



CENTER-INVEST BANK GROUP

**International Financial Reporting Standards
Condensed Consolidated Interim Financial Information
for three months ended 31 March 2021 (unaudited)**

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<i>In thousands of Russian Roubles</i>	Note	31 March 2021 (unaudited)	31 December 2020
ASSETS			
Cash and cash equivalents		10 755 575	11 100 866
Mandatory cash balances with the Central Bank of Russian Federation		759 604	761 907
Due from other banks		12 000 000	15 001 700
Loans to customers and finance lease receivables	6	87 057 693	84 472 635
Investment in associate		302 515	286 470
Investment properties		1 147 703	1 184 292
Premises, equipment and intangible assets		3 407 125	3 316 246
Right-of-use assets		101 808	115 537
Other financial assets		1 003 372	812 638
Other assets		1 259 960	1 246 234
TOTAL ASSETS		117 795 355	118 298 525
LIABILITIES			
Customer accounts	7	98 635 437	99 213 732
Debt securities in issue	8	1 376 988	1 674 964
Borrowings from international financial institutions	9	1 013 190	1 027 408
Subordinated borrowings	9	753 366	747 312
Other financial liabilities		385 509	361 582
Other liabilities		302 675	337 633
Lease liabilities		114 521	127 140
Deferred income tax liability		-	1 272
Current income tax liability		10 367	36 708
TOTAL LIABILITIES		102 592 052	103 527 751
EQUITY			
Share capital		1 326 277	1 326 277
Share premium		2 078 860	2 078 860
Revaluation reserve for land and premises		1 064 288	1 064 288
Retained earnings		10 872 930	10 436 456
Shareholders' equity attributable to the Bank's shareholders		15 342 355	14 905 881
Non-controlling interest		(139 052)	(135 107)
TOTAL EQUITY		15 203 303	14 770 774
TOTAL LIABILITIES AND EQUITY		117 795 355	118 298 525

28 May 2021


L. N. Simonova
Chairman of the Management Board


T. I. Ivanova
Chief Accountant

<i>(unaudited)</i>			Three months ended	Three months ended
<i>In thousands of Russian Roubles</i>			31 March 2021	31 March 2020
	Note			
Interest income calculated using the effective interest method	10		2 290 321	2 570 236
Other interest income	10		13 655	9 923
Interest expense	10		(952 448)	(1 394 931)
Net interest margin			1 351 528	1 185 228
Credit loss allowance	6		(297 889)	(240 539)
Charge for allowance for credit related commitments			8 235	(9 565)
Net interest margin after credit loss allowance			1 061 874	935 124
Fee and commission income			381 916	380 210
Fee and commission expense			(130 794)	(112 658)
Gains less losses from operations with foreign currencies			8 860	30 839
Foreign exchange translation gains less losses			4 663	18 199
Gains less losses / (losses less gains) from spot currency transactions and other conversion operations on the interbank market			1 029	(5 361)
Other provisions and expenses			(57 147)	(41 294)
Revenue from sales of agricultural goods			161 567	125 302
Expenses related to activity of JSC Ptitsefabrika Belokalitvinskaya			(137 417)	(116 938)
Other operating income	11		1 052	31 825
Contributions to the state deposit insurance scheme			(94 142)	(93 355)
Administrative and other operating expenses	13		(638 789)	(693 132)
Depreciation of right-of-use assets			(10 697)	(8 826)
Share of result of associate			16 045	22 253
Profit before tax			568 020	472 188
Income tax expense			(125 377)	(104 030)
PROFIT FOR THE YEAR			442 643	368 158
Bank's shareholders			446 588	407 009
Non-controlling interest			(3 945)	(38 851)
Total comprehensive income for the year			442 643	368 158
Comprehensive income for the year:				
Bank's shareholders			446 588	407 009
Non-controlling interest			(3 945)	(38 851)
Total comprehensive income attributable to the Bank's shareholders and non-controlling interest			442 643	368 158

The Notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Three months ended 31 March 2021	Three months ended 31 March 2020
Cash flows from operating activities		
Interest income received	2 287 829	2 490 820
Interest paid	(909 314)	(1 331 497)
Contributions to the state deposit insurance scheme	(94 355)	(140 543)
Fees and commissions received	372 890	375 116
Fees and commissions paid	(122 278)	(112 658)
Gains less losses from trading in foreign currencies	8 860	30 839
Gains less losses / (losses less gains) from spot currency transactions and other conversion operations on the interbank market	1 029	(5 361)
Receipts from assignment of rights of claim on loans and advances to customers	719	247 396
Repayment of debt previously written off	8 479	13 053
Other operating income received	184 355	156 196
Staff costs paid	(376 927)	(381 918)
Operating expenses paid	(268 339)	(396 388)
Income tax paid	(145 815)	(116 592)
Cash flows from operating activities before changes in operating assets and liabilities	947 133	828 463
Change in operating assets and liabilities		
Net change in mandatory cash balances with the Central Bank of the Russian Federation	2 303	7 749
Net change in due from other banks	3 000 000	14 500 000
Net change in loans to customers and finance lease receivables	(2 916 523)	(2 464 417)
Net change in other financial and other assets	(267 844)	151 955
Net change in customer accounts	(705 195)	(3 640 518)
Net change in promissory notes issued	(285 500)	(365 845)
Net change in other financial and other liabilities	(49 809)	(107 726)
Net cash from operating activities	(275 435)	8 909 661
Cash flows from investing activities		
Acquisition of premises and equipment	(41 035)	(41 436)
Proceeds from disposal of premises and equipment	137	33 806
Acquisition of intangible assets	(46 945)	(23 042)
Investments in investment properties	(636)	-
Net cash from (used in) investing activities	(88 479)	(30 672)
Cash flows from financing activities		
Issue of bonds	-	29 637
Repurchase and repayment of bonds	(2 193)	(4 500)
Proceeds from borrowings from international financial institutions	-	740 274
Repayment of principal of lease liabilities	(12 619)	(39 777)
Net cash (used in) from financing activities	(14 812)	725 634
Effect of exchange rate changes on cash and cash equivalents	33 435	477 971
Net outflow (increase) in cash and cash equivalents	(345 291)	10 082 594
Cash and cash equivalents at the beginning of the year	11 100 866	11 052 495
Cash and cash equivalents at the end of the year	10 755 575	21 135 089

The Notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

CENTER-INVEST BANK GROUP
Condensed Consolidated Interim Statement of Changes in Equity

		Share capital	Share premium	Revaluation reserve for land and premises	Retained earnings	Non- controlling interest	Total equity
<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>							
	Note						
Balance at 1 January 2020		1 326 277	2 078 860	1 228 156	9 682 312	(96 256)	14 219 349
Profit for the period		-	-	-	373 147	(4 989)	368 158
Total comprehensive income for three months of 2020		-	-	-	373 147	(4 989)	368 158
Dividends declared:							
- ordinary shares	12	-	-	-	-	-	-
- preference shares	12	-	-	-	-	-	-
Depreciation or transfer of revaluation surplus on land and premises to retained earnings		-	-	(1 027)	1 027	-	-
Balance at 31 March 2020		1 326 277	2 078 860	1 227 129	10 056 486	(101 245)	14 587 507
Balance at 31 December 2020		1 326 277	2 078 860	1 064 288	10 436 456	(135 107)	14 770 774
Profit for the period		-	-	-	446 588	(3 945)	442 643
Total comprehensive income for three months of 2021		-	-	-	446 588	(3 945)	442 643
Dividends declared:							
- ordinary shares		-	-	-	-	-	-
- preference shares		-	-	-	-	-	-
Depreciation or transfer of revaluation surplus on land and premises to retained earnings		-	-	-	-	-	-
Other movements		-	-	-	(10 114)	-	(10 114)
Balance at 31 March 2021		1 326 277	2 078 860	1 064 288	10 872 930	(139 052)	15 203 303

The Notes 1 to 19 form an integral part of this condensed consolidated interim financial information.

1. Introduction

This condensed consolidated interim financial information of Public Joint-stock company commercial Bank “Center-invest” (hereinafter, the “Bank”) and its subsidiaries (hereinafter referred to as the “Group”) has been prepared for three months ended 31 March 2021 in accordance with International Accounting Standard 34 “Interim Financial Reporting” (hereinafter, “IAS 34”).

The Bank was incorporated and is domiciled in the Russian Federation. The Bank is a joint stock company limited by shares and was set up in accordance with Russian regulations.

Principal activity. The Group’s principal business activities are corporate and retail banking and leasing operations within the Russian Federation. The Bank has operated under a full banking license issued by the Central Bank of the Russian Federation (“CBRF”) since 1992. The Bank participates in the state deposit insurance program, which was introduced by Federal Law No.177-FZ “Deposits of individuals insurance in Russian Federation” dated 23 December 2003. The State Deposit Insurance Agency guarantees repayment of 100% of individual deposits up to RR 1 400 thousand per individual in case of the withdrawal of a licence from the Bank or a CBRF imposed moratorium on payments.

