



CENTER-INVEST BANK GROUP

**International Financial Reporting Standards
Condensed Consolidated Interim
Financial Information
for the six months ended 30 June 2021 (unaudited)
and Independent Auditors' Report on Review**

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders and Board of Directors of PAO CB “Center-invest”

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of PAO CB “Center-invest” (the “Bank”) and its subsidiaries (the “Group”) as at 30 June 2021, the related condensed consolidated interim statements of profit or loss and other comprehensive income for the three- and six-month periods then ended, and the related condensed consolidated interim statements of changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial information (the “condensed consolidated interim financial information”). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information as at 30 June 2021 and for the three- and six-month periods then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Reviewed entity: PAO CB “Center-invest”.
Registration No. in the Unified State Register of Legal Entities: No. 1026100001949.
Rostov-on-Don, Russia.

Audit firm: JSC “KPMG”, a company incorporated under the Laws of the Russian Federation.

Registration number in the Unified State Register of Legal Entities: No. 1027700125628.

Member of the Self-regulatory Organization of Auditors Association “Sodruzhestvo” (SRO AAS). Principal registration number of the entry in the Register of Auditors and Audit Organizations: No. 12006020351.



PAO CB "Center-invest"

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Other Matter

The condensed consolidated interim financial information as at 30 June 2020 and for the three- and six-month periods then ended was reviewed by other auditors whose report dated 31 August 2020 was unmodified.



Tatarinova E.V.

JSC "KPMG"
Moscow, Russia

24 August 2021

<i>(In thousands of Russian Roubles)</i>	Note	30 June 2021 (unaudited)	31 December 2020
ASSETS			
Cash and cash equivalents		10 212 011	11 100 866
Mandatory cash balances with the Central Bank of the Russian Federation		724 704	761 907
Due from other banks		2 100 000	15 001 700
Loans to customers and finance lease receivables	6	93 015 224	84 472 635
Investment in associate		298 150	286 470
Investment properties		994 893	1 184 292
Premises, equipment and intangible assets		3 347 710	3 316 246
Right-of-use assets		96 275	115 537
Other financial assets		859 440	812 638
Other assets		1 057 745	1 246 234
Current income tax prepayment		7 226	-
TOTAL ASSETS		112 713 378	118 298 525
LIABILITIES			
Customer accounts	7	92 879 209	99 213 732
Debt securities in issue	8	2 260 041	1 674 964
Borrowings from international financial institutions	9	488 453	1 027 408
Subordinated borrowings	9	732 407	747 312
Other financial liabilities		356 856	361 582
Other liabilities		278 355	337 633
Lease liabilities		109 760	127 140
Dividends payable	11	344 369	-
Deferred income tax liability		5 702	1 272
Current income tax liabilities		-	36 708
TOTAL LIABILITIES		97 455 152	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		1 051 704	1 064 288
Retained earnings		10 947 599	10 436 456
Equity attributable to the Bank's shareholders		15 404 440	14 905 881
Non-controlling interest		(146 214)	(135 107)
TOTAL EQUITY		15 258 226	14 770 774
TOTAL LIABILITIES AND EQUITY		112 713 378	118 298 525

Approved for issue and signed on 24 August 2021.

S. Yu. Smirnov

Deputy Chairman of the Management Board
on the Finance, Reporting and Analytics



Yu. G. Krotova

Deputy Chief Accountant

<i>(unaudited)</i>		Six months ended 30 June		Three months ended 30 June	
<i>In thousands of Russian Roubles</i>	Note	2021	2020	2021	2020
Interest income calculated using the effective interest method	10	4 592 860	5 076 406	2 302 539	2 506 170
Other interest income		24 335	19 072	10 680	9 149
Interest expense	10	(1 837 095)	(2 618 648)	(884 647)	(1 223 717)
Net interest margin		2 780 100	2 476 830	1 428 572	1 291 602
ECL allowance	6	(494 414)	(551 841)	(196 525)	(311 302)
Charge for allowance for credit related commitments	16	37 280	(3 590)	29 045	5 975
Net interest margin after ECL allowance		2 322 966	1 921 399	1 261 092	986 275
Fee and commission income		819 014	734 539	437 098	354 329
Fee and commission expense		(302 065)	(254 306)	(171 271)	(141 648)
Gains less losses from trading in foreign currencies		18 280	40 364	9 420	9 525
Foreign exchange translation (losses less gains) / gains less losses		(631)	6 330	(5 294)	(11 869)
Gains less losses / (losses less gains) from spot currency transactions and other conversion operations on the interbank market		3 095	(466)	2 066	4 895
Other provisions and expenses		(123 721)	(80 318)	(66 574)	(39 024)
Revenue from sales of agricultural goods		277 003	247 488	115 436	122 186
Expenses related to activity of JSC Ptitsefabrika Belokalitvinskaya		(287 352)	(287 474)	(149 935)	(170 536)
Other operating income		70 385	77 053	69 333	45 228
Contributions to the state deposit insurance scheme		(184 279)	(182 383)	(90 137)	(89 028)
Administrative and other operating expenses	12	(1 531 604)	(1 481 289)	(892 815)	(788 157)
Depreciation of right-of-use assets		(25 169)	(23 907)	(14 472)	(15 081)
Share of result of associate		11 680	20 716	(4 365)	(1 537)
Profit before tax		1 067 602	737 746	499 582	265 558
Income tax expense		(235 781)	(164 576)	(110 404)	(60 546)
PROFIT FOR THE PERIOD		831 821	573 170	389 178	205 012
The Bank's shareholders		842 928	577 611	396 340	170 602
Non-controlling interest		(11 107)	(4 441)	(7 162)	34 410
Total comprehensive income for the period		831 821	573 170	389 178	205 012
Comprehensive income for the period:		831 821	573 170	389 178	205 012
The Bank's shareholders		842 928	577 611	396 340	170 602
Non-controlling interest		(11 107)	(4 441)	(7 162)	34 410
Total comprehensive income attributable to the Bank's shareholders and non-controlling interest		831 821	573 170	389 178	205 012

