



Bank of Russia

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# FINANCIAL STABILITY REVIEW

Information and analytical review

Moscow  
2025

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The [electronic version](#) of the review in Russian and English is available on the Bank of Russia website.  
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## SUMMARY

The Bank of Russia fosters the evolution and strengthening of the banking system and ensures the stability of the financial market of the Russian Federation. The Bank of Russia's efforts in the area of financial stability aim to ensure that the level of risks accepted by the financial system is commensurate with its accumulated capital and buffers. Only in this case will the financial sector be able to absorb rather than amplify the shocks faced by the Russian economy, protect savings, and maintain stable financing for households and businesses in any conditions.

Over the six months from the release of the previous Financial Stability Review, **the balance of risks in certain financial market segments was changing diversely**. Two vulnerabilities of the financial sector, specifically structural imbalances in the domestic FX market and banks' interest rate risk, have recently become less relevant. The situation in the domestic FX market has largely stabilised, with the volatility of the ruble exchange rate in 2025 staying at the minimum levels recorded since 2022. In the conditions of tight monetary policy, banks have proven to effectively manage their interest rate risk. During the period of decreasing interest rates, the banking sector's margin stays stable.

Amid a deceleration of the Russian economy, **credit risk is becoming the main vulnerability**. The financial standing of both individuals and businesses remains resilient overall. However, the risks accumulated earlier have started to materialise, with the most vulnerable borrowers experiencing problems.

In 2025, the **corporate sector's** financial performance has continued to go down from the record highs of 2023–2024 (however, profits of companies in a number of industries, to the contrary, are rising).<sup>1</sup> The main reasons for the decline in financial result are: (1) higher operating expenses; (2) the worsening external economic environment (including due to tightened sanctions); (3) lower demand in industries where, in 2023–2024, it significantly exceeded previous years' levels or where such structural factors as changes in the composition of domestic demand and in the relative priority of the sectors are emerging; and (4) higher interest rates in the economy.

The quality of servicing of corporate loan portfolios remains high overall, as compared to historical values (but in a number of industries, when looking at the breakdown). Our assessments show that, even in case of a considerable further deterioration of companies' operational performance, materialisation of credit risks will not induce systemic risks to financial stability. This is also facilitated by banks' ability to restructure loans in order to alleviate borrowers' current debt burden. Banks are still able to do this owing to accumulated profits and capital adequacy.

As for the **retail loan portfolio**, on the one hand, the debt burden is decreasing due to a substantial rise in households' real incomes coupled with the deceleration in retail lending to close-to-zero levels amid tight monetary and macroprudential policies, while on the other hand, the maturing of loans issued during the rapid expansion of the portfolio in 2023–2024 H1 continues. Nonetheless, owing to the measures taken to limit individuals' debt burden, the growth rate of non-performing loans is lower than during the downward phase of the credit cycle over previous periods, and banks have accumulated a significant macroprudential buffer.

The financial system should promptly take into account changes in the risk profile of the existing liabilities, as well as the needs for capital to cover potential losses without compromising its resilience. This is ensured through the Bank of Russia' both macroprudential policy framework and banking regulation and supervision measures, in particular the restoration of the capital adequacy buffers and maintenance of adequate provisions.

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<sup>1</sup> The ratio of companies' balanced financial results to GDP was 12% over the first eight months of 2025 (-2.7 pp YoY) and 14% as of the end of 2024 (-3.4 pp YoY).

## 1. Global risks

The global economy has proven to be resilient despite protracted uncertainty in trade policy, geopolitical risks, and a possible re-acceleration of inflation. Stock indices remain relatively stable, even as the US Fed has begun cutting its interest rate.

However, the risks of a slowdown in global economic growth and a rise in market volatility persist. Despite the arrangements between the USA and its key trading partners, trade tensions might intensify again. In case of price correction of highly valued high-tech and artificial intelligence sectors shares, stock markets might experience more considerable decline. Non-financial companies in many economies still have a high level of debt, while a number of advanced economies are facing stronger risks of a decline in their budget systems' debt sustainability.<sup>2</sup> If market conditions worsen, the sovereign-bank nexus risks might intensify, similarly to the debt crisis in the euro area in 2010–2012. The positions of emerging market economies (EMEs) are steadier, with the situation there having improved over the period under review as a result of the US dollar depreciation. However, EMEs might face capital outflows in case of global instability.

The Bank of Russia's monetary policy aimed at reducing inflation makes ruble assets more attractive to households and companies (including exporters), which helps maintain a considerable supply of foreign currency in the market. Coupled with importers' moderate demand for foreign currency, this ensured low volatility of the ruble exchange rate over the period under review.

The new sanctions imposed by unfriendly states are adversely affecting both prices and volume of Russian exports. At the same time, experience with previous sanctions shows that within a few months, sales and payment channels will be adjusted, and the situation will recover.

## 2. Russian corporate sector

Amid the slowdown in economic activity, the unfavourable external environment, and high interest expenses, overall balanced financial results<sup>3</sup> in the corporate sector<sup>4</sup> declined by 13.1% YoY over the first eight months of 2025 to ₽15.9 trillion. Losses have been growing among companies in construction,<sup>5</sup> oil and gas production, and transportation. The situation in the coal industry is also challenging. In the conditions of an economic slowdown, small and micro businesses are the most vulnerable sector, which is partly because large corporates extend the periods of payments to their suppliers and increase receivables.

As of the end of 2025 H1, the majority of companies remained financially resilient, although the debt burden in the sample of the largest organisations<sup>6</sup> increased from the beginning of the year. The interest coverage ratio (ICR) dropped because interest rates on companies' debt in mid-2025 were at the maximum level, while their EBITDA<sup>7</sup> declined by 5% in annualised terms. Nevertheless, enterprises' financial standing remains stable overall. Difficulties in debt servicing (ICR below 1) are only reported by certain organisations accounting for 8.1% of the total debt of companies in the sample (vs 8.1% as of the end of 2024 and 5.1% as of 30 June 2024). Taking

<sup>2</sup> In September 2025, yields on long-term government bonds in France, the UK, and Japan were at their multi-year lows.

<sup>3</sup> According to Rosstat.

<sup>4</sup> Excluding financial and insurance organisations.

<sup>5</sup> The construction industry includes residential and non-residential construction, construction project development, and engineering facility construction.

<sup>6</sup> The sample comprised 89 largest organisations compiling IFRS statements.

<sup>7</sup> EBITDA – earnings before interest, taxes, depreciation, and amortisation.

into account interest expenses, distressed companies' debt accounted for 7.6% as of the end of 2025 H1 (vs 8.1% as of the end of 2024).

In its baseline scenario assuming a gradual easing of monetary conditions, the Bank of Russia forecasts that companies' debt burden will ease by 2026. The results of the scenario analysis, which implies a 20%<sup>8</sup> decline in companies' EBITDA combined with the continued tightness of monetary conditions, show a limited increase in the proportion of debt of distressed companies with the ICR below 1 (+2.1 pp).

### 3. Vulnerabilities of the Russian financial sector

#### *Credit risk in the corporate sector*

After the slowdown in corporate lending in 2025 Q1, the average monthly growth rate of lending, including banks' investment in bonds, approximated 1% in April–September 2025. In October 2025, corporate credit claims were up by 2.5%. Therefore, there is no credit crunch in the market, with corporate lending expanding at a more balanced pace than a year before.

In 2025 Q2–Q3, the rise in debt liabilities to the banking sector was primarily accounted for by large companies, part of which are highly leveraged. In order to mitigate systemic risks, from 1 April 2025, when calculating capital adequacy ratios, the Bank of Russia applies a macroprudential add-on to the growth rate of the debt of highly leveraged large companies. The amount of credit claims to be covered by the add-on is assessed at ₺2.1 trillion, but due to originally low risk weights, the macroprudential buffer is small so far (₺17 billion). For banks to accumulate the buffer for corporate loans more quickly, at the end of October 2025, the Bank of Russia decided to raise, from 1 December 2025, the add-on applicable to the debt increase by 20 pp to 40%.<sup>9</sup>

The level of solvency in the corporate sector remains satisfactory overall. The proportion of companies, which banks' risks management units include in the 'yellow' zone, increased in the loan portfolio, but the share of non-performing corporate loans (quality categories IV and V) was up only slightly from early 2025, specifically by 0.2 pp to 4.0% as of 1 October 2025, which is notably less than in previous years. The situation among small and micro businesses is somewhat worse: from the beginning of 2025, the proportion of companies experiencing difficulties in servicing their debt rose by 2.0 pp to 9.5%. If borrowers face problems, banks restructure their debt. Nevertheless, the amount of restructured loans remains steadily low in recent months, as compared to the peaks of 2025 Q2. Overall, the banking sector has sufficient capital to cover possible losses from corporate loans.

#### *Households' debt burden*

Households' debt burden at the macrolevel<sup>10</sup> decreased to 9.4% as of 1 October 2025 (vs 10.1% as of 1 April 2025), which was associated with a rise in individuals' incomes and deceleration in the annual growth of lending compared to 2023–2024. Expenses for servicing unsecured consumer loans declined the most (-0.6 pp), with the outstanding debt on them decreasing since autumn 2024 (-5.5% YoY as of 1 October 2025). Contrastingly, households' debt burden on microloans from microfinance organisations and instalment schemes from developers was up, while the information on these debts is currently not submitted to credit history bureaus and is not taken into account in the calculation of borrowers' debt service-to-income ratios (DSTI).

<sup>8</sup> A hypothetical stress that might occur only in case of a slump in output.

<sup>9</sup> Press release of the Bank of Russia, dated 31 October 2025, 'Bank of Russia's decisions on macroprudential policy'.

<sup>10</sup> The percentage of households' incomes used to service their loans.

As the unsecured consumer loan portfolio continues to mature, the proportion of non-performing loans<sup>11</sup> reached 12.9% as of 1 October 2025 (vs 10.8% as of 1 April 2025), which was predominantly attributed to the maturity of loans issued over the period of overheating in the credit market in 2023–2024. Moreover, risks associated with new disbursements remain high: the share of loans granted in July 2025 becoming delinquent within a short period after the issue has reached 2% (compared to 1% in July 2023).

The Bank of Russia's macroprudential measures are critical in the current situation as they are aimed at creating a capital buffer and restricting loans to borrowers with high DSTI because these loans become delinquent much more often. Macroprudential limits (MPLs) helped reduce the proportion of unsecured consumer loans issued to borrowers with high DSTI (whose expenses on loan repayments account for more than 50% of their income) to 19% of the total amount of disbursements in 2025 Q3 (vs 28% in 2024 Q3). Macroprudential add-ons made it possible to accumulate a macroprudential capital buffer amounting to 7.1% of the portfolio of loans, net of loss provisions (as of 1 October 2025). If revenues generated by banks turn out to be insufficient to cover losses or if banks face capital constraints, the Bank of Russia may partially release the macroprudential capital buffer so as to ensure stable lending to the economy.

### *Housing market and project finance risks*

The situation in the housing market remains stable. Sales in value terms for the first 10 months of the year are comparable to the level of the same period in 2024 when the demand for housing surged in anticipation of the termination of the non-targeted subsidised mortgage programme. The percentage of sold housing under construction across Russia stays acceptable overall (32%), although a number of regions report an oversupply. Most companies in the construction sector remain profitable, while the financial safety margin accumulated over the past few years enables the majority of developers to stay resilient despite high market rates and slower economic activity.

As the Bank of Russia eased its monetary policy and the Russian Government temporarily increased the compensation for the subsidised programmes, this contributed to the rebound in mortgage lending in 2025 Q2–Q3. The proportion of instalments in the new housing sales has declined. However, the accumulated amount of instalments remains significant, approximating ₹1.4 trillion as of 1 October 2025.

The quality of mortgage debt servicing has continued to worsen due to the maturing of earlier issued loans. Non-performing loans accounted for 1.7% as of 1 October 2025, which is 0.7 pp more compared to the beginning of 2025. The quality of mortgages granted for single-family home construction, non-targeted subsidised mortgages for apartments, and market-based mortgages issued in recent years at higher interest rates deteriorated over the period under review.

From 1 July 2025, the Bank of Russia introduced new MPLs to restrict the issue of the riskiest mortgages, and from 1 October 2025, the regulator established MPLs for mortgages provided for single-family home construction. The Bank of Russia made the decision to toughen the MPLs for mortgages issued for single-family home construction from 1 January 2026. Further on, the regulator will gradually raise the MPLs in this segment to the level established for conventional mortgages. As a result of the application of the MPLs, the accumulation of a substantial macroprudential capital buffer, and the improvement of the mortgage lending standards, the Bank of Russia lowered the macroprudential add-ons in mortgage lending three times over the course of 2025.

<sup>11</sup> Hereinafter, non-performing retail loans are loans included in quality categories IV and V (Section 1 of Reporting Form 0409115), loans with a 100% probability of default (Section 1.1 of Reporting Form 0409115), as well as loans overdue for more than 90 days (Section 3 of Reporting Form 0409115).



## 4. Assessment of the financial sector's resilience

### *Assessment of the banking sector's resilience*

Over the period under review, banks' returns on assets and capital adequacy stayed close to the historical averages. Annual returns on assets remained stable at 1.9% as of 1 October 2025,<sup>12</sup> including owing to the growth in banks' net interest income. Banks' capital adequacy also remained nearly unchanged, specifically 12.9% as of 1 October 2025. The macroprudential buffer equalled 0.8 pp of N1.0, or ₺1.2 trillion as of 1 October 2025.

The situation with banks' liquidity has improved. The scheduled restoration of the requirements for compliance with the liquidity coverage ratio (LCR) from 1 July 2025 has not produced a notable effect on monetary conditions. From 30 October 2025, systemically important banks (SIBs) switched from the Basel III LCR to the national LCR, which enables a more accurate assessment of their liquidity risk as it takes into account the Russian market's specifics.

Amid slowing inflation and the start of the key rate reduction by the Bank of Russia, bond yields were declining for most of the period under review (except in September). As a result, the positive revaluation of banks' bond portfolio amounted to ₺278 billion, while the accumulated but unrecognised negative revaluation of the ruble portfolio decreased by ₺214 billion. In the future, a balanced structure of the budget and sustainable disinflation will be essential factors mitigating interest rate risks.

### *Assessment of non-bank financial institutions' resilience*

Insurers' and non-governmental pension funds' financial resilience remains at a high level. In 2025, insurers have increased net profit, while non-governmental pension funds have higher returns on invested pension resources. These dynamics have been largely driven by high interest incomes from investment in federal government bonds (OFZs).

In 2025, leasing companies' overall portfolio has contracted due to a reduction in new business that started at the end of the previous year. The decline is mostly attributable to the situation in automobile leasing as lessees' payment discipline in this segment has worsened. To better manage their credit risks, leasing companies have shifted towards a conservative strategy by tightening the requirements for advance payments, increasing provisions, and intensifying their efforts to reduce the amount of unsold seized assets.

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<sup>12</sup> Across all credit institutions, except for the bank of non-core assets. Adjusted for dividends from Russian subsidiary banks.

# MAIN VULNERABILITIES

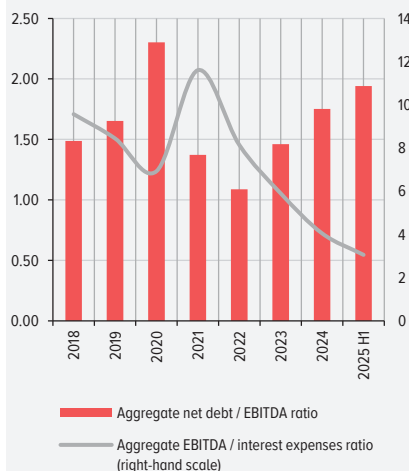
## Vulnerabilities

## Stability factors and measures

### Vulnerabilities of the Russian non-financial sector

Amid the slowdown of the economy, a negative market environment, and still high interest rates, companies' debt and interest burden increased as of the end of 2025 H1, which affected the debt metrics.

**Largest non-financial companies' debt and interest burden**



Monetary easing forecast in 2026 will enable companies to reduce their interest expenses and increase profits.

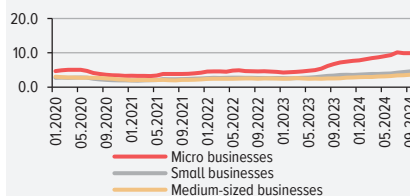
Some highly leveraged borrowers might face difficulties servicing their debts.

### Credit risk in the corporate sector

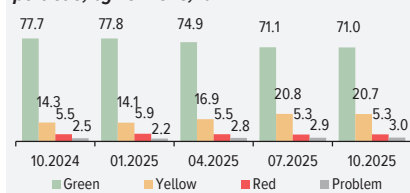
The proportion of 'green zone' loans (without signs of impairment) in the SME portfolio might decrease gradually.

The number of defaulting SMEs, predominantly micro businesses, has been growing.

**SMEs' default ratio on issued loans during next 12 months, %**



**Large and medium-sized businesses' loan portfolio, by risk zone, %**



The Bank of Russia recommended that banks should approve loan restructuring applications and allowed them not to decrease the quality category of loans restructured after 1 January 2025, providing that borrowers submit realistic plans for restoring their financial standing and solvency.

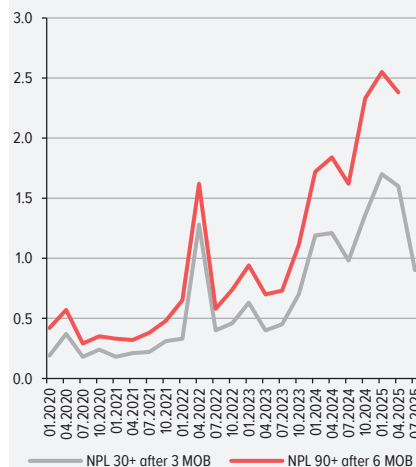
### Households' debt burden

Consumer loans issued to borrowers with excessive debt burden (DSTI 50+) accounted for 39% of the portfolio.

As for cash loans, the share of NPL 90+ after six MOB\* edged down, but remains high, namely 2.4%.

\* Month on book – the age of a loan.

**Credit quality of issued cash loans, %**



Banks have been accumulating the macroprudential capital buffer: as of 1 October 2025, it covered 71% of the unsecured loan portfolio and 1.5% of the mortgage portfolio.

The MPLs set for unsecured loans contribute to a decline in new loans issued to borrowers with high DSTI: in 2025 Q3, borrowers with DSTI 50+ accounted for 19% of the disbursements.

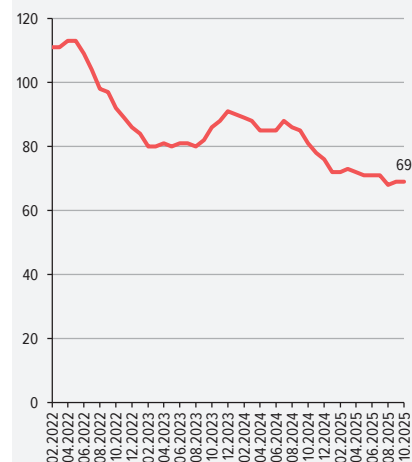
### Imbalances in the housing market and project finance risks

The mortgage market is highly responsive to tight monetary policy.

Instalment schemes from developers make up a significant share in total sales.

The coverage of loans in project finance with funds in escrow accounts has decreased.

**Coverage ratio for developers' loans with funds in escrow accounts, %**



Over the first 10 months of 2025, sales of housing under construction amounted to ₺3.8 trillion, which is comparable with the values of the previous two years. The mechanism of project finance using escrow accounts will support the market since it is generally more profitable for banks to help complete a troubled project than to bankrupt the developer.



## 1. GLOBAL RISKS

The global growth outlook remains uncertain due to persistent risks of trade tension escalations and risks of a possible re-acceleration of inflation. Moreover, many countries still face accumulated vulnerabilities, while there is a growing concern in a number of advanced economies over fiscal and debt sustainability. The geopolitical situation remains a factor of uncertainty for Russia, while the major transmission channels of global risks are foreign trade flows and downside risks to commodity prices, primarily oil prices.

GDP GROWTH RATES, IMF ESTIMATE  
(%)

Table 1

	2024	Forecast as of October 2025		Difference vs forecast as of April 2025 (pp)	
		2025	2026	2025	2026
<b>Global GDP growth</b>	<b>3.3</b>	<b>3.2</b>	<b>3.1</b>	<b>0.4</b>	<b>0.1</b>
<b>Advanced economies</b>	<b>1.8</b>	<b>1.6</b>	<b>1.6</b>	<b>0.2</b>	<b>0.1</b>
USA	2.8	2	2.1	0.2	0.4
Canada	1.6	1.2	1.5	-0.2	-0.1
UK	1.1	1.3	1.3	0.2	-0.1
Euro area	0.9	1.2	1.1	0.4	-0.1
Germany	-0.5	0.2	0.9	0.2	0.0
France	1.1	0.7	0.9	0.1	-0.1
Italy	0.7	0.5	0.8	0.1	0.0
Spain	3.5	2.9	2	0.4	0.2
Japan	0.1	1.1	0.6	0.5	0.0
<b>EMEs and developing economies</b>	<b>4.3</b>	<b>4.2</b>	<b>4.0</b>	<b>0.5</b>	<b>0.1</b>
China	5.0	4.8	4.2	0.8	0.2
India	6.5	6.6	6.2	0.4	-0.1
<b>Russia</b>	<b>4.3</b>	<b>0.6</b>	<b>1.0</b>	<b>-0.9</b>	<b>0.1</b>
Brazil	3.4	2.4	1.9	0.4	-0.1
South Africa	0.5	1.1	1.2	0.1	-0.1
Mexico	1.4	1.0	1.5	1.3	0.1

Source: IMF.

In October 2025, the IMF revised upwards its global economic outlook by 0.4 pp compared to the April projections, the growth rate of global GDP is expected to equal 3.2% in 2025 (vs 3.3% in 2024) (Table 1). The revision was associated with the fact that the US tariffs imposed in August 2025 turned out to be less extensive than assumed.

However, in October 2025, trade tensions between the USA and China intensified again, which provoked a decline in global stock indices and a crypto market crash (see Box 10). Nevertheless, the situation in stock markets quickly stabilised since the two countries negotiated new arrangements.<sup>1</sup> Stock indices are also supported by the beginning of the Fed's rate-cutting cycle. Over the period from 1 April 2025 to 5 November 2025, the US S&P 500 Index gained 21.1%, Japan's Nikkei 225 gained 41.0%, Europe's STOXX 600 gained 7.1%, the MSCI Emerging Markets Index gained 25.6%, and China's Shanghai Composite gained 19.0% (Chart 1).

High equity prices are most pronounced in high-tech and artificial intelligence sectors, and in case of price correction, global stock markets might face considerable decline.

<sup>1</sup> The USA and China finalised a one-year deal on rare earths and critical minerals. The parties agreed that China would resume purchases of soybeans from the USA, while the USA would cut fentanyl related tariffs by half to 10% and overall tariffs on Chinese goods from 57% to 47%.

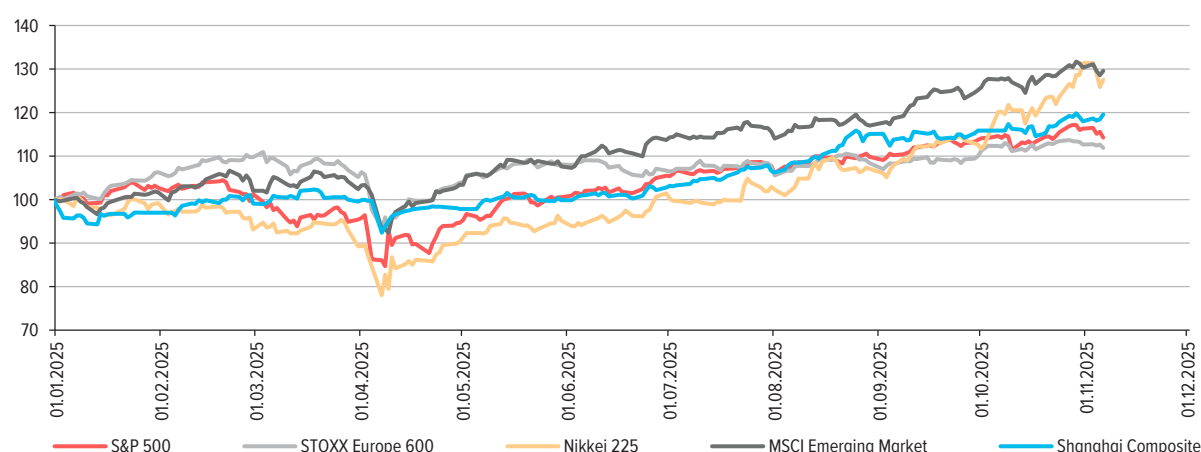
Global economic and trade policy uncertainty indices remain elevated (Chart 2). New waves of protectionism, including a potential expansion of tariffs, might amplify inflationary pressures through high production costs and disturbances in supply chains. Additional risks are associated with geopolitical tensions and commodity market volatility.

The slowdown in economic growth and emerging signs of an easing in the labour market are strengthening the expectations of monetary policy easing by the leading central banks in a number of advanced economies. The ECB began a policy rate reduction cycle in mid-2024, but has been keeping its rates unchanged since September 2025. The US Fed cut its policy rate in September and October 2025 by a total of 0.5 pp to 3.75–4.00% after the pause that had lasted from early 2025.

However, due to the persistence of heightened inflation expectations, yields on 10-year government bonds in many advanced economies stay close to the maximum levels of the past few years, despite a slight decline in October–November 2025 (Chart 3). Furthermore, in September 2025, government bond yields with longer maturities (30 years) in Japan, France, and the UK hit multi-year highs, thus reflecting higher risks to their fiscal and debt sustainability amid growing budget expenditures and government debt.

MAJOR STOCK INDICES (31.12.2024 = 100)

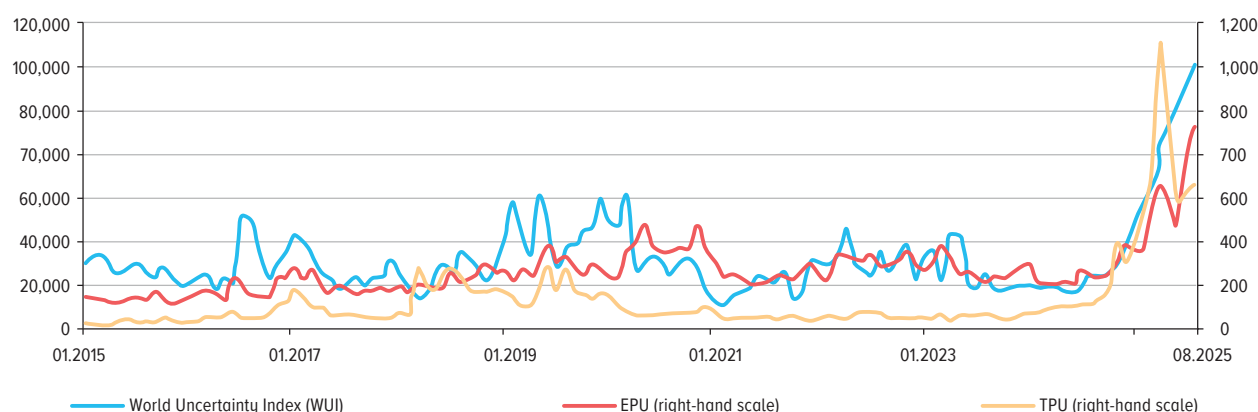
Chart 1



Source: Cbonds.

WORLD UNCERTAINTY INDEX

Chart 2

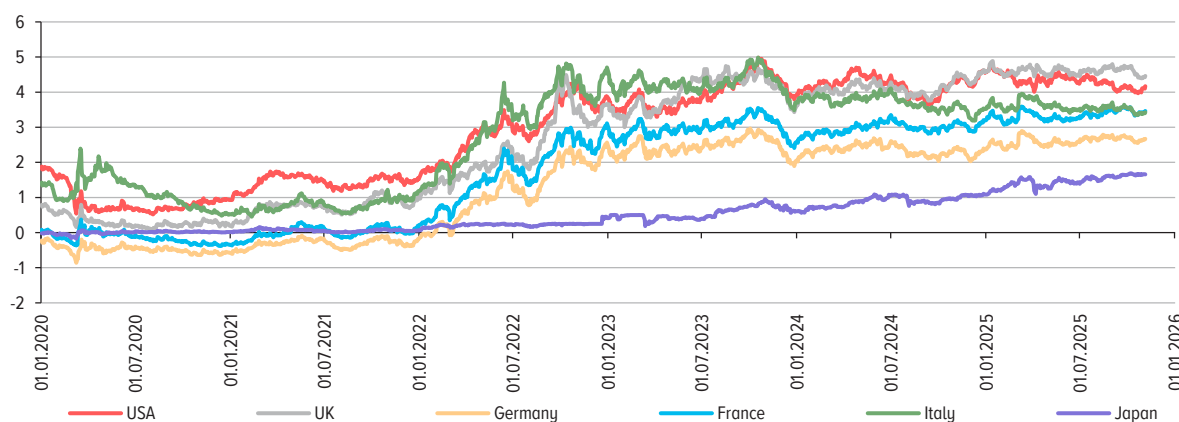


Note. Uncertainty indices quantify media attention to global news associated with overall uncertainty (World Uncertainty Index), economic policy uncertainty (Economic Policy Uncertainty Index), and trade policy uncertainty (Trade Policy Uncertainty Index).

Source: IMF.

## 10-YEAR GOVERNMENT BOND YIELDS IN MAJOR ECONOMIES

Chart 3



Source: Cbonds.

In these conditions, there is still a threat of a vicious circle of the public and financial sectors' risks, similarly to the debt crisis in the euro area in 2010–2012. Moreover, a possible rise in volatility in financial markets might provoke problems with liquidity for banks and other financial intermediaries (investment funds), which might increase bond sales and credit spreads.

Commodity markets record considerable growth in the demand for gold as a defensive asset (from early April to 21 November 2025, the gold price surged by 30%). Investors' demand for gold has been rising amid elevated uncertainty about global growth outlook. Another factor buoying up the gold price is steady demand from EMEs' central banks that have continued to diversify their international reserves against the background of the G7 discussions on using Russia's frozen assets.

A negative factor for Russia is a decline in crude oil prices. Moreover, in November 2025, the spread between the Brent and Urals prices widened amid the new sanctions imposed by the USA on the largest Russian oil exporters. According to Cbonds, the Urals price dropped to \$53 per barrel on 21 November 2025, while Argus<sup>2</sup> reported a decrease to \$40 per barrel. A reduction in global commodity prices in case of materialisation of the risks to the global economy might drag down exporters' earnings and budget revenues (Table 2). Potential factors for a decline in crude oil prices might be a contraction of demand from China and India in case of a slump in global growth or escalating geopolitical risks, as well as a further expansion of oil production by the OPEC+ countries and the USA. Over April–September 2025, the OPEC+ countries gradually returned to the market 2.2 million barrels per day which had been earlier withheld within the voluntary output cuts, and in October–November 2025, they continued to build up oil output.

<sup>2</sup> The price was calculated based on Urals prices in the Ust-Luga and Primorsk seaports.

## COMMODITY PRICES

Table 2

	21 November 2025	% change		
		From early April 2025	Compared to 2024 average	Compared to 2021–2023 average
Urals, \$/barrel	52.8	-22.8%	-27.1%	-25.6%
Natural gas (TTF), €/MWh	30.2	-25.4%	-13.6%	-59.2%
Coal (Australia), \$/tn	110	6.7%	-19.3%	-50.6%
Iron ore 62% Fe (CFR China), \$/tn	104	1.7%	-5.5%	-21.9%
HRC steel futures (China), ¥/tn	3,060	-3.1%	-10.0%	-29.8%
Aluminium (LME), \$/tn	2,806	10.6%	14.1%	12.3%
Nickel (LME), \$/tn	14,620	-8.5%	-13.9%	-33.7%
Fertilisers (DAP), \$/tn (as of 31 October 2025)	754	22.6%	33.8%	17.6%
Gold (CME), \$/oz t	4,062	30.2%	70.0%	119.9%

Source: Cbonds.

The situation in EME financial markets generally remained stable over the period under review; stock markets rose, 10-year government bond yields declined, national currencies mostly strengthened against the US dollar (Table 3). The situation in EMEs has remained generally stable thanks to the more balanced macroeconomic policies pursued in recent years. However, these countries are still vulnerable to a potential increase in the capital outflow in case of market stress. Current vulnerabilities in the EMEs, which are Russia's key trading partners, are described in Box 1.

## MAIN INDICATORS IN EME FINANCIAL MARKETS

Table 3

Economy	Change from 1 April 2025 to 5 November 2025				
	Exchange rates against USD	Stock index	10-year government bond yields	General ranking*	
	%	%	bp		
Philippines	-2.5	-5.4	-20		1
Russia	3.5	-15.5	-67		2
India	-3.5	7.8	-5		3
Malaysia	5.9	7.1	-30		4
Türkiye	-9.8	13.6	-136		5
China	1.8	19.0	-13		6
Thailand	4.6	13.9	-37		7
Poland	4.6	16.3	-40		8
Chile	0.2	23.4	-22		9
Hungary	10.6	21.2	-29		10
Indonesia	-0.1	27.8	-81		11
Brazil	6.5	17.7	-125		12
Mexico	10.1	20.8	-67		13
Colombia	9.0	27.1	-16		14
South Africa	5.3	22.7	-182		15
14 EMEs excluding Russia	3.0	16.6	-57		

Thresholds	Changes in indicators		
	Exchange rates against USD (%)	Stock index (%)	Yields on 10-year government bonds (bp)
Minimum	-10.0	-10.0	-100
	0.0	0.0	0
Maximum	10.0	10.0	100

\* 1 – the worst, 15 – the best.

Source: Cbonds.

In contrast to other EMEs, Russia recorded a 15.5% decline in the stock market from early April to 5 November 2025, which was caused by persistent geopolitical risks and cooling in the Russian economy after its rapid expansion in recent years (see Box 2). The dynamics in stock markets of a number of other oil exporting countries were less favourable as well. For instance, Saudi Arabia's share index (TASI) lost 6.4% over the period from early April to 5 November 2025.

### Box 1. Estimates of macroeconomic resilience of some Russian trading partners

The macroeconomic situation in the countries that are Russia's main trading partners generally remains stable despite the persistent vulnerabilities and occasional volatility spikes in the markets.

**China's** economic growth has continued to decelerate gradually, while staying relatively high (GDP growth was 4.8% YoY in 2025 Q3 vs 5.2% YoY in 2025 Q2). The slowdown in GDP growth was largely attributed to persistently weak domestic demand: in October 2025, consumer prices edged up by as little as 0.2% YoY, while producer prices dropped by 2.1% YoY. Imports started to bounce back from June 2025, with the growth rate reaching 7.4% YoY in September 2025. However, in October 2025, it dropped again to 1.0% YoY. After the expansion by 8.3% YoY in September 2025, exports then shrank by 1.1% YoY in October 2025. The uncertainty induced by trade tensions, export restrictions, and technology-related sanctions might provoke risks to China's external sector. The key vulnerabilities in China are also associated with protracted problems in the real estate market and increasing government debt, including at the level of local authorities.

The growth rate of **India's** GDP remains high, but the Indian rupee slightly weakened against the US dollar, specifically by 3.5% from early April to 5 November 2025, after the USA imposed 50% tariffs on India's goods. Nonetheless, inflation in India stays persistently low, equalling 0.3% YoY in October 2025.

Inflation in **Türkiye** has continued to decelerate gradually, while staying high, and reached 32.9% YoY in October 2025. The slowdown in inflationary pressure enabled the Central Bank of the Republic of Türkiye to cut its policy rate to 39.5% as of October 2025, after its increase to 46% in April 2025. However, the national currency remains under pressure, from early April to 5 November 2025, the Turkish lira weakened against the US dollar by 9.8%. Large external debt and a considerable share of foreign currency liabilities in the corporate sector pose risks. The annual growth of Türkiye's GDP has slowed down in recent years, while staying relatively stable even despite high interest rates (2.3% YoY in 2025 Q1 and 4.8% YoY in 2025 Q2).

