

PJSC “BANK SAINT PETERSBURG” Group
International Financial Reporting Standards
Condensed Consolidated Interim Financial
Information and Independent Auditor's Report
on Review

30 June 2021

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Shareholders and Supervisory Board of «Bank «Saint-Petersburg» Public Joint-Stock Company

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of «Bank «Saint-Petersburg» Public Joint-Stock Company and its subsidiaries (the “Group”) as at 30 June 2021 and the related condensed consolidated interim statements of comprehensive income for the three and six months then ended, condensed consolidated interim statements of changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard («IAS») 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim consolidated 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 of condensed consolidated interim financial information 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.

Other Matter

The consolidated financial statements for the year ended 31 December 2020 were audited by another auditor, who expressed an unmodified opinion on these financial statements on 9 March 2021.

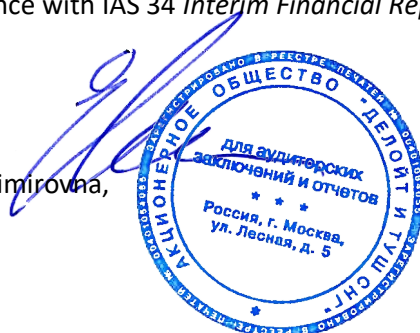
The condensed consolidated interim financial information for the six months ended 30 June 2020 was reviewed by another auditor, who issued an unmodified conclusion on this financial information on 24 August 2020.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Ponomarenko Ekaterina Vladimirovna,
Engagement partner

24 August 2021



The Entity: «Bank «Saint-Petersburg» Public Joint-Stock Company

General Banking License №436, issued by the Central Bank of Russian Federation by 31 December 2014

Primary State Registration Number: 1027800000140

Certificate of registration in the Unified State Register: 78 № 003196015 of 6 August 2002 issued by the Russian Ministry of Taxation's Administration for Saint-Petersburg

Address: 64A Malookhtinskiy Prospekt, Saint-Petersburg, 195112, Russian Federation

Audit Firm: AO "Deloitte & Touche CIS"

Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.

Primary State Registration Number: 1027700425444

Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.

Member of Self-regulatory organization of auditors Association "Sodruzhestvo", ORNZ 12006020384.

PJSC "BANK SAINT PETERSBURG" Group
Condensed consolidated interim statement of financial position as at 30 June 2021

<i>(in thousands of Russian rubles)</i>	Notes	30 June 2021 (unaudited)	31 December 2020
ASSETS			
Cash and cash equivalents		31 732 783	60 270 968
Mandatory cash balances with the Central Bank of the Russian Federation		4 511 716	4 588 389
Trading securities, including those pledged under repurchase agreements	5	15 142 347	6 976 670
Reverse repurchase agreements	6	98 551 301	104 272 021
Derivative financial assets		6 056 413	5 048 126
Due from banks	7	24 858 802	22 459 643
Loans and advances to customers	8		
- loans and advances to legal entities		342 419 402	309 647 068
- loans and advances to individuals		122 414 594	109 817 863
Investment securities, including those pledged under repurchase agreements	9	65 572 580	75 090 863
Investment property		4 247 619	4 411 548
Property and equipment, intangible assets and right-of-use assets		14 167 416	14 442 831
Other assets		7 732 203	12 376 529
Long-term assets held for sale		353 960	824 608
TOTAL ASSETS		737 761 136	730 227 127
LIABILITIES			
Due to banks	10	132 872 278	141 091 424
Customer accounts	11		
- customer accounts of legal entities		215 170 657	194 893 052
- customer accounts of individuals		271 387 931	276 028 699
Financial liabilities at fair value	6	754 822	1 706 974
Derivative financial liabilities		5 809 546	7 410 602
Bonds issued	12	1 923 586	2 712 400
Promissory notes and deposit certificates issued		6 074 428	8 150 022
Other liabilities		9 868 009	9 540 966
TOTAL LIABILITIES		643 861 257	641 534 139
EQUITY			
Share capital	13	3 608 574	3 695 154
Share premium	13	23 206 066	23 850 975
Treasury shares	13	-	(641 996)
Revaluation reserve for property and equipment		3 259 421	3 259 421
Revaluation reserve for investment securities		831 632	722 010
Foreign currency translation reserve		23 947	22 508
Retained earnings		62 970 239	57 784 916
TOTAL EQUITY ATTRIBUTABLE TO: SHAREHOLDERS OF THE BANK		93 899 879	88 692 988
TOTAL EQUITY		93 899 879	88 692 988
TOTAL LIABILITIES AND EQUITY		737 761 136	730 227 127

Approved for issue and signed on behalf of the Management Board on 24 August 2021.

A.V. Savelyev
Chairman of the Management Board



N.G. Tomilina
Chief Accountant

PJSC "BANK SAINT PETERSBURG" Group
Condensed consolidated interim statement of comprehensive income
for the three months and the six months ended 30 June 2021

(in thousands of Russian rubles)	Notes	6 months ended		3 months ended	
		30 June 2021 (unaudited)	30 June 2020 (unaudited)	30 June 2021 (unaudited)	30 June 2020 (unaudited)
Interest income calculated using the effective interest rate	14	20 184 069	20 923 604	10 342 447	10 367 819
Other interest income	14	477 137	1 053 256	238 335	343 147
Interest expense	14	(6 888 348)	(9 093 722)	(3 612 362)	(4 515 868)
Contributions to the deposit insurance system	14	(676 409)	(589 975)	(338 429)	(137 540)
Net interest income	14	13 096 449	12 293 163	6 629 991	6 057 558
Allowance for expected credit losses on debt financial assets	7,8,9	(4 098 961)	(5 067 958)	(1 986 953)	(2 468 203)
Net interest income after allowance for expected credit losses on debt financial instruments		8 997 488	7 225 205	4 643 038	3 589 355
Net losses from trading securities		(256 392)	(140 401)	(30 436)	(56 782)
Net gains from investment securities		9 966	17 407	-	357
Net gains from trading in foreign currencies, foreign exchange revaluation and from transactions with derivatives		2 367 303	525 588	1 568 295	484 254
Net losses from revaluation of loans at fair value through profit or loss		(75 349)	(165 111)	(15 235)	(127 262)
Fee and commission income	15	5 693 403	4 470 195	3 082 663	2 172 882
Fee and commission expense	15	(1 480 491)	(1 092 970)	(774 025)	(499 047)
Recovery (allowance) for credit-related commitments and non-financial liabilities, other financial assets		11 797	137 067	(93 625)	(65 630)
Net gain from disposal of a subsidiary		-	355 103	-	4 146
Net gain from disposal of investment property and long-term assets held for sale		151 320	-	22 998	-
Impairment of investment property		-	(305 058)	-	(305 058)
Net gains from derecognition of financial instruments at amortised cost		803 317	420 200	803 317	338 454
Other net operating income		675 537	517 710	390 459	204 550
Administrative and other operating expenses:					
- staff costs		(4 124 753)	(4 069 358)	(1 623 039)	(1 773 383)
- costs related to property and equipment		(1 254 210)	(1 094 817)	(667 384)	(554 978)
- other administrative and operating expenses		(2 432 904)	(2 381 822)	(1 311 654)	(1 084 215)
Profit before tax		9 086 032	4 418 938	5 995 372	2 327 643
Income tax expense		(1 817 281)	(820 642)	(1 120 039)	(310 510)
Profit for the period		7 268 751	3 598 296	4 875 333	2 017 133

PJSC "BANK SAINT PETERSBURG" Group
Condensed consolidated interim statement of comprehensive income
for the three months and the six months ended 30 June 2021

		6 months ended		3 months ended	
(in thousands of Russian rubles)	Notes	30 June 2021 (unaudited)	30 June 2020 (unaudited)	30 June 2021 (unaudited)	30 June 2020 (unaudited)
Other comprehensive income					
<i>Items of comprehensive income/(loss) that are or will be reclassified subsequently to profit or loss</i>					
Net result from revaluation of investment securities measured at fair value through other comprehensive income		182 071	(7 513)	139 241	17 824
Net result from revaluation of investment securities measured at fair value through other comprehensive income reclassified to profit or loss upon disposal		(43 841)	(10 782)	(20 882)	(940)
Deferred income tax related to items of other comprehensive income (loss)		(28 608)	3 465	(23 672)	(3 493)
Exchange differences on translation		1 439	31 859	(8 494)	11 080
Other comprehensive income for the period after tax		111 061	17 029	86 193	24 471
Total comprehensive income for the period		7 379 812	3 615 325	4 961 526	2 041 604
Basic and diluted earnings per share (in Russian rubles per share)	16	15.27	7.56	10.24	4.24

A.V. Savelyev
Chairman of the Management Board



N.G. Tomilina
Chief Accountant

PJSC "BANK SAINT PETERSBURG" Group

Condensed consolidated interim statement of changes in equity for the six months ended 30 June 2021

<i>(in thousands of Russian rubles)</i>	Note	Share capital	Share premium	Treasury shares	Revaluation reserve for property and equipment	Revaluation reserve for investment securities	Foreign currency translation reserve	Retained earnings	Total equity
Balance as at 1 January 2020		3 781 734	24 513 878	(1 301 987)	3 239 536	689 613	(8 989)	49 156 483	80 070 268
Other comprehensive income/(loss): recognised directly in equity (unaudited)		-	-	-	-	(14 830)	31 859	-	17 029
Profit for the period (unaudited)		-	-	-	-	-	-	3 598 296	3 598 296
Total comprehensive income for 6 months of 2020 (unaudited)		-	-	-	-	(14 830)	31 859	3 598 296	3 615 325
Dividends declared (unaudited)									
- ordinary shares	17	-	-	-	-	-	-	-	-
- preference shares	17	-	-	-	-	-	-	(2 211)	(2 211)
Redemption of treasury shares (unaudited)	13	(86 580)	(662 903)	659 991	-	-	-	89 492	-
Balance as at 30 June 2020 (unaudited)		3 695 154	23 850 975	(641 996)	3 239 536	674 783	22 870	52 842 060	83 683 382

The accompanying notes form an integral part of this condensed consolidated interim financial information.

PJSC "BANK SAINT PETERSBURG" Group
Condensed consolidated interim statement of changes in equity for the six months ended 30 June 2021

<i>(in thousands of Russian rubles)</i>	Note	Share capital	Share premium	Treasury shares	Revaluation reserve for property and equipment	Revaluation reserve for investment securities	Foreign currency translation reserve	Retained earnings	Total equity
Balance as at 1 January 2021		3 695 154	23 850 975	(641 996)	3 259 421	722 010	22 508	57 784 916	88 692 988
Other comprehensive income/(loss): recognised directly in equity (unaudited)		-	-	-	-	109 622	1 439	-	111 061
Profit for the period (unaudited)		-	-	-	-	-	-	7 268 751	7 268 751
Total comprehensive income for 6 months of 2021 (unaudited)		-	-	-	-	109 622	1 439	7 268 751	7 379 812
Dividends declared (unaudited)									
- ordinary shares	17	-	-	-	-	-	-	(2 168 499)	(2 168 499)
- preference shares	17	-	-	-	-	-	-	(4 422)	(4 422)
Redemption of treasury shares (unaudited)	13	(86 580)	(644 909)	641 996	-	-	-	89 493	-
Balance as at 30 June 2021 (unaudited)		3 608 574	23 206 066	-	3 259 421	831 632	23 947	62 970 239	93 899 879

A.V. Savelyev
Chairman of the Management Board



N.G. Tomilina
Chief Accountant

PJSC "BANK SAINT PETERSBURG" Group**Condensed consolidated interim statement of cash flows for the six months ended 30 June 2021**

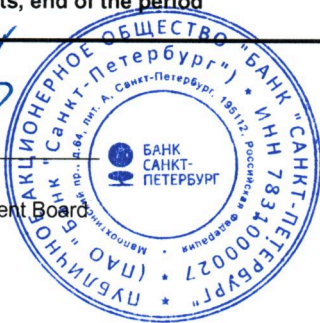
	6 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)
<i>(in thousands of Russian rubles)</i>		
Cash flows from operating activities		
Interest received on loans and correspondent accounts	18 285 223	18 091 180
Interest received on securities	2 000 278	2 190 284
Interest received on reverse repurchase agreements	1 322 558	1 401 647
Interest paid on due to banks	(1 712 474)	(2 548 271)
Interest paid on customer accounts	(5 052 849)	(6 463 945)
Contributions to the deposit insurance system	(676 409)	(882 926)
Interest paid on other debt securities issued	(123 496)	(97 884)
Net losses from securities trading	(161 748)	(245 028)
Net gains from trading in foreign currencies and from transactions with derivatives	2 647 161	2 538 315
Fee and commissions received	5 687 777	4 407 354
Fee and commissions paid	(1 025 774)	(824 845)
Other operating income	640 608	586 784
Expenses on loyalty programmes	(415 569)	(266 274)
Staff costs	(4 130 612)	(4 147 909)
Property and equipment costs	(414 153)	(366 717)
Administrative and other operating expenses	(2 454 710)	(2 383 855)
Income tax paid	1 032 703	(264 759)
Cash flows from operating activities before changes in operating assets and liabilities	15 448 514	10 723 151
Changes in operating assets and liabilities		
Net decrease/(increase) in mandatory reserve deposits with the Central Bank of the Russian Federation	76 673	(56 063)
Net (increase)/decrease in trading securities, including those pledged under repurchase agreements	(8 283 560)	33 159 758
Net decrease under reverse repurchase agreements	3 405 909	3 157 923
Net (increase)/decrease in due from banks	(2 649 273)	22 032 792
Net (increase) in loans and advances to customers	(52 363 489)	(6 553 367)
Net decrease/(increase) in other assets	2 856 678	(3 024 488)
Net (decrease)/increase in due to banks	(7 072 757)	(34 276 138)
Net increase in customer accounts	18 945 460	953 853
Net (decrease)/increase in financial liabilities at fair value	(951 367)	386 323
Net (decrease)/increase in other debt securities issued	(1 941 603)	1 173 366
Net (decrease)/increase in other liabilities	(662 429)	439 959
Net cash (used in)/received from operating activities	(33 191 244)	28 117 069
Cash flows from investing activities		
Acquisition of property and equipment and intangible assets	(427 390)	(445 316)
Proceeds from disposal of property and equipment and intangible assets	6 355	-
Acquisition of investment securities, including those pledged under repurchase agreements	(7 351 889)	(16 331 687)
Sale and redemption of investment securities, including those pledged under repurchase agreements	15 778 592	4 237 988
Proceeds from sale of a subsidiary	-	980 602
Proceeds from sale of investment property and long-term assets held for sale	783 639	449 722
Dividends received	4 163	2 493
Net cash received from/(used in) investing activities	8 793 470	(11 106 198)

PJSC "BANK SAINT PETERSBURG" Group

Condensed consolidated interim statement of cash flows for the six months ended 30 June 2021

	6 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)
<i>(in thousands of Russian rubles)</i>		
Cash flows from financing activities		
Purchase and redemption of issued bonds	(788 814)	(1 084 960)
Interest paid on issued bonds	(110 941)	(204 826)
Payment of lease commitments	(270 837)	(244 264)
Dividends paid	(2 166 725)	(1 919)
Net cash used in financing activities	(3 337 317)	(1 535 969)
Effect of exchange rate changes on cash and cash equivalents	(803 094)	2 578 976
Net (decrease)/increase in cash and cash equivalents	(28 538 185)	18 053 878
Cash and cash equivalents, beginning of the period	60 270 968	42 556 257
Cash and cash equivalents, end of the period	31 732 783	60 610 135

A.V. Savelyev
Chairman of the Management Board



N.G. Tomilina
Chief Accountant

1 Background

This condensed consolidated interim financial information was prepared in accordance with IAS 34 Interim Financial Reporting for the six months ended 30 June 2021 for PJSC “Bank Saint Petersburg” (hereinafter, the “Bank”) and its subsidiaries, together referred to as the “Group” or the “PJSC “Bank Saint Petersburg” Group”. The list of subsidiaries is provided in Note 23.

The Bank was incorporated in 1990 as an open joint-stock company in accordance with the effective laws of the Russian Federation as a result of corporatisation of the former Leningrad regional office of Zhilsotsbank. In 2014, the Bank was reorganised from Open Joint-Stock Company “Bank Saint Petersburg” to Public Joint-Stock Company “Bank Saint Petersburg” following a resolution of an extraordinary shareholders’ meeting.

