other banks included balances with one Russian banking group with a parent bank rating of ruA+ (Expert RA), individually exceeding 10% of the Group's equity, in the amount of RR 30 026 million, or 10% of the total amount of due to other banks).

Refer to Note 33 for the disclosure of the fair value and fair value hierarchy for due to other banks. Lliquidity analyses of due to other banks are disclosed in Note 28. The information on related party transactions is disclosed in Note 34.

14 Customer Accounts

In millions of Russian Roubles	**31 December 2024**	**31 December 2023**
State authorities		
- Current/settlement accounts	5 702	8 105
- Term deposits	313 770	369 374
Other legal entities		
- Current/settlement accounts	321 859	267 870
- Term deposits	1 307 174	1 077 625
Individuals		
- Current/demand accounts	336 081	398 034
- Term deposits	1 834 750	1 532 677
Total customer accounts	**4 119 336**	**3 653 685**

State and public organisations exclude state-controlled joint-stock companies.

Economic sector concentrations within customer accounts are as follows:

	31 December 2024		**31 December 2023**	
In millions of Russian Roubles	**Amount**	**%**	**Amount**	**%**
Individuals	2 170 831	53	1 930 711	53
Agriculture	393 820	10	411 189	11
State and public organisations	319 472	8	377 479	10
Manufacturing	326 431	8	205 104	6
Financial services and pension funds	268 935	7	249 733	7
Trading	146 552	4	116 974	3
Insurance	107 512	3	87 009	2
Construction	92 491	2	89 578	2
Real estate	74 130	1	49 702	1
Services	61 099	1	69 172	2
Transport	54 179	1	22 749	1
Information technologies	30 929	1	10 218	-
Leasing	8 631	-	20 304	1
Communication	1 143	-	947	-
Other	63 181	1	12 816	1
Total customer accounts	**4 119 336**	**100**	**3 653 685**	**100**

As at 31 December 2024, customer accounts included balances with eight customers each above 10% of the Group's equity (31 December 2023: balances with seven customers each individually above 10% of the Group's equity). The aggregate balance of these customers was RR 700 116 million, or 17% of total customer accounts (31 December 2023: RR 595 049 million, or 16% of total customer accounts).

Refer to Note 33 for the disclosure of the fair value and fair value hierarchy for customer accounts. Liquidity analyses of customer accounts are disclosed in Note 28. The information on related party transactions is disclosed in Note 34.

15 Promissory Notes Issued

In millions of Russian Roubles	31 December 2024	31 December 2023
Promissory notes issued	37 701	28 464
Total promissory notes issued	**37 701**	**28 464**

As at 31 December 2024, promissory notes issued are represented by interest bearing and at a discount to nominal value promissory notes denominated in Russian Rouble, US Dollar, Euro and Chinese Yuan with effective interest or discount rates from zero p.a. (for promissory notes on demand) up to 25,24% p.a. and maturity dates from January 2025 to March 2036 (31 December 2023: interest bearing and at a discount to nominal value promissory notes denominated in Russian Rouble, US Dollar, Euro and Chinese Yuan with effective interest or discount rates from zero p.a. (for promissory notes on demand) up to 16,67% p.a. and maturity dates from January 2024 to March 2036).

As at 31 December 2024, promissory notes issued didn't include promissory notes, which were initially purchased by one counterparty, in aggregate above 10% of the Group's equity (as at 31 December 2023, promissory notes issued didn't include promissory notes, which were initially purchased by one counterparty, in aggregate above 10% of the Group's equity).

Refer to Note 33 for the disclosure of the fair value and fair value hierarchy for promissory notes issued. Lliquidity analyses of promissory notes issued are disclosed in Note 28.

16 Bonds Issued

In millions of Russian Roubles	31 December 2024	31 December 2023
Bonds issued on domestic market	139 140	130 350
Total bonds issued	**139 140**	**130 350**

As at 31 December 2024, bonds issued consist of Russian Roubles and US Dollars denominated bonds issued on domestic market with a coupon rate from 8,5% to 23,15% per annum and maturity in 2025-2038 (31 December 2023: Russian Roubles and US Dollars denominated bonds issued on domestic market with a coupon rate from 1,4% to 16,47% per annum and maturity in 2024-2038).

Refer to Note 33 for the disclosure of the fair value and fair value hierarchy for bonds issued. Liquidity analyses of bonds issued are disclosed in Note 28. Refer to Note 35 for information on redemptions after the end of the reporting period.

17 Other Liabilities

In millions of Russian Roubles	Note	31 December 2024	31 December 2023
Non-financial liabilities			
Accrued staff costs		8 877	7 987
including key management personnel compensation		76	313
Advances received		3 473	6 061
Due to State Corporation Deposit Insurance Agency		2 992	2 583
Provision for ECL for credit related commitments and guarantees issued	31	2 484	1 844
Taxes payable other than on income		2 348	1 794
Other provisions		290	137
Other		1 348	2 643
Total non-financial liabilities		**21 812**	**23 049**
Financial liabilities			
Lease liabilities		9 096	7 469
Settlements on banking cards		8 279	7 173
Trade payables		3 371	3 299
Amounts due under perpetual bonds		723	723
Settlement of depository transactions		430	5 388
Non-controlling interests in consolidated mutual funds		221	243
Amounts due under credit support annex agreements		78	72
Total financial liabilities		**22 198**	**24 367**
Insurance liabilities			
Liabilities for insurance contracts portfolios		60 764	57 158
Liabilities on reinsurance contracts		130	558
Total insurance liabilities		**60 894**	**57 716**
Total other liabilities		**104 904**	**105 132**

Liabilities for insurance contracts portfolios in accordance with the requirements of IFRS 17 as at 31 December 2024 and 31 December 2023 are presented below.

	31 December 2024			**31 December 2023**		
In millions of Russian Roubles	**Portfolios of life insurance contract**	**Portfolios of non-life insurance contracts**	**Total**	**Portfolios of life insurance contract**	**Portfolios of non-life insurance contracts**	**Total**
Liabilities for the remaining coverage, excluding loss component, including:	35 035	12 754	**47 789**	35 069	13 464	**48 533**
estimate of the present value of the future cash flows	33 207	831	**34 038**	33 931	1 127	**35 058**
risk adjustment for non-financial risk	-	47	**47**	-	209	**209**
contractual service margin	1 828	8 422	**10 250**	1 138	9 152	**10 290**
liabilities measured using the premium allocation approach	-	3 454	**3 454**	-	2 976	**2 976**
Loss component	-	469	**469**	-	457	**457**
The claim liability	2 889	9 617	**12 506**	1 913	6 255	**8 168**
Total	**37 924**	**22 840**	**60 764**	**36 982**	**20 176**	**57 158**

Life insurance portfolio includes a portfolio of investment insurance contracts (“ILI”), a portfolio of “Absolute income” and a portfolio of other accumulative insurance contracts.

The portfolio of ILI contracts are contracts with non-recurring payment, under which premium paid by the policyholder is divided into guaranteed and risk part. The risk part is used to purchase a derivative financial instrument (option), which ensures additional investment income of the insurance contract. The guaranteed portion of premium is used to finance liabilities of the Group to pay fixed insurance payments in the event of death during the term of the contract or policyholder survival up to contract termination.

17 Other Liabilities (Continued)

The contracts included in the “Absolute income” portfolio are contracts with non-recurring payment of a premium and fixed insurance payments in the event of death or policyholder survival up to contract termination excluding additional investment income.

The portfolio of other accumulative insurance contracts represents classic accumulative insurance contracts including periodic payment of insurance premium by the policyholder during the term of the contract with payment of the insured amount at the end of the contract or in the event of death.

For insurance other than life insurance, the Group has identified the following portfolio categories:

- Collective insurance of the Group’s borrowers;
- Property insurance;
- Liability Insurance;
- Civil liability insurance;
- Personal insurance;
- Finance risk insurance;
- Voluntary health insurance, etc.

Outward reinsurance contracts held are divided into portfolios according to the following principle:

- Held facultative reinsurance contracts are combined into portfolios based on the portfolio to which the direct insurance contract covered by these reinsurance contracts relates;
- Each obligatory reinsurance contract held forms a separate portfolio.

Portfolios of insurance contracts other than the portfolio of collective insurance contracts mostly contain classic insurance contracts with a period of insurance coverage not exceeding one year. The contracts included in the collective insurance portfolio represent policies issued under the collective insurance contract of the Group’s borrowers. According to this agreement, the Group issues policies to insure borrowers against the risks of death or disability as a result of an accident or illness (predominant risk), as well as additional risks for insurance of pledged property (for mortgage loans) and insurance of medical expenses.

Liabilities for the remaining coverage estimation

The final estimate of the liability for the remaining coverage consists of the following components:

- Estimate of the present value of the future cash flows of insurance contracts fulfilment connected to the payment of additional investment income. The current discount rates are used for evaluation of the cash flows.
- Risk adjustment for non-financial risk that expired during the reporting period;
- Evaluation of contractual service margin for services provided under the contract;
- Cash flows estimates of insurance contracts fulfilment measured using the premium allocation approach.

Estimation of the contractual service margin (hereinafter — CSM)

CSM is calculated separately for each insurance contract. CSM under the insurance contract is estimated initially as:

- Discounted cash flows of premiums measured at initial recognition of the contract (for contracts with non-recurring payment — the premium under the contract);
- Minus discounted cash flows of premiums attributable to the risk part of ILI agreements;
- Minus discounted cash flows of payments and charges at date of initial recognition of insurance contract;
- Minus estimates of direct acquisition cash flows under the contract (for contracts with non-recurring payment — accrued amounts of fee to intermediaries) and allocated acquisition overhead costs (determined by applying overhead distribution rate to the cash flow of premiums).

17 Other Liabilities (Continued)

In case of general valuation model application for the purpose of interest accrual on CSM the discount rates are the rates determined at date of initial recognition of contracts that were included in a group (cohort) during a 12-month period. The discount rate that was used to calculate interest on the CSM is determined using a bottom-up approach (a risk-free yield curve with similar characteristics adjusted for illiquidity premium) at the date of initial recognition.

The Group used the following range of discount rates for expected future cash flows by currency:

Currency	2024	2023	2022
RUB	12,83-22,53%	11,64-12,78%	6,68-11,04%
USD	4,16-4,86%	3,84-5,60%	3,88-4,76%
CNY	1,11-2,04%	1,80-2,83%	2,05-3,20%

Reconciliation of the opening and closing balances of net liabilities (assets) for portfolios of life insurance contracts for 2024 is presented below.

	Net liabilities (assets) for the remaining coverage			
In millions of Russian Roubles	**Excluding loss component**	**Loss component**	**Claim liability**	**Total**
Net liabilities (assets) for portfolios of life insurance contracts as at 31 December 2023, including:	**35 069**	**-**	**1 913**	**36 982**
Assets for portfolios of life insurance contracts as at 31 December 2023	-	-	-	**-**
Liabilities for portfolios of life insurance contracts as at 31 December 2023	35 069	-	1 913	**36 982**
Disclosed in the income statement, including:	**1 783**	**-**	**339**	**2 122**
Insurance revenue for group of insurance contracts and reinsurance contracts issued (accepted)	(2 388)	-	-	**(2 388)**
Insurance expenses for group of insurance contracts and reinsurance contracts issued (accepted), including:	602	-	370	**972**
Amortization of insurance acquisition cash flows	602	-	-	**602**
Incurred claims and other insurance service expenses	-	-	370	**370**
Insurance finance expenses on groups of insurance contracts and reinsurance contracts issued (accepted)	3 569	-	(31)	**3 538**
Investment component	**(27 275)**	**-**	**27 275**	**-**
Cash flows, including:	**25 458**	**-**	**(26 638)**	**(1 180)**
Insurance premiums received	25 717	-	-	**25 717**
Payments	-	-	(26 638)	**(26 638)**
Insurance acquisition cash flows	(259)	-	-	**(259)**
Net liabilities (assets) for portfolios of life insurance contracts as at 31 December 2024, including:	**35 035**	**-**	**2 889**	**37 924**
Assets for portfolios of life insurance contracts as at 31 December 2024	-	-	-	**-**
Liabilities for portfolios of life insurance contracts as at 31 December 2024	35 035	-	2 889	**37 924**

17 Other Liabilities (Continued)

Reconciliation of the opening and closing balances of net liabilities (assets) for portfolios of life insurance contracts for 2023 is presented below.

In millions of Russian Roubles	Net liabilities (assets) for the remaining coverage: Excluding loss component	Net liabilities (assets) for the remaining coverage: Loss component	Claim liability	Total
Net liabilities (assets) for portfolios of life insurance contracts as at 1 January 2023, including:	**36 981**	**-**	**490**	**37 471**
Assets for portfolios of life insurance contracts as at 1 January 2023	-	-	-	**-**
Liabilities for portfolios of life insurance contracts as at 1 January 2023	36 981	-	490	**37 471**
Disclosed in the income statement, including:	**(993)**	**-**	**570**	**(423)**
Insurance revenue for group of insurance contracts and reinsurance contracts issued (accepted)	(2 345)	-	-	**(2 345)**
Insurance expenses for group of insurance contracts and reinsurance contracts issued (accepted), including:	568	-	570	**1 138**
Amortization of insurance acquisition cash flows	568	-	-	**568**
Incurred claims and other insurance service expenses	-	-	570	**570**
Insurance finance expenses on groups of insurance contracts and reinsurance contracts issued (accepted)	784	-	-	**784**
Investment component	**(18 478)**	**-**	**18 478**	**-**
Cash flows, including:	**17 559**	**-**	**(17 625)**	**(66)**
Insurance premiums received	17 746	-	-	**17 746**
Payments	-	-	(17 625)	**(17 625)**
Insurance acquisition cash flows	(187)	-	-	**(187)**
Net liabilities (assets) for portfolios of life insurance contracts as at 31 December 2023, including:	**35 069**	**-**	**1 913**	**36 982**
Assets for portfolios of life insurance contracts as at 31 December 2023	-	-	-	**-**
Liabilities for portfolios of life insurance contracts as at 31 December 2023	35 069	-	1 913	**36 982**

Acquisition cash flows were distributed on a straight-line basis over the coverage period of the relevant group of contracts. Acquisition cash flows paid, both before and after the initial recognition of the related group of contracts, are reflected as liabilities (assets) for the remaining coverage.

