

# **RUSSIAN AGRICULTURAL BANK**

## **2024 ANNUAL REPORT**





# MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD<sup>1</sup>

<sup>1</sup> Source: RusAg's summary consolidated IFRS financial statements as of 31 December 2024. Some detailed information on the Bank's performance is prepared under Russian Accounting Standards (RAS) / Management Reporting as of 1 January 2025. All data in percentage (%) terms is calculated based on Russian ruble-denominated financial results.

<sup>2</sup> Called "RusAg", "the Bank" in this Report.

<sup>3</sup> Often referred to as "agribusiness" in this Report.

**Dear Shareholders, Clients, Partners and Investors,**

Russian Agricultural Bank<sup>2</sup> celebrates its 25th anniversary in 2025, offering the perfect opportunity for us to talk, not just about our successes in the past year, but about the road we have travelled in a quarter-century.

The Russian economy has experienced qualitative transformation since the beginning of the 2000s, achieving strong and consistent growth. The evolution of Russian agriculture has played an important part in this transformation, supporting the country on its path to economic sovereignty.

All this time, our Bank, established by the authority of the head of state, has worked in close coordination with Russian agriculture, helping to build and upgrade agricultural enterprises, restore entire sub-sectors and launch new businesses in remote parts of the country. The result of these efforts has been sustainable food security and reduction of import reliance in Russia's agricultural industry<sup>3</sup>. At the same time, living standards and the attractiveness of life in the Russian countryside have steadily increased.

However, RusAg has never been an institution that rests on its laurels and our results last year are the best proof of that. The Bank showed further growth in its key business indicators in 2024: our loan portfolio expanded by 16% and stable client liabilities were 14,5% higher. The Bank's corporate loan portfolio has increased by more than half a trillion roubles and we reduced the share of overdue debt in the loan portfolio from 3.1% to 2.2%. The result of these efforts and achievements was a net profit of almost RUB 44 billion.

We have further strengthened our position as the main bank serving Russian agriculture. Our loan portfolio to the agricultural sector reached a record figure close to RUB 2.5 trillion by the end of 2024. Last year, we provided the industry with more than RUB 2 trillion of funding and increased the amounts made available for seasonal work and investment projects. Thanks to these efforts, 62 new production sites started operating across Russia in 2024. In total, we have helped to open more than 4500 such facilities over the last quarter-century.

More than half of all Russian farms now use the Bank's services and 75% of all farmer-borrowers take out loans from our Bank. Lending to small and medium agribusinesses reached RUB 295 billion last year. Most of the funds were provided on soft terms, which is especially important in the current monetary climate.

In 2024, we continued to expand our role beyond the confines of conventional banking. The Bank now offers farms a comprehensive support system which helps farmers expand their product sales channels and find buyers in any part of the country. A key part of this offer is the Bank's unique 'My Own' ('Svoye') ecosystem. The platform has already been used by more than 5 million individuals. We also hold off-line events to support farmers, including the highly popular 'Tasty Fridays', which have been held more than 10 500 times across our branch network. Any farmer will tell you that RusAg is MORE THAN A BANK. That assessment is music to our ears.

Dear Friends, In 2025 we will do everything we can to make sure that it remains true and to further develop the quality and range of services offered by our Bank. Dear friends, I believe that we will continue to justify your confidence and I thank you for choosing the RusAg team!

**Yours faithfully**

**Boris Listov,**

Chairman of the Management Board  
of Russian Agricultural Bank

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### Disclaimer

This report contains certain forward-looking statements with respect to financial conditions, results of operations, and businesses of Russian Agricultural Bank. These statements involve risk and uncertainty, because they relate to events and depend upon circumstances that will occur in the future. There are numerous factors, which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The statements based on current expected market and economic conditions, the existing regulatory environment and financial results interpretations that are applicable to past, current and future periods. Nothing in this report should be construed as a profit forecast.

# BANK PROFILE

Russian Agricultural Bank (RusAg, the Bank) was established in 2000 under a decree of the President of the Russian Federation to facilitate the development of the national credit and financial system in rural areas of Russia and in the country's agricultural industry.

The Bank is one of the major banks in the Russian Federation today and is the foundation of the national credit and financial system that serves goods producers in the agricultural sector.

In its role as a versatile credit institution, the Bank is a market tool enabling government support for Russian agribusiness. RusAg provides all types of banking services and is the leading provider of funding for agriculture in Russia.

RusAg's strategic orientation for the future is to remain true to its mission, assisting the modernisation and development of the export potential of agribusiness, helping small farms, supporting people in rural areas, and providing state-of-the art technology, financial and non-financial services and products to people and clients in key industries of the Russian economy.

The Bank's branch network spread across 82 regions, RusAg's concessional lending programmes for agribusiness and rural residents, particularly its rural mortgage programme, have helped more than a 100 000 families to improve their living conditions. RusAg is the leading issuer of mortgages in the Russian countryside.

The Bank is strategically focused on implementation of state programmes to support agribusiness, including re-equipment and development of export potential. The Bank also works to assist small businesses in the countryside, providing individuals and corporate customers in key sectors of the Russian economy with modern financial and non-financial products and services.

# 1.1.

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## STRATEGIC FOCUS AREAS

The Bank's strategic focus areas are defined by its Development Strategy up to 2025 and its Long-Term Development Programme up to 2025.

### IMPLEMENTATION OF STATE POLICY FOR THE DEVELOPMENT OF AGRIBUSINESS AND RURAL AREAS

**RusAg has set itself the following tasks in order to accomplish its mission as the conductor of state policy for agribusiness and the development of rural areas:**

- ensure food security. The Bank is the key vehicle for achieving and supporting the Russia's food security. Since 2000, the Bank has allocated RUB 17.2 trillion to agribusiness and taken part in 5600 investment projects to build and upgrade agribusiness facilities;
- develop agribusiness exports. The Bank is a key financial institution providing financing for the production of export-oriented agribusiness goods and the construction of export infrastructure. Russian agribusiness exporters are changing the markets for their products in reaction to sanctions pressure and country restrictions, and the Bank's priority is to build new models of international settlement and payment infrastructure in the currencies of friendly countries;
- support small businesses;
- help to promote and implement advanced agricultural technologies and technological re-equipment of Russian agribusiness;
- assist the development of rural areas as part of the State Programme for Comprehensive Development of Rural Areas, through the provision of loans at reduced rate of interest ('rural mortgages') and through lending and provision of guarantees to developers.

### IMPLEMENTATION OF THE AGRIBUSINESS SUPPORT AND DEVELOPMENT PROGRAMME AS PART OF THE 'MORE THAN A BANK' STRATEGIC CONCEPT.

The key challenges for Russian agribusiness today are: to maintain production growth rates, to expand the scope and geography of exports and to transition from food security to technology sovereignty. Achievement of these objectives will be facilitated by a new industry HR policy.

The Bank is playing an active role in helping Russian agribusiness to meet the new challenges. We have developed the Agribusiness Support and Development Programme, drawing on our strong industry expertise gained during 25 years of continuous development. The Programme highlights seven directions that are best suited to resolve pressing issues for the development of Russian agriculture.

The Bank's key task is to provide maximum support to the state, to business and to residents of rural areas in the development of Russian agribusiness, assisting implementation of Executive Order No. 309 of the President of the Russian Federation, 'Strategy for the Development of the Agribusiness and Fisheries Industry of the Russian Federation up to 2030' (the Agribusiness Strategy), and other dedicated national projects.

**The Bank understands the specific features of agribusiness and the needs of people who live in rural areas. Based on this, our unique and comprehensive Agribusiness Support and Development Programme includes the following elements:**

- support for farming and small businesses in the agricultural sector;
- support for priority agribusiness segments and areas;
- support for the development of agribusiness export;
- assisting the campaign for technology sovereignty in agribusiness;
- help with training of agribusiness specialists;
- enhancing the attractiveness of living and working in the countryside;
- support and promotion of rural tourism and agro-tourism.

**The key tools for implementing the Programme are the Bank's 'Svoye' ('My Own') ecosystems:**

- **'Svoye Fermerstvo' ('My Farm')** is the largest industry platform for agribusiness enterprises. It is a dedicated B2B goods marketplace, a storefront of agricultural technologies and digital services of the Bank. In 2024, the My Farm platform reached a new level of agribusiness industry expertise and digitalisation, achieving significant growth in the number of users in the target business segment. The My Farm digital platform was visited by more than 5 million unique users in 2024 (+40% compared to 2023). The platform is an agribusiness marketplace offering more than 6.1 million goods from more than 18 000 suppliers across Russia. In four years of operation, the platform has become a go-to tool for farmers and agrarian enterprises, using state-of-the-art technologies to streamline business processes and increase sales.
- **'Svoye Rodnoye' ('My Produce')** is a marketplace for farms and other agribusiness operators that want to sell their products through digital channels. More than 13 000 agricultural producers and more than 140 000 items farm products have been signed up to the marketplace. The platform is used by 202 000 people each month (+44% compared to 2023) as a means of purchasing farm products and services without intermediaries;
- **'Svoye za Gorodom' ('My Place in the Countryside')** is a tourist platform that offers unique tours, sightseeing and integrated itineraries with major tour operators, as well as air, train and hotel bookings around Russia. 475 farms offering over 1800 thousand rural tourism packages were signed up to the platform in 2024;



- **'Svoye Zhile' ('My Home')** is a leading digital service for purchase of real estate. It also supports new mortgage loans and mortgage loans that were extended earlier. The My Home platform now has more than 6 million unique users. It features more than 5300 commercial partners, 3000 residential complexes and 1.5 million individual properties. The Bank receives more than 77% of its mortgage applications through the My Home digital channel (+35% compared to 2023) and the share of mortgage loans disbursed through the digital channel in total mortgage loans disbursed by the Bank is more than 56% (+26% compared to 2023);
- **'Svoye Selo' ('My Village')** is a digital platform for purchase and upgrade of accommodation in rural areas. In 2024, the My Village platform was used by 4.5 million unique visitors. The platform features more than 6100 country house designs from 3200 contractors accredited by the Bank;
- **'Svoye v Agro' ('My Agriculture')** is a platform featuring digital services that help people to get involved in agribusiness, build a career, gain new knowledge and opportunities for growth and development, gain internships and practical training, find jobs, and create and develop scientific projects. The platform features about 30 000 job offerings and internships in more than 19 000 companies. Education institutions can use the platform to create their own space, build contacts with schoolchildren and school leavers, and find new employer partners. The My Agriculture platform features 76 higher education institutes and 303 colleges. More than 144 000 students at agrarian higher education institutes and colleges have created their digital profiles and are included in the Golden Talent Pipeline on the My Agriculture platform;
- **'Vse Svoye' ('All My Own')** is a digital platform that mainstreams rural life, engaging with the interests and needs of rural residents, owners of country houses, summer cottages and private plots.

In 2024, the Bank continued to support agrarian higher education institutes in the ambit of the Russian Ministry of Agriculture, helping students through campus projects, scholarship programmes for students and postgraduates, grants for representatives of the scientific community, and assistance to graduates of agrarian higher education institutes in finding employment. Support for agricultural education was expanded in 2024 to cover state agricultural colleges

Work continued to establish and finance endowment funds for agrarian higher education institutes. In 2024, 3 endowments were established (at Omsk and Ulyanovsk Agrarian Universities and the State University of Land Use Planning). By the end of 2024, 9 agrarian higher education institutes in Russia had been provided with financial endowments to enable cooperation with business and to help fund their future development.

## DIGITALISATION

The Bank is pursuing digital transformation in accordance with the RusAg Digital Transformation Strategy up to 2024 (Digital Transformation Strategy), which was approved by the Bank's Supervisory Board (minutes No. 29, dated 20 December 2022). The Digital Transformation

Strategy aims to provide full IT support for the Bank's business processes and tasks, ensuring the Bank's competitiveness in the high-tech banking services market and enabling the Bank to achieve IT indicators at the level of Russian financial sector leaders. The Bank's digital transformation aims to:

- deploy digital solutions;
- develop digital infrastructure;
- encourage providers of digital solutions;
- enable organisational adjustments and improve the Bank's management model;
- support import substitution;
- ensure information security;
- develop HR, digital competences and digital culture.

## DEVELOPMENT OF THE PROJECT RANGE

The Bank's priorities for development of its product line are as follows:

- streamlining the product range for all client segments based on in-depth study of client behaviour and prompt response to any external and internal challenges and opportunities;
- comprehensive offers for all client segments, including transactional, lending, deposit and investment products and various other products of the Bank Group;
- integration with government services and clients' IT systems in order to enhance the quality and technology of financial solutions that are provided.

## RUSAG DEVELOPMENT STRATEGY

In October 2020, the Supervisory Board of Russian Agricultural Bank approved a Development Strategy for the Bank in the period up to 2025.

The Strategy addresses tasks that have been prescribed by the Russian government in agriculture and other priority sectors of the economy, ensuring sustainable development and competitiveness of the Bank and the achievement of target levels of profitability, while ensuring full compliance with regulatory requirements.

The target profile of the Bank up to 2025 was defined by two strategic goals:

- (1) 'To be the Bank of reference for support to agribusiness and rural areas';
- (2) 'To be an efficient, competitive and high-tech financial institution'.

## IMPLEMENTING THE RUSAG DEVELOPMENT STRATEGY

(1) As regards RusAg's strategic goal **'to be the Bank of reference for support to agribusiness and rural areas'**, the institution aims to retain its leading positions in lending to agribusiness and its status as the implementer of government support for the agricultural industry, providing a comprehensive

multiplier effect for agriculture and related sectors of the economy and contributing to the achievement of national goals set by the President of the Russian Federation, the objectives of the Food Security Doctrine of the Russian Federation, the Agribusiness Strategy, the State Programme for Agribusiness Development and Regulation of the Farm Produce, Raw Materials and Foodstuffs Market (the State Programme for Agribusiness Development), as well as national projects and state programmes that are relevant to the development of the agricultural industry.

The Bank works to increase capital investments, improve competitiveness of agricultural products and to raise technology and digitalisation levels in the industry, supporting entrepreneurship and people in rural areas, and increasing the supply and quality of housing in those areas.

RusAg is committed to being the bank of first choice for complex transactions in agribusiness (access to debt markets, M&A deals) and works to advance consolidation of the industry and support of corporate business.

The Bank will provide at least 30% of the funding needs of agribusinesses, including not less than 30% of concessional lending and 70% of seasonal work financing.

The Bank will continue to expand concessional lending to rural residents to improve their standard of living and quality of life. Growth in the availability of financial services will be ensured through customer-friendly and cost-effective service formats. All target products will be available to SMEs and the public, and modern digital channels will be used for their provision.

RusAg goes beyond classic financial activities. As part of the 'More than a Bank' strategic concept, we develop specialised non-financial services and business directions to help create a better environment for priority customer groups including agricultural SMEs, farmers, residents of rural areas and students of agricultural universities. RusAg is advancing implementation of the Agribusiness Strategy and the Programme for Integrated Development of Rural Areas, and is committed to key goals in the sphere of social responsibility.

(2) Achieving the strategic goal **'to be an efficient, competitive and high-tech financial institution'**, the Bank is strengthening its financial stability and cost-effectiveness through diversified funding, a high-quality loan portfolio and operating efficiency.

Diversification of the Bank's business is to be carried out by expansion of the product range and development of a cross-selling system by sections of the Bank Group with responsibility for specific business areas (insurance, asset management, factoring, leasing, brokerage, etc.). RusAg is actively promoting transactional products and services and increasing the share of non-interest income in the overall income structure across all client segments.

The Bank is committed to maintaining the quality of its loan portfolio, constantly updating its approaches to risk assessment and introducing advanced rating models to ensure balanced assessment and formation of a portfolio of high-quality and responsible borrowers.

Increase of the quality, convenience and speed of provision of products and services is important to the Bank, meeting ever greater requirements for personalisation and creating new standards for customer experience that match best market practice. RusAg provides a comprehensive and universal value proposition for a broad range of current and potential customers. Development of the Bank's Group structure and achievement of synergy effects, based on the created ecosystem of products and services, are an important part of the new business model.

The systemic digital transformation launched by the Bank in 2019 is contributing to its development as a high-tech digital institution thanks to the use of advanced digital tools for customer interaction and business process support. Transformation of the IT infrastructure and IT landscape will ensure maximum speed in implementing changes and bringing new solutions to the market.

Professional development of staff, improvement of team work and focus on corporate culture have helped the Bank to achieve the strategic tasks, which it set for itself by 2025.

## **RUSAG LONG-TERM DEVELOPMENT PROGRAMME**

**In August 2021 the Bank's Supervisory Board approved a Long-Term Development Programme through 2025 (the Development Programme).**

The main objective of the Development Programme is to achieve the strategic goals defined by the Development Strategy. For this purpose, RusAg's Development Programme decomposes the main provisions of the Bank's Strategy into a set of programme measures covering all the main areas of its activity.

**In 2024, the Bank carried out the following measures:**

- providing support for agribusiness and rural areas;
- digital transformation;
- developing sales channels and enhancing the customer experience;
- improving the credit process;
- developing the product line;
- improving business support;
- improving quality of the loan portfolio.

## 1.2.

# MARKET POSITION

**RusAg is among top national banking sector players and holds leading positions (market share as of 31 December 2024) among Russian banks, including<sup>4</sup>:**

- 33.4% of lending to agribusiness (32.1% as of 31 December 2023);
- 68.7% of seasonal work financing (68.3% as of 31 December 2023);
- 37.3% of agribusiness concessional lending (36.8% as of 31 December 2023).

The Bank offers a broad range of financial products and services oriented to its target market and making best use of its extensive regional coverage. RusAg's local presence across Russia offers a significant market advantage, offering optimal access to the regional client base.

### CREDIT RATINGS

- On 21 March 2025, **China Lianhe Credit Rating (Lianhe Ratings)<sup>5</sup>**, a leading credit rating agency in China, **assigned a long-term Chinese national-scale credit rating of AA with stable outlook to Russian Agricultural Bank.**

The assigned rating reflects strong market positions, high competitiveness in the Russian market, well-developed corporate structure, a robust internal control system, as well efficient risk management. According to the agency, RusAg's strong market position and competitiveness are supported by a wide range of services and a well-developed network of branches in the Russian market, a loyal client base and brand recognition, as well as its leadership in agricultural lending. The analysts of Lianhe Ratings particularly noted increase in the Bank's net profit and further improvement of the loan portfolio quality, which is currently above the average for the Russian banking sector.

**On 23 June 2025, Lianhe Ratings has upgraded the long-term Chinese national scale credit rating of Russian Agricultural Bank by 2 notches to the highest rating - 'AAA', with a Stable outlook.**

Lianhe Ratings considered the Bank's 100% government involvement and its strategic importance to the Russian Federation. As one of Russia's systemically important banks, RusAg plays a critical role in supporting national economic development and ensuring financial stability. The agency also notes the stable and improving financial performance, including the growth of its loan portfolio, asset quality and operational efficiency.

- On 22 January 2025, **Analytical Credit Rating Agency (ACRA)<sup>6</sup> affirmed the credit rating of RusAg at AA(RU) with stable outlook**, as well as the credit rating of the senior unsecured debt – equivalent to the Bank's rating.

<sup>4</sup> Source: Bank calculation in accordance with RAS as of 1 January 2025 and the Bank of Russia algorithm for calculating aggregated balance-sheet indicators of the 30 largest Russian banks; Bank of Russia; Ministry of Agriculture of Russia.

<sup>5</sup> Note: China Lianhe Credit Rating is the leading credit rating agency in China, with more than 30% market share. Lianhe Ratings strictly adheres to international rating agency standards and is widely recognised by market participants. The agency has about 400 analysts covering more than 2000 issuers, including such major financial institutions as China Construction Bank, ICBC, Bank of China, Agricultural Bank of China, CITIC Bank and others.

<sup>6</sup> Note: ACRA, founded in 2015, is one of the biggest Russian authorised credit rating agencies. ACRA operates in compliance with the latest regulatory requirements and best global practices. The Agency's main objective is to provide high-quality rating and analytical products to participants in financial markets at both national and international levels.

The Agency notes steady reduction of the share of non-performing, potential non-performing loans and high-risk loans, improving the quality of RusAg's loan portfolio and bringing it closer to the level of comparable financial institutions. ACRA also highlights the Bank's strong market presence, supported by an extensive regional branch network and high customer loyalty nationwide as well as a conservative approach to loan portfolio expansion, which supports effective credit risk management despite the unpredictable operating environment. Well-balanced funding structure is another advantage of the Bank, according to ACRA.

The **AA(RU) credit rating of RusAg** reflects the very high systemic importance of the Bank for the Russian economy and the national banking system, support from the government, as well as the leading role of RusAg in supporting the agricultural sector of the Russian Federation.