As at 30 June 2021, management of the Bank controls 53.13 percent of its ordinary shares (31 December 2020: 51.82 percent), of which: 26.21 percent of ordinary shares are controlled by Mr. A.V. Savelyev (31 December 2020: 25.56 percent), 26.92 percent — by the Bank’s management, including 26.82 percent of ordinary shares owned by “Vernye Druzya” Management Company LLC (31 December 2020: 26.26 percent of the ordinary shares were controlled by the Bank’s management, including 26.16 percent of ordinary shares owned by “Vernye Druzya” Management Company LLC). NOROYIA ASSETS LIMITED, ZERILOD HOLDINGS LIMITED and CARISTAS LIMITED hold a 26.58 percent interest in “Vernye Druzya” Management Company LLC each (31 December 2020: NOROYIA ASSETS LIMITED, ZERILOD HOLDINGS LIMITED and CARISTAS LIMITED held a 26.58 percent interest in “Vernye Druzya” Management Company LLC each).

Mrs O.A. Savelyeva indirectly owns 19.95 percent in “Vernye Druzya” Management Company LLC and has a perpetual option to purchase a 100 percent interest in NOROYIA ASSETS LIMITED, ZERILOD HOLDINGS LIMITED and CARISTAS LIMITED (31 December 2020: Mrs O.A. Savelyeva indirectly owned 19.95 percent in “Vernye Druzya” Management Company LLC and had a perpetual option to purchase a 100 percent interest in NOROYIA ASSETS LIMITED, ZERILOD HOLDINGS LIMITED and CARISTAS LIMITED). K.B. Mironova and P.V.Filimonenok (members of the Bank’s management) act as the ultimate owners of NOROYIA ASSETS LIMITED and ZERILOD HOLDINGS LIMITED, and Mr. V.G. Reutov is the ultimate owner of CARISTAS LIMITED (31 December 2020: K.B. Mironova and P.V.Filimonenok (members of the Bank’s management) acted as the ultimate owners of NOROYIA ASSETS LIMITED and ZERILOD HOLDINGS LIMITED and Mr. V.G. Reutov was the ultimate owner of CARISTAS LIMITED).

The remaining ordinary shares are owned as follows: East Capital Group holds 4.56 percent (31 December 2020: 4.46 percent) and the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD) holds 5.08 percent (31 December 2020: 4.95 percent).

As at 30 June 2021, there were no treasury shares bought back by the Bank based on a decision of the Supervisory Board made in accordance with Article 72 of the Russian Federal Law “On joint-stock companies” (31 December 2020: Treasury shares made up 2.46 percent of ordinary shares). Treasury shares carry no voting right and are not taken into account when counting votes.

The remaining 37.23 percent of the ordinary shares are widely held (31 December 2020: 36.31 percent).

Principal activity. The Bank is primarily engaged in commercial banking operations in the Russian Federation (Russia). The Bank has been operating under a general banking license issued by the Central Bank of the Russian Federation (CB RF) in 1997. The Bank participates in the state deposit insurance scheme approved by the Russian Federal Law of 23 December 2003 No. 177-FZ “On the insurance of bank deposits in the Russian Federation”. The state deposit insurance agency guarantees repayment of private deposits in the amount of 100% of total deposits placed with the bank, but limited to RUB 1,400,000 per individual in case of the withdrawal of their bank’s license or a moratorium on payments imposed by the CB RF.

1 Background (continued)

As at 30 June 2021, the Bank had five branches in Russia, of which three branches in the North-Western region, one branch in Moscow and one branch in Novosibirsk, 53 outlets, and two representative offices in Rostov-on-Don and Krasnodar (31 December 2020: five branches in Russia, of which three branches in the North-Western region, one branch in Moscow and one branch in Novosibirsk, 53 outlets, and two representative offices in Rostov-on-Don and Krasnodar).

Registered address and place of business. The Bank's registered address and place of business is 64A Malookhtinsky Prospect, Saint Petersburg, 195112, Russian Federation.

Presentation currency of the condensed consolidated interim financial information. This condensed consolidated interim financial information is presented in thousands of Russian rubles ("RUB thousands").

2 Operating Environment

The first half of 2021 was favorable for the Russian economy, with rising oil prices and high risk appetites supporting the recovery after the pandemic. The national COVID-19 vaccination campaign launched in January 2021 was ramped up significantly in the first half of the year, which made it possible to lift a number of restrictions and — according to the CB RF — recover the economy to the pre-Covid levels. However, the epidemiological situation worsened by the end of June as new strains of the virus spread across the country. Therefore, prospects for economic growth in Russia remain uncertain. In January-June, oil prices rose supported by OPEC+ production cuts and a gradual recovery in oil demand following the pandemic. However, in June oil prices made a new high since the end of 2018 amid expectations of a significant oil shortage in the second half of 2021. As a result, Brent crude futures rose to USD 75 per barrel (Source: Bloomberg), while the price for Russian Urals increased to USD 73 per barrel by the end of June.

According to Federal State Statistics Service (Rosstat), in May 2021, the Industrial Production Index demonstrated a sharp increase by 12.3 percent year on year due to the low production base. However, in June, the production growth slowed down to 10.4 percent year on year, largely due to a decline in the manufacturing sector where the production growth slowed down from 12.1 percent year on year in May to 7.7 percent year on year in June. Against the backdrop of the prior year's low production base, the retail turnover and exports grew significantly in May 2021, by 27.2 percent year on year and 42 percent year on year, respectively. Based on the Rosstat data, CB RF estimated that the growth of the Russian economy in the first quarter of 2021 (seasonally adjusted) totaled 0.8 percent as compared to the previous quarter.

Inflation in Russia accelerated during the first half of the year, peaking at 6.5 percent year on year in June. In addition to the strong recovery in demand in the wake of the pandemic, an increase in prices was driven by the rising global food prices and supply chain disruptions, in particular the shortage of semiconductors. However, the CB RF expects that inflation will be above 5.2 percent at year end and will return to the target level of 4 percent only in the second half of 2022.

In view of this, the CB RF began a transition to a neutral monetary policy. The key rate was increased from 4.25 percent per annum by 25 percentage points in March 2021, by 50 percentage points – in April and by 50 percentage points – in June. Before 2021, the rate was last increased in December 2018. Central banks of other developing countries have also tended to tighten financial regulations, while regulators in developed countries, including the Federal Reserve, have maintained a loose monetary policy.

In the first two quarters of 2021, global financial markets generally provided positive news. On top of the gradual recovery from the pandemic, the market was driven by large-scale economic incentives launched in the United States. Inflation and the risk of earlier tightening of the monetary policy were the key obstacles. In June, inflation in the US reached 5.4 percent year on year, breaking the previous record from August 2008. However, the Federal Reserve believes that this inflationary surge is only temporary.

2 Operating Environment (continued)

For the first six months of 2021, the exchange rate of the Russian ruble was rather volatile, fluctuating from 72.8 to 77 RUB/ USD (Source: Bloomberg). The geopolitical situation had a significant impact on the Russian currency. Effective from 14 June 2021, American financial institutions are no longer allowed to buy Russian sovereign bonds on the primary market; however, these restrictions do not apply to the secondary limited.

The market participants found those restrictions rather soft, and the removal of sanctions-related uncertainty had a positive effect on Russian assets. As a result, the RUB/USD rate was RUB 73 for 1 USD by the end of June (Source: Bloomberg).

The Moscow Exchange Index had been increasing since January and continued to hit all-time highs in June. During the first two quarters of 2021 the index rose by 14 percent. The Russian debt market followed the key rate, and investors expect that this rate will continue growing. The decline in demand from non-residents put an additional pressure on quotations. As a result, federal loan bonds had grown by 110-225 basis points since January (depending on maturity).

The legal, tax and regulatory frameworks continue developing but are subject to varying interpretations and frequent changes which, together with other legal and fiscal impediments, contribute to the challenges faced by entities operating in Russia. In addition, the recent contraction of the capital and credit markets has further increased the level of economic uncertainty. In general, the Group's current economic environment is characterised by a significant increase in various risks and the overall uncertainty that limits the strategic horizon of economic entities and the aggregate risk appetite.

The accompanying condensed consolidated interim financial information reflects management's assessment of the potential impact of the existing financial and business environment on the Group's operations and financial position. Subsequent changes in the operating environment may differ from management's judgment.

Management believes that it is taking adequate measures to maintain the Group's economic resilience in current conditions.

In response to an increase in credit risk due to the 2020 COVID-19 pandemic and the measures taken to contain the spread of the virus, the Group adopted a more cautious approach to approving loans and extending repayment terms for borrowers in a difficult financial situation as part of the Bank's and government programmes. By the end of June 2021, the vast majority of the extended repayment periods, the number of which peaked in the second quarter of 2020, had expired, and, according to the Group's estimates, roughly 93 percent of the customers who were granted such deferrals, had managed to return to regular payments under the loan schedule, which shows the effectiveness of this step.

3 Basis of Preparation of Condensed Consolidated Interim Financial Information and Significant Accounting Policies.

Basis of presentation. As permitted by IAS 34 Interim Financial Reporting, an entity may decide to provide less information at interim reporting dates as compared to its annual financial statements.

The accounting policies and methods of calculation applied in the preparation of this condensed consolidated interim financial information are consistent with those disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2020, except as described in Note 4. This condensed consolidated interim financial information of the Group does not contain all the information required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). As the Group's performance is closely related and to some extent responsive to changes in market conditions, the performance of the Group in an interim period is not necessarily indicative of the performance that can be expected for the year ending 31 December 2021.

The Group believes that disclosures in this condensed consolidated interim financial information represent sufficient data, provided they are read along with the annual financial statements for 2020 prepared in accordance with the IFRS.

The preparation of this condensed consolidated interim financial information in conformity with IAS 34 requires management of the Group to make estimates and exercise professional judgement. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to this condensed consolidated interim financial information are disclosed in Note 4.

3 Basis of Preparation of the Condensed Consolidated Interim Financial Information and Summary of Significant Accounting Policies (continued)

This condensed consolidated interim financial information is prepared on a historical cost basis, with exception for financial instruments that are initially recognised at fair value and certain loans and advances to customers, property and equipment, trading securities, investment securities and derivative financial instruments that are measured at fair value and subsequently revalued.

The same accounting policies, presentation and methods of computation have been followed in this condensed consolidated interim financial information as were applied in the preparation of the Group's financial statements for the year ended 31 December 2020, except for the accounting policies and impact of the adoption of the following new and amended Standards and Interpretations effective for annual periods beginning on or after 1 January 2021:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The Group used 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021.

The above standards and interpretations were reviewed by the Group's management, but did not have a significant effect on this condensed consolidated interim financial information of the Group.

New and revised IFRSs in issue but not yet effective. At the time of approval of this condensed consolidated interim financial information the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New or revised standard or interpretation	Applicable to annual reporting periods beginning on or after
<i>IFRS 17 Insurance contracts</i>	1 January 2023
<i>Amendments to IFRS 17 Insurance contracts</i>	1 January 2023
<i>Amendments to IAS 1 “Classification of Liabilities as Short-Term or Long-Term” (as part of the project to formulate Annual Improvements to IFRS 2010-2012 cycles).</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to IAS 8)</i>	1 January 2023
<i>Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</i>	1 January 2023
<i>Annual Improvements to IFRS Standards 2018–2020:</i>	
<i>Reference to the Conceptual Framework (Amendments to IFRS 3)</i>	1 January 2022
<i>Amendments to IAS 16 Property, Plant and Equipment - Revenue Before Intended Use</i>	1 January 2022
<i>Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” - “Loss-making Contracts - Completion Value”</i>	1 January 2022
<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 and the Illustrative Examples accompanying IFRS 16 IFRS Annual Improvements</i>	1 January 2022
<i>Amendments to IAS 12 Deferred Tax Relating to Assets and Liabilities Arising from a Single Transaction</i>	1 January 2023
<i>Amendment to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined by the IASB

The Group does not expect that the adoption of the Standards listed above will have a material impact on this condensed consolidated interim financial information of the Group in future periods.

3 Basis of Preparation of the Condensed Consolidated Interim Financial Information and Summary of Significant Accounting Policies (continued)

The Group's operations are not of a seasonal or cyclical nature.

As at 30 June 2021, the official exchange rates used for translating foreign currency balances are RUB 72.3723 for 1 USD and RUB 86.2026 for 1 EUR (31 December 2020: RUB 73.8757 for 1 USD and RUB 90.6824 for 1 EUR).

Changes in the presentation of comparative data

To achieve a more reliable and appropriate presentation of its fee and commission income, the Group reclassified the income from asset management operations and other investment services provided by subsidiaries from other operating income to the fee and commission income presented in the "Investment services, including asset management services" line: in the comparative data in the condensed consolidated interim statement of comprehensive income for the six months ended 30 June 2020 the respective amount totals RUB 52 093 thousand, including RUB 30 872 thousand for the three months ended 30 June 2020.

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts of assets and liabilities recognised in the condensed consolidated interim financial information. These estimates and assumptions are continually reviewed and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes professional judgements and estimates in the process of applying the accounting policies.

Professional judgements that have the most significant effect on the amounts recognised in the condensed consolidated interim financial information and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the current financial year were similar to those applied in the Group's consolidated financial statements for the year ended 31 December 2020, except for the aspects described below. A number of new standards, which became effective from 1 January 2021, do not have a significant impact on the condensed consolidated interim financial information of the Group.

The professional judgment about adjustments of default probabilities for loans to legal entities and individuals in line with the current macroeconomic cycle (macro adjustment) is the most significant in terms of the impact on the Group's financial result for the 6 months of 2021.

If, based on historical data for a class of financial assets, the Group identifies that macroeconomic indicators correlate with the probability of default, the Group estimates the default probabilities for this class of assets using a model that links the anticipated macroeconomic indicators with the anticipated level of default on the loan portfolio based on historical data. The macroeconomic forecast scenarios of the CB RF are used as input data for the model. The default probabilities are adjusted as the macroeconomic forecast is updated. The default probabilities are assessed using the most recent forecast available as of the date of preparation of financial statements. In the first half of 2021 the Group revised an approach to formation of a macromodel used for assessment of the default rate level, which resulted in decrease of the expected level of default rate in 2021.

If, based on historical data for a class of financial assets, the Group identifies that macroeconomic indicators do not correlate with the probability of default, the Group does not use a model approach for assessing the macro adjustment for that class of assets and assesses ECL based on actually observed probabilities of default within one year prior to the reporting date (with zero macro adjustment).

In the first half of 2021, the Group noted the following changes in the expected probabilities of default:

- for legal entities - a 37% decrease from 31 December 2020.
- for individuals - an increase from -12% to +4% from 31 December 2020.

5 Trading Securities, Including those Pledged under Repurchase Agreements

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Debt trading securities		
Federal loan bonds	5 109 739	1 311 563
Corporate bonds	4 798 570	600 486
Corporate Eurobonds	3 536 226	-
Municipal bonds	57 601	95 522
Total debt securities	13 502 136	2 007 571
Equity securities	574 866	564 266
Total trading securities	14 077 002	2 571 837
Debt trading securities pledged under repurchase agreements		
Corporate Eurobonds	825 500	-
Corporate bonds	239 845	4 404 833
Total debt trading securities pledged under repurchase agreements	1 065 345	4 404 833
Total trading securities pledged under repurchase agreements	1 065 345	4 404 833
Total trading securities, including those pledged under repurchase agreements	15 142 347	6 976 670

As at 30 June 2021, debt trading securities, including those pledged under repurchase agreements, were measured at fair value, which also reflects the credit risk associated with these securities (31 December 2020: at fair value).

The Group's debt securities are divided by the level of credit risk on the basis of averaging the values of credit ratings of issuers (or, in their absence, the credit ratings of debt securities issues) assigned by the international rating agencies Moody's, S&P and Fitch (or, in their absence for Russian issuers, ratings assigned by ACRA, a major Russian rating agency):

Group A - securities of issuers with an average credit rating not lower than "BBB-".

Group B - securities of issuers with an average credit rating between "BB-" and "BB+".

Group C - securities of issuers with an average credit rating between "B-" and "B+".

Group D - non-default securities of issuers with an average credit rating lower than "B-" or not rated.

