

**PUBLIC JOINT-STOCK COMPANY  
MOSCOW EXCHANGE  
MICEX-RTS**

**Interim Condensed Financial Statements  
For the Six-Month Period Ended June 30, 2020**

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## REPORT ON REVIEW OF CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

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

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Public Joint-Stock Company "Moscow Exchange MICEX-RTS" and its subsidiaries (the "Group") as of June 30, 2020, the related consolidated interim condensed statement of profit or loss for the three and six months then ended, consolidated interim condensed statement of comprehensive income for the three and six months then ended, consolidated interim condensed statements of changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Management is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these consolidated interim condensed financial statements based on our review.

### Scope of Review

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

### Conclusion

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

Shvetsov Andrei Viktorovich  
Engagement partner

August 21, 2020



The Entity: Public Joint-Stock Company "Moscow Exchange MICEX-RTS"

Primary State Registration Number: 1027739387411, record made in the State Register of Legal Entities on 16.10.2002.

Address: Russia 125009, Moscow, Bolshoy Kislovsky per., 13

Audit Firm: AO "Deloitte & Touche CIS"

Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.

Primary State Registration Number: 1027700425444

Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.

Member of Self-regulatory organization of auditors Association "Sodruzhestvo", ORNZ 12006020384.



**Consolidated Interim Condensed Statement of Profit or Loss (unaudited)  
for the Three and the Six-Month Period Ended June 30, 2020**

(in millions of Russian rubles)

	Notes	Three-Month Period Ended June 30, 2020 (unaudited)	Three-Month Period Ended June 30, 2019 (unaudited)	Six-Month Period Ended June 30, 2020 (unaudited)	Six-Month Period Ended June 30, 2019 (unaudited)
Fee and commission income	4	7 990,9	6 561,8	15 900,8	12 679,3
Interest and other finance income	5	4 404,1	3 385,5	7 907,8	7 335,7
Interest expense	6	(498,0)	(698,7)	(1 150,6)	(1 245,4)
Net gain on financial assets at fair value through other comprehensive income	7	210,1	379,2	911,9	379,9
Foreign exchange gains less losses	8	(89,2)	1 432,0	350,6	1 938,7
Other operating income	9	9,7	40,2	95,5	294,9
<b>Operating Income</b>		<b>12 027,6</b>	<b>11 100,0</b>	<b>24 016,0</b>	<b>21 383,1</b>
General and administrative expenses	10	(2 037,1)	(2 076,2)	(3 920,6)	(4 057,2)
Personnel expenses	11	(2 101,3)	(1 797,6)	(3 896,0)	(3 553,5)
<b>Profit before Other Operating Expenses and Tax</b>		<b>7 889,2</b>	<b>7 226,2</b>	<b>16 199,4</b>	<b>13 772,4</b>
Other operating expenses and net expected credit losses provision	12	599,8	83,5	(271,2)	(2 570,0)
<b>Profit before Tax</b>		<b>8 489,0</b>	<b>7 309,7</b>	<b>15 928,2</b>	<b>11 202,4</b>
Income tax expense	14	(1 668,9)	(1 407,1)	(3 204,1)	(2 204,3)
<b>Net Profit</b>		<b>6 820,1</b>	<b>5 902,6</b>	<b>12 724,1</b>	<b>8 998,1</b>
<b>Attributable to:</b>					
Equity holders of the parent		6 804,9	5 900,7	12 708,1	8 986,3
Non-controlling interest		15,2	1,9	16,0	11,8
<b>Earnings per share (rubles)</b>					
Basic earnings per share	31	3,02	2,62	5,64	3,99
Diluted earnings per share	31	3,02	2,62	5,63	3,99

  
Acting Chairman of the Executive Board

**I.L. Marich**

August 21, 2020  
Moscow

  
Chief Financial Officer,  
Executive Board Member  
**M.V. Lapin**

August 21, 2020  
Moscow

The notes 1-36 form an integral part of these consolidated interim condensed financial statements.

