

Переклад з української мови англійською
Translated from Ukrainian into English

JSC MOTOR-BANK
Interim Condensed Financial Reporting for the 3rd Quarter of 2019

**Interim Condensed Financial Reporting
of Joint-Stock Company
MOTOR-BANK**

as of the end of the day September 30, 2019





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Interim Condensed Financial Reporting (Balance Sheet) as of September 30, 2019

(th. UAH)				
Line	Item name	Remarks	September 30, 2019	December 30, 2018
ASSETS				
1	Cash and cash equivalents	5	134 156	118 298
2	Bank loans and debt	6	46 944	232 344
3	Customer loans and debt		733 889	676 959
4	Financial investments at fair value through profit/loss		-	-
5	Financial investments at amortized cost	8	80 169	300 768
6	Investment property		46	48
7	Current income tax receivables		48	35
8	Deferred tax asset		702	702
9	Premises, equipment and intangible assets		53 040	54 590
10	Right-of-use assets	9	3 705	-
11	Other assets	10	34 414	33 419
12	Non-current assets held for sale or disposal group		-	-
13	Total assets		1 087 113	1 417 163
LIABILITIES				
14	Customer funds	11	724 151	1 096 620
15	Income tax liabilities		1 549	1 413
16	Provisions for liabilities	12	1 367	518
17	Lease liabilities	13	3 773	-
18	Other liabilities	14	26 531	8 526
19	Total liabilities		757 371	1 107 077
EQUITY				
20	Authorized capital		200 000	200 000
21	Equity differences		39 012	39 012
22	Reserve and other funds of the bank		6 098	4 334
23	Retained profits/(uncovered losses)		84 632	66 740
24	Total equity		329 742	310 086
25	Total liabilities and equity		1 087 113	1 417 163

Approved for release and signed
on October 29, 2019

Acting Chairman of the Board /signature/ S.M. Beryslavskiy

Chief Accountant /signature/ L.O. Motronenko

Trubnikova L.Yu.
Tel.: 061 7697588
/signature/

Seal: *Joint-Stock Company * MOTOR-BANK * Zaporizhzhia * Ukraine * 35345213*



Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results) for the 3rd quarter of 2019

Line	Item name	Remarks	(th. UAH)			
			for the 3rd quarter of 2019		for the 3rd quarter of 2018	
			For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date	For the corresponding interim quarter of the previous financial year	With a cumulative total from the beginning of the year to the reporting date of the previous financial year
1.1	Interest income	15	32 721	94 647	39 891	111 451
1.2	Interest expense	15	(10 993)	(31 760)	(20 039)	(55 831)
1	Net interest income / (Net interest expense)	15	21 728	62 887	19 852	55 620
2	Fee and commission income	16	10 241	32 129	13 057	33 342
3	Fee and commission expense	16	(2 896)	(7 744)	(2 307)	(5 763)
4	Net profit / (loss) from transactions with foreign currency		1 758	4 486	2 125	5 792
5	Net profit / (loss) from revaluation of foreign currency		(927)	(1 100)	227	(199)
6	Income / (expense) arising during the initial recognition of financial assets at an interest rate that is higher or lower than the market		-	-	-	(106)
7	Income / (expense) arising during the initial recognition of financial liabilities at an interest rate that is higher or lower than the market		-	102	-	104
8	Net (increase) / decrease in reserves to recover possible losses from active banking transactions	6,7,10	996	1 293	2 557	(824)
9	Net (loss) / profit from (increase) / decrease in reserves for liabilities	12	(836)	(851)	(340)	4 074
10	Net profit / (loss) from derecognition of financial assets carried at amortized cost		-	-	(444)	(444)
11	Other operating income	17	430	1 012	186	606
12	Employee benefit expenses	18	(12 265)	(37 516)	(13 519)	(31 430)
13	Depreciation and amortization expenses	19	(3 217)	(9 187)	(2 265)	(6 416)
14	Other administrative and operating expenses	20	(6 407)	(21 290)	(6 303)	(18 525)
15	Profit / (loss) before tax		8 605	24 221	12 826	35 831
16	Income tax expense	21	(1 612)	(4 565)	(2 470)	(7 139)
17	Profit / (loss) from continuing activities		6 993	19 656	10 356	28 692
18	Profit / (loss)		6 993	19 656	10 356	28 692

JSC MOTOR-BANK
Interim Condensed Financial Reporting for the 3rd Quarter of 2019



19	OTHER COMPREHENSIVE INCOME:					
20	Other comprehensive income after tax	-	-	-	-	
21	Total comprehensive income	6 993	19 656	10 356	28 692	
22	Profit (loss), which belongs to the owners of the bank	6 993	19 656	10 356	28 692	
23	Total comprehensive income that belongs to the owners of the bank	6 993	19 656	10 356	28 692	
24	Net profit / (loss) per ordinary share from activities that continue (UAH / share)	22	3,50	9,83	5,18	14,35
25	Net profit / (loss) per ordinary share owned by the owners of the bank	22	3,50	9,83	5,18	14,35

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Interim Condensed Reporting of Changes in Equity (Reporting of Equity) for the 3rd quarter of 2019

Item name	Remarks	Belongs to the owners of the bank							Total	(th. UAH)
		Authorized capital	Own shares repurchased from shareholders	Equity differences and other additional capital	Reserves and other funds	Revaluation reserves	Retained profits	Total equity		
For the 3rd quarter of 2019										
Balance at the end of the day December 31, 2018		200 000	-	39 012	4 334	-	66 740	310 086	310 086	
Total comprehensive income for the 3rd quarter of 2019:		-	-	-	-	-	19 656	19 656	19 656	
profit / (loss) for the 3rd quarter of 2019		-	-	-	-	-	19 656	19 656	19 656	
other comprehensive income		-	-	-	-	-	-	-	-	
Distribution of profit in reserve and other funds		-	-	-	1 764	-	(1 764)	-	-	
Balance at the end of the day September 30, 2019		200 000	-	39 012	6 098	-	84 632	329 742	329 742	
For the 3rd quarter of 2018										
Balance at the end of the day December 31, 2017		200 000	-	39 012	4 247	-	32 186	275 445	275 445	
Changes from the application of IFRS 9		-	-	-	-	-	(632)	(632)	(632)	
Adjusted balance as of January 01, 2018		200 000	-	39 012	4 247	-	31 554	274 813	274 813	
Total comprehensive income for the 3rd quarter of 2018:		-	-	-	-	-	28 692	28 692	28 692	
profit / (loss) for the 3rd quarter of 2018		-	-	-	-	-	28 692	28 692	28 692	
other comprehensive income		-	-	-	-	-	-	-	-	
Distribution of profit in reserve and other funds		-	-	-	87	-	(87)	-	-	

Interim Condensed Financial Reporting for the 3rd Quarter of 2019



Balance at the end of the day September 30, 2019	200 000	-	39 012	4 334	-	60 159	303 505	303 505
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JSC MOTOR-BANK
Interim Condensed Financial Reporting for the 3rd Quarter of 2019



Interim Condensed Reporting of Cash Flows using the direct method for the 3rd quarter of 2019

Item name	Remarks	(th. UAH)	
		For the 3rd quarter of 2019	For the 3rd quarter of 2018
CASH USED IN OPERATING ACTIVITIES			
Interest income received		93 692	111 187
Interest expenses paid		(33 097)	(56 475)
Fee and commission income received		32 039	33 349
Fee and commission expenses paid		(7 882)	(5 824)
Result of transactions with foreign currency		4 486	5 792
Other operating income received		1 007	604
Payments on staff maintenance, paid		(37 811)	(29 954)
Administrative and other operating expenses, paid		(22 272)	(18 314)
Income tax, paid		(4 429)	(4 361)
Cash received / (paid) from operating activities before changes in operating assets and liabilities		25 733	36 004
Change in operating assets and liabilities			
Net (increase) / decrease in bank loans and debt		186 236	(170 997)
Net (increase) / decrease in customer loans and debt		(55 629)	(11 804)
Net (increase) / decrease in other financial assets		(130)	(29 985)
Net (increase) / decrease in other assets		(1 140)	10 044
Net (increase) / decrease in customer accounts		(371 054)	61 386
Net (increase) / decrease in provisions for liabilities		-	-
Net (increase) / decrease in other financial liabilities		18 433	8 446
Net (increase) / decrease in financial liabilities		-	-
Net cash received / (paid) from operating activities		(197 551)	(96 906)
CASH FROM INVESTMENT ACTIVITIES			
Securities acquisition		(12 897 000)	(23 511 000)
Revenues from the sale of investments in securities		13 117 000	23 751 000
Acquisition of investment property		-	-
Revenues from the sale of investment property		-	-
Acquisition of fixed assets		(4 876)	(11 011)
Revenues from sale of fixed assets		-	34
Acquisition of intangible assets		(615)	(5 559)
Net cash received / (paid) from investing activities		(12 897 000)	(23 511 000)
CASH FROM FINANCIAL ACTIVITIES			
Emission of ordinary shares		-	-
Sale of own shares		-	-
The costs of state registration of emissions		-	-
Net cash received / (paid) from investing activities		-	-
The effect of changes in the official rate of the National Bank of Ukraine on cash and cash equivalents			
		(1 100)	(199)
Net (increase) / decrease in cash and cash equivalents		15 858	126 359
Cash and cash equivalents at the beginning of the period		118 298	63 908
Cash and cash equivalents at the end of the period		134 156	190 267

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Seal: Joint-Stock Company * MOTOR-BANK * Zaporizhzhia * Ukraine * 35345213



Note 1. Information about the Bank

Name, location of the Bank.

Full official name: MOTOR-BANK Joint-Stock Company.

Abbreviated official name: MOTOR-BANK JSC

Location of the Bank: Ukraine, 69068, Zaporizhzhia city, Motorobudivnykiv Avenue, building 54 "B".

Date of state registration of the Bank: August 07, 2007. Date of re-registration in connection with the change of location: December 16, 2009 (Certificate of state registration of the legal entity Series A 01 No. 027625).

The sole shareholder of the Bank since May 25, 2017 is Bohuslaiev Viacheslav Oleksandrovych.