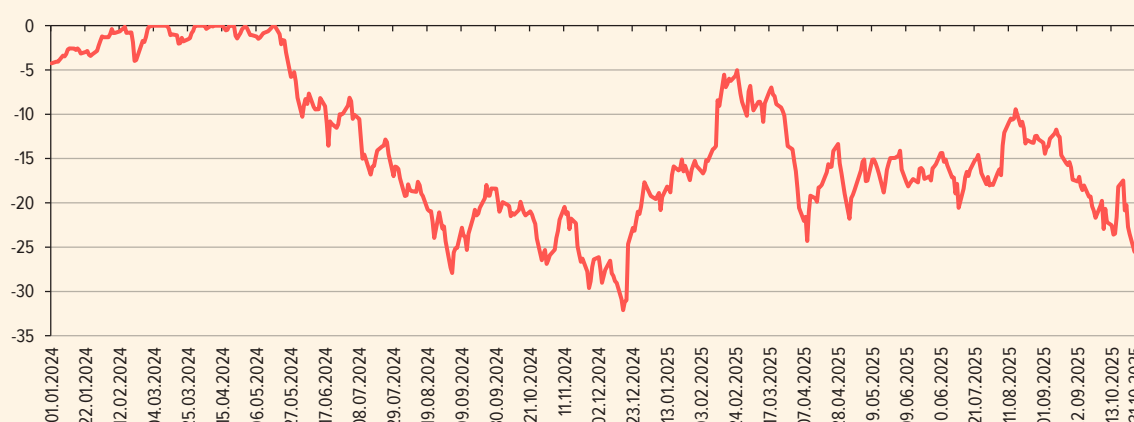
**Kazakhstan's** economy is vulnerable to potential risks of a deterioration of the global economic environment and a decline in the demand for exports. Inflation sped up to 12.9% YoY in September 2025. To tame inflationary pressures, the National Bank of Kazakhstan has been maintaining tight monetary policy conditions, keeping its policy rate at 16.5% from April 2025 and raising it to 18% in October 2025.

**Box 2. Situation in the Russian stock market**

After the increase in the Russian stock market at the beginning of the year, the MOEX Russia Index declined by 16% over 2025 Q2–Q3, specifically from 3,013 points as of the end of 2025 Q1 to 2,546 points as of 5 November 2025. Moreover, the cumulative decline of the index over the last 12 months, compared to its maximum level, reached 23% in the middle of October 2025 (Charts 4 and 5). The dynamics in share prices were largely attributed to changes in the geopolitical situation. In addition, the market was significantly affected by a decline in companies' financial performance and expectations about a further key rate path and future fiscal policy. The contraction in the market was accompanied by a reduction in trading volume (the trading volume in 2025 Q1 averaged ₺169 billion per day, while in 2025 Q2–Q3, it decreased to ₺112 billion per day)<sup>1</sup> and a minimum rise in individuals' investments (see Box 10).

CHANGE IN MOEX RUSSIA INDEX RELATIVE TO ITS MAXIMUM OVER LAST 12 MONTHS (%)

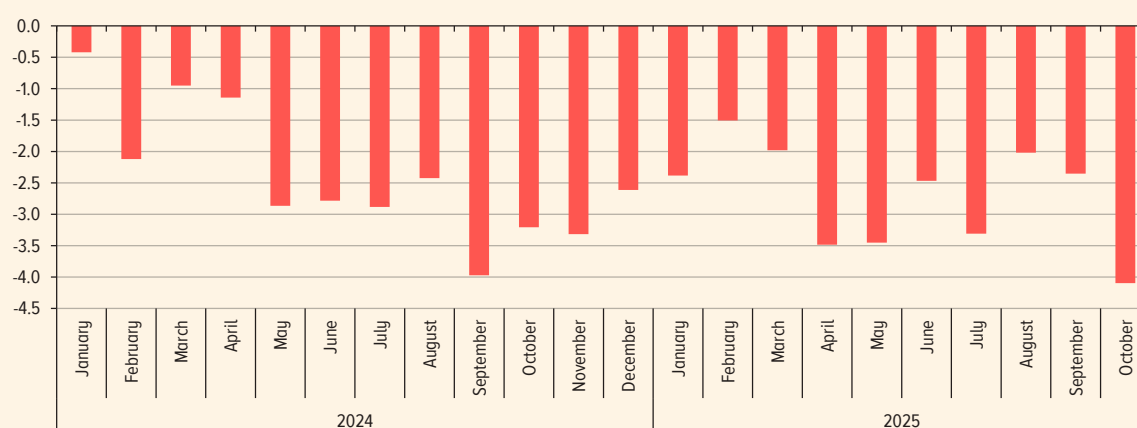
Chart 4



Source: Moscow Exchange.

LARGEST SINGLE-DAY DECLINE IN MOEX RUSSIA INDEX (OVER MONTH) (%)

Chart 5



Source: Moscow Exchange.

<sup>1</sup> The average daily trading volume was calculated excluding trading on 2 and 8 May 2025 and 13 June 2025, as well as trading on weekends.

The ruble strengthening against the US dollar by 3.5% from early April to 5 November 2025 was in line with the average appreciation of 3% in the main EMEs. This was driven by moderate dynamics in demand for foreign currency from individuals and importers amid tight monetary policy. The situation with foreign currency liquidity was stable as well. For the most part of the period under review, no demand for FX swaps with the Bank of Russia was recorded. Hence, there were no systemic risks in the Russian FX market over the reporting period. Therefore, this review does not highlight the related vulnerability (see Box 3).



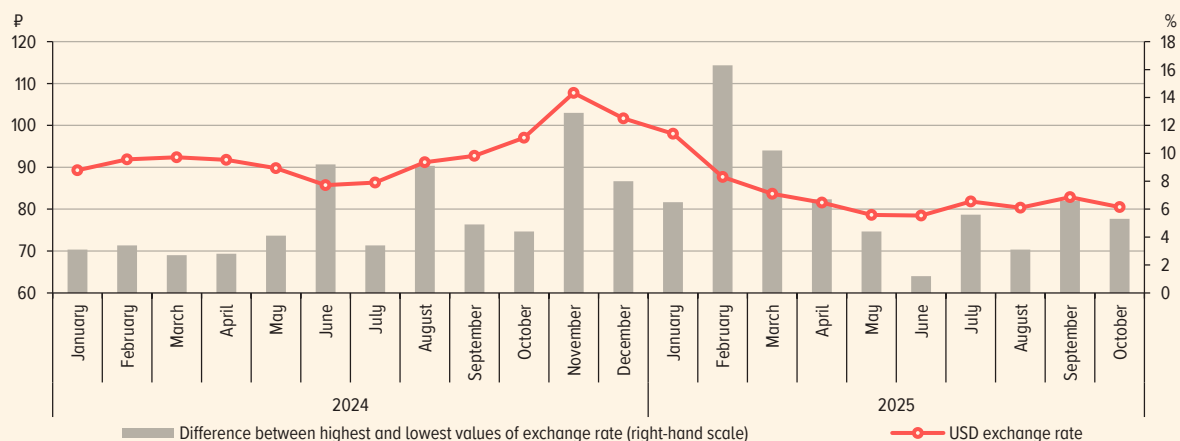
**Box 3. Situation in the Russian FX market**

The situation in the Russian FX market remained stable in 2025 Q2–Q3. Furthermore, the exchange rate became less volatile, the difference between the highest and lowest values of the ruble exchange rate against the US dollar within a month averaged 4.4%, compared to 9.7% over 2024 Q4–2025 Q1 (Chart 6).

In 2025 Q2, net foreign currency sales by the 29 largest exporters declined by 24% QoQ to \$24.9 billion, primarily because of lower crude oil prices<sup>1</sup> (Chart 7). The ruble appreciation by 6.3% in 2025 Q2, despite the reduction in exporters' sales, was driven by a decrease in legal entities' demand for foreign currency as a result of tight monetary policy encouraging market participants to opt for ruble holdings.

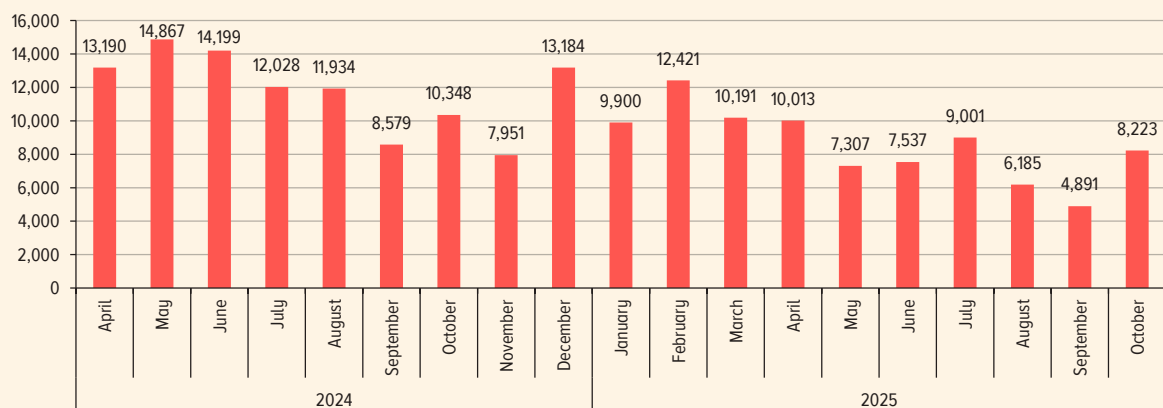
In 2025 Q3, exporters' net sales contracted compared to the previous period by another 19% to \$20.1 billion against the backdrop of a growing share of ruble-denominated export earnings and accumulation of foreign currency by a number of companies for repaying their foreign currency liabilities. Furthermore, the ratio of net foreign currency sales to the largest exporters' foreign currency earnings averaged 97% in 2025 Q2–Q3, which is above the 2024–2025 average of 93%. The decline in exporters' sales over that period was offset by an increase in foreign currency supply by other trading participants.

OFFICIAL USD/RUB EXCHANGE RATE AS OF END OF MONTH AND DIFFERENCE BETWEEN ITS HIGHEST AND LOWEST VALUES WITHIN MONTH *Chart 6*



Source: Bank of Russia.

NET FOREIGN CURRENCY SALES PER MONTH BY 29 LARGEST EXPORTERS IN 2024–2025  
(\$ MLN) *Chart 7*

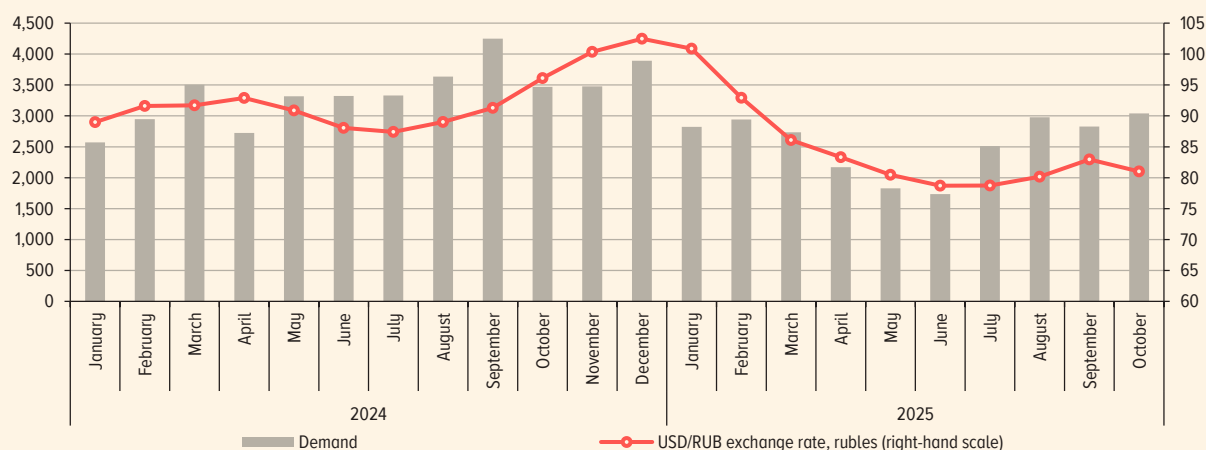


Sources: CIS' survey about the amounts of foreign currency purchases / sales by the largest exporters, Moscow Exchange.

<sup>1</sup> According to the Ministry of Economic Development of the Russian Federation, the average Urals price as of the end of 2025 Q2 equalled \$55.6 per barrel, which is 12% lower vs 2025 Q1.

FOREIGN CURRENCY PURCHASES BY LEGAL ENTITIES (EXCLUDING BANKS) FOR RUBLES  
(₽ BN)

Chart 8



Sources: Moscow Exchange, Reporting Form 0409701.

The expansion of foreign currency supply in the market in 2025 Q3 was also accompanied by a rise in the demand for foreign currency from legal entities – banks' clients. The amount of foreign currency they purchased over 2025 Q3 was up by ₽2.6 trillion to total ₽8.3 trillion, which is similar to the value of 2025 Q1. Due to higher demand for foreign currency in 2025 Q3, the ruble depreciated by 5.6%.

## 2. RUSSIAN CORPORATE SECTOR

The corporate sector's financial performance has been declining amid the negative dynamics of global commodity prices, a slowdown in economic activity in the Russian Federation after the rapid growth in 2023–2024, high inflation, and tight monetary policy. As of the end of the first eight months of 2025, companies' balanced financial results,<sup>1</sup> excluding the financial and insurance sectors, decreased by 13.1% YoY to ₹15.9 trillion.

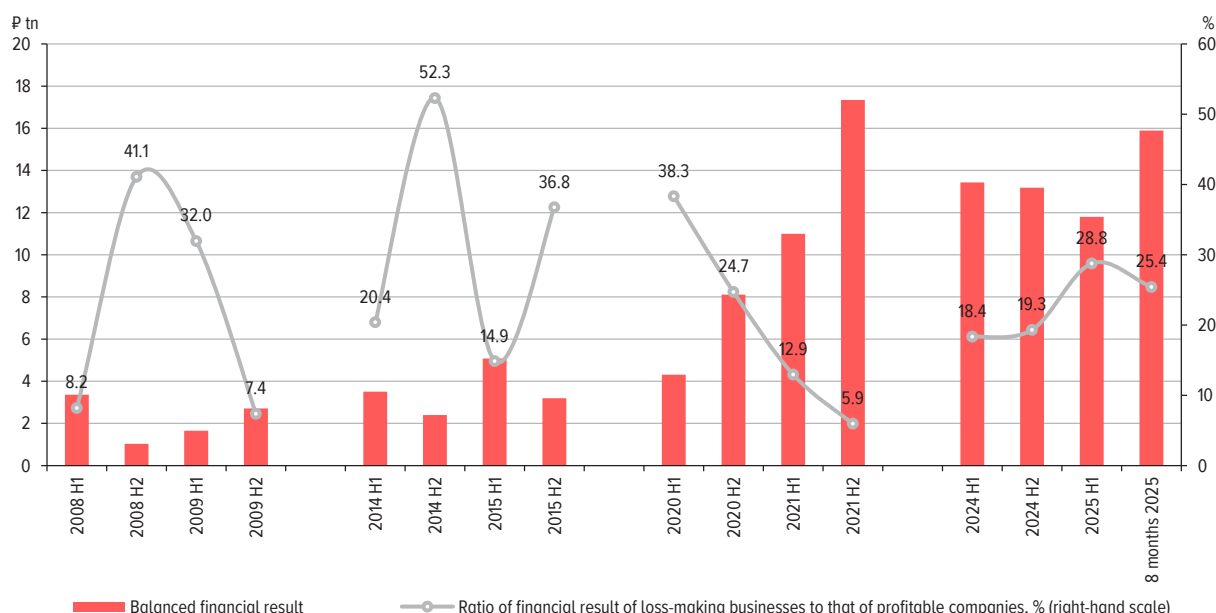
Nevertheless, the situation in the Russian corporate sector remains stable, and companies have a safety margin. According to the baseline scenario of monetary policy, the largest enterprises will stay financially resilient even in case of a 20% decline in EBITDA. Only a number of highly leveraged borrowers, accounting for 8.1% the total debt of companies in the sample, might face difficulties servicing their debts.

### 2.1. Dynamics of companies' financial standing

As of the end of the first eight months of 2025, companies' balanced financial results,<sup>2</sup> excluding the financial and insurance sectors, decreased by 13.1% YoY to ₹15.9 trillion. The ratio of financial results of loss-making companies to that of profitable businesses rose by 8 pp YoY over the first eight months of 2025 to equal 25.4% (the average of the past 10 years was 16.3%). Nevertheless, this ratio was notably higher during crisis periods than it is now: 41% in 2008, 52% in 2014, and 38% in 2020.

RATIO OF FINANCIAL PERFORMANCE OF LOSS-MAKING BUSINESSES TO THAT OF PROFITABLE COMPANIES, EXCLUDING FINANCIAL AND INSURANCE SECTORS, ACCORDING TO ROSSTAT, OVER JANUARY–AUGUST 2025 AND IN CRISIS PERIODS

Chart 9

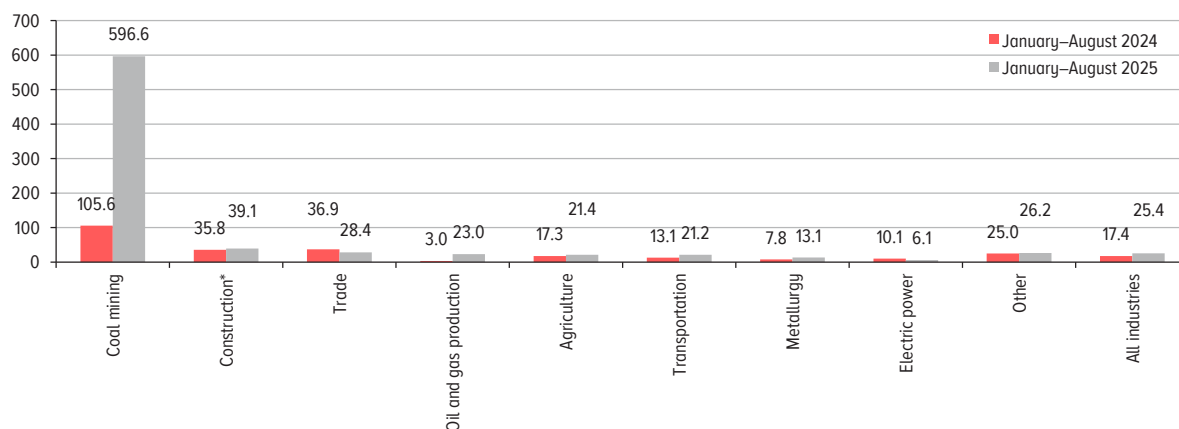


Sources: Rosstat, Bank of Russia analysis.

<sup>1</sup> Rosstat.

<sup>2</sup> As of the end of the first eight months of 2025, companies' balanced financial results, including the financial and insurance sectors, totalled ₹17.6 trillion, while the ratio of financial results of loss-making companies to that of profitable businesses over the first eight months of 2025 equalled 24.9%.

RATIO OF FINANCIAL PERFORMANCE OF LOSS-MAKING BUSINESSES TO THAT OF PROFITABLE COMPANIES, EXCLUDING FINANCIAL AND INSURANCE SECTORS, ACCORDING TO ROSSTAT, OVER JANUARY–AUGUST 2025 (%) Chart 10



\* The construction industry includes residential and non-residential construction, construction project development, and engineering facility construction.  
Sources: Rosstat, Bank of Russia calculations.

The growth rates of the loss ratio are the highest in coal production (which is attributed to lower coal prices, a stronger ruble, and high logistics costs and interest payments), construction<sup>3</sup> (due to rising construction costs coupled with declining demand amid high interest rates), oil and gas production (because of lower crude oil prices and the ruble appreciation), and transport (as a result of more expensive leasing and a reduction in shipping across all transport types amid slower economic activity and problems in the coal and metallurgical industries).

Moreover, the factor analysis of the decline in certain large companies' net profit shows high heterogeneity. Thus, the contraction in oil and gas producers' profits was primarily caused by the decrease in global crude oil prices (the impact of the factor is 55%) and the appreciation of the ruble (the impact of the factor is 14%), while other factors (the impacts of a rise in fixed costs and higher interest expenses are 13% and 17%, respectively) accounted for approximately 30%. The reduction in metallurgical enterprises' profits by 60% was associated with lower demand in the domestic market, whereas other factors (the impacts of a rise in fixed costs and higher interest expenses are 13% and 25%, respectively) accounted for approximately 40%. The negative effect of the market environment was partially offset by companies' revenues from the revaluation of foreign currency liabilities amid the ruble appreciation.

According to Rosstat, the corporate sector's overdue receivables<sup>4</sup> (Chart 11) as of the end of the first eight months of 2025 increased by 15.2% YoY to ₹7.5 trillion. Moreover, companies' overall receivables<sup>5</sup> were up by 6.1% YoY to total ₹120.5 trillion. The share of overdue payments in overall receivables edged up from 5.7% as of the end of the first eight months of 2024 to 6.2% as of the end of the first eight months of 2025. Manufacturing and trade sectors<sup>6</sup> accounted for the largest amount of overdue debt over the period under review, specifically ₹2.3 trillion (+30.2% YoY) and ₹1.9 trillion (+7.2% YoY), respectively. There are signs that payment periods have become longer, due to which some enterprises might face delays in payments from their counterparties. Large companies might change the terms of mutual settlements and extend payment periods, which might entail problems for small businesses

<sup>3</sup> The construction industry includes residential and non-residential construction, construction project development, and engineering facility construction.

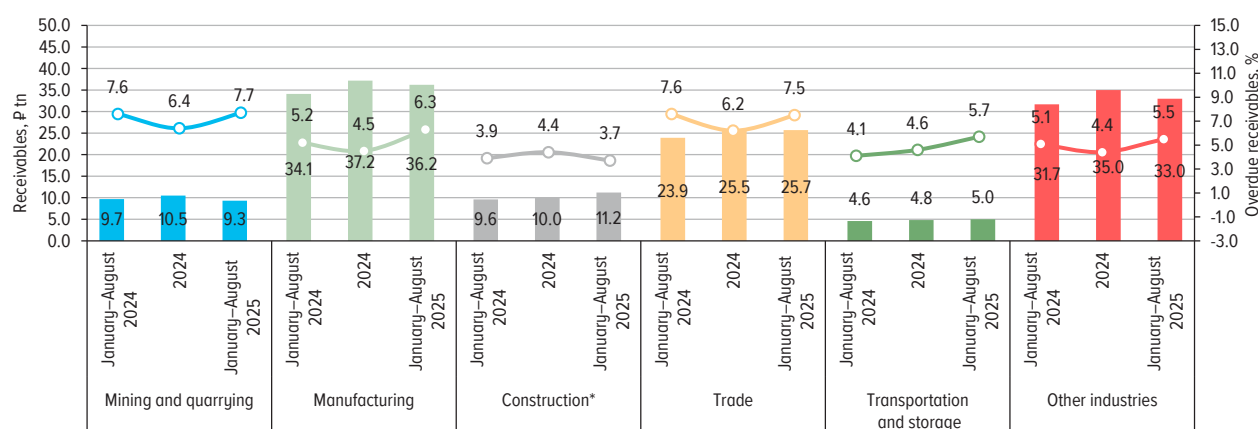
<sup>4</sup> The corporate sector's overdue receivables soared by 21.4% vs 2024.

<sup>5</sup> Companies' overall receivables decreased by 3% vs 2024.

<sup>6</sup> Manufacturing and trade sectors account for the largest amount of overdue debt, specifically ₹2.2 trillion (+32.3% vs 2024) and ₹2.0 trillion (+24.5% vs 2024), respectively.

PROPORTION OF OVERDUE RECEIVABLES, BY INDUSTRY, OVER JANUARY–AUGUST 2024  
AND JANUARY–AUGUST 2025

Chart 11



\* The construction industry includes residential and non-residential construction, construction project development, and engineering facility construction.  
Sources: Rosstat, Bank of Russia analysis.

that are unable to receive payments for completed works in due time. This situation requires continuous monitoring, including by banks as they might face credit risk materialisation if borrowers' financial standing deteriorates.

## 2.2. Assessment of the largest companies' creditworthiness

The largest non-financial organisations saw a decline in their financial performance as of the end of 2025 H1, caused by a higher debt burden, which affects their debt metrics. The aggregate net debt / EBITDA ratio was up by 0.2 YoY to equal 1.9, thus hitting a new four-year high. However, the situation across industries is diverse. The situation in coal production is most challenging since the industry's aggregate financial indicators reached a critical level due to the systemic crisis.

The slowdown in economic activity coupled with the deterioration of the external environment provoked a 5% reduction in EBITDA vs 2024, while persistently high interest rates caused a 23% decline in net profit as compared to 2024. As a result, the ICR,<sup>7</sup> which characterises how well a company can pay the interest due on outstanding debt using EBITDA, went down in most industries. Nonetheless, the majority of companies will remain resilient according to the baseline scenario for 2026 presented in MPG.<sup>8</sup> Only a number of highly leveraged borrowers might face difficulties servicing their debts.

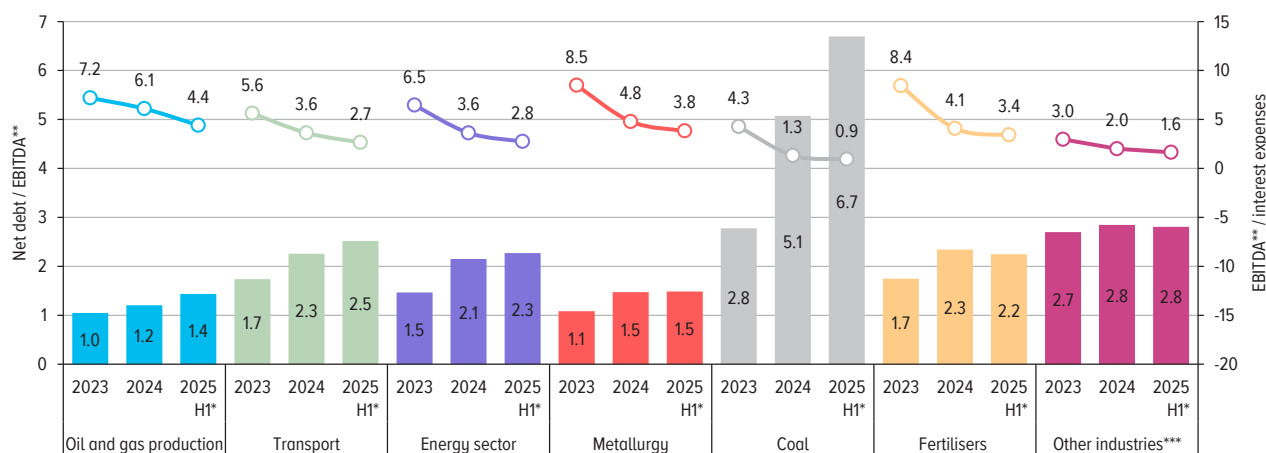
The Bank of Russia regularly assesses how sensitive the largest enterprises are to changes in interest expenses and to the impact of other risk factors. The ICR below 1 is critical, implying that a company is unable to properly service its liabilities. The ICR from 1 to 3 means that a company has an elevated interest burden and might face difficulties servicing its debt in case of an increase in interest expenses or a decline in operational performance. However, this method is conservative since companies may have other sources of financing their interest expenses. Specifically, to analyse enterprises' interest burden more precisely, the ICR was calculated taking into account their financial results (interest income earned by organisations which also increased amid high deposit rates).

<sup>7</sup> Calculated as the ratio of EBITDA to interest expenses.

<sup>8</sup> [Monetary Policy Guidelines for 2026–2028](#).

## AGGREGATE DEBT INDICATORS FOR CERTAIN INDUSTRIES IN 2023–2025 H1\*

Chart 12



\* The sample was revised depending on the availability of IFRS reporting. The calculations are based on recent IFRS statements disclosed by companies. All indicators are given in annualised terms.

\*\* EBITDA was adjusted for non-cash items as well as non-operating income and expenses, which are not regular and not directly related to a company's operations.

\*\*\* Other industries include retail and e-commerce, development, telecommunications and information technologies, machine building, agriculture, consumer goods manufacturing, and multi-industry holding companies.

Sources: companies' IFRS reporting, Bank of Russia calculations.

The assessment covers 89 largest non-financial companies from 13 industries whose consolidated earnings over the past 12 months totalled ₮78 trillion (39% of GDP over 2024) and consolidated debt<sup>9</sup> according to IFRS as of 30 June 2025 totalled ₮43.7 trillion (44% of the non-financial sector's debt).<sup>10</sup> As of the end of 2025 H1, enterprises whose ICR was below 3 accounted for 67% of the total debt of companies in the sample (vs 42% as of the end of 2024), while taking into account interest income (which also increased over the reporting period), the proportion of these enterprises' debt equalled 47% (vs 31% as of the beginning of the year).

Nonetheless, only a number of companies in retail, construction, IT, precious metal mining, machinery, consumer goods manufacturing, and coal production are facing serious difficulties in debt servicing (the ICR below 1). These enterprises' debts account for 8.1%<sup>11</sup> of the total debt of companies in the sample (distressed companies' debts accounted for 8.1%<sup>12</sup> as of the end of 2024 and 5.1% as of 30 June 2025), while taking into account interest income, the share of distressed companies' debts declined to 7.6% as of the end of 2025 H1 (vs 8% as of the end of 2024).

To assess companies' resilience over the period until the end of 2026, an additional analysis was conducted to discern enterprises' sensitivity to changes in monetary conditions. In 2026, in case of materialisation of the scenario with the key rate at 14.00% without any reduction in EBITDA, the number of companies with the ICR below 1 would remain the same, while the number of businesses with the ICR from 1 to 3 would decline by 7 (from 34 to 27), with the proportion of these companies' debts in the sample dropping from 58.5% to 54.7%.

<sup>9</sup> Outstanding loans and microloans, financial leasing debt, bonds, and other credit liabilities.

<sup>10</sup> According to data on companies' and households' outstanding debt as of 1 July 2025.

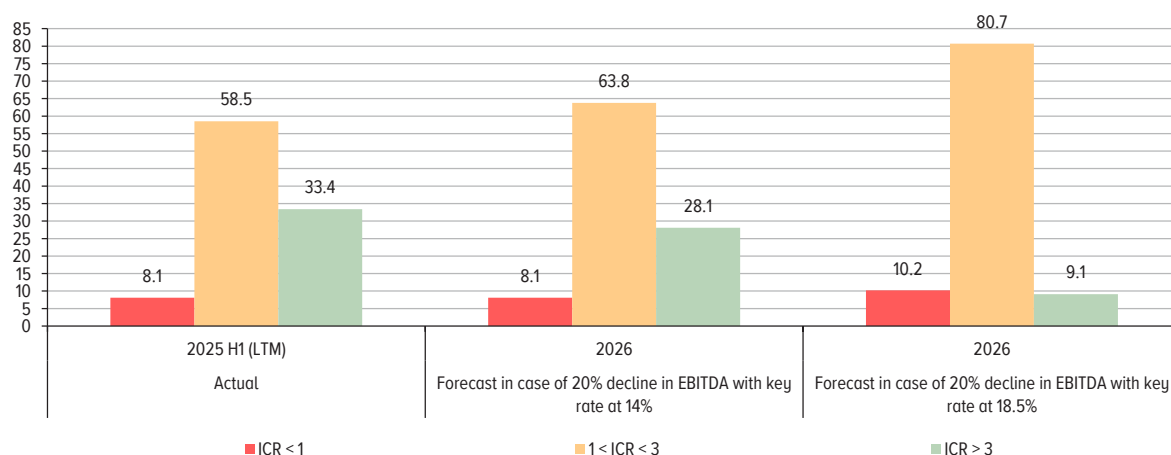
<sup>11</sup> Companies in this group numbered 17.

<sup>12</sup> Companies in this group numbered 13.



BREAKDOWN OF COMPANIES' DEBTS, BY ICR, IN 2025 H1–2026\*  
(%)

Chart 13



\* The sample was revised. The calculations are based on recent IFRS statements disclosed by companies. All indicators are given in annualised terms.  
Source: Bank of Russia.

Furthermore, we also quantified the impact of a 20% reduction<sup>13</sup> in companies' operating earnings due to exogenous factors, taking into account the key rate level of 14.00% and 18.50% provided for by the baseline and risk scenarios of macroeconomic development, respectively, described in MPG.

In the baseline scenario, the number of businesses with the ICR below 1 remains unchanged, whereas in the risk scenario, it grows by 2 (with the proportion of these companies' debts equalling 2.1% of the total debt of enterprises in the sample). The share of debts of organisations whose ICR ranges from 1 to 3 increases by 5.3 pp and 22.2 pp in the baseline and risk scenarios, respectively (Chart 13).

That said, when taking into account interest income, the proportion of debts of companies with the ICR below 3 rises by 1.5 pp and 4.6 pp in the baseline and risk scenarios, respectively.

Thus, the analysis shows that, in both scenarios of changes in monetary conditions, most companies will remain financially resilient and capable of servicing their liabilities even in the case of a 20% reduction in EBITDA. Some companies might need to restructure their debts, but the majority will remain stable.

## 2.3. Situation in selected industries

**Oil and gas industry.** In 2025, the oil and gas industry was negatively affected by the deterioration of the market situation,<sup>14</sup> the sanction pressure, the US tariff policy, and the ruble appreciation. Combined, these factors caused a decline in companies' revenues and earnings. Over January–August 2025, balanced financial results in oil and natural gas production and oil refining plummeted by over 40% YoY.

According to the effective OPEC+ agreement, Russia's oil output was decreasing over 2024–2025 Q1 (by up to 8.97 million barrels per day on average). As the OPEC+ countries raised the output quotas in April 2025, Russia's oil output averaged 8,995 million barrels per day in 2025 Q2 and expanded to 9.38 million barrels per day by October 2025.<sup>15</sup> Amid the new sanctions, the discount of Urals to

<sup>13</sup> Relative to EBITDA as of the end of 2025 H1 (LTM).

<sup>14</sup> Over January–October 2025, the average annual price of Urals crude oil dropped by 13% YoY to \$58.34 per barrel, which was attributed to a slowdown in the world economy and output growth.

<sup>15</sup> OPEC Monthly Oil Market Report, November 2025.

Brent remained close to 15% in 2025 Q2–Q3, rose to 17% in October 2025, and went up to 23%<sup>16</sup> in November 2025, which was provoked by the sanctions enacted against the Russian largest oil exporters. According to Rosstat, over the first nine months of 2025, the output of natural gas contracted by 3.7% YoY to 404 billion cubic metres.

#### Box 4. Sanction pressure on the Russian economy

##### Sanctions against the oil and gas industry

The new packages of EU sanctions considerably expanded the restrictions on oil and gas exports. From 3 September 2025, the price cap on Russian crude oil was reduced from \$60 to \$47.6 per barrel, which is significantly below the spot price of Urals crude oil in 2025. Until 18 October 2025, the cap of \$60 per barrel was applicable to contracts concluded before 20 July 2025. Moreover, the EU cancelled the temporary permit for the Czech Republic to purchase Russian crude. Now, only Slovakia and Hungary have such a permit. The EU notably expanded the list of the shadow fleet, which currently includes 444 tankers.

The new packages of sanctions imposed by the USA, the EU, and the UK prohibit purchases from third countries of petroleum products obtained from Russian crude oil and the provision of services to companies refining Russian crude. Moreover, certain sanctions were imposed on the joint enterprise of the Russian biggest oil and gas company operating the second largest oil refinery in India. In addition to the restrictions on companies associated with Russia, the USA imposed 50% tariffs on Indian exports, which are explained by India's purchases of Russian crude oil.

In October 2025, the USA enacted sanctions against the Russian largest oil producers as well as legal entities holding over 50% of shares in these companies. The restrictions block the assets of the sanctioned entities and prohibit any transactions with them.

##### Other restrictions

The 17<sup>th</sup> package of sanctions adopted by the EU in May 2025 imposes restrictions on 58 Russian legal entities. In addition, a number of companies from China and the United Arab Emirates, which had been engaged in sea transportation and exports of machinery to Russia, were sanctioned as well. Moreover, the EU considerably expanded the restrictions under its new framework of measures to counter Russia's destabilising actions abroad. This document prohibits any deals with assets associated with destabilising actions as well as financial institutions from third countries providing assistance to entities sanctioned by that framework.

The 18<sup>th</sup> package of sanctions mostly targeted financial institutions. The EU banned any transactions with 22 Russian banks, as well as other financial institutions and funds. Certain sanctions were enacted against the Financial Messaging System (SPFS). The EU supported a legislative framework establishing temporary management of foreign subsidiaries of Russian companies, which permits operations of such subsidiaries only if they are completely independent of their Russian parent companies both legally and operationally.

On 23 October 2025, the EU enacted its 19<sup>th</sup> package of sanctions, the main of which is the ban on liquefied natural gas imports from Russia to the EU. The EU expanded the list of the shadow fleet by adding another 117 tankers, with the overall number on the list exceeding 560. Moreover, the EU imposed additional restrictions on Russian energy commodities, financial services, and trade.

**Metallurgy.** Metal consumption in Russia has been declining amid lower demand from key clients in a number of industries. Thus, as of the end of the first nine months of 2025, sales of new large-capacity or heavy trucks contracted by 57% YoY,<sup>17</sup> while the number of new housing construction projects launched over January–October 2025 dropped by 15% YoY<sup>18</sup> to 33.1 million sq m. According to Rosstat, Russia's steel output shrank by 4.6% over 2025 Q1–Q3 to 51.3 million tonnes. Nevertheless, most

<sup>16</sup> Sources: Argus, Ministry of Economic Development of the Russian Federation, Ministry of Energy of the Russian Federation, Bank of Russia.

