

# **AO UniCredit Bank**

Condensed Interim Consolidated  
Financial Statements  
for the Three-Month Period Ended  
31 March 2021 (unaudited)

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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021:

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# AO UniCredit Bank

## Statement of Management's Responsibilities for the Preparation and Approval of the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021

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Management of AO UniCredit Bank is responsible for the preparation of the condensed interim consolidated financial statements that present fairly the financial position of AO UniCredit Bank and its subsidiary (collectively – the “Group”) as at 31 March 2021, and the related condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and a summary of significant accounting policies and selected notes to the condensed interim consolidated financial statements (the “condensed interim consolidated financial statements”) in compliance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting (“IAS 34”).

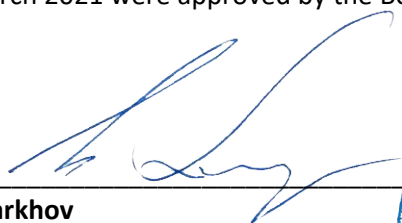
In preparing the condensed interim consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IAS 34 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group’s consolidated financial position and financial performance; and
- Making an assessment of the Group’s ability to continue as a going concern.

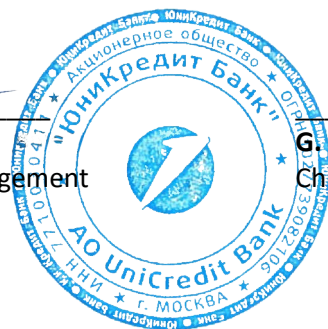
Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group’s transactions and disclose with reasonable accuracy at any time the financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial statements of the Group comply with IAS 34;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Russian Federation;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The condensed interim consolidated financial statements of the Group for the three-month period ended 31 March 2021 were approved by the Board of Management of AO UniCredit Bank on 30 April 2021.



**V. Aparkhov**  
Acting Chairman of the Board of Management



**G. Chernysheva**  
Chief Accountant

30 April 2021  
Moscow

## REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: the Shareholder and the Supervisory Board of AO UniCredit Bank

### Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of AO UniCredit Bank and its subsidiary (the “Group”) as of 31 March 2021 and the related condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of these consolidated condensed interim financial statements in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

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

  
Zdanevich Anna Mikhaylovna  
Engagement partner



6 May 2021

The Entity: AO UniCredit Bank

Licensed by the Central Bank of the Russian Federation on 22.12.2014, License No.1.

Primary State Registration Number: 1027739082106

Certificate of registration in the Unified State Register series 77 № 007773325 of 19.08.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation №39.

Address:  
9, Prechistenskaya emb., Moscow, Russia 119034.

Audit Firm: AO "Deloitte & Touche CIS"

Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.

Primary State Registration Number: 1027700425444

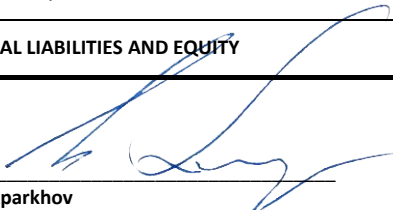
Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.

Member of Self-regulatory organization of auditors Association "Sodruzhestvo", ORNZ 12006020384.

# AO UniCredit Bank


## Condensed Interim Consolidated Statement of Financial Position as at 31 March 2021 (in thousands of Russian Rubles)

	Notes	31 March 2021 (unaudited)	31 December 2020
<b>ASSETS</b>			
Cash and cash balances	5	30 539 107	28 949 714
Debt securities held for trading	6		
- held by the Group		2 114 400	1 082 892
Derivative financial assets	8	33 886 541	39 606 302
Derivative financial assets designated for hedging	8	13 398 744	18 583 515
Changes in fair value of portfolio hedged items		6 668 112	10 214 637
Financial assets at amortized cost			
- Debt securities	11	68 503 220	67 986 636
- Amounts due from credit institutions	7	328 040 245	380 383 482
- Loans to customers	9	702 148 855	646 035 934
Financial assets at fair value through other comprehensive income	10		
- held by the Group		39 362 754	46 876 408
Investments in associate	12	10 155 356	9 669 851
Fixed assets		11 978 541	12 255 064
Intangible assets		7 607 264	7 647 521
Deferred income tax assets		4 883 479	3 805 548
Current income tax assets		64 965	672 017
Other assets		8 624 028	8 162 123
<b>TOTAL ASSETS</b>		<b>1 267 975 611</b>	<b>1 281 931 644</b>
<b>LIABILITIES</b>			
Amounts due to credit institutions	14	22 910 058	29 103 365
Amounts due to customers	15	948 651 490	945 130 002
Derivative financial liabilities	8	34 180 127	39 932 210
Derivative financial liabilities designated for hedging	8	24 150 008	30 177 965
Changes in fair value of portfolio hedged items		4 840 217	6 446 605
Current income tax liabilities		-	12 621
Other liabilities		17 483 196	16 609 892
<b>TOTAL LIABILITIES</b>		<b>1 052 215 096</b>	<b>1 067 412 660</b>
<b>EQUITY</b>			
Share capital		41 787 806	41 787 806
Share premium		437 281	437 281
Cash flow hedge reserve		(105 884)	251 015
Revaluation reserve for financial assets at fair value through other comprehensive income		(234 934)	1 674 972
Foreign currency translation reserve		128 454	(4 822)
Fixed assets revaluation reserve		4 194 630	4 231 960
Retained earnings		169 553 162	166 140 772
<b>TOTAL EQUITY</b>		<b>215 760 515</b>	<b>214 518 984</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1 267 975 611</b>	<b>1 281 931 644</b>

  
V. Aparkhov  
Acting Chairman of the Board of Management

30 April 2021  
Moscow



  
G. Chernysheva  
Chief Accountant

The accompanying notes 1-21 are an integral part of these consolidated financial statements.

# AO UniCredit Bank

## Condensed Interim Consolidated Statement of Comprehensive Income for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Rubles)

	Notes	Three-month period ended 31 March	
		2021 (unaudited)	2020 (unaudited)
Interest income and similar revenues		19 790 094	25 348 191
Interest expense and similar charges		(9 747 721)	(15 614 426)
<b>Net interest income</b>		<b>10 042 373</b>	<b>9 733 765</b>
Fee and commission income		1 891 408	2 705 736
Fee and commission expense		(522 898)	(664 462)
<b>Net fee and commission income</b>		<b>1 368 510</b>	<b>2 041 274</b>
Losses on financial assets and liabilities held for trading and foreign currencies	18	(810 430)	(297 048)
Fair value adjustments in portfolio hedge accounting		(126 380)	34 321
Gains on disposal of:			
- financial assets at amortized cost		3 242	182 466
- financial assets at fair value through other comprehensive income		451 389	2 070 109
<b>OPERATING INCOME</b>		<b>10 928 704</b>	<b>13 764 887</b>
(Allowance)/recovery of the allowance for expected credit losses:			
- financial assets at fair value through other comprehensive income		(14 033)	(31 956)
- financial assets at amortized costs	7,9,11	(1 756 000)	(3 558 300)
- other financial transactions	16	(11 417)	38 603
<b>NET INCOME FROM FINANCIAL ACTIVITIES</b>		<b>9 147 254</b>	<b>10 213 234</b>
Personnel expenses		(2 696 348)	(2 664 699)
Other administrative expenses		(1 739 621)	(1 778 162)
Depreciation of fixed assets		(259 682)	(270 680)
Depreciation of rights of use		(119 150)	(134 329)
Recovery of impairment/(impairment) of fixed assets		3 359	(11 722)
Amortization of intangible assets		(457 653)	(454 477)
(Charge)/recovery of other provisions		(17 725)	78 544
Other operating expenses		(32 122)	(65 385)
<b>Operating costs</b>		<b>(5 318 942)</b>	<b>(5 300 910)</b>
Share of gains in associate	12	354 560	268 423
Gains on disposal of fixed assets		3 134	1 026
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		<b>4 186 006</b>	<b>5 181 773</b>
Income tax expense	13	(810 946)	(1 023 652)
<b>PROFIT FOR THE PERIOD</b>		<b>3 375 060</b>	<b>4 158 121</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedge reserve – effective portion of changes in fair value, net of tax:			
- fair value changes		(358 872)	623 589
- reclassification adjustment relating to financial assets and liabilities designated for hedging disposed of in the period		1 973	1 692
Revaluation reserve for financial assets at fair value through other comprehensive income, net of tax:			
- fair value changes		(1 108 802)	(367 235)
- reclassification adjustment relating to financial assets at fair value through other comprehensive income disposed of in the period		(798 773)	(1 137 056)
Share of other comprehensive income/(loss) of associate:			
- revaluation reserve for financial assets at fair value through other comprehensive income, net of tax		(2 331)	3 696
-foreign currency translation reserve		133 276	106 892
<b>Other comprehensive loss for the period, net of tax</b>	13	<b>(2 133 529)</b>	<b>(768 422)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1 241 531</b>	<b>3 389 699</b>

V. Aparkhov  
Acting Chairman of the Board of Management

30 April 2021  
Moscow



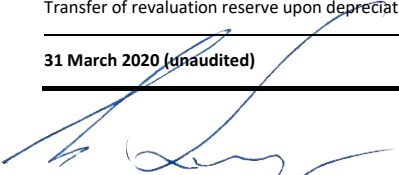
G. Chernysheva  
Chief Accountant

The accompanying notes 1-21 are an integral part of these consolidated financial statements.

