

Extracts
from the IFRS Condensed Consolidated Interim
Financial Information
of PJSC “Bank “Saint Petersburg” Group
for 9 months ended
30 September 2019

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PJSC "Bank "Saint Petersburg" Group
Condensed Consolidated Interim Statement of Financial Position as at 30 September 2019

<i>In thousands of Russian Roubles</i>	Note	30 September 2019 (unaudited)	31 December 2018
ASSETS			
Cash and cash equivalents		58 680 851	37 189 219
Mandatory reserve deposits with the Central Bank of the Russian Federation		3 853 065	3 705 423
Trading securities, including securities pledged under sale and repurchase agreements	1	17 851 168	80 647 485
Reverse sale and repurchase agreements		80 441 836	88 118 488
Derivative financial assets		6 842 748	6 877 095
Due from Banks	2	46 930 076	32 368 148
Loans and advances to customers	3		
- loans and advances to legal entities		256 369 498	252 761 437
- loans and advances to individuals		98 576 664	86 022 149
Investment securities, including securities pledged under sale and repurchase agreements		57 474 217	56 772 409
Investment property		7 420 615	7 311 932
Premises, equipment, intangible assets and assets in the form of right of use		14 448 040	14 182 855
Other assets		5 897 815	7 036 447
Long-term assets held-for-sale		1 159 086	410 402
TOTAL ASSETS		655 945 679	673 403 489
LIABILITIES			
Due to banks	4	143 137 367	147 818 484
Customer accounts	5	409 591 818	406 788 833
Financial liabilities at fair value		2 687 088	12 116 372
Derivative financial liabilities		3 716 458	2 939 196
Bonds issued	6	5 286 238	13 806 545
Promissory notes and deposit certificates issued		7 403 118	7 977 065
Other borrowed funds		1 465 897	1 465 719
Other liabilities		3 836 151	4 837 620
TOTAL LIABILITIES		577 124 135	597 749 834
EQUITY			
Share Capital		3 781 734	3 781 734
Share premium		24 513 878	24 513 878
Treasury shares repurchased from shareholders		(659 991)	(659 991)
Revaluation reserve for premises and equipment		3 542 519	3 651 455
Revaluation reserve for investment securities		680 691	374 497
Foreign currency translation reserve		(17 617)	2 047
Retained earnings		46 618 648	42 903 490
TOTAL EQUITY ATTRIBUTABLE TO:			
SHAREHOLDERS OF THE BANK		78 459 862	74 567 110
NON-CONTROLLING INTEREST		361 682	1 086 545
TOTAL EQUITY		78 821 544	75 653 655
TOTAL LIABILITIES AND EQUITY		655 945 679	673 403 489

Approved for issue and signed on behalf of the Management Board on 25 November 2019.

A.V. Savelyev
Chairman of the Management Board



N.G. Tomilina
Chief Accountant

PJSC “Bank “Saint Petersburg” Group
Condensed Consolidated Interim Statement of Comprehensive Income for 9 months ended 30
September 2019

<i>In thousands of Russian Roubles</i>	Note	9 months ended 30 September 2019 (unaudited)	9 months ended 30 September 2018 (unaudited)
Interest income calculated using the effective interest method	7	33 668 514	29 804 871
Other interest income	7	2 819 719	3 903 060
Interest expense	7	(18 250 567)	(16 960 544)
Contributions to deposit insurance system	7	(1 323 532)	(917 924)
Net interest income		16 914 134	15 829 463
Allowance for expected credit losses on debt financial assets		(4 936 655)	(5 895 067)
Net interest income after allowance for expected credit losses from debt financial assets		11 977 479	9 934 396
Net losses from trading securities		(841 815)	(1 846 402)
Net gains from investment securities		40 483	415 580
Net gains from trading in foreign currencies, foreign exchange revaluation and from transactions with derivatives		226 207	3 787 689
Fee and commission income		6 356 637	5 270 749
Fee and commission expense		(1 172 595)	(1 066 205)
Allowance for credit related commitments and non-financial liabilities		(67 257)	(158 903)
Net loss from reflection of financial assets at fair value on initial recognition		(255 530)	-
Net gain on revaluation of loans measured at fair value through profit or loss		-	586 511
Loss from early loan repayment		-	(47 635)
Recovery of impairment allowance on long-term assets held for sale and investment property		628	64 303
Other net operating income		748 164	778 169
Administrative and other operating expenses:			
- Staff costs		(4 883 224)	(4 661 193)
- Costs related to premises and equipment		(1 475 695)	(1 347 878)
- Other administrative and operating expenses		(3 897 974)	(3 767 998)
Profit before tax		6 755 508	7 941 183
Income tax expense		(1 253 423)	(1 469 234)
Profit for the period attributable to:			
Shareholders of the Bank		5 499 660	6 383 190
Non-controlling interest		2 425	88 759
Profit for the period		5 502 085	6 471 949

PJSC "Bank "Saint Petersburg" Group
Condensed Consolidated Interim Statement of Comprehensive Income for 9 months ended 30 September 2019

(in thousands of Russian Roubles)	Note	9 months ended 30 September 2019 (unaudited)	9 months ended 30 September 2018 (unaudited)
Other comprehensive income (loss)			
<i>Items of comprehensive income (loss) that are or will be reclassified subsequently to profit or loss</i>			
Revaluation result and allowance for expected credit losses from investment securities measured at fair value through other comprehensive income transferred to profit or loss upon disposal		(23 719)	(483 180)
Net result from revaluation of investment securities measured at fair value through other comprehensive income		421 588	(438 332)
Deferred income tax recognised in equity related to components of other comprehensive income		(91 675)	170 782
Exchange difference on translation		(19 664)	(7 232)
<i>Items of comprehensive income (loss) that are not or will not be reclassified subsequently to profit or loss</i>			
Result from disposal of equity securities measured through other comprehensive income		70 578	-
Other comprehensive income (loss) for the period after tax		357 108	(757 962)
Total comprehensive income for the period attributable to:			
Shareholders of the Bank		5 856 768	5 625 228
Non-controlling interest		2 425	88 759
Total comprehensive income for the period		5 859 193	5 713 987

