

Sberbank of Russia and its subsidiaries

Interim Condensed Consolidated Financial Statements
and Report on Review

30 June 2021

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Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders and the Supervisory Board of Sberbank of Russia:

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Sberbank of Russia and its subsidiaries (together – the “Group”) as at 30 June 2021 and the related interim consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, interim consolidated statements of changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

AO PricewaterhouseCoopers Audit
28 July 2021

Moscow, Russian Federation



E.N. Kriventsev, certified auditor (certificate number 01-000198)
AO PricewaterhouseCoopers Audit

Audited entity: Sberbank of Russia

Record made in the Unified State Register of Legal Entities on 16 August 2002 under State Registration Number 1027700132195

Taxpayer Identification Number 7707083893

117997, Russian Federation, Moscow, Vavilova 19

Independent auditor: AO PricewaterhouseCoopers Audit

Registered by the Government Agency Moscow Registration Chamber on 28 February 1992 under number 008.890

Record made in the Unified State Register of Legal Entities on 22 August 2002 under State Registration Number 1027700148431

Taxpayer Identification Number 7705051102

Member of Self-regulatory organization of auditors Association «Sodruzhestvo»

Principal Registration Number of the Record in the Register of Auditors and Audit Organizations – 12006020338


Interim Consolidated Statement of Financial Position

<i>in billions of Russian Roubles</i>	Note	30 June 2021 (unaudited)	31 December 2020
ASSETS			
Cash and cash equivalents		2,263.5	2,376.8
Mandatory cash balances with central banks		289.6	279.6
Due from banks		1,750.5	1,212.3
Loans and advances to customers	4	24,652.6	23,386.4
Securities	5	4,730.5	5,624.4
Financial instruments pledged under repurchase agreements	6	1,934.0	933.0
Derivative financial assets		281.1	313.6
Investments in associates and joint ventures	7	165.8	140.5
Deferred tax asset		33.6	23.2
Premises, equipment and right-of-use assets		778.2	754.7
Assets of the disposal groups and non-current assets held for sale	8	104.6	101.4
Other assets	9	952.4	870.1
TOTAL ASSETS		37,936.4	36,016.0
LIABILITIES			
Due to banks		1,049.2	1,563.4
Due to individuals	10	16,963.7	16,641.0
Due to corporate customers	10	10,891.8	9,124.7
Debt securities in issue		893.7	884.2
Other borrowed funds		77.4	68.0
Derivative financial liabilities and obligations to deliver securities		388.4	374.0
Deferred tax liability		32.9	37.7
Liabilities of the disposal groups	8	11.7	15.7
Other liabilities	11	1,932.4	1,773.2
Subordinated debt		551.6	487.6
TOTAL LIABILITIES		32,792.8	30,969.5
EQUITY			
Share capital and share premium		320.3	320.3
Perpetual subordinated loan		150.0	150.0
Treasury shares		(37.6)	(14.4)
Other reserves	17	113.6	213.3
Retained earnings		4,590.5	4,375.6
Total equity attributable to shareholders of the Bank		5,136.8	5,044.8
Non-controlling interest		6.8	1.7
TOTAL EQUITY		5,143.6	5,046.5
TOTAL LIABILITIES AND EQUITY		37,936.4	36,016.0

Approved for issue and signed on behalf of the Executive Board on 28 July 2021.



Bella Zlatkis,
Acting CEO



Alexandra Buriko,
Senior Vice-President,
Member of the Executive Board

Interim Consolidated Statement of Profit or Loss

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Note	Six months ended 30 June		Three months ended 30 June	
		2021	2020	2021	2020
Continuing operations					
Interest income calculated using the effective interest method	12	1,201.1	1,119.3	614.8	566.0
Other interest income	12	65.3	58.9	34.6	28.8
Interest expense calculated using the effective interest method	12	(357.9)	(366.5)	(185.2)	(182.6)
Other interest expense	12	(12.3)	(10.5)	(7.1)	(5.5)
Deposit insurance expenses	12	(35.2)	(30.8)	(17.6)	(8.2)
Net interest income	12	861.0	770.4	439.5	398.5
Net credit loss allowance charge for debt financial assets		(74.4)	(264.5)	(30.2)	(126.5)
Net interest income after credit loss allowance charge for debt financial assets		786.6	505.9	409.3	272.0
Fee and commission income	13	423.6	342.3	228.5	164.9
Fee and commission expense	13	(132.2)	(95.9)	(71.4)	(44.9)
Net gains / (losses) from non-derivative financial instruments at fair value through profit or loss	4	56.2	(27.4)	28.5	21.2
Net gains from financial instruments at fair value through other comprehensive income		1.4	14.9	1.0	8.5
Net gains from derivatives, trading in foreign currencies, foreign exchange and precious metals accounts translation	14	25.1	22.2	0.2	9.9
Net losses arising on initial recognition and modification of financial instruments measured at amortized cost		(3.6)	(27.6)	(3.3)	(27.6)
Impairment of non-financial assets		—	(0.8)	—	(0.7)
Net charge for other provisions and allowances		(16.3)	(28.4)	(8.2)	(3.9)
Revenue of non-financial and other business activities		54.9	21.9	29.6	13.5
Cost of sales and other expenses of non-financial and other business activities		(55.1)	(19.7)	(29.3)	(12.7)
Net premiums from insurance and pension fund operations		108.1	82.3	61.2	29.7
Net claims, benefits, change in contract liabilities and acquisition costs on insurance and pension fund operations		(98.5)	(69.7)	(53.6)	(39.2)
Income from operating lease of equipment		5.0	4.7	2.5	2.4
Expenses related to equipment leased out		(2.7)	(2.6)	(1.3)	(1.4)
Net share of loss of associates and joint ventures	7	(8.5)	(13.5)	(3.5)	(9.1)
Other net operating income / (expenses)		11.1	(2.0)	7.7	(1.7)
Operating income		1,155.1	706.6	597.9	380.9
Staff and administrative expenses	15	(381.5)	(340.0)	(201.6)	(172.0)
Profit before tax		773.6	366.6	396.3	208.9
Income tax expense		(151.2)	(79.4)	(78.7)	(42.2)
Profit from continuing operations		622.4	287.2	317.6	166.7
Profit from discontinued operations (attributable to shareholders of the Bank)		7.4	—	7.7	—
Profit for the period		629.8	287.2	325.3	166.7
Attributable to:					
- shareholders of the Bank		630.8	287.2	325.9	167.0
- non-controlling interest		(1.0)	—	(0.6)	(0.3)
Earnings per ordinary share based on profit for the period attributable to the shareholders of the Bank, basic and diluted (expressed in RR per share)	16	28.54	13.38	14.34	7.78
Earnings per ordinary share based on profit from continuing operations attributable to the shareholders of the Bank, basic and diluted (expressed in RR per share)	16	28.20	13.38	13.98	7.78

Interim Consolidated Statement of Comprehensive Income

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Profit for the period	629.8	287.2	325.3	166.7
Other comprehensive income:				
Continuing operations				
<i>Items to be reclassified to profit or loss in subsequent periods</i>				
Debt financial instruments measured at fair value through other comprehensive income:				
- Net change in fair value, net of tax	(80.0)	46.1	(6.9)	83.3
- Accumulated gains transferred to profit or loss upon disposal, net of tax	(1.1)	(11.9)	(0.8)	(6.8)
Exchange differences on translating foreign operations	(11.3)	30.4	(9.5)	(13.1)
Share of other comprehensive loss of associates and joint ventures	—	—	(0.1)	—
Total other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods, net of tax	(92.4)	64.6	(17.3)	63.4
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>				
Change in valuation of office premises transferred to other classes of assets, net of tax	(0.1)	(0.3)	—	(0.1)
Actuarial remeasurements of defined benefit pension plans	0.5	(0.9)	(0.2)	(0.9)
Total other comprehensive income / (loss) that will not be reclassified to profit or loss in subsequent periods	0.4	(1.2)	(0.2)	(1.0)
Total other comprehensive (loss) / income from continuing operations	(92.0)	63.4	(17.5)	62.4
Total comprehensive income for the period	537.8	350.6	307.8	229.1
Attributable to:				
- shareholders of the Bank	538.8	350.6	308.4	229.5
- non-controlling interest	(1.0)	—	(0.6)	(0.4)
Total comprehensive income for the period, attributable to shareholders of the Bank from:				
- continuing operations	531.4	350.6	300.7	229.5
- discontinued operations	7.4	—	7.7	—

Interim Consolidated Statement of Changes in Equity

<i>in billions of Russian Roubles</i>	Note	Attributable to shareholders of the Bank							Non-controlling interest	Total equity
		Share capital	Share premium	Perpetual subordinated loan	Treasury shares	Other reserves (Note 17)	Retained earnings	Total		
Balance as at 31 December 2019		87.7	232.6	—	(21.5)	130.3	4,049.2	4,478.3	8.4	4,486.7
Changes in equity for the six months ended 30 June 2020 (unaudited)										
Net result from treasury shares transactions		—	—	—	(3.7)	—	(5.7)	(9.4)	—	(9.4)
Transfer of revaluation reserve for office premises upon disposal or depreciation		—	—	—	—	(2.4)	2.4	—	—	—
Acquisition of subsidiaries and changes in ownership interest in subsidiaries		—	—	—	—	—	—	—	0.2	0.2
Recognition of liabilities reserve for buyout of non-controlling interest		—	—	—	—	(0.5)	—	(0.5)	—	(0.5)
<i>Profit for the period</i>		—	—	—	—	—	287.2	287.2	—	287.2
<i>Other comprehensive income for the period</i>		—	—	—	—	63.4	—	63.4	—	63.4
Total comprehensive income for the period		—	—	—	—	63.4	287.2	350.6	—	350.6
Balance as at 30 June 2020 (unaudited)		87.7	232.6	—	(25.2)	190.8	4,333.1	4,819.0	8.6	4,827.6
Balance as at 31 December 2020		87.7	232.6	150.0	(14.4)	213.3	4,375.6	5,044.8	1.7	5,046.5
Changes in equity for the six months ended 30 June 2021 (unaudited)										
Net result from treasury shares transactions		—	—	—	(23.2)	—	1.3	(21.9)	—	(21.9)
Dividends declared	16	—	—	—	—	—	(419.2)	(419.2)	—	(419.2)
Transfer of revaluation reserve for office premises upon disposal or depreciation		—	—	—	—	(1.1)	1.1	—	—	—
Acquisition of subsidiaries and changes in ownership interest in subsidiaries		—	—	—	—	—	0.2	0.2	6.1	6.3
Recognition of liabilities reserve for buyout of non-controlling interest		—	—	—	—	(6.6)	—	(6.6)	—	(6.6)
Other movements		—	—	—	—	—	0.7	0.7	—	0.7
<i>Profit / (loss) for the period</i>		—	—	—	—	—	630.8	630.8	(1.0)	629.8
<i>Other comprehensive loss for the period</i>		—	—	—	—	(92.0)	—	(92.0)	—	(92.0)
Total comprehensive (loss) / income for the period		—	—	—	—	(92.0)	630.8	538.8	(1.0)	537.8
Balance as at 30 June 2021 (unaudited)		87.7	232.6	150.0	(37.6)	113.6	4,590.5	5,136.8	6.8	5,143.6

Interim Consolidated Statement of Cash Flows

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Note	Six months ended 30 June	
		2021	2020
Cash flows from operating activities			
Interest income calculated using the effective interest method received		1,184.1	1,073.5
Other interest income received		64.3	54.1
Interest expense calculated using the effective interest method paid		(316.0)	(352.7)
Other interest expense paid		(9.1)	(8.4)
Deposit insurance expenses paid		(34.0)	(36.7)
Fees and commissions received		427.9	354.6
Fees and commissions paid		(131.8)	(95.7)
Net gains received on non-derivative financial instruments at fair value through profit or loss		9.7	13.6
Net gains received from financial instruments at fair value through other comprehensive income		1.4	14.9
Dividends received		3.9	2.2
Net gains received on derivatives, trading in foreign currencies and operations with precious metals		70.2	37.2
Revenue received from non-financial and other business activities		52.5	24.0
Expenses paid on non-financial and other business activities		(66.9)	(30.7)
Insurance premiums received		92.0	64.8
Claims, benefits and acquisition costs on insurance operations paid		(39.3)	(21.9)
Pension fund premiums received		13.8	11.4
Claims, benefits and acquisition costs on pension fund operations paid		(4.3)	(5.5)
Income received from operating lease of equipment		4.9	4.8
Expenses paid related to equipment leased out		—	(0.1)
Other net operating income received		19.9	13.2
Staff and administrative expenses paid		(242.3)	(247.6)
Income tax paid		(142.5)	(68.9)
Cash flows from operating activities before changes in operating assets and liabilities		958.4	800.1
Changes in operating assets and liabilities			
Net increase in mandatory cash balances with central banks		(11.9)	(7.8)
Net increase in due from banks		(536.0)	(354.7)
Net increase in loans and advances to customers		(1,532.8)	(632.9)
Net increase in securities and financial instruments pledged under repurchase agreements		(221.0)	(326.2)
Net increase in derivative financial assets		(0.1)	(0.3)
Net increase in other assets		(35.7)	(118.8)
Net decrease in due to banks		(522.1)	(55.6)
Net increase in due to individuals		397.0	604.1
Net increase in due to corporate customers		1,859.7	381.6
Net increase in debt securities in issue		7.6	79.2
Net increase / (decrease) in other borrowed funds		15.0	(0.1)
Net increase in obligations to deliver securities		52.7	31.6
Net increase in other liabilities		10.1	60.6
Net cash from operating activities		440.9	460.8

Interim Consolidated Statement of Cash Flows (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Note	Six months ended 30 June	
		2021	2020
Cash flows from investing activities			
Acquisition of premises, equipment and intangible assets		(95.0)	(64.1)
Proceeds from disposal of premises, equipment and intangible assets		9.5	19.7
Proceeds from disposal of investment property		0.5	—
Acquisition of associates and joint ventures		(27.6)	(0.6)
Acquisition of subsidiaries net of cash and cash equivalents acquired		(13.0)	—
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of		6.2	—
Net cash used in investing activities		(119.4)	(45.0)
Cash flows from financing activities			
Funds received from subordinated debt issued or reissued		58.6	0.9
Redemption of subordinated debt		(5.8)	(5.4)
Cash received from non-controlling shareholders		3.1	(0.6)
Acquisition of non-controlling interests in subsidiaries		(3.9)	—
Purchase of treasury shares		(185.7)	(107.5)
Proceeds from disposal of treasury shares		164.1	96.7
Cash outflow to settle principal amount of lease liabilities		(9.8)	(12.0)
Dividends paid	16	(419.1)	(1.6)
Net cash used in financing activities		(398.5)	(29.5)
Effect of exchange rate changes on cash and cash equivalents		(36.1)	97.9
Net effect of changes in cash and cash equivalents included in disposal groups except for discontinued operations		(0.2)	—
Net (decrease) / increase in cash and cash equivalents		(113.3)	484.2
Cash and cash equivalents of continuing operations at the beginning of the period		2,376.8	2,083.2
Cash and cash equivalents of continuing operations at the end of the period		2,263.5	2,567.4

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

1 Introduction

These interim condensed consolidated financial statements of Sberbank of Russia (Sberbank, the “Bank”) and its subsidiaries (together referred to as the “Group”) have been prepared in accordance with IAS 34 “Interim Financial Reporting” for the six months ended 30 June 2021. Principal subsidiaries include Russian and foreign commercial banks and other companies controlled by the Group. A list of principal subsidiaries included in these interim condensed consolidated financial statements is disclosed in Note 24.

The Bank is a public joint-stock commercial bank established in 1841 and operating in various forms since then. The Bank was incorporated and is domiciled in the Russian Federation.

Starting from April 2020 the Bank’s principal shareholder and the ultimate controlling party is the Russian Federation represented by the Government of the Russian Federation (through the Ministry of Finance of the Russian Federation (the “Ministry of Finance”)) which owns 52.3% of ordinary shares or 50.0% plus 1 share of the issued and outstanding ordinary and preference shares of the Bank. Before April 2020 the Bank’s principal and ultimate controlling shareholder was the Central Bank of the Russian Federation (the “Bank of Russia”) which owned 52.3% of ordinary shares or 50.0% plus 1 share of the issued and outstanding ordinary and preference shares of the Bank. In February 2020 the Bank of Russia and the Ministry of Finance announced that they reached an agreement on the sale of 50.0% plus 1 share in Sberbank’s share capital from the Bank of Russia, in April - May 2020 the transaction was closed.

As at 30 June 2021 the Supervisory Board of the Bank is headed by Anton G. Siluanov, the Minister of Finance of the Russian Federation. The Supervisory Board of the Bank includes representatives from the Bank, the Government, the Bank of Russia and independent directors.

The Bank operates under a general banking license issued by the Bank of Russia since 1991. In addition, the Bank holds licenses required for trading and holding securities and engaging in other securities-related activities, including acting as a broker, a dealer, a custodian. The Bank is regulated and supervised by the Bank of Russia as a united regulator for banking, insurance and financial markets activities in the Russian Federation. The Group’s banks / companies operate under the banking / companies regulatory regimes of their respective countries.

The Group’s principal business activity is corporate and retail banking. This includes, but is not limited to, deposit taking and commercial lending in freely convertible currencies, local currencies of countries where the subsidiary banks operate and in Russian Roubles, support of clients’ export / import transactions, foreign exchange, securities trading, and trading in derivative financial instruments. The Group also offers digital non-financial services in electronic commerce, FoodTech&Mobility, Health, entertainment, cloud services, cybersecurity and other areas. The Group’s operations are conducted in both Russian and international markets. As at 30 June 2021 the Group conducts its business in Russia through Sberbank with its network of 11 (31 December 2020: 11) regional head offices, 76 (31 December 2020: 77) branches and 13,907 (31 December 2020: 14,085) banking offices, and through principal subsidiaries located in Russia such as Sberbank Leasing JSC, Sberbank Capital LLC, SB CIB Holding LLC, Sberbank Investments LLC, Non-state Pension Fund of Sberbank JSC, Insurance company “Sberbank life insurance” LLC, Insurance company “Sberbank insurance” LLC, Sberbank Factoring LLC, Digital Technologies LLC and Cetelem Bank LLC. The Group carries out banking operations in Ukraine, Belarus, Kazakhstan, Austria, Switzerland and other countries of Central and Eastern Europe and also conducts operations through a branch office in India, representative offices in Germany and China and Group companies located in the United States of America, the United Kingdom, Cyprus and certain other jurisdictions.

The actual headcount of the Group’s full-time employees as at 30 June 2021 was 276,068 (31 December 2020: 285,555).

Registered address and place of business. The Bank’s registered address is: Vavilova str., 19, Moscow, Russian Federation.

Presentation currency. These interim condensed consolidated financial statements are presented in Russian Roubles (“RR”). All amounts are expressed in RR billions unless otherwise stated.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

1 Introduction (continued)

At 30 June 2021 the principal rates of exchange used for translating foreign currency monetary balances and each entity's functional currency into the Group's presentation currency were as follows:

	/RR	/UAH	/BYN	/KZT	/EUR	/CHF
RR/	1.000	0.375	0.035	5.921	0.012	0.013
USD/	72.372	27.173	2.533	428.495	0.840	0.921
EUR/	86.203	32.365	3.017	510.380	1.000	1.097

At 31 December 2020 the principal rates of exchange used for translating foreign currency monetary balances and each entity's functional currency into the Group's presentation currency were as follows:

	/RR	/UAH	/BYN	/KZT	/EUR	/CHF
RR/	1.000	0.382	0.035	5.699	0.011	0.012
USD/	73.876	28.225	2.583	420.990	0.815	0.885
EUR/	90.682	34.646	3.171	516.765	1.000	1.086

2 Basis of Preparation and Significant Accounting Policies

Basis of Preparation. These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2020.

These interim condensed consolidated financial statements do not contain all the explanatory notes as required for a full set of consolidated financial statements.

The accounting policies and methods of computation applied in the preparation of these interim condensed consolidated financial statements are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2020 in the Note "Basis of preparation and significant accounting policies", except for income tax expense which is recognized in these interim condensed consolidated financial statements based on management's best estimates of the weighted average income tax rate expected for the full financial year.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies, Adoption of New or Revised Standards and Interpretations, Reclassifications

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

- COVID-19-Related Rent Concessions Amendment to IFRS 16 (issued on 28 May 2020 and effective for annual periods beginning on or after 1 June 2020). The Group elected not to adopt the above mentioned amendment.
- Interest rate benchmark (IBOR) reform – phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021).

