



Public Joint Stock Company Best Efforts Bank

Interim Condensed Financial Statements for 6 months ended 30 June 2021

Interim Condensed Financial Statements for 6 months ended 30 June 2021
(in thousands of Russian roubles)

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Report on review of interim condensed financial information

To the shareholders of Public Joint Stock Company "Best Efforts Bank"

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Public Joint Stock Company Best Efforts Bank (OGRN 1037700041323, 127006, Moscow, Dolgorukovskaya Street, 38, Building 1) as of 30 June 2021 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and selected explanatory notes to the interim condensed financial information (hereinafter referred to as "the interim condensed financial information"). Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed financial information 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 financial information 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, we have not identified any facts that could warrant us to believe that the accompanying interim condensed financial information as of June 30, 2021 and for the six months ended on that date is not prepared in all material respects in accordance with International Financial Reporting Standard (IAS) 34 "Interim Financial Reporting".

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of 30 June 30 2021 and for the six month period then ended has not been prepared in all material respects in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

General director
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Gorbunova M.A.

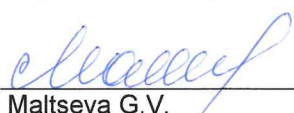
03 August 2021

Public Joint Stock Company Best Efforts Bank


Interim Condensed Statement of comprehensive income
(in thousands of Russian roubles)

(unaudited)	Note	6 months ended on	
		30 June 2021	30 June 2020
Interest income	5	86 095	82 840
Interest expense	5	(21 869)	(31 253)
Net interest income		64 226	51 587
Change in provision for expected credit losses on interest bearing assets	6	10 631	5 174
Net interest income after change in provision for expected credit losses		74 857	56 761
Profit less losses from operations with financial assets and liabilities at fair value	7	3 567	1 547
Income less expenses from transactions with derivative financial instruments and foreign currency, from revaluation of foreign currency accounts	8	(1 521)	16 351
Fee and commission income	9	1 481 970	374 708
Fee and commission expense	9	(1 084 096)	(281 807)
Change in provision for other assets	6	1 167	(46)
Change in provision for expected credit losses on assets at fair value through other comprehensive income		-	(124)
Other operating income		994	1 899
Administrative and other operating expenses	10	(183 698)	(146 813)
Profit before tax		293 240	22 476
Current income tax	11	(52 847)	(1 494)
Changes in deferred taxes due to occurrence and writing off of temporary differences	11	(8 845)	(4 927)
Net profit		231 548	16 055
Other comprehensive income			
Other comprehensive income that can not be reclassified to profit or loss in the future			
Change in deferred tax relating to components of other comprehensive income	11	-	50
Other comprehensive income / (expense) that may be reclassified to profit or loss in the future			
Change in fair value of financial assets at fair value through other comprehensive income		(23 674)	(5 555)
Accumulated income / (expenses) transferred to profit or loss upon disposal, net of tax		(1 111)	3 263
Change in deferred tax relating to components of other comprehensive income	11	4 957	464
Other comprehensive loss for the period		(19 828)	(1 778)
Total comprehensive income for the period		211 720	14 277

Signed on 03 August 2021


Maltseva G.V.
Deputy Chairman of the Management Board



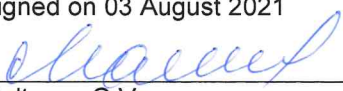

Yankina N.R.
Chief Accountant

Public Joint Stock Company Best Efforts Bank


Interim Condensed Statement of Financial Position
(in thousands of Russian roubles)

	Note	30 June 2021 (unaudited)	31 December 2020
Assets			
Cash and cash equivalents	12	5 885 550	3 120 691
Mandatory cash balances with the Bank of Russia		73 271	46 893
Due from financial instruments	13	592 945	492 172
Claims of derivative financial assets	14	555	557
Financial assets at fair value through other comprehensive income	15	1 191 448	719 251
Financial assets pledged under repurchase agreements		-	31 597
Accounts receivable under repo agreements	16	4 175 418	2 207 096
Loans to customers	17	3 496	5 327
Deferred tax asset	11	8 636	12 524
Property, plant and equipment and assets in the form of right of use		64 130	63 447
Intangible assets		10 679	11 064
Other assets	18	63 584	102 525
Total assets		12 069 712	6 813 144
Liabilities			
Due to banks and other financial institutions	19	3 783 579	1 772 871
Obligations to deliver securities and derivative financial liabilities	22	499 675	131 805
Accounts payable under repo agreements	16	22 393	75 899
Customer accounts	20	5 786 681	3 011 146
Subordinated deposit	21	506 171	505 342
Current income tax payable		32 029	16 066
Other liabilities	23	104 842	170 594
Total liabilities		10 735 370	5 683 723
Equity			
Share capital	24	702 762	702 762
Share premium		685 811	685 811
Treasury shares		(1 030)	-
Revaluation reserve for financial assets at fair value through other comprehensive income		(14 064)	5 764
Accumulated deficit		(39 137)	(264 916)
Total equity		1 334 342	1 129 421
Total liabilities and equity		12 069 712	6 813 144

Signed on 03 August 2021


Maltseva G.V.
Deputy Chairman of the Management Board




Yankina N.R.
Chief Accountant

Interim Condensed Statement of Changes in Equity
(in thousands of Russian roubles)

	Share capital	Share premium	Treasury shares	Revaluation reserve for financial assets at fair value through other comprehensive income	Revaluation reserve for property, plant and equipment	Accumulated deficit	Total equity
Balance at 31 December 2019	702 762	685 811	-	11 458	731	(341 374)	1 059 388
Comprehensive income for the period	-	-	-	(1 828)	50	16 055	14 277
Balance at 30 June 2020 (unaudited)	702 762	685 811	-	9 630	781	(325 319)	1 073 665
Balance at 31 December 2020	702 762	685 811	-	5 764	-	(264 916)	1 129 421
Net result from operations with treasury shares	-	-	(1 030)	-	-	(5 769)	(6 799)
Comprehensive income for the period	-	-	-	(19 828)	-	231 548	211 720
Balance at 30 June 2021 (unaudited)	702 762	685 811	(1 030)	(14 064)	-	(39 137)	1 334 342

Signed on 03 August 2021



Maltseva G.V.

Deputy Chairman of the Management Board




Yankina N.R.

Chief Accountant

**Interim Condensed Statement of Cash Flows
for six months ended 30 June 2021**

(unaudited)

	6 months ended	
	30 June 2021	30 June 2020
<i>Cash flows from operating activities</i>		
Interest received	78 019	83 789
Interest paid	(21 023)	(27 137)
Fees and commissions received	1 482 424	374 708
Fees and commissions paid	(1 083 160)	(281 807)
Income less expenses / (expenses less income) from transactions with financial assets and liabilities at fair value through profit or loss, through other comprehensive income	40	(60 735)
Income / (expenses) from foreign currency transactions	2 393	(56 857)
Other operating income	994	1 899
Operating expenses paid	(173 180)	(138 447)
Income tax paid	(36 884)	(12 371)
Cash flows received from / (used in) operating activity before changes in operating assets and liabilities	249 623	(116 958)
Net increase in mandatory cash balances with the Bank of Russia	(26 378)	(6 948)
Net (increase)/decrease in due from financial institutions	(108 376)	438 428
Net increase in financial assets at fair value through other comprehensive income	(468 770)	(17 959)
Net (increase)/decrease in accounts receivable under repo agreements	(1 980 422)	1 684 480
Net decrease in loans to customers	1 798	719
Net decrease/(increase) in other assets	43 933	(152 610)
Net increase in due to banks and other financial institutions	2 082 562	29 910
Net increase in obligations to deliver securities	368 376	177 856
Net decrease in accounts payable under repo agreements	(53 474)	(1 825 307)
Net increase in customer accounts	3 124 308	126 636
Net (decrease)/increase in other liabilities	(74 774)	156 629
Net cash flows received from operating activities	3 158 406	494 876
<i>Cash from investing activities</i>		
Acquisition of fixed and intangible assets	(5 288)	(200)
Net cash used in investing activities	(5 288)	(200)

Public Joint Stock Company Best Efforts Bank

(unaudited)

	6 months ended	
	30 June 2021	30 June 2020
<i>Cash flows from financing activities</i>		
Purchase of own shares	(6 799)	-
Rental payments	(520)	(434)
Dividends paid	-	(6)
Net cash flows used in financing activities	(7 319)	(440)
Effect of changes in exchange rate on cash and cash equivalents	(387 039)	35 929
Net increase in cash and cash equivalents	2 758 760	530 165
Cash and cash equivalents at the beginning of the reporting period	3 129 828	360 192
Cash and cash equivalents at the end of the reporting period	5 888 588	890 357

Signed on 03 August 2021


 Maltseva G.V.
 Deputy Chairman of the Management Board




 Yankina N.R.
 Chief Accountant

Notes to the Interim Condensed Financial Statements as of 30 June 2021

1. Principal activities

The Bank has been carrying out its activities since the year of 1990 under the current legislation and the licenses issued:

- License of the Central Bank of the Russian Federation for banking transactions with individuals and legal entities No. 435 without limitation of the validity period;
- Professional securities trader license for dealership No. 077-13818-010000 without limitation of the validity period;
- Professional securities trader license for brokerage No. 077-13817-100000 without limitation of the validity period;
- Professional securities trader license for custody business No. 077-13860-000100 without limitation of the validity period.

