

# **AO UniCredit Bank**

Condensed Interim Consolidated  
Financial Statements  
for the Nine-Month Period Ended  
30 September 2021 (unaudited)

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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021:

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# AO UniCredit Bank

## Statement of Management's Responsibilities for the Preparation and Approval of the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021

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Management of AO UniCredit Bank is responsible for the preparation of the condensed interim consolidated financial statements that present fairly the financial position of AO UniCredit Bank and its subsidiary (collectively – the “Group”) as at 30 September 2021, and the related condensed interim consolidated statement of comprehensive income for three and nine months then ended, condensed interim consolidated statements of changes in equity and cash flows for the nine months then ended and a summary of significant accounting policies and selected notes to the condensed interim consolidated financial statements (the “condensed interim consolidated financial statements”) in compliance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting (“IAS 34”).

In preparing the condensed interim consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IAS 34 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group’s consolidated financial position and financial performance; and
- Making an assessment of the Group’s ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group’s transactions and disclose with reasonable accuracy at any time the financial position of the Group, and which enable them to ensure that the condensed interim consolidated financial statements of the Group comply with IAS 34;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Russian Federation;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The condensed interim consolidated financial statements of the Group for the nine-month period ended 30 September 2021 were approved by the Board of Management of AO UniCredit Bank on 9 November 2021.

  
**K. Zhukov-Emelyanov**  
Chairman of the Board of Management

  
  
**V. Starovoytov**  
Deputy Chief Accountant

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9 November 2021  
Moscow

## **REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

To: the Shareholder and the Supervisory Board of AO UniCredit Bank

### **Introduction**


We have reviewed the accompanying condensed interim consolidated statement of financial position of AO UniCredit Bank and its subsidiary (the “Group”) as of 30 September 2021, the related condensed interim consolidated statement of comprehensive income for three and nine months then ended, condensed interim consolidated statements of changes in equity and cash flows for the nine months then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial information Performed by the Independent Auditor of the Entity. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

  
Zdanovich Anna Michaylovna  
Engagement partner



9 November 2021

The Entity: AO UniCredit Bank

Licensed by the Central Bank of the Russian Federation on 22.12.2014, License No.1.

Primary State Registration Number: 1027739082106

Certificate of registration in the Unified State Register series 77 № 007773325 of 19.08.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation №39.

Address: 9, Prechistenskaya emb., Moscow, Russia 119034.

Audit Firm: AO "Deloitte & Touche CIS"

Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.

Primary State Registration Number: 1027700425444

Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.

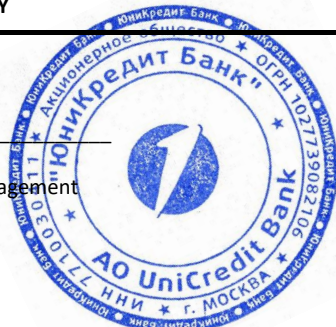
Member of Self-regulatory organization of auditors Association "Sodruzhestvo", ORNZ 12006020384.


# AO UniCredit Bank

## Condensed Interim Consolidated Statement of Financial Position as at 30 September 2021 (in thousands of Russian Roubles)

	Notes	30 September 2021 (unaudited)	31 December 2020
<b>ASSETS</b>			
Cash and cash balances	5	36 354 162	28 949 714
Debt securities held for trading	6		
- held by the Group		11 634 467	1 082 892
Derivative financial assets	8	28 338 068	39 606 302
Derivative financial assets designated for hedging	8	11 323 359	18 583 515
Changes in fair value of portfolio hedged items		2 130 392	10 214 637
Financial assets at amortized cost			
- Debt securities	11		
- held by the Group		69 980 776	67 986 636
- pledged under repurchase agreements		4 512 153	-
- Amounts due from credit institutions	7	299 677 952	380 383 482
- Loans to customers	9	667 450 347	646 035 934
Financial assets at fair value through other comprehensive income	10		
- held by the Group		24 445 186	46 876 408
Investments in associate	12	10 857 920	9 669 851
Fixed assets		11 894 731	12 255 064
Intangible assets		7 126 252	7 647 521
Deferred income tax assets		2 684 413	3 805 548
Current income tax assets		591 736	672 017
Other assets		9 324 948	8 162 123
<b>TOTAL ASSETS</b>		<b>1 198 326 862</b>	<b>1 281 931 644</b>
<b>LIABILITIES</b>			
Amounts due to credit institutions	14	61 540 890	29 103 365
Amounts due to customers	15	849 964 837	945 130 002
Derivative financial liabilities	8	27 541 333	39 932 210
Derivative financial liabilities designated for hedging	8	12 616 383	30 177 965
Changes in fair value of portfolio hedged items		2 775 216	6 446 605
Current income tax liabilities		-	12 621
Other liabilities		27 115 649	16 609 892
<b>TOTAL LIABILITIES</b>		<b>981 554 308</b>	<b>1 067 412 660</b>
<b>EQUITY</b>			
Share capital		41 787 806	41 787 806
Share premium		437 281	437 281
Cash flow hedge reserve		(601 910)	251 015
Revaluation reserve for financial assets at fair value through other comprehensive income		(598 221)	1 674 972
Foreign currency translation reserve		116 777	(4 822)
Fixed assets revaluation reserve		4 233 393	4 231 960
Retained earnings		171 397 428	166 140 772
<b>TOTAL EQUITY</b>		<b>216 772 554</b>	<b>214 518 984</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1 198 326 862</b>	<b>1 281 931 644</b>

  
K. Zhukov-Emeljanov  
Chairman of the Board of Management



  
V. Starovoytov  
Deputy Chief Accountant

9 November 2021  
Moscow

The accompanying notes 1-20 are an integral part of these consolidated financial statements.

# AO UniCredit Bank

## Condensed Interim Consolidated Statement of Comprehensive Income for the Three and Nine-Month Periods Ended 30 September 2021 (in thousands of Russian Roubles)

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Interest income and similar revenues		21 157 870	21 006 215	61 234 060	70 550 121
Interest expense and similar charges		(11 225 787)	(10 698 920)	(31 512 517)	(40 949 760)
<b>Net interest income</b>		<b>9 932 083</b>	<b>10 307 295</b>	<b>29 721 543</b>	<b>29 600 361</b>
Fee and commission income		1 884 247	1 941 349	5 725 471	6 962 188
Fee and commission expense		(580 983)	(494 882)	(1 663 620)	(1 651 704)
<b>Net fee and commission income</b>		<b>1 303 264</b>	<b>1 446 467</b>	<b>4 061 851</b>	<b>5 310 484</b>
Dividend income		25 622	23 291	25 624	23 293
Losses on financial assets and liabilities held for trading and foreign currencies	18	(70 644)	(762 154)	(1 170 538)	(758 207)
Fair value adjustments in portfolio hedge accounting		(135 406)	22 528	(367 675)	8 624
Gains/(losses) on disposal of:					
- financial assets at amortized cost		29 368	218 008	119 952	1 370 431
- financial assets at fair value through other comprehensive income		(1 582)	-	524 353	2 386 107
<b>OPERATING INCOME</b>		<b>11 082 705</b>	<b>11 255 435</b>	<b>32 915 110</b>	<b>37 941 093</b>
Recovery of allowance /(allowance) for expected credit losses on:					
- financial assets at fair value through other comprehensive income		1 368	4 026	(45 298)	(20 296)
- financial assets at amortized costs	7,9,11	770 797	(3 591 163)	1 569 426	(12 379 057)
- other financial transactions	16	(654 810)	(416 387)	(1 276 466)	(560 803)
<b>NET INCOME FROM FINANCIAL ACTIVITIES</b>		<b>11 200 060</b>	<b>7 251 911</b>	<b>33 162 772</b>	<b>24 980 937</b>
Personnel expenses		(2 708 896)	(2 444 464)	(8 088 127)	(7 688 190)
Other administrative expenses		(1 800 519)	(1 530 145)	(5 310 928)	(5 384 952)
Depreciation of fixed assets		(263 423)	(249 808)	(836 740)	(781 387)
Depreciation of rights-of-use		(121 000)	(137 481)	(358 717)	(415 570)
(Impairment) /write-backs on fixed assets		(717)	(888)	2 628	(15 728)
Amortization of intangible assets		(553 560)	(504 627)	(1 619 596)	(1 420 728)
(Other provisions)/recovery of other provisions		(11 347)	(26 153)	(14 791)	51 730
Other operating income/(expenses)		82 984	(2 885)	53 929	(100 841)
<b>Operating costs</b>		<b>(5 376 478)</b>	<b>(4 896 451)</b>	<b>(16 172 342)</b>	<b>(15 755 666)</b>
Share of gains of associate	12	421 476	387 457	1 116 318	1 117 027
Gain on fixed assets measured at fair value		-	-	1 182	231
Gains on disposal of fixed assets		272	465	4 490	1 833
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		<b>6 245 330</b>	<b>2 743 382</b>	<b>18 112 420</b>	<b>10 344 362</b>
Income tax expense	13	(1 299 794)	(479 541)	(3 640 272)	(1 929 322)
<b>PROFIT FOR THE PERIOD</b>		<b>4 945 536</b>	<b>2 263 841</b>	<b>14 472 148</b>	<b>8 415 040</b>
<b>OTHER COMPREHENSIVE (LOSS)/ INCOME</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Fixed assets revaluation reserve		-	-	114 163	(17 544)
<b>Items that may be reclassified subsequently to profit or loss</b>					
Cash flow hedge reserve – effective portion of changes in fair value, net of tax:					
- fair value changes		(593 483)	(16 164)	(872 531)	601 970
- reclassification adjustment relating to financial assets and liabilities designated for hedging disposed of in the period		14 964	102 634	19 606	111 071
Revaluation reserve for financial assets at fair value through other comprehensive income, net of tax:					
- fair value changes		7 199	(566 549)	(1 068 978)	750 329
- reclassification adjustment relating to financial assets at fair value through other comprehensive income disposed of in the period		(133 284)	21 331	(1 194 367)	(1 613 288)
Share of other comprehensive (loss)/income of associate:					
- revaluation reserve for financial assets at fair value through other comprehensive income, net of tax		(2 184)	3 966	(9 848)	10 141
- foreign currency translation reserve		124 851	273 261	121 599	274 150
<b>Other comprehensive (loss)/income for the period, net of tax</b>	13	<b>(581 937)</b>	<b>(181 521)</b>	<b>(2 890 356)</b>	<b>116 829</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>4 363 599</b>	<b>2 082 320</b>	<b>11 581 792</b>	<b>8 531 869</b>

K. Zhukov-Emelyanov  
Chairman of the Board of Management

9 November 2021  
Moscow


V. Starovoytov  
Deputy Chief Accountant

The accompanying notes 1-20 are an integral part of these consolidated financial statements.

# AO UniCredit Bank`

## Condensed Interim Consolidated Statement of Changes in Equity for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

	Share capital	Share premium	Cash flow hedge reserve	Revaluation reserve for financial assets at fair value through other comprehensive income	Share of other comprehensive income/(loss) of associate Revaluation reserve for financial assets at fair value through other comprehensive income	Foreign currency translation reserve	Fixed assets revaluation reserve	Retained earnings	Total equity
1 January 2020	41 787 806	437 281	(381 731)	1 977 526	23 200	(71 830)	4 294 938	165 161 425	213 228 615
<b>Total comprehensive income</b>									
Profit for the period (unaudited)	-	-	-	-	-	-	-	8 415 040	8 415 040
Other comprehensive income/(loss) (unaudited)	-	-	713 041	(862 959)	10 141	274 150	(17 544)	-	116 829
<b>Total comprehensive income/(loss) for the period (unaudited)</b>	-	-	713 041	(862 959)	10 141	274 150	(17 544)	8 415 040	8 531 869
Transfer of revaluation reserve upon depreciation (unaudited)	-	-	-	-	-	-	(110 150)	110 150	-
<b>Transactions with owner, directly recorded in equity</b>									
Dividends paid on ordinary shares	-	-	-	-	-	-	-	(8 121 323)	(8 121 323)
<b>Total transactions with owner</b>	-	-	-	-	-	-	-	(8 121 323)	(8 121 323)
<b>30 September 2020 (unaudited)</b>	<b>41 787 806</b>	<b>437 281</b>	<b>331 310</b>	<b>1 114 567</b>	<b>33 341</b>	<b>202 320</b>	<b>4 167 244</b>	<b>165 565 292</b>	<b>213 639 161</b>

  
K. Zhukov-Emelyanov  
Chairman of the Board of Management

9 November 2021  
Moscow



  
V. Starovoytov  
Deputy Chief Accountant


The accompanying notes 1-20 are an integral part of these consolidated financial statements.



