

Issue of Series 2020-7 USD 10,000,000 First to Default Credit Linked Notes due June 2025

Summary

INTRODUCTION AND WARNINGS	
<i>Name and international securities identifier number (ISIN) of the Notes:</i>	
Series 2020-7 USD 10,000,000 First to Default Credit Linked Notes due June 2025 (the “Notes”) under the EUR 20,000,000,000 Euro Medium Term Note Programme (the “Programme”). ISIN Code: XS2139466846 Issue Date: 17 March 2020	
<i>The identity and contact details of the issuer, including its legal entity identifier (LEI):</i>	
BrokerCreditService plc (the “Issuer”) is a public limited company incorporated in the Republic of Cyprus. Its registered office is at Agia Zoni Street, 12, AGIA ZONI CENTER, Flat/Office 103, 3027 Limassol, Cyprus and its telephone number is +357 257 74044. The Issuer’s LEI is 213800W4XQFCUX7HFM81.	
<i>Identity and contact details of the competent authority approving the Base Prospectus:</i>	
The Base Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”) as competent authority, with its head office at Central Bank of Ireland, PO Box 559, New Wapping Street, Dublin 2 and telephone number: +353 1 2244000, in accordance with Regulation (EU) 2017/1129.	
<i>Date of approval of the Base Prospectus:</i>	
The Base Prospectus was approved on 20 December 2019.	
<i>Warning:</i>	
This summary has been prepared in accordance with Article 7 of Regulation (EU) 2017/1129 and should be read as an introduction to the base prospectus (the “Base Prospectus”). Any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital and, where any investor's liability is not limited to the amount of the investment, it could lose more than the invested capital. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or if it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.	
KEY INFORMATION ON THE ISSUER	
<i>Who is the issuer of the Notes?</i>	
<i>Domicile, legal form, LEI, jurisdiction of incorporation and country of operation:</i>	
The Issuer was incorporated in the Republic of Cyprus as a limited liability company under the Cyprus Companies Law, Cap. 113. The Issuer was converted to a public limited company under section 31 of the Cyprus Companies Law on 14 May 2015. The Issuer’s registered office is at Agia Zoni Street, 12, AGIA ZONI CENTER, Flat/Office 103, 3027 Limassol, Cyprus. Its LEI is 213800W4XQFCUX7HFM81.	
<i>Principal activities:</i>	
The Issuer is a special purpose vehicle which acts as an investment and financing company for the Group (being FG BCS Ltd. together with its consolidated subsidiaries, the “Group”) and issues Notes under the Programme. The Issuer conducts trading operations in the international securities markets, which include entering into transactions with market counterparties and related parties that are members of the Group. These transactions include, but are not limited to, repo	

transactions, loans and transactions in securities in the international capital markets including exchanges and OTC markets. The Issuer also conducts investment activities in different types of bonds of both Russian and international issuers.

Major Shareholders:

The Issuer is a subsidiary of FG BCS LTD, which holds 99.96% of the issued shares of the Issuer. FG BCS Ltd is incorporated and domiciled in Cyprus. The ultimate shareholder owning and controlling the Issuer is Oleg Mikhasenko, who is the sole ultimate beneficial owner of the Group.

Key managing directors:

Dimitra Karkalli and Evgenios Bagiazidis.

Statutory auditors:

Yiallourides & Partners Ltd, chartered accountants of 16 Spyrou Kyprianou Str., Divine Clock Tower 1st Floor, Office 101, 3070 Limassol, Cyprus

What is the key financial information regarding the Issuer?

The summary information in the tables below is extracted from each of: (i) the audited and consolidated financial statements of the Issuer as at and for the year ended 31 December 2017; and (ii) the audited and consolidated financial statements of the Issuer as at and for the year ended 31 December 2018.

In respect of the audited consolidated annual financial statements for the year ended 31 December 2018 (the "**2018 Financial Statements**"), the Issuer has adopted all of the new and revised International Financial Reporting Standards ("**IFRS**") that are relevant to it and are effective for accounting periods beginning on 1 January 2017, including IFRS 9 "Financial Instruments". The Issuer has elected to apply IFRS 9 retrospectively, by adjusting the opening balances as at 31 December 2017. The financial information for the year ended 31 December 2017 in the 2018 Financial Statements is presented accordingly.