The Bank participates in the Russian deposit insurance program since 26 August 2005.

The Bank is a member of the Association of Financial Market Participants Non-Commercial Partnership of RTS' Financial Market Development, The National Association of Stock Market Participants, The Association of Banks of Russia, and Non-Commercial Organization Russian National SWIFT Association.

As at 16 February 2021 RAEX (Expert RA) rating agency upgraded the credit rating of the Bank to the level ruA-. The rating has a stable outlook, which means a high probability of maintaining the rating in the medium term.

The Bank was registered on the website of the US Internal Revenue Service (IRS) (The IRS is a government agency of the US federal government that collects taxes and monitors compliance with tax legislation). In the status of a «Participating Foreign Financial Institution» and was assigned the Global Intermediary Identification Number (GIIN): B57WNA.99999.SL643. The US Internal Revenue Service (IRS) has assigned to PJSC Best Efforts Bank the identification number of a qualified intermediary (QI-EIN) 98-0242949.

As at 30 June 2021 and 31 December 2020 the Bank did not have any branches or subsidiaries.

The Bank has one structural unit – an additional Central office that is located: 38/1 Dolgorukovskaya str., Moscow 127006.

The Bank's core business is the provision of a wide range of brokerage and custody services to professional financial market participants, including custody services to clients of professional securities market participants who do not hold a custody licence.

In accordance with its licences, the Bank operates in the following areas:

- brokerage and custody services;
- repo transactions;
- securities transactions;
- cash and settlement services to legal entities and individuals in Roubles and foreign currencies;
- conversion operations, both on behalf of clients and at the expense of the Bank;
- lending to legal entities and individuals;
- outsourcing of internal accounting of professional securities market participants;
- operations on attraction of deposits from corporate clients and private depositors.

The Bank is a participant of trading on PJSC Moscow Exchange and PJSC SPB Exchange (until 02.07.2021 - PJSC St.Petersburg Exchange) and provides access to international exchanges (CME Group, American and European stock markets).

The Bank's core business is the provision of a wide range of brokerage and custody services to professional financial market participants, including custody services to clients of professional securities market participants who do not hold a custody licence.

1. Principal activities (continued)

The Bank plays an important role as a settlement depository in the closed cycle of exchange-settlement and clearing services for professional securities market participants based on companies that are part of the bank holding of PJSC SPB Exchange, through which securities are settled following organised trading on PJSC SPB Exchange, and where PJSC SPB Exchange members hold clearing collateral in securities.

The turnover on completed transactions on behalf of customers for the 2 quarter 2021 amounted to more than RUB 45 trillion, which is almost 40% more than in the 1 quarter 2021. The market value of assets recorded in the settlement depository on custody accounts on 1 July 2021 amounted to RUB 716 billion.

The Bank consistently implements the objectives of its adopted development strategy, focusing on maintaining and expanding the achieved scope of cooperation with professional financial market participants, including foreign ones.

Considering further ways of development and service improvement, the Bank is continuously mastering new tools and technologies, offering its clients a full package of innovative services with advanced information solutions to achieve maximum economic efficiency. The Bank plans to provide a qualitatively new level of customer service and build a modern, competitive Bank with significant technological tools sufficient to ensure resistance to stressful situations in the economy and constitute the necessary foundation for further development.

By providing clients access to exchange platforms, in the first half of 2021 the Bank has secured high positions in the ratings of PJSC Moscow Exchange and PJSC SPB Exchange.

On the stock market of PJSC SPB Exchange:

- by total turnover in all trading modes - 2nd place;
- turnover in the main trading mode – 1st place.

On the markets of the Moscow Exchange (MB):

- MB stock market: by volume of client transactions: main trading mode, negotiated transactions mode, main T+ trading mode, RPS mode with the Central Counterparty (CC), repo trading mode, repo trading mode with the CC - 18th place;
- Derivative market MB: 21st place in the overall ranking of leaders in the futures and options market in terms of volume of transactions.

The Bank has adopted the document "Regulation on the observance by PJSC Best Efforts Bank of the US legislation on taxation of foreign accounts (FATCA)", approved by Order No. 01-04-05 / 03 of the Chairman of the Management Board of the Bank dated 04 May 2017.

The document contains information on necessary terms and definitions of the US Foreign Account Tax Compliance Act (FATCA) and Federal Law No. 173-FZ of 28.06.2014 "On peculiarities of financial transactions with foreign nationals and legal entities".

The procedures for customer identification and identification for the purposes of FATCA are prescribed, the procedure for interaction of departments and submission of annual reports are defined. In order to comply with the "Regulations on Compliance by Best Efforts Bank PJSC with the US Foreign Account Tax Compliance Act (FATCA)", information on the status of clients under FATCA is entered into the Bank's ABS, reflecting the availability of GIIN numbers. During the year, the Bank monitors the status of its customer base to ensure that there is no increase in FATCA-negative customers among customers - professional securities market participants engaged in transactions on foreign markets. The Bank's employees in charge of customer relations are familiarised with the current editions of tax forms W-8BEN, W-8BEN-E, W-8IMY and specifics of their completion. The Bank has developed and operates the document "Criteria for classifying clients of Best Efforts Bank PJSC as foreign taxpayers and methods of obtaining necessary information from them", approved by Order No. 01-09-01/05 of 01.09.2017 of the Chairman of the Bank's Management Board. The Bank has approved forms of questionnaires for classifying clients as foreign taxpayers. For the convenience of clients, the text of the questionnaires has been translated into English. These documents, as well as the current editions of tax forms W-8BEN, W-8BEN-E, W-8IMY, W-8ECI are available on the Bank's official website - <http://besteffortsbank.ru>.

1. Principal activities (continued)

In accordance with the requirements of Federal Law No. 340-FZ dated 27.11.2017 "On Amendments to Part One of the Tax Code of the Russian Federation in Connection with the Implementation of International Automatic Exchange of Information and Documentation on International Groups of Companies and Entry into Force of the Government Decree No. 693 dated 16 June 2018 "On Implementation of International Automatic Exchange of Financial Information with Competent Authorities of Foreign States (Territories)", the Bank developed and adopted the document "Regulations on Implementation of PJSC "Be The Bank has approved and enacted forms of confirmation of the clients' tax residency status; the forms are available on the Bank's website - <http://besteffortsbank.ru> in the FATCA/CRS section.

Bank has been a part of a banking holding, the parent organization of which is the public joint-stock company SPB Exchange since 29 June 2021.

As of 30 June 2021, the banking holding includes:

	Effective share of ownership Public Joint Stock Company SPB Exchange,% of share capital	Country of registration
NCO-CK "MSE Clearing Center" (JSC)	96.7053%	Russia
PJSC «Best Efforts Bank»	73.7339%	Russia
JSC "Best Execution"	70.4410%	Russia
JSC "Voskhod"	100.00%	Russia
JSC "Best Stocks"	50.10%	Russia

2. Basis of preparation of financial statements

These interim condensed financial statements for the period ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and are to be read in conjunction with the Bank's annual financial statements for the year ended 31 December 2020. These interim condensed financial statements do not contain all the notes that are required to be disclosed in a complete set of financial statements.

These financial statements have been prepared on a going concern basis.

The functional currency of the Bank is the national currency of the Russian Federation, the Russian rouble ("RUB"). Unless otherwise indicated, the figures in the financial statements are presented in thousands of Russian roubles.

At the end of 30 June 2021 the official exchange rate used to revalue foreign currency account balances was:

	30 June 2021	31 December 2020
US Dollar / Rouble	72.3723	73.8757
Euro / Rouble	86.2026	90.6824
British Pound Sterling / Rouble	100.1994	100.0425
Hong Kong dollar (10 units) / Rouble	93.2284	95.2915
Chinese yuan (10 units) / Rouble	112.0700	113.1190

The accounting policies and calculation methods used in preparing these interim condensed financial statements are consistent with the accounting policies and methods used in the Bank's annual financial statements for the year ended 31 December 2020, with the exception of some new standards, interpretations and changes to existing standards listed in the annual Bank financial statements, which became mandatory from 1 January 2021. The appearance of new standards, interpretations and changes to existing standards are disclosed in Note 4 of these interim condensed financial statements.

3. Key estimates and judgments used by the Bank's management in accounting

The preparation of financial statements in accordance with IFRS involves the use of estimates and assumptions that affect the accounting policies used and the reported assets, liabilities, income and expenses. Key significant accounting estimates and judgments in applying accounting policies are disclosed in the financial statements for the year ended 31 December 2020. Management has not identified areas for new estimates or judgments.