5 Trading Securities, Including those Pledged under Repurchase Agreements (continued)

The following table provides a credit quality analysis of debt trading securities and debt trading securities pledged under repurchase agreements as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	Corporate bonds	Corporate Eurobonds	Federal loan bonds	Municipal bonds	Total
Debt trading securities					
Neither past due nor impaired					
Group A	1 849 254	3 076 385	5 109 739	57 601	10 092 979
Group B	2 886 051	459 841	-	-	3 345 892
Group C	63 265	-	-	-	63 265
Total debt trading securities	4 798 570	3 536 226	5 109 739	57 601	13 502 136
Debt trading securities pledged under repurchase agreements					
Neither past due nor impaired					
Group A	239 845	793 464	-	-	1 033 309
Group B	-	32 036	-	-	32 036
Total debt trading securities pledged under repurchase agreements	239 845	825 500	-	-	1 065 345
Total debt trading securities, including those pledged under repurchase agreements.	5 038 415	4 361 726	5 109 739	57 601	14 567 481

5 Trading Securities, Including those Pledged under Repurchase Agreements (continued)

The following table provides a credit quality analysis of debt trading securities and debt trading securities pledged under repurchase agreements as at 31 December 2020:

<i>(in thousands of Russian rubles)</i>	Corporate bonds	Federal loan bonds	Municipal bonds	Total
Debt trading securities				
Neither past due nor impaired				
Group A	216 182	1 311 563	95 522	1 623 267
Group B	184 510	-	-	184 510
Group C	199 794	-	-	199 794
Total debt trading securities	600 486	1 311 563	95 522	2 007 571
Debt trading securities pledged under repurchase agreements				
Neither past due nor impaired				
Group A	2 317 506	-	-	2 317 506
Group B	2 087 327	-	-	2 087 327
Total debt trading securities pledged under repurchase agreements	4 404 833	-	-	4 404 833
Total debt trading securities, including those pledged under repurchase agreements	5 005 319	1 311 563	95 522	6 412 404

The Bank is licensed by the Federal Commission for Securities of Russia to transact with securities.

Securities transferred or sold under repurchase agreements are transferred to a third party as collateral for borrowings. These financial assets may be repledged or resold by counterparties in the absence of default by the Group, but the counterparty has an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them.

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities, as well as the requirements determined by exchanges where the Group acts as an intermediary. Please refer to Notes 6, 7, 8, 10.

A currency structure and maturity analysis of trading securities, including those pledged under repurchase agreements, is presented in Note 19.

6 Reverse Repurchase Agreements

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Reverse repurchase agreements with banks	82 346 046	84 588 242
Reverse repurchase agreements with customers	16 205 255	19 683 779
Total reverse repurchase agreements	98 551 301	104 272 021

As at 30 June 2021, reverse repurchase agreements were represented by agreements with customers and banks that were secured by federal loan bonds, corporate Eurobonds and corporate bonds (31 December 2020: federal loan bonds, corporate Eurobonds, corporate bonds).

As at 30 June 2021, the Group had effective reverse repurchase agreements with an organisation acting as a central counterparty in the financial market in the amount of RUB 71 493 205 thousand (31 December 2020: RUB 67 690 307 thousand).

As at 30 June 2021, the Group had 2 counterparties whose aggregate balances under reverse repurchase agreements exceeded 10 percent of the Group's equity (31 December 2020: one counterparty). As at 30 June 2021 the aggregate amount of the Group's reverse repurchase agreements with these counterparties was RUB 25 795 531 thousand (31 December 2020: RUB 14 298 299 thousand).

As at 30 June 2021, the fair value of the securities pledged under reverse repurchase agreements totaled RUB 113 812 798 thousand (31 December 2020: RUB 111 769 774 thousand) of which securities with the fair value of RUB 59 378 959 thousand were pledged under reverse repurchase agreements (31 December 2020: RUB 49 017 932 thousand). As at 30 June 2021, the Group sold securities with the fair value of RUB 754 822 thousand (31 December 2020: the Group sold securities with the fair value of RUB 1 706 974 thousand). The obligation to acquire these securities is recognized in line “Financial liabilities at fair value” in the statement of financial position of the Group. In all instances the amount of the collateral for individual transactions is equal to or exceeds the amount of debt under the transaction.

As at 30 June 2021 and 31 December 2020, the debt due under reverse repurchase agreements was categorised by credit quality depending on the credit rating of the respective counterparty.

For definition of groups by credit risk level refer to Note 5.

As at 30 June 2021 and 31 December 2020, reverse repurchase agreements were not past due, had no indications of impairment and were classified into Stage 1 (12-month ECL).

There were no transfers between the stages of impairment during the six months of 2021.

The table below shows a credit quality analysis of reverse repurchase agreements and the corresponding ECL allowances as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Group A	72 674 318	-	-	-	72 674 318
Group B	10 852 841	-	-	-	10 852 841
Group C	81 452	-	-	-	81 452
Group D	14 942 690	-	-	-	14 942 690
Total gross carrying amount of reverse repurchase agreements	98 551 301	-	-	-	98 551 301
Allowance for ECL	-	-	-	-	-
Total reverse repurchase agreements	98 551 301	-	-	-	98 551 301

6 Reverse Repurchase Agreements (continued)

The table below shows a credit quality analysis of reverse repurchase agreements and the corresponding ECL allowances as at 31 December 2020:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Group A	80 072 044	-	-	-	80 072 044
Group B	7 313 524	-	-	-	7 313 524
Group D	16 886 453	-	-	-	16 886 453
Total gross carrying amount of reverse repurchase agreements	104 272 021	-	-	-	104 272 021
Allowance for ECL	-	-	-	-	-
Total reverse repurchase agreements	104 272 021	-	-	-	104 272 021

A currency structure and maturity analysis of reverse repurchase agreements is presented in Note 19.

7 Due from Banks

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Term placements with banks	24 873 244	22 475 385
Allowance for ECL	(14 442)	(15 742)
Total due from banks	24 858 802	22 459 643

As at 30 June 2021, the Group had 1 counterparty whose aggregate loan balances exceeded 10 percent of the Group's equity. As at 30 June 2021 the aggregate amount of loans issued to this counterparty was RUB 10 873 287 thousand (31 December 2020: one counterparty with the total loan amount of RUB 11 101 481 thousand).

As at 30 June 2021 and 31 December 2020, due to banks are neither overdue, nor have indicators of impairment and are classified into Stage 1 (12-month ECL).

There were no transfers between the stages of impairment of due from banks during the six months ended 30 June 2021 and the six months ended 30 June 2020.

Below is an analysis of changes in the ECL allowance during the six months ended 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 January	15 742	-	-	-	15 742
New assets received or acquired	2 352	-	-	-	2 352
Recovery of allowance due to repayment of loans	(3 349)	-	-	-	(3 349)
Effect of foreign currency revaluation	(303)	-	-	-	(303)
Total allowance for ECL as at 30 June	14 442	-	-	-	14 442

7 Due from Banks (continued)

Below is an analysis of changes in the ECL allowance during the three months ended 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 April	17 607	-	-	-	17 607
New assets received or acquired	-	-	-	-	-
Recovery of allowance due to repayment of loans	(2 352)	-	-	-	(2 352)
Effect of foreign currency revaluation	(813)	-	-	-	(813)
Total allowance for ECL as at 30 June	14 442	-	-	-	14 442

Below is an analysis of changes in the ECL allowance during the six months ended 30 June 2020 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime expected credit losses - impaired assets	POCI assets	Total
Allowance for ECL as at 1 January	3 256	-	-	-	3 256
New assets received or acquired	2 195	-	-	-	2 195
Recovery of allowance due to repayment of loans	(4 231)	-	-	-	(4 231)
Effect of foreign currency revaluation	-	-	-	-	-
Total allowance for ECL as at 30 June	1 220	-	-	-	1 220

Below is an analysis of changes in the ECL allowance during the three months ended 30 June 2020 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 April	975	-	-	-	975
New assets received or acquired	1 220	-	-	-	1 220
Recovery of allowance due to repayment of loans	(975)	-	-	-	(975)
Effect of foreign currency revaluation	-	-	-	-	-
Total allowance for ECL as at 30 June	1 220	-	-	-	1 220

As at 30 June 2021 and 31 December 2020, term deposits were categorised by credit quality depending on the credit rating of the credit institution assigned by Moody's, S&P and Fitch rating agencies (or, in the absence of such ratings for Russian credit institutions, the ratings assigned by ACRA).

For definition of groups by credit risk level refer to Note 5.

7 Due from Banks (continued)

The table below shows a credit quality analysis of the amounts due from banks measured at amortised cost and the related ECL allowances as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL- non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Group A	24 873 244	-	-	-	24 873 244
Total gross carrying amount of due from banks	24 873 244	-	-	-	24 873 244
Allowance for ECL	(14 442)	-	-	-	(14 442)
Total due from banks	24 858 802	-	-	-	24 858 802

The table below shows a credit quality analysis of the amounts due from banks measured at amortised cost and the related ECL allowances as at 31 December 2020:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL- non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Group A	15 868 026	-	-	-	15 868 026
Group B	6 607 359	-	-	-	6 607 359
Total gross carrying amount of due from banks	22 475 385	-	-	-	22 475 385
Allowance for ECL	(15 742)	-	-	-	(15 742)
Total due from banks	22 459 643	-	-	-	22 459 643

Due from banks are not secured. Due from banks are not past due or impaired.

A currency structure and maturity analysis of due from banks is presented in Note 19.

8 Loans and Advances to Customers

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Loans measured at amortised cost		
Loans to legal entities		
- loans to finance working capital	256 266 713	216 093 638
- investment loans	94 526 267	98 246 854
- loans to entities financed by the government	24 742 786	24 519 610
Loans to individuals		
- mortgage loans	85 351 820	78 280 320
- car loans	5 908 584	5 416 060
- consumer loans to VIP customers	4 011 472	4 362 328
- other consumer loans	32 464 952	27 224 785
Allowance for ECL	(42 485 491)	(39 807 650)
Loans measured at fair value		
Loans to legal entities	4 046 893	5 128 986
Total loans and advances to customers	464 833 996	419 464 931

Below is an analysis of changes in the ECL allowance during the six months ended 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 January	6 340 751	3 135 293	29 006 980	1 324 626	39 807 650
Transfer to 12-month ECL	319 081	(297 935)	(21 146)	-	-
Transfer to lifetime ECL - non-impaired assets	(67 750)	215 031	(147 281)	-	-
Transfer to lifetime ECL - impaired assets	(88 433)	(828 801)	917 234	-	-
New assets received or acquired	2 384 801	-	-	-	2 384 801
Net expense from creation/(recovery) of an allowance for ECL	(2 445 967)	(101 963)	7 224 177	(646 418)	4 029 829
Recovery of allowance due to repayment of loans	(970 365)	(922 856)	(407 622)	-	(2 300 843)
Unwinding of discount in respect of ECL present value	-	-	752 205	-	752 205
Amounts written-off as non-recoverable during the period	-	-	(785 352)	-	(785 352)
Loans and advances to customers sold during the period as non-recoverable	-	-	(854 997)	-	(854 997)
Effect of foreign currency revaluation	(43 194)	(4 826)	(499 782)	-	(547 802)
Total allowance for ECL as at 30 June	5 428 924	1 193 943	35 184 416	678 208	42 485 491

8 Loans and Advances to Customers (continued)

Below is an analysis of changes in the ECL allowance during the three months ended 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 April	5 016 797	2 805 518	33 097 830	1 324 626	42 244 771
Transfer to 12-month ECL	241 162	(223 716)	(17 446)	-	-
Transfer to lifetime ECL - non-impaired assets	14 479	14 678	(29 157)	-	-
Transfer to lifetime ECL - impaired assets	(61 720)	(340 676)	402 396	-	-
New assets received or acquired	1 375 027	-	-	-	1 375 027
Net expense from creation/(recovery) of an allowance for ECL	(622 367)	(176 061)	3 708 265	(646 418)	2 263 419
Recovery of allowance due to repayment of loans	(501 111)	(895 313)	(244 334)	-	(1 640 758)
Unwinding of discount in respect of ECL present value	-	-	362 231	-	362 231
Amounts written-off as non-recoverable during the period	-	-	(663 312)	-	(663 312)
Loans and advances to customers sold during the period as non-recoverable	-	-	(744 823)	-	(744 823)
Effect of foreign currency revaluation	(33 343)	9 513	(687 234)	-	(711 064)
Total allowance for ECL as at 30 June	5 428 924	1 193 943	35 184 416	678 208	42 485 491

Below is an analysis of changes in the ECL allowance during the six months ended 30 June 2020 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 January	3 362 342	4 995 479	23 579 778	1 438 986	33 376 585
Transfer to 12-month ECL	107 578	(95 682)	(11 896)	-	-
Transfer to lifetime ECL - non-impaired assets	(223 077)	295 642	(72 565)	-	-
Transfer to lifetime ECL - impaired assets	(27 909)	(2 287 006)	2 314 915	-	-
New assets received or acquired	1 659 770	-	-	-	1 659 770
Net expense from creation/(recovery) of an allowance for ECL	558 533	1 329 334	3 474 469	(35 386)	5 326 950
Recovery of allowance due to repayment of loans	(482 268)	(838 604)	(605 969)	(11 590)	(1 938 431)
Unwinding of discount in respect of ECL present value	-	-	485 055	-	485 055
Amounts written-off as non-recoverable during the period	-	-	(1 228 802)	-	(1 228 802)
Loans and advances to customers sold during the period as non-recoverable	-	-	(297 476)	-	(297 476)
Effect of foreign currency revaluation	98 117	96 957	1 168 998	-	1 364 072
Total allowance for ECL as at 30 June	5 053 086	3 496 120	28 806 507	1 392 010	38 747 723

8 Loans and Advances to Customers (continued)

Below is an analysis of changes in the ECL allowance during the three months ended 30 June 2020 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 April	4 585 779	4 547 025	27 200 714	1 410 036	37 743 554
Transfer to 12-month ECL	26 870	(20 881)	(5 989)	-	-
Transfer to lifetime ECL - non-impaired assets	(172 931)	183 636	(10 705)	-	-
Transfer to lifetime ECL - impaired assets	(25 187)	(943 990)	969 177	-	-
New assets received or acquired	621 504	-	-	-	621 504
Net expense from(recovery) of the allowance for ECL	313 651	564 882	2 264 455	(18 026)	3 124 962
Recovery of allowance due to repayment of loans	(211 667)	(577 348)	(488 731)	-	(1 277 746)
Unwinding of discount in respect of ECL present value	-	-	257 465	-	257 465
Amounts written-off as non-recoverable during the period	-	-	(502 163)	-	(502 163)
Loans and advances to customers sold during the period as non-recoverable	-	-	(199 413)	-	(199 413)
Effect of foreign currency revaluation	(84 933)	(257 204)	(678 303)	-	(1 020 440)
Total allowance for ECL as at 30 June	5 053 086	3 496 120	28 806 507	1 392 010	38 747 723

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

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals	127 736 828	25.2	115 283 493	25.1
Leasing and financial services	64 571 255	12.7	55 359 281	12.1
Real estate	58 225 015	11.5	54 154 074	11.8
Trade	49 762 777	9.8	47 183 535	10.3
Oil and gas extraction and transportation	43 275 290	8.5	43 623 674	9.5
Manufacturing sector and food industry	37 668 949	7.4	32 018 654	7.0
Construction	30 844 234	6.1	29 154 482	6.3
Heavy machinery and shipbuilding	24 742 786	4.9	26 174 323	5.7
Entities financed by the government	24 094 502	4.7	24 519 610	5.3
Transport	22 297 681	4.4	12 062 008	2.6
Sports and health and entertainment organisations	7 145 252	1.4	7 084 117	1.5
Telecommunications	5 945 705	1.2	2 968 304	0.6
Chemical industry	2 649 659	0.5	1 501 799	0.3
Energy sector	563 197	0.1	569 170	0.1
Other	7 796 357	1.6	7 616 057	1.8
Gross carrying amount of loans and advances to customers	507 319 487	100.0	459 272 581	100.0

As at 30 June 2021, the 20 largest groups of the Group's borrowers have aggregate loan amount of RUB 183 256 047 thousand (unaudited) (31 December 2020: RUB 178 047 513 thousand), which makes up 36.1%percent (31 December 2020: 38.8 percent) of the total loan portfolio before allowance for ECL.

