



CENTER-INVEST BANK GROUP

**International Financial Reporting Standards
Condensed Consolidated Interim
Financial Information
for the Nine months ended 30 September 2021 (unaudited)**

CONTENTS**Condensed Consolidated Interim Financial Information**


Condensed Consolidated Interim Statement of Financial Position	5
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income.....	6
Condensed Consolidated Interim Statement of Cash Flows	7
Condensed Consolidated Interim Statement of Changes in Equity	8

Notes to the Condensed Consolidated Interim Financial Information


1. Introduction.....	5
2. Operating Environment of the Group	5
3. Summary of Significant Accounting Policies	6
4. Adoption of New or Revised Standards and Interpretations	7
5. Critical Accounting Estimates and Judgments in Applying Accounting Policies.....	7
6. Loans to Customers and Finance Lease Receivables	8
7. Customer Accounts	22
8. Debt Securities in Issue	22
9. Borrowings from International Financial Institutions and Subordinated Borrowings.....	23
10. Interest Income and Expense	24
11. Dividends Payable	24
12. Administrative and Other Operating Expenses	25
13. Financial Risk Management.....	25
14. Segment Analysis	26
15. Management of Capital.....	32
16. Contingencies and Commitments	33
17. Fair Value	37
18. Related Party Transactions.....	39

<i>(In thousands of Russian Roubles)</i>	Note	30 September 2021 (unaudited)	31 December 2020
ASSETS			
Cash and cash equivalents		10 228 968	11 100 866
Mandatory cash balances with the Central Bank of the Russian Federation		736 371	761 907
Due from other banks		13 802 345	15 001 700
Loans to customers and finance lease receivables	6	89 937 395	84 472 635
Investment in associate		277 423	286 470
Investment properties		332 259	1 184 292
Premises, equipment and intangible assets		3 240 806	3 316 246
Right-of-use assets		124 559	115 537
Other financial assets		854 508	812 638
Other assets		757 449	1 246 234
TOTAL ASSETS		120 292 083	118 298 525
LIABILITIES			
Customer accounts	7	99 725 697	99 213 732
Debt securities in issue	8	2 408 582	1 674 964
Borrowings from international financial institutions	9	482 627	1 027 408
Subordinated borrowings	9	724 711	747 312
Other financial liabilities		400 348	361 582
Other liabilities		146 411	337 633
Lease liabilities		137 457	127 140
Deferred income tax liability		42 986	1 272
Current income tax liabilities		85 846	36 708
TOTAL LIABILITIES		104 154 665	103 527 751
EQUITY			
Share capital		1 326 277	1 326 277
Share premium		2 078 860	2 078 860
Revaluation reserve for land and premises		1 051 704	1 064 288
Retained earnings		11 836 865	10 436 456
Equity attributable to the Bank's shareholders		16 293 706	14 905 881
Non-controlling interest		(156 288)	(135 107)
TOTAL EQUITY		16 137 418	14 770 774
TOTAL LIABILITIES AND EQUITY		120 292 083	118 298 525

Approved for issue and signed on 26 November 2021.


 S. Yu. Smirnov
 Deputy Chairman of the Management Board
 on the Finance, Reporting and Analytics




 Yu. G. Krotova
 Deputy Chief Accountant

(unaudited)		Nine months ended 30 September		Three months ended 30 September	
In thousands of Russian Roubles	Note	2021	2020	2021	2020
Interest income calculated using the effective interest method	10	7 073 897	7 492 845	2 481 037	2 416 439
Other interest income		37 290	27 767	12 955	8 695
Interest expense	10	(2 702 264)	(3 697 179)	(865 169)	(1 078 531)
Net interest margin		4 408 923	3 823 433	1 628 823	1 346 603
ECL allowance	6	(315 813)	(767 938)	178 601	(216 097)
Charge for allowance for credit related commitments	16	37 889	(2 247)	609	1 343
Net interest margin after ECL allowance		4 130 999	3 053 248	1 808 033	1 131 849
Fee and commission income		1 329 257	1 216 833	510 243	482 294
Fee and commission expense		(512 861)	(415 887)	(210 796)	(161 581)
Gains less losses from trading in foreign currencies		32 774	65 509	14 494	25 145
Foreign exchange translation (losses less gains) / gains less losses		(1 909)	18 878	(1 278)	12 548
Gains less losses / (losses less gains) from spot currency transactions and other conversion operations on the interbank market		4 047	(3 771)	952	(3 305)
Other provisions and expenses		(123 209)	(156 271)	512	(75 953)
Revenue from sales of agricultural goods		348 383	344 917	71 380	97 429
Expenses related to activity of JSC Ptitsefabrika Belokalitvinskaya		(401 240)	(565 931)	(113 888)	(278 457)
Other operating income		100 381	108 516	29 996	31 463
Contributions to the state deposit insurance scheme		(295 671)	(273 788)	(111 392)	(91 405)
Administrative and other operating expenses	12	(2 378 571)	(2 188 507)	(846 967)	(707 218)
Depreciation of right-of-use assets		(41 884)	(41 020)	(16 715)	(17 113)
Share of result of associate		(9 047)	862	(20 727)	(19 854)
Profit before tax		2 181 449	1 163 588	1 113 847	425 842
Income tax expense		(470 436)	(252 661)	(234 655)	(88 085)
PROFIT FOR THE PERIOD		1 711 013	910 927	879 192	337 757
The Bank's shareholders		1 732 194	941 461	889 266	363 850
Non-controlling interest		(21 181)	(30 534)	(10 074)	(26 093)
Total comprehensive income for the period		1 711 013	910 927	879 192	337 757
Comprehensive income for the period:		1 711 013	910 927	879 192	337 757
The Bank's shareholders		1 732 194	941 461	889 266	363 850
Non-controlling interest		(21 181)	(30 534)	(10 074)	(26 093)
Total comprehensive income attributable to the Bank's shareholders and non-controlling interest		1 711 013	910 927	879 192	337 757

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>		Nine months ended 30 September 2021	Nine months ended 30 September 2020
Cash flows from operating activities			
Interest income received		7 123 551	7 320 978
Interest paid		(2 955 503)	(4 267 402)
Contributions to the state deposit insurance scheme		(278 634)	(322 925)
Fees and commissions received		1 327 462	1 218 145
Fees and commissions paid		(511 845)	(412 191)
Gains less losses from trading in foreign currencies		32 774	65 509
Gains less losses / (losses less gains) from spot currency transactions and other conversion operations on the interbank market		4 047	(3 771)
Receipts from assignment of rights of claim on loans and advances to customers		467 736	287 609
Repayment of debt previously written off		58 833	36 689
Other operating income received		388 555	367 906
Staff costs paid		(1 200 513)	(1 203 210)
Operating expenses paid		(1 300 730)	(1 352 866)
Income tax paid		(385 606)	(272 337)
Cash flows from operating activities before changes in operating assets and liabilities		2 770 127	1 462 134
Changes in operating assets and liabilities			
Net change in mandatory cash balances with the Central Bank of the Russian Federation		25 536	24 490
Net change in due from other banks		1 200 000	(1 500 000)
Net change in loans to customers and finance lease receivables		(6 047 670)	(360 822)
Net change in other financial and other assets		1 519 887	441 245
Net change in due to other banks		-	321 876
Net change in customer accounts		825 989	(235 420)
Net change in promissory notes issued		854 000	(420 345)
Net change in other financial and other liabilities		(621 141)	(126 271)
Net cash from operating activities		526 728	(393 113)
Cash flows from investing activities			
Acquisition of premises and equipment		(122 874)	(124 976)
Proceeds from disposal of premises and equipment		3 162	366 565
Acquisition of intangible assets		(117 170)	(35 012)
Investments in investment properties		(3 544)	-
Net cash used in investing activities		(240 426)	206 577
Cash flows from financing activities			
Issue of bonds		19 738	7 433
Repurchase and repayment of bonds		(147 847)	(30 910)
Repayment of borrowings from international financial institutions		(530 000)	(1 364 500)
Dividends paid		(344 369)	-
Receipt of subordinated loan		-	740 274
Repayment of principal of lease liabilities		(64 151)	(50 802)
Net cash used in financing activities		(1 066 629)	(698 505)
Effect of exchange rate changes on cash and cash equivalents		(91 571)	574 088
Net decrease/(increase) in cash and cash equivalents		(871 898)	(310 953)
Cash and cash equivalents at the beginning of the period		11 100 866	11 052 495
Cash and cash equivalents at the end of the period		10 228 968	10 741 542

