

Report on Review of Interim Financial Information  
**JSC RN Bank**  
for the six-month period ended 30 June 2021

*August 2021*

**Translation of the original Russian version**

# Report on Review of Interim Financial Information of JSC RN Bank

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## Translation of the original Russian version

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## **Report on Review of Interim Financial Information**

### **Translation of the original Russian version**

To the Shareholder and  
the Board of Directors of  
JSC RN Bank

#### ***Introduction***

We have reviewed the accompanying interim condensed financial statements of JSC RN Bank, which comprise the interim statement of financial position as at 30 June 2021, the interim statement of profit or loss and comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-month period then ended, and selected explanatory notes to the interim financial statements, including a summary of significant accounting policies (interim financial information). Management of JSC RN Bank is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim 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.

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### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of JSC RN Bank as at 30 June 2021, and its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34, *Interim Financial Reporting*.

A.F. LAPINA  
Partner  
Ernst & Young LLC

26 August 2021

### **Details of the entity**

Name: JSC RN Bank  
Record made in the State Register of Legal Entities on 6 November 2002, State Registration Number 1025500003737.  
Address: Russia 109028, Moscow, Serebryanicheskaya naberezhnaya, 29.

### **Details of the auditor**

Name: Ernst & Young LLC  
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.  
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.  
Ernst & Young LLC is a member of Self-regulatory organization of auditors Association "Sodruzhestvo".  
Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

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JSC RN Bank

Interim condensed financial statements

### Interim statement of financial position

**as at 30 June 2021**

*(thousands of Russian rubles)*

	Notes	30 June 2021 (unaudited)	31 December 2020
<b>Assets</b>			
Cash and cash equivalents	3	14,438,872	7,149,759
Obligatory reserves with the Bank of Russia		581,425	536,204
Derivative financial assets	4	2,071,902	3,537,339
Loans to customers	5	90,362,711	92,545,535
Investment securities – debt securities at FVOCI	6	1,557,878	993,084
Property and equipment and right-of-use assets		326,084	179,251
Intangible assets		260,875	241,812
Deferred income tax assets		816,098	738,894
Other assets		365,685	333,992
<b>Total assets</b>		<b>110,781,530</b>	<b>106,255,870</b>
<b>Liabilities</b>			
Amounts due to the Bank of Russia	10	101,587	62,514
Amounts due to credit institutions	8	27,681,486	32,164,458
Debt securities issued	12	43,928,835	36,738,461
Derivative financial liabilities	4	308,069	65,008
Amounts due to customers	9	12,033,305	11,756,717
Current income tax liability		22,686	58,795
Other liabilities		2,172,604	2,493,149
<b>Total liabilities</b>		<b>86,248,572</b>	<b>83,339,102</b>
<b>Equity</b>			
Share capital		6,133,091	6,133,091
Share premium		5,780,800	5,780,800
Retained earnings		12,628,142	10,996,267
Unrealized gain (loss) on revaluation of investment securities – debt securities at FVOCI		(9,075)	6,610
<b>Total equity</b>		<b>24,532,958</b>	<b>22,916,768</b>
<b>Total equity and liabilities</b>		<b>110,781,530</b>	<b>106,255,870</b>

Signed and authorized for release on behalf of the Management Board of the Bank

Chairman of the Management Board  
Derot Xavier Gerard

26 August 2021



Chief Accountant  
Darya Vladislavovna Dolgorukova

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JSC RN Bank

Interim condensed financial statements

### Interim statement of profit or loss and comprehensive income

for the six months ended 30 June 2021

(thousands of Russian rubles)

	Notes	For the six months ended 30 June 2021 (unaudited)	For the six months ended 30 June 2020 (unaudited)
<b>Interest income calculated using the EIR method</b>			
Loans to customers		5,872,547	6,063,699
Amounts due from credit institutions		163,772	233,558
Gains from securities		34,466	27,427
<b>Total interest income</b>		<b>6,070,785</b>	<b>6,324,684</b>
<b>Interest expense</b>			
Amounts due to customers		(314,812)	(347,320)
Amounts due to credit institutions		(1,175,376)	(1,351,536)
Debt securities issued		(345,409)	(1,719,953)
<b>Total interest expense</b>		<b>(1,835,597)</b>	<b>(3,418,809)</b>
<b>Net interest income</b>		<b>4,235,188</b>	<b>2,905,875</b>
Credit loss expense	5	(266,196)	(204,562)
<b>Net interest income after allowance for loan impairment</b>		<b>3,968,992</b>	<b>2,701,313</b>
Fee and commission income		59,603	49,754
Fee and commission expense		(72,667)	(41,740)
<b>Net fee and commission expense</b>		<b>(13,064)</b>	<b>8,014</b>
Net gains/(losses) from financial instruments at fair value through profit or loss for the period		(862,900)	430,921
Net gains/(losses) from foreign currencies:		2,683	(698)
- dealing		91	325
- translation differences		2,592	(1,023)
Other income		10,397	879
<b>Non-interest income</b>		<b>(849,820)</b>	<b>431,102</b>
Personnel expenses		(421,303)	(362,115)
Other administrative expenses		(413,173)	(419,720)
Depreciation of property and equipment		(21,419)	(28,555)
Amortization of intangible assets		(61,503)	(18,857)
<b>Operating expenses</b>		<b>(917,398)</b>	<b>(829,247)</b>
<b>Profit before income tax expense</b>		<b>2,188,710</b>	<b>2,311,182</b>
Income tax expense	7	(456,835)	(476,927)
<b>Total net profit for the year</b>		<b>1,731,875</b>	<b>1,834,255</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items which may be reclassified to profit or loss in subsequent periods</i>			
Revaluation reserve for investment securities – debt securities at FVOCI		(15,685)	8,055
<b>Unrealized gain/(loss) on cash flow hedges</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income, net of tax</b>		<b>(15,685)</b>	<b>8,055</b>
<b>Total comprehensive income</b>		<b>1,716,190</b>	<b>1,842,310</b>

Signed and authorized for release on behalf of the Management Board of the Bank

Chairman of the Management Board  
Derot Xavier Gerard

Chief Accountant  
Darya Vladislavovna Dolgorukova

26 August 2021

The accompanying notes 1-16 are an integral part of these interim condensed financial statements.