- On 13 August 2024, the rating agency **National Credit Ratings (NCR)**<sup>7</sup> **affirmed an AA+.ru national-scale credit rating with stable outlook for Russian Agricultural Bank.**

<sup>7</sup> Note: established in early 2019, NCR is a wholly owned subsidiary of RBC, a major Russian media group. The Bank of Russia added NCR to the list of accredited rating agencies in September 2019. Using the most rigorous criteria, the Agency rates financial institutions and insurers, corporates of all kinds, holding companies, local and regional governments, and debt obligations. Following best global practices, NCR has set new transparency standards for the Russian ratings industry and instituted several innovations to promote clarity, knowledge and better understanding for the entire financial community.

The credit rating is defined by the Bank's very strong positions in the most important segment for the Bank, which is agribusiness lending. NCR analysts note that Russian Agricultural Bank has adequate capital levels and has shown a significant improvement in profitability, with ROE doubling over the past year. NCR also notes the Bank's diversified funding base, adequate liquidity position and ongoing efforts to resolve problem loans, with the volume of non-performing assets steadily declining.

## MEMBERSHIP AND COOPERATION

As an active member of various banking and financial associations, RusAg remains up to date with all the latest financial market trends and changes, and is able to strengthen its relations with counterparty-banks, business-partners, customers, etc. Associations, of which RusAg is a member, are as follows:

- Association of Banks of Russia – enables business contacts with Russian and international financial institutions and government bodies, and contributes to development of the legislative and regulatory framework, nurturing legal, economic and organisational conditions for the formation of a favourable investment climate;
- Cash and Valuables Management Association – helps to optimise technologies for cash turnover and transportation of valuables at RusAg, responding promptly to changes in current legislation, and providing the necessary consulting and analytical support in the relevant fields;
- Association for the Development of Financial Technologies – enables RusAg to take part in the development of new-generation financial technologies, new industry standards for digitalisation and proposals for successful regulatory standards;
- National Financial Association – enables RusAg representatives to sit on various commissions and committees of the Association that influence decision-making on a wide range of issues related to functioning of the financial and securities market;

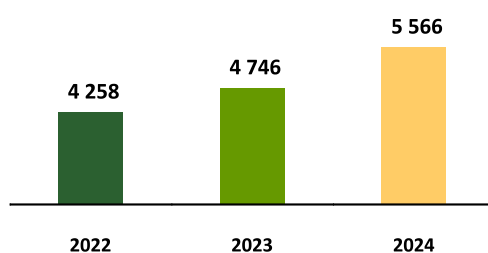
- Russian-Chinese Business Council – provides more opportunities to establish and develop business relations with Chinese organisations, and to participate in specialised public events that promote RusAg’s competences in the Chinese market;
- Association for the Development of Financial Literacy – provides expertise and tools, enables participation in events;
- Big Data Association – helps RusAg to carry out promising projects that simplify access to big data, developing products and services based on big data and promoting advanced digital technologies in the agricultural sector;
- National Association of Securities Market Participants – enables participation in the expert activities of the Association’s commissions and working groups that develop rules, standards and recommendations for brokerage and investment consulting; provides up-to-date information on latest trends in domestic and international professional practice in the financial market;
- Russian National Association for Financial Communication – provides legal, organisational and advisory assistance regarding financial messaging systems used by Russian banks to make payments, as well as promoting the interests of RusAg as a user and participant of such systems.

## 1.3.

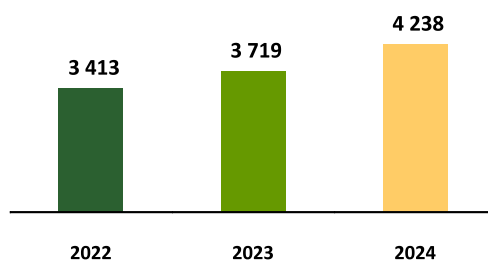
KEY FINANCIAL RESULTS IN 2024<sup>8</sup>

<sup>8</sup> Source: summary consolidated financial statements as of 31 December 2022 (revised to account for IFRS 17), summary consolidated financial statements as of 31 December 2023 and summary consolidated financial statements as of 31 December 2024.

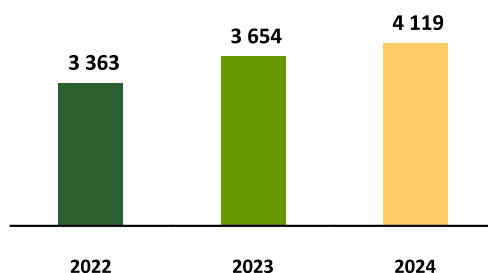
Assets, RUB bln



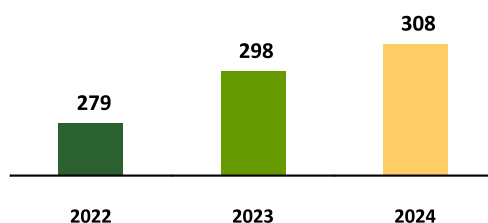
Gross Loan Portfolio, RUB bln



Customer Accounts, RUB bln



Equity, RUB bln





KEY FINANCIAL INDICATORS

	2022	2022	2022
CIR (Cost/Income Ratio)	55%	48%	52%
LTD (Loan/Deposit Ratio)	101%	102%	103%
CAR (Capital Adequacy Ratio - N1.0)* Calculated based on Basel III requirements	14.5%	14.9%	12.4%

# MACROECONOMIC ENVIRONMENT

<sup>9</sup> <https://ru.tradingeconomics.com/world/food-price-index>

In 2024, the Russian economy maintained rapid growth rates at the level of the previous year (4.3%), despite continued geopolitical tensions and the pressure of sanctions, including secondary sanctions. The economic growth was marked by further increase of public spending (concentrated in the defence and security sector), gradual tightening of monetary policy in response to acceleration of consumer price growth, and smooth operation of financial markets, despite sanctions imposed against the Moscow Exchange and the discontinuance of exchange trading in the US dollar and euro.

Increased pressure from sanctions in 2024 was balanced by positive effect from dynamic global commodity markets: according to the International Monetary Fund, global GDP and international trade grew by 3%, Urals oil prices increased from average \$60/bbl in 2023 to \$67.4/bbl in 2024, and there was growth of global prices for metals and agricultural products (except for grain and sugar<sup>9</sup>). Russian export and import of goods and services in 2024 remained at the level of the previous year, which ensured relative stability of the national currency for most of 2024. Sanctions against banks and the Russian tanker fleet caused a moderate temporary weakening of the rouble towards the end of the year. As a result, the US dollar to rouble exchange rate increased by 13.4% during the year, the euro exchange rate by 7%, and the yuan exchange rate by 6.8%.

The rouble weakening, rise in global food prices and high rates of domestic demand were the core reasons for acceleration of consumer price growth in Russia. Inflation in 2024 was 9.5% compared with 7.4% in 2023. Faster price growth was also driven by structural factors (growth of prices for tourist services and air tickets), non-recurrent factors (increase of the disposal payment when purchasing a new vehicle) and temporary effects (growth of prices for fruit and vegetables). The Bank of Russia returned to tighter monetary policy and stricter banking regulation in the second half of the year in response to price growth acceleration and increased inflation expectations among the public and business. The key interest rate was increased from 16% to 21%, macro-prudential ratios were tightened, and the Bank of Russia announced increase of the countercyclical capital buffer for calculation of capital adequacy ratios and tightening of risk standards per borrower or group of related borrowers for 2025.

Economic growth was driven by high levels of demand from the state in a context of tighter monetary policy and regulation. The national budget was executed with a significant surplus compared to the original target (24.2% compared to forecast 13%) due to above-target growth of non-oil-and-gas revenue (26.2% compared to forecast 16%) and maintenance of the structural deficit of the federal budget at the level of 2023 (1.7% of GDP compared with planned reduction to 0%).

Economic growth was accompanied by high levels of investment and consumer activity. Investment in fixed capital grew by 7.4% in real terms in 2024. Total turnover in retail trade, paid retail services and public catering was 6.4% higher. Higher levels of consumption and savings were driven by further rapid growth of household income: the average wage increased by 18.3% in nominal terms in 2024 and by 9.1% in real terms.

<sup>10</sup> <https://ru.tradingeconomics.com/world/food-price-index>

<sup>11</sup> Not including non-core assets.

Difficulties with logistics and international settlements boosted demand for domestic goods and reduced demand for imports: the import share in GDP decreased to 17.4% in 2024 from 18.4% in 2023 and from average 20.7% in 2011-2022.

<sup>12</sup> Here and below, growth is adjusted for foreign currency revaluation, Bank of Russia data.

The agricultural sector experienced further development in 2024. Growth of output volumes in food production and processing was 3.5%. However, agricultural output decreased by 3.2% due to 6.5% decline in crop production. Unfavourable weather caused a decrease in grain harvest volumes. Overall net volume of the grain harvest was 124.96 million tons, which easily covered domestic demand, but was down from 142.6 million tons in 2023 and the record-breaking harvest of 157.7 million tons in 2022. Livestock farming showed a volume increase of 0.9%. Exports of agribusiness products remained at the level of 2023 in volume terms, which confirms steady demand for Russian products on foreign markets.

<sup>13</sup> The indicator has been adjusted by the Bank of Russia for intra-group income redistribution. [ru.tradingeconomics.com/world/food-price-index](https://ru.tradingeconomics.com/world/food-price-index)

Trends in global food prices were mixed in 2024 (grain prices fell by 9.3% and sugar prices by 10.6%<sup>10</sup>, but vegetable oil prices rose by 33.5%, dairy product prices by 17%, and meat prices by 7.1%). Margin levels in crop farming decreased in 2024, but food processing and livestock avoided a fall compared with 2023 thanks to growth of prices in the domestic market.

Lending by Russian banks to individuals and legal entities saw further growth in 2024. Net assets<sup>11</sup> in the sector reached RUB 199 trillion (100% of GDP), representing a year-on-year gain of 16.9%<sup>12</sup>, down from 20.1% in 2023.

Growth of assets and interest rates enabled the banking sector to increase its net profit to RUB 3.8 trillion<sup>13</sup>, representing a further gain from the record-breaking figure of RUB 3.2 trillion in 2023. The growth of profit was almost entirely due to continued low level of provision costs, positive revaluations and growth of other income. Increase of net interest income (by RUB 0.7 trillion) and net fee and commission income (by RUB 0.2 trillion) was almost entirely offset by an increase of operating expenses by RUB 0.8 trillion or 24%.

Expansion of lending in the first half of 2024 was followed by a gradual cooling in the second half of 2024 in response to raising of the key rate and tightening of regulation by the Bank of Russia. Corporate lending grew by 17.9% in 2024, compared with growth of 20.7% in 2023. Bank sector lending to agribusiness increased by 7.9%, compared to a 4.3% decrease of the loan portfolio in 2023. The share of overdue debt in total debt of agribusiness decreased from 4.3% to 4.0%, and the overdue debt share of all legal entities fell from 2.9% to 2.6%.

Consumer lending increased by 14.2% in 2024 compared with growth of 26.5% in 2023, mainly due to mortgage and car loans and growth of the credit card portfolio. Loan disbursement volumes decreased significantly towards the year-end due to tightening of regulation and growth of interest rates. Bad debt volumes increased over the year, but the share of bad debt remained stable due to strong growth of the retail loan portfolio.

Household deposits grew by 26.1% year-on-year in 2024, following growth of 19.7% in 2023. In December 2024, the year-on-year increment of funds and deposits of legal entities without budget funds and escrow accounts was 11.9% due to reduction of foreign currency balances. The amount of budget funds in the banking system increased by 5.5% in 2024 (24.4% in 2023). The growth of funds in escrow accounts slowed to 9.7% (38.4% in 2023) due to an increase in the scope of disclosure and 5.8% reduction in the inflow of new funds.

# PERFORMANCE OVERVIEW

## 3.1.

### FINANCIAL AND OPERATING PERFORMANCE<sup>14</sup>

<sup>14</sup> Source: the Bank's summary consolidated IFRS financial statements as of 31 December 2024. Some detailed information on the Bank's performance is prepared under RAS / Management Reporting as of 1 January 2025. All data in percentage (%) terms is calculated based on Russian ruble-denominated financial results.

RusAg showed strong results across the board in 2024. Full-year net profit set a new record of RUB 39.8 billion, which is 25% higher than in 2023.

The Bank's gross loan portfolio (before provisions) grew by 14% during 2024 to RUB 4.238 trillion. Provision of financial support to agribusiness clients is RusAg's key activity and the Bank continued to provide lending to agricultural producers through 2024. The Bank's agribusiness loan portfolio increased by about 16% to reach RUB 2.473 trillion at the start of 2025. The volume of loans provided for seasonal work rose by 3.4% to RUB 850.6 billion compared with the end of 2023.

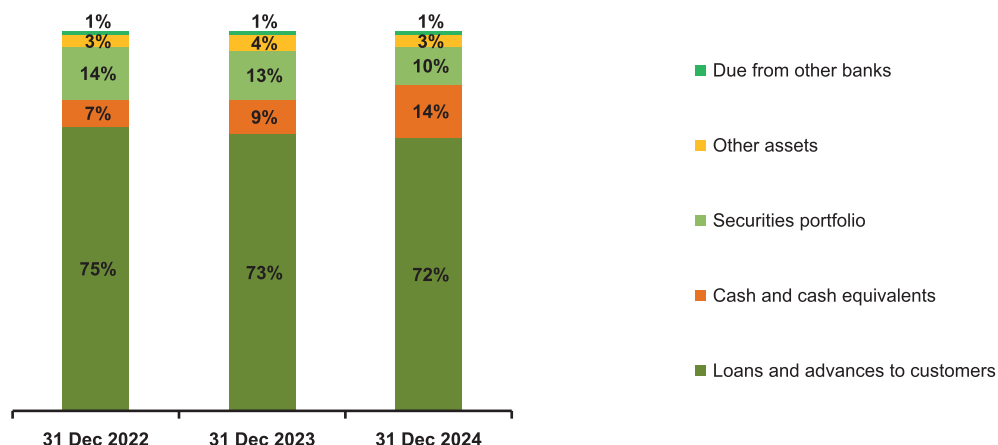
RusAg is the core bank of Russia's agricultural industry, providing a third of agribusiness lending and about 70% of financing for seasonal agricultural work in the country.

Customer confidence in RusAg ensured a steady inflow of depositors' funds. The Bank's customer accounts increased by 12.7% to RUB 4.119 trillion over the year.

The Bank's equity (according to IFRS) as of 31 December 2024 stood at RUB 307.6 billion, up by 3.2% since the beginning of the year, mainly due to the growth of net profit.

## ASSETS AND LIABILITIES

### Asset Structure



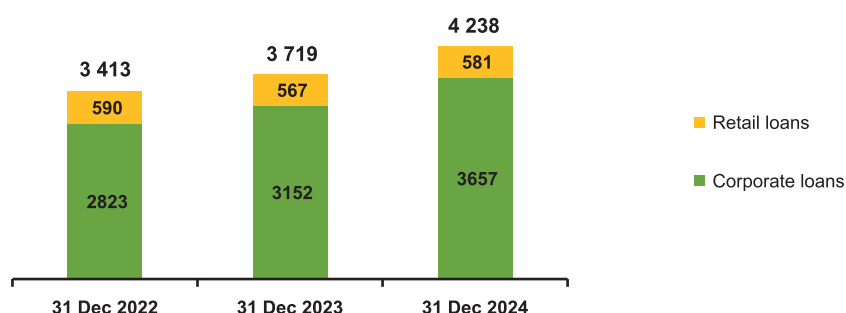
During 2024, RusAg's total assets grew by RUB 820.1 billion (+17.3%) to reach RUB 5.566 trillion. The structure of the Bank's assets is dominated by net loan liabilities (about 72%), which indicates a high degree of customer loyalty. As of 31 December 2024 the Bank's net loans and advances to customers amounted to about RUB 4.029 trillion, which is 15.6% more than a year earlier.

Cash and cash equivalents amounted to RUB 751 billion or 14% of the Bank's total assets, Net investments of RusAg in securities and other financial instruments were RUB 571 billion or 10% of the Bank's total assets. Other assets and placements with other banks accounted for about 4% of total assets.

### LOAN PORTFOLIO

In 2024, RusAg increased its gross loan portfolio (before provisions) by RUB 519 billion (+14.0%) to RUB 4.238 trillion, including loans to customers measured at fair value through profit or loss. The main share of the Bank's loan portfolio consists of loans to corporate borrowers – about 86% as of 31 December 2024 (85% at the end of 2023).

### LOAN PORTFOLIO STRUCTURE



The Bank's corporate loan book as of 31 December 2024 amounted to about RUB 3.657 trillion (including loans to customers measured at fair value through profit or loss), which is 16% (+RUB 505.4 billion) more than a year before. Retail loan portfolio slightly increased (+2.4%) and amounted to RUB 580.8 billion.

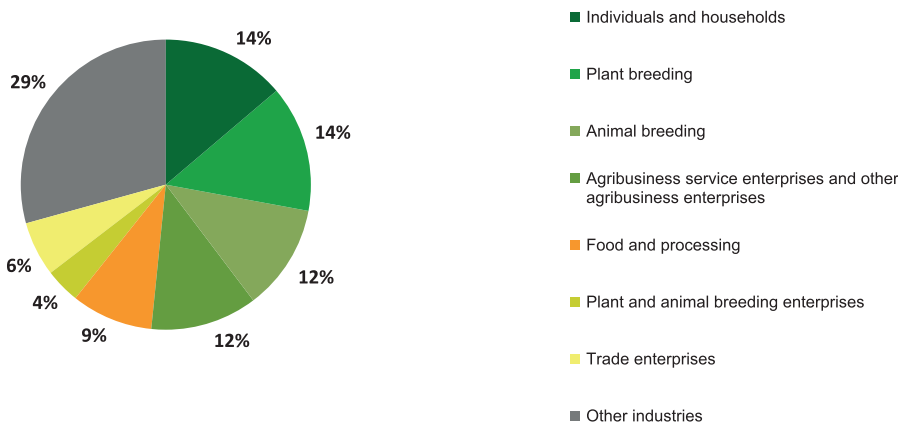
<sup>15</sup> Source: data based on Management Reporting as of 1 January 2025.

On 31 December 2024, the share of loans to the 10 largest borrowers (groups of borrowers) amounted to 27% of total loans and advances to customers before impairment (27% on 31 December 2023).

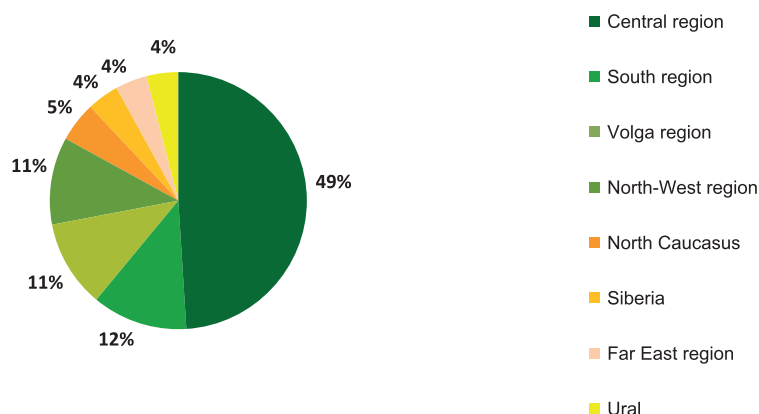
The Bank's loan portfolio is well diversified across agribusiness sub-sectors and related industries, and in sectors that are prioritised by the Russian government.

The main share of the Bank's credit exposure is to borrowers in the agricultural industry. RusAg's lending to the industry increased from RUB 2.140 trillion to RUB 2.473 trillion in 2024, representing an increase of 15.6% (+RUB 333.5 billion) from 2023.

LOAN PORTFOLIO DIVERSIFICATION BY SECTOR<sup>15</sup>



## LOAN PORTFOLIO DIVERSIFICATION BY REGION<sup>16</sup>, IN %



<sup>16</sup> Source: Not including non-core assets

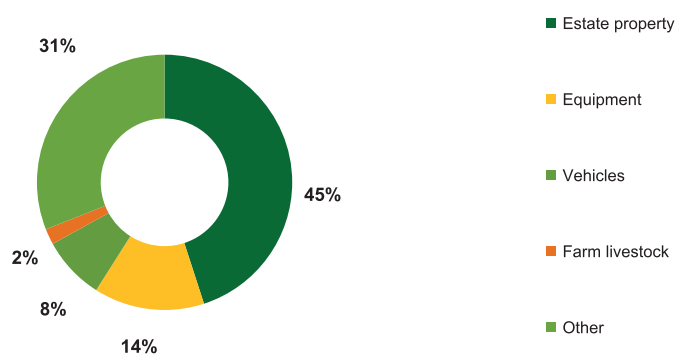
<sup>17</sup> Note: stage 3 loans (in accordance with IFRS 9) are loans recognized as impaired (defaulted) at the reporting date plus purchased or originated credit-impaired financial assets.

