



National Bank
of Ukraine

Interim Concise Consolidated Financial Statements

for the period ended 30 September 2021



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Interim Concise Consolidated Statement of Financial Position

	Notes	As of 30 September 2021	As of 31 December 2020
(UAH million)			
Assets			
Funds and deposits in foreign currency and investment metals	5	95,666	121,112
Foreign securities	6	612,506	671,778
SDR holdings	7.1	35,336	128
Monetary gold		36,523	42,014
Domestic securities	8	329,989	335,401
Loans to banks and other borrowers	9	94,906	66,930
Domestic public debt		1,564	1,635
IMF quota contributions	7.2	75,326	81,927
Property and equipment and intangible assets		4,319	4,190
Other assets		6,344	6,459
Total assets		1,292,479	1,331,574
Liabilities			
Banknotes and coins in circulation		592,412	558,694
Accounts of banks	10	70,240	50,017
Accounts of government and other institutions	11	51,613	70,664
Liabilities on profit distribution to the State Budget of Ukraine	20	–	24,434
Certificates of deposit issued by the NBU	12	144,499	163,485
Borrowings received		2,658	2,827
Liabilities to the IMF, apart from IMF quota contributions	7.3	190,596	193,471
Liabilities to the IMF in respect of quota contributions	7.3	75,317	81,917
Other liabilities		2,414	1,095
Total liabilities		1,129,749	1,146,604
Equity			
Statutory capital		100	
General reserves and retained earnings	19	48,231	67,734
Revaluation reserves for assets and liabilities		114,355	117,092
Total equity		162,686	184,926
Noncontrolling interest		44	44
Total capital		162,730	184,970
Total equity and liabilities		1,292,479	1,331,574

Signed and approved for publishing on behalf of the National Bank of Ukraine on 26 November 2021.

Governor

Kyrylo SHEVCHENKO

Chief Accountant,
Director of Accounting Department

Bohdan LUKASEVYCH

Notes on pages 8 through 38 are an integral part of these interim concise consolidated financial statements.

Interim Concise Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the period ended 30 September 2021		For the period ended 30 September 2020	
		For the current quarter	On a cumulative basis from the beginning of the year	For the current quarter	On a cumulative basis from the beginning of the year
(UAH million)					
Interest income	14	7,799	32,133	5,579	20,773
Interest expenses	14	(3,906)	(11,010)	(2,940)	(12,890)
Net interest income before loss/gain from impairment/reversal of impairment		3,893	21,123	2,639	7,883
Gains or losses from the (impairment)/reversal of impairment on interest bearing financial assets	17	(293)	(339)	247	578
Net interest income after loss/gain from impairment/reversal of impairment		3,600	20,784	2,886	8,461
Fee and commission income		164	473	121	287
Fee and commission expense		(8)	(28)	(8)	(206)
Net fee and commission income		156	445	113	81
Gains or losses on operations with financial assets and liabilities in foreign currency and monetary gold	15	(12,628)	(38,162)	34,030	94,457
Gains or losses on operations with financial instruments measured at fair value through profit or loss	16	633	(1,869)	711	16,514
Other income		231	1,131	210	540
Total net (income)/expenses		(8,008)	(17,671)	37,950	120,053
Staff costs	21	(607)	(1,768)	(492)	(1,384)
Costs related to the production of banknotes, coins, souvenirs, and other products		(491)	(1,254)	(305)	(888)
Administrative and other expenses	22	(294)	(844)	(433)	(999)
Expenses on allowances for contingent and other liabilities		-	-	-	(95)
Gains /(losses) on the reversal of impairment/(impairment) of other assets	17	1	(2)	(1)	(2)
Income/(loss) before tax		(9,399)	(21,539)	36,719	116,685
Income tax expense of subsidiary		-	-	-	(1)
Profit/(loss) for the period		(9,399)	(21,539)	36,719	116,684
Other comprehensive income not to be reclassified subsequently to profit or loss:					
Revaluation of investment metals		(570)	(617)	644	907
Other comprehensive income for the period		(570)	(617)	644	907
Total comprehensive income/(expense) for the period		(9,969)	(22,156)	37,363	117,591
Profit/(loss) for the period attributable to:					
the National Bank of Ukraine		(9,399)	(21,539)	36,719	116,683
Noncontrolling interest		-	-	-	1
		(9,399)	(21,539)	36,719	116,684
Comprehensive income/(expenses) attributable to:					
the National Bank of Ukraine		(9,969)	(22,156)	37,363	117,590
Noncontrolling interest		-	-	-	1
		(9,969)	(22,156)	37,363	117,591

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Governor

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Director of Accounting Department

Bohdan LUKASEVYCH

Director
Financial Controlling Department

Halyna PAKHACHUK

Notes on pages 8 through 38 are an integral part of these interim concise consolidated financial statements.

Interim Concise Consolidated Statement of Changes in Equity

	Statutory capital	General reserves and retained earnings	Revaluation reserves for assets and liabilities	Total equity	Noncontrolling interest	Total capital
						(UAH million)
Balance as of 1 January 2020	100	51,439	31,790	83,329	44	83,373
Total comprehensive income for 9 months of 2020	–	116,683	907	117,590	1	117,591
Gain/(loss) on transfer of assets	–	(5)	–	(5)	–	(5)
Realized gain/(loss) on revaluation of investment metals sold	–	15	(15)	–	–	–
Allocation of unrealized gain/(loss) on revaluation of securities and derivatives from revaluation reserve	–	2,563	(2,563)	–	–	–
As of 30 September 2020	100	170,695	30,119	200,914	45	200,959
Balance as of 1 January 2021	100	67,734	117,092	184,926	44	184,970
Total comprehensive income for 9 months of 2021	–	(21,539)	(617)	(22,156)	–	(22,156)
Gain/(loss) on transfer of assets	–	(84)	–	(84)	–	(84)
Realized gain/(loss) on revaluation of investment metals sold	–	5	(5)	–	–	–
Allocation of unrealized gain/(loss) on revaluation of securities and derivatives from revaluation reserve	–	2,115	(2,115)	–	–	–
Balance as of 30 September 2021	100	48,231	114,355	162,686	44	162,730

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Interim Concise Consolidated Statement of Cash Flows

	Notes	As of 30 September 2021	As of 30 September 2020
(UAH million)			
Operating activities			
Interest received		24,904	19,375
Fees and commissions received		472	287
Other income		1,126	1,397
Interest paid		(10,849)	(13,107)
Fees and commissions paid		(36)	(206)
Other expenses		(3,462)	(3,749)
Taxes, duties, and charges paid		(439)	(349)
Transfers to the State Budget of Ukraine		(24,434)	(42,722)
Increase in loans to banks and other borrowers		(26,944)	(10,327)
Domestic public debt repaid		99	99
Increase/(decrease) in accounts of banks on demand		21,532	(24,963)
(Decrease)/increase in accounts of government and other institutions		(16,574)	233
Decrease/(increase) in other assets		531	(7,090)
Increase in other liabilities		1,503	3,876
Other cash flows		1,021	(275)
Net cash flows from operating activities		(31,550)	(77,521)
Investing activities			
Increase in term deposits placed		(248)	–
Net decrease/(increase) in foreign securities		15,509	(15,241)
Purchase of monetary gold		(12)	(56)
Repayment of domestic securities		12,917	12,500
Investments in associated companies		2	–
Acquisition of property and equipment, and intangible assets		(433)	(107)
Sale of property and equipment, and intangible assets		2	10
Net cash flows from investing activities		27,737	(2,894)
Financing activities			
Banknotes and coins issue in circulation	13	33,718	90,752
Proceeds from the IMF		34,875	–
Repayment of liabilities to the IMF	13	(22,928)	(17,456)
Net decrease in certificates of deposit issued by the NBU	13	(19,183)	(29,393)
Net cash flows from financing activities		26,482	43,903
Effect of changes in exchange rate		(12,838)	16,932
Net change in cash and cash equivalents		9,831	(19,580)
Cash and cash equivalents at the beginning of the reporting period		118,410	89,619
Cash and cash equivalents at the end of the reporting period	13	128,241	70,039

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Notes to Interim Concise Consolidated Financial Statements

Section I. Basis of preparation of financial statements

1. Principal Activities

The National Bank of Ukraine (NBU) is Ukraine's central bank. Its operations are governed by Ukraine's Constitution, Ukraine's law *On the National Bank of Ukraine*, as well as other Ukrainian laws. In accordance with Ukrainian legislation, the main function of the NBU is safeguarding the stability of the Ukrainian national currency. In the pursuit of its mandate, the NBU must be guided by the priority of achieving and maintaining price stability in Ukraine. The NBU promotes the stability of the banking system and sustainable economic growth, and supports the economic policies of the Cabinet of Ministers of Ukraine, provided that these do not prevent the NBU from carrying out its primary function of maintaining price stability.

The NBU does not aim to earn profits.

The NBU performs its functions and conducts operations in accordance with the Law of Ukraine *On the National Bank of Ukraine*.

The NBU's authorized capital is the property of the state.

As of 30 September 2021 and 31 December 2020, the NBU's structure comprised the Head Office and the Banknote Printing and Minting Works, a standalone unit of the central bank. These units operate exclusively within the NBU's mandate as per the Law of Ukraine *On the National Bank of Ukraine*.

The NBU's subsidiary is the SETTLEMENT CENTER FOR SERVICING FINANCIAL MARKET AGREEMENTS PJSC (hereinafter the Settlement Center).

Under Section XII *Final and Transitional Provisions* paragraph 14 of the Law of Ukraine *On Capital Markets and Organized Commodity Markets*, the transformation of the Settlement Center from a banking institution that carried out clearing activities into a nonbank financial institution that carries out clearing activities was completed as of 1 July 2021.

