

TCS Group Holding PLC

**International Financial Reporting Standards
Consolidated Condensed Interim Financial Information
(Unaudited)**

30 June 2020

CONTENTS

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Consolidated Condensed Interim Statement of Financial Position.....	1
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	2
Consolidated Condensed Interim Statement of Changes in Equity.....	3
Consolidated Condensed Interim Statement of Cash Flows.....	4

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

1	Introduction	5
2	Operating Environment of the Group	7
3	Significant Accounting Policies	8
4	Critical Accounting Estimates and Judgements in Applying Accounting Policies	10
5	Adoption of New or Revised Standards and Interpretations	12
6	New Accounting Pronouncements	12
7	Cash and Cash Equivalents	13
8	Loans and Advances to Customers	13
9	Investments in Securities.....	43
10	Repurchase Receivables.....	44
11	Due to Banks.....	44
12	Customer Accounts.....	44
13	Share Capital, Share Premium and Treasury Shares.....	45
14	Net Margin	46
15	Fee and Commission Income and Expense.....	47
16	Customer Acquisition Expense.....	48
17	Administrative and Other Operating Expenses.....	48
18	Dividends	49
19	Segment Analysis	50
20	Management of Capital	60
21	Contingencies and Commitments	61
22	Fair Value of Financial Instruments	65
23	Related Party Transactions	69
24	Events after the End of the Reporting Period	71



Report on review of Consolidated Condensed Interim Financial Information

To TCS Group Holding PLC

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of TCS Group Holding PLC and its subsidiaries (the 'Group') as at 30 June 2020 and the related consolidated condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and consolidated condensed interim statements of changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union.

PricewaterhouseCoopers

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

5 August 2020
Nicosia
Cyprus

*PricewaterhouseCoopers Ltd, PwC Central, 43 Demostheni Severi Avenue, CY-1080 Nicosia, Cyprus
P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 22 - 555 000, F: +357 - 22 555 001, www.pwc.com.cy*

PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No.143594). Its registered office is at 3 Themistocles Dervis Street, CY-1066, Nicosia. A list of the company's directors, including for individuals the present and former (if any) name and surname and nationality, if not Cypriot and for legal entities the corporate name, is kept by the Secretary of the company at its registered office. PwC refers to the Cyprus member firm, PricewaterhouseCoopers Ltd and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

TCS Group Holding PLC
Consolidated Condensed Interim Statement of Financial Position

<i>In millions of RR</i>	Note	30 June 2020 (Unaudited)	31 December 2019
ASSETS			
Cash and cash equivalents	7	71,409	57,796
Mandatory cash balances with the CBRF		4,211	3,448
Due from other banks		1,868	2,084
Loans and advances to customers	8	324,226	329,175
Financial derivatives		3,277	390
Investments in securities	9	214,028	135,178
Repurchase receivables	10	3,032	-
Guarantee deposits with payment systems		9,836	8,877
Current income tax assets		-	815
Deferred income tax assets		3,117	1,517
Tangible fixed assets and right-of-use assets		11,008	10,560
Intangible assets		5,919	5,435
Other financial assets		14,859	21,673
Other non-financial assets		2,423	2,510
TOTAL ASSETS		669,213	579,458
LIABILITIES			
Due to banks	11	7,856	663
Customer accounts	12	473,923	411,614
Debt securities in issue		25,481	26,078
Financial derivatives		69	590
Current income tax liabilities		1,938	-
Deferred income tax liabilities		-	142
Subordinated debt		19,151	18,487
Insurance provisions		5,866	6,280
Other financial liabilities		18,821	14,648
Other non-financial liabilities		8,045	4,874
TOTAL LIABILITIES		561,150	483,376
EQUITY			
Share capital	13	230	230
Share premium	13	26,998	26,998
Treasury shares	13	(3,238)	(3,164)
Share-based payment reserve	13,23	651	1,039
Retained earnings		81,264	66,880
Revaluation reserve for investments in debt securities		2,047	3,996
Equity attributable to shareholders of the Company		107,952	95,979
Non-controlling interest		111	103
TOTAL EQUITY		108,063	96,082
TOTAL LIABILITIES AND EQUITY		669,213	579,458

Approved for issue and signed on behalf of the Board of Directors on 5 August 2020.


 Constantin Economides
 Director


 Mary Trimithiotou
 Director

TCS Group Holding PLC
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

	Note	Unaudited			
		Six months ended 30 June 2020	Three months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2019
<i>In millions of RR</i>					
Interest income calculated using the effective interest rate method	14	63,399	31,889	50,718	27,890
Other similar income	14	11	7	118	15
Interest expense calculated using the effective interest rate method	14	(11,153)	(5,579)	(9,875)	(5,449)
Other similar expense	14	(74)	(36)	(68)	(35)
Expenses on deposit insurance	14	(801)	(221)	(844)	(442)
Net margin	14	51,382	26,060	40,049	21,979
Credit loss allowance for loans and advances to customers and credit related commitments	8	(28,027)	(12,421)	(11,651)	(6,800)
Credit loss allowance for debt securities at FVOCI		(261)	(154)	142	103
Total credit loss allowance for debt financial instruments		(28,288)	(12,575)	(11,509)	(6,697)
Net margin after credit loss allowance		23,094	13,485	28,540	15,282
Fee and commission income	15	20,420	10,226	16,337	8,568
Fee and commission expense	15	(10,260)	(5,115)	(7,813)	(4,227)
Customer acquisition expense	16	(8,118)	(4,111)	(9,839)	(5,423)
Net gains/(losses) from derivatives revaluation		2,958	(4,263)	(1,396)	(471)
Net (losses)/gains from foreign exchange translation		(4,501)	2,300	1,687	615
Net gains/(losses) from operations with foreign currencies		920	236	(669)	(271)
Net gains from disposals of debt securities at FVOCI		6,249	2,882	140	132
Net gains from debt instruments at FVTPL		10	43	390	3
Insurance premiums earned		9,386	4,617	5,258	2,948
Insurance claims incurred		(2,109)	(770)	(1,908)	(1,086)
Administrative and other operating expenses	17	(16,385)	(8,753)	(13,067)	(6,654)
Net gains from repurchase of subordinated debt		150	19	-	-
Other operating income		2,950	2,332	2,043	1,022
Profit before tax		24,764	13,128	19,703	10,438
Income tax expense		(5,510)	(2,894)	(4,315)	(2,230)
Profit for the period		19,254	10,234	15,388	8,208
Other comprehensive (loss)/income					
<i>Items that may be reclassified to profit or loss</i>					
Debt securities at FVOCI and Repurchase receivables:					
- Net gains arising during the period, net of tax		3,050	5,469	2,634	1,410
- Net gains reclassified to profit or loss upon disposal, net of tax		(4,999)	(2,305)	(112)	(105)
Other comprehensive (loss)/income for the period, net of tax		(1,949)	3,164	2,522	1,305
Total comprehensive income for the period		17,305	13,398	17,910	9,513
Profit/(loss) is attributable to:					
- Shareholders of the Company		19,246	10,229	15,389	8,210
- Non-controlling interest		8	5	(1)	(2)
Total comprehensive income/(loss) is attributable to:					
- Shareholders of the Company		17,297	13,393	17,911	9,515
- Non-controlling interest		8	5	(1)	(2)
Earnings per share for profit attributable to the Shareholders of the Company, basic (expressed in RR per share)		98.38	52.11	86.44	46.01
Earnings per share for profit attributable to the Shareholders of the Company, diluted (expressed in RR per share)		97.45	51.68	84.96	45.22

TCS Group Holding PLC
Consolidated Condensed Interim Statement of Changes in Equity

	Note	Attributable to shareholders of the Company					Total	Non-controlling Interest	Total equity	
		Share capital	Share premium	Share-based payment reserve	Revaluation reserve for investments in debt securities	Treasury shares				Retained earnings
<i>In millions of RR</i>										
Balance at 1 January 2019		188	8,623	1,232	(1,144)	(3,670)	36,785	42,014	236	42,250
Profit/(loss) for the period		-	-	-	-	-	15,389	15,389	(1)	15,388
Other comprehensive income: Investments in debt securities at FVOCI and Repurchase receivables		-	-	-	2,522	-	-	2,522	-	2,522
Total comprehensive income/(loss) for the period (Unaudited)		-	-	-	2,522	-	15,389	17,911	(1)	17,910
Acquisition of non-controlling interest in subsidiaries		-	-	-	-	-	-	-	(71)	(71)
Share-based payment reserve	13,23	-	-	(380)	-	506	156	282	-	282
Dividends declared	18	-	-	-	-	-	(5,870)	(5,870)	-	(5,870)
Balance at 30 June 2019 (Unaudited)		188	8,623	852	1,378	(3,164)	46,460	54,337	164	54,501
Balance at 1 January 2020		230	26,998	1,039	3,996	(3,164)	66,880	95,979	103	96,082
Profit for the period		-	-	-	-	-	19,246	19,246	8	19,254
Other comprehensive loss: Investments in debt securities at FVOCI and Repurchase receivables		-	-	-	(1,949)	-	-	(1,949)	-	(1,949)
Total comprehensive (loss)/income for the period (Unaudited)		-	-	-	(1,949)	-	19,246	17,297	8	17,305
GDRs buy-back	13	-	-	-	-	(661)	-	(661)	-	(661)
Share-based payment reserve	13,23	-	-	(388)	-	587	(4)	195	-	195
Dividends declared	18	-	-	-	-	-	(4,858)	(4,858)	-	(4,858)
Balance at 30 June 2020 (Unaudited)		230	26,998	651	2,047	(3,238)	81,264	107,952	111	108,063

The notes № 1-24 are an integral part of this Consolidated Condensed Interim Financial Information.

TCS Group Holding PLC
Consolidated Condensed Interim Statement of Cash Flows

<i>In millions of RR</i>	Note	Unaudited	
		Six months ended 30 June 2020	Six months ended 30 June 2019
Cash flows from operating activities			
Interest income received calculated using the effective interest rate method		63,014	48,285
Other similar income received		11	175
Interest expense paid calculated using the effective interest rate method		(11,417)	(8,795)
Recoveries from written-off loans	8	1,789	1,602
Expenses on deposits insurance paid		(921)	(747)
Fees and commissions received		20,421	16,207
Fees and commissions paid		(9,879)	(8,433)
Customer acquisition expense paid		(7,428)	(10,485)
Gains/(losses) from operations with foreign currencies received/(paid)		51	(669)
(Losses)/gains from operations with derivatives (paid)/received		(443)	412
Insurance premiums received		8,930	6,526
Insurance claims paid		(1,576)	(1,511)
Other operating income received		4,500	2,594
Administrative and other operating expenses paid		(12,833)	(11,276)
Income tax paid		(3,891)	(8,983)
Cash flows from operating activities before changes in operating assets and liabilities		50,328	24,902
Changes in operating assets and liabilities			
Net increase in CBRF mandatory reserves		(763)	(286)
Net decrease/(increase) in due from banks		216	(619)
Net increase in loans and advances to customers		(17,904)	(99,071)
Net (increase)/decrease in debt securities measured at FVTPL		(952)	5,781
Net increase in guarantee deposits with payment systems		-	(145)
Net decrease in other financial assets		5,221	2,383
Net (increase)/decrease in other non-financial assets		(525)	81
Net increase in due to banks		7,193	17,811
Net increase in customer accounts		55,499	37,982
Net increase in other financial liabilities		65	763
Net decrease in non-financial liabilities		(175)	(373)
Net cash from/(used in) operating activities		98,203	(10,791)
Cash flows from/(used in) investing activities			
Acquisition of tangible fixed assets		(844)	(815)
Acquisition of intangible assets		(1,415)	(1,209)
Acquisition of investments in securities, repurchase receivables and other investments		(300,080)	(49,621)
Proceeds from sale and redemption of investments in securities		224,923	51,072
Net cash used in investing activities		(77,416)	(573)
Cash flows from/(used in) financing activities			
Dividends paid	18	(5,132)	-
Repayment of subordinated debt		(1,955)	(5,618)
Repayment of debt securities in issue		(813)	(3,200)
GDR's buy-back	13	(661)	-
Repayment of principal of lease liabilities		(366)	(644)
Proceeds of perpetual loan participation notes		208	46
Proceeds from debt securities in issue		-	11,455
Net cash (used in)/from financing activities		(8,719)	2,039
Effect of exchange rate changes on cash and cash equivalents		1,545	(706)
Net increase/(decrease) in cash and cash equivalents		13,613	(10,031)
Cash and cash equivalents at the beginning of the period	7	57,796	33,802
Cash and cash equivalents at the end of the period	7	71,409	23,771

The notes № 1-24 are an integral part of this Consolidated Condensed Interim Financial Information.

1 Introduction

This consolidated condensed interim financial information for the six months ended 30 June 2020 for TCS Group Holding PLC (the “Company”) and its subsidiaries (together referred to as the “Group” or “TCS Group Holding PLC”) has been prepared in accordance with International Accounting Standard 34 (IAS 34) “Interim Financial Reporting” as adopted by the European Union.

The Company was incorporated, and is domiciled, in Cyprus in accordance with the provisions of the Companies Law, Cap.113.

The Board of Directors of the Company at the date of authorisation of this consolidated condensed interim financial information consists of: Constantinos Economides, Alexios Ioannides, Mary Trimitioutou, Jacques Der Megreditchian and Martin Robert Cocker.

The Company Secretary is Caelion Secretarial Limited, 25 Spyrou Araouzou, 25 Berengaria, 5th floor, Limassol 3036, Cyprus.

At 30 June 2020 and 31 December 2019 the share capital of the Company is comprised of “class A” shares and “class B” shares. A “class A” share is an ordinary share with a nominal value of USD 0.04 per share and carrying one vote. A “class B” share is an ordinary share with a nominal value of USD 0.04 per share and carrying 10 votes. As at 30 June 2020 the number of issued “class A” shares is 119,291,268 and issued “class B” shares is 80,014,224 (31 December 2019: the same). Refer to Note 13 for further information on the share capital. On 25 October 2013 the Group completed an initial public offering of its “Class A” ordinary shares in the form of global depositary receipts (GDRs) listed on the London Stock Exchange plc. On 2 July 2019 the Group completed a secondary public offering (SPO) of its “class A” shares in the form of GDRs. On 28 October 2019 the Group’s GDRs started trading also on the Moscow Exchange.

As at 30 June 2020 and 31 December 2019 the entities and the individuals holding either Class A or Class B shares of the Company were:

	Class of shares	30 June 2020 (Unaudited)	31 December 2019	Country of Incorporation
Guaranty Nominees Limited (JP Morgan Chase Bank NA)	Class A	59.85%	59.85%	United Kingdom
Virtue Trustees (Switzerland) AG as Trustee of the Bernina Trust	Class B	18.47%	-	Switzerland
Virtue Trustees (Switzerland) AG as Trustee of the Rigi Trust	Class B	21.68%	-	Switzerland
Ioanna Georgiou	Class A	0.00%	0.00%	Cyprus
Panagiota Charalambous	Class A	0.00%	0.00%	Cyprus
Maria Vyra	Class A	0.00%	0.00%	Cyprus
Marios Panayides	Class A	0.00%	0.00%	Cyprus
Chloi Panagiotou	Class A	0.00%	0.00%	Cyprus
Leonora Chagianni	Class A	0.00%	0.00%	Cyprus
Altoville Holdings Limited	Class B	-	18.47%	Cyprus
Nemorenti Limited	Class B	-	21.68%	Cyprus
Total		100.00%	100.00%	

Guaranty Nominees Limited is a company holding class A shares of the Company for which global depositary receipts are issued under a deposit agreement made between the Company and JP Morgan Chase Bank NA signed in October 2013.

On 19 March 2020 Altoville Holdings Limited and Nemorenti Limited transferred all of the Company’s Class B shares owned by them to two Tinkov family trusts. Russian entrepreneur Mr. Oleg Tinkov, who was the beneficial owner of Altoville Holdings Limited and Nemorenti Limited at 31 December 2019, remains the ultimate beneficiary of these shares, and thus his voting rights are unaffected by this change. This change also has no consequences for or impact on the operations of the Company and its subsidiaries.