8 Loans and Advances to Customers (continued)

The table below shows a credit quality analysis of loans and advances to customers measured at amortised cost and the corresponding ECL allowances as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Loans and advances to legal entities:					
Minimal credit risk	176 526 588	33 327	-	-	176 559 915
Low credit risk	114 297 058	6 683 728	-	-	120 980 786
Medium credit risk	20 175 897	9 494 092	-	-	29 669 989
High credit risk	-	1 819 572	-	-	1 819 572
Defaulted loans	-	-	44 395 896	2 109 608	46 505 504
Total gross carrying amount of loans and advances to legal entities	310 999 543	18 030 719	44 395 896	2 109 608	375 535 766
Allowance for ECL	(3 659 420)	(687 968)	(32 137 661)	(678 208)	(37 163 257)
Total loans and advances to legal entities	307 340 123	17 342 751	12 258 235	1 431 400	338 372 509
Loans and advances to individuals:					
Not past due loans	116 782 442	1 765 237	401 520	-	118 949 199
Past due loans:					
- less than 30 days	2 822 314	612 118	13 166	-	3 447 598
- from 31 to 90 days	-	802 919	21 679	-	824 598
- more than 90 days	-	-	4 515 433	-	4 515 433
Total gross carrying amount of loans and advances to individuals	119 604 756	3 180 274	4 951 798	-	127 736 828
Allowance for ECL	(1 769 504)	(505 975)	(3 046 755)	-	(5 322 234)
Total loans and advances to individuals	117 835 252	2 674 299	1 905 043	-	122 414 594
Total loans and advances to customers at amortised cost	425 175 375	20 017 050	14 163 278	1 431 400	460 787 103

8 Loans and Advances to Customers (continued)

The table below shows a credit quality analysis of loans and advances to individuals measured at amortised cost and the corresponding ECL allowances as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Mortgage loans					
Not past due loans	80 153 603	1 379 534	177 509	-	81 710 646
Past due loans:					
- less than 30 days	1 256 988	422 651	5 041	-	1 684 680
- from 31 to 90 days	-	445 538	5 591	-	451 129
- more than 90 days	-	-	1 505 365	-	1 505 365
Total gross carrying amount of mortgage loans to customers	81 410 591	2 247 723	1 693 506	-	85 351 820
Allowance for ECL	(482 546)	(216 517)	(575 203)	-	(1 274 266)
Total mortgage loans to customers	80 928 045	2 031 206	1 118 303	-	84 077 554
Not past due loans	5 139 996	39 580	7 577	-	5 187 153
Past due loans:					
- less than 30 days	134 183	28 363	1 779	-	164 325
- from 31 to 90 days	-	68 834	3 955	-	72 789
- more than 90 days	-	-	484 317	-	484 317
Total gross carrying amount of car loans to customers	5 274 179	136 777	497 628	-	5 908 584
Allowance for ECL	(69 692)	(23 099)	(248 445)	-	(341 236)
Total car loans to customers	5 204 487	113 678	249 183	-	5 567 348
Not past due loans	2 504 676	-	184 518	-	2 689 194
Past due loans:					
- less than 30 days	795 606	-	-	-	795 606
- from 31 to 90 days	-	-	-	-	-
- more than 90 days	-	-	526 672	-	526 672
Total gross carrying amount of consumer loans to VIP customers	3 300 282	-	711 190	-	4 011 472
Allowance for ECL	(67 264)	-	(532 038)	-	(599 302)
Total consumer loans to VIP customers	3 233 018	-	179 152	-	3 412 170
Not past due loans	28 984 167	346 123	31 916	-	29 362 206
Past due loans:					
- less than 30 days	635 537	161 104	6 346	-	802 987
- from 31 to 90 days	-	288 547	12 133	-	300 680
- more than 90 days	-	-	1 999 079	-	1 999 079
Total gross carrying amount of consumer loans to customers	29 619 704	795 774	2 049 474	-	32 464 952
Allowance for ECL	(1 150 002)	(266 359)	(1 691 069)	-	(3 107 430)
Total consumer loans to customers	28 469 702	529 415	358 405	-	29 357 522

8 Loans and Advances to Customers (continued)

The table below shows a credit quality analysis of loans and advances to customers measured at amortised cost and the corresponding ECL allowances as at 31 December 2020:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non- impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Loans and advances to legal entities:					
Minimal credit risk	150 081 933	988 684	-	-	151 070 617
Low credit risk	91 167 921	2 510 882	-	-	93 678 803
Medium credit risk	22 156 987	21 707 416	-	-	43 864 403
High credit risk	-	7 420 973	-	-	7 420 973
Defaulted loans	-	-	40 696 482	2 128 824	42 825 306
Total gross carrying amount of loans and advances to legal entities	263 406 841	32 627 955	40 696 482	2 128 824	338 860 102
Allowance for ECL	(4 703 221)	(2 305 191)	(26 008 982)	(1 324 626)	(34 342 020)
Total loans and advances to legal entities	258 703 620	30 322 764	14 687 500	804 198	304 518 082
Loans and advances to individuals:					
Not past due loans	105 150 456	2 670 823	349 489	-	108 170 768
Past due loans:					
- less than 30 days	1 014 691	494 269	25 960	-	1 534 920
- from 31 to 90 days	-	877 987	22 296	-	900 283
- more than 90 days	-	-	4 677 522	-	4 677 522
Total gross carrying amount of loans and advances to individuals	106 165 147	4 043 079	5 075 267	-	115 283 493
Allowance for ECL	(1 637 530)	(830 102)	(2 997 998)	-	(5 465 630)
Total loans and advances to individuals	104 527 617	3 212 977	2 077 269	-	109 817 863
Total loans and advances to customers at amortised cost	363 231 237	33 535 741	16 764 769	804 198	414 335 945

8 Loans and Advances to Customers (continued)

The table below shows a credit quality analysis of loans and advances to individuals measured at amortised cost and the corresponding ECL allowances as at 31 December 2020:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Mortgage loans					
Not past due loans	73 280 387	1 692 892	121 444	-	75 094 723
Past due loans:					
- less than 30 days	573 965	318 215	14 098	-	906 278
- from 31 to 90 days	-	482 743	6 992	-	489 735
- more than 90 days	-	-	1 789 585	-	1 789 585
Total gross carrying amount of mortgage loans to customers	73 854 352	2 493 850	1 932 119	-	78 280 321
Allowance for ECL	(449 686)	(230 741)	(625 959)	-	(1 306 386)
Total mortgage loans to customers	73 404 666	2 263 109	1 306 160	-	76 973 935
Car loans to customers					
Not past due loans	4 738 207	55 550	4 752	-	4 798 509
Past due loans:					
- less than 30 days	80 085	26 010	5 187	-	111 282
- from 31 to 90 days	-	70 482	3 932	-	74 414
- more than 90 days	-	-	431 855	-	431 855
Total gross carrying amount of car loans to customers	4 818 292	152 042	445 726	-	5 416 060
Allowance for ECL	(63 567)	(22 244)	(210 909)	-	(296 720)
Total car loans and advances to customers	4 754 725	129 798	234 817	-	5 119 340
Consumer loans to VIP customers					
Not past due loans	3 112 463	486 462	184 518	-	3 783 443
Past due loans:					
- less than 30 days	-	-	-	-	-
- from 31 to 90 days	-	-	-	-	-
- more than 90 days	-	-	578 885	-	578 885
Total gross carrying amount of consumer loans to VIP customers	3 112 463	486 462	763 403	-	4 362 328
Allowance for ECL	(52 766)	(279 112)	(592 684)	-	(924 562)
Total consumer loans and advances to VIP customers	3 059 697	207 350	170 719	-	3 437 766
Consumer loans					
Not past due loans	24 019 399	435 919	38 776	-	24 494 094
Past due loans:					
- less than 30 days	360 641	150 044	6 675	-	517 360
- from 31 to 90 days	-	324 762	11 372	-	336 134
- more than 90 days	-	-	1 877 197	-	1 877 197
Total gross carrying amount of consumer loans to customers	24 380 040	910 725	1 934 020	-	27 224 785
Allowance for ECL	(1 071 511)	(298 005)	(1 568 446)	-	(2 937 962)
Total consumer loans to customers	23 308 529	612 720	365 574	-	24 286 823

8 Loans and Advances to Customers (continued)

As at 30 June 2021 and 31 December 2020, loans and advances to corporate customers were categorised into five categories of credit risk depending on their credit quality:

- Minimal credit risk - the probability of timely repayment of debt is high, slight probability of default.
- Low credit risk - the probability of timely repayment of debt is high, low probability of default.
- Medium credit risk - the probability of timely repayment of debt is high, but there is a vulnerability in the presence of adverse commercial, financial and economic conditions.
- High credit risk - the possibility of timely repayment of debt depends on favorable commercial, financial and economic conditions.
- Defaulted loans - assets with signs of credit impairment.

As at 30 June 2021 and 31 December 2020 loans and advances to individuals are categorized by days of delinquency.

As at 30 June 2021, the Group had mortgage loans in the amount of RUB 2 416 662 thousand (31 December 2020: RUB 3 071 600 thousand) and the additional loan support in the amount of RUB 752 896 thousand (31 December 2020: RUB 1 027 065 thousand) transferred to "MA BSPB 2" LLC (mortgage agent), a structured company founded for the financing purposes.

As at 30 June 2021 and 31 December 2020, loans and advances to customers included loans at fair value held by the Group to maturity.

A currency structure and maturity analysis of loans and advances to customers is presented in Note 19. The fair values of loans and advances to customers are disclosed in Note 21. Related party transactions are disclosed in Note 22.

9 Investment Securities, Including those Pledged under Repurchase Agreements

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Debt investment securities measured at fair value through other comprehensive income		
Corporate bonds	-	31 036
Debt investment securities measured at fair value through other comprehensive income, pledged under repurchase agreements		
Corporate bonds	1 707 971	5 905 989
Total debt investment securities measured at fair value through other comprehensive income	1 707 971	5 937 025
Equity securities	1 142 276	1 094 898
Total investment securities measured at fair value through other comprehensive income	2 850 247	7 031 923
Debt investment securities measured at amortised cost		
Corporate bonds	3 849 482	87 510
Corporate Eurobonds	1 235 284	1 237 683
Debt investment securities measured at amortised cost, pledged under repurchase agreements		
Corporate Eurobonds	36 683 990	41 768 352
Corporate bonds	21 032 052	25 054 524
Allowance for ECL	(78 475)	(89 129)
Total debt investment securities measured at amortised cost	62 722 333	68 058 940
Total investment securities, including those pledged under repurchase agreements	65 572 580	75 090 863

Debt investment securities measured at fair value through other comprehensive income are categorised by the level of credit risk on the basis of averaging the values of credit ratings of issuers (or, in their absence, the credit ratings of debt securities issues) assigned by international rating agencies such as Moody's, S&P and Fitch (or, in their absence, ratings assigned to Russian issuers by ACRA, a major Russian rating agency).

For definition of groups by credit risk level see Note 5.

9 Investment Securities, Including those Pledged under Repurchase Agreements (continued)

Below is an analysis by credit quality of debt investment securities measured at fair value through other comprehensive income, including those pledged under repurchase agreements as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	Total
Debt investment securities measured at fair value through other comprehensive income, pledged under repurchase agreements				
Group A	1 707 971	-	-	1 707 971
Total debt investment securities measured at fair value through other comprehensive income, pledged under repurchase agreements	1 707 971	-	-	1 707 971
Total debt investment securities, including those pledged under repurchase agreements	1 707 971	-	-	1 707 971
Impairment	(1 640)	-	-	(1 640)

Below is an analysis by credit quality of debt investment securities measured at fair value through other comprehensive income, including those pledged under repurchase agreements, as at 31 December 2020:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	Total
Debt investment securities measured at fair value through other comprehensive income				
Group A	19 902	-	-	19 902
Group B	11 134	-	-	11 134
Total debt investment securities measured at fair value through other comprehensive income	31 036	-	-	31 036
Debt investment securities measured at fair value through other comprehensive income, pledged under repurchase agreements				
Group A	4 399 436	-	-	4 399 436
Group B	1 506 553	-	-	1 506 553
Total debt investment securities measured at fair value through other comprehensive income, pledged under repurchase agreements	5 905 989	-	-	5 905 989
Total debt investment securities, including those pledged under repurchase agreements	5 937 025	-	-	5 937 025
Impairment	(4 812)	-	-	(4 812)

9 Investment Securities, Including those Pledged under Repurchase Agreements (continued)

Below is a credit quality analysis of debt investment securities measured at amortised cost, including those pledged under repurchase agreements, as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	Total
Debt investment securities measured at amortised cost				
Group A	2 590 039	-	-	2 590 039
Group B	2 494 727	-	-	2 494 727
Total debt investment securities measured at amortised cost	5 084 766	-	-	5 084 766
Debt investment securities measured at amortised cost, pledged under repurchase agreements				
Group A	49 594 292	-	-	49 594 292
Group B	8 121 750	-	-	8 121 750
Total debt investment securities measured at amortised cost, pledged under repurchase agreements	57 716 043	-	-	57 716 043
Allowance for ECL	78 475	-	-	78 475
Total debt investment securities measured at amortised cost, including those pledged under repurchase agreements	62 722 334	-	-	62 722 334

Below is a credit quality analysis of debt investment securities measured at amortised cost, including those pledged under repurchase agreements, as at 31 December 2020:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL - non-impaired assets	Lifetime ECL - impaired assets	Total
Debt investment securities measured at amortised cost				
Group A	354 934	-	-	354 934
Group B	970 259	-	-	970 259
Total debt investment securities measured at amortised cost	1 325 193	-	-	1 325 193
Debt investment securities measured at amortised cost, pledged under repurchase agreements				
Group A	51 034 230	-	-	51 034 230
Group B	15 788 646	-	-	15 788 646
Total debt investment securities measured at amortised cost, pledged under repurchase agreements	66 822 876	-	-	66 822 876
Allowance for ECL	(89 129)	-	-	(89 129)
Total debt investment securities measured at amortised cost, including those pledged under repurchase agreements	68 058 940	-	-	68 058 940

9 Investment Securities, Including those Pledged under Repurchase Agreements (continued)

Below is an analysis of changes in the ECL allowance on debt investment securities measured at amortised cost during the six months ended 30 June 2021:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL- non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 January	89 129	-	-	-	89 129
New assets received or acquired	8 839	-	-	-	8 839
Net expense from recognition of an ECL allowance	(13 122)	-	-	-	(13 122)
Recovery of allowance due to sale and redemption of securities	(6 371)	-	-	-	(6 371)
Total allowance for ECL as at 30 June	78 475	-	-	-	78 475

Below is an analysis of changes in the ECL allowance on debt investment securities measured at amortised cost during the three months ended 30 June 2021:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL- non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 April	85 632	-	-	-	85 632
New assets received or acquired	2 489	-	-	-	2 489
Net expense from recognition of an ECL allowance	(3 632)	-	-	-	(3 632)
Recovery of allowance due to sale and redemption of securities	(6 014)	-	-	-	(6 014)
Total allowance for ECL as at 30 June	78 475	-	-	-	78 475

Below is an analysis of changes in the ECL allowance on debt investment securities measured at amortised cost during the six months ended 30 June 2020:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL- non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 January	76 371	-	-	-	76 371
New assets received or acquired	20 436	-	-	-	20 436
Net expense from creation of an ECL allowance	2 241	-	-	-	2 241
Total allowance for ECL as at 30 June	99 048	-	-	-	99 048

9 Investment Securities, Including those Pledged under Repurchase Agreements (continued)

Below is an analysis of changes in the ECL allowance on debt investment securities measured at amortised cost during the three months ended 30 June 2020:

<i>(in thousands of Russian rubles)</i>	12-month ECL	Lifetime ECL- non-impaired assets	Lifetime ECL - impaired assets	POCI assets	Total
Allowance for ECL as at 1 April	99 228	-	-	-	99 228
New assets received or acquired	6 935	-	-	-	6 935
Net expense from creation of an ECL allowance	(7 115)	-	-	-	(7 115)
Total allowance for ECL as at 30 June	99 048	-	-	-	99 048

A currency structure and maturity analysis of investment securities is presented in Note 19.

10 Due to Banks

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Securities sale and repurchase agreements	112 963 664	118 537 537
Term deposits of banks	19 643 379	22 113 296
Correspondent accounts of banks	265 235	440 591
Total due to banks	132 872 278	141 091 424

As at 30 June 2021, the Group had effective securities sale and repurchase agreements with an organisation acting as a central counterparty on the financial market for the amount of RUB 107 831 176 thousand (31 December 2020: RUB 114 469 830 thousand).

