BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2019

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BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

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

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2019.

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.

As of the date hereof, the Group conducts its business through Routa Luxury Services Ltd which is a wholly owned subsidiary of Brokercreditservice Structured Products Plc. During the year under review, Brokercreditservice Structured Products Plc had full control of another company, Botimelo Group Ltd which was fully disposed of on 15 April 2019. Each of the above mentioned wholly owned Subsidiaries is/was established to carry on any trade or activity whatsoever related to, connected with or involving shares, stock, debentures, debenture stock, bonds, notes, obligations, warrants, options, derivatives, commodities and any other instruments related to equity, debt or commodities of all kinds (except for the investment activity that requires authorisation and/or license).

The 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 year under review, Brokercreditservice Structured Products Plc had full control of company Botimelo Group Ltd which was fully disposed of on 15 April 2019.

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 year ended 31 December 2019 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 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. The Group bears credit risk on securities lending activities, its role as a counterparty in financial contracts and investing activities.

The Board of Directors has delegated responsibility for the oversight of credit risk to the Group's Risk Management Department. The Risk Management Department is responsible for management of credit risk, including formulating credit policies, covering collateral requirements, adjusting margin requirements for certain securities, 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. Management regularly reviews asset quality including concentrations, delinquencies, non-accrual loans, charge-offs, and recoveries. All are factors in the determination of an appropriate allowance for loan losses, which is reviewed quarterly by senior management.

BCS Group has exposure to credit risk due to its obligation to settle transactions with clearing corporations, mutual funds, and other financial institutions even if its client or a counterparty fails to meet its obligations to the Group. BCS Group acts as the investment manager for a number of mutual and real estate funds. Although it has no obligation to do so, BCS Group may decide for competitive reasons to provide credit, liquidity or other support to managed funds in the event of significant declines in valuation of fund holdings or significant redemption activity that exceeds available liquidity. Such support could cause BCS Group to take significant charges and could reduce liquidity. If the Group chose not to provide credit, liquidity or other support in such a situation, the Group could suffer reputational damage and its business could be adversely affected.

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 Group uses a wide range of techniques to reduce credit risk on its operations managing both individual transaction loss drivers, such as probability of default, loss given default and exposure at default, and systemic risk drivers on a portfolio basis. At the transaction level, an assessment of a counterparty's (or borrower's) credit quality is performed. Various forms of legal protection are used, such as netting agreements and covenants in commercial lending agreements, and credit enhancements techniques. At the portfolio level, diversification is managed to avoid excessive concentrations. Portfolio concentration limits include: (i) maximum exposure per counterparty limit, (ii) issuer concentration limit. Meanwhile, the Group should comply with statutory ratios on credit concentration risk.

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 and by changing 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.

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.

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 there turn 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.

Results
The Group's results for the year are set out on page 15. The net profit for the year attributable to the shareholders of the Group amounted to RR3,052,016,112 (2018: RR5,077,480,753). On 31 December 2019 the total assets of the Group were RR185,411,220,461 (2018: RR245,079,321,493) and the net assets of the Group were RR6,004,855,212 (2018: RR3,067,839,100).

Dividends
On 14 April 2020 the Board of Directors approved the payment of an interim dividend out of 2019 profits of RR115,000,000 (2018: RR12,700,000,000).
The Board of Directors recommended the payment of an additional dividend out of 2019 profit however the amount will be decided at the next Annual General Meeting.

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

Board of Directors
The members of the Group's Board of Directors as at 31 December 2019 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2019.

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 are of operations and have enacted contingency plans to minimise disruption to the business.

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

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

Management considers the Group's cashflows as stable, although there is a probability that they will reduce between 15% to 40% in the coming few months due to the impact the situation may have on retail investors. We expect this to be compensated majorly by new investments from financial institutions.

The core business of the Parent Company is to issue structured investment notes. The focus is on the creation of long-terminvestment products with lifetimes more than three years, therefore the management does not see any major financial impact to the current pool of investment or any major outflows during 2020.

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

The Board of Directors commented that they do not underestimate the challenge presented by Covid-19, the Company is in a robust position to manage the impact on our operations. The Group is in a diverse global business, with an experienced and expert management team, which operates across multiple products and markets. The priority is to protect the employees while maintaining the offers to the Company's customers at this difficult time.

(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 34 to the consolidated financial statements.

Related party transactions
Disclosed in note 31 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, 26 May 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 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the consolidated financial statements of BrokerCreditService Structured Products PLC (the "Company") for the year ended 31 December 2019, on the basis of our knowledge, declare that:

(a) The annual consolidated financial statements of the Group which are presented on pages 15 to 102:

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

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

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

Members of the Board of Directors:

Evgenios Bagiazidis

Dimitra Karkalli

Responsible for drafting the financial statements

Evgenios Bagiazidis (Financial Manager)

Limassol, 26 May 2020

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Independent Auditor's Report

To the Members of BrokerCreditService Structured Products PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of BrokerCreditService Structured Products PLC (the "Company") and its subsidiaries (the "Group"), which are presented in pages 15 to 102 and comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the fact that the Parent Company did not appoint an Audit Committee, according to the requirements of Article 12 of EU Regulation 537/2014 and Section 78 of the Auditors Law of 2017. The Audit Committee was not appointed until 30 December 2019. Our opinion is not qualified in respect of this matter.

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

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

Risk of fraud and risk of management override of controls

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

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

Our audit procedures include, amongst others, the following:

Independent Auditor's Report (continued)

To the Members of BrokerCreditService Structured Products PLC

Risk of fraud and risk of management override of controls (continued)

- We evaluated and tested key controls in place over the relevant processes.
- We assessed the assumptions underlying key accounting estimates used in the preparation of the financial statements and considered whether there was any evidence of bias.
- We performed substantive testing and reconciliations of key financial reports to external third party sources, including period end market prices.

Valuation of financial assets and financial liabilities

Refer to note 22 of the consolidated financial statements.

Fair value of financial assets and financial liabilities as disclosed in note 22 is considered as a key audit matter. This is due to the nature of some instruments and the number of input parameters taken into account in the valuation. Our audit procedures regarding the valuation of the financial assets and financial liabilities include, amongst others, the following:

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

Impact of Covid-19

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

Our audit procedures include, amongst others, the following:

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

Use of a Service Organization

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

Our audit procedures include, amongst others, the following:

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

Independent Auditor's Report (continued)

To the Members of BrokerCreditService Structured Products PLC

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

Independent Auditor's Report (continued)

To the Members of BrokerCreditService Structured Products PLC

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Group on 18 March 2016 by the Board of Directors. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 4 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 26 May 2020 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

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

YIALLOURIDES & PARTNERS LTD
CHARTERED ACCOUNTANTS

Independent Auditor's Report (continued)

To the Members of BrokerCreditService Structured Products PLC

Report on Other Legal and Regulatory Requirements (continued)

Other Legal Requirements

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

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

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, 26 May 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2019

	Note	**2019 RR**	2018 RR
Revenue	9	**2,457,598**	8,470,091
Dividend income (gross)		**1,703,717,308**	521,193,580
Interest income		**72,880,805**	33,502,023
Loan interest income		**1,285,044,334**	2,086,165,860
Net loss on trading in financial instruments		**(682,576,907)**	(3,573,794,902)
Net gain realised on trading in foreign currencies		**3,868,688,321**	568,076,026
Net fair value gains on financial assets at fair value through profit or loss	22	**6,581,556,918**	4,581,474,921
Interest income from bonds		**4,551,509,884**	4,629,019,001
Interest income on reverse repurchase agreements		**5,191,575,877**	5,043,003,178
Interest expense on bonds		**(6,041,180,829)**	(5,272,082,029)
Interest expense on REPO loans		**(7,330,209,687)**	(6,728,065,013)
Net fair value loss on trading in foreign currenci		**(46,578,000)**	(556,598,800)
Financial result of SWAP operations (OTC)		**1,091,740,883**	(115,620,955)
Loss from sale of investments in subsidiaries		**(7,338,545)**	-
Staff costs	12	**(20,263,027)**	(11,522,414)
Depreciation and amortisation expense		**(1,861,328)**	(54,244)
Other operating income	10	**325,312,619**	43,800,082
Change in fair value of derivative financial instruments		**(3,405,275,347)**	6,823,526,277
Net impairment (loss)/profit on financial and contract assets		**(391,918,055)**	96,509,396
Administration and other expenses		**(1,835,088,261)**	(2,436,833,247)
Operating profit	11	**4,912,194,561**	5,740,168,831
Finance income	13	**-**	1,881,338,264
Finance costs	13	**(1,752,818,704)**	(2,450,885,539)
Share of results of associates		**33,409,728**	137,683,175
Profit before tax		**3,192,785,585**	5,308,304,731
Tax	14	**(140,769,473)**	(230,823,978)
Net profit for the year		**3,052,016,112**	5,077,480,753
Other comprehensive income		**-**	-
Total comprehensive income for the year		**3,052,016,112**	5,077,480,753

The notes on pages 20 to 102 form an integral part of these consolidated financial statements.

