BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

REPORT AND INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2020 to 30 June, 2020

(Client's Copy)

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CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Evgenios Bagiazidis Dimitra Karkalli
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

MANAGEMENT REPORT

The Board of Directors presents its report and unaudited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the period from 1 January 2020 to 30 June 2020.

For avoidance of doubt and for transparency purposes, it is hereby disclosed that the Company and its subsidiaries constitute an integral part of a wider group of companies (that might be also referred to in public sources as BCS Group or BCS Financial Group or FG BCS), the top-level holding company of the mentioned above being FG BCS Limited (incorporated and domiciled in Cyprus). The above-mentioned FG BCS group has full ownership and exercises control over a number of legal entities including those duly licensed and authorised for financial market services and investment activities, the appropriate licences and authorisations duly issued by EU and third countries regulators and authorities.

For the purposes of the present report, the term "Group" refers to the Company and its subsidiaries; unless otherwise is obvious or suggested from the content as well as the description or activities – in the latter case the term "Group" should be understood as referring to the Group's affiliate holding the respective license or authorisation. It is hereby confirmed that the activities of the Group are (to the extent required by law and applicable regulations) exercised with the necessary involvement of its affiliates holding the appropriate license, authorisation or permission.

Incorporation
The Company 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
BrokerCreditService Structured Products Plc acts as an investment and financing company and conducts trading operations in the international securities markets (except for the investment activity that requires authorisation and/or license). This includes entering into transactions with market counterparties and related parties that are members of the Group. These transactions include, but are not limited to, repo transactions, loans and transactions in securities in the international capital markets including exchanges and Over-the-Counter ("OTC") markets. The Company also conducts investment activities in different types of bonds of both Russian and international issuers.

The Parent Company'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 Parent Company's structured products are listed in Luxembourg Stock Exchange, in Moscow Exchange and in Euronext Dublin.

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

Changes in group structure
During the period there were no changes in the Group structure of the Company. On 7 July 2020, the Company has sold the subsidiary Routa Luxury Services Ltd, to Mr. Annenkov Alexey.

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 during the period ended 30 June 2020 were:

- Leading positions in sales of structured products to retail customers.
- Increase in the number of listed structured notes on the Moscow Exchange.
- 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

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 6 and 7 of the consolidated financial statements.

Existence of branches
The Company and its subsidiaries do 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, credit risk, currency risk and liquidity risk arising from the financial instruments it holds. The Company and its consolidated subsidiaries, as part of their operations and normal activities use various financial instruments such as options, futures, forward contracts, direct and reverse repurchase agreements, credit linked notes and other instruments which expose the Group to the financial risks mentioned above.

The Group's risk management function is designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date administrative and information systems. The Group regularly reviews its risk management framework to reflect the changes in markets, products and effective best practice.

The current structure of the risk framework implemented by the Group aims to manage risks in order to minimise the exposure of itself and its stakeholders to any event, or set of occurrences able to cause adverse effects, while concurrently maximising the efficiency and effectiveness of the Group's operations in accordance with best practice. The purpose of managing risks is the prompt identification of any potential problems before they occur so that risk handling activities may be planned and invoked as needed to mitigate adverse impacts and allow the Group to achieve overall objectives.

The responsibility for the overall framework of risk governance and management lies with the Board of Directors. Management recognises that the risk is embedded in all of the Group's activities and for this reason it recognises the need for the continuous identification, assessment, examination, and control of each type of risk. All the risks and investments strategies are performed at a group level and not at the level of BrokerCreditService Structured Products PLC. The risk management policies employed by the Group to manage these risks are discussed below:

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.

The Group maintains trading securities owned and securities sold but not yet purchased. These securities include debt securities issued by the Russian government, corporate debt securities and equity securities. Changes in the value of trading inventory may result from fluctuations in interest rates, credit spreads, equity prices and the correlation among these factors. The Group manages its trading inventory by product type.

Price risk for equity securities is the risk of changes in value of a financial instrument as a result of changes in market prices regardless of whether they have been caused by factors specific for a particular instrument or factors influencing all instruments traded in the market. Price risk for equity securities exists when the Group has a long or short position in an equity financial instrument.

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.

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 200-basis point (bp) parallel fall or rise in all yield curves worldwide and a 50 bp rise or fall in the greater than 12-month portion of all yield curves.

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 bears credit risk on securities lendingactivities, its role as a counterparty in financial contracts and investing activities.

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.

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.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants.

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 to 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 eminent 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.

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 Central Bank of Russia (CBR), the World bank, Ministry of Economic Development, and individual and academic forecasters.

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 forecasts, oil price index, retail price index. This key driver for the countries where the group operates is GDP forecasts.

Predicted relationships between the key indicator and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 2014 to 2019 years.

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.

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.

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

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

Liquidity risk
The Group conducts substantially all of its business through the affiliated companies and wholly-owned subsidiaries of the holding company. The capital structure is designed to provide each subsidiary with capital and liquidity to meet its operational needs and regulatory requirements. Liquidity needs are generally met through cash generated by its subsidiaries, as well as cash provided by the shareholder, if required. BCS Group maintains excess liquidity in the form of overnight cash deposits and short-term investments to cover daily funding needs and to support growth in the business. Generally, the Group does not hold liquidity at its subsidiaries in excess of amounts deemed sufficient to support the subsidiaries' operations, including any regulatory capital requirements. Management of BCS Group believes that funds generated by the operations of subsidiaries will continue to be the primary funding source in meeting its liquidity needs, providing adequate liquidity to meet capital guidelines and net capital requirements of its regulated subsidiaries.

The following factors which affect the cash position and cash flows include investment activity in securities, levels of capital expenditures, acquisition and divestiture activity, payments of dividends, and coupon payments. The combination of these factors can cause significant fluctuations in the cash position during specific time periods.

Liquidity risk is the risk that an entity will encounter difficulties with raising money in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits and current accounts. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Treasury Department of BCS Group by means of monitoring daily liquidity positions.

The Treasury Department prepares the liquidity profile of the financial assets and liabilities. The Treasury Department then builds up an adequate portfolio of short-term liquid assets, largely made up of short-term liquid securities, inter-bank facilities and cash balances, to ensure that sufficient liquidity is maintained within BCS 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 Treasury Department.

Currency risk
Currency risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective group entity. Foreign currency risk is managed at the Group level by monitoring limits daily on the level of exposure by each currency. Management has a policy to require Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign exchange risk exposure with the Group Treasury. Nevertheless, the Group does not qualify for hedge accounting in accordance with IAS 39. In addition, 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. The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the US Dollar and the Euro. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

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.

Results
The Group's results for the period are set out on page 12. The net profit for the period attributable to the shareholders of the Group amounted to RR4,217,532,683 (2019: RR2,846,704,671). On 30 June 2020 the total assets of the Group were RR205,397,595,863 (2019: RR185,411,220,461) and the net assets of the Group were RR10,222,387,895 (2019: RR6,004,855,212).

Dividends
The Board of Directors does not recommend the payment of a dividend.

Share capital
There were no changes in the share capital of the Company during the period under review.

Board of Directors
The members of the Group's Board of Directors as at 30 June 2020 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2020 to 30 June 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.

Operating Environment of the Group
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 form 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 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; uncertainty in UK and Europe regarding the result of the Brexit referendum; 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/quarantineby those potentially affected, implementing social distancing measures, and controlling or closing bordersand"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.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company'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.

The market turbulence in the first half of 2020 caused by Covid-19 pandemic, has created a very pessimistic sentiment worldwide. In this regard, the management of the Group, revised forecasts for 2020 and planned mitigation measures in the first quarter.

However, the Group's financial results for the first six month of 2020, turned out to be higher than forecast expectations as a result of implementation of management decisions and rapid market recovery.

We can now state that Covid-19 pandemic did not have a significant negative impactfor the Group as a whole. Within the same period of time the parent company BrokerCreditService Structured Products PLC, issued significant more notes in 2020 than in 2019.

However, the ongoing Covid-19 pandemic remains a threat to future economic performance as new cases globally stay at record high levels with some lockdowns in place. The second wave of Covid-19, is gathering pace around the globe, especially in Europe, posing a major threat to the economic recovery path and likely increasing volatility even further in Autumn as new lockdowns are introduced.

To counter the negative developments, new economic support packages and central banks financial packages are ready around the world. The management estimates the second half of the year to be neutral for the Group's business. Neither positive nor negative, with a possible increase in volatility.

(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.

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.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 35 to the consolidated financial statements.

Related party transactions
Disclosed in note 32 of the consolidated financial statements.

Independent Auditors
The Independent Auditors, Yiallourides & Partners Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Evgenios Bagiazidis
Director

Limassol, 28 September 2020

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 10 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 period from 1 January 2020 to 30 June 2020, on the basis of our knowledge, declare that:

(a) The interim consolidated financial statements of the Group which are presented on pages 12 to 87:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 10, 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

Responsible for drafting the financial statements

Evgenios Bagiazidis (Financial Manager)

Limassol, 28 September 2020

YIALLOURIDES & PARTNERS LTD
CHARTERED ACCOUNTANTS

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Independent Auditor's Report on review of interim unaudited financial statements

To the Members of BrokerCreditService Structured Products PLC

Introduction

We have reviewed the interim consolidated financial statements of BrokerCreditService Structured Products PLC (the "Company") and its subsidiaries (the "Group"), which are presented in pages 12 to 87 and comprise the consolidated statement of financial position as at 30 June 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the period from 1 January 2020 to 30 June 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ('IAS34 Interim Financial Reporting'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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.

YIALLOURIDES & PARTNERS LTD
CHARTERED ACCOUNTANTS

Independent Auditor's Report on review of interim unaudited financial statements (continued)

To the Members of BrokerCreditService Structured Products PLC

Other Matter

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, 28 September 2020

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period from 1 January 2020 to 30 June 2020

	Note	**30 June 2020 RR**	30 June 2019 RR
Revenue	9	**994,042**	1,400,503
Dividend income (gross)		**601,869,736**	182,931,966
Interest income		**1,436,089**	23,367,905
Loan interest income		**336,103,457**	674,595,419
Net gain/(loss) on trading in financial instruments		**1,845,427,146**	(1,192,421,541)
Net (loss)/gain realised on trading in foreign currencies		**(350,299,241)**	5,651,282,306
Net fair value gains on financial assets at fair value through profit or loss	23	**8,275,966,998**	7,015,033,816
Interest income from bonds		**2,040,671,626**	1,954,604,871
Interest income on reverse repurchase agreements		**1,458,502,296**	1,867,644,459
Interest expense on bonds		**(4,100,816,132)**	(2,482,460,962)
Interest income from bonds at amortised cost		**782,895**	-
Interest expense on REPO loans		**(1,975,369,861)**	(3,724,835,801)
Net fair value loss on trading in foreign currencies		**-**	(165,413,000)
Financial result of SWAP operations (OTC)		**328,842,213**	1,164,613,315
Interest income on OTC SWAP		**392,824,794**	-
Loss from sale of investments in subsidiaries		**-**	(7,338,545)
Staff costs	13	**(10,426,687)**	(9,653,465)
Depreciation and amortisation expense		**(798,282)**	(915,208)
Other operating income	10	**22,854,636**	25,635,733
Change in fair value of derivative financial instruments		**(3,900,010,838)**	(3,991,860,802)
Net impairment (loss) on financial and contract assets		**(860,021,728)**	(18,083,574)
Administration and other expenses	11	**(537,788,970)**	(795,504,561)
Operating profit	12	**3,570,744,189**	6,172,622,834
Finance income	14	**779,967,739**	9,705,979
Finance costs	14	**(2,485,922)**	(3,251,194,267)
Share of results of associates		**(40,452,718)**	(40,932,125)
Profit before tax		**4,307,773,288**	2,890,202,421
Tax	15	**(90,240,605)**	(43,497,750)
Net profit for the period/year		**4,217,532,683**	2,846,704,671
Other comprehensive income		**-**	-
Total comprehensive income for the period/year		**4,217,532,683**	2,846,704,671