Insurance revenue includes cash flows, the distribution of acquisition cash flows and the release of CSM.

Insurance expenses represent the expected cash outflows for claims incurred. The change in the residual liability due to claims and other expenses is allocated between the loss component and liability for the remaining coverage on a systematic basis.

Changes in claim liabilities indicate changes in the expected cash flows for claims incurred.

Insurance finance expenses (income) represent changes in the carrying amount of groups of insurance contracts that arise from:

- The impact of the time value of money and changes in the time value of money;
- The impact of financial risk and changes in financial risk.

Insurance finance expenses (income) include amounts recognized in profit or loss.

The investment component represents redemption amounts paid to policyholders under life insurance contracts due to termination. The investment component is not separable, since it is closely related to the insurance component. IFRS 17 requires the Group to exclude receipts and payments on investment component from profit or loss. The investment component is paid out of claim liabilities and is not included in profit or loss.

17 Other Liabilities (Continued)

Reconciliation of the opening and closing balances of estimates of present value of future cash flows, contractual services margin for portfolios of life insurance contracts for 2024 is presented below.

In millions of Russian Roubles	Expected present value of discounted cash flows	Contractual service margin	Total
Balance as at 1 January 2024	**35 844**	**1 138**	**36 982**
Changes that relate to current services	(161)	(1 255)	**(1 416)**
Release of contractual service margin	-	(1 255)	**(1 255)**
Experience adjustment	(161)	-	**(161)**
Changes that relate to future services	(1 859)	1 859	**-**
Contracts initially recognized during the period	(1 859)	1 859	**-**
Finance losses	3 452	86	**3 538**
Cash flows	(1 180)	-	**(1 180)**
Insurance premiums received	25 717	-	**25 717**
Insurance payments and other expenses related to the fulfilment and servicing of insurance contracts	(26 638)	-	**(26 638)**
Acquisition cash flows	(259)	-	**(259)**
Balance as at 31 December 2024	**36 096**	**1 828**	**37 924**

Reconciliation of the opening and closing balances of estimates of present value of future cash flows, contractual services margin for portfolios of life insurance contracts for 2023 is presented below.

In millions of Russian Roubles	Expected present value of discounted cash flows	Contractual service margin	Total
Balance as at 1 January 2023	**35 875**	**1 596**	**37 471**
Changes that relate to current services	178	(1 385)	**(1 207)**
Release of contractual service margin	-	(1 385)	**(1 385)**
Experience adjustment	178	-	**178**
Changes that relate to future services	(825)	825	**-**
Contracts initially recognized during the period	(825)	825	**-**
Finance losses	682	102	**784**
Cash flows	(66)	-	**(66)**
Insurance premiums received	17 746	-	**17 746**
Insurance payments and other expenses related to the fulfilment and servicing of insurance contracts	(17 625)	-	**(17 625)**
Acquisition cash flows	(187)	-	**(187)**
Balance as at 31 December 2023	**35 844**	**1 138**	**36 982**

Changes that relate to current services include: the amount of CSM recognized in profit or loss to reflect the transfer of services, experience adjustments that relate to current services.

Experience adjustments related to current period services represent the difference between estimates at the beginning of the period and actual amounts:

- Insurance expenses (except for acquisition expenses) incurred during the period;
- Premium collections for the period.

Changes in estimates that adjust CSM include changes in current assumptions regarding the expected amount of coverage that will be provided to policyholders in the future based on current performance and/or experience.

17 Other Liabilities (Continued)

A reconciliation of the opening and closing balances for contractual service margin in 2024 and 2023 is presented below.

In millions of Russian Roubles	**31 December 2024**	**31 December 2023**
Contractual service margin at the beginning of the period	**10 290**	**11 496**
Changes that relate to current services, including:	(2 513)	(2 300)
Amount of contractual service margin recognized in profit or loss to reflect the services provided	(2 513)	(2 300)
Changes that relate to future services, including:	2 333	994
Impact of life insurance contracts and life reinsurance contracts issued (accepted) recognized initially during reporting period	1 859	825
Changes in estimates that adjust contractual service margin	474	169
Final change in margin for reporting period	(180)	(1 306)
Insurance finance expenses on groups of insurance contracts and issued (accepted) reinsurance contracts	140	100
Total in Statement of Profit or Loss and Other Comprehensive Income	(40)	(1 206)
Contractual service margin at the end of the period	**10 250**	**10 290**

CSM is recognized in profit or loss over the coverage period of the relevant portfolio of contracts based on number of coverage units. Number of coverage units in a group is the number of contract services provided by the contracts in the group, taking into account the expected period of coverage.

Allocating the contractual service margin at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future.

Insurance finance expenses (income) represent changes in the carrying value of groups of insurance contracts resulting from:

- The influence of the time value of money and changes in the time value of money;
- The impact of financial risk and changes in financial risk.

Insurance finance expense (income) include amounts recognized in profit or loss.

Refer to Note 33 for the disclosure of the fair value and fair value hierarchy for other financial liabilities. Liquidity analysis of other financial liabilities are disclosed in Note 28.

18 Subordinated Debts

As at 31 December 2024, the Group's subordinated debts equal to RR 224 165 million (31 December 2023: RR 234 209 million).

The Group's subordinated debts denominated in Russian Roubles and US Dollars and Euros maturing from April 2029 to October 2032 (31 December 2023: in Russian Roubles and US Dollars and Euros maturing from July 2025 to October 2032).

Refer to Note 33 for the disclosure of the fair value and fair value hierarchy for subordinated debts. Liquidity analyses of subordinated debts are disclosed in Note 28. The information on related party transactions is disclosed in Note 34.

19 Perpetual Bonds

As at 31 December 2024, the Group's perpetual bonds in circulation equal to RR 55 999 million (as at 31 December 2023: RR 54 363 million).

As at 31 December 2024, perpetual bonds consist of Russian Roubles, US Dollars and Euros denominated bonds issued on domestic market.

Currency of denomination	Nominal value, in million of currency, in circulation	Carrying amount, in millions of Russian Roubles	Year of issue	Coupon rate
Russian Roubles	35 000	35 000	2016-2018	9,00-14,50%
US Dollars	50	5 084	2018	9,00%
Euros	150	15 915	2019	5,00%

As at 31 December 2023, perpetual bonds consist of Russian Roubles, US Dollars and Euros denominated bonds issued on domestic market.

Currency of denomination	Nominal value, in million of currency, in circulation	Carrying amount, in millions of Russian Roubles	Year of issue	Coupon rate
Russian Roubles	35 000	35 000	2016-2018	9,00-14,50%
US Dollars	50	4 484	2018	9,00%
Euros	150	14 879	2019	5,00%

20 Share Capital

Share capital issued and fully paid comprises:

	2024			2023		
In millions of Russian Roubles (except for number of outstanding shares)	**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	428 783	428 783	429 533
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**	**460 663**	**522 583**	**523 333**

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 2024 and 2023 all ordinary shares were held by the Bank's only shareholder — the Government of the Russian Federation represented by the Federal Agency for Managing State Property.

21 Interest Income and Expense

In millions of Russian Roubles	**2024**	**2023**
Interest income on debt financial assets carried at amortised cost		
Loans and advances to legal entities	455 122	285 778
Loans and advances to individuals	85 790	61 917
Cash equivalents	57 409	17 215
Due from other banks	13 577	8 377
Investment securities at amortised cost	3 356	3 648
	615 254	**376 935**
Interest income on debt financial assets carried at fair value through other comprehensive income		
Investment securities at FVOCI including pledged under repurchase agreements	42 446	31 240
	42 446	**31 240**
Total interest income at effective interest rate	**657 700**	**408 175**
Investment securities at fair value through profit or loss	21 003	12 958
Loans to customers at fair value through profit or loss	7 576	2 406
Trading securities	6 554	4 580
Lessor's net investment in finance lease	4 582	1 009
Total other interest income	**39 715**	**20 953**
Interest expense at effective interest rate		
Term deposits of legal entities	(247 141)	(127 163)
Term deposits of individuals	(178 564)	(91 712)
Current/settlement accounts	(43 873)	(22 466)
Term deposits of the Bank of Russia	(26 057)	(9 131)
Term deposits of other banks	(23 030)	(10 196)
Bonds issued	(18 841)	(11 551)
Subordinated debts	(12 270)	(14 964)
Promissory notes issued	(2 548)	(2 223)
Total interest expense at effective interest rate	**(552 324)**	**(289 406)**
Lease liabilities	(936)	(727)
Total other interest expense	**(936)**	**(727)**
Deposit insurance expenses	(11 531)	(9 777)
Net interest income	**132 624**	**129 218**

The amount of interest income at effective interest rate includes subsidies to preferential programs for loans and advances to customers in the amount of RR 196 788 million (2023: RR 114 320 million).

Interest expense on term deposits of individuals for 2024 includes income from early termination of agreements in the amount of RR 4 477 million (2023: RR 2 843 million).

The information on related party transactions is disclosed in Note 34.

22 Credit Loss Expense

The table below shows the ECL charges on financial instruments recorded in the income statement and other comprehensive income for the year ended 31 December 2024:

In millions of Russian Roubles	Note	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and cash equivalents		2	-	2	-	**4**
Due from other banks	8	(40)	-	2	-	**(38)**
Loans to customers at amortised cost	9	13 425	9 370	6 431	1 024	**30 250**
Debt securities measured at amortised cost	10	(101)	-	-	-	**(101)**
Debt securities measured at FVOCI	10	(277)	-	1 676	-	**1 399**
Other financial assets		3	-	819	-	**822**
Credit related commitments and guarantees issued	31	643	-	(3)	-	**640**
Total credit (gains)/loss expense		**13 655**	**9 370**	**8 927**	**1 024**	**32 976**

The table below shows the ECL charges on financial instruments recorded in the income statement and other comprehensive income for the year ended 31 December 2023:

In millions of Russian Roubles	Note	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and cash equivalents		9	-	-	-	**9**
Due from other banks	8	(125)	-	(26)	-	**(151)**
Loans to customers at amortised cost	9	7 670	324	24 365	10 714	**43 073**
Debt securities measured at amortised cost	10	(31)	-	-	-	**(31)**
Debt securities measured at FVOCI	10	(61)	-	2 252	-	**2 191**
Other financial assets		-	-	2 902	-	**2 902**
Credit related commitments	31	(948)	-	13	-	**(935)**
Total credit (gains)/loss expense		**6 514**	**324**	**29 506**	**10 714**	**47 058**

23 Fee and Commission Income and Expense

In millions of Russian Roubles	2024	2023
Fee and commission income		
Commission on cash and settlements transactions	10 852	10 507
Commission on banking cards and acquiring	5 923	6 310
Agency services	3 011	3 044
Commission for consulting services	383	1 541
Commission on guarantees issued	982	1 081
Financial services fees and brokerage commission	1 631	1 014
Fees for currency control	887	201
Other	2 099	1 210
Total fee and commission income	**25 768**	**24 908**
Fee and commission expense		
Commission on settlement transactions	(3 276)	(3 098)
Other	(174)	(175)
Total fee and commission expense	**(3 450)**	**(3 273)**
Net fee and commission income	**22 318**	**21 635**

24 Administrative and Other Operating Expenses

In millions of Russian Roubles	Note	2024	2023
Staff costs		49 916	45 123
Depreciation of premises, equipment and right-of-use assets	11	7 150	7 326
Other expenses on premises and intangible assets		6 640	7 671
Communications and information services		3 704	3 097
Advertising and marketing services		3 072	1 578
Amortization of intangible assets	11	3 048	2 920
Taxes other than on income		2 874	2 103
Office expenses		1 810	1 429
Repair and maintenance of fixed assets		1 335	1 140
Security services		1 290	1 225
Charity expenses		1 190	1 192
Short-term lease expenses		177	129
Other		5 253	5 246
Total administrative and other operating expenses		**87 459**	**80 179**

In 2024 staff costs include statutory social security and contributions to a state pension fund in the amount of RR 9 394 million (2023: RR 8 486 million). In 2024 staff costs included no expenses for defined contribution pension plans (2023: staff costs included no expenses for defined contribution pension plans). The information on related party transactions is disclosed in Note 34.

25 Income Taxes

Income tax expense comprises the following:

In millions of Russian Roubles	2024	2023
Current tax	9 331	7 559
Deferred tax	(22)	1 574
Income tax expense for the year	**9 309**	**9 133**

The income tax rate applicable to the majority of the Group's income is 20% (2023: 20%). The effective income tax rate differs from the statutory income tax rate. A reconciliation of the income tax expense based on the statutory rate with the actual tax expense is as follows:

In millions of Russian Roubles	2024	2023
IFRS profit before tax	**49 134**	**40 980**
Theoretical tax charge at statutory rate (2024: 20%; 2023: 20%)	**9 827**	**8 196**
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Non-deductible staff costs	46	32
- Non-deductible charity costs	178	210
- Change of income tax on tax return in past periods	114	884
Income on securities taxed at different rates	(2 331)	(1 572)
Permanent difference due to the refinement of the tax base of previous years	(153)	(186)
Other non-temporary differences including change in unrecognised deferred tax asset	3 217	1 569
Effect of the income tax rate change	(1 589)	-
Income tax expense for the year	**9 309**	**9 133**

25 Income Taxes (Continued)

Russian legal entities have to file individual corporate income tax declarations. The standard corporate income tax rate was 20% for 2024 and 2023. The corporate income tax rate applicable to interest (coupon) income on state and municipal bonds, mortgage-backed bonds, bonds of Russian legal entities that are recognized as securities traded on stock exchange, denominated in Russian roubles and issued since 1 January 2017, was 15% in 2024 and 2023. The corporate income tax rate applicable to interest (coupon) income on municipal bonds and mortgage-backed bonds issued before 1 January 2007 for a period of at least three years was 9% in 2024 and 2023. Dividends are taxed at the standard corporate income tax rate of 13%, which could be reduced to 0% subject to certain criteria.

