

Expobank Limited Liability Company

**Interim Condensed Consolidated
Financial Information in accordance with International
Financial Reporting Standards
(unaudited)**

31 March 2021

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Expobank Group
Interim Condensed Consolidated Statement of Financial Position
31 March 2021

<i>(in RUB '000)</i>	Note	31 March 2021 (unaudited)	31 December 2020
Assets			
Cash and cash equivalents	6	10,311,421	9,761,006
Mandatory cash balances with CBR		716,266	679,693
Securities at fair value through profit or loss, including:	7	12,482,395	12,808,565
- not pledged securities		12,482,395	12,808,565
Due from credit institutions	8	2,921,047	2,494,166
Loans to customers	9	74,098,375	68,548,107
Securities at fair value through other comprehensive income, including:	10	2,522,699	2,712,595
- not pledged securities		2,522,699	2,712,595
Investments in associates		1,666,690	-
Prepayment for current income tax liabilities		-	49,348
Intangible assets		391,218	225,761
Investment property		452,375	450,982
Property and equipment		1,863,949	1,882,835
Right-of-use assets		270,783	308,745
Other assets		1,167,713	743,587
Total assets		108,864,931	100,665,390
Liabilities			
Due to credit institutions	11	1,032,623	586,045
Customer accounts	12	77,355,687	73,718,351
Debt securities in issue	13	4,914,332	1,794,048
Lease liabilities		288,487	326,257
Other liabilities		1,028,019	1,067,934
Current income tax liabilities		55,063	-
Deferred tax liabilities		747,796	731,885
Subordinated Eurobonds in issue	14	1,535,640	1,494,472
Total liabilities		86,957,647	79,718,992
Equity			
Share capital	15	9,394,240	9,394,240
Share premium		548,256	548,256
Treasury shares	15	(2,109,945)	(2,109,945)
Retained earnings, including dividends paid		13,512,369	12,405,156
Unrealised gains from revaluation of securities at fair value through other comprehensive income		240,152	360,738
Revaluation reserve for premises and equipment		317,326	317,326
Total equity attributable to the Bank's members		21,902,398	20,915,771
Non-controlling interest		4,886	30,627
Total equity		21,907,284	20,946,398
Total liabilities and equity		108,864,931	100,665,390

Signed on behalf of the Management Board on 28 May 2021

Shalimov A.A.
Deputy Chairman of the Management Board

Ulanova G. M.
Chief Accountant



Expobank Group
Interim Condensed Consolidated Statement of Profit or Loss
for the three months ended 31 March 2021

<i>(in RUB '000)</i>	Note	3 months ended 31 March 2021 (unaudited)	3 months ended 31 March 2020 (unaudited)
Interest income calculated using the effective interest rate	16	2,299,965	2,511,164
Other interest income	16	297,266	229,544
Interest expense	16	(676,323)	(965,976)
Net interest income		1,920,908	1,774,732
Credit loss allowance for cash and cash equivalents, due from other banks and loans to customers	6, 8, 9	(352,909)	(273,264)
Net interest income after credit loss allowance for cash and cash equivalents, due from other banks and loans to customers		1,567,999	1,501,468
Fee and commission income	17	652,980	,321,945
Fee and commission expense	17	(36,476)	(40,413)
(Losses net of gains) / gains net of losses from securities at fair value through profit or loss		(78,230)	(449,504)
Gains net of losses from financial derivatives		15,587	185,554
(Losses net of gains) / gains net of losses from loans to customers at fair value through profit or loss		58,890	(24,303)
Gains net of losses / (Losses net of gains) from trading in foreign currencies		141,705	(298,578)
Foreign exchange translation and precious metals revaluation (losses net of gains) / gains net of losses		(60,919)	,485,739
Losses net of gains from derecognition of securities at fair value through other comprehensive income		(14,675)	(6,191)
Other operating income		136,517	,121,137
Other income/(expense) from impairment and recovery of provision/(provisioning)		107,627	(13,179)
Administrative and other operating expenses	18	(1,334,959)	(882,347)
Profit before tax		1,156,046	901,328
Income tax expense	19	(229,140)	(165,195)
Profit for the reporting period		926,906	736,133
Profit for the reporting period attributable to:			
Members of the Bank		939,808	736,133
Non-controlling interest		(12,902)	-

The attached notes 1-24 form an integral part of these Interim Condensed Consolidated Financial Information

Expobank Group
Interim Condensed Consolidated Statement of Comprehensive Income
for the three months ended 31 March 2021

<i>(in RUB '000)</i>	Note	3 months ended 31 March 2021 (unaudited)	3 months ended 31 March 2020 (unaudited)
Profit for the reporting period		926,906	736,133
Other comprehensive income			
<i>Other comprehensive income / (loss) to be subsequently reclassified to profit or loss</i>			
Gains net of losses / (losses net of gains) from debt securities at fair value through other comprehensive income		1,658	-
Income tax effect		(332)	-
<i>Other comprehensive (loss) / income not to be subsequently reclassified to profit or loss</i>			
Gains net of losses / (losses net of gains) from equity securities at fair value through other comprehensive income		47,635	168,640
Income tax effect		(9,527)	(33,728)
Other comprehensive income for the reporting period		39,434	134,912
Total comprehensive income for the reporting period		966,340	871,045
Comprehensive income / (loss) attributable to:			
Members of the Bank		979,242	871,045
Non-controlling interest		(12,902)	-

Expobank Group
Interim Condensed Consolidated Statement of Changes in Equity
for the three months ended 31 March 2021

	Equity attributable to the members of the Bank						Total equity attributable to the Bank's members	Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Retained earnings	Unrealised gains from revaluation of investment securities	Revaluation reserve for premises and equipment			
<i>(in RUB '000)</i>									
Balance at 1 January 2020	9,500,998	548,256	(178,377)	8,903,908	465,019	285,721	19,525,525	–	19,525,525
Profit for the reporting period (unaudited)	–	–	–	736,133	–	–	736,133	–	736,133
Other comprehensive income (unaudited)	–	–	–	–	134,912	–	134,912	–	134,912
Total comprehensive income for the reporting period (unaudited)	–	–	–	736,133	134,912	–	871,045	–	871,045
Redemption of treasury shares (unaudited) (Note 15)	(36,266)	–	178,377	(142,111)	–	–	–	–	–
Disposal of revaluation reserve for investment securities at fair value through other comprehensive income (unaudited)	–	–	–	(5,146)	5,146	–	–	–	–
Balance at 31 March 2020 (unaudited)	9,464,732	548,256	–	9,492,784	605,077	285,721	20,396,570	–	20,396,570
Balance at 1 January 2021	9,394,240	548,256	(2,109,945)	12,405,156	360,738	317,326	20,915,771	30,627	20,946,398
Profit/(loss) for the reporting period (unaudited)	–	–	–	939,808	–	–	939,808	(12,902)	926,906
Other comprehensive income (unaudited)	–	–	–	–	39,434	–	39,434	–	39,434
Total comprehensive income/(loss) for the reporting period (unaudited)	–	–	–	939,808	39,434	–	979,242	(12,902)	966,340
Change of non-controlling interest in subsidiaries (unaudited)	–	–	–	7,385	–	–	7,385	(12,839)	(5,454)
Disposal of revaluation reserve for securities at fair value through other comprehensive income (unaudited)	–	–	–	160,020	(160,020)	–	–	–	–
Balance at 31 March 2021 (unaudited)	9,394,240	548,256	(2,109,945)	13,512,369	240,152	317,326	21,902,398	4,886	21,907,284

The attached notes 1-24 form an integral part of these Interim Condensed Consolidated Financial Information

Expobank Group
Interim Condensed Consolidated Statement of Cash Flows
for the three months ended 31 March 2021

<i>(in RUB '000)</i>	Note	3 months ended 31 March 2021 (unaudited)	3 months ended 31 March 2020 (unaudited)
Cash flows from operating activities			
Interest received		2,595,241	2,247,797
Interest paid		(732,605)	(1,380,965)
Fees and commissions received		694,912	312,423
Fees and commissions paid		(36,476)	(40,413)
Losses incurred from trading in securities at fair value through profit or loss		(73,829)	(374,665)
Losses incurred from loans to customers at fair value through profit or loss		15,587	(24,303)
(Losses incurred) / gains earned on dealing in foreign currencies		141,705	(298,578)
Other operating income received		133,961	179,558
Administrative and other operating expenses paid		(1,184,328)	(831,089)
Income tax paid		(118,677)	(165,470)
Cash flows from operating activities before changes in operating assets and liabilities		1,435,491	(375,705)
<i>Net (increase) / decrease in operating assets</i>			
Mandatory cash balances with the central banks		(36,573)	(40,576)
Securities at fair value through profit or loss		506,789	(1,422,362)
Due from credit institutions		(428,175)	1,854,388
Loans to customers		(5,784,261)	2,283,256
Other assets		(340,253)	(78,039)
<i>Net increase / (decrease) in operating liabilities</i>			
Due to other banks		454,449	(517,825)
Customer accounts		3,391,656	(1,948,450)
Debt securities in issue		(175,584)	144,217
Other liabilities		(76,201)	21,669
Net cash used in operating activities		(1,052,662)	(79,427)
Cash flows from investing activities			
Acquisition of securities at fair value through other comprehensive income		(1,809,085)	(99,936)
Proceeds from disposal of securities at fair value through other comprehensive income		976,065	41,921
Dividends from securities at fair value through other comprehensive income		2,556	2,748
Proceeds from redemption of securities at amortized cost		–	500,000
Acquisition of an associate		(616,281)	–
Acquisition of premises and equipment		(5,442)	(1,277)
Proceeds from sale of premises and equipment		320	33,114
Acquisition of intangible assets		(182,223)	(4,703)
Net cash used in investing activities		(1,634,090)	471,867
Cash flows from financing activities			
Cash outflows under lease liabilities		(50,833)	(20,019)
Redemption of treasury shares	15	–	178,377
Proceeds from placement of bonds		3,292,892	–
Acquisition of non-controlling interest in subsidiaries		(19,750)	–
Net cash used in financing activities		3,222,309	158,358
Effect of exchange rate changes on cash and cash equivalents		15,047	51,574
Effect of changes in the ECL allowance for cash and cash equivalents		(189)	66
Net decrease in cash and cash equivalents		550,415	602,438
Cash and cash equivalents at the beginning of the period	6	9,761,006	18,543,227
Cash and cash equivalents at the end of the period	6	10,311,421	19,145,665

The attached notes 1-24 form an integral part of these Interim Condensed Consolidated Financial Information

1. Introduction

This interim condensed consolidated financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) for the three months ended 31 March 2021 for Expobank Limited Liability Company (the “Bank”), its structured entity Expo Capital Designated Activity Company that was incorporated to place the Bank’s debt securities at the Vienna Stock Exchange, its subsidiary MFC CASHDRIVE LLC engaged in consumer lending, its subsidiary Expocar LLC that was incorporated for car trading purposes, its subsidiary MARER LLC engaged in computer software development, and its associate SDM-Bank (PAO) (together referred to as the “Group”).

The Bank is neither directly nor indirectly a shareholder of Expo Capital Designated Activity Company. However, Expo Capital Designated Activity Company is a special purpose entity established by the Bank solely to attract funds through the issue of the Bank’s debt securities at the Vienna Stock Exchange, and therefore shall be consolidated.

The Bank is a commercial bank owned by its members whose liability is limited by their stake (shares). The Bank was set up and exists in accordance with Russian law. The stakes in the share capital as at 31 March 2021 and 31 December 2020 are as follows:

Member	31 March 2021 %	31 December 2020 %
Igor Vladimirovich Kim	76.4	76.4
Natalia Mironovna Pan	8.9	8.9
Kirill Vladimirovich Nifontov	2.0	2.0
MORELAM Limited Liability Company	2.0	2.0
Other	0.1	0.1
Treasury shares	10.6	10.6
Total	100.0	100.0

As at 31 March 2021, the Board of Directors and the Management Board controlled 87.4% of the Bank’s interest (31 December 2020: 87.4%).