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JSC RN Bank

Interim condensed financial statements

### Interim statement of changes in equity for the six months ended 30 June 2021

(thousands of Russian rubles)

	Share capital	Share premium	Unrealized gain / (accumulated deficit)	Unrealized gain / (accumulated loss) on securities revaluation	Provision for hedges	Total equity
1 January 2020	6,133,091	5,780,800	7,491,534	2,442	-	19,407,867
Profit for the period	-	-	1,834,255	-	-	1,834,255
Other comprehensive income/(loss)	-	-	-	8,055	-	8,055
<b>Total comprehensive income/(loss) for the period</b>	-	-	1,834,255	8,055	-	1,842,310
<b>30 June 2020 (unaudited)</b>	<b>6,133,091</b>	<b>5,780,800</b>	<b>9,325,789</b>	<b>10,497</b>	<b>-</b>	<b>21,250,177</b>
1 January 2021	6,133,091	5,780,800	10,996,267	6,610	-	22,916,768
Profit for the period	-	-	1,731,875	-	-	1,731,875
Other comprehensive income/(loss)	-	-	-	(15,685)	-	(15,685)
<b>Total comprehensive income/(loss) for the period</b>	-	-	1,731,875	(15,685)	-	1,716,190
Dividends	-	-	(100,000)	-	-	(100,000)
<b>30 June 2021 (unaudited)</b>	<b>6,133,091</b>	<b>5,780,800</b>	<b>12,628,142</b>	<b>(9,075)</b>	<b>-</b>	<b>24,532,958</b>

Signed and authorized for release on behalf of the Management Board of the Bank

Chairman of the Management Board  
Derot Xavier Gerard

26 August 2021



Chief Accountant  
Darya Vladislavovna Dolgorukova

Translation of the original Russian version

JSC RN Bank

Interim condensed financial statements

**Interim statement of cash flows**  
**for the six months ended 30 June 2021**  
*(thousands of Russian rubles)*

	<i>For the six months ended</i> <b>30 June 2021</b> <i>(unaudited)</i>	<i>For the six months ended</i> <b>30 June 2020</b> <i>(unaudited)</i>
<b>Notes</b>		
<b>Cash flows from operating activities</b>		
Interest received	6,767,376	6,394,849
Interest paid	(2,719,161)	(3,049,329)
Fees and commissions received	59,509	48,581
Fees and commissions paid	(72,867)	(41,963)
Results of operations with financial instruments at fair value	42,479	(194,672)
Realized gains less losses from dealing in foreign currencies	91	326
Other income received	10,397	879
Personnel expenses paid	(382,792)	(349,908)
Other operating expenses paid	(834,838)	(510,923)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>2,870,194</b>	<b>2,297,840</b>
<i>Net (increase)/decrease in operating assets</i>		
Obligatory reserves with the Bank of Russia	(45,221)	15,170
Amounts due from credit institutions	-	-
Loans to customers	1,804,416	19,736,356
Other assets	133,410	126,059
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to the Bank of Russia	38,995	-
Amounts due to credit institutions	(4,050,000)	(6,644,361)
Amounts due to customers	12,211	(1,885,059)
Other liabilities	56,209	(550,135)
<b>Net cash used in operating activities before income tax</b>	<b>820,214</b>	<b>13,095,870</b>
Income tax expense	(570,150)	(388,513)
<b>Net cash (used in) / from operating activities</b>	<b>250,064</b>	<b>12,707,357</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(185,794)	(4,000)
Purchase of intangible assets	(108,397)	(18,050)
Purchase of investment securities	(940,000)	-
Proceeds from sale and redemption of investment securities at FVOCI	380,000	6,439
<b>Net cash (from) / used in investing activities</b>	<b>(854,191)</b>	<b>(15,611)</b>
<b>Cash flows from financing activities</b>		
Proceeds from increase in share capital	-	-
Dividends paid	(100,000)	-
Debt securities issued	8,000,000	(5,867,382)
<b>Net cash from financing activities</b>	<b>7,900,000</b>	<b>(5,867,382)</b>
Effect of exchange rates changes on cash and cash equivalents	(6,760)	8,109
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,289,113</b>	<b>6,832,473</b>
Cash and cash equivalents, beginning	7,149,759	5,843,069
<b>Cash and cash equivalents, ending</b>	<b>14,438,872</b>	<b>12,675,542</b>

Signed and authorized for release on behalf of the Management Board of the Bank

Chairman of the Management Board  
Derot Xavier Gerard

26 August 2021



Chief Accountant  
Darya Vladislavovna Dolgorukova



## Translation of the original Russian version

Notes to the interim condensed financial statements  
for the six months ended 30 June 2021

JSC RN Bank

*(thousands of Russian rubles)*

### 1. Principal activities

These are the financial statements of JSC RN Bank.

The Bank (former CJSC Bank Sibir) was formed in the Russian Federation (the city of Omsk) on 9 March 1989. In 1995, in order to align the legal structure with the legislation, the Bank was reorganized into a limited liability company – LLC OCB Sibir. In 2002, the Bank changed its legal form to a closed joint stock company. Since May 2013, the Bank is registered and located in Moscow. On 5 September 2013, following the decision of the sole shareholder (Decision No. 1 of 5 September 2013), the Bank changed its name as follows:

Full corporate name of the Bank: Joint Stock Company RN Bank.

Short name: JSC RN Bank.

Location (legal address): Russia 109028, Moscow, Serebryanicheskaya naberezhnaya, 29.

Main State Registration Number: 1025500003737.

Record concerning the establishment was made in the Uniform State Register of Legal Entities on 6 November 2002.

Bank's identification code (BIC): 044525147.

Taxpayer identification number (TIN): 5503067018.

Contact telephone number: + 7 (495) 775-40-68.

Contact fax number: + 7 (495) 775-40-67.

Email address: help@rn-bank.ru.

Web-site: www.rn-bank.ru.

In 2014, the Bank changed its legal form from a closed joint stock company to a joint stock company. The decision was approved by the Shareholders on 31 October 2014. The change was made to the Unified Register of Legal Entities on 9 December 2014.

The Bank carries out its activities based on the following licenses:

- ▶ License No. 170 issued on 16 December 2014 to carry out banking operations in rubles and foreign currencies (without the right to accept deposits from individuals);
- ▶ License No. 170 issued on 16 December 2014 to accept deposits from individuals denominated in rubles and foreign currencies.

The Bank is a member of the deposit insurance system and was included in the register of banks participating in the obligatory insurance system on 3 February 2005 (Certificate No. 551). The system operates under the federal laws and regulations and is governed by the State Corporation "Agency for Deposits Insurance." Insurance covers the Bank's liabilities to individual depositors in the amount up to RUB 1,400 thousand both in 2021 and 2020 per each individual in case of a business failure or revocation of the CBR banking license.

As at 30 June 2021, the Bank:

- ▶ Is a member (an associate) of a banking group with Joint Stock Company UniCredit Bank as a parent;
- ▶ Is not a professional participant of the securities market;
- ▶ Has no branches or representative offices in the Russian Federation;
- ▶ Has no subsidiaries or associates.

On 15 February 2021, Analytical Credit Rating Agency (ACRA) confirmed the national credit rating of the Bank at AAA(RU) with a stable outlook. The ratings of the Bank's exchange-traded bond issues were also confirmed at AAA(RU).

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JSC RN Bank

Notes to the interim condensed financial statements  
for the six months ended 30 June 2021

(thousands of Russian rubles)

### 1. Principal activities (continued)

On 14 July 2020, International Credit Rating Agency S&P Global Ratings confirmed the Bank's long-term credit rating at BB+ with a stable outlook; on 21 April 2021, this rating remained unchanged.

As at 30 June 2021, the headcount of the Bank was 320 employees (31 December 2020: 296 employees).

