PJSC “BANK SAINT PETERSBURG” Group

The Summary Consolidated Financial Statements and Independent Auditors’ Report

31 December 2024

CONTENTS

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Independent Auditors' Report on the Summary Consolidated Financial Statements

To the Shareholders and Supervisory Board

"Bank "Saint Petersburg" Public Joint-Stock Company

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2024, the summary consolidated statement of comprehensive income for 2024 and the summary consolidated statement of changes in equity for 2024 and related notes, are derived from the audited consolidated financial statements of "Bank "Saint Petersburg" Public Joint-Stock Company (the "Bank") and its subsidiaries (the "Group") as at and for the year ended 31 December 2024.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with basis described in Note 1.

Summary Consolidated Financial Statements

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

The Audited Consolidated Financial Statements and Our Report Thereon

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

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in Note 1.

Auditors' Responsibility

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

Kolosov Alexey Evgenyevich

Principal registration number of the entry in the Register of Auditors and Audit organizations No. 21906105467, acts on behalf of the audit organization based on the power of attorney No. 141/25 as of 9 January 2025.

JSC "Kept"

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

Moscow, Russia

4 March 2025

(RUB mln)	Note	2024	2023
ASSETS			
Cash and cash equivalents	5	53 996	55 865
Mandatory reserve deposits with the Central Bank of the Russian Federation		2 903	1 978
Trading securities			
- trading securities owned	6	4 391	6 092
- trading securities transferred under sale and repurchase agreements	6	5 552	34 914
Reverse sale and repurchase agreements	7	118 223	123 916
Derivative financial assets	19	5 589	3 394
Due from banks	8	73 500	43 813
Loans and advances to customers			
- loans and advances to legal entities	9	559 717	497 957
- loans and advances to individuals	9	158 045	153 800
Investment securities			
- investment securities owned	10	16 762	32 654
- investment securities transferred under sale and repurchase agreements	10	100 169	69 705
Investment property	11	1 723	1 629
Property and equipment, intangible assets and right-of-use assets	12	19 505	17 376
Long-term assets held-for-sale	14	1 028	1 310
Other assets	13	16 329	12 899
TOTAL ASSETS		**1 137 432**	**1 057 302**
LIABILITIES			
Due to banks	15	190 268	208 559
Customer accounts			
- customer accounts of legal entities	16	274 674	250 858
- customer accounts of individuals	16	436 430	395 589
Financial liabilities at fair value	7	2 059	1 471
Derivative financial liabilities	19	7 677	7 738
Promissory notes and deposit certificates issued	17	4 612	4 651
Deferred tax liability	27	1 768	1 840
Other liabilities	18	18 499	12 704
TOTAL LIABILITIES		**935 987**	**883 410**
EQUITY			
Share capital	21	3 479	3 510
Share premium	21	21 500	22 178
Treasury shares	20, 21	(1 140)	(1 676)
Revaluation reserve for property and equipment		2 859	3 050
Revaluation reserve for investment securities		(9)	316
Retained earnings		174 756	146 514
TOTAL EQUITY ATTRIBUTABLE TO: SHAREHOLDERS OF THE BANK		**201 445**	**173 892**
TOTAL EQUITY		**201 445**	**173 892**
TOTAL LIABILITIES AND EQUITY		**1 137 432**	**1 057 302**

Approved for issue and signed on behalf of the Management Board on 4 March 2025.

A.V. Savelyev
Chairman of the Management Board

N.G. Tomilina
Chief Accountant

(RUB mln)	Note	2024	2023
Interest income calculated using the effective interest rate	22	146 705	81 240
Other interest income	22	7 483	3 419
Interest expense	22	(81 312)	(31 713)
Contributions to the deposit insurance system	22	(2 319)	(2 114)
Net interest income		**70 557**	**50 832**
Allowance for expected credit losses on debt financial assets	23	(5 284)	4 324
Net interest income after allowance for expected credit losses on debt financial instruments		**65 273**	**55 156**
Fee and commission income	25	14 405	15 285
Fee and commission expense	25	(2 806)	(2 798)
Net gains from trading in foreign currencies, foreign exchange revaluation and from transactions with derivatives and precious metals	24	13 022	10 397
Net losses from securities		(2 126)	(127)
(Charge)/recovery of allowance for expected credit losses from credit-related commitments and other financial assets	13,18	(66)	6 075
Recovery of allowance for contingent liabilities and non-credit related commitments	18	-	296
Net loss from revaluation of loans at fair value through profit or loss		(397)	(1 081)
Gains from disposal of investment property and long-term assets held-for-sale		20	9
Gains from revaluation and recovery of impairment of property and equipment, long-term assets held-for-sale and investment property	11, 12,14	19	620
Other net operating income		1 307	997
Administrative and other operating expenses, including:			
- staff costs		(15 360)	(13 847)
- other administrative and operating expenses	26	(10 575)	(9 767)
Profit before tax		**62 716**	**61 215**
Income tax expense	27	(11 937)	(13 900)
Profit for the year		**50 779**	**47 315**

(RUB mln)	Note	2024	2023
Other comprehensive (loss) income			
Items of comprehensive income that are or will be reclassified subsequently to profit or loss			
Revaluation result and allowance for expected credit losses from investment securities measured at fair value through other comprehensive income transferred to profit or loss upon disposal		(455)	1 006
Net result from revaluation of investment securities measured at fair value through other comprehensive income		61	(801)
Deferred income tax recognised in equity related to components of other comprehensive (loss) income		79	(41)
Exchange differences on translation		-	(94)
Items of comprehensive income that will not be reclassified subsequently to profit or loss			
Result from revaluation of property and equipment		-	504
Deferred income tax recognised in equity related to components of other comprehensive income		(190)	(101)
Other comprehensive (loss) income for the year after tax		**(505)**	**473**
Total comprehensive income for the year		**50 274**	**47 788**
Basic and diluted earnings per share (in Russian roubles per share)	28	**113.88**	**105.70**

Approved for issue and signed on behalf of the Management Board on 4 March 2025.

A.V. Savelyev
Chairman of the Management Board

N.G. Tomilina
Chief Accountant

ПУБЛИЧНОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО "БАНК "САНКТ-ПЕТЕРБУРГ" • ИНН 7831000027 • "Банк "Санкт-Петербург" (ПАО)
БАНК САНКТ-ПЕТЕРБУРГ

(RUB mln)	Note	Share capital	Share premium	Treasury shares	Revaluation reserve for property and equipment	Revaluation reserve for investment securities	Accumulated currency translation reserve	Retained earnings	Total equity
Balance as at 1 January 2023		**3 609**	**23 206**	**(2 050)**	**2 647**	**152**	**94**	**117 122**	**144 780**
Other comprehensive income recognised directly in equity		-	-	-	403	164	(94)	-	**473**
Profit for the year		-	-	-	-	-	-	47 315	**47 315**
Total comprehensive income for 2023		**-**	**-**	**-**	**403**	**164**	**(94)**	**47 315**	**47 788**
Transactions with owners recognised directly in equity									
Dividends declared and paid									
- ordinary shares	29	-	-	-	-	-	-	(18 016)	**(18 016)**
- preference shares	29	-	-	-	-	-	-	(9)	**(9)**
Treasury shares	21	-	-	(651)	-	-	-	-	**(651)**
Redemption of treasury shares	21	(99)	(1 028)	1 025	-	-	-	102	**-**
Total transactions with owners		**(99)**	**(1 028)**	**374**	**-**	**-**	**-**	**(17 923)**	**(18 676)**
Balance as at 31 December 2023		**3 510**	**22 178**	**(1 676)**	**3 050**	**316**	**-**	**146 514**	**173 892**

(RUB mln)	Note	Share capital	Share premium	Treasury shares	Revaluation reserve for property and equipment	Revaluation reserve for investment securities	Retained earnings	Total equity
Balance as at 1 January 2024		**3 510**	**22 178**	**(1 676)**	**3 050**	**316**	**146 514**	**173 892**
Other comprehensive loss recognised directly in equity		-	-	-	(190)	(315)	-	**(505)**
Profit for the year		-	-	-	-	-	50 779	**50 779**
Total comprehensive income for 2024		**-**	**-**	**-**	**(190)**	**(315)**	**50 779**	**50 274**
Disposal of revaluation reserve for property and equipment		-	-	-	(1)	-	1	-
Result of disposal of equity securities measured through equity		-	-	-	-	(10)	10	-
Transactions with owners recognised directly in equity								
Dividends declared and paid								
- ordinary shares	29	-	-	-	-	-	(22 572)	**(22 572)**
- preference shares	29	-	-	-	-	-	(9)	**(9)**
Treasury shares	21	-	-	(140)	-	-	-	**(140)**
Redemption of treasury shares	21	(31)	(678)	676	-	-	33	-
Total transactions with owners		**(31)**	**(678)**	**536**	**-**	**-**	**(22 548)**	**(22 721)**
Balance as at 31 December 2024		**3 479**	**21 500**	**(1 140)**	**2 859**	**(9)**	**174 756**	**201 445**

Approved for issue and signed on behalf of the Management Board on 4 March 2025.

A.V. Savelyev
Chairman of the Management Board

N.G. Tomilina
Chief Accountant

1 Background

Basis for Preparation of the Summary Consolidated Financial Statements.

Thesesummary consolidated financial statements of PJSC "Bank "Saint Petersburg" (the "Bank") and its subsidiaries, together referred to as the "Group" or "PJSC "Bank "Saint Petersburg" Group include:

- The summary consolidated statement of financial position as at 31 December 2024;
- The summary consolidated statement of comprehensive income for the year ended 31 December 2024;
- The summary consolidated statement of changes in equity for the year ended 31 December 2024;
- Separate notes.

The summary consolidated financial statements are prepared on the basis of the audited consolidated financial statements of the Group as at 31 December 2024 and for 2024 prepared in accordance with IFRS, by excluding information from the consolidated financial statements that may cause damage to the Group and (or) its counterparties, therefore these Summary Consolidated Financial Statements do not include all the information required to be disclosed in the complete set of consolidated financial statements of the Group in accordance with IFRS. That is why reading of the summary consolidated financial statements and the independent auditor's report on these summary consolidated financial statements does not replace reading of the audited consolidated financial statements and the independent auditor's report on such consolidated financial statements. The Group's consolidated financial statements for 2024 are available at: 64A Malookhtinskiy prospekt, Saint Petersburg, Russia, 195112.

The aim of these summary consolidated financial statements is to provide a summary and aggregated presentation of information in the notes to the consolidated statements of financial position, the consolidated statement of other comprehensive income and the consolidated statement of changes in equity and it does not include information about consolidated cash flows. In determining the criteria for the summary the Group relied on the current sanction regime imposed on it and effective Russian legislation. Moreover, the summary consolidated financial statements were prepared in order to present the consolidated financial position, consolidated comprehensive income of the Group and consolidated changes in equity of the Group, disclosure of which does not cause damage to the Group and/or its counterparties. As a result, it may be inappropriate for other purposes.

In preparation of the summary consolidated financial statements the Group followed the principles of the summary presentation or excluding the following information:

- on foreign currency transactions;
- on income and expenses from operations with foreign currency and its revaluation;
- on risk and capital assessment and management procedures;
- on shareholders and persons controlling shareholders;
- on subsidiaries of the banking group;
- on the members of the management bodies and other officials of the credit organization.

These summary consolidated financial statements have been prepared on the going concern assumption.

Principal activity. The Bank was formed in 1990 as an open joint-stock company under the Laws of the Russian Federation as a result of the corporatisation of the former Leningrad regional office of Zhilsotsbank. In 2014 the Bank was reorganised from Open Joint-Stock Company "Bank Saint Petersburg" to Public Joint-Stock Company "Bank Saint Petersburg" following the resolution of the extraordinary Shareholders' Meeting.

The Bank's principal business activity is commercial banking operations within the Russian Federation. The Bank has been operating under a general banking license issued by the Central Bank of the Russian Federation (the "CBR") since 1997. The Bank takes part in the state deposit insurance system introduced by Federal Law No.177-FZ dated 23 December 2003 *On Retail Deposit Insurance in the Russian Federation*. The state deposit insurance system guarantees payment in the amount of 100% of total deposits placed with the bank, but limited to RUB 1 400 000, in the event the bank's license is revoked or the CBR imposes a moratorium on payments.

As at 31 December 2024, the Bank had 5 branches within the Russian Federation: 3 branches in the North-West region of Russia, 1 branch in Moscow, 1 branch in Novosibirsk, 58 additional offices, 2 representative offices in Rostov-on-Don and Krasnodar (2023: 5 branches within the Russian Federation: 3 branches in the North-West region of Russia, 1 branch in Moscow, 1 branch in Novosibirsk, 56 additional offices and 2 representative offices in Rostov-on-Don and Krasnodar).

1 Background (continued)

Registered address and place of business. The Bank’s registered address and place of business is: 64A Malookhtinskiy prospekt, Saint Petersburg, Russia 195112.

Presentation currency of these summary consolidated financial statements. For the purposes of the summary consolidated financial statements, the results and financial position of each Group company are presented in millions of Russian roubles (“RUB mln”), the Bank’s functional currency and the currency in which these summary consolidated financial statements are presented.

For the purpose of presenting the summary consolidated financial statements, the Group’s assets and liabilities in foreign transactions are translated at the exchange rates as at the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless the exchange rates have changed significantly during that period. Otherwise, exchange rates as at the date of the transactions are used. All resulting foreign currency differences, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

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2 Operating Environment of the Group

The Russian economy grew rapidly in 2024. The increase in GDP was 4.1% against the background of high federal budget expenditures, which, among other things, were directed to the investment programs of enterprises in conditions of high utilization of production facilities and the need for import substitution. Consumer demand also contributed to the expansion of economic activity, which remained strong for most of the year. The growth of loans to individuals began to slow down only in the third quarter amid not only an increase in the key rate, but also a tightening of macroprudential regulation. Signs of cooling in lending to legal entities began to appear in November. At the same time, the tightening of the monetary policy of the Central Bank of the Russian Federation and the increase in limits on free transfers between own accounts under the Fast Payments System (FPS) contributed to an increase in deposit rates. This led to a significant inflow of client funds into the banking system. New sanctions by G7 countries were introduced throughout the year, but the most significant of them are the June sanctions on MosExchange, which led to the suspension of exchange trading in the dollar and the euro, as well as November sanctions, which further complicated international settlements.

During 2024, oil prices moved differently. In the first half of the year, quotations grew actively amid increased geopolitical tension in the Middle East. Nevertheless, from the middle of the year prices went down. Fears of weaker demand for raw materials increased in the market, which was largely facilitated by the relatively slow growth of the Chinese economy. Against this background, OPEC +, which previously planned to begin a gradual increase in production in 2024, extended its quotas for 2025, which limited the further decline in oil prices. In general, over the past year, Brent oil prices fell by 4% to $74 per barrel (source: Cbonds). On the other hand, over the year the discounts of Russian oil to global oil decreased, which limited the negative effect of the overall decline in raw materials prices.

In 2024, the Russian economy grew actively, especially in the first half of the year. The growth in industrial production in December was 4.6% year-on-year (hereinafter - YoY) (source: Federal State Statistics Service (hereinafter – Rosstat)). The largest growth rates were observed in the production of finished metal products, "other" vehicles and equipment, medicines, as well as computers, electronics and optical products. Due to the tightening monetary conditions, retail sales grew relatively weaker, and in December the indicator increased by 5.2% YoY (source: Rosstat). In many ways, however, the slowdown in retail growth is due to the effect of a high base, and in itself domestic demand in the Russian Federation remains strong. An important characteristic of the situation in the Russian economy was the shortage of labor resources. The unemployment rate in December was at an absolute historical minimum of 2.3% (source: Rosstat), and salaries in real terms for November increased by 7.3% YoY (source: Rosstat). Lack of labor resources limits the output potential in a number of industries and is a significant proinflationary factor. In general, in 2024, according to the first estimates of Rosstat, the country's GDP, even with a record strict monetary and credit policy, grew by 4.1%, which is comparable to the economic growth in 2023 (after the clarification of data by Rosstat).

2 Operating Environment of the Group (continued)

The current situation, according to the Central Bank of the Russian Federation, indicates a noticeable overheating of the Russian economy. Demand expanded at a higher rate than supply, and price pressure in the country has increased markedly since summer. As a result, at the end of the year, prices in the country increased by 9.52% YoY (source: Rosstat), although in February the regulator predicted the achievement of 4.0-4.5% YoY at the end of 2024. Against the backdrop of increased price pressure, in July the Central Bank resumed the process of tightening monetary and credit policy, raising the key rate by 200 bp to 18% per annum. In September, the Central Bank of the Russian Federation increased the rate to 19%, and in October - immediately to 21%. At the meeting on 20 December 2024, however, the Central Bank of the Russian Federation decided unexpectedly for the market to maintain the key rate at the previous levels and to soften the signal on further actions under the monetary and credit policy. The most current (October) forecasts of the Bank of Russia indicate the prospects for long-term maintenance of a high rate. Macroprudential regulation measures planned for 2025 will also have an impact on banking operations. In particular, it is planned to introduce a countercyclical capital premium, limits on the issue of mortgages and car loans, as well as loan premiums for large legal entities with a high debt burden.

At the beginning of 2024, the situation on the Russian currency market was relatively stable. This was facilitated by the effects associated with currency control measures introduced in October 2023 and with resumed currency transactions under the budget rule. Subsequently, the Russian currency market underwent major changes. On June 12, the United States imposed sanctions on MosExchange, NCC and NSD, the results of which were the termination of exchange trading in the dollar and the euro. Now operations with "toxic currencies" are carried out only on the over-the-counter market. Subsequently, the Government decided to mitigate currency control measures, announcing a reduction in the threshold for repatriated currency revenue from 80% to 40%, as well as a reduction in the share of its mandatory sale on the market from 50% to 25%. Subsequently, the terms of currency trading in the Russian Federation underwent changes due to the November sanctions imposed by the United States against a number of financial organizations, including those that settled for raw materials exports. Nevertheless, by the end of December, the Russian currency was still able to strengthen as part of the correction, which was facilitated by the suspension of currency purchases under the budget rule. In general, at the end of the year, the US dollar/ruble exchange rate rose by 12.6% to 101.68 rubles per US dollar (source: Bank of Russia), but due to the global weakening of the yuan, the Chinese yuan/ruble exchange rate did not grow so much over the year - by 5.9% to 13.43 rubles per Chinese yuan.

At 31 December 2024, the official exchange rates used for translating foreign currency balances were USD 1 = RUB 101.6797, EUR 1 = RUB 106.1028 and CNY 1 = RUB 13.4272 (2023: USD 1 = RUB 89.6883, EUR 1 = RUB 99.1919 and CNY 1 = RUB 12.5762).

In the first months of the year, the Russian stock market grew markedly, but in the future it moved to a significant decline. Pressure on the market was exerted by the tough actions of the Central Bank of the Russian Federation, sanctions pressure and the refusal of a number of companies to pay dividends. As a result, in 2024 the MOEX index fell by 7% to 2 883 points (source: MOEX).

In 2024, the Russian debt market showed a pronounced negative trend. High borrowing volumes from the Ministry of Finance were also an important negative factor for the debt market. At the end of the year, the debt market was recovering against the backdrop of an unexpected decision for investors to keep the key rate in December at the same levels. In general, at the end of 2024, the RGBI index fell by 12% to 106.6 pp, while yields of federal loan bonds increased by 200-800 bp depending on the term (source: Cbonds).

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

Management of the Group believes that it makes all the necessary efforts to support the sustainability of the Group's business in the current environment. Management believes that there is no significant uncertainty regarding the Group's ability to continue as a going concern.

3 Significant Accounting Estimates and Judgements in Applying Accounting Policies

In the process of applying the Group's accounting policies, management makes judgements and estimates.

Judgements that have the most significant effect on the amounts recognised in the summary consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed in the following notes:

- classification of financial assets: assessment of the business model under which the financial assets are held and evaluation of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal outstanding – Note 37;

- establishing the criteria for determining whether the credit risk on the financial asset has increased significantly since the initial recognition, determining methodology for incorporating a forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL – Note 37;

Assumptions and estimation uncertainty

The Group makes estimates and assumptions that affect the amounts of assets and liabilities recognised in the consolidated financial statements. Assumptions include judgements about future events that are reasonable in light of the current circumstances.

Assumptions and estimates related to uncertainty are disclosed in the following notes:

- determining the inputs into the ECL measurement model, including the incorporation of the forward-looking information – Note 3, 9, 37;

- measurement of fair value of investment property – Note 11;

- revaluation of buildings – Note 12;

- measurement of fair value of Level 3 financial instruments – Note 34.

Macroadjustment

Judgement regarding the future probabilities of defaults on loans is the most significant for the impact on the Group's financial performance for 2024. To estimate expected probabilities of defaults, the Group uses macromodels linking expected values of macroeconomic indicators with default rates for different loan classes. The composition of macroeconomic indicators differs for different loan classes, but all models are built on historical data and actual observed default rates.

As inputs, the Group uses actual values of macroeconomic indicators and forecasts of the Central Bank of the Russian Federation or the Ministry of Economic Development. Adjustments to the values of default probabilities are made as the forecasts are updated. Where data are available, the Group considers different macroeconomic scenarios.

During 2024, there were the following changes in the expected probability of default given the application of the macroadjustment:

- for corporate borrowers - an increase by 17% relative to the default probabilities assumed in the forecast on 31 December 2023;

- for individuals - for different business lines, either maintaining at the level of the probabilities of default included in the forecast on 31 December 2023, or decreasing within 15% of them.

The different dynamics of default probabilities for legal entities and individuals is due to a different sensitivity of default probabilities to the nominal value of the key rate used in the calculation.

Forecast and scenarios used to estimate the expected probability of default.

% per annum	**2025**	**2026**	**2027 and later**
Expected GDP growth rate in accordance with the Bank's baseline scenario	1.0%	1.5%	2.0%
Expected CBR annual average key rate in accordance with the Bank's baseline scenario	18.5%	12.5%	8.0%
Expected GDP growth rate in accordance with the Bank's negative scenario	-3.5%	-1.5%	2.5%
Expected CBR annual average key rate in accordance with the Bank's negative scenario	23.5%	16.5%	8.0%

3 Significant Accounting Estimates and Judgements in Applying Accounting Policies (continued)

The Group assigns a credit risk grade to each legal entity based on the accumulated statistics of defaults. Credit risk ratings are defined using qualitative and quantitative factors that are indicative of the risk of default. These factors may vary depending on the type of a financial instrument and the type of a borrower.

Credit risk ratings are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates - e.g. the difference in the risk of default between credit risk ratings 1 and 2 is smaller than the difference between credit risk rating 2 and 3.

A credit risk rating for each legal entity is allocated at initial recognition. Exposures will be subject to ongoing monitoring, and changes in their significance may result in an exposure being moved to a different credit risk rating as compared to that assigned on initial recognition. For financial assets of individuals and small loans to SMEs the risk estimate is revised only if information about overdue amounts appears or when the customer requests renegotiation of loan agreements.

The monitoring typically involves analysis of the following data:

Factors determining a rating of a borrower taken into account when determining whether there is a significant increase of credit risk for legal entities	**Factors taken into account when determining whether there is a significant increase of credit risk for legal entities and individuals**
• Information obtained during periodic review of customer files – e.g. financial statements, management accounts, forecasts and plans. The following are examples of indicators which are paid careful attention to: sector where the borrower operates, debt burden, profitability, liquidity ratios, compliance with covenants. • Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	• Information about payments, including overdue status • Requests for and granting of forbearance

The Group concludes that the credit risk related to a financial instrument has increased significantly since its initial recognition if, based on modelling methods used by the Group, it has been determined that the PD figure for the remaining life increased more than 3 times since initial recognition for clients with the highest ratings or more than 2 times for clients with good, medium and the worst ratings. When assessing for a significant increase of credit risk remaining expected credit losses are adjusted for the change of repayment term.

Revaluation of land plots and buildings. The fair values of the Group's land plots and buildings are determined by using valuation methods. The base for the valuation is the market value. Market values of land plots and buildings are estimated by an independent appraiser, who holds a recognised and relevant professional qualification and who has recent experience in valuation of buildings of similar location and category. Two approaches were used to assess buildings and premises: comparison (market) approach and income approach. As part of the income approach, the direct capitalisation method was used.

Using this method, the value is determined by dividing the market annual income from an object by the total capitalisation rate. The Group's land plots and buildings are revalued at least once every 3 years. The frequency of revaluation depends on changes in the fair value of the items of property and equipment to be revalued and is based on reasonable judgement in determining the materiality of changes in the fair value of the items during the reporting period in order to decide on the need for revaluation.

Changes in the presentation of comparative data

Starting from the financial statements for 2024, to better present the structure of "Customer Accounts", individuals' funds attracted through savings accounts are recorded in the line item "Term deposits". The Group transferred RUB 44 906 million as at 31 December 2023 from "Current/settlement accounts" of private clients to "Term deposits". See Note 16, 34.

