Central Bank of Russia (CBR): founded in 1990

1990 – Law on banks and banking activities
   – Law on Central Bank of RSFSR
1992 – Russia becomes an IMF member
1995 – Law on Central bank of RSFSR: amendments
1996 – CBR becomes a BIS member

Federal Financial Markets Service (FFMS): founded in 1993

1992 – MICEX established
   – Law on insurance business
1995 – RTS exchange established
1996 – Law on securities market
1996 – Law on joint-stock companies
1999 – Law on protection of rights of securities market investors

Focus on Russian financial market development

CBR becomes the megaregulator of the Russian financial sector

2013 – CBR becomes an IAIS member as well as IOSCO member
2014 – Inflation targeting regime with 4% medium-term target rate
   – Introduction of a floating exchange rate regime
   – Approval of a new corporate governance code
   – National Card Payment System Joint-Stock Company (AO NSPK) established
2015 – Signing of the IOSCO Multilateral Memorandum of Understanding
   – National payment system “Mir” established and “Mir” card issue started
2016 – Banking regulation in Russia assessed as compliant with Basel II, Basel 2.5 and Basel III (RCAP)
2017 – Introduction of proportional regulation in banking sector
   – Introduction of new financial rehabilitation mechanism
2018 – CBR joins MMoU IAIS
2020 – Sustainable finance working group within CBR is established

Focus on Russian financial market development

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EVOLUTION (2)
Monetary policy framework development

- **2006**: Inflation targeting announced. Inflation targeting is represented as a midterm goal in the “Monetary Policy Guidelines”.
- **2008**: Active inflation targeting communications.
- **2009**: Liquidity management. Instruments are developed, the interest rate corridor is narrowed.
- **2012**: Transition deadline set. “Floating rate and inflation targeting by 2015”.
- **2013**: Key rate introduced.
- **2014**: Floating exchange rate introduced.

**1998 - 2008**: Narrow band

**Feb 2009 - 2014**: Flexible band

**2015**: Transition to the inflation targeting regime is completed. Medium-term inflation target is around 4%.

Since Nov. 2014: Free floating Ruble

**Dec 2019**: Inflation 3.0%
**Dec 2020**: Inflation 4.9%
**Dec 2021**: Inflation 8.4%
**Jan 2022**: Inflation 8.7%

- **Apr 2021**: Start of publication of the key rate forecast in the form of ranges for the average key rate.
- **Jun 2021**: The Bank of Russia announced it will conduct the Monetary policy review every five years.
**EVOLUTION (3)**

Bank of Russia supervises the following key segments:

- **Banking sector**
- **Payment infrastructure**
- **Non-state pension funds**
- **Market infrastructure, including fair pricing**
- **Asset managers**
- **Securities market, including securities market professionals**
- **Microfinance**
- **Credit rating agencies**
- **Insurance sector**
REFORMS
Promoting price and financial stability, fair competition, cutting edge technologies and best practices

Monetary policy
Inflation targeting regime adopted with a 4% medium-term target rate pursued using conventional monetary policy instruments

Banking regulation and supervision
- Banking sector rehabilitation in progress, new bank resolution mechanism introduced
- Proportional regulation introduced and an advanced IRB approach for the largest banks gradually phased in
- Banking regulation compliant with the Basel II, Basel 2.5 and Basel III standards, maintaining AML/CFT supervision of credit and non-credit financial institutions (according to the Regulatory Consistency Assessment Program (RCAP) 2016)
- New macroprudential regulation mechanism in force – risk-weight add-ons are introduced and set by the Bank of Russia Board of Directors
- Setting up a national rating industry - only credit ratings of Russian national agencies may be used for regulatory purposes

FinTech development
- Concept of Digital Ruble – based on a two-tier retail model – approved

Market infrastructure
- Benefits from infrastructure put in place, tax and regulatory reforms (T+2, CSD and access of ICSDs, up-to-date CCP, Individual Investment Accounts)
- Marketplace project infrastructure – personal finance platform ‘Finslugi’ launched in October 2020

Corporate governance
JS companies segregation into public and non-public, corporate actions reform, new corporate governance code adopted in 2014, listing rules based on the new corporate governance code, listing committees established

Payment infrastructure
- Russian payment system infrastructure developed and currently in use by all leading international payment systems
- MIR National Payment System card issuance launched in 2015
- System for transfer of financial messages (SPFS) has been developed
- The Faster Payments System launched in January 2019

Pension system
- Guarantee fund mechanism introduced
- Investment horizon for non-state pension funds extended to 5 years
- Introduction of new voluntary personal pension plan (simple and standard) is being discussed
Russia complies with or implements key international standards and best practices

**Russia’s Anti-Money Laundering system is compliant with FATF Recommendations**

**High FSAP grades** in all surveyed segments, including securities market, insurance and payment infrastructure

**Russia rose to #45 in the IMD World Competitiveness Center Ranking 2021** (#50 in 2020)

**Russia is a party to the Articles of Agreement of the IMF and upholds free movement of capital**

**Banking regulation is compliant with Basel II, 2.5 and Basel III (RCAP 2016)**

Bank for International Settlements, IAIS and IOSCO **Principles for financial market infrastructures (PFMI)** are being implemented

Upon monitoring the implementation of the PFMI, the CPMI gave Russia the highest-possible ‘4’ rating

The BoR payment system fully complies with the PFMI.

**The National Settlement Depository is eligible for custody arrangements under Rule 17f-7 of the US Investment Company Act of 1940**

**Insurance sector has started implementing Solvency II European principles**
INTERNATIONAL COOPERATION
Bank of Russia cooperates with international financial institutions, regulators and associations

Multilateral cooperation

Financial market authorities

Regional financial integration
# NEWSLETTER (1)
Key news from the Russian financial market

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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| **January 2022** | **25 January 2022:** the Bank of Russia has set 1 January 2024 as the deadline when market participants should switch to using benchmarks that comply with relevant international standards in their financial instruments and agreements.  
**22 January 2022:** the Ministry of Finance announced its regular FX and gold purchases on the market under the budget rule will total Rub 585.9 bn ($7.85 bn), with daily purchases equaling Rub 36.6 bn a day between Jan 14 and Feb 4.  
**21 January 2022:** on 24 January 2022, the Bank of Russia resumed the issuance of loans under the temporary facility to support lending to small and medium-sized enterprises (SMEs) operating in industries the hardest hit by additional anti-pandemic measures. The Bank of Russia is going to issue loans under this facility through 31 March 2022. |
| **December 2021** | **22 December 2021:** The Bank of Russia recommends that companies should analyse their corporate governance systems to find out whether they properly take into account ESG factors and sustainable development issues.  
**10 December 2021:** In order to continue financial market digitalisation and improve access to financial products and services for individuals and businesses, the Bank of Russia outlined the strategic areas for financial technology development for the next three years. |
| **November 2021** | **22 November 2021:** the State Duma approved a law that gives the Bank of Russia the right to establish direct quantitative limits on certain types of consumer loans issued during a quarter by a bank or a microfinance organization.  
**12 November 2021:** Under the new green securities issuance rules, issuers will be able to label their bonds as green if these papers are used to raise money for projects which are green according to both the Russian taxonomy and international standards. These amendments to the Securities Issue Standards have been registered by the Russian Ministry of Justice.  
**3 November 2021:** the Bank of Russia publishes the roadmap of the key tactical objectives for sustainable development, demonstrating its determination to elaborate a clear strategy and implement measures in this area as soon as possible. |
| **October 2021** | **22 October 2021:** To support SMEs in the most affected sectors (the list of such sectors is approved by the Russian Government) the Bank of Russia decided to allocate Rub 60 billion. Within this limit, the banks authorised under the SME Lending Incentive Programme, can take loans from the Bank of Russia at the interest rate of 4% p.a. for up to 1.5 years, on the surety of JSC RSMB Corporation, for on-lending to borrowers at a maximum interest rate of 8.5% p.a.  
**19 October 2021:** Under the proposed amendments to the regulations governing the liquidity risk of credit institutions as per Basel III (1) ruble-denominated bonds of State Development Corporation VEB.RF and mortgage-backed securities that are secured by JSC DOM.RF’s surety can be categorised as highly liquid assets to calculate the liquidity coverage ratio and net stable funding ratio; (2) assets and liabilities in precious metals that are settled in cash will be included in Basel III liquidity ratios calculations as assets and liabilities denominated in cash. |
### NEWSLETTER (2)

