

**“BNP PARIBAS BANK” JSC**

**Interim condensed financial statements  
for the six-month period ended 30 June 2021  
(unaudited)**

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REVIEW REPORT

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for the six-month period ended 30 June 2021

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## Report on Review of Interim Condensed Financial Statements

To the Shareholder and Supervisory Board of “BNP PARIBAS Bank” Joint Stock Company:

### **Introduction**

We have reviewed the accompanying interim statement of financial position of “BNP PARIBAS Bank” Joint Stock Company (the “Bank”) as at 30 June 2021 and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed 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 interim condensed 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 interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

*AO PricewaterhouseCoopers Audit*  
27 August 2021

Moscow, Russian Federation



A. Boyko, certified auditor (licence No. 01-001510), AO PricewaterhouseCoopers Audit

Audited entity: BNP PARIBAS Bank Joint stock company

Record made in the Unified State Register of Legal Entities on 22 July 2002 under State Registration Number 1027700045780

Taxpayer Identification Number 7744002405

Lesnaya 5, Moscow, Russia, 125047

Independent auditor: AO PricewaterhouseCoopers Audit

Registered by the Government Agency Moscow Registration Chamber on 28 February 1992 under No. 008.890

Record made in the Unified State Register of Legal Entities on 22 August 2002 under State Registration Number 1027700148431

Taxpayer Identification Number 7705051102

Member of Self-regulatory organization of auditors Association «Sodruzhestvo»

Principal Registration Number of the Record in the Register of Auditors and Audit Organizations – 12006020338

**"BNP PARIBAS BANK" JSC**  
**Interim statement of financial position**

<i>In thousands of Russian Roubles</i>	Note	30 June 2021 (unaudited)	31 December 2020
<b>ASSETS</b>			
Cash and cash equivalents	6	31 895 563	34 887 142
Mandatory cash balances with the Central Bank of Russian Federation		483 722	562 710
Derivatives and financial assets at fair value through profit or loss	7	2 840 751	2 768 956
Due from other banks and financial institutions	8	3 243 032	2 434 070
Investments in debt securities		3 227 973	3 223 103
Loans and advances to customers	9	11 321 811	12 046 679
Right of use assets		341 299	382 321
Intangible assets		36 085	37 764
Property and equipment		57 096	26 630
Current income tax prepayment		102 420	130 406
Other financial assets		46 618	620 550
Other non-financial assets		71 129	91 290
<b>TOTAL ASSETS</b>		<b>53 667 499</b>	<b>57 211 621</b>
<b>LIABILITIES</b>			
Derivatives and financial liabilities at fair value through profit or loss	7	2 680 870	2 152 785
Due to other banks	10	13 759 580	15 737 153
Customer accounts	11	24 831 251	27 063 329
Lease liabilities		322 149	334 435
Current income tax liability		-	8 574
Subordinated debt		1 912 960	2 015 335
Other financial liabilities		121 953	220 681
Other non-financial liabilities		148 310	142 369
<b>TOTAL LIABILITIES</b>		<b>43 777 073</b>	<b>47 674 661</b>
<b>EQUITY</b>			
Share capital		5 798 193	5 798 193
Share premium		392 546	392 546
Retained earnings		3 699 687	3 346 221
<b>TOTAL EQUITY</b>		<b>9 890 426</b>	<b>9 536 960</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>53 667 499</b>	<b>57 211 621</b>

Approved for issue and signed on behalf of the Board on 27 August 2021.

  
 Kirill Nikulin  
 Acting Chairman of the Management Board



  
 Konstantin Ruchkin  
 Chief Accountant

**“BNP PARIBAS BANK” JSC**  
**Interim statement of profit or loss and other comprehensive income**

<i>In thousands of Russian Roubles</i>	Note	Six-month period ended 30 June	
		2021 (unaudited)	2020 (unaudited)
Interest income calculated using the effective interest method	12	1 023 227	1 100 960
Interest expense and similar charges	12	(436 823)	(696 991)
<b>Net interest income</b>		<b>586 404</b>	<b>403 969</b>
Credit loss allowance reversal		3 561	2 952
<b>Net interest income after credit loss allowance</b>		<b>589 965</b>	<b>406 921</b>
Fee and commission income		149 603	586 422
Fee and commission expense		(36 334)	(35 334)
Gains less losses from Trading in Foreign Currencies, Financial Instruments at FVTPL and remeasurement of currency position		199 167	225 280
Credit loss allowance for credit related commitments (charges) / reversal		(2 322)	641
Administrative and other operating expenses		(443 572)	(513 205)
<b>Profit before tax</b>		<b>456 507</b>	<b>670 725</b>
Income tax expense		(103 041)	(203 136)
<b>PROFIT FOR THE PERIOD</b>		<b>353 466</b>	<b>467 589</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>353 466</b>	<b>467 589</b>

The notes set out on pages 5 to 22 form an integral part of these interim condensed financial statements.

**“BNP PARIBAS BANK” JSC**  
**Interim statement of changes in equity**

<i>In thousands of Russian Roubles</i>	<b>Share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance as at 1 January 2020</b>	<b>5 798 193</b>	<b>392 546</b>	<b>2 611 253</b>	<b>8 801 992</b>
Profit for the period (unaudited)	-	-	467 589	467 589
<b>Total comprehensive income for the six months ended 30 June 2020 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>467 589</b>	<b>467 589</b>
<b>Balance as at 30 June 2020 (unaudited)</b>	<b>5 798 193</b>	<b>392 546</b>	<b>3 078 842</b>	<b>9 269 581</b>
<b>Balance as at 1 January 2021</b>	<b>5 798 193</b>	<b>392 546</b>	<b>3 346 221</b>	<b>9 536 960</b>
Profit for the period (unaudited)	-	-	353 466	353 466
<b>Total comprehensive income for the six months ended 30 June 2021 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>353 466</b>	<b>353 466</b>
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>5 798 193</b>	<b>392 546</b>	<b>3 699 687</b>	<b>9 890 426</b>

The notes set out on pages 5 to 22 form an integral part of these interim condensed financial statements.