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2019

	Note	2019 RR	2018 RR
ASSETS			
Non-current assets			
Property, plant and equipment	18	**1,304,691**	598,610
Investments in associates	19	**683,777,377**	650,367,649
Trade and other receivables	21	**1,414,226,653**	15,138,014,257
Non-current loans receivable	20	**1,432,682**	2,045,435,848
Loans to associates	31	**-**	6,409,808,794
Loans to parent	31	**7,037,513,141**	1,116,372,646
		9,138,254,544	25,360,597,804
Current assets			
Trade and other receivables	21	**63,576,664,600**	121,988,095,500
Receivables from associates	31	**30,600,275,393**	7,305,489,063
Loans receivable	20	**533,424,197**	1,426,045,789
Loans to associates	31	**3,900,339,824**	-
Loans to parent	31	**928,202,298**	1,894,218,541
Financial assets at fair value through profit or loss	22	**76,578,230,148**	86,997,929,734
Amounts due from lessees under finance leases	24	**167,727**	381,410
Refundable taxes	30	**-**	1,465
Cash at bank and in hand	25	**155,661,730**	106,562,187
		176,272,965,917	219,718,723,689
Total assets		**185,411,220,461**	245,079,321,493
EQUITY AND LIABILITIES			
Equity			
Share capital	26	**1,886,692**	1,886,692
Retained earnings		**6,002,968,520**	3,065,952,408
Total equity		**6,004,855,212**	3,067,839,100
Non-current liabilities			
Financial liabilities at fair value through profit or loss	22	**54,553,811,773**	38,445,006,087
Trade and other payables	29	**9,178,597,473**	11,802,190,428
		63,732,409,246	50,247,196,515
Current liabilities			
Trade and other payables	29	**87,216,744,581**	157,149,620,616
Payables to associates	31	**27,718,650,826**	24,964,878,004
Directors' current accounts - credit balances	31	**-**	1,613
Payables to parent	31	**115,000,000**	6,500,000,000
Borrowings	27	**114,412**	87,407
Lease liabilities	28	**336,210**	-
Financial liabilities at fair value through profit or loss	22	**623,109,974**	3,149,698,238
		115,673,956,003	191,764,285,878
Total liabilities		**179,406,365,249**	242,011,482,393
Total equity and liabilities		**185,411,220,461**	245,079,321,493

On 26 May 2020 the Board of Directors of BrokerCreditService Structured Products PLC authorised these consolidated financial statements for issue.

....
Evgenios Bagiazidis
Director

....
Dimitra Karkalli
Director

The notes on pages 20 to 102 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2019

	Note	Share capital RR	Fair value reserve - Financial assets at fair value through other comprehensive income RR	Retained earnings RR	Total RR
Balance at 1 January 2018		**1,886,692**	**58,932,056**	**10,629,539,599**	**10,690,358,347**
Net profit for the year		-	-	5,077,480,753	5,077,480,753
Other comprehensive income for the year		-	-	-	-
Dividends	15	-	-	(12,700,000,000)	(12,700,000,000)
Transfer of fair value reserve of FA at FVTOCI to retained earnings		-	(58,932,056)	58,932,056	-
Balance at 31 December 2018/ 1 January 2019		**1,886,692**	**-**	**3,065,952,408**	**3,067,839,100**
Net profit for the year		-	-	3,052,016,112	3,052,016,112
Dividends	15	-	-	(115,000,000)	(115,000,000)
Balance at 31 December 2019		**1,886,692**	**-**	**6,002,968,520**	**6,004,855,212**

The notes on pages 20 to 102 form an integral part of these consolidated financial statements.

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2019

	Note	2019 RR	2018 RR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		3,192,785,585	5,308,304,731
Adjustments for:			
Depreciation of property, plant and equipment	18	1,861,328	54,244
Exchange difference arising on the translation of non-current assets in foreign currencies		-	(23,398,952,268)
Unrealised exchange loss		1,061,425,189	567,370,761
Share of profit from associates	19	(33,409,728)	(137,683,175)
Change in fair value of derivative financial instruments		3,405,275,347	(6,823,526,277)
Fair value gains on financial assets at fair value through profit or loss		(6,581,556,918)	(4,581,474,921)
(Reversal of impairment)/impairment charge - loans receivable		-	(7,486)
Impairment charge/(reversal of impairment) - debt investments at amortised cost		23,279,385	(65,975)
Impairment charge/(reversal of impairment) - loans to related parties	31	428,506,907	(36,960,239)
Reversal of impairment - trade receivables	21	(59,869,444)	(59,475,696)
Dividend income		-	(521,193,580)
Interest income		(6,476,921,011)	(2,119,667,883)
Interest expense	13	-	6,012
		(5,038,623,360)	(31,803,271,752)
Changes in working capital:			
Decrease in trade and other receivables		73,839,047,085	20,997,007,594
(Increase)/decrease in receivables from related companies		(24,962,223,078)	539,129,345
(Decrease) in Directors' current accounts		(1,613)	1,613
Decrease in financial assets at fair value through profit or loss		17,001,256,504	51,781,432,452
Decrease/(increase) in derivative financial instruments		10,176,942,075	(8,807,307,669)
Decrease in trade and other payables		(73,443,740,039)	(46,054,923,257)
Increase in payables to related companies		2,579,618,019	10,049,350,720
Increase in payables to parent		-	6,212,500,000
Cash generated from operations		152,275,593	2,913,919,046
Interest received		5,191,575,877	2,119,667,883
Dividends received		-	521,193,580
Tax paid		(140,768,008)	(230,825,443)
Net cash generated from operating activities		5,203,083,462	5,323,955,066
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	18	(471,363)	(652,854)
Payment for purchase of financial assets at amortised cost		-	65,975
Loans granted		(8,855,464,076)	(1,143,600)
Loans repayments received		8,917,926,645	1,677,347,166
Proceeds from sale of investments in subsidiary undertakings		49,678	-
Interest received		1,285,345,135	-
Net cash generated from investing activities		1,347,386,019	1,675,616,687
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of leases liabilities		(1,396,943)	-
Unrealised exchange (loss)		-	(567,370,761)
Interest paid		-	(6,012)
Dividends paid		(6,500,000,000)	(6,487,500,000)

The notes on pages 20 to 102 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2019

	Note	2019 RR	2018 RR
Net cash used in financing activities		(6,501,396,943)	(7,054,876,773)
Net increase/(decrease) in cash and cash equivalents		49,072,538	(55,305,020)
Cash and cash equivalents at beginning of the year		106,474,780	161,779,800
Cash and cash equivalents at end of the year	25	155,547,318	106,474,780

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2019

1. Incorporation and principal activities

Country of incorporation

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

Principal activities

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.

As of the date hereof, the Group conducts its business through the following operating legal entities. These are Routa Luxury Services Ltd and Botimelo Group Ltd, both of them being wholly owned subsidiaries of Brokercreditservice Structured Products Plc. Each of the these wholly owned Subsidiaries is established to carry on any trade or activity whatsoever related to, connected with or involving shares, stock, debentures, debenture stock, bonds, notes, obligations, warrants, options, derivatives, commodities and any other instruments related to equity, debt or commodities of all kinds (except for the investment activity that requires authorisation and/or license).

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

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 year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019. This adoption had a material effect on the accounting policies of the Group as follows:

- IFRS 16 "Leases"

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 January 2019.

(i) IFRS 16 Leases

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application (if any) is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations and the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 "Determining whether an Arrangement contains a Lease". The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 4.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered or changed on or after 1 January 2019.

As a lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to all other leases.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

Leases classified as operating leases under IAS 17

On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

3. Adoption of new or revised standards and interpretations (continued)

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Impact of the change

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 3.66%.

A reconciliation of the operating lease commitments to this liability is as follows:

	1 January 2019 RR
Discounted lease liabilities recognised as at 1 January 2019	(1,905,341)
Amount of prepayments and irrevocable security payments on agreements	(190,705)
Right-of-use assets under IFRS 16	2,096,046

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met: the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output.

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position.

Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

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 the following subsidiaries - Routa Luxury Services Ltd and Botimelo Group Ltd. The results of Botimelo Group Ltd are included up to 15 April 2019 which is the date of its disposal.

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.

4. Significant accounting policies (continued)

Transactions eliminated on consolidation

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

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 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.

4. Significant accounting policies (continued)

Revenue recognition (continued)

Identification of performance obligations

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 31 December 2019 and the cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises.

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **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.

- **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.

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.

4. Significant accounting policies (continued)

Tax (continued)

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.

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

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.

4. Significant accounting policies (continued)

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;
- 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.

4. Significant accounting policies (continued)

Leases (continued)

The Group as lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the 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.

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.

4. Significant accounting policies (continued)

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 assets - Classification

From 1 January 2018, 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.

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, 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.

4. Significant accounting policies (continued)

Financial assets - Measurement (continued)

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:

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 and financial assets at amortised cost (loans).