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Six months ended 30 June 2021	Six months ended 30 June 2020
Cash flows from operating activities		
Interest income received	4 622 154	4 917 605
Interest paid	(2 049 194)	(3 005 158)
Contributions to the state deposit insurance scheme	(188 497)	(233 898)
Fees and commissions received	815 862	584 894
Fees and commissions paid	(301 424)	(254 306)
Gains less losses from trading in foreign currencies	18 280	40 364
Gains less losses / (losses less gains) from spot currency transactions and other conversion operations on the interbank market	3 095	(466)
Receipts from assignment of rights of claim on loans and advances to customers	235 735	265 315
Repayment of debt previously written off	17 998	21 311
Other operating income received	276 636	240 279
Staff costs paid	(781 491)	(761 849)
Operating expenses paid	(856 946)	(862 467)
Income tax paid	(278 224)	(118 147)
Cash flows from operating activities before changes in operating assets and liabilities	1 533 984	833 477
Changes in operating assets and liabilities		
Net change in mandatory cash balances with the Central Bank of the Russian Federation	37 203	32 072
Net change in due from other banks	12 900 000	8 000 000
Net change in loans to customers and finance lease receivables	(9 134 218)	(2 625 804)
Net change in other financial and other assets	305 046	298 075
Net change in due to other banks	-	149 778
Net change in customer accounts	(6 061 605)	(7 992 345)
Net change in promissory notes issued	724 500	(435 845)
Net change in other financial and other liabilities	(261 903)	(59 944)
Net cash from operating activities	43 007	(1 800 536)
Cash flows from investing activities		
Acquisition of premises and equipment	(82 874)	(88 088)
Proceeds from disposal of premises and equipment	2 988	366 230
Acquisition of intangible assets	(83 532)	(33 412)
Investments in investment properties	(2 066)	-
Net cash used in investing activities	(165 484)	244 730
Cash flows from financing activities		
Issue of bonds	-	29 637
Repurchase and repayment of bonds	(135 141)	(30 438)
Repayment of borrowings from international financial institutions	(530 000)	(400 000)
Receipt of subordinated loan	-	740 274
Repayment of principal of lease liabilities	(17 380)	(22 592)
Net cash used in financing activities	(682 521)	316 881
Effect of exchange rate changes on cash and cash equivalents	(83 857)	187 970
Net decrease/(increase) in cash and cash equivalents	(888 855)	(1 050 955)
Cash and cash equivalents at the beginning of the period	11 100 866	11 052 495
Cash and cash equivalents at the end of the period	10 212 011	10 001 540

		Share capital	Share premium	Revaluation reserve for land and premises	Retained earnings	Non- controlling interest	Total equity
<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		-	-	-	577 611	(4 441)	573 170
Total comprehensive income for the six months of 2020		-	-	-	577 611	(4 441)	573 170
Depreciation or transfer of revaluation surplus on land and premises to retained earnings		-	-	(1 027)	1 027	-	-
Balance at 30 June 2020 (unaudited)		1 326 277	2 078 860	1 227 129	10 260 950	(100 697)	14 792 519
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 (unaudited)		-	-	-	842 928	(11 107)	831 821
Total comprehensive income for the six months of 2021 (unaudited)		-	-	-	842 928	(11 107)	831 821
Dividends declared:							
- ordinary shares (unaudited)	11	-	-	-	(326 270)	-	(326 270)
- preference shares (unaudited)	11	-	-	-	(18 099)	-	(18 099)
Other movements (unaudited)		-	-	(12 584)	12 584	-	-
Balance at 30 June 2021 (unaudited)		1 326 277	2 078 860	1 051 704	10 947 599	(146 214)	15 258 226

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 the six months ended 30 June 2021 in accordance with International Accounting Standard (IAS) 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 scheme, 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 the case of the withdrawal of a license from the Bank or a CBRF imposed moratorium on payments.

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

At 30 June 2021, the Bank has four branches (31 December 2020: four) in the Russian Federation. Additionally, the Bank has a representative office in Moscow and 105 (31 December 2020: 110) sub-branches in the Rostov and Volgograd Regions, Moscow and Nizhny Novgorod, Stavropol and Krasnodar Regions.

The Group’s operating income is not subject to seasonal and cyclical industry fluctuations during the financial year.

Interest in subsidiaries at 30 June 2021 and 31 December 2020 is as follows:

(%)	30 June 2021 (unaudited)	31 December 2020
LLC Centre-Leasing	100.00	100.00
JSC 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 six months ended 30 June 2021 was 1 600 people (2020: 1 671 people; six months ended 30 June 2020: 1 704 people).

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

2. Operating Environment of the Group

During 2020, there were a number of significant changes attempting to constrain the spread and mitigate effects of the COVID-19 virus, including entry bans and travel restrictions, quarantine, self-isolation regime and restriction of commercial activity, including closure of enterprises. These measures have, among other things, severely restricted economic activity in Russia and have negatively impacted, and could continue to negatively impact businesses, market participants, clients of the Group, as well as the Russian and global economy for an unknown period of time.

Management continues to take all necessary measures to ensure sustainability of the Group’s operations and support its customers and employees:

- operating on a going concern basis (The Group management has substantial experience in effective crisis risk management and has taken all necessary measures to ensure the sustainability of the Group’s operations, to ensure staff safety and to support its customers in the COVID-19 pandemic);

2. Operating Environment of the Group (Continued)

- boosting the capacities for digital services (increasing the number of operations performed without a visit to the office);
- offering repayment holidays on consumer loans, lower tariffs for services to legal entities, debt restructuring;
- introducing support programmes for the customers (financed by the government or by the Group).

Future implications of the current economic environment and the above measures are difficult to predict. However, the Bank is monitoring situation on a daily basis, assessing consequences that affect the Bank's financial position. At the date of these financial statements, the measures taken by management are considered sufficient, and the implications are deemed to have no significant effect on the sustainability of the Bank's operations.

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 on how the Group incorporated forward-looking information in its ECL models.

In March 2020, the International Accounting Standards Board (IASB) emphasized in its educational materials that an appropriate judgment has to be applied when determining the effects of COVID-19 on expected credit losses under IFRS 9, given the significant uncertainty that exists, in particular when assessing future macroeconomic conditions.

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, in particular 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 Markets" for 2020-2030, measures are taken 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

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).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

None of new standards and interpretations, which are not presented in the disclosures to the consolidated financial statements of the Group for the year ended 31 December 2020, have been issued and become effective. The Group continues to assess the impact of new standards and interpretations, which are not yet effective, and will disclose the information about their known and reasonably definable consequences, as soon as results of assessment become available.

5. Critical Accounting Estimates and Judgments in Applying Accounting Policies

The estimates and judgments were consistent with those of the annual consolidated financial statements for the year ended 31 December 2020.

Measurement of ECLs. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs consistent with those 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.

As at 30 June 2021, the Group has applied the following clarifications to the approach to calculating ECLs:

- For corporate borrowers: accounting for cross-default when assigning Stage 3; the classification was made taking into account the recovery period; loss calculations are based on the actual loss for all available years.
- For individual borrowers: LGD calculation was adjusted by expanding the analytics of defaults with data within the calculation period (previously, the analytics were produced on the date).

The effect of changes in the above estimates and assumptions resulted in the additional ECL allowance for loans to customers in the amount of RR 102 369 thousand.

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.

As a result of significant changes in the economic situation due to the COVID-19 pandemic, the Group decided to adjust the approach to the measurement of ECLs on loans.