Official Page on the Internet where information about the Bank is available: <http://motor-bank.ua/>

Form of incorporation of the Bank:

Joint-Stock Company.

Characteristics of banking activity.

MOTOR-BANK JSC has been operating in the banking market of Zaporizhzhia region since 2008 (the bank's authorized capital as of the end of the day September 30, 2019 is 200 mln. UAH).

Clients of MOTOR-BANK JSC are individuals and legal entities, residents and non-residents operating in the territory of Zaporizhzhia and other regions of Ukraine, among which are leaders of the domestic economy and leading Ukrainian companies.

The priority areas of activity of MOTOR-BANK JSC in 2019 were expanding the client base and attracting corporate clients for credit services, as well as increasing the volume of lending to the population.

The types of activities that the Bank carries out and intends to carry out.

As of the end of the 3rd quarter of 2019, on the basis of a banking license, MOTOR-BANK JSC is entitled to carry out and carried out the following activities (transactions):

- attracting funds from an unlimited circle of legal entities and individuals into deposits;
- opening and maintaining current (correspondent) customer accounts;
- placement of deposits, including on current accounts, of funds on its own behalf, on its own terms and at its own risk;
- non-trading transactions with currency values;
- transactions with cash foreign currency and checks (purchase, sale, exchange, acceptance for collection), which are carried out at cash desks and points of exchange of foreign currency of banks;
- maintaining accounts of customers (residents and non-residents) in foreign currency and non-resident customers in the monetary unit of Ukraine;
- opening correspondent accounts in authorized banks of Ukraine in foreign currency and performing transactions on them;
- opening correspondent accounts in banks (non-residents) in foreign currency and performing transactions on them;
- attraction and placement of foreign currency in the foreign exchange market of Ukraine;
- trade in foreign currency on the foreign exchange market of Ukraine [with the exception of transactions with cash foreign currency and checks (purchase, sale, exchange), which is carried out at cash desks and foreign exchange offices of banks and agents];
- issue of payment documents, payment cards and/or their servicing, clearing, other forms of settlement support;
- storage of valuables or provision of property banking (rental) of an individual bank safe;
- provision of guarantees and sureties;
- money transaction;
- carrying out transactions on the securities market on its own behalf;
- issue of own securities;
- transactions with foreign currency in cash (purchase, sale, exchange), which are carried out at foreign exchange points operating on the basis of agency agreements concluded by banks with resident legal entities;
- maintaining correspondent accounts of banks (residents and non-residents) in foreign currency;
- maintaining correspondent accounts of banks (non-residents) in the monetary unit of Ukraine;
- foreign exchange transactions in the foreign exchange market of Ukraine, belonging to financial services in accordance with Article 4 of the Law of Ukraine "On Financial Services and State Regulation of Financial Services Markets" and not specified in paragraphs two to seventeen of the second Regulation on the procedure for granting general licenses to banks and branches of foreign banks for currency transactions approved by the Resolution of the Board of the National Bank of Ukraine dated August 15, 2011 No. 281;
- other transactions under the current legislation of Ukraine.

The specialization of the Bank.

The bank functions as universal. Within the license granted by the NATIONAL BANK OF UKRAINE, the Bank provides a wide range of banking services to customers - entities of all forms of business: financial banking and non-banking institutions, state and private enterprises, business entities, individuals in the territory of Zaporizhzhia and other regions of Ukraine.



The strategic goal of the Bank.

The purpose of the Bank's activity is to ensure proper shareholder profit and maintain high stability of the Bank by promoting economic development and the welfare of all customers serviced by the Bank, providing quality services that meet high professional standards and ethical principles, target groups of customers:

- Corporate clients - legal entities that do not belong to the category of small business, namely:

- industrial enterprises;
- large agricultural enterprises;

- To individuals seeking to increase their well-being and quality of life, primarily to employees of enterprises serviced by the Bank.

To achieve this goal, the Bank has the following tasks:

- building a customer base;
- increase in the volume of assets/liabilities, taking into account the quality of their structure;
- maintaining an adequate regulatory capital of the Bank;
- coverage of priority segments of the banking services market of Ukraine.

The Bank achieves its objectives using the following measures:

- development of a network of branches, acquisition of the status of a national bank;
- expanding the range of loan products by introducing new and optimizing existing procedures;
- organization of integrated customer service;
- the use of modern banking technologies in working with clients.

Management share in the Bank's shares

At the end of the third quarter of 2019, members of the Bank's Management Board do not hold any shares in the Bank. Members of the Supervisory Board who are representatives of the Bank's shareholders do not hold shares of the Bank.

Owners of significant participation of MOTOR-BANK JSC as of September 30, 2019

Line	Full name	Country of registration/ citizenship	EDRPOU code for legal entities	Direct participation , %	Indirect participation, %
1	Bohuslaiev Viacheslav Oleksandrovykh	Ukraine	-	100	-

Note 2. The economic environment in which the bank operates

Despite the fact that Ukraine's economy is recognized as market, it continues to demonstrate some of the features that are more characteristic of a transition economy. Such features include, but are not limited to, currency that is not freely convertible outside the country, currency restrictions and control, relatively high inflation and high interest rates, a significant share of the shadow economy and a high level of corruption. The stability of the Ukrainian economy largely depends on the policies and actions of the government aimed at reforming the administrative and legal systems, as well as the economy as a whole. As a result, transactions in Ukraine are characterized by risks that are not typical for countries with developed economies.

The Ukrainian economy is affected by market fluctuations and slowdowns in economic development in the world economy, and trade wars between powerful countries. The global financial crisis has led to instability in capital markets, a significant deterioration in liquidity in the banking sector and more severe lending conditions (if any), as well as a significant depreciation of the national currency against major world currencies. Bank borrowers also felt the effects of the crisis, which in turn affected their ability to service debts and attract the necessary financing.

The tax, currency and customs legislation of Ukraine allows various interpretations and often changes. The difficulties faced by Ukrainian banks also include the need for further development of legislation on bankruptcy issues, formalized procedures for registration and use of collateral, as well as other legislative and fiscal flaws.

The intensification of crisis trends in the Ukrainian economy observed in 2015 - 2016 can only be explained to a certain extent by the consequences of Russian aggression and Russian restrictive trade measures, which caused the loss of a significant part of domestic production. The main, deep-seated factor in their strengthening is very serious systemic economic deformations that have been accumulating for a long time - practically the entire period since Ukraine gained independence - and in the end they could not but cause large-scale processes of economic degradation and, accordingly, an extreme aggravation of social contradictions. The latter not only significantly weakened the potential for confronting external threats, but also became a catalyst for their growth.

The future economic development of Ukraine depends both on external factors, primarily economic, financial support from the EU, the USA, other countries of the world, and on government actions aimed at maintaining growth and introducing the necessary changes in the tax, legal and regulatory spheres.

An analysis of the banking system of Ukraine and the main regulatory aspects indicates the presence of problems that indicate a crisis, including in the system of banking regulation and supervision.



To overcome these phenomena, it is necessary to introduce a comprehensive strategy for the gradual transition to the restoration of the banking business in Ukraine with further steps to implement the recommendations of the Basel Committee.

According to the results of 9 months of 2019, inflation amounted to 3.4% (in 2018 - 5.6%, in 2017 - 10.2%), which indicates a slowdown in consumer prices.

The discount rate since September 6, 2019 is 16.5% per annum (before that, from July 19, 2019 - 17.0% per annum), during the reporting quarter, there were no significant fluctuations in the level of interest rates on loans to direct borrowers, and funding costs in national currency.

The official exchange rate of the hryvnia to the US dollar, established by the NBU, as of October 01, 2019 was 24.082809 hryvnias for 1 US dollar, compared with 28.298262 hryvnias for 1 US dollar as of October 01, 2018.

The management believes that it takes all necessary measures to maintain stable transactions and development of the Bank in accordance with the Main Activities and the Bank's Development Strategy.

The Bank's policy to improve financial results in the 3rd quarter of 2019 was as follows:

- keeping interest rates on credit transactions with legal entities at a level that is higher than the NBU discount rate;
- maintaining the rate on customer deposits at the minimum level necessary to maintain/increase the portfolio;
- the withdrawal of unbalanced branches of the Bank, opened in 2018, to the planned level of profitability, including regarding generation of non-interest income;
- the maximum use of investments in NBU certificates of deposit for the "disposal" of excess liquidity.

The main factors and impacts that determined the financial results of the Bank's activities in the 3rd quarter of 2019 were:

- Strengthening the national currency against major foreign currencies;
- the negative impact of export restrictions in the Russian Federation on the receipt of foreign exchange earnings in the accounts of key customers of the Bank;
- reorientation of exporting clients to other markets (EU, USA, China);
- Correction of the Bank's business model in terms of obtaining fee and commission income.

The main sources of financing the Bank's active transactions during the 3rd quarter of 2019 were deposits of customers and equity.

The planned ratio between liabilities and equity is in the range of 2.3 - 3.0 due to the significant volatility of customer account balances on demand.

Note 3. The basics of the provision of interim condensed reporting

The Bank prepared these interim condensed financial reporting for the third quarter of 2019, ending September 30, 2019, in accordance with the requirements of International Accounting Standard 34 ("IAS 34" "Interim Financial Reporting").

The interim condensed financial reporting does not contain all the information and data to be disclosed in the annual financial reporting, and should be considered in conjunction with the Bank's annual financial reporting as of December 31, 2018.

The accounting principles adopted in preparing the condensed financial reporting are consistent with the principles that were applied in preparing the Bank's annual financial reporting for the year ended December 31, 2018.

Remarks to the Interim condensed reporting of financial position (Balance) and the Interim condensed reporting of profit and loss and other comprehensive income (Reporting of financial results) are prepared for those items of interim condensed reporting that have changed significantly compared to the same items in the annual financial reporting.

The financial reporting of MOTOR-BANK JSC is prepared in accordance with the conceptual basis of reliable presentation and is general purpose reporting.

The Bank maintains accounting records in accordance with regulatory requirements for the organization of accounting and reporting in banking institutions of Ukraine, established by the rules of the National Bank of Ukraine in accordance with International Accounting Standards.

