

**Interim Condensed Financial  
Statements**

**“Commercial Indo Bank” Limited Liability Company**

**“Commercial Indo Bank” LLC**

**for the six months ended June 30,2021**

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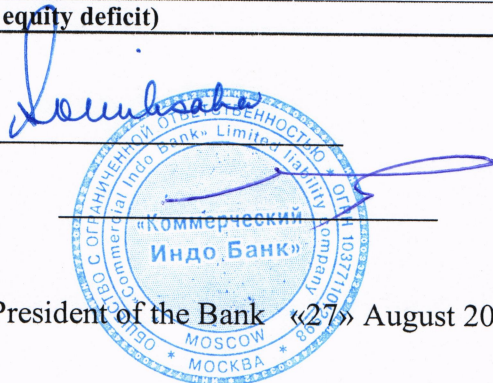
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# INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION FOR JUNE 30, 2021

	Note	June30, 2021	December 31 2020
<b>Assets</b>			
Cash and cash equivalents	5	2 019 459	943 448
Mandatory cash balances with the Bank of Russia	6	230 700	278 092
Funds in other banks	7	2 759 000	4 055 361
Loans to clients	8	457 730	443 512
Investment securities	9	362 545	2 289 015
Fixed assets and intangible assets		22 087	16 567
Right-of-use assets		36 686	39 045
Current income tax assets	20	1 458	72 313
Deferred income tax assets	20	39 445	47 132
Other assets	10	74 628	17 032
<b>Total assets</b>		<b>6 003 738</b>	<b>8 201 517</b>
<b>Commitments</b>			
Funds from other banks	11	185 644	1 704 983
Client funds	12	3 462 706	4 127 365
Deferred income tax liabilities	20	0	6 643
Other liabilities	13	51 586	57 286
Reserves	14	12 664	11 916
<b>Total liabilities</b>		<b>3 712 600</b>	<b>5 908 193</b>
<b>Equity(equity capital deficit)</b>			
Authorized capital	15	1 115 267	1 115 267
Fair value revaluation reserve for financial assets measured at fair value through other comprehensive income	9	0	26 574
Undistributed profits		1 175 871	1 151 483
<b>Total equity(equity deficit)</b>		<b>2 291 138</b>	<b>2 293 324</b>
<b>Total liabilities and equity ( equity deficit)</b>		<b>6 003 738</b>	<b>8 201 517</b>

President



(Surik Sakha)

Chief accountant

(A.N.Silonov)

Approved by the acting President of the Bank «27» August 2021

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Note	For six months, ended June 30	
		2021 (unaudited)	2020 (unaudited)
Interest Income	16	133 213	91 936
Interest Expense	16	(46 511)	(6 344)
<b>Net interest income(net interest expense)</b>		<b>86 702</b>	<b>85 592</b>
Change in the estimated allowance for losses on due from other banks and loans to customers	5. 7. 8	(2 362)	(4 774)
<b>Net interest income after the creation of an allowance for losses on due from other banks and loans to customers</b>		<b>84 340</b>	<b>80 818</b>
Income less expense (expense less income) from transactions with financial assets measured at fair value through other comprehensive income		11 346	41 867
Income less expenses from foreign exchange transactions		(287)	12 084
Income less expenses (expenses less income) from foreign currency revaluation		6 771	5 074
Fee and commission income	17	6 005	11 509
Commission expenses	17	(2 444)	(2 007)
<b>Net non-interest income</b>		<b>21 391</b>	<b>68 527</b>
Change in the allowance for the losses on financial assets measured at fair value through other comprehensive income	9	0	2 094
Income (expense) from de recognition of financial assets measured at amortized cost	18	1 219	0
Other operating income		308	566
<b>Operating income</b>		<b>1 527</b>	<b>2 660</b>
<b>Net income ( expenses)</b>		<b>107 258</b>	<b>152 005</b>
Change in provision for other losses	10. 14	6 264	(6 996)
Administrative and other operating expenses	19	(74 959)	(65 814)
<b>Operating income ( expenses)</b>		<b>(68 695)</b>	<b>(72 810)</b>
<b>Profit( loss) before tax</b>		<b>38 563</b>	<b>79 195</b>
Income tax expense (reimbursement)	20	(14 175)	(26 336)
<b>Profit(loss) after tax</b>		<b>24 388</b>	<b>52 859</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Change in the revaluation reserve for debt financial assets measured at fair value through other comprehensive income	9	(33 217)	(43 648)
Deferred income tax related to components of other comprehensive income	9	6 643	8 729
Reserve for expected credit losses on financial assets measured at fair value through other comprehensive income	9		(2 094)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>(26 574)</b>	<b>(37 013)</b>
<b>Other comprehensive income that should not be reclassified to profit or loss in subsequent periods:</b>			
Deferred income tax related to components of other comprehensive income	9	6 643	0
<b>Other comprehensive income that should not be reclassified to profit or loss in subsequent periods</b>		<b>6 643</b>	<b>0</b>
<b>Total comprehensive income for the reporting period</b>		<b>4 457</b>	<b>15 846</b>

President

(Surik Sakha)

Chief accountant

(A.N.Silonov)

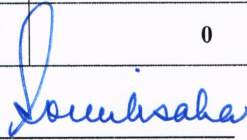
Approved by the acting President of the Bank «27» August 2021



# **INTERIM CONDENSED REPORT ON CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2021**

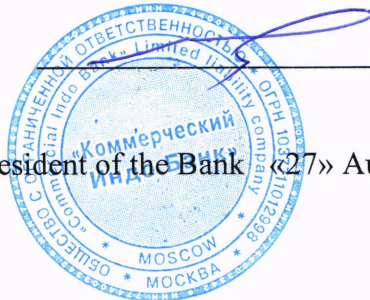
	Authorized capital	Fair value revaluation reserve for financial assets measured at fair value through other comprehensive income	Undistributed profits	Total equity (equity deficit)
<b>Balance as of January 1 of the year preceding the reporting year</b>	1 115 267	55 394	1 054 322	2 224 983
Comprehensive income for the period	0	(45 742)	79 195	33 453
Income tax related to the components of comprehensive income recognized in the period	0	8 729	(26 336)	(17 607)
<b>Balance as of June 30 of the year preceding the reporting year</b>	1 115 267	18 381	1 107 181	2 240 829
<b>Balance as of January 1 of the reporting year</b>	1 115 267	26 574	1 151 483	2 293 324
Comprehensive income for the period	0	(33 217)	38 563	5 346
Income tax related to the components of comprehensive income recognized in the period	0	6 643	(14 175)	(7 532)
<b>Balance as of June 30 of the reporting year</b>	1 115 267	0	1 175 871	2 291 138

President



(Surik Sakha)

Chief accountant



(A.N.Silovov)

Approved by the acting President of the Bank «27» August 2021



# **INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	For the six ended 2021 (unaudited)	months, June 30 2020 (unaudited)
<b>Cash received from (used in) operating activities before changes in operating assets and liabilities, total,</b>	<b>500 035</b>	<b>(5 843)</b>
<b>Including:</b>		
Interest and commission income	550 178	6 880
Interest and commission expense	(47 577)	(4 120)
Gains less losses from transactions with securities measured at fair value through other comprehensive income	15 236	40 781
Income less expenses from foreign exchange transactions	(287)	12 084
Income from operations with assets measured at amortized cost	1 219	0
Other operating income	(2 381)	2 386
Operating expenses paid	(67 434)	(50 302)
Income tax paid	51 081	(13 552)
<b>Increase / decrease in net cash from operating assets and liabilities, total,</b>	<b>(897 869)</b>	<b>1 263 696</b>
<b>Including:</b>		
Net (increase) decrease in mandatory reserves in accounts with the Central Bank of the Russian Federation	47 392	(112 443)
Net (increase) decrease in due from other banks	1 296 361	217 715
Net (increase) decrease in loans to customers	(21 036)	73 866
Net (increase) decrease in other financial assets	(46 127)	42 528
Net increase (decrease) in funds of other banks	(1 542 434)	740 036
Net increase (decrease) in customer accounts	(633 760)	292 496
Net increase (decrease) in other financial liabilities	1 735	9 498
<b>Net cash received from / (used in) operating activities</b>	<b>(397 834)</b>	<b>1 257 853</b>
Acquisition of financial assets categorized as “measured at fair value through other comprehensive income” ( and extinguishment ) of financial Proceeds from the sale assets categorized as “measured at fair value through other comprehensive income”	(1 865 763)	(849 497)
Purchase of fixed assets, intangible assets, inventories	3 362 360	0
Proceeds from the sale of fixed assets and intangible assets	(11 630)	(46 249)
	165	0
<b>Net cash received from / (used in) investing activities</b>	<b>1 485 132</b>	<b>(895 746)</b>
Cash payments made by a lessee to reduce the outstanding amount of the lease liability	(9 681)	(13 433)
<b>Net cash received from / (used in) financing activities</b>	<b>(9 681)</b>	<b>(13 433)</b>
Impact of changes in the official exchange rate of the Bank of Russia on cash and cash equivalents	(525)	5 754
Effect of changes in expected credit losses on cash and cash equivalents	(1 081)	238
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1 076 011</b>	<b>354 666</b>
Cash and cash equivalents at the beginning of the reporting period	943 448	119 109

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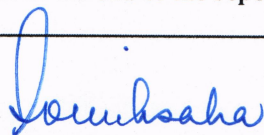
Cash and cash equivalents at the end of the reporting  
period

2 019 459

473 775

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President



(Surik Sakha)

Chief accountant


(A.N.Silonov)

Approved by the acting President of the Bank «27» August 2021



## SELECTED NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE , 2021

### 1. Main activities of the bank

The presented interim condensed financial statements include the financial statements of the credit institution "Commercial Indo Bank" Limited Liability Company (hereinafter referred to as the Bank).