Principal activity

The Bank’s priority business includes offering a full range of banking services to corporate clients and affluent private customers, issue of car loans and bank guarantees, as well as acquisition and consolidation of banking assets. The Bank has operated under full banking licence No. 2998 issued on 6 February 2012 by the Central Bank of the Russian Federation (“CBR”). The Bank participates in the government’s deposit insurance scheme introduced by Federal Law No. 177-FZ dated 23 December 2003 “On Insurance of Deposits with Russian Banks”. The deposit insurance scheme guarantees repayment of 100% of deposits up to RUB 1,400 thousand per depositor in case the banking licence is revoked or CBR imposes moratorium on payments.

On 13 January 2021, the Group acquired 604,197 ordinary registered uncertificated shares, which comprised 8.5000% of the share capital of SDM-Bank (PAO). The Group’s interest grew to 23.5% from 15.0%, and SDM-Bank (PAO) became an associate. In accordance with IFRS 3 “Business Combination”, the Group assesses all acquired identifiable assets and liabilities.

In February 2020, MARER LLC was included in the Group as the Group acquired 90.0% in the company’s share capital and gained control over its business and operations. In August 2020, transfer of a part of its stake in the amount of 10% was registered, after which the Group’s interest in the company’s share capital equaled 80.0%.

1 Introduction (continued)

Principal activity (continued)

In June 2020, MFC CASHDRIVE LLC was included in the Group as the Group gained control over its business and operations. The Bank became a member of MFC CASHDRIVE LLC in accordance with the resolution of its current members through making a contribution to increase the share capital of MFC CASHDRIVE LLC. The Group's interest in the share capital of MFC CASHDRIVE LLC was 71.38681%.

On 11 November 2020, the information on an increase of the share capital of MFC CASHDRIVE LLC due to contributions of other participants was registered in the Unified State Register of Legal Entities ('EGRUL'). As a result of the share capital increase the Group's interest in the share capital of MFC CASHDRIVE LLC equaled 50.1159%.

On 15 January 2021, the information on an increase of the share capital of MFC CASHDRIVE LLC was registered in EGRUL. As a result of the share capital increase the Group's interest in the share capital of MFC CASHDRIVE LLC equaled 69.78229%.

On 28 January 2021, a record on the transfer of 8.7486% in the share capital of MFC CASHDRIVE LLC to the Group was registered in EGRUL. The Group's interest in the share capital of MFC CASHDRIVE LLC, including the interest acquired earlier, became 78.53089%.

On 05 February 2021, the information on an increase of the share capital of MFC CASHDRIVE LLC was registered in EGRUL. As a result of the share capital increase the Group's interest in the share capital of MFC CASHDRIVE LLC equaled 88.61619%.

On 30 March 2021, the information on an increase of the share capital of MFC CASHDRIVE LLC was registered in EGRUL. The Group did not make an additional contribution

to the share capital of MFC CASHDRIVE LLC, and, therefore, its share decreased from 88.61619% to 84.33743%.

In June 2020, EXPOCAR LLC was incorporated and included in the Group, its core business is car trading. The interest of Expobank LLC in the company is 80.0% The company is incorporated in the Russian Federation.

Analysis of cash flows upon acquisition of the subsidiaries during the year ended 31 December 2020 is as follows:

<i>(in RUB '000)</i>	MARER LLC	MFC CASHDRIVE LLC	Total
Net cash acquired with the subsidiary (included in cash flows from investing activities)	3,581	2,520	6,101
Cash paid upon acquisition (included in cash flows from investing activities)	(18)	(68,534)	(68,552)
Net cash flow/ (outflow)	3,563	(66,014)	(62,451)

The Bank's head office is in Moscow. As at 31 March 2021, the Bank had three branches (2020: three branches). All branches are located in the Russian Federation. The Bank's registered address is: Moscow, 107078 Moscow 107078, Russia.

In addition, the Bank carries out activities through additional and operational offices in the Russian Federation. As at 31 March 2021, the Bank had 22 additional offices, 23 operational offices (31 December 2020: 22 additional offices, 23 operational offices).

As at 31 March 2021, the Group had 1,598 employees (31 December 2020: 1,439 employees).

The Bank has credit ratings assigned by leading rating agencies. In May 2020, Expert RA rating agency affirmed the Bank's credit rating of ruA-, Outlook Stable. In March 2020, National Credit Ratings ('NKR') assigned to the Bank a credit rating of A-.ru, Outlook Stable.

2. Operating Environment of the Group

Russian Federation. On 12 March 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 a pandemic. In response to the pandemic, the Russian authorities implemented numerous measures attempting to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, self-isolation orders and limitations on business activity, including closures. The above measures were gradually relaxed during 2020 and 2021. These measures have, among other things, severely restricted economic activity in Russia and have negatively impacted, and could continue to negatively impact businesses, market players, clients of the Group, as well as the Russian and global economy for an unknown period of time.

Despite the second COVID-19 wave and unprecedented curbs on crude oil production in compliance with the OPEC+ agreement, their impact on the economy was relatively moderate. In 2020, Russian GDP reduced only by 3.0% as compared to the previous year. Key macroeconomic indicators were improving during Q1 2021. The incentive fiscal policy still remains one of the key growth drivers.

The Management believes it takes all necessary measures to ensure the Group's economic sustainability in the current environment. The Management has tested various potential scenarios, and the test results confirm the Group will be able to continue as a going concern.

Russia proceeds with economic reforms and develops the legal, tax and administrative infrastructure that would meet the requirements of the market economy. The stability of Russian economy will largely depend on the progress of these reforms, as well as on the efficiency of measures taken by the government in the economy, fiscal and monetary policy.

To measure expected credit losses (ECL), the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihood of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected.

3. Significant accounting policies

General information

This interim condensed consolidated financial information for the three months ended 31 March 2021 has been prepared in accordance with International Accounting Standard IFRS (IAS) 34 "*Interim Financial Reporting*".

This interim condensed consolidated financial information does not contain all information and data required to be disclosed in the annual consolidated financial statements, therefore it should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2020.

These interim condensed consolidated financial statements are presented in thousands of Russian Rubles ("RUB '000"), unless otherwise stated.

3 Significant accounting policies (continued)

General information (continued)

As at 31 March 2021, the principal rate of exchange used for translating foreign currency balances was USD 1 = RUB 75.7023 (31 December 2020: USD 1 = RUB 79.6845) and EUR 1 = RUB 88.8821 (31 December 2020: EUR 1 = RUB 93.0237).

The interim condensed consolidated financial information in accordance with Russian law can be found at the Bank's web-site www.expobank.ru.

Interim Condensed Consolidated Financial Information

Subsidiaries are those investees, including the structured entity that the Group controls because the Group

- (i) has power to direct relevant activities of the investees that significantly affect their returns,
- (ii) has exposure, or rights, to variable returns from its involvement with the investees, and
- (iii) has the ability to use its power over the investees to affect the amount of investor's returns.

The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than the majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to consolidate subsidiaries. The Identifiable assets acquired and the liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis at the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognised in profit or loss, after the management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews the appropriateness of their measurement.

3 Significant accounting policies (continued)

Interim Condensed Consolidated Financial Information (continued)

The consideration transferred for the acquiree is measured at fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements, but excluding the acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt securities are deducted from their carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealized gains on transactions between the Group companies are eliminated. Unrealized losses are also eliminated unless the cost cannot be recovered. The Bank and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

Changes in accounting policies

The accounting principles used to prepare this interim condensed consolidated financial information are consistent with the principles applied by the Group to prepare its annual consolidated financial statements for the year ended 31 December 2020.

4. Adoption of new or revised standards and interpretations

Since the Group published its latest consolidated financial statements for the year ended 31 December 2020 no new standards and interpretations that are mandatory for the reporting periods starting after 1 January 2021 have been issued except the standards and interpretations disclosed in the Group's latest consolidated financial statements for the year ended 31 December 2020.

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the interim condensed consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on the Management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. While applying the accounting policies, the Management also uses professional judgments and estimations. Professional judgments that have the most significant effect on the amounts recognized in the interim condensed consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Expected credit losses on financial assets

Loss measurement under IFRS 9 "Financial instruments" related to all categories of financial assets requires judgment. In particular, when determining expected credit losses ("ECL") and assessing a significant increase in credit risk ("SICR"), it is necessary to estimate the amount and timing of future cash flows and collateral value. Such estimates depend on a number of factors that, if changed, may result in different amounts of impairment allowances. The Group's ECL measurements are based on complex models that include a number of base assumptions regarding the choice of variable inputs and their interdependencies.

The elements of the ECL measurement models that are deemed to be judgements and estimates include the following:

- a system of assigning an internal credit rating used by the Group to determine the probability of default ("PD");
- criteria used by the Group to assess whether a SICR has occurred that results in estimating an impairment allowance for financial assets in the amount equal to lifetime ECL, and qualitative assessment;
- grouping of financial assets when their ECLs are assessed on a collective basis;

- development of ECL measurement models, including different formulae and the choice of inputs;
- identification of correlations between macro-economic scenarios and economic data, as well as effect on PD;
- selection of forward-looking macroeconomic scenarios and their weighting against probabilities to obtain economic inputs for the ECL measurement models.

Initial recognition of related party transactions

In the ordinary course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair value. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. Terms and conditions of related party transactions are disclosed in Note 25.

Valuation of own land and buildings

Land and buildings of the Group are stated at fair value based on the report prepared by an independent valuation company. The valuation is made by an independent company specializing in the assessment of similar assets in a similar region and of a similar category. To measure the fair value of the land and buildings, the independent appraiser used a comparison approach and an income approach. The sales comparison appraisal was made through comparing sales as there exists market information on sales offers for similar properties, and is based on the prices used in market transactions significantly adjusted for the differences in the nature, location and condition of a specific property. The income approach appraisal reflects the utility of the property as far as its income generation potential is concerned, and is based on the lease rates data as of the appraisal date.

Fair value of financial instruments

If a quoted market price is not available, the fair value of financial assets and financial liabilities recorded in the interim condensed consolidated statement of financial position is estimated using various valuation techniques including mathematical models. Inputs to build such models are determined based on the observable market where possible; otherwise, judgments are to be applied for determining the fair value. Additional information on estimating fair value of assets and liabilities is provided in Note 23.

6. Cash and cash equivalents

<i>(in RUB '000)</i>	31 March 2021 (unaudited)	31 December 2020
Cash on hand	1,183,177	1,453,052
Cash balances with CBR (other than mandatory cash balances)	1,183,180	2,058,426
Correspondent accounts and overnight placements with credit institutions	2,227,092	2,025,117
Settlement accounts with financial institutions	612,521	938,328
Loans to credit institutions with original maturities of less than three months	4,005,148	1,286,123
Reverse sale and repurchase agreements with credit institutions with original maturities of less than three months	1,100,396	500,068
Deposits placed with CBR with original maturities of less than three months	-	1,500,174
Total cash and cash equivalents before ECL allowance	10,311,514	9,761,288
Less ECL allowance	(93)	(282)
Total cash and cash equivalents	10,311,421	9,761,006

Correspondent accounts and overnight placements with credit institutions as at 31 March 2021 and 31 December 2020 represent funds placed with Russian and foreign credit institutions.

As at 31 March 2021, settlement accounts with financial institutions represent broker accounts with financial institutions of RUB 342,710 thousand, settlements with clearing organizations of RUB 256,536 thousand, settlement accounts of subsidiaries with other banks of RUB 8,794 thousand and settlements with payment systems of RUB 4,481 thousand (31 December 2020: broker accounts with financial institutions of RUB 567,169 thousand, settlements with clearing organizations of RUB 323,312 thousand, settlement accounts of subsidiaries with other banks of RUB 40,736 thousand and settlements with payment systems of RUB 7,111 thousand).

As at 31 March 2021, loans to credit institutions with original maturities of less than three months include loans to a large Russian bank and a large foreign bank (2020: loans to large Russian and foreign banks) with contractual interest rates from 0.01% to 4.5% p.a. (31 December 2020: from 0.01% to 4.25% p.a.) and maturities in April 2021 (31 December 2020: in January 2021).

