

ROSBANK Group

Interim condensed consolidated financial statements

*9 months ended 30 September 2021
(unaudited)*

ROSBANK GROUP

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ROSBANK GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2021 (UNAUDITED) (in millions of Russian Roubles)

	Notes	30 September 2021 (unaudited)	31 December 2020
ASSETS			
Cash and cash equivalents	6, 29	250,145	301,646
Mandatory cash balances with the Central Bank of the Russian Federation		11,076	10,910
Financial assets at fair value through profit or loss	7, 9, 29	48,065	57,058
Due from banks	8, 29	18,386	13,633
Loans to customers	10, 29	877,421	792,338
Investments at fair value through other comprehensive income	11, 29	74,562	30,982
Investments at amortized cost	12, 29	96,413	103,865
Property and equipment and right-of-use assets		25,423	26,591
Intangible assets		9,520	8,277
Current income tax assets		638	632
Deferred income tax assets	26	393	3,893
Other assets		13,542	13,611
Total assets		1,425,584	1,363,436
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities at fair value through profit or loss	9, 13, 29	43,061	54,676
Due to banks and international financial institutions	14, 29	50,132	44,710
Customer accounts	15, 29	980,861	924,638
Debt securities issued	16, 29	104,706	108,033
Other provisions	28	1,307	859
Current income tax liabilities		258	20
Deferred income tax liabilities	26	223	2,076
Other liabilities		23,109	20,599
Subordinated debt	17, 29	21,277	21,450
Total liabilities		1,224,934	1,177,061
EQUITY			
Share capital	18	17,587	17,587
Share premium	18	59,709	59,709
Perpetual subordinated debt	19, 29	21,826	22,162
Property and equipment revaluation reserve		2,645	3,497
Fair value reserve		96	204
Cash flow hedge		456	(137)
Retained earnings		98,331	83,353
Total equity		200,650	186,375
TOTAL LIABILITIES AND EQUITY		1,425,584	1,363,436

Chairman of the Management Board
I.A. Polyakov

24 November 2021
Moscow



The notes on pages 8-36 form an integral part of these interim condensed consolidated financial statements.

ROSBANK GROUP

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

(in millions of Russian Roubles, except for earnings per share which are in Roubles)

	Notes	9 months ended 30 September (unaudited)		3 months ended 30 September (unaudited)	
		2021	2020	2021	2020
Interest income at effective interest rate	20, 29	63,445	65,641	22,461	21,541
Other interest income	20, 29	113	238	54	87
Interest expense	20, 29	(26,186)	(29,362)	(9,890)	(9,094)
Net interest income before credit loss expense		37,372	36,517	12,625	12,534
Credit loss expense	21	(3,788)	(11,415)	(1,695)	(3,921)
Net interest income		33,584	25,102	10,930	8,613
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss, except forex swaps and forwards	22, 29	(952)	3,018	(565)	2,229
Net gain/(loss) on foreign exchange operations	23	1,774	5,287	939	1,707
Net gain/(loss) on precious metals operations		–	1	(1)	–
Net realized (loss)/gain on investments at fair value through other comprehensive income		(21)	(11)	(6)	(4)
Net (loss)/gain on investments at amortized cost		(1)	(1)	–	(1)
Fee and commission income	24, 29	13,569	12,210	4,728	4,346
Fee and commission expense	24, 29	(3,872)	(3,502)	(1,369)	(1,262)
Other provisions and recoveries/(impairment)	21	1,211	(992)	1,014	(941)
Dividend income	29	–	573	–	573
Other income	29	408	609	121	208
Net non-interest income		12,116	17,192	4,861	6,855
Operating income		45,700	42,294	15,791	15,468
Operating expenses	25	(27,317)	(26,536)	(9,293)	(8,376)
Other non-operating income/(expense)		127	(50)	(12)	(9)
Profit/(loss) before income tax		18,510	15,708	6,486	7,083
Income tax (expense)/income	26	(3,052)	(2,333)	(1,061)	(970)
Net profit/(loss) for the period		15,458	13,375	5,425	6,113
EARNINGS/(LOSS) PER SHARE					
Basic and diluted (in RUB)	27	9.96	8.62	3.50	3.94

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INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED) *(in millions of Russian Rubles)*

	9 months ended 30 September (unaudited)		3 months ended 30 September (unaudited)	
	2021	2020	2021	2020
Net profit/(loss) for the period	15,458	13,375	5,425	6,113
Other comprehensive income/(expense) Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	741	(298)	76	104
Income tax on cash flow hedge	(148)	60	(15)	(21)
Net change in fair value of investments and loans at fair value through other comprehensive income	(141)	167	(11)	64
Income tax on fair value of investments and loans at fair value through other comprehensive income during the period	27	(37)	3	(13)
Impairment of investments and loans at fair value through other comprehensive income	6	17	(3)	6
Other comprehensive income/(expense) after income tax	485	(91)	50	140
Total comprehensive income/(expense)	15,943	13,284	5,475	6,253

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Moscow



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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED) (in millions of Russian Roubles)

	Share capital	Share premium	Common shares repurchased	Perpetual subordinated debt	Property and equipment revaluation reserve	Fair value reserve	Cash flow hedge	Retained earnings	Total equity
31 December 2019	17,587	59,707	(17)	18,572	3,993	50	(37)	72,144	171,999
Net profit for the period	-	-	-	-	-	-	-	13,375	13,375
Other comprehensive income/(expense) for the period	-	-	-	-	-	147	(238)	-	(91)
Total comprehensive income (expense) for the period	-	-	-	-	-	147	(238)	13,375	13,284
Property and equipment disposal (net of deferred tax of RUB 62 millions)	-	-	-	-	(247)	-	-	247	-
Payment of interest on perpetual subordinated debt	-	-	-	-	-	-	-	(1,696)	(1,696)
Effect of exchange rate changes on perpetual subordinated debt	-	-	-	5,332	-	-	-	(5,332)	-
Tax effect of exchange rate changes on perpetual subordinated debt	-	-	-	-	-	-	-	1,065	1,065
Sale of shares	-	2	17	-	-	-	-	-	19
30 September 2020 (unaudited)	17,587	59,709	-	23,904	3,746	197	(275)	79,803	184,671
31 December 2020	17,587	59,709	-	22,162	3,497	204	(137)	83,353	186,375
Net profit for the period	-	-	-	-	-	-	-	15,458	15,458
Other comprehensive income/(expense) for the period	-	-	-	-	-	(108)	593	-	485
Total comprehensive income (expense) for the period	-	-	-	-	-	(108)	593	15,458	15,943
Property and equipment disposal (net of deferred tax of RUB 213 millions)	-	-	-	-	(852)	-	-	852	(1)
Payment of interest on perpetual subordinated debt	-	-	-	-	-	-	-	(1,604)	(1,604)
Effect of exchange rate changes on perpetual subordinated debt	-	-	-	(335)	-	-	-	335	-
Tax effect of exchange rate changes on perpetual subordinated debt	-	-	-	-	-	-	-	(63)	(63)
30 September 2021 (unaudited)	17,587	59,709	-	21,826	2,645	96	456	98,331	200,650

**Chairman of the Management Board
I.A. Polyakov**

24 November 2021
Moscow



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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED) (in millions of Russian Roubles)

