

Asian-Pacific Bank

(Joint Stock Company)

**Consolidated Interim Condensed
Financial Information
for the nine-month period ended
30 September 2021**

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JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income
for the nine-month period ended 30 September 2021

		Nine-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine -Month Period Ended 30 September 2020 RUB'000 (restated, unaudited)	Three-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Three-Month Period Ended 30 September 2020 RUB'000 (restated, unaudited)
	Notes				
Interest income calculated using the effective interest method	4	8 494 023	7 688 238	2 919 496	2 659 051
Other interest income	4	636 555	381 068	153 455	116 920
Interest expense	4	(2 936 097)	(2 717 998)	(1 108 041)	(908 507)
Net interest income		6 194 481	5 351 308	1 964 910	1 867 464
Deposit insurance expenses		(212 910)	(190 328)	(75 723)	(67 407)
Net interest income after deposit insurance expenses		5 981 571	5 160 980	1 889 187	1 800 057
Fee and commission income	5	2 905 939	2 348 666	1 051 409	1 062 301
Fee and commission expense		(500 431)	(350 003)	(180 693)	(130 143)
Net fee and commission income		2 405 508	1 998 663	870 716	932 158
Net gain (loss) on financial instruments at fair value through profit or loss		315 673	7 061	51 987	(124 471)
Realised gain on financial assets at fair value through other comprehensive income		67 524	274 756	5 447	52 430
Loss from equity-accounted investee	15	(964)	(4 657)	(463)	(1 667)
Net foreign exchange gain		484 751	309 474	139 954	81 553
Net (loss) gain on operations with precious metals		(35 758)	397 380	49 831	384 393
Other operating income		765 965	526 092	200 239	235 588
Operating income		9 984 270	8 669 749	3 206 898	3 360 041
Allowance for expected credit losses	6	(2 578 975)	(1 124 400)	(941 134)	(463 984)
Impairment reversal gain/ (impairment losses) in respect of loan commitments and financial guarantees	6	121 859	18 936	(23 411)	38 628
Other provisions		(26 507)	66 815	(41 443)	-
Personnel expenses	7	(3 251 304)	(3 335 280)	(974 960)	(1 125 802)
Other general administrative expenses	8	(2 333 214)	(2 150 416)	(857 104)	(850 614)
Income for the period before income tax		1 916 129	2 145 404	368 846	958 269
Income tax expense		(379 607)	(403 071)	(107 961)	(152 886)
Profit for the period		1 536 522	1 742 333	260 885	805 383

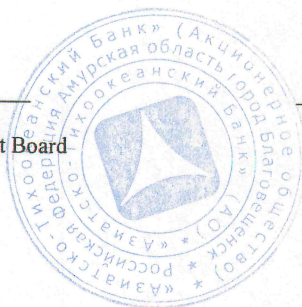
The Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income
for the nine-month period ended 30 September 2021

Notes	Nine-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine -Month Period Ended 30 September 2020 RUB'000 (restated, unaudited)	Three-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Three-Month Period Ended 30 September 2020 RUB'000 (restated, unaudited)
Other comprehensive (loss) income, net of income tax				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Fair value reserve for financial assets at fair value through other comprehensive income				
- Net change in fair value	(455 250)	105 026	(90 372)	(71 858)
- Net change in fair value transferred to profit and loss	(54 019)	(219 805)	(4 357)	(41 944)
<i>Total items that are or may be reclassified subsequently to profit or loss</i>	(509 269)	(114 779)	(94 729)	(113 802)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Revaluation of buildings	(6 506)	(9 747)	8 650	(9 747)
Revaluation reserve for unquoted equity assets at fair value through other comprehensive income	247	112	(18)	204
<i>Total items that will not be reclassified subsequently to profit or loss</i>	(6 259)	(9 635)	8 632	(9 543)
Other comprehensive (loss) income for the period, net of income tax	(515 528)	(124 414)	(86 097)	(123 345)
Total comprehensive income for the period	1 020 994	1 617 919	174 788	682 038

Consolidated Interim Condensed Financial Information was approved on 15 November 2021:

Mr. A.A. Korovin
 Chairman of the Management Board



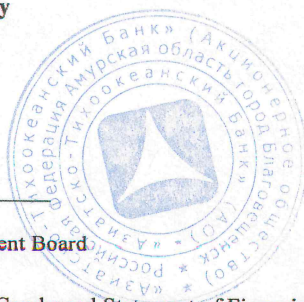
Ms. E. V. Schekina
 Chief Accountant

The Consolidated Interim Condensed Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Financial Position as at 30 September 2021

		30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000 (restated)	1 January 2020 RUB'000 (restated)
ASSETS	Notes			
Cash and cash equivalents		13 133 548	14 022 435	9 827 572
Obligatory reserves with the Central Bank of the Russian Federation		772 244	732 143	586 700
Financial instruments at fair value through profit or loss	9, 22	7 075 868	8 365 652	2 891 805
Financial assets at fair value through other comprehensive income	10, 22	13 842 698	15 560 915	13 225 829
<i>including assets pledged under repurchase agreements</i>	10, 22	744 137	3 295 148	106 915
Due from banks	11	125 208	396 247	1 801 066
Amounts receivable under reverse repurchase agreements	12	716 776	397 255	400 082
Loans to customers	13	82 507 384	73 494 713	54 087 231
Net investments in finance leases	14	1 225 573	1 508 304	1 297 461
Investments in associates and other investments	15	74 614	75 578	82 781
Investments at amortised cost	16, 22	2 137 183	1 295 924	976 784
<i>including assets pledged under repurchase agreements</i>	16, 22	-	620 721	-
Deferred tax assets		397 216	438 481	726 297
Property, equipment, intangible assets and investment property	17	4 936 492	5 464 767	5 823 056
Other assets		11 671 659	11 164 552	5 408 130
Total assets		138 616 463	132 916 966	97 134 794
LIABILITIES				
Financial instruments at fair value through profit or loss	9	26 868	31 461	5 113
Deposits and balances from banks	18	2 363 696	2 598 859	755 128
Amounts payable under repurchase agreements	19, 22	5 060 550	11 846 260	103 527
Current accounts and deposits from customers	20	110 406 825	98 394 746	77 950 925
Debt securities issued		1 114	29 661	93 869
Other liabilities		1 774 903	2 054 466	2 139 636
Total liabilities		119 633 956	114 955 453	81 048 198
EQUITY				
Share capital		6 000 000	6 000 000	6 000 000
Share premium		3 000 000	3 000 000	3 000 000
Fair value reserve for financial assets at fair value through other comprehensive income		(561 689)	(52 667)	95 862
Revaluation surplus for buildings		1 172 418	1 277 922	1 286 367
Retained earnings		9 371 778	7 736 258	5 704 367
Total equity		18 982 507	17 961 513	16 086 596
Total liabilities and equity		138 616 463	132 916 966	97 134 794

Mr. A.A. Korovin
Chairman of the Management Board



Ms. E. V. Schekina
Ms. E. V. Schekina
Chief Accountant

The Consolidated Interim Condensed Statement of Financial Position is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Cash Flows as at 30 September 2021

	Notes	Nine-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine-Month Period Ended 30 September 2020 RUB'000 (restated unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts		9 219 902	7 918 805
Interest payments		(3 098 851)	(2 886 229)
Fee and commission receipts		3 098 497	2 397 290
Fee and commission payments		(499 909)	(357 827)
Net receipts from financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income for the period		391 457	267 456
Net receipts (payments) from foreign exchange		471 020	(1 135 337)
Other income receipts		444 656	3 152 610
Net receipts (payments) from operations with precious metals		413 445	(220 553)
Deposit insurance, personnel and other general administrative expenses paid		(5 352 537)	(5 344 640)
(Increase) decrease in operating assets			
Obligatory reserves with the Central Bank of the Russian Federation		(40 101)	(89 765)
Financial instruments at fair value through profit or loss		1 305 971	78 458
Financial assets at fair value through other comprehensive income		997 403	(1 040 054)
Due from banks		263 674	374 874
Amounts receivable under reverse repurchase agreements		(319 521)	(6 914 216)
Loans to customers		(11 279 376)	(17 619 573)
Net investments in finance lease		315 475	(247 837)
Other assets		(1 563 330)	(6 625 085)
Increase (decrease) in operating liabilities			
Deposits and balances from banks		(225 577)	1 809 704
Amounts payable under repurchase agreements		(6 783 788)	8 344 433
Current accounts and deposits from customers		12 964 778	17 145 250
Promissory notes		(28 547)	(64 164)
Other liabilities		(128 301)	120 000
Net cash flows used in operating activities before income tax paid		566 440	(936 400)
Income tax paid		(292 200)	268 196
Net cash flows used in operations		274 240	(668 204)

The Consolidated Interim Condensed Statement of Cash Flow is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

JSC Asian-Pacific Bank
Consolidated Interim Condensed Statement of Cash Flows as at 30 September 2021

Notes	Nine-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine-Month Period Ended 30 September 2020 RUB'000 (restated unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchases of investments at amortised cost	(834 109)	(366 307)
Net sales (purchases) of property and equipment, intangible assets and investment property	66 475	(179 507)
Net cash flows used in investing activities	(767 634)	(545 814)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on lease obligations	(83 437)	(75 398)
Net cash flows used in financing activities	(83 437)	(75 398)
Net decrease in cash and cash equivalents	(576 831)	(1 289 416)
Effect of changes in exchange rates on cash and cash equivalents	(310 751)	1 652 980
Effect of changes in expected credit losses on cash and cash equivalents	(1 305)	231
Cash and cash equivalents as at the beginning of the period	14 022 435	9 827 572
Cash and cash equivalents as at the end of the period	13 133 548	10 191 367

 Mr. A.A. Korovin
 Chairman of the Management Board



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 Ms. E. V. Schekina
 Chief Accountant

The Consolidated Interim Condensed Statement of Cash Flow is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

RUB'000	Share capital	Share premium	Fair value reserve for financial assets at fair value through other comprehensive income	Revaluation surplus for buildings	Retained earnings	Total equity
Balance as at 1 January 2020 (restated)	6 000 000	3 000 000	95 862	1 286 367	5 704 367	16 086 596
Total comprehensive income for the period						
Profit for the period (unaudited, restated)	-	-	-	-	1 742 333	1 742 333
Other comprehensive income, net of income tax						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Net change in fair value of financial assets at fair value through other comprehensive income net of deferred tax of RUB 26 257 thousand (unaudited)	-	-	105 026	-	-	105 026
Net change in fair value of financial assets at fair value through other comprehensive income transferred to profit or loss, net of deferred tax of RUB 54 951 thousand (unaudited)	-	-	(219 805)	-	-	(219 805)
<i>Total items that are or may be reclassified subsequently to profit or loss (unaudited)</i>	-	-	(114 779)	-	-	(114 779)
<i>Items that will not be reclassified to profit or loss</i>						
Revaluation of buildings, net of the accumulated income tax of RUB 2 437 thousand	-	-	-	(9 747)	-	(9 747)
Revaluation reserve for unquoted equity assets at fair value through other comprehensive income net of deferred tax of RUB 28 thousand (unaudited)	-	-	112	-	-	112
<i>Total items that will not be reclassified to profit or loss (unaudited)</i>	-	-	112	(9 747)	-	(9 635)
Total comprehensive income for the period, net of income tax (unaudited)	-	-	(114 667)	(9 747)	1 742 333	1 617 919
Balance as at 30 September 2020 (unaudited)	6 000 000	3 000 000	(18 805)	1 276 620	7 446 700	17 704 515
Balance as at 1 January 2021 (restated)	6 000 000	3 000 000	(52 667)	1 277 922	7 736 258	17 961 513
Total comprehensive income for the period						
Profit for the period (unaudited)	-	-	-	-	1 536 522	1 536 522
Other comprehensive income, net of income tax (unaudited)						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						