The Bank's special lending programmes and universal credit products are fully aligned with government programmes to support various sectors of the economy, meeting customer needs for working capital and investment resources to support their activities at all stages of production, processing and sale of products.

RusAg continued work to improve the quality of its loan portfolio in 2024. The share of non-performing loans (NPL90+) decreased by 1.8 p.p. The share of problem loans under IFRS classification<sup>17</sup> in the total loan portfolio of the Bank decreased to 4.2% at the end of 2024 compared to 5.7% at the end of 2023 and 6.2% at the end of 2022.

The Bank accepts various types of collateral, including: real estate, land plots, equipment, including agricultural machinery, motor vehicles, inventories (finished products, raw materials, goods in turnover), construction in progress, sea and other vessels, farm animals, future crops, property to be acquired in the future, property rights, warranties, banking guarantees, guarantees issued by the Russian government and municipal guarantees.

## COLLATERAL STRUCTURE OF THE LOAN PORTFOLIO



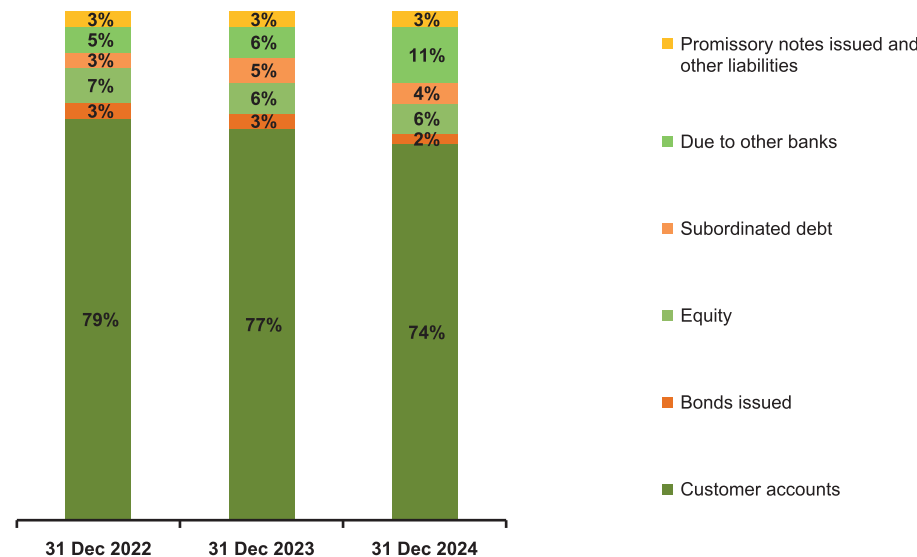


Measures to improve loan quality include a RusAg Group requirement that property used as collateral should be insured. Such property is insured by insurance companies that have accreditation with the Bank.

RusAg monitors the condition and reviews the structure of collateral. Primary purposes of such review and monitoring of collateral rights include:

- obtaining complete and objective information on the available collateral property and its structure;
- development of optimal schemes for realisation of collateral, taking account of specifics of regional distribution;
- improving the effectiveness and timeliness of collateral foreclosure processes.

LIABILITIES STRUCTURE



During 2024, RusAg maintained a balanced liabilities structure and comfortable liquidity cushion. The Bank regards non-credit-institution customer accounts as its key resource base. By the end of 2024, their share in the Bank’s total liabilities (not including equity) amounted to 78.3%. The loan-to-deposit (LTD) ratio stood at 103% on 31 December 2024.

RusAg’s equity (IFRS) at year-end 2024 amounted to RUB 307.6 billion, representing an increase of 3.2% year-on-year (RUB 298.1 billion at the end of 2023).

The share of funds from credit institutions and the Bank of Russia in total liabilities (including equity) on 31 December 2024 stood at 11.3%, up from 6.2% a year earlier. Such funds totalled RUB 630.9 billion, having increased by RUB 336.2 billion (+2.1 times) compared to the end of 2023.

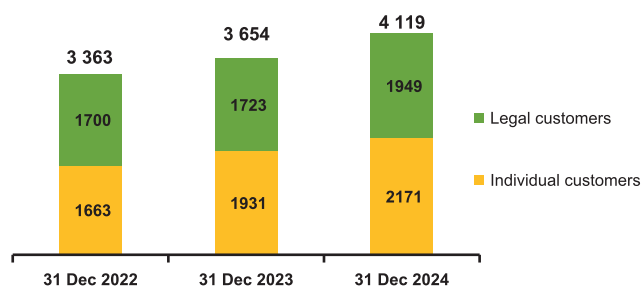
Debt securities issued accounted for 3.2% of the Bank’s total liabilities (including equity) at the end of 2024, compared with 3.3% at the end of 2023. The share of subordinated debt declined slightly from 4.9% in 2023 to 4.0% in 2024.

## CUSTOMER BASE

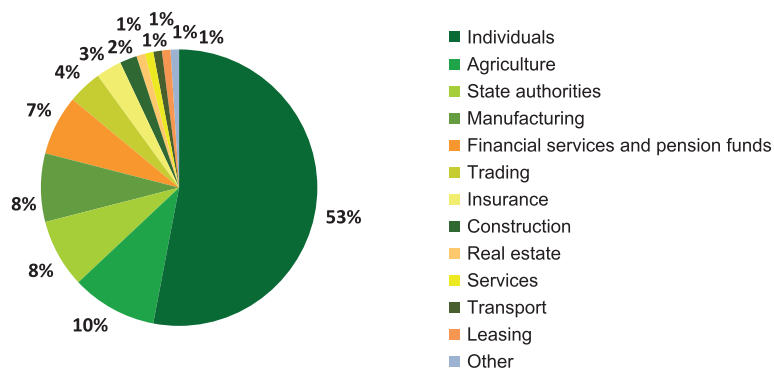
Customer confidence in RusAg ensured steady inflow of deposits during 2024. Total customer accounts increased by 12.7% (+RUB 465.7 billion) to RUB 4.119 trillion.

Retail (individual) deposits and accounts increased by RUB 240.1 billion (+12.4%) in 2024 and amounted to RUB 2.171 trillion. Account of corporate customers (including government funds) grew by RUB 225.5 billion (+13.1%) to RUB 1.949 trillion compared to the end of 2023.

### DEPOSIT GROWTH (RUB BILLION)



### CUSTOMER ACCOUNTS AND DEPOSITS BY SECTOR



Active development of client services (Internet and mobile banking, upgrade of existing and rollout of new deposit, card and transaction products) supported the increase in the Bank's client and funding base. The addition of modern and competitive high-tech products to the Bank's product range boosted the number of transactions carried out via remote banking channels and encouraged an increase in balances held on current and settlement accounts.

## CAPITAL

RusAg's equity (according to IFRS) as of 31 December 2024 stood at RUB 307.6 billion, representing an increase of RUB 9.6 billion (+3.2%) from a year earlier. The Bank's authorised capital stood at RUB 523.3 billion by the end of 2024.

Strengthening of the capital base has helped the Bank to retain its position as the key financial partner for both large agricultural holdings and smaller farmers.

<sup>18</sup> Note: ratios calculated including Events after the Reporting Period

## CAPITAL ADEQUACY RATIOS

RusAg's capital adequacy ratio in accordance with Bank of Russia (CBR) requirements exceeded the minimum prescribed level throughout 2024.

The Bank's capital and capital adequacy is calculated as required by CBR Regulation No. 646-P 'Methodology for Capital Adequacy Calculation by Credit Organisations (Basel III)' and the CBR Instruction No. 199-I 'Methodology for Mandatory Prudential Ratios Calculation by Banks'.

Basel III Capital Ratios by CBR	YE 2024 <sup>18</sup>	2022
Capital of the Bank (RUB mln)	563 078	590 249
CET1 Ratio (N1.1)	6.7%	8.1%
Tier 1 Ratio (N1.2)	8.0%	9.5%
Capital Adequacy Ratio (N1.0)	12.4%	14.9%

The Bank's management monitors compliance with the CBR capital adequacy ratio on a monthly basis.

## INCOME AND EXPENSES

Net profit in 2024 was the highest in RusAg's history at RUB 39.8 billion, which is 25% more than in 2023.

The Bank improved the financial efficiency of its operations in 2024. The main driver of profit growth was net interest income and lower lending losses: net interest income in 2024 was RUB 132.6 billion, up by 2.6% from RUB 129.2 billion in 2023, while credit loss expenses fell by 30% to RUB 33 billion from RUB 47 billion.

Return on equity grew from 11% to 13% compared to 2023 and return on assets rose from 0.7% to 0.8%. RusAg not only maintained previously achieved positions, but also kept up the rate of growth of income and asset quality.

Net interest margin (NIM) and cost-to-income ratio (CIR) for 2024 remained relatively stable compared to 2023, at 2.7% and 51.6%, respectively.

## 3.2.

# CORPORATE BUSINESS DEVELOPMENT<sup>19</sup>

<sup>19</sup> Source: data based on Management Reporting as of 1 January 2025 and IFRS as of 31 December 2024.

RusAg is actively expanding its work with large corporates as well as small and medium-sized businesses, taking account of the peculiarities and needs of different corporate clients when designing its products. The Bank offers a universal and diversified product line based on a customer-oriented approach, covering the entire range of modern financial and banking products and services for business. Continuous development of specialised lending, settlement and savings products takes account of existing instruments of state support (concessional lending, state guarantees, etc.).

RusAg's gross loan portfolio is primarily composed of loans provided to corporate borrowers. At the end of 2024, these loans accounted for 86.3% of the portfolio. The Bank's corporate loan portfolio (including loans to customers measured at fair value through profit or loss) grew 16%, or RUB 505.4 billion, during the year, totaling RUB 3.66 trillion. The Bank ranks 6th by corporate loan book in the Russian banking sector with a 4.1% market share.

Despite the stable growth of the loan portfolio, the bank continued to improve its asset quality in 2024. According to International Financial Reporting Standards (IFRS), the quality of the corporate loan portfolio improved significantly. Stage 2 loans decreased from RUB 152 billion (4.8% of the corporate loan portfolio before provisions) to RUB 64 billion (1.8% of the corporate loan portfolio before provisions). Stage 3 + POCI (purchased or originated credit impaired) loans decreased from RUB 187.9 billion, accounting for 6% of the corporate loan portfolio before provisions, to RUB 157.3 billion, accounting for 4.3%. Corporate non-performing loans (NPL 90+) totaled RUB 122 billion, representing 3.3% of the corporate loan portfolio before provisions, in comparison with RUB 169 billion or 5.4% of the corporate loan portfolio before provisions at the end of 2023. NPL Coverage ratio of the corporate loan portfolio stood at 154%.

The bank regularly implements measures to improve its offerings to corporate clients to ensure compliance with business needs, market trends, and changes in legislation, including within the framework of state support programs and the development of priority sectors of the economy.

## TRANSACTIONAL BUSINESS

Various actions by the Bank in the sphere of transactional business enabled achievement of the following indicators in 2024 (compared with 2023):

- growth in funds raised from legal entities (on average) by 10.3%;
- increase by 8% in the number of transactions for payment of goods and services using bank cards for business;

- growth in the number of B2C transfers using bank cards for business by 6.2 times;
- growth in net fee and commission income on non-banking services by 62%.

In 2024, the Bank worked hard to develop digital services and to complete their transfer to the 'Svoy Business' ('My Business') IT system and the 'Svoy Business-Mobile' ('My Business-Mobile') mobile banking system, saving customers from making visits to a physical branch of the Bank.

**The Bank has taken the following actions:**

- a digital service has been implemented that enables holders of bank cards for business to independently change and set a new PIN code without visiting a bank branch;
- digital services have been implemented that make it possible to independently block debit and credit business cards;
- a function has been implemented to generate a statement of account using a bank business card number with selection of the download period and the possibility to download files in PDF and CSV format in order to monitor expense transactions and prepare reports;
- a digital service has been introduced that enables closure of a debit bank card for business without visiting a branch, as well as digital services for remote management of business credit cards;
- a new functionality enables deposit of funds at a public rate of interest for up to 30 days through remote banking services;
- a set of services has been deployed for Bank clients to submit a deposit application through remote banking services: a product rate can be requested without funds in the settlement account and another credit institution can be chosen for repayment of funds at the end of the term;
- a 'Partner Storefront' service has been implemented where the client can view and purchase the products of partners online.

**INVESTMENT BANKING SERVICES**

RusAg helps Russian companies to raise funds on capital markets. In 2024, the Bank was the organiser of more than 80 bond placement transactions with total nominal value above RUB 1 trillion. In addition, the Bank is actively involved in organizing fundraising on the bond market for major Russian companies, and is also one of the leaders in bonds in the agribusiness sector. The Bank took 7th place in the ranking of real-sector bond organisers (Cbonds) in 2024 and received 10 awards for best initial bond offerings at the Cbonds Awards 2024.

The Bank provides its clients with an access to trading on Russian stock exchanges, offering brokerage and investment advisory services. In 2024, the number of clients using RusAg brokerage services increased by more than 15 000 to 164 000. Customer assets amounted to RUB 325 billion. Such growth was made possible by expansion of the product line, increase in the rate of replenishment of brokerage accounts, provision of instruments in yuan, and launch of an investment consulting service.

## AGRIBUSINESS FINANCING<sup>20</sup>

The core areas of RusAg's credit support for Russian agribusiness are defined by its role in implementation of the State Programme for Development of Agriculture and Regulation of Agricultural Products, Raw Materials and Food Markets (the State Agribusiness Programme).

In 2024, the Bank disbursed 504 200 loans with total value of RUB 2043.4 billion as part of implementation of the State Agribusiness Programme, including loans to agribusiness enterprises and entities, small farms, citizens with private land plots, and residents of rural areas and small towns. The value of loans disbursed by the Bank increased by 21.2% in comparison with 2023.

Short-term loans accounted for 75.4% of the total amount of loans disbursed in 2024, while long-term loans accounted for 24.6% of the total. Short-term lending increased by 38.1% compared to 2023.

As of 1 January 2025, loans to farming enterprises represented 52.1% of RusAg's exposure to agribusiness. Loans to enterprises in the food and processing industry accounted for 15.3%, and loans to individuals residing in rural areas were 14.5% of the total.

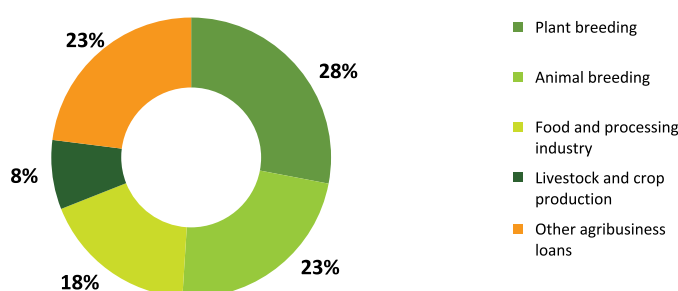
Funding of seasonal work is a priority area of RusAg's lending to agribusiness. The Bank disbursed RUB 850.6 billion for these purposes in 2024, which is 3.4% more than in 2023.

RusAg's lending to agribusiness enterprises at preferential rates amounted to RUB 732.3 billion in 2024 (30% more than in 2023).

<sup>20</sup> Source: data based on Management Reporting as of 1 January 2025 and IFRS as of 31 December 2024.

<sup>21</sup> Source: data based on Management Reporting as of 1 January 2025.

## STRUCTURE OF RUSAG'S AGRIBUSINESS LOAN PORTFOLIO<sup>21</sup>



Another important area of the Bank's activities is investments in construction, reconstruction and upgrade of agribusiness facilities (animal production units, greenhouses, vegetable storage, etc.) in order to further implementation of the State Agribusiness Programme. In 2024, loans worth RUB 139.1 billion were disbursed here (27.9% more than in 2023).

From 2006 to 2024, implementing the Priority National Project for Agribusiness Development (subsequently transformed into the State Agribusiness Programme), the Bank provided credit support to enterprises, entities and small farms to carry out 5640 investment projects for construction, reconstruction and upgrade of animal (poultry) production units and other agribusiness facilities, with total funding of RUB 1543.4 billion.

As of 1 January 2025, 4672 production sites had been built and put in operation using the Bank's credit resources, including 62 sites in 2024.

RusAg provides financial support to export-oriented agribusiness companies. As of 1 January 2025, the loan portfolio in this sphere totalled RUB 700 billion, having increased by 42.2% during 2024. RUB 760.2 billion were disbursed to export-oriented agribusiness companies in 2024, which is RUB 171.5 billion (29.1%) more than in 2023.

## CONCESSIONAL LENDING

As a participant in concessional lending programmes, the Bank receives subsidies to compensate for its lost income when lending to borrowers at reduced rates, in accordance with the standard terms and conditions and criteria set by the respective programmes.

The Bank made loan transactions with concessional terms and conditions as part of the following programmes of state support:

- **Concessional Lending Programme as part of Decision No. 22-68850-00258-R on the Procedure for Providing Subsidies, made by the Ministry of Agriculture of Russia in accordance with Decree No. 1780 of the Government of the Russian Federation dated 25 October 2023.**

Subsidies are provided for loans disbursed to agricultural goods producers, entities and individual entrepreneurs engaged in the production, primary and/or further (industrial) processing and sale of agricultural products.

As of 1 January 2025, 17,377 loan agreements for a total amount of RUB 1,379.86 billion had been entered into under the Programme. The subsidies amounted to RUB 123 billion (the limit utilisation was 100%, the subsidy limit was used in full).

- **Concessional Lending Programme as part of Decision No. 22-68850-00358-R on the Procedure for Providing Subsidies, made by the Ministry of Agriculture of Russia in accordance with Decree No. 1780 of the Government of the Russian Federation dated 25 October 2023.**

Subsidies are provided for loans disbursed to agricultural goods producers, entities and individual entrepreneurs engaged in the production, primary and/or further (industrial) processing and sale of agricultural products.

As of 1 January 2025, 88 loan agreements for a total amount of RUB 231 billion had been made under the Programme. The subsidies amounted to RUB 12.8 billion (utilisation was 100%, the subsidy limit was used in full).

- **Concessional Lending Programme as part of Decision No. 22-62282-00665-R on the Procedure for Providing Subsidies, made by the Ministry of Agriculture of Russia in accordance with Decree No. 1780 of the Government of the Russian Federation dated 25 October 2023.**

Subsidies are provided on loans disbursed to individual entrepreneurs or entities (except for state and municipal unitary enterprises) registered in rural areas (rural conglomerations).

As of 1 January 2025, 13 loan agreements for a total amount of RUB 9563 million had been made under the Programme. The subsidies amounted to RUB 152.79 million (utilisation was 100%, the subsidy limit was used in full).

- **Concessional Lending Programme in accordance with Decree No. 1764 of the Government of the Russian Federation dated 30 December 2018.**

Subsidies are provided on loans disbursed in 2019 to 2024 to support small and medium business projects in priority industries of the Russian economy, including the agrarian sector.

As of 1 January 2025, 779 loan agreements for a total amount of RUB 13.44 billion were effective under the Programme. In 2024, the subsidies amounted to RUB 585.2 million, utilisation was 100%.

- **Concessional Lending Programmes in accordance with Decree No. 141 of the Government of the Russian Federation dated 09 February 2021.**

Subsidies are provided on loans for development of domestic and inbound tourism.

As of 1 January 2025, 5 loan agreements for a total amount of RUB 58.6 billion had been made under the Programme. The subsidies amounted to RUB 2949.2 million (utilisation was 100%, the subsidy limit was used in full).

- **Concessional Lending Programme as part of Decision No. 23-60918-01011-R**

Subsidies are provided for loans to purchase priority import products.

As of 1 January 2025, the Programme was complete. The subsidies amounted to RUB 56.11 million (utilisation was 100%, the subsidy limit was used in full).

- **Concessional Lending Programme as part of Decree No. 629 of the Government of the Russian Federation dated 30 April 2020.**

Subsidies are provided to support loan projects in the residential construction sector.

As of 1 January 2025, the Programme was complete. The subsidies amounted to RUB 23.2 million (utilisation was 100%, the subsidy limit was used in full).



- **Concessional Lending Programmes in accordance with Decree No. 1570 of the Government of the Russian Federation dated 06 September 2022.**

Subsidies are provided to support loan projects in the industry sector.

As of 1 January 2025, one loan agreement for a total amount of RUB 500 million had been made under the Programme. The subsidies amounted to RUB 61.14 million (utilisation was 100%, the subsidy limit was used in full).

- **Concessional Lending Programme in accordance with Decree No. 674 of the Government of the Russian Federation dated 03 June 2017.**

Subsidies were provided for loans disbursed in 2017 to support small and medium business projects in priority industries of the Russian economy, including the agrarian sector.

At present, the concessional lending Programme is being monitored (any new loan agreements are not being entered into, and funds are not being disbursed under effective loan agreements).

As of 1 January 2025, the Programme was complete. Subsidies in 2024 amounted to RUB 5174.28 (utilisation was 100%, the subsidy limit was used in full).