As at 30 June 2021 and 31 December 2020, Limited Liability Company BARN B.V. – Netherlands is the sole shareholder of the Bank. The ownership in the share capital of the Bank is 100.00%.

### 2. Basis of preparation

#### General information

These interim condensed financial statements for the six months ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting*.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Bank's annual financial statements as at 31 December 2020.

#### Presentation currency

These interim condensed financial statements are presented in thousands of Russian rubles ("RUB").

#### Inflation accounting

The Russian economy was considered hyperinflationary until 31 December 2002. As such, the Bank applied IAS 29 *Financial Reporting in Hyperinflationary Economies*. The effect of applying IAS 29 is that non-monetary items, including components of equity, were restated to the measuring units current at 31 December 2002 by applying the relevant inflation indices to the historical cost, and that these restated values were used as a basis for accounting in subsequent periods.

The application of this standard resulted in an increase in the share capital by RUB 64,091 thousand and a decrease in retained earnings by the same amount.

#### The effect of the COVID-19 pandemic

Russia continues economic reforms and development of its legal, tax and regulatory frameworks to respond to the fullest extent possible to the current needs. The future stability of the Russian economy is largely dependent on these reforms and developments and the effectiveness of financial and monetary measures taken by the government.

Russian economy is negatively impacted by a decline in crude oil prices as well as sanctions imposed on Russia by a number of countries. The combination of the above resulted in a reduced access to capital, depreciation of the national currency and increased uncertainty regarding future economic growth. The COVID-19 pandemic also produced a negative impact on the global economy and financial markets. Currently, no strict quarantine measures are applied in Russia. However, the estimates concerning the scale and the prospective ending of the pandemic crisis are constantly changing and, as at today, are subject to high uncertainty. The Russian Government continues taking responsive measures to stop the spread of the virus and support the most affected industries. The effect of such measures is generally complex and long-term.

The Bank takes all necessary measures to support the sustainability and development of its business in the current circumstances and considering possible risks.

#### Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2020. The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not effective.

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Notes to the interim condensed financial statements  
for the six months ended 30 June 2021

(thousands of Russian rubles)

### 3. Cash and cash equivalents

Cash and cash equivalents comprise:

	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Cash on hand	10	10
Current accounts with the Bank of Russia	2,156,227	2,056,687
Balances on nostro accounts with other credit institutions	84,435	93,062
Term deposits (up to 90 days) with the Bank of Russia	6,200,000	5,000,000
Term deposits (up to 90 days) with other banks	5,998,200	-
<b>Total cash and cash equivalents</b>	<b>14,438,872</b>	<b>7,149,759</b>

Cash and cash equivalents are neither impaired nor past due and are allocated to Stage 1.

As at 30 June 2021, the Bank had balances with three counterparties (2020: one counterparty).

As at 30 June 2021, total balances of deposits placed with each counterparty comprised 42.94%, 20.77% and 20.77% of the total cash and cash equivalents (2020: 69.93% of the total cash and cash equivalents).

### 4. Derivative financial instruments

The Bank does not enter into derivative financial instruments for trading purposes. Derivative financial instruments represent hedges. The table below shows the fair values of derivative financial instruments recorded in the financial statements as assets or liabilities.

The Bank measures derivative financial instruments using valuation techniques based on market interest rates. Significant changes in the specified variables may produce materially different estimates of fair values.

Below are fair values of the derivative financial instruments recognized in assets and liabilities and their notional amount as at 30 June 2021:

	<b>30 June 2021 (unaudited)</b>			
	<b>Nominal value</b>		<b>Fair value</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Cross-currency interest rate contracts</b>				
Swaps	11,886,369	(10,193,566)	1,773,008	-
<b>Interest rate contracts</b>				
Swaps	2,477,496	(1,889,223)	298,894	(308,069)
	<b>14,363,865</b>	<b>(12,082,789)</b>	<b>2,071,902</b>	<b>(308,069)</b>

Below are fair values of the derivative financial instruments recognized in assets and liabilities and their notional amount as at 31 December 2020:

	<b>31 December 2020</b>			
	<b>Nominal value</b>		<b>Fair value</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Cross-currency interest rate contracts</b>				
Swaps	5,687,117	(10,402,370)	2,636,161	-
<b>Interest rate contracts</b>				
Swaps	10,574,215	(2,429,790)	901,178	(65,008)
	<b>16,261,332</b>	<b>(12,832,160)</b>	<b>3,537,339</b>	<b>(65,008)</b>

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Notes to the interim condensed financial statements  
for the six months ended 30 June 2021

JSC RN Bank

(thousands of Russian rubles)

### 4. Derivative financial instruments (continued)

As at 30 June 2021, the Bank had positions in the cross-currency interest rate swaps, which are contractual agreements stipulating that on the fixed date a party shall pay a fixed or floating interest in RUB to the other party and shall receive a payment of the interest at a floating or fixed rate in foreign currency, and non-deliverable interest rate swaps, which are contractual agreements that on the fixed date a party shall pay a fixed interest in RUB to the other party and shall receive a payment of the interest at a floating rate in RUB.

As at 30 June 2021, the Bank entered into derivative transactions with four counterparties, all of which are resident counterparties.

As at 31 December 2020, the Bank entered into derivative transactions with four counterparties, all of which are resident counterparties.

To manage exposure to currency and interest rate risks, in 2021 the Bank continued to apply hedge accounting in relation to all derivative transactions that passed hedge effectiveness test.

The table below shows non-trading derivative financial instruments by hedges included in assets or liabilities as at 30 June 2021 and 31 December 2020, respectively:

	<b>30 June 2021 (unaudited)</b>	
	<b>Assets</b>	<b>Liabilities</b>
<b>Hedging instruments</b>		
<b>Cross-currency interest rate contracts</b>	<b>1,773,008</b>	-
Fair value hedges	1,773,008	-
<b>Interest rate contracts</b>	<b>298,894</b>	<b>(308,069)</b>
Fair value hedges	298,894	(308,069)
<b>Total</b>	<b>2,071,902</b>	<b>(308,069)</b>
	<b>31 December 2020</b>	
	<b>Assets</b>	<b>Liabilities</b>
<b>Hedging instruments</b>		
<b>Cross-currency interest rate contracts</b>	<b>2,636,161</b>	-
Fair value hedges	2,636,161	-
<b>Interest rate contracts</b>	<b>901,178</b>	<b>(65,008)</b>
Fair value hedges	901,178	(65,008)
<b>Total</b>	<b>3,537,339</b>	<b>(65,008)</b>

Non-hedging contracts comprise derivative transactions that have not passed hedge effectiveness test.

Cash flow hedges:

- ▶ As at 30 June 2021, the Bank had no derivative financial instruments, which qualify for recognition in other comprehensive income.
- ▶ As at 30 June 2020, the Bank had no derivative financial instruments, which qualify for recognition in other comprehensive income.