The Consolidated Interim Condensed Statement of Changes in Equity is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

RUB'000	Share capital	Share premium	Fair value reserve for financial assets at fair value through other comprehensive income	Revaluation surplus for buildings	Retained earnings	Total equity
Net change in fair value of financial assets at fair value measured at fair value through other comprehensive income for the period, net of deferred tax in the amount of RUB 113 813 thousand (unaudited)	-	-	(455 250)	-	-	(455 250)
Net change in the fair value of financial assets measured at fair value through other comprehensive income transferred to profit or loss, net of deferred tax in the amount of RUB 13 505 thousand (unaudited)	-	-	(54 019)	-	-	(54 019)
<i>Total items that are or may be reclassified subsequently to profit or loss (unaudited)</i>	-	-	(509 269)	-	-	(509 269)
<i>Items that will not be reclassified to profit or loss</i>						
Revaluation of buildings, net of deferred tax of RUB 1 627 thousand	-	-	-	(6 506)	-	(6 506)
Carry-over of revaluation reserve for disposal of buildings revalued earlier, net of deferred income tax in the amount of RUB 24 750 thousand	-	-	-	(98 998)	98 998	-
Revaluation reserve for unquoted equity assets at fair value through other comprehensive income net of deferred tax of RUB 62 thousand (unaudited)	-	-	247	-	-	247
<i>Total items that will not be reclassified to profit or loss (unaudited)</i>	-	-	247	(105 504)	98 998	(6 259)
Total comprehensive income for the period, net of income tax (unaudited)	-	-	(509 022)	(105 504)	1 635 520	1 020 994
Balance as at 30 September 2021 (unaudited)	6 000 000	3 000 000	(561 689)	1 172 418	9 371 778	18 982 507

Mr. A.A. Korovin
Chairman of the Management Board



Ms. E. V. Schekina
Chief Accountant

The Consolidated Interim Condensed Statement of Changes in Equity is to be read in conjunction with the notes to, and forming part of, the Consolidated Interim Condensed Financial Information.

1 Background

Organisation and operations

These consolidated interim condensed financial information include the financial statements of JSC Asian-Pacific Bank (the “Bank”) and its subsidiaries (together referred to as the Group).

The Bank was established in the Russian Federation as a closed joint-stock company in 1992 under the name “Amurpromstroybank” as a successor of Promstroybank of USSR which was founded in 1929. In 2006 the Bank was reorganised from a closed joint-stock company to an open joint-stock company and renamed to “Asian-Pacific Bank” by decision of the shareholders. On 7 May 2010 LLC “PPFIN REGION”, being a common majority shareholder for OJSC “Asian-Pacific Bank”, OJSC “Kamchatprombank” and OJSC “Kolyma-Bank”, merged the operations of these entities and therefore granted full control over OJSC “Kamchatprombank” and OJSC “Kolyma-Bank” to “Asian-Pacific Bank” (OJSC). In July 2015 the Bank was reorganised from an open joint-stock company to a public joint-stock company. From 26 April 2018 the Bank management functions have been carried out by LLC “Fund of Banking Sector Consolidation Asset Management Company”. From 26 April 2019 the Board of Directors and standing management bodies are formed. In September 2020, the annual general meeting of shareholders of the Bank made a decision to terminate the public recognition of the Asia-Pacific Bank (PJSC) and amend the Bank's Charter. In December 2020, the Central Bank of the Russian Federation made an entry in the Book of State Registration of Credit Institutions about the new corporate name of the Bank - “Asian-Pacific Bank” (Joint Stock Company).

The principal activities of the Bank are deposit taking and customer accounts maintenance, lending, issuing guarantees, cash and settlement operations and operations with securities and foreign exchange. The activities of the Bank are regulated by the Central Bank of the Russian Federation (the “CBR”). The Bank has a general banking license and is a member of the state deposit insurance system in the Russian Federation.

The Bank has 177 (31 December 2020: 195), offices from which it conducts business throughout the Russian Federation including a head office, 3 regional branches, 13 additional offices, 160 operational offices. The registered address of the head office is 225, Amurskaya Street, Blagoveschensk, 675004. The majority of the Bank’s assets and liabilities is located in the Russian Federation.

As at 30 September 2021 (unaudited) and 31 December 2020, the following shareholders held the issued shares of JSC Asian-Pacific Bank:

Shareholder	30 September 2021 %	31 December 2020 %
	(unaudited)	%
Bank of Russia	100.00	99.99
Other	-	0.01
Total	100.00	100.00

In July 2021, the Bank of Russia repurchased minority stakes up to 100% of the Bank's shares.

In September 2021, a closed auction was held to sell the Bank's shares. The Bank of Russia sold the Bank's shares to the management company Pioneer Capital Invest (Kazakhstan). The ownership of the Bank’s shares passed to the buyer in October 2021.

Details of the subsidiaries and associates are as follows:

Name	Country of incorporation	Principal activities	Ownership, %	
			30 September 2021 (unaudited)	31 December 2020
LLC “Leasing company APB” (ex. LLC “Expo-Leasing”)	Russian Federation	Leasing	100%	100%
LLC “Specialised financial company APB 2”	Russian Federation	Asset-backed securitisation	see below	see below
CUIF “Celena”	Russian Federation	Unit investment fund	41.09%	41.09%

On 1 October 2010, 100% of the shares of LLC “Expo-Leasing” were acquired by the Bank.

LLC “Expo-Leasing” was registered in 2002 in Russian Federation. In April 2021, it was decided to change the name of LLC “Expo-Leasing” and in May 2021 the name was changed to LLC “Leasing company APB”. The head office of the company is located in Moscow. As at September 30 2021, the company has 2 offices (31 December 2020: 3 branches), comprising a head office and 1 additional offices.

LLC “Specialised financial company APB 2” (“LLC SFC APB 2”) is structured entity established to ensure asset-backed securitisation. This entity is not owned by the Group. Control arises through the predetermination of the entity’ activities, having rights to obtain the majority of benefits of the structured entity, and retaining the majority of the residual risks related to the entity. All bonds in the amount of RUB 1 390 000 thousand, issued by LLC SFC APB 2, were repurchased by the Bank. In the reporting period, all liabilities of LLC SFC APB 2 to the Bank were extinguished. At present LLC SFC APB 2 is in the process of liquidation.

On 4 May 2016, 51.58% of the shares of CUIF “Celena” were received by the Bank as a result of non-performance of repurchase agreement with PJSC “BaikalBank”. CUIF “Celena” was registered in 2010 in Russian Federation. At the date of acquisition, the fund was managed by Finance Trade Asset Management LLC licensed to manage investment funds in 2008. On 30 December 2016, CUIF “Celena” issued 58 533 additional investment units totaling RUB 64 140 thousand which resulted in the decrease of the Bank’s share down to 40.99%. In 2018, the number of the issued investment units of the CUIF “Celena” decreased to 284 414 units with the result that the Bank’s share increased to 41.09%.

As at 30 September 2021 the average number of the Group’s employees was 3 178 (unaudited) (31 December 2020: 3 807).

Russian business environment

The Group’s operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets risks of the Russian Federation, which display emerging-market characteristics. Legal, tax and regulatory frameworks continue to be developed, but are subject to varying interpretations and frequent changes that, together with other legal and fiscal impediments, contribute to the challenges faced by entities operating in the Russian Federation.

Starting from 2014 the United States of America, European Union and some other countries have imposed and expanded economic sanctions on Russian individuals and legal entities. The imposition of economic sanctions has resulted in increased economic uncertainty including more volatile equity markets, a depreciation of the Russian Rouble, a reduction in both local and foreign direct investment inflows and a significant tightening in the availability of credit. In particular, some Russian entities, including banks, may be experiencing difficulties in accessing international equity and debt markets and may become increasingly dependent on Russian state banks to finance their operations. The longer-term effects of implemented sanctions, as well as the threat of additional future sanctions, are difficult to determine.

The first months of 2020 saw significant global market volatility caused by the outbreak of the COVID-19 pandemic. In response to the potentially serious threat posed to public health by the COVID-19 virus, the government of the Russian Federation has taken measures to contain the spread of the COVID-19 virus, including the introduction of restrictions on crossing the borders of the Russian Federation, restrictions on the entry of foreign citizens, and recommendations to enterprises on transferring employees to a remote mode of work.

Due to disruption to business activity and self-isolation regimes imposed in many countries, global oil demand has dropped sharply, leading to oversupply and a sharp drop in oil prices. On April 12, 2020, the world's largest oil producers, including Russia, agreed to a record cut in crude oil production to stabilize the oil market, which nevertheless did not reduce the pressure on oil prices. A sharp decline in oil prices and production volumes leads to a corresponding drop in oil companies' revenues and a decrease in federal budget contributions, which is likely to have serious economic and social consequences and provoke a decrease in public sector spending.

These events can have a negative impact on the economy, namely:

- disruption of business and economic activity, leading to disruptions in supplies and violation of contractual obligations;
- significant disruptions in the work of enterprises of certain industries operating both in the domestic market and export-oriented enterprises with a high degree of dependence on external workers. The most affected sectors include retail, tourism, entertainment and hospitality, transportation, oil, construction, automotive, insurance and financial sectors;
- a significant decrease in demand for goods and services that are not urgent or vital;
- growing economic uncertainty, reflected in the increasing volatility of asset values and exchange rates.

In 2020, the Government of the Russian Federation announced a package of measures to support the industries most affected by the spread of COVID-19. The program includes, in particular, deferred payment of taxes and fees for small and medium-sized businesses, deferred loan repayment, deferred lease payments for federal and municipal property, government support for refinancing and restructuring loans for companies in particularly problematic industries. In addition, the rate of insurance premiums for small and medium-sized businesses has been reduced. The list of sectors heavily affected by the crisis is closely monitored and may be adjusted to reflect further changes in the economic situation.

As a result of the implementation of anti-crisis measures by the Government of the Russian Federation and the Bank of Russia aimed at stabilizing the economy, as well as in connection with the expansion of the COVID-19 vaccination program, the economic situation in the country is gradually stabilizing.

According to the Bank of Russia estimates, most industries have already reached the output level before the start of the COVID-19 pandemic. However, in some sectors, certain restrictions remain. First of all, this concerns the sphere of oil production. In addition, the service sector has not fully recovered, where the share of small and medium-sized enterprises is higher than in other areas.

The Group does not expect the introduction of new restrictions by the Government of the Russian Federation and forecasts the implementation of the established targets for 2021.

The Group periodically conducts stress testing, one of the scenarios of which assumes a significant deterioration of the epidemiological situation, the imposition of restrictions on the movement of citizens and the activities of small and medium-sized businesses, leading to a deterioration in the financial condition of borrowers and an increase in the cost of risk by 1.5 times.

