Consolidated Financial Statements and Independent Auditor's Report
[ABC Bank Group]

31 December 2018

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Independent Auditor's Report

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ABC Bank Group
Consolidated Statement of Financial Position *[Alternatively may use 'Balance Sheet']**

In thousands of Russian Roubles	**Note**	**31 December 2018**	**31 December 2017***
ASSETS			
Cash and cash equivalents	7		
Mandatory cash balances with the Central Bank of Russian Federation			
Trading securities *[For comparatives only]*	8	-	
Other [securities] [financial assets] at fair value through profit or loss *[For comparatives only]*	9		
Due from other banks	10	-	
Investments in debt securities *[For current period only]*	11		-
Investments in equity securities *[For current period only]*	12		-
Loans and advances to customers	13		
Available-for-sale investment securities *[For comparatives only]*	14	-	
Repurchase receivables	15		
Investment securities held to maturity *[For comparatives only]*	16	-	
Investment properties	17		
Investment in associates	18		
Current income tax prepayment	38		
Other financial assets	19		
Other assets	20		
Deferred income tax asset	38		
Goodwill	21		
Intangible assets	22		
Premises and equipment	22		
Non-current assets held for sale (or disposal groups)	23		
TOTAL ASSETS			
LIABILITIES			
Due to other banks	24		
Customer accounts	25		
Debt securities in issue [Promissory notes issued]	26		
Other borrowed funds	27		
Other financial liabilities	29		
Current income tax liability	38		
Deferred income tax liability	38		
Provisions for liabilities and charges	28		
Other liabilities	30		
Subordinated debt	31		
Liabilities directly associated with disposal groups held for sale	23		
TOTAL LIABILITIES			
EQUITY			
Share capital	32		
Retained earnings [Accumulated deficit]			
Other reserves	33		
Net assets attributable to the Bank's owners			
Non-controlling interest	47		
TOTAL EQUITY			
TOTAL LIABILITIES AND EQUITY			

Approved for issue and signed [on behalf of Management Board] on __________ 2019.

____________________________	____________________________
(name) President	(name) Chief Accountant

* Note: as an alternative, the statement may be called 'balance sheet'. The default names of the primary statements used by IAS 1 are not mandatory.

ABC Bank Group
Consolidated Statement of Profit or Loss and Other Comprehensive Income

In thousands of Russian Roubles	**Note**	**2018**	**2017**
Interest income calculated using the effective interest method	34		
Other similar income	34		
Interest and similar expense	34		
Net margin on interest and similar income			
Credit loss allowance*			
Net margin on interest and similar income after credit loss allowance			
Fee and commission income	35		
Fee and commission expense	35		
Gains less losses on derecognition of financial assets measured at amortised cost			
Gains less losses from modification of financial assets measured at amortised cost, that did not lead to derecognition			
Gains less losses from trading securities *[For comparatives only]*		-	
Gains less losses from [securities] [financial assets] at fair value through profit or loss			
Gains less losses from financial derivatives			
Gains less losses from trading in foreign currencies			
Gains less losses on revaluation of investment properties	17		
Foreign exchange translation gains less losses			
Impairment of debt securities at fair value through other comprehensive income *[Consider including into the line "Credit loss allowance"]*			-
Impairment of AFS investment securities *[For comparatives only]*		-	
Gains less losses from disposals of available-for-sale investment securities *[For comparatives only]*	14	-	
Impairment of held-to-maturity investment securities *[For comparatives only]*		-	
Provision for credit related commitments			
Gains less losses from reclassification of financial assets from amortised cost to financial assets at fair value through profit or loss **			-
Gains less losses from reclassification of debt instruments at fair value through other comprehensive income to debt instruments at fair value through profit or loss**			-
Other operating income	36		
Gains/(losses) arising from early retirement of debt			
Sale of assets previously leased to customers			
Cost of assets sold and previously leased to customers			
Administrative and other operating expenses	37		
Share of result of associates	18		
Profit/(loss) before tax			
Income tax (expense)/credit	38		
PROFIT/(LOSS) FOR THE YEAR			
Other comprehensive income / (loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale investments: *[For comparatives only]*	14, 15		
- Gains less losses arising during the year		-	
- Gains less losses reclassified to profit or loss upon disposal or impairment		-	
Debt securities at fair value through other comprehensive income: *[For current period only]*	11,15		
- Gains less losses arising during the year			-
- Gains less losses reclassified to profit or loss upon disposal			-

In thousands of Russian Roubles	**Note**	**2018**	**2017**
Translation of financial information of foreign operations to presentation currency			
Share of other comprehensive income of associates	18		
Income tax recorded directly in other comprehensive income	38		
Items that will not be reclassified to profit or loss:			
Gains less losses on investments in equity securities at fair value through other comprehensive income *[For current period only]*			-
Change in fair value attributable to change in the credit risk of financial liabilities designated at fair value through profit or loss	[27,29]		
Revaluation of premises and equipment	22		
Remeasurements of post-employment defined benefit obligations			
Share of other comprehensive income of associates	18		
Income tax recorded directly in other comprehensive income	38		
Other comprehensive income / (loss) for the year			
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR			
Profit/(loss) is attributable to:			
- Owners of the Bank			
- Non-controlling interest			
Profit/(loss) for the year			
Total comprehensive income /(loss) is attributable to:			
- Owners of the Bank			
- Non-controlling interest			
Total comprehensive income / (loss) for the year			
Earnings [Loss] per share for profit [loss] attributable to the owners of the Bank, basic and diluted (expressed in RR per share)	41		

** Credit loss allowance may also include impairment allowance for loan commitments (e.g. unused credit lines), where an instrument includes both a loan and an undrawn commitment and the Group cannot identify the ECLs on these components separately. If the entity can separately identify those – separate line of P&L "Provision for credit related commitments" should be disclosed for credit losses on credit commitments and financial guarantee contracts.*

*** Such reclassifications under IFRS 9 are expected to be rare in practice, but in such cases additional disclosures are required by IFRS 7.12B.*

[Note: 'Interest income calculated using the effective interest method' line represents interest income on financial assets carried at amortised cost and debt instruments carried at FVOCI. The 'Other similar income' line represents interest on debt instruments at FVTPL, unless such interest is presented as part of the fair value gains or losses. The chosen policy should be disclosed. Refer to IFRS 7.B5(e)]

All significant categories of assets, liabilities, income and expenses (use 10% as a general limit) must be disclosed on the face of the balance sheet or statement of comprehensive income / income statement. Refer to Appendix C if the Bank is an OOO company.]

[Note: The opening balance sheet at 1 January 2017 is required in case of retrospective reclassification or restatement of comparatives. If comparatives for FVTPL, AFS and HTM securities are presented within

new lines "Investments in debt securities" and "Investments in equity securities" then the third balance sheet is required if the reclassifications are significant.]

[Note: In accordance with IFRS 7.8 the carrying amount of each of the following categories of financial assets and liabilities: FVTPL (mandatory), FVTPL (designated), FVOCI, and AC shall be disclosed either in the consolidated statement of financial position or in the notes. For the purposes of this ABC Bank all financial instruments were aggregated in the lines of the consolidated statement of financial position in accordance with their nature rather than measurement categories. The disclosure of measurement categories for those instruments are provided in Note 52].

[If the Group has publicly traded ordinary shares or potential ordinary shares, you will need to disclose (loss)/earnings per share on the face of the consolidated statement of profit or loss and other comprehensive income and details of the calculation in the notes. If basic EPS is different from diluted EPS, then both need to be presented on the face of the consolidated statement of profit or loss and other comprehensive income / income statement. If the Group has discontinued operations, also disclose on the face of the EPS for profit from continuing operations – refer to IAS 33.66]

[Note: The bank may choose to present the statement of profit or loss and other comprehensive income as two separate statements following each other: (a) statement of profit or loss and (b) statement of other comprehensive income.]

[Note: Fair value gains and losses are shown before current or deferred tax effects within other comprehensive income. Income tax on transactions recorded in other comprehensive income is presented on a separate line 'Income tax recorded in other comprehensive income'. Alternatively components of other comprehensive income may be presented net of related tax effects, e.g. "Revaluation, net of tax", rather than showing one amount for the aggregate amount of income tax relating to those components. Additional disclosure of the tax effects should be in the notes. IAS 1.90 requires disclosure of the amount of income tax relating to each component of other comprehensive income. See Note 38.]

		Attributable to owners of the Bank										
In thousands of Russian Roubles	**Note**	**Share capital**	**Share premium**	**Revaluation reserve for AFS securities** *[For comparatives only]*	**Revaluation reserve for securities at FVOCI**	**Revaluation of financial liabilities attributable to own credit risk**	**Revaluation reserve for premises**	**Currency translation reserve**	**Retained earnings [Accumulated deficit]**	**Total**	**Non-controlling Interest**	**Total equity**
[Previously reported balance at 31 December 2016]												
[Voluntary changes in accounting policies]	5											
[Adoption of new or revised standards]	5											
[Adjusted] Balance at 1 January 2017												
Profit / (loss) for the year												
Other comprehensive income	33											
Total comprehensive income for 2017												
Share issue	32											
Treasury shares:												
- Acquisitions	32											
- Disposals	32											
Business combinations	54											
Acquisition of non-controlling interest in subsidiaries												
Disposal of non-controlling interest in subsidiaries												
Transfer of revaluation surplus on premises [and equipment] to retained earnings	33											
Dividends declared	39											
Balance at 31 December 2017												
Adoption of IFRS 9:												
– remeasurement for expected credit losses, net of tax	5											
– other effects	5											
[Adoption of IFRS 15]	5											
Restated balance at 1 January 2018												
Profit / (loss) for the year												

		Attributable to owners of the Bank									Non-controlling Interest	Total equity
In thousands of Russian Roubles	Note	Share capital	Share premium	Revaluation reserve for AFS securities *[For comparatives only]*	Revaluation reserve for securities at FVOCI	Revaluation of financial liabilities attributable to own credit risk	Revaluation reserve for premises	Currency translation reserve	Retained earnings [Accumulated deficit]	Total		
Other comprehensive income	33											
Total comprehensive income for 2018												
Share issue	32											
Treasury shares												
- Acquisitions	32											
- Disposals	32											
Business combinations	54											
Acquisition of non-controlling interest in subsidiaries												
Disposal of non-controlling interest in subsidiaries												
Transfer of revaluation surplus on premises [and equipment] to retained earnings	33											
Transfer of revaluation reserve on investments in equity securities at FVOCI to retained earnings upon disposal												
Transfer of change in fair value attributable to change in the credit risk of financial liabilities at FVTPL to retained earnings												
Dividends declared	39											
Balance at 31 December 2018												

[Note:

- *Include share premium in share capital amount or present it separately. If presented separately, adjust also balance sheet and Note 32.*
- *If the Group has negative retained earnings, change the heading from retained earnings to 'accumulated deficit'.*
- *Any significant capital transactions with owners of the Group should be described in Note 32.*
- *The name should be 'Statement of changes in equity' even if the Group has negative equity. Do not change equity to deficit.*
- *Treasury shares are deducted from share capital amount with additional disclosure in Note 32. If treasury shares are shown separately on the consolidated balance sheet – a separate column in this statement would be needed.*
- *In the case of equity-settled share-based payment arrangements, the credit to equity should be in the*

statement of changes in equity and not in other comprehensive income.

- *If gains or losses on initial recognition of financial instruments are, in substance, distributions to or capital contributions from owners, then they should be included in the statement of changes in equity and not in the statement of comprehensive income.*
- *Transfer of realised revaluation reserve on premises and equipment to retained earnings should be presented as a capital transaction below 'Total comprehensive income' subtotal.*
- *For entities presenting financial statements in a currency which differs from the functional currency of one or more entities in the Group: Note that normal practice is for all equity components (e.g. share capital, retained earnings), except for non-controlling interest, to be presented at historic rates in the respective columns of the statement of changes in equity and notes thereto. Any effects of translating equity components from the functional currency to the presentation currency are recognised within the currency translation reserve movement for the year, except for those effects relating to non-controlling interest. As an alternative all components of equity may be translated using the closing rate as of each end of the reporting period. However, effects of translation of equity components should not be recognised in other comprehensive income but as a reclassification within equity below total comprehensive income.]*

In thousands of Russian Roubles	Note	2018	2017
Cash flows from operating activities			
Interest income calculated using the effective interest method received			
Interest income received on investments at fair value through profit or loss			
Interest paid			
Fees and commissions received			
Fees and commissions paid			
Income received from trading in trading securities			
Income received from financial derivatives			
Income received from trading in foreign currencies			
Other operating income received			
Proceeds from sale of assets previously leased to customers			
Staff costs paid			
Administrative and other operating expenses paid *[Consider further breakdown by major types of costs]*			
Income tax paid			
Cash flows from/(used in) operating activities before changes in operating assets and liabilities			
Net (increase)/decrease in:			
- other securities [financial assets] at fair value through profit or loss *[For comparatives only]*			
- investments in debt securities at fair value through profit or loss			
- investments in equity securities at fair value through profit or loss			
- due from other banks			
- loans and advances to customers			
- repurchase receivables			
- other financial assets			
- other assets			
Net increase/(decrease) in:			
- due to other banks			
- customer accounts			
- debt securities in issue [promissory notes issued] *[Movements in long-term debt securities in issue should be reported within cash flows from financing activities]*			
- other financial liabilities			
- provisions for liabilities and charges and other liabilities			
[Delete increase/decrease as appropriate]			
Net cash from/(used in) operating activities			
Cash flows from investing activities			
Acquisition of debt securities at fair value through other comprehensive income	11		-
Acquisition of equity securities at fair value through other comprehensive income	12		-
Proceeds from disposal [and redemption] of debt securities at fair value through other comprehensive income	11		-
Proceeds from disposal of equity securities at fair value through other comprehensive income	12		-
Acquisition of available-for-sale investment securities [For comparatives only]	14	-	
Proceeds from disposal [and redemption] of available-for-sale investment securities [For comparatives only]	14	-	
Acquisition of investments in debt securities carried at amortised cost	11		-
Proceeds from redemption of debt securities carried at amortised cost	11		-
Acquisition of held-to-maturity investment securities [For comparatives only]	16	-	
Proceeds from redemption of held-to-maturity investment securities [For comparatives only]	16	-	
Acquisition of premises and equipment	22		

In thousands of Russian Roubles	Note	2018	2017
Proceeds from disposal of premises and equipment	22, 23		
Dividend income received			
Acquisition of subsidiaries, net of cash acquired	54		
Proceeds from disposal of subsidiary, net of disposed cash	23, 54		
Acquisition of associates	18		
Proceeds from disposal of associates	18, 23		
Acquisition of investment properties	17		
Proceeds from disposal of investment properties	17, 23		
Acquisition of intangible assets	22		
Proceeds from disposal of intangible assets	22, 23		
Net cash from/(used in) investing activities			
Cash flows from financing activities			
Proceeds from other borrowed funds	27		
Repayment of other borrowed funds	27		
Proceeds from [syndicated] long term borrowings from other banks	27		
Repayment of [syndicated] long term borrowings from other banks	27		
Proceeds from subordinated debt	31		
Repayment of subordinated debt	31		
Issue of ordinary shares	32		
Issue of preference shares	32		
Capital contributions from shareholders other than through issuance of shares	32, 33		
Acquisition of treasury shares	32		
Disposal of treasury shares	32		
Acquisition of non-controlling interest in subsidiaries			
Proceeds from disposal of non-controlling interest in subsidiaries			
Dividends paid	39		
Capital distributions to shareholders other than dividends	32, 33		
Net cash from/(used in) financing activities			
Effect of exchange rate changes on cash and cash equivalents			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the end of the year	7		

[Refer to Note 7 for investing and financing transactions that did not require the use of cash and cash equivalents and were excluded from the statement of cash flows.]

[Note:

- *IAS 7.28 states that unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. They should, therefore, be eliminated as non-cash movements.*
- *All unrealised fair value adjustments should be eliminated as being non-cash items.*
- *The investing and financing activities should be shown gross as a matter of principle.*
- *Investing activities may include only items that are capitalised as assets in the balance sheet.*
- *Money market short positions should not be deducted from cash and cash equivalents balance.]*

1 Introduction

These [consolidated] financial statements have been prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2018 for ABC Bank (the "Bank") and its subsidiaries (the "Group").

The Bank was incorporated and is domiciled in the Russian Federation. The Bank is a joint stock company *[or state the appropriate civil code classification]* limited by shares and was set up in accordance with Russian regulations. [As of 31 December 2018 and 2017 the Bank's immediate [and ultimate] parent company was _____, and the Bank was ultimately controlled by Mr _____.] *[The disclosure of ownership should be made here or in the related party note.] [Tailor the above wording or include additional wording such that the Bank's ultimate parent company is disclosed under IAS 1.138(c) and ultimate controlling party under IAS 24.13.]*

Principal activity. The Group's principal business activity is [commercial and retail] banking operations within the Russian Federation. The Bank has operated under a full banking licence issued by the Central Bank of the Russian Federation ("CBRF") since _____. The Bank participates in the state deposit insurance scheme, which was introduced by Federal Law #177-FZ "Deposits of individuals insurance in Russian Federation" dated 23 December 2003. The State Deposit Insurance Agency guarantees repayment of 100% of individual deposits up to RR 1 400 thousand per individual in the case of the withdrawal of a licence of a bank or a CBRF imposed moratorium on payments.

The Bank has ____ (2017: ____) branches within the Russian Federation and ____ (2017: ____) branches overseas in ____. Additionally, the Bank has representative offices in _____. [The Group had _____ employees at 31 December 2018 (2017: _____ employees).]

Registered address and place of business. The Bank's registered address is: _________, Russian Federation.

[The Bank's principal place of business is ____ .] *[Note: the principal place of the Bank's activity should be disclosed only where it is different from the registered address of the Bank.]*

Presentation currency. These [consolidated] financial statements are presented in Russian Roubles ("RR"), unless otherwise stated.

Abbreviations. A glossary of various abbreviations used in this document is included in Note 57.

2 Operating Environment of the Group

Russian Federation. The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations (Note 45). The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals. Firm oil prices, low unemployment and rising wages supported a modest growth of the economy in 2018. The operating environment has a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

For the purpose of measurement of expected credit losses ("ECL") the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Note 43 provides more information of how the Group incorporated forward-looking information in the ECL models.

[Note: This note serves as an illustrative example and should be adjusted for the facts and circumstances relevant to the Group.]

[Note: Consider adding information about situation in Ukraine if the Group has material operations in Ukraine. Refer to Appendix H for an example.]

3 Significant Accounting Policies

Basis of preparation. These [consolidated] financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of [premises and equipment, investment properties,] financial instruments categorised at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI"). The principal accounting policies applied in the preparation of these [consolidated] financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the periods presented, unless otherwise stated. Refer to Notes 5 and 56.

[Generally should not include accounting policies that deal with balance sheet or profit or loss items that the Group does not have. In addition, ensure that an accounting policy exists for each material transaction and balance sheet and income item.]

[Going concern. Management prepared these [consolidated] financial statements on a going concern basis. Refer to Note 4 for uncertainties relating to events and conditions that may cast a significant doubt upon the Group's ability to continue as a going concern.] *[Include this paragraph only if there is doubt about going concern].*

Consolidated financial statements. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

3 Significant Accounting Policies (Continued)

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Bank and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Group applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

Purchases of subsidiaries from parties under common control. Purchases of subsidiaries from parties under common control are accounted for [in accordance with the acquisition method of accounting] [using the predecessor values method. Under this method, the [consolidated] financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or, if later, the date when the combining entities were first brought under common control. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts. The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these [consolidated] financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these [consolidated] financial statements as an adjustment to [other reserve / merger reserve] within equity].

Associates. Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting, and are initially recognised at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss, where appropriate.

3 Significant Accounting Policies (Continued)

Financial instruments – key measurement terms. *Fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price. [The price within the bid-ask spread that is most representative of fair value in the circumstances was used to measure fair value, which management considers is [the last trading price on the reporting date] [the average of actual trading prices on the reporting date]. [The quoted market price used to value financial assets is the current bid price; the quoted market price for financial liabilities is the current asking price.]

[A portfolio of financial derivatives or other financial assets and liabilities that are not traded in an active market is measured at the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (ie an asset) for a particular risk exposure or paid to transfer a net short position (ie a liability) for a particular risk exposure in an orderly transaction between market participants at the measurement date. This is applicable for assets carried at fair value on a recurring basis if the Group: (a) manages the group of financial assets and financial liabilities on the basis of the entity's net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty in accordance with the entity's documented risk management or investment strategy; (b) it provides information on that basis about the group of assets and liabilities to the entity's key management personnel; and (c) the market risks, including duration of the entity's exposure to a particular market risk (or risks) arising from the financial assets and financial liabilities is substantially the same.]

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 51.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

3 Significant Accounting Policies (Continued)

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial instruments – initial recognition. Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

[The Group uses [discounted cash flow] valuation techniques to determine the fair value of [currency swaps], [Foreign exchange forwards], [loans to related parties]] that are not traded in an active market. Differences may arise between the fair value at initial recognition, which is considered to be the transaction price, and the amount determined at initial recognition using a valuation technique with level 3 inputs. If any diffferences remain after calibration of model inputs, such differences are initially recognised within [other] assets or [other] liabilities and are subsequently amortised on a straight line basis over the term of the [currency swaps], [Foreign exchange forwards], [loans to related parties]. The differences are immediately recognised in profit or loss if the valuation uses only level 1 or level 2 inputs.] *[See IFRS 7.IG14]*

Financial assets – classification and subsequent measurement – measurement categories. The Group classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model. The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include [the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated]. Refer to Note 4 for critical judgements applied by the Group in determining the business models for its financial assets.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

3 Significant Accounting Policies (Continued)

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed. Refer to Note 4 for critical judgements applied by the Group in performing the SPPI test for its financial assets.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. [The entity did not change its business model during the current and comparative period and did not make any reclassifications.]

Financial assets impairment – credit loss allowance for ECL. The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position. For debt instruments at FVOCI, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss and other changes in carrying value are recognised in OCI as gains less losses on debt instruments at FVOCI.

The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 43 for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in Note 43. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL. Note 43 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

As an exception, for certain financial instruments, such as credit cards, that may include both a loan and an undrawn commitment component, the Group measures expected credit losses over the period that the Group is exposed to credit risk, that is, until the expected credit losses would be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. This is because contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to such contractual notice period.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a dercognition event. [Indicators that there is no reasonable expectation of recovery include… *specify*]. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – derecognition. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

3 Significant Accounting Policies (Continued)

Financial assets – modification. The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: [any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.]

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets), and recognises a modification gain or loss in profit or loss.

[Where relevant, additional accounting policy should be included for derecognition of revolving credit facilities, such as credit cards or overdrafts. Such assets may be subject to numerous contractual modifications and their derecognition assessment is a complex area, requiring judgement specific to the entity's circumstances.]

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. [In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.] If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

3 Significant Accounting Policies (Continued)

Cash and cash equivalents. Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include [mandatory reserve deposits with the CBRF and] all interbank placements [and reverse sale and repurchase agreements with other banks] with original maturities of less than three months. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents, both in the statement of financial position and for the purposes of the statement of cash flows. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL. Features mandated solely by legislation, such as the bail-in legislation in certain countries, do not have an impact on the SPPI test, unless they are included in contractual terms such that the feature would apply even if the legislation is subsequently changed.

[The above policy for cash and cash equivalents reflects the practice of many entities; however each entity should determine and disclose the composition and maturity threshold of its cash equivalents used for meeting short-term cash commitments, based on the entity's own cash management practices. E.g. for some entities cash equivalents are only those realisable within one day.]

The payments or receipts presented in the statement of cash flows represent transfers of cash and cash equivalents by the Group, including amounts charged or credited to current accounts of the Group's counterparties held with the Group, such as loan interest income or principal collected by charging the customer's current account or interest payments or disbursement of loans credited to the customer's current account, which represents cash or cash equivalent from the customer's perspective.

Mandatory cash balances with the CBRF. Mandatory cash balances with the CBRF are carried at AC and represent non-interest bearing mandatory reserve deposits, which are not available to finance the Group's day to day operations, and hence are not considered as part of cash and cash equivalents for the purposes of the consolidated statement of cash flows.

Due from other banks. Amounts due from other banks are recorded when the Group advances money to counterparty banks. Amounts due from other banks are carried at AC when: (i) they are held for the purposes of collecting contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Certain bank deposits held by the Group are subject to the "bail-in" legislation that permits or requires a national resolving authority to impose losses on holders in particular circumstances. Where the bail-in clauses are included in the contractual terms of the instrument and would apply even if legislation subsequently changes, the SPPI test is not met and such instruments are mandatorily measured at FVTPL. [The Group did not identify such balances due from other banks.] Where such clauses in the contract merely acknowledge the existence of the legislation and do not create any additional rights or obligation for the Group, the SPPI criterion is met and the respective instruments are carried at AC.

Investments in debt securities. Based on the business model and the cash flow characteristics, the Group classifies investments in debt securities as carried at AC, FVOCI or FVTPL. Debt securities are carried at AC if they are held for collection of contractual cash flows and where those cash flows represent SPPI, and if they are not voluntarily designated at FVTPL in order to significantly reduce an accounting mismatch.

Debt securities are carried at FVOCI if they are held for collection of contractual cash flows and for selling, where those cash flows represent SPPI, and if they are not designated at FVTPL. Interest income from these assets is calculated using the effective interest method and recognised in profit or loss. An impairment allowance estimated using the expected credit loss model is recognised in profit or loss for the year. All other changes in the carrying value are recognised in OCI. When the debt security is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to profit or loss.

Investments in debt securities are carried at FVTPL if they do not meet the criteria for AC or FVOCI. The Group may also irrevocably designate investments in debt securities at FVTPL on initial recognition if applying this option significantly reduces an accounting mismatch between financial assets and liabilities being recognised or measured on different accounting bases.

3 Significant Accounting Policies (Continued)

Investments in equity securities. Financial assets that meet the definition of equity from the issuer's perspective, i.e. instruments that do not contain a contractual obligation to pay cash and that evidence a residual interest in the issuer's net assets, are considered as investments in equity securities by the Group. Investments in equity securities are measured at FVTPL, except where the Group elects at initial recognition to irrevocably designate an equity investments at FVOCI. The Group's policy is to designate equity investments as FVOCI when [those investments are held for strategic purposes other than solely to generate investment returns.] When the FVOCI election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversals, if any, are not measured separately from other changes in fair value. Dividends continue to be recognised in profit or loss when the Group's right to receive payments is established except when they represent a recovery of an investment rather than a return on such investment.

Loans and advances to customers. Loans and advances to customers are recorded when the Group advances money to purchase or originate a loan due from a customer. Based on the business model and the cash flow characteristics, the Group classifies loans and advances to customers into one of the following measurement categories: (i) AC: loans that are held for collection of contractual cash flows and those cash flows represent SPPI and loans that are not voluntarily designated at FVTPL, and (ii) FVTPL: loans that do not meet the SPPI test or other criteria for AC or FVOCI are measured at FVTPL.

Impairment allowances are determined based on the forward-looking ECL models. Note 43 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

[Note: Loans at FVOCI and those voluntarily at FVTPL are not illustrated in these financial statements, but if applicable, the respective disclosures should be added].

Repossessed collateral. Repossessed collateral represents financial and non-financial assets acquired by the Group in settlement of overdue loans. The assets are initially recognised at fair value when acquired and included in premises and equipment, other financial assets, investment properties or inventories within other assets depending on their nature and the Group's intention in respect of recovery of these assets, and are subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

[The Group applies its accounting policy for non-current assets held for sale or disposal groups to repossessed collateral where the relevant conditions for such classification are met at the end of the reporting period.]

Where repossessed collateral results in acquiring control over a business, the business combination is accounted for using the acquisition method of accounting with fair value of the settled loan representing the cost of acquisition (refer to the accounting policy for consolidation). Accounting policy for associates is applied to repossessed shares where the Group obtains significant influence, but not control. The cost of the associate is the fair value of the loan settled by repossessing the pledged shares.

Loan commitments. The Group issues commitments to provide loans. These commitments are irrevocable or revocable only in response to a material adverse change. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Group cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

3 Significant Accounting Policies (Continued)

Financial guarantees. Financial guarantees require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised balance of the amount at initial recognition. In addition, an ECL loss allowance is recognised for fees receivable that are recognised in the statement of financial position as an asset.

Performance guarantees. Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Such contracts transfer non-financial performance risk in addition to credit risk. Performance guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the contract. At the end of each reporting period, the performance guarantee contracts are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the contract at the end of each reporting period, discounted to present value. Where the Group has the contractual right to revert to its customer for recovering amounts paid to settle the performance guarantee contracts, such amounts will be recognised as an asset upon transfer of the loss compensation to the guarantee's beneficiary. These fees are recognised within fee and commission income in profit or loss. *[Note: performance guarantees are not in the scope of IFRS 9 and therefore there is no change in their measurement.]*

Sale and repurchase agreements and lending of securities. Sale and repurchase agreements ("repo agreements"), which effectively provide a lender's return to the counterparty, are treated as secured financing transactions. Securities sold under such sale and repurchase agreements are not derecognised. The securities are reclassified as repurchase receivables in the statement of financial position if the transferee has the right by contract or custom to sell or repledge the securities. The corresponding liability is presented within amounts due to other banks or other borrowed funds.

Securities purchased under agreements to resell ("reverse repo agreements"), which effectively provide a lender's return to the Group, are recorded as due from other banks or loans and advances to customers, as appropriate. The difference between the sale and repurchase price, adjusted by interest and dividend income collected by the counterparty, is treated as interest income and accrued over the life of repo agreements using the effective interest method.

Securities lent to counterparties for a fixed fee are retained in the [consolidated] financial statements in their original category in the statement of financial position unless the counterparty has the right by contract or custom to sell or repledge the securities, in which case they are reclassified and presented separately. Securities borrowed for a fixed fee are not recorded in the [consolidated] financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded in profit or loss for the year within gains less losses arising from trading securities. The obligation to return the securities is recorded at fair value in other borrowed funds.

Based on classification of securities sold under the sale and repurchase agreements, the Group classifies repurchase receivables into one of the following measurement categories: AC, FVOCI, and FVTPL.

Promissory notes purchased. Promissory notes purchased are included in due from other banks or in loans and advances to customers, depending on their substance and are recorded, subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

Investment property. *[Refer to Appendix E for an extended accounting policy if investment properties are material.]* Investment property is property held by the Group to earn rental income or for capital appreciation, or both and which is not occupied by the Group. Investment property includes assets under construction for future use as investment property.

Investment property is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value updated to reflect market conditions at the end of the reporting period. Fair value of investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs.

3 Significant Accounting Policies (Continued)

Fair value of the Group's investment property is determined based on reports of independent appraisers, who hold a recognised and relevant professional qualification and who have recent experience in valuation of property of similar location and category. *[If valuation is done by the entity's staff, amend wording accordingly and disclose that professional valuers were not involved – see IAS 40.75(e).]*

[Investment property represents industrial land and buildings that the Group valued using its expectation to convert them into a residential complex.] *[Disclose if highest and best use differs from current use.]*

Earned rental income is recorded in profit or loss for the year within [other operating income]. Gains and losses resulting from changes in the fair value of investment property are recorded in profit or loss for the year and presented separately.

[Alternative policy – cost model: Investment properties are stated at cost less accumulated depreciation and provision for impairment, where required. If any indication exists that investment properties may be impaired, the Group estimates the recoverable amount as the higher of value in use and fair value less costs to sell. The carrying amount of an investment property is written down to its recoverable amount through a charge to profit or loss for the year. An impairment loss recognised in prior years is reversed if there has been a subsequent change in the estimates used to determine the asset's recoverable amount.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with it will flow to the Group, and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. If an investment property becomes owner-occupied, it is reclassified to premises and equipment.]

[***Precious metals.*** The Group has a practice of taking delivery of precious metals and selling them within a short period after delivery, for the purpose of generating a profit from short-term fluctuations in price or dealer's margin. Precious metals are carried at the lower of cost or net realisable value. [Precious metals are held by the Group's commodity broker-trader subsidiary and are measured at fair value less costs to sell with gains or losses recognised in profit or loss.]]

Goodwill. Goodwill is carried at cost less accumulated impairment losses, if any. The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or group of units represent the lowest level at which the Group monitors goodwill, and are not larger than an operating segment. Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

Premises and equipment. Premises and equipment are stated at cost [or revalued amounts, as described below,] less accumulated depreciation and provision for impairment, where required.

[Premises [and equipment] are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. The revaluation reserve for premises and equipment included in equity is transferred directly to retained earnings [accumulated deficit] when the revaluation surplus is realised on the retirement or disposal of the asset, or as the asset is used by the Group; in the latter case, the amount of the surplus realised is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.] *[Disclose specific details of the valuation method applied e.g.:]* If there is no market based evidence of fair value, fair value is estimated using an income approach. [Management has updated the carrying value of land and buildings measured in accordance with the revaluation model at the end of the reporting period using market based evidence and is satisfied that sufficient market based evidence of fair value is available to support the updated fair values.] *[Or:* Management has updated the carrying value of land and buildings measured in accordance with the revaluation model at the end of the reporting period using [specify method].]

3 Significant Accounting Policies (Continued)

[Describe accounting policy for valuation based on depreciated replacement cost if there is no market-based evidence of fair value because of the specialised nature of the item of premises and equipment and the item is rarely sold, except as part of a continuing business.]

[Note that when an item of premises and equipment is revalued, the entire class of premises and equipment to which that asset belongs should be revalued (IAS 16.36).] [The items within a class of premises and equipment are revalued simultaneously in order to avoid selective revaluation of assets and the reporting of amounts in the financial statements which are a mixture of costs and values at different dates. However, a class of assets may be revalued on a rolling basis provided revaluation of the class of assets is completed within a short period of time and provided the revaluations are kept up to date (IAS 16.38).]]

Costs of minor repairs and day-to-day maintenance are expensed when incurred. Costs of replacing major parts or components of premises and equipment items are capitalised, and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of premises and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year [to the extent it exceeds the previous revaluation surplus in equity]. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss for the year (within other operating income or expenses).

Depreciation. Land and construction in progress are not depreciated. *[Delete reference to non-depreciation of construction in progress, if not relevant.]* Depreciation on other items of premises and equipment is calculated using the straight-line method to allocate their cost [or revalued amounts] to their residual values over their estimated useful lives:

	Useful lives in years
Premises	[40 to 50]
Office and computer equipment *[May need more than one category]*	[5 to 10]
Leasehold improvements	Shorter of useful life and the term of the underlying lease

[These lives need to be consistent with IFRS and not RAR, i.e. IFRS adjustments may be needed to reflect IFRS depreciation rates. The categories in the table should be consistent with PP&E note.]

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets. The Group's intangible assets other than goodwill have definite useful life and primarily include capitalised computer software and *[specify the nature of the other intangibles]*. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Development costs that are directly associated with identifiable and unique software controlled by the Group are recorded as intangible assets if the inflow of incremental economic benefits exceeding costs is probable. Capitalised costs include staff costs of the software development team and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred. Capitalised computer software is amortised on a straight line basis over expected useful lives of ___ to ___ years.

3 Significant Accounting Policies (Continued)

[Specify accounting treatment of significant classes of intangible assets, e.g. in business combinations acquired trademarks, trade names, internet domain names, non-competition agreements, customer lists and databases, customer contracts and the related contractual and non-contractual customer relationships, banking or other licences, favourable lease agreements, construction permits, patented technology, etc.]

[Servicing contracts such as mortgage servicing contracts acquired in business combinations may be intangible assets except if mortgage loans, credit card receivables or other financial assets are acquired in a business combination with servicing retained, then the inherent servicing rights are not a separate intangible asset because the fair value of those servicing rights is included in the measurement of the fair value of the acquired financial asset. See IFRS 3.IE36.]

Operating leases. Where the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Group, the total lease payments are charged to profit or loss for the year (rental expense) on a straight-line basis over the period of the lease. [Operating leases include long-term leases of land with rental payments contingent on cadastral values regularly reviewed by the government.]

Leases embedded in other agreements are separated if (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets and (b) the arrangement conveys a right to use the asset.

When assets are leased out under an operating lease, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term.

Finance lease receivables. Where the Group is a lessor in a lease which transfers substantially all the risks and rewards incidental to ownership to the lessee, the assets leased out are presented as a finance lease receivable and carried at the present value of the future lease payments. Finance lease receivables are initially recognised at commencement (when the lease term begins) using a discount rate determined at inception (the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease).

The difference between the gross receivable and the present value represents unearned finance income. This income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. Incremental costs directly attributable to negotiating and arranging the lease are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term [except for certain subsidiaries of the Group which act as manufacturer or dealer lessors, in which case such costs are expensed as part of the selling profit similarly to outright sales.] Finance income from leases is recorded within [other operating income] in profit or loss for the year.

Credit loss allowance is recognised [in accordance with the general ECL model] / [using a simplified approach at lifetime ECL]. The ECL is determined in the same way as for loans and advances measured at AC and recognised through an allowance account to write down the receivables' net carrying amount to the present value of expected cash flows discounted at the interest rates implicit in the finance leases. The estimated future cash flows reflect the cash flows that may result from obtaining and selling the assets subject to the lease.

Finance lease liabilities. Where the Group is a lessee in a lease which transferred substantially all the risks and rewards incidental to ownership to the Group, the assets leased are capitalised in premises and equipment at the commencement of the lease at the lower of the fair value of the leased asset, and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in other borrowed funds. The interest cost is charged to profit or loss for the year over the lease period using the effective interest method. The assets acquired under finance leases are depreciated over their useful life, or the shorter lease term if the Group is not reasonably certain that it will obtain ownership by the end of the lease term.

3 Significant Accounting Policies (Continued)

Non-current assets classified as held for sale (or disposal groups). Non-current assets and disposal groups, which may include both non-current and current assets, are classified in the statement of financial position as 'non-current assets held for sale' if their carrying amount will be recovered principally through a sale transaction, including loss of control of a subsidiary holding the assets, within twelve months after the end of the reporting period. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn. Non-current assets or disposal groups classified as held for sale in the current period's statement of financial position are not reclassified or re-presented in the comparative statement of financial position to reflect the classification at the end of the current period.

A disposal group is a group of assets (current or non-current) to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Goodwill is included if the disposal group includes an operation within a cash-generating unit to which goodwill has been allocated on acquisition. Non-current assets are assets that include amounts expected to be recovered or collected more than twelve months after the end of the reporting period. If reclassification is required, both the current and non-current portions of an asset are reclassified.

Held for sale disposal groups as a whole are measured at the lower of their carrying amount and fair value less costs to sell. Held for sale premises and equipment [, investment properties and intangible assets] are not depreciated or amortised. Reclassified non-current financial instruments[,] [and] deferred taxes[,] [and investment properties held at fair value] are not subject to write down to the lower of their carrying amount and fair value less costs to sell.

[Specify accounting policy if the Group holds an asset (or disposal group) previously classified as held for sale, but the held for sale criteria are no longer met – see IFRS 5.26 ff.]

Liabilities directly associated with disposal groups that will be transferred in the disposal transaction are reclassified and presented separately in the statement of financial position.

Discontinued operations. A discontinued operation is a component of the Group that either has been disposed of, or that is classified as held for sale, and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. Earnings and cash flows of discontinued operations, if any, are disclosed separately from continuing operations with comparatives being re-presented.

Due to other banks. Amounts due to other banks are recorded when money or other assets are advanced to the Group by counterparty banks. The non-derivative liability is carried at AC. If the Group purchases its own debt, the liability is removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains or losses arising from [early] retirement of debt.

Customer accounts. Customer accounts are non-derivative liabilities to individuals, state or corporate customers and are carried at AC.

Financial liabilities designated at FVTPL. The Group may designate certain liabilities at FVTPL at initial recognition. Gains and losses on such liabilities are presented in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability (determined as the amount that is not attributable to changes in market conditions that give rise to market risk), which is recorded in OCI and is not subsequently reclassified to profit or loss. This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in credit risk of the liability are also presented in profit or loss.

3 Significant Accounting Policies (Continued)

Debt securities in issue. Debt securities in issue include promissory notes, bonds, certificates of deposit and debentures issued by the Group. Debt securities are stated at AC. If the Group purchases its own debt securities in issue, they are removed from the consolidated statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains arising from [early] retirement of debt.

[Upon the issue of convertible bonds, the liability component is determined by measuring the fair value of an equivalent non-convertible bond. The equity component is assigned the residual amount after deducting from the fair value of the convertible bonds as a whole the amount separately determined for the liability component. The obligation to make future payments of principal and interest to bondholders is carried at AC until extinguished on conversion or maturity of the bonds. The conversion feature is accounted for as a financial derivative where the conversion right held by the lender is not to convert a fixed amount of the bond expressed in the entity's functional currency to fixed number of equity instruments.]

Other borrowed funds. Other borrowed funds include [preference shares, which carry a mandatory coupon, or are redeemable on a specific date or at the option of the shareholder,] [obligations to return securities borrowed and sold to third parties] and [shareholder loans].

[Preference shares and] shareholder loans are carried at AC. Obligations to return securities borrowed and sold to third parties are carried at FVTPL. [Funding from SDIA is designated at FVTPL at initial recognition as the borrowing includes certain embedded derivatives].

Subordinated debt. Subordinated debt can only be paid in the event of a liquidation after the claims of other higher priority creditors have been met. Subordinated debt is carried at AC.

Derivative financial instruments. *[This note does not cover hedge accounting.]* Derivative financial instruments, including foreign exchange contracts, interest rate futures, forward rate agreements, currency and interest rate swaps, and currency and interest rate options are carried at their fair value.

[The Group also enters into offsetting loans with its counterparty banks to exchange currencies. Such loans, while legally separate, are aggregated and accounted for as a single derivative financial instrument (currency swap) on a net basis where (i) the loans are entered into at the same time and in contemplation of one another, (ii) they have the same counterparty, (iii) they relate to the same risk and (iv) there is no apparent business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction.]

All derivative instruments are carried as assets when fair value is positive, and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year (gains less losses on derivatives). The Group does not apply hedge accounting.

Certain derivative instruments embedded in financial liabilities and other non-financial contracts are treated as separate derivative instruments when their risks and characteristics are not closely related to those of the host contract.

Income taxes. Income taxes have been provided for in the [consolidated] financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge [credit] comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the [consolidated] financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within administrative and other operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3 Significant Accounting Policies (Continued)

In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. [Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes.] Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred income tax is not recognised on post-acquisition retained earnings and other post acquisition movements in reserves of subsidiaries where the Group controls the subsidiary's dividend policy, and it is probable that the difference will not reverse through dividends or otherwise in the foreseeable future.

Uncertain tax positions. The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. *[Include details of specific accounting policies for significant types of provisions.]*

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment. *[Note: This accounting policy applies to levies within the scope of IFRIC 21. It should be included if such levies are material, eg deposit insurance contributions.]*

Trade and other payables. Trade payables are accrued when the counterparty has performed its obligations under the contract and are carried at AC. *[Include details of specific accounting policies for significant other payables.]*

Share capital. Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Incremental costs directly attributable to the issue of new shares [or options] are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

Preference shares which carry a mandatory coupon or are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised as interest expense on an AC basis, using the effective interest method.

[Ordinary shares issued to a lender (who is not an owner of the entity) in order to settle a financial liability are recorded at the fair value of the shares issued when the settlement in shares was not part of the original terms and conditions of the borrowing. A gain or loss on the negotiated early extinguishment of the debt is recognised in profit or loss.]

3 Significant Accounting Policies (Continued)

Treasury shares. Where the Bank or its subsidiaries purchase the Bank's equity instruments, the consideration paid, including any directly attributable incremental external costs, net of income taxes, is deducted from equity attributable to the owners of the Bank until the equity instruments are reissued, disposed of or cancelled. Where such shares are subsequently disposed of or reissued, any consideration received is included in equity.

Dividends. Dividends are recorded in equity in the period in which they are declared. Any dividends declared after the end of the reporting period and before the [consolidated] financial statements are authorised for issue, are disclosed in the subsequent events note. The statutory accounting reports of the Bank are the basis for profit distribution and other appropriations. Russian legislation identifies the basis of distribution as the current year net profit.

Interest income and expense recognition. Interest income and expense are recorded for all debt instruments[, other than those at FVTPL,] on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. [Interest income on debt instruments at FVTPL calculated at nominal interest rate is presented within 'other similar income' line in profit or loss.]

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents. Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at FVTPL.

For financial assets that are originated or purchased credit-impaired, the effective interest rate is the rate that discounts the expected cash flows (including the initial expected credit losses) to the fair value on initial recognition (normally represented by the purchase price). As a result, the effective interest is credit-adjusted.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest revenue is calculated by applying the effective interest rate to their AC, net of the ECL provision, and (ii) financial assets that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the AC.

Fee and commission income. Fee and commission income is recognised over time on a straight line basis as the services are rendered, when the customer simultaneously receives and consumes the benefits provided by the Group's performance. Such income includes [recurring fees for account maintenance, account servicing fees, account subscription fees, premium service package fees, portfolio and other asset management advisory and service fees, wealth management and financial planning services, or fees for servicing loans on behalf of third parties, etc]. Variable fees are recognised only to the extent that management determines that it is highly probable that a significant reversal will not occur.

Other fee and commission income is recognised at a point in time when the Group satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received or receivable represents the transaction price for the services identified as distinct performance obligations. Such income includes [fees for arranging a sale or purchase of foreign currencies on behalf of a customer, fees for processing payment transactions, fees for cash settlements, collection or cash disbursements, as well as, commissions and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses.]. Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part of the loan package for itself, or retains a part at the same effective interest rate as for the other participants.

Fiduciary assets and custody services. Assets held by the Group in its own name, but on the account of third parties, are not reported in the consolidated statement of financial position. The amount of the fee received or receivable represents the consideration for the services.

3 Significant Accounting Policies (Continued)

These fees are recognised over time, on a straight-line basis, when the services are rendered because the customer simultaneously receives and consumes the benefits as the Group performs. Fees from fiduciary activities are presented within fee and commission income.