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".

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.

Expected losses are recognised and measured according to one of two approaches: general approach or simplified approach.

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

For all other financial asset 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 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 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".

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.

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.

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.

Derivatives and hedge accounting

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.

4. Significant accounting policies (continued)

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.

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.

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

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

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

Amendments
IFRS Interpretations Committee

- *Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018) (effective for annual periods beginning on or after 1 January 2020).*
- *Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020)*

5. New accounting pronouncements (continued)

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

New standards
- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 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 2020).*
- *Amendment to IFRS 3 Business Combinations (issued on 22 October 2018) (effective for annual periods beginning on or after 1 January 2020)*
- *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, liquidity and capital 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 client 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% (2018 :10%) with all other variables held constant:
Year-end market value of Company's portfolio:

		FA at FVTPL		FL at FVTPL
	2019	2018	**2019**	2018
	RR	RR	**RR**	RR
Equity securities - Moscow Stock Exchange	**1,493,948,928**	1,889,952,327	**-**	-
Equity Securities - New York Stock Exchange (NYSE)	**45,771,857,406**	35,603,042,107	**-**	-
Equity securities - Switzerland Composite (SW)	**8,042,421**	15,843,154	**-**	-
Equity securities - Germany Composite (GR)	**875,783,321**	321,734,255	**-**	-
Equity securities - RTS Russian Trading SystemComposite (RU)	**4,075**	-	**-**	-
Equity securities - Borsa Italiana (IM)	**1,648,220,018**	-	**-**	-
Equity securities - London Stock Exchange (LN)	**194,744**	-	**-**	-
Equity securities - London International & LondonInternational Composite (LI)	**1,430,293,194**	-	**-**	-
Equity securities - Hong Kong Exchanges and Clearing(HK)	**133,282,014**	-	**-**	-
Equity securities - NYSE Euronext Paris (FP)	**808,692,251**	-	**-**	-
Unlisted securities	**-**	6,682,250,643	**-**	-
Debt securities - bonds	**24,407,911,776**	42,485,107,248	**6,906,169**	9,015,119,037
Bonds' issue	**-**	-	**55,170,015,578**	32,579,585,288
	76,578,230,148	86,997,929,734	**55,176,921,747**	41,594,704,325

Post-tax profit for the year would increase/decrease by RR 7,657,823,015 (2018: 5,517,692,175) if the prices of securities held by the Group had increase/decrease by 10% (2018: 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.

6. Financial risk management (continued)

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

	2019	2018
	RR	RR
Fixed rate instruments		
Financial assets (loans)	**12,400,912,142**	12,891,881,618
Financial assets (reverse REPO)	**40,686,782,662**	128,614,838,208
Financial liabilities (bond's issue)	**51,817,057,801**	32,013,649,034
Financial liabilities (direct REPO)	**76,370,886,078**	147,093,735,814
Variable rate instruments		
Financial liabilities	**3,352,957,777**	565,936,254

Post-tax profit for the year would increase/decrease by RR 16,764,789 (2018: 2,829,681) if the variable interest rate increase/decrease by 0.5% (2018: 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.

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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(i) Risk management (continued)

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

	2019	2018
	RR	RR
Loans receivable	**534,856,879**	3,471,481,637
Loans to associates	**3,900,339,824**	4,404,291,935
Loans to parent	**7,965,715,439**	3,016,108,046
Trade and other receivables	**1,556,368,932**	1,182,198,083
Trade receivables on REPO	**63,434,522,321**	135,943,853,893
Cash at bank	**155,657,920**	106,562,187
Receivables from associates	**30,600,275,393**	7,305,489,063
	108,147,736,708	155,429,984,844

(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

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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

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

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

Determining whether credit risk has increased significantly

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

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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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;
- 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

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

- 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 2013 to 2018 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.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. 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.

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

Impairment losses	**2019**	2018
	RR	RR
Impairment charge - cash and cash equivalents	**(1,239)**	-
Impairment charge - amounts receivable	**(23,279,385)**	-
Impairment charge - loans receivable	**(468,988,123)**	(2,510,354)
Impairment charge - trade receivables	**-**	(56,669,667)
Reversal of impairment - cash and cash equivalents	**32**	7,486
Reversal of impairment - amounts receivable	**-**	65,975
Reversal of impairment - loans receivable	**40,481,216**	39,470,593
Reversal of impairment - trade receivables	**59,869,444**	116,145,363
Net impairment (loss)/profit on financial and contract assets	**(391,918,055)**	96,509,396

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.

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Year ended 31 December 2019

6. Financial risk management (continued)

6.4 Liquidity risk (continued)

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

31 December 2018	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	6,633,355	6,633,355	3,991,293	2,642,062	-	-
Other creditors	198,970,470	198,970,470	198,970,470	-	-	-
Director's current accounts - credit balances	1,613	1,613	1,613	-	-	-
Payables to parent	6,500,000,000	6,500,000,000	6,500,000,000	-	-	-
Bank overdrafts	87,407	87,407	-	-	87,407	-
Short term loans	18,659,654	18,659,654	18,063,897	595,757	-	-
Trade payables on REPO	154,732,097,719	154,732,097,719	66,659,202,957	87,220,490,500	852,404,262	-
Balances due to withdrawn members	23,072,161,225	23,072,161,225	1,249,487,433	20,267,826,414	1,554,847,378	-
Social insurance and other taxes	221,433	221,433	221,433	-	-	-
VAT	522,006	522,006	522,006	-	-	-
Bonds' issue	32,579,585,288	32,579,585,288	-	1,215,966,929	13,770,528,320	17,593,090,039
SWAPs (OTC)	1,881,223,689	1,881,223,689	319,805,503	1,554,847,379	6,570,807	-
Forward contracts	14,006,199,502	14,006,199,502	439,637,012	1,770,942,869	11,795,619,621	-
	232,996,363,361	232,996,363,361	75,389,903,617	112,033,311,910	27,980,057,795	17,593,090,039

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
	2019	2018	**2019**	2018
	RR	RR	**RR**	RR
United States Dollars	**109,057,777,235**	157,045,874,641	**89,940,847,138**	161,463,371,234
Euro	**12,053,303,401**	13,798,185,709	**18,033,607,152**	18,380,695,190
British Pounds	**596,918,399**	99,825,552	**44,706,962**	145,993,742
Russian Roubles	**57,651,717,517**	71,067,596,491	**77,204,360,092**	64,133,377,143
Swiss Franc	**3,897,259**	-	**20,899,626**	894,480,378
Hong Kong Dollar	**42,751,215**	-	**18,317,730**	47,334,343
Australian Dollar	**-**	-	**147,818,833**	4,221,199
Japanese Yen	**-**	-	**629,994**	4,945,880
Other currencies	**223**	-	**32,934**	4,902,384
	179,406,365,249	242,011,482,393	**185,411,220,461**	245,079,321,493

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	
	2019	2018	**2019**	2018
	%	%	**RR**	RR
United States Dollars	**(11)**	20	**5,288,299,799**	91,309,062,586
Euro	**(13)**	15	**(492,957,642)**	10,870,742,127
British Pounds	**(8)**	13	**44,177,123**	164,885,049

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.

6. Financial risk management (continued)

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

31 December 2019	**Level 1 RR**	**Level 2 RR**	**Level 3 RR**	**Total 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**

31 December 2018	Level 1 RR	Level 2 RR	Level 3 RR	Total RR
Financial assets				
Financial assets at fair value through profit or loss	80,242,200,425	6,755,729,310	-	86,997,929,735
Derivative financial assets	-	1,924,103,099	-	1,924,103,099
Total	80,242,200,425	8,679,832,409	-	88,922,032,834
Financial liabilities				
Financial liabilities at fair value through profit or loss	9,015,119,036	-	-	9,015,119,036
Derivative financial liabilities	-	15,887,423,191	-	15,887,423,191
Bonds' issue	-	32,579,585,288	-	32,579,585,288
Total	9,015,119,036	48,467,008,479	-	57,482,127,515

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. Financial risk management (continued)

6.8 Offsetting financial assets and liabilities

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

31 December 2018	(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	-	14,006,199,502	(14,006,199,502)	-	(14,006,199,502)
Futures	-	-	-	-	-
SWAPs	1,924,103,100	1,881,223,689	42,879,411	-	42,879,411
Options	-	-	-	-	-
REPO (reverse)	128,614,838,208	-	128,614,838,208	-	128,614,838,208
REPO (direct)	-	147,093,735,814	(147,093,735,814)	-	(147,093,735,814)
Shares	44,512,822,486	-	44,512,822,486	-	44,512,822,486
Bonds	42,485,107,248	9,015,119,036	33,469,988,212	-	33,469,988,212
Receivables	13,893,040,387	-	13,893,040,387	-	13,893,040,387
Payables	-	37,435,619,065	(37,435,619,065)	-	(37,435,619,065)
Loans	12,891,881,618	-	12,891,881,618	-	12,891,881,618
Bonds issue	-	32,579,585,288	(32,579,585,288)	-	(32,579,585,288)
Total:	244,321,793,048	242,011,482,396	2,310,310,652	-	2,310,310,652

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.