Based on the results of stress testing, the Group's sensitivity to the deterioration of the epidemiological situation can be characterized as quite high, and the Group's key performance indicators may come under high pressure. The Group expects that this scenario may lead to a decrease in the Group's expected net profit, which may lead to a slowdown in the growth of regulatory capital (equity), but this will not lead to a violation of capital adequacy ratios.

Based on the results of the stress test, the Bank complies with the mandatory standards of the Bank of Russia and the Bank does not have grounds to terminate its activities.

The accompanying consolidated interim condensed financial statements reflect management's assessment of the possible impact of the current business environment on the results of operations and the financial position of the Group. Subsequent developments in the business environment may differ from management's assessment.

The Group's operations are not seasonal or cyclical.

2 Basis of the consolidated interim financial statements preparation

a) Statement of compliance

The accompanying consolidated interim condensed financial information is prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. As a result, it does not include all of the information required for full consolidated financial statements, and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2020, as this consolidated interim condensed financial information provides an update of previously reported consolidated financial statements.

b) Basis of measurement

The consolidated interim condensed financial information is prepared on the historical cost basis except that financial instruments at fair value through profit or loss, financial assets at fair value through other comprehensive income are stated at fair value, and buildings are stated at revalued amounts.

c) Functional and presentation currency

The functional currency of the Bank and its subsidiaries is the Russian Rouble (RUB) as, being the national currency of the Russian Federation, it reflects the economic substance of the majority of underlying events and circumstances relevant to them.

The RUB is also the presentation currency for the purposes of this consolidated interim condensed financial information.

Consolidated interim condensed financial information presented in RUB is rounded to the nearest thousand.

d) Use of estimates and judgments

The preparation of consolidated interim condensed financial information in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing this consolidated interim condensed financial information, the significant judgments made by the Management in applying the Group's accounting policies and the key sources of uncertainty in estimations were the same as those used for the consolidated financial statements prepared as at 31 December 2020 and 2020 year except as described below.

e) Changes in accounting policies and presentation

In order to align the presentation of these consolidated interim condensed financial information and statements prepared in accordance with Russian accounting standards, the Group corrected the error associated with difference in the useful lives of property, plant and equipment as well as wrote off overaccrued intangible assets, and changed accounting for revaluation of buildings (see Note 2 below and Note 17). The Group has revised the data retrospectively.

Property and equipment

Owned assets

Items of property and equipment are stated in the consolidated financial statements at cost less accumulated depreciation and impairment losses, except for buildings, which are stated at revalued amounts.

Revaluation

Buildings are subject to revaluation on a regular basis. The frequency of revaluation depends on the movements in the fair values of the buildings being revalued. Revaluation of buildings is recognized by means of proportional restatement of the item's cost, as well as accumulated depreciation for the item using a conversion factor obtained by dividing the fair value of the item by its cost at the revaluation date, less accumulated amortization for the item at the same date.

A revaluation increase on a building is recognised as other comprehensive income except to the extent that it reverses a previous revaluation decrease recognised in profit or loss, in which case it is recognised in profit or loss. A revaluation decrease on a building is recognised in profit or loss except to the extent that it reverses a previous revaluation increase recognised as other comprehensive income, in which case it is recognised in other comprehensive income.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation is charged from the date of purchase of the object, and for objects of fixed assets erected economically - from the moment the construction of the object is completed and its readiness for operation. Land is not depreciated.

The estimated useful lives are as follows:

- | | |
|---------------------------|---------------------|
| - buildings | from 16 to 50 years |
| - computers and equipment | from 2 to 15 years |
| - vehicles | from 3 to 7 years |

The table below summarizes the impact of this restatement on the Group's consolidated statement of financial position as at 31 December 2020 and 1 January 2020:

December 31, 2020			
RUB'000	Before restatement	Restatement effect (unaudited)	Restated unaudited
Property and equipment, intangible assets and investment property	5 341 858	122 909	5 464 767
Deferred tax claims	463 063	(24 582)	438 481
Building revaluation reserve	1 032 931	244 991	1 277 922
Retained earnings	7 882 922	(146 664)	7 736 258

January 1, 2020			
RUB'000	Before restatement	Restatement effect (unaudited)	Restated unaudited
Property and equipment, intangible assets and investment property	5 717 343	105 713	5 823 056
Deferred tax claims	747 440	(21 143)	726 297
Building revaluation reserve	1 076 113	210 254	1 286 367
Retained earnings	5 830 051	(125 684)	5 704 367

The table below summarizes the impact of this restatement on the Group's consolidated statement of profit or loss and other comprehensive income for the nine months ended 30 September 2020 (unaudited):

Nine-Month Period Ended 30 September 2020			
RUB'000	Before restatement	Restatement effect (unaudited)	Restated unaudited
Other general administrative expenses	(2 124 051)	(26 365)	(2 150 416)
Income for the period before income tax	2 171 769	(26 365)	2 145 404
Income tax expense	(408 344)	5 273	(403 071)
Profit for the period	1 763 425	(21 092)	1 742 333

The table below summarizes the impact of this restatement on the Group's consolidated statement of changes in equity as at 31 December 2020 and 1 January 2020:

December 31, 2020			
RUB'000	Before restatement	Restatement effect (unaudited)	Restated unaudited
Building revaluation reserve	1 032 931	244 991	1 277 922
Retained earnings	7 882 922	(146 664)	7 736 258

January 1, 2020			
RUB'000	Before restatement	Restatement effect (unaudited)	Restated unaudited
Building revaluation reserve	1 076 113	210 254	1 286 367
Retained earnings	5 830 051	(125 684)	5 704 367

3 Significant accounting policies

In preparing this consolidated interim condensed financial information, the Group has applied the same accounting policies applied in the annual consolidated financial statements as at 31 December 2020, with certain exceptions as noted in Note 2 (e).

The following amendments to standards and interpretations became effective for the Group from 1 January 2021, but did not have a significant impact on the Group:

- Base interest rate reform - Phase 2 (amendments to IFRS 9, IAS 39 and IFRS 7, 4, 16);
- Amendment on COVID-19 Lease Concessions to IFRS 16.

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2021, and their early adoption is permitted. However, the Group did not early apply them in preparing this consolidated interim condensed financial information:

- Amendments to IFRS 10 and IAS 28: “Sale or contribution of assets in transactions between an investor and its associate or joint venture”;
- Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors: Determination of Accounting Estimates”;
- Amendments to IAS 1: Classification of liabilities as current or non-current;
- Amendments to IAS 1 “Presentation of Financial Statements” and Regulation 2 on IFRS Practice: “Disclosure of Accounting Policies”;
- Amendments to IAS 12 Income Taxes.

4 Interest income and expense

	Nine-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine -Month Period Ended 30 September 2020 RUB'000 (unaudited)	Three-Month Period Ended 30 September 2021 RUB'000 (unaudited, unreviewed)	Three-Month Period Ended 30 September 2020 RUB'000 (unaudited, unreviewed)
Interest income calculated using the effective interest rate				
Loans to customers	7 789 804	6 995 701	2 666 404	2 429 377
Financial assets at FVOCI	612 836	546 524	210 467	195 151
Investments at amortised cost	62 963	67 591	28 364	11 104
Due from banks and cash equivalents	28 420	78 422	14 261	23 419
	8 494 023	7 688 238	2 919 496	2 659 051
Other interest income				
Financial instruments at FVTPL	435 332	238 340	94 358	87 576
Net investments in finance leases	201 223	142 728	59 097	29 344
	636 555	381 068	153 455	116 920
Interest expense				
Current accounts and deposits from customers	2 577 744	2 529 838	1 007 243	870 722
<i>including lease obligations</i>	10 930	9 079	2 992	3 302
Deposits and balances from banks	358 323	185 859	100 798	37 545
Debt securities issued	30	2 301	-	240
	2 936 097	2 717 998	1 108 041	908 507

5 Fee and commission income

	Nine-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine -Month Period Ended 30 September 2020 RUB'000 (unaudited)	Three-Month Period Ended 30 September 2021 RUB'000 (unaudited, unreviewed)	Three-Month Period Ended 30 September 2020 RUB'000 (unaudited, unreviewed)
Insurance agent commission	968 850	791 387	368 561	412 093
Settlement operations	865 555	752 654	320 154	306 230
Accounts opening and maintenance	664 506	586 698	236 306	236 442
Guarantees issuance	174 560	73 883	65 218	30 286
Consulting and information services agent commission	164 257	87 004	39 621	55 914
Other	68 211	57 040	21 549	21 336
	2 905 939	2 348 666	1 051 409	1 062 301

Fee and commission income of the Group is recognised as the related services are performed, except fee and commission on guarantees issued, which is paid by the customer in advance and is allocated to income over the guarantee period.

6 Allowance for expected credit losses and other allowances

	Nine-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine -Month Period Ended 30 September 2020 RUB'000 (unaudited)
Loans to customers	2 513 606	1 127 895
Financial instruments at fair value through other comprehensive income	3 559	12 103
Cash and cash equivalents and Due from banks	(67)	(13 298)
Investments at amortised cost	819	315
Credit related commitments	(121 859)	(18 936)
Net investments in finance leases	(5 207)	(14 166)
Other assets	66 265	11 551
	2 457 116	1 105 464

7 Personnel expenses

	Nine-Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine -Month Period Ended 30 September 2020 RUB'000 (unaudited)	Three-Month Period Ended 30 September 2021 RUB'000 (unaudited, unreviewed)	Three-Month Period Ended 30 September 2020 RUB'000 (unaudited, unreviewed)
Employee compensation	2 552 834	2 616 569	770 847	897 236
Payroll related taxes	698 470	718 711	204 113	228 566
	3 251 304	3 335 280	974 960	1 125 802

8 Other general administrative expenses

	Nine -Month Period Ended 30 September 2021 RUB'000 (unaudited)	Nine -Month Period Ended 30 September 2020 RUB'000 (unaudited)	Three-Month Period Ended 30 September 2021 RUB'000 (unaudited, unreviewed)	Three-Month Period Ended 30 September 2020 RUB'000 (unaudited, unreviewed)
Organizational and management expenses	1 245 918	1 383 594	598 218	587 829
Depreciation and amortisation	420 536	401 877	140 576	137 620
Expenses for payments under the settlements agreement	286 019	-	-	-
Expenses related to the maintenance and disposal of property and other assets	143 786	177 607	44 218	62 468
Expenses on transactions with non-current assets held for sale	11 703	9 730	1 600	5 119
Other	225 252	177 608	72 492	57 578
	2 333 214	2 150 416	857 104	850 614

9 Financial instruments at fair value through profit or loss

	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
ASSETS		
Debt securities at fair value through profit or loss		
Debt securities owned by the Group		
- Government bonds		
Russian Government Federal bonds (OFZ) (rated BBB)	4 415 197	5 197 200
Total government bonds	4 415 197	5 197 200
- Corporate bonds		
Rated from BBB- to BBB+	2 123 405	1 191 521
Rated from BB- to BB+	411 473	-
Total corporate bonds	2 534 878	1 191 521
Total debt securities at fair value through profit or loss owned by the Group	6 950 075	6 388 721
Debt securities at fair value through profit or loss pledged under sale and repurchase agreements, and introduced into General Collateral Certificate Pool and pledged as General Collateral Certificate Pool (GCC)		
- Corporate bonds		
Rated from BBB- to BBB+	-	1 035 680
Rated from BB- to BB+	-	921 176
Total corporate bonds	-	1 956 856
Total debt securities at fair value through profit or loss pledged under sale and repurchase agreements, and introduced into General Collateral Certificate Pool and pledged as General Collateral Certificate Pool (GCC)	-	1 956 856
Total debt securities at fair value through profit or loss	6 950 075	8 345 577
Derivative financial instruments		
Foreign currency and securities contracts	125 793	20 075
	7 075 868	8 365 652
LIABILITIES		
Derivative financial instruments		
Foreign currency and securities contracts	26 868	31 461
	26 868	31 461

In the table above, the credit rating is assigned in accordance with the rating scale of Standard & Poor's and Fitch.