		Share capital	Share premium	Revaluation reserve for land and premises	Retained earnings	Non- controlling interest	Total equity
<i>In thousands of Russian Roubles</i>							
	Note						
Balance at 1 January 2020		1 326 277	2 078 860	1 228 156	9 682 312	(96 256)	14 219 349
Profit for the period		-	-	-	941 461	(30 534)	910 927
Total comprehensive income for the Nine months of 2020		-	-	-	941 461	(30 534)	910 927
Dividends declared:							
- ordinary shares	Ошибка! Источник ссылки не найден. Ошибка! Источник ссылки не найден.	-	-	-	(292 547)	-	(292 547)
- preference shares	Ошибка! Источник ссылки не найден.	-	-	-	(18 099)	-	(18 099)
Transfer of revaluation reserve for on land and premises to retained earnings		-	-	(1 027)	1 027	-	-
Balance at 30 September 2020 (unaudited)		1 326 277	2 078 860	1 227 129	10 314 154	(126 790)	14 819 630
Balance at 31 December 2020		1 326 277	2 078 860	1 064 288	10 436 456	(135 107)	14 770 774
Profit for the period (unaudited)		-	-	-	1 732 194	(21 181)	1 711 013
Total comprehensive income for the Nine months of 2021 (unaudited)		-	-	-	1 732 194	(21 181)	1 711 013
Dividends declared:							
- ordinary shares (unaudited)	11	-	-	-	(326 270)	-	(326 270)
- preference shares (unaudited)	11	-	-	-	(18 099)	-	(18 099)
Other movements (unaudited)		-	-	(12 584)	12 584	-	-

Balance at 30 September 2021 (unaudited)	1 326 277	2 078 860	1 051 704	11 836 865	(156 288)	16 137 418
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1. Introduction

This condensed consolidated interim financial information of Public Joint-stock company commercial Bank “Center-invest” (hereinafter, the “Bank”) and its subsidiaries (hereinafter referred to as the “Group”) has been prepared for the Nine months ended 30 September 2021 in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” (hereinafter, “IAS 34”).

The Bank was incorporated and is domiciled in the Russian Federation. The Bank is a joint stock company limited by shares and was set up in accordance with Russian regulations.

Principal activity. The Group’s principal business activities are corporate and retail banking and leasing operations within the Russian Federation. The Bank has operated under a full banking license issued by the Central Bank of the Russian Federation (“CBRF”) since 1992. The Bank participates in the state deposit insurance scheme, which was introduced by Federal Law No. 177-FZ “Deposits of Individuals Insurance in Russian Federation” dated 23 December 2003. The State Deposit Insurance Agency guarantees repayment of 100% of individual deposits up to RR 1 400 thousand per individual in the case of the withdrawal of a license from the Bank or a CBRF imposed moratorium on payments.

There are no parties that have individually the ability to control the Bank.

At 30 September 2021, the Bank has four branches (31 December 2020: four) in the Russian Federation. Additionally, the Bank has a representative office in Moscow and 104 (31 December 2020: 110) sub-branches in the Rostov and Volgograd Regions, Moscow and Nizhny Novgorod, Stavropol and Krasnodar Regions.

The Group’s operating income is not subject to seasonal and cyclical industry fluctuations during the financial year.

Interest in subsidiaries at 30 September 2021 and 31 December 2020 is as follows:

(%)	30 September 2021 (unaudited)	31 December 2020
LLC Centre-Leasing	100.00	100.00
JSC Ptitsefabrika Belokalitvinskaya	88.28	88.28

Registered address and place of business. The Bank’s registered address is: 62 Sokolova Avenue, Rostov-on-Don, Russian Federation, 344000.

The average number of the Group’s employees during Nine months ended 30 September 2021 was 1 597 people (2020: 1 671 people; Nine months ended 30 September 2020: 1 688 people).

Presentation currency. This condensed consolidated interim financial information is presented in Russian Roubles (“RR”), unless otherwise stated.

2. Operating Environment of the Group

During 2020, there were a number of significant changes attempting to constrain the spread and mitigate effects of the COVID-19 virus, including entry bans and travel restrictions, quarantine, self-isolation regime and restriction of commercial activity, including closure of enterprises. These measures have, among other things, severely restricted economic activity in Russia and have negatively impacted, and could continue to negatively impact businesses, market participants, clients of the Group, as well as the Russian and global economy for an unknown period of time.

Management continues to take all necessary measures to ensure sustainability of the Group’s operations and support its customers and employees:

- operating on a going concern basis (The Group management has substantial experience in effective crisis risk management and has taken all necessary measures to ensure the sustainability of the Group’s operations, to ensure staff safety and to support its customers in the COVID-19 pandemic);

2. Operating Environment of the Group (Continued)

- boosting the capacities for digital services (increasing the number of operations performed without a visit to the office);
- offering repayment holidays on consumer loans, lower tariffs for services to legal entities, debt restructuring;
- introducing support programmes for the customers (financed by the government or by the Group).

Future implications of the current economic environment and the above measures are difficult to predict. However, the Bank is monitoring situation on a daily basis, assessing consequences that affect the Bank's financial position. At the date of these financial statements, the measures taken by management are considered sufficient, and the implications are deemed to have no significant effect on the sustainability of the Bank's operations.

For the purpose of measurement of expected credit losses ("ECL") the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Note 5 provides more information on how the Group incorporated forward-looking information in its ECL models.

In March 2020, the International Accounting Standards Board (IASB) emphasized in its educational materials that an appropriate judgment has to be applied when determining the effects of COVID-19 on expected credit losses under IFRS 9, given the significant uncertainty that exists, in particular when assessing future macroeconomic conditions.

The Group operates primarily in the South of Russia. For a whole number of indicators, like in the previous years, the South of Russia exceeds average growth rates, in particular for industrial production index; positive dynamics of development are demonstrated in the consumer market, and support structure for small and medium businesses is improving.

The major industry of the region is agriculture, as part of implementing the Rostov Region government programme "Agribusiness Development and Regulation of Agricultural Products, Commodities and Food Markets" for 2020-2030, measures are taken to ensure sustainable development of the Rostov Region agribusiness complex and rural areas.

3. Summary of Significant Accounting Policies

Basis of preparation. This condensed consolidated interim financial information has been prepared in accordance with IAS 34 and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Except as described below, the same accounting policies and methods of computation were followed in the preparation of this condensed consolidated interim financial information as compared with the Group's annual consolidated financial statements for the year ended 31 December 2020.

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

4. Adoption of New or Revised Standards and Interpretations

New standards and interpretations. The following amended standards and interpretations became effective for the Group from 1 January 2021, but did not have any material impact on the Group:

- IFRS 17 “Insurance Contracts” (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2021).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

None of new standards and interpretations, which are not presented in the disclosures to the consolidated financial statements of the Group for the year ended 31 December 2020, have been issued and become effective. The Group continues to assess the impact of new standards and interpretations, which are not yet effective, and will disclose the information about their known and reasonably definable consequences, as soon as results of assessment become available.

5. Critical Accounting Estimates and Judgments in Applying Accounting Policies

The estimates and judgments were consistent with those of the annual consolidated financial statements for the year ended 31 December 2020.

Measurement of ECLs. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs consistent with those at 31 December 2020. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

As at 30 September 2021, the Group has applied the following clarifications to the approach to calculating ECLs:

- For corporate borrowers: accounting for cross-default when assigning Stage 3; the classification was made taking into account the recovery period; loss calculations are based on the actual loss for all available years.
- For individual borrowers: LGD calculation was adjusted by expanding the analytics of defaults with data within the calculation period (previously, the analytics were produced on the date).

The effect of changes in the above estimates and assumptions resulted in the additional ECL allowance for loans to customers in the amount of RR 89 755 thousand.

In order to provide objective information about the impact of the current macroeconomic environment and in line with the recommendations of the IASB and the European Banking Authority, the Group adjusted its approach to calculating macro-adjustments to the borrower’s probability of default. Based on the most recent information, it used updated macroeconomic projections that represent the macroeconomic developments more accurately.

As a result of significant changes in the economic situation due to the COVID-19 pandemic, the Group decided to adjust the approach to the measurement of ECLs on loans.

As at 30 September 2021 and 31 December 2020, the macro adjustments in the range of 1.0 – 1.2 for PD and 1.05 - 1.2 for LGD were used by the Bank to estimate ECLs in relation to the corporate borrowers. As at 30 September 2021 and 31 December 2020, in relation to the individual borrowers, the adjustments in the range of 1.0 – 1.67 were applied to the borrowers operating in industries sensitive to the impact of the COVID-19 pandemic, and as at 30 September 2021, the macro adjustments in the range of 1.0 – 1.23 for PD were applied to the borrowers.

5. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

The Group implements the support measures prescribed by the Russian Government in April 2020 due to the COVID-19 pandemic and is participating in all support programmes for small and medium businesses and for individuals proposed by the Russian Government to date. In addition to its participation in state programmes, the Group offers its own support measures for businesses and individuals, providing a broad range of benefits and anti-crisis programmes that would help the entrepreneurs not only maintain their business and withstand the consequences of the crisis, but also continue to work as the situation stabilizes.

As at 30 September 2021, the Group provided support to individuals whose loans totaled RR 24 597 thousand. Loans to small and medium businesses that received support as at 30 September 2021 totaled RR 2 004 850 thousand.

A 10% increase or decrease in PD estimates as at 30 September 2021 would result in an increase or decrease in total ECL allowance by RR 136 188 thousand (31 December 2020: by RR 89 722 thousand).