	Notes	9 months ended	
		2021	30 September (unaudited) 2020
Cash flows from operating activities			
Interest received		64,993	67,210
Interest paid		(27,501)	(29,542)
Fees and commissions received		13,605	11,775
Fees and commissions paid		(3,889)	(3,540)
Receipts from/(payment for) financial assets at fair value through profit or loss		(1,183)	(2,895)
Receipts from/(payment for) trading in foreign currencies		(887)	2,096
Other operating income received		408	609
Receipts from/(payment for) precious metals operations		3	183
Administrative and other operating expenses paid		(23,013)	(22,862)
Income tax received/(paid)		(1,357)	(3,701)
Cash flows from/(used in) operating activities before changes in operating assets and liabilities		21,179	19,333
Changes in operating assets and liabilities			
Net (increase)/decrease in mandatory cash balances with the Central Bank of the Russian Federation		(166)	(2,271)
Net (increase)/decrease in financial assets at fair value through profit or loss		(3,386)	2,968
Net (increase)/decrease in due from banks		(4,859)	4,550
Net (increase)/decrease in loans to customers		(90,306)	(21,028)
Net (increase)/decrease in other assets		(2,282)	2,927
Net increase/(decrease) in financial liabilities at fair value through profit or loss		3,767	659
Net increase/(decrease) in due to the Central Bank of the Russian Federation		-	(18)
Net increase/(decrease) in due to banks and international financial institutions		6,077	(18,455)
Net increase/(decrease) in customer accounts		69,078	60,821
Net increase/(decrease) in debt securities issued, other than bonds issued		(547)	(12,765)
Net increase/(decrease) in other liabilities		4,054	(2,300)
Net cash from/(used in) operating activities		2,609	34,421
Cash flows from investing activities			
Purchase of financial assets at fair value through other comprehensive income		(73,000)	(140,900)
Proceeds from disposal and redemption of financial assets at fair value through other comprehensive income		30,000	172,000
Proceeds from sale and redemption of financial assets at amortised cost		20,675	24,257
Purchase of financial assets at amortised cost		(15,182)	(33,008)
Purchase of property, equipment and intangible assets		(5,657)	(6,387)
Proceeds from disposal of property and equipment		826	189
Net cash from/(used in) investing activities		(42,338)	16,151
Cash flows from financing activities			
Redemption of bonds issued by the Group		(20,000)	(9,261)
Issue of bonds		20,000	10,000
Buy back of bonds issued		(3,211)	(2,429)
Payment of interest on perpetual subordinated debt		(1,604)	(1,696)
Payments of the lease liability		(1,048)	(904)
Sale of shares		-	19
Net cash from/(used in) financing activities		(5,863)	(4,271)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(5,904)	41,251
Effect of expected credit losses on cash and cash equivalents		(5)	2
Net increase/(decrease) in cash and cash equivalents		(51,501)	87,554
CASH AND CASH EQUIVALENTS, beginning of the period	6	301,646	190,970
CASH AND CASH EQUIVALENTS, end of the period	6	250,145	278,524

Chairman of the Management Board
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24 November 2021
Moscow



The notes on pages 8-36 form an integral part of these interim condensed consolidated financial statements.

ROSBANK GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

1. Organization

ROSBANK (initially named “Nezavisimost”) is a joint stock bank which was incorporated in the Russian Federation in 1993. Over the subsequent five years, ROSBANK customers were mainly comprised of medium-sized trade, finance and technology companies, for which it conducted a variety of activities, including corporate lending, settlement, government bond trading, foreign exchange and money market transactions. In 1998 ROSBANK was acquired by the Interros Group with the initial purpose of providing banking services to Interros Group companies. In 2000 ROSBANK acquired Uneximbank which was merged into ROSBANK and ceased to exist as a legal entity. In 2002 the businesses of ROSBANK and Commercial Bank “MFK Bank”, specializing in investment banking, were consolidated. In 2003 the Interros Group acquired OVK group – one of Russia’s largest retail banking institutions. The integration of OVK with ROSBANK has transformed ROSBANK into a financial institution capable of offering universal services.

Societe Generale became the owner of 20% minus 1 share of Rosbank in 2006. In February 2008 Societe Generale became the owner of Rosbank controlling stock interest by exercising the option for acquisition of 30% stocks. In March 2008 Societe Generale offered to buy the stakes of minority shareholders at 194.09 roubles per share. Having performed the buy-out Societe Generale raised its interest in Rosbank to 57.57%. On 23 March 2009 ROSBANK issued 26,665,928 shares by way of public subscription. The issue was bought by Societe Generale and PHARANCO HOLDINGS CO. LIMITED in the proportion 60.6786% and 39.3214%, respectively. On 27 May 2009 Societe Generale increased its share in Rosbank by 7% after the purchase of this share from PHARANCO HOLDINGS CO. LIMITED.

In February 2010, Societe Generale with the consent of other shareholders of Rosbank Group took the decision to reorganize the legal structure of its Russian subsidiaries in order to build a major financial group.

The first step was achieved in January 2011 with the acquisition of 100% of the share capital of Rusfinance and Delta Credit. The two companies kept acting as separate entities, Rusfinance being mainly dedicated to consumer credit and Delta Credit to mortgages.

The second step was achieved in July 2011 with the merger of the two universal banks ROSBANK and BSGV into a single and unified company ultimately operating under a single brand. Benefiting from their differentiated positioning on both corporate and retail segments, the new structure aims at improving its financial performance by increasing revenues through cross-selling strategy and developing synergies in order to reduce operational costs.

During 2013, Societe Generale further consolidated its positions in Russian market by acquiring in December 2013 an additional 10% stake in ROSBANK equity from VTB Group, increasing it up to 92.4%. As part of the agreement ROSBANK sold to VTB Group certain Russian assets: shares listed on Moscow Exchange as well as some loans and real-estate assets.

In April 2015 Societe Generale acquired further 7% of ROSBANK’s share capital from Interros group, raising its stake to 99.4%, in line with its strategy of building up the Group’s stake in ROSBANK.

On 1 June 2019 the merger process of the mortgage bank Delta Credit and Rosbank is officially completed. “Rosbank Dom” branch has become part of the retail business of Rosbank.

On 1 March 2021 the merger process of the Rusfinance Bank LLC and Rosbank is officially completed. “Rosbank Avto” branch specializing in car loans has become part of the retail business of Rosbank.

ROSBANK is regulated by the Central Bank of the Russian Federation (the “CBR”) and conducts its business under license number 2272. ROSBANK is engaged in a full range of banking activities, including commercial and investment banking and custodial services.

The registered office of ROSBANK is located at 34, Masha Poryvaeva Street, Moscow, 107078, Russian Federation.

As of 30 September 2021 and 31 December 2020 ROSBANK had 10 branches operating in the Russian Federation.

ROSBANK GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

ROSBANK (“the Bank”) is the parent company of a banking group (the “Group”) which consists of the following material enterprises as of 30 September 2021, 31 December 2020 and 30 September 2020:

Name	Country of incorporation	Group’s ownership interest / voting rights, %			Type of operations
		30 September 2021	31 December 2020	30 September 2020	
Rusfinance Bank LLC	Russia	Merged	100/100	100/100	–
Rusfinance LLC	Russia	100/100	100/100	100/100	Commerce
RB Factoring LLC	Russia	100/100	100/100	100/100	Factoring
RB Leasing LLC	Russia	100/100	100/100	100/100	Leasing
ORS JSC	Russia	Liquidated	100/100	100/100	–
RB Specialized Depository LLC	Russia	100/100	100/100	100/100	Depository services
RB Service LLC	Russia	100/100	100/100	100/100	Service company
Telsikom LLC	Russia	100/100	100/100	100/100	Telecommunication services
SG Finance CJSC	Russia	100/100	100/100	100/100	Leasing
RB Capital AM LLC	Russia	100/100	100/100	–	Asset Management
RB Trading	Russia	100/100	–	–	Dealer activity

On 12 March 2020 the Group took decision to close its subsidiary – ORS JSC. On 9 March 2021 the liquidation of ORS JSC was completed.

In February 2021 the Group took decision to increase the authorized capital of RB Capital LLC by additional contribution of 178 million Roubles to the amount of 224 million Roubles.

In March 2021 the Group took decision to establish “RB Trading” Limited Liability Company. The Group's share in the company's authorized capital is 100% with a nominal value of 45 million Roubles.

On 5 April 2021 the official registration of RB Trading LLC took place.

As of 30 September 2021 and 31 December 2020, the controlling shareholder of ROSBANK is Societe Generale S.A. with share more than 99%.

2. Going concern

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

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

3. Basis of presentation

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 “*Interim Financial Reporting*”.

The interim condensed consolidated financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements. Additionally, the Group has provided disclosures where significant events have occurred subsequent to the issuance of the Group's annual consolidated financial statements for 2020 prepared in accordance with IFRS. Management believes that the disclosures in these interim condensed consolidated financial statements are adequate to make the information presented not misleading if these financial statements are read in conjunction with the Group's annual consolidated financial statements for 2020 prepared in accordance with IFRS. In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the Group's financial position, results of operations, statements of changes in equity and cash flows for the interim reporting periods.

ROSBANK GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

Since the results of the Group's operations closely relate to and depend on changing market conditions, the results of the Group's operations for the interim period are not necessarily indicative of the results for the full year.

