

Public Joint-Stock Company “Moscow Exchange MICEX-RTS”

2019 Annual financial statements
and independent auditor’s
report

CONTENTS

	Page
<u>BALANCE SHEET OF THE NON-CREDIT FINANCIAL INSTITUTION</u>	9
<u>PROFIT AND LOSS STATEMENT OF THE NON-CREDIT FINANCIAL INSTITUTION</u>	11
<u>STATEMENT OF CHANGES IN EQUITY OF THE NON-CREDIT FINANCIAL INSTITUTION</u>	13
<u>STATEMENT OF CASH FLOWS OF THE NON-CREDIT FINANCIAL INSTITUTION</u>	16
<u>NOTE 1. PRIMARY ACTIVITY OF THE NON-CREDIT FINANCIAL INSTITUTION</u>	19
<u>NOTE 2. ECONOMIC ENVIRONMENT IN WHICH THE NON-CREDIT FINANCIAL INSTITUTION OPERATES</u>	20
<u>NOTE 3. BASIS OF PRESENTATION</u>	21
<u>NOTE 4. ACCOUNTING PRINCIPLES, IMPORTANT ACCOUNTING ESTIMATES AND PROFESSIONAL JUDGMENTS IN RELATION TO THE ACCOUNTING POLICY</u>	22
<u>NOTE 5. CASH FUNDS</u>	42
<u>NOTE 6. FINANCIAL ASSETS CLASSIFIED AS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ON A MANDATORY BASIS</u>	44
<u>NOTE 8. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OCI: DEBT INSTRUMENTS</u>	45
<u>NOTE 10. FINANCIAL ASSETS MEASURED AT AMORTIZED COST: DUE FROM CREDIT INSTITUTIONS AND NON-RESIDENT BANKS</u>	48
<u>NOTE 11. FINANCIAL ASSETS MEASURED AT AMORTIZED COST: LOANS ISSUED AND OTHER DEPOSITED FUNDS</u>	51
<u>NOTE 12. FINANCIAL ASSETS MEASURED AT AMORTIZED COST: ACCOUNTS RECEIVABLE</u>	54
<u>NOTE 15. INVESTMENT IN SUBSIDIARIES</u>	58
<u>NOTE 18. INTANGIBLE ASSETS</u>	59
<u>NOTE 19. FIXED ASSETS</u>	60
<u>NOTE 20. OTHER ASSETS</u>	61
<u>NOTE 24. FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST: CREDITS, LOANS AND OTHER BORROWED FUNDS</u>	
<u>NOTE 26. FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST: ACCOUNTS PAYABLE</u>	62
<u>NOTE 29. OTHER LIABILITIES</u>	63
<u>NOTE 30. EQUITY</u>	63
<u>NOTE 31. CAPITAL MANAGEMENT</u>	63

<u>NOTE 34. INTEREST INCOME</u>	63
<u>NOTE 35. GAINS LESS LOSSES (LOSSES LESS GAINS) FROM TRANSACTIONS IN DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</u>	64
<u>NOTE 37. ECL ALLOWANCES FOR FINANCIAL ASSETS MEASURED AT AMORTIZED COST</u>	64
<u>NOTE 39. GAINS LESS LOSSES (LOSSES LESS GAINS) FROM FOREIGN CURRENCY TRANSACTIONS</u>	65
<u>NOTE 40. OTHER INVESTMENT GAINS LESS LOSSES (LOSSES LESS GAINS)</u>	65
<u>NOTE 41. REVENUE FROM SERVICES, FEE & COMMISSION INCOME</u>	65
<u>NOTE 42. PERSONNEL EXPENSES</u>	66
<u>NOTE 43. DIRECT OPERATING EXPENSES</u>	66
<u>NOTE 44. INTEREST EXPENSES</u>	66
<u>NOTE 46. G&A EXPENSES</u>	67
<u>NOTE 47. OTHER INCOME AND EXPENSES</u>	67
<u>NOTE 47.1. LEASE</u>	68
<u>NOTE 48. INCOME TAX</u>	68
<u>NOTE 49. DIVIDENDS</u>	70
<u>NOTE 50. EARNINGS (LOSS) PER SHARE</u>	71
<u>NOTE 51. SEGMENT REPORTING</u>	72
<u>NOTE 52. RISK MANAGEMENT</u>	72
<u>NOTE 54. CONTINGENT LIABILITIES</u>	82
<u>NOTE 56. FAIR VALUE OF FINANCIAL INSTRUMENTS</u>	82
<u>NOTE 58. RELATED PARTY TRANSACTIONS</u>	88
<u>NOTE 59. EVENTS AFTER THE REPORTING DATE</u>	92

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Supervisory Board of Public Joint-Stock Company "Moscow Exchange MICEX-RTS"

Opinion

We have audited the accounting (financial) statements of Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (the "Company"), which comprise the balance sheet of non-credit financial organization as at December 31, 2019, and the statement of financial results of non-credit financial organization, the statement of changes in own equity of non-credit financial organization and the statement of cash flows of non-credit financial organization for January-December 2019, and notes to the accounting (financial) statements, including a summary of significant accounting policies, significant estimates and judgements in applying accounting policies.

In our opinion, the accompanying accounting (financial) statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for 2019 in accordance with Industry Specific Accounting Standards ("ISASs").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Accounting (Financial) Statements* section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code")* together with the ethical requirements that are relevant to our audit of the accounting (financial) statements in the Russian Federation. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the accounting (financial) statements of the current period. These matters were addressed in

the context of our audit of the accounting (financial) statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
<p data-bbox="229 443 751 504"><i>Information Technology systems and related controls</i></p> <p data-bbox="229 533 751 705">We focused on this area because functioning of the financial accounting and reporting systems is reliant on integrity of complex information technology (the "IT") systems, and on the effectiveness of related control procedures.</p> <p data-bbox="229 734 751 969">There is a risk that automated accounting procedures and IT related manual controls are not properly designed or operating ineffectively. We focused on testing of trading and clearing systems as the most significant proportion of revenue is recognized based on automated data generated by these systems.</p>	<p data-bbox="799 472 1476 678">We tested design and operating effectiveness of general IT and certain application controls over significant IT systems that support information capture and processing in financial accounting and reporting processes. We obtained understanding of key general IT controls over OeBS and tested them for operating effectiveness, including:</p> <p data-bbox="799 707 1476 913">access management, including user rights granting and termination; change management – testing and approval of changes in algorithms and key reports used in preparation of the financial statements; data transfer controls that ensure integrity and completeness of data transferred in and out of OeBS.</p>
<p data-bbox="229 987 751 1048"><i>The Company's internal controls over administrative payments</i></p> <p data-bbox="229 1106 751 1312">In 2019, the Company incurred losses due to several incorrectly processed administrative payments (as disclosed in Note 12). The Company responded to the risks identified by taking measures to improve the internal control over the administrative payment process.</p> <p data-bbox="229 1370 751 1688">We defined the area as a key audit matter due to the significance of the tasks the Company faced when responding to the incidents, taking measures to correct the situation and revising the internal control system to prevent financial losses. The scope of audit procedures related to the assessment of the changes to the Company's systems and processes was significant and required the involvement of specialists having the relevant experience.</p>	<p data-bbox="799 987 1476 1133">We examined the Company's internal investigation reports and other supporting and primary documents in order to determine whether the case identified had any material effect on the accounting (financial) statements.</p> <p data-bbox="799 1191 1476 1424">We met with and interviewed the responsible employees and management, performed public information search in open sources on the individuals and companies involved, analyzed remediation plans and actions undertaken by the management to improve the risk management and internal control system used to monitor the administrative payment process.</p> <p data-bbox="799 1482 1476 1659">We also evaluated the business rationale for any material unusual transactions made during the year, and verified their authorization. We tested journal entries that exhibited certain characteristics, which were identified using electronic data interrogation and manual techniques.</p> <p data-bbox="799 1718 1476 1951">We obtained an understanding of business processes and internal controls over the financial closing and reporting processes and performed other audit procedures we considered appropriate to the circumstances. We also assessed corporate governance procedures such as communication of the management with the Supervisory Board, the Audit Commission, and other relevant bodies.</p>

Other information

The management is responsible for the other information. The other information comprises the information included in the annual report and the issuer report for the 1st quarter of 2020, but does not include the accounting (financial) statements and our auditor's report thereon. The annual report and the issuer report for the 1st quarter of 2020 are expected to be made available to us after the date of this auditor's report.

Our opinion on the accounting (financial) statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with auditing the accounting (financial) statements, we are obliged to get familiar with the other information specified above, as soon as has been provided to us, and consider whether the other information is materially inconsistent with the accounting (financial) statements and our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement therein when getting familiar with the annual report and the issuer report for the 1st quarter of 2020, we are required to communicate the matter to those charged with governance.

Responsibilities of the management and those charged with governance for the accounting (financial) statements

Management is responsible for the preparation and fair presentation of the accounting (financial) statements in accordance with ISASs, and for such internal control as the management determines is necessary to enable preparation of the accounting (financial) statements that are free from material misstatement, whether due to fraud or error.

When preparing the accounting (financial) statements, the management is responsible for assessing the Company's ability to ensure business continuity, disclosing, as applicable, matters related to business continuity, and using the going concern basis of accounting unless the management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's accounting (financial) reporting process.

Auditor's responsibilities for the audit of the accounting (financial) statements

Our objectives are to obtain reasonable assurance about whether the accounting (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 it does not 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 accounting (financial) statements.

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

- Identify and assess the risks of material misstatement of the accounting (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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company'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 accounting (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 Company to cease to ensure business continuity.
- Evaluate the overall presentation, structure and content of the accounting (financial) statements, including the disclosures, and whether the accounting (financial) statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and material 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 complied with relevant ethical requirements regarding independence, and informed them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the accounting (financial) statements of the current period and, therefore, constitute the key audit matters. We describe those matters in our auditor's report, unless public disclosure on the matters is prohibited by law or any regulation, or unless, in extremely rare cases, we conclude that a certain matter should not be communicated in our conclusion, or the negative consequences of communication of such information could reasonably be expected to exceed the benefits resulting from its communication.

Andrey Shvetsov

Engagement Partner

March 20, 2020

Primary State Registration Number: 1027739387411, entered
in the Unified State Register of Legal Entities October 16, 2002

Location: 125009 Russia, Moscow, Bolshoi Kislovsky per., 13

Certificate of State Registration No. 018.482 issued by the Moscow
Registration Chamber October 30, 1992

Primary State Registration Number: 1027700425444

Certificate of Record in the Uniform State Register of Legal Entities:
series 77, No. 004840299, issued November 13, 2002, by the Moscow
Interdistrict Inspectorate No. 39 for Moscow under the Federal Tax
Service of Russia

Member of self-regulated auditor organization of Sodruzhestvo
Association, ORNZ (Principal Number of Registration Entry):
12006020384.

Statement of the Non-Credit Financial Institution			
Territory code according to OKATO (All-Russian Classifier of Administrative-Territorial Entities)	Code of the non-credit financial institution		
	according to OKPO (All-Russian Classifier of Businesses and Organizations)	Primary State Registration Number	Registration number
45380000	11538317	1027739387411	

BALANCE SHEET
OF THE NON-CREDIT FINANCIAL INSTITUTION

As of December 31, 2019

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)

(full and abbreviated corporate names)

Postal address _____ 125009, Moscow, Bolshoy Kislovsky per, 13

Form code according to OKUD (National Index of Administrative Documents):
0420002
Annual (quarterly)
(thousand rubles)

Line	Item	Notes to lines	As of December 31, 2019	As of December 31, 2018
1	2	3	4	5
	Section I. Assets			
1	Cash funds	5	2,080,754	15,434,751
2	Financial assets at fair value through profit or loss, including:		167,283	111,292
3	financial assets classified on a mandatory basis as measured at fair value through profit or loss	6	167,283	111,292
5	Financial assets at fair value through other comprehensive income, including:		11,570,645	-
6	debt instruments	8	11,570,645	-
8	Financial assets at amortized cost, including:		347,518	433,313
9	assets in credit institutions and non-resident banks	10	30,000	20,097
10	loans issued and other deposited assets	11	-	-
11	accounts receivable	12	317,518	413,216
14	Investment in subsidiaries	15	28,585,674	28,585,814
17	Intangible assets	18	2,221,310	1,752,500
18	Fixed assets	19	3,569,079	3,814,547
19	Current income tax assets	48	5,465	64,280
21	Other assets	20	384,952	169,222
22	Total assets		48,932,680	50,365,719
	Section II. Liabilities			
26	Financial liabilities measured at amortized cost, including:		507,072	257,538
28	credits, loans and other borrowed funds	24	161,795	-
30	accounts payable	26	345,277	257,538
33	Current income tax liabilities	48	49,682	-
34	Deferred tax liabilities	48	18,662	116,921
36	Other liabilities	29	1,614,536	1,501,186
37	Total liabilities		2,189,952	1,875,645
	Section III. Equity			
38	Share capital	30	2,572,616	2,572,616
39	Additional paid-in capital	30	18,359,440	18,359,440
40	Reserved capital	30	118,924	118,924

Line	Item	Notes to lines	As of December 31, 2019	As of December 31, 2018
1	2	3	4	5
43	Revaluation reserve for debt instruments measured at fair value through other comprehensive income		34,654	-
44	Impairment reserve for debt instruments measured at fair value through other comprehensive income		10,971	-
45	Revaluation reserve for fixed and intangible assets		1,354	1,476
50	Other reserves		352,844	644,213
51	Retained earnings (uncovered losses)		25,291,925	26,793,405
52	Total equity		46,742,728	48,490,074
53	Total liabilities and equity		48,932,680	50,365,719

Chairman of the Executive Board
(manager's title)

Yu.O. Denisov.
(signature) (initials, last name)

Chief Accountant – Director of Accounting
and Reporting Department
(manager's title)

O.V. Melentieva
(signature) (initials, last name)

March 20, 2020

Statement of the Non-Credit Financial Institution			
Territory code according to OKATO (All-Russian Classifier of Administrative-Territorial Entities)	Code of the non-credit financial institution		
	according to OKPO (All-Russian Classifier of Businesses and Organizations)	Primary State Registration Number	registration number
45380000	11538317	1027739387411	

PROFIT AND LOSS STATEMENT
OF THE NON-CREDIT FINANCIAL INSTITUTION

For January – December 2019

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)

(full and abbreviated corporate names)

Postal address _____ 125009, Moscow, Bolshoy Kislovsky per, 13

Form code according to OKUD (National Index of Administrative Documents):
0420003
Annual (quarterly)
(thousand rubles)

Line	Item	Notes to lines	For January – December 2019	For January – December 2018
1	2	3	4	5
	Section I. Profit and loss			
1	Trade and investment returns, including:		14,025,590	6,565,414
4	interest income	34	165,064	16,999
5	dividend and gains less losses (losses less gains) from shareholdings		14,156,975	6,492,534
6	gains less losses (losses less gains) from transactions in debt instruments measured at fair value through other comprehensive income	35	8,330	-
10	gains less losses (losses less gains) related to reversal (accrual) of impairment reserves for financial assets measured at amortized cost	37	(280,024)	(17,977)
11	gains less losses (losses less gains) related to reversal (accrual) of impairment reserves for debt instruments measured at fair value through other comprehensive income		(13,714)	-
13	gains less losses (losses less gains) from foreign currency transactions	39	(10,866)	73,858
14	other investment gains less losses (losses less gains)	40	(175)	-
15	Proceeds from services, fee & commission income	41	10,907,837	10,785,228
16	Staff expenses	42	(4,256,910)	(3,963,856)
17	Direct operating expenses	43	(838,162)	(750,326)
18	Interest expenses	44	(17,292)	-
20	G&A expenses	46	(3,856,400)	(3,772,951)
22	Other income	47	388,243	270,796
23	Other expenses	47	(173,691)	(189,679)
24	Profit (loss) before taxes		16,179,215	8,944,626
25	Income tax profit (expense), including:	48	(476,040)	(596,501)
26	current income tax profit (expense)	48	(585,704)	(621,132)
27	deferred income tax profit (expense)	48	109,664	24,631
29	Profit (loss) after taxes		15,703,175	8,348,125
	Section II. Other comprehensive income			

Line	Item	Notes to lines	For January – December 2019	For January – December 2018
1	2	3	4	5
49	Other comprehensive income (expense) subject to reclassification to profit or loss in subsequent periods including:		45,625	-
50	net change in impairment reserves for debt instruments measured at fair value through other comprehensive income, including:		10,971	-
51	reversal (accrual) of reserves for impairment of debt instruments measured at fair value through other comprehensive income		13,714	-
52	effect of income tax relating to reversal (accrual) of reserves for impairment of debt instruments measured at fair value through other comprehensive income		(2,743)	-
55	net change in fair value of debt instruments measured at fair value through other comprehensive income, including:		34,654	-
56	change in fair value of debt instruments measured at fair value through other comprehensive income		43,317	-
57	income tax effect from change in fair value of debt instruments measured at fair value through other comprehensive income		(8,663)	-
67	Total other comprehensive income (loss) for the reporting period		45,625	-
68	Total comprehensive income (loss) for the reporting period		15,748,800	8,348,125

Chairman of the Executive Board		Yu.O. Denisov.
(manager's title)	(signature)	(initials, last name)
Chief Accountant – Director of Accounting and Reporting Department		O.V. Melentieva
(manager's title)	(signature)	(initials, last name)

March 20, 2020

Statement of the Non-Credit Financial Institution			
Territory code according to OKATO (All-Russian Classifier of Administrative-Territorial Entities)	Code of the non-credit financial institution		
	according to OKPO (All-Russian Classifier of Businesses and Organizations)	Primary State Registration Number	registration number
45380000	11538317	1027739387411	

STATEMENT OF CHANGES IN EQUITY OF THE NON-CREDIT FINANCIAL INSTITUTION

For January – December 2019

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)

(full and abbreviated corporate names)

Postal address 125009, Moscow, Bolshoy Kislovsky per, 13

Form code according to OKUD (National Index of Administrative Documents):
0420004
Annual (quarterly)
(thousand rubles)

Line	Item	Notes to lines	Share capital	Additional paid-in capital	Reserved capital	Treasury stock	Reserve for revaluation of equity instruments measured at fair value through other comprehensive income	Reserve for revaluation of debt instruments measured at fair value through other comprehensive income	Impairment reserve for expected credit losses from debt instruments measured at fair value through other comprehensive income	Revaluation reserve for fixed and intangible assets	Reserve for revaluation of financial liabilities carried at fair value through profit or loss related to changes in credit risk	Reserve for revaluation of liabilities for post-employment benefits to employees not restricted to fixed payments	Reserve for hedging of equity instruments measured at fair value through other comprehensive income	Cash flow hedge reserve	Other reserves	Retained earnings (uncovered losses)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Balance as of December 31, 2017		2,572,616	18,359,440	118,924	-	-	-	-	1,479	-	-	-	-	493,823	30,849,767	52,396,049
3	Changes due to changes in accounting policy		-	-	-	-	-	-	-	-	-	-	-	-	-	(16,772)	(16,772)
4	Revised balance as of December 31, 2017		2,572,616	18,359,440	118,924	-	-	-	-	1,479	-	-	-	-	493,823	30,832,995	52,379,277
5	Profit (loss) after taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	8,348,125	8,348,125