As at 30 June 2021, the Group had no counterparties whose aggregate balances under accounts exceeded 10 percent of the Group's equity (31 December 2020: no counterparties).

As at 30 June 2021, due to banks included securities sale and repurchase agreements and agreements for the return of collateral under securities loan agreements entered into with credit institutions in the amount of RUB 112 963 664 thousand (31 December 2020: RUB 118 537 537 thousand).

The securities pledged as collateral under the said sale and repurchase agreements and lentare represented by:

- the Group's own securities with the fair value of RUB 60 489 360 thousand (31 December 2020: RUB 77 133 698 thousand);
- securities received by the Group under reverse repurchase agreements (not recognised initially) with the fair value of RUB 59 378 959 thousand (31 December 2020: RUB 49 017 932 thousand).

A currency structure and maturity analysis of due to banks is presented in Note 19.

11 Customer Accounts

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
State and public organisations		
Current/settlement accounts	14 014	854
Other legal entities		
Current/settlement accounts	127 603 166	97 030 951
Term deposits	87 553 477	97 861 247
Individuals		
Current/demand accounts	107 905 483	104 696 301
Term deposits	163 482 448	171 332 398
Total customer accounts	486 558 588	470 921 751

State and public organisations do not include commercial enterprises owned by the state.

As at 30 June 2021 and 31 December 2020, the Group had no customers (groups of customers) whose aggregate account and deposit balances exceeded 10 percent of the Group's equity.

Economic sector concentrations within customer accounts were as follows:

	30 June 2021 (unaudited)		31 December 2020	
<i>(in thousands of Russian rubles)</i>	Amount	%	Amount	%
Individuals	271 387 931	55.8	276 028 699	58.6
Construction	48 371 059	9.9	43 615 551	9.3
Trade	36 758 921	7.6	37 063 964	7.9
Real estate	35 510 418	7.3	25 080 754	5.3
Manufacturing	23 066 735	4.7	22 881 478	4.9
Art. science and education	22 631 711	4.7	19 955 435	4.2
Financial services	20 070 874	4.1	21 711 867	4.6
Transport	12 200 687	2.5	8 093 956	1.7
Telecommunications	1 999 956	0.4	2 479 993	0.5
Healthcare providers	1 405 927	0.3	1 126 810	0.2
Public utilities	1 151 843	0.2	705 615	0.1
Energy sector	435 592	0.1	348 337	0.1
Other	11 566 934	2.4	11 829 292	2.6
Total customer accounts	486 558 588	100.0	470 921 751	100.0

A currency structure and maturity analysis of customer accounts is presented in Note 19. Fair values of customer accounts are disclosed in Note 21. Related party transactions are disclosed in Note 22.

12 Bonds Issued

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Mortgage-secured bonds issued by mortgage agents	1 923 586	2 712 400
Total bonds issued	1 923 586	2 712 400

The final maturity of mortgage-secured bonds may differ from the contractual maturity in the event of early repayment of mortgages securing those bonds.

A currency structure and maturity analysis of issued bonds is presented in Note 19.

13 Share Capital

<i>(in thousands of Russian rubles)</i>	Number of outstanding ordinary shares (thousand units)	Number of outstanding preference shares (thousand units)	Ordinary shares	Preference shares	Share premium	Treasury shares	Total share capital and share premium	Retained earnings
As at 1 January 2020	475 554	20 100	3 604 283	177 451	24 513 878	(1 301 987)	26 993 625	-
Redemption of treasury shares	-	-	(86 580)	-	(662 903)	659 991	-	89 492
As at 31 December 2020	475 554	20 100	3 517 703	177 451	23 850 975	(641 996)	26 904 133	89 492
Redemption of treasury shares	-	-	(86 580)	-	(644 909)	641 996	-	89 493
As at 30 June 2021	475 554	20 100	3 431 123	177 451	23 206 066	-	26 814 641	178 985

As at 30 June 2021, the nominal registered amount of issued share capital of the Bank prior to restatement of capital contributions made before 1 January 2003 to the purchasing power equivalent of the Russian ruble as at 31 December 2002 was RUB 507 654 thousand (31 December 2020: RUB 507 654 thousand). As at 30 June 2021, all of the outstanding shares of the Bank were authorised, issued and fully paid in.

On 27 May 2021, the General Shareholders' Meeting resolved to reduce the Bank's share capital by cancelling 12 000 thousand treasury shares acquired by the Bank in October 2019 at a price of RUB 53.50. On 11 June 2021, treasury ordinary shares held in the treasury account in the register of shareholders in the amount of 12 000 thousand were cancelled.

As at the signing date of this condensed consolidated interim financial information, the registration of changes in the share capital with the CB RF is ongoing. After registration, the nominal amount of the Bank's issued share capital prior to restatement of capital contributions made before 1 January 2003 to the purchasing power equivalent of the Russian ruble as at 31 December 2002 will equal RUB 495 654 thousand.

In view of the resolution to reduce the Bank's share capital, creditors have the right to demand early performance of obligations within thirty days of the date of last publication of the notice of share capital reduction, provided that this right occurred before the publication of such notice; where early performance is impossible, creditors have the right to demand termination of the obligation and compensation of the related losses. The limitation period for applying to the court with this claim is six months from the date of the last publication of the notice of share capital reduction. The date of the last publication of the relevant information by the Bank is 21 July 2021. As of the date of issue of this condensed consolidated interim financial information, the Bank received no early performance claims.

Share premium represents the excess of contributions received over the nominal value of shares issued.

As at 30 June 2021, the Bank had 475,554,232 ordinary shares with the nominal value of RUB 1 (one) each. One ordinary share carries one vote.

On 8 April 2021, the Bank's Supervisory Board decided to buy back 26,000 thousand outstanding shares of the Bank at a price of RUB 58.00 per share.

13 Share Capital (continued)

On 5 July 2021, the Bank's treasury account in the register of shareholders included 20,821 own ordinary shares for the amount of RUB 1,207,618 acquired pursuant to the resolution of the Bank's Supervisory Board dated 8 April 2021. All settlements with the sellers were completed.

As at 30 June 2021, the Bank had one type of preference shares (the total of 20,100,000 shares) with the nominal value of RUB 1 (one) each.

Preference shares give their holder a right to participate in General Shareholders' Meetings and vote on all matters within their remit, effective from the first meeting after the annual General Shareholders' Meeting that (regardless of the reasons) does not make a resolution to pay dividends or makes a resolution on partial payment of dividends. If shareholders do not declare dividends on preference shares, the holders of preference shares are entitled to voting rights similar to the holders of ordinary shares until the dividends are paid. Preference shares are not cumulative.

Effective from 30 December 2020, preference shares have been included in Level 3 section of the issuer's issuable securities list of PJSC Moscow Exchange.

14 Interest Income and Expense

	6 months ended		3 months ended	
	30 June 2021 (unaudited)	30 June 2020 (unaudited)	30 June 2021 (unaudited)	30 June 2020 (unaudited)
<i>(in thousands of Russian rubles)</i>				
Interest income calculated using the effective interest method				
Loans and advances to customers				
- loans and advances to legal entities	10 533 451	11 512 597	5 327 706	5 751 132
- loans and advances to individuals	6 243 011	6 102 506	3 389 729	3 030 325
Reverse repurchase agreements	1 121 763	1 020 634	525 272	497 074
Loans to banks	488 416	459 163	257 841	113 877
Debt investment securities measured through other comprehensive income	131 900	255 809	29 568	129 082
Debt investment securities measured at amortised cost	1 665 528	1 572 895	812 331	846 329
Other interest income				
Trading securities measured at fair value through profit or loss	236 276	722 798	124 211	188 405
Loans and advances to customers measured at fair value through profit or loss	240 861	330 458	114 124	154 742
Total interest income	20 661 206	21 976 860	10 580 782	10 710 966
Interest expense				
Term deposits of individuals	3 073 051	4 031 269	1 527 541	1 923 271
Due to banks	1 765 869	2 527 946	950 669	1 295 103
Term deposits of legal entities	1 709 746	2 079 673	965 442	1 073 905
Bonds issued	110 941	204 826	51 018	96 300
Other debt securities issued	89 182	159 420	42 539	83 803
Current/settlement accounts	139 559	90 588	75 153	43 486
Total interest expense	6 888 348	9 093 722	3 612 362	4 515 868
Contributions to the deposit insurance system	676 409	589 975	338 429	137 540
Net interest income	13 096 449	12 293 163	6 629 991	6 057 558

Related party transactions are disclosed in Note 22.

15 Fee and Commission Income and Expense

	6 months ended		3 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<i>(in thousands of Russian rubles)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Fee and commission income				
Settlements	2 042 959	1 623 399	1 063 037	778 522
Plastic cards settlements	1 917 484	1 645 459	1 007 512	781 007
Guarantees and letters of credit issued	816 049	677 329	418 597	364 667
Agency services commission on insurance contracts	529 800	212 388	375 873	104 438
Cash transactions	96 933	94 487	53 083	41 117
Cash collection services	57 569	55 872	29 103	19 947
Investment services, including trust management of property	96 854	52 093	70 289	30 872
Custody operations	29 038	28 646	14 650	14 134
Other	106 717	80 522	50 519	38 178
<i>including revenues under Agreements within the scope of IFRS 15:</i>				
- recognised over time	1 471 741	970 456	879 409	514 111
- recognised when the service is provided	4 221 662	3 499 739	2 203 254	1 658 771
Total fee and commission income	5 693 403	4 470 195	3 082 663	2 172 882
Fee and commission expense				
Plastic card settlements	726 178	548 098	373 030	237 504
Loyalty programmes	454 717	268 125	240 925	123 392
Securities, including repurchase agreements	117 939	88 112	67 231	45 869
Settlements transactions	86 874	77 873	50 565	41 951
Foreign exchange transactions	54 542	78 687	24 997	37 948
Guarantees and letters of credit	16 986	10 539	5 816	3 388
Banknote transactions	9 277	13 097	5 410	5 144
Other	13 978	8 439	6 051	3 851
Total fee and commission expense	1 480 491	1 092 970	774 025	499 047
Net fee and commission income	4 212 912	3 377 225	2 308 638	1 673 835

Related party transactions are disclosed in Note 22.

16 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period, net of own shares repurchased from shareholders.

As at 30 June 2021, the Bank does not have financial instruments that potentially dilute earnings per share. Thus, diluted earnings per share are equal to basic earnings per share.

Basic earnings per share are calculated as follows:

<i>(in thousands of Russian rubles)</i>	6 months ended		3 months ended	
	30 June 2021 (unaudited)	30 June 2020 (unaudited)	30 June 2021 (unaudited)	30 June 2020 (unaudited)
Profit attributable to the Bank's shareholders	7 268 751	3 598 296	4 875 333	2 017 133
Less dividends on preference shares	(4 422)	(2 211)	(4 422)	(2 211)
Profit attributable to ordinary shareholders of the Bank	7 264 329	3 596 085	4 870 911	2 014 922
Weighted average number of ordinary shares outstanding (thousands)	475 554	475 554	475 554	475 554
Basic earnings per share (in RUB per share)	15.27	7.56	10.24	4.24

17 Dividends

<i>(in thousands of Russian rubles)</i>	6 months ended 30 June 2021 (unaudited)		6 months ended 30 June 2020 (unaudited)	
	Ordinary	Preference	Ordinary	Preference
Dividends payable as at 1 January	12 677	383	9 077	-
Dividends declared during the period	2 168 499	4 422	-	2 211
Dividends paid during the period	(2 162 806)	(3 919)	(53)	(1 866)
Write-off of unclaimed dividends	-	-	-	-
Dividends payable as at 30 June	18 370	886	9 024	345
Dividends per share declared during the period (in RUB per share)	4.56	0.22	-	0.11

All dividends were declared and paid in Russian rubles.

A decision was made at the annual General Shareholders' Meeting on 27 May 2021 to pay dividends for 2020 of RUB 4.56 per ordinary share and RUB 0.22 per preference share.

18 Segment Analysis

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker and for which discrete financial information is available. The Management Board of the Bank performs the responsibilities of the chief operating decision maker.

Description of products and services that constitute sources of revenues of the reporting segments

The Group is organised on a basis of three main business segments:

- Corporate banking – settlement and current accounts, deposits, credit lines, loans and other credit facilities, foreign currency transactions with commercial and state entities.
- Operations on financial markets – financial instruments trading, loans and deposits on the interbank market, dealing in foreign exchange and derivative financial instruments.
- Retail banking – retail and private banking services, private customer current accounts, deposits, retail investment products, custody services, credit and debit cards, consumer loans, mortgages and other loans to individual and VIP customers.

Transactions between the business segments are performed on normal commercial terms and conditions. Funds are ordinarily reallocated between segments, resulting in funding cost transfers disclosed in operating income/expense for the segment, i.e. the balance of transfer income and expenses from reallocated financial resources between internal segments. Interest charged for these funds is based on market interest rates. There are no other material items of income or expense between the business segments. Segment assets and liabilities comprise operating assets and liabilities, being the majority of assets and liabilities of the Group, but excluding some premises, equipment and intangible assets, long-term assets held-for-sale, investment property, other assets and liabilities and balances on taxation settlements.

Factors that management used to identify the reportable segments

The Group's segments are groups of strategic business units targeting different customers. They are managed separately because they require different technology and marketing strategies and level of service.

Evaluation of profit or loss and assets of operating segments

The Management Board of the Bank analyses financial information prepared in accordance with the requirements of Russian accounting standards. This financial information differs in some aspects from the information prepared in accordance with IFRS:

- (i) resources are usually redistributed among segments using internal interest rates set by the Treasury Department. These interest rates are calculated based on the basic market interest rates, contractual maturity dates and observable actual maturity dates of customer accounts balances;
- (ii) income tax is not allocated to segments;
- (iii) allowance for loans is recognised based on Russian legislation with adjustments of estimated allowance according to information available at the end of the reporting period, and not on the basis of the model of “expected credit losses” specified in IFRS 9;
- (iv) fee and commission income on lending operations is recognised immediately and not in the future periods using the effective interest method;
- (v) information on consolidated companies is not included.

The Management Board of the Bank evaluates the business segment results based on the amount of profit taking into account analytical calculations related to income tax.

18 Segment Analysis (Continued)

Information on profit or loss, assets and liabilities of reporting segments

Segment information for the Group's main reporting business segments for 6 months ended 30 June 2021, and 6 months ended 30 June 2020 is set out below (in accordance with the management information).