As at 30 June 2021 and 31 December 2020, the macro adjustments in the range of 1.0 – 1.2 for PD and 1.05 - 1.2 for LGD were used by the Bank to estimate ECLs in relation to the corporate borrowers. As at 30 June 2021 and 31 December 2020, in relation to the individual borrowers, the adjustments in the range of 1.21 – 1.51 were applied to the borrowers operating in industries sensitive to the impact of the COVID-19 pandemic, and as at 30 June 2021, the macro adjustments in the range of 1.0 – 1.18 for PD were applied to the borrowers.

The Group implements the support measures prescribed by the Russian Government in April 2020 due to the COVID-19 pandemic and is participating 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.

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

As at 30 June 2021, the Group provided support to individuals whose loans totaled RR 17 639 thousand. Loans to small and medium businesses that received support as at 30 June 2021 totaled RR 2 217 568 thousand.

A 10% increase or decrease in PD estimates as at 30 June 2021 would result in an increase or decrease in total ECL allowance by RR 98 436 thousand (31 December 2020: by RR 89 722 thousand).

A 10% increase or decrease in LGD estimates as at 30 June 2021 would result in an increase or decrease in total ECL allowance by RR 166 873 thousand (31 December 2020: by RR 162 925 thousand).

6. Loans to Customers and Finance Lease Receivables

Below are presented gross carrying amount and credit loss allowance for loans to customers and finance lease receivables measured at amortized cost as at 30 June 2021 and 31 December 2020:

<i>In thousands of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Corporate loans	37 126 072	31 667 852
Loans to individuals – mortgage loans	44 824 491	41 928 550
Loans to individuals – consumer loans and car loans	16 719 730	16 284 433
Finance lease receivables	237 474	187 849
Total loans to customers and finance lease receivables before ECL allowance	98 907 767	90 068 684
ECL allowance	(5 892 543)	(5 596 049)
Total loans to customers and finance lease receivables	93 015 224	84 472 635

The following tables disclose the changes in ECL 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)

	ECL 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>In thousands of Russian Roubles</i>								
Corporate loans								
At 1 January 2021	368 207	659 137	1 896 004	2 923 348	27 153 556	1 652 189	2 862 107	31 667 852
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	211 720	35	5 218	216 973	13 878 629	6 982	8 995	13 894 606
Transfers:				-				-
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(2 213)	2 213	-	-	(105 747)	105 747	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(6 102)	(644 863)	650 965	-	(235 340)	(1 327 498)	1 562 838	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	20 858	(2 728)	(18 130)	-	153 306	(120 987)	(32 319)	-
Repaid during the period	(100 257)	(1 524)	(125 754)	(227 535)	(7 736 865)	(66 737)	(195 210)	(7 998 812)
Changes to ECL measurement model assumptions	(77 079)	(207)	592 229	514 943	-	-	-	-
Other changes	-	-	-	-	(9 887)	-	(17 187)	(27 074)
Total movements with impact on ECL allowance charge for the period (unaudited)	46 927	(647 074)	1 104 528	504 381	5 944 096	(1 402 493)	1 327 117	5 868 720
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	-	-	-	-	-	-
Assignment	-	-	(199 679)	(199 679)	-	-	(410 500)	(410 500)
Unwinding of discount in respect of ECL present value	-	-	63 076	63 076	-	-	-	-
As at 30 June 2021 (unaudited)	415 134	12 063	2 800 853	3 228 050	33 097 652	249 696	3 778 724	37 126 072

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

	ECL 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>In thousands of Russian Roubles</i>								
Mortgage loans								
At 1 January 2021	270 039	27 892	727 632	1 025 563	39 959 555	695 325	1 273 670	41 928 550
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	46 289	347	-	46 636	7 800 493	6 160	-	7 806 653
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(2 282)	47 424	(45 142)	-	(337 313)	424 434	(87 121)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(478)	(5 148)	5 626	-	(70 805)	(116 590)	187 395	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	23 525	(8 533)	(14 992)	-	230 646	(201 685)	(28 961)	-
Repaid during the period	(33 314)	(3 662)	(120 230)	(157 206)	(4 644 836)	(63 365)	(183 732)	(4 891 933)
Changes to ECL measurement model assumptions	(52 103)	(30 884)	118 706	35 719	-	-	-	-
Total movements with impact on ECL allowance charge for the period (unaudited)	(18 363)	(456)	(56 032)	(74 851)	2 978 185	48 954	(112 419)	2 914 720
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(2 154)	(2 154)	-	-	(2 154)	(2 154)
Assignment	-	-	(2 087)	(2 087)	-	-	(13 126)	(13 126)
Transfers between categories	-	-	-	-	1 844	-	(5 342)	(3 498)
Unwinding of discount in respect of ECL present value	-	-	30 500	30 500	-	-	-	-
As at 30 June 2021 (unaudited)	251 676	27 436	667 359	946 471	42 939 584	744 279	1 140 628	44 824 491

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

	ECL 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>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 ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	90 247	251	327	90 825	4 387 309	750	417	4 388 476
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(2 607)	10 938	(8 331)	-	(143 825)	154 812	(10 987)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(1 252)	(3 567)	4 819	-	(63 827)	(62 198)	126 025	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	10 910	(3 245)	(7 665)	-	87 892	(77 892)	(10 000)	-
Repaid during the period	(71 508)	(4 872)	(42 983)	(119 363)	(3 778 416)	(69 448)	(108 865)	(3 956 729)
Changes to ECL measurement model assumptions	(1 620)	(2 786)	84 459	80 053	-	-	-	-
Other changes	-	-	13 131	13 131	-	-	18 446	18 446
Total movements with impact on ECL allowance charge for the period (unaudited)	24 170	(3 281)	43 757	64 646	489 133	(53 976)	15 036	450 193
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(1 667)	(1 667)	-	-	(2 016)	(2 016)
Assignment	-	-	(3 770)	(3 770)	-	-	(12 880)	(12 880)
Unwinding of discount in respect of ECL present value	-	-	11 436	11 436	-	-	-	-
As at 30 June 2021 (unaudited)	288 863	8 796	1 418 696	1 716 355	14 926 321	231 509	1 561 900	16 719 730

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

	ECL 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>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 ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	316	-	-	316	115 247	-	2	115 249
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)	(2)	(7)	9	-	(510)	(780)	1 290	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
Repaid during the period	(259)	-	(1)	(260)	(65 263)	(188)	(173)	(65 624)
Changes to ECL measurement model assumptions	(312)	-	494	182	-	-	-	-
Total movements with impact on ECL allowance charge for the period (unaudited)	(257)	(7)	502	238	49 474	(968)	1 119	49 625
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
	-	-	-	-	-	-	-	-
As at 30 June 2021 (unaudited)	670	-	997	1 667	235 245	-	2 229	237 474