Customer loyalty program. The group operates a loyalty program where retail clients accumulate points, which entitle them to discounts on future services. Revenue from the award points is recognised when the points are redeemed or when they expire [twelve] months after the initial transaction. The amount of revenue is estimated based on the number of points redeemed relative to the total number expected to be redeemed. A contract liability is recognised for the amount of fair value of points expected to be redeemed until they are actually redeemed or expire.

Sales and purchases of foreign currencies and currency conversion. The Group sells and purchases foreign currencies in the cash offices and through the bank accounts, as well as exchanges foreign currencies. The transactions are performed at the exchange rates established by the Group, which are different from the official spot exchange rates at the particular dates. The differences between the official rates and Group rates are recognised as [gains less losses from trading in foreign currencies] at a point in time when a particular performance obligation is satisfied.

[Land development and resale. The Group's subsidiary develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title passes to the customer. Revenue is measured at the transaction price agreed in the contract. In most cases, the consideration is due when the legal title has been transferred. While deferred payment terms may be agreed in some circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. The revenue on the land development and resale is recognised within [other operating income in profit or loss].

Capitalisation of borrowing costs. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that [is not carried at fair value and that] necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset), form part of the cost of that asset, if the commencement date for capitalisation is on or after 1 January 2009. Other borrowing costs are recognised as an expense using the effective interest method. The Group capitalises borrowing costs that would have been avoided if it had not made capital expenditure on qualifying assets. The commencement date for capitalisation is when (a) the Group incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale. Capitalisation ceases when all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Interest or other investment income is not deducted in arriving at the amount of borrowing costs available for capitalisation, except where the Group obtains specific borrowings for the purpose of acquiring a qualifying asset and has investment income on the temporary investment of funds obtained through such specific borrowings.

Foreign currency translation. The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The functional currency of the Bank and its subsidiaries, and the Group's presentation currency, is the national currency of the Russian Federation, Russian Roubles ("RR"). *[Consider including additional detail if the determination involved significant judgement. Include further details of the functional currency of Group entities, and the basis for the determination, if this is not RR.]*

Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the CBRF at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end official exchange rates of the CBRF, are recognised in profit or loss for the year (as foreign exchange translation gains less losses). Translation at year-end rates does not apply to non-monetary items that are measured at historical cost.

Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined.

3 Significant Accounting Policies (Continued)

Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

Loans between group entities and related foreign exchange gains or losses are eliminated upon consolidation. However, where the loan is between group entities that have different functional currencies, the foreign exchange gain or loss cannot be eliminated in full and is recognised in the consolidated profit or loss, unless the loan is not expected to be settled in the foreseeable future and thus forms part of the net investment in foreign operation. In such a case, the foreign exchange gain or loss is recognised in other comprehensive income.

The results and financial position of each group entity are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period;

(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);

(iii) components of equity are translated at the historic rate; and

(iv) all resulting exchange differences are recognised in other comprehensive income.

When control over a foreign operation is lost, the exchange differences previously recognised in other comprehensive income are reclassified to profit or loss for the year as part of the gain or loss on disposal. On partial disposal of a subsidiary without loss of control, the related portion of accumulated currency translation differences is reclassified to non-controlling interest within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

At 31 December 2018, the principal rate of exchange used for translating foreign currency balances was USD 1 = RR _____ (2017: USD 1 = RR ______). The principal average rate of exchange used for translating income and expenses was USD 1 = RR _____ (2017: USD 1 = RR ______).

[If the Group reports/presents in a currency other than the parent company's functional currency, it must separately disclose the reasons – IAS 21.53.] [Note that the above policies do not cover hyperinflation.]

[Review IAS 21 as to whether it is appropriate for the Group's entities to be able to have non-Roubles as functional currency.]

Offsetting. Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) the event of default and (iii) the event of insolvency or bankruptcy.

Earnings per share. Preference shares are not redeemable, and are considered to be participating shares. Earnings per share are determined by dividing the profit or loss attributable to owners of the Bank by the weighted average number of participating shares outstanding during the reporting year. *[Accounting policy is only applicable if earnings per share are presented.]*

Staff costs and related contributions. Wages, salaries, contributions to the Russian Federation state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group. The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme. *[Separately disclose policies for other than statutory pension plans]*

3 Significant Accounting Policies (Continued)

Segment reporting. Segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately. *[Accounting policy is only applicable if segmental reporting is presented.]*

Presentation of statement of financial position in order of liquidity. The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Refer to Note 43 for analysis of financial instruments by expected maturity. The following table provides information on amounts expected to be recovered or settled before and after twelve months after the reporting period for items that are not analysed in Note 43. *[Note: Refer to IAS 1.61 for the disclosure requirement]*.

	31 December 2018			**31 December 2017**		
	Amounts expected to be recovered or settled			**Amounts expected to be recovered or settled**		
In thousands of Russian Roubles	**Within 12 months after the reporting period**	**After 12 months after the reporting period**	**Total**	**Within 12 months after the reporting period**	**After 12 months after the reporting period**	**Total**
ASSETS						
Investment properties						
Investment in associates						
Current income tax prepayment						
Deferred income tax asset						
Goodwill						
Intangible assets						
Premises and equipment						
Other assets						
Non-current assets held for sale (or disposal groups)						
LIABILITIES						
Current income tax liability						
Deferred income tax liability						
Provisions for liabilities and charges						
Other liabilities						
Liabilities directly associated with disposal groups held for sale						

Changes in presentation. Where necessary, corresponding figures have been adjusted to conform to the presentation of the current year amounts. The effect of reclassifications for presentation purposes was as follows on amounts at 31 December 2017:

[In thousands of Russian Roubles]	**[As originally presented]**	**[Reclassification]**	**[As reclassified at 31 December 2017]**
[Line item]			
[Line item]			
[Line item]			
[Line item]			

3 Significant Accounting Policies (Continued)

The effect of reclassifications for presentation purposes was as follows on amounts at 1 January 2017:

[In thousands of Russian Roubles]	**[As originally presented]**	**[Reclassification]**	**[As reclassified at 1 January 2017]**
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			
[Line item]			

The third statement of financial position as of 1 January 2017 is presented in these [consolidated] financial statements as a result of the above described changes in presentation.

Amendments of the [consolidated] financial statements after issue. The [Bank's shareholder[s] and management have] the power to amend the [consolidated] financial statements after issue.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the [consolidated] financial statements, 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. 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 recognised in the [consolidated] financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include: *[Refer to IAS 1.122 and 1.125 for disclosure requirements. The text below must be tailored and only significant estimates and judgements should be disclosed. For example, if no significant estimates and judgements specific to the entity's tax position are identified, but it is considered that there are some general tax risks applicable to all companies, no disclosures would be included in this note in relation to tax, as these general risks are described in Note 45 on contingencies.]*

Going concern. Management prepared these [consolidated] financial statements on a going concern basis. In making this judgement management considered the Group's financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of recent macro-economic developments on future operations of the Group. *[This section should be included only if there is doubt about going concern. Expand the text to describe material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern – IAS 1.25.]*

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 43. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

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

The Group used supportable forward looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward looking assumptions that correlate with ECL level and their assigned weights were as follows at 31 December 2018:

			Assumption for:				
Variable	Scenario	Assigned weight	2019	2020	2021	2022	2023
[CBR key interest rate]	[Base]	[60%]					
	[Upside]	[10%]					
	[Downside 1]	[20%]					
	[Downside 2]	[10%]					
[Unemployment rate]	[Base]	[60%]					
	[Upside]	[10%]					
	[Downside 1]	[20%]					
	[Downside 2]	[10%]					
[GDP Growth rate]	[Base]	[60%]					
	[Upside]	[10%]					
	[Downside 1]	[20%]					
	[Downside 2]	[10%]					
[House price index]	[Base]	[60%]					
	[Upside]	[10%]					
	[Downside 1]	[20%]					
	[Downside 2]	[10%]					

The assumptions and assigned weights were as follows at 1 January 2018:

			Assumption for:				
Variable	Scenario	Assigned weight	2018	2019	2020	2021	2022
[CBR key interest rate]	[Base]	[60%]					
	[Upside]	[20%]					
	[Downside 1]	[10%]					
	[Downside 2]	[10%]					
[Unemployment rate]	[Base]	[60%]					
	[Upside]	[20%]					
	[Downside 1]	[10%]					
	[Downside 2]	[10%]					
[GDP Growth rate]	[Base]	[60%]					
	[Upside]	[20%]					
	[Downside 1]	[10%]					
	[Downside 2]	[10%]					
[House price index]	[Base]	[60%]					
	[Upside]	[20%]					
	[Downside 1]	[10%]					
	[Downside 2]	[10%]					

[The Group reduced the weights assigned to the upside scenario during 2018 as a result of the most recent developments.] *[Describe the changes in key assumptons and state reasons for the changes as required by IFRS 7 para 36G(c).]*

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

[A change in the weight assigned to base forward looking macro-economic set of assumptions by 10% towards the immediate downside level assumptions would result in an increase in ECL by RR _____ thousand at 31 December 2018 (1 January 2018: by RR ______ thousand). A corresponding change towards the upside assumptions would result in a decrease in ECL by RR _____ thousand at 31 December 2018 (1 January 2018: by RR ______ thousand).

A [10]% increase or decrease in PD estimates at 31 December 2018 would result in an increase or decrease in total expected credit loss allowances of RR ____ thousand. A [10]% increase or decrease in LGD estimates at 31 December 2018 would result in an increase or decrease in total expected credit loss allowances of RR ____ thousand. A [10]% increase or decrease in PD estimates at 31 December 2018 would result in an increase or decrease in total expected credit loss allowances of RR ____ thousand.

A [10]% increase or decrease in credit loss experience based on which the incurred loss allowances were estimated 31 December 2017 would result in an increase or decrease in credit loss allowances of RR ____ thousand as of that date.] *[Tailor the sensitivity disclosure to the Group's circumstance; consider providing sensitivity for each material class of loans separately]*

Credit exposure on revolving credit facilities (e.g. credit cards, overdrafts). For certain loan facilities, the Group's exposure to credit losses may extend beyond the maximum contractual period of the facility. This exception applies to certain revolving credit facilities, which include both a loan and an undrawn commitment component and where the Group's contractual ability to demand repayment and cancel the undrawn component in practice does not limit its exposure to credit losses.

For such facilities, the Group measures ECLs over the period that the Group is exposed to credit risk and ECLs are not mitigated by credit risk management actions. Application of this exception requires judgement. Management applied its judgement in identifying the facilities, both retail and commercial, to which this exception applies. The Group applied this exception to facilities with the following characteristics: (a) there is no fixed term or repayment structure, (b) the contractual ability to cancel the contract is not in practice enforced as a result of day-to-day management of the credit exposure and the contract may only be cancelled when the Group becomes aware of an increase in credit risk at the level of an individual facility, and (c) the exposures are managed on a collective basis. Further, the Group applied judgement in determining a period for measuring the ECL, including the starting point and the expected end point of the exposures.

The Group considered historical information and experience about: (a) the period over which the Group is exposed to credit risk on similar facilities, including when the last significant modification of the facility occurred and that therefore determines the starting point for assessing SICR, (b) the length of time for related defaults to occur on similar financial instruments following a SICR and (c) the credit risk management actions (eg the reduction or removal of undrawn limits), prepayment rates and other factors that drive expected maturity. In applying these factors, the Group segments the portfolios of revolving facilities into sub-groups and applies the factors that are most relevant based on historical data and experience as well as forward-looking information. *[The policy of determining credit exposure period and measuring ECLs for revolving credit facilities is an area of critical judgement. The disclosure will need to take account of the specific approach(es) taken by each entity. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]*

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

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Group considers all reasonable and supportable forward looking information available without undue cost and effort, which includes a range of factors, including behavioural aspects of particular customer portfolios. The Group identifies behavioural indicators of increases in credit risk prior to delinquency and incorporated appropriate forward looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level. Refer to Note 43. *[SICR is a critical element within the overall ECL estimate, given the potential effect on provisions of moving financial instruments from 12-month ECL to Lifetime ECL. Appropriate entity specific disclosure should, therefore, be provided. The nature of the disclosure will need to take account of the specific approach(es) taken by an entity to determine SICR. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]*

Should ECL on all loans and advances to customers be measured at lifetime ECL (that is, including those that are currenty in Stage 1 measured at 12-months ECL), the expected credit loss allowance would be higher by RR ____ thousand as of 31 December 2018 (1 January 2018: higher by RR ____ thousand).

Business model assessment. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the Group considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimising potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The Group assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the Group's control, is not recurring and could not have been anticipated by the Group, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realising cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

On transition to IFRS 9, the Group divided its portfolio of AFS securities into two sub-portfolios to reflect how these assets are managed. Approximately ___% was identified as a liquidity portfolio and classified as held to collect and sell, while the rest was classified as held to collect based on the assumption that these securities would only be sold in a stress case scenario.

[The Group assessed that its residential mortgage loan portfolio meets the criteria for held to collect business model and determined that the past securitisation transactions were infrequent and therefore are not inconsistent with the held to collect business model.]

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

Assessment whether cash flows are solely payments of principal and interest ("SPPI"). Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement.

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument's underlying base interest rate, for example a loan pays three months interbank rate but the rate is reset every month. The effect of the modified time value of money was assessed by comparing relevant instrument's cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets. The Group applied a threshold of [5%] to determine whether differences against a benchmark instruments are significantly different. In case of a scenario with cash flows that significantly differ from the benchmark, the assessed instrument's cash flows are not SPPI and the instrument is then carried at FVTPL.

The Group identified and considered contractual terms that change the timing or amount of contractual cash flows. The SPPI criterion is met if a loan allows early settlement and the prepayment amount substantially represents principal and accrued interest, plus a reasonable additional compensation for the early termination of the contract. The asset's principal is the fair value at initial recognition less subsequent principal repayments, ie instalments net of interest determined using the effective interest method. As an exception to this principle, the standard also allows instruments with prepayment features that meet the following condition to meet SPPI: (i) the asset is originated at a premium or discount, (ii) the prepayment amount represents contractual par amount and accrued interest and a reasonable additional compensation for the early termination of the contract, and (ii) the fair value of the prepayment feature is immaterial at initial recognition.

The Groups' loans [and finance lease receivables] include cross-selling clauses that represent a reduction in the interest rate upon the customer entering into other contracts with the Group or achieving certain criteria, such as maintaining a minimum turnover on current bank accounts held with the Group. The cash flows are SPPI if such clauses merely reduce the Group's overall profit margin on the instrument and there are no other features inconsistent with a basic lending arrangement.

The Group considered examples in the standard and concluded that features that arise solely from legislation and that are not part of the contract, that is, if legislation changed, the features would no longer apply (such as bail in legislation in certain countries), are not relevant for assessing whether cash flows are SPPI.

The Group's loan agreements allow adjusting interest rates in response to certain macro-economic or regulatory changes. Management applied judgement and assessed that competition in the banking sector and the practical ability of the borrowers to refinance the loans would prevent it from resetting the interest rates at an above-market level and hence cash flows were assessed as being SPPI.

The Group's loans, primarily to real estate developers, have cash flows that highly depend on performance of the underlying assets. The loans are carried at FVTPL where management determined that such loans are in substance non-recourse.

The instruments that failed the SPPI test are measured at FVTPL are described in Note 5.

[Determining business model and applying SPPI test are likely to be the areas of critical judgement. Appropriate disclosure should be provided in accordance with IAS 1. The nature of the disclosure will need to take account of the specific approach(es) taken by an entity. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]

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

Modification of financial assets. When financial assets are contractually modified (e.g. renegotiated), the Group assesses whether the modification is substantial and should result in derecognition of the original asset and recognition of a new asset at fair value. This assessment is based primarily on qualitative factors, described in the relevant accounting policy and it requires significant judgment. In particular, the Group applies judgment in deciding whether credit impaired renegotiated loans should be derecognised and whether the new recognised loans should be considered as credit impaired on initial recognition. The derecognition assessment depends on whether the risks and rewards, that is, the variability of expected (rather than contractual) cash flows, change as a result of such modifications. Management determined that risks and rewards did not change as a result of modifying such loans and therefore in substantially all such modifications, the loans were neither derecognised nor reclassified out of the credit-impaired stage. *[Determining whether modification of financial asset is substantial is likely to be the area of critical judgement. Appropriate disclosure should be provided in accordance with IAS 1. The nature of the disclosure will need to take account of the specific approach(es) taken by an entity. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]*

Write-off policy. Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Determining the cash flows for which there is no reasonable expectation of recovery requires judgement. Management considered the following indicators that there is no reasonable expectation of recovery: [loans being past due over ___ days, liquidation or bankruptcy proceedings, fair value of collateral is less than the costs to repossess it or enforcement activities were completed]. Management also considers, based on past practices, that contractual default interest is not collectible for loans overdue over ___ days. Therefore, the default interest was written-off from the gross carrying amounts of the respective loans. *[Write-off policy is likely to be the area of critical judgement. Appropriate disclosure should be provided in accordance with IAS 1. The nature of the disclosure will need to take account of the specific approach(es) taken by an entity. Different impacts on distinct portfolio types may also warrant varying depths of disclosure.]*

Fair value of derivatives and certain other instruments. Information about fair values of instruments that were valued using assumptions that are not based on observable market data is disclosed in Note 51.

Finance leases and derecognition of financial assets. Management applies judgement to determine if substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to counterparties, in particular which risks and rewards are the most significant and what constitutes substantially all risks and rewards. *[Disclose specific judgements made.]*

Deferred income tax on post-acquisition retained earnings of subsidiaries. Deferred income tax is provided on post-acquisition retained earnings and other post acquisition movements in reserves of subsidiaries, except where the Group controls the subsidiary's dividend policy and it is probable that the difference will not reverse through dividends, or otherwise, in the foreseeable future. *[Describe any significant judgements involved. If it is probable that the difference will reverse, deferred tax must be provided based on the rate expected to apply, e.g. the withholding tax (for dividends), or the rate for capital gains (if the subsidiary will be disposed of).]*

Structured entities. Structured entities are designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Judgement is also required to determine whether the substance of the relationship between the Group and a structured entity indicates that the structured entity is controlled by the Group.

The Group does not consolidate structured entities that it does not control. As it can sometimes be difficult to determine whether the Group does control a structured entity, management makes judgements about its exposure to the risks and rewards, as well as about its ability to make operational decisions for the structured entity in question. In many instances, elements are present that, considered in isolation, indicate control or lack of control over a structured entity, but when considered together make it difficult to reach a clear conclusion. In cases where more arguments are in place towards existence of control, the structured entity is consolidated. *[Tailor to disclose specific judgements made.]*

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

Were the Group not to consolidate the assets, liabilities and the results of these consolidated structured entities, the net effect on the statement of financial position would be a [decrease] in net assets of RR ____ thousand (31 December 2017: decrease in net assets of RR ____ thousand) and [increase] in profit by RR ____ thousand (2017: [increase] of RR ____ thousand). Refer to Note 48 for further information about the Group's exposure to structured entities.

Deferred income tax asset recognition. The recognised deferred tax asset represents income taxes recoverable through future deductions from taxable profits, and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on a medium term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances. Key assumptions in the business plan are [list key assumptions used to prepare the budget].

[Tax legislation. Russian tax, currency and customs legislation is subject to varying interpretations. Refer to Note 45.]

Initial recognition of related party transactions. In the normal course of business the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. Terms and conditions of related party balances are disclosed in Note 53.

Goodwill. The recoverable amount of goodwill was estimated based on a value in use calculation [fair value less costs to sell]. Refer to Note 21.

Valuation of investment properties using income capitalisation method. Investment property is stated at its fair value based on reports prepared by an international valuation company at the end of each reporting period. As a result of the current economic environment and market conditions as described in Note 2, the frequency of property transactions is low [in the Group's principal markets]. Nevertheless, in management's assessment there remains sufficient market activity to provide comparable prices for orderly transactions with similar properties when determining the fair value for the Group's investment properties, except for certain of the Group's [specify type] properties located in [location], with a carrying value of RR ___ thousand (2017: RR ___ thousand), because this information is not readily available there.

For these properties, the valuation was based principally on discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

In preparing the valuation reports on the Group's investment property, [the external appraisers] excluded distressed sales when considering comparable sales prices. Management has reviewed the appraisers' assumptions underlying discounted cash flow models used in the valuation, and confirmed that factors such as the discount rate applied have been appropriately determined considering the market conditions at the end of the reporting period. Notwithstanding the above, management considers that the valuation of its investment properties is currently subject to an increased degree of judgement and an increased likelihood that actual proceeds on a sale may differ from the carrying value.

The principal assumptions underlying the estimation of the fair value are those relating to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group, and those reported by the market.

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

The principal assumptions made and the impact on the aggregate valuations of reasonably possible changes in these assumptions, with all other variables held constant, are as follows:

- The future rental rates were estimated depending on the actual location of the properties: for *[specify region and rates]* per square meter per annum for [retail and office space] respectively, and for *[specify region and rates]* per square meter per annum for [retail and office space] respectively. Had these rental rates been increased or decreased by 10 percent, the total carrying value of investment properties would be RR ____ thousand higher or RR ____ thousand lower, respectively.

- Vacancy loss rate was assumed to be in the range of ___% – ___% (2017: ___% – ___%) in different years of operation. Should the vacancy loss rate increase / decrease by 1 percentage point (2017: 1 percentage point), the carrying value of the investment properties would be RR ____ thousand lower / RR ____ thousand higher (2017: RR ____ thousand lower / RR ____ thousand higher).
- Bad debt losses are assumed to be [nil] in all years of operations (2017: [nil] in all years of operations). Should the bad debt losses increase to ___% (2017: ___%) of effective gross income each year, the carrying value of the investment properties would be RR ____ thousand lower (2017: RR ____ thousand lower).
- Property management fees are assumed to be ___% (2017: ___%) of effective gross income. Should the fees increase / decrease by 1 percentage point (2017: 1 percentage point), the carrying value of the investment properties would be RR ____ thousand lower / higher (2017: RR ____ thousand lower / higher).
- Repair expenses are assumed to be ___% (2017: ___%) of effective gross income. Should these expenses increase / decrease by ___ percentage point (2017: ___ percentage point), the carrying value of the investment property would be RR ____ thousand lower / higher (2017: RR ____ thousand lower / higher).
- The discount rate was assumed to be ___% – ___% (2017: ___% – ___%) for different properties. Should this discount rate increase / decrease by 1 percentage point (2017: 1 percentage point), the carrying value of the investment property would be RR ____ thousand lower / RR ____ thousand higher (2017: RR ____ thousand lower / higher).
- [The capitalisation rate was assumed to be ___% – ___% (2017: ___% – ___%). Should this capitalisation rate increase / decrease by 1 percentage point (2017: 1 percentage point), the carrying value of the investment property would be RR ____ thousand lower / RR ____ thousand higher (2017: RR ____ thousand lower / RR ____ thousand higher).]

Valuation of own use premises. Premises of the Group are stated at fair value based on reports prepared by an international valuation company. Due to the nature of the premises and lack of comparable market data, the fair value of the premises is estimated based on the income capitalisation method, where the value is estimated from the expected market rental income streams from similar properties and capitalisation yields. The method considers net income generated by comparable property, capitalised to determine the value for property which is subject to the valuation.

The principal assumptions underlying the estimation of the fair value are those relating to: the possible market rentals and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market.

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

The impact on the aggregate valuations of reasonably possible changes in these assumptions, with all other variables held constant, are as follows:

- The capitalisation rate was assumed to be ___% – ___% (2017: ___% – ___%). Should this capitalisation rate increase / decrease by 1 percentage point (2017: 1 percentage point), the carrying value of the premises would be RR ____ thousand lower / RR ____ thousand higher (2017: RR ____ thousand lower / RR ____ thousand higher).
- Possible property rental income was assumed to be RR ____ thousand (2017: RR ____ thousand) per annum. Should this rental income increase / decrease by 10 percent (2017: 10 percent), the carrying value of the premises would be RR ____ thousand higher / RR ____ thousand lower (2017: RR ____ thousand higher / RR ____ thousand lower).

Functional currencies of different entities of the Group. Different entities within the Group have different functional currencies, based on the underlying economic conditions of their operations. This determination, of what the specific underlying economic conditions are, requires judgement. In making this judgement, the Group evaluates among other factors, the location of activities, the sources of revenue, risks associated with activities and denomination of currencies of operations of different entities. Specifically, in determination of the functional currencies of [entity names], the Group based its judgement on the fact that the companies operate internationally on markets mainly influenced by the [US Dollar (not Russian Rouble)] and their major activities include provision of services to foreign investors. Moreover, the majority of their operations are denominated in [US Dollars] and also, the [US Dollar] is the currency in which their business risks and exposures are managed, and the performance of their business is measured.

Accounting for subordinated loans from VEB. The Russian government provided assistance to the Russian financial system by instructing the Russian State Corporation Bank Razvitiya i Vneshneekonomicheskoy Deyatelnosti ("VEB") to grant subordinated loans to selected banks. This was done through Federal Law 173-FZ of 13 October 2008 "On additional measures aimed at supporting the financial system of the Russian Federation".

The Group received a subordinated loan from VEB of RR ____ thousand, bearing a fixed interest rate of [___%] per annum payable quarterly until maturity on [ ]. The Group has an option to repay this loan at any time subject to approvals from the CBRF and VEB. In accordance with the terms of the loan agreement, the Group is required [(i) to maintain a portfolio of loans with a term of not less than six months issued to priority sectors of the economy in Russia in the amount of the subordinated loan outstanding; (ii) to obtain approval from VEB for certain significant transactions and (iii) to include VEB nominees in the Bank's management bodies.] The [first deputy CEO of VEB] was appointed to the Bank's Board of Directors.

Due to its unique terms and conditions, its subordinated nature and the absence of observable current market transactions providing evidence of a market rate for such instruments, the loan was originally recognised and is subsequently carried on the statement of financial position at amortised contractual value. If there was evidence that the market interest rate for the loan was higher than the contractual interest rates, the amortised contractual value of the loan would have been replaced by (i) the amortised value of the loan determined based on the fair value of the loan at the date of origination and (ii) the unamortised value of the government grant embedded in such a low interest loan; there would have been no impact on the profit or loss, since the increased effective interest rates would have been offset by the amortisation of the government grant.

Accounting for change of interest rates on the subordinated loans from VEB. In accordance with amendments to Federal Law 173-FZ approved in July 2012, the interest rate on the above subordinated loan was reduced from [___%] per annum to [___%] per annum. All other terms of the loan remain unchanged.

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

The Group accounted for such reduction in accordance with IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance”. The revised carrying value of the loan of RR ____ thousand, represented the future revised cash flows relating to the loan discounted at the loan’s original effective interest rate. The difference of RR ____ thousand between the previous and revised carrying value of the loan, was recorded as government grant deferred income and is amortised through interest expense until the loan’s maturity date.

The Group could have accounted for the above reduction of interest rate in accordance with IFRS 9 “Financial Instruments” and the difference between the previous and revised carrying value of the loans would be recorded in full in the profit or loss for the year ended 31 December 2018.

Customer loyalty program. The credit card award points provide a material right to customers that they would not otherwise receive. Therefore, the loyalty points represent a separate performance obligation. The transaction price is allocated to the main product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience.

The stand-alone selling price of the product sold is estimated on the basis of the retail price. Discounts are not considered as they are only given in rare circumstances. If the likelihood of redemption would be [5] per cent higher/lower, the amount of the liability under the program would be RR____ higher/lower.

Classification of complex lease transactions. *[State specific judgements made.]*

Assumptions to determine amount of provisions. *[State key sources of estimation uncertainty.]*

Changes in accounting estimates. *[Note: Disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or that is expected to have an effect in future periods. If it is impracticable to estimate the amount, disclose this fact. Refer to IAS 8 paragraphs 39 and 40.] [Describe also other key assumptions or key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the assets and liabilities within the next year. Refer to IAS 1.125.]*

5 Adoption of New or Revised Standards and Interpretations

Adoption of IFRS 9 “Financial Instruments”. The Group adopted IFRS 9, *Financial Instruments*, from 1 January 2018. The Group elected not to restate comparative figures and recognised any adjustments to the carrying amounts of financial assets and liabilities in the opening retained earnings as of the date of initial application of the standard, 1 January 2018. Consequently, the revised requirements of the IFRS 7, *Financial Instruments: Disclosures*, have only been applied to the current period. The comparative period disclosures repeat those disclosures made in the prior year.

The significant new accounting policies applied in the current period are described in Note 3. Accounting policies applied prior to 1 January 2018 and applicable to the comparative information are disclosed in Note 56.

The following table reconciles the carrying amounts of each class of financial assets as previously measured in accordance with IAS 39 and the new amounts determined upon adoption of IFRS 9 on 1 January 2018.

In thousands of Russian Roubles	Measurement category		Carrying value under IAS 39 - 31 December 2017	Effect of adopting IFRS 9				Carrying value under IFRS 9 - 1 January 2018
				Reclassification		Remeasurement		
	IAS 39	IFRS 9		Mandatory	Voluntary	ECL	Other	
Cash and cash equivalents	L&R	AC						
Mandatory cash balances with the Central Bank of Russian Federation	L&R	AC						

[Note: The table spans across next several pages; header rows are automatically repeated as set in table properties.]

5 Adoption of New or Revised Standards and Interpretations (Continued)

In thousands of Russian Roubles	Measurement category IAS 39	Measurement category IFRS 9	Carrying value under IAS 39 - 31 December 2017	Effect of adopting IFRS 9: Reclassification Mandatory	Reclassification Voluntary	Remeasurement ECL	Remeasurement Other	Carrying value under IFRS 9 - 1 January 2018
Trading securities	Held for trading	Mandatory at FVTPL						
Other securities [financial assets] at FVTPL	Designated at FVTPL	Mandatory at FVTPL						
Other securities [financial assets] at FVTPL	Designated at FVTPL	Designated at FVTPL						
Total other securities [financial assets] at FVTPL								
Investments in debt securities								
- Russian government bonds	Held for trading	Mandatory at FVTPL						
- Municipal bonds	Held for trading	Mandatory at FVTPL						
- Corporate bonds	Held for trading	Mandatory at FVTPL						
- Promissory notes *[Adjust classes as appropriate]*	Held for trading	Mandatory at FVTPL						
Investments in debt securities								
- Russian government bonds	Designated at FVTPL	Mandatory at FVTPL						
- Municipal bonds	Designated at FVTPL	Mandatory at FVTPL						
- Corporate bonds	Designated at FVTPL	Mandatory at FVTPL						
- Promissory notes	Designated at FVTPL	Mandatory at FVTPL						
Investments in debt securities								
- Russian government bonds	AFS	FVOCI						
- Municipal bonds	AFS	FVOCI						
- Corporate bonds	AFS	FVOCI						
- Promissory notes	AFS	FVOCI						
Investments in debt securities								
- Russian government bonds	AFS	Mandatory at FVTPL						
- Municipal bonds	AFS	Mandatory at FVTPL						
- Corporate bonds	AFS	Mandatory at FVTPL						
- Promissory notes	AFS	Mandatory at FVTPL						
Investments in debt securities								
- Russian government bonds	HTM	AC						
- Municipal bonds	HTM	AC						
- Corporate bonds	HTM	AC						
- Promissory notes	HTM	AC						
Investments in debt securities								
- Russian government bonds	HTM	Mandatory at FVTPL						
- Municipal bonds	HTM	Mandatory at FVTPL						
- Corporate bonds								
- Promissory notes	HTM	Mandatory at FVTPL						
Total investments in debt securities								

5 Adoption of New or Revised Standards and Interpretations (Continued)

In thousands of Russian Roubles	**Measurement category**		**Carrying value under IAS 39 - 31 December 2017**	**Effect of adopting IFRS 9**				**Carrying value under IFRS 9 - 1 January 2018**
	IAS 39	**IFRS 9**		**Reclassification**		**Remeasurement**		
				Mandatory	**Voluntary**	**ECL**	**Other**	
Investments in equity securities								
- Corporate shares	Trading assets	Mandatory at FVTPL						
- American depositary receipts (ADR)	Trading assets	Mandatory at FVTPL						
- Investments in mutual funds	Trading assets	Mandatory at FVTPL						
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*	Trading assets	Mandatory at FVTPL						
Investments in equity securities								
- Corporate shares	Designated at FVTPL	Mandatory at FVTPL						
- American depositary receipts (ADR)	Designated at FVTPL	Mandatory at FVTPL						
- Investments in mutual funds	Designated at FVTPL	Mandatory at FVTPL						
- Global depositary receipts (GDR)	Designated at FVTPL	Mandatory at FVTPL						
Investments in equity securities								
- Corporate shares	AFS	FVOCI						
- American depositary receipts (ADR)	AFS	FVOCI						
- Investments in mutual funds	AFS	FVOCI						
- Global depositary receipts (GDR)	AFS	FVOCI						
Investments in equity securities								
- Corporate shares	AFS	Mandatory at FVTPL						
- American depositary receipts (ADR)	AFS	Mandatory at FVTPL						
- Investments in mutual funds	AFS	Mandatory at FVTPL						
- Global depositary receipts (GDR)	AFS	Mandatory at FVTPL						
Total investments in equity securities								
Due from other banks								
- Placements with other banks with original maturities of more than three months	L&R	AC						
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months *[Adjust classes as appropriate]*	L&R	AC						
Total due from other banks								

5 Adoption of New or Revised Standards and Interpretations (Continued)

In thousands of Russian Roubles	**Measurement category**		**Carrying value under IAS 39 - 31 December 2017**	**Effect of adopting IFRS 9**				**Carrying value under IFRS 9 - 1 January 2018**
				Reclassification		**Remeasurement**		
	IAS 39	**IFRS 9**		**Mandatory**	**Voluntary**	**ECL**	**Other**	
Loans and advances to customers								
- *Loans to corporate customers*								
- Standard lending	L&R	AC						
- Specialised lending	L&R	AC						
- Loans to sovereigns	L&R	AC						
- Loans to sub-sovereigns	L&R	AC						
- Loans to SME	L&R	AC						
- Loans to leasing companies	L&R	AC						
- Reverse sale and repurchase agreements *[Adjust classes as appropriate]*	L&R	AC						
- *Loans to individuals*								
- Mortgage loans	L&R	AC						
- Consumer loans	L&R	AC						
- Car loans	L&R	AC						
- Credit cards *[Adjust classes as appropriate]*	L&R	AC						
Loans and advances to customers								
- *Loans to corporate customers*	L&R	Mandatory at FVTPL						
- Standard lending	L&R	Mandatory at FVTPL						
- Specialised lending	L&R	Mandatory at FVTPL						
- Loans to sovereigns	L&R	Mandatory at FVTPL						
- Loans to sub-sovereigns	L&R	Mandatory at FVTPL						
- Loans to SME	L&R	Mandatory at FVTPL						
- Loans to leasing companies	L&R	Mandatory at FVTPL						
- Reverse sale and repurchase agreements	L&R	Mandatory at FVTPL						
- *Loans to individuals*								
- Mortgage loans	L&R	Mandatory at FVTPL						
- Consumer loans	L&R	Mandatory at FVTPL						
- Car loans	L&R	Mandatory at FVTPL						
- Credit cards	L&R	Mandatory at FVTPL						
Total loans and advances to customers								
Investment securities AFS	AFS	Mandatory at FVTPL						
Investment securities AFS	AFS	FVOCI						
Total investment securities AFS								

5 Adoption of New or Revised Standards and Interpretations (Continued)

In thousands of Russian Roubles	Measurement category		Carrying value under IAS 39 - 31 December 2017	Effect of adopting IFRS 9				Carrying value under IFRS 9 - 1 January 2018
				Reclassification		Remeasurement		
	IAS 39	IFRS 9		Mandatory	Voluntary	ECL	Other	
Investment securities HTM	HTM	Mandatory at FVTPL						
Investment securities HTM	HTM	AC						
Investment securities HTM	HTM	FVOCI						
Total investment securities HTM								
Repurchase receivables								
- Russian government bonds	Held for trading	Mandatory at FVTPL						
- Russian government Eurobonds	Held for trading	Mandatory at FVTPL						
- Municipal bonds	Held for trading	Mandatory at FVTPL						
- Corporate bonds	Held for trading	Mandatory at FVTPL						
- Promissory notes	Held for trading	Mandatory at FVTPL						
- Corporate shares	Held for trading	Mandatory at FVTPL						
- American depositary receipts (ADR)	Held for trading	Mandatory at FVTPL						
- Investments in mutual funds	Held for trading	Mandatory at FVTPL						
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*	Held for trading	Mandatory at FVTPL						
Repurchase receivables								
- Russian government bonds	AFS	FVOCI						
- Russian government Eurobonds	AFS	FVOCI						
- Municipal bonds	AFS	FVOCI						
- Corporate bonds	AFS	FVOCI						
- Promissory notes	AFS	FVOCI						
- Corporate shares	AFS	FVOCI						
- American depositary receipts (ADR)	AFS	FVOCI						
- Investments in mutual funds	AFS	FVOCI						
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*	AFS	FVOCI						
- Promissory notes	AFS	FVOCI						
- Russian government bonds	AFS	FVOCI						
- Russian government Eurobonds	AFS	FVOCI						
- Municipal bonds*[Adjust classes as appropriate]*	AFS	FVOCI						
Repurchase receivables								
- Russian government bonds	HTM	AC						
- Russian government Eurobonds	HTM	AC						
- Municipal bonds	HTM	AC						
- Corporate bonds	HTM	AC						
- Promissory notes	HTM	AC						
Total repurchase receivables								

5 Adoption of New or Revised Standards and Interpretations (Continued)

In thousands of Russian Roubles	Measurement category		Carrying value under IAS 39 - 31 December 2017	Effect of adopting IFRS 9				Carrying value under IFRS 9 - 1 January 2018
				Reclassification		Remeasurement		
	IAS 39	IFRS 9		Mandatory	Voluntary	ECL	Other	
Other financial assets								
- Trade receivables	L&R	AC						
- Credit and debit cards receivables	L&R	AC						
- Settlements on conversion operations	L&R	AC						
- Restricted cash	L&R	AC						
- Other	L&R	AC						
Total other financial assets								
Total financial assets								

(a) Cash and cash equivalents

All classes of cash and cash equivalents as disclosed in Note 7 were reclassified from loans and receivables ("L&R") measurement category under IAS 39 to AC measurement category under IFRS 9 at the adoption date of the standard. The ECLs for cash and cash equivalents balances were insignificant. *[In case if ECL for cash and cash equivalents is significant the Group should recognise credit loss allowance for such balances and provide respective disclosures.].*

(b) Due from other banks

All classes of due from other banks balances were reclassified from L&R measurement category under IAS 39 to AC measurement category under IFRS 9.

(c) Investments in debt securities

The [main] reasons for reclassifications were as follows:

- *Securities within the liquidity portfolio identified as held to collect.* Following the assessment of its business model for securities within the Group's liquidity portfolio, which are mostly held to collect the contractual cash flows and sell, the Group has identified certain securities which are managed separately and for which the past practice has been (and the Group's intention remains) hold to collect the contractual cash flows. Consequently, the Group has assessed that the appropriate business model for this group of securities is held to collect. These securities, which were previously classified as AFS, were reclassified at AC from the date of initial application. The remainder of the Group's liquidity portfolio is held to collect contractual cash flows and sell.
- *Investments in debt securities previously designated at FVTPL.* The Group holds some investments in a portfolio of debt securities, which had previously been designated at FVTPL as these securities were managed on a fair value basis. As part of transition to IFRS 9, these securities are now part of an 'other' business model and so are required to be classified as at FVTPL (mandatory), instead of FVTPL (designated) as such on initial recognition.
- *Perpetual debt with interest payments that are not mandatory.* The Group has invested in certain perpetual debt securities where the interest payments can be cancelled at the option of the issuer. Interest payments are not cumulative. While from the issuer's perspective this instrument has certain features of a financial liability (it would become payable on demand if certain contingent events outside of the issuer's control take place), the Group has concluded that its contractual cash flows are not consistent with the basic lending arrangement because the interest payments are not mandatory. The investment in perpetual debt securities is measured at FVTPL.

5 Adoption of New or Revised Standards and Interpretations (Continued)

- *Reclassification from retired categories with no change in measurement***.** In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under IAS 39 were retired, with no changes to their measurement basis:
  - those previously classified as AFS and now classified as measured at FVOCI; and
  - those previously classified as HTM and now classified as measured at AC.

[Presented above are the examples of possible and typical types of reclassifications for investments in debt securities. Those should be tailored/updated for the Group's specific circumstances.]

(d) Investments in equity securities

The Group has elected to irrevocably designate some strategic investments in a portfolio of non-trading equity securities as at FVOCI as permitted under IFRS 9. These securities were previously classified as [AFS]. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are impaired or disposed of. All other equity investments were classified at FVTPL as required by IFRS 9.

IFRS 9 does not provide an exemption to measure investments in unquoted equity securities at cost. The Group remeasured all such investments at fair value on adoption of IFRS 9 and classified as FVTPL or designated as at FVOCI.

[Presented above are the examples of possible and typical types of reclassifications for investments in equity securities. Those should be tailored/updated for the Group's specific circumstances.]

(e) Loans and advances to customers

Loans and advances to customers previously measured at AC, but which fail the SPPI test. The Group holds a portfolio of loans and advances to customers that failed to meet the SPPI requirement for AC classification under IFRS 9. As a result, those loans and advances were classified as at FVTPL (mandatory) from the date of initial application of IFRS 9. The loans that failed the SPPI test are described below.

Loans with contractual interest rate based on a formula with a leverage. The Group has certain retail loans where the interest rate formula is defined in the loan agreement as a multiple of a reference rate – ie the contractual interest rate includes a leverage factor. The leveraged formula is not based on the requirements of the law, and may remain unchanged if the law changes. While the Group has the right to set interest rates on these loans at a level lower than resulting from the formula, the leverage factor could only be removed from the agreements through a contractual modification. The leverage increases the variability of the contractual cash flows with the result that they do not have the economic characteristics of interest. Consequently, these loans fail the SPPI test. They are measured at FVTPL.

Loans with interest rate reset in response to changes in performance ratios. The Group identified certain commercial loans where contractual interest is reset in response to changes in performance ratios specific to the borrowers (eg EBIDTA or Net profit). The quantitative benchmark test applied to those loans at initial recognition revealed that for some loans the contractual reset feature may result in significant changes in the cash flows (exceeding a reasonable adjustment in the Group's profit component of the interest) and therefore these loans failed the SPPI test. They are measured at FVTPL.

Loans with multiple repayment schedules. The Group grants retail loans with a standard amortising profile where borrowers have a contractual right to choose an alternative repayment schedule. Initially, all borrowers are entitled to a 12-month interest-free period. After that the borrowers who prepay a certain proportion of the principal amount become entitled to another 12-month interest-free period. Overall, the borrowers are entitled to three such interest-free periods over the life of the loans, which is generally five years. The quantitative benchmark test applied to those loans at initial recognition revealed that the alternative repayment schedule may result in significantly different cash flows compared to a standard amortising loans with similar terms. Since the loans failed the SPPI test, they are measured at FVTPL.

5 Adoption of New or Revised Standards and Interpretations (Continued)

Prepayable mortgage loans with a fixed compensation for early termination. The Group identified residential mortgage loans which are prepayable by the borrowers at any time and where the prepayment penalty is a fixed amount (ie it does not depend on the amount of prepayment or the amount of the remaining loan balance). The Group performed quantitative benchmark testing which has shown that in some reasonably possible scenarios this prepayment feature may result in significant changes in the cash flows of the loans. The Group concluded that these loans do not meet the SPPI test and they are measured at FVTPL.

Loans with interest payments linked to commodity indices. The Group has provided long-term loans to large customers in extractive industries. In terms of the loan contracts, interest payments can be increased if certain quarterly average commodity indices (eg the average Metals Index or the average value of Commodity Basket, as defined in the respective contracts) exceed the projected values by a pre-determined proportion. In some cases, such supplemental interest payments may also be deferred for a certain period of time (up to [xx] months). These features introduce variability to the cash flows of the loans based on the changes in commodity indices and hence are inconsistent with the basic lending arrangement. These loans are measured at FVTPL.

Loans with modified time value of money. The Group has certain retail loans with contractual interest accrued at 12M Euribor rate reset daily to 12M Euribor over the period of the loan (constant maturity rate). The interest is paid monthly. Based on the results of the quantitative benchmark testing, the Group has concluded that the reset feature and the fact that the interest rate is not aligned with the interest payment period, the time value of money component of interest on those loans is significantly modified and therefore they do not satisfy the SPPI criterion. The loans are measured at FVTPL.

[Presented above are the examples of possible and typical types of reclassifications for loans and advances to customers. Those should be tailored/updated for the Group's specific circumstances.]

Assets reclassified to AC category and the assets reclassified out of FVTPL to FVOCI category. For the assets reclassified at the date of initial application of IFRS 9 to AC category and the assets reclassified out of FVTPL to FVOCI category, the following table shows their fair value at 31 December 2018 and the fair value gain or loss that would have been recognised if these financial assets had not been reclassified as part of transition to IFRS 9:

In thousands of Russian Roubles	**Fair value at 31 December 2018**	**Fair value gain/(loss) that would have been recognised in profit or loss or in OCI during the year if the financial asset had not been reclassified**
Reclassified to AC from AFS		
- Russian government bonds		
- Municipal bonds		
- Corporate bonds		
- Promissory notes *[adjust classes as appropriate]*		
Assets reclassified to AC from FVTPL		
- Russian government bonds		
- Municipal bonds		
- Corporate bonds		
- Promissory notes *[adjust classes as appropriate]*		
Assets reclassified to FVOCI from FVTPL		
- Russian government bonds		
- Municipal bonds		
- Corporate bonds		
- Promissory notes *[adjust classes as appropriate]*		

5 Adoption of New or Revised Standards and Interpretations (Continued)

Effective interest rate and interest revenue on financial assets and liabilities reclassified out of the FVTPL category:

In thousands of Russian Roubles	**Effective interest rate at 1 January 2018**	**Interest revenue for the year ended 31 December 2018**
Assets reclassified to AC		
- Russian government bonds		
- Municipal bonds		
- Corporate bonds		
- Promissory notes *[adjust classes as appropriate]*		
Assets reclassified to FVOCI		
- Russian government bonds		
- Municipal bonds		
- Corporate bonds		
- Promissory notes *[adjust classes as appropriate]*		
Liabilities reclassified from FVTPL to AC		
- Debt securities issued *[adjust classes as appropriate]*		

The Group did not apply the exemption to treat the fair value of the above items as their gross carrying value at the date of initial application of IFRS 9.

