

Translated from Russian

Expobank LLC

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

31 March 2020

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Expobank Group
Interim Condensed Consolidated Statement of Financial Position
31 March 2020

<i>(in RUB '000)</i>	Note	31 March 2020 (unaudited)	31 December 2019
Assets			
Cash and cash equivalents	4	19,145,665	18,543,227
Mandatory cash balances with CBR		805,626	765,050
Securities at fair value through profit or loss, including:	5	13,821,894	11,367,786
- not pledged securities		13,821,894	11,367,786
Due from credit institutions	6	644,198	1,431,354
Loans to customers	7	60,678,403	60,267,319
Securities at fair value through other comprehensive income, including:	8	2,425,594	2,200,433
- not pledged securities		2,425,594	2,200,433
Securities at amortized cost, including:	9	-	518,554
- not pledged securities		-	518,554
Prepayment for current income tax liabilities		64,763	-
Intangible assets		165,708	171,576
Investment property		462,034	462,034
Property and equipment		1,902,469	1,942,345
Right-of-use assets		241,255	217,363
Other assets		349,401	172,663
Total assets		100,707,010	98,059,704
Liabilities			
Due to credit institutions	10	198,501	615,591
Customer accounts	11	74,910,425	73,077,632
Debt securities in issue	12	1,697,441	1,565,622
Lease liabilities		246,764	224,308
Other liabilities		950,193	1,166,541
Current income tax liabilities		-	93,034
Deferred tax liabilities		739,419	546,882
Subordinated Eurobonds in issue	13	1,567,697	1,244,569
Total liabilities		80,310,440	78,534,179
Equity			
Share capital	14	9,464,732	9,500,998
Share premium		548,256	548,256
Treasury shares	14	-	(178,377)
Retained earnings, including dividends paid		9,492,784	8,903,908
Unrealised gains from revaluation of securities at fair value through other comprehensive income		605,077	465,019
Revaluation reserve for premises and equipment		285,721	285,721
Total equity		20,396,570	19,525,525
Total liabilities and equity		100,707,010	98,059,704

Signed on behalf of the Management Board on 29 May 2020

Shalimov A.A.
Deputy Chairman of the Management Board



Ulanova G. M.
Chief Accountant

The attached notes 1-23 form an integral part of these Interim Condensed Consolidated Financial Information

Expobank Group
Interim Condensed Consolidated Statement of Profit or Loss for the three-month period ended 31 March 2020

<i>(in RUB '000)</i>	Note	3 months ended 31 March 2020 (unaudited)	3 months ended 31 March 2019 (unaudited)
Interest income calculated using the effective interest rate	15	2,511,164	1,763,605
Other interest income	15	229,544	261,274
Interest expense	15	(965,976)	(740,819)
Net interest income		1,774,732	1,284,060
Credit loss allowance for cash and cash equivalents, due from other banks and loans to customers	4, 6, 7	(273,264)	(54,234)
Net interest income after credit loss allowance for cash and cash equivalents, due from other banks and loans to customers		1,501,468	1,229,826
Fee and commission income	16	321,945	139,053
Fee and commission expense	16	(40,413)	(17,801)
(Losses net of gains) / gains net of losses from securities at fair value through profit or loss		(449,504)	76,265
Gains net of losses from financial derivatives		185,554	30,827
(Losses net of gains) / gains net of losses from loans to customers at fair value through profit or loss		(24,303)	2,428
(Losses net of gains) / gains net of losses from trading in foreign currencies		(298,578)	2,488
Foreign exchange translation and precious metals revaluation gains net of losses		485,739	60,022
(Losses net of gains) / gains net of losses from derecognition of securities at fair value through other comprehensive income		(6,191)	1,848
Recovery of credit loss allowance for investment securities at fair value through other comprehensive income	8	-	55,195
Other operating income		121,137	35,994
Other (loss) / income from impairment and (raising) / recovery of provision		(13,179)	12,777
Administrative and other operating expenses	17	(882,347)	(686,975)
Profit before tax		901,328	941,947
Income tax expense	18	(165,195)	(176,305)
Profit for the reporting period		736,133	765,642

Expobank Group
Interim Condensed Consolidated Statement of Comprehensive Income for the three-month period
ended 31 March 2020

<i>(in RUB '000)</i>	Note	3 months ended 31 March 2020 (unaudited)	3 months ended 31 March 2019 (unaudited)
Profit for the reporting period		736,133	765,642
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		-	258,401
Amount of change in the expected credit loss allowance for debt securities at fair value through other comprehensive income		-	(55,195)
Income tax effect		-	(40,641)
<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		168,640	(102,239)
Income tax effect		(33,728)	20,448
Other comprehensive income for the reporting period		134,912	80,774
Total comprehensive income for the reporting period		871,045	846,416

Expobank Group
Interim Condensed Consolidated Statement of Changes in Equity
for the three-month period ended 31 March 2020

	Share capital	Share premium	Treasury shares	Retained earnings	Unrealised gains from revaluation of investment securities	Revaluation reserve for premises and equipment	Total equity
<i>(in RUB '000)</i>							
Balance at 1 January 2019 Restated	9,500,998	548,256	(128,470)	3,488,523	307,369	274,328	13,991,004
Profit for the reporting period (unaudited)	–	–	–	765,642	–	–	765,642
Other comprehensive loss for the reporting period (unaudited)	–	–	–	–	80,774	–	80,774
Total comprehensive income/(loss) for the reporting period (unaudited)	–	–	–	765,642	80,774	–	846,416
Disposal of revaluation reserve for investment securities at fair value through other comprehensive income (unaudited)	–	–	–	15,896	(15,896)	–	–
Balance at 31 March 2019 (unaudited) Restated	9,500,998	548,256	(128,470)	4,270,061	372,247	274,328	14,837,420
Balance at 1 January 2020	9,500,998	548,256	(178,377)	8,903,908	465,019	285,721	19,525,525
Profit for the reporting period (unaudited)	–	–	–	736,133	–	–	736,133
Other comprehensive income for the reporting period (unaudited)	–	–	–	–	134,912	–	134,912
Total comprehensive income for the reporting period (unaudited)	–	–	–	736,133	134,912	–	871,045
Redemption of treasury shares (unaudited) (Note 14)	(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

Expobank Group
Interim Condensed Consolidated Statement of Cash Flows for the three-month period ended 31
March 2020

<i>(in RUB '000)</i>	Note	3 months ended 31 March 2020 (unaudited)	3 months ended 31 March 2019 (unaudited)
Cash flows from operating activities			
Interest received		2,247,797	1,604,530
Interest paid		(1,380,965)	(565,674)
Fees and commissions received		312,423	363,649
Fees and commissions paid		(40,413)	(17,801)
Losses incurred from trading in securities at fair value through profit or loss		(374,665)	(3,072)
Losses incurred from loans to customers at fair value through profit or loss		(24,303)	-
(Losses incurred) / gains earned on dealing in foreign currencies		(298,578)	2,488
Other operating income received		179,558	33,264
Administrative and other operating expenses paid		(831,089)	(644,799)
Income tax paid		(165,470)	(183,861)
Cash flows from operating activities before changes in operating assets and liabilities		(375,705)	588,724
<i>Net (increase) / decrease in operating assets</i>			
Mandatory cash balances with the central banks		(40,576)	(40,420)
Securities at fair value through profit or loss		(1,422,362)	(5,243,817)
Due from credit institutions		1,854,388	642,802
Loans to customers		2,283,256	(4,866,890)
Other assets		(78,039)	(28,773)
<i>Net increase / (decrease) in operating liabilities</i>			
Due to other banks		(517,825)	1,038,595
Customer accounts		(1,948,450)	604,350
Debt securities in issue		144,217	(65,412)
Other liabilities		21,669	(654,098)
Net cash used in operating activities		(79,427)	(8,024,939)
Cash flows from investing activities			
Acquisition of securities at fair value through other comprehensive income		(99,936)	(1,808,337)
Proceeds from disposal of securities at fair value through other comprehensive income		41,921	3,782,312
Dividends from securities at fair value through other comprehensive income		2,748	2,730
Proceeds from redemption of securities at amortised cost		500,000	-
Proceeds from sale of investment property		-	15,497
Acquisition of premises and equipment		(1,277)	(4,523)
Proceeds from sale of premises and equipment		33,114	283
Acquisition of intangible assets		(4,703)	(2,392)
Net cash used in investing activities		471,867	1,985,570
Cash flows from financing activities			
Cash outflows under lease liabilities		(20,019)	(21,561)
Redemption of treasury shares	14	178,377	-
Net cash used in financing activities		158,358	(21,561)
Effect of exchange rate changes on cash and cash equivalents		51,574	(736,295)
Effect of changes in the ECL allowance for cash and cash equivalents		66	942
Net decrease in cash and cash equivalents		602,438	(6,796,283)
Cash and cash equivalents at the beginning of the period	4	18,543,227	12,892,242
Cash and cash equivalents at the end of the period	4	19,145,665	6,095,959

The attached notes 1-23 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 2020 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, and its subsidiary MARER LLC engaged in attracting clients interested in a bank guarantee (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 owns a 90% stake in the the authorised capital of MARER LLC.