General information	
Credit institution name	"Commercial Indo Bank" Limited Liability Company , «Commercial Indo Bank» LLC
Organizational and legal form	Limited Liability Company
Date of registration with the Bank of Russia, registration number	№ 3446 dated 05.11.2003.
Date of registration in the Unified State Register, registration number	№ 1037711012998 dated 05.11.2003.
Banking licenses	License for banking operations with funds in rubles and foreign currency (without the right to attract deposits from individuals) № 3446 issued by the Bank of Russia on October 28, 2013.
Participation in the Deposit Insurance System	No
Territorial presence	
The head office is located at	109147, Moscow, Marxist street bld. 16.
Separate structural divisions	No
Additional information	
Website	<a href="http://cibl.ru">http://cibl.ru</a>
SWIFT membership	The bank is a member of SWIFT; SWIFT: CODLRUMM

#### The structure of the authorized capital of the credit institution

As of 01.07.2021, the amount of the Bank's authorized capital amounted to 1,115,267 thousand rubles and did not change in the audited period.

During the reporting period , there were no changes in the structure of the Bank's participants.

As of July 1, 2021, the structure of the Bank's owners is as follows:

№ p/p	Owner	Share in the authorized capital, thousand rubles	Share in the authorized capital, %
1.	State Bank of India	669 160	60
2.	Canara Bank	446 107	40
<b>Total</b>		<b>1 115 267</b>	<b>100</b>

The bank does not have a beneficiary – an individual who owns 25% of the capital , the ultimate beneficiary is the state of India.



## 2. Economic environment in which the Bank operates

The nature of transactions with the Bank's assets is due to its significant dependence on the Russian economy and financial markets.

### Russian Federation.

The economy of the Russian Federation displays some characteristics of an emerging market. . In particular, its economy is dependent on oil and gas prices. The legal, tax and regulatory framework continues to evolve and is subject to frequent changes and different interpretations. Ongoing political tension in the region, as well as international sanctions against some Russian companies and citizens, continue to have a negative impact on the Russian economy.

In March 2020, World Health Organization declared the COVID-19 epidemic a global pandemic. In the wake of the pandemic, Russian authorities have taken a range of measures to contain and mitigate the effects of COVID-19, such as bans and restrictions of movement, quarantine, self-isolation and restrictions on commercial activities, including business closures. Some of these measures were subsequently relaxed, but as of June 30, 2021, infection rates remain high, vaccination rates remain low, and the risk remains that the Russian authorities may impose additional restrictions during 2021.

In the first half of 2021, the Russian economy began to recover from the pandemic, largely due to increased public spending and public investment. This was also facilitated by the recovery of the global economy and high prices on international commodity markets. However, prices in some markets in Russia and around the world are also rising due to economic recovery, which contributes to inflation in Russia.

The financial condition of credit institutions, their compliance with regulatory requirements, maintenance of an adequate level of liquidity will largely depend on the macroeconomic situation, and as a result, on the solvency of debtors for all types of financial instruments. The Bank's management believes that it is taking appropriate measures to maintain the economic stability of the Bank in the current environment. It is not possible to assess the consequences of the crisis caused by the coronavirus, the degree of negative impact on business processes, including the Bank, as of the date of the attached Condensed Interim Financial Statements. These circumstances indicate the existence of significant uncertainties, which may cause significant doubt on the Bank's ability to continue as a going concern.

## 3. Reporting framework

These interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Bank's annual financial statements for the year ended 31 December 2019. These interim condensed financial statements do not contain all the notes that are required to be disclosed in a complete set of financial statements.

## 4. Principles of accounting policies

The accounting policies and calculation methods used in the preparation of these interim condensed financial statements are consistent with those used and described in the Bank's annual financial statements for the year ended 31 December 2020, except for the application of new and revised standards that have come into force and mandatory for use in 2021:

The Bank decided to early adopt the amendments to the base interest rates - Phase 2 of the amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16. In accordance with these amendments, changes in the basis of the definition of contractual cash flows are reflected by adjusting the effective interest rate. No immediate gain or loss is recognized. The same practicality exists for lease obligations. These changes in the effective



interest rate are applicable only when the change is necessary as a direct consequence of the base interest rate reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis. If some or all of the changes in the basis for determining the contractual cash flows of financial assets and liabilities do not meet the above criteria, the above practical approach is first applied to changes required by the benchmark interest rate reform, including updating the instrument's effective interest rate. Any additional changes will result in a change or de-recognition of profit or loss. If lease changes are made in addition to those required by the IBOR reform, the normal requirements of IFRS 16 apply to all lease modifications, including those required by the IBOR reform.

#### *Implications of the IBOR reform*

Reforming and replacing the various proposed interbank rates ("IBORs") has become a priority for regulators. Most IBOR rates will cease to be published by December 31, 2021, while some USD LIBOR rates will cease to be published by June 30, 2023.

The Bank has no assets and liabilities, interest rates for which depend on IBOR, and therefore the practical application of the recommendations did not affect the financial position of the Bank.

### 5. Cash and cash equivalents

	June 30 , 2021	December 31 , 2020
Cash	16 981	12 415
Account balances with the Bank of Russia (except for required reserves)	11 162	31 636
Correspondent accounts and "overnight" and "demand" deposits with banks of	1 993 297	900 297
- the Russian Federation	22 296	39 978
- other countries	1 971 001	860 319
less provision for impairment	(1 981)	(900)
<b>Total cash and cash equivalents</b>	<b>2 019 459</b>	<b>943 448</b>

The following is an analysis of the change in the allowance for losses on cash equivalents for the six months ended 30 June 2021 and 2020:

	For the six months, ended June 30, 2021 (unaudited)	months, June 30, 2020(unaudited)
<b>Estimated reserve for cash equivalents at the beginning of the reporting period</b>	<b>900</b>	<b>243</b>
Net creation / (recovery) of a provision	1 081	(238)
<b>Estimated reserve for cash equivalents at the end of the reporting period</b>	<b>1 981</b>	<b>5</b>

During the six months ended June 30, 2020 and during the six months ended June 30, 2019, the Bank did not carry out investment and financing transactions that did not require the use of cash and cash equivalents not included in the statement of cash flows.

For information on concentration of credit risk by cash equivalents refer to Note 22.

### 6. Mandatory cash balances with the Bank of Russia

	June 30 , 2021	December 31 , 2020
By funds in rubles	230 700	278 092
<b>Total required reserves in accounts with the Bank of Russia</b>	<b>230 700</b>	<b>278 092</b>

Mandatory reserves represent funds deposited with the Bank of Russia and not intended to finance the day-to-day operations of the Bank. As of the reporting date and the date preceding



the reporting amount of required reserves are calculated as the arithmetic average during the month.

The amount of required reserves to be deposited with the Bank of Russia is calculated by applying the standard (s) of required reserves to the arithmetic average of the reserved obligations for a calendar month and excluding the amount of cash in the currency of the Russian Federation at the cash desk of a credit institution, determined in the manner prescribed by the Bank of Russia in the relevant regulation.

Interest is not charged on mandatory reserves.

An analysis of cash and cash equivalents and required reserves with the Bank of Russia by geography and currencies is presented in Note 22.

## 7. Due from other banks

	June 30 , 2021	December 31 , 2020
Current loans and deposits with the Bank of Russia	2 759 000	4 055 361
<b>Total loans to banks</b>	<b>2 759 000</b>	<b>4 055 361</b>

In the current reporting period, as well as in the previous one, the Bank placed funds with other banks on terms consistent with the market.

### *Analysis of changes in the allowance for losses*

Below is an analysis of changes in the estimated allowance for losses due to other banks in the current and previous reporting periods.

	For the six months ,ended June 30, 2021(unaudited)		For the six months ,ended June 30, 2020(unaudited)	
	Total	Current loans and deposits with Russian banks	Total	Current loans and deposits with other banks
<b>Estimated allowance for losses on due from other banks at the beginning of the period</b>	<b>0</b>	<b>0</b>	<b>3 475</b>	<b>3 475</b>
Net creation/ (recovery) of an allowance for losses for the period	0	0	(3 427)	(3 427)
<b>Estimated allowance for losses on due from other banks at the end of the period</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>48</b>

Information on the credit quality and security of due from other banks, as well as concentration of credit risk thereon, is presented in Note 22.

Geographical analysis, analysis of due from other banks by currency structure, maturity and analysis of interest rates are presented in Note 22.

## 8. Loans to customers

	June 30 , 2021	December 31 , 2020
<b>Loans to corporate clients</b>		
Loans to large enterprises	217 241	2
Loans to small and medium-sized enterprises	269 312	477 899
<b>Loans to retail customers</b>		
Consumer loans	25 325	17 394
Mortgage loans	2 928	4 012
<b>Total loans to customers before deduction of the estimated provision for losses</b>	<b>514 806</b>	<b>499 307</b>
Less loss allowance	(57 076)	(55 795)



	June 30 , 2021	December 31 , 2020
<b>Total loans to customers</b>	<b>457 730</b>	<b>443 512</b>

In the current reporting period, as well as in the previous one, the Bank provided loans on terms consistent with market.

***Analysis of changes in the allowance for losses***

The following is an analysis of the changes in the allowance for losses on loans to customers for the six months ended June 30, 2021 and for the six months ended June 30, 2020:

	For the six months ,ended June 30, 2021			For the six months ,ended June 30, 2020			
	Total	Loans to corporate clients	Loans to retail customers	Total	Loans to corporate clients	Claims for transactions for the sale of assets with a deferred payment	Loans to retail customers
<b>Estimated provision for losses on loans to customers at the beginning of the reporting period</b>	<b>55 795</b>	<b>51 900</b>	<b>3 895</b>	<b>39 613</b>	<b>28 212</b>	<b>11 297</b>	<b>104</b>
<b>Net creation/ (recovery) of an allowance during the reporting period</b>	<b>1 281</b>	<b>3 393</b>	<b>(2 112)</b>	<b>8 439</b>	<b>(7 250)</b>	<b>10 325</b>	<b>5 364</b>
<b>Estimated provision for losses on loans to customers at the end of the reporting period</b>	<b>57 076</b>	<b>55 293</b>	<b>1 783</b>	<b>48 052</b>	<b>20 962</b>	<b>21 622</b>	<b>5 468</b>

The estimated allowance for loan losses was formed on the basis of professional judgments about the availability of objective data indicating that the Bank will not be able to receive amounts due to be paid in accordance with the original terms of the loan agreement.