<i>(in thousands of Russian rubles)</i>	Corporate banking	Retail banking	Operations on financial markets	Unallocated	Total
6 months ended 30 June 2021 (unaudited)					
Interest income	11 088 622	5 637 778	3 464 682	-	20 191 082
Interest expense	(1 937 177)	(3 764 785)	(1 719 090)	(72 372)	(7 493 424)
Internal funding charge	(4 081 642)	1 840 555	(1 680 930)	3 922 017	-
Net interest income	5 069 803	3 713 548	64 662	3 849 645	12 697 658
Net fee and commission income	3 168 842	1 328 159	(38 666)	-	4 458 335
Net trade income	179 605	178 504	1 158 955	-	1 517 064
Other net operating (expense) income	674 216	27 034	(30 523)	33 277	704 004
Net operating income (revenue)	9 092 466	5 247 245	1 154 428	3 882 922	19 377 061
General and administrative expenses	(2 660 610)	(2 597 421)	(496 048)	(1 583 292)	(7 337 371)
Expenses for creation of allowance for expected credit losses	(2 286 530)	(443 779)	54 646	-	(2 675 663)
Profit (loss) before tax	4 145 326	2 206 045	713 026	2 299 630	9 364 027
Income tax expense	(829 065)	(441 209)	(142 605)	715 028	(697 851)
Segment profit (loss)	3 316 261	1 764 836	570 421	3 014 658	8 666 176
As at 30 June 2021 (unaudited)					
Segment assets before allowances	408 996 204	130 228 847	231 113 005	16 957 087	787 295 143
Segment liabilities	224 333 509	269 143 195	138 732 455	3 147 256	635 356 415
Other segment items for 6 months ended 30 June 2021 (unaudited)					
Depreciation and amortisation charges	(119 683)	(156 740)	(27 258)	(64 675)	(368 356)

18 Segment Analysis (Continued)

<i>(in thousands of Russian rubles)</i>	Corporate banking	Retail banking	Operations on financial markets	Unallocated	Total
6 months ended 30 June 2020 (unaudited)					
Interest income	11 560 582	5 581 823	4 039 399	1 187	21 182 991
Interest expenses	(2 208 528)	(4 626 148)	(2 519 504)	(72 574)	(9 426 754)
Internal funding charge	(4 636 669)	2 720 043	(1 679 673)	3 596 298	(1)
Net interest income	4 715 385	3 675 718	(159 778)	3 524 911	11 756 236
Net fee and commission income	2 538 892	992 608	(79 426)	-	3 452 074
Net trade income	1 263 114	253 403	368 367	-	1 884 884
Other net operating (expense) income	596 174	6 595	15 916	36 052	654 737
Net operating income (revenue)	9 113 565	4 928 324	145 079	3 560 963	17 747 931
General and administrative expenses	(2 539 679)	(2 609 448)	(288 842)	(1 192 038)	(6 630 007)
Expenses for creation of allowance for expected credit losses	(4 887 016)	(1 644 093)	(16 272)	(92 682)	(6 640 063)
Profit (loss) before tax	1 686 870	674 783	(160 035)	2 276 243	4 477 861
Income tax expense	(337 374)	(134 957)	32 007	241 023	(199 301)
Segment profit (loss)	1 349 496	539 826	(128 028)	2 517 266	4 278 560
As at 31 December 2020					
Segment assets before allowances	375 641 642	115 615 418	268 593 905	18 675 183	778 526 148
Segment liabilities	183 621 780	247 369 140	139 282 309	2 489 291	572 762 520
Other segment items for 6 months ended 30 June 2020 (unaudited)					
Depreciation and amortisation charges	(111 729)	(141 519)	(14 816)	(72 479)	(340 543)

18 Segment Analysis (Continued)

A reconciliation of assets according to management reporting with IFRS condensed consolidated interim financial information results as at 30 June 2021 and 31 December 2020 is set out below:

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Total segment assets before allowances	787 295 143	778 526 148
Adjustment of financial assets at amortised cost	(42 995 880)	(40 557 329)
Adjustments of income/expense accruals	(4 324 643)	(4 588 714)
Adjustments of depreciation and amortisation and fair value of property and equipment, intangible assets and right-of-use assets	(2 439 070)	(1 689 737)
Fair value and amortised cost adjustments	1 366 126	1 144 032
Income tax adjustments	277 138	260 727
Adjustments of assets additionally recognised in management reporting	256 911	468 357
Other adjustments	(4 631)	(649 507)
Consolidation effect	3 407 226	4 629 997
Elimination of intragroup assets	(5 077 183)	(7 316 847)
Total assets under IFRS	737 761 137	730 227 127

A reconciliation of profit before tax according to management reporting with IFRS information for 6 months ended 30 June 2021 and 6 months ended 30 June 2020 is set out below:

<i>(in thousands of Russian rubles)</i>	6 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)
Total reporting segment profit (before tax)	9 364 027	4 477 861
Adjustment of allowances	(549 825)	138 578
Adjustments of income/expense accruals	310 672	(332 311)
Adjustments of depreciation and amortisation and fair value of property and equipment, intangible assets and right-of-use assets	(192 050)	(121 476)
Fair value and amortised cost adjustments	243 399	533 142
Consolidation effect	(61 226)	(335 916)
Other adjustments	(28 964)	59 060
Total profit under IFRS (before tax)	9 086 033	4 418 938

Geographical information. The major part of the Group’s activity is concentrated in the North-West region of the Russian Federation. Activity is carried out in Moscow, Novosibirsk.

There are no external customers (groups of related customers) with individual income from operations exceeding 10 percent of the total income from operations with such customers.

19 Risk Management, Corporate Governance and Internal Control

Corporate governance and internal control

Corporate governance system of the Group is based on full compliance with requirements of statutory legislation and the CB RF and protection of the shareholders' interests and considers world best practices to the largest possible extent. The Group fully complies with the legislation requirements concerning shareholders' rights observance.

The supreme managing body of the Bank is the General Shareholders' Meeting that makes strategic decisions on the Bank's operations in accordance with Federal Law No. 208-FZ dated 26 December 1995 *On Joint Stock Companies* and the Charter.

Functions of the counting commission of the General Shareholders' Meeting are performed by the Independent Registrar – JSC “Independent Registrar Company - R.O.S.T.” (before 5 February 2020 - JSC “Independent Registrar Company”).

General activities of the Bank are managed by the Supervisory Board, except for areas that are in competence of the General Shareholders' Meeting. The Supervisory Board is elected and approved by the General Shareholders' Meeting. The Supervisory Board sets the key strategic directions of the Bank's activity and supervises the performance of the executive management bodies.

On 27 May 2021, the General Shareholders' Meeting of PJSC “Bank “Saint-Petersburg” was held, where the composition of the Supervisory Board of the Bank was elected. On 1 June 2021, the Supervisory Board meeting was held, according to the resolution of which five committees of the Supervisory Board were created.

As at 30 June 2021, the composition of the Bank's Supervisory Board is as follows:

- Elena Viktorovna Ivannikova – Chairperson of the Supervisory Board, member of the Supervisory Board since 2005;
- Vladislav Stanislavovich Guz – Deputy Chairman of the Supervisory Board, member of the Bank's Supervisory Board since June 2014, Chairman of the Strategy Committee since May 2019;
- Alexander Vasilyevich Savelyev – Chairman of the Management Board, elected to the Supervisory Board in 2001;
- Andrey Pavlovich Bychkov – member of the Bank's Supervisory Board since 2010, Chairman of the Audit Committee since May 2016;
- Alexey Andreevich Germanovich – member of the Bank's Supervisory Board since 2014, Chairman of the Human Resources and Remuneration Committee since June 2021;
- Andrey Mikhaylovich Zvyozdochkin – member of the Bank's Supervisory Board since 2017; Independent Director since June 2021;
- Yuriy Genrikhovich Levin – member of the Bank's Supervisory Board since 2020, Chairman of the Digitalisation Committee since May 2020;
- Sergey Petrovich Nazarov – member of the Supervisory Board since 2020, Chairman of the Risk Management Committee since May 2020;
- Thomas Maria Feraszto - member of the Supervisory Board since 2021.

As at 30 June 2021, Members of the Supervisory Board Andrey Mikhaylovich Zvyozdochkin, Yuriy Genrikhovich Levin, Thomas Maria Feraszto, Andrey Pavlovich Bychkov and Alexey Andreevich Germanovich are recognised as independent directors.

The Supervisory Board includes committees established for the purpose of review and analysis of matters in competence of the Supervisory Board, preparation of recommendations on these matters for the Supervisory Board and execution of other functions vested to these Committees.

The objectives of the committees are similar to those disclosed in the Group's consolidated financial statements for the year ended 31 December 2020.

19 Risk Management, Corporate Governance and Internal Control (Continued)

The Corporate Secretary is responsible for compliance with the requirements of current legislation, the Charter and other internal policies of the Bank concerning shareholders' rights and protection of their interests during preparation and implementation of corporate action by the Bank. The Corporate Secretary's Office also supports communications between the Bank and its shareholders, holding of General Shareholders' Meetings and performance of the Supervisory Board and its Committees.

Operating activities of the Bank are managed by the sole executive body – the Chairman of the Management Board and the collective executive body – the Management Board of the Bank.

As at 30 June 2021, the composition of the Bank's Management Board is as follows:

- Alexander Vasilyevich Savelyev is the Chairman of the Bank's Management Board;
- Pavel Vladimirovich Filimonenok, the First Deputy Chairman of the Management Board, Chief Executive Officer, member of the Management Board since December 2003;
- Kristina Borisovna Mironova, the First Deputy Chairperson of the Management Board, member of the Management Board since August 2013;
- Konstantin Yurievich Balandin, Deputy Chairman of the Management Board, member of the Management Board since January 2008;
- Vyacheslav Yakovlevich Ermolin, Deputy Chairman of the Management Board, member of the Management Board since December 2017;
- Kirill Sergeevich Kuznetsov, Deputy Chairman of the Management Board, member of the Management Board since 25 December 2019;
- Alexei Alexandrovich Teploukhov, Deputy Chairman of the Management Board, member of the Management Board since September 2020.

Vladimir Pavlovich Skatin was removed from the Management Board by the resolution of the Bank's Supervisory Board of 30 April 2021.

Risk management

Risks of the Group are managed in relation to significant risks:

- credit risk (including counterparty and concentration risk),
- market risk (including equity, trading book interest rate risk, currency, and commodity risks),
- bank portfolio interest rate risk,
- liquidity risk (including concentration risk),
- operational risk (including legal risk),
- as well as other types of risks (compliance risk, strategic risk, reputational risk).

For each significant type of risk a corresponding management system was created to provide adequate risk assessment, including measures for its mitigation. The Group compares the amount of accepted risks with the size of its equity to guarantee its sufficiency at the level required by the CB RF, needed for performance of its obligations, including covenants, and for efficient use of equity.

The Risk Management Framework is disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2020.

19 Risk Management, Corporate Governance and Internal Control (Continued)

Currency risk.

For currency risk management purposes the Group also uses the system of mandatory limits established by the CB RF, including limits on open positions in a foreign currency (up to 10 percent of the capital calculated in accordance with the CB RF regulations) and the limit on the total open position in all foreign currencies (up to 20 percent of the capital calculated in accordance with the CB RF regulations).

The Group follows a conservative currency risk management policy and opens currency positions primarily in the currencies most frequently used in the Russian Federation (US Dollars and EUR).

The table below summarises the exposure to foreign currency exchange rate risk of the Group as at 30 June 2021 (unaudited). The Group does not use this currency risk analysis for management purposes.

<i>(in thousands of Russian rubles)</i>	RUB	USD	EUR	Other	Total
Assets					
Cash and cash equivalents	18 478 318	5 260 998	7 350 530	642 937	31 732 783
Mandatory cash balances with the Central Bank of the Russian Federation	4 511 716	-	-	-	4 511 716
Trading securities, including those pledged under repurchase agreements	10 384 213	4 086 449	657 246	14 439	15 142 347
Reverse repurchase agreements	4 442 192	74 050 209	20 058 900	-	98 551 301
Derivative financial assets	6 056 413	-	-	-	6 056 413
Due from banks	14 000 000	10 858 802	-	-	24 858 802
Loans and advances to customers					
- loans and advances to legal entities	267 578 550	22 017 195	52 804 488	19 169	342 419 402
- loans and advances to individuals	121 156 171	818 565	439 858	-	122 414 594
Investment securities, including those pledged under repurchase agreements	26 422 998	22 732 120	15 156 371	1 261 091	65 572 580
Investment property	4 247 619	-	-	-	4 247 619
Property and equipment, intangible assets and right-of-use assets	14 167 416	-	-	-	14 167 416
Other assets	6 948 142	419 880	362 828	1 353	7 732 203
Non-current assets held for sale	353 960	-	-	-	353 960
Total assets	498 747 708	140 244 218	96 830 221	1 938 989	737 761 136
Liabilities					
Due to banks	54 669 146	78 043 949	159 183	-	132 872 278
Customer accounts					
- accounts of legal entities	173 738 955	27 970 757	12 442 221	1 018 724	215 170 657
- accounts of individuals	204 478 973	50 009 719	16 086 964	812 275	271 387 931
Financial liabilities at fair value	754 822	-	-	-	754 822
Derivative financial liabilities	5 809 546	-	-	-	5 809 546
Bonds issued	1 923 586	-	-	-	1 923 586
Promissory notes and deposit certificates issued	1 742 582	4 176 566	155 280	-	6 074 428
Other liabilities	9 479 470	376 759	11 630	150	9 868 009
Total liabilities	452 597 080	160 577 750	28 855 278	1 831 149	643 861 257
Less fair value of currency derivatives	(223 234)	-	-	-	(223 234)
Net recognised position, excluding currency derivative financial instruments	45 927 394	(20 333 532)	67 974 943	107 840	93 676 645
Currency derivatives	58 771 860	12 370 861	(70 815 282)	(104 205)	223 234
Net position, including currency derivative financial instruments	104 699 254	(7 962 671)	(2 840 339)	3 635	93 899 879

19 Risk Management, Corporate Governance and Internal Control (Continued)

The table below summarises the exposure to foreign currency exchange rate risk of the Group as at 31 December 2020. The Group does not use this currency risk analysis for management purposes.

<i>(in thousands of Russian roubles)</i>	RUB	USD	EUR	Other	Total
Assets					
Cash and cash equivalents	37 908 682	6 817 097	14 552 096	993 093	60 270 968
Mandatory reserve deposits with the Central Bank of the Russian Federation	4 588 389	-	-	-	4 588 389
Trading securities, including securities pledged under sale and repurchase agreements	6 412 533	530 630	-	33 507	6 976 670
Reverse sale and repurchase agreements	53 401 355	29 800 357	21 070 309	-	104 272 021
Derivative financial assets	5 048 126	-	-	-	5 048 126
Due from banks	11 372 959	11 086 684	-	-	22 459 643
Loans and advances to customers	-	-	-	-	-
- loans and advances to legal entities	228 294 872	18 948 433	62 365 046	38 717	309 647 068
- loans and advances to individuals	108 074 213	144 237	1 599 413	-	109 817 863
Investment securities, including securities pledged under sale and repurchase agreements	30 904 964	26 740 096	16 715 152	730 651	75 090 863
Investment property	4 411 548	-	-	-	4 411 548
Property, equipment, intangible assets and right-of-use assets	14 442 831	-	-	-	14 442 831
Other assets	8 446 056	3 056 870	872 749	854	12 376 529
Long-term assets held-for-sale	824 608	-	-	-	824 608
Total assets	514 131 136	97 124 404	117 174 765	1 796 822	730 227 127
Liabilities					
Due to banks	103 567 987	37 488 885	34 552	-	141 091 424
Customer accounts					
- accounts of legal entities	157 198 645	19 316 704	17 878 829	498 874	194 893 052
- accounts of individuals	204 387 754	55 150 813	15 968 700	521 432	276 028 699
Financial liabilities at fair value	1 629 839	77 135	-	-	1 706 974
Derivative financial liabilities	7 410 602	-	-	-	7 410 602
Bonds issued	2 712 400	-	-	-	2 712 400
Promissory notes and deposit certificates issued	3 055 356	5 065 567	29 099	-	8 150 022
Other liabilities	8 235 121	26 605	1 279 240	-	9 540 966
Total liabilities	488 197 704	117 125 709	35 190 420	1 020 306	641 534 139
Less fair value of currency derivatives	2 378 783	-	-	-	2 378 783
Net recognised position, excluding currency derivative financial instruments	28 312 215	(20 001 305)	81 984 345	776 516	91 071 771
Currency derivatives	66 976 835	15 267 139	(83 715 745)	(907 012)	(2 378 783)
Net position, including currency derivative financial instruments	95 289 050	(4 734 166)	(1 731 400)	(130 496)	88 692 988

Liquidity risk. When performing its operating activity the Bank also focuses on compliance with the requirements of the CB RF on maintaining sufficient liquidity ratios (instant liquidity ratio - N2, current liquidity ratio - N3, long-term liquidity ratio - N4).

According to the daily calculations, as at 30 June 2021 (unaudited) and 31 December 2020, the Bank complied with the liquidity ratios established by the CB RF.

19 Risk Management, Corporate Governance and Internal Control (Continued)

The IFRS liquidity position of the Group at 30 June 2021 is presented below (unaudited). The Group does not use the presented analysis by contractual maturity for liquidity management purposes. The following table shows assets and liabilities of the Group by their remaining contractual maturity, with the exception of financial instruments measured at fair value through profit or loss for the period and investment securities measured at fair value through other comprehensive income, which are shown in the category “Demand and less than 1 month”, as well as overdue loans, which are shown in the category “From 1 to 5 years”.