- **Concessional Lending Programme in accordance with Decree No. 1706 of the Government of the Russian Federation dated 03 December 2017.**

Subsidies were provided for loans disbursed in 2018 to support small and medium business projects in priority industries of the Russian economy, including the agrarian sector.

At present, the concessional lending Programme is being monitored (any new loan agreements are not being entered into, and funds are not being disbursed under effective loan agreements).

As of 1 January 2025, 8 loan agreements for a total amount of RUB 102.7 million were effective under the Programme. In 2024, the subsidies amounted to RUB 0.6 million (utilisation was 100%, the subsidy limit was used in full).

## 3.3.

# RETAIL BANKING<sup>22</sup>

<sup>22</sup> Note: data based on Management Reporting as of 1 January 2025 and IFRS as of 31 December 2024.

RusAg offers a wide range of high quality retail products and services, which are available via multiple distribution channels, accompanied by professional advice and effective management.

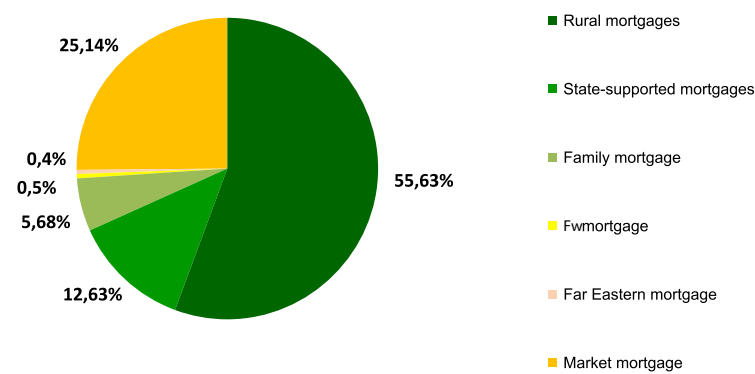
One of the main priority areas for the retail business in 2024 was to build up an active customer base and increase the number of products per customer through continuous improvement of product and service quality. Various projects and activities were organised to this end, including improving the customer funnel through personalised offers on credit and savings products, incentive campaigns (promotions and special offers) and verifying contact data. The active client base increased by 166 thousand in 2024, representing a 3.4% increase from 4.809 million to 4.975 million.

The bank's share of the retail lending market is 1.6%. Over 80% of the retail loan portfolio consists of mortgage loans, and the bank ranks 5th in the Russian mortgage market with a 2.2% market share.

RusAg maintains its role of the supporting Bank for agricultural industry, which continued to be a priority for retail business in 2024. Within this direction, the Bank covers a large number of rural areas, providing residents of such territories with its products and services. The most important product for which there is enormous demand is the preferential rural mortgage program. Rural mortgage is a separate priority for the retail business for two reasons: due to its unconditional leadership in overall market issuance and its high share in the retail loan portfolio overall.

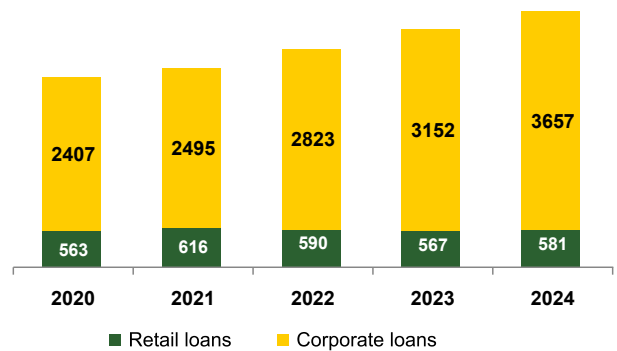
2024 was a record year for the Bank in terms of Rural Mortgage disbursements, totaling RUB 92.77 billion – a 139% increase from 2023. More than 18 thousand families were provided housing. The total rural mortgage portfolio has amounted RUB 255.4 billion with the share of 68% in the Russian rural mortgage market in 2024. Additionally, the Bank recorded the highest volume of loans for individual housing construction in 2024, totaling 19.3 billion, surpassing the 16 billion total from 2020 to 2023. This growth is associated with significant increases in individual housing construction (IHC) in all mortgage programs of other banks.

MORTGAGE PORTFOLIO COMPOSITION<sup>23</sup>



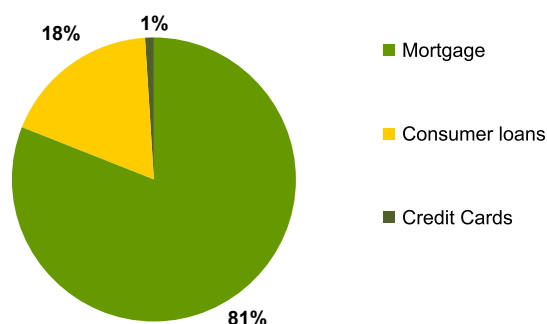
<sup>23</sup> Source: financial data in this section is prepared under RAS / Management Reporting as of 1 January 2025.

RETAIL LOAN PORTFOLIO DYNAMICS (IFRS), IN RUB BILLION



RusAg's retail loan book as at 31 December 2024 amounted to RUB 580.8 billion. Retail loan portfolio has increased by RUB 13.5 billion or by 2.4%, which corresponded to the risk approaches of the Bank and the priority of lending to agribusiness clients.

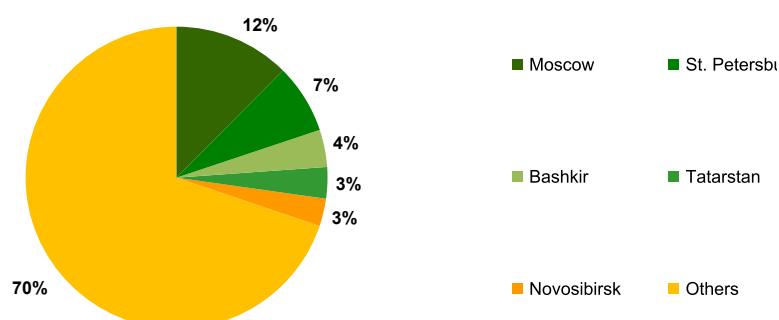
The structure of the retail loan portfolio as of December 31, 2024 is as follows: Mortgage - 81.1%, 0.8% and consumer loans - 18.1%.

RETAIL LOAN BOOK COMPOSITION<sup>24</sup>

<sup>24</sup> Source: data based on Management Reporting as of 1 January 2025.

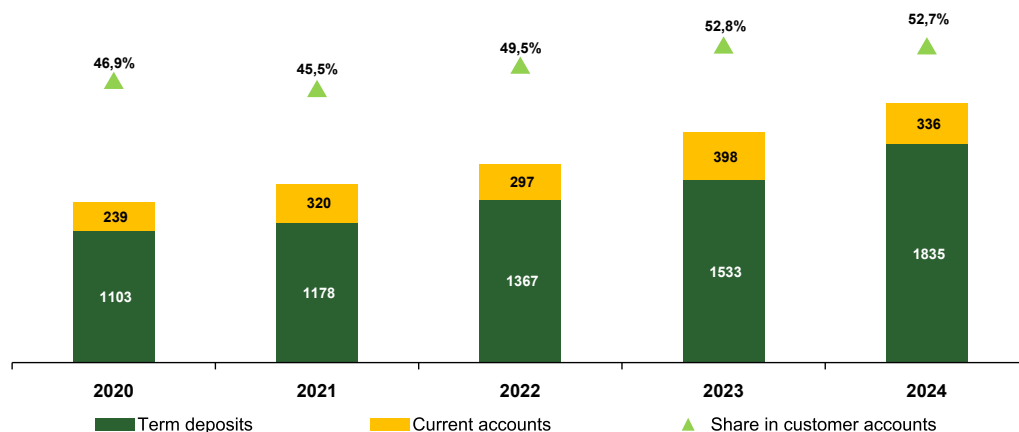
<sup>25</sup> Source: data based on Management Reporting as of 1 January 2025.

Loans to individuals have a vast geography due to the large branch network of the Bank within the country. RusAg's wide territorial coverage makes it possible for its branches and points of sale effectively raise funds from retail customers residing in rural areas.

RETAIL LOAN PORTFOLIO DIVERSIFICATION BY REGION<sup>25</sup>

Maintaining its focus on rural mortgage in retail business, the Bank attracts funds from both corporate and retail customers in order to reduce the cost of funds raised. Retail customer accounts increased by RUB 240.1 billion (+12.4%) and reached RUB 2.171 trillion, which is around 53% share in total customer accounts of the Bank as at 31 December 2024. Loan-to-deposit ratio (LTD) stood at 103%.

## RETAIL CUSTOMER ACCOUNTS DYNAMICS (IFRS), IN RUB BILLION



Russian Agricultural bank holds one of the leading positions in the Russian banking sector in terms of retail loan portfolio quality. According to International Financial Reporting Standards (IFRS), Stage 2 loans decreased from RUB 6.1 billion (1.1% of the retail loan portfolio before provisions) to RUB 3.4 billion (0.6% of the retail loan portfolio before provisions) during the year of 2024. Stage 3 loans decreased from RUB 22.5 billion, accounting for 4.0% of the retail loan portfolio before provisions, to RUB 22.3 billion, accounting for 3.8%, during the same period. Retail non-performing loans (NPL 90+) totalled RUB 18.2 billion, representing 3.1% of the retail loan portfolio before provisions, in comparison with RUB 20.3 billion or 3.6% of the retail loan portfolio before provisions at the end of 2023. NPL Coverage ratio of the retail portfolio stood at 118%.

## PRIORITY DIRECTIONS OF RETAIL BUSINESS DEVELOPMENT

### Analytical tools

#### 1. ACRM DEVELOPMENT.

- Existing processes were transferred from SAS to import-substituted modules of IS "Analytical CRM";
- Regular CRM campaigns for selling RSHB retail products and services on import-substituted ACRM modules were launched;
- Improved customer loyalty, increased conversion rate of CRM campaigns, optimized the number of communications with the customer by implementing ContactPolicy - a unified communications and contact policy management module;
- Improved the processes of IS "Analytical CRM" through integration with the Credit Solutions Conveyor (CSC) module, integration of SMS and Contact Center, CRM module enhancements.

## 2. ANALYTICS AND REPORTING.

### **Mortgage, preferential programs:**

- Streamlined the process of approving loan applications with the Ministry of Agriculture to reduce approval times, including by minimizing errors in reporting on mortgage products;

### **Customer data:**

- The data warehouse is enriched (DDWH/CDWH) with data on customer account registration in Unified system of identification and authentication

### **Motivation calculation:**

- A report on point motivation of front-line employees functionally related to the management for work with significant clients was implemented;
- A personal account was created for employees in the significant clients segment in the "Employee Digital Office" mobile application to track sales results based on point motivation, and a personal account was finalized for employees in the mass segment.

### **Sales and Customer Flow:**

- Implemented reporting of sales at remote workplaces locations;
- Reporting on customer flow management and cross-sales monitoring was finalized.

## 3. SUBSIDIES.

- Automated the process of commission fee accounting under the terms of concluded Commission Fee Agreements between the Bank and developers within the framework of mortgage lending, in terms of accrual/payment/amortization of commission fee amounts in the context of each loan transaction;
- Automated calculation of commission fees with real estate developers;
- Small-scale automation was implemented (by the subdivision on the basis of the KCD data warehouse) of the calculation of the amounts of subsidies due under preferential programs: "Rural Mortgage", "Rural Consumer Credit";
- Small-scale automation was implemented (by the unit on the basis of the KCD data warehouse) of the formation of registers for subsidies under the preferential programs: "Rural Mortgage", "Rural Consumer Credit";
- The Health Showcase report (an analytical report for monitoring borrowers' compliance with the terms and conditions of loan transactions under the Rural Mortgage program) was finalized and implemented.

# CONTROLS AND PROCEDURES

## 4.1.

### RISK MANAGEMENT

Specifics of the sectoral structure of the RusAg's loan portfolio are determined by the Bank's role as Russia's core financial institution providing financial and credit services to agribusiness and related industries. The focus on banking services to agricultural producers also entails specific credit risks due to the nature of the industry, primarily related to the impact of agro-climatic factors. As a key lender to agribusiness, the Bank assumes all the risks of the industry.

RusAg's risk management system complies with Russia's legal acts and regulations on risk management systems, the requirements and recommendations of the Bank of Russia, the Methodological Guidelines of the Federal Agency for State Property Management for Design of Risk Management System Regulations, Basel II, Basel III, and the best risk management practices adopted by Russian and international banks.

**The Bank's internal documents related to risk management system define:**

- types of operations that are characterised by certain types of risk, and the sources and possible consequences of risk occurrence;
- methods, tools and procedures for identifying risks;
- methods, tools and procedures for risk assessment, aggregation and management;
- methods, tools and procedures for monitoring and controlling risks, including procedures for setting and controlling limits, methods for evaluating the effectiveness of risk assessment methodology;
- the procedure for making decisions on the implementation of operations that carry risks, the application of risk management methods and tools, including their application in stress situations;
- the internal reporting system, including the procedure for informing management bodies and working collegial bodies about the level of assumed risks.

RusAg is constantly developing its risk management system and internal procedures for assessing capital adequacy in accordance with the Bank's Development Strategy.

## CREDIT RISK

### **As part of its credit risk management (including counterparty credit risk), the Bank:**

- assumes credit risk subject to assessment of the transaction structure and of all available information on the credit quality of the counterparty/group of counterparties;
- applies tools that mitigate credit risk (including liquid collateral, sureties and guarantees) and pricing that takes the credit risk into account;
- sets credit risk limits for individual counterparties and groups of counterparties that are consolidated on the basis of economic and/or legal relationships;
- monitors the level of assumed credit risk on an ongoing basis.

Credit risk is managed by the Bank's Management Board, the Risk Management Committee, the Credit Committee, the Problem Debt Committee and individual officers within the powers conferred on them. Credit risk is assessed independently of business units by designated risk management subdivisions (the Risk Department and risk assessment and control functions of the Bank's regional branches).

The authorised bodies of the Bank have approved in-house regulations that contain a formalised description of credit risk assessment procedures and methods and that define the approach to providing and supporting loan products.\

### **Improving the credit risk management system in respect of corporate borrowers:**

- the 'Consolidated Limit Statement' and 'Internal Ratings System' IT systems have been patented and registered as a domestic software product with the Ministry for Digital Development, Communications and Mass Media of the Russian Federation;
- works have been completed as part of the Digital Sovereignty project on import substitution for components of the Consolidated Limit Statement and Internal Ratings System;
- monitoring of capital limits has been introduced for significant risks and key business areas;
- additional work has been done to automate the lending process for legal entities, expanding integration of a lending decision pipeline for legal entities and the Internal Ratings System, based on the standard lending process;
- supervision of the scheduled rating procedure has been tightened to enable prompt identification of problems faced by clients;
- the approach to calculating capital requirements for credit risk assessment has been improved;
- RusAg's methodology for calculating the credit risk premium for corporate borrowers has been updated;



- tools for automated monitoring of net credit turnover of clients have been developed as part of integration of the Consolidated Limit Statement and Internal Ratings System IT systems with corporate credit risks of legal entities;
- updated rating models based on external data have been deployed (Methodologies 21-M and 22-M);
- work has begun on a project to calculate credit risk based on internal ratings;
- a new methodology has been put into effect for designing models to estimate default probability in credit claims against corporate borrowers;
- a new methodology has been put into effect for validation of risk assessment models.

## CONCENTRATION RISK

**The Bank uses the following tools when assuming and managing risk of credit concentration and industry concentration in connection with lending to its core client segment (enterprises in agribusiness and related industries):**

- lending for the complete cycle of production and sale of agricultural products (production, storage, processing and sale to the end user);
- lending to borrowers with a diverse product portfolio;
- diversification of the loan portfolio by regions;
- diversification of the total loan portfolio through lending to other industries.

**The Bank uses the following methods to manage concentration risk:**

- defines a system of limits that restrict the amount of claims against major counterparties (groups of counterparties) and counterparties operating in specific industries and geographic regions;
- carries out in-depth analysis of major counterparties and economic sectors where concentration risk has been identified;
- limits the amount of investments in instruments, the value of which is subject to changes in general risk factors.

## MARKET RISK

**Market risk is managed using the following principles:**

- determining a list of financial instruments and operations of the Bank that are exposed to market risk;
- independent validation of the methodology used for pricing of financial instruments that are exposed to market risk.

Market risk is regularly analysed and assessed in quantitative terms based on VAR (Value at Risk) methodology, i.e. a statistical assessment of ceiling losses over a certain period at a set

probability level, and expected shortfall methodology, i.e. a forecast assessment of losses on a financial instrument portfolio over a set period with a set probability (confidence level) in an 'ordinary' market in the event that the ceiling losses are exceeded, and a loss indicator in case of a strong negative movement of market factors (market risk stress test).

Market risk is managed using a portfolio approach. Risk is managed at the level of a particular operations portfolio by assessing the portfolio strategy and the risk factors inherent to the operations.

**The Bank uses the following methods for management of market risk:**

- risk minimisation (diversification of financial instrument portfolios);
- risk transfer (use of hedging instruments);
- risk avoidance.

Market risk management takes account of residual risk that arises because methods applied to mitigate and/or assess risk may not take into account all the threats that may arise in the course of financial instrument transactions.

**Improving the system for management of market risk:**

- the methodology for calculating use of the limit on interest rate risk for transactions with financial market Instruments has been updated;
- volatility of currency pairs in financial markets has been analysed in order to enhance the quality and efficiency of risk management in the trading transaction portfolio; coefficients of potential revaluation of the value of financial instruments were updated using the results of the analysis (the coefficients are used to calculate the use of pre-delivery limits for a counterparty);
- as required by the procedure for generating and managing the investment banking portfolio, efficient control procedures have been put in place (automation based on ASUDR) to comply with requirements for the supervision of limits and restrictions set by the authorised body of the Bank when making transactions to purchase securities in the underwriting sub-portfolio;
- improvements (automation based on ASUDR) have been made to the calculator for use of the stop-loss limit for trading transactions over a period of a week and a month, as required by RusAg's procedure for conduct of trading transactions.

## LIQUIDITY RISK

Liquidity risk is managed by decisions of the Bank's bodies, joint working bodies and individual officials within the powers conferred on them.

The Bank uses the following key methods for analysing and assessing liquidity risk:

- daily analysis of the payment position based on cash flow;
- analysis and assessment of gaps in the maturity of the Bank's claims and liabilities (gap analysis);

- analysis and assessment of actual values of and changes in internal indicators of liquidity risk;
- analysis of statutory liquidity ratios of the Bank of Russia and their forecast changes;
- stress testing.

**The Bank manages liquidity risk by:**

- planning of the asset and liability structure;
- setting and monitoring limits and indicators of liquidity risk (those set by the Bank of Russia and also internal limits calculated by RusAg);
- building a liquidity buffer;
- advance planning and preparation of steps to maintain and re-establish liquidity in the event of adverse events.

The currency risk resulting from mismatch between structure of highly liquid assets and structure of expected net cash outflows is taken into account when liquidity risk management tools are used that involve support for reserves of unencumbered highly liquid assets.

**Improving the liquidity risk management system:**

- behavioural models for the Bank's key instruments have been designed and deployed for managing, assessing and controlling liquidity risk. These include modelling the redistribution of deposits of legal entities and individuals and modelling of early repayment of loans made to individuals.
- transition to control of liquidity risk based on a dynamic liquidity gap that takes account of behavioural and option models.

## OPERATIONAL RISK

**As part of its operational risk management, the Bank:**

- records operational risk events in the analytical database of the Bank's operational risk events and loss incurred due to their occurrence;
- assesses the Bank's operational risk level in terms of quality and quantity;
- determines key risk indicators for the Bank's business areas, including analysis of the various processes that comprise those indicators;
- determines indicators for control of the Bank's operational risk level and sets threshold (alarm and control) values for those indicators;
- establishes the expert review procedure and approval process for all new business areas, processes, products and services, IT and automated systems of the Bank;
- ensures the continuity and recovery of the Bank's business in case of extraordinary and emergency situations.

The powers and functions of the parties responsible for the operational risk management system are set out in the internal documents of the Bank.

#### **Improving the operational risk management system:**

- operational risk management procedures have been brought into line with the requirements of Regulation No. 716-P of the Bank of Russia dated 08 April 2020 'On Requirements for the Operational Risk Management System in a Credit Institution and a Banking Group' and Regulation No. 814-P of the Bank of Russia dated 30 January 2023 'On the Procedure for Calculating the Operational Risk of a Banking Group';
- steps have been taken to enhance staff involvement in the operational risk management process (training of Bank staff, financial incentives to encourage responsible performance of tasks and rewards for staff who perform best in matters of operational risk management);
- reporting on material operational risk events has been put in place, reporting forms have been automated, including daily and quarterly reporting, in accordance with Regulation No. 716-P of the Bank of Russia and for regulatory reporting as per form 0409106 (submitted to the Bank of Russia on a quarterly basis subject to Directive No. 6406-U of the Bank of Russia dated 10 April 2023);
- the Bank has prepared to transition, as from 1 January 2025, to an advanced approach to calculating levels of operational risk, as required by Regulation No. 744-P of the Bank of Russia dated 07 December 2020 'On the Procedure for Calculating Levels of Operational Risk (Basel III) and the Bank of Russia Supervision of Compliance therewith', and the relevant required internal documents have been prepared;
- the Bank's business continuity and recovery plan and its modules have been tested and internal documents of the system have been updated, enhancing the Bank's readiness to address any threats of interruption of normal business.