Below is the structure of the Bank's loan portfolio by industry sector:

	June 30 , 2021		December 31 ,2020	
	amount	%	amount	%
Wholesale and retail trade	436 995	85%	416 816	83%
Real estate operations	35 705	7%	52 885	11%
Private persons	28 253	5%	21 406	4%
Other	13 853	3%	8 200	2%
<b>Total loans to customers before the deduction of the estimated reserve</b>	<b>514 806</b>	<b>100%</b>	<b>499 307</b>	<b>100%</b>
<b>Less allowance for losses</b>	<b>(57 076)</b>		<b>(55 795)</b>	
<b>Total loans to customers</b>	<b>457 730</b>		<b>443 512</b>	

Information on the credit quality and security of due from other banks, as well as concentration of credit risk thereon, is presented in Note 22.

Geographical analysis, analysis of due from other banks by currency structure, maturity and analysis of interest rates are presented in Note 22.

## 9. Investment securities

	June 30 , 2021	December 31 , 2020
<b>Debt securities</b>	<b>362 545</b>	<b>2 289 015</b>
Federal loan bonds	0	1 263 564
Municipal bonds	0	1 025 451
Bank of Russia bonds	362 545	0
<b>Total debt securities measured at fair value through other comprehensive income</b>	<b>362 545</b>	<b>2 289 015</b>

### *Structure and credit quality of debt securities measured at fair value through other comprehensive income*

#### *As of the current reporting date*

Information on **government debt liabilities** of the Bank of Russia as of the reporting date is presented in the table:

Issuer, issue	Share in the portfolio of government debt securities	maturity date	Coupon rate as of the reporting date
Bank of Russia, RU000A103232	100%	24.09.2025	7,25%

#### *As of the previous reporting date*

Information on **government debt liabilities** of the Bank of Russia as of the reporting date is presented in the table:

Issuer, issue	Share in the portfolio of government debt securities	maturity date	Coupon rate as of the reporting date
Ministry of Finance of Russia, 26226	31%	07.10.2026	7,95%
Ministry of Finance of Russia, 26223	5%	28.02.2028	6,50%
Ministry of Finance of Russia, 26227	5%	07.10.2026	7,40%
Ministry of Finance of Russia, RUS 26	15%	27.05.2026	4,75%
Ministry of Finance of Russia, RUS 27	20%	23.06.2027	4,25%
Ministry of Finance of Russia, RUS 28	25%	24.06.2028	12,75%

### *Analysis of changes in the revaluation reserve for securities measured at fair value through other comprehensive income*

The following is an analysis of changes in the revaluation reserve for financial assets measured at fair value through other comprehensive income recognized in the Bank's equity for the reporting period and the period preceding the reporting period:

	For the six months, ended June 30, 2021 (unaudited)	For the six months, ended June 30, 2020 (unaudited)
<b>Fund balance at the beginning of the reporting period</b>	<b>26 574</b>	<b>55 394</b>
Revaluation for the reporting period	(33 217)	(43 648)
Change in the estimated allowances for losses on debt financial assets for the reporting period	0	(2 094)
Change in deferred tax liability for the reporting period	6 643	8 729
<b>Fund balance at the end of the reporting period</b>	<b>0</b>	<b>18 381</b>

### *Analysis of changes in the allowance for losses*

All securities were classified as Stage 1.

The following is an analysis of changes in the allowance for losses on debt securities at fair value through other comprehensive income for the six months ended June 30, 2021 and for the six months ended June 30, 2020.



	For the six months, ended June 30, 2021 (unaudited)	For the six months, ended June 30, 2020 (unaudited)
<b>Allowance for losses on debt securities measured at fair value through other comprehensive income at the beginning of the period</b>	<b>0</b>	<b>2 114</b>
Net creation / (recovery) of a provision	0	(2 094)
<b>Allowance for losses on debt securities measured at fair value through other comprehensive income at the end of the period</b>	<b>0</b>	<b>20</b>

Information about the credit quality and security of financial assets at fair value through other comprehensive income, as well as concentration of credit risk thereon, is disclosed in Note 22.

Geographical analysis and analysis of financial assets at fair value through other comprehensive income by currency structure and maturity, as well as analysis of interest rates are presented in Note 22.

Information about the methods used by the Bank to measure the current fair value of financial assets is set out in Note 25.

#### 10. Other assets

	June 30 , 2021	December 31 , 2020
<i>Other financial assets</i>		
Funds in clearing organizations intended for collective clearing collateral( guarantee fund)	10 000	10 000
Settlements with a broker	189	5 949
Less loss allowance	0	(16)
<i>Other non-financial assets</i>		
Accounts receivable and advance payments	0	9 344
Prepayments for taxes	11 867	
Social insurance and security calculations	54 536	
Inventory	18	
Other	366	1 099
Less allowance for impairment losses	(2 348)	(9 344)
<b>Total other financial assets</b>	<b>74 628</b>	<b>17 032</b>

The table below summarizes the changes in the allowance for losses on other financial assets for the six months ended 30 June 2021 and 2020

	For the six months, ended June 30, 2021 (unaudited)	For the six months, ended June 30, 2020 (unaudited)
<b>Estimated allowance for losses on other assets at the beginning of the period</b>	<b>9 360</b>	<b>13 357</b>
Net creation / (recovery) of loss allowance of other assets for the period	(7 012)	(3 211)
<b>Estimated allowance for losses on other assets at the end of the period</b>	<b>2 348</b>	<b>10 146</b>

Information on the credit quality and security of due from other banks, as well as concentration of credit risk thereon, is presented in Note 22.

Geographical analysis, analysis of due from other banks by currency structure, maturity and analysis of interest rates are presented in Note 22.



**11. Due to other banks**

	June 30 , 2021	December 31 , 2020
Correspondent accounts and interbank loans "overnight" and "on demand"	185 644	225 974
Short-term deposits of other banks	0	1 479 009
<b>Total due to other banks</b>	<b>185 644</b>	<b>1 704 983</b>

In the current and previous reporting periods, the Bank attracted funds from other banks on terms consistent with market conditions.

Geographical analysis, analysis of due from other banks by currency structure, maturity and analysis of interest rates are presented in Note 22.

The bank raised funds from related parties. Relevant information on related parties is presented in Note 26.

**12. Customer funds**

	June 30 , 2021	December 31 , 2020
<b>Other legal entities</b>	<b>3 444 426</b>	<b>4 127 365</b>
Current/settlement accounts	1 913 223	719 812
Time deposits	1 531 203	3 407 553
<b>Individuals</b>	<b>18 280</b>	<b>0</b>
Current/settlement accounts of individuals engaged in entrepreneurial activity	17 948	0
Current accounts/accounts "on demand" of other individuals	332	0
<b>Total customer funds</b>	<b>3 462 706</b>	<b>4 127 365</b>

In the current and previous reporting periods, the Bank attracted customer funds on terms consistent with market conditions.

Below is the distribution of customer funds by sector of the economy:

	June 30 , 2021		December 31 , 2020	
	amount	%	amount	%
Agriculture, fishing and fish farming	19 121	Less than 1%	21 897	Less than 1%
Mining	0	0%	186 192	5%
Manufacturing industries	1 389 499	40%	384 857	9%
Construction	0	0%	1	Less than 1%
Wholesale and retail trade	82 395	2%	1 323 162	32%
Transport and storage	0	0%	8 052	Less than 1%
Insurance	0	0%	445 762	11%
Real estate operations	366	Less than 1%	3 734	Less than 1%
Private persons	18 280	Less than 1%	23 798	Less than 1%
Other	1 953 045	56%	1 729 910	42%
<b>Total customer funds</b>	<b>3 462 706</b>	<b>100%</b>	<b>4 127 365</b>	<b>100%</b>

Geographical analysis, analysis of due from other banks by currency structure, maturity and analysis of interest rates are presented in Note 22.

**13. Other liabilities**

	June 30 , 2021	December 31 , 2020
<i>Other financial liabilities</i>		
Incomplete settlements for the transfer of funds	6 465	0
Finance lease commitments	37 725	38 041
Financial guarantee liabilities	1 558	1 386
Other	478	1

	June 30 , 2021	December 31 , 2020
<i>Other non- financial liabilities</i>		
Taxes payable(excluding income tax)	2 122	13 035
Payments to personnel for remuneration for the performance	3 209	3 845
Other	29	978
<b>Total other liabilities</b>	<b>51 586</b>	<b>57 286</b>

Geographical analysis, analysis of due from other banks by currency structure, maturity and analysis of interest rates are presented in Note 22.

#### 14. Other reserves

The following is an analysis of changes in other allowances for losses on liabilities and charges for the reporting period.