1 Introduction (Continued)

As at 30 June 2020 the six individuals listed above each hold one share. The individuals hold them as nominees of Mr. Oleg Tinkov (31 December 2019: Altoville Holdings Limited).

As at 30 June 2020 and 31 December 2019 the ultimate controlling party of the Company is Mr. Oleg Tinkov. Mr. Oleg Tinkov controls approximately 87.03% of the aggregated voting rights attached to the Class A and B shares as at 30 June 2020 (31 December 2019: 87.03%) excluding voting rights attached to GDRs in TCS Group Holding PLC he holds, if any.

The subsidiaries of the Group are set out below. Except where stated the Group owns 100% of shares and has 100% of voting rights of each of these subsidiaries as at 30 June 2020 and 31 December 2019.

JSC “Tinkoff Bank” (the “Bank”) provides on-line retail banking services in Russia. The Bank specialises in issuing credit cards and other credit products.

JSC “Tinkoff Insurance” (the “Insurance Company”) provides insurance services such as accident, property, travellers, financial risks and auto insurance.

LLC “Microfinance company “T-Finans” provides micro-finance services.

TCS Finance D.A.C. is a structured entity which issued debt securities including subordinated perpetual bonds for the Group. The Group neither owns shares nor has voting rights in this company. However, this entity was consolidated as it was specifically set up for the purposes of the Group, and the Group has exposure to substantially all risks and rewards through outstanding guarantees of the entity’s obligations.

LLC “TCS” provides printing, distribution and other services to the Group.

LLC “Phoenix” is a debt collection agency.

LLC “Tinkoff Software DC” and LLC “Fintech DC” provide software development services.

LLC “Tinkoff Mobile” is a mobile virtual network operator set up in 2017 to provide mobile services.

LLC “CloudPayments” is a developer of online payment solutions whose core business is online merchant acquiring in Russia. As at 30 June 2020 and 31 December 2019 the Group held 95% of the shares of LLC “CloudPayments”.

ANO “Tinkoff Education” is a non-commercial organization set up by the Bank as the sole founder.

LLC “Tinkoff Capital” is an asset management company established in June 2019 to manage investment funds, mutual funds and non-state pension funds.

LLC “Tinkoff Invest Lab” is an infrastructure company created for supporting and optimization of the Group’s investment services.

EBT is a special purpose trust which has been specifically created for the long-term incentive programme for Management of the Group (MLTIP). The Group neither owns shares nor has voting rights in EBT.

Principal activity. The Group’s principal business activities are retail banking to private individuals, individual entrepreneurs’ (“IE”) and small and medium enterprises’ (“SME”) accounts and banking services, brokerage services and insurance operations within the Russian Federation through the Bank and the Insurance Company. The Bank operates under general banking license No. 2673 issued by the Central Bank of the Russian Federation (“CBRF”) on 8 December 2006. The Insurance Company operates under an insurance license issued by the CBRF.

The Bank participates in the state deposit insurance scheme, which was introduced by Federal Law No. 177-FZ “Deposits insurance in banks of the Russian Federation” dated 23 December 2003. The State Deposit Insurance Agency guarantees repayment of insurance compensation up to RR 1.4 million per individual, individual entrepreneur and small enterprise deposits in case of the withdrawal of a license of a bank or a CBRF-imposed moratorium on payments.

1 Introduction (Continued)

Registered address and place of business. The Company's registered address is 25 Spyrou Araouzou, Berengaria 25, 5th floor, Limassol, Cyprus, and place of business is Office 403, Lophitis Business Centre I, Corner of 28th October/Emiliou Chourmouziou Streets, Limassol 3035 Cyprus. The Bank's registered address is 1-st Volokolamsky proezd, 10, building 1, 123060, Moscow, Russian Federation. The Insurance Company's registered address is 2-nd Khutorskaya Street, building 38A, 127287, Moscow, Russian Federation. The Group's principal place of business is the Russian Federation.

Presentation currency. This consolidated condensed interim financial information is presented in millions of Russian Rubles (RR).

2 Operating Environment of the Group

Russian Federation. The Group operates mainly within the Russian Federation. There was a number of significant changes in the operating and economic environment during the first half of 2020, which had an impact on the Group's business including:

- In March 2020 the World Health Organization (WHO) announced that the spread of the COVID-19 virus across the globe is a pandemic. Significant restrictions on travel and movement of individuals and the closure of non-essential businesses have either been imposed in most countries or have happened as a result of the pandemic. This has led to significant declines in GDP in most if not all large economically strong countries. Russia has not been immune to the negative personal and economic hardships arising from this virus and from the response to it trying to limit its spread.
- Oil prices have decreased significantly due to the significant reduction in oil consumption in the current economic climate but demonstrated stable growth during the second quarter of 2020. This in turn has led to significant volatility and depreciation of the Russian Rouble exchange rate against the US dollar and the Euro.
- Further, the capital markets (equities and bonds) have seen a substantial volatility in prices in many sectors.

As of the reporting date and subsequently some of the restrictions imposed by government authorities in the Russian Federation due to the COVID-19 pandemic have been lifted and the Group observes that business activity in the Russian Federation is recovering. However, the level of ongoing uncertainty in relation to further negative developments around the COVID-19 pandemic and possible impact on the Group remains high. Hence it is practically impossible to make a comprehensive quantitative assessment with a high degree of certainty of the impact of these changes to the economic environment on the Group's financial position, and in particular in considering credit loss allowances on the loan portfolio which requires to consider the probability of default of most borrowers in the next 12 months and for others over the life of their loan. Some other factors impacting on this are set out below.

The Government of the Russian Federation has implemented various support measures for individuals and corporates impacted by the COVID-19 pandemic including their right in certain circumstances to obtain repayment holidays on their loans for up to 6 months and reduced rates of interest in this period.

The Group has itself implemented several measures to support its clients, especially those who face financial difficulties and a significant decrease of current income due to the situation, including the below:

- proposing internally developed loan restructuring programs as an alternative to the State announced programs which will result in either deferral or decrease in the minimal payments of outstanding loan balance for one or more months;
- broadened cashback offers for debit cards more tailored to customer individual needs and spending behavior;
- provided several educational resources on its mobile app and website for borrowers to learn how to deal with potential unemployment or income decline, and how to request and obtain the most suitable debt restructuring program;

2 Operating Environment of the Group (Continued)

- supported its small and medium-sized entities client base during the pandemic by lowering acquiring and account fees, offering payment holidays, helping SMEs to move online and launching 0% loans to pay salaries in partnership with the Russian Bank for SME support.

According to IFRS 9 “Financial Instruments”, the Group uses forecast information in the expected credit loss models, including forecasts of macroeconomic indicators. For the purpose of calculating credit loss allowances as at 30 June 2020, the Group took into account expectations regarding the following macro-factors and allocated higher weight to the pessimistic macroeconomic scenario:

- Russian stock market index MOEX;
- Moscow Prime Offered Rate;
- Debt load of Russian population based on statistics from bureaus of credit history.

In order to reflect appropriately the uncertainty associated with the COVID-19 pandemic the Group has made the following changes to their ECL model:

- the macro-adjustment calculation approach was refined to reflect the most recent impact of economic developments;
- an adjustment to the loss given default was made to address lower expected recoveries during the upcoming quarters;
- higher probabilities of default were applied to the loans which have been restructured.

More detailed information about the changes and their impact on the results of the Group’s operations for the six months ended 30 June 2020 is disclosed in Note 4.

The management of the Group considers that the Group has demonstrated over the years and during the current COVID-crisis its ability to withstand shocks and retains its positive long-term outlook in particular due to the following advantages of the Group’s business model:

- using flexible business structure, the Group swiftly shifted some of its resources from businesses that were needed to run more conservatively to businesses with higher growth prospects;
- the Group has a highly liquid, diversified, foreign exchange hedged, and well-capitalized balance sheet;
- the Group’s digital model is exactly what is needed in the current environment and this can be seen in the ongoing increased online payment volumes as well as increased take up of its mobile lifestyle app, current accounts, and brokerage business;
- by mid-March 2020 over 95% of the Group’s office-based employees had successfully moved to remote working, and remain so, without any major disruption to its business model and customer service. Approximately 2,500 smart couriers continue to deliver the Group’s products all over Russia.

The Group regularly stress tests its business to assess the sustainability of its liquidity and capital positions. These tests demonstrate that the Group, whilst it may have lower growth and lower volumes than it planned for 2020, nevertheless remains profitable and given its current very strong liquidity and capital positions it does not believe it likely that either of these will become critical during the rest of 2020.

3 Significant Accounting Policies

Basis of preparation. This consolidated condensed interim financial information has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union (EU) and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the requirements of the Cyprus Companies Law, Cap. 113.

Except as described below, the same accounting policies and methods of computation were followed in the preparation of this consolidated condensed interim financial information as compared with the annual consolidated financial statements for the year ended 31 December 2019.

3 Significant Accounting Policies (Continued)

Cash-settled share-based program. The expense is recognized gradually over the vesting period and is measured at the fair value of the liability at each end of the reporting period. The fair value of the liability reflects all vesting conditions, except for the requirement of employee to stay in service which is reflected through the amortization schedule.

The liability is measured, initially and at the end of each reporting period until settled, at fair value, taking into account the terms and conditions on which the instruments were granted and the extent to which the employees have rendered service to date.

Interim period tax measurement. Interim period income tax expense is accrued using the effective tax rate that would be applicable to expected total annual earnings, that is, the estimated weighted average annual effective income tax rate applied to the pre-tax income of the interim period.

Seasonality. The management does not consider that the Group's business exhibits material differences due to seasonality.

Foreign currency translation. At 30 June 2020 the rate of exchange used for translating foreign currency balances was USD 1 = RR 69.9513 (31 December 2019: USD 1 = RR 61.9057), and the average rate of exchange was USD 1 = RR 69.3714 for the six months ended 30 June 2020 and USD 1 = RR 72.3611 for the three months ended 30 June 2020 (six months ended 30 June 2019: USD 1 = RR 65.3384, three months ended 30 June 2019: USD 1 = RR 64.5584).

Changes in presentation. In 2019 as a result of further development of its data and IT systems the Group identified the part of customer acquisition expenses which can be directly linked to the particular borrower, and which are incremental in nature, such as partnership call-centre expenses, internet acquisition expenses and related VAT expenses as well as changed the pattern of recognition of certain types of expenses which were included into the effective interest rate, such as partnership expenses (external partner channels of customers' acquisition) and cards issuing expenses. Having obtained sufficient and representative statistical information the management of the Group allocated these expenses directly to the originated financial instruments and included them in the effective interest rate.

In 2019 the Group identified the part of customer acquisition expenses, which can be directly linked to the debit product customers and which are incremental in nature, such as partnerships, internet acquisition and cards issuing expenses, and allocated them directly to the originated financial instruments and included them in the interest expenses.

In 2019 the management of the Group made a detailed review of the components that make up fee and commission expense and identified partnership expenses (external partner channels of customers' acquisition) which have more characteristics of being customer acquisition expenses than being of fee and commission expenses. The management considers that the reclassification of these expenses to Customer acquisition expenses will result in a more reliable and relevant presentation of the financial information.

In December 2019 the management of the Group made a detailed review of the components that make up interest income and identified one type of fee (payment channels fee) which now has more characteristics of being a service fee than being part of the effective interest income of the loans. The management considers that the reclassification of this fee to Fee and commission expense will result in a more reliable and relevant presentation of the financial information and is more consistent with the market practice of many other banks.

In 2019 the management of the Group improved the presentation of the results of operations with foreign currencies, derivatives revaluation and foreign exchange translation and disclosed separately in the consolidated condensed interim statement of profit or loss and other comprehensive income the following line items: Net gains/(losses) from derivatives revaluation, Net (losses)/gains from foreign exchange translation and Net gains/(losses) from operations with foreign currencies. Improvements were also made to the presentation of the cash flows from the insurance operations by disclosing separately in the consolidated condensed interim statement of cash flows the following line items: Gains/(losses) from operations with foreign currencies received/(paid), (Losses)/gains from operations with derivatives (paid)/received, Premiums received from insurance operations and Claims paid from insurance operations. The management considers that such improved and more detailed disclosure provides users of this consolidated condensed interim financial information with more relevant information.

3 Significant Accounting Policies (Continued)

The effect of changes described above on the consolidated condensed interim statement of profit or loss and other comprehensive income for the six and three months ended 30 June 2019 is as follows:

<i>In millions of RR</i>	Unaudited		
	As originally presented	Reclassification	As reclassified
Six months ended 30 June 2019:			
Interest income calculated using the effective interest rate method	50,141	577	50,718
Interest expense calculated using the effective interest rate method	(9,610)	(265)	(9,875)
Fee and commission expense	(7,357)	(456)	(7,813)
Customer acquisition expense	(9,983)	144	(9,839)
Net gains/(losses) from derivatives revaluation	-	(1,396)	(1,396)
Net (losses)/gains from foreign exchange translation	-	1,687	1,687
Net gains/(losses) from operations with foreign currencies	(378)	(291)	(669)
Three months ended 30 June 2019:			
Interest income calculated using the effective interest rate method	27,423	467	27,890
Interest expense calculated using the effective interest rate method	(5,323)	(126)	(5,449)
Fee and commission expense	(3,983)	(244)	(4,227)
Customer acquisition expense	(5,326)	(97)	(5,423)
Net gains/(losses) from derivatives revaluation	-	(471)	(471)
Net (losses)/gains from foreign exchange translation	-	615	615
Net gains/(losses) from operations with foreign currencies	(127)	(144)	(271)

The effect of changes described above on the consolidated condensed interim statement of cash flows for the six months ended 30 June 2019 is as follows:

<i>In millions of RR</i>	Unaudited		
	As originally presented	Reclassification	As reclassified
Interest income received calculated using the effective interest rate method	47,708	577	48,285
Interest expense paid calculated using the effective interest rate method	(8,530)	(265)	(8,795)
Fees and commissions paid	(7,977)	(456)	(8,433)
Customer acquisition expense paid	(10,629)	144	(10,485)
Gains/(losses) from operations with foreign currencies received/(paid)	(257)	(412)	(669)
(Losses)/gains from operations with derivatives (paid)/received	-	412	412
Insurance premiums received	-	6,526	6,526
Insurance claims paid	-	(1,511)	(1,511)
Cash received from insurance operations	5,015	(5,015)	-

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognized in the consolidated condensed interim financial information and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized in the consolidated condensed interim financial information and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Calculation and measurement of ECLs is an area of significant judgement and involves the use of complex models and data inputs. The following components of ECL calculation have a major impact on credit loss allowance: probability of default (“PD”) (impacted by definition of default, SICR, forward-looking scenarios and their weights) and loss given default (“LGD”).

The Group makes estimates and judgments, which are constantly analyzed based on statistical data, actual and forecast information, as well as management experience, including expectations regarding future events that are considered reasonable in the current circumstances.

In this consolidated condensed interim financial information, the Group has taken into account the evidence of the current macroeconomic conditions seen through to the end of July 2020 and as described in detail in Note 2 (the events after the interim reporting date were taken into account if they provided evidence related to the conditions existing at the reporting date or could have been reasonably anticipated). In order to address rising credit risks the Group adjusted the main approaches to assessing the level of expected credit losses that have the most significant effect on the amounts recognised in the consolidated condensed interim financial information:

- the Group refined the approach to calculation of the macro-adjustment to the probabilities of default (PD) of borrowers using the most recent macroeconomic data and forecasts;
- for instruments in default the Group has applied increased coefficients of LGD;
- the Group has estimated the volume of loans to individuals which were restructured as of the reporting date and are likely to be further restructured in future periods and applied higher PDs to such loans for the purposes of estimation of expected credit losses.

The impact of the changed macroeconomic conditions assessed using the approaches described above was approximately RR 5.5 billion of additional credit loss allowance charge of in the first half of 2020 and was the main driver of increased cost of risk.