Comparative Annual Financial Data (2018 and 2017) – In RUB		
	As at 31/12/2018 (audited)	As at 31/12/2017 (audited)
Net profit or loss	4,939,797,577	5,012,923,727
Total Assets	245,079,321,493	298,125,658,203
Total Liabilities	242,011,482,394	287,435,299,856
Financial Assets designated at fair value through profit or loss	86,997,929,735	117,011,808,921
Derivative financial assets	1,924,103,099	748,802
Non-financial assets if material to the entity's business	-	-
Financial Liabilities designated at fair value through profit or loss	9,015,119,036	57,225,538,271
Derivative financial liabilities	15,887,423,191	20,103,592,773

What are the key risks that are specific to the Issuer?

Credit risk

As part of its trading operations, the Issuer enters into loans, OTC derivatives, securities lending transactions and other financial transactions with a number of counterparties. Credit risk is the risk of loss that the Issuer may incur as a result of borrowers or other counterparties of the Issuer defaulting on their payment obligations in respect of such transactions, including the risks attaching to the Issuer's customers having financial difficulties and risks relating to large exposures, which could impact the Issuer's ability to meet its obligations under the Notes.

Market risk

The Issuer faces market risks as an inherent part of its business. The Issuer's market risk relates to the risk of loss that the Issuer may incur because of adverse developments in market values resulting from fluctuations in interest rates, credit spreads, foreign currency exchange rates and equity and commodity prices. The performance of financial markets may cause changes in the value of the Issuer's investment and trading books which may adversely affect the Issuer's financial position, including reducing its revenue which, in turn, could prevent the Issuer from fulfilling its payment obligations under the Notes.

Liquidity risk

The Issuer is subject to liquidity risk, being the risk that a lack of funding prevents the Issuer from being able to finance its activities (i.e. to ensure the growth of its assets or perform its obligations as they fall due). The Issuer is subject to the following types of liquidity risk:

* physical liquidity risk, being the risk of default by the Issuer on its liabilities to counterparties in any currency because of a shortage of cash or non-cash funds; and

* structural liquidity risk (i.e. concentration risk), being the risk of a significant deterioration of the Issuer's physical or regulatory liquidity due to an imbalance in the Issuer's asset and liability structure, which arises from a mismatch between the maturity of the Issuer's assets and liabilities. Although an unmatched position potentially enhances profitability, it can also increase the risk of losses for the Issuer.

If the Issuer is unable to finance its activities due to a lack of liquidity, this could lead creditors to form a negative view of Issuer's liquidity. This could result in higher borrowing costs and decreased access to various funding sources for the Issuer, which, in turn, could have an adverse effect on the Issuer's business, results of operations, financial position or prospects.

Insolvency risks under Cypriot law

The insolvency proceedings to which the Issuer could be subject to in Cyprus are (i) receivership, (ii) administration and (iii) winding up (a) by the court, (b) voluntarily by its shareholders or creditors or (c) subject to the supervision of the court. As the Notes are unsecured obligations, in the event of the insolvency of the Issuer, Noteholders would be unsecured creditors of the Issuer (and each Noteholder would rank *pari passu* with each other) and, depending on the size of the insolvency proceeds recovered following such insolvency, each Noteholder may receive less than it would have expected to receive under the Notes (and this may be less than its initial investment).

Risk factor relating to the ultimate shareholder of the Issuer

The ultimate shareholder owning and controlling the Issuer is Oleg Mikhasenko, who is the sole ultimate beneficial owner of the Group. The Issuer does not have any specific measures in place to ensure that this position of control is not abused. If such position of control is abused, this could have a material adverse effect on the Issuer's financial condition, results of operations and future prospects which may, in turn, result in the Issuer being unable to fulfil its obligation to Noteholders under the Notes.

Risks factors relating to the Russian Federation

Economic, political and legal uncertainty in Russia could have a material adverse effect on the Issuer. A significant proportion (roughly 20 per cent.) of the Issuer's revenue is derived from Russian investors and, as such, a large number of the Issuer's counterparties are based in Russia. Instability in Russia (as further described in more detail in the risk factors below) could seriously impact Russian counterparties' ability to invest which could lead to a reduction in the Issuer's revenue. Any such reduction in revenue could potentially affect the Issuer's ability to make payments to Noteholders under the Notes in part or in full.

KEY INFORMATION ON THE NOTES

What are the main features of the Notes?

Type, class and ISIN:

The Notes are first to Default Credit Linked Notes issued as Series number 2020-7, Tranche number 1. The Notes are issued in registered form and have the following ISIN Code: XS2139466846.

The Notes are linked to the creditworthiness of the following reference entities (each a "**Reference Entity**" and together the "**Reference Entities**"):

- (i) SoftBank Group Corp.