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

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

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
<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 ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	108 496	153	3 265	111 914	12 185 736	19 953	6 039	12 211 728
Transfers:				-				-
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(4 813)	4 813	-	-	(478 739)	478 739	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(3 986)	(263)	4 249	-	(313 114)	(11 487)	324 601	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	422	(422)	-	-	20 570	(20 570)	-	-
Repaid during the period	(52 022)	(2 148)	(98 731)	(152 901)	(9 124 293)	(45 701)	(296 372)	(9 466 366)
Changes due to transfers and changes in assumptions	15 641	117 121	281 155	413 917	-	-	-	-
Changes in accrued interest, exchange differences and other movements	-	31 646	15 931	47 577	7	124 918	33 444	158 369
Total movements with impact on ECL allowance charge for the period (unaudited)	63 738	150 900	205 869	420 507	2 290 167	545 852	67 712	2 903 731
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(150 011)	(150 011)	-	-	(150 011)	(150 011)
Assignment	(2 934)	(134)	(267 475)	(270 543)	(15 000)	(6 053)	(437 475)	(458 528)
As at 30 June 2020 (unaudited)	298 050	395 543	2 633 635	3 327 228	31 900 882	1 428 943	4 376 670	37 706 495

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

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
<i>In thousands of Russian Roubles</i>								
Mortgage loans	203 988	28 963	766 053	999 004	34 542 942	656 099	1 259 432	36 458 473
At 1 January 2020								
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	31 133	-	-	31 133	4 744 799	-	-	4 744 799
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(4 069)	23 058	(18 989)	-	(687 601)	719 967	(32 366)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(401)	(7 685)	8 086	-	(67 336)	(161 148)	228 484	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	14 554	(6 021)	(8 533)	-	150 104	(135 559)	(14 545)	-
Repaid during the period	(22 488)	(1 242)	(72 694)	(96 424)	(3 441 027)	(41 269)	(125 856)	(3 608 152)
Changes due to transfers and changes in assumptions	5 819	7 581	77 455	90 855	-	-	-	-
Changes in accrued interest, exchange differences and other movements	72	365	7 969	8 406	6 649	6 489	13 574	26 712
Total movements with impact on ECL allowance charge for the period (unaudited)	24 620	16 056	(6 706)	33 970	705 588	388 480	69 291	1 163 359
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(15 286)	(15 286)	-	-	(15 286)	(15 286)
Assignment	(8)	-	(174)	(182)	(1 408)	-	(8 303)	(9 711)
As at 30 June 2020 (unaudited)	228 600	45 019	743 887	1 017 506	35 247 122	1 044 579	1 305 134	37 596 835

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

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
<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 ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	42 459	-	-	42 459	2 898 071	-	-	2 898 071
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(4 575)	13 552	(8 977)	-	(350 342)	361 856	(11 514)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(2 147)	(4 685)	6 832	-	(86 269)	(111 315)	197 584	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	7 610	(2 992)	(4 618)	-	96 028	(90 265)	(5 763)	-
Repaid during the period	(57 443)	(1 080)	(68 469)	(126 992)	(4 081 651)	(83 736)	(77 356)	(4 242 743)
Changes due to transfers and changes in assumptions	36 435	996	150 913	188 344				-
Changes in accrued interest, exchange differences and other movements	(72)	95	15 287	15 310	(5 682)	3 215	18 235	15 768
Total movements with impact on ECL allowance charge for the period (unaudited)	22 267	5 886	90 968	119 121	(1 529 845)	79 755	121 186	(1 328 904)
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(211 561)	(211 561)	-	-	(213 292)	(213 292)
Assignment	-	-	(62 528)	(62 528)	-	-	(126 958)	(126 958)
As at 30 June 2020 (unaudited)	245 996	18 675	1 394 883	1 659 554	15 433 074	454 086	1 575 937	17 463 097

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

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
<i>In thousands of Russian Roubles</i>								
Finance lease receivables								
At 1 January 2020	1 751	-	841	2 592	194 487	-	1 884	196 371
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	407	-	-	407	47 967	47	-	48 014
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(61)	61	-	-	(7 161)	7 161	-	-
Repaid during the period	(479)	(5)	(345)	(829)	(57 854)	(575)	(774)	(59 203)
Changes due to transfers and changes in assumptions	(86)	62	-	(24)	-	-	-	-
Total movements with impact on ECL allowance charge for the period (unaudited)	(219)	118	(345)	(446)	(17 048)	6 633	(774)	(11 189)
As at 30 June 2020 (unaudited)	1 532	118	496	2 146	177 439	6 633	1 110	185 182

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

The ECL allowance for loans to customers and finance lease receivables recognized during the period is influenced by various 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.

At 30 June 2021, the credit quality of the loans measured at amortised cost is as follows:

<i>In thousands of Russian Roubles (unaudited)</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Corporate loans				
- Excellent	12 455 931	-	-	12 455 931
- Good	20 641 723	58 980	-	20 700 703
- Satisfactory	-	190 715	-	190 715
- Default	-	-	3 778 723	3 778 723
Gross carrying amount	33 097 654	249 695	3 778 723	37 126 072
ECL allowance	(415 137)	(12 061)	(2 800 852)	(3 228 050)
Carrying amount	32 682 517	237 634	977 871	33 898 022

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

<i>In thousands of Russian Roubles (unaudited)</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Mortgage loans				
- Excellent	340 348	-	-	340 348
- Good	42 599 236	512 600	-	43 111 836
- Satisfactory	-	231 679	-	231 679
- Default	-	-	1 140 628	1 140 628
Gross carrying amount	42 939 584	744 279	1 140 628	44 824 491
ECL allowance	(251 676)	(27 436)	(667 359)	(946 471)
Carrying amount	42 687 907	716 843	473 270	43 878 020
Consumer loans and car loans				
- Excellent	210 457	-	-	210 457
- Good	14 715 864	81 357	-	14 797 221
- Satisfactory	-	150 152	-	150 152
- Default	-	-	1 561 900	1 561 900
Gross carrying amount	14 926 321	231 509	1 561 900	16 719 730
ECL allowance	(288 863)	(8 796)	(1 418 696)	(1 716 355)
Carrying amount	14 637 458	222 713	143 204	15 003 375
Finance lease receivables				
- Excellent	235 206	-	-	235 206
- Good	39	-	-	39
- Default	-	-	2 229	2 229
Gross carrying amount	235 245	-	2 229	237 474
ECL allowance	(670)	-	(997)	(1 667)
Carrying amount	234 575	-	1 232	235 807

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

At 31 December 2020, the credit quality of the loans measured at amortised cost is as follows:

<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
- Default	-	-	2 862 107	2 862 107
Gross carrying amount	27 153 556	1 652 189	2 862 107	31 667 852
ECL 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
- Default	-	-	1 281 161	1 281 161
Gross carrying amount	39 952 063	695 325	1 281 161	41 928 549
ECL allowance	(270 039)	(27 892)	(727 632)	(1 025 563)
Carrying amount	39 682 024	667 433	553 529	40 902 986