Starting from the financial statements for 2024, to better present commission income, the Group transferred income from operations to support foreign trade contracts of clients in the amount of RUB 32 million for 2023 to the line item "Settlement transactions" of commission income from the line item "Other" of commission income. See Note 25.

4 Adoption of New or Revised Standards and Interpretations

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these summary consolidated financial statements.

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and will be effective for annual reporting periods beginning on or after 1 January 2027.

The Group is still in the process of assessing the impact of the new standard, particularly in relation to the structure of the Group's statement of comprehensive income, statement of cash flows and the additional disclosures required for the Management Defined Performance Indicators (MDPIs). The Group is also assessing the impact on the way the information is grouped in the financial statements, including items currently labelled as “other”.

The following amended standards and interpretations are not expected to have a significant impact on the Group’s consolidated financial statements:

- Amendments to the Classification and Assessment of Financial Instruments - Amendments to IFRS 9 and IFRS 7;
- Lack of Exchangeability (Amendments to IAS 21).

5 Cash and Cash Equivalents

(RUB mln)	**2024**	**2023**
Cash on hand	8 243	11 778
Cash balances with the CBR (other than mandatory reserve deposits)	27 272	26 235
Correspondent accounts and overnight placements with banks of		
- the Russian Federation		
- Group A	11 343	8 115
- Group B	3 436	3 814
- Group C	119	23
- Group D	12	-
- other countries		
- Group A	2 120	267
- Group C	53	142
- Group D	13	4 200
Settlement accounts with trading systems		
- Group A	1 385	1 290
- Group B	-	1
Total cash and cash equivalents	**53 996**	**55 865**

Cash and cash equivalents of the Group are classified into credit risk grades on the basis of averaging the values of external credit ratings.

Financial instruments are classified into the following groups (according to the ACRA rating agency scale):

Group A – financial assets of counterparties/issuers with a credit rating "AAA".

Group B – financial assets of counterparties/issuers with an average credit rating from "A-" to "AA+".

Group C – financial assets of counterparties/issuers with an average credit rating from "BB-" to "BBB+".

Group D – non-default financial assets of counterparties/issuers with an average credit rating "B+" or lower or not rated.

As at 31 December 2024 and 31 December 2023, the Group had no credit-impaired balances.

During 2024 and 2023 there were no transfers between the stages of impairment of cash and cash equivalents. Cash and cash equivalents are classified as Stage 1 credit risk as at 31 December 2024 and 2023.

As at 31 December 2024 and 31 December 2023, the Group did not have any counterparties, except the CBR, with aggregate balances greater than 10% of the Group’s equity.

Maturity and interest rate analyses of cash and cash equivalents are disclosed in Note 31.

6 Trading Securities, Including Those Transferred Under Sale and Repurchase Agreements

(RUB mln)	2024	2023
Debt trading securities		
Federal loan bonds	2 192	2 880
Corporate bonds	1 163	2 070
Corporate Eurobonds	1 034	1 140
Total debt securities	**4 389**	**6 090**
Equity securities	2	2
Total trading securities	**4 391**	**6 092**
Debt trading securities transferred under sale and repurchase agreements		
Corporate bonds	5 551	33 712
Corporate Eurobonds	1	1 202
Total debt trading securities transferred under sale and repurchase agreements	**5 552**	**34 914**
Total trading securities transferred under sale and repurchase agreements	**5 552**	**34 914**
Total trading securities, including those transferred under sale and repurchase agreements	**9 943**	**41 006**

As at 31 December 2024, debt trading securities, including those transferred under sale and repurchase agreements, are measured at fair value through profit or loss, which also reflects the credit risk associated with these securities (2023: at fair value).

The Group's debt securities are classified into credit risk grades on the basis of averaging the values of external credit ratings. For classification into groups by credit risk see Note 5.

The following table provides an analysis of debt trading securities, including debt trading securities transferred under sale and repurchase agreements by credit quality as at 31 December 2024:

(RUB mln)	Corporate bonds	Federal loan bonds	Corporate Eurobonds	Total
Debt trading securities				
Neither past due, nor impaired				
Group A	418	2 192	1 034	3 644
Group C	745	-	-	745
Total debt trading securities	**1 163**	**2 192**	**1 034**	**4 389**
Debt trading securities transferred under sale and repurchase agreements				
Neither past due, nor impaired				
Group A	5 046	-	1	5 047
Group B	505	-	-	505
Total debt trading securities transferred under sale and repurchase agreements	**5 551**	**-**	**1**	**5 552**
Total debt trading securities, including those transferred under sale and repurchase agreements	**6 714**	**2 192**	**1 035**	**9 941**

6 Trading Securities, Including Those Transferred Under Sale and Repurchase Agreements (continued)

The following table provides an analysis of debt trading securities, including debt trading securities transferred under sale and repurchase agreements by credit quality as at 31 December 2023:

(RUB mln)	Corporate bonds	Federal loan bonds	Corporate Eurobonds	Total
Debt trading securities				
Neither past due, nor impaired				
Group A	158	2 880	1 140	4 178
Group B	446	-	-	446
Group C	1 466	-	-	1 466
Total debt trading securities	**2 070**	**2 880**	**1 140**	**6 090**
Debt trading securities transferred under sale and repurchase agreements				
Neither past due nor impaired				
Group A	28 119	-	1 202	29 321
Group B	5 593	-	-	5 593
Total debt trading securities transferred under sale and repurchase agreements	**33 712**	**-**	**1 202**	**34 914**
Total debt trading securities, including those transferred under sale and repurchase agreements	**35 782**	**2 880**	**2 342**	**41 004**

The Bank is licensed by the Federal Financial Markets Service of the Russian Federation to carry out operations with securities.

Securities transferred or sold under sale and repurchase agreements are transferred to a third party as collateral for borrowed funds. These financial assets may be repledged or resold by counterparties in the absence of default by the Group, but the counterparty has an obligation to return the securities at the maturity of the contract. Related liabilities under transactions with these securities are disclosed in Note 15.

The Group has determined that it retains substantially all the risks and rewards of these securities and therefore does not derecognise them.

These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities, as well as the requirements determined by exchanges where the Group acts as an intermediary. Refer to Notes 7,8,10.

Analysis of trading securities, including those transferred under sale and repurchase agreements, by maturity and analysis of interest rates are presented in Note 31.

7 Reverse Sale and Repurchase Agreements

(RUB mln)	2024	2023
Reverse sale and repurchase agreements with banks	118 223	123 916
Total reverse sale and repurchase agreements	**118 223**	**123 916**

As at 31 December 2024, reverse sale and repurchase agreements represented agreements with banks that were secured by federal loan bonds, corporate bonds, corporate shares, clearing participation certificates (2023: Eurobonds of the Russian Federation, federal loan bonds, bonds of constituent entities of the Russian Federation, corporate bonds, corporate shares, clearing participation certificates).

As at 31 December 2024, the Group had no counterparties with aggregated balances under reverse sale and repurchase agreements exceeding 10% of equity of the Group (2023: had 1 counterparty with aggregated balances under reverse sale and repurchase agreements exceeding 10% of the Group's equity).

7 Reverse Sale and Repurchase Agreements (continued)

As at 31 December 2024, the Group had active reverse sale and repurchase agreements with an organisation performing the functions of a central counterparty in the financial market in the amount of RUB 118 223 mln (2023: RUB 123 916 mln).

As at 31 December 2024, the fair value of securities pledged under reverse sale and repurchase agreements was RUB 126 510 mln (2023: RUB 137 338 mln), of which securities with the fair value of RUB 51 713 mln are pledged under sale and repurchase agreements (2023: RUB 52 426 mln), as at 31 December 2024, the Group sold securities with the fair value of RUB 2 059 mln (31 December 2023: the Group sold securities with the fair value of RUB 1 471 mln). The obligation to purchase these securities is presented in the consolidated statement of financial position in the line item Financial liabilities at fair value. In all cases, the amount of collateral for individual transactions is equal to or exceeds the amount of debt under the transaction.

As at 31 December 2024 and 31 December 2023, debt under reverse sale and repurchase agreements is classified into credit risk grades based on averaging values of external credit ratings. For the determination of the groups by the credit risk level see Note 5.

As at 31 December 2024 and 31 December 2023, reverse sale and repurchase agreements are not overdue, have no indicators of impairment and have been classified into Stage 1 (12-month expected credit losses).

During 2024 and 2023, there were no transfers between the stages of impairment in the reporting period.

The table below represents the analysis of reverse sale and repurchase agreements by credit quality as at 31 December 2024:

(RUB mln)	**12-month ECLs**	**Lifetime expected credit losses - non-impaired assets**	**Lifetime expected credit losses - impaired assets**	**Purchased or originated credit- impaired assets**	**Total**
Group A	118 223	-	-	-	118 223
Total reverse sale and repurchase agreements	**118 223**	**-**	**-**	**-**	**118 223**

The table below represents the analysis of reverse sale and repurchase agreements by credit quality as at 31 December 2023:

(RUB mln)	**12-month ECLs**	**Lifetime expected credit losses - non-impaired assets**	**Lifetime expected credit losses - impaired assets**	**Purchased or originated credit- impaired assets**	**Total**
Group A	123 916	-	-	-	123 916
Total reverse sale and repurchase agreements	**123 916**	**-**	**-**	**-**	**123 916**

The analysis of reverse sale and repurchase agreements by maturity and the analysis of interest rates are presented in Note 31.

8 Due from Banks

(RUB mln)	**2024**	**2023**
Term placements with banks	73 518	43 831
Allowance for expected credit losses	(18)	(18)
Total due from banks	**73 500**	**43 813**

As at 31 December 2024 and 31 December 2023, the Group had no counterparties, except for the CBR, with aggregate loan balances exceeding 10% of equity of the Group.

As at 31 December 2024 and 31 December 2023, due from banks are not overdue, have no indicators of impairment and have been classified into Stage 1 (12-month expected credit losses).

8 Due from Banks (continued)

During 2024 and 2023 there were no transfers between the stages of impairment of due from banks.

The Group's term deposits placed with the banks are divided by credit risk level based on averaging the values of external credit ratings. For the classification of financial instruments into groups by credit risk level see Note 5.

Below there is the analysis of changes in the allowance for expected credit losses during 12 months ended 31 December 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Allowance for expected credit losses as at 1 January	**18**	**-**	**-**	**-**	**18**
New assets received or acquired	2	-	-	-	2
Disposal of allowance due to the repayment of loans	(3)	-	-	-	(3)
Other changes	1	-	-	-	1
Total allowance for expected credit losses as at 31 December	**18**	**-**	**-**	**-**	**18**

Below there is the analysis of changes in the allowance for expected credit losses during 12 months ended 31 December 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Allowance for expected credit losses as at 1 January	**86**	**-**	**-**	**-**	**86**
New assets received or acquired	13	-	-	-	13
Disposal of allowance due to the repayment of loans	(84)	-	-	-	(84)
Other changes	3	-	-	-	3
Total allowance for expected credit losses as at 31 December	**18**	**-**	**-**	**-**	**18**

The table below contains the analysis by credit quality of amounts due from banks measured at amortised cost and the related allowances for expected credit losses as at 31 December 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Group A	72 335	-	-	-	72 335
Group B	1 183	-	-	-	1 183
Total gross carrying amount of due from banks	**73 518**	-	-	-	**73 518**
Allowance for expected credit losses	**(18)**	-	-	-	**(18)**
Total due from banks	**73 500**	-	-	-	**73 500**

8 Due from Banks (continued)

The table below contains the analysis by credit quality of amounts due from banks measured at amortised cost and the related allowances for expected credit losses as at 31 December 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Group A	37 845	-	-	-	37 845
Group B	5 986	-	-	-	5 986
Total gross carrying amount of due from banks	**43 831**	-	-	-	**43 831**
Allowance for expected credit losses	**(18)**	-	-	-	**(18)**
Total due from banks	**43 813**	-	-	-	**43 813**

Lending to banks is carried out on the basis of a system of limits. The method for determining the limits is presented in Note 31. The existing portfolio of interbank loans is a tool primarily for the short-term placement of temporarily free funds, except for one transaction concluded in December 2020 for a 5-year term.

Due from banks are not secured. Due from banks are not past due or impaired.

Analysis of due from banks by maturity and analysis of interest rates are presented in Note 31.

9 Loans and Advances to Customers

(RUB mln)	2024	2023
Loans at amortised cost		
Loans to legal entities		
- loans to finance working capital	529 521	449 080
- investment loans	50 647	71 139
Loans to individuals		
- mortgage loans	124 811	115 906
- consumer loans to VIP clients	700	2 952
- other consumer loans	37 664	40 011
Allowance for expected credit losses	(33 283)	(34 553)
Loans at fair value		
Loans to legal entities	7 702	7 222
Total loans and advances to customers	**717 762**	**651 757**

The loan portfolio structure by industry is aligned with the industry structure used by the Group in its risk management.

9 Loans and Advances to Customers (continued)

Below there is the loan portfolio structure by industries:

	2024		2023	
(RUB mln)	**Amount**	**%**	**Amount**	**%**
Individuals	163 175	21.8	158 869	23.1
Production	125 866	16.8	99 513	14.5
Transport and communications	85 128	11.3	75 365	11.0
Construction	67 553	9.0	64 506	9.4
Wholesale trade	66 092	8.8	72 519	10.6
Leasing and financial services	52 912	7.0	70 217	10.2
Retail trade	40 798	5.4	41 024	6.0
Oil and gas production and trading	35 748	4.8	30 287	4.4
Mining industry	35 518	4.7	33 403	4.9
Energy, water and gas supply	28 617	3.8	553	0.1
Agriculture	20 963	2.8	8 221	1.2
Real estate	20 959	2.8	22 859	3.3
Other	7 716	1.0	8 974	1.3
Gross carrying amount of loans and advances to customers	**751 045**	**100.0**	**686 310**	**100.0**

As at 31 December 2024, 20 largest groups of the Group's borrowers have an aggregate loan amount of RUB 311 714 mln (2023: RUB 307 126 mln), which is 41.5% (2023: 44.8%) of the loan portfolio before the allowance for expected credit losses.

Below there is the analysis of changes in the allowance for expected credit losses on loans and advances to legal entities during 2024:

(RUB mln)	**12-month ECLs**	**Lifetime expected credit losses - non-impaired assets**	**Lifetime expected credit losses - impaired assets**	**Purchased or originated credit- impaired assets**	**Total**
Allowance for expected credit losses as at 1 January	**2 946**	**1 302**	**25 236**	**-**	**29 484**
Transfer to 12-month expected credit losses	17	(17)	-	-	-
Transfer to lifetime expected credit losses - non-impaired assets	(172)	172	-	-	-
Transfer to lifetime expected credit losses - impaired assets	(7)	(987)	994	-	-
New assets received or acquired	5 136	-	-	-	5 136
Net charge for (income from) charge (recovery) of allowance for expected credit losses	(2 626)	789	3 852	-	2 015
Recovery of allowance due to repayment of loans	(1 985)	(46)	(111)	-	(2 142)
Unwinding of discount in respect of ECL present value	-	-	636	-	636
Amounts written-off as non-recoverable during the period	-	-	(3 087)	-	(3 087)
Loans and advances to customers sold during the period as non-recoverable	-	-	(5 175)	-	(5 175)
Other changes	21	-	1 265	-	1 286
Total allowance for expected credit losses as at 31 December	**3 330**	**1 213**	**23 610**	**-**	**28 153**

9 Loans and Advances to Customers (continued)

Below there is the analysis of changes in the allowance for expected credit losses on loans and advances to legal entities during 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Allowance for expected credit losses as at 1 January	**3 139**	**1 004**	**32 656**	-	**36 799**
Transfer to 12-month expected credit losses	22	(22)	-	-	-
Transfer to lifetime expected credit losses - non-impaired assets	(125)	125	-	-	-
Transfer to lifetime expected credit losses - impaired assets	(5)	(32)	37	-	-
New assets received or acquired	1 906	-	-	-	1 906
Net charge for (income from) charge (recovery) of allowance for expected credit losses	(365)	249	(3 890)	-	(4 006)
Recovery of allowance due to repayment of loans	(1 684)	(150)	(568)	-	(2 402)
Unwinding of discount in respect of ECL present value	-	-	640	-	640
Amounts written-off as non-recoverable during the period	-	-	(2 664)	-	(2 664)
Loans and advances to customers sold during the period as non-recoverable	-	-	(4 191)	-	(4 191)
Other changes	58	128	3 216	-	3 402
Total allowance for expected credit losses as at 31 December	**2 946**	**1 302**	**25 236**	-	**29 484**

Below there is the analysis of changes in the gross carrying amount of loans and advances to legal entities before the allowance for expected credit losses in 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Loans and advances to legal entities as at 1 January	**478 221**	**10 999**	**30 800**	**199**	**520 219**
Transfer to 12-month expected credit losses and changes in the carrying amount of loans transferred	958	(958)	-	-	-
Transfer to lifetime expected credit losses - non-impaired assets and changes in the carrying amount of loans transferred	(8 998)	8 998	-	-	-
Transfer to lifetime expected credit losses - credit-impaired assets and changes in the carrying amount of loans transferred	(304)	(3 049)	3 353	-	-
New assets received or acquired	479 229	-	-	-	479 229
Change in the carrying amount of loans, including partial repayment	(23 346)	8 129	5 880	7	(9 330)
Loans disposed of as a result of repayment	(399 583)	(3 674)	(181)	-	(403 438)
Amounts written-off as non-recoverable during the period	-	-	(3 087)	-	(3 087)
Loans and advances to customers sold during the period as non-recoverable	-	-	(7 652)	-	(7 652)
Other changes	2 792	26	1 409	-	4 227
Total loans and advances to legal entities as at 31 December	**528 969**	**20 471**	**30 522**	206	**580 168**

9 Loans and Advances to Customers (continued)

Below there is the analysis of changes in the gross carrying amount of loans and advances to legal entities before the allowance for expected credit losses in 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Loans and advances to legal entities as at 1 January	**351 987**	**13 057**	**42 123**	**213**	**407 380**
Transfer to 12-month expected credit losses and changes in the carrying amount of loans transferred	552	(552)	-	-	-
Transfer to lifetime expected credit losses - non-impaired assets and changes in the carrying amount of loans transferred	(4 795)	4 795	-	-	-
Transfer to lifetime expected credit losses - credit-impaired assets and changes in the carrying amount of loans transferred	(142)	(614)	756	-	-
New assets received or acquired	358 438	-	-	-	358 438
Change in the carrying amount of loans, including partial repayment	9 596	(2 769)	(355)	(14)	6 458
Loans disposed of as a result of repayment	(246 041)	(3 824)	(830)	-	(250 695)
Amounts written-off as non-recoverable during the period	-	-	(2 664)	-	(2 664)
Loans and advances to customers sold during the period as non-recoverable	-	-	(11 580)	-	(11 580)
Other changes	8 626	906	3 350	-	12 882
Total loans and advances to legal entities as at 31 December	**478 221**	**10 999**	**30 800**	**199**	**520 219**

Below there is the analysis of changes in the allowance for expected credit losses on loans to individual customers during 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Allowance for expected credit losses as at 1 January	**1 384**	**281**	**3 404**	-	**5 069**
Transfer to 12-month expected credit losses	90	(59)	(31)	-	-
Transfer to lifetime expected credit losses - non-impaired assets	(26)	108	(82)	-	-
Transfer to lifetime expected credit losses - impaired assets	(32)	(108)	140	-	-
New assets received or acquired	424	-	-	-	424
Net charge for (income from) charge (recovery) of allowance for expected credit losses	(561)	117	1 076	-	632
Recovery of allowance due to repayment of loans	(137)	(19)	(212)	-	(368)
Unwinding of discount in respect of ECL present value	-	-	75	-	75
Amounts written-off as non-recoverable during the period	-	-	(621)	-	(621)
Loans and advances to customers sold during the period as non-recoverable	-	-	(82)	-	(82)
Other changes	-	-	1	-	1
Total allowance for expected credit losses as at 31 December	**1 142**	**320**	**3 668**	-	**5 130**

9 Loans and Advances to Customers (continued)

Below there is the analysis of changes in the allowance for expected credit losses on loans to individual customers during 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Allowance for expected credit losses as at 1 January	**1 943**	**506**	**3 328**	-	**5 777**
Transfer to 12-month expected credit losses	242	(164)	(78)	-	-
Transfer to lifetime expected credit losses - non-impaired assets	(28)	93	(65)	-	-
Transfer to lifetime expected credit losses - impaired assets	(40)	(163)	203	-	-
New assets received or acquired	615	-	-	-	615
Net charge for (income from) charge (recovery) of allowance for expected credit losses	(1 054)	56	1 096	-	98
Recovery of allowance due to repayment of loans	(294)	(47)	(207)	-	(548)
Unwinding of discount in respect of ECL present value	-	-	107	-	107
Amounts written-off as non-recoverable during the period	-	-	(747)	-	(747)
Loans and advances to customers sold during the period as non-recoverable	-	-	(234)	-	(234)
Other changes	-	-	1	-	1
Total allowance for expected credit losses as at 31 December	**1 384**	**281**	**3 404**	-	**5 069**

Below there is the analysis of changes in the gross carrying amount of loans to individual customers before the allowance for expected credit losses in 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Loans to individual customers as at 1 January	**152 318**	**1 861**	**4 690**	-	**158 869**
Transfer to 12-month expected credit losses and changes in the carrying amount of loans transferred	607	(489)	(118)	-	-
Transfer to lifetime expected credit losses - non-impaired assets and changes in the carrying amount of loans transferred	(2 141)	2 438	(297)	-	-
Transfer to lifetime expected credit losses - credit-impaired assets and changes in the carrying amount of loans transferred	(1 294)	(472)	1 766	-	-
New assets received or acquired	34 659	-	-	-	34 659
Change in the carrying amount of loans, including partial repayment	(17 160)	(280)	26	-	(17 414)
Loans disposed of as a result of repayment	(11 606)	(158)	(429)	-	(12 193)
Amounts written-off as non-recoverable during the period	-	-	(621)	-	(621)
Loans and advances to customers sold during the period as non-recoverable	-	-	(129)	-	(129)
Other changes	2	-	2	-	4
Total loans to individual customers as at 31 December	**155 385**	**2 900**	**4 890**	-	**163 175**

9 Loans and Advances to Customers (continued)

Below there is the analysis of changes in the gross carrying amount of loans to individual customers before the allowance for expected credit losses in 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Loans to individual customers as at 1 January	**134 596**	**3 209**	**4 868**	**-**	**142 673**
Transfer to 12-month expected credit losses and changes in the carrying amount of loans transferred	1 808	(1 551)	(257)	-	-
Transfer to lifetime expected credit losses - non-impaired assets and changes in the carrying amount of loans transferred	(1 139)	1 357	(218)	-	-
Transfer to lifetime expected credit losses - credit-impaired assets and changes in the carrying amount of loans transferred	(1 135)	(607)	1 742	-	-
New assets received or acquired	49 320	-	-	-	49 320
Change in the carrying amount of loans, including partial repayment	(15 359)	(193)	155	-	(15 397)
Loans disposed of as a result of repayment	(15 777)	(354)	(528)	-	(16 659)
Amounts written-off as non-recoverable during the period	-	-	(747)	-	(747)
Loans and advances to customers sold during the period as non-recoverable	-	-	(328)	-	(328)
Other changes	4	-	3	-	7
Total loans to individual customers as at 31 December	**152 318**	**1 861**	**4 690**	**-**	**158 869**

Changes in estimates and judgements regarding future credit losses described in the Significant Accounting Estimates and Judgements in Applying Accounting Policies section may affect the estimated allowance for expected credit losses for loans and advances to customers.

A change of plus/minus 1 percent in the probability of default for loans classified as Stage 1 and Stage 2 would have resulted in the estimated allowance for expected credit losses on loans and advances to legal entities being RUB 504 mln higher/lower as at 31 December 2024 (2023: would have been RUB 546 mln higher/lower).

If the amount of the net present value of the expected cash flows on loans to legal entities classified into Stage 3 changes by plus/minus 1 percent, the amount of the estimated allowance for expected credit losses on loans to legal entities as at 31 December 2024 would be RUB 73 mln lower/higher (2023: RUB 60 mln lower/higher).

If the probability of default on loans to individual customers classified into Stage 1 and Stage 2 changed by minus/plus 1 percentage point, the amount of the estimated allowance for expected credit losses on loans to individual customers as at 31 December 2024 would be RUB 510 mln lower/higher (2023: RUB 442 mln lower/higher).

If the amount of the net present value of the expected cash flows on loans to individual customers classified into Stage 3 changes by plus/minus 1 percent, the amount of the estimated allowance for expected credit losses on loans to individual customers as at 31 December 2024 would be RUB 12 mln lower/higher (2023: RUB 12 mln lower/higher).