Functional reporting currency and unit of measurement: the hryvnia is the functional currency of the Bank, all forms of annual financial reporting and Remarks thereto are compiled in thousands of hryvnias.

Transactions in foreign currency in accounting and financial reporting are also reflected in hryvnias with its translation at the official rate of the National Bank of Ukraine on the date of the transaction.

The Bank does not have investments in associates.

Note 4. Transition to new and revised standards

IFRS 16 Leases entered into force on January 01, 2019 and replaced IAS 17 Leases. Changes in the accounting records of leases relate to those contracts in which the Bank acts as a lessee. IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of leases and requires the Lessee to reflect all leases using a single accounting model in the balance sheet, similar to the accounting procedure provided for in IAS 17 for finance leases. IFRS 16 uses a control model to identify leases by making a distinction between a lease and a service agreement based on the presence or absence of a discovered asset under the control of a client.



At the commencement date of the lease, the Bank will recognize lease payment liabilities (lease liabilities), as well as an asset representing the right to use the underlying asset during the lease term (an asset in the form of a right to use). The Bank will recognize the interest expense on lease liabilities separately from the depreciation expense on the asset in the form of a right of use. The Bank will also have to reassess lease liabilities when a specific event occurs (for example, a change in the lease term, a change in future lease payments as a result of a change in the index or rate used to determine such payments). In most cases, the Bank will account for the revaluation of lease liabilities as an adjustment to the asset in the form of a right of use. The standard provides two exemptions from recognition for tenants - regarding the rental of low-value assets (for example, personal computers) and short-term leases (for example, leases with a term of not more than 12 months).

The procedure for accounting for leases under which the Bank acts as a lessor, in accordance with IFRS 16 Leases, remains virtually unchanged compared with the requirements of IAS 17. Lessors will continue to classify leases using the same classification principles in IAS 17, while distinguishing two types of leases: operating and financial.

The Bank recognized in the balance sheet an asset in the form of a right of use at initial cost under 6 lease agreements and at the same time recognized lease liabilities and expenses on lease liabilities of the Bank and depreciation expenses of the underlying asset.

Table 4.1 The Impact of the transition to IFRS 16 Leases

(th. UAH)				
Line	Item name	Previous data	Impact of transition to new, revised IFRS	Data adjusted for new, revised IFRS
1	ASSETS			
	Right-of-use assets	-	4 389	4 389
2	LIABILITIES			
	Lease liabilities	-	3 756	3 756
3	Total:	-	8 145	8 145

Right-of-use asset and depreciation expense are disclosed in Note 9.

Lease liabilities and accrued expenses under lease agreements are disclosed in Note 13.

Note 5. Cash and cash equivalents.

Table 5.1. Cash and cash equivalents.

(th. UAH)				
Line	Item name	September 30, 2019	December 31, 2018	
1	Cash	92 391	78 146	
2	Funds at the National Bank of Ukraine (except for required reserves)	41 765	40 152	
3	Overnight deposits and loans in banks:	-	-	
3.1	of Ukraine	-	-	
3.2	of other states	-	-	
4	Total cash and cash equivalents	134 156	118 298	

Data on cash and cash equivalents are indicated in the “Interim condensed report of financial position (Balance Sheet)” in line 1.

As of September 30, 2019 and December 31, 2018, the balances of the Bank's funds held in correspondent accounts with other banks are indicated in Note 6, table 6.1, line 2.

Note 6. Bank loans and debt

Table 6.1. Bank loans and debt

(th. UAH)				
Line	Item name	September 30, 2019	December 31, 2018	
1	Loans granted to other banks:	-	-	
1.1	short term	-	-	
1.2	long term	-	-	
2	Correspondent accounts in banks:	47 201	233 441	
2.1	of Ukraine	47 018	229 262	
2.1	of other states	183	4 179	
3	Impairment provision of loans and debt at banks	(257)	(1 097)	
4	Total cash and cash equivalents	46 944	232 344	

JSC MOTOR-BANK
Interim Condensed Financial Reporting for the 3rd Quarter of 2019



Data on Bank loans and debts are indicated in the “Interim Condensed Financial Reporting (Balance Sheet)” in line 2.

Table 6.2. Analysis of the credit quality of bank loans and debt as of September 30, 2019

(th. UAH)						
Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Impairment assets acquired or created	Total
1	Loans and liabilities of banks, which are carried at amortized cost:	47 201	-	-	-	47 201
1.1	Minimal credit risk	47 201	-	-	-	47 201
1.2	Low credit risk	-	-	-	-	-
1.3	Average credit risk	-	-	-	-	-
1.4	High credit risk	-	-	-	-	-
1.5	Default assets	-	-	-	-	-
2	Total gross book value of loans and debts of banks, which are carried at amortized cost:	47 201	-	-	-	47 201
3	Provisions for impairment of loans and debts of banks, which are carried at amortized cost:	(257)	-	-	-	(257)
4	Total loans and liabilities of banks, which are carried at amortized cost, exclusive of provision	46 944	-	-	-	46 944

The following is an analysis of other banks' credit quality debt as of December 31, 2018.

Table 6.3. Analysis of the credit quality of loans and debt of banks as of December 31, 2018



Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Impairment assets acquired or created	Total
1	Loans and liabilities of banks, which are carried at amortized cost:	233 441	-	-	-	233 441
1.1	Minimal credit risk	233 441	-	-	-	233 441
1.2	Low credit risk	-	-	-	-	-
1.3	Average credit risk	-	-	-	-	-
1.4	High credit risk	-	-	-	-	-
1.5	Default assets	-	-	-	-	-
2	Total gross book value of loans and debts of banks, which are carried at amortized cost:	233 441	-	-	-	233 441
3	Provisions for impairment of loans and debts of banks, which are carried at amortized cost:	(257)	-	-	-	(257)
4	Total loans and liabilities of banks, which are carried at amortized cost, exclusive of provision	232 344	-	-	-	232 344

Table 6.4. Analysis of the change in the impairment provision of loans and debt of banks as of September 30, 2019

(th. UAH)

Line	Provision dynamics	September 30, 2019	December 31, 2018
1	Impairment provision at the beginning of the period	1 097	110
2	Increase/(decrease) in the impairment provision over the period*	(838)	(662)
3	Changes from the implementation of IFRS 9	-	1 648
4	The effect of recalculation into the reporting currency	(2)	1
5	Impairment provision at the end of the period	257	1 097

* The amount of the change in the impairment provision of loans and debt of banks in Tables 6.4 and 6.5 Lines 2 is part of the amount shown in the Interim Condensed Reporting of Profit and Loss and other Comprehensive Income in line 8.

Table 6.5. Analysis of the change in the impairment provision of loans and debt of banks as of September 30, 2018

(th. UAH)

Line	Provision dynamics	September 30, 2019	December 31, 2018
1	Impairment provision at the beginning of the period	110	5 425
2	Increase/(decrease) in the impairment provision over the period*	(1 085)	(5 028)
3	Changes from the implementation of IFRS 9	1 648	-
4	The effect of recalculation into the reporting currency	37	(287)
5	Impairment provision at the end of the period	710	110

Note 7. Customer loans and debt. Analysis of changes in impairment provision for customers' loans and debt, which are recorded at amortized cost of production

Table 7.1. Customer loans and debt

(th. UAH)

Line	Provision dynamics	September 30, 2019	December 31, 2018
1	Loans granted to public authorities and local governments	-	-
2	Loans granted to legal entities	735 560	691 535



3	Individual mortgage loans	104	97
4	Loans granted to individuals for current needs	3 731	4 870
5	Impairment provision for loans	(5 506)	(19 543)
6	Total credits exclusive of provision	733 889	676 959

Table 7.2. Analysis of changes in impairment provision for customers' loans and debt, which are recorded at amortized cost of production for the third quarter of 2019

(th. UAH)						
Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Impairment assets acquired or created	Total
1	Impairment provision as of the beginning of the period	591	4 467	14 485	-	19 543
2	Acquired / Initiated Assets **	149	2 056	-	-	2 205
3	Financial assets that have been derecognised or redeemed (except for written offs) **	(125)	(1 674)	-	-	(1 799)
4	Overall effect of transferring between stages: **	(57)	227	5	-	175
4.1	transfer to stage 1	-	(363)	-	-	(363)
4.2	transfer to stage 2	(57)	590	-	-	533
4.3	transfer to stage 3	-	-	5	-	5
5	Adjustment of interest income carried at amortized cost	-	-	-	-	-
6	A change in conditions (modification) that does not result in termination of recognition	-	-	-	-	-
7	Change of parameters / models used to estimate expected credit losses	-	-	-	-	-
8	Write-off of financial assets at the expense of the provision	-	-	(14 446)	-	(14 446)
9	Recovery of loans previously written off as hopeless	-	-	-	-	-
10	Exchange rate differences	3	-	-	-	3
11	Assets transfer to disposal group	-	-	-	-	-
12	Disposals of subsidiaries	-	-	-	-	-
13	Other changes **	87	(273)	11	-	(175)
14	Impairment provision as of the end of the period	648	4 803	55	-	5 506

** The amount of changes in impairment provision for customers' loans and debt, shown in Table 7.2, is part of the amount shown in the Interim Condensed Reporting of Profit and Loss and other Comprehensive Income in line 8.

** The amount of changes in impairment provision for customers' loans and debt, shown in Table 7.2 of Note 7, differs from the amount of the provision set out in the Interim Condensed Reporting of Profit and Loss and other Comprehensive Income in line 8 by 38 th. UAH at the expense of partial redemption by the client of the previously written off bad debt due to the special reserve.

Table 7.3. Analysis of changes in bad debt provisions as of September 30, 2018.



(th. UAH)

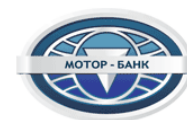
Line	Provision dynamics	Loans granted to legal entities	Individual mortgage loans	Loans to individuals for current needs	Total
1	Balance as of the beginning of the period	24 047	1	275	24 323
2	Increase/(decrease) in the impairment provision over the period*	2 427	(1)	32	2 458
3	Changes from the implementation of IFRS 9	(6 172)	-	(222)	(6 394)
4	The effect of recalculation into the reporting currency	(4)	-	-	(4)
5	Impairment provision at the end of the period	20 298	-	85	20 383

Table 7.4. Analysis of changes in impairment provision for customers' loans and debt, which are recorded at amortized cost of production for the third quarter of 2018.