# AO UniCredit Bank

## Condensed Interim Consolidated Statement of Changes in Equity for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

	Share capital	Share premium	Cash flow hedge reserve	Revaluation reserve for financial assets at fair value through other comprehensive income	Share of other comprehensive income/(loss) of associate Revaluation reserve for financial assets at fair value through other comprehensive income	Foreign currency translation reserve	Fixed assets revaluation reserve	Retained earnings	Total equity
1 January 2020	41 787 806	437 281	(381 731)	1 977 526	23 200	(71 830)	4 294 938	165 161 425	213 228 615
<b>Total comprehensive income</b>									
Profit for the period (unaudited)	-	-	-	-	-	-	-	4 158 121	4 158 121
<b>Other comprehensive income</b>									
Change in cash flow hedge reserve, net of tax (unaudited)	-	-	625 281	-	-	-	-	-	625 281
Change in revaluation reserve for financial assets at fair value through other comprehensive income, net of tax (unaudited)	-	-	-	(1 504 291)	3 696	-	-	-	(1 500 595)
Change in foreign currency translation reserve (unaudited)	-	-	-	-	-	106 892	-	-	106 892
<b>Total other comprehensive income/(loss) (unaudited)</b>	-	-	625 281	(1 504 291)	3 696	106 892	-	-	(768 422)
<b>Total comprehensive income/(loss) for the period (unaudited)</b>	-	-	625 281	(1 504 291)	3 696	106 892	-	4 158 121	3 389 699
Transfer of revaluation reserve upon depreciation (unaudited)	-	-	-	-	-	-	(36 770)	36 770	-
<b>31 March 2020 (unaudited)</b>	<b>41 787 806</b>	<b>437 281</b>	<b>243 550</b>	<b>473 235</b>	<b>26 896</b>	<b>35 062</b>	<b>4 258 168</b>	<b>169 356 316</b>	<b>216 618 314</b>

  
V. Aparkhov  
Acting Chairman of the Board of Management

30 April 2021  
Moscow



  
G. Chernysheva  
Chief Accountant

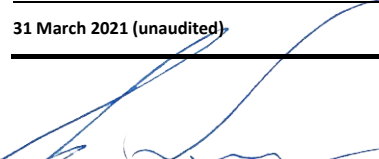
The accompanying notes 1-21 are an integral part of these consolidated financial statements.



# AO UniCredit Bank

## Condensed Interim Consolidated Statement of Changes in Equity for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

	Share capital	Share premium	Cash flow hedge reserve	Revaluation reserve for financial assets at fair value through other comprehensive income	Share of other comprehensive income/(loss) of associate		Fixed assets revaluation reserve	Retained earnings	Total equity
					Revaluation reserve for financial assets at fair value through other comprehensive income	Foreign currency translation reserve			
1 January 2021	41 787 806	437 281	251 015	1 643 275	31 697	(4 822)	4 231 960	166 140 772	214 518 984
<b>Total comprehensive income</b>									
Profit for the year (unaudited)	-	-	-	-	-	-	-	3 375 060	3 375 060
<b>Other comprehensive income</b>									
Change in cash flow hedge reserve, net of tax (unaudited)	-	-	(356 899)	-	-	-	-	-	(356 899)
Change in revaluation reserve for financial assets at fair value through other comprehensive income, net of tax (unaudited)	-	-	-	(1 907 575)	(2 331)	-	-	-	(1 909 906)
Change in foreign currency translation reserve (unaudited)	-	-	-	-	-	133 276	-	-	133 276
<b>Total other comprehensive (loss)/income (unaudited)</b>	-	-	(356 899)	(1 907 575)	(2 331)	133 276	-	-	(2 133 529)
<b>Total comprehensive (loss)/income for the period (unaudited)</b>	-	-	(356 899)	(1 907 575)	(2 331)	133 276	-	3 375 060	1 241 531
Transfer of revaluation reserve upon depreciation (unaudited)	-	-	-	-	-	-	(37 330)	37 330	-
<b>31 March 2021 (unaudited)</b>	<b>41 787 806</b>	<b>437 281</b>	<b>(105 884)</b>	<b>(264 300)</b>	<b>29 366</b>	<b>128 454</b>	<b>4 194 630</b>	<b>169 553 162</b>	<b>215 760 515</b>

  
V. Aparkhov  
Acting Chairman of the Board of Management

30 April 2021  
Moscow



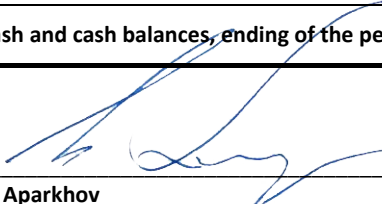
  
G. Chernysheva  
Chief Accountant

The accompanying notes 1-21 are an integral part of these consolidated financial statements.

# AO UniCredit Bank

## Condensed Interim Consolidated Statement of Cash Flows for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Rubles)

Note	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		
	<b>8 929 467</b>	<b>11 020 780</b>
<b>Net cash (used in)/from operating activities before income tax</b>		
	<b>(2 645 870)</b>	<b>20 268 723</b>
Corporate income tax paid	(728 327)	(1 916 009)
<b>Net cash flows (used in)/from operating activities</b>		
	<b>(3 374 197)</b>	<b>18 352 714</b>
<b>Cash flows from investing activities</b>		
Purchase of financial assets at fair value through other comprehensive income	(8 438 338)	(78 780 217)
Proceeds from redemption and sale of financial assets at fair value through other comprehensive income	14 033 491	117 849 915
Purchase of financial assets at amortized cost - debt securities	-	(23 059 671)
Proceeds from sale of fixed and intangible assets	11 790	1 999
Purchase of fixed and intangible assets	(544 299)	(453 515)
<b>Net cash flows from investing activities</b>		
	<b>5 062 644</b>	<b>15 558 511</b>
<b>Cash flows from financing activities</b>		
Redemption of subordinated debt	20	-
Cash outflow for lease liabilities	(93 070)	(37 381 559)
	(93 070)	(155 544)
<b>Net cash flows used in financing activities</b>		
	<b>(93 070)</b>	<b>(37 537 103)</b>
Effect of exchange rates changes on cash and cash balances	(5 984)	7 288 827
<b>Net increase in cash and cash balances</b>		
	<b>1 589 393</b>	<b>3 662 949</b>
<b>Cash and cash balances, beginning of the period</b>	<b>5</b>	<b>28 949 714</b>
<b>Cash and cash balances, ending of the period</b>	<b>5</b>	<b>30 539 107</b>

  
**V. Aparkhov**  
Acting Chairman of the Board of Management

30 April 2021  
Moscow



  
**G. Chernysheva**  
Chief Accountant

# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 *(in thousands of Russian Roubles)*

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### 1. Principal activities

These condensed interim consolidated financial statements include the financial statements of AO UniCredit Bank (hereinafter – the “Bank”) and its subsidiary. AO UniCredit Bank, its subsidiary and associate are hereinafter collectively referred to as the “Group”.

The Bank (the former International Moscow Bank) was established in 1989 as a closed joint-stock company under the laws of the Russian Federation. The Bank operates under General Banking License issued by the Central Bank of Russia (hereinafter – the “CBR”) for banking operations for No. 1, as well as the license of the CBR for operations with precious metals for No. 1, both issued on 22 December 2014. The Bank also possesses licenses of the professional securities market participant for dealing, brokerage and depository activities issued by the Federal Securities Commission on 25 April 2003, as well as authorized to speak to the customs authorities as a guarantor starting from 1 November 2013. On 7 October 2019 the Bank was included in the list of investment advisors. The Bank is a member of the state deposit insurance system in the Russian Federation starting from 16 December 2004. The Bank also possesses cryptographic license starting from 7 April 2015.

As at 31 March 2021 the Group comprises the Bank, the leading operating entity of the Group, LLC UniCredit Leasing, a leasing company as its subsidiary, and holding company BARN B.V. as its associate. LLC UniCredit Leasing owns 100% of the shares in LLC UniCredit Garant. Both companies operate in the financial leasing industry on the local market. BARN B.V. is the holding company based in the Netherlands, which owns 100% of the shares in JSC RN Bank.

As at 31 March 2021 and 31 December 2020 the Bank had 13 branches and 9 representative offices throughout the Russian Federation and one representative office in the Republic of Belarus.

The Bank’s registered legal address is 9, Prechistenskaya Embankment, Moscow, Russian Federation, 119034.

The primary activities of the Group are deposit taking, lending, providing payments and settlement services, transactions with foreign currencies and securities, providing finance leases and auxiliary activities in financial services and insurance.

The Group operates in industries where significant seasonal or cyclical variations in operating income are not experienced during the financial year. However, since the results of the Group’s operations closely relate to and depend on changing market conditions, the results of the Group’s operations for the interim period are not necessarily indicative of the results for the year ending 31 December 2021.

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

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### 2. Basis of preparation

**Statement of compliance.** These condensed interim consolidated financial statements have been prepared in accordance with IAS 34.

The condensed interim consolidated financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements. The Group omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for 2020 prepared in accordance with International Financial Reporting Standards (hereinafter – “IFRS”), such as accounting policies and details of accounts which have not changed significantly in amount or composition. Additionally, the Group has provided disclosures where significant events have occurred subsequent to the issuance of the Group’s annual consolidated financial statements for 2020 prepared in accordance with IFRS. The management believes that the disclosures in these condensed interim consolidated financial statements are adequate to make the information presented not misleading if these financial statements are read in conjunction with the Group’s annual consolidated financial statements for 2020 prepared in accordance with IFRS. In the opinion of the management, these financial statements reflect all adjustments necessary to present fairly the Group’s consolidated position, results of operations, statements of changes in shareholders’ equity and cash flows for the interim reporting periods.

**Basis of measurement.** These condensed interim consolidated financial statements are prepared on the historical cost basis except that financial instruments held for trading, assets at fair value through other comprehensive income, derivative financial instruments and real estate are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**Presentation currency.** These condensed interim consolidated financial statements are presented in Russian Rubles (hereinafter – “RUB”). Amounts in Russian Rubles are rounded to the nearest thousand.

The exchange rates used by the Group in the preparation of the condensed interim consolidated financial statements as at period-end are as follows:

	31 March 2021	31 December 2020
RUB/US Dollar	75.7023	73.8757
RUB/Euro	88.8821	90.6824

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**Use of estimates and judgements.** The preparation of financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on management’s best knowledge of current events and actions, actual results ultimately may differ from these estimates.

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 2. Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed interim consolidated financial statements the significant judgements made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements for the year ended 31 December 2020 (see also Note 17).

**Going concern.** These condensed interim consolidated financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations.

The management and shareholder have the intention to further develop the business of the Group in the Russian Federation both in corporate and retail segments. The management believes that the going concern assumption is appropriate for the Group due to its sufficient capital adequacy ratio and based on historical experience that short term obligations will be refinanced in the normal course of business.