None of financial assets at fair value through profit or loss are past due.

10 Financial assets at fair value through other comprehensive income

	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Held by the Group		
- Government bonds		
Russian Government Federal bonds (OFZ) (rated BBB)	3 798 184	2 912 762
Total government bonds	3 798 184	2 912 762
- Corporate bonds		
Rated from A- to A+	703 451	-
Rated from BBB- to BBB+	4 218 890	931 444
Rated from BB- to BB+	1 193 085	-
Banks with revoked license	102 651	102 651
Total corporate bonds	6 218 077	1 034 095
- Corporate shares		
Not rated	192 879	192 569
Total corporate shares	192 879	192 569
Total financial assets at fair value through other comprehensive income held by the Group	10 209 140	4 139 426
Financial assets at fair value through other comprehensive income pledged under sale and repurchase agreements, and introduced into General Collateral Certificate Pool and pledged as General Collateral Certificate Pool (GCC)		
- Government bonds		
Russian Government Federal bonds (OFZ) (rated BBB)	744 137	760 012
Total government bonds	744 137	760 012
- Corporate bonds		
Rated from A- to A+	-	447 785
Rated from BBB- to BBB+	2 753 964	8 948 576
Rated from BB- to BB+	135 457	1 265 116
Total corporate bonds	2 889 421	10 661 477
Total financial assets at fair value through other comprehensive income pledged under sale and repurchase agreements, and introduced into General Collateral Certificate Pool and pledged as General Collateral Certificate Pool (GCC)	3 633 558	11 421 489
Total financial assets at fair value through other comprehensive income	13 842 698	15 560 915
Allowance for expected credit losses*	(117 336)	(119 783)
Total financial assets at fair value through other comprehensive income (carrying amount)	13 842 698	15 560 915

* The above loss allowance is not recognized in the consolidated interim condensed statement of financial position (in the consolidated condensed statement of financial position) because the carrying amount of debt securities at fair value through other comprehensive income is their fair value.

The following table sets out information about the credit quality of debt financial assets at fair value through other comprehensive income as at 30 September 2021 (unaudited):

RUB'000	30 September 2021 (unaudited)				Total
	12-month ECLs	Lifetime ECLs for not credit-impaired assets	Lifetime ECLs for credit-impaired assets	POCI	
<i>Debt financial assets at FVOCI</i>					
Rated from A- to A+	703 451	-	-	-	703 451
Rated from BBB- to BBB+	11 515 175	-	-	-	11 515 175
Rated from BB- to BB+	1 328 542	-	-	-	1 328 542
Not rated	-	-	-	102 651	102 651
	13 547 168	-	-	102 651	13 649 819
Loss allowance	(14 685)	-	-	(102 651)	(117 336)
Gross carrying amount	14 107 800	-	-	122 675	14 230 475
Carrying amount - fair value	13 547 168	-	-	102 651	13 649 819

The following table sets out information about the credit quality of debt financial assets at fair value through other comprehensive income as at 31 December 2020:

RUB'000	31 December 2020				Total
	12-month ECLs	Lifetime ECLs for not credit-impaired assets	Lifetime ECLd for credit-impaired assets	POCI	
<i>Debt financial assets at FVOCI</i>					
Rated from A- to A+	447 785	-	-	-	447 785
Rated from BBB- to BBB+	13 552 794	-	-	-	13 552 794
Rated from BB- to BB+	1 265 116	-	-	-	1 265 116
Not rated	-	-	-	102 651	102 651
	15 265 695	-	-	102 651	15 368 346
Allowance for expected credit losses	(17 132)	-	-	(102 651)	(119 783)
Gross carrying amount	15 419 182	-	-	122 675	15 541 857
Carrying amount-fair value	15 265 695	-	-	102 651	15 368 346

Corporate ratings are based on Standard & Poor's ratings or equivalent Fitch and Moody's ratings.

The following table presents a reconciliation of allowance for expected credit losses as at the beginning and as at the end of the reporting period for financial assets at fair value through other comprehensive income for the nine-month period ended 30 September 2021 (unaudited):

RUB'000	Nine-Month Period Ended 30 September 2021 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Financial assets at fair value through other comprehensive income for the period					
Balance at 1 January 2021	17 132	-	-	102 651	119 783
Net remeasurement of loss allowance	(2 199)	-	-	-	(2 199)
New financial assets originated or purchased	5 758	-	-	-	5 758
Financial assets that have been derecognized	(6 006)	-	-	-	(6 006)
Balance at 30 September 2021	14 685	-	-	102 651	117 336

The following table presents a reconciliation of allowance for expected credit losses as at the beginning and as at the end of the reporting period for financial assets at fair value through other comprehensive income for the nine-month period ended 30 September 2020 (unaudited):

RUB'000	Nine-Month Period Ended 30 September 2020 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Financial assets at fair value through other comprehensive income for the period					
Balance at 1 January 2020	19 300	-	-	102 651	121 951
Net remeasurement of loss allowance	3 526	-	-	-	3 526
New financial assets originated or purchased	8 577	-	-	-	8 577
Financial assets that have been derecognized	(14 569)	-	-	-	(14 569)
Balance at 30 September 2020	16 834	-	-	102 651	119 485

As at 30 September 2021 the unquoted corporate shares at fair value through other comprehensive income amount to RUB 192 879 thousand and are categorised as Level 3 in the fair value hierarchy (unaudited).

As at 31 December 2020, unquoted corporate shares at fair value through other comprehensive income amounted to RUB 192 569 thousand and are categorised as Level 3 in the fair value hierarchy.

11 Due from banks

	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Due from banks		
Rated from A- to A+	1 965	1 983
Rated from BBB- to BBB+	42 316	122 956
Rated from BB- to BB+	-	181 833
Rated from B- to B+	81 104	91 024
Total due from banks	125 385	397 796
Allowance for expected credit losses	(177)	(1 549)
Total due from banks net of allowance for expected credit losses	125 208	396 247

Corporate ratings are based on Standard & Poor's ratings or equivalent Fitch and Moody's ratings.

Analysis of changes in allowance for expected credit losses for due from banks for the nine-month period ended 30 September 2021 (unaudited):

	Nine-Month Period Ended 30 September 2021 (unaudited)	
RUB'000	Stage 1	Total
Due from banks		
Balance at 1 January 2021	1 549	1 549
Net remeasurement of loss allowance	(1 372)	(1 372)
Balance at 30 September 2021	177	177

Analysis of changes in allowance for expected credit losses for due from banks for the nine-month period ended 30 September 2020 (unaudited):

	Nine-Month Period Ended 30 September 2020 (unaudited)	
RUB'000	Stage 1	Total
Due from banks		
Balance at 1 January 2020	21 140	21 140
Net remeasurement of loss allowance	(14 398)	(14 398)
New financial assets originated or purchased	1 331	1 331
Balance at 30 September 2020	8 073	8 073

As at 30 September 2021, all due from banks were classified as Stage 1 financial assets (unaudited) (31 December 2020: all due from banks are classified as Stage 1 financial assets).

As at 30 September 2021, none of amounts due from banks are past due or credit-impaired. Allowance for expected credit losses is 12-month ECLs (unaudited) (31 December 2020: none of amounts due from banks are past due or credit-impaired. Allowance for expected credit losses is 12-month ECLs).

12 Amounts receivable under reverse repurchase agreements

The table below sets out receivables under reverse repurchase agreements showing individual types of securities received as collateral under reverse repurchase agreements outstanding as at 30 September 2021 (unaudited):

RUB'000	General Collateral Certificate Pool (GCC)	Corporate bonds	Corporate shares	Russian Federation Government bonds	Total
Amounts receivable under reverse repurchase agreements					
Credit rating from B to AA-	505 726	135 843	55 483	19 724	716 776
	505 726	135 843	55 483	19 724	716 776

As at 30 September 2021, the fair value of securities collateralising reverse repurchase agreements is RUB 774 013 thousand (unaudited).

The table below sets out receivables under reverse repurchase agreements showing individual types of securities received as collateral under reverse repurchase agreements outstanding as at 31 December 2020:

RUB'000	Corporate bonds	Corporate shares	Russian Federation Government bonds	Total
Amounts receivable under reverse repurchase agreements				
Rated from B to BBB	210 947	2 361	1 388	214 696
Not rated	182 559	-	-	182 559
	393 506	2 361	1 388	397 255

As at 31 December 2020, the fair value of securities collateralising reverse repurchase agreements is RUB 564 846 thousand.

The following table sets out information about the credit quality of receivables under reverse repurchase agreements as at 30 September 2021 (unaudited):

RUB'000	30 September 2021 (unaudited)				Total
	12-month ECLs	Lifetime ECLs for not credit- impaired assets	Lifetime ECLs for credit- impaired assets	POCI	
<i>Accounts receivable under reverse repurchase agreements</i>					
Rated from B to AA-	716 776	-	-	-	716 776
	716 776	-	-	-	716 776
Allowance for expected credit losses	-	-	-	-	-
Carrying amount	716 776	-	-	-	716 776

The following table sets out information about the credit quality of receivables under reverse repurchase agreements as at 31 December 2020:

RUB'000	31 December 2020				
	12-month ECLs	Lifetime ECLs for not credit-impaired assets	Lifetime ECLs for credit-impaired assets	POCI	Total
<i>Accounts receivable under reverse repurchase agreements</i>					
Rated from B to BBB	214 696	-	-	-	214 696
Not rated	182 559	-	-	-	182 559
	397 255	-	-	-	397 255
Allowance for expected credit losses	-	-	-	-	-
Carrying amount	397 255	-	-	-	397 255

In the tables above, the credit rating is shown in accordance with the rating scale of the rating agencies Standard & Poors and Fitch.

Reverse repurchase receivables are neither credit-impaired nor overdue.