**Key news from the Russian financial market**

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| **August 2021** | **23 August 2021:** According to the Bank of Russia’s draft ordinance, the capabilities of the Faster Payments System (FPS) will be expanded through launching cross-border money transfers. The new function is expected to be available as early as 2022.  
**16 August 2021:** The Bank of Russia’s Board of Directors approved amendments to Bank of Russia Instruction No. 199-I, which stipulate weighing all bank credit claims on ‘VEB.RF’ nominated and funded in rubles with the risk weight of 20% when calculating the prudential ratios of banks (previously, from 20% to 100%, depending on credit claim parameters). |
| **July 2021** | **31 July 2021:** The Bank of Russia decided to increase risk-weight add-ons for unsecured consumer loans in rubles issued beginning from 1 October 2021.  
**19 July 2021:** The Bank of Russia recommends that public joint-stock companies disclose information about how they take into account factors related to the impact on the environment, the social sphere and corporate governance (the ESG factors), as well as how they implement these factors into their business model and development strategy. |
| **May 2021**  | **21 May 2021:** The Bank of Russia decided to raise risk weights add-ons for mortgage loans and loans for construction co-funding granted starting 1 August 2021. The increase in add-ons will help reduce the incentives for banks to expand lending by issuing loans with a low down payment to borrowers, and will also speed up the recovery of the macroprudential buffer on mortgage loans and ensure banks’ resilience to potential stress scenarios.  
**13 May 2021:** Under amendments to Ordinance No. 590-P with respect to loans to fund mergers and acquisitions, coming into force on 1 October 2021, banks’ discretion about upgrading a quality category (upgrading category III to II) with phasing of additional provisions is conditional on positive operational performance of borrowers. |
| **February 2021** | **11 February 2021:** According to a draft Bank of Russia ordinance, limits that banks set for their customers’ daily operations in the Faster Payments System (FPS) should not be less than Rub 150 thousand. Banks will have to adjust their limits by 1 October 2021. This will improve the availability of FPS transfers for individuals.  
**3 February 2021:** Credit institutions will be allowed to measure operational risk for calculating their capital adequacy ratios in compliance with Basel III. The new standardised approach involves the usage of a loss threshold. According to banks, this will enable them to save a part of capital allocated to cover operational risk. Banks with a universal license shall comply with the new rules beginning on 1 January 2023. |
| **January 2021** | **20 January 2021:** The Bank of Russia has laid out key objectives in refining debt-to-income (DTI) ratio calculation for 2021-2022. There are plans to develop and propose legislation to make lenders legally obliged to calculate the DTI ratio. In addition, the roadmap provides for the potential introduction of a new macroprudential toolset to ensure quantitative restrictions are in place on the share of high-risk loans, in particular, unsecured consumer loans issued to high-DTI borrowers. |
RUSSIAN MACRO UPDATE
KEY INDICATORS
Russian economy broadly returned to a long-term growth path in Q2’21. In Q3’21 economy growth was 4.3%

Figure 1: Real GDP growth dynamics (YoY, %)

Figure 2: Private consumption and investment dynamics (YoY, %)

Figure 3: Russian Ruble volatility remains low while in free-floating

Figure 4: Retail sales and real wages dynamics (YoY, %)

Source: Bank of Russia, Rosstat, Thomson Reuters
MACROFINANCE
Solid fiscal and external positions

Figure 5: As estimated by the Bank of Russia, current account surplus amounted to USD 120 bn in 2021

Figure 6: Strong fiscal position: budget consolidation and fiscal rule

Figure 7: Significant international reserves assuring financial stability

Figure 8: Sovereign debt to GDP lowest in both EM and DM spaces

Source: Bank of Russia, Bloomberg, Ministry of Finance, IMF
INFLATION

Medium-term inflation target is set at around 4%

Figure 9: Inflation (YoY, %)

Source: Bank of Russia, Rosstat

*Inflation is 8.73% as of January, 2022
# INFLATION EXPECTATIONS

In January 2022, household inflation expectations declined, though remaining close to multi-year highs. Short-term price expectations of companies were up, overshooting the 2021 highs.

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<td>56.4</td>
<td>56.0</td>
</tr>
</tbody>
</table>

*Balanced index is the difference between the shares of those who expect prices to rise and to fall.
**Households surveys in Apr-July 2020 were conducted by phone, their results are not comparable with those obtained later.

Source: FOM, Rosstat, Bloomberg, IHS Markit, Bank of Russia
# ECONOMIC FORECASTS (1)

## Medium-term outlook for the Russian economy

<table>
<thead>
<tr>
<th>Key parameters of the Bank of Russia’s forecast scenarios</th>
<th>2021 (actual/estimate)</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflation, as % in December year-on-year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.4</td>
<td>5.0-6.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Inflation, average for the year, as % year-on-year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.7</td>
<td>6.8-7.7</td>
<td>4.0-4.3</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Key rate, average for the year, % per annum</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.7</td>
<td>9.0-11.01</td>
<td>7.5-9.0</td>
<td>5.0-6.0</td>
</tr>
<tr>
<td><strong>Gross domestic product</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.7</td>
<td>2.0-3.0</td>
<td>1.5-2.5</td>
<td>2.0-3.0</td>
</tr>
<tr>
<td>Final consumption expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– households</td>
<td>7.6</td>
<td>1.7-2.7</td>
<td>0.6-1.6</td>
<td>1.2-2.2</td>
</tr>
<tr>
<td></td>
<td>10.1</td>
<td>2.3-3.3</td>
<td>0.5-1.5</td>
<td>1.2-2.2</td>
</tr>
<tr>
<td><strong>Gross capital formation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– gross fixed capital formation</td>
<td>5.6</td>
<td>0.6-2.6</td>
<td>2.2-4.2</td>
<td>3.4-5.4</td>
</tr>
<tr>
<td></td>
<td>7.9</td>
<td>0.5-2.0</td>
<td>0.5-2.5</td>
<td>1.7-3.7</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.1</td>
<td>4.0-6.0</td>
<td>1.6-3.6</td>
<td>1.6-3.6</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13.6</td>
<td>2.2-4.2</td>
<td>0.4-2.4</td>
<td>1.6-3.6</td>
</tr>
<tr>
<td><strong>Money supply in national definition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13.0</td>
<td>9-13</td>
<td>8-12</td>
<td>7-11</td>
</tr>
<tr>
<td><strong>Claims on organisations and households in rubles and foreign currency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– on organisations</td>
<td>14.0</td>
<td>9-13</td>
<td>8-12</td>
<td>7-11</td>
</tr>
<tr>
<td>– on households, including</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mortgage loans</td>
<td>26.7</td>
<td>15-19</td>
<td>14-18</td>
<td>12-16</td>
</tr>
</tbody>
</table>

*Given that from January 1st to February 13th 2022 the average key rate is 8.5%, from February 14th to the end of 2022 the average key rate forecast range is 9.1-11.3%. Additional information on how to interpret the proposed format of the key rate forecast communication is presented in the methodological note [http://cbr.ru/Content/Document/File/120337/comment_20210422_e.pdf].

**Banking sector claims on organisations and households means all of the banking sector’s claims on non-financial and financial institutions and households in rubles, foreign currency and precious metals, including loans issued (including overdue loans), overdue interest on loans, credit institutions’ investment in debt and equity securities and promissory notes, as well as other forms of equity interest in non-financial and financial institutions, and other accounts receivable from settlement operations involving non-financial and financial institutions and households.

Claims’ growth rates are given with the exclusion of foreign currency revaluation. In order to exclude the effect of foreign currency revaluation the growth of claims in foreign currency and precious metals is converted to rubles using the period average USDRUB exchange rate.

Source: Bank of Russia
# ECONOMIC FORECASTS (2)

Medium-term outlook for the Russian economy

<table>
<thead>
<tr>
<th>Russia's balance of payments indicators* (billions of US dollars)</th>
<th>2021 (actual/estimate)</th>
<th>BASELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2022</td>
</tr>
<tr>
<td>Current account</td>
<td>120</td>
<td>133</td>
</tr>
<tr>
<td>Balance of trade</td>
<td>186</td>
<td>228</td>
</tr>
<tr>
<td>Exports</td>
<td>490</td>
<td>536</td>
</tr>
<tr>
<td>Imports</td>
<td>304</td>
<td>308</td>
</tr>
<tr>
<td>Balance of services</td>
<td>-20</td>
<td>-31</td>
</tr>
<tr>
<td>Exports</td>
<td>55</td>
<td>59</td>
</tr>
<tr>
<td>Imports</td>
<td>74</td>
<td>91</td>
</tr>
<tr>
<td>Balance of primary and secondary income</td>
<td>-46</td>
<td>-64</td>
</tr>
<tr>
<td>Current and capital account balance</td>
<td>120</td>
<td>133</td>
</tr>
<tr>
<td>Financial account (excluding reserve assets)</td>
<td>55</td>
<td>79</td>
</tr>
<tr>
<td>Government and the central bank</td>
<td>-15</td>
<td>3</td>
</tr>
<tr>
<td>Private sector</td>
<td>71</td>
<td>75</td>
</tr>
<tr>
<td>Net errors and omissions</td>
<td>-1</td>
<td>0</td>
</tr>
<tr>
<td>Change in reserve assets ('+' – increase, '-' – decrease)</td>
<td>64</td>
<td>54</td>
</tr>
<tr>
<td>Urals price, average for the year, US dollars per barrel</td>
<td>69</td>
<td>70</td>
</tr>
</tbody>
</table>

* Using the methodology of the 6th edition of “Balance of Payments and International Investment Position Manual” (BPM6). In the Financial account “+” stands for net lending, “-” – for net borrowing. Due to rounding total results may differ from the sum of respective values.