On 12 July 2024, the Federal Law № 176-F *On Amendment of the First and Second Parts of the Tax Code of the Russian Federation, Separate Legislative Acts of the Russian Federation and Recognition as Invalid of Individual Provisions of Legislative Acts of the Russian Federation* was passed, according to which income tax rate has been raised from 20,0% to 25,0% from 1 January 2025.

Due to adoption of this law, additional deferred tax assets of RR 1 773 million and deferred tax liabilities of RR 184 million were disclosed in current consolidated financial statements. This change in law did not affect current income tax for the year.

Differences between IFRS and Russian statutory tax regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their value for tax purposes. The tax effect of the movements in these temporary differences is detailed below and is recorded at the rate of 25% (2023: 20%), except for income on particular category of securities that is taxed at 15% (2023: 15%).

Based on the Group’s current structure and Russian tax legislation, tax losses and current tax assets of different companies of the Group may not be set off against current tax liabilities and taxable profits of other companies of the Group and, accordingly, taxes may be accrued even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are set off against each other only when they relate to the same taxable entity (subject to certain conditions).

25 Income Taxes (Continued)

In millions of Russian Roubles	**31 December 2022**	**Credited/ (charged) to profit or loss**	**Charged directly to other comprehen-sive income**	**Disposal of subsidiaries**	**31 December 2023**	**Credited/ (charged) to profit or loss (rate 20%)**	**Effect of the income tax rate change (rate 5%)**	**Charged directly to other comprehen-sive income**	**Disposal of subsidiaries**	**31 December 2024**
Tax effect of deductible/(taxable) temporary differences										
Tax losses carried forward	51 452	9 828	-	6	61 286	(268)	15 327	-	291	76 636
Accruals on due from other banks	1 886	(269)	-	-	1 617	(306)	328	-	-	1 639
Fair valuation of derivative financial instruments	16	(11)	-	-	5	13	4	-	-	22
Accruals on loans	5 776	(1 784)	-	-	3 992	(4 673)	(173)	-	(11)	(865)
Credit loss allowance for debt financial assets	27 814	(11 127)	-	-	16 687	(5 015)	2 695	-	(893)	13 474
Fair valuation of securities	5 125	164	-	-	5 289	2 699	1 997	-	-	9 985
Premises, equipment and right-of-use assets	(168)	(125)	-	(4)	(297)	(6)	(461)	(1 551)	11	(2 304)
Intangible assets	31	(46)	-	-	(15)	(7)	(6)	-	-	(28)
Accruals on due to other banks	(2 311)	967	-	-	(1 344)	760	(146)	-	-	(730)
Accruals on bonds issued	(273)	297	-	-	24	(122)	(25)	-	-	(123)
Accrued staff costs (vacations and bonuses)	857	361	-	-	1 218	388	402	-	-	2 008
Deferral of fees on guarantees issued	182	(28)	-	-	154	4	40	-	-	198
Other	(1 957)	1 437	-	-	(520)	2 415	359	-	(459)	1 795
Deferred tax asset	**88 430**	**(336)**	-	**2**	**88 096**	**(4 118)**	**20 341**	**(1 551)**	**(1 061)**	**101 707**
Unrecognised deferred tax asset	(77 326)	(1 238)	-	-	(78 564)	2 551	(18 752)	-	1 004	(93 761)
Net deferred income tax asset	**11 104**	**(1 574)**	**-**	**2**	**9 532**	**(1 567)**	**1 589**	**(1 551)**	**(57)**	**7 946**
Recognised deferred income tax asset	11 746	(1 737)	-	(4)	10 005	(2 856)	1 773	-	(57)	8 865
Recognised deferred income tax liability	(642)	163	-	6	(473)	1 289	(184)	(1 551)	-	(919)
Net deferred income tax asset	**11 104**	**(1 574)**	**-**	**2**	**9 532**	**(1 567)**	**1 589**	**(1 551)**	**(57)**	**7 946**

25 Income Taxes (Continued)

As of 31 December 2024, the taxable temporary difference between investments in subsidiaries in the consolidated statement of financial position of the parent company for tax purposes and the value of the net assets of subsidiaries in accordance with IFRS was RR 11 655 million (31 December 2023: RR 9 542 million). In accordance with IAS 12 *Income Tax*, the corresponding deferred tax liability in the amount of RR 2 914 million (31 December 2023: RR 1 908 million) was not recognized in the consolidated statement of financial position, since the Group has the ability to control the timing of the reversal of the temporary difference, and also does not expect that this temporary difference will be restored in the foreseeable future.

As at 31 December 2024, deferred tax assets included RR 76 636 million resulting from tax losses carried forward (31 December 2023: RR 61 286 million). The term of utilization of the existing tax losses eligible for carry forward is not limited. For reporting (tax) periods from 1 January 2017 to 31 December 2026, the tax base for income tax cannot be reduced to the amount of losses obtained in previous tax periods, more than 50 percent.

26 Dividends

	2024			2023		
In millions of Russian Roubles	**Ordinary shares**	**Preference shares**	**Type A preference shares**	**Ordinary shares**	**Preference shares**	**Type A preference shares**
Dividends declared during the year	3 747	218	601	2 062	120	331
Dividends paid during the year	(3 747)	(218)	(601)	(2 062)	(120)	(331)
Dividends payable at 31 December	**-**	**-**	**-**	**-**	**-**	**-**
Dividends per share declared during the year	**0,009**	**0,009**	**0,087**	**0,005**	**0,005**	**0,048**

27 Segment Analysis

(a) Description of geographic areas from which each reportable segment derives its revenue and factors that management used to identify the reportable segments

Operational decision making is the responsibility of the Management Board of the Bank. The Management Board of the Bank reviews internal management reporting in order to assess efficiency and allocate resources.

The Management Board of the Bank performs geographic analysis of the Bank’s operations and therefore the Bank’s regional branches have been designated as operating segments.

Taking into account the administrative-territorial division of Russia, federal districts of the Russian Federation have been designated as reportable segments.

As at 31 December 2024 and 31 December 2023 the Group defines the following reportable segments:

- Head office;
- Central federal district;
- Far Eastern federal district;
- Volga federal district;
- North-West federal district;
- North-Caucasian federal district;
- Siberian federal district;
- Ural federal district;
- Southern federal district.

27 Segment Analysis (Continued)

For analysis of revenue by products refer to Notes 21, 23.

(b) Measurement of operating segment profit or loss and assets

The Management Board of the Bank assesses efficiency of operating segments based on a financial performance measure prepared from statutory accounting data and not adjusted for an intersegment income and expenses. Intersegment income and expenses are used by CODM for information purpose only and not for identification of profit or loss of the operating segments. Intersegment income/(expense) represents mainly income from / (costs of) funding provided by Head Office to other reportable segments.

The accounting policy of the operating segments is based on Russian Accounting Rules (RAR) and thus materially differs from policies described in the summary of significant accounting policies in these consolidated financial statements.

27 Segment Analysis (Continued)

(c) Information about reportable segment profit or loss and assets

Segment reporting of the Group's revenue and profit/(loss) for the reporting period ended 31 December 2024 and 31 December 2023 and segment reporting of the Group's assets as at 31 December 2024 and 31 December 2023 is as follows:

In millions of Russian Roubles	Head office	Central federal district	Far Eastern federal district	Volga federal district	North-west federal district	North-Caucasian federal district	Siberian federal district	Ural federal district	Southern federal district	Total
For the year ended 31 December 2024										
Revenue from external customers	**205 398**	**181 162**	**23 061**	**67 194**	**67 533**	**34 118**	**24 841**	**20 274**	**73 431**	**697 012**
- Interest income from loans and advances to customers, due from other banks and other placed funds	202 254	172 650	21 821	63 793	65 724	32 566	22 536	19 611	71 032	**671 987**
- Net fee and commission income from credit related operations	3 144	8 512	1 240	3 401	1 809	1 552	2 305	663	2 399	**25 025**
Gains less losses / (losses net of gains) arising from securities, derivative financial instruments and foreign currency	(1 508)	8 244	6 059	(2 571)	406	85	(1 359)	(245)	4 946	**14 057**
Interest expenses from due to other banks, customer accounts and bonds issued	(165 804)	(150 776)	(12 484)	(65 696)	(53 494)	(10 549)	(32 604)	(18 729)	(32 381)	**(542 517)**
(Provision)/recovery of provision for impairment*	24 706	(21 223)	(774)	(804)	(2 384)	(4 534)	1 666	63	(2 122)	**(5 406)**
Administrative and maintenance expense	(66 523)	(3 181)	(857)	(2 371)	(1 035)	(861)	(1 541)	(567)	(1 048)	**(77 984)**
- Including depreciation charge	(5 250)	(539)	(142)	(457)	(166)	(221)	(326)	(85)	(214)	**(7 400)**
Other expenses less other income*	(17 428)	(5 391)	57	837	191	347	(110)	116	263	**(21 118)**
Income tax expense	(8 266)	-	-	-	-	-	-	-	-	**(8 266)**
Interest expenses on subordinated debts	(11 971)	-	-	-	-	-	-	-	-	**(11 971)**
Profit/(loss) of reportable segments	**(41 396)**	**8 835**	**15 062**	**(3 411)**	**11 217**	**18 606**	**(9 107)**	**912**	**43 089**	**43 807**
Intersegment income/(expense)**	**(39 779)**	**61 131**	**(11 113)**	**21 419**	**433**	**(16 066)**	**16 779**	**2 787**	**(35 591)**	**-**
For the year ended 31 December 2023										
Revenue from external customers	**110 145**	**106 338**	**15 240**	**48 301**	**45 525**	**20 964**	**19 577**	**11 537**	**55 509**	**433 136**
- Interest income from loans and advances to customers, due from other banks and other placed funds	107 883	100 513	13 947	44 735	43 139	19 352	17 124	10 841	52 923	**410 457**
- Net fee and commission income from credit related operations	2 262	5 825	1 293	3 566	2 386	1 612	2 453	696	2 586	**22 679**
(Losses net of gains) / gains less losses arising from securities, derivative financial instruments and foreign currency	14 750	7 874	(721)	(4 613)	(2 981)	(108)	(1 622)	(3 052)	3 103	**12 630**
Interest expenses from due to other banks, customer accounts and bonds issued	(88 205)	(72 264)	(6 601)	(33 868)	(28 049)	(5 150)	(18 228)	(10 644)	(13 337)	**(276 346)**
Provision for impairment*	(20 449)	(38 846)	(1 040)	690	(2 177)	(1 216)	(6 378)	(298)	638	**(69 076)**
Administrative and maintenance expense	(63 446)	(2 801)	(857)	(2 093)	(901)	(811)	(1 417)	(493)	(970)	**(73 789)**
- Including depreciation charge	(5 087)	(487)	(131)	(400)	(152)	(202)	(291)	(77)	(199)	**(7 026)**
Other expenses less other income*	(4 331)	3 217	126	494	2 977	689	245	129	1 812	**5 358**
Income tax expense	(7 165)	-	-	-	-	-	-	-	-	**(7 165)**
Interest expenses on subordinated debts	(15 615)	-	-	-	-	-	-	-	-	**(15 615)**
Profit/(loss) of reportable segments	**(74 316)**	**3 518**	**6 147**	**8 911**	**14 394**	**14 368**	**(7 823)**	**(2 821)**	**46 755**	**9 133**
Intersegment income/(expense)**	**15 982**	**26 022**	**(3 788)**	**4 197**	**(8 069)**	**(14 677)**	**12 813**	**5 740**	**(38 220)**	**-**
Total assets										
31 December 2024	2 886 606	2 218 697	212 434	704 090	525 385	259 736	291 519	191 902	535 261	**7 825 630**
31 December 2023	4 189 601	1 740 706	198 275	629 582	487 047	241 129	287 626	166 992	534 215	**8 475 173**
Total liabilities										
31 December 2024	2 686 620	2 209 380	197 280	706 946	513 951	240 910	300 314	190 972	492 020	**7 538 393**
31 December 2023	4 003 428	1 737 078	192 094	620 448	472 550	226 739	295 349	169 815	487 455	**8 204 956**

* Other expenses less other income include losses from disposal of loans under cession agreements.

** Intersegment income and expense are used by CODM for information purpose only and not for identification of profit or loss of the operating segments.

27 Segment Analysis (Continued)

Intersegment income and expenses include transfer income and expenses, staff costs and gains less losses / (losses net of gains) from dealing in foreign currency.

(d) Reconciliation of reportable segment revenues, profit or loss, assets and provision for loan impairment

The Group recognizes losses net of gains from cessions on loans and advances to customers as part of the provision for loan impairment.