(th. UAH)

Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Impairment assets acquired or created	Total
1	Impairment provision as of the beginning of the period	280	3 749	13 900	-	17 929
2	Acquired / Initiated Assets **	692	2 132	-	-	2 824
3	Financial assets that have been derecognised or redeemed (except for written offs) **	-	(1 744)	-	-	(1 744)
4	Overall effect of transferring between stages: **	-	-	-	-	-
4.1	transfer to stage 1	-	-	-	-	-
4.2	transfer to stage 2	-	-	-	-	-
4.3	transfer to stage 3	-	-	-	-	-
5	Adjustment of interest income carried at amortized cost	-	-	-	-	-
6	A change in conditions (modification) that does not result in termination of recognition	-	-	-	-	-
7	Change of parameters / models used to estimate expected credit losses	-	-	-	-	-
8	Write-off of financial assets at the expense of the provision	-	-	-	-	-
9	Recovery of loans previously written off as hopeless	-	-	-	-	-
10	Exchange rate differences	(4)	-	-	-	(4)
11	Assets transfer to disposal group	-	-	-	-	-
12	Disposals of subsidiaries	-	-	-	-	-
13	Other changes **	316	456	606	-	1 378
14	Impairment provision as of the end of the period	1 284	4 593	14 506	-	20 383

*** The amount of changes in impairment provision for customers' loans and debt, shown in Table 7.3, is part of the amount shown in the Interim Condensed Reporting of Profit and Loss and other Comprehensive Income in line 8.



*** The amount of changes in impairment provision for customers' loans and debt, shown in Table 7.3 of Note 7, differs from the amount of the provision set out in the Interim Condensed Reporting of Profit and Loss and other Comprehensive Income in line 8 by 153 th. UAH at the expense of partial redemption by the client of the previously written off bad debt due to the special reserve.

Note 8. Financial investments at amortized cost

Table 8.1. Financial investments at amortized cost

		(th. UAH)	
Line	Item name	September 30, 2019	December 31, 2018
1	Certificates of deposit of the National Bank of Ukraine accounted for at amortized cost	80 169	300 768
2	Total securities carried at amortized cost	80 169	300 768

Data on financial investments at amortized cost are stated in the Interim Condensed Financial Reporting (Balance Sheet) in line 5.

Table 8.2 Analysis of credit quality of securities carried at amortized cost as of September 30, 2019

		(th. UAH)				
Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Impairment assets acquired or created	Total
1	Debt securities carried at amortized cost					
2	Minimum credit risk	80 169	-	-	-	80 169
3	Low credit risk	-	-	-	-	-
4	Average credit risk	-	-	-	-	-
5	High credit risk	-	-	-	-	-
6	Default Assets	-	-	-	-	-
7	Total gross carrying amount of debt securities carried at amortized cost	80 169	-	-	-	80 169
8	Impairment provisions for debt securities carried at amortized cost:	-	-	-	-	-
9	Total debt securities carried at amortized cost	80 169	-	-	-	80 169

Table 8.3. Analysis of credit quality of securities carried at amortized cost as of December 31, 2018

		(th. UAH)				
Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Impairment assets acquired or created	Total
1	Debt securities carried at amortized cost					
2	Minimum credit risk	300 768	-	-	-	300 768
3	Low credit risk	-	-	-	-	-
4	Average credit risk	-	-	-	-	-
5	High credit risk	-	-	-	-	-
6	Default Assets	-	-	-	-	-



7	Total gross carrying amount of debt securities carried at amortized cost	300 768	-	-	-	300 768
8	Impairment provisions for debt securities carried at amortized cost:	-	-	-	-	-
9	Total debt securities carried at amortized cost	300 768	-	-	-	300 768

Note 9. Right-of-use assets

						(th. UAH)
Line	Item name	Land	Buildings	Part of building	Land and building	Total
1	Balance at the beginning of the period (end of December 31, 2018)	-	-	-	-	-
2	Recognition in the balance sheet of assets under the right of use in transition to the standard Lease (IFRS 16)	-	-	4 389	-	4 389
3	Current recognition in the balance sheet of right-of-use assets (IFRS 16)	-	-	1 200	-	1 200
4	Depreciation	-	-	(1 884)	-	(1 884)
5	Balance as of the end of the period (end of September 30, 2019)	-	-	3 705	-	3 705
5.1	Primary cost	-	-	5 589	-	5 589
5.2	Wear	-	-	(1 884)	-	(1 884)

Data on the assets under the right of use are set out in the Interim Condensed Statement of Financial Position (Balance Sheet) on line 10.

Note 10. Other assets**Table 10.1. Other assets**

					(th. UAH)
Line	Item name	September 30, 2019	December 31, 2018		
1	Other financial assets exclusive of provision	31 038	29 998		
2	Other non-financial assets exclusive of provision	3 376	3 421		
3	Total other assets exclusive of provision	34 414	33 419		

Other assets are set out in the Interim Condensed Statement of Financial Position (Balance Sheet) on line 11. Information about other assets in related party transactions is set out in Note 27.

Table 10.2. Other financial assets

					(th. UAH)
Line	Item name	September 30, 2019	December 31, 2018		
1	Receivables on payment cards	188	-		
2	Funds with restricted use	15 130	14 984		
3	Receivables on transactions with the bank	15 533	15 857		
4	Other financial assets	331	125		
5	Impairment provision for other financial assets	(144)	(986)		
6	Total other financial assets exclusive of provision	31 038	29 998		

Table 10.2.1. Analysis of changes in the impairment provision of other financial assets as of September 30, 2019

							(th. UAH)
Line	Provision dynamics	Receivables on payment cards	Funds with restricted use	Receivables on transactions with the bank	Other financial assets	Total	

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1	Balance at the beginning of the period	-	957	10	1	968
2	Receivable initially recognized during the reporting period****	-	-	2	-	2
3	Receivable, the recognition of which was terminated or repaid****	-	-	(10)	-	(10)
4	Change of parameters/models used to estimate expected credit losses	-	-	-	-	-
5	Write-off due to provision	-	-	-	-	-
6	Transfer to disposal group assets	-	-	-	-	-
7	Exchange rate differences	-	-	-	-	-
8	Disposal of subsidiaries	-	-	-	-	-
9	Other changes****	-	(820)	-	4	(816)
10	Balance at the end of the period	-	137	2	5	144

**** The amount of the change in the impairment provision of other financial assets, shown in table 10.2.1, is part of the amount shown in the Reporting of Profit and Loss and other Comprehensive Income in line 8.

Table 10.2.2. Analysis of changes in the impairment provision of other financial assets as of September 30, 2018

		(th. UAH)				
Line	Provision dynamics	Receivables on payment cards	Funds with restricted use	Receivables on transactions with the bank	Other financial assets	Total
1	Balance at the beginning of the period	-	12	-	5	17
2	Receivable initially recognized during the reporting period****	-	-	-	-	-
3	Receivable, the recognition of which was terminated or repaid****	-	-	2	-	2
4	Change of parameters/models used to estimate expected credit losses	-	-	-	-	-
5	Write-off due to provision	-	-	-	-	-
6	Transfer to disposal group assets	-	-	-	-	-
7	Exchange rate differences	-	(1)	-	-	(1)
8	Disposal of subsidiaries	-	-	-	-	-
9	Changes from the application of IFRS 9	-	409	-	8	417

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10	Other changes****		(403)		5	(398)
11	Balance at the end of the period	-	17	2	18	37

**** The amount of the change in the impairment provision of other financial assets, shown in table 10.2.2, is part of the amount shown in the Reporting of Profit and Loss and other Comprehensive Income in line 8.

Table 10.2.3. Analysis of changes in the gross carrying amount of other financial assets as of September 30, 2019 года

							(th. UAH)
Line	Item name	Receivables on payment cards	Funds with restricted use	Receivables on transactions with the bank	Other financial assets	Total	
1	Balance at the beginning of the period	-	14 984	15 857	125	30 966	
2	Receivable initially recognized during the reporting period	188	-	15 533	-	15 721	
3	Receivable, the recognition of which was terminated or repaid	-	-	(15 857)	-	(15 857)	
4	Write-off due to provision	-	-	-	-	-	
5	Transfer to disposal group assets	-	-	-	-	-	
6	Exchange rate differences	-	-	-	-	-	
7	Disposal of subsidiaries	-	-	-	-	-	
	Other changes****		146		206	352	
8	Balance at the end of the period	188	15 130	15 533	331	31 182	

Table 10.2.4. Analysis of the credit quality of other financial assets as of September 30, 2019

								(th. UAH)
Line	Item name	Minimal credit risk	Low credit risk	Average credit risk	High credit risk	Default assets	Total	
1	Receivables on payment cards	188	-	-	-	-	188	
2	Funds with restricted use	15 130	-	-	-	-	15 130	
3	Receivables on the bank transactions	15 533	-	-	-	-	15 533	
4	Other financial assets	326	-	1	-	4	331	
5	Total gross carrying amount of other financial assets	31 177	-	1	-	4	31 182	
6	Provision for impairment of other financial assets	(140)	-	-	-	(4)	(144)	



7	Total other financial assets exclusive of provision	31 037	-	1	-	-	31 038
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Table 13.2.5. Analysis of the credit quality of other financial assets as of December 31, 2018

(th. UAH)							
Line	Item name	Minimal credit risk	Low credit risk	Average credit risk	High credit risk	Default assets	Total
1	Receivables on payment cards	-	-	-	-	-	-
2	Funds with restricted use	14 984	-	-	-	-	14 984
3	Receivables on the bank transactions	15 857	-	-	-	-	15 857
4	Other financial assets	123	-	2	-	-	125
5	Total gross carrying amount of other financial assets	30 964	-	2	-	-	30 966
6	Provision for impairment of other financial assets	(968)	-	-	-	-	(968)
7	Total other financial assets exclusive of provision	29 996	-	2	-	-	29 998

Table 10.3 Other non-financial assets

(th. UAH)				
Line	Item name	September 30, 2019	December 31, 2018	
1	Prepayment for services	208	475	
2	Receivables for the acquisition of assets	291	931	
3	Prepaid expenses	576	1 126	
4	Prepayments for taxes other than income tax	111	48	
5	Inventories	640	607	
6	Property that became the property of the bank as a pledge holder	231	236	
7	Precious metals	1 322	-	
8	Impairment provision of other assets	(3)	(2)	
9	Total other assets exclusive of provision	3 376	3 421	

Table 10.3.1 Analysis of changes in impairment provision of other non-financial assets as of September 30, 2019

(th. UAH)				
Line	Provision dynamics	Prepayment for services	Receivables for the acquisition of assets	Total
1	Balance at the beginning of the period	1	1	2
2	Increase / (decrease) in the provision for impairment during the period *****	-	1	1
3	Bad debt write-off	-	-	-
4	Balance at the end of the period	1	2	3

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***** The amount of the change in the impairment provision of other non-financial assets, shown in table 10.3.1, is part of the amount shown in the “Reporting of Profit and Loss and other Comprehensive Income” in line 8.