Line	Item	Notes to lines	Share capital	Additional paid-in capital	Reserved capital	Treasury stock	Reserve for revaluation of equity instruments measured at fair value through other comprehensive income	Reserve for revaluation of debt instruments measured at fair value through other comprehensive income	Impairment reserve for expected credit losses from debt instruments measured at fair value through other comprehensive income	Revaluation reserve for fixed and intangible assets	Reserve for revaluation of financial liabilities carried at fair value through profit or loss related to changes in credit risk	Reserve for revaluation of liabilities for post-employment benefits to employees not restricted to fixed payments	Reserve for hedging of equity instruments measured at fair value through other comprehensive income	Cash flow hedge reserve	Other reserves	Retained earnings (uncovered losses)	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
11	Dividends and other similar payments to shareholders (members)	49	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,451,916)	(12,451,916)
14	Other changes in reserves		-	-	-	-	-	-	-	(3)	-	-	-	-	150,390	64,201	214,588
14.1	Balance as of December 31, 2018		2,572,616	18,359,440	118,924	-	-	-	-	1,476	-	-	-	-	644,213	26,793,405	48,490,074
15	Balance as of December 31, 2018		2,572,616	18,359,440	118,924	-	-	-	-	1,476	-	-	-	-	644,213	26,793,405	48,490,074
18	Revised balance as of December 31, 2018		2,572,616	18,359,440	118,924	-	-	-	-	1,476	-	-	-	-	644,213	26,793,405	48,490,074
19	Profit (loss) after taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	15,703,175	15,703,175
20	Other comprehensive income (loss) for the reporting period including:		-	-	-	-	-	34,654	10,971	-	-	-	-	-	-	-	45,625
22	other comprehensive income (expense) subject to reclassification to profit or loss in subsequent periods		-	-	-	-	-	34,654	10,971	-	-	-	-	-	-	-	45,625
25	Dividends and other similar payments to shareholders (members)	49	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,528,291)	(17,528,291)
28	Other changes in reserves		-	-	-	-	-	-	-	(122)	-	-	-	-	(291,369)	323,636	32,145
29	Balance as of December 31, 2019, including:		2,572,616	18,359,440	118,924	-	34,654	10,971	1,354	-	-	-	-	-	352,844	25,291,925	46,742,728

Chairman of the Executive Board
(manager's title)

(signature)

Yu.O. Denisov.
(initials, last name)

Chief Accountant – Director
of Accounting and Reporting Department
(manager's title)
March 20, 2020

(signature)

O.V. Melentieva
(initials, last name)

Statement of the Non-Credit Financial Institution			
Territory code according to OKATO (All-Russian Classifier of Administrative-Territorial Entities)	Code of the non-credit financial institution		
	according to OKPO (All-Russian Classifier of Businesses and Organizations)	Primary State Registration Number	registration number
45380000	11538317	1027739387411	

STATEMENT OF CASH FLOWS OF THE NON-CREDIT FINANCIAL INSTITUTION

For January – December 2019

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)

(full and abbreviated corporate names)

Postal address _____ 125009, Moscow, Bolshoy Kislovsky per, 13

Form code according to OKUD (National Index of Administrative Documents):
0420005
Annual (quarterly)
(thousand rubles)

Line	Item	Notes to lines	For January – December 2019	For January – December 2018
1	2	3	4	5
	Section I. Cash flows from operating activities			
1	Proceeds from sale and repayment of financial assets or from placement of financial liabilities mandatorily classified as measured at fair value through profit or loss		-	-
2	Payments related to purchase of financial assets or repayment of financial liabilities mandatorily classified as measured at fair value through profit or loss		-	-
3	Cash proceeds from provision of services and commission fees received		10,869,869	10,748,774
4	Cash payments to suppliers for goods and services		(2,071,989)	(2,201,212)
5	Interest received		168,130	12,816
6	Interest paid		(16,745)	-
7	Receipt of dividends and other similar payments		14,156,975	6,492,534
8	Funds received for transfer of income to clients from securities less funds transferred to clients		-	-
8.1	Other cash proceeds and payments on behalf of clients		-	-
9	Payment of wages and other benefits to employees		(3,779,871)	(3,215,585)
10	Payment of other administrative and operating expenses		(1,349,281)	(1,324,616)
11	Income tax paid		(477,207)	(642,421)
12	Other cash flows from operating activities		(559,319)	(341,441)
13	Net cash flows from operating activities		16,940,562	9,528,849
	Section II. Cash flows from investing activities			
14	Proceeds from sale of fixed assets		947	3,633
15	Proceeds from sale of investment property		-	-
16	Proceeds from sale of intangible assets		-	-
17	Payments related to acquisition, creation, modernization, reconstruction and preparation of fixed assets for use		(276,541)	(484,457)
18	Payments related to acquisition, creation of intangible assets		(714,909)	(504,050)
19	Payments related to acquisition, creation, modernization and preparation of investment property for use		-	-
20	Proceeds from sale of shares (interests) in subsidiaries, associated companies and jointly controlled entities		70	-

Line	Item	Notes to lines	For January – December 2019	For January – December 2018
1	2	3	4	5
21	Payments related to investments in shares (interests) in subsidiaries, associated companies and jointly controlled entities		(106)	(8,495)
22	Proceeds from sale and repayment of financial assets classified as measured at fair value through profit or loss at the discretion of the non-credit financial institution		-	-
23	Payments related to acquisition of financial assets classified as measured at fair value through profit or loss at the discretion of the non-credit financial institution		-	-
24	Proceeds from sale and repayment of financial assets measured at fair value through other comprehensive income		1,011,724	-
25	Payments related to acquisition of financial assets measured at fair value through other comprehensive income		(12,524,583)	-
26	Proceeds from sale and repayment of financial assets measured at amortized cost		-	-
27	Payments related to acquisition of financial assets measured at amortized cost		-	-
28	Income flow from leasing of investment property		-	-
29	Other proceeds from investing activities			34,457
30	Other payments related to investing activities		(51,908)	-
31	Net cash flows from investing activities		(12,555,306)	(958,912)
	Section III. Cash flows from financing activities			
32	Proceeds from placement of financial liabilities classified as measured at fair value through profit or loss at the discretion of the non-credit financial institution		-	-
33	Payments related to repayment of financial liabilities classified as measured at fair value through profit or loss at the discretion of the non-credit financial institution		-	-
34	Proceeds from attraction of credits, loans and other borrowings measured at amortized cost		-	-
35	Repayment of credits, loans and other borrowings measured at amortized cost		-	-
36	Proceeds from issue of shares, increase of interests and making of contributions by holders (members)		-	-
37	Proceeds from sale of treasury shares (interests)		-	-
38	Payments to holders (members) in connection with repurchase of own shares (interests) from them or cessation of their membership		-	-
39	Dividends paid		(17,528,291)	(12,451,916)
40	Proceeds from issue of bonds, bills of exchange and other debt securities measured at amortized cost		-	-
41	Payments related to retirement (redemption) of bills of exchange and other debt securities measured at amortized cost		-	-
41.1	Payments related to repayment of liabilities under lease contacts		(182,679)	
42	Other proceeds from financing activities		-	-
43	Other payments related to financing activities		-	-
44	Net cash flows from financing activities		(17,710,970)	(12,451,916)
45	Net cash flows for the reporting period		(13,325,714)	(3,881,979)
46	Effect of changes in exchange rates of foreign currencies against Russian Ruble		(28,283)	49,678
47	Cash and cash equivalents at the beginning of the reporting period	5	15,434,751	19,267,052
48	Cash and cash equivalents at the end of the reporting period	5	2,080,754	15,434,751

Chairman of the Executive Board

(manager's title)

Yu.O. Denisov.

(initials, last name)

(signature)

Chief Accountant – Director
of Accounting and Reporting Department

(manager's title)

March 20, 2020

(signature)

O.V. Melentieva

(initials, last name)

Note 1. Primary activity of the non-credit financial institution

Primary activity of the non-credit financial institution

Table 1.1.

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
1	IAS 1	License number	077-001
2	IAS 1	License validity period	indefinite
3	IAS 1	License issue date	August 29, 2013
4	IAS 1	Activities, for which the license was issued	To carry out activities on holding of organized trading
5	IAS 1	Information on license renewal	Not applicable
6	IAS 1	Legal form of the non-credit financial institution	Public Joint-Stock Company
7	IAS 1, IAS 24	Name of the parent undertaking and name of the ultimate owner (beneficiary)	Composition of the Company's shareholders holding 5 and more percent of votes in the top management body: - Central Bank of the Russian Federation (11.779%); - Sberbank of Russia PJSC (10.002%); - State Development Corporation VEB RF (8.404%); - European Bank of Reconstruction and Development (6.069%). Therefore, as of December 31, 2019, the Russian Federation exercises a significant impact upon the Company's activities.
8	IAS 1, IAS 24	Location of the parent undertaking of the group, which includes the non-credit financial institution	Moscow, Bolshoy Kislovsky pereulok, 13
9	IAS 1	Number of branches of the non-credit financial institution opened in the territory of the Russian Federation	6
10	IAS 1	Number of branches of the non-credit financial institution opened in foreign countries	0
11	IAS 1	Locations of branches of the non-credit financial institution opened in foreign countries	Not applicable
12	IAS 1	Legal address of the non-credit financial institution	Russian Federation, Moscow, Bolshoy Kislovsky pereulok, 13
13	IAS 1	Physical address of the non-credit financial institution	125009, Moscow, Bolshoy Kislovsky pereulok, 13
14	IAS 1	Staff number of the non-credit financial institution	Average number of employees as of December 31, 2019, amounted to 963 (as of December 31, 2018: 1,010 employees)
15	IAS 21	Reporting currency	thous. Rubles

Note 2. Economic environment in which the non-credit financial institution operates

Economic environment in which the non-credit financial institution operates

Table 2.1

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
1	IAS 1	Key factors and influences determining financial results. Changes of external environment in which the non-credit financial institution operates, reaction to these changes.	<p>The company provides a range of services to financial market participants in the area of competitive trade, settlement of transactions and information services. The company provides services on the following markets: foreign exchange market, government bond market and money market, derivatives market, stock market, corporate and regional bond market, commodity market.</p> <p>Operating environment. Markets of developing countries, including Russia, are subject to economic, political, social, judicial, and legislative risks other than those of more developed markets. Laws and regulations governing business operations in Russia can change rapidly, not to mention the possibility of their arbitrary interpretation. Future direction of Russia's development depends largely on the state fiscal and monetary policy, laws and regulations adopted, as well as changes in the political situation in the country.</p> <p>Due to the fact that Russia produces and exports large amounts of oil and gas, the Russian economy is particularly sensitive to changes in world energy prices. In March 2020, the global prices for oil and gas decreased by over 40%, which resulted in weakening of the exchange rate of the Russian Ruble against the key currencies.</p> <p>Starting from 2014, the United States and the European Union imposed sanctions in regard to a number of Russian officials, businessmen and organizations, which made it difficult for the Russian business to access international capital markets.</p> <p>The impact of changes in the economic situation on the Company's future business results and financial condition may be significant.</p> <p>Besides, in early 2020, COVID-19 started rapidly propagate, which resulted in the announcement of the pandemic by the World Health Organization in March 2020. The measures taken by many countries to contain COVID-19 outbreak result in material operational and financial challenges for many companies and significantly impact the global economy and the global financial markets. The level of significance of COVID-19 impact on the Company's operations will depend to a great extent on the pandemic duration and the impact of the prevention measures on the global and Russian economy.</p> <p>Taxation – Russian legislation governing business operations continues to change actively. Interpretation of legislation by the Management as applied to activities of the Exchange may be disputed by the competent regional and federal authorities, which are currently taking a tougher stance on this matter. Previously undisputed approaches to calculation of taxes may be disputed in the course of future tax audits. Audits under certain circumstances may cover periods exceeding three years preceding the reporting period. Based on its interpretation of tax legislation the Exchange Management believes that all applicable taxes have been assessed.</p>

Note 3. Basis of presentation

Basis of presentation

Table 3.1.

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
1	IAS 1	Non-credit financial institution must clearly and expressly indicate the basis for preparation of accounting (financial) statements	This accounting (financial) statements have been prepared in accordance with industry accounting standards, specifically in accordance with the Regulation "Industry Accounting Standard "Accounting (financial) statements preparation procedure for professional securities market participants, joint stock investment funds, trade organizers, central counterparties, clearing organizations, specialized investment fund, mutual investment fund and non-state pension fund depositaries, investment fund, mutual investment fund and non-state pension fund management companies, credit reference bureaus, credit rating agencies, insurance brokers" (approved by the Bank of Russia on February 3, 2016 No. 532-P) (last updated June 10, 2019) on the basis of accounting rules presented in the accounting policy.
2	IAS 1	Base(s) of assessment used in preparation of accounting (financial) statements	These accounting (financial) statements have been prepared on the historical cost basis except for certain financial assets and liabilities carried at fair value (see Note 6).
3	IAS 1	Reasons for reclassification of comparative amounts	In the annual financial statements, Note 52.6 was changed as of December 31, 2019 with respect to comparable data for 2018 for the purpose of aligning the statements with the statement of financial position as of December 31, 2018.
4	IAS 1	Nature of comparative amounts reclassifications (including information as of the beginning of the previous period)	Note 52.6, with respect to comparable data, was supplemented by the balance of non-overdue accounts receivable as of December 31, 2018 with respect to comparable data for 2018, for the purpose of aligning the balance with the statement of financial position as of December 31, 2018. The previous disclosure reflected the overdue accounts receivable only.
5	IAS 1	Amount of each item (class of items) subject to reclassification	Not applicable
6	IAS 1	Significant impact of retrospective application of the accounting policy on information at the beginning of the previous reporting period, significant impact of retrospective recalculation or reclassification of balances at the beginning of the previous reporting period due to correction of errors	Not applicable

Note 4. Accounting principles, important accounting estimates and professional judgments in application of the accounting policy

Summary of accounting principles, important estimates and professional judgments in application of the accounting policy

Table 4.1.

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
Section I. Impact of estimates and assumptions			
1	IAS 1	Judgments (other than those related to valuation) developed by the Management in the course of the accounting policy application that have the greatest impact on amounts reflected in the accounting (financial) statements	<p>Estimates and professional judgments are continually analyzed based on the Management's experience and other factors, including expectations regarding future events that according to the Management are reasonable in the light of current circumstances. The Management also uses professional judgments in the course of application of the accounting policy. Professional judgments that have the most significant impact on amounts reflected in the financial statements and estimates that may result in significant adjustments to the present value of assets and liabilities during the next financial year include:</p> <ul style="list-style-type: none"> • business-model definition; • classification of financial assets; • significant increase in credit risk • fair value of financial instruments.
2	IAS 1	Impact of estimates and assumptions on the recognized assets and liabilities (statement items, amounts of which are most critically affected by professional estimates and assumptions, shall be specified together with comments on how professional judgments affect valuation of these items)	<p>Estimates and the underlying assumptions are based on the past experience and other factors that are considered relevant in specific circumstances. Actual results may differ from these estimates.</p> <p>Estimates and associated assumptions are revised regularly. Changes in estimates are reflected in the period in which the estimate was revised, if the change only affects this period, or in the period, to which the change relates, and in future periods if the change affects both current and future periods.</p> <p>Useful lives of intangible assets</p> <p>The company annually checks the expected useful life of intangible assets. The following factors are taken into account in determining the useful life of an asset: expected use of the asset, normal life cycle, technological obsolescence, etc. Based on the analysis of the current useful lives of intangible assets carried out as of January 1, 2019, the Company adjusted the estimates for the remaining useful lives of intangible assets. Adjustments were made for certain types of software and licenses, which had no significant impact on the accounting (financial) statements.</p> <p>Share-based payments</p> <p>Estimation of fair value of payments in the form of equity instruments requires selection of the most appropriate valuation model, which depends on conditions of their provision. Valuation also requires determination of the most appropriate parameters for the valuation model, including the expected share option period and volatility, as well as making assumptions regarding these parameters.</p>
3	IAS 1, IFRS 13, IFRS 9	Key approaches to financial instrument valuation	<p>Financial assets</p> <p>At initial recognition, all financial assets are measured at fair value including transaction costs. The exceptions are financial assets classified at fair value through profit or loss (hereinafter FVTPL). Transaction costs directly attributable to acquisition of the financial asset classified at FVTPL are recognized directly in profit or loss.</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>All recognized financial assets falling within the scope of IFRS 9 are required to be subsequently measured at amortized cost (hereinafter — AC) or fair value based on the organization’s business model applied for managing financial assets and contractual characteristics of cash flows from financial assets. Specifically:</p> <ul style="list-style-type: none"> • financial asset shall be measured at amortized cost if both of the following conditions are met: <ul style="list-style-type: none"> (a) financial asset is held within the business model aimed at withholding financial assets in order to collect the contractual cash flows, and (b) contractual terms of the financial asset provide for receipt on the specified dates of cash flows that are solely payments of principal and interest on the principal amount outstanding (hereinafter —SPPI); • financial asset shall be measured at fair value through other comprehensive income (hereinafter — FVTOCI) if both of the following conditions are met: <ul style="list-style-type: none"> (a) financial asset is held within the business model, objective of which is achieved by both collecting the contractual cash flows and selling the financial assets, and (b) contractual terms of the financial asset correspond to SPPI; • all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and equity instruments subsequently measured at FVTPL. <p>Business models used to manage financial assets were assessed at the date of the first application of IFRS 9 for financial asset classification. The business model was applied prospectively to all financial assets recognized on the Company’s balance sheet at the date of the first application of IFRS 9. The Company determines the business model based on how the groups of financial instruments are managed to achieve a specific business objective. The business model used by the Company is independent of the Management’s intentions regarding a certain instrument. Therefore, the business model is determined at a higher level of aggregation rather than at the level of individual instruments.</p> <p>The Company may use several business models to manage its financial instruments, which reflects the model of financial assets management in the Company aimed at receipt of the stipulated cash flows. The Company’s business model may determine whether cash flows will result from receipt of the contractual cash flows, sale of financial assets, or both.</p> <p>The Company takes into account all relevant information available when assessing the business model used. However, this assessment is not based on scenarios whose realization is not reasonably expected by the Company, such as the so-called “worst-case” or “stress-case” scenarios. The Company takes into account the following relevant factors available at the date of assessment, e.g.:</p> <ul style="list-style-type: none"> • how the performance of the business model and profitability of the financial assets held within this business model are assessed and reported to the Company’s key management personnel; • risks that affect performance of the business model (and financial assets held within this business model) and, in particular, the method of these risks management. <p>At initial recognition of a financial asset, the Company determines the possibility of assigning the new financial asset to the existing business model or creation of a new business model if the asset does not meet the definitions of the current models. The Company reassesses its business models every reporting period to identify changes in comparison with the previous period. In the current reporting period, the Company has not revealed any changes in its business models.</p> <p>Detailed information on key approaches to valuation of financial assets measured at FVT is presented in line 11 hereof.</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>Detailed information on key approaches to valuation of debt instruments measured at FVTOCI or amortized cost is presented in lines 12 and 13 hereof, respectively.</p> <p>Reclassifications</p> <p>Financial assets are reclassified as a result of a change in the business model, according to which these financial assets are managed by the Company. Requirements for classification and valuation relating to the new category are applied prospectively from the first day following the change in the business model, which resulted in reclassification of the Company's financial asset. Changes in contractual cash flows are described in the section Modification and Derecognition of Financial Assets below.</p> <p>Impairment</p> <p>The Company recognizes the valuation allowance for expected credit losses (ECLs) for the following financial instruments that are not measured at FVTPL:</p> <ul style="list-style-type: none"> • assets in credit institutions and non-resident banks, • cash and cash equivalents; • debt instruments at FVTOCI; • other financial assets subject to credit risk. <p>ECLs are required to be measured through creation of reserves in the amount of:</p> <ul style="list-style-type: none"> • 12-month ECLs, i.e. a portion of the lifetime expected credit losses comprising the expected credit losses resulting from possible defaults on the financial instrument within the next 12 months after the reporting date; or • lifetime ECLs, i.e. the expected credit losses resulting from all possible events of default over the expected life of the financial instrument. <p>Allowance for the lifetime ECLs is created for a financial instrument in the event of a significant increase in the credit risk attributable to that instrument since the initial recognition. For all other financial instruments allowances for ECLs are determined in the amount of 12-month ECLs. Further details on determination of a significant increase in the credit risk are given below.</p> <p>ECLs are the probability-weighted estimate of the present value of expected credit losses. They are measured at the present value of the difference between the contractual cash flows required by the Company and the cash flows that the Company expects to receive based on weighting of multiple anticipated economic scenarios. The Company evaluates the ECLs on an individual or collective basis for portfolios of debtors that are grouped by similar parameters, amounts and risk characteristics.</p> <p>Definition of default</p> <p>Definition of default is critical for assessment of ECLs. Definition of default is used in estimating the size of the ECLs and deciding whether to estimate the allowance on the basis of 12-month ECLs or the lifetime ECLs, since default is a component of the probability of default (PD), which affects both the ECL assessment and identification of the fact of a significant increase in credit risk.</p> <p>The Company considers the following types of events to be signs of default:</p> <ul style="list-style-type: none"> • the counterparty is declared insolvent (bankrupt);