**“BNP PARIBAS BANK” JSC**  
**Interim statement of cash flows**

<i>In thousands of Russian Roubles</i>	Note	Six-month period ended 30 June	
		2021 (unaudited)	2020 (unaudited)
<b>Cash flows from operating activities</b>			
Interest received		1 037 919	1 076 111
Interest paid		(519 170)	(667 955)
Fees and commissions received		708 779	339 968
Fees and commissions paid		(36 334)	(35 334)
Gains net of losses / (losses net of gains) from financial instruments at fair value through profit or loss		61 271	(977 547)
Staff costs paid		(326 613)	(316 830)
Administrative and other operating expenses paid		(131 406)	(121 015)
Income tax paid		(83 629)	(17 846)
<b>Cash flows used in / (received from) operating activities before changes in operating assets and liabilities</b>		<b>710 817</b>	<b>(720 448)</b>
Net decrease / (increase) in mandatory cash balances			
		78 988	(28 679)
Net increase in due from other banks			
		(799 825)	(3 117 345)
Net decrease / (increase) in loans and advances to customers			
		724 707	(3 155 105)
Net (increase) / decrease in other financial assets			
		(2 311)	320
Net decrease / (increase) in other non-financial assets			
		27 831	(15 427)
Net (decrease) / increase in due to other banks			
		(1 731 775)	1 322 357
Net (decrease) / increase in customer accounts			
		(1 839 695)	14 582 595
Net decrease in other non-financial liabilities			
		(16 294)	(2 492)
<b>Net cash (used in) / received from operating activities</b>		<b>(2 847 557)</b>	<b>8 865 776</b>
<b>Cash flows from investing activities</b>			
Acquisition of investments in debt securities			
		(518 890)	(757 857)
Proceeds from redemption of investments in debt securities			
		500 000	454 295
Acquisition of premises and equipment			
		(37 300)	(1 854)
Acquisition of intangible assets			
		(5 412)	(2 203)
<b>Net cash used in investing activities</b>		<b>(61 602)</b>	<b>(307 619)</b>
<b>Cash flows from financing activities</b>			
Repayment of subordinated debt			
		-	(3 420 230)
Cash outflow for lease liabilities			
		(24 001)	(63 828)
<b>Net cash used in financing activities</b>		<b>(24 001)</b>	<b>(3 484 058)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>			
		<b>(58 478)</b>	<b>2 127 012</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2 991 638)</b>	<b>7 201 111</b>
Cash and cash equivalents, gross at the beginning of the year	6	34 887 242	31 882 110
<b>Cash and cash equivalents, gross at the end of the period</b>	<b>6</b>	<b>31 895 604</b>	<b>39 083 221</b>

The notes set out on pages 5 to 22 form an integral part of these interim condensed financial statements.



## **1 Principal activities**

“BNP PARIBAS BANK” JSC (the “Bank”) was incorporated and is domiciled in the Russian Federation. The Bank is a joint stock company and was set up in accordance with Russian regulations.

The Bank’s principal business activity is commercial banking operations within the Russian Federation. The Bank accepts deposits from the legal entities and provides loans, transfers payments in Russia and abroad, exchanges currencies, trades derivative financial instruments and provides other banking services to its commercial customers. The Bank has operated under the banking license issued by the Central Bank of the Russian Federation (“CBRF”) since 10 July 2002.

The Bank participates in the state deposit insurance program, which was introduced by Federal Law No. 177-FZ “Deposits of individuals insurance in Russian Federation” dated 23 December 2003. The State Deposit Insurance Agency guarantees repayment of 100% of individual deposits up to RR 1 400 thousand per individual in the case of the withdrawal of a licence of a bank or a CBRF imposed moratorium on payments.

The Bank is directly and ultimately controlled by BNP Paribas S.A., incorporated in France (the “Parent Bank”), which owns 100% of the ordinary shares. Being a subsidiary of BNP Paribas S.A., the Bank is a part of the international banking network of BNP Paribas Group (the “Group”).

Since 23 January 2018 and last renewed on 14 December 2020, the Bank is rated AAA (RU) with Stable outlook by the Russian Analytical Credit Rating Agency (ACRA) (2020: AAA (RU) with Stable outlook).

**Registered address and place of business.** The Bank’s registered address is: 5 Lesnaya St., White Square Business Center, Bld. B., Moscow, 125047, Russian Federation.

The average number of the Bank’s employees during the six-month period ended 30 June 2021 was 133 (2020: 124).

**Presentation currency.** These interim condensed financial statements are presented in thousand Russian Roubles (“RR”), unless otherwise stated.

## **2 Operating environment of the Bank**

**Russian Federation.** The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

The Bank acts in accordance with Russian regulations and BNP Paribas Group requirements. It has set up and constantly updates its systems and measures on anti-money laundering, on counteraction the financing of terrorism, and on ensuring its compliance with UN Sanctions.

On 12 March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the pandemic, the Russian authorities implemented numerous measures attempting to contain the spreading and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity, including closures. Some of the above measures were subsequently relaxed, however, as of 30 June 2021, the infection levels remain high, vaccination rate is low, and there is a risk that the Russian authorities would impose additional restrictions later in 2021.

In the first half of 2021 the Russian economy started to recover from the pandemic, largely due to an increase in households spending and public investments. This was also supported by the global economic recovery and high prices on global commodity markets. However, the prices on certain markets in Russia and globally are also growing in response to the economic recovery, contributing to the inflation in Russia.

The long-term effects of the current economic situation are difficult to predict and management’s current expectations and estimates could differ from actual results.

## **2 Operating environment of the Bank (continued)**

For the purpose of measurement of expected credit losses (“ECL”) the Bank uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Note 5 provides more information on how the Bank incorporated forward-looking information in the ECL models.

