

**BROKERCREDITSERVICE  
STRUCTURED PRODUCTS PLC**

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December, 2020**

(Client's Copy)

# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

<b>CONTENTS</b>	<b>PAGE</b>
Board of Directors and other officers	1
Management Report	2 - 7
Declaration of the members of the Board of Directors and the company officials responsible for the preparation of the consolidated financial statements	8
Independent auditor's report	9 - 14
Consolidated statement of profit or loss and other comprehensive income	15
Consolidated statement of financial position	16
Consolidated statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the consolidated financial statements	19 - 131

# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:** Evgenios Bagiazidis  
Dimitra Karkalli  
Franz Hep - Appointed on 22 December 2020  
Sergei Kosarev - Appointed on 22 December 2020

**Company Secretary:** M. Kyprianou Fiduciaries Ltd

**Independent Auditors:** Yiallourides & Partners Ltd  
Chartered Accountants

**Registered office:** Agia Zoni 12  
AGIA ZONI CENTER  
Flat/Office 103  
3027 Limassol  
Cyprus

**Bankers:** Hellenic Bank Public Company Ltd  
BCS Bank JSC

**Registration number:** HE158664

# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **MANAGEMENT REPORT**

The Board of Directors presents its report and audited consolidated financial statements of the Group for the year ended 31 December 2020.

### **Incorporation**

BrokerCreditService Structured Products PLC was incorporated in Cyprus on 18 March 2005 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

### **Principal activities and nature of operations of the Group**

The principal activities of the Group, which are unchanged from last year, are to act as an investment and financing Group. The Group's main operation is the issuance of structured products in collaboration with other entities which are under common control, with the purpose of generating margins through a flow of products sold. The Group's structured products are listed in Luxembourg Stock Exchange, in Moscow Exchange and in Euronext Dublin.

### **Changes in group structure**

During the year under review, Brokercreditservice Structured Products Plc had full control of company Routa Luxury Services Ltd which was fully disposed of on 7 July 2020.

### **Review of current position, future developments and performance of the Group's business**

The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory.

The Board of Directors does not expect major changes or developments in the principal activities, financial position and performance of the Group in the foreseeable future.

The most important developments of the Group are:

- Leading positions in sales of structured products;
- Ability for remote purchase of structured products;
- Increased range of structured products provided;
- Implementation of new types of products.

The Group's strategic goals and main developing points are:

- Increase of structured products' sales with low interest rates in USA and Europe and reduced rates in Russia;
- Implementation of new types of products;
- Sales diversification through partners and agents and development of remote and other distribution channels (i.e. promotion of online distribution of structured products through BCS channels, external partnership network extension, joint products with other entities under common control);
- Reporting quality improvement.

### **Existence of branches**

The Group does not maintain any branches.

### **Use of financial instruments by the Group**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group as part of its operations and normal activities uses various financial instruments such as credit default swaps, contract for differences, options, forward contracts, direct and reverse repurchase agreements, credit linked notes and other instruments which expose it to various financial risks such as fair value interest rate risk, credit risk, liquidity risk.

The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## MANAGEMENT REPORT

### Principal risks and uncertainties

#### Market price risk

Market price risk is the risk of loss resulting from adverse movements in the market price or model price of financial assets. The Group has an exposure to market price risk because of investments held by the Group and classified as financial assets at fair value through profit or loss, which are susceptible to market price risk arising from uncertainties about future prices of these investments.

#### Interest rate risk

Interest rate risk is the risk of adverse movements in the yield curve and corresponding movements in the valuation of fixed income-based assets of the Group.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. The Group distinguishes between the following types of credit risk:

- Counterparty credit risk is the risk of the counterparty defaulting on a derivative transaction that has a positive replacement value;
- Issuer credit risk is the risk of default by the issuer of a debt instrument held as direct position or as an underlying of a derivative;
- Country risk is the risk of financial loss due to a country-specific event.

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties with raising money in meeting obligations associated with financial liabilities.

#### Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency.

The principal risks above and uncertainties faced by the Group are described further in notes 6 and 7 of the financial statements. These risks are not an exhaustive list or explanation of all risks, which the Group may face. The Group is also exposed to a number of other risks, including:

Borrowings and lending are denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. In respect of monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short-term imbalances.

- Operational Risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. Losses can take the form of direct financial losses, regulatory sanctions or lost revenues, e.g. due to the failure of a system. Such events may also lead to reputational damage that could have longer-term financial consequences. Operational risk is limited by means of organizational measures, automation, internal control and security systems, written procedures, legal documentation, loss mitigation techniques and business continuity plan overseen by management, among other measures.
- Legal risk is the risk that agreements and contracts are ineffective in protecting the Group's from claims against it by third parties.
- Regulatory Compliance Risk - the risk that the Group suffers financial, reputational or litigation damage through failure to adhere to, monitor, control update and eliminate or substantially reduce regulatory compliance risk.
- IT Risk (including Cyber risks) is the risk that IT systems fail to support the Group's business operations and/or to provide reliable management information on a timely basis.
- Reputation risk is the current or prospective risk to earnings and capital arising from an adverse perception of the image of the Group on the part of counterparties, shareholders, investors or regulators. Reputation risk could be triggered by poor performance, fraud, theft, legal action or regulatory fines.
- Political risk is the risk that the Group's investment's returns or operations could suffer as a result of political changes in the country or globally.

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

---

## MANAGEMENT REPORT

- Model risk is the risk of financial loss due to inappropriate model assumptions or inadequate model usage. The consequence of an inadequate model could be an incorrect valuation, leading to incorrect risk measurement and incorrect hedging positions, both of which could result in a financial loss.
- Tax risk is the risk of losses arising from changes in taxation (derived from tax legislation and decisions by the courts), including the misinterpretation of tax regimes as well as the manner in which they may be applied and enforced.

All significant risks are included in the Risk Matrix of the Group with a description of the procedures for their mitigation.

### Results

The Group's results for the year are set out on page 15. The net profit for the year attributable to the shareholders of the Group amounted to RR2,650,033,045 (2019: RR3,052,016,110). On 31 December 2020 the total assets of the Group were RR232,520,762,778 (2019: RR185,411,220,462) and the net assets of the Group were RR6,654,888,255 (2019: RR6,004,855,210).

### Dividends

On 28 August 2020 BrokerCreditService Structured Products Plc in General Meeting declared the payment of a final dividend out of 2019 profits of RR2,000,000,000 (2019: RR115,000,000).

### Key Performance Indicators

Based on Net profit and Funds raised in connection with sales of structured products performance indicators, Management assesses the results of the Group for the period ended 31 December 2020 to be robust and satisfying. Whereas Net profit has lowered by approximately 13% as the effect of one-off impairment loss of receivables from related party per sale of securities, the result itself may be considered as positive given all adverse circumstances triggered by COVID-19. At the same, time funds raised (proceeds from sale of structured products (i.e. notes and forward contracts) increased by 26% that proves strong position of BCS SP PLC on the financial market.

### Share capital

There were no changes in the share capital of the parent Company during the year under review.

### Capital adequacy

The Group maintains a significant level of capital due to the following factors:

- Necessity to support credit rating;
- This allows the Group to better manage risks in stressful situations and absorb adverse market movements;
- This makes it easier to establish relationships with leading market counterparties;
- This corresponds to the best market practices.

Due to its strong capital base, the Group's risk appetite falls into the categories between "Low" to "Medium": the Group has limited appetite for risks and therefore takes preference to safe options that are low risk. The Group makes some deliberate trade-offs between costs and return considerations and accepts some risk exposure whilst designing controls with an emphasis on mitigating risks that are more material.

The Group's capital amounted to 6,654,888,255 RR as of 31 December 2020 (31 December 2019: 6,044,855,210 RR). The S&P Global Ratings' considers the Group's capitalization to be strong with RAC ratio expected to stay at around 14%-15%. The agency has a positive outlook on FG BCS Ltd. and its core subsidiary BrokerCreditService Structured Products PLC. The Issuer Credit Rating of BrokerCreditService Structured Products PLC is affirmed at 'B+' level.

### Board of Directors

The members of the Company's Board of Directors as at 31 December 2020 and at the date of this report are presented on page 1. Mr. Franz Hep and Mr. Sergei Kosarev were appointed directors on 22 December 2020. In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **MANAGEMENT REPORT**

### **Operating Environment of the Group**

#### **(a) Operating environment of the Republic of Cyprus**

The Cypriot economy has recorded positive growth in 2016-2018 after overcoming the economic recession of recent years. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have proceeded with a number of upgrades of the credit ratings for the Cypriot sovereign, and Cyprus's current credit ratings are BBB- ('investment grade') from Fitch and S&P's, and Ba2 from Moody's ('speculative'). The Cyprus government has regained access to the capital markets. The outlook for the Cyprus economy over the medium term remains positive.

However there are downside risks to the growth projections, emanating from the high (but decreasing) levels of non-performing loans, uncertainties in the property markets, as well as potential deterioration in the external environment for Cyprus, including possible recession in Russia amid protracted decline in oil prices and worsening global economic conditions, the refugee crisis and market turbulence due to COVID-19 pandemic.

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

The Cyprus economy declined steeply by 5.1% in 2020 according to the Cyprus Statistical Service. However, the sovereign risk ratings of the Cyprus Government improved considerably in recent years reflecting improvements in economic resilience and consistent fiscal outperformance. Cyprus demonstrated policy commitment to correcting fiscal imbalances through reform and restructuring of its banking system.

S&P Global Ratings maintains an investment grade rating of BBB- with a stable outlook since September 2018. The rating and the outlook were affirmed in March and September 2020 and March 2021. In March 2021, S&P Global Ratings affirmed its rating (BBB-) with a stable outlook, balancing the risks from the pandemic's protracted adverse impact on growth, fiscal, and banking sector performance against benefits of the EU's Recovery and Resilience Facility (RRF) transfers, as well as further improvement in the government's debt profile. Fitch Ratings maintains a Long-Term Issuer Default rating of investment grade at BBB- since November 2018, affirmed in April and October 2020 and March 2021. Its outlook was upgraded to positive in October 2019 and revised to stable in April 2020 and affirmed in March 2021, reflecting the significant impact the global COVID-19 pandemic might have on the Cyprus economy and fiscal position. Moody's Investors Service maintains a long-term credit rating of Ba2 since July 2018 and a positive outlook since September 2019. More recently in January 2021, Moody's issued a revised credit opinion on the Cyprus Sovereign, maintaining the positive rating outlook. This was driven by the substantial reduction of non-performing exposures and a favourable outlook on public debt reduction expected to resume after the COVID-19 crisis. The large increase in debt related to the COVID-19 pandemic is expected to be transitory in part because of Cyprus' large fiscal surplus going into the pandemic.

This operating environment may have a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

The Group's management is following government advice in each area of operations and have enacted contingency plans to minimise disruption to the business.

It is difficult to quantify the precise impact on the future financial performance as there are different scenarios for the coming few months that could realise.

In general, volatility is one of the greatest price factors for structured products, it brings new trading opportunities to investors. The rising volatility lead to a greater likelihood that the price for an asset will change considerably in the future. Many of the Group's investors see this as an opportunity and adopt their trading strategy towards a higher proportion of their invested capital into structured products.

The core business of the Group is to issue structured investment notes. The focus is on the creation of long-term investment products with lifetimes more than three years, therefore the management does not see any major financial impact to the current pool of investment or any major outflows during 2021.

The management believes that in order to keep the assessment results as stable as possible under changing circumstances, the risk management procedures, including in particular operational risk control measures shall be strengthened by nominating a person responsible of the Group in particular and by further assessment of operation risk control measures that shall be reinforced where and as necessary.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## MANAGEMENT REPORT

The Directors do not underestimate the challenge presented by Covid-19, however believe that the Group is in a robust position to manage the impact on our operations. The Group is in a diverse global business, with an experienced and expert management team, which operates across multiple products and markets.

The priority is to protect the employees while maintaining the offers to the Group's counterparties at this difficult time.

When giving our assessment of COVID-19 implications in 2020, we were quite conservative and expected reduction of trades of retail investors and cash inflows respectively. However, despite all adverse circumstances, the results of 2020 were quite impressive both in terms of trade volumes and sales/profits.

This is the result of both market factors and management actions taken to overcome the difficulties.

Market factors were:

- sharp recovery of the financial markets;
- positive impact of increased market volatility on our trading results;
- the record amount of new investors;

Management actions were focused on:

- further transition of sales process to online;
- bringing on customised product offering;
- rebuilding processes to organize remote work of employees and automation of key processes to minimize operational risks.

As for 2021, the management has a quite positive outlook based on the following factors:

- Mass vaccination campaigns started globally;
- COVID restrictions are planned to be gradually lowered throughout the year;
- We expect even more new investors entering the financial markets in 2021 as a part of global tendency.

### **(b) Operating environment in Russia**

After almost two years of recession, Russia has entered a path to recovery. With global growth and trade starting to strengthen at the end of 2016, Russia's economy showed signs of overcoming the recession caused by the shocks of low oil prices and economic sanctions. Tradable sectors benefitted from the relative price adjustment and stabilizing commodity prices in the second half of 2016, and became the main drivers of economic growth, partly through increased exports. There was a positive momentum in non-tradable sectors as well, which slowed the pace of contraction compared to 2015. The incipient positive momentum appears to have spilled into early 2017.

Russia's economy improved in 2018 (GDP grew from 1.6 in 2017 to 2.3% in 2018), and, according to World Bank statistics, the federal budget registered a surplus of 1.8% of GDP (cash basis) in 2019.

The Central Bank of Russia several times lowered its key rate in the first half of 2019, and these actions led to lower interest rates in other segments of the financial markets. Meanwhile, an increase in budget spending contributed to further economic activity in Russia in the second half of 2019.

In 2020 Russian GDP growth shifted to approximately -3.8% compared to 2019 because of the negative impact from the COVID-19 pandemic as well as due to considerably lower demand for oil and petroleum products as well as consequent falls in crude oil prices. In nominal terms Russia GDP amounted to RUB 106.6 trillion. Among sectors suffered most from pandemic were hospitality industry (-24%), culture and sports (-11%), transportation industry (-10%) and other. On the other hand higher demand for financial services pushed financial and insurance industry higher by 8%.

On the 15 December 2020 Central Bank of Russian Federation recommended to Russian market participants to abstain from offering of "complex products" to non-qualified investors in Russian Federation, which, among other instruments, potentially includes the structured products issued by the Group. Where such regulatory development may affect the cashflows of the Group, the directors are of the view that systematic approach to offering of structured products manufactured by the Group may be as well beneficial since it will create a level playing field for various stakeholders at the same time protecting interests of investors, which is one of the highest priorities for the Group. The management also considers expansion of its partner network and geographical reach in order to diversify offering of products to investors in other jurisdictions.

The operating environments in Cyprus and in Russia may have a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

On the basis of the evaluation performed, the Group's management has concluded that no provisions or impairment charges are necessary. The Group's Management believes that it is taking all the necessary measures to maintain the viability of the Group and the smooth conduct of its operations in the current business and economic environment.



# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **MANAGEMENT REPORT**

### **Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

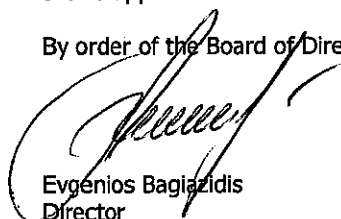
### **Related party balances and transactions**

Disclosed in note 30 of the consolidated financial statements.

### **Independent Auditors**

The Independent Auditors, Yiallourides & Partners Ltd, have expressed their willingness to continue in office and the re-appointment of auditors will be considered at the Annual General Meeting.

By order of the Board of Directors,



Evgenios Bagiazidis  
Director

Limassol, 29 April 2021

## **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

### **DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the consolidated financial statements of BrokerCreditService Structured Products PLC (the "Company") for the year ended 31 December 2020, on the basis of our knowledge, declare that:

(a) The annual consolidated financial statements of the Group which are presented on pages 15 to 131:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and

b) The management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which they face.

#### **Members of the Board of Directors:**

Evgenios Bagiazidis

Dimitra Karkalli

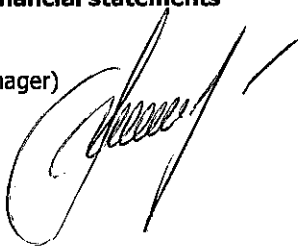
Franz Hep

Sergei Kosarev

#### **Responsible for drafting the financial statements**

Evgenios Bagiazidis (Financial Manager)

Limassol, 29 April 2021



## **Independent Auditor's Report**

### **To the Members of BrokerCreditService Structured Products PLC**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the consolidated financial statements of parent company BrokerCreditService Structured Products PLC (the "Company") and its subsidiaries (the "Group"), which are presented in pages 15 to 131 and comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of parent company BrokerCreditService Structured Products PLC as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

##### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We remained independent of the Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### **Risk of fraud and risk of management override of controls**

International Standards on Auditing require that we consider management override of control as a significant audit risk as management is in a unique position to perform fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Although management is responsible for safeguarding the assets of the business, we planned our audit so that we had a reasonable expectation of detecting material misstatements to the financial statements and accounting records.

Our audit procedures include, amongst others, the following:

- We evaluated and tested key controls in place over the relevant processes.
- We assessed the assumptions underlying key accounting estimates used in the preparation of the financial statements and considered whether there was any evidence of bias.

## **Independent Auditor's Report (continued)**

### **To the Members of BrokerCreditService Structured Products PLC**

#### **Valuation of financial assets and financial liabilities**

Refer to note 14 of the consolidated financial statements.

Fair value of financial assets and financial liabilities as disclosed in note 23 is considered as a key audit matter. This is due to the nature of some instruments and the number of input parameters taken into account in the valuation. Our audit procedures regarding the valuation of the financial assets and financial liabilities include, amongst others, the following:

- We obtained an understanding of the valuation methodology and the processes and controls with respect to the valuation of the financial assets and financial liabilities measured at fair value;
- We have substantively tested the inputs to the fair value calculations. For discount rates used and inputs for the valuation of embedded derivative elements, this included independently sourcing data from independent third party sources. Furthermore, we agreed the terms of a sample of instruments to the respective prospectus(es);
- We have engaged a specialist for a sample testing of the valuations of financial derivatives.

#### **Impact of Covid-19**

Coronavirus COVID- 19 outbreak was declared to be a pandemic in recognition of its rapid spread across the globe. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The future effects of the current economic situation are difficult to predict and it may have a significant impact on the Group's operations and financial position.

Our audit procedures include, amongst others, the following:

- We have made enquiries to management to determine whether there have been any events or circumstances that have directly or indirectly affected the Group's operations, its assets and liabilities.
- We have reviewed the post balance sheet information up to the date of the signing of this report and we have sought any available information regarding the effect of the virus in the industry the Group operates.

#### **Use of a Service Organization**

Group performs most of the trading through BrokerCreditService (Cyprus) Ltd ("BCSCY") which acts as a broker. As per ISA 402, BCSCY qualifies as an Service Organization. Group is heavily reliant on BCSCY as it uses the reports issued by BCSCY for valuation and accounting purposes. BCSCY is a company under common control therefore reliance on the reports prepared by BCSCY is not considered appropriate third party audit evidence.

Our audit procedures include, amongst others, the following:

- We obtained an understanding on internal controls of BCSCY on how it segregates assets of clients from own assets;
- We have reconciled a sample of sales and purchases of assets with the instructions given by the Group to BCSCY in order to verify that instructions were followed;
- We have compared sale/purchase value recorded in the broker statement to external third party evidence to verify that prices used were reasonable;
- We have obtained external portfolio statements for the assets held by BCSCY and reconciled them to individual client accounts to verify that the total number of shares was in agreement to the portfolio statement;

## **Independent Auditor's Report (continued)**

### **To the Members of BrokerCreditService Structured Products PLC**

#### **Reporting on other information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report and the Responsibility statement as per regulation (5)(4)(c), but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Directors and those charged with governance for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

## **Independent Auditor's Report (continued)**

### **To the Members of BrokerCreditService Structured Products PLC**

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

#### **Report on Other Legal and Regulatory Requirements**

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

#### **Appointment of the Auditor and Period of Engagement**

We were first appointed as auditors of the Group on 19 January 2007 by the Board of Directors. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 16 years.

#### **Consistency of the Additional Report to the Audit Committee**

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report to the Audit Committee of the parent Company, which we issued on 29 April 2021 in accordance with Article 11 of the EU Regulation 537/2014.

## **Independent Auditor's Report (continued)**

### **To the Members of BrokerCreditService Structured Products PLC**

#### **Report on Other Legal and Regulatory Requirements (continued)**

##### **Provision of Non-audit Services**

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. After taking into consideration the Special provisions for the Statutory audits of public interest entities PARTXIII and as per Article 5, paragraph 1, second clause, point a(i) and (iv) to (vi) and (f) of this Regulation were the requirements have been complied with, we have provided the following additional services; the electronic submission of the TD4 and TD7 forms to the TaxisNet system as well as the review of the VAT Returns.

##### **Other Legal Requirements**

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the Management Report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the consolidated financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.



## **Independent Auditor's Report (continued)**

### **To the Members of BrokerCreditService Structured Products PLC**

#### **Other Matters**

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Panicos Charalambous.

Panicos Charalambous  
Certified Public Accountant and Registered Auditor  
for and on behalf of

**Yiallourides & Partners Ltd**  
**Chartered Accountants**

Limassol, 29 April 2021



## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	2020 RR	2019 RR
Interest income calculated using the effective interest method	10	4,916,137,926	5,887,498,061
Other interest income	10	2,982,825,307	3,467,308,422
Interest expense	10	(3,591,705,321)	(7,330,245,746)
<b>Net interest income</b>		<b>4,307,257,912</b>	<b>2,024,560,737</b>
Net gain/(loss) on trading in financial instruments		1,623,536,254	(968,248,259)
Net fair value gains on financial assets/liabilities at fair value through profit or loss		10,926,635,295	6,860,205,323
Change in fair value of derivative financial instruments		(5,195,811,057)	(3,405,275,347)
Financial result of SWAP operations		2,067,656,088	1,091,740,883
Expenses on bonds issued		(8,029,757,727)	(5,322,280,814)
Dividend income (gross)		1,676,150,151	1,703,717,308
Net (loss)/gain realised on trading in foreign currencies		(274,806,565)	3,822,110,321
Net foreign exchange gain/(loss)	13	855,669,618	(1,051,746,879)
<b>Net trading income</b>		<b>3,649,272,057</b>	<b>2,730,222,536</b>
Change in fair value of loans receivable		6,373,314	-
Impairment loss on debt financial assets	7.3	(3,833,625,895)	(391,918,055)
Fee and commission expenses		(837,560,121)	(1,157,174,021)
Administration and other expenses	11	(334,742,682)	(303,435,798)
Gain on loans assignment		-	264,459,001
Loss from sale of investments in subsidiaries		(15,135,790)	(7,338,545)
Share of results of associates	19	(43,590,568)	33,409,728
<b>Profit before tax</b>		<b>2,898,248,227</b>	<b>3,192,785,583</b>
Income tax expense	14	(248,215,182)	(140,769,473)
<b>Net profit for the year</b>		<b>2,650,033,045</b>	<b>3,052,016,110</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,650,033,045</b>	<b>3,052,016,110</b>

The notes on pages 19 to 131 form an integral part of these consolidated financial statements.