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<ul style="list-style-type: none"> • a third-party has filed an insolvency (bankruptcy) petition against the counterparty and the court has ruled to accept the petition for proceedings; • the counterparty is permanently insolvent, i.e. delayed performance of its obligations to the Company by more than 90 calendar days; or • the counterparty's license has been revoked. <p>Significant increase in credit risk</p> <p>The Company monitors all financial assets that are subject to the impairment requirements for identification of a significant increase in credit risk since the initial recognition. If a significant increase in credit risk has occurred, the Company will estimate allowances on the basis of the lifetime ECLs.</p> <p>When assessing whether the credit risk on a financial instrument has increased significantly since its initial recognition, the Company compares the risk of default on the financial instrument as of the reporting date based on the remaining life of the instrument with the risk of default on the financial instrument expected for the remaining life of the instrument as of the date of its initial recognition. In making this assessment, the Company takes into account both quantitative and qualitative substantiated information, including historical and forecast data available without excessive costs or efforts.</p> <p>If payments on the asset become past due by more than 30 days and at least half of the counterparty's credit ratings assigned to it by international rating agencies are downgraded or the internal rating is downgraded by 3 or more grades since the initial recognition, the Company considers a significant increase in credit risk to have occurred and the asset moves to Stage 2 of the impairment model, i.e. the allowance is estimated at the lifetime ECLs.</p> <p>Probability of default (PD)</p> <p>The probability of default is determined on the basis of multiple macroeconomic scenarios at initial recognition and in the forecast. The weighted average probability of default calculated on the basis of weighting of these different scenarios is used to identify a significant increase in credit risk.</p> <p>To determine PD, the Company uses:</p> <ul style="list-style-type: none"> • available data from international rating agencies; • internal ratings, if the above mentioned data are not available. <p>The Company assigns an internal rating to counterparties on the basis of their credit quality using relevant quantitative and qualitative information. The historical PD is determined on the basis of the migration matrix, where internal ratings are mapped to the rating scale of international rating agencies for those counterparties that are not rated by international agencies.</p> <p>Modification and derecognition of financial assets</p> <p>Modification of a financial asset occurs when the contractual cash flows from a financial asset have been renegotiated by the parties between the date of initial recognition and maturity of the financial asset. Modification affects amounts and time frames of the contractual cash flows either immediately upon occurrence or in the future.</p> <p>When a financial asset is modified, the Company assesses whether such modification may result in derecognition. In accordance with the Company's accounting policy, modification results in derecognition in case of a material change in the terms. The Company considers the following qualitative factors to determine whether the modified terms differ materially from the original contractual terms:</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<ul style="list-style-type: none"> • terms of contractual cash flows no longer correspond to SPPI after modification; • change in the currency; • change of the counterparty; • extent of change in interest rates; • term to maturity. <p>If all of the above does not clearly indicate a significant modification, then quantitative assessment is conducted to compare the present value of the remaining contractual cash flows under the original terms with the cash flows under the revised contractual terms by discounting both results at the original effective interest rate. If the difference in the present value exceeds 10%, the Company considers the contract to be substantially modified, which results in derecognition.</p> <p>In case of financial asset derecognition, the allowance for ECLs is recalculated at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between the revised carrying amount and fair value of the new financial asset with the new terms will result in gain/loss on derecognition. The new financial asset will be carried with a 12-month loss allowance, unless the asset is considered credit-impaired. The Company controls credit risk of the modified financial assets based on assessment of qualitative and quantitative information.</p> <p>If modification of the contractual terms of a financial asset does not result in derecognition, the Company determines whether the credit risk associated with the financial asset has increased significantly since the initial recognition by comparing:</p> <ul style="list-style-type: none"> • remaining lifetime PD estimated at initial recognition under the original contractual terms; with • remaining lifetime PD at the reporting date based on the modified terms. <p>If modification does not result in derecognition, the Company calculates the modification gain/loss by comparing the gross carrying amounts before and after the modification (not including allowances for ECLs). When the Company assesses ECLs for the modified asset, the expected cash flows from the modified financial asset are included in calculation of the expected cash flow shortfall from the original asset.</p> <p>The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire (including expiration associated with the modification due to materially changed terms) or when the financial asset and substantially all risks and benefits of owning the asset are transferred to another organization. If the Company neither transferred nor retained substantially all risks and benefits associated with ownership of the transferred asset, but retained control over the transferred asset, the Company continues to recognize the transferred asset in the amount of its continuing participation in this asset and in the interrelated liability in the amount of possible payments. If the Company retains substantially all risks and benefits associated with the transferred asset ownership, the Company continues to recognize the financial asset.</p> <p>When the financial asset is derecognized in its entirety, the difference between the carrying amount of the asset and amount of the compensation received, and the accumulated gain/loss recognized in OCI and accumulated in equity is recognized in profit or loss. Accumulated gain/loss on equity instruments classified at discretion as measured at FVTOCI previously recognized in OCI is not subsequently reclassified to profit or loss.</p> <p>If the financial asset is derecognized partially (e.g. if the Company retains the right to repurchase a part of the transferred asset), the Company divides the previously recognized carrying amount of the financial asset between the part that continues to be recognized and the part being derecognized based on the relative fair values of these parts at the date of transfer. The difference between the carrying amount allocated to the derecognized part and amount of the compensation received in relation to the derecognized part and</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>accumulated gain/loss in OCI shall be recognized in profit or loss. Gain/loss accumulated in OCI is divided between the part that continues to be recognized and the part being derecognized on the basis of the relative value of these parts. This provision does not apply to equity instruments classified at discretion as measured at FVTOCI, accumulated gain/loss on which previously recognized in OCI is not subsequently reclassified to profit or loss.</p> <p>Write-off</p> <p>Financial assets are written off when the Company has no reasonable expectations regarding recovery of the financial asset in full or in part. In this case the Company believes that the counterparty does not have assets and/or sources of income that would allow generating cash flows sufficient to repay the amounts analyzed for the write-off. Write-off means a derecognition event. Repayment of claims will be recognized as reversal of impairment.</p> <p>Presentation of allowances for ECLs in the balance sheet of non-credit financial institution</p> <p>Allowances for ECLs are presented in the balance sheet of non-credit financial institution as follows:</p> <ul style="list-style-type: none"> • for financial assets measured at fair value: as a deduction from the gross carrying amount of the asset; • for debt instruments measured at FVTOCI: no allowance for impairment is recognized in the statement of financial position since the carrying amount of the asset is already recorded at fair value. However, the impairment allowance is included in the investment revaluation reserve in equity. <p>Detailed information on the key approaches to assessment of financial liabilities measured at FVTPL or financial liabilities measured at amortized cost is given in lines 16 and 17 hereof, respectively.</p> <p>Derecognition of financial liabilities</p> <p>The Company derecognizes financial liabilities only when they are repaid, cancelled or expired. The difference between the carrying amount of the financial liability being derecognized and consideration paid or payable is recognized in profit or loss.</p> <p>Exchange of debt instruments with significantly different terms between the Company and the lender is recorded as repayment of the original financial liability and recognition of a new financial liability. The Company records significant modification of the terms of the existing financial liability or its part as repayment of the original financial liability and recognition of a new financial liability. The Company proceeds from the assumption that the terms and conditions of liabilities differ significantly if the discounted present value of cash flows under the new terms, including payments of commission fees less the commission fees received, discounted at the original effective interest rate, differs by at least 10% from the discounted present value of the remaining cash flows from the original financial liability. If modification is not significant, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after the modification shall be recognized in profit or loss as income or expense from the modification as part of other income and expenses.</p>
4	IAS 21	Revaluation of assets and liabilities denominated in foreign currency	<p>Balances denominated in foreign currency are translated at the exchange rate of the Bank of Russia as of the reporting date; amounts of advance payments for goods, services, stock, fixed assets and intangible assets are measured at historical cost at the date of the transaction. Foreign exchange differences arising from recalculation of balances denominated in foreign currencies that differ from the exchange rates, at which they were recalculated at initial recognition during the period or in the previous financial statements, are recognized in profit or loss for the period in which they arise.</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>Monetary assets and liabilities denominated in foreign currency are reflected in the financial statements in amounts calculated on the basis of the official ruble exchange rate effective as of:</p> <ul style="list-style-type: none"> December 31, 2019: 61.9057 rubles for 1 US dollar and 69.3406 rubles for 1 euro; December 31, 2018: 69.4706 rubles for 1 US dollar and 79.4605 rubles for 1 euro.
5	IAS 1	Going concern	These financial statements were prepared on the assumption that the Exchange will continue as a going concern in the foreseeable future and has no intention to liquidate or substantially reduce its activities, therefore, the liabilities will be discharged in accordance with the procedure established by the legislation of the Russian Federation. These accounting (financial) statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.
6	IAS 29	Information regarding recalculation of indicators of previous periods with account for changes in the general purchasing power of the ruble	It was believed until December 31, 2002 that the Russian economy was characterized by hyperinflation. Correspondingly, the Company applied IAS 29 Financial Reporting in Hyperinflationary Economies. The impact of IAS 29 application implied that non-monetary items of financial statements, including equity items, were recalculated in the unit of measurement as of December 31, 2002 through application of the respective inflation indices to the initial cost. Upon transfer to IAS at the beginning of 2017, the Company recalculated non-monetary items of accounting (financial) statements, including equity items, and subsequently maintained accounts on the basis of obtained recalculated cost.
Section II. Changes in the accounting policy			
7	IAS 8	Description of changes in the accounting policy, reasons and nature thereof (name of IFRS публ which the changes are made, and reasons why application of new IFRSs provides a more reliable and appropriate adjustment shall be disclosed, and impact of the changes in the accounting policy on current and previous period adjustments shall be described)	<p>General impact of application of IFRS 16 Leases</p> <p>During the current period, the Company applied IFRS 16 Leases for the first time. January 1, 2019 is the date of the first IFRS 16 application for the Company.</p> <p>IFRS 16 introduces new lease accounting requirements. The lessee's accounting system is considerably changed. The differences between the requirements to accounting of operational and financial lease are removed, a requirement to recognize an asset in the form of the right of use and lease liability as of the lease start date is introduced for all agreements, except for long-term agreements and lease with a low-cost basic asset. These new requirements are described in more detail below.</p> <p>The Company applied IFRS 16 by using a modified retrospective approach allowing to consider changes related to application of a new accounting policy in undistributed profit as of the beginning of the period. The effect is zero due to the fact that assets in the right of use are equal to lease liabilities. Correspondingly, the comparative indicators were not recalculated.</p> <p>The change in the lease definition is mainly related to the concept of control. IFRS 16 defines whether a contract is a lease agreement if the right to control use of an identified asset within a certain time period in exchange for repayment is granted to the purchaser.</p> <p>IFRS 16 modifies the procedure for recording of lease agreements pre-classified as operating lease by the Company under IAS 17 that used to be accounted for on the balance.</p> <p>Upon execution of the agreement, the Company assesses whether the contract on the whole and its components are a lease agreement. The Company recognizes an asset in the form of the right of use and lease liability in respect of all lease agreements where the Company acts as a lessee, except for short-term contracts (defined as lease agreements with the term less than 12 months) and lease with a low-cost basic asset. Under such agreements, the Company recognizes lease payments as expenses either by linear method within the lease term or by another systematic approach if such approach better reflects a structure of receipt of benefits by the lessee.</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>As of the lease start date, the lessee shall assess a lease liability by the present value of lease payment not performed as of this date, discounted with the use of the interest rate of additional borrowed funds raising by the lessee as the interest rate stipulated by the lease agreement cannot be easily defined. The rate of additional borrowed funds raising by the lessee is defined based on the recent available statistics of the Central Bank regarding loan interest rates in the same currency and for the same term.</p> <p>The lease payments included into the lease liability estimate consist of:</p> <ol style="list-style-type: none"> a. fixed payments (including actually fixed payments) less any incentive payments; b. variable lease payments depending on the index or rate initially estimated with the use of the index or rate as of the lease start date; c. amounts that are expected to be paid by the lessee under the liquidation value guarantees; d. call option exercise prices if it is justified that the lessee will exercise such option; and e. payments of fines for lease termination if the lease term reflects potential exercise of a lease termination option by the lessee. <p>The lease liability is stated in the line Credits, loans, and other borrowed funds of the balance sheet of non-credit financial organization.</p> <p>Subsequent assessment of the lease liability is performed by increasing the balance value to reflect lease liability interests (by the efficient interest rate method) and by reducing the balance value to reflect the performed lease payments.</p> <p>The Company reassesses the lease liability (by correspondingly adjusting an asset in the form of the right of use) as follows:</p> <ol style="list-style-type: none"> a. in case the lease term or basic asset call option value is changed. In this case, the lease liability is reassessed by discounting the revised lease payments with the use of the revised discount rate; b. in case any future lease payments are changed as a result of any change in the index or rate used to define such payments or any change in the amounts to be paid under the liquidation value guarantee. In this case, the lease liability is reassessed by discounting the revised lease payments with the use of the revised discount rate (except when lease payments are changed as a result of any change in the floating rate, then the revised discount rate is applied); c. in case of lease agreement modification not resulting in recording of an individual lease agreement. In this case, the lease liability is reassessed by discounting the revised lease payments with the use of the revised discount rate. <p>The asset in the form of the right of use includes the initially estimated lease liability amount, lease payments as of the lease start date or prior to it, and any initial direct expenses. Subsequent accounting is performed by the initial value less accumulated amortization and accumulated impairment loss.</p> <p>In case there is an obligation to incur expenses on disassembly or movement of the basic asset or an obligation to restore a land plot it is located on or to restore the basic asset up to the required state as stipulated by the lease terms, the reserve is formed and accounted for in accordance with IAS 37. The expenses are recognized as part of the asset initial value in the form of the right of use except when expenses are related to production of supplies.</p> <p>Assets in the form of the right of use are amortized within one of the periods, whichever is shorter, — the lease term or the useful life of the basic asset. In case the agreement implies transfer of the basic asset into ownership or the cost of the asset in the form of the right of use reflects the Company's intent to exercise a call option, such asset in the form of the right of use is amortized for the useful life of the basic asset. Amortization is to be accrued from the lease agreement start date.</p> <p>Assets in the form of the right of use are stated in the line Fixed Assets of the balance sheet of non-credit financial organization.</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>The Company applied IAS 36 Asset Impairment by determining availability of asset impairment in the form of the right of use and for accounting for any identified impairment loss.</p> <p>Variable lease payments not depending on the index or rate are not considered by estimation of the lease liability and asset in the form of the right of use. Such payments are recognized as expenses within the period when an event or condition leading to such payments occurs and are included into the line G&A Expenses in the profit and loss statement of non-credit financial organization.</p> <p>To ensure simplified practical application, IFRS 16 allows the lessee not to separate non-lease components and consider each lease component and the respective non-lease components as one lease component. The Company did not apply this practical simplification.</p> <p>The application of IFRS 16 affected the cash flow statement of the Company as follows:</p> <p>a. payments under short-term lease contracts as well as lease with the low-cost basic asset, and variable lease payments not included into the lease liability estimate are represented as cash flows under operational activities;</p> <p>b. payments under the principal part of the lease liability are represented as part of cash flows under operational activities;</p> <p>c. payments of interests under the lease liability can be represented both as part of cash flows under operational and financial activities according to IAS 7. The Company opted for inclusion of interest payments into cash flows under operational activities.</p> <p>According to IAS 17, all lease payments were represented as cash flow under operational activities.</p> <p>The application of IFRS 16 did not affect net cash flow.</p> <p>Company as a lessor</p> <p>IFRS 16 did not affect the essence of lease accounting by the lessor. The lessor continues classifying lease as financial or operational and keeping different accounts depending on a type thereof. In case the lease agreement terms provide for transfer of almost all risks and benefits related to ownership of the basic asset to the lessee, the agreement is classified as financial lease (the Group executed no such contracts). All other lease agreements are classified as operational lease.</p> <p>The operational lease income is recognized by linear method within the entire lease term.</p> <p>Effect on Assets, Liabilities and Equity as of January 1, 2019</p> <p>In accordance with IFRS 16 Leases as of January 1, 2019, the Company recognized assets comprising right of use as part of fixed assets in the amount of RUB 346,281 thousand, as well as lease liabilities as Credits, loans and other borrowed funds.</p> <p>The weighted average rate of additional borrowing by the lessee applied to the calculation of the lease liability recognized in the statement of financial position was 6.65%.</p>
8	IAS 8	Description of changes in the accounting policy, reasons and nature thereof (name of IFRS under which the changes are made, and reasons why application of new IFRSs provides a more reliable and appropriate adjustment shall be disclosed and impact of the changes in the accounting policy on current and previous period adjustments shall be described)	<p>At the date of these financial statements authorisation, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:</p> <ul style="list-style-type: none"> • IFRS 17 Insurance Contracts; • Amendments to IAS 19 Plan Amendment Curtailment or Settlement; • IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<ul style="list-style-type: none"> • Amendments to IFRS 3 Definition of Business; • Amendments to IAS 1 and IAS 8 Definition of Materiality; • Conceptual Framework <p>The management do not expect that the adoption of the Standards listed above will have a material impact on the Company's financial statements in future periods, except as noted below:</p> <p>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p> <p>The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business on a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized on the parent's profit or loss only to the extent of the unrelated investors' interests on that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained on any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized on the former parent's profit or loss only to the extent of the unrelated investors' interests on the new associate or joint venture.</p> <p>The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The management of the Company anticipate that the application of these amendments may have an impact on the Company's consolidated financial statements on future periods should such transactions arise.</p> <p>The management of the Company do not anticipate that the application of the amendments on the future will have an impact on the Company's consolidated financial statements</p> <p>Amendments to IFRS 3 Definition of Business</p> <p>Pursuant to these amendments, in order to be considered a business, the acquired integrated set of activities and assets must include at least a contribution and an essential process that can facilitate production of output to a considerable extent. The amendments narrow the definition of business and output by excluding from the definition "the ability to generate income by reducing the costs" and focusing on return in the form of goods and services provided to customers.</p> <p>The amendments also remove the necessity to assess whether market participants are capable of replacing any missing resources or processes with their own contributions and processes to continue producing output. In addition, the amendments introduce an additional test for fair value concentration, which simplifies the assessment of whether the acquired set of activities and assets is a business in accordance with IFRS 3 Business Combinations.</p> <p>The amendments are effective in relation to business combinations, for which the acquisition date coincides with, or falls after, the beginning of the first annual reporting period starting on or after 1 January 2020. Early application is allowed. The management does not expect that application of these amendments will have an impact on the financial statements of the Company.</p> <p>Amendments to IAS 1 and IAS 8 Definition of Materiality</p> <p>The amendments are intended to facilitate the understanding of the concept of "materiality" without changing the basic definition. The concept of "concealing" material information by presenting it together with immaterial information was included as part of the updated definition. The threshold of "materiality" of information for users has been raised from "could affect" to "could reasonably be expected to affect". The definition of materiality presented in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors was replaced by a reference to IAS 1 Presentation of Financial Statements. The IAS Board amended other standards and the Conceptual Framework,</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>which contain references to definition of materiality or use this term, to ensure consistency of its application. The amendments are effective in relation to annual periods beginning on or after 1 January 2020 and are applied prospectively. Early application is allowed. The management does not expect that application of these amendments will have an impact on the financial statements of the Company.</p> <p>Amendments to the references of the Conceptual Framework in IFRS.</p> <p>Together with the revised Conceptual Framework which entered into force after publication on March 29, 2018, the IASB also issued Amendments to the references to the Conceptual Framework in IFRS. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32.</p> <p>However, not all amendments update the provisions for references and citations so that they refer to a revised conceptual framework. Some provisions are updated only to indicate which version of the Concept they are referring to (the IASB Principles adopted by the IASB in 2001, the IASB 2010 or the new revised 2018 Concept) or indicate that the definitions in the Standard have not been updated with new definitions, developed in a revised Conceptual Framework.</p> <p>Amendments that are in fact updates become effective for annual periods beginning on or after January 1, 2020, with early application permitted.</p>
Section III. Principles of accounting policy that seem relevant for understanding the accounting (financial) statements. Recognition criteria and basis for assessment of financial instruments			
9	IAS 1, IFRS 7	Recognition criteria and basis for assessment of cash and cash equivalents	Cash and cash equivalents include cash on hand, unrestricted balances on settlement and deposit accounts with banks with maturity up to one business day.
10	IAS 1, IFRS 7	Recognition criteria and basis for assessment of funds placed with credit institutions and non-resident banks	Funds placed with credit institutions and non-resident banks include the funds placed by the Company with banks for a defined period. Such funds are carried at amortized cost using the effective interest method less allowance for impairment. Interest income on deposits is recorded on an accrual basis and calculated using the effective interest method.
11	IFRS 7, IFRS 9	Procedure for recognition and subsequent accounting of financial assets measured at fair value through profit or loss	<p>Financial assets measured at FVTPL:</p> <ul style="list-style-type: none"> • assets, contractual cash flows from which do not correspond to SPPI; or/and • assets within the business model other than obtaining contractual cash flows or other than obtaining contractual cash flows and sales. <p>The Company did not classify assets at its discretion without the right of subsequent reclassification as measured at FVTPL.</p> <p>Assets at FVTPL are measured at fair value with recognition in profit or loss of all gains/losses from revaluation.</p>
12	IFRS 7, IFRS 9	Procedure for recognition and subsequent accounting of financial assets measured at fair value through other comprehensive income	<p>Debt instruments at FVTOCI</p> <p>The Company determines classification and measurement of a financial asset based on characteristics of the contractual cash flows from the asset and the business model used by the Company to manage this asset. Contractual cash flows shall be solely payments of principal and interest on the principal amount outstanding (SPPI) for the asset to be classified and measured at FVTOCI.</p> <p>For the purposes of SPPI compliance, testing the principal amount is understood as the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of the principal amount).</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>Interest accrued on the principal amount outstanding consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a certain period of time, for other risks and costs under the underlying credit agreement, and the profit margin. SPPI compliance is assessed in the currency in which the financial asset is nominated.</p> <p>Contractual cash flows meeting SPPI must comply with the underlying credit agreement. Contractual terms that result in exposure to risks or volatility of contractual cash flows that are not related to the underlying credit agreement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset originated or acquired can be the underlying credit agreement regardless of whether it is a loan in its legal form.</p> <p>When a debt instrument measured at FVTOCI is derecognized, the cumulative gain/loss previously recognized in OCI is reclassified from equity to profit or loss.</p> <p>Debt instruments that are subsequently measured at FVTOCI are subject to impairment requirements (for details, see line 3 hereof).</p>
13	IFRS 9, IFRS 7	Procedure for recognition and subsequent accounting of financial assets measured at amortized cost	<p>Debt instruments at amortized cost</p> <p>The Company determines classification and measurement of a financial asset based on characteristics of the contractual cash flows from the asset and the business model used by the Company to manage this asset. Contractual cash flows shall be solely payments of principal and interest on the principal amount outstanding (SPPI) for the asset to be classified and measured at amortized cost.</p> <p>For the purposes of SPPI compliance, testing the principal amount is understood as the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of the principal amount). Interest accrued on the principal amount outstanding consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a certain period of time, for other risks and costs under the underlying credit agreement, and the profit margin. SPPI compliance is assessed in the currency in which the financial asset is nominated.</p> <p>Contractual cash flows meeting SPPI must comply with the underlying credit agreement. Contractual terms that result in exposure to risks or volatility of contractual cash flows that are not related to the underlying credit agreement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset originated or acquired can be the underlying credit agreement regardless of whether it is a loan in its legal form.</p> <p>Debt instruments that are subsequently measured at amortized cost are subject to impairment requirements (for details, see line 3 hereof).</p>
14	IAS 1, IAS 27	Procedure for recognition and subsequent accounting of investments in subsidiaries, jointly controlled and associated companies	<p>In case of control over management of a joint-stock company or influence over the company's activities, the shares of such joint-stock companies are recorded on the account "Participation in Subsidiaries and Associates" at the acquisition cost.</p> <p>Equity securities are subject to impairment assessment.</p> <p>In the event of impairment, provisions for such securities shall be created.</p> <p>The Company has investments in subsidiaries, the full list of which is disclosed in Note 15. The structure of the Group is presented in the IFRS consolidated financial statements for 2019, which is available on the Company's official website.</p>
15	IAS 1	Procedure for recognition and subsequent accounting of other assets	<p>The Other Assets of the Company comprise taxes and fees, other than income tax; the short-term employee benefit payment liability; social insurance payments; settlements with suppliers and contractors; settlements with non-resident organizations for a business</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			transaction; advances (prepayments) paid on other operations. These assets are initially recognized at fair value and subsequently measured at amortized cost.
16	IFRS 7, IFRS 9	Procedure for recognition and subsequent accounting of financial liabilities measured at fair value through profit or loss	<p>Financial liabilities at FVTPL</p> <p>A financial liability is classified as a financial liability at FVTPL if it is (i) held for trading or (ii) defined as at FVTPL at initial recognition. Financial liability is classified as held for trading if:</p> <ul style="list-style-type: none"> • it is accepted mainly for the purpose of repurchasing in the immediate future; • at initial recognition it is a part of the Company's portfolio of jointly managed financial instruments, for which there is up-to-date information on short-term profit gaining; or • it is a derivative not defined as a hedging instrument in an effective hedging transaction. <p>Financial liability that is not a held-for-trading financial liability or contingent consideration that can be paid by the buyer in the course of the business combination can be defined as at FVTPL at initial recognition, provided that:</p> <ul style="list-style-type: none"> • application of such classification eliminates or significantly reduces discrepancy in the valuation or accounting that might otherwise occur; or • financial liability is a part of a group of financial assets or financial liabilities or a group of financial assets and liabilities that is managed and valued on the basis of fair value in accordance with the documented risk management strategy or investment strategy of the Company, and information about such group is presented within the organization on the said basis; • financial liability is a part of a contract that contains one or more embedded derivatives, and IFRS 9 allows to classify the instrument as a whole as FVTPL. <p>Financial liabilities at FVTPL are recorded at fair value, and any gains or losses from revaluation are recognized in profit or loss, provided that such gains or losses do not participate in the relationships designated as hedging relationships.</p> <p>More detailed information on derecognition of financial liabilities is provided in line 3 hereof.</p>
17	IFRS 7, IFRS 9	Procedure for recognition and subsequent accounting of financial liabilities measured at amortized cost	<p>Financial liabilities measured at amortized cost</p> <p>Other financial liabilities, including deposits and loans, are initially recognized at fair value less transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method (for more information on the effective interest method see line 7 hereof).</p> <p>More detailed information on derecognition of financial liabilities is provided in line 3 hereof.</p>
18	IAS 32	Procedure for offsetting financial assets and financial liabilities	<p>Financial assets and liabilities are mutually offset and the net present value is reflected in the balance sheet only where there is a statutory right to offset the recorded amounts, as well as intention to either offset or realize the asset and settle the liability simultaneously. The right to offset shall not be subject to an event in the future and shall have legal force in all of the following circumstances:</p> <ul style="list-style-type: none"> • in the ordinary course of business;