## **3 Summary of significant accounting policies**

**Basis of preparation.** These interim condensed financial statements have been prepared in accordance with IAS 34 “Interim financial statements” for the six-month period ended 30 June 2021. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards (“IFRS”).

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. The Bank omitted disclosures which would substantially duplicate the information contained in its audited annual financial statements for 2020, such as accounting policies and details of accounts which have not changed significantly in amount or composition.

Except changes applied to the methodology of estimation of ECL described in Note 5, the same accounting policies and methods of computation were followed in the preparation of these interim condensed financial statements as compared with annual financial statements of the Bank for the year-end 31 December 2020.

**Going concern.** Management prepared these interim condensed financial statements on a going concern basis. The management and shareholder have an intention to further develop the business of the Bank in Russian Federation in corporate segment.

**Foreign currency translation.** For the purposes of interim condensed financial statements preparation monetary assets and liabilities are translated into Bank’s functional currency at the official exchange rate of the CBRF at the last working day of reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into Bank’s functional currency, are recognised in profit or loss for the period (as remeasurement of currency position).

At 30 June 2021 the principal rate of exchange used for translating foreign currency balances was USD 1 = RR 72.3723 (31 December 2020: USD 1 = RR 73.8757), EUR 1 = RR 86.2026 (31 December 2020: EUR 1 = RR 90.6824).

## **4 Amended standards early adopted**

**Effect of IBOR reform.** The Bank analyses the effect of adoption of Interest Rate Benchmark Reform – Phase 2 amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16. Under these amendments, changes to the basis for determining the contractual cash flows are reflected by adjusting the effective interest rate. No immediate gain or loss is recognised. These revisions of effective interest rate are only applicable when the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis. Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument’s effective interest rate. Any additional changes result in a modification or derecognition gain or loss.

Reform and replacement of various inter-bank offered rates (‘IBORs’) has become a priority for regulators. Most IBOR rates would stop being published by 31 December 2021, while certain USD LIBOR rates would stop being published by 30 June 2023.

#### 4 Amended standards early adopted (continued)

The table below discloses amounts of non-derivative financial assets and liabilities and derivative contracts at 30 June 2021 that would be transitioned to alternative interest rate benchmarks:

<i>In thousands of Russian Roubles</i>	<b>USD LIBOR</b>
<b>Non-derivative financial liabilities:</b>	
Due to other banks	5 448 274
<b>Derivative financial instruments assets:</b>	
Cross currency interest rate swaps: notional amounts	5 523 423

#### 5 Critical accounting estimates and judgements in applying accounting policies

##### **Changes to the methodology for estimating expected credit losses**

During the first half of 2021, the Bank made changes to the Methodology for calculating expected credit losses, in particular, the model has been updated to the latest available data on financial statements and defaults of companies, the model is calibrated taking into account the current macroeconomic forecasts.

##### **Assessment of pandemic restrictions**

In order to assess potential changes in credit risk arising from restrictive measures taken in the context of the COVID-19 pandemic and the general decline in business activity, the Bank analysed the impact of restrictions on the activities of borrowers in the Bank's loan portfolio.

Despite the current situation, the Bank's loan portfolio did not indicate signs of significant increase of credit risk or impairment, thus there was no migration of financial instruments to Stage 2 and Stage 3 in the reporting period. The Bank did not apply any allowances and relief measures provided by the Central Bank of the Russian Federation in relation to credit risk assessment for corporate borrowers and financial institutions, no forced loan restructuring was provided. In order to take into account the impact of the COVID-19 pandemic on the overall economic situation and expectations for recovery in the nearest term, current forecasts of macroeconomic indicators were applied.

The Bank's management continues to monitor the development of the situation and takes the necessary measures to reduce possible negative consequences.

#### 6 Cash and cash equivalents

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Cash balances and placements with the CBRF (other than mandatory)	18 678 196	19 121 027
Placements with other banks with original maturities of less than three months	7 006 052	9 707 477
Correspondent accounts with other banks:		
- Russian Federation	5 325 472	5 646 235
- other countries	885 884	412 503
<b>Total Cash and cash equivalents (gross carrying amount)</b>	<b>31 895 604</b>	<b>34 887 242</b>
Less credit loss allowance	(41)	(100)
<b>Total Cash and cash equivalents (carrying amount)</b>	<b>31 895 563</b>	<b>34 887 142</b>

**6 Cash and cash equivalents (continued)**

The following table contains an analysis of cash and cash equivalents balances by credit quality at 30 June 2021 based on credit risk ratings for the purpose of ECL measurement. For the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. The carrying amount of cash and cash equivalents balances at 30 June 2021 below also represents the Bank’s maximum exposure to credit risk on these assets:

<i>In thousands of Russian Roubles (Unaudited)</i>	<b>Cash balances and placements with the CBRF (other than mandatory reserve deposits)</b>	<b>Correspondent accounts with other banks</b>	<b>Placements with other banks with original maturities of less than three months</b>	<b>Total</b>
<i>Neither past due nor impaired</i>				
<i>Externally rated</i>				
- Aa3	-	826 307	2 605 432	3 431 739
- A1	-	58 922	-	58 922
- A3	-	654	-	654
- Baa2	-	5 275 296	1 200 168	6 475 464
- Baa3	18 678 196	6 499	2 000 279	20 684 974
- Ba1	-	-	1 200 173	1 200 173
- Ba2	-	43 678	-	43 678
<b>Total Cash and cash equivalents (gross carrying amount)</b>	<b>18 678 196</b>	<b>6 211 356</b>	<b>7 006 052</b>	<b>31 895 604</b>
Less credit loss allowance	(12)	(16)	(13)	(41)
<b>Total Cash and cash equivalents (carrying amount)</b>	<b>18 678 184</b>	<b>6 211 340</b>	<b>7 006 039</b>	<b>31 895 563</b>