13 Loans to customers

	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Loans to corporate customers	18 969 846	18 753 687
Loans to retail customers		
Consumer loans	53 585 363	50 863 738
Mortgage loans	20 664 667	14 993 318
Total loans to retail customers	74 250 030	65 857 056
Gross loans to customers	93 219 876	84 610 743
Allowance for expected credit losses	(10 712 492)	(11 116 030)
Loans to customers net of allowance for expected credit losses	82 507 384	73 494 713

The table below shows analysis of changes in allowance for expected credit losses by class of loans issued to customers for the nine-month period ended 30 September 2021 (unaudited):

	Loans to corporate customers RUB'000	Loans to retail customers RUB'000	Total RUB'000
Allowance for expected credit losses at the beginning of the period	2 406 836	8 709 194	11 116 030
Unwinding of discount	7 218	167 280	174 498
Net allowance for expected credit losses	136 466	2 377 140	2 513 606
Reclassification of an allowance (Note 21)	-	16 294	16 294
Financial assets that have been derecognised	(352 428)	(2 070 820)	(2 423 248)
Write-offs	(195 157)	(484 781)	(679 938)
Other changes	(4 750)	-	(4 750)
Allowance for expected credit losses at the period end	1 998 185	8 714 307	10 712 492

The table below shows analysis of changes in allowance for expected credit losses by class of loans issued to customers for the nine-month period ended 30 September 2020 (unaudited):

	Loans to corporate customers RUB'000	Loans to retail customers RUB'000	Total RUB'000
Allowance for expected credit losses at the beginning of the period	4 693 765	14 735 283	19 429 048
Unwinding of discount	18 523	120 603	139 126
Net allowance for expected credit losses	652 735	475 160	1 127 895
Financial assets that have been derecognised	(3 104 452)	(6 425 030)	(9 529 482)
Write -offs	(86 492)	(480 128)	(566 620)
Other changes	10 378	-	10 378
Allowance for expected credit losses at the period end	2 184 457	8 425 888	10 610 345

Credit quality analysis

The following table sets out information about the credit quality of corporate loans issued as at 30 September 2021 (unaudited):

	30 September 2021 (unaudited)				
	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	Total
RUB'000					
<i>Loans to corporate customers</i>					
Standard	16 180 587	-	-	-	16 180 587
Below standard	-	445 794	884 692	-	1 330 486
Doubtful	-	-	1 458 773	-	1 458 773
	16 180 587	445 794	2 343 465	-	18 969 846
Allowance for expected credit losses	(363 865)	(14 769)	(1 619 551)	-	(1 998 185)
Carrying amount	15 816 722	431 025	723 914	-	16 971 661

The following table sets out information about the credit quality of corporate loans issued as at 31 December 2020:

RUB'000	31 December 2020				Total
	12-month ECLs	Lifetime ECLs for assets that are not credit-impaired	Lifetime ECLs for credit-impaired assets	POCI	
Loans to corporate customers					
Standard	14 555 901	-	-	-	14 555 901
Below standard	-	1 147 846	897 825	-	2 045 671
Doubtful	-	-	2 152 115	-	2 152 115
	14 555 901	1 147 846	3 049 940	-	18 753 687
Allowance for expected credit losses	(376 891)	(49 145)	(1 980 800)	-	(2 406 836)
Carrying amount	14 179 010	1 098 701	1 069 140	-	16 346 851

The credit quality categories presented in the table above represent an assessment of the financial position that the Bank carries out on the basis of financial and non-financial information:

- “Standard” - assets where the counterparties have a low probability of default, have a high ability to timely fulfil financial obligations: these are loans where Borrowers have a “Good” financial position, the absence of modifications leading to a significant increase in credit risk. A delay of no more than 30 days is also allowed with a “Good” financial position.
- “Below standard” - assets where the counterparties have a moderate probability of default, demonstrate an average ability to timely fulfil financial obligations and require more careful attention at the monitoring stage: these are loans for which the financial position has deteriorated, modifications leading to a significant increase of credit risk, an overdue of 31 to 90 days has occurred.
- “Doubtful” - assets that, based on the signs of impairment, meet the definition of default: borrowers have overdue payments by more than 90 days, modifications leading to impairment of the financial instrument, the Group has initiated a bankruptcy procedure or entered into an agreement with the borrower on the terms of repayment of an overdue loan.

The following table sets out information about the credit quality of retail loans issued as at 30 September 2021 (unaudited):

RUB'000	30 September 2021 (unaudited)				Total
	12-month ECLs	Lifetime ECLs for assets that are not credit-impaired	Lifetime ECLs for credit-impaired assets	POCI	
Loans to customers – retail customers					
Not overdue	61 400 578	1 529 019	347 098	58 743	63 335 438
Overdue less than 30 days	1 176 124	318 573	141 275	11 082	1 647 054
Overdue 31-89 days	-	1 108 562	146 043	17 740	1 272 345
Overdue 90-723 days	-	-	5 830 822	115 472	5 946 294
Overdue more than 724 days	-	-	2 020 597	28 302	2 048 899
	62 576 702	2 956 154	8 485 835	231 339	74 250 030
Allowance for expected credit losses	(1 843 137)	(752 874)	(6 302 409)	184 113	(8 714 307)
Carrying amount	60 733 565	2 203 280	2 183 426	415 452	65 535 723

The following table sets out information about the credit quality of retail loans issued as at 31 December 2020:

	31 December 2020				
	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	Total
RUB'000					
<i>Loans to customers – retail customers</i>					
Not overdue	53 257 960	2 785 447	41 430	60 679	56 145 516
Overdue less than 30 days	917 706	33 830	29 134	6 497	987 167
Overdue 31-89 days	-	728 761	-	7 305	736 066
Overdue 90-723 days	-	-	4 602 689	59 831	4 662 520
Overdue more than 724 days	-	-	3 310 060	15 727	3 325 787
	54 175 666	3 548 038	7 983 313	150 039	65 857 056
Allowance for expected credit losses	(1 712 350)	(496 584)	(6 667 499)	167 239	(8 709 194)
Carrying amount	52 463 316	3 051 454	1 315 814	317 278	57 147 862

The following table reconciles opening and closing balances of allowance for expected credit losses for corporate and retail loans measured at amortised cost for the nine-months period ended 30 September 2021 (unaudited):

RUB'000	Nine-Month Period Ended 30 September 2021 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Loans to corporate customers				
Balance at 1 January 2021	376 891	49 145	1 980 800	2 406 836
Transfer to Stage 1	14 042	(14 042)	-	-
Transfer to Stage 2	(12 658)	25 993	(13 335)	-
Transfer to Stage 3	(730)	(5 357)	6 087	-
Net remeasurement of loss allowance	(175 176)	(40 970)	190 753	(25 393)
New financial assets originated or purchased	161 859	-	-	161 859
Unwinding of discount	-	-	7 218	7 218
Financial assets that have been derecognized	-	-	(352 428)	(352 428)
Write-offs	-	-	(195 157)	(195 157)
Other changes	(363)	-	(4 387)	(4 750)
Balance at 30 September 2021	363 865	14 769	1 619 551	1 998 185

RUB'000	Nine-Month Period Ended 30 September 2021 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to retail customers					
Balance at 1 January 2021	1 712 350	496 584	6 667 499	(167 239)	8 709 194
Transfer to Stage 1	187 848	(144 463)	(43 385)	-	-
Transfer to Stage 2	(262 347)	306 298	(43 951)	-	-
Transfer to Stage 3	(274 253)	(926 033)	1 200 286	-	-
Net remeasurement of loss allowance	(467 792)	1 043 301	804 805	(16 874)	1 363 440
New financial assets originated or purchased	1 013 700	-	-	-	1 013 700
Unwinding of discount	-	-	167 280	-	167 280
Reclassification of a reserve (Note 21)	16 294	-	-	-	16 294
Financial assets that have been derecognised	(82 663)	(22 813)	(1 777 168)	-	(1 882 644)
Derecognition due to significant modification	-	-	(188 176)	-	(188 176)
Write-offs	-	-	(484 781)	-	(484 781)
Balance at 30 September 2021	1 843 137	752 874	6 302 409	(184 113)	8 714 307

Below is the explanation of how significant changes in the gross carrying amount of corporate loans during the nine-month period ended 30 September 2021 affected changes in allowance for expected credit losses (unaudited):

- Write-offs of corporate loans in the amount of RUB 195 157 thousand during the nine-month period ended 30 September 2021 led to a reduction in ECLs by RUB 195 157 thousand.
- Derecognition due to the assignment of claims on loans to corporate customers with a gross carrying amount of RUB 501 679 thousand reduced Stage 3 ECL in the amount of RUB 352 428 thousand. The assignment of claims is represented by the sale of corporate loans to unrelated parties for RUB 172 490 thousand.
- The issuance of loans to corporate customers in the amount of RUB 7 902 774 thousand within nine months of 2021 led to an increase in ECLs by RUB 161 859 thousand.

Below is the explanation of how significant changes in the gross carrying amount of retail loans issued during the nine-month period ended 30 September 2021 affected changes in allowance for expected credit losses (unaudited):

- Write-offs of retail loans in the amount of RUB 484 781 thousand within nine months of 2021 led to a reduction in ECLs of loans referred to Stage 3 by RUB 484 781 thousand.
- Derecognition of loans to retail customers resulting from the exercise of claims with a gross carrying amount of RUB 1 924 890 thousand within nine months of 2021 reduced the ECL of loans classified as Stage 3 by RUB 1 777 168 thousand. The assignment is represented by the sale of retail loans to unrelated parties for RUB 243 666 thousand.
- Derecognition of mortgage loans to retail customers resulting from the exercise of claims with a gross carrying amount of RUB 1 709 059 thousand within nine months of 2021 reduced the ECL of loans classified as Stage 1 by RUB 16 291 thousand rubles and attributed to Stage 2, in the amount of RUB 3 624 thousand. The assignment of claims is represented by the sale of mortgage loans to retail customers to an unrelated party for RUB 1 709 059 thousand.
- Derecognition of consumer loans to retail customers resulting from the exercise of claims with a gross carrying amount of RUB 2 021 174 thousand within nine months of 2021 reduced the ECL of loans classified as Stage 1 by RUB 48 707 thousand and attributed to Stage 2, in the amount of RUB 19 189 thousand. The assignment is represented by the sale of consumer loans to retail customers to an unrelated party for RUB 2 081 684 thousand.
- Derecognition of loans to retail customers resulting from the sale of mortgage bonds with a gross carrying amount of RUB 1 108 990 thousand during the nine months of 2021 reduced the ECL of loans classified as Stage 1 by RUB 17 665 thousand. The assignment of rights of claim is represented by the sale of mortgage bonds within the framework of the securitization project of a structured company created for the purpose of issuing mortgage-backed bonds of LLC IA Titan-3 for RUB 1 108 990 thousand. The Group does not control LLC IA Titan-3. The Group's participation is reflected in the partially retained amount of risks and rewards in the amount of repurchased junior tranches of bonds issued by LLC IA Titan-3 (see Note 21).
- Loans to retail customers classified as POCI with a gross carrying amount of RUB 18 271 thousand were derecognised as a result of the assignment of claims of these loans to unrelated parties for RUB 11 381 thousand.

- For loans with a gross carrying amount of RUB 306 072 thousand during the reporting period, there was a significant modification, the provision for expected credit losses on these loans at the date of modification was RUB 191 444 thousand. As a result of a significant modification, the assets were derecognised and new assets recognized as POCI assets.
- Issue of retail loans in the amount of RUB 33 203 556 thousand within nine months of 2021 led to an increase in ECLs by RUB 1 013 700 thousand.
- The repurchase of mortgage bonds from MIA 1 in the amount of RUB 462 032 thousand in the reporting period resulted in an increase in Stage 1 ECL by RUB 16 294 thousand (see Note 21).