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<ul style="list-style-type: none"> • in case of default; • in case of insolvency or bankruptcy.
Section IV. Procedure for recognition and subsequent accounting of hedging			
19	IFRS 7	Cash flow hedging (description of the type of hedging, nature of the hedged risks, financial instruments recognized as hedging instruments)	Not applicable
20	IFRS 7	Fair value hedging (description of the type of hedging, nature of the hedged risks, financial instruments recognized as hedging instruments)	Not applicable
21	IFRS 7	Hedging of net investments in foreign subdivisions (description of the type of hedging, nature of the hedged risks, financial instruments recognized as hedging instruments)	Not applicable
Section V. Recognition criteria and basis for assessment of investment property			
22	IAS 40	Investment property accounting model applied	Not applicable
23	IAS 40	Criteria used by the organization to distinguish between investment property and property items occupied by the owner, as well as the property held for sale in the ordinary course of business	Not applicable
24	IAS 40	Extent to which the fair value of investment property (measured or disclosed in the accounting (financial) statements) is based on assessment performed by an independent appraiser with appropriate recognized professional qualification, as well as recent experience in assessing investments in real property of the same category and location as the item being assessed	Not applicable
Section VI. Recognition criteria, basis for assessment of fixed assets			
25	IAS 16	Basis used to assess fixed assets (for each class of assets)	Initial value of fixed assets is based on the amount of the actual costs of origination, construction and acquisition including the value added tax. Fixed assets are carried at acquisition cost less accumulated depreciation.
26	IAS 16	Depreciation method applied (for each class of assets)	Depreciation is accrued on a straight-line basis from the date of operating readiness. When calculating the depreciable value of the item, the estimated residual value is not used since the Moscow Exchange has no intention to sell items of fixed assets after termination

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			of the useful life, residual value of items of fixed assets is recognized to be equal to zero. Depreciation is accrued and recognized on a monthly basis on or before the last day of the month.
27	IAS 16	Useful lives applied (for each class of assets)	<p>Fixed Assets Groups:</p> <p>Buildings 30-100 years</p> <p>Machinery and equipment 3-10 years</p> <p>Safes, fireproof cabinets 20-25 years</p> <p>Means of communication 10-20 years</p> <p>Other 2 to 10 years</p>
Section VII. Recognition criteria, basis for assessment of intangible assets			
28	IAS 38	Definition and composition of intangible assets	<p>Intangible assets are entered into the books accepted at the actual (initial) cost determined at the date of their entry into the books:</p> <ul style="list-style-type: none"> • purchased for a valuable consideration — by amount of the actual costs of acquisition and additional costs of bringing them to a condition suitable for use for the planned purposes, including the value added tax; • created by the Company — by amount of the actual costs of creation and costs of bringing to a condition suitable for use for the planned purposes, including the value added tax <p>Company's intangible assets have a fixed useful life.</p> <p>Company's intangible assets consist of:</p> <ul style="list-style-type: none"> • software • licenses • trademarks • exclusive right to use the computer program
29	IAS 1	Basis for assessment for each class of assets (acquisition cost less depreciation or revaluation cost less depreciation)	Intangible assets with a limited useful life are recognized at the acquisition cost less accumulated depreciation and accumulated impairment loss.
30	IAS 38	Disclosure for each class of assets with indefinite useful life of the fact of annual impairment testing, information on the presence of possible impairment indicators	Not applicable
31	IAS 38	Applied time frames and depreciation methods for intangible assets with a limited useful life	<p>Groups of intangible assets and useful lives (years):</p> <p>Software — group 3 (5-8 years);</p> <p>Trademarks — group 8 (10 years);</p>

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			<p>Exclusive right of the author or other right holder to use the computer program — group 5 (7 years).</p> <p>Based on the analysis of the current useful lives of intangible assets carried out as of January 1, 2019, the Company adjusted the estimates for the remaining useful lives of intangible assets. Adjustments were made for certain types of software and licenses, which had no significant impact on the accounting (financial) statements.</p> <p>Depreciation on intangible assets is accrued on a straight-line basis.</p>
32	IAS 1	Accounting treatment of expenditures for creation of intangible assets in-house	<p>List of expenditures recognized at the development stage included in the initial cost of IA:</p> <ul style="list-style-type: none"> • labor remuneration expenses based on the time sheet, staff schedule and terms of the employment contract, including contributions to the funds; • payment under the paid service contract to individual contractors engaged; • depreciation of the used software and fixed assets; • services of corporate contractors.
Section VIII. Procedure for recognition and subsequent accounting of employee benefits and related contributions			
33	IAS 1, IAS 19	Procedure for recognition of payroll related expenses, including compensation and incentive payments, leave payments, temporary disability benefits and child care allowances, year-end bonuses, severance benefits	<p>Labor remuneration expenses of the Company are recognized as expenses on a monthly basis by reference to the amounts of accrued labor costs based on the time sheet.</p> <p>Liabilities for payment of the annual paid leave are estimated as the amount of expected costs, which is supposed to be paid to the employee for unused paid leave at the end of the annual reporting period. These liabilities are recognized on a monthly basis by reference to the average wages of each employee at the accrual date, adjustment of the recognized liabilities is made upon payment of the annual leave.</p> <p>Liabilities for payment of temporary disability benefits arise on actual basis. Payment of these liabilities is performed subject to documentary evidence in accordance with the applicable legislation of the Russian Federation and internal documents.</p> <p>Individual Employees of the Company are granted the right to purchase equity instruments under the terms specified in individual contracts.</p> <p>Expenses on equity-based transactions are recognized in equity simultaneously with the corresponding increase in the equity-based payment reserve in the period, in which performance conditions and/or length of service conditions are met.</p> <p>Liability accrued with regard to transactions in equity-based employee benefits settled in cash is recognized by the Company at fair value. Unless and until the liability is settled, the Company revalues the fair value of the liability at the end of each reporting period, as well as at the date of settlements of the liability by recognizing changes in the fair value of the liability in profit or loss for the period.</p> <p>As for transactions in equity-based employee benefits settled in equity instruments, the fair value of the liability is recorded at the date of announcement and is not restated thereafter. Number of benefits to be transferred is restated at each reporting date.</p>
34	IAS 19	Description of defined benefit pension plans implemented by the non-credit financial institution	Not applicable
35	IAS 19	Use of the discounted value method to determine the size of the pension obligation	Not applicable

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
		and the corresponding value of the employees' contribution with respect to the current period	
36	IAS 19	Procedure for recognition of post-employment benefits to employees not restricted to fixed payments	Not applicable
Section IX. Recognition criteria, basis for assessment and accounting treatment of other assets and liabilities			
37	IAS 1, IFRS 5	Procedure for recognition and subsequent accounting of held-for-sale long-term assets	Not applicable
38	IAS 1, IAS 37	Procedure for recognition and subsequent accounting of reserves — estimated liabilities	Reserves are recognized if the Company due to a certain event in the past has legal or voluntarily assumed obligations, settlement of which will most likely require outflow of resources comprising future economic benefits and which can be estimated with reasonable reliability.
39	IFRS 16	Procedure for recognition, subsequent accounting, derecognition of lease liabilities	Procedure for recognition and subsequent accounting is provided in line 7 of the note.
39.1	IFRS 16	Use of the exemption provided for short-term lease and exemption stipulated for the rental of low-value objects	The Company recognizes an asset in the form of the right of use and lease liability in respect of all lease agreements where the Company acts as a lessee, except for short-term contracts (defined as lease agreements with the term less than 12 months) and lease with a low-cost basic asset. Under such agreements, the Company recognizes lease payments as expenses either by linear method within the lease term or by another systematic approach if such approach better reflects a structure of receipt of benefits by the lessee.
40	IFRS 9	Procedure for recognition, subsequent accounting, derecognition of accounts payable	The Company derecognizes financial liabilities only when they are repaid, cancelled or expired. When the existing financial liability is replaced by another liability to the same creditor under materially different terms, or the terms of the existing liability change materially, then such replacement or change is recorded as writing off of the original liability and recognition of a new liability. Difference between the carrying amount of the financial liability being derecognized and consideration paid or payable is recognized in profit or loss.
41	IAS 1	Procedure for recognition and assessment of the share capital, share premium	Share capital is recognized at par value of shares. As of December 31, 2019 and December 31, 2018, the authorized, issued and fully paid share capital of the Company consisted of 2,276,401,458 ordinary shares with par value of 1 ruble each.
42	IAS 32, IFRS 7	Procedure for recognition and assessment of own repurchased shares (interests)	Own repurchased shares are recognized in equity at cost of their repurchase from shareholders. Upon cancellation of the own repurchased shares, the par value is offset against the share capital and difference between the par value and the repurchase value is used for reduction/increase of additional capital.
43	IAS 32, IFRS 7	Procedure for recognition and assessment of the reserve capital	Reserve capital is formed in accordance with the legislation of the Russian Federation and the Articles of Association of the Company. Reserve fund is created in the amount of five (5) percent of the share capital and formed by means of mandatory annual allocations until it reaches the amount established by the Articles of Association. The size of annual allocations is determined by the General Meeting of Shareholders of the Company.
44	IAS 12	Procedure for recognition, assessment, subsequent accounting, derecognition of a deferred tax asset and a deferred tax liability	Deferred tax liabilities are recognized in the accounting records upon accrual of taxable temporary differences at the end of the reporting period. Deferred tax assets arising from losses carried forward not used to reduce the income tax are recognized in the accounting records if the Company expects to receive taxable profit in future reporting periods. Depending on the nature of a transaction and procedure for recognition of changes in balances on active (passive) balance sheet accounts, the deferred tax asset on deductible temporary differences is recorded in correspondence with financial performance accounts or with share premium accounts.

Line	International accounting standard	Disclosure requirements	Description
1	2	3	4
			Deferred tax assets in respect of losses carried forward not used to reduce the income tax are derecognized in case of utilization in full, non-compliance with conditions of recognition and upon expiration of the period for carrying such losses forward established by the taxes and fees legislation of the Russian Federation, which is reflected in the accounting records at the end of each reporting period.
45	IAS 10, IAS 32	Procedure for recognition of dividends	Dividends are recognized in equity and deducted in the period, in which they were declared. Information on dividends declared after the reporting date but before the financial statements have been approved for issue is set forth in the note "Events after the reporting date"

Note 5. Cash funds

Cash funds

Table 5.1.

Line	Item	December 31, 2019			December 31, 2018		
		Gross book value	ECL allowance	Book value	Gross book value	ECL allowance	Book value
1	2	3	4	5	6	7	8
3	Cash funds available on settlement accounts	2,080,756	(2)	2,080,754	15,434,763	(12)	15,434,751
6	Total	2,080,756	(2)	2,080,754	15,434,763	(12)	15,434,751

5.1.1. As of December 31, 2019, the non-credit financial institution accrued balances in one credit institution with total amount not exceeding 10% of equity. Total cash balance in one credit institution was RUB 1,446,478 thousand or 70% of total cash.

As of December 31, 2018, the non-credit financial institution accrued balances in one credit institution with total amount not exceeding RUB 4,849,007 thousand. (10% of equity). Total cash balance in one credit institution was RUB 13,894,108 thousand or 90% of total cash.

Cash and cash equivalent components

Table 5.2.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
1	Cash funds	2,080,756	15,434,763
4.1	Other	(2)	(12)
5	Total	2,080,754	15,434,751

Investment and financial transactions executed without use of cash and cash equivalents, and not included in the cash flow statement

Table 5.3.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
1	Non-cash investing activity, including:	71	110
3	receipts from sales and retirement of assets	71	110

5.3.1. In the reporting and comparable periods, the following investment and financial transactions took place that did not require the use of cash and cash equivalents:

5.3.1.6 Proceeds from the sale of fixed assets to employees of the Company in the form of deduction from wages.

Reconciliation of changes in gross book value of cash funds in 2019

Table 5.4.

Line	Item	Cash funds available on settlement accounts	Cash funds held in trust	Other cash funds	Total
1	2	3	4	5	6
1	Gross book value, beginning of period, including:	15,434,763	-	-	15,434,763
2	financial assets with expected credit loss in 12 months	15,434,763	-	-	15,434,763
6	Input of financial assets, including:	193,033,333	-	-	193,033,333
7	financial assets with expected credit loss in 12 months	193,033,333	-	-	193,033,333
11	Derecognition of financial assets, including:	(206,387,340)	-	-	(206,387,340)
12	financial assets with expected credit loss in 12 months	(206,387,340)	-	-	(206,387,340)
36	Gross book value, as of the end of reporting period, including:	2,080,756	-	-	2,080,756
37	financial assets with expected credit loss in 12 months	2,080,756	-	-	2,080,756

Reconciliation of changes in gross book value of cash funds in 2018

Table 5.4.

Line	Item	Cash funds available on settlement accounts	Cash funds held in trust	Other cash funds	Total
1	2	3	4	5	6
1	Gross book value, beginning of period, including:	19,267,054	-	-	19,267,054
2	financial assets with expected credit loss in 12 months	19,267,054	-	-	19,267,054
6	Input of financial assets, including:	372,733,437	-	-	372,733,437
7	financial assets with expected credit loss in 12 months	372,733,437	-	-	372,733,437
11	Derecognition of financial assets, including:	(376,565,728)	-	-	(376,565,728)
12	financial assets with expected credit loss in 12 months	(376,565,728)	-	-	(376,565,728)
36	Gross book value, as of the end of reporting period, including:	15,434,763	-	-	15,434,763
37	financial assets with expected credit loss in 12 months	15,434,763	-	-	15,434,763

Reconciliation of changes in expected credit loss allowance for cash funds in 2019

Table 5.5.