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 2020 and 31 December 2019 are as follows:

Member	31 March 2020	31 December 2019
	%	%
Igor Vladimirovich Kim	76.4	75.5
German Alexeyevich Tsoy	19.5	19.3
Kirill Vladimirovich Nifontov	2.0	2.0
MORELAM Limited Liability Company	2.0	2.0
Other	0.1	0.1
Treasury shares	0.0	1.1
Total	100.0	100.0

As at 30 March 2020, the Board of Directors and the Management Board controlled 98.0% of the Bank’s interest (31 December 2019: 96.9%).

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 30 April 2019, Kurskprombank PJSC was included in the Group due to the latter’s acquiring 86.9% of voting shares in the company and receiving control over its business and operations.

On 20 March 2020 Expobank was reorganized by merger of Kurskprombank PJSC into Expobank LLC.

On 12 February 2020, the transfer of a 90% stake in MARER LLC under a Share Purchase Agreement was reflected in the Unified State Register of Legal Entities.

1 Introduction (continued)

Principal activity (continued)

The Bank's head office is in Moscow. As at 31 March 2020, the Bank had three branches (31 December 2019: two branches). All branches are located in the Russian Federation. The Bank's registered address is: 29 Kalanchevskaya str., bldg. 2, Moscow 107078, Russia. In addition, the Bank carries out activities through additional and operational offices in the Russian Federation. As at 31 March 2020, the Bank had 17 additional offices, 26 operational offices, 1 standalone cash desk (31 December 2019: 17 offices).

As at 31 March 2020, the Group had 1,095 employees (31 December 2019: 1,311 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. In September 2019, Fitch Ratings upgraded the Bank's Long-Term IDRs to 'BB-' from 'B+', Outlook Stable. In March 2019, Russian Analytical Credit Rating Agency (ACRA) affirmed the Bank's BBB+(RU) credit rating under the national scale, revising the Outlook to 'Positive' from 'Stable'.

2 Significant accounting policies

General information

This interim condensed consolidated financial information for the three months ended 31 March 2020 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 2019.

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

As at 31 March 2020, the principal rate of exchange used for translating foreign currency balances was USD 1 = RUB 77.7325 (31 December 2019: USD 1 = RUB 61.9057) and EUR 1 = RUB 85.7389 (31 December 2019: EUR 1 = RUB 69.3406).

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

Consolidated Financial Statements

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.

2 Significant accounting policies (continued)

Consolidated Financial Statements (continued)

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.

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.

2 Significant accounting policies (continued)

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 2019.

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

3 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.

Changes in the economic environment and the effect of COVID-19 outbreak have not yet had a material impact on the borrowers' financial position and their repayment discipline as at 1 April 2020 due to a later manifestation of the said factors. The calculation methodology of the Group's estimated provisions was not adjusted; however the changes of the macroeconomic indicators were taken into account when calculating provisions as at 1 April 2020 due to the recalculation of the macroeconomic markup, which resulted in the Group raising additional provisions. The Group Management expects a more significant manifestation of the economic situation negative impact in Q2 2020.

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

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 23.

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 specialising 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. Based on the revaluation of the Group's land and buildings at 31 December 2019, an increase in the fair value recorded within other comprehensive income totaled RUB 14,241 thousand before deferred tax.

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 22.

4 Cash and cash equivalents

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 Dec 2019
Cash on hand	942,763	1,291,650
Cash balances with CBR (other than mandatory cash balances)	3,180,736	2,433,508
Correspondent accounts and overnight placements with credit institutions	4,011,574	2,652,674
Settlement accounts with financial institutions	862,671	182,379
Deposits placed with CBR with original maturities of less than three months	10,009,721	6,651,288
Reverse sale and repurchase agreements with credit institutions with original maturities of less than three months	78,488	-
Loans to credit institutions with original maturities of less than three months	60,000	5,331,950
Total cash and cash equivalents before ECL allowance	19,145,953	18,543,449
Less ECL allowance	(288)	(222)
Total cash and cash equivalents	19,145,665	18,543,227

Correspondent accounts and overnight placements with credit institutions as at 31 March 2020 and 31 December 2019 represent funds placed with Russian and foreign credit institutions.

As at 31 March 2020, settlement accounts with financial institutions represent broker accounts with financial institutions in the amount of RUB 438,047 thousand, settlements with Central Counterparty National Clearing Centre (JSC) in the amount of RUB 355,684 thousand and settlements with payment systems in the amount of RUB 68,940 thousand (2019: broker accounts with financial institutions in the amount of RUB 76,336 thousand, settlements with Central Counterparty National Clearing Centre (JSC) in the amount of RUB 89,005 thousand and settlements with payment systems in the amount of RUB 17,038 thousand).

As at 31 March 2020, loans to credit institutions with original maturities of less than three months include a loan to a foreign bank (2019: loans to a large Russian bank and a large foreign bank) with a contractual interest rate of 6.5% p.a. (2019: from 6.1% to 6.5% p.a.) and maturities in April 2020 (2019: in January 2020).

As at 31 March 2020, reverse sale and repurchase agreements with credit institutions with maturity within 90 days represent funds placed with Central Counterparty National Clearing Centre (JSC) with a maturity of one day and a contractual interest rate of 5.4% p.a. This agreement is secured by the bonds of Vneshekonombank with a fair value of RUB 90,284 thousand.

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>	2020 (unaudited)	2019 (unaudited)
ECL allowance at 1 January	222	1,054
New purchased or originated assets	283	130
Derecognised or redeemed assets	(220)	(991)
Net remeasurement of loss allowance	2	(75)
Exchange differences	1	(6)
ECL allowance at 31 March (unaudited)	288	112

4 Cash and cash equivalents (continued)

For ECL allowance purposes, all cash and cash equivalents during the three months ended 31 March 2020 and the three months ended 31 March 2019 are classified in Stage 1.

As at 31 March 2020 and 31 March 2019, 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.

5 Securities at fair value through profit or loss

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 Dec 2019
Corporate bonds	9,092,092	7,276,929
Bonds of banks	2,036,752	1,567,263
Bonds of state corporations	1,995,921	1,586,697
Corporate shares	466,122	759,901
Foreign government bonds	231,007	-
Investment units	-	88,063
Federal loan bonds (OFZ)	-	54,850
Shares of banks	-	34,083
Total not pledged securities at FVTPL	13,821,894	11,367,786
Total securities at FVTPL	13,821,894	11,367,786

Trading securities 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, corporate bonds represent interest bearing securities denominated in Russian rubles and US dollars (31 December 2019: in Russian rubles and US dollars) issued by large Russian and foreign companies and tradable on the Russian and foreign markets (31 December 2019: on the Russian market).

Bonds of state corporations represent interest bearing debt securities denominated in foreign currency 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.

Foreign government bonds represent interest bearing debt securities of the Republic of Turkey denominated in foreign currency and tradable on foreign markets.

Bonds of banks represent interest bearing debt securities denominated in Russian rubles and foreign currency issued by Russian and foreign banks and tradable on the Russian and foreign markets.

Corporate shares represent equity securities denominated in Russian rubles and US dollars issued by large Russian and foreign companies and tradable on the Russian and foreign markets.

As at 31 March 2020, securities at FVTPL in the amount of RUB 1,013,888 thousand (31 December 2019: RUB 1,012,785 thousand) were restricted under the Master Loan Agreement signed with CBR with an overdraft limit in the amount of RUB 3,500,000 thousand.

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

Securities at FVTPL are not collateralised.

The information on due to credit institutions and customer accounts under direct repo agreements is disclosed in Notes 10 and 11.