Management's estimates and judgements. Judgements and critical estimates made by Management in the process of applying the accounting policies were consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2020. Management has not identified new areas of judgement or critical estimates except for those disclosed in this Note below.

Measurement of expected credit loss ("ECL") allowance. The measurement of expected credit loss allowance for financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income (FVOCI) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

The Group makes estimates and judgments, which are constantly analysed based on statistical data, actual and forecast information, as well as management experience, including expectations regarding future events that are reasonable in current circumstances.

The changes implemented by the Group in the first six months of 2021 to the approaches used to measure expected credit loss allowance, allowed the Group to assess more accurately the level of risks and expected credit loss allowance.

In the first quarter of 2021 the Group has implemented a new model for assessing loss given default for loans to clients - holding companies which are residents of the Russian Federation. The result of this model implementation was a decrease of the expected credit loss allowance in the amount of RR 6.5 billion.

In the first quarter of 2021 the Group ceased to apply an early repayment model for mortgage and consumer loans to individuals for which significant increase of credit risk was observed. The result of this amendment was an increase in the expected credit loss allowance in the amount of RR 4.2 billion.

In the second quarter of 2021 the Group did not apply any new significant assumptions in calculations and retained all the models and approaches used before.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies, Adoption of New or Revised Standards and Interpretations, Reclassifications (continued)

Changes in presentation and reclassifications. Starting from the consolidated financial statements for the year ended 31 December 2020 the Group changed presentation of investments in associates and joint ventures. Currently the Group discloses information on investments in associates and joint ventures in separate lines in the interim consolidated statement of financial position and the interim consolidated statement of profit or loss.

In these interim condensed consolidated financial statements the Group also changed presentation of the interim consolidated statement of profit or loss due to reclassification of value added tax expense related to acquisition costs on insurance and pension fund operations from staff and administrative expenses to net claims, benefits, changes in contract liabilities and acquisition costs from insurance and pension fund operations.

Also, the Group changed presentation of net premiums from insurance and pension fund operations in the interim consolidated statement of profit or loss by including changes in provisions on unearned premium in net premiums instead of presenting them within net claims, benefits, change in contract liabilities and acquisition costs on insurance and pension fund operations.

Management considers that the amended presentation results in a more informative and relevant presentation of the financial information and is more consistent with the market practice.

The effect of the changes mentioned above on the interim consolidated statement of profit or loss for the six months ended 30 June 2020 is as follows:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	As previously reported	Reclassification	As reclassified
Six months ended 30 June 2020			
Other net operating income / (expenses)	(15.5)	13.5	(2.0)
Net share of loss of associates and joint ventures	—	(13.5)	(13.5)
Net premiums from insurance and pension fund operations	80.0	2.3	82.3
Net claims, benefits, change in contract liabilities and acquisition costs on insurance and pension fund operations	(65.8)	(3.9)	(69.7)
Staff and administrative expenses	(341.6)	1.6	(340.0)

The effect of the changes mentioned above on the interim consolidated statement of profit or loss for the three months ended 30 June 2020 is as follows:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	As previously reported	Reclassification	As reclassified
Three months ended 30 June 2020			
Other net operating income / (expenses)	(10.8)	9.1	(1.7)
Net share of loss of associates and joint ventures	—	(9.1)	(9.1)
Net premiums from insurance and pension fund operations	28.1	1.6	29.7
Net claims, benefits, change in contract liabilities and acquisition costs on insurance and pension fund operations	(37.2)	(2.0)	(39.2)
Staff and administrative expenses	(172.4)	0.4	(172.0)

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Loans and advances to customers at amortized cost	23,401.4	22,262.8
Loans and advances to customers at fair value through profit or loss	1,251.2	1,123.6
Total loans and advances to customers	24,652.6	23,386.4

Loans and advances to customers at amortized cost

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	30 June 2021		
	Gross carrying amount	Credit loss allowance	Amortized cost
Commercial loans to legal entities	11,577.7	(755.2)	10,822.5
Project finance loans to legal entities	3,094.6	(268.8)	2,825.8
Mortgage loans to individuals	5,877.3	(68.3)	5,809.0
Consumer and other loans to individuals	3,380.6	(314.2)	3,066.4
Credit cards and overdrafts to individuals	859.0	(140.4)	718.6
Car loans to individuals	169.6	(10.5)	159.1
Total loans and advances to customers at amortized cost	24,958.8	(1,557.4)	23,401.4

<i>in billions of Russian Roubles</i>	31 December 2020		
	Gross carrying amount	Credit loss allowance	Amortized cost
Commercial loans to legal entities	12,084.0	(859.5)	11,224.5
Project finance loans to legal entities	2,545.7	(257.3)	2,288.4
Mortgage loans to individuals	5,219.3	(70.8)	5,148.5
Consumer and other loans to individuals	3,055.1	(287.6)	2,767.5
Credit cards and overdrafts to individuals	828.7	(136.3)	692.4
Car loans to individuals	152.2	(10.7)	141.5
Total loans and advances to customers at amortized cost	23,885.0	(1,622.2)	22,262.8

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

The tables below show the credit quality analysis of the Group's loans and advances to customers at amortized cost as at 30 June 2021 and 31 December 2020. Credit quality in the table below is based on the credit risk grades developed internally by the Group.

	30 June 2021				
<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Commercial loans to legal entities					
Minimum credit risk	1,471.5	10.8	—	—	1,482.3
Low credit risk	7,370.2	255.1	—	—	7,625.3
Moderate credit risk	888.0	747.7	—	—	1,635.7
High credit risk	1.9	67.0	—	—	68.9
Default	—	—	740.1	25.4	765.5
Gross carrying amount of commercial loans to legal entities	9,731.6	1,080.6	740.1	25.4	11,577.7
Credit loss allowance	(74.0)	(161.8)	(510.8)	(8.6)	(755.2)
Total commercial loans to legal entities	9,657.6	918.8	229.3	16.8	10,822.5

	31 December 2020				
<i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Commercial loans to legal entities					
Minimum credit risk	1,123.0	1.8	—	—	1,124.8
Low credit risk	7,738.5	391.4	—	—	8,129.9
Moderate credit risk	979.9	916.2	—	—	1,896.1
High credit risk	2.9	114.1	—	—	117.0
Default	—	—	793.6	22.6	816.2
Gross carrying amount of commercial loans to legal entities	9,844.3	1,423.5	793.6	22.6	12,084.0
Credit loss allowance	(90.5)	(203.6)	(557.0)	(8.4)	(859.5)
Total commercial loans to legal entities	9,753.8	1,219.9	236.6	14.2	11,224.5

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

	30 June 2021				
<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Project finance loans to legal entities					
Minimum credit risk	217.5	12.0	—	—	229.5
Low credit risk	1,840.9	64.1	—	0.1	1,905.1
Moderate credit risk	512.2	81.5	—	—	593.7
High credit risk	0.2	43.6	—	—	43.8
Default	—	—	317.5	5.0	322.5
Gross carrying amount of project finance loans to legal entities	2,570.8	201.2	317.5	5.1	3,094.6
Credit loss allowance	(39.5)	(24.8)	(202.9)	(1.6)	(268.8)
Total project finance loans to legal entities	2,531.3	176.4	114.6	3.5	2,825.8

	31 December 2020				
<i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Project finance loans to legal entities					
Minimum credit risk	118.8	8.4	—	—	127.2
Low credit risk	1,269.4	44.9	—	—	1,314.3
Moderate credit risk	661.1	87.6	—	—	748.7
High credit risk	0.5	35.8	—	3.0	39.3
Default	—	—	315.4	0.8	316.2
Gross carrying amount of project finance loans to legal entities	2,049.8	176.7	315.4	3.8	2,545.7
Credit loss allowance	(43.6)	(25.6)	(187.9)	(0.2)	(257.3)
Total project finance loans to legal entities	2,006.2	151.1	127.5	3.6	2,288.4

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

	30 June 2021				
<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Mortgage loans to individuals					
Minimum credit risk	4,642.3	28.1	—	—	4,670.4
Low credit risk	842.0	180.6	—	—	1,022.6
Moderate credit risk	13.0	93.9	—	—	106.9
High credit risk	—	15.9	—	0.2	16.1
Default	—	—	60.6	0.7	61.3
Gross carrying amount of mortgage loans to individuals	5,497.3	318.5	60.6	0.9	5,877.3
Credit loss allowance	(7.8)	(15.5)	(44.7)	(0.3)	(68.3)
Total mortgage loans to individuals	5,489.5	303.0	15.9	0.6	5,809.0

	31 December 2020				
<i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Mortgage loans to individuals					
Minimum credit risk	4,053.8	29.6	—	—	4,083.4
Low credit risk	766.8	183.7	—	—	950.5
Moderate credit risk	12.0	87.5	—	—	99.5
High credit risk	—	14.4	—	0.1	14.5
Default	—	—	70.6	0.8	71.4
Gross carrying amount of mortgage loans to individuals	4,832.6	315.2	70.6	0.9	5,219.3
Credit loss allowance	(9.6)	(12.1)	(48.6)	(0.5)	(70.8)
Total mortgage loans to individuals	4,823.0	303.1	22.0	0.4	5,148.5

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

	30 June 2021				
<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Consumer and other loans to individuals					
Minimum credit risk	445.4	0.7	—	—	446.1
Low credit risk	2,221.4	33.2	—	—	2,254.6
Moderate credit risk	301.2	68.5	—	—	369.7
High credit risk	5.8	49.4	—	—	55.2
Default	—	—	255.0	—	255.0
Gross carrying amount of consumer and other loans to individuals	2,973.8	151.8	255.0	—	3,380.6
Credit loss allowance	(47.5)	(29.4)	(237.3)	—	(314.2)
Total consumer and other loans to individuals	2,926.3	122.4	17.7	—	3,066.4

	31 December 2020				
<i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Consumer and other loans to individuals					
Minimum credit risk	415.9	0.6	—	—	416.5
Low credit risk	1,998.3	31.3	—	—	2,029.6
Moderate credit risk	264.2	61.4	—	—	325.6
High credit risk	5.1	43.0	—	—	48.1
Default	—	—	235.3	—	235.3
Gross carrying amount of consumer and other loans to individuals	2,683.5	136.3	235.3	—	3,055.1
Credit loss allowance	(46.3)	(25.4)	(215.9)	—	(287.6)
Total consumer and other loans to individuals	2,637.2	110.9	19.4	—	2,767.5

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

	30 June 2021				
<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Credit cards and overdrafts to individuals					
Minimum credit risk	99.6	—	—	—	99.6
Low credit risk	564.9	2.8	—	—	567.7
Moderate credit risk	20.1	31.7	—	—	51.8
High credit risk	—	13.5	—	—	13.5
Default	—	—	126.4	—	126.4
Gross carrying amount of credit cards and overdrafts to individuals	684.6	48.0	126.4	—	859.0
Credit loss allowance	(12.6)	(13.5)	(114.3)	—	(140.4)
Total credit cards and overdrafts to individuals	672.0	34.5	12.1	—	718.6

	31 December 2020				
<i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Credit cards and overdrafts to individuals					
Minimum credit risk	95.6	0.1	—	—	95.7
Low credit risk	544.7	2.7	—	—	547.4
Moderate credit risk	20.7	28.5	—	—	49.2
High credit risk	—	11.8	—	—	11.8
Default	—	—	124.6	—	124.6
Gross carrying amount of credit cards and overdrafts to individuals	661.0	43.1	124.6	—	828.7
Credit loss allowance	(12.5)	(11.6)	(112.2)	—	(136.3)
Total credit cards and overdrafts to individuals	648.5	31.5	12.4	—	692.4

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

	30 June 2021				
<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Car loans to individuals					
Minimum credit risk	2.5	—	—	—	2.5
Low credit risk	153.4	0.2	—	—	153.6
Moderate credit risk	1.1	0.1	—	—	1.2
High credit risk	—	0.6	—	—	0.6
Default	—	—	11.7	—	11.7
Gross carrying amount of car loans to individuals	157.0	0.9	11.7	—	169.6
Credit loss allowance	(1.0)	(0.3)	(9.2)	—	(10.5)
Total car loans to individuals	156.0	0.6	2.5	—	159.1

	31 December 2020				
<i>in billions of Russian Roubles</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Car loans to individuals					
Minimum credit risk	1.8	—	—	—	1.8
Low credit risk	136.8	0.2	—	—	137.0
Moderate credit risk	0.8	—	—	—	0.8
High credit risk	—	0.7	—	—	0.7
Default	—	—	11.9	—	11.9
Gross carrying amount of car loans to individuals	139.4	0.9	11.9	—	152.2
Credit loss allowance	(0.9)	(0.3)	(9.5)	—	(10.7)
Total car loans to individuals	138.5	0.6	2.4	—	141.5

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

The following tables explain the changes in the credit loss allowance of loans and advances to customers at amortized cost between the beginning and the end of the reporting periods.

<i>(unaudited)</i> in billions of Russian Roubles	Credit loss allowance				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Total loans and advances to customers at amortized cost					
At 1 January 2021	203.4	278.6	1,131.1	9.1	1,622.2
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	7.1	(26.5)	(7.1)	—	(26.5)
- to lifetime ECL not credit-impaired	(16.5)	80.7	(10.0)	—	54.2
- to lifetime ECL credit-impaired	(2.3)	(59.9)	125.4	—	63.2
Changes to ECL measurement model assumptions and estimates	(6.5)	4.2	—	—	(2.3)
Net other remeasurement of credit loss allowance	(0.5)	5.9	(20.4)	1.6	(13.4)
Total movements with impact on credit loss allowance charge for the period	(18.7)	4.4	87.9	1.6	75.2
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(53.9)	—	(53.9)
Foreign exchange differences and exchange differences on translating foreign operations	(1.5)	(3.4)	(5.9)	—	(10.8)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	25.7	—	25.7
Business combinations	—	—	(67.2)	—	(67.2)
Other movements	(0.8)	(34.3)	1.8	(0.2)	(33.5)
Disposal of subsidiaries and reclassification of discontinued operations and assets held for sale	—	—	(0.3)	—	(0.3)
Total movements without impact on credit loss allowance charge for the period	(2.3)	(37.7)	(99.8)	(0.2)	(140.0)
At 30 June 2021	182.4	245.3	1,119.2	10.5	1,557.4

In the second quarter of 2021 the Group resolved several cases under bad debt recovery procedures and received control over certain assets. As a result the Group reduced impaired loans and credit loss allowance. The credit loss allowance was decreased by RR 67.2 billion.

Net other remeasurement of credit loss allowance includes movements due to net remeasurement of credit loss allowance within the same stage, new originated or purchased loans and impact of other increases in gross carrying amount, loans derecognized during the period and impact of other decreases in gross carrying amount, and other movements.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	
Total loans and advances to customers at amortized cost					
At 31 March 2021	190.5	252.8	1,170.5	10.9	1,624.7
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	4.6	(16.6)	(6.0)	—	(18.0)
- to lifetime ECL not credit-impaired	(10.4)	48.2	(7.0)	—	30.8
- to lifetime ECL credit-impaired	(0.8)	(24.9)	63.5	—	37.8
Net other remeasurement of credit loss allowance	1.7	(9.6)	(11.9)	(0.2)	(20.0)
Total movements with impact on credit loss allowance charge for the period	(4.9)	(2.9)	38.6	(0.2)	30.6
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(26.7)	—	(26.7)
Foreign exchange differences and exchange differences on translating foreign operations	(2.4)	(4.7)	(9.9)	—	(17.0)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	13.0	—	13.0
Business combinations	—	—	(67.2)	—	(67.2)
Other movements	(0.8)	0.1	1.1	(0.2)	0.2
Disposal of subsidiaries and reclassification of discontinued operations and assets held for sale	—	—	(0.2)	—	(0.2)
Total movements without impact on credit loss allowance charge for the period	(3.2)	(4.6)	(89.9)	(0.2)	(97.9)
At 30 June 2021	182.4	245.3	1,119.2	10.5	1,557.4

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Total loans and advances to customers at amortized cost					
At 1 January 2020	160.7	146.0	1,063.1	16.1	1,385.9
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	8.0	(20.2)	(3.0)	—	(15.2)
- to lifetime ECL not credit-impaired	(19.1)	126.8	(19.6)	—	88.1
- to lifetime ECL credit-impaired	(1.9)	(52.7)	120.3	—	65.7
Changes to ECL measurement model assumptions and estimates	11.4	15.7	35.3	—	62.4
Net other remeasurement of credit loss allowance	38.0	30.8	(14.0)	1.9	56.7
Total movements with impact on credit loss allowance charge for the period	36.4	100.4	119.0	1.9	257.7
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(42.2)	(0.7)	(42.9)
Foreign exchange differences and exchange differences on translating foreign operations	5.8	6.0	37.0	0.3	49.1
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	24.9	—	24.9
Other movements	—	0.1	(15.0)	—	(14.9)
Disposal of subsidiaries and reclassification of discontinued operations and assets held for sale	—	—	(0.2)	—	(0.2)
Total movements without impact on credit loss allowance charge for the period	5.8	6.1	4.5	(0.4)	16.0
At 30 June 2020	202.9	252.5	1,186.6	17.6	1,659.6

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	
Total loans and advances to customers at amortized cost					
At 31 March 2020	181.2	205.0	1,207.0	17.4	1,610.6
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	4.0	(10.2)	(1.0)	—	(7.2)
- to lifetime ECL not credit-impaired	(11.0)	65.5	(7.7)	—	46.8
- to lifetime ECL credit-impaired	(1.7)	(26.1)	68.7	—	40.9
Changes to ECL measurement model assumptions and estimates	4.3	4.3	7.5	—	16.1
Net other remeasurement of credit loss allowance	28.8	22.5	(24.8)	—	26.5
Total movements with impact on credit loss allowance charge for the period	24.4	56.0	42.7	—	123.1
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(20.2)	—	(20.2)
Foreign exchange differences and exchange differences on translating foreign operations	(2.7)	(8.5)	(38.8)	0.2	(49.8)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	11.9	—	11.9
Other movements	—	—	(15.9)	—	(15.9)
Disposal of subsidiaries and reclassification of discontinued operations and assets held for sale	—	—	(0.1)	—	(0.1)
Total movements without impact on credit loss allowance charge for the period	(2.7)	(8.5)	(63.1)	0.2	(74.1)
At 30 June 2020	202.9	252.5	1,186.6	17.6	1,659.6

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Loans and advances to legal entities at amortized cost					
At 1 January 2021	134.1	229.2	744.9	8.6	1,116.8
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	3.8	(12.6)	(5.7)	—	(14.5)
- to lifetime ECL not credit-impaired	(9.3)	31.2	(6.4)	—	15.5
- to lifetime ECL credit-impaired	(1.8)	(30.3)	57.6	—	25.5
Changes to ECL measurement model assumptions and estimates	(6.5)	—	—	—	(6.5)
Net other remeasurement of credit loss allowance	(4.6)	7.1	0.4	1.8	4.7
Total movements with impact on credit loss allowance charge for the period	(18.4)	(4.6)	45.9	1.8	24.7
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(17.1)	—	(17.1)
Foreign exchange differences and exchange differences on translating foreign operations	(1.4)	(3.5)	(4.9)	—	(9.8)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	12.4	—	12.4
Business combinations	—	—	(67.2)	—	(67.2)
Other movements	(0.8)	(34.5)	—	(0.2)	(35.5)
Disposal of subsidiaries and reclassification of discontinued operations and assets held for sale	—	—	(0.3)	—	(0.3)
Total movements without impact on credit loss allowance charge for the period	(2.2)	(38.0)	(77.1)	(0.2)	(117.5)
At 30 June 2021	113.5	186.6	713.7	10.2	1,024.0