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:

- **Going concern basis**

  The Directors judge that it is appropriate to prepare the consolidated financial statements on the going concern basis.

- **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.

- **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.

- **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:

2019	**Corporate Business**	**Retail Business**	**Group Functions**	**Total**
	RR	**RR**	**RR**	**RR**
Profit before tax	**1,190,062,212**	**1,686,610,626**	**316,112,747**	**3,192,785,585**
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**

2018	Corporate Business	Retail Business	Group Functions	Total
	RR	RR	RR	RR
Profit before tax	(5,497,379,277)	10,761,938,170	43,745,838	5,308,304,731
Assets	157,320,981,903	87,000,429,734	757,909,856	245,079,321,493
Liabilities	185,484,933,697	56,526,461,290	87,406	242,011,482,393

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

2019	**Corporate Business RR**	**Retail Business RR**	**Group Functions RR**	**Total RR**
Revenue	**2,457,599**	-	-	**2,457,599**
Dividend income (gross)	**1,703,717,308**	-	-	**1,703,717,308**
Interest income	**72,880,805**	-	-	**72,880,805**
Loan interest income	**1,285,044,334**	-	-	**1,285,044,334**
Net loss on trading in financial instruments	**(682,576,907)**	-	-	**(682,576,907)**
Net gain realised on trading in foreign currencies	**3,868,688,321**	-	-	**3,868,688,321**
Net fair value gains on financial assets at fair value through profit or loss	-	**6,581,556,918**	-	**6,581,556,918**
Interest income from bonds	-	**4,551,509,884**	-	**4,551,509,884**
Interest income on reverse repurchase agreements	**5,191,575,877**	-	-	**5,191,575,877**
Interest expense on bonds	-	**(6,041,180,829)**	-	**(6,041,180,829)**
Interest expense on REPO loans	**(7,330,209,687)**	-	-	**(7,330,209,687)**
Net fair value loss on trading in foreign currency	**(46,578,000)**	-	-	**(46,578,000)**
Financial result of SWAP operations (OTC)	**1,091,740,883**	-	-	**1,091,740,883**
Loss from sale of investments in subsidiaries	-	-	**(7,338,545)**	**(7,338,545)**
Staff costs	**(20,263,027)**	-	-	**(20,263,027)**
Depreciation and amortisation expense	-	-	**(1,861,328)**	**(1,861,328)**
Other operating loss (income)	-	-	**325,312,619**	**325,312,619**
Change in fair value of derivative financial instruments	-	**(3,405,275,347)**	-	**(3,405,275,347)**
Net impairment (loss)/profit on financial and contract assets	**(391,918,055)**	-	-	**(391,918,055)**
Administration and other expenses	**(1,835,088,263)**	-	**2**	**(1,835,088,261)**
Finance costs	**(1,752,818,704)**	-	-	**(1,752,818,704)**
Share of results of associates	**33,409,728**	-	-	**33,409,728**
Profit before tax	**1,190,062,212**	**1,686,610,626**	**316,112,747**	**3,192,785,585**

2018	Corporate Business RR	Retail Business RR	Group Functions RR	Total RR
Revenue	8,470,091	-	-	8,470,091
Dividend income (gross)	521,193,580	-	-	521,193,580
Interest income	33,502,023	-	-	33,502,023
Loan interest income	2,086,165,860	-	-	2,086,165,860
Net loss on trading in financial instruments	(3,573,794,902)	-	-	(3,573,794,902)
Net gain realised on trading in foreign currencies	568,076,026	-	-	568,076,026
Net fair value gains on financial assets at fair value through profit or loss	-	4,581,474,921	-	4,581,474,921
Interest income from bonds	-	4,629,019,001	-	4,629,019,001
Interest income on reverse repurchase agreements	5,043,003,178	-	-	5,043,003,178
Interest expense on bonds	-	(5,272,082,029)	-	(5,272,082,029)
Interest expense on REPO loans	(6,728,065,013)	-	-	(6,728,065,013)
Net fair value loss on trading in foreign currency	(556,598,800)	-	-	(556,598,800)
Financial result of SWAP operations (OTC)	(115,620,955)	-	-	(115,620,955)
Staff costs	(11,522,414)	-	-	(11,522,414)
Depreciation and amortisation expense	-	-	(54,244)	(54,244)
Other operating loss (income)	-	-	43,800,082	43,800,082
Change in fair value of derivative financial instruments	-	6,823,526,277	-	6,823,526,277
Net impairment (loss)/profit on financial and contract assets	96,509,396	-	-	96,509,396
Administration and other expenses	(2,436,833,247)	-	-	(2,436,833,247)
Finance income	1,881,338,264	-	-	1,881,338,264
Finance costs	(2,450,885,539)	-	-	(2,450,885,539)
Share of results of associates	137,683,175	-	-	137,683,175
Profit before tax	(5,497,379,277)	10,761,938,170	43,745,838	5,308,304,731

9. Revenue

	2019 RR	2018 RR
Rendering of services	**2,288,167**	6,801,271
Profit from corporate actions	**169,431**	1,668,820
	2,457,598	8,470,091

10. Other operating income

	2019 RR	2018 RR
Gain on loans assignment	**264,459,001**	-
Extraordinary income	**4,989,798**	-
Other income on REPO	**34,753,579**	-
Upfront fee on loans receivable	**21,110,241**	43,800,082
	325,312,619	43,800,082

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11. Operating profit

	2019	2018
	RR	RR
Operating profit is stated after charging the following items:		
Directors' fees	**109,633**	135,990
Staff costs including Directors in their executive capacity (Note 12)	**20,263,027**	11,522,414
Auditors' remuneration - current year	**8,768,261**	6,634,017
Auditors' remuneration - prior years	**-**	25,183,180

12. Staff costs

	2019	2018
	RR	RR
Salaries	**18,380,322**	10,670,366
Social security costs	**1,882,705**	852,048
	20,263,027	11,522,414

13. Finance income/(costs)

	2019	2018
	RR	RR
Exchange profit	**-**	1,881,338,264
Finance income	**-**	1,881,338,264
Net foreign exchange losses	**(1,051,746,879)**	(2,448,709,025)
Interest expense	**(696,792,592)**	(6,012)
Sundry finance expenses	**(4,279,233)**	(2,170,502)
Finance costs	**(1,752,818,704)**	(2,450,885,539)
Net finance costs	**(1,752,818,704)**	(569,547,275)

14. Tax

	2019	2018
	RR	RR
Overseas tax	**140,769,473**	230,823,978
Charge for the year	**140,769,473**	230,823,978

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

	2019	2018
	RR	RR
Profit before tax	**3,192,785,585**	5,308,304,731
Tax calculated at the applicable tax rates	**399,098,198**	663,538,091
Tax effect of allowances and income not subject to tax	**(916,595,850)**	(1,530,502,215)
Tax effect of tax loss for the year	**517,497,652**	866,964,124
Overseas tax in excess of credit claim used during the year	**140,769,473**	230,823,978
Tax charge	**140,769,473**	230,823,978

14. Tax (continued)

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.

15. Dividends

	2019	2018
	RR	RR
Interim dividend declared	**115,000,000**	12,700,000,000
	115,000,000	12,700,000,000

On 14 April 2020 the Board of Directors approved the payment of an interim dividend out of 2019 profits of RR115,000,000 (2018: RR12,700,000,000).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled.

16. Financial instruments by category

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

31 December 2019	Other investments	Fair value through profit or loss	Financial assets at amortised cost	Total
	RR	RR	RR	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
Investment in associate	683,777,377	-	-	683,777,377
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	**683,777,377**	**79,125,848,572**	**105,600,289,820**	**185,409,915,769**

	Fair value through profit or loss	Borrowings and other financial liabilities	Total
	RR	**RR**	**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**

16. Financial instruments by category (continued)

31 December 2018	Other investments RR	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	-	-	142,507,878,595	142,507,878,595
Loans granted	-	-	12,891,881,618	12,891,881,618
Cash and cash equivalents	-	-	106,562,187	106,562,187
Derivative financial assets	-	1,924,103,099	-	1,924,103,099
Financial assets at fair value through profit or loss	-	86,997,929,735	-	86,997,929,735
Investment in associate	650,367,649	-	-	650,367,649
Total	650,367,649	88,922,032,834	155,506,322,400	245,078,722,883

	Fair value through profit or loss RR	Borrowings and other financial liabilities RR	Total RR
Liabilities as per consolidated statement of financial position:			
Trade and other payables	-	184,529,354,878	184,529,354,878
Derivative financial liabilities	-	15,887,423,191	15,887,423,191
Financial liabilities at fair value through profit or loss	9,015,119,037	-	9,015,119,037
Bonds' issue	32,579,585,288	-	32,579,585,288
Total	41,594,704,325	200,416,778,069	242,011,482,394