Line	Item	Cash funds available on settlement accounts	Cash funds held in trust	Other cash funds	Total
1	2	3	4	5	6
1	ECL allowance as of the beginning of the reporting period, including:	12	-	-	12
2	financial assets with expected credit loss in 12 months	12	-	-	12
11	Derecognition of financial assets, including:	(10)	-	-	(10)
12	financial assets with expected credit loss in 12 months	(10)	-	-	(10)
36	ECL allowance as of the end of the reporting period, including:	2	-	-	2
37	financial assets with expected credit loss in 12 months	2	-	-	2

Reconciliation of changes in expected credit loss allowance for cash funds in 2018

Table 5.5.

Line	Item	Cash funds available on settlement accounts	Cash funds held in trust	Other cash funds	Total
1	2	3	4	5	6
1	ECL allowance as of the beginning of the reporting period, including:	2	-	-	2
2	financial assets with expected credit loss in 12 months	2	-	-	2
6	Input of financial assets, including:	11	-	-	11
7	financial assets with expected credit loss in 12 months	11	-	-	11
11	Derecognition of financial assets, including:	(1)	-	-	(1)
12	financial assets with expected credit loss in 12 months	(1)	-	-	(1)

36	ECL allowance as of the end of the reporting period, including:				
		12	-	-	12
37	financial assets with expected credit loss in 12 months	12	-	-	12

Note 6. Financial assets classified on a mandatory basis as measured at fair value through profit or loss

Financial assets classified on a mandatory basis as measured at fair value through profit or loss

Table 6.1.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
1	Securities held for trading	167,283	111,292
6	Total	167,283	111,292

Securities held for trading

Table 6.2.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
1	Equity securities held for trading, including:	167,283	111,292
2	credit institutions and non-resident banks	180	180
4	non-financial institutions	167,103	111,112
12	Total	167,283	111,292

The lineup of equity securities held for trading designates securities that are not held for trading purposes but those that the Company has elected to designate at fair value through profit or loss in accordance with adopted accounting policy.

Note 8. Financial assets measured at fair value through OCI: debt instruments

Debt instruments

Table 8.1.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
1	Debt instruments at fair value through OCI, including:	11,570,645	-
2	Government of the Russian Federation	3,763,197	-
5	credit institutions and non-resident banks	4,849,729	-
7	non-financial institutions	2,957,719	-
14	Total	11,570,645	-

Reconciliation of the change in gross book value of debt instruments measured at fair value through other comprehensive income in 2019

Table 8.2.

Line	Item	Debt instruments						Deposits in credit institutions and non-resident banks	Loans granted	Total
		Government of the Russian Federation	subjects of the Russian Federation and self-governance authorities	foreign states	credit institutions and non-resident banks	non-credit financial institutions	non-financial institutions			
1	2	3	4	5	6	7	8	9	10	11
1	Gross book value, beginning of period, including:	-	-	-	-	-	-	-	-	-
6	Input of financial assets, including:	3,767,421	-	-	4,979,798	-	3,958,326	-	-	12,705,545
7	financial assets with expected credit loss in 12 months	3,767,421	-	-	4,979,798	-	3,958,326	-	-	12,705,545
11	Derecognition of financial assets, including:	-	-	-	(135,165)	-	(1,022,407)	-	-	(1,157,572)
12	financial assets with expected credit loss in 12 months	-	-	-	(135,165)	-	(1,022,407)	-	-	(1,157,572)
26	Change of the procedure for the measurement of allowance for expected credit losses, including:	(2,226)	-	-	(7,754)	-	(3,734)	-	-	(13,714)
27	financial assets with expected credit loss in 12 months	(2,226)	-	-	(7,754)	-	(3,734)	-	-	(13,714)
31	Other changes, including:	(1,998)	-	-	12,850	-	25,534	-	-	36,386
32	financial assets with expected credit loss in 12 months	(1,998)	-	-	12,850	-	25,534	-	-	36,386
36	Gross book value as of the reporting date, including:	3,763,197	-	-	4,849,729	-	2,957,719	-	-	11,570,645
37	financial assets with expected credit loss in 12 months	3,763,197	-	-	4,849,729	-	2,957,719	-	-	11,570,645

Reconciliation of the change in allowance for expected credit loss for debt instruments measured at fair value through other comprehensive income in 2019

Table 8.3.

Line	Item	Debt instruments						Deposits in credit institutions and non-resident banks	Loans granted	Total
		Government of the Russian Federation	subjects of the Russian Federation and self-governance authorities	foreign states	credit institutions and non-resident banks	non-credit financial institutions	non-financial institutions			
1	2	3	4	5	6	7	8	9	10	11
1	ECL allowance as of the beginning of the reporting period, including:	-	-	-	-	-	-	-	-	-
31	Other changes, including:	2,226	-	-	7,754	-	3,734	-	-	13,714
32	financial assets with expected credit loss in 12 months	2,226	-	-	7,754	-	3,734	-	-	13,714
36	ECL allowance as of the reporting date, including:	2,226	-	-	7,754	-	3,734	-	-	13,714
37	financial assets with expected credit loss in 12 months	2,226	-	-	7,754	-	3,734	-	-	13,714

Reconciliation of the change in revaluation reserve for debt instruments measured at fair value through other comprehensive income in 2019

Table 8.4.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
2	Increase in fair value of debt instruments measured at fair value during the reporting period	87,733	-
3	Decrease in fair value of debt instruments measured at fair value through other comprehensive income for the reporting period	(44,416)	-
5	Revaluation reserve at fair value of debt instruments measured at fair value through other comprehensive income as of the end of reporting period	43,317	-

Note 10. Financial assets measured at amortized cost: due from credit institutions and non-resident banks

Assets in credit institutions and non-resident banks

Table 10.1.

Line	Item	December 31, 2019			December 31, 2018		
		Gross book value	ECL allowance	Book value	Gross book value	ECL allowance	Book value
1	2	3	4	5	6	7	8
9	Due from clearing organizations and intended for collective clearing collateral (guarantee fund)	30,000	-	30,000	20,000	-	20,000
12	Other	-	-	-	97	-	97
13	Total	30,000	-	30,000	20,097	-	20,097

10.1.2. As of December 31, 2019, amounts due from credit institutions and non-resident banks, with the limited use, equal RUB 30,000 thousand (31 December 2018: RUB 20,000 thousand).

10.1.3. The credit quality of dues from credit organizations and non-resident banks is disclosed in Table 52.4, Note 52 hereof.

10.1.5. Information of estimated fair value of assets due from credit institutions and non-resident banks is disclosed in Note 56 hereof.

**Reconciliation of changes in gross book value of
assets in credit institutions and non-resident banks in 2019**

Table 10.2.

Line	Item	Debt instruments of credit institutions and non-resident banks	Deposits in credit institutions and non-resident banks	Dues of clearing banks intended for performance of liabilities and individual clearing collateral	Dues of clearing banks intended for collective clearing collateral (guarantee fund)	Collective clearing collateral (guarantee fund) placed in deposits with credit institutions	Individual clearing collateral placed in deposits with credit institutions	Due from clearing organizations and intended for performance of liabilities accepted for clearing and individual clearing collateral	Due from clearing organizations and intended for collective clearing collateral (guarantee fund)	Reverse repo transactions with credit organizations and non-resident banks	Settlements of principals for brokerage operations with securities and other financial assets	Others	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Gross book value, beginning of period, including:	-	-	-	-	-	-	-	20,000	-	-	97	20,097
2	financial assets with expected credit loss in 12 months	-	-	-	-	-	-	-	20,000	-	-	97	20,097
6	Input of financial assets, including:	-	-	-	-	-	-	-	10,000	-	-	-	10,000
7	financial assets with expected credit loss in 12 months	-	-	-	-	-	-	-	10,000	-	-	-	10,000
11	Derecognition of financial assets, including:	-	-	-	-	-	-	-	-	-	-	(97)	(97)
12	financial assets with expected credit loss in 12 months	-	-	-	-	-	-	-	-	-	-	(97)	(97)
36	Gross book value, as of the end of reporting period, including:	-	-	-	-	-	-	-	30,000	-	-	-	30,000
37	financial assets with expected credit loss in 12 months	-	-	-	-	-	-	-	30,000	-	-	-	30,000

Reconciliation of changes in gross book value of dues of credit institutions and non-resident banks in 2018

Table 10.2.

Line	Item	Debt instruments of credit institutions and non-resident banks	Deposits in credit institutions and non-resident banks	Dues of clearing banks intended for performance of liabilities and individual clearing collateral	Dues of clearing banks intended for collective clearing collateral (guarantee fund)	Collective clearing collateral (guarantee fund) placed in deposits with credit institutions	Individual clearing collateral placed in deposits with credit institutions	Due from clearing organizations and intended for performance of liabilities accepted for clearing and individual clearing collateral	Due from clearing organizations and intended for collective clearing collateral (guarantee fund)	Reverse repo transactions with credit organizations and non-resident banks	Settlements of principals for brokerage operations with securities and other financial assets	Others	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Gross book value, beginning of period, including:	-	-	-	-	-	-	-	-	-	-	-	-
2	financial assets with expected credit loss in 12 months	-	-	-	-	-	-	-	-	-	-	-	-
6	Input of financial assets, including:	-	-	-	-	-	-	-	20,000	-	-	-	20,000
7	financial assets with expected credit loss in 12 months	-	-	-	-	-	-	-	20,000	-	-	97	20,097
36	Gross book value, as of the end of reporting period, including:	-	-	-	-	-	-	-	20,000	-	-	97	20,097
37	financial assets with expected credit loss in 12 months	-	-	-	-	-	-	-	20,000	-	-	97	20,097

Note 11. Financial assets measured at amortized cost: loans issued and other deposited funds

Loans issued and other deposited assets

Table 11.1.

Line	Item	December 31, 2019			December 31, 2018		
		Gross book value	ECL allowance	Book value	Gross book value	ECL allowance	Book value
1	2	3	4	5	6	7	8
6	Other loans provided and deposits measured at amortized cost	50,680	(50,680)	-	40,563	(40,563)	-
8	Total	50,680	(50,680)	-	40,563	(40,563)	-

Reconciliation of changes in gross book value of loans provided and other deposits made in 2019

Table 11.2.

Line	Item	Requirements for the release of collateral provided	Debt instruments of non-credit organizations	Dues of non-credit clearing organizations	Margin loans granted to individuals	Margin loans provided to legal entities and individual entrepreneurs	Other loans provided and deposits	Reverse repo transactions with non-credit organizations	Total
1	2	3	4	5	6	7	8	9	10
1	Gross book value, beginning of period, including:	-	-	-	-	-	40,563	-	40,563
5	credit-impaired financial assets	-	-	-	-	-	40,563	-	40,563
6	Input of financial assets, including:	-	-	-	-	-	1,828	-	1,828
10	credit-impaired financial assets	-	-	-	-	-	1,828	-	1,828
11	Derecognition of financial assets, including:	-	-	-	-	-	(12,152)	-	(12,152)
15	credit-impaired financial assets	-	-	-	-	-	(12,152)	-	(12,152)
31	Other changes, including:	-	-	-	-	-	20,441	-	20,441
35	credit-impaired financial assets	-	-	-	-	-	20,441	-	20,441
36	Gross book value as of the reporting date, including:	-	-	-	-	-	50,680	-	50,680
40	credit-impaired financial assets	-	-	-	-	-	50,680	-	50,680

Reconciliation of changes in gross book value of loans provided and other deposits made in 2018

Table 11.2.

Line	Item	Requirements for the release of collateral provided	Debt instruments of non-credit organizations	Dues of non-credit clearing organizations	Margin loans granted to individuals	Margin loans provided to legal entities and individual entrepreneurs	Other loans provided and deposits	Reverse repo transactions with non-credit organizations	Total
1	2	3	4	5	6	7	8	9	10
1	Gross book value, beginning of period, including:	-	-	-	-	-	49,993	-	49,993
5	credit-impaired financial assets	-	-	-	-	-	49,993	-	49,993
6	Input of financial assets, including:	-	-	-	-	-	4,119	-	4,119
10	credit-impaired financial assets	-	-	-	-	-	4,119	-	4,119
11	Derecognition of financial assets, including:	-	-	-	-	-	(16,248)	-	(16,248)
15	credit-impaired financial assets	-	-	-	-	-	(16,248)	-	(16,248)
31	Other changes, including:	-	-	-	-	-	2,699	-	2,699
35	credit-impaired financial assets	-	-	-	-	-	2,699	-	2,699
36	Gross book value as of the reporting date, including:	-	-	-	-	-	40,563	-	40,563
40	credit-impaired financial assets	-	-	-	-	-	40,563	-	40,563

Reconciliation of changes in expected credit loss allowance for loans provided and other deposits in 2019

Table 11.3.

Line	Item	Requirements for the release of collateral provided	Debt instruments of non-credit organizations	Dues of non-credit clearing organizations	Margin loans granted to individuals	Margin loans provided to legal entities and individual entrepreneurs	Other loans provided and deposits	Reverse repo transactions with non-credit organizations	Total
1	2	3	4	5	6	7	8	9	10
1	ECL allowance as of the beginning of the reporting period, including:	-	-	-	-	-	40,563	-	40,563
5	credit-impaired financial assets	-	-	-	-	-	40,563	-	40,563
11	Derecognition of financial assets, including:	-	-	-	-	-	(10,726)	-	(10,726)
15	credit-impaired financial assets	-	-	-	-	-	(10,726)	-	(10,726)
26	Change of the procedure for allowance measurement for expected credit losses, including:	-	-	-	-	-	20,843	-	20,843
30	credit-impaired financial assets	-	-	-	-	-	20,843	-	20,843
36	ECL allowance as of the end of the reporting period, including:	-	-	-	-	-	50,680	-	50,680
40	credit-impaired financial assets	-	-	-	-	-	50,680	-	50,680

Reconciliation of changes in expected credit loss allowance for loans provided and other deposits in 2018

Table 11.3.

Line	Item	Requirements for the release of collateral provided	Debt instruments of non-credit organizations	Dues of non-credit clearing organizations	Margin loans granted to individuals	Margin loans provided to legal entities and individual entrepreneurs	Other loans provided and deposits	Reverse repo transactions with non-credit organizations	Total
1	2	3	4	5	6	7	8	9	10
1	ECL allowance as of the beginning of the reporting period, including:	-	-	-	-	-	49,993	-	49,993
5	credit-impaired financial assets	-	-	-	-	-	49,993	-	49,993
6	Input of financial assets, including:	-	-	-	-	-	4,119	-	4,119
10	credit-impaired financial assets	-	-	-	-	-	4,119	-	4,119
11	Derecognition of financial assets, including:	-	-	-	-	-	(16,248)	-	(16,248)
15	credit-impaired financial assets	-	-	-	-	-	(16,248)	-	(16,248)
26	Change of the procedure for allowance measurement for expected credit losses, including:	-	-	-	-	-	2,699	-	2,699
30	credit-impaired financial assets	-	-	-	-	-	2,699	-	2,699
36	ECL allowance as of the end of the reporting period, including:	-	-	-	-	-	40,563	-	40,563
40	credit-impaired financial assets	-	-	-	-	-	40,563	-	40,563

Note 12. Financial assets measured at amortized cost: accounts receivable

Accounts receivable

Table 12.1.

Line	Item	December 31, 2019	December 31, 2018
------	------	-------------------	-------------------

1	2	Gross book value	ECL allowance	Book value	Gross book value	ECL allowance	Book value
3	4	5	6	7	8		
2	Accounts receivable of customers	399,094	(93,991)	305,103	285,786	(54,478)	231,308
4	Settlements under foreign currency, derivatives, and securities transactions	-	-	-	4,083	-	4,083
6	Other accounts receivable	12,415	-	12,415	177,825	-	177,825
7	Total	411,509	(93,991)	317,518	467,694	(54,478)	413,216

12.1.1. Accounts receivable of customers comprise customers' debts related to organized trading in the amount of RUB 399,095 thousand (as of December 31, 2018: RUB 285,786 thousand).

12.1.3. Information of estimated fair value of accounts receivable is disclosed in Note 56 hereof.

Reconciliation of changes in gross book value of accounts receivable in 2019

Table 12.2.

Line	Item	Accounts receivable of customers	Settlements with currency and stock exchanges	Settlements under foreign currency, derivatives, and securities transactions	Settlements under financial leases	Other accounts receivable	Total
1	2	3	4	5	6	7	8
1	Gross book value, beginning of period, including:	285,786	-	4,083	-	177,825	467,694
2	financial assets with expected credit loss in 12 months	285,786	-	4,083	-	177,825	467,694
6	Input of financial assets, including:	11,738,728	-	-	-	5,564,594	17,303,322
7	financial assets with expected credit loss in 12 months	11,370,876	-	-	-	5,048,998	16,419,874
8	financial assets with expected credit loss during the whole life (collective measure)	313,539	-	-	-	-	313,539
10	credit-impaired financial assets	54,313	-	-	-	515,596	569,909
11	Derecognition of financial assets, including:	(11,618,841)	-	(4,083)	-	(5,506,180)	17,129,104
12	financial assets with expected credit loss in 12 months	(11,618,841)	-	(4,083)	-	(5,214,408)	16,837,332
15	credit-impaired financial assets	-	-	-	-	(291,772)	(291,772)
16	Writing-off of financial assets, including:	(6,579)	-	-	-	(223,824)	(230,403)
17	financial assets with expected credit loss in 12 months	(6,579)	-	-	-	-	(6,579)
20	credit-impaired financial assets	-	-	-	-	(223,824)	(223,824)
36	Gross book value as of the reporting date, including:	399,094	-	-	-	12,415	411,509
37	financial assets with expected credit loss in 12 months	31,242	-	-	-	12,415	43,657
38	financial assets with expected credit loss during the whole life (collective measure)	313,539	-	-	-	-	313,539
40	credit-impaired financial assets	54,313	-	-	-	-	54,313

Reconciliation of changes in expected credit loss allowance for accounts receivable in 2018

Table 12.2.

Line	Item	Accounts receivable of customers	Settlements with currency and stock exchanges	Settlements under foreign currency, derivatives, and securities transaction	Settlements under financial leases	Other accounts receivable	Total
1	2	3	4	5	6	7	8
1	Gross book value, beginning of period, including:	231,697	-	-	-	193,823	425,520
2	financial assets with expected credit loss in 12 months	231,697	-	-	-	193,823	425,520
6	Input of financial assets, including:	11,234,160	-	4,083	-	997,370	12,235,613
7	financial assets with expected credit loss in 12 months	11,234,160	-	4,083	-	997,370	12,235,613
11	Derecognition of financial assets, including:	(11,180,071)	-	-	-	(1,013,368)	(12,193,439)
12	financial assets with expected credit loss in 12 months	(11,180,071)	-	-	-	(1,013,368)	(12,193,439)
36	Gross book value as of the reporting date, including:	285,786	-	4,083	-	177,825	467,694
37	financial assets with expected credit loss in 12 months	285,786	-	4,083	-	177,825	467,694

Reconciliation of changes in expected credit loss allowance for accounts receivable in 2019

Table 12.3.

Line	Item	Accounts receivable of customers	Settlements with currency and stock exchanges	Settlements under foreign currency, derivatives, and securities transaction	Settlements under financial leases	Other accounts receivable	Total
1	2	3	4	5	6	7	8
1	ECL allowance as of the beginning of the reporting period, including:	54,478	-	-	-	-	54,478
2	financial assets with expected credit loss in 12 months	54,478	-	-	-	-	54,478
6	Input of financial assets, including:	369,792	-	-	-	-	369,792
7	financial assets with expected credit loss in 12 months	-	-	-	-	-	-
8	financial assets with expected credit loss during the whole life (collective measure)	49,577	-	-	-	-	49,577
10	credit-impaired financial assets	320,215	-	-	-	-	320,215
11	Derecognition of financial assets, including:	(47,899)	-	-	-	-	(47,899)
12	financial assets with expected credit loss in 12 months	(47,899)	-	-	-	-	(47,899)
15	credit-impaired financial assets	-	-	-	-	-	-
16	Writing-off of financial assets, including:	(6,579)	-	-	-	(223,824)	(230,403)
17	financial assets with expected credit loss in 12 months	(6,579)	-	-	-	-	(6,579)
18	financial assets with expected credit loss during the whole life (collective measure)	-	-	-	-	-	-
20	credit-impaired financial assets	-	-	-	-	(223,824)	(223,824)
26	Change of the procedure for allowance measurement for expected credit losses, including:	(51,977)	-	-	-	-	(51,977)
27	financial assets with expected credit loss in 12 months	-	-	-	-	-	-
28	financial assets with expected credit loss during the whole life (collective measure)	(9,899)	-	-	-	-	(9,899)
30	credit-impaired financial assets	(42,078)	-	-	-	-	(42,078)
36	ECL allowance as of the end of the reporting period, including:	93,991	-	-	-	-	93,991
38	financial assets with expected credit loss during the whole life (collective measure)	39,678	-	-	-	-	39,678
40	credit-impaired financial assets	54,313	-	-	-	-	54,313

Reconciliation of changes in expected credit loss allowance for accounts receivable in 2018

Table 12.3.