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Note	2020 RR	2019 RR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	1,832,925	1,304,691
Investments in associates	19	640,186,810	683,777,377
Derivative financial assets	20	13,119,519,974	2,545,027,910
Investments at amortised cost	21	31,654,133,924	-
Trade and other receivables	24	4,030,134,196	30,726,151
Non-current loans receivable	22	8,550,230,370	7,038,945,822
		<u>57,996,038,199</u>	<u>10,299,781,951</u>
<b>Current assets</b>			
Receivables from reverse repurchase agreements	23	61,467,759,699	63,434,522,321
Trade and other receivables	24	10,400,147,332	29,578,467,477
Loans receivable	22	3,330,700,028	5,361,966,320
Derivative financial assets	20	53,224,061	2,590,515
Investments at amortised cost	21	397,543,938	-
Financial assets at fair value through profit or loss - pledged	25	72,535,301,006	55,677,864,966
Financial assets at fair value through profit or loss - unpledged	25	25,713,005,365	20,900,365,182
Cash at bank and in hand	26	627,043,150	155,661,730
		<u>174,524,724,579</u>	<u>175,111,438,511</u>
<b>Total assets</b>		<u>232,520,762,778</u>	<u>185,411,220,462</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	27	1,886,692	1,886,692
Retained earnings		6,653,001,563	6,002,968,518
<b>Total equity</b>		<u>6,654,888,255</u>	<u>6,004,855,210</u>
<b>Non-current liabilities</b>			
Financial liabilities at fair value through profit or loss	25	89,963,884,885	54,553,811,773
Derivative financial liabilities	20	11,171,460,936	9,300,772,869
		<u>101,135,345,821</u>	<u>63,854,584,642</u>
<b>Current liabilities</b>			
Payables under repurchase agreements	23	95,254,488,147	82,762,321,128
Trade and other payables	29	17,730,859,483	27,652,752,511
Bank overdrafts	26	49,875	114,412
Lease liabilities	28	1,092,712	336,210
Financial liabilities at fair value through profit or loss	25	6,952,742,256	623,109,974
Derivative financial liabilities	20	4,791,296,229	4,513,146,375
		<u>124,730,528,702</u>	<u>115,551,780,610</u>
<b>Total liabilities</b>		<u>225,865,874,523</u>	<u>179,406,365,252</u>
<b>Total equity and liabilities</b>		<u>232,520,762,778</u>	<u>185,411,220,462</u>

On 29 April 2021 the Board of Directors of BrokerCreditService Structured Products PLC authorised these consolidated financial statements for issue.

.....  
Evgenios Baglazidis  
Director

.....  
Dimitra Karkalli  
Director

.....  
Franz Hep  
Director

.....  
Sergei Kosarev  
Director

The notes on pages 19 to 131 form an integral part of these consolidated financial statements.

## **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

### **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Year ended 31 December 2020

	Note	Share capital RR	Retained earnings RR	Total RR
<b>Balance at 1 January 2019</b>		<b>1,886,692</b>	<b>3,065,952,408</b>	<b>3,067,839,100</b>
Net profit for the year		-	3,052,016,110	3,052,016,110
Dividends	15	-	(115,000,000)	(115,000,000)
<b>Balance at 31 December 2019/ 1 January 2020</b>		<b>1,886,692</b>	<b>6,002,968,518</b>	<b>6,004,855,210</b>
Net profit for the year		-	2,650,033,045	2,650,033,045
Dividends	15	-	(2,000,000,000)	(2,000,000,000)
<b>Balance at 31 December 2020</b>		<b>1,886,692</b>	<b>6,653,001,563</b>	<b>6,654,888,255</b>

The notes on pages 19 to 131 form an integral part of these consolidated financial statements.

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 RR	2019 RR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>2,898,248,227</b>	3,192,785,583
Adjustments for:			
Depreciation of property, plant and equipment	17	1,500,396	1,861,328
Unrealised exchange (profit)/loss		(855,669,618)	1,051,746,879
Share of loss/(profit) from associates	19	43,590,568	(33,409,728)
Change in fair value of derivative financial instruments		5,195,811,057	3,405,275,347
Fair value gains on financial assets at fair value through profit or loss		(10,926,635,295)	(6,860,205,323)
Gain on revaluation of loans at FVTPL		(6,373,314)	-
Impairment charge	7.3	3,833,625,896	391,918,055
Interest income calculated using the effective interest method	10	(4,916,137,926)	(5,887,498,061)
Interest expense		3,591,705,321	7,330,245,746
Other interest income		(2,982,825,307)	(3,467,308,422)
		<b>(4,123,159,995)</b>	(874,588,596)
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		14,400,368,840	(23,632,509,178)
Decrease in receivables under repurchase agreements		4,512,372,414	72,509,331,572
Decrease in financial assets at fair value through profit or loss		20,313,560	17,001,256,504
Increase in derivative financial liability		(14,820,660,028)	(2,526,588,264)
(Decrease)/increase in trade and other payables		(12,111,050,408)	1,105,654,572
Increase/(decrease) in payables under repurchase agreements		6,928,269,263	(71,969,776,592)
Increase in financial liabilities at fair value through profit or loss		34,201,749,046	12,703,530,339
<b>Cash generated from operations</b>		<b>29,008,202,692</b>	4,316,310,357
Interest received from repurchase agreement receivables		6,782,051,083	8,357,786,857
Interest paid		(3,530,118,254)	(7,330,245,746)
Tax paid		(248,215,182)	(140,768,009)
<b>Net cash generated from operating activities</b>		<b>32,011,920,339</b>	5,203,083,459
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment		(482,935)	(471,363)
Disposal of subsidiaries, cash (outflow)/inflow on disposal	18	(727,553)	49,678
Payment for purchase of financial assets at amortised cost		(31,480,108,144)	-
Loans granted		(2,256,885,261)	(8,054,898,939)
Loans repayments received		2,720,005,676	8,117,361,508
Interest received		1,433,697,016	1,285,345,135
<b>Net cash (used in)/generated from investing activities</b>		<b>(29,584,501,201)</b>	1,347,386,019
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of leases liabilities		(973,122)	(1,396,943)
Dividends paid		(2,000,000,000)	(6,500,000,000)
<b>Net cash used in financing activities</b>		<b>(2,000,973,122)</b>	(6,501,396,943)
<b>Net increase in cash and cash equivalents</b>		<b>426,446,016</b>	49,072,535
Cash and cash equivalents at beginning of the year		155,547,318	106,474,780
Effect of exchange rate fluctuations on cash held		45,757,193	1,210
Impairment charge - cash and cash equivalents	26	(757,252)	(1,207)
<b>Cash and cash equivalents at end of the year</b>	26	<b>626,993,275</b>	155,547,318

The notes on pages 19 to 131 form an integral part of these consolidated financial statements.

# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

### **1. Incorporation and principal activities**

#### **Country of incorporation**

The Company BrokerCreditService Structured Products PLC (the "Company") was incorporated in Cyprus on 18 March 2005 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Agia Zoni 12, AGIA ZONI CENTER, Flat/Office 103, 3027 Limassol, Cyprus.

#### **Principal activities**

The principal activities of the Group, which are unchanged from last year, are to act as an investment and financing Group. The Group's main operation is the issuance of structured products in collaboration with other entities which are under common control, with the purpose of generating margins through a flow of products sold. The Group's structured products are listed in Luxembourg Stock Exchange, in Moscow Exchange and in Euronext Dublin.

BrokerCreditService Structured Products Plc acts as the FG BCS Group's operational company in Cyprus. In collaboration with other entities which are under common control, it issues structured products and executes various hedging strategies with the purpose of generating margins and minimising risk. Specifically, the Company issues Notes in bearer or registered form (respectively, "Bearer Notes" and "Registered Notes" and, together, the "Notes") under a Euro Medium Term Note Programme, which are to be admitted to the official list of the Irish Stock Exchange and trading on its regulated market (the "Main Securities Market") as well as other and/or further stock exchange(s) or market(s) (including regulated markets). The Company also issues unlisted Notes and/or Notes not admitted to trading on any market.

In 2020 the Group conducts its business through the wholly owned subsidiary of the Company Routa Luxury Services Ltd until 7 July 2020. Routa Luxury Services Ltd was established to carry on any trade or activity whatsoever related to, connected with or involving shares, stock, debentures, debenture stock, bonds, notes, obligations, warrants, options, derivatives, commodities and any other instruments related to equity, debt or commodities of all kinds (except for the investment activity that requires authorisation and/or license).

The ultimate shareholder owning and controlling party is Mr. Oleg Mikhasenko, a Russian individual who is the sole ultimate beneficial owner of the Group.

#### **Operating Environment of the Group**

##### ***Cyprus***

The Cyprus economy declined steeply by 5.1% in 2020 according to the Cyprus Statistical Service. However, this has been a better performance than initially anticipated and better than most other EU countries particularly in the south. The decline was driven by the trade and tourism sectors, construction activity, industry and entertainment related services sectors.

The Cyprus Government's fiscal package in 2020 in response to the COVID-19 pandemic was large, at approximately 4.5% of GDP, according to recent estimates, and included income support for households, wage subsidies for businesses and grants to small businesses and the self-employed.

The monetary response of the European Central Bank (ECB) to the COVID-19 pandemic has been extremely accommodative. In addition to negative interest rates and a renewed quantitative easing, most importantly, the ECB introduced the Pandemic Emergency Purchase Programme (PEPP) and boosted its refinancing operations for commercial banks. The ECB also adopted dual rates and eased the rules around its collateral framework. The ECB provided further stimulus in December 2020, including a €500 billion increase in the size of the PEPP to €1.85 trillion and extending its duration until March 2022. The ECB remains strongly committed to preventing financial fragmentation in the Eurozone by keeping interest rates low and the risk of a sovereign debt crisis marginal. The sovereign risk ratings of the Cyprus Government improved considerably in recent years reflecting improvements in economic resilience and consistent fiscal outperformance. Cyprus demonstrated policy commitment to correcting fiscal imbalances through reform and restructuring of its banking system.

# **BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

S&P Global Ratings maintains an investment grade rating of BBB- with a stable outlook since September 2018. The rating and the outlook were affirmed in March and September 2020 and March 2021. In March 2021, S&P Global Ratings affirmed its rating (BBB-) and its outlook to stable, balancing the risks from the pandemic's protracted adverse impact on growth, fiscal, and banking sector performance against benefits of the EU's Recovery and Resilience Facility (RRF) transfers, as well as further improvement in the government's debt profile. Fitch Ratings maintains a Long-Term Issuer Default rating of investment grade at BBB- since November 2018, affirmed in April and October 2020 and March 2021. Its outlook was upgraded to positive in October 2019 and revised to stable in April 2020 and affirmed in March 2021, reflecting the significant impact the global COVID-19 pandemic might have on the Cyprus economy and fiscal position. Moody's Investors Service maintains a long-term credit rating of Ba2 since July 2018 and a positive outlook since September 2019. More recently in January 2021, Moody's issued a revised credit opinion on the Cyprus Sovereign, maintaining the positive rating outlook. This was driven by the substantial reduction of non-performing exposures and a favourable outlook on public debt reduction expected to resume after the COVID-19 crisis. The large increase in debt related to the COVID-19 pandemic is expected to be transitory in part because of Cyprus' large fiscal surplus going into the pandemic.

### ***Russia***

On 12 March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic. In response to the pandemic, the Russian authorities implemented numerous measures attempting to contain the spreading and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders and limitations on business activity, including closures. The above measures were gradually relaxed during 2020 and 2021.

In 2020, the Russian economy's growth rate has sharply reversed due to the spread of COVID-19 virus and lockdown procedures initiated by Russian authorities to halt the rate of pandemic. Russian economy has also been adversely affected by negative implications caused by the global contraction in demand – this included a rapid and deep falls in crude oil prices recorded in 2Q20. As a result, Russia's growth pattern shifted from +1.3% y/y in 2019 to an estimated -3.8% y/y in 2020.

Despite the fact that the situation with the pandemic continues to remain complicated in Russia and in many parts of the globe, by YE20 negative effects from this situation on the Russian economy have become softer than those seen in 2Q20. This was a combined result of increased preparedness on part of the government and healthcare authorities to the new wave of COVID-19 along with a much more cautious approach to an introduction of restrictive measures in the economic area. The start of mass vaccination in late 2020 paves way for a gradual improvement in health situation in 2021: we expect to see a reversal in the spread of COVID-19 towards mid-2021, which should trigger the start of normalization of economic activity worldwide.

### ***Impact of COVID-19***

Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results. For the purpose of measurement of expected credit losses ("ECL") the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As at 31 December 2020 the Group updated the following economic variables on which the forecast of future macroeconomic conditions is based on Industrial production index, Gross domestic product.

As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Note 7.3 provides more information on how the Group incorporated forward-looking information in the ECL models.

## **2. Basis of preparation**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. These consolidated financial statements have been prepared under the historical cost basis, except that financial assets and liabilities measured at fair value, derivative assets and liabilities and certain are stated at fair value.

# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

### **2. Basis of preparation (continued)**

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 8.

### **3. Functional and presentation currency**

The functional currency of the Group entities is the currency of the primary economic environment in which the entities operate. The Company and its subsidiary have determined that their functional currency is the Russian rouble (RR) as it reflects the economic substance of the majority of underlying events and circumstances relevant to them. The RR is also the presentation currency for the purposes of these consolidated financial statements.

### **4. Adoption of new or revised standards and interpretations**

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2020. This adoption did not have a material effect on the accounting policies of the Group.

### **5. Significant accounting policies**

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

#### **Basis of consolidation**

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company BrokerCreditService Structured Products Plc and the financial statements of the following subsidiaries: Routa Luxury Services Ltd (disposed on 7 July 2020) and Botimelo Group Ltd (disposed on 15 April 2019).

#### **Subsidiary companies**

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In particular the Group consolidates investees that it controls on the basis of de facto circumstances. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### **Associates**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases. When the Group's share of losses exceeds the Group's interest (including long-term loans) in the associate, that interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

#### **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

#### Segmental reporting

The Group is incorporated in the Republic of Cyprus and all its core activities and transactions are executed through its broker in the Republic of Cyprus. Relevant disclosure as per IFRS 8, in note 9.

- **Net trading income**

"Net trading income" comprises gains less losses related to trading assets and liabilities, and includes all fair value changes per notes issued, debt and equity securities measured at fair value, derivatives and realised and unrealised foreign exchange differences.

- **Interest**

#### *Effective interest rate*

Interest income and expense are recognised in profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

#### *Amortised cost and gross carrying amount*

The "amortised cost" of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The "gross carrying amount of a financial asset" measured at amortised cost is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

#### *Calculation of interest income and expense*

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

#### *Presentation*



# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

Interest income and expense presented in the consolidated statement of profit or loss and other comprehensive include:

- interest on financial assets and financial liabilities measured at amortised cost calculated using the effective interest method;
- interest on loans measured at FVTPL and interest on debt securities measured at FVTPL are presented separately as "other interest income".

Interest expense on issued financial instruments measured at fair value through profit or loss is considered to be incidental to the Group's trading operations and is presented as "Expenses on bonds issued" in trading income.

- **Dividend income**

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. Dividend income is presented in gross amounts before tax withheld from dividends.

### Foreign currency translation

#### (1) Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Russian Rubles (RR), which is the Group's functional and presentation currency.

#### (2) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies of Group at the spot exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date.

Transactions in foreign currencies are translated to the functional currencies of the Group at the spot exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date.

### Income tax

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date in the country in which the Group operates and generates taxable income.

The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Currently enacted tax rates are used in the determination of deferred tax. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

#### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Computer Hardware	33

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Collateralised securities transactions

Sale and repurchase agreements (repo agreements), which effectively provide a return to the counterparty are treated as secured financing transactions. Securities sold under such sale and repurchase agreements are not derecognised. The securities are not reclassified and presented separately in the consolidated statement of financial position unless the transferee has the right by contract or custom to sell or repledge the securities, in which case they are reclassified as assets pledged. The corresponding liability is presented within amounts due under repurchase agreements or other borrowed funds. The difference between the sale and repurchase price is treated as interest expense and is recognised in profit or loss over the term of the repo agreement using the effective interest method.

Securities purchased under agreements to resell (reverse repo agreements), which effectively provide a return to the Group, are recorded as due from other banks or loans to customers, as appropriate. The difference between the purchase and resale price is treated as interest income and is recognised in profit or loss over the term of the reverse repo agreement using the effective interest method.

Securities lent to counterparties for a fixed fee are retained in the consolidated financial statements in their original category in the consolidated statement of financial position unless the counterparty has the right by contract or custom to sell or repledge the securities, in which case they are reclassified and presented separately. Securities borrowed for a fixed fee are not recorded in the consolidated financial statements unless these are sold to third parties in which case the obligation to return the securities is recorded at fair value in trading liabilities.

#### Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

#### Leases (continued)

##### The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee, based on the period for which the contract is enforceable. The Group considers that enforceability of the lease is established not only by the written contract (including penalty clauses) in combination with applicable legislation related to renewal or termination rights, but also by economic disincentives for the lessee and/or the lessor that might create a 'penalty' in a broader meaning. This might result in the lease enforceability period going beyond the boundaries of the written contract because of inclusion of additional period which lasts until the moment when the 'penalty' becomes insignificant for both parties. The Group interprets the definition of 'penalty' which apart of 'contractual penalty' also comprises replacement costs, significant leasehold improvements that caused economies loss in case of early termination of the contract.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

#### Leases (continued)

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of low value items. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. There were no short-term and low value items lease agreements in 2020 and 2019.

#### Impairment of non-financial assets

Other non-financial assets, other than deferred taxes, are assessed at each reporting date for any indications of impairment. The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

All impairment losses in respect of non-financial assets are recognized in profit or loss and reversed only if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss reversed is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

#### Financial assets and financial liabilities

##### (a) Classification

##### *Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt financial assets measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt financial asset measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

##### (a) Classification (continued)

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

#### Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

# **BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

### **5. Significant accounting policies (continued)**

#### **Financial assets and financial liabilities (continued)**

##### **(a) Classification (continued)**

##### **Reclassification**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. Such changes are determined by the Group's senior management as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. Accordingly, a change in the Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations; for example, when the Group has acquired, disposed of or terminated a business line.

##### ***Financial liabilities***

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

Financial liabilities are not reclassified subsequent to their initial recognition.

##### **(b) Derecognition**

##### ***Financial assets***

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are sale-and-repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

##### ***Financial liabilities***

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Any cumulative gain/loss recognised in other comprehensive income in respect of financial liabilities designated as at FVTPL is not recognised in profit or loss on derecognition of such financial liabilities.

##### **(c) Modification of financial assets and financial liabilities**

##### ***Financial assets***

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

#### **Financial assets and financial liabilities (continued)**

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different (referred to as 'substantial modification'), then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

The Group performs a quantitative and qualitative evaluation of whether the modification is substantial, i.e. whether the cash flows of the original financial asset and the modified or replaced financial asset are substantially different. The Group assesses whether the modification is substantial based on quantitative and qualitative factors in the following order: qualitative factors, quantitative factors, combined effect of qualitative and quantitative factors. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset deemed to have expired. In making this evaluation the Group analogizes to the guidance on the derecognition of financial liabilities.

The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial asset;
- change in collateral or other credit enhancement.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

As part of credit risk management activities, the Group renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities'). If the Group plans to modify a financial asset in a way that would result in forgiveness of part of the existing contractual cash flows, then a portion of the asset is written off before the modification takes place. This is likely to result in the remaining contractual cash flows that are still recognised as the original financial asset at the point of modification to be similar to the new modified contractual cash flows. If based on quantitative assessment the Group concludes that modification of financial assets modified as part of the Group's forbearance policy is not substantial, the Group performs qualitative evaluation of whether the modification is substantial.

#### **Financial liabilities**

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If a modification (or exchange) does not result in the derecognition of the financial liability the Group applies accounting policy consistent with the requirements for adjusting the gross carrying amount of a financial asset when a modification does not result in the derecognition of the financial asset, i.e. the Group recognises any adjustment to the amortised cost of the financial liability arising from such a modification (or exchange) in profit or loss at the date of the modification (or exchange).

Group performs a quantitative and qualitative evaluation of whether the modification is substantial considering qualitative factors, quantitative factors and combined effect of qualitative and quantitative factors. The Group concludes that the modification is substantial as a result of the following qualitative factors:

- change the currency of the financial liability;

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

- change in collateral or other credit enhancement;
- inclusion of conversion option;
- change in the subordination of the financial liability.

For the quantitative assessment the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

#### (d) Impairment

See also Note 7.3.

The Group recognises impairment allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- trade receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition (see Note 7.3).

Loss allowances for trade receivables are always measured at an amount equal to lifetime. The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1' financial instruments.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised are referred to as 'Stage 2' financial instruments (if the credit risk has increased significantly since initial recognition, but the financial instruments are not credit-impaired) and 'Stage 3' financial instruments (if the financial instruments are credit-impaired).

#### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and



# **BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

### **5. Significant accounting policies (continued)**

#### **Financial assets and financial liabilities (continued)**

##### **(d) Impairment (continued)**

- financial guarantee contracts: the present value of expected payments to reimburse the holder less any amounts that the Group expects to recover.

See also Note 7.3.

#### **Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

#### **Presentation of loss allowance for ECL in the consolidated statement of financial position**

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

#### **Write-offs**

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. When loans and other debt instruments become doubtful of collection, they are written down to the present value of expected cash inflows and interest income is thereafter recorded for the unwinding of the present value discount based on the asset's effective interest rate which was used to measure the impairment loss.

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

#### Financial assets and financial liabilities (continued)

##### Write-offs (continued)

Recoveries of amounts previously written off are included in 'impairment losses on debt financial assets' in the consolidated statement of profit or loss and other comprehensive income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

##### (e) Designation at fair value through profit or loss

###### *Financial assets*

At initial recognition, the Group has designated certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise. The amount of financial asset that has been designated as at FVTPL and a description of the basis for each designation is set out in the Note 20.

###### *Financial liabilities*

The Group has designated certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### (f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

##### Cash and cash equivalents

Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in their fair value. Cash and cash equivalents represent balances on accounts with financial institutions and cash on hand with original maturities of less than three months. Cash and cash equivalents are carried at amortised cost.

##### Investments amortised cost

The 'Investments at amortised cost' caption in the consolidated statement of financial position includes debt securities measured at amortised cost. See section "Financial assets and financial liabilities".

##### Trade and other receivables

"Trade and other receivables includes" caption in the consolidated statement of financial position includes:

- balances on brokerage accounts on stock exchanges;
- cash transferred to the third party as collateral per OTC derivative contracts;
- amounts due from issuers of securities for declared dividends per equity securities and coupons per debt securities;
- amounts due from the counterparties per sales transactions of securities.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Trade receivables are also subject to the impairment requirements of IFRS 9. See note 7.3, Credit risk section.

# **BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

### **5. Significant accounting policies (continued)**

#### **Financial assets and financial liabilities (continued)**

##### **Trade and other payables**

"Trade and other payables" caption in the consolidated statement of financial position includes:

- "payables to broker" that are amounts owed to the broker in the form of negative balances in brokerage accounts;
- "trade payables" that are obligations to pay for services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **Embedded derivatives**

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of IFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship.

##### **Loans receivable**

"Loans receivable" caption in the consolidated statement of financial position includes:

- loans measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method; and
- loans designated at FVTPL to eliminate or significantly reduce an accounting mismatch, which would otherwise rise.

##### **Bonds issued**

Bonds are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at FVTPL. Debt securities issued are presented as "Financial liabilities at fair value through profit or loss". See section "Financial assets and financial liabilities"

##### **Staff costs and related contributions**

Wages, salaries, contributions to the state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees. The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the unified social tax.

##### **Share capital** *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 5. Significant accounting policies (continued)

#### *Dividends*

Dividends in relation to ordinary shares are reflected as an appropriation of retained earnings in the period when they are declared.

#### **Comparatives**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. See Note 33.

### 6. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group, except the following set out below:

#### **Standards issued but not yet effective**

Up to the date of approval of the consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Group has not early adopted, as follows:

#### **(i) Issued by the IASB and adopted by the European Union**

- *Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform - Phase 2 (issued on 27 August 2020) (effective for annual periods beginning on or after 1 January 2021).*
- *Amendments to IFRS 4 Insurance Contracts - deferral of effective date of IFRS 9 (issued on 25 June 2020) (effective for annual periods beginning on or after 1 January 2021).*
- *Amendments to IFRS 16 Leases - Covid 19-Related Rent Concessions (issued on 28 May 2020) (effective for annual periods beginning on or after 1 June 2020).*

#### **(ii) Issued by the IASB but not yet adopted by the European Union**

#### **New standards**

- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023).*

#### **Amendments**

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020) (effective for annual periods beginning on or after 1 January 2022).*

The above are expected to have no significant impact on the Group's consolidated financial statements when they become effective.

### 7. Financial risk management

#### **Financial risk factors**

The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

#### **7.1 Market price risk**

Market price risk is the possibility that the Group may suffer a loss resulting from the fluctuations in the values of, or income from equity securities classified at fair value through profit or loss and derivative financial instruments. The Group is exposed to market price risk because of investments held by the Group and classified as financial assets at fair value through profit or loss which are susceptible to market price risk arising from uncertainties about future prices of these investments.

For the purpose of managing market price risk the Group holds a hedging portfolio of securities that market value fluctuations offset the fluctuations in the value of instruments issued. The underlying assets of the forward contracts and bonds issued are liquid corporate shares, corporate and government bonds.

# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

### **7. Financial risk management (continued)**

#### **7.1 Market price risk (continued)**

The Group's price risk is bounded by established limits on exposure, volume of derivative products sold, volume of hedging portfolio, Value-At-Risk and stress test, product maturity date, portfolio delta risk balance, duration of hedging instrument, liquidity category and others in accordance with the type of the structured product. Hedge ratios (i.e. percentage of notional exposure hedged) are defined and recorded in the Risk Declaration of trading desk. Only authorized instruments set out by the Management and reflected in the Risk Declaration of trading desk can be used for hedging purposes. In addition, Mark to markets of the structured products and hedging portfolios are produced no less than daily.

The market value of the Group's portfolio at 31 December 2020 and 31 December 2019 is as follows:

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.1 Market price risk (continued)

	Financial assets at FVTPL		Financial liability at FVTPL	
	RR 31 December 2020	RR 31 December 2019	RR 31 December 2020	RR 31 December 2019
Equity securities-Moscow Stock Exchange	2,101,265,874	1,493,948,928	-	-
Equity securities- US Composite (US)	67,483,984,522	45,771,857,406	-	-
Equity securities-Switzerland Composite (SW)	10,995,041	8,042,421	-	-
Equity securities-Germany Composite (GR)	862,145,444	875,783,321	-	-
Equity securities-RTS Russian Trading System Composite (RU)	-	4,075	-	-
Equity securities-Borsa Italiana (IM)	1,494,841,931	1,648,220,018	-	-
Equity securities-London Stock Exchange (LN)	154,314	194,744	-	-
Equity securities-London International & London International Composite (LI)	1,137,292,116	1,430,293,194	-	-
Equity securities-Hong Kong Exchanges and Clearing (HK)	277,774,723	133,282,014	-	-
Equity securities- NYSE Euronext Paris (FP)	893,064,141	808,692,251	-	-
Equity Securities - Japan Composite (JP)	1,844,001,707	-	-	-
Debt securities - Bonds	22,142,786,558	24,407,911,776	-	6,906,169
Equity securities	-	-	16,135	-
Bonds Issue	-	-	96,916,611,006	55,170,015,578
Forward contracts	-	-	11,061,937,663	13,442,726,018
<b>Total</b>	<b>98,248,306,371</b>	<b>76,578,230,148</b>	<b>107,978,564,804</b>	<b>68,619,647,765</b>

The table below summarises the exposure to market price risk at 31 December 2020 and 31 December 2019:

	31 December 2020 RR	31 December 2019 RR
Equity securities (assets)	76,105,519,813	52,170,318,372
Debt securities - Bonds (assets)	22,142,786,558	24,407,911,776
Debt securities - Bonds (liabilities)	-	(6,906,169)
Equity securities (liabilities)	(16,135)	-
<b>Total</b>	<b>98,248,290,236</b>	<b>76,571,323,979</b>
Hedge portfolio	97,917,128,327	76,311,328,896
Trading portfolio	331,161,909	266,901,252

#### Sensitivity analysis

The analysis of sensitivity of net profit and equity for the year to fluctuations in securities quotations (based on positions existing at 31 December 2019, excluding hedging portfolio of RR 97,917,128,327 at 31 December 2020 (2019: RR 76,311,328,896), which are used to hedge price risk of structured derivative products and bonds issued, and a simplified scenario of a 10% decrease or increase in securities quotations), all other parameters held constant, can be presented as follows:

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.1 Market price risk (continued)

	2020	Equity	2020	Profit or loss
	RR	2019	RR	2019
		RR		RR
10% increase in securities quotations	<b>33,116,191</b>	26,690,125	<b>33,116,191</b>	26,690,125
10% decrease in securities quotations	<b>(33,116,191)</b>	(26,690,125)	<b>(33,116,191)</b>	(26,690,125)

#### 7.2 Interest rate risk

Interest rate risk is the risk that the Group's income or financial instrument portfolio may change due to interest rate fluctuations. The Group takes on exposure to the effects of fluctuations in prevailing market interest rates on its financial position and cash flows. The dollar duration, or DV01, is the dollar value of unit change in yield, used for instruments bearing interest rate risk. The DV01 limits are used by Risk management to avoid excessive sensitivity of the portfolio to the interest rate changes. DV01 limits are a key controlling instrument to ensure the Group manages its interest rate risk within the defined risk appetite and minimises potential losses whilst maximising returns. DV01 limits are established on base rate and Treasury spread broken down by currency (RUB, USD, EUR) and time buckets. Interest rate risk management through monitoring of the mismatch of the maturities of interest bearing assets and interest-bearing liabilities is supplemented by monitoring the sensitivity of financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios include a 50 basis points rise or fall in the greater than 12-month portion of all yield curves. Risk management sets limits and regularly reviews reports and issues on interest rate risks.

Financial asset at fair value (bonds) are classified based on a redemption offer date. Certain bonds within trading assets have a floating coupon rate. These instruments are repriced prior to each subsequent coupon payment. The Group classified such instruments to "3 month or less" category.

A summary of the interest rate gap position for financial instruments at 31 December 2020 and 31 December 2019 is as follows:

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

31 December  
2020

	Carrying amount	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years	Non-interest bearing
	RR	RR	RR	RR	RR	RR
<b>Financial assets</b>						
Cash and cash equivalents	627,043,150	-	-	-	-	627,043,150
Receivables from reverse repurchase agreements	61,467,759,699	44,209,919,387	17,257,840,312	-	-	-
Trade and other receivables	14,430,281,528	11,890,197,872	-	-	-	2,540,083,656
Investments in amortized cost	32,051,677,862	-	-	19,433,949,512	12,617,728,350	-
Derivative financial assets	13,172,744,035	53,224,061	-	11,853,660,053	1,365,859,921	-
Financial assets at fair value through profit or loss	98,248,306,371	634,697,424	782,114,102	20,725,975,032	-	76,105,519,813
Loans receivable	<u>11,880,930,398</u>	<u>730,383,651</u>	<u>2,600,316,377</u>	<u>8,550,230,370</u>	-	-
<b>Total</b>	<u>231,878,743,043</u>	<u>57,518,422,395</u>	<u>20,640,270,791</u>	<u>60,563,814,967</u>	<u>13,983,588,271</u>	<u>79,272,646,619</u>
<b>Financial liabilities</b>						
Payables under repurchase agreements	(95,254,488,147)	(29,591,663,290)	(65,662,824,857)	-	-	-
Trade and other payables	(17,730,859,483)	-	-	-	-	(17,730,859,483)
Derivatives financial liabilities	(15,962,757,165)	(2,765,926,482)	(2,025,369,747)	(11,159,048,594)	(12,412,342)	-
Financial liabilities at fair value through profit or loss	(96,916,627,141)	(1,189,200,976)	(5,763,541,279)	(68,279,494,434)	(21,684,390,452)	-
Lease liabilities	<u>(1,092,712)</u>	-	<u>(1,092,712)</u>	-	-	-
<b>Total</b>	<u>(225,865,824,648)</u>	<u>(33,546,790,748)</u>	<u>(73,452,828,595)</u>	<u>(79,438,543,028)</u>	<u>(21,696,802,794)</u>	<u>(17,730,859,483)</u>



# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

31 December 2019	Carrying amount	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years	Non-interest bearing
	RR	RR	RR	RR	RR	RR
<b>Financial assets</b>						
Cash and cash equivalents	155,661,730	-	-	-	-	155,661,730
Receivables from reverse repurchase agreements	63,434,522,321	39,063,516,349	1,624,389,969	-	-	22,746,616,003
Trade and other receivables	29,609,193,628	-	-	-	-	29,609,193,628
Derivative financial assets	2,547,618,425	1,548,421	1,042,094	2,545,027,910	-	-
Financial assets at fair value through profit or loss	76,578,230,148	427,158	2,576,805,586	21,690,730,033	139,949,008	52,170,318,363
Loans receivable	<u>12,400,912,142</u>	<u>333,694,213</u>	<u>5,028,272,107</u>	<u>6,207,438,253</u>	<u>831,507,569</u>	<u>-</u>
<b>Total</b>	<u>184,726,138,394</u>	<u>39,399,186,141</u>	<u>9,230,509,756</u>	<u>30,443,196,196</u>	<u>971,456,577</u>	<u>104,681,789,724</u>
<b>Financial liabilities</b>						
Payables under reverse repurchase agreements	(82,762,321,128)	(51,090,860,672)	(25,280,025,406)	-	-	(6,391,435,050)
Trade and other payables	(27,653,088,717)	-	-	-	-	(27,653,088,717)
Derivatives financial liabilities	(13,813,919,244)	(1,059,828,782)	(3,453,317,593)	(9,294,102,637)	(6,670,232)	-
Financial liabilities at fair value through profit or loss	(55,176,921,747)	(6,906,169)	(616,203,805)	(36,473,111,756)	(18,080,700,017)	-
Lease liabilities	<u>(336,210)</u>	<u>-</u>	<u>(336,210)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>(179,406,587,046)</u>	<u>(52,157,595,623)</u>	<u>(29,349,883,014)</u>	<u>(45,767,214,393)</u>	<u>(18,087,370,249)</u>	<u>(34,044,523,767)</u>

#### *Sensitivity analysis*

An analysis of sensitivity of profit or loss and equity (net of taxes) to changes in interest rates based on a simplified scenario of a 50 basis points parallel fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing at 31 December 2020 and 31 December 2019 is as follows:

	2020	Equity 2019	2020	Profit or loss 2019
	RR	RR	RR	RR
Parallel increase in rates by 50 basis points	(411,788,942)	(319,546,784)	(411,788,942)	(319,546,784)
Parallel decrease in rates by 50 basis points	<u>411,788,942</u>	<u>319,546,784</u>	<u>411,788,942</u>	<u>319,546,784</u>

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.

##### *Risk management*

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Department. The Risk Department is responsible for management of credit risk, including formulating credit policies, covering collateral requirements, credit assessment, reviewing and assessing credit risk, limiting concentrations of exposure to counterparties, and by issuer, credit rating bands, market liquidity and country (for trading assets), and reviewing compliance of business units with agreed exposure limits. Collateral arrangements relating to margin loans, securities lending agreements, and resale agreements include provisions that require additional collateral in the event that market fluctuations result in declines in the value of collateral received. The credit risk exposure related to loans to banking clients is actively managed through individual and portfolio reviews performed by management. Management regularly reviews asset quality including concentrations, delinquencies, non-accrual loans, charge-offs, and recoveries. All are factors in the determination of an appropriate allowance for loan losses, which is reviewed quarterly by senior management.

The Group is subject to concentration risk if it extends large loans to or have large commitments with a single counterparty, borrower, or group of similar counterparties or borrowers (e.g. in the same industry). Receivables from and payables to clients and securities borrowing and lending activities are conducted with a large number of clients and counterparties and potential concentration is carefully monitored. Management seeks to limit this risk through careful review of the underlying business and the use of limits established by senior management, taking into consideration factors including the financial strength of the counterparty, the size of the position or commitment, the expected duration of the position or commitment and other positions or commitments outstanding.

The analysis by credit quality of financial assets is mainly based on Standard and Poor's rating and other ratings converted to the nearest equivalent to the Standard and Poor's rating scale. The exposure to credit risk is managed through regular analysis of the credit quality of counterparties and potential counterparties by changing limits where appropriate. Credit risk limits are a key controlling instrument to ensure the Group manages its risk within the defined risk appetite and minimises potential losses whilst maximising returns.

The policy below represents information about the Group's inputs, assumptions and techniques used for estimating impairment.

##### *Significant increase in credit risk*

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in probability of default (PD);
- qualitative indicators; and
- backstop of 30 days past due, except for transactions with financial institutions or issuer of securities, for which a backstop of 1 day past due is applied.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.3 Credit risk (continued)

*(continued)*

##### *Credit risk grades*

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower.

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

##### **Corporate exposure**

- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections
- Data from credit reference agencies, press articles, changes in external credit ratings
- Quoted bond and credit default swap (CDS) prices for the borrower where available
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities

##### **All exposures (corporate and individual exposures)**

- Payment record – this includes overdue status as well as a range of variables about payment ratios
- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

##### *Generating the term structure of PD*

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed and by type of product and borrower as well as by credit risk grading.

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macro-economic indicator is likely to be GDP growth, oil price index and retail price index.

The Group uses expert judgment in assessment of forward-looking information. This assessment is based also on external information (see discussion below on incorporation of forward-looking information). The Group then uses these forecasts to adjust its estimates of PDs.

##### *Determining whether credit risk has increased significantly*

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.3 Credit risk (continued)

The Group will deem the credit risk of a particular exposure to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than one notch basis points per annum since initial recognition. In measuring increases in credit risk, remaining lifetime ECLs are adjusted for changes in maturity.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due or, more than 1 day past due for transactions with financial institutions or issuer of securities. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable; exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month ECL (stage 1) and lifetime ECL measurements (stage 2).

#### *Modified financial assets*

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms.

#### *Definition of default*

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group and 3 days past due for transactions with financial institutions or issuer of securities. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative – e.g. breaches of covenant;
- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.3 Credit risk (continued)

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

#### *Incorporating of forward-looking information*

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Group uses expert judgment in assessment of forward-looking information. This assessment is based also on external information. External information may include economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, such as the CBR, the World bank, Ministry of Economic Development of RF, and individual and academic forecasters.

Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variable and credit risk and credit losses. This key driver for the Russian Federation is GDP deflator forecasts and industrial production index. This key driver for the other countries where the group operates is GDP forecasts. The economic scenarios used as at 31 December 2020 included the following ranges of key indicators for the Russian Federation and for the other countries for the years ending 31 December 2020, 2021.

	2020	2021
<b>Russia Federation</b>		
Industrial production index	Decline between 3,7% and 5,4%	Growth between 2,0% and 3,0%
RF GDP deflator	Decline between 2,3% and 2,8%	Growth between 2,8% and 2,7%
<b>European Area (including UK)</b>		
ER GDP	Growth between 1,2% and 2,0%	Growth between 1,1% and 1,5%

The base economic scenario used as at 31 December 2019 includes the following of key indicators for the Russian Federation and for the other countries:

	2019	2020
<b>Russia Federation</b>		
Industrial production index	Growth between 2,0% and 2,8%	Growth between 2,0% and 3,0%
RF GDP deflator	Decline between 2,3% and 2,8%	Growth between 2,3% and 2,7%
<b>European Area (including UK)</b>		
US GDP	Growth between 1,8% and 2,7%	Growth between 1,6% and 3,0%
ER GDP	Growth between 1,2% and 2,0%	Growth between 1,1% and 1,5%

#### *Measurement of ECL*

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.3 Credit risk (continued)

The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings.

For portfolios in respect of which the Group has limited historical data, external benchmark information is used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL are represented below in net amounts.

	Exposure as at 31 December 2020	Exposure as at 31 December 2019	External benchmarks used
	RR	RR	PD
Cash and cash equivalents	627,022,161	155,657,920	Fitch/Expert RA
Loans receivable at amortised cost	10,780,465,662	12,400,912,142	S&P
Receivables under resale agreements	61,467,759,699	63,434,522,321	S&P
Investments in amortized cost	32,051,677,862	-	S&P/Moody's/Expert RA
Trade and other receivables	14,430,281,528	29,609,193,628	S&P/Moody's/Fitch/ACRA
<b>Total</b>	<b>119,357,206,912</b>	<b>105,600,286,011</b>	

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.3 Credit risk (continued)

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets and contract assets:

	2020 RR	2019 RR
Loss allowance charge/(reversal) - Cash at bank (Note 26)	757,252	1,207
Loss allowance charge/(reversal) - Loans receivable at amortized cost (Note 22)	649,892,789	428,506,907
Loss allowance charge/(reversal) - Receivables under resale agreements (Note 23)	174,126,701	(59,869,444)
Loss allowance charge/(reversal)- Investments in amortized cost (Note 21)	127,450,577	-
Loss allowance charge/(reversal) - Trade and other receivables (Note 24)	<u>2,881,398,577</u>	<u>23,279,385</u>
<b>Total</b>	<b><u>3,833,625,896</u></b>	<b><u>391,918,055</u></b>

Analysis of credit quality and reconciliation of the loss allowance from the opening to the closing balances by class of financial instruments are presented in Notes 21, 22, 23, 24 and 26.

#### 7.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties with raising money in meeting obligations associated with financial liabilities. The most popular products of the Group are yield-enhancement products such as barrier reverse convertibles and autocallables. The Group has an exposure to the risk of early termination of such products in case of autocall event that could affect its available cash resources. The Group does not maintain cash resources to meet all possible obligations as experience shows that a maximum level of termination of forward contracts/notes can be predicted with a high level of certainty based on experience. The Group holds a trading security portfolio for the hedging purposes of issued notes and forward contracts. Emerging liquidity gaps as a result of early termination of forward contracts can be mitigated by selling of securities from a trading portfolio.

Payables under repurchase agreements include open-ended repurchase agreements, that can be terminated on any moment by either party. For the purposes of disclosure of liquidity gap analysis open-ended repurchase transactions are included in category "Between 3-12 months" based on experience in previous periods.

Liquidity risk is managed by the trading desk by means of monitoring liquidity positions on a daily basis. The trading desk analyses the liquidity profile of the financial assets and liabilities to ensure that sufficient liquidity is maintained within the Group as a whole. The daily liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the risk management of the Group.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

#### 7.4 Liquidity risk (continued)

The following table shows the liquidity analysis of financial liabilities at 31 December 2020 and 31 December 2019. For non-derivative financial liabilities, the cash flows represent undiscounted cash flows on the basis of their earliest possible contractual maturity.

The cash flows for notes issued are represented based on undiscounted cash flows excluding expected cash flows from embedded derivatives.

31 December 2020	Carrying amounts RR	Contractual cash flows		3 months or less RR	3-12 months RR	1-5 years RR	More than 5 years RR
Lease liabilities	1,092,712	1,398,845	326,457	1,072,388	-	-	-
Bank overdrafts	49,875	49,875	49,875	-	-	-	-
Trade and other payables	17,730,859,483	17,730,859,483	17,724,239,668	6,619,815	-	-	-
Payables under repurchase agreements	95,254,488,147	97,171,759,324	29,598,099,225	67,573,660,099	-	-	-
Derivative financial liabilities	15,962,757,165	15,962,757,165	2,765,926,482	2,025,369,747	11,159,048,594	12,412,342	-
Financial liabilities at fair value through profit or loss	<u>96,916,627,141</u>	<u>116,226,447,517</u>	<u>1,477,514,000</u>	<u>6,419,814,409</u>	<u>83,905,627,887</u>	<u>24,423,491,221</u>	-
<b>Total</b>	<b><u>225,865,874,523</u></b>	<b><u>247,093,272,209</u></b>	<b><u>51,566,155,707</u></b>	<b><u>76,026,536,458</u></b>	<b><u>95,064,676,481</u></b>	<b><u>24,435,903,563</u></b>	-

31 December 2019	Carrying amounts RR	Contractual cash flows		3 months or less RR	3-12 months RR	1-5 years RR	More than 5 years RR
Lease liabilities	336,210	352,584	352,584	-	-	-	-
Bank overdrafts	114,412	114,412	114,412	-	-	-	-
Trade and other payables	27,652,752,511	27,652,752,511	27,530,408,648	122,343,863	-	-	-
Payables under repurchase agreements	82,762,321,128	83,240,991,857	25,256,659,992	57,984,331,865	-	-	-
Derivative financial liabilities	13,813,919,244	13,813,919,244	1,059,828,783	3,453,317,593	9,294,102,636	6,670,232	-
Financial liabilities at fair value through profit or loss	<u>55,176,921,747</u>	<u>64,404,706,736</u>	<u>6,906,169</u>	<u>595,000,000</u>	<u>42,990,122,630</u>	<u>20,812,677,937</u>	-
<b>Total</b>	<b><u>179,406,365,252</u></b>	<b><u>189,112,837,344</u></b>	<b><u>53,854,270,588</u></b>	<b><u>62,154,993,321</u></b>	<b><u>52,284,225,266</u></b>	<b><u>20,819,348,169</u></b>	-

#### 7.5 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro and the United States Dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.



# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

The Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows are denominated. This is generally achieved by obtaining financing in the relevant currency and by entering into forward foreign exchange contracts.

Borrowings and lending are denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. In respect of monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short-term imbalances.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2020	2019	2020	2019
	RR	RR	RR	RR
United States Dollars	<b>127,295,119,633</b>	109,057,777,238	<b>156,164,486,894</b>	89,940,847,139
Euro	<b>13,889,051,602</b>	12,053,303,401	<b>10,057,978,609</b>	18,032,302,461
British Pounds	<b>124,485,542</b>	596,918,399	<b>4,046,428</b>	44,706,962
Russian Roubles	<b>84,411,166,650</b>	57,651,717,517	<b>63,309,567,674</b>	76,520,582,716
Swiss Franc	<b>6,897,000</b>	3,897,259	<b>11,335,832</b>	20,899,626
Japanese Yen	<b>139,154,096</b>	-	<b>2,032,727,166</b>	629,994
Hong Kong Dollar	-	42,751,214	<b>297,798,156</b>	18,317,730
Australian Dollar	-	-	<b>4,643</b>	147,818,833
Other currencies	-	224	<b>797,641</b>	32,933
	<b><u>225,865,874,523</u></b>	<b><u>179,406,365,252</u></b>	<b><u>231,878,743,043</u></b>	<b><u>184,726,138,394</u></b>

### Sensitivity analysis

A fluctuation of the United States Dollar or the Euro against the Russian Rouble at the reporting date as disclosed below would have an equal and opposite impact on the profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, including interest rates, remain constant.

	Change in currency rate		Effect on pre-tax profit	
	2020	2019	2020	2019
	%	%	RR	RR
United States Dollars	<b>18</b>	(11)	<b>1,888,282,545</b>	5,288,299,799
Euro	<b>30</b>	(13)	<b>(712,149,782)</b>	(492,957,642)
British Pounds	<b>24</b>	(8)	<b>79,393,405</b>	44,177,123

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Assumptions were calculated based on actual fluctuation of exchange rates from 31 December of prior year to 31 December of current year as per the rates provided by the Bank of Russia.

### 7.6 Capital risk management

Capital includes equity shares.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, comply with regulatory requirements and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or raise debt.

# **BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

### **7. Financial risk management (continued)**

#### **7.6 Capital risk management (continued)**

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken by senior management.

The Group's overall strategy remains unchanged from last year.

#### **7.7 Offsetting financial assets and liabilities**

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statement of financial position. The similar agreements include derivative clearing agreements, global master repurchase agreements. Similar financial instruments include derivatives, sales and repurchase agreements. Financial instruments such as loans and deposits are not disclosed in the table below unless they are offset in the consolidated statement of financial position.

The Group's over-the-counter derivative transactions are entered into under International Derivative Swaps and Dealers Association (ISDA) Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement transactions.

The Group's sale and repurchase transactions are covered by master agreements with netting terms similar to those of ISDA Master Netting Agreements.

The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the consolidated statement of financial position. This is because they create a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the companies of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

In 2020 the Group issued the loan to a third party in amount of USD 15,000,000. At the same time, the Group issued mirror credit-linked note with embedded Credit default SWAP that transfer credit risk of this third party to noteholders. The loan and the bond will be impaired and terminated, respectively, if the counterparty defaults.

The table below presents financial assets and financial liabilities that are subject to an enforceable master netting arrangements or similar arrangements as at 31 December 2020 and 31 December 2019.

