

Asian-Pacific Bank

(Joint Stock Company)

**Consolidated Interim Condensed
Financial Information
for the three-month period ended
31 March 2021**

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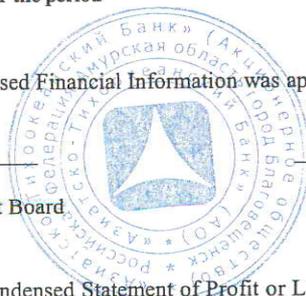
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JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income
for the three-month period ended 31 March 2021

	Notes	Three-Month Period Ended 31 March 2021 RUB'000 (unaudited)	Three-Month Period Ended 31 March 2020 RUB'000 (unaudited)
Interest income calculated using the effective interest method	4	2 911 553	2 373 612
Other interest income	4	171 245	150 486
Interest expense	4	(868 045)	(893 358)
Net interest income		2 214 753	1 630 740
Deposit insurance expenses		(63 474)	-
Net interest income after deposit insurance expenses		2 151 279	1 630 740
Fee and commission income	5	776 574	620 927
Fee and commission expense		(147 578)	(108 672)
Net fee and commission income		628 996	512 255
Net profit (loss) on financial instruments at fair value through profit or loss		118 626	(39 467)
Realised gain on financial instruments at fair value through other comprehensive income for the period		38 130	76 285
Profit (loss) from equity-accounted investee	15	930	(516)
Net foreign exchange gain		51 159	286 972
Net gain on operations with precious metals		28 918	46 068
Other operating income		153 265	196 965
Operating income		3 171 303	2 709 302
Allowance for expected credit losses	6	(847 514)	(1 093 059)
Allowances for loan commitments and financial guarantees	6	4 198	2 006
Other provisions	6	-	572 000
Personnel expenses	7	(1 093 554)	(1 024 662)
Other general administrative expenses		(471 417)	(721 477)
Profit for the period before income tax		763 016	444 110
Income tax expense		(133 098)	(121 673)
Profit for the period		629 918	322 437
Other comprehensive income, net of income tax			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Fair value reserve for financial assets at fair value through other comprehensive income			
- Net change in fair value		(299 563)	(258 846)
- Net change in fair value transferred to profit and loss		(30 504)	(36 505)
<i>Total items that are or may be reclassified subsequently to profit or loss</i>		<i>(330 067)</i>	<i>(295 351)</i>
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation reserve for unquoted equity assets at fair value through other comprehensive income		66	39
<i>Total items that will not be reclassified subsequently to profit or loss</i>		<i>66</i>	<i>39</i>
Other comprehensive (loss) income for the period, net of income tax		(330 001)	(295 312)
Total comprehensive income for the period		299 917	27 125

Consolidated Interim Condensed Financial Information was approved on 20 May 2021:

Mr. A.A. Korovin
 Chairman of the Management Board



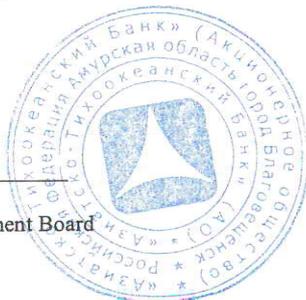
Ms. E. V. Schekina
 Ms. E. V. Schekina
 Chief Accountant

The Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Financial Position as at 31 March 2021

	Notes	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
ASSETS			
Cash and cash equivalents	8	10 096 520	14 022 435
Obligatory reserves with the Central Bank of the Russian Federation		694 193	732 143
Financial instruments at fair value through profit or loss	9, 21	7 594 331	8 365 652
<i>including assets pledged under repurchase agreements</i>	<i>9, 21</i>	<i>1 540 310</i>	-
Financial assets at fair value through other comprehensive income	10, 21	13 158 369	15 560 915
<i>including assets pledged under repurchase agreements</i>	<i>10, 21</i>	<i>2 273 323</i>	<i>3 295 148</i>
Due from banks	11	345 725	396 247
Amounts receivable under reverse repurchase agreements	12	10 579	397 255
Loans to customers	13	80 891 720	73 494 713
Net investments in finance leases	14	1 446 966	1 508 304
Investments in associates and other investments	15	76 508	75 578
Investments at amortised cost	16, 21	1 298 821	1 295 924
<i>including assets pledged under repurchase agreements</i>	<i>16, 21</i>	-	<i>620 721</i>
Deferred tax assets		450 286	463 063
Property, equipment, intangible assets and investment property		5 300 187	5 341 858
Other assets		3 650 713	11 164 552
Total assets		125 014 918	132 818 639
LIABILITIES			
Financial instruments at fair value through profit or loss	9	37 744	31 461
Deposits and balances from banks	17	2 721 966	2 598 859
Amounts payable under repurchase agreements	18, 21	11 395 018	11 846 260
Current accounts and deposits from customers	19	90 756 539	98 394 746
Debt securities issued		23 724	29 661
Other liabilities		1 916 824	2 054 466
Total liabilities		106 851 815	114 955 453
EQUITY			
Share capital		6 000 000	6 000 000
Share premium		3 000 000	3 000 000
Fair value reserve for financial assets at fair value through other comprehensive income		(382 668)	(52 667)
Revaluation surplus for buildings		1 032 931	1 032 931
Retained earnings		8 512 840	7 882 922
Total equity		18 163 103	17 863 186
Total liabilities and equity		125 014 918	132 818 639

Mr. A.A. Korovin
Chairman of the Management Board



Ms. E. V. Schekina
Ms. E. V. Schekina
Chief Accountant

The Consolidated Interim Condensed Statement of Financial Position is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Cash Flows as at 31 March 2021

	Notes	Three-Month Period Ended 31 March 2021 RUB'000 (unaudited)	Three-Month Period Ended 31 March 2020 RUB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts		3 033 813	2 459 372
Interest payments		(834 886)	(850 515)
Fee and commission receipts		949 557	621 841
Fee and commission payments		(147 435)	(116 143)
Net receipts from financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income for the period		246 974	31 875
Net (payments) receipts from foreign exchange		(5 250)	(1 557 494)
Other income receipts		103 189	150 403
Net (payments) from operations with precious metals		207 399	73 061
Deposit insurance, personnel and other general administrative expenses paid		(1 500 029)	(1 688 280)
(Increase) decrease in operating assets			
Obligatory reserves with the Central Bank of the Russian Federation		37 950	(6 332)
Financial instruments at fair value through profit or loss		796 232	(89 276)
Financial assets at fair value through other comprehensive income		1 925 649	280 886
Due from banks		47 517	(1 599 625)
Amounts receivable under reverse repurchase agreements		386 676	(2 737 386)
Loans to customers		(7 949 069)	(3 990 465)
Net investments in finance lease		61 349	(151 182)
Other assets		6 696 046	1 348 927
Increase (decrease) in operating liabilities			
Deposits and balances from banks		127 469	1 599 443
Amounts payable under repurchase agreements		(451 299)	7 056 182
Current accounts and deposits from customers		(7 347 366)	(5 387 592)
Promissory notes		(5 937)	8 466
Other liabilities		(12 675)	50 291
Net cash flows used in operating activities before income tax paid		(3 634 126)	(4 493 543)
Income tax paid		(103 808)	(116 886)
Net cash flows used in operations		(3 737 934)	(4 610 429)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net redemption of investments at amortised cost		-	104 178
Net purchases of property and equipment, intangible assets and investment property		(117 719)	166 437
Net cash flows (used in) from investing activities		(117 719)	270 615

The Consolidated Interim Condensed Statement of Cash Flow is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Cash Flows as at 31 March 2021

Notes	Three-Month Period Ended 31 March 2021 RUB'000 (unaudited)	Three-Month Period Ended 31 March 2020 RUB'000 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on lease obligations	(27 884)	(7 104)
Net cash flows used in financing activities	(27 884)	(7 104)
Net decrease in cash and cash equivalents	(3 883 537)	(4 346 918)
Effect of changes in exchange rates on cash and cash equivalents	(43 119)	899 143
Effect of changes in expected credit losses on cash and cash equivalents	741	807
Cash and cash equivalents as at the beginning of the period	14 022 435	9 827 572
Cash and cash equivalents as at the end of the period	10 096 520	6 380 604

Mr. A.A. Korovin
 Chairman of the Management Board



Ms. E. V. Schekina
 Ms. E. V. Schekina
 Chief Accountant

The Consolidated Interim Condensed Statement of Cash Flow is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

RUB'000	Share capital	Share premium	Fair value reserve for financial assets at fair value through other comprehensive income	Revaluation surplus for buildings	Retained earnings	Total equity
Balance as at 1 January 2020	6 000 000	3 000 000	95 862	1 076 113	5 830 051	16 002 026
Total comprehensive income for the period						
Profit for the period (unaudited)	-	-	-	-	322 437	322 437
Other comprehensive income, net of income tax						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Net change in fair value of financial assets at fair value through other comprehensive income net of deferred tax of RUB 58581 thousand (unaudited)	-	-	(234 323)	-	-	(234 323)
Net change in fair value of financial assets at fair value through other comprehensive income transferred to profit or loss, net of deferred tax of RUB 15257 thousand (unaudited)	-	-	(61 028)	-	-	(61 028)
<i>Total items that are or may be reclassified subsequently to profit or loss (unaudited)</i>	-	-	(295 351)	-	-	(295 351)
<i>Items that will not be reclassified to profit or loss</i>						
Revaluation reserve for unquoted equity assets at fair value through other comprehensive income net of deferred tax of RUB 10 thousand (unaudited)	-	-	39	-	-	39
<i>Total items that will not be reclassified to profit or loss (unaudited)</i>	-	-	39	-	-	39
Total comprehensive income for the period, net of income tax (unaudited)	-	-	(295 312)	-	322 437	27 125
Balance as at 31 March 2020 (unaudited)	6 000 000	3 000 000	(199 450)	1 076 113	6 152 488	16 029 151
Balance as at 1 January 2021	6 000 000	3 000 000	(52 667)	1 032 931	7 882 922	17 863 186