Address: 1-9-1 Higashishimbashi Minato-Ku, 105-7303 Japan
Country of Incorporation: Japan
Nature of Business: Telecom
Name of the Market on which it has securities traded: TSE

- (ii) Ford Motor Company
Address: One American Road, Dearborn, MI 48126, U.S.A.
Country of Incorporation: United States
Nature of Business: Automotive
Name of the Market on which it has securities traded: NYSE
- (iii) Auchan Holding SA
Address: 40 Avenue de Flandre, Croix, France, 59170
Country of Incorporation: France
Nature of Business: Retail - Supermarkets
Name of the Market on which it has securities traded: LuxSE, FWB
- (iv) Dell Inc.
Address: One Dell Way, Round Rock, TX, 78682, United States
Country of Incorporation: United States
Nature of Business: Computer Technology
Name of the Market on which it has securities traded: NYSE
- (v) Macy's, Inc.
Address: 7 West Seventh Street, Cincinnati, OH, 45202, United States
Country of Incorporation: United States
Nature of Business: Department Store
Name of the Market on which it has securities traded: NYSE
- (vi) ArcelorMittal SA
Address: 24-26, Blvd dF 1/64 13/32Avranches Luxembourg, L-1160 Luxembourg
Country of Incorporation: Luxembourg
Nature of Business: Iron & Steel
Name of the Market on which it has securities traded: XLUX, ETLX

The “**Reference Obligations**” are each of:

- (i) 3.125 per cent. bonds due 19 September 2025 issued by SoftBank Group Corp. (ISIN: XS1684385161);
- (ii) 7.125 per cent. bonds due 15 November 2025 issued by Ford Motor Company (ISIN: US345370BN94);
- (iii) 2.375 per cent. bonds due 25 April 2025 issued by Auchan Holding SA (ISIN: FR0013416146);
- (iv) 7.10 per cent. bonds due 15 April 2028 issued by Dell, Inc. (ISIN: US247025AE93);
- (v) 7.60 per cent. bonds due 1 June 2025 issued by Macy's, Inc. (ISIN: US577778AZ63); and
- (vi) 1.75 per cent. bonds due 19 November 2025 issued by ArcelorMittal SA (ISIN: XS2082324018).

The Notes will be auction settled notes, provided that if a fallback settlement event occurs, the Notes shall be cash settled.

Currency, denomination, par value, number of securities issued and duration:

The Notes are denominated in United States Dollars (“**USD**”). The Notes have a maturity date of 20 June 2025 (or if such day is not a business day, the immediately succeeding business day unless it would thereby fall into the next calendar month, in which event it will be brought forward to the immediately preceding business day) (the “**Maturity Date**”). As at the issue date of the Notes, there will be 8,000 Notes of the Series in issue. The Notes have a denomination of USD 1,250 per Note and an aggregate nominal amount of USD 10,000,000.

Rights attached the Securities:

Status of the Notes

The Notes constitute unsubordinated and unsecured obligations of the Issuer.

The Notes constitute direct, general and unconditional obligations of the Issuer which rank at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Events of Default

The terms of the Notes will contain events of default including non-payment, non-performance or non-observance of the Issuer's obligations in respect of the Notes and the insolvency or winding up of the Issuer.

Meetings

The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

Taxation

All payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Cyprus, as the case may be, unless the withholding is required by any law and/or regulation.

Governing law

The Notes, the Fiscal Agency Agreement (as amended or supplemented from time to time) and the Deed of Covenant (as amended or supplemented from time to time) and any non-contractual obligations arising out of or in connection with the Fiscal Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with English law.

Credit Linked Notes

The Notes are linked to the creditworthiness of six Reference Entities. By investing in the product an investor is hoping to receive a return in respect of each Note in the form of (1) a fixed rate interest amount on each Interest Payment Date (as defined below); and (2) a return of the outstanding principal amount of such Note on the Maturity Date, provided in each case that no credit event has occurred in respect of any one or more of the Reference Entities. If a credit event occurs in respect of any one or more of the Reference Entities, the payments you receive under the product (both in respect of interest amounts and the final redemption amount) will be lower and may be zero. The occurrence of a credit event will be determined by a committee established by the International Swaps and Derivatives Association ("ISDA") or by BrokerCreditService (Cyprus) Limited as calculation agent (the "**Calculation Agent**"). Such credit event could include (depending on the Reference Entity) any of the following: Bankruptcy, Failure to Pay, Repudiation/Moratorium, Obligation Acceleration and/or Restructuring.