Line	Item	Accounts receivable of customers	Settlements with currency and stock exchanges	Settlements under foreign currency, derivatives, and securities transaction	Settlements under financial leases	Other accounts receivable	Total
1	2	3	4	5	6	7	8
1	ECL allowance as of the beginning of the reporting period, including:	32,494	-	-	-	-	32,494
2	financial assets with expected credit loss in 12 months	32,494	-	-	-	-	32,494
6	Input of financial assets, including:	48,658	-	-	-	-	48,658
7	financial assets with expected credit loss in 12 months	48,658	-	-	-	-	48,658
16	Writing-off of financial assets, including:	(26,674)	-	-	-	-	(26,674)
20	credit-impaired financial assets	(26,674)	-	-	-	-	(26,674)
36	ECL allowance as of the end of the reporting period, including:	54,478	-	-	-	-	54,478
37	financial assets with expected credit loss in 12 months	54,478	-	-	-	-	54,478

12.3.1 In the 1st quarter of 2019, the Company management revealed several incorrect administrative payments. The management immediately took appropriate measures to resolve the situation and improve control procedures in order to prevent similar errors in the future. The Company established a reserve for accounts receivable amounting to 259,066 thousand rubles. As of the reporting date, the amount of 223,824 thousand rubles of the accounts receivable was written off as bad debt at the expense of the reserve, and the remaining reserve was recovered.

Note 15. Investment in subsidiaries
Investment in subsidiaries

Table 15.1.

Line	Item	December 31, 2019				December 31, 2018				Country of incorporation
		Gross book value	Impairment reserve	Book value	Interest, %	Gross book value	Impairment reserve	Book value	Interest, %	
1	2	3	4	5	6	7	8	9	10	11
1	NCC	15,750,844	-	15,750,844	100.000	15,750,844	-	15,750,844	100.000	643
2	NBCO NSD	9,324,253	-	9,324,253	99.997	9,324,197	-	9,324,197	99.997	643
3	MICEX-Finance	3,181,385	-	3,181,385	100.000	3,181,385	-	3,181,385	100.000	643
4	MOEX Innovations	243,000		243,000	100.000	300,000	(56,804)	243,196	100.000	643
5	Eurasian Trade System Commodity Exchange JSC	40,089	-	40,089	60.820	40,089	-	40,089	60.820	398
6	National Commodity Exchange JSC	39,654	-	39,654	55.560	39,654	-	39,654	55.560	643
7	MOEX Information Security LLC	5,000	-	5,000	100.000	5,000	-	5,000	100.000	643
8	Clearing Centre ETS LLP	1,445	-	1,445	25.100	1,445	-	1,445	25.100	398
9	MOSCOW EXCHANGE INTERNATIONAL LTD	4	-	4	100.000	4	-	4	100.000	826
10	Total	28,585,674	-	28,585,674	-	28,642,618	(56,804)	28,585,814		

15.1.1. Investments in subsidiaries are presented at cost.

Information on changes in provisions for impairment of investments in subsidiaries in 2019

Table 15.2.

Line	Item	Investment in subsidiaries
1	2	3
1	Impairment reserve as of December 31, 2018	56,804
2	Payments to impairment reserve accrual (reversal)	(56,804)
5	Impairment reserve as of December 31, 2019	-

Information of changes in provisions for impairment of investments in subsidiaries in 2018

Table 15.2.

Line	Item	Investment in subsidiaries
1	2	3
1	Impairment reserve as of December 31, 2017	-
2	Payments to impairment reserve accrual (reversal)	56,804
5	Impairment reserve as of December 31, 2018	56,804

Note 18. Intangible assets

Intangible assets

Table 18.1.

Line	Item	Software	Licenses and franchise	Other	Total
1	2	3	4	5	6
1	Cost (or measurement), 31 December 2017	1,766,834	400	415,908	2,183,142
2	Accumulated depreciation	(785,384)	(374)	(33,683)	(819,441)
3	Book value as of 31 December 2017	981,450	26	382,225	1,363,701
4	Additions	500,381	-	160,443	660,824
7	Disposals	(84,816)	-	-	(84,816)
8	Accumulated amortization	(151,486)	(26)	(35,697)	(187,209)
13	Book value as of 31 December 2018	1,245,529	-	506,971	1,752,500
14	Cost (or measurement), 31 December 2018	2,182,399	400	576,351	2,759,150
15	Accumulated depreciation	(936,870)	(400)	(69,380)	(1,006,650)
16	Book value as of 31 December 2018	1,245,529	-	506,971	1,752,500
17	Additions	733,625	-	156,650	890,275
20	Disposals	-	-	-	-
21	Accumulated amortization	(376,277)	-	(45,188)	(421,465)
26	Book value as of 31 December 2019	1,602,877	-	618,433	2,221,310
27	Cost (or measurement), 31 December 2019	2,916,024	400	733,001	3,649,425
28	Accumulated depreciation	(1,313,147)	(400)	(114,568)	(1,428,115)
29	Book value as of 31 December 2019	1,602,877	-	618,433	2,221,310

Note 19. Fixed assets

Fixed assets

Table 19.1.

Line	Item	Land, buildings and structures	Office and computer equipment	Construction in progress	Vehicles	Other	Total
1	2	3	4	5	6	7	8
1	Cost (or measurement) 31 December 2017	3,225,811	4,586,167	7,453	40,887	1,061,822	8,922,140
2	Accumulated depreciation	(579,282)	(3,249,271)	-	(25,477)	(778,124)	(4,632,154)
3	Book value 31 December 2017	2,646,529	1,336,896	7,453	15,410	283,698	4,289,986
4	Additions	-	453,006	518,209	20,166	35,833	1,027,214
8	Disposals	-	(315,335)	(478,684)	(15,937)	(16,830)	(826,786)
9	Accumulated amortization	(33,418)	(578,643)	-	4,419	(68,225)	(675,867)
14	Book value 31 December 2018	2,613,111	895,924	46,978	24,058	234,476	3,814,547
15	Cost (or measurement) 31 December 2018	3,225,811	4,723,838	46,978	45,116	1,080,825	9,122,568
16	Accumulated depreciation	(612,700)	(3,827,914)	-	(21,058)	(846,349)	(5,308,021)
17	Book value 31 December 2018	2,613,111	895,924	46,978	24,058	234,476	3,814,547
18	Additions	360,725	291,601	325,490	13,829	41,370	1,033,015
22	Disposals	-	(169,593)	(323,074)		(12,972)	(505,639)
23	Accumulated amortization	(229,383)	(464,483)	-	(7,310)	(71,668)	(772,844)
28	Book value 31 December 2019	2,744,453	553,449	49,394	30,577	191,206	3,569,079
29	Cost (or measurement) 31 December 2019	3,586,536	4,845,846	49,394	58,945	1,109,223	9,649,944
30	Accumulated depreciation	(842,083)	(4,292,397)	-	(28,368)	(918,017)	(6,080,865)
31	Book value 31 December 2019	2,744,453	553,449	49,394	30,577	191,206	3,569,079

In accordance with IFRS 16 Leasing, on 1 January 2019 the non-financial organization started accounting lease agreements in which it acts as a lessee. Assets comprising the right of use are reflected at initial cost in the following fixed assets items: "Land, buildings and structures" in the amount of RUB 359,925 thousand; "Other assets" in the amount of RUB 3,918 thousand. In 2019, the depreciation of assets comprising the right of use by types of items comprised "Land, buildings and structures" of RUB 196,480 thousand, "Other assets" of RUB 2,716 thousand.

Note 20. Other assets

Other assets

Table 20.1.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
4	Taxes and charges, other than income tax	31,779	6,093
5	Settlements with personnel	20,107	15,475
6	Social insurance	2,595	8,801
7	VAT, paid	29,908	28,292
8	Settlements with vendors and contractors	291,941	96,774
9	Inventories	8,622	13,787
13	Other	11,630	44,138
14	Impairment reserve	(11,630)	(44,138)
15	Total	384,952	169,222

Information on changes in reserve for other assets impairment in 2019

Table 20.2.

Line	Item	Expenses related to execution of contracts	Investment in precious metals and coins	Investment in natural stones	Settlements with vendors and contractors	Settlements with intermediaries on securities issue servicing	Other	Total
1	2	3	4	5	6	7	8	9
1	Impairment reserve as of December 31, 2018	-	-	-	-	-	44,138	44,138
2	Payments to impairment reserve accrual (reversal)	-	-	-	-	-	(32,508)	(32,508)
5	Impairment reserve as of December 31, 2019	-	-	-	-	-	11,630	11,630

Information on changes in reserve for other assets impairment in 2018

Table 20.2.

Line	Item	Expenses related to execution of contracts	Investment in precious metals and coins	Investment in natural stones	Settlements with vendors and contractors	Settlements with intermediaries on securities issue servicing	Other	Total
1	2	3	4	5	6	7	8	9
1	Impairment reserve as of December 31, 2017	-	-	-	-	-	44,138	44,138
2	Payments to impairment reserve accrual (reversal)	-	-	-	-	-	-	-
5	Impairment reserve as of December 31, 2018	-	-	-	-	-	44,138	44,138

Note 24. Financial liabilities measured at amortized cost: credits, loans and other borrowed funds

Credits, loans and other borrowed funds

Table 24.1.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
2	Lease liabilities	161,795	-
15	Total	161,795	-

Information on interest rates and maturity terms

Table 24.3.

Line	Item	December 31, 2019		December 31, 2018	
		Interest rates	Term to maturity	Interest rates	Term to maturity
1	2	3	4	5	6
1	Lease liabilities	5,75-9,87	March 31, 2020 December 31, 2028	-	-

Note 26. Financial liabilities measured at amortized cost: accounts payable

Accounts payable

Table 26.1.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
1	Accounts payable for IT services	25,546	39,996
2	Accounts payable for rent and maintenance of premises	20,521	3,789
3	Accounts payable to depositories	65	-
4	Accounts payable to registrars	24	26
5	Trade accounts payable, including:	8,167	7,456
7	accounts payable to customers	8,167	7,456
19	Other accounts payable	290,954	206,271
20	Total	345,277	257,538

- 26.1.1. Information on accounts payable by remaining maturity (based on contractual undiscounted cash flows) is presented in Note 52 hereof.
- 26.1.2. Estimated fair value of accounts payable along with their book value is presented in Note 56 hereof.
- 26.1.3. Other accounts payable include mainly payables to vendors for equipment service, advertising placement, market-making and consulting services.

Note 29. Other liabilities**Other liabilities**

Table 29.1.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
1	Settlements with shareholders and participants	299	185
2	Settlements with personnel	1,145,389	1,071,596
3	Social insurance	254,058	222,904
4	Accrued vacation	173,787	160,593
6	Taxes and charges, other than income tax	41,003	45,906
10	Other	-	2
11	Total	1,614,536	1,501,186

Note 30. Equity**Equity**

Table 30.1.

Line	Item	Outstanding ordinary shares	Par value of ordinary shares	Preferred shares	Par value of preferred shares	Adjustment for inflation	Total
1	2	3	4	5	6	7	8
1	As of 31 December 2017	2,276,401,458	2,276,401	-	-	296,215	2,572,616
4.1	Balance as of 31 December 2018	2,276,401,458	2,276,401	-	-	296,215	2,572,616
5	As of 31 December 2018	2,276,401,458	2,276,401	-	-	296,215	2,572,616
9	As of 31 December 2019	2,276,401,458	2,276,401	-	-	296,215	2,572,616

30.1.1. The nominal registered authorized capital as of 31 December 2019 is RUB 2,276,401 thousand (as of 31 December 2018: RUB 2,276,401 thousand).

30.1.3. Each share provides one voting right.

30.1.7. The item "Other reserves" of the balance sheet of a non-credit financial institution comprising the following components of capital including reserves for shares-based payments.

Note 31. Capital Management

31.1. The capital management of a non-credit financial institution should ensure compliance with capital requirements established by the laws of the Russian Federation and continuous operations of the entity.

31.2. In 2019 and 2018, the non-credit financial institution complied with all of the equity requirements applied by the Bank of Russia.

31.3. The minimum equity of a non-credit financial institution, calculated in accordance with the procedure set by the Bank of Russia, should be at least RUB 100,000 thousand.

31.4. As of 31 December 2019, the equity of a non-credit financial institution was RUB 46,344,259 thousand (as of 31 December 2018: RUB 47,845,861 thousand).

31.5. As of 31 December 2019, the capital adequacy of a non-credit financial institution was 273%. The minimal adequacy value is 100%. As of 31 December 2018, the instruction of the Bank of Russia was not in force.

Note 34. Interest income**Interest income**

Table 34.1.

Line	Item	January-December 2019	January-December 2018
1	2	3	4
1	Non-impaired financial assets, including:	165,064	16,999
4	financial assets at fair value through other comprehensive income: debt instruments	150,901	-
5	financial assets at amortized cost: due from credit institutions and non-resident banks	12,335	12,880
6	financial assets at amortized cost: loans issued and other deposited funds	1,828	4,119
15	Total	165,064	16,999

Note 35. Gains less losses (losses less gains) from transactions in debt instruments measured at fair value through other comprehensive income

Gains less losses (losses less gains) from transactions in debt instruments measured at fair value through other comprehensive income

Table 35.1.

Line	Item	January-December 2019	January-December 2018
1	2	3	4
5	Gains less losses (losses less gains) from trading	8,330	-
6	Total	8,330	-

Note 37. ECL allowances for financial assets measured at amortized cost

Information on change of ECL allowances for financial assets measured at amortized cost in 2019

Table 37.1.

Line	Item	Assets in credit institutions and non-resident banks	Loans issued and other deposited assets	Accounts receivable	Total
1	2	3	4	5	6
1	ECL allowance as of 31 December 2018	12	40,563	54,478	95,053
2	Payments to ECL allowance	(10)	10,117	269,917	280,023
3	Accounts written off as uncollectible	-	-	(230,403)	(230,403)
5	ECL allowance as of 31 December 2019	2	50,680	93,991	144,673

Detailed information on the movement of expected credit losses allowance movement and the gross book value of dues from credit institutions and non-resident banks is provided in Note 10 hereof, loans granted and other deposits in Note 11 hereof, receivables in Note 12 hereof.

Information on change of ECL allowances for financial assets measured at amortized cost in 2018

Table 37.1.

Line	Item	Assets in credit institutions and non-resident banks	Loans issued and other deposited assets	Accounts receivable	Total
1	2	3	4	5	6
1	ECL allowance as of 31 December 2017	2	49,993	32,494	82,489
2	Payments to ECL allowance	(10)	(9,430)	27,397	17,977
3	Accounts written off as uncollectible	-	-	(5,413)	(5,413)
5	ECL allowance as of 31 December 2018	12	40,563	54,478	95,053

Note 39. Gains less losses (losses less gains) from foreign currency transactions

Gains less losses (losses less gains) from foreign currency transactions

Table 39.1.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
1	Gains less losses (losses less gains) from foreign currency purchase and sale	(1,419)	2,120
2	Gains less losses (losses less gains) from revaluation of assets denominated in foreign currency	(9,447)	71,738
3	Total	(10,866)	73,858

Note 40. Other investment gains less losses (losses less gains)

Other investment gains less losses (losses less gains)

Table 40.1.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
4	Income (expenses) from operations with stocks (shares) of participation in subsidiaries and associates	(175)	-
6	Total	(175)	-

In 2019, the income (expenses) from operations with stocks (shares) of participation in subsidiaries and associates comprised recovery of provisions for impairment of investments in subsidiaries of RUB 56,805 thousand.

Note 41. Proceeds from services, fee & commission income

Proceeds from services, fee & commission income

Table 41.1.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
Section I. Proceeds and fee and commission income for organization of trading			
1	Service fees	18,733	22,450
2	Listing fees	674,654	338,337
3	Fee & commission income for organization of trading on the securities market	2,782,226	1,102,675
4	Fee & commission income for organization of trading on the FX market	1,991,756	1,736,472
5	Fee & commission income for organization of trading on the derivatives market	1,651,153	2,334,092
7	Total	7,118,522	5,534,026
Section VII. Other income from main business			
50	Proceeds from market maker services	19,534	15,775
51	Proceeds related to EDI services	27,172	26,924
52	Proceeds from providing access to software	406,124	1,984,029
53	Proceeds from information and consulting services	763,854	703,830
54	Other proceeds related to main business for additional services	2,572,631	2,520,644
55	Total	3,789,315	5,251,202
56	Total	10,907,837	10,785,228

Other proceeds related to main business for additional services comprises commission income from REPO transactions

Note 42. Staff expenses**Staff expenses**

Table 42.1.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
1	Labor payment expenses	3,425,092	3,086,147
2	Taxes and deductions on salaries and other payments to employees	718,113	599,504
4	Other long-term benefits	57,291	16,884
5	Other	56,414	261,321
6	Total	4,256,910	3,963,856

42.1.1. Labor payment expenses for 2019 include annual bonuses to employees of RUB 948,276 thousand (2018: RUB 781,761 thousand) and termination benefits of RUB 57,292 thousand (2018: RUB 16,960 thousand).

42.1.2. Taxes and deductions on salaries and other payments to employees for 2019 include statutory contributions to state non-budgetary funds in the amount of RUB 718,113 thousand (2018: RUB 599,504 thousand).

Note 43. Direct operating expenses**Direct operating expenses**

Table 43.1.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
1	Market maker fees	671,308	504,692
2	Bonus payments	156,250	237,413
4	Depository and registrar services	1,766	627
11	Other	8,838	7,594
12	Total	838,162	750,326

Note 44. Interest expenses**Interest expenses**

Table 44.1.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
5	Lease liabilities	17,292	-
7	Total	17,292	-

Note 46. G&A expenses**G&A expenses**

Table 46.1.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
1	Information and telecommunication services	49,724	67,716
2	Property & equipment depreciation	942,140	1,018,763
3	Software and other intangible assets amortization	413,991	267,078
4	Lease expenses	51,805	311,247
5	Property & equipment and intangible assets transactions	1,315,884	1,132,650
6	Professional services (security, communications, etc.)	55,198	67,088
7	Insurance	2,617	2,166
8	Advertising and marketing	117,205	106,726
9	Legal and advisory fees	294,921	231,963
11	Hospitality expenses	83,191	72,815
12	Transport expenses	14,947	14,080
13	Business trip expenses	50,539	52,880
14	Fines and penalties	34	109
15	Credit institutions and non-resident bank fees	4,070	3,665
16	Taxes, other than income tax	79,677	80,973
17	Other administrative expenses	380,457	343,032
18	Total	3,856,400	3,772,951

46.1.2. In 2019, lease expenses include operating lease expenses of RUB 51,805 thousand (2018: RUB 311,247 thousand).

Note 47. Other income and expenses**Other income**

Table 47.1.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
1	Leases, other than investment property lease	57,520	60,962
3	Accounts payable written off	14	148
8	Other income	330,709	209,686
9	Total	388,243	270,796

Other income includes income from the provision of technical and technological access to trade and income from performing the functions of a regional representative.

Other expenses

Table 47.2.

Line	Item	For January – December 2019	For January – December 2018
1	2	3	4
2	Expenses for write-offs of bad receivables.	1,100	4,129
4	Charity, sport events, recreation, cultural events expenses	77,654	61,326
5	Other expenses	94,937	124,224
6	Total	173,691	189,679

In 2019, other expenses included expenses of previous years identified in the reporting year and other expenses of a one-time nature.