# AO UniCredit Bank

## Condensed Interim Consolidated Statement of Changes in Equity for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

	Share capital	Share premium	Cash flow hedge reserve	Revaluation reserve for financial assets at fair value through other comprehensive income	Share of other comprehensive income/(loss) of associate		Fixed assets revaluation reserve	Retained earnings	Total equity
					Revaluation reserve for financial assets at fair value through other comprehensive income	Foreign currency translation reserve			
<b>1 January 2021</b>	<b>41 787 806</b>	<b>437 281</b>	<b>251 015</b>	<b>1 643 275</b>	<b>31 697</b>	<b>(4 822)</b>	<b>4 231 960</b>	<b>166 140 772</b>	<b>214 518 984</b>
<b>Total comprehensive income</b>									
Profit for the year (unaudited)	-	-	-	-	-	-	-	14 472 148	<b>14 472 148</b>
Other comprehensive (loss)/income (unaudited)	-	-	(852 925)	(2 263 345)	(9 848)	121 599	114 163	-	<b>(2 890 356)</b>
<b>Total comprehensive (loss)/ income for the period (unaudited)</b>	<b>-</b>	<b>-</b>	<b>(852 925)</b>	<b>(2 263 345)</b>	<b>(9 848)</b>	<b>121 599</b>	<b>114 163</b>	<b>14 472 148</b>	<b>11 581 792</b>
Transfer of revaluation reserve upon depreciation (unaudited)	-	-	-	-	-	-	(112 730)	112 730	-
<b>Transactions with owner, directly recorded in equity</b>									
Dividends paid on ordinary shares	-	-	-	-	-	-	-	(9 328 222)	<b>(9 328 222)</b>
<b>Total transactions with owner</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9 328 222)</b>	<b>(9 328 222)</b>
<b>30 September 2021 (unaudited)</b>	<b>41 787 806</b>	<b>437 281</b>	<b>(601 910)</b>	<b>(620 070)</b>	<b>21 849</b>	<b>116 777</b>	<b>4 233 393</b>	<b>171 397 428</b>	<b>216 772 554</b>

  
K. Zhukov-Emelyanov  
Chairman of the Board of Management

9 November 2021  
Moscow




  
V. Starovoytov  
Deputy Chief Accountant

The accompanying notes 1-20 are an integral part of these consolidated financial statements.


**Condensed Interim Consolidated Statement of Cash Flows  
for the Nine-Month Period Ended 30 September 2021  
(in thousands of Russian Roubles)**

Note	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>20 638 259</b>	<b>28 167 785</b>
<b>Net cash flows from operating activities before income tax</b>	<b>7 347 981</b>	<b>8 435 238</b>
Corporate income tax paid	(1 799 962)	(5 488 036)
<b>Net cash flows from operating activities</b>	<b>5 548 019</b>	<b>2 947 202</b>
<b>Cash flows from investing activities</b>		
Dividends received	25 624	23 293
Purchase of financial assets at fair value through other comprehensive income	(12 188 587)	(118 895 347)
Proceeds from redemption and sale of financial assets at fair value through other comprehensive income	31 590 605	212 629 155
Purchase of financial assets at amortized cost - debt securities	(7 116 912)	(43 464 758)
Proceeds from sale of financial assets at amortized cost - debt securities	1 044 326	-
Proceeds from sale of fixed and intangible assets	104 484	5 011
Purchase of fixed and intangible assets	(1 652 769)	(1 239 099)
<b>Net cash flows from investing activities</b>	<b>11 806 771</b>	<b>49 058 255</b>
<b>Cash flows from financing activities</b>		
Dividends paid on ordinary shares	(9 328 222)	(8 121 323)
Redemption of subordinated debt	20 -	(37 381 559)
Cash outflow for lease liabilities	(358 830)	(395 490)
<b>Net cash flows used in financing activities</b>	<b>(9 687 052)</b>	<b>(45 898 372)</b>
Effect of exchange rates changes on cash and cash balances	(263 290)	3 563 803
<b>Net increase in cash and cash balances</b>	<b>7 404 448</b>	<b>9 670 888</b>
<b>Cash and cash balances, beginning of the period</b>	<b>5 28 949 714</b>	<b>24 268 658</b>
<b>Cash and cash balances, ending of the period</b>	<b>5 36 354 162</b>	<b>33 939 546</b>

  
K. Zhukov-Emelyanov  
Chairman of the Board of Management

9 November 2021  
Moscow



  
V. Starovoytov  
Deputy Chief Accountant

# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

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### 1. Principal activities

These condensed interim consolidated financial statements include the financial statements of AO UniCredit Bank (hereinafter – the “Bank”) and its subsidiary. AO UniCredit Bank, its subsidiary and associate are hereinafter collectively referred to as the “Group”.

The Bank (the former International Moscow Bank) was established in 1989 as a closed joint-stock company under the laws of the Russian Federation. The Bank operates under General Banking License issued by the Central Bank of Russia (hereinafter – the “CBR”) for banking operations for No. 1, as well as the license of the CBR for operations with precious metals for No. 1, both issued on 22 December 2014. The Bank also possesses licenses of the professional securities market participant for dealing, brokerage and depository activities issued by the Federal Securities Commission on 25 April 2003, as well as authorized to speak to the customs authorities as a guarantor starting from 1 November 2013. On 7 October 2020 the Bank was included in the list of investment advisors. The Bank is a member of the state deposit insurance system in the Russian Federation starting from 16 December 2004. The Bank also possesses cryptographic licence starting from 7 April 2015.

As at 30 September 2021 the Group comprises the Bank, the leading operating entity of the Group, LLC UniCredit Leasing, a leasing company as its subsidiary, and holding company BARN B.V. as its associate. LLC UniCredit Leasing owns 100% of the shares in LLC UniCredit Garant. Both companies operate in the financial leasing industry on the local market. BARN B.V. is the holding company based in the Netherlands, which owns 100% of the shares in JSC RN Bank.

As at 30 September 2021 the Bank had 13 branches throughout the Russian Federation and one representative office in the Republic of Belarus (31 December 2020: 13 branches and 9 representative offices throughout the Russian Federation and one representative office in the Republic of Belarus).

The Bank’s registered legal address is 9, Prechistenskaya Embankment, Moscow, Russian Federation, 119034.

The primary activities of the Group are deposit taking, lending, providing payments and settlement services, transactions with foreign currencies and securities, providing finance leases and auxiliary activities in financial services and insurance. The Group operates in industries where significant seasonal or cyclical variations in operating income are not experienced during the financial year. However, since the results of the Group’s operations closely relate to and depend on changing market conditions, the results of the Group’s operations for the interim period are not necessarily indicative of the results for the year ending 31 December 2021.

### 2. Basis of preparation

**Statement of compliance.** These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The condensed interim consolidated financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements. The Group omitted disclosures which would substantially duplicate the information contained in its audited annual consolidated financial statements for 2020 prepared in accordance with International Financial Reporting Standards (hereinafter – “IFRS”), such as accounting policies and details of accounts which have not changed significantly in amount or composition. Additionally, the Group has provided disclosures where significant events have occurred subsequent to the issuance of the Group’s annual consolidated financial statements for 2020 prepared in accordance with IFRS.

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

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### 2. Basis of preparation (continued)

The management believes that the disclosures in these condensed interim consolidated financial statements are adequate to make the information presented not misleading if these financial statements are read in conjunction with the Group's annual consolidated financial statements for 2020 prepared in accordance with IFRS. In the opinion of the management, these financial statements reflect all adjustments necessary to present fairly the Group's consolidated position, results of operations, statements of changes in shareholders' equity and cash flows for the interim reporting periods.

**Basis of measurement.** These condensed interim consolidated financial statements are prepared on the historical cost basis except that financial instruments held for trading, assets at fair value through other comprehensive income, derivative financial instruments and real estate are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**Presentation currency.** These condensed interim consolidated financial statements are presented in Russian Roubles (hereinafter – "RUB"). Amounts in Russian Roubles are rounded to the nearest thousand.

The exchange rates used by the Group in the preparation of the condensed interim consolidated financial statements as at period-end are as follows:

	30 September 2021	31 December 2020
RUB/US Dollar	72.7608	73.8757
RUB/Euro	84.8755	90.6824

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**Use of estimates and judgements.** The preparation of financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed interim consolidated financial statements the significant judgements made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

In the second quarter of 2021, the Group made a number of changes in the estimates of expected credit losses. In particular, the Group has updated its macroeconomic forecast to reflect expected credit losses in order to take into account the impact of recent changes in the economy in accordance with the Group approach and the requirements of IFRS 9.

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 2. Basis of preparation (continued)

Also in the second quarter of 2021, the Group revised the model for quantifying a significant increase in credit risk (SICR, significant increase of credit risk). Thus, the approach to the transfer between the stages of impairment has been changed. Instead of a simplified approach to quantify a significant increase in credit risk based on measuring the probability of default over a 12-month time horizon, a targeted approach based on measuring the probability of default over the entire life of a financial instrument is applied from the second quarter of 2021. This modification is a change in the accounting estimates and was reflected prospectively in accordance with IAS 8. A separate assessment of the quantitative impact of the change in the approach to the allocation between stages of impairment was not carried out, because the structure of the distribution of the loan portfolio by stages of impairment was also affected by the update of information about counterparties, including financial statements.

**Going concern.** These condensed interim consolidated financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations.

The management and shareholder have the intention to further develop the business of the Group in the Russian Federation both in corporate and retail segments. The management believes that the going concern assumption is appropriate for the Group due to its sufficient capital adequacy ratio and based on historical experience that short term obligations will be refinanced in the normal course of business.

### 3. Significant accounting policies

**Interim measurement period.** Income tax expense is recognized in these condensed interim consolidated financial statements based on the management's best estimate of the weighted average effective annual income tax rate expected for the full financial year. Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

**New or amended standards issued but not yet effective.** The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

<b>New or amended standard or interpretation</b>	<b>Effective date - for annual periods beginning on or after</b>
IFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to IAS 1 <i>Presentation of Financial Statements</i> regarding the classification of liabilities as current or non-current and disclosure of accounting policies	1 January 2023
Amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> regarding the definition of accounting estimates	1 January 2023
Amendments to IFRS 3 <i>Business combinations</i>	1 January 2022
Amendments to IAS 16 <i>Property and equipment</i>	1 January 2022
Amendments to IAS 37 <i>Provisions, contingent liabilities and contingent assets</i>	1 January 2022
Amendments to (within the project for the formation of Annual Improvements to IFRS 2018-2020 cycles) IFRS 9 <i>Financial Instruments</i>	1 January 2022
Amendments to IFRS 1, IFRS 9, IAS 41 and amendment to Illustrative Example accompanying IFRS 16 of Annual Improvements to IFRS 2018-2020	1 January 2022
Amendments to IAS 12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined by the IASB

### 3. Significant accounting policies (continued)

The same accounting policies, presentation and methods of computation have been followed in these condensed interim consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2020 except for income tax which is calculated based on the expected annual tax rate and for the standards or interpretations became effective starting 1 January 2021 as described below:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

In 2019, the Group has early adopted the “Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform” (Phase 1). The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the Bank is exposed to and how the Bank manages those risks as well as the Bank's progress in transitioning from IBORs to alternative benchmark rates, and how the Bank is managing this transition.

These standards or interpretations were considered by the management of the Group but have not material impact on the Group's condensed interim consolidated financial statements.

### 4. Operating segments

For the management purposes, the Group has four reporting business segments:

**Corporate and Investment banking** (hereinafter – “CIB”) includes corporate lending, project and commodity and corporate structured finance, corporate sight and term deposit services, securities, foreign currency and derivatives trading and custody services.

**Retail banking** comprises banking services to private individuals and Small and Medium Entities (hereinafter – “SME”), credit and debit card services, retail sight and term deposit services, lending to SME and retail lending (consumer loans, car loans and mortgages).

**Leasing** – represents the leasing activities of the Group.

**Other** – represents the Group's funding activities and other unallocated items.

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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## 4. Operating segments (continued)

Information about each segment is measured on the same basis as the information used for decision making purposes for allocating resources to segments and assessing segment performance and is prepared on the same basis as the condensed interim consolidated financial statements. Decisions on the allocation of resources between segments and the evaluation of performance results are carried out by the Board of Management.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily reallocated between segments, resulting in funding cost transfers included in segment net interest income. Interest charged for these funds is based on the Group's funds transfer pricing policy.