Reconciliation of provision for impairment at 31 December 2017 and credit loss allowance at 1 January 2018. The following table reconciles the prior period's closing provision for impairment measured in accordance with incurred loss model under IAS 39 to the new credit loss allowance measured in accordance with expected loss model under IFRS 9 at 1 January 2018:

		Effect			
In thousand or Russian Roubles	**Provision under IAS 39 or IAS 37 at 31 December 2017**	**Reclassification to FVTPL**	**Reclassification to FVOCI**	**Remeasurement from incurred to expected loss**	**Credit loss allowance under IFRS 9 at 1 January 2018**
Loans and receivables measurement category					
- Due from other banks					
- Investments in debt securities					
- Loans and advances to customers					
- Other financial assets *[adjust as appropriate – present by balance sheet line items, breakdown by classes not required]*					
Loan commitments					
Financial guarantees					

[Additional disclosures need to be made if the entity takes advantage of the specific exemptions set out in paragraphs 7.2.4 and 7.2.5 of IFRS 9. These exemptions are expected to be rare and relate to situations where it is impractical, at the date of initial application, to assess the modified time value of money element within the SPPI test or impracticable to assess whether the fair value of a prepayment feature was insignificant. Banks should disclose the carrying amount of the financial assets for which these exemptions have been taken.]

5 Adoption of New or Revised Standards and Interpretations (Continued)

At 31 December 2017, all of the Group's financial liabilities except for derivatives [, liabilities to return collateral sold or repledged and SDIA funding designated at FVTPL at initial recognition (Note 27)] were carried at AC. The derivatives [, liabilities to return collateral sold or repledged and SDIA funding designated at FVTPL at initial recognition (Note 27)] belonged to the FVTPL measurement category under IAS 39. There were no changes to the classification and measurement of financial liabilities [, other than changes in the fair value of financial liabilities designated at FVTPL (SDIA funding) that are attributable to changes in the issuer's own credit risk, which are now presented in other comprehensive income].

The following table analyses the impact, net of tax, of transition to IFRS 9 on reserves and retained earnings as of 1 January 2018.

	Attributable to owners of the Bank									**Non-controlling Interest**	**Total equity**
In thousands of Russian Roubles	**Share capital**	**Share premium**	**Revaluation reserve for AFS securities** *[For comparatives only]*	**Revaluation reserve for securities at FVOCI**	**Revaluation of financial liabilities attributable to own credit risk**	**Revaluation reserve for premises**	**Currency translation reserve**	**Retained earnings [Accumulated deficit]**	**Total**		
Amounts at 31 December 2017 prior to adoption of IFRS 9											
Reclassification of investment securities from available-for-sale to FVTPL											
Reclassification of debt investment securities from available-for-sale to FVOCI											
Recognition of ECL under IFRS 9 for debt financial assets at FVOCI											
Remeasurement to fair value for reclassified financial instruments under IFRS 9											
Recognition of ECL under IFRS 9 for debt financial assets at FVOCI											
Recognition of ECL under IFRS 9 for debt financial assets at amortized cost and credit related commitments *[adjust headings as appropriate]*											
At 1 January 2018 (under IFRS 9)											

5 Adoption of New or Revised Standards and Interpretations (Continued)

Amendments to IFRS 9 - "Prepayment Features with Negative Compensation" (issued on 12 October 2017 and effective at the latest for annual periods beginning on or after 1 January 2019). The amendments were early adopted by the Group with the date of initial application of 1 January 2018. The amendments enable measurement at amortised cost of certain loans and debt securities that can be prepaid at an amount below amortised cost, for example at fair value or at an amount that includes a reasonable compensation payable to the borrower equal to present value of an effect of increase in market interest rate over the remaining life of the instrument. In addition, the text added to the standard's basis for conclusion reconfirms existing guidance in IFRS 9 that modifications or exchanges of certain financial liabilities measured at amortised cost that do not result in the derecognition will result in an gain or loss in profit or loss. The Group is therefore not be able to revise effective interest rate for the remaining life of the loan in order to avoid an impact on profit or loss upon a loan modification. The impact of this clarification on carrying value of the Group's financial liabilities carried at amortised cost was [not material] [RR ____ thousand at 1 January 2018.]

Adoption of IFRS 15 "Revenue from Contracts with Customers" (issued on 28 May 2014 and effective for the periods beginning on or after 1 January 2018) and Amendments to IFRS 15 "Revenue from Contracts with Customers" (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018). The Group has adopted IFRS 15, *Revenue from Contracts with Customers*, with the date of initial application of 1 January 2018. The new standard was applied using the modified retrospective method, with the cumulative effect recognised in retained earnings on 1 January 2018. The standard introduced the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. The standard did not have a material impact on the Group.

The following amended standards became effective for the Group from 1 January 2018, but did not have any material impact on the Group:

- Amendments to IFRS 2 "Share-based Payment" (issued on 20 June 2016 and effective for annual periods beginning on or after 1 January 2018).
- Amendments to IFRS 4 - "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (issued on 12 September 2016 and effective, depending on the approach, for annual periods beginning on or after 1 January 2018 for entities that choose to apply temporary exemption option, or when the entity first applies IFRS 9 for entities that choose to apply the overlay approach).
- Annual Improvements to IFRSs 2014-2016 cycle – Amendments to IFRS 1 an IAS 28 (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).
- Amendments to IAS 40 – "Transfers of Investment Property" (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018).

6 New Accounting Pronouncements

[The list of the new pronouncements in the Illustrative financial statements is not subsequently updated for any new items.]

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2019 or later, and which the Group has not early adopted.

IFRS 16 "Leases" (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019). The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group decided that it will apply the standard using [the modified retrospective method, without restatement of comparatives]. The Group recognised a right of use asset of RR ____ against a corresponding lease liability on 1 January 2019. A reconciliation of the operating lease commitments disclosed in Note 45 to this liability is as follows:

In thousands of Russian Roubles	**31 December 2018 / 1 January 2019**
Total future minimum lease payments for non-cancellable operating leases (Note 45)	
- Future lease payments that are due in periods subject to lease extension options that are reasonably certain to be exercised	
- Future variable lease payments that are based on an index or a rate	
- Effect of discounting to present value *[adjust table as necessary]*	
Total lease liabilities	

IFRIC 23 "Uncertainty over Income Tax Treatments" (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019). IAS 12 specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. An entity should determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty. An entity should assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the effect of uncertainty will be reflected in determining the related taxable profit or loss, tax bases, unused tax losses, unused tax credits or tax rates, by using either the most likely amount or the expected value, depending on which method the entity expects to better predict the resolution of the uncertainty. An entity will reflect the effect of a change in facts and circumstances or of new information that affects the judgments or estimates required by the interpretation as a change in accounting estimate. Examples of changes in facts and circumstances or new information that can result in the reassessment of a judgment or estimate include, but are not limited to, examinations or actions by a taxation authority, changes in rules established by a taxation authority or the expiry of a taxation authority's right to examine or re-examine a tax treatment. The absence of agreement or disagreement by a taxation authority with a tax treatment, in isolation, is unlikely to constitute a change in facts and circumstances or new information that affects the judgments and estimates required by the Interpretation. [The Group is currently assessing the impact of the interpretation on its financial statements.]

6 New Accounting Pronouncements (Continued)

IFRS 17 "Insurance Contracts"(issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021). 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 expects to apply the standard to performance guarantees that it issues and is currently assessing the impact of the new standard on its financial statements.]

Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures" (issued on 12 October 2017 and effective for annual periods beginning on or after 1 January 2019).The amendments clarify that reporting entities should apply IFRS 9 to long-term loans, preference shares and similar instruments that form part of a net investment in an equity method investee before they can reduce such carrying value by a share of loss of the investee that exceeds the amount of investor's interest in ordinary shares. [The Group does not expect a material impact of the amendments on its financial statements.]

Annual Improvements to IFRSs 2015-2017 cycle - amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 (issued on 12 December 2017 and effective for annual periods beginning on or after 1 January 2019).The narrow scope amendments impact four standards. IFRS 3 was clarified that an acquirer should remeasure its previously held interest in a joint operation when it obtains control of the business. Conversely, IFRS 11 now explicitly explains that the investor should not remeasure its previously held interest when it obtains joint control of a joint operation, similarly to the existing requirements when an associate becomes a joint venture and vice versa. The amended IAS 12 explains that an entity recognises all income tax consequences of dividends where it has recognised the transactions or events that generated the related distributable profits, eg in profit or loss or in other comprehensive income. It is now clear that this requirement applies in all circumstances as long as payments on financial instruments classified as equity are distributions of profits, and not only in cases when the tax consequences are a result of different tax rates for distributed and undistributed profits. The revised IAS 23 now includes explicit guidance that the borrowings obtained specifically for funding a specified asset are excluded from the pool of general borrowings costs eligible for capitalisation only until the specific asset is substantially complete. [The Group is currently assessing the impact of the amendments on its financial statements.]

Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement" (issued on 7 February 2018 and effective for annual periods beginning on or after 1 January 2019).The amendments specify how to determine pension expenses when changes to a defined benefit pension plan occur. When a change to a plan—an amendment, curtailment or settlement—takes place, IAS 19 requires to remeasure net defined benefit liability or asset. The amendments require to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Before the amendments, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements.
[The Group is currently assessing the impact of the amendments on its financial statements.]

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).The revised Conceptual Framework includes a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance - in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's [consolidated] financial statements.

7 Cash and Cash Equivalents

In thousands of Russian Roubles	**2018**	**2017**
Cash on hand		
Cash balances with the CBRF (other than mandatory reserve deposits)		
Mandatory cash balances with CBRF		
Correspondent accounts and overnight placements with other banks		
Placements with other banks with original maturities of less than three months		
Reverse sale and repurchase agreements with other banks with original maturities of less than three months		
Total cash and cash equivalents		

[Exclude from the Note any cash amounts restricted for more than three months. Any credit-impaired and past due balances also should be reclassified out of cash and cash equivalents, as in such case, they no longer meet the definition of cash and cash equivalents.]

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 31 December 2018. Refer to Note 43 for the description of the Group's credit risk grading system.

In thousands of Russian Roubles	**Cash balances with the CBRF, including mandatory reserves**	**Correspon-dent accounts and overnight placements**	**Placements with other banks**	**Reverse sale and repurchase agreements with other banks**	**Total**
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
Total cash and cash equivalents, excluding cash on hand					

[The bank should have information about credit quality based on either external or internal ratings for all balances to calculate ECL under IFRS 9 and hence there should not be any unrated balances.]

7 Cash and Cash Equivalents (Continued)

For the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. The ECL for these balances represents an insignificant amount, therefore the Group did not recognise any credit loss allowance for cash and cash equivalents. Refer to Note 43 for the ECL measurement approach.

The credit quality of cash and cash equivalents balances at 31 December 2017, was as follows:

In thousands of Russian Roubles	**Balances with the CBRF, including mandatory reserves**	**Correspon-dent accounts and overnight placements**	**Placements with other banks**	**Reverse sale and repurchase agreements with other banks**	**Total**
Neither past due nor impaired					
- Central Bank of the Russian Federation					
- [AAA rated]					
- [AA- to AA+ rated]					
- [A- to A+ rated]					
- [Lower than A- rated]					
- [Unrated]					
Total cash and cash equivalents, excluding cash on hand					

[The credit ratings in the above table are based on Standard & Poor's ratings where available, or Moody's or Fitch rating converted to the nearest equivalent on the Standard & Poor's rating scale.]

Except for reverse sale and repurchase agreements, amounts of cash and cash equivalents are not collateralised. The Group has a right to sell or repledge securities with a fair value of RR ___ thousand (2017: RR ___ thousand) received under reverse sale and repurchase agreements. *[Disclose any material terms and conditions associated with the use of the collateral.]*

Investing and financing transactions that did not require the use of cash and cash equivalents, and were excluded from the statement of cash flows are as follows:

In thousands of Russian Roubles	**2018**	**2017**
Non-cash investing activities		
Acquisition of debt securities at FVOCI in exchange for ______ [*e.g. assumed liability]*		
Proceeds from disposal [and redemption] of debt securities at FVOCI in the form of _____ *[e.g. investment property]*		
Acquisition of equity securities at FVOCI in exchange for ______		
Proceeds from disposal of equity securities at FVOCI in the form of _____		
Acquisition of investment securities AFS in exchange for _____ [For comparatives only]		
Proceeds from disposal [and redemption] of investment securities AFS in the form of _____ [For comparatives only]		
Acquisition of investment securities HTM in exchange for _____ [For comparatives only]		
Acquisition of premises and equipment in exchange for _____		
Proceeds from disposal of premises and equipment in the form of _____		
Acquisition of associates in exchange for _____		
Proceeds from disposal of associates in the form of _____		
Acquisition of investment properties in exchange for _____		
Proceeds from disposal of investment properties in the form of _____		
Acquisition of intangible assets in exchange for _____		
Proceeds from disposal of intangible assets in the form of _____		
Non-cash dividends received		
Recognition of finance lease receivables and liabilities		
Non-cash investing activities		

7 Cash and Cash Equivalents (Continued)

In thousands of Russian Roubles	2018	2017
Non-cash financing activities		
Proceeds from other borrowed funds in the form of _____		
Repayment of other borrowed funds in _____ *[e.g. gold]*		
Issue of ordinary shares in exchange for _____		
Issue of preference shares in exchange for _____		
Capital contributions from shareholders other than share issues in the form of _____		
Acquisition of treasury shares in exchange for _____		
Disposal of treasury shares for _____		
Transfer of _____ as a capital distribution to the shareholders other than a dividend		
Non-cash financing activities		

[Further non-cash transactions are presented in Note 54 which includes details of assets acquired and liabilities assumed in business combinations, and in Note 23 which includes details of assets and liabilities of disposed subsidiaries.] *[Include if the exchange was partly or wholly for non-cash consideration.]*

At 31 December 2018 the Group had _____ counterparty banks (2017: _____ banks) with aggregated cash and cash equivalent balances above RR ______ thousand. The total aggregate amount of these balances was RR ______ thousand (2017: RR ______ thousand) or _____% of the cash and cash equivalents (2017: _____%).

Interest rate analysis of cash and cash equivalents is disclosed in Note 43. Information on related party balances is disclosed in Note 53.

8 Trading Securities *[For comparatives only]*

[Any securities that are subject to a repo and where the counterparty has the right to resell or repledge them should be presented in Note 15 and not here.]

Trading securities at 31 December 2017 were as follows:

In thousands of Russian Roubles	31 December 2017
Russian government bonds	
Municipal bonds	
Corporate bonds	
Promissory notes	
Total debt securities	
Corporate shares	
Total trading securities	

Corporate shares are shares of Russian companies.

Trading securities are carried at fair value which also reflects any credit risk related write-downs. As trading securities are carried at their fair values based on observable market data [using bid prices from [MICEX/RTS] stock exchange], the Group does not analyse or monitor impairment indicators.

8 Trading Securities *[For comparatives only]* (Continued)

Analysis by credit quality of debt trading securities is as follows at 31 December 2017:

In thousands of Russian Roubles	**Russian government bonds**	**Municipal bonds**	**Corporate bonds**	**Promissory notes**	**Total**
Neither past due nor impaired (at fair value)					
- [AAA rated]					
- [AA- to AA+ rated]					
- [A- to A+ rated]					
- [Lower than A- rated]					
- [Unrated]					
Total neither past due nor impaired					
Past due (at fair value)					
- less than 30 days overdue					
- 31 to 90 days overdue					
- 91 to 180 days overdue					
- 181 to 360 days overdue					
- over 360 days overdue					
Total past due amounts					
Total debt trading securities					

[The credit ratings in the above table are based on Standard & Poor's ratings where available, or Moody's or Fitch rating converted to the nearest equivalent on the Standard & Poor's rating scale.]

[In case the securities have Moody's or S&P's credit ratings, an analysis by that rating should be disclosed, for example as indicated above. If no external ratings are available, then credit quality will need to be disclosed in some other way, e.g. using internal ratings. The requirement in IFRS 7.36 is to disclose information about the credit quality of financial assets that are neither past due nor impaired. This may be achieved by providing the Group's internal or any external credit ratings where available.]

The debt securities are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances.]*

At 31 December 2017, included in trading securities are securities effectively pledged under sale and repurchase agreements whose fair value is RR ___ thousand. In addition, at 31 December 2017 trading securities with a fair value of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Note 15.

Interest rate analyses of trading securities are disclosed in 43. Information on trading securities issued by related parties is disclosed in Note 53.

The Bank is licensed by the Federal Commission on Securities Markets for trading in securities.

9 Other [Securities] [Financial Assets] at FVTPL *[For comparatives only]*

[Any securities that are subject to a repo and where the counterparty has the right to resell or repledge them should be presented in Note 15 and not here.]

Other [securities] [financial assets] at FVTPL at 31 December 2017 were as follows:

In thousands of Russian Roubles	**31 December 2017**
Russian government bonds	
Municipal bonds	
Corporate bonds	
Promissory notes	
Total debt securities	
Corporate shares	
Total other [securities] [financial assets] at fair value through profit or loss	

The Group irrevocably designated the above securities, which are not part of its trading book, at fair value through profit or loss. The securities meet the criteria for classification at fair value through profit or loss because [key management personnel assess] [the Board of Directors assesses] performance of the investments based on their fair values in accordance with a strategy documented in the [business plan]. *[The disclosure requirement is how the entity has satisfied the conditions for the designation, including a narrative description of the accounting mismatch that would otherwise arise or how designation at fair value through profit or loss is consistent with the entity's documented risk management or investment strategy. See IFRS 7.B5(a)(iii)] [Disclose the nature of the financial assets designated at fair value through profit or loss. Refer to IFRS 7.B5(a)(i)]*

At 31 December 2017, included in other securities at fair value through profit or loss are securities effectively pledged under sale and repurchase agreements whose fair value is RR ___ thousand. In addition, at 31 December 2017 other securities at fair value through profit or loss with a carrying amount of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 15.

Promissory notes are not quoted in an active market. The amount of the change during 2017 and cumulatively by 31 December 2017 in the fair value of the promissory notes that is attributable to changes in the credit risk was RR ____ thousand and RR ____ thousand, respectively. These amounts were determined as the change in the fair value that is not attributable to changes in market conditions that give rise to market risk, which include changes in the benchmark interest rate (including USD LIBOR rates), commodity price, foreign exchange rate or index of prices or rates.

At 31 December 2017 debt securities at FVTPL with a carrying value of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 24 and 27. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IAS 39.37(a)].*

The debt securities are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances.]*

9 Other [Securities] [Financial Assets] at FVTPL *[For comparatives only]* (Continued)

Securities designated at FVTPL are carried at fair value, which also reflects any credit risk related write-downs. As the securities are carried at their fair values based on observable market data, the Group does not analyse or monitor impairment indicators. Analysis by credit quality of debt securities designated at FVTPL outstanding at 31 December 2017, is as follows:

In thousands of Russian Roubles	Russian government bonds	Russian government Eurobonds	Municipal bonds	Corporate bonds	Promissory notes *[Adjust classes as appropriate]*	Total
Neither past due nor impaired (at fair value)						
- [AAA rated]						
- [AA- to AA+ rated]						
- [A- to A+ rated]						
- [Lower than A- rated]						
- [Unrated]						
Total neither past due nor impaired						
Past due (at fair value)						
- less than 30 days overdue						
- 30 to 90 days overdue						
- 91 to 180 days overdue						
- 181 to 360 days overdue						
- over 360 days overdue						
Total past due						
Total debt securities designated at FVTPL						

[The credit ratings in the above table are based on Standard & Poor's ratings where available, or Moody's or Fitch rating converted to the nearest equivalent on the Standard & Poor's rating scale.]

Interest rate analysis of other securities at fair value through profit or loss is disclosed in Note 43. Information on other securities at fair value through profit or loss issued by related parties is disclosed in Note 53.

10 Due from Other Banks

In thousands of Russian Roubles	2018	2017
Placements with other banks with original maturities of more than three months		
Reverse sale and repurchase agreements with other banks with original maturities of more than three months		
Less credit loss allowance		
Total due from other banks		

The following table contains an analysis of due from other banks balances by credit quality at 31 December 2018 based on credit risk grades and discloses due from other banks balances by three stages for the purpose of ECL measurement. Refer to Note 43 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to due from other banks balances. The carrying amount of due from other banks balances at 31 December 2018 below also represents the Group's maximum exposure to credit risk on these assets:

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit impaired)	POCI	Total
Placements with other banks					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Reverse sale and repurchase agreements					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total due from other banks (gross carrying amount)					
Credit loss allowance					
Total due from other banks (carrying amount)					

10 Due from Other Banks (Continued)

Analysis by credit quality of amounts due from other banks outstanding at 31 December 2017, is as follows:

In thousands of Russian Roubles	**Placements with other banks**	**Reverse repurchase agreements**	**Total**
Neither past due nor impaired			
- [Top 20 Russian banks]			
- [Other Russian banks]			
- [Large OECD banks]			
- [Other OECD banks]			
- [Other banks]			
[Alternative analysis if ratings are available:]			
- [AAA rated]			
- [AA- to AA+ rated]			
- [A- to A+ rated]			
- [Lower than A- rated]			
- [Unrated]			
Total neither past due nor impaired			
Balances past due but not impaired (gross)			
- less than 30 days overdue			
- 30 to 90 days overdue			
- 91 to 180 days overdue			
- 181 to 360 days overdue			
- over 360 days overdue			
Total past due but not impaired (gross)			
Balances individually determined to be impaired (gross)			
- less than 30 days overdue			
- 30 to 90 days overdue			
- 91 to 180 days overdue			
- 181 to 360 days overdue			
- over 360 days overdue			
Total individually impaired (gross)			
Less provision for impairment			
Total due from other banks			

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was RR _______ thousand.

During 2018, a gain [loss] on initial recognition of due from other banks at rates above [below] market in the amount of RR ___ thousand (2017: RR ___ thousand) has been recorded [in profit or loss for the year].

At 31 December 2018 and 31 December 2017 except for reverse sale and repurchase agreements, due from other banks balances are not collateralised.

The Group has a right to sell or repledge securities with a fair value of RR ___ thousand (2017: RR ___ thousand) received under reverse sale and repurchase agreements. *[Disclose any material terms and conditions associated with the use of the collateral.]*

10 Due from Other Banks (Continued)

The extent to which collateral mitigates credit risk is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets").

	Over-collateralised assets		Under-collateralised Assets	
In thousands of Russian Roubles	Carrying value of the assets	Fair value of collateral	Carrying value of the assets	Fair value of collateral
31 December 2018				
Reverse sale and repurchase agreements with other banks with original maturities of less than three months				
31 December 2017				
Reverse sale and repurchase agreements with other banks with original maturities of less than three months				

The Group did not recognise ECL for short-term over-collateralised reverse sale and repurchase agreements. The collateral represents marketable [government bonds]. *[Disclose nature and quality of collateral, changes in quality of collateral.]*

The credit loss allowance for due from other banks recognised in 2018 year is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 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;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular update of inputs to ECL models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Unwinding of discount due to the passage of time because ECL is measured on a present value basis;
- Foreign exchange translations of assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

[Factors to be tailored to a specifics of the Group. Please, note the following: In determining how to analyse ECL allowance movements over the period, Group should consider the underlying modelling approach adopted, the drivers of ECL change within that approach and how best to explain the effect of those drivers on ECL in the disclosure. Group should also consider whether there are other material causes of movement that should be shown separately. These might, for example, be shown in the analysis prepared internally for senior management. Additional rows may also be required to explain ECL movements for different types of products. Where ECL allowance movements could potentially be reported in more than one row, explanation of which changes are reported in which row will assist users of the financial statements. Similarly, where changing the order in which key drivers are changed could result in a significantly different allocation between rows, explanation of the ordering used will be useful.]

[In addition to reconciliation it may be necessary to provide narrative explanation of the changes, eg including an analysis of the reasons for changes in the credit loss allowance, see IFRS 7.B8D]

The following table explains the changes in the credit loss allowance and gross carrying amount due from other banks between the beginning and the end of the annual period due to these factors *[Adjust classes as appropriate; movements must be by class (classes should be consistent with internal reporting to the Group's management)]:*

10 Due from Other Banks (Continued)

In thousands of Russian Roubles	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)**	**Total**
Placements with other banks								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discounting								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
Foreign exchange translation and other movements								
Modification of contractual cash flows								
Unwinding of discounting for Stage 3 assets								
At 31 December 2018								

10 Due from Other Banks (Continued)

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	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)	Total
Reverse repurchase agreements								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discounting								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discounting (for Stage 3)								
At 31 December 2018								

10 Due from Other Banks (Continued)

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the table above.]

Movements in provision for impairment of due from other banks in 2017 year were as follows:

In thousands of Russian Roubles	Placements with other banks	Reverse repurchase agreements
Credit loss allowance at 1 January 2017		
(Recovery of)/provision for impairment during the year*		
Amounts written off during the year as uncollectible		
Transfer to non-current assets held for sale (and disposal groups)		
Disposal of subsidiaries		
[Effect of translation to presentation currency]		
Credit loss allowance at 31 December 2017		

[*The provision for impairment during the year differs from the amount presented in profit or loss for the year due to RR _____ thousand (2017: RR _____ thousand), recovery of amounts previously written off as uncollectible. The amount of the recovery was credited directly to the provisions line in profit or loss for the year.]

At 31 December 2018 the Group had balances with _____ counterparty banks (2017: _____ banks) with aggregated amounts above RR ______ thousand. The total aggregate amount of these deposits was RR ______ thousand (2017: RR ______ thousand) or _____% of the total amount due from other banks (2017: _____%).

[As an active participant in the banking markets, the Group has a significant concentration of credit risk with other financial institutions. In total, credit risk exposure to financial institutions is estimated to have amounted to RR _____ thousand (2017: RR _____ thousand) comprising cash and cash equivalents, deposits and other amounts due from banks, repurchase receivables and financial derivatives.] [*Disclose any other concentrations.*]

Refer to Note 51 for the estimated fair value of each class of amounts due from other banks. Interest rate analysis of due from other banks is disclosed in Note 43. Information on related party balances is disclosed in Note 53.

11 Investments in Debt Securities

[Any securities that are subject to a repo and where the counterparty has the right to resell or repledge them should be presented in Note 15 and not here.]

In thousands of Russian Roubles	2018
Debt securities mandatorily measured at FVTPL	
Debt securities designated as at FVTPL at initial recognition	
Debt securities at FVOCI	
Debt securities at AC	
Total investments in debt securities	

11 Investments in Debt Securities (Continued)

The table below discloses investments in debt securities at 31 December 2018 by measurement categories and classes:

In thousands of Russian Roubles	**Debt securities mandatorily measured at FVTPL**	**Debt securities designated as at FVTPL at initial recognition**	**Debt securities at FVOCI**	**Debt securities at AC**	**Total**
Russian government bonds					
Municipal bonds					
Corporate bonds					
Promissory notes *[Adjust classes as appropriate]*					
Total investments in debt securities at 31 December 2018 (fair value or gross carrying value)					
Credit loss allowance	-	-	-		
Total investments in debt securities at 31 December 2018 (carrying value)					

(a) Investments in debt securities at FVTPL

Debt securities mandatorily classified as at FVTPL by the Group represent securities held for trading and securities in a 'held to sell' business model.

On initial recognition, the Group has irrevocably designated some of its securities at FVTPL. *[Disclose how the entity has satisfied the condition for FVTPL designation on initial recognition. (IFRS7.B5(aa), IFRS9.4.1.5 provide that such designation is only allowed if doing so significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring those securities or recognising the gains and losses on them on different bases.)]*

Debt securities 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 debt securities at FVTPL are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances to customers.]*

At 31 December 2018 debt securities at FVTPL with a carrying value of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 24 and 27. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IFRS 9.3.2.23(a)].*

11 Investments in Debt Securities (Continued)

(b) Investments in debt securities at FVOCI

The table below contains an analysis of the credit risk exposure of debt securities measured at FVOCI at 31 December 2018, for which an ECL allowance is recognised, based on credit risk grades. Refer to Note 43 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to debt securities at FVOCI: *[Adjust classes as appropriate; movements must be by class (classes should be consistent with internal reporting to the Group's management)]:*

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	POCI	Total
Russian government bonds					
- Excellent					
- Good					
- Satisfactory					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Russian government eurobonds					
- Excellent					
- Good					
- Satisfactory					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					

11 Investments in Debt Securities (Continued)

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**POCI**	**Total**
Corporate bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Promissory notes *[Adjust classes as appropriate]*					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Less credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Total investments in debt securities measured at FVOCI (fair value)					

The debt securities at FVOCI are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances.] [The bank should have information about credit quality based on either external or internal ratings for all balances to calculate ECL under IFRS 9 and hence there should not be any unrated balances.]*

At 31 December 2018 debt securities at FVOCI with a carrying value of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 24 and 27. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IFRS 9.3.2.23(a)].*

11 Investments in Debt Securities (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of Russian government bonds at FVOCI were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	**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)**	**Total**
Russian government bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

11 Investments in Debt Securities (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of municipal bonds at FVOCI were as follows.

In thousands of Russian Roubles	**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**
Municipal bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

11 Investments in Debt Securities (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of corporate bonds at FVOCI were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	**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)**	**Total**
Corporate bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

11 Investments in Debt Securities (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of promissory notes at FVOCI were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	**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)**	**Total**
Promissory notes								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

11 Investments in Debt Securities (Continued)

(c) Investments in debt securities at AC

The following table contains an analysis of debt securities at AC by credit quality at 31 December 2018 based on credit risk grades and discloses the balances by three stages for the purpose of ECL measurement. Refer to Note 43 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to debt securities at AC. The carrying amount of debt securities at AC at 31 December 2018 below also represents the Group's maximum exposure to credit risk on these assets:

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	POCI	Total
Russian government bonds					
- Excellent					
- Good					
- Satisfactory					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Russian government Eurobonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

11 Investments in Debt Securities (Continued)

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	POCI	Total
Corporate bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Promissory notes *[Adjust classes as appropriate]*					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total investments in debt securities measured at AC (gross carrying amount)					
Credit loss allowance					
Total investments in debt securities measured at AC (carrying amount)					

[The bank should have information about credit quality based on either external or internal ratings for all balances to calculate ECL under IFRS 9 and hence there should not be any unrated balances.]

The debt securities at AC are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances.]*

11 Investments in Debt Securities (Continued)

At 31 December 2018 debt securities at AC with a carrying value of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 24 and 27. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IFRS 9.3.2.23(a)].*

The following table explains the changes in the credit loss allowance and gross carrying amount for debt securities at AC between the beginning and the end of the annual period *[Adjust classes as appropriate; movements must be by class (classes should be consistent with internal reporting to the Group's management)]:*

	Credit loss allowance				**Gross carrying amount**			
In thousands of Russian Roubles	**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)**	**Total**
Russian government bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

11 Investments in Debt Securities (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of municipal bonds carried at AC were as follows.

In thousands of Russian Roubles	**Credit loss allowance** Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total	**Gross carrying amount** Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total
Municipal bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

11 Investments in Debt Securities (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of corporate bonds carried at AC were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	**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)**	**Total**
Corporate bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

11 Investments in Debt Securities (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of promissory notes carried at AC were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Promissory notes								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was RR _____ thousand. *[Adjust tables above to separately disclose POCI assets, if there are any]*

12 Investments in Equity Securities

[Any securities that are subject to a repo and where the counterparty has the right to resell or repledge them should be presented in Note 15 and not here.]

In thousands of Russian Roubles	**2018**
Equity securities at FVTPL	
Equity securities at FVOCI	
Total investments in equity securities	

The table below discloses investments in equity securities at 31 December 2018 by measurement categories and classes:

In thousands of Russian Roubles	**Equity securities at FVTPL**	**Equity securities at FVOCI**	**Total**
Corporate shares			
American depositary receipts (ADR)			
Investments in mutual funds			
Global depositary receipts (GDR) *[Adjust classes as appropriate]*			
Total investments in equity securities at 31 December 2018			

(a) Investments in equity securities at FVTPL

Equity securities at FVTPL represent securities held for trading and other equity securities for which FVOCI election was not made on initial recognition.

At 31 December 2018 securities with a fair value of RR ____ thousand (2017: RR ____ thousand) have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 24 and 27.

(b) Investments in equity securities at FVOCI

At 1 January 2018, the Group designated investments disclosed in the following table as equity securities at FVOCI. In 2017, these investments were classified as AFS. Refer to Note 14. The FVOCI designation was made because the investments are expected to be held for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

In thousands of Russian Roubles	**Fair value at 31 December 2018**	**Dividend income recognised for the year**
Investment in [Name] Company ordinary shares		
Investment in [Name] Company ordinary shares		
Total investments in equity securities at FVOCI		

At 31 December 2018 securities at FVOCI include equity securities with a carrying value of RR ____ thousand which are not publicly traded. Due to the nature of the local financial markets, it is not possible to obtain current market value for these investments. For these investments, fair value is estimated by reference to the discounted operating cash flows of the investee [, the earnings of the investee, the investee's net asset value]. Refer to Note 51. For other investments traded in active markets, fair value is determined by reference to the [quoted bid] price at the end of the reporting period.

12 Investments in Equity Securities (Continued)

[None of these strategic investments was disposed of during 2018, and there were no transfers of any cumulative gain or loss within equity relating to these investments.] [In 2018, the Group sold its investment in shares of _____ [name] with fair value of RR ____ thousand due to change in Group's strategy. The Group realised a gain of RR _____ thousand on the sale which was transferred from FVOCI revaluation reserve to retained earnings directly in equity. Dividend income recognised during the year in relation to sold shares was RR _____ thousand.]

13 Loans and Advances to Customers

In thousands of Russian Roubles	**31 December 2018**	**31 December 2017**
Gross carrying amount of loans and advances to customers at AC		
Less credit loss allowance		
Total carrying amount of loans and advances to customers at AC		
Loans and advances to customers at FVTPL		-
Total loans and advances to customers		

The Group holds a portfolio of loans and advances to customers that does not meet the SPPI requirement for AC classification under IFRS 9. *[Describe the dominant features that fails SPPI test in more details]*. As a result, these loans and advances were classified as at FVTPL from the date of initial recognition. Loans and advances to customers at FVTPL are measured taking into account the credit risk. The carrying amount presented in the statement of financial position best represents the Group's maximum exposure to credit risk arising from loans and advances to customers.

Gross carrying amount and credit loss allowance amount for loans and advances to customers at AC by classes at 31 December 2018 and 31 December 2017 are disclosed in the table below:

	31 December 2018			**31 December 2017**		
In thousands of Russian Roubles	**Gross carrying amount**	**Credit loss allowance**	**Carrying amount**	**Gross carrying amount**	**Provision for loan impairment**	**Carrying amount**
Loans to corporate customers						
Standard lending						
Specialised lending						
Loans to sovereigns						
Loans to sub-sovereigns						
Loans to SME						
Loans to leasing companies						
Reverse sale and repurchase agreements *[Adjust classes as appropriate]*						
Loans to individuals						
Mortgage loans						
Consumer loans						
Car loans						
Credit cards *[Adjust classes as appropriate]*						
Total loans and advances to customers at AC						

13 Loans and Advances to Customers (Continued)

More detailed explanation of classes of loans to legal entities is provided below:

- Standard lending – loans issued to large commercial entities under the standard terms, mainly for working capital financing;
- Specialised lending – loans issued to income producing real estate companies or companies realising investment projects;
- Loans to sovereigns – government' bonds purchased or loans issued to government;
- Loans to sub-sovereigns – loans issued to government regions of Russian Federation or municipal organisations;
- Loans to SME – loans issued to small and medium-sized enterprises, where the Group defines such as *[Specify the criteria for SME classification used by the Group for management reporting]*;
- Loans to leasing companies – loans issued to leasing companies;
- Reverse sale and repurchase agreements. *[Adjust classes as appropriate]*

The loans and advances to customers at FVTPL analysed by classes are as follows at 31 December 2018:

In thousands of Russian Roubles	**31 December 2018**
Loans to corporate customers	
Standard lending	
Specialised lending	
Loans to sovereigns	
Loans to sub-sovereigns	
Loans to SME	
Loans to leasing companies	
Reverse sale and repurchase agreements *[Adjust classes as appropriate]*	
Loans to individuals	
Mortgage loans	
Consumer loans	
Car loans	
Credit cards *[Adjust classes as appropriate]*	
Total loans and advances to customers at FVTPL	

During 2018, a loss on initial recognition of loans at rates below market in the amount of RR ___ thousand (2017: RR ___ thousand) has been recorded in profit or loss for the year [statement of changes in equity because it represented a distribution to the Group's owners].

The Group has a right to sell or repledge securities with a fair value of RR ___ thousand (2017: RR ___ thousand) received under reverse sale and repurchase agreements. *[Disclose any material terms and conditions associated with the use of the collateral.]*

13 Loans and Advances to Customers (Continued)

The following table discloses the changes in the credit loss allowance and gross carrying amount for loans and advances to customers carried at amortised cost between the beginning and the end of the reporting period *[Adjust classes as appropriate; movements must be by class (classes should be consistent with internal reporting to the Group's management)]:*

	Credit loss allowance				**Gross carrying amount**			
In thousands of Russian Roubles	**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)**	**Total**
Standard lending								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	**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)**	**Total**
Specialised lending								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	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)**	**Total**
Loans to sovereigns								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	**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)**	**Total**
Loans to sub-sovereigns								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	**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)**	**Total**
Loans to SMEs								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	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)**	**Total**
Loans to leasing companies								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	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)	Total
Reverse sale and repurchase agreements								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	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)**	**Total**
Mortgage loans								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	**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)**	**Total**
Consumer loans								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	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)**	**Total**
Car loans								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	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)	Total
Credit cards								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was RR ____ thousand.

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the tables above.]

13 Loans and Advances to Customers (Continued)

Movements in the provision for loan impairment of loans to legal entities during 2017 of are as follows *[Adjust classes as appropriate; movements must be by class]*:

-In thousands of Russian Roubles	**Standard lending**	**Speciali-sed lending**	**Loans to sovere-igns**	**Loans to sub-sovere-igns**	**Loans to SME**	**Loans to leasing compa-nies**	**Reverse repurch-ase agree-ments**	**Total**
Provision for loan impairment at 1 January 2017								
(Recovery of)/provision for impairment during the year*								
Amounts written off during the year as uncollectible								
Transfer to non-current assets held for sale (and disposal groups)								
Disposal of subsidiaries								
[Effect of translation to presentation currency]								
Provision for loan impairment at 31 December 2017								

Movements in the provision for loan impairment of loans to individuals were as follows during 2017 *[Adjust classes as appropriate; movements must be by class]*:

In thousands of Russian Roubles	**Mortgage loans**	**Consumer loans**	**Car loans**	**Credit cards**	**Total**
Provision for loan impairment at 1 January 2017					
(Recovery of)/provision for impairment during the year*					
Amounts written off during the year as uncollectible					
Transfer to non-current assets held for sale (and disposal groups)					
Disposal of subsidiaries					
[Effect of translation to presentation currency]					
Provision for loan impairment at 31 December 2017					

[*The provision for impairment during 2017 differs from the amount presented in profit or loss for the year due to RR _____ thousand, recovery of amounts previously written off as uncollectible. The amount of the recovery was credited directly to the provisions line in profit or loss for the year.]

13 Loans and Advances to Customers (Continued)

The credit loss allowance for loans and advances to customers recognised in the period is impacted by a variety of factors, details of ECL measurement are provided in Note 43. Below main movements in the table are described:

- 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;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes to model assumptions, including changes in PDs, EADs and LGDs in the period, arising from update of inputs to ECL models;
- Unwinding of discount due to the passage of time because ECL is measured on a present value basis;
- Foreign exchange translations of assets denominated in foreign currencies and other movements; and
- Write-offs of allowances related to assets that were written off during the period.

[Factors to be tailored to a specifics of the Group. Please, note the following: In determining how to analyse ECL allowance movements over the period, Group should consider the underlying modelling approach adopted, the drivers of ECL change within that approach and how best to explain the effect of those drivers on ECL in the disclosure. Group should also consider whether there are other material causes of movement that should be shown separately. These might, for example, be shown in the analysis prepared internally for senior management. Additional rows may also be required to explain ECL movements for different types of products. Where ECL allowance movements could potentially be reported in more than one row, explanation of which changes are reported in which row will assist users of the financial statements. Similarly, where changing the order in which key drivers are changed could result in a significantly different allocation between rows, explanation of the ordering used will be useful.

The reconciliation presented above splits items between those that impact P&L impairment line and those that do not. This is not an explicit requirement of IFRS 7 paragraph 35H, however this information is likely to be helpful to users in understanding the impact of the various movements in ECL allowance].

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. *[This disclosure applies to all classes of loans, loan commitments and financial guarantees. It needs to be provided by credit risk rating grades – consistent with internal reporting provided to key management personnel unless: (i) IFRS 9.5.5.11 applies: information about grades is not available without undue cost and effort (ie entity uses past due information) – loans are presented by past due status, (ii) the Group measures ECL on a collective basis and is not able to allocate individual amounts to specific ratings – disclosure is provided separately for those loans that can be directly allocated and for the gross carrying amount for which lifetime ECL has been measured on a collective basis].*

13 Loans and Advances to Customers (Continued)

The credit quality of loans to corporate customers carried at amortised cost is as follows at 31 December 2018:

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**POCI**	**Total**
Standard lending					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Specialised lending					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to sovereigns					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**POCI**	**Total**
Loans to sub-sovereigns					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to SME					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Loans to leasing companies					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	POCI	Total
Reverse sale and repurchase agreements					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

The credit quality of loans to individuals carried at amortised cost is as follows at 31 December 2018:

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	POCI	Total
Mortgage loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Consumer loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

13 Loans and Advances to Customers (Continued)

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**POCI**	**Total**
Car loans					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Credit cards					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

For description of the credit risk grading used in the tables above refer to Note 43.

13 Loans and Advances to Customers (Continued)

Analysis of loans by credit quality at 31 December 2017 is disclosed as follows:

In thousands of Russian Roubles	**Corporate loans**	**Consumer loans**	**Individuals – entrepreneurs**	**Mortgage loans**	**Reverse repurchase agreements**	**State and municipal organisations**	**Total**
Neither past due nor impaired							
- [Large borrowers with credit history over two years]							
- [Large new borrowers]							
- [Loans to medium size entities]							
- [Loans to small entities]							
- [Loans to individuals with credit limit over RR ____ thousand]							
- [Loans to individuals with credit limit below RR ____ thousand]							
Total neither past due nor impaired							
Past due but not impaired							
- less than 30 days overdue							
- 30 to 90 days overdue							
- 91 to 180 days overdue							
- 181 to 360 days overdue							
- over 360 days overdue							
Total past due but not impaired							
Loans individually determined to be impaired (gross)							
- less than 30 days overdue							
- 30 to 90 days overdue							
- 91 to 180 days overdue							
- 181 to 360 days overdue							
- over 360 days overdue							
Total individually impaired loans (gross)							
Less impairment provisions							
Total loans and advances to customers							

13 Loans and Advances to Customers (Continued)

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

	2018		2017	
In thousands of Russian Roubles	Amount	%	Amount	%
State and public organisations				
Cities and municipalities				
Manufacturing				
Real estate				
Trade				
Agricultural				
Individuals				
Other				
[Expand sectors as deemed necessary]				
Total loans and advances to customers carried at AC and at FVTPL				

State and public organisations exclude government owned profit orientated businesses.

At 31 December 2018 the Group had _____ borrowers (2017: _____ borrowers) with aggregated loan amounts above RR ______ thousand. The total aggregate amount of these loans was RR ______ thousand (2017: RR ______ thousand) or _____% of the gross loan portfolio (2017: _____%). *[Consider concentration risk but also consider disclosure based on 'large exposure' notion of Basel Accord – i.e. loans in excess of 10% of Basel capital.]*

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period. Description of collateral held for loans to corporate customers carried at amortised cost is as follows at 31 December 2018:

In thousands of Russian Roubles	Standard lending	Specialised lending	Loans to sovereigns	Loans to sub-sovereigns	Loans to SME	Loans to leasing companies	Reverse sale and repurchase agreements	Total
Loans guaranteed by other banks								
Loans guaranteed by other parties, including credit insurance								
Loans collateralised by:								
- residential real estate								
- other real estate								
- tradable securities								
- cash deposits								
- other assets								
Total								
Unsecured exposures								
Total carrying value loans and advances to customers at AC (amount representing exposure to credit risk for each class of loans at AC)								

13 Loans and Advances to Customers (Continued)

Description of collateral held for loans to individuals carried at amortised cost is as follows at 31 December 2018:

In thousands of Russian Roubles	Mortgage loans	Consumer loans	Car loans	Credit cards *[Adjust classes as appropriate]*	Total
Loans guaranteed by other banks					
Loans guaranteed by other parties, including credit insurance					
Loans collateralised by:					
- residential real estate					
- other real estate					
- tradable securities					
- cash deposits					
- other assets					
Total					
Unsecured exposures					
Total carrying value loans and advances to customers at AC (amount representing exposure to credit risk for each class of loans at AC)					

Information about collateral for loans to corporate customers is as follows at 31 December 2017:

In thousands of Russian Roubles	Stan-dard lending	Speciali-sed lending	Loans to sovere-igns	Loans to sub-sove-reigns	Loans to SME	Loans to leasing compa-nies	Reverse sale and repur-chase agree-ments	Total
Loans guaranteed by other banks								
Loans guaranteed by other parties, including credit insurance								
Loans collateralised by:								
- residential real estate								
- other real estate								
- tradable securities								
- cash deposits								
- other assets								
Total								
Unsecured exposures								
Total carrying value loans and advances to customers at AC (amount representing exposure to credit risk for each class of loans at AC)								

13 Loans and Advances to Customers (Continued)

Information about collateral of loans to individuals carried at amortised cost is as follows at 31 December 2017:

In thousands of Russian Roubles	**Mortgage loans**	**Consumer loans**	**Car loans**	**Credit cards** *[Adjust classes as appropriate]*	**Total**
Loans guaranteed by other banks					
Loans guaranteed by other parties, including credit insurance					
Loans collateralised by:					
- residential real estate					
- other real estate					
- tradable securities					
- cash deposits					
- other assets					
Total					
Unsecured exposures					
Total carrying value loans and advances to customers at AC (amount representing exposure to credit risk for each class of loans at AC)					

Other assets mainly include [equipment and receivables]. The disclosure above represents the lower of the carrying value of the loan or collateral taken; the remaining part is disclosed within the unsecured exposures. The carrying value of loans was allocated based on liquidity of the assets taken as collateral. *[Add narrative text describing quality of collateral and its changes due to change in collateral policies.]*

The following table provides information on carrying value of loans, for which the Group did not recognise any expected credit loss allowance because of significant excess of collateral value over the gross carrying value of these loans.