Reverse sale and repurchase agreements with credit institutions with original maturities of less than three months represent funds placed with a Russian credit institution with contractual interest rates from 4.51% to 4.65% p.a. (31 December 2020: 5.0% p.a.) and maturities in April 2021 (31 December 2020: in January 2021). These agreements are collateralised by Federal loan bonds, shares and bonds of large Russian companies with a fair value of RUB 1,176,146 thousand (2020: clearing participation certificates with a fair value of RUB 500,000 thousand).

As at 31 March 2021, cash and cash equivalents with regards to four major counterparties amounted to RUB 6,561,915 thousand (31 December 2020: RUB 2,823,259 thousand), or 63.6% (31 December 2020: 28.9%) of total cash and cash equivalents.

6 Cash and cash equivalents (continued)

Movements in ECL allowances for cash and cash equivalents for the three months ended 31 March are presented in the table below:

<i>(in RUB '000)</i>	2021 (unaudited)	2020 (unaudited)
ECL allowance at 1 January	282	222
New purchased or originated assets	83	283
Derecognised or redeemed assets	(271)	(220)
Net remeasurement of loss allowance	–	2
Exchange differences	(1)	1
ECL allowance at 31 March (unaudited)	93	288

For ECL allowance purposes, all cash and cash equivalents during the three months ended 31 March 2021 and the three months ended 31 March 2020 are classified in Stage 1.

As at 31 March 2021 and 31 December 2020, cash and cash equivalents are current and not impaired.

Refer to Note 22 for the disclosure of the fair value of cash and cash equivalents. The information on related party transactions is disclosed in Note 23.

7. Securities at fair value through profit or loss

<i>(in RUB '000)</i>	31 March 2021 (unaudited)	31 December 2020
Corporate bonds	9,988,014	10,935,173
Bonds of state corporations	1,316,072	1,282,296
Federal loan bonds (OFZ)	589,812	591,096
Bonds of banks	588,497	–
Total not pledged securities at FVTPL	12,482,395	12,808,565
Total securities at FVTPL	12,482,395	12,808,565

Securities at FVTPL are recorded at fair value determined based on observable market data using the weighted average quotes of Moscow Exchange or other observable market data. Where quoted market prices are not available, the Group uses various valuation techniques. Refer to Note 22.

As at 31 March 2021, corporate bonds represent interest bearing securities denominated in Russian rubles, US dollars and euro (31 December 2020: in Russian rubles and US dollars) issued by large Russian and foreign companies and tradable on the Russian and foreign markets.

7 Securities at fair value through profit or loss (continued)

Bonds of state corporations represent interest bearing debt securities denominated in US dollars issued by Vneshekonombank and tradable on foreign markets. The debt securities issuer is not a commercial bank and its operation is regulated by special legislation.

Bonds of banks represent interest bearing debt securities denominated in US dollars, issued by Russian and foreign banks and tradable on foreign markets.

As at 31 March 2021, securities at FVTPL in the amount of RUB 661,055 thousand (31 December 2020: RUB 690,831 thousand) were restricted under the Master Loan Agreement signed with CBR with an overdraft limit in the amount of RUB 3,500,000 thousand.

During the three months of 2021, the Group recognized, within other operating income, dividend income attributable to equity securities at FVTPL in the amount of RUB 2,556 thousand (during the three months of 2020: none).

Securities at FVTPL are not collateralised.

Refer to Note 22 for the disclosure of the fair value of of each class of securities at FVTPL.

8. Due from credit institutions

<i>(in RUB '000)</i>	31 March 2021 (unaudited)	31 December 2020
Due from credit institutions at amortized cost	652,056	272,500
Less ECL allowance	(1,167)	(139)
Total due from credit institutions at amortized cost less ECL allowance	650,889	272,361
Due from credit institutions at FVTPL	2,270,158	2,221,805
Total due from credit institutions	2,921,047	2,494,166

Amounts due from credit institutions at amortized cost include a loan provided to a foreign bank with a contractual interest rate of 5.75% p.a. (31 December 2020: 3.0% p.a.) and maturity in March 2022 (31 December 2020: in March 2021).

Amounts due from credit institutions at fair value include a hybrid contract represented by a guarantee deposit and an embedded derivative with a foreign non-banking financial institution.

8 Due from credit institutions (continued)

Movements in ECL allowances for the amounts due from credit institutions during the three months ended 31 March are presented in the table below:

<i>(in RUB '000)</i>	2021 (unaudited)	2020 (unaudited)
ECL allowance at 1 January	139	619
New purchased or originated assets	1,166	679
Derecognised or redeemed assets	(135)	(413)
Net remeasurement of loss allowance	–	(103)
Exchange differences	(3)	154
ECL allowance at 31 March (unaudited)	1,167	936

For ECL allowance purposes, all amounts due from credit institutions during the three months ended 31 March 2021 and the three months ended 31 March 2020 are classified in Stage 1.

Amounts due from credit institutions are not collateralised.

Refer to Note 22 for the disclosure of the fair value of amounts due from credit institutions. The information on related party transactions is disclosed in Note 23.

9. Loans to customers

<i>(in RUB '000)</i>	31 March 2021 (unaudited)	31 December 2020
Investment projects	869,202	712,244
Large business	18,973,065	11,968,315
Small and medium business	13,114,831	18,845,266
Loans to individuals	38,785,574	34,418,336
Total loans to customers at amortised cost before ECL allowance	71,742,672	65,944,161
Less ECL allowance	(3,352,017)	(2,980,818)
Total loans to customers at amortised cost	68,390,655	62,963,343
Investment projects	4,732,217	5,023,482
Loans to individuals	975,503	561,282
Total loans to customers at FVTPL	5,707,720	5,584,764
Total loans to customers	74,098,375	68,548,107

The Group has a portfolio of loans to customers that do not pass as the “Solely payments of principal amount outstanding and interest” test in order to be classified at amortised cost under IFRS 9. As a result, these loans were classified as at FVTPL from the date of initial recognition. The loans and advances to customers at FVTPL are measured taking into account credit risk. The carrying amount presented in the interim condensed statement of financial position best represents the Group’s maximum exposure to credit risk arising from loans and advances to customers.

The fair value of loans to the clients of MFC CASHDRIVE LLC as of the acquisition date was RUB 222,145 thousand.

9 Loans to customers (continued)

Portfolios of loans recognised by the Group are divided into:

- loans issued for investment projects;
- other loans divided into:
 - loans to large businesses (annual revenue exceeds RUB 3 billion);
 - loans to small and medium businesses (annual revenue is up to RUB 3 billion inclusive);
 - loans to individuals include car loans, consumer and mortgage loans.

Movements in ECL allowances for loans issued for investment projects for the three months ended 31 March 2021 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Investment projects					
As at 1 January	2,227	448	116,587	-	119,262
New originated or purchased assets and effects of other increases in gross carrying amount	-	-	13,929	35,262	49,191
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(336)	(74)	-	-	(410)
Net remeasurement of loss allowance	2,714	(176)	19,236	-	21,774
ECL allowance at 31 March 2021 (unaudited)	4,605	198	149,752	35,262	189,817

Movements in ECL allowances for loans to large businesses for the nine months ended 31 March 2021 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Large business					
At 1 January	54,336	-	-	-	54,336
New originated or purchased assets and effects of other increases in gross carrying amount	25,542	3	186	-	25,731
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(10,827)	(8,010)	-	-	(18,837)
Transfers to Stage 1	1,800	(1,800)	-	-	-
Transfers to Stage 2	(5,802)	5,802	-	-	-
Net remeasurement of loss allowance	(8,787)	4,743	1,972	-	(2,072)
Transfers between segments	143,904	34,218	245,180	-	423,302
Impairment allowance for loans assigned during the period	(2,066)	-	-	-	(2,066)
Exchange differences	100	-	-	-	100
ECL allowance at 31 March 2021 (unaudited)	198,200	34,956	247,338	-	480,494

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9 Loans to customers (continued)

Movements in ECL allowances for loans to small and medium businesses for the three months ended 31 March 2021 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Small and medium business					
As at 1 January	352,645	50,225	508,247	1,196	912,313
New originated or purchased assets and effects of other increases in gross carrying amount	36,486	40	54,072	-	90,598
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(43,581)	(4,726)	(2,998)	(2,896)	(54,201)
Transfers to Stage 1	3,060	(3,060)	-	-	-
Transfers to Stage 3	(1)	(11)	12	-	-
Unwinding of discounting (recognised in interest income)	-	-	201	1,884	2,085
Net remeasurement of loss allowance	(36,158)	(635)	(1,684)	(72)	(38,549)
Transfers between segments	(148,264)	(34,218)	(245,180)	-	(427,662)
ECL allowance at 31 March 2021 (unaudited)	164,187	7,615	312,670	112	484,584

Movements in ECL allowances for loans to individuals for the three months ended 31 March 2021 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Individuals				
As at 1 January	572,472	70,957	1,251,478	1,894,907
New originated or purchased assets and effects of other increases in gross carrying amount	159,452	30,852	20,414	210,718
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(122,367)	(11,595)	(75,296)	(209,258)
Transfers to Stage 1	22,936	(12,604)	(10,332)	-
Transfers to Stage 2	(8,067)	17,605	(9,538)	-
Transfers to Stage 3	(9,984)	(41,654)	51,638	-
Unwinding of discounting (recognised in interest income)	-	-	24,187	24,187
Net remeasurement of loss allowance	(79,305)	134,071	226,878	281,644
ECL allowance for loans assigned during the period	(1,857)	-	(3,220)	(5,077)
Exchange differences	1	-	-	1
ECL allowance at 31 March 2021 (unaudited)	533,281	187,632	1,476,209	2,197,122

Movements in ECL allowances for loans issued for investment projects for the three months ended 31 March 2020 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Investment projects					
As at 1 January	7,688	1,693	34,416	22,923	66,720
New originated or purchased assets and effects of other increases in gross carrying amount	1,344	-	12,963	-	14,307
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(695)	(691)	(1,484)	-	(2,870)
Unwinding of discounting	-	-	2,527	551	3,078
Net remeasurement of loss allowance	(98)	(16)	(855)	(23,474)	(24,443)
ECL allowance at 31 March 2020 (unaudited)	8,239	986	47,567	-	56,792

9 Loans to customers (continued)

Movements in ECL allowances for loans to large businesses for the three months ended 31 March 2020 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Large business					
As at 1 January	40,123	103,984	-	-	144,107
New originated or purchased assets and effects of other increases in gross carrying amount	9,271	933	-	-	10,204
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(7,567)	(3,041)	-	-	(10,608)
Transfers to Stage 2	(12,246)	12,246	-	-	-
Unwinding of discounting	-	-	-	12	12
Net remeasurement of loss allowance	148	1,160	-	767	2,075
Impairment allowance for loans assigned during the period	(2,955)	-	-	-	(2,955)
Exchange differences	1,362	26,542	-	-	27,904
ECL allowance at 31 March 2020 (unaudited)	28,136	141,824	-	779	170,739

Movements in ECL allowances for loans to small and medium businesses for the three months ended 31 March 2020 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Small and medium business					
As at 1 January	284,251	33,796	597,675	19,135	934,857
New originated or purchased assets and effects of other increases in gross carrying amount	39,239	218	43,277	-	82,734
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(37,311)	(4,561)	(17,379)	-	(59,251)
Transfers to Stage 1	7,720	(7,720)	-	-	-
Transfers to Stage 2	(1,373)	1,373	-	-	-
Unwinding of discounting (recognised in interest income)	-	-	546	5,574	6,120
Net remeasurement of loss allowance	(8,880)	(607)	8,033	8,538	7,084
Impairment allowance for loans assigned during the period	-	-	(227,001)	-	(227,001)
Exchange differences	22	-	-	-	22
ECL allowance at 31 March 2020 (unaudited)	283,668	22,499	405,151	33,247	744,565

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9 Loans to customers (continued)