The notes on pages 16 to 87 form an integral part of these consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2020

	Note	2020 RR	2019 RR
ASSETS			
Non-current assets			
Property, plant and equipment	18	**2,437,808**	1,304,691
Investments in associates	19	**643,324,659**	683,777,377
Other financial assets at amortised cost	20	**9,119,499,960**	-
Trade and other receivables	22	**8,335,708,023**	1,414,226,653
Non-current loans receivable	21	**-**	1,432,682
Loans to parent	32	**7,586,403,969**	7,037,513,141
		25,687,374,419	9,138,254,544
Current assets			
Trade and other receivables	22	**83,689,234,295**	63,576,664,600
Receivables from associates	32	**16,804,410,613**	30,600,275,393
Loans receivable	21	**365,441,901**	533,424,197
Loans to associates	32	**4,939,075,422**	3,900,339,824
Loans to parent	32	**856,116,325**	928,202,298
Financial assets at fair value through profit or loss	23	**72,907,901,239**	76,578,230,148
Amounts due from lessees under finance leases	25	**214,309**	167,727
Cash at bank and in hand	26	**147,827,340**	155,661,730
		179,710,221,444	176,272,965,917
Total assets		**205,397,595,863**	185,411,220,461
EQUITY AND LIABILITIES			
Equity			
Share capital	27	**1,886,692**	1,886,692
Retained earnings		**10,220,501,203**	6,002,968,520
Total equity		**10,222,387,895**	6,004,855,212
Non-current liabilities			
Lease liabilities	29	**1,689,726**	-
Financial liabilities at fair value through profit or loss	23	**60,549,776,951**	54,553,811,773
Trade and other payables	30	**9,309,449,330**	9,178,597,473
		69,860,916,007	63,732,409,246
Current liabilities			
Trade and other payables	30	**96,113,564,174**	87,216,744,581
Payables to associates	32	**27,080,909,927**	27,718,650,826
Payables to parent	32	**-**	115,000,000
Borrowings	28	**129,824**	114,412
Lease liabilities	29	**4,146**	336,210
Financial liabilities at fair value through profit or loss	23	**2,119,681,717**	623,109,974
Current tax liabilities	31	**2,173**	-
		125,314,291,961	115,673,956,003
Total liabilities		**195,175,207,968**	179,406,365,249
Total equity and liabilities		**205,397,595,863**	185,411,220,461

On 28 September 2020 the Board of Directors of BrokerCreditService Structured Products PLC authorised these consolidated financial statements for issue.

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Eygenios Bagfazidis — Director

Dimitra Karkalli — Director

The notes on pages 16 to 87 form an integral part of these consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period from 1 January 2020 to 30 June 2020

	Share capital RR	Retained earnings RR	Total RR
Balance at 1 January 2019	**1,886,692**	**3,065,952,408**	**3,067,839,100**
Net profit for the period	-	2,846,704,671	2,846,704,671
Balance at 30 June 2019	**1,886,692**	**5,912,657,079**	**5,914,543,771**
Net profit for the period	-	205,311,441	205,311,441
Dividends	-	(115,000,000)	(115,000,000)
Balance at 31 December 2019 / 1 January 2020	**1,886,692**	**6,002,968,520**	**6,004,855,212**
Net profit for the period	-	4,217,532,683	4,217,532,683
Balance at 30 June 2020	**1,886,692**	**10,220,501,203**	**10,222,387,895**

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
Period from 1 January 2020 to 30 June 2020

	Note	**30 June 2020** **RR**	30 June 2019 RR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**4,307,773,288**	2,890,202,421
Adjustments for:			
Depreciation of property, plant and equipment	18	**798,282**	915,208
Unrealised exchange (profit)/loss		**(199,894,432)**	3,238,575,572
Share of loss from associates	19	**40,452,718**	40,932,125
Change in fair value of derivative financial instruments		**(3,900,010,838)**	3,991,860,802
Fair value gains on financial assets at fair value through profit or loss		**(8,513,979,333)**	(7,015,033,816)
Impairment charge - debt investments at amortised cost	20	**33,585,670**	-
Impairment charge - loans receivable	32	**430,213,163**	18,688,103
Impairment charge/(reversal of impairment) - trade and other receivables	22	**396,213,182**	(606,049)
Interest income	14	**(1,792,469,385)**	(697,963,324)
Interest expense	14	**1,975,397,558**	24,389
		(7,221,920,127)	2,467,595,431
Changes in working capital:			
Increase in trade and other receivables		**(29,058,941,064)**	(35,833,355,265)
Decrease/(increase) in receivables from related companies		**9,947,299,735**	(3,976,576,368)
Decrease in Directors' current accounts		**-**	(1,613)
Decrease/(increase) in financial assets at fair value through profit or loss		**25,011,673,206**	(8,681,645,092)
Decrease in derivative financial instruments		**-**	9,052,337,127
Increase in trade and other payables		**8,858,286,057**	57,591,356,211
Decrease in payables to related companies		**(927,391,025)**	(5,214,507,724)
Cash generated from operations		**6,609,006,782**	15,405,202,707
Interest received		**1,455,472,826**	1,154,290,202
Interest paid		**(1,975,369,861)**	-
Tax paid		**(90,240,605)**	(43,497,750)
Net cash generated from operating activities		**5,998,869,142**	16,515,995,159
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of financial assets at amortised cost	20	**(9,039,693,334)**	-
Loans granted		**(534,170,177)**	(10,391,452,520)
Loans repayments received		**3,677,689,472**	-
Proceeds from disposal of property, plant and equipment	18	**79,597**	-
Interest received		**110,208**	456,326,878
Net cash used in investing activities		**(5,895,984,234)**	(9,935,125,642)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of leases liabilities		**(559,885)**	-
Interest paid		**-**	(24,389)
Dividends paid		**(115,000,000)**	(6,500,000,000)
Net cash used in financing activities		**(115,559,885)**	(6,500,024,389)
Net (decrease)/increase in cash and cash equivalents		**(12,674,977)**	80,845,128
Cash and cash equivalents at beginning of the period/year		**155,547,318**	106,474,780
Effect of exchange rate fluctuations on cash held		**4,825,175**	-
Cash and cash equivalents at end of the period/year	26	**147,697,516**	187,319,908

The notes on pages 16 to 87 form an integral part of these consolidated financial statements.

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.

Unaudited financial statements

The consolidated financial statements for the six months ended on 30 June 2019 and 2020 respectively, have not been audited by the external auditors of the Company.

Principal activities

BrokerCreditService Structured Products Plc acts as an investment and financing company and conducts trading operations in the international securities markets (except for the investment activity that requires authorisation and/or license). This includes entering into transactions with market counterparties and related parties that are members of the Group. These transactions include, but are not limited to, repo transactions, loans and transactions in securities in the international capital markets including exchanges and Over-the-Counter ("OTC") markets. The Company also conducts investment activities in different types of bonds of both Russian and international issuers.

BrokerCreditService Structured Products Plc acts as the 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.

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

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 convention as modified by the revaluation of, and financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments).

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 financial statements are disclosed in Note 4.

3. Adoption of new or revised standards and interpretations

During the current period 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.

4. 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

Subsidiaries are companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies so as to obtain benefits. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is actually transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases.

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 its subsidiary Routa Luxury Services Ltd.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Transactions eliminated on consolidation

4. Significant accounting policies (continued)

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.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. There was no Goodwill on acquisition of subsidiaries and associates.

Segmental reporting

The entity 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 8.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Group includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Group's experience with similar contracts and forecasted sales to the customer.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results and current market, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the counterparty's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

4. Significant accounting policies (continued)

Revenue recognition (continued)

The Group assesses whether contracts that involve the provision of a range of services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A service that is promised to a counterparty is distinct if the counterparty can benefit from the service, either on its own or together with other resources that are readily available to the counterparty (that is the service is capable of being distinct) and the Group's promise to transfer the service to the counterparty is separately identifiable from other promises in the contract (that is, the service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a counterparty and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a service to a counterparty.

- **Rendering of services**

  Rendering of services - over time:
  Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

  For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

  The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

  Rendering of services - at a point in time:
  The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Income from investments in securities**

  Dividend from equity securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from debt securities measured at fair value through profit or loss is recognised on an accruals basis.

  Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

  The difference between the fair value of investments at fair value through profit or loss as at 30 June 2020 and the cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises.

- **Interest income and expense**

  Interest income and expense are recorded for all debt instruments on an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **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.

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

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 financial statements are presented in Russian Rubles (RR), which is the Group's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

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 Company operates and generates taxable income. 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.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

4. Significant accounting policies (continued)

Tax (continued)

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 realised or the deferred income tax liability is settled.

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.

Dividends

Interim dividends are recognised in equity in the year in which they are approved by the Company's Directors. Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the year in which they are approved by the Company's shareholders.

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 - cost	33

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

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 lender's 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 in the 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 pledged securities. The corresponding liability is presented within trade payables.

Securities purchased under agreements to resell ("reverse repo agreements"), which effectively provide a lender's return to the Group, are recorded as trade receivables. The difference between the sale and repurchase price is treated as interest income or interest expense and accrued over the life of reverse repo agreements and repo agreements respectively, using the effective interest method.

Securities lending

Securities lent to counterparties for a fixed fee are retained in the financial statements in their original category in the 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 financial statements, unless these are sold to third parties in which case an obligation to return the securities is recorded at fair value and any fluctuations of the fair value are recorded in profit or loss for the year within gains less losses arising from trading securities. The obligation to return the securities is recorded at fair value in financial liabilities at fair value through profit or loss.

The fixed fee is treated as interest income or interest expense and is accrued over the life of the securities lending agreement.

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 assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

4. Significant accounting policies (continued)

Leases (continued)

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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 earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are 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.

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.

4. Significant accounting policies (continued)

Leases (continued)

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, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

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 presents its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the consolidated statement of financial position.

The lease liabilities are presented in 'loans and borrowings'in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial instruments

Financial assets - Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets - Classification (continued)

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets - Measurement (continued)

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, trade receivables, bonds measured at amortised cost and loans issued.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Equity instruments

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the consolidated statement of comprehensive income as applicable.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and with the exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income within "net impairment losses on financial and contract assets". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Group determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition. A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Financial liabilities designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Group's documented investment strategy. They include obligations to deliver financial assets borrowed by a short seller.

Gains or losses arising from changes in the fair value of the "financial liabilities at fair value through profit or loss" category are presented in statement of comprehensive income in the period in which they arise. Coupon interest on financial liabilities at fair value through profit or loss is recognised in profit or loss within "net gains/(losses) on financial instruments at fair value through profit or loss".

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are 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 assets.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

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.The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

4. Significant accounting policies (continued)

Financial instruments (continued)

Trade and other payables

Trade and other payables 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.

Derivative financial instruments

Derivative financial instruments which include Option Contracts, Forward Contracts, Credit Default Swaps and Contracts for Differences on shares, bonds, commodities and foreign exchange forward contracts are initially recognised in the statement of financial position at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are determined by reference to third party market values. Derivative financial instruments are recognised in the balance sheet as assets when fair value is positive and as liabilities when fair value is negative. Derivative financial instruments form part of the Group's operating activities. Gains or losses arising from changes in the fair value of derivative financial instruments are presented in profit or loss in the period in which they arise. The Group does not apply hedge accounting.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in the income statement.