Source: Bank of Russia
MONETARY POLICY (1)

- Inflation is developing appreciably above the Bank of Russia’s October forecast. Expanding demand continues to exceed the capacity to build up output. The situation in the global commodity markets remains proinflationary.

- Inflation expectations do not decline so far, hitting multi-year highs. In this environment, the balance of risks has tilted even more towards proinflationary ones.

- Based on the Bank of Russia’s forecast, given the monetary policy stance, annual inflation will reduce to 5.0-6.0% in 2022 to return to the target in the middle of 2023. Further on, annual inflation will stay close to 4%.

*from Feb 14th to the end of 2022 the average key rate forecast range is 9.1-11.3%.

Source: Bank of Russia
MONETARY POLICY (2)

Bank of Russia macroeconomic scenarios: a flowchart*

- Key scenario conditionals based on external factors:
  - Epidemiological situation significantly deteriorates again in 2022
  - Steady increase of inflation pressures in the global economy, combined with a faster and more significant tightening of foreign central banks’ monetary policies in 2022
  - Financial crisis amid exacerbated debt issues in a number of countries in 2023

- For further information on additional uncertainty factors please see next slide

Considerable worsening of the pandemic situation

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Worsening pandemic scenario

Steady rise of global inflation

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Occurrence of a financial crisis

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Financial crisis scenario

Global inflation scenario

Source: Monetary Policy Guidelines for 2022–2024
### MONETARY POLICY (3)

#### Uncertainty factors*

<table>
<thead>
<tr>
<th>Factors</th>
<th>Impact on Russian GDP</th>
<th>Impact on inflation in Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global epidemiological situation</td>
<td>Reduced economic growth prospects amid a new wave of the pandemic (slow vaccination, new COVID-19 variants, declining effectiveness of existing vaccines, stronger restrictions)</td>
<td>Disinflationary pressures upon the introduction of anti-pandemic restrictions. Strong proinflationary pressures after the economies re-open and the demand recovers amid growing inflation expectations</td>
</tr>
<tr>
<td>Persistence of global inflation; scope and pace of monetary policy tightening in advanced economies</td>
<td>Medium-term prospects of economic growth worsening due to monetary policy being tightened in Russia and globally to reduce inflation</td>
<td>Strong proinflationary pressures in the short term due to businesses’ rising expenses and expanded opportunities for consumer price transmission given a high demand</td>
</tr>
<tr>
<td>Financial crisis spurred by growing imbalances in the assets market</td>
<td>Economy declining in the year of the crisis, higher risks for financial stability</td>
<td>Considerable proinflationary pressures at the start of the crisis, followed by the inflation slowing down due to a significantly lower demand</td>
</tr>
<tr>
<td>Investing funds from the National Wealth Fund that exceed the 7%-of-GDP threshold</td>
<td>Scope of the factor’s influence on the economy’s growth rate and potential will depend on the particular investment projects to be implemented, their timeframes and funding schemes</td>
<td>Possible proinflationary influence will depend on the particular investment projects to be implemented, their timeframes and funding schemes</td>
</tr>
<tr>
<td>Geopolitical risks</td>
<td>Deteriorated economic growth prospects</td>
<td>Short-term proinflationary pressures due to higher volatility on financial markets</td>
</tr>
</tbody>
</table>

#### Long-term factors beyond the forecasting horizon

<table>
<thead>
<tr>
<th>Demographic change</th>
<th>Ageing, shrinking workforce could put a limit on the potential growth rate</th>
<th>Lower pressure due to a reduced total demand, but proinflationary pressure is also possible due to the economy’s decreased potential (the end result will depend on the balance between the two factors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate risks</td>
<td>Output losses due to natural disasters (physical risks), upon their materialisation and in the long term. Prolonged output decline due to the transition to a low-carbon economy</td>
<td>Inflation volatility rising if physical risks materialise, highly probable secondary effects due to increased inflation expectations. Transitional measures exert proinflationary pressure on the prices of “dirty” and alternative “green” goods and resources, followed by disinflationary pressures induced by new production technologies</td>
</tr>
</tbody>
</table>

*Source: Monetary Policy Guidelines for 2022–2024*
## INTERNATIONAL RESERVES

### Foreign exchange and gold assets by asset class

<table>
<thead>
<tr>
<th>Assets</th>
<th>As of 30 June 2020</th>
<th>As of 30 June 2021</th>
<th>Change in July 2020 - June 2021, billions of US dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>billions of US dollars</td>
<td>share of assets, %</td>
<td>billions of US dollars</td>
</tr>
<tr>
<td>Government securities of foreign issuers*</td>
<td>218.3</td>
<td>38.9</td>
<td>222.7</td>
</tr>
<tr>
<td>Deposits and account balances with foreign counterparties</td>
<td>138.8</td>
<td>24.7</td>
<td>141.2</td>
</tr>
<tr>
<td>Gold</td>
<td>128.5</td>
<td>22.9</td>
<td>127.3</td>
</tr>
<tr>
<td>Non-government securities of foreign issuers</td>
<td>45.8</td>
<td>8.2</td>
<td>60.5</td>
</tr>
<tr>
<td>International organisations securities</td>
<td>23.5</td>
<td>4.2</td>
<td>24.2</td>
</tr>
<tr>
<td>Net position with the IMF</td>
<td>1</td>
<td>0.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Reverse repo operations with foreign counterparties</td>
<td>3.6</td>
<td>0.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Claims on foreign counterparties on foreign currency supply</td>
<td>1.4</td>
<td>0.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Claims in foreign currency on Russian counterparties and issuers**</td>
<td>0.2</td>
<td>0</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong>*</td>
<td><strong>561.1</strong></td>
<td><strong>100</strong></td>
<td><strong>585.3</strong></td>
</tr>
</tbody>
</table>

* Securities issued by a foreign government or foreign issuers with explicit government guarantee.
** Claims on Russian credit institutions, Eurobonds of the Russian Federation and other Russian issuers.
*** The total value may differ from the sum of asset classes values due to rounding.

### Figure 10: Bank of Russia foreign exchange and gold assets by currency* (% of market value)

<table>
<thead>
<tr>
<th>Currency</th>
<th>As of 30 June 2020</th>
<th>As of 30 June 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro</td>
<td>7.2</td>
<td>7.2</td>
</tr>
<tr>
<td>Gold</td>
<td>5.9</td>
<td>6.5</td>
</tr>
<tr>
<td>US dollar</td>
<td>12.2</td>
<td>13.1</td>
</tr>
<tr>
<td>Yuan</td>
<td>22.2</td>
<td>16.4</td>
</tr>
<tr>
<td>Pounds sterling</td>
<td>22.9</td>
<td>21.7</td>
</tr>
<tr>
<td>Other</td>
<td>29.5</td>
<td>32.3</td>
</tr>
</tbody>
</table>

* The distribution takes into account unsettled conversion transactions as of reporting date.

### Figure 11: Bank of Russia foreign exchange and gold assets by credit rating, %

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>As of 30 June 2020</th>
<th>As of 30 June 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>7.2</td>
<td>6.8 (6.8)</td>
</tr>
<tr>
<td>AA</td>
<td>19.1</td>
<td>21.7 (21.7)</td>
</tr>
<tr>
<td>A</td>
<td>29.3</td>
<td>29.5 (35.0)</td>
</tr>
<tr>
<td>Gold</td>
<td>26.4</td>
<td>22.3 (22.4)</td>
</tr>
<tr>
<td>Other**</td>
<td>18.1</td>
<td>19.6 (14.0)</td>
</tr>
</tbody>
</table>

* For comparability purposes, the distribution of assets by their credit quality as of 30 June 2021 is given both under the new and old methodology (in brackets).
** Mainly claims on Russian counterparties and issuers and Russia’s net position with the IMF.
FINANCIAL MARKET DEVELOPMENT STRATEGY

Key areas and activities encompassed by the Russian Financial Market Development Guidelines:

- Enhancing protection of financial services consumers and investors
  - Creating conditions for consumers and investors to make informed decisions when using financial products, instruments and services
  - Creating incentives for financial services providers to develop long-term strategies for increasing customer loyalty and satisfaction
  - Improving the efficiency of measures taken to counter misconduct and illicit activities

- Improving financial inclusion for individuals and businesses
  - Improving the accessibility of financial services and expanding the variety of services on offer by developing online channels while reducing digital inequality risks and enhancing cyber security
  - Expanding opportunities for attracting debt and equity financing for business

- Ensuring financial stability
  - Developing macroprudential regulation
  - Enhancing the monitoring of systemic risks of non-credit financial institutions and the stock market
  - Creating conditions and incentives for market participants to manage market risks
  - Assessing the impact of digital technologies on financial stability
  - Evaluating the potential impact of climate risks on financial stability and developing corresponding regulations