There were no Gross amounts of recognised financial liability/asset offset in the statement of financial position or related amounts subject to offset under the Master Netting Agreement.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Financial risk management (continued)

31 December 2020	Gross amounts of recognised financial asset/liability	Net amount of assets/ (liabilities) presented in the statement off financial position	Amounts subject to offset under specific conditions-Financial instruments	Net amount
	RR	RR	RR	RR
Currency SWAPs	53,224,061	53,224,061	(53,224,061)	-
Credit Default SWAPs	13,119,519,974	13,119,519,974	(1,975,378,055)	11,144,141,919
Receivables from reverse repurchase agreements	32,811,164,203	32,811,164,203	(28,286,174,478)	4,529,989,725
Loans receivable at fair value through profit or loss	1,100,464,736	1,100,464,736	(1,059,330,945)	41,133,791
<b>Total financial assets</b>	<b>47,084,372,974</b>	<b>47,084,372,974</b>	<b>(31,374,107,539)</b>	<b>15,710,265,35</b>
Currency SWAPs	(57,743,798)	(57,743,798)	53,224,061	(4,519,737)
Credit Default SWAPs	(1,975,378,055)	(1,975,378,055)	1,975,378,055	-
Payables under repurchase agreements	(90,263,588,426)	(90,263,588,426)	83,175,733,101	(7,087,855,325)
Financial liabilities at fair value through profit or loss	(1,059,330,945)	(1,059,330,945)	1,059,330,945	-
<b>Total financial liabilities</b>	<b>(93,356,041,224)</b>	<b>(93,356,041,224)</b>	<b>85,204,335,217</b>	<b>(7,092,375,062)</b>
31 December 2019	Gross amounts of recognised financial asset/liability	Net amount of assets/ (liabilities) presented in the statement off financial position	Amounts subject to offset under specific conditions-Financial instruments	Net amount
	RR	RR	RR	RR
Currency SWAPs	1,548,421	1,548,421	-	1,548,421
Credit Default SWAPs	2,546,070,004	2,546,070,004	(301,149,920)	2,244,920,084
Receivables from reverse repurchase agreements	40,687,906,318	40,687,906,318	(30,302,668,386)	10,385,237,932
<b>Total financial assets</b>	<b>43,235,524,743</b>	<b>43,235,524,743</b>	<b>(30,603,818,306)</b>	<b>12,631,706,437</b>
Currency SWAPs	(70,043,306)	(70,043,306)	-	(70,043,306)
Credit Default SWAPs	(301,149,920)	(301,149,920)	301,149,920	-
Payables under repurchase agreements	(76,370,886,078)	(76,370,886,078)	65,639,924,551	(10,730,961,526)
<b>Total financial liabilities</b>	<b>(76,742,079,303)</b>	<b>(76,742,079,303)</b>	<b>65,941,074,471</b>	<b>(10,801,004,832)</b>

### 8. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 8. Critical accounting estimates and judgments (continued)

#### *Judgments*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding – Note 5
- establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL – Note 7.3
- Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.
- In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgment is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgment is pricing for similar types of transactions with unrelated parties and effective interest rate analyses. Receivables from/ payable to related parties are stated at their transacted values as they are on demand. Management believes that their fair value is not materially different from their transacted values.

#### *Critical judgements in applying the Group's accounting policies*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31 December 2020 is included in the following notes:

- impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information – Note 7.3.
- estimates of fair values of financial assets and liabilities – Note 16;
- Impairment of investments in associates. The Group periodically evaluates the recoverability of investments in associates whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in associates may be impaired, the estimated future discounted cash flows associated with these associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

### 9. Segmental analysis

For management purposes, the Group is organised into two operating segments based on types of services provided as follows:

- Corporate business. The core activity of this segment is to enter into financial markets transactions with counterparties (corporates, financial institutions).
- Retail business. The core activity of this segment is providing of standardised structured products, including structured notes and forward contract to retail customers.

The Group's segments are strategic business units that focus on different customers and provide different types of financial products. The operating results of each segment are reported in a manner consistent with the internal reporting used by the Management. The Management receives information about the segments' revenue and assets on a monthly basis.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 9. Segmental analysis (continued)

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

In 2020 the Group changed its internal organization and the composition of its operating segments, which resulted in a change in reportable segments. As a result of the changes, assets and liabilities previously allocated to the separate segment "Group functions" have been reallocated to other segments, the Group has started to use different bases for allocation and aggregation of costs and revenues. Accordingly, the Group has restated the previously reported segment information for the year ended 31 December 2019.

During the year, there were no revenues from transactions with other operating segments.

The Group's total assets, liabilities net profit for the year are as follows:

2020	Corporate Business	Retail Business	Total
	RR	RR	RR
Assets as at the end of the year	<b>125,682,776,878</b>	<b>106,837,985,900</b>	<b>232,520,762,778</b>
Liabilities as at the end of the year	<b>128,921,185,735</b>	<b>96,944,688,788</b>	<b>225,865,874,523</b>
2019	Corporate Business	Retail Business	Total
	RR	RR	RR
Assets as at the end of the year	108,832,889,231	76,578,331,231	185,411,220,462
Liabilities as at the end of the year	110,300,073,639	69,106,291,613	179,406,365,252

An analysis of the Group's income statement as follows:

2020	Corporate business	Retail Business	Total
	RR	RR	RR
Interest income calculated using the effective interest method	4,916,137,926	-	<b>4,916,137,926</b>
Other interest income	-	2,982,825,307	<b>2,982,825,307</b>
Interest expense	(3,591,705,321)	-	<b>(3,591,705,321)</b>
Net gain on trading in financial instruments	-	1,623,536,254	<b>1,623,536,254</b>
Net fair value gains on financial assets/liabilities at fair value	-	10,926,635,295	<b>10,926,635,295</b>
Change in fair value of derivative financial instruments	-	(5,195,811,057)	<b>(5,195,811,057)</b>
Financial result of SWAP operations	2,067,656,088	-	<b>2,067,656,088</b>
Expenses on bonds issued	-	(8,029,757,727)	<b>(8,029,757,727)</b>
Net (loss) realised on trading in foreign currencies	-	(274,806,565)	<b>(274,806,565)</b>
Exchange differences	855,669,618	-	<b>855,669,618</b>
Dividend income (gross)	-	1,676,150,151	<b>1,676,150,151</b>
Fee and commission expenses	-	(837,560,121)	<b>(837,560,121)</b>
Change in fair value of loans receivable	6,373,314	-	<b>6,373,314</b>
Impairment (loss) on debt financial assets	(3,833,625,896)	-	<b>(3,833,625,896)</b>
Loss from sale of investments in subsidiaries	(15,135,790)	-	<b>(15,135,790)</b>
Administration and other expenses	-	(334,742,681)	<b>(334,742,681)</b>
Share of results of associates	(43,590,568)	-	<b>(43,590,568)</b>
<b>Profit before tax</b>	<b>361,779,371</b>	<b>2,536,468,856</b>	<b>2,898,248,227</b>

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

2019	Corporate business RR	Retail Business RR	Total RR
Interest income calculated using the effective interest method	5,887,498,061	-	5,887,498,061
Other interest income	-	3,467,308,422	3,467,308,422
Interest expense	(7,330,245,746)	-	(7,330,245,746)
Net (loss) on trading in financial instruments	-	(968,248,259)	(968,248,259)
Net fair value gains on financial assets/liabilities at fair value	-	6,860,205,323	6,860,205,323
Change in fair value of derivative financial instruments	-	(3,405,275,347)	(3,405,275,347)
Financial result of SWAP operations	1,091,740,883	-	1,091,740,883
Expenses on bonds issued	-	(5,322,280,814)	(5,322,280,814)
Net gain realised on trading in foreign currencies	-	3,822,110,321	3,822,110,321
Exchange differences	(1,051,746,879)	-	(1,051,746,879)
Dividend income (gross)	-	1,703,717,308	1,703,717,308
Fee and commission expenses	-	(1,157,174,021)	(1,157,174,021)
Impairment (loss) on debt financial assets	(391,918,055)	-	(391,918,055)
Loss from sale of investments in subsidiaries	(7,338,545)	-	(7,338,545)
Administration and other expenses	-	(303,435,798)	(303,435,798)
Share of results of associates	33,409,728	-	33,409,728
Gain on loans assignment	264,459,001	-	264,459,001
<b>Profit before tax</b>	<b>(1,504,141,552)</b>	<b>4,696,927,135</b>	<b>3,192,785,583</b>

### *Geographic information*

The geographic information analyses the Group's revenue by the country of domicile and other countries. The Group is incorporated in Cyprus. The Group raises funds by placing notes through dealer and entering into derivative contracts with retail customers through licensed investment companies in various jurisdictions as well as raising funds through direct repo transactions. Dealer that is involved in placing of securities is domiciled in Cyprus.

The funds raised are allocated to:

- hedging securities portfolio;
- trading securities portfolio;
- loans to corporate customers;
- other investments.

All of the above assets are located in different regions. Due to the fact that the detailed information necessary for disclosure of geographic information is not available and the cost to develop it is excessive, it was decided to not present quantitative geographic disclosures.

### *Major customers*

During 2020 and 2019, the Group had significant transactions with entities under common control, comprised 10% or more of the Group's income, the detailed information is presented in the Note 30.

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 10. Interest income and expense

	2020	2019
	RR	RR
<b><i>Interest income calculated using the effective interest method</i></b>		
Reverse repurchase agreements	3,817,747,343	4,602,152,926
Loans measured at amortized cost	603,092,418	1,285,044,334
Overnight loans	297,769	300,801
Cash collateral	23,743,054	-
Investments measured at amortised cost	471,257,342	-
<b>Total interest income calculated using the effective interest method</b>	<b>4,916,137,926</b>	<b>5,887,498,061</b>
<b><i>Other interest income</i></b>		
Debt securities measured at FVTPL	2,963,109,998	3,467,308,422
Loans measured at FVTPL	19,715,309	-
<b>Total other interest income</b>	<b>2,982,825,307</b>	<b>3,467,308,422</b>
<b><i>Interest expense</i></b>		
Reverse repurchase agreements	(3,591,646,990)	(7,330,209,687)
Lease liability	(58,331)	(36,059)
<b>Total interest expense</b>	<b>(3,591,705,321)</b>	<b>(7,330,245,746)</b>
	<b>4,307,257,912</b>	<b>2,024,560,737</b>

### 11. Administration and other expenses

	2020	2019
	RR	RR
Cost on supporting services for notes issued	118,184,156	36,329,152
Software and technical support	15,730,314	10,781,904
Staff's cost (including director's remuneration)	32,220,824	19,883,780
Depreciation and amortisation expense	1,500,396	1,861,328
Auditors' remuneration	5,628,307	8,768,261
Legal fees	13,839,554	8,544,123
Consulting services	6,945,997	1,603,655
Irrecoverable VAT	6,927,194	4,973,995
Distribution services	130,998,068	53,835,918
Mediation services	-	147,872,926
Bank charges	1,990,418	4,279,233
Other expenses	777,454	4,701,523
	<b>334,742,682</b>	<b>303,435,798</b>

### 12. Staff's cost

	2020	2019
	RR	RR
Salary	20,795,624	10,135,436
Social security costs	2,085,718	1,882,705
Director's fees	117,574	109,633
Other staff's cost	2,021,908	556,006
Services under outsourcing agreement	7,200,000	7,200,000
	<b>32,220,824</b>	<b>19,883,780</b>

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 13. Net profit/(loss) from foreign exchange transactions

	2020	2019
	RR	RR
Unrealised exchange profit/(loss)	<u>855,669,618</u>	<u>(1,051,746,879)</u>
	<u>855,669,618</u>	<u>(1,051,746,879)</u>

The unrealised exchange profit/(loss) arises from monetary assets and liabilities denominated in foreign currencies, translated to Russian Rubles using the rate of exchange ruling at the reporting date.

### 14. Tax

	2020	2019
	RR	RR
Overseas tax	<u>248,215,182</u>	<u>140,769,473</u>
<b>Charge for the year</b>	<u><b>248,215,182</b></u>	<u><b>140,769,473</b></u>

The tax on the Group's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2020	2019
	RR	RR
Profit before tax	<u>2,898,248,227</u>	<u>3,192,785,583</u>
Tax calculated at the applicable tax rates	<u>362,281,028</u>	399,098,198
Tax effect of expenses not deductible for tax purposes	-	110,432,389
Tax effect of allowances and income not subject to tax	<u>(338,620,873)</u>	-
Tax effect of tax losses brought forward	<u>(24,527,628)</u>	(509,530,587)
Tax effect of tax loss for the year	<u>867,473</u>	-
Overseas tax in excess of credit claim used during the year	<u>248,215,182</u>	<u>140,769,473</u>
<b>Tax charge</b>	<u><b>248,215,182</b></u>	<u><b>140,769,473</b></u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

The Group has no tax losses in 2020 and EUR19,568,379 (RR 1,356,833,126) in 2019 that are available for offsetting against future taxable profits of the companies in which the losses arose. The tax loss can only be utilised during the year 2021.

Deferred tax assets have not been recognised in respect of these losses because they may not be used to offset taxable profits. The Group have been incurring losses for some time and there is no other possibility for tax planning or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by RUB 184,080,386 in 2020 and by RUB 169,610,391 in 2019.

### 15. Dividends

	2020	2019
	RR	RR
Interim dividend declared	-	115,000,000
Final dividend paid	<u>2,000,000,000</u>	-
	<u>2,000,000,000</u>	<u>115,000,000</u>

On 28 August 2020 BrokerCreditService Structured Products Plc in General Meeting declared the payment of a final dividend out of 2019 profits of RR2,000,000,000 (2019: RR115,000,000).



# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 15. Dividends (continued)

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. From 1 March 2019, dividends are also subject to a 1,70% contribution to the General Healthcare System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable.

### 16. Financial instruments by category

The classification of financial assets and liabilities by measurement category as at 31 December 2020 and 31 December was as follows:

#### 31 December 2020

	Fair value through profit or loss RR	Financial assets at amortised cost RR	Total RR
<b>Assets as per consolidated statement of financial position:</b>			
Trade and other receivables	-	14,430,281,528	14,430,281,528
Loans receivable	1,100,464,736	10,780,465,662	11,880,930,398
Cash and cash equivalents	-	627,043,150	627,043,150
Investments at amortised cost	-	32,051,677,862	32,051,677,862
Receivables from reverse repurchase agreements	-	61,467,759,699	61,467,759,699
Derivative financial assets	13,172,744,035	-	13,172,744,035
Financial assets at fair value through profit or loss - pledged	72,535,301,006	-	72,535,301,006
Financial assets at fair value through profit or loss - unpledged	25,713,005,365	-	25,713,005,365
<b>Total</b>	<b>112,521,515,142</b>	<b>119,357,227,901</b>	<b>231,878,743,043</b>

	Fair value through profit or loss RR	Financial liabilities at amortised cost RR	Total RR
<b>Liabilities as per consolidated statement of financial position:</b>			
Bank overdrafts	-	49,875	49,875
Trade and other payables	-	17,730,859,483	17,730,859,483
Payables under repurchase agreements	-	95,254,488,147	95,254,488,147
Derivative financial liabilities	15,962,757,165	-	15,962,757,165
Financial liabilities at fair value through profit or loss	16,135	-	16,135
Bonds' issue	96,916,611,006	-	96,916,611,006
Lease liability	-	1,092,712	1,092,712
<b>Total</b>	<b>112,879,384,306</b>	<b>112,986,490,217</b>	<b>225,865,874,523</b>

#### 31 December 2019

	Fair value through profit or loss RR	Financial assets at amortised cost RR	Total RR
<b>Assets as per consolidated statement of financial position:</b>			
Trade and other receivables	-	29,609,193,628	29,609,193,628
Loans receivable	-	12,400,912,142	12,400,912,142
Cash and cash equivalents	-	155,661,730	155,661,730
Receivables from reverse repurchase agreements	-	63,434,522,321	63,434,522,321
Derivative financial assets	2,547,618,425	-	2,547,618,425
Financial assets at fair value through profit or loss - pledged	55,677,864,966	-	55,677,864,966
Financial assets at fair value through profit or loss - unpledged	20,900,365,182	-	20,900,365,182
<b>Total</b>	<b>79,125,848,573</b>	<b>105,600,289,821</b>	<b>184,726,138,394</b>

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 16. Financial instruments by category (continued)

	Fair value through profit or loss RR	Financial liabilities at amortised cost RR	Total RR
<b>Liabilities as per consolidated statement of financial position:</b>			
Bank overdrafts	-	114,412	114,412
Payables under repurchase agreements	-	82,762,321,128	82,762,321,128
Trade and other payables	-	27,652,752,511	27,652,752,511
Derivative financial liabilities	13,813,919,244	-	13,813,919,244
Financial liabilities at fair value through profit or loss	6,906,169	-	6,906,169
Bonds' issue	55,170,015,578	-	55,170,015,578
Lease liability	-	336,210	336,210
<b>Total</b>	<b>68,990,840,991</b>	<b>110,415,524,261</b>	<b>179,406,365,252</b>

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgement, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities. Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price that would be received to sell the asset, or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation techniques to estimate the fair value of common financial instruments, such as currency swaps and credit default swaps, that use only observable market data. Valuation of these contracts is based on the calculation of net present value of discounted cash flows. To calculate discounted cash flow following available values are used:

- credit spreads (for credit default swap);
- recovery rates at default and default correlations (for credit default swap);
- risk-free rate (calibrated to spot, forwards and swaps);
- spot and forward currency rates.

#### **Notes issued and forward contracts**

Notes issued and forward contracts are more complex structured instruments that include embedded derivatives. The Group has a large structured products portfolio with various payoff types. Majority of the portfolio are equity underlying instruments (US equities, Russian ADR/GDR, European equities, some Russian local stocks etc.) Additionally, First-to-Default credit derivatives with baskets composed to Russian and International Eurobonds as underlying assets. Most underlyings are liquid. Local volatility model used for the valuation of all equity linked products and a Gaussian Copula model for credit products. Valuations are performed in Numerix with observable market data from Bloomberg and derived data (e.g. correlations and volatilities) calculated by Risk department.

#### **Equity and debt securities**

The fair value of equity and debt securities is determined by reference to their quoted closing last price at the reporting date, or if unquoted, determined using a valuation technique. Valuation techniques include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate. The fair value of investments measured at amortised cost is determined for disclosure purposes only.

#### **Derivatives**

The fair value of forward exchange contracts is based on their quoted market price, if available. If a quoted market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### **16. Financial instruments by category (continued)**

The fair value of options is based on broker quotes or is determined based on valuation techniques using observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk when appropriate.

### ***Loans, trade and other receivables***

The fair value of loans, trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date; fair values reflect the credit risk of the instruments.

### ***Fair value hierarchy***

The Group measures fair values for financial instruments recorded at fair value on the consolidated statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

During the year 2020 and 2019 the Group did not use significant unobservable inputs for calculation of fair values.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The table below analyses financial instruments measured at fair value at 31 December 2020 and 31 December 2019, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position:

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

<b>31 December 2020</b>	Level 1 RR	Level 2 RR	Level 3 RR	Total RR
<b>Financial assets</b>				
Financial assets at fair value through profit or loss - pledged	72,535,301,006	-	-	72,535,301,006
Financial assets at fair value through profit or loss - unpledged	25,713,005,365	-	-	25,713,005,365
Derivative financial assets	-	13,172,744,035	-	13,172,744,035
Loans receivable at fair value through profit or loss	-	1,100,464,736	-	1,100,464,736
<b>Total</b>	<b>98,248,306,371</b>	<b>14,273,208,771</b>	<b>-</b>	<b>112,521,515,142</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss	16,135	-	-	16,135
Derivative financial liabilities	-	15,962,757,165	-	15,962,757,165
Bonds' issue	-	96,916,611,006	-	96,916,611,006
<b>Total</b>	<b>16,135</b>	<b>112,879,368,171</b>	<b>-</b>	<b>112,879,384,306</b>
31 December 2019	Level 1 RR	Level 2 RR	Level 3 RR	Total RR
<b>Assets measured at fair value</b>				
Financial assets at fair value through profit or loss - pledged	55,677,864,966	-	-	55,677,864,966
Financial assets at fair value through profit or loss - unpledged	20,900,365,182	-	-	20,900,365,182
Derivative financial assets	-	2,547,618,425	-	2,547,618,425
<b>Total</b>	<b>76,578,230,148</b>	<b>2,547,618,425</b>	<b>-</b>	<b>79,125,848,573</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss	6,906,169	-	-	6,906,169
Derivative financial liabilities	-	13,813,919,244	-	13,813,919,244
Bonds' issue	-	55,170,015,578	-	55,170,015,578
<b>Total</b>	<b>6,906,169</b>	<b>68,983,934,822</b>	<b>-</b>	<b>68,990,840,991</b>

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2020:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair values</b>	<b>Total carrying amount</b>
	RR	RR	RR	RR	RR
<b>Assets</b>					
Cash and cash equivalents	-	627,043,150	-	627,043,150	627,043,150
Receivables from reverse repurchase agreements	-	60,889,485,224	-	60,889,485,224	61,467,759,699
Trade and other receivables	-	14,430,281,528	-	14,430,281,528	14,430,281,528
Investments in amortised cost	32,422,818,013	-	-	32,422,818,013	32,051,677,862
Loans receivable at amortised cost	-	-	9,658,617,918	9,658,617,918	10,780,465,662
<b>Total</b>	<b>32,422,818,013</b>	<b>75,946,809,902</b>	<b>9,658,617,918</b>	<b>118,028,245,833</b>	<b>119,357,227,901</b>
<b>Liabilities</b>					
Lease liabilities	-	1,092,712	-	1,092,712	1,092,712
Bank overdrafts	-	49,875	-	49,875	49,875
Trade and other payables	-	17,730,859,483	-	17,730,859,483	17,730,859,483
Payables under repurchase agreements	-	94,261,487,781	-	94,261,487,781	95,254,488,147
<b>Total</b>	<b>-</b>	<b>111,993,489,851</b>	<b>-</b>	<b>111,993,489,851</b>	<b>112,986,490,217</b>

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2019:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair values</b>	<b>Total carrying amount</b>
	RR	RR	RR	RR	RR
<b>Assets</b>					
Cash and cash equivalents	-	155,661,730	-	155,661,730	155,661,730
Receivables from reverse repurchase agreements	-	63,418,510,470	-	63,418,510,470	63,434,522,321
Trade and other receivables	-	29,609,193,628	-	29,609,193,628	29,609,193,628
Investments in amortised cost	-	-	-	-	-
Loans receivable at amortised cost	-	-	11,633,556,424	11,633,556,424	12,400,912,142
<b>Total</b>	<b>-</b>	<b>93,183,365,828</b>	<b>11,633,556,424</b>	<b>104,816,922,252</b>	<b>105,600,289,821</b>
<b>Liabilities</b>					
Lease liabilities	-	336,210	-	336,210	336,210
Bank overdrafts	-	114,412	-	114,412	114,412
Trade and other payables	-	27,652,752,511	-	27,652,752,511	27,652,752,511
Payables under repurchase agreements	-	82,412,554,174	-	82,412,554,174	82,762,321,128
<b>Total</b>	<b>-</b>	<b>110,065,757,307</b>	<b>-</b>	<b>110,065,757,307</b>	<b>110,415,524,261</b>

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 17. Property, plant and equipment

	Right-of-use asset  RR	Computer Hardware - cost RR	Total  RR
<b>Cost</b>			
Balance at 1 January 2019	-	572,630	572,630
Additions	-	551,587	551,587
Transition to IFRS 16	2,096,046	-	2,096,046
<b>Balance at 31 December 2019/ 1 January 2020</b>	<b>2,096,046</b>	<b>1,124,217</b>	<b>3,220,263</b>
Additions	1,820,190	288,031	2,108,221
Disposals	(1,905,240)	(118,437)	(2,023,677)
<b>Balance at 31 December 2020</b>	<b>2,010,996</b>	<b>1,293,811</b>	<b>3,304,807</b>
<b>Depreciation</b>			
Balance at 1 January 2019	-	54,244	54,244
Charge for the year	1,627,238	234,090	1,861,328
<b>Balance at 31 December 2019/ 1 January 2020</b>	<b>1,627,238</b>	<b>288,334</b>	<b>1,915,572</b>
Charge for the year	1,129,231	371,165	1,500,396
On disposals	(1,905,240)	(38,846)	(1,944,086)
<b>Balance at 31 December 2020</b>	<b>851,230</b>	<b>620,652</b>	<b>1,471,882</b>
<b>Net book amount</b>			
<b>Balance at 31 December 2020</b>	<b>1,159,766</b>	<b>673,159</b>	<b>1,832,925</b>
<b>Balance at 31 December 2019</b>	<b>468,808</b>	<b>835,883</b>	<b>1,304,691</b>

### 18. Disposal of subsidiary

On 7 July 2020 the Group sold its subsidiary Routa Luxury Services Ltd to party unrelated to the Group. The subsidiary contributed net loss of RR 9 406 741 to the Group's profit for the year ended 31 December 2020. Effect of disposal on the financial position of the Group was as follows:

	Carrying amount at the date of disposal RR
Property, equipment and intangible assets	190,806
Trade and other receivables	15,760,043
Cash and cash equivalents	747,222
Trade and other payables	(1,542,612)
<b>Net assets disposed</b>	<b>15,155,459</b>
Consideration received	19,669
Cash disposed	(747,222)
<b>Net cash inflow</b>	<b>(727,553)</b>

Loss on disposal of the subsidiary was RR 15 135 790.