Share capital

Ordinary shares are classified as equity.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

5. New accounting pronouncements

Standards issued but not yet effective

5. New accounting pronouncements (continued)

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 but not yet adopted by the European Union

New standards
- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021).*

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).*
- *IFRS 10 (Amendments) and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture(effective date postponed indefinitely).*

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

6. Financial risk management

Financial risk factors
Management recognises that the risk is embedded in all of the Group's activities and for this reason it recognises the need for the continuous identification, assessment, examination, and control of each type of risk: market (including price, interest rate and currency risk), credit and liquidity risk management.The risk management policies employed by the Group to manage these risks are discussed below:

6.1 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.

The Group maintains trading securities owned and securities sold but not yet purchased in order to facilitate transactions and to meet a portion of clearing deposit requirements at various clearing organizations. These securities include debt securities issued by the Russian government, corporate debt securities and equity securities. Changes in the value of trading inventory may result from fluctuations in interest rates, credit spreads, equity prices and the correlation among these factors. The Group manages its trading inventory by product type.

Activities to facilitate client and proprietary transactions are monitored by the broker dealer support services department. The level of securities deposited is monitored by the settlement area within broker dealer support services department.

Price risk for equity securities is the risk of changes in value of a financial instrument as a result of changes in market prices regardless of whether they have been caused by factors specific for a particular instrument or factors influencing all instruments traded in the market. Price risk for equity securities exists when the Group has a long or short position in an equity financial instrument.

6. Financial risk management (continued)

6.1 Market price risk (continued)

Sensitivity analysis
The table below summarizes the impact on the Group's pre-tax profit and on own portfolio market value assuming that the prices of securities held by the Company had increased/decreased by 10% (2019 :10%) with all other variables held constant:
Year-end market value of Company's portfolio:

	FA at FVTPL			FL at FVTPL
				31 December
	2020	2019	**2020**	2019
	RR	RR	**RR**	RR
Equity securities - Moscow Stock Exchange	**3,577,447,966**	1,493,948,928	**-**	-
Equity Securities - US Composite (US)	**42,015,824,977**	45,771,857,406	**-**	-
Equity securities - Switzerland Composite (SW)	**8,703,379**	8,042,421	**-**	-
Equity securities - Germany Composite (GR)	**755,190,058**	875,783,321	**-**	-
Equity securities - RTS Russian Trading SystemComposite (RU)	**678,564**	4,075	**-**	-
Equity securities - Borsa Italiana (IM)	**1,441,156,641**	1,648,220,018	**-**	-
Equity securities - London Stock Exchange (LN)	**133,468**	194,744	**-**	-
Equity securities - London International & LondonInternational Composite (LI)	**1,427,255,483**	1,430,293,194	**-**	-
Equity securities - Hong Kong Exchanges and Clearing(HK)	**121,122,344**	133,282,014	**-**	-
Equity securities - NYSE Euronext Paris (FP)	**617,484,508**	808,692,251	**-**	-
Equity securities - Japan Composite (JP)	**1,188,221,150**	-	**-**	-
Debt securities - bonds	**21,754,682,701**	24,407,911,776	**-**	6,906,169
Debt securities - shares	**-**	-	**15,798**	-
Bonds' issue	**-**	-	**62,669,442,870**	55,170,015,578
	72,907,901,239	76,578,230,148	**62,669,458,668**	55,176,921,747

6. Financial risk management (continued)

6.1 Market price risk (continued)

Post-tax profit for the year would increase/decrease by RR 7,290,790,124 (2019: 7,657,823,015) if the prices of securities held by the Group had increase/decrease by 10% (2019: 10%).

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group's Board of Directors. Market 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.

Market 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.

6.2 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.

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 200-basis point (bp) parallel fall or rise in all yield curves worldwide and a 50 bp rise or fall in the greater than 12-month portion of all yield curves.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2020 RR	2019 RR
Fixed rate instruments		
Financial assets (loans)	**13,747,037,617**	12,400,912,142
Financial assets (bonds at amortised cost)	**9,119,499,960**	-
Financial assets (reverse REPO)	**67,495,559,168**	40,686,782,662
Financial liabilities (bond's issue)	**58,913,425,113**	51,817,057,801
Financial liabilities (direct REPO)	**89,968,781,144**	76,370,886,078
Variable rate instruments		
Financial liabilities (bonds issue)	**3,756,017,757**	3,352,957,777

Post-tax profit for the year would increase/decrease by RR 18,780,089 (2019: 16,764,789) if the variable interest rate increase/decrease by 0.5% (2019: 0.5%).

6.3 Credit risk
Credit risk is the risk of loss due to adverse changes in a borrower's, issuer's or counterparty's ability to meet its financial obligations under contractual or agreed upon terms.

(i) Risk management

The Board of Directors has delegated responsibility for the oversight of credit risk to Risk Department of the Group. The Risk Department of the Group 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 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 is actively managed through individual reviews performed by management. Management regularly reviews asset quality including concentrations, delinquencies, nonaccrual loans, charge-offs, and recoveries. All are factors in the determination of an appropriate inputs, assumptions and techniques used for estimating impairment losses, which is reviewed quarterly by senior management.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(i) Risk management (continued)

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). 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 carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2020	2019
	RR	RR
Loans receivable	**365,441,901**	534,856,879
Loans to associates	**4,939,075,422**	3,900,339,824
Loans to parent	**8,442,520,294**	7,965,715,439
Bonds at amortised cost	**9,119,499,960**	-
Trade and other receivables	**8,430,991,986**	1,556,368,932
Trade receivables on REPO	**83,593,950,332**	63,434,522,321
Cash at bank	**147,823,355**	155,657,920
Receivables from associates	**16,804,410,613**	30,600,275,393
	131,843,713,863	108,147,736,708

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- trade and other receivables
- financial assets at amortised cost
- cash and cash equivalents

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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).

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	All exposures (corporate and retail exposures)	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
•Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections	•Payment record – this includes overdue status as well as a range of variables about payment ratios	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
•Data from credit reference agencies, press articles, changes in external credit ratings	•Requests for and granting of forbearance	Stage 2: Lifetime expected losses	Gross carrying amount
•Quoted bond and credit default swap (CDS) prices for the borrower where available	•Existing and forecast changes in business, financial and economic conditions	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

•Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities		Asset is written off	None

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 by jurisdiction or region and by type of product and borrower as well as by credit risk grading.

The Group employes 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.

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 emitent 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;

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Generating the term structure of PD (continued)

- 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).

No significant changes to estimation techniques or assumptions were made during the reporting period.

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.

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.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy.

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 to 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 eminent 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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Generating the term structure of PD (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 Central Bank of Russia (CBR), the World bank, Ministry of Economic Development, and individual and academic forecasters.

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 forecasts, oil price index, retail price index. This key driver for the countries where the group operates is GDP forecasts.

Predicted relationships between the key indicator and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 2014 to 2019 years.

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.

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. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. 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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Generating the term structure of PD (continued)

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

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

(iii) Net impairment losses on financial and contract assets recognised in profit or loss

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

Impairment losses	30 June 2020	30 June 2019
	RR	RR
Impairment charge - cash and cash equivalents	**(11,505)**	(1,552)
Impairment charge - debt investments at amortised cost	**(33,585,670)**	-
Impairment charge - loans receivable	**(430,213,195)**	(26,839,254)
Impairment charge - trade and other receivables	**(401,401,892)**	(40,271,794)
Reversal of impairment - cash and cash equivalents	**1,792**	32
Reversal of impairment - loans receivable	**32**	8,151,151
Reversal of impairment - trade and other receivables	**5,188,710**	40,877,843
Net impairment (loss) on financial and contract assets	**(860,021,728)**	(18,083,574)

6. Financial risk management (continued)

6.3 Credit risk (continued)

(iv) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Group will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Group monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

6.4 Liquidity risk

The Group conducts substantially all of its business through its wholly-owned subsidiaries. The capital structure is designed to provide each subsidiary with capital and liquidity to meet its operational needs and regulatory requirements. Liquidity needs are generally met through cash generated by its subsidiaries, as well as cash provided by the shareholder, if required. The Group maintains excess liquidity in the form of overnight cash deposits and short-term investments to cover daily funding needs and to support growth in the business. Generally, the Group does not hold liquidity at its subsidiaries in excess of amounts deemed sufficient to support the subsidiaries' operations, including any regulatory capital requirements. Management believes that funds generated by the operations of subsidiaries will continue to be the primary funding source in meeting its liquidity needs, providing adequate liquidity to meet capital guidelines and net capital requirements of its regulated subsidiaries.

The cash position and cash flows are affected by changes in brokerage client cash balances and the associated amounts required to be segregated under regulatory guidelines. Timing differences between cash and investments actually segregated on a given date and the amount required to be segregated for that date may arise in the ordinary course of business and are addressed by the Group in accordance with applicable regulations. Other factors which affect the cash position and cash flows include investment activity in securities, levels of capital expenditures, acquisition and divestiture activity, banking client deposit activity, brokerage and banking client loan activity, payments of dividends, and repurchases and issuances of shares. The combination of these factors can cause significant fluctuations in the cash position during specific time periods.

Liquidity risk is the risk that an entity will encounter difficulties with raising money in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan drawdowns, and guarantees. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Treasury Department by means of monitoring daily liquidity positions.

The Treasury Department prepares the liquidity profile of the financial assets and liabilities. The Treasury Department then builds up an adequate portfolio of short-term liquid assets, largely made up of short-term liquid securities, inter-bank facilities and cash balances, 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 Treasury Department.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

6. Financial risk management (continued)

6.4 Liquidity risk (continued)

30 June 2020	Carrying amounts RR	Contractual cash flows RR	3 months or less RR	3-12 months RR	1-5 years RR	More than 5 years RR
Accruals	6,464,443	6,464,443	6,464,443	-	-	-
Other creditors	12,674,842	12,674,842	12,674,842	-	-	-
Bank overdrafts	129,824	129,824	129,824	-	-	-
Trade payables on REPO	90,550,382,259	90,550,382,259	41,434,598,179	49,115,784,080	-	-
Payables to associates	20,838,438,231	20,838,438,231	20,838,438,231	-	-	-
Social insurance and other taxes	612,610	612,610	612,610	-	-	-
VAT	728,197	728,197	728,197	-	-	-
Trade payables	9,092,515	9,092,515	7,398,643	-	1,693,872	-
Bonds' issue	62,669,442,870	62,669,442,870	-	2,119,665,918	37,888,350,005	22,661,426,947
Forward contracts	9,703,034,119	9,703,034,119	734,256,608	4,801,048,746	4,163,742,705	3,986,060
Credit Default SWAPs (including SWAPs with associates)	6,763,121,670	6,763,121,670	-	-	6,763,121,670	-
Currency SWAPs with associates	4,621,070,590	4,621,070,590	4,621,070,590	-	-	-
Financial liabilities at fair value through profit or loss	15,798	15,798	15,798	-	-	-
	195,175,207,968	195,175,207,968	67,656,387,965	56,036,498,744	48,816,908,252	22,665,413,007