<i>(in thousands of Russian rubles)</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years or no maturity	Total
Assets						
Cash and cash equivalents	31 687 393	45 390	-	-	-	31 732 783
Mandatory cash balances with the Central Bank of the Russian Federation	2 819 890	810 712	495 828	385 272	14	4 511 716
Trading securities, including those pledged under repurchase agreements	15 142 347	-	-	-	-	15 142 347
Reverse repurchase agreements	21 195 997	57 926 406	19 428 898	-	-	98 551 301
Derivative financial assets	2 818 732	1 582 935	431 101	1 161 524	62 121	6 056 413
Due from banks	14 000 000	-	-	10 858 802	-	24 858 802
Loans and advances to customers						
- loans and advances to legal entities	37 874 361	102 667 643	43 809 418	138 179 519	19 888 461	342 419 402
- loans and advances to individuals	35 644	414 103	1 212 164	27 405 297	93 347 386	122 414 594
Investment securities, including those pledged under repurchase agreements	20 531 476	529 953	8 955 412	26 421 495	9 134 244	65 572 580
Investment property	-	-	-	-	4 247 619	4 247 619
Property and equipment, intangible assets and right-of-use assets	7 004	5 375	1 473	386 074	13 767 490	14 167 416
Other assets	3 061 042	263 579	2 058 941	1 270 721	1 077 920	7 732 203
Long-term assets held for sale	-	25 733	328 227	-	-	353 960
Total assets	149 173 886	164 271 829	76 721 462	206 068 704	141 525 255	737 761 136
Liabilities						
Due to banks	121 339 450	11 110 987	208 048	213 793	-	132 872 278
Customer accounts	-	-	-	-	-	-
- corporate customers accounts	179 400 490	25 071 403	8 277 600	2 419 752	1 412	215 170 657
- individual customers accounts	124 705 829	62 358 489	45 194 177	39 129 326	110	271 387 931
Financial liabilities at fair value	754 822	-	-	-	-	754 822
Derivative financial liabilities	702 347	1 658 070	244 080	2 012 543	1 192 506	5 809 546
Bonds issued	-	-	-	-	1 923 586	1 923 586
Promissory notes and deposit certificates issued	479 914	3 191 722	985 640	690 181	726 971	6 074 428
Other liabilities	1 401 803	2 736 157	408 799	808 177	4 513 073	9 868 009
Total liabilities	428 784 655	106 126 828	55 318 344	45 273 772	8 357 658	643 861 257
Net liquidity gap	(279 610 769)	58 145 001	21 403 118	160 794 932	133 167 597	93 899 879
Cumulative gap as at 30 June 2021	(279 610 769)	(221 465 768)	(200 062 650)	(39 267 718)	93 899 879	

19 Risk Management, Corporate Governance and Internal Control (Continued)

The Group's IFRS liquidity position as at 31 December 2020 is presented below.

<i>(in thousands of Russian rubles)</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years or no maturity	Total
Assets						
Cash and cash equivalents	60 225 652	45 316	-	-	-	60 270 968
Mandatory cash balances with the Central Bank of the Russian Federation	2 686 993	926 990	580 440	393 882	84	4 588 389
Trading securities, including those pledged under repurchase agreements	6 976 670	-	-	-	-	6 976 670
Reverse repurchase agreements	50 390 856	53 881 165	-	-	-	104 272 021
Derivative financial assets	794 771	1 042 978	1 612 750	890 050	707 577	5 048 126
Due from banks	9 065 841	2 307 117	-	11 086 685	-	22 459 643
Loans and advances to customers						
- loans and advances to legal entities	20 594 299	104 201 927	25 600 283	138 250 580	20 999 979	309 647 068
- loans and advances to individuals	124 384	1 342 536	1 148 298	26 178 383	81 024 262	109 817 863
Investment securities, including those pledged under repurchase agreements	7 314 801	10 770 116	6 883 947	43 648 614	6 473 385	75 090 863
Investment property	-	-	-	-	4 411 548	4 411 548
Property and equipment, intangible assets and right-of-use assets	-	-	848	386 580	14 055 403	14 442 831
Other assets	7 749 943	669 899	1 748 184	1 195 557	1 012 946	12 376 529
Long-term assets held for sale	-	-	824 608	-	-	824 608
Total assets	165 924 210	175 188 044	38 399 358	222 030 331	128 685 184	730 227 127
Liabilities						
Due to banks	106 744 871	33 787 722	261 819	297 012	-	141 091 424
Customer accounts						
- corporate customers accounts	151 030 874	31 307 514	7 338 229	5 215 060	1 375	194 893 052
- individual customers accounts	124 744 230	63 832 553	52 234 289	35 210 330	7 297	276 028 699
Financial liabilities at fair value	1 706 974	-	-	-	-	1 706 974
Derivative financial liabilities	1 077 210	1 258 057	883 215	1 245 635	2 946 485	7 410 602
Bonds issued	-	-	-	-	2 712 400	2 712 400
Promissory notes and deposit certificates issued	696 250	2 170 371	3 071 805	1 514 743	696 853	8 150 022
Other liabilities	1 854 659	2 477 869	274 411	909 648	4 024 379	9 540 966
Total liabilities	387 855 068	134 834 086	64 063 768	44 392 428	10 388 789	641 534 139
Net liquidity gap	(221 930 858)	40 353 958	(25 664 410)	177 637 903	118 296 395	88 692 988
Cumulative gap as at 31 December 2020	(221 930 858)	(181 576 900)	(207 241 310)	(29 603 407)	88 692 988	

The Group's Management believes that as at 30 June 2021 available undrawn credit lines of RUB 142 480 000 thousand (unaudited) and stable demand resources with the expected maturity of above 30 days of RUB 153 785 618 thousand (unaudited) (31 December 2020: RUB 124 157 000 thousand and RUB 136 298 872 thousand, respectively), allow the Group to fully cover the liquidity gap indicated in the tables above.

19 Risk Management, Corporate Governance and Internal Control (Continued)

Underutilized limits include opportunities to raise liquidity using market instruments available to the Group such as unsecured short-term interbank loans, significant limits set by stock exchanges and free limits of corporations placing funds on financial market conditions, opportunities to take loans from the Central Bank of the Russian Federation collateralized by non-market assets and securities included in the Lombard List of the CB RF recognized as off-balance sheet items (federal loan bonds portfolio, please refer to Note 20).

20 Capital Management

The Group manages its capital in order to achieve the following objectives: (i) to comply with the capital requirements set by the CB RF, (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 of at least eight percent based on the April 1998 Basel Prudential Requirements for Banks (Basel I), to comply with capital requirements and capital adequacy ratio requirements in accordance with financial covenants set in agreements signed by the Group in order to raise funds.

Under the current capital requirements set by the CB RF, the Group has to maintain a ratio of regulatory capital to risk weighted assets (“capital adequacy ratio” N 20.0) of at least eight percent, base capital adequacy ratio (N 20.1) of at least 4.5 percent, core capital adequacy ratio (N 20.2) of at least six percent. The Group has to maintain a level additional to the capital adequacy requirements as set by the CB RF in addition to the values above. In 2021 the Group has to comply with a mark-up of 2.500 percent to all capital adequacy ratios as well as the countercyclical mark-up. As at 30 June 2021, countercyclical mark-up was 0.0075 percent.

Core capital, base capital and own funds and capital adequacy ratios based on reports prepared by the Group under Russian statutory accounting standards are presented in the table below:

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Total equity	89 797 260	85 754 368
Base capital	66 583 501	67 756 175
Core capital	66 583 501	67 756 175
Capital adequacy ratio N 20.0	13.15%	13.33%
Base capital adequacy ratio N 20.1	9.80%	10.59%
Core capital adequacy ratio N 20.2	9.80%	10.59%

The capital adequacy ratio set by the CB RF is managed by the Treasury Department through monitoring and forecasting its components.

The Accounting Department performs calculations of the capital adequacy ratios on a daily basis. As at 30 June 2021 (unaudited) and 31 December 2020, the capital adequacy ratios were within limits established by the CB RF.

For 6 months ended 30 June 2021, when calculating capital adequacy ratios, the Group with reasonable caution used the opportunities provided by the Central Bank of the Russian Federation as part of the measures taken to reduce the regulatory and supervisory burden aimed at supporting the activities of credit institutions amid the spread of the COVID-19 virus.

20 Capital Management (Continued)

As at 30 June 2021, the Group still uses the opportunity not to apply premiums to risk ratios for mortgage loans issued before 1 April 2020.

At the same time, the Group chose not to apply the following opportunities:

- non-deterioration in the assessment of the financial position and/or the quality of debt service and/or the category of the quality of loans, other assets and contingent liabilities of a credit nature for individuals, small and medium-sized enterprises (SMEs), and legal entities, whose financial position and/or the quality of debt service has deteriorated due to the spread of the COVID-19 virus;
- for the purposes of premiums to risk ratios in restructuring individuals' loan debts in connection with the spread of a new coronavirus infection not to recognise the loan (borrowing) as restructured.

The use of support measures had no significant impact on the ratios calculated in accordance with the requirements of the CB RF.

In September 2015 the Group attracted a subordinated loan from the State Corporation “Deposit Insurance Agency” in the form of federal loan bonds in the total nominal amount of RUB 14 594 500 thousand. As at 30 June 2021 (unaudited) the fair value of these bonds is RUB 15 441 175 thousand (31 December 2020: RUB 15 704 412 thousand). The interest rate is the coupon rate on the federal loan bonds plus one percent per annum. The loan maturity is from 2025 to 2034 depending on the terms of bond issue.

The Group is required to comply with certain special conditions (covenants) related to the attraction of a subordinated loan from the State Corporation “Deposit Insurance Agency”. The Group fully complied with these covenants as at 30 June 2021 (unaudited) and 31 December 2020.

Arrangements to safeguard the Group's ability to continue as a going concern are performed under the Strategic Development Plan and divided into long-term and short-term capital management.

In the long-term the Bank plans its business scope under strategic and financial plans developed along with identification of the risks and corresponding capital requirements for three years and one year, respectively. When the required amount of capital is defined the Bank determines the sources of its increase: borrowings on capital markets, share issue and approximate scope thereof. The target scope of business and the amount of capital, as well as the sources of the capital increase are approved collectively by the following management bodies in order of the established priority: the Asset and Liability Management Committee, the Management Board of the Bank, the Supervisory Board of the Bank.

In the short-term the Bank determines the capital surplus/deficit within the period from one to three months and develops the respective plan to increase assets in order to comply with the CB RF requirements. In some cases management uses measures to influence the structure of assets and liabilities through interest rate policy, and in exceptional cases, through setting limits for certain banking transactions. The limits are established when the economic instruments are insufficient in terms of timing and the extent of influence.

20 Capital Management (Continued)

Below is the capital and capital adequacy ratio of the Bank calculated in accordance with Basel I, IFRS data:

<i>(in thousands of Russian rubles)</i>	30 June 2021 (unaudited)	31 December 2020
Equity	108 109 178	103 757 457
Level 1	89 784 877	84 689 049
Paid-in share capital	3 608 574	3 695 154
Reserves and profit including:	86 176 303	81 635 891
- Share premium	23 206 066	23 850 975
- Retained earnings	62 970 237	57 784 916
Non-controlling interest	-	-
Goodwill	-	-
Treasury shares	-	(641 996)
Level 2	18 324 301	19 068 408
Revaluation reserve for property and equipment	3 259 421	3 259 421
Revaluation reserve for investment securities	831 632	722 010
Subordinated debt	14 233 248	15 086 977
Risk weighted assets	674 249 484	640 234 193
Risk weighted recognised assets	564 431 707	544 176 204
Risk weighted trading assets	24 592 013	13 026 950
Risk weighted off-balance-sheet assets	85 225 764	83 031 039
Total capital adequacy ratio	16.03%	16.21%
Tier 1 capital adequacy ratio	13.32%	13.23%

The Group was in compliance with the minimum capital adequacy ratio agreed with the creditors as at 30 June 2021 (unaudited) and 31 December 2020.

21 Fair Value

Fair value is the price that can be obtained from the sale of an asset or paid when transferring a liability when conducting a voluntary transaction in the main market at the measurement date.

Methods and assumptions used for fair valuation when preparing this condensed consolidated interim financial information are in line with methods and assumptions disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2020.

The Group uses the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques based on unobservable market data.

21 Fair Value (Continued)

The following table provides an analysis of instruments recognised at fair value by evaluation categories as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	Level 1	Level 2	Level 3
Financial assets			
<i>Trading securities, including those pledged under repurchase agreements</i>			
- Federal loan bonds	5 109 739	-	-
- Corporate bonds	3 899 879	1 138 537	-
- Corporate Eurobonds	2 321 893	2 039 833	-
- Municipal bonds	57 601	-	-
- Equity securities	913	-	573 953
<i>Loans and advances to legal entities at fair value</i>	-	-	4 046 893
<i>Investment securities measured through other comprehensive income, including those pledged under repurchase agreements</i>			
- Corporate bonds	-	1 707 971	-
- Municipal bonds	-	-	-
- Equity securities	1 039 220	-	103 056
<i>Derivative financial assets</i>	-	5 890 849	165 564
Total financial assets at fair value	12 429 245	10 777 190	4 889 466
Financial liabilities			
<i>Financial liabilities at fair value</i>	754 822	-	-
<i>Derivative financial liabilities</i>	-	5 643 982	165 564
Total financial liabilities at fair value	754 822	5 643 982	165 564

Non-financial assets measured at fair value include buildings and structures owned by the Group. These assets are classified as Level 3 of the hierarchy. Fair values are determined based on the report of an independent appraiser.

For 6 months ended 30 June 2021 debt securities with a carrying value of RUB 40 078 thousand were transferred from Level 2 to Level 1 of the fair value hierarchy, since the frequency and volume of trading in the market for such debt securities began to meet the criteria of an active market. Also, as at 30 June 2021 corporate debt securities with a carrying value of RUB 155 513 thousand were transferred from Level 1 to Level 2 of the fair value hierarchy, since the frequency and volume of trading in the market for such debt securities no longer satisfied the criteria of an active market. To determine the fair value of these debt securities management used a valuation method based on observable market data.

For 6 months ended 30 June 2021 there were no transfers between the levels of the hierarchy for investment securities referred to Level 3 of the hierarchy measured at fair value through other comprehensive income.

For 6 months ended 30 June 2021 the Group concluded contracts for derivative financial instruments which are assessed based on Level 3 of the hierarchy benchmark data due to unavailability of observable data in an active market for one of the assessment parameters.

21 Fair Value (Continued)

The following table provides an analysis of instruments recognised at fair value by evaluation categories as at 31 December 2020:

<i>(in thousands of Russian rubles)</i>	Level 1	Level 2	Level 3
Financial assets			
Trading securities, including those pledged under repurchase agreements			
- Corporate bonds	4 793 347	211 972	-
- Corporate Eurobonds	1 311 563	-	-
- Federal loan bonds	95 522	-	-
- Corporate shares	261	-	564 005
Loans and advances to legal entities at fair value	-	-	5 128 986
Investment securities measured through other comprehensive income, including those pledged under repurchase agreements			
- Corporate bonds	4 322 411	1 614 614	-
- Equity securities	992 348	-	102 550
Derivative financial assets	-	5 048 126	-
Total financial assets at fair value	11 515 452	6 874 712	5 795 541
Financial liabilities			
Financial liabilities at fair value	1 706 974	-	-
Derivative financial liabilities	-	7 410 602	-
Total financial liabilities at fair value	1 706 974	7 410 602	-

In 2020 debt securities with a carrying value of RUB 1 290 018 thousand were transferred from Level 2 to Level 1 of the fair value hierarchy, since the frequency and volume of trading in the market for such debt securities began to meet the criteria of an active market. Also, as at 31 December 2020 corporate debt securities with a carrying value of RUB 55 473 thousand were transferred from Level 1 to Level 2 of the fair value hierarchy, since the frequency and volume of trading in the market for such debt securities no longer satisfied the criteria of an active market. Management used a valuation technique to determine the fair value of these debt securities where all significant inputs were based on observable market data.

In 2020 there were no transfers between Level 3 and other Levels of the hierarchy.

In 2020 there were no transfers between the levels of the hierarchy for investment securities referred to Level 3 of the hierarchy measured at fair value through other comprehensive income, except for reclassification of the investment in units of combined closed-end investment fund 1st FORTIS in the amount of RUB 1 335 901 thousand from the category of investment securities measured at fair value through other comprehensive income based on data of Level 3 of the hierarchy of measurement at fair value to the category of investments in subsidiaries due to control over the fund.