**Consolidated Interim Condensed Statement of Comprehensive Income (unaudited)  
for the Three and the Six-Month Period Ended June 30, 2020**  
(in millions of Russian rubles)

	Notes	Three-Month Period Ended June 30, 2020 (unaudited)	Three-Month Period Ended June 30, 2019 (unaudited)	Six-Month Period Ended June 30, 2020 (unaudited)	Six-Month Period Ended June 30, 2019 (unaudited)
<b>Net profit</b>		<b>6 820,1</b>	<b>5 902,6</b>	<b>12 724,1</b>	<b>8 998,1</b>
<b>Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translating foreign operations		-	(1,1)	8,1	(2,0)
Movement in investment revaluation reserve for financial assets at fair value through other comprehensive income		4 053,2	2 081,7	1 251,1	3 462,4
Movement in revaluation reserve associated with changes in expected credit losses on financial assets at fair value through other comprehensive income	13	(509,2)	(39,4)	262,0	21,1
Net gain on investments at fair value through other comprehensive income reclassified to profit or loss	7	(210,1)	(379,2)	(911,9)	(379,9)
Income tax relating to items that may be reclassified	14	(666,8)	(332,6)	(120,3)	(620,7)
<b>Other comprehensive income that may be reclassified subsequently to profit or loss</b>		<b>2 667,1</b>	<b>1 329,4</b>	<b>489,0</b>	<b>2 480,9</b>
<b>Total comprehensive income</b>		<b>9 487,2</b>	<b>7 232,0</b>	<b>13 213,1</b>	<b>11 479,0</b>
<b>Attributable to:</b>					
Equity holders of the parent		9 472,0	7 232,6	13 189,0	11 474,6
Non-controlling interest		15,2	(0,6)	24,1	4,4

The notes 1-36 form an integral part of these consolidated interim condensed financial statements.

**Consolidated Interim Condensed Statement of Financial Position (unaudited)  
as at June 30, 2020**

(in millions of Russian rubles)

	Notes	June 30, 2020 (unaudited)	December 31, 2019
<b>ASSETS</b>			
Cash and cash equivalents	15	386 455,3	466 098,8
Financial assets at fair value through profit or loss	16	15 359,5	13 695,4
Due from financial institutions	17	104 066,4	60 424,0
Central counterparty financial assets	18	3 771 444,1	3 262 670,6
Financial assets at fair value through other comprehensive income	19	225 073,3	179 313,4
Investments in associates	22	21,8	-
Property and equipment	20	6 428,6	5 446,6
Intangible assets	21	16 807,4	16 989,0
Goodwill		15 971,4	15 971,4
Current tax prepayments		1 022,0	1 481,9
Assets held for sale	23	-	105,4
Deferred tax asset	14	705,1	1 701,5
Other assets	24	4 104,3	4 696,4
<b>TOTAL ASSETS</b>		<b>4 547 459,2</b>	<b>4 028 594,4</b>
<b>LIABILITIES</b>			
Balances of market participants	25	628 826,3	565 922,6
Overnight bank loans	26	-	49 229,1
Central counterparty financial liabilities	18	3 771 444,1	3 262 670,6
Distributions payable to holders of securities	27	10 788,2	11 714,1
Margin account		-	0,6
Current tax payables		1 143,3	1 041,5
Liabilities related to assets held for sale	23	-	5,8
Deferred tax liability	14	2 355,6	2 361,0
Other liabilities	28	5 771,1	3 796,7
<b>TOTAL LIABILITIES</b>		<b>4 420 328,6</b>	<b>3 896 742,0</b>
<b>EQUITY</b>			
Share capital	29	2 495,9	2 495,9
Share premium	29	32 207,4	32 199,8
Treasury shares	29	(1 502,0)	(1 504,3)
Reserves relating to assets held for sale	23	-	(14,6)
Investments revaluation reserve		2 079,1	1 598,2
Share-based payments		495,5	457,6
Retained earnings		91 243,8	96 435,1
<b>Total equity attributable to owners of the parent</b>		<b>127 019,7</b>	<b>131 667,7</b>
Non-controlling interest		110,9	184,7
<b>TOTAL EQUITY</b>		<b>127 130,6</b>	<b>131 852,4</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4 547 459,2</b>	<b>4 028 594,4</b>

The notes 1-36 form an integral part of these consolidated interim condensed financial statements.