31 December 2019	Carrying amounts RR	Contractual cash flows RR	3 months or less RR	3-12 months RR	1-5 years RR	More than 5 years RR
Accruals	7,343,863	7,343,863	-	7,343,863	-	-
Other creditors	4,077,526	4,077,526	4,077,526	-	-	-
Payables to related parties	27,526,432,123	27,526,432,123	27,526,432,123	-	-	-
Payables to parent	115,000,000	115,000,000	-	115,000,000	-	-
Bank overdrafts	114,412	114,412	114,412	-	-	-
Trade payables on REPO	82,762,321,128	82,762,321,128	57,482,295,722	25,280,025,406	-	-
Social insurance and other taxes	235,205	235,205	235,205	-	-	-
Bonds' issue	55,170,015,578	55,170,015,578	-	616,203,805	36,473,111,756	18,080,700,017
Forward contracts	13,442,726,019	13,442,726,019	989,785,477	3,453,317,593	8,992,952,716	6,670,233
Credit Default SWAPs (including SWAPs with associates)	301,149,920	301,149,920	-	-	301,149,920	-
Currency SWAPs with associates	70,043,306	70,043,306	70,043,306	-	-	-
Financial liabilities at fair value through profit or loss	6,906,169	6,906,169	6,906,169	-	-	-
	179,406,365,249	179,406,365,249	86,079,889,940	29,471,890,667	45,767,214,392	18,087,370,250

6. Financial risk management (continued)

6.5 Currency risk
Currency risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective group entity. Foreign currency risk is managed at the Group level by monitoring limits daily on the level of exposure by each currency. Management has a policy to require Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign exchange risk exposure with the Group Treasury. Nevertheless, the Group does not qualify for hedge accounting in accordance with IFRS 9. In addition, 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. The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the US Dollar and the Euro. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

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**	
				31 December
	2020	2019	**2020**	2019
	RR	RR	**RR**	RR
United States Dollars	**128,102,981,049**	109,057,777,235	**141,326,651,895**	89,940,847,138
Euro	**9,681,153,666**	12,053,303,401	**7,431,478,765**	18,033,607,152
British Pounds	**27,391,699**	596,918,399	**207,807,822**	44,706,962
Russian Roubles	**57,097,578,227**	57,651,717,517	**54,941,500,800**	77,204,360,092
Swiss Franc	**4,685,980**	3,897,259	**34,648,526**	20,899,626
Hong Kong Dollar	**-**	42,751,215	**137,623,568**	18,317,730
Australian Dollar	**-**	-	**4,651**	147,818,833
Japanese Yen	**261,417,347**	-	**1,317,183,641**	629,994
Other currencies	**-**	223	**696,195**	32,934
	195,175,207,968	179,406,365,249	**205,397,595,863**	185,411,220,461

Sensitivity analysis
A fluctuation of the United States Dollar or the Euro or the British Pound 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**	
				31 December
	2020	2019	**2020**	2019
	%	%	**RR**	RR
United States Dollars	**13**	(11)	**(1,324,153,552)**	5,288,299,799
Euro	**13**	(13)	**(587,801,141)**	(492,957,642)
British Pounds	**6**	(8)	**10,824,806**	44,177,123
	32	(32)	**(1,901,129,887)**	4,839,519,280

6. Financial risk management (continued)

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

6.6 Capital risk management

The 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 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.

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.

6.7 Fair value estimation

Fair value measurements recognised in consolidated statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, 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 - inputs for the asset or liability that are not based on observable market data (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.

30 June 2020	Level 1 RR	Level 2 RR	Level 3 RR	Total RR
Financial assets				
Financial assets at fair value through profit or loss	72,907,901,239	-	-	72,907,901,239
Derivative financial assets	-	18,960,650,710	-	18,960,650,710
Total	**72,907,901,239**	**18,960,650,710**	**-**	**91,868,551,949**
Financial liabilities				
Financial liabilities at fair value through profit or loss	15,798	-	-	15,798
Derivative financial liabilities	-	21,087,226,380	-	21,087,226,380
Bonds' issue	-	62,669,442,870	-	62,669,442,870
Total	**15,798**	**83,756,669,250**	**-**	**83,756,685,048**

6. Financial risk management (continued)

Fair value measurements recognised in consolidated statement of financial position (continued)

31 December 2019	Level 1	Level 2	Level 3	Total
	RR	RR	RR	RR
Financial assets				
Financial assets at fair value through profit or loss	76,578,230,148	-	-	76,578,230,148
Derivative financial assets	-	2,547,618,424	-	2,547,618,424
Total	76,578,230,148	2,547,618,424	-	79,125,848,572
Financial liabilities				
Financial liabilities at fair value through profit or loss	6,906,169	-	-	6,906,169
Derivative financial liabilities	-	13,813,919,245	-	13,813,919,245
Bonds' issue	-	55,170,015,578	-	55,170,015,578
Total	6,906,169	68,983,934,823	-	68,990,840,992

6. Financial risk management (continued)

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair values of financial assets and financial liabilities are determined as follows. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial instruments held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise listed equity securities.

If a market for a financial instrument is not active, the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Group has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

6.8 Offsetting financial assets and liabilities

30 June 2020	(A) Gross amounts of recognised financial assets	(B) Gross amounts of recognised financial liabilities	(C=A-B) Net amounts of assets/(liabilities) presented in the Statement of Financial Position	(D) Other amounts subject to an enforceable master netting arrangement (not off set)	(E=C-D)
	RR	RR	RR	RR	RR
Forward contracts	-	9,703,034,119	(9,703,034,119)	-	(9,703,034,119)
Credit Default SWAPs	14,341,928,318	6,763,121,670	7,578,806,648	-	7,578,806,648
Currency SWAPs	4,618,722,392	4,621,070,590	(2,348,198)	-	(2,348,198)
REPO (reverse)	67,495,559,168	-	67,495,559,168	-	67,495,559,168
REPO (direct)	-	89,968,781,144	(89,968,781,144)	-	(89,968,781,144)

6. Financial risk management (continued)

Shares	51,153,218,538	15,798	51,153,202,740	-	51,153,202,740
Bonds	21,754,682,701	-	21,754,682,701	-	21,754,682,701
Bonds at amortised cost	9,119,499,960		9,119,499,960		9,119,499,960
Receivables	22,373,143,052	-	22,373,143,052	-	22,373,143,052
Payables	-	21,447,187,711	(21,447,187,711)	-	(21,447,187,711)
Loans	13,747,037,617	-	13,747,037,617	-	13,747,037,617
Bonds issue	-	62,669,442,870	(62,669,442,870)	-	(62,669,442,870)
Total:	**204,603,791,746**	**195,172,653,902**	**9,431,137,844**	**-**	**9,431,137,844**

31 December 2019	(A) Gross amounts of recognised financial assets	(B) Gross amounts of recognised financial liabilities	(C=A-B) Net amounts of assets/(liabilities) presented in the Statement of Financial Position	(D) Other amounts subject to an enforceable master netting arrangement (not off set)	(E=C-D)
	RR	RR	RR	RR	RR
Forward contracts	-	13,442,726,019	(13,442,726,019)	-	(13,442,726,019)
Credit Default SWAPs	2,546,070,003	301,149,920	2,244,920,083	-	2,244,920,083
Currency SWAPs	1,548,421	70,043,306	(68,494,885)	-	(68,494,885)
REPO (reverse)	40,686,782,662	-	40,686,782,662	-	40,686,782,662
REPO (direct)	-	76,370,886,078	(76,370,886,078)	-	(76,370,886,078)
Shares	52,170,318,372	-	52,170,318,372	-	52,170,318,372
Bonds	24,407,911,776	6,906,169	24,401,005,607	-	24,401,005,607
Receivables	52,356,832,205	-	52,356,832,205	-	52,356,832,205
Payables	-	33,929,638,179	(33,929,638,179)	-	(33,929,638,179)
Loans	12,400,912,142	-	12,400,912,142	-	12,400,912,142
Bonds issue	-	55,170,015,578	(55,170,015,578)	-	(55,170,015,578)
Total:	184,570,375,581	179,291,365,249	5,279,010,332	-	5,279,010,332

7. Critical accounting estimates and judgments

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.

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  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.

Critical judgements in applying the Group's accounting policies

- **Fair value of financial assets**

  The Company uses valuation techniques to establish the fair value of instruments where prices quoted in active markets are not available. Therefore, where possible, parameter inputs to the valuation techniques are based on observable data derived from prices of relevant instruments traded in an active market. These valuation techniques involve some level of management estimation and judgment, the degree of which will depend on the price transparency for the instrument or market and the instrument's complexity.

  In reaching estimates of fair value management judgment needs to be exercised. The level of management judgment required in establishing fair value of financial instruments for which there is a quoted price in an active market is usually minimal. Similarly, there is little subjectivity or judgment required for instruments valued using valuation models which are standard across the industry and where all parameter inputs are quoted in active markets.

  The level of subjectivity and degree of management judgment required is more significant for those instruments valued using specialized models and where some or all of the parameter inputs are less liquid or less observable. Management judgment is required in the selection and application of appropriate parameters, assumptions and modelling techniques. In particular, where data is obtained from infrequent market transactions then extrapolation and interpolation techniques must be applied. Further, some valuation adjustments may require the exercise of management judgment to achieve fair value. Changes in the management's assumptions could affect reported fair values.

7. Critical accounting estimates and judgments (continued)

When applicable, the Group provides a sensitivity analysis of the impact upon the level 3 financial instruments of using a reasonably possible alternative for the unobservable parameter. The determination of reasonably possible alternatives requires significant management judgment. Please refer to Note "6.7 Fair value estimation" for more information.

- **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.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

7. Critical accounting estimates and judgments (continued)

- **Initial recognition of related party transactions**

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.

- **Information about judgements made in applying classification of financial instruments policy and credit risk policy is included in the following notes:**

- Classification of financial assets. The Group 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 4

- 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 6.3

8. Segmental analysis

During 2019 and 2018 respectively, the Group has been organised into three operating segments based on services, as follows:
-Corporate business – loans, repo and other credit facilities for corporate and institutional customers
-Retail business – structured products and issued notes for individuals
-Group functions - treasury and finance and other central functions

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.

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

30 June 2020	**Corporate Business**	**Retail Business**	**Group Functions**	**Total**
	RR	**RR**	**RR**	**RR**
Assets	**131,696,104,818**	**72,907,901,239**	**793,589,806**	**205,397,595,863**
Liabilities	**117,652,854,784**	**77,520,529,493**	**1,823,691**	**195,175,207,968**

31 December 2019	Corporate Business	Retail Business	Group Functions	Total
	RR	RR	RR	RR
Assets	107,991,977,706	76,578,331,230	840,911,525	185,411,220,461
Liabilities	110,300,073,639	69,105,840,991	450,619	179,406,365,249

An analysis of the Group's income statement as follows (see next page):

30 June 2020	**Corporate Business RR**	**Retail Business RR**	**Group Functions RR**	**Total RR**
Revenue	**994,042**	-	-	**994,042**
Dividend income (gross)	**601,869,736**	-	-	**601,869,736**
Interest income	**1,436,089**	-	-	**1,436,089**
Loan interest income	**336,103,457**	-	-	**336,103,457**
Net gain on trading in financial instruments	**1,845,427,146**	-	-	**1,845,427,146**
Net loss realised on trading in foreign currencies	**(350,299,241)**	-	-	**(350,299,241)**
Net fair value gains on financial assets at fair value through profit or loss	-	**8,275,966,998**	-	**8,275,966,998**
Interest income from bonds	-	**2,040,671,626**	-	**2,040,671,626**
Interest income on reverse repurchase agreements	**1,458,502,296**	-	-	**1,458,502,296**
Interest expense on bonds	-	**(4,100,816,132)**	-	**(4,100,816,132)**
Interest expense on REPO loans	**(1,975,369,861)**	-	-	**(1,975,369,861)**
Financial income on OTC SWAP	**392,824,794**	-	-	**392,824,794**
Financial result of SWAP operations (OTC)	**328,842,213**	-	-	**328,842,213**
Interest income from bonds at amortised cost	**782,895**	-	-	**782,895**
Staff costs	**(10,426,687)**	-	-	**(10,426,687)**
Depreciation and amortisation expense	-	-	**(798,282)**	**(798,282)**
Other operating loss (income)	-	-	**22,854,636**	**22,854,636**
Change in fair value of derivative financial instruments	-	**(3,900,010,838)**	-	**(3,900,010,838)**
Net impairment (loss)/profit on financial and contract assets	**(860,021,728)**	-	-	**(860,021,728)**
Administration and other expenses	-	**(537,788,970)**	-	**(537,788,970)**
Finance income	**779,967,739**	-	-	**779,967,739**
Finance costs	**(2,485,922)**	-	-	**(2,485,922)**
Share of results of associates	-	-	**(40,452,718)**	**(40,452,718)**
Profit before tax	**2,548,146,968**	**1,778,022,684**	**(18,396,364)**	**4,307,773,288**