There are no parties that have individually the ability to control the Bank.

At 31 March 2021, the Bank had four branches (31 December 2020: four) in the Russian Federation. Additionally, the Bank has a representative office in Moscow and 107 (31 December 2020: 110) sub-branches in the Rostov and Volgograd Regions, Moscow, Nizhny Novgorod, Stavropol and Krasnodar Regions.

Shares in capital of subsidiaries at 31 March 2021 and 31 December 2020 are as follows:

(%)	31 March 2021	31 December 2020
OOO Centre-Leasing	100.00	100.00
Joint-Stock Company “Ptitsefabrika Belokalitvinskaya”	88.28	88.28

Registered address and place of business. The Bank’s registered address is: 62 Sokolova Avenue, Rostov-on-Don, Russian Federation, 344000.

The average number of the Group’s employees during three months ended 31 March 2021 was 1 609 people (2020: 1 671 people; three months ended 31 March 2020: 1 738 people).

Presentation currency. This condensed consolidated interim financial information is presented in thousands of Russian roubles (“RR thousand”), unless otherwise stated.

2. Operating Environment of the Group

Significant changes took place in the economic environment to constrain the spread and mitigate effects of the COVID-19 during 2020, including entry bans and travel restrictions, lockdown, self-isolation regime and restriction of commercial activity, including closing of enterprises. These measures, among other things, significantly disrupted the economic activity in Russia and had a negative impact on the business, market participants, Group’s clients, the Russian and world economies and may have further negative impact during the indefinite period of time.

2. Operating Environment of the Group (Continued)

The Management takes the necessary measures to maintain the Group's business continuity and support Group's clients and employees:

- doing business as a going concern (the Group's Management has the significant experience in the effective crisis risk management and took all the necessary measures to maintain the Group's business continuity, protect safety of employees and support Group's clients during the COVID-19 pandemic);
- extension of digital service capabilities (increase in number of operations without office visits);
- granting repayment holidays on consumer loans, reduced charges for legal entities, debt restructuring;
- introducing client support programs (including both government-funded and own financial support programs).

The future consequences of current economic conditions and above mentioned measures are difficult to forecast, however Group's specialist monitor the situation on a daily basis having in consideration the assessment of consequences that impact the financial position of the Group. At the date of the financial statements preparation these measures adopted are considered to be sufficient and consequences do not have a significant influence on the business continuity.

For the purpose of measurement of expected credit losses ("ECL"), the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Note 5 provides more information of how the Group incorporated forward-looking information in the ECL models.

In March 2020 the IASB highlighted in its guidance materials that in determining the impact of COVID-19 on measurement of ECL according to IFRS 9 there should be used respective judgements adjusted for significant existing uncertainty, particularly, in the assessment of future macroeconomic conditions. The deteriorating economic outlook has led to and will likely continue to lead to an increase in ECLs and therefore to greater volatility of profit or loss.

The Group operates primarily in the South of Russia. For a whole number of indicators, like in the previous years, the South of Russia exceeds average growth rates, namely for industrial production index; positive dynamics of development are demonstrated in the consumer market, and support structure for small and medium businesses is improving.

The major industry of the region is agriculture; as part of implementing the Rostov Region government programme "Agribusiness Development and Regulation of Agricultural Products, Commodities and Food Market" for 2020-2030, events are conducted to ensure sustainable development of the Rostov Region agribusiness complex and rural areas.

3. Summary of Significant Accounting Policies

Basis of preparation. This condensed consolidated interim financial information has been prepared in accordance with IAS 34 and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Except as described below, the same accounting policies and methods of computation were followed in the preparation of this condensed consolidated interim financial information as compared with the Group's annual consolidated financial statements for the year ended 31 December 2020.

Interim period tax estimate. Interim period income tax expense is accrued using the effective tax rate that would be applicable to expected total annual earnings, i.e. the estimated weighted average annual effective income tax rate is applied to the pre-tax income for the interim period.

4. Adoption of New or Revised Standards and Interpretations

Other new standards and interpretations. The following amended standards and interpretations became effective for the Group from 1 January 2021, but did not have any material impact on the Group:

- IFRS 17 “Insurance Contracts” (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021).
- Amendments to IFRS 10 and IAS 28 - “Sale or Contribution of Assets in Transactions between an Investor and its Associate or Joint Venture” (issued on 11 September 2014 and effective for annual periods beginning on the date to be determined by the IASB, or after that date).

There were no new standards or interpretations issued and not yet effective, information about which is not included in the last annual financial statements of the Group for the year ended 31 December 2020. The Group continues assessing the effects of new standards and interpretations that are not yet effective and will disclose their known or reasonably estimable effects as soon as they become available.

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements were consistent with those made in the annual financial statements for the year ended 31 December 2020.

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of the same methodology, models and data inputs as at 31 December 2020. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

In order to provide objective information about the impact of the current macroeconomic environment and in line with the recommendations of the IASB and the European Banking Authority, the Group adjusted its approach to calculating macro-adjustments to the borrower's probability of default. Based on the most recent information, it used updated macroeconomic projections that represent the macroeconomic developments more accurately, increasing the macro-adjustments (multiplying coefficients).

To estimate ECLs due to significant changes in the economic environment and COVID-19 pandemic the Group used macro adjustments in relation to borrowers of certain industries which are more sensitive to impact of COVID-19 pandemic consequences in a range of 1.01 – 1.2 for PD and 1.05 – 1.2 for LGD. For individual loans the Group used macro adjustments in relation to borrowers of certain industries which are sensitive to impact of COVID-19 pandemic consequences in a range of 0.3% - 0.5%.

The Group takes the support measures prescribed by the Russian Government in April 2020 due to the COVID-19 pandemic and participates in all support programmes for small and medium businesses and for individuals proposed by the Russian Government to date. In addition to its participation in state programmes, the Group offers its own support measures for businesses and individuals, providing a broad range of benefits and anti-crisis programmes that would help the entrepreneurs not only maintain their business and withstand the consequences of the crisis, but also continue to work as the situation stabilizes.

At 31 March 2021, the Group provided support to individuals whose loans totalled RR 49 984 thousand. Loans to small and medium businesses that received support at 31 March 2021 totalled RR 2 059 861 thousand.

At 31 March 2021, the Group:

- applied reducing coefficients to expected future cash flows from corporate borrowers assessed on an individual basis;
- applied macro-adjustment coefficients to loans assessed on a collective (portfolio) basis, depending on the borrower's industry, and additional multiplying coefficients to borrowers that asked for subsidized products under COVID-19 programmes;
- applied additional increasing coefficients for loans to individuals assessed on a collective (portfolio) basis that asked for subsidized products under COVID-19 programmes.

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

A 10% increase or decrease in PD estimates at 31 March 2021 would result in an increase or decrease in total expected credit loss allowances of RR 82 398 thousand (31 December 2020: by RR 89 722 thousand).

A 10% increase or decrease in LGD estimates at 31 March 2021 would result in an increase or decrease in total expected credit loss allowances of RR 182 532 thousand (31 December 2020: by RR 162 925 thousand).

6. Loans to Customers and Finance Lease Receivables

The table below shows gross carrying value and credit loss allowance to loans to customers and finance lease receivables at amortised cost at 31 March 2021 and 31 December 2020:

<i>In thousands of Russian Roubles</i>	31 March 2021 (unaudited)	31 December 2020
Corporate loans	33 689 828	31 667 852
Loans to individuals – mortgage loans	42 694 331	41 928 550
Loans to individuals – consumer loans and car loans	16 204 032	16 284 433
Finance lease receivables	203 053	187 849
Total loans to customers and finance lease receivables before credit loss allowance	92 791 244	90 068 684
Expected credit loss allowance	(5 733 551)	(5 596 049)
Total loans to customers and finance lease receivables	87 057 693	84 472 635

The following tables disclose changes in credit loss allowance and gross carrying amount for loans to customers and finance lease receivables between the beginning and the end of the reporting period:

6. Loans to Customers and Finance Lease Receivables (Continued)

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Credit loss allowance			Total	Gross carrying amount			Total
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)		Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	
Corporate loans								
At 1 January 2021	368 206	659 138	1 896 004	2 923 348	27 153 556	1 652 189	2 862 107	31 667 852
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Issued to new and existing customers during the period	109 187	-	(11 141)	98 046	7 359 770	-	(13 190)	7 346 580
Transfers:				-				-
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(979)	979	-	-	(79 665)	79 665	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(7 133)	(643 938)	651 071	-	(257 834)	(1 306 655)	1 564 489	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	6 631	(6 631)	-	-	89 500	(89 500)	-	-
Repaid during the period	(50 930)	(3 413)	(155 716)	(210 059)	(4 924 220)	(82 727)	(166 877)	(5 173 824)
Changes due to transfers and changes in assumptions	(30 935)	142	487 765	456 973	86 395	2 521	62 630	151 546
Impact of exchange rate differences	-	-	15 447	15 447	-	-	20 885	20 885
Total movements with impact on credit loss allowance charge for the period	25 842	(652 861)	987 426	360 406	2 273 946	(1 396 696)	1 467 937	2 345 187
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	-	-	-	-	-	-
Assignment	-	-	(163 439)	(163 439)	-	-	(323 211)	(323 211)
Unwinding of discount in respect of ECL present value	-	-	84 119	84 119	-	-	-	-
At 31 March 2021	394 048	6 277	2 719 991	3 120 315	29 427 502	255 493	4 006 833	33 689 828
Recovery of loans previously written off	-	-	509	509				

6. Loans to Customers and Finance Lease Receivables (Continued)

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Mortgage loans								
At 1 January 2021	270 039	27 892	727 632	1 025 563	39 959 555	695 325	1 273 669	41 928 549
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Issued to new and existing customers during the period	20 330	-	766	21 096	3 232 827	-	1 480	3 234 307
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(1 089)	4 813	(3 724)	-	(172 129)	253 100	(80 971)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(18 272)	(51 351)	69 623	-	(35 296)	(99 195)	134 491	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	1 213	(1 089)	(124)	-	191 834	(172 129)	(19 705)	-
Repaid during the period	(6 328)	(251)	(59 726)	(66 305)	(937 530)	(9 804)	(90 028)	(1 037 362)
Changes to ECL measurement model assumptions	(9 647)	48 731	(72 586)	(33 502)	(1 444 499)	60 998	(41 954)	(1 425 455)
Total movements with impact on credit loss allowance charge for the period	(13 793)	853	(65 771)	(78 711)	835 207	32 970	(96 687)	771 490
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	(2 154)	(2 154)	-	-	(2 154)	(2 154)
Assignment	-	-	(640)	(640)	-	-	(3 554)	(3 554)
Unwinding of discount in respect of ECL present value	-	-	32 760	32 760	-	-	-	-
At 31 March 2021	256 246	28 745	659 067	944 058	40 794 762	728 295	1 171 274	42 694 331
Recovery of loans previously written off	-	-	35	35				

6. Loans to Customers and Finance Lease Receivables (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>(unaudited)</i>								
<i>In thousands of Russian Roubles</i>								
Consumer loans and car loans								
At 1 January 2021	264 693	12 077	1 368 940	1 645 710	14 437 188	285 485	1 561 760	16 284 433
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Issued to new and existing customers during the period	36 503	26	5	36 534	1 949 383	401	7	1 949 791
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(1 269)	1 682	(413)	-	(63 443)	75 535	(12 092)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(5 424)	(41 079)	46 503	-	(128 161)	(54 329)	182 490	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	1 701	(1 473)	(228)	-	62 611	(61 620)	(991)	-
Repaid during the period	(13 753)	(353)	(27 597)	(41 703)	(682 609)	(11 093)	(10 628)	(704 330)
Changes to ECL measurement model assumptions	(10 230)	39 806	(8 642)	20 935	(1 213 988)	42 250	(139 846)	(1 311 584)
Impact of exchange rate differences	32	-	-	32	-	-	-	-
Total movements with impact on credit loss allowance charge for the period	7 560	(1 391)	9 628	15 798	(76 207)	(8 856)	18 940	(66 123)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	9 548	9 548	-	-	(2 016)	(2 016)
Assignment	-	-	(3 702)	(3 702)	-	-	(12 262)	(12 262)
Unwinding of discount in respect of ECL present value	-	-	14 756	14 756	-	-	-	-
At 31 March 2021	272 253	10 686	1 384 415	1 667 354	14 360 981	276 629	1 566 422	16 204 032
Recovery of loans previously written off	-	-	7 935	7 935				

6. Loans to Customers and Finance Lease Receivables (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>								
Finance lease receivables								
At 1 January 2021	927	7	495	1 429	185 771	968	1 110	187 849
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Issued to new and existing customers during the period	206	-	-	206	42 800	-	-	42 800
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(2)	2	-	-	(510)	510	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	(6)	6	-	-	(968)	968	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
Repaid during the period	(122)	-	(1)	(123)	(27 405)	(3)	(188)	(27 596)
Changes to ECL measurement model assumptions	(33)	2	344	313	-	-	-	-
Total movements with impact on credit loss allowance charge for the period	49	(2)	349	396	14 885	(461)	780	15 204
<i>Movements without impact on credit loss allowance charge for the period:</i>	-	-	-	-	-	-	-	-
At 31 March 2021	976	5	844	1 825	200 656	507	1 890	203 053

6. Loans to Customers and Finance Lease Receivables (Continued)

The tables below show changes in credit loss allowance and gross carrying amount for loans to customers and finance lease receivables during three months of 2020:

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>								
Corporate loans								
At 1 January 2020	237 246	244 777	2 845 252	3 327 275	29 625 715	889 144	4 896 444	35 411 303
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Issued to new and existing customers during the period	70 508	56	1 071	71 635	8 120 534	6 886	1 981	8 129 401
Transfers:								
- to lifetime credit losses (from Stage 1 and Stage 3 to Stage 2)	(3 669)	3 669	-	-	(339 157)	339 157	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(3 263)	(246)	3 509	-	(230 966)	(10 552)	241 518	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	396	(396)	-	-	19 323	(19 323)	-	-
Repaid during the period	(27 541)	(32 518)	(108 516)	(168 575)	(6 078 764)	(29 289)	(192 274)	(6 300 327)
Changes to ECL measurement model assumptions	3 416	63 537	217 868	284 821	-	-	-	-
Changes in accrued interest, exchange differences and other movements	-	61 883	8 078	69 961	(11)	184 566	15 662	200 217
Total movements with impact on credit loss allowance charge for the period	39 847	95 985	122 010	257 842	1 490 959	471 445	66 887	2 029 291
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	-	-	-	-	-	-
Assignment	(2 865)	-	(266 809)	(269 674)	(11 865)	-	(433 309)	(445 174)
At 31 March 2020	274 228	340 762	2 700 453	3 315 443	31 104 809	1 360 589	4 530 022	36 995 420
Recovery of loans previously written off	-	-	3 502	3 502				

6. Loans to Customers and Finance Lease Receivables (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>								
Mortgage loans								
At 1 January 2020	203 988	28 963	766 053	999 004	34 542 942	656 099	1 259 432	36 458 473
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Issued to new and existing customers during the period	18 759	-	-	18 759	2 858 899	-	-	2 858 899
Transfers:								
- to lifetime credit losses (from Stage 1 and Stage 3 to Stage 2)	(1 820)	18 217	(16 397)	-	(277 342)	305 290	(27 948)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(74)	(4 864)	4 938	-	(11 243)	(98 141)	109 384	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	14 603	(8 089)	(6 514)	-	186 249	(175 145)	(11 104)	-
Repaid during the period	(11 853)	(545)	(53 774)	(66 172)	(1 813 174)	(16 950)	(81 680)	(1 911 804)
Changes to ECL measurement model assumptions	(20 568)	(5 512)	65 164	39 084	-	-	-	-
Changes in accrued interest, exchange differences and other movements	6	172	4 632	4 810	950	3 374	7 895	12 219
Total movements with impact on credit loss allowance charge for the period	(947)	(621)	(1 951)	(3 519)	944 339	18 428	(3 453)	959 314
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	-	-	-	-	-	-
Assignment	-	-	(174)	(174)	-	-	(8 303)	(8 303)
At 31 March 2020	203 041	28 342	763 928	995 311	35 487 281	674 527	1 247 676	37 409 484
Recovery of loans previously written off	-	-	92	92				

6. Loans to Customers and Finance Lease Receivables (Continued)

	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>								
Consumer loans and car loans								
At 1 January 2020	223 729	12 789	1 578 004	1 814 522	16 962 919	374 331	1 795 001	19 132 251
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Issued to new and existing customers during the period	28 595	-	-	28 595	1 953 578	-	-	1 953 578
Transfers:								
- to lifetime credit losses (from Stage 1 and Stage 3 to Stage 2)	(2 219)	17 185	(14 966)	-	(151 180)	170 268	(19 088)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(203)	(3 452)	3 655	-	(11 733)	(63 901)	75 634	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	3 716	(2 045)	(1 671)	-	70 586	(68 487)	(2 099)	-
Repaid during the period	(31 527)	(697)	(72 422)	(104 646)	(2 248 024)	(39 635)	(41 453)	(2 329 112)
Changes to ECL measurement model assumptions	1 565	(10 044)	74 051	65 572	-	-	-	-
Changes in accrued interest, exchange differences and other movements	(6)	51	9 572	9 617	(950)	1 727	11 471	12 248
Total movements with impact on credit loss allowance charge for the period	(79)	998	(1 781)	(862)	(387 723)	(28)	24 465	(363 286)
<i>Movements without impact on credit loss allowance charge for the period:</i>								
Write-offs	-	-	(856)	(856)	-	-	(425)	(425)
Assignment	-	-	(62 069)	(62 069)	-	-	(125 822)	(125 822)
At 31 March 2020	223 650	13 787	1 513 298	1 750 735	16 575 196	374 303	1 693 219	18 642 718
Recovery of loans previously written off	-	-	9 459	9 459				