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

6 Due from credit institutions

As at 31 March 2020, amounts due from credit institutions include loans provided to foreign banks in the amount of RUB 645,134 thousand with contractual interest rates from 3.0% p.a. to 4.55% p.a. and maturities from September 2020 to March 2021. ECL allowance equaled RUB 936 thousand (unaudited).

As at 31 December 2019, amounts due from credit institutions include loans provided to a large Russian bank and foreign banks in the amount of RUB 1,431,973 thousand and an ECL allowance of RUB 619 thousand, with contractual interest rates from 2.6% p.a. to 4.55% p.a. and maturities from March 2020 to September 2020.

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

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 March 2019 (unaudited)
ECL allowance at 1 January	619	15,037
New originated or purchased assets and effects of other increases in gross carrying amount	679	6
Derecognised or redeemed assets and effects of other decreases in gross carrying amount	(413)	(4,398)
Net remeasurement of loss allowance	(103)	(8,493)
Exchange differences	154	(1,011)
ECL allowance at 31 March (unaudited)	936	1,141

For ECL allowance purposes, all amounts due from credit institutions during the three months ended 31 March 2020 and the three months ended 31 March 2019 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 2 3.

7 Loans to customers

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 December 2019
Investment projects	979,902	888,772
Large business	20,398,888	14,122,308
Small and medium business	10,070,284	18,600,943
Loans to individuals	30,495,689	27,825,144
Total loans to customers at amortised cost before ECL allowance	61,944 763	61,437,167
Less ECL allowance	(2,129,099)	(2,053,864)
Total loans to customers at amortised cost	59,815 664	59,383,303
Investment projects	862,739	283,532
Loans to individuals	-	600,484
Total loans to customers at FVTPL	862,739	884,016
Total loans to customers	60,678 403	60,267,319

The Group holds a portfolio of loans and advances 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 and advances were classified as at FVTPL from the date of initial recognition. Loans and advances to customers at FVTPL are measured taking into account credit risk. The carrying amount presented in the statement of financial position best represents the Group's maximum exposure to credit risk arising from loans and advances to customers.

7 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), as well as loans originated under the Regional Business Lending Programme that was in effect in the Group until 1 January 2009;
 - retail loans – consumer loans provided to individuals.

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 (recognised in interest income)	–	–	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

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					
ECL allowance at 1 January 2019	40,123	103,984	–	–	144,107
New originated or purchased assets and effects of other increases in gross carrying amount	74,854	10,091	636,543	–	721,488
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(24,590)	(4,742)	(17,265)	–	(46,597)
Transfers to Stage 1	7,575	(7,575)	–	–	–
Transfers to Stage 2	(13,327)	13,327	–	–	–
Unwinding of discounting (recognised in interest income)	–	–	148	12	160
Net remeasurement of loss allowance	480	1,369	–	13,796	15,645
Impairment allowance for loans assigned during the period	(2,954)	–	(227,001)	–	(229,955)
Exchange differences	1,384	26,542	–	–	27,926
ECL allowance at 31 March 2020 (unaudited)	83,545	142,996	392,425	13,808	632,774

7 Loans to customers (continued)

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	36,153	59	3,889	-	40,101
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(82,785)	(11,860)	(597,269)	-	(691,914)
Transfers to Stage 1	145	(145)	-	-	-
Transfers to Stage 2	(293)	293	-	-	-
Unwinding of discounting (recognised in interest income)	-	-	397	5,574	5,971
Net remeasurement of loss allowance	(9,212)	(817)	8,035	(4,491)	(6,485)
ECL allowance at 31 March 2020 (unaudited)	228,259	21,326	12,727	20,218	282,530

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
ECL 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

7 Loans to customers (continued)

Movements in ECL allowances for loans issued for investment projects for the three months ended 31 March 2019 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Total
Investment projects			
As at 1 January	22,578	19,463	42,041
New originated or purchased assets and effects of other increases in gross carrying amount	–	116	116
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(1,337)	–	(1,337)
Net remeasurement of loss allowance	(8,812)	(5,812)	(14,624)
ECL allowance at 31 March 2019 (unaudited)	12,429	13,767	26,196

Movements in ECL allowances for loans to large businesses for the three months ended 31 March 2019 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Total
Large business			
As at 1 January	70,533	110,804	181,337
New originated or purchased assets and effects of other increases in gross carrying amount	27,463	730	28,193
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(8,130)	–	(8,130)
Net remeasurement of loss allowance	(52,215)	–	(52,215)
Exchange differences	(2,143)	(7,448)	(9,591)
ECL allowance at 31 March 2019 (unaudited)	35,508	104,086	139,594

Movements in ECL allowances for loans to small and medium businesses for the three months ended 31 March 2019 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Small and medium business				
As at 1 January	65,488	309	509,113	574,910
New originated or purchased assets and effects of other increases in gross carrying amount	59,622	47	6,760	66,429
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(18,150)	(310)	(23,586)	(42,046)
Unwinding of discounting (recognised in interest income)	–	–	7,958	7,958
Net remeasurement of loss allowance	(28,002)	17	1,363	(26,622)
ECL allowance for loans assigned during the period	–	–	(10,163)	(10,163)
Write-offs	–	–	(17,747)	(17,747)
Exchange differences	(449)	(5)	–	(454)
ECL allowance at 31 March 2019 (unaudited)	78,509	58	473,698	552,265

7 Loans to customers (continued)

Movements in ECL allowances for loans to individuals for the three months ended 31 March 2019 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Individuals				
As at 1 January	130,734	31,018	114,598	276,350
New originated or purchased assets and effects of other increases in gross carrying amount	47,831	1,642	5,162	54,635
Derecognised or redeemed assets (excluding write-offs) and effects of other decreases in gross carrying amount	(10,183)	(54)	(3,475)	(13,712)
Transfers to Stage 1	5,139	(3,193)	(1,946)	-
Transfers to Stage 2	(1,788)	2,150	(362)	-
Transfers to Stage 3	(3,320)	(25,416)	28,736	-
Unwinding of discounting (recognised in interest income)	-	-	4,456	4,456
Net remeasurement of loss allowance	20,979	45,675	21,889	88,543
ECL allowance for loans assigned during the period	(2,607)	-	(6,116)	(8,723)
Exchange differences	(45)	-	(70)	(115)
ECL allowance at 31 March 2019 (unaudited)	186,740	51,822	162,872	401,434

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

<i>(in RUB '000)</i>	31 March 2020		31 Dec 2019	
	Amount	%	Amount	%
Individuals	30,495,689	48.5	28,425,628	45.6
Financing and insurance activities	7,403,894	11.8	5,104,488	8.2
Development	4,373,586	7.0	4,092,831	6.6
Agriculture, forestry, hunting, fishing and fishery	2,996,235	4.8	3,096,097	5.0
Other types of services	2,757,614	4.4	2,289,675	3.7
Wholesale trade	1,870,173	3.0	2,577,350	4.1
Metallurgy	1,838,157	2.9	1,370,071	2.2
Residential construction	1,745,441	2.8	1,468,720	2.4
Oil and gas	1,495,784	2.4	1,471,668	2.4
Energy	1,368,108	2.2	1,346,194	2.2
Food products	1,352,228	2.2	1,331,094	2.1
Other manufacturing	1,170,094	1.8	1,055,244	1.7
Construction	800,586	1.3	827,437	1.3
Retail trade	679,711	1.1	1,384,932	2.2
Infrastructure construction	654,671	1.0	795,009	1.3
Manufacture and repair of transport vehicles and equipment	589,685	0.9	643,146	1.0
Trade in motor vehicles, motorcycles and their repair	348,472	0.5	629,563	1.0
Real estate operations	292,851	0.5	3,000,000	4.8
Other	574,523	0.9	1,412,036	2.2
Total loans to customers (before ECL allowance)	62,807,502	100.0	62,321,183	100.0