### 3. Significant accounting policies

**Interim measurement period.** Income tax expense is recognized in these condensed interim consolidated financial statements based on the management's best estimate of the weighted average effective annual income tax rate expected for the full financial year. Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

**New or amended standards issued but not yet effective.** The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

<b>New or amended standard or interpretation</b>	<b>Effective date - for annual periods beginning on or after</b>
IFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to IAS 1 <i>Presentation of Financial Statements</i> regarding the classification of liabilities as current or non-current and disclosure of accounting policies	1 January 2023
Amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> regarding the definition of accounting estimates	1 January 2023
Amendments to IFRS 3 <i>Business combinations</i>	1 January 2022
Amendments to IAS 16 <i>Property and equipment</i>	1 January 2022
Amendments to IAS 37 <i>Provisions, contingent liabilities and contingent assets</i>	1 January 2022
Amendments to (within the project for the formation of Annual Improvements to IFRS 2018-2020 cycles) IFRS 9 <i>Financial Instruments</i>	1 January 2022
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined by the IASB

### 3. Significant accounting policies (continued)

The same accounting policies, presentation and methods of computation have been followed in these condensed interim consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2020 except for standards or interpretations became effective starting 1 January 2021 as described below:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

In 2019, the Group has early adopted the "Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform" (Phase 1). The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

These standards or interpretations were considered by the management of the Group but have not material impact on the Group's condensed interim consolidated financial statements.

### 4. Operating segments

For the management purposes, the Group has four reporting business segments:

**Corporate and Investment banking** (hereinafter – "CIB") includes corporate lending, project and commodity and corporate structured finance, corporate sight and term deposit services, securities, foreign currency and derivatives trading and custody services.

**Retail banking** comprises banking services to private individuals and Small and Medium Entities (hereinafter – "SME"), credit and debit card services, retail sight and term deposit services, lending to SME and retail lending (consumer loans, car loans and mortgages).

**Leasing** – represents the leasing activities of the Group.

**Other** – represents the Group's funding activities and other unallocated items.

Information about each segment is measured on the same basis as the information used for decision making purposes for allocating resources to segments and assessing segment performance and is prepared on the same basis as the condensed interim consolidated financial statements.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily reallocated between segments, resulting in funding cost transfers included in segment revenue. Interest charged for these funds is based on the Group's funds transfer pricing policy.

# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 *(in thousands of Russian Roubles)*

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### 4. Operating segments (continued)

Segment breakdown of assets and liabilities is set out below:

	31 March 2021 (unaudited)	31 December 2020
<b>Assets</b>		
CIB	1 027 535 274	1 038 155 125
Retail banking	139 913 265	142 833 935
Leasing	35 884 322	35 507 258
Other	64 642 750	65 435 326
<b>Total assets</b>	<b>1 267 975 611</b>	<b>1 281 931 644</b>
<b>Liabilities</b>		
CIB	707 203 606	716 308 604
Retail banking	331 564 323	339 109 196
Leasing	2 236 564	2 153 258
Other	11 210 603	9 841 602
<b>Total liabilities</b>	<b>1 052 215 096</b>	<b>1 067 412 660</b>

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## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 4. Operating segments (continued)

Segment information for the operating segments for the three-month period ended 31 March 2021 is set out below (unaudited):

	CIB	Retail banking	Leasing	Other	Total
Net interest income/(expense) from external customers	6 701 864	2 911 698	450 046	(21 235)	10 042 373
Inter-segment (expense)/income	(1 506 390)	254 237	-	1 252 153	-
<b>Net interest income</b>	<b>5 195 474</b>	<b>3 165 935</b>	<b>450 046</b>	<b>1 230 918</b>	<b>10 042 373</b>
Net fee and commission income/(expense) from external customers	890 172	478 175	(1 065)	1 228	1 368 510
(Losses)/gains on financial assets and liabilities held for trading and foreign currencies from external customers	(901 970)	205 469	725	(114 654)	(810 430)
Fair value adjustments in portfolio hedge accounting	-	-	-	(126 380)	(126 380)
Gains on disposals of financial assets	452 235	2 396	-	-	454 631
<b>Operating income</b>	<b>5 635 911</b>	<b>3 851 975</b>	<b>449 706</b>	<b>991 112</b>	<b>10 928 704</b>
(Allowance)/recovery of the allowance for expected credit losses on loans and other financial transactions	(1 371 212)	(460 474)	50 236	-	(1 781 450)
<b>Net income from financial activities</b>	<b>4 264 699</b>	<b>3 391 501</b>	<b>499 942</b>	<b>991 112</b>	<b>9 147 254</b>
Operating costs including:	(1 907 449)	(3 645 181)	(127 887)	361 575	(5 318 942)
- depreciation on fixed assets and rights of use and amortization of intangible assets	(263 005)	(572 053)	(1 427)	-	(836 485)
- recovery of impairment of fixed assets	-	3 359	-	-	3 359
Gains on disposal of fixed assets	-	-	-	3 134	3 134
Share of gains in associate	-	-	-	354 560	354 560
<b>Profit/(loss) before income tax expense</b>	<b>2 357 250</b>	<b>(253 680)</b>	<b>372 055</b>	<b>1 710 381</b>	<b>4 186 006</b>
Income tax expense					(810 946)
<b>Profit for the period</b>					<b>3 375 060</b>
Cash flow hedge reserve					(356 899)
Revaluation reserve for financial assets at fair value through other comprehensive income					(1 909 906)
Foreign currency translation reserve					133 276
<b>Total comprehensive income for the period</b>					<b>1 241 531</b>



## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 4. Operating segments (continued)

Segment information for the operating segments for the three-month period ended 31 March 2020 is set out below (unaudited):

	CIB	Retail banking	Leasing	Other	Total
Net interest income/(expense) from external customers	6 773 940	3 327 537	481 009	(848 721)	9 733 765
Inter-segment (expense)/income	(1 697 299)	(215 935)	-	1 913 234	-
<b>Net interest income</b>	<b>5 076 641</b>	<b>3 111 602</b>	<b>481 009</b>	<b>1 064 513</b>	<b>9 733 765</b>
Net fee and commission income from external customers	835 917	1 201 689	3 668	-	2 041 274
(Losses)/gains on financial assets and liabilities held for trading and foreign currencies from external customers	(331 302)	251 793	(1 189)	(216 350)	(297 048)
Fair value adjustments in portfolio hedge accounting	-	-	-	34 321	34 321
Gains on disposals of financial assets	2 224 564	28 011	-	-	2 252 575
<b>Operating income</b>	<b>7 805 820</b>	<b>4 593 095</b>	<b>483 488</b>	<b>882 484</b>	<b>13 764 887</b>
Allowance for expected credit losses on loans and other financial transactions	(1 734 179)	(1 624 247)	(193 227)	-	(3 551 653)
<b>Net income from financial activities</b>	<b>6 071 641</b>	<b>2 968 848</b>	<b>290 261</b>	<b>882 484</b>	<b>10 213 234</b>
Operating costs including:	(1 676 784)	(3 009 197)	(145 041)	(469 888)	(5 300 910)
- depreciation on fixed assets and rights of use and amortization of intangible assets	(250 431)	(607 601)	(1 454)	-	(859 486)
- impairment of fixed assets	-	(11 722)	-	-	(11 722)
Gains on disposal of fixed assets	-	-	-	1 026	1 026
Share of gains in associate	-	-	-	268 423	268 423
<b>Profit/(loss) before income tax expense</b>	<b>4 394 857</b>	<b>(40 349)</b>	<b>145 220</b>	<b>682 045</b>	<b>5 181 773</b>
Income tax expense					(1 023 652)
<b>Profit for the period</b>					<b>4 158 121</b>
Cash flow hedge reserve					625 281
Revaluation reserve for financial assets at fair value through other comprehensive income					(1 500 595)
Foreign currency translation reserve					106 892
<b>Total comprehensive income for the period</b>					<b>3 389 699</b>

# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 5. Cash and cash balances

Cash and cash balances comprise:

	31 March 2021 (unaudited)	31 December 2020
Cash on hand	13 068 728	14 704 211
Current accounts with the CBR	17 470 379	14 245 503
<b>Cash and cash balances</b>	<b>30 539 107</b>	<b>28 949 714</b>

### 6. Debt securities held for trading

Trading securities comprise:

	31 March 2021 (unaudited)	31 December 2020
<b>RUB denominated</b>		
Russian government bonds	2 114 400	1 082 892
<b>Trading securities</b>	<b>2 114 400</b>	<b>1 082 892</b>

### 7. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	31 March 2021 (unaudited)	31 December 2020
Current accounts with credit institutions	75 343 959	75 968 665
Time deposits	89 342 537	59 436 252
Reverse repurchase agreements with credit institutions	151 619 713	232 800 157
Obligatory reserve with the CBR	11 938 707	12 351 304
<b>Gross amounts due from credit institutions</b>	<b>328 244 916</b>	<b>380 556 378</b>
Less: Allowance for expected credit losses	(204 671)	(172 896)
<b>Amounts due from credit institutions</b>	<b>328 040 245</b>	<b>380 383 482</b>

Credit institutions are required to maintain a non-interest earning cash deposit (obligatory reserve) with the CBR, the amount of which depends on the level of funds attracted by the credit institution. The Group's ability to withdraw such deposit is significantly restricted by statutory legislation.

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
for the Three-Month Period Ended 31 March 2021  
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**7. Amounts due from credit institutions (continued)**

A reconciliation of the allowance for expected credit losses is as follows:

	Three-month period ended 31 March 2021 (unaudited)			Three-month period ended 31 March 2020 (unaudited)		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>158 455</b>	<b>14 441</b>	<b>172 896</b>	<b>206 678</b>	-	<b>206 678</b>
Transfer to stage 1	14 441	(14 441)	-	-	-	-
Charge for the period	33 201	-	33 201	28 803	20 838	49 641
Effect of exchange rate changes	(1 426)	-	(1 426)	13 455	472	13 927
<b>Allowance for expected credit losses at the end of the period</b>	<b>204 671</b>	-	<b>204 671</b>	<b>248 936</b>	<b>21 310</b>	<b>270 246</b>

The following table shows gross amounts due from credit institutions and related expected credit losses distributed by stages according to IFRS 9:

	31 March 2021 (unaudited)			31 December 2020		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross loans	328 244 916	-	<b>328 244 916</b>	379 084 348	1 472 030	380 556 378
Allowance for expected credit losses	(204 671)	-	<b>(204 671)</b>	(158 455)	(14 441)	(172 896)
<b>Total amounts due from credit institutions</b>	<b>328 040 245</b>	-	<b>328 040 245</b>	<b>378 925 893</b>	<b>1 457 589</b>	<b>380 383 482</b>

As at 31 March 2021 there are two counterparties with balances that individually exceed 10% of the Group's equity. As at 31 March 2021, the aggregate amount of these balances is RUB 251 761 284 thousand (31 December 2020: three counterparties with aggregate amount of RUB 292 497 714 thousand). As at 31 March 2021, an allowance of RUB 145 398 thousand was recognized against these loans (31 December 2020: RUB 97 177 thousand).