As at 31 December 2024 and 31 December 2023, loans and advances to legal entities are divided by credit quality into five categories of credit risk:

- Minimal credit risk – the probability of timely repayment of debt is high, slight probability of default.
- Low credit risk – the probability of timely repayment of debt is high, low probability of default.
- Medium credit risk – the probability of timely repayment of debt is high, but there is a vulnerability in the presence of adverse commercial, financial and economic conditions.
- High credit risk – the possibility of timely repayment of debt depends on favourable commercial, financial and economic conditions.
- Defaulted loans – assets with signs of credit impairment.

9 Loans and Advances to Customers (continued)

As at 31 December 2024 and 31 December 2023, loans and advances to individual customers are grouped by days past due.

As at 31 December 2024 and 31 December 2023, loans and advances to customers included loans at fair value.

The table below presents an analysis of loans and advances to customers measured at amortised cost, by credit quality, and of corresponding allowances for expected credit losses as at 31 December 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Loans and advances to legal entities:					
Minimal credit risk	464 395	73	-	-	464 468
Low credit risk	56 816	4 005	-	-	60 821
Medium credit risk	7 758	16 129	-	-	23 887
High credit risk	-	264	-	-	264
Defaulted loans	-	-	30 522	206	30 728
Total gross carrying amount of loans and advances to legal entities	**528 969**	**20 471**	**30 522**	**206**	**580 168**
Allowance for expected credit losses	**(3 330)**	**(1 213)**	**(23 610)**	**-**	**(28 153)**
Total loans and advances to legal entities	**525 639**	**19 258**	**6 912**	**206**	**552 015**
Loans and advances to individuals:					
Not past due	154 780	1 963	463	-	157 206
Overdue loans:					
- less than 30 days	605	458	41	-	1 104
- from 31 to 90 days	-	479	62	-	541
- more than 90 days	-	-	4 324	-	4 324
Total gross carrying amount of loans and advances to individuals	**155 385**	**2 900**	**4 890**	**-**	**163 175**
Allowance for expected credit losses	**(1 142)**	**(320)**	**(3 668)**	**-**	**(5 130)**
Total loans and advances to individuals	**154 243**	**2 580**	**1 222**	**-**	**158 045**
Total loans and advances to customers at amortised cost	**679 882**	**21 838**	**8 134**	**206**	**710 060**

9 Loans and Advances to Customers (continued)

The table below presents an analysis of loans and advances to individuals measured at amortised cost, by credit quality, and of corresponding allowances for expected credit losses as at 31 December 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Mortgage loans					
Not past due	121 053	1 428	207	-	122 688
Overdue loans:					
- less than 30 days	371	336	23	-	730
- from 31 to 90 days	-	235	18	-	253
- more than 90 days	-	-	1 140	-	1 140
Total gross carrying amount of mortgage loans to customers	**121 424**	**1 999**	**1 388**	**-**	**124 811**
Allowance for expected credit losses	**(165)**	**(89)**	**(371)**	**-**	**(625)**
Total mortgage loans to customers	**121 259**	**1 910**	**1 017**	**-**	**124 186**
Consumer loans to VIP customers					
Not past due	529	-	171	-	700
Overdue loans:					
- less than 30 days	-	-	-	-	-
- from 31 to 90 days	-	-	-	-	-
- more than 90 days	-	-	-	-	-
Total gross carrying amount of consumer loans to VIP customers	**529**	**-**	**171**	**-**	**700**
Allowance for expected credit losses	**(11)**	**-**	**(171)**	**-**	**(182)**
Total consumer loans and advances to VIP customers	**518**	**-**	**-**	**-**	**518**
Other consumer loans					
Not past due	33 198	535	85	-	33 818
Overdue loans:					
- less than 30 days	234	122	18	-	374
- from 31 to 90 days	-	244	44	-	288
- more than 90 days	-	-	3 184	-	3 184
Total gross carrying amount of other consumer loans to customers	**33 432**	**901**	**3 331**	**-**	**37 664**
Allowance for expected credit losses	**(966)**	**(231)**	**(3 126)**	**-**	**(4 323)**
Total other consumer loans to customers	**32 466**	**670**	**205**	**-**	**33 341**

9 Loans and Advances to Customers (continued)

The table below presents an analysis of loans and advances to customers measured at amortised cost, by credit quality, and of corresponding allowances for expected credit losses as at 31 December 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Loans and advances to legal entities:					
Minimal credit risk	389 783	27	-	-	389 810
Low credit risk	87 341	5 922	-	-	93 263
Medium credit risk	1 097	4 697	-	-	5 794
High credit risk	-	353	-	-	353
Defaulted loans	-	-	30 800	199	30 999
Total gross carrying amount of loans and advances to legal entities	**478 221**	**10 999**	**30 800**	**199**	**520 219**
Allowance for expected credit losses	**(2 946)**	**(1 302)**	**(25 236)**	**-**	**(29 484)**
Total loans and advances to legal entities	**475 275**	**9 697**	**5 564**	**199**	**490 735**
Loans and advances to individuals:					
Not past due	151 496	858	439	-	152 793
Overdue loans:					
- less than 30 days	822	380	30	-	1 232
- from 31 to 90 days	-	623	49	-	672
- more than 90 days	-	-	4 172	-	4 172
Total gross carrying amount of loans and advances to individuals	**152 318**	**1 861**	**4 690**	**-**	**158 869**
Allowance for expected credit losses	**(1 384)**	**(281)**	**(3 404)**	**-**	**(5 069)**
Total loans and advances to individuals	**150 934**	**1 580**	**1 286**	**-**	**153 800**
Total loans and advances to customers at amortised cost	**626 209**	**11 277**	**6 850**	**199**	**644 535**

9 Loans and Advances to Customers (continued)

The table below presents an analysis of loans and advances to individuals measured at amortised cost, by credit quality, and of corresponding allowances for expected credit losses as at 31 December 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Mortgage loans					
Not past due	112 900	512	195	-	113 607
Overdue loans:					
- less than 30 days	573	286	17	-	876
- from 31 to 90 days	-	310	11	-	321
- more than 90 days	-	-	1 102	-	1 102
Total gross carrying amount of mortgage loans to customers	**113 473**	**1 108**	**1 325**	**-**	**115 906**
Allowance for expected credit losses	**(156)**	**(49)**	**(315)**	**-**	**(520)**
Total mortgage loans to customers	**113 317**	**1 059**	**1 010**	**-**	**115 386**
Consumer loans to VIP customers					
Not past due	2 774	-	178	-	2 952
Overdue loans:					
- less than 30 days	-	-	-	-	-
- from 31 to 90 days	-	-	-	-	-
- more than 90 days	-	-	-	-	-
Total gross carrying amount of consumer loans to VIP customers	**2 774**	**-**	**178**	**-**	**2 952**
Allowance for expected credit losses	**(22)**	**-**	**(178)**	**-**	**(200)**
Total consumer loans and advances to VIP customers	**2 752**	**-**	**-**	**-**	**2 752**
Other consumer loans					
Not past due	35 822	346	66	-	36 234
Overdue loans:					
- less than 30 days	249	94	13	-	356
- from 31 to 90 days	-	313	38	-	351
- more than 90 days	-	-	3 070	-	3 070
Total gross carrying amount of other consumer loans to customers	**36 071**	**753**	**3 187**	**-**	**40 011**
Allowance for expected credit losses	**(1 206)**	**(232)**	**(2 911)**	**-**	**(4 349)**
Total other consumer loans to customers	**34 865**	**521**	**276**	**-**	**35 662**

As at 31 December 2024, the net carrying amount of credit-impaired loans to legal entities amounted to RUB 7 118 mln (2023: RUB 5 763 mln) and the fair value of collateral (mainly commercial real estate) held against these loans, weighted taking into account the probability of the scenarios, amounted to RUB 7 118 mln (2023: RUB 5 758 mln). For each loan, the value of the collateral (under pledge agreements) is limited to a maximum nominal amount of the loan originated.

The amounts in the table below represent the net carrying amount of loans and do not necessarily represent the fair value of collateral.

9 Loans and Advances to Customers (continued)

	2024		2023	
(RUB mln)	Net carrying amount	Collateral	Net carrying amount	Collateral
Loans to legal entities				
Loans to finance working capital	7 118	7 118	5 523	5 518
Investment loans	-	-	240	240
Total	**7 118**	**7 118**	**5 763**	**5 758**

As at 31 December 2024, there are no non-collateralised loans in the loans to legal entities (2023: RUB 5 mln).

As at 31 December 2024 and 31 December 2023, the Group did not have any loans for which expected credit losses were not recognised due to the existence of collateral.

The tables below provide information on credit-impaired loans to individuals, taking into account the relationship between the loan amount and the value of the collateral ("LTV"). The LTV ratio is calculated as the ratio of the gross carrying amount of the loan to the value of collateral. The valuation of collateral excludes any costs associated with obtaining and selling this collateral. For credit-impaired loans, the value of collateral is determined based on the most recent estimates.

(RUB mln)	2024			
	Gross carrying amount	Mortgage loans	Consumer loans to VIP customers	Other consumer loans
Credit-impaired loans to individuals				
Ratio between the loan amount and the value of collateral ("LTV ratio")				
< 50%	572	378	171	23
51–70%	420	391	-	29
> 70%	3 898	619	-	3 279
Total	**4 890**	**1 388**	**171**	**3 331**

(RUB mln)	2023			
	Gross carrying amount	Mortgage loans	Consumer loans to VIP customers	Other consumer loans
Credit-impaired loans to individuals				
Ratio between the loan amount and the value of collateral ("LTV ratio")				
< 50%	843	629	178	35
51–70%	372	329	-	43
> 70%	3 475	367	-	3 109
Total	**4 690**	**1 325**	**178**	**3 187**

As at 31 December 2024, other consumer loans with LTV > 70% in the amount of RUB 3 279 mln (2023: RUB 3 109 mln) include loans in the amount of RUB 2 991 mln without collateral (2023: RUB 3 020 mln).

As at 31 December 2024, of the total amount of credit-impaired loans issued to individuals with LTV > 70%, the net carrying amount of loans with LTV = 100% and loans without collateral is RUB 222 mln (2023: RUB 246 mln).

Analysis of loans and advances to customers by maturity is presented in Note 31. Interest rate analysis of loans and advances to customers is disclosed in Note 31. Information on the fair value of loans and advances to customers is disclosed in Note 34. Information on related party transactions is disclosed in Note 35.

10 Investment Securities

(RUB mln)	2024	2023
Debt investment securities at fair value through other comprehensive income owned		
Corporate bonds	-	1 678
Total debt investment securities at fair value through other comprehensive income	**-**	**1 678**
Equity securities	100	120
Total investment securities at fair value through other comprehensive income	**100**	1 798
Debt investment securities at amortised cost owned		
Federal loan bonds	13 094	20 245
Corporate bonds	3 572	7 139
Bonds of constituent entities of the Russian Federation	15	-
Corporate Eurobonds	9	3 510
Debt investment securities at amortised cost transferred under sale and repurchase agreements		
Corporate bonds	83 714	47 776
Bonds of constituent entities of the Russian Federation	11 610	11 411
Federal loan bonds	4 947	1 041
Corporate Eurobonds	-	9 560
Allowance for expected credit losses	(130)	(121)
Total debt investment securities at amortised cost	**116 831**	**100 561**
Total investment securities, including those transferred under sale and repurchase agreements	**116 931**	**102 359**

The Group’s debt investment securities measured at fair value through other comprehensive income are classified into credit risk grades on the basis of averaging the values of external credit ratings.

For classification into groups by credit risk see Note 5.

Below there is an analysis of debt investment securities measured at fair value through other comprehensive income, including those transferred under sale and repurchase agreements, by credit quality as at 31 December 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Total
Debt investment securities measured at fair value through other comprehensive income				
Group D	-	-	-	-
Total debt investment securities at fair value through other comprehensive income owned	-	**-**	**-**	**-**
Total debt investment securities at fair value through other comprehensive income, including those transferred under sale and repurchase agreements	-	**-**	-	**-**

10 Investment Securities (continued)

Below there is an analysis of debt investment securities measured at fair value through other comprehensive income, including those transferred under sale and repurchase agreements, by credit quality as at 31 December 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Total
Debt investment securities at fair value through other comprehensive income				
Group D	-	1 678	-	1 678
Total debt investment securities at fair value through other comprehensive income owned	-	**1 678**	**-**	**1 678**
Total debt investment securities at fair value through other comprehensive income, including those transferred under sale and repurchase agreements	-	**1 678**	-	**1 678**

Below there is an analysis of debt investment securities measured at amortised cost, including those transferred under sale and repurchase agreements, by credit quality as at 31 December 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Total
Debt investment securities measured at amortised cost				
Group A	15 415	-	-	15 415
Group B	1 275	-	-	1 275
Total debt investment securities at amortised cost owned	**16 690**	**-**	**-**	**16 690**
Debt investment securities at amortised cost transferred under sale and repurchase agreements				
Group A	85 883	-	-	85 883
Group B	14 388	-	-	14 388
Total debt investment securities at amortised cost transferred under sale and repurchase agreements	**100 271**	**-**	**-**	**100 271**
Allowance for expected credit losses	**(130)**	**-**	**-**	**(130)**
Total debt investment securities at amortised cost, including those transferred under sale and repurchase agreements	**116 831**	**-**	**-**	**116 831**

10 Investment Securities (continued)

Below there is an analysis of debt investment securities measured at amortised cost, including those transferred under sale and repurchase agreements, by credit quality as at 31 December 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Total
Debt investment securities measured at amortised cost				
Group A	30 894	-	-	30 894
Total debt investment securities at amortised cost owned	**30 894**	**-**	**-**	**30 894**
Debt investment securities at amortised cost transferred under sale and repurchase agreements				
Group A	58 346	-	-	58 346
Group B	11 442	-	-	11 442
Total debt investment securities at amortised cost transferred under sale and repurchase agreements	**69 788**	**-**	**-**	**69 788**
Allowance for expected credit losses	**(121)**	**-**	**-**	**(121)**
Total debt investment securities at amortised cost, including those transferred under sale and repurchase agreements	**100 561**	**-**	**-**	**100 561**

The table below presents a reconciliation of significant changes in the gross carrying amount of debt securities measured at fair value through other comprehensive income, including those transferred under sale and repurchase agreements for 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Balance as at 1 January	**-**	**1 678**	**-**	**-**	**1 678**
Transfer to lifetime expected credit losses - non-impaired assets					
New assets received or acquired	-	-	-	-	-
Sale and repayment of securities	-	(1 762)	-	-	(1 762)
Other changes	-	84	-	-	84
Total balance of gross carrying amount of debt securities at fair value through other comprehensive income, including those transferred under sale and repurchase agreements as at 31 December	**-**	**-**	**-**	**-**	**-**

10 Investment Securities (continued)

The table below presents a reconciliation of significant changes in the gross carrying amount of debt securities measured at fair value through other comprehensive income, including those transferred under sale and repurchase agreements for 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Balance as at 1 January	**5 642**	**1 502**	**-**	**-**	**7 144**
Transfer to lifetime expected credit losses - non-impaired assets	-	-	-	-	-
New assets received or acquired	-	-	-	-	-
Sale and repayment of securities	(5 642)	-	-	-	(5 642)
Other changes	-	176	-	-	176
Total balance of gross carrying amount of debt securities at fair value through other comprehensive income, including those transferred under sale and repurchase agreements as at 31 December	**-**	**1 678**	**-**	**-**	**1 678**

The table below presents a reconciliation of significant changes in the gross carrying amount of debt securities measured at amortised cost, including those transferred under sale and repurchase agreements for 2024:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Balance as at 1 January	**100 682**	**-**	**-**	**-**	**100 682**
New financial assets originated or purchased	43 967	-	-	-	43 967
Disposal of securities	(28 847)	-	-	-	(28 847)
Other changes	1 159	-	-	-	1 159
Total balance of gross carrying amount of debt securities at amortised cost, including those transferred under sale and repurchase agreements, as at 31 December	**116 961**	**-**	**-**	**-**	**116 961**

The table below presents a reconciliation of significant changes in the gross carrying amount of debt securities measured at amortised cost, including those transferred under sale and repurchase agreements for 2023:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Balance as at 1 January	**63 916**	**-**	**-**	**-**	**63 916**
New financial assets originated or purchased	71 350	-	-	-	71 350
Disposal of securities	(42 662)	-	-	-	(42 662)
Other changes	8 078	-	-	-	8 078
Total balance of gross carrying amount of debt securities at amortised cost, including those transferred under sale and repurchase agreements, as at 31 December	**100 682**	**-**	**-**	**-**	**100 682**

10 Investment Securities (continued)

Movements in the allowance for expected credit losses of debt securities measured at amortised cost, including those transferred under sale and repurchase agreements, for 2024 are as follows:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Balance as at 1 January	**121**	**-**	**-**	**-**	**121**
New financial assets originated or purchased	17	-	-	-	17
Disposal of securities	(7)	-	-	-	(7)
Other changes	(1)				(1)
Total balance as at 31 December	**130**	-	-	-	**130**

Movements in the allowance for expected credit losses of debt securities measured at amortised cost, including those transferred under sale and repurchase agreements, for 2023 are as follows:

(RUB mln)	12-month ECLs	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit- impaired assets	Total
Balance as at 1 January	**74**	**-**	**-**	**-**	**74**
New financial assets originated or purchased	77	-	-	-	77
Disposal of securities	(39)	-	-	-	(39)
Other changes	5	-	-	-	5
Total balance as at 31 December	**121**	**-**	**-**	**-**	**121**

Related liabilities for investment securities pledged under sale and repurchase agreements are disclosed in Note 15.

Analysis of investment securities by maturity and analysis of interest rates are presented in Note 31.

11 Investment Property

(RUB mln)	2024	2023
Land plots	825	773
Real estate	898	856
Total investment property	**1 723**	**1 629**

Investment property consists of land plots and buildings.

Changes in the investment property are as follows:

(RUB mln)	2024	2023
Fair value as at 1 January	**1 629**	**4 345**
Revaluation for the period	94	257
Transfers from other assets	-	672
Additions and transfers	-	572
Disposals	-	(4 637)
Impairment loss recovery / (loss) from impairment	-	420
Fair value as at 31 December	**1 723**	**1 629**

11 Investment Property (continued)

The fair value of investment property as at 31 December 2024 was determined by a special Group division or based on the reports of independent appraisers. The comparative (market) approach and income approach were used in the valuation.

The income approach was used for the cash flow generating object. The capitalization rate was applied at 6.8% (2023: 6.42%). If the capitalization rate changed by minus 1 percentage point, the fair value of real estate as at 31 December 2024 would have been RUB 146 mln higher. If the capitalization rate changed by plus 1 percentage point, the fair value of real estate would be RUB 109 mln lower (2023: if the discount rate changed by minus/plus 1 percentage point, the valuation of buildings would be RUB 150 mln higher / RUB 110 mln lower).

The fair value estimate of investment property is classified to Level 3 of the hierarchy.

12 Property and Equipment, Intangible Assets and Right-of-Use Assets

(RUB mln)	Note	Buildings and constructions	Office and computer equipment	Construction in progress	Intangible assets	Total
Cost as at 1 January 2023		10 706	8 261	208	2 124	21 299
Accumulated depreciation		(743)	(5 307)	-	(972)	(7 022)
Accumulated impairment		(78)	-	-	-	(78)
Net book value at 1 January 2023		**9 885**	**2 954**	**208**	**1 152**	**14 199**
Additions		-	-	3 415	-	3 415
Transfers between categories		176	1 389	(2 608)	1 043	-
Disposals		(3)	(2)	-	(3)	(8)
Depreciation and amortisation charges	26	(278)	(1 126)	-	(313)	(1 717)
Revaluation		504	-	-	-	504
Impairment		(94)	-	-	-	(94)
Net book value at 31 December 2023		**10 190**	**3 215**	**1 015**	**1 879**	**16 299**
Cost at 31 December 2023		10 639	9 255	1 015	3 159	24 068
Accumulated depreciation		(276)	(6 040)	-	(1 280)	(7 596)
Accumulated impairment		(173)	-	-	-	(173)
Net book value at 31 December 2023		**10 190**	**3 215**	**1 015**	**1 879**	**16 299**
Additions		-	-	3 645	-	3 645
Transfers between categories		77	2 838	(3 886)	973	2
Disposals		(5)	(16)	-	-	(21)
Depreciation and amortisation charges	26	(290)	(1 450)	-	(500)	(2 240)
Net book value at 31 December 2024		**9 972**	**4 587**	**774**	**2 352**	**17 685**
Cost at 31 December 2024		10 711	11 797	774	4 084	27 366
Accumulated depreciation		(566)	(7 210)	-	(1 732)	(9 508)
Accumulated impairment		(173)	-	-	-	(173)
Net book value at 31 December 2024		**9 972**	**4 587**	**774**	**2 352**	**17 685**

Construction in progress in 2024 and 2023 is mainly a re-equipment of the premises of branches and outlets.

As at 31 December 2024 the Group did not identify impairment of buildings and constructions, land plots (2023: the Group recognised the revaluation in the amount of RUB 504 mln and impairment in the amount of RUB 95 mln).

The fair value of buildings was determined by a special Group division. Two approaches were used to perform the valuation: the comparison (market) approach and direct capitalisation approach. Using this method, the value is determined by dividing the market annual income from an object by the total capitalisation rate.

The fair value of land plots is determined using the market approach. When performing the valuation, objects similar in the location, size and purpose were analysed.

12 Property and Equipment, Intangible Assets and Right-of-Use Assets (continued)

Main parameters of the direct capitalisation method:

- losses from the lack of occupancy of buildings and premises are taken in the range to 11.0%, depending on the characteristics, type and location of real estate;
- operating expenses amounted from 17.0 to 19.0% of actual gross income;
- the capitalisation rate is determined in the range from 8.0 to 11.0%, depending on the characteristics, type and location of real estate.

Changes in the estimates above could affect the value of real estate.

For example, if the market value of peer items used for valuation using the comparative sales method changed by plus/minus 5 percentage points, the valuation of real estate as at 31 December 2024 would have been RUB 40 mln higher/lower. If the capitalisation rate changed by plus/minus 1 percentage point, the building valuation as at 31 December 2024 would have been RUB 422 mln lower / RUB 518 mln higher (2023: if the capitalisation rate changed by minus/plus 1 percentage point, the building valuation would have been RUB 441 mln higher/ RUB 327 mln lower).

As at 31 December 2024, the carrying amount includes the revaluation of the Group's buildings and constructions in the amount of RUB 3 812 mln (2023: RUB 3 812 mln) for which a deferred tax liability of RUB 953 mln was recognised (2023: RUB 763 mln). The fair value estimate of buildings is classified to Level 3 of the hierarchy.

If the Group's buildings and constructions were accounted for at the acquisition cost less accumulated depreciation, their carrying amount as at 31 December 2024 would have been RUB 5 682 mln (2023: RUB 5 900 mln).

Right-of-use assets mainly represent premises of branches and outlets. The table below shows the movements in the right-of-use assets in 2024 and 2023:

(RUB mln)	**2024**	**2023**
Rights of use of property and equipment as at 1 January	**1 077**	**1 506**
Additions of rights of use of property and equipment for the reporting period	192	92
Prolongation of lease term	1 196	132
Accumulated depreciation	(617)	(648)
Disposals	(28)	(5)
Rights of use of property and equipment as at 31 December	**1 820**	**1 077**

13 Other Assets

(RUB mln)	**2024**	**2023**
Variation margin and other collateral that guarantees the performance of obligations	5 969	5 520
Plastic cards receivables	3 370	1 276
Settlements on transactions with securities	1 110	1 049
Overdue guarantee receivables	276	279
Settlements on commissions with customers	168	182
Conversion transactions settlements	106	-
Allowance for expected credit losses	(1 557)	(1 487)
Total financial assets	**9 442**	**6 819**
Advances under construction contracts	4 876	1 650
Accounts receivable and advances	813	781
Securities settlements under depository and brokerage agreements	350	1 515
Precious metals and natural precious stones	259	1 682
Prepaid taxes other than income tax	31	-
Rent receivables	12	93
Other	546	359
Total non-financial assets	**6 887**	**6 080**
Total other assets	**16 329**	**12 899**

13 Other Assets (continued)

There are no individually impaired and overdue assets among financial assets of the Group, except for settlements on transactions with securities and receivables for overdue guarantees and commissions.

As at 31 December 2024, the Bank has accounts receivable related to overdue guarantees and non-credit fees in the amount of RUB 444 mln and the allowance made in the amount of RUB 429 mln (2023: RUB 461 mln and RUB 420 mln, respectively).

Accounts receivable and advances include payments made by the Group in respect of software and hardware, as well as prepayment of repairs to existing property and equipment.