Note 11. Customer funds

Table 11.1. Customer funds

		(th. UAH)	
Line	Item name	September 30, 2019	December 31, 2018
1	State and public organizations	3 218	536
1.1	current accounts	3 218	536
2	Other legal entities	230 634	562 777
2.1	current accounts	205 643	541 963
2.2	term funds	24 991	20 814
3	Individuals:	490 299	533 307
3.1	current accounts	210 375	218 757
3.2	term funds	279 924	314 550
9	Total customer funds	724 151	1 096 620

Data on customer funds are indicated in the “Interim Condensed Statement of Financial Position (Balance Sheet)” in line 14. Information on customer funds of related parties is disclosed in note 27

Table 11.2 Distribution of funds by type of economic activity

		(th. UAH)			
Line	Type of economic activity	September 30, 2019		December 31, 2018	
		amount	%	amount	%
1	Real estate transactions, rental, engineering and services	23 016	3%	26 515	2%
2	Trade, car repair, household goods and personal items	61 846	9%	76 848	7%
3	Production	76 142	10%	380 089	35%
4	Health and social assistance	30 761	4%	29 504	3%
5	Provision of financial services	12 900	2%	24 403	2%
6	Individuals	490 299	68%	533 307	49%
7	Other	29 187	4%	25 954	2%
8	Total customer funds	724 151	100 %	1 069 620	100 %

As of September 30, 2019, the Bank had 28 customers with account balances of more than 1 percent of the authorized capital of each.

Note 12. Provisions for liabilities

Table 12.1. Provisions for liabilities for the reporting period as of September 30, 2019

		(th. UAH)		
Line	Provision dynamics	Loan liabilities	On financial guarantees provided	Total
1	Balance at the beginning of the period	517	1	518
2	Formation and / or increase in the provision	851	-	851
3	The effect of recalculation into the reporting currency	(2)	-	(2)
4	Balance at the end of the period	1 366	1	1 367

Provisions for liabilities are shown in the Interim Condensed Statement of Financial Position (Balance Sheet) in line 16.

Data on related provisions of liability of related party transactions are disclosed in note 27.

The amount of the change in provisions for liabilities, shown in table 12.1, line 2, is indicated in the “Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)” in line 9.

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Table 12.2. Provisions for liabilities for the reporting period as of September 30, 2018

(th. UAH)				
Line	Provision dynamics	Loan liabilities	Guarantees issued	Total
1	Balance at the beginning of the period	-	-	-
2	Changes from the application of IFRS 9	4 904	57	4 961
3	Adjusted balance as of January 01, 2018	4 904	57	4 961
4	Increase / (decrease) in provisions	(4 025)	(49)	(4 074)
5	The effect of recalculation into the reporting currency	-	-	-
6	Balance at the end of the period	879	8	887

The amount of the change in provisions for liabilities shown in table 12.2 line 4 is shown in the “Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)” in line 9.

Note 13. Lease (rental) liabilities

(th. UAH)				
Line	Item name	September 30, 2019	December 31, 2018	
1	Recognition in the balance sheet of lease liabilities	3 728	-	
2	Accrued expenses under lease liabilities	45	-	
3	Total lease liabilities	3 773	-	

Information about other leasing (rental) liabilities is indicated in the “Interim Condensed Statement of Financial Position (Balance Sheet)” in line 17.

At the end of the day September 30, 2019, the Bank recognized in the balance sheet lease liabilities that should be paid during the term of the contracts.

Lease repayment terms under contracts as of September 30, 2019 are:

- 918 th. UAH - April 2020
- 190 th. UAH - September 2020
- 118 th. UAH - December 2020
- 1,068 th. UAH - April 2021
- 523 th. UAH - December 2021
- 956 th. UAH - May 2021

Note 14. Other liabilities

Table 14.1. Other liabilities

(th. UAH)				
Line	Item name	September 30, 2019	December 31, 2018	
1	Other financial liabilities	20 083	1 791	
2	Other non-financial liabilities	6 448	6 735	
3	Total other liabilities	26 531	8 526	

Other liabilities are shown in the Interim Condensed Statement of Financial Position (Balance Sheet) in line 18.

Information about other related party liabilities is disclosed in note 27.

Table 14.2. Other financial liabilities

(th. UAH)				
Line	Item name	September 30, 2019	December 31, 2018	
1	Payment card accounts payable	15 071	1 156	
2	Accrued expenses	310	448	
3	Guarantee fee	3	5	
4	Blocking funds in accordance with the Decree of the President of Ukraine No. 176/2018 On the decision of the National Security and Defense Council of Ukraine of June 21, 2018	145	154	
5	Other financial liabilities *	4 554	28	
6	Total other financial liabilities	20 083	1 791	

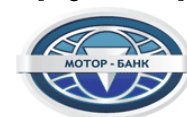
* Other accounts payable for banking transactions - 4 502 th. UAH

Accounts payable on accepted payments - 45 th. UAH

Sent transfers using payment systems - 7 th. UAH

Table 14.3. Other non-financial liabilities

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		(th. UAH)	
Line	Item name	September 30, 2019	December 31, 2018
1	Accounts payable for taxes and duties, other than income tax	1 589	1 568
2	Accounts payable with bank employees	3 005	3 300
3	Deferred income	1 752	1 707
4	Accounts payable for services	102	160
5	Accounts payable for the acquisition of assets	-	-
6	Total	6 448	6 357

Note 15. Interest income and expenses

		(th. UAH)			
Line	Item name	For the 3rd quarter of 2019		For the 3rd quarter of 2018	
		For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date	For the corresponding interim quarter of the previous financial year	With a cumulative total from the beginning of the year to the reporting date of the previous financial year
INTEREST INCOME CALCULATED BY EFFECTIVE RATE OF INTEREST					
1	Loans and customer debt	26 745	72 343	19 638	52 521
2	Financial investments at amortized cost	5 611	20 732	18 393	55 518
3	Funds in other banks	194	988	1 612	2 563
4	Correspondent accounts in other banks	171	584	248	849
5	Other	-	-	-	-
6	Total interest income	32 721	94 647	39 891	111 451
INTEREST EXPENSE CALCULATED BY EFFECTIVE RATE OF INTEREST					
7	Term funds of legal entities	(916)	(2 504)	(10 513)	(19 679)
8	Term funds of individuals	(3 241)	(9 638)	(2 587)	(7 733)
9	Term funds of other banks	-	-	-	-
10	Current accounts	(6 656)	(19 101)	(6 939)	(28 419)
11	Interest expense on lease liabilities	(180)	(517)	-	-
12	Total interest expense	(10 993)	(31 760)	(20 039)	(55 831)
13	Net interest income/(expenses)	21 728	62 887	19 852	55 620

Interest income and expense data are disclosed in the Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results) in lines 1.1, 1.2, 1. Information about other interest income and expenses related to transactions with related parties is disclosed in note 27.

Note 16. Fee and commission income and expenses

		(th. UAH)			
Line	Item name	For the 3rd quarter of 2019		For the 3rd quarter of 2018	
		For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date	For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date
FEE AND COMMISSION INCOME:					

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1	Settlement and cash transactions	7 227	22 020	8 802	22 947
2	Income from servicing loan transactions	212	694	180	539
3	Income from transactions in the foreign exchange market	2 101	7 247	3 585	8 567
4	Guaranties provided	4	26	14	22
5	Other	697	2 142	476	1 267
6	Total fee and commission income	10 241	32 129	13 057	33 342
FEE AND COMMISSION EXPENSE:					
7	Settlement and cash transactions	(2 095)	(5 902)	(1 686)	(4 135)
8	Cash support expenses	(703)	(1 627)	(576)	(1 512)
9	Securities transactions	(8)	(26)	(13)	(44)
10	Fee and commission expenses for credit services	-	-	-	-
11	Other	(90)	(189)	(32)	(72)
12	Total fee and commission expenses	(2 896)	(7 744)	(2 307)	(5 763)
13	Net fee and commission income/(expenses)	7 345	24 385	10 750	27 579

Data on fee and commission income and expenses are indicated in the “Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)” in lines 2, 3.

Information about fee and commission income and expenses related to transactions with related parties is disclosed in note 27.

Note 17. Other operating income

(th. UAH)					
Line	Item name	For the 3rd quarter of 2019		For the 3rd quarter of 2018	
		For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date	For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date
1	Rental income from an economic nature	106	283	64	268
2	Income from rental of safes	116	283	51	144
3	Income upon early repayment of deposits	5	21	4	16
4	Income from the disposal of fixed assets and intangible assets	-	-	-	-
5	Income from insurance agent services	61	233	59	143
6	Returned funds allocated to expenses in previous years	-	-	-	5
7	Fines	123	172	1	17
8	Other	19	30	7	11
9	Total operating income	430	1 012	186	606

Other operating income is disclosed in the “Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)” in line 11.