	For the six months, ended June 30, 2021 (unaudited)		For the six months, ended June 30, 2020(unaudited)	
	Credit related commitments	Total	Credit related commitments	Total
<b>Carrying amount at the beginning of the reporting period</b>	<b>11 916</b>	<b>11 916</b>	<b>9 746</b>	<b>9 746</b>
Net creation / (recovery) of the estimated allowance for losses in the reporting period	748	748	10 207	10 207
<b>Carrying amount at the end of the reporting period</b>	<b>12 664</b>	<b>12 664</b>	<b>19 953</b>	<b>19 953</b>

#### 15. Shares of participants

	June 30 , 2021	December 31 , 2020
Shares of the authorized capital	1 115 267	1 115 267
<b>Total authorized capital</b>	<b>1 115 267</b>	<b>1 115 267</b>

#### 16. Interest income and expense

	For the six months, ended June 30, 2021 (unaudited)	For the six months, ended June 30, 2020(unaudited)
<b>Interest income</b>		
Funds deposited with the Bank of Russia	79 315	21 826
Loans and other allocated funds to borrowers – legal entities	27 839	29 429
Debt financial assets measured at fair value through other comprehensive income	24 365	36 931
Loans and other allocated funds to borrowers – individuals and individual entrepreneurs	870	1 202
Correspondent accounts with other banks	787	7
Other	37	0
Funds in other banks	0	2 541
<b>Total interest income on financial assets not measured at fair value through profit or loss</b>	<b>133 213</b>	<b>91 936</b>
<b>Total interest income</b>	<b>133 213</b>	<b>91 936</b>
<b>Interest expenses</b>		
Time deposits of legal entities	(38 701)	(4 176)
Time deposits of banks	(5 099)	(1 327)
Subordinated debt	(2 711)	0
Finance lease commitments	0	(841)



<b>Total interest expense on financial liabilities not measured at fair value through profit or loss</b>	<b>(46 511)</b>	<b>(6 344)</b>
<b>Total interest expense</b>	<b>(46 511)</b>	<b>(6 344)</b>
<b>Net interest income/(negative interest margin)</b>	<b>86 702</b>	<b>85 592</b>

### 17. Fee and commission income and expense

	<b>For the six months, ended June 30, 2021 (unaudited)</b>	<b>For the six months, ended June 30, 2020(unaudited)</b>
<b>Fee and commission income</b>		
From making money transfers	3 088	3 968
From operations to issue bank guarantees and sureties	1 755	1 158
From settlement and cash services	968	1 084
From opening and maintaining bank accounts	194	637
From the provision of intermediary services for brokerage and similar contracts	0	33
For cash withdrawal	0	4 629
<b>Total fee and commission income</b>	<b>6 005</b>	<b>11 509</b>
<b>Commission expenses</b>		
For the provision of intermediary services for brokerage and similar contracts	(639)	(761)
Foreign exchange commissions	(516)	(398)
Other	(572)	(469)
For settlement and cash services	(210)	(244)
For money transfer services, including services of payment and settlement systems	(206)	(36)
On received bank guarantees and sureties	(174)	0
For opening and maintaining bank accounts	(127)	(99)
<b>Total commission expenses</b>	<b>(2 444)</b>	<b>(2 007)</b>
<b>Net fee and commission income / [expense]</b>	<b>3 561</b>	<b>9 502</b>

### 18. Income(expense) from termination of recognition of financial assets valued at the amortized cost

	<b>For the six months, ended June 30, 2021 (unaudited)</b>	<b>For the six months, ended June 30, 2020(unaudited)</b>
Income from de-recognition of loans to customers	1 219	0
<b>Total income (expense) from de-recognition of financial assets measured at amortized cost</b>	<b>1 219</b>	<b>0</b>

In order to improve the quality of the Bank's loan portfolio in the current reporting period between the Bank and Melvani Sunil Udham, as well as between the Bank and "GLOBAL BEAUTY" LLC, agreements on assignment of claims under credit agreements with "FOOD HOUSE" LLC were concluded.

## 19. Administrative and other operational expenses

	For the six months, ended June 30, 2021 (unaudited)	For the six months, ended June 30, 2020(unaudited)
Salaries and bonuses	(40 889)	(32 744)
Depreciation of property , plant and equipment and intangible assets	(8 469)	(7 326)
Professional services(security, communication and others)	(7 859)	(8 891)
Social security contributions	(6 971)	(6 521)
Other taxes excluding income tax	(2 970)	(2 733)
Administrative expenses	(2 755)	(3 542)
Rate	(2 133)	(1 211)
Other expenses related to property, plant and equipment	(1 954)	(1 683)
Other	(741)	(832)
Insurance expenses	(129)	(110)
Other personnel costs	(46)	(61)
Advertising and marketing	(43)	(160)
<b>Total administrative and other operating expenses</b>	<b>(74 959)</b>	<b>(65 14)</b>

## 20. Income tax

The current income tax rate applicable to the Bank's profit is 20% (in the previous reporting period - 20%), excluding income on government securities taxed at the rate of 15% (in the previous reporting period - 15%).

Below is a comparison of the theoretical tax expense with the actual tax expense recognized in profit or loss for the reporting period.

	For the six months, ended June 30, 2021 (unaudited)	For the six months, ended June 30, 2020(unaudited)
<b>Profit before tax</b>	<b>38 563</b>	<b>79 195</b>
Theoretical tax deductions at a rate of 20%	1 420 249	(15 839)
Theoretical tax deductions at a rate of 15%	(1 070 972)	4 956
Tax effect of negative differences	(9 315)	(15 453)
Tax effect of positive differences	17 579	
Tax effect of unrecognized and permanent differences	(371 716)	
<b>Income tax expense</b>	<b>(14 175)</b>	<b>(26 336)</b>
Current portion of income tax expense	(6 487)	(20 247)
Deferred (liability) / income tax claim	(7 688)	(6 089)
<b>Effective income tax rate</b>	<b>37%</b>	<b>33%</b>

Differences between IFRS and the tax legislation of the Russian Federation (and other countries) give rise to certain temporary differences between the carrying amounts of certain assets and liabilities for financial reporting purposes and for income tax purposes. The tax effect of the movement on these temporary differences is recorded at the rate of 20% (previous reporting period: 20%), except for income on government securities which is taxed at 15% (previous reporting period: 15%).

Net deferred tax asset represents the amount of income tax that can be offset against future income taxes and is recorded as a deferred tax asset in the balance sheet. A deferred tax asset is recognized only to the extent that, in the Bank's opinion, it is probable that it will be realized.



Deferred taxation arising from the revaluation at fair value of financial assets available for sale, with such revaluation attributable to an increase or decrease in equity, is also credited directly to equity. The table below summarizes the amounts of the related deferred taxes recognized in these financial statements as at the current and previous reporting dates.

	June 30, 2021	December 31, 2020
(Tax liability) / tax asset for the revaluation reserve of financial assets measured at fair value through other comprehensive income	0	(6 643)

## 21.Dividends

During the reporting period, no dividends were declared or paid.

## 22.Financial risk management

The policies and methods adopted by the Bank to manage financial risks are consistent with the policies and methods used and described in the Bank's annual financial statements for the year ended 31 December 2020.

### Credit risk

The Bank assumes credit risk, namely the risk that the counterparty will not be able to fully repay the debt within the specified period. The credit risk on off-balance sheet financial instruments is defined as the probability of losses due to the inability of another party to the transaction with the financial instrument to fulfill the terms of the contract.

The table below shows the credit quality and maximum exposure to credit risk depending on the level of the Bank's internal credit rating and the stage of expected credit losses at the reporting date (unaudited).

The figures presented do not include allowances for impairment losses.

	Stage 1 (individually)	Stage2 (individually)	Stage 3	POCI	Total
<b>FUNDS IN OTHER BANKS</b>					
<b>Funds deposited with banks</b>					
High rating	2 759 000	0	0	0	2 759 000
<b>Total funds deposited with banks</b>	<b>2 759 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 759 000</b>
<b>Total funds in other banks</b>	<b>2 759 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 759 000</b>
<b>CREDITS TO CLIENTS</b>					
<b>Corporate loans</b>					
<b>Loans to large enterprises</b>					
High rating	197 131	0	0	0	197 131
Standard rating	0	20 110	0	0	20 110
<b>Total loans issued to large enterprises</b>	<b>197 131</b>	<b>20 110</b>	<b>0</b>	<b>0</b>	<b>217 241</b>
<b>Loans to small and medium-sized enterprises</b>					
High rating	196 563	0	0	0	196 563
Standard rating	0	72 749	0	0	72 749
<b>Total loans to small and medium-sized enterprises</b>	<b>196 563</b>	<b>72 749</b>	<b>0</b>	<b>0</b>	<b>269 312</b>
<b>Total loans issued to corporate clients</b>	<b>393 694</b>	<b>92 859</b>	<b>0</b>	<b>0</b>	<b>486 553</b>

**Loans to retail customers****Consumer loans**

High rating	20 928	0	0	0	<b>20 928</b>
Standard rating	0	3 674	0	0	<b>3 674</b>
Overdue but not impaired	723	0	0	0	<b>723</b>
<b>Total consumer loans</b>	<b>21 651</b>	<b>3 674</b>	<b>0</b>	<b>0</b>	<b>25 325</b>

**Mortgage loans**

High rating	779	0	0	0	<b>779</b>
Standard rating	0	1 939	0	0	<b>1 939</b>
Overdue but not impaired	0	210	0	0	<b>210</b>
<b>Total mortgages</b>	<b>779</b>	<b>2 149</b>	<b>0</b>	<b>0</b>	<b>2 928</b>

<b>Total loans to retail customers</b>	<b>22 430</b>	<b>5 823</b>	<b>0</b>	<b>0</b>	<b>28 253</b>
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<b>Total loans to customers</b>	<b>416 124</b>	<b>98 682</b>	<b>0</b>	<b>0</b>	<b>514 806</b>
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**Other financial assets**

High rating	10 189	0	0	0	<b>10 189</b>
<b>Total other financial assets</b>	<b>10 189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10 189</b>

The table below presents an analysis of changes in the gross carrying amount of loans to customers during the reporting period (unaudited).