The NBU's shareholding in the authorized capital of the Settlement Center was 83.55% as of 30 September 2021 (flat from 83.55% as of 31 December 2020).

As of 30 September 2021 and 31 December 2020, the statutory capital of the Settlement Center totaled UAH 206.7 million and comprised ordinary registered shares with a par value of UAH 1,000 each.

Under Ukrainian legislation, the Settlement Center carries out professional activities in capital markets, clearing activities to

identify liabilities, and clearing activities of a central counterparty.

The Settlement Center performs the following functions, among other things:

- makes/ensures cash settlements under concluded derivative contracts and transactions with money market instruments and assets admitted for trading in the organized commodity market, subject to settlements based on the delivery-versus-payment principle, and under transactions with securities subject to settlements based on the delivery-of-securities-versus-payment principle
- ensures the exercise of rights (including rights to receive income) with regard to assets deposited in the relevant accounts of the Settlement Center for making/ensuring settlements under derivative contracts and transactions with financial instruments and other assets, and facilitates the filing of claims under bank guarantees
- makes transactions with derivative contracts, financial instruments, and other assets to ensure the fulfillment of obligations.

The NBU is the founder of the Corporate Nonstate Pension Fund (CNPF).

The NBU manages and stores the CNPF's assets.

The NBU has analyzed the availability of controls required for consolidation in accordance with International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements" with regard to the CNPF. The NBU is the founder of the CNPF, but it does not bear this fund's risks and is not entitled to the variable results of its activities. Under IFRS 10 "Consolidated Financial Statements," the NBU does not control the CNPF, and CNPF data has not been consolidated for the purpose of these interim concise consolidated financial statements.

As of 30 September 2021 and 31 December 2020, the NBU's investments in associated companies were represented by its investments in the authorized capital of the NATIONAL DEPOSITORY OF UKRAINE PUBLIC JOINT STOCK COMPANY (hereinafter the National Depository).

The NBU, the National Securities and Stock Market Commission, and other stock market practitioners are shareholders of the National Depository. Under its charter, the National Depository conducts depository record-keeping, and maintains records of securities and issuers' corporate transactions on customers' securities accounts.

As of 30 September 2021 and 31 December 2020, the NBU owned 2,580 ordinary registered shares of the National Depository with a face value of UAH 10,000 each and

UAH 25.8 million in total. As of 30 September 2021, the NBU's shareholding in the statutory capital of the National Depository was 25% (25% as of 31 December 2020).

2. Basis of Accounting Policies and Reporting Presentation

This section contains the NBU's accounting policy that relates to financial statements as a whole.

The interim concise consolidated financial statements of the NBU were prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting," as approved by the International Accounting Standards Board.

These interim concise consolidated financial statements do not include all of the information required for complete financial reporting in line with IFRS, but contain only some notes explaining the events and transactions that are essential to understanding the changes in the NBU's financial standing and performance that have occurred since the publication of the central bank's latest consolidated financial statements.

These interim concise consolidated financial statements are to be read together with the NBU's annual consolidated financial statements compiled as of 31 December 2020 in line with IFRS.

These interim concise consolidated financial statements have been prepared on the basis of the assumption that the NBU is a going concern that will continue to operate in the foreseeable future.

In the first nine months of 2021, the NBU's financial risk management targets and policies remained unchanged.

The official hryvnia exchange rate against the major foreign currencies – which is reflected in the monetary items of the consolidated statement on financial position and monetary gold – was as follows:

	30 September 2021 (in hryvnias)	31 December 2020 (in hryvnias)
1 U.S. dollar	26.576	28.2746
1 SDR	37.442166	40.723015
1 euro	30.981	34.7396
1 GBP	35.8351	38.4393
1 Troy ounce of gold	46,234.8	53,200.92

Basic estimates and judgments in applying accounting principles

The NBU makes estimates, assumptions, and professional judgments that affect the sums of assets and liabilities reported in its interim concise consolidated financial statements. Estimates and judgments are regularly revised and are based on NBU management's experience and other factors, including expectations of future events that are believed to be reasonable under the apparent conditions.

The most significant estimates and judgments include:

- basic assumptions and judgements about future events that could lead to substantial adjustments to the book value of assets and liabilities in the next reporting period
- estimates of loss allowances for expected credit losses on demand deposits and time deposits in foreign currency and monetary gold
- estimates of loss allowances for expected credit losses on securities that are measured at amortized cost
- estimates of loss allowances for expected credit losses on loans granted to banks and other borrowers
- depreciation of property and equipment and amortization of intangible assets

- provisions for contingent liabilities under lawsuits filed against the NBU
- related party transactions.

When calculating provisions for expected credit losses as of 30 September 2021, the NBU did not apply additional discounts for the crisis periods of the economic cycle to the fair value of collateral for credit transactions. These discounts, determined on the basis of expert judgments, were not applied due to a projection that in the next few years (2021–2023), the economy will be in recovery mode. These changes in judgments had no significant influence on the amount of provisions for expected credit losses.

As of 31 December 2020, the outstanding debt on the bonds of the State Mortgage Institution carried at amortized cost was at stage three of impairment. The NBU's management believes that as of 31 December 2020 there was the objective evidence of impairment of these assets (violation by the securities issuer of the issue terms – nonpayment of face value and coupon for regular interest period as envisaged by the terms of issue).

In March 2021, the State Treasury Service of Ukraine, pursuant to the instruction of the Ministry of Finance of Ukraine by order of the Cabinet of Ministers of Ukraine, transferred to the NBU UAH 946 million as requested by the NBU to meet the commitments under the state guaranty of the State Mortgage Institution's B3 bonds.

In the first nine months of 2021, no other changes occurred in accounting estimates or judgments of management (in terms of judgments used to assess the fair value of debt securities and determine the possible impairment of deposits, loans and securities measured at amortized cost).

Contingent Liabilities

Capital Commitments

As of 30 September 2021, the NBU had capital commitments with respect to the acquisition, construction, and improvement of property and equipment and intangible assets totaling UAH 320 million (as of 31 December 2020: UAH 251 million).

Legal Proceedings

From time to time and in the normal course of business, certain lawsuits are filed against the NBU. As of 30 September 2021, there were lawsuits for which the NBU estimates the probability of having to pay damages as low, but the NBU believes that disclosure in such property lawsuits may harm it in disputes with other parties on the subject matter of the lawsuit. The NBU made no provisions for liabilities that could arise from these lawsuits. As of 31 December 2020, there were no major lawsuits against the NBU that, the NBU estimated, had a low likelihood of resulting in losses.

For lawsuits against the NBU that, the NBU estimated, had a high likelihood of resulting in losses, the NBU made a respective provision of UAH 223 million as of 30 September 2021 (unchanged from UAH 223 million as of 31 December 2020).

Changes that occurred in the first nine months of 2021 in contingent liabilities for derivative financial instruments and loan commitments are laid out in Notes 5 and 9, respectively.

Change in Presentation

In preparing its interim concise consolidated financial statements for H1 2021, the NBU changed the format of its presentation in order to increase the relevance, clarity, and interconnectedness of information, specifically:

- The title of the item "General reserves" of the Interim Concise Consolidated Statement of Financial Position was changed to "General reserves and retained earnings," while the content of this item remained unchanged.
- To meet user preferences, the note "Capital management" was included.
- The format of the note "Gains or losses on operations with financial instruments measured at fair value through profit or loss" to the Interim Concise Consolidated Statement of Profit or Loss and Other Comprehensive Income was changed, as the breakdown of unrealized gains into components is useful and relevant only for the annual statements, as it aims to improve the clarity of information on the calculation of profit before distribution, which is carried out only as of the end of the year and is thus disclosed only in the annual consolidated financial statements.

In the note “Capital management,” the presentation of comparative information for 2020 was changed in accordance with its presentation for the first nine months of 2021.

Changes to Note “Capital Management”:

	Presented for the year ended 31 December 2020	Change in presentation	Presentation for the year ended 31 December 2020 was changed
			(UAH million)
Statutory capital	100	–	100
General reserves	51,397	–	51,397
Retained earnings	16,337	(36)	16,301
Reserve capital	–	36	36
Revaluation reserves of foreign currency and monetary gold	105,318	–	105,318
Revaluation reserves of investment metals	1,320	–	1,320
Revaluation reserves of financial instruments to their fair value	10,454	–	10,454
Total equity	184,926	–	184,926

During the preparation of the interim concise consolidated financial statements for the first nine months of 2021, the presentation of comparative data was changed to reflect the realized gain of UAH 15 million from revaluation of sold investment metals, which is not subject to reclassification to profits or losses, but which must be included in retained earnings, under the NBU’s accounting policy. In this regard, in the Interim Concise Statement of Changes in Equity, the corresponding amount was transferred within the item “Revaluation reserve for assets and liabilities” between the

lines “Realized gain/(loss) on revaluation of investment metals sold” and “Total comprehensive income for the first nine months of 2020.” The amounts of revaluation of investment metals, other comprehensive income, and total comprehensive income for the comparative period of the Interim Concise Consolidated Statement of Profit or Loss and Other Comprehensive Income have been adjusted accordingly. However, the total amount of revaluation reserves of the NBU’s assets and liabilities and equity for the comparative period has not changed.

3. Impact of Economic Conditions on the NBU's Financial Position and Performance

In Q3 2021, real GDP grew by 2.4% yoy, according to the current estimate of the State Statistics Service of Ukraine (<http://ukrstat.gov.ua>).

The continued economic recovery was fueled by sustained consumer demand and a pickup in investment activity. This drove growth across a number of industrial sectors (machinery production, the metals industry, and petroleum refining), construction, retail trade, and the financial sector. Other services sectors also recovered actively as quarantine restrictions were eased for face-to-face activities. Agriculture made a sizeable contribution to GDP growth in Q3 2021, thanks to the record harvest of early grain crops. The economic revival led to an improvement in the labor market and further growth in household incomes.