Effect of COVID-19 pandemic

Due to rapid spread of COVID-19 pandemic in the early of 2020 many governments, including the Russian Government, have introduced various measures to combat the outbreak, including travel restrictions, quarantines, closure of business and other venues and lockdown of certain area. These measures have affected the global supply chain, demand for goods and services, as well as scale of business activity. It is expected that pandemic itself as well as measures for its consequences' minimization may influence the business of the entities in wide range of industries.

Support measures were introduced by the Government and the Central Bank of Russia to counter the economic downturn caused by the COVID-19 pandemic. These measures include, among others, subsidized lending to affected industries and individuals, payment holidays and easing of certain regulatory restrictions to help the financial sector maintain its capabilities to provide resources and to help customers avoid liquidity shortages as a result of the COVID-19 containment measures.

In 2021, the economic gradually began to recover after 2020, but the recovery is still unstable. The duration of the pandemic remains uncertain, the epidemiological situation is affected by the emergence of new COVID-19 strains, restrictive measures still operate in certain business areas and economy sectors. In 2021 support measures from the Government remain one of the key areas of the economic.

The Group continues to assess the expected impact of these trends on its operations and financial position.

Other basis of presentation criteria

These interim condensed consolidated financial statements are presented in millions of Russian Roubles ("mRUB"), unless otherwise indicated.

These interim condensed consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair values, and certain land and buildings that are measured at revalued amounts according to International Accounting Standard 16 *Property, Plant and Equipment* ("IAS 16"). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these interim condensed consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ROSBANK GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

The Bank and its consolidated companies, registered in the Russian Federation, maintain their accounting records in accordance with Russian Accounting Standards (RAS), foreign consolidated companies of the Group maintain their accounting records in accordance with the law of the countries, in which they operate. These interim condensed consolidated financial statements have been prepared from the statutory accounting records and have been adjusted to conform to IFRS.

Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the parent of the Group is the Russian rouble (RUB). The presentation currency of the interim condensed consolidated financial statements of the Group is the RUB. All values are rounded to the nearest million RUB, except when otherwise indicated.

Offset of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the interim condensed consolidated statement of financial position only when there is a currently legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expense is not offset in the interim condensed consolidated statement of profit or loss unless required or permitted by any accounting standard or interpretation permitted by any IFRS, and as specifically disclosed in the accounting policies of the Group.

4. Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2020, except for the accounting policies and impact of the adoption of the Standards and Interpretations described below.

Rates of exchange and commodity prices

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

	30 September 2021	31 December 2020
RUB/1 US Dollar	72.7608	73.8757
RUB/1 Euro	84.8755	90.6824
RUB/Gold (1 ounce)	126,807.52	139,447.77
RUB/Platinum (1 ounce)	70,068.65	78,899.25
RUB/Palladium (1 ounce)	138,172.76	173,016.89
RUB/Silver (1 ounce)	1,566.18	1,956.60

Critical accounting judgements and key sources of estimation uncertainty

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the Group's annual consolidated financial statements for 2020 prepared in accordance with IFRS.

The Group adopted new Standards effective as of 1 January 2021 as described below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

ROSBANK GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

5. Application of new and revised International Financial Reporting Standards (IFRS)

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The nature and the impact of each amendment is described below:

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

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no material impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

6. Cash and cash equivalents

Cash and cash equivalents comprise:

	30 September 2021 mRUB (unaudited)	31 December 2020 mRUB
Cash	11,159	15,078
Balances with the Central Bank of the Russian Federation	37,983	76,521
Current accounts in banks	40,696	55,312
Demand deposits in banks	28,200	12,776
Loans under reverse repurchase agreements	17,107	10,618
Due from banks with original maturity within 90 days	115,014	131,350
Cash and cash equivalents	250,159	301,655
Less – credit loss allowance	(14)	(9)
Total cash and cash equivalents	250,145	301,646

ROSBANK GROUP

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Fair value of assets pledged and carrying value of loans under the reverse repurchase agreements as at 30 September 2021 and 31 December 2020 comprise:

	30 September 2021 mRUB (unaudited)		31 December 2020 mRUB	
	Carrying value of loan	Fair value of collateral	Carrying value of loan	Fair value of collateral
Eurobonds of central government of the Russian Federation	6,599	7,073	4,403	4,674
Bonds of the Russian Federation	5,239	5,489	1,853	1,964
Shares of Russian companies	3,613	3,467	3,174	4,600
Shares of Russian banks	1,545	2,360	1,188	1,813
Eurobonds of Russian banks	111	122	-	-
Total loans under reverse repurchase agreements	17,107	18,511	10,618	13,051

7. Financial assets at fair value through profit or loss

	30 September 2021 mRUB (unaudited)	31 December 2020 mRUB
Debt securities	5,726	2,413
Derivative financial instruments (Note 9)	42,142	54,454
Shares	197	191
Total financial assets at fair value through profit or loss	48,065	57,058

The debt securities included in financial assets at fair value through profit or loss relate entirely to financial assets held-for-trading.

	30 September 2021 Amount mRUB (unaudited)	31 December 2020 Amount mRUB
Debt securities		
Debt securities of the Russian Federation	3,667	2,413
Eurobonds of of Russian companies	1,470	-
Eurobonds of Russian banks	328	-
Bonds of Russian banks	261	-
Total debt securities	5,726	2,413

8. Due from banks

	30 September 2021 mRUB (unaudited)	31 December 2020 mRUB
Term deposits in banks	18,394	13,651
Less – credit loss allowance	(8)	(18)
Total due from banks	18,386	13,633

As of 30 September 2021 and 31 December 2020 the Group didn't have loans and advances to banks, which individually exceeded 10% of the Group's equity.

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9. Derivative financial instruments

Derivative financial instruments comprise:

	30 September 2021 mRUB (unaudited)			31 December 2020 mRUB		
	Nominal value	Fair value Assets	Fair value Liabilities	Nominal value	Fair value Assets	Fair value Liabilities
Derivative financial instruments						
Foreign exchange and interest rate contracts						
Swaps	197,690	1,213	(1,476)	197,228	1,183	(2,593)
Forwards	85,053	1,454	(415)	86,275	2,023	(1,151)
IRS/CIRS/CDS	599,530	34,967	(33,116)	608,402	44,882	(43,502)
Cash flow hedge	10,452	1,717	(45)	10,211	1,385	(416)
Fair value hedge	10,530	335	–	17,559	42	(264)
Foreign exchange and interest rate options	166,302	2,202	(2,197)	199,669	4,729	(4,749)
Total foreign exchange and interest rate contracts		41,888	(37,249)		54,244	(52,675)
Contracts on precious metals, commodities and equities						
Commodities and equities options	5,672	254	(254)	6,046	210	(210)
Total contracts on precious metals, commodities and equities		254	(254)		210	(210)
Total		42,142	(37,503)		54,454	(52,885)

Cash flow hedge

Cash flow hedging is represented by a swap agreement (hedging instrument) that provides the Group with protection against adverse changes in future cash flows related to a subordinated loan, received from Societe General, denominated in US Dollars, as a result of a change in exchange rate. As at 30 September 2021, this portion of the group's cash flow hedging relates to a portion of the subordinated loan in the amount of USD 154 million.

Another part of the group's cash flow hedge relates to the risk of changes in the estimated cash flows of financial liabilities related to the Societe General Group share-based payment program.

Fair value hedge

The group's fair value hedge relates to the risk of changes in the fair value of securities carried at amortized cost due to changes in interest rates. In Q1 2021 some hedging relationships were revoked. Accumulated negative change in fair value of eurobonds ceased to be hedged is RUB 89 million and will be amortized as interest income during their residual maturity. As at 30 September 2021, the fair value hedge relates to Government bonds of Russian Federation at fixed rate with a par value of RUB 5,000 million and Government eurobonds of Russian Federation at fixed rate with a par value of USD 76 million. As at 31 December 2020, the fair value hedge relates to Government bonds of Russian Federation at fixed rate with a par value of RUB 5,000 million and Government eurobonds of Russian Federation at fixed rate with a par value of USD 170 million (USD 34 million with maturity in 2026; USD 60 million with maturity in 2027; USD 76 million with maturity in 2029)

Embedded derivatives

The Group issued structural bonds with embedded derivatives included in financial assets at fair value through profit and loss in amount RUB 2,455 million as at 30 September 2021 and in amount RUB 2,638 million as at 31 December 2020, respectively. Simultaneously the Group entered into interest rate swap contracts to compensate future cash flows to be paid on structural bonds issued. The fair value of interest rate swaps included in financial liabilities at fair value through profit and loss amounted to RUB 2,455 million as at 30 September 2021 and amounted to RUB 2,638 million as at 31 December 2020, respectively.