6. Loans to Customers and Finance Lease Receivables (Continued)

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Credit loss allowance			Total	Gross carrying amount			Total
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)		Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	
Finance lease receivables								
At 1 January 2020	1 751	-	841	2 592	194 487	-	1 884	196 371
<i>Movements with impact on credit loss allowance charge for the period:</i>								
Issued to new and existing customers during the period	409	-	36	445	47 672	-	80	47 752
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	-	-	-	-	-	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
Repaid during the period	(252)	-	-	(252)	(32 826)	-	-	(32 826)
Changes in accrued interest, exchange differences and other movements	(62)	-	-	(62)	-	-	-	-
Total movements with impact on credit loss allowance charge for the period	95	-	36	131	14 846	-	80	14 926
<i>Movements without impact on credit loss allowance charge for the period:</i>	-	-	-	-	-	-	-	-
At 31 March 2020	1 846	-	877	2 723	209 333	-	1 964	211 297

6. Loans to Customers and Finance Lease Receivables (Continued)

The credit loss allowance for loans to customers and finance lease receivables recognised in the period is impacted by a variety of factors. Main movements disclosed above:

- Transfers between Stage 1, 2 and 3 due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes to model assumptions, including changes in PDs, EADs and LGDs in the period, arising from update of inputs to ECL models;
- Foreign exchange translations of assets denominated in foreign currencies and other movements;
- Write-offs of allowances related to assets that were written off during the period.

The credit quality of the loans carried at amortised cost is as follows at 31 March 2021:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Corporate loans				
- Excellent	11 695 475	-	-	11 695 475
- Good	17 732 027	218 777	-	17 950 804
- Satisfactory	-	36 716	-	36 716
- Special monitoring	-	-	1 034 931	1 034 931
- Default	-	-	2 971 902	2 971 902
Gross carrying amount	29 427 502	255 493	4 006 833	33 689 828
Credit loss allowance	(394 048)	(6 277)	(2 719 991)	(3 120 315)
Carrying amount	29 033 455	249 216	1 286 842	30 569 513

6. Loans to Customers and Finance Lease Receivables (Continued)

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Mortgage loans				
- Excellent	367 101	-	-	367 101
- Good	40 427 661	451 907	-	40 879 568
- Satisfactory	-	276 388	-	276 388
- Special monitoring	-	-	164 109	164 109
- Default	-	-	1 007 165	1 007 165
Gross carrying amount	40 794 762	728 295	1 171 274	42 694 331
Credit loss allowance	(256 246)	(28 745)	(659 067)	(944 058)
Carrying amount	40 538 516	699 550	512 207	41 750 273
Consumer loans and car loans				
- Excellent	215 197	-	-	215 197
- Good	14 145 784	91 174	-	14 236 958
- Satisfactory	-	185 455	-	185 455
- Special monitoring	-	-	101 430	101 430
- Default	-	-	1 464 992	1 464 992
Gross carrying amount	14 360 981	276 629	1 566 422	16 204 032
Credit loss allowance	(272 253)	(10 686)	(1 384 415)	(1 667 354)
Carrying amount	14 088 728	265 943	182 007	14 536 678
Finance lease receivables				
- Excellent	200 361	-	-	200 361
- Good	295	-	-	295
- Satisfactory	-	507	-	507
- Special monitoring	-	-	781	781
- Default	-	-	1 109	1 109
Gross carrying amount	200 656	507	1 890	203 053
Credit loss allowance	(976)	(5)	(844)	(1 825)
Carrying amount	199 680	502	1 046	201 228

6. Loans to Customers and Finance Lease Receivables (Continued)

The credit quality of the loans carried at amortised cost is as follows at 31 December 2020:

<i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Corporate loans				
- Excellent	10 724 403	-	-	10 724 403
- Good	16 429 153	212 099	-	16 641 252
- Satisfactory	-	1 440 090	-	1 440 090
- Special monitoring	-	-	-	-
- Default	-	-	2 862 107	2 862 107
Gross carrying amount	27 153 556	1 652 189	2 862 107	31 667 852
Credit loss allowance	(368 206)	(659 138)	(1 896 004)	(2 923 348)
Carrying amount	26 785 350	993 051	966 103	28 744 504
Mortgage loans				
- Excellent	419 788	-	-	419 788
- Good	39 532 275	474 582	-	40 006 857
- Satisfactory	-	220 743	-	220 743
- Special monitoring	-	-	-	-
- Default	-	-	1 281 162	1 281 162
Gross carrying amount	39 952 063	695 325	1 281 162	41 928 550
Credit loss allowance	(270 039)	(27 892)	(727 632)	(1 025 563)
Carrying amount	39 682 024	667 433	553 530	40 902 987

6. Loans to Customers and Finance Lease Receivables (Continued)

	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>In thousands of Russian Roubles</i>				
Consumer loans and car loans				
- Excellent	232 068	-	-	232 068
- Good	14 205 120	149 004	-	14 354 124
- Satisfactory	-	136 481	-	136 481
- Special monitoring	-	-	-	-
- Default	-	-	1 561 760	1 561 760
Gross carrying amount	14 437 188	285 485	1 561 760	16 284 433
Credit loss allowance	(264 693)	(12 077)	(1 368 940)	(1 645 710)
Carrying amount	14 172 495	273 408	192 820	14 638 723
<i>In thousands of Russian Roubles</i>				
Finance lease receivables				
- Excellent	184 422	-	-	184 422
- Good	1 349	-	-	1 349
- Satisfactory	-	968	-	968
- Special monitoring	-	-	-	-
- Default	-	-	1 110	1 110
Gross carrying amount	185 771	968	1 110	187 849
Credit loss allowance	(927)	(7)	(495)	(1 429)
Carrying amount	184 844	961	615	186 420

The credit risk classification by classes used in the tables above is based on the borrowers' credit quality scale developed by the Group.

6. Loans to Customers and Finance Lease Receivables (Continued)

Information about the assigned rights of claim on loans and financial leases is presented below:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Three months ended 31 March 2021	Three months ended 31 March 2020
Assigned balance rights of claim for loans to customers and finance leases	339 035	579 299
Provision for impairment of assigned claims	(167 781)	(331 917)
Sales price	171 254	247 382
Net result from assignment of balance rights of claim	-	-
Assigned rights of claim previously written off as uncollectible	1 175	-
Sales price	1 000	-
Net result from assignment of rights of claim previously written off as uncollectible	1 000	-

Economic sector risk concentrations within loans to customers and finance lease receivables are as follows:

<i>In thousands of Russian Roubles</i>	31 March 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals (total), incl.	58 898 363	63.5	58 212 983	64.7
mortgage loans	42 694 331	46.0	41 928 550	46.6
consumer loans	15 323 089	16.5	15 459 569	17.2
car loans	880 943	0.9	824 864	0.9
Agriculture	14 250 705	15.3	13 188 970	14.5
Trade	8 680 068	9.4	7 892 388	8.8
Manufacturing	4 294 603	4.6	4 020 084	4.5
Transport	2 212 631	2.4	2 234 571	2.5
Construction	1 184 185	1.3	1 452 857	1.6
Other	3 270 689	3.5	3 066 831	3.4
Total loans to customers and finance lease receivables before credit loss allowance	92 791 244	100.0	90 068 684	100.0

At 31 March 2021, the Group had 10 major groups of borrowers with aggregate loans amounting to RR 5 108 159 thousand, or 5.5% of loans to customers and finance lease receivables before credit loss allowance (31 December 2020: RR 5 064 615 thousand, or 5.6%).

The fair value of loans and advances to customers at 31 March 2021 and 31 December 2020 is disclosed in Note 18. Information on related party balances is disclosed in Note 19.

7. Customer Accounts

<i>In thousands of Russian Roubles</i>	31 March 2021 (unaudited)	31 December 2020
State and public organisations		
- Current/settlement accounts	296 015	201 182
- Term deposits	52 652	81 079
Other legal entities		
- Current/settlement accounts	21 098 847	21 536 217
- Term deposits	5 899 707	4 139 057
Individuals		
- Current/demand accounts	9 633 467	10 127 591
- Term deposits	61 654 749	63 128 606
Total customer accounts	98 635 437	99 213 732

7. Customer Accounts (Continued)

State and public organisations exclude government owned profit oriented businesses.