As at 31 March 2021 the Group entered into reverse repurchase agreements with a number of Russian banks. Pledged under these agreements are Russian government bonds, corporate and bank bonds with the total fair value of RUB 165 348 987 thousand (31 December 2020: RUB 251 237 782 thousand).

As at 31 March 2021 included in government and corporate bonds are securities in the amount of RUB 20 080 thousand (31 December 2020: 1 728 806 thousand) which were repledged under repurchase agreements with credit institutions (see Note 14 for details). The Group has the obligation to return these securities at the maturity of the related reverse repurchase agreements.

As at 31 March 2021 87% (31 December 2020: 86%) of amounts due from credit institutions were placed with banks rated not lower than "BBB-".

As at 31 March 2021 the Group had no term placements with the CBR (31 December 2020: RUB 2 000 000 thousand, an allowance of RUB 1 750 thousand).

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**8. Derivative financial instruments**

The Group enters into derivative financial instruments principally for trading and hedging purposes. The tables below show the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset or notional amount to which reference rate or index is applied and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of reporting period and are indicative of neither the market risk nor the credit risk.

The Group values the derivative financial instruments using widely accepted valuation techniques, which are based on market interest rates and forward currency rates. Significant changes in these variables could cause the fair value of the derivatives to change materially.

The table below shows the fair value of derivative financial instruments held for trading, recorded as assets or liabilities, together with their notional amounts.

	31 March 2021 (unaudited)			31 December 2020		
	Notional principal	Fair value		Notional principal	Fair value	
		Asset	Liability		Asset	Liability
Cross-currency interest rate swaps	332 202 706	21 571 251	(21 524 919)	322 101 001	22 686 500	(23 824 408)
Interest rate swaps and options	380 334 930	8 459 445	(8 591 225)	430 173 912	12 024 043	(11 393 217)
Foreign exchange forwards, options and swaps	170 482 670	3 855 845	(4 063 983)	256 814 962	4 895 759	(4 714 585)
	-	-	-			
<b>Total derivative assets/(liabilities)</b>		<b>33 886 541</b>	<b>(34 180 127)</b>		<b>39 606 302</b>	<b>(39 932 210)</b>

The table below shows the fair value of derivative financial instruments designated for hedging, recorded as assets or liabilities, together with their notional amounts.

	31 March 2021 (unaudited)			31 December 2020		
	Notional principal	Fair value		Notional principal	Fair value	
		Asset	Liability		Asset	Liability
<b>Cash flow hedge</b>						
Interest rate swaps	300 686 778	4 885 128	(4 737 169)	267 314 196	6 881 015	(6 226 165)
Cross-currency interest rate swaps	72 532 052	569 691	(5 657 630)	88 695 152	1 230 983	(7 468 346)
<b>Total cash flow hedge</b>		<b>5 454 819</b>	<b>(10 394 799)</b>		<b>8 111 998</b>	<b>(13 694 511)</b>
<b>Fair value hedge</b>						
Interest rate swaps	734 962 128	7 943 925	(13 755 209)	755 477 864	10 471 517	(16 483 454)
<b>Total fair value hedge</b>		<b>7 943 925</b>	<b>(13 755 209)</b>		<b>10 471 517</b>	<b>(16 483 454)</b>
<b>Total derivative financial assets/ (liabilities) designated for hedging</b>		<b>13 398 744</b>	<b>(24 150 008)</b>		<b>18 583 515</b>	<b>(30 177 965)</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**9. Loans to customers**

Loans to customers comprise:

	<b>31 March 2021 (unaudited)</b>	<b>31 December 2020</b>
Corporate customers	551 977 543	499 985 082
Retail customers, including SME	160 685 192	162 960 416
Lease receivables	33 223 104	32 875 918
Reverse repurchase agreements with companies	10 208 286	2 629 473
<b>Gross loans to customers</b>	<b>756 094 125</b>	<b>698 450 889</b>
Less: allowance for expected credit losses	(53 945 270)	(52 414 955)
<b>Loans to customers</b>	<b>702 148 855</b>	<b>646 035 934</b>

A reconciliation of the allowance for expected credit losses is as follows:

	<b>Three-month period ended 31 March</b>	
	<b>2021 (unaudited)</b>	<b>2020 (unaudited)</b>
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>52 414 955</b>	<b>44 120 032</b>
Charge for the period	1 712 326	3 498 072
Assets sold or recovered through repossession of collateral during the period	(37 452)	(1 326 440)
Assets written-off during the period	(569 977)	(218 849)
Effect of allowance for accrued interest at Stage 3	319 531	478 958
Effect of exchange rate changes	105 887	2 187 783
<b>Allowance for expected credit losses at the end of the period</b>	<b>53 945 270</b>	<b>48 739 556</b>

A reconciliation of the allowance for expected credit losses by stages in accordance with IFRS 9 is as follows:

	<b>Three-month period ended 31 March 2021 (unaudited)</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>5 604 317</b>	<b>9 675 184</b>	<b>37 135 454</b>	<b>52 414 955</b>
Transfer to stage 1	306 145	(306 145)	-	-
Transfer to stage 2	(144 535)	210 682	(66 147)	-
Transfer to stage 3	-	(1 076 187)	1 076 187	-
Charge/(recovery) for the period	108 441	(19 895)	1 623 780	<b>1 712 326</b>
Assets sold or recovered through repossession of collateral during the period	-	-	(37 452)	<b>(37 452)</b>
Assets written-off during the period	-	-	(569 977)	<b>(569 977)</b>
Effect of allowance for accrued interest at Stage 3	-	-	319 531	<b>319 531</b>
Effect of exchange rate changes	5 860	48 391	51 636	<b>105 887</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>5 880 228</b>	<b>8 532 030</b>	<b>39 533 012</b>	<b>53 945 270</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**9. Loans to customers (continued)**

	Three-month period ended 31 March 2020 (unaudited)			Total
	Stage 1	Stage 2	Stage 3	
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>6 344 008</b>	<b>3 289 021</b>	<b>34 487 003</b>	<b>44 120 032</b>
Transfer to stage 1	267 808	(267 808)	-	-
Transfer to stage 2	(232 466)	232 466	-	-
Transfer to stage 3	-	(25 611)	25 611	-
Charge for the period	1 162 769	852 017	1 483 286	<b>3 498 072</b>
Assets sold or recovered through repossession of collateral during the period	-	-	(1 326 440)	<b>(1 326 440)</b>
Assets written-off during the period	-	-	(218 849)	<b>(218 849)</b>
Effect of allowance for accrued interest at Stage 3	-	-	478 958	<b>478 958</b>
Effect of exchange rate changes	386 661	29 030	1 772 092	<b>2 187 783</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>7 928 780</b>	<b>4 109 115</b>	<b>36 701 661</b>	<b>48 739 556</b>

The table below analyzes information about the significant changes in the gross carrying amount of loans to customers during the period ended 31 March 2021 per stages:

	Three-month period ended 31 March 2021 (unaudited)			Total
	Stage 1	Stage 2	Stage 3	
<b>Gross loans to customers at the beginning of the period</b>	<b>583 238 462</b>	<b>68 117 321</b>	<b>47 095 106</b>	<b>698 450 889</b>
New loans to customers originated	134 701 927	-	-	<b>134 701 927</b>
Transfer to stage 1	7 911 385	(7 911 385)	-	-
Transfer to stage 2	(6 049 027)	6 137 543	(88 516)	-
Transfer to stage 3	-	(2 969 157)	2 969 157	-
Loans to customers that have been derecognized	(67 357 750)	(9 046 526)	(2 188 462)	<b>(78 592 738)</b>
Assets sold or recovered through repossession of collateral during the period	-	-	(82 536)	<b>(82 536)</b>
Assets written-off during the period	-	-	(569 977)	<b>(569 977)</b>
Effect of exchange rate changes	1 853 685	285 506	47 369	<b>2 186 560</b>
<b>Gross loans to customers at the end of the period</b>	<b>654 298 682</b>	<b>54 613 302</b>	<b>47 182 141</b>	<b>756 094 125</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**9. Loans to customers (continued)**

The table below analyzes information about the significant changes in the gross carrying amount of loans to customers during the period ended 31 March 2020 per stages:

	Three-month period ended 31 March 2020 (unaudited)			Total
	Stage 1	Stage 2	Stage 3	
<b>Gross loans to customers at the beginning of the period</b>	<b>716 641 844</b>	<b>17 781 963</b>	<b>43 466 752</b>	<b>777 890 559</b>
New loans to customers originated	168 276 258	-	-	<b>168 276 258</b>
Transfer to stage 1	2 478 255	(2 478 255)	-	-
Transfer to stage 2	(35 895 079)	35 895 079	-	-
Transfer to stage 3	-	(3 077 502)	3 077 502	-
Loans to customers that have been derecognized	(115 178 766)	(7 830 367)	(1 150 059)	<b>(124 159 192)</b>
Assets sold or recovered through repossession of collateral during the period	-	-	(1 601 363)	<b>(1 601 363)</b>
Assets written-off during the period	-	-	(218 849)	<b>(218 849)</b>
Effect of exchange rate changes	52 970 573	34 530	2 274 620	<b>55 279 723</b>
<b>Gross loans to customers at the end of the period</b>	<b>789 293 085</b>	<b>40 325 448</b>	<b>45 848 603</b>	<b>875 467 136</b>

**Write-off and sale of loans.** The decision to write-off the loan is made by the authorized body of the Group. Loans are written-off after receiving all necessary documentation from the authorized state bodies, as well as under the conditions where further debt collection is not possible.