The Consolidated Interim Condensed Statement of Changes in Equity is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

RUB'000	Share capital	Share premium	Fair value reserve for financial assets at fair value through other comprehensive income	Revaluation surplus for buildings	Retained earnings	Total equity
Total comprehensive income for the period						
Profit for the period (unaudited)	-	-	-	-	629 918	629 918
Other comprehensive income, net of income tax						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Net change in fair value of financial assets at fair value through other comprehensive income net of deferred tax of RUB 74891 thousand (unaudited)	-	-	(299 563)	-	-	(299 563)
Net change in fair value of financial assets at fair value through other comprehensive income transferred to profit or loss, net of deferred tax of RUB 7626 thousand (unaudited)	-	-	(30 504)	-	-	(30 504)
<i>Total items that are or may be reclassified subsequently to profit or loss (unaudited)</i>	-	-	(330 067)	-	-	(330 067)
<i>Items that will not be reclassified to profit or loss</i>						
Revaluation reserve for unquoted equity assets at fair value through other comprehensive income net of deferred tax of RUB 17 thousand (unaudited)	-	-	66	-	-	66
<i>Total items that will not be reclassified to profit or loss (unaudited)</i>	-	-	66	-	-	66
Total comprehensive income for the period, net of income tax (unaudited)	-	-	(330 001)	-	629 918	299 917
Balance as at 31 March 2021 (unaudited)	6 000 000	3 000 000	(382 668)	1 032 931	8 512 840	18 163 103

Mr. A.A. Korovin
Chairman of the Management Board



Шечкина
Ms. E. V. Schekina
Chief Accountant

The Consolidated Interim Condensed Statement of Changes in Equity is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

1 Background

Organisation and operations

These consolidated interim condensed financial information include the financial statements of JSC Asian-Pacific Bank (the “Bank”) and its subsidiaries (together referred to as the Group).

The Bank was established in the Russian Federation as a closed joint-stock company in 1992 under the name “Amurpromstroybank” as a successor of Promstroybank of USSR which was founded in 1929. In 2006 the Bank was reorganised from a closed joint-stock company to an open joint-stock company and renamed to “Asian-Pacific Bank” by decision of the shareholders. On 7 May 2010 LLC “PPFIN REGION”, being a common majority shareholder for OJSC “Asian-Pacific Bank”, OJSC “Kamchatprombank” and OJSC “Kolyma-Bank”, merged the operations of these entities and therefore granted full control over OJSC “Kamchatprombank” and OJSC “Kolyma-Bank” to “Asian-Pacific Bank” (OJSC). In July 2015 the Bank was reorganised from an open joint-stock company to a public joint-stock company. From 26 April 2018 the Bank management functions have been carried out by LLC “Fund of Banking Sector Consolidation Asset Management Company”. From 26 April 2019 the Board of Directors and standing management bodies are formed. In September 2020, the annual general meeting of shareholders of the Bank made a decision to terminate the public recognition of the Asia-Pacific Bank (PJSC) and amend the Bank's Charter. In December 2020, the Central Bank of the Russian Federation made an entry in the Book of State Registration of Credit Institutions about the new corporate name of the Bank - “Asian-Pacific Bank” (Joint Stock Company).

The principal activities of the Bank are deposit taking and customer accounts maintenance, lending, issuing guarantees, cash and settlement operations and operations with securities and foreign exchange. The activities of the Bank are regulated by the Central Bank of the Russian Federation (the “CBR”). The Bank has a general banking license and is a member of the state deposit insurance system in the Russian Federation.

The Bank has 190 (31 December 2020: 195), offices from which it conducts business throughout the Russian Federation including a head office, 3 regional branches, 14 additional offices, 172 operational offices. The registered address of the head office is 225, Amurskaya Street, Blagoveschensk, 675004. The majority of the Bank’s assets and liabilities is located in the Russian Federation.

As at 31 March 2021 (unaudited) and 31 December 2020, the following shareholders held the issued shares of JSC Asian-Pacific Bank:

Shareholder	31 March 2021 %	31 December 2020 %
	(unaudited)	%
Bank of Russia	99.99	99.99
Other	0.01	0.01
Total	100.00	100.00

Details of the subsidiaries and associates are as follows:

Name	Country of incorporation	Principal activities	Ownership, %	
			31 March 2021 (unaudited)	31 December 2020
LLC “Expo-Leasing”	Russian Federation	Leasing	100%	100%
LLC “Specialised financial company APB 2”	Russian Federation	Asset-backed securitisation	see below	see below
CUIF “Celena”	Russian Federation	Unit investment fund	41.09%	41.09%

On 1 October 2010, 100% of the shares of LLC “Expo-Leasing” were acquired by the Bank.

LLC “Expo-Leasing” was registered in 2002 in Russian Federation. Its head office is in Moscow and it has 3 branches as at 31 March 2021 (31 December 2020: 3 branches), comprising a head office and 2 additional offices.

LLC “Specialised financial company APB 2” (“LLC SFC APB 2”) is structured entity established to ensure asset-backed securitisation. This entity is not owned by the Group. Control arises through the predetermination of the entity’ activities, having rights to obtain the majority of benefits of the structured entity, and retaining the majority of the residual risks related to the entity. All bonds in the amount of RUB 1 390 000 thousand, issued by LLC SFC APB 2, were repurchased by the Bank.

On 4 May 2016, 51.58% of the shares of CUIF “Celena” were received by the Bank as a result of non-performance of repurchase agreement with PJSC “BaikalBank”. CUIF “Celena” was registered in 2010 in Russian Federation. At the date of acquisition, the fund was managed by Finance Trade Asset Management LLC licensed to manage investment funds in 2008. On 30 December 2016, CUIF “Celena” issued 58 533 additional investment units totaling RUB 64 140 thousand which resulted in the decrease of the Bank’s share down to 40.99%. In 2018, the number of the issued investment units of the CUIF “Celena” decreased to 284 414 units with the result that the Bank’s share increased to 41.09%.

As at 31 March 2021 the average number of the Group’s employees was 3 739 (unaudited) (31 December 2020: 3 807).

Russian business environment

The Group’s operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets risks of the Russian Federation, which display emerging-market characteristics. Legal, tax and regulatory frameworks continue to be developed, but are subject to varying interpretations and frequent changes that, together with other legal and fiscal impediments, contribute to the challenges faced by entities operating in the Russian Federation.

Starting from 2014 the United States of America, European Union and some other countries have imposed and expanded economic sanctions on Russian individuals and legal entities. The imposition of economic sanctions has resulted in increased economic uncertainty including more volatile equity markets, a depreciation of the Russian Rouble, a reduction in both local and foreign direct investment inflows and a significant tightening in the availability of credit. In particular, some Russian entities, including banks, may be experiencing difficulties in accessing international equity and debt markets and may become increasingly dependent on Russian state banks to finance their operations. The longer-term effects of implemented sanctions, as well as the threat of additional future sanctions, are difficult to determine.

The first months of 2020 saw significant global market volatility caused by the outbreak of the COVID-19 pandemic. In response to the potentially serious threat posed to public health by the COVID-19 virus, the government of the Russian Federation has taken measures to contain the spread of the COVID-19 virus, including the introduction of restrictions on crossing the borders of the Russian Federation, restrictions on the entry of foreign citizens, and recommendations to enterprises on transferring employees to a remote mode of work.

Due to disruption to business activity and self-isolation regimes imposed in many countries, global oil demand has dropped sharply, leading to oversupply and a sharp drop in oil prices. On April 12, 2020, the world's largest oil producers, including Russia, agreed to a record cut in crude oil production to stabilize the oil market, which nevertheless did not reduce the pressure on oil prices. A sharp decline in oil prices and production volumes leads to a corresponding drop in oil companies' revenues and a decrease in federal budget contributions, which is likely to have serious economic and social consequences and provoke a decrease in public sector spending.

These events can have a negative impact on the economy, namely:

- disruption of business and economic activity, leading to disruptions in supplies and violation of contractual obligations;
- significant disruptions in the work of enterprises of certain industries operating both in the domestic market and export-oriented enterprises with a high degree of dependence on external workers. The most affected sectors include retail, tourism, entertainment and hospitality, transportation, oil, construction, automotive, insurance and financial sectors;
- a significant decrease in demand for goods and services that are not urgent or vital;
- growing economic uncertainty, reflected in the increasing volatility of asset values and exchange rates.