Fair value hedges:

- ▶ During the six months of 2021, RUB (960,313) thousand was recognized in profit or loss, including RUB 79,479 thousand of interest income, RUB (882,598) thousand of translation differences and RUB (157,194) thousand of the ineffective portion.
- ▶ During the six months of 2020, RUB 1,340,413 thousand was recognized in profit or loss, including RUB (121,632) thousand of interest expense, RUB 1,416,946 thousand of translation differences and RUB 45,099 thousand of the ineffective portion.

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Notes to the interim condensed financial statements  
for the six months ended 30 June 2021

JSC RN Bank

(thousands of Russian rubles)

### 5. Loans to customers

Loans to customers comprise:

	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
<b>Loans to legal entities</b>		
Factoring	22,566,650	28,757,614
<b>Total gross loans to legal entities</b>	<b>22,566,650</b>	<b>28,757,614</b>
<b>Loans to individuals</b>		
Car loans	71,989,639	67,726,554
<b>Total gross loans to individuals</b>	<b>71,989,639</b>	<b>67,726,554</b>
Allowance for impairment	(4,193,578)	(3,938,633)
<b>Total loans to customers</b>	<b>90,362,711</b>	<b>92,545,535</b>

The table below shows movements in the gross carrying amount of loans to legal entities measured at amortized cost for the period ended 30 June 2021.

<b>Loans to legal entities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Balance at 1 January 2021</b>	<b>28,110,803</b>	<b>623,549</b>	<b>23,262</b>	<b>28,757,614</b>
Transfers to Stage 1	8,391	(8,391)	-	-
Transfers to Stage 2	(15,327)	15,327	-	-
Transfers to Stage 3	-	-	-	-
Assets recognized during the period	68,275,522	-	-	<b>68,275,522</b>
Assets disposed or redeemed (except for write-offs)	(75,344,005)	900,781	(23,262)	<b>(74,466,486)</b>
Write-offs	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>21,035,384</b>	<b>1,531,266</b>	<b>-</b>	<b>22,566,650</b>

The table below shows movements in the gross carrying amount of loans to legal entities measured at amortized cost for the year ended 31 December 2020.

<b>Loans to legal entities</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Balance at 1 January 2020</b>	<b>38,900,872</b>	<b>3,778,606</b>	<b>-</b>	<b>42,679,478</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(3,394)	3,394	-	-
Transfers to Stage 3	(23,262)	-	23,262	-
Assets recognized during the period	156,941,235	-	-	<b>156,941,235</b>
Assets disposed or redeemed (except for write-offs)	(167,704,648)	(3,158,451)	-	<b>(170,863,099)</b>
Write-offs	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>28,110,803</b>	<b>623,549</b>	<b>23,262</b>	<b>28,757,614</b>

The table below shows movements in the gross carrying amount of loans to individuals measured at amortized cost for the period ended 30 June 2021.

<b>Loans to individuals</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Balance at 1 January 2021</b>	<b>64,908,714</b>	<b>1,206,230</b>	<b>1,611,610</b>	<b>67,726,554</b>
Transfers to Stage 1	171,337	(171,337)	-	-
Transfers to Stage 2	(662,009)	710,535	(48,526)	-
Transfers to Stage 3	(389,655)	(251,471)	641,126	-
Assets recognized during the period	32,774,794	-	-	<b>32,774,794</b>
Assets disposed or redeemed (except for write-offs)	(27,827,803)	(303,256)	(369,398)	<b>(28,500,457)</b>
Write-offs	-	-	(11,252)	<b>(11,252)</b>
<b>Balance at 30 June 2021</b>	<b>68,975,378</b>	<b>1,190,701</b>	<b>1,823,560</b>	<b>71,989,639</b>

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### 5. Loans to customers (continued)

The table below shows movements in the gross carrying amount of loans to individuals measured at amortized cost for the year ended 31 December 2020.

<i>Loans to individuals</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
<b>Balance at 1 January 2020</b>	<b>56,881,995</b>	<b>795,141</b>	<b>1,094,303</b>	<b>58,771,439</b>
Transfers to Stage 1	130,968	(130,968)	-	-
Transfers to Stage 2	(1,116,132)	1,129,772	(13,640)	-
Transfers to Stage 3	(681,931)	(178,065)	859,996	-
Assets recognized during the period	55,906,190	-	-	<b>55,906,190</b>
Assets disposed or redeemed (except for write-offs)	(46,212,376)	(409,650)	(260,821)	<b>(46,882,847)</b>
Write-offs	-	-	(68,228)	<b>(68,228)</b>
<b>Balance at 31 December 2020</b>	<b>64,908,714</b>	<b>1,206,230</b>	<b>1,611,610</b>	<b>67,726,554</b>

#### Allowance for impairment of loans to customers

The table below shows movements in ECL (expected credit losses) on loans to legal entities measured at amortized cost for the period ended 30 June 2021 (unaudited):

<i>Loans to legal entities</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
<b>Balance at 1 January 2021</b>	<b>1,176,102</b>	<b>94,422</b>	<b>5,867</b>	<b>1,276,391</b>
Transfers to Stage 1	681	(681)	-	-
Transfers to Stage 2	(38,013)	38,013	-	-
Transfers to Stage 3	-	-	-	-
Reversal/(charge) for the period	(82,479)	37,246	(5,867)	<b>(51,100)</b>
Write-offs	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>1,056,291</b>	<b>169,000</b>	<b>-</b>	<b>1,225,291</b>

The table below shows movements in ECL (expected credit losses) on loans to individuals measured at amortized cost for the period ended 30 June 2021 (unaudited).

<i>Loans to individuals</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
<b>Balance at 1 January 2021</b>	<b>926,755</b>	<b>311,497</b>	<b>1,423,991</b>	<b>2,662,243</b>
Transfers to Stage 1	2,225	(2,225)	-	-
Transfers to Stage 2	(162,248)	176,530	(14,282)	-
Transfers to Stage 3	(293,390)	(221,068)	514,458	-
Reversal/(charge) for the period	502,153	114,651	(299,508)	<b>317,296</b>
Write-offs	-	-	(11,252)	<b>(11,252)</b>
<b>Balance at 30 June 2021</b>	<b>975,495</b>	<b>379,385</b>	<b>1,613,407</b>	<b>2,968,287</b>

The table below shows movements in ECL (expected credit losses) on loans to legal entities measured at amortized cost for the period ended 30 June 2020.

<i>Loans to legal entities</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
<b>Balance at 1 January 2020</b>	<b>1,346,731</b>	<b>382,870</b>	<b>-</b>	<b>1,729,601</b>
Transfers to Stage 1	13,323	(13,323)	-	-
Transfers to Stage 2	(1,846)	1,846	-	-
Transfers to Stage 3	(1)	(1,809)	1,810	-
Charge/(reversal) for the period of expected credit losses	(85,985)	(16,318)	3,357	<b>(98,946)</b>
Write-offs	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>1,272,222</b>	<b>353,266</b>	<b>5,167</b>	<b>1,630,655</b>

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### 5. Loans to customers (continued)

#### Allowance for impairment of loans to customers (continued)

The table below shows movements in ECL (expected credit losses) on loans to individuals measured at amortized cost for the period ended 30 June 2020.