Below there is the analysis of changes in the allowance for expected credit losses for other financial assets during 2024 and 2023:

(RUB mln)	**2024**	**2023**
Allowance for expected credit losses as at 1 January	**1 487**	**7 077**
Charge (recovery) of allowance for expected credit losses on other assets during the year	90	(5 705)
Amounts written-off as non-recoverable during the period	(70)	(70)
Other changes	50	185
Allowance for expected credit losses as at 31 December	**1 557**	**1 487**

The analysis of other assets by maturity is presented in Note 31.

14 Long-term Assets Held-for-sale

(RUB mln)	**2024**	**2023**
Land plots	537	537
Property	1 014	1 221
Impairment	(523)	(448)
Total long-term assets held-for-sale	**1 028**	**1 310**

Long-term assets held-for-sale are mainly items held by the Bank as a result of obtaining control over collateral for loans and advances to customers. The Group's policy is to sell these assets as soon as it is practicable.

15 Due to Banks

(RUB mln)	**2024**	**2023**
Securities sale and repurchase agreements	133 135	136 339
Term placements of banks	56 474	71 071
Correspondent accounts of banks	659	1 149
Total due to banks	**190 268**	**208 559**

As at 31 December 2024, the Group had 1 counterparty with aggregate deposit balances that exceeded 10% of equity of the Group and amounted to RUB 21 073 mln (2023: 1 counterparty with aggregate deposit balances that amounted to RUB 20 036 mln).

As at 31 December 2024, the Group had effective securities sale and repurchase agreements with an organisation acting as a central counterparty in the financial market in the amount of RUB 133 135 mln (2023: RUB 136 339 mln).

15 Due to Banks (continued)

Securities pledged under these sale and repurchase agreements and lent are securities:

- from own portfolio of securities measured at fair value in the amount of RUB 5 552 mln, and securities measured at amortised cost in the amount of RUB 100 271 mln (2023: RUB 34 914 mln and RUB 69 788 mln, respectively) (see Notes 6 and 10);
- received by the Group under reverse sale and repurchase agreements (without initial recognition) in the amount of RUB 51 713 mln (2023: RUB 52 426 mln). (See Note 7).

The Group received a subordinated loan from the State Corporation "Deposit Insurance Agency", under which the federal loan bonds with the fair value as at 31 December 2024 of RUB 15 420 mln (2023: RUB 15 236 mln) were transferred to the Group, see Note 32. As at 31 December 2024, these securities were not pledged under sale and repurchase agreements with credit organisations (2023: securities were not pledged under sale and repurchase agreements with credit organisations).

The analysis of due to banks by maturity and analysis of interest rates are presented in Note 31.

16 Customer Accounts

(RUB mln)	**2024**	**2023**
State and public organisations		
- Term deposits	16 520	-
Legal entities		
- Current/settlement accounts	90 708	123 448
- Term deposits	167 446	127 410
Individuals		
- Current/demand accounts	103 527	141 505
- Term deposits	332 903	254 084
Total customer accounts	**711 104**	**646 447**

State and public organisations do not include commercial entities owned by the state.

As at 31 December 2024 and 31 December 2023, the Group had 1 customer, the aggregate balances on accounts and deposits of which exceeded 10% of the Group's equity and amounted to RUB 28 662 mln (31 December 2023: the Group had no customers (groups of customers), the aggregate balances on accounts and deposits of each of which exceeded 10% of the Group's equity).

Economic sector concentrations within customer accounts are as follows:

	2024		**2023**	
(RUB mln)	**Amount**	**%**	**Amount**	**%**
Individuals	436 430	61.4	395 589	61.2
Trade	67 309	9.5	70 128	10.8
Financial services	52 359	7.4	20 034	3.1
Construction	31 162	4.4	45 551	7.0
Production	30 034	4.2	35 489	5.5
Real estate	27 043	3.8	27 201	4.2
Transport	18 324	2.6	17 615	2.7
Art, science and education	13 786	1.9	15 975	2.5
Public utilities	3 528	0.5	3 835	0.6
Medical institutions	1 726	0.2	2 291	0.4
Energy	729	0.1	530	0.1
Communications	267	0.0	306	0.0
Other	28 407	4.0	11 903	1.9
Total customer accounts	**711 104**	**100.0**	**646 447**	**100.0**

16 Customer Accounts (continued)

As at 31 December 2024, customer accounts include deposits that are collateral for irrevocable guarantee obligations in the amount of RUB 15 448 mln (2023: RUB 26 450 mln), as well as coverage on letters of credit in the amount of RUB 98 mln (2023: RUB 183 mln).

The analysis of customer accounts by maturity is presented in Note 31. The interest rate analysis of customer accounts is disclosed in Note 31.

The information on the fair value of customer accounts is presented in Note 34. The information on related party transactions is disclosed in Note 35.

17 Promissory Notes and Deposit Certificates Issued

(RUB mln)	**2024**	**2023**
Promissory notes and deposit certificates	4 612	4 651
Total promissory notes and deposit certificates issued	**4 612**	**4 651**

The analysis of promissory notes and deposit certificates issued by maturities is presented in Note 31. The analysis of the interest rates of promissory notes and deposit certificates issued is presented in Note 31.

18 Other Liabilities

(RUB mln)	**Note**	**2024**	**2023**
Variation margin and other collateral received that guarantees the performance of obligations		4 683	1 291
Plastic card payables		4 179	1 444
Lease liability		1 815	1 121
Dividends payable	29	448	319
Guarantees and import letters of credit		353	199
Accounts payable		268	211
Other		110	253
Total financial liabilities		**11 856**	**4 838**
Amounts payable to employees		2 688	3 243
Income tax liability		1 012	1 057
Settlements for social insurance		591	774
Insurance premium liabilities		586	547
Securities settlements under depository and brokerage agreements		350	1 545
Allowance for credit related commitments		294	318
Taxes payable other than income tax		265	257
Other		857	125
Total non-financial liabilities		**6 643**	**7 866**
Total other liabilities		**18 499**	**12 704**

Below there are movements in lease liabilities for 2024 and 2023:

(RUB mln)	**2024**	**2023**
Lease liabilities as at 1 January	**1 121**	**1 451**
Lease liabilities under new agreements for the reporting period	190	92
Interest expense for the reporting period	171	101
Prolongation of lease term	1 196	132
Principal lease payments	(834)	(652)
Disposals	(29)	(3)
Total lease liabilities as at 31 December	**1 815**	**1 121**

18 Other Liabilities (continued)

Below there is the analysis of changes in the allowance for expected credit losses on credit related commitments during 2024 and 2023:

(RUB mln)	2024	2023
Allowance for expected credit losses as at 1 January	**318**	**984**
(Recovery)/charge of the allowance for credit related commitments during the year	(24)	(666)
Allowance for expected credit losses as at 31 December	**294**	**318**

The analysis of other liabilities by maturity is presented in Note 31.

19 Derivative Financial Instruments

Derivative financial instruments with which the Group conducts operations have either potentially favourable conditions (and are assets), or potentially unfavourable conditions (and are liabilities) as a result of fluctuations in market quotes. The fair value of derivatives may vary significantly over time.

The fair value of assets and liabilities for currency and interest derivative contracts entered into by the Group at the reporting date is presented in the table below. The table includes contracts with the settlement date after the end of the relevant reporting period. The amounts for these transactions are shown on a gross basis: before offsetting positions (and payments) for each counterparty.

The analysis of derivative financial instruments as at 31 December 2024 is as follows:

(RUB mln)

Underlying asset	Instrument	Fair value of expected cash flows receivable	Fair value of expected cash flows payable	Assets – positive fair value	Liabilities – negative fair value
Interest rates	Swap	30 297	(31 580)	5 114	(6 397)
	Option	112	(256)	112	(256)
Other	Forward	7 225	(7 715)	162	(652)
	Swap	7 314	(7 313)	63	(62)
	Futures	37	(304)	37	(304)
	Option	11	(15)	-	(3)
	Other instruments	732	(633)	101	(3)
Total		**45 728**	**(47 816)**	**5 589**	**(7 677)**

The analysis of derivative financial instruments as at 31 December 2023 is as follows:

(RUB mln)

Underlying asset	Instrument	Fair value of expected cash flows receivable	Fair value of expected cash flows payable	Assets – positive fair value	Liabilities – negative fair value
Interest rates	Swap	34 890	(39 414)	1 614	(6 138)
	Option	264	(384)	264	(384)
Other	Forward	30 037	(29 704)	492	(159)
	Swap	70 205	(70 438)	602	(835)
	Futures	249	(208)	249	(208)
	Option	1 634	(1 577)	58	(2)
	Other instruments	1 316	(1 213)	115	(12)
Total		**138 595**	**(142 938)**	**3 394**	**(7 738)**

20 Cash Flows from Financing Activities

The reconciliation of changes in liabilities, equity and cash flows from financing activities for 2024 is as follows:

	Equity				
(RUB mln)	**Share capital**	**Share premium**	**Treasury shares**	**Retained earnings**	**Total**
Balance as at 1 January 2024	**3 510**	**22 178**	**(1 676)**	**146 514**	**170 526**
Dividends paid	-	-	-	(22 445)	(22 445)
Treasury shares	-	-	(140)	-	(140)
Total changes relating to cash flows from financing activities	**-**	**-**	**(140)**	**(22 445)**	**(22 585)**
Profit for the year	-	-	-	50 779	50 779
Total components of comprehensive income recognized directly in equity	-	-	-	1	1
Redemption of treasury shares	(31)	(678)	676	33	-
Result of disposal of equity securities measured through equity	-	-	-	10	10
Difference between declared and paid dividends	-	-	-	(136)	(136)
Balance as at 31 December 2024	**3 479**	**21 500**	**(1 140)**	**174 756**	**198 595**

The reconciliation of changes in liabilities, equity and cash flows from financing activities for 2023 is as follows:

	Liabilities	Equity				
(RUB mln)	**Bonds issued**	**Share capital**	**Share premium**	**Treasury shares**	**Retained earnings**	**Total**
Balance as at 1 January 2023	**801**	**3 609**	**23 206**	**(2 050)**	**117 122**	**142 688**
Repayments	(797)	-	-	-	-	(797)
Interest paid	(34)	-	-	-	-	(34)
Dividends paid	-	-	-	-	(18 006)	(18 006)
Treasury shares	-	-	-	(651)	-	(651)
Total changes relating to cash flows from financing activities	**(831)**	**-**	**-**	**(651)**	**(18 006)**	**(19 488)**
Interest expense	30	-	-	-	-	30
Profit for the year	-	-	-	-	47 315	47 315
Difference between declared and paid dividends	-	-	-	-	(19)	(19)
Redemption of treasury shares	-	(99)	(1 028)	1 025	102	-
Balance as at 31 December 2023	-	**3 510**	**22 178**	**(1 676)**	**146 514**	**170 526**

21 Share Capital

(RUB mln)	Number of outstanding ordinary shares (thousand shares)	Number of outstanding preference shares (thousand shares)	Ordinary shares	Preference shares	Share premium	Treasury shares	Total share capital and share premium	Retained earnings
As at 1 January 2023	**449 909**	**20 100**	**3 432**	**177**	**23 206**	**(2 050)**	**24 765**	**-**
Redemption of treasury shares	-	-	(99)	-	(1 028)	1 025	**(102)**	102
Shares buy-back	(4 081)	-	**-**	-	**-**	(651)	**(651)**	-
As at 31 December 2023	**445 828**	**20 100**	**3 333**	**177**	**22 178**	**(1 676)**	**24 012**	**-**
Redemption of treasury shares	**-**	**-**	(31)	-	(678)	676	(33)	33
Shares buy-back	(460)	-	-	-	-	(140)	(140)	-
As at 31 December 2024	**445 368**	**20 100**	**3 302**	**177**	**21 500**	**(1 140)**	**23 839**	**-**

The nominal registered issued share capital of the Bank as at 31 December 2024 is RUB 478 mln (2023: RUB 482 mln). As at 31 December 2024, all of the Bank's outstanding shares were declared, issued and fully paid in.

Capital adjustments based on hyperinflation indices were made as of 31 December 2002. The share capital adjusted for hyperinflation indices is RUB 3 479 mln.

As at 31 December 2024, the Bank has 457 544 thousand ordinary shares with the nominal value of RUB 1 (one), including repurchased shares. One ordinary share carries one vote.

As at 31 December 2024, the Bank has one type of preference shares with the nominal value of RUB 1 (one) in the amount of 20 100 thousand shares.

Preference shares grant the right to take part in the General Meeting of Shareholders with the right to vote on all issues of its competence, starting with the meeting following the annual General Meeting of Shareholders where, notwithstanding the reasons, no decision on dividends payment was made or a decision on partial payment of dividends was made. If shareholders do not declare dividends on preference shares, the holders of preference shares are entitled to voting rights similar to ordinary shareholders until the dividends are paid. Preference shares are not cumulative.

Share premium represents the excess of capital contributions over the nominal value of shares issued.

On 25 April 2024, the general meeting of the Bank's shareholders resolved to reduce the share capital by redeeming 4 336 thousand shares acquired by the Bank in 2022-2023 in accordance with the Programme for the acquisition of the Bank's own outstanding ordinary shares dated 27 October 2022. On 15 May 2024, the Bank's own ordinary shares held in the treasury account in the shareholder register were redeemed in the amount of 4 336 thousand shares. After the redemption the balance held on the treasury account in the shareholder register amounted to 11 716 thousand shares.

On 25 July 2024, the Supervisory Board of the Bank decided to acquire its own outstanding ordinary shares at organised trading in accordance with the approved Acquisition Programme stipulating the following principal terms and conditions: maximum number of shares to be acquired: 20 000 thousand shares. The Programme was effective from 29 July 2024 to 29 January 2025. The purpose of the Programme was to increase capitalisation. For the period from November through December 2024 460 thousand ordinary shares for the amount of RUB 140 mln were credited to the treasury account of the Bank with the National Settlement Depository. The shares were acquired at stock exchange prices.

22 Interest Income and Expense

(RUB mln)	2024	2023
Interest income calculated using the effective interest rate method	**146 705**	**81 240**
Loans and advances to customers		
- loans and advances to legal entities	92 581	45 617
- loans and advances to individuals	21 802	15 340
Reverse sale and repurchase agreements	17 735	6 715
Debt investment securities measured at amortised cost	10 185	8 175
Due from banks	4 220	4 584
Debt investment securities measured through other comprehensive income	182	809
Other interest income	**7 483**	**3 419**
Trading securities measured through profit or loss	6 039	2 093
Loans and advances to customers measured at fair value through profit or loss	1 444	1 326
Total interest income	**154 188**	**84 659**
Interest expense		
Term deposits of individuals	31 392	13 399
Due to banks	31 270	10 293
Term deposits of legal entities	16 782	7 186
Current/settlement accounts	1 667	647
Other debt securities issued	201	158
Bonds issued	-	30
Total interest expense	**81 312**	**31 713**
Contributions to the deposit insurance system	**2 319**	**2 114**
Net interest income	**70 557**	**50 832**

The information on related party transactions is disclosed in Note 35.

23 Allowance for Expected Credit Losses on Debt Financial Assets

The following table shows the reconciliation between:

- the amounts presented in the reconciliation of the balances of the estimated allowance for expected credit losses as at 1 January and 31 December 2024 for the classes of financial instruments presented in Notes 8, 9, 10; and
- the item "Allowance for expected credit losses on debt financial assets" in the consolidated statement of comprehensive income for 2024.

			Debt investment securities at		
(RUB mln)	**Due from banks**	**Loans and advances to customers**	**FVOCI**	**amortised cost**	**Total**
Allowance for expected credit losses as at 1 January	**(18)**	**(34 553)**	**(428)**	**(121)**	**(35 120)**
New assets received or acquired	-	(5 560)	-	-	(5 560)
Net charge for (charge) recovery of allowance for expected credit losses, including transfers between the stages	2	(2 647)	-	(17)	(2 662)
Recovery of allowance due to repayment of loans / securities	-	2 510	428	-	2 938
Total charge (recovery) of allowance for 12-month expected credit losses	**2**	**(5 697)**	**428**	**(17)**	**(5 284)**
Unwinding of discount in respect of ECL present value	-	(711)	-	-	(711)
Amounts written-off or sold as non-recoverable during the period	-	8 965	-		8 965
Allowance disposed of as a result of redemption of securities	-	-	-	7	7
Other changes	(2)	(1 287)	-	1	(1 288)
Allowance for expected credit losses as at 31 December	**(18)**	**(33 283)**	**-**	**(130)**	**(33 431)**

The following table shows the reconciliation between:

- the amounts presented in the reconciliation of the balances of the estimated allowance for expected credit losses as at 1 January and 31 December 2023 for the classes of financial instruments presented in Notes 5, 8, 9, 10; and
- the item "Allowance for expected credit losses on debt financial assets" in the consolidated statement of comprehensive income for 2023.

23 Allowance for Expected Credit Losses on Debt Financial Assets (continued)

(RUB mln)	Due from banks	Loans and advances to customers	Debt investment securities at FVOCI	Debt investment securities at amortised cost	Total
Allowance for expected credit losses as at 1 January	**(86)**	**(42 576)**	**(423)**	**(74)**	**(43 159)**
New assets received or acquired	(13)	(2 521)	-	(77)	(2 611)
Net charge for (charge) recovery of allowance for expected credit losses, including transfers between the stages	-	3 908	(12)	(4)	3 892
Recovery of allowance due to repayment of loans/securities	83	2 950	7	3	3 043
Total charge (recovery) of allowance for 12-month expected credit losses	**70**	**4 337**	**(5)**	**(78)**	**4 324**
Unwinding of discount in respect of ECL present value	-	(747)	-	-	(747)
Amounts written-off or sold as non-recoverable during the period	-	7 836	-		7 836
Allowance disposed of as a result of redemption of securities	-	-	-	36	36
Other changes	(2)	(3 403)	-	(5)	(3 410)
Allowance for expected credit losses as at 31 December	**(18)**	**(34 553)**	**(428)**	**(121)**	**(35 120)**

24 Net Gains from Trading in Foreign Currencies, Foreign Exchange Revaluation and from Transactions with Derivative Financial Instruments and Precious Metals

(RUB mln)	2024	2023
Net income from transactions with foreign currency, revaluation of foreign currency balances, from transactions with derivative financial instruments	12 715	9 704
Net income from transactions with precious metals	307	683
Net gains from trading in foreign currencies, foreign exchange revaluation and from transactions with derivative financial instruments and precious metals	**13 022**	**10 397**

25 Fee and Commission Income and Expense

(RUB mln)	2024	2023
Fee and commission income		
Settlement transactions	6 647	7 484
Plastic cards settlements	3 855	4 274
Guarantees and letters of credit issued	1 967	1 648
Agency services under insurance contracts	1 163	1 239
Cash transactions	268	236
Cash collection	87	77
Custody operations	69	69
Investment services, including trust management of property	-	35
Other	349	223
including revenue under agreements in scope of IFRS 15:		
- recognised over time	3 199	2 991
- recognised when the service is provided	11 206	12 294
Total fee and commission income	**14 405**	**15 285**
Fee and commission expense		
Plastic cards settlements	1 824	1 861
Securities	349	214
Loyalty programs	285	390
Settlement transactions	163	181
Guarantees and letters of credit	103	33
Banknote transactions	-	2
Other	82	117
Total fee and commission expense	**2 806**	**2 798**
Net fee and commission income	**11 599**	**12 487**

Fee and commission income that is not an integral part of effective interest rate on financial asset or liability is measured based on compensation stated in the agreement and recognised depending on the type of service either at a point of time or over time as the Group fulfils a performance obligation under the contract depending on the point when the Group hands over control of the service to a customer:

- commission fee for settlement transactions, plastic cards and cheques transactions, and cash transfers is charged for the execution of payment orders in accordance with tariffs depending on the type of the transaction and is recognised as income at the moment of the transaction execution;
- commission fee on cash collection is paid in accordance with fixed tariffs and is recognised as income at the moment of the transaction execution;
- fee for operating maintenance, asset management, custody and other management and consulting services is charged monthly based on fixed rates depending on the type of transaction and is recognised over time as the Group provides the corresponding service;
- fee for agency services (for conducting or participating in negotiations on a transaction on behalf of the third party) is recognised at the moment the transaction is executed by the third party.

The information on related party transactions is disclosed in Note 35.

26 Administrative and Other Operating Expenses

(RUB mln)	Note	2024	2023
Depreciation and amortisation of property and equipment, intangible assets and right-of-use assets	12	2 857	2 365
Software		2 310	1 571
Other costs related to property and equipment		1 318	1 495
Postal, cable and telecommunications expenses		934	746
Charity		549	685
Professional services		165	560
Security		356	316
Other taxes (other than income tax)		304	316
Information and advisory services		303	269
Transportation		296	222
Rent		181	173
Advertising and marketing services		171	108
Other administrative expenses		831	941
Total administrative and other operating expenses		**10 575**	**9 767**

27 Income Tax

Income tax expense comprises the following:

(RUB mln)	2024	2023
Current income tax expense	12 120	13 130
Deferred tax	(183)	770
Income tax expense for the year	**11 937**	**13 900**

The current income tax rate applicable to the majority of the Group's profits is 20% (2023: 20%).

Below there is a comparison of theoretical tax expenses with actual tax expenses:

(RUB mln)	2024	2023
Profit before tax	**62 716**	**61 215**
Theoretical tax charge at statutory rate	12 543	12 243
Permanent differences on income tax	205	211
Income from government securities taxed at different rates	(775)	(462)
One-off windfall tax	-	1 908
Effect of changes in income tax rate	(36)	-
Income tax expense for the year	**11 937**	**13 900**

Differences between IFRS and the tax legislation of the Russian Federation result in temporary differences between the carrying amount of assets and liabilities for the purposes of the IFRS summary consolidated financial statements and for the purposes of calculating income tax. The tax implications of changes in these temporary differences are detailed below and are recognised at the rate of 25% (2023: 20%), except for the income on state securities which is taxed at 15% (2023: 15%).

On 12 July 2024, the draft law was approved to amend parts one and two of the Tax Code of the Russian Federation, which provides, among other things, for an increase in the income tax rate from 20% to 25% from 1 January 2025. This change is reflected in the table above.

27 Income Tax (continued)

(RUB mln)	31 December 2023	Recognised in profit or loss	Recorded in other comprehensive income and directly in equity	31 December 2024
Tax effect of temporary differences				
Allowance for expected credit losses	(2 029)	782	-	(1 247)
Accrued income/expense	481	(423)	-	58
Valuation of investment securities measured at amortised cost	(844)	554	-	(290)
Valuation of trading and other securities at fair value	41	97	79	216
Property and equipment	(924)	(139)	(190)	(1 253)
Other	1 435	(688)	-	748
Recognised deferred tax liability	**(1 840)**	**183**	**(111)**	**(1 768)**

(RUB mln)	31 December 2022	Recognised in profit or loss	Recorded in other comprehensive income and directly in equity	31 December 2023
Tax effect of temporary differences				
Allowance for expected credit losses	(2 077)	48	-	(2 029)
Accrued income/expense	756	(275)	-	481
Valuation of investment securities measured at amortised cost	(488)	(356)	-	(844)
Valuation of trading and other securities at fair value	37	45	(41)	41
Property and equipment	(849)	26	(101)	(924)
Other	1 693	(258)	-	1 435
Recognised deferred tax liability	**(928)**	**(770)**	**(142)**	**(1 840)**

28 Earnings per Share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year net of treasury shares.

As at 31 December 2024, the Bank has no preference shares that potentially dilute earnings per share. Therefore, diluted earnings per share equal basic earnings per share.

Basic earnings per share are calculated as follows:

(RUB mln)	2024	2023
Profit attributable to shareholders of the Bank	50 779	47 315
Less preference dividends	(9)	(9)
Profit attributable to ordinary shareholders of the Bank	50 770	47 306
Weighted average number of ordinary shares outstanding (thousands)	445 804	447 563
Basic earnings per share (RUB per share)	**113.88**	**105.70**

29 Dividends

	2024		2023	
(RUB mln)	**Ordinary shares**	**Preference shares**	**Ordinary shares**	**Preference shares**
Dividends payable as at 1 January	**319**	**-**	**33**	**-**
Dividends declared during the year	22 572	9	18 016	9
Dividends paid during the year	(22 436)	(9)	(17 726)	(9)
Write-off of unclaimed dividends	(7)	-	(4)	-
Dividends payable as at 31 December	**448**	**-**	**319**	**-**
Dividends per share declared during the year (RUB per share)				
- 2022 results	-	-	21.16	0.22
- half-year 2023 results	-	-	19.08	0.22
- 2023 results	23.37	0.22	-	-
- half-year 2024 results	27.26	0.22	-	-

All dividends were declared and paid in Russian roubles.

