

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

for 2023  
with independent auditor's report

*March 2024*

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

---

---

<b>Contents</b>	<b>Page</b>
Independent Auditor's Report	3
Summary consolidated financial statements	
Summary Consolidated Statement of Financial Position	5
Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Selected Notes to the Summary Consolidated Financial Statements	
1 Basis of Preparation of Summary Consolidated Financial Statements	7
2 Loans and Advances to Customers	8
3 Customer Accounts	17
4 Interest Income and Expense	18
5 Fee and Commission Income and Expense	19
6 Management of Capital	19

## **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 2023, the summary consolidated statement of profit or loss and other comprehensive income for 2023, and notes to the summary consolidated financial statements, are derived from the audited consolidated financial statements of Joint stock company Russian Agricultural Bank (the Bank) and its subsidiaries (the Group) for 2023, prepared in accordance with International Financial Reporting Standards (the “audited consolidated financial statements”).

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements in accordance with the principles specified in Note 1 “Basis of preparation of Summary Consolidated Financial Statements” to the summary consolidated financial statements.

### ***Summary consolidated financial statements***

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

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

### ***Audited consolidated financial statements and our auditor’s report thereon***

We have expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 15 March 2024. 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”.



**NEW CHALLENGES  
NEW SOLUTIONS**

### ***Auditor's responsibility***

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

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)

18 March 2024

### ***Details of the auditor***

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

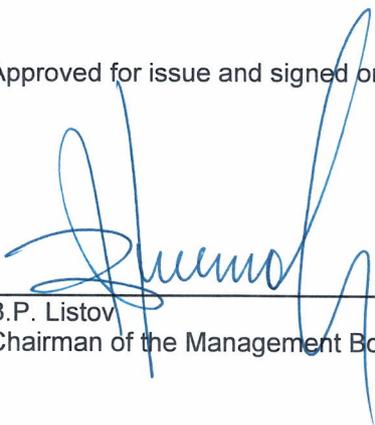
### ***Details of the audited entity***

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

**Russian Agricultural Bank Group**  
**Summary Consolidated Statement of Financial Position**  
**as at 31 December 2023**

<i>In millions of Russian Roubles</i>	Note	31 December 2023	31 December 2022 (revised)	31 December 2021 (revised)
<b>Assets</b>				
Cash and cash equivalents		433 659	305 568	495 987
Mandatory cash balances with the Bank of Russia		8 958	5 236	28 972
Securities and derivative financial instruments		627 990	614 302	597 739
Due from other banks		48 886	30 632	50 293
Loans and advances to customers	2	3 486 593	3 177 822	2 854 359
Current and deferred income tax assets		10 545	12 762	13 698
Premises, equipment, intangible assets and right-of-use assets		88 109	76 159	75 407
Other assets		41 479	35 124	36 536
<b>Total assets</b>		<b>4 746 219</b>	<b>4 257 605</b>	<b>4 152 991</b>
<b>Liabilities</b>				
Due to other banks		294 678	209 261	116 524
Customer accounts	3	3 653 685	3 363 165	3 290 845
Promissory notes issued		28 464	64 652	77 875
Bonds issued		130 350	115 227	167 944
Current and deferred income tax liabilities		1 243	660	386
Other liabilities		105 521	91 204	97 291
<b>Total liabilities before subordinated debts</b>		<b>4 213 941</b>	<b>3 844 169</b>	<b>3 750 865</b>
Subordinated debts		234 209	134 404	139 512
<b>Total liabilities</b>		<b>4 448 150</b>	<b>3 978 573</b>	<b>3 890 377</b>
<b>Equity</b>				
Share capital		523 333	523 333	505 733
Perpetual bonds		54 363	49 865	51 325
Revaluation reserve for premises and investment securities at fair value through other comprehensive income		(14 121)	(8 906)	(5 062)
Accumulated loss		(265 505)	(285 259)	(289 381)
<b>Equity attributable to the Bank's shareholder</b>		<b>298 070</b>	<b>279 033</b>	<b>262 615</b>
Non-controlling interest		(1)	(1)	(1)
<b>Total equity</b>		<b>298 069</b>	<b>279 032</b>	<b>262 614</b>
<b>Total liabilities and equity</b>		<b>4 746 219</b>	<b>4 257 605</b>	<b>4 152 991</b>

Approved for issue and signed on behalf of the Management Board on 15 March 2024.