In thousands of Russian Roubles	**31 December 2018**
Loans to corporate customers	
Standard lending	
Specialised lending	
Loans to sovereigns	
Loans to sub-sovereigns	
Loans to SME	
Loans to leasing companies	
Reverse sale and repurchase agreements	
Loans to individuals	
Mortgage loans	
Consumer loans	
Car loans	
Credit cards	
Total significantly over-collateralised loans and advances to customers carried at AC	

13 Loans and Advances to Customers (Continued)

The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at amortised cost that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets"). The effect of collateral on credit impaired assets at 31 December 2018 is as follows.

	Over-collateralised assets		**Under-collateralised assets**	
In thousands of Russian Roubles	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Credit impaired assets:				
Loans to corporate customers carried at AC				
Standard lending				
Specialised lending				
Loans to sovereigns				
Loans to sub-sovereigns				
Loans to SME				
Loans to leasing companies				
Reverse sale and repurchase agreements				
Loans to individuals carried at AC				
Mortgage loans				
Consumer loans				
Car loans				
Credit cards				

The effect of collateral at 31 December 2017 is presented for all loans, whether impaired or not, as follows:

	Over-collateralised assets		**Under-collateralised assets**	
In thousands of Russian Roubles	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Loans to corporate customers				
Standard lending				
Specialised lending				
Loans to sovereigns				
Loans to sub-sovereigns				
Loans to SME				
Loans to leasing companies				
Reverse sale and repurchase agreements				
Loans to individuals				
Mortgage loans				
Consumer loans				
Car loans				
Credit cards				

The Group obtains collateral valuation at the time of granting loans and generally updates it every [two to three] years, depending on the significance of the loan exposure. The values of collateral considered in this disclosure are after a valuation haircut of [20-50%] applied to consider liquidity and quality of the pledged assets. *[Expand to describe approach to collateral valuations / collateral policy.]*

13 Loans and Advances to Customers (Continued)

Description of collateral held for loans to corporate customers carried at FVTPL is as follows at 31 December 2018:

In thousands of Russian Roubles	Standard lending	Specialised lending	Loans to sovereigns	Loans to sub-sovereigns	Loans to SME	Loans to leasing companies	Reverse sale and repurchase agreements	Total
Loans guaranteed by other banks								
Loans guaranteed by other parties, including credit insurance								
Loans collateralised by:								
- residential real estate								
- other real estate								
- tradable securities								
- cash deposits								
- other assets								
Total								
Unsecured exposures								
Total carrying value loans and advances to customers at FVTPL (amount representing exposure to credit risk for each class of loans at FVTPL)								

Description of collateral held for loans to individuals carried at FVTPL is as follows at 31 December 2018:

In thousands of Russian Roubles	Mortgage loans	Consumer loans	Car loans	Credit cards *[Adjust classes as appropriate]*	Total
Loans guaranteed by other banks					
Loans guaranteed by other parties, including credit insurance					
Loans collateralised by:					
- residential real estate					
- other real estate					
- tradable securities					
- cash deposits					
- other assets					
Total					
Unsecured exposures					
Total carrying value loans and advances to customers at FVTPL (amount representing exposure to credit risk for each class of loans at FVTPL)					

13 Loans and Advances to Customers (Continued)

Other assets mainly include [equipment and receivables]. The disclosure above represents the lower of the carrying value of the loan or collateral taken; the remaining part is disclosed within the unsecured exposures. The carrying value of loans was allocated based on liquidity of the assets taken as collateral.

The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at FVTPL, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets"). The effect of collateral on credit impaired assets is as follows at 31 December 2018.

	Over-collateralised assets		**Under-collateralised assets**	
In thousands of Russian Roubles	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Loans to corporate customers at FVTPL				
Standard lending				
Specialised lending				
Loans to sovereigns				
Loans to sub-sovereigns				
Loans to SME				
Loans to leasing companies				
Reverse sale and repurchase agreements				
Loans to individuals at FVTPL				
Mortgage loans				
Consumer loans				
Car loans				
Credit cards				

The Group obtains collateral valuation at the time of granting loans and generally updates it every [two to three] years, depending on the significance of the loan exposure. The values of collateral considered in this disclosure are after a valuation haircut of [20-50%] applied to consider liquidity and quality of the pledged assets. *[Expand to describe approach to collateral valuations / collateral policy.]*

The outstanding contractual amounts of loans and advances to customers written off that are still subject to enforcement activity was as follows at 31 December 2018:

In thousands of Russian Roubles	**31 December 2018**
Loans to corporate customers	
Standard lending	
Specialised lending	
Loans to sovereigns	
Loans to sub-sovereigns	
Loans to SME	
Loans to leasing companies	
Reverse sale and repurchase agreements	
Loans to individuals	
Mortgage loans	
Consumer loans	
Car loans	
Credit cards	
Total	

13 Loans and Advances to Customers (Continued)

The Group's policy is to complete legal enforcement steps that were initiated even though the loans were written off as there is no reasonable expectation of recovery.

Information about modifications of loans that have not resulted in derecognition is as follows:

In thousands Russian Roubles	**Loans and advances to customers**
Year ended 31 December 2018	
Amortised cost of loans with lifetime ECL immediately before contractual modification that was not a derecognition event	
Gains less losses recognised in profit or loss on modifications of loans with lifetime ECL that did not lead to derecognition	
At 31 December 2018	
Gross carrying amount of loans that were contractually modified (without derecognition) in the past when measured at lifetime ECL and which were reclassified to Stage 1 (12 months ECL) during the current year	

Refer to Note 51 for the estimated fair value of each class of loans and advances to customers. Interest rate analysis of loans and advances to customers is disclosed in Note 43. Information on related party balances is disclosed in Note 53.

14 Investment Securities AFS *[For comparatives only]*

[Any securities that are subject to a repo and where the counterparty has the right to resell or repledge them should be presented in Note 15 and not here.]

In thousands of Russian Roubles	**2017**
Russian government bonds	
Municipal bonds	
Corporate bonds	
Promissory notes	
Total investment securities AFS	

14 Investment securities AFS *[For comparatives only]* (Continued)

Analysis by credit quality of debt securities AFS outstanding at 31 December 2017 is as follows:

In thousands of Russian Roubles	Russian govern-ment bonds	Municipal bonds	Corporate bonds	Promis-sory notes	Total
Neither past due nor impaired					
- [AAA rated]					
- [AA- to AA+ rated]					
- [A- to A+ rated]					
- [Lower than A- rated]					
- [Unrated]					
Total neither past due nor impaired					
Past due but not impaired					
- less than 30 days overdue					
- 30 to 90 days overdue					
- 91 to 180 days overdue					
- 181 to 360 days overdue					
- over 360 days overdue					
Total past due but not impaired					
Debt securities individually determined to be impaired (gross)					
- less than 30 days overdue					
- 30 to 90 days overdue					
- 91 to 180 days overdue					
- 181 to 360 days overdue					
- over 360 days overdue					
Total individually impaired debt securities					
Total debt securities available for sale					

[IAS 39: the requirement in IFRS 7.36 includes disclosure of information about the credit quality of financial assets that are neither past due nor impaired. This may be achieved by providing the Group's internal or any external credit ratings where available. In the absence of such ratings, the Group should group the balances into other categories indicating credit risk.]

The debt investment securities AFS are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances.]*

At 31 December 2017 investment securities AFS with a carrying value of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 24 and 27. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IAS 39.37(a)].*

14 Investment securities AFS *[For comparatives only]* (Continued)

At 31 December 2017, the principal equity investment securities available for sale were:

Name	Nature of business	Country of registration	Fair value
Total			

At 31 December 2017 investment securities AFS include equity securities with a carrying value of RR ____ thousand which are not publicly traded. Due to the nature of the local financial markets, it is not possible to obtain current market value for these investments. For these investments, fair value is estimated by reference to the discounted operating cash flows of the investee [the earnings of the investee, the investee's net asset value]. Refer to Note 51. For other investments traded in active markets, fair value is determined by reference to the [quoted bid] price at the end of the reporting period.

Management could not reliably estimate the fair value of the Group's investment in shares of _____ [name]. The investment is carried at a cost of RR _____ thousand at 31 December 2017. The investee has not published recent financial information about its operations, its shares are not quoted and recent trade prices are not publicly accessible. *[Describe (a) the market in these instruments; (b) how management plans to dispose of the investment.] [Make this disclosure here or in the critical judgements note. There is no need to duplicate the disclosure.]*

In 2017, the Group sold its investment in shares of _____ [name], previously carried at a cost of RR ____ thousand because its fair value could not be reliably determined. The Group recognised a gain of RR _____ thousand on the sale in profit or loss for the year.

At 31 December 2017 investment securities AFS with a fair value of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 17 and 27. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IAS 39.37(a).]*

The debt securities AFS are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances.]*

Interest rate analysis of investment securities AFS is disclosed in Note 43. Information on related party debt investment securities available for sale is disclosed in Note 53.

15 Repurchase Receivables

Repurchase receivables represents securities sold under sale and repurchase agreements which the counterparty has the right, by contract or custom, to sell or repledge. The repurchase agreements are [short-term] in nature and mature by [ ].

In thousands of Russian Roubles	2018	2017
Debt securities at FVOCI sold under sale and repurchase agreements		-
Debt securities at FVTPL sold under sale and repurchase agreements		-
Equity securities at FVOCI sold under sale and repurchase agreements		-
Equity securities at FVTPL sold under sale and repurchase agreements		-
Debt securities at AC sold under sale and repurchase agreements		-
Trading securities sold under sale and repurchase agreements [For comparatives only]	-	
HTM securities sold under sale and repurchase agreements [For comparatives only]	-	
AFS securities sold under sale and repurchase agreements [For comparatives only]	-	
Other debt securities sold under sale and repurchase agreements [For comparatives only]	-	
Total repurchase receivables		

15 Repurchase Receivables (Continued)

Securities sold under sale and repurchase agreements at 31 December 2018:

In thousands of Russian Roubles	**Debt securities at FVOCI**	**Debt securities at FVTPL**	**Equity securities at FVOCI**	**Equity securities at FVTPL**	**Debt securities at AC**	**Total**
Russian government bonds						
Russian government Eurobonds						
Municipal bonds						
Corporate bonds						
Promissory notes *[Adjust classes as appropriate]*						
Total debt securities (fair value or gross carrying amount)						
Credit loss allowance	-	-	-	-		
Total debt securities (carrying value)						
Corporate shares						
American depositary receipts (ADR)						
Investments in mutual funds						
Global depositary receipts (GDR) *[Adjust classes as appropriate]*						
Total equity securities (carrying value)						
Total securities (carrying value)						

Securities sold under sale and repurchase agreements at 31 December 2017:

In thousands of Russian Roubles	**Trading securities**	**Other securities at FVTPL**	**AFS securities**	**HTM securities**	**Total securities**
Russian government bonds					
Russian government Eurobonds					
Municipal bonds					
Corporate bonds					
Promissory notes *[Adjust classes as appropriate]*					
Total debt securities					
Corporate shares					
American depositary receipts (ADR)					
Investments in mutual funds					
Global depositary receipts (GDR) *[Adjust classes as appropriate]*					
Total equity securities					
Total securities					

The debt securities are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances to customers.]*

15 Repurchase Receivables (Continued)

Analysis by credit quality of debt securities at FVOCI that were transferred in a sale and repurchase agreement is as follows at 31 December 2018.

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**POCI**	**Total**
Russian government bonds					
- Excellent					
- Good					
- Satisfactory					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Russian government eurobonds					
- Excellent					
- Good					
- Satisfactory					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					

15 Repurchase Receivables (Continued)

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	POCI	Total
Corporate bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Promissory notes *[Adjust classes as appropriate]*					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Total AC gross carrying amount					
Including: credit loss allowance					
Less fair value adjustment from AC to FV					
Carrying value (fair value)					
Total investments in debt securities at FVOCI sold under sale and repurchase agreements (fair value)					

Refer to Note 43 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to the debt securities

15 Repurchase Receivables (Continued)

Analysis by credit quality of debt securities at AC that were transferred in a sale and repurchase agreement is as follows at 31 December 2018.

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**POCI**	**Total**
Russian government bonds					
- Excellent					
- Good					
- Satisfactory					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Russian government eurobonds					
- Excellent					
- Good					
- Satisfactory					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Municipal bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

15 Repurchase Receivables (Continued)

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	POCI	Total
Corporate bonds					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Promissory notes *[Adjust classes as appropriate]*					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Total investments in debt securities at AC sold under sale and repurchase agreements (gross value)					
Credit loss allowance					
Total investments in debt securities at AC sold under sale and repurchase agreements (carrying value)					

[The bank should have information about credit quality based on either external or internal ratings for all balances to calculate ECL under IFRS 9 and hence there should not be any unrated balances.]

15 Repurchase Receivables (Continued)

Analysis by credit quality of investment securities AFS classified as repurchase receivables outstanding at 31 December 2017 is as follows:

In thousands of Russian Roubles	**Russian government bonds**	**Municipal bonds**	**Corporate bonds**	**Promissory notes**	**Total AFS securities classified as repurchase agreements**
Neither past due nor impaired (at fair value)					
- [AAA rated]					
- [AA- to AA+ rated]					
- [A- to A+ rated]					
- [Lower than A- rated]					
- [Unrated]					
Total neither past due nor impaired					
Past due (at fair value)					
- less than 30 days overdue					
- 30 to 90 days overdue					
- 91 to 180 days overdue					
- 181 to 360 days overdue					
- over 360 days overdue					
Total past due					
Less provision for impairment					
Total AFS securities classified as repurchase receivables					

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was RR [ ] thousand.

15 Repurchase Receivables (Continued)

Analysis by credit quality of investment securities HTM classified as repurchase receivables outstanding at 31 December 2017 is as follows:

In thousands of Russian Roubles	**Russian government bonds**	**Municipal bonds**	**Corporate bonds**	**Promissory notes**	**Total HTM securities classified as repurchase agreements**
Neither past due nor impaired (at fair value)					
- [AAA rated]					
- [AA- to AA+ rated]					
- [A- to A+ rated]					
- [Lower than A- rated]					
- [Unrated]					
Total neither past due nor impaired					
Past due (at fair value)					
- less than 30 days overdue					
- 30 to 90 days overdue					
- 91 to 180 days overdue					
- 181 to 360 days overdue					
- over 360 days overdue					
Total past due					
Less provision for impairment					
Total HTM securities classified as repurchase receivables					

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of Russian government bonds at FVOCI were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Russian government bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of Russian government eurobonds at FVOCI were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Russian government eurobonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of municipal bonds at FVOCI were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	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)	Total
Municipal bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of corporate bonds at FVOCI were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Corporate bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of promissory notes at FVOCI were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	**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)**	**Total**
Promissory notes								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column “POCI” in the table above.]

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of Russian government bonds carried at AC were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Russian government bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of Russian government eurobonds carried at AC were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	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)	Total
Russian government eurobonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of municipal bonds carried at AC were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Municipal bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of corporate bonds carried at AC were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Corporate bonds								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

15 Repurchase Receivables (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of promissory notes carried at AC were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	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)	Total
Promissory notes								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the table above.]

15 Repurchase Receivables (Continued)

Securities at FVTPL classified as repurchase receivables were provided as collateral under sale and repurchase agreements and the Group, therefore, has an additional credit risk exposure relating to the repurchase of the securities. The counterparty bank belongs to [the top 20] banks operating in Russia with rating _____ by [Standard & Poor's / Moody's].

The carrying amount of financial assets that the Group reclassified as repurchase receivables during 2018 was RR _____ thousand (2017: RR _____ thousand).

Refer to Note 51 for the disclosure of the fair value of each class of repurchase receivables. Securities at FVTPL and securities at FVOCI reclassified to repurchase receivables continue to be carried at fair value in accordance with accounting policies for these categories of assets.

Interest rate analysis of securities classified as repurchase receivables is disclosed in Note 43. Information on related party debt investment securities AFS is disclosed in Note 53.

16 Investment Securities HTM *[For comparatives only]*

Analysis by credit quality of debt securities HTM outstanding at 31 December 2017 is as follows:

In thousands of Russian Roubles	**Russian government bonds**	**Municipal bonds**	**Corporate bonds**	**Promissory notes** [Adjust classes as appropriate]	**Total**
Neither past due nor impaired					
- [AAA rated]					
- [AA- to AA+ rated]					
- [A- to A+ rated]					
- [Lower than A- rated]					
- [Unrated]					
Total neither past due nor impaired					
Past due but not impaired					
- less than 30 days overdue					
- 30 to 90 days overdue					
- 91 to 180 days overdue					
- 181 to 360 days overdue					
- over 360 days overdue					
Total past due but not impaired					
Debt securities individually determined to be impaired (gross)					
- less than 30 days overdue					
- 30 to 90 days overdue					
- 91 to 180 days overdue					
- 181 to 360 days overdue					
- over 360 days overdue					
Total individually impaired debt securities					
Less provision for impairment					
Total debt investment securities HTM					

16 Investment Securities HTM *[For comparatives only]* (Continued)

[IAS 39: the requirement in IFRS 7.36 includes disclosure of information about the credit quality of financial assets that are neither past due nor impaired. This may be achieved by providing the Group's internal or any external credit ratings where available. In the absence of such ratings, the Group should group the balances into other categories indicating credit risk.]

[The Group cannot classify any financial asset as held-to-maturity if it has, during the current financial year or during two preceding financial years sold or transferred held-to-maturity investments before maturity (unless they meet the specific exceptions in IAS 39). Held-to-maturity investments must be quoted in an active market. Shares cannot be held to maturity as they do not have maturity date.]

[Any securities that are subject to a repo and where the counterparty has the right to resell or repledge them should be presented in Note 15 and not here.]

Movements in the provision for impairment of investments in debt investment securities HTM during 2017 were as follows *[Adjust classes as appropriate; movements must be by class]*:

In thousands of Russian Roubles	**Russian government bonds**	**Municipal bonds**	**Corporate bonds**	**Promissory notes** [Adjust classes as appropriate]	**Total**
Provision for impairment at 1 January 2017					
(Recovery of)/provision for impairment during the year*					
Amounts written off during the year as uncollectible					
Transfer to non-current assets held for sale (and disposal groups)					
Disposal of subsidiaries					
[Effect of translation to presentation currency]					
Provision for impairment at 31 December 2017					

[*The provision for impairment during 2017 differs from the amount presented in profit or loss for the year due to RR _____ thousand, recovery of amounts previously written off as uncollectible. The amount of the recovery was credited directly to the provisions line in profit or loss for the year.]

At 31 December 2017 investment securities HTM with a carrying value of RR ____ thousand have been pledged to third parties as collateral with respect to term placements of other banks and other borrowed funds. Refer to Notes 24 and 27. The counterparty is not allowed to sell further or repledge the investments. *[Otherwise reclassify as required by IAS 39.37(a)].*

The debt securities HTM are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances.]*

Refer to Note 51 for the disclosure of the fair value of each class of investments in debt securities HTM. Interest rate analysis of investments in debt securities is disclosed in Note 43. Information on related party investments in debt securities is disclosed in Note 53.

17 Investment Properties

In thousands of Russian Roubles		2018	2017
Investment properties at fair value at 1 January			
Additions			
Expenditure on technical enhancements			
Additions through business combinations	54		
Transfer to non-current assets held for sale (or disposal groups)	23		
Disposals			
Transfer to owner-occupied premises	19		
Transfer from owner-occupied premises	19		
Transfer to other assets			
Fair value gains/(losses)	36		
Other			
[Effect of translation to presentation currency]			
Investment properties at fair value at 31 December			

[The Group did not classify any properties held under operating leases as investment properties.] The investment properties are valued annually on 31 December at fair value, by an independent, professionally qualified valuer who has recent experience in valuing similar properties in the Russian Federation. The methods and significant assumptions applied in determining the fair value were *[Describe methods and assumptions, e.g. capitalisation rate used.]*

[Describe to what extent the determination of fair value was supported by market evidence or was more heavily based on other factors (which should be disclosed) because of the nature of the property and lack of comparable market data.]

[If an independent professionally qualified valuer has not done the valuation, disclose that fact. See IAS 40.75(e)]

Valuations of properties obtained from independent professionally qualified valuers were adjusted for the purpose of the [consolidated] financial statements to avoid double-counting of assets and liabilities that are recognised separately from the valuation in the statement of financial position. Reconciliation between the valuations obtained and the carrying amount of investment properties, is as follows:

	Note	31 December 2018	31 December 2017
Valuations obtained			
Less future construction costs and developers profit deducted from properties valued on an "as if complete" basis			
Less accrued rental income recognised as a separate asset			
Plus finance lease liabilities recognised for investment properties held under leases *[See IAS 40.50]*			
Fair value in the statement of financial position			

[Consider *describing how the Group complies with property regulations, e.g.:* Investment properties with a carrying value of RR ___ thousand (2017: RR ___ thousand) were fully completed and in use at the end of the reporting period. The properties are required to comply with relevant health and safety and other environmental requirements, subject to ongoing self-certification and periodic inspections from independent oversight bodies, in order to continue in operation. Management considers that the Group's completed properties comply substantially with all relevant requirements, and based on the Group's historical experience, all properties are expected to continue to be approved for ongoing use.]

17 Investment Properties (Continued)

At 31 December 2018, investment properties carried at RR _____ thousand (2017: RR _____ thousand) have been pledged to third parties as collateral with respect to [other borrowed funds]. Refer to Note [27]. *[Disclose the existence and amounts of any other restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.]*

Where the Group is the lessor, the future minimum lease payments receivable under non-cancellable operating leases, are as follows: *[Refer to IAS 17.4 to determine whether the leases meet the definition of "non-cancellable"; if a lease as a whole is considered to be cancellable, it should be included in the disclosure only to the extent of payments during any notice period and/or penalties that apply on cancellation.]*

In thousands of Russian Roubles	**2018**	**2017**
Not later than 1 year		
Later than 1 year and not later than 5 years		
Later than 5 years		
Total operating lease payments receivable		

Total contingent payments receivable recognised as income in 2018 under the Group's non-cancellable operating leases were RR _____ thousand (2017: RR ____ thousand). *[Refer to IAS 17.4 to determine whether the leases meet the definition of "non-cancellable"; if a lease as a whole is considered to be cancellable, it should be included in the disclosure only to the extent of payments during any notice period and/or penalties that apply on cancellation.]*

[Disclose also a general description of the leasing arrangements.]

18 Investment in Associates

The table below summarises the movements in the carrying amount of the Group's investment in associates.

In thousands of Russian Roubles	**2018**	**2017**
Carrying amount at 1 January		
Fair value of net assets of associate acquired		
Goodwill arising on acquisition of associate		
Share of profit of associates		
Share of other equity movements of associates		
Dividends from associates		
Impairment of investments in associates		
[Translation to presentation currency]		
Carrying amount at 31 December		

The Group's interests in its principal associates were as follows:

	2018		**2017**	
Name	**% ownership interest held (% of voting rights if different)**	**Place of business (country of incorporation if different)**	**% ownership interest held (% of voting rights if different)**	**Place of business (country of incorporation if different)**
[Associate X]				
[Associate Y]				
Total				

18 Investment in Associates (Continued)

[Disclose here the nature of the entity's relationship with each associate (by, for example, describing the nature of the activities of the associate and whether it is strategic to the entity's activities) – IFRS 12.21]

Summarised financial information of each material associate is as follows at 31 December 2018:

In thousands of Russian Roubles	**Associate X**	**Associate Y**	**Other individually immaterial associates**	**Total associates**
Current assets				
Non-current assets				
Current liabilities				
Non-current liabilities				
Revenue				
Profit or loss from continuing operations				
Profit or loss from discontinued operations				
Other comprehensive income				
Total comprehensive income				

Summarised financial information of each material associate is as follows at 31 December 2017:

In thousands of Russian Roubles	**Associate X**	**Associate Y**	**Other individually immaterial associates**	**Total associates**
Current assets				
Non-current assets				
Current liabilities				
Non-current liabilities				
Revenue				
Profit or loss from continuing operations				
Profit or loss from discontinued operations				
Other comprehensive income				
Total comprehensive income				

The only reconciling difference between the above amounts and the carrying amount of the investments in associates is elimination of the ownership interest held by the other investors in the associates.

The fair value of the Group's investment in its associate _____, which is listed, is RR _____ thousand (2017: RR _____ thousand).

[Associate X] has outstanding borrowing from a third party bank that includes a clause restricting payment of dividends to the investors without the lender's approval. *[Disclose the nature and extent of any significant restrictions on the ability of associates to transfer funds to the entity in the form of cash dividends, or to repay loans or advances made by the entity – IFRS 12.22]*

The Group's share of contingent liabilities of the associates was RR _____ thousand at 31 December 2018 (2017: RR _____ thousand). In addition, the Group's contingent liabilities related to the associates incurred jointly with the other investors in the associate amount to RR _____ thousand at 31 December 2018 (2017: RR _____ thousand).

The carrying value of the Group's investment in associate _____ is nil. The unrecognised share of loss of this associate is RR _____ thousand for 2018 (2017: RR _____ thousand). Cumulatively, the unrecognised share of losses of this associate is RR _____ thousand (2017: RR _____ thousand).

19 Other Financial Assets

In thousands of Russian Roubles	Note	2018	2017
Other financial assets at AC			
Trade receivables from contracts with customers			
Finance lease receivables *[Consider disclosing separately on the face of the balance sheet if significant]*			
Credit and debit cards receivables			
Settlements on conversion operations			
Restricted cash *[Alternatively, report it within 'Due from other banks']*			
Other			
[Expand as appropriate]			
Less credit loss allowance			
Total other financial assets at AC			
Other financial assets at FVTPL			
Foreign exchange forward contracts	50		
Precious metals forward contracts	50		
Other financial derivatives	50		
Other			
[Expand as appropriate]			
Total other financial assets at FVTPL			
Total other financial assets			

Restricted cash represents balances on correspondent accounts with foreign banks placed by the Group on behalf of its customers. The Group does not have the right to use these funds for the purposes of funding its own activities. The Group has received restricted deposits from these customers in the same amounts which are recorded in customer accounts.

The table below contains an analysis of the credit risk exposure of other financial assets at AC except for trade receivables. The carrying amount of other financial assets at AC at 31 December 2018 below also represents the Group's maximum exposure to credit risk on these assets:

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**POCI**	**Total**
Finance lease receivables					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

19 Other Financial Assets (Continued)

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**POCI**	**Total**
Credit and debit cards receivables					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Settlements on conversion operations					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Restricted cash					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					
Other					
- Excellent					
- Good					
- Satisfactory					
- Special monitoring					
- Default					
Gross carrying amount					
Credit loss allowance					
Carrying amount					

19 Other Financial Assets (Continued)

[For trade receivables, contract assets and lease receivables for which the simplified approach in IFRS 9.5.5.15 is applied, the disclosure about collateral in IFRS 7.35K(b) does not apply and the disclosure about modification in IFRS 7.35J(a) applies if those assets are modified while more than 30 days overdue].

The credit loss allowance for trade receivables is determined according to provision matrix presented in the table below. The provision matrix is based the number of days that an asset is past due, adjusted for *[describe forward looking information].*

In % of gross value	**Loss rate**	**Gross carrying amount**	**Lifetime ECL**
Trade receivables			
- current	*[%]*		
- less than 30 days overdue	*[%]*		
- 30 to 90 days overdue	*[%]*		
- 91 to 180 days overdue	*[%]*		
- 181 to 360 days overdue	*[%]*		
- over 360 days overdue	*[%]*		
Total trade receivables (gross carrying amount)			
Credit loss allowance			
Total trade receivables from contracts with customers (carrying amount)			

The total amount of undiscounted ECLs at initial recognition for POCI financial assets recognised during the period was RR ____ thousand. *[If there are POCI assets, add POCI columns to the above table to show POCI items separately.]*

[According to IFRS 9 an entity may use practical expedients when measuring ECLs if they are consistent with the principles in paragraph 5.5.17 of IFRS 9. An example of a practical expedient is the calculation of the ECLs on trade receivables using a provision matrix. The entity would use its historical credit loss experience (adjusted as appropriate in accordance with paragraphs B5.5.51–B5.5.52 of IFRS 9) for trade receivables to estimate the 12-month ECLs or the lifetime ECLs on the financial assets as relevant. A provision matrix might, for example, specify fixed provision rates depending on the number of days that a trade receivable is past due (for example, 1 per cent if not past due, 2 per cent if less than 30 days past due, 3 per cent if more than 30 days but less than 90 days past due, 20 per cent if 90–180 days past due etc). Depending on the diversity of its customer base, the entity would use appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. Examples of criteria that might be used to group assets include geographical region, product type, customer rating, collateral or trade credit insurance and type of customer (such as wholesale or retail).]

19 Other Financial Assets (Continued)

Analysis by credit quality of other financial assets outstanding at 31 December 2017 is as follows:

In thousands of Russian Roubles	Trade receivables	Finance lease receivables	Credit and debit cards receivables	Settlements on conversion operations	Restricted cash	Derivatives	Other financial assets at FVTPL	Other	Total
Neither past due nor impaired									
- [Collected or settled after the end of the reporting period]									
- [Not due at the date of authorisation of the [consolidated] financial statements for issue]									
- [Amounts that became past due after the end of the reporting period]									
Total neither past due nor impaired									
Past due but not impaired									
- less than 30 days overdue									
- 30 to 90 days overdue									
- 91 to 180 days overdue									
- 181 to 360 days overdue									
- over 360 days overdue									
Total past due but not impaired									
Receivables individually determined to be impaired (gross)									
- less than 30 days overdue									
- 30 to 90 days overdue									
- 91 to 180 days overdue									
- 181 to 360 days overdue									
- over 360 days overdue									
Total individually impaired (gross)									
Less impairment provision									
Total other financial receivables									

19 Other Financial Assets (Continued)

The following table explains the changes in the gross carrying amount and in the credit loss allowance for other financial assets under simplified ECL model between the beginning and the end of the annual period *[Adjust classes as appropriate; movements must be by class (classes should be consistent with internal reporting to the Group's management)]:*

in thousands of Russian Roubles	Gross carrying amount	Credit loss allowance	Total
Trade receivables			
Balance at 1 January 2018			
New originated or purchased			
Financial assets derecognised during the period			
Changes in estimates and assumptions			
Other movements			
Total credit loss allowance charge in profit or loss for the period [only for credit loss allowance]	-		
Write-offs			
FX movements			
Modification of contractual cash flows			
Balance at 31 December 2018			

19 Other Financial Assets (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of finance lease receivables were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Finance lease receivables								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

19 Other Financial Assets (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of credit and debit cards receivables were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	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)	Total
Credit and debit cards receivables								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

19 Other Financial Assets (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of settlements on conversion operations were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	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)	Total
Settlements on conversion operations								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

19 Other Financial Assets (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of restricted cash balances were as follows.

In thousands of Russian Roubles	**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)**	**Total**
Restricted cash								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

19 Other Financial Assets (Continued)

Movements in the credit loss allowance and in the gross amortised cost amount of other receivables or assets were as follows.

	Credit loss allowance				Gross carrying amount			
In thousands of Russian Roubles	**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)**	**Total**
Other receivables/assets								
At 1 January 2018								
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to lifetime (from Stage 1 to Stage 2)								
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)								
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)								
New originated or purchased								
Derecognised during the period								
Changes to ECL measurement model assumptions								
Unwinding of discount								
Changes in accrued interest								
Other movements								
Total movements with impact on credit loss allowance charge for the period								
Movements without impact on credit loss allowance charge for the period:								
Write-offs								
FX and other movements								
Modification of contractual cash flows								
Unwinding of discount (for Stage 3)								
At 31 December 2018								

[If the Group has POCI financial instruments, the Group should disclose the changes in the credit loss allowance between the beginning and the end of the reporting period for such instruments and explain the changes in the gross carrying amount that contributed to the change in credit loss allowance. For example, it can be achieved by adding column "POCI" in the table above.]

19 Other Financial Assets (Continued)

Movements in the provision for impairment of other financial assets during 2017 were as follows *[Adjust classes as appropriate; movements must be by class]*:

In thousands of Russian Roubles	**Trade receivables**	**Finance lease receivables**	**Credit and debit cards receivables**	**Settlements on conversion operations**	**Restricted cash**	**Other**	**Total**
Provision for impairment at 1 January 2017							
(Recovery of)/provision for impairment during the year*							
Amounts written off during the year as uncollectible							
Transfer to non-current assets held for sale (and disposal groups) (Note 23)							
Disposal of subsidiaries							
[Effect of translation to presentation currency]							
Provision for impairment at 31 December 2017							

[*The provision for impairment during 2017 differs from the amount presented in profit or loss for the year due to RR _____ thousand recovery of amounts previously written off as uncollectible. The amount of the recovery was credited directly to the provisions line in profit or loss for the year.]

Finance lease receivables of RR ____ thousand (2017: RR ____ thousand) and RR ____ thousand (2017: RR ____ thousand) relate to leases of equipment and real estate, respectively.

Description of collateral held is as follows at 31 December 2018:

In thousands of Russian Roubles	**Finance lease receivables**	**Other receivables**	**Total**
Guaranteed by other banks			
Guaranteed by other parties, including credit insurance			
Residential real estate			
Other real estate			
Tradable securities			
Cash deposits			
Cars or other equipment			
Total			
Unsecured exposures			
Total carrying value at AC (amount representing exposure to credit risk for the respective class at AC)			

19 Other Financial Assets (Continued)

The extent to which collateral and other credit enhancements mitigate credit risk for assets that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset ("over-collateralised assets") and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset ("under-collateralised assets"). The effect of collateral on credit impaired assets at 31 December 2018 is as follows:

	Over-collateralised assets		**Under-collateralised assets**	
In thousands of Russian Roubles	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Credit impaired assets:				
Finance lease receivables				
Other receivables/assets				

The effect of collateral at 31 December 2017 is presented for both impaired and unimpaired items as follows:

	Over-collateralised assets		**Under-collateralised assets**	
In thousands of Russian Roubles	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
Finance lease receivables				
Other receivables/assets				

The Group obtains collateral valuation at the time of granting loans and generally updates it every [two to three] years, depending on the significance of the loan exposure. The values of collateral considered in this disclosure are after a valuation haircut of [20-50%] applied to consider liquidity and quality of the pledged assets. *[Expand to describe approach to collateral valuations / collateral policy.]*

Trade receivables, finance lease receivables, credit and debit cards receivables, settlements on conversion operations and restricted cash balances are not collateralised. *[Otherwise disclose information about collateral as in Note 13 on loans and advances also for these other assets.]*

Finance lease payments receivable (gross investment in the leases) and their present values are as follows:

In thousands of Russian Roubles	**Due within 1 year**	**Due between 1 and 5 years**	**Due after 5 years**	**Total**
Finance lease payments receivable at 31 December 2018				
Unearned finance income				
Credit loss allowance				
Present value of lease payments receivable at 31 December 2018				
Finance lease payments receivable at 31 December 2017				
Unearned finance income				
Impairment loss provision				
Present value of lease payments receivable at 31 December 2017				

19 Other Financial Assets (Continued)

[Include a general description of the leasing arrangements.]

The carrying amount of the finance lease receivables includes RR _____ thousand (2017: RR _____ thousand) of unguaranteed residual values accruing to the benefit of the Group.

The Group owns [equipment] of RR _____ thousand (2017: RR ____ thousand) obtained by terminating finance leases of counterparties which were in breach of their contractual obligations, primarily as a result of overdue lease payments. Refer to Note 20. *[See IFRS 7.38. IFRS 7.BC56 states that the purpose of the disclosure is to indicate the amount recognised in the balance sheet for such assets.]*

Refer to Note 51 for the disclosure of the fair value of each class of other financial assets. Information on related party balances is disclosed in Note 53.

20 Other Assets

In thousands of Russian Roubles	**Note**	**2018**	**2017**
Prepayments for construction in progress			
Prepayments for services			
Repossessed collateral			
Precious metals			
Other			
Total other assets			

[Repossessed collateral represents real estate assets acquired by the Group in settlement of overdue loans. The Group expects to dispose of the assets in the foreseeable future. *[Depending on materiality, disclose in more details the policies for disposing of such assets or for using them in the Group's operations. See IFRS 7.38.]* The assets do not meet the definition of non-current assets held for sale, and are classified as inventories in accordance with IAS 2 "Inventories". The assets were initially recognised at fair value when acquired.]

[Depending on materiality, disclose more details in respect of prepayments, e.g. a table showing opening and closing balances and movements due to additions, amounts derecognised, etc.]

All of the above assets are expected to be recovered more than twelve months after the year-end, except for prepayments for services of RR _____ thousand (2017: RR _____ thousand) and precious metals of RR ______ thousand (2017: RR _____ thousand). Information on related party balances is disclosed in Note 53.

21 Goodwill

Movements in goodwill arising on the acquisition of subsidiaries are:

In thousands of Russian Roubles	Note	2018	2017
Gross book value at 1 January			
Accumulated impairment losses at 1 January			
Carrying amount at 1 January			
Acquisition of subsidiary	54		
Transfer to non-current assets held for sale (or disposal groups)	23		
Disposal of subsidiary			
Impairment loss	37		
[Effect of translation to presentation currency]			
Other			
Carrying amount at 31 December			
Gross book value at 31 December			
Accumulated impairment losses at 31 December			
Carrying amount at 31 December			

Goodwill Impairment Test

Goodwill is allocated to cash-generating units (CGUs, which represent the lowest level within the Group at which goodwill is monitored by management and which are not larger than a segment), as follows:

In thousands of Russian Roubles	2018	2017
[CGU 1]		
[CGU 2]		
[CGU 3]		
[…]		
Total carrying amount of goodwill		

[If some or all of the carrying amount of goodwill is allocated across multiple CGUs (or groups of CGUs) and the amount allocated to each CGU (or group of CGUs) is not individually significant, that fact should be disclosed, together with the aggregate carrying amount of goodwill allocated to those CGUs (or group of CGUs). Refer to IAS 36.135 for additional required disclosures if goodwill is allocated across multiple CGUs (or groups of CGUs)]

[If any portion of the goodwill acquired in a business combination during the reporting period has not been allocated to a CGU at the end of the reporting period (IAS 36.84), disclose the amount of the unallocated goodwill, together with the reasons why that amount remains unallocated.]

[The disclosures below only cover situations when the recoverable amount is value in use. If fair value less costs to sell is higher than value in use, refer to IAS 36.134(e) for required disclosures.]

The recoverable amount of each CGU was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. *[Note: Disclose why period of more than 5 years would be justified – IAS 36.134(d)(iii).]* Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The growth rates do not exceed the long-term average growth rate for the business sector of the economy in which the CGU operates.

21 Goodwill (Continued)

Assumptions used for value-in-use calculations to which the recoverable amount is most sensitive were:

	2018	2017
[State assumptions, e.g. gross margin, sales growth, etc]		
Growth rate beyond five years	X% p.a.	Y% p.a.
Pre-tax discount rate	X% p.a.	Y% p.a.
[.......]		

Management determined budgeted gross margin based on past performance and its market expectations. The weighted average growth rates used are consistent with the forecasts included in industry reports. *[Note: The assumptions should be disclosed separately for each CGU for which the allocated carrying amount of goodwill is significant in comparison to the entity's total goodwill. Describe Management's approach to developing each assumption, whether assumptions reflect past experience or whether they are consistent with external sources of information. Describe if and why assumptions differ from past experience or external sources of information. Refer to IAS 36.134(d)(i) and (ii)]*

The discount rates used are pre-tax, and reflect specific risks relating to the relevant CGUs. If the revised estimated pre-tax discount rate applied to the discounted cash flows of _____ CGU had been _____ % higher than management's estimates, the Group would need to reduce the carrying value of goodwill by RR _____ thousand, and premises and equipment by RR _____ thousand. Had this impairment been recognised, the Group would not be able to reverse any Credit loss allowance that arose on goodwill in subsequent periods, even if circumstances improve. The recoverable amount of _____ CGU exceeds its carrying amount by RR _____ thousand. The CGUs' carrying amount would be equal to value in use at a discount rate of _____ % p.a. *[Note: This disclosure must be made if a reasonably possible change in a key assumption would cause the CGU to be impaired. Similarly describe sensitivity to all other key assumptions for each major CGU or groups of CGUs; include the same disclosure for 2017, if relevant!]*

The impairment charge arose in _____ CGU. *[Explain circumstances of the impairment, e.g. management decision to reduce the manufacturing output allocated to the operations; include the same disclosure for 2017, if relevant.] [Refer to IAS 36 for further disclosures if the Group has intangibles with indefinite life.]*

22 Premises, Equipment and Intangible Assets

In thousands of Russian Roubles	Note	Premi-ses	Office and compu-ter equip-ment	Con-struc-tion in pro-gress	Total premi-ses and equip-ment	Com-puter soft-ware licences	Inter-nally deve-lopped soft-ware	Total
Cost [or valuation] at 1 January 2017								
Accumulated depreciation								
Carrying amount at 1 January 2017								
Acquisitions through business combinations	54							
Additions								
Capitalised internal [software] development costs								
Transfers								
Reclassification to non-current assets held for sale (or disposal groups)	23							
Disposals								
Depreciation charge	37							
Impairment charge to profit or loss	37							
Reversals of impairment through profit or loss								
Revaluation	33							
[Translation to presentation currency]								
Other								
Carrying amount at 31 December 2017								
Cost [or valuation] at 31 December 2017								
Accumulated depreciation								
Carrying amount at 31 December 2017								
Acquisitions through business combinations	54							
Additions								
Capitalised borrowing costs								
Capitalised internal [software] development costs								
Transfers								
Reclassification to non-current assets held for sale (or disposal groups)	23							
Disposals								
Depreciation charge	37							
Impairment charge to profit or loss	37							
Reversals of impairment through profit or loss								
Revaluation	33							
[Translation to presentation currency]								
Other								
Carrying amount at 31 December 2018								
Cost [or valuation] at 31 December 2018								
Accumulated depreciation								
Carrying amount at 31 December 2018								

22 Premises, Equipment and Intangible Assets (Continued)

[Note: Adjust categories in the above table, as appropriate.] [IFRS 3 requires separate recognition of acquired intangibles. If intangible assets are of any size, a separate note is required for intangibles.]

[Movements in significant amounts of internally developed intangibles, e.g. computer software, should be shown separately from acquired intangibles, e.g. acquired software licences.]

*[Any purchase of equipment or furniture should be recorded in respective categories and **not** first go through construction in progress. Any credit loss charge should be separately identified and described per IAS 36. Refer to IAS 36 for additional guidance.]*

During 2018, the Group capitalised borrowing costs of RR _____ thousand (2017: RR _____ thousand) relating to the construction of own premises. The capitalisation rate was __ % p.a.

Construction in progress consists [mainly] of construction and refurbishment of branch premises [and equipment]. Upon completion, assets are transferred to premises and equipment. [Additions to construction in progress include capitalised borrowing costs of RR _____ thousand (2017: RR _____ thousand). The capitalisation rate was _____ % (2017: _____ %).]

Included in office and computer equipment are assets held under finance leases with a carrying value of RR _____ thousand (2017: RR _____ thousand). Refer to Note 27. *[This disclosure should be made for each class of assets.]*

Premises have been revalued at fair value at __________ 2018. The valuation was carried out by an independent firm of valuers, __________, who hold a recognised and relevant professional qualification and who have recent experience in the valuation of assets in similar locations and in a similar category. The basis used for the appraisal was [replacement cost, market value, discounted cash flow, etc.] Fair values were estimated using appropriate valuation techniques and using the following assumptions: *[State here assumptions]*. *[If valuation is based on observable market prices in an active market, state that fact.] [Note that replacement cost and discounted cash flow methods may be used only if there is no market-based evidence of fair value because of the specialised nature of the item of property, plant and equipment and the item is rarely sold.]*

At 31 December 2018, the carrying amount of premises would have been RR _____ thousand (2017: RR _____ thousand) had the assets been carried at cost less depreciation. The amount reconciles to the carrying value of the premises as follows:

In thousands of Russian Roubles	**31 December 2018**	**31 December 2017**
Premises at revalued amount in the statement of financial position		
Revaluation reserve presented in equity, net of tax		
[Difference between accumulated depreciation based on cost and based on revalued amount not yet transferred to retained earnings]		
Deferred tax on revaluation (Note 38)		
Premises at cost less accumulated depreciation		

At 31 December 2018, premises [and equipment] carried at RR _____ thousand (2017: RR _____ thousand) have been pledged to third parties as collateral with respect to [other borrowed funds]. Refer to Note [27]. *[Disclose amount of intangible assets whose title is restricted, if any.]*

[Provide the description, carrying amount and remaining amortisation period of any individual intangible asset that is material to the financial statements as a whole.] [Impairment losses were recognised as a result of the credit loss test described in Note 21.] [If impairment is for individual assets or CGUs not including goodwill, refer to IAS 36 for disclosure requirements.]

23 Non-Current Assets Classified as Held for Sale (or Disposal Groups)

Major classes of non-current assets classified as held for sale (or disposal groups) are as follows:

In thousands of Russian Roubles	**2018**	**2017**
Assets of a disposal group held for sale:		
Cash and cash equivalents		
Trading securities		
Due from other banks		
Loans and advances to customers		
Investment properties		
Investment in associates		
Current income tax prepayment		
Deferred income tax asset		
Goodwill		
Intangible assets		
Premises and equipment *[expand as appropriate]*		
Non-current assets held for sale:		
Premises and equipment *[expand as appropriate]*		
Total Non-current assets held for sale (or disposal groups)		

Major classes of liabilities directly associated with disposal groups held for sale are as follows:

In thousands of Russian Roubles	**2018**	**2017**
Due to other banks		
Customer accounts		
Debt securities in issue [Promissory notes issued]		
Other borrowed funds		
Current income tax liability		
Deferred income tax liability		
Provisions for liabilities and charges		
Other liabilities *[expand as appropriate]*		
Total liabilities directly associated with disposal groups held for sale		

[Disclosure of the major classes of assets and liabilities is not required only if the disposal group is a newly acquired subsidiary that meets the criteria to be classified as held for sale on acquisition. Do not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheet for 2017 to reflect the classification in the balance sheet at 31 December 2018.]