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10. Loans to customers

	30 September 2021 mRUB (unaudited)	31 December 2020 mRUB
Loans at amortised cost		
Loans to Corporate business		
Loans to legal entities	312,082	276,320
Net investments in finance lease	29,930	21,187
Loans to Retail business		
Loans to individuals	567,381	530,304
Total loans at amortized cost	909,393	827,811
Loans at fair value through other comprehensive income		
Loans to individuals	8,460	7,354
Total loans at fair value through other comprehensive income	8,460	7,354
Total loans to customers before credit loss allowance	917,853	835,165
Less – credit loss allowance	(40,432)	(42,827)
Total loans to customers	877,421	792,338

As of 30 September 2021 the Group had loans to one group of customers and as of 31 December 2020 the Group had no loans to groups of customers, which individually exceeded 10% of the Group's equity.

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

As of 30 September 2021 the modifications are non-substantial.

11. Investments at fair value through other comprehensive income

	30 September 2021 (unaudited)		31 December 2020	
	Nominal interest rate %	Amount mRUB	Nominal interest rate %	Amount mRUB
Debt securities				
Bonds of the Russian Federation	6.50%-6.75%	74,142	4.25%-6.50%	30,554
Eurobonds of Russian companies	5.00%	420	5.00%	428
Total investments at fair value through other comprehensive income		74,562		30,982

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12. Investments at amortised cost

	30 September 2021 (unaudited)		31 December 2020	
	Nominal annual interest rate	Amount mRUB	Nominal annual interest rate	Amount mRUB
Bonds of the Russian Federation and its subjects	6.00%-8.50%	69,115	6.00%-8.50%	78,301
Eurobonds of the Russian Federation	4.25%-7.50%	23,305	4.25%-7.50%	24,773
Debt securities of local authorities	7.38%	2,245	–	–
Bonds of Russian companies	6.75%-8.90%	2,194	6.75%-8.90%	680
Changes in fair value of hedged items		(421)		134
Less – credit loss allowance		(25)		(23)
Total investments at amortised cost		96,413		103,865

13. Financial liabilities at fair value through profit or loss

	30 September 2021 mRUB (unaudited)	31 December 2020 mRUB
Derivative financial instruments	37,503	52,885
Short position on securities	5,558	1,791
Total financial liabilities at fair value through profit or loss	43,061	54,676

Derivative financial instruments are disclosed in Note 9.

14. Due to banks and international financial institutions

	30 September 2021 mRUB (unaudited)	31 December 2020 mRUB
Demand accounts	47,639	42,110
Time deposits	2,493	2,600
Total due to banks and international financial institutions	50,132	44,710

As at 30 September 2021 and 31 December 2020 included in due to banks are RUB 21,246 million and RUB 21,082 million (11% and 11% of Group equity), respectively, that were due to three and three banks, respectively, which represents a significant concentration.

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15. Customer accounts

	30 September 2021 mRUB (unaudited)	31 December 2020 mRUB
Corporate		
Time deposits	336,658	297,090
Repayable on demand	316,014	293,268
Total corporate	652,672	590,358
Individuals		
Time deposits	97,310	123,689
Repayable on demand	230,879	210,591
Total individuals	328,189	334,280
Total customer accounts	980,861	924,638

Customer accounts which were held as security against letters of credit and guarantees issued and other transaction related contingent obligations of the Group are presented in Note 28.

16. Debt securities issued

	Annual coupon rates %	30 September 2021 mRUB (unaudited)	Annual coupon rates %	31 December 2020 mRUB
Bonds of Rosbank due in 2021-2026	5.60%-12.00%	93,726	5.60%-12.00%	96,669
Exchange structural bonds of Rosbank due in 2024	7.42%-9.89%	10,269	5.65%-9.89%	10,126
Discount bearing promissory notes	7.61%-8.37%	711	7.61%-8.37%	1,238
Total debt securities issued		104,706		108,033

During the period January – September 2021 the following bonds were redeemed:

Issuer	Issue date	Maturity date	Debt volume, mRUR	Annual coupon rate, %
Rosbank	26.04.2019	27.04.2021	10,000	8.50%
Rosbank	29.05.2020	30.05.2021	10,000	5.60%

During the period January – September 2021 the following bonds were issued:

Issuer	Issue date	Maturity date	Debt volume, mRUR	Annual coupon rate, %
Rosbank	13.07.2021	15.07.2023	20,000	7.60%

17. Subordinated debt

	Currency	Interest Rate %	30 September 2021 mRUB (unaudited)	Interest Rate, %	31 December 2020 mRUB
Societe Generale S.A. due in 2029	USD	LIBOR 6M + 268 bp	21,277	LIBOR 6M + 268 bp	21,450
Total subordinated debt			21,277		21,450

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In December 2019 the terms of subordinated loans attracted by the Group from Societe General S.A. in February 2008 and January 2010 in the amount of USD 125 million, 165 million and annual interest rates of 6.5% и 6.8% and maturity in February 2023 and January 2023 were modified. According to amended terms of the agreement Societe Generale S.A. granted to the Group subordinated loans in the amount of USD 125 million, 165 million with an annual initial interest rate of LIBOR 6 months + 268 bp and half year interest payment. Rate of interest is to be reset every half year.

In the event of bankruptcy or liquidation of the Group, repayment of this debt is subordinate to the repayments of the Group's liabilities to all other creditors.

18. Share capital

As of 30 September 2021 and 31 December 2020 the nominal share capital totaling RUB 17,587 million issued and fully paid comprised 1,551,401,853 ordinary shares with par value of RUB 10 each. All shares are ranked equally and carry one vote. The hyperinflation effect has been recorded in the amount of RUB 2,073 million.

As of 30 September 2021 and 31 December 2020 share premium totaling RUB 59,709 million represents an excess of contributions received in share capital over the nominal value of shares issued.

As at 30 September 2021 and 31 December 2020 the Group's share capital comprised the following number of shares of RUB 10 each:

	Share capital authorized	Share capital authorized but not issued	Share capital issued and paid in
Number of ordinary shares	1,846,461,466	295,059,613	1,551,401,853

19. Perpetual subordinated debt

The Group accounts for the perpetual subordinated loans as an equity instrument in the consolidated statement of financial position due to undefined maturity and an option for cancellation of both the debt and the interest payment by the Group.

Interest payments may be cancelled in accordance with the terms of the perpetual subordinated loan. At the moment the interest under the perpetual subordinated loan becomes non-cancellable, it is recorded as a part of equity.

Central Bank of Russian Federation has approved the inclusion of the perpetual subordinated loan in the regulatory capital of the Bank.

	Currency	Interest Rate, %	30 September 2021 mRUB (unaudited)	Interest Rate, %	31 December 2020 mRUB
Societe Generale S.A.	USD	7.25%*	10,913	7.25%*	11,081
Societe Generale S.A.	USD	LIBOR 6M + 687 bp	10,913	LIBOR 6M + 687 bp	11,081
Total perpetual subordinated debt			21,826		22,162

* Annual initial interest rate of 7.25% and annual interest payment. Rate of interest is to be reset every 5 years.

In January 2019 the terms of subordinated loan attracted by the Group from Societe General S.A. in August 2012 in the amount of USD 150 million and annual interest rate of 6M + 765.2 and maturity in December 2022 were modified. According to amended terms of the agreement Societe Generale S.A. granted to the Group perpetual subordinated loan in the amount of USD 150 million with an interest rate of LIBOR 6M + 687 bp and half-annual interest payment.