21 Fair Value (Continued)

The table below presents the reconciliation of incoming and outgoing financial assets classified as Level 3 of the fair value assessment hierarchy as at 30 June 2021 (unaudited):

<i>(in thousands of Russian rubles)</i>	Level 3 incoming value as at 1 January 2021	Income/ (expense) recognised in profit or loss	Income/ (expense) recognised in OCI	Disposals	Acquisitions	Level 3 outgoing value as at 30 June 2021
Loans to legal entities at fair value	5 128 986	165 040	-	(1 247 133)	-	4 046 893
Investment securities, including those pledged under repurchase agreements	102 550	-	506	-	-	103 056
Trading securities, including those pledged under repurchase agreements	564 005	9 948	-	-	-	573 953
Derivative financial assets	-	-	-	-	165 564	165 564
Total Level 3 assets	5 795 541	174 988	506	(1 247 133)	165 564	4 889 466

The table below presents the reconciliation of incoming and outgoing financial assets classified as Level 3 of the fair value assessment hierarchy as at 30 June 2020 (unaudited):

<i>(in thousands of Russian rubles)</i>	Level 3 incoming value as at 1 January 2020	Income/ (expense) recognised in profit or loss	Income/ (expense) recognised in OCI	Disposals	Acquisitions	Level 3 outgoing value as at 30 June 2020
Loans to legal entities at fair value	6 931 189	165 347	-	(1 789 841)	525	5 307 220
Investment securities, including those pledged under repurchase agreements	1 438 831	-	(3 148)	(1 335 901)	-	99 782
Trading securities, including those pledged under repurchase agreements	558 414	(19 552)	-	-	-	538 862
Total Level 3 assets	8 928 434	145 795	(3 148)	(3 125 742)	525	5 945 864

Evaluation of loans to legal entities at fair value

As at 30 June 2021, the Group classifies the rights of claim under transactions on financing a specialised company established for the purpose of acquiring loans to individuals from other banks as well as the convertible promissory note into financial assets at fair value through profit or loss.

The fair valuation of the convertible promissory note is based on an independent appraiser's report.

21 Fair Value (Continued)

Claim rights are valued based on the expected cash flow on acquired portfolios with the observed and expected default. Market value is estimated by the Group's risk assessment division on a monthly basis.

The market value was estimated on the basis of assumptions regarding the expected default rate of the acquired portfolios and the market discount rate for similar risk assets. With an increase in the expected default rate of one percent, the market value of the acquired rights of claim decreases by 0.4 percent (unaudited). With an increase in the market discount rate of 1.0%, the market value of the acquired rights of claim decreases by 1.1 percent.

Evaluation of investment securities, including those pledged under repurchase agreements. Securities remeasured at fair value through other comprehensive income are an investment in non-listed shares of companies that are estimated based on information not observed at the market.

The fair value of securities remeasured at fair value through other comprehensive income is determined by the Group every 6 months based on the results of independent appraisers' reports. The fair value measurement is based on the net asset valuation method. For the purpose of comparison, the company-analogue method (capital market) was used, but the results of its use were not taken into account when measuring the fair value of financial assets, since the multipliers were determined on the basis of data of companies operating in foreign jurisdictions. It was not possible to use the discounted future cash flow method as equity securities are minority stakes. Fair value is monitored by the Group's division that initiates security acquisition on a quarterly basis.

As at 30 June 2021 (unaudited), a one percent increase/decrease in the companies' net assets applied in the valuation model, the carrying amount of financial instruments would increase by RUB 1 030 thousand/decrease by RUB 1 030 thousand (unaudited) (31 December 2020: the carrying amount of financial instruments would increase by RUB 1 025 thousand/decrease by RUB 1 025 thousand).

Evaluation of trading securities, including those pledged under repurchase agreements. As at 30 June 2021 the Group classifies equity securities and investments of BSPB CAPITAL VPF L.P. fund into trading securities, including those pledged under repurchase agreements.

Securities with the carrying value of RUB 14 439 thousand represent corporate shares traded on organised stock exchanges but the market for which cannot be recognised as active. The fair value of equity securities is estimated based on a model of correlation between the share price, exchange index and the value of the index at the valuation date: regression coefficient - 0.0000344. Management used a valuation technique to determine the fair value of these equity securities based on partially unobservable market data.

Evaluation of BSPB CAPITAL VPF L.P. investments in the capital of companies is RUB 559 514 thousand (31 December 2020: RUB 530 549 thousand). The fair value of the Fund's investments was determined in accordance with the International Guidelines for the Private Equity and Venture Capital Valuation (IPEV) based on the adjusted business value / revenue multiplier of public international companies according to industry.

The estimated weighted average adjusted multiplier "business value / revenue" was 4.48 (unaudited). The increase/decrease in the amount of multiplier by one percent leads to increase by RUB 5 595 thousand /decrease by RUB 5 595 thousand of the carrying amount of the financial instrument (unaudited) (31 December 2020: increase by RUB 5 305 thousand/decrease by RUB 5 305 thousand of the carrying amount of the financial instruments).

21 Fair Value (Continued)

Assessment of derivative financial instruments. The Black-Scholes model is used for assessment of fair value of derivative financial instruments. The management used a model valuation technique based on partially unobservable market data, i.e. implied volatility. The fair value sensitivity to implied volatility ratio (the vega ratio) amounts to + RUB 2 290,36 thousand/1 percentage point for assets and - RUB 2 290,36 thousand/1 percentage point for liabilities.

Sensitivity to the implied volatility of assets and liabilities is sensitivity to the same parameter, so the compensation effect applies.

The table below shows the fair values of financial assets carried at amortised cost at 30 June 2021 (unaudited) and 31 December 2020:

	30 June 2021 (unaudited)		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>(in thousands of Russian rubles)</i>				
Financial assets carried at amortised cost				
Debt investment securities measured at amortised cost, pledged under repurchase agreements	62 722 333	63 830 023	68 058 940	70 021 906
Loans and advances to customers				
Loans to legal entities				
- loans to finance working capital	239 622 639	240 621 244	199 641 523	201 096 191
- investment loans	74 191 394	73 763 379	80 507 811	80 074 276
- loans to entities financed by the government	24 558 476	24 372 040	24 368 748	24 368 593
Loans to individuals				
- mortgage loans	84 077 554	83 878 844	76 973 935	78 921 463
- car loans	5 567 348	5 436 161	5 119 340	5 106 774
- consumer loans to VIP customers	3 412 170	3 380 323	3 437 766	3 424 071
- other consumer loans	29 357 522	29 274 982	24 286 823	25 455 604
TOTAL	523 509 436	524 556 996	482 394 886	488 468 878

The table below shows the fair values of financial liabilities carried at amortised cost at 30 June 2021 (unaudited) and 31 December 2020:

	30 June 2021 (unaudited)		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>(in thousands of Russian rubles)</i>				
Financial liabilities carried at amortised cost				
Customer accounts				
State and public organisations				
- Current/settlement accounts	14 014	14 014	854	854
Other legal entities				
- Current/settlement accounts	127 603 166	127 603 166	97 030 951	97 030 951
- Term deposits	87 553 477	87 926 097	97 861 247	97 873 706
Individuals				
- Current /demand accounts	107 905 483	107 905 483	104 696 301	104 696 301
- Term deposits	163 482 448	166 686 083	171 332 398	175 510 792
Bonds issued				
Mortgage secured bonds issued by mortgage agents	1 923 586	1 740 067	2 712 400	2 454 216
Promissory notes and deposit certificates issued				
Promissory notes	6 074 426	6 515 988	8 150 020	8 782 297
Deposit certificates	2	2	2	2
TOTAL	494 556 602	498 390 900	481 784 173	486 349 119

21 Fair Value (Continued)

Trading securities, including those pledged under repurchase agreements, investment securities, including those pledged under repurchase agreements, measured at fair value through other comprehensive income, derivative financial instruments are measured at fair value in the condensed consolidated interim financial information.

The Group estimates that the fair value of financial assets and liabilities, except those disclosed in the tables above, does not differ significantly from their book value due to short term nature of these financial instruments.

The fair value hierarchies of financial assets and liabilities presented in the tables above are the following: issued bonds - Level 1, issued promissory notes and deposit certificates - Level 2, customer accounts – Level 2, loans and advances to customers - Level 3.

Loans and receivables carried at amortised cost. The fair value of instruments with floating interest rates usually equals their carrying value. If market situation significantly changes the interest rates on loans and advances to customers and loans to banks with fixed interest rate may be revised. Interest rates on loans issued just before the reporting date do not significantly differ from current interest rates on new instruments with similar credit risk and maturity date. If interest rates on earlier issued loans, according to the Group estimates, significantly differ from current interest rates for similar instruments as at the reporting date, the Group determines the estimated fair value for these loans. The estimate is based on discounted cash flows using current interest rates determined based on available market information for new instruments with similar credit risk and maturity date. Discounting rates depend on currency, maturity date and counterparty.

The following table provides analysis of interest rates on loans and advances to customers as at 30 June 2021 and 31 December 2020:

	30 June 2021 (unaudited)	31 December 2020
Loans and advances to customers:		
Loans and advances to legal entities		
RUB	5.18% - 10.50% per annum	4.50% - 10.25% per annum
USD	0.65% - 4.87% per annum	3.50% - 11.00% per annum
EUR	2.37% - 4.45% per annum	1.34% - 4.98% per annum
Loans and advances to individuals		
RUB	7.74% - 24.40% per annum	1.54% - 25.06% per annum
USD	3.68% - 12.75% per annum	3.78% - 12.75% per annum
EUR	2.46% - 11.15% per annum	3.14% - 17.00% per annum

Financial liabilities carried at amortised cost. The estimated fair value of fixed interest rate and fixed maturity instruments that do not have a market price is based on discounted cash flows using interest rates determined on the basis of available information from the market for new instruments with similar credit risk and similar maturity. Discount rates used depend on the currency and maturity of the instrument and as 30 June 2021 (unaudited) range from 0.05 percent to 6.75 percent per annum (31 December 2020: from 0.01 percent to 8.30 percent per annum).

The estimated fair value of other financial assets, including trade and business receivables, approximates their amortised cost, taking into account the short-term nature of the assets.

22 Related Party Transactions

For the purposes 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 family of Mr. A.V. Savelyev, through the ownership of the Bank's shares and the option to purchase interest in the companies currently controlled by the members of the Bank's management (see Note 1), is the majority ultimate beneficiary of the Bank.

In the normal course of business, the Group conducts transactions with shareholders, management of the Group and other related parties. All related party transactions are entered into by the Group on the basis of arm's-length arrangements.

As at 30 June 2021 (unaudited) the outstanding balances with related parties are as follows:

<i>(in thousands of Russian rubles)</i>	Shareholders	Group's Management	Other related parties
Loans and advances to customers	-	49 431	542 461
Allowance for expected credit losses	-	(323)	(36 654)
Customer accounts	6 205 706	498 774	1 322 382

The income and expense items for transactions with related parties, other than compensation to the members of the Supervisory Board and the Management Board of the Bank, for 6 months ended 30 June 2021 (unaudited) are as follows:

<i>(in thousands of Russian rubles)</i>	Shareholders	Group's Management	Other related parties
Interest income calculated using the effective interest method	-	1 721	47 849
Interest expenses	(123 098)	(9 901)	(18 601)
Charge of allowance for expected credit losses	-	(73)	(36 654)
Fee and commission income	486	341	31 565

Aggregate amounts lent to and repaid by related parties during 6 months ended 30 June 2021 (unaudited) are:

<i>(in thousands of Russian rubles)</i>	Shareholders	Group's Management	Other related parties
Amounts lent to related parties during the period measured at amortised cost	7	45 820	2 805 651
Amounts repaid by related parties during the period measured at amortised cost	7	30 151	2 263 190

22 Related Party Transactions (Continued)

As at 31 December 2020, the outstanding balances with related parties are as follows:

<i>(in thousands of Russian rubles)</i>	Shareholders	Group's Management	Other related parties
Loans and advances to customers	-	33 762	-
Allowance for ECL	-	(250)	-
Customer accounts	5 532 790	810 598	1 240 780

The income and expense items for transactions with related parties, other than compensation to the members of the Supervisory Board and the Management Board of the Bank, for 6 months ended 30 June 2020 (unaudited) are as follows:

<i>(in thousands of Russian rubles)</i>	Shareholders	Group's Management	Other related parties
Interest income calculated using the effective interest method	2	578	-
Interest expenses	(109 978)	(19 533)	(8 662)
(Charge)/Recovery of allowance for expected credit losses	-	(88)	1
Fee and commission income	160	243	889

Aggregate amounts lent to and repaid by related parties during 6 months ended 30 June 2020 (unaudited) are:

<i>(in thousands of Russian rubles)</i>	Shareholders	Group's Management	Other related parties
Amounts lent to related parties during the period measured at amortised cost	4 877	37 964	632
Amounts repaid by related parties during the period measured at amortised cost	4 877	10 816	661

For 6 months ended 30 June 2021 (unaudited) total remuneration of members of the Supervisory Board and the Management Board of the Bank, including pension contributions and discretionary bonuses, amounts to RUB 293 404 thousand (for 6 months ended 30 June 2020 (unaudited): RUB 260 664 thousand).

23 Consolidation of Companies

The Group's condensed consolidated interim financial information includes the following subsidiaries:

Name	Country of incorporation	Ownership, %		Type of business
		30 June 2021	31 December 2020	
LLC BSPB Capital	Russian Federation	100%	100%	Securities management
4th Nevsky Fund, Combined CEIF	Russian Federation	100%	100%	Real estate investment
10th Nevsky Fund, Combined CEIF	Russian Federation	100%	100%	Real estate investment
13th Nevsky Fund, Combined CEIF	Russian Federation	-	100%	Investments in real estate and other assets
16th Nevsky Fund, Combined CEIF	Russian Federation	100%	100%	Investments in real estate and other assets
17th Nevsky Fund, Combined CEIF	Russian Federation	100%	100%	Direct investment
1st FORTIS, Combined CEIF	Russian Federation	100%	100%	Investments in real estate and other assets
2nd FORTIS, Combined CEIF	Russian Federation	100%	100%	Investments in real estate and other assets
BSPB CAPITAL VPF L.P.	Jersey, Channel Islands	100%	100%	Direct and venture capital investment

BSPB Capital LLC is an asset management enterprise. The Bank uses this company to expand the range of investment products, including trust management of the customers' assets.

4th Nevsky Fund, Combined CEIF, 10th Nevsky Fund, Combined CEIF, 16th Nevsky Fund, Combined CEIF, and 17th Nevsky Fund, Combined CEIF, 1st FORTIS, Combined CEIF, 2nd FORTIS, Combined CEIF are funds specialised in real estate and other assets management to increase their cost.

13th Nevsky Fund, Combined CEIF is a fund established for the purpose of acquiring investment property. This CEIF was dissolved on 14 May 2021 as a result of the sale of the asset group.

BSPB CAPITAL VPF L.P operates as an investor, sells, exchanges and distributes investments in accordance with the investment policy under management of BSPB Capital GP Ltd.

The Bank used BSPB Finance PLC, a structured entity, for issue of bonds on the international capital market.

BSPB Finance PLC is the issuer of a structured product - loan participation notes issued exclusively for the purpose of granting loans to the Bank. Bonds are secured instruments and the issuer pledges all amounts received and/or to be received under loan agreements concluded with the Bank. The Bank reimburses all nonrecurring and current expenses related to the provision and servicing of the loan.

The Bank uses a structured enterprise, MA BSPB 2 LLC, as part of its securitisation programme financed by the Group. MA BSPB 2 LLC operates according to predetermined criteria, which are part of the initial structure of the enterprise (Note 8). Except for the daily servicing of mortgage loans (which is performed by the Group on the basis of a service agreement), key decisions are required only in the event of default, in such cases only the Group can make such decisions. In addition, the Group is exposed to variable returns from its participation in MA BSPB 2 LLC through the provision of a credit line to this company by the Bank. As a result, the management concluded that the Group controls the specified company and its financial statements were included in the condensed consolidated interim financial information as at 30 June 2021 and consolidated financial statements as at 31 December 2020.

24 Events after the Reporting Date

In accordance with paragraph 2 Article 72 of the Federal Law "On joint stock companies", on 5 August 2021 the Supervisory Board made a resolution on acquisition by the Bank of 14 000 thousand own outstanding ordinary registered book-entry shares at a price of RUB 75.00 per share. The shareholders' offers for sale of their shares are to be submitted or withdrawn from 6 September 2021 through 5 October 2021.

Payment for the shares acquired will be made to the shareholders from 12 October 2021 through 20 October 2021.