Management approved a plan to sell _____ assets on _____ due to _____. The Group is actively marketing these assets and expects the sale to complete by _____2018. *[Describe facts and circumstances, expected manner and timing of that disposal.]* [Refer to Note 37 for loss on write-down to fair value less costs to sell of Non-current assets held for sale (or disposal groups).]

[If applicable, disclose, in the period of the decision to change the plan to sell the non-current asset (or disposal group), a description of the facts and circumstances leading to the decision and the effect of the decision on the results of operations for the period and any prior periods presented.]

[If material, make IFRS 7 and IFRS 13 disclosures <u>about measurement</u> of financial assets and liabilities that are not otherwise included in Note 43, Financial Risk Management or Note 51, Fair Value of Financial Instruments. This includes for example analysis of credit quality and ECL of financial assets and information about fair value measurement. Refer to IFRS 5.5B.]

23 Non-Current Assets Classified as Held for Sale (or Disposal Groups) (Continued)

On _____ 2018, the Group disposed of _____% of the share capital of _____. The subsidiary was previously classified as a disposal group and its assets and liabilities were accordingly reclassified in the statement of financial position. The details of the disposed assets and liabilities and disposal consideration are as follows:

In thousands of Russian Roubles	Note	[Date of disposal]
Goodwill	21	
Cash and cash equivalents		
Loans and advances to customers		
AFS financial assets		
Other assets		
Customer accounts		
Other liabilities		
[expand as appropriate]		
Net assets of subsidiary, including attributed goodwill		
Less: non-controlling interest		
Carrying amount of disposed net assets		
Total disposal consideration		
Less: fair value of receivable arising on disposal	19	
Less: cash and cash equivalents in disposed subsidiary		
Cash inflow on disposal		

The gain [loss] on disposal of the subsidiary comprises:

In thousands of Russian Roubles	Note	Gain on disposal of subsidiary
Consideration for disposal of the subsidiary		
Carrying amount of disposed net assets, net of non-controlling interest		
Cumulative currency translation reserve on foreign operation recycled from other comprehensive income to profit or loss		
Revaluation reserve for FVOCI debt financial assets recycled from other comprehensive income to profit or loss upon disposal		
Gain [loss] on disposal of subsidiary		

The portion of the gain or loss on disposal of the subsidiary attributable to measuring the investment retained in the former subsidiary at fair value at the date when control was lost amounts to RR ____ thousand.

[Provide also the same information about disposals for the comparative period, 2017.]

[If the subsidiary is significant or was acquired with a view to resale, IFRS 5 discontinued operations disclosures may apply – these disclosures are not covered in this pro forma.]

24 Due to Other Banks

[If there are liabilities designated at FVTPL at initial recognition within this balance sheet line, amend the note as appropriate in accordance with example of disclosure of information about financial liabilities designated at FVTPL at initial recognition in Note 27]

In thousands of Russian Roubles	**2018**	**2017**
Correspondent accounts and overnight placements of other banks		
Short-term placements of other banks		
Sale and repurchase agreements with other banks		
Liability to return collateral sold or repledged		
Overdue term placements of other banks *[Adjust classes as appropriate]*		
Total due to other banks		

During 2018, a gain [loss] on initial recognition of balances due to other banks at rates below [above] market in the amount of RR___ thousand (2017: RR ___ thousand) has been recorded in profit or loss for the year. *[Explain commercial reason for the gain/loss and consider whether the gain/loss should be recognised as a capital transaction in equity if it arises from transactions with parties under common control.]*

At 31 December 2018, included in amounts due to other banks are liabilities of RR _____ thousand (2017: RR _____ thousand) from sale and repurchase agreements. Refer to Notes 8, 9, 11, 0, 14, 16 and 15.

The Group accepted [securities] as collateral that it was allowed to sell or repledge (Note 13). The Group sold [or repledged] such collateral and recognised the cash proceeds as a liability carried at fair value of RR _____ thousand at the end of the reporting period (2017: RR _____ thousand).

[The Group should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security. If this is very detailed, consider a separate note.]

Refer to Note 51 for the disclosure of the fair value of each class of amounts due to other banks. Interest rate analysis of due to other banks is disclosed in Note 43. Information on related party balances is disclosed in Note 53.

[Disclose any concentrations, etc.]

25 Customer Accounts

[If there are liabilities designated at FVTPL at initial recognition within this balance sheet line, amend the note as appropriate in accordance with example of disclosure of information about financial liabilities designated at FVTPL at initial recognition in Note 27]

In thousands of Russian Roubles	**2018**	**2017**
State and public organisations		
- Current/settlement accounts		
- Term deposits		
Other legal entities		
- Current/settlement accounts		
- Term deposits		
Individuals		
- Current/demand accounts		
- Term deposits		
Total customer accounts		

25 Customer Accounts (Continued)

State and public organisations exclude government owned profit orientated businesses. During 2018, a gain [loss] on initial recognition of term deposits at rates below [above] market in the amount of RR ___ thousand (2017: RR ___ thousand) has been recorded in profit or loss for the year [statement of changes in equity because it effectively represents a capital contribution from [distribution to] the Group's owners].

Economic sector concentrations within customer accounts are as follows:

	2018		2017	
In thousands of Russian Roubles	**Amount**	**%**	**Amount**	**%**
State and public organisations				
Cities and municipalities				
Manufacturing				
Real estate				
Trade				
Agriculture				
Individuals				
Other				
[Expand as necessary]				
Total customer accounts				

At 31 December 2018, the Group had _____ customers (2017: _____ customers) with balances above RR ______ thousand. The aggregate balance of these customers was RR ______ thousand (2017: RR ______ thousand) or _____% (2017: _____%) of total customer accounts.

At 31 December 2018, included in customer accounts are deposits of RR ____ thousand (2017: RR __ thousand) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 45.

[Significant material aspects of customer accounts should be discussed, i.e. special concentrations, loan/deposit schemes, etc.]

[The Group should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security. If this is very detailed, consider a separate note.]

Refer to Note 51 for the disclosure of the fair value of each class of customer accounts. Interest rate analysis of customer accounts is disclosed in Note 43. Information on related party balances is disclosed in Note 53.

26 Debt Securities in Issue [Promissory Notes Issued]

[If there are liabilities designated at FVTPL at initial recognition within this balance sheet line, amend the note as appropriate in accordance with example of disclosure of information about financial liabilities designated at FVTPL at initial recognition in Note 27]

In thousands of Russian Roubles	**2018**	**2017**
Promissory notes		
Eurobonds *[Specify each issue and if material, disclose Eurobonds separately on the face of the balance sheet]*		
Bonds issued on domestic market		
Deposit certificates		
Debentures		
Total debt securities in issue [Promissory notes issued]		

26 Debt Securities in Issue [Promissory Notes Issued] (Continued)

[The Group should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security. If this is very detailed, consider a separate note.] At 31 December 2018, the Group has debt securities in issue of RR _____ thousand (2017: RR _____ thousand) in US Dollars denominated [Eurobonds]. These bonds mature on _____, have a coupon rate of _____% (2017: _____%) and a yield to maturity of _____% (2017: _____%) based on market quotes at the reporting date [and an effective interest rate of _____% (2017: _____%) based on their issue price, net of transaction costs, at the date of origination.]

Refer to Note 51 for the disclosure of the fair value of each class of debt securities in issue. Interest rate analyses of debt securities in issue [promissory notes issued] are disclosed in Note 43. Information on debt securities in issue [promissory notes issued] held by related parties is disclosed in Note 53.

At 31 December 2018, the Group had debt securities in issue held by _____ counterparties (2017: _____ counterparties) with balances above RR ______ thousand. The aggregate amount of these balances was RR ______ thousand (2017: RR ______ thousand) or _____% (2017: _____%) of total debt securities in issue. *[If in default, describe the situation, penalties, carrying amount of the securities, whether the breach was remedied or the terms of the loans payable renegotiated before the date the financial statements were authorised for issue, etc. Refer to IFRS 7.18.]*

27 Other Borrowed Funds

In thousands of Russian Roubles	**2018**	**2017**
Other borrowed funds at AC		
Syndicated loan maturing on ____ *[If the creditors are banks, include the loan within Note 24 – 'Due to Other Banks']*		
Term borrowings from companies/government agencies		
Borrowings through securitisation transaction (Note 49)		
Finance lease liabilities *[Adjust classes as appropriate]*		
Total other borrowed funds at AC		
Other borrowed funds at FVTPL		
Liability to return collateral sold or repledged		
SDIA funding designated at FVTPL at initial recognition *[Adjust classes as appropriate]*		
Total other borrowed funds at FVTPL		
Total other borrowed funds		

SDIA funding have been designated at FVTPL as the instrument contains embedded derivative arising from the early repayment option stipulated in the contract. *[Describe the embedded derivative substance]*.

27 Other Borrowed Funds (Continued)

The amount of change in the fair value of financial liabilities designated at FVTPL that is attributable to changes in own credit risk is as follows:

In thousands of Russian Roubles	**SDIA funding – 2018**
Carrying amount at 1 January	
Change in the fair value attributable to changes in own credit risk recognised in OCI during the period	
Other changes in fair value	
Carrying amount at 31 December	
Accumulated amount of the change in fair value attributable to changes in own credit risk at 31 December	
Difference between the contractual amount due at maturity and carrying amount at 31 December	

The change in fair value attributable to changes in credit risk on financial liabilities is calculated [using the credit spread observed for recent issuances of similar debt, adjusted for subsequent changes in the credit spread observed on credit default swaps on the issuing Bank's senior debt].

[Describe the terms of significant other borrowed funds: interest rate, collateral pledged, maturity date, covenants.]

The Group accepted [securities] as collateral that it was allowed to sell or repledge (Notes 10 and 13). The Group sold [or repledged] such collateral and recognised the cash proceeds as a liability carried at a fair value of RR _____ thousand at the end of the reporting period (2017: RR _____ thousand). *[The Group should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security. If this is very detailed, consider a separate note.]*

[If in default, describe the situation, penalties, carrying amount of the loan, whether the breach was remedied or the terms of the loans payable renegotiated before the date the financial statements were authorised for issue, etc. Refer to IFRS 7.18]

Minimum lease payments under finance leases and their present values are as follows:

In thousands of Russian Roubles	**Due within 1 year**	**Due between 1 and 5 years**	**Due after 5 years**	**Total**
Minimum lease payments at 31 December 2018				
Less future finance charges				
Present value of minimum lease payments at 31 December 2018				
Minimum lease payments at 31 December 2017				
Less future finance charges				
Present value of minimum lease payments at 31 December 2017				

27 Other Borrowed Funds (Continued)

Leased assets with the carrying amount disclosed in Note 19 are effectively pledged for finance lease liabilities, as the rights to the leased asset revert to the lessor in the event of default.

[Where applicable, disclose also the amount of contingent rents recognised in profit or loss; the total of future minimum sublease payments expected to be received under non-cancellable subleases at the end of the reporting period (refer to IAS 17.4 to determine whether the subleases meet the definition of "non-cancellable"; if a sublease as a whole is considered to be cancellable, it should be included in the disclosure only to the extent of payments during any notice period and/or penalties that apply on cancellation); and a general description of the significant leasing arrangements, including (i) the basis on which contingent rent payments are determined; (ii) the existence and terms of renewal or purchase options and escalation clauses; and (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.]

Refer to Note 51 for disclosure of the fair value of each class of other borrowed funds. Interest rate analysis of other borrowed funds is disclosed in Note 43. Information on related party balances is disclosed in Note 53.

28 Provisions for Liabilities and Charges

Movements in provisions for liabilities and charges are as follows:

In thousands of Russian Roubles	Note	Tax risks	Other	Total
Carrying amount at 1 January 2018				
Additions charged to profit or loss	37			
Additions through business combinations	54			
Utilisation of provision				
Unwinding of the present value discount and effect of changes in discount rates				
Unused amounts reversed	37			
[Effect of translation to presentation currency]				
Carrying amount at 31 December 2018				

[Comparatives are not required for movements in provisions. Adjust categories as appropriate.]

Provision for uncertain *[value added]* ***tax positions and related penalties and interest.*** The Group has recorded provisions of RR ____ thousand in respect of uncertain [value added] taxes and the related penalties and interest. [Insert explanation of the specific tax matters; separate disclosures for taxes or situations that are different in nature]. The balance at 31 December 2018 is expected to be either fully utilised or released when the inspection rights of the tax authorities with respect to the relevant tax returns expire, as follows: RR ____ thousand by the end of 2021, RR ____ thousand by the end of 2020 and RR ____ thousand by the end of 2019. *[Disclose movements in provisions by class.] [Provide additional disclosure as to the nature of the exposure as appropriate]*

Other provisions: Other provisions include a provision for certain legal claims brought against the Group by _____ relating to _____. The balance at 31 December 2018 is expected to be utilised by the end of 20__. In management's opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the accrued amounts. Refer to Note 45.

[For each class of provisions provide a brief description of the nature of the obligation and of the expected timing of any resulting outflows; an indication of the uncertainties about the amount or timing of those outflows (where necessary to provide adequate information, disclose the major assumptions made concerning future events, as addressed in IAS 37.48); and the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.]

Information on related party balances is disclosed in Note 53.

29 Other Financial Liabilities

Other financial liabilities comprise the following:

In thousands of Russian Roubles	Note	2018	2017
Other financial liabilities at AC			
Trade payables			
Dividends payable	39		
Debit or credit card payables			
Settlements on conversion operations			
Financial guarantees			
Loan commitments			
Performance guarantees			
Other accrued liabilities			
[Expand as necessary]			
Total other financial liabilities at AC			
Other financial liabilities mandatorily measured at FVTPL			
Foreign exchange forward contracts	50		
Precious metal forwards	50		
Other derivative financial instruments	50		
Other			
[Expand as necessary]			
Total other financial liabilities at FVTPL			
Total other financial liabilities			

Refer to Note 45 for analysis of exposure from financial guarantees and loan commitments by credit risk grades.

29 Other Financial Liabilities (Continued)

Movements in the provision for financial guarantees were as follows.

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**Total provision**	**Gross guaranteed amount**
Provision for financial guarantees at 1 January 2018					
Movements with impact on provision for credit related commitments charge for the period:					
Transfers:					
- to lifetime (from Stage 1 to Stage 2)					
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)					
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)					
Issued guarantees (fees charged)					
Amortisation of deferred fee to income					
Derecognised during the period					
Changes to model assumptions					
Unwinding of discounting					
Other movements					
Total charge to profit or loss for the year					
Movements without impact on provision for credit related commitments charge for the period:					
Write-offs					
FX movements					
Modification of contractual cash flows					
Unwinding of discount (for Stage 3)					
Provision for financial guarantees at 31 December 2018					

29 Other Financial Liabilities (Continued)

Movements in the provision for loan commitments were as follows.

In thousands of Russian Roubles	Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total provision	Gross committed amount
Provision for loan commitments at 1 January 2018					
Movements with impact on provision for credit related commitments charge for the period:					
Transfers:					
- to lifetime (from Stage 1 to Stage 2)					
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)					
- to 12-months ECL (from Stage 2 and Stage 3 to Stage 1)					
Issued loan commitments - fees charged					
Issued loan commitments - 12-months ECL					
Amortisation of deferred fee to income					
Transfer to ECL on loans upon loans drawdown					
Derecognised during the period					
Changes to model assumptions					
Unwinding of discounting					
Other movements					
Total charge to profit or loss for the year					
Movements without impact on provision for credit related commitments charge for the period:					
Write-offs					
FX movements					
Modification of contractual cash flows					
Unwinding of discounting (for Stage 3)					
Provision for loan commitments at 31 December 2018					

Refer to Note 51 for disclosure of the fair value of each class of other financial liabilities. *[Adjust table above to show POCI items, eg in case such commitments and guarantees were acquired in a business combination.]*

30 Other Liabilities

Other liabilities comprise the following:

In thousands of Russian Roubles	Note	2018	2017
Taxes payable other than on income			
Accrued employee benefit costs			
Deferred consideration for acquisitions	54		
Contract liability – deferred income *[specify its nature and add related IFRS 15 disclosures if material]*	35		
Other *[Expand as necessary]*			
Total other liabilities			

31 Subordinated Debt

Subordinated debt of RR _____ thousand (2017: RR _____ thousand) carries a [fixed] [variable] interest rate of ___ % p.a. and matures on _______. The debt ranks after all other creditors in the case of liquidation.

Refer to Note 51 for the disclosure of the fair value of subordinated debt. Interest rate analysis of subordinated debt is disclosed in Note 43. Information on related party balances is disclosed in Note 53.

32 Share Capital

[For limited liability companies (OOOs)/partnerships refer to separate guidance to determine whether these amounts should be classified as debt. Adjust categories in the table below as appropriate, e.g. to include preference shares.]

In thousands of Russian Roubles except for number of shares	**Number of outstanding shares [in thousands]**	**Ordinary shares**	**Share premium**	**Preference shares**	**Treasury shares**	**Total**
At 1 January 2017						
New shares issued						
Treasury shares purchased						
Treasury shares sold						
[Translation to presentation currency]						
At 31 December 2017						
New shares issued						
Treasury shares purchased						
Treasury shares sold						
[Translation to presentation currency]						
At 31 December 2018						

The nominal registered amount of the Bank's issued share capital, prior to restatement of capital contributions made before 1 January 2003 to the purchasing power of the Russian Rouble at 31 December 2002, is RR _____thousand (2017: RR _____thousand). [The Bank's shareholders [management] approved a resolution to transfer from retained earnings to share capital the monetary loss recognised in previous years on the restatement of share capital for the effects of hyperinflation. Following the transfer, the nominal registered amount of the Bank's issued share capital corresponds to the amount reported in these [consolidated] financial statements. *[Note that the transfer has to be made in the reporting year or earlier if it is to be effective for the financial statements.]*]

The total authorised number of ordinary shares is ____ thousand shares (2017: ____ thousand shares), with a par value of RR ____ per share (2017: RR ___ per share). All issued ordinary shares are fully paid.

[The number of ordinary shares issued but not fully paid in was _____ (2017: _____).] Each ordinary share carries one vote.

The total authorised number of preference shares is ____ thousand shares (2017: ____ thousand shares), with a par value of RR ____ per share (2017: RR ___ per share). All issued preference shares are fully paid. [The number of preference shares issued but not fully paid in was _____ (2017: _____).]

33 Share Capital (Continued)

The preference shares are not redeemable and rank ahead of the ordinary shares in the event of the Bank's liquidation. [The preference shares give the holders the right to participate in general shareholders' meetings without voting rights, except in instances where decisions are made in relation to reorganisation and liquidation of the Bank, and where changes and amendments to the Bank's charter which restrict the rights of preference shareholders are proposed.] Preference share dividends are set at ____ % p.a. (2017: ____ % p.a.) and rank above ordinary dividends. If preference dividends are not declared by ordinary shareholders, the preference shareholders obtain the right to vote as ordinary shareholders until such time that the dividend is paid.

[Describe share issue(s) shares pledged and written share options. Provide a description of all non-cash movements, e.g. capitalisation of reserves.]

At 31 December 2018, treasury shares include _____ [ordinary] shares of the Bank (2017: _____ [ordinary] shares) owned by wholly owned subsidiaries of the Group. These ordinary shares carry voting rights in the same proportion as other ordinary shares. Voting rights of ordinary shares of the Bank held by the entities within the Group are effectively controlled by the management of the Group.

Share premium represents the excess of contributions received over the nominal value of shares issued.

In accordance with Russian legislation, the Bank distributes profits as dividends or transfers them to reserves on the basis of financial statements prepared in accordance with Russian Accounting Rules. The Bank's reserves under Russian Accounting Rules at 31 December 2018 amount to RR _____ thousand (2017: RR _____ thousand).

[Ordinary shares held by associate companies should be disclosed as balances with related parties.]

33 Other Comprehensive Income Recognised in Each Component of Equity

An analysis of other comprehensive income by item for each component of equity is as follows:

In thousands of Russian Roubles	Note	Share capital	Share premium	Revaluation reserve for AFS securities	Revaluation reserve for investment securities at FVOCI	Revaluation of financial liabilities attributable to own credit risk	Revaluation reserve for premises	Currency translation reserve	Retained earnings [Accumulated deficit]	Total	Non-controlling Interest	Total equity
		Attributable to owners of the Bank										
Year ended 31 December 2017												
AFS investments:												
- Gains less losses arising during the year												
- Gains less losses recycled to profit or loss upon disposal or impairment												
Revaluation of premises and equipment												
Share of other comprehensive income of associates												
Exchange differences on translation to presentation currency												
Income tax recorded directly in other comprehensive income												
Total other comprehensive income												

33 Other Comprehensive Income Recognised in Each Component of Equity (Continued)

In thousands of Russian Roubles	Note	Share capital	Share premium	Revaluation reserve for AFS securities	Revaluation reserve for investment securities at FVOCI	Revaluation of financial liabilities attributable to own credit risk	Revaluation reserve for premises	Currency translation reserve	Retained earnings [Accumulated deficit]	Total	Non-controlling Interest	Total equity
		Attributable to owners of the Bank										
Year ended 31 December 2018												
Securities at FVOCI:												
- Gains less losses arising during the year												
- Gains less losses reclassified to profit or loss on disposal												
Translation of financial information of foreign operations to presentation currency												
Share of other comprehensive income of associates												
Income tax recorded directly in other comprehensive income												
Gains less losses on investments in equity instruments at FVOCI												
Change in fair value attributable to change in the credit risk of financial liabilities at FVTPL												
Revaluation of premises and equipment												
Remeasurements of post-employment benefit obligations												
Income tax recorded directly in other comprehensive income												
Total other comprehensive income												

The cumulative amounts recognised in other comprehensive income relating to non-current assets held for sale (or disposal group) are as follows:

In thousands of Russian Roubles	2018	2017
Revaluation reserve for AFS securities *[For comparatives only]*	-	
Revaluation reserve for securities at FVOCI		
Revaluation reserve for premises		
Currency translation reserve		

34 Interest Income and Expense

In thousands of Russian Roubles	2018	2017
Interest income calculated using the effective interest method		
Loans and advances to customers at AC		-
Debt securities at FVOCI		-
Debt securities at AC		
Debt securities HTM *[For comparatives only]*	-	
Debt securities AFS *[For comparatives only]*	-	
Due from other banks at AC		
Repurchase receivables – debt securities at FVOCI		-
Repurchase receivables – debt securities at AC		-
Repurchase receivables – debt securities AFS *[For comparatives only]*	-	
Repurchase receivables – debt securities HTM *[For comparatives only]*	-	
Total interest income calculated using the effective interest method		
Other similar income		
Debt securities at FVTPL		-
Repurchase receivables – debt securities at FVTPL		-
Repurchase receivables – debt trading securities *[For comparatives only]*	-	
Cash and cash equivalents		
[Finance lease receivables]		
Other *[Arrange in descending order of magnitude]*		
Total other similar income		
Total interest income		
Interest and other similar expense		
Term deposits of legal entities		
Debt securities in issue [Promissory notes issued]		
Other borrowed funds		
Term deposits of individuals		
Term placements of other banks		
Overnight placements of other banks		
Current/settlement accounts		
Correspondent accounts of other banks		
[Finance lease liabilities]		
Other *[Arrange in descending order of magnitude]*		
Total interest and other similar expense		
Net interest income / (Net interest expense)		

[Show both income and expense as positive numbers for the purposes of this table.] [Expand or delete captions as appropriate.]

35 Fee and Commission Income and Expense

	2018				2017			
In thousands of Russian Roubles	Retail banking	Corporate banking	Investment banking	Total	Retail banking	Corporate banking	Investment banking	Retail banking
Fee and commission income								
Fee and commission income not relating to financial instruments at FVTPL:								
- Settlement transactions								
- Cash transactions								
- Cash collection								
- Transactions with securities								
- Fiduciary activities *[See IFRS 7.20(c)(ii) – must be shown to indicate the size of fiduciary activities!]*								
- Factoring services								
- Asset management services								
- Financial guarantees issued (Note 45)								
- Performance guarantees issued (Note 45)								
- Other *[Arrange in descending order of magnitude]*								
Fee and commission income in respect of financial instruments at FVTPL								
- Fees charged to counterparties for selling futures contracts								
Total fee and commission income								
Fee and commission expense								
Fee and commission expense not relating to financial instruments at FVTPL								
- Settlement transactions								
- Cash transactions								
- Cash collection								
- Transactions with securities								
- Other *[Arrange in descending order of magnitude]*								
Fee and commission expense in respect of financial instruments at FVTPL								
- Fees paid to stock exchange to purchase or sell futures contracts								
Total fee and commission expense								
Net fee and commission income/[(expense)]								

[Show both income and expense as positive numbers for the purposes of this table, except for the last line. Disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (in accordance with paragraph 114 of IFRS 15) and revenue information that is disclosed for each reportable segment, if the entity applies IFRS 8 Operating Segments [see IFRS 15 para 115]]

The group has recognised the following contract liabilities that represent performance obligations from contracts with customers. The obligations are short-term. Refer to Note 30.

35 Fee and Commission Income and Expense (Continued)

In thousands of Russian Roubles	31 December 2018	31 December 2017
Fiduciary activities		
Custody services		
Asset management services		
Customer loyalty program		
Other *[Arrange in descending order of magnitude]*		
Total contract liabilities		

[Explain significant changes in contract liabilities as required by IFRS 15.118.]

The following table shows how much of the revenue recognised in the current reporting period relates to contract liabilities recognised in prior period. It also presents variable fee income related to performance obligations satisfied in prior reporting periods.

In thousands of Russian Roubles	2018	2017
Revenue recognised that was included in the contract liability balance at the beginning of the period		
- Fiduciary activities		
- Custody services		
- Financial guarantees issued (Note 45)		
- Performance guarantees issued (Note 45)		
- Factoring services		
- Asset management services		
- Customer loyalty program		
- Other *[Arrange in descending order of magnitude]*		
Revenue recognised from performance obligations satisfied in previous periods		
- Asset management services (variable fee income)		

Refer to Note 3 that describes the types of revenues recognised on a point in time basis and on the over time basis. *[Ensure accounting policies are specific on this point.]*

36 Other Operating Income

In thousands of Russian Roubles	Note	2018	2017
Dividend income from equity investments at FVOCI that were held at the end of the period			-
Dividend income from equity investments at FVOCI that relate to investments derecogniset during the period			-
Other dividend income			
Rental income from investment properties			
Sublease rental income			
Negative goodwill recognised as income	54		
Gain on disposal of premises and equipment			
Gain on disposal of investment properties			
[Expand as necessary]			
Other *[Should be less than 10%]* *[Arrange in descending order]*			
Total other operating income			

[Classify reversals of provisions for liabilities and charges and reversals of impairment of premises and equipment as negative expense in Note 37.]

37 Administrative and Other Operating Expenses

In thousands of Russian Roubles	Note	2018	2017
Staff costs			
Depreciation of premises and equipment	22		
Impairment of premises and equipment	22		
Reversals of impairment of premises and equipment	22		
Impairment of goodwill	22		
Amortisation of software and other intangible assets	22		
Utilities			
Operating lease expense for [premises] [and equipment]			
Other costs of premises and equipment			
Professional services			
Advertising and marketing services			
Security services			
Taxes other than on income			
Provisions for tax risks	28		
Provisions for performance guarantees	45		
Write-down of non-current assets (or disposal groups) to fair value less costs to sell	23		
Other *[Should be less than 10%]*			
[Expand as necessary]			
[Arrange in descending order]			
Total administrative and other operating expenses			

Included in staff costs are statutory pension contributions of RR _____ thousand (2017: RR _____ thousand). *[Consider further description or breakdown of staff costs.]*

[Included in staff costs is the amount of RR _____ thousand (2017: RR ____ thousand), which represents share-based remuneration provided to the Group's personnel directly by shareholders.]

[These accounts do not cover share-based compensation provided by the entity or its shareholders. Review shareholder agreements and other arrangements to identify such compensation because IFRS 2, Share-based Payment, generally requires that such compensation be recorded by the entity that received the employee services even if it is funded or provided directly by the shareholders.]

Direct operating expenses for investment properties that generate rental income amounted to RR _____ thousand (2017: RR _____ thousand) and consisted of costs of utilities and staff costs. Direct operating expenses for investment properties that did not generate rental income amounted to RR _____ thousand (2017: RR _____ thousand).

38 Income Taxes

(a) Components of income tax expense / (benefit)

Income tax expense [credit] [recorded in profit or loss for the year] comprises the following: *[Note that income taxes also include withholding taxes on the Group's income.]*

In thousands of Russian Roubles	2018	2017
Current tax		
Deferred tax		
Income tax expense/(credit) for the year		

38 Income Taxes (Continued)

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the majority of the Group's 2018 income is 20% (2017: 20%). The income tax rate applicable to the majority of income of subsidiaries ranges from _____% to _____% (2017: from _____% to _____%). A reconciliation between the expected and the actual taxation charge is provided below.

In thousands of Russian Roubles	2018	2017
Profit/(loss) before tax *[This is the IFRS profit before tax]*		
Theoretical tax charge [credit] at statutory rate (2018: 20%; 2017: 20%)		
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Income which is exempt from taxation *[separately disclose significant items]*		
- Non-deductible expenses *[separately disclose significant items]*		
- Income on government securities taxed at different rates		
- Loss/(income) earned in tax free jurisdictions		
Under/over provision of current tax in prior years		
[Effects of different tax rates in other countries]		
Changes in expected manner of recovery or settlement resulting from controlled foreign company legislation		
Unrecognised tax loss carry forwards		
Unrecognised other potential deferred tax assets		
Utilisation of previously unrecognised tax loss carry forwards		
Recognition of previously unrecognised other deferred tax assets		
[Expand as appropriate]		
Income tax expense/(credit) for the year		

(c) Tax loss carry forwards

The Group has unrecognised potential deferred tax assets in respect of unused tax loss carry forwards of RR _____ thousand (2017: RR _____ thousand). The tax loss carry forwards expire as follows:

In thousands of Russian Roubles	2018	2017
Tax loss carry-forwards expiring by the end of:	-	
- 31 December 2019		
- 31 December 2020		
- 31 December 2021		
- 31 December 2022		
- after 31 December 2022		
Total tax loss carry forwards		

The Group also has unrecognised potential deferred tax assets in respect of deductible temporary differences of RR _____ thousand (2017: RR _____ thousand).

38 Income Taxes (Continued)

(d) Deferred taxes in respect of subsidiaries, joint ventures and associates

The Group has not recorded a deferred tax liability in respect of temporary differences of RR _____ thousand (2017: RR _____ thousand) associated with investments in subsidiaries [associates and joint ventures] as the Group is able to control the timing of the reversal of those temporary differences, and does not intend to reverse them in the foreseeable future.

[Management has performed an analysis of the dividend policies at the Group's associates and joint ventures with regards to the Group's potential deferred tax liabilities where the Group does not control reversal of the temporary difference, or expects the reversal to occur in the foreseeable future. For [list of associates and JVs], management expects that the carrying value of the investments would be recovered primarily through a sale and partially through dividends. No deferred taxes relating to a future sale are recognised in respect of [list associates and JVs], because any sale would occur in a tax free jurisdiction. Deferred taxes relating to a future sale are recognised in respect of [list associates and JVs] because these are held through subsidiaries in taxable jurisdictions, [Ukraine and Russia].

[In 2015, 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). Starting from 2016, CFC income is subject to a 20% tax rate. As a result, management reassessed the Group's tax positions and recognised additional current tax expense as well as deferred taxes for temporary differences that arise 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.]

(e) Uncertain income tax positions

Uncertain income tax positions. Current income tax liabilities include RR ____ thousand in respect of uncertainties relating to tax deductions taken for [describe type of expenses]. Management estimates that these exposures are more likely than not to require settlement if challenged by the tax authorities. Related penalties and interest are accrued and disclosed in Note 37 as operating expenses. The balance at 31 December 2018 is expected to be either fully utilised or released when the inspection rights of the tax authorities with respect to the relevant tax returns expire, as follows: RR ____ thousand by the end of 2021, RR ____ thousand by the end of 2020 and RR _____ thousand by the end of 2019.

38 Income Taxes (Continued)

(f) Deferred taxes analysed by type of temporary difference

Differences between IFRS and statutory taxation regulations in Russia [and other countries] give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

In thousands of Russian Roubles	1 January 2018	Business combi-nations	Transfer to non-current held for sale	Credited/ (charged) to profit or loss	Credited/ (charged) to other compre-hensive income	Credited/ (charged) directly to equity	31 Decem-ber 2018
Tax effect of deductible/(taxable) temporary differences [and tax loss carry forwards]							
Premises and equipment: *[explain what it relates to]*							
Credit loss allowance of loans							
Fair valuation of securities at FVTPL							
Fair valuation of securities at FVOCI							
Credit loss allowance of securities at AC							
Fair valuation of financial liabilities at FVTPL							
Associates							
Accruals							
Tax loss carry forwards							
Other							
[Adjust categories as appropriate]							
Net deferred tax asset/(liability)							
Recognised deferred tax asset							
Recognised deferred tax liability							
Net deferred tax asset/(liability)							

In the context of the Group's current structure and Russian tax legislation, tax losses and current tax assets of different group companies may not be offset against current tax liabilities and taxable profits of other group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity and the same taxation authority. *[Tailor wording if non-Russian tax legislation also applies to Group entities.]*

38 Income Taxes (Continued)

In thousands of Russian Roubles	1 January 2017	Business combi-nations	Transfer to non-current held for sale	Credited/ (charged) to profit or loss	Credited/ (charged) to other compre-hensive income	Credited/ (charged) directly to equity	31 Decem-ber 2017
Tax effect of deductible/(taxable) temporary differences [and tax loss carry forwards]							
Premises and equipment: *[explain what it relates to]*							
Credit loss allowance of loans							
Fair valuation of securities at FVTPL							
Fair valuation of investment securities AFS							
Credit loss allowance of investment securities HTM							
Associates							
Accruals							
Tax loss carry forwards							
Other							
[Adjust categories as appropriate]							
Net deferred tax asset/(liability)							
Recognised deferred tax asset							
Recognised deferred tax liability							
Net deferred tax asset/(liability)							

[Ensure that the figures shown under the headings labelled are presented appropriately, i.e. with or without brackets as the case may be.]

[IAS 12.61A states that current tax and deferred tax shall be charged or credited directly to equity (or to other comprehensive income) if the tax relates to items that are credited or charged, in the same or a different period, directly to equity (or to other comprehensive income).]

[Before offset of deferred tax asset with deferred tax liability ensure that it is allowed by IAS 12 (para 71-76).] [Deferred tax asset and deferred tax liability arising in different subsidiaries which may not be netted off for tax purposes should not be netted off on the consolidated balance sheet.]

38 Income Taxes (Continued)

(g) Current and deferred tax effects relating to each component of other comprehensive income

Current and deferred tax effects relating to each component of other comprehensive income are as follows:

In thousands of Russian Roubles	2018 Before-tax amount	2018 Income tax (expense) / benefit	2018 Net-of-tax amount	2017 Before-tax amount	2017 Income tax (expense) / benefit	2017 Net-of-tax amount
Debt securities at FVOCI:						
- Gains arising during the year						
- Reclassification adjustments for gains included in profit or loss						
Equity securities at FVOCI:						
- Gains arising during the year						
Change in fair value of financial liabilities at FVTPL						
AFS investments *[For comparatives only]*:						
- Gains arising during the year						
- Reclassification adjustments for gains included in profit or loss						
Revaluation of premises [and equipment]						
Share of other comprehensive income of associates						
[Exchange differences on translation to presentation currency]						
Other comprehensive income						

39 Dividends

In thousands of Russian Roubles	2018 Ordinary	2018 Preference	2017 Ordinary	2017 Preference
Dividends payable at 1 January				
Dividends declared during the year				
Dividends paid during the year				
[Translation to presentation currency]				
Dividends payable at 31 December				
Dividends per share declared during the year				

All dividends are declared and paid in Russian Roubles.

[If preference shares are classified as a liability, any dividends on these shares should be presented as interest expense. A separate note would be required for disclosure of such dividends if preference shares are a liability.]

40 Reconciliation of Liabilities Arising from Financing Activities

The table below sets out movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing actrivities in the statement of cash flows.

	Liabilities from financing activities			
In thousands or Russian Roubles	**Other borrowed funds**	**[Syndicated] long term borrowings from other banks**	**Subordinated debt** *[Adjust as appropriate]*	**Total**
Liabilities from financing activities at 1 January 2017				
Cash flows				
Business combinations				
Changes in fair values				
Foreign exchange adjustments				
Other non-cash movements				
Liabilities from financing activities at 31 December 2017				
Cash flows				
Business combinations				
Changes in fair values				
Foreign exchange adjustments				
Other non-cash movements				
Liabilities from financing activities at 31 December 2018				

[In addition, the disclosure requirement also applies to changes in financial assets, if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities. Such financial assets should be included in the table above. Changes in liabilities arising from financing activities shall be disclosed separately from changes in other assets and liabilities.]

41 Earnings [Loss] per Share

[EPS disclosure applies if ordinary shares or potential ordinary shares are publicly traded or the entity is in the process of issuing ordinary shares or potential ordinary shares in public markets.]

Basic earnings/(loss) per share are calculated by dividing the profit or loss attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares. *[If you have a rights issue the wording above should be amended in accordance with IAS 33.]*

The Bank has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal the basic earnings per share. Earnings per share are calculated as follows: *[Note that the below does not cover disclosures for discontinued operations.] [Calculation and presentation will change if there are dilutive elements of equity, e.g. share options or convertible bonds.]*

In thousands of Russian Roubles except for number of shares	Note	2018	2017
Profit/(loss) for the year attributable to ordinary shareholders			
Profit/(loss) for the year attributable to preference shareholders			
Profit or loss for the year attributable to the owners of the Parent			
Weighted average number of ordinary shares in issue (thousands) *[need to disclose calculation in separate table if complicated.]*	32		
Weighted average number of preference shares in issue (thousands)			
Basic and diluted earnings/(loss) per ordinary share (expressed in RR per share)			
Basic and diluted earnings/(loss) per preference share (expressed in RR per share)			

Profit/(loss) for the year attributable to ordinary and preference shareholders is calculated as follows:

In thousands of Russian Roubles	Note	2018	2017
Profit or loss for the year attributable to the owners of the Parent			
Less dividends on ordinary and preference shares	39		
Undistributed profit for the year			
Undistributed profit or loss for the year attributable to preference shareholders based on terms of the shares			
Preference dividends declared during the year	39		
Profit or loss for the year allocated to preference shareholders			
Undistributed profit or loss for the year attributable to ordinary shareholders based on terms of the shares			
Ordinary dividends declared during the year	39		
Profit or loss for the year allocated to ordinary shareholders			

42 Segment Analysis

[Segment information is only required if debt or equity securities are publicly traded or the entity is in the process of filing its financial statements with securities regulator. Please note that the disclosures below are illustrative only and segment reporting has to be tailored to follow internal reporting to CODM.]

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 entity. The functions of the CODM are performed by [the Board of Directors (management board)] of the Group.

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

The Group is organised on the basis of [three] main business segments:

- Retail banking – representing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- Corporate banking – representing direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products;
- Investment banking – representing financial instruments trading, structured financing, corporate leasing, merger and acquisitions advice.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different customers. They are managed separately because each business unit requires different [marketing strategies and service level].

Segment financial information reviewed by the CODM includes [loans and advances to customers] of the Group's subsidiaries, but not their results and other items in the statement of financial position. Regular review of these subsidiary banks is delegated to the local management teams. The CODM obtains financial statements of the Group's subsidiaries. Such financial information overlaps with segment analysis provided internally to the CODM. Management, therefore, applied the core principle of IFRS 8 "Operating Segments", in determining which of the overlapping financial information sets should form the basis of operating segments. Management considered that information on subsidiary banks is available less frequently in concluding that segments exclude details of the subsidiaries other than information about [their loan portfolios].

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on Russian accounting standards adjusted to meet the requirements of internal reporting. Such financial information differs in certain aspects from International Financial Reporting Standards:

(i) the fair value changes in AFS securities are reported within the segments' profits or losses rather than in other comprehensive income;

(ii) funds are generally reallocated between segments at internal interest rates set by the treasury department, which are determined by reference to market interest rate benchmarks, contractual maturities for loans and observed actual maturities of customer accounts balances;

(iii) income taxes are not allocated to segments;

(iv) loan provisions are recognised based on management judgement and availability of information, rather than based on the expected loss model prescribed in IFRS 9;

(v) commission income relating to lending is recognised immediately rather than deferred using the effective interest method; and

(vi) liabilities for the Group's post-employment obligations are not recognised.

42 Segment Analysis (Continued)

The CODM evaluates performance of each segment based on [profit before tax].

(d) Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for the year ended 31 December 2018 is set out below:

In thousands of Russian Roubles	**Retail banking**	**Corporate banking**	**Investment banking**	**[Other]**	**Elimina-tions**	**Total**
Non-current assets held for sale (or disposal groups)						
Investment in associates						
[Other] reportable segment assets						
Total reportable segment assets						
Liabilities directly associated with disposal groups held for sale						
[Other] reportable segment liabilities						
Total reportable segment liabilities						
Capital expenditure						

42 Segment Analysis (Continued)

Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

In thousands of Russian Roubles	**Retail banking**	**Corporate banking**	**Investment banking**	**[Other]**	**Elimina-tions[2]**	**Total**
2018						
External revenues:						
- Interest income						
- Fee and commission income						
- Other operating income						
Revenues from other segments						
- Interest income						
- Fee and commission income						
- Other operating income						
Total revenues						
Timing of revenue recognition:						
- At point in time						
- Over time						
Interest expense						
Credit loss allowance						
Impairment of investment securities at FVOCI						
Provision for credit related commitments						
Fee and commission expense						
Gains less losses from financial derivatives						
Gains less losses from securities at FVTPL						
Gains less losses from trading in foreign currencies						
Gains less losses on revaluation of investment properties						
Foreign exchange translation gains less losses						
Gains less losses from disposals of investment securities at FVOCI						
Gains/(losses) arising from early retirement of debt						
Administrative and other operating expenses						
Share of result of associates						
Segment result						

[2] The eliminations need to be shown separately from 'other' in the segment report.

42 Segment Analysis (Continued)

Segment information for the reportable segments for the year ended 31 December 2017 is set out below:

In thousands of Russian Roubles	**Retail banking**	**Corporate banking**	**Investment banking**	**[Other]**	**Elimina-tions**	**Total**
Non-current assets held for sale (or disposal groups)						
Investment in associates						
[Other] reportable segment assets						
Total reportable segment assets						
Liabilities directly associated with disposal groups held for sale						
[Other] reportable segment liabilities						
Total reportable segment liabilities						
Capital expenditure						
External revenues:						
- Interest income						
- Fee and commission income						
- Other operating income						
Revenues from other segments						-
- Interest income						
- Fee and commission income						
- Other operating income						
Total revenues						
Interest expense						
Credit loss allowance						
Impairment of investment securities AFS						
Impairment of investment securities HTM						
Provision for credit related commitments						
Fee and commission expense						
Gains less losses from financial derivatives						
Gains less losses from securities at FVTPL						
Gains less losses from trading in foreign currencies						
Gains less losses on revaluation of investment properties						
Foreign exchange translation gains less losses						
Gains less losses from disposals of investment securities AFS						
Gains/(losses) arising from early retirement of debt						
Administrative and other operating expenses						
Share of result of associates						
Segment result						

42 Segment Analysis (Continued)

(e) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

In thousands of Russian Roubles	**2018**	**2017**
Total revenues for reportable segments		
(a) [description of each adjustment]		
(b) [description of each adjustment]		
(c) [description of each adjustment]		
Total consolidated revenues		

Total consolidated revenues comprise interest income, fee and commission income and other operating income.