The consolidated budget recorded a small surplus in January–September 2021 (UAH 2.5 billion). At the same time, the State Budget of Ukraine had a deficit of UAH 39.8 billion. The state budget deficit and debt repayments were partly financed with debt resources, which included using a portion of funds received from the IMF's allocation of SDRs. The public and publicly guaranteed debt decreased both in absolute terms and as a percentage of GDP on a year-to-date basis, by NBU estimates. Among other things, this was driven by hryvnia strengthening and faster growth in nominal GDP.

The current account of the balance of payments returned to deficit (USD 0.8 billion) in Q3 2021. The deficit was caused by rising energy imports and persistently large payments of dividends and reinvested earnings. The financial account outflows (USD 0.9 billion) resulted mainly from the substantial scheduled debt repayments made by the government sector. Despite the deficit of the balance of payments (USD 1.6 billion), gross international reserves remained almost unchanged thanks to funds received from the global SDR allocation in August. The reserves amounted to USD 28.7 billion as of end-September, which covers 3.8 months of future imports.

Consumer inflation sped up in Q3 2021 to 11.0% yoy in September. Robust consumer demand, rising production costs (energy and wages), and high global commodity prices continued to be the main drivers of the faster growth in the Consumer Price Index. In the meantime, underlying inflationary pressures stabilized on the back of the stronger

hryvnia: the core Consumer Price Index grew by 7.4% yoy in September 2021.

In Q3 2021, the NBU continued to tighten its monetary policy, raising the key policy rate twice, by a total of 100 bp, to 8.5% per annum. Tighter monetary policy will help rein in inflation expectations and bring back a steady disinflation trend toward the 5% target in 2022. The NBU rolled back its emergency monetary measures to boost the transmission of the key policy rate hike. The central bank also continued to normalize its monetary policy operational design.

Despite having decreased somewhat in quarterly terms, the banking system's liquidity remained high in Q3 2021 (average daily balances of correspondent accounts and certificates of deposit stood at around UAH 200 billion). Intraday balances of banks' correspondent accounts decreased slightly, to UAH 55.5 billion.

In June 2020, Moody's upgraded its Ukraine credit rating to B3 from Caa1, which had not changed since the end of 2018. Fitch and Standard & Poor's affirmed their ratings for Ukraine at B in August and September 2021 respectively (<https://mof.gov.ua/uk/kreditnij-rejting-potochni-rejtingi-zagalna-informacija-istorichni-zmini>).

COVID-19 continues to spread and quarantine restrictions keep tightening throughout the world and Ukraine. The progress of vaccination campaigns is uneven across the globe. As new, more dangerous virus strains emerge, the risks of new lockdowns and related economic downturn remain.

Ukraine's economy remains affected by Russia's annexation of the Autonomous Republic of Crimea, the ongoing Russian military aggression in some areas of the Luhansk and Donetsk oblasts, as well as by complicated political and economic relations with Russia.

Going forward, these factors may have a mixed effect on the NBU's performance and financial standing. However, the degree of this effect cannot be measured accurately as of today. NBU management is closely watching the current situation and developments and is taking necessary action in order to mitigate the influence of negative factors.

Section II.I. Financial Instruments

4. Presentation of Financial Instruments by Measurement Categories

In nine months of 2021, the NBU's accounting policy remained unchanged.

depending on the models determined to manage financial assets and cash flow characteristics. The NBU's financial liabilities other than financial derivative instruments are estimated at amortized cost.

Transactions with Financial Instruments

The NBU classifies all financial assets into the categories that are at fair value through profit or loss and amortized cost

As of 30 September 2021, financial assets were broken down into measurement categories as follows:

	Assets at fair value through profit or loss	Assets at amortized cost	Total
(UAH million)			
Financial assets			
Funds and deposits in foreign currency and investment metals	5	92,901	92,906
Foreign securities	612,506	–	612,506
SDR holdings	–	35,336	35,336
Domestic securities	1,260	328,729	329,989
Loans to banks and other borrowers	–	94,906	94,906
Domestic state debt	–	1,564	1,564
IMF quota contributions	–	75,326	75,326
Other financial assets	43	446	489
Total financial assets	613,814	629,208	1,243,022

As of 31 December 2020, financial assets were broken down into measurement categories as follows:

	Assets at fair value through profit or loss	Assets at amortized cost	Total
(UAH million)			
Financial assets			
Funds and deposits in foreign currency and investment metals	8	118,331	118,339
Foreign securities	671,778	–	671,778
SDR holdings	–	128	128
Domestic securities	1,273	334,128	335,401
Loans to banks and other borrowers	–	66,930	66,930
Domestic state debt	–	1,635	1,635
IMF quota contributions	–	81,927	81,927
Other financial assets	46	1,269	1,315
Total financial assets	673,105	604,348	1,277,453

Section II.II. Financial Assets and Liabilities

5. Funds and Deposits in Foreign Currency and Investment Metals

	As of 30 September 2021	As of 31 December 2020
		(UAH million)
Financial assets at amortized cost		
Foreign currency cash	20,377	22,164
Demand deposits	24,087	70,305
Term deposits in foreign currency	48,439	25,863
Allowances for expected credit losses on deposits in foreign currency at amortized cost	(2)	(1)
Total financial assets at amortized cost	92,901	118,331
Financial assets at fair value through profit or loss		
Demand deposits for settling futures transactions	5	8
Total financial assets	92,906	118,339
Nonfinancial assets		
Demand deposits:		
in gold	2,760	2,773
Total nonfinancial assets	2,760	2,773
Total funds and deposits in foreign currency and investment metals	95,666	121,112

For the purposes of the interim consolidated statement of cash flows, the cash flows on term deposits in gold are classified as investment activities, while demand accounts in gold - as operating activities.

All funds and deposits in foreign currency are not backed by collateral as of 30 September 2021 and 31 December 2020.

All funds and deposits in foreign currency are expected to be recovered within 12 months from the reporting date (as of 31 December 2020, these funds and deposits were also expected to be recovered within 12 months).

As of 30 September 2021, the gross carrying value of demand deposits was UAH 24,087 million and it changed mostly due to the redistribution of FX assets between financial instruments for the management of international reserves (as of 31 December 2020, it was UAH 70,305 million). In nine months of 2021 and 2020, all demand deposits were at stage 1 for assessing expected credit losses. In nine months of 2021 and 2020, the NBU did not recognize any allowances for expected credit losses on demand accounts.

As of 30 September 2021, the gross carrying value of term deposits in foreign currency was UAH 48,439 million, allowances for expected credit losses were UAH 2 million (as of 31 December 2020, the gross carrying value of term

deposits was UAH 25,863 million, and allowances for expected credit losses were UAH 1 million). In nine months of 2021 and 2020, all term deposits in foreign currency were at stage 1 for assessing expected credit losses. The changes in gross carrying amount were caused by the return of available deposits as of the beginning of the year and placement of new ones, and changes in allowances were due to the release of allowances against returned deposits and recognition of new allowances against placed deposits.

The sum of demand deposits at fair value through profit or loss as of 30 September 2021 includes funds of UAH 5 million (as of 31 December 2020 - UAH 8 million) for settling futures transactions under agreements on investment management and the provision of advisory services between the IBRD and the NBU.

Since October 2013 the NBU has carried out transactions with futures for the purposes of regulating the interest rate risk under an Investment Management and Consulting Services Agreement between the NBU and the International Bank for Reconstruction and Development.

As of 30 September 2021, the NBU had no stock-exchange interest futures contracts (as of 31 December 2020, the NBU had 274 long stock-exchange interest futures contracts of UAH 1,031 million or USD 36 million in face value, maturing in March 2021).

6. Foreign Securities

As of 30 September 2021, foreign securities were comprised of the following:

	Government bonds	Securities issued by international agencies, banks and other issuers	Total
			(UAH million)
Foreign securities at fair value through profit or loss			
Debt securities broken down by issuers:			
securities issued by U.S. issuers:			
denominated in USD	382,480	4,483	386,963
denominated in GBP	–	827	827
securities issued by EU issuers:			
denominated in USD	6,511	35,508	42,019
denominated in EUR	–	8,555	8,555
denominated in GBP	1,254	729	1,983
securities issued by other issuers:			
denominated in USD	8,155	104,216	112,371
denominated in EUR	1,566	26,645	28,211
denominated in AUD	652	289	941
denominated in GBP	3,471	1,431	4,902
denominated in Chinese renminbi	–	15,483	15,483
denominated in JPY	358	9,772	10,130
Total debt securities	404,447	207,938	612,385
Equity instruments:			
shares of the Black Sea Trade and Development Bank	–	120	120
investment in the Interstate Bank	–	1	1
Total equity instruments	–	121	121
Total Foreign Securities at Fair Value Through Profit or Loss	404,447	208,059	612,506

All foreign securities are expected to be recovered within 12 months from the reporting date, except for equity instruments worth UAH 121 million (UAH 121 million as of 31 December 2020).

Securities issued by international agencies, banks and other issuers include debt securities issued by foreign central and investment banks, international agencies and other issuers.