Economic sector concentrations within customer accounts are as follows:

<i>In thousands of Russian Roubles</i>	31 March 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals	71 288 216	72.3	73 256 197	73.8
Agriculture	10 102 954	10.2	7 161 662	7.2
Trade	5 290 118	5.4	6 263 019	6.3
Manufacturing	2 133 033	2.2	2 591 530	2.6
Construction	1 555 273	1.6	1 862 292	1.9
Transport	1 262 556	1.3	1 345 885	1.4
Other	7 003 287	7.0	6 733 147	6.8
Total customer accounts	98 635 437	100.0	99 213 732	100.0

At 31 March 2021, the total aggregate balance of 10 largest clients of the Group was RR 4 487 547 thousand, or 4.5% of total customer accounts (31 December 2020: RR 3 028 740 thousand, or 3.1% of total customer accounts).

8. Debt Securities in Issue

<i>In thousands of Russian Roubles</i>	31 March 2021 (unaudited)	31 December 2020
Bonds	1 224 464	1 219 315
Promissory notes	152 524	455 649
Total debt securities in issue	1 376 988	1 674 964

Each bond has a par value of RR 1,000 and an embedded put option at par value of the bond exercisable at the moment of coupon income change.

Issue	CIN-01P04	CIN-01P05	CIN-01P06	CIN-01P07
Par value, RR	1 000	1 000	1 000	1 000
Number	750 000	600 000	250 000	300 000
Initial placement date	April 2018	September 2018	November 2019	December 2020
Maturity	October 2021	March 2022	November 2020	December 2021
Next offer date	April 2020	September 2020	-	-
at 31 March 2021				
Number of bonds in issue	621 821	389 034	-	300 000
- including purchased by the subsidiary	2 408	2 293	-	1 523
Coupon rate, %	5.25	5.25	-	5.75
At 31 December 2020				
Number of bonds in issue	621 821	389 034	-	300 000
- including purchased by the subsidiary	2 508	-	-	1 523
Coupon rate, %	5.25	5.25	-	5.75

9. Borrowings from International Financial Institutions

The principal conditions of these loans are as follows:

	Currency	Rate of borrowing	Original issue date	Repayable in tranches by	Balance at 31 March 2021 (unaudited)	Balance at 31 December 2020
<i>In thousands of Russian Roubles</i>						
Borrowings from international financial institutions:						
Symbiotics SA	Russian Roubles	9.5%-10.0%	February 2019	March 2022	614 006	628 939
Black Sea Trade and Development Bank (Greece)	Russian Roubles	10.15%-10.56%	June 2017	March 2022	399 184	398 469
Total borrowings from international financial institutions					1 013 190	1 027 408
<i>Subordinated borrowings</i>						
ResponsAbility SICAV (Lux)	US Dollars	6.78%	March 2020	July 2025	753 366	747 312
Total subordinated borrowings					753 366	747 312
Total borrowings from international financial institutions and subordinated borrowings					1 766 546	1 774 720

10. Interest Income and Expense

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Three months ended 31 March 2021	Three months ended 31 March 2020
Interest income calculated using the effective interest method		
Corporate loans	696 283	846 377
Mortgage loans	857 203	876 626
Consumer loans and car loans	475 212	561 038
Short-term deposits with the Central Bank of the Russian Federation, amounts due from and accounts with other banks	173 223	212 220
Impaired loans	88 400	73 975
Total interest income calculated using the effective interest method	2 290 321	2 570 236
Financial income on lease	13 655	9 923
Total other interest income	13 655	9 923
Interest and other similar expense		
Term deposits and accounts of individuals	(801 457)	(1 223 537)
Borrowings from international financial institutions	(39 544)	(73 346)
Term deposits of legal entities	(41 319)	(30 030)
Current accounts of legal entities	(47 241)	(31 055)
Bonds in issue	(16 619)	(23 594)
Promissory notes issued	(3 131)	(10 357)
Lease liabilities	(3 137)	(3 012)
Total interest expense	(952 448)	(1 394 931)
Net interest income	1 351 528	1 185 228

11. Other operating income

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Three months ended 31 March 2021	Three months ended 31 March 2020
Sales revenue from agricultural produce	161 567	125 302
Proceeds from disposal of premises and equipment	1 052	31 825
Total other operating income	162 619	157 127

12. Dividends

By 31 March 2021, the Bank was not yet declared dividends for 2020 in connection with the holding of the General meeting of shareholders in June 2021.

By 31 March 2020, the Bank was not yet declared dividends for 2019 in connection with the holding of the General meeting of shareholders in June 2020.

In September 2020, the Bank declared dividends on preference shares for 2019 with a par value of RR 1 000 – RR 200 per share, on preference shares with a par value of RR 4 – RR 0.8 per share and on ordinary shares – RR 3.47 per share.

13. Administrative and Other Operating Expenses

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Three months ended 31 March 2021	Three months ended 31 March 2020
Salary	359 534	401 402
Maintenance and lease of premises and equipment	58 995	68 105
Consulting and information services	54 857	48 159
Depreciation of premises and equipment	48 195	47 788
Telecommunications and postal charges	27 768	14 305
Taxes other than on income	19 794	16 164
Amortisation of intangible assets	17 966	15 721
Repair of premises and equipment	8 335	9 790
Advertising and marketing services	7 050	6 079
Stationary	6 059	7 201
Other staff costs	5 346	9 519
Maintenance and repair of motor vehicles	3 675	4 045
Insurance	3 630	12 306
Security	3 619	7 266
Business trip and entertaining costs	2 431	3 769
Benefits paid to the Board of Directors	706	2 573
Other	10 829	18 940
Total administrative and other operating expenses	638 789	693 132

14. Financial Risk Management

The Group manages the whole range of risks it faces in the course of its operations. The focus is placed on the following risks: credit risk (including credit risk arising on interbank transactions, securities transactions and retail and corporate sectors), market risk (including currency, equity and interest rate risks), liquidity risk, operational risk, concentration risk, reputational risk, strategic risk, compliance risks, macroeconomic and political risks (including regional, banking industry, country and global economic risks) and key man risk.

Goals, policy and procedures of financial risk management and risk assessment methodologies applied by the Group during three months ended 31 March 2021 substantively comply with goals, policy and procedures applied in 2020.

Currency risk. The Group is exposed to currency risk associated with losses resulting from fluctuations of market values of open positions in different currencies. Exposure to currency risk is evaluated on the basis of VaR. The size of the currency position is regulated through matching assets and liabilities balances in foreign currencies. The Group seeks to decrease the open currency position, thereby decreasing its exposure to currency risk. The Bank manages its currency position by using currency swaps and forwards in the interbank market and other transactions. The Group is not exposed to the risks associated with changes in precious metals' prices due to the absence of such transactions.

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 March 2021 and at 31 December 2020:

	31 March 2021 (unaudited)			31 December 2020		
<i>In thousands of Russian Roubles</i>	Financial assets	Financial liabilities	Net position	Financial assets	Financial liabilities	Net position
Russian Roubles	107 741 315	(98 597 336)	9 143 979	108 550 099	(99 750 093)	8 800 006
US Dollars	2 802 799	(2 770 202)	32 597	2 687 721	(2 635 708)	52 013
Euro	946 581	(859 772)	86 809	836 967	(739 848)	97 119
Other	85 549	(51 701)	33 848	74 959	(26 489)	48 470
Total	111 576 244	(102 279 011)	9 297 233	112 149 746	(103 152 138)	8 997 608

14. Financial Risk Management (Continued)

The above analysis includes only monetary assets and liabilities. The Group's management believes that investments in equities and non-monetary assets will not give rise to any material currency risk.

Liquidity risk. The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Liquidity risk is determined as the risk of facing difficulties associated with the transformation of assets into cash required for repayment of liabilities upon maturity, the real cost of the asset remaining unchanged.

The Asset and Liability Committee of the Bank is a regulatory and consultative body in charge of liquidity risk management. It coordinates actions of the Bank's units that have a direct or indirect impact on liquidity and cooperates with the Credit Committee in respect of liquidity issues.

Operational liquidity management is carried out by the Bank's Treasury on a daily basis through maintaining the overall liquidity reserve, consisting of balances on the Bank's correspondent accounts, cash on hand, due from other banks – primary liquidity reserve, and high liquid securities – secondary liquidity reserve. The Treasury monitors the Bank's payment position on a daily basis.

The analysis presented below is based on expected maturities. Therefore, a part of customer accounts was categorised as later maturities because diversification of customer accounts by size and type of balances and constant inflow of new balances shows that customer accounts represent a long-term and stable source of finance. The expected negative gap in the table above is planned to be covered by further attraction of customer funds. The Bank also has open credit lines with the CBRF that can be used in case of the need.