A 10% increase or decrease in LGD estimates as at 30 September 2021 would result in an increase or decrease in total ECL allowance by RR 115 719 thousand (31 December 2020: by RR 162 925 thousand).

6. Loans to Customers and Finance Lease Receivables

Below are presented gross carrying amount and credit loss allowance for loans to customers and finance lease receivables measured at amortized cost as at 30 September 2021 and 31 December 2020:

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)	31 December 2020
Corporate loans	33 248 654	31 667 852
Loans to individuals – mortgage loans	45 243 862	41 928 550
Loans to individuals – consumer loans and car loans	16 097 967	16 284 433
Finance lease receivables	278 805	187 849
Total loans to customers and finance lease receivables before ECL allowance	94 869 288	90 068 684
ECL allowance	(4 931 893)	(5 596 049)
Total loans to customers and finance lease receivables	89 937 395	84 472 635

The following tables disclose the changes in ECL allowance and gross carrying amount for loans to customers and finance lease receivables between the beginning and the end of the reporting period:

6. Loans to Customers and Finance Lease Receivables (Continued)

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>In thousands of Russian Roubles</i>								
Corporate loans								
At 1 January 2021	368 207	659 137	1 896 004	2 923 348	27 153 556	1 652 189	2 862 107	31 667 852
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	206 253	-	18 006	224 259	14 364 869	-	31 071	14 395 940
Transfers:				-				-
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(2 179)	2 179	-	-	(111 055)	111 055	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(7 024)	(646 111)	653 135	-	(270 094)	(1 324 618)	1 594 712	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	18 883	(753)	(18 130)	-	73 461	(41 142)	(32 319)	-
Repaid during the period	(101 721)	(3 861)	(54 699)	(160 281)	(10 236 283)	(160 531)	(31 470)	(10 428 284)
Changes to ECL measurement model assumptions	(78 711)	1 323	501 998	424 610	(941 704)	8 476	(277 025)	(1 210 253)
Other changes	-	-	-	-	(11 055)	-	(12 075)	(23 130)
Total movements with impact on ECL allowance charge for the period (unaudited)	35 501	(647 223)	1 100 310	488 588	2 868 139	(1 406 760)	1 272 894	2 734 273
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(160 600)	(160 600)	-	-	(160 600)	(160 600)
Assignment	-	-	(551 549)	(551 549)	-	-	(992 871)	(992 871)
Unwinding of discount in respect of ECL present value	-	-	42 861	42 861	-	-	-	-
As at 30 September 2021 (unaudited)	403 708	11 914	2 284 165	2 699 787	30 021 695	245 429	2 981 530	33 248 654

6. Loans to Customers and Finance Lease Receivables (Continued)

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>In thousands of Russian Roubles</i>								
Mortgage loans								
At 1 January 2021	270 039	27 892	727 632	1 025 563	39 982 154	672 724	1 273 672	41 928 550
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	48 803	154	-	48 957	10 590 140	4 296	-	10 594 436
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(2 532)	33 679	(31 147)	-	(374 389)	434 474	(60 085)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(722)	(5 337)	6 059	-	(107 017)	(116 808)	223 825	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	34 850	(8 915)	(25 935)	-	260 263	(210 164)	(50 099)	-
Repaid during the period	(50 488)	(3 915)	(142 360)	(196 763)	(6 926 972)	(94 047)	(238 059)	(7 259 078)
Changes to ECL measurement model assumptions	(105 902)	(23 358)	132 768	3 508	-	-	-	-
Total movements with impact on ECL allowance charge for the period (unaudited)	(75 991)	(7 692)	(60 615)	(144 298)	3 442 025	17 751	(124 418)	3 335 358
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(8 435)	(8 435)	-	-	(8 435)	(8 435)
Assignment	-	-	(2 087)	(2 087)	-	-	(13 127)	(13 127)
Transfers between categories	-	-	-	-	5 625	-	(4 109)	1 516
Unwinding of discount in respect of ECL present value	-	-	28 909	28 909	-	-	-	-
As at 30 September 2021 (unaudited)	194 048	20 200	656 495	870 743	43 429 804	690 475	1 123 583	45 243 862

6. Loans to Customers and Finance Lease Receivables (Continued)

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>In thousands of Russian Roubles</i>								
Consumer loans and car loans								
At 1 January 2021	264 693	12 077	1 368 940	1 645 710	14 437 188	285 485	1 561 760	16 284 433
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	93 236	789	1 702	95 727	5 902 552	2 498	2 508	5 907 558
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(3 056)	10 820	(7 764)	-	(168 176)	178 414	(10 238)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(1 518)	(3 913)	5 431	-	(77 120)	(69 670)	146 790	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	14 177	(3 088)	(11 089)	-	86 953	(73 108)	(13 845)	-
Repaid during the period	(105 933)	(1 431)	(137 299)	(244 663)	(5 531 823)	(97 954)	(182 378)	(5 812 155)
Changes to ECL measurement model assumptions	(24 939)	(7 678)	153 184	120 567	-	36	504	540
Total movements with impact on ECL allowance charge for the period (unaudited)	(28 033)	(4 501)	4 165	(28 369)	212 386	(59 784)	(56 659)	95 943
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(253 414)	(253 414)			(266 368)	(266 368)
Assignment	-	-	(3 885)	(3 885)	-	-	(14 525)	(14 525)
Transfers between categories	-	-	-	-	(5 625)	-	4 109	(1 516)
Unwinding of discount in respect of ECL present value	-		8 089	8 089				
As at 30 September 2021 (unaudited)	236 660	7 576	1 115 806	1 360 042	14 643 949	225 701	1 228 317	16 097 967

6. Loans to Customers and Finance Lease Receivables (Continued)

	ECL allowance			Gross carrying amount				
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
In thousands of Russian Roubles								
Finance lease receivables								
At 1 January 2021	927	7	495	1 429	185 771	968	1 110	187 849
Movements with impact on ECL allowance charge for the period (unaudited):								
Issued to new and existing customers during the period	505	33	-	538	185 220	6 824	-	192 044
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(21)	21	-	-	(4 360)	4 360	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	-	-	-	-	-	-	-	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	-	-	-	-	-	-	-	-
Repaid during the period	(381)	(11)	-	(392)	(99 112)	(1 973)	(3)	(101 088)
Changes to ECL measurement model assumptions	(250)	(4)	-	(254)	-	-	-	-
Total movements with impact on ECL allowance charge for the period (unaudited)	(147)	39	-	(108)	81 748	9 211	(3)	90 956
Movements without impact on ECL allowance charge for the period (unaudited):								
	-	-	-	-	-	-	-	-
As at 30 September 2021 (unaudited)	780	46	495	1 321	267 519	10 179	1 107	278 805

6. Loans to Customers and Finance Lease Receivables (Continued)

The tables below show changes in ECL allowance and gross carrying amount for loans to customers and finance lease receivables during Nine months of 2020:

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
<i>In thousands of Russian Roubles</i>								
Corporate loans								
At 1 January 2020	237 246	244 777	2 845 252	3 327 275	29 625 715	889 144	4 896 444	35 411 303
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	147 325	267	35 779	183 371	15 017 744	19 916	59 049	15 096 709
Transfers:				-				-
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(4 038)	4 038	-	-	(371 314)	371 314	-	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(4 304)	(257)	4 561	-	(375 820)	(10 982)	386 802	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	396	(396)	-	-	19 323	(19 323)	-	-
Repaid during the period	(99 795)	(40 246)	(210 256)	(350 297)	(15 734 436)	(48 301)	(478 114)	(16 260 851)
Changes due to transfers and changes in assumptions	18 362	220 535	317 913	556 810	-	-	-	-
Changes in accrued interest, exchange differences and other movements	-	69 696	24 014	93 710	27	229 851	51 106	280 984
Total movements with impact on ECL allowance charge for the period (unaudited)	57 946	253 637	172 011	483 594	(1 444 476)	542 475	18 843	(883 158)
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(150 011)	(150 011)	-	-	(150 011)	(150 011)
Assignment	(2 934)	(134)	(267 475)	(270 543)	(15 000)	(6 053)	(437 475)	(458 528)
As at 30 September 2020 (unaudited)	292 258	498 280	2 599 777	3 390 315	28 166 239	1 425 566	4 327 801	33 919 606