Reconciliation of income of the reportable segments for the reporting period ended 31 December 2024 and 31 December 2023 is as follows:

In millions of Russian Roubles	**2024**	**2023**
Total income of reportable segments after tax	**43 807**	**9 133**
Effect of consolidation	(19 190)	5 254
Adjustments of provision for impairment	2 342	10 663
Accounting for financial instruments at fair value	2 503	4 986
Adjustments of perpetual bonds	118	145
Adjustments of financial assets and liabilities carried at amortised cost	1 190	1 112
Recovery of previously recognized impairment on revaluation of premises	3 122	-
Other	5 933	554
The Group's profit under IFRS (after tax)	**39 825**	**31 847**

Reconciliation of assets of the reportable segments for the reporting period ended 31 December 2024 and 31 December 2023 is as follows:

In millions of Russian Roubles	**31 December 2024**	**31 December 2023**
Assets of reportable segments	**7 825 630**	**8 475 174**
Elimination of settlements between branches	(2 012 062)	(3 387 275)
Credit loss expenses	(205 598)	(242 439)
Exclusion of intragroup transactions	21	(44 504)
Effect of consolidation	36 605	20 204
Revaluation of debt securities at fair value	(13 186)	(10 573)
Adjustments of financial assets carried at amortised cost	(14 054)	(13 765)
Accumulated depreciation of premises and intangible assets	(48 189)	(40 883)
Other	(2 816)	(9 720)
The Group's assets under IFRS	**5 566 351**	**4 746 219**
Credit loss allowance of reportable segments	**(182 717)**	**(184 020)**
Allowance for ECL under IFRS	4 493	(614)
Provision for impairment of other financial assets	(20 987)	(30 627)
Provision related to the effect of consolidation	(9 582)	(17 364)
The Group's allowance for ECL for loans and advances to customers under IFRS	**(208 793)**	**(232 625)**

27 Segment Analysis (Continued)

Reconciliation of material items of income and expenses for the years ended 31 December 2024 and 31 December 2023 is as follows:

In millions of Russian Roubles	2024	2023
Total revenue of reportable segments from external customers	**697 012**	**433 136**
Reclassification of income not included in segment revenue	8 065	7 916
Interest income related to effective interest rate implication	(3 946)	1 001
Effect of consolidation	18 602	8 710
The Group's revenue under IFRS*	**719 733**	**450 763**
Total interest expenses of reportable segments	**(554 488)**	**(291 961)**
Reclassification of interest expense not included in segment interest expenses	(837)	(843)
Effect of consolidation	2 065	2 671
The Group's interest expense under IFRS	**(553 260)**	**(290 133)**
Credit loss allowance of reportable segments	**(5 406)**	**(69 076)**
Credit loss allowance under IFRS and effect of disposal of loans	(776)	15 896
Provision related to the effect of consolidation	(26 794)	6 122
The Group's allowance for ECL under IFRS	**(32 976)**	**(47 058)**
Administrative and maintenance expenses of reportable segments	**(77 984)**	**(73 789)**
Effect of consolidation	(9 989)	(6 868)
Other	514	478
The Group's administrative and other operating expenses under IFRS	**(87 459)**	**(80 179)**

* Group's revenue under IFRS comprises of interest income and net fee and commission income.

The CODM reviews financial information prepared based on Russian accounting standards adjusted to meet the requirements of internal reporting. Such financial information differs in certain aspects from IFRS:

- Balances of intercompany settlements related to regional branches of the Bank are presented under RAR as assets and liabilities, while in IFRS such balances are shown on a net basis.

All other adjustments also result from the differences between RAR (used as the basis for management reporting) and IFRS.

(e) Major customers

The Group does not have any customer, from which it earns revenue representing 10% or more of the total revenues.

28 Risk Management

The purpose of the Group's risk management policy is to maintain acceptable levels of risks determined by the Group with consideration of its approved strategic goals. The Group's priority task is to ensure the maximum safety of assets and capital through minimizing exposures that can lead to unforeseen losses. Group provides coordinated management of significant risks such as credit risk, market risk, concentration risk, liquidity risk, interest rate risk, regulatory risk, strategic risk and operational risk across all levels of activity.

The Group has a multi-level system of decision-making, monitoring and risk management.

The Bank's Supervisory Board approves the risk management policy and risk and capital strategy, consequently, is responsible for creating and monitoring the operation of the Group's risk management system in general. Its competence also covers decisions relating to significant risks, reviewing reports on risks accepted by the Group and reports on the results of stress testing.

The Bank's Management Board monitors the functioning of the risk management system, approves documents and procedures for identification, evaluation, determination of acceptable risk level, selection of response actions (acceptance, limitation, reallocation, hedging, avoidance) and monitoring thereof.

Operational risk management is carried out by the Bank's Management Board, its Chairman, Risk Management Committee and other special collegiate bodies of the Group, and also by separate structural divisions of the Group and executives on the basis of their competence.

The Risks Department provides independent analysis and evaluation of risks. The competence of the Risk Department also includes methodological support of risk management system, the implementation of the principles and methods of identification, assessment and monitoring of financial risks (credit, market, currency, interest rate, liquidity risk) and operational risk, including those at the regional level.

Additionally, the function of certain risks management is performed by other departments of the Bank: Legal Department, Strategy Development Department, Public and Marketing Relations Department, Internal Treasury Department and Compliance Control Department.

The Bank's authorized bodies on a regular basis consider the Bank's performance, approve and revise measures to facilitate the early detection of changes in the external and internal factors, and to minimize the adverse consequences for the Bank.

According to the Risk management policy, the key objectives of the bank's risk management system are as follows:

- Maintaining the Bank's activity on the "going concern" basis;
- Providing the Bank's financial stability;
- Development of risk culture/risk-oriented model within the Bank.

In order to ensure stable operation, the Bank took the following steps.

In 2024 the Bank carried out and/or initiated the following measures related to the development of credit risk management.

- The Bank continues to develop a rating system by widening the amount of internal credit rating models for more accurate credit risk assessment and increase of the amount of balance sheet assets and credit equivalents of credit related commitments subject to internal credit rating models.
- The further development and implementation of internal credit ratings in the system of decision-making, as well as in determining the premium for credit risk, establishing and incorporation of risk-rules on credit products and determining the authority to take on credit risk is in progress.
- The Bank has implemented a multi-level system of authorities and limits for the acceptance of different types of risks. The system of limits is reviewed on a regular basis at least once a year.
- There is a hierarchy to the Risks Department in regional branches operating through Risk Assessment and Control Units for independent on-site control over the level of risks taken by the branches and operating offices. Also, the role of risk managers in decision-making process was increased.
- Within the framework of retail lending a number of optimization measures have been carried out aimed at improving the efficiency of the retail lending process.

In order to develop market risk management system, in 2024 the Bank continued to implement measures for automation of the system for control over the level of risk.

28 Risk Management (Continued)

In order to improve financial stability in the event of a crisis in the economy and financial markets, the Supervisory Board of the Bank has approved and is reviewing on a regular basis the Financial Stability Recovery Plan. This Plan is sent to the Bank of Russia on an annual basis and provides for measures to restore financial stability in the event of stress scenarios.

In order to ensure the continuity of the Bank's activities and limit losses in the event of adverse circumstances that could adversely affect its activities, the Bank complies with the requirements of the Action Plan aimed at ensuring the continuity of activities and (or) restoration of the Bank's activities in the event of non-standard and emergency situations.

Credit risk. The Group is exposed to credit risk, which is the risk that counterparty and/or third party under the financial obligations contract will cause a financial loss for the other party by failing to discharge an obligation completely and timely in accordance with contract terms (including operations in financial markets). The credit risk assessment of derivative financial instruments and repo transactions also includes counterparty credit risk, which is the risk of the counterparty's default before transactions settlement. The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets on the consolidated statement of financial position. For guarantees and commitments to extend credit, the maximum exposure to credit risk is the amount of the commitment. Refer to Note 31.

Credit risk management aims to maintain the proper quality of the loan portfolio by optimizing the industry, regional and product structure of the loan portfolio, the implementation of a systematic approach to the management of credit risk, based on the principles of risk awareness, power-sharing assessment and risk-taking, monitoring and control.

The management of credit risk of the Bank comprises determination and evaluation risk before transactions exposed to credit risk, limitation of credit risk, with correspondent limits, structuring of the deals, subsequent monitoring and controlling of credit risk level.

Credit risk management is carried out by the Bank's management bodies, collegiate authorized management bodies and executives within their scope of authorities compliance with which is monitored on an ongoing basis.

The Bank's authorized management bodies approve internal regulations that contain formalized descriptions of risk evaluation procedures and processes for provision and servicing of credit products.

The Bank selects credit projects with consideration of the purpose of lending, primary sources of repayment of the loan. On mandatory basis Bank assesses risk factors associated with borrower's financial position and its trends, borrower's ownership structure and reputation, credit history, state of the economic sector and region (including in relation to a group of persons related to the borrower).

In selecting lending and investment programs, priority rests with the agricultural sector and related industries, which support and service agricultural producers. The loan portfolio industry concentration risk is mitigated by:

- Limiting risk exposure to single borrower;
- Lending to the entire cycle of agricultural product turnover (production, storage, processing and sales to ultimate consumers);
- Lending to borrowers with different specialisation in different regions;
- A combination of several types of production in one entity typical for agricultural producers; and
- Diversification of investments in highly effective and reliable projects in other economic sectors.

Within credit risk management process (including counterparty credit risk), the Bank uses risk mitigating instruments (including accepting liquid collateral, guarantees, entering into general agreements to regulate collateral provision terms) and price making that takes into account assumed credit risk.

While using instruments that reduce credit risk the Bank assesses residual risks arising from the fact that the instruments used can fail to provide an expected effect (for example, in case of realisation of legal or liquidity loss risk in relation to accepted collateral). Residual risk can be realized in inability to sell accepted collateral, refusal or deferral of guaranteed payments, as well as the usage of improperly drawn documents.

Control of concentration risk (credit, market) related to the accepted security on financial market is mainly carried out by setting limits on accepted securities in the form of collateral. The Bank also establishes transaction restrictions on counterparties with securities for individual issuers. These restrictions are designed to diversify portfolio of counterparties, as a result, they reduce risk concentration.

28 Risk Management (Continued)

The Bank uses different methods of securing execution of contractual obligations by borrowers in the form of pledge of property or ownerhip rights (with approval of a list of pledged items subject to obligatory insurance by insurers accredited by the Bank), guarantees and warranties from third parties.

The Risk Department operates its internal rating models which are validated anually. The Bank runs separate models for its key portfolios in which its customers are rated from 1+ to D using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Where practical, they also build on information from the national and international external rating agencies. PDs, incorporating forward looking information and the IFRS 9 stage classification of the exposure, are assigned for each grade. The Bank's internal credit rating grades are as follows:

Internal rating	Average PD	Min PD	Max PD	ACRA	Expert RA	Credit risk level
From 1+ to 2-	From 0,03% to 0,35%	From 0,00% to 0,27%	From 0,04% to 0,40%	From AAA to BBB-	From ruAAA to ruBBB-	**Low** High ability to fulfill financial obligations in full. Corresponds to the investment ratings of the international rating agencies.
From 3+ to 4-	From 0,46% to 1,83%	From 0,40% to 1,60%	From 0,53% to 2,10%	From BB+ to BB-	From ruBB+ to ruBB-	**Moderate** Adequate ability to meet financial obligations in the medium term. Possible deterioration of the financial position in case of adverse economic conditions.
From 5+ to 6-	From 2,42% to 9,60%	From 2,10% to 8,36%	From 2,77% to 11,02%	From B+ to B-	From ruB+ to ruB-	**Increased** Adequate ability to meet financial obligations in the short term. In case of unfavorable economic conditions, difficulties in servicing obligations in time and in full are likely to occur.
From 7+ to D+	From 12,65% to 28,95%	From 11,02% to 25,22%	From 14,52% to 33,24%	From CCC to C	From ruCCC to ruC	**High** Difficult fulfillment of obligations on time and in full. Possible overdue liabilities. Protective actions of creditors (lawsuits, sale of collateral).
D	100,00%	33,24%	100,00%	D	D	**Default**

Market risk. The Group takes on exposure to market risk arising from open positions in (a) currency, (b) interest, (c) equity and (d) commodity instruments. The market risk of the subsidiaries is estimated to be non-material due to proportion and structure of their assets and liabilities.

Market risks are managed by means of identifying, evaluating, forecasting market prices, currency rates and market interest rates, determining the acceptable level of risk on open positions, setting limits (creating a system of limits enabling to minimise losses in case of unfavourable market changes) and developing risk hedging mechanisms.

The responsibility of managing the Bank's market risk rests with the Management Board, Risk Management Committee and the Asset and Liabilities Management Committee within their competence.

The responsibility for operational managing of market risk, implementing market risk management policies and complying with set limits rests with the heads of structural units that carry out transactions exposed to market risk.

28 Risk Management (Continued)

The Bank's exposure to market risks is analysed by the Department of Operations on Financial Markets, Internal Treasury Department, the Capital Markets Department and the Risks Department within their competence.

The Bank has contingency plans in case of unfavourable market fluctuations in the value of trading financial instruments, derivative financial instruments, exchange rates and potential losses associated with changes in interest rates. These actions constitute an integral part of the Bank's risk management system and serve a preventive measure for ensuring the continuity of the Bank's operations and safety of the Bank's capital.

Decision-making authority in the event of sudden market changes is on the Chairman of the Management Board, Risk Management Committee or the Asset and Liabilities Management Committee depending on specified limiting control procedure.

Any additional expenses that need to be incurred for covering financial losses are approved by the Bank's Management Board.

The responsibility for reviewing and preparation of reports for the Bank's management, for providing information for assigning credit ratings by international rating agencies and for regulators rests with the Risks Department.

The Risks Department's functional duties cover independent of the business unit evaluation, review and control of the actual level of the Bank's market risk exposure, agreeing and monitoring limits and monitoring transactions with financial instruments.

The Bank's business units (the Capital Markets Department, Department of Operations on Financial Markets and the Internal Treasury Department) and the Operations Department are also in charge of current monitoring over exposed to market risks positions in the process of entering into and accounting for transactions.

The Risks Department jointly with business units, creates the regulatory basis for risks evaluation and interaction of the Bank's units in the process of identification and management of market risks, and also summarizes and optimises the system of monitoring market risk.

Market risk is also mitigated by setting limits, which are set taking into account the risk-appetite and the Bank's strategy. When setting limits, the Bank considers several factors, such as market environment, financial position and business trends.