<sup>17</sup> Autostat.

<sup>18</sup> JSC DOM.RF.

metallurgical enterprises historically have low debts and remain resilient even despite the deteriorating market situation.

**Coal production.** Over the first nine months of 2025, coal output in Russia was up by 1.1% YoY to total 314 million tonnes.<sup>19</sup> The situation in the industry remains challenging, primarily because of lower global prices for metallurgical and thermal coal, a 15% YoY decline in the demand for steel in Russia over 2025 H1, new Chinese 6% tariffs on imports of Russian metallurgical coal beginning from 2025, and external restrictions forcing enterprises to redirect part of exports to domestic consumers. Over January–October 2025, coal shipping on the Russian Railways network declined by 1.7% YoY to 268.8 million tonnes. That said, stone coal exports to Eastern destinations increased by 5.4% YoY. As for 2025 H1, the average price for thermal coal dropped by 13.4% over June as compared to average price in January, while that for metallurgical coal dropped by 28.2%. In 2025 Q3–Q4, prices stabilised and edged up. Specifically, in October, thermal and metallurgical coal prices rose to \$84.2 per tonne (+3.5% vs June) and \$102.8 per tonne (+19.9% vs June), respectively.<sup>20</sup> Furthermore, companies' financial performance has been adversely affected by high interest rates, although they are not a determinant.

A number of measures have been implemented to support the industry, namely Russian Railways offers discounts on rail transport, while the Russian Government has provided tax benefits (postponement of the mineral extraction tax and insurance premium payments). As forecast by the Russian Ministry of Energy, coal production in 2025 will remain at the level of 2024.

**Freight traffic.** According to Rosstat, over January–September 2025, the total shipping volume across all types of transport contracted by 0.2% YoY to 6,895.8 million tonnes, despite an increase in road transportation by 1.3% YoY to 5,186.3 million tonnes. Road transportation tariffs were up by 7.3% YoY due to a shortage of drivers and more expensive leasing. Over January–October 2025, shipping volumes on the Russian Railways network declined by 6% YoY to 927.1 million tonnes, which was attributed to a slowdown in mining and quarrying (coal, oil and gas production) and in ferrous metallurgy.

**Auto dealers.** As of the end of the first 10 months of 2025, new car sales dropped by 19.9% YoY to 1,061.6 thousand cars, which was related to the high base of 2024 and lower demand for new cars. Furthermore, sales of the domestic manufacturer LADA decreased by 25% YoY to 271,000 cars, while its market share shrank by 1.7 pp YoY from 27.3% to 25.5%. Nevertheless, new car sales in July–October 2025 were 50.2% higher than the average of the previous six months, driven by automobile manufacturers' promotion measures and buyers' reaction to the scheduled rise in the recycling fee.

**Retail.** As of the end of the first nine months of 2025, retail turnover in Russia expanded by 10% YoY to ₹44.6 trillion. That said, beginning from 2021, the share of retail chains in the sector's overall turnover has been contracting due to competition with marketplaces and delivery services. Specifically, as of the end of 2025 H1, it edged down by 1.5 pp YoY<sup>21</sup> to 35.8%. Amid the structural changes in the industry, certain companies of the offline segment are facing a decline in their financial performance. Another factor that might adversely affect retail is the increase in VAT from 20% to 22% and the expansion of the list of companies – VAT payers.

<sup>19</sup> Rosstat.

<sup>20</sup> Prices for thermal coal NAR 6,000 kcal/kg fob Vostochny and Metallurgical Coal prime high-vol fob Vostochny.

<sup>21</sup> Rosstat.

**Box 5. The growing role of big techs in the economy and potential systemic risks**

Big techs are large businesses that originated as non-financial organisations, are developing using digital technologies, platforms and big data, and are establishing an ecosystem of services for their client base. For big techs, a marketplace may be one of the services to expand their ecosystems.

Russian big techs have been actively developing, with their subsidiaries intensifying competition in banking. Higher activity in the financial market is driven by fast growth in these companies' core business, especially in e-commerce. Over the past five years, marketplaces have expanded their trade turnover by more than 13 times to ₽8 trillion.<sup>1</sup> Their share in retail turnover approximated 14% by early 2025, according to the estimates available, and will continue to increase.

Banks, which are part of the groups of such companies, are actively developing client services, which boosts their extensive growth, primarily on account of marketplace clients who deposit funds in accounts to pay for purchases. Two such banks have already entered the Top 20 Russian banks in terms of the amount of funds raised from individuals. However, the overall share of big techs' subsidiary banks in the banking sector's assets remains minor, specifically less than 1%.

Today, these banks' business models are mostly based on fees, i.e. they earn income as a result of processing payments on marketplaces (acquiring). Their share in bank lending is negligible so far. However, they start to offer bank products to both buyers on marketplaces and other clients. Having abundant information about clients and suppliers, banks being part of ecosystems are able to offer tailored products to their clients and enhance their services in general.

Currently, big techs and their subsidiary banks do not pose systemic risks, but as they expand their business and strengthen their influence in the financial sector, it is critical to monitor the following interconnections.

**Stronger interconnections with the financial sector.** This connection is forming via two channels: through an increase in big techs' borrowings and the interrelatedness of their financial units with the broader financial sector. Big techs are actively expanding their business, including by raising bank loans and bond loans. These dynamics might entail risks of a rise in the debt burden.

**Interdependence between marketplaces and suppliers.** A considerable proportion of marketplaces' suppliers are SMEs. Thus, marketplaces' potential operational or financial problems might directly affect SMEs, e.g. through delayed payments and non-receipt of revenues.

**Interconnection with the commercial real estate market.** The largest marketplaces are among the main lessees of warehouses. Their fast growth influences the development of the logistics real estate segment, namely the amount of supply and the level of lease rates.

For the purpose of financial stability analysis, the Bank of Russia plans to regularly monitor and comprehensively assess the risks associated with large big tech companies. To enhance their transparency, the Bank of Russia jointly with the relevant authorities is exploring the possibility of obtaining necessary information to be able to promptly identify potential risks.

<sup>1</sup> [E-commerce development in Russia](#), Yakov and Partners (March 2025).

### 3. VULNERABILITIES OF THE RUSSIAN FINANCIAL SECTOR

#### 3.1. Credit risk in the corporate sector

After the slowdown in 2025 Q1, the growth of bank lending to the corporate sector accelerated. As a result, over the first nine months of 2025, credit claims<sup>1</sup> to legal entities increased by 6.6%, which is considered to be a balanced pace. In October 2025, credit claims were up by 2.5% (over the first 10 months of 2025, by 9.2%).

The proportion of outstanding foreign currency loans edged up, which was associated with banks' currency position management. Taking into account that banks do not aim to develop foreign currency lending, it would be unreasonable to introduce macroprudential add-ons for foreign currency claims. Nevertheless, banks need to factor in potential liquidity risks in case of an outflow of clients' foreign currency funds.

In 2025 Q2–Q3, the growth in debt liabilities to banks was primarily accounted for by large enterprises. To reduce the risks of over-indebtedness of highly leveraged large enterprises, from 1 April 2025, the Bank of Russia applies a macroprudential add-on for loans raised by these companies and investment in their bonds. For banks to accumulate the macroprudential buffer more quickly, the Bank of Russia decided to increase, from 1 December 2025, the add-on applicable to the growth rate of these companies' debt by 20 pp to 40%.<sup>2</sup>

Despite weakening enterprises' financial performance, the proportion of non-performing corporate loans (IV–V quality categories) rose only slightly from the beginning of the year, namely by 0.2 pp to 4.0% as of 1 October 2025. Most often, debt servicing problems occur at SMEs, but the ratio of loss provisions for SME loans is sufficiently high.

The average weekly amount of loans restructured in 2025 Q2 was somewhat elevated, specifically ₹0.5 trillion, or 0.6% of the portfolio, but then decreased in 2025 Q3 to ₹0.3 trillion, or 0.4% of the portfolio. As for the segment of medium-sized businesses, the share of outstanding debt without any signs of problems (the 'green zone') declined from 71% to 63%, and banks started regular monitoring of some borrowers (the 'yellow zone'). Overall, banks' capital cushion and loan collateral are sufficient to absorb a potential increase in losses.

##### 3.1.1. Corporate debt

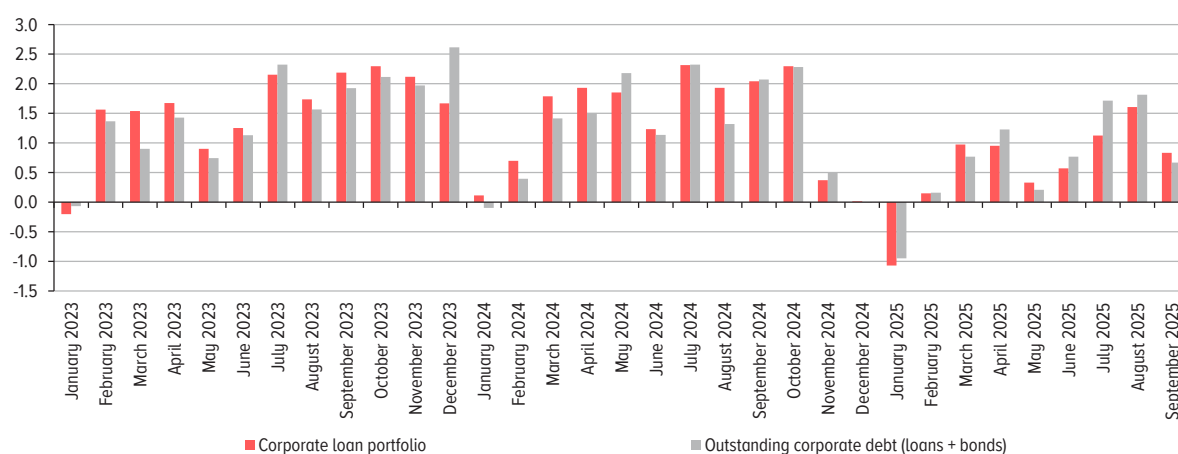
After the cooling at the beginning of the year, corporate lending started to bounce back, driven by companies' demand for working capital loans as well as the need to finance earlier launched investment projects. In addition, large enterprises were actively entering the corporate bond market, with part of their bond issues purchased by banks. Over January–September 2025, the corporate loan portfolio expanded by 6.2%, and including banks' investment in bonds, its growth rate reached 6.6%. In October 2025, credit claims were up by 2.5% (over the first 10 months of 2025, by 9.2%). From the beginning of the year, outstanding loans in foreign currency increased more significantly than those in rubles (in relative terms), specifically by 10.3% (+₹1.3 trillion) vs 5.5% (+₹4.3 trillion), respectively, while the proportion of foreign currency in the corporate portfolio remained almost unchanged, namely 12.6% as of 1 October 2025 (adjusted for foreign currency revaluation).

<sup>1</sup> Loans and investment in bonds.

<sup>2</sup> Press release of the Bank of Russia, dated 31 October 2025, 'Bank of Russia's decisions on macroprudential policy'.

MONTHLY GROWTH RATES OF OUTSTANDING CORPORATE DEBT TO BANKS ON LOANS AND BONDS (%)

Chart 14



Source: Reporting Form 0409101.

LEGAL ENTITIES' OUTSTANDING DEBT TO BANKS, BY BORROWER TYPE, FROM 1 APRIL 2025 TO 1 OCTOBER 2025, ADJUSTED FOR FOREIGN CURRENCY REVALUATION AS OF 1 OCTOBER 2025 (P TN)

Table 4

Borrower type	Growth in loans	Growth in bonds <sup>1</sup>
Large businesses	3.4	1.2
SMEs <sup>2</sup>	-0.6	0.0
Developers	1.4	0.0
Non-residents	0.2	0.0
<b>Total<sup>3</sup></b>	<b>4.4</b>	<b>1.2</b>

<sup>1</sup> Excluding bonds transferred under repo agreements.<sup>2</sup> The Unified Register of Small and Medium-sized Enterprises changed as of 1 August 2025. With the SME status fixed as of 1 April 2025, the growth rate of the SME portfolio would have equalled ₱0.2 trillion, or 1.7%.<sup>3</sup> The «Total» value may differ from the sum of the components due to rounding.

Sources: Reporting Forms 0409711 and 0409303.

Corporate lending continued to be driven, among other factors, by housing project finance, which accounted for about one-fourth of the overall growth rate of outstanding debt. A considerable increase in outstanding debt to banks was also recorded in such industries as oil and gas production (+₱0.6 trillion mainly driven by loans), as well as power supply and housing and utility services (+₱0.3 trillion due to loans and bonds).

### 3.1.2. Foreign currency corporate lending

In 2025 Q2–Q3, large exporters were raising loans and issuing bonds denominated in foreign currency. The bond market accounted for a substantial proportion of foreign currency borrowings. Over 2025 Q2–Q3, the total amount raised through foreign currency bond offerings reached 1.3 trillion in ruble terms (overall since the beginning of the year – 1.6 trillion in ruble terms).

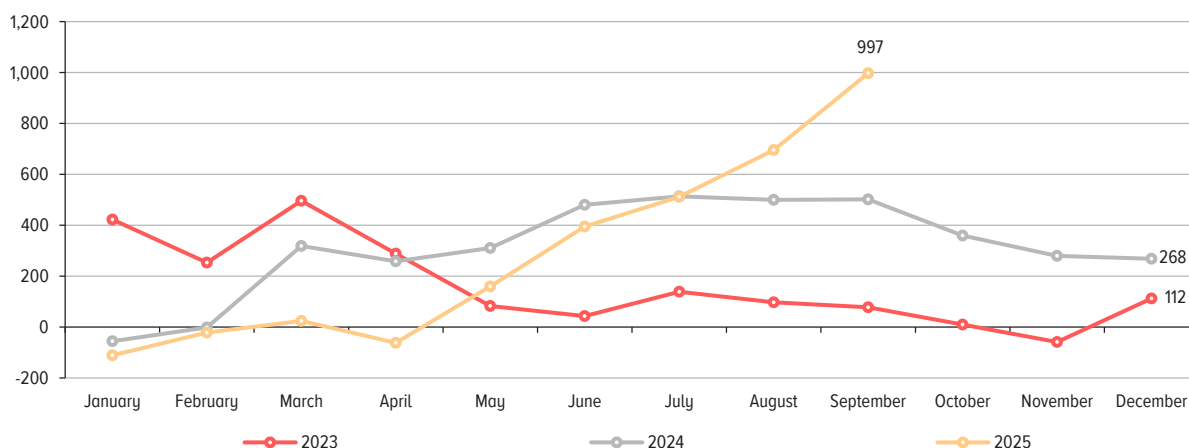
Taking into account foreign currency bond redemptions, the net growth rate of borrowings over 2025 Q2–Q3 equalled 1.0 trillion in ruble equivalent (overall since the beginning of the year – 1.0 trillion in ruble equivalent as well), which is significantly higher than in previous years. In 2023 and 2024, the total amount of net borrowings through foreign currency bonds was several times smaller, specifically 0.1 trillion and 0.3 trillion in ruble equivalent, respectively (Chart 15).

Almost all foreign currency bonds sold in 2025 were quasi-foreign currency securities, which was related to the substitution of the largest part of Eurobonds over previous periods as well as zero



NET GROWTH IN FOREIGN CURRENCY BONDS (CUMULATIVE, YEAR-TO-DATE)  
(P BN)

Chart 15



Source: Cbonds.

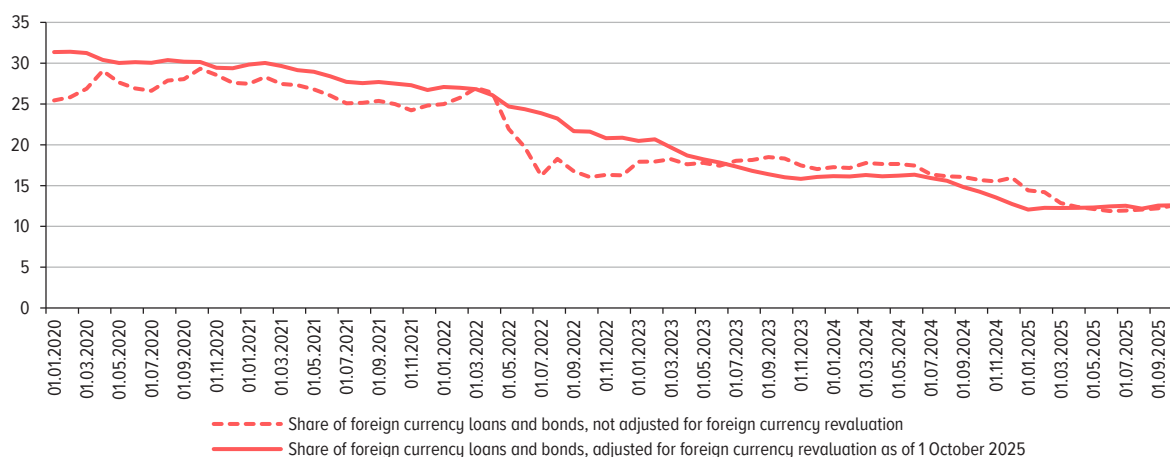
infrastructure risks associated with quasi-foreign currency bonds. Furthermore, the offerings of quasi-foreign currency bonds in 2025 were encouraged by high ruble interest rates in the economy and the need to substitute maturing foreign currency and ruble borrowings. These bonds were mostly offered by exporters (90% of total offerings in 2025) whose FX risk is lower as their earnings are mostly in foreign currency. Nevertheless, companies focusing on the domestic market offered such bonds as well.

The demand for quasi-foreign currency bonds offered in 2025 was predominantly demonstrated by investment funds and individuals who purchased bonds amounting to ₹0.46 trillion and ₹0.30 trillion, respectively. The banking sector accounted for 0.42 trillion in ruble equivalent of the total amount of offerings. That said, from the beginning of the year, banks' investment in foreign currency bonds was up by as little as 0.04 trillion in ruble equivalent, which was associated with the redemptions of Eurobonds and substitute bonds in their portfolios.

Despite the rise in foreign currency borrowings through the bond market, this did not entail a notable increase in dollarisation of banks' claims on organisations: as of 1 October 2025, outstanding foreign

PROPORTION OF FOREIGN CURRENCY LOANS AND BONDS IN LEGAL ENTITIES' DEBT LIABILITIES TO BANKS  
(%)

Chart 16



Source: Reporting Form 0409101.

currency debt accounted for 12.0% of the corporate loan portfolio and 12.6% of corporate borrowers' total liabilities to banks.

Currently, the demand for foreign currency loans is mostly demonstrated by exporters. The interest rate on such loans is lower, while exporters have natural hedging, that is, they are protected against FX risk as they receive foreign currency earnings. Foreign currency lending is not of particular interest to banks in terms of margin and is associated with the inflow of foreign currency deposits and currency position management, with loans issued mostly for up to one year. Taking this into account, it would be unreasonable to introduce macroprudential add-ons for foreign currency credit claims. Nonetheless, banks are advised to closely monitor their foreign currency liquidity risks when issuing foreign currency loans.

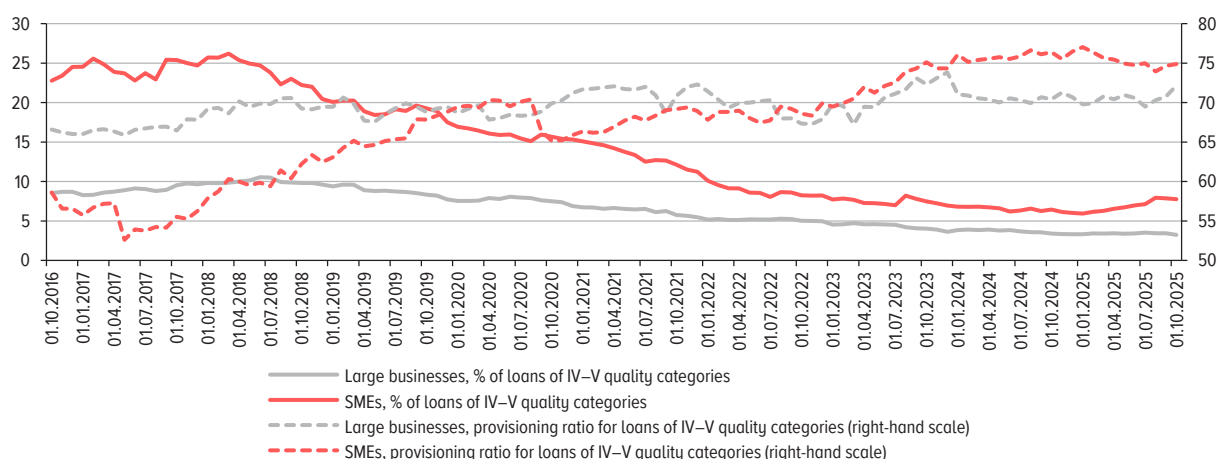
### 3.1.3. Quality of the corporate loan portfolio

The share of non-performing corporate loans (IV–V quality categories) edged up by 0.2 pp from the beginning of the year to 4.0% as of 1 October 2025. The increase was largely attributable to the deterioration of the quality of SME loans: the proportion of non-performing SME loans as of 1 January 2025 was at its lowest, specifically 5.9%, but reached the 2022–2023 level of 7.8% as of 1 October 2025, which is nonetheless significantly lower than in previous years. The share of loans of IV–V quality categories in the large corporate segment remained almost unchanged over the period from April to September 2025, which was associated with newly issued large loans and the opportunity not to decrease the quality category of restructured loans if banks expected borrowers to improve their financial standing in the medium term. The provisioning coverage ratio of non-performing loans is sufficiently high, averaging 68% over the past 10 years and 72% in 2025. In addition, banks have loan collaterals.

According to the surveys of risk management units of the largest SIBs,<sup>3</sup> the indicators of credit worthiness in the segment of loans to large enterprises decreased from April 2025: the share of loans without any signs of impairment (the 'green zone') dropped by 3 pp to 74% as of 1 October 2025, while the proportion of 'yellow zone' loans increased by 4 pp to 18%. As for medium-sized businesses, the reduction in 'green zone' loans over 2025 Q2–Q3 was more substantial, specifically by 6 pp to 63% of the portfolio. Companies in the 'yellow zone' remain solvent, but require closer attention.

PROPORTION OF LOANS OF IV–V QUALITY CATEGORIES AND PROVISIONING RATIO ACROSS BANKS, EXCEPT BNA (%)

Chart 17

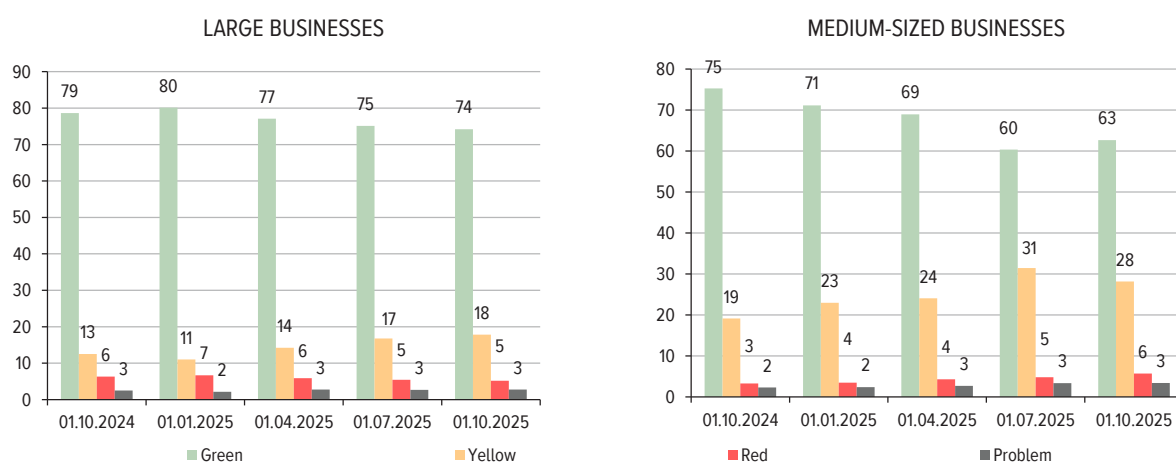


Source: Reporting Form 0409115.

<sup>3</sup> As of 1 October 2025, the total loan portfolio covered by the survey amounted to ₹64 trillion, or nearly 70% of the banking sector's overall loan portfolio.

LARGEST SYSTEMICALLY IMPORTANT BANKS' LOAN PORTFOLIO, BY RISK ZONE  
(%)

Chart 18



Source: survey of the largest SIBs' risk management units.

Overall, the dynamics of the 'green zone' are consistent with changes in the proportion of loans of quality category I: from the beginning of the year, it declined by 1.8 pp to 53.4%. In addition, according to the reporting<sup>4</sup> of banks using internal models to assess credit risk, from 1 April 2025, banks were mostly decreasing the credit ratings of borrowers from the largest groups of companies.<sup>5</sup> Nevertheless, the extent of that decrease remained insignificant on average, thus confirming the fact that banks were generally expanding the perimeter of monitored borrowers without including them in the problem category so far.

Against the backdrop of a broadly stable lending structure across industries, the main negative changes (measured by the decline in the proportion of debt in the 'green zone') were recorded in metallurgy (-9 pp), mining and quarrying (-21 pp), trade (-6 pp), machine building and automobile manufacturing (-15 pp), as well as oil and gas production (-7 pp). The deterioration of the metrics in

BIGGEST CHANGES IN PROPORTION OF 'GREEN ZONE' LOANS IN LARGEST SYSTEMICALLY IMPORTANT BANKS' PORTFOLIO, BY INDUSTRY  
(%)

Chart 19



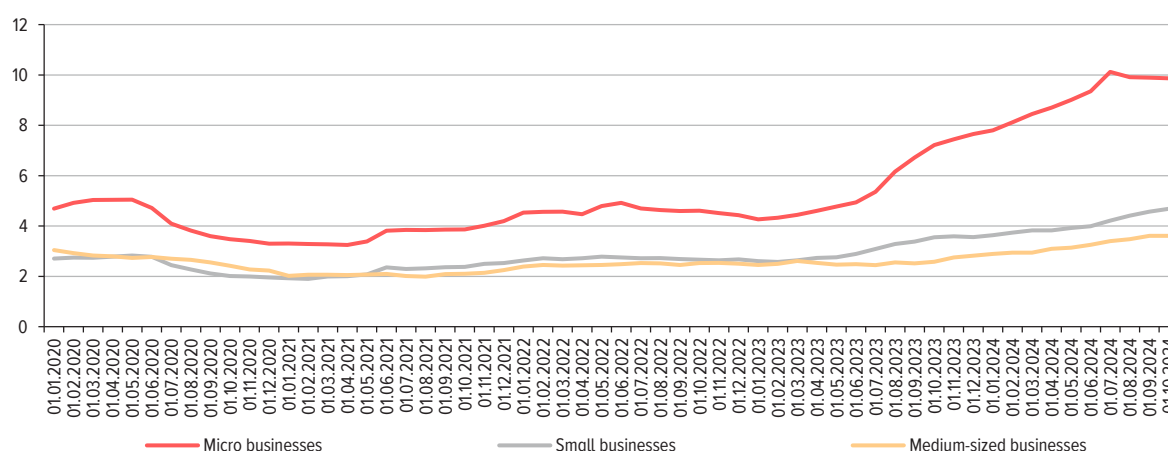
Source: survey of the largest SIBs' risk management units.

<sup>4</sup> Reporting Form 0409112.

<sup>5</sup> Both parent companies and subsidiaries.

SME DEFAULT RATIO ON ISSUED LOANS DURING NEXT 12 MONTHS\*  
(%)

Chart 20



\* It is calculated as the ratio of the total number of borrowers who had no debt servicing problems, based on the list of borrowers (as of the reporting date) who faced such problems within the next 12 months from the reporting date, to the total number of 'good' borrowers as of the reporting date. The criteria indicating debt servicing problems are as follows: bankruptcy, default on bonds, a substantial part of the debt overdue for 90+ days, transition of a considerable part of the debt to IV–V quality categories, writing off a large part of the debt using provisions, assignment of a significant part of the debt with a notable discount, and a sizeable increase in loss provisions. A borrower is no longer considered 'bad' six months after all of the above criteria cease to apply. To stabilise the indicator, the SME status is fixed as of 1 July 2025 or the latest date available before 1 July 2025.

Sources: Reporting Form 0409303, Cbonds, Unified Federal Register of Bankruptcy Information, Unified Register of Small and Medium-sized Enterprises.

these industries was attributed to lower global prices for oil and coal and the contraction of exports due to sanctions (see Subsection 2.3).

Construction<sup>6</sup> and oil and gas production accounted for the largest portfolio of bad loans (in the 'red zone' and 'problem zone'). This portfolio remains stable consisting of legacy non-performing loans. In 2025 Q2–Q3, the increase in bad loans was recorded in metallurgy (+4 pp) and transport (+2 pp).

The quality of SME loan servicing declined over the period under review. Problem debts increased across all segments, especially among micro businesses: from October 2023, as little as 7.2% of borrowers defaulted over the year, whereas from October 2024, this share exceeded 9.9% (among small enterprises – 3.6% and 4.7%, respectively). Nevertheless, the total debt of SMEs that defaulted from October 2024 through September 2025 is small, accounting for less than 1% of legal entities' overall debt as of 1 October 2025.

In order to support borrowers, including legal entities and individual entrepreneurs, facing temporary difficulties in servicing their debts, in May 2025, the Bank of Russia recommended that banks should approve these borrowers' loan restructuring applications. To encourage banks to do so, the regulator temporarily eased the requirements for provisions for restructured loans of the borrowers which are highly likely to restore their financial standing.<sup>7</sup>

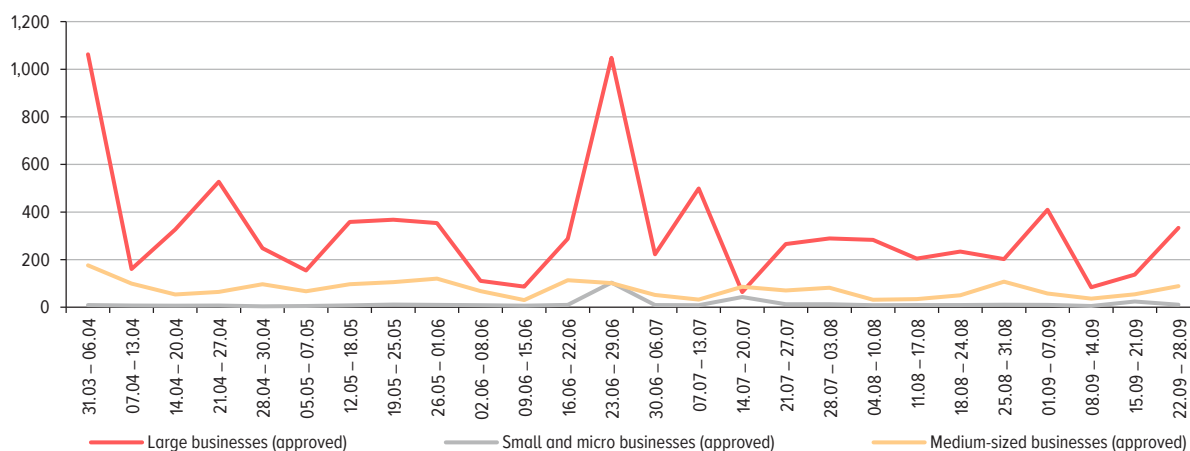
According to near real-time weekly data from SIBs, the dynamics of restructured loans were generally stable in 2025 Q3 after the growth in late March–early April 2025 and in June 2025. Coal, manufacturing, construction, and trade enterprises accounted for the largest amount of restructured loans. Banks restructured loans to construction companies because of an increase in construction budgets and extension of project timelines (see Subsection 3.3).

<sup>6</sup> Housing construction, commercial and infrastructure construction, etc.

<sup>7</sup> Bank of Russia Information Letter No. IN-08-23/85, dated 23 May 2025, 'On Restructuring Borrowers' Debts'.

WEEKLY AMOUNT OF RESTRUCTURING APPROVED FOR LOANS TO LARGE COMPANIES AND SMES  
IN APRIL–SEPTEMBER 2025  
(P BN)

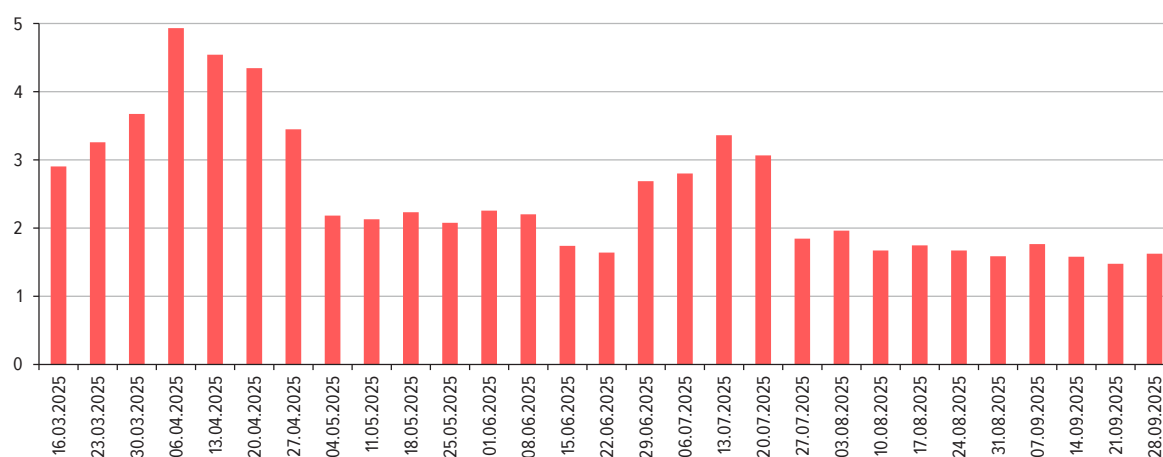
Chart 21



Source: SIBs' survey.

RATIO OF CORPORATE LOANS RESTRUCTURED OVER FOUR WEEKS TO LEGAL ENTITIES' LOAN PORTFOLIO  
(%)

Chart 22



Sources: SIBs' survey, Reporting Form 0409101.

### 3.1.3. Dynamics of lending concentration on the largest borrowers and the effect of macroprudential measures on corporate lending

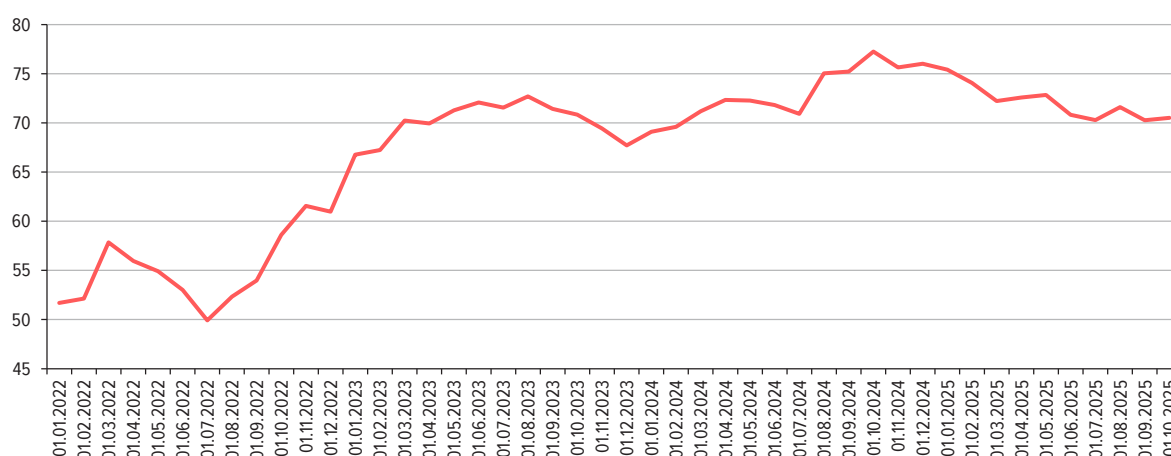
In 2022–2024, due to the lack of the opportunity to refinance external debt, large Russian companies considerably expanded their outstanding debt to Russian banks: the ratio of outstanding debt of the seven largest companies<sup>8</sup> to the banking sector's capital was up from 52% as of 1 January 2022 to 75% as of 1 January 2025. As a result, the banking sector's concentration on the largest borrowers significantly increased. From the beginning of the year to 1 October 2025, this ratio declined by 5 pp to 71% as the growth rate of Russian banks' total capital in 2025 exceeded that of the largest borrowers' debt.