## 6 Cash and cash equivalents (continued)

The credit quality of cash equivalents balances based on the same credit rating methodology as at 31 December 2020 may be summarised as follows:

<i>In thousands of Russian Roubles</i>	<b>Cash balances and placements with the CBRF (other than mandatory reserve deposits)</b>	<b>Correspondent accounts with other banks</b>	<b>Placements with other banks with original maturities of less than three months</b>	<b>Total</b>
<i>Neither past due nor impaired</i>				
<i>Externally rated</i>				
- Aa3	-	404 217	7 407 226	7 811 443
- A1	-	8 286	-	8 286
- Baa2	-	5 590 235	1 000 105	6 590 340
- Baa3	19 121 027	4 266	-	19 125 293
- Ba1	-	-	1 300 146	1 300 146
- Ba2	-	51 734	-	51 734
<b>Total Cash and cash equivalents (gross carrying amount)</b>	<b>19 121 027</b>	<b>6 058 738</b>	<b>9 707 477</b>	<b>34 887 242</b>
Less credit loss allowance	-	(8)	(92)	(100)
<b>Total Cash and cash equivalents (carrying amount)</b>	<b>19 121 027</b>	<b>6 058 730</b>	<b>9 707 385</b>	<b>34 887 142</b>

At 30 June 2021 cash and cash equivalents were not collateralised (31 December 2020: not collateralised).

At 30 June 2021 the Bank had 2 counterparty banks (31 December 2020: 3 banks) with aggregated cash and cash equivalent balances of RR 23 953 444 thousand (31 December 2020: RR 32 189 311 thousand) or 75% of the cash and cash equivalents (31 December 2020: 92%).

At 30 June 2021 the estimated fair value of cash and cash equivalents was RR 31 895 563 thousand (31 December 2020: RR 34 887 142 thousand). Estimated fair value of Cash and Cash equivalents is disclosed in Note 14. Information on related party balances is disclosed in Note 15.

**7 Derivatives, financial assets, financial liabilities at fair value through profit or loss**

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under derivative contracts entered into by the Bank. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the end of the respective reporting period.

	<b>30 June 2021 (unaudited)</b>		<b>31 December 2020</b>	
	<b>Contracts with positive fair value</b>	<b>Contracts with negative fair value</b>	<b>Contracts with positive fair value</b>	<b>Contracts with negative fair value</b>
<i>In thousands of Russian Roubles</i>				
Net fair value of foreign exchange forwards	2 555 232	(239 594)	852 230	(1 534 352)
Net fair value of foreign exchange swaps	45 161	(2 233 303)	1 615 319	(371 319)
Net fair value of cross currency interest rate swaps	221 538	(146 639)	286 829	(180 969)
Net fair value of interest rate swaps	14 478	(40 939)	998	(60 256)
Net fair value of foreign exchange options	1 860	(1 860)	-	-
<b>Net fair value of derivative financial instruments</b>	<b>2 838 269</b>	<b>(2 662 335)</b>	<b>2 755 376</b>	<b>(2 146 896)</b>
Net fair value of other assets and liabilities at Fair Value through Profit or Loss	2 482	(18 067)	13 580	(5 581)
Market risk provision	-	(468)	-	(308)
<b>Net fair value of derivatives and other assets, liabilities at fair value through profit or loss</b>	<b>2 840 751</b>	<b>(2 680 870)</b>	<b>2 768 956</b>	<b>(2 152 785)</b>

Market risk provision represents bid-offer adjustment to net derivatives portfolio of the Bank.

Foreign exchange and other derivative financial instruments entered into by the Bank are generally not quoted in active market and their fair value is determined by the Bank using valuation techniques with input observable in markets. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. Estimated fair value of Derivatives, Financial Assets, Financial Liabilities at Fair Value through Profit or Loss is disclosed in Note 14.

## 8 Due from other banks and financial institutions

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Long-term placements with other banks with original maturities of more than a year	3 224 031	2 414 485
Guarantee deposit	20 000	20 000
<b>Total due from other banks and financial institutions (gross carrying amount)</b>	<b>3 244 031</b>	<b>2 434 485</b>
Less credit loss allowance	(999)	(415)
<b>Total due from other banks and financial institutions (carrying amount)</b>	<b>3 243 032</b>	<b>2 434 070</b>

Guarantee deposit represents balance on correspondent accounts with Clearing Institution. The Bank does not have the right to use these funds for the purposes of funding its own activities.

Due from other banks and financial institutions balances are disclosed by credit quality at 30 June 2021 and 31 December 2020 on Stage 1 (12-month ECL) for the purpose of ECL measurement. As at 30 June 2021, 100% of Bank's clients have external rating Baa2.

At 30 June 2021 the Bank had balances with 1 financial institution (31 December 2020: 1 financial institution) for net amount of RR 3 224 031 thousand (31 December 2020: RR 2 414 485 thousand or 99% of the total amount due from other banks and financial institutions (31 December 2020: 99%).

Amounts due from other banks and financial institutions are not collateralised (31 December 2020: not collateralised).

At 30 June 2021 the estimated fair value of amounts due from other banks was 3 243 032 thousand (At 31 December 2020: RR 2 434 070 thousand). Refer to Note 14.

