

Risk appetite

The Group's risk appetite is established by the bank's Supervisory Board with due regard for the requirements of Bank of Russia and the regulators of the countries where the Group is present. Risk metrics for the bank's and Group's risk appetite include statutory capital adequacy requirements, restrictions on economic capital value, and indicators reflecting the key risk types (credit, market, liquidity, and operational risks). *To ensure compliance with risk appetite, the bank and Group members have a hierarchic system of limits by business areas, material risk types, business units, and other aspects.*

Each year, the Group identifies risks and assesses their materiality. A management system is formed for each recognised material risk. The management functions for all significant risks are spread among the bank's various committees. On an integrated level, risk management is performed by the GRC, the Executive Board, and the Supervisory Board of the bank.