In thousands of Russian Roubles	**2018**	**2017**
Total reportable segment result		
(a) [description of each adjustment]		
(b) [description of each adjustment]		
(c) [description of each adjustment]		
Profit or loss before tax		

In thousands of Russian Roubles	**2018**	**2017**
Total reportable segment assets		
(a) [description of each adjustment]		
(b) [description of each adjustment]		
(c) [description of each adjustment]		
Total consolidated assets		

In thousands of Russian Roubles	**2018**	**2017**
Total reportable segment liabilities		
(a) [description of each adjustment]		
(b) [description of each adjustment]		
(c) [description of each adjustment]		
Total consolidated liabilities		

42 Segment Analysis (Continued)

Reconciliation of other material items of income or expenses for the year ended 31 December 2018 is as follows:

In thousands of Russian Roubles	**Total amount for all reportable segments**	**[Adjust-ment 1]**	**[Adjust-ment 2]**	**[Adjust-ment 3]**	**[Adjust-ment 4]**	**As reported under IFRS**
Material income or expenses for year ended 31 December 2018						
External revenues:						
- Interest income						
- Fee and commission income						
- Other operating income						
Interest expense						
Credit loss allowance						
Impairment of investment securities at FVOCI						
Fee and commission expense						
Gains less losses from financial derivatives						
Gains less losses from securities at FVTPL						
Gains less losses from trading in foreign currencies						
Gains less losses on revaluation of investment properties						
Foreign exchange translation gains less losses						
Gains less losses from disposals of investment securities at FVOCI						
Gains/(losses) arising from early retirement of debt						
Administrative and other operating expenses						
Share of result of associates						

The reconciling items are attributable to the following:

(i) [description of each adjustment];

(ii) [description of each adjustment];

(iii) [description of each adjustment];

42 Segment Analysis (Continued)

Reconciliation of other material items of income or expenses for the year ended 31 December 2017 is as follows:

In thousands of Russian Roubles	**Total amount for all reportable segments**	**[Adjust-ment 1]**	**[Adjust-ment 2]**	**[Adjust-ment 3]**	**[Adjust-ment 4]**	**As reported under IFRS**
Material income or expenses for year ended 31 December 2017						
External revenues:						
- Interest income						
- Fee and commission income						
- Other operating income						
Interest expense						
Credit loss allowance						
Impairment of investment securities AFS						
Impairment of investment securities HTM						
Fee and commission expense						
Gains less losses from financial derivatives						
Gains less losses from securities at FVTPL						
Gains less losses from trading in foreign currencies						
Gains less losses on revaluation of investment properties						
Foreign exchange translation gains less losses						
Gains less losses from disposals of investment securities AFS						
Gains/(losses) arising from early retirement of debt						
Administrative and other operating expenses						
Share of result of associates						

The reconciling items are attributable to the following:

(i) [description of each adjustment];

(ii) [description of each adjustment];

(iii) [description of each adjustment];

42 Segment Analysis (Continued)

Reconciliation of material assets and liabilities at 31 December 2018 and of capital expenditure for 2018 is as follows[3]:

In thousands of Russian Roubles	Total amount for all reportable segments	[Adjust-ment 1]	[Adjust-ment 2]	[Adjust-ment 3]	[Adjust-ment 4]	As reported under IFRS
Assets at 31 December 2018						
Non-current assets held for sale (or disposal groups)						
Investment in associates						
Other reportable segment assets						
Liabilities at 31 December 2018						
Liabilities directly associated with disposal groups held for sale						
Other reportable segment liabilities						
Capital expenditure for 2018						

The reconciling items are attributable to the following:

(i) [description of each adjustment];

(ii) [description of each adjustment];

(iii) [description of each adjustment];

Reconciliation of material assets and liabilities at 31 December 2017 and of capital expenditure for 2017 is as follows:

In thousands of Russian Roubles	Total amount for all reportable segments	[Adjust-ment 1]	[Adjust-ment 2]	[Adjust-ment 3]	[Adjust-ment 4]	As reported under IFRS
Assets at 31 December 2017						
Non-current assets held for sale (or disposal groups)						
Investment in associates						
Other reportable segment assets						
Liabilities at 31 December 2017						
Liabilities directly associated with disposal groups held for sale						
Other reportable segment liabilities						
Capital expenditure for 2017						

[3] IFRS 8.28(e) requires a reconciliation of total of reportable segments amounts for every material item of information disclosed to the corresponding IFRS amount for the entity.

42 Segment Analysis (Continued)

The reconciling items are attributable to the following:

(i) [description of each adjustment];

(ii) [description of each adjustment];

(iii) [description of each adjustment];

(f) Analysis of revenues by products and services

The Group's revenues are analysed by products and services in Notes 34 (interest income), Note 35 (fee and commission income) and in Note 36 (other operating income).

(g) Geographical information

Revenues for each individual country for which the revenues are material are reported separately, as follows:

In thousands of Russian Roubles	**2018**	**2017**
Russia		
Ukraine		
Kazakhstan		
Other countries		
[expand as appropriate]		
Total consolidated revenues		

The analysis is based on domicile of the customer. Revenues from off-shore companies of Russian customers are reported as revenues from Russia. Revenues comprise interest income, fee and commission income and other operating income.

Capital expenditure for each individual country for which it is material is reported separately, as follows:

In thousands of Russian Roubles	**2018**	**2017**
Russia		
Ukraine		
Kazakhstan		
Other countries		
[expand as appropriate]		
Total consolidated revenues		

The analysis is based on location of assets. Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

42 Segment Analysis (Continued)

(h) Major customers

Revenues from customers which represent 10% or more of the total revenues are as follows:

In thousands of Russian Roubles	Retail banking	Corporate banking	Investment banking	[Other]	Total
2018					
[Customer 1]					
[Customer 2]					
[expand as appropriate]					
Total revenues for 2018					

In thousands of Russian Roubles	Retail banking	Corporate banking	Investment banking	[Other]	Total
2017					
[Customer 1]					
[Customer 2]					
[expand as appropriate]					
Total revenues for 2017					

Management considered the extent of economic integration between entities controlled by the Russian government, and concluded that entities under the control of the government are not in general a single customer for the purposes of the above disclosure. Revenues comprise interest income, fee and commission income and other operating income.

[The Group does not have customers with the revenues exceeding 10% of the total revenue of the Group.]

43 Financial Risk Management

[The below disclosures are illustrative and should be extensively tailored to the Group's circumstances while maintaining compliance with IFRS 7's disclosure requirements.]

The risk management function within the Group is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

Credit risk. The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

43 Financial Risk Management (Continued)

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position. For financial guarantees issued, commitments to extend credit, undrawn credit lines and export/import letters of credit, the maximum exposure to credit risk is the amount of the commitment.

Credit risk management. Credit risk is the single largest risk for the Group's business; management therefore carefully manages its exposure to credit risk.

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Limits. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Limits on the level of credit risk by product and industry sector are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review.

[The Group established a number of credit committees that are responsible for approving credit limits for individual borrowers:

- The senior credit committee reviews and approves limits above RUB ___ thousand and meets monthly. It is also responsible for issuing guidance to lower-level credit committees;
- The junior credit committees review and approve credit limits below RUB ___ thousand and meet weekly.]

Loan applications originating with the relevant client relationship managers are passed on to the relevant credit committee for the approval of the credit limit. Exposure to credit risk is also managed, in part, by obtaining collateral as well as corporate and personal guarantees. In order to monitor exposure to credit risk, regular reports are produced by the [credit department's] officers based on a structured analysis focusing on the customer's business and financial performance. Any significant interaction with customers with deteriorating creditworthiness are reported to and reviewed by [the Board of Directors].

Credit risk grading system. For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies two approaches – an Internal Risk-Based (IRB) rating system or risk grades estimated by external international rating agencies (Standard & Poor's - "S&P", Fitch, Moody's). Internal and external credit ratings are mapped on an internally defined master scale with a specified range of probabilities of default as disclosed in the table below:

Master scale credit risk grade	Corresponding internal ratings	Corresponding ratings of external international rating agencies (S&P)	Corresponding PD interval
Excellent	[1 – 6]	AAA to BB+	0,01% - 0,5%
Good	[7 – 14]	BB to B+	0,51% - 3%
Satisfactory	[15 – 21]	B, B-	3% - 10%
Special monitoring	[22 – 25]	CCC+ to CC-	10% - 99,9%
Default	[26 – 30]	C, D-I, D-II	100%

43 Financial Risk Management (Continued)

Each master scale credit risk grade is assigned a specific degree of creditworthiness:

- *Excellent* – strong credit quality with low expected credit risk;
- *Good* – adequate credit quality with a moderate credit risk;
- *Satisfactory* – moderate credit quality with a satisfactory credit risk;
- *Special monitoring* – facilities that require closer monitoring and remedial management; and
- *Default* – facilities in which a default has occurred.

The IRB system is designed internally and ratings are estimated by management. Various credit-risk estimation techniques are used by the Group depending on the class of the asset. There are three commonly used types of such systems:

- *Model-based* – In this system, credit risk ratings are assigned by internally developed statistical models with the limited involvement of credit officers. Statistical models include qualitative and quantitative information that shows the best predictive power based on historical data on defaults.
- *Expert judgement-based* – In this system, credit risk ratings are assigned subjectively by experienced credit officers based on internally developed methodology and different qualitative and quantitative factors. This approach is based on expert methodology and judgements rather than on sophisticated statistical models.
- *Hybrid* – This rating system is a combination of the two systems above. It is developed by using historical data combined with expert input.

The Group applies IRB systems for measuring credit risk for the following financial assets: [corporate loans, SMEs and finance lease receivables].

The rating models are regularly reviewed by [the Credit Risk Department], backtested on actual default data and updated, if necessary. Despite the method used, the Group regularly validates the accuracy of ratings estimates and appraises the predictive power of the models.

External ratings are assigned to counterparties by independent international rating agencies, such as S&P, Moody's and Fitch. These ratings are publicly available. Such ratings and the corresponding range of probabilities of default ("PD") are applied for the following financial instruments: [interbank placements, loans to sovereigns and sub-sovereigns, and investments in debt securities (government, corporate, municipal bonds, eurobonds and promissory notes purchased).]

Expected credit loss (ECL) measurement. *ECL* is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. The EAD on credit related commitments is estimated using Credit Conversion Factor ("CCF"). CCF is a coefficient that shows the probability of conversion of the committen amounts to an on-balance sheet exposure within a defined period. [The Group's management estimates that 12-month and lifetime CCFs are materially the same.] PD an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof.

43 Financial Risk Management (Continued)

Expected credit losses are modelled over instrument's *lifetime period*. The *lifetime period* is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any. For loan commitments and financial guarantee contracts, it is the contractual period over which an entity has a present contractual obligation to extend credit. As a matter of exception from determining the lifetime exposure based on contractual maturity, for credit cards issued to individuals, the lifetime exposure is measured over a period that is based on expected life of the credit card contracts, based on internal statistics, and it is equal on average to [3] to [5] years.

Management models *Lifetime ECL,* that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The *12-month ECL,* represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining *lifetime period* of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider *forward looking information,* that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The ECL modelling does not differ for Purchased or Originated Credit Impaired ("POCI") financial assets, except that (a) gross carrying value and discount rate are based on cash flows that were recoverable at initial recognition of the asset, rather than based on contractual cash flows, and (b) the ECL is always a lifetime ECL. POCI assets are financial assets that are credit-impaired upon initial recognition, such as impaired loans acquired in a past business combination.

For purposes of measuring PD, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- [the borrower is more than 90 days past due on its contractual payments;
- the bank has sold the borrower's debt or its portion at a loss due to credit deterioration;
- international rating agencies have classified the borrower in the default rating class;
- the borrower meets the unlikeliness-to-pay criteria listed below:
  - the bank was forced to restructure the debt;
  - the borrower is deceased;
  - the borrower is insolvent;
  - the borrower is in breach of financial covenant(s);
  - the borrower was classified in 4th or 5th category according to CBRF 590-P "Regulation on the procedure for making loan loss provisions and provisions for loan debts and similar debts by credit institutions";
  - it is becoming likely that the borrower will enter bankruptcy; and
  - the loans were purchased or originated at a deep discount that reflects the incurred credit losses.]

For purposes of disclosure, the Group fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Group. *[Specify the definition of default as it is used for internal credit risk management purposes for any specific class of financial instruments, if different].*

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of [six months]. This period of [six months] has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after curing by using different possible definitions of cures. *[Specify criteria used by the Group for each class of financial assets.]*

43 Financial Risk Management (Continued)

The assessment whether or not there has been a significant increase in credit risk (“SICR”) since initial recognition is performed on an individual basis and on a portfolio basis. For [loans issued to corporate entities, interbank loans and debt securities at AC or at FVOCI], SICR is assessed on an individual basis by monitoring the triggers stated below. For [loans issued to individuals and other financial assets], SICR is assessed either on a portfolio basis or an individual basis, depending on the existence of scoring models. The criteria used to identify an SICR are monitored and reviewed periodically for appropriateness by the Group’s [Risk Management Department]. The presumption, being that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has not been rebutted.

The Group decided not to use the low credit risk assessment exemption for investment grade financial assets. Hence, even assets of an investment grade are assessed whether there has been a SICR.

The Group considers a financial instrument to have experienced an SICR when one or more of the following quantitative, qualitative or backstop criteria have been met. *[specify separately in case the assessment of SICR differs for specialised lending or other financial assets]*

For interbank operations and bonds issued by banks:

- [30] days past due;
- award of risk grade “Special monitoring”;
- SICR based on relative threshold based either on external ratings or internal ratings. The following thresholds are used for external ratings: decrease of rating by [2] notches, for internal ratings by [5] notches, which corresponds to an approximate increase of PD by [2.5] times.

For loans issued to legal entities and bonds issued by corporate customers:

- [30] days past due;
- award of risk grade “Special monitoring”;
- SICR based on relative threshold based either on external ratings or internal ratings. The following thresholds are used for external ratings: decrease of rating by [2] notches, for internal ratings by [5] notches, which corresponds to approximate increase of PD by [2.5] times;
- inclusion of loan into a watch list according to the internal credit risk monitoring process.

For loans to Individuals:

- [30] days past due;
- [Relative threshold defined on the basis of a portfolio for products without existing scoring models: the Group regularly monitors segments with increased credit risk (regions of higher credit risk, failed products, products on which issuing was stopped) and considers such portfolios to have a SICR;] / [Relative threshold defined on individual basis for products with existing scoring models: increase of the remaining lifetime PD compared to remaining lifetime PD estimated as of the date of initial recognition by 2.5 times. In some circumstances, the Group uses a 12-month PD instead of a lifetime PD for calculating this ratio, if the effect of using 12-month PD is not materially different.]

[Note: in the illustrative disclosure presented above, consistent criteria have been applied to each retail and corporate loan. In practice, a SICR might be determined differently for different products or portfolios within such groupings, in which case the disclosures presented above should be adapted accordingly.]

[Note: backstop criterion cannot be more than 30 days.]

43 Financial Risk Management (Continued)

The level of ECL that is recognised in these consolidated financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognise interest income based on gross carrying value and applies the asset's effective interest rate to the carrying amount, net of ECL, when calculating interest income.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Group monitors whether that indicator continues to exist or has changed. *[Specify the process for how the Group monitors SICR indicators]*.

ECL for POCI financial assets is always measured on a lifetime basis. The Group therefore only recognises the cumulative changes in lifetime expected credit losses.

The Group has three approaches for ECL measurement: (i) assessment on an individual basis; (ii) assessment on a portfolio basis: internal ratings are estimated on an individual basis but the same credit risk parameters (e.g. PD, LGD) will be applied during the process of ECL calculations for the same credit risk ratings and homogeneous segments of the loan portfolio; and (iii) assessment based on external ratings. The Group performs an assessment on an individual basis for the following types of loans: [loans with unique credit risk characteristics, individually significant loans, that is, individual exposures above RR ____ thousand and credit-impaired loans above RR ____ thousand.]. The Group performs an assessment on a portfolio basis for the following types of loans: [retail loans and loans issued to SMEs, when no borrower-specific information is available]. This approach stratifies the loan pool into homogeneous segments based on borrower-specific information, such as [delinquency status, the historical data on losses, location and other predictive information.] The Group also performs an assessment on a portfolio basis for [loans issued to corporate customers (standard lending, specialised lending, loans to leasing companies, etc.), interbank loans, retail loans and loans issued to SMEs.]

The Group performs assessments baed on external ratings for [interbank loans, debt securities issued by the banks and certain blue chip coportate customers, and loans issued to sovereigns.]

ECL assessment on an individual basis is performed by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome. The Group defines at least two possible outcomes for each assessed loan, one of which leads to a credit loss even if the probability of such a scenario may be very low. Individual assessment is primarily based on the expert judgement of experienced officers from the [Credit Risk and Non-Performing Loan Management Department]. Expert judgements are regularly tested in order to decrease the difference between estimates and actual losses.

When assessment is performed on a portfolio basis, the Group determines the staging of the exposures and measures the loss allowance on a collective basis. The Group analyses its exposures by segments determined on the basis of shared credit risk characteristics, such that exposures within a group have homogeneous or similar risks. The key shared credit characteristics considered are: [type of customer (such as wholesale or retail), product type, credit risk rating, date of initial recognition, term to maturity, the quality of collateral and loan to value (LTV) ratio.]. The different segments also reflect differences in credit risk parameters such as PD and LGD. The appropriateness of groupings is monitored and reviewed on a periodic basis by [the Risk Management Department].

[The Group should specify the distribution of the portfolio into homogeneous segments. In performing this grouping, there must be sufficient information for the group to be statistically credible. When sufficient information is not available internally, the Group can consider benchmarking internal/external supplementary data to use for modelling purposes.]

43 Financial Risk Management (Continued)

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future [month/year] during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The key principles of calculating the credit risk parameters. The EADs are determined based on the expected payment profile, that varies by product type. EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis for amortising products and bullet repayment loans. This will also be adjusted for any expected overpayments made by a borrower. Early repayment or refinancing assumptions are also incorporated into the calculation. For revolving products, the EAD is predicted by taking the current drawn balance and adding a "credit conversion factor" that accounts for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type, current limit utilisation and other borrower-specific behavioural characteristics.

Two types of PDs are used for calculating ECLs: 12-month and lifetime PD. An assessment of a 12-month PD is based on the latest available historic default data and adjusted for supportable forward-looking information when appropriate. Lifetime PDs represent the estimated probability of a default occurring over the remaining life of the financial instrument and it is a sum of the 12 months PDs over the life of the instrument. The Group uses different statistical approaches depending on the segment and product type to calculated lifetime PDs, such as the extrapolation of 12-month PDs based on migration matrixes, developing lifetime PD curves based on the historical default data, hazard rate approach or other *[specify]*.

LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by the type of counterparty, type and seniority of the claim, and the availability of collateral or other credit support. The 12-month and lifetime LGDs are determined based on the factors that impact the expected recoveries after a default event. The approach to LGD measurement can be divided into three possible approaches:

- measurement of LGD based on the specific characteristics of the collateral;
- calculation of LGD on a portfolio basis based on recovery statistics; or
- individually defined LGD depending on different factors and scenarios.

The Group calculates LGD based on specific characteristics of the collateral, such as projected collateral values, historical discounts on sales and other factors for loans secured by real estate, cash and liquid securities. LGD is calculated on a collective basis based on the latest available recovery statistics for the remainder of the corporate loan portfolio and for retail secured and unsecured products.

[There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.]

ECL measurement for financial guarantees and loan commitments. The ECL measurement for these instruments includes the same steps as described above for on-balance sheet exposures and differs with respect to EAD calculation. The EAD is a product of credit conversion factor ("CCF") and amount of the commitment ("$ExOff$"). CCF for undrawn credit lines of corporate customers, credit cards issued to individuals and for financial guarantees is defined based on statistical analysis of past exposures at default. CCF for overdrafts is defined as [100%] since the limits can be used by the customers at any time.

Principles of assessment based on external ratings. Certain exposures have external credit risk ratings and these are used to estimate credit risk parameters PD and LGD from the default and recovery statistics published by the respective rating agencies. This approach is applied to government and blue chip corporate bonds exposures.

43 Financial Risk Management (Continued)

Forward-looking information incorporated in the ECL models. The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs. Forecasts of economic variables (the "base economic scenario") are provided by the Group's *[economics team on a quarterly basis]* and provide the best estimate of the expected macro-economic development over the next [five] years. After [five] years, a mean reversion approach is used, which means that economic variables tend to revert to either a long run average rate (e.g. for unemployment) *[specify]* or a long run average growth rate (e.g. GDP). The impact of the relevant economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact that the changes in these variables historically had on the default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group's [Risk Department] also provides other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure that non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking into account the range of possible outcomes of which each chosen scenario is representative. The assessment of SICR is performed using the Lifetime PD under each of the bases and the other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether a 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability-weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs).

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

[Add information about specific forward-looking information and significant period-end assumptions used for the ECL estimate.]

The Group regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit. Such backtesting is performed at least once a year.

The results of backtesting the ECL measurement methodology are communicated to Group Management and further steps for tuning models and assumptions are defined after discussions between authorised persons.

43 Financial Risk Management (Continued)

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rates and (c) equity products, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. In respect of currency risk, management sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

[Disclose here detailed processes for management of currency risks. Processes need to be disclosed in addition to objectives and policies for managing the currency risk.]

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

	At 31 December 2018				At 31 December 2017			
In thousands of Russian Roubles	**Monetary financial assets**	**Monetary financial liabilities**	**Derivatives**	**Net position**	**Monetary financial assets**	**Monetary financial liabilities**	**Derivatives**	**Net position**
Russian Roubles								
US Dollars								
Euros								
Pound Sterling								
Ukrainian Hryvnia								
Other								
Total								

[Derivatives presented above are monetary financial assets or monetary financial liabilities, but are presented separately in order to show the Group's gross exposure.]

[Do not include above non-monetary items, including shares and derivatives on shares. Total monetary financial assets and liabilities are different from total financial assets and liabilities as shares and other non-monetary items are excluded from the table and derivatives are presented in a separate column. Amounts disclosed in respect of derivatives represent the fair value, at the end of the reporting period, of the respective currency that the Group agreed to buy (positive amount) or sell (negative amount) before netting of positions and payments with the counterparty. The amounts by currency are presented gross as stated in Note 50. The net total represents the fair value of the currency derivatives. The above analysis includes only monetary assets and liabilities. Investments in equities and non-monetary assets are not considered to give rise to any material currency risk.

43 Financial Risk Management (Continued)

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Group entities, with all other variables held constant:

	At 31 December 2018		**At 31 December 2017**	
In thousands of Russian Roubles	**Impact on profit or loss**	**Impact on equity**	**Impact on profit or loss**	**Impact on equity**
US Dollar strengthening by 20% (2017: strengthening by [20]%)				
US Dollar weakening by 20% (2017: weakening by [20]%)				
Euro strengthening by 20% (2017: strengthening by [20]%)				
Euro weakening by 20% (2017: weakening by [20]%)				
Ukrainian Hryvnia strengthening by __% (2017: strengthening by [__]%)				
Ukrainian Hryvnia weakening by __% (2017: weakening by [__]%)				
Other strengthening by 20% (2017: strengthening by [30]%)				
Other weakening by 20% (2017: weakening by [30]%)				
Total				

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the respective entity of the Group. [The Group's exposure to currency risk at the end of the reporting period is not representative of the typical exposure during the year. The following table presents sensitivities of profit and loss and equity to reasonably possible changes in exchange rates applied to the average exposure to currency risk during the year, with all other variables held constant:]

	Average exposure during 2018		**Average exposure during 2017**	
In thousands of Russian Roubles	**Impact on profit or loss**	**Impact on equity**	**Impact on profit or loss**	**Impact on equity**
US Dollar strengthening by 20% (2017: by [20]%)				
US Dollar weakening by 20% (2017: by [20]%)				
Euro strengthening by 20% (2017: by [20]%)				
Euro weakening by 20% (2017: by [30]%)				
Ukrainian Hryvnia strengthening by 20% (2017: by [__]%)				
Ukrainian Hryvnia weakening by 20% (2017: by [__]%)				
Other strengthening by 20% (2017: by [20]%)				
Other weakening by 20% (2017: by [20]%)				
Total				

43 Financial Risk Management (Continued)

Interest rate risk. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

[Disclose here detailed processes for management of interest risks. Processes need to be disclosed in addition to objectives and policies for managing the interest risks.]

The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

In thousands of Russian Roubles	**Demand and less than 1 month**	**From 1 to 6 months**	**From 6 to 12 months**	**More than 1 year**	**Non-monetary**	**Total**
31 December 2018						
Total financial assets						
Total financial liabilities						
Net interest sensitivity gap at 31 December 2018						
31 December 2017						
Total financial assets						
Total financial liabilities						
Net interest sensitivity gap at 31 December 2017						

All of the Group's debt instruments reprice within 5 years [except fixed interest rate [eurobonds] of RR ____ thousand, which mature in ____] (2015: all reprice within 5 years [except fixed interest rate [eurobonds] of RR ____ thousand, which mature in ____]).

At 31 December 2018, if interest rates at that date had been 200 basis points lower (2017: [200] basis points lower) with all other variables held constant, profit for the year would have been RR ____ thousand (2017: RR ____ thousand) higher, mainly as a result of lower interest expense on variable interest liabilities [and higher fair value of debt trading and other securities at fair value through profit or loss]. Other components of equity would have been RR ____ thousand (2017: RR ____ thousand) higher, [mainly] as a result of an increase in the fair value of fixed rate financial assets at fair value through other comprehensive income. *[Disclose also assumptions made in calculating the sensitivities. Consider presenting sensitivities by currency.]*

If interest rates had been 200 basis points higher (2017: [200] basis points higher), with all other variables held constant, profit would have been RR ____ thousand (2017: RR ____ thousand) lower, mainly as a result of higher interest expense on variable interest liabilities [and lower fair value of debt trading and other securities at fair value through profit or loss]. Other components of equity would have been RR ____ thousand (2017: RR ____ thousand) lower, [mainly] as a result of a decrease in the fair value of fixed rate financial assets at far value through other comprehensive income. *[Disclose also assumptions made in calculating the sensitivities. Consider presenting sensitivities by currency.]*

43 Financial Risk Management (Continued)

[The Group’s exposure to interest rate risk at the end of the reporting period is not representative of the typical exposure during the year. For the average exposure during 2018, if interest rates had been 200 basis points lower (2017: [200] basis points lower) with all other variables held constant, profit for the year would have been RR ____ thousand (2017: RR ____ thousand) higher, [mainly] as a result of lower interest expense on variable interest liabilities [and higher fair value of debt trading and other securities at fair value through profit or loss]. Other components of equity would have been RR ____ thousand (2017: RR ____ thousand) higher, [mainly] as a result of an increase in the fair value of fixed rate financial assets at fair value through other comprehensive income.

For the average exposure during 2018, if interest rates had been 200 basis points higher (2017: [200] basis points higher), with all other variables held constant, profit would have been RR ____ thousand (2017: RR ____ thousand) lower, [mainly] as a result of higher interest expense on variable interest liabilities [and lower fair value of debt trading and other securities at fair value through profit or loss]. Other components of equity would have been RR ____ thousand (2017: RR ____ thousand) lower, [mainly] as a result of a decrease in the fair value of fixed rate financial assets at fair value through other comprehensive income.] *[Alternatively, if the Group prepares and uses sensitivity analysis that reflects interdependencies between risk variables, such as value-at-risk, it may replace the above disclosure with that method. The explanation of the method and its potential limitations should be disclosed [IFRS 7.41]. Overall, the disclosure should cover all the relevant financial assets and liabilities, not only “trading book”.]*

The Group monitors interest rates for its financial instruments. The table below summarises interest rates at the respective reporting date based on reports reviewed by key management personnel. For securities, the interest rates represent yields to maturity based on market quotations at the reporting date:

	2018				**2017**			
In % p.a.	**RR**	**USD**	**Euro**	**Other**	**RR**	**USD**	**Euro**	**Other**
Assets								
Cash and cash equivalents								
Debt trading securities	-	-	-	-				
Other debt [securities] [financial assets] designated at fair value through profit or loss	-	-	-	-				
Investments in debt securities					-	-	-	-
Due from other banks								
Loans and advances to customers								
Debt investment securities available for sale	-	-	-	-				
Repurchase receivables								
Debt investment securities held to maturity	-	-	-	-				
Other financial assets								
Financial assets included in non-current assets held for sale (or disposal groups)								
Liabilities								
Due to other banks								
Customer accounts								
- current and settlement accounts								
- term deposits								
Debt securities in issue [Promissory notes issued]								
Other borrowed funds								
Other financial liabilities								
Subordinated debt								
Financial liabilities associated with non-current assets held for sale (or disposal groups)								

[Include all monetary assets and liabilities in the above table.]

43 Financial Risk Management (Continued)

The sign "-" in the table above means that the Group does not have the respective assets or liabilities in the corresponding currency.

Other price risk. The Group has [limited] exposure to equity price risk. Transactions in equity products are monitored and authorised by the [Group treasury]. At 31 December 2018, if equity prices at that date had been [20% (2017: 25%)] lower (higher) with all other variables held constant, profit for the year would have been RR ____ thousand (2017: RR ____ thousand) lower (higher), and other components of equity would have been RR ____ thousand (2017: RR ____ thousand) lower (higher), mainly as a result of a decrease in the fair value of corporate shares at FVOCI (2017: available for sale). *[Disclose also assumptions made in calculating the sensitivities.]*

The Group is exposed to prepayment risk through providing [fixed or variable rate] loans, including mortgages, which give the borrower the right to repay the loans early. The Group's current year profit [loss] and equity at the end of the current reporting period would not have been significantly impacted by changes in prepayment rates because such loans are carried at amortised cost and the prepayment right is at, or close to, the amortised cost of the loans and advances to customers (2017: no material impact). *[Please disclose information about any other price risk that the Group may be exposed to.]*

Geographical risk concentrations. The geographical concentration of the Group's financial assets and liabilities at 31 December 2018 is set out below:

In thousands of Russian Roubles	**Russia**	**Ukraine**	**Portugal, Italy, Cyprus, Greece, Spain**	**[Other OECD]**	**[Non-OECD]**	**Total**
Financial assets						
Cash and cash equivalents						
Investments in debt securities						
Investment in equity securities						
Due from other banks						
Loans and advances to customers						
Repurchase receivables						
Other financial assets						
Total financial assets						
Financial liabilities						
Due to other banks						
Customer accounts						
Debt securities in issue [Promissory notes issued]						
Other borrowed funds						
Other financial liabilities						
Subordinated debt						
Total financial liabilities						
Net position in on-balance sheet financial instruments						
Credit related commitments *[should agree to commitments footnote]*						

43 Financial Risk Management (Continued)

Assets, liabilities and credit related commitments have [generally] been based on the country in which the counterparty is located. Balances with Russian counterparties actually outstanding to/from offshore companies of these Russian counterparties, are allocated to the caption "Russia". Cash on hand [and precious metals] have been allocated based on the country in which they are physically held.

The geographical concentration of the Group's financial assets and liabilities at 31 December 2017 is set out below:

In thousands of Russian Roubles	Russia	Ukraine	Portugal, Italy, Cyprus, Greece, Spain	[Other OECD]	[Non-OECD]	Total
Financial assets						
Cash and cash equivalents						
Trading securities						
Other [securities] [financial assets] at fair value through profit or loss						
Due from other banks						
Loans and advances to customers						
Investment securities available for sale						
Repurchase receivable						
Investment securities held to maturity						
Other financial assets						
Total financial assets						
Financial liabilities						
Due to other banks						
Customer accounts						
Debt securities in issue [Promissory notes issued]						
Other borrowed funds						
Other financial liabilities						
Subordinated debt						
Total financial liabilities						
Net position in on-balance sheet financial instruments						
Credit related commitments *[should agree to commitments footnote]*						

Other risk concentrations. Management monitors and discloses concentrations of credit risk by obtaining reports listing exposures to borrowers with aggregated loan balances in excess of 10% of net assets. [Refer to Notes 10 and 11.] [The Group did not have any such significant risk concentrations at 31 December 2018 and 2017.]

43 Financial Risk Management (Continued)

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs, guarantees and from margin and other calls on cash-settled derivative instruments. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by [the Asset/Liability Committee] of the Group. *[Needs tailoring to the Group's circumstances.]*

The Group seeks to maintain a stable funding base primarily consisting of amounts due to other banks, corporate and retail customer deposits and [debt securities]. The Group invests the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The liquidity management of the Group requires considersation of the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans; and monitoring liquidity ratios against regulatory requirements. The Bank calculates liquidity ratios on a daily basis in accordance with the requirement of the Central Bank of Russia. These ratios are:

- Instant liquidity ratio (N2), which is calculated as the ratio of highly-liquid assets to liabilities payable on demand. The ratio was ____ at 31 December 2018 (2017: _____);

- Current liquidity ratio (N3), which is calculated as the ratio of liquid assets to liabilities maturing within 30 calendar days. The ratio was ____ at 31 December 2018 (2017: _____);

- Long-term liquidity ratio (N4), which is calculated as the ratio of assets maturing after one year to regulatory capital and liabilities maturing after one year. The ratio was ____ at 31 December 2018 (2017: _____).

The [Treasury Department] receives information about the liquidity profile of the financial assets and liabilities. The Treasury Department then provides for an adequate portfolio of short-term liquid assets, largely made up of short-term liquid trading securities, deposits with banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole.

The daily liquidity position is monitored and regular liquidity stress testing, under a variety of scenarios covering both normal and more severe market conditions, is performed by the Treasury Department. *[Tailor to the Group's circumstances and the recent liquidity shortfalls in financial markets.]*

The table below shows liabilities at 31 December 2018 by their remaining contractual maturity. The amounts of liabilities disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows. Financial derivatives are included at the contractual amounts to be paid or received, unless the Group expects to close the derivative position before its maturity date in which case the derivatives are included based on the expected cash flows. For the purposes of the maturity analysis, embedded derivatives are not separated from hybrid (combined) financial instruments.

The table below shows the maturity analysis of non-derivative financial assets at their carrying amounts and based on their contractual maturities, except for assets that are readily saleable if it should be necessary to meet cash outflows on financial liabilities. Such financial assets are included in the maturity analysis based on their expected date of disposal. Impaired loans are included at their carrying amounts net of impairment provisions, and based on the expected timing of cash inflows. Derivatives are presented based on their [contractual maturities].

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

43 Financial Risk Management (Continued)

The maturity analysis of financial instruments at 31 December 2018 is as follows:

In thousands of Russian Roubles	**Demand and less than 1 month**	**From 1 to 6 months**	**From 6 to 12 months**	**From 12 months to 5 years**	**Over 5 years**	**Total**
Assets						
Cash and cash equivalents						
Investments in debt securities						
Investments in equity securities						
Due from other banks						
Loans and advances to customers						
Repurchase receivables						
Investment securities held to maturity						
Gross settled swaps and forwards:						
- inflows						
- outflows						
Net settled derivatives						
Other financial assets						
Total						
Liabilities						
Due to other banks						
Customer accounts – individuals						
Customer accounts – other						
Debt securities in issue [Promissory notes issued]						
Other borrowed funds						
Subordinated debt						
Gross settled swaps and forwards:						
- inflows						
- outflows						
Net settled derivatives						
Gross loan commitments						
Financial guarantees						
Other financial liabilities						
Total potential future payments for financial obligations						
Liquidity gap arising from financial instruments						

43 Financial Risk Management (Continued)

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

The maturity analysis of financial instruments at 31 December 2017 is as follows:

In thousands of Russian Roubles	**Demand and less than 1 month**	**From 1 to 6 months**	**From 6 to 12 months**	**From 12 months to 5 years**	**Over 5 years**	**Total**
Assets						
Cash and cash equivalents						
Trading securities						
Other [securities] [financial assets] at fair value through profit or loss						
Due from other banks						
Loans and advances to customers						
Investment securities available for sale						
Repurchase receivables						
Investment securities held to maturity						
Gross settled swaps and forwards:						
- inflows						
- outflows						
Net settled derivatives						
Other financial assets						
Total						
Liabilities						
Due to other banks						
Customer accounts – individuals						
Customer accounts – other						
Debt securities in issue [Promissory notes issued]						
Other borrowed funds						
Subordinated debt						
Gross settled swaps and forwards:						
- inflows						
- outflows						
Net settled derivatives						
Gross loan commitments						
Financial guarantees						
Other financial liabilities						
Total potential future payments for financial obligations						
Liquidity gap arising from financial instruments						

Payments in respect of gross settled forwards will be accompanied by related cash inflows. Customer accounts are classified in the above analysis based on contractual maturities. However, in accordance with Russian Civil Code, individuals have a right to withdraw their deposits prior to maturity if they forfeit their right to accrued interest.

43 Financial Risk Management (Continued)

The Group does not use the above maturity analysis based on undiscounted contractual maturities of liabilities to manage liquidity. Instead, the Group monitors expected maturities and the resulting expected liquidity gap as follows:

In thousands of Russian Roubles	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Over 5 years	Total
At 31 December 2018						
Financial assets						
Financial liabilities						
Net liquidity gap based on expected maturities						
At 31 December 2017						
Financial assets						
Financial liabilities						
Net liquidity gap based on expected maturities						

The entire portfolio of trading securities is classified within demand and less than one month based on management's assessment of the portfolio's realisability.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

Management believes that in spite of a substantial portion of customer accounts being on demand, diversification of these deposits by number and type of depositors, and the past experience of the Group would indicate that these customer accounts provide a long-term and stable source of funding for the Group. *[Note: Tailor as appropriate.]*

[Liquidity position discussion should be tailored depending on the Group's particular circumstances. Significant mismatch in the liquidity position should be discussed in the financial statements with the explanation of the main reasons for such mismatch and management's assessment of the effect of this mismatch on the Group's ability to be a going concern and continue in operation for the foreseeable future. Need for a modification of the auditor's report also should be considered.]

44 Management of Capital

The Group's objectives when managing capital are (i) to comply with the capital requirements set by the Central Bank of the Russian Federation, (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve a capital adequacy ratio based on the Basel Accord of at least 8%. Compliance with capital adequacy ratios set by the Central Bank of the Russian Federation is monitored 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].

Under the current capital requirements set by the Central Bank of Russia, banks have to maintain a ratio of regulatory capital to risk weighted assets ("statutory capital ratio") above a prescribed minimum level. Based on information provided internally to key management personnel, the amount of capital that the Group managed was RR ______ thousand as of 31 December 2018 (2017: RR _____ thousand), regulatory capital amounts to RR _____ thousand (2017: RR ____ thousand) and the Group and the Bank have complied with all externally imposed capital requirements throughout 2018 and 2017. *[Disclose consequences of non-compliance with any externally imposed capital requirement. See IAS 1.124B. The actual % capital adequacy ratio does not have to be disclosed.]*

45 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 both internal [and external] professional advice, management is of the opinion that no material losses will be incurred in respect of claims, and accordingly no provision has been made in these [consolidated] financial statements.

[At 31 December 2018, the Group was engaged in litigation proceedings with ______ in relation to _____. No provision has been made as the Group's management believes that it is not likely that any significant loss will eventuate.] *[Provide also information for 2017, if relevant]*

[At 31 December 2018, the Group was engaged in litigation proceedings with _____ in relation to _____. A provision of RR _____ thousand has been made as professional advice has indicated that it is likely that a loss will eventuate. Refer to Note [13].] *[Provide also information for 2017, if relevant]*

Tax contingencies. Russian tax [and customs] 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 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.

[Remove the transfer pricing wording only if clearly not applicable:] 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 basis. [The Management has implemented internal controls to be in compliance with this transfer pricing legislation.]

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. *[Add where tax exposure is quantified by management or in the audit file:* The Management's best estimate of the exposure to transfer pricing is RR ____ thousand (2017: RR ___ thousand). In addition, alternative assumptions may be used for tax calculation purposes. Therefore, this amount should not be interpreted as the final assessment of future taxes payable if tax authorities challenge the transfer prices. The Management plans to defend vigorously the Group's transfer pricing positions.]

45 Contingencies and Commitments (Continued)

[Remove the permanent establishment wording only if clearly not applicable:] 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. 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. As a result, management reassessed the Group's tax positions and recognised current tax expense as well as deferred taxes for temporary differences that arise 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. Refer to Note 38.

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.

In addition to the above matters, management estimates that the Group has other possible obligations from exposure to other than remote tax risks of RR _____ thousand (2017: RR ____ thousand) *[Alternative wording:*....in the range from RR _____ thousand to RR ____ thousand (2017: in the range from RR _____ thousand to RR ____ thousand)]. These exposures primarily relate to [Insert explanation of the specific tax matters]. These exposures are estimates that result from uncertainties in interpretation of applicable legislation and related documentation requirements. Management will vigorously defend the entity's positions and interpretations that were applied in determining taxes recognised in these financial statements if these are challenged by the authorities.

Included in the above disclosed amount of possible obligations for uncertain tax positions are RR _____ thousand (2017: RR ____ thousand) *[Alternative wording:* Included in the above disclosed range of possible obligations for uncertain tax positions are obligations of RR _____ thousand to RR ____ thousand (2017: RR _____ thousand to RR ____ thousand)] for which the inspection rights of tax authorities have expired, but which may be challenged by regulatory bodies under certain circumstances. In management's estimate, no losses are anticipated from these contingent liabilities.

Capital expenditure commitments. At 31 December 2018, the Group has contractual capital expenditure commitments in respect of premises and equipment totalling RR _____ thousand (2017: RR ____ thousand), and in respect of software and other intangible assets of RR _____ thousand (2017: RR ____ thousand).

[Contractual obligations to purchase, construct or develop investment properties totalled RR _____ thousand at 31 December 2018 (2017: RR ____ thousand). Contractual obligations for repairs, maintenance or enhancements of investment properties totalled RR _____ thousand at 31 December 2018 (2017: RR ____ thousand).]

The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover this and any similar such commitments. *[Also include any other commitments, e.g. funding of additional share capital to subsidiary companies in case of separate financial statements of the Bank.]*

45 Contingencies and Commitments (Continued)

Operating lease commitments. Where the Group is the lessee, the future minimum lease payments under non-cancellable operating leases are as follows: *[Refer to IAS 17.4 to determine whether the leases meet the definition of "non-cancellable"; if a lease as a whole is considered to be cancellable, it should be included in the disclosure only to the extent of payments during any notice period and/or penalties that apply on cancellation.]*

In thousands of Russian Roubles	**2018**	**2017**
Not later than 1 year		
Later than 1 year and not later than 5 years		
Later than 5 years		
Total operating lease commitments		

At 31 December 2018, total future sublease payments receivable under the Group's non-cancellable operating subleases are RR _____ thousand (2017: RR ____ thousand). *[Refer to IAS 17.4 to determine whether the subleases meet the definition of "non-cancellable"; if a sublease as a whole is considered to be cancellable, it should be included in the disclosure only to the extent of payments during any notice period and/or penalties that apply on cancellation.]*

[Disclose also a general description of the leasing arrangements. This would include: (i) the basis on which contingent rent payments are determined; (ii) the existence and terms of renewal or purchase options and escalation clauses; and (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.]

[Disclosure of details of significant operating leases is required.] [For capital commitments and operating lease commitments review implications of IFRS 9, specifically if the commitments are linked to a currency other than the relevant Group entity's functional currency.]

Compliance with covenants. The Group is subject to certain covenants primarily relating to its [borrowings]. Non-compliance with such covenants may result in negative consequences for the Group including [growth in the cost of borrowings and declaration of default]. Management believes that the Group was in compliance with covenants at 31 December 2018 and 31 December 2017. *[Refer to disclosures in IFRS 7.18-19 that must be made with respect to any identified covenant breaches.]*

[The Group and the Bank are also subject to minimum capital requirements established by covenants stated in loan agreements, including capital adequacy levels calculated in accordance with the requirements of the Basel Accord, as defined in the International Convergence of Capital Measurement and Capital Standards (updated April 1998) and the Amendment to the Capital Accord to incorporate market risks (updated November 2005), commonly known as Basel I. The Group complied with this loan covenant.

[The composition of the Group's capital calculated in accordance with the Basel Accord is as follows:]

In thousands of Russian Roubles	**2018**	**2017**
Tier 1 capital		
Share capital		
Cumulative translation reserve		
Retained earnings		
Non-controlling interest		
Total tier 1 capital		
Tier 2 capital		
Revaluation reserves		
Subordinated debt		
Total tier 2 capital		
Total capital		

45 Contingencies and Commitments (Continued)

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

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The 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.

Outstanding credit related commitments are as follows:

In thousands of Russian Roubles	**Note**	**2018**	**2017**
Commitments to extend credit that are irrevocable or are revocable only in response to a material adverse change			
Undrawn credit lines that are irrevocable or are revocable only in response to a material adverse change			
Export letters of credit			
Import letters of credit	25		
Total loan commitments			
Financial guarantees issued			
Less: Provision for financial guarantees	29		
Less: Provision for loan commitments	29		
Less: Commitment collateralised by cash deposits			
Total credit related commitments, net of provision and cash covered exposures			

45 Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 31 December 2018 is as follows.

In thousands of Russian Roubles	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit impaired)**	**Total**
Issued financial guarantees				
- Excellent				
- Good				
- Satisfactory				
- Special monitoring				
- Default				
Unrecognised gross amount				
Provision for financial guarantees				
Loan commitments				
- Excellent				
- Good				
- Satisfactory				
- Special monitoring				
- Default				
Unrecognised gross amount				
Provision for loan commitments				

Refer to Note 43 for the description of credit risk grading system used by the Group and the approach to ECL measurement, including the definition of default and SICR as applicable to credit related commitments.

45 Contingencies and Commitments (Continued)

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. The fair value of credit related commitments was RR _____ thousand at 31 December 2018 (2017: RR ____ thousand). *[IFRS 7 requires fair value of the off-balance sheet instruments, including loan commitments to be disclosed. The amount disclosed should be fair value and not the committed or guaranteed amount.]*

Performance guarantees. 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. 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 historical data and statistical techniques 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. The Group manages such risks by constantly monitoring the level of payments for such products and has the ability to adjust its fees in the future to reflect any change in claim payments experience. The Group has a claim payment requests handling process which includes the right to review the claim and reject fraudulent or non-compliant requests. The exposure and concentration of performance guarantees expressed at the amounts guaranteed is as follows:

In thousands of Russian Roubles	Note	2018	2017
[Product/Exposure 1]			
[Product/Exposure 2]			
[Product/Exposure 3]			
…			
Total guaranteed amounts			

Movements in provisions for performance guarantees are as follows:

In thousands of Russian Roubles	Note	2018	2017
Carrying amount at 1 January			
Initial recognition of issued performance guarantees			
Losses charged to profit or loss	37		
Additions through business combinations	54		
Utilisation of provision			
Unwinding of the present value discount and effect of changes in discount rates			
Unused amounts reversed	37		
[Effect of translation to presentation currency]			
Other			
Carrying amount at 31 December			

45 Contingencies and Commitments (Continued)

Assets pledged and restricted. The Group had assets pledged as collateral with the following carrying value:

		31 December 2018		31 December 2017	
In thousands of Russian Roubles	Notes	Asset pledged	Related liability	Asset pledged	Related liability
Trading securities *[For comparatives only]*	8, 23				
Gross receivables under currency swaps	19, 23				
Other securities at FVTPL *[For comparatives only]*	9, 2417				
Investments in debt securities	11, 23				
Investments in equity securities	12, 23				
Investment securities AFS *[For comparatives only]*	14, 23				
Repurchase receivables	15, 23				
Investment securities HTM *[For comparatives only]*	16, 23				
Investment properties	17				
Premises and equipment	22, 23				
Total					

At 31 December 2018, due from other banks balances of RR ____ thousand (2017: RR ____ thousand) are placed as a cover for letters of credit and international payment cards transactions. [In addition, mandatory cash balances with the CBRF of RR _____ thousand (2017: RR _____ thousand) represent mandatory reserve deposits which are not available to finance the Bank's day to day operations as disclosed in Note 19.]