7 Loans to customers (continued)

As at 31 March 2020, loans provided to 30 largest borrowers amounted to RUB 25,520,673 thousand before ECL allowance for the loan portfolio (31 December 2019: RUB 25,544,682 thousand), or 41% (31 December 2019: 41%) 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 2020 is as follows (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Investment projects					
Neither past due nor impaired					
- Standard portfolio	382,018	27,510	-	-	409,528
Total neither past due nor impaired	382,018	27,510	-	-	409,528
Individually impaired					
- not past due	-	-	-	125,320	125,320
- less than 30 days overdue	-	-	50,424	57,628	108,052
- 30 to 90 days overdue	-	-	-	157,751	157,751
- over 90 days overdue	-	-	146,503	32,748	179,251
Total individually impaired	-	-	196,927	373,447	570,374
Total loans to customers for investment projects and measured at amortised cost (before ECL allowance)	382,018	27,510	196,927	373,447	979,902
Less ECL allowance	(8,239)	(986)	(47,567)	-	(56,792)
Total loans issued for investment projects and measured at amortized cost	373,779	26,524	149,360	373,447	923,110

7 Loans to customers (continued)

The analysis by credit quality of loans to large businesses at amortised cost as at 31 March 2020 is as follows (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	POCI	Total
Large business					
Neither past due nor impaired					
- loans renegotiated in 2020	-	114,751	-	-	114,751
- standard portfolio	16,191,543	3,259,844	-	-	19,451,387
Total neither past due nor impaired	16,191,543	3,374,595	-	-	19,566,138
Past due but not impaired					
- less than 30 days overdue	12,895	-	-	-	12,895
Total past due but not impaired	12,895	-	-	-	12,895
Individually impaired					
- not past due	407	318	2	383,798	384,525
- less than 30 days overdue	-	-	39,240	-	39,240
- 30 to 90 days overdue	-	-	85,020	-	85,020
- over 90 days overdue	-	-	289,070	22,000	311,070
Total individually impaired	407	318	413,332	405,798	819,855
Total loans to large businesses at amortized cost (before ECL allowance)	16,204,845	3,374,913	413,332	405,798	20,398,888
Less ECL allowance	(83,545)	(142,996)	(392,425)	(13,808)	(632,774)
Total loans to large businesses at amortized cost	16,121,300	3,231,917	20,907	391,990	19,766,114

7 Loans to customers (continued)

The analysis by credit quality of loans to small and medium businesses at amortized cost as at 31 March 2020 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					
– standard portfolio	8,922,473	471,702	–	320,952	9,715,127
Total neither past due nor impaired	8,922,473	471,702	–	320,952	9,715,127
Past due but not impaired					
- less than 30 days overdue	884	7,510	–	–	8,394
Total individually impaired	884	7,510	–	–	8,394
Individually impaired					
- not past due	–	4	26	169,690	169,720
- over 90 days overdue	–	–	32,869	144,174	177,043
Total individually impaired	–	4	32,895	313,864	346,763
Total loans to small and medium businesses at amortized cost (before ECL allowance)	8,923,357	479,216	32,895	634,816	10,070,284
Less ECL allowance	(228,259)	(21,326)	(12,727)	(20,218)	(282,530)
Total loans to small and medium businesses at amortized cost	8,695,098	457,890	20,168	614,598	9,787,754

7 Loans to customers (continued)

The analysis by credit quality of loans to individuals at amortized cost as at 31 March 2020 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 2020	1,342	–	–	1,342
– loans renegotiated in prior reporting periods	4,010	–	–	4,010
– standard portfolio	28,798,728	–	–	28,798,728
Total neither past due nor impaired	28,804,080	–	–	28,804,080
Past due but not impaired				
- less than 30 days overdue	523,348	–	–	523,348
- 31 to 90 days overdue	–	253,825	–	253,825
Total past due but not impaired	523,348	253,825	–	777,173
Individually impaired				
- over 90 days overdue	–	–	914,436	914,436
Total individually impaired	–	–	914,436	914,436
Total loans and advances to individuals (before ECL allowance)	29,327,428	253,825	914,436	30,495,689
Less ECL allowance	(384,687)	(109,442)	(662,874)	(1,157,003)
Total loans and advances to individuals	28,942,741	144,383	251,562	29,338,686

7 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 2019 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 2019	–	–	10,034	48,648	58,682
– Standard portfolio	372,194	46,483	118,390	134,506	671,573
Total neither past due nor impaired	372,194	46,483	128,424	183,154	730,255
Individually impaired					
- not past due	–	–	–	121,547	121,547
- over 90 days overdue	–	–	36,970	–	36,970
Total individually impaired	–	–	36,970	121,547	158,517
Total loans to customers for investment projects and measured at amortized cost (before ECL allowance)	372,194	46,483	165,394	304,701	888,772
Less ECL allowance	(7,688)	(1,693)	(34,416)	(22,923)	(66,720)
Total loans issued for investment projects and measured at amortized cost	364,506	44,790	130,978	281,778	822,052

7 Loans to customers (continued)

The analysis by credit quality of loans to large businesses at amortized cost as at 31 December 2019 is as follows:

<i>(in RUB '000)</i>	Stage 1	Stage 2	POCI	Total
Large business				
Neither past due nor impaired				
– standard portfolio	9,720,689	3,927,262	–	13,647,951
Total neither past due nor impaired	9,720,689	3,927,262	–	13,647,951
Individually impaired				
- not past due	–	–	474,357	474,357
Total individually impaired	–	–	474,357	474,357
Total loans to large businesses at amortized cost (before ECL allowance)	9,720,689	3,927,262	474,357	14,122,308
Less ECL allowance	(40,123)	(103,984)	–	(144,107)
Total loans to large businesses at amortized cost	9,680,566	3,823,278	474,357	13,978,201

7 Loans to customers (continued)

The analysis by credit quality of loans to small and medium businesses at amortized cost as at 31 December 2019 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					
– standard portfolio	16,048,167	1,428,937	9,521	234,226	17,720 851
Total neither past due nor impaired	16,048,167	1,428,937	9,521	234,226	17,720 851
Past due but not impaired					
- less than 30 days overdue	–	–	2	–	2
Total individually impaired	–	–	2	–	2
Individually impaired					
- not past due	–	–	85,021	81,650	166,671
- over 90 days overdue	–	–	554,834	158,585	713,419
Total individually impaired	–	–	639,855	240,235	880,090
Total loans to small and medium businesses at amortized cost (before ECL allowance)	16,048,167	1,428,937	649,378	474,461	18,600 943
Less ECL allowance	(284,251)	(33,796)	(597,675)	(19,135)	(934,857)
Total loans to small and medium businesses at amortized cost	15,763,916	1,395,141	51,703	455,326	17,666 086

7 Loans to customers (continued)

The analysis by credit quality of loans to individuals at amortized cost as at 31 December 2019 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 2019	1,269	–	–	1,269
– loans renegotiated in prior reporting periods	2,889	–	–	2,889
– standard portfolio	26,513,252	–	–	26,513,252
Total neither past due nor impaired	26,517,410	–	–	26,517,410
Past due but not impaired				
- less than 30 days overdue	421,467	1,301	1,118	423,886
- 31 to 90 days overdue	–	242,422	3,018	245,440
Total past due but not impaired	421,467	243,723	4,136	669,326
Individually impaired				
- 30 to 90 days overdue	–	–	4,804	4,804
- over 90 days overdue	5	–	633,599	633,604
Total individually impaired	5	–	638,403	638,408
Total loans to individuals at amortized cost (before ECL allowance)	26,938,882	243,723	642,539	27,825,144
Less ECL allowance	(332,141)	(112,334)	(463,705)	(908,180)
Total loans to individuals at amortized cost	26,606,741	131,389	178,834	26,916,964

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

7 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 2020, loans to individuals include loans acquired from other financial institutions with a right of recourse in the amount of RUB 1,231,141 thousand before ECL allowance, with the recourse period under them of 6 months (31 December 2019: RUB 1,406,598 thousand, with the recourse period under them of 6 months, and RUB 600,484 thousand, with the unlimited recourse period under them). During the three months ended 31 March 2020 and 31 March 2019 no loans with a right of recourse 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 2020 the Group did not renegotiate loans to customers of Stage 2 and Stage 3.

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.

8 Securities at fair value through other comprehensive income

As at 31 March 2020 and as at 31 December 2019, there were no securities at FVOCI represented by corporate bonds that were restricted under the Master Loan Agreement signed with CBR with an overdraft limit in the amount of RUB 3,500,000 thousand.

Securities at FVOCI include the following:

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 December 2019
Shares of banks	2,325,853	2,159 237
Corporate shares	–	41,196
Total not pledged securities at FVOCI	2,325,853	2,200 433
Corporate shares	99,741	–
Total pledged securities at FVOCI sold under direct repo agreements	99,741	–
Total securities at FVOCI	2,425,594	2,200 433

Debt securities at fair value through other comprehensive income ('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 22.