As of 31 December 2020, foreign securities were comprised of the following:

	Government bonds	Securities issued by international agencies, banks and other issuers	Total
			(UAH million)
Foreign securities at fair value through profit or loss			
Debt securities broken down by issuers:			
securities issued by U.S. issuers:			
denominated in USD	404,704	6,013	410,717
denominated in GBP	–	921	921
securities issued by EU issuers:			
denominated in USD	7,119	46,142	53,261
denominated in EUR	–	9,592	9,592
denominated in GBP	1,345	2,855	4,200
securities issued by other issuers:			
denominated in USD	10,137	103,063	113,200
denominated in EUR	1,747	37,511	39,258
denominated in AUD	736	328	1,064
denominated in GBP	5,886	2,975	8,861
denominated in Chinese renminbi	345	16,120	16,465
denominated in JPY	412	13,706	14,118
Total debt securities	432,431	239,226	671,657
Equity instruments:			
shares of the Black Sea Trade and Development Bank	–	120	120
investment in the Interstate Bank	–	1	1
Total equity instruments	–	121	121
Total foreign securities at fair value through profit or loss	432,431	239,347	671,778

Information about the nominal value, coupon rate and maturities of foreign debt securities as of 30 September 2021 is presented in the table below:

	Total nominal value in foreign currency, in millions	Total nominal value in hryvnia equivalent, in UAH millions	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Debt securities at fair value through profit or loss by issuers					
Government bonds:					
securities issued by U.S. issuers:					
denominated in USD	14,078	374,145	0–2.875	Every 6 months, without coupon payments	From 15 days to 3.8 years
securities issued by EU issuers:					
denominated in USD	242	6,442	0.125–1.875	Quarterly, every 6 months, once a year	From 28 days to 1.6 years
denominated in GBP	35	1,254	0.13475	Quarterly	29 days
securities issued by other issuers:					
denominated in USD	302	8,037	0.4–2.625	Every 6 months	From 3.9 months to 4.8 years
denominated in EUR	50	1,549	0.125	Once a year	5.1 years
denominated in AUD	32	621	0.25–5.5	Every 6 months	From 1.1 years to 3.1 years
denominated in GBP	97	3,483	0.125–0.75	Every 6 months	From 9.8 months to 2.3 years
denominated in JPY	1,500	358	0.02	Every 6 months	3.7 years
Bonds issued by international agencies, banks and other issuers:					
securities issued by U.S. issuers:					
denominated in USD	169	4,486	0.296–0.75	Quarterly, every 6 months, once a year	From 2.5 months to 4.4 years
denominated in GBP	24	860	0.25	Once a year	6 years
securities issued by EU issuers:					
denominated in USD	1,330	35,355	0–3.375	Quarterly, every 6 months, once a year, without coupon payments	From 4 days to 4.5 years
denominated in EUR	275	8,520	0–0.5	Quarterly, once a year, without coupon payments	From 5.5 months to 7.2 years
denominated in GBP	20	717	1	Once a year	1.2 years
securities issued by other issuers:					
denominated in USD	3,910	103,902	0–3.35	Quarterly, every 6 months, once a year, without coupon payments	From 6 days to 5 years
denominated in EUR	854	26,458	0–0.75	Quarterly, once a year	From 1.6 months to 6.9 years
denominated in AUD	15	288	0.8643	Quarterly	1.6 months
denominated in GBP	40	1,433	0.375	Once a year	1.8 years
denominated in Chinese renminbi	3,794	15,598	0–3.4	Every 6 months, once a year, without coupon payments	From 1.6 months to 3.9 years
denominated in JPY	41,000	9,774	0–0.42	Every 6 months, without coupon payments	From 1.3 months to 3.1 years

Information about the nominal value, coupon rate and maturities of foreign debt securities as of 31 December 2020 is presented in the table below:

	Total nominal value in foreign currency, in millions	Total nominal value in hryvnia equivalent, in UAH millions	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Debt securities at fair value through profit or loss by issuers					
Government bonds:					
securities issued by U.S. issuers:					
denominated in USD	13,838	391,256	0–2.875	Every 6 months, without coupon payments	From 15 days to 4.9 years
securities issued by EU issuers:					
denominated in USD	247	6,995	0.125–1.875	Quarterly, every 6 months, once a year	From 29 days to 2.3 years
denominated in GBP	35	1,345	0.10875	Quarterly	10.1 months
securities issued by other issuers:					
denominated in USD	351	9,924	0.4–2.625	Every 6 months	From 1.4 months to 4.8 years
denominated in EUR	50	1,737	0.125	Once a year	5.9 years
denominated in AUD	30	657	2.25–5.5	Every 6 months	From 1.9 years to 2.3 years
denominated in GBP	151	5,797	0.5–1.5	Every 6 months	From 22 days to 2.6 years
denominated in Chinese renminbi	80	345	2.95	Every 6 months	5.8 months
denominated in JPY	1,500	412	0.02	Every 6 months	4.5 years
Bonds issued by international agencies, banks and other issuers:					
securities issued by U.S. issuers:					
denominated in USD	211	5,977	0.3965–0.75	Quarterly, every 6 months, once a year	From 11.6 months to 4.8 years
denominated in GBP	24	923	0.25	once a year	6.7 years
securities issued by EU issuers:					
denominated in USD	1,612	45,566	0–3.125	Quarterly, every 6 months, once a year, without coupon payments	From 1.6 months to 6 years
denominated in EUR	273	9,484	0–4	Quarterly, once a year, without coupon payments	From 3.6 months to 6.2 years
denominated in GBP	74	2,845	0–1	Once a year, without coupon payments	From 6.1 months to 2 years
securities issued by other issuers:					
denominated in USD	3,625	102,495	0–3.35	Quarterly, every 6 months, once a year, without coupon payments	From 29 days to 4.9 years
denominated in EUR	1,071	37,206	0–0.75	Quarterly, once a year, without coupon payments	From 12 days to 4.8 years
denominated in AUD	15	325	0.869	Quarterly	10.7 months
denominated in GBP	77	2,960	0.375–0.40538	Quarterly, once a year	From 9.1 months to 2.6 years
denominated in Chinese renminbi	3,754	16,267	0–4.8	Every 6 months, once a year, without coupon payments	From 1.9 months to 4.6 years
denominated in JPY	50,000	13,722	0–0.42	Every 6 months, without coupon payments	From 1.9 months to 3.8 years

7. Transactions with the IMF

7.1. SDR Holdings

SDR holdings are demand deposits denominated in SDR on the account opened at the IMF for Ukraine.

Movements in the SDR holding account in the first nine months of 2021 and the same period in 2020 were as follows:

	2021	2020
		(UAH million)
Balance of SDR holdings as of 1 January	128	234
Proceeds from the IMF:		
in favor of the government of Ukraine (hereinafter the government)	–	55,259
Proceeds from the SDR allocation	72,816	–
Purchase of SDRs	40,949	35,091
Other proceeds and payments	486	83
Loan repayment:		
on behalf of the NBU (Note 7.3)	(22,928)	(17,456)
on behalf of the government	(12,409)	(11,989)
Payment of loan-related fees and commissions	(62)	(469)
Conversion of SDRs to other foreign currencies:		
in favor of the government	(37,941)	(55,259)
Payment of interest for the use of IMF loans:		
on behalf of the NBU	(3,350)	(3,764)
on behalf of the government	(2,127)	(1,482)
Payment of interest for the use of funds received under SDR allocation:		
on behalf of the NBU	(2)	(8)
on behalf of the government	(24)	(125)
Other payments	(1)	(1)
Income on SDR holdings	3	1
Exchange rate differences	(202)	58
Balance of SDR holdings as of 30 September	35,336	173

In the first nine months of 2021 and the same period in 2020, the NBU received no funds from the IMF.

In June 2021, SDR 12.53 million, or UAH 486 million, were credited to the SDR holding account at the official UAH/SDR exchange rate on the transaction date, based on a decision by the IMF Board of Governors. The proceeds were recognized as the NBU's income and included into the item "Other income" of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The IMF, pursuant to the decision of the IMF's Board of Governors, approved the general SDR allocation to support liquidity in the global economic system by replenishing the currency reserves of IMF member states. In August 2021, funds were credited to the SDR holding account in the amount of SDR 1,928 million (UAH 72,816 million at the official exchange rate at the transaction date) under the general SDR allocation. In September 2021, a part of the amount (SDR 1,000 million or UAH 37,941 million at the official exchange rate at the transaction date) was converted into US dollars and euros and credited to the accounts of the State Treasury Service of Ukraine.

7.2. IMF Quota Contributions

The quota balance is a special type of asset that represents Ukraine's contribution as an IMF member. Quotas vary based on the economic size of each country and are determined by the IMF Board of Governors. The quota determines a member's voting power in the IMF, the limits of its access to the Fund's financial resources, and a participant's share in the allocation of SDRs, the Fund's unit of accounting. The major part of Ukraine's quota was paid in the form of non-interest bearing promissory notes issued by the NBU to the IMF, with the remainder being credited to IMF accounts No. 1 and No. 2 (Note 7.3).

As of 30 September 2021, Ukraine's total quota in the IMF amounted to SDR 2,012 million (UAH 75,326 million at the official UAH/SDR exchange rate as of the end of the reporting period) (as of 31 December 2020, it was SDR 2,012 million,

or UAH 81,927 million at the year-end official exchange rate). The quota does not earn interest. Quota contributions are a noncurrent asset.

The reserve position in the IMF is a specific type of asset that is created by converting a part of the contribution of a member country to the IMF liquidity quota. The reserve position is part of a country's currency reserves.

As of 30 September 2021, the reserve position of Ukraine in the IMF amounted to SDR 241,031 (UAH 9 million at the official UAH/SDR exchange rate as of the end of the reporting period) (as of 31 December 2020, it was SDR 241,031, or UAH 10 million at the year-end official UAH/SDR exchange rate).

7.3. Liabilities to the IMF

	As of 30 September 2021	As of 31 December 2020
		(UAH million)
Liabilities to the IMF for SDR purchases	152,786	190,151
Liabilities to the IMF for SDR allocations	37,807	3,317
IMF account No. 2	3	3
Liabilities to the IMF apart from quota contributions	190,596	193,471
Liabilities to the IMF with respect to quota settlement	75,128	81,711
IMF account No. 1	189	206
Liabilities to the IMF to pay quota contributions	75,317	81,917
Total liabilities to the IMF	265,913	275,388

Liabilities to the IMF for SDR allocation represent funds received by the NBU as a result of the SDR allocations.