In 2018, other expenses included expenses for provisions for impairment of investments in subsidiaries of RUB 56,805 thousand.

Note 47.1. Lease

Information on lease agreements under which a non-credit financial institution is a lessee

Table 47.1.1.

Line 1	Disclosure requirements 2	Description 3
1	The nature of the tenant's lease activities	Lease of premises and other fixed assets for the performance of the main business
2	Future cash flows to which the lessee is potentially exposed that are not recognized in the measurement of lease liabilities	

Assets and liabilities within the lease agreements under which a non-credit financial institution is a lessee

Table 47.1.2.

Line 1	Item on a balance sheet 2	Note 3	Book value	
			December 31, 2019 4	December 31, 2018 5
1	Fixed assets	19	164,647	-
3	Financial liabilities measured at amortized cost: credits, loans and other borrowed funds	24	161,795	-

Cash flows within lease agreements under which a non-credit financial institution is a lessee

Table 47.1.3.

Line 1	Item 2	December 31, 2019 3	December 31, 2018 4
1	Cash flows from operating activities, including:	61,523	-
2	interest paid	16,745	-
3	payments under short-term lease and the rental of low-value objects	6,756	-
4	variable lease payments not included into the lease liability measure	38,022	-
5	Cash flows from financing activities, including:	182,679	-
6	payments related to repayment of liabilities under lease contacts	182,679	-
7	Total cash outflow	244,202	-

Minimum amounts of future lease payments received under an operating lease that cannot be canceled, in cases where a non-credit financial institution is a lessor

Table 47.1.6.

Line 1	Item 2	December 31, 2019 3	December 31, 2018 4
1	Up to 1 year	15,806	23,346
7	Total	15,806	23,346

Note 48. Income tax

Income tax expense (profit) designated as profit (loss) by components

Table 48.1.

Line 1	Item 2	December 31, 2019 3	December 31, 2018 4
1	Current income tax expense (profit)	585,704	621,132
3	Changes in differed tax liabilities (assets)	(98,258)	(24,631)
4	Total, including:	487,445	596,501
5	deferred income tax expense (profit) labored in other comprehensive income	(11,406)	-
6	income tax expense (profit)	476,040	596,501

The income tax rate applied to most income in 2019 is 20% (in 2019: 20%).

Comparison of theoretical income tax and actual income tax expense

Table 48.2.

Line	Item	December 31, 2019	December 31, 2018
1	2	3	4
1	Profit (loss) before taxes	16,179,215	8,944,626
2	Theoretical income tax expenses (profit) at the relevant base rate (2019: 20%; 2018: 20%)	3,235,843	1,788,925
3	Adjustment for non-taxable income or loss in accordance with national tax accounting system:		
4	non-taxable income	(2,856,389)	(1,311,446)
5	non-taxable expenses	102,704	119,022
6	Adjustment for income or loss taxable at the rates other than the basic	(6,118)	-
12	Income tax expense (profit)	476,040	596,501

48.3.3. Differences in accounting and tax laws of the Russian Federation cause certain temporary differences between book value of certain assets and liabilities for the purposes of accounting (financial) statements and income tax calculation purposes.

Tax effect from temporary differences and deferred tax loss in 2019

Table 48.4.

Line	Item	December 31, 2018	Designated as profit or loss	Designated as other comprehensive income	December 31, 2019
1	2	3	4	5	6
Section I. Tax effect from temporary differences deductible for tax purposes					
1	Intangible assets	330	16,130	-	16,460
2	Short-term and long-term employee benefits payment liabilities (other liabilities)	277,064	20,369	-	297,433
3	Accounts receivable (ECL allowance)	10,896	7,902	-	18,798
4	Cash (ECL allowance)	2	(2)	-	0
5	Accounts receivable (other accounts receivable)	-	44,865	-	44,865
6	Accounts payable (other)	-	23,911	-	23,911
7	Other assets (advances, prepayments made on other operations)	8,706	546	-	9,252
8	Other assets (next period vacation)	535	199	-	734
12	Total deferred tax assets	297,533	113,920	-	411,453
14	Deferred tax asset before offsetting against deferred tax liabilities	297,533	113,920	-	411,453
Section II. Tax effect from temporary differences non-deductible for tax purposes					
1	Fixed assets	(414,454)	1,000	-	(413,454)
2	Financial liabilities measured at amortized cost (lease liabilities)	-	(1,183)	-	(1,183)
3	Financial assets measured at fair value through OCI: debt instruments	-	5,472	(11,406)	(5,934)
4	Accounts receivable of customers	-	(5,633)	-	(5,633)
5	Loans issued and other deposited assets	-	(3,911)	-	(3,911)
28	Total deferred tax assets	(414,454)	(4,255)	(11,406)	(430,115)
29	Net deferred tax assets (liabilities)	(116,921)	109,664	(11,406)	(18,662)
30	Deferred tax asset (liability) recognized	(116,921)	109,664	(11,406)	(18,662)

Tax effect from temporary differences and deferred tax loss in 2018

Table 48.4.

Line	Item	December 31, 2017	Designated as profit or loss	Designated as other comprehensive income	December 31, 2018
1	2	3	4	5	6
Section I. Tax effect from temporary differences deductible for tax purposes					
1	Intangible assets	44	286	-	330
2	Short-term and long-term employee benefits payment liabilities (other liabilities)	266,956	10,108	-	277,064
3	Accounts receivable (ECL allowance)	6,499	4,397	-	10,896
4	Cash (ECL allowance)	-	2	-	2
5	Other assets (advances, prepayments made on other operations)	8,835	(129)		8,706
6	Other assets (next period vacation)	525	10		535
12	Total deferred tax assets	282,859	14,674	-	297,533
14	Deferred tax asset before offsetting against deferred tax liabilities	282,859	14,674	-	297,533
Section II. Tax effect from temporary differences non-deductible for tax purposes					
15	Fixed assets	(424,412)	9,958	-	(414,454)
28	Total deferred tax assets	(424,412)	9,958	-	(414,454)
29	Net deferred tax assets (liabilities)	(141,553)	24,632	-	(116,921)
30	Deferred tax asset (liability) recognized	(141,553)	24,632	-	(116,921)

Note 49. Dividends

Dividends

Table 49.1.

Line	Item	December 31, 2019		December 31, 2018	
		On ordinary shares	On preferred shares	On ordinary shares	On preferred shares
1	2	3	4	5	6
1	Dividend payable, beginning of the period	-	-	-	-
2	Dividend announced during the period	17,528,291	-	12,451,916	-
3	Dividend paid during the period	17,528,291	-	12,451,916	-
4	Dividend payable, end of the period	-	-	-	-
5	DPS announced during the period	7.70	-	5.47	-

49.1.1. Dividends were declared and paid in Russian rubles.

49.1.2. The Russian Federation laws provide that the non-credit financial institution may pay dividend only out of its accrued retained earnings as per financial (accounting) statements according to RAS. Retained earnings of the non-credit financial institution over January-December 2019 amounted to RUB 15,703,175 thousand (in January-December 2018: RUB 8,348,125 thousand).

Note 50. Earnings (loss) per share**Basic earnings (loss) per share**

Table 50.1.

Line 1	Item 2	Note 3	December 31, 2019 4	December 31, 2018 5
1	Earnings (loss) attributable to ordinary equity holders for the reporting period		15,703,175	8,348,125
2	Earnings (loss) attributable to preferred equity holders for the reporting period		-	-
3	Total earnings (loss) attributable to equity holders for the reporting period		15,703,175	8,348,125
4	Weighted average number of outstanding ordinary shares (thousand)		2,276,401	2,276,401
5	Weighted average number of outstanding preferred shares (thousand)		-	-
6	Basic earnings (loss) per ordinary share (in RUB per share)		7	4
7	Basic earnings (loss) per preferred share (in RUB per share)		-	-

Earnings (loss) attributable to ordinary and preferred equity holders for the reporting period

Table 50.2.

Line 1	Item 2	December 31, 2019 3	December 31, 2018 4
1	Earnings (loss) attributable to equity holders for the reporting period	15,703,175	8,348,125
2	Dividend per ordinary and preferred shares	17,528,291	12,451,916
3	Retained earnings for the reporting period	15,703,175	8,348,125
7	Retained earnings (loss) for the reporting period attributable to preferred equity holders depending on share terms	15,703,175	8,348,125
8	Dividend per ordinary shares declared in the reporting period	17,528,291	12,451,916
9	Earnings (loss) attributable to ordinary equity holders for the reporting period	15,703,175	8,348,125

Diluted earnings (loss) per ordinary share

Table 50.3.

Line 1	Item 2	Note 3	December 31, 2019 4	December 31, 2018 5
1	Earnings (loss) attributable to ordinary equity holders		15,703,175	8,348,125
2	Interest expenses under convertible debt (less taxes)		-	-
3	Earnings (loss) used to calculate diluted earnings per share		15,703,175	8,348,125
4	Weighted average number of outstanding ordinary shares (thousand)		2,276,401	2,276,401
5	New shares from supposed conversion of convertible debt (thousand)		-	-
6	New shares from supposed conversion of options or share warrants (thousand)		-	-
7	Diluted earnings (loss) per ordinary share (in RUB, per share)		7	3.67

Note 51. Segment reporting

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with subsidiaries); whose operating and financial results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. As at 31 December 2018 and 31 December 2019, the Company comprised one operating segment.

Note 52. Risk Management

Credit quality of debt instruments measured at fair value through other comprehensive income as of 31 December 2019

Table 52.3.

Line	Item	Delay in payment <30D	Delay in payment 30D to 90D	Delay in payment 90D to 180D	Delay in payment 180D to 360D	Delay in payment >360D	Total
1	2	3	4	5	6	7	8
1	Financial assets with ECL allowance measured at amount of 12-month expected credit loss, including:	11,570,645	-	-	-	-	11,570,645
2	debt instruments at fair value through OCI, including:	11,570,645	-	-	-	-	11,570,645
3	Government of the Russian Federation	3,763,197	-	-	-	-	3,763,197
6	credit institutions and non-resident banks	4,849,729	-	-	-	-	4,849,729
8	non-financial institutions	2,957,719	-	-	-	-	2,957,719
53	Total	11,570,645	-	-	-	-	11,570,645

Credit quality of financial assets measured at amortized cost: due from credit institutions and non-resident banks as of 31 December 2019

Table 52.4.

Line	Item	Delay in payment <30D	Delay in payment 30D to 90D	Delay in payment 90D to 180D	Delay in payment 180D to 360D	Delay in payment >360D	Total
1	2	3	4	5	6	7	8
1	Financial assets with ECL allowance measured at amount of 12-month expected credit loss, including:	30,000	-	-	-	-	30,000
9	due from clearing organizations and intended for collective clearing collateral (guarantee fund)	30,000	-	-	-	-	30,000
49	Total	30,000	-	-	-	-	30,000

Credit quality of financial assets measured at amortized cost: due from credit institutions and non-resident banks as of 31 December 2018

Table 52.4.

Line	Item	Delay in payment <30D	Delay in payment 30D to 90D	Delay in payment 90D to 180D	Delay in payment 180D to 360D	Delay in payment >360D	Total
1	2	3	4	5	6	7	8
1	Financial assets with ECL allowance measured at amount of 12-month expected credit loss, including:	20,097	-	-	-	-	20,097
9	due from clearing organizations and intended for collective clearing collateral (guarantee fund)	20,000	-	-	-	-	20,000
24	other assets in credit institutions and non-resident banks	97	-	-	-	-	97
49	Total	20,097	-	-	-	-	20,097

Credit quality of financial assets measured at amortized cost: accounts receivable as of 31 December 2019

Table 52.6.

Line	Item	Delay in payment <30D	Delay in payment 30D to 90D	Delay in payment 90D to 180D	Delay in payment 180D to 360D	Delay in payment >360D	Total
1	2	3	4	5	6	7	8
1	Financial assets with ECL allowance measured at amount of 12-month expected credit loss, including:	43,657	-	-	-	-	43,657
2	accounts receivable of customers	31,242	-	-	-	-	31,242
6	other accounts receivable	12,415	-	-	-	-	12,415
7	Non-credit impaired financial assets with ECL allowance measured at amount of lifetime expected credit loss, where there has been a significant increase in credit risk since the initial recognition, including:	273,319	542	-	-	-	273,861
8	accounts receivable of customers	273,319	542	-	-	-	273,861
25	Total	316,976	542	-	-	-	317,518

Credit quality of financial assets measured at amortized cost: accounts receivable as of 31 December 2018

Table 52.6.

Line	Item	Delay in payment <30D	Delay in payment 30D to 90D	Delay in payment 90D to 180D	Delay in payment 180D to 360D	Delay in payment >360D	Total
1	2	3	4	5	6	7	8
1	Financial assets with ECL allowance measured at amount of 12-month expected credit loss, including:	383,338	-	-	-	-	383,338
2	accounts receivable of customers	383,338	-	-	-	-	383,338
7	Non-credit impaired financial assets with ECL allowance measured at amount of lifetime expected credit loss, where there has been a significant increase in credit risk since the initial recognition, including:	-	3,787	22,414	-	3,677	29,878
8	accounts receivable of customers	-	3,787	22,414	-	3,677	29,878
25	Total	338,338	3,787	22,414	-	3,677	413,216

Geographical analysis of financial assets and liabilities, as of 31 December 2019

Table 52.12.

Line	Item	Russia	OECD members	Others	Total
1	2	3	4	5	6
Section I. Assets					
1	Cash funds	2,080,754	-	-	2,080,754
2	Financial assets at fair value through profit or loss, including:	111,292	-	55,991	167,283
3	financial assets classified on a mandatory basis as measured at fair value through profit or loss	111,292	-	55,991	167,283
5	Financial assets measured at fair value through OCI, including:	10,801,924	-	768,721	11,570,645
6	debt instruments	10,801,924	-	768,721	11,570,645
8	Financial assets measured at amortized cost, including:	266,700	75,305	5,513	347,518
9	assets in credit institutions and non-resident banks	30,000	-	-	30,000
11	accounts receivable	236,700	75,305	5,513	317,518
14	Investment in subsidiaries	28,544,136	-	41,538	28,585,674
16	Other assets	-	-	-	-
17	Total assets	41,804,806	75,305	871,763	42,751,874
Section II. Liabilities					
21	Financial liabilities measured at amortized cost, including:	381,870	120,145	5,057	507,072
23	credits, loans and other borrowed funds	161,795	-	-	161,795
25	accounts payable	220,075	120,145	5,057	345,277
27	Other liabilities	299	-	-	299
28	Total liabilities	382,169	120,145	5,057	507,371
29	Net balance sheet item	41,422,637	(44,840)	866,706	42,244,503

Geographical analysis of financial assets and liabilities, as of 31 December 2018

Table 52.12.

Line	Item	Russia	OECD members	Others	Total
1	2	3	4	5	6
Section I. Assets					
1	Cash funds	15,434,751	-	-	15,434,751
2	Financial assets at fair value through profit or loss, including:	111,292	-	-	111,292
3	financial assets classified on a mandatory basis as measured at fair value through profit or loss	111,292	-	-	111,292
8	Financial assets measured at amortized cost, including:	350,800	73,217	9,296	433,313
9	assets in credit institutions and non-resident banks	20,097	-	-	20,097
11	accounts receivable	330,703	73,217	9,296	413,216
14	Investment in subsidiaries	28,544,279	-	41,535	28,585,814
16	Other assets	92,151	28,773	127	121,051
17	Total assets	44,533,273	101,990	50,958	44,686,221
Section II. Liabilities					
21	Financial liabilities measured at amortized cost, including:	210,842	46,513	183	257,538
25	accounts payable	210,842	46,513	183	257,538
27	Other liabilities	1,232,375	-	-	1,232,375
28	Total liabilities	1,443,217	46,513	183	1,489,913
29	Net balance sheet item	43,090,056	55,477	50,775	43,196,308

Financial liabilities by remaining maturity (based on contractual undiscounted cash flows), as of 31 December 2019

Table 52.13.

Line	Item	Up to 3M	3M to 1Y	1Y to 3Y	3Y to 5Y	5Y to 15Y	>15Y	Maturity undefined	Past due	Total
1	2	3	4	5	6	7	8	9	10	11
18	Credits, loans and other borrowed funds measured at amortized cost, including:	48,737	45,897	57,321	28,817	17,752	-	-	-	198,524
20	lease liabilities	48,737	45,897	57,321	28,817	17,752	-	-	-	198,524
28	Accounts payable measured at amortized cost, including:	345,277								345,277
29	accounts payable for IT services	25,546								25,546
30	accounts payable for rent and maintenance of premises	20,521								20,521
31	accounts payable to depositories	65								65
40	other accounts payable	299,145								299,145
42	Total liabilities	394,014	45,897	57,321	28,817	17,752	-	-	-	543,801

Financial liabilities by remaining maturity (based on contractual undiscounted cash flows), as of 31 December 2018

Table 52.13.

Line	Item	Up to 3M	3M to 1Y	1Y to 3Y	3Y to 5Y	5Y to 15Y	>15Y	Maturity undefined	Past due	Total
1	2	3	4	5	6	7	8	9	10	11
28	Accounts payable measured at amortized cost, including:	257,538	-	-	-	-	-	-	-	257,538
29	accounts payable for IT services	68,933	-	-	-	-	-	-	-	68,933
30	accounts payable for rent and maintenance of premises	722	-	-	-	-	-	-	-	722
31	accounts payable to depositories	1,803	-	-	-	-	-	-	-	1,803
40	other accounts payable	186,080	-	-	-	-	-	-	-	186,080
42	Total liabilities	257,538	-	-	-	-	-	-	-	257,538

Financial assets and liabilities by remaining maturity (based on expected maturity), 31 December 2019

Table 52.14.

Line 1	Item 2	Up to 3M 3	3M to 1Y 4	>1Y 5	Total 6
Section I. Assets					
1	Cash funds, including:	2,080,754	-	-	2,080,754
2	cash funds available on settlement accounts	2,080,754	-	-	2,080,754
31	Debt instruments measured at fair value through OCI, including:	2,121,819	5,851,965	3,596,861	11,570,645
32	debt instruments at fair value through OCI, including:	2,121,819	5,851,965	3,596,861	11,570,645
33	Government of the Russian Federation	2,121,819	619,381	1,021,997	3,763,197
36	credit institutions and non-resident banks	-	3,710,979	1,138,750	4,849,729
38	non-financial institutions	-	1,521,605	1,436,114	2,957,719
44	Due from credit institutions and non-resident banks measured at amortized cost, including:	-	-	30,000	30,000
49	collective clearing collateral (guarantee fund) placed in deposits with credit institutions	-	-	30,000	30,000
64	Accounts receivable measured at amortized cost, including:	317,518	-	-	317,518
65	accounts receivable of customers	305,103	-	-	305,103
69	other accounts receivable	12,415	-	-	12,415
71	Total assets	4,520,091	5,851,965	3,626,861	13,998,917
Section II. Liabilities					
89	Credits, loans and other borrowed funds measured at amortized cost, including:	46,046	39,200	76,549	161,795
91	lease liabilities	46,046	39,200	76,549	161,795
99	Accounts payable measured at amortized cost, including:	345,277	-	-	345,277
100	accounts payable for IT services	25,546	-	-	25,546
101	accounts payable for rent and maintenance of premises	20,521	-	-	20,521
102	accounts payable to depositories	65	-	-	65
111	other accounts payable	299,145	-	-	299,145
113	Total liabilities	391,323	39,200	76,549	507,072
114	Total liquidity gap	4,128,768	5,812,765	3,550,312	13,491,845

Financial assets and liabilities by remaining maturity (based on expected maturity), 31 December 2018

Table 52.14.