30 June 2019	Corporate Business RR	Retail Business RR	Group Functions RR	Total RR
Revenue	1,400,503	-	-	1,400,503
Dividend income (gross)	182,931,966	-	-	182,931,966
Interest income	23,367,905	-	-	23,367,905
Loan interest income	674,595,419	-	-	674,595,419
Net loss on trading in financial instruments	(1,192,421,541)	-	-	(1,192,421,541)
Net gain realised on trading in foreign currencies	5,651,282,306	-	-	5,651,282,306
Net fair value gains on financial assets at fair value through profit or loss	-	7,015,033,816	-	7,015,033,816
Interest income from bonds	-	1,954,604,871	-	1,954,604,871
Interest income on reverse repurchase agreements	1,867,644,459	-	-	1,867,644,459
Interest expense on bonds	-	(2,482,460,962)	-	(2,482,460,962)
Interest expense on REPO loans	(3,724,835,801)	-	-	(3,724,835,801)
Net fair value loss on trading in foreign currency	(165,413,000)	-	-	(165,413,000)
Financial result of SWAP operations (OTC)	1,164,613,315	-	-	1,164,613,315
Loss from sale of investments in subsidiaries	-	-	(7,338,545)	(7,338,545)
Staff costs	(9,653,465)	-	-	(9,653,465)
Depreciation and amortisation expense	-	-	(915,208)	(915,208)
Other operating loss (income)	-	-	25,635,733	25,635,733
Change in fair value of derivative financial instruments	-	(3,991,860,802)	-	(3,991,860,802)
Net impairment (loss)/profit on financial and contract assets	(18,083,574)	-	-	(18,083,574)
Administration and other expenses	-	(795,504,561)	-	(795,504,561)
Finance income	9,705,979	-	-	9,705,979
Finance costs	(3,251,194,267)	-	-	(3,251,194,267)
Share of results of associates	-	-	(40,932,125)	(40,932,125)
Profit before tax	1,213,940,204	1,699,812,362	(23,550,145)	2,890,202,421

9. Revenue

	30 June 2020 RR	30 June 2019 RR
Rendering of services	**994,042**	1,231,072
Profit from corporate actions	**-**	169,431
	994,042	1,400,503

10. Other operating income

	30 June 2020 RR	30 June 2019 RR
Interest on the collateral	**19,756,470**	-
Extraordinary income	**3,098,166**	4,706,746
Other income on REPO	**-**	3,095,412
Upfront fee on loans receivable	**-**	17,741,960
Sundry operating income	**-**	91,615
	22,854,636	25,635,733

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2020 to 30 June 2020

11. Administration and other expenses

	30 June 2020	30 June 2019
	RR	RR
Debt cancellation	**2,133,012**	-
Other expense on REPO	**153,032**	-
Professional licence fee	**15,000**	5,950
Security expenses	**28,007**	25,907
Annual levy	**55,734**	51,261
Electricity	**25,201**	6,887
Insurance	**117,780**	64,550
Repairs and maintenance	**1,950**	-
Telephone and postage	**125,659**	67,322
Modelity platform expenses	**2,412,381**	2,139,936
Personnel expenses	**97,154**	-
Computer supplies and maintenance	**182,221**	68,361
Computer software and website maintenance	**203,400**	195,613
Expenses for appointment of new director	**-**	7,686
Auditors' remuneration	**817,047**	1,101,344
Accounting fees	**1,166,451**	-
Legal fees	**7,877,266**	7,666,003
Directors' fees	**117,574**	109,633
Registrar services	**29,084**	-
Dealer's commission	**32,453,639**	14,897,248
Travelling	**100,177**	91,500
Irrecoverable VAT	**3,197,284**	2,709,780
Distribution services	**4,866,413**	-
Private motor vehicle expenses	**3,668**	-
Carriage and clearing	**36,692**	147,914,409
Listing services	**38,475,199**	6,582,554
Professional services	**10,857,069**	5,069,723
Agent's commission and other fees	**205,441,224**	2,303,613
Brokerage fees	**213,772,779**	581,448,109
Indirect expenses under brokerage agreement	**12,968,166**	22,903,726
Sundry expenses	**58,707**	73,446
	537,788,970	795,504,561

12. Operating profit

	30 June 2020	30 June 2019
	RR	RR
Operating profit is stated after charging the following items:		
Directors' fees	**117,574**	109,633
Staff costs including Directors in their executive capacity (Note 13)	**10,426,687**	9,653,465
Auditors' remuneration	**817,047**	1,101,344

13. Staff costs

	30 June 2020	30 June 2019
	RR	RR
Salaries	**9,327,274**	8,813,600
Social security costs	**1,099,413**	839,865
	10,426,687	9,653,465

14. Finance income/(costs)

	30 June 2020 RR	30 June 2019 RR
Interest income	**580,073,306**	-
Exchange profit	**199,894,433**	9,705,979
Finance income	**779,967,739**	9,705,979
Net foreign exchange losses	**(1,417,267)**	(3,248,281,551)
Interest expense	**(27,697)**	(24,389)
Sundry finance expenses	**(1,040,958)**	(2,888,327)
Finance costs	**(2,485,922)**	(3,251,194,267)
Net finance income/(cost)	**777,481,817**	(3,241,488,288)

15. Tax

	30 June 2020 RR	30 June 2019 RR
Overseas tax	**90,240,605**	43,497,750
Charge for the period/year	**90,240,605**	43,497,750

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.

16. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

30 June 2020	Fair value through profit or loss RR	Financial assets at amortised cost RR	Total RR
Assets as per consolidated statement of financial position:			
Trade and other receivables	-	89,868,692,069	89,868,692,069
Loans granted	-	13,747,037,617	13,747,037,617
Cash and cash equivalents	-	147,827,340	147,827,340
Bonds at amortised cost	-	9,119,499,960	9,119,499,960
Derivative financial assets	18,960,650,710	-	18,960,650,710
Financial assets at fair value through profit or loss	72,907,901,239	-	72,907,901,239
Total	**91,868,551,949**	**112,883,056,986**	**204,751,608,935**

16. Financial instruments by category (continued)

	Fair value through profit or loss RR	Borrowings and other financial liabilities RR	Total RR
Liabilities as per consolidated statement of financial position:			
Borrowings	-	129,824	129,824
Trade and other payables	-	111,418,393,096	111,418,393,096
Derivative financial liabilities	-	21,087,226,380	21,087,226,380
Financial liabilities at fair value through profit or loss	15,798	-	15,798
Bonds' issue	62,669,442,870	-	62,669,442,870
Total	**62,669,458,668**	**132,505,749,300**	**195,175,207,968**

31 December 2019	Fair value through profit or loss RR	Financial assets at amortised cost RR	Total RR
Assets as per consolidated statement of financial position:			
Trade and other receivables	-	93,043,715,948	93,043,715,948
Loans granted	-	12,400,912,142	12,400,912,142
Cash and cash equivalents	-	155,661,730	155,661,730
Derivative financial assets	2,547,618,424	-	2,547,618,424
Financial assets at fair value through profit or loss	76,578,230,148	-	76,578,230,148
Total	79,125,848,572	105,600,289,820	184,726,138,392

	Fair value through profit or loss RR	Borrowings and other financial liabilities RR	Total RR
Liabilities as per consolidated statement of financial position:			
Borrowings	-	114,412	114,412
Trade and other payables	-	110,415,409,845	110,415,409,845
Derivative financial liabilities	-	13,813,919,245	13,813,919,245
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
Total	55,176,921,747	124,229,443,502	179,406,365,249

17. Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2020 RR	2019 RR
Fully performing trade receivables		
Counterparties without external credit rating		
Group 1	**8,430,981,834**	1,513,285,317
Group 2	**16,804,410,613**	30,600,275,391
Group 3	**83,593,950,332**	63,477,605,938
	108,829,342,779	95,591,166,646
Total fully performing trade receivables	**108,829,342,779**	95,591,166,646

Credit quality of financial assets (continued)

17 Credit quality of financial assets (continued)

	2020 RR	2019 RR
Fully performing loans receivable		
Group 1	**365,441,901**	333,704,528
Group 2	**13,381,595,716**	11,866,055,263
Group 3	**-**	201,152,351
	13,747,037,617	12,400,912,142
Cash at bank and short term bank deposits (1)		
Hellenic Bank Public Company Ltd	**1,230,761**	9,548,889
BCS Bank	**146,592,594**	146,109,031
	147,823,355	155,657,920

Credit quality of financial assets (continued)

17 Credit quality of financial assets (continued)

The rest of the consolidated statement of financial position item "Cash and cash equivalents" is cash in hand.

Group 1 - customers with no history of default.

Group 2 - companies within the group, common control companies and associates with no defaults in the past.

Group 3 - brokers with no history of default.

None of the financial assets that are fully performing has been renegotiated.

18. Property, plant and equipment

	Right to use the lease	Computer Hardware - cost	Total
	RR	RR	RR
Cost			
Balance at 1 January 2019	-	652,854	652,854
Additions	2,096,046	471,363	2,567,409
Balance at 31 December 2019	**2,096,046**	**1,124,217**	**3,220,263**
Balance at 1 January 2020	**2,096,046**	**1,124,217**	**3,220,263**
Additions	671,955	-	671,955
Disposals	-	(118,437)	(118,437)
Balance at 30 June 2020	**2,768,001**	**1,005,780**	**3,773,781**
Depreciation			
Balance at 1 January 2019	-	54,244	54,244
Charge for the period	1,627,238	234,090	1,861,328
Balance at 31 December 2019	**1,627,238**	**288,334**	**1,915,572**
Balance at 1 January 2020	**1,627,238**	**288,334**	**1,915,572**
Charge for the period	622,350	175,932	798,282
On disposals	-	(38,840)	(38,840)
Adjustment to right-of-use asset	(1,339,041)	-	(1,339,041)
Balance at 30 June 2020	**910,547**	**425,426**	**1,335,973**
Net book amount			
Balance at 30 June 2020	**1,857,454**	**580,354**	**2,437,808**
Balance at 1 January 2020	**468,808**	**835,883**	**1,304,691**

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	30 June 2020	31 December 2019
	RR	RR
Net book amount	**79,597**	-
Proceeds from disposal of property, plant and equipment	**79,597**	-

19. Investments in associates

	2020 RR	2019 RR
Balance at 1 January	**683,777,377**	650,367,649
Share of results of associates	**(40,452,718)**	33,409,728
Balance at 30 June/31 December	**643,324,659**	683,777,377

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	Holding %	2020 RR	2019 RR
Combined Closed-end mutual Fund "FNB Business"	Russia	Investment in realestate property	25.23	**643,324,659**	683,777,377
				643,324,659	683,777,377

20. Other financial assets at amortised cost

	2020 RR	2019 RR
Additions	**9,039,693,334**	-
Impairment charge	**(33,585,670)**	-
Exchange differences	**112,609,401**	-
Interest accrued	**782,895**	-
Balance at 30 June/31 December	**9,119,499,960**	-

The following are included in profit or loss with respect to financial assets at amortised cost:

	30 June 2020 RR	31 December 2019 RR
Impairment charge - debt investments at amortised cost	**(33,585,670)**	-
Net loss on financial assets at amortised cost	**(33,585,670)**	-

21. Non-current loans receivable

	2020 RR	2019 RR
Loans receivable	**365,441,901**	534,856,879
	365,441,901	534,856,879
Less current portion	**(365,441,901)**	(533,424,197)
Non-current portion	**-**	1,432,682

The loans are repayable as follows:

	2020 RR	2019 RR
Within one year	**365,441,901**	533,424,197
Between one and five years	**-**	1,432,682
	365,441,901	534,856,879

21. Non-current loans receivable (continued)

The exposure of the Group to credit risk in relation to loans receivable is reported in note 6 of the consolidated financial statements.