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	
Loans and advances to legal entities at amortized cost					
At 31 March 2021	127.0	196.1	771.0	10.5	1,104.6
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	2.7	(9.0)	(5.2)	—	(11.5)
- to lifetime ECL not credit-impaired	(7.1)	23.6	(5.1)	—	11.4
- to lifetime ECL credit-impaired	(0.6)	(10.1)	29.1	—	18.4
Net other remeasurement of credit loss allowance	(5.7)	(9.2)	0.1	(0.1)	(14.9)
Total movements with impact on credit loss allowance charge for the period	(10.7)	(4.7)	18.9	(0.1)	3.4
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(5.5)	—	(5.5)
Foreign exchange differences and exchange differences on translating foreign operations	(2.0)	(4.8)	(9.3)	—	(16.1)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	6.0	—	6.0
Business combinations	—	—	(67.2)	—	(67.2)
Other movements	(0.8)	—	—	(0.2)	(1.0)
Disposal of subsidiaries and reclassification of discontinued operations and assets held for sale	—	—	(0.2)	—	(0.2)
Total movements without impact on credit loss allowance charge for the period	(2.8)	(4.8)	(76.2)	(0.2)	(84.0)
At 30 June 2021	113.5	186.6	713.7	10.2	1,024.0

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Loans and advances to legal entities at amortized cost					
At 1 January 2020	100.2	111.0	790.8	15.8	1,017.8
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	4.2	(7.3)	(0.6)	—	(3.7)
- to lifetime ECL not credit-impaired	(11.3)	62.6	(16.2)	—	35.1
- to lifetime ECL credit-impaired	(1.5)	(25.4)	52.9	—	26.0
Changes to ECL measurement model assumptions and estimates	16.6	3.4	13.4	—	33.4
Net other remeasurement of credit loss allowance	28.0	33.7	(5.4)	2.0	58.3
Total movements with impact on credit loss allowance charge for the period	36.0	67.0	44.1	2.0	149.1
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(25.5)	(0.7)	(26.2)
Foreign exchange differences and exchange differences on translating foreign operations	5.6	5.7	35.8	0.1	47.2
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	16.5	—	16.5
Other movements	—	—	(16.3)	—	(16.3)
Disposal of subsidiaries and reclassification of discontinued operations and assets held for sale	—	—	(0.2)	—	(0.2)
Total movements without impact on credit loss allowance charge for the period	5.6	5.7	10.3	(0.6)	21.0
At 30 June 2020	141.8	183.7	845.2	17.2	1,187.9

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				Total
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	
Loans and advances to legal entities at amortized cost					
At 31 March 2020	129.2	153.9	892.4	17.0	1,192.5
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	2.4	(3.7)	(0.3)	—	(1.6)
- to lifetime ECL not credit-impaired	(6.3)	26.1	(6.4)	—	13.4
- to lifetime ECL credit-impaired	(1.4)	(8.2)	30.2	—	20.6
Changes to ECL measurement model assumptions and estimates	(3.6)	3.8	7.5	—	7.7
Net other remeasurement of credit loss allowance	23.5	20.5	(21.3)	0.1	22.8
Total movements with impact on credit loss allowance charge for the period	14.6	38.5	9.7	0.1	62.9
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(10.2)	—	(10.2)
Foreign exchange differences and exchange differences on translating foreign operations	(2.0)	(8.7)	(38.0)	0.1	(48.6)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	7.8	—	7.8
Other movements	—	—	(16.4)	—	(16.4)
Disposal of subsidiaries and reclassification of discontinued operations and assets held for sale	—	—	(0.1)	—	(0.1)
Total movements without impact on credit loss allowance charge for the period	(2.0)	(8.7)	(56.9)	0.1	(67.5)
At 30 June 2020	141.8	183.7	845.2	17.2	1,187.9

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Mortgage loans to individuals at amortized cost					
At 1 January 2021	9.6	12.1	48.6	0.5	70.8
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	0.3	(2.6)	(0.3)	—	(2.6)
- to lifetime ECL not credit-impaired	(0.3)	5.6	(1.5)	—	3.8
- to lifetime ECL credit-impaired	—	(0.9)	4.4	—	3.5
Changes to ECL measurement model assumptions and estimates	—	2.8	—	—	2.8
Net other remeasurement of credit loss allowance	(1.8)	(1.5)	(10.1)	(0.2)	(13.6)
Total movements with impact on credit loss allowance charge for the period	(1.8)	3.4	(7.5)	(0.2)	(6.1)
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(1.5)	—	(1.5)
Foreign exchange differences and exchange differences on translating foreign operations	—	—	(0.2)	—	(0.2)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	5.3	—	5.3
Total movements without impact on credit loss allowance charge for the period	—	—	3.6	—	3.6
At 30 June 2021	7.8	15.5	44.7	0.3	68.3

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Mortgage loans to individuals at amortized cost					
At 31 March 2021	7.0	15.1	46.7	0.4	69.2
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	0.2	(1.4)	(0.1)	—	(1.3)
- to lifetime ECL not credit-impaired	(0.1)	2.9	(0.8)	—	2.0
- to lifetime ECL credit-impaired	—	(0.4)	2.2	—	1.8
Net other remeasurement of credit loss allowance	0.7	(0.5)	(5.1)	(0.1)	(5.0)
Total movements with impact on credit loss allowance charge for the period	0.8	0.6	(3.8)	(0.1)	(2.5)
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(0.8)	—	(0.8)
Foreign exchange differences and exchange differences on translating foreign operations	—	(0.2)	(0.1)	—	(0.3)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	2.7	—	2.7
Total movements without impact on credit loss allowance charge for the period	—	(0.2)	1.8	—	1.6
At 30 June 2021	7.8	15.5	44.7	0.3	68.3

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Mortgage loans to individuals at amortized cost					
At 1 January 2020	23.6	10.1	45.6	0.3	79.6
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	1.9	(5.4)	(1.8)	—	(5.3)
- to lifetime ECL not credit-impaired	(2.0)	10.9	(2.2)	—	6.7
- to lifetime ECL credit-impaired	—	(1.9)	9.0	—	7.1
Changes to ECL measurement model assumptions and estimates	(15.2)	2.6	(0.1)	—	(12.7)
Net other remeasurement of credit loss allowance	0.5	(0.9)	(3.4)	(0.1)	(3.9)
Total movements with impact on credit loss allowance charge for the period	(14.8)	5.3	1.5	(0.1)	(8.1)
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(1.5)	—	(1.5)
Foreign exchange differences and exchange differences on translating foreign operations	0.1	—	0.1	0.2	0.4
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	2.0	—	2.0
Total movements without impact on credit loss allowance charge for the period	0.1	—	0.6	0.2	0.9
At 30 June 2020	8.9	15.4	47.7	0.4	72.4

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance				
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Purchased/ originated credit- impaired	Total
Mortgage loans to individuals at amortized cost					
At 31 March 2020	5.8	13.0	46.2	0.4	65.4
<i>Movements with impact on credit loss allowance charge for the period:</i>					
Transfers and corresponding remeasurement of credit loss allowances:					
- to 12-month ECL	0.1	(0.9)	(0.1)	—	(0.9)
- to lifetime ECL not credit-impaired	(0.2)	4.1	(0.5)	—	3.4
- to lifetime ECL credit-impaired	—	(1.2)	3.5	—	2.3
Changes to ECL measurement model assumptions and estimates	3.1	0.3	—	—	3.4
Net other remeasurement of credit loss allowance	0.2	—	(1.3)	(0.1)	(1.2)
Total movements with impact on credit loss allowance charge for the period	3.2	2.3	1.6	(0.1)	7.0
<i>Movements without impact on credit loss allowance charge for the period:</i>					
Write-offs	—	—	(0.5)	—	(0.5)
Foreign exchange differences and exchange differences on translating foreign operations	(0.1)	0.1	(0.6)	0.1	(0.5)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	—	—	1.0	—	1.0
Total movements without impact on credit loss allowance charge for the period	(0.1)	0.1	(0.1)	0.1	—
At 30 June 2020	8.9	15.4	47.7	0.4	72.4

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

Other loans to individuals include consumer and other loans, credit cards and overdrafts and car loans to individuals.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
Total other loans to individuals at amortized cost				
At 1 January 2021	59.7	37.3	337.6	434.6
<i>Movements with impact on credit loss allowance charge for the period:</i>				
Transfers and corresponding remeasurement of credit loss allowances:				
- to 12-month ECL	3.0	(11.3)	(1.1)	(9.4)
- to lifetime ECL not credit-impaired	(6.9)	43.9	(2.1)	34.9
- to lifetime ECL credit-impaired	(0.5)	(28.7)	63.4	34.2
Changes to ECL measurement model assumptions and estimates	—	1.4	—	1.4
Net other remeasurement of credit loss allowance	5.9	0.3	(10.7)	(4.5)
Total movements with impact on credit loss allowance charge for the period	1.5	5.6	49.5	56.6
<i>Movements without impact on credit loss allowance charge for the period:</i>				
Write-offs				
Foreign exchange differences and exchange differences on translating foreign operations	—	—	(35.3)	(35.3)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	(0.1)	0.1	(0.8)	(0.8)
Other movements	—	—	8.0	8.0
	—	0.2	1.8	2.0
Total movements without impact on credit loss allowance charge for the period	(0.1)	0.3	(26.3)	(26.1)
At 30 June 2021	61.1	43.2	360.8	465.1

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
Total other loans to individuals at amortized cost				
At 31 March 2021	56.5	41.6	352.8	450.9
<i>Movements with impact on credit loss allowance charge for the period:</i>				
Transfers and corresponding remeasurement of credit loss allowances:				
- to 12-month ECL	1.7	(6.2)	(0.7)	(5.2)
- to lifetime ECL not credit-impaired	(3.2)	21.7	(1.1)	17.4
- to lifetime ECL credit-impaired	(0.2)	(14.4)	32.2	17.6
Net other remeasurement of credit loss allowance	6.7	0.1	(6.9)	(0.1)
Total movements with impact on credit loss allowance charge for the period	5.0	1.2	23.5	29.7
<i>Movements without impact on credit loss allowance charge for the period:</i>				
Write-offs				
Foreign exchange differences and exchange differences on translating foreign operations	—	—	(20.4)	(20.4)
Remeasurement of credit loss allowance to reflect all contractually receivable interest	(0.4)	0.3	(0.5)	(0.6)
Other movements	—	—	4.3	4.3
	—	0.1	1.1	1.2
Total movements without impact on credit loss allowance charge for the period	(0.4)	0.4	(15.5)	(15.5)
At 30 June 2021	61.1	43.2	360.8	465.1

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
Total other loans to individuals at amortized cost				
At 1 January 2020	36.9	24.9	226.7	288.5
<i>Movements with impact on credit loss allowance charge for the period:</i>				
Transfers and corresponding remeasurement of credit loss allowances:				
- to 12-month ECL	1.9	(7.5)	(0.6)	(6.2)
- to lifetime ECL not credit-impaired	(5.8)	53.3	(1.2)	46.3
- to lifetime ECL credit-impaired	(0.4)	(25.4)	58.4	32.6
Changes to ECL measurement model assumptions and estimates	10.0	9.7	22.0	41.7
Net other remeasurement of credit loss allowance	9.5	(2.0)	(5.2)	2.3
Total movements with impact on credit loss allowance charge for the period	15.2	28.1	73.4	116.7
<i>Movements without impact on credit loss allowance charge for the period:</i>				
Write-offs				
	—	—	(15.2)	(15.2)
Foreign exchange differences and exchange differences on translating foreign operations				
	0.1	0.3	1.1	1.5
Remeasurement of credit loss allowance to reflect all contractually receivable interest				
	—	—	6.4	6.4
Other movements				
	—	0.1	1.3	1.4
Total movements without impact on credit loss allowance charge for the period	0.1	0.4	(6.4)	(5.9)
At 30 June 2020	52.2	53.4	293.7	399.3

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Credit loss allowance			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
Total other loans to individuals at amortized cost				
At 31 March 2020	46.2	38.1	268.4	352.7
<i>Movements with impact on credit loss allowance charge for the period:</i>				
Transfers and corresponding remeasurement of credit loss allowances:				
- to 12-month ECL	1.5	(5.6)	(0.6)	(4.7)
- to lifetime ECL not credit-impaired	(4.5)	35.3	(0.8)	30.0
- to lifetime ECL credit-impaired	(0.3)	(16.7)	35.0	18.0
Changes to ECL measurement model assumptions and estimates	4.8	0.2	—	5.0
Net other remeasurement of credit loss allowance	5.1	2.0	(2.2)	4.9
Total movements with impact on credit loss allowance charge for the period	6.6	15.2	31.4	53.2
<i>Movements without impact on credit loss allowance charge for the period:</i>				
Write-offs				
	—	—	(9.5)	(9.5)
Foreign exchange differences and exchange differences on translating foreign operations				
	(0.6)	0.1	(0.2)	(0.7)
Remeasurement of credit loss allowance to reflect all contractually receivable interest				
	—	—	3.1	3.1
Other movements				
	—	—	0.5	0.5
Total movements without impact on credit loss allowance charge for the period	(0.6)	0.1	(6.1)	(6.6)
At 30 June 2020	52.2	53.4	293.7	399.3

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

Loans and advances to customers at fair value through profit or loss

The following tables set out the credit quality analysis of the Group's loans and advances to customers measured at fair value through profit or loss as at 30 June 2021 and 31 December 2020 using the credit risk grades same as for loans and advances to customers at amortized cost:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	30 June 2021					
	Minimum credit risk	Low credit risk	Moderate credit risk	High credit risk	Default	Total
Commercial loans to legal entities	13.1	62.9	22.4	0.8	46.7	145.9
Project finance loans to legal entities	2.8	144.3	691.4	119.1	80.2	1,037.8
Consumer and other loans to individuals	50.8	—	—	16.7	—	67.5
Total loans and advances to customers at fair value through profit or loss	66.7	207.2	713.8	136.6	126.9	1,251.2

<i>in billions of Russian Roubles</i>	31 December 2020					
	Minimum credit risk	Low credit risk	Moderate credit risk	High credit risk	Default	Total
Commercial loans to legal entities	—	48.0	23.7	19.9	64.1	155.7
Project finance loans to legal entities	0.5	104.4	621.4	111.4	77.3	915.0
Consumer and other loans to individuals	11.5	32.3	—	9.1	—	52.9
Total loans and advances to customers at fair value through profit or loss	12.0	184.7	645.1	140.4	141.4	1,123.6

For the six months ended 30 June 2021 net gains / (losses) from non-derivative financial instruments at fair value through profit or loss include RR 21.7 billion of positive revaluation (for the six months ended 30 June 2020: RR 35.5 billion of negative revaluation) of loans and advances to customers at fair value through profit or loss which is driven by a change in credit quality of respective assets. For the three months ended 30 June 2021 there was a positive revaluation of loans and advances to customers at fair value through profit or loss in the amount of RR 3.0 billion (for the three months ended 30 June 2020 negative revaluation comprised RR 6.4 billion).

Current and past-due loans analysis. For the purposes of these interim condensed consolidated financial statements a loan is considered past due when the borrower fails to make any payment due under the loan agreement at the reporting date. In this case the aggregate amount of all amounts due from borrower under the respective loan agreement including accrued interest and commissions is recognized as past due. For the purposes of these interim condensed consolidated financial statements restructured loans are classified as not past due if there are no past due payments on these loans.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

The table below shows the analysis of loans at amortized cost and credit loss allowance as at 30 June 2021:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Gross carrying amount of loans	Credit loss allowance	Total amortized cost of loans	Credit loss allowance to gross carrying amount of loans
Commercial loans to legal entities				
Loans not past due	11,148.0	(402.2)	10,745.8	3.6%
Loans 1 to 90 days overdue	46.5	(14.4)	32.1	31.0%
Loans over 90 days overdue	383.2	(338.6)	44.6	88.4%
Total commercial loans to legal entities	11,577.7	(755.2)	10,822.5	6.5%
Project finance loans to legal entities				
Loans not past due	2,914.6	(122.3)	2,792.3	4.2%
Loans 1 to 90 days overdue	15.6	(5.4)	10.2	34.6%
Loans over 90 days overdue	164.4	(141.1)	23.3	85.8%
Total project finance loans to legal entities	3,094.6	(268.8)	2,825.8	8.7%
Total loans to legal entities	14,672.3	(1,024.0)	13,648.3	7.0%
Mortgage loans to individuals				
Loans not past due	5,770.7	(22.0)	5,748.7	0.4%
Loans 1 to 90 days overdue	64.2	(10.2)	54.0	15.9%
Loans over 90 days overdue	42.4	(36.1)	6.3	85.1%
Total mortgage loans to individuals	5,877.3	(68.3)	5,809.0	1.2%
Consumer and other loans to individuals				
Loans not past due	3,058.9	(60.3)	2,998.6	2.0%
Loans 1 to 90 days overdue	85.0	(27.7)	57.3	32.6%
Loans over 90 days overdue	236.7	(226.2)	10.5	95.6%
Total consumer and other loans to individuals	3,380.6	(314.2)	3,066.4	9.3%
Credit cards and overdrafts to individuals				
Loans not past due	704.1	(16.6)	687.5	2.4%
Loans 1 to 90 days overdue	31.2	(10.8)	20.4	34.6%
Loans over 90 days overdue	123.7	(113.0)	10.7	91.4%
Total credit cards and overdrafts to individuals	859.0	(140.4)	718.6	16.3%
Car loans to individuals				
Loans not past due	156.4	(1.1)	155.3	0.7%
Loans 1 to 90 days overdue	2.1	(0.5)	1.6	23.8%
Loans over 90 days overdue	11.1	(8.9)	2.2	80.2%
Total car loans to individuals	169.6	(10.5)	159.1	6.2%
Total loans to individuals	10,286.5	(533.4)	9,753.1	5.2%
Total loans and advances to customers at amortized cost at 30 June 2021	24,958.8	(1,557.4)	23,401.4	6.2%

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

The table below shows the analysis of loans at amortized cost and credit loss allowance as at 31 December 2020:

<i>in billions of Russian Roubles</i>	Gross carrying amount of loans	Credit loss allowance	Total amortized cost of loans	Credit loss allowance to gross carrying amount of loans
Commercial loans to legal entities				
Loans not past due	11,589.8	(460.4)	11,129.4	4.0%
Loans 1 to 90 days overdue	46.0	(22.1)	23.9	48.0%
Loans over 90 days overdue	448.2	(377.0)	71.2	84.1%
Total commercial loans to legal entities	12,084.0	(859.5)	11,224.5	7.1%
Project finance loans to legal entities				
Loans not past due	2,370.9	(127.3)	2,243.6	5.4%
Loans 1 to 90 days overdue	11.8	(5.7)	6.1	48.3%
Loans over 90 days overdue	163.0	(124.3)	38.7	76.3%
Total project finance loans to legal entities	2,545.7	(257.3)	2,288.4	10.1%
Total loans to legal entities	14,629.7	(1,116.8)	13,512.9	7.6%
Mortgage loans to individuals				
Loans not past due	5,134.3	(24.8)	5,109.5	0.5%
Loans 1 to 90 days overdue	38.2	(6.8)	31.4	17.8%
Loans over 90 days overdue	46.8	(39.2)	7.6	83.8%
Total mortgage loans to individuals	5,219.3	(70.8)	5,148.5	1.4%
Consumer and other loans to individuals				
Loans not past due	2,779.3	(62.5)	2,716.8	2.2%
Loans 1 to 90 days overdue	61.5	(20.8)	40.7	33.8%
Loans over 90 days overdue	214.3	(204.3)	10.0	95.3%
Total consumer and other loans to individuals	3,055.1	(287.6)	2,767.5	9.4%
Credit cards and overdrafts to individuals				
Loans not past due	682.2	(16.7)	665.5	2.4%
Loans 1 to 90 days overdue	25.4	(8.8)	16.6	34.6%
Loans over 90 days overdue	121.1	(110.8)	10.3	91.5%
Total credit cards and overdrafts to individuals	828.7	(136.3)	692.4	16.4%
Car loans to individuals				
Loans not past due	139.3	(1.1)	138.2	0.8%
Loans 1 to 90 days overdue	1.7	(0.5)	1.2	29.4%
Loans over 90 days overdue	11.2	(9.1)	2.1	81.3%
Total car loans to individuals	152.2	(10.7)	141.5	7.0%
Total loans to individuals	9,255.3	(505.4)	8,749.9	5.5%
Total loans and advances to customers at amortized cost at 31 December 2020	23,885.0	(1,622.2)	22,262.8	6.8%

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

The table below shows the analysis of loans at fair value as at 30 June 2021 and 31 December 2020:

<i>in billions of Russian Roubles</i>	Loans and advances at fair value through profit and loss	
	30 June 2021 (unaudited)	31 December 2020
Commercial loans to legal entities		
Loans not past due	145.7	153.8
Loans over 90 days overdue	0.2	1.9
Total commercial loans to legal entities	145.9	155.7
Project finance loans to legal entities		
Loans not past due	1,037.8	844.0
Loans 1 to 90 days overdue	—	4.5
Loans over 90 days overdue	—	66.5
Total project finance loans to legal entities	1,037.8	915.0
Total loans to legal entities	1,183.7	1,070.7
Consumer and other loans to individuals		
Loans not past due	67.2	52.8
Loans 1 to 90 days overdue	0.3	0.1
Total consumer and other loans to individuals	67.5	52.9
Total loans to individuals	67.5	52.9
Total loans and advances to customers at fair value	1,251.2	1,123.6

Economic sector risk concentration. Economic sector risk concentrations within loans and advances to customers of the Group are as follows:

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals	10,354.0	39.5%	9,308.2	37.2%
Oil and gas	2,377.9	9.1%	2,305.3	9.2%
Real estate	2,305.0	8.8%	2,249.9	9.0%
Metallurgy	1,876.7	7.2%	1,881.0	7.5%
Trade	1,421.0	5.4%	1,380.1	5.5%
Food and agriculture	1,396.5	5.3%	1,335.7	5.3%
Transport and logistics	1,060.3	4.0%	1,048.9	4.2%
Construction	921.8	3.5%	704.9	2.8%
Energy	766.7	2.9%	822.5	3.3%
Telecommunications	720.1	2.7%	729.3	2.9%
Chemical industry	700.4	2.7%	649.5	2.6%
Machinery	635.9	2.4%	625.1	2.5%
Government and municipal bodies	515.3	2.0%	646.6	2.6%
Services	455.4	1.7%	461.2	1.8%
Timber industry	124.3	0.5%	147.2	0.6%
Other	578.7	2.3%	713.2	3.0%
Total loans and advances to customers (before credit loss allowance for loans at amortized cost)	26,210.0	100.0%	25,008.6	100.0%

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

4 Loans and Advances to Customers (continued)

As at 30 June 2021 the Group had 20 largest groups of related corporate borrowers with aggregated loan amounts due from each of these groups exceeding RR 96.3 billion (31 December 2020: 20 largest groups of related corporate borrowers with aggregated loan amounts due from each of these groups exceeding RR 105.2 billion). The total aggregate amount of these loans was RR 6,317.8 billion or 24.1% of the total gross loan portfolio of the Group (31 December 2020: RR 6,280.7 billion or 25.1%).