4. Adoption to New or Revised Standards and Interpretations

The amendments to the standards below became applicable to the Bank starting 01 January 2021, but have not had a significant impact on the Bank:

- **Amendment to IFRS 16 to account for COVID-19 related lease concessions** (issued on 28 May 2020 and effective for annual periods beginning on or after 1 June 2020).
- **Interest Rate Reform (IBOR) - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Phase 2** (issued on 27 August 2020 and effective for annual periods beginning on or after 1 January 2021).

5. Interest Income and Expenses

(unaudited)

	6 months ended	
	30 June 2021	30 June 2020
<i>Interest income on assets measured at amortized cost</i>		
Accounts receivable under repo agreements	56 331	58 098
On loans to customers	261	390
On correspondent accounts with other banks	9	1
Total interest income on financial assets measured at amortized cost	56 601	58 489
<i>Interest income on assets measured at fair value through other comprehensive income</i>		
Financial assets at fair value through other comprehensive income	29 494	24 351
Total interest income on financial assets at fair value through other comprehensive income	29 494	24 351
Total interest income	86 095	82 840
<i>Interest expense on liabilities measured at amortised cost</i>		
Subordinated debt	(11 445)	(14 488)
Other borrowed funds	(6 664)	(192)
Accounts payable under repo agreements	(2 360)	(8 529)
Accounts and deposits of legal entities	(1 062)	(7 640)
Deposits of customers-individuals	(263)	(300)
Lease liabilities	(75)	(104)
Total interest expense on financial liabilities measured at amortised cost	(21 869)	(31 253)
Total interest expense	(21 869)	(31 253)
Net interest income	64 226	51 587

6. Provision for Expected Credit Losses on Interest bearing Assets and Other Provisions

Changes in the provision for impairment losses for the first half of 2021 are presented below:

	Balance as at 31 December 2020	12 month ECL	Lifetime ECL – non-impaired assets	Lifetime ECL – impaired assets	Provisions written-off	Net change in provision for expected credit loss	Balance as at 30 June 2021 (unaudited data)
<i>Financial assets measured at amortized cost:</i>							
Cash and cash equivalents other than amounts in the Bank of Russia	9 137	(6 099)	-	-	-	(6 099)	3 038
Due from financial institutions	12 752	(4 564)	-	-	-	(4 564)	8 188
Loans to customers	28	11	-	-	-	11	39
Accounts receivable under repo agreements	1 918	21	-	-	-	21	1 939
Total change in provision for expected credit losses from interest bearing assets	23 835	(10 631)	-	-	-	(10 631)	13 204
<i>Other assets</i>							
Change in provisions for other assets	2 973	64	(1 190)	(41)	(70)	(1 237)	1 736
Total change in provisions for ECL and other provisions	26 808	(10 567)	(1 190)	(41)	(70)	(11 868)	14 940

6. Provision for Expected Credit Losses on Interest bearing Assets and Other Provisions (continued)

Changes in the provision for impairment losses for the first half of 2020 are presented below:

	Balance as at 31 December 2019	12 months ECL	Lifetime ECL – non-impaired assets	Lifetime ECL – impaired assets	Net change in provision for expected credit losses	Balance as at 30 June 2020 (unaudited)
<i>Measured at amortized cost:</i>						
Cash and cash equivalents other than amounts in the Bank of Russia	33	121	-	-	121	154
Due from financial institutions	8 099	(5 787)	-	-	(5 787)	2 312
Loans to customers	44	(26)	-	-	(26)	18
Accounts receivable under repo agreements	20	518	-	-	518	538
Total change in provision for expected credit losses from interest bearing assets	8 196	(5 174)	-	-	(5 174)	3 022
<i>Other assets</i>						
Change in provisions for other assets	1 070	63	24	(41)	46	1 116
Total change in provisions for ECL and other provisions	9 266	(5 111)	24	(41)	(5 128)	4 138

7. Income Less Expenses from Transactions with Financial Assets and Liabilities

(unaudited)

	6 months ended					
	30 June 2021		30 June 2020			
	Revaluation losses	Realised gains from resale and redemption	Total	Revaluation gains	Realised gains from resale and redemption	Total
Financial liabilities at fair value through profit or loss	(4 042)	-	(4 042)	974	-	974
Financial assets at fair value through other comprehensive income	-	7 609	7 609	-	573	573
Total income less expenses from transactions with financial assets and liabilities	(4 042)	7 609	3 567	974	573	1 547

8. Income Less Expenses from Transactions with Derivative financial instruments and foreign currency, from revaluation of foreign currency accounts
(unaudited)

	6 months ended	
	30 June 2021	30 June 2020
Expenses less income from operations with derivative financial instruments	(4 219)	(57 280)
Expenses less income from transactions with derivative financial instruments where the underlying asset is a foreign currency	(5 240)	(57 388)
<i>Swaps</i>	(5 017)	(60 268)
<i>Other derivative financial instruments</i>	(223)	2 880
Income less expenses from transactions with derivative financial instruments where the underlying asset is securities	1 021	108
<i>Other derivative financial instruments</i>	1 021	108
Income less expenses / (expenses less income) from transactions with currency	2 393	(56 857)
Income less expenses from foreign currency purchase and sale transactions in cash	5	212
Income less expenses / (expenses less income) from transactions of purchase and sale of foreign currency in non-cash form	2 388	(57 069)
Income less expenses from revaluation of foreign currency	305	130 488
Total (expenses, net of income) / income, net of expenses, from transactions with derivative financial instruments and foreign currencies, from revaluation of foreign currency accounts	(1 521)	16 351

9. Fee and Commission Income and Expenses
(unaudited)

	6 months ended	
	30 June 2021	30 June 2020
<i>Commission income</i>		
Brokerage operations	1 436 190	279 470
Depository services	36 299	16 500
Depository operations	3 234	1 462
Maintenance of internal records	2 319	2 218
Bank accounts maintenance	2 138	11 242
Market maker services	1 282	63 427
Other fee and commission income	508	389
Total fee and commission income	1 481 970	374 708
<i>Commission expense</i>		
Brokerage operations	(1 077 549)	(277 531)
Depository operations	(2 851)	(2 835)
Settlement transactions	(2 051)	(1 246)
Other commission expense	(1 645)	(195)
Total commission expense	(1 084 096)	(281 807)
Total fee and commission income (expenses)	397 874	92 901

10. Administrative and Other Operating Expenses

(unaudited)

	6 months ended	
	30 June 2021	30 June 2020
Salaries and bonuses	103 175	79 814
Obligatory insurance contributions to non-budgetary funds	27 758	22 609
Other staff benefits	3 458	3 391
Total staff costs	134 391	105 814
Software support and maintenance services	8 916	8 289
Right to use items of intellectual property	9 920	7 016
Depreciation of property, plant and equipment, intangible assets and right to use assets	4 990	4 059
Other information services	4 822	2 691
Taxes and duties other than income tax	4 767	4 086
Communication services	3 968	4 521
Expenses associated with property, plant and equipment (maintenance, repairs, sales)	2 748	2 923
Inventories written-off	2 391	1 042
Professional services	977	913
Penalties	969	269
Legal services	415	1 272
Operating lease expenses	336	443
Business travel expenses	299	588
Other operating expenses	3 789	2 887
Other administrative and operating expenses	49 307	40 999
Total administrative and other operating expenses	183 698	146 813

11. Income Tax

Income tax comprises as follows:

	6 months ended	
	30 June 2021	30 June 2020
(unaudited)		
Current income tax expense	(52 847)	(1 494)
Change in deferred taxes due to occurrence and write-off of temporary differences	(8 845)	(4 927)
Total income tax expense	(61 692)	(6 421)

For the 6 months ended 30 June 2021 and in 2020, income tax interest rate did not change (20%, 15%, 13%).

The tax effect of temporary differences as at 30 June 2021 and 31 December 2020 is presented below:

11. Income Tax (continued)

	31 December 2020	Change in profit or loss	Change in equity	30 June 2021 (unaudited)
<i>Tax effect of temporary differences that reduce the tax base</i>				
Revaluation at fair value of financial assets at fair value through profit or loss	66	11	-	77
Revaluation at fair value of financial assets at fair value through other comprehensive income	-	-	3 516	3 516
REPO transactions	-	9	-	9
Fixed assets: depreciation and revaluation	9 422	(165)	-	9 257
Intangible assets	15	(2)	-	13
Leases	32	-	-	32
Other liabilities	3 070	(3 070)	-	-
Other assets	2 021	(426)	-	1 595
Total deferred tax asset	14 626	(3 643)	3 516	14 499
<i>Tax effect of temporary differences increasing the tax base</i>				
Revaluation at fair value of financial assets at fair value through other comprehensive income	2 102	3 189	(1 441)	3 850
Other liabilities	-	2 013	-	2 013
Total deferred tax liability	2 102	5 202	(1 441)	5 863
Total net deferred tax asset	12 524	(8 845)	4 957	8 636

12. Cash and Cash Equivalents

	30 June 2021 (unaudited)	31 December 2020
Cash in hand	32 302	36 808
Balances on accounts with the Bank of Russia (other than mandatory reserve fund)	263 860	337 505
Funds in correspondent accounts	5 592 426	2 755 515
Total cash and cash equivalents before provision for ECL	5 888 588	3 129 828
Provision for ECL	(3 038)	(9 137)
Total cash and cash equivalents	5 885 550	3 120 691

The movement of provision for ECL for Cash and cash equivalents is presented in Note 6. The estimated fair value of cash and cash equivalents is presented in Note 27. An analysis of cash and cash equivalents by currency structure, maturity and stages of credit risk is presented in Note 25.