46 Offsetting Financial Assets and Financial Liabilities

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2018:

In thousands of Russian Roubles	Gross amounts before offsetting in the statement of financial position (a)	Gross amounts set off in the statement of financial position (b)	Net amount after offsetting in the statement of financial position (c) = (a) – (b)	Amounts subject to master netting and similar arrangements not set off in the statement of financial position: Financial instru-ments (d)	Amounts subject to master netting and similar arrangements not set off in the statement of financial position: Cash collateral received (e)	Net amount of exposure (c) – (d) – (e)
ASSETS						
Due from other banks						
- Short-term placements with other banks with original maturities of more than three months						
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months						
Loans and advances to customers						
- Corporate loans						
- Reverse sale and repurchase agreements						
Other financial assets:						
- Trade receivables						
- Credit and debit cards receivables						
- Settlements on conversion operations						
- Foreign exchange forward contracts						
- Precious metals forward contracts						
- Other financial derivatives						
- Restricted cash						
[Expand table as appropriate]						
TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT						
LIABILITIES						
Financial derivatives						
Sale and repurchase agreements						
Trade payables						
Short sale of securities						
[Expand table as appropriate]						
TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT						

46 Offsetting Financial Assets and Financial Liabilities (Continued)

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2017:

In thousands of Russian Roubles	Gross amounts before offsetting in the statement of financial position (a)	Gross amounts set off in the statement of financial position (b)	Net amount after offsetting in the statement of financial position (c) = (a) – (b)	Amounts subject to master netting and similar arrangements not set off in the statement of financial position: Financial instru-ments (d)	Amounts subject to master netting and similar arrangements not set off in the statement of financial position: Cash collateral received (e)	Net amount of exposure (c) – (d) – (e)
ASSETS						
Due from other banks						
- Short-term placements with other banks with original maturities of more than three months						
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months						
Loans and advances to customers						
- Corporate loans						
- Reverse sale and repurchase agreements						
Other financial assets:						
- Trade receivables						
- Credit and debit cards receivables						
- Settlements on conversion operations						
- Foreign exchange forward contracts						
- Precious metals forward contracts						
- Other financial derivatives						
- Restricted cash						
[Expand table as appropriate]						
TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT						
LIABILITIES						
Financial derivatives						
Sale and repurchase agreements						
Trade payables						
Short sale of securities						
[Expand table as appropriate]						
TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT						

46 Offsetting Financial Assets and Financial Liabilities (Continued)

The amount set off in the statement of financial position reported in column (b) is the lower of (i) the gross amount before offsetting reported in column (a) and (ii) the amount of the related instrument that is eligible for offsetting. Similarly, the amounts in columns (d) and (e) are limited to the exposure reported in column (c) for each individual instrument in order not to understate the ultimate net exposure.

The Group has master netting arrangements with counterparty banks, which are enforceable in case of default. In addition, applicable legislation allows an entity to unilaterally set off trade receivables and payables that are due for payment, denominated in the same currency and outstanding with the same counterparty. These fall in the scope of the disclosure as they were set off in the statement of financial position. The Group also made margin deposits with [clearing house counterparty] as collateral for its outstanding derivative positions. The counterparty may set off the Group's liabilities with the margin deposit in case of default.

The disclosure does not apply to loans and advances to customers and related customer deposits unless they are set off in the statement of financial position.

[Disclose description of the rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities subject to enforceable master netting arrangements and similar agreements that are disclosed in accordance with paragraph 13C(d) of IFRS 7, including the nature of those rights.]

[Refer to paragraphs B40 and B41 of IFRS 7 that define the scope of this disclosure in detail, that is, which financial instruments and collateral should be included in the tables. The disclosure requirements are set out in IFRS 7.13A to 13F.]

47 Non-Controlling Interest

The following table provides information about each subsidiary that has non-controlling interest that is material to the Group:

In thousands of Russian Roubles	**Place of business (and country of incorpo-ration if different)**	**Proportion of non-controlling interest**	**Proportion of non-controlling interest's voting rights held**	**Profit or loss attribu-table to non-controlling interest**	**Accumu-lated non-controlling interest in the subsidiary**	**Dividends paid to non-controlling interest during the year**
Year ended 31 December 2018						
[NAME OF SUBSIDIARY 1]						
[NAME OF SUBSIDIARY 2]						
[Expand table as appropriate]						
Year ended 31 December 2017						
[NAME OF SUBSIDIARY 1]						
[NAME OF SUBSIDIARY 2]						
[Expand table as appropriate]						
TOTAL						

47 Non-Controlling Interest (Continued)

The summarised financial information of these subsidiaries was as follows:

In thousands of Russian Roubles	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss)	Total compre-hensive income	Cash flows
Year ended 31 December 2018								
[SUB 1]								
[SUB 2]								
Year ended 31 December 2017								
[SUB 1]								
[SUB 2]								
[Expand as appropriate]								
Total								

[Subsidiary 1] has outstanding borrowing from a third party bank that includes a clause restricting payment of dividends to the parent without the lender's approval. *[Disclose significant restrictions (eg statutory, contractual and regulatory restrictions) on ability to access or use the assets and settle the liabilities of the group.]*

Holders of the non-controlling interest in [Subsidiary 1] approve disposals of assets above [5%] of the subsidiary's total assets and have a right to veto any transaction with related parties with a financial effect above RR ____ thousand. These restrictions apply to all assets of the subsidiary as disclosed above. *[Disclose the nature and extent to which protective rights of non-controlling interests can significantly restrict the entity's ability to access or use the assets and settle the liabilities of the group. Disclose the carrying amounts in the consolidated financial statements of the assets and liabilities to which those restrictions apply.]*

48 Interests in Structured Entities

(a) Consolidated structured entities

[The Group holds less than 50% of voting rights in a fully consolidated subsidiary _____. The Group has the power and exposure to variable returns of this subsidiary through contractual arrangements with _____.] [The Group issued bonds though a consolidated structured entity incorporated in the [country]. 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. The Group guarantees all obligations of this entity represented by the bonds issued of RR _____ thousand.] *[Disclose significant judgements and assumptions made in determining that (a) The Group controls another entity even though it holds less than half of the voting rights of the other entity; and (b) it is an agent or a principal (see paragraphs B58–B72 of IFRS 10).] [Disclose the terms of any contractual arrangements that could require the parent or its subsidiaries to provide financial support to a consolidated structured entity. This applies also to securitisation transactions. Also disclose details of any support provided during the year and an intention to provide support – see IFRS 12.15-16]*

48 Interests in Structured Entities (Continued)

(b) Unconsolidated structured entities

[The Group holds more than 50% of voting rights in _____ but does not have the power over this entity due to contractual arrangements with _____, which specify that _____. Consequently _____ [entity] is not consolidated.] *[Disclose significant judgements and assumptions made in determining that: (a) the Group does not control another entity even though it holds more than half of the voting rights of the other entity; (b) it is an agent or a principal (see paragraphs B58–B72 of IFRS 10); (c) it does not have significant influence even though it holds 20 per cent or more of the voting rights of another entity and (d) it has significant influence even though it holds less than 20 per cent of the voting rights of another entity.]*

Information about unconsolidated structured entities is as follows:

	Year ended 31 December 2018			**At 31 December 2018**		
In thousands of Russian Roubles	**Income from the structured entity for the year**	**Carrying amount of assets transferred to the structured entity during the year**	**Support provided to the structured entity during the year**	**Carrying amount of assets recognised for exposure to the structured entity**	**Carrying amount of liabilities recognised for exposure to the structured entity**	**Maximum exposure to loss from interest in structured entity**
[Leasing entity]						
[Securitisation vehicle]						
[Expand table as appropriate]						
TOTAL						

[Disclose narrative text to cover the following information where material:

- *the nature, purpose, size and activities of the unconsolidated structured entity;*
- *how the unconsolidated structured entity is financed;*
- *how it has determined which structured entities the Group has sponsored;*
- *a description of the types of income from structured entities presented above;*
- *the line items in the statement of financial position in which the assets and liabilities relating to unconsolidated structured entity are recognised;*
- *description how the maximum exposure to loss is determined;*
- *the type of support provided to structured entity, including situations in which the entity assisted the structured entity in obtaining financial support; and the reasons for providing the support;*
- *any current intentions to provide financial or other support to an unconsolidated structured entity, including intentions to assist the structured entity in obtaining financial support;*
- *the terms of an arrangement that could require the entity to provide financial support to an unconsolidated structured entity (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or provide financial support), including: (i) description of events or circumstances that could expose the reporting entity to a loss, (ii) whether there are any terms that would limit the obligation, (ii) whether there are any other parties that provide financial support and, if so, how the reporting entity's obligation ranks with those of other parties.*
- *losses incurred by the entity during the reporting period relating to its interests in unconsolidated structured entities.*
- *the types of income the entity received during the reporting period from its interests in unconsolidated structured entities.*

48 Interests in Structured Entities (Continued)

- *whether the entity is required to absorb losses of an unconsolidated structured entity before other parties, the maximum limit of such losses for the entity, and (if relevant) the ranking and amounts of potential losses borne by parties whose interests rank lower than the entity's interest in the unconsolidated structured entity.*
- *information about any liquidity arrangements, guarantees or other commitments with third parties that may affect the fair value or risk of the entity's interests in unconsolidated structured entities.*
- *any difficulties an unconsolidated structured entity has experienced in financing its activities during the reporting period.*
- *in relation to the funding of an unconsolidated structured entity, the forms of funding (eg commercial paper or medium-term notes) and their weighted-average life. That information might include maturity analyses of the assets and funding of an unconsolidated structured entity if the structured entity has longer-term assets funded by shorter-term funding.]*

49 Transfers of Financial Assets

(a) Transfers that did not qualify for derecognition of the financial asset in its entirety.

The Group transferred financial assets in transactions that did not qualify for derecognition in the current and prior periods.

Disposal of loans. At 31 December 2018, the Group had [corporate] loans of RR ____ thousand (2017: RR ____ thousand) that were transferred to [a related party under common control]. The Group guaranteed repayment of the nominal value of the transferred loans in case of their default after 360 days. The Group is not exposed to late payment risk as it did not guarantee payment of accrued interest. As the transfer did not meet criteria for derecognition of the loans, at 31 December 2018 the sale proceeds of RR ____ thousand (2017: RR ____ thousand) were recognised as borrowings and are presented in Note 27. *[Note: disclose by class of financial assets the nature of the transferred assets, nature of retained risks and rewards and description of the relationship with the related liabilities including any restrictions on the use of the transferred assets.]*

Securitisation transaction. In addition, at 31 December 2018 the Group transferred [corporate] loans of RR _____ thousand (2017: RR ____ thousand) to a securitisation structured entity that the Group consolidates because it acquired all of its subordinated borrowings amounting to RR ____ thousand (2017: RR ____ thousand). Refer to Note 27 for carrying value of the related borrowings that are represented by senior notes issued by the securitisation special purpose entity to third party investors.

Sale and repurchase transactions. At 31 December 2018, the Group has trading securities represented by [Russian government bonds] of RR ____ thousand (2017: RR ____ thousand) and FVOCI securities represented by [corporate bonds] of RR ___ thousand (2017: RR ____ thousand) that are subject to obligation to repurchase the securities for a fixed pre-determined price. Refer to Notes 19 and 29 for the carrying value of obligations from these sale and repurchase transactions.

Securities lending transactions. At 31 December 2018, the Group had trading securities represented by [Russian government bonds] of RR ____ thousand (2017: RR ____ thousand) that were provided to counterparties in a securities lending transaction in exchange for a fee.

49 Transfers of Financial Assets (Continued)

The following schedule summarises transfers where the entity continues to recognise all of the transferred financial assets. The analysis is provided by class of financial assets.

In thousands of Russian Roubles	**Notes**	**31 December 2018** Carrying amount of the assets at year end	**31 December 2018** Carrying amount of the associated liabilities	**31 December 2017** Carrying amount of the assets at year end	**31 December 2017** Carrying amount of the associated liabilities
Corporate loans					
Loans to individuals					
Debt securities mandatorily measured at FVTPL					
- Russian government bonds					
- Russian government Eurobonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes *[adjust classes as appropriate]*					
Debt securities designated as at FVTPL at initial recognition					
- Russian government bonds					
- Russian government Eurobonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes *[adjust classes as appropriate]*					
Debt securities at FVOCI					
- Russian government bonds					
- Russian government Eurobonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes *[adjust classes as appropriate]*					
Debt securities at AC					
- Russian government bonds					
- Russian government Eurobonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes *[adjust classes as appropriate]*					
Equity securities mandatorily measured at FVTPL					
- Corporate shares					
- ADRs					
- Investments in mutual funds					
- GDRs *[adjust classes as appropriate]*					
Equity securities at FVOCI					
- Corporate shares					
- ADRs					
- Investments in mutual funds					
- GDRs *[adjust classes as appropriate]*					
Corporate bonds AFS *[For comparatives only*]					
- Russian government bonds					
- Russian government Eurobonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes *[adjust classes as appropriate]*					

49 Transfers of Financial Assets (Continued)

In thousands of Russian Roubles	**Notes**	**31 December 2018** Carrying amount of the assets at year end	**31 December 2018** Carrying amount of the associated liabilities	**31 December 2017** Carrying amount of the assets at year end	**31 December 2017** Carrying amount of the associated liabilities
Corporate bonds at FVOCI					
- Russian government bonds					
- Russian government Eurobonds					
- Municipal bonds					
- Corporate bonds					
- Promissory notes *[adjust classes as appropriate]*					
Other financial assets at AC					
- Trade receivables					
- Finance lease receivables					
- Credit and debit card receivables					
- Settlements on conversion operations					
- Other *[adjust classes as appropriate]*					
Other financial assets at FVTPL					
- FX forward contracts					
- Precious metals forward contracts					
- Other *[adjust classes as appropriate]*					
Total					

The following schedule provides information about transfers where the counterparties to the associated liabilities have recourse only to the transferred assets. This is the case for the Group's securitisation transactions.

In thousands of Russian Roubles	**31 December 2018** Fair value of the assets at year end	**31 December 2018** Fair value of the associated liabilities	**31 December 2018** Net position	**31 December 2017** Fair value of the assets at year end	**31 December 2017** Fair value of the associated liabilities	**31 December 2017** Net position
Corporate loans						
Loans to individuals						
Debt securities mandatorily measured at FVTPL						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Debt securities designated as at FVTPL at initial recognition						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						

49 Transfers of Financial Assets (Continued)

	31 December 2018			31 December 2017		
In thousands of Russian Roubles	**Fair value of the assets at year end**	**Fair value of the associated liabilities**	**Net position**	**Fair value of the assets at year end**	**Fair value of the associated liabilities**	**Net position**
Debt securities at FVOCI						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Debt securities at AC						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Equity securities mandatorily measured at FVTPL						
- Corporate shares						
- ADRs						
- Investments in mutual funds						
- GDRs *[adjust classes as appropriate]*						
Equity securities at FVOCI						
- Corporate shares						
- ADRs						
- Investments in mutual funds						
- GDRs *[adjust classes as appropriate]*						
Corporate bonds AFS *[For comparatives only]*						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Corporate bonds at FVOCI						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Other financial assets at AC						
- Trade receivables						
- Finance lease receivables						
- Credit and debit card receivables						
- Settlements on conversion operations						
- Other *[adjust classes as appropriate]*						

49 Transfers of Financial Assets (Continued)

	31 December 2018			31 December 2017		
In thousands of Russian Roubles	**Fair value of the assets at year end**	**Fair value of the associated liabilities**	**Net position**	**Fair value of the assets at year end**	**Fair value of the associated liabilities**	**Net position**
Other financial assets at FVTPL						
- FX forward contracts						
- Precious metals forward contracts						
- Other *[adjust classes as appropriate]*						
Total						

The following schedule summarises transfers where the entity continues to recognise the assets to the extent of its continuing involvement. The analysis is provided by class of financial assets.

	31 December 2018			31 December 2017		
In thousands of Russian Roubles	**Carrying amount of the assets before the transfer**	**Carrying amount of the assets that the entity continues to recognise after the transfer**	**Carrying amount of the associated liabilities**	**Carrying amount of the assets before the transfer**	**Carrying amount of the assets that the entity continues to recognise after the transfer**	**Carrying amount of the associated liabilities**
Corporate loans						
Loans to individuals						
Debt securities mandatorily measured at FVTPL						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Debt securities designated as at FVTPL at initial recognition						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Debt securities at FVOCI						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						

49 Transfers of Financial Assets (Continued)

	31 December 2018			31 December 2017		
In thousands of Russian Roubles	**Carrying amount of the assets before the transfer**	**Carrying amount of the assets that the entity continues to recognise after the transfer**	**Carrying amount of the associated liabilities**	**Carrying amount of the assets before the transfer**	**Carrying amount of the assets that the entity continues to recognise after the transfer**	**Carrying amount of the associated liabilities**
Debt securities at AC						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Equity securities mandatorily measured at FVTPL						
- Corporate shares						
- ADRs						
- Investments in mutual funds						
- GDRs *[adjust classes as appropriate]*						
Equity securities at FVOCI						
- Corporate shares						
- ADRs						
- Investments in mutual funds						
- GDRs *[adjust classes as appropriate]*						
Corporate bonds AFS *[For comparatives only]*						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Corporate bonds at FVOCI						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes *[adjust classes as appropriate]*						
Other financial assets at AC						
- Trade receivables						
- Finance lease receivables						
- Credit and debit card receivables						
- Settlements on conversion operations						
- Other *[adjust classes as appropriate]*						

49 Transfers of Financial Assets (Continued)

In thousands of Russian Roubles	31 December 2018 Carrying amount of the assets before the transfer	31 December 2018 Carrying amount of the assets that the entity continues to recognise after the transfer	31 December 2018 Carrying amount of the associated liabilities	31 December 2017 Carrying amount of the assets before the transfer	31 December 2017 Carrying amount of the assets that the entity continues to recognise after the transfer	31 December 2017 Carrying amount of the associated liabilities
Other financial assets at FVTPL						
- FX forward contracts						
- Precious metals forward contracts						
- Other *[adjust classes as appropriate]*						
[Note: adjust classes in rows as appropriate.]						
Total						

(b) Transfers that qualified for derecognition of the financial asset in its entirety

The Group transferred financial assets in transactions that qualified for derecognition in the current and prior periods and to which the Group retained exposed to a certain extent.

Disposal of loans. At 31 December 2018, the Group had remaining exposure to [mortgage] loans that had carrying value of RR ____ thousand (2017: RR ____ thousand) immediately before they were transferred to [a related party under common control]. The Group is exposed to late payment risk as it guaranteed payment of interest over a period up to 30 days from the date of transfer. The loans were derecognised in their entirety as the retained late payment risk was not considered significant.

Securitisation transaction. In addition, at 31 December 2018, the Group had remaining exposure to [corporate] loans that had carrying value of RR _____ thousand (2017: RR ____ thousand) immediately before their transfer to a securitisation special purpose entity that the Group does not consolidate. The loans were derecognised in their entirety because the written put option to repurchase them was deeply out of money at the date of the transfer and substantially all of the subordinated borrowings of the securitisation special purpose entity were acquired by third party investors.

The following schedule summarises information about continuing involvement in the transferred financial assets that qualified for derecognition. The analysis is provided by type of continuing involvement outstanding at 31 December 2018:

In thousands of Russian Roubles	Cash outflows to repur-chase the derecog-nised assets or other payments	Carrying amount of continuing involvement in the consolidated statement of financial position: Deriva-tive financial assets (Note 19)	Carrying amount of continuing involvement in the consolidated statement of financial position: Deriva-tive financial liabilities (Note 29)	Carrying amount of continuing involvement in the consolidated statement of financial position: Provisions (Note 28)	Fair value of continuing involvement: Assets	Fair value of continuing involvement: Liabilities	Maximum exposure to loss
Written put options							
Purchased call options							
Late payment risk guarantee							

49 Transfers of Financial Assets (Continued)

The analysis is provided by type of continuing involvement outstanding at 31 December 2017:

In thousands of Russian Roubles	Cash outflows to repurchase the derecognised assets or other payments	Carrying amount of continuing involvement in the consolidated statement of financial position			Fair value of continuing involvement		Maximum exposure to loss
		Derivative financial assets (Note 19)	Derivative financial liabilities (Note 29)	Provisions (Note 28)	Assets	Liabilities	
Written put options							
Purchased call options							
Late payment risk guarantee							

[Note: The 'Cash outflows to repurchase the derecognised assets or other payments' represent maximum possible future payments that the entity could be required to pay, eg exercise price of the written put option, exercise price of the purchased call option or the maximum amount that the entity could be required to pay under the late payment risk guarantee.]

The following schedule presents remaining contractual maturity analysis of the undiscounted cash flows to repurchase the transferred assets or other amounts payable to the transferee in respect of financial assets that qualified for derecognition. Where the cash flows are variable, they are disclosed based on the conditions that existed at each reporting date. The analysis is provided by type of continuing involvement outstanding at the respective end of the reporting period:

In thousands of Russian Roubles	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 Months	From 12 months to 5 years	Over 5 years	Total
At 31 December 2018						
Written put options						
Purchased call options						
Late payment risk guarantee						
Total potential cash outflows						
At 31 December 2017						
Written put options						
Purchased call options						
Late payment risk guarantee						
Total potential cash outflows						

49 Transfers of Financial Assets (Continued)

The following schedule presents gains less losses recognised on the date of transfer, subsequent gains or losses recognised on the continuing involvement and the cumulative amount of the gains or losses. The analysis is provided by type of continuing involvement.

	Year ended 31 December 2018			Year ended 31 December 2017		
In thousands of Russian Roubles	The gain or loss recognised at the date of transfer	Subsequent gains and losses recognised in the reporting period	Cumulative amount of gains and losses recognised	The gain or loss recognised at the date of transfer	Subsequent gains and losses recognised in the reporting period	Cumulative amount of gains and losses recognised
Written put options						
Purchased call options						
Later payment risk guarantee						
Total						

The transfer activity was not evenly distributed during the reporting period. The following schedule provides analysis of transfer activity by month and by type of the continuing involvement during 2018:

In thousands of Russian Roubles	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Written put options:												
Gains less losses recognised												
Proceeds from transfer activity												
Purchased call options:												
Gains less losses recognised												
Proceeds from transfer activity												
Late payment risk guarantee:												
Gains less losses recognised												
Proceeds from transfer activity												

The following schedule provides analysis of transfer activity by month and by type of the continuing involvement during 2017:

In thousands of Russian Roubles	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Written put options:												
Gains less losses recognised												
Proceeds from transfer activity												
Purchased call options:												
Gains less losses recognised												
Proceeds from transfer activity												
Late payment risk guarantee:												
Gains less losses recognised												
Proceeds from transfer activity												

[Note: Where there was only a small number of transactions, the text may replace the above table, eg as follows:] [The transfer activity was not evenly distributed during the reporting period. In [month] 2018, the Group sold a portfolio of [loans] for RR ____ thousand recognising a net gain of RR ____ thousand. In this transaction, the Group [guaranteed late payment risk up to 30 days by agreeing to pay late payment interest for such period to the purchaser]. In [month] 2018, the Group sold a portfolio of [loans] for RR ____ thousand recognising a net gain of RR ____ thousand. In this transaction, the Group [issued to the purchaser a put option that was deeply out of money].

49 Transfers of Financial Assets (Continued)

In [month] 2017, the Group sold a portfolio of [loans] for RR ____ thousand recognising a net gain of RR ____ thousand. In this transaction, the Group [guaranteed late payment risk up to 30 days by agreeing to pay late payment interest for such period to the purchaser]. In [month] 2017, the Group sold a portfolio of [loans] for RR ____ thousand recognising a net gain of RR ____ thousand. In this transaction, the Group [issued to the purchaser a put option that was deeply out of money].]

50 Derivative Financial Instruments

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under foreign exchange forward and swap contracts entered into by the Group. The table reflects gross positions before the netting of any counterparty positions (and payments) and covers the contracts with settlement dates after the end of the respective reporting period. The contracts are short term in nature:

		2018		2017	
In thousands of Russian Roubles	Notes	Contracts with positive fair value	Contracts with negative fair value	Contracts with positive fair value	Contracts with negative fair value
Foreign exchange forwards and swaps: fair values, at the end of the reporting period, of	51, 46				
- USD receivable on settlement (+)					
- USD payable on settlement (-)					
- Euros receivable on settlement (+)					
- Euros payable on settlement (-)					
- RR receivable on settlement (+)					
- RR payable on settlement (-)					
- Other currencies receivable on settlement (+)					
- Other currencies payable on settlement (-)					
Net fair value of foreign exchange forwards and swaps	**19, 29**				

[Include in the above table the present value of foreign currencies receivable or payable on the future settlement of the foreign exchange forward contracts. The net amount is the fair value of the forwards at the end of the reporting period.]

Foreign exchange [and other] derivative financial instruments entered into by the Group are generally traded in an over-the-counter market with professional market counterparties on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

[At 31 December 2018, the Group had outstanding obligations to deliver precious metals with fair value of RR _____ thousand (2017: RR _____ thousand) and obligations to accept delivery of precious metals with fair value of RR _____ thousand (2017: RR _____ thousand). *[The amounts in the previous sentence are gross values. For example you disclose RR 450k for a contract to deliver 1kg of gold for RR 400k when price of gold is 450k/kg at the end of the reporting period.]* The Group expects to settle these forward contracts net in cash and, therefore, recognised them in the statement of financial position as an asset at net fair value of RR _____ thousand (2017: RR _____ thousand) and a liability at net fair value of RR _____ thousand (2017: RR _____ thousand). Refer to Notes 15.]

At 31 December 2018, the Group had outstanding obligations from unsettled spot transactions with foreign currencies [and precious metals] of RR _____ thousand (2017: RR _____ thousand). The net fair value of unsettled spot transactions is insignificant.

50 Derivative Financial Instruments (Continued)

[The Group had outstanding obligations to deliver shares with fair value, at the end of the reporting period, of RR _____ thousand (2017: RR _____ thousand) and obligations to accept delivery of _____ shares with fair value, at the end of the reporting period, of RR _____ thousand (2017: RR _____ thousand). *[The amounts in the previous sentence are gross values, similarly to precious metals disclosure.]* These forwards were recognised in the statement of financial position as an asset at fair value of RR _____ thousand (2017: RR _____ thousand) and a liability at fair value of RR _____ thousand (2017: RR _____ thousand). Refer to Notes 19 and 29.]

[Describe any other derivatives held by the Group, e.g. share options – for example as follows:]

At 31 December 2018, the Group had outstanding [written] [purchased] put options giving [the counterparty] [the Group] the right to sell [shares] with fair value of RR _____ thousand (2017: RR _____ thousand) to [the Group] [the counterparty] for RR _____ thousand (2017: RR _____ thousand). The options can be exercised [from ____ 200X to ____ 200X]. The fair value of the outstanding put options was recognised as [a liability] [an asset] of RR _____ thousand (2017: RR _____ thousand). Refer to Notes 15.

At 31 December 2018, the Group had outstanding [written] [purchased] call options giving [the counterparty] [the Group] the right to buy [shares] with fair value of RR _____ thousand (2017: RR _____ thousand) from [the Group] [the counterparty] for RR _____ thousand (2017: RR _____ thousand). The options can be exercised [from ____ 200X to ____ 200X]. The fair value of the outstanding call options was recognised as [a liability] [an asset] of RR _____ thousand (2017: RR _____ thousand). Refer to Notes 15.

51 Fair Value Disclosures

[Note: This note should be tailored to the circumstances of each entity, eg description of valuation processes, disclosure of assumptions and valuation methods will significantly differ among entities.]

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

51 Fair Value Disclosures (Continued)

(a) Recurring fair value measurements

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

	31 December 2018				31 December 2017			
In thousands of Russian Roubles	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
ASSETS AT FAIR VALUE								
FINANCIAL ASSETS								
Securities at FVTPL *[For comparatives only]*								
- Russian government bonds								
- Municipal bonds								
- Corporate bonds								
- Promissory notes								
Investments in debt securities								
- Russian government bonds								
- Municipal bonds								
- Corporate bonds								
- Promissory notes								
Investments in equity securities								
- Corporate shares								
- American depositary receipts (ADR)								
- Investments in mutual funds								
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*								
Loans and advances to customers at FVTPL								
- Standard lending								
- Specialised lending								
- Loans to sovereigns								
- Loans to sub-sovereigns								
- Loans to SME								
- Loans to leasing companies								
- Reverse sale and repurchase agreement								
- Mortgage loans								
- Consumer loans								
- Car loans								
- Credit cards								
[Adjust classes as appropriate]								
Investment securities AFS *[For comparatives only]*								
- Russian government bonds								
- Municipal bonds								
- Corporate bonds								
- Promissory notes								
Repurchase receivables at FV								
- Russian government bonds								
- Russian government Eurobonds								
- Municipal bonds								
- Corporate bonds								
- Promissory notes								
- Corporate shares								
- American depositary receipts (ADR)								
- Investments in mutual funds								
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*								

51 Fair Value Disclosures (Continued)

	31 December 2018				31 December 2017			
In thousands of Russian Roubles	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other financial assets								
- Foreign exchange forward contracts								
- Precious metals forward contracts								
- Other financial derivatives								
- Other								
[Expand as appropriate]								
NON-FINANCIAL ASSETS								
- Premises and equipment								
- Investment properties								
TOTAL ASSETS WITH RECURRING FAIR VALUE MEASUREMENTS								
LIABILITIES CARRIED AT FAIR VALUE								
FINANCIAL LIABILITIES								
Due to other banks								
- Liability to return collateral sold or repledged								
Other borrowed funds								
- Liability to return collateral sold or repledged								
- SDIA funding								
Other financial liabilities								
- Foreign exchange forward contracts								
- Other derivative financial instruments								
- Short sales of securities								
- Liabilities designated at FVTPL at initial recognition								
TOTAL LIABILITIES WITH RECURRING FAIR VALUE MEASUREMENTS								

The investment in [company] included in trading securities ceased to be traded in an active market in [October 2017] due to the deteriorating financial markets liquidity, and was reported as a level 2 instrument in the above analysis at 31 December 2017. In [November 2018], trading resumed and the investment was reclassified and reported as a level 1 instrument in the above analysis at 31 December 2018. *[Disclose transfers between Level 1 and Level 2 and reasons for the transfers.]*

51 Fair Value Disclosures (Continued)

The Group uses a [discounted cash flow] valuation technique to measure the fair value of [currency swaps] that are not traded in an active market. However, in accordance with IFRS, the fair value of an instrument at inception is generally the transaction price. If the transaction price differs from the amount determined at inception using the valuation technique, that difference is amortised on a straight line basis over the term of the [currency swaps]. The differences yet to be recognised in profit or loss for the year ([as gains less losses on financial derivatives]) are as follows:

In thousands of Russian Roubles	**2018**	**2017**
Balance at 1 January		
New transactions		
Amounts recognised in profit or loss for the year ([as gains less losses on financial derivatives])		
Other		
Balance at 31 December (Note 19)		

[The above reconciliation table should be provided separately for each class of financial instruments. Refer to IFRS 7.28].

The description of valuation technique and description of inputs used in the fair value measurement for level 2 measurements at 31 December 2018:

In thousands of Russian Roubles	**Fair value**	**Valuation technique**	**Inputs used**
ASSETS AT FAIR VALUE			
FINANCIAL ASSETS			
Investments in debt securities			
- Russian government bonds		[Discounted cash flows (“DCF”)]	[Government bonds yield curve]
- Municipal bonds		[DCF]	[Comparable prices from less active markets]
- Corporate bonds		[DCF]	[Incremental borrowing rate]
- Promissory notes		[DCF]	[Incremental borrowing rate]
Investments in equity securities			
- Corporate shares		[Market comparable companies]	[EBITDA Multiple and Revenue multiple]
- American depositary receipts (ADR)			
- Investments in mutual funds			
- Global depositary receipts			
[Adjust classes as appropriate]			
Loans and advances to customers at FVTPL			
- Standard lending			
- Specialised lending			
- Loans to sovereigns			
- Loans to sub-sovereigns			
- Loans to SME			
- Loans to leasing companies			
- Reverse sale and repurchase agreement			
- Mortgage loans			
- Consumer loans			
- Car loans			
- Credit cards			
[Adjust classes as appropriate]			

51 Fair Value Disclosures (Continued)

In thousands of Russian Roubles	Fair value	Valuation technique	Inputs used
Repurchase receivables			
- Russian government bonds			
- Russian government Eurobonds			
- Municipal bonds			
- Corporate bonds			
- Promissory notes			
- Corporate shares			
- American depositary receipts (ADR)			
- Investments in mutual funds			
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*			
Other financial assets			
- Foreign exchange forward contracts			
- Precious metals forward contracts			
- Other financial derivatives			
- Other			
[Expand as appropriate]			
NON-FINANCIAL ASSETS			
- Premises and equipment			
- Investment properties			
LIABILITIES CARRIED AT FAIR VALUE			
FINANCIAL LIABILITIES			
Due to other banks			
- Liability to return collateral sold or repledged			
Other borrowed funds			
- Liability to return collateral sold or repledged			
- SDIA funding			
Other financial liabilities			
- Foreign exchange forward contracts			
- Other derivative financial instruments			
- Short sales of securities			
- Liabilities designated at FVTPL at initial recognition			
TOTAL RECURRING FAIR VALUE MEASUREMENTS AT LEVEL 2			

There were no changes in valuation technique for level 2 recurring fair value measurements during the year ended 31 December 2018 (2017: none). *[Disclose nature and reason for any change in valuation technique.]*

51 Fair Value Disclosures (Continued)

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows at 31 December 2018:

In thousands of Russian Roubles	**Fair value**	**Valuation technique**	**Inputs used**	**Range of inputs (weighted average)**	**Reasonable change**	**Sensitivity of fair value measu-rement**
ASSETS AT FAIR VALUE FINANCIAL ASSETS						
Investments in debt securities						
- Russian government bonds		[Discounted cash flows ("DCF")]	[Government bonds yield curve]	[5.0 – 6.0% (5.5%)]	[± 10 %]	± [100,000]
- Municipal bonds						
- Corporate bonds						
- Promissory notes						
Investments in equity securities						
- Corporate shares		[Market comparable companies]	[EBITDA multiple Revenue multiple]	[7 -12 (10)] [5 -6 (5.4)]		
- American depositary receipts (ADR)						
- Investments in mutual funds						
- Global depositary receipts (GDR)						
[Adjust classes as appropriate]						
Loans and advances to customers at FVTPL						
- Standard lending						
- Specialised lending						
- Loans to sovereigns						
- Loans to sub-sovereigns						
- Loans to SME						
- Loans to leasing companies						
- Reverse sale and repurchase agreement						
- Mortgage loans						
- Consumer loans						
- Car loans						
- Credit cards						
[Adjust classes as appropriate]						
Repurchase receivables						
- Russian government bonds						
- Russian government Eurobonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes						
- Corporate shares						
- American depositary receipts (ADR)						
- Investments in mutual funds						
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*						

51 Fair Value Disclosures (Continued)

In thousands of Russian Roubles	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measu-rement
Other financial assets						
- Foreign exchange forward contracts						
- Precious metals forward contracts						
- Other financial derivatives						
- Other						
[Expand as appropriate]						
NON-FINANCIAL ASSETS						
- Premises and equipment						
- Investment properties						
LIABILITIES AT FAIR VALUE FINANCIAL LIABILITIES						
Due to other banks						
- Liability to return collateral sold or repledged						
Other borrowed funds						
- Liability to return collateral sold or repledged						
- SDIA funding						
Other financial liabilities						
- Foreign exchange forward contracts						
- Other derivative financial instruments						
- Short sales of securities						
- Liabilities designated at FVTPL at initial recognition						
TOTAL RECURRING FAIR VALUE MEASUREMENTS AT LEVEL 3						

51 Fair Value Disclosures (Continued)

The valuation technique, inputs used in the fair value measurement for level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows at 31 December 2017:

In thousands of Russian Roubles	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average)	Reasonable change	Sensitivity of fair value measu-rement
ASSETS AT FAIR VALUE						
FINANCIAL ASSETS						
Securities at FVTPL						
- Russian government bonds		[Discounted cash flows ("DCF")]	[Government bonds yield curve]	[5.0 – 6.0% (5.5%)]	[± 10 %]	± [100,000]
- Municipal bonds						
- Corporate bonds						
- Promissory notes						
- Corporate shares		[Market comparable companies]	[EBITDA multiple Revenue multiple]	[7 -12 (10)] [5 -6 (5.4)]		
Investment securities AFS						
- Russian government bonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes						
- Corporate shares						
Repurchase receivables						
- Russian government bonds						
- Municipal bonds						
- Corporate bonds						
- Promissory notes						
- Corporate shares						
Other financial assets						
- Foreign exchange forward contracts						
- Precious metals forward contracts						
- Other financial derivatives						
- Other						
[Expand as appropriate]						
NON-FINANCIAL ASSETS						
- Premises and equipment						
- Investment properties						
LIABILITIES AT FAIR VALUE						
FINANCIAL LIABILITIES						
Due to other banks						
- Liability to return collateral sold or repledged						
Other borrowed funds						
- Liability to return collateral sold or repledged						
- SDIA funding						
Other financial liabilities						
- Foreign exchange forward contracts						
- Other derivative financial instruments						
- Short sales of securities						
- Liabilities designated at FVTPL at initial recognition						
TOTAL RECURRING FAIR VALUE MEASUREMENTS AT LEVEL 3						

51 Fair Value Disclosures (Continued)

The above tables disclose sensitivity to valuation inputs for financial assets and financial liabilities, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly. For this purpose, significance was judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity.

There were no changes in valuation technique for level 3 recurring fair value measurements during the year ended 31 December 2018 (2017: none). *[Disclose nature and reason for change in valuation technique, disclose inputs used in prior valuation technique.]* Investment property represents industrial land and buildings that the Group valued using its expectation to convert them into a residential complex. *[Disclose if highest and best use differs from current use.]*

The Group has margin deposits with its counterparties, which serves as collateral for its outstanding derivative liabilities. In addition, the Group's liabilities to its customers are subject to state deposit insurance scheme as described in Note 1. The fair value of these liabilities reflects these credit enhancements. *[See IFRS 13.98.]*

The sensitivity of fair value measurement disclosed in the above table shows the direction that an increase or decrease in the respective input variables would have on the valuation result. For equity securities, increases in the EBITDA multiple would each lead to an increase in estimated value. However, an increase in the discount for lack of marketability would lead to a decrease in value. For debt securities, increases in discount rates and PD would both lead to a decrease in estimated value. No interrelationships between unobservable inputs used in the Group's valuation of its Level 3 equity investments have been identified. However, for Level 3 debt securities, a change in the assumption used for the PD is expected to be accompanied by a directionally similar change in the discount rate. A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2018 is as follows:

	Securities at FVTPL		Securities at FVOCI		Financial derivative assets	Financial derivative liabilities *[Expand as appro-priate]*
In thousands of Russian Roubles	Corporate shares	Promi-ssory notes	Promi-ssory notes	Corporate shares		
Fair value at 1 January 2018						
Gains or losses recognised in profit or loss for the year						
Gains or losses recognised in other comprehensive income						
Purchases						
Issues or origination						
Sales						
Settlements						
Transfers out of level 3						
Transfers into level 3						
Fair value at 31 December 2018						
Unrealised revaluation gains less losses recognised in profit or loss for the year for assets held at 31 December 2018						

Certain derivatives and promissory notes were reclassified from level 3 to level 2 instruments due to the increased activity in financial markets in 2018. *[Describe significant transfers into and out of level 3.]*

51 Fair Value Disclosures (Continued)

A reconciliation of movements in Level 3 of the fair value hierarchy by class of instruments for the year ended 31 December 2017 is as follows:

In thousands of Russian Roubles	Other securities at FVTPL		Securities AFS		Financial derivative assets	Financial derivative liabilities *[Expand table as appro-priate]*
	Corporate shares	Promi-ssory notes	Promi-ssory notes	Corporate shares		
Fair value at 1 January 2017						
Gains or losses recognised in profit or loss for the year						
Gains or losses recognised in other comprehensive income						
Purchases						
Issues or origination						
Sales						
Settlements						
Transfers out of level 3						
Transfers into level 3						
Fair value at 31 December 2017						
Unrealised revaluation gains less losses recognised in profit or loss for the year for assets held at 31 December 2017						

Gains and losses on derivatives are [presented separately in profit or loss for the year.] *[Disclose where the gains/losses are in the profit for the year.]*

Certain derivatives and promissory notes were reclassified from level 3 to level 2 instruments due to the increased activity in financial markets in 2017. *[Describe significant transfers into and out of level 3.]*

(b) Non-recurring fair value measurements

The Group has written down its non-current assets held for sale to fair value less costs to sell. The fair value belongs to level 3 measurements in the fair value hierarchy. The valuation technique and inputs used in the fair value measurement at 31 December 2018:

In thousands of Russian Roubles	Fair value	Valuation technique	Inputs used	Range of inputs (weighted average) 31 December 2018	Range of inputs (weighted average) 31 December 2017
Non-current assets held for sale (or disposal groups)		[Discounted cash flows ("DCF")]	WACC Terminal growth Growth rate for years 1 to 5	[5.0 -6.0% (5.5%)]	[5.0 -6.0% (5.5%)]

[Non-current assets held for sale include an investment property that represents industrial land and buildings. The Group valued it using its expectation to convert it into a residential complex.] *[Disclose that highest and best use differs from current use.]*

51 Fair Value Disclosures (Continued)

(c) Valuation processes for recurring and non-recurring level 3 fair value measurements

Level 3 valuations are reviewed on a weekly basis by the Group's valuation committee who report to the Board of Directors on a monthly basis. The committee considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the financial services industry. In selecting the most appropriate valuation model the committee performs back testing and considers which model's results have historically aligned most closely to actual market transactions. In order to value level three equity investments, the Group utilises comparable trading multiples. Management determines comparable public companies (peers) based on industry, size, developmental stage and strategy. Management then calculates a trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by its earnings before interest, taxes, depreciation and amortisation (EBITDA). The trading multiple is then discounted for considerations such as illiquidity and differences between the comparable companies based on company-specific facts and circumstances.

The level three debt instruments are valued at the net present value of estimated future cash flows. The Group also considers liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary.

[For fair value measurements categorised within Level 3 of the fair value hierarchy, an entity is required to disclose a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period) [IFRS13p93(g)]. To satisfy this new requirement, the illustrative example provided in IFRS 13 states that an entity might disclose information, such as the group within the entity that decides the entity's valuation policies and procedures, to whom that group reports, the frequency and methods for calibration, back testing and other testing procedures of pricing models, etc [IFRS13pIE65]. The above illustrative disclosure must be tailored to the entity's specific circumstances.]

51 Fair Value Disclosures (Continued)

(d) 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:

	31 December 2018					31 December 2017				
In thousands of Russian Roubles	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total	Carry-ing value	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total	Carry-ing value
ASSETS										
Due from other banks										
- Short-term placements with other banks with original maturities of more than three months										
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months										
Loans and advances to customers at AC										
- Corporate loans										
- Loans to individuals – consumer loans										
- Loans to individuals – entrepreneurs										
- Mortgage loans										
- Reverse sale and repurchase agreements										
- State and municipal organisations *[Adjust classes as appropriate]*										
Investment securities HTM [For comparatives only]										
- Russian government bonds										
- Municipal bonds										
- Corporate bonds										
- Promissory notes										
Other financial assets										
Trade receivables										
Finance lease receivables										
Credit and debit cards receivables										
Settlements on conversion operations										
Restricted cash										
Other										
NON-FINANCIAL ASSETS										
- Investment properties										
TOTAL										

51 Fair Value Disclosures (Continued)

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

	31 December 2018					31 December 2017				
In thousands of Russian Roubles	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total	Carry-ing value	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total	Carry-ing value
FINANCIAL LIABILITIES										
Due to other banks										
- Correspondent accounts and overnight placements of other banks										
- Short-term placements of other banks										
- Sale and repurchase agreements with other banks										
- Overdue term placements of other banks										
Customer accounts										
- Current/settlement accounts of state and public organisations										
- Term deposits of state and public organisations										
- Current/settlement accounts of other legal entities										
- Term deposits of other legal entities										
- Current/demand accounts of individuals										
- Term deposits of individuals										
Debt securities in issue										
[Promissory notes]										
- Promissory notes										
- Eurobonds										
- Bonds issued on domestic market										
- Deposit certificates										
- Debentures										
Other borrowed funds										
- Stabilisation loan from CBRF										
- Syndicated loan maturing on ____										
- Term borrowings from companies/government agencies										
- Finance lease liabilities										
Other financial liabilities										
- Trade payables										
- Dividends payable										
- Debit or credit card payables										
- Settlements on conversion operations										
- Provision for credit related commitments										
- Other accrued liabilities										
Subordinated debt										
- Subordinated debt										
TOTAL										

51 Fair Value Disclosures (Continued)

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

For assets, the Group used assumptions about counterparty's incremental borrowing rate and prepayment rates. *[Note: Incremental borrowing rate is the interest rate at which the counterparty could currently obtain new borrowing from an unrelated lender. Prepayment rates are a percentage of loans in the portfolio for which the bank expects the borrower to exercise the right to repay the loan in the current period before maturity.]* Liabilities were discounted at the Group's own incremental borrowing rate. Liabilities due on demand were discounted from the first date that the amount could be required to be paid by the Group.

The Group's liabilities to its customers are subject to state deposit insurance scheme as described in Note 1. The fair value of these liabilities reflects these credit enhancements. *[See IFRS 13.98.]*

[If fair value of an AFS financial asset cannot be estimated and is thus carried at cost, refer to para 30 of IFRS 7 and cross-reference to section 'Investments carried at cost' in Note 4. Add to this note any particular items which may not be covered above.]

52 Presentation of Financial Instruments by Measurement Category

For the purposes of measurement, IFRS 9 "Financial Instruments" classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) debt instruments at FVOCI, (c) equity instruments at FVOCI and (c) financial assets at AC. Financial assets at FVTPL have two sub-categories: (i) assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial recognition or subsequently. In addition, finance lease receivables form a separate category.

[Note: The following paragraph represents a short disclosure in respect of comparatives for simple entities. The full disclosure is on the following pages.]