## 9 Loans and advances to customers

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Gross carrying amount of loans and advances to customers at amortised cost	11 331 545	12 060 499
Less credit loss allowance	(9 734)	(13 820)
<b>Total carrying amount of loans and advances to customers at amortised cost</b>	<b>11 321 811</b>	<b>12 046 679</b>

**9 Loans and advances to customers (continued)**

Gross carrying amount and credit loss allowance amount for loans and advances to customers by classes at 30 June 2021 and 31 December 2020 are disclosed in the table below:

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>			<b>31 December 2020</b>		
	<b>Gross carrying amount</b>	<b>Credit loss allowance</b>	<b>Carrying amount</b>	<b>Gross carrying amount</b>	<b>Credit loss allowance</b>	<b>Carrying amount</b>
Loans to leasing companies	7 814 602	(3 201)	7 811 401	7 950 806	(1 699)	7 949 107
Loans to corporate customers	3 516 943	(6 533)	3 510 410	4 109 693	(12 121)	4 097 572
<b>Total loans and advances to customers at amortised cost</b>	<b>11 331 545</b>	<b>(9 734)</b>	<b>11 321 811</b>	<b>12 060 499</b>	<b>(13 820)</b>	<b>12 046 679</b>

The following table discloses the changes in the credit loss allowance for loans and advances to customers carried at amortised cost between the beginning and the end of the reporting period:

<b>(unaudited)</b> <i>In thousands of Russian Roubles</i>	<b>Six-month period ended 30 June 2021</b>	<b>Six-month period ended 30 June 2020</b>	<b>Six-month period ended 30 June 2021</b>	<b>Six-month period ended 30 June 2020</b>
	<b>Loans to leasing companies</b>		<b>Loans to corporate customers</b>	
	<b>Stage 1 (12-months ECL)</b>		<b>Stage 1 (12-months ECL)</b>	
<b>At 1 January</b>	<b>(1 699)</b>	<b>(1 071)</b>	<b>(12 121)</b>	<b>(4 684)</b>
<i>Movements with impact on credit loss allowance charge for the period:</i>				
New originated or purchased	(362)	(72)	(3 028)	(1 224)
Derecognised during the period	188	533	1 810	3 740
Changes to ECL measurement model assumptions	(1 292)	-	6 741	-
Changes in accrued interest	(36)	(22)	65	(22)
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(1 502)</b>	<b>439</b>	<b>5 588</b>	<b>2 494</b>
<b>At 30 June (unaudited)</b>	<b>(3 201)</b>	<b>(632)</b>	<b>(6 533)</b>	<b>(2 190)</b>



## 9 Loans and advances to customers (continued)

The following table contains an analysis of the credit risk exposure of loans and advances to customers measured at Amortised Cost as at 30 June 2021. The carrying amount of loans and advances to customers below also represents the Bank’s maximum exposure to credit risk on these loans. For the purpose of ECL measurement all loans and advances to customers are included in Stage 1 (12-months ECL) (2020: Stage 1):

<i>In thousands of Russian Roubles</i>	<b>30 June 2021</b> <b>Stage 1</b> <b>(12-month ECL)</b>	<b>31 December 2020</b> <b>Stage 1</b> <b>(12-month ECL)</b>
<i>Neither past due nor impaired</i>		
<b>Loans to corporate customers</b>		
<i>Externally rated</i>		
- A2	299 773	414 148
- A3	2 014 845	1 506 233
- Baa3	-	1 001 213
- Ba2	-	270 692
<i>Internally rated</i>		
- 1	230 136	-
- 2	789 713	59 035
- 3	24 826	858 372
- 4	157 650	-
<b>Gross carrying amount</b>	<b>3 516 943</b>	<b>4 109 693</b>
Credit loss allowance	(6 533)	(12 121)
<b>Carrying amount</b>	<b>3 510 410</b>	<b>4 097 572</b>
<b>Loans to leasing companies</b>		
<i>Externally rated</i>		
- A2	4 615 950	4 623 573
- Baa1	2 598 104	3 026 878
- Baa2	600 548	300 355
<b>Gross carrying amount</b>	<b>7 814 602</b>	<b>7 950 806</b>
Credit loss allowance	(3 201)	(1 699)
<b>Carrying amount</b>	<b>7 811 401</b>	<b>7 949 107</b>
<b>Total loans and advances to customers at amortised cost (carrying amount)</b>	<b>11 321 811</b>	<b>12 046 679</b>

**Internal probability of default scale.** Based on historical data for annual financial statements and bankruptcy/readjustments notifications for the latest ten-year period as well as macro-economic parameters forecasts, statistical models calculating counterparty’s probability of default (as a key parameter for ECL assessment) were created for the following segments:

- Small and middle entities (“SME”) with revenues ≤ RR2 billion (based on Russian statutory financial statements);
- Corporates, large entities (“LE”) with revenues ≥ RR 2 billion (based on Russian statutory financial statements).

## 9 Loans and advances to customers (continued)

The counterparty's probability of default is expressed via rating. The internal rating Master-scale (see below) consists of 7 ratings. Ratings from 1 to 6 cover performing clients and rating 7 relates to clients classified as defaulted.

### **Master-scale of probability of default on internal ratings**

<b>Rating (PD 1 year)</b>	<b>LE</b>	<b>SME</b>
1	0.39%	0.39%
2	0.96%	1.27%
3	2.37%	4.08%
4	5.71%	12.31%
5	13.13%	31.68%
6	27.39%	60.50%
7	100.00%	100.00%

For the counterparties having an external credit rating (assigned by Moody's, Fitch or S&P) or belonging to a group that benefits from an external credit rating, such credit rating is considered by the Bank when defining probability of default of such counterparty. The Moody's rating scale is considered as basic.

### **External ratings compliance table**

<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>	<b>Average expected PD 1 year</b>
Aaa	AAA	AAA	0.0000%
Aa1	AA+	AA+	0.0000%
Aa2	AA	AA	0.0000%
Aa3	AA-	AA-	0.0689%
A1	A+	A+	0.1006%
A2	A	A	0.0702%
A3	A-	A-	0.0867%
Baa1	BBB+	BBB+	0.1704%
Baa2	BBB	BBB	0.2307%
Baa3	BBB-	BBB-	0.3603%
Ba1	BB+	BB+	0.6838%
Ba2	BB	BB	1.1073%
Ba3	BB-	BB-	2.1006%
B1	B+	B+	3.1057%
B2	B	B	4.7327%
B3	B-	B-	7.4478%
Caa1	CCC+	CCC+	7.0610%
Caa2	CCC	CCC	13.9333%
Caa3	CCC-	CCC-	29.5108%
Ca-C	CC-C	CC-C	48.2901%
DR			100.0000%

**Monitoring procedures.** A comprehensive risk monitoring and reporting system has been established in the Bank in accordance with the Group standards and requirements of the Bank of Russia. The main aim of the system is to identify early the deterioration of financial standing of the borrowers / counterparties and to take measures to decrease the probability of counterparties default and minimize credit risk.