<i>Loans to individuals</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
<b>Balance at 1 January 2020</b>	<b>964,558</b>	<b>163,988</b>	<b>975,352</b>	<b>2,103,898</b>
Transfers to Stage 1	1,011	(1,011)	-	-
Transfers to Stage 2	(229,210)	234,710	(5,500)	-
Transfers to Stage 3	(217,923)	(165,354)	383,277	-
Charge/(reversal) for the period of expected credit losses	287,499	149,388	(134,289)	<b>302,598</b>
Write-offs	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>805,935</b>	<b>381,721</b>	<b>1,218,840</b>	<b>2,406,496</b>

#### Modified and restructured loans

The Bank does not derecognize loans to customers as part of the restructuring process, as loan restructuring does not imply a significant change of cash flows and net income/expense from loan restructuring is insignificant. Loans restructured by the Bank are not material to the total portfolio of loans to individuals and legal entities.

As at 30 June 2021, the Bank recognized 1,941 restructured loans to individuals with the carrying amount of RUB 778,592 thousand and 183 loans with payment holidays with the carrying amount of RUB 52,555 thousand in its financial statements. As at 1 July 2021, the Bank recognized 19 restructured loans to legal entities with the carrying amount of RUB 357,208 thousand.

As at 1 January 2021, the Bank recognized 2,299 restructured loans to individuals with the carrying amount of RUB 1,042,894 thousand and 212 loans with payment holidays with the carrying amount of RUB 69,244 thousand. As at 1 January 2021, the Bank had no restructured loans issued to legal entities.

#### Concentration of loans to customers

As at 30 June 2021, the concentration of loans issued to ten largest groups of interrelated parties amounted to RUB 6,655,577 thousand (7.04% of the total loan portfolio before allowance). An allowance of RUB 140,705 thousand was charged against these loans.

As at 31 December 2020, the concentration of loans issued to ten largest groups of interrelated parties amounted to RUB 9,223,618 thousand (9.56% of the total loan portfolio). An allowance of RUB 40,546 thousand was charged against these loans.

### 6. Investment securities

Investment securities comprise:

	<i>30 June 2021</i> <i>(unaudited)</i>	<i>31 December 2020</i>
<b>Debt securities at FVOCI</b>		
Bonds of the Russian Ministry of Finance	1,557,878	993,084
<b>Total debt securities at FVOCI</b>	<b>1,557,878</b>	<b>993,084</b>

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### 7. Taxation

Income tax expense comprises:

	<i>For the six months ended 30 June 2021 (unaudited)</i>	<i>For the six months ended 30 June 2020 (unaudited)</i>
Current income tax expense	(530,074)	(484,861)
Deferred tax credit – origination/ (reversal) of temporary differences	73,239	7,934
<b>Income tax expense</b>	<b>(456,835)</b>	<b>(476,927)</b>

Russian legal entities must file income tax declarations. The standard income tax rate for companies (including banks) was 20% for 2021 and 2020.

### 8. Amounts due to credit institutions

Amounts due to credit institutions comprise:

	<i>30 June 2021 (unaudited)</i>	<i>31 December 2020</i>
Deposits received from banks and maturing within 1 year	24,059,240	30,134,963
Deposits received from banks and maturing after 1 year	3,622,246	2,029,495
<b>Amounts due to credit institutions</b>	<b>27,681,486</b>	<b>32,164,458</b>

As at 30 June 2021, the Bank raised RUB 22,335,951 thousand (2020: RUB 26,638,937 thousand) in deposits from resident banks and RUB 5,345,535 thousand (2020: RUB 5,525,521 thousand) in deposits from non-resident banks.

As at 30 June 2021, the Bank had balances of short-term and long-term deposits with seven counterparties. As at 30 June 2021, total balances with all counterparties comprised as follows: 80.69% with resident banks and 19.31% with a non-resident bank.

As at 31 December 2020, the Bank had balances of short-term and long-term deposits with eight counterparties. As at 31 December 2020, total balances with all counterparties comprised as follows: 82.82% with resident banks and 17.18% with a non-resident bank (located in France).

### 9. Amounts due to customers

Amounts due to customers comprise:

	<i>30 June 2021 (unaudited)</i>	<i>31 December 2020</i>
<b>Current accounts and demand deposits</b>		
- Corporate customers	149,120	11,586
- Retail customers	2,442,958	2,829,173
Assigned rights of claim for factoring transactions	743,798	25,906
Deposits of legal entities maturing within 1 year	8,470,355	8,890,052
Deposits of legal entities maturing after 1 year	227,074	-
<b>Amounts due to customers</b>	<b>12,033,305</b>	<b>11,756,717</b>

As at 30 June 2021, the Bank raised RUB 1,750,120 thousand (2020: RUB 1,501,003 thousand) in deposits from resident legal entities and RUB 6,947,309 thousand (2020: RUB 7,389,049 thousand) in deposits from non-resident legal entities.

As at 30 June 2021, the Bank had balances of short-term deposits with multiple counterparties. Total balances with all counterparties comprised the following: 79.88% and 20.12% of total short-term and long-term deposits with a non-resident legal entity (located in Japan) and a resident legal entity, respectively.

As at 31 December 2020, the Bank had balances of short-term deposits with multiple counterparties. As at 31 December 2020, total balances with all counterparties comprised as follows: 83.12% and 16.88% of total short-term deposits with non-resident legal entities (one located in Japan) and resident legal entities, respectively.



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### 10. Amounts due to the Bank of Russia

In 2020, the Bank joined the Small and Medium-business Loan Support Program, which is aimed at creating a support mechanism for small and medium business (SME) by issuing them loans on preferential terms, issuing loans to increase their working capital, providing them support of factoring companies by issuing loans to factoring companies, which offer SME financing under assignment of cash claims (factoring transactions) so that SME may raise financing against assignment of cash claims, etc. where the SME Corporation acts as the Bank's guarantor and the Bank of Russia acts as a lender.

	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Loans received from the Bank of Russia and maturing after 1 year	101,587	62,514
<b>Amounts due to the Bank of Russia</b>	<b>101,587</b>	<b>62,514</b>

### 11. Equity

The authorized, issued and fully paid share capital comprises:

	<b>30 June 2021 (unaudited)</b>			<b>31 December 2020</b>		
	<i>Number of shares</i>	<i>Nominal value</i>	<i>Inflation- adjusted amount</i>	<i>Number of shares</i>	<i>Nominal value</i>	<i>Inflation- adjusted amount</i>
Ordinary shares	4,335,000	6,069,000	6,133,091	4,335,000	6,069,000	6,133,091
<b>Total share capital</b>	<b>4,335,000</b>	<b>6,069,000</b>	<b>6,133,091</b>	<b>4,335,000</b>	<b>6,069,000</b>	<b>6,133,091</b>

On 1 June 2021, the sole shareholder of the Bank approved the annual financial statements for 2020 and decided to distribute the Bank's 2020 profit in the amount of RUB 4,046,908 thousand (RAS) as follows:

- ▶ To pay dividends of RUB 100,000 thousand out of net 2020 profit;
- ▶ To retain the remainder of net 2020 profit of the Bank in the amount of RUB 3,946,908 thousand (RAS) undistributed.