5 Securities

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Securities measured at fair value through other comprehensive income - debt instruments	2,424.0	3,350.0
Securities measured at amortized cost	1,673.9	1,643.9
Securities mandatorily measured at fair value through profit or loss	630.1	627.9
Securities designated at fair value through other comprehensive income - equity instruments	1.9	2.0
Securities designated at fair value through profit or loss	0.6	0.6
Total securities	4,730.5	5,624.4

Securities measured at fair value through other comprehensive income - debt instruments

The composition of debt securities at fair value through other comprehensive income as at 30 June 2021 and 31 December 2020 is presented below:

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Russian federal loan bonds (OFZ bonds)	1,573.9	2,439.7
Corporate bonds	411.2	468.2
Russian Federation Eurobonds	185.5	157.6
Foreign government and municipal bonds	147.1	155.1
Mortgage-backed securities	103.3	126.3
Russian municipal and subfederal bonds	2.1	2.2
Promissory notes	0.9	0.9
Total securities measured at fair value through other comprehensive income - debt instruments	2,424.0	3,350.0

Securities measured at amortized cost

The composition of securities measured at amortized cost as at 30 June 2021 and 31 December 2020 is presented below:

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Corporate bonds	904.6	933.2
Russian federal loan bonds (OFZ bonds)	445.3	395.9
Russian municipal and subfederal bonds	242.7	242.0
Russian Federation Eurobonds	55.8	57.3
Foreign government and municipal bonds	37.2	27.3
Total securities at amortized cost before credit loss allowance	1,685.6	1,655.7
Credit loss allowance	(11.7)	(11.8)
Total securities at amortized cost	1,673.9	1,643.9

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

5 Securities (continued)

Securities mandatorily measured at fair value through profit or loss

The composition of securities mandatorily measured at fair value through profit or loss as at 30 June 2021 and 31 December 2020 is presented below:

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Russian federal loan bonds (OFZ bonds)	198.6	207.1
Corporate bonds	132.0	148.2
Foreign government and municipal bonds	16.4	16.6
Russian municipal and subfederal bonds	9.3	4.4
Russian Federation Eurobonds	7.8	6.9
Total bonds mandatorily measured at fair value through profit or loss	364.1	383.2
Corporate shares and other equity instruments	187.9	181.4
Investments in mutual funds	78.1	63.3
Total securities mandatorily measured at fair value through profit or loss	630.1	627.9

6 Financial Instruments Pledged under Repurchase Agreements

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Securities measured at fair value through other comprehensive income - debt instruments	1,882.3	898.5
Securities mandatorily measured at fair value through profit or loss	35.1	19.7
Securities measured at amortized cost	16.6	14.8
Total financial instruments pledged under repurchase agreements	1,934.0	933.0

Securities measured at fair value through other comprehensive income pledged under repurchase agreements - debt instruments

The composition of debt securities measured at fair value through other comprehensive income pledged under repurchase agreements as at 30 June 2021 and 31 December 2020 is presented below:

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Russian federal loan bonds (OFZ bonds)	1,810.6	820.4
Foreign government and municipal bonds	33.6	15.5
Russian municipal and subfederal bonds	25.4	20.3
Russian Federation Eurobonds	9.2	39.0
Corporate bonds	3.5	3.3
Total securities measured at fair value through other comprehensive income pledged under repurchase agreements - debt instruments	1,882.3	898.5

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

7 Investments in Associates and Joint Ventures

The table below summarises the Group's investments in associates and joint ventures (JVs) according to the accounting method.

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Investments in associates and joint ventures accounted for using equity method		
- associates	75.5	71.4
- joint ventures	65.4	44.2
Total	140.9	115.6
Investments in associates and joint ventures designated at fair value through profit or loss		
- joint ventures	23.2	23.2
- associates	1.7	1.7
Total	24.9	24.9
Total investments in associates and joint ventures	165.8	140.5

The table below summarises the movements in the carrying amount of the Group's investment in associates and JVs accounted for using equity method for the six months ended 30 June 2021 and 30 June 2020.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June			
	2021		2020	
	Associates	Joint ventures	Associates	Joint ventures
Carrying amount at 1 January	71.4	44.2	65.7	87.2
Acquisition cost and additional investments in associates and joint ventures	7.4	28.4	—	0.4
Net share of loss of associates and joint ventures	(1.3)	(7.2)	(6.1)	(7.4)
Disposal of associates and joint ventures	—	—	—	(22.2)
Exchange differences on translating associates and joint ventures	(2.0)	—	5.3	—
Carrying amount at 30 June	75.5	65.4	64.9	58.0

The table below summarises the movements in the carrying amount of the Group's investment in associates and JVs accounted for using equity method for the three months ended 30 June 2021 and 30 June 2020.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Three months ended 30 June			
	2021		2020	
	Associates	Joint ventures	Associates	Joint ventures
Carrying amount at 31 March	76.1	46.6	65.3	83.6
Acquisition cost and additional investments in associates and joint ventures	0.3	22.6	—	—
Net share of profit / (loss) of associates and joint ventures	0.3	(3.8)	(5.7)	(3.4)
Disposal of associates and joint ventures	—	—	—	(22.2)
Exchange differences on translating associates and joint ventures	(1.2)	—	5.3	—
Carrying amount at 30 June	75.5	65.4	64.9	58.0

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

7 Investments in Associates and Joint Ventures (continued)

In May 2021 the Group acquired a 25.0% share in JSC “Prosveschenye”. The amount of the deal was determined based on the valuation of 100.0% shares of the company which comprised RR 108.0 billion. “Prosveschenye” is the largest Russian brand on the educational literature market. The investment in this company is accounted for as investment in joint venture using equity method of accounting.

Summarised financial information on O2O, the biggest Group’s joint venture accounted for using equity method of accounting, is as follows:

<i>In billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Current assets	23.5	29.3
Non-current assets	55.4	49.3
Current liabilities	(36.7)	(21.2)
Non-current liabilities	(13.2)	(11.6)
Net assets	29.0	45.8

<i>(unaudited) In billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Revenue	22.9	5.4	12.5	3.6
Loss	(16.2)	(9.1)	(9.1)	(4.6)
Total comprehensive loss	(16.2)	(9.1)	(9.1)	(4.6)

8 Disposal Groups and Non-Current Assets Held for Sale

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Assets of discontinued operations	96.4	88.8
Non-current assets held for sale	8.2	7.7
Assets of the disposal groups	—	4.9
Total assets of the disposal groups and non-current assets held for sale	104.6	101.4
Liabilities of discontinued operations	11.7	12.3
Liabilities of the disposal groups	—	3.4
Total liabilities of the disposal groups	11.7	15.7

In July 2021 the Group has closed the deal on the sale of the parent company of Eurocement Group (GFI Investment Limited) and Eurocement Group debt to Mikhailovsky Plant of Construction Materials for RR 161.0 billion. The Group received 100.0% shares in GFI Investment Limited in the third quarter of 2020 upon the bad debt recovery procedures and since then classified assets and liabilities of Eurocement Group as discontinued operations held for sale in the Group’s financial statements. This deal will have a positive effect on the financial performance of the Group and will be reported in the IFRS interim condensed consolidated financial statements of the Group for the nine months ended 30 September 2021.

As at 30 June 2021 the consolidated net assets of Eurocement Group included in these interim condensed consolidated financial statements amounted to RR 82.9 billion (as at 31 December 2020: RR 81.9 billion).

Earnings per ordinary share based on profit from discontinued operations attributable to the shareholders of the Bank, basic and diluted, amounted to RR 0.34 per share for the six months ended 30 June 2021 (earnings of RR 0.36 per share for the three months ended 30 June 2021).

For the purpose of segment reporting assets, liabilities and financial results of Eurocement Group were classified in Banking business segment.

Information on headcount and cash flows of Eurocement Group is not included in these interim condensed consolidated financial statements since Eurocement Group is classified as discontinued operations at acquisition.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

9 Other Assets

	30 June 2021 (unaudited)	31 December 2020
<i>in billions of Russian Roubles</i>		
Other financial assets		
Receivables on bank cards settlements	171.5	186.7
Settlements on foreign exchange operations	52.0	15.7
Funds in settlement	49.4	29.0
Trade receivables	43.9	38.4
Settlements on operations with securities	34.8	20.6
Margin calls transferred	23.1	80.9
Accrued fees and commissions	20.2	21.4
Restricted cash balances	12.2	16.8
Other	14.8	14.5
Total other financial assets before credit loss allowance	421.9	424.0
Less credit loss allowance	(16.7)	(15.4)
Total other financial assets after credit loss allowance	405.2	408.6
Other non-financial assets		
Intangible assets and investments in development and acquisition of intangible assets	175.3	147.4
Inventory	105.8	103.4
Prepayments for premises and other assets	76.7	59.6
Goodwill	59.5	48.8
Precious metals	41.3	33.8
Investment property	25.2	6.1
Tax settlements (other than on income tax)	18.0	15.8
Prepayment on income tax	7.8	7.5
Prepaid expenses	7.8	6.4
Other	39.1	41.0
Total other non-financial assets before provision for impairment	556.5	469.8
Less provision for impairment of other non-financial assets	(10.8)	(9.5)
Total other non-financial assets after provision for impairment	545.7	460.3
Share of reinsurers in provisions on insurance operations		
Share of reinsurers in provision on unearned premium	0.9	0.5
Share of reinsurers in provisions on insurance operations	0.6	0.7
Total share of reinsurers in provisions on insurance operations	1.5	1.2
Total other assets	952.4	870.1

As at 30 June 2021 receivables on bank cards settlements of RR 171.5 billion (31 December 2020: RR 186.7 billion) represent receivables due within 30 days on operations of the Group's customers with banking cards and receivables related to settlements with international payment systems and for the purpose of ECL measurement are included in Stage 1 (12-month ECL).

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

10 Due to Individuals and Corporate Customers

	30 June 2021 (unaudited)	31 December 2020
<i>in billions of Russian Roubles</i>		
Individuals:		
- Current / demand accounts	6,955.7	6,253.0
- Term deposits	10,008.0	10,367.9
- Direct repo agreements	—	20.1
Total due to individuals	16,963.7	16,641.0
State and public organizations:		
- Current / settlement accounts	223.8	226.3
- Term deposits	1,610.3	1,021.3
- Direct repo agreements	1,689.1	387.5
Total due to state and public organizations	3,523.2	1,635.1
Other corporate customers:		
- Current / settlement accounts	3,335.3	3,038.8
- Term deposits	3,982.1	4,424.9
- Direct repo agreements	51.2	25.9
Total due to other corporate customers	7,368.6	7,489.6
Total due to corporate customers	10,891.8	9,124.7
Total due to individuals and corporate customers	27,855.5	25,765.7

As at 30 June 2021 included in due to corporate customers are deposits of RR 365.1 billion (31 December 2020: RR 301.3 billion) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 20.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

11 Other Liabilities

	30 June 2021 (unaudited)	31 December 2020
<i>in billions of Russian Roubles</i>		
Provisions on insurance and pension fund operations		
Provisions on pension fund operations	720.2	692.0
Provisions on insurance operations	529.7	503.2
Provision on unearned premium	11.9	11.6
Total provisions on insurance and pension fund operations	1,261.8	1,206.8
Other financial liabilities		
Accrued employee benefit costs	117.2	50.9
Lease liabilities	93.4	87.0
Funds in settlement	47.3	32.0
Payables	43.2	52.4
Margin calls received	30.6	50.0
Settlements on operations with securities	30.4	15.3
Payables on bank card settlements	22.6	18.8
Deposit insurance system fees payable	17.5	16.6
Liabilities and commitments related to business combinations and investments in associates / joint ventures	13.9	34.9
Dividends payable	2.4	3.0
Other	45.3	40.4
Total other financial liabilities	463.8	401.3
Other non-financial liabilities		
Credit loss allowance for credit related commitments and provision for other contingencies and commitments	80.2	65.9
Taxes payable other than on income	59.2	33.3
Advances received	33.2	33.1
Income tax payable	18.3	14.9
Prepayments on bank card commissions	8.6	9.8
Deferred commissions received on guarantees issued and undrawn credit lines	3.5	3.3
Other	3.8	4.8
Total other non-financial liabilities	206.8	165.1
Total other liabilities	1,932.4	1,773.2

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

12 Interest Income and Expense

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Interest income calculated using the effective interest method				
Interest income on debt financial assets measured at amortized cost:				
- Loans and advances to customers measured at amortized cost	1,011.6	976.4	516.1	492.9
- Debt securities measured at amortized cost	53.9	49.1	26.6	25.1
- Due from banks measured at amortized cost	14.1	11.4	9.1	6.0
- Cash and cash equivalents measured at amortized cost	1.1	1.7	0.6	0.6
- Other	0.1	0.4	0.1	0.2
	1,080.8	1,039.0	552.5	524.8
Interest income on debt financial assets measured at fair value through other comprehensive income:				
- Debt securities measured at fair value through other comprehensive income	120.3	80.3	62.3	41.2
	120.3	80.3	62.3	41.2
Total interest income calculated using the effective interest method	1,201.1	1,119.3	614.8	566.0
Other interest income:				
- Loans and advances to customers at fair value through profit or loss	37.7	33.2	20.0	16.4
- Due from banks at fair value through profit or loss	14.5	12.4	8.1	5.9
- Securities at fair value through profit or loss	13.1	13.3	6.5	6.5
Total other interest income	65.3	58.9	34.6	28.8
Interest expense on financial liabilities calculated using the effective interest method				
Interest expense on financial liabilities measured at amortized cost:				
- Due to individuals - term deposits - measured at amortized cost	(154.8)	(200.2)	(77.4)	(99.6)
- Due to corporate customers - term deposits - measured at amortized cost	(105.3)	(82.3)	(61.1)	(38.7)
- Debt securities in issue measured at amortized cost	(26.6)	(22.1)	(13.0)	(12.5)
- Due to individuals - current / demand accounts - measured at amortized cost	(24.9)	(16.7)	(13.1)	(9.0)
- Subordinated debt measured at amortized cost	(16.2)	(19.4)	(8.3)	(9.8)
- Due to banks measured at amortized cost	(14.0)	(6.4)	(3.8)	(2.6)
- Due to corporate customers - current / settlement accounts - measured at amortized cost	(11.7)	(14.7)	(6.1)	(7.1)
- Lease liabilities	(3.6)	(4.3)	(1.9)	(3.1)
- Other borrowed funds measured at amortized cost	(0.4)	(0.2)	(0.2)	(0.1)
- Other	(0.4)	(0.2)	(0.3)	(0.1)
Total interest expense calculated using the effective interest method	(357.9)	(366.5)	(185.2)	(182.6)
Other interest expense:				
- Due to banks measured at fair value through profit or loss	(10.1)	(9.7)	(5.6)	(5.2)
- Obligation to deliver securities	(1.9)	(0.8)	(1.2)	(0.3)
- Due to corporate customers measured at fair value	(0.3)	—	(0.3)	—
Total other interest expense	(12.3)	(10.5)	(7.1)	(5.5)
Deposit insurance expenses	(35.2)	(30.8)	(17.6)	(8.2)
Net interest income	861.0	770.4	439.5	398.5

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

13 Fee and Commission Income and Expense

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Fee and commission income				
Operations with banking cards:				
- Acquiring, commissions of payment systems and other similar commissions	187.7	134.3	102.7	63.3
- Service fees	33.0	32.5	16.7	16.3
- Other	2.5	3.0	1.2	1.5
Cash and settlements transactions	125.4	112.9	66.8	56.8
Client operations with foreign currencies and precious metals	28.5	28.1	15.4	12.0
Documentary and other credit related commitments commissions	13.9	12.3	7.0	5.8
Agent commissions	11.1	3.8	6.8	2.4
Securities and commodities brokerage, custodian and investment banking (including syndications) commissions	7.7	6.1	4.0	3.3
Other	13.8	9.3	7.9	3.5
Total fee and commission income	423.6	342.3	228.5	164.9
Fee and commission expense				
Operations with banking cards:				
- Commissions to payment systems and other similar commissions	(91.4)	(64.0)	(49.3)	(29.1)
- Loyalty programs	(25.3)	(20.4)	(13.2)	(9.4)
- Other	(4.8)	(4.8)	(2.5)	(3.6)
Settlement transactions	(3.5)	(2.7)	(1.8)	(1.2)
Client operations with foreign currencies	(0.1)	(0.3)	—	(0.1)
Other	(7.1)	(3.7)	(4.6)	(1.5)
Total fee and commission expense	(132.2)	(95.9)	(71.4)	(44.9)
Net fee and commission income	291.4	246.4	157.1	120.0

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

14 Net gains / (losses) from derivatives, trading in foreign currencies, foreign exchange and precious metals accounts translation

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Net gains from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation:				
- Net foreign exchange translation losses	(51.3)	(4.3)	(14.4)	(52.5)
- Net gains / (losses) from operations with foreign currency and foreign currency interest rate derivatives	39.0	—	(0.8)	42.9
- Net gains from trading in foreign currencies	19.9	17.2	11.1	9.0
Net gains from operations with precious metals, precious metals derivatives and precious metals accounts translation	3.8	6.3	5.9	7.2
Net gains / (losses) from operations with other derivatives	13.7	3.0	(1.6)	3.3
Total net gains from derivatives, trading in foreign currencies, foreign exchange and precious metals accounts translation	25.1	22.2	0.2	9.9

15 Staff and Administrative Expenses

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Staff costs	244.5	217.5	123.8	110.5
Depreciation of premises, equipment and right-of-use assets	46.0	41.1	23.9	21.0
Repairs and maintenance of premises and equipment	18.7	15.8	11.6	8.1
Administrative expenses	16.3	16.2	8.9	8.3
Amortization of intangible assets	15.1	14.3	7.9	7.3
Taxes other than on income	12.4	11.3	6.8	4.1
Telecommunication expenses	11.6	12.3	8.3	6.6
Advertising and marketing services	6.1	2.9	4.0	1.8
Short-term, low value and variable lease expenses	2.7	1.9	1.5	1.0
Consulting and assurance services	2.5	3.0	1.4	1.8
Other	5.6	3.7	3.5	1.5
Total staff and administrative expenses	381.5	340.0	201.6	172.0

For the six months ended 30 June 2021 expenses for defined benefit pension contribution plans amounted to RR 34.5 billion (for the six months ended 30 June 2020: RR 32.7 billion). For the three months ended 30 June 2021 expenses for defined benefit pension contribution plans amounted to RR 16.2 billion (for the three months ended 30 June 2020: RR 15.1 billion).