A.V. Savelyev
Chairman of the Management Board



N.G. Tomilina
Chief Accountant

PJSC “Bank “Saint Petersburg” Group
Condensed Consolidated Interim Statement of Changes in Equity for 9 months ended 30 September 2019

<i>(In thousands of Russian Roubles)</i>	Share Capital	Share premium	Revaluation reserve for premises and equipment	Revaluation reserve for investment securities	Foreign currency translation reserve	Retained earnings	Total equity attributable to shareholders of the Bank	Non-controlling interest	Total equity
Balance as at 1 January 2018 restated with the consideration of the effect of transition to IFRS 9	3 781 734	24 513 878	3 651 455	1 422 218	(1 451)	34 777 937	68 145 771	590 392	68 736 163
Other comprehensive loss recognised directly in equity (unaudited)	-	-	-	(750 730)	(7 232)	-	(757 962)	-	(757 962)
Profit for the period (unaudited)	-	-	-	-	-	6 383 190	6 383 190	88 759	6 471 949
Total comprehensive income for 9 months of 2018 (unaudited)	3 781 734	24 513 878	3 651 455	671 488	(8 683)	6 383 190	5 625 228	88 759	5 713 987
Dividends declared (unaudited)									
- ordinary shares	-	-	-	-	-	(809 277)	(809 277)	-	(809 277)
- preference shares	-	-	-	-	-	(2 211)	(2 211)	-	(2 211)
Acquisition of a subsidiary	-	-	-	-	-	-	-	504 397	504 397
Sale of a subsidiary	-	-	-	-	-	-	-	(46 491)	(46 491)
Balance as at 30 September 2018 (unaudited)	3 781 734	24 513 878	3 651 455	671 488	(8 683)	40 349 639	72 959 511	1 137 057	74 096 568

PJSC "Bank "Saint Petersburg" Group
Condensed Consolidated Interim Statement of Changes in Equity for 9 months ended 30 September 2019

(In thousands of Russian Roubles)

	Share Capital	Share premium	Treasury stock	Revaluation reserve for premises and equipment	Revaluation reserve for investment securities	Foreign currency translation reserve	Retained earnings	Total equity attributable to the shareholders of the Bank	Non-controlling interest	Total equity
Balance as at 1 January 2019	3 781 734	24 513 878	(659 991)	3 651 455	374 497	2 047	42 903 490	74 567 110	1 086 545	75 653 655
Other comprehensive income (loss) recognised directly in equity (unaudited)	-	-	-	(108 936)	306 194	(19 664)	179 514	357 108	-	357 108
Profit for the period (unaudited)	-	-	-	-	-	-	5 499 660	5 499 660	2 425	5 502 085
Total comprehensive income for 9 months of 2019 (unaudited)	-	-	-	(108 936)	306 194	(19 664)	5 679 174	5 856 768	2 425	5 859 193
Dividends declared (unaudited)										
- ordinary shares	-	-	-	-	-	-	(1 808 826)	(1 808 826)	-	(1 808 826)
- preference shares	-	-	-	-	-	-	(2 211)	(2 211)	-	(2 211)
Redistribution of share of a minority due to buyback of shares from shareholders	-	-	-	-	-	-	(152 979)	(152 979)	(727 288)	(880 267)
Balance as at 30 September 2019 (unaudited)	3 781 734	24 513 878	(659 991)	3 542 519	680 691	(17 617)	46 618 648	78 459 862	361 682	78 821 544

A.V. Savelyev
Chairman of the Management Board



N.G. Tomilina
Chief Accountant

PJSC "Bank "Saint Petersburg" Group**Condensed Consolidated Interim Statement of Cash Flow for 9 months ended 30 September 2019**

	9 months ended 30 September 2019 (unaudited)	9 months ended 30 September 2018 (unaudited)
<i>In thousands of Russian Roubles</i>		
Cash flows from operating activities		
Interest received on loans and correspondent accounts	27 677 879	24 333 973
Interest received on securities	5 865 480	6 101 078
Interest received on reverse sale and repurchase agreements	2 696 496	2 010 488
Interest paid on due to banks	(5 898 735)	(6 520 132)
Interest paid on customer accounts	(10 484 846)	(9 621 227)
Contributions to the deposit insurance system	(1 323 532)	(917 924)
Interest paid on other debt securities issued	(249 151)	(205 388)
Net losses from securities trading	(300 315)	(1 014 375)
Net gains (losses) from trading in foreign currencies and from transactions with derivatives	7 803 086	(2 779 228)
Fees and commissions received	6 503 118	5 283 487
Fees and commissions paid	(1 172 595)	(1 066 205)
Other operating income	1 268 404	1 098 498
Expenses under loyalty programs	(354 878)	(277 084)
Staff costs	(4 786 331)	(4 693 447)
Premises and equipment costs	(726 262)	(645 870)
Administrative and other operating expenses	(3 941 664)	(4 113 941)
Paid income tax	(2 733 850)	(82 320)
Cash flows received from operating activities before changes in operating assets and liabilities	19 842 304	6 890 383
Changes in operating assets and liabilities		
Net increase in mandatory reserve deposits with the Central Bank of the Russian Federation	(147 642)	(474 867)
Net decrease (increase) in trading securities, including securities pledged under sale and repurchase agreements	61 708 591	(7 581 443)
Net decrease under reverse sale and repurchase agreements	3 696 607	15 462 440
Net increase in due from banks	(14 631 747)	6 090 507
Net increase in loans and advances to customers	(28 253 504)	(16 754 590)
Net decrease in other assets	1 169 989	967 905
Net decrease in due to banks	(2 431 996)	(20 020 953)
Net increase in customer accounts	9 460 415	13 817 886
Net decrease in financial liabilities at fair value	(9 429 284)	(427 902)
Net decrease in other debt securities issued	(167 967)	(446 154)
Net decrease in other liabilities	(1 397 193)	(872 794)
Net cash received from (used in) operating activities	39 418 573	(3 349 582)
Cash flows from investing activities		
Acquisition of premises and equipment and intangible assets	(504 918)	(514 365)
Proceeds from disposal of premises and equipment and intangible assets	164 557	17 046
Net decrease in investment securities, including securities pledged under sale and repurchase agreements	15 463 347	16 027 484
Net proceeds from disposal of investment securities	19 549	349 210
Acquisition of investment securities measured at amortised cost	(17 769 563)	(10 305 493)
Proceeds from sale of investment property	-	823 744
Acquisition of long-term assets held-for-sale	(854 794)	-
Proceeds from sale of long-term assets held-for-sale	-	74 916
Net cash paid for acquisition of a subsidiary	-	(543 165)
Proceeds from sale of a subsidiary	-	17 949
Dividends received	3 049	3 029
Net cash (used in) received from investing activities	(3 478 773)	5 950 355