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

As at 31 March 2020 securities at FVOCI represent corporate shares of a Russian issuer and shares of a Russian and of a foreign bank with a fair value of RUB 2,425,594 thousand.

As at 31 December 2019 securities at FVOCI represent corporate shares of a Russian issuer and shares of a Russian and of a foreign bank with a fair value of RUB 2,200,433 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 2020, the Group recognised, within other operating income, dividend income attributable to equity securities at FVOCI in the amount of RUB 2,748 thousand (during the three months ended 31 March 2019: RUB 2,730 thousand).

The information on due to credit institutions and customer accounts under direct repo agreements is disclosed in Notes 9 and 10.

Movements in ECL allowances for securities at FVOCI are presented in the table below:

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 March 2019 (unaudited)
ECL allowance at 1 January	–	73,323
New originated or purchased assets and effects of other increases in gross carrying amount	–	8,197
Derecognised or redeemed assets and effects of other decreases in gross carrying amount	–	(24,285)
Net remeasurement of loss allowance	–	(37,192)
Exchange differences	–	(1,915)
ECL allowance at 31 March (unaudited)	–	18,128

For ECL allowance purposes, all securities at FVOCI during the three months ended 31 March 2020 and the three months ended 31 March 2019 are classified in Stage 1.

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.

9 Securities at amortized cost

Securities at amortized cost include the following:

	31 March 2020 (unaudited)	31 December 2019
Federal loan bonds (OFZ)	–	518,577
Total securities at amortized cost before ECL allowance	–	518,577
Less impairment allowance	–	(23)
Total securities at amortized cost	–	518,554

As at 31 December 2019, securities at amortized cost and represented by the federal loan bonds (OFZ) with carrying amount of RUB 518,577 thousand were restricted under the Master Loan Agreement signed with CBR with an overdraft limit in the amount of RUB 3,500,000 thousand.

10 Due to credit institutions

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 December 2019
Correspondent accounts and overnight placements of credit institutions	120,013	275,822
Funds attracted under direct repo agreements with credit institutions	78,488	–
Deposits of credit institutions	–	339,769
Total due to credit institutions	198,501	615,591

As at 31 March 2020 and 31 December 2019, correspondent accounts and overnight placements represent funds placed by Russian and foreign credit institutions.

As at 31 March 2020, sale and repurchase agreements with credit institutions represent funds attracted from a Russian credit institution with maturity in April 2020 and a contract interest rate of 4%p.a. The information on securities pledged under the sale and repurchase agreements with credit institutions is disclosed in Note 5.

As at 31 December 2019, deposits of credit institutions represent deposits of a large foreign bank with the maturity in December 2020 and a contract interest rate of 2.3% p.a.

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.

11 Customer accounts

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 December 2019
State and public organisations		
- Current/settlement accounts	33,856	39,824
- Term deposits	77,733	61,906
Legal entities		
- Current/settlement accounts	12,490,954	9,932,872
- Term deposits	8,704,383	10,354,298
Individuals		
- Current/demand accounts	3,341,782	3,318,962
- Term deposits	50,261,717	49,369,770
Total customer accounts	74,910,425	73,077 632

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 2020 (unaudited)		31 December 2019	
	Amount	%	Amount	%
Individuals	53,603,499	71.6	52,688,732	72.1
Trade	4,642,295	6.3	6,188,564	8.6
Oil and gas	3,248,643	4.3	315,509	0.4
Financial services	2,970,201	4.0	2,218,528	3.0
Construction	2,609,790	3.5	3,567,095	4.9
Real estate	1,452,392	1.9	1,471,543	2.0
Transport and logistics	1,051,276	1.4	967,718	1.3
Manufacturing	1,047,058	1.4	1,272,323	1.7
Non-commercial organisations	699,042	0.9	676,509	0.9
Consulting services	600,117	0.8	453,897	0.6
Food products	472,915	0.6	841,030	1.2
Agricultural industry	371,219	0.5	373,959	0.5
Energy	306,342	0.4	297,337	0.4
Services	280,115	0.3	358,308	0.5
Information and communication activities	131,830	0.2	156,952	0.2
Advertising and mass media	113,616	0.2	117,103	0.2
State and public organisations	111,589	0.1	101,730	0.1
Hotel business and catering	104,519	0.1	142,450	0.2
Other	1,093,967	1.5	868,345	1.2
Total customer accounts	74,910,425	100.0	73,077,632	100.0

11 Customer accounts (continued)

As at 31 March 2020, customer accounts are recorded in the amount of RUB 33,431 thousand (31 December 2019: RUB 1,389 thousand) held as collateral for irrevocable LoC commitments (Note 21).

As at 31 March 2020, balances of 10 largest customers amounted to RUB 8,832,839 thousand (31 December 2019: RUB 6,752,326 thousand), or 11.8% (31 December 2019: 9%) of total customer accounts.

As at 31 March 2020, balances on customer accounts in the amount of RUB 347,084 thousand (31 December 2019: RUB 656,837 thousand) represented collateral on loans provided by the Group in the amount of RUB 4,268,942 thousand (31 December 2019: RUB 4,669,983 thousand).

As at 31 March 2020, balances on customer accounts in the amount of RUB 247,774 thousand (31 December 2019: RUB 450,523 thousand) represented collateral on guarantees issued by the Group in the amount of RUB 743,021 thousand (31 December 2019: RUB 1,098,492 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.

12 Debt securities in issue

<i>(in RUB '000)</i>	31 March 2020 (unaudited)	31 December 2019
Bonds issued on domestic market	1,266,337	1,398,277
Promissory notes	430,804	167,045
Savings certificates	300	300
Total debt securities in issue	1,697,441	1,565,622

12 Debt securities in issue (continued)

As at 31 March 2020, debt securities in issue included bonds in the amount of RUB 1,266,337 thousand (31 December 2019: RUB 1,398,277 thousand), denominated in Russian Rubles. The nominal value of bonds in issue totaled RUB 1,246,615 thousand (31 December 2019: RUB 1,376,176 thousand). The bonds mature on 2 November 2022 (31 December 2019: 2 November 2022) and have a coupon rate of 8.75% (31 December 2019: 8.75% p.a.).

As at 31 March 2020, the Group issued promissory notes with a total nominal value of RUB 449,896 thousand (31 December 2019: RUB 178,309 thousand) with maturities from April 2020 to November 2020 (31 December 2019: from January 2020 to November 2020) and contractual interest rates of 0.0% p.a. (31 December 2019: from 0% to 6.15% p.a.).

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

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

13 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 2020, the amortised cost of subordinated Eurobonds was RUB 1,567,697 thousand (unaudited) (31 December 2019: RUB 1,244,569 thousand).

14 Share capital

As at 31 March 2020, the authorized, issued and fully paid share capital adjusted for hyperinflation was RUB 9,464,732 thousand (31 December 2019: RUB 9,500,998 thousand).

During the three months ended 31 March 2020 and 2019 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).

In Q1 2020 the Bank's share capital decreased due to the redemption of treasury shares.

On 10 December 2019, the Bank signed an agreement on purchasing 0.2153% interest in the Bank's share capital from one of its members for RUB 49,907 thousand; this stake was transferred to the Bank when a corresponding entry was made to the Unified State Register of Legal Entities on 15 January 2020.

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.