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

	2020	2019
Loans receivable	**0.05% - 6%**	0.05% - 9.5%

22. Trade and other receivables

	2020 RR	2019 RR
Trade receivables	**8,430,952,645**	1,556,233,181
Trade receivables on REPO	**83,593,950,332**	63,434,522,321
Deposits and prepayments	**39,341**	34,670
Refundable VAT	**-**	101,081
	92,024,942,318	64,990,891,253
Less non-current receivables	**(8,335,708,023)**	(1,414,226,653)
Current portion	**83,689,234,295**	63,576,664,600

Trade and other receivables are measured at amortised cost.

The Group holds securities as collateral for the trade receivables on REPO.

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the consolidated financial statements.

23. Financial instruments at fair value through profit or loss

Financial assets	2020 RR	2019 RR
Balance at 1 January	**76,578,230,148**	86,997,929,734
Additions	**2,206,445,395**	371,004,541,066
Disposals	**(14,843,198,491)**	(384,350,764,655)
Change in fair value	**(12,536,901,121)**	4,959,889,456
Exchange differences	**21,503,325,308**	(2,033,365,453)
Balance at 30 June/31 December	**72,907,901,239**	76,578,230,148

Financial liabilities	2020 RR	2019 RR
Balance at 1 January	**55,176,921,747**	41,594,704,325
Additions	**165,635,108,216**	93,441,429,168
Disposals	**(137,342,803,301)**	(90,258,828,260)
Change in fair value	**(20,812,868,119)**	(1,621,667,462)
Exchange differences	**13,100,125**	12,021,283,976
Balance at 30 June/31 December	**62,669,458,668**	55,176,921,747
Less non-current portion	**(60,549,776,951)**	(54,553,811,773)
Current portion	**2,119,681,717**	623,109,974

23. Financial instruments at fair value through profit or loss (continued)

Financial assets designated as at fair value through profit or loss are analysed as follows:

	2020 RR	2019 RR
Financial assets at fair value through profit or loss		
Equity securities - Moscow Stock Exchange	**3,577,447,966**	1,493,948,928
Equity Securities - US Composite (US)	**42,015,824,977**	45,771,857,406
Equity securities - SW (Switzerland Composite)	**8,703,379**	8,042,421
Equity securities - GR (Germany Composite)	**755,190,058**	875,783,321
Equity securities - RTS Russian Trading System Composite (RU)	**678,564**	4,075
Equity securities - Borsa Italiana (IM)	**1,441,156,641**	1,648,220,018
Equity securities - London Stock Exchange (LN)	**133,468**	194,744
Equity securities - London International & London International Composite(LI)	**1,427,255,483**	1,430,293,194
Equity securities - Hong Kong Exchanges and Clearing (HK)	**121,122,344**	133,282,014
Equity securities - NYSE Euronext Paris (FP)	**617,484,508**	808,692,251
Equity securities - Japan Composite (JP)	**1,188,221,150**	-
Debt securities - Bonds	**21,754,682,701**	24,407,911,776
Equity securities - US (Composite US)	**72,907,901,239**	76,578,230,148
Financial liabilities at fair value through profit or loss		
Bonds	**(15,798)**	(6,906,169)
Bonds' issue	**(62,669,442,870)**	(55,170,015,578)
	(62,669,458,668)	(55,176,921,747)

23. Financial instruments at fair value through profit or loss (continued)

In the consolidated 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 consolidated statement of comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

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 15,014,506,226 including interest payable of RR 106,522,873. The revaluation of the issued Notes in RR -3,745,474,142. The amortization of the discount on the issued Notes in RR -8,015,642 (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 19% 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 77,841,857,058 including interest payable of RR 547,380,628. The revaluation of the issued Notes in RR -21,092,708,917. The amortization of the discount on the issued Notes in RR -8,455,496,524, the amortization of premiums on issued Notes in RR 10,242,930. (2019: RUR 56,827,519,430 including interest payable of RUR 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 2.5% and 30% per annum 2 times a year/4 times a year and they are rapayable 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 5,267,432,309 including interest payable of RR 26,104,927. The revaluation of the issued Notes in RR -2,162,900,427 (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 30 December 2024.

Details of all notes currently issued can be found in Annex 1. During the period ended 30 June 2020 the Group issued the following Notes:

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

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 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	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

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

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2020 to 30 June 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

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

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

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

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

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	Reference Persons: 1. Ford Motor Co, US345397WW97, bonds with a rate of 3.664%, maturing in 2024 2. Nordstrom Inc, US655664AS97, bonds with a rate of 4.000%, due in 2027 3. ArcelorMittal, US03938LAZ76, bonds with a rate of 6.125%, maturing in 2025 4. Anglo American plc, XS1686846061, bonds with a rate of 1.625%, maturing in 2025 5. Glencore International AG, XS1202849086, bonds with a rate of 1.750%, maturing in 2025 6. Volkswagen AG, XS1586555945, bonds with a rate of 1.875%, maturing in 2027	Reference persons: 1. Vale S. A., US91911TAP84, bonds with a rate of 6.250%, maturing in 2026 2. Nordstrom Inc, US655664AS97, bonds with a rate of 4.000%, due in 2027 3. ArcelorMittal, US03938LAZ76, bonds with a rate of 6.125%, maturing in 2025 4. Anglo American plc, XS1686846061, bonds with a rate of 1.625%, maturing in 2025 5. Glencore International AG, XS1202849086, bonds with a rate of 1.750%, maturing in 2025 6. Volkswagen AG, XS1586555945, bonds with a rate of 1.875%, maturing in 2027
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

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 perios 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

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

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 Equity2. US3755581036,Gilead Sciences Inc, GILD UW Equity3. US4581401001, Intel Corp, INTC UW Equity4. US8522341036, Square Inc, SQ UN Equity5. 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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2020 to 30 June 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 2020Each 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

24. Derivative financial instruments

	Assets 2020 RR	**Liabilities 2020 RR**	Assets 2019 RR	Liabilities 2019 RR
Other forward contracts	**-**	**9,703,034,120**	-	13,442,726,019
Credit Default SWAPs (including SWAPs from associates)	**14,341,928,318**	**6,763,121,670**	2,546,070,003	301,149,920
Currency SWAPs with associates	**4,618,722,392**	**4,621,070,590**	1,548,421	70,043,306
	18,960,650,710	**21,087,226,380**	2,547,618,424	13,813,919,245

The split between current and non-current derivative financial instruments is as follows:

	Assets 2020 RR	**Liabilities 2020 RR**	Assets 2019 RR	Liabilities 2019 RR
Current	**4,618,722,392**	**10,930,850,435**	1,548,421	4,513,146,376
Non-current	**14,341,928,318**	**10,156,375,945**	2,546,070,003	9,300,772,869
	18,960,650,710	**21,087,226,380**	2,547,618,424	13,813,919,245

25. Amounts due from lessees

	2020 RR	2019 RR
Balance at 1 January	**167,727**	381,410
New loans granted	**18,885**	-
Repayments	**-**	(249,742)
Interest charged	**27,697**	36,059
Balance at 30 June/31 December	**214,309**	167,727

The Group's lease arrangements do not include variable payments.

26. Cash at bank and in hand

	2020 RR	2019 RR
Cash in hand	**3,985**	3,810
Cash at bank	**147,823,355**	155,657,920
	147,827,340	155,661,730

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

	2020 RR	2019 RR
Cash at bank and in hand	**147,827,340**	155,661,730
Bank overdrafts (Note 28)	**(129,824)**	(114,412)
	147,697,516	155,547,318

26. Cash at bank and in hand (continued)

Non-cash transactions

The principal non-cash transactions during the current and prior year were the acquisition of right-of-use assets using leases.

Cash and cash equivalents by currency:

	2020	2019
	RR	RR
United States Dollars	**16,712,991**	13,531,992
Euro	**4,672,036**	89,418,638
British Pounds	**856,464**	1,323,100
Russian Roubles	**833,902**	36,612,614
Japanese Yen	**124,622,123**	14,660,974
	147,697,516	155,547,318

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the consolidated financial statements.

27. Share capital

	2020 Number of shares	**2020 EUR**	**2020 RR**	2019 Number of shares	2019 EUR	2019 RR
Authorised						
Ordinary shares of €1,71 each	**15,000**	**25,650**	**1,886,692**	15,000	25,650	1,886,692
Issued and fully paid						
Balance at 1 January	**15,000**	**25,650**	**1,886,692**	15,000	25,650	1,886,692
Balance at 30 June/31 December	**15,000**	**25,650**	**1,886,692**	15,000	25,650	1,886,692

28. Borrowings

	2020	2019
	RR	RR
Current borrowings		
Bank overdrafts (Note 26)	**129,824**	114,412

29. Lease liabilities

	Minimum lease payments		The present value of minimum lease payments	
	2020	2019	**2020**	2019
	RR	RR	**RR**	RR
Not later than 1 year	**4,146**	336,210	**4,146**	336,210
Later than 1 year and not later than 5 years	**1,689,726**	-	**1,689,726**	-
	1,693,872	336,210	**1,693,872**	336,210
Present value of lease liabilities	**1,693,872**	336,210	**1,693,872**	336,210

All lease obligations are denominated in Russian Rubles.

The Group's obligations under leases are secured by the lessors' title to the leased assets.

30. Trade and other payables

	2020	2019
	RR	RR
Trade payables	**14,852,153,326**	13,621,700,543
Trade payables on REPO	**90,550,382,259**	82,762,321,128
Social insurance and other taxes	**612,610**	36,418
VAT	**728,197**	-
Accruals	**6,464,443**	7,343,862
Other creditors	**12,672,669**	3,940,103
	105,423,013,504	96,395,342,054
Less non-current payables	**(9,309,449,330)**	(9,178,597,473)
Current portion	**96,113,564,174**	87,216,744,581

The Group pledges own securities of RR60,385,105,225 (2019: RR55,677,864,966) as a collateral for trade payables on REPO and the rest are pledged through reverse REPO agreements.

31. Current tax liabilities

	2020	2019
	RR	RR
Special contribution for defence	**2,173**	-
	2,173	-

32. Related party transactions

Until 2016, the Company was a wholly owned subsidiary of BCS Holding International Limited (previously known as Amazon United Limited) incorporated and domiciled in the British Virgin Islands as a holding company. In 2016, BCS Holding International Limited was liquidated and a new top level holding company was introduced to the Group, known as FG BCS Limited whose registered office is at Prevezis 13, 1st floor, Office 101, 1065, Nicosia, Cyprus. The new holding company is now the direct and ultimate holding company of BrokerCreditService Structured Products Plc.