## **STRATEGIC RISK**

#### **The Bank manages strategic risk as follows:**

- analyses the competitive environment, banking services market and future business areas when designing the Bank's development strategy;
- monitors sufficiency of resources to achieve the goals and objectives that are set;
- supervises implementation of the Bank's development strategy.

#### **Strategic risk is mitigated by:**

- preparation of documents that define the Bank's development strategy
- and necessary steps to achieve strategic goals;
- monitoring implementation of the Bank's development strategy and of steps to achieve strategic goals (updating them if necessary);

- regularly informing the Bank's management bodies of progress in the achievement of planned strategic indicators and reasons for deviations in order to make appropriate management decisions;
- assignment of powers to make strategic decisions;
- monitoring the market of banking products and services to identify potential new business.

## COMPLIANCE RISK (REGULATORY RISK)

The Bank's regulatory risk management work aims to improve the efficiency of the Bank's activities, particularly as regards developing the financial and credit system used by Russian agribusiness, protecting the interests of the Bank's shareholders, creditors and depositors by minimising the Bank's compliance risk.

### Based on the above objectives, work to manage compliance risk focuses on:

- ensuring compliance by the Bank with Russian law, regulations of the Bank of Russia, standards for self-regulating organisations (if such standards or rules are binding for the Bank), and RusAg's own internal documents;
- minimising compliance risk.

### Regulatory risk is mitigated by:

- monitoring regulatory risk and the efficiency of its management by the Bank;
- analysing new banking products and services that are put in place in the Bank and intended methods for their implementation, as well as banking processes, by (among other things) expert review of draft internal documents with regard to regulatory risk and the inclusion of required regulatory risk management mechanisms in those documents;
- control procedures for transactions;
- control over compliance with the Bank's internal documents;
- expert review of the Bank's draft internal documents regarding their compliance with the law, requirements of the Bank of Russia and standards for self-regulating organisations (if such standards or rules are binding on the Bank);
- monitoring changes in legislation and regulations of the Bank of Russia, and in standards for self-regulating organisations, and timely updating of the Bank's internal documents to reflect such changes.

## INTEREST-RATE RISK

### The main sources of interest rate risk are as follows:

- gap risk, meaning risk arising from a mismatch in the timing of changes in interest rates on assets, liabilities, off-balance claims and obligations of the Bank;

- basis risk, meaning risk arising when the interest rates on financial instruments of the same maturity change depending on various financial indices;
- yield curve risk, meaning the risk of changes in the direction and/or shape of the interest rate curve.
- option risk, meaning risk arising from the exercise of options (those directly arranged by the Bank and those embedded in banking products), which change the interest rate or timing when meeting claims/obligations in Bank operations.

The key methods for assessing interest rate risk are, firstly, the assessment of gaps between assets and liabilities in different currencies that are sensitive to changes in the interest rate level (assessing gaps by maturity) and, secondly, assessment of changes in net interest income. A number of simulated assumptions are applied to claims and liabilities without an explicit maturity date by maturity.

RusAg also assesses interest rate risk by banking and trading books, key currencies and at the level of individual transactions/deals by analysing potential change in the payment flow due to changes in market conditions, financial standing and/or actions of the Bank's clients and counterparties. The items in the Bank's financial statements that are most exposed to interest rate risk are loans, securities and client funds. The Bank assumes interest rate risk within the limits set by the Management Board.

#### **Improving the system for management of interest rate risk:**

- the method for assessing interest rate risk of the banking book has been updated as regards calculating the sensitivity of net interest income subject to behavioural and option models (early repayment of loans to individuals and early withdrawal of deposits of individuals);
- a pilot calculation has been made of changes in the economic value of equity subject to changes in interest rate curves, in accordance with Guidelines No. 8-MR of the Bank of Russia.

## 4.2.

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# INTERNAL CONTROL AND AUDIT

## INTERNAL CONTROL

RusAg's internal control system is compliant with Russian legislation, regulatory acts of the Bank of Russia and RusAg's own Articles of Association, and operates at all levels of management of the Bank. The system is applied in activities of the Bank's management bodies, collegial bodies and structural divisions of the Bank, and by officials who exercise powers, rights and responsibilities defined in the Articles of Association and internal documents of the Bank.

In accordance with Bank of Russia Regulation No. 242-P, dated 16 December 2003, 'On the Organisation of Internal Control in Credit Institutions and Banking Groups', the Bank's internal control system comprised the following bodies and units in 2024:

- management bodies (the General Shareholders Meeting, the Supervisory Board, the Management Board and the Chairman of the Management Board);
- Audit Commission;
- Chief Accountant (or their deputies);
- heads (or deputies) and chief accountants (or deputies) at the Bank's regional branches;
- units and staff of the Bank that exercise internal control within the remits established by RusAg's internal documents, including:
  - Internal Audit Service;
  - Compliance Control Department;
  - AML/CTF officer (Financial Monitoring Service);
  - controller of a professional securities market participant, instated in the Compliance Control Department;
  - other structural units and/or officers of the Bank.

The Bank develops its internal control system on an ongoing basis, taking account of strategic goals and objectives, and of changes in the operating conditions of the Bank and the Bank Group, including:

- updating the Bank's business processes, integrating control procedures into business processes, including automated control procedures;
- revision of the Bank's internal documents in connection with changes in Russian legislation, including regulations of the Bank of Russia;

- regular analysis and definition of areas of responsibility of departments and duties of employees within the organisational structure of the Bank;
- improvement of the system of competences of the specialised collegial bodies of the Bank;
- development of control and coordination of functional verticals of the Bank's regional network and of member organisations within the Bank Group;
- expansion of training programmes for employees and assessment of their professional knowledge;
- development of inspection and monitoring methods.

## INTERNAL AUDIT SERVICE

The Internal Audit Service carries out its activities under the direct control of the Supervisory Board of the Bank in accordance with the Bank's Regulations on the Internal Audit Service, which are approved by the Supervisory Board of the Bank

### Tasks of the Internal Audit Service:

- control over functioning of the internal control system and risk management system of the Bank and the organisations of the Bank Group;
- monitoring of the Bank's internal control system.

### Functions of the Internal Audit Service:

- supervision and general assessment of internal control; monitoring of the implementation status of decrees issued by the Bank's governing bodies (the General Shareholders Meeting, the Management Board, the Chairman of the Management Board);
- control over the efficiency of risk management methodology and risk management procedures; general audit of internal procedures, programmes and instructions as to their integrity and applicability;
- assessment of the reliability of internal control in the sphere of IT systems, cyber security, data protection, combatting of unauthorised access attempts and other related activities in accordance with protocols adopted to ensure continuity and/or recovery of the Bank's operations in case of emergency;
- testing of integrity, completeness and promptness of accounting and financial reporting, including the information collection process for these purposes;
- review of protocols and procedures that are used to ensure safekeeping of the Bank's property;
- assessment of the economic viability and efficiency of the Bank's operational and financial transactions;
- verification of internal control processes and procedures;
- checking the activities of the Bank's subdivision responsible for internal control functions and of the Bank's risk management subdivisions;



- participation in the work of the audit commissions of organisations within the Bank Group as prescribed by the internal documents of the Bank;
- organisation and coordination of the internal audit function at organisations within the Bank Group;
- other functions assigned to the Internal Audit Service by Russian legislation, regulations of the Bank of Russia, internal documents of the Bank and decisions of the Bank's management bodies in order to achieve the goals and objectives of the Service.

Smooth and effective implementation of the functions of the Internal Audit Service is achieved through the conduct of inspections and monitoring in all areas of the Bank's activities, at its divisions and in respect of individual employees, using the methods provided for by the Regulations on the Internal Audit Service, internal documents of the Bank, and Regulation No. 242-P of the Bank of Russia.

The activities of the Internal Audit Service are subject to independent verification by an external expert (audit organisation) at least once every 5 years.

The following key steps were taken in 2024 to improve the internal control system of the Bank and the Bank Group.

1. With regard to improving internal control and regulatory risk management:
  - 1.1. In the context of digitalisation, the Bank has organised work to automate internal control processes and regulatory risk management.
  - 1.2. Internal documents, including standards, have been drafted on the activities of internal control departments of the Group members.
2. With regard to processing and protection of personal data:
  - 2.1. The Bank has organised work on:
    - deployment of tools for detailed control over significant processes and expanding coverage of control measures;
    - automating procedures for control over the availability of consents to processing of the personal data of individual clients.
  - 2.2. The Bank has strengthened its position as a personal data expert thanks to the work of Bank representatives at dedicated conferences and forums.
  - 2.3. In 2024, the Bank gave consideration to all requests that were received from personal data subjects regarding personal data processing within the time limits set by Russian legislation, and the personal data subjects were informed of the results of consideration of their requests.

# CORPORATE GOVERNANCE

RusAg adheres to the best corporate governance practices. Efficient corporate governance underpins the successful operations of the Bank, its sustainable development and risk management, ensuring a balance between the rights and interests of shareholders, management and other stakeholders. Adherence to the best corporate governance standards also positively impacts the Bank's operating results, internal efficiency, valuation of its securities by investors and the Bank's ability to raise capital for further development.

The structure of the Bank's corporate governance ensures proper balance between its governing bodies. Powers are allocated and overall management is exercised by the General Meeting of Shareholders and the Supervisory Board, which are segregated from day-to-day management carried out by executive management bodies (the Management Board and the Chairman of the Management Board).

RusAg complies with the requirements regarding internal documents that are mandatory for a joint-stock company under Russian law (Articles of Association, Regulations on the General Shareholders Meeting, Supervisory Board Regulations, Management Board Regulations, etc.). The Bank ensures equal and fair treatment of all shareholders in the exercise of their right to participate in the management of the Bank.

The Regulations on the General Shareholders Meeting are designed in accordance with the Bank's Corporate Governance Code. By paying dividends, the Bank gives its shareholders equal and fair opportunity to benefit from the distribution of its profits.

## THE SUPERVISORY BOARD

RusAg's Supervisory Board performs the following functions:

- designs key long-term strategic guidelines and sets key performance indicators for the Bank;
- monitors the operations of the Bank's executive management bodies;
- establishes principles and approaches to risk management and internal control;
- determines the Bank's policy on remuneration of executive management bodies and key executives of the Bank who are not members of executive management bodies, and implements other key functions.

The Supervisory Board plays a key role in shaping effective interaction between shareholders and the Bank's management, and in preventing conflicts of interest.

The Supervisory Board monitors the business of the Bank and the operations of its executive bodies on an ongoing basis. It carries out objective assessments to establish whether activities of the executive bodies are appropriate to the nature, scale and environment of the Bank's operations and development. The Supervisory Board also sets key targets and monitors compliance with those targets.

The Supervisory Board is an efficient and professional management body of the Bank, capable of forming objective and independent judgements and taking decisions in the interests of RusAg and its shareholders.

The Supervisory Board liaises with Bank staff, auditors, the Revision Commission and other parties in order to verify the accuracy of the information provided by the Bank's executive bodies. The Supervisory Board ensures the validity of approaches used by the Bank's executive bodies for the assessment of its current performance, and their compliance with the requirements of Russian law, including regulatory acts of the Bank of Russia, business customs and principles of professional ethics.

## THE CORPORATE SECRETARY

The Corporate Secretary is responsible for ensuring adherence to procedures, which protect the rights and legitimate interests of the Bank's shareholders and which support the efficient work of the Supervisory Board.

The Corporate Secretary cannot combined their role with the performance of other functions at the Bank. The Corporate Secretary is vested with functions in accordance with the recommendations of the Corporate Governance Code.

The Corporate Secretary helps to arrange the General Shareholders Meeting and Supervisory Board meetings, and designs resolutions that require the approval of the Bank's shareholders. The Corporate Secretary ensures effective cooperation between shareholders and the Bank's management team. The Corporate Secretary reports to the Bank's Supervisory Board and is appointed by decision of the Supervisory Board.

Operational and strategic issues related to financial planning, asset and liability management, development of specific business directions, and other issues referred to the Supervisory Board, are reviewed in advance by the Management Board.

## THE MANAGEMENT BOARD

The Management Board and the Chairman of the Management Board are the Bank's executive bodies, which perform general duties related to the achievement of key business goals, namely:

- accomplishing long-term targets set by the shareholder;
- supervising the compliance of the Bank's operations with all relevant laws and regulations;
- overseeing the introduction and functioning of appropriate risk management systems (including the definition of acceptable levels of risk);
- monitoring the environment in which the Bank operates and strengthening the Bank's corporate culture.

RusAg operates an efficient system of risk management and internal control, enabling confidence that the Bank can achieve its business targets. The Supervisory Board has defined principles and approaches to the organisation of risk management and internal control at the Bank.

RusAg has developed, implemented and constantly updates documents related to combatting corruption, defining measures that shape corporate culture, organisational structure, and rules and procedures, which prevent corruption.

The Bank and its activities are transparent to shareholders, investors and other interested parties. RusAg's activities to ensure information openness are carried out by the executive management bodies of the Bank.

The Bank plans and implements actions and measures to improve its corporate governance model and practice, matching improvements to legislation and best corporate governance practices.

# DIGITAL TRANSFORMATION AND IT DEVELOPMENT

In December 2022, the Supervisory Board of the Bank approved the updated Digital Transformation Strategy of RusAg for the period up to 2024 (the Digital Strategy).

The purpose of digital transformation is to raise the technology level and efficiency of the Bank through extensive use of digital tools to reorganise business processes. Implementation of the Digital Strategy will optimise internal processes, improve customer experience, change existing virtual architecture and instate new virtual architecture. The main goal of digital transformation is to create technological conditions for implementation of the Bank's key business objectives and plans.

Special attention is paid to ensuring information security, which is an essential condition for successful digital transformation.

Implementation of the Digital Strategy combined with realisation of RusAg's IT-Strategy initiatives, approved in May 2020, should provide full support for the strategic business objectives of the Bank through to the end of 2024, reinforcing the Bank's competitiveness in the modern market of high-tech banking services and ensuring digital maturity indicators at the level of Russian financial sector leaders.

## DIGITAL TRANSFORMATION GOALS

### **Developing the best digital products for the customer:**

- development of new digital products and services;
- implementation of practices for management of customer experience based on customer data.

### **Providing convenient and accessible service:**

- ensuring availability of the Bank's products via digital channels;
- automation of customer service using machine learning and artificial intelligence.

### **Introduction of new digital business models and ecosystem development:**

- creation of ecosystem platforms together with partners and organisations of the Bank Group, expansion of the Bank's function beyond the role of a financial services provider;
- introduction of monitoring of the effectiveness of business models based on accumulated data.

### Digitalisation of the operating and technology platform:

- creation of a platform and transformation of IT architecture to create new products and make innovations;
- collaborative practice between IT specialists and other staff regarding innovation and the creation of new business models;
- automation of processes, reduction of manual operations, use of electronic documents;
- building a data-centric organisation, developing effective use of data and developing analytical models for making managerial and business decisions;
- staff training and development of digital skills and competences;
- achieving digital sovereignty (independence from foreign software and external developers).

## DIRECTIONS AND KEY RESULTS OF DIGITAL TRANSFORMATION IN 2021 - 2024

### Introduction of digital solutions:

1. A total of 34 software products developed by RusAg have been entered into the Unified Register of Russian Software, which is kept by Russia's Ministry for Digital Development.
2. The Bank has created and is operating its own Artificial Intelligence Laboratory, and projects are being implemented to streamline Bank processes that use artificial intelligence technologies.
3. From 2021 to 2024, the following software solutions were deployed by the Bank: 'Svoy Business' ('My Business', a digital channel for servicing of legal Entities); an automated decision pipeline for lending to legal entities (version 2.0); a system for decision making on lending in response to applications by individuals; 'Svoye v Agro' ('My Agriculture'); 'Vse Svoye' ('All My Own'); 'Svoye Selo' ('My Village'); 'Svoye Zhile' ('My Home'); 'Svoye Rodnoe' ('My Products'); 'Svoye Fermerstvo' ('My Farm'); 'Svoi Finansy' ('My Finances'); 'Svoi Investitsii' ('My Investments'); 'Svoya Sreda' ('My Environment'); N2.0 IT System; Bank Website 2.0 IT System; an automated designer of draft decisions of the credit risk committee of a legal entity; Multifunctional Automated Treasury System; Delta Software; ACRM Debt IT System; Analytical Risk Calculation System; RSHB Trading Field (RTF) IT System; RusAg Corporate Billing System; TRSYS Terminal Management System; RusAg Automated Simplified Tax System.
4. The share of digital products/services in the retail business segment increased from 6.3% in 2021 to 27.6% by the end of 2024. In the SME and micro-business segment the share increased from 31% in 2021 to 60% by the end of 2024.
5. The number of active users of RusAg's digital solutions increased to 3.076 million individuals and 391 000 legal entities in 2024.

### Digital infrastructure development:

1. Assembly, testing and deployment processes were automated for tasks in conventional systems development and tasks based on the Bank's software assembly, delivery and deployment pipeline (CI/CD).
2. Infrastructure was put in place for storing and analysing big data and unstructured information.
3. RusAg registered Russia's first commercial biometric system (Certificate No. 1).
4. From 2021 to 2024, the following software platforms and solutions were put in place: Integration Platform 2.0; RusAg Electronic Platform; Software Platform for Managing Open API Programme Interfaces; RAISA – RSHB AI Systems and Application (system for managing models and applications of artificial intelligence technologies); Corporate Portal 2.0; Corporate Data Repository; Data Research Platform; Digital Rouble Platform; Digital Client Profile Automated System; Operating Data Analytical Platform; Preparation and Submission of Reporting to the Central Bank of the Russian Federation; Unified Digital Platform IT System; Company Media (electronic document flow and records management system); automated system for managing electronic document flow processes in RusAg financial and business operations; automated system for managing electronic documents of RusAg; RusAg Mail IT System; Operational Risk Management System; Sanctions Screening of Messages (Payments); Investment Platform Solutions software platform; Staff Digital Office; Playlist software system; Architectural Repository 2.0 IT system; Private Cloud (system for management of computing resources for RusAg development and testing environments); Centralised High-tech TV system.

### Import Substitution:

1. From 2021 to 2024, the Bank enabled the performance of import-substitution plans, achieving KPIs and other import-substitution indicators in respect of software and electronic products. The respective reports were submitted to the Russian Ministry for Digital Development and to the Bank of Russia.
2. The Digital Sovereignty Programme is in the process of implementation. The Programme affects 186 systems at the Bank, including 33 critical information infrastructure systems.
3. The share of expenses for purchase of Russian software and related works (services) in total expenses for purchase of software and related works (services) increased from 62.54% in 2021 to 95% by the end of 2024.
4. The average share of Russian-made software in total use of software by classes at the Bank increased from 48% in 2021 to 99.6% by the end of 2024.
5. The share of expenditure for purchase of Russian electronic products in total expenditure for purchase of electronic products increased from 0.1% in 2022 to 88% by the end of 2024.

### **Information security:**

From 2021 to 2024, the following software solutions were put in place: Internal Anti-Fraud System; Cyber Intelligence Platform; Control System for Privileged User Actions; Secure Application Software Development Platform; System for Design, Control and Analysis of Confidential Information Security in RusAg IT Systems; System for Preventing Leakage of Confidential Information; Web Traffic Monitoring System; Kaspersky Secure Mail Gateway; RusAg Certification Centre (subordinate to the sub-system of the Certification Centre of the Digital Ruble Platform of the Bank of Russia).

### **Development of personnel, digital competences and digital culture:**

1. RusAg has opened its own Academy of Transformation, which is operating successfully.
2. RusAg has opened its own Intech School.
3. All of the Bank's staff who need a computer in their workplace have completed digital transformation training.
4. Monitoring of team efficiency production metrics, reduction of time-to-market, and the agile methodology application have been put in place at the Bank and are functioning.

### **Development of Digital Solution Providers:**

1. Rules (a sourcing model) have been introduced that define approaches for acquiring resources that are needed to develop the Bank's systems.
2. Promotion of existing RSHB IT expertise (on dedicated IT resources, in the mass media and at technology conferences).
3. Acquisition of the IT company, R-Style Softlab.