  
B.P. Listov  
Chairman of the Management Board



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

**Russian Agricultural Bank Group**  
**Summary Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 31 December 2023**

<i>In millions of Russian Roubles</i>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Interest income at effective interest rate	4	408 175	338 044
Other interest income	4	20 953	20 095
Interest expense	4	(290 133)	(275 780)
Deposit insurance expenses	4	(9 777)	(8 776)
<b>Net interest income</b>		<b>129 218</b>	<b>73 583</b>
Credit loss expense		(47 058)	(42 026)
<b>Net interest income after credit loss expense</b>		<b>82 160</b>	<b>31 557</b>
Fee and commission income	5	24 908	26 916
Fee and commission expense	5	(3 273)	(3 771)
Gains less losses from financial instruments and at fair value through profit or loss, dealing in foreign currencies and precious metals, foreign exchange accounts translation		7 591	18 319
(Losses net of gains) / gains less losses from investment securities at fair value through other comprehensive income		(967)	147
Other net operating income		10 740	13 146
Administrative and other operating expenses		(80 179)	(70 437)
<b>Profit before tax</b>		<b>40 980</b>	<b>15 877</b>
Income tax expense		(9 133)	(8 513)
<b>Profit for the year</b>		<b>31 847</b>	<b>7 364</b>
<b>Profit is attributable to:</b>			
Shareholder of the Bank		31 847	7 364
Non-controlling interest		-	-
<b>Profit for the year</b>		<b>31 847</b>	<b>7 364</b>
Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax		(5 169)	(3 797)
<b>Total other comprehensive loss</b>		<b>(5 169)</b>	<b>(3 797)</b>
<b>Total comprehensive income for the year</b>		<b>26 678</b>	<b>3 567</b>
<b>Total comprehensive income is attributable to:</b>			
Shareholder of the Bank		26 678	3 567
Non-controlling interest		-	-
<b>Total comprehensive income for the year</b>		<b>26 678</b>	<b>3 567</b>

## **1 Basis of Preparation of Summary Consolidated Financial Statements**

These summary consolidated financial statements have been prepared based on audited consolidated financial statements for Joint stock company Russian Agricultural Bank (the “Bank”) and its subsidiaries (together referred to as the “Group”) for the year 2023 prepared in accordance with International Financial Reporting Standards, and consist of summary consolidated statement of financial position as at 31 December 2023, summary consolidated statement of profit or loss and other comprehensive income for the year ended at the mentioned date, and selected summary notes. The summary consolidated financial statements do not contain all the information required for disclosure under International Financial Reporting Standards, therefore the analysis of summary consolidated financial statements and independent auditors’ report on these summary consolidated financial statements does not substitute the analysis of the audited consolidated financial statements and independent auditors’ report on these consolidated financial statements.

Audited consolidated financial statements of the Group can be provided by submitting on inquiry to the official e-mail address reporting@rshb.ru.

**Main principles of preparation of these summary consolidated financial statements and of disclosure of information in it.** These summary consolidated financial statements provide aggregate information on the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, as well as information on the most significant assets and liabilities of Group as at 31 December 2023 and for the year 2023, and the most significant for the banking business items within interest and commission income and expenses for 2023.

### *Information disclosed in the summary consolidated statement of financial position*

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

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

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

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

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

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

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

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

- gains and losses from non-banking activities, revenue and losses from insurance activities;
- insurance finance expenses on groups of insurance contracts;
- income/(expenses) on reinsurance contracts held (transferred);
- gains and losses from disposal of subsidiaries;
- other operating income.

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

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

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

In 2023 and 2022 total comprehensive income did not include any income or loss that would not be reclassified to profit or loss in subsequent periods.