In 2020, the Government of the Russian Federation announced a package of measures to support the industries most affected by the spread of COVID-19. The program includes, in particular, deferred payment of taxes and fees for small and medium-sized businesses, deferred loan repayment, deferred lease payments for federal and municipal property, government support for refinancing and restructuring loans for companies in particularly problematic industries. In addition, the rate of insurance premiums for small and medium-sized businesses has been reduced. The list of sectors heavily affected by the crisis is closely monitored and may be adjusted to reflect further changes in the economic situation.

As a result of the implementation of anti-crisis measures by the Government of the Russian Federation and the Bank of Russia aimed at stabilizing the economy, as well as in connection with the expansion of the COVID-19 vaccination program, the economic situation in the country is gradually stabilizing.

According to the Bank of Russia estimates, most industries have already reached the output level before the start of the COVID-19 pandemic. However, in some sectors, certain restrictions remain. First of all, this concerns the sphere of oil production. In addition, the service sector has not fully recovered, where the share of small and medium-sized enterprises is higher than in other areas.

The Group does not expect the introduction of new restrictions by the Government of the Russian Federation and forecasts the implementation of the established targets for 2021.

As part of financial planning, the Group carried out stress testing, one of the scenarios of which was "III wave of COVID-19". The situation was calculated for the deterioration of the epidemiological situation, the introduction of restrictions and the shutdown of enterprises, leading to a deterioration in the financial condition of borrowers, an increase in the cost of risk by 1.5 times.

Based on the results of stress testing, the Group's sensitivity to the deterioration of the epidemiological situation can be characterized as quite high, and the Group's key performance indicators may come under high pressure. The Group expects that this scenario may lead to a decrease in the Group's expected net profit, which may lead to a slowdown in the growth of regulatory capital (equity), but this will not lead to a violation of capital adequacy ratios.

Based on the results of the stress test, the Bank complies with the mandatory standards of the Bank of Russia and the Bank does not have grounds to terminate its activities.

At present, due to the management of the Bank of Russia, the peak of the COVID-19 pandemic in the Russian Federation has passed and the Bank of Russia sees no contraindications to minimize anti-crisis measures.

The presented consolidated interim condensed financial statements reflect management's assessment of the possible impact of the current business environment on the results of operations and the financial position of the Group. Subsequent developments in the business environment may differ from management's assessment.

The Group's operations are not seasonal or cyclical.

2 Basis of the consolidated financial statements preparation

Statement of compliance

The accompanying consolidated interim condensed financial information is prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. As a result, it does not include all of the information required for full consolidated financial statements, and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2020, as this consolidated interim condensed financial information provides an update of previously reported consolidated financial statements.

Basis of measurement

The consolidated interim condensed financial information is prepared on the historical cost basis except that financial instruments at fair value through profit or loss, financial assets at fair value through other comprehensive income are stated at fair value, and buildings are stated at revalued amounts.

Functional and presentation currency

The functional currency of the Bank and its subsidiaries is the Russian Rouble (RUB) as, being the national currency of the Russian Federation, it reflects the economic substance of the majority of underlying events and circumstances relevant to them.

The RUB is also the presentation currency for the purposes of this consolidated interim condensed financial information.

Consolidated interim condensed financial information presented in RUB is rounded to the nearest thousand.

Use of estimates and judgments

The preparation of consolidated interim condensed financial information in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing this consolidated interim condensed financial information, the significant judgments made by the Management in applying the Group's accounting policies and the key sources of uncertainty in estimations were the same as those used for the consolidated financial statements prepared as at 31 December 2020 and 2020 year except as described below.

Due to the absence of significant changes in the macroeconomic situation in the Russian Federation and in the world, the Group did not introduce any new significant assumptions into the calculations in the reporting period and retained all previously used models and approaches.

3 Significant accounting policies

In preparing this consolidated interim condensed financial information, the Group has applied the same accounting policies applied in the annual consolidated financial statements as at 31 December 2020.

A number of new standards and interpretations have been published that are mandatory for annual periods beginning on or after 1 January 2021 or after this date, and which the Group has not yet early adopted. The adoption of the following other new accounting policies is not expected to have a material impact on the Group:

- Amendments to IAS 1: Classification of liabilities as current or non-current;
- Amendments to IFRS 10 and IAS 28: “Sale or contribution of assets in transactions between an investor and its associate or joint venture”;
- Base interest rate reform - Phase 2 (amendments to IFRS 9, IAS 39 and IFRS 7, 4, 16).

4 Interest income and expense

	Three-Month Period Ended 31 March 2021 RUB'000 (unaudited)	Three-Month Period Ended 31 March 2020 RUB'000 (unaudited)
Interest income calculated using the effective interest rate		
Loans to customers	2 625 218	2 137 612
Financial assets at FVOCI	206 414	182 080
Due from banks and cash equivalents	62 729	37 811
Investments at amortised cost	17 192	16 109
	2 911 553	2 373 612
Other interest income		
Financial instruments at FVTPL	96 527	76 987
Net investments in finance leases	74 718	73 499
	171 245	150 486
Interest expense		
Current accounts and deposits from customers	743 724	859 976
<i>including lease obligations</i>	5 093	2 749
Deposits and balances from banks	124 291	32 413
Debt securities issued	30	969
	868 045	893 358

5 Fee and commission income

	Three-Month Period Ended 31 March 2021 RUB'000 (unaudited)	Three-Month Period Ended 31 March 2020 RUB'000 (unaudited)
Settlement operations	264 056	211 474
Insurance agent commission	204 638	152 414
Accounts opening and maintenance	190 806	208 400
Guarantees issuance	47 937	17 681
Consulting and information services agent commission	45 589	15 093
Other	23 548	15 865
	776 574	620 927

Fee and commission income of the Group is recognised as the related services are performed, except fee and commission on guarantees issued, which is paid by the customer in advance and is allocated to income over the guarantee period.

6 Allowance for expected credit losses and other allowances

	Three-Month Period Ended 31 March 2021 RUB'000 (unaudited)	Three-Month Period Ended 31 March 2020 RUB'000 (unaudited)
Loans to customers	799 438	632 611
Financial instruments at fair value through other comprehensive income	8 935	(163)
Cash and cash equivalents and Due from banks	(1 418)	572 471
Investments at amortised cost	5	(142)
Credit related commitments	(4 198)	(2 006)
Net investments in finance leases	1 256	(30 353)
Other assets	39 298	(81 365)
	843 316	1 091 053

As at 31 December 2020, non-credit related contingent liabilities amounted to RUB 14 936 thousand, including:

- estimated reserves for the payment of the variable part of remuneration for 2020 in the amount of 14 936 thousand rubles.

In the reporting period, there were no changes in non-credit reserves and estimated liabilities.

Provisions - estimated liabilities of a non-credit nature are reflected in "Other liabilities".

7 Personnel expenses

	Three-Month Period Ended 31 March 2021 RUB'000 (unaudited)	Three-Month Period Ended 31 March 2020 RUB'000 (unaudited)
Employee compensation	839 311	787 522
Payroll related taxes	254 243	237 140
	1 093 554	1 024 662

8 Cash and cash equivalents

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Cash on hand	5 513 026	3 353 300
Nostro accounts with the CBR	3 525 996	5 048 634
Nostro accounts with other banks		
Rated from AA- to AA+	186 010	142 619
Rated from A- to A+	214 729	173 199
Rated from BBB- to BBB+	158 080	119 544
Rated from BB- to BB+	496 279	682 089
Rated below BB- and not rated	4 599	5 472
Total nostro accounts with other banks	1 059 697	1 122 923
Term deposits with the CBR	-	4 500 518
Allowance for expected credit losses	(2 199)	(2 940)
Total cash and cash equivalents	10 096 520	14 022 435

In the table above, the credit rating is assigned in accordance with the rating scale of Standard & Poor's and Fitch.

Analysis of changes in allowance for expected credit losses for cash and cash equivalents for the three-month period ended 31 March 2021 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2021 (unaudited)	
	Stage 1	Total
Allowance for expected credit losses at the beginning of the period	2 940	2 940
Net change in allowance for expected credit losses	(741)	(741)
Allowance for expected credit losses at the period end	2 199	2 199

Analysis of changes in allowance for expected credit losses for cash and cash equivalents for the three-month period ended 31 March 2020 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2020 (unaudited)	
	Stage 1	Total
Allowance for expected credit losses at the beginning of the period	1 728	1 728
Net change in allowance for expected credit losses	(807)	(807)
Allowance for expected credit losses at the period end	921	921

None of cash and cash equivalents are past due or credit-impaired. Allowance for expected credit losses is 12-month expected credit losses after the reporting date.

9 Financial instruments at fair value through profit or loss

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
ASSETS		
Debt securities at fair value through profit or loss		
Debt securities owned by the Group		
- Government bonds		
Russian Government Federal bonds (OFZ) (rated BBB)	2 904 150	5 197 200
Total government bonds	2 904 150	5 197 200
- Corporate bonds		
Rated from BBB- to BBB+	1 140 250	1 191 521
Rated from BB- to BB+	1 442	-
Total corporate bonds	1 141 692	1 191 521
Total debt securities at fair value through profit or loss owned by the Group	4 045 842	6 388 721
Debt securities at fair value through profit or loss pledged under sale and repurchase agreements, and introduced into General Collateral Certificate Pool and pledged as General Collateral Certificate Pool (GCC)		
- Government bonds		
Russian Government Federal bonds (OFZ) (rated BBB)	1 540 310	-
Total government bonds	1 540 310	-
- Corporate bonds		
Rated from BBB- to BBB+	1 049 034	1 035 680
Rated from BB- to BB+	767 720	921 176
Total corporate bonds	1 816 754	1 956 856
Total debt securities at fair value through profit or loss pledged under sale and repurchase agreements, and introduced into General Collateral Certificate Pool and pledged as General Collateral Certificate Pool (GCC)	3 357 064	1 956 856
Total debt securities at fair value through profit or loss	7 402 906	8 345 577
Derivative financial instruments		
Foreign currency and securities contracts	191 425	20 075
	7 594 331	8 365 652
LIABILITIES		
Derivative financial instruments		
Foreign currency and securities contracts	37 744	31 461
	37 744	31 461

In the table above, the credit rating is assigned in accordance with the rating scale of Standard & Poor's and Fitch.