The following table reconciles opening and closing balances of allowance for expected credit losses for corporate and retail loans measured at amortised cost for the nine-months period ended 30 September 2020 (unaudited):

RUB'000	Nine-Month Period Ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Loans to corporate customers				
Balance at 1 January 2020	400 103	2 820	4 290 842	4 693 765
Transfer to Stage 1	1 059	(1 059)	-	-
Transfer to Stage 2	(22 307)	22 307	-	-
Transfer to Stage 3	(2 352)	-	2 352	-
Net remeasurement of loss allowance	(102 615)	(5 232)	481 036	373 189
New financial assets originated or purchased	279 546	-	-	279 546
Unwinding of discount	-	-	18 523	18 523
Financial assets that have been derecognised	-	-	(3 104 452)	(3 104 452)
Write-offs	-	-	(86 492)	(86 492)
Other changes	9 504	-	874	10 378
Balance at 30 September 2020	562 938	18 836	1 602 683	2 184 457

RUB'000	Nine-Month Period Ended 30 September 2020 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to retail customers					
Balance at 1 January 2020	1 350 577	390 271	12 994 435	-	14 735 283
Transfer to Stage 1	114 603	(62 368)	(52 235)	-	-
Transfer to Stage 2	(210 938)	289 697	(78 759)	-	-
Transfer to Stage 3	(91 568)	(478 105)	569 673	-	-
Net remeasurement of loss allowance	(758 102)	217 492	(189 227)	(141 031)	(870 868)
New financial assets originated or purchased	1 346 028	-	-	-	1 346 028
Unwinding of discount	-	-	120 603	-	120 603
Financial assets that have been derecognised	-	-	(6 337 200)	-	(6 337 200)
Derecognition due to significant modification	-	-	(87 830)	-	(87 830)
Write-offs	-	-	(480 128)	-	(480 128)
Balance at 30 September 2020	1 750 600	356 987	6 459 332	(141 031)	8 425 888

Below is the explanation of how significant changes in the gross carrying amount of corporate loans during the nine-month period ended 30 September 2020 affected changes in allowance for expected credit losses (unaudited):

- Write-offs of corporate loans in the amount of RUB 86 492 thousand during the nine-month period ended 30 September 2020 led to a reduction in ECLs by RUB 86 492 thousand.
- Derecognition due to the assignment of claims for loans to corporate customers with a gross carrying amount of RUB 5 206 730 thousand reduced the ECL of stage 3 in the amount of RUB 3 104 452 thousand. The assignment is represented by the sale of loans to corporate customers to unrelated parties for RUB 1 862 937 thousand.
- The issuance of loans to corporate customers in the amount of RUB 8 874 147 thousand during the nine-month period ended 30 September 2020 led to an increase in ECLs by RUB 279 546 thousand.

Below is the explanation of how significant changes in the gross carrying amount of retail loans issued during the nine-month period ended 30 September 2020 affected changes in allowance for expected credit losses (unaudited):

- Write-offs of retail loans in the amount of RUB 480 128 thousand during the nine-month period ended 30 September 2020 led to a reduction in ECLs of loans referred to stage 3 by RUB 480 128 thousand.
- Derecognition of loans to retail customers resulting from the exercise of claims with a gross carrying amount of RUB 6 613 675 thousand during the nine-month period ended 30 September 2020 reduced the ECL of loans classified as Stage 3 by RUB 6 337 200 thousand. The assignment is represented by the sale of retail loans to unrelated parties for RUB 375 878 thousand.
- Loans to retail customers classified as POCI with a gross carrying amount of RUB 161 376 thousand were derecognised as a result of the assignment of claims of these loans to unrelated parties for RUB 173 045 thousand.
- For loans with a gross carrying amount of RUB 165 377 thousand during the reporting period, there was a significant modification, the provision for expected credit losses on these loans at the date of modification was RUB 87 830 thousand. As a result of a significant modification, the assets were derecognised and new assets recognized as POCI assets.
- Issue of retail loans in the amount of RUB 32 551 740 thousand during the nine-month period ended 30 September 2020 led to an increase in ECLs by RUB 1 346 028 thousand.

14 Net investments in finance leases

Net investments in finance leases comprise:

	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Gross investments in finance leases	1 495 604	1 982 218
Unearned finance lease income	(232 083)	(425 334)
	1 263 521	1 556 884
Allowance for expected credit losses	(37 948)	(48 580)
Net investments in finance leases	1 225 573	1 508 304

Net investments in finance leases generally comprise lease contracts on various types of equipment and vehicles.

The following tables set out information about the credit quality of net investments in finance leases as at 30 September 2021 (unaudited) and as at 31 December 2020:

	30 September 2021 (unaudited)				Total
	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	
RUB'000					
Standard	998 764	-	-	-	998 764
Below standard	-	190 156	-	-	190 156
Doubtful	-	-	74 601	-	74 601
	998 764	190 156	74 601	-	1 263 521
Allowance for expected credit losses	(7 243)	(1 939)	(28 766)	-	(37 948)
Carrying amount	991 521	188 217	45 835	-	1 225 573
	31 December 2020				
	12-month ECLs	Lifetime ECLs for assets that are not credit- impaired	Lifetime ECLs for credit- impaired assets	POCI	Total
RUB'000					
Standard	1 076 698	-	-	-	1 076 698
Below standard	-	398 382	-	-	398 382
Doubtful	-	-	81 804	-	81 804
	1 076 698	398 382	81 804	-	1 556 884
Allowance for expected credit losses	(11 537)	(7 338)	(29 705)	-	(48 580)
Carrying amount	1 065 161	391 044	52 099	-	1 508 304

The credit quality categories presented in the table above are described in Note 13.

The following table present a reconciliation of allowance for expected credit losses for the nine-month period ended 30 September 2021 (unaudited):

RUB'000	Nine-Month Period Ended 30 September 2021 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2021	11 537	7 338	29 705	48 580
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(223)	223	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(7 473)	(2 022)	873	(8 622)
New financial assets originated or purchased	3 415	-	-	3 415
Write-offs	(13)	(3 600)	(1 812)	(5 425)
Balance at 30 September 2021	7 243	1 939	28 766	37 948

The following table present a reconciliation of allowance for expected credit losses for the nine-months ended 30 September 2020 (unaudited):

RUB'000	Nine-Month Period Ended 30 September 2020 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2020	16 065	657	30 388	47 110
Transfer to Stage 1	5 812	(5 812)	-	-
Transfer to Stage 2	(5 403)	5 403	-	-
Transfer to Stage 3	-	(11 694)	11 694	-
Net remeasurement of loss allowance	(15 535)	16 874	(22 742)	(21 403)
New financial assets originated or purchased	7 237	-	-	7 237
Write-offs	(2 580)	(5)	(1 271)	(3 856)
Balance at 30 September 2020	5 596	5 423	18 069	29 088

15 Investments in associates and other investments

Associates and other investments comprise the following:

Name	Country of incorporation	Main activity	Ownership, %		30 September 2021	31 December 2020
			30 September 2021 (unaudited)	31 December 2020	Carrying value RUB'000 (unaudited)	Carrying value RUB'000
CUIF "Celena"	Russian Federation	Unit investment fund	41.09%	41.09%	74 614	75 578
					74 614	75 578

The following table summarises the financial information of CUIF “Celena” as at 30 September 2021 (unaudited) and 31 December 2020 and for the nine-month period ended 30 September 2021 (unaudited) and 30 September 2020 (unaudited), and reconciliation of carrying amount of the Group’s interest in associate:

	30 September 2021 RUB’000 (unaudited)	31 December 2020 RUB’000
Total assets	228 034	188 467
Total liabilities	(46 448)	(4 535)
Net assets	181 586	183 932
Group’s share of net assets (41.09%)	74 614	75 578
	Nine-Month Period Ended 30 September 2021 RUB’000 (unaudited)	Nine-Month Period Ended 30 September 2020 RUB’000 (unaudited)
Net loss for the reporting period	(2 346)	(11 334)
The Group's share in the loss of the associate (41.09%)	(964)	(4 657)

16 Investments measured at amortised cost

	30 September 2021 RUB’000 (unaudited)	31 December 2020 RUB’000
Held by the Group		
- Corporate bonds		
Rated from BBB- to BBB+	372 392	-
Total corporate bonds	372 392	-
Total investments at amortised cost held by Group	372 392	-
Investments at amortised cost pledged under sale and repurchase agreements, and contributed to the General Collateral Certificate Pool (GCC) and pledged as General Collateral Certificate Pool (GCC)		
- Corporate bonds		
Rated from BBB- to BBB+	1 767 273	1 297 587
Total corporate bonds	1 767 273	1 297 587
Total investments at amortised cost pledged under sale and repurchase agreements, and contributed to the General Collateral Certificate Pool (GCC) and pledged as General Collateral Certificate Pool (GCC)	1 767 273	1 297 587
Total investments at amortised cost	2 139 665	1 297 587
Allowance for expected credit losses	(2 482)	(1 663)
Total investments at amortised cost net of allowance for expected credit losses	2 137 183	1 295 924

Rating in the table above are based on Standard&Poors and Fitch ratings.

The following table presents a reconciliation of allowance for expected credit losses for investments at amortised cost for the nine-month period ended 30 September 2021 (unaudited):

RUB'000	Nine-Month Period Ended 30 September 2021 (unaudited)	
	Stage 1	Total
Investments at amortised cost		
Balance at 1 January 2021	1 663	1 663
Net change in allowance for expected credit losses	(17)	(17)
New financial assets originated or purchased	836	836
Balance at 30 September 2021	2 482	2 482

The following table presents a reconciliation of allowance for expected credit losses for investments at amortised cost for the nine-month period ended 30 September 2020 (unaudited):

RUB'000	Nine-Month Period Ended 30 September 2020 (unaudited)	
	Stage 1	Total
Investments at amortised cost		
Balance at 1 January 2020	610	610
Net change in allowance for expected credit losses	(515)	(515)
New financial assets originated or purchased	830	830
Financial assets that have been derecognised	(73)	(73)
Balance at 30 September 2020	852	852

None of investments measured at amortised cost are past due or credit-impaired. Allowance for expected credit losses is 12-month ECLs after the reporting date.

17 Property, equipment, intangible assets and investment property

In order to harmonize the presentation of data in these statements and in statements prepared in accordance with Russian accounting standards, the Group has made changes to its accounting policy in terms of the useful lives of property and equipment and the accounting for revaluation of buildings.