Also in the second quarter of 2020 for the purposes of LGD estimation the Group has refined the approach to calculation of the rate used for discounting expected cash flows from defaulted loans. The refined approach is that the Group uses more disaggregated and specific discount rates for each credit product in the overall loan portfolio of the Group rather than one generic rate, which makes the estimate more precise. The impact of this change comprised RR 0.9 billion of additional credit loss allowance charge.

In 2020 the Group has refined its approach to calculation of the impact of modification of original cash flows without derecognition on stage 3 loans credit loss allowance and gross carrying amount (refer to Note 8). In particular the Group refined the approach to estimation of timing of receipt of expected cash flows and related discounting effect. This refinement has not affected either amounts recognised in the consolidated condensed interim statement of profit or loss and other comprehensive income or the amounts recognised in consolidated condensed interim statement of financial position.

An increase or decrease in PDs by 2% compared to PDs used in the ECL estimates calculated at 30 June 2020 would result in an increase or decrease in credit loss allowances of RR 5.0 billion (31 December 2019: by 1% and RR 2.1 billion).

An increase or decrease in LGDs by 2% compared to LGDs used in the ECL estimates calculated at 30 June 2020 would result in an increase or decrease in credit loss allowances of RR 0.9 billion (31 December 2019: by 1% and RR 0.5 billion).

5 Adoption of New or Revised Standards and Interpretations

The following amended standards became effective from 1 January 2020, but did not have any material impact on the Group:

- Interest rate benchmark reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020).
- Amendments to the Conceptual Framework for Financial Reporting (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020).
- Definition of materiality – Amendments to IAS 1 and IAS 8 (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020).
- Definition of a business – Amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions from the beginning of annual reporting period that starts on or after 1 January 2020).

6 New Accounting Pronouncements

Certain new amendments have been issued that are mandatory for annual periods beginning on or after 1 January 2021:

IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023)*. IFRS 17 replaces IFRS 4, which has given companies dispensation to carry on accounting for insurance contracts using existing practices. As a consequence, it was difficult for investors to compare and contrast the financial performance of otherwise similar insurance companies. IFRS 17 is a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The standard requires recognition and measurement of groups of insurance contracts at: (i) a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset) (ii) an amount representing the unearned profit in the group of contracts (the contractual service margin). Insurers will be recognising the profit from a group of insurance contracts over the period they provide insurance coverage, and as they are released from risk. If a group of contracts is or becomes loss-making, an entity will be recognising the loss immediately. The Group is currently assessing the impact of IFRS 17 on the insurance contracts issued by the Insurance Company as well as the impact for credit cards and similar loan products which may include insurance component.

The following other new pronouncements are not expected to have any material impact on the Group when adopted:

- (a) Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2023)*.
- (b) Sale or contribution of assets between an Investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB)*.
- (c) Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 and narrow scope amendments to IAS 16, IAS 37 and IFRS 3 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022)*.
- (d) Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 28 May 2020 and effective for annual periods beginning on or after 1 June 2020)*.

* Denotes standards, interpretations and amendments which have not yet been endorsed by the European Union.

7 Cash and Cash Equivalents

<i>In millions of RR</i>	30 June 2020 (Unaudited)	31 December 2019
Cash on hand	12,240	11,118
Cash balances with the CBRF (other than mandatory reserve deposits)	24,224	16,599
Placements with other banks and non-bank credit organizations with original maturities of less than three months	34,945	30,079
Total cash and cash equivalents	71,409	57,796

Cash on hand includes cash balances in ATMs and cash balances in transit. Placements with other banks and organizations with original maturities of less than three months include placements under reverse sale and repurchase agreements in the amount of RR 17,072 million as at 30 June 2020 (31 December 2019: RR 20,681 million). The Group has a right to sell or repledge securities received under reverse sale and repurchase agreements.

The carrying amount of cash and cash equivalents at 30 June 2020 and 31 December 2019 also represents the Group's maximum exposure to credit risk on these assets.

For the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. The ECL for these balances represents an immaterial amount, therefore the Group did not recognise any credit loss allowance for cash and cash equivalents. Except for reverse sale and repurchase agreements, amounts of cash and cash equivalents are not collateralised. As at 30 June 2020 the fair value of collateral under reverse sale and repurchase agreements was RR 17,820 million (31 December 2019: RR 22,369 million). There is no material impact of collateral on credit loss allowance for cash and cash equivalents. Refer to Note 22 for the disclosure of the fair value of cash and cash equivalents.

8 Loans and Advances to Customers

<i>In millions of RR</i>	30 June 2020 (Unaudited)			31 December 2019		
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount
Credit card loans	253,801	(56,024)	197,777	244,937	(44,129)	200,808
Cash loans	59,351	(10,347)	49,004	62,265	(8,029)	54,236
Secured loans	34,379	(907)	33,472	29,601	(496)	29,105
POS loans	22,418	(1,419)	20,999	25,940	(1,057)	24,883
Car loans	23,166	(1,651)	21,515	20,156	(913)	19,243
Loans to IE and SME	1,877	(418)	1,459	1,013	(113)	900
Total loans and advances to customers at AC	394,992	(70,766)	324,226	383,912	(54,737)	329,175

Credit cards are issued to customers for cash withdrawals or payment for goods or services, within the range of limits established by the Bank. These limits may be increased or decreased from time-to-time based on management decision. Credit card loans are not collateralized.

Cash loans represent a product for the borrowers who have a positive credit history and who do not have overdue loans in other banks. Cash loans are loans provided to customers via the Bank's debit cards. These loans are available for withdrawal without commission.

POS ("Point of sale") loans represent POS lending through the Bank's programme "POS loans". This programme funds online and offline purchases through internet and offline shops for individual borrowers.

Secured loans represent loans secured with a car or real estate.

8 Loans and Advances to Customers (Continued)

Car loans represent loans for the purchase of a vehicle which is used as collateral under the loan.

Loans to IE and SME represent loans provided by the Bank to individual entrepreneurs and small and medium businesses for the purpose of working capital management.

The credit loss allowance for loans and advances to customers recognised in the period is impacted by a variety of factors. The main movements in the tables presented below are described as follows:

- new originated or purchased category represents the gross carrying amounts and the related ECL of purchased loans and loans issued during the reporting period (and withdrawals of limits of new credit card borrowers) as at the end of the reporting period or as at the date of transfer of loan out of stage 1 (whichever date is earlier);
- transfers between Stage 1, 2 and 3 due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and lifetime ECL. Transfers present the amount of credit loss allowance charged or recovered at the moment of transfer of a loan among the respective stages;
- changes to ECL measurement model assumptions and estimates represent movements due to changes in PDs, EADs and LGDs models during the period;
- movements other than transfers and new originated or purchased loans category represent all other movements of ECL in particular related to changes in gross carrying amounts (including drawdowns, repayments, and accrued interest), as well as updates of inputs to ECL model in the period;
- write-offs of allowances are related to assets that were written-off during the period;
- unwinding of discount (for Stage 3) category represents adjustment to credit loss allowance and gross carrying amount for Stage 3 loans to increase it to discounted amount of the expected cash shortfalls to the reporting date using the effective interest rate.

8 Loans and Advances to Customers (Continued)

The following tables disclose the changes in the credit loss allowance and gross carrying amount for loans and advances to customers between the beginning and the end of the reporting and comparative periods:

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
Credit card loans									
At 31 December 2019	11,704	6,853	25,572	44,129	197,796	11,432	35,373	336	244,937
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2020:</i>									
New originated or purchased	1,592	-	-	1,592	18,008	-	-	138	18,146
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(4,471)	9,083	-	4,612	(18,999)	18,999	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(1,856)	(6,295)	14,804	6,653	(10,089)	(8,906)	18,995	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	345	(779)	(27)	(461)	1,487	(1,454)	(33)	-	-
Changes to ECL measurement model assumptions and estimates	2,984	286	1,275	4,545	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	4,412	2,683	(1,968)	5,127	2,612	807	(2,322)	(113)	984
Total movements with impact on credit loss allowance charge for six months ended 30 June 2020	3,006	4,978	14,084	22,068	(6,981)	9,446	16,640	25	19,130
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	3,134	3,134	-	-	3,134	-	3,134
Write-offs	-	-	(6,384)	(6,384)	-	-	(6,384)	-	(6,384)
Sales	-	-	(785)	(785)	-	-	(878)	-	(878)
Modification of original cash flows without derecognition	-	-	(6,138)	(6,138)	-	-	(6,138)	-	(6,138)
At 30 June 2020	14,710	11,831	29,483	56,024	190,815	20,878	41,747	361	253,801

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Purchased/ originated credit impaired	Total
Credit card loans									
At 31 March 2020	15,430	8,156	26,553	50,139	201,584	13,828	37,584	311	253,307
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2020:</i>									
New originated or purchased	347	-	-	347	5,176	-	-	138	5,314
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(4,348)	8,258	-	3,910	(17,260)	17,260	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(285)	(6,656)	8,093	1,152	(1,125)	(9,189)	10,314	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	550	(955)	(23)	(428)	2,132	(2,102)	(30)	-	-
Changes to ECL measurement model assumptions and estimates	(416)	8	1,076	668	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	3,432	3,020	(1,225)	5,227	308	1,081	(1,078)	(88)	223
Total movements with impact on credit loss allowance charge for three months ended 30 June 2020	(720)	3,675	7,921	10,876	(10,769)	7,050	9,206	50	5,537
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	1,703	1,703	-	-	1,703	-	1,703
Write-offs	-	-	(3,479)	(3,479)	-	-	(3,479)	-	(3,479)
Sales	-	-	(330)	(330)	-	-	(382)	-	(382)
Modification of original cash flows without derecognition	-	-	(2,885)	(2,885)	-	-	(2,885)	-	(2,885)
At 30 June 2020	14,710	11,831	29,483	56,024	190,815	20,878	41,747	361	253,801

8 Loans and Advances to Customers (Continued)

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
Credit card loans									
At 31 December 2018	9,266	4,708	19,322	33,296	145,732	6,654	25,497	107	177,990
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2019</i>									
New originated or purchased	2,570	-	-	2,570	32,465	-	-	83	32,548
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(2,217)	5,522	-	3,305	(8,780)	8,780	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(1,410)	(3,759)	9,033	3,864	(6,143)	(4,784)	10,927	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	276	(858)	(16)	(598)	1,270	(1,251)	(19)	-	-
Changes to ECL measurement model assumptions and estimates	(387)	-	-	(387)	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	2,294	876	(2,307)	863	20,492	368	(2,574)	31	18,317
Total movements with impact on credit loss allowance charge for six months ended 30 June 2019	1,126	1,781	6,710	9,617	39,304	3,113	8,334	114	50,865
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	1,243	1,243	-	-	1,243	-	1,243
Write-offs	-	-	(6,271)	(6,271)	-	-	(6,271)	-	(6,271)
Sales	-	-	(517)	(517)	-	-	(584)	-	(584)
Modification of original cash flows without derecognition	-	-	(1,008)	(1,008)	-	-	(1,008)	-	(1,008)
At 30 June 2019	10,392	6,489	19,479	36,360	185,036	9,767	27,211	221	222,235

8 Loans and Advances to Customers (Continued)

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
Credit card loans									
At 31 March 2019	9,582	5,713	19,059	34,354	164,703	8,245	25,699	185	198,832
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2019</i>									
New originated or purchased	851	-	-	851	14,234	-	-	29	14,263
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(2,016)	4,992	-	2,976	(7,937)	7,937	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(250)	(4,062)	5,091	779	(1,006)	(5,176)	6,182	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	357	(1,094)	(20)	(757)	1,694	(1,670)	(24)	-	-
Changes to ECL measurement model assumptions and estimates	(213)	-	-	(213)	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	2,081	940	(1,346)	1,675	13,348	431	(1,285)	7	12,501
Total movements with impact on credit loss allowance charge for three months ended 30 June 2019	810	776	3,725	5,311	20,333	1,522	4,873	36	26,764
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	624	624	-	-	624	-	624
Write-offs	-	-	(3,000)	(3,000)	-	-	(3,000)	-	(3,000)
Sales	-	-	(415)	(415)	-	-	(471)	-	(471)
Modification of original cash flows without derecognition	-	-	(514)	(514)	-	-	(514)	-	(514)
At 30 June 2019	10,392	6,489	19,479	36,360	185,036	9,767	27,211	221	222,235

8 Loans and Advances to Customers (Continued)

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
Cash loans									
At 31 December 2019	2,358	1,882	3,789	8,029	51,925	5,034	4,670	636	62,265
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2020:</i>									
New originated or purchased	968	-	-	968	15,814	-	-	4	15,818
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(910)	3,373	-	2,463	(5,508)	5,508	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(527)	(1,512)	3,135	1,096	(1,578)	(1,905)	3,483	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	61	(253)	(3)	(195)	1,053	(1,049)	(4)	-	-
Changes to ECL measurement model assumptions and estimates	832	115	141	1,088	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	533	(777)	(469)	(713)	(15,217)	(996)	(80)	(33)	(16,326)
Total movements with impact on credit loss allowance charge for six months ended 30 June 2020	957	946	2,804	4,707	(5,436)	1,558	3,399	(29)	(508)
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	217	217	-	-	217	-	217
Write-offs	-	-	(974)	(974)	-	-	(974)	-	(974)
Sales	-	-	(229)	(229)	-	-	(246)	-	(246)
Modification of original cash flows without derecognition	-	-	(1,403)	(1,403)	-	-	(1,403)	-	(1,403)
At 30 June 2020	3,315	2,828	4,204	10,347	46,489	6,592	5,663	607	59,351

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Purchased/ originated credit impaired	Total
Cash loans									
At 31 March 2020	3,637	2,304	4,174	10,115	53,340	5,347	5,373	684	64,744
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2020:</i>									
New originated or purchased	230	-	-	230	4,308	-	-	4	4,312
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(815)	2,651	-	1,836	(4,154)	4,154	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(162)	(1,223)	1,650	265	(345)	(1,495)	1,840	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	68	(253)	(5)	(190)	969	(963)	(6)	-	-
Changes to ECL measurement model assumptions and estimates	28	16	109	153	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	329	(667)	(204)	(542)	(7,629)	(451)	(16)	(81)	(8,177)
Total movements with impact on credit loss allowance charge for three months ended 30 June 2020	(322)	524	1,550	1,752	(6,851)	1,245	1,818	(77)	(3,865)
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	115	115	-	-	115	-	115
Write-offs	-	-	(595)	(595)	-	-	(595)	-	(595)
Sales	-	-	(111)	(111)	-	-	(119)	-	(119)
Modification of original cash flows without derecognition	-	-	(929)	(929)	-	-	(929)	-	(929)
At 30 June 2020	3,315	2,828	4,204	10,347	46,489	6,592	5,663	607	59,351

8 Loans and Advances to Customers (Continued)

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
Cash loans									
At 31 December 2018	1,116	545	670	2,331	32,651	1,776	767	301	35,495
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2019</i>									
New originated or purchased loans	1,388	-	-	1,388	36,124	-	-	64	36,188
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(348)	1,998	-	1,650	(4,046)	4,046	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(249)	(425)	1,313	639	(863)	(532)	1,395	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	13	(69)	-	(56)	395	(395)	-	-	-
Changes to ECL measurement model assumptions and estimates	(22)	-	-	(22)	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	24	(599)	58	(517)	(9,865)	(666)	192	(82)	(10,421)
Total movements with impact on credit loss allowance charge for six months ended 30 June 2019	806	905	1,371	3,082	21,745	2,453	1,587	(18)	25,767
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	52	52	-	-	52	-	52
Write-offs	-	-	(168)	(168)	-	-	(168)	-	(168)
Sales	-	-	(59)	(59)	-	-	(63)	-	(63)
Modification of original cash flows without derecognition	-	-	(191)	(191)	-	-	(191)	-	(191)
At 30 June 2019	1,922	1,450	1,675	5,047	54,396	4,229	1,984	283	60,892