Segment breakdown of assets and liabilities is set out below:

	<b>30 September 2021 (unaudited)</b>	<b>31 December 2020</b>
<b>Assets</b>		
CIB	920 784 050	1 038 155 125
Retail banking	146 161 383	142 833 935
Leasing	43 398 215	35 507 258
Other	87 983 214	65 435 326
<b>Total assets</b>	<b>1 198 326 862</b>	<b>1 281 931 644</b>
<b>Liabilities</b>		
CIB	604 080 939	716 308 604
Retail banking	327 193 233	339 109 196
Leasing	2 315 612	2 153 258
Other	47 964 524	9 841 602
<b>Total liabilities</b>	<b>981 554 308</b>	<b>1 067 412 660</b>

# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 4. Operating segments (continued)

Segment information for the operating segments for the three-month period ended 30 September 2021 is set out below (unaudited):

	CIB	Retail banking	Leasing	Other	Total
Net interest income/(expense) from external customers	6 931 942	2 580 181	459 978	(40 018)	9 932 083
Inter-segment (expense)/income	(2 257 394)	552 193	-	1 705 201	-
<b>Net interest income</b>	<b>4 674 548</b>	<b>3 132 374</b>	<b>459 978</b>	<b>1 665 183</b>	<b>9 932 083</b>
Net fee and commission income from external customers	952 555	348 248	2 370	91	1 303 264
Dividend income	-	-	-	25 622	25 622
(Losses)/gains on financial assets and liabilities held for trading and foreign currencies from external customers	(470 116)	406 455	(28)	(6 955)	(70 644)
Fair value adjustments in portfolio hedge accounting	-	-	-	(135 406)	(135 406)
Gains on disposals of financial assets	27 516	270	-	-	27 786
<b>Operating income</b>	<b>5 184 503</b>	<b>3 887 347</b>	<b>462 320</b>	<b>1 548 535</b>	<b>11 082 705</b>
Recovery of allowance/(allowance) for expected credit losses on loans and other financial transactions	567 967	(377 382)	(73 230)	-	117 355
<b>Net income from financial activities</b>	<b>5 752 470</b>	<b>3 509 965</b>	<b>389 090</b>	<b>1 548 535</b>	<b>11 200 060</b>
Operating costs including:	(1 905 544)	(3 729 185)	(39 942)	298 193	(5 376 478)
- depreciation on fixed assets and rights of use and amortization of intangible assets	(316 931)	(619 764)	(1 288)	-	(937 983)
- impairment of fixed assets	-	(717)	-	-	(717)
Gains on disposal of fixed assets	-	-	-	272	272
Share of gains in associate	-	-	-	421 476	421 476
<b>Profit/(loss) before income tax expense</b>	<b>3 846 926</b>	<b>(219 220)</b>	<b>349 148</b>	<b>2 268 476</b>	<b>6 245 330</b>
Income tax expense					(1 299 794)
<b>Profit for the period</b>					<b>4 945 536</b>
Cash flow hedge reserve					(578 519)
Revaluation reserve for financial assets at fair value through other comprehensive income					(128 269)
Foreign currency translation reserve					124 851
<b>Total comprehensive income for the period</b>					<b>4 363 599</b>



## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 4. Operating segments (continued)

Segment information for the operating segments for the three-month period ended 30 September 2020 is set out below (unaudited):

	CIB	Retail banking	Leasing	Other	Total
Net interest income/(expense) from external customers	6 571 801	3 281 028	472 816	(18 350)	10 307 295
Inter-segment (expense)/income	(1 480 545)	(237 602)	-	1 718 147	-
<b>Net interest income</b>	<b>5 091 256</b>	<b>3 043 426</b>	<b>472 816</b>	<b>1 699 797</b>	<b>10 307 295</b>
Net fee and commission income from external customers	897 801	544 127	4 539	-	1 446 467
Dividend income	-	-	-	23 291	23 291
(Losses)/gains on financial assets and liabilities held for trading and foreign currencies from external customers	(826 060)	150 656	39	(86 789)	(762 154)
Fair value adjustments in portfolio hedge accounting	-	-	-	22 528	22 528
Gains on disposals of financial assets	218 008	-	-	-	218 008
<b>Operating income</b>	<b>5 381 005</b>	<b>3 738 209</b>	<b>477 394</b>	<b>1 658 827</b>	<b>11 255 435</b>
Allowance for expected credit losses on loans and other financial transactions	(3 073 715)	(861 262)	(68 547)	-	(4 003 524)
<b>Net income from financial activities</b>	<b>2 307 290</b>	<b>2 876 947</b>	<b>408 847</b>	<b>1 658 827</b>	<b>7 251 911</b>
Operating costs including:	(1 831 254)	(2 978 753)	(100 294)	13 850	(4 896 451)
- depreciation on fixed assets and rights of use and amortization of intangible assets	(273 165)	(617 471)	(1 280)	-	(891 916)
- impairment of fixed assets	-	(888)	-	-	(888)
Gains on disposal of fixed assets	-	-	-	465	465
Share of gains in associate	-	-	-	387 457	387 457
<b>Profit/(loss) before income tax expense</b>	<b>476 036</b>	<b>(101 806)</b>	<b>308 553</b>	<b>2 060 599</b>	<b>2 743 382</b>
Income tax expense					(479 541)
<b>Profit for the period</b>					<b>2 263 841</b>
Cash flow hedge reserve					86 470
Revaluation reserve for financial assets at fair value through other comprehensive income					(541 252)
Foreign currency translation reserve					273 261
<b>Total comprehensive income for the period</b>					<b>2 082 320</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**4. Operating segments (continued)**

Segment information for the operating segments for the nine-month period ended 30 September 2021 is set out below (unaudited):

	<b>CIB</b>	<b>Retail banking</b>	<b>Leasing</b>	<b>Other</b>	<b>Total</b>
Net interest income/(expense) from external customers	20 506 279	8 055 282	1 349 595	(189 613)	29 721 543
Inter-segment (expense)/income	(5 645 060)	1 180 243	-	4 464 817	-
<b>Net interest income</b>	<b>14 861 219</b>	<b>9 235 525</b>	<b>1 349 595</b>	<b>4 275 204</b>	<b>29 721 543</b>
Net fee and commission income/(expense) from external customers	2 760 190	1 304 186	(2 725)	200	4 061 851
Dividend income	-	-	-	25 624	25 624
(Losses)/gains on financial assets and liabilities held for trading and foreign currencies from external customers	(1 983 555)	907 598	545	(95 126)	(1 170 538)
Fair value adjustments in portfolio hedge accounting	-	-	-	(367 675)	(367 675)
Gains on disposals of financial assets	554 840	89 465	-	-	644 305
<b>Operating income</b>	<b>16 192 694</b>	<b>11 536 774</b>	<b>1 347 415</b>	<b>3 838 227</b>	<b>32 915 110</b>
(Allowance)/recovery of allowance for expected credit losses on loans and other financial transactions	(37 261)	316 713	(31 790)	-	247 662
<b>Net income from financial activities</b>	<b>16 155 433</b>	<b>11 853 487</b>	<b>1 315 625</b>	<b>3 838 227</b>	<b>33 162 772</b>
Operating costs including:	(5 829 683)	(11 116 641)	(250 206)	1 024 188	(16 172 342)
- depreciation on fixed assets and right-of-use-assets and amortization of intangible assets	(933 422)	(1 877 506)	(4 125)	-	(2 815 053)
- recovery of impairment of fixed assets	-	2 628	-	-	2 628
Gain on disposal of fixed assets	-	-	-	4 490	4 490
Gain on fixed assets measured at fair value	-	-	-	1 182	1 182
Share of gains in associate	-	-	-	1 116 318	1 116 318
<b>Profit before income tax expense</b>	<b>10 325 750</b>	<b>736 846</b>	<b>1 065 419</b>	<b>5 984 405</b>	<b>18 112 420</b>
Income tax expense					(3 640 272)
<b>Profit for the period</b>					<b>14 472 148</b>
Cash flow hedge reserve					(852 925)
Revaluation reserve for financial assets at fair value through other comprehensive income					(2 273 193)
Fixed assets revaluation reserve					114 163
Foreign currency translation reserve					121 599
<b>Total comprehensive income for the period</b>					<b>11 581 792</b>

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## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 4. Operating segments (continued)

Segment information for the operating segments for the nine-month period ended 30 September 2020 is set out below (unaudited):

	CIB	Retail banking	Leasing	Other	Total
Net interest income/(expense) from external customers	19 027 659	10 110 625	1 440 125	(978 048)	29 600 361
Inter-segment (expense)/income	(4 272 498)	(814 229)	-	5 086 727	-
<b>Net interest income</b>	<b>14 755 161</b>	<b>9 296 396</b>	<b>1 440 125</b>	<b>4 108 679</b>	<b>29 600 361</b>
Net fee and commission income from external customers	2 789 980	2 505 567	14 937	-	5 310 484
Dividend income	-	-	-	23 293	23 293
(Losses)/gains on financial assets and liabilities held for trading and foreign currencies from external customers	(1 162 589)	542 637	(1 264)	(136 991)	(758 207)
Fair value adjustments in portfolio hedge accounting	-	-	-	8 624	8 624
Gains on disposals of financial assets	3 728 527	28 011	-	-	3 756 538
<b>Operating income</b>	<b>20 111 079</b>	<b>12 372 611</b>	<b>1 453 798</b>	<b>4 003 605</b>	<b>37 941 093</b>
Allowance for expected credit losses on loans and other financial transactions	(7 548 020)	(5 005 469)	(406 667)	-	(12 960 156)
<b>Net income from financial activities</b>	<b>12 563 059</b>	<b>7 367 142</b>	<b>1 047 131</b>	<b>4 003 605</b>	<b>24 980 937</b>
Operating costs including:	(5 319 976)	(9 144 102)	(381 388)	(910 200)	(15 755 666)
- depreciation on fixed assets and right-of-use-assets and amortization of intangible assets	(772 045)	(1 841 424)	(4 216)	-	(2 617 685)
- impairment of fixed assets	(896)	(14 832)	-	-	(15 728)
Gain on disposal of fixed assets	-	-	-	1 833	1 833
Gain on fixed assets measured at fair value	-	-	-	231	231
Share of gains in associate	-	-	-	1 117 027	1 117 027
<b>Profit/(loss) before income tax expense</b>	<b>7 243 083</b>	<b>(1 776 960)</b>	<b>665 743</b>	<b>4 212 496</b>	<b>10 344 362</b>
Income tax expense					(1 929 322)
<b>Profit for the period</b>					<b>8 415 040</b>
Cash flow hedge reserve					713 041
Revaluation reserve for financial assets at fair value through other comprehensive income					(852 818)
Fixed assets revaluation reserve					(17 544)
Foreign currency translation reserve					274 150
<b>Total comprehensive income for the period</b>					<b>8 531 869</b>

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## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 5. Cash and cash balances

Cash and cash balances comprise:

	30 September 2021 (unaudited)	31 December 2020
Cash on hand	10 501 470	14 704 211
Current accounts with the CBR	25 852 692	14 245 503
<b>Cash and cash balances</b>	<b>36 354 162</b>	<b>28 949 714</b>

### 6. Debt securities held for trading

Debt securities held for trading comprise:

	30 September 2021 (unaudited)	31 December 2020
<b>RUB denominated</b>		
Russian government bonds	11 634 467	1 082 892
<b>Debt securities held for trading</b>	<b>11 634 467</b>	<b>1 082 892</b>

As at 30 September 2021 and as at 31 December 2020 there are no trading securities sold under repurchase agreements.

### 7. Amounts due from credit institutions

Amounts due from credit institutions comprise:

	30 September 2021 (unaudited)	31 December 2020
Current accounts with credit institutions	96 022 017	75 968 665
Time deposits	59 367 043	59 436 252
Reverse repurchase agreements with credit institutions	134 162 295	232 800 157
Obligatory reserve with the CBR	10 263 505	12 351 304
<b>Gross amounts due from credit institutions</b>	<b>299 814 860</b>	<b>380 556 378</b>
Less: allowance for expected credit losses	(136 908)	(172 896)
<b>Amounts due from credit institutions</b>	<b>299 677 952</b>	<b>380 383 482</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**7. Amounts due from credit institutions (continued)**

Credit institutions are required to maintain a non-interest earning cash deposit (obligatory reserve) with the CBR, the amount of which depends on the level of funds attracted by the credit institution. The Group's ability to withdraw such deposit is significantly restricted by statutory legislation.

A reconciliation of the allowance for expected credit losses by stages is as follows:

	Three-month period ended 30 September 2021 (unaudited)			Three-month period ended 30 September 2020 (unaudited)		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>157 996</b>	<b>309</b>	<b>158 305</b>	<b>479 296</b>	<b>162</b>	<b>479 458</b>
(Recovery)/allowance for the period	(21 888)	405	(21 483)	(163 765)	(162)	(163 927)
Effect of exchange rate changes	84	2	86	24 829	-	24 829
<b>Allowance for expected credit losses at the end of the period</b>	<b>136 192</b>	<b>716</b>	<b>136 908</b>	<b>340 360</b>	<b>-</b>	<b>340 360</b>

	Nine-month period ended 30 September 2021 (unaudited)			Nine-month period ended 30 September 2020 (unaudited)		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>158 455</b>	<b>14 441</b>	<b>172 896</b>	<b>206 678</b>	<b>-</b>	<b>206 678</b>
Transfer to stage 1	14 441	(14 441)	-	-	-	-
(Recovery)/allowance for the period	(28 255)	720	(27 535)	110 848	-	110 848
Effect of exchange rate changes	(8 449)	(4)	(8 453)	22 834	-	22 834
<b>Allowance for expected credit losses at the end of the period</b>	<b>136 192</b>	<b>716</b>	<b>136 908</b>	<b>340 360</b>	<b>-</b>	<b>340 360</b>

The following table shows gross amounts due from credit institutions and related expected credit losses distributed by stages according to IFRS 9:

	30 September 2021 (unaudited)			31 December 2020		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross amounts due from credit institutions	298 196 263	1 618 597	299 814 860	379 084 348	1 472 030	380 556 378
Allowance for expected credit losses	(136 192)	(716)	(136 908)	(158 455)	(14 441)	(172 896)
<b>Total amounts due from credit institutions</b>	<b>298 060 071</b>	<b>1 617 881</b>	<b>299 677 952</b>	<b>378 925 893</b>	<b>1 457 589</b>	<b>380 383 482</b>

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 7. Amounts due from credit institutions (continued)

As at 30 September 2021, there are three counterparties with balances that individually exceed 10% of the Group's equity. As at 30 September 2021, the aggregate amount of these balances is RUB 240 442 602 thousand (31 December 2020: three counterparties with aggregate amount of RUB 292 497 714 thousand). As at 30 September 2021, an allowance of RUB 92 101 thousand was recognized against these loans (31 December 2020: RUB 97 177 thousand).