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20. Net interest income

	2021	9 months ended 30 September mRUB (unaudited) 2020	2021	3 months ended 30 September mRUB (unaudited) 2020
Interest income at effective interest rate				
<i>Interest income on financial assets recorded at amortized cost</i>				
Interest on loans to individuals	40,151	41,713	13,792	13,888
Interest on loans to corporate customers	13,248	14,353	4,970	4,470
Interest on investments at amortised cost	4,645	4,300	1,562	1,424
Interest on due from banks	2,091	3,116	849	1,292
<i>Interest income on financial assets recorded at fair value through other comprehensive income</i>				
Interest income on investments at fair value through other comprehensive income	2,781	1,933	1,059	381
Interest on loans to individuals at fair value through other comprehensive income	529	226	229	86
Total interest income at effective interest rate	63,445	65,641	22,461	21,541
Other interest income				
Interest income on financial assets at fair value through profit and loss	113	238	54	87
Total other interest income	113	238	54	87
Total interest income	63,558	65,879	22,515	21,628
Interest expense at effective interest rate				
<i>Interest expense on financial liabilities recorded at amortized cost</i>				
Interest on corporate customer accounts	13,490	14,258	5,418	4,470
Interest on deposits from individuals	5,524	7,774	2,028	2,279
Interest on debt securities issued	5,391	5,639	1,827	1,808
Interest on subordinated debt	765	677	247	227
Interest on deposits from banks	699	742	266	213
Interest on deposits of the Central Bank of the Russian Federation	–	1	–	1
Total interest expense calculated using effective interest rate	25,869	29,091	9,786	8,998
Other interest expense				
Lease liabilities	317	271	104	96
Total other interest expense	317	271	104	96
Total interest expense	26,186	29,362	9,890	9,094
Net interest income	37,372	36,517	12,625	12,534

21. Credit loss expense and other provisions

For 9 and 3 months ended 30 September 2021 and 2020 the amount of credit loss expenses in the interim consolidated statement of profit or loss comprises:

	2021	9 months ended 30 September mRUB (unaudited) 2020	2021	3 months ended 30 September mRUB (unaudited) 2020
Stage 1 net allocations	1,169	2,085	903	1,646
Stage 2 net allocations	430	2,099	(417)	(1,240)
Stage 3 net allocations	2,485	7,202	1,543	3,486
POCI net allocations	–	(1)	–	–
Recoveries of loans written off	(350)	(12)	(348)	(11)
Write offs not covered by provisions	54	42	14	40
Credit loss expenses	3,788	11,415	1,695	3,921

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An analysis of changes in the ECLs for financial assets for 9 months ended 30 September 2021 is, as follows:

	Cash and cash equivalents and due from banks mRUB (unaudited)	Loans to Corporate business mRUB (unaudited)	Loans to Retail business mRUB (unaudited)	Investments at amortised cost mRUB (unaudited)	Investments and loans at FVOCI mRUB (unaudited)	Total mRUB (unaudited)
Stage 1						
ECL as at 1 January 2021	27	689	8,850	23	1	9,590
Transfers to Stage 1	–	131	736	–	–	867
Transfers to Stage 2	(5)	(2)	(70)	–	–	(77)
Transfers to Stage 3	–	(5)	(157)	–	–	(162)
Net allocations	–	56	1,105	2	1	1,164
Foreign exchange adjustments	–	(3)	(5)	–	–	(8)
ECL as at 30 September 2021	22	866	10,459	25	2	11,374
Stage 2						
ECL as at 1 January 2021	–	644	1,310	–	–	1,954
Transfers to Stage 1	–	(125)	(247)	–	–	(372)
Transfers to Stage 2	5	2	469	–	–	476
Transfers to Stage 3	–	(6)	(882)	–	–	(888)
Net allocations	(5)	(339)	741	–	–	397
Foreign exchange adjustments	–	(3)	–	–	–	(3)
ECL as at 30 September 2021	–	173	1,391	–	–	1,564
Stage 3						
ECL as at 1 January 2021	–	5,751	25,570	–	–	31,321
Transfers to Stage 1	–	(6)	(489)	–	–	(495)
Transfers to Stage 2	–	–	(399)	–	–	(399)
Transfers to Stage 3	–	11	1,039	–	–	1,050
Net allocations	–	(617)	2,629	–	–	2,012
Amounts sold and written off	–	(2,346)	(3,564)	–	–	(5,910)
Foreign exchange adjustments	–	(28)	(21)	–	–	(49)
ECL as at 30 September 2021	–	2,765	24,765	–	–	27,530
POCI						
ECL as at 1 January 2021	–	–	13	–	–	13
Allowance charge	–	–	–	–	–	–
ECL as at 30 September 2021	–	–	13	–	–	13
Total at 1 January 2021	27	7,084	35,743	23	1	42,878
Total at 30 September 2021	22	3,804	36,628	25	2	40,481

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An analysis of changes in the ECLs for financial assets for 9 months ended 30 September 2020 is, as follows:

	Cash and cash equivalents and due from banks mRUB (unaudited)	Loans to Corporate business mRUB (unaudited)	Loans to Retail business mRUB (unaudited)	Investments at amortised cost mRUB (unaudited)	Investments and loans at FVOCI mRUB (unaudited)	Total mRUB (unaudited)
Stage 1						
ECL as at 1 January 2020	8	622	4,868	15	2	5,515
Transfers to Stage 1	–	27	353	–	–	380
Transfers to Stage 2	–	(66)	(113)	–	–	(179)
Transfers to Stage 3	–	(4)	(166)	–	–	(170)
Net allocations	22	75	1,991	5	–	2,093
Foreign exchange adjustments	3	35	67	1	–	106
ECL as at 30 September 2020	33	689	7,000	21	2	7,745
Stage 2						
ECL as at 1 January 2020	–	52	1,413	–	–	1,465
Transfers to Stage 1	–	(23)	(195)	–	–	(218)
Transfers to Stage 2	–	67	203	–	–	270
Transfers to Stage 3	–	(2)	(1,726)	–	–	(1,728)
Net allocations	–	333	1,766	–	–	2,099
Foreign exchange adjustments	–	8	2	–	–	10
ECL as at 30 September 2020	–	435	1,463	–	–	1,898
Stage 3						
ECL as at 1 January 2020	–	5,237	25,129	–	–	30,366
Transfers to Stage 1	–	(4)	(158)	–	–	(162)
Transfers to Stage 2	–	(1)	(90)	–	–	(91)
Transfers to Stage 3	–	6	1,892	–	–	1,898
Net allocations	–	536	6,410	–	–	6,946
Amounts written off	–	(676)	(6,044)	–	–	(6,720)
Foreign exchange adjustments	–	849	194	–	–	1,043
ECL as at 30 September 2020	–	5,947	27,333	–	–	33,280
POCI						
ECL as at 1 January 2020	–	–	14	–	–	14
Allowance charge	–	–	(1)	–	–	(1)
ECL as at 30 September 2020	–	–	13	–	–	13
Total at 1 January 2020	8	5,911	31,424	15	2	37,360
Total at 30 September 2020	33	7,071	35,809	21	2	42,936

For 9 and 3 months ended 30 September 2021 and 2020 the amount of other provision comprises:

	9 months ended 30 September mRUB (unaudited)		3 months ended 30 September mRUB (unaudited)	
	2021	2020	2021	2020
Net allocations	89	15	18	18
Recoveries of debtors receivables written off	(92)	(74)	(33)	(30)
Write offs not covered by provisions	40	69	13	13
Net repossessed collateral (recoveries)/impairment	(1,248)	982	(1,012)	940
Other provisions and impairment	(1,211)	992	(1,014)	941

The information about other provisions of the Group is disclosed in Note 28.

Allowance for impairment losses on assets is deducted from the respective assets. Provision for impairment losses on financial guarantees issued, claims and other commitments is presented in liabilities.

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An analysis of changes in the ECLs for other financial assets, financial guarantees, credit lines, letters of credit and for 9 months ended 30 September 2021 is, as follows:

	Provisions for financial guarantees, credit lines, letters of credit mRUB (unaudited)	Provision for other assets mRUB (unaudited)	Total mRUB (unaudited)
Stage 1			
ECL as at 1 January 2021	134	8	142
Transfers to Stage 1	10	11	21
Transfers to Stage 2	(4)	–	(4)
Transfers to Stage 3	(2)	–	(2)
Net allocations	(2)	7	5
Foreign exchange adjustments	(2)	–	(2)
ECL as at 30 September 2021	134	26	160
Stage 2			
ECLs as at 1 January 2021	68	4	72
Transfers to Stage 1	(10)	–	(10)
Transfers to Stage 2	4	–	4
Transfers to Stage 3	(6)	–	(6)
Net allocations	34	(1)	33
Foreign exchange adjustments	(2)	–	(2)
ECL as at 30 September 2021	88	3	91
Stage 3			
ECLs as at 1 January 2021	63	1,278	1,341
Transfers to Stage 1	–	(11)	(11)
Transfers to Stage 2	–	–	–
Transfers to Stage 3	8	–	8
Net allocations	373	100	473
Amounts sold and written off	–	(13)	(13)
Foreign exchange adjustments	–	(2)	(2)
ECL as at 30 September 2021	444	1,352	1,796
Total at 1 January 2021	265	1,290	1,555
Total at 30 September 2021	666	1,381	2,047