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 19. Investments in associates

	2020 RR	2019 RR
Balance at 1 January	683,777,377	650,367,649
Share of profits of associates	<u>(43,590,567)</u>	<u>33,409,728</u>
<b>Balance at 31 December</b>	<b><u>640,186,810</u></b>	<b><u>683,777,377</u></b>

The details of the investments are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<b>2020 Holding %</b>	2019 Holding %	<b>2020 RR</b>	2019 RR
Combined Closed-end mutual Fund "FNB Business"	Russia	Investment in real estate property	25.23	25.23	<b><u>640,186,810</u></b>	<b><u>683,777,377</u></b>

The Group has a 25,23% interest in closed-end real estate mutual fund "FNB Business", which is involved in lease and investing activity. The Group's interest in "FNB Business" is accounted for using the equity method in the consolidated financial statements. Summarised financial information of "FNB Business", based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Significant aggregate amounts in respect of associated undertakings:

#### **Summarised statement of financial position**

	2020 RR	2019 RR
Current assets, including:		
<i>Total cash and cash equivalents</i>	496,492,307	505,386,718
<i>Accounts receivable and other assets</i>	1,693,693	3,630,806
Non-current assets	2,042,208,945	2,211,497,566
Current liabilities	<u>(3,269,354)</u>	<u>(10,339,200)</u>
Net assets	<b><u>2,537,125,591</u></b>	<b><u>2,710,175,890</u></b>
Group's share in equity - 25.23% (2019: 25.23%)	<b><u>640,186,810</u></b>	<b><u>683,777,377</u></b>

#### **Summarised statement of profit or loss**

	2020 RR	2019 RR
Revenue from contracts with customers	15,890,413	16,237,789
Revaluation of land and buildings	(169,289,621)	138,692,150
Cost of sales	(10,316,641)	(11,564,228)
Administrative expenses	(9,039,083)	(10,945,069)
(Loss)/Profit before tax	<u>(172,754,932)</u>	<u>132,420,642</u>
Income tax expense	-	-
<b>(Loss)/profit for the year</b>	<b><u>(172,754,932)</u></b>	<b><u>132,420,642</u></b>
<b>Group's share of (loss)/profit for the year</b>	<b><u>(43,590,568)</u></b>	<b><u>33,409,728</u></b>

The Group's investment in "FNB Business" had no other contingent liabilities or commitments as at 31 December 2020 and 31 December 2019.

The associate's profit can be distributed through the sale of shares in fund.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 20. Derivative financial assets and liabilities

	2020	2019
	RR	RR
<b>Assets</b>		
Current portion	53,224,061	2,590,515
Non-current portion	<u>13,119,519,974</u>	<u>2,545,027,910</u>
	<u><b>13,172,744,035</b></u>	<u><b>2,547,618,425</b></u>
	2020	2019
	RR	RR
<b>Liabilities</b>		
Current portion	4,791,296,229	4,513,146,375
Non-current portion	<u>11,171,460,936</u>	<u>9,300,772,869</u>
	<u><b>15,962,757,165</b></u>	<u><b>13,813,919,244</b></u>

Derivative financial assets and liabilities by category as of 31 December 2020 and 31 December 2019 were as follows:

	2020	2019
	RR	RR
<b>Assets</b>		
Credit default SWAPs	13,119,519,974	2,546,070,004
Currency SWAPs	<u>53,224,061</u>	<u>1,548,421</u>
	<u><b>13,172,744,035</b></u>	<u><b>2,547,618,425</b></u>
	2020	2019
	RR	RR
<b>Liabilities</b>		
Forward contracts	11,061,937,663	13,442,726,018
Credit default SWAPs	1,975,378,055	301,149,920
Currency SWAPs	57,743,798	70,043,306
Options	<u>2,867,697,649</u>	<u>-</u>
	<u><b>15,962,757,165</b></u>	<u><b>13,813,919,244</b></u>

The Group issues derivative products for clients structured as options and forwards on underlying such as bonds, equities, indexes and commodities. The Group concludes OTC currency and credit default SWAPs not designated in a qualifying hedge relationship, to manage its exposure to debt and equity securities, foreign exchange open position.

At 31 December 2020 and 31 December 2019, the Group did not have any past due derivative financial instruments.

The credit quality of derivative financial instruments – assets analysed based on Standard & Poor's or other ratings converted to the nearest equivalent to the Standard & Poor's rating scale at 31 December 2020 and 31 December 2019 were as follows:

	2020	2019
	RR	RR
<i>Credit default SWAPs</i>		
A+	98,289,522	1,384,542,596
B+	<u>13,021,230,452</u>	<u>1,161,527,408</u>
<i>Currency SWAPs</i>		
B+	<u>53,224,061</u>	<u>1,548,421</u>
	<u><b>13,172,744,035</b></u>	<u><b>2,547,618,425</b></u>



# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 21. Investments at amortised cost

	2020 RR	2019 RR
<b>Municipal and Government Bonds</b>		
BBB+ to BBB-	2,424,123,082	-
<b>Corporate Bonds</b>		
BBB+ to BBB-	23,347,525,127	-
BB+ to BB-	6,410,006,566	-
<b>Total investments at amortised cost</b>	<b>32,181,654,775</b>	-
Loss allowance	<u>(129,976,913)</u>	-
<b>Balance at 31 December</b>	<b><u>32,051,677,862</u></b>	-

Movement in the loss allowance for investment securities measured at amortised cost during the year ended 31 December 2020 is as follows:

	2020 RR	2019 RR
Loss allowance at 1 January 2020	-	-
Foreign exchange difference	(2,526,336)	-
Charge of loss allowance	<u>(127,450,577)</u>	-
<b>Loss allowance at 31 December 2020</b>	<b><u>(129,976,913)</u></b>	-

The Group did not have any investments at amortised cost which were pledged as collateral as at 31 December 2020.

At 31 December 2020 the Group measures loss allowances as 12-month ECL as far as credit risk on investment securities measured at amortised cost has not increased significantly since their initial recognition.

Investments at amortised cost are represented by government bonds of Russian Federation and corporate bonds of Russian companies in the various industries such as Energy, Financial, Basic Materials, Industrial and others.

### 22. Loans receivable

	2020 RR	2019 RR
Loans to customers at amortized cost	11,293,646,725	12,886,247,249
Loss allowance	(513,181,063)	(485,335,107)
Loans to customers at FVTPL (designated)	<u>1,100,464,736</u>	-
<b>Balance at 31 December</b>	<b><u>11,880,930,398</u></b>	<b><u>12,400,912,142</u></b>

	2020 RR	2019 RR
Loans receivable	1,831,086,736	949,983,925
Loans to related parties (Note 30.6)	2,922,571,470	3,923,588,612
Loans to parent (Note 30.6)	7,640,453,255	8,012,674,712
Loss allowance on loans receivable	<u>(513,181,063)</u>	(485,335,107)
	<b>11,880,930,398</b>	<b>12,400,912,142</b>
Less current portion	<u>(3,330,700,028)</u>	(5,361,966,320)
Non-current portion	<b><u>8,550,230,370</u></b>	<b><u>7,038,945,822</u></b>

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 22. Loans receivable (continued)

The loan receivable designated at FVTPL represents the loan issued to a third party in amount of USD 15,000,000 in October 2020 (2019: nil). At the same time, the Group issued mirror credit-linked note with embedded Credit default SWAP that transfer credit risk of this third party to noteholders. This credit-linked note is classified to FVTPL measurement category. The Management voluntarily classifies the above loan receivable into FVTPL measurement category for the purpose of eliminations the accounting mismatch. At 31 December 2020, the maximum exposure to credit risk of the loan designated as at FVTPL is its carrying amount of RR 1,094,091,421 (2019: nil) the respective mirror credit-linked note provided notional principal protection of RR 1,059,330,945 (2019: nil).

There were no changes in fair value of the instruments due to changes in attributable credit risk since the date of issue of the loan and the respective credit-linked note.

The loans are repayable as follows:

	2020 RR	2019 RR
Within one year	3,330,700,028	5,361,966,320
Between one and five years	<u>8,550,230,370</u>	<u>7,038,945,822</u>
	<b><u>11,880,930,398</u></b>	<b><u>12,400,912,142</u></b>

Analysis by credit quality of loans as of 31 December 2020 and 31 December 2019 were as follows:

31 December 2020

	12-month ECL RR	Lifetime ECL not credit impaired RR	Total RR
<i>Corporate loans</i>			
Rated B+ (S&P)	9,947,793,747	-	<b>9,947,793,747</b>
Rated below B- (internal rating)	-	252,476,648	<b>252,476,648</b>
<i>Individual loans</i>			
Ultimate shareholder	<u>1,093,376,330</u>	-	<b><u>1,093,376,330</u></b>
<b>Total gross amount</b>	<b><u>11,041,170,077</u></b>	<b><u>252,476,648</u></b>	<b><u>11,293,646,725</u></b>
Loss allowance	<u>(274,563,090)</u>	<u>(238,617,973)</u>	<b><u>(513,181,063)</u></b>
<b>Net loans receivable</b>	<b><u>10,766,606,987</u></b>	<b><u>13,858,675</u></b>	<b><u>10,780,465,662</u></b>

31 December 2019

	12-month ECL RR	Lifetime ECL not credit impaired RR	Total RR
<i>Corporate loans</i>			
Rated B+ (S&P)	10,943,718,793	-	<b>10,943,718,793</b>
Rated below B- (internal rating)	-	616,279,365	<b>616,279,365</b>
<i>Individual loans</i>			
Ultimate shareholder	1,324,125,532	-	<b>1,324,125,532</b>
Other individuals	<u>2,123,559</u>	-	<b><u>2,123,559</u></b>
<b>Total gross amount</b>	<b><u>12,269,967,884</u></b>	<b><u>616,279,365</u></b>	<b><u>12,886,247,249</u></b>
Loss allowance	<u>(70,218,982)</u>	<u>(415,116,125)</u>	<b><u>(485,335,107)</u></b>
<b>Net loans receivable</b>	<b><u>12,199,748,902</u></b>	<b><u>201,163,240</u></b>	<b><u>12,400,912,142</u></b>

# **BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended 31 December 2020

### **22. Loans receivable (continued)**

The credit quality analysis of corporate loans presented in the table above is based on the external credit ratings of RAEX, Fitch and S&P; the external rating categories match with ratings of S&P. Default rates are calculated on statistical data of the International rating agencies. The credit quality analysis of loan to the ultimate shareholder is based on the external rating of FG BCS.

The Group did not hold any collateral for the loans as at 31 December 2020 and 31 December 2019.

None of the loans receivable was past due as at 31 December 2020 (2019: nil).

As at 31 December 2020 the Group has four counterparties (2019: three counterparties), whose balance exceeds 10% of equity. The gross value of this balance as at 31 December 2020 was RR 11,411,012,813 (2019: RR 10,543,854,105), including loan measured at fair value through profit or loss in amount of RR 1,100,464,736 (2019: nil).

The effective interest rates on receivables (current and non-current) were as follows:

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 22. Loans receivable (continued)

	Loss allowance			Gross carrying amount			
	12-month ECL RR	Lifetime ECL not credit impaired RR	Lifetime ECL credit impaired RR	12-month ECL RR	Lifetime ECL not credit impaired RR	Lifetime ECL credit impaired RR	Total RR
<b>At 31 December 2019</b>							
New loans originated and other increase in gross amount	(70,218,982)	(415,116,125)	-	12,269,967,884	616,279,365	-	12,886,247,249
Loans derecognized during the period and other decrease in gross amount	(152,558,645)	-	-	1,079,274,015	18,472,746	-	1,097,746,761
Transfer to Lifetime ECL not-credit impaired	12,715,756	-	-	(2,889,216,350)	-	-	(2,889,216,350)
Transfer to Lifetime ECL credit impaired	79,392,437	(79,392,437)	-	(252,476,648)	252,476,648	-	-
Write-off	32	415,116,125	(415,116,157)	(2,123,559)	(634,752,111)	636,875,670	-
Remeasurement of ECL due to transfers between stages	-	-	727,441,229	-	-	(729,564,788)	(729,564,788)
Remeasurement of ECL within the same stage	-	(158,540,408)	(219,635,954)	-	-	-	-
Foreign exchange difference	(131,188,410)	(685,128)	(131,873,538)	-	-	-	-
	(12,705,278)	-	(92,689,118)	835,744,735	-	92,689,118	928,433,853
<b>At 31 December 2020</b>	<b>(274,563,090)</b>	<b>(238,617,973)</b>	<b>(513,181,063)</b>	<b>11,041,170,077</b>	<b>252,476,648</b>	<b>-</b>	<b>11,293,646,725</b>

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 22. Loans receivable (continued)

	Loss allowance		Gross carrying amount			
	12-month ECL RR	Lifetime ECL not credit impaired RR	Total RR	12-month ECL RR	Lifetime ECL not credit impaired RR	Total RR
<b>At 31 December 2018</b>						
New loans originated and other increase in gross amount	(61,444,588)	-	(61,444,588)	12,953,326,206	-	12,953,326,206
Loans derecognized during the period and other decrease in gross amount	(45,709,629)	-	(45,709,629)	8,054,898,939	-	8,054,898,939
Transfer to Lifetime ECL not-credit impaired	6,067,442	-	6,067,442	(7,751,017,714)	-	(7,751,017,714)
Remeasurement of ECL due to transfers between stages	1,687,917	(1,687,917)	-	(656,556,905)	656,556,905	-
Remeasurement of ECL within the same stage	-	(413,621,218)	(413,621,218)	-	-	-
Foreign exchange difference	24,756,497	-	24,756,497	-	-	-
	4,423,378	193,010	4,616,388	(330,682,642)	(40,277,540)	(370,960,182)
<b>At 31 December 2019</b>	<b>(70,218,982)</b>	<b>(415,116,125)</b>	<b>(485,335,107)</b>	<b>12,269,967,884</b>	<b>616,279,365</b>	<b>12,886,247,249</b>

# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 23. Receivables from reverse repurchase agreements and payables under repurchase agreements Receivables under repurchase agreements

The Group has transactions to sell securities under agreements to repurchase and to purchase securities under agreements to resell.

The securities sold under agreements to repurchase are transferred to a third party and the Group receives cash in exchange. These financial assets may be repledged or resold by counterparties in the absence of default by the Group, but the counterparty has an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, the Group recognises a financial liability for cash received as collateral included in payables under repurchase agreements.

These transactions are conducted under terms that are usual and customary to standard securities sale and repurchase activities.

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>RR</b>	<b>RR</b>
Receivables from reverse repurchase agreements (rated B+)	32,970,219,277	40,688,418,179
Loss allowance	<u>(159,055,074)</u>	<u>(511,861)</u>
<b>Total</b>	<b><u>32,811,164,203</u></b>	<b><u>40,687,906,318</u></b>
Prepayment for reverse repurchase agreements (rated B+)	28,685,716,923	22,747,739,659
Loss allowance	<u>(29,121,427)</u>	<u>(1,123,656)</u>
<b>Total</b>	<b><u>28,656,595,496</u></b>	<b><u>22,746,616,003</u></b>
Total loss allowance	<u>(188,176,501)</u>	<u>(1,635,517)</u>
<b>Net receivables from reverse repurchase agreements</b>	<b><u>61,467,759,699</u></b>	<b><u>63,434,522,321</u></b>

The Prepayment under reverse repo represents the outstanding balance of the transaction for which the Group had not yet received collateral. The collateral for the transaction has been received after the reporting date. After the reporting date these transactions were closed without losses.

The amount of collateral accepted in respect of reverse sale and repurchase transactions is presented below. Prepayment under repo transactions is excluded from the disclosure. The amounts reflect over-collateralisation and so differ from the amounts disclosed in Note 7.7.

	<b>2020</b>	<b>2019</b>
	<b>RR</b>	<b>RR</b>
Receivables from reverse repurchase agreements	<b>32,970,219,277</b>	<b>40,688,418,179</b>
Fair value of collateral received in respect of the above	<b><u>41,997,744,311</u></b>	<b><u>36,886,901,249</u></b>
Amount of over-collateralisation	13,711,569,833	6,584,232,864
Amount of under-collateralisation	(4,684,044,799)	(10,385,749,793)
Loss allowance	<u>(159,055,074)</u>	<u>(511,861)</u>

Collateral received includes corporate bonds, government bonds and liquid corporate shares, that the Group is permitted to sell or repledge. Part of the related-party repo transactions are undercollateralised, these transactions are in accordance with the established credit risk limits by the Risk management. After the reporting date the Group has not incurred losses on such transactions.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 23. Receivables from reverse repurchase agreements and payables under repurchase agreements (continued)

Movement in the loss allowance for trade receivables on REPO during the year ended 31 December 2020 and 31 December 2019 is as follows:

	2020	2019
	RR	RR
<b>Balance at 1 January</b>	<b>(1,635,517)</b>	<b>(61,712,295)</b>
Foreign exchange difference	(12,414,283)	207,334
Remeasurement of ECL	(174,126,701)	59,869,444
<b>Balance at 31 December</b>	<b><u>(188,176,501)</u></b>	<b><u>(1,635,517)</u></b>

At 31 December 2020 and 31 December 2019, the Group measures loss allowances as 12-month ECL as far as credit risk on receivables under resale agreements has not increased significantly since their initial recognition.

A total of 93,57% of receivables under resale agreement in amount of RR 57,693,409,568 at 31 December 2020 represent balance from two companies. As at 31 December 2019 all reverse repo transactions were concluded through a broker.

### Payables under repurchase agreements

	2020	2019
	RR	RR
Payables on repo transactions (rated B+)	90,263,588,426	76,370,886,078
Prepaid repo transactions (rated B+)	4,990,899,721	6,391,435,050
<b>Total carrying amount</b>	<b><u>95,254,488,147</u></b>	<b><u>82,762,321,128</u></b>

The Prepaid repo transactions the outstanding balance of the transaction for which the Group had not yet transferred collateral. The collateral for the transaction has been transferred after the reporting date.

The amount of collateral transferred in respect of reverse sale and repurchase transactions is presented below. The amounts reflect over-collateralisation, the amount of under-collateralisation and so differ from the amounts disclosed in Note 7.7.

	31 December 2020	31 December 2019
	RR	RR
Carrying amount of own financial assets measured at fair value through profit or loss transferred and pledged under repurchase agreements	72,535,301,006	55,677,864,966
Fair value of pledged assets that were received as collateral for reverse repurchase agreements	<u>47,267,033,628</u>	<u>72,377,170,938</u>
<b>Total financial assets transferred and pledged under repurchase agreements</b>	<b><u>119,802,334,634</u></b>	<b><u>128,055,035,904</u></b>
<b>Carrying amount of associated liabilities</b>	<b><u>90,263,588,426</u></b>	<b><u>72,370,886,078</u></b>

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 24. Trade and other receivables

	2020	2019
	RR	RR
Trade and other receivables to third parties	8,587,209,810	172,010,841
Less: credit loss on trade receivables	<u>(4,187,704)</u>	<u>(16,777)</u>
Trade receivables - net	8,583,022,106	171,994,064
Receivables from other related parties (Note 30.5)	8,752,775,613	29,462,960,400
Less: credit loss on receivables from related parties (Note 30.5)	<u>(2,905,516,191)</u>	<u>(25,760,836)</u>
	14,430,281,528	29,609,193,628
Less non-current receivables	<u>(4,030,134,196)</u>	<u>(30,726,151)</u>
<b>Current portion</b>	<u><b>10,400,147,332</b></u>	<u><b>29,578,467,477</b></u>

Trade and other receivables by category as of 31 December 2020 and 31 December 2019 were as follows:

	2020	2019
	RR	RR
Cash collateral	11,890,197,872	-
Unsettled sale of securities	4,010,100,000	4,010,100,000
Receivables from issuers for securities	837,203,376	140,981,212
Trade receivables from brokers	592,926,989	25,452,860,400
Less: credit loss on trade receivables	<u>(2,909,703,895)</u>	<u>(25,777,613)</u>
Total financial assets	14,420,724,342	29,578,163,999
Other non-financial assets	<u>9,557,186</u>	<u>31,029,629</u>
<b>Total trade and other receivables</b>	14,430,281,528	29,609,193,628
Less non-current receivables	<u>(4,030,134,196)</u>	<u>(30,726,151)</u>
<b>Current portion</b>	<u><b>10,400,147,332</b></u>	<u><b>29,578,467,477</b></u>

Analysis by credit quality of trade and other receivables as at 31 December 2020 and 31 December 2019 is as follows:

31 December 2020	12-month ECL	Lifetime ECL	Total
	RR	credit-impaired RR	RR
<b>Cash collateral</b>			
A- to A+	7,740,440,733	-	7,740,440,733
B- to B+	4,149,757,139	-	4,149,757,139
Loss allowance	(100,563,041)	-	(100,563,041)
<b>Unsettled sale of securities</b>			
Unrated	-	4,010,100,000	4,010,100,000
Loss allowance	-	(2,794,100,000)	(2,794,100,000)
<b>Receivables from issuers for securities</b>			
AA- to AA+	30,518	-	30,518
A- to A+	798,003,598	-	798,003,598
BBB- to BBB+	21,864,904	-	21,864,904
Unrated	17,304,356	-	17,304,356
Loss allowance	(304,438)	-	(304,438)
<b>Trade receivables from brokers</b>			
B- to B+	592,926,989	-	592,926,989
Loss allowance	(14,736,416)	-	(14,736,416)
<b>Total financial assets</b>	<u><b>13,204,724,342</b></u>	<u><b>1,216,000,000</b></u>	<u><b>14,420,724,342</b></u>

31 December 2019

Total



# BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 24. Trade and other receivables (continued)

	RR
<b>Unsettled sale of securities</b>	
Unrated	4,010,100,000
Loss allowance	(24,153,816)
<b>Receivables from issuers for securities</b>	
A- to A+	97,890,724
B- to B+	43,090,488
Loss allowance	(16,777)
<b>Trade receivables from brokers</b>	
B- to B+	25,452,860,400
Loss allowance	(1,607,020)
<b>Total financial assets</b>	<b><u>29,578,163,999</u></b>

At 31 December 2019, the Group measures loss allowances for trade and other receivables receivable as 12-month ECL as far as credit risk has not increased significantly since initial recognition.

Movements in the loss allowance for trade and other receivables for the years ended 31 December 2020 and 31 December 2019 were as follows:

	12-month ECL RR	Lifetime ECL credit-impaired RR	Total 31 December 2020 RR
<b>At 31 December 2019</b>	<b>(25,777,613)</b>	-	<b>(25,777,613)</b>
Transfer to Lifetime ECL credit impaired	24,153,816	(24,153,816)	-
Foreign exchange difference	(2,527,705)	-	(2,527,705)
Remeasurement of ECL due to transfers between stages	-	(2,774,953,281)	(2,774,953,281)
Remeasurement of ECL within the same stage	<u>(111,452,393)</u>	<u>5,007,097</u>	<u>(106,445,296)</u>
<b>At 31 December 2020</b>	<b><u>(115,603,895)</u></b>	<b><u>(2,794,100,000)</u></b>	<b><u>(2,909,703,895)</u></b>
			12-month ECL RR
<b>At 31 December 2018</b>			<b>(3,694,666)</b>
Foreign exchange difference			1,196,438
Remeasurement of ECL within the same stage			<u>(23,279,385)</u>
<b>At 31 December 2019</b>			<b><u>(25,777,613)</u></b>

As at 31 December 2020 the Group has two counterparties (2019: two counterparties), whose balance exceeds 10% of equity. The gross value of this balance as at 31 December 2020 was RR 8,952,557,475 (2019: RR 29,578,051,473).