8 Loans and Advances to Customers (Continued)

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
Cash loans									
At 31 March 2019	1,434	949	975	3,358	43,544	2,961	1,126	319	47,950
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2019</i>									
New originated or purchased loans	709	-	-	709	20,542	-	-	8	20,550
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(292)	1,478	-	1,186	(2,928)	2,928	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(77)	(552)	852	223	(222)	(685)	907	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	18	(91)	(2)	(75)	560	(558)	(2)	-	-
Movements other than transfers and new originated or purchased loans	130	(334)	81	(123)	(7,100)	(417)	188	(44)	(7,373)
Total movements with impact on credit loss allowance charge for three months ended 30 June 2019	488	501	931	1,920	10,852	1,268	1,093	(36)	13,177
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	26	26	-	-	26	-	26
Write-offs	-	-	(92)	(92)	-	-	(92)	-	(92)
Sales	-	-	(23)	(23)	-	-	(27)	-	(27)
Modification of original cash flows without derecognition	-	-	(142)	(142)	-	-	(142)	-	(142)
At 30 June 2019	1,922	1,450	1,675	5,047	54,396	4,229	1,984	283	60,892

8 Loans and Advances to Customers (Continued)

	Unaudited							
	Credit loss allowance			Total	Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)		Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In millions of RR</i>								
Secured Loans								
At 31 December 2019	150	264	82	496	27,366	2,037	198	29,601
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2020:</i>								
New originated or purchased	51	-	-	51	10,051	-	-	10,051
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(34)	753	-	719	(3,120)	3,120	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(6)	(103)	178	69	(178)	(265)	443	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	3	(36)	(3)	(36)	462	(455)	(7)	-
Changes to ECL measurement model assumptions and estimates	44	9	9	62	-	-	-	-
Movements other than transfers and new originated or purchased loans	(2)	(412)	(17)	(431)	(4,702)	(511)	(37)	(5,250)
Total movements with impact on credit loss allowance charge for six months ended 30 June 2020	56	211	167	434	2,513	1,889	399	4,801
<i>Movements without impact on credit loss allowance charge for the period</i>								
Unwinding of discount (for Stage 3)	-	-	13	13	-	-	13	13
Modification of original cash flows	-	-	(36)	(36)	-	-	(36)	(36)
At 30 June 2020	206	475	226	907	29,879	3,926	574	34,379

8 Loans and Advances to Customers (Continued)

	Unaudited							
	Credit loss allowance			Total	Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)		Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In millions of RR</i>								
Secured Loans								
At 31 March 2020	213	430	147	790	29,485	2,883	358	32,726
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2020:</i>								
New originated or purchased	20	-	-	20	4,057	-	-	4,057
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(26)	511	-	485	(2,035)	2,035	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(1)	(93)	106	12	(27)	(237)	264	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	4	(42)	(1)	(39)	525	(521)	(4)	-
Changes to ECL measurement model assumptions and estimates	(3)	(22)	1	(24)	-	-	-	-
Movements other than transfers and new originated or purchased loans	(1)	(309)	-	(310)	(2,126)	(234)	(17)	(2,377)
Total movements with impact on credit loss allowance charge for three months ended 30 June 2020	(7)	45	106	144	394	1,043	243	1,680
<i>Movements without impact on credit loss allowance charge for the period</i>								
Unwinding of discount (for Stage 3)	-	-	8	8	-	-	8	8
Modification of original cash flows	-	-	(35)	(35)	-	-	(35)	(35)
At 30 June 2020	206	475	226	907	29,879	3,926	574	34,379

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Unaudited							Total
	Credit loss allowance			Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
Secured Loans								
At 31 December 2018	15	1	-	16	2,641	3	-	2,644
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2019</i>								
New originated or purchased	61	-	-	61	10,887	-	-	10,887
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(6)	115	-	109	(500)	500	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	7	7	(17)	-	17	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	1	(1)	-	-
Movements other than transfers and new originated or purchased loans	30	(45)	-	(15)	4,695	(24)	-	4,671
Total movements with impact on credit loss allowance charge for six months ended 30 June 2019	85	70	7	162	15,066	475	17	15,558
At 30 June 2019	100	71	7	178	17,707	478	17	18,202

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Unaudited							
	Credit loss allowance				Gross carrying amount			
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Secured Loans								
At 31 March 2019	48	12	-	60	8,655	90	-	8,745
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2019</i>								
New originated or purchased	53	-	-	53	9,251	-	-	9,251
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(6)	106	-	100	(461)	461	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	(2)	7	5	(12)	(5)	17	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	(2)	-	(2)	32	(32)	-	-
Movements other than transfers and new originated or purchased loans	5	(43)	-	(38)	242	(36)	-	206
Total movements with impact on credit loss allowance charge for three months ended 30 June 2019	52	59	7	118	9,052	388	17	9,457
At 30 June 2019	100	71	7	178	17,707	478	17	18,202

8 Loans and Advances to Customers (Continued)

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
POS loans									
At 31 December 2019	298	190	569	1,057	24,031	1,053	658	198	25,940
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2020:</i>									
New originated or purchased	196	-	-	196	12,930	-	-	17	12,947
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(84)	538	-	454	(1,643)	1,643	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(56)	(211)	599	332	(349)	(294)	643	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	3	(15)	(1)	(13)	235	(234)	(1)	-	-
Changes to ECL measurement model assumptions and estimates	69	5	11	85	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	(70)	(188)	(138)	(396)	(15,231)	(822)	(113)	(5)	(16,171)
Total movements with impact on credit loss allowance charge for six months ended 30 June 2020	58	129	471	658	(4,058)	293	529	12	(3,224)
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	17	17	-	-	17	-	17
Write-offs	-	-	(146)	(146)	-	-	(146)	-	(146)
Sales	-	-	(27)	(27)	-	-	(29)	-	(29)
Modification of original cash flows without derecognition	-	-	(140)	(140)	-	-	(140)	-	(140)
At 30 June 2020	356	319	744	1,419	19,973	1,346	889	210	22,418

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Purchased/ originated credit impaired	Total
POS loans									
At 31 March 2020	427	245	666	1,338	23,418	1,160	777	235	25,590
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2020:</i>									
New originated or purchased	91	-	-	91	6,702	-	-	17	6,719
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(71)	410	-	339	(1,166)	1,166	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(21)	(208)	342	113	(95)	(272)	367	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	4	(16)	(1)	(13)	223	(222)	(1)	-	-
Changes to ECL measurement model assumptions and estimates	(26)	(12)	6	(32)	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	(48)	(100)	(75)	(223)	(9,109)	(486)	(60)	(42)	(9,697)
Total movements with impact on credit loss allowance charge for three months ended 30 June 2020	(71)	74	272	275	(3,445)	186	306	(25)	(2,978)
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	9	9	-	-	9	-	9
Write-offs	-	-	(86)	(86)	-	-	(86)	-	(86)
Sales	-	-	(10)	(10)	-	-	(10)	-	(10)
Modification of original cash flows without derecognition	-	-	(107)	(107)	-	-	(107)	-	(107)
At 30 June 2020	356	319	744	1,419	19,973	1,346	889	210	22,418

8 Loans and Advances to Customers (Continued)

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
POS loans									
At 31 December 2018	190	81	189	460	14,560	505	210	105	15,380
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2019</i>									
New originated or purchased	163	-	-	163	12,943	-	-	12	12,955
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(40)	402	-	362	(1,456)	1,456	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(28)	(79)	251	144	(160)	(108)	268	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	2	(7)	-	(5)	116	(116)	-	-	-
Changes to ECL measurement model assumptions and estimates	(4)	-	-	(4)	-	-	-	-	-
Movements other than transfers and new originated or purchased loans	(87)	(220)	(43)	(350)	(8,341)	(602)	(39)	(16)	(8,998)
Total movements with impact on credit loss allowance charge for six months ended 30 June 2019	6	96	208	310	3,102	630	229	(4)	3,957
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	13	13	-	-	13	-	13
Write-offs	-	-	(50)	(50)	-	-	(50)	-	(50)
Sales	-	-	(12)	(12)	-	-	(13)	-	(13)
Modification of original cash flows without derecognition	-	-	(26)	(26)	-	-	(26)	-	(26)
At 30 June 2019	196	177	322	695	17,662	1,135	363	101	19,261

8 Loans and Advances to Customers (Continued)

	Unaudited								
	Credit loss allowance				Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im- paired)	Purchased/ originated credit impaired	Total
<i>In millions of RR</i>									
POS loans									
At 31 March 2019	192	139	243	574	16,431	949	273	108	17,761
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2019</i>									
New originated or purchased	163	-	-	163	12,943	-	-	11	12,954
Transfers:									
- to lifetime (from Stage 1 to Stage 2)	(40)	402	-	362	(1,456)	1,456	-	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(28)	(79)	251	144	(160)	(108)	268	-	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	2	(7)	-	(5)	116	(116)	-	-	-
Movements other than transfers and new originated or purchased loans	(93)	(278)	(126)	(497)	(10,212)	(1,046)	(131)	(18)	(11,407)
Total movements with impact on credit loss allowance charge for three months ended 30 June 2019	4	38	125	167	1,231	186	137	(7)	1,547
<i>Movements without impact on credit loss allowance charge for the period</i>									
Unwinding of discount (for Stage 3)	-	-	3	3	-	-	3	-	3
Write-offs	-	-	(32)	(32)	-	-	(32)	-	(32)
Sales	-	-	(9)	(9)	-	-	(10)	-	(10)
Modification of original cash flows without derecognition	-	-	(8)	(8)	-	-	(8)	-	(8)
At 30 June 2019	196	177	322	695	17,662	1,135	363	101	19,261

8 Loans and Advances to Customers (Continued)

	Unaudited							
	Credit loss allowance				Gross carrying amount			
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
<i>In millions of RR</i>								
Car Loans								
At 31 December 2019	368	285	260	913	18,725	1,060	371	20,156
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2020:</i>								
New originated or purchased	154	-	-	154	6,909	-	-	6,909
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(150)	786	-	636	(1,687)	1,687	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(72)	(189)	369	108	(252)	(274)	526	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	8	(38)	(2)	(32)	260	(258)	(2)	-
Changes to ECL measurement model assumptions and estimates	124	9	6	139	-	-	-	-
Movements other than transfers and new originated or purchased loans	125	(307)	(5)	(187)	(3,691)	(120)	(8)	(3,819)
Total movements with impact on credit loss allowance charge for six months ended 30 June 2020	189	261	368	818	1,539	1,035	516	3,090
<i>Movements without impact on credit loss allowance charge for the period</i>								
Unwinding of discount (for Stage 3)	-	-	29	29	-	-	29	29
Modification of original cash flows	-	-	(109)	(109)	-	-	(109)	(109)
At 30 June 2020	557	546	548	1,651	20,264	2,095	807	23,166

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Unaudited							
	Credit loss allowance			Total	Gross carrying amount			Total
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)		Stage 1 (12- months ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	
Car Loans								
At 31 March 2020	616	444	437	1,497	20,233	1,415	624	22,272
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2020:</i>								
New originated or purchased	56	-	-	56	2,997	-	-	2,997
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(124)	600	-	476	(1,239)	1,239	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(17)	(163)	197	17	(47)	(233)	280	-
- recovered (from Stage 3 to Stage 2 and from Stage 2 to Stage 1)	10	(44)	-	(34)	279	(279)	-	-
Changes to ECL measurement model assumptions and estimates	(11)	(23)	3	(31)	-	-	-	-
Movements other than transfers and new originated or purchased loans	27	(268)	2	(239)	(1,959)	(47)	(6)	(2,012)
Total movements with impact on credit loss allowance charge for three months ended 30 June 2020	(59)	102	202	245	31	680	274	985
<i>Movements without impact on credit loss allowance charge for the period</i>								
Unwinding of discount (for Stage 3)	-	-	18	18	-	-	18	18
Modification of original cash flows	-	-	(109)	(109)	-	-	(109)	(109)
At 30 June 2020	557	546	548	1,651	20,264	2,095	807	23,166

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Unaudited							Total
	Credit loss allowance			Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
Car Loans								
At 31 December 2018	56	25	4	85	2,754	78	6	2,838
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2019</i>								
New originated or purchased	182	-	-	182	9,445	-	-	9,445
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(23)	160	-	137	(399)	399	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(16)	(19)	60	25	(58)	(28)	86	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	-	(3)	-	(3)	19	(19)	-	-
Movements other than transfers and new originated or purchased loans	7	(54)	2	(45)	(490)	(18)	2	(506)
Total movements with impact on credit loss allowance charge for six months ended 30 June 2019	150	84	62	296	8,517	334	88	8,939
At 30 June 2019	206	109	66	381	11,271	412	94	11,777

8 Loans and Advances to Customers (Continued)

In millions of RR	Unaudited							
	Credit loss allowance			Total	Gross carrying amount			Total
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)		Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
Car Loans								
At 31 March 2019	113	53	23	189	5,721	194	32	5,947
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2019</i>								
New originated or purchased	116	-	-	116	6,378	-	-	6,378
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(17)	123	-	106	(303)	303	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(8)	(26)	41	7	(20)	(39)	59	-
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)	1	(5)	-	(4)	35	(35)	-	-
Movements other than transfers and new originated or purchased loans	1	(36)	2	(33)	(540)	(11)	3	(548)
Total movements with impact on credit loss allowance charge for three months ended 30 June 2019	93	56	43	192	5,550	218	62	5,830
At 30 June 2019	206	109	66	381	11,271	412	94	11,777

8 Loans and Advances to Customers (Continued)

	Unaudited							Total
	Credit loss allowance			Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)		
<i>In millions of RR</i>								
Loans to IE and SME								
At 31 December 2019	57	10	46	113	940	21	52	1,013
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2020:</i>								
New originated or purchased	9	-	-	9	185	-	-	185
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(8)	44	-	36	(101)	101	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(10)	(12)	61	39	(56)	(16)	72	-
Changes to ECL measurement model assumptions and estimates	14	-	2	16	-	-	-	-
Movements other than transfers and new originated or purchased loans	211	(19)	6	198	719	(65)	18	672
Total movements with impact on credit loss allowance charge for six months ended 30 June 2020	216	13	69	298	747	20	90	857
<i>Movements without impact on credit loss allowance charge for the period</i>								
Unwinding of discount (for Stage 3)	-	-	7	7	-	-	7	7
At 30 June 2020	273	23	122	418	1,687	41	149	1,877

8 Loans and Advances to Customers (Continued)

	Unaudited							Total
	Credit loss allowance			Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	
<i>In millions of RR</i>								
Loans to IE and SME								
At 31 March 2020	81	23	56	160	1,140	39	60	1,239
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2020:</i>								
New originated or purchased	3	-	-	3	86	-	-	86
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(7)	32	-	25	(72)	72	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(8)	(19)	44	17	(28)	(25)	53	-
Changes to ECL measurement model assumptions and estimates	(1)	-	2	1	-	-	-	-
Movements other than transfers and new originated or purchased loans	205	(13)	14	206	561	(45)	30	546
Total movements with impact on credit loss allowance charge for three months ended 30 June 2020	192	-	60	252	547	2	83	632
<i>Movements without impact on credit loss allowance charge for the period</i>								
Unwinding of discount (for Stage 3)	-	-	6	6	-	-	6	6
At 30 June 2020	273	23	122	418	1,687	41	149	1,877

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Unaudited							Total
	Credit loss allowance			Gross carrying amount				
	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total	Stage 1 (12- months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
Loans to IE and SME								
At 31 December 2018	13	10	10	33	332	21	10	363
<i>Movements with impact on credit loss allowance charge for six months ended 30 June 2019</i>								
New originated or purchased	10	-	-	10	164	-	-	164
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(7)	31	-	24	(60)	60	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(3)	(5)	16	8	(10)	(6)	16	-
Movements other than transfers and new originated or purchased loans	32	(16)	(1)	15	197	(41)	(1)	155
Total movements with impact on credit loss allowance charge for six months ended 30 June 2019	32	10	15	57	291	13	15	319
At 30 June 2019	45	20	25	90	623	34	25	682
At 31 March 2019	37	13	17	67	452	22	18	492
<i>Movements with impact on credit loss allowance charge for three months ended 30 June 2019</i>								
New originated or purchased	5	-	-	5	100	-	-	100
Transfers:								
- to lifetime (from Stage 1 to Stage 2)	(5)	22	-	17	(45)	45	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	(7)	8	1	(1)	(6)	7	-
Movements other than transfers and new originated or purchased loans	8	(8)	-	-	117	(27)	-	90
Total movements with impact on credit loss allowance charge for three months ended 30 June 2019	8	7	8	23	171	12	7	190
At 30 June 2019	45	20	25	90	623	34	25	682

8 Loans and Advances to Customers (Continued)

Movements without impact on credit loss allowance, where they were not presented in the tables above, represented immaterial amounts.