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
- Default	-	-	1 561 760	1 561 760
Gross carrying amount	14 437 188	285 485	1 561 760	16 284 433
ECL allowance	(264 693)	(12 077)	(1 368 940)	(1 645 710)
Carrying amount	14 172 495	273 408	192 820	14 638 723
Finance lease receivables				
- Excellent	184 422	-	-	184 422
- Good	1 349	-	-	1 349
- Satisfactory	-	968	-	968
- Default	-	-	1 110	1 110
Gross carrying amount	185 771	968	1 110	187 849
ECL 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 finance leases is presented below:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Six months ended 30 June 2021	Six months ended 30 June 2020
Assigned balance rights of claim on loans to customers and finance leases	436 507	595 197
Provision for impairment of assigned claim	(205 536)	(333 253)
Selling price	230 971	262 265
Net result from assignment of balance rights of claim	-	321
Assigned rights of claim previously written off as uncollectible	21 637	76 333
Selling price	5 000	3 050
Net result from assignment of rights of claim previously written off as uncollectible	5 000	3 050

Economic sector risk concentrations within the loan and lease portfolio are as follows:

<i>In thousands of Russian Roubles</i>	30 June 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals (total), incl.	61 544 221	62.2	58 212 983	64.7
- mortgage loans	44 824 491	45.3	41 928 550	46.6
- consumer loans	15 799 333	16.0	15 459 569	17.2
- car loans	920 397	0.9	824 864	0.9
Agriculture	16 365 315	16.6	13 188 970	14.5
Trade	9 174 892	9.3	7 892 388	8.8
Manufacturing	4 381 802	4.4	4 020 084	4.5
Transport	2 202 109	2.2	2 234 571	2.5
Construction	1 366 008	1.4	1 452 857	1.6
Other	3 873 420	3.9	3 066 831	3.4
Total loans to customers and finance lease receivables before ECL allowance	98 907 767	100.0	90 068 684	100.0

At 30 June 2021, the Group had 10 major customers with aggregate loans amounting to RR 5 433 296 thousand, or 5.5% of loans to customers and finance lease receivables before ECL allowance (31 December 2020: RR 5 064 615 thousand or 5.6%).

The fair value of loans and advances to customers at 30 June 2021 and 31 December 2020 is disclosed in Note 17. Information on related party transactions is disclosed in Note 18.

7. Customer Accounts

<i>In thousands of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
State and public organisations		
- Current/settlement accounts	187 243	201 182
- Term deposits	17 432	81 079
Other legal entities		
- Current/settlement accounts	18 881 844	21 536 217
- Term deposits	3 084 624	4 139 057
Individuals		
- Current/demand accounts	10 811 213	10 127 591
- Term deposits	59 896 853	63 128 606
Total customer accounts	92 879 209	99 213 732

State and public organizations exclude government owned profit orientated businesses.

Economic sector concentrations within customer accounts are as follows:

<i>In thousands of Russian Roubles</i>	30 June 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals	70 708 014	76.1	73 256 197	73.8
Agriculture	5 516 654	5.9	7 161 662	7.2
Trade	5 215 524	5.6	6 263 019	6.3
Manufacturing	2 008 984	2.2	2 591 530	2.6
Construction	1 304 453	1.4	1 862 292	1.9
Transport	1 169 753	1.3	1 345 885	1.4
Other	6 955 827	7.5	6 733 147	6.8
Total customer accounts	92 879 209	100.0	99 213 732	100.0

At 30 June 2021, the total aggregate balance of the 10 largest customers of the Group was RR 2 668 018 thousand, or 2.9% 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>	30 June 2021 (unaudited)	31 December 2020
Bonds	1 090 467	1 219 315
Promissory notes	1 169 574	455 649
Total debt securities in issue	2 260 041	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.

8. Debt Securities in Issue (Continued)

Output	CIN-01P04	CIN-01P05	CIN-01P07
Par value, RR	1 000	1 000	1 000
Number	750 000	600 000	300 000
Initial placement date	April 2018	September 2018	December 2020
Maturity date	October 2021	March 2022	December 2021
Next offer date	-	September 2021	-
30 June 2021 (unaudited)			
Number of bonds in issue	495 452	389 034	300 000
- including purchased by the subsidiary	5 580	3 219	4 003
Coupon rate, %	5.50	6.00	5.75
as 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 and Subordinated Borrowings

The principal conditions of these loans are as follows:

	Currency	Rate of borrowing	Original issue date	Repayable in tranches by:	Balance at 30 June 2021 (unaudited)	Balance at 31 December 2020
<i>In thousands of Russian Roubles</i>						
<i>Borrowings from international financial institutions:</i>						
Symbiotics SA	Russian Roubles	9.5%-10.0%	February 2019	March 2022	289 121	628 939
Black Sea Trade and Development Bank (Greece)	Russian Roubles	10.15%-10.56%	June 2017	December 2021	199 332	398 469
Total borrowings from international financial institutions					488 453	1 027 408
<i>Subordinated borrowings:</i>						
ResponsAbility SICAV (Lux)	US Dollars	6.78%	March 2020	July 2025	732 407	747 312
Total subordinated borrowings					732 407	747 312
Total borrowings from international financial institutions and subordinated borrowings					1 220 860	1 774 720

10. Interest Income and Expense

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Six months ended 30 June 2021	Six months ended 30 June 2020	Three months ended 30 June 2021	Three months ended 30 June 2020
Interest income calculated using the effective interest method				
Corporate loans	1 551 530	1 834 011	797 375	948 675
Mortgage loans	1 760 450	1 792 925	887 703	898 814
Consumer loans and car loans	1 021 088	1 136 042	530 892	557 473
Short-term deposits with the Central Bank of the Russian Federation, amounts due from and accounts with other banks	259 792	313 428	86 569	101 208
Total interest income calculated using the effective interest method	4 592 860	5 076 406	2 302 539	2 506 170
Finance income from leasing operations	24 335	19 072	10 680	9 149
Total other interest income	24 335	19 072	10 680	9 149
Interest and other similar expense				
Term deposits and accounts of individuals	(1 542 796)	(2 272 724)	(741 339)	(1 049 187)
Borrowings from international financial institutions	(74 454)	(152 169)	(34 910)	(78 823)
Term deposits of legal entities	(76 461)	(57 004)	(35 142)	(26 974)
Current accounts of legal entities	(91 823)	(65 651)	(44 582)	(34 596)
Bonds in issue	(33 055)	(46 808)	(16 436)	(23 214)
Promissory notes issued	(10 306)	(15 932)	(7 175)	(5 575)
Lease liabilities	(8 200)	(8 147)	(5 063)	(5 135)
Due to the Central Bank of the Russian Federation	-	(213)	-	(213)
Total interest expense	(1 837 095)	(2 618 648)	(884 647)	(1 223 717)
Net interest margin	2 780 100	2 476 830	1 428 572	1 291 602

11. Dividends Payable

<i>In thousands of Russian Roubles</i> <i>(unaudited)</i>	30 June 2021		30 June 2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Dividends for the previous reporting year declared during the reporting period	326 270	18 099	-	-
Dividends paid during the period	-	-	-	-
Other movements	-	-	-	-
Dividends payable	326 270	18 099	-	-

In June 2021, the Bank declared dividends for 2020 on preference shares 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 3.87 per share. Most of the dividends for 2020 were paid in July 2021.