For the financial system to remain resilient, it is crucial for the largest borrowers to maintain their debt burden at an acceptable level and for banks to have a capital cushion that would cover potential credit

<sup>8</sup> Groups of companies whose assets and total debt exceeded P1 trillion as of 1 January 2025. The list of the groups was revised and fixed for the entire time series taking into account recent data, and therefore, the values may differ from those available in the earlier issues of the Financial Stability Review.

RATIO OF DEBT OF SEVEN LARGEST COMPANIES (WHOSE ASSETS AND TOTAL DEBT EXCEEDED ₺1 TRILLION AS OF 1 JANUARY 2025) TO BANKING SECTOR'S CAPITAL (%)

Chart 23



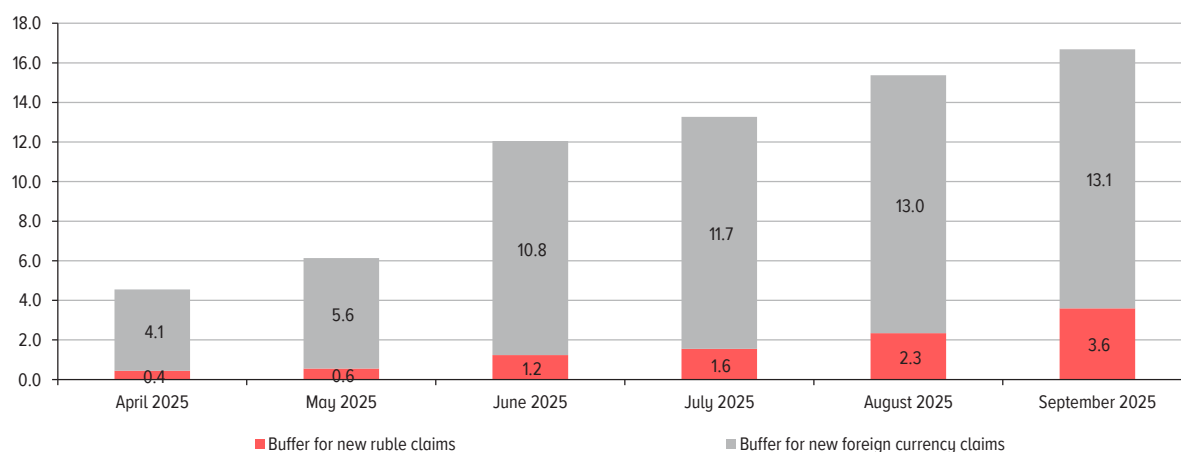
Sources: Reporting Forms 0409303, 0409711, 0409501, 0409603 and 0409118; National Clearing Centre, Chonds.

risks. Hence, from 1 April 2025, the Bank of Russia introduced a 20% macroprudential add-on for the growth rate of highly leveraged major companies' debt.

Over the six months from the introduction of the add-on, the capital buffer for highly leveraged major companies reached approximately ₺17 billion for legal entities' liabilities amounting to ₺2.1 trillion.<sup>9</sup> The largest companies began to issue bonds more frequently in order to raise funds beyond the banking sector. For banks to accumulate the macroprudential buffer for corporate credit claims more quickly, at the end of October 2025, the Bank of Russia decided to raise, from 1 December 2025, the add-on applicable to the growth rate of the debt by 20 pp to 40%. The level of 40% will not involve a considerable burden on banks' capital or have a significant effect on the overall dynamics of lending. The increase in the add-on will encourage banks to assess the risks of highly leveraged companies more cautiously.

MACROPRUDENTIAL BUFFER FOR CORPORATE CREDIT CLAIMS (P BN)

Chart 24



Sources: Reporting Forms 0409135 and 0409114.

<sup>9</sup> According to Reporting Forms 0409135 and 0409114.



## 3.2. Households' debt burden

As a result of tight monetary and macroprudential policies pursued for a long time, retail lending has cooled down. As of 1 October 2025, the portfolio of unsecured consumer loans contracted by 5.5% YoY. As a result of the effective government support programmes and lower interest rates on market-based mortgages, the growth rate in mortgage lending was stable, averaging<sup>10</sup> 1.0% MoM in 2025 Q3.

Overall, households' debt burden at the macrolevel decreased because of a slowdown in retail lending and a rise in people's incomes: the proportion of their incomes used for loan repayments dropped to 9.4%, which is 0.7 pp lower than in 2025 Q1.

Credit risk has continued to materialise: the share of non-performing unsecured consumer loans reached 12.9% as of 1 October 2025 (vs 10.8% as of 1 April 2025), which was predominantly attributed to the maturity of loans issued during the credit boom of 2023–2024 and the contraction of the portfolio beginning from autumn 2024. Contrastingly, the percentage of new loans becoming delinquent within a short period after the issue went down, though staying elevated. Cash loans and credit cards overdue for over 30 days after three MOB accounted for 2% in the disbursements of July 2025 (vs 3% in the disbursements of April 2025 and 1% in the disbursements of July 2023). Borrowers with high DSTI accounted for the largest share of NPLs, which stresses the importance of the Bank of Russia's measures aiming to limit such disbursements. In 2025 Q3, disbursements to borrowers with DSTI above 50% accounted for 19% (vs 28% in 2024 Q3) of the total amount of issued unsecured consumer loans.

The macroprudential add-ons made it possible to accumulate a substantial macroprudential capital buffer as of 1 October 2025, which amounted to 7.1% of the portfolio of unsecured consumer loans, net of loss provisions. Amid the reduction in outstanding debts and the accumulation of a considerable capital buffer by banks, from 1 September 2025, the regulator cut the macroprudential add-ons for new unsecured consumer loans. If revenues generated by banks turn out to be insufficient to cover losses or if banks face capital constraints, the Bank of Russia may partially release the macroprudential capital buffer so as to ensure stable lending to the economy.

### 3.2.1. Households' debt burden at the macrolevel

Since late 2024, people's debt burden at the macrolevel has been decreasing gradually. This trend is associated with a slower expansion of lending (the growth of the retail loan portfolio decelerated from 26.6% YoY as of 1 July 2024 to 2.8% YoY as of 1 October 2025) and an outstripping growth of households' nominal incomes (+22% YoY in 2024 Q3 and +15% YoY in 2025 Q3). As of 1 October 2025, the debt service ratio equalled 9.4%, which is the lowest level since the end of 2018. As compared to 2025 Q1, the debt burden decreased primarily as a result of a reduction in the proportion of expenses on cash loan repayments (-0.6 pp). The changes in other segments were minor: expenses on credit cards and mortgages edged down by 0.1 pp each, whereas expenses on car loans were up by 0.1 pp.

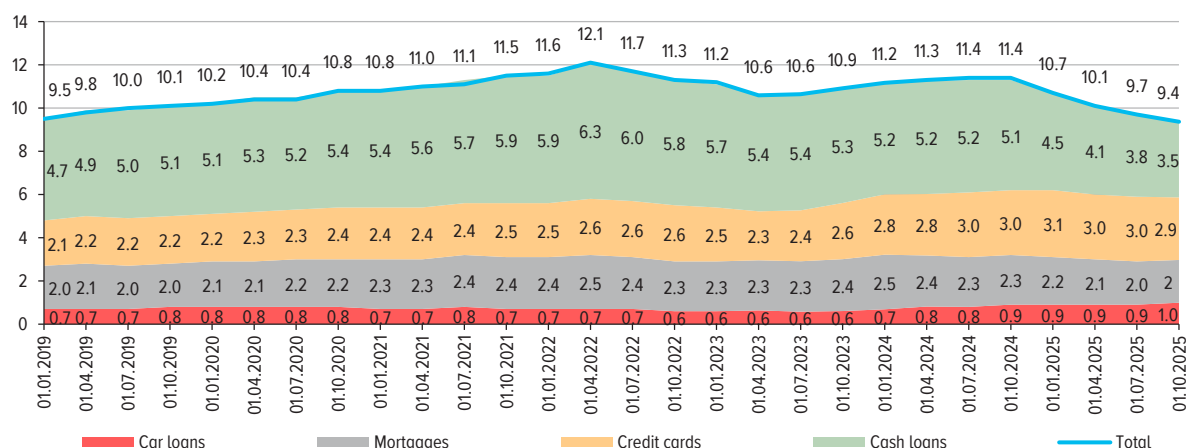
The debt burden at the macrolevel is one of the key indicators of the financial system's exposure to risks. If the share of incomes that households use to repay outstanding loans is too large, even a relatively small decline in their incomes might entail a surge in payment defaults. Since 2019, the Bank of Russia has been implementing a consistent policy to limit people's debt burden, by setting macroprudential add-ons and MPLs<sup>11</sup> for retail loans depending on a borrower's DSTI.

<sup>10</sup> On banks' balance sheets including securitised loans.

<sup>11</sup> Applicable since 2023 Q1 for unsecured consumer loans. In 2025 Q3–Q4, they became applicable to mortgages, car loans, and general consumer loans secured by real estate or motor vehicles.

DEBT SERVICE RATIO IN RETAIL LENDING  
(%)

Chart 25



Sources: CHBs' data, Reporting Forms 0409316, 0409126, 0409128 and 0409102, Rosstat.

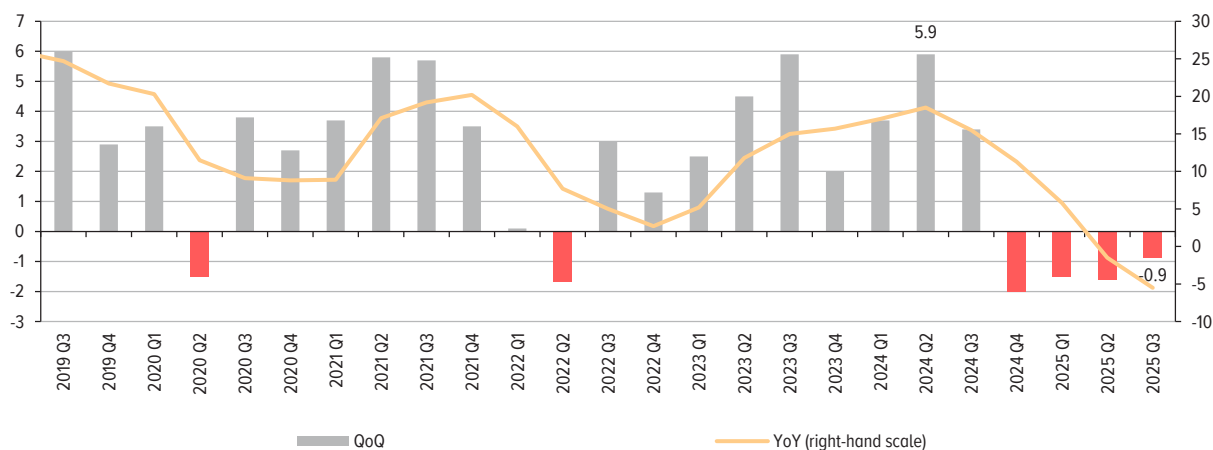
### 3.2.2. Lending dynamics

Owing to tight monetary and macroprudential policies, the consumer loan portfolio has been shrinking. In annualised terms, it contracted by 5.5% YoY as of 1 October 2025. The downward trend was associated with the decline in both borrowers' demand for loans (loan applications numbered 58 million in 2025 Q3 vs 74 million in 2024 Q3) and banks' approvals (due to tougher requirements for borrowers). As little as 23% of cash loan applications and 21% of credit card applications were approved by banks in 2025 Q3 (vs 26% and 29%, respectively, in 2024 Q3). Despite a slight revival in the cash loan segment (disbursements in 2025 Q3 were up compared to 2025 Q1–Q2), the portfolio continues to contract so far.

Credit cards prevail in total disbursements, which is because borrowers extensively use the grace period and part of the disbursements are accounted for by earlier issued credit cards with lower interest rates. The debt during the grace period involves a lower burden on banks' capital because the macroprudential risk-weight add-ons established for such debt are lower.

CONSUMER LOAN PORTFOLIO  
(%)

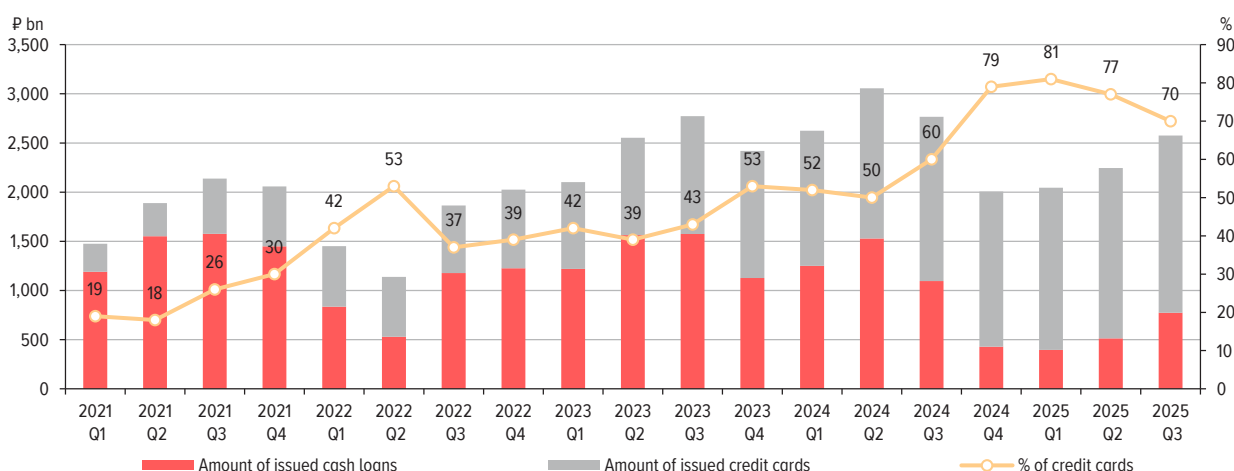
Chart 26



Source: Reporting Form 0409115.

## AMOUNT OF ISSUED UNSECURED CONSUMER LOANS

Chart 27



Source: Reporting Form 0409704.

## 3.2.3. Loan servicing quality and demand for loan restructuring

The proportion of non-performing unsecured consumer loans continued to increase, reaching 12.9% as of 1 October 2025. This was attributed to the maturity of loans issued over the period of the surge in consumer lending, as well as to the contraction of the outstanding portfolio.

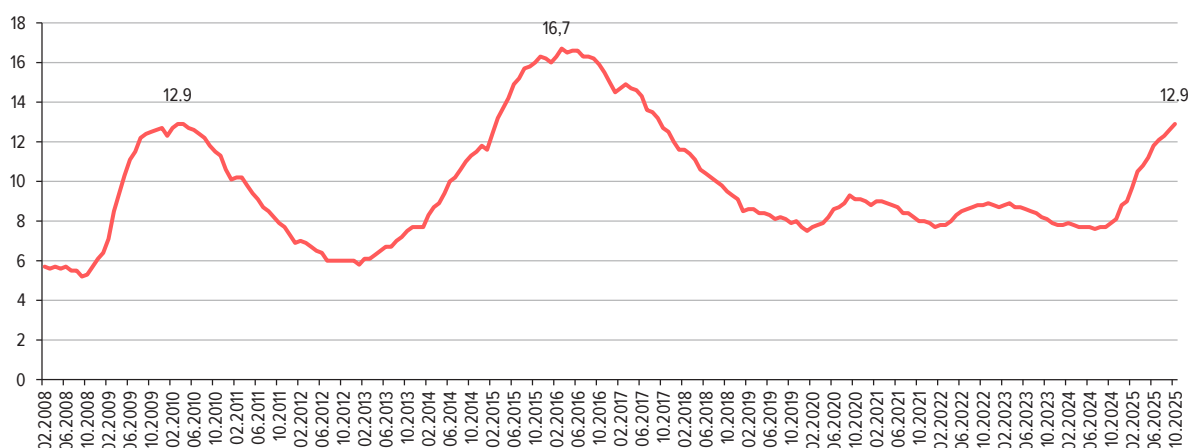
Another evidence of borrowers' debt servicing difficulties is persistently high demand for consumer loan restructuring. As of 1 October 2025, the amount of loans restructured over the past six months soared by 79% YoY. As a result, the proportion of the debt restructured over the past six months increased to 3.6% of the portfolio of unsecured consumer loans as of 1 October 2025.

Contrastingly, the percentage of newly issued loans becoming delinquent within a short period after the issue went down, while staying elevated. As of 1 October 2025, the proportion of cash loans and credit cards that became overdue for more than 30 days after three MOB<sup>12</sup> declined to 0.9% (vs 1.7% as of 1 April 2025) and 2.5% (vs 3.2% as of 1 April 2025), respectively. Borrowers with high DSTI (above 50%) fail to repay loans more frequently.

## SHARE OF NPLS IN UNSECURED CONSUMER LOAN PORTFOLIO

Chart 28

(%)

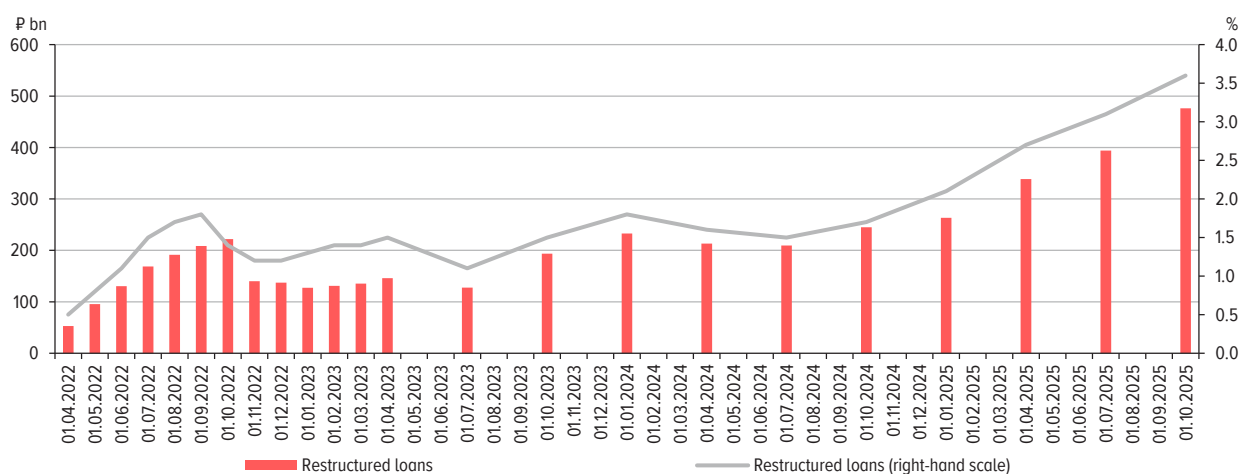


Source: Reporting Form 0409115.

<sup>12</sup> Months on Book – the age of a loan.

## AMOUNT OF CONSUMER LOANS RESTRUCTURED OVER PAST SIX MONTHS

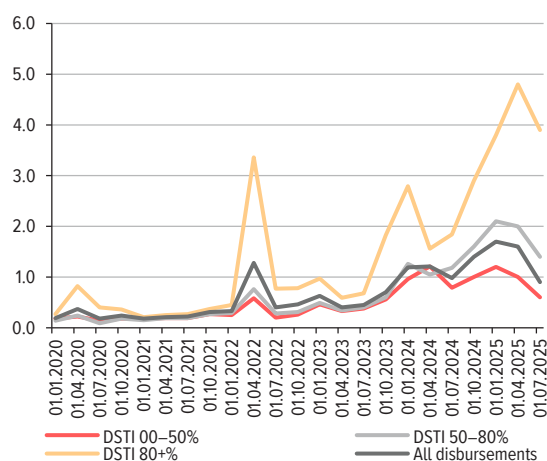
Chart 29



Sources: banks' survey, Reporting Form 0409115.

NPL 30+ AFTER THREE MOB FOR ISSUED CASH  
LOANS, BY DSTI GROUP  
(%)

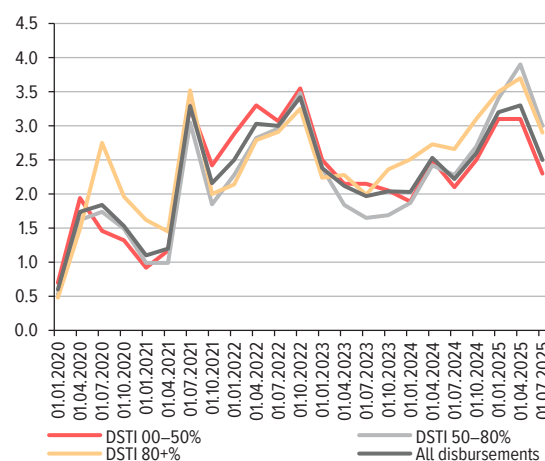
Chart 30



Source: Reporting Form 0409704.

NPL 30+ AFTER THREE MOB FOR ISSUED CREDIT  
CARDS, BY DSTI GROUP  
(%)

Chart 31



Source: Reporting Form 0409704.

## 3.2.4. Consumer microfinance

In 2025 Q3, the increase in consumer microloans slowed to 2.1% QoQ, whereas the annual growth rate remains high, namely 40.1%. That rise was associated with the active expansion of lending with the grace period by certain MFOs (primarily those being part of big tech groups), as well as with an increase in consumer microloans issued by MFOs affiliated with banks<sup>13</sup> (hereinafter, bank-affiliated MFOs). The share of bank-affiliated MFOs went up by 7.9 pp over the year, reaching 41.1% of the consumer microloan portfolio as of 30 September 2025. Overall, MFOs' market share in the total portfolio of unsecured consumer lending expanded to 4.6%. These trends might indicate a certain flow of borrowers to the MFO market. Due to growing systemic risks in consumer lending as a whole, MFOs' cost of risk continued to rise (+0.3 pp QoQ to 32.2% as of 30 September 2025).<sup>14</sup>

<sup>13</sup> Including MFOs being part of big tech groups.

<sup>14</sup> The ratio of changes in the amount of created provisions, principal assignments and write-offs over a year to the average portfolio over a year.

To mitigate the risks of regulatory arbitrage and the risks of a flow of borrowers to MFOs, the Bank of Russia establishes the same restrictions as part of the MPLs for both banks and MFOs. Furthermore, from 1 January 2026, MFOs will not be allowed to use their internal models to measure a borrower's income when issuing a microloan of up to ₹50,000. In the future, MFOs and banks will switch to using official up-to-date information about a borrower's income (see Box 6). In addition to the above measures, the Bank of Russia has continued to implement the reform in the MFO market<sup>15</sup> aimed at limiting households' debt burden. As part of the reform, the lawmakers developed a draft law,<sup>16</sup> which restricts the number of simultaneously existing 'expensive'<sup>17</sup> consumer microloans per borrower, introduces a cooling-off period before the disbursement of another microloan, and decreases the maximum ratio of total interest and fees charged on a microloan from the current 130% to 100%.

### 3.2.5. Macroprudential measures

Since 2023, the Bank of Russia has been directly restricting the issue of consumer loans to borrowers with high DSTI, which helps maintain high lending standards. Unsecured consumer loans issued by banks to borrowers with DSTI above 50% accounted for<sup>18</sup> 19% in 2025 Q3 (vs 28% in 2024 Q3 and 63% in 2022 Q4 before the effective date of the MPLs). Microloans from MFOs are subject to the same MPLs as those applicable to banks: the proportion of microloans issued by MFOs to borrowers with DSTI above 50% and 80% remained nearly unchanged, equalling 13% and 2%, respectively.<sup>19</sup>

The percentage of the debt of borrowers with high DSTI in the structure of total debt notably decreased as well. Before the introduction of the MPLs, the debt on loans issued to borrowers with DSTI above 50% accounted for 64% (as of 1 January 2023) of the total debt on unsecured consumer loans, while as of 1 October 2025, this share contracted to 39% of the portfolio.

The increase in the macroprudential add-ons in 2024 amid the surge in lending made it possible to create a substantial macroprudential capital buffer for unsecured consumer loans, which reached ₹0.8 trillion as of 1 October 2025 (7.1% of the portfolio, net of loan loss provisions).

Taking into account the significant amount of the accumulated macroprudential capital buffer and the reduction in the consumer loan portfolio, the Bank of Russia [decided](#) to decrease the macroprudential add-ons in this segment from 1 September 2025. The macroprudential buffer will continue to accumulate, but more slowly. It would be unreasonable to release it so far. The banking sector's capital adequacy ratio remains high, specifically 12.9% as of 1 October 2025. Banks maintain profitability at a high level and, therefore, are able to absorb credit losses without reducing lending to the economy.

Furthermore, taking into account the positive experience of using MPLs, the Bank of Russia established MPLs for car loans and general consumer loans secured by motor vehicles [for 2025 Q3](#) and [additional limits](#) for general consumer loans secured by real estate for 2025 Q4. These segments had a significant percentage of loans<sup>20</sup> issued to borrowers with DSTI above 50%: such loans accounted for up to 79% of the total amount of general consumer loans secured by motor vehicles in 2024 Q2 and 27% in 2025 Q2 and for 74% of the total amount of general consumer loans secured by real estate in 2025 Q2. Owing to the MPLs, the percentage of car loans issued in

<sup>15</sup> Consultation paper [Microfinance Market Development Prospects for 2025–2027](#) (in Russian only).

<sup>16</sup> Draft Federal Law No. 887449-8 'On Amending Certain Laws of the Russian Federation' was considered and approved by the State Duma in the first reading on 7 October 2025.

<sup>17</sup> Microloans with the EIR above 100%.

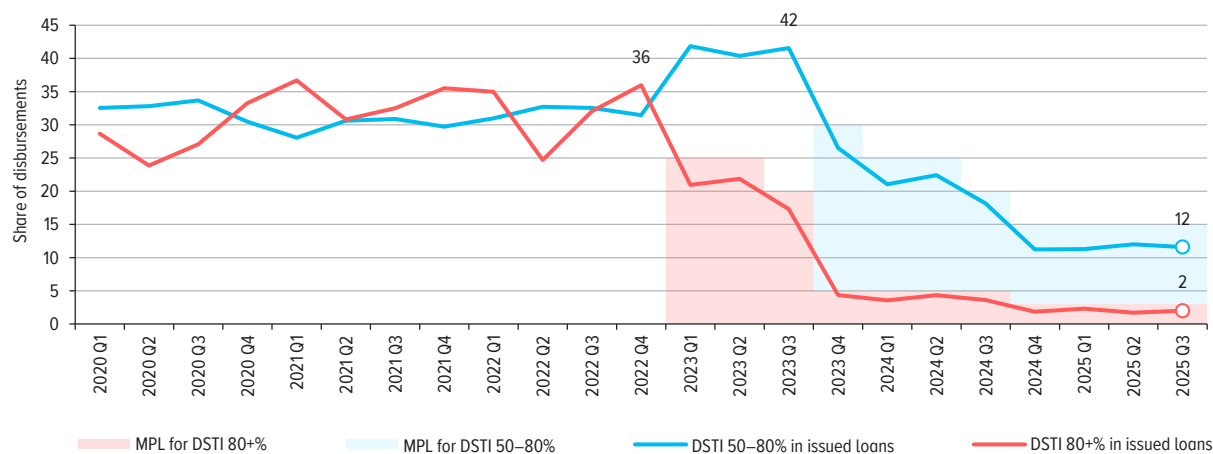
<sup>18</sup> According to Reporting Forms 0409135 and 0409704.

<sup>19</sup> The figures were calculated based on a comparable sample of the 51 largest MFOs accounting for 83.3% of the market as of 30 September 2025. The figures are given excluding microloan agreements with a credit limit and microloans secured by a motor vehicle.

<sup>20</sup> Reporting Form 0409704.

PROPORTION OF LOANS TO BORROWERS WITH HIGH DSTI IN CASH LOAN SEGMENT (%)

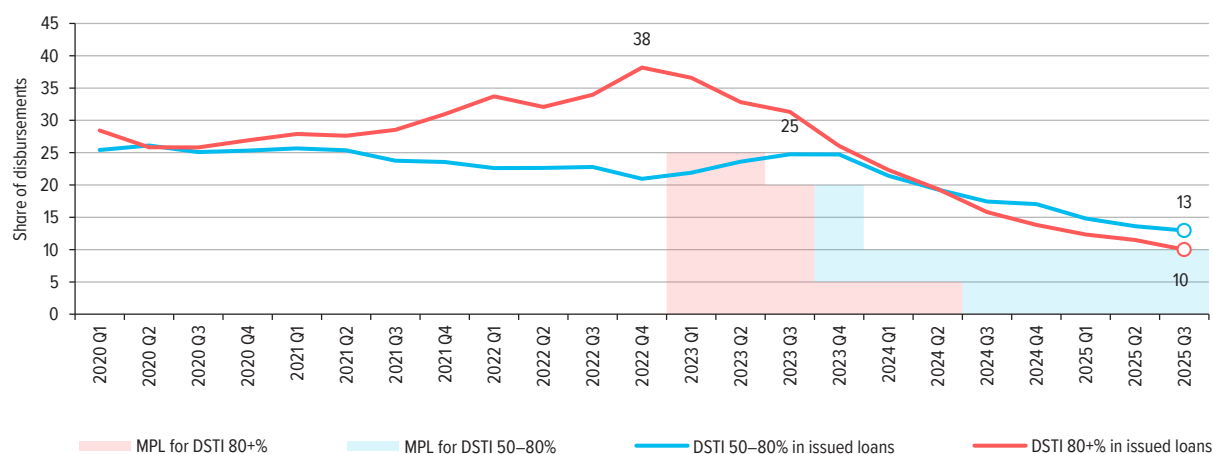
Chart 32



Sources: Reporting Forms 0409704 and 0409135.

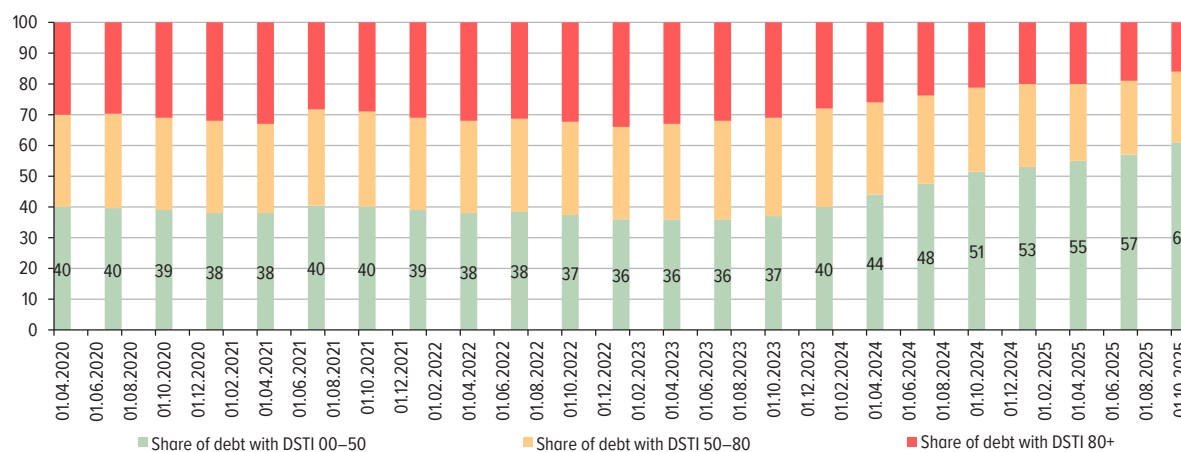
PROPORTION OF LOANS TO BORROWERS WITH HIGH DSTI IN CREDIT CARD SEGMENT\* (%)

Chart 33

\* Part of funds are related to credit cards issued before the introduction of the MPLs.  
Source: Reporting Form 0409704.

STRUCTURE OF UNSECURED CONSUMER LOAN PORTFOLIO, BY DSTI (%)

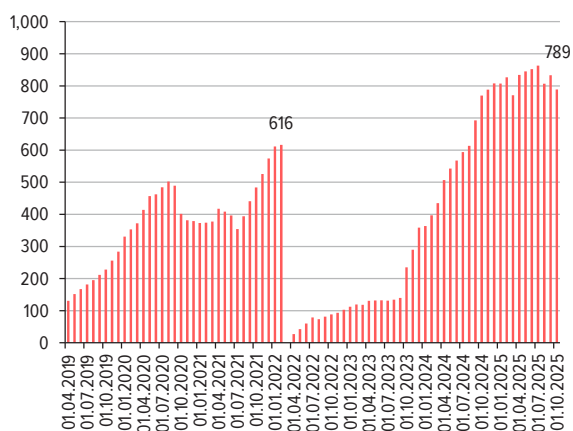
Chart 34



Source: Reporting Form 0409704.

MACROPRUDENTIAL BUFFER FOR UNSECURED  
LOANS\*  
(P BN)

Chart 35

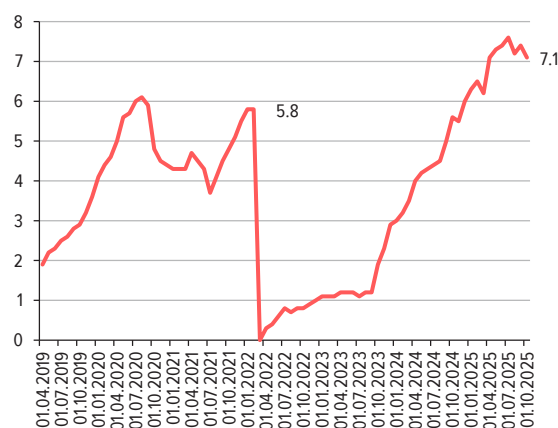


\* Only ruble loans.

Sources: Reporting Forms 0409135 (Section 8) and 0409114.

MACROPRUDENTIAL BUFFER FOR UNSECURED  
LOANS  
(% OF PORTFOLIO)\*

Chart 36



\* Net of loan loss provisions.

Sources: Reporting Forms 0409135 (Section 8), 0409114, and 0409115.

2025 Q3 to borrowers with DSTI above 50% declined to 14% (vs 21% in 2025 Q2 and 39% in 2024 Q3) and that of general consumer loans secured by motor vehicles – to 16%. The MPLs not only reduce the risks related to borrowers' debt burden in these segments, but also discourage the use of regulatory arbitrage depending on whether a consumer loan is collateralised or not.

For MFOs, the MPLs for microloans secured by a motor vehicle were established at the same levels. Due to the effective MPLs for car microloans, MFOs decreased the amount of such microloans: their share dropped by 6.5 pp QoQ to 8.3%. The proportion of microloans secured by a motor vehicle that were issued to borrowers with DSTI above 50% was up by 74 pp over the year, reaching 90.2%. Such a drastic change in the structure of disbursements was because MFOs used internal models to measure a borrower's income which were not validated by the Bank of Russia (this approach will be prohibited from 1 January 2026).

The Bank of Russia will continue to pursue its policy aimed at mitigating credit risks associated with households' over-indebtedness in the retail lending segments by applying the MPLs, as well as to maintain banks' capital cushions at an adequate level that would absorb a potential increase in losses.

### Box 6. Enhancement of the DSTI calculation procedure

The Russian President ordered<sup>1</sup> to oblige creditors to use official up-to-date information confirming an individual's incomes when making a decision on issuing loans. In furtherance of the order, the Bank of Russia jointly with the competent ministries and agencies approved a [roadmap \(in Russian only\)](#) providing for lenders' stage-by-stage transition to the use of only official up-to-date information confirming individuals' incomes for the purpose of DSTI calculation:

- From 1 July 2025, banks and MFOs are not allowed to assess a borrower's income based on the earlier made loan and microloan repayments according to CHBs' data.<sup>2</sup>
- From 1 January 2026, banks and MFOs will not be allowed to use any models to assess a borrower's income for issuing a loan (microloan) of up to ₹50,000 or a loan (microloan) to purchase a motor vehicle, secured by the vehicle being purchased, if these models have not been validated by the Bank of Russia.
- Currently, the lawmakers are developing draft amendments to Article 5.1 of Federal Law No. 353-FZ, dated 21 December 2013, 'On Consumer Loans (Microloans)' that will prohibit banks and MFOs from using

<sup>1</sup> Part seven of Subclause 'd' of Clause 3 of the List of Instructions of the President of the Russian Federation No. Pr-1999, dated 29 September 2024.

<sup>2</sup> Bank of Russia Ordinance No. 7016-U, dated 24 March 2025, 'On Amending Bank of Russia Ordinance No. 6579-U, Dated 16 October 2023'.



unconfirmed data about a borrower's income beginning from 1 July 2027. Thus, banks and MFOs will not be allowed to assess a borrower's income using Rosstat's data on average per capita income in the region of the borrower's registration and banks will be prohibited from using their internal models that have not been validated by the Bank of Russia.

In addition, the authorities are exploring the issue of introducing amendments to the DSTI calculation procedure in 2026, which will provide for a more conservative approach to assessing a borrower's income. It is planned to apply a discount factor to the assessment of a borrower's income based on Rosstat's data on average per capita income in the region of the borrower's registration. Furthermore, banks will not be allowed to use their internal income assessment models when calculating DSTI for borrowers who are their payroll clients.