	Stage 1 (individually)	Stage2 (individually)	Stage 3	POCI	Total
<b>FUNDS IN OTHER BANKS</b>					
<b>Funds deposited with banks</b>					
Gross book value as of January 1 of the reporting period	<b>4 055 361</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4 055 361</b>
Newly created or acquired assets	2 759 000	0	0	0	2 759 000
Derecognized or extinguished assets(excluding write-offs)	(4 055 361)	0	0	0	(4 055 361)
<b>Total funds deposited with banks</b>	<b>2 759 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 759 000</b>
<b>Total funds in other banks</b>	<b>2 759 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 759 000</b>

**CREDITS TO CLIENTS****Loans to corporate clients****Loans to large enterprises**

Gross book value as of January 1 of the reporting period	<b>35 971</b>	<b>145 497</b>	<b>0</b>	<b>0</b>	<b>181 468</b>
Newly created or acquired assets	0	74 235	0	0	74 235
Derecognized or retired assets (excluding write-offs)	(35 973)	(2 489)	0	0	(38 462)
Transfers to Stage 1	197 133	(197 133)	0	X	0
<b>Total loans to large enterprises</b>	<b>197 131</b>	<b>20 110</b>	<b>0</b>	<b>0</b>	<b>217 241</b>

**Loans to small and medium-sized enterprises**

Gross book value as of January 1 of the reporting period	<b>187 980</b>	<b>108 453</b>	<b>0</b>	<b>0</b>	<b>296 433</b>
Newly created or acquired assets	161 073	0	0	0	161 073
Derecognized or retired assets (excluding write-offs)	(98 689)	(89 505)	0	0	(188 194)
Transfers to Stage 2	(53 801)	53 801	0	X	0
<b>Total loans to small and medium-sized enterprises</b>	<b>196 563</b>	<b>72 749</b>	<b>0</b>	<b>0</b>	<b>269 312</b>

**Total loans to corporate clients**

<b>393 694</b>	<b>92 859</b>	<b>0</b>	<b>0</b>	<b>486 553</b>
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**Loans to retail customers****Consumer loans**

Gross book value as of January 1 of the reporting period	<b>17 394</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17 394</b>
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Newly created or acquired assets	17 625	0	0	0	17 625
Derecognized or retired assets (excluding write-offs)	(9 694)	0	0	0	(9 694)
Transfers to Stage 2	(3 674)	3 674	0	X	0
<b>Total consumer loans</b>	<b>21 651</b>	<b>3 674</b>	<b>0</b>	<b>0</b>	<b>25 325</b>
<b>Mortgage loans</b>					
Gross book value as of January 1 of the reporting period	4 012	0	0	0	4 012
Derecognized or retired assets (excluding write-offs)	(1 084)	0	0	0	(1 084)
Transfers to Stage 2	(2 149)	2 149	0	X	0
<b>Total mortgage loans</b>	<b>779</b>	<b>2 149</b>	<b>0</b>	<b>0</b>	<b>2 928</b>
<b>Total loans to retail customers</b>	<b>22 430</b>	<b>5 823</b>	<b>0</b>	<b>0</b>	<b>28 253</b>
<b>Total loans to customers</b>	<b>416 124</b>	<b>98 682</b>	<b>0</b>	<b>0</b>	<b>514 806</b>
<b>OTHER FINANCIAL ASSETS</b>					
Gross book value as of January 1 of the reporting period	15 949	0	0	0	15 949
Derecognized or retired assets (excluding write-offs)	(5 760)	0	0	0	(5 760)
<b>Total other financial assets</b>	<b>10 189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10 189</b>

In order to manage, assess and control the level of credit risk to which the Bank is exposed, the authorized department regularly evaluates the quality of financial assets. In accordance with the results of the analysis carried out, the estimated reserves for losses are formed for each reporting date. The results of this analysis are presented below.

#### *Financial assets measured at amortized cost*

The following table summarizes the credit quality and allowances for financial assets measured at amortized cost as at the reporting date (unaudited).

	Financial assets before allowances	Estimated provision for losses	Financial assets less valuation reserve	Average booking percentage by category
<b>FUNDS IN OTHER BANKS</b>				
Funds deposited with banks				
Loans and deposits for which, from the date of initial recognition, credit risk did not increase significantly	2 759 000	0	2 759 000	0,00%
<b>Total loans and deposits in banks</b>	<b>2 759 000</b>	<b>0</b>	<b>2 759 000</b>	<b>0,00%</b>
<b>Total funds in other banks</b>	<b>2 759 000</b>	<b>0</b>	<b>2 759 000</b>	<b>0,00%</b>

#### **CREDITS TO CLIENTS**

Loans to corporate clients

Loans to large enterprises

Loans and deposits for which, from the date of initial recognition, credit risk

did not increase significantly	197 131	(11 660)	185 471	5,91%
increased significantly	20 110	(4 305)	15 805	21,41%
<b>Total loans to large enterprises</b>	<b>217 241</b>	<b>(15 965)</b>	<b>201 276</b>	<b>7,35%</b>

Loans to small and medium-sized enterprises

Loans and deposits for which, from the date of initial recognition, credit risk

did not increase significantly	196 563	(6 880)	189 683	3,50%
increased significantly	72 749	(32 448)	40 301	44,60%

Total loans to small and medium-sized enterprises	269 312	(39 328)	229 984	14,60%
Total loans to corporate clients	486 553	(55 293)	431 260	11,36%

### Loans to retail customers

#### Consumer loans

Loans and deposits for which, from the date of initial recognition, credit risk

did not increase significantly	21 651	(828)	20 823	3,82%
increased significantly	3 674	(843)	2 831	22,95%
<b>Total consumer loans</b>	<b>25 325</b>	<b>(1 671)</b>	<b>23 654</b>	<b>6,60%</b>

#### Mortgage loans

Loans and deposits for which, from the date of initial recognition, credit risk

did not increase significantly	779	(6)	773	0,77%
increased significantly	2 149	(106)	2 043	4,93%
<b>Total mortgage loans</b>	<b>2 928</b>	<b>(112)</b>	<b>2 816</b>	<b>3,83%</b>
<b>Total loans to retail customers</b>	<b>28 253</b>	<b>(1 783)</b>	<b>26 470</b>	<b>6,31%</b>
<b>Total loans to customers</b>	<b>514 806</b>	<b>(57 076)</b>	<b>457 730</b>	<b>11,09%</b>

### OTHER FINANCIAL ASSETS

#### Total mortgage loans

Other financial assets for which, from the date of initial recognition, credit risk

did not increase significantly	10 189	0	10 189	0,00%
<b>Total other financial assets</b>	<b>10 189</b>	<b>0</b>	<b>10 189</b>	<b>0,00%</b>



Information about overdue financial assets measured at amortized cost as of the current reporting date (unaudited):

	Financial assets before allowances		Estimated reserve at loss	Financial assets less valuation reserve
	unexpired	overdue less than 90 days		
FUNDS IN OTHER BANKS				
Loans and deposits with banks				
Loans and deposits for which, from the date of initial recognition, credit risk				
did not increase significantly	2 759 000	0	0	2 759 000
Total funds deposited with banks	2 759 000	0	0	2 759 000
Total funds in other banks	2 759 000	0	0	2 759 000

#### **CREDITS TO CLIENTS**

##### **Loans to corporate clients**

##### **Loans to large enterprises**

Loans and deposits for which, from the date of initial recognition, credit risk

did not increase significantly	197 131	0	(11 660)	185 471
increased significantly	20 110	0	(4 305)	15 805
<b>Total loans to large enterprises</b>	<b>217 241</b>	<b>0</b>	<b>(15 965)</b>	<b>201 276</b>

##### **Loans to small and medium-sized enterprises**

Loans for which, from the date of initial recognition, credit risk

did not increase significantly	196 563	0	(6 880)	189 683
increased significantly	72 749	0	(32 448)	40 301
<b>Total loans to small and medium-sized enterprises</b>	<b>269 312</b>	<b>0</b>	<b>(39 328)</b>	<b>229 984</b>
<b>Total loans to corporate clients</b>	<b>486 553</b>	<b>0</b>	<b>(55 293)</b>	<b>431 260</b>

##### **Loans to retail customers**

##### **Consumer loans**

Loans for which, from the date of initial recognition, credit risk

risk

did not increase significantly	21 500	151	(828)	20 823
increased significantly	3 674	0	(843)	2 831
<b>Total consumer loans</b>	<b>25 174</b>	<b>151</b>	<b>(1 671)</b>	<b>23 654</b>
<b>Mortgage loans</b>				
Loans for which, from the date of initial recognition, credit risk				
did not increase significantly	779	0	(6)	773
increased significantly	1 939	210	(106)	2 043
<b>Total mortgage loans</b>	<b>2 718</b>	<b>210</b>	<b>(112)</b>	<b>2 816</b>
<b>Total loans to retail customers</b>	<b>27 892</b>	<b>361</b>	<b>(1 783)</b>	<b>26 470</b>
<b>Total loans to customers</b>	<b>514 445</b>	<b>361</b>	<b>(57 076)</b>	<b>457 730</b>

**OTHER FINANCIAL ASSETS**

Other financial assets for which, from the date of initial recognition, credit risk

did not increase significantly	10 189	0	0	10 189
<b>Total other financial assets</b>	<b>10 189</b>	<b>0</b>	<b>0</b>	<b>10 189</b>



Information on the security of financial assets measured at amortized cost as at the current reporting date (unaudited).