6. Loans to Customers and Finance Lease Receivables (Continued)

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
<i>In thousands of Russian Roubles</i>								
Mortgage loans								
At 1 January 2020	203 988	28 963	766 053	999 004	34 542 942	656 099	1 259 432	36 458 473
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	65 463	-	-	65 463	9 976 839	-	-	9 976 839
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(2 202)	14 763	(12 561)	-	(371 763)	393 173	(21 410)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(1 375)	(8 844)	10 219	-	(228 594)	(184 002)	412 596	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	22 572	(8 374)	(14 198)	-	214 541	(190 341)	(24 200)	-
Repaid during the period	(40 686)	(2 931)	(124 993)	(168 610)	(6 219 708)	(77 242)	(204 374)	(6 501 324)
Changes due to transfers and changes in assumptions	72 657	8 515	189 836	271 008	-	-	-	-
Changes in accrued interest, exchange differences and other movements	72	425	9 893	10 390	6 649	7 672	16 539	30 860
Total movements with impact on ECL allowance charge for the period (unaudited)	116 501	3 554	58 196	178 251	3 377 964	(50 740)	179 151	3 506 375
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(15 286)	(15 286)	-	-	(15 286)	(15 286)
Assignment	(8)	-	(15 805)	(15 813)	(1 408)	-	(45 934)	(47 342)
As at 30 September 2020 (unaudited)	320 481	32 517	793 158	1 146 156	37 919 498	605 359	1 377 363	39 902 220

6. Loans to Customers and Finance Lease Receivables (Continued)

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
<i>In thousands of Russian Roubles</i>								
Consumer loans and car loans								
At 1 January 2020	223 729	12 789	1 578 004	1 814 522	16 962 919	374 331	1 795 001	19 132 251
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	74 774			74 774	5 062 907			5 062 907
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(3 572)	6 476	(2 904)	-	(271 567)	275 277	(3 710)	-
- to credit-impaired (from Stage 1 and Stage 2 to Stage 3)	(5 514)	(4 899)	10 413	-	(238 881)	(113 642)	352 523	-
- to 12-month ECL (from Stage 2 and Stage 3 to Stage 1)	14 019	(3 339)	(10 680)	-	115 029	(101 428)	(13 601)	-
Repaid during the period	(95 317)	(2 278)	(219 361)	(316 956)	(6 831 997)	(129 816)	(231 113)	(7 192 926)
Changes due to transfers and changes in assumptions	58 485	5 096	302 571	366 152				-
Changes in accrued interest, exchange differences and other movements	(72)	122	19 928	19 978	(6 410)	3 833	23 699	21 122
Total movements with impact on ECL allowance charge for the period (unaudited)	42 803	1 178	99 967	143 948	(2 170 919)	(65 776)	127 798	(2 108 897)
<i>Movements without impact on ECL allowance charge for the period (unaudited):</i>								
Write-offs	-	-	(211 265)	(211 265)	-	-	(213 847)	(213 847)
Assignment	-	-	(64 614)	(64 614)	-	-	(129 044)	(129 044)
As at 30 September 2020 (unaudited)	266 532	13 967	1 402 092	1 682 591	14 792 000	308 555	1 579 908	16 680 463

6. Loans to Customers and Finance Lease Receivables (Continued)

	ECL allowance				Gross carrying amount			
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
<i>In thousands of Russian Roubles</i>								
Finance lease receivables								
At 1 January 2020	1 751	-	841	2 592	194 487	-	1 884	196 371
<i>Movements with impact on ECL allowance charge for the period (unaudited):</i>								
Issued to new and existing customers during the period	525	-	-	525	62 317	-	-	62 317
Transfers:								
- to lifetime ECL (from Stage 1 and Stage 3 to Stage 2)	(7)	7	-	-	(858)	858	-	-
Repaid during the period	(739)	(5)	(346)	(1 090)	(88 155)	(507)	(774)	(89 436)
Changes due to transfers and changes in assumptions	(89)	(2)	(495)	(586)	-	-	-	-
Total movements with impact on ECL allowance charge for the period (unaudited)	(310)	-	(841)	(1 151)	(26 696)	351	(774)	(27 119)
As at 30 September 2020 (unaudited)	1 441	-	-	1 441	167 791	351	1 110	169 252

6. Loans to Customers and Finance Lease Receivables (Continued)

The ECL allowance for loans to customers and finance lease receivables recognized during the period is influenced by various factors. Main movements disclosed above:

- Transfers between Stage 1, 2 and 3 due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes to model assumptions, including changes in PDs, EADs and LGDs in the period, arising from update of inputs to ECL models;
- Foreign exchange translations of assets denominated in foreign currencies and other movements;
- Write-offs of allowances related to assets that were written off during the period.

At 30 September 2021, the credit quality of the loans measured at amortised cost is as follows:

<i>In thousands of Russian Roubles (unaudited)</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Corporate loans				
- Excellent	10 402 249	-	-	10 402 249
- Good	19 619 483	71 040	-	19 690 523
- Satisfactory	-	174 388	-	174 388
- Default	-	-	2 981 494	2 981 494
Gross carrying amount	30 021 732	245 428	2 981 494	33 248 654
ECL allowance	(403 708)	(11 914)	(2 284 165)	(2 699 787)
Carrying amount	29 618 024	233 514	697 329	30 548 867

6. Loans to Customers and Finance Lease Receivables (Continued)

<i>In thousands of Russian Roubles (unaudited)</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Mortgage loans				
- Excellent	402 381	-	-	402 381
- Good	43 027 422	480 111	-	43 507 533
- Satisfactory	-	210 365	-	210 365
- Default	-	-	1 123 583	1 123 583
Gross carrying amount	43 429 803	690 476	1 123 583	45 243 862
ECL allowance	(194 048)	(20 200)	(656 495)	(870 743)
Carrying amount	43 235 755	670 276	467 088	44 373 119
Consumer loans and car loans				
- Excellent	181 065	-	-	181 065
- Good	14 462 886	98 611	-	14 561 497
- Satisfactory	-	127 092	-	127 092
- Default	-	-	1 228 314	1 228 314
Gross carrying amount	14 643 951	225 703	1 228 314	16 097 968
ECL allowance	(236 660)	(7 576)	(1 115 807)	(1 360 043)
Carrying amount	14 407 291	218 127	112 507	14 737 925
Finance lease receivables				
- Excellent	267 518	-	-	267 518
- Good	-	10 117	-	10 117
- Default	-	-	1 110	1 110
Gross carrying amount	267 518	10 177	1 110	278 805
ECL allowance	(780)	(46)	(495)	(1 321)
Carrying amount	266 738	10 131	615	277 484

6. Loans to Customers and Finance Lease Receivables (Continued)

At 31 December 2020, the credit quality of the loans measured at amortised cost is as follows:

<i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Corporate loans				
- Excellent	10 724 403	-	-	10 724 403
- Good	16 429 153	212 099	-	16 641 252
- Satisfactory	-	1 440 090	-	1 440 090
- Default	-	-	2 862 107	2 862 107
Gross carrying amount	27 153 556	1 652 189	2 862 107	31 667 852
ECL allowance	(368 206)	(659 138)	(1 896 004)	(2 923 348)
Carrying amount	26 785 350	993 051	966 103	28 744 504
Mortgage loans				
- Excellent	419 788	-	-	419 788
- Good	39 532 275	474 582	-	40 006 857
- Satisfactory	-	220 743	-	220 743
- Default	-	-	1 281 161	1 281 161
Gross carrying amount	39 952 063	695 325	1 281 161	41 928 549
ECL allowance	(270 039)	(27 892)	(727 632)	(1 025 563)
Carrying amount	39 682 024	667 433	553 529	40 902 986

6. Loans to Customers and Finance Lease Receivables (Continued)

	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
<i>In thousands of Russian Roubles</i>				
Consumer loans and car loans				
- Excellent	232 068	-	-	232 068
- Good	14 205 120	149 004	-	14 354 124
- Satisfactory	-	136 481	-	136 481
- Default	-	-	1 561 760	1 561 760
Gross carrying amount	14 437 188	285 485	1 561 760	16 284 433
ECL allowance	(264 693)	(12 077)	(1 368 940)	(1 645 710)
Carrying amount	14 172 495	273 408	192 820	14 638 723
Finance lease receivables				
- Excellent	184 422	-	-	184 422
- Good	1 349	-	-	1 349
- Satisfactory	-	968	-	968
- Default	-	-	1 110	1 110
Gross carrying amount	185 771	968	1 110	187 849
ECL allowance	(927)	(7)	(495)	(1 429)
Carrying amount	184 844	961	615	186 420

The credit risk classification by classes used in the tables above is based on the borrowers' credit quality scale developed by the Group.

6. Loans to Customers and Finance Lease Receivables (Continued)

Information about the assigned rights of claim on loans and finance leases is presented below:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Nine months ended 30 September 2021	Nine months ended 30 September 2020
Assigned balance rights of claim on loans to customers and finance leases	1 020 523	634 914
Provision for impairment of assigned claim	(557 521)	(350 955)
Selling price	463 002	283 959
Net result from assignment of balance rights of claim	-	321
Assigned rights of claim previously written off as uncollectible	21 637	77 674
Selling price	5 000	3 650
Net result from assignment of rights of claim previously written off as uncollectible	5 000	3 650

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

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals (total), incl.	61 341 829	64.8	58 212 983	64.7
- mortgage loans	45 243 862	47.8	41 928 550	46.6
- consumer loans	15 124 996	16.0	15 459 569	17.2
- car loans	972 971	1.0	824 864	0.9
Agriculture	14 370 217	15.1	13 188 970	14.5
Trade	7 503 073	7.9	7 892 388	8.8
Manufacturing	4 208 648	4.4	4 020 084	4.5
Transport	2 124 922	2.2	2 234 571	2.5
Construction	1 320 226	1.4	1 452 857	1.6
Other	4 000 373	4.2	3 066 831	3.4
Total loans to customers and finance lease receivables before ECL allowance	94 869 288	100.0	90 068 684	100.0

At 30 September 2021, the Group had 10 major customers with aggregate loans amounting to RR 4 622 990 thousand, or 4.9% of loans to customers and finance lease receivables before ECL allowance (31 December 2020: RR 5 064 615 thousand or 5.6%).