As at 30 September 2021 the Group entered into reverse repurchase agreements with a number of Russian banks. Pledged under these agreements are Russian government bonds, corporate and bank bonds with the total fair value of RUB 146 912 993 thousand (31 December 2020: RUB 251 237 782 thousand).

As at 30 September 2021 securities in amount of RUB 3 658 886 thousand (31 December 2020: 1 728 806 thousand) were repledged under repurchase agreements with credit institutions (see Note 14 for details). The Group has the obligation to return these securities at the maturity of the related reverse repurchase agreements.

As at 30 September 2021 86% (31 December 2020: 86%) of amounts due from credit institutions were placed with banks rated not lower than "BBB-".

As at 30 September 2021 the Group had no term placements with the CBR (31 December 2020: RUB 2 000 000 thousand, an allowance of RUB 1 750 thousand).

### 8. Derivative financial instruments

The Group enters into derivative financial instruments principally for trading and hedging purposes. The tables below show the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset or notional amount to which reference rate or index is applied and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of reporting period and are indicative of neither the market risk nor the credit risk.

The Group values the derivative financial instruments using widely accepted valuation techniques, which are based on market interest rates and forward currency rates. Significant changes in these variables could cause the fair value of the derivatives to change materially.

The table below shows the fair value of derivative financial instruments held for trading, recorded as assets or liabilities, together with their notional amounts.

	30 September 2021 (unaudited)			31 December 2020		
	Notional principal	Fair value		Notional principal	Fair value	
		Asset	Liability		Asset	Liability
Cross-currency interest rate swaps	297 027 318	19 723 579	(17 618 415)	322 101 001	22 686 500	(23 824 408)
Interest rate swaps and options	389 759 381	4 885 851	(6 363 820)	430 173 912	12 024 043	(11 393 217)
Foreign exchange forwards, options and swaps	175 119 228	3 728 638	(3 559 098)	256 814 962	4 895 759	(4 714 585)
<b>Total derivative assets/(liabilities)</b>		<b>28 338 068</b>	<b>(27 541 333)</b>		<b>39 606 302</b>	<b>(39 932 210)</b>

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 8. Derivative financial instruments (continued)

The table below shows the fair value of derivative financial instruments designated for hedging, recorded as assets or liabilities, together with their notional amounts.

	30 September 2021 (unaudited)			31 December 2020		
	Notional principal	Fair value		Notional principal	Fair value	
		Asset	Liability		Asset	Liability
<b>Cash flow hedge</b>						
Interest rate swaps	367 058 083	4 081 529	(4 426 807)	267 314 196	6 881 015	(6 226 165)
Cross-currency interest rate swaps	43 652 850	744 168	(1 161 317)	88 695 152	1 230 983	(7 468 346)
<b>Total cash flow hedge</b>		<b>4 825 697</b>	<b>(5 588 124)</b>		<b>8 111 998</b>	<b>(13 694 511)</b>
<b>Fair value hedge</b>						
Interest rate swaps	630 149 194	6 497 662	(7 028 259)	755 477 864	10 471 517	(16 483 454)
<b>Total fair value hedge</b>		<b>6 497 662</b>	<b>(7 028 259)</b>		<b>10 471 517</b>	<b>(16 483 454)</b>
<b>Total derivative financial assets/(liabilities) designated for hedging</b>		<b>11 323 359</b>	<b>(12 616 383)</b>		<b>18 583 515</b>	<b>(30 177 965)</b>

### 9. Loans to customers

Loans to customers comprise:

	30 September 2021 (unaudited)	31 December 2020
Corporate customers	503 712 123	499 985 082
Retail customers, including SME	163 617 765	162 960 416
Lease receivables	39 449 531	32 875 918
Reverse repurchase agreements with companies	1 711 777	2 629 473
<b>Gross loans to customers</b>	<b>708 491 196</b>	<b>698 450 889</b>
Less: allowance for expected credit losses	(41 040 849)	(52 414 955)
<b>Loans to customers</b>	<b>667 450 347</b>	<b>646 035 934</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**9. Loans to customers (continued)**

A reconciliation of the allowance for expected credit losses is as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>46 179 295</b>	<b>48 841 699</b>	<b>52 414 955</b>	<b>44 120 032</b>
(Recovery)/allowance for the period	(747 792)	3 744 922	(1 502 116)	12 232 803
Assets sold or recovered through repossession of collateral during the period	(4 034 041)	(669 206)	(6 417 130)	(5 984 169)
Assets written-off during the period	(767 450)	(779 990)	(4 417 751)	(1 225 474)
Effect of allowance for accrued interest at Stage 3	451 873	647 643	1 324 662	1 611 954
Effect of exchange rate changes	(41 036)	1 707 813	(361 771)	2 737 735
<b>Allowance for expected credit losses at the end of the period</b>	<b>41 040 849</b>	<b>53 492 881</b>	<b>41 040 849</b>	<b>53 492 881</b>

A reconciliation of the allowance for expected credit losses by stages in accordance with IFRS 9 is as follows:

	Three-month period ended 30 September 2021 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>5 087 660</b>	<b>9 375 478</b>	<b>31 716 157</b>	<b>46 179 295</b>
Transfer to Stage 1	272 069	(272 069)	-	-
Transfer to Stage 2	(918 889)	924 231	(5 342)	-
Transfer to Stage 3	-	(98 414)	98 414	-
Allowance/(recovery) for the period	208 228	(85 949)	(870 071)	<b>(747 792)</b>
Loans sold or recovered through repossession of collateral during the period	-	-	(4 034 041)	<b>(4 034 041)</b>
Loans written-off during the period	-	-	(767 450)	<b>(767 450)</b>
Effect of allowance for accrued interest at Stage 3	-	-	451 873	<b>451 873</b>
Effect of exchange rate changes	(11 103)	3 186	(33 119)	<b>(41 036)</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>4 637 965</b>	<b>9 846 463</b>	<b>26 556 421</b>	<b>41 040 849</b>



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**9. Loans to customers (continued)**

	Three-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>6 831 901</b>	<b>7 823 257</b>	<b>34 186 541</b>	<b>48 841 699</b>
Transfer to Stage 1	206 098	(206 098)	-	-
Transfer to Stage 2	(447 850)	448 868	(1 018)	-
Transfer to Stage 3	-	(782 798)	782 798	-
(Recovery)/allowance for the period	(375 429)	(828 221)	4 948 572	<b>3 744 922</b>
Loans sold or recovered through repossession of collateral during the period	-	-	(669 206)	<b>(669 206)</b>
Loans written-off during the period	-	-	(779 990)	<b>(779 990)</b>
Effect of allowance for accrued interest at Stage 3	-	-	647 643	<b>647 643</b>
Effect of exchange rate changes	314 609	233 152	1 160 052	<b>1 707 813</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>6 529 329</b>	<b>6 688 160</b>	<b>40 275 392</b>	<b>53 492 881</b>
	Nine-month period ended 30 September 2021 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>5 604 317</b>	<b>9 675 184</b>	<b>37 135 454</b>	<b>52 414 955</b>
Transfer to Stage 1	1 251 416	(1 251 416)	-	-
Transfer to Stage 2	(1 029 156)	1 145 201	(116 045)	-
Transfer to Stage 3	-	(1 285 564)	1 285 564	-
(Recovery)/allowance for the period	(1 103 367)	1 614 792	(2 013 541)	<b>(1 502 116)</b>
Loans sold or recovered through repossession of collateral during the period	-	-	(6 417 130)	<b>(6 417 130)</b>
Loans written-off during the period	-	-	(4 417 751)	<b>(4 417 751)</b>
Effect of allowance for accrued interest at Stage 3	-	-	1 324 662	<b>1 324 662</b>
Effect of exchange rate changes	(85 245)	(51 734)	(224 792)	<b>(361 771)</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>4 637 965</b>	<b>9 846 463</b>	<b>26 556 421</b>	<b>41 040 849</b>
	Nine-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>6 344 008</b>	<b>3 289 021</b>	<b>34 487 003</b>	<b>44 120 032</b>
Transfer to Stage 1	528 993	(528 993)	-	-
Transfer to Stage 2	(786 500)	852 979	(66 479)	-
Transfer to Stage 3	-	(2 152 413)	2 152 413	-
(Recovery)/allowance for the period	(39 837)	5 055 990	7 216 650	<b>12 232 803</b>
Loans sold or recovered through repossession of collateral during the period	(17 755)	-	(5 966 414)	<b>(5 984 169)</b>
Loans written-off during the period	-	-	(1 225 474)	<b>(1 225 474)</b>
Effect of allowance for accrued interest at Stage 3	-	-	1 611 954	<b>1 611 954</b>
Effect of exchange rate changes	500 420	171 576	2 065 739	<b>2 737 735</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>6 529 329</b>	<b>6 688 160</b>	<b>40 275 392</b>	<b>53 492 881</b>

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**9. Loans to customers (continued)**

The table below analyses information about the significant changes in the gross carrying amount of loans to customers during the three-month period ended 30 September 2021 per stages:

	Three-month period ended 30 September 2021 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans to customers at the beginning of the period</b>	<b>620 606 565</b>	<b>76 320 061</b>	<b>38 826 589</b>	<b>735 753 215</b>
New loans to customers originated	56 360 243	-	-	<b>56 360 243</b>
Transfer to Stage 1	5 700 937	(5 700 937)	-	-
Transfer to Stage 2	(34 081 018)	34 176 042	(95 024)	-
Transfer to Stage 3	-	(1 701 795)	1 701 795	-
Loans to customers that have been derecognized	(52 134 615)	(6 309 240)	(634 036)	<b>(59 077 891)</b>
Assets sold or recovered through repossession of collateral during the period	-	-	(5 559 360)	<b>(5 559 360)</b>
Assets written-off during the period	-	-	(767 450)	<b>(767 450)</b>
Effect of exchange rate changes	(689 823)	94 677	(15 098)	<b>(610 244)</b>
Other changes	(14 893 252)	(2 053 070)	(660 995)	<b>(17 607 317)</b>
<b>Gross loans to customers at the end of the period</b>	<b>580 869 037</b>	<b>94 825 738</b>	<b>32 796 421</b>	<b>708 491 196</b>

Other changes represent changes in the gross carrying amount of loans under existing agreements (including the usage of credit facilities, repayments and accrual of interest).