Movements in ECL allowances for loans to individuals for the three months ended 31 March 2020 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Individuals				
As at 1 January	332,141	112,334	463,705	908,180
New originated or purchased assets and effects of other increases in gross carrying amount	60,523	6,205	15,727	82,455
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(34,121)	(6,675)	(42,141)	(82,937)
Transfers to Stage 1	24,640	(16,838)	(7,802)	-
Transfers to Stage 2	(5,989)	6,377	(388)	-
Transfers to Stage 3	(11,396)	(82,564)	93,960	-
Unwinding of discounting (recognised in interest income)	-	-	29,023	29,023
Net remeasurement of loss allowance	19,095	90,855	113,225	223,175
Impairment allowance for loans assigned during the period	(3,235)	(252)	(2,436)	(5,923)
Exchange differences	3,029	-	1	3,030
ECL allowance at 31 March 2020 (unaudited)	384,687	109,442	662,874	1,157,003

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

<i>(in RUB '000)</i>	31 March 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals	39,761,077	51.3	34,979,618	48.8
Financing and insurance activities	10,572,491	13.7	11,450,792	16.0
Development	6,069,544	7.9	6,223,149	8.7
Wholesale trade	4,636,189	6.0	3,343,834	4.7
Residential construction	3,323,522	4.3	1,838,675	2.6
Energy	2,276,971	2.9	871,506	1.2
Other manufacturing	1,925,590	2.5	1,298,953	1.8
Mining	1,488,681	1.9	1,108,136	1.5
Infrastructure construction	1,396,573	1.8	1,183,182	1.7
Agriculture, forestry, hunting, fishing and fishery	1,166,218	1.5	1,309,886	1.8
Oil and gas	1,075,765	1.4	1,480,335	2.1
Retail trade	1,011,305	1.3	1,049,563	1.5
Trade in motor vehicles, motorcycles and their repair	859,936	1.1	718,125	1.0
Other types of services	368,369	0.5	274,405	0.4
Construction	328,316	0.4	1,821,444	2.5
Real estate operations	298,621	0.4	549,080	0.8
Manufacture and repair of transport vehicles and equipment	264,143	0.3	280,796	0.4
Metallurgy	203,670	0.3	1,418,467	2.0
Other	423,411	0.5	328,979	0.5
Total loans to customers (before ECL allowance)	77,450,392	100.0	71,528,925	100.0

9 Loans to customers (continued)

As at 31 March 2021, loans provided to 30 largest borrowers amounted to RUB 28,437,737 thousand before ECL allowance for the loan portfolio (31 December 2020: RUB 29,247,150 thousand), or 36.7% (31 December 2020: 40.9%) of total loans to customers.

The analysis by credit quality of loans issued to customers for investment projects and measured at amortized cost as at 31 March 2021 is as follows (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Investment projects					
Neither past due nor impaired					
- Loans renegotiated in prior reporting periods	-	15,127	-	-	15,127
- Standard portfolio	243,233	-	-	-	243,233
Total neither past due nor impaired	243,233	15,127	-	-	258,360
Individually impaired					
- not past due	-	-	171,116	54,031	225,147
- 31 to 90 days overdue	-	-	-	137,352	137,352
- over 90 days overdue	-	-	140,413	107,930	248,343
Total individually impaired	-	-	311,529	299,313	610,842
Total loans to customers for investment projects and measured at amortized cost (before ECL allowance)	243,233	15,127	311,529	299,313	869,202
Less ECL allowance	(4,605)	(198)	(149,752)	(35,262)	(189,817)
Total loans issued for investment projects and measured at amortized cost	238,628	14,929	161,777	264,051	679,385

9 Loans to customers (continued)

The analysis by credit quality of loans to large businesses at amortised cost as at 31 March 2021 is as follows (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Large business					
Neither past due nor impaired					
– standard portfolio	17,749,726	949,642	–	–	18,699,368
Total neither past due nor impaired	17,749,726	949,642	–	–	18,699,368
Individually impaired					
– over 90 days overdue	–	–	273,697	–	273,697
Total individually impaired	–	–	273,697	–	273,697
Total loans to large businesses at amortized cost (before ECL allowance)	17,749,726	949,642	273,697	–	18,973,065
Less ECL allowance	(198,200)	(34,956)	(247,338)	–	(480,494)
Total loans to large businesses at amortized cost	17,551,526	914,686	26,359	–	18,492,571

9 Loans to customers (continued)

The analysis by credit quality of loans to small and medium businesses at amortized cost as at 31 March 2021 is as follows (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Small and medium business					
Neither past due nor impaired					
– Loans renegotiated in prior reporting periods	–	4,109	–	–	4,109
– standard portfolio	12,458,906	219,339	–	–	12,678,245
Total neither past due nor impaired	12,458,906	223,448	–	–	12,682,354
Past due but not impaired					
- less than 30 days overdue	6,340	–	–	–	6,340
- 31 to 90 days overdue	–	72	–	–	72
Total past due but not impaired	6,340	72	–	–	6,412
Individually impaired					
- not past due	–	–	4,075	33,375	37,450
- 31 to 90 days overdue	–	–	30,143	–	30,143
- over 90 days overdue	–	–	358,472	–	358,472
Total individually impaired	–	–	392,690	33,375	426,065
Total loans to small and medium businesses at amortized cost (before ECL allowance)	12,465,246	223,520	392,690	33,375	13,114,831
Less ECL allowance	(164,187)	(7,615)	(312,670)	(112)	(484,584)
Total loans to small and medium businesses at amortized cost	12,301,059	215,905	80,020	33,263	12,630,247

9 Loans to customers (continued)

The analysis by credit quality of loans to individuals at amortized cost as at 31 March 2021 is as follows (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
Neither past due nor impaired				
- loans renegotiated in 2021	40,815	-	-	40,815
- loans renegotiated in prior reporting periods	776,833	-	-	776,833
- standard portfolio	34,762,640	64,897	-	34,827,537
Total neither past due nor impaired	35,580,288	64,897	-	35,645,185
Past due but not impaired				
- less than 30 days overdue	857,315	2,827	-	860,142
- 31 to 90 days overdue	-	451,339	-	451,339
Total past due but not impaired	857,315	454,166	-	1,311,481
Individually impaired				
- over 90 days overdue	-	-	1,828,908	1,828,908
Total individually impaired	-	-	1,828 908	1,828 908
Total loans and advances to individuals (before ECL allowance)	36,437,603	519,063	1,828,908	38,785 574
Less ECL allowance	(533,281)	(187,632)	(1,476,209)	(2,197,122)
Total loans and advances to individuals	35,904,322	331,431	352,699	36,588,452

9 Loans to customers (continued)

The analysis by credit quality of loans issued to customers for investment projects and measured at amortized cost as at 31 December 2020 is as follows:

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Investment projects					
Neither past due nor impaired					
– loans renegotiated in 2020	–	20,880	–	–	20,880
– standard portfolio	77,461	–	–	–	77,461
Total neither past due nor impaired	77,461	20,880	–	–	98,341
Individually impaired					
- not past due	–	–	57,123	72,219	129,342
- over 90 days overdue	–	–	241,522	243,039	484,561
Total individually impaired	–	–	298,645	315,258	613,903
Total loans to customers for investment projects and measured at amortized cost (before ECL allowance)	77,461	20,880	298,645	315,258	712,244
Less ECL allowance	(2,227)	(448)	(116,587)	–	(119,262)
Total loans issued for investment projects and measured at amortized cost	75,234	20,432	182,058	315,258	592,982

9 Loans to customers (continued)

The analysis by credit quality of loans to large businesses at amortized cost as at 31 December 2020 is as follows:

<i>(in RUB '000)</i>	Stage 1	Stage 2	POCI	Total
Large business				
Neither past due nor impaired				
– standard portfolio	11,968,315	–	–	11,968,315
Total neither past due nor impaired	11,968,315	–	–	11,968,315
Total loans to large businesses at amortized cost (before ECL allowance)	11,968,315	–	–	11,968,315
Less ECL allowance	(54,336)	–	–	(54,336)
Total loans to large businesses at amortized cost	11,913,979	–	–	11,913,979

9 Loans to customers (continued)

The analysis by credit quality of loans to small and medium businesses at amortized cost as at 31 December 2020 is as follows:

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Small and medium business					
Neither past due nor impaired					
- loans renegotiated in 2020	-	43,302	-	-	43,302
- standard portfolio	16,984,865	1,153,710	-	-	18,138,575
Total neither past due nor impaired	16,984,865	1,197,012	-	-	18,181,877
Past due but not impaired					
- less than 30 days overdue	7,399	7,028	-	-	14,427
- 31 to 90 days overdue	-	2,510	-	-	2,510
Total individually impaired	7,399	9,538	-	-	16,937
Individually impaired					
- not past due	-	-	3,879	33,375	37,254
- less than 30 days overdue	-	-	2,989	-	2,989
- 31 to 90 days overdue	-	-	1,914	-	1,914
- over 90 days overdue	-	-	604,295	-	604,295
Total individually impaired	-	-	613,077	33,375	646,452
Total loans to small and medium businesses at amortized cost (before ECL allowance)					
	16,992,264	1,206,550	613,077	33,375	18,845,266
Less ECL allowance	(352,645)	(50,225)	(508,247)	(1,196)	(912,313)
Total loans to small and medium businesses at amortized cost	16,639,619	1,156,325	104,830	32,179	17,932,953

9 Loans to customers (continued)

The analysis by credit quality of loans to individuals at amortized cost as at 31 December 2020 is as follows:

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Loans to individuals				
Neither past due nor impaired				
– loans renegotiated in 2020	903,973	–	–	903,973
– loans renegotiated in prior reporting periods	2,028	–	–	2,028
– standard portfolio	31,003,741	127,990	–	31,131,731
Total neither past due nor impaired	31,909,742	127,990	–	32,037,732
Past due but not impaired				
- less than 30 days overdue	516,043	4,837	–	520,880
- 31 to 90 days overdue	–	186,738	–	186,738
Total past due but not impaired	516,043	191,575	–	707,618
Individually impaired				
- 30 to 90 days overdue	–	–	4,804	4,804
- over 90 days overdue	–	–	1,668,182	1,668,182
Total individually impaired	–	–	1,672,986	1,672,986
Total loans to individuals at amortized cost (before ECL allowance)	32,425,785	319,565	1,672,986	34,418,336
Less ECL allowance	(572,472)	(70,957)	(1,251,478)	(1,894,907)
Total loans to individuals at amortized cost	31,853,313	248,608	421,508	32,523,429

Loans renegotiated during the period represent loans with revised terms and conditions that otherwise would be past due or impaired.

9 Loans to customers (continued)

Past due but not impaired loans primarily include collateralised loans where the fair value of collateral covers the overdue interest and principal repayments. The amount reported as past due but not impaired is the entire balance of such loans, not only the individual installments that are past due.

As at 31 March 2021, loans to individuals include loans acquired from other financial institutions with a right of recourse in the amount of RUB 345,798 thousand before ECL allowance, with the recourse period under them of 5 months, and loans at FVTPL of RUB 975,503 thousand, with the unlimited recourse period under them (31 December 2020: loans at amortized cost of RUB 386,575 thousand before ECL allowance, with the recourse period under them of 5 months, and loans at FVTPL of RUB 561,282 thousand, with the unlimited recourse period under them). Total loans acquired during the three months ended 31 March 2021 with the unlimited recourse period under them equaled RUB 955,042 thousand (during the three months ended 31 March 2020: none were acquired).

The Group derecognises a financial asset, e.g. a loan provided to a customer, if the contractual terms and conditions are renegotiated in such a way that such loan becomes a new loan and the difference is recognised as profit or loss from derecognition before the ECL loss is recorded. Upon initial recognition, loans are classified in Stage 1 for ECL measurement purposes, unless a created loan is deemed to be a purchased or created impaired ('POCI') asset.

If modification does not trigger significant changes in cash flows, modification does not result in derecognition. Based on changes in cash flows discounted at the original effective interest rate, the Group recognises profit or loss from modification before the ECL loss is recorded.

During the three months ended 31 March 2021 the Group did not renegotiate loans to customers of Stage 2 and Stage 3.

During the three months ended 31 March 2021, the Group renegotiated the Stage 2 loans to large business in the amount of RUB 114,751 thousand. The effect from modification is insignificant.