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:

	2019 RR	2018 RR
Fully performing trade receivables		
Counterparties without external credit rating		
Group 1	**1,513,285,317**	1,527,035,162
Group 2	**30,600,275,391**	6,961,092,640
Group 3	**63,477,605,938**	135,943,853,893
	95,591,166,646	144,431,981,695
Total fully performing trade receivables	**95,591,166,646**	144,431,981,695
Fully performing loans receivable		
Group 1	**333,704,528**	3,081,353,373
Group 2	**11,866,055,263**	9,420,399,981
Group 3	**201,152,351**	390,128,264
	12,400,912,142	12,891,881,618
Cash at bank and short term bank deposits (1)		
Hellenic Bank Public Company Ltd	**9,548,889**	5,818,180
Caa2	**-**	-
BCS Bank	**146,109,031**	100,744,007
	155,657,920	106,562,187

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			
Additions	-	652,854	652,854
Balance at 31 December 2018/ 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**
Depreciation			
Charge for the year	-	54,244	54,244
Balance at 31 December 2018/ 1 January 2019	-	**54,244**	**54,244**
Charge for the year	1,627,238	234,090	1,861,328
Balance at 31 December 2019	**1,627,238**	**288,334**	**1,915,572**
Net book amount			
Balance at 31 December 2019	**468,808**	**835,883**	**1,304,691**
Balance at 31 December 2018	**-**	**598,610**	**598,610**

19. Investments in associates

	2019	2018
	RR	RR
Balance at 1 January	**650,367,649**	512,684,474
Share of results of associates	**33,409,728**	137,683,175
Balance at 31 December	**683,777,377**	650,367,649

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	Holding %	2019 RR	2018 RR
Combined Closed-end mutual Fund "FNB Business"	Russia	Investment in realestate property	25.23	**683,777,377**	650,367,649
				683,777,377	650,367,649

19. Investments in associates (continued)

During the year the Parent Company has decided to reclassify Combined Closed-end mutual Fund "FNB Business" from financial asset at FVTOCI to investment in associate. The investment is measured at cost plus share of net assets. Regarding the reclassification of the investment, the fair value reserve was transferred to retained earnings. The share of net assets of the associate goes through profit or loss. The relevant reclassifications were made to comparative information as well.

20. Non-current loans receivable

	2019 RR	2018 RR
Loans receivable	**534,856,879**	3,471,481,637
	534,856,879	3,471,481,637
Less current portion	**(533,424,197)**	(1,426,045,789)
Non-current portion	**1,432,682**	2,045,435,848

The loans are repayable as follows:

	2019 RR	2018 RR
Within one year	**533,424,197**	1,426,045,789
Between one and five years	**1,432,682**	2,045,435,848
	534,856,879	3,471,481,637

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:

	2019	2018
Loans receivable	**0.05% - 9.5%**	0.05% - 13.75%

21. Trade and other receivables

	2019 RR	2018 RR
Trade receivables	**1,556,233,181**	1,182,198,083
Trade receivables on REPO	**63,434,522,321**	135,943,853,893
Deposits and prepayments	**34,670**	57,781
Refundable VAT	**101,081**	-
	64,990,891,253	137,126,109,757
Less non-current receivables	**(1,414,226,653)**	(15,138,014,257)
Current portion	**63,576,664,600**	121,988,095,500

21. Trade and other receivables (continued)

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.

22. Financial instruments at fair value through profit or loss

Financial assets	**2019**	2018
	RR	RR
Balance at 1 January	**86,997,929,734**	117,011,808,921
Additions	**371,004,541,066**	683,668,585,574
Disposals	**(384,350,764,655)**	(735,450,018,026)
Change in fair value	**4,959,889,456**	(4,331,171,130)
Exchange differences	**(2,033,365,453)**	26,098,724,395
Balance at 31 December	**76,578,230,148**	86,997,929,734

Financial liabilities	**2019**	2018
	RR	RR
Balance at 1 January	**41,594,704,325**	57,225,538,271
Additions	**93,441,429,168**	226,261,042,161
Disposals	**(90,258,828,260)**	(236,245,592,102)
Change in fair value	**(1,621,667,462)**	(8,912,646,050)
Exchange differences	**12,021,283,976**	3,266,362,045
Balance at 31 December	**55,176,921,747**	41,594,704,325
Less non-current portion	**(54,553,811,773)**	(38,445,006,087)
Current portion	**623,109,974**	3,149,698,238

22. 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:

	2019 RR	2018 RR
Financial assets at fair value through profit or loss		
Equity securities - Moscow Stock Exchange	**1,493,948,928**	1,889,952,327
Equity Securities - New York Stock Exchange (NYSE)	**45,771,857,406**	35,603,042,107
Equity securities - SW (Switzerland Composite)	**8,042,421**	15,843,154
Equity securities - GR (Germany Composite)	**875,783,321**	321,734,255
Equity securities - RTS Russian Trading System Composite (RU)	**4,075**	-
Equity securities - Borsa Italiana (IM)	**1,648,220,018**	-
Equity securities - London Stock Exchange (LN)	**194,744**	-
Equity securities - London International & London International Composite(LI)	**1,430,293,194**	-
Equity securities - Hong Kong Exchanges and Clearing (HK)	**133,282,014**	-
Equity securities - NYSE Euronext Paris (FP)	**808,692,251**	-
Unlisted securities	**-**	6,682,250,643
Debt securities - Bonds	**24,407,911,776**	42,485,107,248
Equity securities - US (Composite US)	**76,578,230,148**	86,997,929,734
Financial liabilities at fair value through profit or loss		
Bonds	**(6,906,169)**	(9,015,119,037)
Bonds' issue	**(55,170,015,578)**	(32,579,585,288)
Bonds' issue	**(55,176,921,747)**	(41,594,704,325)

22. 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 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 (2018: RR 10,035,102,960 including interest payable of RR 190,102,960; the revaluation of the issued Notes in RR -1,801,151,800; the amortization of the discount on the issued Notes in RR 0).
Interest with respect to the Notes in RR is at fixed rate between 0% and 20% per annum 1 time a year/2 times a year/4 times a year and they are repayable not later than 26 November 2027.

The Notes denominated in USD: a total amount of RR 56,827,519,430 including interest payable of RR 390,876,967. The revaluation of the issued Notes in RR -7,114,083,889. The amortization of the discount on the issued Notes in RR -7,791,186,684, the amortization of premiums on issued Notes in RR 9,681,335. (2018: RUR 40,717,710,821 including interest payable of RUR 325,124,613; the revaluation of the issued Notes in RR -6,998,353,008; the amortization of the discount on the issued Notes in RR -2,412,322,357; the amortization of premiums on issued Notes in RR 12,251,911).
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 2,297,862,091 including interest payable of RR 5,866,032. The revaluation of the issued Notes in RR -467,053,959 (2018: RR 242,558,444 including interest payable of RR 4,176,944; the revaluation of the issued notes in RR -134,823,952).
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 year ended 31 December 2019 the Group issued the following Notes (see next page):

ISIN	XS1927711454	XS1937694625
Currency	USD	USD
Nominal	25,000,000	20,000,000
Nature of the notes issued	First to Default Credit Linked Notes	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, 6.00 per cent. per annum payable in arrear on each Interest Payment Date	7,25 per cent. Fixed Rate
Interest payment dates	Each 11 January and 11 July in each calendar year from (and including) 11 July 2019 up to (and including) the Scheduled Maturity Date	20 June 2019, 20 December 2019, 20 June 2020, 20 December 2020, 20 June 2021, 20 December 2021, 20 June 2022, 20 December 2022, 20 June 2023 and 20 December 2023
Details of the maturity dates of the Notes issued	11 January 2024	20 December 2023
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)
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