After the legislative amendments become effective, it will still be possible to continue using official documents on individuals' incomes from employers, statements on accounts where individuals' official incomes are credited, as well as other documents issued by government (municipal) authorities, agencies, organisations, or enterprises (including documents issued by officials of the Armed Forces of the Russian Federation and military units).

The infrastructure of the Digital Profile will become the key channel for obtaining official up-to-date information on an individual's income. Data from the Digital Profile will be provided within one minute. By the moment, a considerable number of retail banks have already connected to the Digital Profile, whereas a significant percentage of MFOs are still to do this.

### 3.3. Housing market and project finance risks

**After the cooling in 2025 Q1 (the monthly growth rate averaged 0.1%), mortgage lending started to expand again. In 2025 Q3, its growth accelerated to 1.0% MoM. The mortgage market is still dominated by subsidised programmes accounting for 81–85% of total disbursements, but market-based mortgage lending has started to bounce back as well.**

**Over the first 10 months of the year, the sales of housing under construction amounted to ₹3.8 trillion, which is comparable with the values of the previous two years when the demand for housing surged (₹3.8–3.9 trillion over the 10 months in 2023 and 2024). As of the end of 2025 H1, the largest Russian developers continued to expand revenues, while maintaining EBITDA margins at the level of the past three to four years.**

**At the beginning of the year, instalments made up a considerable share in housing sales. Instalment schemes involve both social risks (if a buyer fails to pay the instalment balance) and risks to the developer (if it is forced to refund the money to the buyer) and the bank. In order to prevent risky instalment practices, the Bank of Russia prepared recommendations to banks.<sup>21</sup> As mortgage lending rebounded, the proportion of instalments in housing sales declined.**

**The quality of mortgage debt servicing worsened somewhat: non-performing loans accounted for 1.7% as of 1 October 2025, compared to 0.9% a year before. That rise was associated with the maturity of mortgages granted for single-family home construction over the period of soaring demand for loans issued under the large-scale Subsidised Mortgage programme to borrowers with high DSTI, as well as of mortgages issued at high market rates. Owing to the macroprudential measures taken, banks have accumulated a macroprudential capital buffer for mortgages, which covers potential losses for 1.5% of the portfolio (₹304 billion) as of 1 October 2025.**

**Thus, the situation in the housing market remains stable and the percentage of housing sold by developers is acceptable. A further recovery in mortgage lending will help improve the situation.**

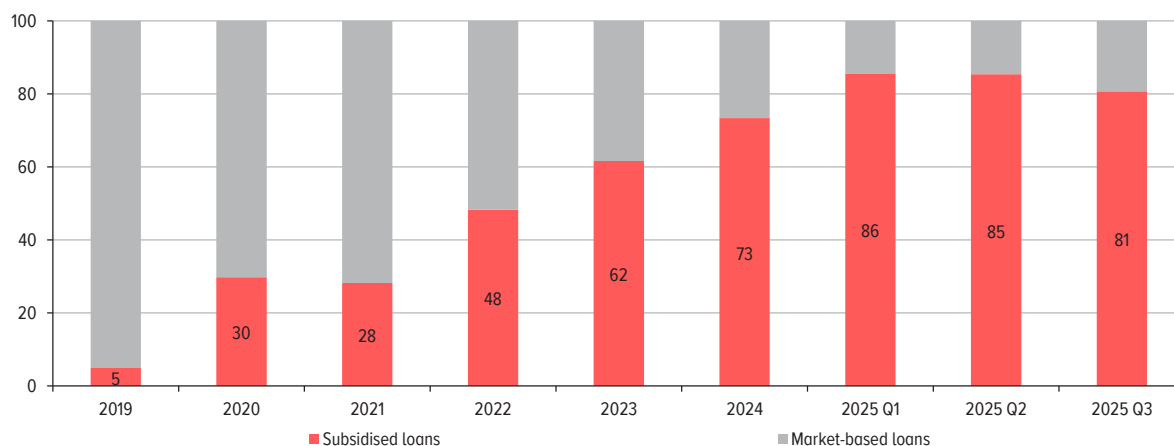
<sup>21</sup> Bank of Russia Information Letter No. IN-03-35/88, dated 9 June 2025, 'On Risks of Selling Housing to Individuals Under Developers' Instalment Plans'.

### 3.3.1. Mortgage lending

The growth rate of mortgage lending was gradually rebounding in 2025 Q2–Q3. In 2025 Q2, the average monthly growth of outstanding mortgages was 0.6%, while in 2025 Q3, it accelerated to 1.0%. As a result, over January–September 2025, the mortgage portfolio on banks' balance sheets increased by 5.2%, reaching ₽20.8 trillion as of 1 October 2025.

STRUCTURE OF ISSUED SUBSIDISED AND MARKET-BASED LOANS IN MONEY TERMS (%)

Chart 37



Sources: DOM.RF's analytics, Reporting Form 0409316.

After the termination of the large-scale Subsidised Mortgage programme, the growth of the mortgage portfolio has been driven by the Family Mortgage programme, which accounted for ₽645 billion of the mortgages issued in 2025 Q2 (approximately 85% of all government subsidised mortgages) and ₽805 billion in 2025 Q3 (nearly 87% of all government subsidised mortgages). The dynamics of the government subsidised mortgage lending segment were also affected by a temporary rise in the compensation for the Family Mortgage programme and the Far Eastern and Arctic Mortgage programme: from 7 February 2025, the Russian Government increased the compensation for the subsidised programmes to 3.0 pp and 3.5 pp, respectively; from 7 August 2025, this decision was extended until 1 November 2025; and later on, the decision was extended until the end of 2025, although with lower rates of the compensation, specifically 2.5 pp and 3.0 pp, respectively.

Following the reduction in the Bank of Russia key rate, interest rates on market-based mortgages started to go down, which boosted the demand for market-based mortgages: in 2025 Q3, disbursements soared by 72% QoQ, while still accounting for less than 20% in the total amount of issued mortgages. The proportion of subsidised programmes declined from 85% in 2025 Q2 to 81% in 2025 Q3.

### 3.3.2. Credit quality of mortgage loans

From the end of 2024, the quality of mortgage servicing started to deteriorate. NPLs accounted for 1.7% as of 1 October 2025, which is 0.7 pp more compared to the beginning of 2025. That rise was primarily associated with the maturity of mortgages granted for single-family home construction over the period of soaring demand for loans under the large-scale Subsidised Mortgage programme, as well as with the decrease in the quality of servicing market-based mortgages issued at higher interest rates.

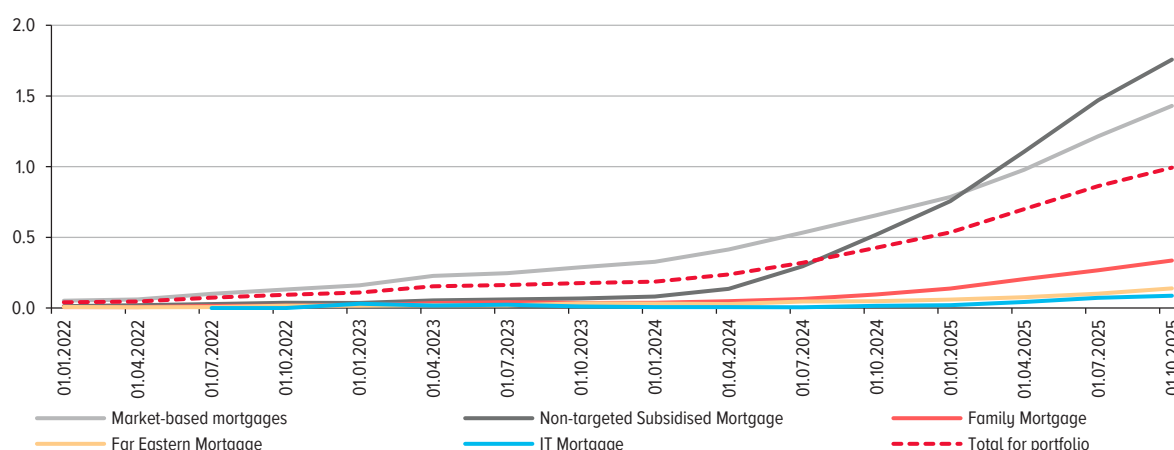
As of 1 October 2025, the share of NPL 90+ in the portfolio of mortgages for single-family home construction was almost five times larger than that in the portfolio of mortgages for housing in

apartment buildings. That was because single-family home contractors frequently failed to perform their obligations. To protect individuals' rights, from 1 March 2025, the mechanism of using escrow accounts for mortgage lending was introduced in the single-family home construction segment (this mechanism is mandatory for mortgages raised under subsidised programmes), which in turn will help prevent such cases in the future.

A considerable rise in overdue loans was recorded in mortgages for single-family home construction issued under the large-scale Subsidised Mortgage programme during the credit boom, as well as in market-based mortgages for single-family home construction issued beginning from 2023 H2.<sup>22</sup> The quality of servicing mortgages for apartments after 12 MOB worsened as well. As for mortgages issued before 2024, the growth of overdue loans for apartments was mostly on account of market-based mortgages due to higher interest rates. A recent trend is a fast increase in overdue loans issued under the large-scale Subsidised Mortgage programme shortly before its termination.

NPL 90+ DYNAMICS IN MORTGAGES ISSUED FROM 2020, BY MORTGAGE PROGRAMME (%)

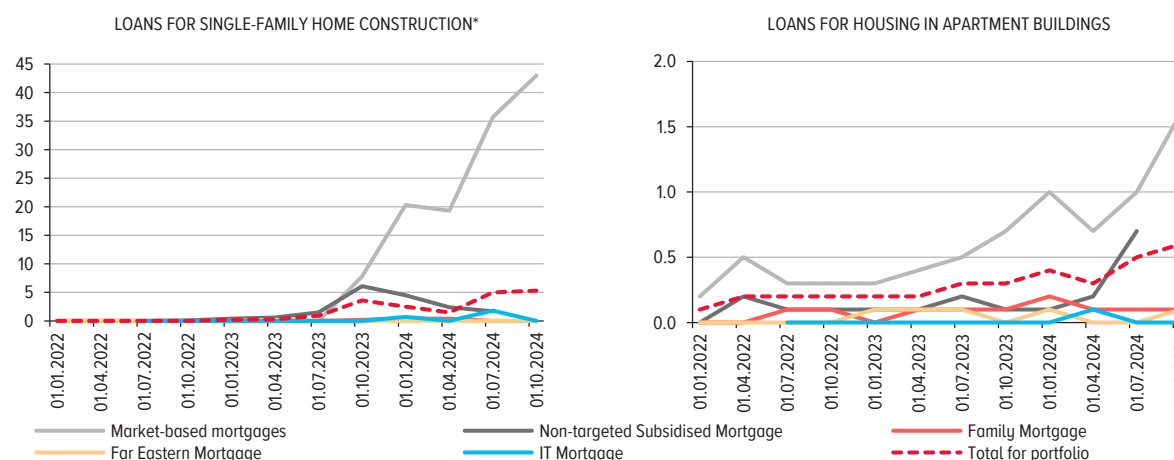
Chart 38



Sources: CHBs' data, survey by the Bank of Russia.

NPL 90+ AFTER 12 MOB, BY CLAIM START DATE AND MORTGAGE TYPE (%)

Chart 39



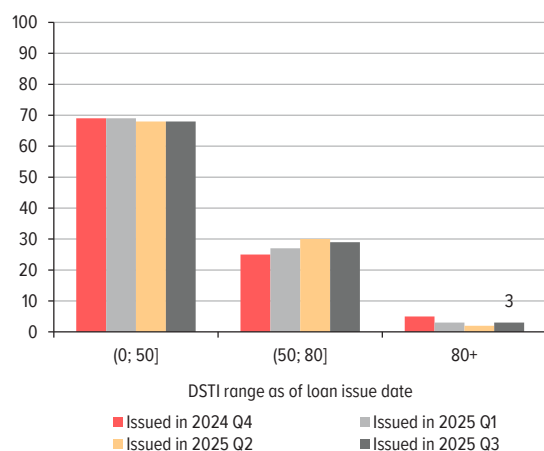
\* Market-based mortgages for single-family home construction made up a minor share in total mortgages, namely 0.5% in September 2024.

Sources: CHBs' data, survey by the Bank of Russia.

<sup>22</sup> Nevertheless, they accounted for as little as 2% in the total portfolio of mortgages for single-family home construction, whereas mortgages for single-family home construction raised under the large-scale Subsidised Mortgage programme – approximately 51%.

BREAKDOWN OF LOANS BY DSTI (SCPA)  
(%)

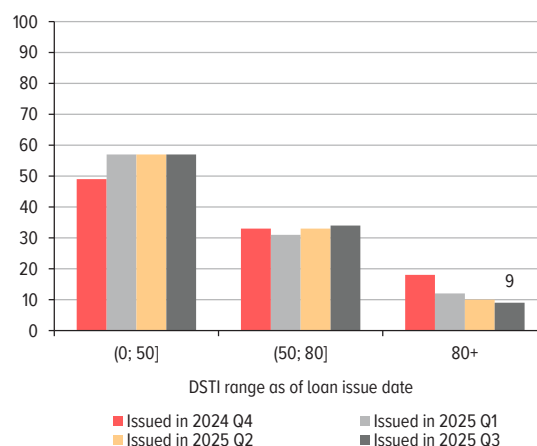
Chart 40



Source: Reporting Form 0409704.

BREAKDOWN OF LOANS BY DSTI (OTHER THAN SCPA) (%)

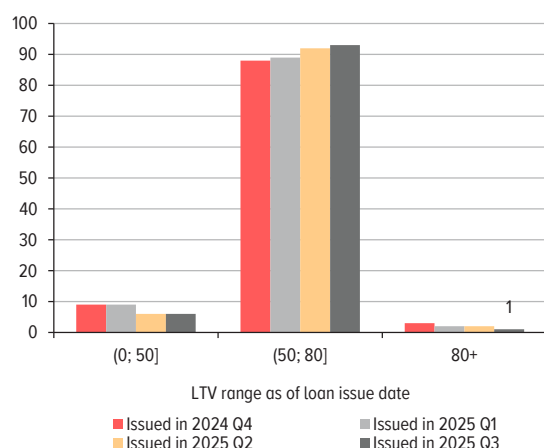
Chart 41



Source: Reporting Form 0409704.

BREAKDOWN OF LOANS BY LTV (SCPA)  
(%)

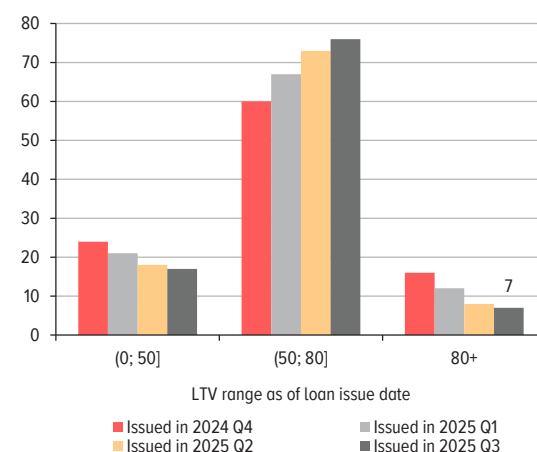
Chart 42



Source: Reporting Form 0409704.

BREAKDOWN OF LOANS BY LTV (OTHER THAN SCPA) (%)

Chart 43



Source: Reporting Form 0409704.

The credit quality of the portfolio of mortgages issued under the Family Mortgage, IT Mortgage, and Far Eastern and Arctic Mortgage programmes remains good, including due to adequate requirements for the down payment and additional requirements for borrowers, including their family status, wage, or employment.

Moreover, the rise in NPLs was accompanied by a slight increase in restructured loans: 0.7% in 2025 Q3 vs 0.3% in 2024 Q3, which is nonetheless lower than the peak of 0.9% in 2022 Q3.

As a result of the macroprudential policy measures implemented by the Bank of Russia, the mortgage lending standards have improved. Thus, the proportion of mortgages to borrowers with DSTI above 80% in the new housing segment (SCPAs) declined to 3% in 2025 Q3 from 6% a year before (in 2023, it was nearly 46%). The share of such mortgages in the existing housing segment was 9% (vs almost 48% in 2023). Since early 2025, mortgages with a small down payment (below 20%) have accounted for less than 2% in the new housing segment (vs more than 60% in 2023) and less than 13% in the existing housing segment (vs over 45% in 2023).

The macroprudential add-ons enabled banks to accumulate a macroprudential buffer for mortgages amounting to 1.5% of the portfolio, net of loss provisions, as of 1 October 2025. In 2025, the Bank

of Russia reduced the macroprudential add-ons for mortgages three times (from 1 March, 1 July, and 1 September). The decrease in the add-ons was associated with the following:

- a considerable capital buffer accumulated by banks;
- a lower proportion of risky mortgages in disbursements;
- the enactment from 1 January 2025 of the Standard for Protecting the Rights and Legitimate Interests of Mortgage Borrowers aimed at preventing unfair practices in mortgage lending; and
- the MPLs introduced from 1 July 2025 to restrict the issue of the riskiest mortgages.

From 1 October 2025, the Bank of Russia introduced new MPLs for mortgages issued for single-family home construction. A considerable proportion of mortgages in this segment are raised by borrowers with high DSTI who fail to timely repay loans more frequently. Thus, in 2025 Q3, mortgages for single-family home construction issued to borrowers with DSTI above 80% and DSTI of 50–80% accounted for 29% and 30%, respectively. To restrict such disbursements, from 1 January 2026, the Bank of Russia raises the MPLs (for mortgages issued to borrowers with DSTI above 80%) by 5 pp to 20%. In the future, the regulator will increase the MPLs in single-family home construction to the level established for conventional mortgages.

### 3.3.3. Housing prices and affordability

As of the end of 2025 H1, the growth rate of prices on primary and secondary housing markets remained moderate. Prices for housing under construction and existing housing rose by 1.6% and 0.8%, respectively, in 2025 Q3 (vs +1.6% and +1.2%, respectively, in 2025 Q2), as reported by Rosstat. The housing price gap between primary and secondary housing market remained significant, reaching 61.4% across Russia in 2025 Q3 according to Rosstat and 50.5% according to SberIndex. Nevertheless, the gap between prices for primary and secondary housing of comparable quality might be much smaller (the Bank of Russia explores certain real estate transactions in the primary and secondary housing markets).

The statistical index of price overheating in the housing market suggests a gradual normalisation of housing prices. From the beginning of the year, the cyclical deviation of actual prices from the long-term trend, measured based on the HP filter,<sup>23</sup> equalled 11% and 2% in the new and existing housing markets, respectively, compared to 13% and 3%, respectively, a year before.

NOMINAL HOUSING PRICES  
(P THS PER SQ M)

Chart 44

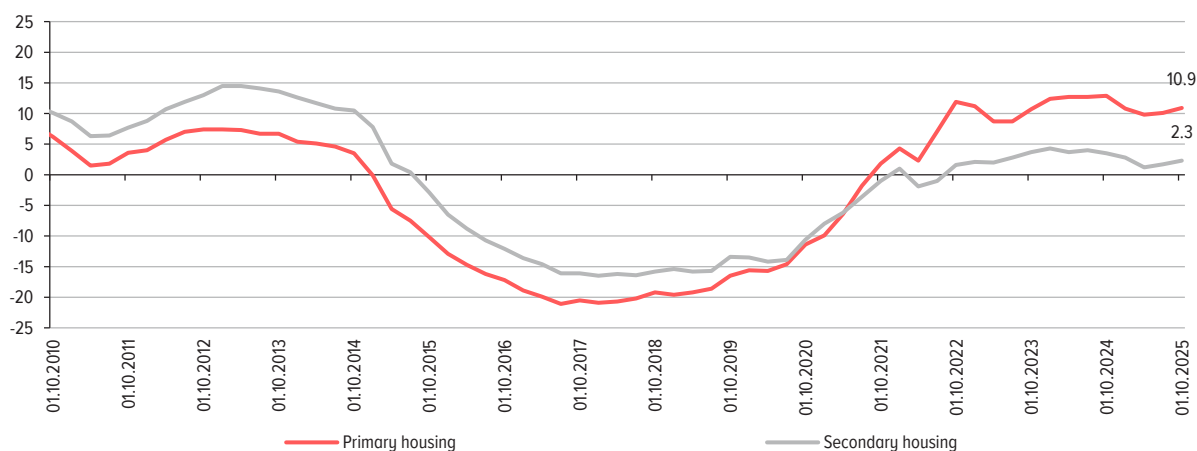


Sources: Rosstat, SberIndex, Bank of Russia calculations.

<sup>23</sup> [Indicator calculation method](#).

CYCLICAL COMPONENT OF HP-400000 FILTER-BASED INDEX OF REAL HOUSING PRICES (%)

Chart 45



Sources: Rosstat, Bank of Russia calculations.

### Box 7. Housing affordability index for mortgage

Since 2018, the Bank of Russia has been monitoring housing affordability based on the index reflecting the area of an apartment that a working-age individual is able to purchase using a mortgage while spending half of the average wage on mortgage repayments.<sup>1</sup>

From 2024, a considerable proportion of disbursements has been accounted for by subsidised rather than market-based mortgages, and it is therefore important to take into account the limit on the amount of a subsidised mortgage when assessing the affordability of housing. This affects the assessment of housing affordability in different regions depending on the level of prices and the type of the subsidised programmes (e.g. these limits under the Family Mortgage programme constitute ₹6 million or ₹12 million depending on the region). To properly take into account the terms of the government programmes and regional differences, the index calculation method has been revised as follows:

- The affordability index is measured separately for each Russian region depending on regional prices for new and existing housing, the size of wages, and the terms of the subsidised programmes stipulated for a particular region.
- The method provides for calculating a separate index for each type of the subsidised programmes, rather than the overall affordability index for the subsidised programmes. This approach takes into account the limits on the mortgage amount and measures the affordability for combined mortgages (part of the loan is subsidised, while the other part is market-based) across the Russian regions.
- The calculation of the overall index for Russia has been revised: it is measured based on the weighted average share of the economically active population in the Russian regions, rather than the Russian average prices and income level according to Rosstat.

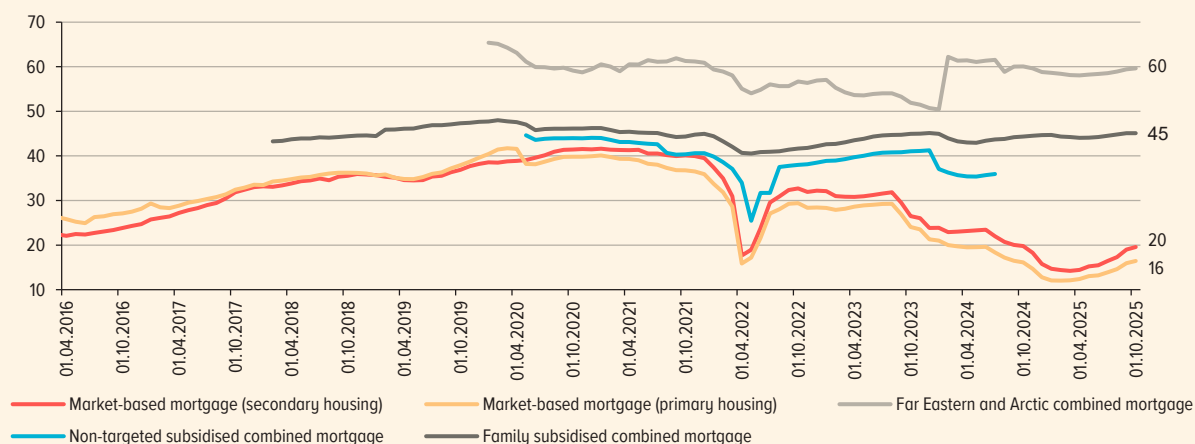
The dynamics of the affordability index, which factors in the actual terms of the subsidised programmes and regional specifics, are shown in Chart 46.

The subsidised mortgage lending programmes launched in 2020 as an anti-crisis measure boosted the demand for mortgages. However, the popularity of the subsidised programmes, in particular the non-targeted Subsidised Mortgage programme, coupled with soaring demand, entailed a surge in housing prices. Thus, during the peak period in 2022 Q1, the growth rates of new and existing housing prices reached 8% QoQ and 7% QoQ, respectively.

<sup>1</sup> [Index calculation method..](#)

HOUSING AFFORDABILITY INDEX FOR MORTGAGE IN RUSSIA  
(SQ M)

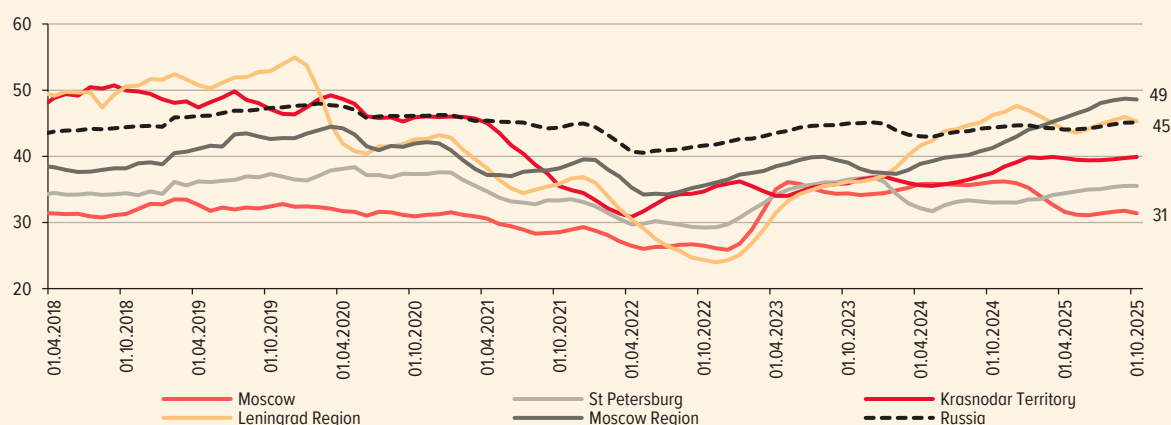
Chart 46



Sources: Rosstat, Reporting Form 0409316, Bank of Russia calculations.

HOUSING AFFORDABILITY INDEX FOR FAMILY COMBINED MORTGAGE ACROSS RUSSIAN REGIONS  
(SQ M)

Chart 47



Sources: Rosstat, Reporting Form 0409316, Bank of Russia calculations.

Amid high interest rates, the affordability of housing for market-based mortgages has been low in recent years. Combined mortgages provide for lower interest rates, and therefore, housing affordability in this case is much higher: the affordability of housing using a Family and Far Eastern combined mortgage remains at the level of 40–50 sq m and 50–65 sq m, respectively.

The affordability of housing on mortgage varies across the Russian regions. Thus, a medium-income individual in Moscow is able to purchase 31 sq m under the Family Mortgage programme, while in the Moscow Region, this figure is 49 sq m (Chart 47). As inflation decelerates and the Bank of Russia eases further its monetary policy, the affordability of housing for market-based mortgages will be growing.



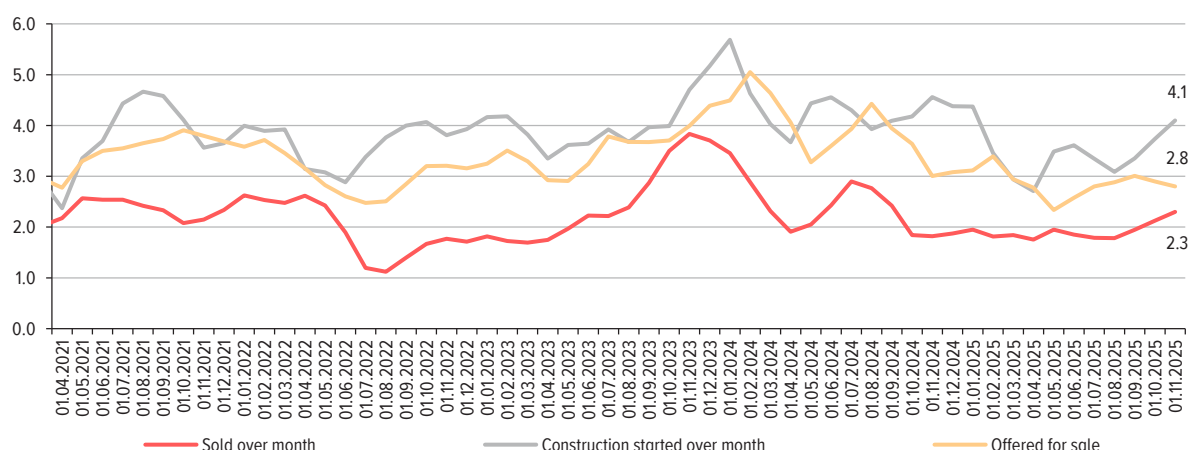
### 3.3.4. Demand and supply in the housing market

According to the Unified Housing Construction Information System, in 2025 Q3, the monthly sales of apartments in buildings under construction increased to 2.1 million sq m on average, which is 20% and 14% more compared to the average monthly sales in 2025 Q2 and 2024 Q3, respectively. Over the first 10 months of the year, the sales of housing under construction amounted to ₺3.8 trillion, which is comparable with the values of the previous two years when the demand for housing surged (₺3.8–3.9 trillion over the 10 months in 2023 and 2024).

The dynamics of the proportion of new apartments sold in 2025 stabilised at 31–32%. Furthermore, the ratio between the percentage of sold housing and the stage of construction completion remains at an acceptable level, namely 69% as of 1 November 2025, although continues to decline (-8 pp vs the beginning of the year). The percentage of sold apartments in buildings commissioned this year approximates 61%, compared to 67% a year before. The share of sold housing varies across the Russian regions. Thus, it is high in Moscow (48%) and St Petersburg (39%), but low in other regions. One of the large regions where this percentage is low is the Krasnodar Territory (19%). Nevertheless, as market interest rates go down in the regions with a low proportion of sold housing, the surplus of supply will be decreasing gradually.

NEW HOUSING AREA, NEW PROJECTS FOR SALE, AND ACTUAL SALES OF NEW HOUSING IN RUSSIA  
(THREE-MONTH MOVING AVERAGE)  
(MLN SQ M)

Chart 48



Source: Unified Housing Construction Information System.

Due to declining demand, developers somewhat reduced the area of new construction projects: the area of new projects totalled about 33 million sq m as of the end of the first 10 months of 2025, which is 15% less YoY. Contrastingly, the area of real estate projects under construction expanded over the first 10 months of 2025, specifically by 5.5% from 114.4 million sq m to 120.7 million sq m, which was largely associated with the slowdown and postponement of the commissioning of buildings. Furthermore, the area offered for sale increased as well, namely by 2.2% from 53.4 million sq m to 54.6 million sq m (unsold area offered for sale by developers). These dynamics were attributed to lower sales of housing as compared to new construction projects launched.

**Box 8. Risks of developers' instalments plans and regulation approaches**

Developers' instalment plans often involve overpricing of housing and the risk of additional financial losses to buyers. After the termination of the large-scale Subsidised Mortgage programme, the popularity of mortgage programmes and instalment plans from developers increased. According to the Bank of Russia, the amount of households' liabilities associated with housing purchases under instalment plans reached ₽1.4 trillion as of 1 October 2025 (17% of all signed SCPAs). Sales under instalment plans and for households' own funds accounted for 55% of total sales in 2025 Q1 and decreased to 40% in 2025 Q2 and then to 34% in 2025 Q3. That reduction was attributed primarily to the rise in mortgage lending and tougher terms offered by most developers (growth in the down payment and shorter instalment periods), including due to CIs' more conservative approach. Nonetheless, nearly 40% of the sold area in buildings which are to be commissioned in 2026 and later and where the percentage of sold housing is below 50%, is accounted for by developers' instalment plans.

Instalment plans might involve risks to all parties to the transaction. Developers actually substitute CIs and accept risks which are not typical of them. If the amount of cancelled instalment agreements is large, a developer will be exposed to a higher risk of loan repayment delays (a new loan may be needed to return the funds to clients), and consequently, its own risk of insolvency will grow.

A buyer cancelling the instalment agreement is exposed to the risk of currency depreciation, fines, and problems with returning the already made payments if the developer faces financial difficulties (for instalment plans after the commissioning).

In order to timely assess the risks related to loans issued to developers, in June 2025, the Bank of Russia developed the recommendations for banks on how to assess the risks inherent in such loans. The regulator conducts regular surveys of the largest banks regarding the practice of using instalments in the projects they finance. Furthermore, the regulator is exploring the issues associated with a more formalised approach to accounting of instalment plans in the regulation of and procedure for loan loss provisioning in project finance by CIs. Before the end of 2025, the Bank of Russia plans to assess the regulatory impact of a document that will stipulate, among other things, the criteria for adjusting the amount of loan loss provisions for projects with a considerable proportion of instalments.

In order to protect buyers' rights and minimise the use of unfair practices by developers, the Bank of Russia considers it necessary to amend the law on housing construction, including with respect to the sale of real estate by legal entities to individuals under instalment plans. Currently, the funds in escrow accounts are released to the developer after the commissioning of the building, while in relation for the already completed projects, these accounts are not provided for by the law. So as to mitigate the risks to individuals, it is reasonable to envisage the principle 'the funds in exchange for the ownership right'. This mechanism will fully protect the interests of both buyers and sellers, regardless of how housing is purchased. In addition, it would be reasonable to introduce a three-party principle in the contractual relations associated with instalment plans with the participation of banks, including for the purpose of communicating information on individuals' debts to CHBs.

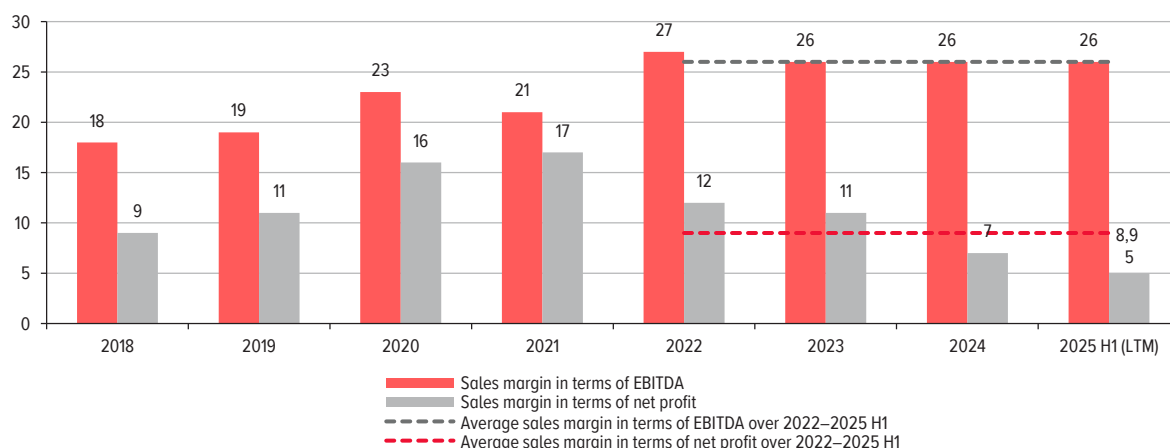
**3.3.5. Quality of project finance and developers' financial resilience**

As of the end of 2025 H1, the largest developers' aggregate revenues increased by 6.7% over the past 12 months, as compared to the level of 2024. Concurrently, companies' net profit declined by 26.1% vs 2024. Nevertheless, most of them remain profit-making.

Due to the slowdown in the sale of housing under construction and an increased proportion of sales under instalment plans, the ratio of debt coverage with the funds in escrow accounts dropped by 3 pp from the beginning of the year to 69% (+1.3 pp over August–September 2025). After the rise to 10.8% in 2025 Q2, the average interest rate on loans to developers started to decline in 2025 Q3 and equalled 10.2% as of 1 October 2025.