13. Due from Financial Institutions

	30 June 2021 (unaudited)	31 December 2020
Correspondent accounts	68	68
Brokerage accounts	601 065	502 856
Other accounts with financial institutions	-	2 000
Total due from financial institutions before provision for ECL	601 133	504 924
Provision for ECL	(8 188)	(12 752)
Total due from financial institutions	592 945	492 172

The movement of provision for ECL for due from Financial Institutions is presented in Note 6. Estimates of fair value of due from financial institutions as well as the fair value measurements used are disclosed in Note 27. An analysis of the amounts due from financial institutions by currency structure, maturity and stages of credit risk is presented in Note 25. Information on related party transactions is presented in Note 28.

14. Derivative Financial Instruments

The fair values of forwards and swaps on foreign exchange contracts and securities contracts entered into by the Bank are presented in the table below as of the end of 30 June 2021 and the end of 31 December 2020.

	30 June 2021 (unaudited)	31 December 2020
Forwards and swaps	266	16
Securities contracts	289	541
Total derivative financial Instruments	555	557

Estimates of fair value of derivative financial assets are presented in Note 27. An analysis of derivative financial assets by currency structure and maturity is presented in Note 25.

15. Financial Assets at Fair Value through Other Comprehensive Income

	30 June 2021 (unaudited)	31 December 2020
Corporate bonds and Eurobonds	586 137	401 170
Bonds and Eurobonds of the Russian Federation	307 428	74 412
Bonds and Eurobonds of credit organizations	213 636	184 701
Bonds of foreign state and municipal organizations	84 247	58 968
Total financial assets at fair value through other comprehensive income	1 191 448	719 251

The following is information about the quality of debt financial assets at fair value through other comprehensive income at the end of 30 June 2021.

<i>(unaudited)</i>	Corporate bonds and Eurobonds	Bonds and Eurobonds of the Russian Federation	Bonds and Eurobonds of credit organizations	Bonds of foreign state and municipal organizations	Total
- with a rating from BBB- to BBB+	315 986	307 428	9 687	-	633 101
- with a rating from BB- to BB+	134 349	-	197 115	38 965	370 429
- with a rating from B- to B+	84 425	-	6 834	45 282	136 541
- without a rating	51 377	-	-	-	51 377
Total financial assets at fair value through other comprehensive income	586 137	307 428	213 636	84 247	1 191 448

The following is information about the quality of debt financial assets at fair value through other comprehensive income at the end of 31 December 2020.

	Corporate bonds and Eurobonds	Bonds and Eurobonds of the Russian Federation	Bonds and Eurobonds of credit organizations	Bonds of foreign state and municipal organizations	Total
- with a rating from BBB- to BBB+	287 971	74 412	45 670	-	408 053
- with a rating from BB- to BB+	84 959	-	135 050	22 574	242 583
-with a rating from B- to B+	28 240	-	3 981	36 394	68 615
Total financial assets at fair value through other comprehensive income	401 170	74 412	184 701	58 968	719 251

Estimates of fair value of financial assets at fair value through other comprehensive income are presented in Note 27. An analysis of financial assets measured at fair value through other comprehensive income by currency structure, maturity and stages of credit risk is presented in Note 25. Information on related party transactions is presented in Note 28.

16. Repo Agreements

As of the end of 30 June 2021 and 31 December 2020, most repo transactions were concluded on PJSC "Moscow Exchange" and PJSC SPB Exchange through central counterparties in accordance with the rules of the exchange and clearing.

The table below contains information on the structure accounts receivable under repo agreements as at the end of 30 June 2021 and 31 December 2020:

	30 June 2021 (unaudited)		31 December 2020	
	Fair value of accepted assets	Amount of claims	Fair value of accepted assets	Amount of claims
Bonds and Eurobonds of the Russian Federation	2 803 274	2 937 118	1 362 459	1 246 135
Corporate shares	206 562	201 363	1 015 694	767 551
Corporate bonds and Eurobonds	1 104 718	937 066	-	-
Eurobonds of foreign state and municipal organizations	502	101 810	56 807	74 156
Shares of credit organizations	-	-	123 485	121 172
Total	4 115 056	4 177 357	2 558 445	2 209 014
Provision for ECL		(1 939)		(1 918)
Total accounts receivable under repo agreements		4 175 418		2 207 096

The table below contains information on the structure accounts payable under repo agreements as at the end of 30 June 2021 and 31 December 2020:

	30 June 2021 (unaudited)		31 December 2020	
	Fair value of transferred assets	Liabilities	Fair value of transferred assets	Liabilities
Bonds and Eurobonds of the Russian Federation	-	-	31 597	29 676
Corporate shares	25 012	22 393	46 225	45 991
Shares of credit organizations	-	-	272	232
Total accounts payable under repo agreements	25 012	22 393	78 094	75 899

The movement of provision for ECL for accounts payable of Repo Agreements is presented in Note 6. The estimated fair value of accounts receivable and payable under repo agreements is disclosed in Note 27. An analysis of the accounts receivable and payable under repo agreements by currency structure, maturity and stages of credit risk is presented in Note 25. Information on related party transactions is presented in Note 28.

17. Loans to Customers

	30 June 2021 (unaudited)	31 December 2020
Loans to individuals – consumer	3 535	5 355
Total loans to customers before provision for ECL	3 535	5 355
Provision for ECL	(39)	(28)
Total loans to customers	3 496	5 327

The movement of provision for ECL for Loans to Customers is presented in Note 6. The estimated fair value of loans to customers as well as the used fair value measurements is disclosed in Note 27. An analysis of loans to customers by currency structure, maturity and stages of credit risk is presented in Note 25. Information on related party transactions is presented in Note 28.

18. Other Assets

	30 June 2021 (unaudited)	31 December 2020
Other assets (financial)		
Settlements with other debtors	52 778	14 056
Funds in settlements	-	81 996
Other	941	982
Provision for ECL	(1 264)	(1 902)
Total other assets (financial) net of provision for ECL	52 455	95 132
Other assets (non-financial)		
Prepayments for goods and services	11 397	8 299
Settlement and prepaid taxes	204	165
Impairment allowance	(472)	(1 071)
Total other assets (non-financial) net of provision for ECL	11 129	7 393
Total other assets	63 584	102 525

The movement of provision for ECL for other assets is presented in Note 6. The estimated fair value of other assets is disclosed in Note 27. An analysis of the structure of currencies, maturity and stages of credit risk of other assets is disclosed in Note 25. Information about transactions with related parties is disclosed in Note 28.

19. Due to Banks and Other Financial Institutions

	30 June 2021 (unaudited)	31 December 2020
Accounts of credit organizations	3 783 579	1 772 871
Total due to banks and other financial institutions	3 783 579	1 772 871

Estimates of fair value of due to banks and other financial institutions are disclosed in Note 27. An analysis of the structure of currencies and maturities of due to banks and other financial institutions is presented in Note 25. Information on transactions with related parties is presented in Note 28.

20. Customer Accounts

	30 June 2021 (unaudited)	31 December 2020
<i>Accounts of non-state legal entities</i>		
Current and settlement accounts	2 961 540	512 438
Term deposits	30 000	140 000
Total accounts of non-state legal entities	2 991 540	652 438
<i>Accounts of individuals</i>		
Current accounts	11 066	8 391
Term deposits	19 249	22 315
Total accounts of individuals	30 315	30 706
<i>Brokerage accounts and other borrowed funds</i>	2 764 826	2 328 002
Total brokerage accounts and other borrowed funds	2 764 826	2 328 002
Total customer accounts	5 786 681	3 011 146

Estimates of fair value of customer accounts are presented in Note 27. An analysis of customer accounts by currency structure and maturity is presented in Note 25. Information on transactions with related parties is presented in Note 28.

21. Subordinated deposit

As of the end of 30 June 2021 and 31 December 2020, subordinated deposit was received on the following conditions:

	Maturity date	Interest rate at 30 June 2021, %	Balance as at 30 June 2021 (unaudited)	Interest rate at 31 December 2020, %	Balance as at 31 December 2020
Association "NP RTS"	19.04.2027	5.50	506 171	4.25	505 342

The estimated fair value of the subordinated debt is presented in Note 27. An analysis of the subordinated debt by currency structure and maturity is presented in Note 25. Information on transactions with related parties is presented in Note 28.