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 25. Financial assets at fair value through profit or loss

Financial assets	2020 RR	2019 RR
Pledged trading assets	72,535,301,006	55,677,864,966
Unpledged trading assets	<u>25,713,005,365</u>	<u>20,900,365,182</u>
<b>Balance at 31 December</b>	<b><u>98,248,306,371</u></b>	<b><u>76,578,230,148</u></b>

Financial liabilities	2020 RR	2019 RR
Trading liabilities	16,135	6,906,169
Bonds issued	<u>96,916,611,006</u>	<u>55,170,015,578</u>
<b>Balance at 31 December</b>	<b><u>96,916,627,141</u></b>	<b><u>55,176,921,747</u></b>
Less non-current portion	<u>(89,963,884,885)</u>	<u>(54,553,811,773)</u>
Current portion	<b><u>6,952,742,256</u></b>	<b><u>623,109,974</u></b>

Trading assets and liabilities:

	31 December 2020		
	Pledged RR	Unpledged RR	Total RR
<b>Financial assets</b>			
<b>Corporate Bonds</b>			
AA+ to AA-	-	236,599,281	236,599,281
BBB+ to BBB-	7,067,675,112	4,615,861,471	11,683,536,583
BB+ to BB-	2,920,944,825	2,071,560,599	4,992,505,424
B+ to B-	3,290,932,832	1,935,445,208	5,226,378,040
Unrated	-	3,767,230	3,767,230
<b>Total debt instruments</b>	<b><u>13,279,552,769</u></b>	<b><u>8,863,233,789</u></b>	<b><u>22,142,786,558</u></b>
<b>Equity instruments</b>			
Corporate shares	53,788,264,715	15,862,906,149	69,651,170,864
Exchange Traded funds	5,467,483,522	986,865,427	6,454,348,949
<b>Total equity instruments</b>	<b><u>59,255,748,237</u></b>	<b><u>16,849,771,576</u></b>	<b><u>76,105,519,813</u></b>
<b>Total trading assets</b>	<b><u>72,535,301,006</u></b>	<b><u>25,713,005,365</u></b>	<b><u>98,248,306,371</u></b>
<b>Financial liabilities</b>			
Corporate equity instruments	-	16,135	16,135
<b>Total trading liabilities</b>	<b><u>-</u></b>	<b><u>16,135</u></b>	<b><u>16,135</u></b>

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

#### 25. Financial assets at fair value through profit or loss (continued)

	31 December 2019		
	Pledged RR	Unpledged RR	Total RR
<b>Financial assets</b>			
<b>Corporate Bonds</b>			
AA+ to AA-	-	197,959,026	<b>197,959,026</b>
BBB+ to BBB-	6,914,557,505	6,937,151,314	<b>13,851,708,819</b>
BB+ to BB-	4,097,180,489	3,042,413,690	<b>7,139,594,179</b>
B+ to B-	1,803,965,660	1,411,575,316	<b>3,215,540,976</b>
Unrated	-	3,108,785	<b>3,108,785</b>
<b>Total debt instruments</b>	<b>12,815,703,654</b>	<b>11,592,208,131</b>	<b>24,407,911,785</b>
<b>Equity instruments</b>			
Corporate shares	42,862,161,312	9,023,582,045	<b>51,885,743,357</b>
Exchange Traded funds	-	284,575,006	<b>284,575,006</b>
<b>Total equity instruments</b>	<b>42,862,161,312</b>	<b>9,308,157,051</b>	<b>52,170,318,363</b>
<b>Total trading assets</b>	<b>55,677,864,966</b>	<b>20,900,365,182</b>	<b>76,578,230,148</b>
<b>Financial liabilities</b>			
Corporate equity instruments	-	6,906,169	<b>6,906,169</b>
<b>Total trading liabilities</b>	<b>-</b>	<b>6,906,169</b>	<b>6,906,169</b>

Trading assets are represented by shares and bonds of large Russian companies. Management assesses the performance of these instruments based on their fair values and irrevocably designated these securities as Financial instruments measured at fair value through profit or loss. None of the financial assets are past due. Trading liabilities at fair value through profit or loss represent liabilities for short sale transactions.

Corporate shares are represented by instruments of companies in the following industries:

	2020 RR	2019 RR
Communications	<b>23,884,309,627</b>	16,624,765,019
Consumer, Non-cyclical	<b>11,822,952,321</b>	7,354,543,610
Financial	<b>5,243,308,452</b>	5,129,223,930
Energy	<b>12,443,909,558</b>	8,458,141,186
Consumer, Cyclical	<b>7,819,024,882</b>	6,025,879,805
Technology	<b>5,328,796,891</b>	4,397,851,861
Basic Materials	<b>1,929,001,116</b>	3,744,944,087
Industrial	<b>59,271,359</b>	110,490,359
Funds	-	6,580,885
Other	<b>1,120,596,658</b>	33,322,615
<b>Total corporate shares</b>	<b>69,651,170,864</b>	<b>51,885,743,357</b>

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### **25. Financial assets at fair value through profit or loss (continued)**

The exposure of the Group to market risk in relation to financial assets is reported in note 7 of the consolidated financial statements.

#### *Bonds issued*

The bonds issued carry interest between 0% and 30% per annum and they are repayable not later than 11 April 2028 (except for one note which its repayment date is termless).

The Notes denominated in RR: a total amount of RR 22,121,038,894 including interest payable of RR 79,044,062. The revaluation of the issued Notes in RR -2,590,736,532. The amortization of the discount on the issued Notes in RR -24,117,045 (2019: RR 11,660,510,717 including interest payable of RR 79,442,364; the revaluation of the issued Notes in RR -243,489,328; the amortization of the discount on the issued Notes in RR -9,744,134). Interest with respect to the Notes in RR is at fixed rate between 0% and 20% per annum 1 time a year/2 times a year/4 times a year and they are repayable not later than 26 November 2027.

The Notes denominated in USD: a total amount of RR 94,967,147,509 including interest payable of RR 374,113,993. The revaluation of the issued Notes in RR -15,431,074,476. The amortization of the discount on the issued Notes in RR -8,312,236,499, the amortization of premiums on issued Notes in RR 10,073,766. (2019: RUR 56,827,519,430 including interest payable of RR 390,876,967; the revaluation of the issued Notes in RR -7,114,083,889; the amortization of the discount on the issued Notes in RR -7,791,186,684; the amortization of premiums on issued Notes in RR 9,681,335). Interest with respect to the Notes in USD is at fixed rate between 0% and 30% per annum 2 times a year/4 times a year and they are repayable not later than 11 April 2028 (except one note which its repayment date is termless).

The Notes denominated in EUR: a total amount of RR 7,368,196,254 including interest payable of RR 46,822,452. The revaluation of the issued Notes in RR -1,513,843,778 (2019: RR 2,297,862,091 including interest payable of RR 5,866,032; the revaluation of the issued notes in RR -467,053,959). Interest with respect to the Notes in EUR is at fixed rate between 3.5% and 11% per annum 2 times a year/4 times a year and they are repayable not later than 20 January 2026.

The Notes denominated in GBP: a total amount of RR 100,338,516 including interest payable of RR 296,016. The revaluation of the issued Notes in RR -25,469,383 (2019: RR Nil including interest payable of RR Nil; the revaluation of the issued notes in RR Nil). Interest with respect to the Notes in GBP is at fixed rate at 3% per annum and they are repayable not later than 30 December 2025.

Details of all notes currently issued can be found in Annex 1. During the year ended 31 December 2020 the parent Company issued the following Notes:

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2099349495	XS2104313221
Currency	USD	USD
Nominal	10,000,000	2,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	6.5 per cent. per Interest Period	8.5 per cent. per Interest Period
Interest payment dates	21 August 2020, 1 March 2021, 7 September 2021, 14 March 2022, 21 September 2022 and 28 March 2023	17 May in each year, commencing on 17 May 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	28 March 2023	17 May 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Each SPS valuation date/coupon period end date shifted by +1 week all the way to maturity. Reference persons: 1. Apple Inc US0378331005 2. Alibaba Group Holding Ltd US01609W1027 3. General Motors Co US37045V1008 4. Twilio Inc US90138F1021 5. Weibo Corp US9485961018	Reference persons: 1. Sony Corp JP3435000009 2. Philip Morris International Inc US7181721090 3. McDonald's Corp US5801351017 4. Bayerische Motoren Werke AG DE0005190003 5. Sberbank of Russia PJSC US80585Y3080 6. MMC Norilsk Nickel PJSC RU0007288411
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year ended 31 December 2020

ISIN	XS2104929331	XS2110115487
Currency	USD	USD
Nominal	2,000,000	5,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	11 per cent. per Interest Period	15 per cent. per annum
Interest payment dates	22 March in each year, commencing on 22 March 2021 up to and including the Maturity Date	Each 22 January and 22 July in each calendar year from (and including) 22 July 2020 up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)
Details of the maturity dates of the Notes issued	22 March 2025	22 January 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. Sony Corp JP343500009 2. Philip Morris International Inc US7181721090 3. McDonald's Corp US5801351017 4. Bayerische Motoren Werke AG DE0005190003 5. Sberbank of Russia PJSC US80585Y3080 6. MMC Norilsk Nickel PJSC RU0007288411	Not applicable
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2114337798	XS2114460053
Currency	USD	USD
Nominal	10,000,000	3,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.75 per cent. per Interest Period for a Snowball Level of 75 per cent., 2.5 per cent. per Interest Period for a Snowball Level of 65 per cent.	6.25 per cent. per Interest Period for a Snowball Level of 85 per cent., 5 per cent. per Interest Period for a Snowball Level of 75 per cent., 2.5 per cent. per Interest Period for a Snowball Level of 65 per cent.
Interest payment dates	5 March, 5 June, 5 September and 5 December in each year, commencing on 5 June 2020 up to and including the Maturity Date	19 February, 19 May, 19 August and 19 November in each year, commencing on 19 May 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	5 June 2025	19 February 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. JP3436100006, SoftBank Group Corp, 9984 JT Equity 2. JP3756600007, Nintendo Co Ltd, 7974 JT Equity 3. JP3236200006, Keyence Corp, 6861 JT Equity 4. US8522341036, Square Inc, SQ UN Equity 5. RU0009029540, Sberbank of Russia PJSC, SBER RX Equity	Reference persons: 1. JP3756600007, Nintendo Co Ltd, 7974 JT Equity 2. US6549022043, Nokia Oyj (ADR), NOK UN Equity 3. US80585Y3080, Sberbank of Russia PJSC (ADR), SBER LI Equity 4. US90138F1021, Twilio Inc, TWLO UN Equity 5. US9581021055, Western Digital Corp, WDC UW Equity
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2116689972	XS2118272389
Currency	USD	RUR
Nominal	3,000,000	600,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 15 per cent. per annum	4 per cent. per Interest Period for a Snowball Level of 70 per cent, 1.5 per cent. per Interest Period for a Snowball Level of 0 per cent.
Interest payment dates	Each 14 February and 14 August in each calendar year from (and including) 14 February 2020 up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)	13 March, 13 June, 13 September and 13 December in each year, commencing on 13 June 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	6 February 2025	13 June 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Reference persons: 1. JP3435000009, Sony Corp, 6758 JT Equity 2. JP3236200006, Keyence Corp, 6861 JT Equity 3. US25470F1049, Discovery Inc, DISCA UW Equity 4. US8486371045, Splunk Inc, SPLK UW Equity 5. US8522341036, Square Inc, SQ UN Equity 6. RU0009029540, Sberbank of Russia PJSC, SBER RX Equity
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value



## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2123084639	XS2125163688
Currency	RUR	RUR
Nominal	100,050,000	600,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	The first Interest Period, 5 per cent. per annum; and each other Interest Period, 10 per cent. per annum	2.5 per cent. per Interest Period
Interest payment dates	Each 15 May and 15 November in each calendar year from (and including) 15 May 2020 up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)	26 March, 26 June, 26 September and 26 December in each year, commencing on 26 June 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	15 May 2023	26 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Reference persons: 1. JP3236200006, Keyence Corp, 6861 JT Equity 2. JP3436100006, SoftBank Group Corp, 9984 JT Equity 3. US0079031078, Advanced Micro Devices Inc, AMD UW Equity 4. US25470F1049, Discovery Inc, DISCA UW Equity 5. US58733R1023, MercadoLibre Inc, MELI UW Equity 6. RU0009029540, Sberbank of Russia PJSC, SBER RX Equity *NB: note with guaranteed coupon!
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2128023012	XS2128490906
Currency	USD	USD
Nominal	3,000,000	10,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	(i) the first Interest Period, 3.00 per cent. per annum; and (ii) each subsequent Interest Period, 13.50 per cent. per annum	7.5 per cent. per Interest Period for a Snowball Level of 100 per cent., 6.25 per cent. per Interest Period for a Snowball Level of 85 per cent., 3.75 per cent. per Interest Period for a Snowball Level of 75 per cent., 2.5 per cent. per Interest Period for a Snowball Level of 65 per cent
Interest payment dates	Each 25 March, 25 June, 25 September and 25 December in each calendar year from (and including) 25 March 2020 up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)	9 January, 9 April, 9 July and 9 October in each year, commencing on 9 July 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	25 March 2025	9 July 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Reference persons: 1. JP3436100006, SoftBank Group Corp, 9984 JT Equity 2. US0079031078, Advanced Micro Devices Inc, AMD UW Equity 3. US1270971039, Cabot Oil & Gas Corp, COG UN Equity 4. US58733R1023, MercadoLibre Inc, MELI UW Equity 5. RU0009029540, Sberbank of Russia PJSC, SBER RX Equity
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2134428486	XS2139467901
Currency	USD	USD
Nominal	8,000,000	10,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.5 per cent. per Interest Period	In respect of each Interest Period, 7.00 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	24 March, 24 June, 24 September and 24 December in each year, commencing on 24 June 2020 up to and including the Maturity Date	Each 20 June and 20 December in each calendar year from (and including) 20 June 2020 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	24 March 2025	20 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. JP3436100006, SoftBank Group Corp, 9984 JT Equity 2. US09062X1037, Biogen Inc, BIIB UW Equity 3. US6549022043, Nokia Oyj (ADR), NOK UN Equity 4. US80585Y3080, Sberbank of Russia PJSC (ADR), SBER LI Equity 5. US90138F1021, Twilio Inc, TWLO UN Equity	Not applicable
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2139466846	XS2139835636
Currency	USD	RUR
Nominal	10,000,000	100,000,000
Nature of the notes issued	First to Default Credit Linked Notes	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 7.00 per cent. per annum payable in arrear on each Interest Payment Date	The first Interest Period, 0.5 per cent. per annum; and each subsequent Interest Period, 13.5 per cent. per annum.
Interest payment dates	Each 20 June and 20 December in each calendar year from (and including) 20 June 2020 up to (and including) the Scheduled Maturity Date.	Each 15 June in each calendar year from (and including) 15 June 2020 up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)
Details of the maturity dates of the Notes issued	20 June 2025	15 June 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Not applicable
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2143253651	XS2143253495
Currency	USD	RUR
Nominal	10,000,000	600,000,000
Nature of the notes issued	Credit Linked Notes	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	7 per cent. per annum	11 per cent. per annum
Interest payment dates	30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024, 30 December 2024 and 30 June 2025	30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024, 30 December 2024 and 30 June 2025
Details of the maturity dates of the Notes issued	30 June 2025	30 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	<p>Reference Persons:</p> <ol style="list-style-type: none"> <li>1. Ford Motor Co, US345397WW97, bonds with a rate of 3.664%, maturing in 2024</li> <li>2. Nordstrom Inc, US655664AS97, bonds with a rate of 4.000%, due in 2027</li> <li>3. ArcelorMittal, US03938LAZ76, bonds with a rate of 6.125%, maturing in 2025</li> <li>4. Anglo American plc, XS1686846061, bonds with a rate of 1.625%, maturing in 2025</li> <li>5. Glencore International AG, XS1202849086, bonds with a rate of 1.750%, maturing in 2025</li> <li>6. Volkswagen AG, XS1586555945, bonds with a rate of 1.875%, maturing in 2027</li> </ol>	<p>Reference persons:</p> <ol style="list-style-type: none"> <li>1. Vale S. A., US91911TAP84, bonds with a rate of 6.250%, maturing in 2026</li> <li>2. Nordstrom Inc, US655664AS97, bonds with a rate of 4.000%, due in 2027</li> <li>3. ArcelorMittal, US03938LAZ76, bonds with a rate of 6.125%, maturing in 2025</li> <li>4. Anglo American plc, XS1686846061, bonds with a rate of 1.625%, maturing in 2025</li> <li>5. Glencore International AG, XS1202849086, bonds with a rate of 1.750%, maturing in 2025</li> <li>6. Volkswagen AG, XS1586555945, bonds with a rate of 1.875%, maturing in 2027</li> </ol>
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2147899228	XS2143149834
Currency	USD	USD
Nominal	6,000,000	10,000,000
Nature of the notes issued	Pegasus Share and Credit Linked Notes	Multi-Chance Autocall std notes with snowball digital coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of the first interest period 5.00 per cent per annum, In respect of each Interest Period, 13.00 per cent. per annum	3.75 per cent. per Interest Period
Interest payment dates	27 April 2020 - Strike date and each 20 June and 20 December in each calendar year from (and including) 20 June 2020 up to (and including) the Scheduled Maturity Date, or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day	30 January, 30 April, 30 July and 30 October in each year, commencing on 30 July 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	20 June 2025	30 July 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Reference persons: 1. US0404131064, Arista Networks Inc, ANET UN Equity 2. GB00BZ09BD16, Atlassian Corp PLC, TEAM UW Equity 3. US25754A2015, Domino's Pizza Inc, DPZ UN Equity 4. US3755581036, Gilead Sciences Inc, GILD UW Equity 5. US6974351057, Palo Alto Networks Inc, PANW UN Equity
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2152970393	XS2121431113
Currency	USD	USD
Nominal	5,000,000	10,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 15.00 per cent. per annum	In respect of each Interest Period, 6.00 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	Each 8 October and 8 April in each calendar year from (and including) 8 October 2020 up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)	Each 20 June and 20 December in each calendar year from (and including) 20 June 2020 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	8 April 2025	20 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Not applicable
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2158465802	XS2154338623
Currency	USD	USD
Nominal	2,000,000	10,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	20 per cent. per Interest Period for a Snowball Level of 100 per cent., 2.5 per cent. per Interest Period for a Snowball Level of 70 per cent	In respect of each Interest Period, 6.00 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	17 February, 17 May, 17 August and 17 November in each year, commencing on 17 August 2020 up to and including the Maturity Date	Each 27 June and 27 December in each calendar year from (and including) 27 June 2020 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	17 May 2023	27 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. US2546871060, The Walt Disney Company, DIS UN Equity 2. US3755581036, Gilead Sciences Inc, GILD UW Equity 3. US4581401001, Intel Corp, INTC UW Equity 4. US8522341036, Square Inc, SQ UN Equity 5. NL0009805522, Yandex NV, YNDX UW Equity	Not applicable
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value



## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2166995725	XS2170362839
Currency	RUR	USD
Nominal	600,000,000	10,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	(i) the first Interest Period, 5.00 per cent. per annum; and (ii) each subsequent Interest Period, 18 per cent. per annum	3 per cent. per Interest Period
Interest payment dates	(i) the Strike Date 25 June 2020(ii) each 12 May and 12 November in each calendar year from (and including) 12 November 2020 up	18 March, 18 June, 18 September and 18 December in each year, commencing on 18 September 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	12 May 2025	18 September 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Reference persons: 1. JP3436100006, SoftBank Group Corp, 9984 JT Equity 2. US0404131064, Arista Networks Inc, ANET UN Equity 3. US7475251036, Qualcomm Inc, QCOM UW Equity 4. GB00BZ09BD16, Atlassian Corp PLC, TEAM UW Equity 5. US64110W1027, NetEase Inc, NTES UW Equity
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2152970476	XS2181436796
Currency	USD	RUR
Nominal	5,000,000	600,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	The first Interest Period. 5.00 per cent. per annum; and each following Interest Period, 15.00 per cent. per annum.	11 per cent. per annum
Interest payment dates	(i) the Strike Date - 11 June 2020; and (ii) each 11 June, 11 September, 11 December and 11 March in each calendar year from (and including) 11 September 2020 up to and including the Maturity Date	30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024, 30 December 2024 and 30 June 2025
Details of the maturity dates of the Notes issued	11 June 2025	30 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Reference persons: 1. Dell Inc, US247025AE93, bonds with a rate of 7.100%, maturing in 2028 2. General Motors Co, US37045VAV27, bonds with a rate of 6.125%, maturing in 2025 3. Marks & Spencer Group PLC, XS0863523030, bonds with a rate of 4.750%, maturing in 2025 4. Nokia OYJ, XS1960685383, bonds with a rate of 2.000%, maturing in 2026 5. Petroleo Brasileiro SA, USN6945AAJ62, bonds with a rate of 5.299%, maturing in 2025 6. Rolls-Royce Holdings PLC, USG76237AB53, bonds with a rate of 3.625%, maturing in 2025
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2184850811	XS2183933576
Currency	USD	USD
Nominal	10,000,000	3,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.25 per cent. per Interest Period	7 per cent. per Interest Period
Interest payment dates	5 January, 5 April, 5 July and 5 October in each year, commencing on 5 October 2020 up to and including the Maturity Date	21 June and 21 December in each year, commencing on 21 December 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	5 October 2025	21 June 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. GB00BZ09BD16, Atlassian Corp PLC, TEAM UW Equity 2. US25470F1049, Discovery Inc, DISCA UW Equity 3. JP3236200006, Keyence Corp, 6861 JT Equity 4. JP3436100006, SoftBank Group Corp, 9984 JT Equity 5. US9024941034, Tyson Foods Inc, TSN UN Equity	Reference persons: 1. US0404131064, Arista Networks Inc, ANET UN Equity 2. US67066G1040, NVIDIA Corp, NVDA UW Equity 3. US7475251036, Qualcomm Inc, QCOM UW Equity 4. JP3435000009, Sony Corp, 6758 JT Equity 5. US9285634021, VMware Inc, VMW UN Equity
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2185963803	XS2189377562
Currency	RUR	USD
Nominal	600,000,000	10,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.5 per cent. per Interest Period	In respect of each Interest Period, 8.50 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	15 January, 15 April, 15 July and 15 October in each year, commencing on 15 October 2020 up to and including the Maturity Date	Each 20 June and 20 December in each calendar year from (and including) 20 December 2020 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	15 October 2025	20 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. US25470F1049, Discovery Inc, DISCA UW Equity 2. US3755581036, Gilead Sciences Inc, GILD UW Equity 3. JP3236200006, Keyence Corp, 6861 JT Equity 4. JP3756600007, Nintendo Co Ltd, 7974 JT Equity 5. RU0009029540, Sberbank of Russia PJSC, SBER RX Equity	Not applicable
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2189376911	XS2185962664
Currency	RUR	USD
Nominal	600,000,000	5,000,000
Nature of the notes issued	First to Default Credit Linked Notes	Autocall Standard Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 12.00 per cent. per annum payable in arrear on each Interest Payment Date	2.5 per cent. per Interest Period
Interest payment dates	Each 20 June and 20 December in each calendar year from (and including) 20 December 2020 up to (and including) the Scheduled Maturity Date.	30 March, 30 June, 30 September and 30 December in each year, commencing on 30 September 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	20 June 2025	30 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Not applicable	Reference persons: US0404131064, Arista Networks Inc, ANET UN Equity GB00BZ09BD16, Atlassian Corp PLC, TEAM UW Equity US25470F1049, Discovery Inc, DISCA UW Equity US3755581036, Gilead Sciences Inc, GILD UW Equity JP3756600007, Nintendo Co Ltd, 7974 JT Equity JP3436100006, SoftBank Group Corp, 9984 JT Equity
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2191173538	XS2191043913
Currency	USD	USD
Nominal	10,000,000	4,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	7.5 per cent. per Interest Period	5 per cent. per annum payable semi-annually on each Interest Payment Date
Interest payment dates	20 January and 20 July in each year, commencing on 20 January 2021 up to and including the Maturity Date	30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024, 30 December 2024 and 30 June 2025
Details of the maturity dates of the Notes issued	20 July 2023	30 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. US0153511094, Alexion Pharmaceuticals Inc, ALXN UW Equity 2. US25470F1049, Discovery Inc, DISCA UW Equity 3. US25754A2015, Domino's Pizza Inc, DPZ UN Equity 4. US37045V1008, General Motors Co, GM UN Equity 5. US64110W1027, NetEase Inc, NTES UW Equity 6. US9224751084, Veeva Systems Inc, VEEV UN Equity	Reference persons: 1. ArcelorMittal: Bonds with a rate of 6.125%, ISIN: US03938LAZ76, maturing in 2025 2. Dell Inc: Bonds at 7.100%, ISIN: US247025AE93, maturing in 2028 3. Ford Motor Co: Bonds with a rate of 3.664% ISIN: US345397WW97, due 2024 4. Marks & Spencer PLC: Bonds at 4.750%, ISIN: XS0863523030, maturing in 2025 5. Petroleo Brasileiro SA: Bonds at 5.299%, ISIN: USN6945AAJ62, due 2025 6. Rolls-Royce PLC: Bonds at 3.625%, ISIN: USG76237AB53, due 2025
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2194477282	XS2194483769
Currency	EUR	RUR
Nominal	10,000,000	500,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	4.5 per cent. per Interest Period	10 per cent. per annum
Interest payment dates	30 January and 30 July in each year, commencing on 30 January 2021 up to and including the Maturity Date	30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024, 30 December 2024 and 30 June 2025
Details of the maturity dates of the Notes issued	30 July 2023	30 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. US0404131064, Arista Networks Inc, ANET UN Equity 2. US3755581036, Gilead Sciences Inc, GILD UW Equity 3. US34959E1091, Fortinet Inc, FTNT UW Equity 4. US64110W1027, NetEase Inc, NTES UW Equity 5. US9024941034, Tyson Foods Inc, TSN UN Equity 6. US9285634021, VMware Inc, VMW UN Equity	Reference persons: 1. Dell Inc: Bonds at 7.100%, ISIN: US247025AE93, maturing in 2028 2. General Motors Co: Bonds at 6.125%, ISIN: US37045VAV27, maturing in 2025 3. Marks & Spencer PLC: Bonds at 4.750%, ISIN: XS0863523030, maturing in 2025 4. Nokia OYJ: Bonds with a rate of 2.000%, ISIN: XS1960685383, maturing in 2026 5. Petroleo Brasileiro SA: Bonds at 5.299% ISIN: USN6945AAJ62 due 2025 6. Rolls-Royce PLC: Bonds at 3.625%, ISIN: USG76237AB53, due 2025
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2196304179	XS2196311380
Currency	USD	USD
Nominal	10,000,000	5,000,000
Nature of the notes issued	Autocall Standard Notes with Snowball Digital Coupon	Share Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	11.5 per cent. per Interest Period	In respect of: (i) the first Interest Period, 1.00 per cent per annum; and (ii) each subsequent Interest Period, 8.00 per cent. per annum, in each case payable in arrear on the relevant Interest Payment Date
Interest payment dates	7 January and 7 July in each year, commencing on 7 January 2021 up to and including the Maturity Date	Strike date - 29 July 2020 Each 29 July and 29 January in each calendar year from (and including) 29 July 2020 up to (and including) the Scheduled Maturity Date
Details of the maturity dates of the Notes issued	7 July 2025	29 July 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Reference persons: 1. US00162Q8666, Alerian MLP ETF, AMLP UP Equity 2. US05722G1004, Baker Hughes Co, BKR UN Equity 3. US4062161017, Halliburton Co, HAL UN Equity 4. US92189H6071, VanEck Vectors Oil Services ETF, OIH UP Equity 5. US8288061091, Simon Property Group Inc, SPG UN Equity	Not applicable
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value



## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2198210424	XS2198400470
Currency	USD	USD
Nominal	5,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	5 per cent. per Interest Period for a Snowball Level of 85 per cent.2.5 per cent. per Interest Period for a Snowball Level of 65 per cent	7 per cent. per Interest Period
Interest payment dates	30 January, 30 April, 30 July and 30 October in each year, commencing on 30 October 2020 up to and including the Maturity Date	21 February and 21 August in each year, commencing on 21 February 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 July 2023	21 August 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Amazon.com Inc 2. Facebook Inc 3. General Motors Co 4. Sony Corp 5. The Coca-Cola Co	1. Caterpillar Inc 2. Fortinet Inc 3. Micron Technology Inc 4. Sony Corp 5. Tyson Foods Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2208653999	XS2210719485
Currency	USD	RUR
Nominal	10,000,000	600,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.25 per cent. per Interest Period	5.50 per cent. per Interest Period
Interest payment dates	24 February, 24 May, 24 August and 24 November in each year, commencing on 24 November 2020 up to and including the Maturity Date	28 February and 28 August in each year, commencing on 28 February 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	24 November 2025	28 August 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Cabot Oil & Gas Corp 2. FS Networks Inc 3. Netflix Inc 4. Nintendo Co Ltd 5. Okta Inc	1. Cabot Oil & Gas Corp 2. Gilead Sciences Inc 3. Nintendo Co Ltd 4. Okta Inc 5. SoftBank Group Corp 6. Weibo Corp
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year ended 31 December 2020

ISIN	XS2212032911	XS2211859439
Currency	USD	USD
Nominal	5,000,000	5,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with SPS Fixed Coupon and Snowball Digital Coupon Switch)	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.00 per cent. per Interest Period	5 per cent. per annum
Interest payment dates	12 February, 12 May, 12 August and 12 November in each year, commencing on 12 November 2020 up to and including the Maturity Date	30 December and 30 June in each year, commencing on 30 December 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	12 August 2023	30 June 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Arista Networks Inc 2. General Motors Co 3. Netflix Inc 4. Nintendo Co Ltd 5. Okta Inc	1. Ford Motor Co 2. Fiat Chrysler Automobiles N.V. 3. Nordstrom Inc 4. Rolls-Royce PLC 5. Vale S. A. 6. Xerox Corporation
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2212035690	XS2213664092
Currency	RUR	RUR
Nominal	600,000,000	600,000,000
Nature of the notes issued	Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	9.5 per cent. per annum	3.75 per cent. per Interest Period
Interest payment dates	30 December and 30 June in each year, commencing on 30 December 2020 up to and including the Maturity Date	8 March, 8 June, 8 September and 8 December in each year, commencing on 8 December 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 June 2025	08 December 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	<ol style="list-style-type: none"> <li>1. Ford Motor Co</li> <li>2. Fiat Chrysler Automobiles N.V.</li> <li>3. Nordstrom Inc</li> <li>4. Rolls-Royce PLC</li> <li>5. Vale S. A.</li> <li>6. Xerox Corporation</li> </ol>	<ol style="list-style-type: none"> <li>1. Atlassian Corp PLC</li> <li>2. Domino's Pizza Inc</li> <li>3. Gilead Sciences Inc</li> <li>4. Tokyo Electron Ltd</li> <li>5. Western Digital Corp</li> </ol>
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2213663797	XS2224524491
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with SPS Fixed Coupon and Snowball Digital Coupon Switch)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	2.50 per cent. per Interest Period	(i) 6.25 per cent. per Interest Period for a Snowball Level of 85 per cent. (ii) 3.75 per cent. per Interest Period for a Snowball Level of 75 per cent. (iii) 2.5 per cent. per Interest Period for a Snowball Level of 65 per cent.
Interest payment dates	8 March, 8 June, 8 September and 8 December in each year, commencing on 8 December 2020 up to and including the Maturity Date	30 March, 30 June, 30 September and 30 December in each year, commencing on 30 December 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	08 December 2025	30 December 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Discovery Inc 2. Gilead Sciences Inc 3. Netflix Inc 4. Okta Inc 5. Tokyo Electron Ltd	1. Advanced Micro Devices Inc. 2. Discovery Inc. 3. Netflix Inc. 4. Square Inc. 5. Twilio Inc. 6. Ulta Beauty Inc.
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2225301725	XS2225424303
Currency	EUR	RUR
Nominal	10,000,000	600,000,000
Nature of the notes issued	Credit Linked Notes	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	4 per cent. per annum payable semi-annually on each Interest Payment Date	9.5 per cent. per annum payable semi-annually on each Interest Payment Date
Interest payment dates	30 December and 30 June in each year, commencing on 30 December 2020 up to and including the Maturity Date	30 December and 30 June in each year, commencing on 30 December 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 December 2025	30 December 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. ArcelorMittal 2. Ford Motor Co 3. Nordstrom Inc 4. Petroleo Brasileiro SA 5. Rolls-Royce PLC 6. Xerox Corporation	1. ArcelorMittal 2. Ford Motor Co 3. Nordstrom Inc 4. Petroleo Brasileiro SA 5. Rolls-Royce PLC 6. Xerox Corporation
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2227340028	XS2230258035
Currency	USD	USD
Nominal	10,000,000	5,000,000
Nature of the notes issued	Share Linked Notes (SPS Reverse Convertible Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.75 per cent. per Interest Period	6.5 per cent. per Interest Period
Interest payment dates	30 March, 30 June, 30 September and 30 December in each year, commencing on 30 December 2020 up to and including the Maturity Date	30 March and 30 September in each year, commencing on 30 March 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 December 2023	30 September 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Arista Networks Inc 2. Atlassian Corp PLC 3. Okta Inc 4. Ulta Beauty Inc 5. Weibo Corp	1. Advanced Micro Devices Inc 2. Amazon.com Inc 3. Netflix Inc 4. QUALCOMM Inc 5. Twitter Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2231264560	XS2233228597
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	7.25 per cent. per Interest Period	3 per cent. per Interest Period
Interest payment dates	30 March and 30 September in each year, commencing on 30 March 2021 up to and including the Maturity Date	20 January, 20 April, 20 July and 20 October in each year, commencing on 20 January 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 September 2025	20 January 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Advanced Micro Devices Inc 2. Atlassian Corp PLC 3. Twilio Inc 4. Vipshop Holdings Ltd 5. Wayfair Inc 6. Weibo Corp	1. Advanced Micro Devices Inc 2. Arista Networks Inc 3. eBay Inc 4. Netflix Inc 5. Okta Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value



## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2237422972	XS2240504881
Currency	USD	RUR
Nominal	10,000,000	600,000,000
Nature of the notes issued	Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	5 per cent. per annum payable semi-annually on each Interest Payment Date	4 per cent. per Interest Period
Interest payment dates	30 December and 30 June in each year, commencing on 30 December 2020 up to and including the Maturity Date	6 February, 6 May, 6 August and 6 November in each year, commencing on 6 February 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 December 2025	06 February 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	<ol style="list-style-type: none"> <li>1. ArcelorMittal</li> <li>2. Ford Motor Co</li> <li>3. Nordstrom Inc</li> <li>4. Petroleo Brasileiro SA</li> <li>5. Rolls-Royce PLC</li> <li>6. Xerox Corporation</li> </ol>	<ol style="list-style-type: none"> <li>1. BioMarin Pharmaceutical Inc</li> <li>2. Qualcomm Inc</li> <li>3. SoftBank Group Corp</li> <li>4. Uber Technologies Inc</li> <li>5. Zendesk Inc</li> </ol>
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2242161904	XS2244322322
Currency	USD	RUR
Nominal	10,000,000	1,000,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	(i) 7.5 per cent. per Interest Period for a Snowball Level of 85 per cent. (ii) 2.5 per cent. per Interest Period for a Snowball Level of 65 per cent.	9 per cent. per annum
Interest payment dates	6 February, 6 May, 6 August and 6 November in each year, commencing on 6 February 2021 up to and including the Maturity Date	30 December and 30 June in each year, commencing on 30 June 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	06 February 2024	30 December 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Advanced Micro Devices Inc 2. Netflix Inc 3. Uber Technologies Inc	1. Howmet Aerospace Inc 2. Marks & Spencer PLC 3. Radian Group Inc 4. Renault SA 5. Petroleo Brasileiro SA 6. Dell Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2244923160	XS2246577566
Currency	RUR	USD
Nominal	600,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (SPS Lock-in for Capital Protection Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	4.375 per cent. per Interest Period	3.75 per cent. per Interest Period
Interest payment dates	Interest Period End Date(s): 8 March 2021 7 June 2021 6 September 2021 6 December 2021 7 March 2022 6 June 2022 5 September 2022 5 December 2022 6 March 2023 5 June 2023 1 October 2023	28 February, 28 May, 28 August and 28 November in each year, commencing on 28 February 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	01 October 2023	28 February 2026
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Amazon.com Inc 2. eBay Inc 3. Uber Technologies Inc 4. Yandex NV	1. Atlassian Corp PLC 2. NetEase Inc 3. Regeneron Pharmaceuticals Inc 4. Tokyo Electron Ltd 5. Uber Technologies Inc 6. Zions Bancorp NA
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2249575643	XS2251359084
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.75 per cent. per Interest Period	5 per cent. per Interest Period
Interest payment dates	28 February, 28 May, 28 August and 28 November in each year, commencing on 28 February 2021 up to and including the Maturity Date	8 June and 8 December in each year, commencing on 8 June 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	28 February 2024	08 December 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Atlassian Corp PLC 2. BioMarin Pharmaceutical Inc 3. Discovery Inc 4. NetEase Inc 5. Uber Technologies Inc	1. Advanced Micro Devices Inc 2. Arista Networks Inc 3. eBay Inc 4. Netflix Inc 5. SoftBank Group Corp 6. Twilio Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2259774706	XS2262810968
Currency	USD	GBP
Nominal	5,000,000	1,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	6.5 per cent. per Interest Period	3 per cent. per annum
Interest payment dates	23 May and 23 November in each year, commencing on 23 May 2021 up to and including the Maturity Date	30 December and 30 June in each year, commencing on 30 June 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	23 November 2025	30 December 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Netflix Inc 2. NIO Inc 3. Pinduoduo Inc 4. Tesla Inc 5. Vipshop Holdings Ltd 6. Weibo Corp	1. Howmet Aerospace Inc 2. ArcelorMittal 3. Nordstrom Inc 4. Renault SA 5. Petroleo Brasileiro SA 6. Dell Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2267886971	XS2267887946
Currency	RUR	USD
Nominal	600,000,000	10,000,000
Nature of the notes issued	Credit Linked Notes	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	8 per cent. per annum	4 per cent. per annum
Interest payment dates	30 December and 30 June in each year, commencing on 30 June 2021 up to and including the Maturity Date	30 December and 30 June in each year, commencing on 30 June 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 December 2025	30 December 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Howmet Aerospace Inc 2. Nordstrom Inc 3. Radian Group Inc 4. Renault SA 5. Petroleo Brasileiro SA 6. INEOS Group Holdings SA	1. Howmet Aerospace Inc 2. Nordstrom Inc 3. Radian Group Inc 4. Renault SA 5. Petroleo Brasileiro SA 6. INEOS Group Holdings SA
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2267890494	XS2267888597
Currency	EUR	USD
Nominal	2,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	2.5 per cent. per Interest Period	3 per cent. per Interest Period
Interest payment dates	11 March, 11 June, 11 September and 11 December in each year, commencing on 11 March 2021 up to and including the Maturity Date	30 March, 30 June, 30 September and 30 December in each year, commencing on 30 March 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	11 December 2023	30 March 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. NIO Inc 2. Pinduoduo Inc	1. BioMarin Pharmaceutical Inc 2. The Boeing Co 3. RingCentral Inc 4. Spotify Technology SA
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2270275923	XS2269288473
Currency	USD	USD
Nominal	3,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.5 per cent. per Interest Period	7.5 per cent. per Interest Period
Interest payment dates	30 March, 30 June, 30 September and 30 December in each year, commencing on 30 March 2021 up to and including the Maturity Date	30 June and 30 December in each year, commencing on 30 June 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 December 2021	30 December 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Alibaba Group Holding Ltd 2. Amazon.com Inc 3. eBay Inc 4. Vipshop Holdings Ltd	1. Advanced Micro Devices Inc 2. NIO Inc 3. Okta Inc 4. Simon Property Group Inc 5. Twilio Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value



## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2273113634	XS2273109871
Currency	USD	USD
Nominal	3,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	6 per cent. per Interest Period	8 per cent. per Interest Period
Interest payment dates	30 June and 30 December in each year, commencing on 30 June 2021 up to and including the Maturity Date	30 January and 30 July in each year, commencing on 30 July 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 December 2025	30 January 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Beyond Meat Inc 2. NIO Inc 3. Sunrun Inc 4. Tesla Inc	1. eBay Inc 2. General Motors Co 3. NetEase Inc 4. RingCentral Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2276552325	XS2276567604
Currency	USD	USD
Nominal	3,000,000	5,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	5 per cent. per Interest Period	3.5 per cent. per Interest Period
Interest payment dates	22 January and 22 July in each year, commencing on 22 July 2021 up to and including the Maturity Date	30 January, 30 April, 30 July and 30 October in each year, commencing on 30 April 2021 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	22 January 2023	30 April 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	1. Amazon.com Inc 2. eBay Inc 3. Facebook Inc 4. Mastercard Inc	1. The Boeing Co 2. Las Vegas Sands Corp 3. MMC Norilsk Nickel PJSC 4. Regeneron Pharmaceuticals Inc 5. RingCentral Inc
A description of the security, if any, pledged in connection with any Notes issued	Not applicable	Not applicable
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2200171762	XS2206912847
Currency	USD	RUR
Nominal	6,000,000	100,000,000
Nature of the notes issued	Pegasus Share and Credit Linked Notes	Share Linked Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of: (i) the first Interest Period, 1.00 per cent per annum; and (ii) each subsequent Interest Period, 13.00 per cent. per annum.	In respect of: (i) the first Interest Period, 1 per cent. per annum; and (ii) each other Interest Period, 10 per cent. per annum.
Interest payment dates	Each of: (i) the Strike Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day; and (ii) each 25 March and 25 September in each calendar year from (and including) 25 March 2021 up to (and including) the Scheduled Maturity Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day.	Each 31 August and 28 February in each calendar year from (and including) the Strike Date up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)
Details of the maturity dates of the Notes issued	25 September 2025	31 August 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Rolls-Royce PLC, cds curve: ROLLS_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Intrum AB, cds curve: INTRUM_SNRFOR Xerox Corporation, cds curve: XRX_SNRFOR Vale SA, cds curve: CVRDOCE_SNRFOR ANET Shares, US0404131064, ANET US Equity AMD Shares, US0079031078, AMD US Equity NVDA Shares, US67066G1040, NVDA US Equity WDC Shares, US9581021055, WDC US Equity STX Shares, IE00B58JVZ52, STX US Equity	Nestle Shares, CH0038863350, NESN SW Equity PepsiCo Shares, US7134481081, PEP US Equity Kraft Heinz Shares, US5007541064, KHC US Equity Coca Cola Shares, US1912161007, KO US Equity Bunge Shares, BMG169621056, BG US Equity Unilever Shares, GB00B10RZP78, UNA NA Equity
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2205545119	XS2205319705
Currency	USD	EUR
Nominal	10,000,000	10,000,000
Nature of the notes issued	First to Default Credit Linked Notes	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 7.00 per cent. per annum payable in arrear on each Interest Payment Date	In respect of each Interest Period, 6.00 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	Each 25 March and 25 September in each calendar year from (and including) 25 September 2020 up to (and including) the Scheduled Maturity Date.	Each 25 March and 25 September in each calendar year from (and including) 25 September 2020 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	25 September 2025	25 September 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Xerox Corporation, cds curve: XRX_SNRFOR Petroleo Brasileiro S.A., DPL Inc., cds curve: DPL_SNRFOR Rolls-Royce PLC, cds curve: ROLLS_SNRFOR Howmet Aerospace Inc, cds curve: ARNC_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR	Xerox Corporation, cds curve: XRX_SNRFOR Petroleo Brasileiro S.A., DPL Inc., cds curve: DPL_SNRFOR Rolls-Royce PLC, cds curve: ROLLS_SNRFOR Howmet Aerospace Inc, cds curve: ARNC_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR"
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2215497830	XS2228213471
Currency	RUR	RUR
Nominal	600,000,000	600,000,000
Nature of the notes issued	First to Default Credit Linked Notes	Pegasus Share and Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 9.60 per cent. per annum payable in arrear on each Interest Payment Date	In respect of: (i) the first Interest Period, 4.00 per cent per annum; and (ii) each subsequent Interest Period, 20.00 per cent. per annum
Interest payment dates	Each 20 June and 20 December in each calendar year from (and including) 20 December 2020 up to (and including) the Scheduled Maturity Date	Each of: (i) the Strike Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day; and (ii) each 1 April and 1 October in each calendar year from (and including) 1 April 2021 up to (and including) the Scheduled Maturity Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business
Details of the maturity dates of the Notes issued	20 June 2025	1 October 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Ford Motor Company, cds curve: FCO_SNRFOR Howmet Aerospace Inc, cds curve: ARNC_SNRFOR AngloGold Ashanti Limited, cds curve: ANGSI_SNRFOR Xerox Corporation, cds curve: XRX_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR General Electric Company., cds curve: GECO_SNRFOR	Intrum AB, cds curve: INTRUM_SNRFOR Rolls-Royce PLC, cds curve: ROLLS_SNRFOR Xerox Corporation, cds curve: XRX_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Petroleo Brasileiro S.A., cds curve: PETBRA_SNRFOR Twitter Shares, US90184L1026, TWTR US Equity Now Shares, US81762P1021, NOW US Equity Nokia Shares, US6549022043, NOK US Equity eBay Shares, US2786421030, EBAY US Equity Applied Materials Shares. , US0382221051, AMAT US Equity
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2238785476	XS2242762651
Currency	USD	RUR
Nominal	5,000,000	100,000,000
Nature of the notes issued	Leveraged Credit Linked Notes	Share Linked Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of: (i) the first Interest Period, 1.00 per cent. per annum; and (ii) each subsequent Interest Period, 9.00 per cent. per annum, in each case, payable in arrear on each Interest Payment Date	In respect of: (i) the first Interest Period, 1 per cent. per annum; and (ii) each other Interest Period, 10 per cent. per annum
Interest payment dates	Each of: (i) 29 October 2020 (the "Cut-off Date"); and (ii) each 29 April and 29 October in each calendar year from (and including) 29 April 2021 up to (and including) the Scheduled Maturity Date	20 November in each calendar year from (and including) the Strike Date up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)
Details of the maturity dates of the Notes issued	10 January 2023	20 November 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Credit Bank of Moscow (Public joint-stock company), cds curve: CRBKMO_SNRFOR Public Joint Stock Company "State transport leasing company", cds curve: GTLKOA_SNRFOR Open Joint Stock Company Gazprom, cds curve: GAZPRU_SNRFOR Public Joint Stock Company Chelpipe, cds curve: CHEPRU_SNRFOR	Twilio Shares, US90138F1021, TWLO US Equity Abiomed Shares, US0036541003, ABMD US Equity Nokia Shares, US6549022043, NOK US Equity Western Digital Shares, US9485961018, WB US Equity General Motor Shares, US37045V1008, GM US Equity Alexion Shares, US0153511094, ALXN US Equity
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2147898683	XS2243038663
Currency	USD	RUR
Nominal	15,000,000	600,000,000
Nature of the notes issued	Credit Linked Notes	Pegasus Share and Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	8 per cent. per annum	In respect of: (i) the first Interest Period, 4.00 per cent per annum; and (ii) each subsequent Interest Period, 20.00 per cent. per annum
Interest payment dates	Each of: (a) each 1 January, 1 April, 1 July and 1 October in each calendar year from (and including) 1 July 2020 up to (and including) 10 January 2024; and (b) 10 January 2024	Each of: (i) the Strike Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day; and (ii) each 10 May and 10 November in each calendar year from (and including) 10 May 2021 up to (and including) the Scheduled Maturity Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day
Details of the maturity dates of the Notes issued	22 January 2024	10 November 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Sputnik Trading Limited (Single Reference Entity CLN)	Petroleo Brasileiro S.A., cds curve: PETBRA_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Xerox Corporation, cds curve: XRX_SNRFOR Dell Inc, cds curve: DELL_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR Twilio Shares, US90138F1021, TWLO US Equity Align Shares, US0162551016, ALGN US Equity Atlassian Shares, GB00BZ09BD16, TEAM US Equity NetEase Shares, US64110W1027, NTES US Equity Apple Shares, US0378331005, AAPL US Equity
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2252533075	XS2252527424
Currency	USD	USD
Nominal	6,000,000	5,000,000
Nature of the notes issued	Pegasus Share and Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of: (i) the first Interest Period, 1.00 per cent per annum; and (ii) each subsequent Interest Period, 13.00 per cent. per annum	16.5 per cent. per annum
Interest payment dates	Each of: (i) the Strike Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day; and (ii) each 27 May and 27 November in each calendar year from (and including) 27 May 2021 up to (and including) the Scheduled Maturity Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day	Each 5 May and 5 November in each calendar year from (and including) 5 May 2021 up to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)
Details of the maturity dates of the Notes issued	27 November 2025	5 November 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Petroleo Brasileiro S.A., cds curve: PETBRA_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Xerox Corporation, cds curve: XRX_SNRFOR Howmet Aerospace Inc, cds curve: ARNC_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR Okta Shares, US6792951054, OKTA US Equity Align Shares, US0162551016, ALGN US Equity Weibo Shares, US9485961018, WB US Equity NetEase Shares, US64110W1027, NTES US Equity Apple Shares, US0378331005, AAPL US Equity	Chevron Shares, US1667641005, CVX US Equity Exxon Shares, US30231G1022, XOM US Equity EOG Shares, US26875P1012, EOG US Equity Conoco Shares, COP US Equity Shell Shares, SHLX US Equity
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value



## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2260424580	XS2269280066
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	First to Default Credit Linked Notes	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 5.00 per cent. per annum payable in arrear on each Interest Payment Date	In respect of each Interest Period, 5.50 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	Each 20 May and 20 November in each calendar year from (and including) 20 May 2021 up to (and including) the Scheduled Maturity Date.	Each 20 June and 20 December in each calendar year from (and including) 20 June 2021 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	20 November 2025	20 December 2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Petroleo Brasileiro S.A., cds curve: PETBRA_SNRFOR Howmet Aerospace Inc, cds curve: ARNC_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Dell Inc, cds curve: DELL_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR INEOS Group Holdings S.A., cds curve: INEGRP_SNRFOR	Petroleo Brasileiro S.A., cds curve: PETBRA_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Dell Inc, cds curve: DELL_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR Marks & Spencer PLC, cds curve: MARSPE_SNRFOR Intrum AB, cds curve: INTRUM_SNRFOR
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2269286345	XS2273248489
Currency	RUR	EUR
Nominal	600,000,000	10,000,000
Nature of the notes issued	First to Default Credit Linked Notes	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 9.00 per cent. per annum payable in arrear on each Interest Payment Date	In respect of each Interest Period, 4.00 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	Each 20 June and 20 December in each calendar year from (and including) 20 June 2021 up to (and including) the Scheduled Maturity Date.	Each 20 January and 20 July in each calendar year from (and including) 20 January 2021 up to (and including) the Scheduled Maturity Date
Details of the maturity dates of the Notes issued	20 December 2025	20 January 2026
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Petroleo Brasileiro S.A., cds curve: PETBRA_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Dell Inc, cds curve: DELL_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR Marks & Spencer PLC, cds curve: MARSPE_SNRFOR Intrum AB, cds curve: INTRUM_SNRFOR	Petroleo Brasileiro S.A., cds curve: PETBRA_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Dell Inc, cds curve: DELL_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR Marks & Spencer PLC, cds curve: MARSPE_SNRFOR Intrum AB, cds curve: INTRUM_SNRFOR
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2274224919	XS2274225213
Currency	USD	RUR
Nominal	6,000,000	600,000,000
Nature of the notes issued	Pegasus Share and Credit Linked Notes	Pegasus Share and Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of: (i) the first Interest Period, 1.00 per cent per annum; and (ii) each subsequent Interest Period, 12.00 per cent. per annum.	In respect of: (i) the first Interest Period, 1.00 per cent per annum; and (ii) each subsequent Interest Period, 20.00 per cent. per annum.
Interest payment dates	Each of: (i) the Strike Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day; and (ii) each 27 January and 27 July in each calendar year from (and including) 27 July 2021 up to (and including) the Scheduled Maturity Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day.	Each of: (i) the Strike Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day; and (ii) each 27 January and 27 July in each calendar year from (and including) 27 July 2021 up to (and including) the Scheduled Maturity Date or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day.
Details of the maturity dates of the Notes issued	27 January 2026	27 January 2026
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Intrum AB, cds curve: INTRUM_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Xerox Corporation, cds curve: XRX_SNRFOR INEOS Group Holdings S.A., cds curve: INEGRP_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR Okta Shares, US6792951054, OKTA US Equity Weibo Shares, US9485961018, WB US Equity NetEase Shares, US64110W1027, NTES US Equity Gilead Shares, US3755581036, GILD US Equity Tyson Shares, US9024941034, TSN US Equity	Intrum AB, cds curve: INTRUM_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR Xerox Corporation, cds curve: XRX_SNRFOR INEOS Group Holdings S.A., cds curve: INEGRP_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR Okta Shares, US6792951054, OKTA US Equity Weibo Shares, US9485961018, WB US Equity NetEase Shares, US64110W1027, NTES US Equity Gilead Shares, US3755581036, GILD US Equity Tyson Shares, US9024941034, TSN US Equity
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value	Fair value

## BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

ISIN	XS2261180801
Currency	USD
Nominal	5,000,000
Nature of the notes issued	Leveraged Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of: (i) the first Interest Period, 1.00 per cent. per annum; and (ii) each subsequent Interest Period, 15.00 per cent. per annum
Interest payment dates	Each of: (i) 22 January 2021 (the "Cut-off Date"); and (ii) each 03 April and 03 October in each calendar year from (and including) 03 April 2021 up to (and including) the Scheduled Maturity Date
Details of the maturity dates of the Notes issued	03 April 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Howmet Aerospace Inc, cds curve: ARNC_SNRFOR Dell Inc, cds curve: DELL_SNRFOR Ford Motor Company, cds curve: FCO_SNRFOR Nordstrom Inc, cds curve: JWN_SNRFOR
A description of the security, if any, pledged in connection with any Notes issued	OTC structured swap fully replicating the Note payoff
A detailed description of the measurement basis used in accounting for the Notes issued by the Company (e.g. amortised cost, fair value etc.)	Fair value

#### 26. Cash at bank and in hand

	2020	2019
	RR	RR
Cash in hand	20,989	3,810
Cash at bank	627,768,065	155,660,464
Accumulated impairment losses on cash and cash equivalents	<u>(745,904)</u>	<u>(2,544)</u>
	<b><u>627,043,150</u></b>	<b><u>155,661,730</u></b>

Analysis by credit quality of cash at bank as of 31 December 2020 and 31 December 2019 were as follows:

	2020	2019
	RR	RR
Rated BB- (RAEX)	617,593,652	-
Rated B+ (RAEX)	-	146,111,437
Rated B+ (Fitch)	<u>10,174,413</u>	<u>9,549,027</u>
<b>Total gross amount</b>	<b>627,768,065</b>	<b>155,660,464</b>
Loss allowance	<u>(745,904)</u>	<u>(2,544)</u>
<b>Net cash at bank</b>	<b><u>627,022,161</u></b>	<b><u>155,657,920</u></b>

Movement in the loss allowance during the year ended 31 December 2020 and 31 December 2019 were as follows:

	RR
At 31 December 2019	(2,544)
Foreign exchange difference	13,892
Remeasurement of ECL	<u>(757,252)</u>
<b>At 31 December 2020</b>	<b>(745,904)</b>

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 26. Cash at bank and in hand (continued)

At 31 December 2018	RR
Foreign exchange difference	(1,415)
Remeasurement of ECL	78
	<u>(1,207)</u>
<b>At 31 December 2019</b>	<b><u>(2,544)</u></b>

The Group measures loss allowances as 12-month ECL as far as credit risk on cash at bank has not increased significantly since their initial recognition. There were no transfer between stages.

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	2020	2019
	RR	RR
Cash at bank and in hand	627,043,150	155,661,730
Bank overdrafts	<u>(49,875)</u>	<u>(114,412)</u>
	<b><u>626,993,275</u></b>	<b><u>155,547,318</u></b>

### 27. Share capital

	2020	2020	2020	2019	2019	2019
	Number of	EUR	RR	Number of	EUR	RR
	shares			shares		
<b>Authorised</b>						
Ordinary shares of €1,71 each	<u>15,000</u>	<u>25,650</u>	<u>1,886,692</u>	<u>15,000</u>	<u>25,650</u>	<u>1,886,692</u>
<b>Issued and fully paid</b>						
Balance at 1 January	<u>15,000</u>	<u>25,650</u>	<u>1,886,692</u>	<u>15,000</u>	<u>25,650</u>	<u>1,886,692</u>
<b>Balance at 31 December</b>	<b><u>15,000</u></b>	<b><u>25,650</u></b>	<b><u>1,886,692</u></b>	<b><u>15,000</u></b>	<b><u>25,650</u></b>	<b><u>1,886,692</u></b>

### 28. Lease liabilities

The Group lease office premises. The lease typically run for a period 2 years with an option to renew the lease. The Group does not have short-term and/or leases of low-value items.

	2020	2019
	RR	RR
<b>Maturity analysis - contractual undiscontinued cash flows</b>		
Within 1 year	1,181,207	352,584
More than 5 years	<u>-</u>	<u>-</u>
<b>Total undiscontinued lease liabilities</b>	<b>1,181,207</b>	<b>352,584</b>
Effect of discounting	<u>(88,495)</u>	<u>(16,374)</u>
<b>Discounted lease liabilities recognised</b>	<b><u>1,092,712</u></b>	<b><u>336,210</u></b>

When measuring lease liabilities the Group discounted lease payments using its incremental borrowing rate 3,66%.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 29. Trade and other payables

	2020	2019
	RR	RR
Trade and other payables to third parties	<b>18,858,214</b>	7,742,131
Payables to parent (Note 30.8)	-	115,000,000
Payables to other related parties (Note 30.8)	<b>17,712,001,269</b>	27,530,010,380
	<b>17,730,859,483</b>	<b>27,652,752,511</b>

Trade and other payables by category as of 31 December 2020 and 31 December 2019 were as follows:

	2020	2019
	RR	RR
Payables to broker	<b>16,907,399,760</b>	26,409,378,957
Trade payables	<b>816,878,248</b>	1,120,794,485
Dividends Payable	-	115,000,000
Accruals	<b>5,803,674</b>	7,343,866
Social insurance and other taxes	<b>775,296</b>	235,203
Special contribution for defence	<b>2,505</b>	-
	<b>17,730,859,483</b>	<b>27,652,752,511</b>

### 30. Related party balances and transactions

The Group is controlled by FG BCS Ltd, incorporated in Cyprus, which owns 99.96% of the Company's shares.

The ultimate shareholder owning and controlling party is Mr. Oleg Mikhasenko, a Russian individual who is the sole ultimate beneficial owner of FG BCS Ltd (further "UBO").

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The other related parties include companies under common control or significant influence of the sole participant or the key management personnel, individuals that are close members of the sole participant's family of the key management's families and companies under control of these individuals.

The related profit and loss transactions with the related parties for the years ended 31 December 2020 and 31 December 2019 are as follows:

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 30. Related party balances and transactions (continued)

#### 30.1 31 December 2020

	Entities under common control RR	Parent company RR	UBO RR	Total RR
Interest income calculated using the effective interest method	4,005,077,765	358,800,570	28,743,574	4,392,621,909
Interest expense	(3,589,278,830)	-	-	(3,589,278,830)
<b>Net interest income</b>	<b>415,798,935</b>	<b>358,800,570</b>	<b>28,743,574</b>	<b>803,343,079</b>
Net gain/(loss) on trading in financial instruments	1,254,687,676	-	-	1,254,687,676
Change in fair value of derivative financial instruments	(3,746,287,544)	-	-	(3,746,287,544)
Financial result of SWAP operations	901,196,849	-	-	901,196,849
Net (loss)/gain realised on trading in foreign currencies	(250,164,369)	-	-	(250,164,369)
<b>Net trading income</b>	<b>(1,840,567,388)</b>	<b>-</b>	<b>-</b>	<b>(1,840,567,388)</b>
Fee and commission expenses	(814,602,608)	-	-	(814,602,608)
Impairment (loss) gain on debt financial assets	(3,195,474,327)	(126,204,252)	(20,654,921)	(3,342,333,500)
Administration and other expenses	(128,701,645)	-	-	(128,701,645)
<b>Total</b>	<b>(5,563,547,033)</b>	<b>232,596,318</b>	<b>8,088,653</b>	<b>(5,322,862,062)</b>

#### 30.2 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2020 RR	2019 RR
Directors' fees	117,574	109,633
Directors' remuneration	<u>7,505,495</u>	<u>13,589,728</u>
	<b>7,623,069</b>	<b>13,699,361</b>

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 30. Related party balances and transactions (continued)

#### 30.3 31 December 2019

	Entities under common control RR	Parent company RR	UBO RR	Total RR
Interest income calculated using the effective interest method	211,017,121	280,778,231	201,661,590	693,486,941
Interest expense	(696,848,785)	-	-	(696,848,785)
<b>Net interest income</b>	<b>(485,801,665)</b>	<b>280,778,231</b>	<b>201,661,590</b>	<b>(3,361,844)</b>
Net gain/(loss) on trading in financial instruments	(2,218,461,704)	-	-	(2,218,461,704)
Change in fair value of derivative financial instruments	428,642,983	-	-	428,642,983
Financial result of SWAP operations	321,125,536	-	-	321,125,536
Net (loss)/gain realised on trading in foreign currencies	3,168,315,520	-	-	3,168,315,520
<b>Net trading income</b>	<b>1,699,622,336</b>	<b>-</b>	<b>-</b>	<b>1,699,622,336</b>
Fee and commission expenses	(1,135,085,163)	-	-	(1,135,085,163)
Impairment (loss) gain on debt financial assets	(32,447,049)	(35,837,489)	1,096,886	(67,187,653)
Administration and other expenses	(61,974,805)	-	-	(61,974,805)
Gain on loans assignment	264,459,001	-	-	264,459,001
<b>Total</b>	<b>248,772,655</b>	<b>244,940,742</b>	<b>202,758,476</b>	<b>696,471,873</b>

At 31 December 2020 and 31 December 2019 the outstanding balances with related parties were as follows:

#### 30.4 Receivables from related parties 2020

	Entities under common control RR	Total RR
<b>Assets</b>		
Cash at bank, including:		
<i>Cash at bank, gross</i>	617,593,652	617,593,652
<i>Loss allowance</i>	(735,576)	(735,576)
Derivative financial assets, including:		
<i>Credit default SWAPs</i>	13,021,230,452	13,021,230,452
<i>Currency SWAPs</i>	53,224,061	53,224,061
Trade and other receivables, including:		
<i>Cash collateral</i>	4,149,757,139	4,149,757,139
<i>Trade receivables from brokers</i>	592,918,474	592,918,474
<i>Unsettled sale of securities</i>	4,010,100,000	4,010,100,000
<i>Loss allowance</i>	(2,905,516,191)	(2,905,516,191)
Receivables from reverse repurchase agreements, including:		
<i>Receivables from reverse repurchase agreements, gross amount</i>	61,655,936,200	61,655,936,200
<i>Loss allowance</i>	(188,176,501)	(188,176,501)
<i>Fair value of collateral received in respect of above</i>	41,997,744,311	41,997,744,311

There were no receivables from the parent company or the UBO as at 31 December 2020.

Part of the repo transactions with related parties are not sufficiently collateralised, however, the risk of these transactions is limited by credit risk limits set by the Risk management. The Group has not incurred any losses on these transactions after the reporting date.



# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 30. Related party balances and transactions (continued)

#### 30.5 Receivables from related parties 2019

<u>Assets</u>	Entities under common control RR	Total RR
Cash at bank, including:		
<i>Cash at bank, gross</i>	146,111,437	146,111,437
<i>Loss allowance</i>	(2,406)	(2,406)
Derivative financial assets, including:		
<i>Credit default SWAPs</i>	1,161,527,408	1,161,527,408
<i>Currency SWAPs</i>	1,548,421	1,548,421
Trade and other receivables, including:		
<i>Trade receivables from brokers</i>	25,452,860,400	25,452,860,400
<i>Unsettled sale of securities</i>	4,010,100,000	4,010,100,000
<i>Loss allowance</i>	<u>(25,760,836)</u>	<u>(25,760,836)</u>

There were no receivables from the parent company or the UBO as at 31 December 2019.

#### 30.6 Loans receivable 2020 (Note 22)

	Entities under common control RR	Parent company RR	UBO RR	Total RR
Loans receivable, including				
<i>Loans receivable, gross</i>	<b>3,653,193,470</b>	<b>6,547,076,925</b>	<b>1,093,376,330</b>	<b>11,293,646,725</b>
<i>Loss allowance</i>	<b>(308,634,767)</b>	<b>(171,096,864)</b>	<b>(33,449,432)</b>	<b>(513,181,063)</b>
<i>Loans receivable, average rate RUR</i>	<b>4.46%</b>	<b>5.90%</b>	-	-
<i>Loans receivable, average rates USD</i>	<b>2.00%</b>	<b>3.61%</b>	-	-
<i>Loans receivable, average rates EUR</i>	<b>2.50%</b>	-	-	-

The loans issued to the companies under common controls in gross amount of RR 3,400,716,822 are repayable during the year ended 31 December 2021, other loans to the companies under common control are repayable in the year ended 31 December 2028. The loans issued to the parent company are repayable in the year ended 31 December 2028. The loan issued to ultimate beneficial owner is repayable in the year ended 31 December 2028.

#### 30.7 Loans receivable 2019 (Note 22)

	Entities under common control RR	Parent company RR	UBO RR	Total RR
Loans receivable, including				
<i>Loans receivable, gross</i>	4,255,169,612	6,688,549,180	1,324,125,532	12,267,844,324
<i>Loss allowance</i>	(23,259,678)	(40,198,943)	(6,760,330)	(70,218,951)
<i>Loans receivable, average rate RUR</i>	5.04%	4.18%	-	-
<i>Loans receivable, average rates USD</i>	3.81%	2.20%	-	-
<i>Loans receivable, average rates EUR</i>	-	-	1.37%	-

The loans issued to the companies under common controls in gross amount of RR 1,723,990,218 are repayable during the year ended 31 December 2020, other loans to the companies under common control are repayable in the year ended 31 December 2021. The loans issued to the parent company in gross amount of RR 6,243,530,440 are repayable in the year ended 31 December 2028 other loans to the parent company are repayable in the year ended 31 December 2020. The loan issued to ultimate beneficial owner in gross amount of RR 836,053,862 is repayable in the year ended 31 December 2028, other loans to the parent company are repayable in the year ended 31 December 2020.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 30. Related party balances and transactions (continued)

#### 30.8 Payables to related parties 2020 (Note 29)

<u>Liabilities</u>	Entities under common control RR	Total RR
Payables under repurchase agreements, including:		
<i>Payables under repurchase agreements, carrying amount</i>	(95,254,488,147)	(95,254,488,147)
<i>Total financial assets transferred and pledged under repurchase agreements</i>	(119,802,334,634)	(119,802,334,634)
Derivatives financial liabilities		
<i>Credit default SWAPs</i>	(631,092,994)	(631,092,994)
<i>Currency SWAPs</i>	(57,743,798)	(57,743,798)
<i>Forward contracts</i>	(724,168,547)	(724,168,547)
Trade and other payables, including:		
<i>Payables to broker</i>	(16,907,399,760)	(16,907,399,760)
<i>Trade payables</i>	<u>(804,601,509)</u>	<u>(804,601,509)</u>

There were no payables to the parent company or the UBO as at 31 December 2020.

#### 30.9 Payables to related parties 2019 (Note 29)

<u>Liabilities</u>	Entities under common control RR	Parent company RR	Total RR
Payables under repurchase agreements, including:			
<i>Payables under repurchase agreements, carrying amount</i>	(448,870,278)	-	(448,870,278)
<i>Total financial assets transferred and pledged under repurchase agreements</i>	(15,081,546,473)	-	(15,081,546,473)
Derivatives financial liabilities			
<i>Credit default SWAPs</i>	(122,175,396)	-	(122,175,396)
<i>Currency SWAPs</i>	(70,043,306)	-	(70,043,306)
Trade and other payables, including:			
<i>Payables to broker</i>	(26,409,378,957)	-	(26,409,378,957)
<i>Trade payables</i>	(1,120,631,423)	-	(1,120,631,423)
<i>Dividends payable</i>	-	(115,000,000)	(115,000,000)

There were no payables to the UBO as at 31 December 2019.

### 31. Contingent liabilities

#### (a) Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and operational systems, as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

#### (b) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the local authorities. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Group.

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 32. Commitments

The Group had no capital or other commitments as at 31 December 2020.

### 33. Reclassification of comparative information

In 2020 the Management has reassessed the disclosure of assets, liabilities and aggregation of income and expenses. As the result the Group changed presentation of certain captions in the primary forms of the consolidated financial statements. The following changes have been applied:

The securities pledged under repurchase agreements are presented in the separate line:

	As previously reported	Effect of reclassifications	As reclassified
	RR	RR	RR
Financial assets at fair value through profit or loss	76,578,230,148	(76,578,230,148)	-
Financial assets at fair value through profit or loss - pledged	-	55,677,864,966	55,677,864,966
Financial assets at fair value through profit or loss - unpledged	-	20,900,365,182	20,900,365,182

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 33. Reclassification of comparative information (continued)

The balances per repurchase transactions, derivatives are presented in separate lines, and balances per transactions with related parties are presented in the Note 30:

	Effect of reclassifications				
	As previously reported	Related parties	Derivatives	REPO	As reclassified
	RR	RR	RR	RR	RR
<b>Non-current assets</b>					
Trade and other receivables	1,414,226,653	-	(1,383,500,502)	-	30,726,151
Non-current loans receivable	1,432,682	7,037,513,140	-	-	7,038,945,822
Loans to parent	7,037,513,141	(7,037,513,141)	-	-	-
Derivative financial assets	-	-	2,545,027,910	-	2,545,027,910
<b>Current assets</b>					
Trade and other receivables	63,576,664,600	30,600,443,120	(1,164,117,922)	(63,434,522,321)	29,578,467,477
Receivables from associates	30,600,275,393	(30,600,275,393)	-	-	-
Loans receivable	533,424,197	4,828,542,123	-	-	5,361,966,320
Loans to associates	3,900,339,824	(3,900,339,824)	-	-	-
Loans to parent	928,202,298	(928,202,298)	-	-	-
Amounts due from lessees under finance leases	167,727	(167,727)	-	-	-
Receivables from reverse repurchase agreements	-	-	-	63,434,522,321	63,434,522,321
Derivative financial assets	-	-	2,590,515	-	2,590,515
<b>Non-current liabilities</b>					
Trade and other payables	9,178,597,473	-	(9,178,597,473)	-	-
Derivative financial liabilities	-	-	9,300,772,869	-	9,300,772,869
<b>Current liabilities</b>					
Payables under repurchase agreements	-	-	-	82,762,321,128	82,762,321,128
Trade and other payables	87,216,744,585	27,833,650,826	(4,635,321,772)	(82,762,321,128)	27,652,752,511
Payables to associates	27,718,650,826	(27,718,650,826)	-	-	-
Payables to parent	115,000,000	(115,000,000)	-	-	-
Borrowings	114,412	(114,412)	-	-	-
Bank overdrafts	-	114,412	-	-	114,412
Derivative financial instruments	-	-	4,513,146,375	-	4,513,146,375

# BROKER CREDIT SERVICE STRUCTURED PRODUCTS PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

### 33. Reclassification of comparative information (continued)

The most significant changes in respect of the statement of profit or loss are as follows:

- interest income and expenses are aggregated,
- unrealized exchange difference is presented in a separate line,
- fee and commission expenses is presented in a separate line,
- other not material administration and other expenses are aggregated
- coupon paid on notes issued is presented in a separate line "Coupon paid on notes issued".

	As previously reported	Effect of reclassifications	As reclassified
	RR	RR	RR
Loan interest income	1,285,044,334	(1,285,044,334)	-
Interest income on reverse repurchase agreements	5,191,575,877	(5,191,575,877)	-
Interest income	72,880,805	(72,880,805)	-
Interest income from bonds	4,551,509,884	(4,551,509,884)	-
Other interest income	-	3,467,308,422	3,467,308,422
Net fair value gains on financial assets at fair value through profit or loss	6,581,556,918	278,648,405	6,860,205,323
Interest income calculated using the effective interest method	-	5,887,498,061	5,887,498,061
Interest expense	-	(7,330,245,746)	(7,330,245,746)
Interest expense on REPO loans	(7,330,209,687)	7,330,209,687	-
Interest expense on bonds	(6,041,180,829)	6,041,180,829	-
Expenses on bonds issued	-	(5,322,280,814)	(5,322,280,814)
Net loss on trading in financial instruments	(682,576,907)	(285,671,352)	(968,248,259)
Net gain realised on trading in foreign currencies	3,868,688,321	(3,868,688,321)	-
Net fair value loss on trading in foreign currency	(46,578,000)	3,868,688,321	3,822,110,321
Gain on loans assignment	-	264,459,001	264,459,001
Other operating income	325,312,619	(325,312,619)	-
Administration and other expenses	(1,835,088,263)	1,531,652,465	(303,435,798)
Depreciation and amortisation expense	(1,861,328)	1,861,328	-
Fee and commission expenses	-	(1,157,174,021)	(1,157,174,021)
Revenue	2,457,598	(2,457,598)	-
Staff costs	(20,263,027)	20,263,027	-
Finance costs	(1,752,818,704)	1,752,818,704	-
Exchange differences	-	(1,051,746,879)	(1,051,746,879)

### 34. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Independent auditor's report on pages 9 to 14