On 16 June 2021, the dividends were paid in full.

In 2020, the Bank neither declared nor paid any dividends to its shareholders.

### 12. Debt securities issued

	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
Bank's bonds	43,928,835	36,738,461
<b>Debt securities issued</b>	<b>43,928,835</b>	<b>36,738,461</b>

The table below presents the structure of securities issued as at 30 June 2021:

<b>Bonds</b>			<b>Annual coupon rate, %</b>	<b>Principal</b>	<b>Interest accrued/ discounts</b>	<b>Total</b>	
<b>Series</b>	<b>Number</b>	<b>Placement date</b>	<b>Maturity date</b>				
01	40100170B	5 July 2016	9 July 2021, offer on 7 January 2020	6.45	2,563,845	79,300	<b>2,643,145</b>
BO-001R-03	4B020300170B001P	20 November 2018	22 November 2021	9.25	5,000,000	49,400	<b>5,049,400</b>
BO-001R-04	4B020400170B001P	14 February 2019	16 February 2022	9.15	5,000,000	170,450	<b>5,170,450</b>
BO-001R-05	4B020500170B001P	23 April 2019	25 April 2022	8.9	8,000,000	132,640	<b>8,132,640</b>
BO-001R-06	4B020600170B001P	24 September 2019	26 September 2022	7.65	7,000,000	142,310	<b>7,142,310</b>
BO-001R-07	4B02-07-00170-B-001P	21 October 2020	24 October 2023	6.25	8,000,000	95,920	<b>8,095,920</b>
BO-001R-08	4B02-08-00170-B-001P	21 April 2021	23 April 2024	7.40	8,000,000	113,520	<b>8,113,520</b>
Effect of hedge accounting						(418,550)	
<b>Total debt securities issued as at 30 June 2021</b>						<b>43,928,835</b>	

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## 12. Debt securities issued (continued)

In 2021, changes in liabilities arising from financing activities and disclosed in the statement of cash flows in cash flows from financing activities result only from cash outflows from debt securities repaid, payments on securities and accrued interest, and dividends paid.

## 13. Commitments and contingencies

### Operating environment

Russia continues economic reforms and the development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

The Russian economy has been negatively impacted by a decline in oil prices and sanctions imposed on Russia by a number of countries. The combination of the above resulted in reduced access to capital, a higher cost of capital, and increased uncertainty regarding economic growth, which could negatively affect the Bank's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Bank's business in the current circumstances.

As the COVID-19 outbreak is still evolving, there is uncertainty regarding its further development and duration, as well as the extent of economic recovery in the near future. The government continues to take various measures, and their influence is still evolving. Therefore, management of the Bank continuously monitors the increased risks, the effect of the pandemic and measures taken by the government.

### Legal

In the ordinary course of business, the Bank is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial position or performance of the Bank.

### Taxation

A significant part of the Bank's business activity is carried out in the Russian Federation. Russian tax, currency and customs legislation as currently in effect is not clear and unambiguous enough, which often results in varying interpretations, selective and inconsistent application, as well as frequent and, at times, highly unpredictable changes, which may apply retrospectively. Management's interpretation of such legislation as applied to the transactions and activity of the Bank may be challenged by the relevant regional and federal authorities. The tax authorities may be taking a more assertive position in their interpretation and application of the legislation and in performing tax reviews. As a result, the Bank's approaches to tax liability calculations that have not been challenged in the past may be challenged during future tax audits. As such, significant additional taxes, penalties and interest may be assessed by the relevant authorities.

The Russian transfer pricing tax legislation allows the Russian tax authorities to apply transfer pricing adjustments and impose additional income tax and value added tax liabilities in respect of all controlled transactions if the transaction price differs from the market price and unless the Bank is able to demonstrate the use of market prices with respect to the controlled transactions. Security transactions, payments and receipts of interest on debt, as well as derivative transactions are subject to special transfer pricing rules. In 1H 2021, the Bank determined its tax liabilities arising from these "controlled" transactions using actual transaction prices.

The majority of the Bank's transactions with related parties carried out under the effective legislation are not deemed controlled.

Management believes that the Bank complies with the requirements of the Russian transfer pricing legislation with regard to transactions that qualify for recognition as controlled transactions, including proper preparation and presentation of notifications and, if necessary, transfer pricing documentation to the tax authorities, confirming that the Bank used market prices in performing controlled transactions.

Tax legislation introduced special rules for recognizing income and expenses arising from hedging transactions. In accordance with the existing Russian tax legislation, the Bank may classify derivative transactions as hedging transactions on condition that the proper documentation is in place to confirm, inter alia, the nature and rationale for hedging transactions. Management believes that the Bank has sufficient evidence to recognize hedging transactions for taxation purposes.

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### 13. Commitments and contingencies (continued)

#### Taxation (continued)

Currently, the Russian tax legislation requires compliance with the taxation rules for controlled foreign companies and the concept of tax residency of legal entities; in addition, foreign entities receiving income from Russian sources must have an actual right to such income. Overall, the adoption of these concepts should increase the administrative and, in some cases, tax burden on Russian taxpayers that form part of an international group and/or conduct transactions with foreign companies. In some cases, the Bank paid income to foreign entities using reduced rates of the Russian withholding tax based on the provisions of international tax treaties concluded by the Russian Federation.

Given that the above new rules have not been applied consistently with regard to the confirmation of the foreign entities' actual right to income, there is uncertainty regarding the procedure for the application of these rules and their possible interpretation by the Russian tax authorities and the effect on the amount of tax liabilities. Management believes it is possible that with the evolution of these rules and changes in the approach of the Russian tax authorities and/or courts to their interpretation and enforcement, additional taxes and related fines and penalties may be assessed, which could negatively impact the financial position of the Bank.

The introduction of these regulations and the interpretation of some other provisions of Russian tax legislation together with the latest trends in the application and interpretation of certain provisions of Russian tax legislation suggest that the tax authorities may take a more assertive position in their interpretation and application of the legislation, conducting tax audits and imposing additional tax requirements. At the same time, it is impossible to evaluate the potential impact the adoption of these norms may have and the probability of negative outcomes of litigations if challenged by the Russian tax authorities. Consequently, the tax authorities may challenge the transactions and methods of accounting which have not been challenged before. As a result, significant additional taxes, penalties and fines may be assessed. Tax field audits of the accuracy of tax calculation and payments conducted by tax authorities may cover three calendar years preceding the year during which the tax audit decision was made. Under certain circumstances tax reviews may cover longer periods.

As at 30 June 2021, the Bank's management holds a conservative position when interpreting applicable legislation and creates a provision for undetermined tax liabilities.