None of financial assets at fair value through profit or loss are past due or credit-impaired.

10 Financial assets at fair value through other comprehensive income

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Held by the Group		
- Government bonds		
Russian Government Federal bonds (OFZ) (rated BBB)	2 153 988	2 912 762
Total government bonds	2 153 988	2 912 762
- Corporate bonds		
Rated from BBB- to BBB+	1 466 775	931 444
Not rated	206 610	-
Banks with revoked license	102 651	102 651
Total corporate bonds	1 776 036	1 034 095
- Corporate shares		
Not rated	192 653	192 569
Total corporate shares	192 653	192 569
Total financial assets at fair value through other comprehensive income held by the Group	4 122 677	4 139 426
Financial assets at fair value through other comprehensive income pledged under sale and repurchase agreements, and introduced into General Collateral Certificate Pool and pledged as General Collateral Certificate Pool (GCC)		
- Government bonds		
Russian Government Federal bonds (OFZ) (rated BBB)	2 273 323	760 012
Russian Government Eurobonds (rated BBB)	87 999	-
Total government bonds	2 361 322	760 012
- Corporate bonds		
Rated from AA- to AA+	440 453	447 785
Rated from BBB- to BBB+	5 298 779	8 948 576
Rated from BB- to BB+	935 138	1 265 116
Total corporate bonds	6 674 370	10 661 477
Total financial assets at fair value through other comprehensive income pledged under sale and repurchase agreements, and introduced into General Collateral Certificate Pool and pledged as General Collateral Certificate Pool (GCC)	9 035 692	11 421 489
Total financial assets at fair value through other comprehensive income	13 158 369	15 560 915
Allowance for expected credit losses*	(124 573)	(119 783)
Total financial assets at fair value through other comprehensive income (carrying amount)	13 158 369	15 560 915

* The above loss allowance is not recognized in the consolidated interim condensed statement of financial position (in the consolidated condensed statement of financial position) because the carrying amount of debt securities at fair value through other comprehensive income is their fair value.

The following table sets out information about the credit quality of debt financial assets at fair value through other comprehensive income as at 31 March 2021 (unaudited):

31 March 2021 (unaudited)					
RUB'000	12-month ECLs	Lifetime ECLs for not credit-impaired assets	Lifetime ECLs for credit-impaired assets	POCI	Total
<i>Debt financial assets at FVOCI</i>					
Rated from A- to A+	440 453	-	-	-	440 453
Rated from BBB- to BBB+	11 280 864	-	-	-	11 280 864
Rated from BB- to BB+	935 138	-	-	-	935 138
Not rated	206 610	-	-	102 651	309 261
	12 863 065	-	-	102 651	12 965 716
Loss allowance	(21 922)	-	-	(102 651)	(124 573)
Gross carrying amount	13 225 639	-	-	122 675	13 348 314
Carrying amount - fair value	12 863 065	-	-	102 651	12 965 716

The following table sets out information about the credit quality of debt financial assets at fair value through other comprehensive income as at 31 December 2020:

31 December 2020					
RUB'000	12-month ECLs	Lifetime ECLs for not credit-impaired assets	Lifetime ECLd for credit-impaired assets	POCI	Total
<i>Debt financial assets at FVOCI</i>					
Rated from A- to A+	447 785	-	-	-	447 785
Rated from BBB- to BBB+	13 552 794	-	-	-	13 552 794
Rated from BB- to BB+	1 265 116	-	-	-	1 265 116
Not rated	-	-	-	102 651	102 651
	15 265 695	-	-	102 651	15 368 346
Allowance for expected credit losses	(17 132)	-	-	(102 651)	(119 783)
Gross carrying amount	15 419 182	-	-	122 675	15 541 857
Carrying amount-fair value	15 265 695	-	-	102 651	15 368 346

Corporate ratings are based on Standard & Poor's ratings or equivalent Fitch and Moody's ratings.

The following table presents a reconciliation of allowance for expected credit losses as at the beginning and as at the end of the reporting period for financial assets at fair value through other comprehensive income for the three-month period ended 31 March 2021 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2021 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Financial assets at fair value through other comprehensive income for the period					
Balance at 1 January 2021	17 132	-	-	102 651	119 783
Net remeasurement of loss allowance	(557)	-	-	-	(557)
New financial assets originated or purchased	9 492	-	-	-	9 492
Financial assets that have been derecognized	(4 145)	-	-	-	(4 145)
Balance at 31 March 2021	21 922	-	-	102 651	124 573

The following table presents a reconciliation of allowance for expected credit losses as at the beginning and as at the end of the reporting period for financial assets at fair value through other comprehensive income for the three-month period ended 31 March 2020 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2020 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Financial assets at fair value through other comprehensive income for the period					
Balance at 1 January 2020	19 300	-	-	102 651	121 951
Net remeasurement of loss allowance	(163)	-	-	-	(163)
New financial assets originated or purchased	(1 254)	-	-	-	(1 254)
Balance at 31 March 2020	17 883	-	-	102 651	120 534

As at 31 March 2021 the unquoted corporate shares at fair value through other comprehensive income amount to RUB 192 653 thousand and are categorised as Level 3 in the fair value hierarchy (unaudited).

As at 31 December 2020, unquoted corporate shares at fair value through other comprehensive income amounted to RUB 192 569 thousand and are categorised as Level 3 in the fair value hierarchy.

11 Due from banks

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Due from banks		
Rated from A- to A+	2 025	1 983
Rated from BBB- to BBB+	57 611	122 956
Rated from BB- to BB+	178 222	181 833
Rated from B- to B+	108 739	91 024
Total due from banks	346 597	397 796
Allowance for expected credit losses	(872)	(1 549)
Total due from banks net of allowance for expected credit losses	345 725	396 247

Corporate ratings are based on Standard & Poor's ratings or equivalent Fitch and Moody's ratings.

Analysis of changes in allowance for expected credit losses for due from banks for the three-month period ended 31 March 2021 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2021 (unaudited)	
	Stage 1	Total
Due from banks		
Balance at 1 January 2021	1 549	1 549
Net remeasurement of loss allowance	(677)	(677)
Balance at 31 March 2021	872	872

Analysis of changes in allowance for expected credit losses for due from banks for the three-month period ended 31 March 2020 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2020 (unaudited)	
	Stage 1	Total
Due from banks		
Balance at 1 January 2020	21 140	21 140
Net remeasurement of loss allowance	1 278	1 278
Balance at 31 March 2020	22 418	22 418

As at 31 March 2021, all due from banks were classified as Stage 1 financial assets (unaudited) (31 December 2020: all due from banks are classified as Stage 1 financial assets).

As at 31 March 2021, none of amounts due from banks are past due or credit-impaired. Allowance for expected credit losses is 12-month ECLs (unaudited) (31 December 2020: none of amounts due from banks are past due or credit-impaired. Allowance for expected credit losses is 12-month ECLs).

12 Amounts receivable under reverse repurchase agreements

The table below sets out receivables under reverse repurchase agreements showing individual types of securities received as collateral under reverse repurchase agreements outstanding as at 31 March 2021 (unaudited):

	Russian Federation Government bonds RUB'000	Corporate shares RUB'000	Total RUB'000
Amounts receivable under reverse repurchase agreements			
Credit rating BBB	10 533	46	10 579
	10 533	46	10 579

As at 31 March 2021, the fair value of securities collateralising reverse repurchase agreements is RUB 10 589 thousand (unaudited).

The table below sets out receivables under reverse repurchase agreements showing individual types of securities received as collateral under reverse repurchase agreements outstanding as at 31 December 2020:

	Corporate bonds RUB'000	Corporate shares RUB'000	Russian Federation Government bonds RUB'000	Total RUB'000
Amounts receivable under reverse repurchase agreements				
Rated from B to BBB	210 947	2 361	1 388	214 696
Not rated	182 559	-	-	182 559
	393 506	2 361	1 388	397 255

As at 31 December 2020, the fair value of securities collateralising reverse repurchase agreements is RUB 564 846 thousand.