On 25 April 2024, the Annual General Meeting of Shareholders decided to approve the aggregate amount of dividends for 2023 in the amount of RUB 42.45 per 1 ordinary share, RUB 0.44 per 1 preference share. Of which RUB 19.08 per 1 ordinary share and RUB 0.22 per 1 preference share were declared based on the Group's results for 6 months of 2023 and were paid in the second half of 2023. Accordingly, the remaining dividends of RUB 23.37 per 1 ordinary share and RUB 0.22 per 1 preference share based on the Group's results for 2023 were declared and paid in the first half of 2024.

Based on the results of the Extraordinary General Meeting of Shareholders dated 18 September 2024, it was decided to pay dividends for 6 months of 2024 in the amount of RUB 27.26 per 1 ordinary share, RUB 0.22 per 1 preference share. The dividends in the amount of RUB 12 158 mln were paid in October 2024.

30 Segment Analysis

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker and for which discrete financial information is available. The chief operating decision maker is the Management Board of the Bank.

Description of products and services that are revenue sources of the reporting segments

The Group’s operations consist of three main business segments:

- Corporate banking – settlement and current accounts, deposits, credit lines, loans and other credit facilities, foreign currency transactions with commercial and state entities.
- Operations on financial markets – financial instruments trading, loans and deposits on the interbank market, dealing in foreign exchange and derivative financial instruments.
- Retail banking – private banking services, private customer current accounts, deposits, retail investment products, custody services, credit and debit cards, consumer loans, mortgages and other loans to individuals and VIP clients.

30 Segment Analysis (continued)

Transactions between the business segments are concluded at arm's length. Funds are ordinarily reallocated between segments, resulting in funding cost transfers disclosed in operating income/expense for the segment, i.e. the balance of transfer income and expenses from reallocated financial resources between internal segments. Interest charged for these funds is based on market interest rates. There are no other material items of income or expense between the business segments. Segment assets and liabilities comprise operating assets and liabilities, being the majority of assets and liabilities of the Group, but excluding some property and equipment and intangible assets, long-term assets held-for-sale, investment property, other assets and liabilities and balances on taxation settlements.

Factors used by management to identify reporting segments

The Group's segments are groups of strategic business units targeting different customers. They are managed separately because they require different technology, marketing strategies and level of service.

Evaluation of profit or loss, assets and liabilities of operating segments

The Bank's Management Board analyses the financial information prepared in accordance with the requirements of the Russian legislation. Such financial information differs in certain aspects from International Financial Reporting Standards:

(i) resources are usually redistributed among segments using internal interest rates set by the Treasury Department. These interest rates are calculated based on the basic market interest rates, contractual maturity dates and observable actual maturity dates of customer accounts balances;

(ii) income tax is not allocated to segments;

(iii) fee and commission income on lending transactions is recognised immediately, rather than in the future periods using the effective interest rate method;

(iv) derivative financial liabilities are not included in liabilities but are allocated to equity items of management accounts;

(v) information on consolidated companies is not included.

The Management Board of the Bank evaluates the business segment results based on the amount of profit taking into account analytical calculation of income tax.

30 Segment Analysis (continued)

Information on profit or loss, assets and liabilities of reporting segments

The segment information for the Group's main reporting business segments for the years ended 31 December 2024 and 31 December 2023 is set out below (in accordance with the management accounts).

(RUB mln)	Corporate banking	Retail banking	Operations on financial markets	Unallocated	Total
For 2024					
Interest income	92 456	22 464	37 521	-	152 441
Interest expense	(17 878)	(32 955)	(31 632)	(146)	(82 611)
Internal funding charge	(56 192)	33 697	(9 127)	31 622	-
Net interest income (loss)	**18 386**	**23 206**	**(3 238)**	**31 476**	**69 830**
Net fee and commission income (expense)	9 565	2 986	(137)	-	12 414
Net trading income	7 974	697	3 388	-	12 059
Other net operating income	890	6	271	158	1 325
Net operating income	**36 815**	**26 895**	**284**	**31 634**	**95 628**
General and administrative expenses	(7 999)	(8 710)	(1 276)	(7 553)	(25 538)
Expenses for charge of allowance for expected credit losses	(6 188)	(689)	(57)	-	(6 934)
Profit before tax	**22 628**	**17 496**	**(1 049)**	**24 081**	**63 156**
Income tax expense	(4 526)	(3 500)	211	(4 503)	(12 318)
Profit (loss) of segment	**18 102**	**13 996**	**(838)**	**19 578**	**50 838**
As at 31 December 2024					
Reporting segment assets before allowance	**620 265**	**170 223**	**364 192**	**21 302**	**1 175 982**
Reporting segment liabilities	**268 480**	**439 885**	**213 708**	**16 122**	**938 195**
Other segment items for 2024					
Depreciation and amortisation charges	(661)	(673)	(93)	(500)	(1 927)

30 Segment Analysis (continued)

(RUB mln)	Corporate banking	Retail banking	Operations on financial markets	Unallocated	Total
For 2023					
Interest income	46 527	15 209	21 803	-	83 539
Interest expense	(7 822)	(14 978)	(10 179)	(146)	(33 125)
Internal funding charge	(20 987)	14 201	(10 178)	16 964	-
Net interest income	**17 718**	**14 432**	**1 446**	**16 818**	**50 414**
Net fee and commission income (expenses)	10 331	3 267	(36)	-	13 562
Net trading income	7 508	1 023	5 354	-	13 885
including income from customer conversion transactions	*4 076*	*1 019*	-	-	*5 095*
Other net operating (expenses) income	(302)	131	285	(147)	(33)
Net operating income	**35 255**	**18 853**	**7 049**	**16 671**	**77 828**
General and administrative expenses	(7 190)	(7 623)	(1 788)	(6 450)	(23 051)
Expenses for charge of allowance for expected credit losses	1 178	(158)	5 620	-	6 640
Profit before tax	**29 243**	**11 072**	**10 881**	**10 221**	**61 417**
Income tax expense	(5 849)	(2 214)	(2 176)	(3 914)	(14 153)
Profit of segment	**23 394**	**8 858**	**8 705**	**6 307**	**47 264**
As at 31 December 2023					
Reporting segment assets before allowance	**551 787**	**169 073**	**354 652**	**18 979**	**1 094 491**
Reporting segment liabilities	**254 261**	**395 017**	**217 571**	**15 469**	**882 318**
Other segment items for 2023					
Depreciation and amortisation charges	(464)	(504)	(110)	(372)	(1 450)

30 Segment Analysis (continued)

A reconciliation of assets according to the management information with IFRS summary consolidated financial statements results as at 31 December 2024 and 31 December 2023 is set out below:

(RUB mln)	2024	2023
Total reporting segment assets before allowance	**1 175 982**	**1 094 491**
Adjustment of financial assets measured at amortised cost	(32 675)	(34 509)
Adjustments of income/expense accruals	3 062	(3 518)
Adjustments of depreciation and amortisation and fair value of property and equipment intangible assets and right-of-use assets	(94)	46
Fair value and amortised cost adjustments	(2 600)	727
Adjustment of assets additionally recognised in management accounts	(2)	(101)
Other adjustments	(48)	(32)
Effect of consolidation and elimination of intragroup assets	(6 193)	198
Total assets under IFRS	**1 137 432**	**1 057 302**

A reconciliation of liabilities according to the management information with IFRS summary consolidated financial statements results as at 31 December 2024 and 31 December 2023 is set out below:

(RUB mln)	2024	2023
Total reporting segment liabilities	**(938 195)**	**(882 318)**
Adjustment of financial liabilities measured at amortised cost	(404)	(572)
Adjustments of income/expense accruals	(5 611)	(1 305)
Income tax adjustments	1 002	(426)
Fair value and amortised cost adjustments	-	(7)
Adjustment of liabilities additionally recognised in management accounts	2	101
Other adjustments	-	40
Consolidation effect	7 221	1 077
Total liabilities under IFRS	**(935 985)**	**(883 410)**

A reconciliation of profit before tax according to the management accounts with IFRS summary consolidated financial statements results for the years ended 31 December 2024 and 31 December 2023 is set out below:

(RUB mln)	2024	2023
Total reporting segment profit before tax	**63 156**	**61 417**
Adjustment of allowances	153	(1 638)
Adjustments of income/expense accruals	1 752	952
Adjustments of depreciation and amortisation and fair value of property and equipment and intangible assets	(142)	(120)
Fair value and amortised cost adjustments	(1 956)	(959)
Consolidation effect	(246)	1 236
Other adjustments	(1)	327
Total profit before tax under IFRS	**62 716**	**61 215**

30 Segment Analysis (continued)

Geographical information. The major part of the Group’s activity is concentrated in the North-West region of the Russian Federation. It also operates in Moscow, Novosibirsk, Rostov-on-Don and Krasnodar.

There are no external customers (groups of related customers) with individual income from operations exceeding 10% of the total income from operations with such customers.

31 Risk Management, Corporate Governance and Internal Control

Corporate governance and internal control

The Group’s corporate governance system is based on full compliance with requirements of statutory legislation and the CBR and protection of the shareholders’ interests and considers world best practices to the largest possible extent. The Group fully complies with the legislation requirements concerning shareholders’ rights observance.

The supreme managing body of the Bank is the General Shareholders’ Meeting that makes strategic decisions on the Bank’s operations in accordance with Federal Law No. 208-FZ dated 26 December 1995 *On Joint-Stock Companies* and the Charter.

Functions of the counting commission of the General Shareholders’ Meeting are performed by the Independent Registrar – JSC “Independent Registrar Company - R.O.S.T.” (before 5 February 2020 – Joint-Stock Company “Independent Registrar Company”).

General activities of the Bank are managed by the Supervisory Board, except for areas that are in competence of the General Shareholders’ Meeting. The Supervisory Board is elected and approved by the General Shareholders’ Meeting. The Supervisory Board sets the key strategic directions of the Bank’s activity and supervises the performance of the executive management bodies.

In 2024, the Bank's Supervisory Board was elected twice: on 25 April and 18 September, as part of the annual and extraordinary General Meeting of Shareholders of the Bank.

Following the results of the Extraordinary General Meeting of Shareholders of PJSC “Bank Saint Petersburg”, the Supervisory Board of the Bank was elected in a new composition of 9 members. By decision of the Supervisory Board, four Committees of the Bank’s Supervisory Board were formed.

The Supervisory Board includes Committees established for the purpose of review and analysis of matters in competence of the Supervisory Board, preparation of recommendations on these matters for the Supervisory Board and execution of other functions vested to these Committees.

The primary objective of the Strategy Committee is to assist the Supervisory Board of the Bank in determining the Bank’s long-term and mid-term strategy and priority business areas and to review major innovation and investment programmes and projects of the Bank.

The primary objective of the Risk Management Committee is to assist the Supervisory Board of the Bank in determining priority areas for the Bank’s banking risk management efforts and to support appropriate risk management function within the Group.

The objective of the Human Resources and Remuneration Committee is to support the efficient HR policy of the Bank, recruit qualified experts to management positions and create necessary incentives for their successful work, prepare recommendations for the Supervisory Board on applicants for the key management positions and develop principles and criteria for remuneration rates for the key management (personnel) of the Bank.

The primary objective of the Audit Committee is to assist the Supervisory Board in efficient assessment of and control over the Bank’s business and to control the completeness and fairness of the Bank’s consolidated and stand-alone financial statements and the process of their preparation and presentation, and the performance of internal control and internal audit functions.

The Corporate Secretary is responsible for compliance with the requirements of current legislation, the Charter and other internal policies of the Bank concerning shareholders’ rights and protection of their interests during preparation and implementation of corporate action by the Bank. The Corporate Secretary also supports communications between the Bank and its shareholders, holding of General Shareholders’ Meetings and performance of the Supervisory Board and its Committees.

31 Risk Management, Corporate Governance and Internal Control (continued)

Operating activities of the Bank are managed by the sole executive body (the Chairman of the Management Board) and the collective executive body (the Management Board of the Bank).

Internal control

The Internal Audit Function is a structural unit of the Bank in charge of internal audit and an internal control body of the Bank. The Function operates under direct supervision of the Bank's Supervisory Board. The Function reports directly to the Bank's Supervisory Board. The structure and size of the Internal Audit Function are determined by the Supervisory Board of the Bank based on the nature and scale of operations, the level and combination of risks assumed.

The Function operates on an ongoing basis in accordance with the regularity principle, principles of independence, neutrality, professional competence and unhindered and effective performance of its functions, conducting a regular independent assessment of the risk management and internal control systems (monitoring of the Bank's internal control system) reliability and effectiveness, as well as the Bank's corporate governance practice assessment.

The Function conducts internal reviews in the Bank's structural divisions and in the Bank's branch network. Any activity of any structural division of the Bank or the Bank's branch network and any employee can be subject to review.

The Internal Control Department is a structural division of the Bank that performs compliance functions and is an independent internal control body of the Bank. The Department is independent in its activity from other structural divisions of the Bank and operates under direct control of, and reports to, the Chairman of the Management Board of the Bank.

The Department has been created to assist to the Chairman of the Management Board of the Bank and the Management Board of the Bank in building the system of compliance control in the Bank, effective management of the compliance risk that arises in the course of the Bank's activity (in creation of mechanisms of detection, identification, analysis, estimation, minimisation, monitoring and control of compliance risk).

The administrative composition of the Internal Control Department is as follows:

- The Controller of the professional participant of the securities market who is an officer of the Bank performing internal monitoring of compliance of the Bank's activities with the requirements of the legislation of the Russian Federation on the securities market, the basic and internal standards of the self-regulating organisation in the sphere of the financial market of which the Bank is a member, the charter and internal documents of the Bank related to its professional activities in the securities market. The Controller is independent in his/her activity from other structural divisions of the Bank and operates under direct control of the Chairman of the Management Board of the Bank and reports to the Chairman of the Management Board of the Bank.
- The responsible officer who performs internal monitoring of compliance with the requirements of the Russian Federation legislation on countermeasures against illegitimate use of insider information and market abuse. The responsible officer is independent in his/her activities from other structural subdivisions of the Bank, acts under direct control of the Chairman of the Management Board of the Bank and reports to the Chairman of the Management Board of the Bank.
- The employee who is responsible for arrangement of personal data processing in the Bank.

The Financial Monitoring Department under the supervision of the employee responsible for prevention of money laundering, terrorism financing and proliferation of weapons of mass destruction is a structural division of the Bank and reports to the First Deputy Chairman of the Management Board (Chief Executive Officer) in accordance with the order on allocation of functional duties and rights on the management of the Bank. The objectives of the Financial Monitoring Department are organisation of development and implementation of Internal Control Regulations, fulfilment of the legislative requirements with regard to the identification, documentation of information and its submission to authorised bodies, documents and information storage, as well as personnel training.

31 Risk Management, Corporate Governance and Internal Control (continued)

Risk management

- credit risk (including counterparty and concentration risk),
- market risk (including equity, interest rate of trade book, currency and commodity risks),
- interest rate risk of the bank portfolio,
- liquidity risk (including concentration risk),
- operational risk,
- as well as other types of risk (compliance risk, strategic risk, reputational risk).

The following risks are significant to the Group: credit, market, interest rate, operational and liquidity risks.

For each significant type of risk a corresponding management system was created to provide adequate risk assessment, including measures for its mitigation. The Group compares the amount of accepted risks with the size of its equity to guarantee its sufficiency at the level required by the CBR, needed for performance of its obligations, including covenants, and for efficient use of equity.

The Group’s risk management system promotes financial stability, improvement of the Bank’s activities efficiency, securing adequate protection of shareholders, customers, creditors, providing continuity of operations, upholding the reputation.

The risk management system includes creation and implementation of risk management policies and procedures to be further updated depending on changes in the macroeconomic situation, current conditions of the banking system in the Russian Federation, and regulatory changes. The Group has developed a system of reporting on risks and equity (capital). As at 31 December 2024, the Group’s internal documentation establishing the procedures and methodologies for identification, managing and stress-testing of the Group’s above risks, was approved by the authorised management bodies of the Bank in accordance with the regulations and recommendations issued by the CBR.

Key bodies performing the Group’s financial risk management functions are the Supervisory Board, the Bank’s Management Board, the Bank’s Asset and Liability Management Committee, the Bank’s Large Credit Committee, the Bad Debt Committee, the Technical Policy Committee (disbanded from 1 October 2023), the Project Management Centre, the Investment Committee, and the IT Services Continuity Committee.

The Supervisory Board is responsible for consideration of the risk factor when approving strategic goals and objectives. The Supervisory Board approves the Capital and Risk Management Policy, the compliance with which is supervised by consideration and approvals of the quarterly Group’s risk management reports, both consolidated and by types of risk. The Supervisory Board makes decisions on significant transactions, on transactions in respect of which there is an interest, on transactions with related parties exceeding limits established under the Group’s Credit Policy and on transactions the amount of which equals to or exceeds 15% of the Bank’s equity.

The Management Board of the Bank is responsible for overall organisation of the Bank’s risk management system. The Management Board of the Bank is responsible for the control over timely and adequate identification of risks and their exposure, for development of policies and procedures necessary to limit risk exposures. The Management Board coordinates different department actions in case of threat or actual liquidity crisis, approves internal documents of the Bank in respect of risk management and risk management reports.

The Asset and Liability Management Committee is responsible for day-to-day financial risk management (except for credit risk).

The Asset and Liability Management Committee decides on structural management of the statement of financial position of the Group and the related liquidity risks, and on determining and changing market risk limits, including interest rate risk. The Asset and Liability Management Committee coordinates the main principles and procedures of financial risk management (except for credit risk) and has the right to make decisions on financial risk management in case of emergency.

The Technical Policy Committee of the Bank reviews management of operational risks, associated with information technologies and the IT infrastructure of the Bank.

31 Risk Management, Corporate Governance and Internal Control (continued)

The IT Services Continuity Committee manages the IT services continuity and availability process in order to ensure the required level of continuity and availability of information systems and IT infrastructure by taking measures to prevent the recurrence of failures and to develop proposals on increasing the level of continuity.

The competence of the Project Management Centre (PMC) is to manage the Group’s resources within the approved budget, to approve cost estimates and long-term investment estimates, to approve adjustments to the estimates within the authorities, to monitor project implementation, and to regularly assess the performance of individual businesses/products.

The Management Board, the Large Credit Committee, the Bad Debt Committee, the Investment Committee are responsible for making decisions on management of credit risks. The Management Board approves the Credit Policy and makes decisions on credit transactions exceeding the limits stipulated in the Credit Policy for the Large Credit Committee. The Large Credit Committee makes decisions on credit transactions within the limits stipulated by the Management Board and in excess of the limits stipulated by the Management Board for the Bank’s officials as well as approves terms and conditions of standard programs of lending. The Bank’s Management Board sets limits for the Bank’s officials in making credit decisions. The officials make joint decisions, each decision being considered by representatives of the Corporate Business Unit and Risk Unit. It is deemed that a credit decision is made if it is approved by both representatives. The Bad Debt Committee makes decisions on credit and other operations within work with bad debts.

Decisions on loans to individuals and legal entities granted on standard terms are made by the Bank’s officials within individual powers stipulated by the Bank’s Management Board. The level of authority is determined based on deviations from the standard terms and the risk of these deviations.

The Banking Risks Department is responsible for implementation of the effective risk management system, and compliance with the acceptable level of total market, interest rate, operational, liquidity, reputational and credit risks in respect of financial institutions, counterparties and issuers. The Banking Risks Department monitors the risk management system in respect of the above risks, initiates the development of methods of assessment of current risk levels of the Bank, management procedures for these risks, compliance by the Bank’s departments with existing procedures and limits restricting the level of these risks. The Banking Risks Department is not subordinated to, and does not report to, divisions carrying the relevant risks.

The Banking Risks Department performs stress-tests based on scenario analysis for the purpose of timely identification of significant risks applicable to the Group that may significantly affect the financial sustainability of the Group. When required, based on the results of stress-tests, measures to ensure financial stability of the Group are developed.

Current management of credit risks of the Group is mostly performed by its specialised unit, the Credit Risk Department, exercising operational control over credit risk levels. Bad assets are managed by a separate business unit, the Bad Debt Department.

Management is responsible for identifying and assessing risks, designing risk prevention measures and monitoring their effectiveness. Management constantly monitors the effectiveness of internal controls over risk management and introduces changes to existing controls if necessary.

In compliance with the Group’s internal documentation, the Banking Risks Department and Internal Audit Function of the Bank on a periodical basis prepare reports covering the Group’s significant risks management. The reports include observations as to the assessment of the effectiveness of the Group’s procedures and methodologies, and recommendations for improvement.

Management believes that the risk management system complies with the CBR requirements and is appropriate for the scale, nature and complexity of operations.

Credit risk. The Group is exposed to credit risk, which is the risk of financial loss if a borrower or counterparty fails to meet its contractual obligations.

The Group considers credit risk to include all financial assets recognised in the consolidated statement of financial position, except for assets deposited with the CBR.

The approach of the Group to credit risk management is defined in the Credit Policy. The purpose of the Credit Policy is to define the main principles of credit transactions of the Group and credit risk acceptance, providing

31 Risk Management, Corporate Governance and Internal Control (continued)

for implementation of the Group’s strategy goals and objectives concerning the structure, volume and quality of the loan portfolio.

Risk management tools

To maintain credit risks at an appropriate level the Group uses the following risk management tools.

For each credit transaction:

- structuring of credit operations in accordance with the Group’s requirements, including assessment of the profitability of the transaction taking into account expected losses;
- assessment of the internal credit rating based on statistical models for assessing the level of risk for corporate borrowers;
- scoring evaluation based on statistical risk assessment models for individual borrowers;
- assessment of the financial position of borrowers at the stage of consideration of the loan application, and then on a regular basis during monitoring of the credit transaction in accordance with the regulatory requirements of the Bank of Russia;
- request for credit reports from the credit history bureau and information from other external services, providing information on the borrower’s behaviour;
- evaluation of the market value of collateral, control over availability and safety of collateral, arranging insurance for collateral;
- assessment of the risk of credit transactions and creation of allowance for expected credit losses under IFRS in an amount corresponding to expected losses on the transaction, as well as statutory allowance in accordance with the requirements of the Bank of Russia;
- for credit transactions with financial institutions – assessment of financial position and credit risk of the counterparty when setting limits for the counterparty;
- when setting limits on transactions with securities with inherent credit risk– assessment of financial position and credit risk of the issuer;
- control over compliance with the requirements of the Credit Policy for setting the authorities on decision making in respect of credit transactions, and control over the reflection of terms of credit transactions in the loan and other agreements, as approved by the authorised collective body or official;
- control over timely performance of the borrowers’ obligations to the Group related to credit transactions.

For the loan portfolio in general:

- setting the limits for authorities for collective bodies and officials;
- setting of and control over the limits of credit risk;
- control over the deviation of the actual profitability of credit transactions, taking into account realised losses from expected profitability and expected losses.

Reporting forms

The Group’s management controls credit risks and the loan portfolio quality based on regular (daily, weekly and monthly) reports.

Limits set by the Group for credit risk management purposes

The Group sets individual limits in respect of borrowers and groups of related borrowers. When setting an individual limit, the Group takes into account all information available. When setting an individual limit, the Group performs a comprehensive analysis of the financial statements, cash flows, available credit history of each borrower or a group of related borrowers. Also the needs of each borrower or the group of related borrowers for credit resources, as well as availability of loan repayment sources are analysed. The Group also takes into account the property pledged as collateral for the loan.

The Bank’s Credit Policy is applicable both to balance sheet and off-balance sheet financial instruments. The Credit Policy establishes unified procedures of transaction approvals, risk mitigating limits and monitoring

31 Risk Management, Corporate Governance and Internal Control (continued)

procedures. The borrower is entitled to use any products offered by the Bank supporting the use of off-balance sheet Bank’s commitments for lending (guarantees, unsecured letters of credit, credit facilities, etc.) within established limits.

The Bank uses the system of limits restricting the maximum debt of counterparty banks and financial companies, corporate counterparties when conducting transactions in the financial lending market and performing purchase and sale of financial assets, including foreign exchange transactions associated with counterparty credit risk. The respective limits are set for each counterparty of the Bank on the basis of a creditworthiness analysis.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the consolidated statement of financial position and unrecognised contractual commitment amounts. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

Offsetting financial assets and financial liabilities

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

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

The Group’s derivative transactions that are not transacted on the exchange are entered into under the master agreements (RISDA), which are an integral part of the Standard Documentation for future transactions on Financial Markets, developed and approved by the National Stock Market Participants Association (NAUFOR) taking into account changes developed by SRO NFA and similar agreements.

Transactions with the Group's derivatives executed on the stock exchange are performed in accordance with the Trading Rules of PJSC Moscow Exchange.

In general, under such agreements and rules on the occurrence of an event of non-performance or an event of completion, all outstanding transactions under the agreement are terminated, the termination value is assessed, and only a single net amount is due or payable in settlement transactions.

The Group’s sale and repurchase transactions are covered by master agreements with netting terms, in the event of default or termination, stipulated by the Trading Rules of PJSC Moscow Exchange.