22. Obligations to Deliver Securities and Derivative Financial Liabilities

The fair value of commitments to deliver securities, forwards and swaps under foreign exchange contracts and securities contracts entered into by the Bank is presented in the table below as of the end of 30 June 2021 and the end of 31 December 2020.

	30 June 2021 (unaudited)	31 December 2020
Obligations to deliver securities	498 733	131 553
Derivative financial liabilities	942	252
Total obligations to deliver securities and derivative financial liabilities	499 675	131 805
	30 June 2021 (unaudited)	31 December 2020
Forwards and swaps	387	132
Securities contracts	555	120
Total derivative financial liabilities	942	252

Information on the structure of obligations to deliver securities at the end of 30 June 2021 and at the end of 31 December 2020 is presented in the table below.

	30 June 2021 (unaudited)	31 December 2020
Bond loans of the Russian Federation	392 740	82 057
Foreign state bonds	87 853	49 496
Corporate Eurobonds	18 140	-
Total obligations to deliver securities	498 733	131 553

The estimated fair value of derivative financial liabilities and obligations to deliver securities is presented in Note 27. An analysis of derivative financial liabilities and obligations to deliver securities by currency structure and maturity is presented in Note 25.

23. Other Liabilities

	30 June 2021 (unaudited)	31 December 2020
Other financial liabilities		
Accounts payable	71 084	59 405
Lease liabilities	2 107	2 552
Funds in settlement	-	82 158
Total other financial liabilities	73 191	144 115
Other non-financial liabilities		
Accrued staff compensation costs	30 340	24 807
Tax payables (other than income tax)	1 311	1 672
Total other non-financial liabilities	31 651	26 479
Total other liabilities	104 842	170 594

The estimated fair value of other liabilities is presented in Note 27. An analysis of other liabilities by currency structure is presented in Note 25. Information on transactions with related parties is presented in Note 28.

24. Share Capital

	Nominal value of ordinary shares	Nominal value of preference shares	Inflation adjustment of share capital	Total authorised capital
31 December 2020	564 900	100	137 762	702 762
30 June 2021 (unaudited)	564 900	100	137 762	702 762

An extraordinary general meeting of shareholders dated 3 March 2021 adopted a decision to approve the Charter of Public Joint Stock Company Best Efforts Bank in a new version that excludes the indication that the company is public, on the appeal of PJSC Best Efforts Bank to the Bank of Russia with a statement on release from the obligation to disclose information and on the appeal of PJSC "Best Efforts Bank" with a statement on the delisting of all ordinary registered uncertified shares of PJSC "Best Efforts Bank".

In the first half of 2021, the Bank repurchased 103 010 shares of its own ordinary shares in the amount of RUB 6,799 thousand.

25. Risk Management**Information on the risks taken by the Bank, methods for their identification, measurement, monitoring and control**

In the first half of 2021, risk management at the Bank was carried out in accordance with the scale and nature of the Bank's activities, as well as taking into account the recommendations of the Bank of Russia and the Basel Committee on Banking Supervision, within the framework of a built-in risk and capital management system.

The established procedures and methods for managing significant risks and capital are key strategies and a key part of the Bank's management decision-making system.

The approaches to the organization of the risk and capital management system are defined in the Strategy and Risk and Capital Management Strategy of PJSC Best Efforts Bank for 2021 adopted and approved by the Board of Directors.

The risk management procedure is regulated by the adopted "Banking Risk and Capital Management Policy of PJSC Best Efforts Bank", which establishes the principles of organizing the risk management system and establishes uniform management standards.

25. Risk Management (continued)

In order to identify potential risks to which the Bank may be exposed and the risks inherent in the Bank's activities, the Bank conducts on a regular basis a procedure of identification of risks significant to the Bank. Based on the results of risk identification, the Bank groups the identified risks by the degree of their materiality to the Bank's financial stability and, depending on this, sets up processes for managing significant risks on an individual and aggregated level, as well as sets capital requirements for their coverage.

Significant risks of the Bank with a quantitative assessment:

- Liquidity risk;
- Credit risk;
- Market risk;
- Interest rate risk;
- Operational risk;
- Concentration risk.

Significant risks of the Bank with a qualitative assessment:

- Strategic risk;
- Regulatory risk;
- Legal risk;
- Reputation risk.

Segregation of duties and responsibilities in the process of banking risk management

As part of effective risk management, the Bank pays special attention to the distribution of powers and responsibilities between structural divisions (employees of the Bank) and the Bank's governing bodies for managing bank risks.

One of the principles of forming the organizational structure of the Bank is to ensure continuous monitoring of banking operations and the risk management process. Banking risk control is one of the areas of the Bank's internal control system.

The Bank's organisational structure includes the following three levels of risk management:

- Management of the Bank;
- Responsible Risk Management Unit;
- Structural units and officials.

The Board of Directors carries out strategic management of the Bank, determines the basic principles and approaches to organising a risk management and internal control system at the Bank, monitors the activities of executive bodies, and also implements other key functions in accordance with the Charter and internal documents of the Bank.

The Bank's Management Board is in charge of implementation of the strategy and policy in the field of risk and capital management approved by the Board of Directors of the Bank and other issues within the framework of the risk and capital management system.

The Management Board of the Bank may delegate risk management issues within its competence to the Collegial working bodies (Committees of the Bank).

In order to implement the risk management process and implement the Bank's risk management principles, the following committees have been created:

- Credit Committee (CC).
- Asset and Liability Management Committee (ALMC).

The main objective of the Credit Committee is to develop recommendations on the Bank's credit policy and reduce credit risks.

25. Risk Management (continued)

The main objective of the Asset and Liability Management Committee is to determine the Bank's policy in the field of management and control of bank liquidity and reduction of bank risks.

To effectively carry out the organizational and control functions in the part of bank risk management by the Board of Directors, the Bank has created a structural unit - the Risk Management Department, which is responsible for coordinating bank risk management and fulfilling the functions assigned to it by internal regulatory documents.

The Bank's structural divisions are responsible for identifying risks arising in the course of operations that are core to the division. All structural divisions of the Bank exercise control over the level of banking risks arising in the process of fulfilling their goals and objectives. Control over the level of banking risks in the structural divisions of the Bank is aimed at limiting and minimizing them, as well as at ensuring the procedure for the implementation of functions by the Bank's employees, subject to the requirements of the current legislation, Bank of Russia regulations, professional standards, business customs and internal regulatory documents.

Information on certain types of significant risks

Credit risk

Credit risk is the risk of financial losses arising as a result of default by a borrower or counterparty of the Bank. The Bank manages credit risk through the application of approved policies and procedures, including the requirements for setting and observing credit risk concentration limits, as well as through the existing Credit Committee and ALMC, whose functions include making decisions on credit risk management and monitoring compliance with internal limits and standards.

The key elements of effective credit risk management were developed credit policies and procedures, portfolio management, and effective credit control.

When managing credit risk, the Bank is guided by the adopted «Credit Policy of PJSC Best Efforts Bank» and «Procedures for Risk Management and Capital Adequacy Assessment of PJSC Best Efforts Bank», within the framework of the Bank:

- identifies credit risks inherent to the Bank's activities;
- identifies potential credit risks to which the Bank may be exposed;
- carries out an assessment of credit risks;
- controls the volumes of risks significant for the Bank (including credit);
- ensures compliance with the mandatory standards established by the Bank of Russia, as well as control over the level of credit risk.

The Bank's Credit Policy regulates the Bank's lending and other transactions that contain credit risk with retail and corporate customers, including various types of short-term and long-term lending.

Credit risk management procedures are defined in the Bank's internal documents and include:

- the procedure for granting loans and making decisions on their issuance;
- methods for determining and the procedure for setting limits (risk limit per borrower (group of related borrowers), risk limit by type of economic activity of borrowers, other limits).
- a methodology for assessing the risk to the counterparty (that is, the risk of default of the counterparty before the settlement of the transaction), including a methodology for assessing the financial position of counterparties (borrowers), the quality of loans, determining the amount of claims on equity (capital);
- requirements for ensuring the fulfilment of obligations of counterparties (borrowers), and the methodology for its assessment.

The Bank uses the following credit risk management methods:

- analysis and assessment of credit risk for specific loan products;

25. Risk Management (continued)

- non-acceptance of credit risk, at the stage preceding operations that are exposed to credit risk;
- introduction of uniform risk assessment and identification processes;
- planning the level of credit risk by assessing the level of expected losses;
- limiting credit risk by setting limits and / or limiting risk, as well as limiting authority;
- formation of provisions to cover possible losses on loans;
- collateral management of loan products;
- work with bad debts;
- monitoring and control of credit risk.

The Bank constantly monitors the status of individual loans and regularly reassesses the solvency of its borrowers. Revaluation procedures are based on analysis of the financial statements of the borrower and other information provided by the borrower or received by the Bank in another way.

The Bank measures and recognizes expected credit losses on financial assets at fair value through other comprehensive income or at amortized cost. The amount of expected credit losses recognised as an allowance for credit losses depends on the degree of deterioration in credit quality since the initial recognition of a financial asset.