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

The following transactions were carried out with related parties:

32.1 Income with related parties

	Nature of transactions	**30 June 2020** **RR**	30 June 2019 RR
BrokerCreditService (Cyprus) Ltd	Interest income on overnight loans	**104,270**	187,206
	Net gain on trading in financial instruments	**-**	759,739,518
	Net gain realised on trading in foreign currencies	**-**	5,651,281,781
	Net gain on SWAP operations	**269,983,848**	844,188,961
	Interest for positive-negative balance	**580,073,306**	-
	Interest income	**1,325,881**	-
	Expected credit losses	**181,613**	-
BCS LLC	Interest on overnight loans	**5,938**	2,155
BCS Bank	Bank services	**589,973**	-
BCS Markets Ltd	Interest income on loans	**9,693,818**	22,939,002
	Expected credit losses	**4,555,257**	-
Kertina Group Ltd	Interest income on loans	**89,400,122**	74,550,994
	Net gain on trading in financialinstruments	**1,284,601,453**	-
FG BCS Ltd	Interest income on loans	**178,876,594**	104,589,192
BCS Prime Brokerage Limited	Interest income	**-**	63,955,848
Oleg Mikhasenko	Interest income on loans	**13,738,819**	185,604,261
FG Aviation Ltd	Interest income on loans	**31,030,372**	-
Danofe Trading Ltd	Expected credit losses	**5,007,098**	-
BCS Capital (DIFC) Limited	Change in fair value of derivative financial instruments	**44,513,555**	-
Spidertek Ltd	Interest income on loans	**1,242,767**	-
		2,514,924,684	7,707,038,918

32.2 Directors' remuneration

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

	30 June 2020 **RR**	30 June 2019 RR
Directors' fees	**117,574**	109,633
Directors' remuneration	**3,915,961**	7,168,659
	4,033,535	7,278,292

32. Related party transactions (continued)

32.3 Expenses with related parties

	Nature of transactions	**30 June 2020 RR**	30 June 2019 RR
BrokerCreditService (Cyprus) Ltd	Brokerage and other services	**467,046,519**	621,745,338
	Net loss on trading in financial instruments	**-**	639,432,981
	Net loss on currency SWAP	**133,880,914**	-
	Expected credit losses	**43,715,272**	-
	Financial result on FX trade	**14,268,901**	-
	Other expenses	**209**	-
BCS LLC	Brokerage and other services	**-**	708
	Net loss on trading in financial instruments	**429,355,841**	302,043,765
	Expected credit losses	**41,383**	-
BCS Bank	Brokerage and other services	**104,920**	462,681
	Expected credit losses	**11,443**	-
Danofe Trading Ltd	Expected credit losses	**35,414,436**	-
FG Aviation Ltd	Expected credit losses	**23,255,382**	-
FG BCS Ltd	Expected credit losses	**145,821,369**	-
Kertina Group Ltd	Expected credit losses	**20,606,402**	-
Seldthorn Private Equity Ltd	Interest expense on REPO loans	**3,841,808**	-
Oleg Mikhasenko	Expected credit losses	**27,114,088**	-
BCS Capital (DIFC) Limited	Net loss on trading in financial instruments	**15,783**	-
	Brokerage and other services	**2,103,409**	-
	Expected credit losses	**75**	-
Spidertek Ltd	Expected credit losses	**4,491,773**	-
		1,351,089,927	1,563,685,473

32.4 Receivables from related parties

Name	Nature of transactions	**2020 RR**	2019 RR
BrokerCreditService (Cyprus) Ltd	Balances due from brokers	**611,008,950**	25,192,321,935
	Credit Default SWAPs	**6,041,930,801**	1,224,060,477
	Margin call	**1,577,209,625**	196,398,376
	Currency SWAPs	**4,618,722,392**	1,548,422
Danofe Trading Ltd	Trade	**3,955,538,845**	3,985,946,183
		16,804,410,613	30,600,275,393

32. Related party transactions (continued)

32.5 Loans to related parties

	2020 RR	2019 RR
BCS Markets Ltd	**290,948,254**	1,259,232,466
Spidertek Ltd	**211,860,273**	-
Oleg Mikhasenko	**1,446,444,988**	1,317,365,203
Kertina Group Ltd	**2,593,381,621**	2,515,966,498
BCS LLC	**493,720,615**	-
FG BCS Ltd	**6,996,075,306**	6,648,350,236
FG Aviation Ltd	**1,349,164,659**	125,140,860
	13,381,595,716	11,866,055,263

The loans to related companies carry interest at rates ranging from 1% to 8.87% (2019: 1% - 9.5%).

32.6 Payables to related parties

Name	Nature of transactions	2020 RR	2019 RR
BrokerCreditService (Cyprus) Ltd	Broker commission	**398,016,590**	364,738,728
	Brokerage account	**20,437,860,829**	26,409,369,671
	Trade and other payables	**472,087**	740,797,083
	Currency SWAPs	**4,621,070,590**	70,043,305
	Credit Default SWAPs	**1,561,793,647**	122,175,395
FG BCS Ltd	Dividends payable	-	115,000,000
BCS Prime Brokerage Limited	Brokerage account	-	9,286
BCS Technologies LLC	Trade and other payables	-	684,000
BCS LLC	Trade and other payables	-	7,200,000
Seldthorn Private Equity Ltd	Trade and other payables	-	3,633,358
BCS Capital (DIFC) Limited	Credit Default SWAPs	**59,607,459**	-
	Distribution services	**2,088,725**	-
		27,080,909,927	27,833,650,826

33. Contingent liabilities

(a) Technology and operating risk

The Group faces technology and operating risk which is the potential for loss due to deficiencies in control processes or technology systems of the Group, its vendors or its outsourced service providers that constrain the ability to gather, process, and communicate information and process client transactions efficiently and securely, without interruptions. This risk also includes the risk of human error, employee misconduct, external fraud, computer viruses, distributed denial of service attacks, terrorist attacks, and natural disaster. The Group's operations are highly dependent on the integrity of its technology systems and success depends, in part, on the ability to make timely enhancements and additions to its technology in anticipation of evolving client needs. To the extent the Group experiences system interruptions, errors or downtime (which could result from a variety of causes, including changes in client use patterns, technological failure, changes to its systems, linkages with third-party systems, and power failures), business and operations could be significantly negatively impacted. To minimize business interruptions, the Group maintains backup and recovery functions, including facilities for backup and communications, and conducts testing of disaster recovery plans.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the Operational Risk Department that is responsible for the development of overall standards for the management of operational risk. Compliance with these standards is supported by a program of periodic reviews undertaken by the Operational Risk Department and Internal Audit. The Group maintains policies and procedures regarding the standard of care expected with data, whether the data is internal information, employee information, or non-public client information. The Group clearly defines for employees, contractors, and vendors the expected standards of care for confidential data. Regular training is provided in regard to data security. The Group is actively engaged in the research and development of new technologies, services, and products.

Despite risk management efforts, it is not always possible to deter or prevent technological or operational failure, or fraud or other misconduct, and the precautions taken by the Group may not be effective in all cases. The Group may be subject to litigation, losses, and regulatory actions in such cases, and may be required to expend significant additional resources to remediate vulnerabilities or other exposures. The Group also faces risk related to its security guarantee which covers client losses from unauthorized account activity, such as those caused by external fraud involving the compromise of clients' login and password information.

(b) Compliance risk

As a participant in the securities and financial services markets, the Group is subject to extensive regulation under both federal and state laws by governmental agencies, supervisory authorities, and self-regulated entities. These regulatory agencies generally have broad discretion to prescribe greater limitations on the operations of a regulated entity for the protection of investors or public interest. Management has invested heavily, with the benefit of its scale, in compliance functions to monitor its compliance with the numerous legal and regulatory requirements applicable to its business.

These regulations often serve to limit the Group's activities by way of capital, customer protection and market conduct requirements, and restrictions on the businesses activities that the Group may conduct. Furthermore, where the agencies determine that such operations are unsafe or unsound, fail to comply with applicable law, or are otherwise inconsistent with the laws and regulations or with the supervisory policies, greater restrictions may be imposed. Despite efforts to comply with applicable regulations, there are a number of risks, particularly in areas where applicable regulations may be unclear or where regulators revise their previous guidance. Any enforcement actions or other proceedings brought by the regulators against the Group or its affiliates, officers or employees could result in fines, penalties, cease and desist orders, enforcement actions, suspension or expulsion, or other disciplinary sanctions, including limitations on business activities, any of which could harm the Group's reputation and adversely affect the results of operations and financial condition. The consequences of noncompliance can include substantial monetary and non-monetary sanctions.

33. Contingent liabilities (continued)

Financial institutions generally must have anti-money laundering procedures in place, implement specialized employee training programs and designate an anti-money laundering compliance officer. Further, regulatory activity in the areas of privacy and data protection continues to grow worldwide and is generally being driven by the growth of technology and related concerns about the rapid and widespread dissemination and use of information. To the extent they are applicable to the Group, it must comply with these global, federal, and local information-related laws and regulations.

Management has established policies, procedures and systems designed to comply with these regulations.

34. Commitments

The Group had no capital or other commitments as at 30 June 2020.

35. Events after the reporting period

On 7 July 2020, the Company has sold the subsidiary Routa Luxury Services Ltd, to Mr. Annenkov Alexey.

On 28 August 2020, it was resolved by the Board of Directors, that the total amount to be paid as dividends out of 2019 profits, shall be RR2,115,000,000. RR115,000,000 were already distributed during 2019 by way of interim dividend. The remaining RR2,000,000,000 shall be paid to the members after 28 August 2020.