The information on the fair value of each class of loans to customers is disclosed in Note 22. The information on related party transactions is disclosed in Note 23.

10. Securities at fair value through other comprehensive income

As at 31 March 2021 and as at 31 December 2020, there were no securities at fair value through other comprehensive income ("FVOCI") represented by corporate bonds that were restricted under the Master Loan Agreement signed with CBR with an overdraft limit of RUB 3,500,000 thousand.

As at 31 March 2021 and as at 31 December 2020, there were no pledged securities at FVOCI sold under direct REPO agreements.

Securities at FVOCI include the following:

<i>(in RUB '000)</i>	31 March 2021 (unaudited)	31 December 2020
Shares of banks	986,700	2,037 109
Corporate shares	934,611	675,486
Foreign government bonds	601,388	-
Total securities at FVOCI	2,522,699	2,712,595

10 Securities at fair value through other comprehensive income (continued)

Debt securities at FVOCI are recorded at fair value determined based on the observable market data. Where quoted market prices are not available, the Group uses various valuation techniques. Refer to Note 23.

As at 31 March 2020 securities at FVOCI represent corporate shares of Russian and foreign issuers, foreign countries' bonds and shares of foreign banks with a fair value of RUB 2,522,699 thousand.

As at 31 December 2020 securities at FVOCI represent corporate shares of a Russian issuer and shares of a Russian bank and of a foreign bank with a fair value of RUB 2,712,595 thousand.

The Group resolved to irrevocably designate these shares into securities at FVOCI, as they are not held for trading. During the three months ended 31 March 2021, the Group did not recognise, within other operating income, dividend income attributable to equity securities at FVOCI (while during the three months ended 31 March 2020: RUB 2,748 thousand).

The Group did not book ECL allowance for securities at FVOCI during the three months ended 31 March 2021.

Refer to Note 22 for the disclosure of the fair value of of each class of securities at FVOCI. The information on related party transactions is disclosed in Note 23.

11. Due to credit institutions

<i>(in RUB '000)</i>	31 March 2021 (unaudited)	31 December 2020
Correspondent accounts and overnight placements of credit institutions	329,670	141,701
Deposits of credit institutions	702,953	444,344
Total due to credit institutions	1,032,623	586,045

As at 31 March 2021 and 31 December 2020, correspondent accounts and overnight placements represent funds placed by Russian and foreign credit institutions.

Placements of credit institutions represent deposits of large foreign banks with contractual interest rates from -0.35% to 0.8% p.a. (31 December 2020: 0.8% p.a.) and maturities ranging from April 2021 to July 2021 (31 December 2020: in July 2021).

The information on the fair value of amounts due to credit institutions is disclosed in Note 22. The information on related party transactions is disclosed in Note 23.

12. Customer accounts

<i>(in RUB '000)</i>	31 March 2021 (unaudited)	31 December 2020
State and public organisations		
- Current/settlement accounts	211,900	54,653
- Term deposits	-	-
Legal entities		
- Current/settlement accounts	12,949,660	12,193,215
- Term deposits	11,821,204	9,309,015
Individuals		
- Current/demand accounts	6,018,558	5,725,250
- Term deposits	46,354,365	46,436,218
Total customer accounts	77,355,687	73,718,351

State and public organisations exclude government owned profit orientated businesses.

Economic sector concentrations within the customer accounts are as follows:

<i>(in RUB '000)</i>	31 March 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals	52,372,923	67.7	52,161,468	70.7
Trade	6,865,263	8.9	6,092,281	8.3
Construction	2,572,857	3.2	2,663,516	3.6
Real estate	2,428,021	3.1	2,469,976	3.4
Financial services	2,273,880	2.9	2,428,919	3.3
Oil and gas	1,975,041	2.5	784,387	1.1
Transport and logistics	1,708,167	2.2	1,488,054	2.0
Services	1,592,059	2.1	742,271	1.0
Manufacturing	1,294,074	1.7	1,060,487	1.4
Non-commercial organisations	966,256	1.2	904,989	1.2
Agricultural industry	754,478	1.0	871,233	1.2
Energy	367,239	0.5	364,269	0.5
Advertising and mass media	303,053	0.4	274,531	0.4
State and public organisations	211,900	0.3	54,653	0.1
Information and communication activities	204,695	0.3	193,957	0.3
Hotel business and catering	199,772	0.3	145,903	0.2
Forestry	179,083	0.2	87,163	0.1
Food products	118,409	0.2	187,745	0.3
Other	968,517	1.3	742,549	0.9
Total customer accounts	77,355,687	100.0	73,718,351	100.0

As at 31 March 2021, customer accounts are recorded in the amount of RUB 8,611 thousand (31 December 2020: RUB 18,544 thousand) held as collateral for irrevocable LoC commitments (Note 21).

As at 31 March 2021, balances of 10 largest customers amounted to RUB 9,039,886 thousand (31 December 2020: RUB 8,924,837 thousand), or 11.7% (31 December 2020: 12.1%) of total customer accounts.

As at 31 March 2021, balances on customer accounts in the amount of RUB 504,701 thousand (31 December 2020: RUB 436,892 thousand) represented collateral on loans provided by the Group in the amount of RUB 13,167,133 thousand (31 December 2020: RUB 4,669,983 thousand).

12 Customer accounts (continued)

As at 31 March 2021, balances on customer accounts in the amount of RUB 239,665 thousand (31 December 2020: RUB 205,503 thousand) represented collateral on guarantees issued by the Group in the amount of RUB 695,163 thousand (31 December 2020: RUB 648,396 thousand) (Note 21).

The information on the fair value of customers' accounts is disclosed in Note 22. The information on related party transactions is disclosed in Note 23.

13. Debt securities in issue

<i>(in RUB '000)</i>	31 March 2021 (unaudited)	31 December 2020
Bonds issued on domestic market	4,432,422	1,135,634
Promissory notes	481,610	658,114
Savings certificates	300	300
Total debt securities in issue	4,914,332	1,794,048

As at 31 March 2021, debt securities in issue included bonds in the amount of RUB 4,432,422 thousand (31 December 2020: RUB 1,135,634 thousand), denominated in Russian Rubles. The nominal value of bonds in issue totaled RUB 4,417,576 thousand (31 December 2020: RUB 1,124,685 thousand). The bonds mature from 2 November 2022 to 3 April 2024 and have a coupon rate from 6.75% to 9.5% p.a. (31 December 2020: from 6.75% to 9.5% p.a.).

As at 31 March 2021, the Group issued promissory notes with a total nominal value of RUB 488,543 thousand (31 December 2020: RUB 676,697 thousand) with maturities in July 2021 (31 December 2020: from January 2021 to July 2021).

As at 31 March 2021 and 31 December 2020, the Group issued savings certificates with a total nominal value of RUB 226 thousand with maturity in February 2019 and a contractual interest rate of 11.0% p.a.

Refer to Note 22 for the disclosure of the fair value of debt securities in issue.

14. Subordinated Eurobonds in issue

In October 2015, the Group placed subordinated Eurobonds with a nominal value of USD 20,000 thousand, interest rate of 8.0% p.a. and maturity in April 2021. Subordinated Eurobonds were issued by Expo Capital Designated Activity Company registered in Ireland. As at 31 March 2021, the amortized cost of subordinated Eurobonds was RUB 1,535,640 thousand (unaudited) (31 December 2020: RUB 1,494,472 thousand).

15. Share capital

As at 31 March 2021, the authorized, issued and fully paid share capital adjusted for hyperinflation was RUB 9,394,240 thousand (31 December 2020: RUB 9,394,240 thousand).

During the three months ended 31 March 2021 and 2020 the Bank did not distribute profits to its members.

In accordance with Russian legislation, dividends may only be declared to the Bank's members from accumulated retained and unreserved earnings as shown in the Bank's financial statements prepared under Russian Accounting Standards (RAS).

On 10 August 2020, the Bank signed an agreement on purchasing 10.65% interest in the Bank's share capital from one of its members for RUB 2,109,945 thousand; this stake was transferred to the Bank when a corresponding entry was made to the Unified State Register of Legal Entities on 27 August 2020.

On 20 March 2020 the Bank's share capital decreased due to the redemption of treasury shares.

The Bank is a limited liability company. According to the effective Russian law, the number of votes held by each member of a limited liability company is proportionate to the member's stake in the company's share capital.

16. Interest Income and Expense

<i>(in RUB '000)</i>	For three months ended 31 March 2021 (unaudited)	For three months ended 31 March 2020 (unaudited)
Interest income calculated using the effective interest rate		
Loans to individuals	1,489,951	1,198,331
Loans to legal entities	786,497	1,054,718
Due from credit institutions	22,988	255,452
Securities at FVOCI	529	–
Securities at amortized cost	–	2,663
Total interest income calculated using the effective interest rate	2,299,965	2,511,164
Other interest income		
Securities at FVTPL	141,969	202,823
Loans to legal entities at FVTPL	130,296	26,721
Loans to individuals at FVTPL	25,001	–
Total other interest income	297,266	229,544
Total interest income	2,597,231	2,740,708
Interest expense		
Term deposits of individuals	498,960	726,207
Term deposits of legal entities	133,234	154,734
Debt securities in issue	32,706	47,943
Term deposits of credit institutions	5,782	33,927
Operating lease commitments	5,641	3,165
Total interest expense	676,323	965,976
Net interest income	1,920,908	1,774,732

The information on related party transactions is disclosed in Note 23.

17. Fee and commission income and expense

<i>(in RUB '000)</i>	For three months ended 31 March 2021 (unaudited)	For three months ended 31 March 2020 (unaudited)
Fee and commission income		
- Settlement transactions	160,797	104,028
- Remote banking	150,883	16,172
- Guarantees issued	112,389	127,515
- Fee under agency agreements	108,476	324
- Transactions with plastic cards	51,119	20,986
- Cash transactions	25,205	29,758
- Other	44,111	23,162
Total fee and commission income	652,980	321,945
Fee and commission expense		
- Transactions with plastic cards	20,588	24,147
- Settlement transactions	10,995	9,193
- Cash transactions	1,270	656
- Guarantees received	-	2,862
- Other	3,623	3,555
Total fee and commission expense	36,476	40,413
Net commission income	616,504	281,532

The information on related party transactions is disclosed in Note 23.

18. Administrative and other operating expenses

<i>(in RUB '000)</i>	For the three months ended 31 March 2021 (unaudited)	For three months ended 31 March 2020 (unaudited)
Staff costs	784,539	518,428
Telecommunication and information services	107,259	37,220
Taxes other than income tax	96,877	31,389
Advertising and marketing services	83,881	2,617
Contributions to the State Deposit Insurance Agency	40,222	43,765
Depreciation of right-of-use assets	39,147	20,829
Loss on disposal of property, write-off of low-value assets and accounts receivable	24,233	16,395
Other costs related to premises and equipment	23,216	16,326
Depreciation of premises and equipment	20,222	78,002
Amortisation of software and other intangible assets	16,767	10,571
Professional services	13,642	1,819
Security services	8,032	6,033
Business travel and related expenses	2,216	3,720
Insurance	2,042	2,562
Other	72,664	92,671
Total administrative and other operating expenses	1,334 959	882,347

Staff costs include insurance contributions in the amount of RUB 167,258 thousand (for the three months ended 31 March 2020: RUB 115,219 thousand), of which RUB 121,534 thousand (for the three months ended 31 March 2020: RUB 83,264 thousand) are pension contributions.

The information on related party transactions is disclosed in Note 23.

19. Income Tax

Income tax expense for the reporting period recorded within profit and loss comprises the following:

<i>(in RUB '000)</i>	For the three months ended 31 March 2021 (unaudited)	For three months ended 31 March 2020 (unaudited)
Current income tax expense	223,088	7,673
Deferred income tax expense/ (benefit)	6,052	157,522
Income tax expense for the period	229,140	165,195

The income tax rate applicable to the majority of the Group's income for the three months ended 31 March 2021 and for the three months ended 31 March 2020 is 20%.