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An analysis of changes in the ECLs for other financial assets, financial guarantees, credit lines, letters of credit and for 9 months ended 30 September 2020 is, as follows:

	Provisions for financial guarantees, credit lines, letters of credit mRUB (unaudited)	Provision for other assets mRUB (unaudited)	Total mRUB (unaudited)
Stage 1			
ECL as at 1 January 2020	118	7	125
Transfers to Stage 1	3	–	3
Transfers to Stage 2	(9)	–	(9)
Transfers to Stage 3	–	–	–
Net allocations	(9)	1	(8)
Foreign exchange adjustments	11	1	12
ECL as at 30 September 2020	114	9	123
Stage 2			
ECLs as at 1 January 2020	17	4	21
Transfers to Stage 1	(3)	–	(3)
Transfers to Stage 2	42	–	42
Transfers to Stage 3	–	–	–
Net allocations	–	–	–
Foreign exchange adjustments	4	–	4
ECL as at 30 September 2020	60	4	64
Stage 3			
ECLs as at 1 January 2020	44	1,058	1,102
Transfers to Stage 1	–	–	–
Transfers to Stage 2	(33)	–	(33)
Transfers to Stage 3	–	–	–
Net allocations	23	233	256
Amounts written off	–	(98)	(98)
Foreign exchange adjustments	–	8	8
ECL as at 30 September 2020	34	1,201	1,235
Total at 1 January 2020	179	1,069	1,248
Total at 30 September 2020	208	1,214	1,422

The movements in provisions according to IAS 37 were as follows:

	Provision for claims and other commitments mRUB (unaudited)
Provision as at 1 January 2020	298
Allowance charge	107
Recoveries	(92)
Amounts written off	(48)
Foreign exchange adjustments	1
Provision as at 30 September 2020	266
Provision as at 1 January 2021	594
Allowance charge	261
Recoveries	(171)
Amounts written off	(43)
Foreign exchange adjustments	–
Provision as at 30 September 2021	641

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22. Net (loss)/gain on financial assets and liabilities at fair value through profit or loss, except forex swaps and forwards

Net (loss)/gain on financial assets and liabilities at fair value through profit or loss, except forex swaps and forwards comprises:

	9 months ended 30 September		3 months ended 30 September	
	2021	mRUB (unaudited) 2020	2021	mRUB (unaudited) 2020
Net (loss)/gain on operations with financial assets and liabilities at fair value through profit or loss comprise:				
Realized gain on trading operations	150	(68)	27	(4)
Unrealized revaluation of securities at fair value through profit or loss	(229)	(85)	(71)	(78)
Net (loss)/gain on operations with derivative financial instruments, except forex swaps and forwards	(873)	3,171	(521)	2,311
Total net (loss)/gain on operations with financial assets and liabilities at fair value through profit or loss, except forex swaps and forwards	(952)	3,018	(565)	2,229

23. Net gain on foreign exchange operations

	9 months ended 30 September		3 months ended 30 September	
	2021	mRUB (unaudited) 2020	2021	mRUB (unaudited) 2020
Net gain on foreign exchange operations	3,049	3,077	1,542	229
Exchange differences	(506)	2,821	(219)	1,611
Effect of foreign currency swap instruments	(770)	(611)	(385)	(133)
Total net gain on foreign exchange operations	1,773	5,287	938	1,707

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24. Fee and commission income and expense

	9 months ended 30 September mRUB (unaudited)		3 months ended 30 September mRUB (unaudited)	
	2021	2020	2021	2020
Fee and commission income				
Plastic cards operations	3,802	3,348	1,414	1,217
Agency operations	3,668	2,983	1,244	1,052
Settlements	2,149	2,263	713	808
Documentary operations	1,285	1,077	448	388
Internet bank	868	897	301	306
Cash operations	439	346	160	129
SMS-informing	200	283	50	98
Other operations	1,158	1,013	398	348
Total fee and commission income	13,569	12,210	4,728	4,346
Fee and commission expense				
Plastic cards operations	2,664	2,235	954	847
Agency operations	381	473	123	171
Settlements	299	265	115	103
Cash operations	211	273	68	78
Documentary operations	19	63	7	10
Other operations	298	193	102	53
Total fee and commission expense	3,872	3,502	1,369	1,262

25. Operating expenses

	9 months ended 30 September mRUB (unaudited)		3 months ended 30 September mRUB (unaudited)	
	2021	2020	2021	2020
Salary and bonuses	10,991	11,666	3,736	3,560
Unified social tax contribution	2,846	2,841	877	784
Depreciation charge on property and equipment and right-of-use assets	5,683	4,137	2,004	1,483
Professional services	2,044	1,558	640	493
Repairs and maintenance expense	1,411	1,545	432	475
Deposit insurance charge	1,139	1,099	426	372
Advertising and marketing expenses	1,087	743	382	244
Communications	531	697	184	200
Operating lease expense	208	210	100	75
Security	128	131	41	42
Transportation expenses	80	153	28	53
Other	1,169	1,756	443	595
Total operating expenses	27,317	26,536	9,293	8,376

26. Income tax

The Group measures and records its current income tax payable in its assets and liabilities in accordance with the tax regulations of RF and countries where the Group and its subsidiaries operate, which may differ from IFRS.

The Group is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses and certain income being treated as non-taxable for tax purposes.

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Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as of 30 September 2021 and 31 December 2020 relate mostly to different methods/timing of income and expense recognition as well as to temporary differences generated by tax - book bases' differences for certain assets.

The tax rate used for the reconciliations below is the corporate tax rate of 20% payable by corporate entities in the RF on taxable profits (as defined) under tax law in that jurisdiction.

Based on semi-annual tax business planning exercise, the Group believes that it will generate sufficient taxable profits to recover the deferred tax assets recognized as of 30 September 2021.

Income tax expense for 9 and 3 months ended 30 September 2021 and 2020 comprise:

	9 months ended 30 September mRUB (unaudited)		3 months ended 30 September mRUB (unaudited)	
	2021	2020	2021	2020
Current tax charge	1,527	2,862	670	572
Deferred tax charge – origination and reversal of temporary differences and tax loss carried forward	1,646	(552)	403	432
Less: deferred tax recognized directly in other comprehensive income	(121)	23	(12)	(34)
Income tax expense	3,052	2,333	1,061	970

27. Earnings per share attributable to equity holders of the parent

	9 months ended 30 September mRUB (unaudited)		3 months ended 30 September mRUB (unaudited)	
	2021	2020	2021	2020
Profit				
Net profit attributable to equity holders of the parent for the period (mRUB)	15,458	13,375	5,425	6,113
Weighted average number of ordinary shares				
For basic and diluted earnings per share	1,551,401,853	1,551,280,220	1,551,401,853	1,551,125,137
Earnings per share – basic and diluted (RUB)	9.96	8.62	3.50	3.94

28. Commitments and contingencies

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the statement of financial position.

The Group's maximum exposure to credit risk under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments.

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The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations. Extension of loans to customers within credit line limits is approved by the Group on a case-by-case basis and depends on borrowers' financial performance, debt service and other conditions.

	30 September 2021 mRUB (unaudited)	31 December 2020 mRUB
Litigations and other provisions	641	594
Provision for losses on letters of credit and guarantees	666	265
Total other provisions	1,307	859

As of 30 September 2021 and 31 December 2020, letters of credit and other transactions related to contingent obligations covered by cash on customers' accounts amounted to RUB 529 million and RUB 167 million, respectively and guarantees issued covered by cash amounted RUB 20 million as of 31 December 2020.

As of 30 September 2021 and 31 December 2020, the nominal or contract amounts were:

	30 September 2021 (unaudited) Nominal amount mRUB	31 December 2020 Nominal amount mRUB
Contingent liabilities and credit commitments		
Guarantees issued and similar commitments	187,441	150,593
Commitments on loans and unused credit lines	106,214	172,169
Letters of credit and other transaction related contingent obligations	51,295	59,729
Total contingent liabilities and credit commitments	344,950	382,491

The Group has commitments to provide funds under credit lines facilities. However, the Group has a right not to exercise such commitments due to certain conditions.

Legal proceedings

From time to time and in the normal course of business, claims against the Group are received from customers and counterparties. Management is of the opinion that no material unaccrued losses will be incurred.