Credit risk monitoring is performed on the level of the counterparties and transactions as well as on the level of the overall credit portfolio. The various monitoring levels are carried out. The first level of control is performed by Business and Operational units, Corporate Credit Control unit is responsible for the second level of control. There are special committees at the Bank and the Group levels for monitoring files on the watch list and non-performing exposures.

The Bank sets the systems of limits for monitoring credit risk of the whole credit portfolio, such as monitoring of different types of concentration (exposure on one borrower/group of borrowers, industry), non-performing loans ratio and others. Monitoring of such credit risk limits/metrics is done on a regular basis by the relevant departments of the Bank.

## 9 Loans and advances to customers (continued)

To mitigate credit risk of the Borrowers the Bank uses different instruments, mainly the guarantees (sureties) issued by the borrower’s parent company, a third party bank, guarantees/stand-by letters of credit issued by BNP Paribas S.A. or other banks of BNP Paribas Group.

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

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>		<b>31 December 2020</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Rental of vehicle	4 615 950	40.7%	4 623 573	38.4%
Financial leasing	3 198 652	28.2%	3 327 233	27.6%
Healthcare and pharmaceuticals	2 014 845	17.8%	1 506 233	12.5%
Chemicals excl. pharmaceuticals	789 713	7.0%	858 372	7.1%
Business services	299 773	2.6%	414 148	3.4%
Materials and ores	230 136	2.0%	270 692	2.2%
Media and cultural services	146 707	1.3%	-	-
Trade	35 769	0.3%	1 060 248	8.8%
<b>Total loans and advances to customers (gross amount)</b>	<b>11 331 545</b>	<b>100%</b>	<b>12 060 499</b>	<b>100%</b>

The Bank’s policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period. Description of collateral held for loans to corporate customers carried at amortised cost is as follows as at 30 June 2021 and 31 December 2020:

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Loans guaranteed by the BNP Paribas Group Banks	6 615 950	5 843 573
Loans guaranteed by third parties	2 710 004	4 307 528
Unsecured loans	2 005 591	1 909 398
<b>Total loans and advances to customers (gross amount)</b>	<b>11 331 545</b>	<b>12 060 499</b>

The disclosure above represents the lower of the carrying value of the loan or collateral taken; the remaining part is disclosed within the unsecured exposures. The carrying value of loans was allocated based on liquidity of the assets taken as collateral.

At 30 June 2021 the unsecured loans include three loans which are not 100% collateralized (31 December 2020: 2 loans). One loan is collateralised on 35%, another one on 99% and third one is 100% not collateralized.

At 30 June 2021 the estimated fair value of loans and advances to customers is RR 11 401 961 thousand (31 December 2020: RR 12 148 733 thousand). Estimated fair value of Loans and Advances to Customers is disclosed in Note 14. Information on related party balances is disclosed in Note 15.

**“BNP PARIBAS BANK” JSC**  
**Selected notes for interim condensed financial statements**

**10 Due to other banks**

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Term placements of other banks	13 363 545	14 703 602
Correspondent accounts of other banks	396 035	1 033 551
<b>Total due to other banks</b>	<b>13 759 580</b>	<b>15 737 153</b>

Term placements are mainly provided by the Parent bank and its subsidiaries. Further information on related party balances is disclosed in Note 15.

At 30 June 2021 the Bank had balances with 1 counterparty bank with aggregated amounts of RR 12 664 468 thousand (31 December 2020: RR 13 178 289 thousand) or 92% of the total amount due to other banks (31 December 2020: 84%).

At 30 June 2021 the estimated fair value of due to other banks was RR 13 759 580 thousand (31 December 2020: RR 15 737 153 thousand). Estimated fair value of Due to other banks is disclosed in Note 14.

**11 Customer accounts**

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
<b>Legal entities</b>		
- Term deposits	16 491 619	21 705 832
- Current/settlement accounts	8 339 510	5 357 351
<b>Individuals</b>		
- Current/demand accounts	122	146
<b>Total customer accounts</b>	<b>24 831 251</b>	<b>27 063 329</b>

Economic sector concentrations within customer accounts are as follows:

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>		<b>31 December 2020</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Materials and ores	5 113 269	20.6%	6 494 492	24.0%
Retail trade	4 400 308	17.7%	2 117 506	7.8%
Equipment excl. IT	3 901 607	15.7%	2 104 453	7.8%
Agriculture, food, tobacco	2 409 509	9.7%	4 931 772	18.2%
Information technologies	2 023 792	8.2%	1 812 312	6.7%
Business services	1 658 665	6.7%	637 514	2.4%
Wholesale trade	1 475 111	5.9%	1 904 470	7.0%
Insurance	962 606	3.9%	1 087 934	4.0%
Chemicals excl. pharmaceuticals	826 147	3.3%	529 973	2.0%
Finance	751 312	3.0%	970 087	3.6%
Healthcare and pharmaceuticals	601 098	2.4%	68 972	0.3%
Rental of vehicle	235 999	1.0%	455 636	1.7%
Other	471 828	1.9%	580 973	2.1%
Household goods	-	-	3 367 235	12.4%
<b>Total customer accounts</b>	<b>24 831 251</b>	<b>100.0%</b>	<b>27 063 329</b>	<b>100.0%</b>

## 11 Customer accounts (continued)

At 30 June 2021 no deposits were held as collateral for irrevocable commitments under letters of credit (31 December 2020: no deposits).