The assessment of the estimated reserve is carried out by the Bank at each reporting date.

The maximum level of credit risk is usually reflected in the carrying amount of financial assets in the statement of financial position and in the amount of unrecognised contractual obligations.

The maximum level of credit risk in relation to financial assets as of the reporting date can be represented as follows:

	30 June 2021 (unaudited)	31 December 2020
ASSETS EXPOSED TO CREDIT RISK		
Cash and cash equivalents	5 885 550	3 120 691
Due from financial institutions	592 945	492 172
Financial assets at fair value through other comprehensive income	1 191 448	719 251
Financial assets pledged under repo agreements	-	31 597
Accounts receivable under repo agreements	4 175 418	2 207 096
Loans to customers	3 496	5 327
Other assets	63 584	102 525
Total assets exposed to credit risk	11 912 441	6 678 659

At the end of 30 June 2021 and at the end of 31 December 2020, the Bank had no overdue loans in its loan portfolio.

At the end of 30 June 2021 and at the end of 31 December 2020, there was not restructured debt.

The table below provides information on the gross carrying amount at the stages of credit risk as of 30 June 2021:

<i>(unaudited)</i>	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	5 888 588	-	-	5 888 588
Due from financial institutions	601 065	-	68	601 133
Financial assets at fair value through other comprehensive income	1 191 448	-	-	1 191 448
Accounts receivable under repo agreements	4 177 357	-	-	4 177 357
Loans to customers	3 535	-	-	3 535
Other assets	3 429	60 988	903	65 320
Total carrying amount of assets	11 865 422	60 988	971	11 927 381
Provision for ECL	(13 137)	(832)	(971)	(14 940)
Total assets	11 852 285	60 156	-	11 912 441

25. Risk Management (continued)

The table below provides information on the gross carrying amount at the stages of credit risk as of 31 December 2020:

	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents	3 129 828	-	-	3 129 828
Due from financial institutions	504 856	-	68	504 924
Financial assets at fair value through other comprehensive income	719 251	-	-	719 251
Financial assets pledged under repo agreements	31 597	-	-	31 597
Accounts receivable under repo agreements	2 209 014	-	-	2 209 014
Loans to customers	5 355	-	-	5 355
Other assets	85 065	19 489	944	105 498
Total carrying amount of assets	6 684 966	19 489	1 012	6 705 467
Provision for ECL	(23 778)	(2 018)	(1 012)	(26 808)
Total assets	6 661 188	17 471	-	6 678 659

In the first half of 2021 there were no significant changes in valuation models, as well as significant assumptions.

There are no circumstances in which the Bank does not have reasonable and supportable information that is available, without undue cost or effort, to estimate the expected credit losses for the full term of an individual instrument.

Market risk

Market risk is the risk that the Bank will incur financial losses due to changes in the current (fair) value of the Bank's trading portfolio financial instruments and derivative financial instruments, as well as foreign exchange rates and/or accounting prices of precious metals.

Market risk includes interest rate risk, equity risk, currency risk and commodity risk.

When managing market risk, the Bank addresses the following tasks:

- organisation of control over diversification of trading portfolios;
- maintaining open positions at a level that does not threaten the Bank's financial position.

The methods of market risk management depend on the nature of the arising risks and are divided into general and special.

General market risk management techniques include:

- a system for collecting and analysing information on markets and counterparties;
- a system of limit setting and control;
- a system of ongoing monitoring of market price movements;
- a system of hedging.

Interest rate risk

Interest rate risk is the risk of deterioration of the Bank's financial position due to a decrease in the amount of capital, level of income, value of assets as a result of changes in interest rates on the market. Interest rate risk management is part of the Bank's risk and capital management system.

25. Risk Management (continued)

The interest rate risk management procedures include a list of assets (liabilities) sensitive to changes in interest rates.

Quantitative parameters of acceptable (acceptable) level of interest rate risk and other elements (components) of the interest rate risk management system are defined in the Bank's internal documents.

Compliance of actual data with quantitative parameters of acceptable level of interest rate risk accepted by the Bank is determined based on management reporting, based on GAP analysis data.

Identification of interest rate risk implies analysis of all conditions of the Bank's functioning for presence or possibility of risk factors, which may be performed at several levels:

- analysis of the effect of changes in interest rates on individual transactions;
- analysis of the effect of changes in interest rates on certain types of instruments (products);
- analysis of degree of correlation of the Bank's interest rates at different terms on active and passive balance sheet items (determination of GAP-gaps).

Below is the analysis of the Bank's interest rate risk at the end of 30 June 2021. The table presents assets and liabilities exposed to interest rate risk grouped at different time intervals by the contractual interest rate repricing date.

<i>(unaudited)</i>	On demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	Over 1 year	Total
ASSETS					
Derivative financial assets	555	-	-	-	555
Financial assets at fair value through other comprehensive income	9 051	19 868	83 107	1 079 422	1 191 448
Accounts receivable under repo agreements	4 175 418	-	-	-	4 175 418
Loans to customers	-	-	-	3 496	3 496
Total assets	4 185 024	19 868	83 107	1 082 918	5 370 917
Total accumulated assets	4 185 024	4 204 892	4 287 999	5 370 917	
LIABILITIES					
Derivative financial liabilities and obligations to deliver securities	499 675	-	-	-	499 675
Accounts payable under repo agreements	22 393	-	-	-	22 393
Customer accounts	-	72	14 654	598	15 324
Subordinated deposit	-	-	-	506 171	506 171
Total liabilities	522 068	72	14 654	506 769	1 043 563
Total accumulated liabilities	522 068	522 140	536 794	1 043 563	
OFF-BALANCE SHEET ITEMS					
Securities received on operations performed on a return basis	(4 115 056)	-	-	-	(4 115 056)
Securities transferred on operations performed on a return basis	25 012	-	-	-	25 012
Absolute GAP	(427 088)	19 796	68 453	576 149	237 310
Interest rate sensitivity	(16 371)	495	685	23 046	7 855

The following table presents an analysis of the Bank's risk related to changes in interest rates at the end of 31 December 2020.

25. Risk Management (continued)

	On demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	Over 1 year	Total
ASSETS EXPOSED TO INTEREST RATE RISK					
Derivative financial assets	557	-	-	-	557
Financial assets at fair value through other comprehensive income, including assets pledged under repo agreements	4 318	69 391	325	676 814	750 848
Accounts receivable under repo agreements	2 207 096	-	-	-	2 207 096
Loans to customers	-	-	-	5 327	5 327
Total assets exposed to interest rate risk	2 211 971	69 391	325	682 141	2 963 828
Total accumulated assets exposed to interest rate risk	2 211 971	2 281 362	2 281 687	2 963 828	
LIABILITIES EXPOSED TO INTEREST RATE RISK					
Derivative financial liabilities and obligations to deliver securities	131 805	-	-	-	131 805
Accounts payable under repo agreements	75 899	-	-	-	75 899
Customer accounts	-	1 877	15 800	584	18 261
Subordinated deposit	-	-	-	505 342	505 342
Total liabilities exposed to interest rate risk	207 704	1 877	15 800	505 926	731 307
Total accumulated liabilities exposed to interest rate risk	207 704	209 581	225 381	731 307	
OFF-BALANCE SHEET ITEMS					
Securities received on operations performed on a return basis	(2 426 892)	-	-	-	(2 426 892)
Securities transferred on operations performed on a return basis	46 497	-	-	-	46 497
Absolute GAP	(376 128)	67 514	(15 475)	176 215	(147 874)
Interest rate sensitivity	(14 418)	1 688	(155)	7 049	(5 836)

Currency risk

Currency risk is the risk of the Bank incurring losses due to an adverse change in the exchange rates of foreign currencies and / or precious metals at positions opened by the Bank in foreign currencies and / or precious metals.

The depreciation of the Russian ruble, as indicated in the following table, in relation to the following currencies as of the end of 30 June 2021 and the end of 31 December 2020 would cause an increase (decrease) in capital and profit / loss by the amount shown in the table.

This analysis is based on changes in exchange rates, which, from the Bank's point of view, are reasonably possible at the end of the reporting period.

The analysis assumes that all other variables, including interest rates, remain unchanged.

	30 June 2021 (unaudited)	31 December 2020
USD		
10% increase	534	8 786
10% decrease	(534)	(8 786)
Евро		
10% increase	450	11
10% decrease	(450)	(11)

The appreciation of the RUB against the above currencies at the end of 30 June 2021 would have had the opposite effect, assuming that all other variables remain constant.