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

16 Earnings per Share and Dividends

Basic earnings per share are calculated by dividing the profit attributable to the holders of ordinary shares of the Bank by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. The Bank has no dilutive potential ordinary shares, therefore the diluted earnings per share equal to the basic earnings per share.

Earnings per ordinary share based on profit for the period attributable to the shareholders of the Bank, basic and diluted, are calculated in the table below.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Profit for the period attributable to the shareholders of the Bank	630.8	287.2	325.9	167.0
Less preference dividends declared	(18.1)	—	(18.1)	—
Profit attributable to the ordinary shareholders of the Bank	612.7	287.2	307.8	167.0
Weighted average number of ordinary shares in issue (billions)	21.5	21.5	21.5	21.5
Earnings per ordinary share based on profit for the period attributable to the shareholders of the Bank, basic and diluted (expressed in RR per share)	28.54	13.38	14.34	7.78

Earnings per ordinary share based on profit from continuing operations attributable to the shareholders of the Bank, basic and diluted, are calculated in the table below.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Profit from continuing operations attributable to the shareholders of the Bank	623.4	287.2	318.2	167.0
Less preference dividends declared	(18.1)	—	(18.1)	—
Profit from continuing operations attributable to the ordinary shareholders of the Bank	605.3	287.2	300.1	167.0
Weighted average number of ordinary shares in issue (billions)	21.5	21.5	21.5	21.5
Earnings per ordinary share based on profit from continuing operations attributable to the shareholders of the Bank, basic and diluted (expressed in RR per share)	28.20	13.38	13.98	7.78

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

16 Earnings per Share and Dividends (continued)

In April 2021 the Annual General Shareholders' Meeting of the Bank declared dividends for 2020 of RR 422.4 billion (including RR 2.6 billion of ordinary dividends and RR 0.6 billion of preference dividends attributable to the treasury shares). The dividends for 2020 were paid to shareholders in May 2021.

In September 2020 the Annual General Shareholders' Meeting of the Bank declared dividends for 2019 of RR 422.4 billion (including RR 1.3 billion of ordinary dividends and RR 0.3 billion of preference dividends attributable to the treasury shares). The dividends for 2019 were paid to shareholders in October 2020.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June 2021		Six months ended 30 June 2020	
	Ordinary	Preference	Ordinary	Preference
Dividends payable as at 1 January	2.4	0.6	3.0	0.4
Dividends declared during the period	401.1	18.1	—	—
Derecognition of liability related to prior period dividends not claimed	(0.6)	(0.1)	—	—
Dividends paid during the period	(401.1)	(18.0)	(1.6)	—
Dividends payable as at 30 June	1.8	0.6	1.4	0.4
Dividends per share declared during the period (expressed in RR per share)	18.70	18.70	—	—

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

17 Other Reserves

<i>in billions of Russian Roubles</i>	Attributable to shareholders of the Bank						Total
	Revaluation reserve for office premises	Fair value reserve for debt instruments measured at FVOCI	Liabilities reserve for buyout of non-controlling interest	Foreign currency translation reserve	Reserve for OCI of associates and JVs	Remeasurement of defined benefit pension plans	
Balance as at 31 December 2019	44.6	88.2	(2.2)	1.8	—	(2.1)	130.3
Changes in equity for the six months ended 30 June 2020 (unaudited)							
Transfer of revaluation reserve for office premises upon disposal or depreciation	(2.4)	—	—	—	—	—	(2.4)
Other comprehensive (loss) / income for the period	(0.3)	34.2	—	30.4	—	(0.9)	63.4
Recognition of liabilities reserve for buyout of non-controlling interest	—	—	(0.5)	—	—	—	(0.5)
Balance as at 30 June 2020 (unaudited)	41.9	122.4	(2.7)	32.2	—	(3.0)	190.8
Balance as at 31 December 2020	37.7	127.1	(11.2)	61.9	0.5	(2.7)	213.3
Changes in equity for the six months ended 30 June 2021 (unaudited)							
Transfer of revaluation reserve for office premises upon disposal or depreciation	(1.1)	—	—	—	—	—	(1.1)
Other comprehensive (loss) / income for the period	(0.1)	(81.1)	—	(11.3)	—	0.5	(92.0)
Recognition of liabilities reserve for buyout of non-controlling interest	—	—	(6.6)	—	—	—	(6.6)
Balance as at 30 June 2021 (unaudited)	36.5	46.0	(17.8)	50.6	0.5	(2.2)	113.6

18 Segment Analysis

Segments represent business lines, the operating results of which are regularly reviewed by the authorized management which is represented by the Bank's Management Board and the heads of business units (the "Management"). The Management determines the strategy, allocates resources and evaluates the results of the Group's performance.

Starting from the consolidated financial statements for the year ended 31 December 2020, the Group has introduced for the first time a segment information based on business segments since segment reporting based on business segments provides a more complete and detailed view of the Group's activities, product structure and financial performance. Information by business segments is presented retrospectively in these interim condensed consolidated financial statements.

In accordance with IFRS 8 "Operating Segments", the Group has identified the following reportable segments:

- Banking business;
- Payment business;
- Wealth management and brokerage;
- Risk insurance;
- Non-financial business;
- Other.

Major products and services of the reportable segments and approaches used for the segment reporting were consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2020 unless otherwise stated.

Starting from the interim condensed consolidated financial statements for the three months ended 31 March 2021 the Group refined presentation of the intersegment transactions and adjusted the methodology on calculation of several operational metrics. The comparative information in the segment reporting was amended accordingly.

The Group evaluates the operating results of its segments based on profit before tax. Information on the financial performance of the reportable segments for the six months and the three months ended 30 June 2021 and 30 June 2020 is presented below.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

18 Segment Analysis (continued)

	Banking business		Payment business		Wealth management and brokerage		Risk insurance		Non-financial business		Other		Intersegment eliminations		Total	
<i>(unaudited)</i>	<i>In billions of Russian roubles</i>															
Six months ended	2021		2020		2021		2020		2021		2020		2021		2020	
30 June	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from:																
- external customers	1,389.9	1,293.5	236.6	182.0	64.1	45.5	55.2	45.2	71.9	24.7	16.7	12.1	-	-	1,834.4	1,603.0
- other segments	24.2	15.6	-	-	3.2	2.4	-	-	2.8	-	-	-	(30.2)	(18.0)	-	-
Total revenue	1,414.1	1,309.1	236.6	182.0	67.3	47.9	55.2	45.2	74.7	24.7	16.7	12.1	(30.2)	(18.0)	1,834.4	1,603.0
Segment performance:																
Operating income / (loss) before credit loss allowance and other provisions	950.6	845.2	180.8	145.7	33.1	28.9	43.3	36.0	4.7	(0.1)	37.5	12.7	(17.8)	(10.0)	1,232.2	1,058.4
Net charge for credit loss allowance and other provisions	(64.8)	(321.8)	-	-	(0.3)	(0.2)	(0.3)	(0.1)	-	-	-	-	-	-	(65.4)	(322.1)
Staff and administrative expenses	(285.3)	(259.0)	(53.4)	(54.2)	(10.7)	(9.0)	(8.8)	(7.5)	(23.9)	(7.1)	(14.4)	(14.2)	17.2	12.8	(379.3)	(338.2)
Profit / (loss) before tax (segment result)	600.5	264.4	127.4	91.5	22.1	19.7	34.2	28.4	(19.2)	(7.2)	23.1	(1.5)	(0.6)	2.8	787.5	398.1

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

18 Segment Analysis (continued)

	Banking business		Payment business		Wealth management and brokerage		Risk insurance		Non-financial business		Other		Intersegment eliminations		Total	
<i>(unaudited)</i>																
<i>In billions of Russian roubles</i>																
Three months ended																
30 June	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from:																
- external customers	716.0	643.1	126.8	89.4	34.6	15.2	31.0	20.0	39.6	16.2	8.9	5.2	-	-	956.9	789.1
- other segments	13.7	8.2	-	-	1.6	1.3	-	-	1.5	-	-	-	(16.8)	(9.5)	-	-
Total revenue	729.7	651.3	126.8	89.4	36.2	16.5	31.0	20.0	41.1	16.2	8.9	5.2	(16.8)	(9.5)	956.9	789.1
Segment performance:																
Operating income / (loss) before credit loss allowance and other provisions	484.6	420.4	96.3	72.7	16.8	15.0	24.5	16.3	2.7	1.1	22.4	3.3	(9.3)	(2.6)	638.0	526.2
Net charge for credit loss allowance and other provisions	(27.4)	(131.5)	-	-	(0.3)	(0.2)	(0.2)	(0.1)	-	-	-	-	-	-	(27.9)	(131.8)
Staff and administrative expenses	(148.7)	(130.9)	(28.3)	(27.9)	(5.2)	(4.4)	(4.4)	(3.5)	(13.2)	(3.8)	(6.7)	(6.6)	9.1	5.7	(197.4)	(171.4)
Profit / (loss) before tax (segment result)	308.5	158.0	68.0	44.8	11.3	10.4	19.9	12.7	(10.5)	(2.7)	15.7	(3.3)	(0.2)	3.1	412.7	223.0

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

18 Segment Analysis (continued)

Starting from the consolidated financial statements for the six months ended 30 June 2021 the Group made certain adjustments to the classification of some income / expense items in the segment reporting. The impact of these amendments was not significant and did not exceed RR 3.0 billion effect on any amended indicator.

The revenue of the "Banking", "Payment" and "Other" business segments includes the following components: interest income, commission income, operating lease income, revenue of non-financial subsidiaries, and other operating income.

The revenue of the "Wealth Management and Brokerage" and "Risk Insurance" business segments includes the following components: commission income, gross premiums written, pension contributions received, and interest income (for brokerage and asset management).

The revenue of the "Non-financial" business segment includes revenue from sales of goods or services, commission income, and also the Group's share of revenue from sales of goods or services of associates and joint ventures (except for data of Yandex Market, interest in which was disposed by the Group in 2020).

The table below comprises information on assets and liabilities of each reportable segment as at 30 June 2021 and 31 December 2020.

	Segment assets		Segment liabilities	
	30 June 2021 (unaudited)	31 December 2020	30 June 2021 (unaudited)	31 December 2020
<i>in billions of Russian Roubles</i>				
Banking business	36,211.1	34,518.3	31,701.9	29,931.7
Payment business	46.9	71.1	10.7	18.9
Wealth management and brokerage	1,554.8	1,511.0	1,433.0	1,400.9
Risk insurance	105.3	92.8	88.4	79.9
Non-financial business	230.2	136.6	84.3	64.9
Other	428.6	318.9	68.8	74.5
Intersegment eliminations	(513.4)	(458.7)	(514.1)	(457.2)
Total	38,063.5	36,190.0	32,873.0	31,113.6

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

18 Segment Analysis (continued)

The table below shows a more detailed structure of income and expenses of the Banking business reporting segment.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Interest income				
- Due from banks	32.3	35.1	17.8	18.8
- Loans and advances to corporate customers	497.1	509.8	253.8	255.1
- Loans and advances to individuals	539.3	489.5	276.0	244.9
- Debt securities	150.5	107.6	77.3	55.0
- Other	(0.3)	0.5	(0.2)	—
	1,218.9	1,142.5	624.7	573.8
Interest expense				
- Due to banks	(38.1)	(33.2)	(16.9)	(16.4)
- Due to corporate customers	(124.9)	(104.0)	(71.9)	(51.0)
- Due to individuals	(162.3)	(210.3)	(80.8)	(102.2)
- Debt securities in issue	(35.3)	(31.2)	(17.8)	(15.9)
- Deposit insurance expenses	(33.5)	(30.6)	(16.6)	(8.0)
- Other	(4.8)	(3.1)	(2.5)	(1.7)
	(398.9)	(412.4)	(206.5)	(195.2)
Fee and commission income				
- Corporate customers	52.9	50.5	26.6	24.0
- Individuals	119.5	103.3	64.0	47.7
- Other	9.7	3.5	6.7	1.8
	182.1	157.3	97.3	73.5
Fee and commission expense				
- Corporate customers	(6.8)	(6.1)	(4.5)	(3.8)
- Individuals	(71.9)	(55.2)	(37.8)	(26.7)
- Other	(1.8)	(0.9)	(1.2)	(0.7)
	(80.5)	(62.2)	(43.5)	(31.2)
Net income from trading operations	21.4	44.8	6.4	25.8
Other net operating income	7.6	(24.8)	6.2	(26.3)
Operating income before credit loss allowance and other provisions	950.6	845.2	484.6	420.4
Net charge for credit loss allowance and other provisions	(64.8)	(321.8)	(27.4)	(131.5)
Staff and administrative expenses	(285.3)	(259.0)	(148.7)	(130.9)
Profit before tax (segment result)	600.5	264.4	308.5	158.0

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

18 Segment Analysis (continued)

The table below shows a more detailed structure of income and expenses for the Payment Business reporting segment.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Payment products for individuals	55.1	46.5	28.9	23.5
Payment products for corporate customers	125.7	99.2	67.4	49.2
Operating income before credit loss allowance and other provisions	180.8	145.7	96.3	72.7
Staff and administrative expenses	(53.4)	(54.2)	(28.3)	(27.9)
Profit before tax (segment result)	127.4	91.5	68.0	44.8

The table below shows a more detailed structure of income and expenses for the reporting segment Wealth Management and Brokerage.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Gross premium written and pension contributions	53.4	36.9	28.9	11.3
Net interest income	44.3	42.0	22.5	21.3
Net income from trading operations	15.6	6.8	7.7	14.4
Net commission income	14.3	9.4	7.6	3.9
Change in insurance provisions / pension liabilities	(52.8)	(40.9)	(29.7)	(26.2)
Payments on insurance and pension contracts	(33.6)	(19.9)	(15.6)	(8.0)
Acquisition costs	(8.3)	(4.4)	(4.6)	(1.4)
Investment expenses	(0.4)	(0.3)	(0.2)	(0.2)
Other net operating income / (losses)	0.6	(0.7)	0.2	(0.1)
Operating income before credit loss allowance and other provisions	33.1	28.9	16.8	15.0
Net charge for credit loss allowance and other provisions	(0.3)	(0.2)	(0.3)	(0.2)
Staff and administrative expenses	(10.7)	(9.0)	(5.2)	(4.4)
Profit before tax (segment result)	22.1	19.7	11.3	10.4

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

18 Segment Analysis (continued)

The table below shows a more detailed structure of income and expenses for the Risk Insurance reporting segment.

<i>(unaudited)</i> in billions of Russian Roubles	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Gross premium written and pension contributions	51.6	42.2	29.2	18.5
Change in insurance provisions	(2.4)	(0.1)	(2.3)	(0.4)
Payments on insurance contracts	(7.2)	(6.5)	(3.0)	(2.7)
Acquisition costs	(5.9)	(8.2)	(2.8)	(2.6)
Net commission income	5.3	6.6	2.5	2.4
Net investment income	1.9	2.0	1.0	1.0
Other net operating income / (losses)	—	—	(0.1)	0.1
Operating income before credit loss allowance and other provisions	43.3	36.0	24.5	16.3
Net charge for credit loss allowance and other provisions	(0.3)	(0.1)	(0.2)	(0.1)
Staff and administrative expenses	(8.8)	(7.5)	(4.4)	(3.5)
Profit before tax (segment result)	34.2	28.4	19.9	12.7

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

18 Segment Analysis (continued)

The table below presents additional financial and operating metrics of the Non-Financial business segment (information in the table below does not include data of Yandex Market, interest in which was disposed by the Group in 2020).

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Revenue	74.7	24.7	41.1	16.2
EBITDA	(14.3)	(5.4)	(7.4)	(1.9)
Including:				
E-Commerce				
GMV	34.8	2.7	19.7	2.2
EBITDA	(12.2)	(1.6)	(7.9)	(1.1)
Number of orders (in millions)	44.2	6.5	25.4	5.2
FoodTech & Mobility				
Revenue	7.3	1.9	3.9	1.1
EBITDA	(5.3)	(4.3)	(2.9)	(2.0)
Number of rides (in millions)	104.8	76.5	51.9	35.9
Number of orders (in millions)	41.7	26.9	22.4	16.1
Number of connected restaurants and stores as at 30 June 2021 and 31 December 2020, Delivery Club (in thousands)	45.3	39.0	45.3	39.0
Entertainment				
Revenue	5.8	2.4	3.0	1.1
EBITDA	(2.7)	(0.9)	(1.1)	(0.5)
Number of paying users as at 30 June 2021 and 31 December 2020, Okko (in millions)	1.7	2.4	1.7	2.4
Number of paying users as at 30 June 2021 and 31 December 2020, SberZvuk (in millions)	1.9	0.8	1.9	0.8
Health				
Revenue	1.8	0.8	0.8	0.5
EBITDA	—	(0.1)	—	—
Number of on-line doctor's appointments (in thousands)	454.2	332.9	237.0	136.6
Number of telemedicine consultations (in thousands)	185.7	86.6	111.8	54.5
B2B services				
Revenue	22.5	13.5	12.5	9.3
EBITDA	4.1	1.2	2.8	1.4
Including:				
Cloud services:				
Revenue	3.7	0.7	2.0	0.6
EBITDA	1.6	(0.4)	1.3	(0.1)
Cybersecurity:				
Revenue	3.7	5.8	1.7	4.9
EBITDA	0.7	0.8	0.5	0.7

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

18 Segment Analysis (continued)

EBITDA for the purpose of these interim condensed consolidated financial statements is a profit before amortization, finance expense / income and profit tax.

GMV for E-Commerce includes total sales in monetary-value for merchandise sold through the platform (own and third party sales), revenue from complimentary and other services (delivery, promotion, data, etc.) reduced by returns, sales discounts and other promotion costs (for example, promotions, coupons). All data includes VAT.

Revenue, EBITDA and GMV of associates or joint ventures are included into the metrics on a pro-rata basis to the Group's interest in respective companies during the reporting period. For the Group companies the metrics above are included on a 100% basis from the control acquisition date. Operating metrics are disclosed on a 100% basis from the investment date and are not affected by the Group's participation interest.

The table below shows the reconciliation of profit before tax for the reporting segments (segment result) to the Group's profit before tax under IFRS for the six months and the three months ended 30 June 2021 and 30 June 2020:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June		Three months ended 30 June	
	2021	2020	2021	2020
Total profit before tax (segment result)	787.5	398.1	412.7	223.0
Timing difference in credit loss allowance calculation	(5.0)	(17.0)	(8.9)	(9.1)
Difference in recognition of commissions on banking cards operations	(2.8)	(3.2)	(0.6)	(1.3)
Difference in accounting of derivatives	(4.1)	(2.1)	(2.1)	0.4
Timing difference in accounting of investments in associates	—	(6.7)	—	(5.7)
Other	(2.0)	(2.5)	(4.8)	1.6
The Group's profit before tax under IFRS	773.6	366.6	396.3	208.9

The segment assets and liabilities insignificantly differ from those in the interim consolidated statement of financial position prepared under IFRS. Those differences arise from some differences in the consolidation perimeter as well as from classification and valuation of some assets and liabilities.

Geographical Information presented below is based on the geographical location of the Group's companies:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June 2021			Six months ended 30 June 2020		
	Russia	Other countries	Total	Russia	Other countries	Total
Revenue from external clients	1,766.0	68.4	1,834.4	1,549.6	53.4	1,603.0

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Three months ended 30 June 2021			Three months ended 30 June 2020		
	Russia	Other countries	Total	Russia	Other countries	Total
Revenue from external clients	921.4	35.5	956.9	763.1	26.0	789.1

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)			31 December 2020		
	Russia	Other countries	Total	Russia	Other countries	Total
Non-current assets	1,068.5	41.7	1,110.2	979.4	42.9	1,022.3

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

19 Financial Risk Management

The Group manages the following types of risks: credit risk, market risk, liquidity risk, insurance risk, operational risk, compliance risk and other types of risks.

Risk management system is the part of the overall management system of the Group which aims to provide sustainable development of the Bank and the Group members in line with the approved Development Strategy.

The Group's risk management policies and procedures are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2020.