The credit loss allowance charge during six months ended 30 June 2020 presented in the tables above differs from the amount presented in the consolidated condensed interim statement of profit or loss and other comprehensive income for the period due to RR 1,789 million recovery of amounts previously written-off as uncollectible (three months ended 30 June 2020: RR 1,024 million), and due to RR 833 million charge of ECL for credit related commitments, including RR 499 million of charge due to changes to ECL measurement model assumptions and estimates (three months ended 30 June 2020: due to RR 99 million release of ECL for credit related commitments).

The credit loss allowance charge during six months ended 30 June 2019 presented in the tables above differs from the amount presented in the consolidated condensed interim statement of profit or loss and other comprehensive income for the period due to RR 1,602 million recovery of amounts previously written-off as uncollectible (three months ended 30 June 2019: recovery of RR 875 million), and due to RR 271 million release of ECL for credit related commitments (three months ended 30 June 2019: release of RR 56 million).

The amount of the recovery from written-off loans received during the period was credited directly to the credit loss allowance line in the consolidated condensed interim statement of profit or loss and other comprehensive income.

The contractual amounts outstanding of loans and advances to customers which were written off during six and three months ended 30 June 2020 and are still subject to enforcement activity are equal to RR 6,420 million and RR 3,521 million, respectively (RR 5,640 million during six months ended 30 June 2019 and RR 2,683 million during three months ended 30 June 2019).

The amount of the ECL for credit related commitments is accounted for separately from ECL for credit cards loans and is included in other financial liabilities in the consolidated condensed interim statement of financial position.

During six months ended 30 June 2020 the Group sold credit-impaired loans to third parties (external debt collection agencies) with a gross amount of RR 1,153 million (three months ended 30 June 2020: RR 511 million) and credit loss allowance of RR 1,041 million (three months ended 30 June 2020: RR 451 million). The difference between the carrying amount of these loans and the consideration received was recognised as losses in the amount of RR 93 million within credit loss allowance for loans and advances to customers and credit related commitments for the six months ended 30 June 2020 (three months ended 30 June 2020: losses in the amount of RR 52 million).

During six months ended 30 June 2019 the Group sold credit-impaired loans to third parties (external debt collection agencies) with a gross amount of RR 660 million (three months ended 30 June 2019: RR 508 million) and credit loss allowance of RR 588 million (three months ended 30 June 2019: RR 447 million). The difference between the carrying amount of these loans and the consideration received was recognised as losses in the amount of RR 35 million within credit loss allowance for loans and advances to customers for the six months ended 30 June 2019 (three months ended 30 June 2019: RR 30 million as losses).

Presented below is an analysis of issued, activated and utilised cards based on their credit card limits as at the end of the reporting period:

<i>In units</i>	30 June 2020 (Unaudited)	31 December 2019
Credit card limits		
Up to RR 20 thousand	927,343	781,128
RR 20-40 thousand	498,968	482,343
RR 40-60 thousand	459,566	451,425
RR 60-80 thousand	458,297	455,978
RR 80-100 thousand	433,980	440,139
RR 100-120 thousand	303,556	322,726
RR 120-140 thousand	325,656	365,750
RR 140-200 thousand	809,060	772,992
More than RR 200 thousand	196,084	180,731
Total number of cards (in units)	4,412,510	4,253,212

8 Loans and Advances to Customers (Continued)

Table above only includes credit cards less than 180 days overdue.

The following table contains an analysis of the credit risk exposure of loans and advances to customers measured at AC and for which an ECL allowance is recognised. The carrying amount of loans and advances to customers below also represents the Group's maximum exposure to credit risk on these loans.

Loans and advances to customers at 30 June 2020 are disclosed as follows:

<i>In millions of RR</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Purchased/ originated/ credit impaired	Total
Credit card loans					
- Excellent	71,295	-	-	-	71,295
- Good	115,034	6,410	-	-	121,444
- Monitor	4,486	4,903	-	-	9,389
- Sub-standard	-	9,565	7,443	-	17,008
- NPL	-	-	34,304	361	34,665
Gross carrying amount	190,815	20,878	41,747	361	253,801
Credit loss allowance	(14,710)	(11,831)	(29,483)	-	(56,024)
Carrying amount	176,105	9,047	12,264	361	197,777
Cash loans					
- Excellent	23,878	-	-	-	23,878
- Good	22,296	4,268	-	-	26,564
- Monitor	315	826	-	-	1,141
- Sub-standard	-	1,498	903	-	2,401
- NPL	-	-	4,760	607	5,367
Gross carrying amount	46,489	6,592	5,663	607	59,351
Credit loss allowance	(3,315)	(2,828)	(4,204)	-	(10,347)
Carrying amount	43,174	3,764	1,459	607	49,004
Secured Loans					
- Excellent	17,296	-	-	-	17,296
- Good	12,464	3,082	-	-	15,546
- Monitor	119	501	-	-	620
- Sub-standard	-	343	-	-	343
- NPL	-	-	574	-	574
Gross carrying amount	29,879	3,926	574	-	34,379
Credit loss allowance	(206)	(475)	(226)	-	(907)
Carrying amount	29,673	3,451	348	-	33,472

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Purchased/ originated credit impaired	Total
POS loans					
- Excellent	15,313	-	-	-	15,313
- Good	4,559	884	-	-	5,443
- Monitor	101	182	-	-	283
- Sub-standard	-	280	27	-	307
- NPL	-	-	862	210	1,072
Gross carrying amount	19,973	1,346	889	210	22,418
Credit loss allowance	(356)	(319)	(744)	-	(1,419)
Carrying amount	19,617	1,027	145	210	20,999
Car loans					
- Excellent	14,229	-	-	-	14,229
- Good	5,927	1,491	-	-	7,418
- Monitor	108	323	-	-	431
- Sub-standard	-	281	-	-	281
- NPL	-	-	807	-	807
Gross carrying amount	20,264	2,095	807	-	23,166
Credit loss allowance	(557)	(546)	(548)	-	(1,651)
Carrying amount	19,707	1,549	259	-	21,515
Loans to IE and SME					
- Excellent	930	-	-	-	930
- Good	753	12	-	-	765
- Monitor	4	5	-	-	9
- Sub-standard	-	24	-	-	24
- NPL	-	-	149	-	149
Gross carrying amount	1,687	41	149	-	1,877
Credit loss allowance	(273)	(23)	(122)	-	(418)
Carrying amount	1,414	18	27	-	1,459

8 Loans and Advances to Customers (Continued)

Loans and advances to customers at 31 December 2019 are disclosed as follows:

<i>In millions of RR</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Purchased/ originated credit impaired	Total
Credit card loans					
- Excellent	87,716	-	-	-	87,716
- Good	102,020	1,582	-	-	103,602
- Monitor	8,060	3,722	-	-	11,782
- Sub-standard	-	6,128	6,661	-	12,789
- NPL	-	-	28,712	336	29,048
Gross carrying amount	197,796	11,432	35,373	336	244,937
Credit loss allowance	(11,704)	(6,853)	(25,572)	-	(44,129)
Carrying amount	186,092	4,579	9,801	336	200,808
Cash loans					
- Excellent	34,258	-	-	-	34,258
- Good	17,321	3,315	-	-	20,636
- Monitor	346	585	-	-	931
- Sub-standard	-	1,134	758	-	1,892
- NPL	-	-	3,912	636	4,548
Gross carrying amount	51,925	5,034	4,670	636	62,265
Credit loss allowance	(2,358)	(1,882)	(3,789)	-	(8,029)
Carrying amount	49,567	3,152	881	636	54,236
Secured Loans					
- Excellent	19,941	-	-	-	19,941
- Good	7,319	1,496	-	-	8,815
- Monitor	106	322	-	-	428
- Sub-standard	-	219	-	-	219
- NPL	-	-	198	-	198
Gross carrying amount	27,366	2,037	198	-	29,601
Credit loss allowance	(150)	(264)	(82)	-	(496)
Carrying amount	27,216	1,773	116	-	29,105

8 Loans and Advances to Customers (Continued)

<i>In millions of RR</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Purchased/ originated credit impaired	Total
POS loans					
- Excellent	19,525	-	-	-	19,525
- Good	4,406	763	-	-	5,169
- Monitor	100	117	-	-	217
- Sub-standard	-	173	26	-	199
- NPL	-	-	632	198	830
Gross carrying amount	24,031	1,053	658	198	25,940
Credit loss allowance	(298)	(190)	(569)	-	(1,057)
Carrying amount	23,733	863	89	198	24,883
Car loans					
- Excellent	15,581	-	-	-	15,581
- Good	3,051	702	-	-	3,753
- Monitor	93	157	-	-	250
- Sub-standard	-	201	-	-	201
- NPL	-	-	371	-	371
Gross carrying amount	18,725	1,060	371	-	20,156
Credit loss allowance	(368)	(285)	(260)	-	(913)
Carrying amount	18,357	775	111	-	19,243
Loans to IE and SME					
- Excellent	622	-	-	-	622
- Good	314	6	-	-	320
- Monitor	4	6	-	-	10
- Sub-standard	-	9	-	-	9
- NPL	-	-	52	-	52
Gross carrying amount	940	21	52	-	1,013
Credit loss allowance	(57)	(10)	(46)	-	(113)
Carrying amount	883	11	6	-	900

Stage 3 includes restructured loans that are less than 90 days overdue which are not considered as NPL according to the Group's credit risk grading master scale.

8 Loans and Advances to Customers (Continued)

Loans in courts are included in Stage 3 and are loans to delinquent borrowers, against which the Group has filed claims to courts in order to recover outstanding balances. As at 30 June 2020 the gross carrying amount of the loans in courts was RR 25,612 million (31 December 2019: RR 22,228 million).

Refer to Note 22 for the disclosure of the fair value of loans and advances to customers. Information on related party balances is disclosed in Note 23.

9 Investments in Securities

<i>In millions of RR</i>	30 June 2020 (Unaudited)	31 December 2019
Debt securities measured at fair value through other comprehensive income	210,469	134,765
Securities measured at fair value through profit or loss	3,559	413
Total investments in securities	214,028	135,178

1) Debt securities measured at fair value through other comprehensive income

The table below discloses investments in debt securities measured at FVOCI by classes:

<i>In millions of RR</i>	30 June 2020 (Unaudited)	31 December 2019
Russian government bonds	112,334	56,382
Corporate bonds	88,617	72,032
Municipal bonds	7,348	6,351
Foreign government bonds	2,170	-
Total debt securities measured at FVOCI	210,469	134,765
Including credit loss allowance	597	345

The debt securities measured at FVOCI are not collateralised.

2) Securities measured at fair value through profit or loss

The table below discloses investments in debt securities measured at FVTPL by classes:

<i>In millions of RR</i>	30 June 2020 (Unaudited)	31 December 2019
Perpetual corporate bonds	441	-
Other securities	3,118	413
Total securities measured at FVTPL	3,559	413

At 30 June 2020 the other securities represented by assets of the mutual funds which are controlled by the Group and managed by LLC "Tinkoff Capital".

Investments in securities measured at FVTPL are carried at fair value, which also reflects any credit risk related write-downs and best represents Group's maximum exposure to credit risk. The securities measured at FVTPL are not collateralized. Refer to Note 22 for the disclosure of the fair value of investments in securities.

TCS Group Holding PLC
Notes to the Consolidated Condensed Interim Financial Information – 30 June 2020

10 Repurchase Receivables

Repurchase receivables represent securities sold under sale and repurchase agreements which the counterparty has the right, by contract or custom, to sell or repledge. As at 30 June 2020 the sale and repurchase agreements are short-term and mature in July 2020. Repurchase receivables represent securities at FVOCI sold under sale and repurchase agreements:

<i>In millions of RR</i>	30 June 2020 (Unaudited)
Russian government bonds	3,032
Total debt securities measured at FVOCI	3,032
Including Credit loss allowance	6

At 31 December 2019 there were no repurchase receivables. Refer to Note 11 for the related liabilities. Refer to Note 22 for the disclosure of the fair value of each class of repurchase receivables. Securities at FVOCI reclassified to repurchase receivables continue to be carried at fair value in accordance with accounting policies for these categories of assets.

11 Due to Banks

<i>In millions of RR</i>	30 June 2020 (Unaudited)	31 December 2019
Sale and repurchase agreements with other banks	4,812	640
Correspondent accounts and overnight placements of other banks	3,044	23
Total due to banks	7,856	663

At 30 June 2020, included in amounts due to other banks are liabilities of RR 2,899 million (31 December 2019: nil) arising from sale and repurchase agreements with debt securities at FVOCI. Refer to Note 10.

At 30 June 2020, included in amounts due to other banks are liabilities of RR 1,913 million (31 December 2019: RR 640 million) arising from sale and repurchase agreements with securities of clients.

Refer to Note 22 for the disclosure of the fair value of amounts due to banks.

12 Customer Accounts

<i>In millions of RR</i>	30 June 2020 (Unaudited)	31 December 2019
Individuals		
- Current/demand accounts	270,127	211,661
- Term deposits	143,800	137,292
IE and SME		
- Current/demand accounts	57,362	60,174
- Term deposits	1,995	1,880
Other legal entities		
- Current/demand accounts	545	495
- Term deposits	94	112
Total customer accounts	473,923	411,614

Refer to Note 22 for the disclosure of the fair value of customer accounts. Information on related party balances is disclosed in Note 23.

13 Share Capital, Share Premium and Treasury Shares

<i>In millions of RR except for the number of shares</i>	Number of authorised shares	Number of outstanding shares	Ordinary shares	Share premium	Treasury shares	Total
At 1 January 2019	191,770,766	182,638,825	188	8,623	(3,670)	5,141
Shares issued	18,263,882	16,666,667	42	18,874	-	18,916
Secondary public offering (SPO) costs	-	-	-	(499)	-	(499)
GDRs and shares transferred under MLTIP	-	-	-	-	506	506
At 31 December 2019	210,034,648	199,305,492	230	26,998	(3,164)	24,064
GDRs buy-back	-	-	-	-	(661)	(661)
GDRs and shares transferred under MLTIP	-	-	-	-	587	587
At 30 June 2020 (Unaudited)	210,034,648	199,305,492	230	26,998	(3,238)	23,990

At 30 June 2020 the total number of outstanding shares is 199,305,492 shares (31 December 2019: 199,305,492 shares) with a par value of USD 0.04 per share (31 December 2019: USD 0.04 per share).

At 30 June 2020 and 31 December 2019 treasury shares represent GDRs of the Group repurchased from the market for the purposes permitted by Cyprus law including contribution to MLTIP. Refer to Note 23.

At 30 June 2020 the total number of treasury shares is 3,013,379 (31 December 2019: 4,185,166).

During the six months ended 30 June 2020 the Group repurchased 650,000 GDRs at market price for RR 661 million (2019: no GDRs were repurchased by the Group).

During three months ended 31 March 2019 Altoville Holdings Limited converted 6,385,310 Class B shares into Class A (on a one-to-one basis), which was 3.49% of its share, and then sold them to the market.

In June 2019 the Company's shareholders approved a resolution to increase the authorised share capital to USD 8,401,385.92 by the creation of 18,263,882 new undesignated ordinary shares of nominal value USD 0.04 each. At 30 June 2020 the total number of authorised shares is 210,034,648 shares (31 December 2019: 210,034,648 shares) with a par value of USD 0.04 per share (31 December 2019: USD 0.04 per share).

On 2 July 2019 the Group completed a SPO on the London Stock Exchange plc and issued 16,666,667 "Class A" shares of the Company in the form of GDRs at a price of USD 18.00 per GDR, raising aggregate gross proceeds of USD 300 million (RR 18,916 million). All issued ordinary shares are fully paid.