The decision to sell the loans is taken individually for each case, for both corporate and retail loans. The decision is taken by the authorized body of the Group based on the analysis of all possible alternative strategies for debt collection, the main criterion for the adoption of which is to minimize the losses of the Group's impaired assets.

# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 9. Loans to customers (continued)

The following table shows gross loans to customers and related expected credit losses as at 31 March 2021 (unaudited):

	Gross loans	Allowance for expected credit losses	Net loans
<b>Corporate customers</b>			
- Not past due	532 633 969	(15 154 049)	517 479 920
- Past due less than 31 days	4 246	(3 864)	382
- Past due 91-180 days	2 685 377	(2 447 051)	238 326
- Past due over 180 days	16 653 951	(14 384 192)	2 269 759
<b>Total loans to corporate customers</b>	<b>551 977 543</b>	<b>(31 989 156)</b>	<b>519 988 387</b>
<b>Retail customers</b>			
- Not past due	141 952 163	(5 582 527)	136 369 636
- Past due less than 31 days	2 141 469	(876 081)	1 265 388
- Past due 31-90 days	1 246 606	(755 318)	491 288
- Past due 91-180 days	1 306 453	(1 001 993)	304 460
- Past due over 180 days	14 038 501	(12 556 242)	1 482 259
<b>Total loans to retail customers</b>	<b>160 685 192</b>	<b>(20 772 161)</b>	<b>139 913 031</b>
<b>Lease receivables</b>			
- Not past due	32 267 358	(846 946)	31 420 412
- Past due less than 31 days	427 038	(41 074)	385 964
- Past due 31-90 days	271 271	(65 770)	205 501
- Past due 91-180 days	122 240	(108 011)	14 229
- Past due over 180 days	135 197	(78 759)	56 438
<b>Total lease receivables</b>	<b>33 223 104</b>	<b>(1 140 560)</b>	<b>32 082 544</b>
<b>Reverse repurchase agreements with companies</b>			
- Not past due	10 208 286	(43 393)	10 164 893
<b>Total loans to customers</b>	<b>756 094 125</b>	<b>(53 945 270)</b>	<b>702 148 855</b>



## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 9. Loans to customers (continued)

The following table shows gross loans to customers and related expected credit losses as at 31 December 2020:

	Gross loans	Allowance for expected credit losses	Net loans
<b>Corporate customers</b>			
- Not past due	478 483 197	(13 822 591)	464 660 606
- Past due less than 31 days	1 011 003	(960 453)	50 550
- Past due 31-90 days	1 170 531	(1 036 742)	133 789
- Past due 91-180 days	3 696 244	(2 835 712)	860 532
- Past due over 180 days	15 624 107	(12 399 622)	3 224 485
<b>Total loans to corporate customers</b>	<b>499 985 082</b>	<b>(31 055 120)</b>	<b>468 929 962</b>
<b>Retail customers and SME</b>			
- Not past due	144 945 848	(6 009 056)	138 936 792
- Past due less than 31 days	1 804 268	(646 419)	1 157 849
- Past due 31-90 days	1 717 556	(944 160)	773 396
- Past due 91-180 days	1 343 479	(989 156)	354 323
- Past due over 180 days	13 149 265	(11 537 926)	1 611 339
<b>Total loans to retail customers and SME</b>	<b>162 960 416</b>	<b>(20 126 717)</b>	<b>142 833 699</b>
<b>Lease receivables</b>			
- Not past due	32 011 659	(885 247)	31 126 412
- Past due less than 31 days	279 780	(28 742)	251 038
- Past due 31-90 days	346 967	(119 632)	227 335
- Past due 91-180 days	74 222	(40 743)	33 479
- Past due over 180 days	163 290	(132 969)	30 321
<b>Total lease receivables</b>	<b>32 875 918</b>	<b>(1 207 333)</b>	<b>31 668 585</b>
<b>Reverse repurchase agreements with companies</b>			
- Not past due	2 629 473	(25 785)	2 603 688
<b>Total loans to customers</b>	<b>698 450 889</b>	<b>(52 414 955)</b>	<b>646 035 934</b>

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 9. Loans to customers (continued)

The following table shows gross loans to customers and related expected credit losses distributed by stages according to IFRS 9 as at 31 March 2021 (unaudited):

	Stage 1	Stage 2	Stage 3	Total
<b>Corporate customers</b>				
Gross loans	495 868 175	27 131 072	28 978 296	551 977 543
Allowance for expected credit losses	(4 071 686)	(3 889 158)	(24 028 312)	(31 989 156)
<b>Net loans to corporate customers</b>	<b>491 796 489</b>	<b>23 241 914</b>	<b>4 949 984</b>	<b>519 988 387</b>
<b>Retail customers and SME</b>				
Gross loans	118 610 866	24 769 569	17 304 757	160 685 192
Allowance for expected credit losses	(1 448 328)	(4 329 826)	(14 994 007)	(20 772 161)
<b>Net loans to retail customers and SME</b>	<b>117 162 538</b>	<b>20 439 743</b>	<b>2 310 750</b>	<b>139 913 031</b>
<b>Lease receivables</b>				
Gross lease receivables	29 611 355	2 712 661	899 088	33 223 104
Allowance for expected credit losses	(316 821)	(313 046)	(510 693)	(1 140 560)
<b>Net lease receivables</b>	<b>29 294 534</b>	<b>2 399 615</b>	<b>388 395</b>	<b>32 082 544</b>
<b>Reverse repurchase agreements with companies</b>				
Gross loans	10 208 286	-	-	10 208 286
Allowance for expected credit losses	(43 393)	-	-	(43 393)
<b>Net reverse repurchase agreements with companies</b>	<b>10 164 893</b>	<b>-</b>	<b>-</b>	<b>10 164 893</b>
<b>Total loans to customers</b>	<b>648 418 454</b>	<b>46 081 272</b>	<b>7 649 129</b>	<b>702 148 855</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**9. Loans to customers (continued)**

The following table shows gross loans to customers and related expected credit losses distributed by stages according to IFRS 9 as at 31 December 2020:

	Stage 1	Stage 2	Stage 3	Total
<b>Corporate customers</b>				
Gross loans	431 509 537	37 822 483	30 653 062	499 985 082
Allowance for expected credit losses	(3 610 960)	(4 109 722)	(23 334 438)	(31 055 120)
<b>Net loans to corporate customers</b>	<b>427 898 577</b>	<b>33 712 761</b>	<b>7 318 624</b>	<b>468 929 962</b>
<b>Retail customers and SME</b>				
Gross loans	120 271 524	27 230 919	15 457 973	162 960 416
Allowance for expected credit losses	(1 648 315)	(5 236 408)	(13 241 994)	(20 126 717)
<b>Net loans to retail customers and SME</b>	<b>118 623 209</b>	<b>21 994 511</b>	<b>2 215 979</b>	<b>142 833 699</b>
<b>Lease receivables</b>				
Gross lease receivables	28 827 928	3 063 919	984 071	32 875 918
Allowance for expected credit losses	(319 257)	(329 054)	(559 022)	(1 207 333)
<b>Net lease receivables</b>	<b>28 508 671</b>	<b>2 734 865</b>	<b>425 049</b>	<b>31 668 585</b>
<b>Reverse repurchase agreements with companies</b>				
Gross loans	2 629 473	-	-	2 629 473
Allowance for expected credit losses	(25 785)	-	-	(25 785)
<b>Net reverse repurchase agreements with companies</b>	<b>2 603 688</b>	<b>-</b>	<b>-</b>	<b>2 603 688</b>
<b>Total loans to customers</b>	<b>577 634 145</b>	<b>58 442 137</b>	<b>9 959 652</b>	<b>646 035 934</b>

As at 31 March 2021 the Group entered into reverse repurchase agreements with a number of Russian companies. Pledged under these agreements are Russian government bonds, corporate and bank bonds with the total fair value of RUB 12 015 137 thousand (31 December 2020: RUB 2 806 062 thousand).

As at 31 March 2021 the Group had RUB 226 553 213 thousand due from its ten largest borrowers (30% of gross loan portfolio) (31 December 2020: RUB 201 968 446 thousand or 29%). An allowance of RUB 516 663 thousand was recognized against these loans (31 December 2020: RUB 372 857 thousand).

As at 31 March 2021 the Group had five borrowers or groups of borrowers with aggregate loan amounts that individually exceeded 10% of equity (31 December 2020: five borrowers or groups of borrowers). As at 31 March 2021 the gross amount of these loans is RUB 153 696 972 thousand (31 December 2020: RUB 141 151 093 thousand). An allowance of RUB 348 135 thousand was recognized against these loans (31 December 2020: RUB 272 429 thousand).

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## 10. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise:

	31 March 2021 (unaudited)	31 December 2020
<b>Debt and other fixed income investments</b>		
<b>RUB denominated</b>		
Russian government Bonds	28 558 631	34 394 361
Corporate and bank bonds	10 680 431	12 358 355
<b>Total debt and other fixed income investments measured at fair value through other comprehensive income</b>	<b>39 239 062</b>	<b>46 752 716</b>
<b>Equity investments</b>		
Equity investments in financial institutions	123 692	123 692
<b>Total equity investments measured at fair value through other comprehensive income</b>	<b>123 692</b>	<b>123 692</b>
<b>Total financial assets measured at fair value through other comprehensive income</b>	<b>39 362 754</b>	<b>46 876 408</b>

As of 31 March 2021 and 31 December 2020 debt and other securities classified as financial assets at fair value through other comprehensive income were allocated to Stage 1 in accordance with IFRS 9. An allowance of RUB 56 611 thousand was recognized against these loans (31 December 2020: RUB 59 814 thousand).

As at 31 March 2021 and 31 December 2020 the Group has no financial assets at fair value through other comprehensive income sold under repurchase agreements.

## 11. Debt securities measured at amortized costs

Debt securities measured at amortised cost comprise:

	31 March 2021 (unaudited)	31 December 2020
<b>RUB denominated</b>		
Russian government bonds	68 581 525	68 054 468
Allowance for expected credit losses	(78 305)	(67 832)
<b>Total debt securities measured at amortised cost</b>	<b>68 503 220</b>	<b>67 986 636</b>

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 12. Investments in associate

Information about associate of the Group as at reporting date is set out below:

Name	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest by the Group	
			31 March 2021	31 December 2020
BARN B.V.	Holding company	Netherlands	40%	40%

The above associate is accounted for using the equity method.