Line	Item	Up to 3M	3M to 1Y	>1Y	Total
1	2	3	4	5	6
Section I. Assets					
1	Cash funds, including:	15,434,751	-	-	15,434,751
2	cash funds available on settlement accounts	15,434,751	-	-	15,434,751
5	Debt instruments classified on a mandatory basis as financial assets measured at fair value through profit or loss, including:	-	-	-	-
17	deposits in credit institutions and non-resident banks	-	-	-	-
44	Due from credit institutions and non-resident banks measured at amortized cost, including:	97	-	20,000	20,097
49	collective clearing collateral (guarantee fund) placed in deposits with credit institutions	97	-	20,000	20,097
64	Accounts receivable measured at amortized cost, including:	413,216	-	-	413,216
65	accounts receivable of customers	281,087	-	-	281,087
66	settlements with currency and stock exchanges	8,783	-	-	8,783
69	other accounts receivable	123,347	-	-	123,347
71	Total assets	15,848,064	-	20,000	15,868,064
Section II. Liabilities					
99	Accounts payable measured at amortized cost, including:	257,538	-	-	257,538
100	accounts payable for IT services	68,933	-	-	68,933
101	accounts payable for rent and maintenance of premises	722	-	-	722
102	accounts payable to depositories	1,803	-	-	1,803
111	other accounts payable	186,080	-	-	186,080
113	Total liabilities	257,538	-	-	257,538
114	Total liquidity gap	15,590,525	-	20,000	15,610,525

Financial assets and liabilities by main currencies, as of 31 December 2019

Table 52.15.

Line	Item	RUB	USD	EUR	Other currencies	Total
1	2	3	4	5	6	7
Section I. Assets						
1	Cash funds	1,895,721	163,777	16,298	4,958	2,080,754
2	Financial assets at fair value through profit or loss, including:	167,283	-	-	-	167,283
3	financial assets classified on a mandatory basis as measured at fair value through profit or loss	167,283	-	-	-	167,283
5	Financial assets measured at fair value through OCI, including:	11,570,645	-	-	-	11,570,645
6	debt instruments	11,570,645	-	-	-	11,570,645
8	Financial assets measured at amortized cost, including:	262,084	80,809	4,015	610	347,518
9	assets in credit institutions and non-resident banks	30,000				30,000
11	accounts receivable	232,084	80,809	4,015	610	317,518
14	Investment in subsidiaries	28,585,674				28,585,674
16	Total assets	42,481,407	244,586	20,313	5,568	42,751,874
Section II. Liabilities						
20	Financial liabilities measured at amortized cost, including:	383,932	121,509	219	1,412	507,072
22	credits, loans and other borrowed funds	161,795				161,795
24	accounts payable	222,137	121,509	219	1,412	345,277
26	Total liabilities	383,932	121,509	219	1,412	507,072
27	Net balance sheet item	42,097,475	123,077	20,094	4,156	42,244,802

Financial assets and liabilities by main currencies, as of 31 December 2018

Table 52.15.

Line	Item	RUB	USD	EUR	Other currencies	Total
1	2	3	4	5	6	7
Section I. Assets						
1	Cash funds	15,059,846	344,744	24,736	5,425	15,434,751
2	Financial assets at fair value through profit or loss, including:	111,292	-	-	-	111,292
3	financial assets classified on a mandatory basis as measured at fair value through profit or loss	111,292	-	-	-	111,292
8	Financial assets measured at amortized cost, including:	335,873	74,533	15,398	7,509	433,313
9	assets in credit institutions and non-resident banks	20,097	-	-	-	20,097
11	accounts receivable	315,776	74,533	15,398	7,509	413,216
14	Investment in subsidiaries	28,585,814	-	-	-	28,585,814
16	Total assets	44,092,825	419,277	40,134	12,934	44,565,170
Section II. Liabilities						
20	Financial liabilities measured at amortized cost, including:	217,558	39,084	896	-	257,538
24	accounts payable	217,558	39,084	896	-	257,538
26	Total liabilities	217,558	39,084	896	-	257,538
27	Net balance sheet item	43,875,267	380,193	39,238	12,934	44,307,632

Sensibility to market indexes

Table 52.17.

Line	Market index	Change	December 31, 2019		December 31, 2018	
			Effect on profit before tax	Effect on capital	Effect on profit before tax	Effect on capital
1	2	3	4	5	6	7
1	USD	25% for 31 December 2019 15% for 31 December 2018	30,769	24,615	57,020	45,622
2	EUR	25% for 31 December 2019 20% for 31 December 2018	5,024	4,019	7,847	6,277

52.17.1 In March 2020, material fluctuations at the financial markets occurred that were accompanied by the reduction in the exchange rates of the Russian ruble against the key currencies. The Company management does not expect the events to materially impact the Company's financial results.

Note 54. Contingent liabilities
Contingent liabilities and assets

Table 54.1.

Line 1	Disclosure requirements 2	Description 3
1	Nature and amounts of contingent liabilities that do not meet the recognition criteria	Potential claims, warranty provided.

- 54.3.1. In the current period of non-credit financial organization activities, there were claims filed to the judicial authorities against a non-credit financial organization. On the basis of the internal assessment and the recommendations by internal and external professional consultants, the non-credit financial institution believes that proceedings will not result in material losses for a non-credit financial institution and, accordingly, create a reserve for proceedings in the accounting (financial) statements.
- 54.3.5 As of 31 December 2019 and 31 December 2018, the Company had the following contingent liabilities that do not meet the recognition criteria: guarantee of securing obligations and payments in accordance with the Agreement on the Company participation in the Guarantee Fund formed by NBCO NCC (JSC) of RUB 5,000,000 thousand.

Note 56. Fair value of financial instruments

Fair value hierarchy that repeated fair value valuations relates to, as of 31 December 2019

Table 56.1.

Line	Item	Fair value by inputs level			Total fair value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on non-observable inputs (Level 3)	
1	2	3	4	5	6
1	Assets at fair value, including:	11,570,645	-	167,283	11,737,928
2	financial assets, including:	11,570,645	-	167,283	11,737,928
3	financial assets classified on a mandatory basis as measured at fair value through profit or loss, including:	-	-	167,283	167,283
4	securities held for trading, including:	-	-	167,283	167,283
6	equity securities, non-credit financial institutions	-	-	180	180
7	equity securities, non-financial institutions	-	-	167,103	167,103
65	financial assets at fair value through other comprehensive income, inclusive of:	11,570,645	-	-	11,570,645
66	debt instruments measured at fair value through OCI, including:	11,570,645	-	-	11,570,645
67	debt instruments of the government of the Russian Federation	3,763,197	-	-	3,763,197
70	debt instruments of credit institutions and non-resident banks	4,849,729	-	-	4,849,729
72	debt instruments, non-financial institutions	2,957,719	-	-	2,957,719

Fair value hierarchy that repeated fair value valuations relates to, as of 31 December 2018

Table 56.1.

Line	Item	Fair value by inputs level			Total fair value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on non-observable inputs (Level 3)	
1	2	3	4	5	6
1	Assets at fair value, including:	-	-	111,292	111,292
2	financial assets, including:	-	-	111,292	111,292
3	financial assets classified on a mandatory basis as measured at fair value through profit or loss, including:	-	-	111,292	111,292
4	securities held for trading, including:	-	-	111,292	111,292
6	equity securities, non-credit financial institutions	-	-	180	180
7	equity securities, non-financial institutions	-	-	111,112	111,112

56.1.2. To determine the fair value of financial instruments that are not traded in active markets, the non-credit financial institution uses the discounted cash flows valuation method. However, IFRS states that the fair value of an instrument at the recognition date normally equals the price of transaction. If transaction price differs from the value determined at the date of financial instrument recognition using the valuation technique, depreciation for this difference is recognized on a straight-line basis over the term of the financial instrument.

Valuation techniques and inputs used in fair value measurement for level 3 in fair value hierarchy, and valuation sensitivity to possible changes in inputs, as of 31 December 2019

Table 56.3.

Line	Item	Fair value	Valuation technique	Inputs used	Inputs range (weighted average)	Reasonable changes	Fair value valuation sensitivity
1	2	3	4	5	6	7	8
1	Assets at fair value, including:	167,283	-	-	-	-	-
2	financial assets, including:	167,283	-	-	-	-	-
3	financial assets classified on a mandatory basis as measured at fair value through profit or loss, including:	167,283	-	-	-	-	-
4	securities held for trading, including:	167,283	-	-	-	-	-
5	equity securities of credit institutions and non-resident banks	180	cost method	Historical value	n/a	n/a	n/a
6	equity securities, non-credit financial institutions						
7	equity securities, non-financial institutions	167,103	cost method	Historical value	n/a	n/a	n/a

Valuation techniques and inputs used in fair value measurement for level 3 in fair value hierarchy, and valuation sensitivity to possible changes in inputs, as of 31 December 2018

Table 56.3.

Line	Item	Fair value	Valuation technique	Inputs used	Inputs range (weighted average)	Reasonable changes	Fair value valuation sensitivity
1	2	3	4	5	6	7	8
1	Assets at fair value, including:	111,292	-	-	-	-	-
2	financial assets, including:	111,292	-	-	-	-	-

3	financial assets classified on a mandatory basis as measured at fair value through profit or loss, including:	111,292	-	-	-	-	-
4	securities held for trading, including:	111,292	-	-	-	-	-
6	equity securities, non-credit financial institutions	180	cost method	Historical value	n/a	n/a	n/a
7	equity securities, non-financial institutions	111,112	cost method	Historical value	n/a	n/a	n/a

Information on reconciliation of changes in fair value measurement for level 3 by instruments classes, January-December 2019

Table 56.4.

Line	Item	Equity securities measured at fair value through profit or loss	Equity securities measured at fair value through OCI	Derivative assets	Derivative liabilities	Debt instruments measured at fair value through profit or loss	Debt instruments at fair value through OCI	Other	Total
1	2	3	4	5	6	7	8	9	10
1	Fair value as of <u>1 January 2019</u>	111,292	-	-	-	-	-	-	111,292
4	Additions	55,991	-	-	-	-	-	-	55,991
10	Fair value as of <u>31 December 2019</u>	167,283	-	-	-	-	-	-	167,283

Information on reconciliation of changes in fair value measurement for level 3 by instruments classes, January-December 2018

Table 56.4.

Line	Item	Equity securities measured at fair value through profit or loss	Equity securities measured at fair value through OCI	Derivative assets	Derivative liabilities	Debt instruments measured at fair value through profit or loss	Debt instruments at fair value through OCI	Other	Total
1	2	3	4	5	6	7	8	9	10
1	Fair value as of <u>1 January 2018</u>	111,292	-	-	-	-	-	-	111,292
10	Fair value as of <u>31 December 2018</u>	111,292	-	-	-	-	-	-	111,292

Fair value by fair value hierarchy levels, book value of financial assets and liabilities not measured at fair value, 31 December 2019

Table 56.6.

Line	Item	Fair value by inputs level			Total fair value	Book value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on non-observable inputs (Level 3)		
1	2	3	4	5	6	7
1	Financial assets not at fair value, including:	-				
2	cash funds, including:	-	2,080,754	-	2,080,754	2,080,754
5	cash funds available on settlement accounts	-	2,080,754	-	2,080,754	2,080,754
8	financial assets at amortized cost, inclusive of:	-	347,518	-	347,518	347,518
9	Accounts written off as uncollectible	-	30,000	-	30,000	30,000
14	collective clearing collateral (guarantee fund) placed in deposits with credit institutions	-	30,000	-	30,000	30,000
29	accounts receivable, including:	-	-	317,518	317,518	317,518
31	accounts receivable of customers	-	-	305,103	305,103	305,103
32	settlements with currency and stock exchanges	-	-	-		
35	other accounts receivable	-	-	12,415	12,415	12,415
39	Financial liabilities not at fair value, including:	-	507,072	-	507,072	507,072
40	financial liabilities measured at amortized cost, including:	-	507,072	-	507,072	507,072
45	credits, loans and other borrowed funds, including:	-	161,795	-	161,795	161,795
47	lease liabilities	-	161,795	-	161,795	161,795
55	accounts payable, including:	-	-	345,277	345,277	345,277
56	accounts payable for IT services	-	-	25,546	25,546	25,546
57	accounts payable for rent and maintenance of premises	-	-	20,521	20,521	20,521
58	accounts payable to depositories	-	-	65	65	65
67	other accounts payable	-	-	299,145	299,145	299,145

Fair value by fair value hierarchy levels, book value of financial assets and liabilities not measured at fair value, 31 December 2018

Table 56.6.

Line	Item	Fair value by inputs level			Total fair value	Book value
		Quoted market prices (Level 1)	Valuation techniques based on observable inputs (Level 2)	Valuation techniques based on non-observable inputs (Level 3)		
1	2	3	4	5	6	7
1	Financial assets not at fair value, including:	-	15,868,064		15,868,064	15,868,064
2	cash funds, including:	-	15,434,751	-	15,434,751	15,434,751
5	cash funds available on settlement accounts	-	15,434,751	-	15,434,751	15,434,751
8	financial assets measured at amortized cost, including:	-	433,313	-	433,313	433,313
9	assets in credit institutions and non-resident banks, including:	-	20,097	-	20,097	20,097
14	collective clearing collateral (guarantee fund) placed in deposits with credit institutions		20,000	-	20,000	20,000
20	other	-	97		97	97
29	accounts receivable, including:	-	413,216	-	413,216	413,216
31	accounts receivable of customers	-	281,087	-	281,087	281,087
32	settlements with currency and stock exchanges	-	8,783	-	8,783	8,783
35	other accounts receivable	-	123,347	-	123,347	123,347
55	accounts payable, including:	-	257,538	-	257,538	257,538
56	accounts payable for IT services	-	68,934	-	68,934	68,934
57	accounts payable for rent and maintenance of premises	-	722	-	722	722
58	accounts payable to depositories	-	1,803	-	1,803	1,803
67	other accounts payable	-	186,080	-	186,080	186,080

56.6.1 The Company does not assess the fair value of the subsidiaries, as the companies are reflected in the consolidated financial statements prepared in accordance with the International Accounting Standards.

Note 58. Related Party Transactions
Related party transactions balance, 31 December 2019

Table 58.1.

Line	Item	Parent company	Subsidiaries	Jointly controlled entities	Associated companies	Key management personnel	Companies under common control	Other related parties	Total
1	2	3	4	5	6	7	8	9	10
1	Cash funds	-	1,879,831	-	-	-	-	29,424	1,909,254
5	Financial assets measured at fair value through OCI, including:	-	-	-	-	-	-	5,284,801	5,284,801
6	debt instruments	-	-	-	-	-	-	5,284,801	5,284,801
8	Financial assets measured at amortized cost, including	-	70,205	-	-	-	-	79,213	149,418
11	accounts receivable	-	70,205	-	-	-	-	79,213	149,418
14	Investment in subsidiaries	-	28,585,674	-	-	-	-	-	28,585,674
19	Other assets	-	-	-	-	-	-	7,535	7,535
23	Financial liabilities measured at amortized cost, including	-	79,532	-	-	-	-	25,508	105,040
25	credits, loans and other borrowed funds	-	75,505	-	-	-	-	103	75,608
27	accounts payable	-	4,027	-	-	-	-	25,405	29,432
29	Other liabilities	-	-	-	-	229,310	-	48	229,358

Related party transactions balance, 31 December 2018

Table 58.1.

Line	Item	Parent company	Subsidiaries	Jointly controlled entities	Associated companies	Key management personnel	Companies under common control	Other related parties	Total
1	2	3	4	5	6	7	8	9	10
1	Cash funds	-	14,873,571	-	-	-	-	46,540	14,920,111
8	Financial assets measured at amortized cost, including:	-	40,360	-	-	-	-	79,665	120,025
11	accounts receivable	-	40,360	-	-	-	-	79,665	120,025
14	Investment in subsidiaries	-	28,585,814	-	-	-	-	-	28,585,814
19	Other assets	-	6	-	-	-	-	348	354
23	Financial liabilities measured at amortized cost, including:	-	33,337	-	-	-	-	16,997	50,334
27	accounts payable	-	33,337	-	-	-	-	16,997	50,334
29	Other liabilities	-	-	-	-	464,016	-	71	464,087

58.1.3. As of 31 December 2019 guarantees issued for related parties amounted to RUB 5,000,000 thousand (31 December, 2018: RUB 5,000,000 thousand).

Income and expenses under related party transactions, January-December 2019

Table 58.2.

Line	Item	Parent company	Subsidiaries	Jointly controlled entities	Associated companies	Key management personnel	Companies under common control	Other related parties	Total
1	2	3	4	5	6	7	8	9	10
1	Trade and investment returns, including:	-	14,184,411					52,368	14,236,779
4	interest income	-	1,828	-	-	-	-	52,368	54,196
5	dividend and gains less losses (losses less gains) from shareholdings	-	14,156,975	-	-	-	-	-	14,156,975
6	Gains less losses (losses less gains) from transactions in debt instruments measured at fair value through other comprehensive income	-	8,330	-	-	-	-	-	8,330
13	gains less losses (losses less gains) from foreign currency transactions		17,473						17,473
14	other investment gains less losses (losses less gains)	-	(195)	-	-	-	-	-	(195)
15	Proceeds from services, fee & commission income	-	5,118	-	-	-	-	3,579,707	3,584,825
16	Staff expenses	-	-	-	-	(625,974)	-	-	(625,974)
17	Direct operating expenses	-	(2,402)	-	-	-	-	(155,921)	(158,323)
18	Interest expenses	-	(6,543)	-	-	-	-	(23)	(6,566)
20	G&A expenses		(103,639)	-	-	-	-	(57,471)	(161,110)
22	Other income	-	225,586	-	-	-	-	10,314	235,900
23	Other expenses	-	(71)	-	-	-	-	(5,223)	(5,294)

Income and expenses under related party transactions, January-December 2018

Table 58.2.

Line	Item	Parent company	Subsidiaries	Jointly controlled entities	Associated companies	Key management personnel	Companies under common control	Other related parties	Total
1	2	3	4	5	6	7	8	9	10
1	Trade and investment returns, including:	-	6,493,485	-	-	-	-	3,553	6,497,038
4	interest income	-	4,119	-	-	-	-	385	4,504
5	dividend and gains less losses (losses	-	6,489,366	-	-	-	-	3,168	6,492,534

	less gains) from shareholdings								
15	Proceeds from services, fee & commission income	-	5,245	-	-	-	-	3,312,908	3,318,153
16	Staff expenses	-	-	-	-	(782,511)	-	-	(782,511)
17	Direct operating expenses	-	(31,900)	-	-	-	-	(150,622)	(182,522)
22	Other income	-	225,360	-	-	-	-	33,391	258,751
23	Other expenses	-	-	-	-	-	-	(290)	(290)

58.1.1. In the ordinary course of business, the Company exercises transactions with its key shareholders, key management and subsidiaries. Such transactions include operating leases and technical maintenance and are executed primarily at market rates.

Therefore, as of 31 December 2019 and 2018, the Russian Federation exercises a significant impact upon the Company's activities. In the ordinary course of business, the Group provides trading, clearing and depository services to government-related entities, places funds with government-related banks and buys bonds issued by the Russian Federation and government-related entities. Substantial balance and financial results under transactions with government-related entities include:

- Cash funds in the amount of RUB ___ thousand as of 31 December 2019 (RUB 46,540 thousand as of 31 December 2018);
- Other assets in the amount of RUB ___ thousand as of 31 December 2019 (RUB 118,856 thousand as of 31 December 2018);
- Fee & commission income in the amount of RUB ___ thousand as of 31 December 2019 (RUB 3,296,174 thousand as of 31 December 2018);
- Interest and other financial income: RUB 33,391 thousand as of December 31, 2018 (RUB 8,509 thousand as of December 31, 2017);
- G&A expenses: RUB 150,913 thousand (RUB 125,234 thousand as of 31 December 2017);

Remuneration payable to key management personnel

Table 58.3

Line 1	Item 2	December 31, 2019 3	December 31, 2018 4
1	Short-term benefits	575,461	567,923
2	Pension obligations	-	-
3	Long-term benefits	-	-
4	Termination benefits	28,184	-
5	Share-based payments	22,329	214,588

Note 59. Events After the Reporting Date

In February 2020, the Company reduced its participation in the Eurasian Trade System Commodity Exchange JSC (ETS) by selling a 40.82% stake, thereby relinquishing control of this subsidiary. Further sale of a 15% stake in Eurasian Trade System Commodity Exchange JSC (ETS) is expected before the end of 2024. The financial effect of the sale is considered as insignificant for the Company.

Chairman of the Executive Board

(manager's title)

(signature)

Yu.O. Denisov.

(initials, last name)

Chief Accountant – Director of
Accounting and Reporting Department

(manager's title)

(signature)

O.V. Melentieva

(initials, last name)

March 20, 2020