Liabilities to the IMF for purchases of SDRs represent loans received from the IMF to accounts with the NBU. In nine months of 2021 and in 2020, there were no proceeds from the IMF to the NBU (Note 7.1).

IMF account No. 1 is the IMF account with the NBU in domestic currency that is used for transactions with the IMF related to the servicing and repayment of IMF loans. IMF account No. 2 is the IMF account with the NBU in the domestic currency that is used by the IMF for receipts and administrative disbursements in UAH in Ukraine.

In Q3 2021, liabilities to the IMF for SDR allocation increased due to the general SDR allocation approved by the IMF's Board of Governors in the amount of yet unused funds of SDR 928 million (UAH 36,988 million at the exchange rate of the IMF) (Note 7.1).

Liabilities to the IMF to pay quota contributions represent liabilities for quota settlement. In nine months of 2021 and in 2020, there were no changes in liabilities on quota contributions related to the IMF's administrative disbursements in hryvnia.

During nine months of 2021, liabilities worth SDR 588 million (UAH 22,928 million at the official exchange rate at the transaction date, or UAH 22,559 million at the annual exchange rate of the IMF) were repaid to the IMF (during nine months of 2020, repayments of liabilities to the IMF worth SDR 469 million (UAH 17,456 million at the official exchange rate at the transaction date, or UAH 17,288 million at the annual exchange rate of the IMF) were repaid) (Note 7.1).

All liabilities to the IMF are noncurrent, except for balances on IMF accounts No. 1 and No. 2, liabilities to the IMF for SDR allocation, liabilities to the IMF for borrowing the amount of SDR 1,086 million (UAH 43,258 million at the IMF's annual exchange rate), and interest accrued on liabilities to the IMF [in 2020, SDR 649 million (UAH 23,932 million at the IMF's annual exchange rate) and interest accrued on liabilities to the IMF].

8. Domestic Securities

As of 30 September 2021, domestic securities comprised the following:

	As of 30 September 2021	As of 31 December 2020
		(UAH million)
Securities measured at fair value through profit or loss:		
in foreign currencies:		
government derivatives denominated in US dollars	1,260	1,273
Total securities at fair value through profit or loss	1,260	1,273
Debt securities at amortized cost:		
in domestic currency:		
domestic government bonds	328,729	334,128
Total debt securities at amortized cost	328,729	334,128
Total domestic securities	329,989	335,401

Under the Law of Ukraine *On the National Bank of Ukraine*, the NBU performs transactions with domestic securities only on the secondary market.

Domestic government debt securities are issued by the Ministry of Finance of Ukraine and have the nominal value of UAH 1,000 each.

During the first nine months of 2021 and 2020, the NBU did not purchase domestic government debt securities.

Each government derivative has a notional value of USD 1,000 or such aggregate value that is an integer multiple equal to USD 1,000 (hereinafter the notional value). Payments on government derivatives depend on reaching certain GDP indicators and the indicator of real GDP growth for 2019–2038. In June 2021, government derivatives in the

amount of USD 0.6 million or UAH 15 million were paid at the official exchange rate at the transaction date.

All domestic securities are expected to be redeemed later than 12 months from the reporting date, excluding the nominal value of domestic government debt securities and the accrued interest on debt securities totaling UAH 27,048 million payable in 12 months from the reporting date (as of 31 December 2020: all domestic securities were expected to be redeemed later than 12 months from the reporting date, excluding the nominal value of domestic government debt securities and accrued interest on debt securities totaling UAH 21,022 million payable within 2020).

As of 30 September 2021 and 31 December 2020, all Ukrainian domestic securities are government securities.

Information on the nominal value, yield to maturity, coupon income, and maturities of domestic securities as of 30 September 2021 is presented in the table below:

	Total nominal value and notional value in the hryvnia equivalent, in UAH millions	Total nominal value and notional value in foreign currency, in millions	Yield to maturity, % p.a.	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Securities measured at fair value through profit or loss:						
in foreign currencies:						
government derivatives	1,165	44	–	–	–	Up to 18.7 years
Debt securities at amortized cost:						
in domestic currency:						
domestic government bonds	312,606	–	7.07–12.53	7.30–14.10	Once a year, every 6 months	From 3.7 months to 26.1 years

Information on the nominal value, yield to maturity, coupon income, and maturities of domestic securities as of 31 December 2020 is presented in the table below:

	Total nominal value and notional value in the hryvnia equivalent, in UAH millions	Total nominal value and notional value in foreign currency, in millions	Yield to maturity, % p.a.	Coupon rate, % p.a.	Frequency of coupon payments	Maturity
Securities measured at fair value through profit or loss:						
in foreign currencies:						
government derivatives	1,240	44	–	–	–	Up to 19.4 years
Debt securities at amortized cost:						
in domestic currency:						
domestic government bonds	324,577	–	7.45–15.43	6.6–14.3	Once a year, every 6 months	From 1.3 months to 26.9 years

In nine months of 2021 and 2020, all government securities were at stage 1. During the first nine months of 2021 and 2020, the NBU did not make provisions for expected credit losses on government securities.

9. Loans to Banks and Other Borrowers

Loans to banks and other borrowers by their designated purpose are classified as follows:

	As of 30 September 2021	As of 31 December 2020
	(UAH million)	
Loans granted to banks to support their liquidity:		
for stabilizing banking activities	39,047	41,434
through tenders conducted by the NBU:		
short-term	2,305	13,916
long-term	88,866	48,381
other	10	10
Loans granted under credit lines to support small and medium businesses using funds received from the European Bank for Reconstruction and Development (the EBRD)	36	36
Other	2	2
Allowance for expected credit losses on loans to banks and other borrowers	(35,360)	(36,849)
Total loans to banks and other borrowers	94,906	66,930

In nine months of 2021, the NBU supported the liquidity of banks through establishing a standing refinancing line (overnight loans), refinancing banks for the periods from 14 to 90 days and from one to five years (in 2020 - from 14 to 90 days and from one to five years) by holding tenders. As of 30 September 2021 and 31 December 2020, the NBU has the outstanding debts under those loans.

The NBU grants to banks the overnight and refinancing loans secured by a pool that may consist of the following asset (property) types: Ukraine's government bonds, the NBU's certificates of deposit, bonds of international financial institutions (issued in accordance with the Ukrainian law), corporate bonds placed against the CMU's guarantees,

domestic municipal bonds, and foreign currency (US dollars, Euros, GB pounds, Swiss francs, Japanese yen).

The securities (Ukraine's government bonds, corporate bonds, including those placed under the CMU's guarantees), foreign currency, shares of the owners of a bank's qualifying holding, real estate, and property rights under loan agreements were accepted as collateral against stabilization loans issued to banks to support their liquidity before 2017 and which remained outstanding as of 30 September 2021 and 31 December 2020. The NBU has not granted stabilization loans since 2017. Instead of stabilization loans, the NBU may issue to banks loans for emergency liquidity assistance, but no such loans have been issued yet.

As of 30 September 2021, the gross carrying value of loans to banks was UAH 39,047 million, provisions for expected loan losses under stabilization loans were UAH 34,999 million (as of 31 December 2020, the gross carrying value of stabilization loans to banks was UAH 41,434 million, and provisions for expected credit losses were UAH 36,470 million).

As of 30 September 2021, the gross carrying value of loans to banks provided through tenders conducted by the NBU was UAH 91,171 million, provisions for expected loan losses under loans provided through tenders conducted by the NBU were UAH 313 million (as of 31 December 2020, the gross carrying value of loans to bank provided through tenders conducted by the NBU was UAH 62,297 million, and provisions for expected credit losses were UAH 331 million).

As of 30 September 2021 and 31 December 2020, the gross carrying value of other loans was UAH 10 million, allowance for expected credit losses was UAH 10 million.

As of 30 September 2021 and 31 December 2020, the gross carrying value of loans granted under credit lines to support small and medium enterprises using the funds received from the European Bank for Reconstruction and Development and other loans equaled UAH 38 million, while provisions for expected credit losses were UAH 38 million.

The estimated fair value of loans to banks and other borrowers is presented in Note 18.

Loan Commitments

As of 30 September 2021, the NBU had commitments for granting loans to the Deposit Guarantee Fund under an open revolving credit line totaling UAH 2,000 million (as of 31 December 2020, the NBU had commitments in UAH 2,000 million).

10. Accounts of Banks

	As of 30 September 2021	As of 31 December 2020
		(UAH million)
Correspondent accounts:		
in domestic currency	51,916	37,501
Bank accounts on special use terms:		
in domestic currency	1,369	1,370
in foreign currency	135	165
Funds placed to ensure the repayment of bank debts to the NBU:		
in foreign currency	16,820	10,981
Total accounts of banks	70,240	50,017

As of 30 September 2021 and 31 December 2020, no interest was accrued on the balances of correspondent accounts.

purposes specified by the laws of Ukraine and the NBU's regulations.

Bank accounts on special-use terms as of 30 September 2021 and 31 December 2020 included accounts for bank liquidation committees to make settlements in the process of a bank's liquidation, and the accounts opened for other

As of 30 September 2021 and 31 December 2020, all accounts of banks were to mature within 12 months.

11. Accounts of Government and Other Institutions

	As of 30 September 2021	As of 31 December 2020
		(UAH million)
Funds of budgets and budget entities:		
in domestic currency	42,141	12,013
in foreign currency	7,729	57,080
Deposit Guarantee Fund:		
in domestic currency	1,464	1,414
Other:		
in domestic currency	215	110
in foreign currency	64	47
Total accounts of government and other institutions	51,613	70,664

The NBU services the accounts of the State Budget of Ukraine and local budgets, which are consolidated into a single Treasury account.

which bore interest rates of 5.04% as of 30 September 2021 (31 December 2020: 5.68%).