- Promoting competition in the financial market
  - Developing and introducing ecosystem regulation
  - Creating conditions for consumers to make informed choices, and reducing barriers for financial services providers

- Facilitating digitalization
  - Developing relevant regulation
  - Implementing infrastructure projects
  - Introducing SupTech and RegTech solutions
  - Developing experimental legal regimes
  - Ensuring information security

- Enhancing the contribution of the financial market to companies’ ESG transformation
  - Developing the tools and infrastructure for sustainable financing development
  - Creating conditions for companies’ ESG transformation activities
  - Accounting for ESG factors when regulating the financial market

- Facilitating the development of long-term finance
  - Incentivizing investments in long-term financing instruments
  - Developing innovative instruments for attracting capital
  - Expanding the range of financial instruments used to fund investment projects
  - Developing unit investment funds
  - Developing corporate relations and corporate governance
BANKING SECTOR: CURRENT AGENDA
Shaping a favourable operating environment and supporting market competition

**Development of banking regulation** – conceptual topics:
- banks’ participation in ecosystems,
- framework for incorporating ESG factors in regulatory standards,
- compulsory transition of SIBs to the IRB approach for credit risk assessment,
- further elaboration of proportional regulation

**Development of macroprudential regulation**:
- introducing macroprudential limits on consumer loans for banks and microfinance organisations

**New regulations to the credit bureaus**:
- standardized data format and data supplying rules, qualified bureaus provide data, needed to calculate the DSTI ratio, established regulation of credit score models

**BCBS standards – implemented**:
- the revised standardized approach for credit risk (credit risk of sovereign exposures, banks and corporate exposures, mortgage loans and retail exposures)

**BCBS standards – under way**:
- Large exposures, IRRBB, revised market risk

**Conduct supervision**:
- control of financial institutions’ interaction with customers and detection of unfair customer practices, mitigation of consumer mistreatment risks, enhancement of consumer confidence

**Upgrading the DSTI ratio calculation methodology**
- in order to regulate the consumer lending market more efficiently
BANKING SECTOR: PROPORTIONAL REGULATION
Differentiating regulatory burden for banks depending on their size

Regulatory burden depends on license type

**BASIC LICENSE**
- Minimum size of capital (own funds) – RUB 300 mn
- Only 5 mandatory requirements, including H1.0, H1.2, H3, H6, H25 ratios
- Limitations on international operations
- Simplified disclosure rules - not required to disclose information on accepted risks, their assessment or management procedures, or any information on financial instruments included in the calculation of their own funds (capital)
- Technically complicated international standards are non applicable

**UNIVERSAL LICENSE**
- Minimum size of capital (own funds) – RUB 1 bn
- May carry out all banking operations set forth by the law
- All mandatory requirements set by the Bank of Russia must be met
- Must be compliant with all international standards
- Financial reporting fully compliant with RAS and IFRS

Systemically important financial institutions (SIFI) are subject to:
- Higher capital adequacy requirements
- Advanced risk management approach

On 1 June 2017, Federal Law No. 92-FZ dated 1 May 2017 came into force. It envisages the introduction of proportional regulation designed to set up a regulatory balance for banks differing in scale and in the nature of operations. 123 banks hold basic license, as of 1 November 2020.
BANKING SECTOR: FINANCIAL RESOLUTION ACTIVITIES*

2021 Results

Sale of Asian-Pacific Bank to an independent investor
As a result of a first-price sealed-bid auction 100% of JSC Asian-Pacific Bank’s shares were sold by the Bank of Russia to LLP Pioneer Capital Invest. The Bank of Russia received Rub 14 bn for the shares. In addition, under the sale and purchase agreement the new owner transferred a part of the Bank’s net profit for the first nine months of 2021 in the amount of Rub 0.96 bn to the Bank of Russia. The amounts received for the sale of APB’s shares have fully compensated the CBR expenses for the Bank’s recapitalization and establishing a closed-end mixed unit investment fund used to settle liabilities arising as a result of activities of the Bank’s former shareholders – Rub 9 bn and Rub 3.9 bn, respectively.

NB Trust bank
Trust bank repaid Rub 137.8 bn under deposit earlier provided by the CBR.

2022 –

NB Trust bank
The Non-Core Asset Bank’s key function is to effectively manage bad and non-core assets. The Bank expects to complete work with most assets in 2023 and plans to relinquish its banking license afterwards.
Recapitalization: RUB 1 bn
Deposit Balance: RUB 1,583.3 bn

Bank FC Otkritie
Bank of Russia is developing a strategy for exiting the capital of the Otkritie group with the help from investment consultants. Bank of Russia is exploring possibilities of the sale to strategic investors and in an IPO.
Recapitalization: RUB 556 bn
Deposit Balance: RUB 0

As of 1 January 2022, the Bank of Russia owns the shares of Bank FC Otkritie, Moscow Industrial Bank and NB Trust Bank.

*A new bank resolution mechanism involving the Bank of Russia has been implemented since 2017. Besides, since 2008, the “credit” mechanism of bank resolution with DIA’s participation has also been in use. Under the latter mechanism, DIA engages an investor and afterwards may provide the bank with financial assistance at a preferential rate; such loans are funded by the Bank of Russia.
BANKING SECTOR: KEY FIGURES

Active supervision and tighter regulation allowed to strengthen the health of the banking sector

Figure 12: In 2013-2021 more than 450 licenses were revoked causing almost no impact on the banking sector’s total assets

Figure 13: Banking sector profitability restored

Figure 14: Loans and deposits volume (RUB tn) and growth rates

Figure 15: Banks hold an acceptable level of capital under Basel III

---

*Since 01.11.2020 assets are shown net of created provisions. Data for retrospective periods restated.

*Since 01.01.2020 corporate loans include loans to financial and non-financial organizations (excl. credit organizations). Data for retrospective periods restated

**YoY, ccy adj. by credit institutions operating as of the reporting date. Since 01.01.2020 annual growth rate is based on chain method. Data for retrospective periods restated

Source: Bank of Russia
**BANKING SECTOR: FUNDING**

The funding of the banking sector mostly comes from corporate and retail deposits

Figure 16: In November 2021 corporate deposits amounted to RUB 36.8 tn, growth edged up to 17.3% YoY

*Since 01.01.2020 annual growth rate is based on chain method. Data for retrospective periods restated.

---

**Figure 17:** In November 2021 retail deposits amounted to RUB 33.2 tn, growth edged down to 6.0% YoY

*Since 01.01.2020 annual growth rate is based on chain method. Data for retrospective periods restated. Retail deposits are shown net of escrow accounts, data for retrospective periods restated.

---

**Figure 18:** Operations with the Bank of Russia, tn RUB

*excluding Mandatory cash balances by credit organizations with the Bank of Russia

---

**Figure 19:** Sources of funding, % of total liabilities

---

*Source: Bank of Russia*
BANKING SECTOR: LENDING

The growth pace of retail loans has accelerated

Figure 20: Corporate loans amounted to Rub 51.5 tn, growth sped up to 12.2% YoY in November 2021

- Corporate loans*, RUB tn, lhs
- YoY (ccy adj., by credit institutions operating as of the reporting date), rhs

*Since 01.01.2020 corporate loans include loans to financial and non-financial organizations (excl. credit organizations). Data for retrospective periods restated

Figure 22: Share of bad corporate loans** slightly decreased to 8.1% as of December 2021, while the bad loan loss reserves to bad loans ratio accounted for 77%

- Share of bad loans, lhs
- Bad loan loss reserves to bad loans ratio, rhs

** Loans classified into quality category of IV and V according to the requirements of Regulation No.590-P.

Quality category IV – high credit risk (probability of financial losses due to non-performance or improper performance of obligations by the borrower requires its depreciation by 51 to 100 per cent);

Quality category V – no possibility of loan repayment due to the borrower’s inability or refusal to meet loan commitments, which requires complete (100 per cent) depreciation of the loan.

Figure 21: Retail lending growth sped up to 22.1% YoY in November 2021

- Retail loans, RUB tn, lhs
- YoY (ccy adj., by credit institutions operating as of the reporting date), rhs

*Since 01.01.2020 annual growth rate is based on chain method. Data for retrospective periods restated

Figure 23: The share of bad loans** decreased to 6.4% in November 2021 vs YE 2020

- Share of bad loans, lhs
- Bad loan loss reserves to bad loans ratio, rhs

Source: Bank of Russia
BANKING SECTOR: MORTGAGE SEGMENT

Mortgage lending continues to drive credit expansion in 2021

Figure 24: Mortgage lending growth slowed down to 25.1% YoY in November 2021

Figure 25: Share of NPLs remains at historically low levels

Figure 26: Distribution of mortgage loans by LTV

Figure 27: Risk weight add-ons applied to RUB mortgage loans depending on the LTV and the DSTI (applied from 1 August 2021)

*Since 01.01.2020 annual growth rate is based on chain method. Data for retrospective periods restated.