The table below analyses information about the significant changes in the gross carrying amount of loans to customers during the three-month period ended 30 September 2020 per stages:

	Three-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans to customers at the beginning of the period</b>	<b>650 440 127</b>	<b>83 013 086</b>	<b>43 793 376</b>	<b>777 246 589</b>
New loans to customers originated	43 614 884	-	-	<b>43 614 884</b>
Transfer to Stage 1	11 041 029	(11 041 029)	-	-
Transfer to Stage 2	(11 914 115)	11 915 310	(1 195)	-
Transfer to Stage 3	-	(10 952 186)	10 952 186	-
Loans to customers that have been derecognised	(65 800 737)	(13 547 774)	(247 844)	<b>(79 596 355)</b>
Assets sold or recovered through repossession of collateral during the period	-	-	(799 079)	<b>(799 079)</b>
Assets written-off during the period	-	-	(779 990)	<b>(779 990)</b>
Effect of exchange rate changes	33 551 244	3 784 825	1 575 962	<b>38 912 031</b>
Other changes	(37 095 606)	(3 598 876)	(161 839)	<b>(40 856 321)</b>
<b>Gross loans to customers at the end of the period</b>	<b>623 836 826</b>	<b>59 573 356</b>	<b>54 331 577</b>	<b>737 741 759</b>

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**9. Loans to customers (continued)**

The table below analyses information about the significant changes in the gross carrying amount of loans to customers during the nine-month period ended 30 September 2021 per stages:

	Nine-month period ended 30 September 2021 (unaudited)			Total
	Stage 1	Stage 2	Stage 3	
<b>Gross loans to customers at the beginning of the period</b>	<b>583 238 462</b>	<b>68 117 321</b>	<b>47 095 106</b>	<b>698 450 889</b>
New loans to customers originated	200 830 278	-	-	<b>200 830 278</b>
Transfer to Stage 1	20 164 041	(20 164 041)	-	-
Transfer to Stage 2	(66 491 689)	66 651 524	(159 835)	-
Transfer to Stage 3	-	(4 341 046)	4 341 046	-
Loans to customers that have been derecognised	(127 524 231)	(11 567 735)	(4 248 211)	<b>(143 340 177)</b>
Assets sold or recovered through repossession of collateral during the period	-	-	(8 237 478)	<b>(8 237 478)</b>
Assets written-off during the period	-	-	(4 417 751)	<b>(4 417 751)</b>
Effect of exchange rate changes	(7 529 561)	(540 744)	(222 323)	<b>(8 292 628)</b>
Other changes	(21 818 263)	(3 329 541)	(1 354 133)	<b>(26 501 937)</b>
<b>Gross loans to customers at the end of the period</b>	<b>580 869 037</b>	<b>94 825 738</b>	<b>32 796 421</b>	<b>708 491 196</b>

The table below analyses information about the significant changes in the gross carrying amount of loans to customers during the nine-month period ended 30 September 2020 per stages:

	Nine-month period ended 30 September 2020 (unaudited)			Total
	Stage 1	Stage 2	Stage 3	
<b>Gross loans to customers at the beginning of the period</b>	<b>716 641 844</b>	<b>17 781 963</b>	<b>43 466 752</b>	<b>777 890 559</b>
New loans to customers originated	175 542 755	-	-	<b>175 542 755</b>
Transfer to Stage 1	2 861 906	(2 861 906)	-	-
Transfer to Stage 2	(64 249 034)	64 332 151	(83 117)	-
Transfer to Stage 3	-	(17 313 173)	17 313 173	-
Loans to customers that have been derecognised	(182 592 569)	(4 481 064)	(595 098)	<b>(187 668 731)</b>
Assets sold or recovered through repossession of collateral during the period	(4 504 845)	-	(6 584 703)	<b>(11 089 548)</b>
Assets written-off during the period	-	-	(1 225 474)	<b>(1 225 474)</b>
Effect of exchange rate changes	56 268 486	6 495 975	2 792 616	<b>65 557 077</b>
Other changes	(76 131 717)	(4 380 590)	(752 572)	<b>(81 264 879)</b>
<b>Gross loans to customers at the end of the period</b>	<b>623 836 826</b>	<b>59 573 356</b>	<b>54 331 577</b>	<b>737 741 759</b>

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### 9. Loans to customers (continued)

**Write-off and sale of loans.** The decision to write-off the loan is made by the authorized body of the Group. Loans are written-off under the conditions where further debt collection is not possible.

The decision to sell the loans is taken individually for each case, for both corporate and retail loans. The decision is taken by the authorized body of the Group based on the analysis of all possible alternative strategies for debt collection, the main criterion for the adoption of which is to minimize the losses of the Group's impaired assets.

The following table shows gross loans to customers and related expected credit losses as at 30 September 2021 (unaudited):

	Gross loans	Allowance for expected credit losses	Net loans
<b>Corporate customers</b>			
- Not past due	488 878 298	(15 441 165)	473 437 133
- Past due less than 31 days	6 411 331	(1 150 123)	5 261 208
- Past due 31-90 days	82 570	(40 459)	42 111
- Past due 91-180 days	773 707	(502 910)	270 797
- Past due over 180 days	7 566 217	(5 348 938)	2 217 279
<b>Total loans to corporate customers</b>	<b>503 712 123</b>	<b>(22 483 595)</b>	<b>481 228 528</b>
<b>Retail customers and SME</b>			
- Not past due	147 976 121	(4 617 675)	143 358 446
- Past due less than 31 days	1 813 094	(690 163)	1 122 931
- Past due 31-90 days	917 177	(515 526)	401 651
- Past due 91-180 days	803 072	(596 127)	206 945
- Past due over 180 days	12 108 301	(11 037 127)	1 071 174
<b>Total loans to retail customers and SME</b>	<b>163 617 765</b>	<b>(17 456 618)</b>	<b>146 161 147</b>
<b>Lease receivables</b>			
- Not past due	38 773 802	(957 007)	37 816 795
- Past due less than 31 days	540 883	(48 556)	492 327
- Past due 31-90 days	100 231	(42 559)	57 672
- Past due 91-180 days	10 930	(5 991)	4 939
- Past due over 180 days	23 685	(22 346)	1 339
<b>Total lease receivables</b>	<b>39 449 531</b>	<b>(1 076 459)</b>	<b>38 373 072</b>
<b>Reverse repurchase agreements with companies</b>			
- Not past due	1 711 777	(24 177)	1 687 600
<b>Total loans to customers</b>	<b>708 491 196</b>	<b>(41 040 849)</b>	<b>667 450 347</b>

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 9. Loans to customers (continued)

The following table shows gross loans to customers and related expected credit losses as at 31 December 2020:

	Gross loans	Allowance for expected credit losses	Net loans
<b>Corporate customers</b>			
- Not past due	478 483 197	(13 822 591)	464 660 606
- Past due less than 31 days	1 011 003	(960 453)	50 550
- Past due 31-90 days	1 170 531	(1 036 742)	133 789
- Past due 91-180 days	3 696 244	(2 835 712)	860 532
- Past due over 180 days	15 624 107	(12 399 622)	3 224 485
<b>Total loans to corporate customers</b>	<b>499 985 082</b>	<b>(31 055 120)</b>	<b>468 929 962</b>
<b>Retail customers and SME</b>			
- Not past due	144 945 848	(6 009 056)	138 936 792
- Past due less than 31 days	1 804 268	(646 419)	1 157 849
- Past due 31-90 days	1 717 556	(944 160)	773 396
- Past due 91-180 days	1 343 479	(989 156)	354 323
- Past due over 180 days	13 149 265	(11 537 926)	1 611 339
<b>Total loans to retail customers and SME</b>	<b>162 960 416</b>	<b>(20 126 717)</b>	<b>142 833 699</b>
<b>Lease receivables</b>			
- Not past due	32 011 659	(885 247)	31 126 412
- Past due less than 31 days	279 780	(28 742)	251 038
- Past due 31-90 days	346 967	(119 632)	227 335
- Past due 91-180 days	74 222	(40 743)	33 479
- Past due over 180 days	163 290	(132 969)	30 321
<b>Total lease receivables</b>	<b>32 875 918</b>	<b>(1 207 333)</b>	<b>31 668 585</b>
<b>Reverse repurchase agreements with companies</b>			
- Not past due	2 629 473	(25 785)	2 603 688
<b>Total loans to customers</b>	<b>698 450 889</b>	<b>(52 414 955)</b>	<b>646 035 934</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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## 9. Loans to customers (continued)

The following table shows gross loans to customers and related expected credit losses distributed by stages according to IFRS 9 as at 30 September 2021 (unaudited):

	Stage 1	Stage 2	Stage 3	Total
<b>Corporate customers</b>				
Gross loans	411 404 974	74 720 957	17 586 192	503 712 123
Allowance for expected credit losses	(2 733 660)	(6 421 889)	(13 328 046)	(22 483 595)
<b>Net loans to corporate customers</b>	<b>408 671 314</b>	<b>68 299 068</b>	<b>4 258 146</b>	<b>481 228 528</b>
<b>Retail customers and SME</b>				
Gross loans	133 257 067	15 722 074	14 638 624	163 617 765
Allowance for expected credit losses	(1 647 052)	(2 887 938)	(12 921 628)	(17 456 618)
<b>Net loans to retail customers and SME</b>	<b>131 610 015</b>	<b>12 834 136</b>	<b>1 716 996</b>	<b>146 161 147</b>
<b>Lease receivables</b>				
Gross lease receivables	34 495 219	4 382 707	571 605	39 449 531
Allowance for expected credit losses	(233 076)	(536 636)	(306 747)	(1 076 459)
<b>Net lease receivables</b>	<b>34 262 143</b>	<b>3 846 071</b>	<b>264 858</b>	<b>38 373 072</b>
<b>Reverse repurchase agreements with companies</b>				
Gross loans	1 711 777	-	-	1 711 777
Allowance for expected credit losses	(24 177)	-	-	(24 177)
<b>Net reverse repurchase agreements with companies</b>	<b>1 687 600</b>	<b>-</b>	<b>-</b>	<b>1 687 600</b>
<b>Total loans to customers</b>	<b>576 231 072</b>	<b>84 979 275</b>	<b>6 240 000</b>	<b>667 450 347</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**9. Loans to customers (continued)**

The following table shows gross loans to customers and related expected credit losses distributed by stages according to IFRS 9 as at 31 December 2020:

	Stage 1	Stage 2	Stage 3	Total
<b>Corporate customers</b>				
Gross loans	431 509 537	37 822 483	30 653 062	499 985 082
Allowance for expected credit losses	(3 610 960)	(4 109 722)	(23 334 438)	(31 055 120)
<b>Net loans to corporate customers</b>	<b>427 898 577</b>	<b>33 712 761</b>	<b>7 318 624</b>	<b>468 929 962</b>
<b>Retail customers and SME</b>				
Gross loans	120 271 524	27 230 919	15 457 973	162 960 416
Allowance for expected credit losses	(1 648 315)	(5 236 408)	(13 241 994)	(20 126 717)
<b>Net loans to retail customers and SME</b>	<b>118 623 209</b>	<b>21 994 511</b>	<b>2 215 979</b>	<b>142 833 699</b>
<b>Lease receivables</b>				
Gross lease receivables	28 827 928	3 063 919	984 071	32 875 918
Allowance for expected credit losses	(319 257)	(329 054)	(559 022)	(1 207 333)
<b>Net lease receivables</b>	<b>28 508 671</b>	<b>2 734 865</b>	<b>425 049</b>	<b>31 668 585</b>
<b>Reverse repurchase agreements with companies</b>				
Gross loans	2 629 473	-	-	2 629 473
Allowance for expected credit losses	(25 785)	-	-	(25 785)
<b>Net reverse repurchase agreements with companies</b>	<b>2 603 688</b>	<b>-</b>	<b>-</b>	<b>2 603 688</b>
<b>Total loans to customers</b>	<b>577 634 145</b>	<b>58 442 137</b>	<b>9 959 652</b>	<b>646 035 934</b>

As at 30 September 2021 the Group entered into reverse repurchase agreements with a number of Russian companies. Pledged under these agreements are Russian government bonds, corporate and bank bonds with the total fair value of RUB 1 842 149 thousand (31 December 2020: RUB 2 806 062 thousand).

As at 30 September 2021 the Group had RUB 221 865 879 thousand due from its ten largest borrowers (31% of gross loan portfolio) (31 December 2020: RUB 201 968 446 thousand or 29%). An allowance of RUB 525 044 thousand was recognized against these loans (31 December 2020: RUB 372 857 thousand).

As at 30 September 2021 the Group had six borrowers or groups of borrowers with aggregate loan amounts that individually exceeded 10% of equity (31 December 2020: five borrowers or groups of borrowers). As at 30 September 2021 the aggregate gross amount of these loans is RUB 164 346 323 thousand (31 December 2020: RUB 141 151 093 thousand). As at 30 September 2021, an allowance of RUB 287 323 thousand was recognized against these loans (31 December 2020: RUB 272 429 thousand).

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**10. Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income comprise:

	<b>30 September 2021 (unaudited)</b>	<b>31 December 2020</b>
<b>Debt and other fixed income investments</b>		
<b>RUB denominated</b>		
Russian government bonds	13 878 202	34 394 361
Corporate and bank bonds	10 443 292	12 358 355
<b>Total debt and other fixed income investments measured at fair value through other comprehensive income</b>	<b>24 321 494</b>	<b>46 752 716</b>
<b>Equity investments</b>		
Equity investments in financial institutions	123 692	123 692
<b>Total equity investments measured at fair value through other comprehensive income</b>	<b>123 692</b>	<b>123 692</b>
<b>Total financial assets at fair value through other comprehensive income</b>	<b>24 445 186</b>	<b>46 876 408</b>

The table below provides information on debt and other fixed-income securities measured at fair value through other comprehensive income and the corresponding amount of expected credit losses in the distribution by stages in accordance with IFRS 9:

	<b>30 September 2021 (unaudited)</b>			<b>31 December 2020</b>		
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>
Gross debt and other fixed income instruments	22 537 168	1 863 909	24 401 077	46 812 530	-	46 812 530
Allowance for expected credit losses	(52 358)	(27 225)	(79 583)	(59 814)	-	(59 814)
<b>Debt and other fixed income instruments</b>	<b>22 484 810</b>	<b>1 836 684</b>	<b>24 321 494</b>	<b>46 752 716</b>	<b>-</b>	<b>46 752 716</b>

As at 30 September 2021 and as at 31 December 2020 there are no debt and other fixed-income securities sold under repurchase agreements.



# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 11. Debt securities measured at amortized costs

Debt securities measured at amortised cost comprise:

	30 September 2021 (unaudited)	31 December 2020
<b>RUB denominated</b>		
Russian government bonds	74 520 986	68 054 468
Less: allowance for expected credit losses for securities measured at amortised cost	(28 057)	(67 832)
<b>Total debt securities measured at amortised cost</b>	<b>74 492 929</b>	<b>67 986 636</b>

As at 30 September 2021, there are securities measured at amortised cost in the amount of RUB 4 512 153 thousand which were sold under repurchase agreements with credit institutions (31 December 2020: none) (see Note 14 for details).

### 12. Investments in associate

Information about associate of the Group as at reporting date is set out below:

Name	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest by the Group	
			30 September 2021	31 December 2020
BARN B.V.	Holding company	Netherlands	40%	40%

The above associate is accounted for using the equity method.

The summarized financial information in respect of BARN B.V. as of 30 September 2021 and as of 31 December 2020 is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

	30 September 2021 (unaudited)	31 December 2020
Total assets	100 577 273	105 261 280
Total liabilities	74 050 560	81 704 743
Equity	26 526 713	23 556 537
Net profit	2 790 795	3 480 755

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**12. Investments in associate (continued)**

The carrying amounts of the Group's interest in BARN B.V. as of reporting date 30 September 2021 and as of 31 December 2020 are as follows:

	<b>30 September 2021 (unaudited)</b>	<b>31 December 2020</b>
Net assets of BARN B.V.	26 526 713	23 556 537
Proportion of the Group's ownership interest in BARN B.V.	10 610 685	9 422 616
Goodwill	247 235	247 235
<b>Carrying amount of the Group's interest in BARN B.V.</b>	<b>10 857 920</b>	<b>9 669 851</b>

The reconciliation of the above financial information to the carrying amount of the interest in associate recognized in the consolidated financial statements is as follows:

<b>Carrying amount of the Group's interest in BARN B.V. as at 1 January 2020</b>	<b>8 202 044</b>
Share of post-acquisition net profit of associate	1 117 027
Share of post-acquisition other comprehensive income of associate	284 291
<b>Carrying amount of the Group's interest in BARN B.V. as at 30 September 2020 (unaudited)</b>	<b>9 603 362</b>
<b>Carrying amount of the Group's interest in BARN B.V. as at 1 January 2021</b>	<b>9 669 851</b>
Share of post-acquisition net profit of associate	1 116 318
Share of post-acquisition other comprehensive income of associate	111 751
Dividends received	(40 000)
<b>Carrying amount of the Group's interest in BARN B.V. as at 30 September 2021 (unaudited)</b>	<b>10 857 920</b>

**13. Taxation**

The corporate income tax expense comprises:

	<b>Three-month period ended 30 September</b>		<b>Nine-month period ended 30 September</b>	
	<b>2021 (unaudited)</b>	<b>2020 (unaudited)</b>	<b>2021 (unaudited)</b>	<b>2020 (unaudited)</b>
Current tax charge	(4 385)	1 466 924	1 768 610	5 574 357
Deferred tax charge – origination/(reversal) of temporary differences	1 304 179	(987 383)	1 871 662	(3 645 035)
<b>Income tax expense</b>	<b>1 299 794</b>	<b>479 541</b>	<b>3 640 272</b>	<b>1 929 322</b>

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**13. Taxation (continued)**

Tax effect relating to significant components of other comprehensive income comprises:

	Three-month period ended 30 September 2021 (unaudited)			Three-month period ended 30 September 2020 (unaudited)		
	Amount before tax	Tax expense	Amount net-of-tax	Amount before tax	Tax expense	Amount net-of-tax
Cash flow hedge reserve	(723 148)	144 629	(578 519)	108 087	(21 617)	86 470
Revaluation reserve for financial assets at fair value through other comprehensive income	(159 791)	31 522	(128 269)	(677 556)	136 304	(541 252)
Foreign currency translation reserve	124 851	-	124 851	273 261	-	273 261
<b>Other comprehensive income</b>	<b>(758 088)</b>	<b>176 151</b>	<b>(581 937)</b>	<b>(296 208)</b>	<b>114 687</b>	<b>(181 521)</b>

	Nine-month period ended 30 September 2021 (unaudited)			Nine-month period ended 30 September 2020 (unaudited)		
	Amount before tax	Tax expense	Amount net-of-tax	Amount before tax	Tax expense	Amount net-of-tax
Cash flow hedge reserve	(1 066 156)	213 231	(852 925)	891 301	(178 260)	713 041
Revaluation reserve for financial assets at fair value through other comprehensive income	(2 839 030)	565 837	(2 273 193)	(1 068 559)	215 741	(852 818)
Foreign currency translation reserve	121 599	-	121 599	274 150	-	274 150
Fixed assets revaluation reserve	142 704	(28 541)	114 163	(21 930)	4 386	(17 544)
<b>Other comprehensive income</b>	<b>(3 640 883)</b>	<b>750 527</b>	<b>(2 890 356)</b>	<b>74 962</b>	<b>41 867</b>	<b>116 829</b>

**14. Amounts due to credit institutions**

Amounts due to credit institutions comprise:

	30 September 2021 (unaudited)	31 December 2020
Current accounts	11 867 569	11 781 431
Time deposits and loans	42 545 728	15 657 080
Repurchase agreements with credit institutions (Notes 7 and 11)	7 127 593	1 664 854
<b>Amounts due to credit institutions</b>	<b>61 540 890</b>	<b>29 103 365</b>

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### 14. Amounts due to credit institutions (continued)

As at 30 September 2021 ten largest deposits represented 93% of total amounts due to credit institutions (31 December 2020: 76%).

As at 30 September 2021, the Group has one counterparty with aggregate balances that individually exceeded 10% of equity (31 December 2020: no counterparty).

As at 30 September 2021 included in repurchase agreements with credit institutions are agreements in the amount of RUB 4 078 540 thousand (31 December 2020: none) which are secured by bonds with fair value of RUB 4 287 878 thousand (see Notes 11 and 19 for details).

As at 30 September 2021 included in repurchase agreements with credit institutions are agreements in the amount of RUB 3 049 053 thousand (31 December 2020: 1 664 854 thousand) which are secured by bonds with fair value of RUB 3 658 886 thousand (31 December 2020: 1 728 806 thousand) obtained under reverse repurchase agreements with credit institutions (see Note 7 for details).

### 15. Amounts due to customers

The amounts due to customers include the following:

	30 September 2021 (unaudited)	31 December 2020
Current accounts	346 430 536	321 343 242
Time deposits	502 481 150	622 615 443
Lease liabilities under IFRS 16	1 053 151	1 171 317
<b>Amounts due to customers</b>	<b>849 964 837</b>	<b>945 130 002</b>

As at 30 September 2021, 25% of total amounts due to customers were placed with the Group by its ten largest customers (31 December 2020: 30%).

Analysis of customer accounts by type of customers is as follows:

	30 September 2021 (unaudited)	31 December 2020
<b>Corporate</b>		
Current accounts	148 056 448	120 161 550
Time deposits	373 785 330	484 824 203
<b>Total corporate accounts</b>	<b>521 841 778</b>	<b>604 985 753</b>
<b>Retail</b>		
Current accounts	198 374 088	201 181 692
Time deposits	128 695 820	137 791 240
<b>Total retail accounts</b>	<b>327 069 908</b>	<b>338 972 932</b>
<b>Lease liabilities under IFRS 16</b>	<b>1 053 151</b>	<b>1 171 317</b>
<b>Amounts due to customers</b>	<b>849 964 837</b>	<b>945 130 002</b>

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## 15. Amounts due to customers (continued)

As at 30 September 2021 included in retail time deposits are deposits of individuals in the amount of RUB 115 669 145 thousand (31 December 2020: RUB 122 651 211 thousand). In accordance with the Russian Civil Code, the Group is obliged to repay such deposits upon demand of the depositor. In case a term deposit is repaid upon demand of the depositor prior to maturity, the related interest rate on it is paid based on the interest rate for demand deposits, unless a different interest rate is specified in the contract. Group's experience shows that majority of the time deposits of individuals mature according to contractual terms and can be treated as stable customer base. As at 30 September 2021 the remaining part of retail time deposits in the amount of RUB 13 026 675 thousand (31 December 2020: RUB 15 140 029 thousand) is represented by deposits placed by SME.

The analysis by the economic sector is presented in the table below:

	<b>30 September 2021 (unaudited)</b>	<b>31 December 2020</b>
Energy	127 571 584	143 024 133
Trade	125 793 210	143 535 287
Chemicals	64 089 937	34 089 043
Machinery construction	39 986 050	46 338 505
Telecommunications	31 878 309	39 870 531
Real estate and construction	30 152 961	46 136 200
Other manufacturing	30 095 980	45 910 332
Mining and metallurgy	25 671 517	82 811 259
Transportation	19 848 294	16 076 009
Russian regional authorities	16 412 855	94 593
Finance	14 723 507	17 225 124
Agriculture and food	13 807 119	11 323 104
Timber processing	4 222 152	8 998 292
Other	48 485 628	44 566 774
<b>Total legal entities</b>	<b>592 739 103</b>	<b>679 999 186</b>
<b>Total individuals</b>	<b>256 172 583</b>	<b>263 959 499</b>
<b>Amounts due to customers</b>	<b>848 911 686</b>	<b>943 958 685</b>

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**16. Credit related commitments and contingencies**

Credit related commitments and contingencies include the following:

	<b>30 September 2021 (unaudited)</b>	<b>31 December 2020</b>
Undrawn loan commitments	401 504 390	407 463 107
Undrawn commitments to issue documentary instruments	283 690 009	312 940 662
Guarantees issued	177 353 420	159 734 098
Letters of credit	56 156 055	47 894 648
Other commitments	8 927 890	-
<b>Gross credit related commitments and contingencies</b>	<b>927 631 764</b>	<b>928 032 515</b>
Allowance for credit related commitments and contingencies according to IFRS 9	(3 953 349)	(3 124 475)
Provision for credit related commitments and contingencies according to IAS 37	(1 844 169)	(1 396 577)
<b>Net credit related commitments and contingencies</b>	<b>921 834 246</b>	<b>923 511 463</b>

Other commitments represent commitments to buy debt securities.

A reconciliation of the allowance for expected credit losses for financial guarantees by stages in accordance with IFRS 9 is as follows:

	Three-month period ended 30 September 2021 (unaudited)				Three-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>697 767</b>	<b>537 038</b>	<b>93 349</b>	<b>1 328 154</b>	<b>696 582</b>	<b>230 998</b>	<b>8 871</b>	<b>936 451</b>
Transfer to Stage 1	64 976	(64 976)	-	-	12 153	(12 153)	-	-
Transfer to Stage 2	(94 291)	94 291	-	-	(21 060)	21 060	-	-
Allowance/(recovery) for the period	10 681	251 978	(6 312)	<b>256 347</b>	97 718	79 931	(8 871)	<b>168 778</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>679 133</b>	<b>818 331</b>	<b>87 037</b>	<b>1 584 501</b>	<b>785 393</b>	<b>319 836</b>	<b>-</b>	<b>1 105 229</b>

	Nine-month period ended 30 September 2021 (unaudited)				Nine-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>792 445</b>	<b>288 342</b>	<b>232 895</b>	<b>1 313 682</b>	<b>612 400</b>	<b>10 423</b>	<b>49 668</b>	<b>672 491</b>
Transfer to Stage 1	46 799	(46 799)	-	-	62	(62)	-	-
Transfer to Stage 2	(62 393)	62 393	-	-	(53 983)	53 983	-	-
(Recovery)/allowance for the period	(97 718)	514 395	(145 858)	<b>270 819</b>	226 914	255 492	(49 668)	<b>432 738</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>679 133</b>	<b>818 331</b>	<b>87 037</b>	<b>1 584 501</b>	<b>785 393</b>	<b>319 836</b>	<b>-</b>	<b>1 105 229</b>

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**16. Credit related commitments and contingencies (continued)**

A reconciliation of the allowance for expected credit losses for other undrawn commitments by stages in accordance with IFRS 9 is as follows:

	Three-month period ended 30 September 2021 (unaudited)				Three-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>985 020</b>	<b>625 291</b>	<b>391 764</b>	<b>2 002 075</b>	<b>1 460 806</b>	<b>264 940</b>	<b>38 296</b>	<b>1 764 042</b>
Transfer to Stage 1	97 334	(97 334)	-	-	54 867	(54 867)	-	-
Transfer to Stage 2	(125 490)	127 085	(1 595)	-	(34 995)	35 358	(363)	-
Transfer to Stage 3	-	(10 177)	10 177	-	-	(9 789)	9 789	-
Allowance for the period	41 996	179 218	145 559	<b>366 773</b>	188 820	92 117	11 864	<b>292 801</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>998 860</b>	<b>824 083</b>	<b>545 905</b>	<b>2 368 848</b>	<b>1 669 498</b>	<b>327 759</b>	<b>59 586</b>	<b>2 056 843</b>
	Nine-month period ended 30 September 2021 (unaudited)				Nine-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Allowance for expected credit losses at the beginning of the period</b>	<b>1 416 822</b>	<b>287 709</b>	<b>106 262</b>	<b>1 810 793</b>	<b>1 588 327</b>	<b>100 427</b>	<b>132 033</b>	<b>1 820 787</b>
Transfer to Stage 1	92 144	(92 144)	-	-	44 565	(44 565)	-	-
Transfer to Stage 2	(261 402)	263 654	(2 252)	-	(58 559)	59 599	(1 040)	-
Transfer to Stage 3	-	(4 356)	4 356	-	-	(4 266)	4 266	-
(Recovery)/allowance for the period	(248 704)	369 220	437 539	<b>558 055</b>	95 165	216 564	(75 673)	<b>236 056</b>
<b>Allowance for expected credit losses at the end of the period</b>	<b>998 860</b>	<b>824 083</b>	<b>545 905</b>	<b>2 368 848</b>	<b>1 669 498</b>	<b>327 759</b>	<b>59 586</b>	<b>2 056 843</b>