### **Organisational Transformation and Adjustment of the Management Model:**

1. The Bank has created the role of Chief Digital Transformation Officer. He/she is an officer in charge of implementation of the Bank's digital transformation strategy and the achievement of objectives determined by the strategy. The Officer also holds a position as Deputy Chairman of RusAg's Management Board.
2. A joint working body, the Digital Transformation and Information Technology Committee, has been set up to ensure implementation of the digital transformation strategy.
3. The Digital Transformation Office has been created as part of the Bank's Corporate Architecture Department.



## DEVELOPMENT OF RUSAG'S 'SVOYE' ECOSYSTEM IN 2024

### The 'Svoye Farmerstvo' ('My Farm') Platform

'Svoye Farmerstvo' ('My Farm') is the largest industry platform for agribusiness enterprises. It is a dedicated B2B goods marketplace, a storefront of agricultural technologies and digital services of the Bank.

#### Achievements in 2024.

- **The largest B2B agribusiness products marketplace, featuring over 6.1 million products from 17 000 suppliers.**

My Farm features more than 6.1 million products (+126% compared with 2023) from more than 17 000 suppliers across Russia (+20% compared with 2023). This growth is due not only to expansion of the product range, from farming equipment to fertilizers and seeds, but also thanks to the deployment of new digital tools.

- **Regional statistics as an indicator of success**

The audience of My Farm is on the increase in all of Russia's regions. The number of users increased by 37% in Central Russia and by 67% in the Southern Federal District in 2024. User numbers in the Urals and Siberia grew by 34%, as digital agribusiness tools became more popular.

In 2024, more than 3000 goods suppliers used the platform and more than 380 000 goods were uploaded with the help of regional branches of RusAg. Most new suppliers (more than 1500 entities) were in the following marketplace categories:

- seeds;
- grain;
- livestock;
- finished products.

In 2024, the leading regional branches of RusAg by numbers of sellers joining the My Farm platform were as follows:

- Rostov Regional Branch (more than 220 entities)
- Stavropol Regional Branch (more than 180 entities)
- Altai Regional Branch (more than 170 entities)
- Krasnodar Regional Branch (more than 150 entities)
- Moscow Regional Branch (more than 130 entities)
- Tatarstan Regional Branch (more than 110 entities)
- Voronezh Regional Branch (more than 105 entities)
- Bashkiria Regional Branch (more than 100 entities)
- Kirov Regional Branch (more than 100 entities)

- **Launch of a new B2B agribusiness services marketplace**

New services for B2B buyers on the My Farm platform in 2024 include a storefront of dedicated services for agribusiness enterprises, featuring 16 core categories (agricultural labour, seed preparation, lease and repair of farming equipment, logistics, storage, etc.).

- **The industry information portal and agricultural technology storefront are highly popular with farmers, attracting more than 5 million unique visitors in 2024.**

In 2024, the My Farm platform reached a new level of industry expertise and agribusiness digitalisation with significant growth of the user audience in the target business segment. The platform was visited by more than 5 million unique users during the year (+40% compared to 2023).

Use of artificial intelligence to tailor content and study of user experience enables better selection of content to match client needs. Based on study of the client's digital profile, the platform offers users more than 50 new agricultural technologies and more than 60 ready solutions for agribusiness start-ups (in the 'Brand New Business' section).

The 'Svoye Media' ('My Media') information platform hosts live streams by industry experts on topical issues in the agricultural sector.

## THE 'SVOYE RODNOYE' ('MY PRODUCE') PLATFORM

'Svoye Rodnoye' ('My Produce') is a marketplace for farms and agribusiness representatives that want to sell their products through digital channels. More than 13 000 agricultural producers and more than 140 000 items of farm products have been signed up to the marketplace. The platform is used by 202 000 people each month (+44% from 2023) to purchase farm products and services without any intermediaries.

### Achievements in 2024.

In 2024, a set of actions was carried out to develop all key areas of the marketplace. The effect was to boost growth of the client base and recognition in the market. The steps were as follows:

1. Expansion of the product range and connection of new sales channels: a new category, 'Craft Goods', was made available to users, featuring more than 5500 hand-made products; a seller cooperation service was made available, expanding the product range of small farms and generating multi-category offers through integration of the ordering service with the 'Svoi Finansy' ('My Finances') mobile application, giving the option to personalise offers for the Bank's clients. Clients can place orders within the Bank's app, enabling a seamless experience of interaction with the service.

2. Innovative services and increased loyalty: a payment acceptance service has been deployed that uses QR technology and has the function of storing information on buyers. Sellers use this service extensively to digitalise their audience at trading outlets and at the Bank's 'Tasty Friday' events; the Seller Bonuses Programme, with its option to accumulate purchase bonuses and exchange them for discounts, encourages stable relations between buyers and sellers; automated moderating of farmer groups in social media by use of generative AI technologies. This joint project of RusAg and the Odnoklassniki ('Classmates') social media platform achieves coverage of 2 million users monthly; the Chats service offers online consulting prior to a purchase decision and when placing an order.

Raising brand awareness: large-scale dedicated projects to promote farm products were launched together with Odnoklassniki, Drugoye Delo ('A Different Story', part of the V Kontakte social media platform), Donor Search, Start video service, etc; geography of the 'Tasty Friday' gastronomy events was expanded and new partners (Raiffeisenbank, Metalloinvest, Rosgosstrakh, Expobank, etc.) began holding the events.

## THE 'SVOYE ZA GORODOM' ('MY PLACE IN THE COUNTRYSIDE') PLATFORM

**'Svoye za Gorodom' ('My Place in the Countryside')** is a tourist platform that offers unique tours, sightseeing and integrated itineraries with major tour operators, as well as booking of air tickets, train tickets and hotels around Russia. In 2024, 435 farms signed up to the platform (+15% compared to 2023), offering more than 2500 countryside vacations (+25% compared to 2023).

### **Achievements in 2024.**

A number of events were held in 2024, which helped to promote and raise awareness of the brand:

1. A new section, 'Avtomarshruty' ('Journeys by Car') was launched. The new product offers tailored routes for travellers who take their car on vacation. The section features tips about hotels, cafes and other sites, attracting a new audience among independent tourists.
2. Tour categories were significantly expanded. New products were developed and launched, including 'Kanikuly na Ferme' ('Farm Vacations') and 'Vykhodnye na Ferme' ('Farm Weekends'), which include integrated entertainment programmes. This new offer has raised the appeal of countryside tourism and boosted the position of the platform in this segment.
3. A service for booking train tickets was developed and launched. The new product has expanded the platform's capabilities and provides clients with a convenient tool for integrated planning of their trips.
4. The 'Mir Detey' ('Kids' World') section was created and launched. The new section, which features selections of family vacation offers, has significantly raised appeal of the platform for the family audience and has enhanced user loyalty.

5. A new chatbot using 'advent-calendar' format was deployed. The new tool, implemented in the Telegram social media platform, has attracted 1500 new users, boosting audience involvement.
6. A dedicated project was implemented together with BelkaCar car sharing service. The scheme makes it possible for people without their own car to go on farm vacations thanks to vehicle sharing. Communications were made by e-mail newsletters and banners, reaching 630,000 users.
7. Regular tailored campaigns were launched in the 'Svoi Finansy' ('My Finances') application featuring promotions and special offers for all types of Bank clients.
8. Promotional actions for clients were held as part of the 'Urozhai' ('Harvest') loyalty programme: participants were awarded 2000 additional points for payments using RusAg bank cards in the Travel category. The promotion gave a 22% sales increase per month.
9. New travel magazine sections accounted for 30% of organised traffic on the platform.

#### **THE 'SVOYE ZHILE' ('MY HOME') PLATFORM**

'Svoye Zhile' ('My Home') is a leading digital service for purchase of real estate. It also supports new mortgage loans and mortgage loans that were extended earlier. Services of the platform are available to clients throughout the Russian Federation. The platform features more than 5300 partners, 6 million unique users, 3000 residential complexes and 1.5 million individual properties. RusAg received more than 77% of its mortgage applications through the digital channel (+35% compared to 2023), and more than 56% of the Bank's mortgage loans were disbursed through the digital channel in 2024 (+26% compared to 2023).

#### **Achievements in 2024.**

In 2024, the following platform services were created and became available: our own storefront of new housing developments built by accredited developers of the Bank, describing available infrastructure at the developments in order to improve the client experience, reduce the time it takes to finalise a client deal and increase the number of users that become Bank clients; the My Home card was implemented, featuring offers from partners and a service was launched that enables partner companies to submit applications for creating promotional pages; the client journey was improved as regards: obtaining information on the client's income and employment through the 'Gosuslugi' ('State Services') portal, developing functionality of the client profile in the loan manager's personal account (on the My Home and My Village platforms) and developing functionality of services for submission of mortgage loan applications and other Bank services in the Authorised Representatives channel. The following improvements were made to the mobile application: tools for servicing loans were provided, and guides to purchasing real estate ('Registering Ownership' and 'How to Apply for a Mortgage') were created and made available to users. A partner channel was developed (for developers, financial aggregators and contractors), which enables partner relations with financial marketplaces, aggregators and major real estate agencies as part of accepting

mortgage applications through the My Home channel. API integration was implemented with the major market players (Bankiros, Vyberi.ru, DVIZH, Sravni.ru, Banki.ru. Etazhi) in order to receive mortgage loan applications. As a result, RusAg now accepts applications from all of Russia's major market players.

#### THE 'SVOYE SELO' ('MY VILLAGE') PLATFORM

'Svoye Selo' ('My Village') is a digital platform for purchasing and renovating accommodation in rural areas. In 2024, the platform was visited by more than 4.5 million unique users. The platform hosts more 6100 country house designs (+60% as compared to 2023) created by 3200 contractors accredited by the Bank. More than 11 800 partners providing home improvement and landscaping services are present on the platform, which features over 500 architectural designs and 9200 home improvement and landscaping services. More than 7800 families obtained rural mortgages through the digital channel.

##### Achievements in 2024.

The following services were launched and became available on the platform in 2024: a cross-recommender system in product and service cards, a service offering free-of-charge construction consultations by market participants, and private construction services. A media platform was developed specialising in individual housing construction, offering useful content for people who plan to buy or build a house. Texts on current topics and themes are posted on the platform: house mortgages, building a house, repair, design, summer cottages, our partners, life in the village, analytics, news, authors' notes, tips for farmers, legislation updates, guides. Innovative partners have been invited to create AI-based express design on the My Village platform.

#### THE 'YA V AGRO' ('MY AGRICULTURE') PLATFORM

'Ya v Agro' ('My Agriculture') is a platform featuring digital services that help people to become involved and build a career in agribusiness, to gain additional knowledge and opportunities for growth and development, to find an internship or practical training, find employment, and to create and develop scientific projects. Education institutions can use the platform to create their own space, build contacts with schoolchildren and school leavers, and find new employer partners. The My Agriculture platform features 76 higher education institutes and 303 colleges. More than 144 000 students at agrarian higher education institutes and colleges have created their digital profiles on the platform in the Golden Talent rubric.

##### Achievements in 2024.

A mobile application for students was launched; it is used by more than 2300 students at 6 agrarian higher education institutes.

The first season of RusAg's incentive programme, 'Meet Agritech', went ahead in 2024. More than 25 000 students from more than 50 regions of Russia took part. The winners were awarded RusAg scholarships of RUB 15,000 for their studies at agrarian higher education institutes. New projects launched in 2024 include 'Digital Lecture Hall' and 'Agribusiness Employers Club'. Students taking part in the Agrovector Project (enabling students to present their ideas to science and business experts) are invited to practical trainings, internships and employment positions, and are provided with grants for further research. The platform features about 30 000 job offerings and internships at more than 19 000 companies. New services have been installed on the platform to help young people design their career plan, make a strong CV, and even send an application for an internship or a job from their own personal account. 25 contests were held in 2024 and more than 80 winners received awards.

The Agroclasses service on the My Agro platform is a unified education space for agricultural technology classes across Russia. The platform unites more than 1200 agricultural technology classes at 550 schools in 75 Russian regions. From 23 September to 1 October, the contest 'How I See the Future of Agriculture by 2030' was held for schoolchildren across Russia as part of the nationwide extracurricular project, 'Grain Journey, Talking about Important Things'. Thousands of schoolchildren from 72 regions submitted papers setting out their vision of Russian agribusiness 5 years into the future. The Agroclasses rubric also hosts 'AGRO Generation' magazine, which offers popular science and educational content for schoolchildren who are interested in agriculture. The magazine publishes texts about state-of-the-art agricultural technologies and research, news of agricultural technology classes, information on promising professions in agriculture and enrolment details of leading agribusiness educational institutes. More than 150 lessons on various topics are available in the Agroclasses rubric. The 'Career Track' career guidance service was created specially for schoolchildren. It features 40 of the most promising agribusiness professions. The platform team also holds career guidance webinars for schoolchildren and junior students of agrarian higher education institutes where practitioners at leading agribusiness enterprises talk inspiringly about their duties, career prospects and specific features of their work.

### THE 'VSE SVOYE' ('ALL MY OWN') PLATFORM

**'Vse Svoye' ('All My Own') is a digital platform that mainstreams rural life, highlighting the interests and needs of rural residents and owners of country houses, summer cottages and private plots.**

#### **Achievements in 2024.**

A number of actions were carried out in 2024 together with experts of the Timiryazev State Agrarian University in Moscow:

1. A service was launched to help people make landscape plans for summer cottages depending on climate and personal preference, with calculations and suggestions for outdoor plantings. More than 2500 plans for cottage plots in 83 regions were prepared during the year.

2. A knowledge base was launched for gardening beginners, experienced gardeners and summer cottagers, offering recommendations on how to make plantings, care for and maintain a land plot. More than 100 expert articles were posted as part of the knowledge base. An information portal was set up, dedicated to managing a private plot, with advice on how to get started and how to maintain the plot, offering more than 1000 separate materials. The All My Own platform has established a partnership with SDEK, a major delivery operator. By the end of 2024, the number of current platform visitors was in excess of 100 000 per month (+90% to 2023).

### **ASSISTANCE TO AGRITECH START-UPS**

RusAg offers extensive support to innovative agriculture and financial technology start-ups, from school projects to ambitious industry initiatives. The Bank implements a number of acceleration programmes, facilitates the establishment of new technology companies in the Russian market, helps Russian start-ups to enter markets in other countries and to attract investments.

In recent years, the Bank has launched about 40 pilot projects worth more than RUB 200 million in partnership with innovative agribusiness and financial technology companies as part of the RusAg corporate accelerator. In 2024, the RusAg Venture Studio was launched with operations that aim both to develop innovation inside the Bank and to support external start-up projects.

The Bank runs acceleration programmes for schoolchildren and students, as well as case-study championships and product marathons. The Agritech Constellation contest for young scientists invites market experts and representatives of the Venture Studio to carry out expert review of possible commercialisation of the results of scientific research and of patents. More than 1100 youth project teams passed the admission competition to join the RusAg programmes, and more than 1600 agriculture and financial technology start-ups passed the Bank's expert review.

The Bank provides substantial help to start-ups in raising venture capital investments from private investors, venture funds and corporations. The best 80 agritech start-ups in the scheme presented their technologies at closed meetings of the AgroInvest Club (established by RusAg). By the end of 2024, more than 160 private investors and more than 120 corporations had taken part in AgroInvest Club meetings. A number of the projects secured venture financing.

The Bank also helps start-ups to market their goods and services. RusAg blogs and social media are a valuable tool for winning clients and partners, by spreading the word about the best new technology solutions in the market. More than 4500 individuals joined the Agritech community in the Telegram media platform over a period of three years, hundreds of articles about agricultural technology start-ups have been posted on the Russian venture capital website, VC.ru, and dozens of technology company founders and young scientists speak each year on the 'Tsifrovaya Gryadka' ('Digital Seed Bed') podcast.

RusAg promotes international expansion of technology solutions to friendly countries and supports the exchange of expertise and the development of international cooperation in agricultural technologies with the BRICS countries. To date the Bank has assisted more than 30 start-ups that plan to enter the markets of 11 friendly countries (Brazil, India, etc.).

RusAg hosts digital services for start-ups and investors on its [rshbdigital.ru](https://rshbdigital.ru) platform. For example, the Bank's agricultural technology innovation storefront contains more than 350 agricultural technology solutions at maturity stage TRL5 and above, of which more than 50 are projects put forward by students and schoolchildren. New solutions are posted on the storefront on a regular basis.

A financial planning service for start-ups has been launched this year. The service helps first-time entrepreneurs to calculate a financial model for their project without the services of a market specialist and to share their model with investors on the platform.

The Bank does much to facilitate the development and promotion of agribusiness spheres that are a priority for the Russian Federation. This year, genetics and selection were the special focus of the annual AgroCode Hub project. The project included the 'AgroCode Hack' hackathon, which brought together more than 130 IT specialists and scientists to address topical business challenges. Total prize money in the AgroCode Hack event was RUB 800 000.

RusAg also held the 'AgroCode Conf', Russia's first conference on agricultural technologies, genetics and selection. The conference, held in December 2024, was of interest to more than 300 000 young and experienced specialists in the specialised sphere of genetics and selection. It highlighted key achievements of Russian science and set the vector for industry development in 2025.



# BRANCH NETWORK, DEVELOPMENT OF SALES AND SERVICE CHANNELS

Russian Agricultural Bank leverages its strong territorial presence, and its sales and service channels to support long-term sustainable business growth, diversify income sources, and make financial products available to various client segments.

As of 1 January 2025, the Bank's regional network consisted of 64 branches and 1328 internal structural subdivisions. In addition to its fully-functional sales points, RusAg has 162 offices that operate as remote work stations, 6 self-service offices, 4420 ATMs and 1492 information and payment terminals.

The Bank also employs 214 mobile managers and 478 authorised representatives.

The Bank has sales points in 82 of the 89 constituent regional entities of the Russian Federation. The Bank has a network of sales points in rural areas, towns and cities, including areas where it is the only credit institution with presence. About 68% of the Bank's regional network of sales points is in small towns (population less than 50 000) and in rural areas. As of 1 January 2025, territorial coverage of rural areas was 100% and the level of service coverage in rural areas (without the Bank's authorised representatives) was 87.4%.

Network development work is mainly focused on upgrading of the existing sales offices and the provision of optimal conditions for client service and staff work. Steps to expand the Bank's footprint in Russian regions include ongoing development of remote client service channels and improvement of their functionality.

The combination of a wide geographic physical presence and vigorous development of remote service channels enables clients to access the Bank's products and services and government support programmes from almost anywhere in Russia.

Work has been done to streamline the formats of sale points in order to enhance efficiency of their operations. As a result, 29 internal structural subdivisions (18 remote work places, 11 retail mini-outlets) have switched to a low-cost format.

## Customer Service Quality

An efficient system was created in 2024 for dealing with client feedback on public Internet information platforms (Yandex.Maps, 2GIS, Banki.ru) in order to shape efficient communications between the Bank and its clients. For this purpose, the Bank deployed an interactive service, i.e. a system for gathering client feedback using a QR code placed at each workstation of front-office staff providing client service. This system makes it possible to obtain information on client experience at the time of service at each of the Bank's points of sale and to post the client's opinion on the quality of services provided directly on public Internet rating platforms. Client feedback helps the Bank to improve its existing products/ services and develop new ones, and to make them available to all groups of clients.

A business area of particular importance in 2024 was the creation of an efficient quality system in the Bank's regional network with the involvement of staff at client service units of regional branches. These staff ensured compliance at the Bank's points of sale with all internally approved standards. The key task of the units was to create an efficient client service quality system, to directly communicate with clients to identify and solve problems that the clients face in the course of their work, and to promptly resolve the problems in an "on the spot" format. A hotline with the unit staff was arranged, with a phone number specified for each office of the Bank, so that clients could share their impressions of the Bank's services and promptly resolve their issues.

A storefront of client service quality indicators has been designed as part of work to improve tools for monitoring client service quality. This indicator monitoring tool enables online control of results in this area, promptly identifying any problems at an early stage and designing steps to deal with them. The tool involves all staff in the process of creating a high-quality client service system and shows the impact of each member of staff on overall results.

The Bank assigns ratings to regional branches in order to enhance the involvement of regional branch managers in achieving RusAg's strategic objectives for client service quality. Assessments are made using the traffic-light model on a quarterly basis. The best regional branch is awarded the 'Star of Quality'. It is worth noting that the achievement and recognition of the best regional branches in the client service quality area have an impact on the achievement of the Bank's objectives and tasks and are a positive example of applying best practices in this area.

In general, the steps taken in 2024 were aimed at achieving a long-term competitive advantage by ensuring a high level of communication and client service, efficiently and comprehensively satisfying their needs and enhancing their loyalty, which, in turn, has an impact on retention of the existing client base, additional client traffic and, as a result, the growth of business volumes.

RusAg retained leading positions on major Internet rating and information platforms in 2024. The Bank is among TOP-10 leaders in the 'People's Rating' of Banki.ru and ranks 6th in the annual ranking and 3rd in the 'People's Rating of Investment Companies'. As of 1 January 2025, the Bank's rating on leading geospatial services was 4.7 (assigned by Yandex Maps) and 4.9 (assigned by 2GIS) and 100% of internal structural subdivisions achieved the target level at the leading geospatial services. This is the best result among competing banks.