	Total loan debt less the allowance	Fair value of collateral held				Surplus collateral	Less collateral
		Deposit	Standby letter of credit	Real estate	Goods in circulation		
<b>FUNDS IN OTHER BANKS</b>							
Loans and deposits in banks							
Loans and deposits for which, from the date of initial recognition, credit risk							
did not increase significantly	2 759 000	0	0	0	0	0	2 759 000
<b>Total loans and deposits in banks</b>	<b>2 759 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 759 000</b>
<b>Total funds in other banks</b>	<b>2 759 000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 759 000</b>
<b>CREDITS TO CLIENTS</b>							
Loans to corporate clients							
Loans to large enterprises							
Loans for which, from the date of initial recognition, credit risk							
did not increase significantly	185 473	0	217 117	38 280	731 218	801 142	0
increased significantly	15 804	0	0	87 813	17 639	89 648	0
<b>Total loans to large enterprises</b>	<b>201 277</b>	<b>0</b>	<b>217 117</b>	<b>126 093</b>	<b>748 857</b>	<b>890 790</b>	<b>0</b>
Loans to small and medium-sized enterprises							
Loans for which, from the date of initial recognition, credit risk							
did not increase significantly	189 684	14 909	0	247 300	306 914	412 319	32 880
increased significantly	40 301	0	18 093	60 907	140 717	192 084	12 668
<b>Total loans to small and medium-sized enterprises</b>	<b>229 985</b>	<b>14 909</b>	<b>18 093</b>	<b>308 207</b>	<b>447 631</b>	<b>604 403</b>	<b>45 548</b>
<b>Total loans to corporate clients</b>	<b>431 262</b>	<b>14 909</b>	<b>235 210</b>	<b>434 300</b>	<b>1 196 488</b>	<b>1 495 193</b>	<b>45 548</b>
<b>Loans to retail customers</b>							
Consumer loans							

## recognition, credit risk

did not increase significantly	20 823	0	0	0	0	0	20 823
increased significantly	2 831	0	0	0	0	0	2 831
Credit-impaired loans							
<b>Total consumer loans</b>	<b>23 654</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23 654</b>
<b>Mortgage loans</b>							
Loans for which, from the date of initial recognition, credit risk							
did not increase significantly	773	0	0	15 142	0	14 369	0
increased significantly	2 043	0	0	26 315	0	24 473	201
<b>Total mortgage loans</b>	<b>2 816</b>	<b>0</b>	<b>0</b>	<b>41 457</b>	<b>0</b>	<b>38 842</b>	<b>201</b>
<b>Total loans to retail customers</b>	<b>26 470</b>	<b>0</b>	<b>0</b>	<b>41 457</b>	<b>0</b>	<b>38 842</b>	<b>23 855</b>
<b>Total loans to customers</b>	<b>457 732</b>	<b>14 909</b>	<b>235 210</b>	<b>475 757</b>	<b>1 196 488</b>	<b>1 534 035</b>	<b>69 403</b>

## OTHER FINANCIAL ASSETS

Other financial assets for which, from the date of initial recognition, credit risk

did not increase significantly	10 189	0	0	0	0	0	10 189
<b>Total other financial assets</b>	<b>10 189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10 189</b>



***Debt financial assets measured at fair value through other comprehensive income***

As of the current reporting date, all debt financial assets at fair value through other comprehensive income are classified as financial assets for which the credit risk has not significantly increased since the date of initial recognition. Information on the amount of the formed provision is disclosed in Note 9.

The table below provides information on the Bank's maximum exposure to credit risk.

	June 30 , 2021	December 31 , 2020
Correspondent accounts and interbank placements "overnight" and "on demand"	2 002 478	931 033
Funds in other banks	2 759 000	4 055 361
Loans to clients	457 730	443 512
Debt liabilities at fair value through other comprehensive income	362 545	2 289 015
Other financial assets	10 189	15 933
<b>Total maximum credit risk in relation to financial assets</b>	<b>5 591 942</b>	<b>7 734 854</b>

The following table provides information on concentration of credit risk as at the current and previous reporting dates:

	June 30 , 2021	December 31 , 2020
The number of borrowers (groups of related borrowers) whose debt, net of the estimated reserve, exceeds 10% of the Bank's capital	1	1
The aggregate debt of borrowers minus the estimated reserve (groups of related borrowers), the debt of which, net of the estimated reserve, exceeds 10% of the Bank's capital	1 969 030	843 154
<i>including borrowers (groups of related borrowers) whose debt is reflected in the statement of financial position in the line:</i>		
<i>Cash and cash equivalents</i>		
<i>number of borrowers</i>	1	1
<i>total debt</i>	1 969 030	843 154

The table above does not include the Bank's claims on the Russian Federation and the Bank of Russia.

The ability to offset assets and liabilities is not essential to mitigate potential credit risk.

***Country risk***

Country risk is the risk of losses as a result of non-fulfillment of obligations by foreign counterparties due to economic, political, social changes, as well as due to the fact that the currency of the monetary obligation (other than the national currency of the state in which the Bank operates) may not be available to the counterparty due to the peculiarities of national legislation (regardless of the financial position of the counterparty itself).

Country risk assessment data as of the current and previous reporting dates are presented in the table below.

The analysis of the above data indicates that the bulk of the Bank's assets and liabilities relates to counterparties that are residents of the Russian Federation. The impact of assets and liabilities attributable to foreign counterparties is negligible.

	June 30, 2021				December 31, 2020			
	Russia	India	Other countries	Total	Russia	India	Other countries	Total
<b>ASSETS</b>								
Cash and cash equivalents	50 439	1 969 020	0	2 019 459	83 129	860 319	0	943 448
Mandatory cash balances with the Bank of Russia	230 700	0	0	230 700	278 092	0	0	278 092
Funds in other banks	2 759 000	0	0	2 759 000	4 055 361	0	0	4 055 361
Loans to clients	436 168	0	21 562	457 730	427 522	0	15 990	443 512
Investment securities	362 545	0	0	362 545	2 289 015	0	0	2 289 015
Property, plant and equipment and intangible assets	22 087	0	0	22 087	16 567	0	0	16 567
Right-of-use assets	36 686	0	0	36 686	39 045	0	0	39 045
Current income tax assets	1 458	0	0	1 458	72 313	0	0	72 313
Deferred income tax assets	39 445	0	0	39 445	47 132	0	0	47 132
Other assets	74 400	228	0	74 628	17 032	0	0	17 032
<b>Total assets</b>	<b>4 012 928</b>	<b>1 969 248</b>	<b>21 562</b>	<b>6 003 738</b>	<b>7 325 208</b>	<b>860 319</b>	<b>15 990</b>	<b>8 201 517</b>
<b>LIABILITIES</b>								
Funds from other banks	0	0	185 644	185 644	0	0	1 704 983	1 704 983
Client funds	2 135 385	0	1 327 321	3 462 706	1 996 701	0	2 130 664	4 127 365
Derivative financial liabilities	0	0	0	0	0	0	0	0
Deferred income tax liabilities	0	0	0	0	6 643	0	0	6 643
Other liabilities	51 581	0	5	51 586	57 266	0	20	57 286
Reserves	12 664	0	0	12 664	11 916	0	0	11 916
<b>Total liabilities</b>	<b>2 199 630</b>	<b>0</b>	<b>1 512 970</b>	<b>3 712 600</b>	<b>2 072 526</b>	<b>0</b>	<b>3 835 667</b>	<b>5 908 193</b>
<b>Net balance sheet position</b>	<b>1 813 298</b>	<b>1 969 248</b>	<b>(1 491 408)</b>	<b>2 291 138</b>	<b>5 252 682</b>	<b>860 319</b>	<b>(3 819 677)</b>	<b>2 293 324</b>



*Liquidity risk*

Liquidity risk arises as a result of an imbalance in financial assets and liabilities, including due to untimely fulfillment of obligations by the Bank's counterparties and / or the emergence of an unforeseen need for immediate and one-time fulfillment by the Bank of its obligations.

The Bank uses a regulatory approach to analyze and assess the risk of liquidity loss, based on the daily calculation of the projected and actual values of the instant, current and long-term liquidity ratios established by the Bank of Russia (N2, N3 and N4 ratios). During the reporting period, the Bank did not violate the maximum permissible values of the standards. As of the current and previous reporting dates, the values of the liquidity ratios calculated by the Bank were:

	Permissible value	June 30 , 2021	December 31 , 2020
Instant liquidity ratio (N2)	≥ 15%	41,061%	329,395%
Current liquidity ratio (N3)	≥ 50%	95,728%	219,506%
Long-term liquidity ratio (N4)	≤ 120%	15,924%	18,963%

***Contractual undiscounted cash flows on financial liabilities and credit related commitments***

The tables below show the contractual undiscounted cash flows of financial liabilities and credit related commitments at the earliest contractual maturity / settlement date at the current and prior reporting dates. These undiscounted cash flows differ from the amounts shown in the statement of financial position because the amounts in the statement of financial position are based on discounted cash flows. In cases where the amount payable is not fixed, the amount in the table is determined based on the conditions existing at the end of the reporting period. Foreign exchange payments are translated using the official exchange rate established by the Bank of Russia at the reporting date.

Contractual *undiscounted cash flows* of financial liabilities and credit related commitments at the current reporting date (unaudited):

	Before demand and less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total	Cost in the statement of financial position
<b>NON DERIVATIVE FINANCIAL LIABILITIES</b>								
Funds from other banks	185 644	0	0	0	0	0	185 644	185 644
Client funds								
- individuals	332	X	X	X	X	X	332	332
- corporate clients and individual entrepreneurs	3 120 521	24 203	160 735	64 251	97 784	0	3 467 494	3 462 374
Derivative financial liabilities								
Finance lease commitments	1 631	3 262	5 004	9 702	28 112	0	47 711	37 725
Other liabilities	9 708	2 122	0	0	0	0	11 830	13 861
<b>DERIVATIVE FINANCIAL LIABILITIES</b>								
Derivative financial liabilities settled by offset	0	0	0	0	0	0	0	
<b>LOAN CONTINGENCIES</b>								
Financial guarantees issued	94 465	0	0	0	0	0	94 465	
Unused lines of credit	204 486	0	0	0	0	0	204 486	
<b>Total potential future payments of financial liabilities</b>	<b>3 616 787</b>	<b>29 587</b>	<b>165 739</b>	<b>73 953</b>	<b>125 896</b>	<b>0</b>	<b>4 011 962</b>	



***Analysis of amounts shown in the statement of financial position by expected maturity***

The tables below provide an analysis of the amounts (by expected maturity) shown in the statement of financial position as at the current and previous reporting dates.