PJSC "Bank "Saint Petersburg" Group
Condensed Consolidated Interim Statement of Cash Flow for 9 months ended 30 September 2019

	9 months ended 30 September 2019 (unaudited)	9 months ended 30 September 2018 (unaudited)
<i>In thousands of Russian Roubles</i>		
Cash flows from financing activities		
Repayment of other borrowed funds	-	(444 556)
Redemption of bonds issued	(9 101 854)	(775 706)
Interest paid on bonds issued	(813 911)	(310 145)
Interest paid on other borrowed funds	(71 426)	(75 817)
Other payment	-	(47 635)
Dividends paid	(1 806 122)	(808 748)
Lease commitments	(245 917)	-
Net cash used in financing activities	(12 039 230)	(2 462 607)
Effects of exchange rate changes on cash and cash equivalents	(2 408 938)	1 222 715
Net increase in cash and cash equivalents	21 491 632	1 360 881
Cash and cash equivalents at the beginning of the period	37 189 219	39 198 510
Cash and cash equivalents at the end of the period	58 680 851	40 559 391

A.V. Savelyev
Chairman of the Management Board



N.G. Tomilina
Chief Accountant

1 Trading securities, including securities pledged under sale and repurchase agreements

<i>In thousands of Russian Roubles</i>	30 September 2019 (unaudited)	31 December 2018
Debt trading securities		
Corporate bonds	4 604 755	5 307 043
Corporate Eurobonds	1 498 682	2 419 246
Federal loan bonds	263 656	68 124
Municipal bonds	1 826	-
Coupon bonds of the Bank of Russia	-	22 083 220
Eurobonds of the Russian Federation	-	159 468
Total debt securities	6 368 919	30 037 101
Equity securities	568 900	749 329
Total trading securities	6 937 819	30 786 430
Debt trading securities pledged under sale and repurchase agreements		
Corporate bonds	10 913 349	19 580 485
Coupon bonds of the Bank of Russia	-	25 276 629
Corporate Eurobonds	-	4 910 791
Total debt trading securities pledged under sale and repurchase agreements	10 913 349	49 767 905
Equity securities	-	93 150
Total trading securities pledged under sale and repurchase agreements	10 913 349	49 861 055
Total trading securities including those pledged under sale and repurchase agreements	17 851 168	80 647 485

As at 30 September 2019, the debt trading securities, including securities pledged under sale and repurchase agreements, are measured at fair value, which also reflects the credit risk associated with these securities (31 December 2018: at fair value).

The Group's debt securities are divided according to the level of credit risk based on averaging the values of issuers' credit ratings (in their absence credit ratings of debt securities issues) assigned by Moody's S&P and Fitch international rating agencies, in the absence of ratings from international rating agencies for Russian issuers, ratings from ACRA are used:

Group A - issuers' securities with an average credit rating not lower than "BBB-".

Group B - issuers' securities with an average credit rating between "BB-" and "BB+".

Group C - issuers' securities with an average credit rating between "B-" and "B+".

Group D - non-default securities of issuers with an average credit rating below "B-" or non-rated.

1 Trading Securities, including Securities Pledged Under Sale and Repurchase Agreements (continued)

Below is the analysis by credit quality of debt trading securities and debt trading securities pledged under sale and repurchase agreements as at 30 September 2019 (unaudited):

<i>In thousands of Russian Roubles</i>	Corporate bonds	Corporate Eurobonds	Federal loan bonds	Municipal bonds	Total
Debt trading securities					
Not overdue or impaired					
Group A	3 767 863	742 474	263 656	1 826	4 775 819
Group B	734 580	756 208	-	-	1 490 788
Group D	102 312	-	-	-	102 312
Total debt trading securities	4 604 755	1 498 682	263 656	1 826	6 368 919
Not overdue or impaired					
Group A	7 373 370	-	-	-	7 373 370
Group B	3 539 979	-	-	-	3 539 979
Total debt trading securities pledged under sale and repurchase agreements	10 913 349	-	-	-	10 913 349
Total debt trading securities including those pledged under sale and repurchase agreements	15 518 104	1 498 682	263 656	1 826	17 282 268

**1 Trading Securities, including Securities Pledged Under Sale and Repurchase Agreements
(continued)**

Below is the analysis by credit quality of debt trading securities and debt trading securities pledged under sale and repurchase agreements as at 31 December 2018:

<i>In thousands of Russian Roubles</i>	Coupon bonds of the Bank of Russia	Corporate bonds	Corporate Eurobonds	Eurobonds of the Russian Federation	Federal loan bonds	Total
Debt trading securities						
Not overdue or impaired						
Group A	22 083 220	3 461 953	2 176 508	159 468	68 124	27 949 273
Group B	-	1 658 280	-	-	-	1 658 280
Group C	-	33 290	-	-	-	33 290
Group D	-	153 520	242 738	-	-	396 258
Total debt trading securities	22 083 220	5 307 043	2 419 246	159 468	68 124	30 037 101
Debt trading securities pledged under sale and repurchase agreements						
Not overdue or impaired						
Group A	25 276 629	6 436 442	4 492 707	-	-	36 205 778
Group B	-	13 144 043	418 084	-	-	13 562 127
Total debt trading securities pledged under sale and repurchase agreements	25 276 629	19 580 485	4 910 791	-	-	49 767 905
Total debt trading securities including those pledged under sale and repurchase agreements	47 359 849	24 887 528	7 330 037	159 468	68 124	79 805 006

The Bank is licensed by the Federal Financial Markets Service of the Russian Federation to carry out operations with securities.