In accordance with the Law of Ukraine *On the National Bank of Ukraine*, all budget accounts are non-interest-bearing, except for the accounts of the Deposit Guarantee Fund,

As of 30 September 2021 and 31 December 2020, all accounts of state-owned and other banks were to mature within 12 months.

12. Certificates of Deposit Issued by the NBU

The certificates of deposit issued by the NBU are one of its monetary policy instruments. They are debt securities issued by the NBU in nondocumentary form that confirm the placement of banks' funds with the NBU and the right of

banks to receive at their maturity the funds they placed, together with the interest accrued. The yield on the certificates of deposit is set based on the NBU's interest rate policy framework, taking into account its current objectives.

	As of 30 September 2021	As of 31 December 2020
		(UAH million)
Certificates of deposit at amortized cost:		
overnight certificates of deposit	49,031	52,494
certificates of deposit with maturities up to 100 days	95,468	110,991
Total amount of certificates of deposit at amortized cost	144,499	163,485

As of 30 September 2021 and 31 December 2020, the nominal value of the certificates of deposit issued by the NBU was UAH 1 million each.

The weighted average interest rate for certificates of deposit placed in nine months of 2021 was 6.56% per annum, and the initial period of placement varied from 1 to 14 days (2020:

a weighted average yield of 7.22% per annum, and the initial period of placement varied from 1 to 14 days).

As of 30 September 2021 and 31 December 2020, all certificates of deposit issued by the NBU were to mature within 12 months.

Information on the nominal value, weighted average yield, interest rate, period of placement, and interest payment frequency as of 30 September 2021 is presented in the table below:

	Total nominal value of certificates of deposit, in UAH millions	Weighted average yield, % p.a.	Interest rate, % p.a.	Period of placement, calendar days	Frequency of interest payments
Certificates of deposit at amortized cost:					
overnight certificates of deposit	49,021	7.50	7.50	1	one time during repayment
certificates of deposit with maturities up to 100 days	95,237	8.50	8.50	14	one time during repayment

Information on the nominal value, weighted average yield, interest rate, period of placement, and interest payment frequency as of 31 December 2020 is presented in the table below:

	Total nominal value of certificates of deposit, in UAH millions	Weighted average yield, % p.a.	Interest rate, % p.a.	Period of placement, calendar days	Frequency of interest payments
Certificates of deposit at amortized cost:					
overnight certificates of deposit	52,487	5.00	5.00	4	one time during repayment
certificates of deposit with maturities up to 100 days	110,954	6.00	6.00	7	one time during repayment

13. Cash and Cash Equivalents

	Notes	As of 30 September 2021	As of 31 December 2020
(UAH million)			
Foreign currency cash	5	20,377	22,164
Demand deposits (other than restricted funds)	5	24,093	70,258
Short-term deposits with maturities of up to three months (other than deposits in gold, investment metals, and restricted funds)	5	48,438	25,860
SDR holdings	7.1	35,333	128
Total cash and cash equivalents		128,241	118,410

Changes in liabilities that resulted from financial activities in nine months 2021:

	Note	As of 1 January 2021	Issue/ attraction/ (repayment) of liabilities	Interest paid	Changes in exchange rates	Interest expenses accrued	Other	As of 30 September 2021
(UAH million)								
Banknotes and coins in circulation		558,694	33,718	–	–	–	–	592,412
Liabilities to the IMF	7.3	275,388	11,947	(3,352)	(21,146)	3,208	(132)	265,913
Certificates of deposit issued by the NBU	12	163,485	(19,183)	(7,311)	–	7,508	–	144,499

The NBU classifies paid interest as cash flows from operating activity in the Interim Concise Consolidated Statement of Cash Flow.

Changes in liabilities that resulted from financial activities in nine months 2020:

	Note	As of 1 January 2020	Issue/ attraction/ (repayment) of liabilities	Interest paid	Changes in exchange rates	Interest expenses accrued	Other	As of 30 September 2020
(UAH million)								
Banknotes and coins in circulation		425,256	90,752	–	–	–	–	516,008
Liabilities to the IMF	7.3	236,945	(17,456)	(3,772)	49,898	3,715	22	269,352
Certificates of deposit issued by the NBU	12	151,932	(29,393)	(9,036)	–	8,889	179	122,571

Section II.III. Financial Performance by Financial Instruments

14. Interest Income and Expenses

	For the period ended 30 September 2021		For the period ended 30 September 2020	
	For the current quarter	On a cumulative basis from the beginning of the year	For the current quarter	On a cumulative basis from the beginning of the year
(UAH million)				
Interest income				
Income on domestic securities at amortized cost	5,775	27,196	5,051	18,910
Income on loans to banks	1,957	4,755	470	1,489
Income on accounts and deposits in foreign currencies	26	66	16	254
Income on SDR holdings	3	3	–	1
Income on domestic state debt	34	102	36	108
Other	4	11	6	11
Total interest income at the effective interest rate	7,799	32,133	5,579	20,773
Interest expenses				
Expenses on certificates of deposit issued by the NBU	(2,791)	(7,508)	(1,539)	(8,877)
Expenses on operations with the IMF	(1,035)	(3,315)	(1,293)	(3,715)
Expenses on Deposit Guarantee Fund accounts	(23)	(55)	(60)	(143)
Expenses on borrowings received	(21)	(64)	(22)	(73)
Total interest expenses at the effective interest rate	(3,870)	(10,942)	(2,914)	(12,808)
Interest expenses on demand deposits and term deposits with a negative interest rate	(36)	(68)	(26)	(82)
Net interest income	3,893	21,123	2,639	7,883

Other interest income includes interest income on loans to employees

In nine months of 2021, income on domestic securities at amortized cost included UAH 1,193 million of interest income on inflation-indexed domestic government securities – in Q3

2021, UAH 13,086 million – on a cumulative basis from the beginning of 2021 (in Q3 2020 – UAH 87 million, in the same period of 2020 – UAH 3,939 million).

15. Gains or Losses on Operations with Financial Assets and Liabilities in Foreign Currency and Monetary Gold

	For the period ended 30 September 2021		For the period ended 30 September 2020	
	For the current quarter	On a cumulative basis from the beginning of the year	For the current quarter	On a cumulative basis from the beginning of the year
	(UAH million)			
Unrealized gains or losses on operations with financial assets and liabilities in foreign currency and monetary gold	(12,628)	(38,305)	31,473	80,404
Realized result on transactions with financial assets and liabilities in foreign currency and monetary gold	–	143	2,557	14,053
Total results on operations with financial assets and liabilities in foreign currency and monetary gold	(12,628)	(38,162)	34,030	94,457

16. Gains or Losses on Operations with Financial Instruments at Fair Value through Profit or Loss

	For the period ended 30 September 2021		For the period ended 30 September 2020	
	For the current quarter	On a cumulative basis from the beginning of the year	For the current quarter	On a cumulative basis from the beginning of the year
	(UAH million)			
Foreign securities at fair value through gains or losses				
Interest income	1,700	5,545	2,203	6,617
Unrealized results on foreign securities at fair value through gains or losses	276	(4,797)	(922)	8,577
Realized results on foreign securities measured at fair value through profit or loss (previously unrealized results of the current period that were realized)	(1,250)	(1,550)	151	1,729
Total gains or losses from foreign securities at fair value through profit or loss	726	(802)	1,432	16,923
Derivative financial instruments				
Unrealized gains or losses from derivative financial instruments	(148)	(1,242)	(760)	(525)
Realized gains or losses from derivative financial instruments (previously unrealized gains or losses of the current period that were realized)	55	175	39	117
Total amount of gains or losses from derivative financial instruments	(93)	(1,067)	(721)	(408)
Proprietary rights on loan agreements repossessed by the NBU				
Realized gains or losses (previously unrealized gains or losses of the current period that were realized)	–	–	–	(1)
Total gains or losses on proprietary rights on loan agreements repossessed by the NBU	–	–	–	(1)
Total results on transactions with financial instruments at fair value after revaluation in profit or loss	633	(1,869)	711	16,514

In nine months of 2021, interest received on foreign securities included in the net decrease/(increase) in foreign securities in the concise consolidated cash flow statement amounted to

UAH 5,680 million (UAH 6,485 million in nine months of 2020).

17. Gains/(Losses) on the (Impairment)/Reversal of Impairment of Financial and Nonfinancial Assets

Gains/(losses) on the (impairment)/reversal of impairment of financial assets

	For the period ended 30 September 2021		For the period ended 30 September 2020	
	For the current quarter	On a cumulative basis from the beginning of the year	For the current quarter	On a cumulative basis from the beginning of the year
	(UAH million)			
Gains/(losses) on the (impairment)/reversal of impairment on deposits in foreign currency at amortized cost	–	(2)	(2)	7
Gains on the reversal of impairment on debt securities of other government institutions at amortized cost	–	14	12	82
Gains/(losses) from the reversal of impairment on loans to banks and other borrowers	(294)	(352)	236	489
Impairment losses on loans to employees	1	1	1	–
Gains /(losses) from (impairment)/reversal of impairment on interest bearing financial assets	(293)	(339)	247	578
Gains/(losses) on the reversal of impairment/(impairment) of other assets	1	(2)	(1)	(2)

Section II.IV. Fair Value of Financial Assets and Liabilities

18. Fair Value of Financial Assets and Liabilities

The NBU determines the estimated fair value of financial assets and liabilities using available market information (where it exists) and the appropriate evaluation methodologies. However, professional judgment is required to interpret market data to measure the fair value. Given the low activity in Ukraine's financial market, the estimated fair value may not always reflect the value that could be realized by the NBU in the current circumstances.