**Changes in presentation.** Started from 1 January 2018, the Group presents deposit insurance expenses within net interest income. The reclassification and its impact on comparative period information for the year ended 31 December 2022 stated in the summary consolidated statement of profit or loss and other comprehensive income are as follows:

<i>In millions of Russian Roubles</i>	For the year ended 31 December 2022		
	As previously reported	Reclassification	As adjusted
Deposit insurance expenses	-	(8 776)	(8 776)
Administrative and other operating expenses	(79 213)	8 776	(70 437)

## 2 Loans and Advances to Customers

<i>In millions of Russian Roubles</i>	31 December 2023	31 December 2022
<b>Loans to legal entities</b>	<b>3 100 930</b>	<b>2 804 248</b>
- Loans to corporates	3 054 128	2 783 459
- Lending for food interventions	46 802	20 789
<b>Loans to individuals</b>	<b>567 271</b>	<b>589 549</b>
- Mortgage loans	419 805	403 533
- Consumer and other loans	147 466	186 016
<b>Total loans and advances to customers at amortised cost (before impairment)</b>	<b>3 668 201</b>	<b>3 393 797</b>
Allowance for ECL	(232 625)	(235 260)
<b>Total loans and advances to customers at amortised cost</b>	<b>3 435 576</b>	<b>3 158 537</b>
Loans to customers at fair value through profit or loss	51 017	19 285
<b>Total loans and advances to customers</b>	<b>3 486 593</b>	<b>3 177 822</b>

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

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

## 2 Loans and Advances to Customers (continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans to legal entities during the year ended 31 December 2023 is as follows:

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>Loans to legal entities</b>					
<b>Gross carrying value as at 1 January 2023</b>	<b>2 372 703</b>	<b>246 107</b>	<b>164 916</b>	<b>20 522</b>	<b>2 804 248</b>
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)	<b>297 808</b>
Amounts written off	-	-	(22 741)	-	<b>(22 741)</b>
Foreign exchange adjustments	44 366	3 820	-	666	<b>48 852</b>
Loans sold during the period	(299)	(2)	(26 936)	-	<b>(27 237)</b>
<b>Gross carrying value as at 31 December 2023</b>	<b>2 761 271</b>	<b>151 763</b>	<b>166 873</b>	<b>21 023</b>	<b>3 100 930</b>

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>Loans to legal entities</b>					
<b>ECL as at 1 January 2023</b>	<b>20 649</b>	<b>35 478</b>	<b>147 012</b>	<b>8 478</b>	<b>211 617</b>
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	<b>39 248</b>
Unwind of discount (recognised in interest income)	-	-	709	-	<b>709</b>
Amounts written off	-	-	(22 741)	-	<b>(22 741)</b>
Foreign exchange adjustments	598	102	-	69	<b>769</b>
Allowance for loans sold during the period	(16)	-	(19 094)	-	<b>(19 110)</b>
<b>ECL as at 31 December 2023</b>	<b>30 671</b>	<b>7 927</b>	<b>152 633</b>	<b>19 261</b>	<b>210 492</b>

## 2 Loans and Advances to Customers (continued)

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

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>Loans to legal entities</b>					
<b>Gross carrying value as at</b>					
<b>1 January 2022</b>	<b>1 948 814</b>	<b>246 194</b>	<b>242 484</b>	<b>528</b>	<b>2 438 020</b>
Transfers to Stage 1	30 257	(29 968)	(289)	-	-
Transfers to Stage 2	(50 268)	50 444	(176)	-	-
Transfers to Stage 3	(966)	(4 659)	5 625	-	-
Change in gross carrying value (new issue and repayments)	470 005	17 622	(29 644)	<b>823</b>	<b>458 806</b>
Amounts written off	-	-	(6 998)	-	<b>(6 998)</b>
Foreign exchange adjustments	(12 394)	(32 365)	787	<b>(4 468)</b>	<b>(48 440)</b>
Loans sold during the period	(12 746)	(1 160)	(22 928)	-	<b>(36 834)</b>
Derecognition of restructured loans	-	-	(23 639)	23 639	-
Disposal of subsidiaries	-	-	(306)	-	<b>(306)</b>
<b>Gross carrying value as at 31 December 2022</b>	<b>2 372 702</b>	<b>246 108</b>	<b>164 916</b>	<b>20 522</b>	<b>2 804 248</b>