The Group receives and accepts collateral in the form of cash and marketable securities in respect of the following transactions:

- derivatives;
- sale and repurchase agreements.

Such collateral is subject to the standard industry terms of the floating margin payment agreement developed and approved by the National Stock Market Participants Association (NAUFOR), similar agreements and the Trading Rules of PJSC Moscow Exchange.

31 Risk Management, Corporate Governance and Internal Control (continued)

The following table presents financial assets and liabilities subject to enforceable master netting agreements and similar agreements as at 31 December 2024:

(RUB mln) Types of financial assets/financial liabilities	Full amounts of recognised financial assets/financial liabilities	Full amounts of recognised financial assets/financial liabilities that have been offset in the consolidated statement of financial position	Net amount of financial assets/financial liabilities in the consolidated statement of financial position	Amounts not offset in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral received/ paid	
Reverse repurchase transactions	118 223	-	118 223	(118 223)	-	-
Derivative financial instruments	5 589	-	5 589	(1 040)	(4 279)	270
Variation margin	5 969	-	5 969	-	(4 997)	972
Total financial assets	**129 781**	**-**	**129 781**	**(119 263)**	**(9 276)**	**1 242**
Repurchase transactions	(133 135)	-	(133 135)	133 135	-	-
Derivative financial instruments	(7 677)	-	(7 677)	1 040	4 997	(1 640)
Variation margin	(4 684)	-	(4 684)	-	4 279	(405)
Total financial liabilities	**(145 496)**	**-**	**(145 496)**	**134 175**	**9 276**	**(2 045)**

The following table presents financial assets and liabilities subject to enforceable master netting agreements and similar agreements as at 31 December 2023:

(RUB mln) Types of financial assets/financial liabilities	Full amounts of recognised financial assets/financial liabilities	Full amounts of recognised financial assets/financial liabilities that have been offset in the consolidated statement of financial position	Net amount of financial assets/financial liabilities in the consolidated statement of financial position	Amounts not offset in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral received/ paid	
Reverse repurchase transactions	123 916	-	123 916	(123 916)	-	-
Derivative financial instruments	3 394	-	3 394	(2 056)	(881)	457
Variation margin	5 520		5 520	-	(5 320)	200
Total financial assets	**132 830**	-	**132 830**	**(125 972)**	**(6 201)**	**657**
Repurchase transactions	(136 339)	-	(136 339)	136 339	-	-
Derivative financial instruments	(7 738)	-	(7 738)	2 056	5 320	(362)
Variation margin	(1 291)	-	(1 291)	-	881	(410)
Total financial liabilities	**(145 368)**	**-**	**(145 368)**	**138 395**	**6 201**	**(772)**

31 Risk Management, Corporate Governance and Internal Control (continued)

The maximum exposure of financial assets to credit risk is as follows:

(RUB mln)	2024	2023
Assets		
Cash balances with the CBR (other than mandatory reserve deposits)	27 272	26 235
Mandatory reserve deposits with the CBR	2 903	1 978
Cash and cash equivalents	18 481	17 852
Trading securities, including those transferred under sale and repurchase agreements	9 941	41 004
Reverse sale and repurchase agreements	118 223	123 916
Due from banks	73 500	43 813
Loans and advances to customers	717 762	651 757
Investment securities, including those transferred under sale and repurchase agreements	116 831	102 239
Other financial assets	9 442	6 819
Total maximum exposure	**1 094 355**	**1 015 613**

For the analysis of collateral held against loans and advances to customers and concentration of credit risk refer to Note 9.

The maximum exposure to credit risk from credit related commitments at the reporting date is presented in Note 33.

Country risk. Country risk of the Group is almost fully determined by the country risk of the Russian Federation. The exposure to geographical risk of other countries is limited since substantially all assets and liabilities of the Group are concentrated in the Russian Federation.

Foreign economic activity involves correspondent accounts opened in foreign banks and servicing export-import transactions of own customers. Taking into account the current geopolitical situation, the Bank’s own operations on international exchanges through foreign brokers were actually curtailed.

Country risks are mitigated through work with the most reliable banks in friendly countries and a system of limits that restrict the Group’s risks related to individual non-resident counterparties, individual countries and aggregate balances in accounts with non-resident counterparties.

Saint Petersburg is the largest centre of the North-Western part of the Russian Federation with a diversified economy. This is why the Bank’s historic business concentration on providing services to individuals and legal entities in Saint Petersburg is an advantage for the Group.

Market risks. The Group is exposed to market risk arising from open positions in currency, interest rate, commodity and equity instruments that are exposed to general and specific market movements. These are:

- currency risk - risk of losses due to exchange rate fluctuations;
- interest rate risk - risk of losses due to fluctuations of market interest rates;
- commodity risk - risk of losses due to fluctuations of commodity market instruments prices;
- other price (equity) risk - risk of losses due to movements in quotations of the equity instrument.

The Banking Risks Department is responsible for developing methods of assessment of the current level of market risks (including interest rate risk, bank book risk), management procedures for these risks, and for identification and analysis of the current risk level.

The Treasury Department is responsible for development of procedures of operational management of interest rate risk.

31 Risk Management, Corporate Governance and Internal Control (continued)

Market risk management is a method of limitation of possible losses from open positions that can be incurred by the Group within a set period of time due to movements in exchange rates, securities quotations, prices of goods and interest rates by way of establishing a system of limits on sensitivity to risk factors of the stock, commodity, currency and money markets, as well as stop-loss limits (maximum loss limits, in case of violation of which the position is closed), limits on possible change of present value of instruments and VaR limits (limits on maximum VaR).

Objectives and limitations of the VaR methodology. VaR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates, prices and interest rates over a specified time horizon and to a given level of confidence. The VaR model used by the Bank is based on a 99 percent confidence level and assumes a 1-day holding period. The VAR model used is mainly based on historical simulation. The model derives plausible future scenarios based on historical market rate time series, taking into account inter-relationships between different markets and assets.

Although VaR is a valuable tool in measuring market risk exposures, it has a number of limitations, especially in less liquid assets, as follows:

- the use of historical data as a basis for determining future events may not encompass all possible scenarios, particularly those that are of an extreme nature;
- a 1-day holding period assumes that all positions can be liquidated or hedged within that period;
- the use of a 99% confidence level does not take into account losses that may occur beyond this level. There is a one percent probability that the loss could exceed the VaR estimate;
- since VaR is only calculated on the end-of-day balances, it does not necessarily reflect exposures that may arise on positions during the trading day;
- the VaR measure is dependent upon the position and the volatility of market prices. The VaR of an unchanged position reduces if market volatility declines and vice versa.

When evaluating the market risk, the Group relies not only on VaR calculation, but also introduces other additional limits mentioned above (sensitivity limits and stop-loss limits).

VaR limits are set by divisions that open positions in instruments measured at fair value.

The VaR estimates by divisions as at 31 December 2024 and 31 December 2023 are as follows:

(RUB mln)	**2024**	**2023**
Division		
Algorithmic Trading Management	182	263
Interest Rate Risk Management	792	195
Customer Service Management	4	1
Aggregated VaR of the Financial Markets Operations Department	766	271
Aggregated VaR of the Bank	**488**	**336**

The VaR estimates above are calculated for the portfolio of trading securities and the portfolio of investment securities measured at fair value through other comprehensive income, for the open currency position of the Bank and for the portfolio of derivative instruments (including commodity instruments).

Proposals to set market risk limits used by the Bank (hereinafter, including VaR limits) are prepared by the Banking Risks Department. Limits are set via decision of the Bank’s Management Board, Large Credit Committee, Asset and Liability Management Committee in accordance with their authorities. The compliance with market risk limits is monitored by the Operating Department (back-office) and Banking Risks Department on a daily basis.

VaR limits are established for all instruments measured at fair value for divisions authorised to accept market risk and for the Bank as a whole, regardless of the initiating division and the purpose of the instrument.

The aggregated VaR is less than the sum of the VaRs of individual divisions due to the diversification effect.

In 2024, the Bank continued to adapt its market risk appetite to changes in the macroeconomic and geopolitical environment. The Bank used such mechanisms as changing the size of the established limits, establishing new and/or additional limits, correcting the methodology for filling the limits in order to reflect the current market

31 Risk Management, Corporate Governance and Internal Control (continued)

situation and potential losses.

Currency risk. Currency risk is the risk of changes in income or carrying amount of the Group's financial instruments due to exchange rate fluctuations.

The Financial Markets Operations Department currently manages the open currency position within the limits set by the Asset and Liability Management Committee.

To manage currency risk, the Group also uses the system of mandatory limits established by the CBR, including limits on open positions in a foreign currency (up to 10% of the base capital calculated in accordance with the CBR regulations), limits of carrying currency position (up to 50% of the base capital) and the limit on the total open position in all foreign currencies (up to 20% of the base capital).

The Group follows a conservative currency risk management policy and opens currency positions primarily in currencies of friendly countries (CNY, currencies of CIS countries), while reducing the use of currencies of unfriendly countries (USD, EUR).

The Group takes into account changes in foreign currency volatility levels by preparing proposals concerning changes in internal limits of currency risks and submitting them for approval of the Asset and Liability Management Committee.

Interest rate risk, including interest rate risk of bank portfolio. The Group is exposed to fluctuations in market interest rates that can affect its financial position and cash flows. As a result of such changes interest margins and, consequently, profitability of the Group may decrease.

The table below shows an analysis of effective interest rates applied during 2024 and 2023 by currency for major financial instruments. The analysis is prepared based on division of interest income and expense into balances of respective items of the consolidated statement of financial position.

	2024					**2023**				
% p.a.	**RUB**	**USD**	**EUR**	**CNY**	**Other**	**RUB**	**USD**	**EUR**	**CNY**	**Other**
Assets										
Debt trading securities, including those transferred under sale and repurchase agreements	16.79	-	2.20	3.20	-	14.63	3.38	2.93	3.55	-
Reverse sale and repurchase agreements	22.23	-	-	(2.00)	-	16.54	2.54	-	4.79	-
Due from banks	20.85	3.90	-	-	-	16.10	3.90	-	-	-
Loans and advances to customers	20.01	12.19	9.26	9.86	-	13.40	5.19	6.78	5.52	-
Investment securities, including those transferred under sale and repurchase agreements										
- at FVOCI	0,00	-	-	-	-	17.45	-	-	-	-
- at amortised cost	14.35	3.38	-	-	-	9.02	3.35	3.28	3.05	-
Liabilities										
Due to banks	20.89	0.00	0.00	3.85	-	15.83	4.47	0.00	3.26	-
Customer accounts										
- current and settlement accounts	0.52	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.00
- term deposits										
- *individuals*	18.86	2.85	1.97	8.06	-	9.07	1.69	1.78	2.48	-
- *legal entities*	16.64	6.22	3.01	5.21	-	12.36	0.91	2.30	2.22	-
Promissory notes and deposit certificates issued	12.95	-	3.50	7.30	-	9.54	0.89	2.50	3.97	-

The sign "-" in the table above means that the Group does not have any assets or liabilities in the respective currency.

31 Risk Management, Corporate Governance and Internal Control (continued)

Interest rate risk management is the management of assets and liabilities of the Group to maximise profit from possible fluctuations in interest rates while meeting established limits and restrictions.

The Group’s interest rate risk is managed centrally on a continuing basis by the Management Board of the Bank, the Asset and Liability Management Committee, the Banking Risks Department. The Treasury Department and the Financial Markets Operations Department are responsible for the current management of interest rate gaps.

The Group uses the following interest rate risk management tools:

- approval of the structure of limits and restrictions for interest rate risk;
- approval of the asset and liability structure;
- management of interest rates and their ratios for different instruments;
- implementation and facilitation of new banking products;
- approval of methods (procedures) for interest rate risk evaluation;
- financial instrument transactions.

To evaluate interest rate risk, the Group uses a report on interest rate risk, which includes interest rate risk indicators, and a GAP report (with a breakdown by main currencies for each calculated item). To evaluate interest rate risk in foreign currencies, calculations are additionally detailed by interest rate components: risk-free curve of interest rates in currency and premium for country risk of the Russian Federation.

The main criterion for interest rate risk evaluation is the change in the present value of the Bank’s claims and liabilities in the most unfavourable scenario of interest rate changes (capital at interest rate risk). In order to limit interest rate risk, the Group has set information limits on capital at interest rate risk.

The indicator of annual net interest income change is used as an additional evaluation criterion in the most unfavourable interest rate change scenario.

To assess the structure of the sensitivity to interest rate risk, GAP reports additionally detailed by main statement of financial position items are used.

Commodity risk. The Group is exposed to open position risk with regard to commodity instruments due to movements in their quotations on commodity market.

The limits for items with breakdown by underlying assets are set based on evaluation of liquidity and volatility of commodity market instruments.

Other price (equity) risk. The Group is exposed to open position risk with regard to equity instruments due to movements in their quotations on equity market.

The limits for particular issuers are set based on analysis of the credit quality of the security issuer and evaluation of liquidity and volatility of financial instruments.

If the risk becomes material, the mitigation arrangements are determined by the Management Board of the Bank.

Liquidity risk. Liquidity risk arises when the maturity of assets and liabilities does not match. The Group is exposed to daily calls on its available cash resources from customer accounts, overnight deposits, current accounts, term deposits, loan draw downs, guarantees and other calls on cash-settled derivative financial instruments. The Group does not maintain cash resources to meet all of these needs as experience shows that a required amount of cash to meet these obligations can be forecast with a sufficient certainty.

31 Risk Management, Corporate Governance and Internal Control (continued)

The purpose of liquidity management is to create and maintain the structure of assets and liabilities of the Group by categories and maturities, which would enable the Group to ensure timely payments of its obligations and meeting demands of the Group’s customers. The Group forms liquidity reserves sufficient to provide normal operation of the Bank during a certain period in case of unforeseen outflow of resources caused by macroeconomic events or events directly connected with the Bank. In accordance with the results of analysis of the macroeconomic conditions or the state of the banking market, as well as the general trends in the Group’s activity, management may demand higher amounts of liquidity, if required.

The Group seeks to maintain a diversified and stable structure of funding sources. The Group invests the funds in diversified portfolios of highly liquid assets in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. In spite of a substantial portion of customer accounts being on demand, diversification of these deposits by number and type of depositors, and experience indicate that these customer accounts provide a long-term and stable source of funding for active operations of the Group.

All approaches to ensuring sufficiency for all liquidity indicators are implemented in the Group by currency.

The basis for managing short-term liquidity (less than three months) is making liquidity provisions sufficient not only for current standard activities but also to provide the Group with the funds during a period of possible unplanned funds withdrawal caused by macroeconomic events or events directly associated with the Group.

Liquidity management is regulated by the Risks and Capital Management Policy approved by the Bank’s Supervisory Board. Additional liquidity evaluation and management limitations are set in the internal regulations developed for the purpose of the Policy:

- managing the volume and structure of the liquid assets portfolio. Management maintains a portfolio of liquid assets (including trading securities) that can be used for prompt and loss-free funding;
- in certain cases management may impose restrictions on some transactions to regulate the structure of assets and liabilities of the Group. The limits are established when the economic instruments are insufficient in terms of the timing or extent of impact.

The Bank manages current liquidity (for the period of up to seven days) on a daily basis. It is implemented based on statistical and chronological analysis of the balances of customer current accounts, forecast customer deposits, movement of funds in accounts and analysis of the information on obligations and requirements of the Group under term contracts in short-term periods. This analytical data serves as a basis for management of the Group’s monetary position.

Short-term (up to three months) liquidity monitoring ensures creation of an asset portfolio that can cover all needs of the current liquidity management within the planning horizon as well as provide the Bank with the funds in case of possible customer funds withdrawal. The parameters of possible liabilities outflow are set and reviewed regularly by the Asset and Liability Management Committee and the Management Board.

Long-term (over three months) liquidity monitoring is based on the analysis of the Group’s liquidity gaps: comparison of the volume of claims and obligations by the terms of demand (repayment). When attributing assets and liabilities to different term categories the Group takes into account both the contractual term and expected maturity and the statistical data on sustainability, and for securities it uses estimated disposal period of the portfolio without significant effect on the market price. The Group regards equity as a long-term funding source and, therefore, accounts for it by the longest remaining maturity period.

Results of claims and liabilities allocation by maturity and liquidity index calculation are presented in a summary report for all currencies and in reports for each currency with total amount of claims or liabilities exceeding 5% of total balance. The Bank’s regulations state minimum values of liquidity indices.

As a result of the stress scenario realised in 2022-2024 in the financial market of the Russian Federation, i.e. economic sanctions, including those on the financial sector, the Group pays special attention to the currency structure (roubles, hostile and friendly currencies) and manages liquidity taking into account the possible impact of external macroeconomic and political factors, as well as the actual possibilities for settlements and access to financial markets. Due to the growth of assets and liabilities in Chinese yuan, internal analytical reporting on liquidity is also formed for transactions in this currency starting from 2022.

In its current activities, the Bank also focuses on compliance with the requirements of the CBR on maintaining sufficient liquidity ratios (instant liquidity ratio - N2, current liquidity ratio - N3, long-term liquidity ratio - N4).

31 Risk Management, Corporate Governance and Internal Control (continued)

According to the daily calculations, as at 31 December 2024 and 31 December 2023, the Bank complied with the liquidity ratios established by the CBR.

The following tables present the contractual maturities of the Group's assets and liabilities except for financial instruments at fair value through profit or loss and investment securities at fair value through other comprehensive income, which as at 31 December 2024 and 31 December 2023 are classified as “Demand and less than 1 month” in the amount of RUB 10 043 mln and RUB 41 006 mln, respectively, and past due loans and advances to customers classified as "1 to 5 years” in the amount of RUB 4 305 mln and RUB 3 610 mln, respectively.

The maturity analysis for loans and advances to legal entities and individuals is based on contractual maturities subject to payment schedules. In managing liquidity, the inflows in the form of repaid loans are estimated based on expected maturities or, if the Group does not have an estimate of expected maturities, on the contractual maturities. Investment securities, including those transferred under sale and repurchase agreements are presented based on possible scope and terms of raising funds under the sale and repurchase transactions.

The Group uses internal methodology to calculate future possible timing for outflows on such customer accounts based on the statistical models of forecast with the proven reliability level of at least 98% in the below management’s assessment of the sustainability of on demand customer resources.

The Group’s opportunities to raise funding under other management’s assessments include mechanisms of raising liquidity using market instruments available to the Group, such as unsecured loans in the short-term interbank market, significant exchange limits, opportunities to raise loans from the Bank of Russia secured by non-market assets, and a portfolio of the securities (subordinated federal loan bonds) held on off-balance sheet accounts.

Management of the Group believes that as at 31 December 2024 and 31 December 2023 the level of liquidity gaps subject to management’s assessment of impact on GAP in accordance with the statistical models and opportunities of the Group to raise additional funding is acceptable, they do not have substantial operational risk exposure and comply with the going concern principle.

Management expects that movement of cash flows related to certain financial assets and liabilities may differ from contractual one either because the management is entitled to manage movement of cash flows, or because the historical experience evidences that timing of cash flows of these financial assets and liabilities may differ from contractual one.

31 Risk Management, Corporate Governance and Internal Control (continued)

The Group’s liquidity position as at 31 December 2024 prepared on the basis of the IFRS and the management’s assessments is presented in the table below.

(RUB mln)	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years or no maturity	Total
Assets						
Cash and cash equivalents	53 996	-	-	-	-	**53 996**
Mandatory reserve deposits with the Central Bank of the Russian Federation	1 727	899	247	30	-	**2 903**
Trading securities						
- trading securities owned	4 391	-	-	-	-	**4 391**
- trading securities transferred under sale and repurchase agreements	5 552	-	-	-	-	**5 552**
Reverse sale and repurchase agreements	23 531	90 625	4 067	-	-	**118 223**
Derivative financial assets	290	908	1 040	3 286	65	**5 589**
Due from banks	57 169	1 072	15 259	-	-	**73 500**
Loans and advances to customers						
- loans and advances to legal entities	33 467	253 145	118 396	145 558	9 151	**559 717**
- loans and advances to individuals	1 310	6 933	8 435	46 666	94 701	**158 045**
Investment securities, including those transferred under sale and repurchase agreements						
- investment securities owned	108	-	147	12 076	4 431	**16 762**
- investment securities transferred under sale and repurchase agreements	-	10 077	2 483	80 216	7 393	**100 169**
Investment property	-	-	-	-	1 723	**1 723**
Property and equipment, intangible assets and right-of-use assets	-	-	-	-	19 505	**19 505**
Long-term assets held-for-sale	-	-	1 028	-	-	**1 028**
Other assets	7 359	3 926	4 966	78	-	**16 329**
Total assets	**188 900**	**367 585**	**156 068**	**287 910**	**136 969**	**1 137 432**
Liabilities						
Due to banks	188 348	22	403	1 495	-	**190 268**
Customer accounts						
- accounts of legal entities	220 616	49 661	4 047	337	13	**274 674**
- accounts of individuals	202 285	170 686	56 483	6 976	-	**436 430**
Financial liabilities at fair value	2 059	-	-	-	-	**2 059**
Derivative financial liabilities	482	1 372	236	5 577	10	**7 677**
Promissory notes and deposit certificates issued	1 943	1 547	176	6	940	**4 612**
Deferred tax liability	-	-	-	-	1 768	**1 768**
Other liabilities	12 655	3 321	124	461	1 938	**18 499**
Total liabilities	**628 388**	**226 609**	**61 469**	**14 852**	**4 669**	**935 987**
Net liquidity gap	(439 488)	140 976	94 599	273 058	132 300	201 445
Cumulative liquidity gap as at 31 December 2024	**(439 488)**	**(298 512)**	**(203 913)**	**69 145**	**201 445**	
Management’s assessment of impact on net liquidity gap in accordance with statistical models:						
Opportunities provided by sale and repurchase transactions with investment securities owned	15 768	886	(147)	(12 076)	(4 431)	-
On demand stable resources						
- accounts of legal entities	71 468	(9 406)	-	(62 062)	-	-
- accounts of individuals	38 729	(4 839)	(166)	(33 724)	-	-
Total net impact of statistical estimates	**125 965**	**(13 359)**	**(313)**	**(107 862)**	**(4 431)**	**-**
Net liquidity gap subject to statistical expectations as at 31 December 2024	**(313 523)**	**127 617**	**94 286**	**165 196**	**127 869**	**201 445**
Other management’s assessments of impact on net liquidity gap:						
Opportunities provided by sale and repurchase transactions with subordinated federal loan bonds attracted from the State Corporation “Deposit Insurance Agency”.	11 405	-	-	(5 674)	(5 731)	-
The Group’s opportunities to raise funds within the unused limits	73 637	109 959	(152 742)	(30 854)	-	-
Total net impact of other management’s assessments	**85 042**	**109 959**	**(152 742)**	**(36 528)**	**(5 731)**	**-**
Net liquidity gap subject to statistical estimates and management’s assessments as at 31 December 2024	**(228 481)**	**237 576**	**(58 456)**	**128 668**	**122 138**	**201 445**

31 Risk Management, Corporate Governance and Internal Control (continued)

The Group’s liquidity position as at 31 December 2023 prepared on the basis of the IFRS and the management’s assessments is presented in the table below.