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**16. Credit related commitments and contingencies (continued)**

The table below analyses information about the significant changes in the gross carrying amount of financial guarantees by stages in accordance with IFRS 9:

	Three-month period ended 30 September 2021 (unaudited)				Three-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross financial guarantees at the beginning of the period</b>	<b>111 012 049</b>	<b>11 014 040</b>	<b>132 853</b>	<b>122 158 942</b>	<b>94 107 112</b>	<b>6 988 631</b>	<b>21 680</b>	<b>101 117 423</b>
New financial guarantees originated	35 077 637	-	-	<b>35 077 637</b>	29 771 731	-	-	<b>29 771 731</b>
Transfer to Stage 1	2 233 852	(2 233 852)	-	-	1 387 838	(1 387 838)	-	-
Transfer to Stage 2	(3 867 489)	3 867 489	-	-	(2 183 700)	2 183 700	-	-
Financial guarantees that have been derecognized	(21 906 471)	(1 913 136)	(8 213)	<b>(23 827 820)</b>	(22 121 528)	(2 330 206)	(21 680)	<b>(24 473 414)</b>
Effect of exchange rate changes	(526 208)	(35 827)	139	<b>(561 896)</b>	11 342 664	764 048	-	<b>12 106 712</b>
Other changes	(8 156 284)	127 985	(1 842)	<b>(8 030 141)</b>	(3 196 174)	155 652	-	<b>(3 040 522)</b>
<b>Gross financial guarantees at the end of the period</b>	<b>113 867 086</b>	<b>10 826 699</b>	<b>122 937</b>	<b>124 816 722</b>	<b>109 107 943</b>	<b>6 373 987</b>	<b>-</b>	<b>115 481 930</b>
	Nine-month period ended 30 September 2021 (unaudited)				Nine-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross financial guarantees at the beginning of the period</b>	<b>99 667 578</b>	<b>8 015 006</b>	<b>517 073</b>	<b>108 199 657</b>	<b>101 278 667</b>	<b>263 350</b>	<b>100 042</b>	<b>101 642 059</b>
New financial guarantees originated	67 355 283	-	-	<b>67 355 283</b>	59 629 360	-	-	<b>59 629 360</b>
Transfer to Stage 1	4 444 392	(4 444 392)	-	-	2 274	(2 274)	-	-
Transfer to Stage 2	(8 441 818)	8 441 818	-	-	(5 577 205)	5 577 205	-	-
Transfer to Stage 3	-	(2 022)	2 022	-	-	-	-	-
Financial guarantees that have been derecognized	(37 239 032)	(1 192 839)	(328 358)	<b>(38 760 229)</b>	(58 710 246)	(289 819)	(108 931)	<b>(59 108 996)</b>
Effect of exchange rate changes	(3 485 885)	(155 559)	(5 056)	<b>(3 646 500)</b>	22 715 893	699 564	8 889	<b>23 424 346</b>
Other changes	(8 433 432)	164 687	(62 744)	<b>(8 331 489)</b>	(10 230 800)	125 961	-	<b>(10 104 839)</b>
<b>Gross financial guarantees at the end of the period</b>	<b>113 867 086</b>	<b>10 826 699</b>	<b>122 937</b>	<b>124 816 722</b>	<b>109 107 943</b>	<b>6 373 987</b>	<b>-</b>	<b>115 481 930</b>



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**16. Credit related commitments and contingencies (continued)**

Other changes represent changes in the gross carrying amount under existing agreements (including the usage of credit facilities, repayments and accrual of interest).

The table below analyses information about the significant changes in the gross carrying amount of other undrawn commitments by stages in accordance with IFRS 9:

	Three-month period ended 30 September 2021 (unaudited)				Three-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross other undrawn commitments at the beginning of the period</b>	<b>620 077 930</b>	<b>55 768 726</b>	<b>617 268</b>	<b>676 463 924</b>	<b>612 287 273</b>	<b>51 328 827</b>	<b>51 325</b>	<b>663 667 425</b>
New other undrawn commitments originated	46 975 458	-	-	<b>46 975 458</b>	61 445 749	-	-	<b>61 445 749</b>
Transfer to Stage 1	16 389 556	(16 389 556)	-	-	18 775 091	(18 775 091)	-	-
Transfer to Stage 2	(8 531 074)	8 532 901	(1 827)	-	(12 969 917)	12 970 336	(419)	-
Transfer to Stage 3	-	(87 061)	87 061	-	-	(40 204)	40 204	-
Other undrawn commitments that have been derecognized	(44 746 033)	(2 095 526)	(238 229)	<b>(47 079 788)</b>	(55 933 321)	(3 233 406)	(19 086)	<b>(59 185 813)</b>
Effect of exchange rate changes	(1 869 132)	(223 671)	(2 568)	<b>(2 095 371)</b>	38 883 795	3 553 981	549	<b>42 438 325</b>
Other changes	20 839 643	(1 444 946)	463 369	<b>19 858 066</b>	9 975 304	4 768 569	4 629	<b>14 748 502</b>
<b>Gross other undrawn commitments at the end of the period</b>	<b>649 136 348</b>	<b>44 060 867</b>	<b>925 074</b>	<b>694 122 289</b>	<b>672 463 974</b>	<b>50 573 012</b>	<b>77 202</b>	<b>723 114 188</b>
	Nine-month period ended 30 September 2021 (unaudited)				Nine-month period ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Gross other undrawn commitments at the beginning of the period</b>	<b>695 974 213</b>	<b>24 236 536</b>	<b>193 037</b>	<b>720 403 786</b>	<b>606 346 431</b>	<b>12 171 479</b>	<b>216 084</b>	<b>618 733 994</b>
New other undrawn commitments originated	154 983 310	-	-	<b>154 983 310</b>	138 812 053	-	-	<b>138 812 053</b>
Transfer to Stage 1	15 627 071	(15 627 071)	-	-	662 069	(662 069)	-	-
Transfer to Stage 2	(47 880 898)	47 883 444	(2 546)	-	(28 498 765)	28 499 967	(1 202)	-
Transfer to Stage 3	-	(1 009 748)	1 009 748	-	-	(126 180)	126 180	-
Other undrawn commitments that have been derecognized	(124 612 908)	(3 946 998)	(130 337)	<b>(128 690 243)</b>	(143 881 959)	(4 232 159)	(183 489)	<b>(148 297 607)</b>
Effect of exchange rate changes	(12 826 871)	(874 799)	(749)	<b>(13 702 419)</b>	66 172 248	4 898 288	860	<b>71 071 396</b>
Other changes	(32 127 569)	(6 600 497)	(144 079)	<b>(38 872 145)</b>	32 851 897	10 023 686	(81 231)	<b>42 794 352</b>
<b>Gross other undrawn commitments at the end of the period</b>	<b>649 136 348</b>	<b>44 060 867</b>	<b>925 074</b>	<b>694 122 289</b>	<b>672 463 974</b>	<b>50 573 012</b>	<b>77 202</b>	<b>723 114 188</b>

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**16. Credit related commitments and contingencies (continued)**

A reconciliation of the provision for credit related commitments and contingencies in accordance with IAS 37 is as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Provision at the beginning of the period	1 812 479	1 317 083	1 396 577	1 379 882
Allowance/(recovery) for the period	31 690	(45 192)	447 592	(107 991)
<b>Provision at the end of the period</b>	<b>1 844 169</b>	<b>1 271 891</b>	<b>1 844 169</b>	<b>1 271 891</b>

The following table shows gross financial guarantees and other credit related commitments and contingencies and related expected credit losses under IFRS 9 by stages as of 30 September 2021 (unaudited):

	Stage 1	Stage 2	Stage 3	Total
Gross credit related commitments and contingencies	763 003 434	54 887 566	1 048 011	818 939 011
Allowance for expected credit losses for credit related commitments and contingencies	(1 677 993)	(1 642 414)	(632 942)	(3 953 349)
<b>Net credit related commitments and contingencies</b>	<b>761 325 441</b>	<b>53 245 152</b>	<b>415 069</b>	<b>814 985 662</b>

The following table shows gross credit related commitments and contingencies and related provision under IAS 37 as of 30 September 2021 (unaudited):

	Performing exposure	Impaired exposure	Total
Gross credit related commitments and contingencies	107 503 189	1 189 564	108 692 753
Provision for credit related commitments and contingencies	(791 927)	(1 052 242)	(1 844 169)
<b>Net credit related commitments and contingencies</b>	<b>106 711 262</b>	<b>137 322</b>	<b>106 848 584</b>

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**16. Credit related commitments and contingencies (continued)**

The following table shows gross financial guarantees and other credit related commitments and contingencies and related expected credit losses under IFRS 9 by stages as of 31 December 2020:

	Stage 1	Stage 2	Stage 3	Total
Gross credit related commitments and contingencies	795 641 791	32 251 542	710 110	<b>828 603 443</b>
Allowance for expected credit losses for credit related commitments and contingencies	(2 209 267)	(576 051)	(339 157)	<b>(3 124 475)</b>
<b>Net credit related commitments and contingencies</b>	<b>793 432 524</b>	<b>31 675 491</b>	<b>370 953</b>	<b>825 478 968</b>

The following table shows gross credit related commitments and contingencies and related provision under IAS 37 as of 31 December 2020:

	Performing exposure	Impaired exposure	Total
Gross credit related commitments and contingencies	98 375 844	1 053 228	<b>99 429 072</b>
Provision for credit related commitments and contingencies	(588 805)	(807 772)	<b>(1 396 577)</b>
<b>Net credit related commitments and contingencies</b>	<b>97 787 039</b>	<b>245 456</b>	<b>98 032 495</b>

**17. Operating environment**

The economy of the Russian Federation shows some characteristic features inherent in emerging markets. The markets of developing countries, including Russia, are exposed to economic, political, social, legal and legislative risks that differ from those of more developed markets. Laws and regulations affecting business in Russia can change quickly, and there is a possibility of their arbitrary interpretation. The future economic direction of Russia's development is heavily influenced by the fiscal and monetary policies adopted by the government, the laws and regulations adopted, as well as changes in the political environment in the country.

Because Russia produces and exports large volumes of oil and gas, its economy is particularly sensitive to the prices of oil and gas on the world market. In 2020 oil prices dropped sharply, which resulted in immediate weakening of Russian Rouble against major currencies.

The political situation and new sanctions packages imposed by the U.S. and the E.U. on certain Russian officials, businessmen and companies continue to have a negative impact on Russian economy.

## **17. Operating environment (continued)**

Russian consumers and corporations continue to face increasing economic hardship, which heightens the risk of default in the retail and commercial banking sectors. This operating environment has a significant impact on the operations and financial position of the Group. Management takes the necessary measures to ensure the sustainability of the Group's operations. However, the consequences of the current economic situation are difficult to predict and management's current expectations and estimates could differ materially from actual results.

In addition to that, since 2020 a new coronavirus disease ("COVID-19") has begun rapidly spreading all over the world resulting in announcement of the pandemic status by the World Health Organization in March 2020. Responses put in place by many countries to contain the spread of COVID-19 are resulting in significant operational disruption for many companies and have significant impact on global financial markets. COVID-19 has had a significant effect on business of many companies across a wide range of sectors, including, but not limited to such impacts as disruption of business operations as a result of interruption of production or closure of facilities, supply chain disruptions, quarantines of personnel, reduced demand and difficulties in raising financing.

In addition, the effects of COVID-19 also appear in the form of its negative impact on the global economy and major financial markets.

In order to counter the spread of infection in the Russian Federation, restrictive measures have been introduced, including the establishment of a non-working week from October 28 to November 7.

Despite the fact that vaccination of the population began in 2021, the epidemiological situation remains uncertain. However, there is a recovery in most sectors of the economy, world prices for raw materials are stabilizing, and most companies are showing positive results as at 30 September 2021. Further economic recovery is closely related to the epidemiological situation and, as a result, to the degree of rigidity of restrictive measures.