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ISIN	XS1943597994	XS1949598855
Currency	RUR	EUR
Nominal	500,000,000	5,000,000
Nature of the notes issued	Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	11 per cent. Fixed Rate	2.5 per cent. per Interest Period
Interest payment dates	20 June 2019, 20 December 2019, 20 June 2020, 20 December 2020, 20 June 2021, 20 December 2021, 20 June 2022, 20 December 2022, 20 June 2023 and 20 December 2023	28 May, 28 August, 28 November and 28 February in each year, commencing on 28 May 2019 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	20 December 2023	28 February 2022
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	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	Coupon is linked to the performance of the underlying asset.
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	XS1953826978	XS1954534621
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	7.5 per cent. per Interest Period	3 per cent. per Interest Period
Interest payment dates	2 October and 2 April in each year, commencing on 2 October 2019 up to and including the Maturity Date	3 July, 3 October, 3 January and 3 April in each year, commencing on 3 July 2019 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	2 April 2022	3 April 2022
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	Coupon is linked to the performance of the underlying asset.	Coupon is linked to the performance of the underlying asset.
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	XS1952156344	XS1960651641
Currency	EUR	EUR
Nominal	20,000,000	5,000,000
Nature of the notes issued	First to Default Credit Linked Notes	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, 4.50 per cent. per annum payable in arrear on each Interest Payment Date	In respect of each Interest Period, 3.50 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	Each 27 March and 27 September in each calendar year from (and including) 27 September 2019 up to (and including) the Scheduled Maturity Date.	Each 27 March and 27 September in each calendar year from (and including) 27 September 2019 up to (and including) the Scheduled Maturity Date
Details of the maturity dates of the Notes issued	27 March 2024	27 June 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)
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	XS1962541709	XS1963835902
Currency	USD	USD
Nominal	20,000,000	10,000,000
Nature of the notes issued	Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	8.5 per cent. Fixed Rate	4 per cent. per Interest Period
Interest payment dates	30 June 2019, 30 December 2019, 30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023 and 30 June 2024	26 January, 26 April, 26 July and 26 October in each year, commencing on 26 July 2019 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 June 2024	26 April 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	Coupon is linked to the performance of the underlying asset.
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	**XS1967593796**	**XS1946763361**
Currency	EUR	USD
Nominal	3,000,000	10,000,000
Nature of the notes issued	Credit Linked Notes	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	4.5 per cent. Fixed Rate	In respect of each Interest Period, 8.60 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	30 June 2019, 30 December 2019, 30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023 and 30 June 2024	Each 27 June and 27 December in each calendar year from (and including) 27 June 2019 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	30 June 2024	27 June 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)
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