Securities provided or sold under sale agreements with an obligation to repurchase are transferred to a third party as collateral for the funds raised. These financial assets may be re-pledged or sold by counterparties in the absence of a case of non-fulfilment by the Group of their obligations, but the counterparty undertakes to return the securities upon expiration of the contract. The Group determined that it retains virtually all the risks and rewards of ownership of these securities, and thus does not derecognise them.

These transactions are conducted under conditions that are common and customary for standard lending, borrowing and lending of securities, as well as in accordance with the requirements set by the exchanges, where the Group acts as an intermediary.

Analysis of trading securities, including those pledged under repurchase agreements, by currency structure, maturity is presented in Note 8 and Note 9.

2 Due from Banks

<i>In thousands of Russian Roubles</i>	30 September 2019 (unaudited)	31 December 2018
Term placements with banks	46 937 372	32 423 081
Allowance for expected credit losses	(7 296)	(54 933)
Total due from banks	46 930 076	32 368 148

As at 30 September 2019, the Group had 2 counterparty with aggregated loan balances each exceeding 10% of equity of the Group (31 December 2018: 2 counterparties). As at 30 September 2019, the aggregate amount of loans issued to this counterparty was 43 818 451 thousand (31 December 2018: RUB 22 452 022 thousand).

During 9 months ended 30 September 2019 and during 9 months ended 30 September 2018, there were no transfers between the stages of impairment of due from banks.

Below is the analysis of changes in allowance for expected credit losses during 9 months ended 30 September 2019 (unaudited):

<i>In thousands of Russian Roubles</i>	12-month ECLs	Lifetime expected credit losses - non- impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Allowance for expected credit losses as at 1 January	54 933	-	-	-	54 933
New assets received or acquired	35 527	-	-	-	35 527
Disposal of the allowance due to the repayment of loans	(83 164)	-	-	-	(83 164)
Total allowance for expected credit losses as at 30 September	7 296	-	-	-	7 296

2 Due from Banks (continued)

Below is the analysis of changes in allowance for expected credit losses during 9 months ended 30 September 2018 (unaudited):

<i>In thousands of Russian Roubles</i>	12-month ECLs	Lifetime expected credit losses - non- impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Allowance for expected credit losses as at 1 January	729	-	-	-	729
New assets received or acquired	49 009	-	-	-	49 009
Reversal of the allowance due to the repayment of loans	(729)	-	-	-	(729)
Total allowance as at 30 September	49 009	-	-	-	49 009

As at 30 September 2019 and 31 December 2018 term placements with banks are divided according to credit quality depending on the credit rating of a credit organisation assigned by Moody's, S&P and Fitch rating agencies (in the absence of ratings for Russian credit organisations, ratings from ACRA are used):

Group A - credit organisations with an average credit rating not lower than "BBB-".

Group B - credit organisations with an average credit rating between "BB-" and "BB+".

Group C - credit organisations with an average credit rating between "B-" and "B+".

Group D - non-default credit organisations with an average rating below "B-" or non-rated.

The table below presents an analysis of due from banks, measured at amortised cost, by credit quality and by corresponding allowance for expected credit losses as of 30 September 2019 (unaudited):

<i>In thousands of Russian Roubles</i>	12-month ECLs	Lifetime expected credit losses - non- impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Group A	43 828 083	-	-	-	43 828 083
Group B	2 501 918	-	-	-	2 501 918
Group D	607 371	-	-	-	607 371
Total gross carrying value of due from banks	46 937 372	-	-	-	46 937 372
Expected credit losses allowance	(7 296)	-	-	-	(7 296)
Total due from banks	46 930 076	-	-	-	46 930 076

2 Due from Banks (continued)

The table below presents an analysis of due from banks, measured at amortised cost, by credit quality and by corresponding allowance for expected credit losses as of 31 December 2018:

<i>In thousands of Russian Roubles</i>	12-month ECLs	Lifetime expected credit losses - non- impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Group A	8 970 642	-	-	-	8 970 642
Group B	20 194 201	-	-	-	20 194 201
Group C	2 856 956	-	-	-	2 856 956
Group D	401 282	-	-	-	401 282
Total gross carrying value of due from banks	32 423 081	-	-	-	32 423 081
Allowance for expected credit losses	(54 933)	-	-	-	(54 933)
Total due from banks	32 368 148	-	-	-	32 368 148

Loans to banks are unsecured. Loans to banks are not past due or impaired.

The analysis of due from banks by currency structure and maturity is presented in Note 8 and Note 9.

3 Loans and advances to customers

<i>In thousands of Russian Roubles</i>	30 September 2019 (unaudited)	31 December 2018
<i>Loans measured at amortised cost</i>		
Loans to legal entities		
- loans to finance working capital	167 642 559	166 532 253
- investment loans	90 975 102	97 325 766
- loans to entities financed by the government	25 888 444	20 594 945
Loans to individuals		
- mortgage loans	66 960 306	59 978 042
- car loans	4 874 216	3 539 665
- consumer loans to VIP clients	4 622 771	5 381 120
- other consumer loans	25 766 433	20 837 495
Allowance for expected credit losses	(35 824 314)	(36 500 280)
<i>Loans measured at fair value</i>		
Loans to corporate customers	4 040 645	1 094 580
Total loans and advances to customers	354 946 162	338 783 586

3 Loans and Advances to Customers (continued)

Below is the analysis of changes in allowance for expected credit losses during 9 months ended 30 September 2019 (unaudited):