The following table sets out information about the credit quality of receivables under reverse repurchase agreements as at 31 March 2021 (unaudited):

RUB'000	31 March 2021 (unaudited)				
	12-month ECLs	Lifetime ECLs for not credit-impaired assets	Lifetime ECLs for credit-impaired assets	POCI	Total
<i>Accounts receivable under reverse repurchase agreements</i>					
Rated from BB to BBB	10 579	-	-	-	10 579
	10 579	-	-	-	10 579
Allowance for expected credit losses	-	-	-	-	-
Carrying amount	10 579	-	-	-	10 579

The following table sets out information about the credit quality of receivables under reverse repurchase agreements as at 31 December 2020:

RUB'000	31 December 2020				
	12-month ECLs	Lifetime ECLs for not credit-impaired assets	Lifetime ECLs for credit-impaired assets	POCI	Total
<i>Accounts receivable under reverse repurchase agreements</i>					
Rated from B to BBB	214 696	-	-	-	214 696
Not rated	182 559	-	-	-	182 559
	397 255	-	-	-	397 255
Allowance for expected credit losses	-	-	-	-	-
Carrying amount	397 255	-	-	-	397 255

In the tables above, the credit rating is shown in accordance with the rating scale of the rating agencies Standard & Poors and Fitch.

Reverse repurchase receivables are neither credit-impaired nor overdue.

13 Loans to customers

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Loans to corporate customers	21 383 104	18 753 687
Loans to retail customers		
Consumer loans	53 077 871	50 863 738
Mortgage loans	18 014 316	14 993 318
Total loans to retail customers	71 092 187	65 857 056
Gross loans to customers	92 475 291	84 610 743
Allowance for expected credit losses	(11 583 571)	(11 116 030)
Loans to customers net of allowance for expected credit losses	80 891 720	73 494 713

The table below shows analysis of changes in allowance for expected credit losses by class of loans issued to customers for the three-month period ended 31 March 2021 (unaudited):

	Loans to corporate customers RUB'000	Loans to retail customers RUB'000	Total RUB'000
Allowance for expected credit losses at the beginning of the period	2 406 836	8 709 194	11 116 030
Unwinding of discount	1 298	63 640	64 938
Net allowance for expected credit losses	79 273	720 165	799 438
Financial assets that have been derecognised	-	(105 215)	(105 215)
Write-offs	(99 672)	(200 039)	(299 711)
Other changes	8 091	-	8 091
Allowance for expected credit losses at the period end	2 395 826	9 187 745	11 583 571

The table below shows analysis of changes in allowance for expected credit losses by class of loans issued to customers for the three-month period ended 31 March 2020 (unaudited):

	Loans to corporate customers RUB'000	Loans to retail customers RUB'000	Total RUB'000
Allowance for expected credit losses at the beginning of the period	4 693 765	14 735 283	19 429 048
Unwinding of discount	4 551	71 753	76 304
Net allowance for expected credit losses	397 076	235 529	632 605
Financial assets that have been derecognised	(179 599)	(195 778)	(375 377)
Write -offs	(47 809)	(169 008)	(216 817)
Other changes	(156 739)	-	(156 739)
Allowance for expected credit losses at the period end	4 711 245	14 677 779	19 389 024

Credit quality analysis

The following table sets out information about the credit quality of corporate loans issued as at 31 March 2021 (unaudited):

	31 March 2021 (unaudited):				
	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	Total
RUB'000					
Loans to corporate customers					
Standard	16 966 057	-	-	-	16 966 057
Below standard	-	1 460 015	925 514	-	2 385 529
Doubtful	-	-	2 031 518	-	2 031 518
	16 966 057	1 460 015	2 957 032	-	21 383 104
Allowance for expected credit losses	(421 693)	(60 357)	(1 913 776)	-	(2 395 826)
Carrying amount	16 544 364	1 399 658	1 043 256	-	18 987 278

The following table sets out information about the credit quality of corporate loans issued as at 31 December 2020.

	31 December 2020				
RUB'000	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	Total
Loans to corporate customers					
Standard	14 555 901	-	-	-	14 555 901
Below standard	-	1 147 846	897 825	-	2 045 671
Doubtful	-	-	2 152 115	-	2 152 115
	14 555 901	1 147 846	3 049 940	-	18 753 687
Allowance for expected credit losses	(376 891)	(49 145)	(1 980 800)	-	(2 406 836)
Carrying amount	14 179 010	1 098 701	1 069 140	-	16 346 851

The credit quality categories presented in the table above represent an assessment of the financial position that the Bank carries out on the basis of financial and non-financial information:

- “Standard” - assets where the counterparties have a low probability of default, have a high ability to timely fulfil financial obligations: these are loans where Borrowers have a “Good” financial position, the absence of modifications leading to a significant increase in credit risk. A delay of no more than 30 days is also allowed with a “Good” financial position.
- “Below standard” - assets where the counterparties have a moderate probability of default, demonstrate an average ability to timely fulfil financial obligations and require more careful attention at the monitoring stage: these are loans for which the financial position has deteriorated, modifications leading to a significant increase of credit risk, an overdue of 31 to 90 days has occurred.
- “Doubtful” - assets that, based on the signs of impairment, meet the definition of default: borrowers have overdue payments by more than 90 days, modifications leading to impairment of the financial instrument, the Group has initiated a bankruptcy procedure or entered into an agreement with the borrower on the terms of repayment of an overdue loan.

The following table sets out information about the credit quality of retail loans issued as at 31 March 2021 (unaudited):

	31 March 2021 (unaudited)				
RUB'000	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	Total
Loans to customers – retail customers					
Not overdue	57 761 781	2 491 429	23 280	90 357	60 366 847
Overdue less than 30 days	1 056 635	87 749	49	14 966	1 159 399
Overdue 30-89 days	-	1 091 180	776	14 620	1 106 576
Overdue 90-723 days	-	-	4 943 962	116 071	5 060 033
Overdue more than 724 days	-	-	3 329 631	69 701	3 399 332
	58 818 416	3 670 358	8 297 698	305 715	71 092 187
Allowance for expected credit losses	(1 745 523)	(513 750)	(6 921 322)	(7 150)	(9 187 745)
Carrying amount	57 072 893	3 156 608	1 376 376	298 565	61 904 442

The following table sets out information about the credit quality of retail loans issued as at 31 December 2020:

	31 December 2020				
	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	Total
RUB'000					
Loans to customers – retail customers					
Not overdue	51 659 613	2 785 447	1 639 777	60 679	56 145 516
Overdue less than 30 days	917 706	33 830	29 134	6 497	987 167
Overdue 30-89 days	-	728 761	-	7 305	736 066
Overdue 90-723 days	-	-	4 602 689	59 831	4 662 520
Overdue more than 724 days	-	-	3 310 060	15 727	3 325 787
	52 577 319	3 548 038	9 581 660	150 039	65 857 056
Allowance for expected credit losses	(1 712 350)	(496 584)	(6 667 499)	167 239	(8 709 194)
Carrying amount	50 864 969	3 051 454	2 914 161	317 278	57 147 862

The following table reconciles opening and closing balances of allowance for expected credit losses for corporate and retail loans measured at amortised cost for the three-months period ended 31 March 2021 (unaudited):

	Three-Month Period Ended 31 March 2021 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
RUB'000				
Loans to corporate customers				
Balance at 1 January 2021	376 891	49 145	1 980 800	2 406 836
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(11 919)	11 919	-	-
Transfer to Stage 3	(384)	(189)	573	-
Net remeasurement of loss allowance	(9 506)	(518)	22 986	12 962
New financial assets originated or purchased	66 311	-	-	66 311
Unwinding of discount	-	-	1 298	1 298
Financial assets that have been derecognized	-	-	-	-
Write-offs	-	-	(99 672)	(99 672)
Other changes	300	-	7 791	8 091
Balance at 31 March 2021	421 693	60 357	1 913 776	2 395 826

	Three-Month Period Ended 31 March 2021 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
RUB'000					
Loans to retail customers					
Balance at 1 January 2021	1 712 350	496 584	6 667 499	(167 239)	8 709 194
Transfer to Stage 1	120 169	(35 365)	(84 804)	-	-
Transfer to Stage 2	(64 726)	82 751	(18 025)	-	-
Transfer to Stage 3	(120 062)	(270 855)	390 917	-	-
Net remeasurement of loss allowance	(252 490)	240 635	198 892	174 389	361 426
New financial assets originated or purchased	358 739	-	-	-	358 739
Unwinding of discount	-	-	63 640	-	63 640
Financial assets that have been derecognised	(8 457)	-	(78 620)	-	(87 077)
Derecognition due to significant modification	-	-	(18 138)	-	(18 138)
Write-offs	-	-	(200 039)	-	(200 039)
Balance at 31 March 2021	1 745 523	513 750	6 921 322	7 150	9 187 745

Below is the explanation of how significant changes in the gross carrying amount of corporate loans during the three-month period ended 31 March 2021 affected changes in allowance for expected credit losses (unaudited):

- Write-offs of corporate loans in the amount of RUB 99 672 thousand during the three-month period ended 31 March 2021 led to a reduction in ECLs by RUB 99 672 thousand.
- The issuance of loans to corporate customers in the amount of RUB 2 937 069 thousand during the three-month period ended 31 March 2021 led to an increase in ECLs by RUB 66 311 thousand.