At 30 June 2021 the Bank had 3 customers (31 December 2020: 3 customers) with aggregated amount of RR 8 734 360 thousand (31 December 2020: RR 10 651 146 thousand) or 35% of the total customer accounts amount (31 December 2020: 39%).

At 30 June 2021 the estimated fair value of customer accounts was RR 24 875 739 thousand (31 December 2020: RR 27 064 238 thousand). Estimated fair value of customer accounts is disclosed in Note 14. Information on related party balances is disclosed in Note 15.

## 12 Interest income and expense

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>30 June 2020 (unaudited)</b>
<b>Interest income calculated using the effective interest method</b>		
Loans and advances to customers	425 619	279 782
Cash equivalents	406 399	626 125
Investments in debt securities	99 047	96 460
Due from other banks and financial institutions	92 162	98 593
<b>Total interest income calculated using the effective interest method</b>	<b>1 023 227</b>	<b>1 100 960</b>
<b>Interest and other similar expense</b>		
Customer accounts	348 494	581 602
Due to other banks	60 459	77 805
Subordinated debt	17 480	26 253
Lease liabilities	10 390	11 331
<b>Total interest and other similar expense</b>	<b>436 823</b>	<b>696 991</b>
<b>Net interest income</b>	<b>586 404</b>	<b>403 969</b>

## 13 Contingencies and commitments

**Tax contingencies.** Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Bank. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be successfully challenged by relevant authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decision about review was made. Under certain circumstances reviews may cover longer periods.

Management believes that the procedure for taxation of transactions employed by the Bank fully complies with Russian tax legislation. Nevertheless, there is a risk that the positions taken by the Bank may be challenged by tax authorities. The impact of such controversial situations cannot be estimated with sufficient reliability.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific characteristics. This legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. The management has implemented an internal control system to

### 13 Contingencies and commitments (continued)

meet the requirements of the current transfer pricing legislation. In respect of some types of transactions (including transactions with securities and derivative contracts) there are special rules for determination of the market prices.

Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Bank.

**Capital expenditure commitments.** At 30 June 2021 the Bank did not have contractual capital expenditure commitments in respect of premises, equipment, software and other intangible assets (2020: no commitments).

**Compliance with covenants.** The Bank is not subject to any covenants related primarily to its borrowings at 30 June 2021 and 31 December 2020.

**Credit related commitments.** The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and stand-by letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Outstanding credit related commitments are as follows:

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Financial guarantees issued	3 344 107	4 566 047
Performance guarantees issued	3 015 858	2 466 504
<b>Total credit related commitments (gross)</b>	<b>6 359 965</b>	<b>7 032 551</b>
Less credit loss allowance for credit related commitments	0	0
<b>Total credit related commitments net of provision</b>	<b>6 359 965</b>	<b>7 032 551</b>

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. The Bank does not disclose revocable undrawn credit lines commitments as there are no contractual obligations to provide funds.

At 30 June 2021 the remaining total unamortised amount at initial recognition of issued financial and performance guarantees is RR 21 168 thousand (31 December 2020: RR 33 056 thousand). In the statement of financial position it is recognised as other financial liabilities.

Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Performance guarantee contracts represent the possibility that the insured event (i.e. the failure to perform the contractual obligation by another party) occurs. The Bank applies IFRS 9 to performance guarantees.

### 13 Contingencies and commitments (continued)

At 30 June 2021 and 31 December 2020 the guarantees were measured at the higher of (i) the amount of the premium initially recognised and amortised on a straight-line basis and (ii) the amount representing the best estimate of the payment required when a payment becomes probable. At 30 June 2021 the Bank’s revocable undrawn credit lines are uncommitted and not bearing credit loss risk.

Credit related commitments are denominated in currencies as follows:

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
RUR	5 960 447	6 568 933
EUR	236 003	321 723
USD	84 000	61 478
Other	79 515	80 417
<b>Total credit related commitments (gross)</b>	<b>6 359 965</b>	<b>7 032 551</b>

**Assets pledged and restricted.** Mandatory cash balances with the CBRF of RR 483 722 thousand (31 December 2020: RR 562 710 thousand) represent mandatory reserve deposits which are not available to finance the Bank’s day-to-day operations.

Guarantee deposit with Clearing Institution of RR 20 000 is restricted cash, i.e. not available for the purposes of funding Bank’s activities.

### 14 Fair value disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value.

#### **(a) Financial instruments carried at fair value**

All derivative financial instruments are carried at fair value as assets when the fair value is positive and as liabilities when the fair value is negative. The fair values of derivatives are based on observable market prices or valuation models.

For financial instruments carried at fair value, the levels in the fair value hierarchy into which the fair values are categorized in the table below (Level 1 reflects the quoted price in an active market; Level 2 reflects valuation technique with inputs observable in markets). The Bank uses discounted cash flow valuation techniques to determine the fair value of derivative financial instruments that are not traded in an active market. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. These models use observable market inputs, therefore, derivative financial instruments are reported as level 2.

**14 Fair value disclosures (continued)**

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>		<b>31 December 2020</b>	
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 1</b>	<b>Level 2</b>
<b>Financial assets</b>				
<b>Derivatives and other financial assets carried at fair value</b>				
- Cross currency interest rate swaps	-	221 538	-	286 829
- Foreign exchange swaps	-	45 161	-	1 615 319
- Foreign exchange forwards	-	2 555 232	-	852 230
- Foreign exchange options	-	1 860	-	-
- Foreign exchange spots	-	2 482	-	13 580
- Interest rate swaps	-	14 478	-	998
<b>Total financial assets carried at fair value</b>	<b>-</b>	<b>2 840 751</b>	<b>-</b>	<b>2 768 956</b>
<b>Financial liabilities</b>				
<b>Derivatives and other financial liabilities carried at fair value</b>				
- Cross currency interest rate swaps	-	(146 639)	-	(180 969)
- Foreign exchange forwards	-	(239 594)	-	(1 534 352)
- Foreign exchange swaps	-	(2 233 303)	-	(371 319)
- Interest rate swaps	-	(40 939)	-	(60 256)
- Foreign exchange options	-	(1 860)	-	-
- Foreign exchange spots	-	(18 067)	-	(5 581)
- Market risk provision	-	(468)	-	(308)
<b>Total financial liabilities carried at fair value</b>	<b>-</b>	<b>(2 680 870)</b>	<b>-</b>	<b>(2 152 785)</b>