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ISIN	XS1982161603	XS1985081444
Currency	USD	RUR
Nominal	10,000,000	600,000,000
Nature of the notes issued	Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	6 per cent. Fixed Rate	4.75 per cent. per Interest Period
Interest payment dates	30 June 2019, 30 December 2019, 30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023 and 30 June 2024	24 February, 24 May, 24 August and 24 November in each year, commencing on 24 August 2019 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 June 2024	24 May 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	Coupon is linked to the performance of the underlying asset.
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	XS1998798984	XS2004904285
Currency	EUR	USD
Nominal	7,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Notes (Multi-chance Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	2.5 per cent. per Interest Period	3.5 cent. per Interest Period
Interest payment dates	20 March, 20 June, 20 September and 20 December in each year, commencing on 20 September 2019 up to and including the Maturity Date	30 September, 30 December, 30 March and 30 June in each year, commencing on 30 September 2019 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	20 June 2022	30 June 2022
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	Coupon is linked to the performance of the underlying asset.	Coupon is linked to the performance of the underlying asset.
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	**XS2009879425**	**XS2015214757**
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	6.25 per cent. Fixed Rate	4 per cent. per Interest Period
Interest payment dates	30 December 2019, 30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023 and 30 June 2024	17 January, 17 April, 17 July and 17 October in each year, commencing on 17 October 2019 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 June 2024	17 July 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	Coupon is linked to the performance of the underlying asset.
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	XS2019822357	XS2020622887
Currency	USD	RUR
Nominal	10,000,000	300,000,000
Nature of the notes issued	First to Default Credit Linked Notes	ETI Linked Notes (Rainbow Participation Notes)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 6.50 per cent. per annum payable in arrear on each Interest Payment Date	Not Applicable
Interest payment dates	Each 27 June and 27 December in each calendar year from (and including) 27 December 2019 up to (and including) the Scheduled Maturity Date	Not Applicable
Details of the maturity dates of the Notes issued	27 June 2024	1 August 2022
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	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)	Rainbow Participation Note is a product that pays at redemtion the weighted performance of underlying assets. 50% weight assigns to the best performer, 30% - to average and 20% - to Worst.
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	XS2028879703	XS2028879026
Currency	USD	USD
Nominal	3,000,000	20,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3.75 per cent. per Interest Period	6.5 per cent. Fixed Rate
Interest payment dates	12 February, 12 May, 12 August and 12 November in each year, commencing on 12 November 2019 up to and including the Maturity Date	30 December 2019, 30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023 and 30 June 2024
Details of the maturity dates of the Notes issued	12 August 2022	30 June 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect). Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)
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	XS2027360507	XS2028880461
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	First to Default Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period,7.00 per cent. per annum payable in arrears on each Interest Payment Date	9 per cent. per Interest Period
Interest payment dates	Each 23 June and 23 December in each calendar year from (and including) 23 December 2019 up to (and including) the Scheduled Maturity Date.	16 February and 16 August in each year, commencing on 16 February 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	23 December 2024	16 August 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect). Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares
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	XS2028880115	XS2030530617
Currency	RUR	USD
Nominal	1,200,000,000	6,000,000
Nature of the notes issued	Credit Linked Notes	Pegasus Share and Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	11 per cent. per annum	From (and including) the Issue Date in the case of the first Interest Period 5.00 per cent per annum - fixed; Then 18.00 per cent. per annum Floating
Interest payment dates	30 December 2019, 30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023 and 30 June 2024	Each 19 August, 19 November, 19 February, 19 May in each calendar year from (and including) thr Issue Date up to (and including) the Scheduled Maturity Date, or, if such date is not an Exchange Bussiness Day, the immediately following Exchange Business Day.
Details of the maturity dates of the Notes issued	30 June 2024	19 August 2024, repaid 22.11.2019
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	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)	Pegasus Share and Credit Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier, as well as receive a return of 100% of the invested funds if a default event for one of the issuers did not occur
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	XS2019825376	XS2038595034
Currency	USD	USD
Nominal	50,000,000	10,000,000
Nature of the notes issued	First to Default Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	3 month LIBOR +3.5 per cent. per annum	3.75 per cent. per Interest Period
Interest payment dates	Each 28 February, 28 May, 28 August and 28 November in each calendar year from (and including) 28 August 2019 up to (and including) the Scheduled Maturity Date.	9 March, 9 June, 9 September and 9 December in each year, commencing on 9 December 2019 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	28 February 2022	9 September 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect). Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares
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	XS2038593419	XS2038610445
Currency	USD	EUR
Nominal	10,000,000	5,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	14 per cent. per annum payable semi-annually in arrear on each Interest Payment Date	4 per cent. per annum
Interest payment dates	9 March and 9 September in each year, commencing on 9 March 2020 up to and including the Maturity Date	30 December 2019, 30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023 and 30 June 2024
Details of the maturity dates of the Notes issued	9 September 2022	30 June 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Share Linked Note pays fixed coupon rate. Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)
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	XS2045765729	XS2045847295
Currency	USD	RUR
Nominal	10,000,000	100,050,000
Nature of the notes issued	First to Default Credit Linked Notes	Share Linked Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each Interest Period, 7.00 per cent. per annum payable in arrear on each Interest Payment Date	10 per cent. per annum, in respect of the first interest period 5 per cent per annum
Interest payment dates	Each 22 August and 22 February in each calendar year from (and including) 22 February 2020 up to (and including) the Scheduled Maturity Date	Each 1 November and 1 June in each calendar year from (and including) the 1 November 2019 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	24 June 2024	15 November 2022
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	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)	Share Linked Note is a product that allows you to get a semi-annual high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) and 100% capital protection
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	XS2053506320	XS2053914953
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with SnowballDigital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	7.5 per cent. per annum	3.5 per cent. per Interest Period
Interest payment dates	30 December 2019, 30 June 2020, 30 December2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023 and 30 June 2024	17 January, 17 April, 17 July and 17 October in each year, commencing on 17 January 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 June 2024	17 October 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares
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	XS2052332538	XS2052333189
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Pegasus Share and Credit Linked Notes	Pegasus Share and Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	(i) the Interest Period ending on (but excluding) the Interest Period End Date scheduled to fall on the Cut-off Date (the "Initial Interest Period") and the Interest Payment Date in respect of the Initial Interest Period, 5 per cent. per annum; and(ii) each other Interest Period (for the avoidance of doubt, not including the Initial Interest Period) and the Interest Payment Date in respect of such Interest Period, 13 per cent. per annum.	(i) the Interest Period ending on (but excluding) the Interest Period End Date scheduled to fall on the Cut-off Date (the "Initial Interest Period") and the Interest Payment Date in respect of the Initial Interest Period, 5 per cent. per annum; and(ii) each other Interest Period (for the avoidance of doubt, not including the Initial Interest Period) and the Interest Payment Date in respect of such Interest Period, 13 per cent. per annum.
Interest payment dates	Each 28 October, 28 January, 28 April, 28 July in each calendar year from (and including) the Issue Date up to (and including) the Scheduled Maturity Date, or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day.	Each 28 October, 28 January, 28 April, 28 July in each calendar year from (and including) the Issue Date up to (and including) the Scheduled Maturity Date, or, if such date is not an Exchange Business Day, the immediately following Exchange Business Day.
Details of the maturity dates of the Notes issued	28 October 2024	28 October 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Pegasus Share and Credit Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier, as well as receive a return of 100% of the invested funds if a default event for one of the issuers did not occur	Pegasus Share and Credit Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier, as well as receive a return of 100% of the invested funds if a default event for one of the issuers did not occur
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	XS2049809341	XS2057952439
Currency	RUR	USD
Nominal	600,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon and Fixed Rate Coupon Switch)	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	5 per cent. per Interest Period	7.25 per cent. per annum payable semi-annually on each Interest Payment Date
Interest payment dates	17 January, 17 April, 17 July and 17 October in each year, commencing on 17 January 2020 up to and including the Maturity Date	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024
Details of the maturity dates of the Notes issued	17 October 2022	30 December 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)
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	XS2058684619	XS2065019957
Currency	RUR	USD
Nominal	600,000,000	20,000,000
Nature of the notes issued	Credit Linked Notes	First to Default Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	11 per cent. per annum payable semi-annually on each Interest Payment Date	In respect of each Interest Period, 7.75 per cent. per annum payable in arrear on each Interest Payment Date
Interest payment dates	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024	Each 27 June and 27 December in each calendar year from (and including) 27 December 2019 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	30 December 2024	27 December 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)
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	XS2065556453	XS2068071211
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Vanilla Digital Notes with Snowball Digital Coupon)	Share Linked Notes (Vanilla Digital Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	8.5 per cent. per Interest Period	11 per cent. per Interest Period
Interest payment dates	13 February in each year, commencing on 13 February 2021 up to and including the Maturity Date	15 November in each year, commencing on 15 November 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	13 February 2023	15 November 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Share Linked Note is a product that allows you to get a annual high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . At maturity the Note redeems 100% of Nominal Amount	Share Linked Note is a product that allows you to get a annual high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . At maturity the Note redeems 100% of Nominal Amount
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	XS2066725107	XS2068166276
Currency	USD	EUR
Nominal	10,000,000	5,000,000
Nature of the notes issued	Share Linked Notes (Vanilla Digital 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:(i) the first Interest Period, 5 per cent. per annum; and (ii) each other Interest Period, 17 per cent. per annum	In respect of each Interest Period, 4.00 per cent. per annum payable in arrears on each Interest Payment Date.
Interest payment dates	Each 17 November, 17 February, 17 May and 17 August in each calendar year from (and including) the 17 November 2019 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 27 March and 27 September in each calendar year from (and including) 27 March 2020 up to (and including) the Scheduled Maturity Date.
Details of the maturity dates of the Notes issued	17 November 2024	27 September 2022
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	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified inthe applicable Final Terms or Drawdown Prospectus)
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	XS2072916336	XS2075955513
Currency	USD	USD
Nominal	10,000,000	2,000,000
Nature of the notes issued	Share Linked Notes (Vanilla Digital Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of the first Interest Period - 0 per cent; then each Interest period 7.5 per cent. per annum	3,625 per cent. per Interest Period
Interest payment dates	Each 21 February, 21 May, 21 August and 21 November from 21 February 2020 to (and including) the Scheduled Maturity Date (or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day)	8 February, 8 May, 8 August and 8 November in year, commencing on 8 February 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	21 February 2023	8 November 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect). Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares
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	XS2072913317	XS2072914125
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	10 per cent. per annum	14 per cent. per annum
Interest payment dates	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024
Details of the maturity dates of the Notes issued	30 December 2024	30 December 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN zero-recovery. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and Note will have zero recovery value	First-to-default CLN zero-recovery. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and Note will have zero recovery value
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	**XS2072913663**	**XS2078369316**
Currency	USD	RUR
Nominal	10,000,000	600,000,000
Nature of the notes issued	Credit Linked Notes	Share Linked Notes (Vanilla Digital Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	6 per cent. per annum	8 per cent. per Interest Period
Interest payment dates	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024	27 April 2020, 26 October 2020, 26 April 2021, 25 October 2021, 25 April 2022, 24 October 2022
Details of the maturity dates of the Notes issued	30 December 2024	24 October 2022
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	First-to-default CLN zero-recovery. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and Note will have zero recovery value	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect). Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares
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	XS2085880529	XS2079093949
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Vanilla Digital Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	8.5 per cent. per Interest Period	25 per cent. per annum for a Snowball Level of 85 per cent.15 per cent. per annum for a Snowball Level of 75 per cent. 7 per cent. per annum for a Snowball Level of 65 per cent.
Interest payment dates	30 March in each year, commencing on 30 March 2021 up to and including the Maturity Date	13 March, 13 June, 13 September and 13 December in each year, commencing on 13 March 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 March 2023	13 December 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Share Linked Note is a product that allows you to get a annual high coupon if all the shares in the basket do not fall below the established barrier (with memory effect). At maturity the Note redeems 100% of Nominal Amount	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares
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	XS2085844640	XS2085844053
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Share Linked Notes (Vanilla Digital Notes with Snowball Digital Coupon)	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	11 per cent. per Interest Period	4 per cent. per Interest Period
Interest payment dates	30 December in each year, commencing on 30 December 2020 up to and including the Maturity Date	30 March, 30 June, 30 September and 30 December in each year, commencing on 30 March 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	30 December 2024	30 December 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Share Linked Note is a product that allows you to get a annual high coupon if all the shares in the basket do not fall below the established barrier (with memory effect). At maturity the Note redeems 100% of Nominal Amount	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares
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	XS2088683656	XS2088720524
Currency	USD	EUR
Nominal	6,000,000	5,000,000
Nature of the notes issued	Pegasus Share and Credit Linked Notes	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	(i) the Interest Period ending on (but excluding) the Interest Period End Date scheduled to fall on the Cut-off Date (the "Initial Interest Period") and the Interest Payment Date in respect of the Initial Interest Period, 5 per cent. per annum; and (ii) each other Interest Period (for the avoidance of doubt, not including the Initial Interest Period) and the Interest Payment Date in respect of such Interest Period, 16.50 per cent. per annum.	5 per cent. per Interest Period
Interest payment dates	Each 20 December and 20 June in each calendar year from (and including) the 20 December 2019	30 June and 30 December in each year, commencing on 30 June 2020 up to and including the Maturity Date
Details of the maturity dates of the Notes issued	20 December 2024	30 December 2022
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	Pegasus Share and Credit Linked Note is a product that allows you to get a semiannualy high coupon if all the shares in the basket do not fall below the established barrier, as well as receive a return of 100% of the invested funds if a default event for one of the issuers did not occur	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares
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	XS2091664370	XS2091668447
Currency	USD	USD
Nominal	10,000,000	10,000,000
Nature of the notes issued	Credit Linked Notes	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	5,25 per cent. per annum	6,75 per cent. per annum
Interest payment dates	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024
Details of the maturity dates of the Notes issued	30 December 2024	30 December 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	First-to-default CLN zero-recovery. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and Note will have zero recovery value
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	XS2091667043	XS2091672803
Currency	RUR	RUR
Nominal	600,000,000	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	9,75 per cent. per annum	11 per cent. per annum
Interest payment dates	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024
Details of the maturity dates of the Notes issued	30 December 2024	30 December 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)	First-to-default CLN zero-recovery. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and Note will have zero recovery value
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	**XS2093226178**	**XS2093710494**
Currency	USD	EUR
Nominal	1,500,000	5,000,000
Nature of the notes issued	Share Linked Notes (Autocall Standard Notes with Snowball Digital Coupon)	Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	7,5 per cent. per Interest Period	4 per cent. per annum
Interest payment dates	30 March, 30 June, 30 September and 30 December in each year, commencing on 30 March 2020 up to and including the Maturity Date	30 June 2020, 30 December 2020, 30 June 2021, 30 December 2021, 30 June 2022, 30 December 2022, 30 June 2023, 30 December 2023, 30 June 2024 and 30 December 2024
Details of the maturity dates of the Notes issued	30 December 2024	30 December 2024
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Share Linked Note is a product that allows you to get a quarterly high coupon if all the shares in the basket do not fall below the established barrier (with memory effect) . Scheduled redemption payment is based on reference shares performance compared with the Strike price of these shares	First-to-default CLN. If credit event occurrs with respect to any of the Reference Entities, Interest shall cease to accrue and each Note will be redeemed by the payment of the Credit Event Redemption Amount (Cash Settlement as specified in the applicable Final Terms or Drawdown Prospectus)
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

23. Derivative financial instruments

	Assets 2019 RR	**Liabilities 2019 RR**	Assets 2018 RR	Liabilities 2018 RR
Foreign currency forward contracts	**-**	**-**	-	1,432,249
Other forward contracts	**-**	**13,442,726,019**	-	14,004,767,253
Credit Default SWAPs (including SWAPs from associates)	**2,546,070,003**	**301,149,920**	1,924,103,099	1,881,223,689
Currency SWAPs with associates	**1,548,421**	**70,043,306**	-	-
	2,547,618,424	**13,813,919,245**	1,924,103,099	15,887,423,191

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

	Assets 2019 RR	**Liabilities 2019 RR**	Assets 2018 RR	Liabilities 2018 RR
Current	**1,548,421**	**4,513,146,376**	-	2,530,385,384
Non-current	**2,546,070,003**	**9,300,772,869**	1,924,103,099	13,357,037,807
	2,547,618,424	**13,813,919,245**	1,924,103,099	15,887,423,191

24. Amounts due from lessees

	2019 RR	2018 RR
Balance at 1 January	**381,410**	-
New loans granted	**-**	381,410
Repayments	**(249,742)**	-
Interest charged	**36,059**	-
Balance at 31 December	**167,727**	381,410

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

25. Cash at bank and in hand

	2019 RR	2018 RR
Cash in hand	**3,810**	-
Cash at bank	**155,657,920**	106,562,187
	155,661,730	106,562,187

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

	2019 RR	2018 RR
Cash at bank and in hand	**155,661,730**	106,562,187
Bank overdrafts (Note 27)	**(114,412)**	(87,407)
	155,547,318	106,474,780

25. 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 property, plant and equipment using finance leases.