DSTI interval, %

<table>
<thead>
<tr>
<th>LTV</th>
<th>0-30</th>
<th>30-50</th>
<th>40-50</th>
<th>50-60</th>
<th>60-70</th>
<th>70-80</th>
<th>80+</th>
<th>DSTI not calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-85</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.7</td>
<td>0.8</td>
<td>0.9</td>
<td>1.0</td>
<td>0.7</td>
</tr>
<tr>
<td>85-90</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>90+</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

*Risk weight add-ons applied from 1 August 2021 to mortgage loans issued from 1 August 2021

Source: Bank of Russia
BANKING SECTOR: UNSECURED CONSUMER LENDING

Unsecured lending market growth rate has somewhat moderated following new macroprudential regulations.

Figure 28: Unsecured consumer lending growth edged up to 19.7% YoY in November 2021

Figure 29: Distribution of unsecured consumer loan issuance by debt service to income ratio (under CBR Ordinance No. 5782-U), %

Figure 30: Share of NPLs amounted to 8% as of December 2021

Source: Bank of Russia
The Bank of Russia introduces a debt service to income ratio for regulatory purposes.

Starting from 1 October 2021, the Bank of Russia decided to raise risk-weight add-ons on unsecured consumer loans up to the values that were in effect before the start of the pandemic (please refer to table below).

### Risk-weight add-ons applied to unsecured consumer loans subject to calculation of DSTI

<table>
<thead>
<tr>
<th>EIR interval, %</th>
<th>W/o DSTI</th>
<th>0-30</th>
<th>30-40</th>
<th>40-50</th>
<th>50-60</th>
<th>60-70</th>
<th>70-80</th>
<th>80+</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10</td>
<td>0.7</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.7</td>
<td>0.9</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>10-15</td>
<td>0.8</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.8</td>
<td>1.0</td>
<td>1.3</td>
<td>1.6</td>
</tr>
<tr>
<td>15-20</td>
<td>1.2</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>1.2</td>
<td>1.5</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td>20-25</td>
<td>1.6</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.6</td>
<td>1.9</td>
<td>2.1</td>
<td>2.4</td>
</tr>
<tr>
<td>25-30</td>
<td>2.0</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>2.0</td>
<td>2.1</td>
<td>2.3</td>
<td>2.6</td>
</tr>
<tr>
<td>30-35</td>
<td>2.7</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.7</td>
<td>2.9</td>
<td>3.1</td>
<td>3.4</td>
</tr>
<tr>
<td>35+</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Values of risk-weight add-ons is applied to loans with DSTI exceeding 50%.

Banks calculate DSTI in accordance with Appendix 1 to Bank of Russia Ordinance No. 5782-U when making a decision on granting a loan in the amount (total credit amount) of ₽10,000 or more or an increase in the total credit amount on a bank card.

Source: Bank of Russia
BANKING SECTOR: INTEREST RATES
An upward trend continued in loan and deposit interest rates

Figure 31: Weighted average long-term interest rates on loans in rubles, %*

Figure 32: Weighted average long-term interest rates on deposits in rubles, %*

Figure 33: Max interest rate on retail deposits in rubles of top-10 banks and Bank of Russia’s policy rate, %

*with maturities of over 1 year

Source: Bank of Russia
BANKING SECTOR: DEDOLLARISATION
Dollarization of the banking sector has notably reduced over the last years

Figure 34: Corporate FX lending declined significantly over the past few years

*Since 01.01.2020 corporate loans include loans to financial and non-financial organizations (excl. credit organizations).
Data for retrospective periods restated.

Figure 36: Driven by higher revenues of energy commodities exporters the share of corporate FX deposits in total deposits has slightly risen vs. 2Q’20

Source: Bank of Russia
BANKING SECTOR: CAPITAL ADEQUACY

High quality capital base and solid capital adequacy levels under Basel III standards

Figure 38: Capital adequacy ratio for the banking sector remains stable (12.5% on 1.01.21 and 12.2% 1.12.21)

Figure 39: Credit organizations with capital exceeding RUB 25 bn have lower buffer vs N1.0 minimum requirement due to the economies of scale

Source: Bank of Russia
The Bank of Russia has approved the list of SIFI and buffers for capital adequacy ratios.

### List of systemically important financial institutions

<table>
<thead>
<tr>
<th>№</th>
<th>Company name</th>
<th>Assets, RUB tn</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sberbank</td>
<td>37.5</td>
</tr>
<tr>
<td>2</td>
<td>VTB Bank</td>
<td>19.3</td>
</tr>
<tr>
<td>3</td>
<td>Gazprombank</td>
<td>8.3</td>
</tr>
<tr>
<td>4</td>
<td>Alfa-Bank</td>
<td>5.4</td>
</tr>
<tr>
<td>5</td>
<td>Russian Agricultural Bank</td>
<td>4.0</td>
</tr>
<tr>
<td>6</td>
<td>Credit Bank of Moscow</td>
<td>3.4</td>
</tr>
<tr>
<td>7</td>
<td>Bank FC Otkritie</td>
<td>3.1</td>
</tr>
<tr>
<td>8</td>
<td>Sovcombank</td>
<td>1.8</td>
</tr>
<tr>
<td>9</td>
<td>Promsvyazbank</td>
<td>n/a</td>
</tr>
<tr>
<td>10</td>
<td>Raiffeisenbank</td>
<td>1.5</td>
</tr>
<tr>
<td>11</td>
<td>Rosbank</td>
<td>1.5</td>
</tr>
<tr>
<td>12</td>
<td>UniCredit Bank</td>
<td>1.2</td>
</tr>
<tr>
<td>13</td>
<td>Tinkoff Bank</td>
<td>1.1</td>
</tr>
</tbody>
</table>

**Assets as of 1 Dec 2021**

Systemically important financial institutions account for 77% of total assets of the Russian banking sector.

### Capital adequacy requirements

**Minimum Bank of Russia requirements for capital adequacy ratios**

- Common equity Tier 1 capital ratio (N1.1) 4.50%
- Tier 1 capital (N1.2) 6.00%
- Total capital adequacy ratio (N1.0) 8.00%

**Values of capital buffers**

- Capital conservation buffer: 1.25% (2017), 1.875% (2018), 2.25% (2019), 2.50% (2020)
- SIFI buffer: 0.35% (2017), 0.65% (2018), 0.65% (2019), 1.0% (2020)
- Countercyclical buffer: 0% (2017), 0% (2018), 0% (2019), 0% (2020)

**Minimum capital adequacy ratios for SIFI**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>N1.1</td>
<td>6.1%</td>
<td>7.0%</td>
<td>7.65%</td>
<td>8.0%</td>
</tr>
<tr>
<td>N1.2</td>
<td>7.6%</td>
<td>8.5%</td>
<td>9.15%</td>
<td>9.5%</td>
</tr>
<tr>
<td>N1.0</td>
<td>9.6%</td>
<td>10.5%</td>
<td>11.15%</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

*Capital conservation buffer* was raised in accordance with the schedule approved by the Bank of Russia throughout 2019 – it was set at 1.875% from 1 January 2019, 2.0% from 1 April 2019, 2.125% from 1 July 2019, 2.25% from 1 October 2019, and 2.5% from 1 January 2020.
MICROFINANCE
Microfinance is a vital part of financial system complementing banks to provide better financial inclusion

MFIs

✓ Microfinance organizations (MFOs)
✓ Consumer credit cooperatives
✓ Credit Housing communities
✓ Pawnbrokers
✓ Agricultural credit cooperatives

Microfinance institutions (MFIs) provide financial services for customers with no access to banking products, service regions with an insufficient bank presence, offer financial products missing from bank product lines, boost financial literacy and help clients build their credit histories.

CBR keeps a state register of MFIs and supervises MFIs directly and via self-regulatory organizations (SROs). Currently there are about 6,139 MFI companies.

22.1% of the entire MFO microloan portfolio are microloans to small to medium enterprises (bearing an interest rate of 5% thanks to state support via MFOs).

Payday Loans, i.e. small, short-term unsecured loans (up to RUB 30k for 30 days) at high rates, are not a development priority and account for 24.5% of the entire MFO microloan portfolio.

Starting from 1 October 2019, microfinance organizations have to calculate the DSTI ratio when taking a decision on extending loan of ₽10,000 or more.
For the loans with DSTI ratio of the borrower in excess of 50%, the level of risk-weight add-on is set at 50% (65% starting from 1 January 2020).
FINANCIAL STABILITY
Macroprudential policy aimed at identifying and preventing potential systemic risks

Lending trends and credit risks
Activity in corporate and retail lending remains high. The growth rates of debt in all lending segments either approached or reached the highest level since the outbreak of the pandemic.

Speaking of corporate lending, the annual growth rate of outstanding loans reached 12.2% as of 1 December 2021.