Taxation

The current provisions of the Russian tax legislation are characterized by a significant degree of uncertainty, allow ambiguous interpretation, selective and inconsistent application, and are subject to frequent changes with the possibility of their retrospective application. Every year the approach of the Russian tax authorities in interpreting tax legislation becomes tougher. As a result, previously uncontested tax accounting positions could be challenged in future tax audits.

Russian transfer pricing regulations set out reporting and documentation requirements of the Group's companies aimed to control prices in transactions between related parties and certain transactions with related parties. In light of the uncertainty and absence of extensive practice of application of the Russian transfer pricing legislation it cannot be excluded that in case the prices applied in controlled transactions differ from the market level, the amounts of taxable income/expenses on such transactions could be disputed by the Russian tax authorities, including based on special rules provided for transactions with securities and derivative financial instruments. The sum of potential liabilities from tax authorities pertaining to the transfer pricing could not be reliably estimated. Nonetheless, in the Management's opinion prices applied by the related parties of the Group in controlled transactions and as well as in transactions between Russian related parties at arm length principle; the Group's methodology for determining market level in transactions between related parties comply with the Russian transfer pricing rules.

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Russian tax legislation establishes the obligation for taxpayers that are constituent entities of a multinational group to submit a Country by country report (“CbCR”). Group companies are obliged to provide Russian tax authorities with CbCR Notification.

Russian tax legislation establishes the procedure for the automatic exchange of information on financial accounts with foreign countries (territories). As part of the requirements for the automatic exchange of information on the financial accounts of a company, the Group is obliged to perform additional procedures to identify its clients, their beneficiaries and (or) persons controlling them, in order to identify tax residents of foreign countries (territories), and to submit annual reports on the accounts of such entities to the Federal Tax Service. The Management believes that the Group companies that are subject to reporting obligations are in compliance with the abovementioned procedures and requirements.

Russian and international tax legislation sets out a number of double tax treaty application requirements and as well as the provisions of the Tax Code of the Russian Federation to be met in order to apply a tax exemption or reduced withholding tax rates to payments made in favor of non-residents. The implementation of these requirements is associated with an increase of the administrative, and, in some cases, the tax burden on Russian taxpayers. The Group companies apply a tax exemption or reduced withholding tax rates envisaged by the double tax treaties concluded by Russia to payments made in favor of non-residents based on the established procedure for analyzing and documenting the beneficial ownership of the income recipient. In the Management’s opinion the procedures applied by the Group allow to minimize the potential tax risks arising from taxation of income paid in favor of non-residents.

The Russian tax law sets out the general anti-avoidance rules that allow the Russian tax authorities to deny recovery of input VAT and challenge the deductibility of certain expenses for profits tax purposes. In the Management’s opinion the Group companies comply with the general anti-avoidance rules.

The COVID-19 coronavirus pandemic has affected many processes, including taxation, of companies in various industries around the world. In these circumstances the Group companies comply with all tax legislation requirements for reporting and paying taxes on time.

Generally, fiscal periods remain open and subject to review by the Russian tax authorities for a period of three calendar years immediately preceding the year in which the decision to conduct a tax review is taken. Under certain circumstances tax reviews may cover longer periods.

In the Management’s opinion in 2021 year the provisions of the tax legislation were appropriately applied to the Group companies.

Operating environment

Emerging markets such as Russian Federation are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Russian Federation continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Russian Federation is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Because Russian Federation produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market, which has shown significant degree of volatility over 2018-2021. Management is unable to reliably estimate the effects of any further price fluctuations on the Group’s financial position.

Starting from March 2014, sanctions have been imposed in several packages by the U.S. and the E.U. on certain Russian officials, businessmen, companies and financial instruments. Global geopolitical landscape remains complicated due to stress around numerous regions.

Starting from 2020, several countries, including Russian Federation, introduced restrictive measures to combat the spread of the coronavirus.

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As the COVID-19 outbreak continues there remains uncertainty about further developments of pandemic duration and the extent of the possible economic recovery in the nearest future. Government responses, their corresponding effects are still evolving and the Group's management continues its estimation of increased risks and effects of the pandemic and the measures taken by the government.

As a consequence of these factors, Russian financial assets have suffered a material rise in volatility over 2018-2021. These developments may result in reduced access of the Russian businesses to international capital and export markets, capital flight, weakening of the Russian rouble and other negative economic consequences.

The impact of further political and economic developments in Russian Federation on future operations and financial position of the Group is at this stage difficult to determine.

Share-based payments

The Group engages in cash settled share-based payment transactions in respect of services received from certain employees. The fair value of the services received is measured by reference to the fair value of the shares initially on the date of the grant and then subsequently at each reporting date. The cost of the employee services received in respect of the shares granted is recognized in the interim condensed consolidated statement of profit or loss within administrative expenses, over the period that the services are received, which is the vesting period. A liability equal to the portion of the goods and services received is recognized at the current fair value determined at each balance sheet date for cash settled payments.

29. Transactions with related parties

Transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

		30 September 2021 mRUB (unaudited)		31 December 2020 mRUB
	Related party transactions	Total category as per financial statement caption	Related party transactions	Total category as per financial statement caption
Cash and cash equivalents, gross	146,092	250,159	129,033	301,655
- shareholders	146,059		129,028	
- related parties under common control with the Group	33		5	
Financial assets at fair value through profit or loss	14,741	48,065	19,981	57,058
- shareholders	14,741		19,981	
Loans to customers, gross	4,191	917,853	4,526	835,165
- key management personnel of the Group	3		3	
- related parties under common control with the Group	4,188		4,523	
Other assets	984	13,542	1,364	14,611
- shareholders	310		664	
- related parties under common control with the Group	674		700	
Financial liabilities at fair value through profit or loss	22,359	43,061	32,520	54,676
- shareholders	22,359		32,520	
Due to banks and international financial institutions	15,091	50,132	11,991	44,710
- shareholders	10,102		10,501	
- related parties under common control with the Group	4,989		1,490	
Customer accounts	4,329	980,861	3,589	924,638
- key management personnel of the Group	264		162	
- related parties under common control with the Group	4,065		3,427	
Debt securities issued	472	104,706	992	108,033
- related parties under common control with the Group	472		992	

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	30 September 2021 mRUB (unaudited)		31 December 2020 mRUB	
	Related party transactions	Total category as per financial statement caption	Related party transactions	Total category as per financial statement caption
Other liabilities	1,452	23,109	522	20,599
- shareholders	1,450		481	
- related parties under common control with the Group	2		41	
Subordinated debt	21,277	21,277	21,450	21,450
- shareholders	21,277		21,450	
Perpetual subordinated debt	21,826	21,826	22,162	22,162
- shareholders	21,826		22,162	
Guarantees issued and similar commitments	38,141	187,441	13,404	150,593
- shareholders	30,818		9,000	
- related parties under common control with the Group	7,323		4,404	
Commitments on loans and unused credit lines	9,667	106,214	49,613	172,169
- shareholders	5,000		45,441	
- key management personnel of the Group	7		6	
- related parties under common control with the Group	4,660		4,166	
Guarantees received	6,912	551,719	7,567	535,097
- shareholders	6,688		7,284	
- key management personnel of the Group	4		-	
- related parties under common control with the Group	220		283	

Included in the interim consolidated statements of profit or loss for the 9 months ended 30 September 2021 and 2020 are the following amounts which arose due to transactions with related parties:

	9 months ended 30 September 2021 mRUB (unaudited)		9 months ended 30 September 2020 mRUB (unaudited)	
	Related party transactions	Total category as per financial statements caption	Related party transactions	Total category as per financial statements caption
Interest income	388	63,558	379	65,879
- shareholders	202		243	
- related parties controlled by, or under common control with the Group	186		136	
Interest expense	(935)	(26,186)	(2,678)	(29,362)
- shareholders	(659)		(2,373)	
- key management personnel of the Group	(4)		(5)	
- related parties under common control with the Group	(272)		(300)	
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss, except forex swaps and forwards	2,015	(952)	(997)	3,018
- shareholders	2,015		(997)	
Net gain/(loss) on foreign exchange operations and on precious metals operations	(972)	1,774	(1,538)	5,288
- shareholders	(972)		(1,538)	
Fee and commission income	3,023	13,569	2,558	12,210
- shareholders	212		216	
- related parties under common control with the Group	2,811		2,342	
Fee and commission expense	(55)	(3,872)	(49)	(3,502)
- shareholders	(55)		(49)	
Operating expense (other than compensation)	(159)	(13,480)	(124)	(12,029)
- shareholders	(159)		(103)	
- related parties under common control with the Group	-		(21)	
Dividends received	-	-	573	573
- related parties under common control with the Group	-		573	
Other income	3	408	10	609
- related parties under common control with the Group	3		10	

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For the 9 months ended 30 September 2021 and 2020 total remuneration of the key management amounted to RUB 315 million including share-based payments amounted to RUB 56 million and RUB 408 million including share-based payments amounted to RUB 84 million, respectively.