The tables below provide information on property and equipment, intangible assets, right-of-use assets and investment property for the nine months of 2021, 2020 (revised) and as of January 1, 2020 (revised):

RUB'000	Land and buildings	Computers and equipment	Vehicles	Right of use assets	Intangible assets	Real estate temporarily unused in the main activity	Construc- tion in progress	Total
Cost/revalued amount								
Balance at 1 January 2021 (restated)	4 979 384	1 844 004	119 487	301 356	1 419 328	12 210	67 155	8 742 924
Additions and transfers	-	67 140	-	111 891	14 297	-	23 196	216 524
Disposals and transfers	(450 384)	(19 287)	(15 696)	(44 270)	-	-	-	(529 637)
Balance at 30 September 2021	4 529 000	1 891 857	103 791	368 977	1 433 625	12 210	90 351	8 429 811
Depreciation, amortisation and impairment losses								
Balance at 1 January 2021 (restated)	1 354 636	1 141 896	75 986	124 494	581 145	-	-	3 278 157
Depreciation and amortisation for the period	99 867	152 215	10 153	59 464	98 837	-	-	420 536
Disposals	(151 298)	(17 222)	(12 166)	(24 688)	-	-	-	(205 374)
Balance at 30 September 2021	1 303 205	1 276 889	73 973	159 270	679 982	-	-	3 493 319
Carrying amounts								
At 30 September 2021	3 225 795	614 968	29 818	209 707	753 643	12 210	90 351	4 936 492
At 31 December 2020 (restated)	3 624 748	702 108	43 501	176 862	838 183	12 210	67 155	5 464 767

JSC Asian-Pacific Bank
*Notes to, and forming part of, the Consolidated Interim Condensed Financial Information
for the nine-month period ended 30 September 2021*

RUB'000	Land and buildings	Computers and equipment	Vehicles	Right of use assets	Intangible assets	Real estate temporarily unused in the main activity	Construc- tion in progress	Total
Cost/revalued amount								
Balance at 1 January 2020 (restated)	5 024 087	1 737 146	95 430	190 398	1 347 558	171 570	44 181	8 610 370
Additions and transfers	3 162	120 718	30 390	117 265	71 770	-	22 974	366 279
Disposals and transfers	(31 991)	(13 860)	(5 793)	(6 307)	-	(148 697)	-	(206 648)
Revaluation	(11 988)	-	-	-	-	(10 663)	-	(22 651)
Impairment test	(3 886)	-	(540)	-	-	-	-	(4 426)
Balance at 31 December 2020 (restated)	4 979 384	1 844 004	119 487	301 356	1 419 328	12 210	67 155	8 742 924
Depreciation, amortisation and impairment losses								
Balance at 1 January 2020 (restated)	1 246 508	963 278	68 732	56 498	452 298	-	-	2 787 314
Depreciation and amortisation for the year	135 446	192 378	13 047	72 552	128 847	-	-	542 270
Disposals	(13 814)	(13 760)	(5 793)	(4 556)	-	-	-	(37 923)
Revaluation	(13 504)	-	-	-	-	-	-	(13 504)
Balance at 31 December 2020 (restated)	1 354 636	1 141 896	75 986	124 494	581 145	-	-	3 278 157
Carrying amounts								
At 31 December 2020 (restated)	3 624 748	702 108	43 501	176 862	838 183	12 210	67 155	5 464 767
At 1 January 2020 (restated)	3 777 579	773 868	26 698	133 900	895 260	171 570	44 181	5 823 056

18 Deposits and balances from banks

	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Term deposits from banks	1 509 238	841 346
Vostro accounts	854 458	1 757 513
	2 363 696	2 598 859

19 Amounts payable under repurchase agreements

The table below sets out payables under repurchase agreements showing individual types of counterparties under REPO agreements from which funds were received as at 30 September 2021 (unaudited):

RUB'000	General collateral certificates	Government and municipal bonds	Total
Amounts payable under repurchase agreements			
- Largest 30 Russian banks	4 347 100	713 450	5 060 550
	4 347 100	713 450	5 060 550

The table below sets out payables under repurchase agreements showing individual types of counterparties under REPO agreements from which funds were received as at 31 December 2020:

RUB'000	General collateral certificates	Corporate bonds	Russian Federation Government and municipal bonds	Total
Amounts payable under repurchase agreements				
- Largest 30 Russian banks	8 923 676	2 217 485	705 099	11 846 260
	8 923 676	2 217 485	705 099	11 846 260

Fair value of securities pledged under repurchase agreements as at 30 September, 2021 comprised RUB 744 137 thousand (31 December 2020: RUB 3 915 869 thousand), nominal value of general collateral certificates pledged under repurchase agreements as at 30 September 2021 comprised RUB 4 347 100 thousand (31 December 2020: RUB 8 922 132 thousand). Also see Note 22.

20 Current accounts and deposits from customers

	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000
Current accounts and demand deposits		
- Retail	15 334 874	12 523 006
- Corporate	32 694 982	26 658 292
Term deposits		
- Retail	46 569 402	41 667 049
- Corporate	15 807 567	17 546 399
	110 406 825	98 394 746

21 Involvement with unconsolidated structured entities

The table below describes the structured entities that the Group does not consolidate, but in which it participates as at 30 September 2021:

Description	Country of registration	The main types of activity	Interest held by the Group	30 September 2021 Total assets, RUB'000 (unaudited)	31 December 2020 Total assets, RUB'000 (unaudited)
LLC "IA Titan-3"	Russian Federation	Mortgage agent	see below	2 606 938	1 769 565

LLC "IA Titan-3" is a structured company established with the aim of issuing mortgage-backed bonds. The Group does not control LLC IA "Titan-3".

Within securitization with an unconsolidated structured entity LLC "IA Titan-3", the Group transferred mortgage loans. The Group has not transferred or retained a significant part of all risks and rewards of ownership of these loans. The Group recognizes its continuing involvement in these mortgage loans in the amount of the repurchased junior tranche of bonds issued by the unconsolidated structured entity LLC "IA Titan-3".

The Group retains the rights to service the transferred mortgage loans. In accordance with loan servicing agreements, the Group obtains cash flows on transferred mortgage loans on behalf of an unconsolidated structured entity. In turn, the Group receives a fee that is expected to adequately compensate the Group for the servicing of the related assets. Subsequently, the Group accounts for the service agreements as future performance agreements and does not recognize an asset or liability associated with the agreement.

The transferred mortgage loans were classified as loans to customers and measured at amortized cost of RUB 1 108 990 thousand at the date of transfer (see Note 13). As of September 30, 2021, the value of loans issued to customers that the Group continues to serve is RUB 919 620 thousand (unaudited).

The table below sets out the carrying amounts of interests held by the Group in LLC “IA Titan-3” representing the maximum credit risk, that are accounted for within Other Assets:

	30 September 2021	31 December 2020
	Other assets, RUB'000 (unaudited)	Other assets, RUB'000
	<u> </u>	<u> </u>
Continuing involvement with sold loan portfolio	228 923	-
Allowance for expected credit losses	(6 753)	-
Total net continuing involvement with sold loan portfolio	<u>222 170</u>	<u>-</u>

Till the beginning of June 2021, the Group participated in CJSC “Multi Originator Mortgage Agent 1” (hereinafter referred to as “MMA 1”) is a structured entity established to facilitate the issue of mortgage backed bonds. The Group did not control MMA 1. The Group's participation was previously accounted for in a partially retained amount of risks and rewards in the amount of purchased junior tranches of bonds issued by MMA 1, which were sold by the Bank to LLC SFC APB 2 (a structured entity established for the purpose of securitizing assets). In June 2021, the Bank bought back the mortgage loan portfolio from MMA 1 in full, and MMA 1, in turn, repaid junior tranches of their bonds to LLC SFC APB 2. As a result, loans previously recorded on the Group’s balance sheet as continuing participation in the portfolio of loans sold were accounted for as loans to retail customers (see Note 13).

The table below shows the carrying amount of the Group's share in MMA1, reflecting the maximum credit exposure as at 30 September 2021 and 31 December 2020:

	30 September 2021	31 December 2020
	Other assets, RUB'000 (unaudited)	Other assets, RUB'000
	<u> </u>	<u> </u>
Continuing involvement with sold loan portfolio	-	499 806
Allowance for expected credit losses	-	(16 294)
Total net continuing involvement with sold loan portfolio net of impairment allowance	<u>-</u>	<u>483 512</u>

22 Transferred financial assets and pledged assets

This note contains information about pledged financial assets and financial assets transferred in whole or in part without derecognition.

The table below provides information on the sale and repurchase of financial assets carried out by the Group in the normal course of business:

	30 September 2021 (unaudited)		31 December 2020	
	Accounts payable under repo agreements		Accounts payable under repo agreements	
	Book value of assets/ nominal value of GCC	Carrying amount of the associated liability	Book value of assets/ nominal value of GCC	Carrying amount of the associated liability
RUB'000				
Securities pledged under REPO agreements	744 137	713 450	3 915 869	2 922 584
GCC, pledged under REPO agreements	4 347 100	4 347 100	8 922 132	8 923 676
	5 091 237	5 060 550	12 838 001	11 846 260

Information about the Group's own portfolio of securities pledged under repurchase agreements, as well as securities introduced into General Collateral Certificate Pool and pledged under repurchase agreements (GCC) is presented in Note 9, Note 10 and Note 16.

The Group carries out REPO agreements with General Collateral Certificates ("GCC") on the Moscow Exchange. GCC, a clearing certificate of participation in the General Collateral Certificate Pool, is a homogeneous universal collateral for REPO agreements with a Central Counterparty. GCC is obtained through reverse REPO agreements or by depositing assets into the General Collateral Certificate Pool. A pool member has the right to manage assets in the General Collateral Certificate Pool, including their replacement. The Central Counterparty assesses the assets contributed by the participants to the General Collateral Certificate Pool using a methodology that ensures coverage of all emerging risks. GCC are issued to the Participants at their nominal value as the value equivalent of the assessed collateral value of the instruments contributed to the General Collateral Certificate Pool. GCC can be used exclusively as collateral in REPO agreements. On a daily basis, the General Collateral Certificate Pool is revalued at the new assessed collateral value, and the number of GCC is rebalanced, reflecting the new collateral value. Ownership of the Participant's assets in the General Collateral Certificate Pool remains with the Participant. If a participant violates obligations under REPO agreements with the GCC, the Central Counterparty settles monetary obligations by selling assets contributed by the Participant to the GCC Pool.

The table below provides information on securities included in the General Collateral Certificate Pool of the GCC:

RUB'000	30 September 2021 (unaudited)		31 December 2020	
	Book value of assets included in the GCC Pool of the GCC	Nominal value of GCC	Book value of assets included in the GCC Pool of the GCC	Nominal value of GCC
Securities included in the GCC Pool of the GCC:				
- corporate bonds	4 656 694	4 188 601	10 760 064	9 014 069
	4 656 694	4 188 601	10 760 064	9 014 069

These transactions are conducted in accordance with the traditional terms for standard lending, securities lending and securities lending, as well as exchange requirements, where the Group acts as an intermediary.

23 Related party transactions

a) Control relationships

On 26 April 2018 the Bank of Russia decided to implement measures aimed at improving the financial stability of the Bank using the funds of the Fund of Banking Sector Consolidation. Since then until the date the Bank of Russia sold the Bank's shares, the government was the ultimate beneficiary of the Group. In September 2021, a closed auction was held to sell the Bank's shares. The Bank of Russia sold the Bank's shares to the management company Pioneer Capital Invest (Kazakhstan). The ownership of the Bank's shares passed to the buyer in October 2021.