Limits are regularly reviewed and updated by the Bank's authorised bodies. The Risks Department monitors limits and reports information on compliance with the set limits to the Bank's management. The Risks Department also considers and agrees all limits proposed by business units for carrying out new types of transactions.

The Bank has a hierarchy of limits: structural limits, positional limits, stop-loss limits, limits on transactions' parameters, etc. The Risks Department is improving the system of limits on an ongoing basis.

The Bank sets limits on:

- The maximum volume of investments in certain types of assets or liabilities;
- The maximum level of losses and gains in case of changes in financial instruments' prices (stop-loss);
- Authorities of the Bank's staff to adopt independent decisions concerning certain types of transactions (personal limits);
- The maximum allowed relation between certain ratios on assets and liabilities, including off-balance sheet claims and liabilities (open position limit, limits on other comparative figures); and
- Various characteristics of financial instruments (discounts, etc.).

Management of currency risk and the risk of general and specific market movements. Currency risk and risk of general and specific market movements is assessed on the basis of the VAR method (Value At Risk). This method represents a statistical evaluation of the ratio characterising the maximum amount of possible losses on a financial instrument/portfolio of different financial instruments with a specified probability and for a certain period of time. Reports on the level of market risk are issued on the basis of the approved Methodology for Market Risk Evaluation and provided by the Risks Department to the Bank's management and heads of structural units concerned in compliance with the internal regulatory documents. VAR is calculated by historical method.

28 Risk Management (Continued)

The Bank calculates VAR on the basis of a 95% or 99% confidence level and makes evaluations on the basis of retrospective information on closing prices (as the most dynamic and precise in terms of risk evaluation) for 250 days, evaluation horizon is one or 30 days.

VAR calculation is shown in management reports in two forms: relative (in percentage terms) and absolute (in Russian Roubles). Relative VAR shows the maximum possible loss as per RR 1 of investments, and absolute VAR — maximum losses on the current open position during the period of evaluation.

Together with VAR, the Bank calculates ES indicator (Expected Shortfall), which represents monetary value of expected losses in case of VAR excess.

Back-testing of methods used is conducted quarterly.

The Bank monitors currency position for each currency and the amount of all foreign currency positions in accardance with the requirements of the Bank of Russia, by complying with the limits set by the regulator. In 2024 and 2023 the Bank complied with the limits established for open currency position.

In 2024, the Bank of Russia changed its approach to the limits of the open currency positions estimate including the ratio to the capital of the Bank: in 2024, the value of open currency positions relates to the amount of the Bank's core capital, in 2023 — to the amount of Bank's capital (equity).

The assessment and control of currency risk is carried out both in an aggregated form and by types of foreign currencies.

The below table shows possible changes in financial results and equity during one day as a result of possible fluctuations in exchange rates of foreign currencies, evaluated on the basis of VAR and ES methods with 99% confidence level.

In millions of Russian Roubles	**31 December 2024**	**31 December 2023**
Sum of all (short) / long positions	(13 308)	8 542
VAR	157	162
Expected Shortfall	186	164

***Liquidity risk*.** Liquidity risk is defined as the risk of the Group's inability to meet its obligations on a timely and full basis. The Group is exposed to daily calls on its available cash resources from customer accounts, demand deposits, maturing interbank loans (deposits), repayment of term deposits and issued securities, loan draw downs, payment on guarantees and cash settled derivative instruments. The Group does not maintain cash resources to meet all its obligations as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

The Group manages liquidity risk on the basis of the following principles:

- Segregation of duties between the Groups's management bodies, its collegial working bodies, structural units and executives;
- Setting limits ensuring an optimal liquidity level and corresponding to the Group's financial position;
- Priority of maintaining liquidity over profit maximisation;
- Excluding conflicts of interest in organising the liquidity management system; and
- Optimal matching of the volumes and maturities of funding sources with the volumes and maturities of placed assets.

The responsibility for liquidity management rests with the Bank's Management Board, Risk Management Committee, Assets and Liabilities Management Committee and the Internal Treasury Department within their competence. Ensuring the solvency of the Bank within one business day and controlling the liquidity within 30 days is carried by the Department of Internal Treasury and the Department of Operations on Financial Markets within the established limits on attraction/placement of funds in the money market. In case of necessity to attract/place funds in the volumes exceeding the set limits, such decisions are made by the Bank's Management Board (Assets and Liabilities Management Committee). Medium-term and long-term liquidity management is carried out with consideration of information and proposals provided by the Department of Internal Treasury and Risks Department at each end of reporting period.

28 Risk Management (Continued)

The Group manages liquidity risk using the following basic methods:

- Evaluating the daily payment position on the basis of cash flow analysis;
- Reviewing the actual values and changes in mandatory liquidity ratios;
- Evaluating structure and quality of assets and liabilities;
- Limiting active operations;
- Analysing maturity gaps of the Group on the basis of the most likely claim/repayment dates by main currencies; and
- Analysing the Group’s exposure to liquidity risk with consideration of stress factors’s impact on various scenarios covering standard and more unfavourable market conditions.

Information on financial assets and liabilities (their structure and gaps within certain time intervals) is used in management decisions on the Group’s liquidity maintenance at an adequate level. Internal Treasury Department is responsible to maintain short-term assets portfolio of liquid trading securities, deposits with banks and other interbank instruments.

The Group maintains a stable financing base consisting mainly of funds that were attracted through term deposits from individuals and legal entities, placement of bond loans, issuance of own promissory notes, an increase in the Group's current resources in the form of an increase in customer account balances, as well as interbank borrowings.

The Group develops and instantly reviews a contingency plan for maintaining the necessary liquidity level with consideration of any changes in the Group’s financial position and volume and nature of its transactions. In case of a liquidity crisis and additional expenses to be incurred in this respect, as well as for coverage of incurred or potential financial losses all decision-making responsibilities are transferred to the Management Board, Risk Management Committee and Assets and Liabilities Management Committee.

Compliance with liquidity requirements set by the Bank of Russia is forecasted on a regular basis for the Group and for the Bank in general with consideration of the branch network.

For the purpose of additional management of the Group’s term liquidity in general, the Group uses liquidity limits which is supervised by the Risks Department as part of ongoing monitoring.

The table below shows distribution of financial liabilities as at 31 December 2024 by their remaining contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows of the Group’s financial liabilities and off-balance sheet credit related committments. Such undiscounted cash flows differ from the amount included in the statement of financial position, since the amount in statement of financial position is based on discounted cash flows. Net settled derivative financial instruments are included at the net amounts expected to be paid. In respect of gross settled derivative financial instruments, payments are presented for related cash inflows and outflows separately.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

28 Risk Management (Continued)

The maturity analysis of undiscounted financial liabilities as at 31 December 2024 is as follows:

In millions of Russian Roubles	Demand and less than 30 days	Due between 31 and 180 days	Due between 181 days and 1 year	From 1 to 3 years	More than 3 years	Total
Financial liabilities						
Gross settled derivative financial instruments (including derivative financial assets)						
- inflow	(73 555)	-	(461)	(94)	(100 267)	**(174 377)**
- outflow	73 798	-	413	-	76 273	**150 484**
Net settled derivative financial instruments (including derivative financial assets)	(189)	150	40	53	-	**54**
Due to other banks	502 536	84 278	52 323	3 085	-	**642 222**
Customer accounts	1 888 199	1 903 763	185 988	276 870	3 748	**4 258 568**
Promissory notes issued	3 656	14 947	9 266	8 453	2 408	**38 730**
Bonds issued	6 455	30 106	15 778	105 116	42 678	**200 133**
Lease liabilities	242	1 511	1 809	4 950	3 230	**11 742**
Other financial liabilities	11 341	1 512	6	13	228	**13 100**
Subordinated debts	829	5 146	4 921	19 523	256 029	**286 448**
Off-balance sheet financial liabilities						
Guarantees issued	66 799	-	-	-	-	**66 799**
Other credit related commitments*	494 672	-	-	-	-	**494 672**
Total potential future payments for financial obligations	**2 974 783**	**2 041 413**	**270 083**	**417 969**	**284 327**	**5 988 575**

* Other credit related commitments include cancellable commitments, which are dependent on borrowers' compliance with certain creditworthiness criteria.

The maturity analysis of undiscounted financial liabilities as at 31 December 2023 is as follows:

In millions of Russian Roubles	Demand and less than 30 days	Due between 31 and 180 days	Due between 181 days and 1 year	From 1 to 3 years	More than 3 years	Total
Financial liabilities						
Gross settled derivative financial instruments (including derivative financial assets)						
- inflow	(54 746)	(25)	-	(569)	(95 902)	**(151 242)**
- outflow	55 010	25	-	319	78 062	**133 416**
Net settled derivative financial instruments (including derivative financial assets)	-	(9)	-	14	-	**5**
Due to other banks	224 547	24 277	1 620	55 303	-	**305 747**
Customer accounts	1 646 675	1 420 580	388 304	278 977	5 579	**3 740 115**
Promissory notes issued	8 550	4 522	4 010	10 239	3 218	**30 539**
Bonds issued	1 447	42 596	20 193	73 205	47 682	**185 123**
Lease liabilities	218	1 397	1 752	3 607	1 805	**8 779**
Other financial liabilities	15 460	389	43	687	319	**16 898**
Subordinated debts	2 040	6 539	6 647	49 850	240 534	**305 610**
Off-balance sheet financial liabilities						
Guarantees issued	66 643	-	-	-	-	**66 643**
Other credit related commitments*	401 937	-	-	-	-	**401 937**
Total potential future payments for financial obligations	**2 367 781**	**1 500 291**	**422 569**	**471 632**	**281 297**	**5 043 570**

* Other credit related commitments include cancellable commitments, which are dependent on borrowers' compliance with certain creditworthiness criteria.

Customer accounts are classified in the above analysis based on contractual maturities. However, in accordance with Russian Civil Code, individuals have a right to withdraw their deposits prior to maturity if they forfeit their right for accrued interest. Refer to Note 14.

The Group does not use the above undiscounted maturity analysis to manage liquidity. Instead, the Group monitors expected maturities.

28 Risk Management (Continued)

The table below summarizes contractual maturity analysis as at 31 December 2024:

In millions of Russian Roubles	Less than 1 year	More than 1 year	Undefined	Total
Financial assets				
Cash and cash equivalents	734 928	-	-	**734 928**
Mandatory cash balances with the Bank of Russia	16 152	-	-	**16 152**
Trading securities	30 697	-	-	**30 697**
Trading securites pledged under repurchase agreements	19 900	-	-	**19 900**
Due from other banks	34 558	12 186	-	**46 744**
Derivative financial instruments	435	24 050	-	**24 485**
Loans and advances to customers	1 627 626	2 401 714	-	**4 029 340**
Investment securities	39 783	410 952	436	**451 171**
Investment securities pledged under repurchase agreements	48	44 454	-	**44 502**
Reinsurance assets	35	6 731	-	**6 766**
Other financial assets	17 704	-	-	**17 704**
Total financial assets	**2 521 866**	**2 900 087**	**436**	**5 422 389**
Financial liabilities				
Derivative financial instruments	(560)	(93)	-	**(653)**
Due to other banks	(628 033)	(2 856)	-	**(630 889)**
Customer accounts	(3 847 798)	(271 538)	-	**(4 119 336)**
Promissory notes issued	(27 090)	(10 611)	-	**(37 701)**
Bonds issued	(31 521)	(107 619)	-	**(139 140)**
Other insurance liabilities	(38 462)	(22 433)	-	**(60 895)**
Other financial liabilities	(12 861)	(9 337)	-	**(22 198)**
Total financial liabilities before subordinated debts	**(4 586 325)**	**(424 487)**	**-**	**(5 010 812)**
Subordinated debts	(1 134)	(223 031)	-	**(224 165)**
Total financial liabilities	**(4 587 459)**	**(647 518)**	**-**	**(5 234 977)**
Net liquidity gap	**(2 065 593)**	**2 252 569**	**436**	**187 412**
Cumulative liquidity gap	**(2 065 593)**	**186 976**	**187 412**	**-**

28 Risk Management (Continued)

The table below summarizes contractual maturity analysis as at 31 December 2023:

In millions of Russian Roubles	Less than 1 year	More than 1 year	Undefined	Total
Financial assets				
Cash and cash equivalents	433 659	-	-	**433 659**
Mandatory cash balances with the Bank of Russia	8 958	-	-	**8 958**
Trading securities	39 374	2 909	-	**42 283**
Due from other banks	38 197	10 689	-	**48 886**
Derivative financial instruments	135	18 076	-	**18 211**
Loans and advances to customers	1 141 824	2 344 769	-	**3 486 593**
Investment securities	43 305	523 213	273	**566 791**
Investment securities pledged under repurchase agreements	706	-	-	**706**
Reinsurance assets	323	4 561	-	**4 884**
Other financial assets	15 198	-	-	**15 198**
Total financial assets	**1 721 679**	**2 904 217**	**273**	**4 626 169**
Financial liabilities				
Derivative financial instruments	(324)	(69)	-	**(393)**
Due to other banks	(247 811)	(46 867)	-	**(294 678)**
Customer accounts	(3 379 832)	(273 853)	-	**(3 653 685)**
Promissory notes issued	(16 746)	(11 718)	-	**(28 464)**
Bonds issued	(51 242)	(79 108)	-	**(130 350)**
Other insurance liabilities	(30 448)	(27 268)	-	**(57 716)**
Other financial liabilities	(15 892)	(8 475)	-	**(24 367)**
Total financial liabilities before subordinated debts	**(3 742 295)**	**(447 358)**	**-**	**(4 189 653)**
Subordinated debts	(2 004)	(232 205)	-	**(234 209)**
Total financial liabilities	**(3 744 299)**	**(679 563)**	**-**	**(4 423 862)**
Net liquidity gap	**(2 022 620)**	**2 224 654**	**273**	**202 307**
Cumulative liquidity gap	**(2 022 620)**	**202 034**	**202 307**	**-**

The matching and/or controlled mismatching of the maturities of assets and liabilities is fundamental to the management of the liquidity risks of the Group. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

Management believes that in spite of a substantial portion of customers' accounts being on demand diversification of these deposits by number and type of depositors, and the past experience of the Group would indicate that these customer accounts provide a long-term and stable source of funding for the Group.