15 Interest Income and Expense

<i>(in RUB '000)</i>	For three months ended 31 March 2019 (unaudited)	For the three- months ended 31 March 2019 (unaudited)
Interest income calculated using the effective interest rate		
Loans to customers	2,253,049	1,488,087
Securities at FVOCI	-	200,724
Due from credit institutions	255,452	74,794
Securities at amortized cost	2,663	-
Total interest income calculated using the effective interest rate	2,511,164	1,763,605
Other interest income		
Securities at FVTPL	202,823	176,410
Loans for investment projects at FVTPL	26,721	84,864
Total other interest income	229,544	261,274
Total interest income	2,740,708	2,024,879
Interest expense		
Term deposits of individuals	724,361	447,049
Term deposits of legal entities	147,466	258,358
Term deposits of credit institutions	33,927	22,160
Debt securities in issue	47,943	6,322
Operating lease commitments	3,165	3,766
Current/settlement accounts	9,114	3,164
Total interest expense	965,976	740,819
Net interest income	1,774,732	1,284,060

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

16 Fee and commission income and expense

<i>(in RUB '000)</i>	For three months ended 31 March 2020 (unaudited)	For three months ended 31 March 2019 (unaudited)
Fee and commission income		
- Settlement transactions	104,028	46,774
- Guarantees issued	127,515	54,258
- Cash transactions	29,758	7,918
- Transactions with plastic cards	20,986	10,029
- Remote banking	16,172	10,982
- Other	23,486	9,092
Total fee and commission income	321,945	139,053
Fee and commission expense		
- Transactions with plastic cards	24,147	7,089
- Settlement transactions	9,193	8,884
- Guarantees received	2,862	94
- Cash transactions	656	-
- Other	3,555	1,734
Total fee and commission expense	40,413	17,801
Net fee and commission income	281,532	121,252

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

17 Administrative and other operating expenses

<i>(in RUB '000)</i>	For three months ended 31 March 2020(unaudited)	Three months ended 31 March 2019 (unaudited)
Staff costs	518,428	435,512
Depreciation of premises and equipment	78,002	16,508
Insurance, including contributions to the State Deposit Insurance Agency	46,327	40,128
Telecommunication and information services	37,220	29,316
Taxes other than income tax	31,389	26,173
Depreciation of right-of-use assets	20,829	20,315
Loss on disposal of property, write-off of low-value assets and accounts receivable	16,395	20,482
Other costs related to premises and equipment	16,326	15,067
Amortisation of software and other intangible assets	10,571	2,467
Security services	6,033	3,304
Business travel and related expenses	3,720	4,092
Advertising and marketing services	2,617	1,121
Professional services	1,819	6,480
Other	92,671	66,010
Total administrative and other operating expenses	882,347	686,975

Staff costs include insurance contributions in the amount of RUB 115,219 thousand (for the three months ended 31 March 2019: RUB 89,978 thousand), of which RUB 83,264 thousand (for the three months ended 31 March 2019: RUB 67,206 thousand) are pension contributions. The information on related party transactions is disclosed in Note 23.

18 Income Tax

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

<i>(in RUB '000)</i>	For three months ended 31 March 2020(unaudited)	Three months ended 31 March 2019 (unaudited)
Current income tax expense	7,673	260,613
Deferred income tax expense/ (benefit)	157,522	(84,308)
Income tax expense for the period	165,195	176,305

The income tax rate applicable to the majority of the Group's income for the three months ended 31 March 2020 and for the three months ended 31 March 2019 is 20%.

19 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 2020 is set out below(unaudited):

<i>(in RUB '000)</i>	Corporate banking	Retail banking	Treasury transactions	Total
Total reportable segment assets	20,405,130	26,440,997	54,001,236	100,847,363
Total reportable segment liabilities	22,194,850	54,247,081	3,601,322	80,043,253

Segment information of the reportable segments as at 31 December 2019 is set out below:

<i>(in RUB '000)</i>	Corporate banking	Retail banking	Treasury transactions	Total
Total reportable segment assets	33,983,161	28,576,038	35,509,004	98,068,203
Total reportable segment liabilities	22,294,144	51,516,638	3,618 394	77,429 176

As at 31 March 2020 and 31 December 2019, the Group had no contractual capital expenditure commitments in respect of reconstruction of buildings and acquisition of equipment.

19 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)
Gains net of losses 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 gains net of losses	-	-	(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

19 Segment Analysis (continued)

Segment information of the reportable segments for the three months ended 31 March 2019 is set out below (unaudited):

<i>(in RUB '000)</i>	Corporate banking	Retail banking	Treasury transactions	Total
Three months ended 31 March 2019 (unaudited)				
<i>External revenues:</i>				
- Interest income	875,725	769,943	452,009	2,097,677
- Fee and commission income	91,168	5,412	6,850	103,430
<i>Timing of revenue recognition</i>				
- At point in time	91,168	5,412	6,850	103,430
<i>Income from other segments:</i>				
- Interest income	(176,762)	216,574	(39,812)	-
Total revenues	790,131	991,929	419,047	2,201,107
Interest expense	(167,332)	(469,262)	(112,366)	(748,960)
Provision for loan impairment	(112,837)	(114,907)	(1,158)	(228,902)
Depreciation and amortisation	(6,637)	(7,008)	(2,031)	(15,676)
Fee and commission expense	(17,076)	-	-	(17,076)
Gains net of losses from trading in securities	-	-	120,358	120,358
Gains net of losses from trading in foreign currencies	-	-	7,567	7,567
Foreign exchange translation gains net of losses	-	-	70,725	70,725
Income from participation in equity of other legal entities	-	-	3,042	3,042
Administrative and other operating expenses less income	(206,279)	(268,394)	(61,416)	(536,089)
Segment result	279,970	132,358	443,768	856,096

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 2020 (unaudited)	Three months ended 31 March 2019 (unaudited)
Profit for reportable segments	798,145	856,096
Recovery of RAS provisions and accrual of IFRS provisions	(77,697)	66,751
Adjustment of loans to customers and of amounts due from credit institutions to amortised cost	41,420	48,655
Redemption of purchased credit-impaired financial assets	253,125	-
Adjustment of loans to customers and of amounts due from credit institutions to amortised cost	-	(13,226)
Revaluation of loans to customers at fair value	-	(13,226)
Amortisation of commission income on guarantees issued	10,769	37,830
Recognition of non-performing debt under other assets	(43,828)	11,032
Accrual of staff remunerations	-	(17,461)
Reclassification of other taxes in administrative and other operating expenses	(44,583)	(26,173)
Effect from modification of loans	(41,813)	-
Other	5,790	(21,557)
Profit before tax	901,328	941,947

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.

20 Capital management

The Group's objectives when managing capital are: (i) to comply with the capital requirements set by the Central Bank of the Russian Federation ('CBR'); (ii) to safeguard the Group's ability to continue as a going concern. Compliance with capital adequacy ratios set by CBR is monitored with daily reports that contain respective calculations and with monthly reports reviewed and signed by the Group's Chairman of the Management Board and Chief Accountant. In 2020 and 2019, the Group complied with all external capital requirements.

The Group actively manages its capital adequacy level with the purpose of protection from risks inherent to its activities. The Group's capital adequacy is controlled by the supervisory bodies based on the statutory ratios approved by CBR.

The main goal of capital management for the Group is to ensure that the Bank complies with external capital requirements and maintains a high credit rating and capital adequacy ratios required to maintain its operations and maximize shareholder value.

The Group manages the structure of its capital and adjusts it in view of the economic environment and risks associated with its activities. In order to maintain or change its capital structure, the Group can adjust the amount of dividends paid to the members, return equity to the members or issue equity securities. Capital management policies and procedures have not changed compared to the previous years.

CBR capital adequacy ratio

In accordance with the requirements of CBR, banks are required to maintain their capital adequacy ratio at 8% of risk-weighted assets under RAS. Mandatory capital adequacy ratios are calculated under RAS as the ratio of base capital (N1.1), core capital (N1.2) and equity (N1.0) to risk-weighted assets. As at 31 March 2020 and 31 December 2019, the Bank's mandatory capital adequacy ratios were as follows:

	31 March 2020 (unaudited)	31 December 2019
Base capital	15,369,293	10,742 294
Core capital	15,369,293	10,742 294
Supplementary capital	1,882,291	854,138
Total equity	17,251,584	11,596 432
Risk weighted assets	121,277,208	98,375 211
N1.1%	12.9	11.0
N1.2%	12.9	11.0
N1.0%	14.2	11.8

CBR granted credit institutions and non-credit financial institutions a right to use market prices for debt and equity securities quoted as at 1 March 2020 for all securities purchased prior to 1 March 2020 for accounting purposes. The Bank has exercised this right. This measure will be in effect until 1 January 2021.

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 no material losses will be incurred by the Group in respect of claims, and accordingly no provision to cover litigation related loss has been made in these interim condensed consolidated financial statements.

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.

21 Contingencies and Commitments (continued)

Taxation (continued)

As at 31 March 2020, 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 2020 and 31 December 2019, 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 extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit.

As at 31 March, the unused limits on guarantees totaled RUB 3,134,055 thousand (31 December 2019: RUB 3,771,119 thousand), the undrawn credit lines amounted to RUB 5,596,988 thousand (31 December 2019: RUB 5,109,190 thousand).