Currency risk. Currency risk results from fluctuations in the prevailing foreign currency exchange rates. The Group is exposed to foreign exchange risk on open positions, mainly US dollar/Russian Rouble and Euro/Russian Rouble exchange rate fluctuations.

The table below summarizes the Group's exposure to foreign exchange risk in respect of financial assets, liabilities and derivatives as at 30 June 2021.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Russian Rouble	US Dollar	Euro	Other	Total
Assets					
Cash and cash equivalents	1,380.3	330.3	364.6	188.3	2,263.5
Mandatory cash balances with central banks	248.5	—	9.7	31.4	289.6
Due from banks	1,284.8	316.1	5.4	144.2	1,750.5
Loans and advances to customers	19,545.4	2,929.7	1,463.8	713.7	24,652.6
Securities	3,522.7	895.1	121.2	191.5	4,730.5
Financial instruments pledged under repurchase agreements	1,863.7	29.6	2.4	38.3	1,934.0
Investments in associates and joint ventures	143.1	10.1	—	12.6	165.8
Other financial assets	250.5	116.0	20.1	18.6	405.2
Total financial assets	28,239.0	4,626.9	1,987.2	1,338.6	36,191.7
Liabilities					
Due to banks	794.5	125.9	72.9	55.9	1,049.2
Due to individuals	13,583.7	2,067.6	839.2	473.2	16,963.7
Due to corporate customers	7,198.9	2,676.5	437.4	579.0	10,891.8
Debt securities in issue	751.5	133.2	0.7	8.3	893.7
Other borrowed funds	0.9	—	20.6	55.9	77.4
Obligations to deliver securities	77.2	38.2	3.3	0.3	119.0
Other financial liabilities	380.9	39.2	24.7	19.0	463.8
Subordinated debt	418.3	133.3	—	—	551.6
Total financial liabilities	23,205.9	5,213.9	1,398.8	1,191.6	31,010.2
Net financial assets/(liabilities)	5,033.1	(587.0)	588.4	147.0	5,181.5
Net derivatives	176.0	502.4	(707.1)	40.4	11.7
Credit related commitments and performance guarantees before loss allowance / provision (Note 20)	6,824.7	425.3	624.1	225.6	8,099.7

Foreign exchange risk on forward and futures contracts is represented by their discounted positions. Foreign exchange options are disclosed in the amount that reflects theoretical sensitivity of their fair value to reasonable change in exchange rates. Commodity options are shown at their fair value in the respective settlement currency. Equity instruments are classified based on the country of origin of issuer.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

19 Financial Risk Management (continued)

The table below summarizes the Group's exposure to foreign exchange risk in respect of financial assets, liabilities and derivatives as at 31 December 2020.

<i>in billions of Russian Roubles</i>	Russian Rouble	US Dollar	Euro	Other	Total
Assets					
Cash and cash equivalents	1,164.4	629.2	389.5	193.7	2,376.8
Mandatory cash balances with central banks	234.7	10.3	8.5	26.1	279.6
Due from banks	797.8	277.4	8.5	128.6	1,212.3
Loans and advances to customers	17,906.5	3,178.2	1,623.2	678.5	23,386.4
Securities	4,339.4	973.8	131.5	179.7	5,624.4
Financial instruments pledged under repurchase agreements	864.4	42.0	11.3	15.3	933.0
Investments in associates and joint ventures	118.1	10.1	—	12.3	140.5
Other financial assets	252.5	108.5	25.9	21.7	408.6
Total financial assets	25,677.8	5,229.5	2,198.4	1,255.9	34,361.6
Liabilities					
Due to banks	1,265.6	174.1	78.0	45.7	1,563.4
Due to individuals	13,214.2	2,119.6	833.6	473.6	16,641.0
Due to corporate customers	4,973.0	3,152.9	467.1	531.7	9,124.7
Debt securities in issue	686.0	190.3	0.8	7.1	884.2
Other borrowed funds	0.1	—	24.2	43.7	68.0
Obligations to deliver securities	33.3	25.8	3.5	0.1	62.7
Other financial liabilities	320.4	40.3	26.1	14.5	401.3
Subordinated debt	349.5	138.1	—	—	487.6
Total financial liabilities	20,842.1	5,841.1	1,433.3	1,116.4	29,232.9
Net financial assets/(liabilities)	4,835.7	(611.6)	765.1	139.5	5,128.7
Net derivatives	156.2	615.7	(829.0)	59.4	2.3
Credit related commitments and performance guarantees before loss allowance / provision (Note 20)	5,982.9	467.9	454.7	196.2	7,101.7

The Group provides loans and advances to customers in foreign currency. Fluctuations of foreign currency exchange rates may negatively affect the ability of borrowers to repay loans, which will in turn increase the probability of loan loss.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

19 Financial Risk Management (continued)

Liquidity risk. Liquidity risk is defined as the risk of inability of the Group to finance its performance, i.e. to ensure the growth of assets and/or fulfil its obligations as far as they arise on the condition of compliance to the requirements of the local regulator in the normal course of business as well as during stress situations. The Group is exposed to daily calls on its available cash resources from interbank overnight deposits, customer's current accounts, term deposits, loan drawdowns, guarantees, margin calls and on cash settled derivative instruments.

Principles that are used to analyse liquidity position presentation and manage the Group liquidity risk management are based on the Bank's of Russia prudential initiatives and the Bank's practice:

- cash and cash equivalents represent highly liquid assets and are classified as "On demand and less than 1 month";
- securities mandatorily measured and designated at fair value through profit or loss and highly liquid portion of securities measured at fair value through other comprehensive income are considered to be liquid assets as these securities could be easily converted into cash within short period of time. Such financial instruments are disclosed in the analysis of liquidity position as "On demand and less than 1 month";
- securities measured at fair value through other comprehensive income which are less liquid are disclosed according to remaining contractual maturities (for debt instruments) or as "No stated maturity / overdue" (for equity instruments);
- securities measured at amortized cost including those pledged under repurchase agreements are classified based on the earliest of two dates: redemption offer date or maturity date of security;
- highly liquid portion of financial instruments pledged under repurchase agreements is disclosed based on the remaining maturities of repurchase agreements;
- loans and advances to customers, amounts due from banks, other assets, debt securities in issue, amounts due to banks, other borrowed funds and other liabilities are included into analysis of liquidity position based on remaining contractual maturities (for loans and advances to customers "No stated maturity / overdue" category represents only actual payments which were overdue);
- due to individuals are not disclosed as "On demand and less than 1 month" in full amount although individuals have a right to withdraw money from any account, including term deposits, before maturity date, losing the right to accrued interest;
- diversification of current accounts of individuals and corporate customers by number and type of customers and the past experience of the Group indicate that such balances provide a long-term and stable source of funding. As a result, in the analysis of liquidity position current accounts of individuals and corporate customers are allocated on the basis of expected time of funds outflow and assumptions regarding the "permanent" part of current account balances. Term deposits of individuals and corporate customers are allocated on the basis of their contractual maturity for the purposes of liquidity analysis;
- assets and liabilities other than those discussed above are generally classified on the basis of their contractual maturities.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

19 Financial Risk Management (continued)

The analysis of liquidity position of the Group's assets and liabilities as at 30 June 2021 is set out below.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	On demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	More than 3 years	No stated maturity/ overdue	Total
Assets							
Cash and cash equivalents	2,263.5	—	—	—	—	—	2,263.5
Mandatory cash balances with central banks	76.2	69.7	30.8	26.2	86.7	—	289.6
Due from banks	1,626.9	75.2	44.1	1.2	3.1	—	1,750.5
Loans and advances to customers	736.5	2,623.8	2,470.7	7,740.9	10,910.4	170.3	24,652.6
Securities	2,812.3	85.1	132.3	709.6	905.4	85.8	4,730.5
Financial instruments pledged under repurchase agreements	1,894.5	9.2	4.2	14.5	11.6	—	1,934.0
Derivative financial assets	44.3	94.9	26.7	100.6	14.6	—	281.1
Investments in associates and joint ventures	—	1.4	—	0.3	4.7	159.4	165.8
Deferred tax asset	—	—	—	—	—	33.6	33.6
Premises, equipment and right-of- use assets	—	—	—	—	—	778.2	778.2
Assets of the disposal groups and non-current assets held for sale	85.9	—	18.7	—	—	—	104.6
Other assets	403.2	97.5	9.5	57.8	68.5	315.9	952.4
Total assets	9,943.3	3,056.8	2,737.0	8,651.1	12,005.0	1,543.2	37,936.4
Liabilities							
Due to banks	778.0	167.1	12.1	69.8	22.2	—	1,049.2
Due to individuals	2,861.9	4,875.7	2,519.4	1,841.6	4,865.1	—	16,963.7
Due to corporate customers	2,562.9	2,485.9	720.4	772.9	4,349.7	—	10,891.8
Debt securities in issue	44.9	113.8	187.8	320.6	226.6	—	893.7
Other borrowed funds	0.5	1.3	2.1	10.0	63.5	—	77.4
Derivative financial liabilities and obligations to deliver securities	175.5	74.4	41.0	75.8	21.7	—	388.4
Deferred tax liability	—	—	—	—	—	32.9	32.9
Liabilities of the disposal groups	9.4	—	2.3	—	—	—	11.7
Other liabilities	308.3	141.4	127.2	326.4	983.4	45.7	1,932.4
Subordinated debt	—	27.9	5.1	173.5	345.1	—	551.6
Total liabilities	6,741.4	7,887.5	3,617.4	3,590.6	10,877.3	78.6	32,792.8
Net liquidity gap	3,201.9	(4,830.7)	(880.4)	5,060.5	1,127.7	1,464.6	5,143.6
Cumulative liquidity gap as at 30 June 2021	3,201.9	(1,628.8)	(2,509.2)	2,551.3	3,679.0	5,143.6	—

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

19 Financial Risk Management (continued)

The analysis of liquidity position of the Group's assets and liabilities as at 31 December 2020 is set out below.

<i>in billions of Russian Roubles</i>	On demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	More than 3 years	No stated maturity/ overdue	Total
Assets							
Cash and cash equivalents	2,376.8	—	—	—	—	—	2,376.8
Mandatory cash balances with central banks	76.3	57.0	35.4	33.4	77.5	—	279.6
Due from banks	1,066.1	46.6	94.8	1.5	3.3	—	1,212.3
Loans and advances to customers	565.1	2,465.4	2,600.7	7,451.4	10,042.4	261.4	23,386.4
Securities	3,747.7	97.5	83.7	522.4	1,081.5	91.6	5,624.4
Financial instruments pledged under repurchase agreements	905.5	12.8	—	5.6	9.1	—	933.0
Derivative financial assets	41.0	74.2	46.4	90.9	61.1	—	313.6
Investments in associates and joint ventures	—	—	—	0.3	6.0	134.2	140.5
Deferred tax asset	—	—	—	—	—	23.2	23.2
Premises, equipment and right-of- use assets	—	—	—	—	—	754.7	754.7
Assets of the disposal groups and non-current assets held for sale	5.0	4.5	91.9	—	—	—	101.4
Other assets	431.5	71.5	39.1	58.1	74.8	195.1	870.1
Total assets	9,215.0	2,829.5	2,992.0	8,163.6	11,355.7	1,460.2	36,016.0
Liabilities							
Due to banks	1,158.1	179.3	138.1	63.3	24.6	—	1,563.4
Due to individuals	2,754.7	4,659.1	2,899.5	2,302.2	4,025.5	—	16,641.0
Due to corporate customers	2,229.3	1,172.9	697.0	1,015.1	4,010.4	—	9,124.7
Debt securities in issue	27.0	174.3	115.8	336.2	230.9	—	884.2
Other borrowed funds	0.1	0.5	2.3	7.6	57.5	—	68.0
Derivative financial liabilities and obligations to deliver securities	111.0	82.4	30.6	96.1	53.9	—	374.0
Deferred tax liability	—	—	—	—	—	37.7	37.7
Liabilities of the disposal groups	3.4	—	12.3	—	—	—	15.7
Other liabilities	241.5	131.2	84.7	311.8	947.7	56.3	1,773.2
Subordinated debt	—	3.5	24.7	170.5	288.9	—	487.6
Total liabilities	6,525.1	6,403.2	4,005.0	4,302.8	9,639.4	94.0	30,969.5
Net liquidity gap	2,689.9	(3,573.7)	(1,013.0)	3,860.8	1,716.3	1,366.2	5,046.5
Cumulative liquidity gap as at 31 December 2020	2,689.9	(883.8)	(1,896.8)	1,964.0	3,680.3	5,046.5	—

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

20 Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and external professional advice the Management is of the opinion that no material losses will be incurred in respect of the claims in excess of the amounts already provided for in these interim condensed consolidated financial statements.

Credit related commitments and performance guarantees. Outstanding credit related commitments and performance guarantees are as follows:

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Undrawn credit lines and overdrafts	4,500.9	3,662.3
Commitments to extend guarantees	1,485.7	1,397.1
Guarantees issued:		
- Financial guarantees	831.6	844.2
- Performance guarantees	745.4	731.9
Import letters of credit and letters of credit for domestic settlements	534.0	463.5
Export letters of credit with credit risk	2.1	2.7
Total credit related commitments and performance guarantees before loss allowance / provision	8,099.7	7,101.7
Loss allowance / provision	(48.2)	(35.5)
Total credit related commitments and performance guarantees	8,051.5	7,066.2

As at 30 June 2021 included in due to corporate customers are deposits of RR 365.1 billion (31 December 2020: RR 301.3 billion) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 10.

The total outstanding contractual amount of undrawn credit lines, commitments to extend credit and guarantees, letters of credit and guarantees issued does not necessarily represent future cash payments, as these instruments may expire or terminate without any payments being made.

21 Fair Value Disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following table shows an analysis of assets carried at fair value by level of the fair value hierarchy as at 30 June 2021:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Level 1	Level 2	Level 3	Total
Assets carried at fair value or revalued amount				
Cash and cash equivalents	—	122.1	—	122.1
Due from banks	—	578.9	—	578.9
Loans and advances to customers	—	—	1,251.2	1,251.2
- Commercial loans to legal entities	—	—	145.9	145.9
- Project finance loans to legal entities	—	—	1,037.8	1,037.8
- Consumer and other loans to individuals	—	—	67.5	67.5
Securities				
- Securities measured at fair value through other comprehensive income	1,184.8	1,133.5	107.6	2,425.9
Russian federal loan bonds (OFZ bonds)	635.8	938.1	—	1,573.9
Corporate bonds	284.9	126.3	—	411.2
Russian Federation Eurobonds	171.9	13.6	—	185.5
Foreign government and municipal bonds	91.1	53.6	2.4	147.1
Mortgage-backed securities	—	—	103.3	103.3
Russian municipal and subfederal bonds	1.1	1.0	—	2.1
Corporate shares and other equity instruments	—	—	1.9	1.9
Promissory notes	—	0.9	—	0.9
- Securities mandatorily measured at fair value through profit or loss	450.9	125.0	54.2	630.1
Russian federal loan bonds (OFZ bonds)	198.6	—	—	198.6
Corporate shares and other equity instruments	137.8	46.5	3.6	187.9
Corporate bonds	66.5	65.5	—	132.0
Investments in mutual funds	26.4	1.1	50.6	78.1
Foreign government and municipal bonds	16.4	—	—	16.4
Russian municipal and subfederal bonds	1.2	8.1	—	9.3
Russian Federation Eurobonds	4.0	3.8	—	7.8
- Securities designated at fair value through profit or loss	0.6	—	—	0.6
Corporate shares and other equity instruments	0.4	—	—	0.4
Investments in mutual funds	0.2	—	—	0.2
Financial instruments pledged under repurchase agreements				
- Securities measured at fair value through other comprehensive income	1,273.9	608.4	—	1,882.3
Russian federal loan bonds (OFZ bonds)	1,216.0	594.6	—	1,810.6
Foreign government and municipal bonds	33.6	—	—	33.6
Russian municipal and subfederal bonds	11.6	13.8	—	25.4
Russian Federation Eurobonds	9.2	—	—	9.2
Corporate bonds	3.5	—	—	3.5
- Securities mandatorily measured at fair value through profit or loss	35.1	—	—	35.1
Russian federal loan bonds (OFZ bonds)	24.9	—	—	24.9
Foreign government and municipal bonds	9.0	—	—	9.0
Corporate shares and other equity instruments	0.8	—	—	0.8
Corporate bonds	0.4	—	—	0.4
Investments in associates and joint ventures designated at fair value through profit or loss	—	—	24.9	24.9
Derivative financial assets	—	280.7	0.4	281.1
Commodity derivatives including precious metals derivatives	—	59.5	—	59.5
Interest rate derivatives	—	55.3	—	55.3
Foreign currency interest rate derivatives	—	47.9	—	47.9
Foreign currency derivatives	—	35.4	—	35.4
Equity securities derivatives	—	37.9	0.4	38.3
Debt securities derivatives	—	15.8	—	15.8
Other derivatives	—	28.9	—	28.9
Investment property	—	—	25.2	25.2
Office premises	—	—	279.9	279.9
Total assets carried at fair value or revalued amount	2,945.3	2,848.6	1,743.4	7,537.3

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following table shows an analysis of assets carried at fair value by level of the fair value hierarchy as at 31 December 2020:

<i>in billions of Russian Roubles</i>	Level 1	Level 2	Level 3	Total
Assets carried at fair value or revalued amount				
Cash and cash equivalents	—	5.4	—	5.4
Due from banks	—	540.7	—	540.7
Loans and advances to customers	—	—	1,123.6	1,123.6
- Commercial loans to legal entities	—	—	155.7	155.7
- Project finance loans to legal entities	—	—	915.0	915.0
- Consumer and other loans to individuals	—	—	52.9	52.9
Securities				
- Securities measured at fair value through other comprehensive income	2,140.7	1,080.7	130.6	3,352.0
Russian federal loan bonds (OFZ bonds)	1,624.2	815.5	—	2,439.7
Corporate bonds	309.0	159.2	—	468.2
Russian Federation Eurobonds	99.1	58.5	—	157.6
Foreign government and municipal bonds	107.3	45.5	2.3	155.1
Mortgage-backed securities	—	—	126.3	126.3
Russian municipal and subfederal bonds	1.1	1.1	—	2.2
Corporate shares and other equity instruments	—	—	2.0	2.0
Promissory notes	—	0.9	—	0.9
- Securities mandatorily measured at fair value through profit or loss	473.4	122.4	32.1	627.9
Russian federal loan bonds (OFZ bonds)	201.2	5.9	—	207.1
Corporate shares and other equity instruments	134.1	39.9	7.4	181.4
Corporate bonds	80.8	67.4	—	148.2
Investments in mutual funds	37.5	1.1	24.7	63.3
Foreign government and municipal bonds	16.5	0.1	—	16.6
Russian Federation Eurobonds	2.3	4.6	—	6.9
Russian municipal and subfederal bonds	1.0	3.4	—	4.4
- Securities designated at fair value through profit or loss	0.6	—	—	0.6
Corporate shares and other equity instruments	0.4	—	—	0.4
Investments in mutual funds	0.2	—	—	0.2
Financial instruments pledged under repurchase agreements				
- Securities measured at fair value through other comprehensive income	837.4	61.1	—	898.5
Russian federal loan bonds (OFZ bonds)	803.7	16.7	—	820.4
Russian Federation Eurobonds	4.2	34.8	—	39.0
Russian municipal and subfederal bonds	10.7	9.6	—	20.3
Foreign government and municipal bonds	15.5	—	—	15.5
Corporate bonds	3.3	—	—	3.3
- Securities mandatorily measured at fair value through profit or loss	19.6	0.1	—	19.7
Russian federal loan bonds (OFZ bonds)	17.9	—	—	17.9
Corporate bonds	0.4	—	—	0.4
Corporate shares and other equity instruments	1.2	—	—	1.2
Russian Federation Eurobonds	0.1	0.1	—	0.2
Investments in associates and joint ventures designated at fair value through profit or loss	—	—	24.9	24.9
Derivative financial assets	—	313.6	—	313.6
Interest rate derivatives	—	71.4	—	71.4
Foreign currency interest rate derivatives	—	66.4	—	66.4
Commodity derivatives including precious metals derivatives	—	60.9	—	60.9
Foreign currency derivatives	—	40.1	—	40.1
Equity securities derivatives	—	33.7	—	33.7
Debt securities derivatives	—	17.1	—	17.1
Other derivatives	—	24.0	—	24.0
Investment property	—	—	6.1	6.1
Office premises	—	—	258.5	258.5
Total assets carried at fair value or revalued amount	3,471.7	2,124.0	1,575.8	7,171.5

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following table shows fair values of financial assets for which fair values are disclosed, by level of the fair value hierarchy as at 30 June 2021:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets for which fair values are disclosed					
Cash and cash equivalents	2,141.4	601.4	1,540.0	—	2,141.4
Mandatory cash balances with central banks	289.6	—	289.6	—	289.6
Due from banks	1,171.6	—	1,171.6	—	1,171.6
Loans and advances to customers					
- Loans to corporate customers	13,648.3	—	—	13,878.8	13,878.8
- Loans to individuals	9,753.1	—	—	9,745.2	9,745.2
Securities measured at amortized cost	1,673.9	1,155.8	559.6	3.5	1,718.9
Financial instruments pledged under repurchase agreements measured at amortized cost	16.6	16.0	1.8	—	17.8
Investments in associates and joint ventures accounted for using equity method	140.9	—	—	135.6	135.6
Other financial assets	405.2	—	—	405.2	405.2
Total financial assets for which fair values are disclosed	29,240.6	1,773.2	3,562.6	24,168.3	29,504.1

The following table shows fair values of financial assets for which fair values are disclosed, by level of the fair value hierarchy as at 31 December 2020:

<i>in billions of Russian Roubles</i>	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets for which fair values are disclosed					
Cash and cash equivalents	2,371.4	625.5	1,745.9	—	2,371.4
Mandatory cash balances with central banks	279.6	—	279.6	—	279.6
Due from banks	671.6	—	671.6	—	671.6
Loans and advances to customers					
- Loans to corporate customers	13,512.9	—	—	13,688.8	13,688.8
- Loans to individuals	8,749.9	—	—	8,756.9	8,756.9
Securities measured at amortized cost	1,643.9	1,183.6	556.1	2.8	1,742.5
Financial instruments pledged under repurchase agreements measured at amortized cost	14.8	14.0	1.8	—	15.8
Investments in associates and joint ventures accounted for using equity method	115.6	—	—	112.1	112.1
Other financial assets	408.6	—	—	408.6	408.6
Total financial assets for which fair values are disclosed	27,768.3	1,823.1	3,255.0	22,969.2	28,047.3

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

Level 2 assets carried at fair value include short term liquid balances due from banks, debt securities of first-class issuers and derivative financial instruments that are not actively traded on the market. Fair value of these financial instruments was calculated using techniques for which all inputs which have a significant effect on the recorded fair value are observable on the active market. Financial characteristics of comparable financial instruments actively traded on the market were used as inputs for the fair valuation models.