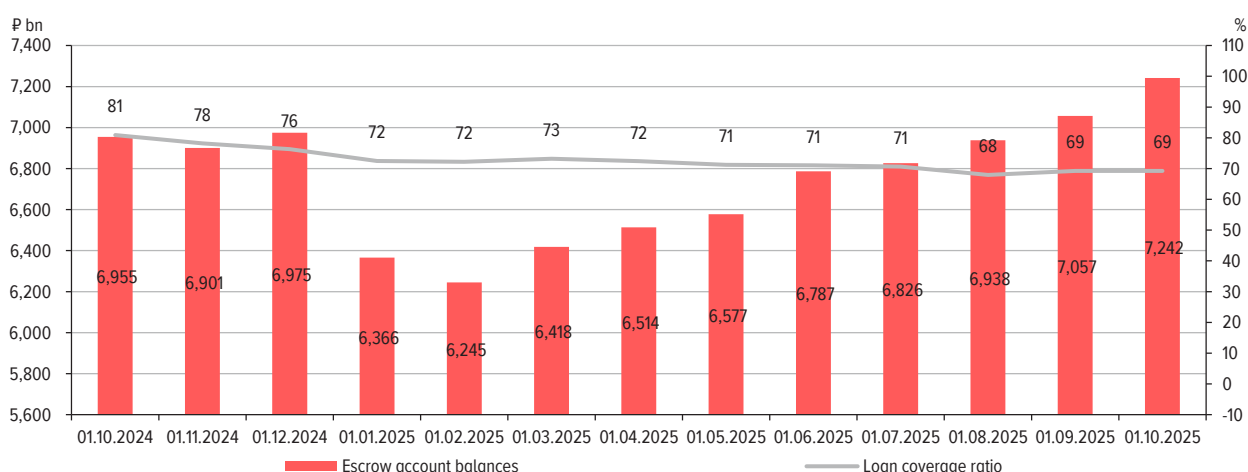
## LARGEST DEVELOPERS' FINANCIAL PERFORMANCE (%)

Chart 49



Source: the largest developers' IFRS financial statements for 2018–2025 H1.

## COVERAGE RATIO FOR DEVELOPERS' LOANS WITH FUNDS IN ESCROW ACCOUNTS AND ESCROW ACCOUNT BALANCES Chart 50



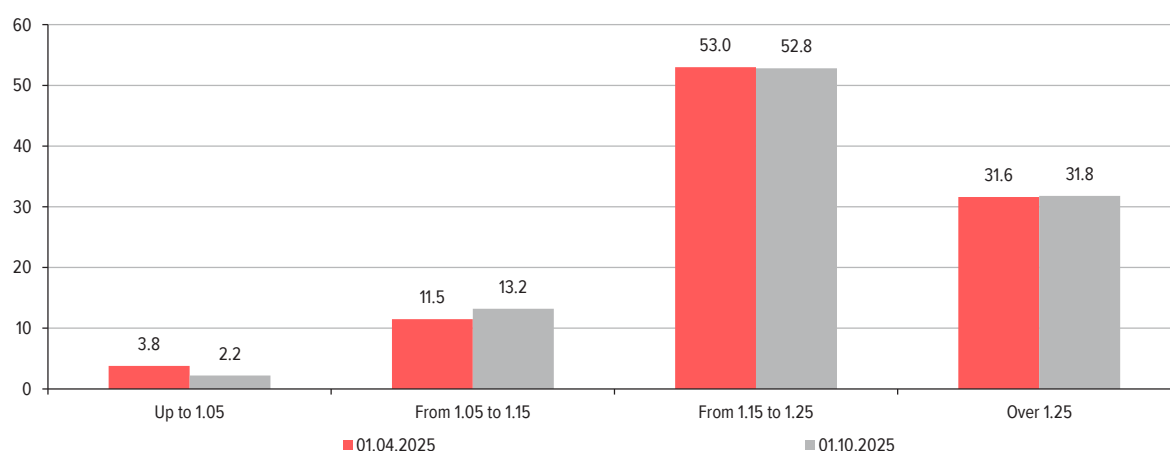
Source: survey by the Bank of Russia.

NPLs accounted for 1.1% of the project finance portfolio in housing construction as of 1 October 2025, which is 0.6 pp more vs April 2025. Nevertheless, the share of the debt related to projects with the LLCR below 1.15 remained at 15.4% (vs 15.4% in April 2025 and 15.3% in July 2025). The deterioration was associated with projects being constructed in Moscow, the Moscow Region, St Petersburg, and the Krasnodar Territory.

In August 2025, the Bank of Russia conducted another stress test of the project finance portfolio jointly with banks that are the largest creditors accounting for 90% of the market. In the course of the exercise, the Bank of Russia analysed the LLCR-based distribution of projects according to the banks' up-to-date models as of 31 July 2025 and the stress testing scenarios assuming various levels of a decline in cash flows from sales and changes in the key rate. The stress test showed that developers were more sensitive to a reduction in cash flows, whereas the Bank of Russia key rate had a limited effect on the resilience of projects owing to the funds accumulated in escrow accounts. In case of a 10% decrease in cash flows from sales, approximately 16% of projects will be in the risk zone (LLCR

BREAKDOWN OF PROJECT FINANCE LOAN PORTFOLIO BY LLCR, ACCORDING TO BANK OF RUSSIA SURVEY (%)

Chart 51



Source: survey by the Bank of Russia.

below 1.05) as compared to 5% in the baseline scenario<sup>24</sup> (for the banks participating in the stress test).

As assessed by the Bank of Russia, owing to a high percentage of sold areas in projects and accumulated safety margin, most developers will remain financially resilient and will be able to complete the projects under construction. As interest rates go down, the rebound in market-based mortgages will prop up the demand for housing.

<sup>24</sup> According to the banks' financial models.

## 4. ASSESSMENT OF THE FINANCIAL SECTOR'S RESILIENCE

### 4.1. Assessment of the banking sector's resilience

The banking sector remains resilient, with banks' ROA and CAR staying close to the historical averages over the period under review. Annual ROA remained unchanged at 1.9% as of 1 October 2025,<sup>1</sup> supported by, among other things, the growth in banks' NII. The banking sector's CAR barely changed as well, staying at 12.9% as of 1 October 2025. The macroprudential buffer equalled 0.8 pp of N1.0, or ₪1.2 trillion as of 1 October 2025.

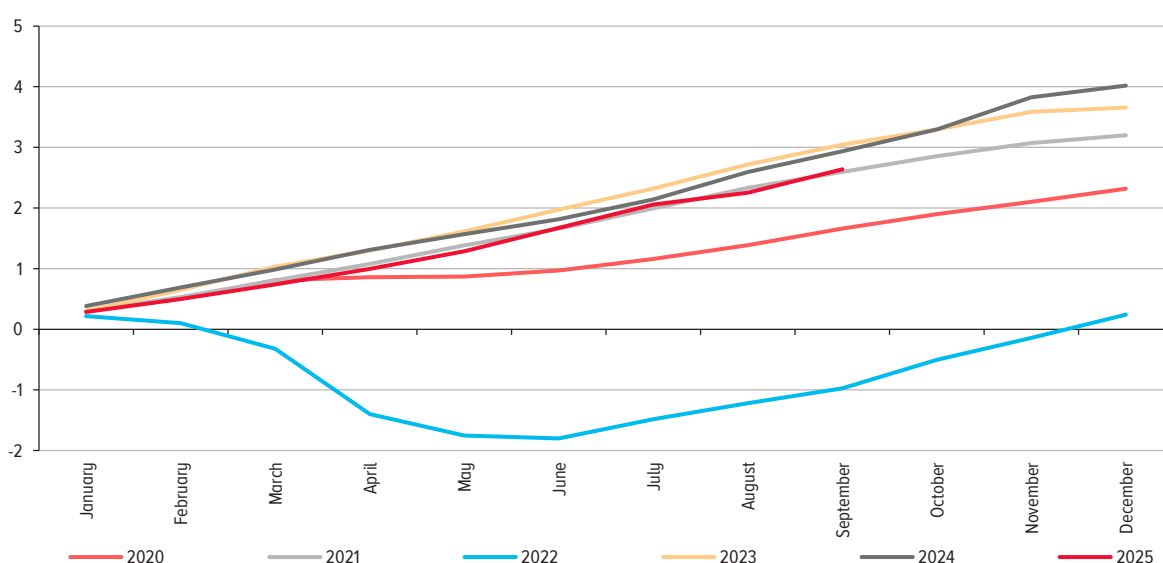
The situation with banks' liquidity has improved. The scheduled restoration of the requirements for compliance with the LCR from 1 July 2025 has not produced a notable effect on monetary conditions. From 30 October 2025, SIBs switched to the national LCR, which enables a more accurate assessment of their liquidity risk as it takes into account the Russian market's specifics.

#### 4.1.1. Banks' returns on assets

Over the first nine months of 2025, the banking sector's net profit<sup>2</sup> totalled ₪2.7 trillion, which is comparable in real terms with the amount recorded over the same period in 2021. As a result of the growth in operating earnings, banks' annual ROA stayed close to 1.9% over the period under review. The increase in NII (Chart 54; +0.2 pp of ROA from 1 April 2025 to 1 October 2025) almost fully offset the rise in reserves and operating expenses (overall, -0.2 pp of ROA). The distribution of annual ROA across banks remained nearly unchanged (Chart 55).

BANKING SECTOR'S NET PROFIT AFTER TAX IN REAL TERMS, CUMULATIVE YEAR-TO-DATE  
(JANUARY 2025 = 100)  
(₪ TN)

Chart 52



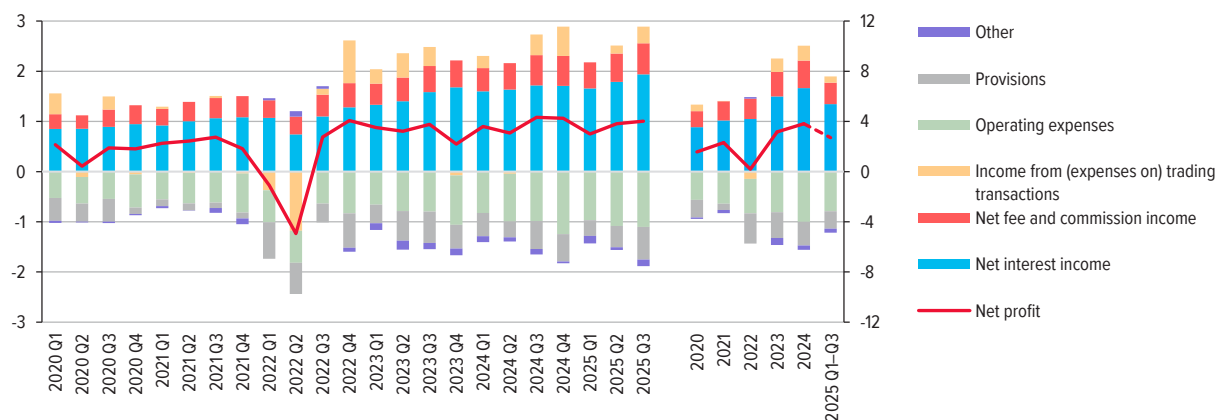
Note. For all credit institutions, except the BNA, adjusted for Russian subsidiary banks' dividends.  
Sources: Reporting Form 0409101, [Analytical indicators of price dynamics](#).

<sup>1</sup> For all credit institutions, except the BNA. Adjusted for dividends from Russian subsidiary banks.

<sup>2</sup> For all credit institutions, except the BNA. Adjusted for dividends from Russian subsidiary banks.

STRUCTURE OF BANKING SECTOR'S PROFIT  
(P TN)

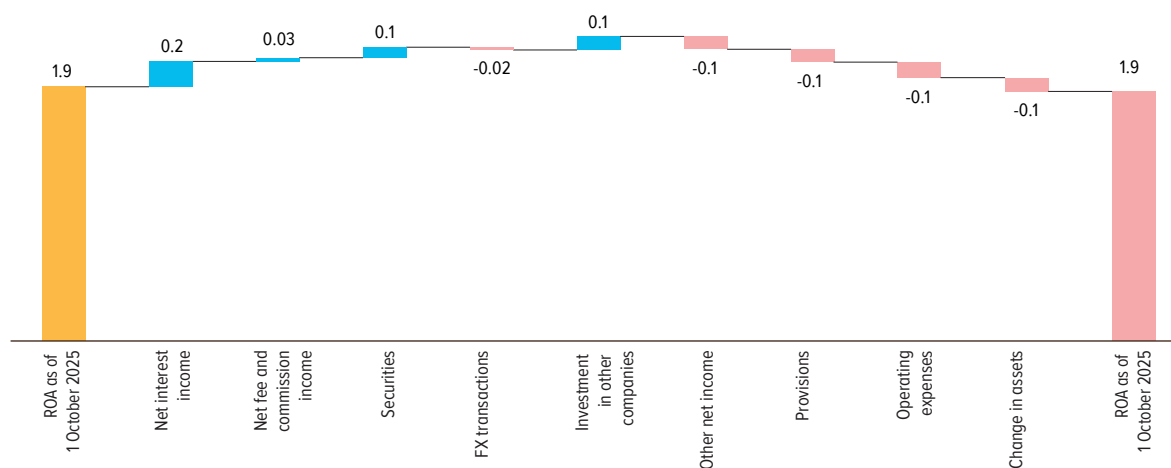
Chart 53



Note. For all credit institutions, except the BNA, adjusted for Russian banks' dividends. Reserves include foreign currency revaluation.  
Source: Reporting Form 0409102.

FACTORS OF CHANGES IN BANKING SECTOR'S ANNUAL ASSETS ON ASSETS FROM 1 APRIL 2025 TO 1 OCTOBER 2025  
(PP)

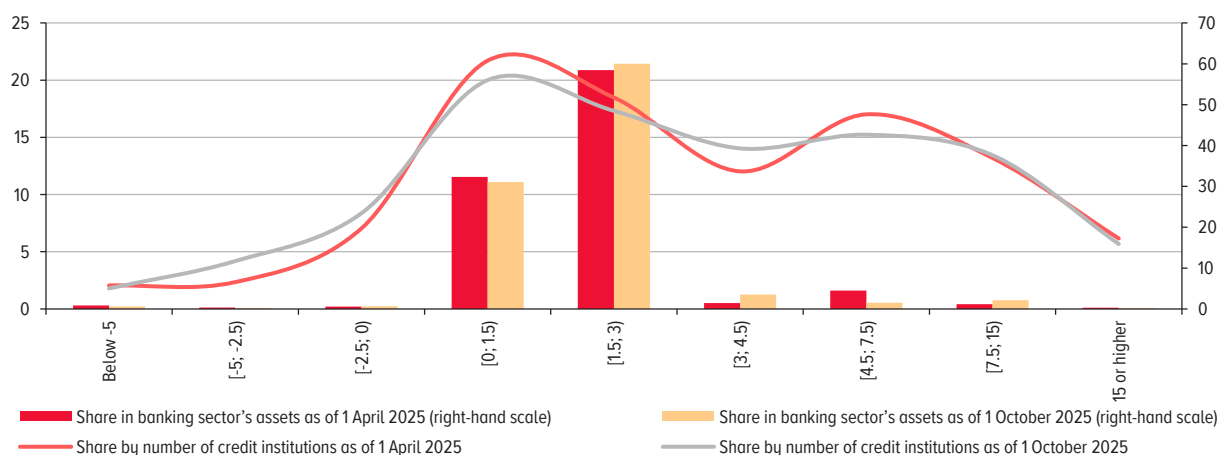
Chart 54



Note. For all CIs, except the BNA.  
Sources: Reporting Forms 0409101 and 0409102.

BREAKDOWN OF ANNUAL RETURNS ON BANKING SECTOR'S ASSETS  
(%)

Chart 55



Note. For all credit institutions, except the BNA.  
Source: Reporting Form 0409101.

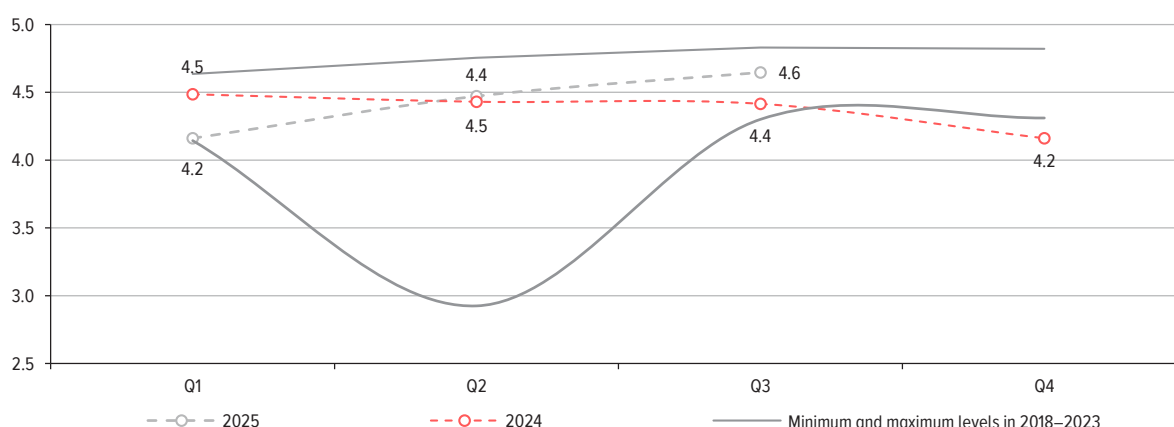
### 4.1.2. Net interest margin

As of 1 October 2025, banks' NIM was up from 4.2% to 4.6%<sup>3</sup> amid a significant decline in banks' interest expenses in the conditions of monetary easing. The key rate reduction in June–September 2025 (by 4 pp from 21.00% to 17.00%) translated into the decrease in interest rates on bank loans and deposits. The fast decline in deposit rates quickly affected the dynamics of interest expenses, taking into account the proportion of short-term funding (89% of clients' ruble funds are in accounts and deposits for up to one year: 33% – current and settlement accounts (nearly 17% of which accrue interest and 16% do not), and 56% – deposits for up to one year).

The growth in NII was also reported by banks with a lower NIM compared to the sector as a whole (17% – by the number and 40% by assets as of 1 October 2025). The average weighted value of a quarterly NIM in this group of banks increased from 1.2% to 1.9% over the period under review (Chart 59).

QUARTERLY NIM  
(%)

Chart 56

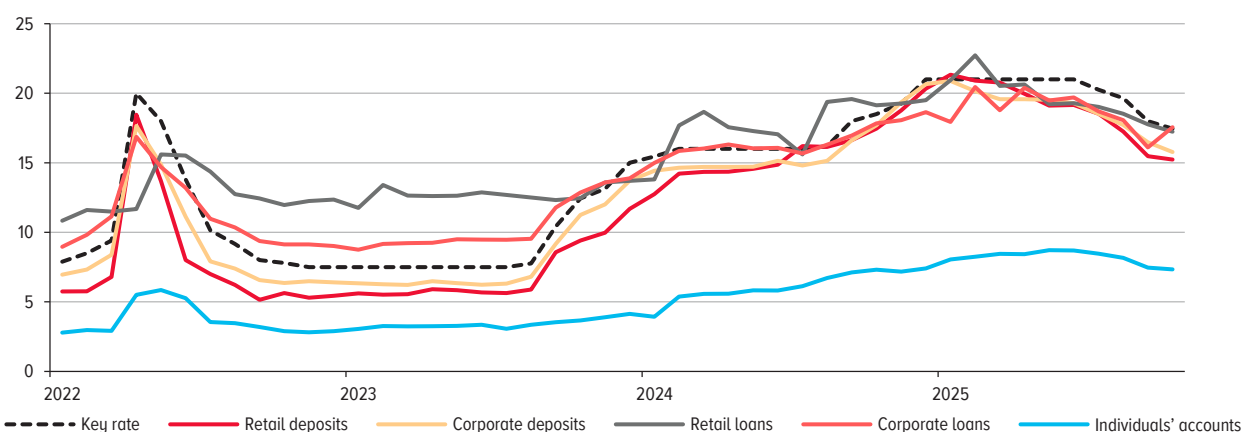


Note. All banks, except the BNA.

Sources: Reporting Forms 0409102 and 0409101.

LOAN AND DEPOSIT RATES  
(%)

Chart 57



Note. The interest rate on individuals' accounts is the weighted average interest rate on accounts that accrue and do not accrue interest.

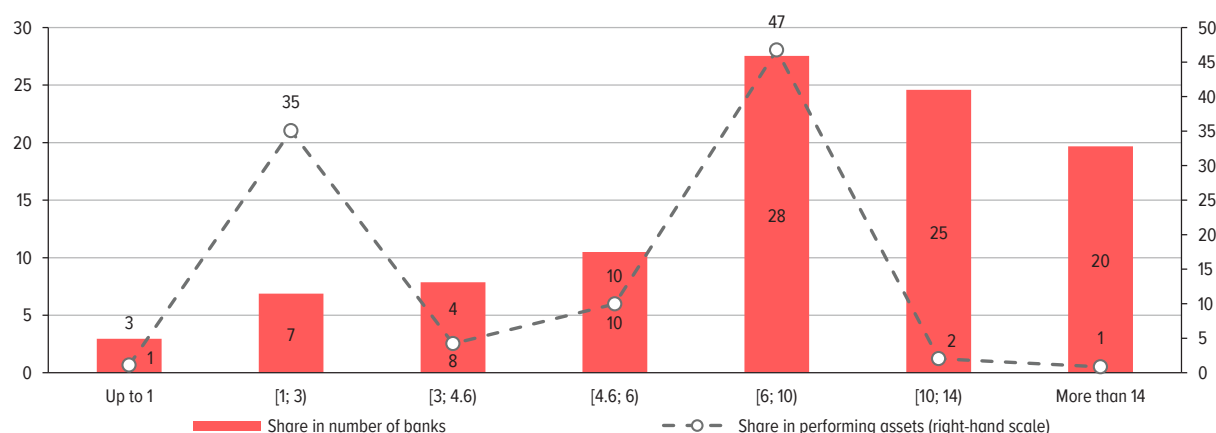
Sources: [Interest Rates on Loans and Deposits and Structure of Loans and Deposits by Maturity](#) in rubles; survey by the Bank of Russia, Reporting Form 0409129.

<sup>3</sup> Quarterly NIM in annualised terms.



QUARTERLY NIM (SHARE OF BANKS BY NUMBER AND VALUE OF PERFORMING ASSETS) AS OF 1 OCTOBER 2025 (%)

Chart 58

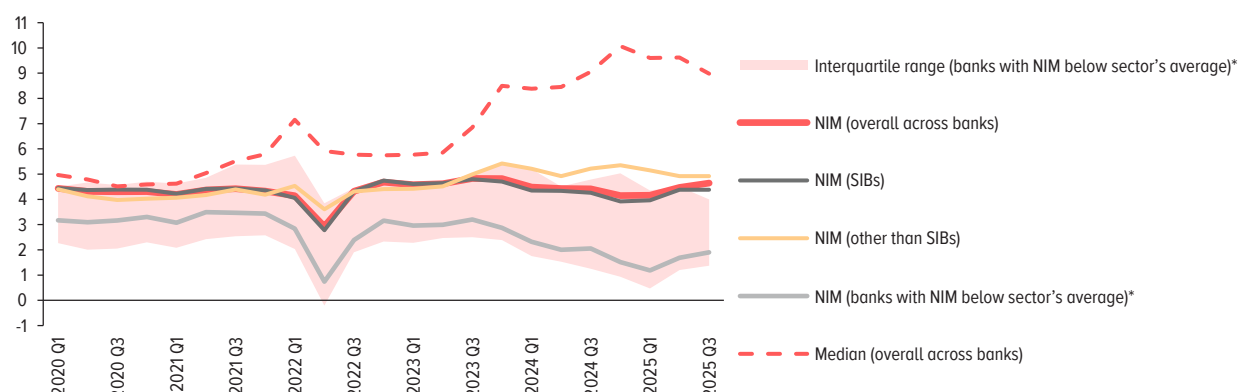


Note. All banks, except the BNA.

Sources: Reporting Forms 0409102 and 0409101.

QUARTERLY NIM ACROSS GROUPS OF BANKS (%)

Chart 59



\* Banks with a quarterly NIM below 4.6% as of 1 October 2025.

Note. All banks, except the BNA.

Sources: Reporting Forms 0409102 and 0409101.

Owing to the high NIM across the banking sector as a whole, it will remain resilient in case of risk materialisation, but banks with a low NIM need to improve their interest risk management practices and business margin.

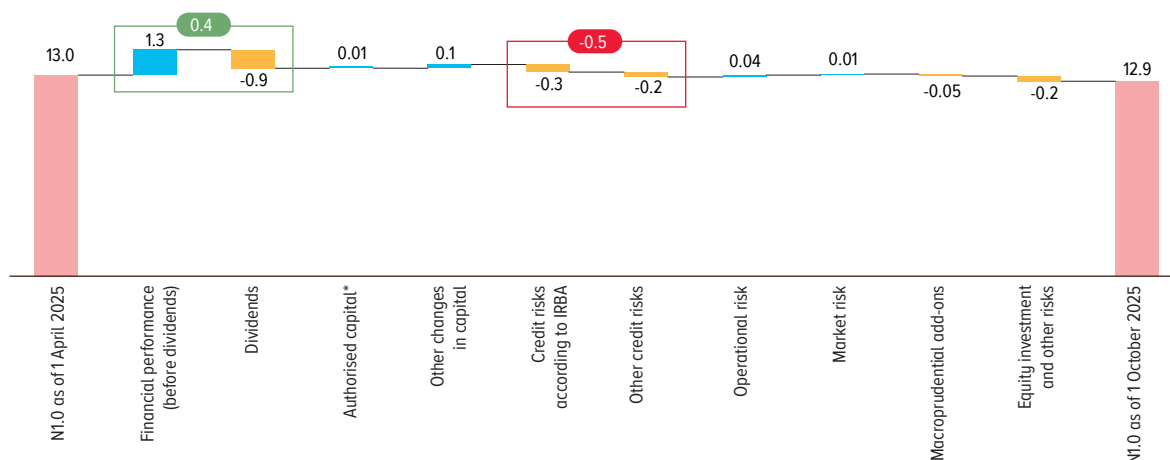
### 4.1.3. Banks' capital adequacy

The banking sector's CAR barely changed as of the end of the period under review, staying at 12.9% as of 1 October 2025. The pressure on capital adequacy was largely attributed to banks' dividend payments that totalled ₪1.4 trillion, accounting for -0.9 pp of N1.0 (over the same period last year, the impact of dividend payments on capital adequacy was similar, namely -0.8 pp). The influence of the growth in capitalised profit was commensurate with the impact of the increase in credit risk (+0.4 pp and -0.5 pp, respectively).

The add-ons to banks' CARs increased by 0.25 pp from 1 July 2025 due to the scheduled rise in the CCyB from 0.25 pp to 0.5 pp (overall, to 1.25 pp for SIBs and 1 pp for other banks with a universal licence) (the schedule of the restoration of the add-ons is presented in Chart 61). The

BANKS' CAPITAL ADEQUACY FROM 1 APRIL 2025 TO 1 OCTOBER 2025  
(PP)

Chart 60

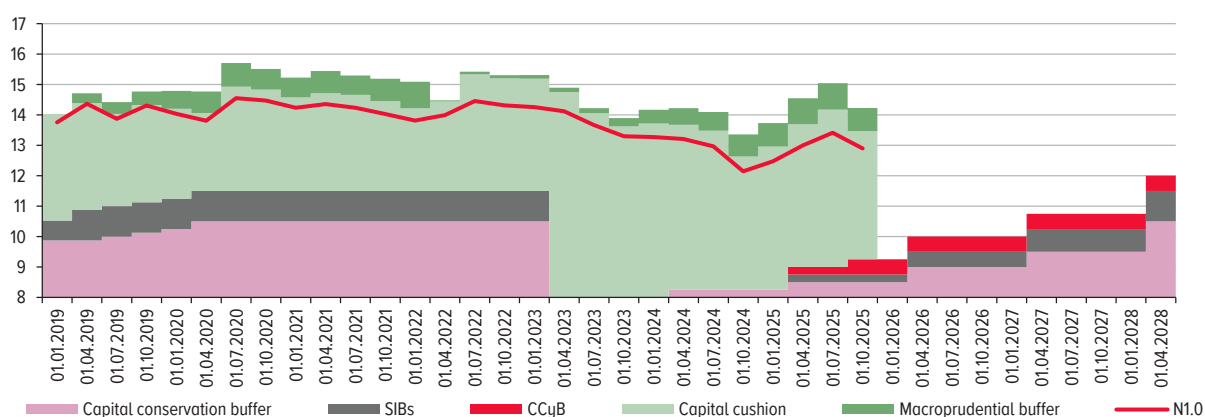


\* Including the share premium.

Sources: Reporting Forms 0409135 and 0409123.

REQUIREMENTS FOR CAPITAL ADEQUACY AND BUFFERS  
(PP OF N1.0)

Chart 61



Note. The capital cushion exceeds the actual N1.0 value as it takes into account the effect of a reduction in risk-weighted assets on N1.0 in case of credit risk materialisation.

Sources: Reporting Forms 0409123 and 0409135.

capital cushion before the add-ons across the banking sector as a whole decreased by 0.5 pp from 4.7 pp to 4.2 pp of N1.0. The capital cushion before the add-ons, calculated taking into account the accumulated macroprudential buffer, declined as well, specifically by 0.6 pp from 5.6 pp to 5.0 pp (the macroprudential buffer – 0.8 pp as of 1 October 2025), while remaining sufficient to absorb potential losses.

The consistent restoration of the add-ons to banks' CARs will enhance the banking sector's resilience.

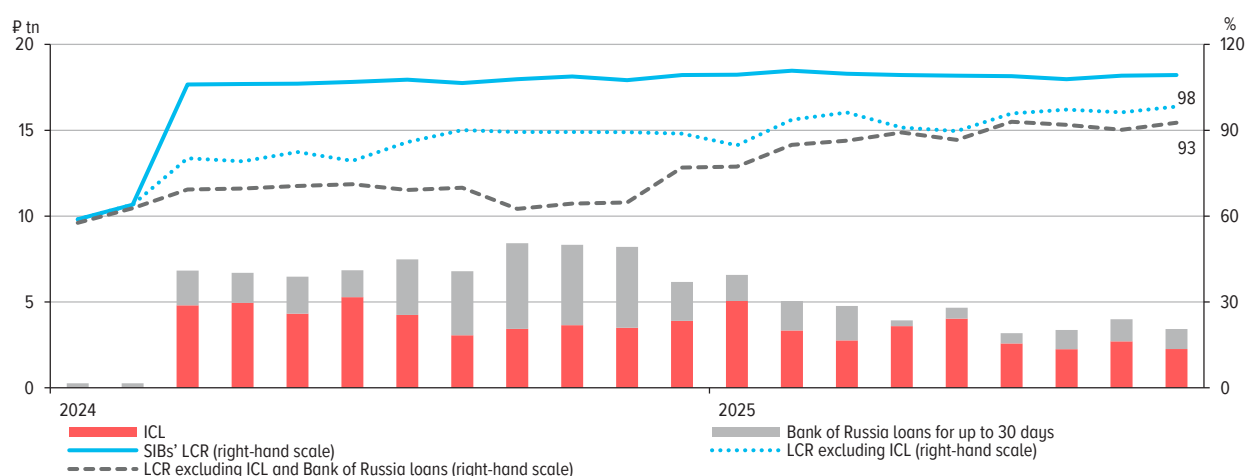
#### 4.1.4. Banks' liquidity

The situation with banks' regulatory liquidity has improved. The restoration of the requirements for compliance with the LCR from 1 July 2025 has not caused a contraction in the spread<sup>4</sup> between deposit rates and the Bank of Russia key rate in June 2025. To the contrary, expecting the key rate to be cut, banks were reducing deposit rates, which expanded the spread to -2.8 pp in the middle of

<sup>4</sup> The difference between the maximum interest rate on retail deposits and the Bank of Russia key rate, according to the results of [monitoring](#).

## SYSTEMICALLY IMPORTANT BANKS' LCR

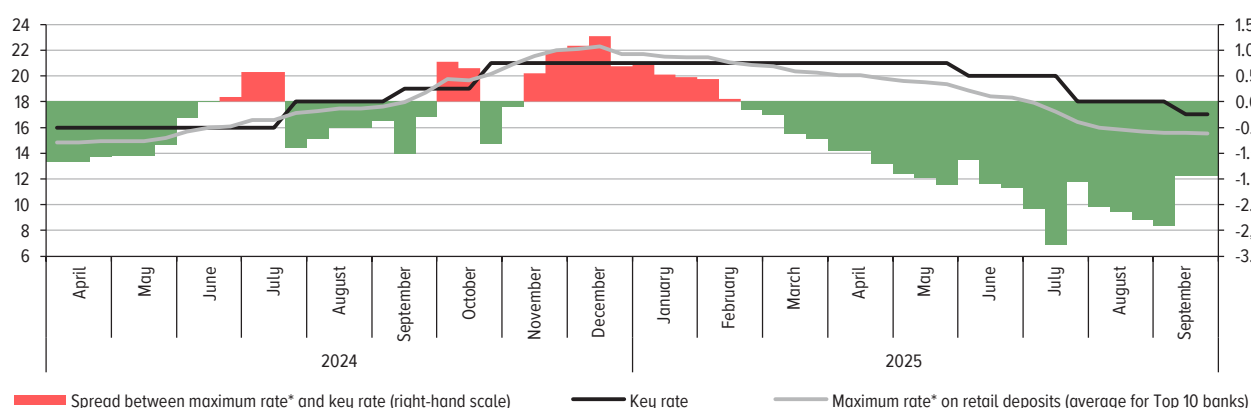
Chart 62



Sources: Reporting Forms 0409135 and 0409805.

## AVERAGE MAXIMUM INTEREST RATE ON RETAIL DEPOSITS AMONG LARGEST CREDIT INSTITUTIONS (%)

Chart 63



\* The average maximum interest rate is calculated as an arithmetic mean of the maximum interest rates (on ruble deposits) of the Top 10 CIs attracting the largest amount of retail deposits.

Source: [Results of monitoring of credit institutions' maximum interest rates](#).

July 2025 and -2.4 pp at the end of August 2025. Overall, the spread narrowed from -1.7 pp to -1.5 pp as of the end of 2025 Q3.

The level of SIBs' compliance with the LCR using their own funds (without ICLs and Bank of Russia loans) was up from 86% to 93%. The amount of ICLs in the composition of the LCR decreased from ₽2.8 trillion to ₽2.3 trillion, and the amount of loans raised from the Bank of Russia – from ₽2.0 trillion to ₽1.2 trillion.

From 30 October 2025, SIBs switched to the national LCR.<sup>5</sup> The new ratio takes into account the national specificity, thus regulating SIBs' short-term liquidity risk more accurately. The instrument of ICLs continues to be applied in the national LCR, but the mechanism itself has changed.<sup>6</sup> The updated mechanism enables banks to flexibly manage their liquidity, smoothing its transitory changes that do

<sup>5</sup> Refer to the news, dated 29 September 2025, 'Bank of Russia introduces new national regulation to manage liquidity coverage risk' on the Bank of Russia website.

<sup>6</sup> Refer to the news, dated 6 October 2025, 'Bank of Russia changes irrevocable credit line parameters' on the Bank of Russia website.

not threaten financial stability. Now, ICLs cover only a minor volatility in the LCR (up to 20 pp), while the fee for an ICL equals 1% of the amount of the limit that the bank will include in the national LCR calculation. Thus, the size of the fee for an ICL will depend on the duration and the amount of the ICL that the bank has actually used to ensure compliance with the LCR. The fee calculation procedure should encourage banks to comply with the LCR using market instruments.

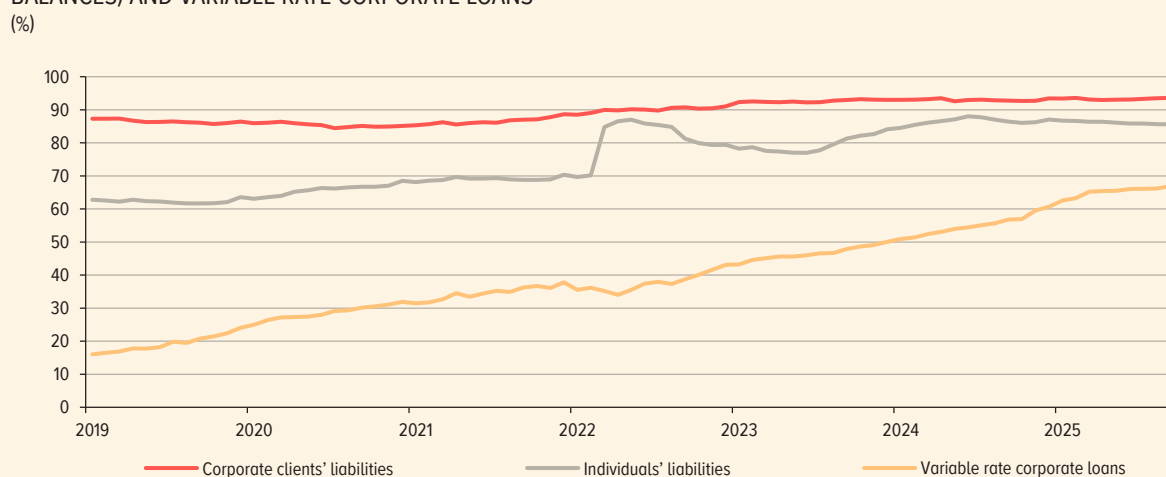
### Box 9. Interest rate risks of the banking sector

In recent years, the impact of interest rate risk on banks' financial performance has been limited, taking into account the increased share of variable interest rates in assets and settlement accounts with low interest rate elasticity in liabilities.