### 14. Fair value measurements

#### Fair value hierarchy

The Bank uses the following hierarchy to determine and disclose the fair value of financial instruments by valuation technique:

- ▶ Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ▶ Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- ▶ Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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### 14. Fair value measurements (continued)

#### Fair value hierarchy (continued)

As at 30 June 2021, fair value hierarchy disclosures are as follows:

	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total</i>
<b>Assets measured at fair value</b>				
Investment securities – debt securities at FVOCI	1,557,878	–	–	1,557,878
Derivative financial instruments	–	2,071,902	–	2,071,902
<b>Total assets measured at fair value</b>	<b>1,557,878</b>	<b>2,071,902</b>	<b>–</b>	<b>3,629,780</b>
<b>Assets for which fair values are disclosed</b>				
Cash and cash equivalents	–	14,438,872	–	14,438,872
Amounts due from credit institutions	–	–	–	–
Loans to customers	–	–	85,251,814	85,251,814
Other assets	–	–	138,497	138,497
<b>Total assets for which fair values are disclosed</b>	<b>–</b>	<b>14,438,872</b>	<b>85,390,311</b>	<b>99,829,183</b>
<b>Liabilities measured at fair value</b>				
Derivative financial instruments	–	308,069	–	308,069
<b>Total liabilities measured at fair value</b>	<b>–</b>	<b>308,069</b>	<b>–</b>	<b>308,069</b>
<b>Liabilities for which fair values are disclosed</b>				
Debt securities issued	44,303,673	–	–	44,303,673
Amounts due to the Bank of Russia	–	–	98,489	98,489
Amounts due to credit institutions	–	–	27,567,520	27,567,520
Amounts due to customers	–	–	12,029,916	12,029,916
Other liabilities	–	–	500,796	500,796
<b>Total liabilities for which fair values are disclosed</b>	<b>44,303,673</b>	<b>–</b>	<b>40,196,721</b>	<b>84,500,394</b>

As at 31 December 2020, fair value hierarchy disclosures are as follows:

	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total</i>
<b>Assets measured at fair value</b>				
Investment securities – debt securities at FVOCI	993,084	–	–	993,084
Derivative financial instruments	–	3,537,339	–	3,537,339
<b>Total assets measured at fair value</b>	<b>993,084</b>	<b>3,537,339</b>	<b>–</b>	<b>4,530,423</b>
<b>Assets for which fair values are disclosed</b>				
Cash and cash equivalents	–	7,149,759	–	7,149,759
Amounts due from credit institutions	–	–	–	–
Loans to customers	–	–	87,935,350	87,935,350
Other assets	–	–	132,558	132,558
<b>Total assets for which fair values are disclosed</b>	<b>–</b>	<b>7,149,759</b>	<b>88,067,908</b>	<b>95,217,667</b>
<b>Liabilities measured at fair value</b>				
Derivative financial instruments	–	65,008	–	65,008
<b>Total liabilities measured at fair value</b>	<b>–</b>	<b>65,008</b>	<b>–</b>	<b>65,008</b>
<b>Liabilities for which fair values are disclosed</b>				
Debt securities issued	37,396,039	–	–	37,396,039
Amounts due to the Bank of Russia	–	–	61,319	61,319
Amounts due to credit institutions	–	–	32,172,701	32,172,701
Amounts due to customers	–	–	11,756,717	11,756,717
Other liabilities	–	–	668,699	668,699
<b>Total liabilities for which fair values are disclosed</b>	<b>37,396,039</b>	<b>–</b>	<b>44,659,436</b>	<b>82,055,475</b>

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### 14. Fair value measurements (continued)

#### Financial instruments not recorded at fair value in the statement of financial position

Set out below is a comparison by class of the carrying amounts and fair values of the Bank's financial instruments that are not carried at fair value in the statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

	30 June 2021 (unaudited)			31 December 2020		
	Carrying amount	Fair value	Unrecognized gain/(loss)	Carrying amount	Fair value	Unrecognized gain/(loss)
<b>Financial assets</b>						
Cash and cash equivalents	14,438,872	14,438,872	–	7,149,759	7,149,759	–
Amounts due from credit institutions	–	–	–	–	–	–
Loans to customers	90,362,711	85,251,814	(5,110,897)	92,545,535	87,935,350	(4,610,185)
Other assets	138,497	138,497	–	132,558	132,558	–
	<b>104,940,080</b>	<b>99,829,183</b>	<b>(5,110,897)</b>	<b>99,827,852</b>	<b>95,217,667</b>	<b>(4,610,185)</b>
<b>Financial liabilities</b>						
Amounts due to the Bank of Russia	101,587	98,489	3,098	62,514	61,319	1,195
Amounts due to credit institutions	27,681,486	27,567,520	113,966	32,164,457	32,172,701	(8,244)
Amounts due to customers	12,033,305	12,029,916	3,389	11,756,717	11,756,717	–
Debt securities issued	43,928,835	44,303,673	(374,838)	36,738,461	37,396,039	(657,578)
Other liabilities	500,796	500,796	–	668,699	668,699	–
<b>Total financial liabilities</b>	<b>84,246,009</b>	<b>84,500,394</b>	<b>(254,385)</b>	<b>81,390,848</b>	<b>82,055,475</b>	<b>(664,627)</b>
<b>Total unrecognized change in fair value</b>			<b><u>(5,365,282)</u></b>			<b><u>(5,274,812)</u></b>

#### Valuation techniques and assumptions

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

##### *Assets for which fair value approximates carrying amount*

For financial assets and financial liabilities that are liquid or have a short term maturity (less than three months), it is assumed that the carrying amount approximate their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

##### *Financial assets and financial liabilities carried at amortized cost*

The fair value of unquoted instruments, loans to customers, customer deposits, amounts due from credit institutions and amounts due to the Bank of Russia and other credit institutions, other financial assets and liabilities, obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

### 15. Segment reporting

The Bank determined operating segments based on its organizational structure. The information on operating segments is presented in the same manner as the internal reporting is presented to the Management Board.

For the purposes of this disclosure, "operating segments" are determined by the Bank based on the definition specified in IFRS 8 *Operating Segments*.

The Bank determined operating segments based on its organizational structure. The information on operating segments is presented in the same manner as the internal reporting is presented to the Management Board.

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### 15. Segment reporting (continued)

For the purposes of this disclosure, "operating segments" are determined by the Bank based on the definition specified in IFRS 8 *Operating Segments*.

For management purposes, the Bank's activities are divided into three business segments:

- ▶ Corporate banking – provision of financing to car dealers, maintenance of term deposits placed by corporate customers;
- ▶ Retail banking – provision of loans to retail customers (car loans) and rendering related financial services;
- ▶ In-house activities – interbank lending, trading with securities, foreign currencies and derivative financial instruments, and other internal transactions.

Management monitors operating results separately for each business unit for the purpose of making decisions on the resource allocation and performance assessment. Transfer prices for transactions between operating segments are set on an arm's length basis in a manner similar to transactions with third parties.

Information on each segment is reviewed using the methods similar to those applied in making decisions on the resource allocation between segments and performance assessment.