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>Loans to legal entities</b>					
<b>ECL as at 1 January 2022</b>	<b>16 109</b>	<b>27 662</b>	<b>186 966</b>	<b>449</b>	<b>231 186</b>
Transfers to Stage 1	1 480	(1 200)	(280)	-	-
Transfers to Stage 2	(686)	747	(61)	-	-
Transfers to Stage 3	(3)	(235)	238	-	-
Impact on period end ECL of exposures transferred between stages during the period and changes to models and inputs used for ECL calculations (including expense on new issue and income from repayments)	3 923	15 112	7 875	7 489	<b>34 399</b>
Unwind of discount (recognised in interest income)	-	-	1 544	540	<b>2 084</b>
Amounts written off	-	-	(6 998)	-	<b>(6 998)</b>
Foreign exchange adjustments	(175)	(6 609)	(247)	-	<b>(7 031)</b>
Allowance for loans sold during the period	-	-	(19 056)	-	<b>(19 056)</b>
Derecognition of restructured loans	-	-	(22 739)	-	<b>(22 739)</b>
Disposal of subsidiaries	-	-	(229)	-	<b>(229)</b>
<b>ECL as at 31 December 2022</b>	<b>20 648</b>	<b>35 477</b>	<b>147 013</b>	<b>8 478</b>	<b>211 616</b>

## 2 Loans and Advances to Customers (continued)

An analysis of changes in the gross carrying value and corresponding ECL in relation to loans to individuals during the year ended 31 December 2023 is as follows:

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to individuals (mortgage)</b>				
<b>Gross carrying value as at 1 January 2023</b>	<b>392 704</b>	<b>4 006</b>	<b>6 823</b>	<b>403 533</b>
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)	<b>16 844</b>
Amounts written off	-	-	(311)	<b>(311)</b>
Loans sold during the period	-	(1)	(260)	<b>(261)</b>
<b>Gross carrying value as at 31 December 2023</b>	<b>411 172</b>	<b>2 815</b>	<b>5 818</b>	<b>419 805</b>

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to individuals (consumer and other loans)</b>				
<b>Gross carrying value as at 1 January 2023</b>	<b>163 965</b>	<b>4 334</b>	<b>17 717</b>	<b>186 016</b>
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)	<b>(33 424)</b>
Amounts written off	-	(77)	(2 311)	<b>(2 388)</b>
Loans sold during the period	(1)	(11)	(2 726)	<b>(2 738)</b>
<b>Gross carrying value as at 31 December 2023</b>	<b>127 531</b>	<b>3 270</b>	<b>16 665</b>	<b>147 466</b>

## 2 Loans and Advances to Customers (continued)

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to individuals (mortgage)</b>				
<b>ECL as at 1 January 2023</b>	<b>1 213</b>	<b>313</b>	<b>5 519</b>	<b>7 045</b>
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)	<b>(826)</b>
Unwind of discount (recognised in interest income)	-	-	43	<b>43</b>
Amounts written off	-	-	(311)	<b>(311)</b>
Provision for loans sold during the period	-	-	(219)	<b>(219)</b>
<b>ECL as at 31 December 2023</b>	<b>772</b>	<b>201</b>	<b>4 759</b>	<b>5 732</b>

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to individuals (consumer and other loans)</b>				
<b>ECL as at 1 January 2023</b>	<b>2 202</b>	<b>848</b>	<b>13 549</b>	<b>16 599</b>
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	<b>4 651</b>
Unwind of discount (recognised in interest income)	-	-	117	<b>117</b>
Amounts written off	-	(83)	(2 311)	<b>(2 394)</b>
Provision for loans sold during the period	(1)	(12)	(2 559)	<b>(2 572)</b>
<b>ECL as at 31 December 2023</b>	<b>1 390</b>	<b>534</b>	<b>14 477</b>	<b>16 401</b>