After a slowdown in October, the growth of unsecured consumer lending sped up again in November. Debt rose by 1.6%1 (1.7% seasonally adjusted) over November. As of 1 December 2021, debt increased by 19.7% in annualised terms, which is the maximum rate since the beginning of the pandemic. The portion of bank loans issued to borrowers with high debt service-to-income ratios (DSTI over 80%) is still large. In 2021 Q3, such loans accounted for 31%2 in total disbursements. On 1 January 2022 and 1 February 2022, the requirements for calculating borrowers’ DSTI3 will be toughened. As result, the average risk ratio will increase by 20 pp, which will help moderate banks’ credit activity.

As regards mortgage lending, after a gradual stabilisation of debt growth rates in July—October following the revision of the government subsidised mortgage lending programme, the demand for loans in November was again elevated and debt was up by 2.3%.4 As of 1 December 2021, the annual growth of mortgage lending equalled 30.1%.5

The economy returned to the growth path observed before the outbreak of the pandemic. As a result, banks’ risks lowered. As of the end of the first eleven months of 2021, the banking sector’s net profit amounted to 2.3 trillion rubles. However, banks’ capital cushion before buffers to capital adequacy ratios edged up by as little as 0.3 trillion rubles over the said period, totalling 6.1 trillion rubles as of 1 December 2021. The macroprudential capital buffer was up by 0.2 trillion rubles, equaling 0.8 trillion rubles as of 1 December 2021.

As credit activity remains high, banks should accumulate capital cushions they will be able to use in the future in the case of stress events, to prevent the need to introduce temporary regulatory easing. To this end, the Bank of Russia can use the countercyclical capital buffer in 2022.

1 According to Section 3 of Reporting Form 0409115 (for operating credit institutions, including reorganised ones).
2 According to Reporting Form 0409704.
3 On 1 January 2022, the factor, by which a borrower’s actual average monthly payments on loans are multiplied to assess the borrower’s income, will decrease from 2 to 1.5. Bank of Russia Ordinance No. 5762-U, dated 20 April 2021. Beginning on 1 February 2022, average monthly payments on long-term consumer loans will be calculated based on the assumption that such loans shall be repaid within four years (currently, this period is five years). The Ordinance was sent for the official registration to the Ministry of Justice of the Russian Federation.
4 Adjusted for the mortgage loans securitised in November.

Decision
as of December 24, 2021

“The Bank of Russia Board of Directors has decided to set the rate of the national countercyclical capital buffer for Russian banks’ capital adequacy ratios at zero per cent of risk-weighted assets.”

“In 2022 Q1, the Bank of Russia Board of Directors will consider whether it is reasonable to set a positive rate of the national countercyclical buffer.”
SECURITIES MARKET (1)
Russia’s financial market has been aligned with best international practices

**Crisis-proven market infrastructure**
- the Moscow Exchange has built a secure and reliable infrastructure ensuring uninterrupted trading
- Trading rules do not stipulate any trading suspensions, reduction in trading hours, short sell bans or other restrictions
- T+2 settlement on equities, T+1 on OFZs, T+0 on corporate bonds

**Upgraded corporate governance**
- Updates to the Listing Rules have created a Sustainability Sector for financing ESS projects
- Creation of a two-tier Quotation List within the stock exchange listing
- Strong criteria for inclusion in the top-tier Quotation list
- Streamlined dividend rules for SOEs
- Corporate standards aligned with best international practices

**Regulatory changes to promote investments**
- Capital gains on securities held for more than 3 years are tax-exempt
- Tax deductions for Individual Investment Accounts (IIA) type A – max RUB 52 000; for IIA type B – at the rate of investment income;
- Corporate bonds with yield of under the key rate + 5pp became tax-exempt on January 1, 2018

**Simplified market access**
- Euroclear and Clearstream settlement for equities and bonds
- Unified collateral pool for equities, bonds and FX markets
- International clearing system membership; Direct access to FX trading for large corporates
- Local investor base development (individual investment account system, tax incentives, etc.)
- High level of competition in the Russian financial market helps keep the cost of brokerage and depository services low
- Financial intermediaries are allowed to make both brokerage and depository operations

**Increased transparency**
- Moscow Exchange instruments comply with the post-trade transparency requirements under MiFID II/MiFIR
- Mandatory audited IFRS for all public companies
- Strengthened regulation to prevent market manipulation and insider trading
- Improved disclosure practices
- Requirement to have a written description of dividend policy for the top-tier Quotation list
- Development of basic standards for professional market participants activities
SECURITIES MARKET (2)
Growing a deeper Russian bond market with strong potential

Figure 40: Volume of the Russian local bond market, RUB tn

Figure 41: Volume of the Russian corporate bond market, RUB tn

Figure 42: “Bondization” of the Russian financial market

Figure 43: Corporate loans vs corporate bonds in Russia, RUB tn

Source: Moscow Exchange, Cbonds
SECURITIES MARKET (3)
Russian OFZ market provides relatively high yields amid investment grade reliability

Figure 44: Russian OFZ market volume keeps growing

Figure 45: Zero-coupon OFZ yield curve, %

Figure 46: Bond market yields, key rate and RUONIA (% RUB)

Figure 47: EM 10Y bond yields (% USD) on the background of credit ratings

Source: Bank of Russia, Cbonds, Bloomberg
SECURITIES MARKET (4)
Demand for OFZs placements remains sustainably high

Figure 48: OFZ placement dynamics in 2018 - 2021 (RUB bn)

Source: Bank of Russia, Ministry of Finance, National Settlement Depository
SECURITIES MARKET (5)
Russian equity market: key trends

Figure 49: Russian Equity market cap, bn RUB & bn USD

Figure 50: Market capitalization to GDP ratio, %

Figure 51: Russian equities market trading volumes proves stable

Figure 52: Dividend yield (12M): Russia vs. EM, %

Source: Bloomberg, Moscow Exchange, International Monetary Fund and World Federation of Exchanges
SECURITIES MARKET (6)
Russian equity market performance vs EM peers

Figure 53: Russian MSCI index vs EM peers (01.01.15 = 100%)

Figure 54: Forward P/E ratio (12m), MSCI Russia vs MSCI EM

Source: Bloomberg
### CORPORATE GOVERNANCE

**New corporate governance standards reflect best international practices**

**Corporate governance**

- Guidance for members of financial institutions’ Boards of Directors
- Recommendations on organizing and conducting self-assessment of the Boards of Directors’ performance in public JSCs
- Recommendations on participation of the Board of Directors in development and management processes related to IT and information security risk management in public JSCs
- Recommendations on formation and continuity of the Boards of Directors in public JSCs
- Russian public JSCs are implementing mandatory risk management and internal controls and internal audit
- Recommendations on organization of risk management, internal control, internal audit, the work of the audit committee in public JSCs
- Information disclosure reform: reduction of administrative burden on issuers, elimination of excessive requirements for information disclosure
- Recommendations on material information disclosure
- Updated recommendations on public JSC’s disclosure of information on the implementation of the principles of the Corporate Governance Code

**Corporate actions reform**

- Amendments to the JSC Law:
  - Protection against dilution of stakes in the authorized capital of JSCs and violation of dividend rights
  - Determination of the price at which the issuer repurchases - at the request of shareholders - shares admitted to trading, taking into account their weighted average cost
  - Legal uncertainty with regard to the votes of parties controlled by a party with an interest in the transaction has been eliminated

**Securities**

- Securities issuance reform: the procedure of securities issuance was simplified, electronic registration of securities’ issues was launched

**Green, Social and Sustainable Finance**

- Stewardship Code
- Legal framework for Green, Social and Infrastructural Bond Issuance
- Special Disclosure rules for Green, Social and Infrastructural Bonds’ Issuers
- Mandatory right of redemption for green and social marked bond holders if capital allocated under issuance was used improperly
- Sustainable Development Sector for Bonds on Moscow Exchange
- Two Sustainable Development Benchmarks (“Responsibility and Transparency”, “Sustainable Development Vector”)
- Recommendations on disclosure of non-financial information by public joint-stock companies
- Recommendations on considering ESG-factors and sustainable-related issues by public companies’ boards of directors

**Next stage**

- Providing the possibility to hold general meetings of shareholders online

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**CBR corporate governance report**: annual monitoring of corporate governance practices and publication of the report on the CBR official site ([only in Russian](http://www.cbr.ru)).

Source: Moscow Exchange
COUNTERING MALPRACTICE
Bank of Russia supervises conduct of financial market participants to promote fair competition

- Bank of Russia has implemented an effective system for countering malpractices such as market manipulation and insider trading, which is aimed at ensuring investors’ equal standing and fair pricing.

- Bank of Russia identifies companies that are operating in the financial market without proper authorization (license) and running pyramid schemes, with a view to initiating responsive measures by the public authorities.

- In 2015, Bank of Russia became a signatory to the IOSCO MMoU.

- Active cooperation with foreign financial market regulators in terms of exchanging information, including confidential information.

- Development of international initiatives.

- Bank of Russia improves continuous monitoring of on-exchange trading for the purpose of maintaining financial stability and preventing system shocks caused by misconduct.