**Consolidated Interim Condensed Statement of Cash Flows (unaudited)  
for the Six-Month Period Ended June 30, 2020**  
(in millions of Russian rubles)

	Notes	Six-Month Period Ended June 30, 2020 (unaudited)	Six-Month Period Ended June 30, 2019 (unaudited)
<b>Cash flows from / (used in) operating activities:</b>			
Profit before tax		15 928,2	11 202,4
<b>Adjustments for:</b>			
Depreciation and amortisation charge	10	1 616,8	1 759,1
Net change in deferred commission income		-	(219,8)
Revaluation of derivatives		1 232,5	394,7
Share-based payment expense	11	56,7	66,9
Unrealized (gain) / loss on foreign exchange operations		(2,5)	88,9
Gain on disposal of financial assets at FVTOCI		(911,9)	(379,9)
Net change in interest accruals		(1 272,6)	(1 057,2)
Net (gain) / loss on disposal of property and equipment		(1,3)	0,2
Change in allowance for expected credit losses	13	281,9	2 134,3
Change in other provisions	28	(10,7)	217,4
Gain on disposal of assets held for sale	23	(71,4)	-
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>16 845,7</b>	<b>14 207,0</b>
<b>Changes in operating assets and liabilities:</b>			
<i>(Increase) / decrease in operating assets:</i>			
Due from financial institutions		(18 951,5)	11 965,7
Financial assets at FVTPL		43,8	(2 207,8)
Central counterparty financial assets		(505 239,6)	438 685,7
Other assets		794,9	(717,3)
<i>Increase / (decrease) in operating liabilities:</i>			
Balances of market participants		(4 187,1)	171 023,7
Overnight bank loans		(49 229,1)	116 465,6
Central counterparty financial liabilities		505 239,6	(438 685,7)
Distributions payable to holders of securities		(1 287,9)	(23 437,0)
Margin account		(0,6)	(979,6)
Other liabilities		(293,0)	482,1
<b>Cash flows (used in) / from operating activities before taxation</b>		<b>(56 264,8)</b>	<b>286 802,4</b>
Income tax paid		(1 771,7)	(5 604,7)
<b>Cash flows (used in) / from operating activities</b>		<b>(58 036,5)</b>	<b>281 197,7</b>

The notes 1-36 form an integral part of these consolidated interim condensed financial statements.

**Consolidated Interim Condensed Statement of Cash Flows (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles)

	Notes	Six-Month Period Ended June 30, 2020 (unaudited)	Six-Month Period Ended June 30, 2019 (unaudited)
<b>Cash flows from / (used in) investing activities:</b>			
Purchase of financial assets at FVTOCI		(97 587,9)	(51 162,7)
Proceeds from disposal of financial assets at FVTOCI		61 519,3	85 531,9
Purchase of property and equipment and intangible assets		(1 411,2)	(745,0)
Proceeds from disposal of property and equipment and intangible assets		20,2	-
Proceeds from disposal of non-current assets held for sale	23	21,5	-
<b>Cash flows (used in) / from investing activities</b>		<b>(37 438,1)</b>	<b>33 624,2</b>
<b>Cash flows from / (used in) financing activities:</b>			
Dividends paid	30	(17 899,4)	(17 377,2)
Cash outflow for lease liabilities		(97,6)	(93,2)
<b>Cash flows used in financing activities</b>		<b>(17 997,0)</b>	<b>(17 470,4)</b>
Effect of changes in foreign exchange rates on cash and cash equivalents		33 820,0	(43 964,7)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(79 651,6)</b>	<b>253 386,8</b>
<b>Cash and cash equivalents, beginning of period</b>	15	<b>466 107,3</b>	<b>416 395,9</b>
<b>Cash and cash equivalents, end of period</b>	15	<b>386 455,7</b>	<b>669 782,7</b>

Interest received by the Group during the period ended June 30, 2020, amounted to RUB 6 580,2 million (June 30, 2019: RUB 6 155,4 million). Interest paid by the Group during the period ended June 30, 2020, amounted to RUB 1 131,4 million (June 30, 2019: RUB 1 195,9 million).