Independent auditor's report on pages 10 to 11

Annex 1

ISIN	Issue currency	Total Nominal value in currency at 31.12.19	Total Nominal value in RUR at 31.12.19	Maturity date	Rate (%)	Total amount as per statement of financial position
XS2123084639	RUR	100,050,000	100,050,000	15.05.2023	10	81,319,338
XS2139835636	RUR	100,000,000	100,000,000	15.06.2023	13.5	78,769,925
XS2143253495	RUR	600,000,000	600,000,000	30.06.2025	11	483,155,575
XS2166995725	RUR	600,000,000	600,000,000	12.05.2025	18	221,404,367
XS2181436796	RUR	600,000,000	600,000,000	30.06.2025	11	458,376,559
XS2189376911	RUR	600,000,000	600,000,000	20.06.2025	12	425,328,901
XS2185963803	RUR	600,000,000	600,000,000	15.10.2025	14	259,306,514
XS2194483769	RUR	500,000,000	500,000,000	30.06.2025	10	364,003,796
XS2020622887	RUR	300,000,000	300,000,000	01.08.2022	0	277,279,711
XS2028880115	RUR	1,200,000,000	1,200,000,000	30.06.2024	11	912,314,522
XS1807420937	RUR	350,000,000	350,000,000	30.04.2021	0	332,511,317
XS1833629253	RUR	500,000,000	500,000,000	01.07.2021	17	271,514,753
XS1859436070	RUR	500,000,000	500,000,000	10.08.2021	17	350,768,960
XS1822383094	RUR	1,000,000,000	1,000,000,000	27.09.2023	10	722,586,836
XS1859436401	RUR	350,000,000	350,000,000	31.08.2021	1	412,794,557
XS1873963794	RUR	500,000,000	500,000,000	01.10.2021	17	304,512,957
XS1985081444	RUR	600,000,000	600,000,000	24.05.2024	19	126,013,118
XS1713519012	RUR	600,000,000	600,000,000	09.11.2027	0	0
XS2072914125	RUR	600,000,000	600,000,000	30.12.2024	14	227,231,762
XS2078369316	RUR	600,000,000	600,000,000	24.10.2022	16	432,094,459
XS1654237129	RUR	700,000,000	700,000,000	16.08.2020	12	0
XS1675776014	RUR	1,000,000,000	1,000,000,000	23.08.2027	1	1,244,942,850
XS1675384017	RUR	800,000,000	800,000,000	14.12.2023	10	26,988,707
XS1708322133	RUR	300,000,000	300,000,000	29.01.2021	9.33	19,803,747
XS1629772457	RUR	850,000,000	850,000,000	01.12.2023	12	536,060,466
XS1903464391	RUR	300,000,000	300,000,000	01.12.2021	0	244,884,075
XS1943597994	RUR	500,000,000	500,000,000	20.12.2023	11	408,277,866
XS2045847295	RUR	100,050,000	100,050,000	15.11.2022	10	82,377,945
XS2058684619	RUR	600,000,000	600,000,000	30.12.2024	11	414,387,688
XS1731601867	RUR	1,000,000,000	1,000,000,000	26.11.2027	1	1,001,310,198
XS2091672803	RUR	600,000,000	600,000,000	30.12.2024	11	218,496,982
XS2091667043	RUR	600,000,000	600,000,000	30.12.2024	9.75	322,197,993
XS2121431113	USD	10,000,000	699,513,000	20.06.2025	6.00	434,383,668
XS2128490906	USD	10,000,000	699,513,000	09.07.2025	7.50	376,208,632
XS2139467901	USD	10,000,000	699,513,000	20.06.2025	7.00	399,037,094
XS2139466846	USD	10,000,000	699,513,000	20.06.2025	7.00	436,287,443
XS2143253651	USD	10,000,000	699,513,000	30.06.2025	7.00	532,369,847
XS2147899228	USD	6,000,000	419,707,800	20.06.2025	13.00	208,972,488
XS2152970393	USD	5,000,000	349,756,500	08.04.2025	15.00	250,534,582
XS2143149834	USD	10,000,000	699,513,000	30.07.2025	3.75	447,968,390

XS2154338623	USD	10,000,000	699,513,000	27.06.2025	6.00	504,265,627
XS2158465802	USD	2,000,000	139,902,600	17.05.2023	2.50	108,084,858
XS2170362839	USD	10,000,000	699,513,000	18.09.2025	12.00	300,516,102
XS2152970476	USD	5,000,000	349,756,500	11.06.2025	15.00	217,946,876
XS2183933576	USD	3,000,000	209,853,900	21.06.2023	14.00	123,786,369
XS2184850811	USD	10,000,000	699,513,000	05.10.2025	13.00	308,097,757
XS2189377562	USD	10,000,000	699,513,000	20.06.2025	8.50	475,505,039
XS2185962664	USD	5,000,000	349,756,500	30.06.2025	10.00	141,400,453
XS2191173538	USD	10,000,000	699,513,000	20.07.2023	15.00	317,511,426
XS2191043913	USD	4,000,000	279,805,200	30.06.2025	5.00	181,163,118
XS2194477282	EUR	10,000,000	786,812,000	30.07.2023	9.00	464,621,618
XS2196304179	USD	10,000,000	699,513,000	07.07.2025	23.00	313,538,303
XS2196311380	USD	5,000,000	349,756,500	29.07.2023	8.00	229,530,057
XS1546386365	USD	10,000,000	699,513,000	03.10.2022	6	647,428,711
XS1567049389	USD	10,000,000	699,513,000	01.11.2022	6	328,042,878
XS1567436073	USD	10,000,000	699,513,000	20.04.2023	7	335,953,457
XS1571345583	USD	200,000,000	13,990,260,000	02.03.2027	3.185	0
XS1590566193	USD	300,000,000	20,985,390,000	04.04.2027	0	17,926,199,809
XS2004904285	USD	10,000,000	699,513,000	30.06.2022	14	428,452,960
XS2009879425	USD	10,000,000	699,513,000	30.06.2024	6.25	509,247,988
XS2015214757	USD	10,000,000	699,513,000	17.07.2024	16	183,576,997
XS2019822357	USD	10,000,000	699,513,000	27.06.2024	6.5	438,526,835
XS2028879026	USD	20,000,000	1,399,026,000	30.06.2024	6.5	1,029,765,367
XS2028879703	USD	3,000,000	209,853,900	12.08.2022	15	85,492,999
XS2027360507	USD	10,000,000	699,513,000	23.12.2024	7	344,219,624
XS1764143597	USD	100,000,000	6,995,130,000	01.02.2028	3.32338	0
XS1762858428	USD	300,000,000	20,985,390,000	30.01.2028	3	0
XS1783223206	USD	20,000,000	1,399,026,000	28.02.2021	12	707,372,203
XS1799164790	USD	20,000,000	1,399,026,000	03.04.2021	10	573,229,319
XS1804181565	USD	5,000,000	349,756,500	21.06.2021	14	7,869,521
XS1801889830	USD	300,000,000	20,985,390,000	11.04.2028	0	0
XS1819608172	USD	10,000,000	699,513,000	05.06.2021	10	478,879,810
XS1820831607	USD	8,000,000	559,610,400	31.10.2022	5.5	466,159,147
XS1637911451	USD	5,000,000	349,756,500	30.06.2023	6	256,983,972
XS1642546581	USD	9,498,000	664,397,447	31.10.2022	5.5	532,835,596
XS1838071964	USD	10,000,000	699,513,000	10.07.2021	10	356,732,726
XS1845143467	USD	20,000,000	1,399,026,000	22.06.2023	6.5	536,471,974
XS1857100413	USD	5,000,000	349,756,500	10.08.2021	10	238,236,411
XS1870376461	USD	10,000,000	699,513,000	30.09.2021	16	348,195,507
XS1434672280	USD	4,410,000	264,590,792	31.12.2049	4	231,696,230
XS1881586686	USD	5,000,000	349,756,500	27.09.2023	6	294,573,634
XS1878009866	USD	20,000,000	1,399,026,000	20.06.2023	7.5	1,006,004,583
XS1884747483	USD	1,800,000	125,912,340	30.09.2021	5	29,948,693
XS1888187900	USD	15,000,000	1,049,269,500	28.12.2023	6	126,912,908
XS1888270631	USD	15,000,000	1,049,269,500	28.12.2023	6.5	272,873,980
XS1892856128	EUR	3,000,000	236,043,600	09.11.2021	11	67,334,638
XS1900962892	USD	30,000,000	2,098,539,000	26.10.2023	6	339,018,782

XS1904686661	USD	10,000,000	699,513,000	28.12.2023	7.7	566,587,611
XS1960651641	EUR	5,000,000	393,406,000	27.06.2024	3.5	50,264,412
XS1962541709	USD	20,000,000	1,399,026,000	30.06.2024	8.5	892,707,179
XS1963835902	USD	10,000,000	699,513,000	26.04.2024	16	238,235,856
XS1967593796	EUR	3,000,000	236,043,600	30.06.2024	4.5	135,372,866
XS1946763361	USD	10,000,000	699,513,000	27.06.2024	8.6	519,110,284
XS1982161603	USD	10,000,000	699,513,000	30.06.2024	6	449,594,049
XS1998798984	EUR	7,000,000	550,768,400	20.06.2022	10	195,673,457
XS2068071211	USD	10,000,000	699,513,000	15.11.2024	11	1,320,748
XS2068166276	EUR	5,000,000	393,406,000	27.09.2022	4	262,175,959
XS2072916336	USD	10,000,000	699,513,000	21.02.2023	7.5	546,525,584
XS2075955513	USD	2,000,000	139,902,600	08.11.2024	14.5	66,131,007
XS1718466250	USD	10,000,000	699,513,000	15.11.2027	0	1,107,579
XS1717497439	USD	10,000,000	699,513,000	15.11.2027	0	0
XS2072913317	USD	10,000,000	699,513,000	30.12.2024	10	247,297,833
XS2072913663	USD	10,000,000	699,513,000	30.12.2024	6	305,073,772
XS2079093949	USD	10,000,000	909,366,900	13.12.2024	7	246,708,391
XS2085880529	USD	10,000,000	699,513,000	30.03.2023	8.5	74,483,817
XS2085844640	USD	10,000,000	699,513,000	30.12.2024	11	69,394,744
XS2085844053	USD	10,000,000	699,513,000	30.12.2024	16	320,445,097
XS1654213294	USD	10,000,000	699,513,000	30.06.2023	4.75	495,741,100
XS1654229290	USD	12,000,000	839,415,600	01.12.2023	5.75	574,031,679
XS1708325748	USD	10,000,000	699,513,000	28.10.2027	0	1
XS1894115705	USD	5,000,000	349,756,500	30.11.2021	2.5	345,587,536
XS1917700723	USD	10,000,000	699,513,000	19.11.2023	8.5	358,780,306
XS1923604984	USD	10,000,000	699,513,000	11.12.2023	8	315,914,258
XS1927711454	USD	25,000,000	1,748,782,500	11.01.2024	6	264,403,887
XS1937694625	USD	20,000,000	1,399,026,000	20.12.2023	7.25	1,141,485,873
XS1949598855	EUR	5,000,000	393,406,000	28.02.2022	10	131,122,464
XS1953826978	USD	10,000,000	699,513,000	02.04.2022	15	548,791,633
XS1954534621	USD	10,000,000	699,513,000	03.04.2022	12	437,428,948
XS1952156344	EUR	20,000,000	1,573,624,000	27.03.2024	4.5	1,209,523,455
XS2053506320	USD	10,000,000	699,513,000	30.06.2024	7.5	69,313,646
XS2052333189	USD	10,000,000	699,513,000	28.10.2024	13	222,019,627
XS2052332538	USD	10,000,000	699,513,000	28.10.2024	13	206,802,942
XS2057952439	USD	10,000,000	699,513,000	30.12.2024	7.25	243,581,037
XS2065019957	USD	20,000,000	1,399,026,000	27.12.2024	7.75	813,891,456
XS2065556453	USD	10,000,000	699,513,000	13.02.2023	8.5	11,377,810
XS2088720524	EUR	5,000,000	393,406,000	30.12.2022	10	122,910,361
XS2091668447	USD	10,000,000	699,513,000	30.12.2024	6.75	233,688,788
XS2091664370	USD	10,000,000	699,513,000	30.12.2024	5.25	361,312,164
XS2093226178	USD	1,500,000	104,926,950	30.12.2024	30	15,409,580
XS2093710494	EUR	5,000,000	393,406,000	30.12.2024	4	197,754,081
XS2099349495	USD	10,000,000	699,513,000	28.03.2023	13	536,339,190
XS2104313221	USD	2,000,000	139,902,600	17.05.2023	9	123,150,606
XS2104929331	USD	2,000,000	139,902,600	22.03.2025	11	116,353,838
XS2110115487	USD	5,000,000	349,756,500	22.01.2025	15	172,405,971

XS2114460053	USD	3,000,000	209,853,900	19.02.2025	10	54,867,877
XS2116689972	USD	3,000,000	209,853,900	06.02.2025	15	72,821,162
XS2019825376	USD	50,000,000	3,497,565,000	28.02.2022	5.40863	1
XS2038595034	USD	10,000,000	699,513,000	09.09.2024	15	225,419,393
XS2038593419	USD	10,000,000	699,513,000	09.09.2022	14	405,557,970
XS2038610445	EUR	5,000,000	393,406,000	30.06.2024	4	267,778,570
XS2045765729	USD	10,000,000	699,513,000	24.06.2024	7	24,681,965
			174,609,534,529			62,669,442,870