# HUMAN RESOURCE MANAGEMENT

<sup>26</sup> Source: RusAg information as of 1 January 2025, actual headcount.

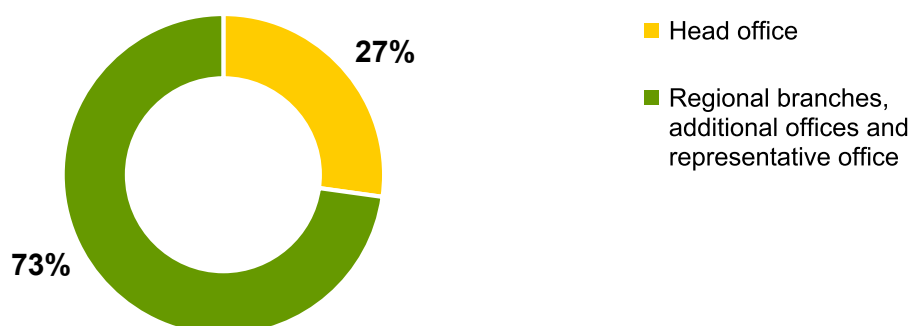
Human resource management (HRM) at RusAg is carried out in accordance with the Bank's Development Strategy through 2025. In its HRM work the Bank aims to build a team for effective implementation of strategic goals, active development of mentoring, training in working groups and regional rotation. The Bank creates functional role models to improve human resource capacity and implement specialised educational programmes for farmers, as well as providing support for students in Russian regions through its own scholarship programme.

Effective HRM at RusAg is supported by financial and non-financial motivation schemes, consistent policies in recruitment, appraisal and training, and strong internal social policies.

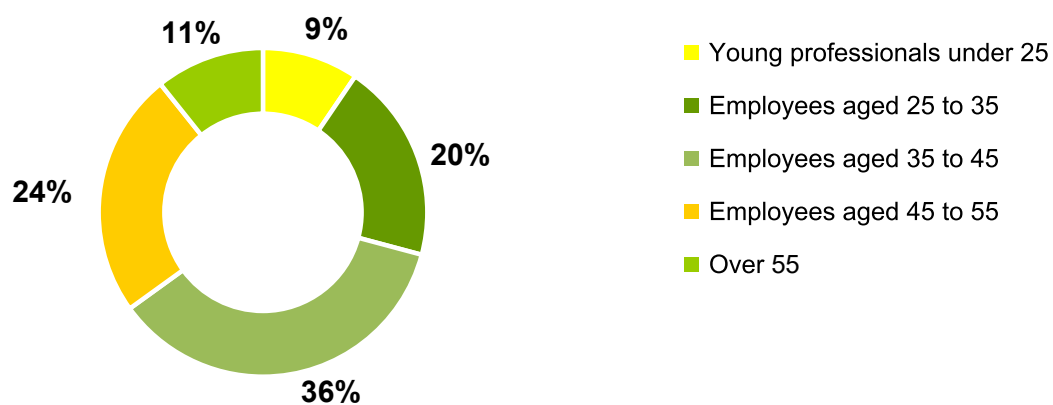
## OVERVIEW OF PERSONNEL<sup>26</sup>

Russian Agricultural Bank is one of the largest employers in the Russian banking sector. In 2024 the Bank's headcount was around 26 320 (about 7 200 in the Bank's head office and over 19 200 in regional and additional offices).

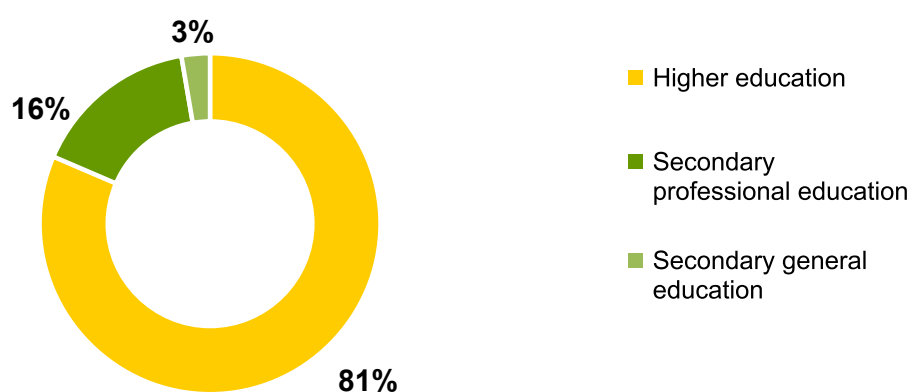
## STAFF COMPOSITION BY LOCATION



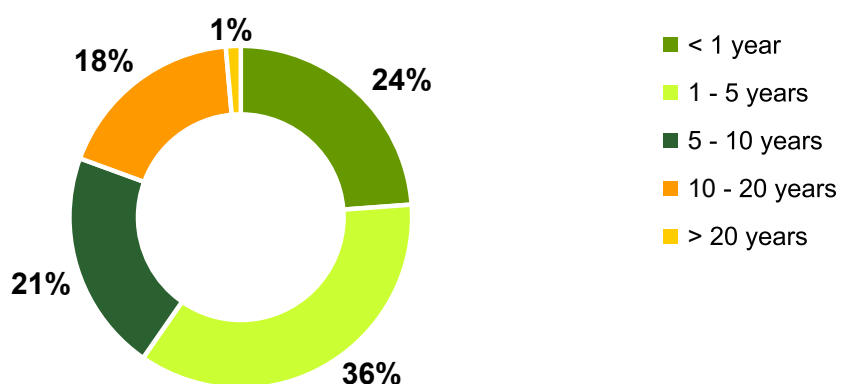
## STAFF COMPOSITION BY AGE



## STAFF COMPOSITION BY EDUCATION



## STAFF COMPOSITION BY WORK EXPERIENCE IN THE BANKING SECTOR



Over 80% of the Bank's personnel have higher education and substantial banking industry experience. The average age of the Bank's workforce is 40 years.

## CORPORATE SOCIAL RESPONSIBILITY TO EMPLOYEES

In 2024, the Bank held about 1,000 corporate events (in Head office and regional offices), of which about 470 were team-building, 160 sports, 80 environmental, 130 others (competitions, work with students, etc.), with a total coverage of more than 50,000 people. Special attention was paid to the Bank's volunteer movement. In just one year, more than 160 volunteer events and charity events were held in regional branches and Head office. Rosselkhoznadzor volunteers visited more than 40 children's institutions (orphanages, boarding schools, social rehabilitation centers), more than 20 shelters for homeless animals, and also provided assistance to children's hospitals, low-income families, and the elderly.

Important events in the life of the Bank and its corporate culture in 2024 were the launch of a large-scale employee recognition system, Harvest Awards, conducting a large-scale study and, as a result, the development of the Bank's HR brand platform.

2024 was the year of the relaunch of the bank-wide competition «The Best by profession». In an updated format, 1,229 people from 62 regions of the country took part in 7 professional nominations and one special category «The Best Mentor».

The Bank pays great attention to the healthy lifestyle of its employees, and in this regard, RSHB teams participate in various external tournaments among financial sector organizations. Internal tournaments, face-to-face and online competitions are held on an ongoing basis, with the involvement of a large number of participants. In 2024, the national teams of the RSHB twice took first place in the medal standings at the Central Bank Spartakiad. Among the Bank's largest events are the sports marathon «RusAg 24 Ski Track», the winter corporate family and sports festival «More than Sport», and the «Summer Day Celebration» dedicated to the Birthday of the RusAg, which was based on sports activities for employees and their families.

## RUSAG CORPORATE UNIVERSITY

The RusAg Corporate University has been operating at the Bank since 2008. Its task is to provide a unified permanent training environment for all staff of the Bank, enabling formation of a highly professional and unified team.

Bank staff are trained in accordance with RusAg's HR Strategy 2025, the Bank's key objectives and tasks, as well as needs of the Bank's standalone structural subdivisions and regional branches.

The training system is focused on two areas: soft skills (developing staff competences, as per the HR Strategy, to share the Bank's values, developing HIPO/HIPRO among staff, improving management skills and personal performance); and hard skills (development of professional and industry competences).

In accordance with the staff training plan for 2024 (updated on a quarterly basis), 1827 internal contact/online training events were arranged and held, and participation of Bank staff was arranged in 511 events with the involvement of third-party providers.

In 2024, 720 mandatory distance training events were held, 992 584 courses were taken by individuals, and 107 484 tests were taken by individuals. The training success rate was 80%.

Overall training coverage was 89% of total staff and average NPS was 4.91.

RusAg Corporate University activities in 2024 were as follows:

- 277 new distance-learning courses and 90 tests to assess training efficiency were designed;
- a training programmes catalogue was developed, which includes more than 89 programmes for all staff of the Bank, aimed at developing corporate competences;
- new training formats were put into practice, including business games, online trainings, facilitation, moderation and team-building sessions.

The Bank is working to improve its tools for professional and expert staff training (899 events were arranged and held). Professional communities are evolving within RusAg in order to maintain and develop professional expertise: internal experts held 14 face-to-face meetings with 1116 staff and 32 online meetings with 1332 staff during 2024.

In 2024, new points of presence of the RusAg Corporate University were opened and existing points in regional branches were upgraded. As of the end of 2024, there were 8 training centres. A training programme for top managers of the Bank's headquarters and regional branches was developed and successfully launched. Development tools such as mentoring have been successfully implemented. The RusAg Talent Pool programme for work with HIPO/HIPRO staff is continuing.

In 2024, the Bank launched a career advancement project for Bank staff. The project aims to improve the transparency and streamline the logic of career processes, and to generate a career service infrastructure. Rules for internal rotation and career progression principles have been introduced. Also, a career consulting centre has been set up to support staff and managers. RusAg holds information meetings and webinars for staff dedicated to various matters of career advancement. More than 20 drop-in career advancement events and webinars were held for Bank staff in 2024, and more than 3300 managers were trained in holding career dialogues. Career ladders and paths were developed for front-office staff and staff of cash-handling centres.

Staff of companies in the Bank Group were given the opportunity to take part in the programmes of the Corporate University (228 of these staff took part in 95 contact and online events).

The design and catalogue of the Corporate University app were updated in 2024, making the application more convenient and improving its functionality. All staff of the Bank, including staff of internal structural subdivisions, can complete remote training and testing and sign up for in-person events without using their workplace computer and the Bank's internal network (using their personal devices), both during and outside business hours (on the way to work or at weekends). They do so using convenient and widespread mobile format. As of December 2024, the Bank's mobile app was used by 17 693 staff, including 14 128 at regional branches. Information on availability of the RusAg Corporate University mobile app to complete training courses is communicated to all Bank staff in newsletters.

## COOPERATION WITH HIGHER EDUCATION INSTITUTIONS

The HR Department and HR units at regional branches emphasise formation and development of an external talent pipeline from among students, graduates of educational institutes and young specialists as a priority for securing the Bank's human capital.

A system of efficient practical steps is implemented for communication between the Bank and educational institutions and students. The system includes:

- practical training and internships for students in higher and secondary vocational education;
- conduct of a grant programme for representatives of the scientific community at agrarian higher education institutes;
- RusAg scholarship bursaries for students and postgraduates.

**The RusAg Scholarship Programme** is a flagship education project where students and postgraduates at higher education institutes supervised by the Russian Ministry of Agriculture and at other institutes that train specialists for agribusiness industries can receive a monthly scholarship in the amount of RUB 15 000 throughout the academic year.

The RusAg HR Department, together with RusAg regional branches, select scholarship recipients using approved criteria and compile a list of applicants for RusAg scholarships that includes 437 scholarship recipients from 70 higher education institutes, for total estimated funding of RUB 82.92 million.

The Bank's experience of the scholarship programme has proved the importance of support to talented students and postgraduates and of shaping an agribusiness talent pipeline based on the most gifted and industrious students.

In 2024, RusAg implemented its first grant programme for young scientists at agrarian higher education institutes. The objective is to support young scientists who are engaged in future-oriented scientific research in priority agribusiness areas and to attract new specialists to the industry.

The 2024 focus areas in which projects were chosen for the contest were: selection, seed farming and biotechnology; agricultural genetic research; feed supplements; development of highly efficient animal drugs; animal science and veterinary medicine.

Applications for the grant could be made by full-time staff of agrarian higher education institutes aged up to 40 (inclusive), holding degrees of a doctoral candidate/doctor of science, and carrying out future-oriented research/development in agribusiness focus areas or carrying out education and/or scientific research activities.

In 2024, 7 higher education institutes took part in the Programme: the Timiryazev Agricultural Academy in Moscow; the Kuban State Agrarian University; Bashkiria State Agrarian University; Belgorod State Agrarian University; Omsk State Agrarian University; and Stavropol State Agrarian University.

**The Bank takes an active part every year in career events at higher education institutes (career days, recruitment fairs, etc.),** helping senior students and graduates to find employment and promoting the Bank's brand as a potential employer. In 2024, more than 750 education events, including the Bank's annual RusAg Day, were held with the participation of 150 000 students at Russia's leading agrarian higher education institutes, providing information on the Bank's career opportunities, promoting the My Agriculture platform and enrolling students and young professionals for practical training, internships and start-up vacancies at the Bank.

The total number of events held to promote RusAg among young people is expected to be even greater in 2025.

More than 3000 students completed internships at the Bank in 2024.

The internship programme was implemented in Moscow and the regions in 2024 and about 100 students are now taking part in it through placements in the Bank's key business areas (large corporate business, risks, marketing, HR, etc.).



# CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

<sup>26</sup> Source: RusAg information as of 1 January 2025, actual headcount.

Since its foundation, RusAg has been consistently committed to principles of corporate social responsibility and sustainable business practices. Adherence to and implementation of these principles offer the best guarantee of a sustainable future for customers, shareholders and the wider community.

Sustainability is organically integrated in the Bank's core business and operations, since the Bank's mission, vision, and values are centred on the successful development of Russian agribusiness, ensuring the country's food security, improving financial literacy and enhancing overall welfare of people in the Russian countryside.

RusAg is implementing a range of initiatives for sustainable development: a special eco-fund has been established to support the sustainable development of agribusiness; clients are helped to source finance for environmental projects; agribusiness clients are instructed in best agricultural practices and ESG (Environmental, Social, and Governance) principles at the Bank's Farmers' School; and the Bank helps with development of rural areas, creating jobs and implementing an agro-tourism programme.

RusAg provides a full range of green financing to large corporate clients and a broad range of ESG investment products for retail clients. RusAg understands that involving customers and staff in environmental initiatives is an excellent way to enhance the Bank's reputation in the modern world as well as reinforcing staff loyalty and helping to protect the environment.

The Organica Foundation, supported by the Bank, promotes the philosophy of organic consumption, developing organic agriculture and supporting Russian organic producers. The Foundation focuses on the comprehensive development and export of organic products, and promotion of organic products among multiple target audiences is one of its key objectives. The Foundation finances programmes and projects to support organic producers, facilitate sponsorship, promote and enhance positive public attitude towards organic producers, working with federal and regional government to deliver policy for regulation of organic production.

## CORPORATE ETHICS CODE

RusAg's Corporate Ethics Code (CEC) was approved by the RusAg Management Board and has been in effect since 2012. It contributes to maintaining the good business image of the Bank, ensuring respect for the interests of its customers, business partners and staff, as well as shaping a single corporate culture based on strict observance by all staff of current legislation and the high ethical standards endorsed by RusAg.

The CEC regulates behaviour standards to be followed by Bank staff in their teamwork, when communicating with customers and counterparties, and also when liaising with government and local authorities, or with political, religious, public and other organisations. The principles set out in the Code are incorporated in the Bank's internal documents and serve as guidelines for staff in their work.

Information concerning application of the CEC is communicated to the Bank's creditors, depositors, and other customers, as well as to its shareholders, via the Bank's official website at [www.rshb.ru](http://www.rshb.ru).

## ENVIRONMENTAL RESPONSIBILITY

RusAg has voluntarily adopted and implements principles of environmental responsibility to preserve and restore natural resources, and to reduce environmental footprint from the Bank's activities, as well as to raise social awareness regarding environmental responsibility. The Bank complies with local and international ecological standards and norms when implementing mechanisms of voluntary environmental responsibility. Such mechanisms include:

- constant monitoring and evaluation of the Bank's activities related to inputs (raw materials, energy, water) and outputs (emissions, discharges, waste), including the development of a system for standardisation and monitoring of relevant indicators;
- minimisation of direct environmental impact, including impact from the actions of the Bank's personnel and business processes, and from the use of natural and energy resources, through improvements to consumption management and by monitoring standards of production of goods and services by the Bank's suppliers and contractors (as regards electricity (light, heating/cooling of premises, elevators and equipment), water, phased replacement of fluorescent lamps with LED lamps, waste disposal/recycling (industrial, household, food)), as well as separate waste collection;
- strengthening the Bank's role in the development of environmental responsibility mechanisms for its customers, including participation in financing of environmental protection and recovery projects, and the development and use of recoverable energy sources;
- popularisation by the Bank of environmental responsibility mechanisms through socially significant measures for the protection, preservation and restoration of the environment;
- introduction of standards and rules of environmental responsibility to be observed by Bank staff and built into the Bank's corporate culture, including understanding of the goals and methods of work based on environmental responsibility and commitment to environment preservation.

#### DATA ON RESOURCE CONSUMPTION BY THE BANK IN 2024

Resource type	Natural equivalent	Monetary equivalent, RUB mln
Electricity, kW/h	52 125 458.5	501.2
Heat, Gcal	1 220 365.2	163.5
Water, cubic metres	215 725.4	23.3
Natural gas, cubic metres	2 175.7	9.3
Firewood, cubic metres	410.7	0.7
Coal, tonnes	67.2	0.4
Petrol, tonnes	306.6	22.5
Diesel fuel, tonnes	830.3	67.0

#### DATA ON RESOURCE CONSUMPTION BY THE BANK IN 2024

The key principles for application of voluntary environmental responsibility at RusAg are:

- compliance with national and international environmental standards and policies;
- planning events and expenses related to ecological aspects of the Bank's activity, including environmental protection;
- standardisation and control of the Bank's performance indicators related to the use of material resources (input(s) (raw materials, energy, water) and output(s) (emissions, discharges, waste), resource consumption per staff member/per unit of usable space);
- optimal use of the Bank's resources in order benefit the environment, including reduction of electricity, heating, and water consumption by the application of resource-saving and innovative technologies, automated control of resource consumption and savings ('smart office' principles) and installation of solar panels;
- efficient allocation of responsibility and empowerment between the Bank's authorised bodies/officers/employees to ensure compliance with the Bank's established policies and standards for environmental protection;
- informing Bank personnel, counterparties and customers about the environmental responsibility principles adopted by RusAg and the tools used for their realisation, and encouraging openness, transparency and recognition of the Bank's voluntary environmental responsibility mechanisms.

Bank staff take part in regional and national environmental campaigns, which are led by the Russian Ministry of Agriculture, forest and nature protection companies, the Russian Geographical Society and other enterprises and organisations. As the key lender to national agricultural companies, RusAg supports projects to reduce resource consumption, enhance energy efficiency and support nature conservation. Crop development projects support the efficient use of land, water and other natural resources. Projects in livestock breeding (structured as investments and project finance) comply with the latest environmental safety standards. They include arrangements for waste recycling and disposal stages that minimise negative impact on the environment.

## SPONSORSHIP AND CHARITY WORK

The Bank's sponsorship programme and charity programme for 2024 were approved by the Supervisory Board and implemented in the reporting period.

RusAg spent RUB 1199.9 million on its sponsorship programme in 2024. The money was spent as follows:

- federal events, including those held outside the Russian Federation: RUB 1121.6 million;
- regional events: RUB 25.0 million;
- support for mass media specialised in coverage of the agricultural industry: RUB 53.3 million.

The total amount spent on the RusAg charity programme in 2024 was RUB 999.8 million. The programme was implemented in five focus areas:

- education: RUB 366.2 million;
- social support for citizens and for non-profit organisations: RUB 451.3 million;
- spiritual and moral guidance: RUB 17.8 million;
- sports and physical training: RUB 38.0 million;
- protection of the environment and wildlife: RUB 126.5 million.

The Bank continued to support its volunteer movement in 2024. More than 160 volunteer and charity fund-raising events were held at the Bank's regional branches and headquarters during the year. RusAg volunteers visited more than 40 child-care facilities (orphanages, residential care facilities, social rehabilitation centres) and more than 20 animal refuges, as well as providing help to children's hospitals, low-income families and the elderly.