The Bank expects that the cash flows of certain financial assets and liabilities may differ from those specified in the contracts, either because management is authorized to manage the cash flows, or because past experience indicates that the timing of cash flows for these financial assets and liabilities may differ from the terms set in the contracts. The following financial assets and liabilities are shown in the following tables at discounted amounts, broken down by the timing in which cash flows are expected in relation to these assets and liabilities:

- *Securities measured at fair value through profit or loss held for trading and at fair value through comprehensive income:* management maintains a portfolio of easily marketable securities that can be used to settle financial liabilities. Cash flows from these securities measured at fair value through profit or loss held for trading or at fair value through comprehensive income are included in the demand and less than 1 month category. The contractual maturity dates for these securities can be presented as follows:

	June 30 ,2021	December 31,2020
More than 5 years	0	2 289 014
<b>Total</b>	<b>0</b>	<b>2 289 014</b>

Analysis of the amounts (by expected maturity) reflected in the statement of financial position as of the current reporting date (unaudited):

	Before demand and less than 1 month	1 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	No time limit repayment	Overdue	Total
<b>ASSETS</b>								
Cash and cash flows	2 019 459	0	0	0	0	0	0	2 019 459
Mandatory cash balances with the Bank of Russia	0	0	0	0	0	230 700	0	230 700
Funds in other banks	2 759 000	0	0	0	0	0	0	2 759 000
Loans to clients	6 388	107 507	130 444	212 501	0	0	890	457 730
Investment securities	362 545	0	0	0	0	0	0	362 545
Property, plant and equipment and intangible assets	0	0	0	0	0	22 087	0	22 087
Right-of use assets	0	0	0	0	0	36 686	0	36 686
Current income tax assets	0	0	0	1 458	0	0	0	1 458
Deferred income tax assets	0	0	0	0	0	39 445	0	39 445
Other assets	20 092	54 536	0	0	0	0	0	74 628
<b>Total assets</b>	<b>5 167 484</b>	<b>162 043</b>	<b>0</b>	<b>130 444</b>	<b>213 959</b>	<b>0</b>	<b>328 918</b>	<b>6 003 738</b>
<b>LIABILITIES</b>								
Funds from other banks	185 644	0	0	0	0	0	0	185 644
Client funds	3 119 843	183 739	63 878	95 246	0	0	0	3 462 706
Other liabilities	13 482	6 000	7 814	22 732	0	1 558	0	51 586
Reserves	0	0	0	0	0	12 664	0	12 664
<b>Total liabilities</b>	<b>3 318 969</b>	<b>189 739</b>	<b>71 692</b>	<b>117 978</b>	<b>0</b>	<b>14 222</b>	<b>0</b>	<b>3 712 600</b>
<b>Net liquidity gap</b>	<b>1 848 515</b>	<b>(27 696)</b>	<b>58 752</b>	<b>95 981</b>	<b>0</b>	<b>314 696</b>	<b>890</b>	<b>2 291 138</b>
<b>Aggregate liquidity gap</b>	<b>1 848 515</b>	<b>1 820 819</b>	<b>1 879 571</b>	<b>1 975 552</b>	<b>1 975 552</b>	<b>2 290 248</b>	<b>2 291 138</b>	



Based on the accumulated experience, the Bank believes that, despite the significant share of current accounts and customer deposits on demand, these funds are sufficiently diversified and form a long-term and stable source of financing for the Bank's activities.

The repayment / repayment period of 24.9% of the loan and equivalent debt, reflected in the statement of financial position as of the current reporting date, does not exceed 6 months from the reporting date. As a result, the Bank will be forced to re-place assets. The quality of new loans may differ from the quality of assets placed at the reporting date, which, in turn, may affect the financial position of the Bank. The Bank's management intends to maintain a balance between the acceptable profitability of new financial instruments and their quality in order to minimize the risks of losses, however, it is not possible to completely eliminate the risk of possible financial losses in the future.

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of:

- currency risk;
- the risk of changes in interest rates ;
- other price risks.

Market risk arises from open positions in interest rate, currency and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility in market prices.

#### *Currency risk*

The Bank takes on exposure to the effects of fluctuations in foreign exchange rates on its financial position and cash flows. Currency risk on off-balance sheet positions is the difference between the contractual amount of foreign currency derivatives and their fair value. Foreign currency derivatives are generally used to minimize the Bank's risk in the event of changes in exchange rates.

In order to limit currency risk, the Bank of Russia establishes requirements for compliance by authorized banks with the limits of open currency positions (hereinafter referred to as open currency positions).

OCP limits are quantitative limits set by the Bank of Russia for the ratios of open positions in certain currencies, including the balancing position in Russian rubles, and equity (capital) of authorized banks. At the end of the trading day, the long (short) open foreign exchange position in certain foreign currencies (including the balancing position in Russian rubles) should not exceed 10% of the Bank's equity (capital).

As of the reporting date, open foreign exchange positions are (positive value means a long position, negative value means a short one):

	June 30 , 2021	December 31 , 2020
in US dollars	0,8547%	2,3681%
in Euro	0,1763%	0,2744%
in Indian rupees	0,1019%	0,0628%
Balancing position in Russian rubles	-1,1329	-2,7053

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The calculation of foreign exchange positions for the current reporting date, as well as for the previous one, shows that open positions do not exceed 10% of the Bank's capital, which indicates that the level of foreign exchange risk is controlled and is within acceptable values.



The structure of monetary assets and liabilities, as well as the net position on derivative financial instruments by currencies as of the current and previous reporting dates can be presented in the table below.

	June 30 , 2021					December 31 , 2020				
	Rubles	US dollars	Euro	Indian rupee	Total	Rubles	US dollars	Euro	Indian rupee	Total
<b>FINANCIAL ASSETS</b>										
Cash and cash flows	28 245	1 976 477	12 151	2 586	2 019 459	40 324	886 166	15 608	1 350	943 448
Mandatory cash balances with the Bank of Russia	230 700	0	0	0	230 700	278 092	0	0	0	278 092
Funds in other banks	2 759 000	0	0	0	2 759 000	4 055 361	0	0	0	4 055 361
Loans to clients	422 758	34 971	0	1	457 730	421 524	21 988	0	0	443 512
Investment securities	362 545	0	0	0	362 545	922 449	1 366 566	0	0	2 289 015
Property, plant and equipment and intangible assets	22 087	0	0	0	22 087	16 567	0	0	0	16 567
Other assets	74 400	0	228	0	74 628	11 151	5 881	0	0	17 032
Current income tax assets	1 458	0	0	0	1 458	72 313	0	0	0	72 313
Deferred income tax assets	39 445	0	0	0	39 445	47 132	0	0	0	47 132
<b>Total financial assets</b>	<b>3 899 735</b>	<b>2 011 448</b>	<b>12 379</b>	<b>2 587</b>	<b>5 926 149</b>	<b>5 864 913</b>	<b>2 280 601</b>	<b>15 608</b>	<b>1 350</b>	<b>8 162 472</b>
<b>FINANCIAL LIABILITIES</b>										
Funds from other banks	185 644	0	0	0	185 644	225 974	1 479 009	0	0	1 704 983
Client funds	1 387 130	2 064 829	10 415	332	3 462 706	3 370 650	751 949	4 766	0	4 127 365
Other liabilities	45 117	4	6 465	0	51 586	69 160	22	15	5	69 202
<b>Total financial liabilities</b>	<b>1 617 891</b>	<b>2 064 833</b>	<b>16 880</b>	<b>332</b>	<b>3 699 936</b>	<b>3 665 784</b>	<b>2 230 980</b>	<b>4 781</b>	<b>5</b>	<b>5 901 550</b>
<b>Net foreign exchange position before accounting for the effect of derivatives with the underlying asset "currency"</b>	<b>2 281 844</b>	<b>(53 385)</b>	<b>(4 501)</b>	<b>2 255</b>	<b>2 226 213</b>	<b>2 199 129</b>	<b>49 621</b>	<b>10 827</b>	<b>1 345</b>	<b>2 260 922</b>
<b>Effect of derivative financial instruments with an underlying asset "currency"</b>	<b>(73 393)</b>	<b>64 773</b>	<b>8 620</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net exchange position</b>	<b>2 208 451</b>	<b>11 388</b>	<b>4 119</b>	<b>2 255</b>	<b>2 226 213</b>	<b>2 199 129</b>	<b>49 621</b>	<b>10 827</b>	<b>1 345</b>	<b>2 260 922</b>
<b>Credit related commitments</b>	<b>218 532</b>	<b>61 306</b>	<b>0</b>	<b>6 450</b>	<b>286 288</b>	<b>154 767</b>	<b>70 187</b>	<b>9 975</b>	<b>6 669</b>	<b>241 598</b>

A depreciation of the Russian ruble against foreign currencies as at the current and previous reporting dates would have caused the increase (decrease) in equity and profit or loss described below.

The analysis was carried out taking into account foreign exchange contracts, net of taxes and based on changes in foreign exchange rates, which, from the point of view of the Bank, are reasonably possible at the end of the reporting period. The analysis assumes that all other variables, especially interest rates, remain unchanged.

	June 30 , 2021	December 31 , 2020
10% growth of the US dollar against the Russian ruble	(5 339)	4 962
10% growth of the euro against the Russian ruble	(450)	1 083
10% growth in the exchange rate of other currencies against the Russian ruble	226	135

An increase in the exchange rate of the Russian ruble against the above currencies as of the reporting dates would have the opposite effect, provided that all other variables remained unchanged.

A similar analysis conducted at the current and previous reporting dates, taking into account the impact of derivatives, gives the following results:

	June 30 , 2021	December 31 , 2020
10% growth of the US dollar against the Russian ruble	1 139	4 962
10% growth of the euro against the Russian ruble	412	1 083
10% growth in the exchange rate of other currencies against the Russian ruble	226	135

### ***Interest rate risk***

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Such fluctuations can raise the level of interest margins, however, in the event of unexpected changes in interest rates, the interest margin can also decrease or cause losses.

The Bank is exposed to interest rate risk, primarily as a result of its activities to provide loans at fixed interest rates in amounts and for terms that differ from the amounts and terms of raising funds at fixed interest rates. In practice, interest rates are usually set for a short term. In addition, the interest rates fixed in the terms of contracts for both assets and liabilities are often revised on the basis of mutual agreement in accordance with the current market situation.