- On-exchange trades are supervised by the Analysis Center to identify unusual activity online.
INVESTMENT FUNDS
Local institutional investor base: the potential of investment funds

Figure 55: Majority of savings in Russia is held on bank deposits and in cash*

Figure 56: Assets of investments funds in Russia (RUB tn)

Figure 57: Number of investments funds in Russia by type

Figure 58: Breakdown of investment funds’ assets by type (as of 30 September 2021)

*As of YE2020 (Germany, Colombia, Japan – end of 2019; India, Brazil – end of 2018).
Source: World Bank, IMF, OECD, Bank of Russia
NON-STATE PENSION FUNDS
Local institutional investor base: the potential of non-state pension funds

The Bank of Russia became a regulator of the pension system in 2013. Since then a number of changes has been adopted to strengthen the non-state pension system:

- 'one-year non-loss' rule was extended to 'five-year non-loss' rule
- stress-testing mechanism introduced
- customers are now encouraged to stay with the same fund for not less than 5 years
- since 2014 the Deposit Insurance Agency (DIA) guarantees the nominal value of mandatory savings
- non-state pension funds are to bear fiduciary responsibility (since March 18, 2018)
- non-state pension funds are to disclose their investment portfolios
- corporatization of non-governmental pension funds (NPFs) completed
- work is in progress to improve financial stability of private pension funds (development of legislation, introducing mandatory state guarantee system for voluntary pension plans and mechanisms of private pension funds financial recovery under the Bank of Russia management)
INSURANCE
Local institutional investor base: the potential of insurance market

Figure 61: Premium volume is gradually growing

Figure 62: Assets hit 3.5% of GDP

Figure 63: Premium structure in 3Q21 shows high level of market diversification

Figure 64: In 2Q21 market remained highly competitive with the Herfindahl-Hirschman Index equal to 794.8

Source: Bank of Russia
PAYMENT INFRASTRUCTURE (1/5)
National Payment System of the Russian Federation

Payment infrastructure of the Bank of Russia has evolved rapidly in response to economic growth, technical innovation and regulatory initiatives. As a result of in-depth research and engineering the Bank of Russia currently operates the national payment system which is self-efficient and in line with the international standards.

The National Payment System of the Russian Federation embraces 28 payment systems, 473 payment operators and more than half a thousand payment agents.

The core of the National Payment System of the Russian Federation is the Payment System of the Bank of Russia which processes transactions on behalf of the Federal Treasury and all local financial institutions.

The Payment system of the Bank of Russia

- Non urgent payments service
- Urgent (real-time) payments service
- Faster payments service

- Fully centralized with liquidity saving procedures and 1 hour liquidity adjustment period.
- Average daily figures (as of 1 January 2022): 6.65 mn payments, Rub 8.43 tn
- Vast country – extended business hours: system operates in 11 time zones from 1 a.m. to 9 p.m., Moscow time
PAYMENT INFRASTRUCTURE (2/5)
National Payment System of the Russian Federation

Main targets of the Bank of Russia Payment System are:
- executing payments under orders of its participants
- clearing under national payments card system
- clearing of financial markets transactions

The Bank of Russia Payment System enables sophisticated up-to-date payment capabilities:
- Priority to RTGS approach (~93% of funds are transferred via the real-time service as of January 1, 2022)
- New liquidity management tools
- Future value date settlement functionality
- Cash-pooling services for Federal Treasury

On 28 January 2019 the Faster Payments System (FPS), a new milestone for the local payment industry, was launched.

- the FPS is an ad hoc built-up to the Payment System of the Bank of Russia which:
  - enables instant interbank transfers 24/7/365 using mobile phone number
  - embraces 211 FIs as of January 1, 2022
  - in October 2021 – January 2022 monthly average number of transactions reached 120 mn

The National Card Payment System was launched in 2014 and ensures guaranteed and uninterrupted processing of domestic banks card transactions (please see next slide).
PAYMENT INFRASTRUCTURE (3/5)
National Payment Cards System

Operator of the Mir Card Payment System is the National Card Payment System Joint Stock Company fully owned by the Bank of Russia (established on 23 July 2014)

✓ The first cards of MIR National Payment System were issued in December 2015
✓ Approx. 108 mn cards issued as of October 1, 2021
✓ Comprises 232 acquiring banks and 158 issuing banks as of January 1, 2022

✓ Promoted internationally since 2017, accepted in 14 countries worldwide.
✓ Co-badging projects with Mastercard, JCB, AmEx and UnionPay.
✓ Linked with the national card payments systems of the Republic of Armenia, Republic of Belarus, Kyrgyz Republic, Republic of Tajikistan, Republic of Uzbekistan, Vietnam and other.
✓ Accepted by the partner banks in the UK, Republic of Korea, UAE, Cyprus, Turkey, Kazakhstan and South Ossetia.

✓ Mobile payments and contactless service Mir Pay are developing
✓ Support of mobile payment service Samsung Pay
✓ Non-financial services are available on the basis of “Mir” payment cards

✓ Cashback capabilities
PAYMENT INFRASTRUCTURE (4/5)
Supervision and oversight in the national payment system (NPS)

Supervision in the NPS - The Bank of Russia's activity to monitor the compliance of NPS entities with the requirements of the law on the NPS and the regulations of the Bank of Russia in order to ensure stability and development of the NPS.

Market access:
- **payment systems**: registration of payment system operators (PSO) and foreign payment system operators
- **money transfer operators - credit organizations (including electronic money operators)**: licensing.

The BoR publishes lists of payment application providers, payment aggregators, foreign payment service providers, information exchange operators.

<table>
<thead>
<tr>
<th>The subjects of supervision:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- functioning of the NPS entity separately;</td>
</tr>
<tr>
<td>- its relationship with other market participants, disruption of such relationships and systemic risks.</td>
</tr>
</tbody>
</table>

Set of measures in respect of the supervised subjects is determined taking into account the established supervision mode.

1. **Off-site supervision**
   Analyze the activities of NPS entities and payment system participants as well as the organization and functioning of payment systems including payment infrastructure.

2. **On-site inspection**
   Conduct on-site inspections of NPS entities’ compliance with the requirements of the law on the NPS and the regulations of the Bank of Russia.

3. **Actions and Measures**
   Take actions and enforcement measures with regard to NPS entities in case of violations of the requirements of the law on the NPS.

### Number of NPS entities (as of 1 October 2021)

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money transfer operators - credit organizations, including</td>
<td>373</td>
</tr>
<tr>
<td>electronic money operators</td>
<td>70</td>
</tr>
<tr>
<td>Payment system operators</td>
<td>28</td>
</tr>
</tbody>
</table>
PAYMENT INFRASTRUCTURE (5/5)
Supervision and oversight in the national payment system (NPS)

Oversight in the NPS - The Bank of Russia's activity to encourage the improvement of the NPS entities' activities and services and to promote the development of objects of oversight in line with the recommendations of the Bank of Russia.

1 Monitoring

Collection, systematization and analysis of information on the activities of the observed organizations, other NPS entities and related oversight objects

Main areas of monitoring
• Defining criteria for the importance of payment systems and credit institutions significant in the payment services market;
• Identifying payment systems that meet the criteria of significance, and credit institutions that meet the criteria of significance in the payment services market;
• Identifying trends and development prospects for the Russian payment market.

2 Assessment

Assessment of the activities of the observed organizations (PSO*) and related objects of oversight in the context of best practices (in particular, the document CPMI-IOSCO “Principles for financial market infrastructures”)

* Operators of systemically and socially important payment systems (as of the beginning of 2020 there are 2 systemically important payment systems and 4 socially important payment systems).

3 Initiation of changes

• Bank of Russia issues recommendations to the PSO on the results of assessment.
• The PSO prepares an action plan for implementation of such recommendations.
• Bank of Russia monitors the implementation of recommendations by the PSO

International cooperation in the field of oversight in the NPS:
☑ agreements (memorandums) on cooperation with foreign (national) banks;
☑ interaction with international organizations, including the Committee on Payments and Market infrastructures (CPMI), World Bank.