Cash and cash equivalents by currency:

	2019	2018
	RR	RR
United States Dollars	**13,531,992**	11,806,426
Euro	**89,418,638**	10,058,478
British Pounds	**1,323,100**	231,238
Russian Roubles	**36,612,614**	84,378,638
Japanese Yen	**14,660,974**	-
	155,547,318	106,474,780

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.

26. Share capital

	2019 Number of shares	**2019 EUR**	**2019 RR**	2018 Number of shares	2018 EUR	2018 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**	**-**	**1,886,692**	15,000	-	1,886,692
Balance at 31 December	**15,000**	**-**	**1,886,692**	15,000	-	1,886,692

27. Borrowings

	2019	2018
	RR	RR
Current borrowings		
Bank overdrafts (Note 25)	**114,412**	87,407

28. Lease liabilities

	Minimum lease payments		The present value of minimum lease payments	
	2019	2018	**2019**	2018
	RR	RR	**RR**	RR
Not later than 1 year	**336,210**	-	**336,210**	-
	336,210	-	**336,210**	-
Present value of lease liabilities	**336,210**	-	**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.

29. Trade and other payables

	2019	2018
	RR	RR
Trade payables	**13,621,700,543**	14,202,935,286
Trade payables on REPO	**82,762,321,128**	154,732,097,720
Social insurance and other taxes	**36,418**	-
VAT	**-**	522,005
Accruals	**7,343,862**	7,450,542
Other creditors	**3,940,103**	8,805,491
	96,395,342,054	168,951,811,044
Less non-current payables	**(9,178,597,473)**	(11,802,190,428)
Current portion	**87,216,744,581**	157,149,620,616

The Group pledges own securities of RR55,677,864,966 (2018: RR54,359,112,935) as a collateral for trade payables on REPO and the rest are pledged through reverse REPO agreements.

30. Current tax liabilities

	2019	2018
	RR	RR
Special contribution for defence	**-**	(1,465)
	-	(1,465)

31. 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:

31.1 Income with related parties

	Nature of transactions	**2019 RR**	2018 RR
BrokerCreditService (Cyprus) Ltd	Interest income on overnight loans	**300,801**	391,086
	Net gain on trading in financial instruments	**116,304,783,724**	-
	Net gain realised on trading in foreign currencies	**3,868,687,796**	670,686,583
	Net gain on structured notes	**331,555**	-
	Net gain on SWAP operations	**321,125,536**	15,598,316
	Expected credit losses	**3,195,975**	-
BCS LLC	Interest on overnight loans	**-**	273
	Expected credit losses	**81**	-
BCS Markets Ltd	Interest income on loans	**45,942,731**	46,283,694
Kertina Group Ltd	Interest income on loans	**164,872,078**	149,646,790
	Expected credit losses	**336,201**	-
FG BCS Ltd	Interest income on loans	**280,778,231**	157,107,666
	Expected credit losses	**3,943,292**	-
BCS Prime Brokerage Limited	Commission on loans	**-**	3,014,809
	Interest income	**150,232,934**	119,857,308
Seldthorn Private Equity Ltd	Interest income	**-**	13,848,797
Oleg Mikhasenko	Interest income on loans	**201,661,590**	-
	Expected credit losses	**5,006,499**	-
FG Aviation Ltd	Interest income on loans	**228,958**	-
Danofe Trading Ltd	Net gain on trading in financialinstruments	**3,577,000,000**	-
	Interest income	**3,353**	-
Botimelo Group Ltd	Interest income	**304,059**	-
		124,928,735,394	1,176,435,322

31.2 Directors' remuneration

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

	2019 RR	2018 RR
Directors' fees	**109,633**	135,990
Directors' remuneration	**13,589,728**	3,344,628
	13,699,361	3,480,618

31. Related party transactions (continued)

31.3 Expenses with related parties

	Nature of transactions	2019 RR	2018 RR
BrokerCreditService (Cyprus) Ltd	Brokerage and other services	**1,129,967,886**	1,417,794,453
	Net loss on trading in financial instruments	-	4,562,982,592
	Financial result of SWAP operations (OTC)	-	134,198,946
	Expected credit losses	**2,317,196**	-
	Change in fair value of derivative financial instruments	-	577,118,322
	Net loss realised on trading in foreign currencies	-	102,569,762
	Tax withheld on dividends from previous years	-	24,743,713
	Tax withheld from sale of non-circulating shares	-	2,400
BCS LLC	Brokerage and other services	**7,297,708**	-
	Net loss on trading in financial instruments	-	198,183,810
BCS Bank	Bank charges	**1,372,373**	602,003
BCS Technologies LLC	Brokerage and other services	**834,000**	-
Danofe Trading Ltd	Expected credit losses	**24,153,817**	-
FG Aviation Ltd	Expected credit losses	**756,670**	-
BCS Markets Ltd	Expected credit losses	**1,848,800**	-
FG BCS Ltd	Expected credit losses	**39,780,781**	-
Kertina Group Ltd	Expected credit losses	**6,902,824**	-
Oleg Mikhasenko	Expected credit losses	**3,909,613**	-
BCS Americas Inc	Brokerage and other services	**77,361,569**	-
BCS Prime Brokerage Ltd	Brokerage and other services	**9,463**	-
		1,296,512,700	7,018,196,001

31.4 Receivables from related parties

Name	Nature of transactions	2019 RR	2018 RR
BrokerCreditService (Cyprus) Ltd	Balances due from brokers	**25,192,321,935**	5,045,348,123
	Trade	-	737,414,259
	Credit Default SWAPs	**1,224,060,477**	1,522,726,681
	Margin call	**196,398,376**	-
	Currency SWAPs	**1,548,422**	-
Danofe Trading Ltd	Trade	**3,985,946,183**	-
		30,600,275,393	7,305,489,063

31. Related party transactions (continued)

31.5 Loans to related parties

	2019 RR	2018 RR
BCS Markets Ltd	**1,259,232,466**	1,365,711,127
Oleg Mikhasenko	**1,317,365,203**	2,039,723,679
Kertina Group Ltd	**2,515,966,498**	1,865,682,567
BCS Prime Brokerage Ltd	**-**	3,178,415,100
FG BCS Ltd	**6,648,350,236**	970,867,508
FG Aviation Ltd	**125,140,860**	-
	11,866,055,263	9,420,399,981

The loans to related companies carry interest at rates ranging from 1% to 9.5% (2018: 1% - 11%).

31.6 Payables to related parties

Name	Nature of transactions	2019 RR	2018 RR
BrokerCreditService (Cyprus) Ltd	Broker commission	**364,738,728**	253,385,836
	Brokerage account	**26,409,369,671**	21,822,508,553
	Trade and other payables	**740,797,083**	2,888,983,615
	Currency SWAPs	**70,043,305**	-
	Credit Default SWAPs	**122,175,395**	-
FG BCS Ltd	Dividends payable	**115,000,000**	6,500,000,000
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**	-
		27,833,650,826	31,464,878,004

31.7 Directors' current accounts - credit balances

	2019 RR	2018 RR
Evgenios Bagiazidis	**-**	1,613
	-	1,613

32. 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.

32. 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.

33. Commitments

The Group had no capital or other commitments as at 31 December 2019.

34. Events after the reporting period

On 14 April 2020, the Parent Company has invested RR1,970,000,000 in the increase of its subsidiary company Routa Luxury Services Ltd share capital including share premium.

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 borders and"locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

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

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

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

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

Management considers the Group's cashflows as stable, although there is a probability that they will reduce between 15% to 40% in the coming few months due to the impact the situation may have on retail investors. We expect this to be compensated majorly by new investments from financial institutions.

The core business of the Group is to issue structured investment notes. The focus is on the creation of long-terminvestment products with lifetimes more than three years, therefore the management does not see any majorfinancial impact to the current pool of investment or any major outflows during 2020.

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

34. Events after the reporting period (continued)

The Board of Directors commented that they do not underestimate the challenge presented by Covid-19, the Group is in a robust position to manage the impact on our operations. The Group is in a diverse global business, with an experienced and expert management team, which operates across multiple products and markets. The priority is to protect the employees while maintaining the offers to the Group's customers at this difficult time.

Independent auditor's report on pages 10 to 14