(RUB mln)	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years or no maturity	Total
Assets						
Cash and cash equivalents	55 865	-	-	-	-	**55 865**
Mandatory reserve deposits with the Central Bank of the Russian Federation	1 321	433	161	63	-	**1 978**
Trading securities						
- trading securities owned	6 092	-	-	-	-	**6 092**
- trading securities transferred under sale and repurchase agreements	34 914	-	-	-	-	**34 914**
Reverse sale and repurchase agreements	27 008	96 908	-	-	-	**123 916**
Derivative financial assets	736	932	550	1 176	-	**3 394**
Due from banks	14 994	15 358	-	13 461	-	**43 813**
Loans and advances to customers						
- loans and advances to legal entities	37 047	240 883	97 002	113 837	9 188	**497 957**
- loans and advances to individuals	1 355	8 439	8 255	48 452	87 299	**153 800**
Investment securities, including those transferred under sale and repurchase agreements						
- investment securities owned	5 255	108	879	14 460	11 952	**32 654**
- investment securities transferred under sale and repurchase agreements	89	3 396	14 597	50 590	1 033	**69 705**
Investment property	-	-	-	-	1 629	**1 629**
Property and equipment, intangible assets and right-of-use assets	-	-	-	-	17 376	**17 376**
Long-term assets held-for-sale	-	-	1 310	-	-	**1 310**
Other assets	9 641	1 682	1 468	108	-	**12 899**
Total assets	**194 317**	**368 139**	**124 222**	**242 147**	**128 477**	**1 057 302**
Liabilities						
Due to banks	163 979	40 305	351	3 924	-	**208 559**
Customer accounts						
- accounts of legal entities	216 800	26 123	3 955	3 973	7	**250 858**
- accounts of individuals	214 963	115 293	48 687	16 646	-	**395 589**
Financial liabilities at fair value	1 471	-	-	-	-	**1 471**
Derivative financial liabilities	599	1 163	1 858	4 118	-	**7 738**
Promissory notes and deposit certificates issued	213	273	1 531	1 755	879	**4 651**
Deferred tax liability	-	-	-	-	1 840	**1 840**
Other liabilities	6 126	4 676	85	432	1 385	**12 704**
Total liabilities	**604 151**	**187 833**	**56 467**	**30 848**	**4 111**	**883 410**
Net liquidity gap	(409 834)	180 306	67 755	211 299	124 366	173 892
Cumulative liquidity gap as at 31 December 2023	**(409 834)**	**(229 528)**	**(161 773)**	**49 526**	**173 892**	
Management’s assessment of impact on net liquidity gap in accordance with statistical models:						
Opportunities provided by sale and repurchase transactions with investment securities owned	27 272	19	(879)	(14 460)	(11 952)	-
On demand stable resources						
- accounts of legal entities	82 849	(12 577)	-	(70 272)	-	-
- accounts of individuals	47 450	(6 379)	(368)	(40 703)	-	-
Total net impact of statistical estimates	**157 571**	**(18 937)**	**(1 247)**	**(125 435)**	**(11 952)**	**-**
Net liquidity gap subject to statistical expectations as at 31 December 2023	**(252 263)**	**161 369**	**66 508**	**85 864**	**112 414**	**173 892**
Other management’s assessments of impact on net liquidity gap:						
Opportunities provided by sale and repurchase transactions with subordinated federal loan bonds attracted from the State Corporation “Deposit Insurance Agency”.	14 140	-	-	(5 665)	(8 475)	-
The Group’s opportunities to raise funds within the unused limits	54 860	83 508	(122 491)	(15 877)	-	-
Total net impact of other management’s assessments	**69 000**	**83 508**	**(122 491)**	**(21 542)**	**(8 475)**	**-**
Net liquidity gap subject to statistical estimates and management’s assessments as at 31 December 2023	**(183 263)**	**244 877**	**(55 983)**	**64 322**	**103 939**	**173 892**

31 Risk Management, Corporate Governance and Internal Control (continued)

Management holds the portfolio of easily salable trading securities, including those transferred under repurchase agreements, which may be used for repayment of financial liabilities. Cash flows of these securities in the amount of RUB 9 943 mln (2023: RUB 41 006 mln) are shown in the category “Demand and less than 1 month”.

Contractual timing of repayment of trading securities, including those transferred under repurchase agreements, may be presented as follows:

(RUB mln)	**2024**	**2023**
Demand and less than 1 month	2	249
From 1 to 6 months	-	-
From 6 to 12 months	772	2 468
From 1 to 5 years	4 455	26 870
More than 5 years	4 714	11 419
Total trading securities, including those transferred under repurchase agreements	**9 943**	**41 006**

In accordance with the legislation of the Russian Federation, individuals can withdraw their deposits at any time, usually forfeiting the interest accrued. These deposits are classified according to their stated maturity. The amounts of such deposits by contractual maturity as at 31 December 2024 and 31 December 2023 are as follows:

(RUB mln)	**2024**	**2023**
Demand and less than 1 month	98 907	28 582
From 1 to 6 months	170 585	115 278
From 6 to 12 months	56 435	48 672
From 1 to 5 years	6 976	16 646
Total term deposits of individuals	**332 903**	**209 178**

The tables below show financial liabilities as at 31 December 2024 and 31 December 2023 by their remaining contractual maturity. The amounts in the table reflect contractual undiscounted cash flows and differ from the amounts in the consolidated statement of financial position that are based on discounted cash flows. The Bank does not use the following analysis of undiscounted maturities to manage liquidity.

In accordance with the legislation of the Russian Federation and the Rules for performing deposit operations in effect at the Bank, individuals and legal entities have the right to withdraw their term deposits at any time, forfeiting, in most cases, already paid and all accrued interest. These term deposits with future payments of interests, included in the tables below, totalling RUB 519 380 mln (2023: RUB 388 678 mln) are classified in accordance with their stated maturity dates, but could legally be withdrawn on demand.

31 Risk Management, Corporate Governance and Internal Control (continued)

As at 31 December 2024:

(RUB mln)	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Total
Liabilities						
Non-derivative financial liabilities:						
Due to banks	189 410	71	451	1 531	-	191 463
Customer accounts	423 763	229 589	67 497	9 262	24	730 135
Financial liabilities at fair value	2 059	-	-	-	-	2 059
Promissory notes and deposit certificates issued	1 948	1 580	182	6	1 504	5 220
Other financial liabilities	10 042	-	-	-	-	10 042
Derivative financial instruments:						
- Addition	(60 075)	-	-	-	-	(60 075)
- Disposal	61 306	-	-	-	-	61 306
Total future undiscounted cash flows	**628 453**	**231 240**	**68 130**	**10 799**	**1 528**	**940 150**
Off-balance sheet credit-related commitments	141 940	-	-	-	-	141 940

As at 31 December 2023:

(RUB mln)	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Total
Liabilities						
Non-derivative financial liabilities:						
Due to banks	164 650	41 074	495	4 294	-	210 513
Customer accounts	432 237	144 567	54 443	22 375	10	653 632
Financial liabilities at fair value	1 471	-	-	-	-	1 471
Promissory notes and deposit certificates issued	213	276	1 584	1 834	1 504	5 411
Other financial liabilities	3 717	-	-	-	-	3 717
Derivative financial instruments:						
- Addition	(159 515)	-	-	-	-	(159 515)
- Disposal	164 524	-	-	-	-	164 524
Total future undiscounted cash flows	**607 297**	**185 917**	**56 522**	**28 503**	**1 514**	**879 753**
Off-balance sheet credit-related commitments	139 813	-	-	-	-	139 813

Credit-related commitments are disclosed in Note 33.

Operational risk

Operational risk management means its mitigation through comprehensive measures and actions taken to prevent events and conditions that may trigger the risk.

The Bank uses two main approaches to operational risk (“OR”) management:

- The top-down approach involves "top-down" consideration of OR in terms of the consequences to which ORs lead or may lead. This approach involves collecting statistics on realisation of OR events in a given format, summarizing and analysing it;
- The bottom-up approach involves “bottom-up” consideration of OR, i.e. from the point of view of divisions, banking products, and processes. This approach focuses on detection and identification of risk factors during the examination of new (and changing) products and processes.

31 Risk Management, Corporate Governance and Internal Control (continued)

The Bank's OR management process involves:

- detection and identification of OR;
- collection of information on internal OR events and losses from their implementation and their registration in the OR event database;
- assessment of OR;
- selection and application of a response to OR based on the assessment results;
- OR monitoring and control.

To timely prevent or liquidate the consequences of a potential interruption of the daily activities of the Group or its divisions in case of non-standard and emergency situations, internal documents have been developed that establish a system of actions to ensure the Group's business continuity and/or recovery in the event of such non-standard and emergency situations. To implement these actions, the Bank's reserve platforms with emergency workstations for critical business processes have been organised. Additionally, instructions have been developed for the Group's employees that define actions to be taken in different emergency situations.

As part of improving the operational risk management system, during the reporting period the following changes were introduced to the operational risk management processes:

- operational risk and information security risk management procedures have been clarified;
- operational reliability management procedures have been improved to ensure the continuity of banking services;
- updated scenarios for responding to the most significant business continuity threats.

32 Capital Management

The Group's capital management objectives are: (i) to ensure the Group's ability to continue as a going concern; (ii) to meet the capital requirements set by the CBR; (iii) to meet capital requirements and capital adequacy ratios in accordance with financial covenants set out in agreements signed by the Group to raise funds.

Under the current capital requirements set by the CBR, which include capital adequacy maintenance surcharges and countercyclical surcharge, as at 31 December 2024, the Group is required to maintain a ratio of capital to risk weighted assets: capital adequacy ratio (N 20.0) of at least 8.0%, base capital adequacy ratio (N 20.1) of at least 4.5%, core capital adequacy ratio (N 20.2) of at least 6.0%.

The Bank's strategy sets the target level of core capital adequacy (N 20.2) at 12.0%, which is stricter than the CBR requirements.

Calculation of capital adequacy ratios on a daily basis is performed by the Accounting and Reporting Department. As at 31 December 2024 and 31 December 2023, the capital adequacy ratios were within the limits established by the CBR.

Base capital, core capital, own funds and capital adequacy ratios based on reports prepared by the Group under Russian statutory accounting standards are presented in the table below.

(RUB mln)	**2024**	**2023**
Total capital	198 314	171 230
Base capital	184 948	156 340
Core capital	184 948	156 340
Capital adequacy ratio N 20.0 (N 1.0 – as at 31 December 2023)	21.87%	20.31%
Base capital adequacy ratio N 20.1 (N 1.1 – as at 31 December 2023)	20.47%	18.62%
Core capital adequacy ratio N 20.2 (N 1.2 – as at 31 December 2023)	20.47%	18.62%

The capital adequacy ratio set by the CBR is managed by the Treasury Department through monitoring and forecasting its components.

32 Capital Management (continued)

In September 2015, the Group raised a subordinated loan from the State Corporation “Deposit Insurance Agency” in the form of federal loan bonds in the total nominal amount of RUB 14 595 mln. As at 31 December 2024, the fair value of the federal loan bonds is RUB 15 420 mln (2023: RUB 15 236 mln). The interest rate is the coupon rate on the federal loan bonds plus 1% p.a. The loan maturity is from 2025 to 2034, depending on the terms of the respective bond issue. The loan is accounted for off-balance sheet and is included in the additional paid-in capital of the Group at its residual value, including amortisation. As at 31 December 2024, the residual value was RUB 10 070 mln (2023: RUB 11 384 mln).

The Group is subject to certain restrictions on the sale of large blocks of federal loan bonds obtained under the subordinated loan from the State Corporation “Deposit Insurance Agency”. Currently, the Group is required to agree with the Ministry of Finance the volumes and dates of sale of OFZ-PK bonds on the secondary market if the total nominal value of OFZ-PK bonds planned for sale within one business day exceeds RUB 2 000 mln. The Group complied with all the restrictions as at 31 December 2024 and 31 December 2023.

Arrangements to safeguard the Group’s ability to continue as a going concern are performed under the Bank’s Strategic Development Plan and divided into long- and short-term capital management.

In the long-term, the Bank plans its business scope under strategic and financial plans developed along with identification of the risks and corresponding capital requirements for three years and one year, respectively. After determining the required amount of capital, the Bank plans the sources of its increase: borrowings on capital markets, share issue and approximate scope thereof. The target scope of business and the amount of capital, as well as the sources of the capital increase are approved collegially by the following management bodies in the established priority order: the Asset and Liability Management Committee, the Management Board of the Bank, the Supervisory Board of the Bank.

In the short-term, the Bank determines the capital surplus/deficit within the period from one to three months and develops the respective plan to increase assets in order to comply with the CBR requirements. In some cases, management uses measures to influence the structure of assets and liabilities through the interest rate policy, and, in exceptional cases, through setting limits for certain banking transactions. The limits are set when the economic instruments are insufficient in terms of the timing and extent of impact.

33 Contingencies, Credit and Non-credit Liabilities

Litigations**.** From time to time and in the normal course of business, third parties file claims against the Group. The Group management assesses that no material losses will be incurred in respect of claims. As at 31 December 2024, there is no provision for litigations (2023: no provision) (Note 18).

Tax legislation. Russian tax legislation is subject to varying interpretations and frequent changes. Management’s interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant regional and federal authorities.

The Russian tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past will be challenged.

As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Management believes that its interpretation of the relevant legislation is appropriate and the tax, currency, and customs positions of the Group will be sustained. Accordingly, as at 31 December 2024 and 31 December 2023, no provision for potential tax liabilities was recorded.

Capital expenditure commitments. As at 31 December 2024, the Group had no contractual capital expenditure commitments in respect of reconstruction and purchase of real estate (2023: none).

Credit and non-credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required.

Performance guarantees are contracts that provide for the Group to pay monetary compensation to one party under the contract if the other party fails to meet its contractual obligation.

33 Contingencies, Credit and Non-credit Liabilities (continued)

Documentary letters of credit, which are written undertakings of the Group to execute payments on behalf of customers within an agreed amount provided certain conditions are met, are collateralised with the respective shipments of goods or cash deposits. Loan commitments include the unused portion of amounts for lending.

Bank guarantees and issued uncovered letters of credit represent irrevocable assurances to make payments in the event that a customer cannot meet its obligations to third parties and are subject to credit risk.

Credit and non-credit related commitments are as follows:

(RUB mln)	Note	2024	2023
Revocable undrawn credit lines		55 187	65 397
Import letters of credit		5 886	961
Financial guarantees		80 860	73 456
Total credit related commitments		**141 933**	**139 814**
Allowance for expected credit losses	18	**(294)**	**(318)**

The total outstanding contractual amount of guarantees, letters of credit and undrawn credit lines does not necessarily represent future cash claims, as these obligations may expire or terminate without funds being granted to the borrower. The maturities of credit related commitments depend on types of guarantees and undrawn credit lines and are mainly classified as "Demand and less than 1 month".

The table below shows collateral for financial guarantees issued by type (excluding overcollateralisation) as at 31 December 2024 and at 31 December 2023:

(RUB mln)	2024	2023
Surety	35 540	35 197
Real estate	8 423	9 287
Deposits	4 574	7 314
Promissory notes	9	547
Movable property	218	321
Other collateral	135	204
Without collateral	31 961	20 586
Total	**80 860**	**73 456**

33 Contingencies, Credit and Non-credit Liabilities (continued)

The table below presents an analysis of off-balance sheet credit related commitments by credit quality and related allowances as at 31 December 2024:

(RUB mln)	12-month expected credit losses	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Financial credit related commitments: legal entities					
Minimal credit risk	114 632	31	-	-	114 663
Low credit risk	19 938	114	-	-	20 052
Medium credit risk	129	739	-	-	868
High credit risk	-	-	-	-	-
Default loans	-	-	17	-	17
Total financial credit related commitments: legal entities	**134 699**	**884**	**17**	**-**	**135 600**
Allowance for expected credit losses	**(12)**	**(15)**	**(9)**	**-**	**(36)**
Financial credit related commitments: individuals					
Not past due	6 324	9	-	-	6 333
Overdue loans	-	-	-	-	
- less than 30 days	-	-	-	-	-
- from 31 to 90 days	-	-	-	-	-
- more than 90 days	-	-	-	-	-
Total financial credit related commitments: individuals	**6 324**	**9**	**-**	**-**	**6 333**
Allowance for expected credit losses	**(255)**	**(3)**	**-**	**-**	**(258)**
Total financial credit related commitments	**141 023**	**893**	**17**	**-**	**141 933**
Total allowance for expected credit losses	**(267)**	**(18)**	**(9)**	**-**	**(294)**

33 Contingencies, Credit and Non-credit Liabilities (continued)

The table below presents an analysis of off-balance sheet credit related commitments by credit quality and related allowances as at 31 December 2023:

(RUB mln)	12-month expected credit losses	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit-impaired assets	Total
Financial credit related commitments: legal entities					
Minimal credit risk	115 271	-	-	-	115 271
Low credit risk	16 743	1 780	-	-	18 523
Medium credit risk	56	210	-	-	266
High credit risk	-	-	-	-	-
Default loans	-	-	85	-	85
Total financial credit related commitments: legal entities	**132 070**	**1 990**	**85**	**-**	**134 145**
Allowance for expected credit losses	**(2)**	**(26)**	**(39)**	**-**	**(67)**
Financial credit related commitments: individuals					
Not past due	5 668	1	-	-	5 669
Overdue loans	-	-	-	-	
- less than 30 days	-	-	-	-	-
- from 31 to 90 days	-	-	-	-	-
- more than 90 days	-	-	-	-	-
Total financial credit related commitments: individuals	**5 668**	**1**	**-**	**-**	**5 669**
Allowance for expected credit losses	**(251)**	**-**	**-**	**-**	**(251)**
Total financial credit related commitments	**137 738**	**1 991**	**85**	**-**	**139 814**
Total allowance for expected credit losses	**(253)**	**(26)**	**(39)**	**-**	**(318)**

Fiduciary assets

The Group provides depositary services to clients on the basis of a license issued by the Russian Federal Commission for the Securities Market. These assets are not included in the consolidated statement of financial position, as they are not the Group’s assets.

These assets include:

- corporate shares denominated in RUB, USD, EUR, CHF;
- bonds of the federal authorities of the Russian Federation, bonds of federal constituent entities, corporate bonds and Eurobonds denominated in RUB, USD, EUR, CHF and CNY;
- unit shares of Russian and foreign funds, denominated in RUB, USD and EUR;
- depository receipts denominated in RUB and USD.

As at 31 December 2024 and 31 December 2023, the Group had 1 192 069 020 and 1 225 609 498 customers’ securities in nominee accounts, respectively.

Custody activities are carried out by the Group’s Depository on the basis of a depository agreement concluded between the Depository and the Depositor. The Depositor and the Depository are liable for non-fulfilment or improper fulfilment of their obligations under the Depository Agreement in accordance with the applicable legislation of the Russian Federation.

33 Contingencies, Credit and Non-credit Liabilities (continued)

The Depository is not liable to the Depositor for the actions of the issuer and/or its registrar or for losses incurred due to the impossibility of the Depositor to exercise its rights in respect of securities caused by failure to provide or late provision of information, or provision of untrue information by the Depositor to the Depository. The Depository is not liable for losses caused to the Depositor as a result of seizure or foreclosure of securities held on the Depositor’s custody account, except as otherwise provided by applicable law.

The Depository is released from liability to the Depositor for compensation for losses caused by failure to timely provide information about it to the registrar, if it duly fulfilled the obligation to provide information to another depository, where it became a depositor in accordance with the written instruction of the Depositor.

The Depository shall indemnify the Depositor for the losses caused to the latter in the event of the Depository’s failure to perform or improper performance of the duties of keeping securities and/or recording rights to securities, unless it proves that the losses arose as a result of force majeure, intent or gross negligence of the Depositor.

34 Fair Value of Financial Instruments

Methods and assumptions used in calculation of the fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions. The best evidence of fair value is the quoted price in an active market.

The estimated fair values of financial instruments are determined using available market information, where it exists, and appropriate valuation techniques. However, judgment 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, in the face of sanctions pressure, 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 uses all available market information in estimating the fair value of financial instruments.

The fair value of instruments with floating interest rates usually equals their carrying amount. The fair value of instruments with fixed interest rates and fixed maturity dates that do not have market prices is based on discounted cash flows using current interest rates for instruments with similar credit risk and maturity date.

The Group measures fair values recognised in the consolidated statement of financial position using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

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

34 Fair Value of Financial Instruments (continued)

Management uses professional judgment to categorise financial instruments into levels of the fair value measurement hierarchy. If the observable data used for fair value measurement require significant adjustments they are categorised into Level 3. In order to assess the fair value of debt securities and to categorise input data into hierarchy levels, the Group primarily uses the data of the Pricing Centre of the National Settlement Depository. Liabilities to banks and customers for refund of securities received under reverse sale and repurchase agreements and sold by the Group are carried at fair value.

In 2024, the Group retained its methodologies and approaches to fair value measurement based on observable inputs. To assess the fair value of debt securities, the Group primarily uses the data of the Pricing Centre of the National Settlement Depository. To measure the fair value of derivative financial instruments, the Group uses future discounted cash flow method and maximizes the use of data from various sections of the Moscow Exchange.

Below is an analysis of financial instruments at fair value by measurement categories as at 31 December 2024:

(RUB mln)	**Level 1**	**Level 2**	**Level 3**
Financial assets			
Trading securities, including those transferred under sale and repurchase agreements			
- Corporate Eurobonds	-	1 035	-
- Corporate bonds	6 686	28	-
- Federal loan bonds	2 192	-	-
- Corporate shares	2	-	-
Loans and advances to legal entities at fair value	-	-	7 702
Investment securities at FVOCI including those transferred under sale and repurchase agreements			
- Equity securities	4	-	96
Derivative financial assets	-	5 589	-
Total assets at fair value	**8 884**	**6 652**	**7 798**
Financial liabilities			
Financial liabilities at fair value	2 059	-	-
Derivative financial liabilities	-	7 677	-
Total financial liabilities at fair value	**2 059**	**7 677**	**-**

For 2024 the Bank decreased the portfolio of trading debt securities measured on the basis of initial data of Level 1 in the fair value hierarchy by RUB 31 763 mln. There were no transfers of debt securities from Level 2 to Level 1 or from Level 3 to Level 1 of the fair value hierarchy.

Debt securities with a carrying amount of RUB 1 029 mln were transferred from Level 1 to Level 2 of the fair value hierarchy, because the frequency and volume of trading on the market for such debt securities ceased to meet the criteria of an active market. Management has applied a valuation method based on observable market data to determine the fair value of these debt securities.

For 2024, there were no transfers between levels of the hierarchy for investment securities measured at fair value through other comprehensive income.

34 Fair Value of Financial Instruments (continued)

Below is an analysis of financial instruments at fair value by measurement categories as at 31 December 2023:

(RUB mln)	Level 1	Level 2	Level 3
Financial assets			
Trading securities, including those transferred under sale and repurchase agreements			
- *Corporate Eurobonds*	2 336	6	-
- *Corporate bonds*	35 424	358	-
- *Federal loan bonds*	2 880	-	-
- *Corporate shares*	2	-	
Loans and advances to legal entities at fair value	-	-	7 222
Investment securities at FVOCI including those transferred under sale and repurchase agreements			
- *Corporate bonds*	-	1 678	-
- *Equity securities*	-	-	118
Derivative financial assets	-	3 394	-
Total assets at fair value	**40 642**	**5 436**	**7 340**
Financial liabilities			
Financial liabilities at fair value	1 471	-	-
Derivative financial liabilities	-	7 738	-
Total financial liabilities at fair value	**1 471**	**7 738**	**-**

For 2023 the Bank increased the portfolio of trading debt securities measured on the basis of initial data of Level 1 in the fair value hierarchy by RUB 22 474 mln. This portfolio included debt securities with a carrying amount of RUB 504 mln which were transferred from Level 2 to Level 1 of the fair value hierarchy and debt securities with a carrying amount of RUB 996 mln which were transferred from Level 3 to Level 1 of the fair value hierarchy, because the frequency and volume of trading on the market for such debt securities began to meet the criteria of an active market.

Debt securities with a carrying amount of RUB 7 mln were transferred from Level 1 to Level 2 of the fair value hierarchy, because the frequency and volume of trading on the market for such debt securities ceased to meet the criteria of an active market. Management has applied a valuation method based on observable market data to determine the fair value of these debt securities.

For 2023, there were no transfers between levels of the hierarchy for investment securities measured at fair value through other comprehensive income.

34 Fair Value of Financial Instruments (continued)

The table below presents the reconciliation of opening and closing balances classified into Level 3 of the fair value hierarchy as at 31 December 2024:

(RUB mln)	**Level 3 opening value as at 1 January 2024**	**Income (expenses) recognised in profit or loss**	**Income (expenses) recognised in OCI**	**Disposals**	**Acquisitions**	**Transfers between the levels**	**Level 3 closing value as at 31 December 2024**
Loans to legal entities at fair value	7 222	1 051	-	(571)	-	-	7 702
Investment securities, including those transferred under sale and repurchase agreements	118	-	1	(23)	-	-	96
Total Level 3 assets	**7 340**	**1 051**	**1**	**(594)**	**-**	**-**	**7 798**

The table below presents the reconciliation of opening and closing balances classified into Level 3 of the fair value hierarchy as at 31 December 2023:

(RUB mln)	**Level 3 opening value as at 1 January 2023**	**Income (expenses) recognised in profit or loss**	**Income (expenses) recognised in OCI**	**Disposals**	**Acquisitions**	**Transfers between the levels**	**Level 3 closing value as at 31 December 2023**
Loans to legal entities at fair value	7 792	252	-	(822)	-	-	7 222
Investment securities, including those transferred under sale and repurchase agreements	110	-	8	-	-	-	118
Trading securities, including those transferred under sale and repurchase agreements	4 502	-	**-**	(3 506)	-	(996)	-
Total Level 3 assets	**12 404**	**252**	**8**	**(4 328)**	**-**	**(996)**	**7 340**

Evaluation of loans to legal entities at fair value

As at 31 December 2024, the Group classifies the following as financial assets measured at fair value through profit or loss:

- lending to closed-end investment funds to finance the sale and purchase of real estate;
- convertible promissory note.