The summarized financial information in respect of BARN B.V. as of 31 March 2021 and as of 31 December 2020 is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

	31 March 2021 (unaudited)	31 December 2020
Total assets	116 449 201	105 261 280
Total liabilities	91 678 899	81 704 743
Equity	24 770 302	23 556 537
Net profit	886 401	3 480 755

The carrying amounts of the Group's interest in BARN B.V. as of reporting date 31 March 2021 and as of 31 December 2020 are as follows:

	31 March 2021 (unaudited)	31 December 2020
Net assets of BARN B.V.	24 770 302	23 556 537
Proportion of the Group's ownership interest in BARN B.V.	9 908 121	9 422 616
Goodwill	247 235	247 235
<b>Carrying amount of the Group's interest in BARN B.V.</b>	<b>10 155 356</b>	<b>9 669 851</b>

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**12. Investments in associate (continued)**

The reconciliation of the above financial information to the carrying amount of the interest in associate recognized in the consolidated financial statements is as follows:

<b>Carrying amount of the Group's interest in BARN B.V. as at 1 January 2020</b>	<b>8 202 044</b>
Share of post-acquisition net profit of associate	268 423
Share of post-acquisition other comprehensive income of associate	110 588
<b>Carrying amount of the Group's interest in BARN B.V. as at 31 March 2020 (unaudited)</b>	<b>8 581 055</b>
<b>Carrying amount of the Group's interest in BARN B.V. as at 1 January 2021</b>	<b>9 669 851</b>
Share of post-acquisition net profit of associate	354 560
Share of post-acquisition other comprehensive income of associate	130 945
<b>Carrying amount of the Group's interest in BARN B.V. as at 31 March 2021 (unaudited)</b>	<b>10 155 356</b>

**13. Taxation**

The corporate income tax expense comprises:

	Three-month period ended 31 March	
	2021 (unaudited)	2020 (unaudited)
Current tax charge	1 322 758	4 240 787
Deferred tax charge – reversal of temporary differences	(511 812)	(3 217 135)
<b>Income tax expense</b>	<b>810 946</b>	<b>1 023 652</b>

Tax effect relating to significant components of other comprehensive income comprises:

	Three-month period ended 31 March 2021 (unaudited)			Three-month period ended 31 March 2020 (unaudited)		
	Amount before tax	Tax expense	Amount net- of-tax	Amount before tax	Tax expense	Amount net- of-tax
Cash flow hedge reserve	(446 124)	89 225	(356 899)	781 601	(156 320)	625 281
Revaluation reserve for financial assets at fair value through other comprehensive income	(2 386 799)	476 893	(1 909 906)	(1 876 668)	376 073	(1 500 595)
Foreign currency translation reserve	133 276	-	133 276	106 892	-	106 892
<b>Other comprehensive income</b>	<b>(2 699 647)</b>	<b>566 118</b>	<b>(2 133 529)</b>	<b>(988 175)</b>	<b>219 753</b>	<b>(768 422)</b>

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 14. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	<b>31 March 2021 (unaudited)</b>	<b>31 December 2020</b>
Current accounts	8 516 048	11 781 431
Time deposits and loans	14 375 375	15 657 080
Repurchase agreements with credit institutions (Note 7)	18 635	1 664 854
<b>Amounts due to credit institutions</b>	<b>22 910 058</b>	<b>29 103 365</b>

As at 31 March 2021 ten largest deposits represented 77% of total amounts due to credit institutions (31 December 2020: 76%).

As at 31 March 2021 and 31 December 2020, the Group has no counterparty/group of counterparties with aggregate balances that individually exceeded 10% of equity.

As at 31 March 2021 included in repurchase agreements with credit institutions are agreements in the amount of RUB 18 635 thousand (31 December 2020: 1 664 854 thousand) which are secured by bonds with fair value of RUB 20 080 thousand (31 December 2020: 1 728 806 thousand) obtained under reverse repurchase agreements with credit institutions (see Note 7 for details).

### 15. Amounts due to customers

The amounts due to customers include the following:

	<b>31 March 2021 (unaudited)</b>	<b>31 December 2020</b>
Current accounts	325 969 048	321 343 242
Time deposits	621 548 532	622 615 443
Lease liabilities under IFRS 16	1 133 910	1 171 317
<b>Amounts due to customers</b>	<b>948 651 490</b>	<b>945 130 002</b>

As at 31 March 2021, 29% of total amounts due to customers were placed with the Group by its ten largest customers (31 December 2020: 30%).

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## 15. Amounts due to customers (continued)

Analysis of customer accounts by type of customers is as follows:

	<b>31 March 2021 (unaudited)</b>	<b>31 December 2020</b>
<b>Corporate</b>		
Current accounts	125 379 930	120 161 550
Time deposits	490 709 782	484 824 203
<b>Total corporate accounts</b>	<b>616 089 712</b>	<b>604 985 753</b>
<b>Retail</b>		
Current accounts	200 589 118	201 181 692
Time deposits	130 838 750	137 791 240
<b>Total retail accounts</b>	<b>331 427 868</b>	<b>338 972 932</b>
<b>Lease liabilities under IFRS 16</b>	<b>1 133 910</b>	<b>1 171 317</b>
<b>Amounts due to customers</b>	<b>948 651 490</b>	<b>945 130 002</b>

As at 31 March 2021 included in retail time deposits are deposits of individuals in the amount of RUB 117 371 648 thousand (31 December 2020: RUB 122 651 211 thousand). In accordance with the Russian Civil Code, the Group is obliged to repay such deposits upon demand of the depositor. In case a term deposit is repaid upon demand of the depositor prior to maturity, the related interest rate on it is paid based on the interest rate for demand deposits, unless a different interest rate is specified in the contract. Group's experience shows that majority of the time deposits of individuals mature according to contractual terms and can be treated as stable customer base. As at 31 March 2021 the remaining part of retail time deposits in the amount of RUB 13 467 102 thousand (31 December 2020: RUB 15 140 029 thousand) is represented by deposits placed by SME.



## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 15. Amounts due to customers (continued)

The analysis by the economic sector is presented in the table below:

	<b>31 March 2021 (unaudited)</b>	<b>31 December 2020</b>
Energy	181 108 531	143 024 133
Trade	122 884 329	143 535 287
Telecommunications	52 762 662	39 870 531
Real estate and construction	45 587 091	46 136 200
Chemicals	42 587 346	34 089 043
Mining and metallurgy	41 792 533	82 811 259
Other manufacturing	38 733 947	45 910 332
Machinery construction	37 998 254	46 338 505
Russian regional authorities	25 162 504	94 593
Finance	18 648 038	17 225 124
Transportation	17 617 937	16 076 009
Agriculture and food	12 091 178	11 323 104
Timber processing	3 312 339	8 998 292
Other	48 403 519	44 566 774
<b>Total legal entities</b>	<b>688 690 208</b>	<b>679 999 186</b>
<b>Total individuals</b>	<b>258 827 372</b>	<b>263 959 499</b>
<b>Amounts due to customers</b>	<b>947 517 580</b>	<b>943 958 685</b>

### 16. Credit related commitments and contingencies

Credit related commitments and contingencies include the following:

	<b>31 March 2021 (unaudited)</b>	<b>31 December 2020</b>
Undrawn loan commitments	364 992 753	407 463 107
Undrawn commitments to issue documentary instruments	309 693 980	312 940 662
Guarantees issued	161 987 753	159 734 098
Letters of credit	44 966 947	47 894 648
Other commitments	839 132	-
<b>Gross credit related commitments and contingencies</b>	<b>882 480 565</b>	<b>928 032 515</b>
Allowance for credit related commitments and contingencies according to IFRS 9	(3 043 639)	(3 124 475)
Provision for credit related commitments and contingencies according to IAS 37	(1 488 830)	(1 396 577)
<b>Net credit related commitments and contingencies</b>	<b>877 948 096</b>	<b>923 511 463</b>

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**16. Credit related commitments and contingencies (continued)**

A reconciliation of the allowance for expected credit losses for financial guarantees by stages in accordance with IFRS 9 is as follows:

	Three-month period ended 31 March 2021 (unaudited)				Three-month period ended 31 March 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>792 445</b>	<b>288 342</b>	<b>232 895</b>	<b>1 313 682</b>	<b>612 400</b>	<b>10 423</b>	<b>49 668</b>	<b>672 491</b>
Transfer to stage 1	10 641	(10 641)	-	-	62	(62)	-	-
Transfer to stage 2	(39 624)	39 624	-	-	(107 939)	107 939	-	-
Transfer to stage 3	-	(1 618)	1 618	-	-	(51)	51	-
Charge/(recovery) for the period	25 318	(69 061)	44 757	<b>1 014</b>	225 269	78 133	(30 018)	<b>273 384</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>788 780</b>	<b>246 646</b>	<b>279 270</b>	<b>1 314 696</b>	<b>729 792</b>	<b>196 382</b>	<b>19 701</b>	<b>945 875</b>

A reconciliation of the allowance for expected credit losses for other undrawn commitments by stages in accordance with IFRS 9 is as follows:

	Three-month period ended 31 March 2021 (unaudited)				Three-month period ended 31 March 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>1 416 822</b>	<b>287 709</b>	<b>106 262</b>	<b>1 810 793</b>	<b>1 588 327</b>	<b>100 427</b>	<b>132 033</b>	<b>1 820 787</b>
Transfer to stage 1	17 459	(17 459)	-	-	7 884	(7 884)	-	-
Transfer to stage 2	(64 762)	66 672	(1 910)	-	(67 425)	68 621	(1 196)	-
Transfer to stage 3	-	(8 944)	8 944	-	-	(4 190)	4 190	-
(Recovery)/charge for the period	(73 284)	6 166	(14 732)	<b>(81 850)</b>	(243 286)	42 793	15 731	<b>(184 762)</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>1 296 235</b>	<b>334 144</b>	<b>98 564</b>	<b>1 728 943</b>	<b>1 285 500</b>	<b>199 767</b>	<b>150 758</b>	<b>1 636 025</b>