Taking into account the positive results of work in 2020 during the period of past quarantine measures, as well as taking into account the relatively short period of restrictive measures, the Group does not see additional risks associated with the impact of the above measures. However, estimates of the scale and prospects for the end of the pandemic crisis have varied throughout the year, and today a high level of uncertainty remains. There remains high uncertainty about the speed of the global economic recovery, especially given the re-introduction by a number of countries of restrictive measures to prevent the spread of COVID-19, both due to the newly increasing number of diseases and the identification of new strains of the virus.

The Group takes all necessary measures to maintain the sustainability of the business and its development in the current circumstances and taking into account possible risks.

Thus, taking into account the stable financial position of the Group, it can be concluded that the current economic situation did not have a significant impact on the Group's financial ratios as at 30 September 2021.

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**18. (Losses)/gains on financial assets and liabilities held for trading and foreign currencies**

(Losses)/gains on financial assets and liabilities held for trading and foreign currencies comprise:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Net (losses)/gains from trading securities	(76 993)	(16 824)	(133 663)	3 296
Net gains/(losses) from spot and derivative instruments	1 057 476	3 036 074	1 168 756	(2 250 032)
Translation of other foreign currency assets and liabilities	(1 051 127)	(3 781 404)	(2 205 631)	1 488 529
<b>Losses on financial assets and liabilities held for trading and foreign currencies</b>	<b>(70 644)</b>	<b>(762 154)</b>	<b>(1 170 538)</b>	<b>(758 207)</b>

**19. Fair value of financial instruments**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	30 September 2021 (unaudited)			Total
	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>				
Debt securities held for trading - held by the Group	8 329 410	3 305 057	-	11 634 467
Derivative financial assets	-	28 338 068	-	28 338 068
Derivative financial assets designated for hedging	-	11 323 359	-	11 323 359
Financial assets at fair value through other comprehensive income - held by the Group	12 181 216	12 140 278	-	24 321 494
<b>Total</b>	<b>20 510 626</b>	<b>55 106 762</b>	<b>-</b>	<b>75 617 388</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	-	27 541 333	-	27 541 333
Derivative financial liabilities designated for hedging	-	12 616 383	-	12 616 383
<b>Total</b>	<b>-</b>	<b>40 157 716</b>	<b>-</b>	<b>40 157 716</b>

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**19. Fair value of financial instruments (continued)**

	31 December 2020			Total
	Level 1	Level 2	Level 3	
<b>Financial assets at fair value</b>				
Debt securities held for trading				
- held by the Group	1 082 892	-	-	1 082 892
Derivative financial assets	-	39 606 302	-	39 606 302
Derivative financial assets designated for hedging	-	18 583 515	-	18 583 515
Financial assets at fair value through other comprehensive income:				
- held by the Group	34 394 360	12 358 356	-	46 752 716
<b>Total</b>	<b>35 477 252</b>	<b>70 548 173</b>	<b>-</b>	<b>106 025 425</b>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	-	39 932 210	-	39 932 210
Derivative financial liabilities designated for hedging	-	30 177 965	-	30 177 965
<b>Total</b>	<b>-</b>	<b>70 110 175</b>	<b>-</b>	<b>70 110 175</b>

As at 30 September 2021 the table above does not include equity investments at fair value through other comprehensive income in the amount of RUB 123 692 thousand (31 December 2020: RUB 123 692 thousand), which do not have a quoted market price in an active market.

During the nine-month periods ended 30 September 2021 and 30 September 2020 there were no transfers between fair value levels for trading securities.

During the nine-month periods ended 30 September 2021 and 30 September 2020 there were no transfers between fair value levels for financial assets at fair value through other comprehensive income.

Except as detailed in the following table, the Group consider that the carrying amounts of financial assets and financial liabilities recognized in the condensed interim consolidated statement of financial position approximate their fair value.

	30 September 2021 (unaudited)		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at amortized cost				
- Debt securities				
- held by the Group	69 980 776	66 187 560	67 986 636	68 007 750
- pledged under repurchase agreements	4 512 153	4 287 878	-	-
- Amounts due from credit institutions	299 677 952	297 866 644	380 383 482	382 992 187
- Loans to customers	667 450 347	672 221 686	646 035 934	664 533 755
<b>Financial liabilities</b>				
Amounts due to credit institutions	61 540 890	61 596 812	29 103 365	29 342 712
Amounts due to customers	849 964 837	851 720 744	945 130 002	948 204 657

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

### 19. Fair value of financial instruments (continued)

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at amortized cost, grouped into Levels 1 to 3.

	30 September 2021 (unaudited)			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Financial assets at amortized cost				
- Debt securities				
- held by the Group	57 342 017	8 845 543	-	<b>66 187 560</b>
- pledged under repurchase agreements	4 287 878	-	-	<b>4 287 878</b>
- Amounts due from credit institutions	-	-	297 866 644	<b>297 866 644</b>
- Loans to customers	-	-	672 221 686	<b>672 221 686</b>
<b>Financial liabilities</b>				
Amounts due to credit institutions	-	-	61 596 812	<b>61 596 812</b>
Amounts due to customers	-	-	851 720 744	<b>851 720 744</b>

	31 December 2020			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Financial assets at amortized cost				
- Debt securities	58 195 150	9 812 600	-	<b>68 007 750</b>
- Amounts due from credit institutions	-	-	382 992 187	<b>382 992 187</b>
- Loans to customers	-	-	664 533 755	<b>664 533 755</b>
<b>Financial liabilities</b>				
Amounts due to credit institutions	-	-	29 342 712	<b>29 342 712</b>
Amounts due to customers	-	-	948 204 657	<b>948 204 657</b>

### 20. Related party disclosures

As at 30 September 2021 the sole shareholder of the Group is the UniCredit S.p.A. UniCredit S.p.A. issues publicly available financial statements.

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions which unrelated parties might not. Transactions with related parties were conducted on terms identical to the terms under which transactions between unrelated parties are conducted.

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**20. Related party disclosures (continued)**

Balances and transactions with UniCredit S.p.A were as follows:

	30 September 2021 (unaudited)	Weighted average interest rate, % (unaudited)	31 December 2020	Weighted average interest rate, %
Amounts due from credit institutions				
- In Russian Roubles	-		799 215	4.8
- In EUR	43 284 792	(0.4)	741 212	0.0
- In USD	26 444 868	0.0	43 723 320	0.8
Derivative financial assets	7 266 466		11 256 449	
Derivative financial assets designated for hedging	9 791 654		16 414 444	
Other assets	45 939		111 514	
Amounts due to credit institutions				
- In Russian Roubles	5 038 798	5.8	515 610	0.0
- In EUR	29 867 458	(0.4)	434 893	1.8
- In USD	-		163 503	3.1
Derivative financial liabilities	22 474 101		32 754 421	
Derivative financial liabilities designated for hedging	9 458 251		23 278 243	
Other liabilities	419 169		498 426	
Commitments and guarantees issued	13 527 968		14 543 230	
Commitments and guarantees received	12 152 870		12 710 326	

Commitments and guarantees issued contain commitments and guarantees under which UniCredit S.p.A. is the beneficiary.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Interest income and similar revenues	4 080 840	2 149 267	10 932 493	11 080 378
Interest expense and similar charges	(2 437 216)	(1 413 188)	(6 773 262)	(8 186 115)
Fee and commission income	1 816	2 453	6 760	7 331
Fee and commission expense	(9 692)	(8 098)	(33 602)	(31 639)
Gains/(losses) on financial assets and liabilities held for trading and foreign currencies	1 298 116	(15 014 427)	6 635 589	(31 425 632)
Fair value adjustments in portfolio hedge accounting	219 661	612 470	1 502 178	(1 130 287)
Personnel expenses	(24 474)	(14 207)	(85 288)	(25 141)
Other administrative expenses	(16 651)	(29 168)	(65 692)	(78 560)



**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**20. Related party disclosures (continued)**

Balances and transactions with other companies controlled by the UniCredit Group or related with UniCredit Group are as follows:

	30 September 2021 (unaudited)	Weighted average interest rate, % (unaudited)	31 December 2020	Weighted average interest rate, %
Amounts due from credit institutions				
- In Russian Roubles	1 787 914	6.8	6 997 853	4.5
- In EUR	39 288 379	0.0	9 499 028	0.0
- In USD	2 022 805	0.0	3 644 303	0.0
- In other currencies	14 239	0.0	14 760	0.0
Derivative financial assets	560 812		562 324	
Derivative financial assets designated for hedging	813 175		1 216 591	
Loans to customers				
- In Russian Roubles	-		77 289	8.2
Intangible assets	80 459		139 502	
Other assets	158 148		184 046	
Amounts due to credit institutions				
- In Russian Roubles	5 027 921	0.3	3 475 336	2.6
- In EUR	1 051 442	2.6	2 294 519	2.5
- In USD	220 766	0.3	328 789	2.1
- In other currencies	57	0.0	-	
Derivative financial liabilities	1 087 622		2 097 210	
Derivative financial liabilities designated for hedging	2 328 718		3 297 093	
Amounts due to customers				
- In Russian Roubles	1 352 983	0.8	1 202 089	3.8
Other liabilities	254 792		741 372	
Commitments and guarantees issued	27 935 547		29 496 110	
Commitments and guarantees received	18 743 548		18 864 963	

Commitments and guarantees issued contain commitments and guarantees, including those under which other companies controlled by the UniCredit Group or related with the UniCredit Group are the beneficiaries.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Interest income and similar revenues	25 894	223 795	93 392	192 615
Interest expense and similar charges	(393 218)	(597 383)	(1 223 566)	(1 102 401)
Fee and commission income	25 660	39 505	78 217	295 566
Fee and commission expense	(33 222)	(29 934)	(95 280)	(75 864)
Gains/(losses) on financial assets and liabilities held for trading and foreign currencies	554 228	(1 461 835)	754 037	(2 427 497)
Fair value adjustments in portfolio hedge accounting	53 895	(50 753)	225 447	(101 245)
Other income	122	122	364	364
Personnel expenses	(2 092)	(1 300)	(4 892)	(5 000)
Other administrative expenses	(64 840)	(72 325)	(179 737)	(217 221)

**Selected Notes to the Condensed Interim Consolidated Financial Statements  
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**20. Related party disclosures (continued)**

Balances and transactions with the associate are as follows:

	<b>30 September 2021 (unaudited)</b>	<b>Weighted average interest rate, % (unaudited)</b>	<b>31 December 2020</b>	<b>Weighted average interest rate, %</b>
Amounts due from credit institutions				
- In Russian Roubles	4 675 166	7.0	10 120 399	8.0
Derivative financial assets	101 904		24 460	
Financial assets at fair value through other comprehensive income	764 133	7.7	804 658	7.7
Amounts due to credit institutions				
- In Russian Roubles	30 895	0.0	9 022	0.0
- In EUR	3 355	0.0	12 351	0.0
- In USD	2 382	0.0	3 785	0.0
Derivative financial liabilities	542 444		884 888	
Investments in associate	10 857 920		9 669 851	
Commitments and guarantees issued	32 775		215 085	

Under the commitments and guarantees issued the associate is a beneficiary.

	<b>Three-month period ended 30 September</b>		<b>Nine-month period ended 30 September</b>	
	<b>2021 (unaudited)</b>	<b>2020 (unaudited)</b>	<b>2021 (unaudited)</b>	<b>2020 (unaudited)</b>
Interest income and similar revenues	324 205	358 190	1 002 428	1 209 816
Interest expense and similar charges	(193 307)	(217 905)	(579 050)	(647 608)
Fee and commission income	114	81	7 402	219
Gains /(losses) on financial assets and liabilities held for trading and foreign currencies	82 542	(350 145)	499 342	(751 596)
Share of gains in associate	421 476	387 457	1 116 318	1 117 027

Balances and transactions with key management personnel are as follows:

	<b>30 September 2021 (unaudited)</b>	<b>Weighted average interest rate, % (unaudited)</b>	<b>31 December 2020</b>	<b>Weighted average interest rate, %</b>
Amounts due to customers	245 848	1.1	254 535	2.0
Other liabilities				
- accrued liabilities on remuneration	252 047		266 142	
- other liabilities	42 836		35 984	

# AO UniCredit Bank

## Selected Notes to the Condensed Interim Consolidated Financial Statements for the Nine-Month Period Ended 30 September 2021 (in thousands of Russian Roubles)

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### 20. Related party disclosures (continued)

	Nine-month period ended 30 September 2021 (unaudited)	Nine-month period ended 30 September 2020 (unaudited)
Interest expense	(2 699)	(6 868)
Personnel expenses, including:	(240 840)	(188 757)
- short-term benefits	(142 601)	(140 791)
- long-term benefits	(95 433)	(44 428)
- post-employment benefits	(2 806)	(3 538)

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Subordinated loans from the members of the UniCredit Group were as follows:

	Nine-month period ended 30 September 2021 (unaudited) UniCredit S.p.A.	Nine-month period ended 30 September 2020 (unaudited) UniCredit S.p.A.
<b>Subordinated loans at the beginning of the period</b>	-	<b>29 780 408</b>
Effect of exchange rates changes	-	7 601 151
Redemption of subordinated debt	-	(37 381 559)
<b>Subordinated loans at the end of the period</b>	-	-

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