12. Administrative and Other Operating Expenses

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Six months ended 30 June 2021	Six months ended 30 June 2020	Three months ended 30 June 2021	Three months ended 30 June 2020
Salary	783 723	757 968	424 189	356 566
Consulting and information services	166 501	108 161	111 644	60 002
Maintenance and lease of premises and equipment	165 709	150 246	106 714	82 141
Depreciation of premises and equipment	96 903	89 338	48 708	41 550
Taxes other than income tax	75 497	62 896	55 703	46 732
Telecommunications and postal charges	48 985	65 989	21 217	51 684
Amortisation of intangible assets	35 932	31 709	17 966	15 988
Advertising and marketing services	18 210	11 899	11 160	5 820
Other staff costs	17 288	20 617	11 942	11 098
Repair of premises and equipment	16 940	12 779	8 605	2 989
Stationery	11 068	13 510	5 009	6 309
Security	10 025	16 712	6 406	9 446
Maintenance and repair of motor vehicles	7 914	7 571	4 239	3 526
Insurance	7 544	17 484	3 914	5 178
Business trip and entertaining costs	6 462	5 144	4 031	1 375
Benefits paid to the Board of Directors	4 276	53 803	3 570	51 230
Other	58 627	55 463	47 798	36 523
Total administrative and other operating expenses	1 531 604	1 481 289	892 815	788 157

13. 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.

The risk management purpose, policies and procedures and assessment methods applied by the Group during six months ended 30 June 2021 correspond to the purposes, policies 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.

13. Financial Risk Management (Continued)

The table below summarizes the Group's exposure to currency risk at 30 June 2021 and 31 December 2020:

<i>In thousands of Russian Roubles</i>	30 June 2021 (unaudited)			31 December 2020		
	Financial assets	Financial liabilities	Net position	Financial assets	Financial liabilities	Net position
Russian Roubles	103 178 209	(93 187 824)	9 990 385	108 550 099	(99 750 093)	8 800 006
US Dollars	2 702 192	(2 661 344)	40 848	2 687 721	(2 635 708)	52 013
Euros	958 569	(944 019)	14 550	836 967	(739 848)	97 119
Other	72 409	(33 539)	38 870	74 959	(26 489)	48 470
Total	106 911 379	(96 826 726)	10 084 653	112 149 746	(103 152 138)	8 997 608

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 consolidated 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.

14. 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 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.

14. Segment Analysis (Continued)**(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 and adjusted to meet the requirements of internal reporting. This financial information differs in some aspects from the information prepared in accordance with IFRS:

- for operating decisions, the latest non-consolidated financial statements not adjusted for subsequent events is used;
- income taxes are not allocated to segments;
- loan provisions are recognised based on the ECL model prescribed in IFRS 9;
- commission income related to lending and commission expenses on borrowings are recognised in the future periods 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.

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

Segment information for the reportable segments for six months ended 30 June 2021 is set out below:

In thousands of Russian Roubles

<i>(unaudited)</i>	Lending	Treasury	Retail banking	Unallotted items	Total
Financial result by segment as at 30 June 2021					
- Interest income	4 333 068	259 792	-	-	4 592 860
- Interest expense	-	(286 099)	(1 542 796)	(8 200)	(1 837 095)
- Other interest income	24 335	-	-	-	24 335
Net interest income (expense)	4 357 403	(26 307)	(1 542 796)	(8 200)	2 780 100
- Creation of ECL allowance	(457 134)	-	-	-	(457 134)
Net interest margin and similar income after ECL allowance	3 900 269	(26 307)	(1 542 796)	(8 200)	2 322 966
- Fee and commission income	14 829	466 454	320 669	17 062	819 014
- Fee and commission expense	-	(51 609)	(229 004)	(21 452)	(302 065)
Net fee and commission (expense) income	14 829	414 845	91 665	(4 390)	516 949
Gains less losses from trading in foreign currencies	-	18 280	-	-	18 280
Foreign exchange translation gains less losses	-	(631)	-	-	(631)
Gains less losses from spot currency transactions and other conversion operations on the interbank market	-	3 095	-	-	3 095
Other provisions and expenses	-	-	-	(123 721)	(123 721)
Other operating income	76 888	-	5 376	(11 879)	70 385
Contributions to the state deposit insurance scheme	-	-	-	(184 279)	(184 279)
Administrative and other operating expenses	-	-	-	(1 531 604)	(1 531 604)
Depreciation of right-of-use assets	-	-	-	(25 169)	(25 169)
Share of result of associate	-	-	-	11 680	11 680
Expenses related to activity of JSC Ptitsefabrika Belokalitvinskaya	-	-	-	(287 352)	(287 352)
Revenue from sales of agricultural goods	-	-	-	277 003	277 003
Income tax expense	-	-	-	(235 781)	(235 781)
Total segment result as at 30 June 2021	3 991 986	409 282	(1 445 755)	(2 123 692)	831 821

14. Segment Analysis (Continued)

*In thousands of Russian Roubles
(unaudited)*

	Lending	Treasury	Retail banking	Unallotted items	Total
Segment assets					
- Cash and cash equivalents	-	-	-	10 212 011	10 212 011
- Due from the Central Bank of the Russian Federation	-	2 100 000	-	-	2 100 000
- Mandatory cash balances with the Central Bank of the Russian Federation	-	-	-	724 704	724 704
- Loans to customers and finance lease receivables	93 015 224	-	-	-	93 015 224
- Investment in associate	-	298 150	-	-	298 150
- Investment properties	-	-	-	994 893	994 893
- Premises, equipment and intangible assets	-	-	-	3 347 710	3 347 710
- Right-of-use assets	-	-	-	96 275	96 275
- Other financial assets	-	-	-	859 440	859 440
- Other assets	-	-	-	1 057 745	1 057 745
- Current income tax prepayment	-	-	-	7 226	7 226
Total assets as at 30 June 2021	93 015 224	2 398 150	-	17 300 004	112 713 378
Segment liabilities					
- Customer accounts	-	22 171 143	70 708 066	-	92 879 209
- Debt securities in issue	-	2 260 041	-	-	2 260 041
- Borrowings from international financial institutions	-	488 453	-	-	488 453
- Subordinated loans	-	732 407	-	-	732 407
- Other financial liabilities	-	-	-	356 856	356 856
- Other liabilities	-	-	-	278 355	278 355
- Lease liabilities	-	-	-	109 760	109 760
- Dividends payable	-	-	-	344 369	344 369
- Deferred income tax liability	-	-	-	5 702	5 702
Total liabilities as at 30 June 2021	-	25 652 044	70 708 066	1 095 042	97 455 152

