Financial goals of the Strategy

A high level of financial performance remains the priority for our development. Given the forecast economic environment, it is essential to improve all financial efficiency metrics while consistently increasing the amount of dividends paid.

What we plan to achieve

Income and expenses

- Stable growth of commission income
- Reduction of operating expenses by optimizing personnel costs (improving productivity, automation of processes), real estate, ATM servicing
- Increase in expenses on implementing new IT solutions and digital business
- Increase in income and return on capital from international business

Risk management expenses

- Continuing implementation of a conservative risk management policy and a reduction in risk expenses by improving the risk management system (implementation of advanced analytics to risk management processes, real-time risk monitoring, maintaining a high-quality portfolio)
- Development of measures to manage new risks for the Bank: venture investment risks, risk of the new economy (the Bank as ecosystem)
- Growth in capital adequacy by implementing capital management initiatives

Expected results by 2020, IFRS

1,000 RUB billion
net profits in 2020

20%
return on equity for the Group (ROE)

~12.5%
Tier 1 capital adequacy, Basel 3 (CET 1) for the Group

33 RUB trillion
average annual size of assets in 2020

15%
annual growth in risk-free commission income from non-banking services

~30%
ratio of operating costs to net operating income (CIR, Cost-to-Income ratio)

~130 (bp)
expenses on creating provisions (Cost of Risk)

8%
growth in annual expenses on implementing new IT solutions and digital business

Strategy implementation risks	Risk mitigation measures
Financial performance	
Deterioration of the macroeconomic environment due to a sharp decline in oil prices or the strengthening of sanctions against Russia	• Mitigation of negative consequences through a more conservative risk management and investment policy