Information about other operating income from related party transactions is disclosed in note 27.

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Note 18. Employee expenses and payments

(th. UAH)

Line	Item name	For the 3rd quarter of 2019		For the 3rd quarter of 2018	
		For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date	For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date
1	Salaries and bonuses	(9 646)	(29 950)	(11 054)	(25 624)
2	Payroll accruals	(2 000)	(5 994)	(1 964)	(4 793)
3	Other employee benefits	(619)	(1 572)	(501)	(1 013)
9	Total staff expenses	(12 265)	(37 516)	(13 519)	(31 430)

Data on expenses and payments to employees are indicated in the “Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)” in line 12.

Information about expenses and payments to employees of related party transactions is disclosed in note 27.

Note 19. Amortization expenses

(th. UAH)

Line	Item name	For the 3rd quarter of 2019		For the 3rd quarter of 2018	
		For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date	For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date
1	Amortization of fixed assets	(2 424)	(6 947)	(1 956)	(5 413)
2	Amortization of software and intangible assets	(173)	(513)	(309)	(1 003)
3	Amortization of a right-of-use asset	(620)	(1 727)	-	-
4	Total amortization expense	(3 217)	(9 187)	(2 265)	(6 416)

Data on depreciation expenses and amortization are indicated in “Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)” in line 13.

Note 20. Other administrative and operating expenses

(th. UAH)

Line	Item name	For the 3rd quarter of 2019		For the 3rd quarter of 2018	
		For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date	For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date
1	Expenses for the maintenance of fixed assets and intangible assets, telecommunications and other operational services	(1 956)	(6 343)	(1 638)	(5 125)
2	Operating lease (rental) expenses	(757)	(2 233)	(1 675)	(3 126)
3	Other expenses related to fixed assets	(336)	(1 302)	(37)	(122)

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4	Professional services	(520)	(2 503)	(298)	(1 487)
5	Security services	(659)	(1 920)	(537)	(1 540)
6	Marketing and advertising expenses	(378)	(1 274)	(417)	(993)
7	Insurance expenses	(63)	(193)	(66)	(495)
8	Payment of other taxes and fees, payments, except for income tax, including:	(1 241)	(4 103)	(1 300)	(3 783)
8.1	Land tax	79	(57)	-	(18)
8.2	Deductions to the Deposit Guarantee Fund	(1 095)	(3 355)	(1 100)	(3 168)
8.3	Pension fund fee from currency purchase	-	-	-	-
8.4	Other taxes and obligatory payments	(225)	(691)	(200)	(597)
9	Losses from devaluation of inventories for sale	(5)	(5)	-	(799)
10	Other	(492)	(1 414)	(335)	(1 055)
11	Total administrative and other operating expenses	(6 407)	(21 290)	(6 303)	(18 525)

Data on administrative and operating expenses is indicated in the “Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)” in line 12.

Information on administrative and operating expenses from transactions with related parties is disclosed in note 27.

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**Note 21. Income tax expenses****Table 21.1 Income tax expenses**

(th. UAH)

Line	Item name	September 30, 2019	September 30, 2018
1	Income before tax	24 221	35 831
2	Theoretical tax deductions at the appropriate tax rate	(4 360)	(6 450)
ADJUSTMENT OF ACCOUNTING PROFIT (LOSS):			
3	Income not included in taxable income	-	-
4	Expenses not included in the amount of expenses for the purpose of calculating tax income, but are recognized in accounting:		
4.1	- differences arising when accruing amortization of fixed assets and intangible assets	(142)	209
4.2	- the amount of markdowns and expenses from a decrease in the usefulness of fixed assets or intangible assets	(139)	(380)
4.3	- provisions on assets	-	(144)
5	The adjustment for the difference that arose as a result of the asset provisions in accordance with IFRS 9 and was displayed through the bank's capital accounts	(3)	733
6	Other adjustments	-	(779)
7	Total income tax expense	(63)	(119)
		(4 565)	(7 139)

Data on income tax expense is indicated in the "Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)" in line 16.

Note 22. Profit (loss) per ordinary and preferred share**Table 22.1 Net and adjusted profit per ordinary and preferred share**

(th. UAH)

Line	Item name	For the 3rd quarter of 2019		For the 3rd quarter of 2018	
		For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date	For the current interim quarter	With a cumulative total from the beginning of the year to the reporting date
1	Profit (loss), which belongs to the holders of ordinary shares of the bank	6 993	19 656	10 356	28 692
2	Profit (loss) for the quarter	6 993	19 656	10 356	28 692
3	The average annual number of ordinary shares in circulation (thousand units)	2 000	2 000	2 000	2 000
4	Net and adjusted earnings per ordinary share (UAH/share)	3,50	9,83	5,18	14,35

Data on net and adjusted profit (loss) per ordinary share is indicated in the "Interim Condensed Reporting of Profit and Loss and other Comprehensive Income (Reporting of Financial Results)" in lines 24, 25.

Note 23. Operating segments**Table 23.1. Income, expenses and results of reporting segments for the third quarter of 2019**

(th. UAH)

Line	Item name	Name of reportable segments			Other segments and operations	Total
		services to corporate clients	services to individuals	interbank operations		
Income from external customers:						
1	Interest income	92 100	975	1 572	-	94 647
2	Fee and commission income	27 801	4 277	51	-	32 129
3	Other operating income	465	301	-	246	1 012
4	Total segments income	120 366	5 553	1 623	246	127 788
5	Interest expense	(11 828)	(19 415)	-	(517)	(31 760)
6	Net (increase)/decrease in provisions for reimbursement of possible expenses on active banking operations	(411)	39	1 665	-	1 293
7	Revenues/(expenses) arising during the initial recognition of financial assets at an interest rate higher or lower than the market	-	-	-	-	-
8	Income/(expenses) arising during the initial recognition of financial liabilities at an interest rate higher or lower than the market	-	-	102	-	102
9	Net (loss)/profit from (increase)/decrease in provisions for liabilities	(853)	2	-	-	(851)

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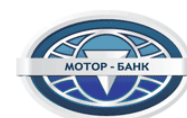
10	Net profit/(loss) from derecognition of financial assets carried at amortized cost	-	-	-	-	-
11	Result from operations with foreign currency	2 970	1 516	-	-	4 486
12	Result from revaluation of foreign currency transactions	-	-	-	(1 100)	(1 100)
13	Fee and commission expenses	(55)	(1 127)	(6 562)	-	(7 744)
14	Employee benefit expenses	-	-	-	(37 516)	(37 516)
15	Depreciation and amortization expenses	-	-	-	(9 187)	(9 187)
16	Administrative and other operating expenses	-	-	-	(21 290)	(21 290)
17	Income tax expense	-	-	-	(4 565)	(4 565)
18	SEGMENT RESULTS: Profit / (loss):	110 189	(13 330)	(3 274)	(73 929)	19 656

Table 23.2. Income, expenses and results of reporting segments for the third quarter of 2018

(th. UAH)

Line	Item name	Name of reportable segments			Other segments and operations	Total
		services to corporate clients	services to individuals	interbank operations		
	Income from external customers:					
1	Interest income	107 153	886	3 412	-	111 451
2	Fee and commission income	30 973	2 366	3	-	33 342
3	Other operating income	290	155	-	161	606
4	Total segments income	138 416	3 407	3 415	161	145 399
5	Interest expense	(39 762)	(16 069)			(55 831)
6	Net (increase)/decrease in provisions for reimbursement of possible expenses on active banking operations	(2 315)	3	1 448	-	(824)
7	Revenues/(expenses) arising during the initial recognition of financial assets at an interest rate higher or lower than the market	(106)	-	-	-	(106)
8	Income/(expenses) arising during the initial recognition of financial liabilities at an interest rate higher or lower than the market	-	104	-	-	104

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9	Net (loss)/profit from (increase)/decrease in provisions for liabilities	4 071	3	-	-	4 074
10	Net profit/(loss) from derecognition of financial assets carried at amortized cost	(444)	-	-	-	(444)
11	Result from operations with foreign currency	4 770	1 022	-	-	5 792
12	Result from revaluation of foreign currency transactions	-	-	-	(199)	(199)
13	Fee and commission expenses	(71)	(1 065)	(4 627)	-	(5 763)
14	Employee benefit expenses	-	-	-	(31 430)	(31 430)
15	Depreciation and amortization expenses	-	-	-	(6 416)	(6 416)
16	Administrative and other operating expenses	-	-	-	(18 525)	(18 525)
17	Income tax expense	-	-	-	(7 139)	(7 139)
18	SEGMENT RESULTS:					
	Profit / (loss):	104 559	(12 595)	276	(63 548)	28 692

Table 23.3 Assets and liabilities of reportable segments as of September 30, 2019

(th. UAH)

Line	Item name	Name of reportable segments			Other segments and operations	Total
		services to corporate clients	services to individuals	interbank operations		
	SEGMENT ASSETS					
1	Segment Assets	810 471	3 894	77 467	41 766	933 598
2	Non-current assets held for sale (or disposal groups)	-	-	-	-	-
3	Total Segment Asset	810 471	3 894	77 467	41 766	933 598
4	Retained Assets				153 515	153 515
5	Total assets	810 471	3 894	77 467	195 281	1 087 113
	SEGMENT LIABILITIES					
6	Segment liabilities	237 274	490 506	4 502	-	732 282
7	Total segment liabilities	237 274	490 506	4 502	-	732 282
8	Retained liabilities	-	-	-	25 089	25 089
9	Total liabilities	237 274	490 506	4 502	25 089	757 371
	OTHER SEGMENTAL ARTICLES					
10	Capital investment	4 071	3	-	-	4 074
11	Amortization	-	-	-	89 069	89 069
		-	-	-	(7 460)	(7 460)



Table 23.4 Assets and liabilities of reportable segments as of December 31, 2018

(th. UAH)

Item name	Name of reportable segments			Other segments and operations	Total
	services to corporate clients	services to individuals	interbank operations		
SEGMENT ASSETS					
Segment Assets	972 978	4 915	262 163	40 152	1 280 208
Total Segment Asset	972 978	4 915	262 163	40 152	1 280 208
Retained Assets				136 955	136 955
Total assets	972 978	4 915	262 163	177 107	1 417 163
SEGMENT LIABILITIES					
Segment liabilities	564 349	533 409	1 154	-	1 098 912
Total segment liabilities	564 349	533 409	1 154	-	1 098 912
Retained liabilities	-	-	-	8 165	25 089
Total liabilities	564 349	533 409	1 154	8 165	1 107 077
OTHER SEGMENTAL ARTICLES					
Capital investment	-	-	-	83 218	83 218
Amortization	-	-	-	(9 087)	(9 087)

Note 24. Capital management

The purpose of the Bank in managing capital is both to comply with regulatory requirements for capital established by the National Bank of Ukraine, and to ensure the Bank's ability to function as a continuously operating enterprise.