Below is the explanation of how significant changes in the gross carrying amount of retail loans issued during the three-month period ended 31 March 2021 affected changes in allowance for expected credit losses (unaudited):

- Write-offs of retail loans in the amount of RUB 200 039 thousand during the three-month period ended 31 March 2021 led to a reduction in ECLs of loans referred to Stage 3 by RUB 200 039 thousand.
- Derecognition of loans to retail customers resulting from the exercise of claims with a gross carrying amount of RUB 85 209 thousand during the three-month period ended 31 March 2021 reduced the ECL of loans classified as Stage 3 by RUB 78 620 thousand. The assignment is represented by the sale of retail loans to unrelated parties for RUB 47 588 thousand.
- Derecognition of loans to retail customers resulting from the sale of mortgage bonds with a gross carrying amount of RUB 1 108 990 thousand within three months of 2021 reduced the ECL of loans classified as Stage 1 by RUB 8 457 thousand rubles. The assignment of claims is represented by the sale of mortgage bonds to an unrelated party for RUB 1 108 990 thousand.
- Loans to retail customers classified as POCI with a gross carrying amount of RUB 2 107 thousand were derecognised as a result of the assignment of claims of these loans to unrelated parties for RUB 2 728 thousand.
- For loans with a gross carrying amount of RUB 31 732 thousand during the reporting period, there was a significant modification, the provision for expected credit losses on these loans at the date of modification was RUB 18 138 thousand. As a result of a significant modification, the assets were derecognised and new assets recognized as POCI assets.
- Transfer from Stage 1 to Stage 2 during the three-month period ended 31 March 2021 in the amount of RUB 1 072 575 thousand and to Stage 3 in the amount of RUB 339 627 thousand resulted in an increase in the ECL of Stage 2 and Stage 3 by RUB 184 788 thousand.
- Transfer from Stage 2 to Stage 1 during the three-month period ended 31 March 2021 in the amount of RUB 91 528 thousand and to Stage 3 in the amount of RUB 584 441 thousand led to an increase in the ECL of Stage 1 by RUB 35 365 thousand and Stage 3 by RUB 270 855 thousand.
- Issue of retail loans in the amount of RUB 12 078 768 thousand during the three-month period ended 31 March 2021 led to an increase in ECLs by RUB 358 739 thousand.

The following table reconciles opening and closing balances of allowance for expected credit losses for corporate and retail loans measured at amortised cost for the three-months period ended 31 March 2020 (unaudited):

JSC Asian-Pacific Bank
Notes to, and forming part of, the Consolidated Interim Condensed Financial Information
for the three-month period ended 31 March 2021

Three-Month Period Ended 31 March 2020 (unaudited)				
RUB'000	Stage 1	Stage 2	Stage 3	Total
Loans to corporate customers				
Balance at 1 January 2020	400 103	2 820	4 290 842	4 693 765
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(16 863)	16 863	-	-
Transfer to Stage 3	(194)	-	194	-
Net remeasurement of loss allowance	48 836	1 393	303 978	354 207
New financial assets originated or purchased	42 869	-	-	42 869
Unwinding of discount	-	-	4 551	4 551
Financial assets that have been derecognised	-	-	(179 599)	(179 599)
Write-offs	-	-	(47 809)	(47 809)
Other changes	(5 101)	-	(151 638)	(156 739)
Balance at 31 March 2020	469 650	21 076	4 220 519	4 711 245

Three-Month Period Ended 31 March 2020 (unaudited)				
RUB'000	Stage 1	Stage 2	Stage 3	Total
Loans to retail customers				
Balance at 1 January 2020	1 350 577	390 271	12 994 435	14 735 283
Transfer to Stage 1	1 391 480	(481 700)	(909 780)	-
Transfer to Stage 2	(147 596)	561 113	(413 517)	-
Transfer to Stage 3	(207 499)	(900 384)	1 107 883	-
Net remeasurement of loss allowance	(1 504 963)	1 054 208	483 365	32 610
New financial assets originated or purchased	202 919	-	-	202 919
Unwinding of discount	-	-	71 753	71 753
Financial assets that have been derecognised	-	-	(221 726)	(221 726)
Derecognition due to substantial modification	-	-	25 948	25 948
Write-offs	-	-	(169 008)	(169 008)
Balance at 31 March 2020	1 084 918	623 508	12 969 353	14 677 779

Below is the explanation of how significant changes in the gross carrying amount of corporate loans during the three-month period ended 31 March 2020 affected changes in allowance for expected credit losses (unaudited):

- Write-offs of corporate loans in the amount of RUB 47 809 thousand during the three-month period ended 31 March 2020 led to a reduction of ECLs by RUB 47 809 thousand.
- Cession of corporate loans in amount RUB 179 599 thousand during the three-month period ended 31 March 2020 led to reduction in ECL Stage 3 in the amount of RUB 179 599 thousand.
- Corporate loans issued in the amount of RUB 4 205 675 thousand during the three-month period ended 31 March 2020 led to an increase in ECLs by RUB 42 869 thousand.

Below is the explanation of how significant changes in the gross carrying amount of retail loans issued during the three-month period ended 31 March 2020 affected changes in allowance for expected credit losses (unaudited):

- Write-offs of retail loans in the amount of RUB 169 008 thousand during the three-month period ended 31 March 2020 led to a reduction of ECLs by RUB 169 008 thousand.
- Cession of retail loans in the amount of RUB 221 726 thousand during the three-month period ended 31 March 2020 led to a reduction in ECL by RUB 221 726 thousand.
- Issue of retail loans in the amount of RUB 3 864 694 thousand during the three-month period ended 31 March 2020 led to an increase in ECLs by RUB 202 919 thousand.
- As of March 31, 2020, the carrying value of POCI loans of assets for which there was a significant modification amounted to RUB 4 128 718 thousand, the provision for expected credit losses on these loans amounted to RUB 3 967 583 thousand, which resulted in decrease in the provision for POCI loans as of March 31, 2020 compared to the reporting period ended December 31, 2019 by RUB 25 948 thousand.

14 Net investments in finance leases

Net investments in finance leases comprise:

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Gross investments in finance leases	1 820 527	1 982 218
Unearned finance lease income	(326 655)	(425 334)
	1 493 872	1 556 884
Allowance for expected credit losses	(46 906)	(48 580)
Net investments in finance leases	1 446 966	1 508 304

Net investments in finance leases generally comprise lease contracts on various types of equipment and vehicles.

The following tables set out information about the credit quality of net investments in finance leases as at 31 March 2021 (unaudited) and as at 31 December 2020:

	31 March 2021 (unaudited)				Total
	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	
RUB'000					
Standard	1 043 812	-	-	-	1 043 812
Below standard	-	375 265	-	-	375 265
Doubtful	-	-	74 795	-	74 795
	1 043 812	375 265	74 795	-	1 493 872
Allowance for expected credit losses	(10 235)	(4 890)	(31 781)	-	(46 906)
Carrying amount	1 033 577	370 375	43 014	-	1 446 966

31 December 2020

RUB'000	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	Total
Standard	1 076 698	-	-	-	1 076 698
Below standard	-	398 382	-	-	398 382
Doubtful	-	-	81 804	-	81 804
	1 076 698	398 382	81 804	-	1 556 884
Allowance for expected credit losses	(11 537)	(7 338)	(29 705)	-	(48 580)
Carrying amount	1 065 161	391 044	52 099	-	1 508 304

The credit quality categories presented in the table above are described in Note 13.

The following table present a reconciliation of allowance for expected credit losses for the three-month period ended 31 March 2021 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2021 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2021	11 537	7 338	29 705	48 580
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(40)	40	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(2 098)	(145)	2 660	417
New financial assets originated or purchased	839	-	-	839
Write-offs	(3)	(2 343)	(584)	(2 930)
Balance at 31 March 2021	10 235	4 890	31 781	46 906

The following table present a reconciliation of allowance for expected credit losses for the three months ended 31 March 2021 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2020	16 065	657	30 388	47 110
Transfer to Stage 1	29 194	(4 782)	(24 412)	-
Transfer to Stage 2	(1 345)	1 345	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(36 972)	5 703	(1 599)	(32 869)
New financial assets originated or purchased	2 214	302	-	2 516
Write-offs	-	(22)	(1)	(22)
Balance at 31 March 2020	9 156	3 203	4 376	16 735

15 Investments in associates and other investments

Associates and other investments comprise the following:

Name	Country of incorporation	Main activity	Ownership, %		31 March 2021	31 December 2020
			31 March 2021 (unaudited)	31 December 2020	Carrying value RUB'000 (unaudited)	Carrying value RUB'000
CUIF "Celena"	Russian Federation	Unit investment fund	41.09%	41.09%	76 508	75 578
					76 508	75 578

The following table summarises the financial information of CUIF "Celena" as at 31 March 2021 (unaudited) and 31 December 2020 and for the three-month period ended 31 March 2021 (unaudited) and 31 March 2020 (unaudited), and reconciliation of carrying amount of the Group's interest in associate:

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Total assets	187 156	188 467
Total liabilities	(961)	(4 535)
Net assets	186 195	183 932
Group's share of net assets (41.09%)	76 508	75 578
	Three-Month Period Ended 31 March 2021 RUB'000 (unaudited)	Three-Month Period Ended 31 March 2020 RUB'000 (unaudited)
Net loss for the reporting period	2 263	(1 256)
The Group's share in the loss of the associate (41.09%)	930	(516)

16 Investments measured at amortised cost

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Investments at amortised cost pledged under sale and repurchase agreements, and contributed to the General Collateral Certificate Pool (GCC) and pledged as General Collateral Certificate Pool (GCC)		
- Corporate bonds		
Rated from BBB- to BBB+	1 300 489	1 297 587
Total corporate bonds	1 300 489	1 297 587
Total investments at amortised cost pledged under sale and repurchase agreements, and contributed to the General Collateral Certificate Pool (GCC) and pledged as General Collateral Certificate Pool (GCC)	1 300 489	1 297 587
Total investments at amortised cost	1 300 489	1 297 587
Allowance for expected credit losses	(1 668)	(1 663)
Total investments at amortised cost net of allowance for expected credit losses	1 298 821	1 295 924

Rating in the table above are based on Standard&Poors and Fitch ratings.