[For the purposes of measurement at 31 December 2017, IAS 39 "Financial Instruments: Recognition and Measurement", classified financial assets into the following categories: (a) L&R; (b) AFS financial assets; (c) financial assets HTM and (d) financial assets at FVTPL ("FVTPL"). Financial assets at FVTPL had two sub-categories: (i) assets designated as such upon initial recognition, and (ii) those classified as held for trading. In addition, finance lease receivables formed a separate category. All of the Group's financial assets at 31 December 2017 fell in the L&R category except for financial derivatives. All of the Group's financial liabilities except for derivatives were carried at AC. Derivatives belonged to the FVTPL measurement category and were held for trading.]

For the purposes of measurement at 31 December 2017, IAS 39 "Financial Instruments: Recognition and Measurement", classified financial assets into the following categories: (a) L&R; (b) AFS financial assets; (c) financial assets HTM and (d) financial assets at FVTPL ("FVTPL"). Financial assets at FVTPL had two sub-categories: (i) assets designated as such upon initial recognition, and (ii) those classified as held for trading. In addition, finance lease receivables formed a separate category.

52 Presentation of Financial Instruments by Measurement Category (Continued)

The following table provides a reconciliation of financial assets with these measurement categories as of 31 December 2018:

In thousands of Russian Roubles	FVTPL (manda-tory)	FVTPL (desig-nated)	Debt instru-ments at FVOCI	Equity instru-ments at FVOCI	AC	Finance lease recei-vables	Total
ASSETS							
Cash and cash equivalents							
Due from other banks							
- Short-term placements with other banks with original maturities of more than three months							
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months							
Investments in debt securities							
- Russian government bonds							
- Municipal bonds							
- Corporate bonds							
- Promissory notes							
Investments in equity securities							
- Corporate shares							
- American depositary receipts (ADR)							
- Investments in mutual funds							
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*							
Loans and advances to customers							
- Standard lending							
- Specialised lending							
- Loans to sovereigns							
- Loans to sub-sovereigns							
- Loans to SME							
- Loans to leasing companies							
- Reverse sale and repurchase agreement							
- Mortgage loans							
- Consumer loans							
- Car loans							
- Credit cards							
[Adjust classes as appropriate]							
Repurchase receivables							
- Russian government bonds							
- Russian government Eurobonds							
- Municipal bonds							
- Corporate bonds							
- Promissory notes							
- Corporate shares							
- American depositary receipts (ADR)							
- Investments in mutual funds							
- Global depositary receipts (GDR) *[Adjust classes as appropriate]*							
Other financial assets:							
- Trade receivables							
- Finance lease receivables							
- Credit and debit cards receivables							
- Settlements on conversion operations							
- Restricted cash							
- Foreign exchange forward contracts							
- Precious metals forward contracts							
- Other financial derivatives							
- *Other*							
TOTAL FINANCIAL ASSETS							

52 Presentation of Financial Instruments by Measurement Category (Continued)

The following table provides a reconciliation of financial assets with measurement categories at 31 December 2017:

In thousands of Russian Roubles	L&R	AFS	Trading assets	FVTPL (designated)	HTM	Finance lease receiva-bles	Total
ASSETS							
Cash and cash equivalents		-	-		-	-	
Securities at FVTPL	-	-			-	-	
Due from other banks		-	-		-	-	
- Short-term placements with other banks with original maturities of more than three months						-	
- Reverse sale and repurchase agreements with other banks with original maturities of more than three months						-	
Loans and advances to customers		-	-		-		
- Corporate loans						-	
- Loans to individuals – consumer loans						-	
- Loans to individuals – entrepreneurs						-	
- Mortgage loans						-	
- Reverse sale and repurchase agreements						-	
- State and municipal organisations							
[Adjust classes as appropriate]						-	
Investment securities AFS	-		-		-	-	
Investment securities HTM	-	-	-			-	
Repurchase receivables							
- Russian government bonds	-	-			-	-	
- Municipal bonds						-	
- Corporate bonds						-	
- Promissory notes						-	
Other financial assets:							
- Trade receivables							
- Finance lease receivables							
- Credit and debit cards receivables							
- Settlements on conversion operations							
- Restricted cash							
- Foreign exchange forward contracts							
- Precious metals forward contracts							
- Other financial derivatives							
- Other financial assets designated at FVTPL at initial recognition							
- *Other*							
TOTAL FINANCIAL ASSETS							

As of 31 December 2018 and 31 December 2017, all of the Group's financial liabilities except for derivatives [, liabilities to return collateral sold or repledged and SDIA funding designated at FVTPL at initial recognition (Note 27)] were carried at AC.

53 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.

53 Related Party Transactions (Continued)

At 31 December 2018, the outstanding balances with related parties were as follows: *[Include subsidiaries in the disclosure as a separate column if these are the Bank's separate financial statements.]*

In thousands of Russian Roubles	**Immediate parent company**	**Other significant shareholders**	**[Entities under common control]**	**Key management personnel**	**Associates**	**Joint ventures**	**Other related parties**
Investments in debt securities (contractual interest rate: _____ – _____ %							
Investments in equity securities (_____ % holding)							
Due from other banks (contractual interest rate: _____ – _____ %)							
Credit loss allowance at 31 December 2018							
Loans and advances to customers (contractual interest rate: _____ – _____ %)							
Credit loss allowance at 31 December 2018							
Repurchase receivables							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Investment in associates							
Other assets							
Non-current assets held for sale (or disposal groups)							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Due to other banks (contractual interest rate: _____ – _____ %)							
Customer accounts (contractual interest rate: _____ – _____ %)							
Debt securities in issue [Promissory notes] (contractual interest rate: _____ – _____ %)							

continued on the following page

53 Related Party Transactions (Continued)

In thousands of Russian Roubles	**Immediate parent company**	**Other signify-cant share-holders**	**[Entities under common control]**	**Key management personnel**	**Asso-ciates**	**Joint ventures**	**Other related parties**
(continued)							
Other borrowed funds (contractual interest rate: _____ – _____ %)							
Provisions for liabilities and charges							
Other liabilities							
Subordinated debt (contractual interest rate: _____ – _____ %)							
Liabilities directly associated with disposal groups held for sale (contractual interest rate: _____ – _____ %)							

[“Other significant shareholders” are those with the power to participate in the financial and operating policy decisions of a group entity with which they transact, through controlling over 20% of the group entity’s voting power, or otherwise.]

[Disclosure of information on balances and transactions with immediate parent is mandatory.]

[Common control is a defined term in Appendix A to IFRS 3. Common control requires existence of an ultimate controlling party (not parties in plural) and that the control is not transitory. Refer to IAS 24.18-19 for guidance on determining categories of related parties for disclosure purposes.]

53 Related Party Transactions (Continued)

The income and expense items with related parties for 2018 were as follows:

In thousands of Russian Roubles	**Immediate parent company**	**Other significant shareholders**	**[Entities under common control]**	**Key management personnel**	**Associates**	**Joint ventures**	**Other related parties**
Interest income							
Interest expense							
Credit loss allowance							
Dividend income received							
Gains less losses from securities at FVTPL							
Gains less losses from trading in foreign currencies							
Foreign exchange translation gains less losses							
Fee and commission income							
Fee and commission expense							
Gains/(losses) on initial recognition of assets at rates above/below market							
Gains/(losses) on initial recognition of liabilities at rates below/above market							
Impairment of investment securities at FVOCI							
Provision for credit related commitments							
Other operating income							
Gains/(losses) arising from early retirement of debt							
Administrative and other operating expenses							
Share of result of associates							

[Disclose also any other information about the transactions and outstanding balances that is necessary for an understanding of the potential effect of the related party relationship on the financial statements.]

53 Related Party Transactions (Continued)

At 31 December 2018, other rights and obligations with related parties were as follows:

In thousands of Russian Roubles	**Immediate parent company**	**Other significant shareholders**	**[Entities under common control]**	**Key management personnel**	**Associates**	**Joint ventures**	**Other related parties**
Guarantees issued by the Group at the year end							
Guarantees received by the Group at the year end							
Import letters of credit at the year end							
Export letters of credit at the year end							
Contractual commitments to purchase goods							
Contractual commitments to purchase services							
Contractual commitments to sell goods							
Contractual commitments to sell services							
Other commitments							
Other contingent obligations							

Aggregate amounts lent to and repaid by related parties during 2018 were:

In thousands of Russian Roubles	**Immediate parent company**	**Other significant shareholders**	**[Entities under common control]**	**Key management personnel**	**Associates**	**Joint ventures**	**Other related parties**
Amounts lent to related parties during the year							
Amounts repaid by related parties during the year							

53 Related Party Transactions (Continued)

At 31 December 2017, the outstanding balances with related parties were as follows: *[Include subsidiaries in the disclosure only if these are separate financial statements of the Bank.]*

In thousands of Russian Roubles	**Immediate parent company**	**Other significant shareholders**	**[Entities under common control]**	**Key management personnel**	**Associates**	**Joint ventures**	**Other related parties**
Securities at FVTPL							
- Debt securities (contractual interest rate: _____ – _____ %							
- Shares of _____ (_____ % holding)							
Due from other banks (contractual interest rate: _____ – _____ %)							
Loans and advances to customers (contractual interest rate: _____ – _____ %)							
Credit loss allowance							
Investment securities AFS							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Repurchase receivables							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Investment securities HTM (contractual interest rate: (___ – __ %)							
Investment in associates							
Other assets							
Non-current assets held for sale (or disposal groups)							
- Debt securities (contractual interest rate: _____ – _____ %)							
- Shares of _____ (_____ % holding)							
Due to other banks (contractual interest rate: _____ – _____ %)							

53 Related Party Transactions (Continued)

In thousands of Russian Roubles	Immediate parent company	Other significant shareholders	[Entities under common control]	Key management personnel	Associates	Joint ventures	Other related parties
Customer accounts (contractual interest rate: _____ – _____ %)							
Debt securities in issue [Promissory notes issued] (contractual interest rate: _____ – _____ %)							
Other borrowed funds (contractual interest rate: _____ – _____ %)							
Provisions for liabilities and charges							
Other liabilities							
Subordinated debt (contractual interest rate: _____ – _____ %)							
Liabilities directly associated with disposal groups held for sale (contractual interest rate: _____ – _____ %)							

The income and expense items with related parties for 2017 were as follows:

In thousands of Russian Roubles	Immediate parent company	Other significant shareholders	[Entities under common control]	Key management personnel	Associates	Joint ventures	Other related parties
Interest income							
Interest expense							
Credit loss allowance							
Dividend income received							
Gains less losses from securities at FVTPL							
Gains less losses from trading in foreign currencies							
Foreign exchange translation gains less losses							
Fee and commission income							
Fee and commission expense							

53 Related Party Transactions (Continued)

In thousands of Russian Roubles	Immediate parent company	Other significant shareholders	[Entities under common control]	Key management personnel	Associates	Joint ventures	Other related parties
Gains/(losses) on initial recognition of assets at rates above/below market							
Gains/(losses) on initial recognition of liabilities at rates below/above market							
Impairment of investment securities AFS							
Impairment of investment securities HTM							
Provision for credit related commitments							
Other operating income *[Consider providing breakdown]*							
Gains/(losses) arising from early retirement of debt							
Administrative and other operating expenses *[Consider providing breakdown]*							
Share of result of associates							

During 2018, the Group reacquired _____ [thousand] own shares from its related party, _____, for a total consideration of RR _____ thousand (2017: related party _____, _____ [thousand shares] for RR _____ thousand).

53 Related Party Transactions (Continued)

At 31 December 2017, other rights and obligations with related parties were as follows:

In thousands of Russian Roubles	**Immediate parent company**	**Other significant share-holders**	**[Entities under common control]**	**Key management personnel**	**Associates**	**Joint ventures**	**Other related parties**
Guarantees issued by the Group at the year end							
Guarantees received by the Group at the year end							
Import letters of credit at the year end							
Export letters of credit at the year end							
Contractual commitments to purchase goods							
Contractual commitments to purchase services							
Contractual commitments to sell goods							
Contractual commitments to sell services							
Other commitments							
Other contingent obligations							

Aggregate amounts lent to and repaid by related parties during 2017 were:

In thousands of Russian Roubles	**Immediate parent company**	**Other significant share-holders**	**[Entities under common control]**	**Key management personnel**	**Associates**	**Joint ventures**	**Other related parties**
Amounts lent to related parties during the year							
Amounts repaid by related parties during the year							

[Consider additional disclosures if the government is a related party. State the nature and amount of individually significant transactions and describe the collectively significant transactions. An example follows.]

The Russian state has [control / significant influence / joint control] over the Group. The Group decided to apply the exemption from disclosure of individually insignificant transactions and balances with the government and parties that are related to the entity because the Russian state has control, joint control or significant influence over such party.

Refer to Note 4 for the information relating to financing received by the Group from the Russian State Corporation Bank Rozvitiya i Vneshekonomicheskoy Deyatelnosti.

53 Related Party Transactions (Continued)

The Group lends to and received deposits from a large number of government related entities. Such loans and deposits are individually insignificant and are generally entered into on an arm's length basis.

Transactions with the state also include taxes which are detailed in Notes 37, 28 and 30.

Key management compensation is presented below:

In thousands of Russian Roubles	2018 Expense	2018 Accrued liability	2017 Expense	2017 Accrued liability
Short-term benefits:				
- Salaries				
- Short-term bonuses				
- Benefits in-kind				
Post-employment benefits:				
- Defined benefit retirement scheme				
- State pension and social security costs				
- Termination indemnity benefits				
Other long-term employee benefits:				
- Long-term bonus scheme				
- Jubilee benefits				
Share-based compensation:				
- Cash-settled share-based compensation				
- Equity-settled share-based compensation *[These accounts do not cover all the disclosures about share-based compensation provided by the entity or its shareholders. Refer to IFRS 2 for guidance.]*				
Termination benefits				
Total				

Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

Commitments and contingent obligations towards key management personnel are as follows:

In thousands of Russian Roubles	2018	2017
Post-employment benefits:		
- Committed future retirement benefits not yet recognised as an expense		
- Committed future termination indemnity benefits not yet recognised as an expense		
Other long-term employee benefits:		
- Committed long-term bonuses to be provided in exchange for future services		
- Committed jubilee benefits not yet recognised as an expense		
Share-based compensation:		
- Unamortised balance of cash-settled share-based compensation obligation		
- Unamortised balance of equity-settled share-based compensation *[These accounts do not cover all the disclosures about share-based compensation provided by the entity or its shareholders. Refer to IFRS 2 for guidance.]*		
Unrecognised termination benefits entitlement in case of involuntary termination of employment		
Total commitments and contingent liabilities to key management personnel		

53 Related Party Transactions (Continued)

[Note:

- *A related party transaction is defined as a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Appropriate disclosures should be made even if no price is charged.*
- *Nature of the relationship with “other related parties” should be disclosed.*
- *Consider disclosing the volume of transactions where the amounts are significant.*
- *Consider disclosing in more detail individually significant and unusual transactions with related parties. If such transactions are disclosed in more detail elsewhere in the financial statements reference is necessary.*
- *Profit oriented state controlled entities are not exempt from disclosing individually significant transactions with other state controlled entities.*
- *Disclosure should be made of terms and conditions of the transactions. A statement that transactions are on arm’s length basis (or normal commercial terms) can only be made if it can be substantiated and there is audit evidence of that.*
- *The revised IAS 24 also introduced reporting of related party commitments such as committed purchases of goods or services.]*

[Special consideration should be given to the nature of lending to the shareholders.]

As of 31 December 2018 and 2017, the Bank’s immediate [and ultimate] parent company was _____, and the Bank was ultimately controlled by Mr _____.

[The disclosure of ownership should be made here or in the related party note.]

[Tailor the above wording or include additional wording such that the Bank’s ultimate parent company is disclosed under IAS 1.126(c) and ultimate controlling party under IAS 24.12.] [If neither the entity’s parent nor the ultimate parent produces financial statements available for public use, the name of the next most senior parent that does so should be disclosed.] [Consider whether additional disclosure of shareholder structure either here or in share capital or related party footnotes may make the consolidated financial statements more meaningful.]

54 Business Combinations

On _____ 2018, the Group acquired _____% of the share capital of _____ and obtained control through its ability to cast a majority of votes in the general meeting of shareholders *[requirement is to describe how acquirer obtained control]*. The acquired subsidiary will increase the Group’s penetration of its chosen retail and corporate markets and is expected to improve profitability through the economies of scale *[requirement is to disclose reason for the business combination]*.

54 Business Combinations (Continued)

The acquisition-date fair value of the total purchase consideration and its components are as follows:

In thousands of Russian Roubles	
Cash consideration paid	
Fair value of new issued shares of the acquirer	
Tangible or intangible assets of acquirer transferred	
Liability for contingent consideration incurred	
Total consideration transferred	
Less remuneration for future services of the former owner	
Less indemnification asset	
Investment in the acquiree prior to the acquisition	
Total purchase consideration and previously held interest in the acquire	

The investment in the acquiree at FVOCI held prior to the acquisition was remeasured to its fair value at the acquisition date and an accumulated gain of RR ____ thousand was transferred to retained earnings directly in equity. The fair value of the new issued shares of the acquirer was determined on the basis of the closing market price of the ordinary shares on the acquisition date.

[The contingent consideration arrangement requires the Group to pay the former owners of the acquiree ____ per cent of the revenues of an unconsolidated equity investment owned by the acquiree, in excess of RR ____ thousand for 2018, up to a maximum amount of RR _____ thousand (undiscounted). The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between RR _____ thousand and RR _____ thousand. The fair value of the contingent consideration arrangement of RR _____ thousand was estimated by applying the income approach. The fair value estimates are based on an assumed discount rate range of ____–____ per cent and assumed probability-adjusted revenues in equity investee of RR _____ thousand to RR _____ thousand. As of 31 December 2018, neither the amount recognised for the contingent consideration arrangement, nor the range of outcomes or the assumptions used to develop the estimates had changed.] *[Describe terms and conditions of the contingent purchase consideration: (i) description of the arrangement and the basis for determining the amount of the payment; (ii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, the acquirer shall disclose that fact.]*

Acquisition related transaction costs of RR ____ thousand were expensed as general and administrative expenses. The contractual acquisition arrangement included remuneration of RR ____ thousand for future services of the former owner. This amount was separated and will be expensed as staff costs over a period of three years from acquisition. *[For transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51 of IFRS 3 disclose: (i) a description of each transaction; (ii) how the acquirer accounted for each transaction; (iii) the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and (iv) if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.]*

The consideration paid by the Group was based on results of an external appraisal[, by an internationally recognised investment bank,] of the acquiree's business taken as a whole. However, in accordance with IFRS 3 "Business Combinations", the Group must account for acquisitions based on fair values of the identifiable assets acquired, and liabilities and contingent liabilities assumed. These two different approaches can lead to differences; and, as set out in the table below, recognition of [goodwill] [*or* the excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost ("negative goodwill") immediately in profit or loss for the year (as 'excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of the business combination')].

54 Business Combinations (Continued)

Details of the assets and liabilities acquired and goodwill arising are as follows:

In thousands of Russian Roubles	**Note**	**Attributed fair value**
Cash and cash equivalents		
Loans and advances to customers		
Other financial assets		
Other assets		
Customer accounts		
Contingent tax exposures		
Other liabilities		
[expand as appropriate]		
Fair value of identifiable net assets of subsidiary		
Less: non-controlling interest		
Goodwill arising from the acquisition	21	
Total purchase consideration and previously held interest in the acquiree		
Less: Non-cash consideration	28	
Less: Cash and cash equivalents of subsidiary acquired		
Outflow of cash and cash equivalents on acquisition		

The non-controlling interest represents share in net assets of the acquiree attributable to owners of non-controlling interest. [*Alternatively*: The non-controlling interest was measured at its market value. The fair value of the non-controlling interest was estimated by applying an income approach. The fair value estimates are based on: (a) an assumed discount rate range of [____–____] per cent; (b) an assumed terminal value based on a range of terminal EBITDA multiples between [____ and ____] times; (c) assumed financial multiples of companies deemed to be similar to the acquiree; and (d) assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interest.] *[if a valuation technique was used, disclose it and the key model inputs used for determining that fair value]*.

The fair values of assets and liabilities acquired are based on [discounted cash flow models]. The valuation of identifiable intangible assets was performed by an independent professional appraiser. Based on the appraisal report, the following items were included in the purchase price allocation:

- [core deposits intangibles valued at RR ____ thousands;]
- [brand name valued at RR ____ thousands; and]
- [proprietary software valued at RR ____ thousands.]

The fair value of the acquired identifiable intangible assets of RR _____ thousand is provisional pending receipt of the final valuations for those assets.

54 Business Combinations (Continued)

For each class of acquired receivables, the gross contractual amounts receivable and the best estimate of the contractual cash flows not expected to be collected are as follows:

In thousands of Russian Roubles	**Gross contractual amounts receivable**	**The contractual cash flows not expected to be collected**
Loans and advances to customers		
- Corporate loans		
- Loans to individuals – consumer loans		
- Loans to individuals – entrepreneurs		
- Mortgage loans		
- Reverse sale and repurchase agreements		
- State and municipal organisations *[Adjust classes as appropriate]*		
Other financial assets:		
- Trade receivables		
- Finance lease receivables		
- Credit and debit cards receivables		
- Settlements on conversion operations		
Total		

Contingent tax exposures are attributable to [transfer pricing tax risks] and expire within [three] years from acquisition. Refer to Note 45. *[If a contingent liability is not recognised because its fair value cannot be measured reliably, the acquirer shall disclose: (i) the information required by paragraph 86 of IAS 37; and (ii) the reasons why the liability cannot be measured reliably.]*

The goodwill is primarily attributable to the profitability of the acquired business, the significant synergies and combined cost savings expected to arise. *[The requirement is to disclose description of factors that make up the goodwill.]* The goodwill will not be deductible for tax purposes in future periods.

The acquired subsidiary contributed revenue of RR _____ thousand and profit of RR _____ thousand to the Group for the period from the date of acquisition to 31 December 2018. If the acquisition had occurred on 1 January 2018, Group revenue for 2018 would have been RR _____ thousand, and profit for 2018 would have been RR _____ thousand.

55 Events after the End of the Reporting Period

Dividends. Management proposed to the [Annual General Meeting of Shareholders] a dividend on ordinary shares in the amount of RR_____ thousand (RR_____ per ordinary share) and a dividend on preference shares in the amount of RR_____ thousand (RR_____ per preference share or _____% of the nominal value of the underlying preference shares). [On _____2019 an [Annual General Meeting of Shareholders] declared a dividend on ordinary shares in the amount of RR_____ thousand (RR_____ per ordinary share) and a dividend on preference shares in the amount of RR_____ thousand (RR_____ per preference share or _____% of the nominal value of the underlying preference shares).]

Business combinations. *[If the acquisition date of a business combination is after the end of the reporting period but before the financial statements are authorised for issue, the acquirer shall disclose the information required by paragraph B64 of IFRS 3 unless the initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue. In that situation, the acquirer shall describe which disclosures could not be made and the reasons why they cannot be made.]* On _____ 2019, the Group acquired _____% of the share capital of _____ and obtained control through its ability to cast a majority of votes in the general meeting of shareholders *[requirement is to describe how acquirer obtained control]*. The acquired subsidiary will increase the Group's penetration of its chosen retail and corporate markets and is expected to improve profitability through the economies of scale *[requirement is to disclose reason for the business combination]*.

55 Events after the End of the Reporting Period (Continued)

The acquisition-date fair value of the total purchase consideration and its components are as follows:

In thousands of Russian Roubles	
Cash consideration paid	
Fair value of new issued shares of the acquirer	
Tangible or intangible assets of acquirer transferred	
Liability for contingent consideration incurred	
Total consideration transferred	
Less remuneration for future services of the former owner	
Less indemnification asset	
Investment in the acquiree prior to the acquisition	
Total purchase consideration and previously held interest in the acquire	

The investment in the acquiree held prior to the acquisition was remeasured to its fair value at the acquisition date, and a gain of RR ____ thousand was recognised in gains less losses on disposal of [associates]. The fair value of the new issued shares of the acquirer was determined on the basis of the closing market price of the ordinary shares on the acquisition date.

[The contingent consideration arrangement requires the Group to pay the former owners of the acquiree ____ per cent of the revenues of an unconsolidated equity investment owned by the acquiree, in excess of RR ____ thousand for 2018, up to a maximum amount of RR _____ thousand (undiscounted). The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between RR _____ thousand and RR _____ thousand. The fair value of the contingent consideration arrangement of RR _____ thousand was estimated by applying the income approach. The fair value estimates are based on an assumed discount rate range of ____–____ per cent and assumed probability-adjusted revenues in equity investee of RR _____ thousand to RR _____ thousand.] *[Describe terms and conditions of the contingent purchase consideration: (i) description of the arrangement and the basis for determining the amount of the payment; (ii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, the acquirer shall disclose that fact.]*

Acquisition related transaction costs of RR ____ thousand were expensed as general and administrative expenses. The contractual acquisition arrangement included remuneration of RR ____ thousand for future services of the former owner. This amount was separated and will be expensed as staff costs over a period of three years from acquisition. *[For transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51 of IFRS 3 disclose: (i) a description of each transaction; (ii) how the acquirer accounted for each transaction; (iii) the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and (iv) if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.]*

The consideration paid by the Group was based on results of an external appraisal[, by an internationally recognised investment bank,] of the acquiree's business taken as a whole. However, in accordance with IFRS 3 "Business Combinations", the Group must account for acquisitions based on fair values of the identifiable assets acquired, and liabilities and contingent liabilities assumed. These two different approaches can lead to differences; and, as set out in the table below, recognition of [goodwill] [*or* the excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost ("negative goodwill") immediately in profit or loss for the year (as 'excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of the business combination')].

55 Events after the End of the Reporting Period (Continued)

Details of the assets and liabilities acquired and goodwill arising are as follows:

In thousands of Russian Roubles	**Note**	**Attributed fair value**
Cash and cash equivalents		
Loans and advances to customers		
Other financial assets		
Other assets		
Customer accounts		
Contingent tax exposures		
Other liabilities		
[expand as appropriate]		
Fair value of identifiable net assets of subsidiary		
Less: non-controlling interest		
Goodwill arising from the acquisition	21	
Total purchase consideration and previously held interest in the acquiree		
Less: Non-cash consideration (items as disclosed above)		
Less: Cash and cash equivalents of subsidiary acquired		
Outflow of cash and cash equivalents on acquisition		

The non-controlling interest represents a share in net assets of the acquiree attributable to the owners of the non-controlling interest. [The non-controlling interest was measured at its market value. The fair value of the non-controlling interest was estimated by applying an income approach. The fair value estimates are based on: (a) an assumed discount rate range of [____–____] per cent; (b) an assumed terminal value based on a range of terminal EBITDA multiples between [____ and ____] times; (c) assumed financial multiples of companies deemed to be similar to the acquiree; and (d) assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interest.] *[if a valuation technique was used, disclose it and the key model inputs used for determining that fair value]*.

The fair values of assets and liabilities acquired are based on [discounted cash flow models]. The valuation of identifiable intangible assets was performed by an independent professional appraiser. Based on the appraisal report, the following items were included in the purchase price allocation:

- [core deposits intangibles valued at RR ____ thousands;]
- [brand name valued at RR ____ thousands; and]
- [proprietary software valued at RR ____ thousands.]

The fair value of the acquired identifiable intangible assets of RR _____ thousand is provisional pending receipt of the final valuations for those assets.

55 Events after the End of the Reporting Period (Continued)

For each class of acquired receivables, the gross contractual amounts receivable and the best estimate of the contractual cash flows not expected to be collected are as follows:

In thousands of Russian Roubles	Gross contractual amounts receivable	The contractual cash flows not expected to be collected
Loans and advances to customers		
- Corporate loans		
- Loans to individuals – consumer loans		
- Loans to individuals – entrepreneurs		
- Mortgage loans		
- Reverse sale and repurchase agreements		
- State and municipal organisations *[Adjust classes as appropriate]*		
Other financial assets:		
- Trade receivables		
- Finance lease receivables		
- Credit and debit cards receivables		
- Settlements on conversion operations		
Total		

Contingent tax exposures are attributable to [transfer pricing tax risks] and expire within [three] years from acquisition. Refer to Note 45. *[If a contingent liability is not recognised because its fair value cannot be measured reliably, the acquirer shall disclose: (i) the information required by paragraph 86 of IAS 37; and (ii) the reasons why the liability cannot be measured reliably.]*

The goodwill is primarily attributable to the profitability of the acquired business, the significant synergies and combined cost savings expected to arise. *[The requirement is to disclose description of factors that make up the goodwill.]* The goodwill will not be deductible for tax purposes in future periods.

Non-current assets held for sale (or disposal groups). After the end of the reporting period, the Group reclassified assets which had a carrying value of RR _____ thousand, to non-current assets held for sale (or disposal groups). Management approved a plan to sell _____ assets on _____ due to _____. The Group is actively marketing these assets and expects the sale to complete by _____2019. *[Describe facts and circumstances, expected manner and timing of that disposal]*

The reclassified assets belong to the [Retail] [Corporate] [Investment] banking segment operating in [Russia] [Europe] [the United States of America].

Refinancing. *[Disclose post-balance sheet (a) refinancing of loans on a long-term basis; (b) rectification of a breach of a long-term loan agreement; and (c) the receipt from the lender of a period of grace to rectify a breach of a long-term loan agreement ending at least twelve months after the end of the reporting period. Refer to IAS 1.67.]*

Transactions with shareholders. *[Provide a description of ordinary share transactions or potential ordinary share transactions, other than those accounted for in accordance with IAS 33.64, that occur after the end of the reporting period and that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period. Refer to IAS 33.70]*

[Consider descriptions of other significant subsequent events. If subsequent event is disclosed elsewhere in the notes then reference to the respective note needs to be made from the subsequent events note.]

[IAS 10.22 gives examples of non-adjusting events after the end of the reporting period that would generally result in disclosure, including abnormally large changes after the end of the reporting period in asset prices or foreign exchange rates.]

56 Accounting Policies Applicable before 1 January 2018

Accounting policies applicable to the comparative period ended 31 December 2017 that were amended by IFRS 9, are as follows.

Financial instruments – key measurement terms. Depending on their classification financial instruments are carried at fair value[, cost,] or AC as described below. Refer to Note 3 for the definition of fair value and AC as well as for description of valuation techniques.

[Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and includes *transaction costs*. Measurement at cost is only applicable to investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured and derivatives that are linked to, and must be settled by, delivery of such unquoted equity instruments.]

Trading securities. Trading securities are financial assets, which are either acquired for generating a profit from short-term fluctuations in price or trader's margin, or are securities included in a portfolio in which a pattern of short-term trading exists. The Group classifies securities into trading securities if it has an intention to sell them within a short period after purchase, i.e. within ___ months *[Note: short-term in this context means much less than 12 months, e.g. 3 to 6 months]*.

Trading securities are carried at fair value. Interest earned on trading securities calculated using the effective interest method is presented in profit or loss for the year separately from other fair value remeasurements. Dividends are included in dividend income within [other operating income] when the Group's right to receive the dividend payment is established, and it is probable that the dividends will be collected. All other elements of the changes in the fair value and gains or losses on derecognition are recorded in profit or loss for the year as gains less losses from trading securities in the period in which they arise.

[Alternative policy: Trading securities are carried at fair value. Interest earned and dividend income on trading securities are included in gains less losses from trading securities in profit or loss and disclosed separately in the notes to the financial statements.]

Other securities at FVTPL. Other securities at FVTPL are financial assets designated irrevocably, at initial recognition, into this category. Management designates securities into this category only if (a) such classification eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or (b) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information on that basis is regularly provided to and reviewed by the Group's [key management personnel] [Board of Directors]. Recognition and measurement of this category of financial assets is consistent with the above policy for trading securities.

Loans and advances to customers. Loans and advances to customers were carried at AC and impairment losses were recognised in profit or loss for the year when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of the financial asset and which had an impact on the amount or timing of the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. If the Group determined that no objective evidence exists that impairment was incurred for an individually assessed financial asset, whether significant or not, it included the asset in a group of financial assets with similar credit risk characteristics, and collectively assessed them for impairment.

The primary factors that the Group considered in determining whether a financial asset was impaired were its overdue status and realisability of related collateral, if any. The following other principal criteria were also used to determine whether there was objective evidence that a credit loss has occurred:

- any instalment was overdue and the late payment could not be attributed to a delay caused by the settlement systems;
- the borrower experienced a significant financial difficulty as evidenced by the borrower's financial information that the Group obtained;
- the borrower considered bankruptcy or a financial reorganisation;

56 Accounting Policies applicable before 1 January 2018 (Continued)

- there was an adverse change in the payment status of the borrower as a result of changes in the national or local economic conditions that impacted the borrower; or
- the value of collateral significantly decreased as a result of deteriorating market conditions. *[Please expand by describing the actual criteria used by the Group. Refer to IFRS 7.B5(f)]*

For the purposes of a collective evaluation of credit loss, financial assets were grouped on the basis of similar credit risk characteristics. Those characteristics were relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that were collectively evaluated for credit loss, were estimated on the basis of the contractual cash flows of the assets and the experience of management in respect of the extent to which amounts would become overdue as a result of past loss events and the success of recovery of overdue amounts. Past experience was adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect past periods, and to remove the effects of past conditions that do not exist currently.

Credit loss was always recognised through an allowance account to write down the asset's carrying amount to the present value of expected cash flows (which excluded future credit losses that have not been incurred) discounted at the original effective interest rate of the asset. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflected the cash flows that might result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure was probable.

If the terms of an impaired financial asset held at AC were renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment were measured using the original effective interest rate before the modification of terms. The renegotiated asset were then derecognised and a new asset were recognised at its fair value only if the risks and rewards of the asset substantially changed. This were normally evidenced by a substantial difference between the present values of the original cash flows and the new expected cash flows.

Impairment losses are always recognised through an allowance account to write down the asset's carrying amount to the present value of expected cash flows (which exclude future credit losses that have not been incurred) discounted at the original effective interest rate of the asset. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

If, in a subsequent period, the amount of the credit loss decreases and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss was reversed by adjusting the allowance account through profit or loss for the year.

Uncollectible assets were written off against the related credit loss allowance after all the necessary procedures to recover the asset had been completed and the amount of the loss had been determined. Subsequent recoveries of amounts previously written off were credited to credit loss account in profit or loss for the year. *[Please expand by describing the actual criteria used by the Group. Refer to IFRS 7.B5(d)(ii)]*

Investments carried at cost. Management could not reliably estimate fair value of the Group's AFS investments in shares of _____ [names]. The investments are carried at a cost of RR _____ thousand. The investee has not published recent financial information about its operations, its shares are not quoted and recent trade prices are not publicly accessible. Management estimates that fair value of these investments is between RR ____ thousand and RR ____ thousand based on [explain here how the estimate was done]. The market for these assets was not liquid at 31 December 2017, but potentially interested buyers could be [describe potential target buyers] found who are interested in [high risk and high yield investments]

In 2017, the Group sold its investments in shares of _____ [names], previously carried at a cost of RR ____ thousand because their fair value could not be reliably determined. The Group recognised a gain of RR _____ thousand on the sale in profit or loss for the year.

56 Accounting Policies applicable before 1 January 2018 (Continued)

Credit related commitments. Financial guarantees and commitments to provide a loan are initially recognised at fair value and subsequently measured at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the commitment at the end of each reporting period.

Investment securities AFS. This classification included investment securities which the Group intended to hold for an indefinite period of time and which might be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Investment securities AFS were carried at fair value. Interest income on AFS debt securities was calculated using the effective interest method, and recognised in profit or loss for the year.

Dividends on AFS equity instruments were recognised in profit or loss for the year when the Group's right to receive payment was established and it was probable that the dividends would be collected. All other elements of changes in the fair value were recognised in other comprehensive income until the investment was derecognised or impaired, at which time the cumulative gain or loss was reclassified from other comprehensive income to profit or loss for the year. Impairment losses were recognised in profit or loss for the year when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of investment securities AFS. A significant or prolonged decline in the fair value of an equity security below its cost was an indicator that it was impaired. The cumulative impairment loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognised in profit or loss – was reclassified from other comprehensive income to profit or loss for the year. Impairment losses on equity instruments were not reversed and any subsequent gains were recognised in other comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss for the year.

HTM Securities. This classification includes quoted non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has both the intention and ability to hold to maturity. An investment is not classified as a held-to-maturity investment if the Group has the right to require that the issuer repay or redeem the investment before its maturity, because paying for such a feature is inconsistent with expressing an intention to hold the asset until maturity. Management determines the classification of investment securities HTM at their initial recognition and reassesses the appropriateness of that classification at the end of each reporting period. Investment securities HTM are carried at AC.

Promissory notes purchased. Promissory notes purchased are included in trading securities, AFS securities, in due from other banks or in loans and advances to customers, depending on their substance and are recorded, subsequently remeasured and accounted for in accordance with the accounting policies for these categories of assets.

Finance lease receivables. Impairment losses were recognised in profit or loss for the year when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of finance lease receivables. The Group used the same principal criteria to determine whether there is objective evidence that an impairment loss had occurred, as for loans carried at AC. Impairment losses were recognised through an allowance account to write down the receivables' net carrying amount to the present value of expected cash flows (which exclude future credit losses that have not been incurred), discounted at the interest rates implicit in the finance leases. The estimated future cash flows reflected the cash flows that may result from obtaining and selling the assets subject to the lease.

Income and expense recognition. Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness, evaluating and recording guarantees or collateral, negotiating the terms of the instrument and for processing transaction documents.

56 Accounting Policies applicable before 1 January 2018 (Continued)

Commitment fees received by the Group to originate loans at market interest rates are integral to the effective interest rate if it is probable that the Group will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination. The Group does not designate loan commitments as financial liabilities at fair value through profit or loss.

When loans and other debt instruments become doubtful of collection, they are written down to the present value of expected cash inflows and interest income is thereafter recorded for the unwinding of the present value discount based on the asset's effective interest rate which was used to measure the impairment loss.

All other fees, commissions and other income and expense items are generally recorded on an accrual basis by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Loan syndication fees are recognised as income when the syndication has been completed and the Group retains no part of the loan package for itself, or retains a part at the same effective interest rate as for the other participants.

Commissions and fees arising from negotiating, or participating in the negotiation of a transaction for a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, and which are earned on execution of the underlying transaction, are recorded on its completion. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-proportion basis. Asset management fees relating to investment funds are recorded rateably over the period that the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continually provided over an extended period of time.

57 Abbreviations

The list of the abbreviations used in these consolidated financial statements is provided below:

Abbreviation	Full name
AC	Amortised Cost
ADR	American Depository Receipt
AFS	Available For Sale
CCF	Credit Conversion Factor
EAD	Exposure at Default
ECL	Expected Credit Loss
EIR	Effective interest rate
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX, Forex	Foreign Currency Exchange
GDR	Global Depository Receipt
HTM	Held To Maturity
IFRS	International Financial Reporting Standard
IRB system	Internal Risk-Based system
L&R	Loans and Receivables
LGD	Loss Given Default
LTV	Loan to Value
PD	Probability of Default
POCI financial assets	Purchased or Originated Credit-Impaired financial assets
SDIA	State Deposit Insurance Agency
SICR	Significant Increase in Credit Risk
SME	Small and Medium-sized Enterprises
SPPI	Solely Payments of Principal and Interest
SPPI test	Assessment whether the financial instruments' cash flows represent Solely Payments of Principal and Interest
[adjust as appropriate]	

Ask secretaries to help you with formatting the document:

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- Do not use the function "replace all" for changing "Group" to "Bank"" – we are often ending up with phrases like "This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Bank, or national or local economic conditions that correlate with defaults on assets in the Bank. "
- Note that all comments in brackets or written in Italic font should be removed or included as appropriate.

Applicable version of IFRS standards

These pro forma financial statements are based on IFRS, effective for the financial statements covering reporting year ending 31 December 2018. Early adoption of the standards or interpretations listed in Note 6 is not assumed.

First-time adoption note

These illustrative financial statements are for an existing preparer. A first-time adopter would have to replace Note 5 with IFRS 1 disclosures.

Disclaimer and key events or transactions that are not covered

These pro forma financial statements are not a substitute for reading the Standards and Interpretations themselves or for professional judgement as to fairness of presentation. They do not cover, for example:

- Hedge accounting;
- Discontinued operations;
- Embedded derivatives;
- Defined benefit plans;
- Share-based payments;
- Joint arrangements;
- Presentation of financial statements of companies with puttable shares (e.g. OOO companies);

and other possible disclosures required by IFRS. Depending on the circumstances, further specific information may be required in order to ensure fair presentation under IFRS and we recommend that reference is made to separate publications:

- IFRS Disclosure Checklist (available as an electronic package and as a document)
- IFRS Illustrative Bank Financial Statements
- IFRS Illustrative Corporate Financial Statements
- IFRS Illustrative Financial Statements – Investment Funds
- Illustrative Consolidated Financial Statements – Investment Property
- IFRS Illustrative Consolidated Financial Statements – Insurance

APPENDIX C – BANKS WITH PUTTABLE SHARES (OOO BANKS)

Puttable shares, such as those of OOO companies, may give rise to a liability for the redemption amount. Presentation of the statement of financial position, statement of comprehensive income and statement of changes in equity may, therefore, differ from banks without puttable shares. Refer to the illustrative examples in IAS 32 – Example 7, paragraph IE32 and Example 8, paragraph IE33.

Investment property. Investment property is property held by the Group to earn rental income or for capital appreciation, or both, and is not occupied by the Group.

[Include if applicable:] [Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.] *[Include policy for finance leases here if not separately included.]*

[Tailor to reflect the actual sources used by the Group/their external valuer:] Investment property is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value updated to reflect market conditions at the end of the reporting period. Fair value of investment property is the price at which the property could be sold in an orderly transaction in the principal market. An orderly transaction is not a forced transaction or a distress sale. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. In the absence of current prices in an active market, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

[If, in exceptional cases, there is clear evidence when the Group first acquires an investment property (or when an existing property first becomes investment property following a change in use) that the fair value of the investment property is not reliably determinable on a continuing basis, then the Group measures that investment property using the cost model in IAS 16 *[expand further if the Group has had to apply this rule].]*

If investment properties are material, refer to this long version for illustrative extended accounting policy.

Investment properties. The fair value of the Group's investment property is determined based on reports of independent appraisers, who hold a recognised and relevant professional qualification, and who have had recent experience of the valuation of property in similar locations and of similar category. *[If the valuation is done by the entity's staff, amend wording accordingly and disclose that professional valuers were not involved – see IAS 40.75(e).]*

[If a valuation obtained for a property is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.]

[Investment property that is being developed or redeveloped for use as investment property is also measured at fair value.]

Earned rental income is recorded in profit or loss for the year within [other operating income]. Gains and losses resulting from changes in the fair value of investment property are recorded in profit or loss for the year and presented separately. [Gains or losses on disposal of investment property are calculated as proceeds less carrying amount. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss for the year within net gain from fair value adjustment on investment property.]

[In certain circumstances the Group may dispose of a property other than at fair value, such as when there are special terms or circumstances allowing the parties to the transaction to obtain a benefit which would not generally be available to other market participants. In such circumstances, the carrying value immediately prior to the sale is adjusted to the estimated fair value at the disposal date, and any difference between proceeds and the carrying amount is recorded separately in profit or loss for the year within realised gains or losses on disposal of the investment property.]

[If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its deemed cost for accounting purposes.]

[If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss for the year to the extent that it reverses a previous credit loss, with any remaining increase credited directly to other comprehensive income. Any resulting decrease in the carrying amount of the property is initially charged against any revaluation surplus previously recognised in other comprehensive income, with any remaining decrease charged to profit or loss for the year.]

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group, and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

[Alternative policy – cost model: Investment properties are stated at cost, restated to the equivalent purchasing power of the Russian Rouble at 31 December 2002 for assets acquired prior to 1 January 2003 less accumulated depreciation and provision for impairment, where required. If any indication exists that investment properties may be impaired, the Group estimates the recoverable amount as the higher of value in use and fair value less costs to sell. The carrying amount of an investment property is written down to its recoverable amount through a charge to profit or loss for the year. A credit loss recognised in prior years is reversed if there has been a subsequent change in the estimates used to determine the asset's recoverable amount.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with it will flow to the Group, and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. If an investment property becomes owner-occupied, it is reclassified to premises and equipment.

Consider updating Note 2 with information about economic environment in Ukraine if the bank has operations in Ukraine, e.g.:

Ukraine. Starting in 2013, the political situation in Ukraine has experienced instability with numerous protests and continued political uncertainty that has led to deterioration of the state's finances, volatility of financial markets and sharp depreciation of the national currency against major foreign currencies. The ratings of Ukrainian sovereign debt were downgraded by international rating agencies with negative outlooks for the future. The central bank of Ukraine, among other measures, imposed certain restrictions on processing of client payments by banks and on the purchase of foreign currency on the inter-bank market.

The recent political situation has been volatile, with changes in the Ukrainian Parliament and the Presidency. In March 2014, various events in Crimea led to the accession of the Republic of Crimea to the Russian Federation. This event resulted in a significant deterioration of the relationship between Ukraine and the Russian Federation. The Group's exposure to Ukraine comprises loans of RR ____ thousand [etc describe the exposure].

The final resolution of the political and economic crisis in Ukraine and the final effects are difficult to predict but it may have further severe effects on the Ukrainian economy and the Group's business. *[Note: Consider including the text where the Group has significant operations in Ukraine.]*

Consider updating Note 2 with information about Impact of UK Brexit referendum if the bank has operations in UK, e.g.:

Brexit. In June 2016 the people of the United Kingdom voted for an exit from the European Union. There will be a period of negotiation and resulting uncertainty as the detailed political and legal issues are worked out and the real impact of leaving unfolds. The political situation is the UK is also changing in response to the outcome of the referendum and continuing negotiations with the EU. This uncertainty will likely impact all UK businesses and those that do business with or invest in the UK. Whilst it is impossible to predict the impact on the UK economy or the final situation in terms of trade regulation, trade and labour agreements and political positions in the coming years, there could be significant impairment, going concern and/or capital issues to consider. Entities in the UK or those who trade with the UK will likely have to reassess their trading outlook once there is more clarity regarding conditions of exit from the EU, as the impact could be substantial.