The fair value of loans and advances to customers at 30 September 2021 and 31 December 2020 is disclosed in Note 17. Information on related party transactions is disclosed in Note 18.

7. Customer Accounts

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)	31 December 2020
State and public organisations		
- Current/settlement accounts	303 255	201 182
- Term deposits	40 548	81 079
Other legal entities		
- Current/settlement accounts	24 287 538	21 536 217
- Term deposits	3 384 122	4 139 057
Individuals		
- Current/demand accounts	10 447 932	10 127 591
- Term deposits	61 262 302	63 128 606
Total customer accounts	99 725 697	99 213 732

State and public organizations exclude government owned profit orientated businesses.

Economic sector concentrations within customer accounts are as follows:

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)		31 December 2020	
	Amount	%	Amount	%
Individuals	71 710 234	71.9	73 256 197	73.8
Agriculture	7 923 321	7.9	7 161 662	7.2
Trade	6 937 865	7.0	6 263 019	6.3
Manufacturing	2 385 615	2.4	2 591 530	2.6
Construction	1 580 239	1.6	1 862 292	1.9
Transport	1 516 004	1.5	1 345 885	1.4
Other	7 672 419	7.7	6 733 147	6.8
Total customer accounts	99 725 697	100.0	99 213 732	100.0

At 30 September 2021, the total aggregate balance of the 10 largest customers of the Group was RR 2673 235 thousand, or 2.7% of total customer accounts (31 December 2020: RR 3 028 740 thousand, or 3.1% of total customer accounts).

8. Debt Securities in Issue

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)	31 December 2020
Bonds	1 099 191	1 219 315
Promissory notes	1 309 391	455 649
Total debt securities in issue	2 408 582	1 674 964

Each bond has a par value of RR 1 000 and an embedded put option at par value of the bond exercisable at the moment of coupon income change.

8. Debt Securities in Issue (Continued)

Output	CIN-01P04	CIN-01P05	CIN-01P07
Par value, RR	1 000	1 000	1 000
Number	750 000	600 000	300 000
Initial placement date	April 2018	September 2018	December 2020
Maturity date	October 2021	March 2022	December 2021
Next offer date	-	-	-
30 September 2021 (unaudited)			
Number of bonds in issue	495 452	373 009	300 000
- including purchased by the subsidiary	5 980	3 012	3 503
Coupon rate, %	6.50	7.50	5.75
as at 31 December 2020			
Number of bonds in issue	621 821	389 034	300 000
- including purchased by the subsidiary	2 508	-	1 523
Coupon rate, %	5.25	5.25	5.75

9. Borrowings from International Financial Institutions and Subordinated Borrowings

The principal conditions of these loans are as follows:

	Currency	Rate of borrowing	Original issue date	Repayable in tranches by:	Balance at 30 September 2021 (unaudited)	Balance at 31 December 2020
<i>In thousands of Russian Roubles</i>						
<i>Borrowings from international financial institutions:</i>						
Symbiotics SA	Russian Roubles	10.0%	February 2019	March 2022	200 295	628 939
Black Sea Trade and Development Bank (Greece)	Russian Roubles	10.15%-10.56%	June 2017	December 2021	199 332	398 469
Total borrowings from international financial institutions					482 627	1 027 408
<i>Subordinated borrowings:</i>						
ResponsAbility SICAV (Lux)	US Dollars	6.64%	March 2020	July 2025	724 711	747 312
Total subordinated borrowings					724 711	747 312
Total borrowings from international financial institutions and subordinated borrowings					1 207 338	1 774 720

10. Interest Income and Expense

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Nine months ended 30 September 2021	Nine months ended 30 September 2020	Three months ended 30 September 2021	Three months ended 30 September 2020
Interest income calculated using the effective interest method				
Corporate loans	2 451 191	2 683 288	899 661	849 277
Mortgage loans	2 666 129	2 649 871	905 679	856 946
Consumer loans and car loans	1 556 269	1 710 457	535 181	574 415
Short-term deposits with the Central Bank of the Russian Federation, amounts due from and accounts with other banks	400 308	449 229	140 516	135 801
Total interest income calculated using the effective interest method	7 073 897	7 492 845	2 481 037	2 416 439
Finance income from leasing operations	37 290	27 767	12 955	8 695
Total other interest income	37 290	27 767	12 955	8 695
Interest and other similar expense				
Term deposits and accounts of individuals	(2 272 085)	(3 185 578)	(729 289)	(912 854)
Borrowings from international financial institutions	(100 213)	(221 542)	(25 759)	(69 373)
Term deposits of legal entities	(106 819)	(85 256)	(30 358)	(28 252)
Current accounts of legal entities	(134 333)	(99 343)	(42 510)	(33 692)
Bonds in issue	(51 459)	(67 419)	(18 404)	(20 611)
Promissory notes issued	(26 323)	(21 354)	(16 017)	(5 422)
Lease liabilities	(11 032)	(13 464)	(2 832)	(5 317)
Due to the Central Bank of the Russian Federation	-	(3 223)	-	(3 010)
Total interest expense	(2 702 264)	(3 697 179)	(865 169)	(1 078 531)
Net interest margin	4 408 923	3 823 433	1 628 823	1 346 603

11. Dividends Payable

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	30 September 2021		30 September 2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Dividends for the previous reporting year declared during the reporting period	326 270	18 099	292 547	18 099
Dividends paid during the period	(326 270)	(18 099)	-	-
Other movements	-	-	-	-
Dividends payable	-	-	292 547	18 099

In June 2021, the Bank declared dividends for 2020 on preference shares with a par value of RR 1 000 – RR 200 per share, on preference shares with a par value of RR 4 – RR 0.8 per share and on ordinary shares – RR 3.87 per share. Most of the dividends for 2020 were paid in July 2021.

12. Administrative and Other Operating Expenses

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Nine months ended 30 September 2021	Nine months ended 30 September 2020	Three months ended 30 September 2021	Three months ended 30 September 2020
Salary	1 192 680	1 175 508	408 957	417 540
Expenses related to activity of JSC Ptitsefabrika Belokalitvinskaya	401 240	565 931	113 888	278 457
Consulting and information services	288 543	161 828	122 042	53 667
Maintenance and lease of premises and equipment	226 392	198 963	60 683	48 717
Depreciation of premises and equipment	148 120	136 036	51 217	46 698
Taxes other than income tax	120 714	114 650	45 217	51 754
Telecommunications and postal charges	79 439	86 350	30 454	20 361
Amortisation of intangible assets	53 901	50 204	17 969	18 495
Other staff costs	35 443	23 974	18 155	3 357
Advertising and marketing services	23 318	20 136	5 108	8 237
Repair of premises and equipment	21 086	21 296	4 146	8 517
Stationery	16 120	15 427	5 052	1 917
Security	14 319	22 579	4 294	5 867
Maintenance and repair of motor vehicles	13 990	11 771	6 076	4 200
Insurance	10 800	22 218	3 256	4 734
Business trip and entertaining costs	10 660	7 829	4 198	2 685
Benefits paid to the Board of Directors	7 581	59 111	3 305	5 308
Other	115 465	60 627	56 838	5 164
Total administrative and other operating expenses	2 378 571	2 188 507	846 967	707 218

13. Financial Risk Management

The Group manages the whole range of risks it faces in the course of its operations. The focus is placed on the following risks: credit risk (including credit risk arising on interbank transactions, securities transactions and retail and corporate sectors), market risk (including currency, equity and interest rate risks), liquidity risk, operational risk, concentration risk, reputational risk, strategic risk, compliance risks, macroeconomic and political risks (including regional, banking industry, country and global economic risks) and key man risk.

The risk management purpose, policies and procedures and assessment methods applied by the Group during Nine months ended 30 September 2021 correspond to the purposes, policies and procedures applied in 2020.

Currency risk. The Group is exposed to currency risk associated with losses resulting from fluctuations of market values of open positions in different currencies. Exposure to currency risk is evaluated on the basis of VaR. The size of the currency position is regulated through matching assets and liabilities balances in foreign currencies. The Group seeks to decrease the open currency position, thereby decreasing its exposure to currency risk. The Bank manages its currency position by using currency swaps and forwards in the interbank market and other transactions. The Group is not exposed to the risks associated with changes in precious metals' prices due to the absence of such transactions.