The information on guarantees issued and uncovered letters of credit issued as at 31 March 2020 and 31 December 2019 is provided below:

<i>(in RUB '000)</i>	31 March 2020	31 December 2019
	(unaudited)	
Guarantees issued	17,856,492	25,763,832
Less ECL allowance	(99,842)	(94,992)
Total	17,756,650	25,668,840

As at 31 March 2020, irrevocable covered letters of credit amounted to RUB 33,431 thousand (31 December 2019: RUB 1,389 thousand) and were collateralised by term deposits in the amount of RUB 33,431 thousand (31 December 2018: RUB 1,389 thousand) (Note 11).

As at 31 March 2020, balances on customer accounts in the amount of RUB 247,774 thousand (31 December 2019: RUB 450,523 thousand) represented collateral on guarantees issued by the Group in the amount of RUB 743,021 thousand (31 December 2019: RUB 1,098,492 thousand) (Note 11).

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 and uncovered letters of credit provided 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 and uncovered letters of credit 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 guarantees and uncovered letters of credit provided by the Group for the three months ended 31 March 2019 are presented in the table below (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 2	Stage 3	Total
Guarantees and uncovered letters of credit issued				
ECL allowance at 1 January 2019	20,551	1,642	120,972	143,165
New guarantees issued and uncovered letters of credit and effects of other increases in value	2,459	–	–	2,459
Derecognised guarantees and uncovered letters of credit and effects of other decreases in value	(8,746)	(8)	–	(8,754)
Transfers to Stage 2	(8)	8	–	–
Net remeasurement of loss allowance	(4,820)	(1,274)	–	(6,094)
Exchange differences	(19)	–	–	(19)
ECL allowance at 31 March 2019 (unaudited)	9,417	368	120,972	130,757

Movements in ECL allowances for undrawn credit lines provided to customers 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

21 Contingencies and Commitments (continued)

Movements in ECL allowances for undrawn credit lines provided to customers for the three months ended 31 March 2019 are presented in the table below: (unaudited):

<i>(in RUB '000)</i>	Stage 1	Stage 3	Total
Undrawn credit lines			
ECL allowance at 1 January 2019	3,587	47	3,634
New purchased or originated assets	5,249	–	5,249
Derecognised or redeemed assets (excluding write-offs)	(1,997)	–	(1,997)
Net remeasurement of loss allowance	(1,706)	–	(1,706)
Exchange differences	(22)	–	(22)
ECL allowance at 31 March 2019	5,111	47	5,158

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.

22 Fair value of financial instruments (continued)

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 2020 (unaudited)			31 December 2019		
	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	13,821,894	-	-	10,749,234	618,552	-
- Corporate bonds	9,092,092	-	-	6,658,378	618,552	-
- Bonds of banks	2,036,752	-	-	1,567,264	-	-
- Bonds of state corporations	1,995,921	-	-	1,586,697	-	-
- Corporate shares	466,122	-	-	759,901	-	-
- Foreign government bonds	231,007	-	-	-	-	-
- Investment units	-	-	-	88,063	-	-
- Federal loan bonds (OFZ)	-	-	-	54,850	-	-
- Shares of banks	-	-	-	34,081	-	-
Loans to customers	-	-	862,739	-	-	884,016
- loans to customers at FVTPL	-	-	862,739	-	-	884,016
Securities at FVOCI	99,741	-	2,325,853	41,196	-	2,159,237
- Shares of banks	-	-	2,325,853	-	-	2,159,237
- Corporate shares	99,741	-	-	41,196	-	-
Other financial assets	-	71,306	-	-	22,109	-
- Derivative financial instruments	-	22,257	-	-	21,631	-
- Settlements on FX transactions	-	49,049	-	-	478	-
Total financial assets at fair value	13,921,635	71,306	3,188,592	10,790,430	640,661	3,043,253
Financial assets with fair value disclosed						
Cash and cash equivalents	942,764	-	18,193,180	1,291,650	-	17,248,509
Mandatory cash balances with CBR	-	-	805,626	-	-	765,050
Due from credit institutions	-	-	644,191	-	-	1,424,103
Loans to customers	-	-	59,118,480	-	-	58,974,083
Investment securities at amortized costs	-	-	-	-	-	519,770
Other financial assets	-	-	84,244	-	-	44,324
Total financial assets with value disclosed	942,764	-	78,845,721	1,291,650	-	78,975,839

22 Fair value of financial instruments (continued)

Fair value hierarchy (continued)

	31 March 2020 (unaudited)			31 December 2019		
	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	-	36,574	-	-	6,065	-
- Derivative financial instruments	-	36,252	-	-	5,876	-
- Currency exchange transactions	-	322	-	-	189	-
Total financial liabilities at fair value	-	36,574	-	-	6,065	-
Financial liabilities with fair value disclosed						
Due to credit institutions	-	-	198,501	-	-	616,405
Customer accounts	-	-	75,261,255	-	-	73,642,155
Debt securities in issue	-	-	1,960,353	-	-	2,664,323
Lease liabilities	-	-	246,764	-	-	224,308
Subordinated Eurobonds in issue	-	1,567,697	-	-	1,244,569	-
Other financial liabilities	-	-	557,324	-	-	542,035
Total financial liabilities with fair value disclosed	-	1,567,697	78,224,197	-	1,244,569	77,689 226

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 2020 (unaudited)			31 December 2019		
	Carrying amount	Fair Value	Unrecognized gains/ (losses)	Carrying amount	Fair value	Unrecognized gains/ (losses)
Financial assets						
Cash and cash equivalents	19,145,665	19,135,944	(9,721)	18,543,227	18,540,159	(3,068)
Mandatory cash balances with CBR	805,626	805,626	-	765,050	765,050	-
Due from credit institutions	644,198	644,191	(7)	1,431,354	1,424,103	(7,251)
Loans to customers	59,815,664	59,118,480	(697,184)	59,383,303	58,974,083	(409,220)
Securities at amortized cost	-	-	-	518,554	519,770	1,216
Other financial assets	84,244	84,244	-	44,324	44,324	-
Total financial assets at amortized cost	80,495,397	79,788,485	(706,912)	80,685,812	80,267,489	(418,323)
Financial liabilities						
Due to credit institutions	198,501	198,501	-	615,591	616,405	(814)
Customer accounts	74,910,425	75,261,255	(350,830)	73,077,632	73,642,155	(564,523)
Lease liabilities	246,764	246,764	-	224,308	224,308	-
Debt securities in issue	1,697,441	1,960,353	(262,912)	1,565,622	2,664,323	(1,098,701)
Subordinated Eurobonds in issue	1,567,697	1,567,697	-	1,244,569	1,244,569	-
Other financial liabilities	557,324	557,324	-	542,035	542,035	-
Total financial liabilities at amortized cost	79,178,152	79,791,894	(613,742)	77,269,757	78,933,795	(1,664,038)
Total unrecognized change in the unrealized fair value			(1,320,654)			(2,082,361)

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 interest rate swaps, 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

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 the quoted bonds is based on price quotations as of the reporting date. 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 2020 (unaudited)	31 December 2019
Loans to customers		
Investment projects	4.0%-8.9% p.a.	6.8%-9.2% p.a.
Large business	1.4%-8.9% p.a.	0.0%-9.2% p.a.
Small and medium business	7.1%-10.6% p.a.	7.9%-11.1% p.a.
Loans to individuals	0.0%-14.9% p.a.	0.0%-16.9% p.a.
Customer accounts		
Term deposits of legal entities	0.0%-6.0% p.a.	0.0%-6.0% p.a.
Term deposits of individuals	0.0%-5.9% p.a.	0.2%-5.9% 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.