The following table presents a reconciliation of allowance for expected credit losses for investments at amortised cost for the three-month period ended 31 March 2021 (unaudited):

	Three-Month Period Ended 31 March 2021 (unaudited)	
RUB'000	Stage 1	Total
Investments at amortised cost		
Balance at 1 January 2021	1 663	1 663
Net change in allowance for expected credit losses	5	5
Balance at 31 March 2021	1 668	1 668

The following table presents a reconciliation of allowance for expected credit losses for investments at amortised cost for the three-month period ended 31 March 2020 (unaudited):

RUB'000	Three-Month Period Ended 31 March 2020 (unaudited)	
	Stage 1	Total
Investments at amortised cost		
Balance at 1 January 2020	610	610
Net change in allowance for expected credit losses	(142)	(142)
Financial assets that have been derecognized	(18)	(18)
Balance at 31 March 2020	450	450

None of investments measured at amortised cost are past due or credit-impaired. Allowance for expected credit losses is 12-month ECLs after the reporting date.

17 Deposits and balances from banks

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Vostro accounts	1 634 434	1 757 513
Term deposits from banks	1 087 532	841 346
	2 721 966	2 598 859

As at 31 March 2021 the Group has no counterparties or groups of related counterparties (unaudited) (31 December 2020: no counterparties) whose balances individually exceed 10% of equity.

18 Amounts payable under repurchase agreements

The table below sets out payables under repurchase agreements showing individual types of counterparties under REPO agreements from which funds were received as at 31 March 2021 (unaudited):

RUB'000	General collateral certificates	Government and municipal bonds	Total
Amounts payable under repurchase agreements			
- Largest 30 Russian banks	7 857 208	3 537 810	11 395 018
	7 857 208	3 537 810	11 395 018

The table below sets out payables under repurchase agreements showing individual types of counterparties under REPO agreements from which funds were received as at 31 December 2020:

RUB'000	General collateral certificates	Corporate bonds	Russian Federation Government and municipal bonds	Total
Amounts payable under repurchase agreements				
- Largest 30 Russian banks	8 923 676	2 217 485	705 099	11 846 260
	8 923 676	2 217 485	705 099	11 846 260

Fair value of securities pledged under repurchase agreements as at 31 March, 2021 comprised RUB 3 813 633 thousand (unaudited) (31 December 2020: RUB 3 915 869 thousand), nominal value of general collateral certificates pledged under repurchase agreements as at 31 March 2021 comprised RUB 7 857 208 thousand (unaudited) (31 December 2020: RUB 8 922 132 thousand). Also see Note 21.

19 Current accounts and deposits from customers

	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Current accounts and demand deposits		
- Retail	12 017 948	12 523 006
- Corporate	22 722 815	26 658 292
Term deposits		
- Retail	41 442 917	41 667 049
- Corporate	14 572 859	17 546 399
	90 756 539	98 394 746

As at 31 March 2021, the Group has one client (unaudited) (31 December 2020: one client), whose balances individually exceeds 10% of the Group's equity. The amount of funds on the accounts of this client as at 31 March 2021 was RUB 4 288 354 thousand or 23.6% of the Group's equity (unaudited) (31 December 2020: RUB 4 483 838 thousand or 25.0% of the Group's equity).

20 Involvement with unconsolidated structured entities

The table below describes the structured entities that the Group does not consolidate but in which it holds an interest as at 31 March 2021 (unaudited):

Description	Country of registration	The main types of activity	Interest held by the Group	31 March 2021 Total assets, RUB'000 (unaudited)	31 December 2020 Total assets, RUB'000
CJSC "Multi Originator Mortgage Agent 1"	Russian Federation	Mortgage agent	See below	2 314 793	2 852 333

CJSC "Multi Originator Mortgage Agent 1" ("MMA 1") is a structured entity established to facilitate the issue of mortgage backed securities. The Group does not control MMA 1. The involvement of the Group refers to retaining risks and benefits of the entity in the amount of the issued lower tranche of bonds by MMA 1 which was bought by the Group, as well as the fees for transferred mortgage loan servicing.

The table below sets out the carrying amounts of interests held by the Group in MMA 1 representing the maximum exposure to loss:

	31 March 2021	31 December 2020
	Other assets, RUB'000 (unaudited)	Other assets, RUB'000
Continuing involvement with sold loan portfolio	422 731	499 806
Allowance for expected credit losses	(12 006)	(16 294)
Total net continuing involvement with sold loan portfolio net of impairment allowance	410 725	483 512

21 Transferred financial assets and pledged assets

This note contains information about pledged financial assets and financial assets transferred in whole or in part without derecognition.

The table below provides information on the sale and repurchase of financial assets carried out by the Group in the normal course of business:

RUB'000	31 March 2021		31 December 2020	
	Accounts payable under repo agreements		Accounts payable under repo agreements	
	Book value of assets/ nominal value of GCC	Carrying amount of the associated liability	Book value of assets/ nominal value of GCC	Carrying amount of the associated liability
Securities pledged under REPO agreements	3 813 633	3 537 810	3 915 869	2 922 584
GCC, pledged under REPO agreements	7 857 208	7 857 208	8 922 132	8 923 676
	11 670 841	11 395 018	12 838 001	11 846 260

Information about the Group's own portfolio of securities pledged under repurchase agreements, as well as securities introduced into General Collateral Certificate Pool and pledged under repurchase agreements (GCC) is presented in Note 9, Note 10 and Note 16.

The Group carries out REPO agreements with General Collateral Certificates ("GCC") on the Moscow Exchange. GCC, a clearing certificate of participation in the General Collateral Certificate Pool, is a homogeneous universal collateral for REPO agreements with a Central Counterparty. GCC is obtained through reverse REPO agreements or by depositing assets into the General Collateral Certificate Pool. A pool member has the right to manage assets in the General Collateral Certificate Pool, including their replacement. The Central Counterparty assesses the assets contributed by the participants to the General Collateral Certificate Pool using a methodology that ensures coverage of all emerging risks. GCC are issued to the Participants at their nominal value as the value equivalent of the assessed collateral value of the instruments contributed to the General Collateral Certificate Pool. GCC can be used exclusively as collateral in REPO agreements. On a daily basis, the General Collateral Certificate Pool is revalued at the new assessed collateral value, and the number of GCC is rebalanced, reflecting the new collateral value. Ownership of the Participant's assets in the General Collateral Certificate Pool remains with the Participant. If a participant violates obligations under REPO agreements with the GCC, the Central Counterparty settles monetary obligations by selling assets contributed by the Participant to the GCC Pool.

The table below provides information on securities included in the General Collateral Certificate Pool of the GCC:

RUB'000	31 March 2021		31 December 2020	
	Book value of assets included in the GCC Pool of the GCC	Nominal value of GCC	Book value of assets included in the GCC Pool of the GCC	Nominal value of GCC
Securities included in the GCC Pool of the GCC:				
- corporate bonds	9 345 816	7 920 870	10 760 064	9 014 069
	9 345 816	7 920 870	10 760 064	9 014 069

These transactions are conducted in accordance with the traditional terms for standard lending, securities lending and securities lending, as well as exchange requirements, where the Group acts as an intermediary.

22 Related party transactions

a) Control relationships

On 26 April 2018 the Bank of Russia decided to implement measures aimed at improving the financial stability of the Bank using the funds of the Fund of Banking Sector Consolidation. Since then, the government has been the ultimate beneficiary of the Group.

The Group discloses information on transactions with the Bank of Russia and the banks under its control.

b) Transactions with the Bank of Russia and the banks under its control

As at 31 March 2021 (unaudited) and 31 December 2020, the balances on the accounts with the Bank of Russia and the banks/companies under its control are as follows:

Consolidated interim condensed statement of financial position	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
ASSETS		
Cash and cash equivalents,	3 939 034	10 142 352
<i>Allowance for expected credit losses</i>	<i>(1 704)</i>	<i>(2 465)</i>
Obligatory reserves with the Central Bank of the Russian Federation	694 193	732 143
Financial instruments at FVTPL	1 442	-
Financial assets at FVOCI	209 547	18 432
Due from banks,	80 206	72 806
<i>Allowance for expected credit losses</i>	<i>(114)</i>	<i>(104)</i>
Loans to customers	307 494	360 534
<i>Allowance for expected credit losses</i>	<i>(261 026)</i>	<i>(261 026)</i>
Amounts receivable under reverse repurchase agreements	-	397 245

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Other assets	14 240	30 020
Allowance for expected credit losses	<u>(17)</u>	<u>(32)</u>

LIABILITIES

Deposits and balances from banks	714 271	841 346
Amounts payable under repurchase agreements	-	11 846 259
Current accounts and deposits from customers	-	-
Debt securities issued	22 610	22 610
Financial instruments at fair value through profit or loss	2 328	1 407
Other liabilities	<u>1</u>	<u>5</u>