14. Financial Risk Management (Continued)

Liquidity risk. The Group monitors expected maturities, which may be summarised as follows at 31 March 2021:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	No defined maturity	Total
Assets								
Cash and cash equivalents	10 755 575	-	-	-	-	-	-	10 755 575
Mandatory cash balances with the Central Bank of the Russian Federation	759 604	-	-	-	-	-	-	759 604
Due from other banks	12 000 000	-	-	-	-	-	-	12 000 000
Loans to customers and finance lease receivables	1 747 284	2 386 990	6 111 121	12 958 117	11 060 494	52 793 687	-	87 057 693
Investment in associate	-	-	-	-	-	-	302 515	302 515
Investment property	-	-	-	-	862 007	-	285 696	1 147 703
Premises, equipment and intangible assets	-	-	-	-	-	-	3 407 125	3 407 125
Right-of-use assets	3 820	14 117	26 004	39 669	18 198	-	-	101 808
Other financial assets	812 234	101 812	2 910	-	80 410	-	6 006	1 003 372
Other assets	59 238	67 457	161 516	113 945	857 804	-	-	1 259 960
Total assets	26 137 755	2 570 376	6 301 551	13 111 731	12 878 913	52 793 687	4 001 342	117 795 355
Liabilities								
Customer accounts	7 075 789	2 793 148	2 536 234	11 245 003	74 985 263	-	-	98 635 437
Debt securities in issue	127 921	2 502	402 556	844 009	-	-	-	1 376 988
Borrowings from international financial institutions	-	534 142	1 717	477 331	-	-	-	1 013 190
Subordinated debt	-	-	-	2 221	-	751 145	-	753 366
Other financial liabilities	211 325	159 317	-	14 867	-	-	-	385 509
Lease liabilities	58 463	-	6 341	108 269	129 602	-	-	302 675
Lease liabilities	4 245	15 685	28 893	44 077	21 621	-	-	114 521
Current income tax liability	10 367	-	-	-	-	-	-	10 367
Total potential future payments for financial liabilities	7 488 109	3 504 794	2 975 741	12 735 777	75 136 486	751 145	-	102 592 052
Liquidity gap arising from financial instruments at 31 March 2021	18 649 646	(934 418)	3 325 810	375 954	(62 257 573)	52 042 542	4 001 342	15 203 303
Cumulative liquidity gap at 31 March 2021	18 649 646	17 715 228	21 041 038	21 416 992	(40 840 581)	11 201 961	15 203 303	

14. Financial Risk Management (Continued)

The maturity analysis at 31 December 2020 is as follows:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	No defined maturity	Total
Assets								
Cash and cash equivalents	11 100 866	-	-	-	-	-	-	11 100 866
Mandatory cash balances with the Central Bank of the Russian Federation	761 907	-	-	-	-	-	-	761 907
Due from other banks	15 001 700	-	-	-	-	-	-	15 001 700
Loans to customers and finance lease receivables	1 695 869	3 588 566	4 013 058	12 424 106	8 572 153	54 178 883	-	84 472 635
Investment in associate	-	-	-	-	-	-	286 470	286 470
Investment property	-	-	-	-	889 849	-	294 443	1 184 292
Premises, equipment and intangible assets	-	-	-	-	-	-	3 316 246	3 316 246
Right-of-use assets	5 115	15 292	30 547	59 648	4 935	-	-	115 537
Other financial assets	638 136	98 410	8 932	-	61 154	-	6 006	812 638
Other assets	87 031	66 979	179 763	22 020	890 441	-	-	1 246 234
Total assets	29 290 624	3 769 247	4 232 300	12 505 774	10 418 532	54 178 883	3 903 165	118 298 525
Liabilities								
Customer accounts	7 327 258	2 082 427	2 757 902	3 783 208	57 121 454	-	-	99 213 732
Debt securities in issue	427 309	2 609	619 297	625 749	-	-	-	1 674 964
Borrowings from international financial institutions	-	21 818	529 321	196 513	279 756	-	-	1 027 408
Subordinated debt	-	-	14 791	-	-	732 521	-	747 312
Other financial liabilities	-	44 923	12 391	99 244	46 244	10 780	-	361 582
Other liabilities	58 949	176 103	33	46 643	55 905	-	-	337 633
Lease liabilities	5 245	15 821	32 010	63 911	10 153	-	-	127 140
Current income tax liability	36 708	-	-	-	-	-	-	36 708
Deferred income tax liability	-	-	-	-	-	-	1 272	1 272
Total potential future payments for financial liabilities	8 003 469	2 343 701	3 965 745	4 815 268	83 654 995	743 301	1 272	103 527 751
Liquidity gap arising from financial instruments at 31 December 2020	21 287 155	1 425 546	266 555	7 690 506	(73 236 463)	53 435 582	3 901 893	14 770 774
Cumulative liquidity gap at 31 December 2020	21 287 155	22 712 701	22 979 256	30 669 762	(42 566 701)	10 868 881	14 770 774	

15. Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person – or group of persons – who allocates resources and assesses the performance for the entity. The functions of the chief operating decision maker (CODM) are performed by the Executive Board of the Bank.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of the following main business segments:

- Lending – representing retail and corporate lending services, leasing, factoring and bank guarantees issued.
- Treasury – representing financial instruments trading, borrowings on domestic and international markets, management of liquidity and foreign currency position of the Group, settlement and current accounts, corporate deposits.
- Retail banking – representing private banking services to individuals, settlement accounts, deposits, investment savings products, custody, credit and debit cards, municipal payments. This segment does not include loans to individuals other than lending through plastic cards.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different customers. They are managed separately because each business unit requires different marketing strategies and service level.

The Group has identified the following operating segments: lending activities, leasing, retail banking, securities, treasury, correspondent and current accounts, and plastic cards. Lending and leasing have been aggregated into one reportable segment – lending. Correspondent and current accounts, securities and treasury have been aggregated into one reportable segment – treasury. Retail banking and plastic cards have been aggregated into one segment – retail banking.

In addition, the Bank's Executive Board reviews the major categories of general and administrative expenses, however, these expenses are not allocated to the above segments and they are not taken into consideration in allocating resources to segments and assessing their performance.

(c) Measurement of operating segment profit or loss, assets and liabilities

The Executive Board reviews financial information prepared based on Russian Accounting Standards adjusted to meet the requirements of internal reporting. Such financial information differs in certain aspects from International Financial Reporting Standards:

- for operating decisions, the latest non-consolidated statement not adjusted for subsequent events is used;
- income taxes are not allocated to segments;
- loan provisions are recognised based on management judgement and availability of information, rather than based on the ECL model prescribed in IFRS 9;
- commission income related to lending and commission expenses on borrowings are recognised immediately rather than deferred using the effective interest method;
- finance income arising from leasing is recognised as services provided, advances from lessees are recognised as income pro rata during the period of the leasing agreement;
- funds are generally reallocated between segments ignoring internal interest rates.

15. Segment Analysis (Continued)
(d) Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for three months ended 31 March 2021 is set out below:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Lending and leasing	Treasury	Retail banking	Total
Three months ended 31 March 2021				
<i>External revenues:</i>				
Interest income	2 065 756	173 223	8 818	2 247 797
Fee and commission income and other operating income	87 685	318 537	101 793	508 015
Total income	2 153 441	491 760	110 611	2 755 812
Interest expense	-	(146 653)	(814 236)	(960 889)
Impairment loss provision	106 154	7 811	(2 900)	111 065
Fee and commission expenses and other expenses	(179 968)	(72 007)	(38 483)	(290 458)
Segment result	2 079 627	280 911	(745 008)	1 615 530
Total segment assets	88 614 077	12 125 439	-	100 739 516
Total segment liabilities	-	(21 322 125)	(80 589 401)	(101 911 526)

Segment information for the reportable segments for three months ended 31 March 2020 is set out below:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Lending and leasing	Treasury	Retail banking	Total
Three months ended 31 March 2020				
<i>External revenues:</i>				
Interest income	2 320 732	212 219	12 928	2 545 879
Fee and commission income and other operating income	78 691	305 424	156 896	541 011
Total income	2 399 423	517 643	169 824	3 086 890
Interest expense	-	(165 713)	(1 246 716)	(1 412 429)
Impairment loss provision	287 490	4 976	(3 346)	289 120
Fee and commission expenses and other expenses	(340 740)	(22 736)	(83 379)	(446 855)
Segment result	2 346 173	334 170	(1 163 617)	1 516 726
Total segment assets	88 937 885	195 169	-	89 133 054
Total segment liabilities	-	(17 118 803)	(84 706 006)	(101 824 809)

15. Segment Analysis (Continued)
(e) Reconciliation of reportable segment profit or loss, assets and liabilities

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Three months ended 31 March 2021	Three months ended 31 March 2020
Total revenues for reportable segments	2 755 812	3 086 890
Recognition of additional interest income on impaired loans	(9 894)	(1 394)
Foreign exchange translation (losses less gains) / gains less losses	(4 663)	(18 199)
(Losses less gains) / gains less losses from conversion operations on interbank market	(990)	5 361
Consolidation effect	23 033	25 406
Joint-Stock Company Ptitsefabrika Belokalitvinskaya	161 382	90 038
Other	(29)	(7 436)
Total consolidated revenues	2 924 661	3 180 666

Total consolidated revenues comprise interest income, fee and commission income, gains less losses on transactions with trading securities, foreign currency, income from assignment, repayment of debt earlier written off and other operating income.