All the incurred SPO costs were primary direct expenses accounted within share premium.

14 Net Margin

	Unaudited			
	Six months ended 30 June 2020	Three months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2019
<i>In millions of RR</i>				
Interest income calculated using the effective interest rate method				
Loans and advances to customers, including:				
<i>Credit card loans</i>	46,103	23,105	39,531	21,671
<i>Cash loans</i>	6,104	3,004	5,165	2,995
<i>Secured loans</i>	2,281	1,190	613	459
<i>POS loans</i>	2,156	1,031	1,438	727
<i>Car loans</i>	1,494	757	381	262
<i>Loans to IE and SME</i>	256	113	127	74
Debt securities and repurchase receivables at FVOCI	4,601	2,464	3,279	1,628
Placements with other banks and non-bank credit organizations with original maturities of less than three months	404	225	184	74
Total interest income calculated using the effective interest rate method	63,399	31,889	50,718	27,890
Other similar income				
Debt securities and repurchase receivables at FVTPL	11	7	118	15
Total interest income	63,410	31,896	50,836	27,905
Interest expense calculated using the effective interest rate method				
Customer accounts, including:				
<i>Individuals</i>				
- Current/demand accounts	4,789	2,475	3,946	2,175
- Term deposits	3,636	1,789	3,155	1,681
<i>IE and SME</i>	519	203	785	446
<i>Other legal entities</i>	14	10	25	12
RR denominated bonds	1,008	500	453	316
Subordinated debt	948	466	923	459
Due to banks	221	127	538	334
Euro-Commercial Paper	18	9	50	26
Total interest expense calculated using the effective interest rate method	11,153	5,579	9,875	5,449
Other similar expense				
Lease liabilities	74	36	68	35
Total interest expense	11,227	5,615	9,943	5,484
Expenses on deposit insurance	801	221	844	442
Net margin	51,382	26,060	40,049	21,979

15 Fee and Commission Income and Expense

<i>In millions of RR</i>	Unaudited			
	Six months ended 30 June 2020	Three months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2019
Fee and commission income				
IE and SME current accounts commission	4,362	2,118	3,814	1,982
Acquiring commission	3,454	1,703	3,088	1,564
Fee for selling credit protection	2,399	1,176	3,112	1,566
Brokerage operations	2,207	1,459	208	114
Foreign currency exchange transactions fee	1,904	731	1,215	632
SMS fee	1,887	949	1,504	785
Card to card commission	1,249	665	759	457
Interchange fee	1,116	524	1,539	885
Income from MVNO services	776	404	293	174
Cash withdrawal fee	320	147	327	165
Marketing services fee	196	92	104	64
Placement fee	62	26	39	19
Other fees receivable	488	232	335	161
Total fee and commission income	20,420	10,226	16,337	8,568

IE and SME current accounts commission represents commission for services to individual entrepreneurs and small to medium businesses. Fee for selling credit protection represents fee which the Bank receives for selling voluntary credit insurance to borrowers of the Group. Acquiring commission represents commission for processing card payments from online and offline points of sale. Income from MVNO services represents income from providing mobile services such as full coverage across Russia and international roaming, offering a number of value-added options such as virtual numbers, music and video streaming services, etc.

<i>In millions of RR</i>	Unaudited			
	Six months ended 30 June 2020	Three months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2019
Fee and commission expense				
Payment systems	7,217	3,576	5,825	3,156
Service fees	978	458	875	461
Banking and other fees	863	507	227	132
Payment channels	666	309	578	293
Costs of MVNO services	536	265	308	185
Total fee and commission expense	10,260	5,115	7,813	4,227

Payment systems fees represent fees for MasterCard, Visa and other payment systems' services. Service fees represent fees for statement printing, mailing service, sms services and others. Payment channels represent fees paid to third parties through whom borrowers make loan repayments. Costs of MVNO services represent expenses for the traffic, telecommunications service and roaming.

16 Customer Acquisition Expense

<i>In millions of RR</i>	Unaudited			
	Six months ended 30 June 2020	Three months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2019
Marketing and advertising	3,065	1,524	4,614	2,789
Staff costs	2,976	1,551	3,167	1,517
Taxes other than income tax	552	261	793	419
Partnership expenses	526	264	297	103
Credit bureaux	443	237	342	188
Cards issuing expenses	293	154	124	29
Telecommunication expenses	131	63	181	89
Other acquisition	132	57	321	289
Total customer acquisition expenses	8,118	4,111	9,839	5,423

Customer acquisition expenses represent expenses paid by the Group on services related to origination of customers which are not directly attributable to the recognised assets and are not incremental. The Group uses a variety of different channels for the acquisition of new customers.

Staff costs represent salary expenses and related costs of employees directly involved in customer acquisition. Included in staff costs are statutory social contributions to the state non-budgetary funds in the amount of RR 769 million for the six months and RR 379 million for the three months ended 30 June 2020 (RR 823 million for the six months and RR 436 million for the three months ended 30 June 2019).

17 Administrative and Other Operating Expenses

<i>In millions of RR</i>	Unaudited			
	Six months ended 30 June 2020	Three months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2019
Staff costs	11,293	5,899	9,085	4,512
Amortization of intangible assets	894	482	586	271
Depreciation of fixed assets	815	411	547	262
Other provisions	652	552	28	13
Taxes other than income tax	629	310	718	406
Information services	563	286	352	168
Depreciation of right-of-use assets	318	167	432	224
Operating lease expense	253	136	208	105
Professional services	221	108	447	360
Collection expenses	199	122	66	36
Stationery	160	78	196	104
Communication services	123	69	148	75
Security expenses	97	44	76	33
Other administrative expenses	168	89	178	85
Total administrative and other operating expenses	16,385	8,753	13,067	6,654

17 Administrative and Other Operating Expenses (Continued)

Included in staff costs are statutory social contributions to the non-budget funds and share-based remuneration:

<i>In millions of RR</i>	Unaudited			
	Six months ended 30 June 2020	Three months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2019
Statutory social contribution to the non-budget funds	2,129	1,109	1,659	822
Share-based remuneration	195	109	282	137

18 Dividends

The movements in dividends during six months ended 30 June 2020 and 2019 are as follows:

<i>In millions of RR</i>	Unaudited	
	2020	2019
Dividends payable at 1 January	582	760
Dividends declared	4,858	5,870
Dividends paid	(5,132)	(5,618)
Dividends paid under MLTIP after vesting date	(175)	(524)
Foreign exchange loss/(gains) on dividends payable	523	(17)
Dividends payable at 30 June	656	471
Dividends per share declared (in USD)	0.35	0.49

The movements in dividends during three months ended 30 June 2020 and 2019 are as follows:

<i>In millions of RR</i>	Unaudited	
	2020	2019
Dividends payable at 31 March	2,170	440
Dividends declared during the period	2,039	2,022
Dividends paid during the period	(3,881)	(1,964)
Dividends paid under MLTIP after vesting date	(77)	(176)
Foreign exchange loss on dividends payable	405	149
Dividends payable at 30 June	656	471
Dividends per share declared (in USD)	0.14	0.17

Dividends declared in the tables above represent dividends declared by the Board of Directors reduced by RR 29 million for the six months and by RR 22 million for the three months ended 30 June 2020 for dividends on GDRs acquired by the Company from the market not for the immediate purposes of the existing MLTIP (RR 11 million for the six months and RR 4 million for three months ended 30 June 2019).

On 11 May 2020 the Board of Directors declared an interim dividend in line with the current dividend policy of USD 0.14 (RR 10.34) per share/per GDR with a total amount allocated for dividend payment of around USD 28 million (RR 2,061 million). Declared dividends were paid in USD on 1 and 2 June 2020.

18 Dividends (Continued)

On 10 March 2020 the Board of Directors declared an interim dividend of USD 0.21 (RR 14.18) per share/per GDR with a total amount allocated for dividend payment of around USD 41.9 million (RR 2,826 million). Declared dividends were paid in USD on 30 March and 1 April 2020.

On 13 May 2019 the Board of Directors declared an interim dividend of USD 0.17 (RR 11.09) per share/per GDR amounting to USD 31.05 million (RR 2,026 million). Declared dividends were paid in USD on 28 and 30 May 2019.

On 11 March 2019 the Board of Directors declared an interim dividend of USD 0.32 (RR 21.11) per share/per GDR amounting to USD 58.4 million (RR 3,855 million). Declared dividends were paid in USD on 25 and 27 March 2019.

The above dividends were declared and paid in USD. Dividends payable at 30 June 2020 related to treasury shares acquired under MLTIP amounting to RR 656 million are included in other non-financial liabilities (31 December 2019: RR 582 million).

19 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the Group. The functions of CODM are performed by the Management of the Bank and the Management of the Insurance Company.

Description of products and services from which each reportable segment derives its revenue

The Group is organised on the basis of 4 main business segments:

Retail banking – representing customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans, car loans, secured loans and brokerage services to individuals.

IE and SME accounts services – representing customer current accounts, savings, deposits services and providing loans to individual entrepreneurs and small to medium businesses.

Insurance operations – representing insurance services provided to individuals, such as personal accident insurance, personal property insurance, travel insurance and vehicle insurance.

MVNO services - providing full coverage across Russia and international roaming, offering a number of value-added options such as virtual numbers, music and video streaming services, etc.

The Management of the Group has refined the presentation of the Group's revenue structure in Segments analysis in order to present within revenues only those items of income which are not presented on a net basis. The comparative information was amended accordingly.

Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different services to the customers of the Group. They are managed separately because each business unit requires different marketing strategies and represents different types of businesses.

Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on International financial reporting standards adjusted to meet the requirements of internal reporting. The CODM evaluates performance of each segment based on profit before tax.

19 Segment Analysis (Continued)

Information about reportable segment profit or loss, assets and liabilities

Segment reporting of the Group's assets and liabilities as at 30 June 2020 is set out below:

<i>In millions of RR</i>	Unaudited					Total
	Retail banking	SME accounts services	Insurance operations	MVNO services	Eliminations	
Cash and cash equivalents	49,863	20,140	3,501	61	(2,156)	71,409
Mandatory cash balances with the CBRF	4,211	-	-	-	-	4,211
Due from other banks	-	-	1,868	-	-	1,868
Loans and advances to customers	325,487	1,459	-	-	(2,720)	324,226
Financial derivatives	3,277	-	-	-	-	3,277
Investments in securities	166,331	42,314	5,383	-	-	214,028
Repurchase receivables	3,032	-	-	-	-	3,032
Guarantee deposits with payment systems	9,836	-	-	-	-	9,836
Deferred income tax assets	3,117	-	-	-	-	3,117
Tangible fixed assets and right-of-use assets	10,920	-	-	88	-	11,008
Intangible assets	4,518	914	175	312	-	5,919
Other financial assets	13,548	553	1,559	266	(1,067)	14,859
Other non-financial assets	1,702	-	661	60	-	2,423
Total reportable segment assets	595,842	65,380	13,147	787	(5,943)	669,213
Due to banks	7,856	-	-	2,720	(2,720)	7,856
Customer accounts	416,711	59,357	-	-	(2,145)	473,923
Debt securities in issue	25,481	-	-	-	-	25,481
Financial derivatives	69	-	-	-	-	69
Current income tax liabilities	1,938	-	-	-	-	1,938
Subordinated debt	19,151	-	-	-	-	19,151
Insurance provisions	(1)	-	5,910	-	(43)	5,866
Other financial liabilities	18,467	-	981	447	(1,074)	18,821
Other non-financial liabilities	7,781	-	98	177	(11)	8,045
Total reportable segment liabilities	497,453	59,357	6,989	3,344	(5,993)	561,150

19 Segment Analysis (Continued)

Segment reporting of the Group's income and expenses for the six months ended 30 June 2020 is set out below:

<i>In millions of RR</i>	Unaudited					Total
	Retail banking	SME accounts services	Insurance operations	MVNO services	Eliminations	
Six months ended 30 June 2020						
External revenues						
Interest income calculated using the effective interest rate method	61,521	1,671	207	-	-	63,399
Other similar income	11	-	-	-	-	11
Fee and commission income						
- IE and SME current accounts commission	-	4,362	-	-	-	4,362
- Fee for selling credit protection	2,399	-	-	-	-	2,399
- Acquiring commission	3,261	193	-	-	-	3,454
- SMS fee	1,887	-	-	-	-	1,887
- Interchange fee	631	485	-	-	-	1,116
- Foreign currency exchange transactions fee	1,711	193	-	-	-	1,904
- Card to card commission	1,249	-	-	-	-	1,249
- Cash withdrawal fee	320	-	-	-	-	320
- Income from MVNO services	-	-	-	776	-	776
- Brokerage operations	2,207	-	-	-	-	2,207
- Marketing services fee	196	-	-	-	-	196
- Placement fee	62	-	-	-	-	62
- Other fees receivable	488	-	-	-	-	488
Timing of fee and commission income recognition:						
- At point in time	12,524	5,225	-	776	-	18,525
- Over time	1,887	8	-	-	-	1,895
Total fee and commission income	14,411	5,233	-	776	-	20,420
Insurance premiums earned	105	-	9,281	-	-	9,386
Other operating income	2,814	39	97	-	-	2,950
Total external revenues	78,862	6,943	9,585	776	-	96,166

19 Segment Analysis (Continued)

	Unaudited				Eliminations	Total
	Retail banking	SME accounts services	Insurance operations	MVNO services		
<i>In millions of RR</i>						
Six months ended 30 June 2020						
Revenues from other segments:						
Interest income calculated using the effective interest rate method	100	-	30	-	(130)	-
Fee and commission income:						
- <i>Acquiring commission</i>	40	-	-	-	(40)	-
- <i>Other fees receivable</i>	33	-	-	168	(201)	-
Insurance premiums earned	-	-	145	-	(145)	-
Other operating income	41	-	-	-	(41)	-
Total revenues from other segments	214	-	175	168	(557)	-
Total revenues	79,076	6,943	9,760	944	(557)	96,166
Interest expense calculated using the effective interest rate method	(10,664)	(519)	-	(101)	131	(11,153)
Other similar expense	(68)	-	-	(6)	-	(74)
Expenses on deposit insurance	(709)	(92)	-	-	-	(801)
Credit loss allowance for loans and advances to customers and credit related commitments	(27,729)	(298)	-	-	-	(28,027)
Credit loss allowance for debt securities at FVOCI	(251)	-	(10)	-	-	(261)
Fee and commission expense	(8,567)	(1,263)	-	(550)	120	(10,260)
Customer acquisition expense	(6,940)	(566)	(480)	(370)	238	(8,118)
Net gains from derivatives revaluation	2,958	-	-	-	-	2,958
Net losses from foreign exchange translation	(4,499)	-	-	(2)	-	(4,501)
Net gains from operations with foreign currencies	852	-	68	-	-	920
Net gains from disposals of debt securities at FVOCI	6,249	-	-	-	-	6,249
Net gains/(losses) from debt instruments at FVTPL	(11)	-	21	-	-	10
Insurance claims incurred	-	-	(2,153)	-	44	(2,109)
Administrative and other operating expenses	(14,285)	(1,033)	(685)	(457)	75	(16,385)
Net gains from repurchase of subordinated debt	150	-	-	-	-	150
Segment result	15,562	3,172	6,521	(542)	51	24,764

19 Segment Analysis (Continued)

Segment reporting of the Group's income and expenses for the three months ended 30 June 2020 is set out below:

<i>In millions of RR</i>	Unaudited					Total
	Retail banking	SME accounts services	Insurance operations	MVNO services	Eliminations	
Three months ended 30 June 2020						
External revenues						
Interest income calculated using the effective interest rate method	30,863	918	108	-	-	31,889
Other similar income	7	-	-	-	-	7
Fee and commission income						
- IE and SME current accounts commission	-	2,118	-	-	-	2,118
- Fee for selling credit protection	1,176	-	-	-	-	1,176
- Acquiring commission	1,599	104	-	-	-	1,703
- SMS fee	949	-	-	-	-	949
- Interchange fee	294	230	-	-	-	524
- Foreign currency exchange transactions fee	639	92	-	-	-	731
- Card to card commission	665	-	-	-	-	665
- Cash withdrawal fee	147	-	-	-	-	147
- Income from MVNO services	-	-	-	404	-	404
- Brokerage operations	1,459	-	-	-	-	1,459
- Marketing services fee	92	-	-	-	-	92
- Placement fee	26	-	-	-	-	26
- Other fees receivable	232	-	-	-	-	232
Timing of fee and commission income recognition:						
- At point in time	6,329	2,539	-	404	-	9,272
- Over time	949	5	-	-	-	954
Total fee and commission income	7,278	2,544	-	404	-	10,226
Insurance premiums earned	55	-	4,562	-	-	4,617
Other operating income	2,257	39	36	-	-	2,332
Total external revenues	40,460	3,501	4,706	404	-	49,071

19 Segment Analysis (Continued)

	Unaudited					Total
	Retail banking	SME accounts services	Insurance operations	MVNO services	Eliminations	
<i>In millions of RR</i>						
Three months ended 30 June 2020						
Revenues from other segments:						
Interest income calculated using the effective interest rate method	50	-	14	-	(64)	-
Fee and commission income:						
- <i>Acquiring commission</i>	40	-	-	-	(40)	-
- <i>Other fees receivable</i>	(32)	-	-	97	(65)	-
Insurance premiums earned	-	-	67	-	(67)	-
Other operating income	37	-	-	-	(37)	-
Total revenues from other segments	95	-	81	97	(273)	-
Total revenues	40,555	3,501	4,787	501	(273)	49,071
Interest expense calculated using the effective interest rate method	(5,389)	(203)	-	(51)	64	(5,579)
Other similar expense	(35)	-	-	(1)	-	(36)
Expenses on deposit insurance	(173)	(48)	-	-	-	(221)
Credit loss allowance for loans and advances to customers and credit related commitments	(12,283)	(138)	-	-	-	(12,421)
Credit loss allowance for debt securities at FVOCI	(153)	-	(1)	-	-	(154)
Fee and commission expense	(4,272)	(616)	3	(279)	49	(5,115)
Customer acquisition expense	(3,490)	(293)	(225)	(199)	96	(4,111)
Net losses from derivatives revaluation	(4,263)	-	-	-	-	(4,263)
Net gains/(losses) from foreign exchange translation	2,302	-	-	(2)	-	2,300
Net gains/(losses) from operations with foreign currencies	353	-	(117)	-	-	236
Net gains from disposals of debt securities at FVOCI	2,882	-	-	-	-	2,882
Net gains/(losses) from debt instruments at FVTPL	(11)	-	50	-	4	43
Insurance claims incurred	-	-	(751)	-	(19)	(770)
Administrative and other operating expenses	(7,690)	(570)	(344)	(220)	71	(8,753)
Net gains from repurchase of subordinated debt	19	-	-	-	-	19
Segment result	8,352	1,633	3,402	(251)	(8)	13,128

19 Segment Analysis (Continued)

Segment reporting of the Group's assets and liabilities as at 31 December 2019 is set out below:

	Retail banking	SME accounts services	Insurance operations	MVNO services	Elimina- tions	Total
<i>In millions of RR</i>						
Cash and cash equivalents	31,098	25,524	3,851	43	(2,720)	57,796
Mandatory cash balances with the CBRF	3,448	-	-	-	-	3,448
Due from other banks	250	-	1,834	-	-	2,084
Loans and advances to customers	330,905	900	-	-	(2,630)	329,175
Financial derivatives	390	-	-	-	-	390
Investments in securities	90,566	41,950	2,662	-	-	135,178
Guarantee deposits with payment systems	8,877	-	-	-	-	8,877
Current income tax assets	807	-	8	-	-	815
Deferred income tax assets	1,517	-	-	-	-	1,517
Tangible fixed assets and right-of-use assets	10,454	-	-	106	-	10,560
Intangible assets	4,105	823	196	311	-	5,435
Other financial assets	20,429	444	1,768	87	(1,055)	21,673
Other non-financial assets	2,034	-	592	187	(303)	2,510
Total reportable segment assets	504,880	69,641	10,911	734	(6,708)	579,458
Due to banks	663	-	-	2,630	(2,630)	663
Customer accounts	352,280	62,054	-	-	(2,720)	411,614
Debt securities in issue	26,078	-	-	-	-	26,078
Financial derivatives	590	-	-	-	-	590
Deferred income tax liabilities	142	-	-	-	-	142
Subordinated debt	18,487	-	-	-	-	18,487
Insurance provisions	-	-	6,280	-	-	6,280
Other financial liabilities	14,091	-	700	912	(1,055)	14,648
Other non-financial liabilities	5,067	-	52	58	(303)	4,874
Total reportable segment liabilities	417,398	62,054	7,032	3,600	(6,708)	483,376

19 Segment Analysis (Continued)

Segment reporting of the Group's income and expenses for the six months ended 30 June 2019 is set out below:

	Unaudited					Total
	Retail banking	SME accounts services	Insurance operations	MVNO services	Elimina- tions	
<i>In millions of RR</i>						
Six months ended 30 June 2019						
External revenues						
Interest income calculated using the effective interest rate method	49,337	1,247	134	-	-	50,718
Other similar income	118	-	-	-	-	118
Fee and commission income						
- IE and SME current accounts commission	-	3,814	-	-	-	3,814
- Fee for selling credit protection	3,112	-	-	-	-	3,112
- Acquiring commission	2,998	90	-	-	-	3,088
- SMS fee	1,504	-	-	-	-	1,504
- Interchange fee	1,228	311	-	-	-	1,539
- Foreign currency exchange transactions fee	1,083	132	-	-	-	1,215
- Card to card commission	759	-	-	-	-	759
- Cash withdrawal fee	327	-	-	-	-	327
- Income from MVNO services	-	-	-	293	-	293
- Brokerage operations	208	-	-	-	-	208
- Marketing services fee	104	-	-	-	-	104
- Placement fee	39	-	-	-	-	39
- Other fees receivable	335	-	-	-	-	335
Timing of fee and commission income recognition:						
- At point in time	10,193	4,297	-	293	-	14,783
- Over time	1,504	50	-	-	-	1,554
Total fee and commission income	11,697	4,347	-	293	-	16,337
Insurance premiums earned	146	-	5,112	-	-	5,258
Other operating income	1,883	31	129	-	-	2,043
Total external revenues	63,181	5,625	5,375	293	-	74,474

19 Segment Analysis (Continued)

	Unaudited					Total
	Retail banking	SME accounts services	Insurance operations	MVNO services	Eliminations	
<i>In millions of RR</i>						
Six months ended 30 June 2019						
Revenues from other segments:						
Interest income calculated using the effective interest rate method	59	-	41	-	(100)	-
Fee and commission income:	-	-	-	-	-	-
- <i>Acquiring commission</i>	46	-	-	-	(46)	-
- <i>Other fees receivable</i>	27	-	-	94	(121)	-
Insurance premiums earned	-	-	186	-	(186)	-
Other operating income	17	-	-	-	(17)	-
Total revenues from other segments	149	-	227	94	(470)	-
Total revenues	63,330	5,625	5,602	387	(470)	74,474
Interest expense calculated using the effective interest rate method	(9,131)	(785)	-	(59)	100	(9,875)
Other similar expense	(68)	-	-	-	-	(68)
Expenses on deposit insurance	(744)	(100)	-	-	-	(844)
Credit loss allowance for loans and advances to customers and credit related commitments	(11,594)	(57)	-	-	-	(11,651)
Credit loss allowance for debt securities at FVOCI	142	-	-	-	-	142
Fee and commission expense	(6,820)	(773)	(6)	(308)	94	(7,813)
Customer acquisition expense	(8,330)	(786)	(507)	(475)	259	(9,839)
Net losses from derivatives revaluation	(1,396)	-	-	-	-	(1,396)
Net losses gains from foreign exchange translation	1,687	-	-	-	-	1,687
Net losses from operations with foreign currencies	(663)	-	(6)	-	-	(669)
Net gains from disposals of debt securities at FVOCI	140	-	-	-	-	140
Net gains from debt instruments at FVTPL	390	-	-	-	-	390
Insurance claims incurred	-	-	(1,908)	-	-	(1,908)
Administrative and other operating expenses	(10,618)	(1,536)	(593)	(337)	17	(13,067)
Segment result	16,325	1,588	2,582	(792)	-	19,703

19 Segment Analysis (Continued)

Segment reporting of the Group's income and expenses for the three months ended 30 June 2019 is set out below:

	Unaudited					Total
	Retail banking	SME accounts services	Insurance operations	MVNO services	Eliminations	
<i>In millions of RR</i>						
Three months ended 30 June 2019						
External revenues						
Interest income calculated using the effective interest rate method	27,179	636	75	-	-	27,890
Other similar income	15	-	-	-	-	15
Fee and commission income						
- IE and SME current accounts commission	-	1,982	-	-	-	1,982
- Fee for selling credit protection	1,566	-	-	-	-	1,566
- Acquiring commission	1,516	48	-	-	-	1,564
- SMS fee	785	-	-	-	-	785
- Interchange fee	711	174	-	-	-	885
- Foreign currency exchange transactions fee	560	72	-	-	-	632
- Card to card commission	457	-	-	-	-	457
- Cash withdrawal fee	165	-	-	-	-	165
- Income from MVNO services	-	-	-	174	-	174
- Brokerage operations	114	-	-	-	-	114
- Marketing services fee	64	-	-	-	-	64
- Placement fee	19	-	-	-	-	19
- Other fees receivable	161	-	-	-	-	161
Timing of fee and commission income recognition:						
- At point in time	5,333	2,244	-	174	-	7,751
- Over time	785	32	-	-	-	817
Total fee and commission income	6,118	2,276	-	174	-	8,568
Insurance premiums earned	93	-	2,855	-	-	2,948
Other operating income	963	16	43	-	-	1,022
Total external revenues	34,368	2,928	2,973	174	-	40,443

19 Segment Analysis (Continued)

	Unaudited					Total
	Retail banking	SME accounts services	Insurance operations	MVNO services	Elimina- tions	
<i>In millions of RR</i>						
Three months ended 30 June 2019						
Revenues from other segments:						
Interest income calculated using the effective interest rate method	33	-	21	-	(54)	-
Fee and commission income:	-	-	-	-	-	-
- <i>Acquiring commission</i>	34	-	-	-	(34)	-
- <i>Other fees receivable</i>	17	-	-	58	(75)	-
Insurance premiums earned	-	-	131	-	(131)	-
Other operating income	7	-	-	-	(7)	-
Total revenues from other segments	91	-	152	58	(301)	-
Total revenues	34,459	2,928	3,125	232	(301)	40,443
Interest expense calculated using the effective interest rate method	(5,024)	(446)	-	(33)	54	(5,449)
Other similar expense	(35)	-	-	-	-	(35)
Expenses on deposit insurance	(392)	(50)	-	-	-	(442)
Credit loss allowance for loans and advances to customers and credit related commitments	(6,777)	(23)	-	-	-	(6,800)
Credit loss allowance for debt securities at FVOCI	103	-	-	-	-	103
Fee and commission expense	(3,617)	(477)	(6)	(185)	58	(4,227)
Customer acquisition expense	(4,832)	(197)	(284)	(292)	182	(5,423)
Net losses from derivatives revaluation	(471)	-	-	-	-	(471)
Net gains from foreign exchange translation	615	-	-	-	-	615
Net losses from operations with foreign currencies	(269)	-	(2)	-	-	(271)
Net gains from disposals of debt securities at FVOCI	132	-	-	-	-	132
Net gains from debt instruments at FVTPL	3	-	-	-	-	3
Insurance claims incurred	-	-	(1,086)	-	-	(1,086)
Administrative and other operating expenses	(5,394)	(807)	(288)	(172)	7	(6,654)
Segment result	8,501	928	1,459	(450)	-	10,438

20 Management of Capital

The Group's objectives when managing capital are (i) for the Bank to comply with the capital requirements set by the Central Bank of the Russian Federation (CBRF), (ii) for the Insurance Company to comply with the capital requirements set by the legislation of the Russian Federation, (iii) for the Group to comply with the financial covenants set by the terms of securities issued; (iv) to safeguard the Group's ability to continue as a going concern.

The Group considers total capital under management to be equity attributable to the shareholders of the Company as shown in the consolidated condensed interim statement of financial position. The amount of capital that the Group managed as of 30 June 2020 was RR 107,952 million (31 December 2019: RR 95,979 million).

Compliance with capital adequacy ratios set by the CBRF is monitored daily and submitted to the CBRF monthly with reports outlining their calculation reviewed and signed by the Bank's Chief Executive Officer and Chief Accountant. Other objectives of capital management are evaluated annually. The amount of regulatory capital of Tinkoff Bank calculated in accordance with the methodology set by CBRF as at 30 June 2020 was RR 119,512 million, and the equity capital adequacy ratio (N1.0) was 12.45% (31 December 2019: RR 99,731 million and 12.12%). Minimum required statutory equity capital adequacy ratio (N1.0) was 8% as at 30 June 2020 (31 December 2019: 8%).

20 Management of Capital (Continued)

In addition to the minimum 8% requirement for N1.0 the CBRF has the right to require banks to maintain an additional Capital Conservation Buffer which throughout 2020 has been 2.5% (2019: from 1.875% to 2.25%). Banks who do not maintain this buffer have some restrictions imposed on them including being unable to distribute their current period profits without limitation.

The Group also monitors capital requirements including capital adequacy ratio under the Basel III methodology of the Basel Committee on Banking Supervision: global regulatory framework for more resilient banks and banking systems (hereinafter “Basel III”). The composition of the Group’s capital calculated in accordance with the methodology set by Basel Committee with capital adjustments as set out in Basel III is as follows:

<i>In millions of RR</i>	30 June 2020 (Unaudited)	31 December 2019
Share capital	230	230
Share premium	26,998	26,998
Treasury shares	(3,238)	(3,164)
Share-based payment reserve	651	1,039
Retained earnings	81,264	66,880
Revaluation reserve for investments in debt securities	2,047	3,996
Less intangible assets	(5,919)	(5,435)
Non-controlling interest	111	103
Common Equity Tier 1 (CET1)	102,144	90,647
Additional Tier 1	19,151	18,487
Tier 1 capital	121,295	109,134
Total capital	121,295	109,134
Risk weighted assets (RWA)		
Credit risk	466,467	412,741
Operational risk	152,881	152,881
Market risk	10,631	4,603
Total risk weighted assets (RWA)	629,979	570,225
Common equity Tier 1 capital adequacy ratio (CET1/ Total RWA), %	16.21%	15.90%
Tier 1 capital adequacy ratio (Tier 1 capital / Total RWA), %	19.25%	19.14%
Total capital adequacy ratio (Total capital / Total RWA), %	19.25%	19.14%

The Group and the Bank have complied with all externally imposed capital requirements throughout the six and three months ended 30 June 2020 and the year ended 31 December 2019.

The Insurance Company has complied with all capital requirements set by the legislation of the Russian Federation throughout the six months ended 30 June 2020 and the year ended 31 December 2019.

21 Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates and internal professional advice, management is of the opinion that no material unprovided losses will be incurred in respect of claims.

21 Contingencies and Commitments (Continued)

Tax contingencies. Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by the tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decision about review was made. Under certain circumstances reviews may cover longer periods. The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. This legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties), if such transactions are not on an arm's length.

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

The Group includes companies incorporated outside of Russia. The tax liabilities of the Group are determined on the assumption that these companies are not subject to Russian profits tax, because they do not have a permanent establishment in Russia. The Company is a tax resident of Cyprus only and full beneficial owner of the Bank and Insurance Company. This interpretation of relevant legislation may be challenged but the impact of any such challenge cannot be reliably estimated currently; however, it may be significant to the financial position and/or the overall operations of the Group.