### ***Analysis of the timing of the revision of interest rates***

As of the current reporting date, as well as the previous one, the analysis of the Bank's sensitivity to changes in interest rates based on the timing of the revision of interest rates on assets and liabilities does not materially differ from the analysis by terms to maturity.



### Average interest rates

The following table shows the average effective interest rates on interest-bearing assets and liabilities as at the current and previous reporting dates. These interest rates represent the approximate yield to maturity of the related assets and liabilities.

	June 30 , 2021				December 31 , 2020			
	Rubles	US dollars	Euro	Other currencies	Rubles	US dollars	Euro	Other currencies
<b>Interest-bearing assets</b>								
Funds in other banks	0,0%	X	X	X	3,9%	X	X	X
Loans to clients								
- corporate clients	9,3%	3,0%	X	0,0%	9,7%	3,0%	X	X
- individuals	10,7%	5,0%	X	X	10,2%	5,3%	X	X
Debt financial assets measured at fair value through other comprehensive income	7,3%	X	X	X	7,7%	7,9%	X	X
<b>Interest liabilities</b>								
Bank deposits								
- term deposits	X	X	X	X	X	0,7%	X	X
Customer deposits								
- term deposits of corporate clients	3,0%	1,0%	X	X	0,0%	0,0%	0,0%	X

*Sensitivity analysis to changes in interest rates*

Interest rate risk management based on an analysis of the timing of interest rate revisions is complemented by monitoring the sensitivity of financial assets and liabilities. Analysis of the sensitivity of profit or loss and equity (net of taxes) to changes in interest rates (interest rate revision risk) based on a simplified scenario of a parallel shift of yield curves by 100 basis points towards increases or decreases in interest rates and revised positions on interest-bearing assets and liabilities in effect at the current and previous reporting dates can be represented as follows:

	June 30 , 2021	December 31 ,2020
Parallel shift of 100 basis points towards decreasing rates	(14 861)	2 343
Parallel shift of 100 basis points towards increasing rates	14 861	(2 343)

Analysis of the sensitivity of profit or loss and equity to changes in the fair value of financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income, due to changes in interest rates, based on positions in effect at the current and previous reporting dates, and a simplified scenario of a parallel shift of the yield curves by 100 basis points towards an increase or decrease in interest rates, can be presented as follows:

	June 30 , 2021		December 31 ,2020	
	Profit or loss	Own funds	Profit or loss	Own funds
Parallel shift of 100 basis points towards decreasing rates	0	11 051	0	(685 070)
Parallel shift of 100 basis points towards increasing rates	0	(10 670)	0	(843 497)

*Other price risk*

Other price risks are risks of fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in market prices (other than changes arising from the effects of risk of changes in interest rates or foreign exchange risk), regardless of whether such changes were caused by factors, specific to this particular instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risks arise when the Bank takes a long or short position in a financial instrument.

**23.Capital management**

The Bank's capital management has the following objectives:

- compliance with the capital requirements established by the Bank of Russia;
- ensuring the Bank's ability to function as a continuously operating enterprise;
- maintaining the capital base at the level required to ensure the capital adequacy ratio of 8% in accordance with the Basel Accord.

In accordance with the existing capital requirements established by the Bank of Russia, credit institutions must maintain the ratio of capital to risk-weighted assets ("capital adequacy ratio") above the mandatory minimum value.

The values of the calculated capital adequacy ratios of the Bank as of the reporting date were:

	Permissible value	June 30 , 2021	December 31 , 2020
Basic capital adequacy ratio (N1.1)	≥ 4,5%	67,07%	44,296%
Capital adequacy ratio (N1.2)	≥ 6%	67,07%	44,296%
Equity (capital) adequacy ratio(N1.0)	≥ 8%	67,07%	46,172%

Control over the fulfillment of the Bank's capital adequacy ratios is carried out using monthly reports containing the corresponding calculations, which are checked and endorsed by



the Vice President and Chief Accountant of the Bank. Capital adequacy ratios for other capital management purposes are assessed on a daily basis.

During the current and previous reporting periods, the Bank complied with all external capital requirements.

## 24. Contingencies and derivative financial instruments

**Insurance.** The market of insurance services in the Russian Federation is under development, therefore, many forms of insurance coverage used in other countries have not yet become widespread in the Russian Federation. The Bank did not fully insure equipment, temporary termination of activities or third party liability in terms of property or environmental damage caused as a result of the use of the Bank's property or in other cases related to the Bank's activities. Until the Bank obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Bank's operations and financial position.

**Unfinished litigation.** As of the current reporting date, the Bank's management is not aware of any significant actual or pending legal proceedings, as well as potential claims that may be brought against the Bank. The estimated reserve was not formed.

**Tax law.** The legislation on transfer pricing, which came into force on 01.01.99, provides for the right of tax authorities to make adjustments to transfer pricing and to charge additional tax liabilities for all controlled transactions if the difference between the transaction price and the market price exceeds 20%. Controlled transactions include transactions with related parties and transactions with unrelated parties if the difference between similar market transactions exceeds 20%. There is no formal guidance on how to apply these rules in practice.

The existing Russian tax legislation mainly considers the tax consequences of transactions based on their legal form and the procedure for recording them in accordance with Russian accounting and reporting rules. Accordingly, the Bank may structure its operations to take advantage of the opportunities provided by Russian tax legislation to reduce the overall effective tax rate. The statement of comprehensive income contains adjustments included in these financial statements to reflect the economic substance of similar transactions. The results of these adjustments do not affect the amount of profit before tax and tax charges recognized in these financial statements.

In the opinion of the Bank's management, the restructuring of taxable income and tax deductible expenses will not result in the accrual of additional tax liabilities. Accordingly, the Bank's management has not established a potential tax liability provision in respect of these transactions.

If any transaction is contested by the tax authorities, the Bank may be charged the amount of taxes, as well as significant fines and penalties. The period during which the tax authorities can carry out an audit is three years.

**Credit related commitments.** The main purpose of these instruments is to ensure that funds are provided to clients as needed. Guarantees, which represent irrevocable commitments by the Bank to make payments in the event that a customer cannot meet its obligations to third parties, carry the same level of credit risk as loans.

As of the reporting date, the Bank's credit related commitments were:

	June 30 , 2021	December 31 , 2020
Unused line of credit	204 486	148 407
Guarantees issued	94 465	105 107
Provision for credit related commitments	(12 664)	(11 916)
<b>Total credit related commitments</b>	<b>286 287</b>	<b>241 598</b>



The total amount outstanding on guarantees and undrawn credit lines does not necessarily represent future cash requirements, as these obligations may expire or be canceled without disbursing funds to the borrower.

**Pledged assets.** As of the current reporting date, as well as the previous one, the Bank did not have any assets pledged as collateral.

**Assets held in custody.** As of the reporting date, as well as the previous one, the Bank has no assets in custody.

## 25. Fair value of assets and liabilities

Fair value is the amount at which an asset could be exchanged in a current transaction between two interested parties, other than in a forced sale or liquidation.

The fair value of assets and liabilities was determined by the Bank based on available market information and appropriate valuation techniques. However, judgment is required to interpret market data to determine fair value. Although the Bank uses available market information in calculating fair value, this information may not always accurately reflect the value that would be realized under current conditions.

**Hierarchy of fair value measurements.** In accordance with its accounting policy, the Bank measures assets and liabilities carried in the statement of financial position at fair value using a fair value hierarchy that takes into account the materiality of the data used in making those estimates. The following table provides an analysis of assets and liabilities at fair value by level of the fair value hierarchy.

	June 30, 2021		December 31, 2020	
	Stage 1	Total	Stage 1	Total
Investment securities	362 545	362 545	2 289 015	2 289 015

The estimated fair values of all financial assets and liabilities at the current and previous reporting dates do not differ materially from their carrying amounts.

## 26. Related party transactions

For the purposes of these financial statements, parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions, as set out in IAS 24. When considering all possible related party relationships, the substance of the relationship is considered, not merely the legal form.

In the normal course of business, the Bank enters into transactions with its principal participants, managers and other related parties. The tables below show data on balances at the end of the reporting period, reflected in the statement of financial position, items of income and expenses for the reporting period on transactions with related parties.



As of the reporting date and for the six months ended 30 June 2021 (unaudited):

	<u>Shareholders</u>		<u>Key management personnel of the Bank</u>		<u>Members of the Board of Directors</u>		<u>Total</u>
	Thousand	Average	Thousand	Average	Thousand	Average	Thousand
	rubles	%	rubles	%	rubles	%	rubles
		bid		bid		bid	
<b>Statement of financial position</b>							
<b>ASSETS</b>							
Correspondent accounts and “overnight” deposits with other banks	1 971 001	X	0	X	0	X	1 971 001
<b>LIABILITIES</b>							
Funds from other banks	184 883 268	0,00%	0	X	0	X	184 883 268

As of the previous reporting date and for the six months ended 30 June 2020 (unaudited):

	<u>Participants</u>		<u>Key management personnel of the Bank</u>		<u>Members of the Board of Directors</u>		<u>Total</u>
	Thousand rubles	Average % bid	Thousand rubles	Average % bid	Thousand rubles	Average % bid	Thousand rubles
<b>Statement of financial position</b>							
<b>ASSETS</b>							
Correspondent accounts and “overnight” deposits with other banks	314 412	X	0	X	0	X	314 412
<b>LIABILITIES</b>							
Funds from other banks	869 905	X	0	X	0	X	869 905



**27.Events after the reporting date**

There have been no events after the reporting date until the date of approval of these Condensed Interim Financial Statements.

**28.Accounting estimates and judgements made in applying accounting policies**

The Bank makes estimates and assumptions that affect the amounts of assets and liabilities recognized within the next financial year. The estimates and judgments made by the Bank are consistent with those adopted and described in the Bank's annual financial statements for the year ended 31 December 2020.

President

(Surik Sakha)

Chief accountant

(A.N.Silonov)

Approved by the acting President of the Bank «27» August 2021