20. Segment Analysis

Operating segments are components which are engaged in financial and business activities as a result of which they can receive profit or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker, and for which discrete financial information is available. The chief operating decision maker is a person or a group of persons that allocate resources and assess the performance of the Group. The functions of the chief operating decision maker are performed by the Chairman of the Management Board and the executive directors from the Board of Directors of the Group. Segment reporting is based on the management accounting data in line with the Group's accounting policies under the Russian Accounting Standards ("RAS").

Segment information of the reportable segments as at 31 March 2021 is set out below (unaudited):

<i>(in RUB '000)</i>	Corporate banking	Retail banking	Treasury transactions	Total
Total reportable segment assets	38,811,309	39,079,027	32,268,726	110,159,062
Total reportable segment liabilities	26,750,989	52,002,050	8,901,713	87,654,752

Segment information of the reportable segments as at 31 December 2020 is set out below:

<i>(in RUB '000)</i>	Corporate banking	Retail banking	Treasury transactions	Total
Total reportable segment assets	35,428,244	31,280,350	34,262,091	100,970,685
Total reportable segment liabilities	22,880,481	47,440,967	9,402,077	79,723,525

As at 31 March 2021 and 31 December 2020, the Group had no contractual capital expenditure commitments in respect of reconstruction of buildings and acquisition of equipment.

20 Segment Analysis (continued)

Segment information of the reportable segments for the six months ended 31 March 2021 is set out below (unaudited):

<i>(in RUB '000)</i>	Corporate banking	Retail banking	Treasury transactions	Total
Three months ended 31 March 2021				
<i>External revenues:</i>				
- Interest income	888,693	1,428,384	156,728	2,473,805
- Fee and commission income	570,551	68,644	540	639,735
<i>Timing of revenue recognition</i>				
- At point in time	462,660	68,644	540	531,844
- Over time	107,891	-	-	107,891
<i>Income /(expense) from other segments:</i>				
- Interest income/(expense)	(217,065)	(6,913)	223,978	-
Total revenues	1,242,179	1,490,115	381,246	3,113,540
Interest expense	(119,632)	(502,418)	(27,165)	(649,215)
Expected credit loss allowance	(59,047)	(204,646)	(2,532)	(266,225)
Depreciation and amortisation	-	-	(25,435)	(25,435)
Fee and commission expense	-	-	(29,407)	(29,407)
Losses net of gains from trading in securities	-	-	67,750	67,750
Gains net of losses from trading in foreign currencies	-	-	141,705	141,705
Foreign exchange translation and precious metals revaluation losses net of gains	-	-	(56,399)	(56,399)
Income from participation in equity of other legal entities	-	-	2,556	2,556
Administrative and other operating expenses less income	(434,775)	(447,703)	(113,115)	(995,593)
Segment result	628,725	335,348	339,204	1,303,277

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20 Segment Analysis (continued)

Segment information of the reportable segments for the three months ended 31 March 2020 is set out below (unaudited):

<i>(in RUB '000)</i>	Corporate banking	Retail banking	Treasury transactions	Total
Three months ended 31 March 2020				
<i>External revenues:</i>				
- Interest income	565,418	1,119,514	291,413	1,976,345
- Fee and commission income	206,509	4,072	15,860	226,441
<i>Timing of revenue recognition</i>				
- At point in time	99,479	4,072	15,860	119,411
- Over time	107,030	-	-	107,030
<i>Income /(expense) from other segments:</i>				
- Interest income/(expense)	(311,203)	367,818	(56,615)	-
Total revenues	460,724	1,491,404	250,658	2,202,786
Interest expense	(125,675)	(578,763)	(80,338)	(784,776)
Expected credit loss allowance	(60,492)	(267,689)	(168)	(328,349)
Depreciation and amortisation	(13,423)	(1,311)	-	(14,734)
Fee and commission expense	(2,862)	-	(21,069)	(23,931)
Losses net of gains from trading in securities	-	-	(6,969)	(6,969)
Gains net of losses from trading in foreign currencies	-	-	243,670	243,670
Foreign exchange translation and precious metals revaluation losses net of gains	-	-	(61,157)	(61,157)
Income from participation in equity of other legal entities	-	-	5,877	5,877
Administrative and other operating expenses less income	(44,451)	(371,480)	(18,341)	(434,272)
Segment result	213,821	272,161	312,163	798,145

Reconciliation of the reportable segment profit with profit before tax for the reporting period is provided below:

<i>(in RUB '000)</i>	Three months ended 31 March 2021 (unaudited)	Three months ended 31 March 2020 (unaudited)
Profit for reportable segments	1,303,277	798,145
Recovery of RAS provisions and accrual of IFRS provisions	22,436	(77,697)
Adjustment of loans to customers and of amounts due from credit institutions to amortised cost	643	41,420
Redemption of purchased credit-impaired financial assets	(144,682)	253,125
Amortisation of commission income on guarantees issued	2,359	10,769
Recognition of non-performing debt under other assets	(15,782)	(43,828)
Reclassification of other taxes in administrative and other operating expenses	-	(44,583)
Effect from modification of loans	-	(41,813)
Other	(12,204)	5,790
Profit before tax	1,156,046	901,328

The Group does not have clients, revenues from which exceed 10% of the total revenues. The Group carries out a significant part of transactions, receives income and incurs expenses, as well as has assets and liabilities in the Russian Federation.

21. Contingencies and Commitments

Operating environment

Russia proceeds with economic reforms and develops the legal, tax and administrative infrastructure that would meet the requirements of the market economy. The stability of Russian economy will largely depend on the progress of these reforms, as well as on the efficiency of measures taken by the government in the economy, fiscal and monetary policy.

The Russian economy continues to be negatively impacted by low oil prices and sanctions against Russia imposed by certain countries. Ruble interest rates remain high. These factors combined have decreased availability of capital and raised its cost, increasing uncertainty with regard to further economic growth. This may have an adverse effect on the financial position, performance and economic prospects of the Group. The Group's Management believes it takes all necessary measures to ensure the Group's economic sustainability in the current environment.

Legal proceedings

From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates and internal professional advice, the Management is of the opinion that losses may be incurred by the Group in respect of claims under some of them, and a provision to cover litigation related loss has been made in this interim condensed consolidated financial information in the amount of RUB 39,081 thousand as of 31 March 2021 (31 December 2020: RUB 116,348 thousand).

Taxation

Some provisions of the effective Russian tax, currency and customs legislation are not clear and explicit enough that often results in their varying interpretations (which, in particular, can be applied retrospectively), selective and inconsistent application and frequent and sometimes unpredictable changes. In view of the above, interpretation of these laws by the Group's Management with regard to its certain transactions and operations, including their economic justification and sufficiency of documentary evidence, may be challenged by relevant regulatory authorities at any time in the future. Therefore, tax authorities may challenge the Group's transactions and tax accounting methods that have not been challenged before. As a result, additional taxes, interest and penalties may be accrued.

Interpretation of certain provisions of Russian tax law together with the recent trends in law enforcement practices are indicative of a stricter position taken by tax authorities and courts in applying laws and reviewing tax calculations. It is impossible to determine the amount of potential, but not filed claims and to assess the probability of unfavourable outcome.

Russian transfer pricing legislation allows Russian tax authorities to apply transfer pricing adjustments and charge additional income tax and VAT on controlled transactions if the transaction price differs from the market price. The Management believes that the Group fully complies with transfer pricing rules and the prices applied by the Group for controlled transactions are consistent with the market levels.

Field audits of taxpayers performed by tax authorities can cover three calendar years of operations preceding the year when the tax authorities decided to perform a tax review. Under certain circumstances tax reviews may cover longer periods.

As at 31 March 2021, the Group believes that its interpretation of applicable legal regulations is substantiated and that the Group's position in respect of tax, currency and customs law matters can be sustained.

Capital expenditure commitments

As at 31 March 2021 and 31 December 2020, the Group had no contractual capital expenditure commitments in respect of reconstruction of buildings and acquisition of equipment.

The Group believes that future net income and funding will be sufficient to cover this and any similar commitments.

Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Commitments to issue guarantees and extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit.

As at 31 March 2021, the unused limits on guarantees totaled RUB 15,998,848 thousand (31 December 2020: RUB 13,663,424 thousand), the undrawn credit lines amounted to RUB 19,202,200 thousand (31 December 2020: RUB 13,574,349 thousand).

The information on guarantees issued and uncovered letters of credit issued as at 31 March 2021 and 31 December 2020 is provided below:

<i>(in RUB '000)</i>	31 March 2021	31 December 2020
	(unaudited)	
Guarantees issued	15,583,387	18,035,014
Less ECL allowance	(39,150)	(61,234)
Total	15,544,237	17,973,780

As at 31 March 2021, customer accounts are recorded in the amount of RUB 8,611 thousand (31 December 2020: RUB 18,544 thousand) held as collateral for irrevocable LoC commitments (Note 12).

As at 31 March 2021, balances on customer accounts in the amount of RUB 239,665 thousand (31 December 2020: RUB 205,503 thousand) represented collateral on guarantees issued by the Group in the amount of RUB 695,163 thousand (31 December 2020: RUB 648,396 thousand) (Note 12).

The total outstanding contractual amount of letters of credit and guarantees does not necessarily represent future cash requests, as these financial instruments may expire or terminate without being funded.

21 Contingencies and Commitments (continued)

Movements in ECL allowances for guarantees issued by the Group for the three months ended 31 March 2021 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Guarantees issued				
ECL allowance at 1 January	42,776	41	18,417	61,234
New guarantees issued and effects of other increases in value	17,275	41	1,097	18,413
Guarantees paid and derecognised guarantees	(20,702)	(41)	(18,410)	(39,153)
Net remeasurement of loss allowance	(740)	(37)	(567)	(1,344)
ECL allowance at 31 March (unaudited)	38,609	4	537	39,150

Movements in ECL allowances for guarantees issued by the Group for the three months ended 31 March 2020 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Guarantees issued				
ECL allowance at 1 January 2020	64,297	11,510	19,185	94,992
New guarantees issued and uncovered letters of credit and effects of other increases in value	20,945	1,101	29,768	51,814
Derecognised guarantees and uncovered letters of credit and effects of other decreases in value	(46,955)	(1,138)	(39,361)	(87,454)
Transfers to Stage 1	4,402	(4,402)	–	–
Net remeasurement of loss allowance	15,674	(4,636)	29,387	40,425
Exchange differences	65	–	–	65
ECL allowance at 31 March 2020 (unaudited)	58,428	2,435	38,979	99,842

Movements in ECL allowances for undrawn credit lines for the three months ended 31 March 2021 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Undrawn credit lines				
ECL allowance at 1 January 2021	30,370	2,041	6,897	39,308
New purchased or originated assets	10,347	–	304	10,651
Derecognised or redeemed assets (excluding write-offs)	(10,851)	(1,926)	(6,809)	(19,586)
Net remeasurement of loss allowance	(924)	22	12	(890)
Exchange differences	47	–	–	47
ECL allowance at 31 March 2021 (unaudited)	28,989	137	404	29,530

21 Contingencies and Commitments (continued)

Movements in ECL allowances for undrawn credit lines for the three months ended 31 March 2020 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Undrawn credit lines					
ECL allowance at 1 January 2020	15,508	–	7,024	33	22,565
New purchased or originated assets	4,356	–	311	–	4,667
Derecognised or redeemed assets (excluding write-offs)	(7,712)	(23)	(1,408)	–	(9,143)
Transfers to Stage 2	(23)	23	–	–	–
Net remeasurement of loss allowance	463	1	(2,365)	(31)	(1,932)
Exchange differences	25	–	–	–	25
ECL allowance at 31 March 2020 (unaudited)	12,617	1	3,562	2	16,182

The information on related party transactions is disclosed in Note 23.

22. Fair value of financial instruments

Fair value measurement procedures

Fair value measurement policies and procedures are determined both for periodic fair value measurement, e.g. with regards to unquoted securities at FVTPL, securities at FVOCI, unquoted financial derivatives, investment property, land and buildings, and for one-time measurement, e. g. with regards to assets held for sale.

External appraisers may be engaged to assess significant assets, such as real estate, securities at FVTPL, securities at FVOCI, financial derivatives. Appraiser selection criteria include market knowledge, reputation, independence and compliance with professional standards. After discussions with external appraisers, a decision is taken on the valuation methods and inputs that should be used in each particular case.