The following table shows an analysis of financial liabilities carried at fair value by level of the fair value hierarchy as at 30 June 2021:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Level 1	Level 2	Level 3	Total
Financial liabilities carried at fair value				
Due to banks designated at fair value through profit or loss	—	594.5	—	594.5
Due to individuals designated at fair value through profit or loss	—	174.2	—	174.2
Due to corporate customers designated at fair value through profit or loss	—	55.0	—	55.0
Debt securities in issue measured at fair value through profit or loss	—	5.4	—	5.4
Derivative financial instruments	—	252.1	17.3	269.4
Foreign currency derivatives	—	84.2	—	84.2
Interest rate derivatives	—	49.6	—	49.6
Foreign currency interest rate derivatives	—	49.6	—	49.6
Equity securities derivatives	—	40.8	—	40.8
Commodity derivatives including precious metals derivatives	—	25.6	—	25.6
Credit risk derivatives	—	0.4	—	0.4
Other derivatives	—	1.9	17.3	19.2
Obligation to deliver securities	118.1	0.9	—	119.0
Russian federal loan bonds (OFZ bonds)	41.8	—	—	41.8
Corporate shares and other equity instruments	37.3	—	—	37.3
Corporate bonds	27.1	—	—	27.1
Russian Federation Eurobonds	11.3	0.5	—	11.8
Foreign government and municipal bonds	0.6	—	—	0.6
Russian municipal and subfederal bonds	—	0.4	—	0.4
Total financial liabilities carried at fair value	118.1	1,082.1	17.3	1,217.5

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following table shows an analysis of financial liabilities carried at fair value by level of the fair value hierarchy as at 31 December 2020:

<i>in billions of Russian Roubles</i>	Level 1	Level 2	Level 3	Total
Financial liabilities carried at fair value				
Due to banks designated at fair value through profit or loss	—	251.1	—	251.1
Due to individuals designated at fair value through profit or loss	—	197.1	—	197.1
Due to corporate customers designated at fair value through profit or loss	—	35.8	—	35.8
Debt securities in issue measured at fair value through profit or loss	—	2.0	—	2.0
Derivative financial instruments	—	299.7	11.6	311.3
Interest rate derivatives	—	81.9	—	81.9
Foreign currency interest rate derivatives	—	71.1	—	71.1
Foreign currency derivatives	—	62.2	—	62.2
Commodity derivatives including precious metals derivatives	—	41.4	—	41.4
Equity securities derivatives	—	39.4	—	39.4
Credit risk derivatives	—	0.4	—	0.4
Debt securities derivatives	—	0.2	—	0.2
Other derivatives	—	3.1	11.6	14.7
Obligation to deliver securities	59.4	3.3	—	62.7
Corporate bonds	21.7	0.7	—	22.4
Russian federal loan bonds (OFZ bonds)	18.6	—	—	18.6
Corporate shares	16.3	—	—	16.3
Russian Federation Eurobonds	2.8	2.6	—	5.4
Total financial liabilities carried at fair value	59.4	789.0	11.6	860.0

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following table shows fair values of financial liabilities for which fair values are disclosed, by level of the fair value hierarchy as at 30 June 2021:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities for which fair values are disclosed					
Due to banks	454.7	—	424.5	29.0	453.5
Due to individuals					
- Current / demand accounts	6,781.5	—	6,781.5	—	6,781.5
- Term deposits and direct repo agreements	10,008.0	—	—	9,976.4	9,976.4
Due to corporate customers					
- Current / demand accounts	3,508.5	—	3,508.5	—	3,508.5
- Term deposits and direct repo agreements	7,328.3	—	—	6,999.8	6,999.8
Debt securities in issue	888.3	55.3	836.9	—	892.2
Other borrowed funds	77.4	—	20.8	56.7	77.5
Other financial liabilities	463.8	—	—	463.8	463.8
Subordinated debt	551.6	138.8	57.7	360.5	557.0
Total financial liabilities for which fair values are disclosed	30,062.1	194.1	11,629.9	17,886.2	29,710.2

The following table shows fair values of financial liabilities for which fair values are disclosed, by level of the fair value hierarchy as at 31 December 2020:

<i>in billions of Russian Roubles</i>	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities for which fair values are disclosed					
Due to banks	1,312.3	—	1,260.2	50.0	1,310.2
Due to individuals					
- Current / demand accounts	6,055.9	—	6,055.9	—	6,055.9
- Term deposits and direct repo agreements	10,388.0	—	—	10,541.1	10,541.1
Due to corporate customers					
- Current / demand accounts	3,238.9	—	3,238.9	—	3,238.9
- Term deposits and direct repo agreements	5,850.0	—	—	5,924.6	5,924.6
Debt securities in issue	882.2	123.3	764.8	—	888.1
Other borrowed funds	68.0	—	23.0	45.0	68.0
Other financial liabilities	401.3	—	—	401.3	401.3
Subordinated debt	487.6	145.3	—	349.6	494.9
Total financial liabilities for which fair values are disclosed	28,684.2	268.6	11,342.8	17,311.6	28,923.0

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following describes the methodologies and assumptions used to determine fair values for financial instruments.

Derivatives

Derivatives valued using a valuation technique with market observable inputs derived from well-known market information systems are mainly foreign currency interest rate swaps, interest rate swaps, currency swaps, forward foreign exchange contracts and foreign exchange option contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. Pricing of options is mostly done with Black-Scholes model and for certain types of options with stochastic local volatility model. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and implied volatility. In rare exceptional cases, DCF model may be applied, in case where it is impossible to obtain market data.

Securities measured at fair value through profit or loss and securities at fair value through other comprehensive income

Securities measured at fair value through profit or loss and securities measured at fair value through other comprehensive income valued using a valuation technique or pricing models primarily consist of unquoted equity and debt securities. These securities are valued using models which sometimes only incorporate data observable in the market and at other times use both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

The following table shows transfers between Level 1 and Level 2 of the fair value hierarchy for financial assets and financial liabilities measured at fair value during the six months ended 30 June 2021:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Transfers between Level 1 and Level 2	
	From Level 1 to Level 2	From Level 2 to Level 1
Financial assets		
Securities measured at fair value through other comprehensive income	356.3	157.6
Securities mandatorily measured at fair value through profit or loss	39.6	16.5
Securities measured at fair value through other comprehensive income pledged under repurchase agreements	430.9	3.9
Total transfers of financial assets	826.8	178.0
Obligation to deliver securities	—	(3.1)
Total transfers of financial liabilities	—	(3.1)

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following table shows transfers between Level 1 and Level 2 of the fair value hierarchy for financial assets and financial liabilities measured at fair value during the year ended 31 December 2020:

<i>in billions of Russian Roubles</i>	Transfers between Level 1 and Level 2	
	From Level 1 to Level 2	From Level 2 to Level 1
Financial assets		
Securities measured at fair value through other comprehensive income	263.9	231.0
Securities mandatorily measured at fair value through profit or loss	59.0	51.0
Securities measured at fair value through other comprehensive income pledged under repurchase agreements	53.0	6.3
Securities mandatorily measured at fair value through profit or loss pledged under repurchase agreements	0.1	—
Total transfers of financial assets	376.0	288.3
Obligation to deliver securities	(8.3)	(10.2)
Total transfers of financial liabilities	(8.3)	(10.2)

The financial instruments are transferred from Level 2 and Level 3 to Level 1 when they become actively traded and fair values are determined using quoted prices in an active market.

The financial instruments are transferred from Level 1 to Level 2 when they ceased to be actively traded, the liquidity of the market is not sufficient to use the market quotation for the valuation and fair values are consequently obtained from valuation techniques using observable market inputs.

The financial instruments are transferred to Level 3 when they ceased to be actively traded and there is no possibility to use valuation techniques with observable market inputs.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following table shows a reconciliation of the opening and closing amount of Level 3 assets and liabilities which are recorded at fair value as at 30 June 2021:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	At 31 December 2020	Total gains/ (losses)/ (expenses) reported in profit or loss	Foreign currency revaluation/ translation	Total losses reported in other compre- hensive income	Origination/ Purchases	Sales/ Settlements/ Transfers	Transfers to Level 3	At 30 June 2021
Securities mandatorily measured at fair value through profit or loss	32.1	27.3	(0.1)	—	1.9	(7.6)	0.6	54.2
Securities measured at fair value through other comprehensive income	130.6	4.8	(0.2)	(6.7)	—	(20.9)	—	107.6
Loans and advances to customers	1,123.6	45.4	(16.4)	—	479.2	(380.6)	—	1,251.2
Investments in associates and joint ventures designated at fair value through profit or loss	24.9	—	—	—	—	—	—	24.9
Derivative financial assets	—	—	—	—	0.4	—	—	0.4
Investment property	6.1	—	—	—	21.5	(2.4)	—	25.2
Office premises	258.5	(2.7)	(0.1)	(0.1)	26.4	(2.1)	—	279.9
Total level 3 assets	1,575.8	74.8	(16.8)	(6.8)	529.4	(413.6)	0.6	1,743.4
Derivative financial liabilities	11.6	—	—	—	5.7	—	—	17.3
Total level 3 liabilities	11.6	—	—	—	5.7	—	—	17.3

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

For the six months ended 30 June 2021 the gains in the amount of RR 45.3 billion reported in the interim consolidated statement of profit or loss on Level 3 financial assets were unrealized.

For the six months ended 30 June 2021 the losses in the amount RR 6.7 billion reported in the interim consolidated statement of comprehensive income on Level 3 financial assets were unrealized.

Details of valuation of significant assets as at 30 June 2021 are summarised below.

Valuation of loans using valuation techniques based on non-observable inputs

The Group determined fair value of loans based on discounted cash flow models and using the pricing of embedded derivatives. The models use a number of observable and non-observable inputs on the market, key of which (depends on particular loan) are the interest rates, the credit spread and estimated cash flows.

Should the interest rate used by the Group in the valuation model for loans to a chemical company with fair value of 456.2 billion increase / decrease by 1.0%, the carrying value of the loans would be RR 7.3 billion lower / RR 7.3 billion higher. Should the credit spread used by the Group in the valuation model for loans to the company increase / decrease by 1.0%, the carrying value of the loans would be RR 4.5 billion lower / RR 4.5 billion higher.

Should the interest rate used by the Group in the valuation model for loans to an oil refining company with fair value of 70.7 billion increase / decrease by 1.0%, the carrying value of the loans would be RR 0.6 billion lower / RR 0.6 billion higher. Should the credit spread used by the Group in the valuation model for loans to the company increase / decrease by 1.0%, the carrying value of the loans would be RR 1.1 billion lower / RR 1.1 billion higher.

In valuation above, market convention LGD which is equal to 75.0% was used.

Should the sum of discounted cash flows used by the Group in the valuation model for loans to an oil refining company with fair value of RR 115.7 billion increase / decrease by 5.0%, the carrying value of the loans would be RR 5.8 billion higher / RR 5.8 billion lower.

Should the sum of discounted cash flows used by the Group in the valuation model for loans to a real estate company with fair value of RR 33.1 billion increase / decrease by 5.0%, the carrying value of the loans would be RR 1.7 billion higher / RR 1.7 billion lower.

Valuation of mortgage-backed securities using valuation techniques based on non-observable inputs

The model uses a number of observable and unobservable inputs to derive a valuation, key of which include risk-free curve and the credit spread for JSC "DOM.RF" (all considered observable), while portfolio aging period and behavioral adjustment on refinancing position represent key unobservable inputs.

Should the risk-free curve used by the Group in the valuation model for securities of RR 41.2 billion increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 1.0 billion lower / RR 1.0 billion higher. Should the JSC "DOM.RF" credit spread used by the Group in the valuation model increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 1.0 billion lower / RR 1.0 billion higher.

Should the risk-free curve used by the Group in the valuation model for securities of RR 25.6 billion increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.6 billion lower / RR 0.6 billion higher. Should the JSC "DOM.RF" credit spread used by the Group in the valuation model increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.6 billion lower / RR 0.6 billion higher.

Should the risk-free curve used by the Group in the valuation model for securities of RR 19.0 billion increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.4 billion lower / RR 0.4 billion higher. Should the JSC "DOM.RF" credit spread used by the Group in the valuation model increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.4 billion lower / RR 0.4 billion higher.

Should the risk-free curve used by the Group in the valuation model for securities of RR 16.7 billion increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.3 billion lower / RR 0.4 billion higher. Should the JSC "DOM.RF" credit spread used by the Group in the valuation model increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.3 billion lower / RR 0.4 billion higher.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

The following table shows a reconciliation of the opening and closing amount of Level 3 assets which are recorded at fair value as at 31 December 2020:

<i>in billions of Russian Roubles</i>	At 31 December 2019	Total gains/ (losses)/ (expenses) reported in profit or loss	Foreign currency revaluation/ translation	Total gains/ (losses) reported in other compre- hensive income	Origination/ Purchases	Sales/ Settlements/ Transfers	Transfers from Level 3	Transfers to Level 3	At 31 December 2020
Securities mandatorily measured at fair value through profit or loss	18.0	9.3	1.6	—	22.1	(2.0)	(17.2)	0.3	32.1
Securities measured at fair value through other comprehensive income	101.1	7.7	0.8	0.3	47.5	(26.8)	—	—	130.6
Loans and advances to customers	952.7	(30.7)	159.9	—	496.9	(455.2)	—	—	1,123.6
Investments in associates and joint ventures designated at fair value through profit or loss	19.4	2.2	—	—	3.3	—	—	—	24.9
Derivative financial assets	0.7	(0.1)	—	—	—	(0.6)	—	—	—
Investment property	4.7	—	0.1	—	0.2	(1.1)	—	2.2	6.1
Office premises	280.6	(11.9)	0.2	(4.0)	7.0	(12.9)	(1.3)	0.8	258.5
Total level 3 assets	1,377.2	(23.5)	162.6	(3.7)	577.0	(498.6)	(18.5)	3.3	1,575.8
Derivative financial liabilities	2.2	0.6	—	—	8.8	—	—	—	11.6
Total level 3 liabilities	2.2	0.6	—	—	8.8	—	—	—	11.6

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

21 Fair Value Disclosures (continued)

For the year ended 31 December 2020 the losses in the amount of RR 60.1 billion reported in the consolidated statement of profit or loss on Level 3 financial assets were unrealized.

For the year ended 31 December 2020 the losses in the amount of RR 0.6 billion reported in the consolidated statement of profit or loss on Level 3 financial liabilities were unrealized.

For the year ended 31 December 2020 the gains in the amount RR 0.3 billion reported in the consolidated statement of comprehensive income on Level 3 financial assets were unrealized.

Details of valuation of significant assets as at 31 December 2020 are summarised below.

Valuation of loans using valuation techniques based on non-observable inputs

The Group determined fair value of loans based on discounted cash flow models and using the pricing of embedded derivatives. The models use a number of observable and non-observable inputs on the market, key of which (depends on particular loan) are the interest rates, the credit spread and estimated cash flows.

Should the interest rate used by the Group in the valuation model for loans to a chemical company with fair value of 468.5 billion increase / decrease by 1.0%, the carrying value of the loans would be RR 7.8 billion lower / RR 7.8 billion higher. Should the credit spread used by the Group in the valuation model for loans to the company increase / decrease by 1.0%, the carrying value of the loans would be RR 5.2 billion lower / RR 5.2 billion higher.

In valuation above market convention LGD which is equal to 75% was used.

Should the sum of discounted cash flows used by the Group in the valuation model for loans to an oil refining company with fair value of RR 108.7 billion increase / decrease by 5.0%, the carrying value of the loans would be RR 5.4 billion higher / RR 5.4 billion lower.

Should the sum of discounted cash flows used by the Group in the valuation model for loans to another oil refining company with fair value of RR 65.0 billion increase / decrease by 5.0%, the carrying value of the loans would be RR 3.3 billion higher / RR 3.3 billion lower.

Valuation of mortgage-backed securities using valuation techniques based on non-observable inputs

The model uses a number of observable and unobservable inputs to derive a valuation, key of which include risk-free curve and the credit spread for JSC "DOM.RF" (all considered observable), while portfolio aging period and behavioral adjustment on refinancing position represent key unobservable inputs.

Should the risk-free curve used by the Group in the valuation model for securities of RR 48.9 billion increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 1.2 billion lower / RR 1.3 billion higher. Should the JSC "DOM.RF" credit spread used by the Group in the valuation model increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 1.2 billion lower / RR 1.3 billion higher.

Should the risk-free curve used by the Group in the valuation model for securities of RR 23.5 billion increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.6 billion lower / RR 0.6 billion higher. Should the JSC "DOM.RF" credit spread used by the Group in the valuation model increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.6 billion lower / RR 0.6 billion higher.

Should the risk-free curve used by the Group in the valuation model for securities of RR 31.8 billion increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.8 billion lower / RR 0.8 billion higher. Should the JSC "DOM.RF" credit spread used by the Group in the valuation model increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.5 billion lower / RR 0.6 billion higher.

Should the risk-free curve used by the Group in the valuation model for securities of RR 21.1 billion increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.5 billion lower / RR 0.6 billion higher. Should the JSC "DOM.RF" credit spread used by the Group in the valuation model increase / decrease by 1.0%, the carrying value of the financial instrument would be RR 0.8 billion lower / RR 0.8 billion higher.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

22 Related Party Transactions

For the purposes of these interim condensed consolidated financial statements, 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 or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Starting from April 2020 the Bank's principal shareholder and the ultimate controlling party is the Russian Federation represented by the Government of the Russian Federation (the "Government"). Before that date the Bank's principal and ultimate controlling shareholder was the Bank of Russia. Refer to Note 1.

Other related parties in the tables below comprise associated companies and joint ventures of the Group (hereafter "Associates and JVs"), key management personnel of the Group including their close family members. Disclosures are made in Note 23 for significant transactions with state-controlled entities and regional / municipal state authorities. Information on investments in associates and joint ventures is disclosed in Note 7.