<i>In thousands of Russian Roubles</i>	12-month expected credit losses	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Allowance for expected credit losses as at 1 January	4 733 948	3 711 739	27 459 601	594 992	36 500 280
Transfer to 12-month expected credit losses	84 906	(15 278)	(69 628)	-	-
Transfer to lifetime expected credit losses - non-impaired assets	(565 312)	599 755	(34 443)	-	-
Transfer to lifetime expected credit losses - impaired assets	(12 998)	(805 911)	818 909	-	-
New assets received or acquired	1 990 459	-	-	-	1 990 459
Net charge for (recovery of) allowance for expected credit losses	(677 371)	966 064	4 221 264	478 312	4 988 269
Reversal of the allowance due to the repayment of loans	(1 290 130)	(110 535)	(545 858)	-	(1 946 523)
Releasing a discount in relation to the present value of an ECL	-	-	706 137	-	706 137
Amounts written off as non-recoverable during the period	-	-	(6 214 503)	-	(6 214 503)
Loans and advances to customers sold during the period as non-recoverable	-	-	(199 805)	-	(199 805)
Total allowance for expected credit losses as at September 30	4 263 502	4 345 834	26 141 674	1 073 304	35 824 314

Below is the analysis of changes in allowance for expected credit losses during 9 months ended 30 September 2018 (unaudited):

<i>In thousands of Russian Roubles</i>	12-month expected credit losses	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Allowance for expected credit losses as at 1 January	6 042 576	4 699 450	24 092 065	277 570	35 111 661
Transfer to 12-month expected credit losses	305 966	(212 574)	(93 392)	-	-
Transfer to lifetime expected credit losses - non-impaired assets	(546 135)	558 114	(11 979)	-	-
Transfer to lifetime expected credit losses - impaired assets	(117 303)	(424 378)	541 681	-	-
New assets received or acquired	1 966 998	-	-	-	1 966 998
Net charge for (recovery of) allowance for expected credit losses	(499 115)	740 040	5 643 231	(43 190)	5 840 966
Reversal of the allowance due to the repayment of loans	(1 187 539)	(431 378)	(333 626)	-	(1 952 543)
Amounts written off as non-recoverable during the period	-	-	(2 829 593)	-	(2 829 593)
Loans and advances to customers sold during the period as non-recoverable	-	-	(448 297)	-	(448 297)
Total allowance for expected credit losses as at September 30	5 965 448	4 929 274	26 560 090	234 380	37 689 192

3 Loans and Advances to Customers (continued)

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

<i>(In thousands of Russian Roubles)</i>	30 September 2019		31 December 2018	
	(unaudited)			
	Amount	%	Amount	%
Individuals	102 223 726	26,2	89 736 322	23,9
Trade	57 538 216	14,7	38 077 446	10,1
Real estate	41 877 011	10,7	39 535 978	10,5
Construction	33 741 437	8,6	40 348 431	10,8
Leasing and financial services	33 526 911	8,6	26 588 470	7,1
Production and food industry	28 000 416	7,2	26 288 336	7,0
Budget-financed entities	25 888 444	6,6	20 594 945	5,5
Heavy machinery and shipbuilding	23 952 376	6,1	31 265 466	8,3
Oil and gas extraction and transportation	10 129 347	2,6	24 715 300	6,6
Transport	9 348 077	2,4	12 143 785	3,2
Sports and health and entertainment organisations	7 075 749	1,8	6 790 473	1,8
Telecommunications	1 992 093	0,5	3 671 459	1,0
Chemical industry	1 747 001	0,4	1 736 826	0,5
Energy	1 126 141	0,3	1 658 732	0,4
Other	12 603 531	3,3	12 131 897	3,3
Gross carrying amount of loans and advances to customers	390 770 476	100,0	375 283 866	100,0

As at 30 September 2019, the 20 largest groups of the Group's borrowers have aggregated loan amount of RUB 115 862 309 thousand (unaudited) (31 December 2018: RUB 117 743 616 thousand), which is 29.6% (31 December 2018: 31.4%) of the loan portfolio before expected credit losses allowance.

As at 30 September 2019 in a case of changing the amount of expected credit losses by 1% the effect on the profit before taxes would be RUB 358 243 thousand (31 December 2018: RUB 365 003 thousand).

3 Loans and Advances to Customers (continued)

The table below presents an analysis of loans and advances to customers, measured at amortised cost, by credit quality and by corresponding allowance for expected credit losses as of 30 September 2019 (unaudited):

<i>(In thousands of Russian roubles)</i>	12-month expected credit losses	Lifetime expected credit losses - non- impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit - impaired assets	Total
Loans and advances to corporate customers:					
Minimal credit risk	85 323 231	1 990 579	-	-	87 313 810
Low credit risk	90 070 587	4 184 985	-	-	94 255 572
Medium credit risk	33 643 271	22 811 179	-	-	56 454 450
High credit risk	-	8 779 261	-	-	8 779 261
Default loans	-	-	34 852 341	2 850 671	37 703 012
Total gross carrying amount of loans and advances to corporate customers	209 037 089	37 766 004	34 852 341	2 850 671	284 506 105
Allowance for expected credit losses	(3 714 141)	(3 937 229)	(23 452 578)	(1 073 304)	(32 177 252)
Total loans and advances to corporate customers	205 322 948	33 828 775	11 399 763	1 777 367	252 328 853
Loans and advances to individuals:					
Not past due	94 602 404	252 903	684 122	-	95 539 429
Overdue:					
- less than 30 days	2 301 462	409 285	42 421	-	2 753 168
- from 31 to 90 days	-	702 468	23 041	-	725 509
- more than 90 days	-	-	3 205 620	-	3 205 620
Total gross carrying amount of loans and advances to individuals	96 903 866	1 364 656	3 955 204	-	102 223 726
Allowance for expected credit losses	(549 361)	(408 605)	(2 689 096)	-	(3 647 062)
Total loans and advances to individuals	96 354 505	956 051	1 266 108	-	98 576 664
Total loans and advances to customers at amortised cost	301 677 453	34 784 826	12 665 871	1 777 367	350 905 517