The table below analyses information about the significant changes in the gross carrying amount of financial guarantees by stages in accordance with IFRS 9:

	Three-month period ended 31 March 2021 (unaudited)				Three-month period ended 31 March 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross financial guarantees at the beginning of the period</b>	<b>99 667 578</b>	<b>8 015 006</b>	<b>517 073</b>	<b>108 199 657</b>	<b>101 278 667</b>	<b>263 350</b>	<b>100 042</b>	<b>101 642 059</b>
New financial guarantees originated	25 894 194	-	-	<b>25 894 194</b>	32 282 452	-	-	<b>32 282 452</b>
Transfer to stage 1	376 796	(376 796)	-	-	2 274	(2 274)	-	-
Transfer to stage 2	(461 048)	461 048	-	-	(6 012 175)	6 012 175	-	-
Transfer to stage 3	-	(2 022)	2 022	-	-	(20 000)	20 000	-
Financial guarantees that have been derecognized	(25 721 279)	(782 342)	(104 503)	<b>(26 608 124)</b>	(32 207 746)	(1 412 326)	(75 614)	<b>(33 695 686)</b>
Effect of exchange rate changes	(361 912)	(85 022)	6 098	<b>(440 836)</b>	11 773 572	775 112	-	<b>12 548 684</b>
<b>Gross financial guarantees at the end of the period</b>	<b>99 394 329</b>	<b>7 229 872</b>	<b>420 690</b>	<b>107 044 891</b>	<b>107 117 044</b>	<b>5 616 037</b>	<b>44 428</b>	<b>112 777 509</b>

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**16. Credit related commitments and contingencies (continued)**

The table below analyses information about the significant changes in the gross carrying amount of other undrawn commitments by stages in accordance with IFRS 9:

	Three-month period ended 31 March 2021 (unaudited)				Three-month period ended 31 March 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross other undrawn commitments at the beginning of the period</b>	<b>695 974 213</b>	<b>24 236 536</b>	<b>193 037</b>	<b>720 403 786</b>	<b>606 346 431</b>	<b>12 171 479</b>	<b>216 084</b>	<b>618 733 994</b>
New other undrawn commitments originated	103 708 267	-	-	<b>103 708 267</b>	104 599 125	-	-	<b>104 599 125</b>
Transfer to stage 1	5 480 343	(5 480 343)	-	-	55 875	(55 875)	-	-
Transfer to stage 2	(11 434 713)	11 436 652	(1 939)	-	(53 882 536)	53 883 895	(1 359)	-
Transfer to stage 3	-	(49 089)	49 089	-	-	(45 353)	45 353	-
Other undrawn commitments that have been derecognized	(142 617 036)	(3 777 382)	(112 228)	<b>(146 506 646)</b>	(99 446 146)	(6 761 079)	(39 117)	<b>(106 246 342)</b>
Effect of exchange rate changes	(2 031 833)	(47 515)	(188)	<b>(2 079 536)</b>	46 107 428	1 561 597	-	<b>47 669 025</b>
<b>Gross other undrawn commitments at the end of the period</b>	<b>649 079 241</b>	<b>26 318 859</b>	<b>127 771</b>	<b>675 525 871</b>	<b>603 780 177</b>	<b>60 754 664</b>	<b>220 961</b>	<b>664 755 802</b>

A reconciliation of the provision for credit related commitments and contingencies in accordance with IAS 37 is as follows:

	Three-month period ended 31 March	
	2021 (unaudited)	2020 (unaudited)
<b>Provision at the beginning of the period</b>	<b>1 396 577</b>	<b>1 379 882</b>
Charge/(recovery) for the period	92 253	(127 225)
<b>Provision at the end of the period</b>	<b>1 488 830</b>	<b>1 252 657</b>

The following table shows gross financial guarantees and other credit related commitments and contingencies and related expected credit losses under IFRS 9 by stages as of 31 March 2021 (unaudited):

	Stage 1	Stage 2	Stage 3	Total
Gross credit related commitments and contingencies	748 473 570	33 548 731	548 461	<b>782 570 762</b>
Allowance for expected credit losses for credit related commitments and contingencies	(2 085 015)	(580 790)	(377 834)	<b>(3 043 639)</b>
<b>Net credit related commitments and contingencies</b>	<b>746 388 555</b>	<b>32 967 941</b>	<b>170 627</b>	<b>779 527 123</b>

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**16. Credit related commitments and contingencies (continued)**

The following table shows gross credit related commitments and contingencies and related provision under IAS 37 as of 31 March 2021 (unaudited):

	Performing exposure	Impaired exposure	Total
Gross credit related commitments and contingencies	98 874 141	1 035 662	<b>99 909 803</b>
Provision for credit related commitments and contingencies	(529 783)	(959 047)	<b>(1 488 830)</b>
<b>Net credit related commitments and contingencies</b>	<b>98 344 358</b>	<b>76 615</b>	<b>98 420 973</b>

The following table shows gross financial guarantees and other credit related commitments and contingencies and related expected losses under IFRS 9 by stages as of 31 December 2020:

	Stage 1	Stage 2	Stage 3	Total
Gross credit related commitments and contingencies	795 641 791	32 251 542	710 110	<b>828 603 443</b>
Allowance for expected credit losses for credit related commitments and contingencies	(2 209 267)	(576 051)	(339 157)	<b>(3 124 475)</b>
<b>Net credit related commitments and contingencies</b>	<b>793 432 524</b>	<b>31 675 491</b>	<b>370 953</b>	<b>825 478 968</b>

The following table shows gross credit related commitments and contingencies and related provision under IAS 37 as of 31 December 2020:

	Performing exposure	Impaired exposure	Total
Gross credit related commitments and contingencies	98 375 844	1 053 228	<b>99 429 072</b>
Provision for credit related commitments and contingencies	(588 805)	(807 772)	<b>(1 396 577)</b>
<b>Net credit related commitments and contingencies</b>	<b>97 787 039</b>	<b>245 456</b>	<b>98 032 495</b>

## 17. Operating environment

The economy of the Russian Federation shows some characteristics of an emerging market. Emerging markets such as Russia are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Russia continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Russia is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Because Russia produces and exports large volumes of oil and gas, its economy is particularly sensitive to the prices of oil and gas on the world market. In 2020 oil prices dropped sharply, which resulted in immediate weakening of Russian Ruble against major currencies. Decrease of key rate by the Central Bank of Russia from 6.25% to 4.5% is one of the reason of decrease of net interest income in both 2021 and 2020.

The political situation and new sanctions packages imposed by the U.S. and the E.U. on certain Russian officials, businessmen and companies continue to have a negative impact on Russian economy.

Russian consumers and corporations continue to face increasing economic hardship, which heightens the risk of default in the retail and commercial banking sectors. This operating environment has a significant impact on the operations and financial position of the Group. Management takes the necessary measures to ensure the sustainability of the Group's operations. However, the consequences of the current economic situation are difficult to predict and management's current expectations and estimates could differ materially from actual results.

In addition to that, since 2020 a new coronavirus disease ("COVID-19") has begun rapidly spreading all over the world resulting in announcement of the pandemic status by the World Health Organization in March 2020. Responses put in place by many countries to contain the spread of COVID-19 are resulting in significant operational disruption for many companies and have significant impact on global financial markets. COVID-19 has had a significant effect on business of many companies across a wide range of sectors, including, but not limited to such impacts as disruption of business operations as a result of interruption of production or closure of facilities, supply chain disruptions, quarantines of personnel, reduced demand and difficulties in raising financing.

In addition, the effects of COVID-19 also appear in the form of its negative impact on the global economy and major financial markets.

At the moment, Russia does not apply strict quarantine measures. However, estimates of the scale and prospects for the end of the pandemic crisis have varied throughout the year, and today a high level of uncertainty remains. There remains high uncertainty about the speed of the global economic recovery, especially given the re-introduction by a number of countries of restrictive measures to prevent the spread of COVID-19, both due to the newly increasing number of diseases and the identification of new strains of the virus.

The Group modelled the potential impact of stress scenarios on the Group's operations and financial performance in both 2020 and 2021. These stress scenarios take into account possible negative effect from the implementation of the above events. The Group takes all necessary measures to maintain the sustainability of the business and its development in the current circumstances and taking into account possible risks.

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

In the first quarter of 2021, the Group has run stress scenarios and the starting point was corresponding to the beginning of 2021. It assumed the foreign exchange rate additional devaluation of the RUB vs USD and the RUB vs EUR, as well as scenarios of increased default rate for loan portfolio. The results of the stress tests confirm the stable financial position of the Group.

Thus, taking into account the stable financial position of the Group, it can be concluded that the current economic situation did not have a significant impact on the Group's financial ratios in the first quarter of 2021.

### 18. Losses on financial assets and liabilities held for trading and foreign currencies

Gains/(losses) on financial assets and liabilities held for trading and foreign currencies comprise:

	Three-month period ended 31 March	
	2021 (unaudited)	2020 (unaudited)
Net (losses)/gains from trading securities	(54 257)	35 047
Net gains/(losses) from spot and derivative instruments	288 522	(6 565 464)
Translation of other foreign currency assets and liabilities	(1 044 695)	6 233 369
<b>Losses on financial assets and liabilities held for trading and foreign currencies</b>	<b>(810 430)</b>	<b>(297 048)</b>

### 19. Fair value of financial instruments

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	31 March 2021 (unaudited)			Total
	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>				
Debt securities held for trading				
- held by the Group	2 114 400	-	-	2 114 400
Derivative financial assets	-	33 886 541	-	33 886 541
Derivative financial assets designated for hedging	-	13 398 744	-	13 398 744
Financial assets at fair value through other comprehensive income				
- held by the Group	28 558 631	10 680 431	-	39 239 062
<b>Total</b>	<b>30 673 031</b>	<b>57 965 716</b>	<b>-</b>	<b>88 638 747</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	-	34 180 127	-	34 180 127
Derivative financial liabilities designated for hedging	-	24 150 008	-	24 150 008
<b>Total</b>	<b>-</b>	<b>58 330 135</b>	<b>-</b>	<b>58 330 135</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
for the Three-Month Period Ended 31 March 2021  
(in thousands of Russian Roubles)**

**19. Fair value of financial instruments (continued)**

	31 December 2020			Total
	Level 1	Level 2	Level 3	
<b>Financial assets at fair value</b>				
Debt securities held for trading				
- held by the Group	1 082 892	-	-	1 082 892
Derivative financial assets	-	39 606 302	-	39 606 302
Derivative financial assets designated for hedging	-	18 583 515	-	18 583 515
Financial assets at fair value through other comprehensive income:				
- held by the Group	34 394 360	12 358 356	-	46 752 716
<b>Total</b>	<b>35 477 252</b>	<b>70 548 173</b>	<b>-</b>	<b>106 025 425</b>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	-	39 932 210	-	39 932 210
Derivative financial liabilities designated for hedging	-	30 177 965	-	30 177 965
<b>Total</b>	<b>-</b>	<b>70 110 175</b>	<b>-</b>	<b>70 110 175</b>

As at 31 March 2021 the table above does not include equity investments at fair value through other comprehensive income in amount of RUB 123 692 thousand (31 December 2020: RUB 123 692 thousand), which do not have a quoted market price in an active market.