A report on the national payment system oversight results is published every two years.
FINTECH (1)
Russia provides a favorable environment for FinTech development

Goals of the Bank of Russia as a high-tech regulator

☑ Facilitate the competition and support innovation in the financial market
☑ Enhance accessibility, quality and range of financial services
☑ Lower risks and costs in the financial market
☑ Digitalize interaction between the Bank of Russia and supervised entities

Key areas of development

1. Legal regulation to provide favorable environment for innovation development in the financial market
2. Development of digital infrastructure with equal access for all financial market participants
3. Implementation of RegTech & SupTech in the financial market
4. Experimental legal regimes to test innovative financial technologies, products and services
5. Ensuring information security
FINTECH (2)
Russia provides a favorable environment for FinTech development

Main FinTech initiatives of the Bank of Russia

- **Unified Biometric System**
  - remote identification for financial services provision

- **Digital profile**
  - provision of consumer data from public sources required for financial services delivery with customer consent

- **Faster Payments System**
  - enables real-time P2P, Me2Me, C2B payments

- **Marketplace**
  - financial products and services offered by various companies on a single platform on a ‘one stop shop’ basis

- **Open APIs**
  - equal access to customer data using standardized open APIs

- **Digital Ruble**
  - an additional form of the Russian national currency that will be issued digitally by the Bank of Russia

- **Experimental legal regimes**
  - piloting innovative financial technologies, products and services with real customers
MARKETPLACE
Shaping the future of financial services experience in Russia

- New system for online sales of financial products
- Aimed to complement traditional sales channels with websites and smartphone apps which will enable customers to compare multiple financial product offers
- In July 2020 the State Duma adopted the law on financial transactions through a financial platform that enabled launching the Marketplace system

For more details, see http://cbr.ru/eng/fintech/market_place/
CONSUMER PROTECTION
Financial consumer and investor protection as one of priorities for further financial market development

KEY FINANCIAL CONSUMER PROTECTION WORKSTREAMS

- Consumer and investor complaints handling
- Conduct supervision
- Setting requirements for financial organizations in order to improve consumer and investor protection
- Differentiation of consumer protection requirements
- Financial literacy improvement
- Disclosure requirements for consumers and investors
FINANCIAL INCLUSION
The Bank of Russia promotes financial inclusion aligned with best international practices

G20 GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION (GPFI)
- Acts as an inclusive platform for G20 countries, non-members and other parties for knowledge and experience sharing, policy advocacy and coordination in promoting financial inclusion
- Russia is an original GPFI member since November 2010
- Endorsed the ‘original’ (2010) and ‘updated’ (2020) Financial Inclusion Action Plan

ALLIANCE FOR FINANCIAL INCLUSION (AFI)
- The global knowledge exchange network empowering policymakers to increase access to quality financial services for the underserved
- In 2014, the Bank of Russia became a member of AFI and joined the Maya Declaration setting up the priorities for AFI members on financial inclusion. In 2021 the Bank of Russia changed the status to become an AFI Observer
- The Bank of Russia hosted the 2018 AFI Global Policy Forum: Sochi Accord: Fintech for Financial Inclusion was adopted, Regional initiative for the EECA region was launched

✓ Since April 2020, the Bank of Russia has been empowered by law to exercise functions aimed at ensuring financial inclusion
✓ In 2018, the Bank of Russia launched the first Financial Inclusion Strategy in Russia for the period of 2018-2020 (extended for 2021)
✓ In 2021, the Bank of Russia adopted the Financial Inclusion Priorities for Russia in 2022—2024

Digitalisation for financial inclusion in the interests of consumers and businesses
- For 2022-2024 the improvement of financial inclusion will be mainly driven by the advancement of digital platforms and online service channels
- Over the last year, more than 75% of Russian adults transferred money over the Internet or using mobile banking (May 2021 survey results)
- The key projects here are Digital Biometric Identification, Faster Payments System, Marketplace, Digital Customer Profile, Digital Ruble, KYC Platform

Enhancing financial inclusion for residents in remote, underpopulated and hard-to-reach areas
- The Bank of Russia promotes the development of rural presence of banks in various formats, especially agent-based ones.
- One of the significant projects is cash withdrawal service to holders of payment cards at retail and service outlets in rural areas. It was piloted in 2019 and the number of access points grew to more than 5,9 thousand in rural areas (October 1, 2021)

Enhancing financial inclusion for people with disabilities, the elderly and other mobility-impaired population groups
- The Bank of Russia has made concerted efforts to ensure the financial inclusion of PwD/LMG in recent years. It focused on technology-based solutions to address the various constraints faced by PwD/LMG in accessing financial products.
- 66% of credit institutions have fully or mostly implemented the Bank of Russia’s recommendations on eliminating barriers for PwD/LMG, including the accessibility of remote servicing channels (October 2021)

Use of financial market tools to improve the welfare of citizens, primarily low-income households
- New products for low-income people will be launched in 2022–2024
- New measures aimed at expanding households’ saving capacities and protecting consumers using financial products and services, including at preventing and reducing excessive debt burden, will be implemented

Enhancing financial inclusion for SMEs
- Together with the Government, the Bank of Russia continues to take joint actions to promote SMEs financial inclusion through:
  - special lending programs subsidized by the Government, regulatory changes aimed at supporting bank lending to SMEs,
  - developing instruments of non-bank financing for SMEs, such as crowd-investing and dedicated stock market segment,
  - introducing new instruments and platforms: online factoring for SMEs, Faster Payments System to pay for SME goods and services.
AML/CFT
Bank of Russia maintains AML/CFT regulation and supervision of credit institutions and non-credit financial institutions

Russian AML/CFT law is based on International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation (FATF Recommendations)

- The Bank of Russia's deep understanding of ML/TF risks in the supervised sectors
- Improvement of the Bank of Russia’s risk assessment methodology and risk-based AML/CFT supervision
- Implementation of an intense bank supervisory programme informed by ML/TF risks
- Substantial improvement of the framework for preventing criminals from owning and controlling financial institutions
- Adequate level of cooperation between the Bank of Russia and other Russian competent authorities in the AML/CFT area
- Good understanding of ML/TF risks by credit institutions
- Growth of the overall AML/CFT compliance by financial institutions, including due to the Bank of Russia's supervisory measures
CYBERSECURITY

Key initiatives in information security and cybersecurity

1. Exchanging information on computer attacks

2. Sharing regulations and best practices

3. Countering online misconduct in credit and finance

4. BRICS Best Practices Compilation

Key avenues of cooperation in information security

- Collecting, processing and exchanging information on computer attacks in credit and finance
- Analyzing the differences among jurisdictions, and sharing available internal practices with regard to how central banks protect themselves and financial institutions
- Holding consultations, seminars and conferences on best practices in countering computer attacks in credit and finance
- Providing assistance in returning funds stolen through fraud
- BRICS rapid information security channel approved and published:
  - Terms of Reference of the BRICS Rapid Information Security Channel;
  - E-booklet on BRICS Information Security Regulations;
  - Compendium of BRICS Best Practices on “Information Security Risks: Supervision and Control”;  
  - Report on Digital Financial Inclusion in BRICS
### INVESTOR CONTACTS AND REGULAR MEETINGS SCHEDULE FOR 2022**

<table>
<thead>
<tr>
<th>Month(s)</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 4-11</td>
<td>Quiet period</td>
</tr>
<tr>
<td>February 11</td>
<td>Board of Directors pivotal meeting on monetary policy. Publication of an updated medium-term forecast.</td>
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<tr>
<td>February 16, 17:00 (Moscow time)</td>
<td>Conference call with institutional investors</td>
</tr>
<tr>
<td>March 11-18</td>
<td>Quiet period</td>
</tr>
<tr>
<td>March 18</td>
<td>Board of Directors meeting on monetary policy</td>
</tr>
<tr>
<td>April 13-15*</td>
<td>Ad-hoc meetings with investors on the sidelines of the IMF/WB meetings</td>
</tr>
<tr>
<td>April 22-29</td>
<td>Quiet period</td>
</tr>
<tr>
<td>April 29</td>
<td>Board of Directors pivotal meeting on monetary policy. Publication of an updated medium-term forecast.</td>
</tr>
<tr>
<td>May 4, 17:00 (Moscow time)</td>
<td>Conference call with institutional investors</td>
</tr>
<tr>
<td>June 3-10</td>
<td>Quiet period</td>
</tr>
<tr>
<td>June 10</td>
<td>Board of Directors meeting on monetary policy</td>
</tr>
<tr>
<td>July 15-22</td>
<td>Quiet period</td>
</tr>
<tr>
<td>July 22</td>
<td>Board of Directors pivotal meeting on monetary policy. Publication of an updated medium-term forecast.</td>
</tr>
<tr>
<td>July 27, 17:00 (Moscow time)</td>
<td>Conference call with institutional investors</td>
</tr>
<tr>
<td>September 9-16</td>
<td>Quiet period</td>
</tr>
<tr>
<td>September 16</td>
<td>Board of Directors meeting on monetary policy</td>
</tr>
<tr>
<td>October 12-14*</td>
<td>Ad-hoc meetings with investors on the sidelines of the IMF/WB meetings</td>
</tr>
<tr>
<td>October 21-28</td>
<td>Quiet period</td>
</tr>
<tr>
<td>October 28</td>
<td>Board of Directors pivotal meeting on monetary policy. Publication of an updated medium-term forecast.</td>
</tr>
<tr>
<td>November 2, 17:00 (Moscow time)</td>
<td>Conference call with institutional investors</td>
</tr>
<tr>
<td>December 9-16</td>
<td>Quiet period</td>
</tr>
<tr>
<td>December 16</td>
<td>Board of Directors meeting on monetary policy</td>
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</tbody>
</table>

* tbc.

** Additional ad-hoc conference calls for institutional investors may be held in the periods between the Bank of Russia Board of Directors pivotal meetings.