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

Segment information for the reportable segments for the year ended 31 December 2020 is set out below:

In thousands of Russian Roubles
(unaudited)

	Lending	Treasury	Retail banking	Unallotted items	Total
Financial result by segment as at 31 December 2020					
- Interest income	9 249 869	629 683	-	-	9 879 552
- Interest expense	-	(647 901)	(4 044 778)	(17 094)	(4 709 773)
- Other interest income	37 054	-	-	-	37 054
Net interest income (expense)	9 286 923	(18 218)	(4 044 778)	(17 094)	5 206 833
- Creation of ECL allowance	(916 178)	-	-	-	(916 178)
Net interest margin and similar income after ECL allowance	8 370 745	(18 218)	(4 044 778)	(17 094)	4 290 655
- Fee and commission income	31 507	1 045 298	594 264	36 117	1 707 186
- Fee and commission expense	-	(137 249)	(403 446)	(40 361)	(581 056)
Net fee and commission (expense) income	31 507	908 049	190 818	(4 244)	1 126 130
- Gains less losses from trading in foreign currencies	-	75 112	-	-	75 112
- Foreign exchange translation gains less losses	-	16 815	-	-	16 815
- Gains less losses from spot currency transactions and other conversion operations on the interbank market	-	2 360	-	-	2 360
- Other provisions and expenses	-	-	-	(425 361)	(425 361)
- Other operating income	8 440	-	34 633	192 024	235 097
- Contributions to the state deposit insurance scheme	-	-	-	(368 144)	(368 144)
- Administrative and other operating expenses	-	-	-	(3 371 762)	(3 371 762)
- Depreciation of right-of-use assets	-	-	-	(57 105)	(57 105)
- Share of result of associate	-	-	-	(5 625)	(5 625)
- Expenses related to activity of JSC Ptitsefabrika Belokalitvinskaya	-	-	-	(686 741)	(686 741)
- Revenue from sales of agricultural goods	-	-	-	437 668	437 668
- Income tax expense	-	-	-	(279 268)	(279 268)
- Other comprehensive income for the period	-	-	-	(132 257)	(132 257)
Total segment result	8 410 692	984 118	(3 819 327)	(4 717 909)	857 574

14. Segment Analysis (Continued)

*In thousands of Russian Roubles
(unaudited)*

	Lending	Treasury	Retail banking	Unallotted items	Total
Segment assets					
Cash and cash equivalents	-	-	-	11 100 866	11 100 866
Due from the Central Bank of the Russian Federation	-	15 001 700	-	-	15 001 700
Mandatory cash balances with the Central Bank of the Russian Federation	-	-	-	761 907	761 907
Loans to customers and finance lease receivables	84 472 635	-	-	0	84 472 635
Investment in associate	-	286 470	-	0	286 470
Investment properties	-	-	-	1 184 292	1 184 292
Premises, equipment and intangible assets	-	-	-	3 316 246	3 316 246
Right-of-use assets	-	-	-	115 537	115 537
Other financial assets	-	-	-	812 638	812 638
Other assets	-	-	-	1 246 234	1 246 234
Total assets as at 31 December 2020	84 472 635	15 288 170	-	18 537 720	118 298 525
Segment liabilities					
Customer accounts	-	25 957 535	73 256 197	-	99 213 732
Debt securities in issue	-	1 674 964	-	-	1 674 964
Borrowings from international financial institutions	-	1 027 408	-	-	1 027 408
Subordinated loans	-	747 312	-	-	747 312
Other financial liabilities	-	-	-	361 582	361 582
Other liabilities	-	-	-	337 633	337 633
Lease liabilities	-	-	-	127 140	127 140
Current income tax liability	-	-	-	36 708	36 708
Deferred income tax liability	-	-	-	1 272	1 272
Total liabilities as at 31 December 2020	-	29 407 219	73 256 197	864 335	103 527 751

15. 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:

<i>In thousands of Russian Roubles</i>	30 June 2021 (unaudited)	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	10 947 599	10 436 456
Non-controlling interest	(146 214)	(135 107)
Total tier 1 capital	14 206 522	13 706 486
<i>Tier 2 capital</i>		
Revaluation reserve for land and premises	1 051 704	1 064 288
Subordinated loan	593 453	679 656
Total tier 2 capital	1 645 157	1 743 944
Total equity	15 851 679	15 450 430
Risk-weighted assets	79 877 376	72 753 813
Capital adequacy	19.8%	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 No. 646-P to calculate own funds (capital) of the Bank.

At 30 June 2021 (unaudited) and 31 December 2020 the Bank complied 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:

(%)	Base capital adequacy ratio	30 June 2021 (unaudited)	31 December 2020
Ratio N1.1 (%)	4.5%	10.6%	9.7%
Ratio N1.2 (%)	6%	10.6%	9.7%
Норматив достаточности собственных средств (капитала) банка (Н1.0)	8%	13.0%	13.1%

16. Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Group may be received. At 30 June 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 2 374 thousand (unaudited) (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 by 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 when decision about review was made. Under certain circumstances reviews may cover longer periods.

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 this condensed consolidated interim financial information 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.

16. Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk stages at 30 June 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 credit impaired)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to:				
- legal entities	4 806 913	3 006	1 425	4 811 344
- individuals	1 493 138	-	39	1 493 177
Financial guarantees issued	1 547 198	-	1 951	1 549 149
Unrecognised gross amount	7 847 249	3 006	3 415	7 853 670
Provision for credit-related commitments	(134 194)	(51)	(1 943)	(136 188)

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)

16. Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 30 June 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 credit impaired)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to legal entities				
- Excellent	1 675 559	-	-	1 675 559
- Good	3 131 354	3 006	-	3 134 360
- Default	-	-	1 425	1 425
Gross carrying amount	4 806 913	3 006	1 425	4 811 344
ECL allowance	(86 446)	(51)	(823)	(87 320)
Carrying amount	4 720 467	2 955	602	4 724 024

An analysis of credit related commitments by credit quality based on credit risk grades at 30 June 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 credit impaired)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to individuals				
- Excellent	6 619	-	-	6 619
- Good	1 486 519	-	-	1 486 519
- Default	-	-	39	39
Gross carrying amount	1 493 138	-	39	1 493 177
ECL allowance	(45 301)	-	-	(45 301)
Carrying amount	1 447 837	-	39	1 447 876

At 30 June 2021, financial guarantees issued are classified into Stage 1 (12-month ECLs) for ECL measurement purposes and include RR 886 702 thousand ("excellent" level) and RR 660 496 thousand ("good" level). Credit loss allowance for financial guarantees issued at 30 June 2021 amounts to RR 3 567 thousand.

16. 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
ECL 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	1 471 082	-	-	1 467 821
- Satisfactory	-	-	-	-
- Special monitoring	-	-	37	37
Gross carrying amount	1 495 941	-	37	1 495 978
ECL 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 and 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 approximately zero.