During the three-month periods ended 31 March 2021 and 31 March 2020 there were no changes between fair value levels for trading securities.

During the three-month periods ended 31 March 2021 and 31 March 2020 there were no changes between fair value levels for securities at fair value through other comprehensive income.

Except as detailed in the following table, the Group consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed interim consolidated statement of financial position approximate their fair value.

	31 March 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at amortized cost				
- Debt securities	68 503 220	65 500 725	67 986 636	68 007 750
- Amounts due from credit institutions	328 040 245	328 545 657	380 383 482	382 992 187
- Loans to customers	702 148 855	712 519 216	646 035 934	664 533 755
<b>Financial liabilities</b>				
Amounts due to credit institutions	22 910 058	23 105 398	29 103 365	29 342 712
Amounts due to customers	948 651 490	950 203 788	945 130 002	948 204 657

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 19. Fair value of financial instruments (continued)

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at amortized cost, grouped into Levels 1 to 3.

	31 March 2021			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Financial assets at amortized cost				
- Debt securities	55 661 625	9 839 100	-	<b>65 500 725</b>
- Amounts due from credit institutions	-	-	328 545 657	<b>328 545 657</b>
- Loans to customers	-	-	712 519 216	<b>712 519 216</b>
<b>Financial liabilities</b>				
Amounts due to credit institutions	-	-	23 105 398	<b>23 105 398</b>
Amounts due to customers	-	-	950 203 788	<b>950 203 788</b>

	31 December 2020			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Financial assets at amortized cost				
- Debt securities	58 195 150	9 812 600	-	<b>68 007 750</b>
- Amounts due from credit institutions	-	-	382 992 187	<b>382 992 187</b>
- Loans to customers	-	-	664 533 755	<b>664 533 755</b>
<b>Financial liabilities</b>				
Amounts due to credit institutions	-	-	29 342 712	<b>29 342 712</b>
Amounts due to customers	-	-	948 204 657	<b>948 204 657</b>

### 20. Related party disclosures

As at 31 March 2021 the sole shareholder of the Group is the UniCredit S.p.A. UniCredit S.p.A. issues publicly available financial statements.

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or 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. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be conducted on the same terms, conditions and amounts as transactions between unrelated parties.



# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 20. Related party disclosures (continued)

Balances and transactions with UniCredit S.p.A were as follows:

	31 March 2021 (unaudited)	Weighted average interest rate, % (unaudited)	31 December 2020	Weighted average interest rate, %
Amounts due from credit institutions				
- In Russian Roubles	199 767	4.5	799 215	4.8
- In EUR	163 161	0.0	741 212	0.0
- In USD	92 388 124	0.1	43 723 320	0.8
Derivative financial assets	8 874 095		11 256 449	
Derivative financial assets designated for hedging	11 581 257		16 414 444	
Other assets	119 136		111 514	
Amounts due to credit institutions				
- In Russian Roubles	846 506	0.0	515 610	0.0
- In EUR	357 274	1.8	434 893	1.8
- In USD	153 634	3.0	163 503	3.1
Derivative financial liabilities	27 644 756		32 754 421	
Derivative financial liabilities designated for hedging	18 617 976		23 278 243	
Other liabilities	458 766		498 426	
Commitments and guarantees issued	14 336 975		14 543 230	
Commitments and guarantees received	12 536 231		12 710 326	

Commitments and guarantees issued contain guarantees under which UniCredit S.p.A. is the beneficiary.

	Three-month period ended 31 March	
	2021 (unaudited)	2020 (unaudited)
Interest income and similar revenues	3 394 944	4 653 322
Interest expense and similar charges	(2 675 152)	(3 887 998)
Fee and commission income	2 622	2 127
Fee and commission expense	(12 445)	(10 076)
Gains/(losses)/gains on financial assets and liabilities held for trading	2 226 009	(29 898 444)
Fair value adjustments in portfolio hedge accounting	500 962	2 361 599
Personnel expenses	(28 906)	(1 773)
Other administrative expenses	(29 922)	(20 091)

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**20. Related party disclosures (continued)**

Balances and transactions with other companies controlled by the UniCredit Group or related with UniCredit Group are as follows:

	31 March 2021 (unaudited)	Weighted average interest rate, % (unaudited)	31 December 2020	Weighted average interest rate, %
Amounts due from credit institutions				
- In Russian Roubles	-	0.0	6 997 853	4.5
- In EUR	16 049 709	0.0	9 499 028	0.0
- In USD	3 228 181	0.0	3 644 303	0.0
- In other currencies	18 053	0.0	14 760	0.0
Derivative financial assets	136 780		562 324	
Derivative financial assets designated for hedging	1 176 851		1 216 591	
Loans to customers				
- In Russian Roubles	-		77 289	8.2
Intangible assets	16 111		139 502	
Other assets	175 038		184 046	
Amounts due to credit institutions				
- In Russian Roubles	1 847 945	2.0	3 475 336	2.6
- In EUR	1 971 413	2.5	2 294 519	2.5
- In USD	404 162	1.7	328 789	2.1
Derivative financial liabilities	1 217 652		2 097 210	
Derivative financial liabilities designated for hedging	3 218 871		3 297 093	
Amounts due to customers				
- In Russian Roubles	1 184 469	3.5	1 202 089	3.8
Other liabilities	315 344		741 372	
Commitments and guarantees issued	29 608 034		29 496 110	
Commitments and guarantees received	18 220 840		18 864 963	

Commitments and guarantees issued contain commitments and guarantees, including those under which other companies controlled by the UniCredit Group or related with UniCredit Group are the beneficiaries.

	Three-month period ended 31 March	
	2021 (unaudited)	2020 (unaudited)
Interest income and similar revenues	43 527	23 247
Interest expense and similar charges	(371 075)	(253 718)
Fee and commission income	20 626	20 274
Fee and commission expense	(30 003)	(22 554)
Gains/(losses) on financial assets and liabilities held for trading	231 593	(5 320 331)
Fair value adjustments in portfolio hedge accounting	96 027	(198 293)
Other income	121	121
Personnel expenses	(900)	(1 200)
Other administrative expenses	(57 506)	(72 499)

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
for the Three-Month Period Ended 31 March 2021  
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**20. Related party disclosures (continued)**

Balances and transactions with associate are as follows:

	31 March 2021 (unaudited)	Weighted average interest rate, % (unaudited)	31 December 2020	Weighted average interest rate, %
Amounts due from credit institutions				
- In Russian Roubles	9 782 929	7.3	10 120 399	8.0
Derivative financial assets	44 118		24 460	
Financial assets at fair value through other comprehensive income	778 961	7.7	804 658	7.7
Amounts due to credit institutions				
- In Russian Roubles	83 213	0.0	9 022	0.0
- In EUR	4 945	0.0	12 351	0.0
- In USD	1 522	0.0	3 785	0.0
Derivative financial liabilities	796 186		884 888	
Investments in associate	10 155 356		9 669 851	
Commitments and guarantees issued	248 385		215 085	

Under the commitments and guarantees issued the associate is a beneficiary.

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Interest income and similar revenues	366 534	425 980
Interest expense and similar charges	(191 892)	(213 962)
Fee and commission income	72	-
Gains/(losses) on financial assets and liabilities held for trading	220 377	(392 731)
Share of gains in associate	354 560	268 423

Balances and transactions with key management personnel are as follows:

	31 March 2021 (unaudited)	Weighted average interest rate, % (unaudited)	31 December 2020	Weighted average interest rate, %
Amounts due to customers	267 732	0.3	254 535	2.0
Other liabilities				
- accrued liabilities on remuneration	213 398		266 142	
- other liabilities	37 736		35 984	

# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Three-Month Period Ended 31 March 2021 (in thousands of Russian Roubles)

### 20. Related party disclosures (continued)

	Three-month period ended 31 March 2021 (unaudited)	Three-month period ended 31 March 2020 (unaudited)
Interest expense	(750)	(2 737)
Personnel expenses, including:	(73 478)	(118 807)
short-term benefits	(38 710)	(65 727)
long-term benefits	(33 833)	(51 726)
post-employment benefits	(935)	(1 354)

Subordinated loans from the members of the UniCredit Group were as follows:

	Three-month period ended 31 March 2021 (unaudited) UniCredit S.p.A.	Three-month period ended 31 March 2020 (unaudited) UniCredit S.p.A.
<b>Subordinated loans at the beginning of the period</b>	-	<b>29 780 408</b>
Accrual of interest, net of interest paid	-	-
Effect of exchange rates changes	-	7 601 151
Redemption of subordinated debt	-	(37 381 559)
<b>Subordinated loans at the end of the period</b>	-	-

The subordinated debt was repaid ahead of schedule in March 2020. In the event of bankruptcy or liquidation of the Group, repayment of this debt is subordinate to the repayments of the Group's liabilities to all other creditors.

### 21. Subsequent events

On 12 April 2021 the sole shareholder of the Group, Unicredit S.p.A., made a decision of profit distribution based on the year 2020 result in the amount of RUB 8 953 907 thousand and from the retained earnings in the amount of RUB 374 315 thousand. Dividends declared in the total amount of RUB 9 328 222 thousand were fully paid in April 2021.

Проинформировано, пронумеровано и о-скреплено печатью 12 страниц

Партнер  
АО «Делoitт ТУШ С ПТ»



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