## ANTI-CORRUPTION POLICY

Guided by zero tolerance of corruption in whatever form or manifestation and complying with anti-corruption laws, RusAg works systemically to improve its anti-corruption practices in accordance with the Bank's own Anti-Corruption Policy. These efforts include:

- organisational, explanatory and other comprehensive actions to ensure that Bank staff comply with any prohibitions, restrictions and requirements that have been established for anti-corruption purposes;
- analysing staff compliance with prohibitions, restrictions and requirements established for the purpose of combatting corruption, including control measures to detect conflicts of interest or corruption offences;
- work to foster rejection by Bank staff of corrupt practices.

In order to inform interested parties of RusAg's zero-tolerance attitude towards corruption, the official website of the Bank in the Internet ([www.rshb.ru](http://www.rshb.ru)) includes an 'Anti-Corruption' subsection, which includes a mechanism, by which any interested parties can inform the Bank of any suspected corrupt practice on the part of the Bank's staff.

In order to underpin its anti-corruption endeavour by regulatory action and put in place the appropriate behaviour standards for staff, the Bank has introduced and regularly updates a Register/Map of corruption risks and mitigation measures as well as a List of Positions that carry corruption risks.

RusAg as the parent credit institution supervises the implementation of anti-corruption policy by the organisations of RusAg Group in order to ensure uniformity of their approaches to preventing and combatting corruption.

The Bank carries out work to train, inform and advise its staff regarding anti-corruption practice, including, inter alia:

- familiarising staff with signature confirmation methods, in accordance with the Bank's internal anti-corruption documents;
- informing interested parties of RusAg's zero-tolerance towards corruption;
- full-time and distance learning, as well as consultation for staff at the Bank and organisations of the Bank Group regarding anti-corruption practice, including tests of their relevant knowledge.

The Bank's internal regulatory documents and business processes are subject to expert review in order to ensure their compliance with anti-corruption practice.

Anti-corruption clauses are incorporated into contracts and agreements concluded by the Bank. As part of its support for anti-corruption procedures, the Bank operates a Trust Line feedback channel, through which information concerning possible corrupt practice by Bank staff can be relayed ([doverie@rshb.ru](mailto:doverie@rshb.ru)).

As part of its work on regulatory provision for anti-corruption work and enshrining standards of staff conduct, the Bank has put in place and updates the 'RusAg Register (Map) of Corruption Risks and Steps to Minimize Such Risks' and the 'List of Positions Exposed to Corruption Risks'.

The Bank's highest (AAA+) ranking in the Anti-Corruption Rating of Russian Business was confirmed in 2024 based on the annual third-party independent assessment of the Bank's anti-corruption work, arranged by the Russian Union of Industrialists and Entrepreneurs. The Bank was also commended for its 'Leading Role in Promoting Anti-Corruption Principles' at the annual Russian Business Awards.

In 2024, the Bank completed in due time all the steps envisaged under the RusAg Anti-Corruption Plan and the National Anti-Corruption Plan 2021-2024 (approved by Executive Order No. 478 of the President of the Russian Federation dated 16 August 2021). The Bank also approved the RusAg Anti-Corruption Plan for 2025-2028.

The Bank strengthened its recognition in the Russian business community as an anti-corruption compliance expert thanks to participation by the Bank's representatives in major events held by state and public organisations. The events included:

- the 13th Eurasian Anti-Corruption Forum;
- the International Bankers Forum;
- the Anti-Corruption Forum of Russian Business 2024.

## PERSONAL DATA PROCESSING AT RUSAG

Personal data processed by the Bank and member organisations of RusAg Group is restricted-access information and subject to protection in accordance with Russian legislation. Relevant measures have been implemented at the level of the Bank and RusAg Group to comply with legal requirements regarding personal data.

The procedure for processing personal data includes standard document forms and measures and is based on a uniform approach across the Bank and member organisations of RusAg Group. The Bank has appointed responsible officials whose task is to organise the processing and protection of personal data. The Compliance Control Department of the Bank is the centre of competence for the entire RusAg Group as regards the organisation of personal data processing.

The Bank:

- carries out systematic examination of its regulatory and process design package to ensure compliance with the requirements of Federal Law No. 152-FZ;
- makes agreements containing instructions for the processing of personal data and requirements for the processing and security of personal data, including agreements relating to the transfer of such data (in cases where third parties are involved in the processing of personal data).

The Bank has strengthened its position in the banking and business community as a leading expert in the field of personal data through the participation of staff of the Bank's Compliance Control Department in specialised conferences and forums.

In order to reduce risks and raise awareness in the field of personal data processing, staff of the Bank and of member organisations of RusAg Group receive training in various forms, including distance courses. After being hired, each new member of staff undergoes a short training course on personal data processing, and is tested upon completion of the training.

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<sup>27</sup> The details of the RusAg Sustainable Development Policy are as follows

All requests from subjects of personal data regarding the processing of their personal data received by the Bank in 2024 have been reviewed. The subjects were informed of the results of consideration of their applications within the timeframes established by Russian legislation.

Taking into account the scale of RusAg's activities and the exposure of transactions involving the processing of personal data to regulatory, operational and reputational risks, the Bank has developed and is updating an algorithm for monitoring compliance with the requirements of Federal Law No. 152-FZ. The algorithm is used as a part of comprehensive audits of the branch network and internal structural divisions of the Bank.

## SUSTAINABLE DEVELOPMENT

In its operations, the Bank contributes to the achievement of all of the 17 Sustainable Development Goals declared by the document 'Transforming our World: the 2030 Agenda for Sustainable Development', which was adopted by resolution No. 70/1 of the General Assembly of the United Nations dated 25 September 2015.

The Bank designed and approved document No. 792-P<sup>27</sup> 'RusAg Sustainable Development Policy' which defines the Bank's unified approaches and objectives in the sphere of sustainable development. This document was drawn up in order to declare the Bank's voluntary commitments in sustainable development focus areas and was posted on the Bank's website in the section 'Sustainable Development Priorities of the Bank'.

The Bank has defined the following focus areas for its work to support the Sustainable Development Goals:

### Environmental Protection:

- lending and providing bank guarantees for the deployment of green technologies;
- establishing exchange-traded mutual investment funds that comply with responsible investment principles;
- arranging the issue of financial instruments for sustainable development;
- deploying green technologies in the Bank's operations (energy and resource economy, waste sorting, responsible consumption);
- implementing volunteer and charity projects to protect the environment and support sustainable development;
- supporting the Centre for Study and Conservation of the Amur Tiger Population (an autonomous non-profit organisation);

- developing the fuel market for gas-powered engines;
- promoting organic agricultural products;
- facilitating transition to the most efficient available agribusiness technologies;
- promoting the development of biotechnology start-ups;
- supporting producers of improved agricultural products;

#### **Social Responsibility:**

- lending to agribusiness in order to ensure Russia's food security;
- promoting the availability of quality food products;
- promoting improvement of the quality of life in rural areas;
- promoting small business development;
- promoting the development of environmental, rural and farm vacations;
- promoting the hire of dedicated professionals to work in agribusiness;
- supporting agrarian higher education institutes;
- promoting the development of agrarian science and agricultural technology start-ups;
- further training and education of agribusiness specialists;
- promoting healthy lifestyles;
- promoting financial awareness among the rural population;
- developing centres of attraction based on the Bank's branches in rural areas;
- developing and creating an ecosystem to provide integrated services for rural residents;
- digitalising rural areas;
- developing corporate volunteering;
- supporting and developing agribusiness start-ups;
- developing digital platforms for agribusiness and for rural areas;
- supporting charitable and volunteer projects;
- supporting non-profit organisations, associations of small farms and agricultural cooperatives;
- helping to ensure the availability of banking and financial services for disabled and mobility-impaired persons and for the elderly;

#### **Management:**

- helping to generate standards and incentives for implementing sustainable development principles in agribusiness;
- taking sustainable development principles into account in banking products for all business segments;
- managing sustainability risks;
- disclosing information as required by Russian legislation;
- partnership work for sustainable development of the economy and the banking system;



- designing documentation to support sustainable development work;
- ensuring the Bank's involvement in the sustainable development agenda;
- implementing best corporate governance practices;
- developing corporate culture;
- anti-corruption work;
- transparent and responsible procurement policy;
- promoting high standards among the Bank's suppliers and contractors in the spheres of human rights, employment practice, social responsibility and environment protection;
- providing equal opportunities for professionals;
- developing the Bank's expertise in the sustainable development of agribusiness.

In order to implement sustainable development actions and comply with sustainable development principles, the Bank generates and implements its own Sustainable Development Programme each year, in accordance with the Bank's Sustainable Development Policy. Coordination of activities and decisions on sustainable development issues are made in accordance with the requirements of the Bank's internal rules and provisions of the Bank's Sustainable Development Programme. The Bank's collegial management bodies contribute to implementation of the Sustainable Development Policy as per their tasks and powers, which are established by the Bank's regulations on the collegial bodies. The Bank's subdivisions implement the Bank's Sustainable Development Programme in the focus areas of the Sustainable Development Policy, guided by regulations on the subdivisions and by other internal documents and within the relevant programmes and projects of the Bank.

The following key steps were taken in 2024 for the implementation of sustainable development principles:

#### **Environmental Protection:**

- the Centre for Study and Conservation of the Amur Tiger Population (an autonomous non-profit organisation) received funding of more than RUB 60 million from RusAg and 6411 Amur Tiger bank cards were issued, bringing the total number of issued cards to 218 641;
- work was carried out to support development of the fuel market for gas engines (RUB 13.7 billion were allocated for the development of the market in 2024);
- projects were implemented with Russia's Ecology Foundation (the Foundation held 35 various environment campaigns and initiatives in 2024);
- a financial product line with a charitable component was developed (16 147 debit cards linked to the Ecocard Tariff Plan were issued and sale of 'Save the Springs' charity certificates was launched);
- green technologies were deployed in the Bank's operations (smart energy consumption systems and waste sorting were put in place at the Bank's facilities, and client service processes are being digitalised).

### Social Responsibility:

- lending was provided to agribusiness (loans disbursed to agribusiness in 2024 totalled RUB 2043.4 billion);
- small agribusiness firms received support (loans disbursed to agribusiness SMEs in 2024 totalled RUB 294.9 billion);
- work continued to improve the standard and quality of rural life (in 2024, RUB 92.3 billion were disbursed under the rural mortgage programme). Rural mortgages account for more than 90% of loans disbursed by RusAg;
- work was carried out to improve financial literacy of the rural population (a full programme of financial awareness events was carried out in 82 regions and a total of 14 494 events with participation of 199 000 people were held to improve financial literacy);
- special projects to develop farming skills were supported and promoted (the 9th and 10th editions of the Farmer's School project were implemented, 2399 young farmers were trained, and training was provided in 36 unique specialisations);
- support was provided to agrarian higher education institutes (57 higher institutes under the Russian Ministry of Agriculture were 100% covered by the Bank's scholarship programme);
- agribusiness specialists were retrained and received further education (more than 700 career events were held at higher education institutes, including 138 'RusAg Day' events at 69 institutes, and more than 28 000 job offerings were posted on the My Agriculture job search platform);
- centres of attraction were developed in the Bank's branches (the Bank has 100% coverage of rural areas and more than 96% of sales offices in the regional network provide at least 3 additional services);
- digital platforms were developed for agribusiness and rural areas (the Bank created 7 unique digital platforms to address issues experienced by agribusiness enterprises and rural residents: My Home, My Village, My Produce, My Farm, My Place in the Country, All My Own, and My Agriculture);
- social programmes were developed for Bank staff (all Bank staff are eligible for voluntary health insurance programmes, and additional life and health insurance programmes are also available);
- work to promote healthy lifestyles continued (the Bank has a calendar of sports events and 5000 staff took part in events in 2024);

### Management:

- equal opportunities for professionals were ensured (open contests are held to fill Bank vacancies, information on the contests is communicated to each member of staff at the Bank, more than 74% of the Bank's staff are women, and 68% of the Bank's managerial positions are held by women);
- the institution of mentoring was further developed (mentoring is universal practice at the Bank, which has 3315 certified mentors);
- training was provided to managers through the Leadership Vector programme for management skills (5809 staff of the Bank and its subsidiaries were trained in 2024);
- competitive procedures are used for the greater part of the Bank's procurement work (87% of total procurement). In 2024, the Bank carried out 65% of its total procurement from SMEs. Results of the 4th Rating of Procurement Management Quality by the Business Solutions Expert Rating Agency placed RusAg among the top-5 best companies in respect of Russian Law No. 223-FZ, governing procurement.

# ADDENDUM

## 10.1.

### REGIONAL NETWORK<sup>28</sup>

<sup>28</sup> Note: Bank information as of 1 January 2025.

Federal District	Branch name	Index No. 3349/
Central Federal District	Head office	0/02
Central Federal District	Head office	0/03
Central Federal District	Head office	0/04
Central Federal District	Head office	0/05
Central Federal District	Tula	1
Central Federal District	Tambov	2
Southern Federal District	Krasnodar	3
North Caucasus Federal District	Dagestan	4
Volga Federal District	Orenburg	5
North Caucasus Federal District	Stavropol	6
Southern Federal District	Rostov	7
Northwestern Federal District	Novgorod	8
Siberian Federal District	Omsk	9
Central Federal District	Orel	10
Volga Federal District	Chuvashia	11
Volga Federal District	Samara	13
Central Federal District	Voronezh	14

Federal District	Branch name	Index No. 3349/
Volga Federal District	Penza	15
Volga Federal District	Mari El	16
Siberian Federal District	Altai	18
Central Federal District	Tver	19
Volga Federal District	Mordovia	20
Volga Federal District	Kirov	22
Far Eastern Federal District	Amur	23
Central Federal District	Lipetsk	24
Siberian Federal District	Novosibirsk	25
Central Federal District	Kaluga	27
Volga Federal District	Udmurtia	28
Central Federal District	Belgorod	30
Central Federal District	Kursk	32
North Caucasus Federal District	Chechnya	34
Northwestern Federal District	Saint Petersburg	35
Central Federal District	Ivanovo	38
Volga Federal District	Nizhny Novgorod	39
Central Federal District	Vladimir	41
North Caucasus Federal District	Ingushetia	42
Central Federal District	Smolensk	43
North Caucasus Federal District	Kabardino-Balkaria	44
Southern Federal District	Volgograd	46
Far Eastern Federal District	Chita	47
Northwestern Federal District	Arkhangelsk	48
Siberian Federal District	Krasnoyarsk	49
Central Federal District	Kostroma	51

Federal District	Branch name	Index No. 3349/
Volga Federal District	Saratov	52
Far Eastern Federal District	Kamchatka	53
Far Eastern Federal District	Primorsky	54
Northwestern Federal District	Kaliningrad	55
Siberian Federal District	Kemerovo	56
Siberian Federal District	Tuva	57
Central Federal District	Ryazan	58
Far Eastern Federal District	Buryatia	59
Far Eastern Federal District	Yakutia	60
Central Federal District	Yaroslavl	61
Volga Federal District	Bashkiria	62
Central Federal District	Moscow, Retail and Small Business Centre	63
Siberian Federal District	Tomsk	64
Volga Federal District	Ulyanovsk	65
Siberian Federal District	Irkutsk	66
Volga Federal District	Tatarstan	67
Northwestern Federal District	Pskov	68
Central Federal District	Bryansk	69
Ural Federal District	Tyumen	71
Far Eastern Federal District	Sakhalin	72
Ural Federal District	Sverdlovsk	73
Northwestern Federal District	Komi	74
Far Eastern Federal District	Khabarovsk	75
Volga Federal District	Perm	76
Ural Federal District	Chelyabinsk	78
Central Federal District	Moscow, Corporate Business Centre	79

## 10.2.

## LICENCES AND CERTIFICATES

### Licences:

No: 3349	No: 3349
Issuing authority: Bank of Russia	Issuing authority: Bank of Russia
Date of issue: 12 August 2015	Date of issue: 12 August 2015
Licensed activities: General licence for banking operations	Licensed activities: Attracting deposits and operations with precious metals
No: 007-08461-000100	No: 007-08456-010000
Issuing authority: Federal Financial Markets Service	Issuing authority: Federal Financial Markets Service
Date of issue: 19 May 2005	Date of issue: 19 May 2005
Licensed activities: Depositary activity	Licensed activities: Dealing operations
No: 007-08455-100000	No: 1473
Issuing authority: Federal Financial Markets Service	Issuing authority: Federal Financial Markets Service
Date of issue: 19 May 2005	Date of issue: 17 November 2009
Licensed activities: Brokerage activity	Licensed activities: Licence of a stock market agent for concluding commodity futures and options transactions in stock trading

**Licences:**

No: 17078 H

Issuing authority: Centre of the Federal Security Service of the Russian Federation for Licensing, Certification and the Protection of State Secrets of the Federal Security Service

Date of issue: 5 February 2019

Licensed activities: Development, production, distribution of encryption (cryptographic) facilities, information and telecommunication systems, which are protected with encryption (cryptographic) facilities, for works and services in the field of data encryption, technical support services of encryption (cryptographic) facilities, information and telecommunication systems, which are protected with encryption (cryptographic) facilities (except where technical support services of encryption (cryptographic) facilities, information and telecommunication systems, which are protected with encryption (cryptographic) facilities, are performed for the own needs of the legal entity or individual entrepreneur)

No: Version 4.0.1 № DN-2024-21

Issuing authority: JSC DialogueScience, QSA-auditor, certificated by PCI DSS Council

Date of issue: 29 November 2023

Licensed activities: Certificate of conformity of JSC Russian Agricultural Bank with requirements of the Payment Card Industry Data Security Standard (PCI DSS)

No: L024-00107-77/00682814

Issuing authority: FSTEC Order No. 362-I dated 21 September 2023

Date of issue: 21 September 2023

Licensed activities: Technical protection of confidential information

**Certificates:**

No: 3349	No: 760
Issuing authority: Bank of Russia	Issuing authority: State Agency for Deposit Insurance
Date of issue: 24 April 2000	Date of issue: 14 March 2005
Certified activities: Certificate of state registration of the credit organisation	Certified activities: Certificate of inclusion of the Bank in the State Register of banks that are participants of the obligatory deposit insurance system
No: -	No: -
Issuing authority: Federal Tax Service Inspectorate of the Russian Federation No. 4 for the City of Moscow	Issuing authority: Office of the Ministry for Taxes and Levies of the Russian Federation in Moscow
Date of issue: -	Date of issue: 22 October 2002
Certified activities: Certificate of registration of a legal entity with the tax authority at a location within the Russian Federation	Certified activities: Certificate of registration in the Unified State Register of Legal Entities for a legal entity registered before 1 July 2002
No: -	No: -
Issuing authority: Interregional Inspectorate No. 9 of the Federal Tax Service of the Russian Federation for large taxpayers	Issuing authority: Moscow Regional Branch № 13 of the Social Insurance Fund of the Russian Federation
Date of issue: -	Date of issue: 14 March 2001
Certified activities: Notification of registration with the Interregional Inspectorate of the Federal Tax Service of the Russian Federation for large taxpayers	Certified activities: Insurance certificate
No: 002.003.381	No: -
Issuing authority: Moscow Registration Chamber	Issuing authority: Office of the Federal Tax Service for the City of Moscow
Date of issue: 18 May 2000	Date of issue: 25 December 2008
Certified activities: Certificate of registration in the Municipal Register of Enterprises of the city of Moscow	Certified activities: Certificate of registration in the Unified State Register of Legal Entities



## 10.3.

# CONTACT AND PAYMENT DETAILS

<b>Full Corporate Name</b>	Joint stock company Russian Agricultural Bank
<b>Abbreviated Corporate Name</b>	JSC Rosselkhozbank
<b>Legal Address</b>	3 Gagarinsky Pereulok, Moscow, Russia, 119034
<b>Phone</b>	+7 (495) 787-7-787
<b>E-mail</b>	office@rshb.ru
<b>Website</b>	www.rshb.ru, www.rusagrobank.com

## INTERNATIONAL CONTACTS

<b>Place of business</b>	10, Bld. 2 Presnenskaya Emb. (Moscow City, IQ-quarter Complex), 123112, Moscow, Russian Federation
<b>Investor Relations, E-mail</b>	IR_RusAgroBank@rshb.ru
<b>Financial Institutions, E-mail</b>	fininst@rshb.ru
<b>Foreign Economic Activity / Trade and Structured Finance / Documentary Operations,</b>	
<b>Phone</b>	+7 (495) 726-5615
<b>E-mail</b>	ved@rshb.ru

## INTERNATIONAL CONTACTS

<b>Correspondent Account</b>	30101810200000000111 with the Central Bank of the Russian Federation, Main Branch for the Central Federal District, Moscow
<b>TIN / KPP</b>	7725114488 / 997950001
<b>BIC</b>	044525111
<b>OKPO</b>	52750822
<b>OKONKH</b>	96120
<b>OKATO</b>	45286590000
<b>OGRN</b>	1027700342890
<b>REUTERS</b>	AGRM
<b>TELEX</b>	485493 RSB RU
<b>BIC (for SPFS)</b>	RUAGRUMM