3 Loans and Advances to Customers (continued)

The table below presents an analysis of loans and advances to customers, measured at amortised cost, by credit quality and by corresponding allowance for expected credit losses as of 30 September 2019 (unaudited):

<i>(In thousands of Russian roubles)</i>	12-month expected credit losses	Lifetime expected credit losses - non- impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Mortgage loans and advances to customers					
Not past due	63 234 544	191 364	153 782	-	63 579 690
Overdue:					
- less than 30 days	1 385 760	300 554	31 038	-	1 717 352
- from 31 to 90 days	-	400 667	13 694	-	414 361
- more than 90 days	-	-	1 248 903	-	1 248 903
Total gross carrying amount of mortgage loans and advances to customers	64 620 304	892 585	1 447 417	-	66 960 306
Allowance for expected credit losses	(126 113)	(184 436)	(510 049)	-	(820 598)
Total mortgage loans and advances to customers	64 494 191	708 149	937 368	-	66 139 708
Car loans and advances to customers					
Not past due	4 530 246	6 822	1 706	-	4 538 774
Overdue:					
- less than 30 days	133 742	14 228	1 297	-	149 267
- from 31 to 90 days	0	30 747	408	-	31 155
- more than 90 days	-	-	155 020	-	155 020
Total gross carrying amount of car loans and advances to customers	4 663 988	51 797	158 431	-	4 874 216
Allowance for expected credit losses	(20 880)	(12 856)	(87 896)	-	(121 632)
Total car loans and advances to customers	4 643 108	38 941	70 535	-	4 752 584
Consumer loans and advances to VIP clients					
Not past due	3 606 191	-	500 882	-	4 107 073
Overdue:					
- less than 30 days	-	-	-	-	-
- from 31 to 90 days	-	-	-	-	-
- more than 90 days	-	-	515 698	-	515 698
Total gross carrying amount of consumer loans and advances to VIP clients	3 606 191	-	1 016 580	-	4 622 771
Allowance for expected credit losses	(62 319)	-	(815 943)	-	(878 262)
Total consumer loans and advances to VIP clients	3 543 872	-	200 637	-	3 744 509

3 Loans and Advances to Customers (continued)

<i>(In thousands of Russian roubles)</i>	12-month expected credit losses	Lifetime expected credit losses - non- impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Consumer loans and advances to customers					
Not past due	23 231 423	54 717	27 752	-	23 313 892
Overdue:					
- less than 30 days	781 960	94 503	10 086	-	886 549
- from 31 to 90 days	-	271 054	8 939	-	279 993
- more than 90 days	-	-	1 285 999	-	1 285 999
Total gross carrying amount of consumer loans and advances to customers	24 013 383	420 274	1 332 776	-	25 766 433
Allowance for expected credit losses	(340 049)	(211 313)	(1 275 208)	-	(1 826 570)
Total consumer loans and advances to customers	23 673 334	208 961	57 568	-	23 939 863

3 Loans and Advances to Customers (continued)

The table below contains the analysis of loans and advances to customers measured at amortised cost, by credit quality and by corresponding allowance for expected credit losses as at 31 December 2018:

<i>(In thousands of Russian Roubles)</i>	12-month expected credit losses	Lifetime expected credit losses - non-impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Loans and advances to corporate customers:					
Minimal credit risk	89 831 910	472 601	-	-	90 304 511
Low credit risk	73 991 344	17 180 732	-	-	91 172 076
Medium credit risk	42 668 272	16 324 537	-	-	58 992 809
High credit risk	-	7 762 658	-	-	7 762 658
Default loans	-	-	34 134 374	2 086 536	36 220 910
Total gross carrying amount of loans and advances to corporate customers	206 491 526	41 740 528	34 134 374	2 086 536	284 452 964
Allowance for expected credit losses	(4 369 855)	(3 575 186)	(24 246 074)	(594 992)	(32 786 107)
Total loans and advances to corporate customers	202 121 671	38 165 342	9 888 300	1 491 544	251 666 857
Loans and advances to individuals:					
Not past due	84 217 775	-	771 028	-	84 988 803
Overdue:					
- less than 30 days	830 939	47 507	10 914	-	889 360
- from 31 to 90 days	-	408 755	60 620	-	469 375
- more than 90 days	-	-	3 388 784	-	3 388 784
Total gross carrying amount of loans and advances to individuals	85 048 714	456 262	4 231 346	-	89 736 322
Allowance for expected credit losses	(364 093)	(136 553)	(3 213 527)	-	(3 714 173)
Total loans and advances to individuals	84 684 621	319 709	1 017 819	-	86 022 149
Total loans and advances to customers at amortised cost	286 806 292	38 485 051	10 906 119	1 491 544	337 689 006

9 Loans and Advances to Customers (continued)

The table below presents an analysis of loans and advances to individual customers, measured at amortised cost, by credit quality and by corresponding allowance for expected credit losses as at 31 December 2019 (unaudited):