Operational risk. Operational risk is the risk of direct and indirect losses as a result of imperfection or erroneous internal processes of the Bank/Group member, actions of personnel and other persons, failures and shortcomings of information, technological and other systems, as well as a result of external events.

As part of the operational risk management system, the Bank and the Group single out certain types of operational risk, including legal risk, information security risk (including cyber risk), and information systems risk.

28 Risk Management (Continued)

The main objectives of operational risk management in the Bank and the Group include:

- Identification, assessment and response to operational risk, incl. to prevent cases of realization of operational risk;
- Reduction of losses from realization of operational risk;
- Monitoring and control of the level of operational risk;
- Implementation of measures to maintain operational risk at a level that does not threaten the financial stability of the Bank/Group members and the interests of customers and counterparties;
- Observance by the Bank's employees / Group members of the Bank's / Group member's internal documents describing the operational risk management system.

Operational risk management procedures in the Bank and the Group include:

- Detection (identification) of information about operational risk / operational risk events;
- Collection and registration of information on operational risk / operational risk events;
- Description of information on operational risk / operational risk events, determination of losses and compensations from realization of operational risk events;
- Selection and application of a way to respond to operational risk / operational risk events;
- Monitoring the level of operational risk.

Identification and timely registration of operational risk events is carried out on an ongoing basis by all employees of the Bank/Group member in compliance with the requirements of internal documents of the Bank/Group member.

The Bank and the Group have identified the following possible ways to respond to operational risk:

- Avoidance of operational risk, which involves making a reasonable decision to abandon the type of activity, provision of the relevant type of services and operations due to the high level of operational risk in them;
- Acceptance of operational risk, which provides for a reasonable decision to accept possible losses from operational risk within the established limit of losses with a procedure for monitoring compliance with the limit;
- Transfer of operational risk, which provides for the adoption of an informed decision on insurance of operational risk, transfer of operational risk to another party — a counterparty and (or) a client (outsourcing);
- Planning activities aimed at reducing the negative impact of operational risk on the quality of processes, the amount of cumulative losses from the realization of operational risk.

The powers and functions of participants in the operational risk management system are set out in internal documents of the Bank/Group member.

During 2024 the operational risk management procedures in the Bank and the Group were updated, as well as measures aimed at improving the operational risk management system (hereinafter referred to as the ORMS) were implemented, including:

- Update of the methodological framework for operational risk management processes, including the updated Operational Risk Management Policy in Bank and Group;
- Methodological changes were introduced to the automated operational risk management system;
- The Bank's authorized body is regularly informed (at least on quarterly basis) by submitting an operational risk report for its consideration, including information on measures aimed at reducing losses from operational risk.

In 2025, the Bank continues to improve its operational risk management system.

28 Risk Management (Continued)

Insurance risk. In the process of carrying out insurance activities, the Group assumes the risk of losses from individuals and organizations that are directly exposed to risk. These risks may include the risk of damage to property, the risk of civil liability to third parties, the risk of an accident or illness, the risk of the insured person living to a certain age or period, or other events in the life of the insured person, the risk of death of the insured person, and other risks associated with the occurrence of an insured event. In assuming risks, the Group is subject to uncertainty as to the time of payment of the insurance indemnity and the severity of the damage. Insurance cases are random in nature, and their actual number and magnitude may differ from estimates made using statistical methods.

Insurance risk (actuarial tariff risk, actuarial reserve risk, underwriting risk, reinsurance operations risk, catastrophic event risk) — the risk of losses of insurance activities due to:

- Insufficient reserves formed to cover the Group's obligations to policyholders;
- Non-compliance of the tariff with the probability of occurrence of an insurance event and the predicted trends in the development of the risk accepted for insurance;
- Occurrence of catastrophic events (changes in weather and climate conditions, epidemics, etc.) or economic downturn;
- Exceeding your own retention limit and/or underestimating the degree of risk accumulation.

When organizing risk management processes, the Group strives to follow generally accepted international standards in this area.

The risk management process in the Group is a sequence of technologically related operations carried out within the framework of risk management activities and includes the following main stages:

- Risk identification — identification and classification of risks that could potentially affect the Group's current activities or planned operations.
- Regulation of the process of conducting operations subject to insurance risk (all operations subject to insurance risks are carried out within the limits:
    - Limits of self-retention;
    - Limits of authority of Agents/employees of selling divisions;
    - Limits the powers of the Underwriters;
    - Reinsurance of risks / part of risks taken by the Group in order to ensure the financial stability of the Group.
- Risk assessment — identification of key risk indicators and methods of quantitative and qualitative risk assessment for individual Group operations and the total risk accepted by the Group (including assessment of the level of insurance risk for operations/transactions/portfolios, calculation of tariff rates/deductibles).
- Risk management — development of tools for reducing the level of accepted risks, including setting limits and restrictions on the amount of risks accepted by the Group, taking into account the assessment of its performance.
- Risk monitoring and control — conducting regular checks of compliance with established limits and restrictions, forming risk reports on the level and acceptability of accepted risks, monitoring compliance with risk management procedures and their compliance with established requirements.

The group manages insurance risk through the use of established statistical methods, reinsurance of risk concentration, setting limits on underwriting, establishing transaction approval procedures, developing rules for setting insurance rates, and monitoring complex issues that arise.

The degree of uncertainty in the loss settlement process for each type of insurance varies depending on the specific nature of the risk and the length of the period required to claim losses and settle them.

The main assumption used in assessing liabilities is that the Group's insurance losses will develop in the future in the same way as losses in the past, with a number of possible assumptions. When assessing the extent to which previous trends may not repeat in the future, additional qualitative judgments must be applied. The judgment is used to assess the extent to which external factors such as economic downturns, changes in weather and climate conditions, outbreaks of epidemics, and others affect estimates.

28 Risk Management (Continued)

Obligations under insurance contracts are sensitive to the basic assumptions listed above.

The insurance risk under the insurance contract is the possibility of an insured event and the uncertainty of the corresponding amount of loss. The nature of the insurance contract is such that this risk is accidental and, accordingly, unpredictable. The group provides life insurance services and insurance other than life insurance: property insurance, agricultural insurance and individual accident insurance.

For a portfolio of insurance contracts that used probability theory in relation to pricing and reservation, the main risk associated with insurance contracts is that actual losses and insurance payments exceed the book value of insurance liabilities. This may be due to the fact that the frequency or significance of losses and payments will exceed the estimated level. Insurance events are random, and the actual amount and amounts of losses and payments for each year will differ from the amounts determined using actuarial methods. Factors that exacerbate insurance risk include a lack of diversification by type and level of risk, geographical location, and type of insurance policy holder.

Regulatory risk. Regulatory risk is the risk of the Group incurring losses due to non-compliance with the laws of the Russian Federation, regulations of the Bank of Russia, internal documents of the Group, standards of self-regulatory organizations (if such standards or rules are mandatory for the Group), as well as a result of the application of sanctions and/or other measures taken by supervisory authorities.

The objectives of the Group's regulatory risk management are to increase the efficiency of the Group's activities, primarily in the development of the financial and credit system of the agro-industrial complex of the Russian Federation, to protect the interests of shareholders, creditors and depositors of the Group by minimizing the Group's regulatory risk.

Based on these goals, the objectives of regulatory risk management are:

- Ensuring that the Group complies with Russian legislation, Bank of Russia regulations, SRO standards (if such standards or rules are mandatory for the Group), internal documents of the Group;
- Minimizing the risk of the Group incurring losses due to non-compliance with the laws of the Russian Federation, regulations of the Bank of Russia, internal documents of the Group, SRO standards (if such standards or rules are mandatory for the Group), as well as as a result of the application of sanctions and (or) other enforcement measures by the supervisory authorities.

Management of Capital in the Group's insurance business

The Group's objectives when managing capital of the insurance business segment is to comply with the capital requirements set by the Russian Federation in relation to the level of capital adequacy and regulatory authorities requirements in relation to insurance, as well as to ensure the Group's ability to continue as a going concern.

The Group's insurance companies are required to comply with the following minimum capital requirements (which are calculated using financial statements prepared in accordance with the requirements of Russian legislation):

- Requirement to exceed net assets over share capital set by Federal Law of 26 December 1995 No. 208-FZ *On Joint-Stock Companies*;
- Requirement to exceed net assets over share capital set by Federal Law No. 14-FZ of 8 February 1998 *On Limited Liability Companies*;
- Requirement for the minimum amount of share capital set by the Law of the Russian Federation of 27 November 1992 No. 4015-1 *On the Organization of Insurance Business in the Russian Federation*;
- Requirement set by the Bank of Russia Regulation No. 781-P *On the Requirements for Financial Stability and Solvency of Insurers* dated 16 November 2021. During 2023 and 2022 and as at 31 December 2023 and as at 31 December 2022, the Group's insurance companies complied with all the requirements set by the Bank of Russia for the level of capital.

28 Risk Management (Continued)

Strategic risk. The Group may be exposed to strategic risk in case of errors made in management, incl. when making decisions that determine the development strategy of the Group.

The emergence of a strategic risk may be due to the following factors:

- Mistakes/flaws made in the process of managing the Group, including when making decisions that determine the development strategy and promising areas of the Group's activities;
- A significant deviation of the actual macroeconomic indicators of the development of the economy and the banking sector from the forecast values included in the Group's development strategy;
- Deviation of the Group's key performance indicators from the targets set by the Group's development strategy.

As part of strategic risk management the Group undertakes the following:

- Conducts an analysis of the competitive environment, the banking services market and promising areas of activity when forming the Group's development strategy;
- Monitors the sufficiency of resources to achieve the set goals and objectives;
- Oversees the implementation of the Group's development strategy.

Decline in strategic risk is achieved through:

- The development of documents defining the Group's development strategy and measures to achieve strategic goals;
- Monitoring the implementation of the Group's development strategy and measures to achieve strategic goals, as well as updating them (if necessary);
- Regularly informing the Group's management bodies about the degree of achievement of the planned strategic indicators and the reasons for deviations in order to make appropriate management decisions;
- Delimitation of powers to make strategic decisions;
- Monitoring the market of banking products and services to identify potential new areas of activity.

29 Offsetting Financial Assets and Financial Liabilities

The tables below show financial assets offset against financial liabilities and financial liabilities offset against financial assets in the statement of financial position, as well as the effect of enforceable master netting agreements (ISDA, RISDA and other) and similar arrangements that does not result in an offset in the statement of financial position as at 31 December 2024 and 31 December 2023:

In millions of Russian Roubles	**Gross amounts before offsetting in the statement of financial position**	**Gross amounts set off in the statement of financial position**	**Net amount after offsetting in the statement of financial position**	**Amounts subject to master netting and similar arrangements not set off in the statement of financial position**		**Net amount of exposure**
				Financial instruments	**Collateral received**	
Assets subject to offsetting, master netting and similar arrangement						
Assets on reverse repo deals	10 736	-	**10 736**	-	10 736	**-**
Derivative financial instruments	24 096	-	**24 096**	(11)	(48)	**24 037**
Liabilities subject to offsetting, master netting and similar arrangement						
Derivative financial instruments	253	-	**253**	(11)	(734)	**(492)**
Liabilities on direct repo deals	51 607	-	**51 607**	(51 607)	-	**-**

29 Offsetting Financial Assets and Financial Liabilities (Continued)

In millions of Russian Roubles	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position: Financial instruments	Amounts subject to master netting and similar arrangements not set off in the statement of financial position: Collateral received	Net amount of exposure
Assets subject to offsetting, master netting and similar arrangement						
Assets on reverse repo deals	7 457	-	**7 457**	-	7 457	**-**
Derivative financial instruments	17 919	-	**17 919**	(72)	(48)	**17 799**
Liabilities subject to offsetting, master netting and similar arrangement						
Derivative financial instruments	303	-	**303**	(72)	(735)	**(504)**
Liabilities on direct repo deals	691	-	**691**	(691)	-	**-**

The Group has master netting arrangements with stock exchange and counterparty banks, which are enforceable in case of default. In addition, applicable legislation allows an entity to unilaterally set off trade receivables and payables that are due for payment, denominated in the same currency and outstanding with the same counterparty. Information on such balances is subject to disclosure as they were set off in the statement of financial position.

30 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 2024 and 2023, 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 2024 and 2023 the Bank's capital adequacy ratio in accordance with the Bank of Russia requirements exceeded the minimum level and as at 31 December 2024 and 31 December 2023 was as follows:

In millions of Russian Roubles	31 December 2024	31 December 2023
Capital of the Bank	563 078	590 249
CET1 Ratio (N1.1)	6,7%	8,1%
Tier1 Ratio (N1.2)	8,0%	9,5%
Capital Adequacy Ratio (N1.0)	12,4%	14,9%

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*.

31 Contingencies and Commitments

Legal proceedings. From time to time in the normal course of business, claims against the Group are received. As at 31 December 2024, based on its own estimates and both internal and external professional advice the Group's management is of the opinion that no material losses will be incurred in respect of the claims in excess of the amounts already provided for in these consolidated financial statements (31 December 2023: Group's management is of the opinion that no material losses will be incurred in respect of the claims in excess of the amounts already provided for in these consolidated financial statements).