The Group discloses information on transactions with the Bank of Russia and the banks under its control.

b) Transactions with the Bank of Russia and the banks under its control

As at 30 September 2021 (unaudited) and 31 December 2020, the balances on the accounts with the Bank of Russia and the banks/companies under its control are as follows:

Consolidated interim condensed statement of financial position	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000 (revised)*
ASSETS		
Cash and cash equivalents,	5 338 721	10 111 100
<i>Allowance for expected credit losses</i>	(510)	(2 432)
Obligatory reserves with the Central Bank of the Russian Federation	772 244	732 143
Financial assets at FVOCI	291 546	-
Due from banks,	80 376	72 806
<i>Allowance for expected credit losses</i>	(114)	(104)
Loans to customers	307 494	360 534
<i>Allowance for expected credit losses</i>	(261 026)	(261 026)
Other assets	7 664	28 816
<i>Allowance for expected credit losses</i>	(11)	(32)

JSC Asian-Pacific Bank
Notes to, and forming part of, the Consolidated Interim Condensed Financial Information
for the nine-month period ended 30 September 2021

Consolidated interim condensed statement of financial position	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000 (revised)*
LIABILITIES		
Financial instruments at fair value through profit or loss	156	-
Deposits and balances from banks	1 384 171	822 914
Debt securities issued	-	22 610
Other liabilities	4	2

The amounts included in the consolidated interim condensed statement of profit or loss and other comprehensive income for transactions with the Bank of Russia and the banks/companies under its control for the nine-month period ended 30 September 2021 (unaudited) and for the nine-month period ended 30 September 2020 (unaudited) can be presented as follows:

Consolidated interim condensed statement of profit or loss and other comprehensive income	Nine-Month Period Ended 30 September 2021 (unaudited)	Nine-Month Period Ended 30 September 2020 (revised unaudited)*
Interest income on funds placed with the Bank of Russia	10 705	11 245
Interest income calculated using the effective interest method	-	28 036
Interest expense	-	(21 864)
Fee and commission expense	-	(992)
Net income from operations with precious metals	(458)	56 473
Net income from foreign currency transactions	(1 851)	(1 108 899)
Interest expense on funds received from the Bank of Russia	(31 668)	(23 056)
Change in allowance for expected credit losses	1 808	(17 187)

c) Transactions with the members of the Board of Directors and the Management Board

Total remuneration to the Board of Directors and the Management Board included in personnel expenses for the nine-month period ended 30 September 2021 (unaudited) and for the nine-month period ended 30 September 2020 (unaudited) can be presented as follows:

	Nine-Month Period Ended 30 September 2021 (unaudited)	Nine-Month Period Ended 30 September 2020 (unaudited)
Short term employee benefits	75 216	47 468
Long term employee benefits	2 713	566
	77 929	48 034

d) Transactions with government-related entities

In the ordinary course of business, the Group operates with the government agencies of the Russian Federation and state-controlled companies. The Group carries out these transactions on market terms. The table below discloses significant transactions with government agencies and state-controlled companies, as well as companies under significant state control:

JSC Asian-Pacific Bank
*Notes to, and forming part of, the Consolidated Interim Condensed Financial Information
for the nine-month period ended 30 September 2021*

Consolidated interim condensed statement of financial position	30 September 2021 RUB'000 (unaudited)	31 December 2020 RUB'000 (revised)*
ASSETS		
Cash and cash equivalents	3 375 553	116 060
Financial instruments at fair value through profit or loss	7 075 206	8 130 618
Financial assets at fair value through other comprehensive income for the period	9 719 430	10 844 013
Due from banks, including	10 811	28 010
Amounts receivable under reverse repurchase agreements	716 776	397 255
Loans to customers	213 002	1 394 372
Investments at amortised cost	2 011 185	1 166 128
Other assets	42 437	15 901
LIABILITIES		
Financial instruments at fair value through profit or loss	20 634	29 513
Deposits and balances from banks	159 556	35 940
Amounts payable under reverse repurchase agreements	5 060 550	11 846 260
Current accounts and deposits from customers	4 715 197	8 862 424
Debt securities issued	494	567
Other liabilities	4 637	2 168

Amounts included in the consolidated interim condensed statement of profit or loss and other comprehensive income in relation to transactions with government-related entities for the nine-month period ended 30 September 2021 (unaudited) and for the nine-month period ended 30 September 2020 (unaudited) can be presented as follows:

Consolidated interim condensed statement of profit or loss and other comprehensive income	Nine-Month Period Ended 30 September 2021 (unaudited)	Nine-Month Period Ended 30 September 2020 (revised unaudited)*
Interest income	470 123	239 545
Interest expense	(535 593)	(344 986)
Commission expenses	(13 455)	(3 969)
Net income from operations with precious metals	(100 348)	17 452
Net income from foreign currency transactions	193 266	95 537
Net income from operations with financial instruments at FVTPL	(45 564)	(2 743)
Net income from operations with financial instruments at FVOCI	750	50 161
Recovery of provision for expected credit losses	49 317	92 607
Other provisions	-	66 815

**During the reporting period, the companies of the Moscow Exchange Group changed the controlling party, as a result, the Group transferred operations with these companies from operations with the Bank of Russia and banks / companies under its control to operations with government-related entities. The comparative figures have been reclassified accordingly.*

24 Financial assets and liabilities: fair values and accounting classifications

a) Accounting classifications and fair values

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or transfer of liabilities.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. The estimated fair values of all other financial assets and liabilities are calculated using discounted cash flow techniques based on estimated future cash flows and discount rates for similar instruments at the reporting date.

The estimated fair value of all financial instruments as at 30 September 2021 approximates their carrying value (unaudited).

The estimated fair value of all financial instruments as at 31 December 2020 approximates their carrying value.

There were no changes in the fair value measurement models during 2021 (unaudited).

b) Fair value hierarchy

The Group measures the fair value of financial instruments carried in the consolidated interim condensed statement of financial position using the following fair value measurement hierarchy, taking into account the materiality of those estimates.

Level 1: quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: inputs other than quotes prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group has a control framework with respect to the measurement of fair values. This system includes the Financial Markets Risk Analysis and Control Department, which is independent from the front office management and reports to the Chief Risk Officer, who is responsible for independently verifying the results of trading and investment transactions, as well as all material fair value estimates. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- review and approval process of new models and changes to models with the participation of the Credit Products Control Department and employees responsible for the analysis and control of the Group's risks;
- quarterly validation and back-testing of the model against observable market transactions;

- analysis and investigation of significant daily valuation movements;
- review by a committee consisting of the loan product control officer and employees responsible for the analysis and control of the Group's market risks, material unobservable data, valuation adjustments and significant changes in the fair value of instruments classified as Level 3 compared to the previous month.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, Market Risks Department assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet IFRS requirements. This includes:

- verifying that the broker or pricing service is approved by the Group for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement;
- where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

The table below analyses financial instruments measured at fair value as at 30 September 2021 (unaudited), by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated interim condensed statement of financial position:

RUB '000	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss:				
- Derivative assets	-	125 793	-	125 793
- Debt instruments	6 826 149	123 926	-	6 950 075
- Derivative liabilities	-	(26 868)	-	(26 868)
Financial assets at fair value through other comprehensive income for the period				
- Debt instruments	12 406 554	1 243 265	-	13 649 819
- Equity instruments	-	-	192 879	192 879

As at 30 September 2021, the value of unquoted financial assets at fair value through other comprehensive income for the period amount to RUB 192 879 thousand is categorised in Level 3 in the fair value hierarchy (unaudited).

The table below analyses financial instruments measured at fair value as at 31 December 2020, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position:

RUB '000	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through profit or loss:				
- Derivative assets	-	20 075	-	20 075
- Debt instruments	8 345 577	-	-	8 345 577
- Derivative liabilities	-	(31 461)	-	(31 461)
Financial assets at fair value through other comprehensive income for the period				
- Debt instruments	10 288 030	4 598 012	482 304	15 368 346
- Equity instruments	-	-	192 569	192 569

As at 31 December 2020, the value of unquoted financial assets at fair value through other comprehensive income for the period amounted RUB 674 873 thousand is categorised in Level 3 in the fair value hierarchy.

The table below presents a reconciliation of amounts recognized at the beginning and end of the reporting period for financial assets categorised in Level 3 in the fair value hierarchy measured at fair value through other comprehensive income for the nine-month period ended 30 September 2021 (unaudited):

RUB '000	31 December 2020	Revaluation recognised in OCI	Decommissioned Level 3 instruments	30 September 2021 (unaudited)
Financial assets at FVOCI	674 873	310	(482 304)	192 879

In the reporting period, the securities of LLC “SOPF FPF” were removed from Level 3 of the price hierarchy due to the appearance of observable initial data on the markets (transactions). As of September 30, 2021, the quotation for the securities of LLC “SOPF FPF” was assigned to Level 2 of the hierarchy.

The table below presents a reconciliation of amounts recognized at the beginning and end of the reporting period for financial assets categorised in Level 3 in the fair value hierarchy measured at fair value through other comprehensive income for the nine-month period ended 30 September 2020 (unaudited):

RUB'000	31 December 2019	Revaluation recognised in OCI	Purchased	30 September 2020 (unaudited)
Financial assets at FVOCI	205 951	140	249 197	455 288

The table below provides information on significant unobservable inputs used in valuation of financial instruments categorised in Level 3 in the fair value hierarchy as at 30 September 2021 (unaudited):

Type of instrument	Fair value	Valuation technique	Significant unobservable inputs	Amount of unobservable inputs used	Range of estimates of unobservable inputs used	Sensitivity of fair value measurements to unobservable inputs
Financial assets at FVOCI						
Other equity instruments Sanymon Corporation	173 812	Comparative approach (capital market method)	EV/Proceeds (EV/EBITDA) Multiplier weight. Lack of liquidity discount	0.42 % (6.47)% 50% 12.97%	0,42-0,48 (6.47-6.93)	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.
Other equity instruments “Kvant” real estate closed-end investment fund	19 067	Net asset value	Adjustments for condition of the object (discount)	55.56%	n/a	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.

The table below analyses information about unobservable inputs used in valuation of financial instruments categorised in Level 3 in the fair value hierarchy as at 31 December 2020:

Type of instrument	Fair value	Valuation technique	Significant unobservable inputs	Amount of unobservable inputs used	Range of estimates of unobservable inputs used	Sensitivity of fair value measurements to unobservable inputs
Financial assets at FVOCI						
Other equity instruments Sanymon Corporation	173 812	Comparative approach (capital market method)	EV/Proceeds (EV/EBITDA) Multiplier weight. Lack of liquidity discount	0.42 % (6.47)% 50% 12.97%	0,42-0,48 (6.47-6.93)	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.
Other equity instruments “Kvant” real estate closed-end investment fund	18 757	Net asset value	Adjustments for condition of the object (discount)	56.28%	n/a	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.
Debt securities of legal entities (LLC “SOPF “FPF”)	482 304	Factorial Price Decomposition Method	Market price of NSD’s price center-3 levels of the price hierarchy, % of the normal	99%	98.44% - 99.56%	A significant increases (decrease) in any of the above inputs in isolation will result in a decrease (increase) in the fair value.

Fair value of loans to customers, subordinated borrowings and debt securities issued relates to Level 3. Fair value of all other financial instruments at amortised cost is categorised in Level 2.

As at 31 December 2020 buildings within property and equipment and investment property were revalued based on the results of an independent appraisal performed by LLC “LL-Consult”.

Fair value of buildings in property and equipment and investment property is categorised as Level 3 in the fair value hierarchy.

25 Subsequent events

In September 2021, a closed auction was held to sell the Bank's shares. The Bank of Russia sold the Bank's shares to the management company Pioneer Capital Invest (Kazakhstan). Ownership is due to transfer to the buyer in October 2021.

In October 2021, by the decision of the sole owner of the Bank, the powers of nine members of the Board of Directors were early terminated and a new composition of the Board of Directors in the amount of seven people was elected.