The Bank's capital management policy presupposes maintaining its size at a level necessary and sufficient to ensure due confidence on the part of creditors and other market participants, as well as future business development. At the same time, the effect of the level of capital on shareholder income is taken into account, in connection with which the Bank recognizes the need to maintain a balance between increasing profitability, which is possible as a result of a deterioration in the ratio of borrowed and own capital, and the advantages and stability that are ensured by the stability of the capital position.

The Bank's regulatory capital is calculated on the basis of accounting data in accordance with the requirements of the "Instructions on the Regulation of Banks in Ukraine," approved by the NBU Board of Directors N 368 dated August 28, 2001 (as amended).

As of October 1, 2019, the Bank met all regulatory requirements for capital established by the National Bank of Ukraine, namely:

- the value of the regulatory capital standard (S1) amounted to 263.6 million UAH, with the minimum required value of 200.0 million UAH;
- the value of the standard of sufficiency (adequacy) of regulatory capital (S2) amounted to 59.9% with the minimum required value of 41.7%;
- the value of the capital adequacy standard (S3) amounted to 37.3% with the minimum required value of 7%;

The table below shows the regulatory capital calculated in accordance with the regulatory legal acts of the National Bank of Ukraine.



Table 24.1 Regulatory capital structure

		(th. UAH)	
Line	Item name	September 30, 2019	December 31, 2018
1	Common Equity Tier 1 Capital	235 782	234 256
1.1	Actual registered capital paid	200 000	200 000
1.2	Disclosed provisions created or increased due to retained earnings and made public in the financial statements of the bank:	45 110	43 346
1.2.1	Reserve funds created in accordance with the laws of Ukraine	6 098	4 334
1.2.2	Equity differences	39 012	39 012
1.3	Common Equity Capital Decrease:	(9 328)	(9 090)
1.3.1	Intangible assets exclusive of depreciation	(7 811)	(7 890)
1.3.2	Capital investments in intangible assets	(1 517)	(1 200)
2	Additional Tier 2 Capital	72 950	53 970
2.1	Estimated profit of the current year	19 907	36 121
2.2	Profit of past years	64 976	31 467
2.3	Uncovered credit risk	(11 933)	(13 618)
3	The amount of the excess of the total amount of all claims and financial liabilities regarding parties related to the bank, which is 25% of the regulatory capital	(45 100)	-
REGULATORY CAPITAL		263 632	288 226

Note 25. Financial risk management.

The main principles

The risk management function in the Bank is carried out in relation to financial, operational and legal risks. Financial risks include credit risk, liquidity risk and market risks. Management of operational and legal risks of the Bank aims to ensure the proper functioning of internal procedures and policies aimed at minimizing these risks.

The Bank's risk management policy and system is constantly reviewed and improved in accordance with changes in market conditions and banking products. The main objective of the Bank in managing assets and liabilities is to reduce the level of liquidity risk and market risks to which the Bank is exposed and maximize profitability.

The main principles of the Bank's risk management policy is centralization (risk analysis and calculations are performed centrally, and appropriate limits are set for the Bank's business units); balanced structure of risks and fees for their adoption; ensuring continuous monitoring of the level of risk and assessing the impact of risks on the Bank's capital.

Credit risk

Credit risk - the likelihood of losses or additional losses or shortfall in the planned income due to non-fulfillment of liabilities by the debtor/counterparty in accordance with the terms of the contract. Credit risk arises as a result of credit and other operations of the Bank, resulting in financial assets.

The Bank adheres to the principles of caution and prudence when forming a loan portfolio. The implementation of these principles is ensured by a qualitative assessment of the solvency of the borrower and the value of collateral, regular monitoring of the state of debt servicing and the status of collateral during the term of the loan agreement.

The Bank restricts the risks of credit and investment operations by setting internal limits and credit risk limits, complying with credit risk standards established by the National Bank of Ukraine and creating reserves to compensate for possible losses from active operations (credit operations, operations with securities, other active operations).

Given the above, the Bank's credit risk level is manageable.

During the reporting period, the Bank steadily adhered to all credit risk standards established by the National Bank of Ukraine, with the exception of the credit risk standard for operations with parties associated with the Bank:

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Actual value as of	The name of the standard and its value as of the monthly reporting dates of 2019		
	S7 - maximum credit risk standard per counterparty (no more than 25%)	S8 – standard for large credit risks (not more than 800%)	S9 – standard for the maximum amount of credit risk for operations with parties related to the bank (no more than 25%)
01.01.2019	18,63	71,42	21,25
01.02.2019	17,98	72,41	18,48
01.03.2019	14,40	57,59	18,03
01.04.2019	14,66	71,01	20,87
01.05.2019	16,83	98,61	22,34
01.06.2019	15,88	78,88	16,49
01.07.2019	15,89	79,30	17,09
01.08.2019	16,28	117,72	40,77
01.09.2019	19,00	134,19	40,54
01.10.2019	19,23	117,34	39,61

Market risk

Market risk is the probability of losses or additional losses or shortfalls in planned income due to adverse changes in foreign exchange rates, interest rates, and the value of financial instruments. Financial assets include cash, foreign currency, and securities. The main market risk for the Bank is currency risk.

The source of the occurrence of currency risk is a mismatch between the balance sheet requirements and off-balance sheet claims and liabilities for individual currencies. Currency risk management is carried out both by monitoring compliance with the open currency position limits established by the National Bank of Ukraine, and by setting internal currency position limits for individual currencies and operations.

Quantitative measurement of currency risk is carried out by the Bank using VAR - analysis. According to calculations as of October 1, 2019, the Bank's losses from exposure to currency risk over the next calendar month with a probability of 99% will not exceed 0.2% of the regulatory capital.

During the reporting year, the Bank steadily adhered to the open currency position limits established by the National Bank of Ukraine:

Actual value as of	The name of the standard and its value as of the monthly reporting dates of 2019	
	L13-1 – limit of the long open foreign currency position of the bank (no more than 5%)	L13-2 – limit of a short open foreign currency position of a bank (no more than 5%)
01.01.2019	0,3476	0,3995
01.02.2019	0,7213	0,1010
01.03.2019	0,3956	0,1473
01.04.2019	0,8992	0,0000
01.05.2019	0,7700	0,0163
01.06.2019	1,5701	0,0000
01.07.2019	1,1226	0,0000
01.08.2019	3,4224	0,0000
01.09.2019	3,4602	0,0000
01.10.2019	3,7394	0,0000

Liquidity risk

Liquidity risk is the probability of losses or additional losses or shortfalls in planned income due to the Bank's inability to finance the growth of assets and/or fulfillment of its liabilities in due time.

The source of liquidity risk is the imbalance of assets and liabilities by maturity.

The Bank's liquidity risk management policy is aimed at achieving the optimal balance between liquidity risk and the Bank's profitability, ensuring timely fulfillment of all liabilities to customers and counterparties in full and without unnecessary losses by balancing the volume of the Bank's assets and liabilities by maturity.

The operational liquidity management of the Bank is carried out by the Treasury and financial institutions. Scheduled liquidity management is carried out by the Assets and Liabilities Management Committee, which on the basis of analytical information makes a monthly decision to optimize the Bank's balance sheet structure by setting credit and investment transaction limits and adjusting assets and liabilities by volume and maturity terms.

Based on the results of stress testing of liquidity risk in a moderate scenario, it was established that the Bank will not incur losses to restore liquidity. Liquidity risk is minimal.

To ensure liquidity in the event of unforeseen crisis circumstances, the Bank adopted an Action Plan in the context of a liquidity crisis, which defines the basic principles of anti-crisis liquidity management. During the reporting period, the Bank adhered to liquidity standards established by the National Bank of Ukraine:

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Actual value as of	The name of the standard and its value as of the monthly reporting dates of 2019		
	S4 – instant liquidity standard (not less than 20%)	S5 – current liquidity standard (not more than 40%)	S6 – short-term liquidity standard (not less than 60%)
01.01.2019	109,75	86,45	115,87
01.02.2019	115,12	88,35	117,97
01.03.2019	125,31	94,78	119,80
01.04.2019	106,47	77,75	112,16
01.05.2019	122,94	101,07	120,71
01.06.2019	120,66	96,14	120,19
01.07.2019	136,15	104,39	124,68
01.08.2019	134,27	88,60	125,09
01.09.2019	120,16	75,01	127,32
01.10.2019	canceled	canceled	126,92

Note 26. Potential liabilities of the Bank

This note reflects the amount of potential liabilities of the Bank at the end of the day September 30, 2019, in particular:

a) consideration of cases in court.

During the third quarter of 2019, the courts of Ukraine considered cases where the party to the case was MOTOR-BANK JSC and which were decided in favor of the bank, as a result of which the total amount of overdue debts arising up to the 3rd quarter of the current year was reduced, conditional liabilities, according to the results of court cases, for the Bank did not arise.

b) potential tax liabilities.

As of the end of the day, September 30, 2019, the Bank's management believes that its interpretation of tax legislation is correct, the Bank fully complied with the requirements of the law and paid all taxes, so the Bank has no unforeseen liabilities related to the occurrence of tax liabilities.

c) liabilities for capital investments.

At the end of the day, September 30, 2019, contractual liabilities related to the acquisition of intangible assets are 389 th. UAH., for capital investments - 3 thousand UAH.

d) compliance with special requirements.