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Three months ended 31 March 2021	Three months ended 31 March 2020
Total reportable segment result	1 615 530	1 516 726
Administrative expenses	(683 805)	(799 017)
Fair value remeasurement of financial assets and liabilities	-	-
Recognition of additional interest income on impaired loans	(9 895)	(1 394)
Remeasurement of provision for impairment	(203 166)	(400 475)
Consolidation effect	20 026	23 548
Joint-Stock Company Ptitsefabrika Belokalitvinskaya	7 181	133 451
Events after the end of the reporting period	(116 472)	(88 346)
Amortisation remeasurement	6 090	7 890
Other	(67 469)	79 805
Profit before tax	568 020	472 188

15. Segment Analysis (Continued)

(e) Reconciliation of reportable segment profit or loss, assets and liabilities (Continued)

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Three months ended 31 March 2021	Three months ended 31 March 2020
Total reportable segment assets	100 739 516	101 133 214
Unallocated assets	18 259 223	18 366 369
Remeasurement of provision for impairment	(189 316)	(218 912)
Application of effective interest rate method to fee and commission income	(55 241)	(22 061)
Finance lease adjustment	(2 789)	(3 450)
Consolidation effect	211 093	190 351
Joint-Stock Company Ptitsefabrika Belokalitvinskaya	(1 073 372)	(1 056 047)
Other	(93 760)	(90 939)
Total consolidated assets	117 795 355	118 298 525
Total reportable segment liabilities	101 911 526	102 826 617
Unallocated liabilities	862 726	889 998
Application of effective interest rate method to fee and commission expenses	(9 911)	(11 759)
Consolidation effect	(171 871)	(173 585)
Joint-Stock Company Ptitsefabrika Belokalitvinskaya	(418)	(3 520)
Total consolidated liabilities	102 592 052	103 527 751

Unallocated assets include cash, premises and equipment and intangible assets, investment properties and other assets, unallocated liabilities – other liabilities.

(f) Major customers

The Group does not have customers, revenues from which exceed 10% of the total revenues.

16. Management of Capital

The Group's objectives when managing capital are: (i) to comply with the capital requirements set by the Central Bank of the Russian Federation, (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve a capital adequacy ratio based on the Basel Accord of at least 8%. Compliance with capital adequacy ratios set by the Central Bank of the Russian Federation is monitored monthly, with reports outlining their calculation reviewed and signed by the Bank's Chairman of the Executive Board and Chief Accountant. Other objectives of capital management are evaluated annually.

The Group and the Bank are also subject to minimum capital requirements established by covenants stated in loan agreements, including capital adequacy levels calculated in accordance with the requirements of the Basel Accord, as defined in the International Convergence of Capital Measurement and Capital Standards (updated in April 1998) and the Amendment to the Capital Accord to incorporate market risks (updated in November 2005), commonly known as Basel I. The composition of the Group's capital calculated in accordance with Basel I is as follows:

16. Management of Capital (Continued)

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	31 March 2021	31 December 2020
<i>Tier 1 capital</i>		
Share capital	1 326 277	1 326 277
Share premium	2 078 860	2 078 860
Retained earnings	10 872 930	10 436 456
Non-controlling interest	(139 052)	(135 107)
Total tier 1 capital	14 139 015	13 706 486
<i>Tier 2 capital</i>		
Revaluation reserve for land and premises	1 064 288	1 064 288
Subordinated debt	658 610	679 656
Total tier 2 capital	1 722 898	1 743 944
Total equity	15 861 913	15 450 430
Risk-weighted assets	75 527 366	72 753 813
Capital adequacy	21.0%	21.2%

When calculating the total capital required, the Bank uses the CBRF methodology set by the Instruction of CBRF No. 199-I dated 29 November 2019 "On mandatory ratios and additions to capital adequacy ratios for banks holding a universal license" and the Provision of the CBRF to calculate own funds (capital) of the Bank.

At 31 March 2021 and 31 December 2020 Bank comply with regulatory capital requirements in accordance with the Instruction of CBRF No. 199-I dated 29 November 2019 "On mandatory ratios and additions to capital adequacy ratios for banks holding a universal license".

Base capital adequacy ratios are as follows:

<i>(%)</i>	Base capital adequacy ratio	31 March 2021	31 December 2020
Ratio N1.1 (%)	4,5%	9,4%	9,7%
Ratio N1.2 (%)	6%	9,4%	9,7%
Ratio N1.0 (%)	8%	13,0%	13,1%

17. Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Group may be received. At 31 March 2021, the Group was engaged in litigation proceedings in relation to claims from borrowers and lessees. Provision for such proceedings was made in the amount of RR 2 125 thousand (31 December 2020: RR 2 561 thousand), as professional advice has indicated that it is likely that a loss will eventuate.

Tax contingencies. Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

17. Contingencies and Commitments (Continued)

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. This legislation provides for the possibility of additional tax liability assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. Management has implemented internal controls to be in compliance with this transfer pricing legislation.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

In addition to the above matters, management estimates that the Group has other possible obligations from exposure to other than remote tax risks of RR 31 148 thousand (2020: RR 31 148 thousand). These tax risks primarily relate to potential additional calculation of income tax on income of foreign entities, which the Bank should have charged as a tax agent when making interest payments to non-resident banks under interest-bearing loans received in previous periods.

These exposures are estimates that result from uncertainties in interpretation of applicable legislation and related documentation requirements. Management will vigorously defend the Group's positions and interpretations that were applied in determining taxes recognised in these consolidated financial statements if these are challenged by the authorities.

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans or borrowings.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

An analysis of credit related commitments by credit quality based on credit risk stages at 31 March 2021 is as follows.

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to:				
- legal entities	5 937 847	217	5 206	5 943 270
- individuals	1 478 774	-	37	1 478 811
Financial guarantees issued	1 530 061	-	12 963	1 543 024
Unrecognised gross amount	8 946 682	217	18 206	8 965 105
Provision for credit related commitments	(154 839)	(9)	(10 385)	(165 233)

17. Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk stages at 31 December 2020 is as follows.

<i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to:				
- legal entities	6 222 922	964	912	6 224 798
- individuals	1 495 941	-	37	1 495 978
Financial guarantees issued	1 174 304	-	-	1 174 304
Unrecognised gross amount	8 893 167	964	949	8 895 080
Provision for credit related commitments	(172 938)	(20)	(510)	(173 468)

17. Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 31 March 2021 is as follows.

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to legal entities				
- Excellent	2 721 215	-	-	2 721 215
- Good	3 216 632	217	-	3 216 849
- Satisfactory	-	-	-	-
- Special monitoring	-	-	5 206	5 206
Gross carrying amount	5 937 847	217	5 206	5 943 270
Credit loss allowance	(102 649)	(9)	(2 948)	(105 606)
Carrying amount	5 835 198	208	2 258	5 837 664
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to individuals				
- Excellent	25 480	-	-	25 480
- Good	1 453 294	-	-	1 453 294
- Satisfactory	-	-	-	-
- Special monitoring	-	-	37	37
Gross carrying amount	1 478 774	-	37	1 478 811
Credit loss allowance	(48 940)	-	-	(48 940)
Carrying amount	1 429 834	-	37	1 429 871

At 31 March 2021, financial guarantees issued are classified into Stage 1 (12-month ECLs) for ECL measurement purposes include RR 1 148 536 thousand ("excellent" level) and RR 381 525 thousand ("good" level). Credit loss allowance for financial guarantees issued at 31 March 2021 amounts to RR 10 687 thousand.

17. Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 31 December 2020 is as follows.

<i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to legal entities				
- Excellent	2 701 063	-	-	2 701 063
- Good	3 521 859	896	-	3 522 755
- Satisfactory	-	68	-	68
- Special monitoring	-	-	912	912
Gross carrying amount	6 222 922	964	912	6 224 798
Credit loss allowance	(111 157)	(20)	(510)	(111 687)
Carrying amount	6 111 765	944	402	6 113 111
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to individuals				
- Excellent	24 859	-	-	24 859
- Good	1 467 821	-	-	1 467 821
- Satisfactory	-	-	-	-
- Special monitoring	-	-	37	37
Gross carrying amount	1 495 941	-	37	1 495 978
Credit loss allowance	(58 863)	-	-	(58 863)
Carrying amount	1 437 078	-	37	1 437 115

At 31 December 2020, financial guarantees issued are classified into Stage 1 (12-month ECLs) for ECL measurement purposes include RR 747 192 thousand ("excellent" level) and RR 427 112 thousand ("good" level). Credit loss allowance for financial guarantees issued at 31 December 2020 amounts to RR 2 918 thousand.