The Controlled Foreign Company (CFC) legislation introduced Russian taxation of profits of foreign companies and non-corporate structures (including trusts) controlled by Russian tax residents (controlling parties). The CFC income is subject to a 20% tax rate if the CFC is controlled by a legal entity and a rate of 13% if it is controlled by an individual. As a result, management reassessed the Group's tax positions and recognised current tax expense as well as deferred taxes that arose from the expected taxable manner of recovery of the relevant Group's operations to which the CFC legislation applies to and to the extent that the Group (rather than its owners) is obliged to settle such taxes.

Recently the Russian Ministry of Finance informed Cypriot authorities that the Russian Federation is starting the process of terminating the Russian Federation-Cyprus double tax treaty. This may result in an increase of the Group's tax burden from 1 January 2021. The management of the Group is monitoring this situation and will consider its options to limit any adverse financial effect of those changes on the Group.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group. As at 30 June 2020 and 31 December 2019 no material tax risks were identified.

Compliance with covenants. The Group is subject to certain non-financial covenants related primarily to its subordinated perpetual debt. Non-compliance with such covenants may result in negative consequences for the Group. Management believes that the Group was in compliance with all such covenants as at 30 June 2020 and 31 December 2019.

Credit related commitments and performance guarantees issued. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Commitments to extend credit represent unused portions of authorizations to extend credit in the form of credit card loans, guarantees. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down.

Most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Such contracts do not transfer credit risk. The risk under performance guarantee contracts is the possibility that the insured event (i.e. the failure to perform the contractual obligation by another party) occurs.

21 Contingencies and Commitments (Continued)

The key risks the Group faces are significant fluctuations in the frequency and severity of payments incurred on such contracts relative to expectations. The Group uses a scoring model to predict levels of such payments. Claims must be made before the contract matures and most claims are settled within short term. This allows the Group to achieve a high degree of certainty about the estimated payments and therefore future cash flows.

Outstanding credit related commitments and performance guarantees are as follows:

<i>In millions of RR</i>	30 June 2020 (Unaudited)	31 December 2019
Unused limits on credit card loans	178,479	168,059
Credit loss allowance	(3,075)	(2,242)
Total credit related commitments, net of credit loss allowance	175,404	165,817
Performance guarantees issued	349	660
Provisions	(2)	(3)
Total performance guarantees issued, net of provisions	347	657

The total outstanding contractual amount of unused limits on contingencies and commitments liability does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. In accordance with credit card service conditions the Group has a right to refuse the issuance, activation, reissuing or unblocking of a credit card, and is providing a credit card limit at its own discretion and without explaining its reasons.

The following table contains an analysis of credit related commitments by credit quality at 30 June 2020 based on credit risk grades.

<i>In millions of RR</i>	Unaudited			Total
	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	
Credit related commitments				
- Excellent	162,832	-	-	162,832
- Good	11,306	205	-	11,511
- Monitor	3,877	259	-	4,136
Unrecognised gross amount	178,015	464	-	178,479
Credit loss allowance	(3,043)	(32)	-	(3,075)
Unrecognised net amount	174,972	432	-	175,404

21 Contingencies and Commitments (Continued)

The following table contains an analysis of credit related commitments by credit quality at 31 December 2019 based on credit risk grades.

<i>In millions of RR</i>	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	Total
Credit related commitments				
- Excellent	145,154	-	-	145,154
- Good	12,285	84	-	12,369
- Monitor	10,360	176	-	10,536
Unrecognised gross amount	167,799	260	-	168,059
Credit loss allowance	(2,228)	(14)	-	(2,242)
Unrecognised net amount	165,571	246	-	165,817

Also, the Group may decide to increase or decrease a credit card limit using a scoring model, which is based on the client's behaviour model. Therefore, the fair value of the contractual amount of revocable unused limits on contingencies and commitments is close to zero. Credit related commitments are denominated in RR.

The following table contains an analysis of performance guarantees issued by credit quality based on credit risk grades.

<i>In millions of RR</i>	30 June 2020 (Unaudited) Stage 1 (12-months ECL)	31 December 2019 Stage 1 (12-months ECL)
Performance guarantees issued		
- Excellent	209	415
- Good	140	245
Unrecognised gross amount	349	660
Provisions	(2)	(3)
Unrecognised net amount	347	657

Mandatory cash balances with the CBRF of RR 4,211 million as at 30 June 2020 (31 December 2019: RR 3,448 million) represent mandatory reserve deposits which are not available to finance the Bank's day to day operations.

22 Fair Value of Financial Instruments

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuation techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs).

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated condensed interim statement of financial position at the end of each reporting period. The levels in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<i>In millions of RR</i>	30 June 2020 (Unaudited)				31 December 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS AT FAIR VALUE								
Financial derivatives	-	3,277	-	3,277	-	390	-	390
Investments in securities	210,691	3,337	-	214,028	133,239	1,939	-	135,178
Repurchase receivables	3,032	-	-	3,032	-	-	-	-
Total assets recurring fair value measurements	213,723	6,614	-	220,337	133,239	2,329	-	135,568
LIABILITIES AT FAIR VALUE								
Other financial liabilities	2,286	-	-	2,286	161	-	-	161
Financial derivatives	-	69	-	69	-	590	-	590
Total liabilities recurring fair value measurements	2,286	69	-	2,355	161	590	-	751

Investments in securities categorised in level 2 are represented by liquid debt securities classified in “Good” credit risk grade.

22 Fair Value of Financial Instruments (Continued)

The description of valuation techniques and the description of the inputs used in the fair value measurement for level 2 measurements at 30 June 2020 are as follows:

<i>In millions of RR</i>	Fair value	Valuation technique	Inputs used
ASSETS AT FAIR VALUE			
Investments in securities	3,337	Observable quotes for comparable securities adjusted by multiplier depending on the degree of the market activity	Quotes from the automated fair value system for financial instruments of NSD Price Center* Russian rouble curve. USD Dollar Swaps Curve. EUR Swaps Curve. CDS quotes assessment of counterparty credit risk or reference entities.
Foreign exchange swaps and forwards	3,277	Discounted cash flows adjusted for counterparty credit risk	CDS quotes assessment of counterparty credit risk or reference entities.
Total recurring fair value measurements at level 2 (Unaudited)	6,614		
LIABILITIES AT FAIR VALUE			
Foreign exchange swaps and forwards	69	Discounted cash flows adjusted for counterparty credit risk	Russian rouble curve. USD Dollar Swaps Curve. EUR Swaps Curve. CDS quotes assessment of counterparty credit risk or reference entities.
Total recurring fair value measurements at level 2 (Unaudited)	69		

The description of valuation techniques and the description of the inputs used in the fair value measurement for level 2 measurements at 31 December 2019 are as follows:

<i>In millions of RR</i>	Fair value	Valuation technique	Inputs used
ASSETS AT FAIR VALUE			
Investments in securities	1,939	Observable quotes for comparable securities adjusted by multiplier depending on the degree of the market activity	Quotes from the automated fair value system for financial instruments of NSD Price Center* Russian rouble curve. USD Dollar Swaps Curve. CDS quotes assessment of counterparty credit risk or reference entities.
Foreign exchange swaps and forwards	390	Discounted cash flows adjusted for counterparty credit risk	CDS quotes assessment of counterparty credit risk or reference entities.
Total recurring fair value measurements at level 2	2,329		
LIABILITIES AT FAIR VALUE			
Foreign exchange swaps and forwards	590	Discounted cash flows adjusted for counterparty credit risk	Russian rouble curve. USD Dollar Swaps Curve. CDS quotes assessment of counterparty credit risk or reference entities.
Total recurring fair value measurements at level 2	590		

22 Fair Value of Financial Instruments (Continued)

* NSD Valuation Center is a fair value measurement service for bonds and other financial instruments, accredited by the CBRF.

There were no changes in the valuation techniques for level 2 recurring fair value measurements during the six months ended 30 June 2020. Level 2 derivatives comprise foreign exchange forwards and swaps.

The foreign exchange forwards have been fair valued using forward exchange rates that are quoted in an active market. Foreign exchange swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for level 2 derivatives.

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

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

<i>In millions of RR</i>	30 June 2020 (Unaudited)				31 December 2019			
	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3	Carrying value
FINANCIAL ASSETS CARRIED AT AMORTISED COST								
Cash and cash equivalents								
- Cash on hand	12,240	-	-	12,240	11,118	-	-	11,118
- Cash balances with the CBRF (other than mandatory reserve deposits)	-	24,224	-	24,224	-	16,599	-	16,599
- Placements with other banks and non-bank credit organizations with original maturities of less than three months	-	34,945	-	34,945	-	30,079	-	30,079
Mandatory cash balances with the CBRF	-	4,211	-	4,211	-	3,448	-	3,448
Due from other banks	-	1,868	-	1,868	-	2,084	-	2,084
Loans and advances to customers	-	-	324,315	324,226	-	-	329,340	329,175
Guarantee deposits with payment systems	-	-	9,836	9,836	-	-	8,877	8,877
Other financial assets								
Settlement of operations with plastic cards receivable	-	10,281	-	10,281	-	16,384	-	16,384
Other receivables	-	4,578	-	4,578	-	5,289	-	5,289
Total financial assets carried at amortised cost	12,240	80,107	334,151	426,409	11,118	73,883	338,217	423,053

22 Fair Value of Financial Instruments (Continued)

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

<i>In millions of RR</i>	30 June 2020 (Unaudited)				31 December 2019			
	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3	Carrying value
FINANCIAL LIABILITIES CARRIED AT AMORTISED COST								
Due to banks	-	7,856	-	7,856	-	663	-	663
Customer accounts								
<i>Individuals</i>								
-Current/demand accounts	-	270,127	-	270,127	-	211,661	-	211,661
-Term deposits	-	144,294	-	143,800	-	139,114	-	137,292
<i>SME</i>								
-Current/demand accounts	-	57,362	-	57,362	-	60,174	-	60,174
-Term deposits	-	1,995	-	1,995	-	1,879	-	1,880
<i>Other legal entities</i>								
-Current/demand accounts	-	545	-	545	-	495	-	495
-Term deposits	-	94	-	94	-	112	-	112
Debt securities in issue								
RR Bonds issued on domestic market	24,553	-	-	23,616	24,442	-	-	23,618
Euro-Commercial Paper	-	1,865	-	1,865	-	2,460	-	2,460
Subordinated debt								
Perpetual subordinated bonds	19,597	-	-	19,151	19,604	-	-	18,487
Other financial liabilities								
Settlement of operations with plastic cards	-	5,379	-	5,379	-	6,427	-	6,427
Trade payables	-	5,248	-	5,248	-	4,621	-	4,621
Credit related commitments	-	-	-	3,075	-	-	-	2,242
Other financial liabilities	-	2,833	-	2,833	-	1,197	-	1,197
Total financial liabilities carried at amortised cost	44,150	497,598	-	542,946	44,046	428,803	-	471,329

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by an active quoted market price. Where quoted market prices are not available, the Group used valuation techniques. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

As at 30 June 2020 and 31 December 2019 the fair value of the debt securities in issue and subordinated debt has been calculated based on quoted prices from the Moscow Exchange MICEX-RTS and Global Exchange Market, where the Group's debt securities are listed and traded.

Weighted average discount rates used in determining fair value as of 30 June 2020 and 31 December 2019 are disclosed below:

<i>In % p.a.</i>	30 June 2020 (Unaudited)	31 December 2019
Assets		
Cash and cash equivalents	0.0	0.0
Due from other banks	5.1	5.2
Loans and advances to customers	35.4	37.2
Investments in securities	3.5	4.9
Repurchase receivables	5.6	-
Liabilities		
Due to banks	1.6	0.2
Customer accounts	3.8	3.9
Debt securities in issue	6.7	7.5
Subordinated debt	8.4	6.8

23 Related Party Transactions

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The outstanding balances with related parties were as follows:

<i>In millions of RR</i>	30 June 2020 (Unaudited)		31 December 2019	
	Key management personnel	Other related parties	Key management personnel	Other related parties
ASSETS				
Gross amounts of loans and advances to customers (contractual interest rate: 5.0-25.7% p.a. (31 December 2019: 11.7-25.7% p.a.))	434	136	437	150
Other financial assets	-	387	-	843
TOTAL ASSETS	434	523	437	993
LIABILITIES				
Customer accounts (contractual interest rate: 0.3-7.2% p.a. (31 December 2019: 0.5-7.2% p.a.))	963	311	1,779	227
Debt securities in issue (yield: 1.0-3.6% p.a. (31 December 2019: 1.0-3.6% p.a.))	-	1,865	-	2,460
Other non-financial liabilities	915	-	521	-
TOTAL LIABILITIES	1,878	2,176	2,300	2,687
EQUITY				
Share-based payment reserve - Management long-term incentive program	579	-	930	-
TOTAL EQUITY	579	-	930	-

23 Related Party Transactions (Continued)

Other related parties in the tables above are represented by entities which are under the control of the Group's ultimate controlling party Oleg Tinkov.

The income and expense items with related parties were as follows:

<i>In millions of RR</i>	Unaudited							
	Six months ended 30 June 2020		Three months ended 30 June 2020		Six months ended 30 June 2019		Three months ended 30 June 2019	
	Key management personnel	Other related parties	Key management personnel	Other related parties	Key management personnel	Other related parties	Key management personnel	Other related parties
Interest income calculated using the effective interest rate method	12	16	11	8	1	7	1	7
Interest expense calculated using effective interest rate method	(22)	(19)	(11)	(9)	(30)	-	(9)	4
Net (losses)/gains from foreign exchange translation	-	(7)	-	22	-	16	-	-
Administrative and other operating expenses	(893)	(48)	(440)	(42)	(925)	-	(417)	-
Other operating income	-	-	-	-	-	24	-	24

Key management compensation is presented below:

<i>In millions of RR</i>	Unaudited			
	Six months ended 30 June 2020	Three months ended 30 June 2020	Six months ended 30 June 2019	Three months ended 30 June 2019
	<i>Short-term benefits:</i>			
- Salaries	457	226	431	230
- Short-term bonuses	293	147	241	64
<i>Long-term benefits:</i>				
- Management long-term incentive programme	135	59	253	123
- Key employees retention plan	8	8	-	-
Total	893	440	925	417

Key employees retention plan (KERP). On 14 April 2020 the Group launched a new long term incentive program for 250 senior and middle management level employees. The purpose of the program is to retain and motivate key employees with high potential. This is a performance-based cash-settled program linked to the market price of GDRs. The expenses related to those participants who are considered to be key management personnel are disclosed in the table above.

Management long-term incentive program. On 31 March 2016 the Group introduced a MLTIP as both a long-term incentive and a retention tool for the management of the Group. Total number of GDRs attributable to the management is 11,940 thousand as at 30 June 2020 (31 December 2019: 9,940 thousand).

Participants of the program receive the vested parts of their grants provided that they remain employed by the Group throughout the vesting period. Participants are entitled to the dividends, if any. Participants who leave the Group lose their right for the unvested parts of the grants.

23 Related Party Transactions (Continued)

The fair value of the awards as at grant dates (31 March 2016, 8 February 2017, 22 February 2018, 15 January 2019 and 5 June 2020) is determined on the basis of market quotes of GDRs as at those dates.

Each grant is divided into 4 equal awards. Each award vests over 4 years in equal tranches. The delivery dates as of which the GDRs are allowed to be sold by the participants correspond to the vesting dates 31 March and each subsequent 31 March (with the exception of 2019 when the vesting date for all participants was 31 January 2019) until 2022 for participants joining in 2016, until 2023 for participants joining in 2017, until 2024 for participants joining in 2018, until 2025 for participants joining in 2019 and until 2027 for participants joining in 2020.

The following table discloses the changes in the numbers of GDRs attributable to the MLTIP:

<i>In thousands</i>	Number of GDRs attributable to the MLTIP
At 31 December 2018	6,178
Granted	91
Vested	(2,419)
Forfeited	(68)
At 31 December 2019	3,782
Granted	2,000
Vested	(1,810)
Forfeited	(17)
At 30 June 2020 (Unaudited)	3,955

24 Events after the End of the Reporting Period

On 5 August 2020 the Board of Directors declared an interim dividend in line with the current dividend policy of USD 0.20 per share/per GDR with a total amount allocated for dividend payment of around USD 39.9 million.