## 2 Loans and Advances to Customers (continued)

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

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to individuals (mortgage)</b>				
<b>Gross carrying value as at 1 January 2022</b>	<b>378 358</b>	<b>3 151</b>	<b>8 800</b>	<b>390 309</b>
Transfers to Stage 1	1 529	(1 252)	(277)	-
Transfers to Stage 2	(2 650)	3 067	(417)	-
Transfers to Stage 3	(1 145)	(593)	1 738	-
Change in gross carrying value (new issue and repayments)	16 613	(367)	(2 527)	<b>13 719</b>
Amounts written off	-	-	(223)	<b>(223)</b>
Foreign exchange adjustments	(1)	-	-	<b>(1)</b>
Loans sold during the period	-	-	(271)	<b>(271)</b>
<b>Gross carrying value as at 31 December 2022</b>	<b>392 704</b>	<b>4 006</b>	<b>6 823</b>	<b>403 533</b>

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to individuals (consumer and other loans)</b>				
<b>Gross carrying value as at 1 January 2022</b>	<b>206 244</b>	<b>2 447</b>	<b>16 831</b>	<b>225 522</b>
Transfers to Stage 1	475	(404)	(71)	-
Transfers to Stage 2	(4 397)	4 458	(61)	-
Transfers to Stage 3	(6 094)	(1 426)	7 520	-
Change in gross carrying value (new issue and repayments)	(32 258)	(737)	(1 429)	<b>(34 424)</b>
Amounts written off	-	-	(2 282)	<b>(2 282)</b>
Loans sold during the period	(5)	(4)	(2 791)	<b>(2 800)</b>
<b>Gross carrying value as at 31 December 2022</b>	<b>163 965</b>	<b>4 334</b>	<b>17 717</b>	<b>186 016</b>

## 2 Loans and Advances to Customers (continued)

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to individuals (mortgage)</b>				
<b>ECL as at 1 January 2022</b>	<b>895</b>	<b>228</b>	<b>7 110</b>	<b>8 233</b>
Transfers to Stage 1	237	(81)	(156)	-
Transfers to Stage 2	(14)	251	(237)	-
Transfers to Stage 3	(10)	(59)	69	-
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)	105	(26)	(865)	<b>(786)</b>
Unwind of discount (recognised in interest income)	-	-	51	<b>51</b>
Amounts written off	-	-	(223)	<b>(223)</b>
Provision for loans sold during the period	-	-	(230)	<b>(230)</b>
<b>ECL as at 31 December 2022</b>	<b>1 213</b>	<b>313</b>	<b>5 519</b>	<b>7 045</b>

<i>In millions of Russian Roubles</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to individuals (consumer and other loans)</b>				
<b>ECL as at 1 January 2022</b>	<b>2 577</b>	<b>718</b>	<b>13 340</b>	<b>16 635</b>
Transfers to Stage 1	118	(62)	(56)	-
Transfers to Stage 2	(81)	119	(38)	-
Transfers to Stage 3	(211)	(559)	770	-
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)	(195)	636	4 353	<b>4 794</b>
Unwind of discount (recognised in interest income)	-	-	109	<b>109</b>
Amounts written off	-	-	(2 282)	<b>(2 282)</b>
Provision for loans sold during the period	(6)	(4)	(2 647)	<b>(2 657)</b>
<b>ECL as at 31 December 2022</b>	<b>2 202</b>	<b>848</b>	<b>13 549</b>	<b>16 599</b>

## 2 Loans and Advances to Customers (continued)

The table below presents an analysis of the credit quality of loans to legal entities as of 31 December 2023.

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

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

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

## 2 Loans and Advances to Customers (continued)

Analysis by credit quality of loans to legal entities outstanding as at 31 December 2022 is as follows:

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

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

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

### 3 Customer Accounts

<i>In millions of Russian Roubles</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
State authorities		
- Current/settlement accounts	8 105	3 547
- Term deposits	369 374	303 249
Other legal entities		
- Current/settlement accounts	267 870	273 294
- Term deposits	1 077 625	1 119 862
Individuals		
- Current/demand accounts	398 034	296 573
- Term deposits	1 532 677	1 366 640
<b>Total customer accounts</b>	<b>3 653 685</b>	<b>3 363 165</b>

In 2022-2023, the Group made coupon payments and redemption of its bonds in accordance with the Decree of the President of the Russian Federation No. 95 dated 5 March 2022 *On the Temporary Procedure for Fulfilling Obligations to Certain Foreign Creditors*. As at 31 December 2023, customer accounts in the amount of RR 14 430 million (31 December 2022: RR 877 million) represented liabilities to foreign holders of the Group's subordinated bonds and held in type "C" correspondent accounts for onward transfer to securities holders who are foreign creditors.