The amounts included in the consolidated interim condensed statement of profit or loss and other comprehensive income for transactions with the Bank of Russia and the banks/companies under its control for the three-month period ended 31 March 2021 (unaudited) and for the three-month period ended 31 March 2020 (unaudited) can be presented as follows:

Consolidated interim condensed statement of profit or loss and other comprehensive income	Three-Month Period Ended 31 March 2021 (unaudited)	Three-Month Period Ended 31 March 2020 (unaudited)
Interest income on funds placed with the Bank of Russia	6 827	10 971
Interest income calculated using the effective interest method	-	11 924
Interest expense	-	(21 864)
Fee and commission expense	-	(992)
Net income from operations with precious metals	(2 669)	56 784
Net income from foreign currency transactions	(637)	(1 108 874)
Interest expense on funds received from the Bank of Russia	(7 227)	(9 275)
Change in allowance for expected credit losses	<u>635</u>	<u>89 112</u>

c) Transactions with the members of the Board of Directors and the Management Board

Total remuneration to the Board of Directors and the Management Board included in personnel expenses for the three-month period ended 31 March 2021 (unaudited) and for the three-month period ended 31 March 2020 (unaudited) can be presented as follows:

	Three-Month Period Ended 31 March 2021 (unaudited)	Three-Month Period Ended 31 March 2020 (unaudited)
Short term employee benefits	<u>19 736</u>	<u>8 138</u>
Long term employee benefits	218	46
	<u>19 954</u>	<u>8 184</u>

d) Transactions with government-related entities

In the ordinary course of business, the Group operates with the government agencies of the Russian Federation and state-controlled companies. The Group carries out these transactions on market terms. The table below discloses significant transactions with government agencies and state-controlled companies, as well as companies under significant state control:

Consolidated interim condensed statement of financial position	31 March 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
ASSETS		
Cash and cash equivalents	115 690	84 841
Financial instruments at fair value through profit or loss	7 401 665	8 112 186
Financial assets at fair value through other comprehensive income for the period	9 457 888	10 844 013
Loans to customers	1 348 604	1 394 372
Investments at amortised cost	1 166 775	1 166 128
Other assets	13 876	14 697
LIABILITIES		
Financial instruments at fair value through profit or loss	182	86
Deposits and balances from banks	37 400	17 508
Current accounts and deposits from customers	8 729 299	8 862 424
Debt securities issued	558	567
Other liabilities	1 870	2 165
Commitments		
Non-credit related commitments	-	-

Amounts included in the consolidated interim condensed statement of profit or loss and other comprehensive income in relation to transactions with government-related entities for the three-month period ended 31 March 2021 (unaudited) and for the three-month period ended 31 March 2020 (unaudited) can be presented as follows:

Consolidated interim condensed statement of profit or loss and other comprehensive income	Three-Month Period Ended 31 March 2021 (unaudited)	Three-Month Period Ended 31 March 2020 (unaudited)
Interest income	145 498	75 615
Interest expense	(86 542)	(68 288)
Net income from operations with precious metals	(1 613)	8 520
Net income from operations with financial instruments at FVTPL	(30 353)	(9 259)
Net income from operations with financial instruments at FVOCI	(9)	27 498
Recovery of provision for expected credit losses	829	57 010

23 Financial assets and liabilities: fair values and accounting classifications

a) Accounting classifications and fair values

The estimates of fair value are intended to approximate 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. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or transfer of liabilities.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. The estimated fair values of all other financial assets and liabilities are calculated using discounted cash flow techniques based on estimated future cash flows and discount rates for similar instruments at the reporting date.

The estimated fair value of all financial instruments as at 31 March 2021 approximates their carrying value.

The estimated fair value of all financial instruments as at 31 December 2020 approximates their carrying value.

There were no changes in the fair value measurement models during 2021.

b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: inputs other than quotes prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group has a control framework with respect to the measurement of fair values. This system includes the Financial Markets Risk Analysis and Control Department, which is independent from the front office management and reports to the Chief Risk Officer, who is responsible for independently verifying the results of trading and investment transactions, as well as all material fair value estimates. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- review and approval process of new models and changes to models with the participation of the Credit Products Control Department and employees responsible for the analysis and control of the Group's risks;
- quarterly validation and back-testing of the model against observable market transactions;
- analysis and investigation of significant daily valuation movements;

- review by a committee consisting of the loan product control officer and employees responsible for the analysis and control of the Group's market risks, material unobservable data, valuation adjustments and significant changes in the fair value of instruments classified as Level 3 compared to the previous month.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, Market Risks Department assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet IFRS requirements. This includes:

- verifying that the broker or pricing service is approved by the Group for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement;
- where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

The table below analyses financial instruments measured at fair value as at 31 March 2021 (unaudited), by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated interim condensed statement of financial position:

RUB '000	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss:				
- Derivative assets	-	191 425	-	191 425
- Debt instruments	6 262 657	1 140 249	-	7 402 906
- Derivative liabilities	-	(37 744)	-	(37 744)
Financial assets at fair value through other comprehensive income for the period				
- Debt instruments	8 424 509	4 334 597	206 610	12 965 716
- Equity instruments	-	-	192 653	192 653

As at 31 March 2021, the value of unquoted financial assets at fair value through other comprehensive income for the period amount to RUB 399 263 thousand is categorised in Level 3 in the fair value hierarchy (unaudited).

The table below analyses financial instruments measured at fair value as at 31 December 2020, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position:

RUB '000	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss:				
- Derivative assets	-	20 075	-	20 075
- Debt instruments	8 345 577	-	-	8 345 577
- Derivative liabilities	-	(31 461)	-	(31 461)
Financial assets at fair value through other comprehensive income for the period				
- Debt instruments	10 288 030	4 598 012	482 304	15 368 346
- Equity instruments	-	-	192 569	192 569

As at 31 December 2020, the value of unquoted financial assets at fair value through other comprehensive income for the period amounted RUB 674 873 thousand is categorised in Level 3 in the fair value hierarchy.

The table below presents a reconciliation of amounts recognized at the beginning and end of the reporting period for financial assets categorised in Level 3 in the fair value hierarchy measured at fair value through other comprehensive income for the three-month period ended 31 March 2021 (unaudited):

RUB '000	31 December 2020	Revaluation recognised in OCI	Purchased	Decommissioned Level 3 instruments	31 March 2021
Financial assets at FVOCI	674 873	(22 229)	228 923	(482 304)	399 263

The table below presents a reconciliation of amounts recognized at the beginning and end of the reporting period for financial assets categorised in Level 3 in the fair value hierarchy measured at fair value through other comprehensive income for the three-month period ended 31 March 2020 (unaudited):

RUB'000	31 December 2019 RUB'000	Exchange differences recognised in consolidated statement of profit or loss in gain or loss	Revaluation recognised in other comprehensive income	Sold	31 March 2020 RUB'000 (unaudited)
Financial assets at FVOCI	205 951	-	48	-	205 999

The table below provides information on significant unobservable inputs used in valuation of financial instruments categorised in Level 3 in the fair value hierarchy as at 31 March 2021 (unaudited):

Type of instrument	Fair value	Valuation technique	Significant unobservable inputs	Amount of unobservable inputs used	Range of estimates of unobservable inputs used	Sensitivity of fair value measurements to unobservable inputs
Financial assets at FVOCI						
Other equity instruments Sanyon Corporation	173 812	Comparative approach (capital market method)	EV/Proceeds (EV/EBITDA) Multiplier weight. Lack of liquidity discount	0.42 % (6.47)% 50% 12,97%	0,42-0,48 (6,47-6,93)	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.
Other equity instruments “Kvant” real estate closed-end investment fund	18 841	Net asset value	Adjustments for condition of the object (discount)	56,08%	n/a	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.
Debt securities of legal entities (LLC “IA “Titan-3”)	206 610	Cash flow discounting Method	Discount rate. Forecast CF for a portfolio of mortgage loans	9,71%	н/п	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.

The table below analyses information about unobservable inputs used in valuation of financial instruments categorised in Level 3 in the fair value hierarchy as at 31 December 2020:

Type of instrument	Fair value	Valuation technique	Significant unobservable inputs	Amount of unobservable inputs used	Range of estimates of unobservable inputs used	Sensitivity of fair value measurements to unobservable inputs
Financial assets at FVOCI						
Other equity instruments Sanymon Corporation	173 812	Comparative approach (capital market method)	EV/Proceeds (EV/EBITDA) Multiplier weight. Lack of liquidity discount	0.42 % (6.47)% 50% 12,97%	0,42-0,48 (6,47-6,93)	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.
Other equity instruments “Kvant” real estate closed-end investment fund	18 757	Net asset value	Adjustments for condition of the object (discount)	56,28%	n/a	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.
Debt securities of legal entities (LLC “SOPF “FPF”)	482 304	Factorial Price Decomposition Method	Market price of NSD’s price center-3 levels of the price hierarchy, % of the normal	99%	98,44% - 99,56%	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.

Fair value of loans to customers, subordinated borrowings and debt securities issued relates to Level 3. Fair value of all other financial instruments at amortised cost is categorised in Level 2.

As at 31 December 2020 buildings within property and equipment and investment property were revalued based on the results of an independent appraisal performed by LLC “LL-Consult”.

Fair value of buildings in property and equipment and investment property is categorised as Level 3 in the fair value hierarchy.