25. Risk Management (continued)

The table below presents a general analysis of the Bank's currency risk at the reporting date 30 June 2021:

<i>(unaudited)</i>	RUB	USD	EUR	Other currencies	Total
ASSETS					
Cash and cash equivalents	275 845	5 009 008	599 997	700	5 885 550
Mandatory cash balances with the Bank of Russia	73 271	-	-	-	73 271
Due from financial instruments	38	573 701	19 040	166	592 945
Derivative financial assets	555	-	-	-	555
Financial assets at fair value through other comprehensive income	898 959	213 261	79 228	-	1 191 448
Accounts receivable under repo agreements	3 264 451	910 967	-	-	4 175 418
Loans to customers	3 496	-	-	-	3 496
Deferred tax asset	8 636	-	-	-	8 636
Property, plant and equipment and assets in the form of right of use	64 130	-	-	-	64 130
Intangible assets	10 679	-	-	-	10 679
Other assets	23 286	40 298	-	-	63 584
Total assets	4 623 346	6 747 235	698 265	866	12 069 712
LIABILITIES					
Due to banks and other financial institutions	17 552	3 460 835	305 192	-	3 783 579
Derivative financial liabilities and obligations to deliver securities	88 052	411 623	-	-	499 675
Accounts payable under repo agreements	22 393	-	-	-	22 393
Customer accounts	2 595 604	2 802 150	388 588	339	5 786 681
Subordinated deposit	506 171	-	-	-	506 171
Current income tax payable	32 029	-	-	-	32 029
Other liabilities	37 189	67 621	32	-	104 842
Total liabilities	3 298 990	6 742 229	693 812	339	10 735 370
The effect of derivative financial instruments expressed in foreign currencies	(770)	337	47	-	(386)
Net balance sheet position	1 323 586	5 343	4 500	527	1 333 956

25. Risk Management (continued)

The table below presents a general analysis of the Bank's currency risk at the reporting date 31 December 2020:

	RUB	USD	EUR	Other currencies	Total
ASSETS					
Cash and cash equivalents	346 209	2 723 106	50 816	560	3 120 691
Mandatory cash balances with the Bank of Russia	46 893	-	-	-	46 893
Due from financial instruments	19 533	399 685	69 963	2 991	492 172
Derivative financial assets	557	-	-	-	557
Financial assets at fair value through other comprehensive income, including assets pledged under repo agreements	506 497	181 713	62 638	-	750 848
Accounts receivable under repo agreements	2 134 858	72 238	-	-	2 207 096
Loans to customers	5 327	-	-	-	5 327
Deferred tax asset	12 524	-	-	-	12 524
Property, plant and equipment and assets in the form of right of use	63 447	-	-	-	63 447
Intangible assets	11 064	-	-	-	11 064
Other assets	18 530	83 989	6	-	102 525
Total assets	3 165 439	3 460 731	183 423	3 551	6 813 144
Liabilities					
Due to banks and other financial institutions	6 459	1 643 902	122 510	-	1 772 871
Derivative financial liabilities and obligations to deliver securities	313	131 492	-	-	131 805
Accounts payable under repo agreements	75 899	-	-	-	75 899
Customer accounts	1 088 637	1 849 431	69 835	3 243	3 011 146
Subordinated deposit	505 342	-	-	-	505 342
Current income tax payable	16 066	-	-	-	16 066
Other liabilities	32 231	138 329	34	-	170 594
Total liabilities	1 724 947	3 763 154	192 379	3 243	5 683 723
The effect of derivative financial instruments expressed in foreign currency	(399 052)	390 287	9 070	-	305
Net balance sheet position	1 041 440	87 864	114	308	1 129 726

26. Capital Management

The Bank's capital management has the following objectives:

- 1) to comply with the regulatory capital requirements set by the Bank of Russia,
- 2) ensuring the Bank's ability to operate as a going concern.

The Bank also continuously monitors capital adequacy levels calculated in accordance with the requirements of the Bank of Russia in order to maintain a capital adequacy ratio of at least 8%.

During the periods ended on 30 June 2021 and on 31 December 2020, the Bank complied with the capital adequacy ratio established by the Bank of Russia.

The structure of the Bank's capital, calculated in accordance with the Basel Capital Accord, is presented below:

	<u>30 June 2021</u> <u>(unaudited)</u>	<u>31 December</u> <u>2020</u>
<i>Equity</i>		
<i>Tier 1 capital</i>		
Share capital	702 762	702 762
Share premium	685 811	685 811
Own shares repurchased from shareholders	(1 030)	-
Revaluation reserve of assets at fair value through other comprehensive income	(14 064)	5 764
Accumulated deficit	(39 137)	(264 916)
<i>Tier 2 capital</i>		
<i>Components that reduce equity</i>		
Intangible assets	<u>(10 679)</u>	<u>(11 064)</u>
Total equity	<u>1 323 663</u>	<u>1 118 357</u>

27. Fair Value of Financial Instruments

Fair value is the amount of consideration given to a transaction in an asset or liability between knowledgeable, willing parties on an arm's length basis. The best evidence of fair value is the quoted market price of a financial instrument.

The estimated fair values of financial instruments have been determined by the Bank using available market information, where it exists, and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to determine the estimated fair value. Although the Russian Federation has been assigned investment grade ratings, the economy continues to display some characteristics of an emerging market and economic conditions continue to limit the volume of activity in the financial markets. Market quotations may be outdated or reflect distress sale transactions and therefore not represent fair values of financial instruments. Management has used all available market information in estimating the fair value of financial instruments.

Financial Instruments at Fair Value

Securities, loans to customers, whose changes in fair value are recognised in profit or loss, including securities designated as financial assets pledged under repurchase agreements, derivative financial instruments and financial assets at fair value through other comprehensive income are accounted for in the balance sheet at fair value. Fair values are obtained from quoted market prices. Cash and cash equivalents are carried at amortised cost which approximates current fair value.

Due from Financial Institutions at Amortized Cost and at Fair Value Through Profit or Loss

In the opinion of Management, the fair value of due from financial institutions did not significantly differ from their carrying amount. It is explained by the existent practice when interest rate is restated in order to reflect current market conditions. Therefore, interest rate for balances is based on rates similar to market ones.

27. Fair Value of Financial Instruments (continued)*Loans to Customers at Amortized Cost or at Fair Value Through Profit or Loss*

The fair value of floating rate instruments usually equals their carrying amount. In case of significant changes of the market situation, interest rates on loans to customers and amounts due from other banks at fixed interest rates may be revised by the Bank. As a consequence, interest rates on loans issued before the reporting date do not differ significantly from current interest rates in the borrowing market for new instruments with similar credit risk and maturity. If the Bank estimates that the rates on previously issued loans differ significantly from the rates effective at the reporting date for similar instruments, the estimated fair value of such loans is determined. The estimate is based on discounted cash flow method using current interest rates in the debt market for new instruments with similar credit risk and maturity. Discount rates used depend on the currency, maturity of the instrument and credit risk of the counterparty.

Liabilities at Amortized Cost

The fair value of liabilities at amortised cost is based on the quoted market prices, if available. The estimated fair value of fixed rate instruments with a stated maturity, for which quoted market prices are not available, is based on expected cash flows discounted at interest rates for new instruments with similar credit risks and remaining maturities. The fair value of liabilities repayable on demand or after a notice period (demandable liabilities) is estimated as the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Derivative financial instruments

All derivative financial instruments are accounted for at fair value as assets if fair value of such instruments is positive or as liabilities if their fair value is negative.

The Bank uses the following hierarchy to determine and disclose the fair value of financial instruments depending on valuation techniques:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;
- Level 2: techniques in which all inputs that significantly affect fair value are directly or indirectly observable in the open market;
- Level 3: methodologies that use inputs that significantly affect fair value and are not based on observable market data.

The table below provides an analysis of assets carried at fair value in the context of assessment hierarchy at the end of 30 June 2021:

<i>(unaudited)</i>	Level 1	Level 2	Level 3	Total
Financial assets carried as fair value				
Derivative financial instruments	-	555	-	555
<i>Forwards and swaps</i>	-	266	-	266
<i>Securities contracts</i>	-	289	-	289
Financial assets at fair value through other comprehensive income	1 191 448	-	-	1 191 448
<i>Corporate bonds and Eurobonds</i>	586 137	-	-	586 137
<i>Bonds and Eurobonds of the Russian Federation</i>	307 428	-	-	307 428
<i>Bonds and Eurobonds of credit organizations</i>	213 636	-	-	213 636
<i>Bonds of foreign state and municipal organizations</i>	84 247	-	-	84 247
Total financial assets carried at fair value	1 191 448	555	-	1 192 003

27. Fair Value of Financial Instruments (continued)

The table below provides an analysis of assets carried at fair value in the context of assessment hierarchy at the end of 31 December 2020:

	Level 1	Level 2	Level 3	Total
Financial assets carried as fair value				
Derivative financial instruments	-	557	-	557
<i>Forwards and swaps</i>	-	16	-	16
<i>Securities contracts</i>	-	541	-	541
Financial assets at fair value through other comprehensive income	719 251	-	-	719 251
<i>Corporate bonds and Eurobonds</i>	401 170	-	-	401 170
<i>Bonds and Eurobonds of credit organizations</i>	184 701	-	-	184 701
<i>Bonds and Eurobonds of the Russian Federation</i>	74 412	-	-	74 412
<i>Eurobonds of foreign state and municipal organizations</i>	58 968	-	-	58 968
Financial assets pledged under repo agreements	31 597	-	-	31 597
<i>Bonds loans of the Russian Federation</i>	31 597	-	-	31 597
Total financial assets carried at fair value	750 848	557	-	751 405

The table below provides information on transfers between Level 1 and Level 3 of the fair value measurement hierarchy of financial assets that occurred in the first half of 2021:

(unaudited)

	Transfers between Level 1 and Level 3	
	From Level 1 to Level 3	From Level 3 to Level 1
Financial assets		
Financial assets at fair value through other comprehensive income	512 988	491 657
Total transfers of financial assets		

Financial instruments are transferred from Level 2 and Level 3 to Level 1 if these instruments are traded in active market and fair value can be estimated based on quoted prices in active market.