Assets pledged and restricted. At 30 June 2021, due from other banks balances and overnight deposits with other banks of RR 61 516 thousand (unaudited) (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 724 704 thousand (unaudited) (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 30 June 2021 (unaudited) and 31 December 2020.

17. Fair Value

Fair value measurements are analysed by level in the fair value hierarchy as follows: (1) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (2) 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 (3) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgment 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:

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>	30 June 2021 (unaudited)				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value								
Financial assets								
Other financial assets								
- Other securities at FVTPL	-	-	6 006	6 006	-	-	6 006	6 006
Non-financial assets								
- Investment properties	-	-	994 893	994 893	-	-	1 184 292	1 184 292
- Premises and land	-	-	2 337 103	2 337 103	-	-	2 498 868	2 498 868
Total assets with recurring fair value measurements								
	-	-	3 338 002	3 338 002	-	-	3 689 166	3 689 166

There were no changes in valuation models for Level 3 recurring fair value measurements during six months ended 30 June 2021 (2020: none).

(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 amounts of assets not measured at fair value are as follows:

	30 June 2021 (unaudited)			
	Level 1	Level 2	Level 3	Carrying amount
<i>In thousands of Russian Roubles</i>				
FINANCIAL ASSETS				
Cash and cash equivalents	10 212 011	-	-	10 212 011
Obligatory reserves with the Central Bank of the Russian Federation	-	724 704	-	724 704
Due from other banks	-	2 100 000	-	2 100 000
Loans to customers	-	-	94 128 060	92 779 417
- <i>Corporate loans</i>	-	-	33 818 457	33 898 022
- <i>Loans to individuals – consumer and car loans</i>	-	-	15 036 174	15 003 375
- <i>Mortgage loans</i>	-	-	45 273 429	43 878 020
Finance lease receivables	-	-	250 088	235 807
Other financial assets	-	-	853 434	853 434
TOTAL	10 212 011	2 824 704	95 231 582	106 905 373

17. Fair Value (Continued)

	31 December 2020			
	Level 1	Level 2	Level 3	Carrying amount
<i>In thousands of Russian Roubles</i>				
FINANCIAL ASSETS				
Cash and cash equivalents	11 100 866	-	-	11 100 866
Obligatory reserves 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	-	-	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 amounts of liabilities not measured at fair value are as follows:

	30 June 2021 (unaudited)			
	Level 1	Level 2	Level 3	Carrying amount
<i>In thousands of Russian Roubles</i>				
FINANCIAL LIABILITIES				
Customer accounts	-	92 794 258	-	92 879 209
Debt securities in issue	-	2 260 041	-	2 260 041
- <i>Promissory notes</i>	-	1 169 574	-	1 169 574
- <i>Bonds issued on the domestic market</i>	-	1 090 467	-	1 090 467
Borrowings from international financial institutions	-	488 295	-	488 453
Subordinated loan	-	-	730 813	732 407
Dividends payable	-	344 369	-	344 369
Other financial liabilities	-	-	356 856	356 856
TOTAL	-	95 886 963	1 087 669	97 061 335

	31 December 2020			
	Level 1	Level 2	Level 3	Carrying amount
<i>In thousands of Russian Roubles</i>				
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 the 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	1 563 111	103 024 998

The Group's liabilities to its customers are subject to state deposit insurance scheme as described in Note 1. The fair value of these liabilities reflects these credit enhancements.

18. 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:

<i>In thousands of Russian Roubles</i>	30 June 2021 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Correspondent accounts with banks	191 941	-	-
Gross amount of loans and advances to customers (contractual interest rate: 6.0-14.0%)	-	-	6 872
Customer accounts (contractual interest rate: 0.01% – 6.3%)	-	75 988	154 646
Subordinated borrowings (contractual interest rate: 6.70%)	732 407	-	-
Bonds issued (coupon rate: 5.50%-6.0%)	-	-	42 678

<i>In thousands of Russian Roubles</i>	31 December 2020		
	Major shareholders	Associate	Executive Board and Board of Directors
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

<i>In thousands of Russian Roubles</i>	Six months ended 30 June 2021 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Interest income	-	-	355
Interest expense	(30 310)	(1 204)	(2 702)
Fee and commission income	-	202	198
Administrative expenses excluding management remuneration	-	-	-
Other operating expenses	-	-	-

<i>In thousands of Russian Roubles</i>	Six months ended 30 June 2020 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Interest income	-	95	583
Interest expense	(60 786)	(886)	(2 757)
Fee and commission income	-	126	16
Administrative expenses excluding management remuneration	-	-	(1 417)
Other operating expenses	-	(7 183)	-

18. Related Party Transactions (Continued)

<i>In thousands of Russian Roubles</i>	Three months ended 30 June 2021 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Interest income	-	-	59
Interest expense	(11 894)	(785)	(1 448)
Fee and commission income	-	103	193

<i>In thousands of Russian Roubles</i>	Three months ended 30 June 2020 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Interest income	-	29	202
Interest expense	(24 842)	(579)	(1 140)
Fee and commission income	-	51	9

Major shareholders mean shareholders holding over five percent of the Bank's voting shares. The major shareholders of the Bank are:

<i>Shareholder</i>	30 June 2021 (unaudited)		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)				
Micro and SME Finance Leaders	9.05	10.03	9.05	10.03
Erste Bank	9.09	9.01	9.09	9.01
Firebird Funds	8.22	9.11	8.22	9.11
Rekha Holdings Limited	6.77	7.49	6.77	7.49

Information on liabilities accrued and compensation paid to the Executive Board and Board of Directors is presented below:

<i>(unaudited) In thousands of Russian Roubles</i>	Six months ended 30 June 2021		Six months ended 30 June 2020	
	Compensation	Liability accrued during the period	Compensation	Liability accrued during the period
<i>Short-term benefits:</i>				
- Salaries	18 261	-	13 094	-
- Short-term bonuses and other payments	33 000	-	50 797	-
<i>Long-term bonuses</i>	19 400	22 000	-	-
Total	70 661	22 000	63 891	-

18. Related Party Transactions (Continued)

	Three months ended 30 June 2021		Three months ended 30 June 2020	
	Compensation	Liability accrued during the period	Compensation	Liability accrued during the period
<i>(unaudited)</i>				
<i>In thousands of Russian Roubles</i>				
<i>Short-term benefits:</i>				
- Salaries	10 885	-	7 051	-
- Short-term bonuses and other payments	33 000	-	50 000	-
<i>Long-term bonus scheme</i>	-	22 000	-	-
Total	43 885	22 000	57 051	-

Short-term bonuses are payable in full within twelve months after the end of the period in which management rendered the related services.

Benefits paid to key management personnel of subsidiaries for six months ended 30 June 2021 were RR 1 762 thousand (for six months of 2020: RR 1 185 thousand).

At 30 June 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.