Interest

The Notes pay a fixed interest rate of 7.00% per annum. On each Interest Payment Date, absent the occurrence of a credit event, Noteholders will receive an interest amount equal to (A) the Specified Denomination *multiplied by* (B) 7.00% *multiplied by* (C) the quotient of (i) the number of calendar days in the relevant Interest Period *divided by* (ii) 365 (or 366 in a leap year), subject to any minor discrepancies due to rounding.

Where:

"Interest Payment Date" means the second business day following each Interest Period End Date provided that the Interest Payment Date in respect of the last Interest Period shall be the date falling two (2) Business Days following the Maturity Date *provided that* no credit event has occurred on or before the corresponding Interest Period End Date.

"Interest Period" means each period (and including) an Interest Period End Date (or the Issue Date in the case of the first Interest Period) to (but excluding) the next following Interest Period End Date (or the Maturity Date in the case of the last Interest Period).

"Interest Period End Date" means each 20 June and 20 December in each calendar year from (and including) 20 June 2020 up to (and including) the Maturity Date.

"Specified Denomination" means USD 1,250.

Early Redemption

The Notes will be redeemed early if a credit event occurs in respect of any one or more of the Reference Entities (see "*Redemption following a credit event*" below). In addition, the Notes may be redeemed early at the option of the Issuer (see "*Call Option*" below).

The Notes may also be redeemed early for tax reasons at the early redemption amount calculated in accordance with the terms and conditions of the Notes. Furthermore, the Notes may be cancelled or redeemed early if the performance of the Issuer's obligations under the Notes has become illegal or by reason of force majeure or act of state it becomes impossible or impracticable for the Issuer to perform its obligations under the Notes.

Call Option

The Issuer has the option to early redeem the Notes on any Interest Payment Date upon not less than 15 business days nor more than 30 business days' notice to the Noteholders. Upon such early redemption a Noteholder will receive an amount per Note equal to the Specified Denomination together with the interest amount payable in respect of such Interest Payment Date (and such interest amount will be the final interest amount payable in respect of the Notes).

Redemption following a credit event

Auction settlement

If a credit event occurs in respect of any one of the Reference Entities, the Notes will be redeemed on the auction settlement date (being three business days after the date on which the Issuer notifies the Calculation Agent and Noteholders of the auction settlement amount) *provided that* a fallback settlement event has not occurred. On the auction settlement date, a Noteholder will receive per Note an amount equal to the auction settlement amount, being such Note's pro rata share of the greater of (A) zero; and (B) (i) the product of (1) the aggregate principal amount outstanding of Notes; *multiplied by* (2) the auction final price of a selected reference obligation of the defaulted Reference Entity (expressed as a percentage of its outstanding principal balance or due and payable amount, as applicable); *minus* (ii) unwind costs. The unwind costs shall be determined by the Calculation Agent and represent all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes.

The auction final price is determined by reference to a credit derivatives auction sponsored by ISDA. The auction will involve a bidding process by institutions participating in the relevant auction pursuant to a bidding procedure set by ISDA, to establish the value of certain eligible obligations of the reference entity which may include bonds, loans and guarantees. The outcome of any auction is likely to reflect the prevailing price of the cheapest relevant obligations of the relevant reference entity. Following a credit event, the auction final price of the relevant reference obligation, being a reference obligation of a defaulted relevant reference entity, is very likely to be less than 100% and therefore, together with the deduction of unwind costs, a Noteholder is likely to suffer a loss of a substantial portion, and possibly all, of their investment. If no auction is held, the final price of the relevant obligation will be determined by the Calculation Agent.

Fallback settlement – Cash settlement

However, if a fallback settlement event occurs in respect of the Notes (meaning, at a high level, it is not possible to obtain the relevant price via auction), the Notes shall be cash settled. The Notes will be redeemed on the cash settlement date (being three business days after the date on which the calculation agent determines the final price of a selected reference obligation of the Reference Entity), On the cash settlement date, a Noteholder will receive per Note an amount equal to such Note's pro rata share of the greater of (A) zero; and (B) (i) the product of (1) the aggregate principal amount outstanding of Notes; *multiplied by* (2) the final price of the relevant reference obligation of the defaulted Reference Entity; *minus* (ii) unwind costs.

If a credit event occurs in respect of any of the Reference Entities, no further interest amounts will be payable and the immediately preceding Interest Payment Date (if any) will be the final Interest Payment Date. No amount will be payable in respect of any accrued interest amount for the period between the final Interest Payment Date (if any) and the auction settlement date.