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 the reporting period:

	At 1 January 2020	Gains/(losses) recognized in profit or loss	Gains/(losses) recognized in other comprehensive income	Acquisition/ origination	Redemption	At 31 March 2020 (unaudited)
<i>(in RUB '000)</i>						
Assets						
Loans at FVTPL	884,016	2,418	-	657,454	(681,149)	862,739
Securities at FVOCI	2,159,237	-	166,616	-	-	2,325,853

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

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

The following table shows reconciliation of Level 3 assets recorded at fair value at the beginning and at the end of 2019:

	At 1 January 2019	Gains / (losses) recognized in profit or loss	Gains / (losses) recognized in other comprehensive income	Acquisition / origination	Redemption	Transfers from Level 1 and Level 2	Transfers to Level 1 and Level 2	At 31 December 2019
<i>(in RUB' 000)</i>								
Assets								
Securities at FVTPL	-	57,325	-	-	(993,131)	935,806	-	-
Loans at FVTPL	2,517,065	259,180	-	1,861,155	(3,753,384)	-	-	884,016
Securities at FVOCI	2,402,040	(28,054)	186,461	-	-	-	(401,210)	2,159,237

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

During the year ended 31 December 2019 the Group did not transfer securities at FVOCI from Levels 1 and 2 to Level 3 of the fair value hierarchy. During the reporting period the Group transferred securities at FVTPL from Level 1 to Level 3 of the fair value hierarchy. The total carrying amount of transferred assets was RUB 935,806 thousand. The aggregate unrealized gain at the date of transfer was RUB 10,478 thousand. Transfer from Level 1 to Level 3 was triggered by the fact that the market for certain securities ceased to be active which led to changes in the fair value measurement method. Before transfer, the fair value of financial instruments was determined based on the observable market transactions or broker quoted prices for the same or similar instruments. From the date of transfer, the financial instruments were assessed based on the valuation techniques that used significant unobservable inputs.

22 Fair value of financial instruments (continued)

Movements in Level 3 assets and liabilities carried at fair value (continued)

During the year ended 31 December 2019, as a result of increased market activity securities were transferred from Level 3 to Level 1 of the fair value hierarchy in the amount of RUB 401,210 thousand. The aggregate unrealized loss at the date of transfer was RUB 16,676 thousand. These securities represent corporate bonds. Transfer from Level 3 to Level 1 was triggered by the fact that the market for certain securities became active, and from the date of transfer these financial instruments were assessed using quoted market prices for identical assets.

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 2020:

31 March 2020 (unaudited)	Carrying amount	Valuation techniques	Unobservable inputs	Range (weighted average)
Loans to customers				
Loans to legal entities at FVTPL	862,739	Discounted cash flows	PD	1.7-8.3%
Securities at FVOCI				
Shares of banks	2,325,853	Price/Equity ratio	Underlying asset value	Not applicable

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 2019:

31 December 2019	Carrying amount	Valuation techniques	Unobservable inputs	Range (weighted average)
Securities at FVTPL				
Corporate bonds	-	Income approach	Underlying asset value	Not applicable
Loans to customers				
Loans to legal entities at FVTPL	283,532	Discounted cash flows	PD	1.7% - 5.2%
Loans to individuals at FVTPL	600,484	Discounted cash flows	PD	5.7% - 18.5%
Securities at FVOCI				
Shares of banks	2,159,237	Price/Equity ratio	Underlying asset value	Not applicable
Corporate bonds	-	Income approach	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 sensitivity of fair value of financial instruments categorized within Level 3 of the fair value hierarchy to changes in significant unobservable inputs:

	31 March 2020 (unaudited)		31 December 2019	
	Carrying amount	Effect of possible alternative assumptions	Carrying amount	Effect of possible alternative assumptions
<i>(in RUB '000)</i>				
Loans to customers	862,739	(43,137)	884,016	(44,201)
Loans to legal entities at FVTPL	862,739	(43,137)	283,532	(14,177)
Loans to individuals at FVTPL	–	–	600,484	(30,024)
Securities at FVOCI	2,325,853	(116,293)	2,159,237	(107,962)
Shares of banks	2,325,853	(116,293)	2,159,237	(107,962)

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

- 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, 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 2020, as a result of increased market activity securities at FVTPL were transferred from Level 2 to Level 1 of the fair value hierarchy in the amount of RUB 103,038 thousand. These securities represent corporate bonds.

During 2019, as a result of decreased market activity securities at FVTPL were transferred from Level 1 to Level 2 of the fair value hierarchy in the amount of RUB 117,392 thousand. These securities represent bonds of Russian banks.

During 2019, as a result of increased market activity securities at FVTPL were transferred from Level 2 to Level 1 of the fair value hierarchy in the amount of RUB 288,961 thousand. These securities represent corporate bonds.

22 Fair value of financial instruments (continued)

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 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 263,755 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 2019:

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 225,354 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.

23 Related party transactions (continued)

As at 31 March 2020, 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%-6.5%)	–	–	67,029	–
Loans to customers (contractual interest rate: 10.0%- 19.0%)	–	9,592	65,000	–
ECL allowance for loans to customers	–	(69)	(102)	–
Securities at FVOCI	–	–	1,217,448	–
Other non-financial assets	–	90	427	–
Due to credit institutions (contractual interest rate: 0.0%)	–	–	113,500	–
Customer accounts (contractual interest rate: 0.0%- 8.3%)	418,278	326,328	737,582	189,056
Subordinated Eurobonds in issue	34,195	–	–	54,967
Other financial liabilities	–	–	5,740	–
Other non-financial liabilities	–	17,348	166	–

As at 31 March 2020, loans to key management personnel in the amount of RUB 7,714 thousand were collateralised by balances on customer accounts in the amount of RUB 7,714 thousand.

As at 31 March 2020, 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 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)

23 Related party transactions (continued)

As at 31 March 2020, contingent claims 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	–	–	5	–
Guarantees and sureties received by the Group	–	5,190	–	–
Other contingent liabilities	6,430	12,014	65,000	300
ECL allowance	(24)	(44)	(22)	(1)

Aggregate amounts lent to and repaid by related parties during the three months ended 31 March 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 reporting period	699	2,275	312,975	–
Amounts repaid by related parties during the reporting period	71,254	14,427	595,008	–

On 10 December 2019, the Bank bought out 0.2153% interest from one of its members for RUB 49,907 thousand.

As at 31 December 2019, 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	–	–	34,597	–
ECL allowance for cash and cash equivalents	–	–	(1)	–
Due from credit institutions	–	–	312,033	–
ECL allowance for amounts due from credit institutions	–	–	(219)	–
Loans to customers (contractual interest rate: 8.78%- 19.0%)	70,735	21,558	65,000	1,500
ECL allowance for loans to customers	(201)	(296)	(154)	(21)
Securities at FVOCI	–	–	1,050,833	–
Other non-financial assets	–	87	371	–
Due to credit institutions (contractual interest rate: 0.0%)	–	–	179,059	–
Customer accounts (contractual interest rate: 0.0%- 8.3%)	435,418	343,185	338,522	143,585
Subordinated Eurobonds in issue	27,147	–	–	–
Other financial liabilities	–	–	1	–
Other non-financial liabilities	–	8,673	130	–

As at 31 December 2019, loans to key management personnel in the amount of RUB 90,595 thousand were collateralised by balances on customer accounts in the amount of RUB 87,836 thousand.

As at 31 December 2019, amounts receivable from these related parties are not past due or impaired.

23 Related party transactions (continued)

The income and expense items with related parties for the three months ended 31 March 2019 (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	-	483	4,537	1
Interest expense	(6,943)	(2,945)	(2,313)	(1,925)
Credit loss allowance for cash and cash equivalents, due from credit institutions, loans to customers and other assets	-	126	7,444	-
Gains net of losses / (losses net of gains) from trading in foreign currencies	49	30	(7)	21
Foreign exchange translation gains net of losses / (losses net of gains)	16,136	18,977	(30,981)	4,975
Gains net of losses from financial derivatives	-	934	19,791	193
Fee and commission income	24	137	591	45
Fee and commission expense	-	-	(110)	-
Other operating income	2	10	670	-
Administrative and other operating expenses	(23)	(82,776)	(5,681)	(108)

As at 31 December 2019, 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	-	-	5	-
Guarantees and sureties received by the Group	-	9,190	-	1,184
Other contingent liabilities	35,219	15,800	65,000	300
ECL allowance	(77)	(102)	(31)	(2)

Aggregate amounts lent to and repaid by related parties during 2019 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	72,969	57,477	27,563 148	1,490
Amounts repaid by related parties during the year	2,414	53,733	27,972,990	1,490
Loans to customers excluded from the related party list	-	(1,750)	-	-

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 2020 (unaudited)	Three months ended 31 March 2019 (unaudited)
Short-term payments		
- Salaries	76,184	70,490
- Short-term bonuses	11,333	-
Total	87,517	70,490

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 13,898 thousand (for the three months ended 31 March 2019: RUB 11,462 thousand), of which RUB 9,651 thousand (for the three months ended 31 March 2019: RUB 8,130 thousand) are pension contributions.

During the three months ended 31 March 2020 and 2019, the Group conducted transactions with related parties on market conditions.