Tax contingencies. The current Russian tax legislation is vaguely drafted and allows for varying interpretations and selective and inconsistent application by regulatory authorities. It is also subject to changes that can occur frequently, often at short notice, and may apply retrospectively. In particular, numerous and substantial changes were introduced to the Russian tax legislation in 2022-2024 in response to the ongoing geopolitical situation, some of the changes were designed to ease the effects of economic sanctions imposed on Russian taxpayers. Other changes sought to expand measures aimed at deterring abusive practices violating the tax legislation. In addition, certain provisions of a number of international tax treaties were suspended. The procedure for applying the amended provisions may raise questions, and the application practices have not been well established. Therefore, interpretation by the Group's management of the legislation as applied to the transactions and activities of the Group may be challenged by the relevant regional or federal authorities.

Recent trends in the application and interpretation of certain provisions of the Russian tax legislation indicate that the tax authorities may take a more assertive position in their interpretation. The tax authorities may thus challenge transactions and approaches to applying the Russian tax legislation that they have not challenged before. As a result, additional taxes, penalties and interest may be assessed to taxpayers. Currently, it is not possible to determine the amounts of potential claims that have not been filed or assess the probability of a negative outcome.

As a general rule, field tax audits, other than those focusing on transfer pricing, may cover three calendar years immediately preceding the year in which the decision to conduct a tax audit is made. Under certain circumstances, earlier tax periods may also be reviewed. The Bank is subject to tax monitoring, that influences on order and basis of a physical inspection. In general, the tax authorities are not entitled to carry out tax inspection during period of tax monitoring.

Russian transfer pricing legislation allows the tax authorities to apply transfer pricing adjustments and assess additional income tax and value added tax liabilities in respect of 'controlled' transactions if the price used in a transaction differs from the arm's length price. The list of 'controlled' transactions includes transactions between related parties, as well as certain types of transactions between unrelated parties that are treated as controlled transactions. The Group's income (expenses) from 'controlled' transactions in the reporting period were determined based on actual prices in the transactions.

Although a substantial portion of domestic transactions in Russia are not subject to transfer pricing control under the Russian tax legislation, territorial tax authorities may review prices used in such transactions between related parties, e.g., for compliance with provisions dealing with tax abuses.

As at 31 December 2024, management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax, currency and customs positions will be sustained.

As at 31 December 2024, the Management of the Group believes that its interpretation of the applicable legislation is reasonable and will be sustained.

Compliance with covenants. The Group is subject to certain covenants primarily relating to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including an increase of the borrowing costs and announcement of the default. The Group's Management believes that the Group is in compliance with the covenants.

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Financial guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralized by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

31 Contingencies and Commitments (Continued)

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Outstanding credit related commitments and performance guarantees are as follows:

In millions of Russian Roubles	**31 December 2024**	**31 December 2023**
Undrawn credit lines	453 039	363 143
Guarantees issued	66 799	66 643
Provision for ECL	(2 484)	(1 844)
Total credit related commitments and guarantees issued	**517 354**	**427 942**

An analysis of changes in the ECLs of credit related commitments during the year ended 31 December 2024 are as follows:

In millions of Russian Roubles	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECLs as at 1 January 2024	**1 061**	**-**	**14**	**1 075**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	(2)	-	2	**-**
Impact on period end ECL of exposures transferred between stages during the period (including expense on new issue and income from repayments)	621	-	(3)	**618**
ECLs as at 31 December 2024	**1 680**	**-**	**13**	**1 693**

An analysis of changes in the ECLs of credit related commitments during the year ended 31 December 2023 are as follows:

In millions of Russian Roubles	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECLs as at 1 January 2023	**1 871**	**-**	**-**	**1 871**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	(1)	-	1	**-**
Impact on period end ECL of exposures transferred between stages during the period (including expense on new issue and income from repayments)	(809)	-	13	**(796)**
ECLs as at 31 December 2023	**1 061**	**-**	**14**	**1 075**

31 Contingencies and Commitments (Continued)

An analysis of changes in the ECLs of guarantees issued during the year ended 31 December 2024 are as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
ECLs as at 1 January 2024	**769**	**-**	**-**	**769**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Impact on period end ECL of exposures transferred between stages during the period (including expense on new issue and income from repayments)	22	-	-	**22**
ECLs as at 31 December 2024	**791**	**-**	**-**	**791**

An analysis of changes in the ECLs of guarantees issued during the year ended 31 December 2023 are as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
ECLs as at 1 January 2023	**908**	**-**	**-**	**908**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
Impact on period end ECL of exposures transferred between stages during the period (including expense on new issue and income from repayments)	(139)	-	-	**(139)**
ECLs as at 31 December 2023	**769**	**-**	**-**	**769**

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded.

Analysis by credit quality in relation to credit related commitments and guarantees issued as at 31 December 2024 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Low credit risk	91 028	257	5	**91 290**
Moderate credit risk	372 826	981	11	**373 818**
Increased credit risk	45 236	160	9	**45 405**
High credit risk	-	9	38	**47**
Default	-	-	-	**-**
Unrated*	9 278	-	-	**9 278**
Total credit related commitments (before impairment)	**518 368**	**1 407**	**63**	**519 838**
Provision for ECL	(2 471)	-	(13)	**(2 484)**
Total credit related commitments	**515 897**	**1 407**	**50**	**517 354**

* Credit related commitments of individuals.

31 Contingencies and Commitments (Continued)

Analysis by credit quality in relation to credit related commitments and guarantees issued as at 31 December 2023 is as follows:

In millions of Russian Roubles	Stage 1	Stage 2	Stage 3	Total
Low credit risk	69 669	111	-	**69 780**
Moderate credit risk	312 420	2 889	-	**315 309**
Increased credit risk	33 493	351	-	**33 844**
High credit risk	-	610	-	**610**
Default	-	-	-	**-**
Unrated*	10 223	7	14	**10 244**
Total credit related commitments (before impairment)	**425 805**	**3 968**	**14**	**429 787**
Provision for ECL	(1 845)	-	-	**(1 845)**
Total credit related commitments	**423 960**	**3 968**	**14**	**427 942**

* Credit related commitments of individuals.

Assets pledged and restricted. The Group has the following assets pledged and restricted:

In millions of Russian Roubles	31 December 2024	31 December 2023
Assets pledged under loan agreements with banks (including the Bank of Russia)	376 625	251 898
Investment securities pledged under repurchase agreements with banks	64 402	706

As at 31 December 2024, mandatory cash balances with the Bank of Russia in the amount of RR 16 152 million (31 December 2023: RR 8 958 million) represent mandatory reserve deposits which are not available to finance the Group's day to day operations.

As at 31 December 2024 and 31 December 2023, assets pledged under loan agreements with banks (including the Bank of Russia) mainly include loans and advances to customers pledged to the Bank of Russia under loan agreements in accordance with the Bank of Russia Act No. 5930-U *On the Forms and Conditions of Refinancing of Credit Institutions Secured by Assets* dated 15 September 2021.

Financial assets transferred without derecognition. Transferred financial assets that are not derecognized in their entirety are represented by securities transferred without derecognition and pledged under repurchase agreements. As at 31 December 2024 the associated liabilities of these agreements in the current amount of RR 51 607 million (31 December 2023: RR 691 million) were included in due to other banks.

The following table provides a summary of financial assets transferred without derecognition:

	31 December 2024		31 December 2023	
In millions of Russian Roubles	Carrying amount assets	Carrying amount associated liabilities	Carrying amount assets	Carrying amount associated liabilities
Repurchase agreements				
Corporate eurobonds	34 250	26 855	-	-
Federal loan bonds (OFZ)	20 112	19 144	706	691
Corporate bonds	10 040	5 608	-	-
Total	**64 402**	**51 607**	**706**	**691**

32 Derivative Financial Instruments

Foreign exchange derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties. As a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms, derivative financial instruments are recognised as assets (in case of positive fair value) or liabilities (in case of negative fair value).

The table below reflects gross positions in derivative financial instruments before netting of any counterparty positions as at 31 December 2024 and as at 31 December 2023 and covers the contracts with settlement dates after the respective end of the reporting period:

	31 December 2024		**31 December 2023**	
In millions of Russian Roubles	**Positive fair value**	**Negative fair value**	**Positive fair value**	**Negative fair value**
Forwards				
- Securities	23 995	-	17 839	(192)
- Currency	-	-	4	-
Swaps				
- Interest rate	252	(264)	27	(9)
- Currency	11	(254)	34	(106)
Options				
- Precious metals	133	(135)	55	(56)
- Securities	94	-	224	-
- Interest rate	-	-	27	(26)
Total derivative financial instruments	**24 485**	**(653)**	**18 210**	**(389)**

As at 31 December 2024 and 31 December 2023, the Group had no single counterparty forwards with fair value above 10% of the Group's equity.

Refer to Note 33 for the disclosure of fair value hierarchy for derivative financial instruments. Liquidity analyses of derivative financial instruments are disclosed in Note 28. The information on related party transactions is disclosed in Note 34.

33 Fair Value of Financial Instruments

Fair value is 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.

The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to determine the estimated fair value. The Russian Federation continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

Financial instruments carried at fair value. Trading securities, investment securities at fair value through other comprehensive income, and related trading and investment securities pledged under repurchase agreements are carried on the consolidated statement of financial position at their fair value based on quoted market prices and valuation techniques where all of material inputs are observable.

Financial instruments at fair value through profit or loss and derivative financial instruments are carried on the consolidated statement of financial position at their fair value based on valuation technique with inputs observable on the market. Derivative financial instruments are measured at fair value as assets when fair value is positive and as liabilities when fair value is negative. The Group uses cash flow discounting technique using observable market data about yield curves changes, as well as market statistical data, reflecting the distribution of the probability of default of financial instruments over time.

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

33 Fair Value of Financial Instruments (Continued)

The Group determines the fair value in relation to securities that are not traded in an active market as a price of a security, which can be determined taking into account the specific conditions of the transaction, the circulation characteristics of the security and other indicators, information about which may serve as a basis for such a calculation, including the involvement of an independent appraiser to assess the fair value.

Cash and cash equivalents are carried at amortised cost which approximates its current fair value.

Loans and receivables. The fair value of floating rate instruments is normally equals their carrying amount. The estimated fair value of fixed interest rate bearing placements is based on discounted cash flows using current market interest rates for instruments with similar credit risk and similar maturity.

Loans at fair value through profit or loss are valued using a combination of approaches. Where appropriate, loans are valued with reference to observable prices of debt securities issued by the borrower or by comparable entities. In other cases, valuation is performed using internal models based on present value techniques or, in some circumstances (for example, in respect of cash flow from assets held as collateral), external valuation reports. The non-observable inputs to the models include adjustments for credit, market and liquidity risks associated with the expected cash flows from the borrower's operations or in respect of collateral valuation.

Investment securities carried at amortised cost. The fair value for investment securities carried at amortised cost is based on quoted market prices and valuation techniques with all material inputs observable.

Liabilities carried at amortised cost. The fair value of bonds issued is based on market prices, if available. The estimated fair value of fixed interest rate instruments with stated maturity, for which a quoted market price is not available, was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and similar remaining maturity.

33 Fair Value of Financial Instruments (Continued)

(a) Fair value of financial instruments carried at amortised cost and at fair value

	31 December 2024		31 December 2023	
In millions of Russian Roubles	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets carried at amortised cost				
Cash and cash equivalents	734 928	734 928	433 659	433 659
Mandatory cash balances with the Bank of Russia	16 152	16 152	8 958	8 958
Due from other banks	46 744	49 500	48 886	50 165
Loans and advances to customers				
- Loans to corporates	3 325 749	3 298 552	2 843 644	2 792 732
- Lending for food interventions	59 047	59 047	46 794	46 794
- Loans to individuals	559 338	536 485	545 138	523 852
Investment securities				
- Corporate bonds	22 232	18 815	24 901	23 790
- Federal Loan bonds (OFZ)	17 100	14 376	22 286	21 316
- Corporate Eurobonds	-	-	507	461
Other financial assets	17 704	17 704	15 201	15 201
Total financial assets carried at amortised cost	**4 798 994**	**4 745 559**	**3 989 974**	**3 916 928**
Financial assets carried at fair value	616 631	616 631	631 311	631 311
Total financial assets	**5 415 625**	**5 362 190**	**4 621 285**	**4 548 239**
Financial liabilities carried at amortised cost				
Due to other banks:				
- Term borrowings from the Bank of Russia	308 419	308 104	197 970	197 722
- Term borrowings from other banks	192 179	192 179	91 386	91 387
- Correspondent accounts and overnight placements of other banks	130 291	130 291	5 322	5 322
Customer accounts:				
- Individuals	2 170 831	2 163 818	1 930 711	1 919 798
- Other legal entities	1 629 033	1 629 748	1 345 495	1 343 536
- State and public organisations	319 472	320 172	377 479	377 710
Promissory notes issued	37 701	35 175	28 464	28 289
Bonds issued	139 140	130 304	130 350	126 284
Other financial liabilities	22 198	22 198	24 367	24 367
Total financial liabilities carried at amortised cost before subordinated debts	**4 949 264**	**4 931 989**	**4 131 544**	**4 114 415**
Subordinated debts	224 165	224 165	234 209	235 022
Total financial liabilities carried at amortised cost	**5 173 429**	**5 156 154**	**4 365 753**	**4 349 437**
Financial liabilities carried at fair value	653	653	389	389
Total financial liabilities	**5 174 082**	**5 156 807**	**4 366 142**	**4 349 826**

33 Fair Value of Financial Instruments (Continued)

(b) Analysis by fair value hierarchy of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

(i) Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

(ii) Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

(iii) Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Fair value hierarchy. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Analysis of financial and non-financial instruments as at 31 December 2024 is as follows:

In millions of Russian Roubles	**Quoted price in an active market (Level 1)**	**Valuation technique with inputs observable in markets (Level 2)**	**Valuation technique with non-observable inputs (Level 3)**	**Total**
Assets measured at fair value				
Trading securities	50 053	544	-	**50 597**
Investment securities at fair value through other comprehensive income	338 699	8 213	5 715	**352 627**
Investment securities at fair value through profit or loss (mandatory)	7 604	96 109	-	**103 713**
Derivative financial instruments	-	24 391	94	**24 485**
Loans to customers at fair value through profit or loss	-	-	85 209	**85 209**
Office premises	-	-	43 211	**43 211**
Assets for which fair values are disclosed				
Cash and cash equivalents	-	734 928	-	**734 928**
Mandatory cash balances with the Bank of Russia	-	-	16 152	**16 152**
Due from other banks	-	49 500	-	**49 500**
Loans and advances to customers	-	-	3 894 084	**3 894 084**
Investment securities	25 063	8 128	-	**33 191**
Other financial assets	-	-	17 704	**17 704**
Total financial and non-financial assets	**421 419**	**921 813**	**4 062 169**	**5 405 401**
Liabilities measured at fair value				
Derivative financial instruments	-	653	-	**653**
Liabilities for which fair values are disclosed				
Due to other banks	-	630 574	-	**630 574**
Customer accounts	-	663 642	3 450 096	**4 113 738**
Promissory notes issued	-	-	35 175	**35 175**
Bonds issued	114 308	15 996	-	**130 304**
Other financial liabilities	-	-	22 198	**22 198**
Total financial liabilities before subordinated debts	**114 308**	**1 310 865**	**3 507 469**	**4 932 642**
Subordinated debts	-	224 165	-	**224 165**
Total financial liabilities	**114 308**	**1 535 030**	**3 507 469**	**5 156 807**

33 Fair Value of Financial Instruments (Continued)

Analysis of financial and non-financial instruments as at 31 December 2023 is as follows:

In millions of Russian Roubles	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Valuation technique with non-observable inputs (Level 3)	Total
Assets measured at fair value				
Trading securities	39 927	-	2 356	**42 283**
Investment securities at fair value through other comprehensive income	359 148	47 531	7 472	**414 151**
Investment securities at fair value through profit or loss (mandatory)	4 609	99 728	1 313	**105 650**
Derivative financial instruments	-	17 986	224	**18 210**
Loans to customers at fair value through profit or loss	-	-	51 017	**51 017**
Office premises	-	-	34 696	**34 696**
Assets for which fair values are disclosed				
Cash and cash equivalents	-	433 659	-	**433 659**
Mandatory cash balances with the Bank of Russia	-	-	8 958	**8 958**
Due from other banks	-	50 165	-	**50 165**
Loans and advances to customers	-	-	3 363 378	**3 363 378**
Investment securities	38 747	6 360	461	**45 568**
Other financial assets	-	-	15 201	**15 201**
Total financial and non-financial assets	**442 431**	**655 429**	**3 485 076**	**4 582 936**
Liabilities measured at fair value				
Derivative financial instruments	-	389	-	**389**
Liabilities for which fair values are disclosed				
Due to other banks	-	294 431	-	**294 431**
Customer accounts	-	674 009	2 967 035	**3 641 044**
Promissory notes issued	-	-	28 289	**28 289**
Bonds issued	81 952	44 332	-	**126 284**
Other financial liabilities	-	-	24 367	**24 367**
Total financial liabilities before subordinated debts	**81 952**	**1 013 161**	**3 019 691**	**4 114 804**
Subordinated debts	10 520	224 502	-	**235 022**
Total financial liabilities	**92 472**	**1 237 663**	**3 019 691**	**4 349 826**

The following table show a reconciliation of the opening and closing amount of Level 3 financial assets which are recorded at fair value:

In millions of Russian Roubles	At 31 December 2023	Total gain/(loss) included in profit or loss	Total gain included in other comprehensive income	New assets recognised/ transfers	Assets derecognised/ transfers	At 31 December 2024
Financial assets						
Trading securities	2 356	**(34)**	**-**	-	(2 322)	-
Loans to customers at FVTPL	51 017	**12 723**	**-**	36 743	(15 274)	85 209
Investment securities at FVTPL (mandatory)	1 313	**(173)**	**-**	-	(1 140)	-
Investment securities at FVOCI	7 472	**139**	**525**	-	(2 421)	5 715
Derivative financial instruments	224	**(215)**	**-**	-	85	94
Total level 3 financial assets	**62 382**	**12 440**	**525**	**36 743**	**(21 072)**	**91 018**

33 Fair Value of Financial Instruments (Continued)

In millions of Russian Roubles	At 31 December 2022	Total loss included in profit or loss	Total loss included in other comprehensive income	New assets recognised/ transfers	Assets derecognised/ transfers	At 31 December 2023
Financial assets						
Trading securities	-	**-**	-	2 356	-	2 356
Loans to customers at FVTPL	19 285	**4 761**	-	31 511	(4 540)	51 017
Investment securities at FVTPL (mandatory)	2 333	**(1 426)**	-	433	(27)	1 313
Investment securities at FVOCI	42 849	**1 714**	(359)	-	(36 732)	7 472
Derivative financial instruments	-	-	-	224	-	224
Total level 3 financial assets	**64 467**	**5 049**	**(359)**	**34 524**	**(41 299)**	**62 382**

Gains or losses on Level 3 financial assets included in the profit or loss for the period comprise:

	For the year ended 31 December 2024			For the year ended 31 December 2023		
In millions of Russian Roubles	Realised gain/(loss)	Unrealised gain/(loss)	Total	Realised gain/(loss)	Unrealised gain/(loss)	Total
Total gains/(losses) included in the profit or loss for the period*:	10 332	2 108	**12 440**	1 440	3 609	**5 049**
- loans to customers at FVTPL	10 576	2 147	**12 723**	2 801	1 960	**4 761**
- investment securities at FVTPL (mandatory)	(173)	-	**(173)**	(1 399)	(27)	**(1 426)**
- investment securities at FVOCI	178	(39)	**139**	38	1 676	**1 714**
Total losses included in other comprehensive income:	-	525	**525**	-	(359)	**(359)**
- investment securities at FVOCI	-	525	**525**	-	(359)	**(359)**

* Realised gains include interest income from financial assets at FVOCI, as well as foreign exchange translation gain in the amount of RR 2 967 million (31 December 2023: foreign exchange translation loss in the amount of RR 54 million) from loans to customers at FVTPL. Unrealised gains include foreign exchange translation gain in the amount of RR 1 362 million (31 December 2023: foreign exchange translation loss in the amount of RR 1 813) recorded for foreign exchange translation gains less losses / (losses net of gains).

Loans at fair value through profit or loss. The Group determines the fair value of loans based on discounted cash flow models taking into account the borrower's credit risk. The models use a number of unobservable input market data, the main ones being the discount rate, the value of collateral and credit spread.

As of 31 December 2024, if the discount rate used by the Group in the model increases/decreases by 1%, the book value of loans will decrease by RR 929 million / increase by RR 976 million (31 December 2023: decrease by RR 798 million / increase by RR 842 million). The discount rates used are in range from 6,33% to 21,59% (31 December 2023: from 7,02% to 15,82%).

The table below reflects transfers of financial assets measured at fair value between Level 1 and Level 2 of the fair value hierarchy during 2024:

	Transfers between levels of the fair value hierarchy		
In millions of Russian Roubles	From Level 1 to Level 2	From Level 2 to Level 1	From Level 3 to Level 1
Financial assets			
Trading securities	647	-	-
Investment securities at fair value through other comprehensive income	3 731	13 005	1 173
Investment securities at fair value through profit or loss (mandatory)	-	3 345	-
Total transfers of financial assets	**4 378**	**16 350**	**1 173**

33 Fair Value of Financial Instruments (Continued)

The table below reflects transfers of financial assets measured at fair value between Level 1 and Level 2 of the fair value hierarchy during 2023:

	Transfers between levels of the fair value hierarchy					
In millions of Russian Roubles	**From Level 1 to Level 2**	**From Level 1 to Level 3**	**From Level 2 to Level 1**	**From Level 2 to Level 3**	**From Level 3 to Level 1**	**From Level 3 to Level 2**
Financial assets						
Derivative financial instruments	-	-	-	73	-	-
Investment securities at fair value through other comprehensive income	-	-	119	-	14 357	13 734
Investment securities at fair value through profit or loss (mandatory)	4 576	433	-	-	-	-
Total transfers of financial assets	**4 576**	**433**	**119**	**73**	**14 357**	**13 734**

Financial instruments are reclassified from Level 2 and Level 3 to Level 1 when an active market has emerged for those instruments, whereby their fair value can be determined based on quoted market prices in an active market.

Financial instruments are reclassified from Level 1 to Level 2 when these instruments cease to be traded in an active market and there is insufficient market liquidity for these instruments to use quoted market prices to measure them, resulting in fair value being determined using techniques where all inputs that have a significant effect on fair value are observable in an active market.

Financial instruments are transferred from Level 1 and Level 2 to Level 3 due to the fact that these instruments are no longer traded in an active market, and the use of methodologies with data observable in an active market is not possible.

Financial instruments are reclassified from Level 3 to Level 2 when their fair value can be determined based on techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Valuation of securities using valuation methods based on information not observable in the market. As of 31 December 2024, due to current geopolitical events and the unavailability of data from the external market, the Group, when assessing the fair value of securities, was guided by market data from the domestic market. At the same time, data extracted from local sources were used with the use of motivated judgments in the assessment, followed by interpolation for the required periods. Since the domestic market ceased to be active, a large volume of securities was classified into the 3rd level of the hierarchy.

Fair value of investment securities measured through other comprehensive income for which the Group has made reasonable judgments using indicative models based on available data on the risk-free interest rate curve for one corporate security and the spread for corporate issuer of 368 b.p. as of 31 December 2023 amounted to RR 3 787 million (31 December 2023: the spread for corporate issuer of 61 b.p. amounted to RR 3 598 million).

The following table shows the quantitative information as at 31 December 2024 about significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy:

Assets	**Fair value,** *In millions of Russian Roubles*	**Input**	**Min**	**Inputs used** **Max**
Office premises (based on valuation at 31 December 2024)	43 211	Trade discount	6,0%	15,0%

The following table shows the quantitative information as at 31 December 2023 about significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy:

Assets	**Fair value,** *In millions of Russian Roubles*	**Input**	**Min**	**Inputs used** **Max**
Office premises (based on valuation at 31 December 2018)	34 696	Trade discount	6,0%	21,0%

The valuation technique used for the fair value measurement of office premises was comparative method.

34 Related Party Transactions

For the purposes of these interim condensed consolidated financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial or operational decisions. The Bank's only shareholder is the Government of the Russian Federation represented by the Federal Agency for Managing State Property, the Ministry of Finance of the Russian Federation and The State Corporation "Deposit Insurance Agency". Refer to Note 1.

In these interim condensed consolidated financial statements, significant balances and transactions with the state-controlled entities and parties that are related to such entities and balances and transactions with related parties represented by key management and their family members are disclosed.

The outstanding balances with related parties were as follows:

In millions of Russian Roubles	**31 December 2024**	**31 December 2023**
Cash and cash equivalents	543 726	377 433
Loans and advances to customers	447 169	404 855
Allowance for ECL	(56 024)	(50 008)
Derivative financial instruments — assets	24 348	17 969
Securities	386 366	425 682
Allowance for ECL	(32)	(95)
Due from other banks	26 491	40 863
Customer accounts	618 666	634 139
Due to other banks	435 619	256 882
Derivative financial instruments — liabilities	562	130
Subordinated debts	224 165	203 407
Credit related commitments	44 640	87 648
Provision for ECL	(135)	(150)
Financial guarantees received	83 385	68 648

The income and expense items with related parties were as follows:

In millions of Russian Roubles	**2024**	**2023**
Interest income on cash and cash equivalents	55 000	16 509
Interest income on due from other banks	9 653	4 114
Interest income on loans and advances to customers	36 612	22 218
Credit loss expense on loans and advances to customers	(6 038)	(46 919)
Interest income on securities	47 989	32 648
Losses net of gains from securities	(865)	(3 860)
Fee and commission income	9	1
(Losses net of gains) / gains less losses from derivative financial instruments	(220)	1 774
Interest expense on customer accounts	(108 898)	(62 755)
Interest expense on subordinated debts	(9 065)	(9 691)
Interest expense on due to other banks	(34 948)	(11 423)
Deposit insurance expenses	(11 531)	(9 777)
Expense in respect of lease obligations	(99)	(59)

In 2024 transactions with the shareholder included share capital increase, dividends paid, taxes paid and subsidies received under the government program to subsidize lending (2023: share capital increase, dividends paid, taxes paid and subsidies received under the government program to subsidize lending).

34 Related Party Transactions (Continued)

As of 31 December 2024 mandatory cash balances with the Bank of Russia amounted to RR 16 152 million (31 December 2023: RR 8 958 million).

Key management of the Group represents members of the Supervisory Board, the Management Board and Chief Accountant of the Bank. In 2024 total remuneration of the key management amounted of RR 286 million (2023: RR 338 million) including the payments to pension funds and social fund amounted of RR 39 million (2023: RR 39 million). Total remuneration of the key management includes salaries, discretionary bonuses and other short-term benefits. In 2024 there were no expenditures for the key management in respect of defined pension contribution plans (2023: there were no expenditures for the key management in respect of defined pension contribution plans).

35 Events after the End of the Reporting Period

In January 2025 the Group bought back bonds of BO-20-002P series issued in the domestic market in the amount of RR 1 908 million.

In January 2025 the Group bought back bonds of BO-08 series issued in the domestic market in the amount of RR 10 000 million.

In February 2025 the Group bought back bonds of BO-18-002P series issued in the domestic market in the amount of RR 12 000 million.

In February 2025 the Group bought back bonds of BO-17 series issued in the domestic market in the amount of RR 5 000 million.

In March 2025 the Group bought back at put option date its bonds issued of series BO-14-002P in the amount of RR 1 450 million.