However, banks remain exposed to interest rate risk, taking into account the maturity mismatch of assets and liabilities. As of 1 October 2025, the banking sector's interest rate gap risk in the banking book (a change in NII) over a one-year horizon in case of a 4 pp rise in interest rates was assessed at nearly 3.0–5.3% of the

PROPORTION OF CLIENTS' SHORT-TERM RUBLE FUNDS (DEPOSITS FOR UP TO ONE YEAR AND ACCOUNT BALANCES) AND VARIABLE RATE CORPORATE LOANS (%)

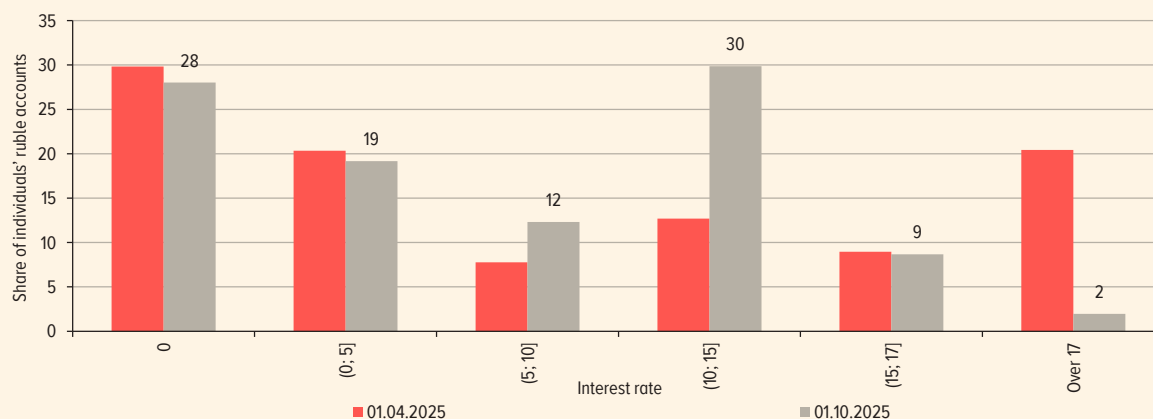
Chart 64



Sources: Reporting Forms 0409303 and 0409101.

INDIVIDUALS' RUBLE ACCOUNT BALANCES, BY INTEREST RATE LEVEL (%)

Chart 65



Source: Reporting Form 0409129.

banking sector's annual NII, approximately 1.1–1.9% of capital, and about 0.1–0.2 pp of the NIM.<sup>1</sup> For the group of banks with negative gap risk, this assessment was approximately 6.9–8.3% of the banking sector's annual NII. There are banks with a positive interest rate gap over a one-year horizon. A reduction in interest rates may cause a decline in these banks' margin (nearly 3.9% of the banking sector's NII).

#### Revaluation of credit institutions' bond portfolio

In 2025 Q2–Q3, amid disinflation and the start of the key rate reduction, OFZ and corporate bond yields were both declining for the most part of the period (except in September 2025). Over April–September 2025, on average, OFZ yields dropped by 161 bp along the curve, whereas the reduction in corporate bond yields (RUCBTRNS) was more considerable, specifically 363 bp.

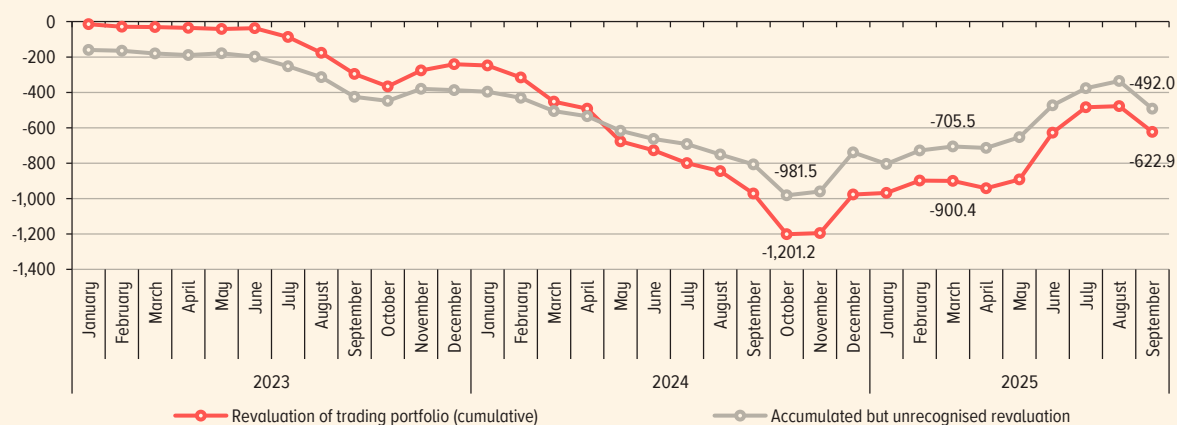
The continuing downward trend in yields had a positive effect on the value of banks' bond portfolios. As of the end of 2025 Q2–Q3, the positive revaluation of banks' bond portfolio amounted to ₽278 billion, which equalled 0.16 pp of the banking sector's CAR. The positive revaluation increased most significantly in June and July 2025 (₽263 billion and ₽145 billion, respectively). The only exception was September when, amid the rise in bond yields, the revaluation of the securities portfolio was negative, amounting to ₽145 billion.

Overall, in 2025 Q2–Q3, the accumulated but unrecognised negative revaluation of the banking sector's ruble bond portfolio (the HTM portfolio) declined by ₽214 billion to ₽492 billion (0.28 pp of the banking sector's CAR N1.0) (Chart 66).

In the near future, the dynamics of banks' bond portfolios might be affected by the updated parameters of the budget for 2025. The target for OFZ offerings in 2025 Q4 has been revised to ₽3.8 trillion. Nevertheless, the budget parameters approved for 2026–2027 are balanced. The tax increase stipulated in the updated budget plan will have a small one-time effect on inflation, but will help cover part of additional expenditures and form a balanced budget for the next few years. This will positively influence the dynamics of inflation and bond yields.

ACCUMULATED BUT UNRECOGNISED REVALUATION (FOR HTM PORTFOLIO) AND NEGATIVE REVALUATION OF TRADING PORTFOLIO (CUMULATIVE)  
(₽ BN)

Chart 66



Source: Reporting Form 0409711.

<sup>1</sup> The basic assessment and the assessment including behavioural assumptions according to Reporting Form 0409127. The assessment varies depending on the chosen assumptions regarding changes in the maturity structure of raised funds due to an interest rate shock and current accounts' exposure to interest rate risk.

## 4.2. Assessment of non-bank financial institutions' resilience

In 2025, all segments of the NBFIs market, except for leasing companies, have maintained positive asset growth dynamics. The increase in UIFs' NAV has been mostly driven by elevated investment activity in closed-end UIFs. NPFs have been growing owing to an inflow of money into the long-term savings programme and high returns on invested pension savings and pension reserves. Insurers' assets have increased primarily due to higher life insurance premiums. In 2025, insurers and NPFs have significantly expanded their investment in bonds, predominantly OFZs, which has boosted their interest income. Owing to the high quality of their assets, their exposure to credit risk remains low.

As for leasing companies, their assets have decreased because of the reduction in new business and materialisation of credit risk in the current portfolio. In such conditions, companies have switched to more conservative risk management policies, including by raising the level of advance payments for new transactions and the amount of loss provisions under lease agreements.

NON-BANK FINANCIAL INSTITUTIONS' ASSETS

Table 5

	Assets, ₹ tn		Growth, %	Share in financial sector's assets, %
	31 December 2024	30 September 2025		
UIFs <sup>1</sup>	16.8	20.7	23	8.4
Insurers	5.7 <sup>2</sup>	6.9	21	2.8
NPFs	5.9	6.5	10	2.6
Brokers – NBFIs (balance sheet assets)	1.8	2.0	13	0.8
<i>Memo item: brokers – NBFIs (clients' assets)</i>	13.5	13.4	-0.3	–
MFOs <sup>3</sup>	0.52	0.64	23	0.3
Leasing companies <sup>4</sup>	6.1	5.7 <sup>5</sup>	-7	2.3
<i>Memo item: banking sector</i>	199	203	2	82.7

<sup>1</sup> Net asset value.

<sup>2</sup> The recalculation of the indicator to ensure data comparability because of insurers' transition to a new reporting standard in 2025.

<sup>3</sup> MFOs' consumer microloan portfolio.

<sup>4</sup> Assets according to RAS statements of 45 leasing companies surveyed by the Bank of Russia. The surveyed companies' total lease portfolio as of 1 July 2025 is estimated at ₹9.8 trillion, which is 80% of the market. The lease portfolio is recognised in leasing companies' assets at a discount rate within the value of net investment in lease (leasing).

<sup>5</sup> As of 1 July 2025.

Source: Bank of Russia.

### 4.2.1. Insurers

As of the end of the first nine months of 2025, insurers' capital cushion increased to a level significantly exceeding the threshold. The regulatory equity-to-liabilities ratio of life and non-life insurers increased to 277% (+65 pp) and 185% (+7 pp), respectively, which was driven by a rise in net profit, a moderate dividend policy, and an infusion of new capital into the insurance sector. The growth in life insurers' regulatory ratio was also associated with the modification of the formula calculating insured risk in life insurance.<sup>7</sup>

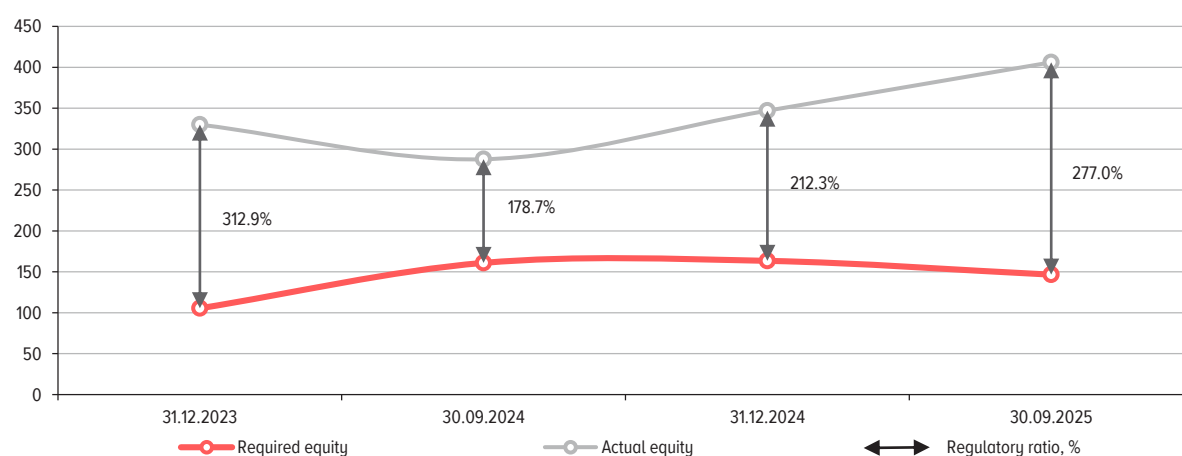
Over 2025 Q1–Q3, insurers' net profit totalled ₹387 billion (+2.2% YoY), including ₹105 billion in life insurance and ₹282 billion in non-life insurance. Insurers' financial performance was still predominantly driven by interest income (+69% YoY) amid the expansion of investment in bonds. The share of such investment was up by 6 pp from the beginning of the year, reaching 41% of insurers' assets. Interest income offset the adverse effect of the negative foreign currency revaluation on insurers' financial performance.

The financial result from insurance totalled ₹308 billion, increasing by 18% to ₹87 billion in life insurance, but declining by 15% to ₹221 billion in non-life insurance.

<sup>7</sup> The required solvency margin (included in the calculation of the denominator of the regulatory equity-to-liabilities ratio) in life insurance decreased by ₹61 billion in 2025 Q3.

REGULATORY EQUITY-TO-LIABILITIES RATIO IN LIFE INSURANCE  
(P BN)

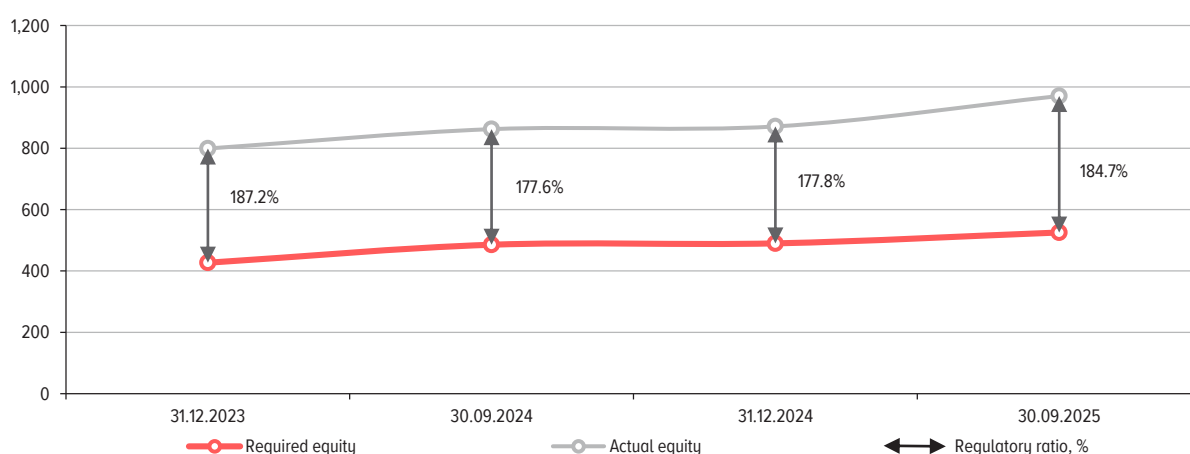
Chart 67



Source: Reporting Form 0420156.

REGULATORY EQUITY-TO-LIABILITIES RATIO IN NON-LIFE INSURANCE  
(P BN)

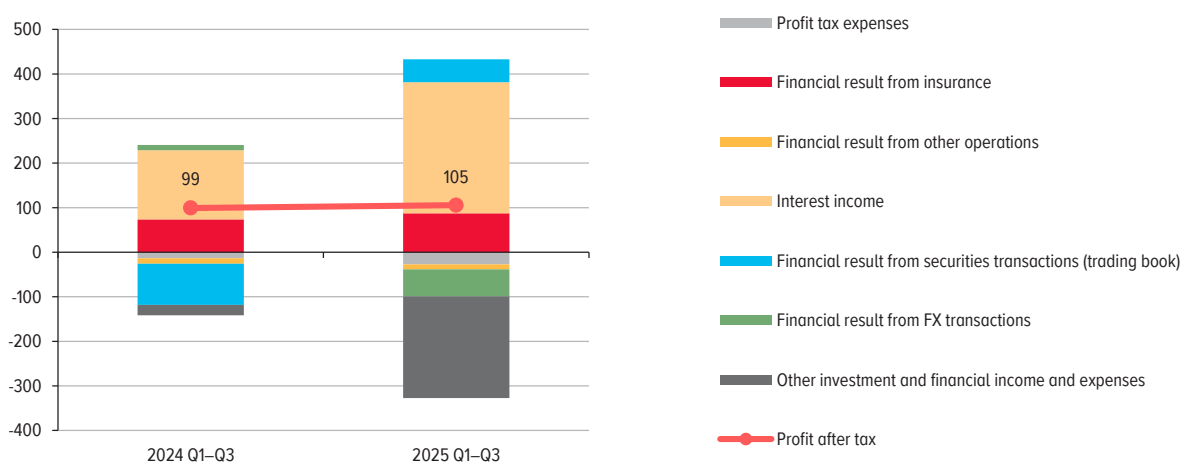
Chart 68



Source: Reporting Form 0420156.

FINANCIAL PERFORMANCE IN LIFE INSURANCE  
(P BN)

Chart 69

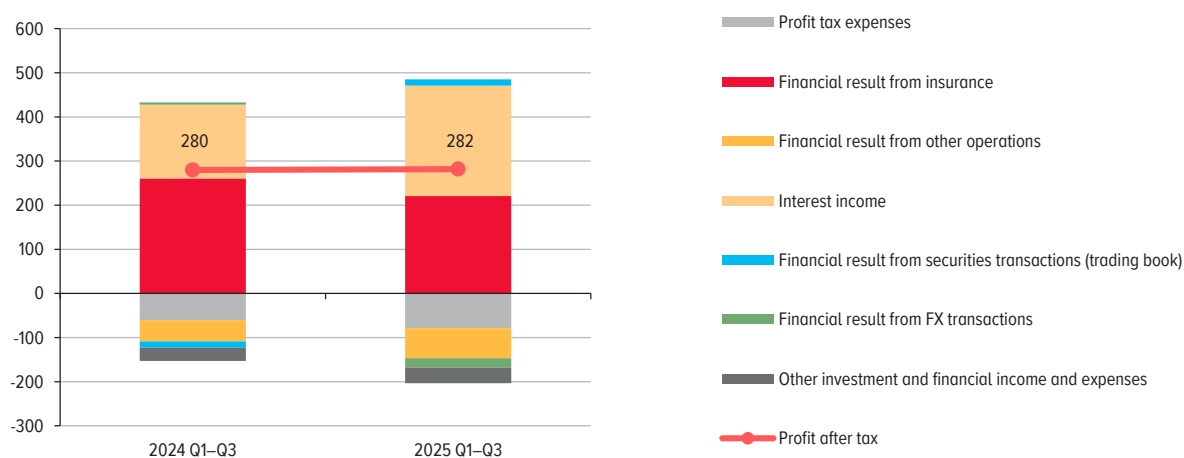


Source: Reporting Form 0420126.



STRUCTURE OF RETURNS ON NON-GOVERNMENTAL PENSION FUNDS' PENSION SAVINGS  
(P BN)

Chart 70



Source: Reporting Form 0420255.

Insurers' credit risks related to the investment portfolio remain low: according to Russian rating agencies, the average credit rating of the investment portfolio of life insurers was 'AA+' and that of non-life insurers – 'A+'.

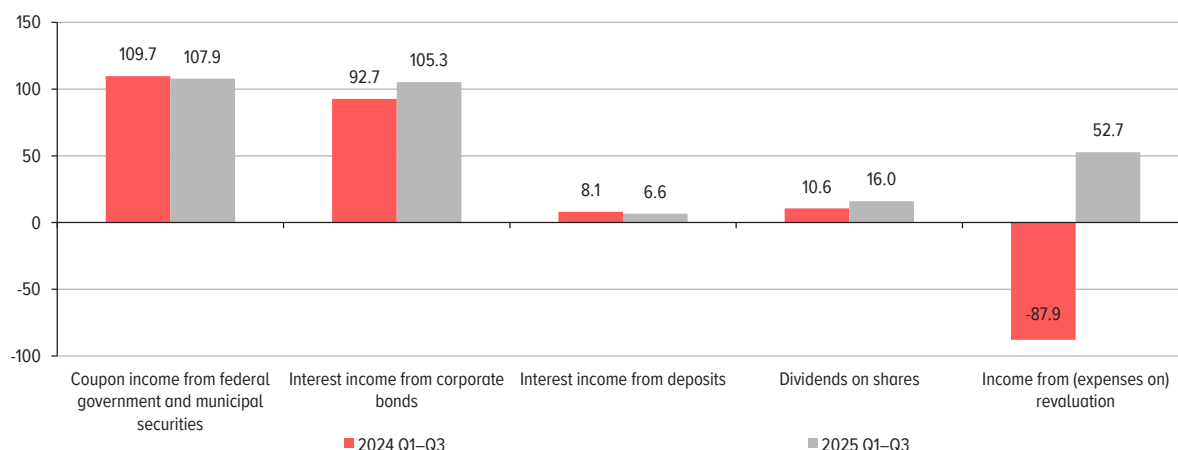
#### 4.2.2. Non-governmental pension funds

As a result of a significant increase in the market value of bonds in NPFs' portfolios, yields on NPFs' investment were up as of the end of the first nine months of 2025. In particular by a factor of 1.9 YoY to 13.1% for pension savings and by a factor of 2.7YoY to 15.9% for pension reserves. NPFs' investment income was predominantly driven by coupon payments on bonds (₽368 billion) and the positive revaluation of assets (₽101 billion).

Over the said period, NPFs considerably expanded their investment in OFZs (by 19% and 66% in the portfolios of pension savings and pension reserves, respectively), purchasing mostly OFZ-PD in order to lock in high interest rates amid market participants' expectations of monetary policy easing. Furthermore, as of the end of 2025 Q1–Q3, NPFs increased their equity investment to 8.1% in the portfolios of pension savings and pension reserves.

STRUCTURE OF RETURNS ON NON-GOVERNMENTAL PENSION FUNDS' PENSION SAVINGS  
(P BN)

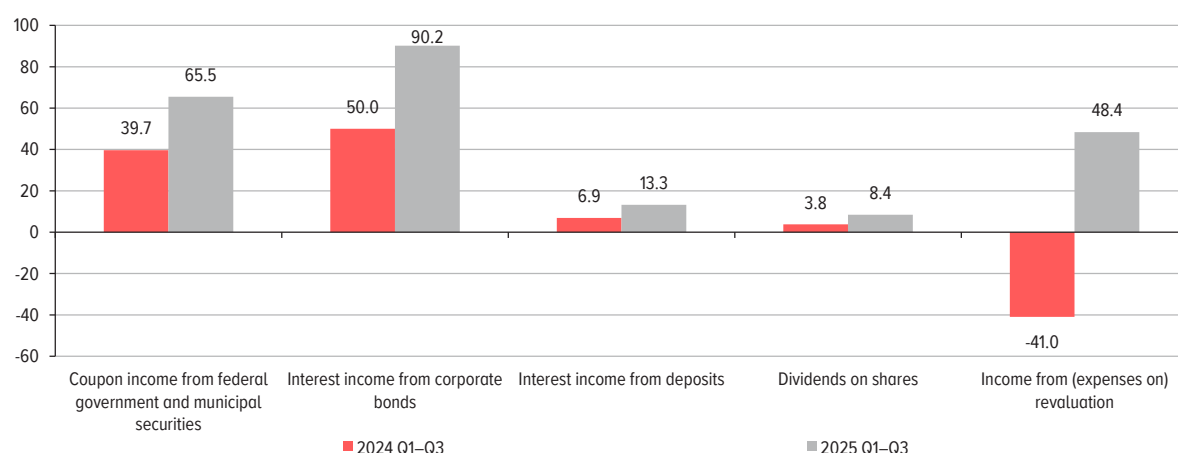
Chart 71



Source: Reporting Form 0420255.

STRUCTURE OF RETURNS ON NON-GOVERNMENTAL PENSION FUNDS' PENSION RESERVES  
(P BN)

Chart 72



Source: Reporting Form 0420254.

NPFs' credit risk stays low: since early 2025, the credit quality of NPFs' assets has remained unchanged at the level of 'AA' according to the national rating scale.

NPFs' financial resilience is confirmed by regular stress tests conducted based on the Bank of Russia's scenarios. None of the NPFs revealed a deficit of own funds based on the stress testing results, according to NPFs' data as of 30 September 2025.

### 4.2.3. Brokers

In 2025 Q2–Q3, brokers – NBFIs continued to comply with CARs, LCRs, and equity ratios with a margin, except for one small<sup>8</sup> PSMP which restored its financial resilience in October 2025.

The industry has remained highly concentrated, with the three largest brokerage market participants<sup>9</sup> and the three largest brokers – NBFIs accounting for nearly 70% and 11%<sup>10</sup> of the total number of clients, respectively.

According to the results of the internal<sup>11</sup> automated stress testing of PSMPs – NBFIs' CARs, 98% of companies that submitted<sup>12</sup> accurate reporting on their CARs<sup>13</sup> have passed the stress testing: the calculated values of their CARs in the scenarios under consideration exceed the threshold. Those PSMPs – NBFIs that failed to pass the stress testing of CARs are subject to supervisory measures.

<sup>8</sup> Over the period under review, the PSMP met the criteria of the 'small' category established by Bank of Russia Regulation No. 481-P, dated 27 July 2015, 'On Licensing Requirements for and Conditions of Professional Activity in the Securities Market, Restrictions on Combining Certain Types of Professional Activity in the Securities Market, and on the Procedure and Timeframes for Submitting to the Bank of Russia Reports on Terminating Obligations Related to Professional Activity in the Securities Market in Case of Cancellation of a Securities Market Professional Participant Licence'.

<sup>9</sup> Including CIs licensed to operate as a broker.

<sup>10</sup> The analysis does not take into account the group of clients whose account balance is ₹10,000 or less.

<sup>11</sup> The stress testing of CARs is not a regulatory requirement and is conducted by the Bank of Russia as part of supervision over PSMPs' activity and assessment of PSMPs' financial resilience.

<sup>12</sup> The frequency of the reporting depends on PSMPs' size: large and medium-sized PSMPs are to submit it quarterly and small PSMPs – annually.

<sup>13</sup> The stress testing of CARs is conducted, provided that PSMPs comply with the procedure for compiling the reporting on CARs. If PSMPs fail to comply with all the requirements for the reporting on CARs, the Bank of Russia communicates with such PSMPs for them to eliminate the errors.

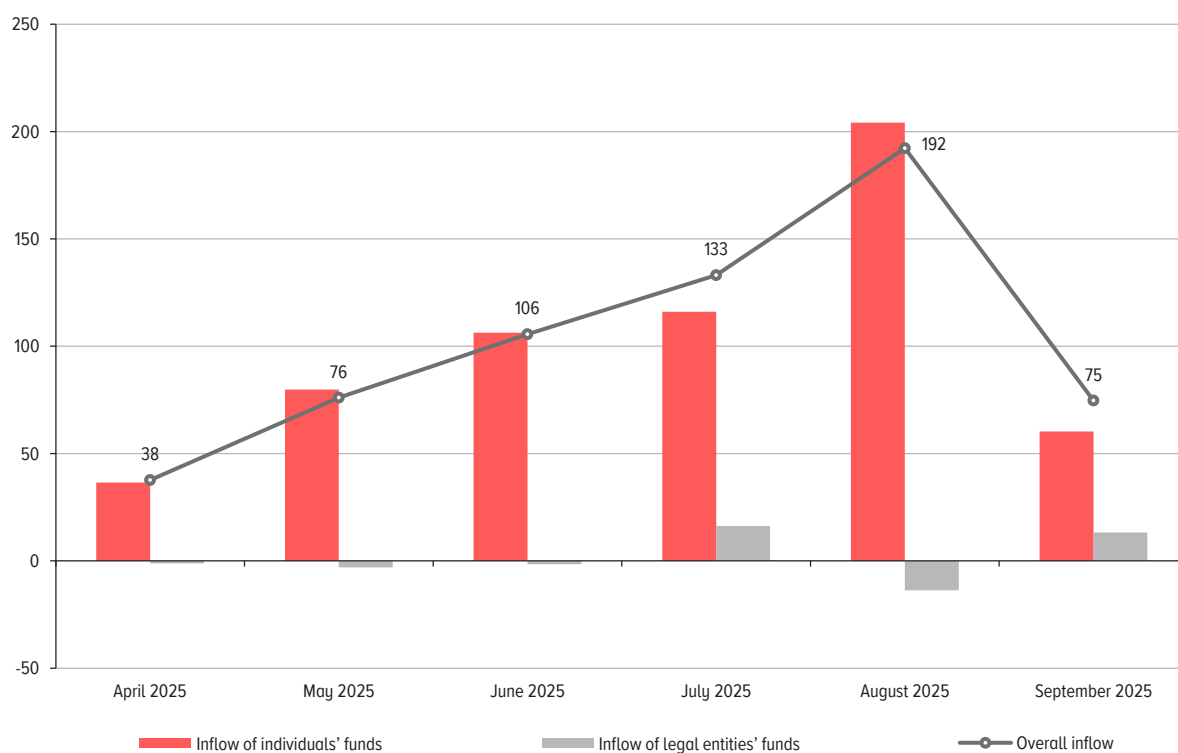
#### 4.2.4. Unit investment funds

The UIF industry continued to develop actively, in particular its retail segment: the overall inflow of funds into open-end and exchange-traded UIFs reached ₪619 billion in 2025 Q2–Q3, which is 2.5 times more than over the same period last year. The main source of the inflow was individuals' funds (Chart 73).

One of the drivers of the inflow into the retail segment of the UIF industry was the funds transferred from deposits due to monetary policy easing (see Box 10). It is worth noting that open-end and exchange-traded UIFs' investments are mostly accounted for by repos and Russian high-rated securities and, accordingly, issuers, which reduces potential liquidity risks in the UIF market.

INFLOWS\* INTO OPEN-END AND EXCHANGE-TRADED UNIT INVESTMENT FUNDS  
(P BN)

Chart 73



\* The breakdown of the inflow was calculated based on data of Reporting Forms 0420502 and 0420504 by multiplying the net asset value per unit (as of the end of the month) by the change in the number of units held by individuals and legal entities over the reporting month; the overall inflow of funds was measured based on Reporting Form 0420503. Sources: Reporting Forms 0420502, 0420503, and 0420504.

**Box 10. Individuals' investment preferences**

**Amid the slowdown in the economy, tight monetary policy, and geopolitical uncertainty, retail investors maintained their preferences which were predominantly focused on conservative instruments.** Households use ruble deposits as the main savings instrument, but the growth rate of funds in deposits has declined: over January–September 2025, the inflow amounted to ₹4.9 trillion, which is 36% less YoY (Table 6).

INDIVIDUALS' TOTAL SAVINGS AND INFLOWS, BY INSTRUMENT  
(₹ BN)

Table 6

Type	Instrument	Investment as of 1 October 2025	Inflow over January–September 2025
Ruble instruments	Ruble deposits	61,978	4,889
	Cash rubles	16,283	122
	Residents' shares	7,687	36
	Residents' ruble bonds	2,756	681
	Residents' units: residents' assets	3,087	998
	Funds in brokerage accounts	380	-29
	Insurance reserves	3,070	102
Foreign currency instruments	Foreign cash	7,812	-9
	Foreign currency deposits with non-resident banks	6,315	-187
	Foreign currency deposits	3,396	-67
	Residents' foreign currency bonds	2,112	199
	Funds with foreign brokers	844	237
	Non-residents' shares	758	-20
	Non-residents' bonds	349	-38
	Non-residents' units	225	3
	Residents' units: non-residents' assets	156	-8

Note. The calculations for units are based on Reporting Forms 0420502 and 0420504, including the value of frozen assets.  
Sources: Reporting Forms 0409711, 0420415, 0420502, 0420503, and 0420504; [Households Savings](#).

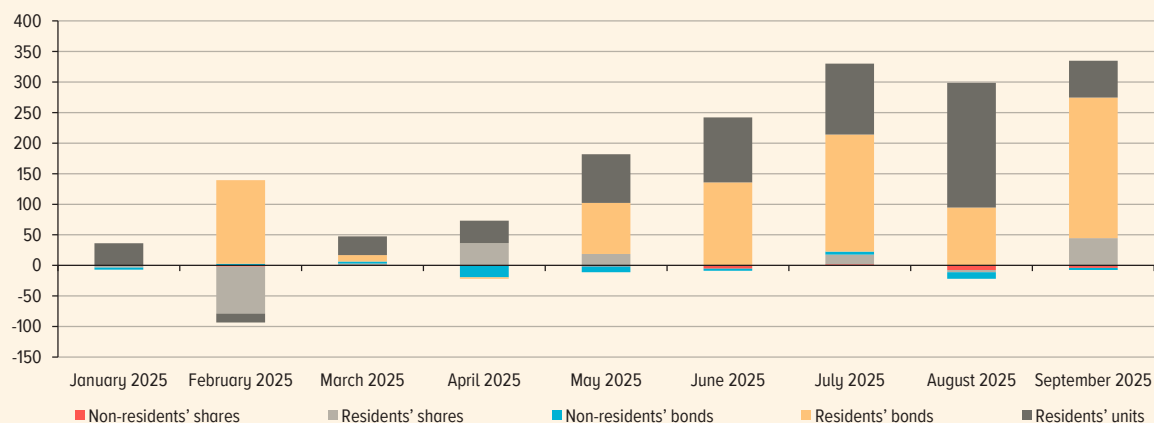
**Individuals have increased the demand for ruble bonds and residents' units (primarily in open-end and exchange-traded UIFs).** Specifically, the purchases over January–September 2025 amounted to ₹0.7 trillion and ₹1.0 trillion, respectively. Over the said period, individuals purchased OFZs and high-rated corporate bonds, as well as units in money market UIFs and Russian market bond funds. Inflows into units have been recorded throughout 2025. At the beginning of the year, individuals preferred exchange-traded money market UIFs, while later on, amid the monetary policy easing, started to demonstrate higher demand for open-end bond UIFs. It is noteworthy that the inflows into open-end bond UIFs do not compete with the debt securities market, but are actually a way to purchase bonds in a convenient form.

Due to the inflow of funds into ruble deposits (₹4.9 trillion), the proportion of individuals' savings in foreign instruments, adjusted for foreign currency revaluation, edged down by 3.6 pp over January–September 2025 to 14.0%. In 2025, the growth rate of investment in non-residents' instruments turned negative (-₹22 billion) for the first time since 2022 (vs +₹298 billion in 2024).

Balances in deposits with non-resident banks declined over March–September 2025. Contrastingly, individuals' transfers to non-resident brokers increased by ₹89 billion in January–September 2025, as compared to the same period in 2024, to total ₹237 billion, which is the highest value since 2018.

**INFLOWS OF INDIVIDUALS' FUNDS, BY SECURITIES TYPE, DEPOSITORY DATA**  
(₽ BN)

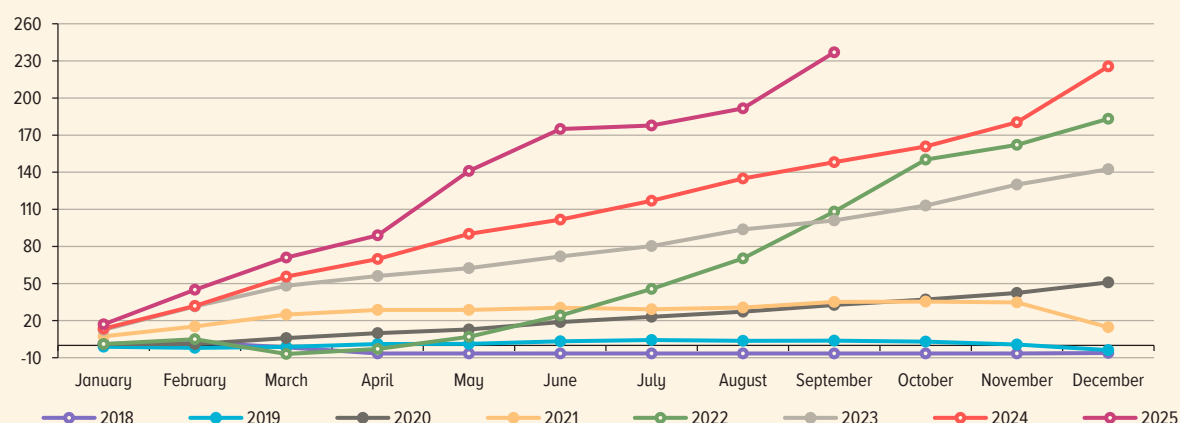
Chart 74



Sources: Reporting Forms 0409711 and 0420415.

**INDIVIDUALS' NET TRANSFERS TO NON-RESIDENT BROKERS, CUMULATIVE**  
(₽ BN)

Chart 75

Source: [Households Savings](#).

The flows of retail investors' funds across different types of securities market instruments slowed down, accounting for 15–25%<sup>1</sup> of the total growth rate of investment.

Since early 2025, Moscow Exchange has been recording an upward trend in open positions under futures contracts. The total amount of net positions reached ₽380 billion as of 1 October 2025, which is ₽266 billion more than at the beginning of the year. Retail investors mostly prefer long positions, expecting growth in underlying assets. There is an upward trend in the net positions under foreign currency futures (64% of the total long position), equity, and stock index futures contracts (17% of the total long position) and precious metal futures contracts (13% of the total long position). As for foreign indices and securities, retail investors hold short positions.