The fair value of assets and liabilities subject to remeasurement or re-analysis under the Group's accounting policies is measured at each reporting date. For measurement purposes, main inputs and their correlation with the prior measurement inputs are reviewed. The fair value measurement results (including measurements of external appraisers) are regularly provided to the Internal Audit Function and independent auditors of the Group. Main assumptions used in the measurement are discussed.

Methods and assumptions applied in determining fair values

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Fair value is best evidenced by the active quoted market price of a financial instrument. Where quoted market prices are not available, the Group uses various valuation techniques. The fair value of unquoted fixed interest rate instruments is estimated based on cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing fair values of financial instruments depending on the valuation technique:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

To disclose fair values, the Group has determined the classes of assets and liabilities based on the nature, features and risks inherent to the asset or liability, as well as the level in the fair value hierarchy.

22 Fair value of financial instruments (continued)

Fair value hierarchy (continued)

For financial instruments carried at fair value, the levels in the fair value hierarchy are as follows:

	31 March 2021 (unaudited)			31 December 2020		
	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Significant non-observable inputs (Level 3)	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Significant non-observable inputs (Level 3)
<i>(in RUB '000)</i>						
Financial assets at fair value						
Securities at FVTPL	12,435,202	–	47,193	12,215,290	2,179	591,096
- Corporate bonds	9,940,821	–	47,193	10,932,994	2,179	–
- Bonds of state corporations	1,316,072	–	–	1,282,296	–	–
- Federal loan bonds (OFZ)	589,812	–	–	–	–	591,096
- Bonds of banks	588,497	–	–	–	–	–
Due from credit institutions	–	–	2,270,158	–	–	2,221,805
- due from credit institutions at FVTPL	–	–	2,270,158	–	–	2,221,805
Loans to customers	–	–	5,707,720	–	–	5,584,764
- loans to customers at FVTPL	–	–	5,707,720	–	–	5,584,764
Securities at FVOCI	1,572,059	–	950,640	711,546	–	2,001,049
- Shares of banks	36,060	–	950,640	36,060	–	2,001,049
- Corporate shares	934,611	–	–	675,486	–	–
- Foreign government bonds	601,388	–	–	–	–	–
Investments in associates	–	–	1,666,690	–	–	–
Other financial assets	–	3,642	–	–	1,528	–
- Derivative financial instruments	–	3,612	–	–	928	–
- Settlements on FX transactions	–	30	–	–	600	–
Total financial assets at fair value	14,007,261	3,642	10,642,401	12,926,836	3,707	10,398,714
Financial assets with fair value disclosed						
Cash and cash equivalents	1,183,177	–	9,128,244	1,453,052	–	8,307,954
Mandatory cash balances with CBR	–	–	716,266	–	–	679,693
Due from credit institutions	–	–	650,889	–	–	272,361
Loans to customers	–	–	70,130,727	–	–	63,969,171
Other financial assets	–	–	87,239	–	–	88,766
Total financial assets with value disclosed	1,183,177	–	80,713,365	1,453,052	–	73,317,945

22 Fair value of financial instruments (continued)

Fair value hierarchy (continued)

	31 March 2021 (unaudited)			31 December 2020		
	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Significant non-observable inputs (Level 3)	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Significant non-observable inputs (Level 3)
<i>(in RUB '000)</i>						
Financial liabilities carried at fair value						
Other financial liabilities	-	11,797	-	-	4,987	-
- Derivative financial instruments	-	9,805	-	-	3,635	-
- Currency exchange transactions	-	1,992	-	-	1,352	-
Total financial liabilities at fair value	-	11,797	-	-	4,987	-
Financial liabilities with fair value disclosed						
Due to credit institutions	-	-	1,032,623	-	-	586,045
Customer accounts	-	-	77,867,291	-	-	74,182,744
Debt securities in issue	3,913,500	-	1,076,410	1,268,381	-	560,621
Lease liabilities	-	-	288,487	-	-	326,257
Subordinated Eurobonds in issue	-	-	1,535,640	-	-	1,494,472
Other financial liabilities	-	-	344,468	-	-	343,245
Total financial liabilities with fair value disclosed	3,913,500	-	82,144,919	1,268,381	-	77,493,384

22 Fair value of financial instruments (continued)

Fair value hierarchy (continued)

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not recorded at fair value in the interim condensed consolidated financial statements. The table below does not include fair values of non-financial assets and non-financial liabilities.

(in RUB '000)	31 March 2021 (unaudited)			31 December 2020		
	Carrying amount	Fair value	Unrecognized gains/(losses)	Carrying amount	Fair value	Unrecognized gains/(losses)
Financial assets						
Cash and cash equivalents	10,311,421	10,311,421	–	9,761,006	9,761,006	–
Mandatory cash balances with CBR	716,266	716,266	–	679,693	679,693	–
Due from credit institutions	650,889	650,889	–	272,361	272,361	–
Loans to customers	68,390,655	70,130,727	1,740,072	62,963,343	63,969,171	1,005,828
Other financial assets	87,239	87,239	–	88,766	88,766	–
Total financial assets at amortized cost	80,156,470	81,896,542	1,740,072	73,765,169	74,770,997	1,005,828
Financial liabilities						
Due to credit institutions	1,032,623	1,032,623	–	586,045	586,045	–
Customer accounts	77,355,687	77,867,291	(511,604)	73,718,351	74,182,744	(464,393)
Debt securities in issue	4,914,332	4,989,910	(75,578)	1,794,048	1,829,002	(34,954)
Lease liabilities	288,487	288,487	–	326,257	326,257	–
Subordinated Eurobonds in issue	1,535,640	1,535,640	–	1,494,472	1,494,472	–
Other financial liabilities	344,468	344,468	–	343,245	343,245	–
Total financial liabilities at amortized cost	85,471,237	86,058,419	(587,182)	78,262,418	78,761,765	(499,347)
Total unrecognized change in the unrealized fair value			1,152,890			506,481

Valuation techniques and assumptions used to determine the fair value of assets and liabilities

Below are valuation techniques and assumptions used to determine the fair value of assets and liabilities carried at fair value in the interim condensed consolidated financial statements, as well as items not recorded at fair value in the interim condensed consolidated statement of financial position, but whose fair value is disclosed.

Assets for which fair value approximates their carrying amount

Fair value of liquid or short term (less than three months) financial assets and financial liabilities is assumed to approximate their carrying amount. This assumption is also used for demand deposits and accounts without a set maturity.

22 Fair value of financial instruments (continued)

Valuation techniques and assumptions used to determine the fair value of assets and liabilities (continued)

Derivatives

Derivatives valued using a valuation technique with market observable inputs are mainly currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap pricing models using present value calculations. The models combine various inputs, including counterparties' credit quality, forward and spot exchange rates as well as interest rate curves. Derivatives valued using a valuation technique with significant unobservable inputs are mainly long-term option contracts. These derivatives are valued using the binomial models. The models combine various unobservable assumptions which include market rate volatilities.

Securities at FVTPL and securities at FVOCI

Fair value of the quoted securities is based on price quotations as of the reporting date. Securities at FVTPL and securities at FVOCI valued using a valuation technique are mainly unquoted shares and debt securities. Such assets are valued using models which incorporate either only observable market data or both observable and unobservable market inputs. The unobservable inputs include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Loans at FVTPL

The fair value of loans to customers measured at FVTPL is determined using internal models based on the present value calculation models or, in some cases (e.g. with regards to cash flows on assets held as collateral), using external valuation sources. Unobservable inputs for valuation techniques include adjustments for the credit risk related to expected cash flows resulting from operating activities of the borrower or to collateral assessment.

Financial assets and financial liabilities carried at amortized cost

Fair value of unquoted instruments, loans to customers, customer deposits, amounts due from credit institutions and amounts due to CBR, amounts due to credit institutions, other financial assets and liabilities is estimated by discounting future cash flows using rates currently available for debt with similar terms, credit risk and remaining maturities. These rates are analysed below:

	31 March 2021 (unaudited)	31 December 2020
Loans to customers		
Investment projects	6.58%-7.49% p.a.	4.7%-7.6% p.a.
Large business	3.1%-7.49% p.a.	1.56%-7.3% p.a.
Small and medium business	7.58%-8.53% p.a.	3.8%-9.0% p.a.
Loans to individuals	7.66%-14.21% p.a.	7.9%-15.8% p.a.
Customer accounts		
Term deposits of legal entities	0.28%-5.15% p.a.	0.1%-4.6% p.a.
Term deposits of individuals	0.16%-4.71% p.a.	0.1%-4.2% p.a.

22 Fair value of financial instruments (continued)

Valuation techniques and assumptions used to determine the fair value of assets and liabilities (continued)

Investment property

Fair value of investment property was determined by using the market comparable method. This means that valuations performed by an appraiser are based on market transaction prices, significantly adjusted for difference in the nature, location or condition of the specific property. At the measurement date, the fair value of investment property is based on the valuations made by an independent firm of professional appraisers, who hold a recognised and relevant qualification and who have professional experience in the valuation of assets in similar locations and in a similar category.

Premises and equipment – land and buildings

Fair value of the real properties was determined by using the market comparable method. This means that valuations performed by an appraiser are based on market transaction prices, significantly adjusted for difference in the nature, location or condition of the specific property. At the measurement date, the fair value of the real estate is based on the valuations made by an independent firm of professional appraisers, who hold a recognised and relevant qualification and who have professional experience in the valuation of assets in similar locations and in a similar category.

The following table shows reconciliation of Level 3 assets recorded at fair value at the beginning and at the end of the reporting period:

<i>(in RUB '000)</i>	At 1 January 2021	Gains / (losses) recognized in profit or loss	Gains / (losses) recognized in other comprehens ive income	Acquisition / origination	Redemption	Transfers to Level 1	Transfers from Level 1	Reclassifi cation	At 31 March 2021 (unaudited)
Assets									
Securities at FVTPL	591,096	(1,284)	-	-	-	(589,812)	47,193	-	47,193
Due from credit institutions at FVTPL	2,221,805	48,353	-	-	-	-	-	-	2,270,158
Loans at FVTPL	5,584,764	179,333	-	1,384,123	(1,440,500)	-	-	-	5,707,720
Securities at FVOCI	2,001,049	-	-	616,281	-	-	-	(1,666,690)	950,640
Investments in associates	-	-	-	-	-	-	-	1,666,690	1,666,690

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

During the three months ended 31 March 2021, as a result of increased market activity, securities at FVTPL were transferred from Level 3 to Level 1 of the fair value hierarchy in the amount of RUB 589,812 thousand. These securities represent Federal loan bonds.

22 Fair value of financial instruments (continued)

Movements in Level 3 assets and liabilities carried at fair value

The following table shows reconciliation of Level 3 assets recorded at fair value at the beginning and at the end of 2020:

<i>(in RUB '000)</i>	At 1 January 2020	Gains / (losses) recognized in profit or loss	Gains / (losses) recognized in other comprehensive income	Acquisition / Origination	Redemption	At 31 December 2020
Assets						
Securities at FVTPL	-	13,168	-	577,928	-	591,096
Due from credit institutions at FVTPL	-	(64,420)	-	2,286,225	-	2,221,805
Loans at FVTPL	884,016	29,926	-	5,599,909	(929,087)	5,584,764
Securities at FVOCI	2,159,237	-	(158,188)	-	-	2,001,049

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

During 2020 the Group did not transfer securities at FVOCI from Levels 1 and 2 to Level 3 of the fair value hierarchy.