Financial Assets and Liabilities Carried at Fair Value

Financial instruments carried at fair value include foreign securities and derivative financial instruments.

The fair value of these securities is defined on quoted prices in the active market (Level 1 inputs), other quotations from trading information systems (Level 2 inputs), or in the absence of information on quoted prices in the active market, the fair value is based on an income approach and Level 3 inputs (the yield of the securities during their initial placement by the issuer and the assumption that the yield will remain unchanged until the maturity date of the relevant securities, taking into account their short maturities).

The fair value of derivative financial instruments (futures, government derivatives) is determined on the basis of quoted prices in an active market (Level 1 input).

Financial Assets and Liabilities at Amortized Cost

The NBU has determined that the fair value of certain financial assets and liabilities carried at amortized cost does not materially differ from their carrying value for the purposes of disclosing the fair value. These financial assets and liabilities include funds and deposits in foreign currencies, SDR holdings and IMF quota contributions, other financial assets, banknotes and coins in circulation, bank accounts, accounts of the state and other institutions, NBU certificates of deposit, liabilities to the IMF, and other financial liabilities.

Financial instruments carried at amortized cost, the fair value of which may differ significantly from their carrying values, include domestic securities, domestic public debt in domestic

currency, and loans to banks and other borrowers. None of these financial instruments have an active market.

For the purposes of disclosing in its consolidated financial statements the fair values of financial assets and liabilities for which no active market exists, the NBU estimates the fair values of such assets and liabilities using the discounted cash flow method (income approach). The said model takes into account future interest payments and principal repayments, the repayment period, and the discount rate.

The NBU estimates the fair value of domestic securities on the basis of the income approach and the following information:

for long-term inflationary government bonds, Level 2 inputs (spot rates calculated on the basis of the zero-coupon yield curve built using data from actually concluded and executed agreements on domestic government debt securities, using the Svensson parametric model, and the actual consumer price index calculated for one month and compared to the previous month over the period from September 2020 to August 2021), and Level 3 inputs (the September 2021 FOCUSECONOMICS consensus forecast of consumer price indices for the next five years and target consumer price indices established by the NBU for the period from year 6 to year 30)

for other Ukrainian government bonds, Level 2 inputs (spot rates calculated on the basis of the zero-coupon yield curve built using data from actually concluded and executed agreements on domestic government debt securities using the Svensson parametric model).

To measure the fair value of internal government debt in domestic currency, the NBU's weighted average rate on all refinancing instruments (Level 3 input) is used as the discount rate.

As of 30 September 2021 and 31 December 2020, the NBU applied the market rate (the NBU's key policy rate) as of the calculation date (Level 3 inputs) as the discount rate used to measure the fair value of loans to banks and other borrowers.

The discount rates used are as follows:

	30 September 2021	31 December 2020
	Discount rate, in % per annum	Discount rate, in % per annum
Domestic securities in domestic currency:		
domestic government bonds	7.07–12.53	7.45–11.59
Domestic public debt in domestic currency (1994–1996)	9.75	6.08
Loans to banks and other borrowers in domestic currency	8.50	6.00
Claims under bonds of other government institutions	–	10.32

The following table summarizes the carrying value and estimated fair values of the financial assets that do not appear in the NBU's interim concise consolidated financial statements at their fair values:

	30 September 2021		31 December 2020	
	Carrying value	Fair value	Carrying value	Fair value
	(UAH million)			
Domestic securities in domestic currency:				
domestic government bonds	328,729	304,283	334,128	315,282
Domestic public debt	1,564	1,484	1,635	1,876
Loans to banks and other borrowers	94,906	96,000	66,930	67,229
Claims under bonds of other government institutions	–	–	907	920

Taking into account that fair value estimates are based on certain assumptions, it should be noted that the information provided above may not be fully reflective of the value that could be realized.

The fair value of financial instruments was categorized as follows:

	30 September 2021			31 December 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(UAH million)					
Assets carried at fair value						
Funds and deposits in foreign currency (futures)	5	–	–	8	–	–
Foreign securities carried at fair value	469,486	127,446	15,574	521,245	125,534	24,999
Domestic securities carried at fair value:						
in foreign currency:						
Government derivatives denominated in USD	1,260	–	–	1,273	–	–
Assets for which fair value is disclosed						
Domestic securities in domestic currency:						
domestic government bonds	–	165,322	138,961	–	184,466	130,816
Domestic public debt	–	–	1,484	–	–	1,876
Loans to banks and other borrowers	–	–	96,000	–	–	67,229
Claims under bonds of other government institutions	–	–	–	–	–	920

In the first nine months of 2021, there were no significant transfers of financial instruments between Levels 1 and 2 of the fair value hierarchy. In the first nine months of 2021, there were no transfers of financial instruments to or from Level 3 of the fair value hierarchy.

Long-term inflationary domestic bonds – the fair values of which are disclosed – are included in Level 3 of the fair value hierarchy.

The change in the fair value of foreign securities that are measured at the reporting date at fair value, and are included in Level 3 of the fair value hierarchy, is presented as follows:

Fair value of foreign securities that are measured at fair value through profit or loss and are attributed to Level 3 of the fair value hierarchy	
(UAH million)	
Foreign securities as of 31 December 2019	33,400
Income	5,962
Purchases of foreign securities	23,218
Redemptions of foreign securities	(35,195)
Foreign securities as of 30 September 2020	27,385
Foreign securities as of 31 December 2020	24,999
Expenses	(3,265)
Purchases of foreign securities	12,048
Redemptions of foreign securities	(18,208)
Foreign securities as of 30 September 2021	15,574

Income and expenses from change in fair value of foreign securities evaluated as of the reporting date – and assigned to the 3rd level of fair value assessment – are included in profits or losses from transactions with financial asset and liabilities in foreign currencies and monetary gold, and profits or losses from transactions with financial instruments at fair value through profit or loss of the consolidated statement of profit or loss and other comprehensive income (Note 15 and 16 respectively). Information about changes to fair value of foreign securities that are measured at fair value through profit or loss and are attributed to Level 3 of the fair value hierarchy for a comparative period was clarified in terms of disclosing the acquisitions, redemption and other changes over nine months of 2020. The said clarifications did not impact other indicators and financial statement items.

The average weighted modified duration under financial assets at fair value that are included in Level 3 of the fair value hierarchy (except for the equity instruments at fair value through profit or loss) was 0.51 as of 30 September 2021 (0.48 as of 31 December 2020). An increase in the yield rates used to determine the fair value of these financial assets as of 30 September 2021 (Level 3 inputs) by 1 basis point would decrease the fair value of the relevant assets by UAH 79 million (by UAH 120 million as of 31 December 2020), while a decrease in these yield rates by 1 basis point would increase the fair value of these assets by UAH 79 million (UAH 120 million as of 31 December 2020).

Section III. Capital Management

19. Capital Management

The NBU's capital function is to ensure economic independence and its ability to perform the functions defined by the legislation of Ukraine. As of 30 September 2021, the total amount of capital managed by the NBU was UAH 162,686 million (UAH 184,926 million as of 31 December 2020). No requirements are set for the NBU's equity, except for the amount of authorized capital established by the Law of Ukraine *On the National Bank of Ukraine*.

Authorized Capital

According to the Law of Ukraine *On the National Bank of Ukraine*, the authorized capital is UAH 10 million. It was increased to UAH 100 million by the decision of the NBU Council based on results of 2007.

General Reserves

The NBU creates general reserves, which are used to cover its losses, in accordance with the Law of Ukraine *On the National Bank of Ukraine*.

General reserves made in the reporting year must equal 10% of the average annual monetary liabilities of the NBU that in 2020 amounted to UAH 676,914 million.

Reserve Capital

Reserve capital includes a reserve fund raised by the NBU's subsidiary – in accordance with the Law of Ukraine *On Banks and Banking* – by paying in annual contributions from the subsidiary's net profit. Contributions to the reserve fund must

be at least 5% of the net profit until the reserve fund reaches 25% of the subsidiary's regulatory capital.

Revaluation Reserves for Assets and Liabilities

According to the Law of Ukraine *On the National Bank of Ukraine*, unrealized gains from revaluation of foreign currency and monetary gold due to changes in the official exchange rate of the hryvnia to foreign currencies/accounting price of gold throughout the reporting year, unrealized gains from revaluation of securities and derivative financial instruments in connection with their revaluation to fair value, and unrealized gains or losses from revaluation of bank metals due to changes in the accounting price of bank metals are attributed by the NBU to the item Revaluation Reserves for Assets and Liabilities in the Equity section of the consolidated statement of financial position and the consolidated statement of changes in equity.

The amount of revaluation reserves is used to offset the amount of unrealized losses from revaluation of foreign currency, monetary gold, securities, and derivative financial instruments carried at fair value if they accumulate throughout the reporting year.

The amount of revaluation reserves for foreign currency, monetary gold, securities, derivative financial instruments, and bank metals that are disposed of is included into the distributable profit in the corresponding reporting periods.

As of 30 September 2021 and 31 December 2020, the equity of the NBU consisted of the following components:

	As of 30 September 2021	As of 31 December 2020
		(UAH million)
Statutory capital	100	100
General reserves	67,691	51,397
Retained earnings	(19,496)	16,301
Reserve capital	36	36
Revaluation reserves of foreign currency and monetary gold	105,318	105,318
Revaluation reserves of investment metals	697	1,320
Revaluation reserves of financial instruments to their fair value	8,340	10,454
Total equity	162,686	184,926

20. Liabilities on Profit Distribution to the State Budget of Ukraine

Pursuant to the Tax Code of Ukraine, the NBU makes settlements with the State Budget in line with Article 5¹ of the Law of Ukraine *On the National Bank of Ukraine*.