30. Fair value of financial instruments

Estimated fair value disclosures of financial instruments are made in accordance with the requirements of IFRS 13 "Fair Value Measurement". Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- Unquoted equities and debt securities classified at fair value through other comprehensive income are valued using models that use both observable and unobservable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.
- For financial assets and liabilities that have a short term maturity (less than 12 months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a maturity.
- For loans and advances to banks and customers and deposits by banks and customers and promissory notes issued at variable rates management believes that carrying value may be assumed to be fair value.
- For loans and advances to banks and customers and deposits by banks and customers and promissory notes issued at fixed rates fair value has been estimated by reference to the market rates available at the balance sheet date for similar instruments of maturity equal to the remaining fixed period.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

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The fair value of financial assets and liabilities compared with the corresponding carrying amount in the interim consolidated statement of financial position of the Group is presented below:

	30 September 2021 (unaudited)		31 December 2020	
	Carrying value, mRUB	Fair value, mRUB	Carrying value, mRUB	Fair value, mRUB
Cash and cash equivalents	250,145	250,145	301,646	301,646
Mandatory cash balances with the Central Bank of the Russian Federation	11,076	11,076	10,910	10,910
Financial assets at fair value through profit or loss				
- <i>Derivative financial instruments</i>	42,142	42,142	54,454	54,454
- <i>Debt securities</i>	5,726	5,726	2,413	2,413
- <i>Shares</i>	197	197	191	191
Due from banks	18,386	18,394	13,633	13,658
Loans to customers	877,421	880,388	792,338	803,373
Investments at fair value through other comprehensive income	74,562	74,562	30,982	30,982
Investments at amortised cost	96,413	98,166	103,865	109,204
Other financial assets	4,232	4,232	3,892	3,892
Financial liabilities at fair value through profit or loss	43,061	43,061	54,676	54,676
Due to banks and international financial institutions	50,132	50,137	44,710	44,712
Customer accounts	980,861	979,349	924,638	926,155
Debt securities issued	104,706	105,291	108,033	110,391
Other financial liabilities	20,347	20,347	17,976	17,976
Subordinated debt	21,277	21,277	21,450	21,450

Assets and liabilities for which fair value approximates carrying value

For financial assets and liabilities that have a short term maturity (less than 12 months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts.

Fair value measurements recognised in the interim condensed consolidated statement of financial position

For the purpose of fair value hierarchy disclosure as at 30 September 2021 and 31 December 2020, the Group has categorized classes of assets and liabilities at fair value into Level 1 to 3 based on the degree to which their fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Balance Sheet Category	30 September 2021 mRUB (unaudited)			31 December 2020 mRUB		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss						
- <i>Derivative financial instruments</i>	-	42,142	-	-	54,454	-
- <i>Debt securities</i>	5,726	-	-	2,413	-	-
- <i>Shares</i>	-	197	-	-	191	-
Investments at fair value through other comprehensive income	74,562	-	-	30,982	-	-
Loans to individuals at fair value through other comprehensive income	-	8,460	-	-	7,354	-
Financial liabilities at fair value through profit or loss	5,558	37,503	-	1,791	52,885	-

Possibility of transfer from Level 1 to Level 2 category is assessed as low, as liquidity control is performed by Market Risk Department. Control period of liquidity assessment is 90 days from position opening. Market risk department performs liquidity analysis using position turnover, volumes of exchange trades, availability of exchange and brokers quotations. In case of position assessment as insufficiently liquid the necessary actions to close position are taken.

For financial instruments that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The sensitivity of the fair value measurement to changes in those unobservable inputs indicated above does not result in a significantly higher or lower fair value measurement.

31. Segment reporting

The Group discloses information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. This matter is regulated by IFRS 8 "Operating segments" and other standards that require special disclosures in the form of segmental reporting.

IFRS 8 defines an operating segment as follows. An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- For which discrete financial information is available.

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Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of services delivered or provided. The Group's reportable segments under IFRS 8 are therefore as follows:

- Retail banking – representing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- Corporate banking – representing direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products.
- Treasury and Financial institutions – representing all trading financial instruments recognized and measured at fair value through profit and loss as well as loans and borrowings initiated through interbank transactions.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Transactions between the operating segments consist only of reallocating of funds. Funds are ordinarily reallocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Group's marginal funding price. There are no other material items of income or expense between the business segments. Segment assets and liabilities comprise operating assets and liabilities. Internal charges and transfer pricing adjustments have been reflected in the performance of each business.

The main business activity of the Group is concentrated in RF, thus no geographical segmentation is reported.

Segment information about these businesses is presented below.

	Retail banking	Corporate banking	Treasury and Financial institutions	Unallocated	9 months ended 30 September 2021 (unaudited)
Net interest margin	21,141	8,123	1,452	6,656	37,372
Credit loss expense	(4,428)	876	6	(242)	(3,788)
Net gain/(loss) on financial transactions	516	–	603	(319)	800
Net fee and commission income	6,774	2,604	504	(185)	9,697
Other provisions and recovery/(impairment)	(38)	(16)	–	1,265	1,211
Other income	(21)	68	39	322	408
Income/(expense) from other segments	3,524	3,572	401	(7,497)	–
Total operating income	27,468	15,227	3,005	–	45,700
Operating expenses	(21,496)	(3,843)	(1,629)	(349)	(27,317)
(Expense)/income from other segments	(240)	(77)	(32)	349	–
Other non-operating income/(expense)	69	70	(12)	–	127
Profit before income tax	5,801	11,377	1,332	–	18,510
Income tax expense	(956)	(1,876)	(220)	–	(3,052)
Net profit for the period	4,845	9,501	1,112	–	15,458
Segment assets as at 30 September 2021 (unaudited)	766,152	555,556	89,303	14,573	1,425,584
Segment liabilities as at 30 September 2021 (unaudited)	410,385	725,962	63,690	24,897	1,224,934

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	Retail banking	Corporate banking	Treasury and Financial institutions	Unallocated	9 months ended 30 September 2020 (unaudited)
Net interest margin	21,786	7,528	1,847	5,356	36,517
Credit loss expense	(10,419)	(908)	–	(88)	(11,415)
Net gain/(loss) on financial transactions	336	–	7,736	222	8,294
Net fee and commission income	6,193	2,248	412	(145)	8,708
Other provisions	(7)	(3)	–	(982)	(992)
Dividend income	573	–	–	–	573
Other income	4	133	32	440	609
Income/(expense) from other segments	2,149	2,450	204	(4,803)	–
Total operating income	20,615	11,448	10,231	–	42,294
Operating expenses	(20,373)	(3,402)	(1,374)	(1,387)	(26,536)
(Expense)/income from other segments	(1,122)	(182)	(83)	1,387	–
Other non-operating income/(expense)	(22)	(28)	–	–	(50)
Profit before income tax	(902)	7,836	8,774	–	15,708
Income tax income/(expense)	134	(1,164)	(1,303)	–	(2,333)
Net profit/(loss) for the period	(768)	6,672	7,471	–	13,375
Segment assets as at 31 December 2020	733,400	525,446	88,317	16,273	1,363,436
Segment liabilities as at 31 December 2020	419,879	669,601	65,670	21,911	1,177,061

For the purpose of the segment reporting disclosure the category “Net gain/(loss) on financial transactions” includes the following categories:

- Net (loss)/gain on financial assets and liabilities at fair value through profit or loss, except forex swaps and forwards;
- Net gain/(loss) on foreign exchange operations;
- Net gain/(loss) on precious metals operations.

ROSBANK GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 9 MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

32. Subsequent events

In November 2021 the following bonds were redeemed:

Issuer	Issue date	Maturity date	Debt volume, mRUR	Annual coupon rate, %
Rosbank	24.11.2016	24.11.2021	7,000	10.29%


Chairman of the Management Board
I.A. Polyakov

24 November 2021
Moscow