The fair value of lending to closed-end investment funds is calculated on the basis of discounting of cash flows at a market rate. A loan to closed-end investment funds is measured on the basis of expected cash flow discounted at a market rate of 24.23%, which is determined as at the date of assessment by applying to an asset which has similar risk level. Assessment of market value is carried out by the Group’s department responsible for risk assessment on a monthly basis. When market value was assessed, assumptions were used that the expected cash flows will meet the contractual ones and the market discounting rate will meet the current discounting rate for assets which have similar risk level. A 1.0% increase/decrease in the market discounting rate leads to the decrease by 0.5%/increase by 0.5% in the fair value of the loan, respectively.

34 Fair Value of Financial Instruments (continued)

Evaluation of investment securities, including those transferred under sale and repurchase agreements. Securities remeasured at fair value through other comprehensive income are investments in non-listed shares of companies that are estimated based on information not observed at the market.

The fair value of securities remeasured at fair value through other comprehensive income was determined by the Group based on the information currently available, with an additional consideration of the fact that equity securities are minority interests.

The following table provides fair values of financial assets measured at amortised cost as at 31 December 2024 and 31 December 2023:

	2024		2023	
(RUB mln)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets at amortised cost				
Debt investment securities measured at amortised cost, including those transferred under sale and repurchase agreements	116 831	107 047	100 561	96 045
Loans and advances to customers				
Loans to legal entities				
- loans to finance working capital	512 478	510 085	430 096	428 210
- investment loans	39 537	38 439	60 639	59 108
Loans to individuals				
- mortgage loans	124 186	103 020	115 386	102 084
- consumer loans to VIP clients	518	425	2 752	2 623
- other consumer loans	33 341	26 772	35 662	32 630
Total	**826 891**	**785 788**	**745 096**	**720 700**

The following table provides fair values of financial liabilities measured at amortised cost as at 31 December 2024 and 31 December 2023:

	2024		2023	
(RUB mln)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities at amortised cost				
Customer accounts				
State and public organisations				
- Term deposits	16 520	16 474	-	-
Legal entities				
- Current/settlement accounts	90 708	90 708	123 448	123 448
- Term deposits	167 446	167 567	127 410	127 457
Individuals				
- Current/demand accounts	103 527	103 527	141 505	141 505
- Term deposits	332 903	330 533	254 084	255 003
Promissory notes and deposit certificates issued	4 612	4 399	4 651	4 538
Total	**715 716**	**713 208**	**651 098**	**651 951**

Trading securities, including those transferred under sale and repurchase agreements, investment securities, including those transferred under sale and repurchase agreements, measured at fair value through other comprehensive income, derivative financial instruments are recognised at fair value in the summary consolidated financial statements. Fair value of securities also reflects credit risk associated with them.

According to the Group's estimates, fair values of financial assets and liabilities, except for those disclosed in the tables above, do not differ significantly from their carrying amounts.

Loans and receivables measured at amortised cost. The fair value of instruments with floating interest rates usually equals their carrying amount. If the market situation significantly changes, the interest rates on loans and advances to customers and loans to banks with fixed interest rate may be revised. Interest rates on loans to customers issued just before the reporting date do not significantly differ from current interest rates on new instruments with similar credit risk and maturity date. If interest rates on earlier issued loans, according to the Group's estimates, significantly differ from current interest rates for similar instruments as at the reporting date, the Group determines estimated fair value for these loans. The estimate is based on discounted cash flows

34 Fair Value of Financial Instruments (continued)

using current interest rates based on available market information for new instruments with similar credit risk and maturity date.

Discounting rates depend on currency, maturity date and counterparty. The following table provides an analysis of interest rates on loans and advances to customers in effect as at 31 December 2024 and 31 December 2023:

% per annum	2024	2023
Loans and advances to legal entities		
RUB	19.61% - 26.15%	6.57% - 19.21%
USD	10.75% - 16.00%	4.0% - 9.70%
EUR	7.67% - 12.00%	6.11% - 8.52%
CNY	6.89% - 19.00%	5.24% - 6.48%
Loans and advances to individuals		
RUB	4.35% - 46.15%	4.65% - 30.95%
USD	26.00 – 26.50%	14.5% - 15.0%
EUR	n/a	6.29% - 15.0%
CNY	n/a	n/a

Liabilities measured at amortised cost. The estimated fair value of instruments with fixed interest rates and fixed maturity dates that do not have market prices is based on discounted cash flows using current interest rates for new instruments with similar credit risk and maturity date.

Discounting rates depend on currency, maturity and type of instrument. The table below presents an analysis of interest rates on funds in the accounts of legal entities and individuals (including current accounts, term deposits, promissory notes and deposit certificates) in effect as at 31 December 2024 and 31 December 2023:

	2024		2023	
% per annum	On demand and less than 1 year	Over 1 year	On demand and less than 1 year	Over 1 year
Legal entities				
RUB	0.81% - 20.59%	19.60% - 19.82%	0.67% - 12.75%	10.93% - 16.50%
USD	0.01% - 6.00%	2.40% - 2.80%	0.01% - 1.50%	2.40% - 2.80%
EUR	0.01% - 3.00%	5.18% - 5.60%	0.01% - 3.00%	5.18% - 5.60%
CNY	0.01% - 8.33%	5.25% - 6.25%	0.01% - 3.50%	3.80% - 4.60%
Individuals				
RUB	17.29% - 23.23%	21.07% - 24.00%	1.00% - 13.98%	12.19% - 14.89%
USD	0.01% - 7.21%	1.00% - 2.80%	0.01% - 2.13%	1.47% - 2.80%
EUR	0.01% - 5.48%	1.00% - 5.60%	0.01% - 3.37%	2.49% - 5.60%
CNY	0.01% - 9.23%	5.25% - 6.25%	0.01% - 3.07%	3.11% - 4.60%

35 Related Party Transactions

For the purposes of these summary 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 and operational decisions. In considering each possible related party relationship, attention is directed to the economic substance of the relationship, not merely to the legal form.

In the normal course of business the Group enters into transactions with shareholders, Group’s management and other related parties. All related party transactions are entered into by the Group on an arm’s length basis.

As at 31 December 2024, the outstanding balances with related parties are as follows:

(RUB mln)	Shareholders	Effective interest rate, % per annum	Management of the Group	Effective interest rate, % per annum	Other related parties	Effective interest rate, % per annum
Loans and advances to customers	-	-	29	7.09	1 735	6.75
Allowance for expected credit losses					(17)	
Customer accounts	38 346	18.68	2 028	12.01	1 685	19.14

35 Related Party Transactions (continued)

The income and expense items under transactions with related parties, other than remuneration to the members of the Supervisory and the Management Boards of the Bank, for the year ended 31 December 2024 are as follows:

(RUB mln)	**Shareholders**	**Management of the Group**	**Other related parties**
Interest income	-	2	117
Interest expense	(3 842)	(142)	(140)
Recovery of allowance for expected credit losses	-	1	25
Fee and commission income	6	6	4

As at 31 December 2023, the outstanding balances with related parties are as follows:

(RUB mln)	**Shareholders**	**Effective interest rate, % per annum**	**Management of the Group**	**Effective interest rate, % per annum**	**Other related parties**	**Effective interest rate, % per annum**
Loans and advances to customers	-	-	34	7.06	1 735	6.75
Allowance for expected credit losses	-	-	(1)	-	(42)	-
Customer accounts	21 997	6.26	1 357	7.77	472	10.99

The income and expense items under transactions with related parties, other than remuneration to the members of the Supervisory and the Management Boards of the Bank, for the year ended 31 December 2023 are as follows:

(RUB mln)	**Shareholders**	**Management of the Group**	**Other related parties**
Interest income	-	2	74
Interest expense	(931)	(57)	(28)
(Charge) recovery of allowance for expected credit losses	-	(1)	50
Fee and commission income	4	2	6

In 2024, the total remuneration to the members of the Supervisory Board and the Management Board of the Bank, including pension contributions and lump-sum payments, was RUB 2 546 mln, including payments related to long-term remunerations in the amount of RUB 842 mln (2023: RUB 1 519 mln, including payments related to long-term remunerations in the amount of RUB 23 mln).

36 Consolidation of Companies

The summary consolidated financial statements of the Group include 8 subsidiaries registered in the Russian Federation.

37 Material Accounting Policy Information

The information presented below reflects significant accounting policies.

Consolidation. Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In particular, the Group consolidates financial statements of the investees, which are substantially controlled by the Group, including cases when protection rights resulting from the pledge under lending transactions become material. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany transactions, balances and unrealised gains arising from intercompany transactions are eliminated.

Unrealised losses are also eliminated unless the cost cannot be recovered. The Bank and its subsidiaries use uniform accounting policies consistent with the Group's policies.

37 Material Accounting Policy Information (continued)

Effective interest rate. Interest income and expense are recognised in profit or loss using the effective interest rate method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset, or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments that are not credit-impaired assets the Group assesses future cash flows taking into account all contractual terms of this financial instrument but without considering expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows, including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and amounts paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount. The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition less the principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount calculated using the effective interest rate method and, for financial assets, adjusted for any expected credit loss allowance.

Gross carrying amount of a financial asset measured at amortised cost is the amortised cost of the financial asset before adjustment for the amount of expected credit loss allowance.

Calculation of interest income and expense. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the financial asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves. For information on when financial assets are credit-impaired, see Credit-Impaired Financial Assets.

Classification of financial instruments. Upon initial recognition, financial assets are classified as measured either at amortised cost or at fair value through other comprehensive income or at fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model the objective of which is to hold assets to collect contractual cash flows; and
- on specified dates contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- on specified dates contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

On initial recognition, the Group may irrevocably designate a financial asset that meets the criteria for evaluation at amortised cost or at FVOCI as at FVTPL into the evaluation category if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

37 Material Accounting Policy Information (continued)

For debt financial assets measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest income calculated using the effective interest rate method;
- expected credit losses and reversals; and
- foreign exchange gains or losses.

When a debt financial asset measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value of the investment in other comprehensive income. This election is made on an investment-by-investment basis.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income.

Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

All other financial assets are classified as at fair value through profit or loss.

Business model assessment. The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way 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. In particular, whether management's strategy focuses on earning contractual income, 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;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its 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.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest on the outstanding principal amount ('SPPI criterion'), the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features);
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

37 Material Accounting Policy Information (continued)

The Group holds a portfolio of long-term fixed rate loans, for which the Group has the option to revise the interest rate following the change in the key rate set by the CBR. The borrowers have an option to either accept the revised rate or redeem the loan at par without significant penalty. The Group has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding. Instead, the Group considers these loans as in essence floating rate loans.

Modification of financial assets and financial liabilities. If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Changes in cash flows on existing financial assets are not considered as modification, if they result from existing contractual terms, e.g. changes in interest rates initiated by the Group due to changes in the CBR key rate, if the loan contract entitles the Group to do so.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different.

The following types of modifications are recognised by the Bank as substantial based on qualitative assessment:

- change of the counterparty;
- change in the currency of the financial asset;
- change of the interest rate type (from fixed to floating, or vice versa);
- change in the lending regime;
- change in the contract terms affecting passing the SPPI test.

The Group performs quantitative and qualitative assessment of whether modification is substantial analysing qualitative factors, quantitative factors and the overall effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In making this evaluation the Group analogises to the guidance in IFRS 9 on the derecognition of financial liabilities.

If the modification is due to financial difficulties of the borrower, the objective of the modification is generally to recover, to the maximum extent possible, the value of the asset under the original terms of the contract, rather than to create (issue) a new asset on terms significantly different from the original terms. If the Group plans to modify a financial asset in a way that would result in the forgiveness of a portion of the contractual cash flows, the Group is required to analyse whether a portion of the asset should be written off before the modification (see write-offs policy below). This approach affects the outcome of the quantitative assessment and results in the criteria for derecognition of the relevant financial asset generally not being met in such cases. The Group also performs a qualitative assessment of whether the modification is substantial.

If the cash flows of the modified asset measured at amortised cost or FVOCI are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such modification is caused by a financial distress of the borrower, the related profit or loss is presented in allowance for expected credit losses on debt financial assets. In other cases the related profit or loss is presented in interest income calculated using the effective interest rate method.

For fixed-rate loans where the borrower has an option to prepay the loan at par without significant penalty, the Group treats the modification of an interest rate to a current market rate using the guidance on floating-rate financial instruments. This means that the interest rate is adjusted prospectively.

37 Material Accounting Policy Information (continued)

Impairment. The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantees, which the Group classifies as all types of bank guarantees and uncovered letters of credit;
- loan commitments issued.

No loss allowance is recognised on equity investments.

The Group recognises allowance for expected credit losses:

- in an amount equal to 12-month expected credit losses – for financial instruments that have not experienced a significant increase in credit risk since initial recognition (financial instruments classified as Stage 1).
- in an amount equal to the lifetime expected credit losses - for financial instruments with a significant increase in credit risk since initial recognition but no evidence of impairment (financial instruments classified as Stage 2), as well as for financial instruments impaired at initial recognition.
- in an amount equal to the difference between the gross carrying amount of the financial instrument and the discounted amount of the estimated future cash flows expected to be generated by the Group in the course of dealing with the overdue debt – for impaired financial instruments (financial instruments classified as Stage 3).

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as ‘Stage 1’ financial instruments.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Financial instruments which are not purchased or originated credit-impaired assets for which a lifetime ECL is recognised are referred to as ‘Stage 2’ financial instruments (if the credit risk has increased significantly since initial recognition, but the financial instruments are not credit-impaired) and ‘Stage 3’ financial instruments (if the financial instruments are credit-impaired).

Expected credit losses. Amounts of allowance for expected credit losses (ECLs) are presented in the consolidated statement of financial position as follows:

- *financial assets measured at amortised cost:* as a deduction from the gross carrying amount of the assets;
- *loan commitments and financial guarantee agreements:* generally, as a *provision*;
- *debt instruments measured at FVOCI*: an expected credit loss allowance is not recognised in the consolidated statement of financial position since the carrying amount of such assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

The key inputs into the measurement of ECLs are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters will be derived from internally developed statistical models.

Expected credit losses for credit risk exposures at Stage 1 are calculated by multiplying the PD by the loss amount if a default occurs within 1 year of the assessment date. The loss amount is calculated as a daily average of the product of LGD and EAD for 12 months.

PD estimates are made based on statistical models for various categories of counterparties. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

The Group estimates LGD based on information on cash recovery rates in respect of impaired financial assets. The LGD models take into account the structure of the financial instrument, the type of counterparty and the type of collateral.

For financial assets arising from financial market transactions, statistics from international rating agencies are used to estimate PD and LGD.

37 Material Accounting Policy Information (continued)

EAD represents the expected exposure in the event of a default. The Group will derive the EAD from the current exposure as at the reporting date considering expected changes to the current amount allowed under the contract and expected early repayments (for individuals). The EAD of a financial asset is its expected gross carrying amount at the time of default.

For loan commitments EAD represents expected amounts that can be claimed under the contract. For financial guarantee contracts, the EAD value is the amount payable at the time the financial guarantee is executed.

Credit risk grades. To assess expected credit losses the Group classifies financial instruments into one of the following stages depending on the change of the credit quality of a financial asset since its initial recognition:

- Stage 1. Financial instruments with no significant increase of credit risk after their initial recognition. The amount of allowance is determined as the amount of expected credit losses over 12 months;
- Stage 2. Financial instruments with significant increase of credit risk after their initial recognition but with no impairment indicators. The amount of allowance is determined as the amount of credit losses expected over the expected lifetime of the financial instrument;
- Stage 3. Impaired financial instruments. For impaired financial instruments of legal entities expected credit losses are measured on an individual basis based on expected cash flows from debts collection. For large loans, the Bank considers different scenarios of the outcome of work with overdue debts that differ in the term, cost of sale of pledged property, and also in the circumstances of sale (voluntary sale or sale during bankruptcy procedures). For impaired financial instruments of individuals expected credit losses are measured based on historical losses given default for the respective terms of delinquency.

Occurrence of at least one of the following events is an indicator of a significant increase in credit risk:

- delinquency by 31 to 90 days;
- significant decrease of the external or internal rating of a corporate borrower since the initial recognition of a financial instrument that results in an increase in the expected probability by a factor of more than 3 for customers with the best ratings, or by a factor of more than 2 for customers with good, average and worst ratings;
- prolongation of the term for principal amount or provision of the grace period for interest payments performed due to financial distress of the client;
- for individual borrowers - existence of debt overdue for 90 days or more within the last 90 days (recovery period) that is repaid at the moment;
- delinquency by 6 to 30 days for interbank loans.

Occurrence of at least one of the following events is an indicator of impairment (default):

- delinquency by 90 or more days;
- bankruptcy or liquidation of the borrower;
- decrease of the interest rate to a level significantly lower compared to the market one due to financial distress of the client;
- other indicators of financial difficulties of the borrower and an actual threat of non-fulfilment or improper fulfilment by the borrower of its obligations towards the Bank;
- delinquency by 30 or more days for interbank loans.

Significant increases in credit risk and impairment of financial instruments are identified on a monthly basis:

- if indicators of significant increase in credit risk are identified and there are no indicators of impairment, financial instruments classified as Stage 1 are transferred to Stage 2;
- if indicators of impairment are identified, financial instruments classified as Stage 1 or Stage 2 are transferred to Stage 3;
- if there is no longer any indicator of impairment, financial instruments are transferred from Stage 3 to Stage 2. The period during which financial instruments are classified as Stage 2 (recovery period) if there is no previous evidence of impairment is 90 days. After the end of the recovery period, if there is no evidence of a significant increase in credit risk, the financial instruments are transferred to Stage 1;

37 Material Accounting Policy Information (continued)

- if indicators of a significant increase in credit risk disappear, loans and credit related commitments are transferred from Stage 2 to Stage 1;
- in exceptional cases, when indicators of impairment disappear and there are no indicators of a significant increase in credit risk, loans and credit related commitments can be transferred from Stage 3 to Stage 1.

For the loans that were impaired at initial recognition the allowance is measured based on lifetime expected credit losses.

Measurement of expected credit losses. Expected credit losses are a probability-weighted estimate of credit losses on a financial instrument. They are measured as follows:

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

The calculation of expected credit losses is performed on an individual basis for loans to legal entities or on a collective basis for financial guarantees and loans to individuals. In order to calculate ECLs, the Group assesses the probability of default, exposure at default and loss given default. In case of an individual calculation, the assessment of the probability of default, exposure at default and loss given default is performed individually at each financial instrument level.

In case of a collective calculation, the assessment of the probability of default and loss given default is similar for all financial instruments classified as the same class and at the same impairment stage, the assessment of exposure at default is performed at the financial instrument level.

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

A loan that has been renegotiated due to a deterioration in the borrower’s condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired.

In making the assessment of whether an investment in sovereign debt (other financial assets) is credit-impaired, the Group considers the following factors:

- The market assessment of creditworthiness as reflected in the bond yields;
- The rating agencies’ assessments of creditworthiness;
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness;
- The international support mechanisms in place to provide the necessary support as ‘lender of last resort’ to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms.

This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for expected credit losses in the consolidated statement of financial position

ECL allowance is presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;

37 Material Accounting Policy Information (continued)

- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component (loan issued): the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component (loan issued). Any excess of the loss allowance over the gross carrying amount of the loan issued is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-offs. Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of their recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

Trading securities. Trading securities are securities acquired for generating a profit from short-term fluctuations in price or trader’s margin, or securities included in a portfolio in which a pattern of short-term trading exists. The Group classifies securities as trading securities if it has a goal to manage the asset by sale and the securities correspond to the business model “other”. The reclassification of trading securities is carried out exclusively in cases of a change in the business model for managing this financial asset.

Trading securities are measured at FVTPL. Interest earned on trading securities is presented as other interest income in profit or loss for the year. Dividends are included in other operating income when the Group’s right to receive the dividend payment is established and provided the dividend is likely to be received. All other elements of the changes in the fair value and gains or losses on derecognition are recorded in profit or loss for the year as gains less losses from trading securities in the period in which they arise.

Loans and advances to customers. Loans and advances to customers caption in the consolidated statement of financial position includes:

- loans and advances to customers measured at amortised cost, they are initially measured at fair value plus incremental direct transaction costs and subsequently at their amortised cost using the effective interest rate method;
- loans and advances to customers mandatorily measured at FVTPL due to the non-compliance with SPPI test criteria, with changes in fair value recognised immediately in profit or loss.

Investment securities. Investment securities caption in the consolidated statement of financial position includes:

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest rate method;
- debt investment securities measured at fair value through other comprehensive income; and
- equity investment securities designated at the Group’s discretion as at fair value through other comprehensive income.

The Group includes investment securities that the Group intends to hold for an indefinite period of time and which may be sold depending on the requirements for maintaining liquidity or as a result of changes in interest rates, exchange rates or stock prices into the category of investment securities measured at fair value through other comprehensive income if at the time of the acquisition they correspond to the business model of holding the asset to obtain contractual cash flows and sales and SPPI test criteria.

Changes in the fair value of debt investment securities measured at fair value through other comprehensive income are recognised directly in equity until the investment is derecognised, and the cumulative gain or loss is transferred from other comprehensive income to profit or loss for the year.

Dividends on equity securities at fair value through other comprehensive income are recognised in profit or loss when the Group’s right to receive payment is established and it is probable that the dividends will be collected.

The Group includes investment securities that the Group intends to hold during contractual terms in order to obtain contractual cash flows into the category of investment securities measured at amortised cost if they meet the criteria of the business model of asset retention for obtaining contractual cash flows and SPPI tests criteria.

37 Material Accounting Policy Information (continued)

Investment securities measured at amortised cost are initially measured at fair value plus incremental direct transaction costs and subsequently at amortised cost using the effective interest rate method.

Allowances for expected losses related to debt investment securities are recognised in profit or loss.

Sale and repurchase agreements. Sale and repurchase agreements ("repo agreements"), which in fact provide a lender's return to the counterparty, are treated as secured financing transactions. Securities sold under such sale and repurchase agreements are not derecognised. In such cases they are classified within "Trading securities, including those transferred under sale and repurchase agreements" and "Investment securities, including those transferred under sale and repurchase agreements". The respective liabilities are recognised within "Due to banks" or "Customer accounts" line items depending on the counterparty.

Securities purchased under agreements to resell ("reverse sale and repurchase agreements"), which provide the Group with a creditor's return, are recorded as "Reverse sale and repurchase agreements". The difference between the sale and repurchase price is recognised as interest income and accrued over the life of the reverse repurchase agreement using the effective interest rate method. Reverse sale and repurchase agreements are measured at amortised cost.

If the assets purchased under reverse repurchase agreements are sold to third parties, the obligation to return securities is recorded under financial liabilities at fair value in the consolidated statement of financial position.

Customer accounts. Customer accounts are non-derivative financial liabilities to individuals, state or legal entities are measured at amortised cost.

Income and expense recognition except interest income and expense. A contract with a customer that results in a recognised financial instrument in the summary consolidated financial statements of the Group may be partially within the scope of IFRS 9 and partially within the scope of IFRS 15. In this case, the Group first applies IFRS 9, to separate and evaluate the part of the contract that falls within the scope of IFRS 9, and then applies IFRS 15 to the remainder of this contract.

The Group offers customers a loyalty program in which retail customers accumulate points that entitle them to reimburse purchases made using the Bank's cards. A financial liability is recognised in the amount of the fair value of the points expected to be used prior to their actual maturity or expiry in correspondence with commission income.

All other fees, commissions and other income and expense items are generally recorded on an accrual basis by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Income taxes. Tax expenses are recorded in the summary consolidated financial statements in accordance with the effective Russian legislation using tax rates and legislative regulations enacted or substantively enacted by the reporting date. The income tax charge comprises current tax charge and deferred tax and is recognised in profit or loss for the year except if it is recognised as other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, as other comprehensive income or directly in equity. Additional/one-off payments are recognised in the current tax payments, including the windfall tax of the previous periods in accordance with the federal laws.

Current income tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and previous periods. Taxable profits or losses are based on estimates if the summary consolidated financial statements are approved prior to filing relevant tax returns. Taxes other than on income are recorded within administrative and other operating expenses.

Deferred income tax is calculated on the basis of balance sheet liability method for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the summary consolidated financial statements. Deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax assets and liabilities are measured at tax rates enacted or substantively enacted at the reporting date which are expected to apply in the period when the temporary differences or deferred tax losses will be realised. Deferred tax assets and liabilities are netted only within the individual companies of the Group. Deferred tax assets for deductible temporary differences are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Uncertain tax positions. Uncertain tax positions of the Group are reassessed by management at every reporting date. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the reporting date and any known court or other rulings on such issues. Liabilities for

37 Material Accounting Policy Information (continued)

penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the reporting date.

Staff costs and related contributions. Wages, salaries, contributions to insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the Group's employees.

Segment reporting. Segment reporting is prepared based on the internal management reports regularly reviewed by the chief operating decision maker of the Group. Segments with revenue, financial result or assets equal to at least ten percent of those from all the segments are reported separately.