All undrawn credit facilities can be automatically closed upon failure by the borrower to meet the requirements of the loan agreement. The fair value of such commitments is equal to zero.

Assets pledged and restricted. At 31 March 2021, due from other banks balances and overnight deposits with other banks of RR 64 347 thousand (31 December 2020: RR 62 794 thousand) are placed as a cover for international payment cards transactions. In addition, mandatory cash balances with the CBRF of RR 759 604 thousand (31 December 2020: RR 761 907 thousand) represent mandatory reserve deposits which are not available to finance the Bank's day to day operations.

Compliance with covenants. The Group is subject to certain covenants primarily relating to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and a claim on early repayment of the loan. The Group was in compliance with covenants at 31 March 2021 and 31 December 2020.

18. Fair Value

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

(a) Recurring fair value measurements

Recurring fair value measurements are those that the other IFRS require or permit in the condensed consolidated interim statement of financial position at the end of each reporting period. The levels in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows.

<i>In thousands of Russian Roubles</i>	31 March 2021 (unaudited)				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets at fair value								
Financial assets								
Other financial assets								
- Other securities at FVTPL	-	-	6 016	6 016	-	-	6 006	6 006
Non-financial assets								
- Investment properties	-	-	1 147 703	1 147 703	-	-	1 184 292	1 184 292
- Premises and land			2 354 639	2 354 639	-	-	2 498 868	2 498 868
Total assets recurring fair value measurements	-	-	3 508 348	3 508 348	-	-	3 689 166	3 689 166

(b) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value are as follows:

<i>(unaudited) In thousands of Russian Roubles</i>	31 March 2021			Carrying amount
	Level 1	Level 2	Level 3	
FINANCIAL ASSETS				
Cash and cash equivalents	10 755 575	-	-	10 755 575
Mandatory cash balances with the Central Bank of the Russian Federation	-	759 604	-	759 604
Due from other banks	-	12 000 000	-	12 000 000
Loans and advances to customers	-	-	89 002 777	86 856 465
- Corporate loans	-	-	30 561 015	30 569 513
- Loans to individuals – consumer and car loans	-	-	14 668 553	14 536 679
- Mortgage loans	-	-	43 773 209	41 750 273
Finance lease receivables	-	-	210 991	201 228
Other financial assets	-	-	997 366	997 366
TOTAL	10 755 575	12 759 604	90 211 134	111 570 238

18. Fair Value (Continued)
**(b) Assets and liabilities not measured at fair value but for which fair value is disclosed
(Continued)**

<i>In thousands of Russian Roubles</i>	31 December 2020			Carrying amount
	Level 1	Level 2	Level 3	
FINANCIAL ASSETS				
Cash and cash equivalents	11 100 866	-	-	11 100 866
Mandatory cash balances with the Central Bank of the Russian Federation	-	761 907	-	761 907
Due from other banks	-	15 001 700	-	15 001 700
Loans and advances to customers	-	-	88 697 950	84 286 215
- <i>Corporate loans</i>	-	-	28 767 897	28 744 505
- <i>Loans to individuals – consumer and car loans</i>	-	-	14 997 897	14 638 723
- <i>Mortgage loans</i>	-	-	44 932 156	40 902 987
Finance lease receivables	-	-	197 964	186 420
Other financial assets	-	-	806 632	806 632
TOTAL	11 100 866	15 763 607	89 702 546	112 143 740

Fair values analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value are as follows:

<i>(unaudited) In thousands of Russian Roubles</i>	31 March 2021			Carrying amount
	Level 1	Level 2	Level 3	
FINANCIAL LIABILITIES				
Customer accounts	-	99 583 602	-	98 635 437
Debt securities in issue	-	1 224 464	152 524	1 376 988
- <i>Promissory notes</i>	-	-	152 524	152 524
- <i>Bonds issued on domestic market</i>	-	1 224 464	-	1 224 464
Borrowings from international financial institutions	-	1 014 307	-	1 013 190
Subordinated loan	-	-	753 109	753 109
Other financial liabilities	-	-	385 509	385 509
TOTAL	-	101 822 373	1 291 142	102 164 490

<i>In thousands of Russian Roubles</i>	31 December 2020			Carrying amount
	Level 1	Level 2	Level 3	
FINANCIAL LIABILITIES				
Customer accounts	-	100 214 969	-	99 213 732
Debt securities in issue	-	1 230 595	455 690	1 674 964
- <i>Promissory notes</i>	-	-	455 690	455 649
- <i>Bonds issued on domestic market</i>	-	1 230 595	-	1 219 315
Borrowings from international financial institutions	-	1 028 641	-	1 027 408
Subordinated loan	-	-	745 839	747 312
Other financial liabilities	-	-	361 582	361 582
TOTAL	-	102 474 205	1 563 381	103 024 998

The Group's liabilities to its customers are subject to state deposit insurance scheme as described in Note 10. **Ошибка! Источник ссылки не найден..** The fair value of these liabilities reflects these credit enhancements.

19. Related Party Transactions

For the purpose of this condensed consolidated interim financial information, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's policy is to lend funds to related parties if they have an appropriate credit history and provide sufficient guarantees from third parties or pledge collateral valued in excess of the committed credit lines.

The condensed consolidated interim financial information of the Group includes the following transactions and balances with related parties

	31 March 2021		
	Major shareholders	Associate	Executive Board and Board of Directors
<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>			
Correspondent accounts with banks	310 818	-	-
Gross amount of loans and advances to customers (contractual interest rate: 6.0-13.5%)	-	-	10 553
Customer accounts (contractual interest rate: 0.01% – 6.00%)	-	86 963	96 946
Subordinated borrowings (contractual interest rate 6.70%)	753 366	-	-
Bonds issued (coupon rate: 5.25%-8.0%)	-	-	41 712

	31 December 2020		
	Major shareholders	Associate	Executive Board and Board of Directors
<i>In thousands of Russian Roubles</i>			
Correspondent accounts with banks	34 706	-	-
Gross amount of loans and advances to customers (contractual interest rate: 8.0%-13.5%)	-	-	11 441
Customer accounts (contractual interest rate: 0.01% – 7.25%)	-	31 674	101 478
Subordinated borrowings (contractual interest rate 7.32%)	747 312	-	-
Bonds issued (coupon rate: 5.25%-8.0%)	-	-	30 549

	Three months ended 31 March 2021		
	Major shareholders	Associate	Executive Board and Board of Directors
<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>			
Interest income	-	-	296
Interest expense	(18 416)	(419)	(1 254)
Fee and commission income	-	99	5

	Three months ended 31 March 2020		
	Major shareholders	Associate	Executive Board and Board of Directors
<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>			
Interest income	-	66	381
Interest expense	(35 944)	(307)	(1 617)
Fee and commission income	-	75	7
Administrative expenses excluding management remuneration	-	-	(1 417)

19. Related Party Transactions (Continued)

Major shareholders mean shareholders holding over five percent of the Bank's voting shares. The major shareholders of the Bank at 31 March 2021 and 31 December 2020 are as follows:

Shareholder	31 March 2021		31 December 2020	
	Equity share, %	Voting rights, %	Equity share, %	Voting rights, %
European Bank for Reconstruction and Development	17.82	19.74	17.82	19.74
DEG (Deutsche Investitions und Entwicklungsgesellschaft GmbH)	14.57	16.14	14.57	16.14
Vasiliy Vasilievich Vysokov	11.10	12.30	11.10	12.30
Tatiana Nikolaevna Vysokova	10.96	12.13	10.96	12.13
ResponsAbility Participations AG, ResponsAbility SICAV (Lux)	9.05	10.03	9.05	10.03
Micro and SME Finance Leaders	9.09	9.01	9.09	9.01
Erste Bank	8.22	9.11	8.22	9.11
Firebird Funds	6.77	7.49	6.77	7.49

Compensation paid to members of the Executive Board and Board of Directors is presented below:

(unaudited) In thousands of Russian Roubles	Three months ended 31 March 2021		Three months ended 31 March 2020	
	Expense	Accrued liability	Expense	Accrued liability
<i>Short-term benefits:</i>				
- Salaries	7 376	-	6 043	-
- Short-term and other bonuses	-	-	797	-
<i>Long-term bonus scheme</i>	19 400	20 400	13 560	-
Total	26 776	20 400	20 400	-

Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

Benefits paid to the key management personnel of the subsidiaries for three months ended 31 March 2021 were RR 599 thousand (three months ended 31 March 2020: RR 593 thousand).

At 31 March 2021, the Group's Board of Directors consisted of seven persons and its Executive Board included seven persons.

At 31 December 2020, the Group's Board of Directors consisted of seven persons and its Executive Board included seven persons.