<i>(In thousands of Russian Roubles)</i>	12-month expected credit losses	Lifetime expected credit losses - non- impaired assets	Lifetime expected credit losses - impaired assets	Purchased or originated credit impaired assets	Total
Mortgage loans and advances					
Not past due	57 934 148	-	166 893	-	58 101 041
Overdue:					
- less than 30 days	584 185	43 347	6 721	-	634 253
- from 31 to 90 days	-	232 015	54 983	-	286 998
- more than 90 days	-	-	955 750	-	955 750
Total gross carrying amount of mortgage loans and advances to customers	58 518 333	275 362	1 184 347	-	59 978 042
Allowance for expected credit losses	(78 043)	(56 137)	(449 277)	-	(583 457)
Total mortgage loans and advances to customers	58 440 290	219 225	735 070	-	59 394 585
Car loans and advances to customers					
Not past due	3 379 624	-	1 879	-	3 381 503
Overdue:					
- less than 30 days	41 898	1 093	-	-	42 991
- from 31 to 90 days	-	22 220	374	-	22 594
- more than 90 days	-	-	92 577	-	92 577
Total gross carrying amount of car loans and advances to customers	3 421 522	23 313	94 830	-	3 539 665
Allowance for expected credit losses	(13 820)	(5 976)	(60 367)	-	(80 163)
Total car loans and advances to customers	3 407 702	17 337	34 463	-	3 459 502
Consumer loans and advances to VIP clients					
Not past due	3 596 443	-	576 095	-	4 172 538
Overdue:					
- less than 30 days	-	-	-	-	-
- from 31 to 90 days	-	-	-	-	-
- more than 90 days	-	-	1 208 582	-	1 208 582
Total gross carrying amount of consumer loans and advances to VIP customers	3 596 443	-	1 784 677	-	5 381 120
Allowance for expected credit losses	(82 385)	-	(1 569 623)	-	(1 652 008)
Total consumer loans and advances to VIP customers	3 514 058	-	215 054	-	3 729 112
Consumer loans and advances to customers					
Not past due	19 307 560	-	26 161	-	19 333 721
Overdue:					
- less than 30 days	204 856	3 067	4 193	-	212 116
- from 31 to 90 days	-	154 520	5 263	-	159 783
- more than 90 days	-	-	1 131 875	-	1 131 875
Total gross carrying amount of consumer loans and advances to customers	19 512 416	157 587	1 167 492	-	20 837 495
Allowance for expected credit losses	(189 845)	(74 440)	(1 134 260)	-	(1 398 545)
Total consumer loans and advances to customers	19 322 571	83 147	33 232	-	19 438 950

3 Loans and Advances to Customers (continued)

As at 30 September 2019 and 31 December 2018 loans and advances to customers are divided by credit quality into five categories of credit risk according to IFRS 9:

- Minimal credit risk - the probability of timely repayment of debt is high, a slight probability of a default.
- Low credit risk - the probability of timely repayment of debt is high, the low probability of default.
- Medium credit risk - the probability of timely repayment of debt is high, but there is a vulnerability in the presence of adverse commercial, financial and economic conditions.
- High credit risk - the possibility of timely repayment of debt depends on favorable commercial, financial and economic conditions.
- Default loans - assets with signs of credit impairment.

As at 30 September 2019 the Group has mortgage loans in the amount of RUB 1 368 611 thousand (31 December 2018: RUB 1 737 275 thousand) transferred to the mortgage agent "MA BSPB" LLC, a structured company founded for the financing purposes. On October 02, 2019 the Bank purchased loans in the amount of RUB 1 368 932 thousand that had constituted mortgage collateral for bonds of "MA BSPB" LLC and were repaid early.

As at 30 September 2019 the Group has mortgage loans in the amount of RUB 5 624 507 thousand (31 December 2018: RUB 7 228 378 thousand) transferred to the mortgage agent "MA BSPB 2" LLC, a structured company founded for the financing purposes. As at 30 September 2019 such mortgage loans are pledged as collateral for the mortgage secured bonds with the carrying amount of RUB 5 286 238 thousand issued by the mortgage agent (31 December 2018: RUB 7 601 137 thousand).

Analysis of loans and advances to customers by currency structure and maturity is presented in Note 8 and Note 9.

4 Due to banks

<i>In thousands of Russian Roubles</i>	30 September 2019 (unaudited)	31 December 2018
Securities sale and repurchase agreements	120 092 979	119 205 664
Term deposits of banks	22 581 123	28 070 126
Correspondent accounts of banks	463 265	542 694
Total due to banks	143 137 367	147 818 484

The analysis of due to banks by currency structure and maturity is presented in Note 8 and Note 9.

5 Customer accounts

<i>(In thousands of Russian Roubles)</i>	30 September 2019 (unaudited)	31 December 2018
State and public organisations		
- Current/settlement accounts	20 254	15
- Term deposits	8 024 369	-
Other legal entities		
- Current/settlement accounts	90 924 151	61 527 231
- Term deposits	68 208 579	86 818 615
- Amounts payable under sale and repurchase agreements	-	9 345 969
Individuals		
- Current accounts/demand deposits	60 928 998	65 669 586
- Term deposits	181 485 467	183 427 417
Total customer accounts	409 591 818	406 788 833

As at 30 September 2019 and 31 December 2018, the Group had no customers (group of customers), the total balances on accounts and deposits of which exceeded 10% of equity.

The analysis of customer accounts by currency structure and maturity is presented in Note 8 and Note 9.

6 Bonds issued

<i>(In thousands of Russian Roubles)</i>	30 September 2019 (unaudited)	31 December 2018
Mortgage secured bonds issued by the mortgage agents	5 286 238	7 992 072
Subordinated Eurobonds	-	5 814 473
Total bonds issued	5 286 238	13 806 545

In April 2019, 500 interest subordinated eurobonds placed by the Group in October 2013 and denominated in US dollars (one bond – USD 200 000) were paid off as planned. The issue was arranged by JP Morgan and VTB Capital. This issue was registered on the Irish Stock Exchange. As of 31 December 2018, the carrying value of these bonds amounted to USD 83 697 thousand, which is equivalent of RUB 5 814 473 thousand. The maturity of subordinated bonds is April 22, 2019. The nominal coupon rate is 10.75% per annum, the effective interest rate is 11.28% per annum.

The analysis of bonds issued by currency structure and maturity is presented in Note 8 and Note 9.