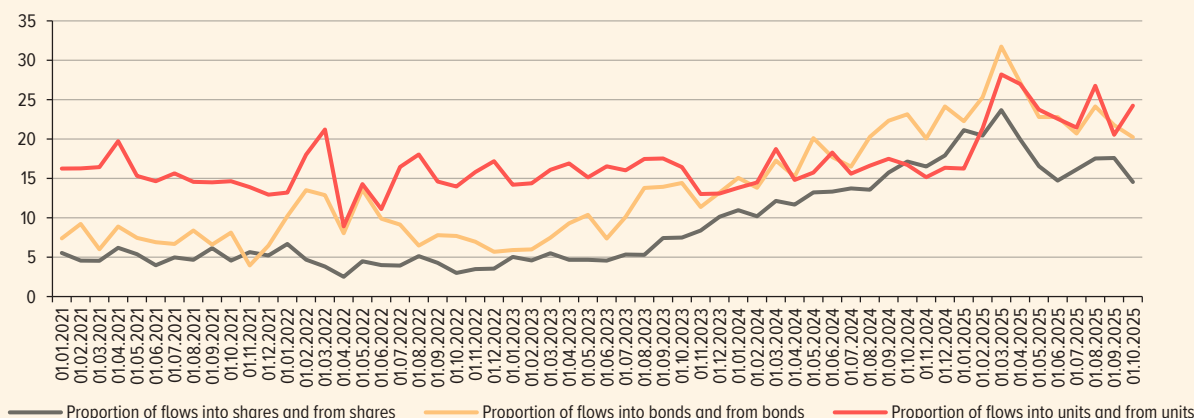
**Russian residents' participation in the cryptoasset market.** From May 2025, Russian companies are allowed to issue bonds whose yields are linked to the value of digital currency.<sup>2</sup> As of 1 October 2025, the amount of

<sup>1</sup> The flows across types of instruments per retail investor were measured by summing up net purchases / sales of shares, bonds, and UIF units and calculating the proportion of net purchases / sales of one instrument taking into account the opposite transactions with the other instruments.

<sup>2</sup> Payments on these structured bonds are linked to the prices of shares of the funds iShares Bitcoin Trust ETF and iShares Ethereum Trust ETF from BlackRock Inc., which follow the dynamics of Bitcoin and Ethereum, respectively.

PROPORTION OF FLOWS OF RETAIL INVESTORS' FUNDS ACROSS INSTRUMENT TYPES ON MOSCOW EXCHANGE  
(% OF PURCHASES / SALES OF CERTAIN SECURITIES THROUGH SALES / PURCHASE OF OTHER SECURITIES)  
(%)

Chart 76



Source: Moscow Exchange.

such bonds in circulation (outstanding bonds at face value) totalled as little as ₽2.9 billion, with investment in such bonds<sup>3</sup> made by households and non-profit organisations providing services to households amounting to ₽1.6 billion.

Individuals' investment in cryptocurrency futures contracts<sup>4</sup> on Moscow Exchange are minimal as well. Specifically, the total net position reached ₽2.1 billion as of 1 October 2025. The majority of investors (1,900 individuals) trading in cryptocurrency futures form small portfolios of up to ₽500,000, whereas a small number of large market players, whose open position exceeds ₽100 million, make the key contribution to the total amount of investment.

Hence, households' overall investment in Russian instruments linked to cryptocurrency approximate ₽3.7 billion, involving no systemic risks.

As compared to the two previous quarters, Russians' web traffic on the websites of cryptocurrency platforms decreased by 28% over the period under review to 83.4 million visits, according to the blockchain analytics service Transparent Blockchain.<sup>5</sup> The downward trend in visits generally correlates with the global trend (the average quarterly proportion of Russians over the period under review remained nearly the same, equalling 4.2%). Furthermore, over the reporting period, Russians' activity on cryptocurrency exchanges<sup>6</sup>, measured as the inflows of cryptoassets (Bitcoin, Ethereum, USDT (ERC-20), USTC, USDT (TRC-20))<sup>7</sup> assumed to be accounted for by Russians, declined by 18%.<sup>8</sup> The average monthly amount of the assumed balances of Russians' funds on crypto exchanges decreased as well over the period under review, specifically by 20% in ruble terms to ₽933 billion. According to data as of the end of September 2025, investment in Bitcoin accounted for a considerable proportion of Russians' funds in crypto exchange wallets, namely 62% (₽597 billion). Investment in Ethereum and other cryptoassets accounted for 16% (₽154 billion) and 22% (₽209 billion), respectively. Lower demand for centralised crypto intermediaries' services may be associated with growing popularity of decentralised cryptocurrency platforms.

<sup>3</sup> According to Reporting Form 0420415.

<sup>4</sup> Futures contracts linked to shares of iShares Bitcoin Trust ETF and iShares Ethereum Trust ETF were considered.

<sup>5</sup> A system monitoring cryptocurrency transactions developed with the support of the Federal Financial Monitoring Service and the Bank of Russia.

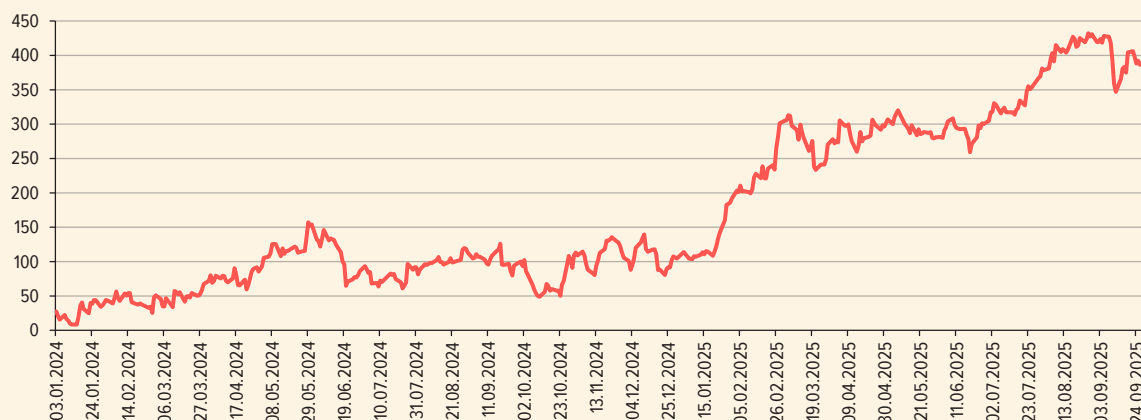
<sup>6</sup> The assessment was made for the crypto exchanges Binance, Bitfinex, Bittrex, Bybit, Commex, Gate, Htx, Kucoin, Mexc, Okx, and Poloniex, as well as other exchanges which are popular among Russians.

<sup>7</sup> The amount of cryptoasset inflows and outflows (flows) on a crypto exchange is calculated as the product of (i) the total amount of cryptoassets (BTC, ETH, USDT on Ethereum (USDT ERC-20), USDT on Tron (USDT TRC-20), and USDC on Ethereum) deposited in or withdrawn from crypto exchange accounts; (ii) the percentage of Russians in web traffic of crypto exchanges' websites; and (iii) the bounce rate.

<sup>8</sup> Taking into account changes in the composition of cryptoassets analysed.

RETAIL INVESTORS' OPEN NET POSITION IN MOSCOW EXCHANGE'S FUTURES MARKET  
(P BN)

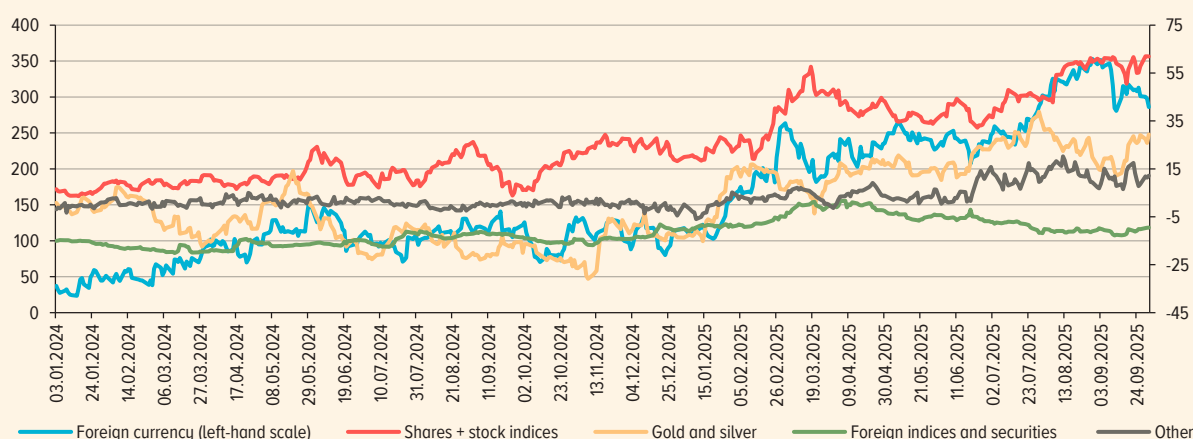
Chart 77



Source: Moscow Exchange.

RETAIL INVESTORS' OPEN NET POSITION IN MOSCOW EXCHANGE'S FUTURES MARKET, BY INSTRUMENT TYPE  
(P BN)

Chart 78



Source: Moscow Exchange.

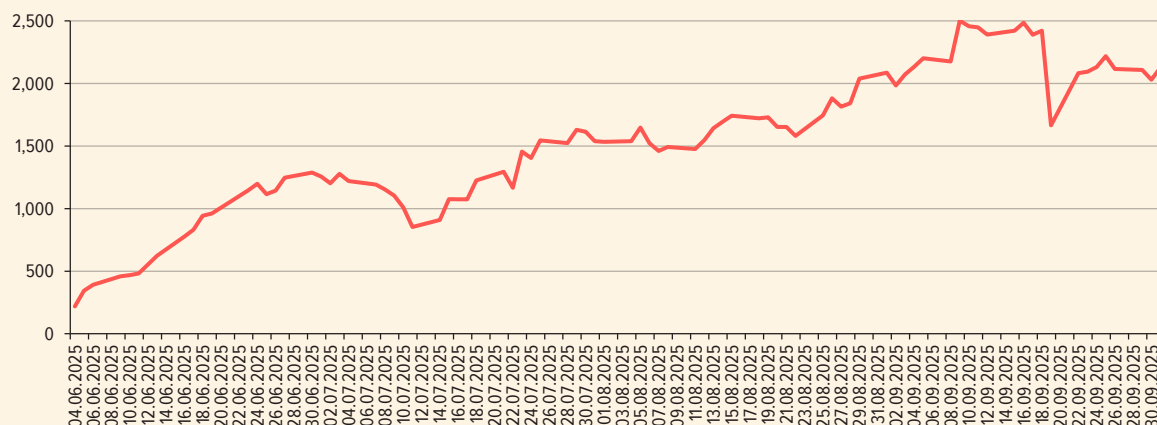
**As for global trends in the cryptoasset market**, it is worth noting the continuing implementation of the US policy framework aimed at encouraging transactions with cryptoassets. A number of countries are concerned about the rapid expansion of stablecoin payments, and many authorities have introduced new regulations in this area (see the [Annex](#)).

Over the reporting period, the global cryptoasset market faced a flash crash, namely on 11 October 2025, simultaneously with the decline in global stock indices. The cryptoasset market saw [more than \\$19 billion](#) in liquidations across leveraged positions, which was the largest wipeout in the market's history, and [over \\$1 trillion in market capitalisation vanished](#). Over 24 hours, Bitcoin fell by 14% below \$105,000, and Ethereum – by 12% to \$3,400, while some altcoins plunged by over 80% (e.g. SUI (-83%), DOGE (-63%), while the ATOM token briefly [fell near zero](#)). That was triggered by the US announcement of its plans to impose tariffs on China, as well as vulnerabilities identified on Binance. This event was yet another evidence of the high volatility and speculative nature of the cryptoasset market, the threat created by the lack of underlying assets, as well as the fragility of the algorithm mechanisms underlying the value of stablecoins. Moreover, centralised crypto intermediaries are now facing technical vulnerabilities.



OPEN NET POSITION UNDER CRYPTOCURRENCY FUTURES CONTRACTS  
(₽ MLN)

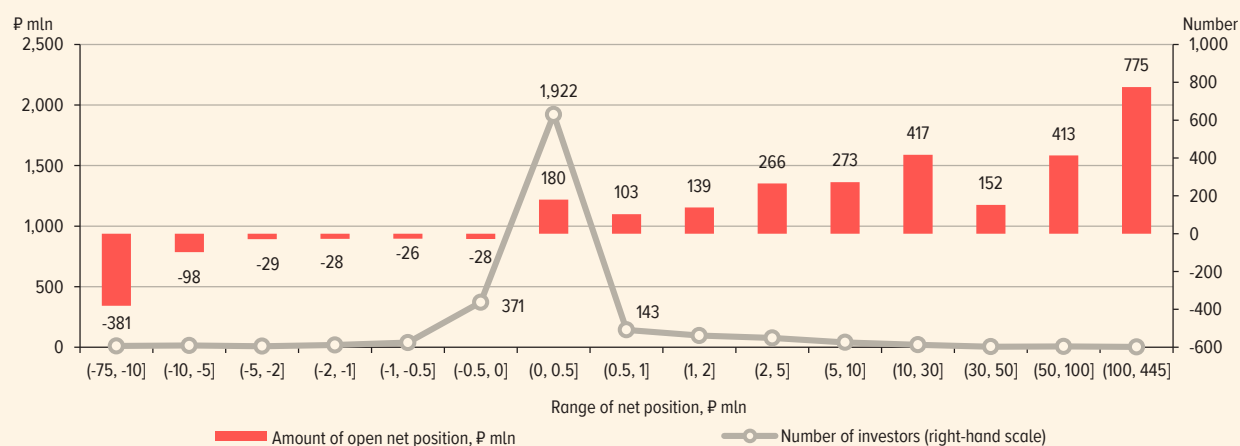
Chart 79



Source: Moscow Exchange.

OPEN NET POSITION AND NUMBER OF RETAIL INVESTORS IN MOSCOW EXCHANGE'S CRYPTOCURRENCY FUTURES MARKET, BY AMOUNT IN PORTFOLIO

Chart 80



Source: Moscow Exchange.

As opposed to the global stock market, the cryptoasset market failed to rebound as of 20 November 2025: market capitalisation plummeted by 24% from early October 2025. The negative dynamics in the cryptoasset market in November 2025 were also attributed to large [cryptoasset liquidations](#) in the spot market and [capital outflows](#) from ETFs.

### 4.2.5. Leasing

The downward trend in the number of new lease transactions, observed from late 2024, has continued into 2025. The lease portfolio contracted by 3% in 2025 H1<sup>14</sup> and by another 4% in 2025 Q3.<sup>15</sup>

The reduction in new business was largely attributed to a downturn in automobile leasing as this segment is most responsive to SMEs' solvency. After the rapid growth accompanied by a decrease in the lending standards, in 2024–2025, the automobile leasing market experienced a deterioration in the quality of the portfolio and a rise in seized assets. In response to growing risks, leasing companies have been tightening their underwriting standards (including by raising advance payments), which is an additional constraint on demand. As for the lease portfolio as a whole, the proportion of advance payments in new business was up by 2 pp over 2025 Q2, reaching 17%. The advance payments are mostly accounted for by the car industry (25%) and construction machinery (21%).

Over the period from the beginning of the year to 1 October 2025, the share of non-performing debt in the lease portfolio<sup>16</sup> increased by 5.2 pp to 11.7%, mostly due to clients in the railway segment and transport. Addressing rising credit risks, leasing companies have been increasing loss provisions, with the provisioning ratio growing to 5.15% in 2025 Q2.

Although the amount of troubled assets has continued to grow, the dynamics of their accumulation on leasing companies' balance sheets have signs of stabilisation. The value of seized assets remains at the level of ₹23–24 billion per month, but the sales of seized assets have increased. Over July–September 2025, sales amounted to 9–12% of the assets accumulated on the balance sheets, which is more than 6–8% in May–June 2025. Amid the rise in sales, the ratio of such assets to the lease portfolio stabilised at 1.7–1.8%. The slowdown in the growth of unsold assets on the balance sheets is a positive sign suggesting that lease companies have been dealing with troubled assets more efficiently. However, overdue debts have continued to increase, forcing leasing companies to adhere to conservative risk management policies.

Expectedly, the reduction in new business and the deterioration of the quality of the lease portfolio have had a negative effect on the leasing industry's margin. Over 2025 Q2, leasing companies' sales margin<sup>17</sup> dropped by 3.6 pp to 5.7%. Despite the decrease in the margin, the industry's CAR<sup>18</sup> edged up, specifically by 0.7 pp over 2025 H1 to 10.1%, which was associated with the decline in liabilities amid the contraction of the lease portfolio and the implementation of conservative financial policies by leasing companies.

<sup>14</sup> The sample for the analysis comprises 16 companies that submitted their IFRS statements for the past seven quarters (the market share in terms of the portfolio – 75%).

<sup>15</sup> Based on recent data of the monthly survey by the Bank of Russia. The recent (preliminary) data are given for the sample of 13 companies (the market share in terms of the portfolio – 72%).

<sup>16</sup> Problem debts are restructured agreements, agreements overdue for 90+ days, and unsettled debts under cancelled agreements.

<sup>17</sup> Measured as the 12-month net profit-to-total revenue ratio.

<sup>18</sup> The equity-to-liabilities ratio according to IFRS statements.

## ANNEX

### Global trends in macroprudential regulation and financial stability measures

In 2025 Q2–Q3, foreign financial regulators continued to enhance their macroprudential toolkits and adapt the measures implemented, taking into account the changing risk environment, including by toughening consumer lending regulation and raising CCyB rates. Furthermore, international organisations and foreign regulators remain focused on advancing the analysis and regulation of climate (including nature-related) risks and developing the regulation of the cryptoasset market.

### Measures in mortgage lending

Over the period under review, some foreign regulators eased while others tightened their macroprudential measures in mortgage lending. Macroprudential easing was usually associated with a decrease in vulnerabilities or the desire to prop up the sector and improve the flexibility of regulation and the affordability of housing. Macroprudential tightening was necessitated by growth in households' debt burden and real estate prices.

#### *Easing of measures*

The **UK** is discussing potential [loosening of regulation](#) in mortgage lending. The regulator admits that, in the future, it can expand access to mortgages for first-time buyers and start encouraging long-term fixed rate mortgages or interest-only mortgages. The suggestions are aiming to support economic growth, make the standards more flexible, and improve the affordability of housing.

Furthermore, the UK regulators [have increased the threshold for the number of new mortgage loans per annum](#), which ensures that mortgage lenders limit the number of new mortgage loans made with an LTI ratio at, or greater than, 4.5 to no more than 15% of the total number of new mortgages. The threshold has been raised from £100 million to £150 million. In addition, the regulator is currently revising the LTI-related requirements and, as a temporary measure, is ready [to amend the LTI threshold of 15%](#) in response to individual requests from lenders. The decision is related to the fact that certain lenders do not use the threshold to the fullest extent due to differences in their risk appetite and business models. However, the aggregate flow should remain consistent with the 15% limit, and the regulator may revoke the modification at any moment.

Amid the decrease in vulnerabilities in the housing market, [Germany](#) **has lowered its sSyRB** for residential mortgage loans from 2% to 1%. As assessed by the regulator, this measure will cause a decrease of around 0.4% of the banking system's Tier 1 capital.

The [Bank of Thailand](#) **has eased the LTV limit** to 100% until mid-2026 for certain categories of housing mortgages. Previously, the upper limit ranged from 70% to 90% depending on the housing price and type. The relaxations have been introduced due the continuing slowdown in the real estate sector.

#### *Tightening of measures*

[Norway](#) **has increased the minimum requirements on average risk weights** for loans secured by Norwegian residential real estate applicable to banks using IRB approach from 20% to 25%. The minimum requirement will apply until 31 December 2026. According to the regulator, the persistent rise

in housing prices and growth in households' debt burden entailed an increase in financial imbalances and systemic risk.

The **Republic of Korea** has decided to restrict the maximum level of mortgages that one can take out for livelihood stability purposes and [tighten macroprudential regulations](#), aiming to contain the growth of real estate prices and limit households' debt burden. For single-house owners purchasing a new house to replace their currently owned property for the purpose of improving their living conditions, the upper LTV limit has been set at 70%. The LTV ratio applied on mortgage loans for purchasing homes in the speculation regulated areas has been [tightened](#) to 40% from the previous level of 50% and, in certain cases, the regulator prohibits the purchase of an additional house with mortgage loans (LTV = 0%). The regulator has also [tightened](#) the mortgage lending limits for expensive real estate in these areas: due to the reduction in the maximum amount of a mortgage, for houses priced at more than KRW 1.5 billion and up to KRW 2.5 billion (from \$1 million to \$1.8 million), the actual LTV is limited to 26.7%, while for houses valued at over KRW 2.5 billion, the limit is 8%. Furthermore, the regulator has continued to [implement](#) the stressed debt service ratio (DSR) rule with the application of the additional stress rate taking into account the possibility of an increase in loan repayments. Moreover, the requirements for the DSR calculation have been [toughened](#): when assessing the stressed DSR for mortgage borrowers purchasing housing in the areas subject to restrictions on real estate transactions, credit institutions must apply the additional stress rate of 3.0% instead of the earlier applied range of 1.5–3.0%.

### Other measures

One non-standard measure is the [Australian](#) regulator's finalised changes to how authorised deposit-taking institutions treat HELP<sup>1</sup> debt repayments when assessing home loan applications. The regulator has decided that the DSTI definition should exclude HELP debt due to the income-contingent nature of HELP debt repayments.

Another measure is the regulation of the [Central Bank of Brazil](#) allowing **a single property** to serve as collateral **in multiple credit transactions**. The overall debt may not exceed the LTV limit set for the loan with the largest outstanding debt. The purpose of the regulation is to allow for a more efficient use of real estate collateral for both borrowers and lenders, while preserving the soundness of the real estate credit market.

In addition, certain countries have extended the existing macroprudential measures. Thus, due to persistent risks, [Sweden](#) has prolonged for another two years the current risk weight floors (valid from 2018) of 25% for Swedish mortgages, 35% for Swedish corporate exposures secured on commercial properties, and 25% for Swedish corporate exposures secured on residential properties. The measure is applicable to banks using IRB.

## Measures in consumer lending

There is a global trend towards **tightening of consumer lending regulation**. A number of countries are establishing tougher requirements aiming to limit borrowers' debt burden.

[Hong Kong](#) has proposed **tightening the regulation of non-bank unsecured personal loans** by setting the level of borrowers' monthly income and their corresponding aggregate unsecured personal loan caps as follows:

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<sup>1</sup> Higher Education Loan Program.

- if a borrower's monthly income is HK\$ 5,000 or less (about \$640), the loan cap may not exceed one month's income or the debt servicing ratio cap may not exceed 35%;
- if a borrower's monthly income is from HK\$ 5,001 to HK\$ 10,000 (about \$1,300), the loan cap may not exceed two months' income or the debt servicing ratio cap may not exceed 40%; and
- if a borrower does not have a fixed income, the money lender must calculate the borrower's average monthly income based on the borrower's income record from the previous 12 months.

For borrowers whose employment contracts are fixed-term, the regulator proposes limiting the loan repayment period to the remaining term of the employment contract.

The [Republic of Korea](#) has begun to implement the **third-stage stressed debt service ratio (DSR) rules**. The key modification is the upward adjustment of the additional stress rate<sup>2</sup> from 0.75% to 1.50%. The additional stress rate is applicable to all types of bank and non-bank loans, except for non-Seoul area mortgage loans for which the third-stage stressed DSR rule will become valid six months later.

[Azerbaijan](#) has **tightened the requirements for credit cards**. According to the regulatory changes, consumer credit card limits are capped at five times the borrower's net after-tax income, with calculations factoring in existing liabilities to other credit institutions.<sup>3</sup> Additionally, the total value of credit card exposures exceeding the established limit must not surpass 1% of the bank's Tier 1 capital, post-deductions.

[Kazakhstan](#) has proposed **reducing the maximum debt-to-income ratio (DTI)** from 50% to 25% for borrowers with loans overdue for 90+ days over the last 12 months. Furthermore, it is suggested **to ban credit institutions from extending unsecured consumer loans** if a borrower (1) has bank loans overdue for 30+ calendar days and/or microloans overdue for over one day; or (2) had a principal and/or interest debt which was completely forgiven from 1 July 2025 over the past 36 months; or (3) restructured a loan over the past 12 months, which has not helped the borrower to properly fulfil its obligations. The measures are intended to limit the growth rate of consumer lending.

## Other macroprudential policy measures

The trend towards an **increase in CCyB rates** continued in 2025 Q2–Q3, which was predominantly associated with the stage-by-stage implementation of the measures announced earlier. Following public consultations, the [Bank of Spain](#) has resolved to raise the positive neutral CCyB rate from 0.5% (valid from 1 October 2025) to 1% (in effect from 1 October 2026). From 25 September 2025, [Poland's](#) positive neutral CCyB rate equals 1%, and further on, it is planned to be raised to 2%. Among the new countries that have adopted the practice of setting a positive neutral CCyB is [Saudi Arabia](#) where the buffer rate will be 1% from 25 May 2026.

As regards **targeted measures aiming to reduce certain risks**, there is a trend towards optimising the macroprudential policy toolkit. [France](#) has cancelled its sSyRB equalling 3% of risk-weighted assets, which was applied from August 2023 to mitigate the risks of the banking sector's concentration associated with financing highly leveraged companies. The measure was tapered off due to the weakening of these risks.

The Central Bank of the Republic of **Türkiye (TCMB)**, combining macroprudential and monetary policy tools to ensure financial stability, is **phasing out select liraisation strategy measures in the national banking sector**. A key tool of the strategy was lira-denominated deposits protected against

<sup>2</sup> The stressed DSTI rule imposes the additional stress rate for the purpose of calculating a borrower's DSR as it takes into account the possibility of the borrower facing heavier repayment burden in the future with increases in interest rates.

<sup>3</sup> Credit lines backed by cash, bank deposits, or precious metals are excluded from this cap.

FX fluctuations (KKM). The transition to KKM accounts was encouraged by regulatory measures: compensation for excessive weakening (exceeding the deposit rate) of the Turkish lira and tighter reserve requirements for banks failing to comply with the target for transition to KKM accounts.

Having ensured the reduction in the proportion of foreign currency deposits from 76% in August 2022 to 40% in early 2025,<sup>4</sup> the TCMB started easing its liraisation policy:

- In [June 2025](#), the reserve requirement ratio for KKM accounts was raised from 33% to 40%; the minimum interest rate applicable to KKM accounts was reduced from 50% to 40% of the policy rate; and the target for transition of KKM accounts to lira-denominated deposits was abolished.
- From [August 2025](#), the opening and renewal of KKM accounts was terminated.

In addition, as part of its strategy for **optimising the macroprudential toolkit**, the TCMB has considerably simplified the requirements for banks' securities maintenance ratio (SMR). The requirements for the SMR remain only in relation to foreign currency deposits (1%) and do not create additional demand in the securities market.

## Analysing climate risks and factoring them into regulation

Over the period under review, regulators, international organisations, and standard-setting bodies paid particular attention to upgrading analytical tools and incorporating climate (including nature-related) risks into supervisory and regulatory practices, implementing and enhancing climate reporting standards, and developing debt instrument markets.

A number of regulators and international organisations are **revisiting earlier issued regulations aiming to simplify and ease the requirements**:

As increasingly more banks from the largest economies had been leaving the **NZBA**, it [eliminated](#) a mandatory requirement for its member banks to align lending and capital markets activities with the goal of limiting global warming to 1.5°C and the 2050 net zero goal, and later on, [announced](#) the suspension of its operations initiating a member vote to decide on a proposed transition to a new structure. Following the vote in early October 2025, the NZBA [decided](#) to cease operations.

As part of the Carbon Border Adjustment Mechanism (**CBAM**), the [EU](#) has reduced the burden on importers, including by exempting from the CBAM regulation small importers whose imports (ferrous metallurgy products, aluminium, fertilisers, and cement) do not exceed 50 tonnes per year.

[Canada](#) is considering a draft law to ensure that all Canada Carbon Rebate payments for Small Businesses are tax-free.

Having taken into account that the market needs more time for adaptation, a number of regulators **have postponed the implementation of disclosure requirements** ([Canada](#), the [UK](#), the [EU](#), and [Singapore](#)).

The [International Sustainability Standards Board](#) (ISSB) plans to simplify the **IFRS S2** Climate-related Disclosures standard: the proposed amendments include relief from disclosing Scope 3 greenhouse gas emissions associated with derivatives, investment and banking operations, insurance and reinsurance, as well as the permission to incorporate national requirements for calculation methods. The finalised version of the standard is planned to be published by the end of 2025.

Nevertheless, **climate risks are still important** in terms of their potential effect on financial systems and the economy as a whole and thus remain in the focus of attention:

<sup>4</sup> The [analysis](#) was conducted among 22 Turkish banks accounting for 90% of the market in terms of total deposits and nearly 8% in terms of total assets.



Financial market regulators conduct **climate stress tests** ([Bangladesh](#), [South Africa](#), [Serbia](#), Japan [1, 2], [Canada](#), and [Australia](#)). Although the results of these stress tests have not entailed any prudential measures so far, the regulators use them in supervision as well as to enhance the existing recommendations and identify particular areas for improving financial institutions' climate risk assessment approaches. All the above stress tests were based on the NGFS long-term scenarios.<sup>5</sup>

Over the reporting period, the NGFS released the first version of [short-term scenarios](#) exploring a different set of assumptions on the evolution of climate policies and the impact of transition and physical risks over the next five years.

**Prudential regulation of climate risks** has continued to develop. [Türkiye](#) has published a number of guides on climate risk management in the banking sector. The [EU](#) has released a dashboard of key climate risk indicators for the banking sector. The [UK](#) is discussing changes in supervisory expectations for effective climate risk management practices for banks and insurers. The [Netherlands](#) has updated the guide to help insurers, pension funds, investment firms, and payment institutions strengthen their approach to climate and nature-related risks. Furthermore, the [IAIS](#) has published an application paper on the supervision of climate-related risks in the insurance sector. The paper does not establish any new requirements, but only provides supporting materials relevant to a range of the [Insurance Core Principles](#).

**Approaches to managing nature-related risks** have been actively developed. Although there are no coordinated practices for assessing nature-related risks and disclosing relevant information, this type of risks is considered to be financially material to companies and the economy in general ([Taskforce on Nature-related Financial Disclosures](#)). Another problem facing both advanced and developing economies as well as EMEs is gaps in insurance protection against natural catastrophe risks. To address these gaps, the [IAIS and World Bank](#) recommend, among other things, promoting the availability and affordability of insurance products and services through parametric insurance, technologies, microinsurance, and integration of insurance services with other financial services. Concurrently, the [BIS Innovation Hub](#) has launched Project Danu to forecast the impact of extreme weather conditions and natural catastrophes on financial stability, while [Singapore](#) has developed a practical guidance for financial institutions on managing nature-related risks and engaging in nature financing.

As regards the **development of financial instrument markets**, [Saudi Arabia](#) has released a guideline on issuing green, social, and sustainability (GSS) bonds and sustainability-linked instruments (SLIs); [India](#) has developed the requirements for the issue and circulation of certain categories of sustainable finance instruments, namely social, sustainability, and sustainability-linked bonds; and [Thailand](#) plans to simplify the requirements for issuing sustainability bonds in order to encourage Thai companies to integrate sustainable development principles into their business strategies more actively. The [International Capital Market Association](#) has published a guide on issuing sustainability bonds to support the financing of nature-related projects.

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<sup>5</sup> In the climate stress tests reviewed, the regulators used either the [3rd version](#) of the scenarios (September 2022), or the [4th version](#) (November 2023).



## Cryptoasset market regulation

Regulators worldwide have continued **developing the regulation of various types of cryptoasset-related operations**.

The **US Commodity Futures Trading Commission** has withdrawn the advisories<sup>6</sup> establishing tougher regulation for cryptoasset derivatives. The [Federal Deposit Insurance Corporation](#), the [US Fed](#), and the [Office of the Comptroller of the Currency](#) have cancelled their requirements for supervised organisations to obtain a preliminary permit for crypto-related activities and [withdrawn](#) their joint statements on cryptoasset risks to banks and liquidity risks arising due to vulnerabilities in the cryptoasset market. Furthermore, the USA has adopted the [GENIUS Act](#) establishing federal regulation of payment stablecoin issuers with a market capitalisation of more than \$10 billion.

Regulators of other countries are increasingly concerned about the dominance of dollar **stablecoins**, and therefore, enhancing the regulation in this market is essential. Thus, the [UK](#) regulators propose prudential rules for stablecoin issuers. The [EU](#) suggests tightening the requirements for payment transactions using stablecoins. Following the consultations, [Hong Kong](#) has published its finalised guidelines for licensed stablecoin issuers on prudential requirements and on AML / CFT requirements.

The regulation of intermediaries and the rules for transactions in the cryptoasset market have continued to develop. The [UK](#) has published a draft law establishing a legal framework for regulating crypto intermediaries to enhance the protection of consumers of their services. Taking into account the new powers provided for by the draft, the UK's [Financial Conduct Authority](#) has prepared detailed proposals on approaches to regulating trading platforms, intermediaries, cryptoasset lending and borrowing, staking, decentralised finance, and the use of credit to purchase cryptoassets. [Hong Kong](#) has published a staking guidance to virtual asset trading platforms on their provision of staking services and suggested measures in relation to dealers and custodians. To protect investors, [Canada](#) has reduced the list of investment funds allowed to invest directly in cryptoassets and established the requirements concerning custody of cryptoassets. The [United Arab Emirates](#) have strengthened control over crypto intermediaries, and the EU has developed additional standards aimed at [enhancing the AML / CFT](#) measures and [preventing market abuse](#). In addition, [Singapore](#) and the [Philippines](#) have introduced the requirements for licensing cryptoasset service providers, their capital, risk management system, audit, and reporting. [Malaysia's](#) regulator has proposed raising the minimal capital requirements for digital asset exchanges, while [Thailand](#) suggests amendments to the regulations regarding the listing rules of digital asset exchanges. The law "On Crypto-Assets" has come into force in [Armenia](#) establishing the general rules for offering, purchasing and selling cryptoassets, providing cryptoasset-related services, and supervising this market.

International organisations have continued to put a special focus in their publications on risks inherent in stablecoins. The [FATF](#) notes an increase in illicit activity involving stablecoins. The [BIS](#) stresses that the widespread use of stablecoins can pose financial stability risks, undermine monetary sovereignty, and cause capital flight, particularly in emerging market and developing economies. While recognising certain benefits of using stablecoins, including in cross-border payments, the BIS emphasises that they cannot really function as money. The [IMF](#) also notes financial stability risks associated with the spread of stablecoins, especially for EMEs.

<sup>6</sup> [Staff Advisory No. 23–07. Review of Risks Associated with Expansion of DCO Clearing of Digital Assets](#); [Staff Advisory No. 18–14. Advisory with Respect to Virtual Currency Derivative Product Listings](#).

## ABBREVIATIONS

**AML / CFT** – anti-money laundering and countering the financing of terrorism

**BIS** – Bank for International Settlements

**BNA** – bank of non-core assets (National Bank TRUST)

**CAR** – capital adequacy ratio

**CCyB** – countercyclical buffer

**CHB** – credit history bureau

**DSTI** – debt service-to-income ratio calculated as the ratio of a borrower's average monthly payments on all loans and microloans, including on a newly issued loan (microloan), to the borrower's average monthly income

**EBITDA** – earnings before interest, taxes, depreciation, and amortisation

**ECB** – European Central Bank

**EIR** – effective interest rate

**EME** – emerging market economy

**ETFs** – exchange-traded funds

**EU** – European Union

**FATF** – Financial Action Task Force

**FX** – foreign exchange

**GDP** – gross domestic product

**IAIS** – International Association of Insurance Supervisors

**ICL** – irrevocable credit line

**ICR** – interest coverage ratio

**IFRS** – International Financial Reporting Standards

**IMF** – International Monetary Fund

**IRB approach** – internal ratings-based approach

**LCR** – liquidity coverage ratio

**LLCR** – loan life coverage ratio, which is a measure of the project's ability to repay an outstanding loan using free cash flows from housing sales over the life of the loan

**LSP** – Long-term Savings Programme

**LTI** – loan-to-income ratio

**LTM** – last twelve months

**LTV** – loan-to-value ratio

**MFO** – microfinance organisation

**MoM** – month-on-month

**MPL** – macroprudential limit

**NAV** – net asset value

**NBFI** – non-bank financial institution

**NFCI** – net fee and commission income

**NGFS** – Network of Central Banks and Supervisors for Greening the Financial System

**NII** – net interest income

**NIM** – net interest margin

**NPF** – non-governmental pension fund

**NPL** – non-performing loan

**NZBA** – Net-Zero Banking Alliance

**OFZ** – federal government bond

**OFZ-PD** – fixed coupon federal government bonds

**OPEC** – Organization of the Petroleum Exporting Countries

**PSMP** – professional securities market participant

**QoQ** – quarter-on-quarter

**RAS** – Russian Accounting Standards

**ROA** – returns on assets

**SCPA** – shared construction participation agreement

**SIBs** – systemically important banks

**SMEs** – small and medium-sized enterprises

**sSyRB** – sectoral systemic risk buffer

**SyRB** – systemic risk buffer

**UIF** – unit investment fund

**US Fed** – US Federal Reserve System

**YoY** – year-on-year

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