At the end of the day September 30, 2019 and December 31, 2018, the Bank did not have any agreements on borrowed funds with other credit organizations.

e) loan liabilities.

To meet the financial needs of customers, the Bank assumes various irrevocable contractual liabilities and contingent liabilities. These include financial guarantees, letters of credit, and other loan liabilities. Although such liabilities may not be recognized in the statement of financial position, they carry credit risk and, therefore, are part of the Bank's overall risk appetite.

In accordance with the terms of letters of credit and guarantees (including standby letters of credit), the Bank is obligated to make payments on behalf of customers when certain events occur. Guarantees are subject to the same credit risk as loans. The nominal values of such contractual liabilities are shown in the table below.

Liabilities related to lending represent unused amounts intended for lending in the form of loans, guarantees. Liabilities for lending to customers that are provided through credit lines, under which funds are provided at the request of counterparties, that is, they are irrevocable and risky. Guarantees are irrevocable guarantees that the Bank will make payments in favor of third parties in the event customers fail to fulfill their liabilities and have the same risk as loans. With regard to credit risk on loan liabilities, banks do not incur losses in the total amount of unused liabilities in the event that the unused amount of such loans is fully disbursed to customers, since the fulfillment of most loan liabilities depends on customers' creditworthiness. The total amount of unused credit lines and transaction guarantees does not necessarily represent future cash requirements, since the term of validity of such financial instruments may end without financing.

Table 26.1 Structure of loan liabilities

Line	Item name	(th. UAH)	
		September 30, 2019	December 31, 2018
1	Credit liabilities that are provided	16 186	11 541
2	Unused credit lines	230 190	277 149
3	Guarantees issued	268	397
4	Provisions for loan related liabilities	(1 367)	(518)
5	Total liabilities associated with lending exclusive of provision	245 277	288 569



Table 26.2 Credit quality analysis of loan liabilities as of September 30, 2019

(th. UAH)					
Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Total
1	Credit liabilities:				
2	Minimal credit risk	211 408	-	-	211 408
3	Low credit risk	-	-	-	-
4	Average credit risk	-	35 236	-	35 236
5	High credit risk	-	-	-	-
6	Default assets	-	-	-	-
7	Total loan liabilities	211 408	35 236	-	246 644
8	Provisions for impairment of loan liabilities	(103)	(1 237)	-	(1 367)
9	Total loan liabilities exclusive of provision	211 278	33 999	-	245 277

Table 26.3 Credit quality analysis of loan liabilities December 31, 2018

(th. UAH)					
Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Total
1	Credit liabilities:				
2	Minimal credit risk	282 825	-	-	282 825
3	Low credit risk	-	-	-	-
4	Average credit risk	-	6 262	-	6 262
5	High credit risk	-	-	-	-
6	Default assets	-	-	-	-
7	Total loan liabilities	282 825	6 262	-	289 087
8	Provisions for impairment of loan liabilities	(90)	(428)	-	(518)
9	Total loan liabilities exclusive of provision	282 735	5 834	-	288 569

Table 26.4 Analysis of changes in gross carrying amount/nominal value for impairment of loan liabilities, as of September 30, 2019

(th. UAH)					
Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Total
1	Gross carrying amount at the beginning of the period	282 825	6 262	-	289 087
2	Loan liabilities granted	26 400	8 342	-	34 742
3	Loan liabilities, the recognition of which has been terminated or the term of which has ended (other than written off)	(31 993)	-	-	(31 993)
4	Transfer to stage 1	-	20 857	-	20 857
5	Transfer to stage 2	(20 857)	-	-	(20 857)
6	Transfer to stage 3	-	-	-	-
7	Change of conditions (modification), which does not lead to derecognition	-	-	-	-
8	Write-off of loan liabilities from provisions	-	-	-	-
9	Exchange differences	-	-	-	-
10	Other changes	(44 967)	(225)	-	(45 192)
11	Gross carrying amount at the end of the reporting period	211 408	35 236	-	246 644

Table 26.5 Analysis of changes in the provision for impairment of liabilities under the credit for the third quarter of 2019

(th. UAH)



Line	Item name	Stage / Basket 1	Stage / Basket 2	Stage / Basket 3	Total
1	Impairment provision at the beginning of the period	90	428	-	518
2	Loan liabilities granted	22	126	-	148
3	Loan liabilities, the recognition of which has been terminated or the term of which has ended (other than written off)	(30)	-	-	(30)
4	The overall effect of the transfer between stages:	(10)	689	-	679
4.1	Transfer to stage 1	-	689	-	689
4.2	Transfer to stage 2	(10)	-	-	(10)
4.3	Transfer to stage 3	-	-	-	-
5	Change of conditions (modification), which does not lead to derecognition	-	-	-	-
6	Write-off of loan liabilities from provisions	-	-	-	-
7	Exchange differences	-	-	-	-
8	Other changes	-	(2)	-	(2)
9	Change of conditions (modification), which does not lead to derecognition	58	(4)	-	54
10	Impairment strengthening as of September 30, 2019	130	1 237	-	1 367

Table 26.6 Analysis of changes in the provision for impairment of liabilities under the credit for the third quarter of 2018

(th. UAH)

Line	Provision dynamics	Loan liabilities	Guarantees issued	Total
1	Balance at the beginning of the period	-	-	-
2	Changes from the application of IFRS 9	4 904	57	4 961
3	Adjusted balance as of January 01, 2018	4 904	57	4 961
4	Increase/(decrease) in provisions	(4 025)	(49)	(4 074)
5	The effect of recalculation into the reporting currency	-	-	-
6	Balance at the end of the period	879	8	887

Table 26.7. Loan liabilities by currencies

(th. UAH)

Line	Item name	September 30, 2019	December 31, 2018
1	Hryvnia	95 500	93 518
2	U.S. dollar	151 144	194 569
3	Other	-	-
4	Total	246 644	289 087

f) There are no assets pledged by the bank at the end of the day September 30, 2019 and December 31, 2018.

Note 27. Related party transactions

Table 27.1. Related party balances at the end of the day September 30, 2019

(th. UAH)

Line	Item name	The largest participants (shareholders) of the bank	Key management staff	Other related parties
1	Customer loans and debt (contract interest rate (7-25%))	-	64	341 391
2	Loan debt provisions as at 30 September	-	-	258



3	Other assets	-	-	386
4	Right-of-use asset	-	-	424
5	Customer accounts (contract interest rate (0-21%))	316 224	6 479	141 988
6	Provisions for liabilities	-	-	87
7	Other liabilities	-	3	293
8	Lease liabilities	-	-	465
9	Balance at the end of the period	879	8	887

Table 27.2. Income and expenses from operations with related parties for the III quarter of 2019

(th. UAH)				
Line	Item name	The largest participants (shareholders) of the bank	Key management staff	Other related parties
1	Interest income	-	20	23 340
2	Interest expense	(8 117)	(212)	(8 699)
3	Result from operations with foreign currency	-	-	4 777
4	Fee and commission income	128	26	13 899
5	Fee and commission expenses	-	-	-
6	Deductions from the provision for impairment of loans and advances to other banks	-	-	(37)
7	Deductions from the provision for liabilities	-	1	(50)
8	Other operating income	-	7	383
9	Administrative and other operating expenses	-	(16 159)	(3 165)

Table 27.3 Other rights and obligations related to transactions with related parties at the end of the day September 30, 2019

(th. UAH)				
Line	Item name	The largest participants (shareholders) of the bank	Key management staff	Other related parties
1	Guarantees provided	-	-	-
2	Other liabilities	-	132	156 952
3	Loan liabilities provided	-	132	156 952

Table 27.4. The total amount of loans granted to related parties and repaid by related parties during the third quarter of 2019

(th. UAH)				
Line	Item name	The largest participants (shareholders) of the bank	Key management staff	Other related parties
1	Amount of loans granted to related parties during the period	-	-	2 617
2	Amount of loans repaid by related parties during the period	-	8	29 699

Table 27.5. Related party balances at the end of the day December 31, 2018

(th. UAH)				
Line	Item name	The largest participants (shareholders) of the bank	Key management staff	Other related parties
1	Customer loans and debt (contract interest rate (1,66-36%))	-	70	395 107
2	Provisions for indebtedness as of December 31	-	-	221
3	Other assets	-	-	164
4	Customer accounts (contract interest rate (0-18%))	383 006	4 657	445 596
5	Provisions for liabilities	-	1	37
6	Other liabilities	-	7	172



Table 27.6. Income and expenses from operations with related parties for the III quarter of 2018

(th. UAH)				
Line	Item name	The largest participants (shareholders) of the bank	Key management staff	Other related parties
1	Interest income	-	16	20 467
2	Interest expense	(8 555)	(101)	(38 523)
3	Result from operations with foreign currency	72	-	7 701
4	Fee and commission income	1	19	15 260
5	Fee and commission expenses	-	-	-
6	Deductions from the provision for impairment of loans and advances to other banks	-	(1)	149
7	Deductions from the provision for liabilities	-	-	55
8	Other operating income	-	7	432
9	Administrative and other operating expenses	-	(13 969)	(3 103)

Table 27.7. Other rights and obligations related to transactions with related parties at the end of the day December 31, 2018

(th. UAH)				
Line	Item name	The largest participants (shareholders) of the bank	Key management staff	Other related parties
1	Guarantees provided	-	-	-
2	Other liabilities	-	236	189 507
2/1	Loan liabilities provided	-	236	189 507

Table 27.8. The total amount of loans granted to related parties and repaid by related parties during the third quarter of 2018

(th. UAH)				
Line	Item name	The largest participants (shareholders) of the bank	Key management staff	Other related parties
1	Amount of loans granted to related parties during the period	-	57	2 256
2	Amount of loans repaid by related parties during the period	-	8	50 821

Table 27.9. Payments to key management personnel

(th. UAH)					
Line	Item name	III quarter of 2019		III quarter of 2018	
		expenses	accrued liability	expenses	accrued liability
1	Current employee payments	14 808	1 109	12 820	957

Note 28. Events after balance sheet date

After the balance sheet date, no events occurred that should be disclosed in the financial reporting.