The NBU transfers its portion of distributable profit to the State Budget of Ukraine in accordance with the Law of Ukraine *On the National Bank of Ukraine*. Distributable profit is determined by reducing the profit by the amount of unrealized gains for the reporting period, which are directed to revaluation reserves. A gain becoming realized in the following periods is recognized in the distributable profit of the respective reporting periods. The NBU redeems the excess of unrealized expenses over revaluation reserve against the current year's profit, and in the case of shortage – against general reserves.

A part of the distributable profit that is left after general reserves are made – and that is payable to the State Budget of Ukraine – is transferred after it is confirmed by an external auditor and the NBU Council approves the annual financial statements.

General reserves made in the reporting year must equal 10% of the average annual monetary liabilities of the NBU.

In accordance with the Law of Ukraine *On the National Bank of Ukraine*, the NBU may not transfer to the State Budget of Ukraine an amount of distributable profit that is higher than that determined in the annual financial statements, as confirmed by the external auditor and approved by the NBU Council.

Therefore, total funds transferred by the NBU to the State Budget of Ukraine in April 2021 amounts to UAH 24,434 million (in 2020, the NBU transferred UAH 42,722 million to the State Budget).

The NBU's forecast for distributable profit in 2021 is UAH 27.3 billion. The estimated share of 2021 distributable profit that will be transferred to Ukraine's State Budget in 2022 is UAH 13.6 billion. The final amount of distributable profit that the NBU will transfer to the State Budget in 2022 will depend on actual macroeconomic performance in 2021, and will be determined after confirmation by an external auditor and approval by the NBU Council of the NBU's annual financial statements for the respective years.

Section IV. Expenses Related to the Support of the NBU Operation

21. Staff Costs

	For the period ended 30 September 2021		For the period ended 30 September 2020	
	For the current quarter	On a cumulative basis from the beginning of the year	For the current quarter	On a cumulative basis from the beginning of the year
	(UAH million)			
Payroll of staff	491	1,425	396	1,111
Single contribution for mandatory state social security and contributions to nonstate pension funds	109	322	90	258
Financial assistance and other social benefits	2	7	1	3
Other	5	14	5	12
Total staff costs	607	1,768	492	1,384

Other staff costs include costs for training and development, expenditures for voluntary medical insurance of employees, etc.

22. Administrative and Other Expenses

	For the period ended 30 September 2021		For the period ended 30 September 2020	
	For the current quarter	On a cumulative basis from the beginning of the year	For the current quarter	On a cumulative basis from the beginning of the year
	(UAH million)			
Banknote Printing and Minting Works' expenses not included in production cost	82	242	76	230
Depreciation and amortization	56	164	51	150
Utilities and household expenses	31	102	34	103
Problem assets expenses	45	80	167	186
Expenses for maintenance of noncurrent tangible and intangible assets	38	113	41	99
Taxes, duties, and charges	5	21	6	18
Telecommunication services and maintenance	9	20	8	17
Excess of the carrying value over the value of sales of valuables and precious metals	–	15	–	1
Cost of sewage facility services	4	12	4	11
Loss on disposal of property, plant and equipment and intangible assets	–	7	–	77
Payments to NBU Council members	6	14	4	11
Business trips	4	8	1	7
Consulting and legal services	2	5	3	14
Expenses on maintaining and selling collateral	–	–	12	15
Repayments to banks of the earlier paid fines	–	4	16	16
Financial assistance and other social benefits to pensioners of the NBU	2	7	–	4
Audit expenses	1	6	–	5
Contributions to the NBU's Labor Union	2	7	2	6
Other	7	17	8	29
Total administrative and other expenses	294	844	433	999

Depreciation and amortization charges over nine months of 2021 exclude depreciation worth UAH 132 million (nine months of 2020: UAH 128 million) for property and equipment used in the production of banknote paper, banknotes, coins, and other products. This portion of depreciation and

amortization charges is included in costs related to the production of banknotes, coins, and other products.

Other expenses include the cost of software maintenance, other operational expenses related to cash processing, entertainment expenses etc.

Section V. Other Notes

23. Related Party Transactions

Terms and Conditions of Related Party Transactions

For the purposes of these interim concise consolidated financial statements, parties are considered to be related if they are under common control, or if one party has the ability to control the other party or can exercise significant influence over the other party in making financial or managerial

decisions, as defined by IAS 24 *Related Party Disclosures*. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form. The related parties of the NBU include the Ukrainian government, state-controlled entities, key management personnel, etc.

In the normal course of its operations, the NBU enters into transactions with related parties. The outstanding balances as of 30 September 2021 and 31 December 2020 are presented in the table below:

	Notes	As of 30 September 2021			As of 31 December 2020		
		Government and state-controlled entities	Associated companies	Other related parties	Government and state-controlled entities	Associated companies	Other related parties
							(UAH million)
Domestic securities	8	329,989	–	–	335,401	–	–
Loans to banks and other borrowers		33,621	–	–	25,752	–	–
Loss allowances for loans to banks and other borrowers		(3,988)	–	–	(4,098)	–	–
Domestic public debt		1,564	–	–	1,635	–	–
Other assets		41	35	–	949	32	–
Accounts of banks		31,443	–	–	18,451	–	–
Accounts of government and other institutions	11	50,072	17	4	69,144	–	6
Accounts of the Deposit Guarantee Fund	11	1,464	–	–	1,414	–	–
Liabilities to transfer distributable profit to the State Budget of Ukraine		–	–	–	24,434	–	–
Certificates of deposit issued by the NBU		57,294	–	–	46,512	–	–
Other liabilities		733	–	–	23	–	–

Other related party transactions include the account balances of the Corporate Nonstate Pension Fund.

The terms and conditions of the transactions above were as follows:

long-term loans to state-owned banks (included in the loans to banks and other borrowers in the table above) as of 30 September 2021 bore an interest rate of 8.50% (6.00% as of 31 December 2020)

the accounts of the government and other institutions as of 30 September 2021 and 31 December 2020 were noninterest-bearing

the accounts of the Deposit Guarantee Fund bore interest rates of 5.04% as of 30 September 2021 (31 December 2020: 5.68%)

the balances of required reserves transferred by state-owned banks to the NBU's correspondent accounts (included in the accounts of banks in the table above) earned no interest as of 30 September 2021 and 31 December 2020 (Note 10).

The terms of transactions with domestic securities are disclosed in the respective notes.

Income and expense items from transactions with related parties were as follows:

	For the period ended 30 September 2021			For the period ended 30 September 2020		
	Government and state- controlled entities	Associated companies	Other related parties	Government and state- controlled entities	Associated companies	Other related parties
	(UAH million)					
Interest income	28,724	–	–	19,432	–	–
Interest expenses	(2,647)	–	–	(3,423)	–	–
Fee and commission income	146	–	–	73	–	–
Other income	(281)	5	–	352	4	–
Staff costs	–	–	(37)	–	–	(26)
Other expenses	(193)	–	(36)	(495)	–	(27)
Gains on reversal of impairment	109	–	–	18	–	–

In accordance with the Law of Ukraine *On the National Bank of Ukraine*, the NBU provides services to the State Treasury of Ukraine on a free-of-charge basis.

In the nine months of 2021, the short-term benefits (salary) of key management personnel were UAH 37.42 million, including remuneration to members of the NBU Council,

amounting to UAH 14.32 million (in the nine months of 2020: the short-term benefits (salary) of key management personnel were UAH 26.40 million, including remuneration to members of the NBU Council, amounting to UAH 10.80 million). As of 30 September 2021 and 30 September 2020, there were no outstanding loans to key management personnel.

24. Events Subsequent to the Reporting Date

In October 2021, liabilities to the IMF under Extended Fund Facility 2015 worth SDR 61 million (UAH 2,267 million at the official exchange rate at the transaction date, or UAH 2,378 million at the annual exchange rate of the IMF) were repaid.

At the beginning of Q4, the NBU suspended long-term refinancing and interest rate swaps.

25. Introducing New and Amended Standards and Interpretations of the Financial Statements

Amended IFRS and interpretations that took effect on 1 January 2021 and were adopted to be applied.

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

Amended IFRS and interpretations had no significant effect on the NBU's financial results and financial position.

New and revised standards that have been Issued but are not yet effective

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* – sale or distribution of assets between an investor and their associate or joint venture. Applicable to annual reporting periods beginning on or after the date to be specified. Early application is permitted.

Amendments to IAS 1 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* is intended to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual terms in effect at the reporting date. The amendments apply to annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are intended to explain the differences between changes in accounting estimates and changes in accounting policies. The amendments apply to annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*. The amendments apply to annual reporting periods beginning on or after 1 January 2022.

Amendments to IFRS 3 *Business Combinations* related to amendments to the *Conceptual Framework*. The amendments apply to annual reporting periods beginning on or after 1 January 2022.

IFRS 17 *Insurance Contracts* is a new financial reporting standard for insurance contracts that covers recognition, measurement, presentation, and disclosure of information. It applies to annual reporting periods beginning on or after 1 January 2023, although early application is permitted.

Annual improvements to IFRS in 2017–2020 (amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41).

Amendments to IFRS 16 *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021* for lessees. The amendments apply to annual reporting periods beginning on or after 1 April 2021.

Amendments to IAS 16 *Property, Plant and Equipment – Proceeds before Intended Use*. The amendments apply to annual reporting periods beginning on or after 1 January 2022.

Amendments to IAS 12 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*. The amendments apply to annual reporting periods beginning on or after 1 January 2023.

The NBU did not apply the above new and revised standards before the effective date. The NBU's top managers expect the application of these standards and amendments will not have a significant effect on the NBU's performance and financial standing.

 November 2021
Kyiv, Ukraine