The breakdown of the Bank's assets and liabilities by operating segment for the six months of 2021 and for the year of 2020 is shown in the table below:

	<b>30 June 2021 (unaudited)</b>	<b>31 December 2020</b>
<b>Assets</b>		
Retail banking	69,021,352	65,064,312
Corporate banking	21,341,359	27,572,344
In-house activities	20,418,819	13,619,214
<b>Total assets</b>	<b>110,781,530</b>	<b>106,255,870</b>
<b>Liabilities</b>		
Retail banking	2,443,730	2,829,945
Corporate banking	1,291,781	493,955
In-house activities	82,513,061	80,015,202
<b>Total liabilities</b>	<b>86,248,572</b>	<b>83,339,102</b>

The analysis of the Bank's income and expenses by segment for the six months ended 30 June 2021 and 30 June 2020 is shown in the table below.

	<i>For the six months ended 30 June 2021 (unaudited)</i>				<i>For the six months ended 30 June 2020 (unaudited)</i>			
	<i>Retail banking</i>	<i>Corporate banking</i>	<i>In-house activities</i>	<i>Total</i>	<i>Retail banking</i>	<i>Corporate banking</i>	<i>In-house activities</i>	<i>Total</i>
<b>Revenue</b>								
Interest income	4,577,886	1,304,057	188,842	<b>6,070,785</b>	4,345,267	1,720,003	259,413	<b>6,324,683</b>
Fee and commission income	41,819	17,784	–	<b>59,603</b>	–	49,754	–	<b>49,754</b>
<b>Total revenue</b>	<b>4,619,705</b>	<b>1,321,841</b>	<b>188,842</b>	<b>6,130,388</b>	<b>4,345,267</b>	<b>1,769,757</b>	<b>259,413</b>	<b>6,374,437</b>
<b>Expenses</b>								
Interest expense	(1,998,249)	(501,458)	664,109	<b>(1,835,598)</b>	(1,954,204)	(775,878)	(688,727)	<b>(3,418,809)</b>
Fee and commission expense	(72,667)	–	–	<b>(72,667)</b>	(41,740)	–	–	<b>(41,740)</b>
Allowance for impairment	(317,936)	51,740	–	<b>(266,196)</b>	(302,599)	98,947	(909)	<b>(204,561)</b>
Non-interest expense	–	–	(849,820)	<b>(849,820)</b>	–	–	431,102	<b>431,102</b>
Other administrative expenses	(705,578)	(211,819)	–	<b>(917,397)</b>	(591,012)	(238,234)	–	<b>(829,246)</b>
<b>Total expenses</b>	<b>(3,094,430)</b>	<b>(661,537)</b>	<b>(185,711)</b>	<b>(3,941,678)</b>	<b>(2,889,555)</b>	<b>(915,165)</b>	<b>(258,534)</b>	<b>(4,063,254)</b>
<b>Profit/(loss) before income tax expense</b>	<b>1,525,275</b>	<b>660,304</b>	<b>3,131</b>	<b>2,188,710</b>	<b>1,455,712</b>	<b>854,592</b>	<b>879</b>	<b>2,311,183</b>
Income tax expense	(321,570)	(135,265)	–	<b>(456,835)</b>	(308,672)	(168,255)	–	<b>(476,927)</b>
<b>Total net profit for the year</b>	<b>1,203,705</b>	<b>525,039</b>	<b>3,131</b>	<b>1,731,875</b>	<b>1,147,040</b>	<b>686,337</b>	<b>879</b>	<b>1,834,256</b>

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### 16. Related party disclosures

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

#### 16.1. Transactions with the members of the Board of Directors and the Management Board

The total compensations to the members of the Board of Directors and the Management Board included in personnel expenses for the six months of 2021 and the six months of 2020 amounted to RUB 33,550 thousand and RUB 49,012 thousand, respectively.

#### 16.2. Transactions with related parties

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party, is under common control or can exercise significant influence over the other party in making financial or operational decisions.

The Bank entered into transactions with related parties as part of its normal business. There is no increased risk of arrears or other unfavorable events resulting from such transactions.

*The Bank's related parties are as follows:*

As a result of a share sale and purchase transaction, BARN B.V., a limited liability company (the Kingdom of the Netherlands) has become the Bank's sole shareholder since 29 August 2013. Ownership interest: 100.00%.

The ultimate owners of the Bank's shareholder are:

- ▶ UniCredit S.p.A., Italy – 40%;
- ▶ Renault S.A., France – 30%;
- ▶ Nissan Motor Co., Ltd., Japan – 30%.

The shares above are indicated without taking into account the ownership of Renault S.A., France, in the share capital of Nissan Motor Co., Ltd., Japan, which was 43% as at 30 June 2021.

	<u>30 June 2021</u>	<u>31 December 2020</u>
Shareholders	BARN B.V.	BARN B.V.
Transactions with other related parties	JSC UniCredit Bank RCI Banque S.A. Nissan Financial Services Co, Ltd. RNGM S.A. LLC Nissan Manufacturing RUS LLC RNL Leasing JSC Piter-Lada CJSC Renault Russia JSC AVTOVAZ JSC Central STO	JSC UniCredit Bank RCI Banque S.A. Nissan Financial Services Co, Ltd. RNGM S.A. LLC Nissan Manufacturing RUS LLC RNL Leasing UniCredit S.p.A CJSC Renault Russia DIAC

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### 16. Related party disclosures (continued)

#### 16.2. Transactions with related parties (continued)

The outstanding balances of, and gains and losses resulting from, transactions with related parties are presented below:

	30 June 2021 (unaudited)		31 December 2020	
	Shareholder	Other related parties	Shareholder	Other related parties
<b>Assets</b>				
Cash and cash equivalents	-	20,863	-	23,508,
Loans to customers	-	846,542	-	239,912
Financial assets at fair value through profit or loss	-	538,940	-	883,630
Other assets	-	934	-	38
<b>Total assets</b>	<b>-</b>	<b>1,407,279</b>	<b>-</b>	<b>1,147,088</b>
<b>Liabilities</b>				
Amounts due to credit institutions	-	11,900,517	-	15,598,132
Financial liabilities at fair value through profit or loss	-	103,392	-	23,931
Amounts due to customers	-	7,405,499	-	7,215,954
Other liabilities	-	4,776	-	516
<b>Total liabilities</b>	<b>-</b>	<b>19,414,184</b>	<b>-</b>	<b>22,838,533</b>
Commitments and guarantees received	-	1,162,585	-	215,085

  

	30 June 2021 (unaudited)		30 June 2020 (unaudited)	
	Shareholder	Other related parties	Shareholder	Other related parties
Interest income	-	1,174,299	-	1,188,363
Interest expense	-	(443,897)	-	(938,491)
Debt securities issued	-	-	-	-
Fee and commission income	-	17,784	-	49,754
Fee and commission expense	-	(19,733)	-	(20,821)
Result of operations with financial instruments	-	71,763	-	19,967
Other operating income	-	6,015	-	141
Other operating expenses	-	(21,842)	-	(21,996)
Net gains/(losses) from foreign currencies	-	(134,394)	-	280,218

Chairman of the Management Board  
Derot Xavier Gerard

26 August 2021



Chief Accountant  
Darya Vladislavovna Dolgorukova