13. Financial Risk Management (Continued)

The table below summarizes the Group's exposure to currency risk at 30 September 2021 and 31 December 2020:

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)			31 December 2020		
	Financial assets	Financial liabilities	Net position	Financial assets	Financial liabilities	Net position
Russian Roubles	111 715 043	(100 146 050)	11 568 993	108 550 099	(99 750 093)	8 800 006
US Dollars	2 747 772	(2 681 974)	65 798	2 687 721	(2 635 708)	52 013
Euros	1 018 230	(1 010 161)	8 069	836 967	(739 848)	97 119
Other	78 542	(41 237)	37 305	74 959	(26 489)	48 470
Total	115 559 587	(103 879 422)	11 680 165	112 149 746	(103 152 138)	8 997 608

The above analysis includes only monetary assets and liabilities. The Group's management believes that investments in equities and non-monetary assets will not give rise to any material currency risk.

Liquidity risk. The Group does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the consolidated statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. Liquidity risk is determined as the risk of facing difficulties associated with the transformation of assets into cash required for repayment of liabilities upon maturity, the real cost of the asset remaining unchanged.

The Asset and Liability Committee of the Bank is a regulatory and consultative body in charge of liquidity risk management. It coordinates actions of the Bank's units that have a direct or indirect impact on liquidity and cooperates with the Credit Committee in respect of liquidity issues.

Operational liquidity management is carried out by the Bank's Treasury on a daily basis through maintaining the overall liquidity reserve, consisting of balances on the Bank's correspondent accounts, cash on hand, due from other banks – primary liquidity reserve, and high liquid securities – secondary liquidity reserve. The Treasury monitors the Bank's payment position on a daily basis.

14. Segment Analysis

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

(a) **Description of products and services from which each reportable segment derives its revenue**

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

- Lending – representing retail and corporate lending services, leasing, factoring and bank guarantees issued.
- Treasury – representing financial instruments trading, borrowings on domestic and international markets, management of liquidity and foreign currency position of the Group, settlement and current accounts, corporate deposits.
- Retail banking – representing private banking services to individuals, settlement accounts, deposits, investment savings products, custody, credit and debit cards, municipal payments. This segment does not include loans to individuals other than lending through plastic cards.

14. Segment Analysis (Continued)**(b) Factors that management used to identify the reportable segments**

The Group's segments are strategic business units that focus on different customers. They are managed separately because each business unit requires different marketing strategies and service level.

The Group has identified the following operating segments: lending activities, leasing, retail banking, securities, treasury, correspondent and current accounts, and plastic cards. Lending and leasing have been aggregated into one reportable segment – lending. Correspondent and current accounts, securities and treasury have been aggregated into one reportable segment – treasury. Retail banking and plastic cards have been aggregated into one segment – retail banking.

In addition, the Bank's Executive Board reviews the major categories of general and administrative expenses, however, these expenses are not allocated to the above segments, and they are not taken into consideration in allocating resources to segments and assessing their performance.

(c) Measurement of operating segment profit or loss, assets and liabilities

The Executive Board reviews financial information prepared based on Russian Accounting Standards and adjusted to meet the requirements of internal reporting. This financial information differs in some aspects from the information prepared in accordance with IFRS:

- for operating decisions, the latest non-consolidated financial statements not adjusted for subsequent events is used;
- income taxes are not allocated to segments;
- loan provisions are recognised based on the ECL model prescribed in IFRS 9;
- commission income related to lending and commission expenses on borrowings are recognised in the future periods using the effective interest method;
- finance income arising from leasing is recognised as services provided, advances from lessees are recognised as income pro rata during the period of the leasing agreement;
- funds are generally reallocated between segments ignoring internal interest rates.

14. Segment Analysis (Continued)
(d) Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for Nine months ended 30 September 2021 is set out below:

In thousands of Russian Roubles

(unaudited)	Lending	Treasury	Retail banking	Unallotted items	Total
Financial result by segment as at 30 September 2021					
- Interest income	6 673 589	400 308	-	-	7 073 897
- Interest expense	-	(419 147)	(2 272 085)	(11 032)	(2 702 264)
- Other interest income	37 290				37 290
Net interest income (expense)	6 710 879	(18 839)	(2 272 085)	(11 032)	4 408 923
- Creation of ECL allowance	(277 924)	-	-	-	(277 924)
Net interest margin and similar income after ECL allowance	6 432 955	(18 839)	(2 272 085)	(11 032)	4 130 999
- Fee and commission income	22 817	762 523	519 351	24 566	1 329 257
- Fee and commission expense	(492)	(77 846)	(370 620)	(63 903)	(512 861)
Net fee and commission (expense) income	22 325	684 677	148 731	(39 337)	816 396
Gains less losses from trading in foreign currencies	-	32 774	-	-	32 774
Foreign exchange translation gains less losses	-	(1 909)	-	-	(1 909)
Gains less losses from spot currency transactions and other conversion operations on the interbank market	-	4 047	-	-	4 047
Other provisions and expenses	-	-	-	(123 209)	(123 209)
Other operating income	4 722	-	8 721	86 938	100 381
Contributions to the state deposit insurance scheme	-	-	-	(295 671)	(295 671)
Administrative and other operating expenses	-	-	-	(2 378 571)	(2 378 571)
Depreciation of right-of-use assets	-	-	-	(41 884)	(41 884)
Share of result of associate	-	-	-	(9 047)	(9 047)
Expenses related to activity of JSC Ptitsefabrika Belokalitvinskaya	-	-	-	(401 240)	(401 240)
Revenue from sales of agricultural goods	-	-	-	348 383	348 383
Income tax expense	-	-	-	(470 436)	(470 436)
Total segment result as at 30 September 2021	6 460 002	700 750	(2 114 633)	(3 335 106)	1 711 013

14. Segment Analysis (Continued)

*In thousands of Russian Roubles
(unaudited)*

	Lending	Treasury	Retail banking	Unallotted items	Total
Segment assets					
- Cash and cash equivalents	-	-	-	10 228 968	10 228 968
- Due from the Central Bank of the Russian Federation	-	13 802 345	-	-	13 802 345
- Mandatory cash balances with the Central Bank of the Russian Federation	-	-	-	736 371	736 371
- Loans to customers and finance lease receivables	89 937 395	-	-	-	89 937 395
- Investment in associate	-	277 423	-	-	277 423
- Investment properties	-	-	-	332 259	332 259
- Premises, equipment and intangible assets	-	-	-	3 240 806	3 240 806
- Right-of-use assets	-	-	-	124 559	124 559
- Other financial assets	-	-	-	854 508	854 508
- Other assets	-	-	-	757 449	757 449
Total assets as at 30 September 2021	89 937 395	14 079 768	-	16 274 920	120 292 083
Segment liabilities					
- Customer accounts	-	28 015 463	71 710 234	-	99 725 697
- Debt securities in issue	-	2 408 582	-	-	2 408 582
- Borrowings from international financial institutions	-	482 627	-	-	482 627
- Subordinated loans	-	724 711	-	-	724 711
- Other financial liabilities	-	-	-	400 348	400 348
- Other liabilities	-	-	-	146 411	146 411
- Lease liabilities	-	-	-	137 457	137 457
- Deferred income tax liability	-	-	-	42 986	42 986
- Current income tax liabilities	-	-	-	85 846	85 846
Total liabilities as at 30 September 2021	-	31 631 383	71 710 234	727 202	104 154 665

14. Segment Analysis (Continued)
(d) Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for the year ended 31 December 2020 is set out below:

In thousands of Russian Roubles
(unaudited)

	Lending	Treasury	Retail banking	Unallotted items	Total
Financial result by segment as at 31 December 2020					
- Interest income	9 249 869	629 683	-	-	9 879 552
- Interest expense	-	(647 901)	(4 044 778)	(17 094)	(4 709 773)
- Other interest income	37 054	-	-	-	37 054
Net interest income (expense)	9 286 923	(18 218)	(4 044 778)	(17 094)	5 206 833
- Creation of ECL allowance	(916 178)	-	-	-	(916 178)
Net interest margin and similar income after ECL allowance	8 370 745	(18 218)	(4 044 778)	(17 094)	4 290 655
- Fee and commission income	31 507	1 045 298	594 264	36 117	1 707 186
- Fee and commission expense	-	(137 249)	(403 446)	(40 361)	(581 056)
Net fee and commission (expense) income	31 507	908 049	190 818	(4 244)	1 126 130
- Gains less losses from trading in foreign currencies	-	75 112	-	-	75 112
- Foreign exchange translation gains less losses	-	16 815	-	-	16 815
- Gains less losses from spot currency transactions and other conversion operations on the interbank market	-	2 360	-	-	2 360
- Other provisions and expenses	-	-	-	(425 361)	(425 361)
- Other operating income	8 440	-	34 633	192 024	235 097
- Contributions to the state deposit insurance scheme	-	-	-	(368 144)	(368 144)
- Administrative and other operating expenses	-	-	-	(3 371 762)	(3 371 762)
- Depreciation of right-of-use assets	-	-	-	(57 105)	(57 105)
- Share of result of associate	-	-	-	(5 625)	(5 625)
- Expenses related to activity of JSC Ptitsefabrika Belokalitvinskaya	-	-	-	(686 741)	(686 741)
- Revenue from sales of agricultural goods	-	-	-	437 668	437 668
- Income tax expense	-	-	-	(279 268)	(279 268)
- Other comprehensive income for the period	-	-	-	(132 257)	(132 257)
Total segment result	8 410 692	984 118	(3 819 327)	(4 717 909)	857 574