Financial instruments are transferred from Level 1 to Level 3 if these instruments are no longer traded in an active market and the market for these instruments is not sufficiently liquid to use quoted prices to measure them and their fair value is determined using valuation techniques that are consistent with the Bank's internal documentation.

The table below provides an analysis of the fair value of financial assets for which fair value is disclosed separately, by level of assessment hierarchy at the end of 30 June 2021:

27. Fair Value of Financial Instruments (continued)

<i>(unaudited)</i>	Carrying value	Level 1	Level 2	Level 3	Fair value Total
Financial assets measured at amortized cost					
Cash and cash equivalents	5 885 550	32 302	5 853 248	-	5 885 550
Mandatory reserves in the Central Bank of the Russian Federation	73 271	-	73 271	-	73 271
Due from financial institutions	592 945	-	592 945	-	592 945
Accounts receivable under repo agreements	4 175 418	-	4 175 418	-	4 175 418
Loans to customers	3 496	-	-	3 496	3 496
Other assets	52 455	-	-	52 455	52 455
Total financial assets measured at amortized cost	10 783 135	32 302	10 694 882	55 951	10 783 135

The table below provides an analysis of the fair value of financial assets for which fair value is disclosed separately, by level of assessment hierarchy at the end of 31 December 2020:

<i>(unaudited)</i>	Carrying value	Level 1	Level 2	Level 3	Fair value Total
Financial assets measured at amortized cost					
Cash and cash equivalents	3 120 691	36 808	3 083 883	-	3 120 691
Mandatory reserves in the Central Bank of the Russian Federation	46 893	-	46 893	-	46 893
Due from financial institutions	492 172	-	492 172	-	492 172
Accounts receivable under repo agreements	2 207 096	-	2 207 096	-	2 207 096
Loans to customers	5 327	-	-	5 327	5 327
Other assets	95 132	-	-	95 132	95 132
Total financial assets measured at amortized cost	5 967 311	36 808	5 830 044	100 459	5 967 311

The table below provides an analysis of financial liabilities carried at fair value in the context of assessment hierarchy at the end of 30 June 2021:

<i>(unaudited)</i>	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Derivative financial liabilities and obligations to deliver securities	498 733	942	-	499 675
<i>Forwards and swaps</i>	-	942	-	942
<i>Obligations to deliver securities</i>	498 733	-	-	498 733
Total financial liabilities at fair value	498 733	942	-	499 675

The table below provides an analysis of the fair value of financial liabilities for which fair value is disclosed separately, by level of assessment hierarchy at the end of 31 December 2020:

27. Fair Value of Financial Instruments (continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Derivative financial liabilities and obligations to deliver securities	131 553	252	-	131 805
<i>Forwards and swaps</i>	-	252	-	252
<i>Obligations to deliver securities</i>	131 553	-	-	131 553
Total financial liabilities at fair value	131 553	252	-	131 805

The table below provides an analysis of the fair value of financial liabilities for which fair value is disclosed separately, by level of assessment hierarchy at the end of 30 June 2021:

<i>(unaudited)</i>	Carrying value	Level 1	Level 2	Level 3	Fair value Total
Financial liabilities measured at amortized cost					
Due to banks and other financial institutions	3 783 579	-	3 783 579	-	3 783 579
Accounts payable under repo agreements	22 393	-	22 393	-	22 393
Customer accounts	5 786 681	-	5 737 432	49 249	5 786 681
<i>Fixed-term deposits</i>	49 249	-	-	49 249	49 249
<i>Current and brokerage accounts</i>	5 737 432	-	5 737 432	-	5 737 432
Subordinated deposit	506 171	-	-	506 171	506 171
Other liabilities	73 191	-	-	73 191	73 191
Total financial liabilities measured at amortised cost	10 172 015	-	9 543 404	628 611	10 172 015

The table below provides an analysis of the fair value of financial liabilities for which fair value is disclosed separately, by level of assessment hierarchy at the end of 31 December 2020:

	Carrying value	Level 1	Level 2	Level 3	Fair value Total
Financial liabilities measured at amortized cost					
Due to banks and other financial institutions	1 772 871	-	1 772 871	-	1 772 871
Accounts payable under repo agreements	75 899	-	75 899	-	75 899
Customer accounts	3 011 146	-	2 848 831	162 315	3 011 146
<i>Fixed-term deposits</i>	162 315	-	-	162 315	162 315
<i>Current and brokerage accounts</i>	2 848 831	-	2 848 831	-	2 848 831
Subordinated deposit	505 342	-	-	505 342	505 342
Other liabilities	144 115	-	-	144 115	144 115
Total financial liabilities measured at amortised cost	5 509 373	-	4 697 601	811 772	5 509 373

28. Related Party Transactions

For the purposes of these financial statements, the parties are considered to be related if one party has the ability to control the other party or to exercise significant influence on the other party in making financial and operating decisions as stated in IAS 24 "Related Party Disclosures". When considering each possible related party relationship, attention is paid to the substance of such relationship, not merely its legal form.

The most significant (by the scope of transactions) related parties of the Bank are the parent company and the other related parties.

Below is the data on transactions with related data, grouped by line item of the statement of financial position as of 30 June 2021, income and expense items for the 6 months ended on 30 June 2021:

<i>(unaudited)</i>	Parent company	Key management personnel	Other related parties
Assets			
Cash and cash equivalents	-	-	837 889
Due from financial institutions	-	-	52 608
Financial assets at fair value through other comprehensive income	-	-	17 983
Accounts receivable under repo agreements	-	-	515 429
Loans to customers	-	1 174	-
Property, plant and equipment and assets in the form of right of use	-	-	1 945
Other assets	119	-	47 162
Total assets	119	1 174	1 473 016
Liabilities			
Due to banks and other financial institutions	-	-	3 783 579
Derivative financial liabilities and obligations to deliver securities	-	-	1 802
Customer accounts	498 933	114	2 836 845
Subordinated deposit	-	-	506 171
Other liabilities	509	7 342	26 296
Total liabilities	499 442	7 456	7 154 693

<i>(unaudited)</i>	Parent company	Key management personnel	Other related parties
Interest income	-	78	1 706
Interest expense	(10 388)	-	(7 805)
Income less expenses from transactions with financial assets and liabilities carried at fair value	-	-	78
Income less expenses from transactions with foreign currencies	364	-	7
Fee and commission income	3 637	-	311 291
Fee and commission expense	(3)	-	(1 048 144)
Other operating income	108	-	402
Operating expenses	(4 375)	(19 339)	(2 921)

Below is the data on transactions with related data, grouped by line item of the statement of financial position and by contingent liabilities as at 31 December 2020, items of income and expense for the 6 months ended 30 June 2020:

28. Related Party Transactions (continued)

	Parent company	Key management personnel	Other related parties
Assets			
Cash and cash equivalents	-	-	1 392 570
Due from financial institutions	-	-	23 516
Loans to customers	-	1 276	-
Financial assets at fair value through other comprehensive income	-	-	17 482
Property, plant and equipment and assets in the form of right of use	2 394	-	157
Other assets	274	-	6 765
Total assets	2 668	1 276	1 440 490
Liabilities			
Due to banks and other financial institutions	-	-	1 772 873
Customer accounts	166 474	1 033	510 823
Other liabilities	2 658	7 113	18 304
Subordinated deposit	505 342	-	-
Total liabilities	674 474	8 146	2 302 000

(unaudited)	Parent company	Key management personnel	Other related parties
Interest income	-	46	473
Interest expense	(22 128)	(6)	(1)
Fee and commission income	64 572	4	63 030
Fee and commission expense	(3)	-	(231 349)
Other operating income	130	-	3
Operating expenses	(3 864)	(14 145)	(1 073)

The key management personnel of the Bank consists of members of the Board of Directors and the Management Board of the Bank, as well as members of collegial committees. Information on the remuneration of key management personnel for the 6 months ended on 30 June 2021 and the 6 months ended on 30 June 2020 is presented below.

(unaudited)	30 June 2021	30 June 2020
Bank's key management personnel payments	19 339	14 145

29. Events after the reporting date

There have been no events since the reporting date that could have a material effect on the interim condensed financial statements.

Signed on 03 August 2021

Maltseva G.V.
Deputy Chairman of the Management Board



Yankina N. R.
Chief Accountant