7 Interest income and expense

<i>(In thousands of Russian Roubles)</i>	9 months ended 30 September 2019 (unaudited)	9 months ended 30 September 2018 (unaudited)
Interest income calculated using the effective interest method		
Loans and advances to customers	26 610 240	23 905 314
Reverse sale and repurchase agreements	2 470 603	1 931 570
Debt investment securities measured at amortised cost	1 747 151	131 583
Due from Banks	1 645 539	1 530 093
Debt investment securities measured at other comprehensive income	1 194 981	2 306 311
Other interest income		
Trading securities measured through profit or loss	2 673 103	3 617 660
Loans and advances to customers measured at fair value through profit or loss	146 616	285 400
Total interest income	36 488 233	33 707 931
Interest expense		
Term deposits of individuals	7 513 461	6 268 238
Due to banks	5 841 121	6 197 318
Term deposits of legal entities	3 812 271	3 511 907
Bonds issued	676 716	571 518
Other debt securities issued	215 868	228 917
Current/settlement accounts	119 526	108 373
Other borrowed funds	71 604	74 273
Total interest expense	18 250 567	16 960 544
Contributions to deposit insurance system	1 323 532	917 924
Net interest income	16 914 134	15 829 463

8 Condensed Consolidated Interim Statement of Financial Position by Currencies as at 30 September 2019

<i>In thousands of Russian Roubles</i>	RR	USD	EUR	Other	Total
Assets					
Cash and cash equivalents	44 661 699	3 251 392	10 164 730	603 030	58 680 851
Mandatory reserve deposits with the Central Bank of the Russian Federation	3 853 065	-	-	-	3 853 065
Trading securities, including securities pledged under sale and repurchase agreements	16 209 390	868 896	-	772 882	17 851 168
Reverse sale and repurchase agreements	26 470 049	35 909 918	18 061 869	-	80 441 836
Derivative financial assets	6 842 748	-	-	-	6 842 748
Due from Banks	46 930 068	8	-	-	46 930 076
Loans and advances to customers					
- loans and advances to corporate customers	193 540 851	32 313 052	30 515 595	-	256 369 498
- loans and advances to Individual customers	96 758 477	162 991	1 655 196	-	98 576 664
Investment securities, including securities pledged under repurchase agreements	30 717 429	19 568 164	6 921 026	267 598	57 474 217
Investment property	7 420 615	-	-	-	7 420 615
Premises, equipment, intangible assets and right-of-use assets	14 448 040	-	-	-	14 448 040
Other assets	5 803 726	77 619	15 807	663	5 897 815
Long-term assets held-for-sale	1 159 086	-	-	-	1 159 086
Total assets	494 815 243	92 152 040	67 334 223	1 644 173	655 945 679
Liabilities					
Due to banks	106 385 377	36 301 144	450 846	-	143 137 367
Customer accounts	307 833 074	76 388 860	24 770 348	599 536	409 591 818
Financial liabilities recognised at fair value	2 687 088	-	-	-	2 687 088
Derivative financial liabilities	3 716 458	-	-	-	3 716 458
Bonds issued	5 286 238	-	-	-	5 286 238
Promissory notes and deposit certificates issued	2 954 986	3 432 386	1 015 746	-	7 403 118
Other borrowed funds	1 465 897	-	-	-	1 465 897
Other liabilities	3 811 301	10 760	13 870	220	3 836 151
Total liabilities	434 140 419	116 133 150	26 250 810	599 756	577 124 135
Less fair value of currency derivatives	(3 093 134)				(3 093 134)
Net recognised position, excluding currency derivative financial instruments	57 581 690	(23 981 110)	41 083 413	1 044 417	75 728 410
Currency derivatives	21 029 030	23 243 191	(40 197 738)	(981 349)	3 093 134
Net recognised position, including currency derivative financial instruments	78 610 720	(737 919)	885 675	63 068	78 821 544

9 Condensed Consolidated Interim Statement of Financial Position by Maturity as at 30 September 2019

	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years or no maturity	Total
<i>In thousands of Russian Roubles</i>						
Assets						
Cash and cash equivalents	58 680 851	-	-	-	-	58 680 851
Mandatory reserve deposits with the Central Bank of the Russian Federation	2 034 935	1 049 214	477 473	291 412	31	3 853 065
Trading securities, including securities pledged under sale and repurchase agreements	17 851 168	-	-	-	-	17 851 168
Reverse sale and repurchase agreements	46 143 567	28 746 464	5 551 805	-	-	80 441 836
Derivative financial assets	1 628 981	4 069 037	704 046	440 684	-	6 842 748
Due from Banks	33 667 628	13 262 448	-	-	-	46 930 076
Loans and advances to customers						
- loans and advances to corporate customers	21 976 167	73 693 622	33 860 295	101 327 772	25 511 642	256 369 498
- loans and advances to Individual customers	64 170	1 215 204	1 198 197	26 594 937	69 504 156	98 576 664
Investment securities, including securities pledged under sale and repurchase agreements	14 123 975	-	363 822	35 500 940	7 485 480	57 474 217
Investment property	-	-	-	-	7 420 615	7 420 615
Premises, equipment, intangible assets and right-of-use assets	-	5 243	40 590	444 612	13 957 595	14 448 040
Other assets	678 107	2 667 803	459 321	1 555 850	536 734	5 897 815
Long-term assets held-for-sale	-	-	1 159 086	-	-	1 159 086
Total assets	196 849 549	124 709 035	43 814 635	166 156 207	124 416 253	655 945 679
Liabilities						
Due to banks	141 481 392	290 287	519 546	839 894	6 248	143 137 367
Customer accounts	216 319 357	111 534 427	50 756 745	30 977 966	3 323	409 591 818
Financial liabilities at fair value	2 687 088	-	-	-	-	2 687 088
Derivative financial liabilities	351 154	865 910	773 835	751 996	973 563	3 716 458
Bonds issued	-	-	-	-	5 286 238	5 286 238
Promissory notes and deposit certificates issued	1 029 228	1 628 831	3 663 271	438 980	642 808	7 403 118
Other borrowed funds	-	1 465 897	-	-	-	1 465 897
Other liabilities	738 408	1 340 775	211 330	643 540	902 098	3 836 151
Total liabilities	362 606 627	117 126 127	55 924 727	33 652 376	7 814 278	577 124 135
Net liquidity gap	(165 757 078)	7 582 908	(12 110 092)	132 503 831	116 601 975	78 821 544
Cumulative liquidity gap as at 30 September 2019	(165 757 078)	(158 174 170)	(170 284 262)	(37 780 431)	78 821 544	