**(b) Assets and liabilities not measured at fair value but for which fair value is disclosed**

The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value are as follows:

<i>In thousands of Russian Roubles</i>	<b>Note</b>	<b>30 June 2021 (unaudited)</b>		<b>31 December 2020</b>	
		<b>Level 1 fair value</b>	<b>Level 3 fair value</b>	<b>Level 1 fair value</b>	<b>Level 3 fair value</b>
<b>Financial assets</b>					
Cash and cash equivalents	6	-	31 895 563	-	34 887 142
Mandatory cash balances		-	483 722	-	562 710
Due from other banks and financial institutions	8	-	3 243 032	-	2 434 070
Loans and advances to customers	9	-	11 401 961	-	12 148 733
Investment in debt securities		3 201 874	-	3 301 517	-
Other financial assets		-	46 618	-	620 550
<b>Total financial assets</b>		<b>3 201 874</b>	<b>47 070 896</b>	<b>3 301 517</b>	<b>50 653 205</b>



#### 14 Fair value disclosures (continued)

Fair values analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value are as follows:

<i>In thousands of Russian Roubles</i>	Note	30 June 2021 (unaudited)	31 December 2020
		Level 3 fair value	Level 3 fair value
<b>Financial liabilities</b>			
Due to other banks		13 759 580	15 737 153
Customer accounts	11	24 875 739	27 064 238
Lease liabilities		322 149	334 435
Other financial liabilities		121 953	220 681
Subordinated debt		1 912 960	2 015 335
<b>Total financial liabilities</b>		<b>40 992 381</b>	<b>45 371 842</b>

The fair values in level 2 and level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

#### 15 Related party transactions

Parties are generally considered to be related if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Entities of BNP Paribas Group are presented by the branches and subsidiaries of BNP Paribas S.A. (Parent Bank).

At 30 June 2021 and 31 December 2020, the outstanding balances with related parties were as follows:

<i>In thousands of Russian Roubles</i>	30 June 2021 (unaudited)		31 December 2020	
	Parent Bank	Entities of BNP Paribas Group	Parent Bank	Entities of BNP Paribas Group
Cash and cash equivalents (contractual interest rate: 30 June 2021: 0.13% - 5.40%, 2020: -0.53% - 4.25%)	3 431 736	654	7 664 845	146 570
Net of derivatives at fair value thought profit and loss	(2 126 595)	-	1 352 329	-
Loans to customers (contractual interest rate: 30 June 2021: 6.60% - 15.30%; 2020: 1.20% - 15.90%)	-	4 914 144	-	5 037 055
Other financial assets	25 873	7 179	584 949	2 535
Other non-financial assets	-	1 835	-	-
Right of use assets	-	1 026	-	1 526
Due to other banks (contractual interest rate: 30 June 2021: -0.49% - 5.83%, 2020: -0.04% - 3.60%)	12 670 996	522 119	13 564 173	1 372 676
Customer Accounts (contractual interest rate: 30 June 2021: 0% - 6%, 2020: 0% - 6.0%)	-	882 380	-	1 229 089
Subordinated debt (contractual interest rate: (30 June 2021: 1.76%; 2020: 1.99% - 3.63%))	1 912 960	-	2 015 335	-
Other financial liabilities	75 764	14 754	149 430	11 603
Lease liabilities	-	1 563	-	2 121

**15 Related party transactions (continued)**

The income and expense items with related parties for six-month period ended 30 June 2021 and 30 June 2020 were as follows:

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>		<b>30 June 2020 (unaudited)</b>	
	<b>Parent Bank</b>	<b>Entities of BNP Paribas Group</b>	<b>Parent Bank</b>	<b>Entities of BNP Paribas Group</b>
Interest income	23 507	230 155	276 224	233 247
Interest expense	(60 537)	(21 654)	(75 492)	(38 168)
Credit loss allowance	26	(912)	-	-
Net result from trading in foreign currencies and financial derivatives	(3 731 897)	7 573	(327 758)	(2)
Fee and commission income	77 049	9 807	531 296	6 329
Fee and commission expense	(12 924)	(34)	(1 691)	-
Credit loss allowance for credit related commitments (charges) / reversal	(8)	19	(5)	-
Administrative and other operating expenses	36 607	(2 850)	(56 252)	(3 554)

At 30 June 2021 and 31 December 2020 other rights and obligations with related parties were as follows:

<i>In thousands of Russian Roubles</i>	<b>30 June 2021 (unaudited)</b>		<b>31 December 2020</b>	
	<b>Parent Bank</b>	<b>Entities of BNP Paribas Group</b>	<b>Parent Bank</b>	<b>Entities of BNP Paribas Group</b>
Guarantees issued by the Bank	406 837	1 398 118	291 625	1 391 810
Guarantees received by the Bank	6 000 000	8 103 044	1 720 000	8 539 681

The remuneration paid to key management for reporting periods ended 30 June 2021 and 30 June 2020 were as follows:

<i>In thousands of Russian Roubles</i>	<b>Six-month period ended 30 June 2021 (unaudited)</b>	<b>Six-month period ended 30 June 2020 (unaudited)</b>
Short-term benefits	37 405	55 376
Long-term benefits	3 987	3 296
Share-based compensation	4 936	4 399

Social taxes paid under remuneration to key management for reporting period ended 30 June 2021 was RR 3 387 thousand (period ended 30 June 2020: RR 3 267 thousand). Key management personnel are members of Management Board of the Bank.