14. Segment Analysis (Continued)

*In thousands of Russian Roubles
(unaudited)*

	Lending	Treasury	Retail banking	Unallotted items	Total
Segment assets					
Cash and cash equivalents	-	-	-	11 100 866	11 100 866
Due from the Central Bank of the Russian Federation	-	15 001 700	-	-	15 001 700
Mandatory cash balances with the Central Bank of the Russian Federation	-	-	-	761 907	761 907
Loans to customers and finance lease receivables	84 472 635	-	-	0	84 472 635
Investment in associate	-	286 470	-	0	286 470
Investment properties	-	-	-	1 184 292	1 184 292
Premises, equipment and intangible assets	-	-	-	3 316 246	3 316 246
Right-of-use assets	-	-	-	115 537	115 537
Other financial assets	-	-	-	812 638	812 638
Other assets	-	-	-	1 246 234	1 246 234
Total assets as at 31 December 2020	84 472 635	15 288 170	-	18 537 720	118 298 525
Segment liabilities					
Customer accounts	-	25 957 535	73 256 197	-	99 213 732
Debt securities in issue	-	1 674 964	-	-	1 674 964
Borrowings from international financial institutions	-	1 027 408	-	-	1 027 408
Subordinated loans	-	747 312	-	-	747 312
Other financial liabilities	-	-	-	361 582	361 582
Other liabilities	-	-	-	337 633	337 633
Lease liabilities	-	-	-	127 140	127 140
Current income tax liability	-	-	-	36 708	36 708
Deferred income tax liability	-	-	-	1 272	1 272
Total liabilities as at 31 December 2020	-	29 407 219	73 256 197	864 335	103 527 751

15. Management of Capital

The Group's objectives when managing capital are (i) to comply with the capital requirements set by the Central Bank of the Russian Federation, (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve a capital adequacy ratio based on the Basel Accord of at least 8%. Compliance with capital adequacy ratios set by the Central Bank of the Russian Federation is monitored monthly, with reports outlining their calculation reviewed and signed by the Bank's Chairman of the Executive Board and Chief Accountant. Other objectives of capital management are evaluated annually.

The Group and the Bank are also subject to minimum capital requirements established by covenants stated in loan agreements, including capital adequacy levels calculated in accordance with the requirements of the Basel Accord, as defined in the International Convergence of Capital Measurement and Capital Standards (updated in April 1998) and the Amendment to the Capital Accord to incorporate market risks (updated in November 2005), commonly known as Basel I. The composition of the Group's capital calculated in accordance with Basel I is as follows:

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)	31 December 2020
<i>Tier 1 capital</i>		
Share capital	1 326 277	1 326 277
Share premium	2 078 860	2 078 860
Retained earnings	11 836 865	10 436 456
Non-controlling interest	(156 288)	(135 107)
Total tier 1 capital	15 085 714	13 706 486
<i>Tier 2 capital</i>		
Revaluation reserve for land and premises	1 051 704	1 064 288
Subordinated loan	560 258	679 656
Total tier 2 capital	1 611 962	1 743 944
Total equity	16 697 676	15 450 430
Risk-weighted assets	75 464 200	72 753 813
Capital adequacy	22.1%	21.2%

When calculating the total capital required, the Bank uses the CBRF methodology set by the Instruction of CBRF No. 199-I dated 29 November 2019 "On mandatory ratios and additions to capital adequacy ratios for banks holding a universal license" and the Provision of the CBRF No. 646-P to calculate own funds (capital) of the Bank.

At 30 September 2021 (unaudited) and 31 December 2020 the Bank complied with regulatory capital requirements in accordance with the Instruction of CBRF No. 199-I dated 29 November 2019 "On mandatory ratios and additions to capital adequacy ratios for banks holding a universal license".

Base capital adequacy ratios are as follows:

(%)	Base capital adequacy ratio	30 September 2021 (unaudited)	31 December 2020
Ratio N1.1 (%)	4,5%	10,1%	9,7%
Ratio N1.2 (%)	6%	10,1%	9,7%
Ratio N1.0 (%)	8%	13,1%	13,1%

16. Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Group may be received. At 30 September 2021, the Group was engaged in litigation proceedings in relation to claims from borrowers and lessees. Provision for such proceedings was made in the amount of RR 12 502 thousand (unaudited) (31 December 2020: RR 2 561 thousand), as professional advice has indicated that it is likely that a loss will eventuate.

Tax contingencies. Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties.

Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decision about review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. This legislation provides for the possibility of additional tax liability assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. Management has implemented internal controls to be in compliance with this transfer pricing legislation.

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

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans or borrowings.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

16. Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk stages at 30 September 2021 is as follows:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to:				
- legal entities	5 679 179	-	1 156	5 680 335
- individuals	1 421 277	-	38	1 421 315
Financial guarantees issued	1 555 860	-	12 979	1 568 839
Unrecognised gross amount	8 656 316	-	14 173	8 670 489
Provision for credit-related commitments	(127 475)	-	(8 104)	(135 579)

An analysis of credit related commitments by credit quality based on credit risk stages at 31 December 2020 is as follows:

<i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to:				
- legal entities	6 222 922	964	912	6 224 798
- individuals	1 495 941	-	37	1 495 978
Financial guarantees issued	1 174 304	-	-	1 174 304
Unrecognised gross amount	8 893 167	964	949	8 895 080
Provision for credit-related commitments	(172 938)	(20)	(510)	(173 468)

16. Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 30 September 2021 is as follows:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to legal entities				
- Excellent	2 415 803	-	-	2 415 803
- Good	3 263 376	-	-	3 263 376
- Default	-	-	1 156	1 156
Gross carrying amount	5 679 179	-	1 156	5 680 335
ECL allowance	(87 500)	-	(667)	(88 167)
Carrying amount	5 591 679	-	489	5 592 168

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL credit impaired)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to individuals				
- Excellent	7 668	-	-	7 668
- Good	1 413 609	-	-	1 413 609
- Default	-	-	38	38
Gross carrying amount	1 421 277	-	38	1 421 315
ECL allowance	(37 033)	-	-	(37 033)
Carrying amount	1 384 244	-	38	1 384 282

At 30 September 2021, financial guarantees issued are classified into Stage 1 (12-month ECLs) for ECL measurement purposes and include RR 812 787 thousand ("excellent" level) and RR 743 073 thousand ("good" level). Credit loss allowance for financial guarantees issued at 30 September 2021 amounts to RR 10 378 thousand.

16. Contingencies and Commitments (Continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 31 December 2020 is as follows:

<i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to legal entities				
- Excellent	2 701 063	-	-	2 701 063
- Good	3 521 859	896	-	3 522 755
- Satisfactory	-	68	-	68
- Special monitoring	-	-	912	912
Gross carrying amount	6 222 922	964	912	6 224 798
ECL allowance	(111 157)	(20)	(510)	(111 687)
Carrying amount	6 111 765	944	402	6 113 111

<i>In thousands of Russian Roubles</i>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Total
Commitments to extend credit or loan facilities, which are revocable only if loans become past due, to individuals				
- Excellent	24 859	-	-	24 859
- Good	1 471 082	-	-	1 467 821
- Satisfactory	-	-	-	-
- Special monitoring	-	-	37	37
Gross carrying amount	1 495 941	-	37	1 495 978
ECL allowance	(58 863)	-	-	(58 863)
Carrying amount	1 437 078	-	37	1 437 115

At 31 December 2020, financial guarantees issued are classified into Stage 1 (12-month ECLs) for ECL measurement purposes and include RR 747 192 thousand ("excellent" level) and RR 427 112 thousand ("good" level). Credit loss allowance for financial guarantees issued at 31 December 2020 amounts to RR 2 918 thousand.

All undrawn credit facilities can be automatically closed upon failure by the borrower to meet the requirements of the loan agreement. The fair value of such commitments is approximately zero.

Assets pledged and restricted. At 30 September 2021, due from other banks balances and overnight deposits with other banks of RR 61 847 thousand (unaudited) (31 December 2020: RR 62 794 thousand) are placed as a cover for international payment cards transactions. In addition, mandatory cash balances with the CBRF of RR 736 371 thousand (unaudited) (31 December 2020: RR 761 907 thousand) represent mandatory reserve deposits which are not available to finance the Bank's day-to-day operations.

Compliance with covenants. The Group is subject to certain covenants primarily relating to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and a claim on early repayment of the loan. The Group was in compliance with covenants at 30 September 2021 (unaudited) and 31 December 2020.