Note that as a “First-to-Default” product, the entire principal amount of the Notes is settled with reference to the value of the obligations of a single defaulted Reference Entity (generally the first Reference Entity in the basket to suffer a credit event). The existence of multiple Reference Entities amplifies the risk of the Notes rather than diversifying it.

Redemption on the Maturity Date

On the day that is one business day following the Maturity Date, if no credit event has occurred in respect of any of the Reference Entities, a Noteholder will receive an amount per Note equal to the outstanding principal amount of such Note (together with the interest amount payable in respect of the final Interest Period). In certain circumstances, where the Calculation Agent determines that a credit event may have occurred prior to the maturity date, the maturity date of the Notes may be extended and redemption delayed in order to verify whether a credit event has in fact occurred. Interest will accrue during any such extended period except where such extension has been triggered by a request to ISDA to determine whether a credit event has occurred.

Restrictions on free transferability of the securities:

The Notes will be freely transferable, subject to the offering and selling restrictions in the Russian Federation, the Republic of Cyprus and under the Prospectus Regulation and the laws of any jurisdiction in which the relevant Notes are offered or sold.

Where will the securities be traded?

The Notes have been admitted to the official list (the “**Official List**”) of Euronext Dublin and to trading on its regulated market (the “**Regulated Market of Euronext Dublin**”).

What are the key risks that are specific to the Notes?

In addition to the risks relating to the Issuer (including the default risk), there are certain factors which are material for the purposes of assessing the market risks associated with the Notes, including that (i) the Notes are unsecured obligations, (ii) the trading market for the Notes may be volatile and may be adversely impacted by many events, (iii) an active secondary market may never be established or may be illiquid and that this may adversely affect the value at which an investor may sell its Notes (investors may suffer a partial or total loss of the amount of their investment), (iv) Notes may be redeemed prior to maturity at the option of the Issuer which may limit their market value, (v) exposure to the underlying Reference Entities in many cases will be achieved by the Issuer entering into hedging arrangements and potential investors are exposed to the performance of these hedging

arrangements and events that may affect the hedging arrangements and consequently the occurrence of any of these events may affect the value of the Notes, (vi) the Notes may be redeemed in the case of illegality or impracticability and such cancellation or redemption may result in an investor not realising a return on an investment in the Notes, (vii) the meetings of Noteholders provisions permit defined majorities to bind all Noteholders, (viii) any judicial decision or change to an administrative practice or change to English law after the date of the Base Prospectus could materially adversely impact the value of any Notes affected by it, and (ix) investors are exposed to the credit of more than one Reference Entity.

In certain circumstances, Noteholders may lose the entire value of their investment in the Notes.

KEY INFORMATION ON THE OFFER OF THE NOTES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

The Notes are offered by way of private placement. This is not a public offer and the Issuer does not consent to the use of this Final Terms in connection with any public offer of the Notes.

The Issuer has appointed BrokerCreditService (Cyprus) Limited (the “**Dealer**”) as the Dealer for the Programme. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, the Dealer is set out in the Dealer Agreement between the Issuer and the Dealer.

No expenses will be chargeable by the Issuer to an investor in connection with the issue of the Notes. Any expenses chargeable by the Dealer to an investor shall be changed in accordance with any relevant contractual arrangements between the Dealer and that investor.

Who is the offeror and/or the person asking for admission to trading?

BrokerCreditService (Cyprus) Limited (as the Dealer for the Programme). BrokerCreditService (Cyprus) Limited was incorporated in Cyprus on 7 December 2004, Registration Number HE 154856. Its registered office is at Spyrou Kyprianou & 1 Oktovriou, 1 VASHIOTIS KALANDE OFFICES, 2nd floor, Mesa Geitonia, 4004 Limassol, Cyprus.

Why is the prospectus being produced?

The use and estimated net amount of the proceeds:

The net proceeds from the issue of the Notes will be used for the general financing purposes of the Issuer.

Conflicts of interest:

Various entities within the Group (including the Issuer) and Affiliates may undertake different roles in connection with the Notes and may also engage in trading activities (including hedging activities) relating to the underlying Shares and other instruments or derivative products based on or relating to the underlying Shares which may give rise to potential conflicts of interest.

The Calculation Agent is an affiliate of the Issuer. The Calculation Agent has no obligation to act in the best interests of the Noteholders and therefore a conflict of interest may arise between the Calculation Agent and Noteholders.