As at 30 June 2021, the outstanding balances with the Government (for the purposes of this Note including its federal ministries, services and agencies) and other related parties were as follows:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	30 June 2021		
	The Government	Associates and JVs	Key management personnel
Assets			
Loans and advances to customers before credit loss allowance	42.1	111.0	—
Securities	2,466.9	—	—
Financial instruments pledged under repurchase agreements	1,845.9	—	—
Other assets	0.3	0.5	—
Liabilities			
Due to individuals	—	—	12.6
Due to corporate customers	3,061.7	20.4	—
Other liabilities	—	0.1	8.1
Credit related commitments			
Guarantees issued	51.8	16.9	—
Undrawn credit lines	44.7	49.7	—
Commitments to extend guarantees	59.7	2.7	—

As at 30 June 2021, the outstanding amount of perpetual subordinated debt received from the Ministry of Finance amounted to RR 150.0 billion (31 December 2020: RR 150.0 billion).

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

22 Related Party Transactions (continued)

As at 31 December 2020, the outstanding balances with the Government and other related parties were as follows:

<i>in billions of Russian Roubles</i>	31 December 2020		
	The Government	Associates and JVs	Key management personnel
Assets			
Loans and advances to customers before credit loss allowance	34.3	112.7	—
Securities	3,264.5	0.8	—
Financial instruments pledged under repurchase agreements	877.5	—	—
Other assets	0.5	0.5	—
Liabilities			
Due to individuals	—	—	14.9
Due to corporate customers	1,219.7	37.4	—
Other liabilities	—	0.8	4.4
Credit related commitments			
Guarantees issued	48.0	9.1	—
Undrawn credit lines	41.6	37.2	—
Commitments to extend guarantees	69.0	10.8	—

The income and expense items with the Government and other related parties for the six months ended 30 June 2021 are disclosed below.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June 2021		
	The Government	Associates and JVs	Key management personnel
Interest income calculated using the effective interest method	121.8	3.4	—
Interest expense calculated using the effective interest method	(40.2)	(0.3)	(0.2)
Fee and commission income	0.6	0.3	—
Fee and commission expense	—	(1.4)	—
Other net income / (expense)	0.4	(0.2)	—
Staff and administrative expenses	(0.1)	(0.5)	(5.2)

The income and expense items with the Government and other related parties for the three months ended 30 June 2021 were as follows:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Three months ended 30 June 2021		
	The Government	Associates and JVs	Key management personnel
Interest income calculated using the effective interest method	62.8	1.7	—
Interest expense calculated using the effective interest method	(27.8)	(0.2)	(0.1)
Fee and commission income	0.4	0.1	—
Fee and commission expense	—	(0.1)	—
Other net income / (expense)	0.3	(0.1)	—
Staff and administrative expenses	(0.1)	(0.3)	(3.1)

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

22 Related Party Transactions (continued)

The income and expense items with the Government, the Bank of Russia and its Group, and other related parties for the six months ended 30 June 2020 are disclosed below. The results of operations with the Bank of Russia and its Group are included in the table below for the three months ended 31 March 2020.

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Six months ended 30 June 2020				
	The Government	Bank of Russia	Group of the Bank of Russia	Associates and JVs	Key management personnel
Interest income calculated using the effective interest method	40.4	3.8	1.0	3.5	—
Interest expense calculated using the effective interest method	(7.4)	(8.6)	(0.2)	(0.4)	(0.5)
Fee and commission income	—	—	—	0.2	—
Fee and commission expense	—	(0.4)	(0.1)	—	—
Other net income / (expense)	—	0.1	2.4	(0.1)	—
Staff and administrative expenses	—	—	—	(0.4)	(2.3)

The income and expense items with the Government and other related parties for the three months ended 30 June 2020 were as follows:

<i>(unaudited)</i> <i>in billions of Russian Roubles</i>	Three months ended 30 June 2020		
	The Government	Associates and JVs	Key management personnel
Interest income calculated using the effective interest method	40.4	1.9	—
Interest expense calculated using the effective interest method	(7.4)	(0.3)	(0.3)
Fee and commission income	—	0.1	—
Other net income	—	0.2	—
Staff and administrative expenses	—	(0.2)	(1.6)

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

22 Related Party Transactions (continued)

For the six months ended 30 June 2021, regular remuneration of the members of the key management personnel comprised salaries and bonuses totaling RR 2.9 billion (for the six months ended 30 June 2020: RR 2.2 billion). For the three months ended 30 June 2021, regular remuneration of the members of the key management personnel comprised salaries and bonuses totaling RR 1.8 billion (for the three months ended 30 June 2020: RR 1.0 billion). Payments to the key management personnel on regular remuneration for the six months ended 30 June 2021 comprised RR 1.5 billion (for the six months ended 30 June 2020: RR 1.4 billion). Payments to the key management personnel on regular remuneration for the three months ended 30 June 2021 comprised RR 0.4 billion (for the three months ended 30 June 2020: RR 0.4 billion).

Also, in 2015 the Bank has introduced a long term cash settled motivation program for the key management personnel with share-based features. The program has been designed within a framework of risk-oriented remuneration and is in full compliance with the requirements of the Bank of Russia on the remuneration system for Russian credit institutions. The program parameters are as follows:

- 40% of the variable part of the annual compensation is deferred and is paid in 3 annual installments;
- payments to the participants of the program are contingent upon the Bank's positive performance, e.g. if the Bank has a loss in any of the 3 years following the year in which the award was granted, payments to the participants are forfeited for that particular year;
- awards may be fully or partially forfeited, for example, due to individual misconduct (including a breach of regulations) or termination for cause and also due to negative individual contributions to the Bank's results.

Share-based long term compensation is payable in cash and is remeasured at each reporting date based on the forward price of the Bank's ordinary shares. For the six months ended 30 June 2021 share-based long term compensation (including remeasurement of the outstanding balance to reflect changes in the price of the Bank's ordinary shares) has amounted to RR 2.3 billion (for the six months ended 30 June 2020: RR 0.2 billion). For the three months ended 30 June 2021 share-based long term compensation (including remeasurement of the outstanding balance to reflect changes in the price of the Bank's ordinary shares) has amounted to RR 1.3 billion (for the three months ended 30 June 2020: RR 0.6 billion). There were no payments to the key management personnel on share-based long term compensation for the six months and for the three months ended 30 June 2021 and 30 June 2020.

Payables on share-based long term compensation as at 30 June 2021 amounted to RR 6.0 billion (31 December 2020: RR 3.7 billion). The related obligations are included in other financial liabilities in the interim consolidated statement of financial position until paid.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

23 Operations with State-Controlled Entities and Government Bodies

In the normal course of business, the Group enters into contractual agreements with state-controlled entities and government bodies. The Group provides these clients with a full range of banking services including, but not limited to, lending, deposit-taking, issue of guarantees, operations with securities, cash and settlement transactions. Operations with these clients are generally carried out on market terms.

Balances with the Bank of Russia, the regional / municipal state authorities and state-controlled entities which are significant in terms of the carrying amounts as at 30 June 2021 are disclosed below:

		30 June 2021			
		Cash and cash equivalents / Mandatory cash balances with the Bank of Russia	Loans and advances to customers / Due from banks	Due to corporate customers / Due to banks/ Subordinated debt	Guarantees issued/ Undrawn credit lines
<i>(unaudited)</i> <i>in billions of Russian Roubles</i>					
Client	Sector				
Client 1	Banking	1,224.7	300.0	514.8	—
Client 2	Oil and gas	—	637.0	22.4	32.3
Client 3	Oil and gas	—	386.7	115.4	25.0
Client 4	Banking	—	245.6	122.9	—
Client 5	Oil and gas	—	201.7	59.6	—
Client 6	Machinery	—	14.3	11.9	193.2
Client 7	Machinery	—	190.1	0.1	15.8
Client 8	Telecommunications	—	145.9	—	9.5
Client 9	Transport and logistics	—	120.5	21.3	10.2
Client 10	Metallurgy	—	82.6	36.4	—
Client 11	Energy	—	79.9	27.4	2.8
Client 12	Machinery	—	84.7	—	0.1
Client 13	Machinery	—	51.3	13.6	16.5
Client 14	Machinery	—	65.0	—	9.5
Client 15	Transport and logistics	—	69.0	—	0.1
Client 16	Machinery	—	4.2	15.7	32.4
Client 17	Machinery	—	—	—	52.2
Client 18	Government and municipal bodies	—	45.9	—	—
Client 19	Machinery	—	28.3	12.1	—
Client 20	Energy	—	—	31.5	—

As at 30 June 2021 and 31 December 2020 the balances with Client 1 represent balances with the Bank of Russia. The balances outstanding as at 30 June 2021 and 31 December 2020 with the Government and results of operations with the Government are disclosed in Note 22.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

23 Operations with State-Controlled Entities and Government Bodies (continued)

Balances with the Bank of Russia, the regional / municipal state authorities and state-controlled entities as at 31 December 2020 disclosed below contain balances of clients which are significant in terms of the carrying amounts as at 30 June 2021 (Clients 1-20), and in addition the entities with the balances which were significant as at 31 December 2020 (Clients 21-24):

		31 December 2020			
		Cash and cash equivalents / Mandatory cash balances with the Bank of Russia	Loans and advances to customers / Due from banks	Due to corporate customers / Due to banks/ Subordinated debt	Guarantees issued/ Undrawn credit lines
<i>in billions of Russian Roubles</i>					
Client	Sector				
Client 1	Banking	1,063.8	22.6	501.6	—
Client 2	Oil and gas	—	638.7	91.1	21.5
Client 3	Oil and gas	—	388.1	—	0.9
Client 4	Banking	—	10.5	20.4	—
Client 5	Oil and gas	—	208.5	35.5	—
Client 6	Machinery	—	11.7	33.2	127.4
Client 7	Machinery	—	96.6	21.1	33.9
Client 8	Telecommunications	—	80.9	—	14.0
Client 9	Transport and logistics	—	86.1	—	2.5
Client 10	Metallurgy	—	29.3	—	—
Client 11	Energy	—	79.5	—	0.2
Client 12	Machinery	—	9.8	—	—
Client 13	Machinery	—	45.9	14.1	19.4
Client 14	Machinery	—	69.1	19.9	22.4
Client 15	Transport and logistics	—	4.1	—	1.3
Client 16	Machinery	—	6.3	14.5	32.9
Client 17	Machinery	—	—	—	38.5
Client 18	Government and municipal bodies	—	45.9	—	—
Client 19	Machinery	—	15.3	20.8	0.1
Client 20	Energy	—	—	27.8	—
Client 21	Banking	—	11.4	45.5	—
Client 22	Government and municipal bodies	—	—	49.3	—
Client 23	Banking	—	—	36.2	—
Client 24	Banking	—	—	34.1	—

As at 30 June 2021 and 31 December 2020 the Group's investments in securities issued by state-controlled corporate entities were as follows:

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)		31 December 2020	
	Corporate bonds	Corporate shares	Corporate bonds	Corporate shares
Securities mandatorily measured at fair value through profit or loss	85.5	25.1	99.6	22.5
Securities measured at amortized cost	356.8	—	357.4	—
Securities measured at fair value through other comprehensive income - debt instruments	250.4	—	264.1	—
Financial instruments pledged under repurchase agreements	7.8	0.1	7.0	0.2

For disclosures on investments in the regional / municipal debt securities and securities issued by the Bank of Russia please refer to Notes 5 and 6.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

24 Principal Subsidiaries

The table below provides details on principal subsidiaries of the Bank as at 30 June 2021:

<i>(unaudited)</i> Name	Nature of business	Percentage of ownership	Country of registration
Sberbank Europe AG	banking	100.00%	Austria
BPS-Sberbank OJSC	banking	98.43%	Belarus
SB Sberbank JSC	banking	100.00%	Kazakhstan
SBERBANK JSC	banking	100.00%	Ukraine
Sberbank (Switzerland) AG	banking	99.82%	Switzerland
Cetelem Bank LLC	banking	100.00%	Russia
Sberbank Leasing JSC	leasing	100.00%	Russia
Sberbank Capital LLC	finance	100.00%	Russia
SB CIB Holding LLC	finance	100.00%	Russia
Insurance company "Sberbank life insurance" LLC	finance	100.00%	Russia
Insurance company "Sberbank insurance" LLC	finance	100.00%	Russia
Sberbank Factoring LLC	finance	100.00%	Russia
Rublyovo-Arkhangelskoye JSC	construction	100.00%	Russia
Sberbank Investments LLC	finance	100.00%	Russia
YooMoney LLC	finance	100.00%	Russia
Digital Technologies LLC	digital business	100.00%	Russia
Non-state Pension Fund of Sberbank JSC	finance	100.00%	Russia

In the first quarter of 2021 the Group, M.Video-Eldorado group and Goods.ru's founder and co-owner closed the deal on acquiring by the Group of an interest in marketplace Goods.ru. As a result of the deal, the Group's share in Goods.ru comprised 85.0%; M.Video-Eldorado group retained a 10.0% share and Goods.ru's founder and co-owner retained a 5.0% share in Goods.ru. Marketplace Goods.ru joined ecosystem of Sber under SberMegaMarket brand.

The share of the subsidiaries of the Bank in the consolidated assets of the Group as at 30 June 2021 was 15.5% (31 December 2020: 15.6%).

25 Capital Adequacy Ratio

The Group's objectives when managing capital are (i) to comply with the regulatory capital requirements set by the Bank of Russia and (ii) to safeguard the Group's ability to continue as a going concern.

According to requirements set by the Bank of Russia regulatory capital ratio N1.0 has to be maintained by the Bank above the minimum level of 8.0% (31 December 2020: 8.0%). For the purposes of regulatory capital adequacy ratios calculation the Bank applies the requirements of the Bank of Russia which were issued by the regulator to adopt in the Russian Federation the requirements of the Basel Committee for Banking Supervision known as "Basel 3.5".

The total regulatory capital of the Bank and regulatory capital adequacy ratios of the Bank as at 30 June 2021 and 31 December 2020 are disclosed below.

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Total capital	4,722.3	4,660.6
Common equity adequacy ratio N1.1, %	12.0	11.2
Tier 1 capital adequacy ratio N1.2, %	12.5	11.7
Total capital adequacy ratio N1.0, %	14.8	14.5

The Bank of Russia also sets the requirements to regulatory capital ratio of the Group (N20.0). As at 30 June 2021 regulatory capital ratio N20.0 including add-ons has to be maintained by the Group above the minimum level of 11.5% (31 December 2020: above 11.5%). The Group complied with these requirements.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

25 Capital Adequacy Ratio (continued)

The Bank calculates capital adequacy ratios using internal ratings-based (“IRB”) approach for part of certain classes of financial instruments:

- Loans to corporate customers;
- Loans to individuals;
- Debt securities;
- Derivatives;
- Credit related commitments.

The Group also monitors capital adequacy ratio on consolidated level based on requirements of Basel Committee for Banking Supervision. According to Basel Committee for Banking Supervision requirements minimum level of capital adequacy ratio is 6.0% for Tier 1 capital and 8.0% for total capital. For assessment of credit risk in calculation of capital adequacy ratio on consolidated level the Group applies IRB approach for certain part of financial instruments for which IRB approach is applied in regulatory reports.

The Group applies Basel 3.5 requirements for all assets in calculation of capital adequacy ratios on consolidated level.

Principles and methodology of IRB approach implementation for the purposes of calculation of regulatory capital adequacy ratios and capital adequacy ratios on consolidated level are aligned and reflect Russian regulatory interpretation of Basel 3.5 requirements.

Principles and methodology of standardized approach implementation for the purposes of calculation of regulatory capital adequacy ratios and capital adequacy ratios on consolidated level are aligned in cases where Basel 3.5 requirements allow to apply such national regulatory requirements. In particular, such approach was used for the following main types of assets:

- government and municipal debt financial instruments of the Russian Federation and its subjects nominated and funded in Russian Roubles;
- specific types of loans to which higher risk weights are applied in accordance with the Bank of Russia requirements;
- correspondent accounts and mandatory cash balances with the Bank of Russia.

Additionally, such aligned approach to the calculation of risk weighted assets on credit risk for the purpose of calculation of regulatory capital adequacy ratio and capital adequacy ratio on consolidated level includes:

- application of the macroprudential adjustments to the risk coefficients for both standardized and IRB approaches;
- application by the Group members - non-residents of the macroprudential adjustments to the risk coefficients in case they are set up by their national regulators;
- application of other regulatory requirements of the Bank of Russia to risk coefficients applied;
- the element of potential credit risk on derivative financial instruments is calculated in accordance with the requirements of Basel 2;
- within the framework of the transition period commencement for equity investments in not quoted non-credit institutions the Bank applies a conservative risk weight of 150.0%.

In the second quarter of 2021 the Group received approval from the Bank of Russia to calculate the Bank’s risk weighted assets on operational risk based on actual data on losses from operational risk exposures in line with the main approaches of Basel Committee for Banking Supervision in accordance with Basel 3.5. This approach is applied for operational risk calculation in relation to the Bank. To calculate operational risk in relation to subsidiaries basic approach of Basel 2 was applied. Comparative figures as at 31 December 2020 were amended accordingly.

At the same time, the Group uses the Basel 3.5 methodology based on external credit ratings for the following types of assets: cash and cash equivalents, due from banks, securities, financial instruments pledged under repurchase agreements, derivative financial instruments.

Selected Notes to the Interim Condensed Consolidated Financial Statements – 30 June 2021

25 Capital Adequacy Ratio (continued)

The capital adequacy ratio of the Group as at 30 June 2021 and 31 December 2020 calculated in accordance with the Basel Committee for Banking Supervision requirements is disclosed below.

<i>in billions of Russian Roubles</i>	30 June 2021 (new approach for operational risk) (unaudited)	31 December 2020 (new approach for operational risk) (unaudited)	31 December 2020
Tier 1 capital			
Share capital	87.7	87.7	87.7
Share premium	232.6	232.6	232.6
Retained earnings	4,590.5	4,375.6	4,375.6
Non-controlling interest	7.7	3.2	3.2
Treasury shares	(37.6)	(14.4)	(14.4)
Other reserves	113.6	213.3	213.3
less goodwill	(59.5)	(48.8)	(48.8)
less intangible assets	(95.4)	(94.0)	(94.0)
Other deductions from capital	(40.9)	(35.3)	(35.3)
Common equity Tier 1 capital	4,798.7	4,719.9	4,719.9
Perpetual subordinated loan	150.0	150.0	150.0
Tier 1 capital	4,948.7	4,869.9	4,869.9
Tier 2 capital			
Eligible subordinated debt	86.5	41.7	41.7
Excess of total eligible provisions over expected loss amount under IRB approach	103.8	97.3	97.3
Tier 2 capital	190.3	139.0	139.0
Total capital	5,139.0	5,008.9	5,008.9
Risk weighted assets (RWA)			
Credit risk	29,772.7	29,253.9	29,253.9
Operational risk	2,986.3	2,986.3	3,664.3
Market risk	1,405.0	1,206.0	1,206.0
Total risk weighted assets (RWA)	34,164.0	33,446.2	34,124.2
Common equity Tier 1 capital adequacy ratio (Common equity Tier 1 capital / Total RWA), %	14.0	14.1	13.8
Tier 1 capital adequacy ratio (Tier 1 capital / Total RWA), %	14.5	14.6	14.3
Total capital adequacy ratio (Total capital / Total RWA), %	15.0	15.0	14.7

In the table below is disclosed the leverage ratio calculated in accordance with the Basel Committee requirements.

<i>in billions of Russian Roubles</i>	30 June 2021 (unaudited)	31 December 2020
Tier 1 capital	4,948.7	4,869.9
Total leverage ratio exposure	39,796.7	37,807.9
Leverage ratio, %	12.4	12.9

The Group was in compliance with external capital requirements during the six months ended 30 June 2021 and the year ended 31 December 2020.

26 Subsequent Events

In July 2021 the Group has closed a deal on the sale of the parent company of Eurocement Group. Refer to Note 8.

In July 2021 Non-state Pension Fund of Sberbank JSC has closed the deal on acquisition of a 100.% share in JSC NSPF Renaissance pensions. Founded in 2002, JSC NSPF Renaissance pensions has about 200 corporate customers, including major international holding companies. Over 42,000 clients use the pension programs of JSC NSPF Renaissance pensions. The assets of JSC NSPF Renaissance pensions comprised about RR 25.0 billion.