17. Fair Value

Fair value measurements are analysed by level in the fair value hierarchy as follows: (1) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (2) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (3) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgment in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

(a) Recurring fair value measurements

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

The levels in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)				31 December 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value								
Financial assets								
Other financial assets								
- Other securities at FVTPL	-	-	5 997	5 997	-	-	6 006	6 006
Non-financial assets								
- Investment properties	-	-	332 259	332 259	-	-	1 184 292	1 184 292
- Premises and land	-	-	2 212 294	2 212 294	-	-	2 498 868	2 498 868
Total assets with recurring fair value measurements								
	-	-	2 550 550	2 550 550	-	-	3 689 166	3 689 166

There were no changes in valuation models for Level 3 recurring fair value measurements during Nine months ended 30 September 2021 (2020: none).

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

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

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)			
	Level 1	Level 2	Level 3	Carrying amount
FINANCIAL ASSETS				
Cash and cash equivalents	10 228 968	-	-	10 228 968
Obligatory reserves with the Central Bank of the Russian Federation	-	736 371	-	736 371
Due from other banks	-	13 802 345	-	13 802 345
Loans to customers	-	-	88 001 640	89 659 911
- Corporate loans	-	-	30 101 332	30 548 867
- Loans to individuals – consumer and car loans	-	-	14 410 003	14 737 925
- Mortgage loans	-	-	43 490 305	44 373 119
Finance lease receivables	-	-	293 995	277 484
Other financial assets	-	-	848 511	848 511
TOTAL				
	10 228 968	14 538 716	89 144 146	115 553 590

17. Fair Value (Continued)

	31 December 2020			
	Level 1	Level 2	Level 3	Carrying amount
<i>In thousands of Russian Roubles</i>				
FINANCIAL ASSETS				
Cash and cash equivalents	11 100 866	-	-	11 100 866
Obligatory reserves with the Central Bank of the Russian Federation	-	761 907	-	761 907
Due from other banks	-	15 001 700	-	15 001 700
Loans to customers	-	-	88 697 950	84 286 215
- <i>Corporate loans</i>	-	-	28 767 897	28 744 505
- <i>Loans to individuals – consumer and car loans</i>	-	-	14 997 897	14 638 723
- <i>Mortgage loans</i>	-	-	44 932 156	40 902 987
Finance lease receivables	-	-	197 964	186 420
Other financial assets	-	-	806 632	806 632
<hr/>				
TOTAL	11 100 866	15 763 607	89 702 546	112 143 740

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

	30 September 2021 (unaudited)			
	Level 1	Level 2	Level 3	Carrying amount
<i>In thousands of Russian Roubles</i>				
FINANCIAL LIABILITIES				
Customer accounts	-	99 562 688	-	99 562 688
Debt securities in issue	-	2 408 582	-	2 408 582
- <i>Promissory notes</i>	-	1 309 391	-	1 309 391
- <i>Bonds issued on the domestic market</i>	-	1 099 191	-	1 099 191
Borrowings from international financial institutions	-	482 716	-	482 716
Subordinated loan	-	-	723 618	723 618
Deferred income tax liability	-	-	42 986	42 986
Other financial liabilities	-	-	400 348	400 348
<hr/>				
TOTAL	-	102 453 986	1 166 952	103 620 938

	31 December 2020			
	Level 1	Level 2	Level 3	Carrying amount
<i>In thousands of Russian Roubles</i>				
FINANCIAL LIABILITIES				
Customer accounts	-	100 214 969	-	99 213 732
Debt securities in issue	-	1 230 595	455 690	1 674 964
- <i>Promissory notes</i>	-	-	455 690	455 649
- <i>Bonds issued on the domestic market</i>	-	1 230 595	-	1 219 315
Borrowings from international financial institutions	-	1 028 641	-	1 027 408
Subordinated loan	-	-	745 839	747 312
Other financial liabilities	-	-	361 582	361 582
TOTAL	-	102 474 205	1 563 111	103 024 998

The Group's liabilities to its customers are subject to state deposit insurance scheme as described in Note 1. The fair value of these liabilities reflects these credit enhancements.

18. Related Party Transactions

For the purpose of this condensed consolidated interim financial information, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's policy is to lend funds to related parties if they have an appropriate credit history and provide sufficient guarantees from third parties or pledge collateral valued in excess of the committed credit lines.

The condensed consolidated interim financial information of the Group includes the following transactions and balances with related parties:

<i>In thousands of Russian Roubles</i>	30 September 2021 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Correspondent accounts with banks	251 632	-	-
Gross amount of loans and advances to customers (contractual interest rate: 6.0-12.5%)	-	-	4 672
Customer accounts (contractual interest rate: 0.01% – 6.5%)	-	35 321	189 124
Subordinated borrowings (contractual interest rate: 6.64%)	724 711	-	-
Bonds issued (coupon rate: 5.50%-6.0%)	-	-	41 751

<i>In thousands of Russian Roubles</i>	31 December 2020		
	Major shareholders	Associate	Executive Board and Board of Directors
Correspondent accounts with banks	34 706	-	-
Gross amount of loans and advances to customers (contractual interest rate: 8.0%-13.5%)	-	-	11 441
Customer accounts (contractual interest rate: 0.01% – 7.25%)	-	31 674	101 478
Subordinated borrowings (contractual interest rate: 7.32%)	747 312	-	-
Bonds issued (coupon rate: 5.25%-8.0%)	-	-	30 549

<i>In thousands of Russian Roubles</i>	Nine months ended 30 September 2021 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Interest income	-	-	445
Interest expense	(42 270)	(1 724)	(4 502)
Fee and commission income	-	239	35
Administrative expenses excluding management remuneration	-	-	-
Other operating expenses	-	-	-

<i>In thousands of Russian Roubles</i>	Nine months ended 30 September 2020 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Interest income	-	120	848
Interest expense	(114 654)	(1 228)	(3 986)
Fee and commission income	-	153	22
Administrative expenses excluding management remuneration	-	-	(1 417)
Other operating expenses	-	(7 183)	-

18. Related Party Transactions (Continued)

<i>In thousands of Russian Roubles</i>	Three months ended 30 September 2021 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Interest income	-	-	90
Interest expense	(11 960)	(520)	(1 800)
Fee and commission income	-	37	16

<i>In thousands of Russian Roubles</i>	Three months ended 30 September 2020 (unaudited)		
	Major shareholders	Associate	Executive Board and Board of Directors
Interest income	-	25	265
Interest expense	(53 868)	(342)	(1 229)
Fee and commission income	-	27	6

Major shareholders mean shareholders holding over five percent of the Bank's voting shares. The major shareholders of the Bank are:

<i>Shareholder</i>	30 September 2021 (unaudited)		31 December 2020	
	Equity share, %	Voting rights, %	Equity share, %	Voting rights, %
European Bank for Reconstruction and Development	17.82	19.74	17.82	19.74
DEG (Deutsche Investitions und Entwicklungsgesellschaft GmbH)	14.57	16.14	14.57	16.14
Vasiliy Vasilievich Vysokov	11.10	12.30	11.10	12.30
Tatiana Nikolaevna Vysokova	10.96	12.13	10.96	12.13
ResponsAbility Participations AG, ResponsAbility SICAV (Lux)				
Micro and SME Finance Leaders	9.05	10.03	9.05	10.03
Erste Bank	9.09	9.01	9.09	9.01
Firebird Funds	8.22	9.11	8.22	9.11
Rekha Holdings Limited	6.77	7.49	6.77	7.49

Information on liabilities accrued and compensation paid to the Executive Board and Board of Directors is presented below:

<i>(unaudited)</i> <i>In thousands of Russian Roubles</i>	Nine months ended 30 September 2021		Nine months ended 30 September 2020	
	Compensation	Liability accrued during the period	Compensation	Liability accrued during the period
<i>Short-term benefits:</i>				
- Salaries	28 194	-	21 798	-
- Short-term bonuses and other payments	33 000	-	54 649	-
<i>Long-term bonuses</i>	19 400	22 000	11 530	25 636
Total	80 594	22 000	87 977	25 636

18. Related Party Transactions (Continued)

	Three months ended 30 September 2021		Three months ended 30 September 2020	
	Compensation	Liability accrued during the period	Compensation	Liability accrued during the period
<i>(unaudited)</i>				
<i>In thousands of Russian Roubles</i>				
<i>Short-term benefits:</i>				
- Salaries	9 933	-	8 704	-
- Short-term bonuses and other payments	-	-	3 852	-
<i>Long-term bonus scheme</i>	-	-	11 530	25 636
Total	9 933	-	24 086	25 636

Short-term bonuses are payable in full within twelve months after the end of the period in which management rendered the related services.

Benefits paid to key management personnel of subsidiaries for Nine months ended 30 September 2021 were RR 2 394 thousand (for Nine months of 2020: RR 1 787 thousand).

At 30 September 2021, the Group's Board of Directors consisted of seven persons and its Executive Board included seven persons.

At 31 December 2020, the Group's Board of Directors consisted of seven persons and its Executive Board included seven persons.