#### **4 Interest Income and Expense**

<i>In millions of Russian Roubles</i>	<b>2023</b>	<b>2022</b>
<b>Interest income on debt financial assets carried at amortised cost</b>		
Loans and advances to legal entities	285 778	227 149
Loans and advances to individuals	61 917	63 524
Cash equivalents	17 215	6 086
Due from other banks	8 377	5 298
Investment securities at amortised cost	3 648	3 051
	<b>376 935</b>	<b>305 108</b>
<b>Interest income on debt financial assets carried at fair value through other comprehensive income</b>		
Investment securities at FVOCI including pledged under repurchase agreements	31 240	32 936
	<b>31 240</b>	<b>32 936</b>
<b>Total interest income at effective interest rate</b>	<b>408 175</b>	<b>338 044</b>
Investment securities at fair value through profit or loss	12 958	12 005
Trading securities	4 580	4 684
Loans to customers at fair value through profit or loss	2 406	2 404
Lessor's net investment in finance lease	1 009	1 002
<b>Total other interest income</b>	<b>20 953</b>	<b>20 095</b>
<b>Interest expense at effective interest rate</b>		
Term deposits of legal entities	(127 163)	(106 460)
Term deposits of individuals	(91 712)	(119 261)
Current/settlement accounts	(22 466)	(14 474)
Subordinated debts	(14 964)	(10 710)
Bonds issued	(11 551)	(11 680)
Term deposits of other banks	(10 196)	(4 547)
Term deposits of the Bank of Russia	(9 131)	(4 268)
Promissory notes issued	(2 223)	(3 904)
<b>Total interest expense at effective interest rate</b>	<b>(289 406)</b>	<b>(275 304)</b>
Lease liabilities	(727)	(476)
<b>Total other interest expense</b>	<b>(727)</b>	<b>(476)</b>
Deposit insurance expenses	(9 777)	(8 776)
<b>Net interest income</b>	<b>129 218</b>	<b>73 583</b>

Interest expense on term deposits of individuals for 2023 includes income from early termination of agreements in the amount of RR 2 843 million (2022: RR 8 113 million).

## 5 Fee and Commission Income and Expense

<i>In millions of Russian Roubles</i>	<b>2023</b>	<b>2022 (revised)</b>
<b>Fee and commission income</b>		
Commission on cash and settlements transactions	10 507	10 698
Commission on banking cards and acquiring	6 310	7 295
Agency services	3 044	2 464
Commission for consulting services	1 541	1 922
Commission on guarantees issued	1 081	1 653
Financial services fees and brokerage commission	1 014	1 429
Fees for currency control	201	384
Other	1 210	1 071
<b>Total fee and commission income</b>	<b>24 908</b>	<b>26 916</b>
<b>Fee and commission expense</b>		
Commission on settlement transactions	(3 098)	(2 887)
Other	(175)	(884)
<b>Total fee and commission expense</b>	<b>(3 273)</b>	<b>(3 771)</b>
<b>Net fee and commission income</b>	<b>21 635</b>	<b>23 145</b>

## 6 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 2023 and 2022, 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 2023 and 2022 the Bank's capital adequacy ratio in accordance with the Bank of Russia requirements exceeded the minimum level and as at 31 December 2023 and 31 December 2022 was as follows:

<i>In millions of Russian Roubles</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
Capital of the Bank	590 249	530 842
CET1 Ratio (N1.1)	8,1%	10,1%
Tier1 Ratio (N1.2)	9,5%	11,5%
Capital Adequacy Ratio (N1.0)	14,9%	14,5%

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*.