Significant unobservable inputs and sensitivity of Level 3 financial instruments measured at fair value to changes in key assumptions

The following table shows the quantitative information about significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy as at 31 March 2021:

31 March 2021 (unaudited)	Carrying amount	Valuation techniques	Unobservable inputs	Range (weighted average)
Securities at FVTPL				
Corporate bonds	47,193	Income approach	Underlying asset value	3.76%
Due from credit institutions				
Due from credit institutions at FVTPL	2,270,158	Income approach	Underlying asset value	4.0%
Loans to customers				
Loans to legal entities at FVTPL	4,732,217	Discounted cash flows	PD	2.4% - 22.5%
Loans to individuals at FVTPL	975,503	Discounted cash flows	PD	9.17%
Securities at FVOCI				
Shares of banks	950,640	Price/Equity ratio	Underlying asset value	Not applicable
Investments in associates	1,666,690	Price/Equity ratio	Underlying asset value	Not applicable

22 Fair value of financial instruments (continued)

Significant unobservable inputs and sensitivity of Level 3 financial instruments measured at fair value to changes in key assumptions (continued)

The following table shows the quantitative information about significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy as at 31 December 2020:

31 December 2020	Carrying amount	Valuation techniques	Unobservable inputs	Range (weighted average)
Securities at FVTPL				
Federal loan bonds (OFZ)	591,096	Income approach	Underlying asset value	4.67%
Due from credit institutions				
Due from credit institutions at FVTPL	2,221,805	Income approach	Underlying asset value	4.0%
Loans to customers				
Loans to legal entities at FVTPL	5,023,482	Discounted cash flows	PD	1.7% - 22.5%
Loans to individuals at FVTPL	561,282	Discounted cash flows	PD	0.2% - 0.49%
Securities at FVOCI				
Shares of banks	2,001,049	Price/Equity ratio	Underlying asset value	Not applicable

The following table shows the quantitative information about sensitivity of fair value of financial instruments categorized within Level 3 of the fair value hierarchy to changes in significant unobservable inputs:

	31 March 2021 (unaudited)		31 December 2020	
	Carrying amount	Effect of possible alternative assumptions	Carrying amount	Effect of possible alternative assumptions
<i>(in RUB '000)</i>				
Securities at FVTPL				
Corporate bonds	47,193	(2,360)	591,096	(29,555)
Federal loan bonds (OFZ)	47,193	(2,360)	-	-
	-	-	591,096	(29,555)
Due from credit institutions				
Due from credit institutions at FVTPL	2,270,158	(113,508)	2,221 805	(111,090)
	2,270,158	(113,508)	2,221 805	(111,090)
Loans to customers				
Loans to legal entities at FVTPL	5,707 720	(285,386)	5,584,764	(279,238)
Loans to legal entities at FVTPL	4,732,217	(236,611)	5,023,482	(251,174)
Loans to individuals at FVTPL	975,503	(48,775)	561,282	(28,064)
Securities at FVOCI				
Shares of banks	950,640	(47,532)	2,001,049	(100,052)
	950,640	(47,532)	2,001,049	(100,052)
Investments in associates				
	1,666,690	(83,335)	-	-

22 Fair value of financial instruments (continued)

Significant unobservable inputs and sensitivity of Level 3 financial instruments measured at fair value to changes in key assumptions (continued)

To determine possible alternative assumptions, the Group has adjusted key unobservable inputs as follows:

- ▶ For debt securities and amounts due from credit institutions, the Group has adjusted assumptions on the yield to maturity by increasing the assumption indicator by 5 p.p., which in the Group's opinion lies within the range of possible alternative changes of this indicator.
- ▶ For loans to customers, the Group has adjusted assumptions on the probability of default by increasing the assumption indicator by 5 p.p., which in the Group's opinion lies within the range of possible alternative changes of this indicator.
- ▶ For shares and investments in associates, the Group has adjusted the average indicator of share price to issuer's equity (Price/Equity) by decreasing the indicator by 5 p.p., which in the Group's opinion lies within the range of possible alternative changes of this indicator for other companies in this industry with similar risks.

Transfers between Level 1 and Level 2

During the three months ended 31 March 2021 and 2020, the Group did not transfer securities at FVOCI between Levels 1 and 2 of the fair value hierarchy.

Significant unobservable inputs and sensitivity of Level 3 non-financial instruments measured at fair value to changes in key assumptions

The table below shows summarized information on the sensitivity of fair value measurements of the Group's investment property, land and buildings categorized within Level 3 of the fair value hierarchy to changes in unobservable inputs as at 31 March 2021 (unaudited):

Unobservable inputs	Range (weighted average)	Sensitivity
Trade discount	10%	If the trade discount increases/decreases by 10%, the fair value of the Group's investment property, land and buildings (before deferred tax) may increase/decrease by RUB 220,590 thousand.

The table below shows summarized information on the sensitivity of fair value measurements of the Group's investment property, land and buildings categorized within Level 3 of the fair value hierarchy to changes in unobservable inputs as at 31 December 2020:

Unobservable inputs	Range (weighted average)	Sensitivity
Trade discount	10%	If the trade discount increases/decreases by 10%, the fair value of the Group's investment property, land and buildings (before deferred tax) may increase/decrease by RUB 221,457 thousand.

23. Related party transactions

Parties are generally considered to be related if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

For the purposes of disclosing the Group's transactions with related parties, the "Members" include entities and individuals that own, directly or indirectly, stakes in the share capital that allow them to exercise significant influence over the Group's activities.

"Other related parties" include close relatives of individuals and key management personnel who can influence on or be influenced by these individuals while conducting transactions with the Group.

As at 31 March 2021, the outstanding balances with related parties were as follows (unaudited):

<i>(in RUB '000)</i>	Members	Key management personnel	Companies under common control	Other related parties
Cash and cash equivalents (contractual interest rate: 0.0%)	–	–	17,581	–
Loans to customers (contractual interest rate: 8.5%- 19.0%)	–	21,140	235,180	4,847
ECL allowance for loans to customers	–	(327)	(219)	(75)
Securities at FVOCI	–	–	986,700	–
Other financial assets	–	–	1	–
Other non-financial assets	–	80	430	–
Due to credit institutions (contractual interest rate: -0.35%)	–	–	489,443	–
Customer accounts (contractual interest rate: 0.0%-11.5%)	668,626	281,346	1,023,424	96,636
Subordinated Eurobonds in issue (8.0%)	–	–	–	53,843
Other financial liabilities	–	–	3,154	–
Other non-financial liabilities	4,437	35,835	9,258	9

As at 31 March 2021, loans to the key management personnel in the amount of RUB 14,483 thousand were collateralised by balances on customer accounts in the amount of RUB 11,328 thousand (unaudited).

23 Related party transactions (continued)

As at 31 March 2021, amounts receivable from these related parties are not past due or impaired.

The income and expense items with related parties for the three months ended 31 March 2021 (unaudited) were as follows:

<i>(in RUB '000)</i>	Members	Key management personnel	Companies under common control	Other related parties
Interest income calculated using the effective interest rate	–	712	7,273	168
Interest expense	(2,635)	(10,267)	(2,154)	(198)
Recovery of credit loss allowance/ (credit loss allowance) for cash and cash equivalents, due from other banks and loans to customers	–	(95)	(216)	(32)
Gains net of losses from loans to customers at fair value through profit or loss	–	–	1,867	–
Gains net of losses from trading in foreign currencies	–	2	(30)	3
Foreign exchange translation losses net of gains	(11,848)	(3,724)	1,177	(967)
Fee and commission income	1,221	206	10,119	31
Fee and commission expense	–	(1)	(150)	(1)
Other operating income	–	16	1,491	3
Administrative and other operating expenses	(18,593)	(162,850)	(3,500)	(20)

23 Related party transactions (continued)

Contingent claims and obligations with related parties as at 31 March 2021 (unaudited) were as follows:

<i>(in RUB '000)</i>	Members	Key management personnel	Companies under common control	Other related parties
Guarantees issued by the Group	–	–	193	–
Guarantees and sureties received by the Group	–	–	444,917	25,000
Other contingent liabilities	2,000	3,831	267,256	1,924
ECL allowance	(35)	(61)	(278)	(30)

Aggregate amounts lent to and repaid by related parties during the three months ended 31 March 2021 were as follows:

<i>(in RUB '000)</i>	Members	Key management personnel	Companies under common control	Other related parties
Amounts lent to related parties during the reporting period	–	901	131,936	–
Amounts repaid by related parties during the reporting period	–	140	206,142	1,773

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

<i>(in RUB '000)</i>	Members	Key management personnel	Companies under common control	Other related parties
Cash and cash equivalents	–	–	78,312	–
ECL allowance for cash and cash equivalents	–	–	(3)	–
Loans to customers (contractual interest rate: 11.0%-18.0%)	–	17,048	–	3,156
ECL allowance for loans to customers	–	(232)	–	(43)
Securities at FVOCI	–	–	986,700	–
Other financial assets	–	–	1	–
Other non-financial assets	–	78	4,540	–
Due to credit institutions (contractual interest rate: 0.0%)	–	–	56,268	–
Customer accounts (contractual interest rate: 0.0%-11.5%)	714,722	223,712	425,114	64,020
Subordinated Eurobonds in issue (contractual interest rate: 8.0%)	–	–	–	52,400
Other financial liabilities	–	–	3,509	–
Other non-financial liabilities	3,329	26,363	4,122	–

As at 31 December 2020, loans to the key management personnel in the amount of RUB 10,454 thousand were collateralised by balances on customer accounts in the amount of RUB 8,385 thousand.

As at 31 December 2020, amounts receivable from these related parties are not past due or impaired.

On 10 August 2020, the Bank signed an agreement on purchasing 10.65% interest in the Bank's share capital from one of its members for RUB 2,109,945 thousand; this stake was transferred to the Bank when a corresponding entry was made to the Unified State Register of Legal Entities on 27 August 2020.

23 Related party transactions (continued)

The income and expense items with related parties for the three months ended 31 March 2020 (unaudited) were as follows:

<i>(in RUB '000)</i>	Members	Key management personnel	Companies under common control	Other related parties
Interest income calculated using the effective interest rate	668	578	3,887	26
Interest expense calculated using the effective interest rate	(4,322)	(2,680)	(6,759)	(1,523)
Recovery of credit loss allowance for cash and cash equivalents, due from credit institutions, loans to customers and other assets	201	227	272	21
Gains net of losses from trading in foreign currencies	26	8	30	8
Foreign exchange translation losses net of gains	(34,090)	(49,265)	(5,403)	(23,071)
Fee and commission income	41	216	1,436	23
Fee and commission expense	–	–	(102)	–
Other operating income	–	13	1,916	–
Administrative and other operating expenses	(20)	(106,273)	(1,828)	(27)

As at 31 December 2020, other rights and obligations with related parties were as follows:

<i>(in RUB '000)</i>	Members	Key management personnel	Companies under common control	Other related parties
Guarantees issued by the Group	–	–	–	–
Guarantees and sureties received by the Group	–	2,000	1,547,045	–
Other contingent liabilities	2,000	4,731	150,000	1,246
ECL allowance	15	35	274	9

Aggregate amounts lent to and repaid by related parties during 2020 were as follows:

<i>(in RUB '000)</i>	Members	Key management personnel	Companies under common control	Other related parties
Amounts lent to related parties during the year	1,294	39,499	1,972,509	7,910
Amounts repaid by related parties during the year	71,849	40,833	2,070,028	926

23 Related party transactions (continued)

Short-term compensations to key management personnel is presented below:

<i>(in RUB '000)</i>	Three months ended 31 March 2021 (unaudited)	Three months ended 31 March 2020 (unaudited)
Short-term payments		
- Salaries	124,969	76,184
- Short-term bonuses	23,531	11,333
Total	148,500	87,517

Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

Staff costs include insurance contributions in the amount of RUB 23,098 thousand (for the three months ended 31 March 2020: RUB 13,898 thousand), of which RUB 15,959 thousand (for the three months ended 31 March 2020: RUB 9,651 thousand) are pension contributions.

During the three months ended 31 March 2021 and 2020, the Group conducted transactions with related parties on an arm's length basis.

24. Subsequent events

On 7 April 2021, MFC CASHDRIVE LLC completed the issue of commercial bonds with nominal value of RUB 481,100 thousand and maturity on 3 April 2024. 1st to 4th coupon rate is set at 9.5% p.a. with quarterly coupons.

On 13 April 2021, the General Meeting of Expobank LLC's members adopted a resolution on closed subscription of subordinated bonds with nominal value of USD 60,000,000 and with no stated maturity.