**Consolidated Interim Condensed Statement of Changes in Equity (unaudited) for the Six-Month Period Ended June 30, 2020**  
(in millions of Russian rubles)

	Share capital	Share premium	Treasury shares	Investments revaluation reserve	Share-based payments	Foreign currency translation reserve	Reserves relating to assets held for sale	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
<b>December 31, 2018</b>	<b>2 495,9</b>	<b>32 140,2</b>	<b>(1 768,2)</b>	<b>(1 758,2)</b>	<b>710,1</b>	<b>(20,9)</b>	<b>-</b>	<b>93 623,3</b>	<b>125 422,2</b>	<b>182,4</b>	<b>125 604,6</b>
Net profit	-	-	-	-	-	-	-	8 986,3	8 986,3	11,8	8 998,1
Other comprehensive income/(loss)	-	-	-	2 482,9	-	4,0	1,4	-	2 488,3	(7,4)	2 480,9
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 482,9</b>	<b>-</b>	<b>4,0</b>	<b>1,4</b>	<b>8 986,3</b>	<b>11 474,6</b>	<b>4,4</b>	<b>11 479,0</b>
Foreign currency translation reserve relating to Assets held for sale	-	-	-	-	-	16,9	(16,9)	-	-	-	-
Dividends declared (Note 30)	-	-	-	-	-	-	-	(17 377,2)	(17 377,2)	-	(17 377,2)
Share-based payments	-	46,2	235,1	-	(233,4)	-	-	-	47,9	-	47,9
<b>Total transactions with owners</b>	<b>-</b>	<b>46,2</b>	<b>235,1</b>	<b>-</b>	<b>(233,4)</b>	<b>16,9</b>	<b>(16,9)</b>	<b>(17 377,2)</b>	<b>(17 329,3)</b>	<b>-</b>	<b>(17 329,3)</b>
<b>June 30, 2019</b>	<b>2 495,9</b>	<b>32 186,4</b>	<b>(1 533,1)</b>	<b>724,7</b>	<b>476,7</b>	<b>-</b>	<b>(15,5)</b>	<b>85 232,4</b>	<b>119 567,5</b>	<b>186,8</b>	<b>119 754,3</b>
<b>December 31, 2019</b>	<b>2 495,9</b>	<b>32 199,8</b>	<b>(1 504,3)</b>	<b>1 598,2</b>	<b>457,6</b>	<b>-</b>	<b>(14,6)</b>	<b>96 435,1</b>	<b>131 667,7</b>	<b>184,7</b>	<b>131 852,4</b>
Net profit	-	-	-	-	-	-	-	12 708,1	12 708,1	16,0	12 724,1
Other comprehensive income	-	-	-	480,9	-	-	-	-	480,9	8,1	489,0
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480,9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 708,1</b>	<b>13 189,0</b>	<b>24,1</b>	<b>13 213,1</b>
Dividends declared (Note 30)	-	-	-	-	-	-	-	(17 899,4)	(17 899,4)	-	(17 899,4)
Share-based payments	-	7,8	2,1	-	37,9	-	-	-	47,8	-	47,8
Disposal of assets held for sale	-	-	-	-	-	-	14,6	-	14,6	(97,9)	(83,3)
Treasury shares transferred	-	(0,2)	0,2	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>7,6</b>	<b>2,3</b>	<b>-</b>	<b>37,9</b>	<b>-</b>	<b>14,6</b>	<b>(17 899,4)</b>	<b>(17 837,0)</b>	<b>(97,9)</b>	<b>(17 934,9)</b>
<b>June 30, 2020</b>	<b>2 495,9</b>	<b>32 207,4</b>	<b>(1 502,0)</b>	<b>2 079,1</b>	<b>495,5</b>	<b>-</b>	<b>-</b>	<b>91 243,8</b>	<b>127 019,7</b>	<b>110,9</b>	<b>127 130,6</b>

The notes 1-36 form an integral part of these consolidated interim condensed financial statements.

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020**  
(in millions of Russian rubles, unless otherwise indicated)

**1. Organization**

Public Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange) is a stock exchange based in Moscow, Russian Federation. It was established as closed joint-stock company "Moscow Interbank Currency Exchange" (MICEX) in 1992. In December 2011 the company was reorganized into the form of open joint-stock company and renamed to Open Joint-Stock Company MICEX-RTS. In July 2012 the name of the company was changed to Open Joint-Stock Company Moscow Exchange MICEX-RTS. On April 28, 2015 at Annual General Meeting of Shareholders of Moscow Exchange (AGM) the company's new business name as Public Joint Stock Company Moscow Exchange MICEX-RTS was approved to meet revised standards of the Russian Civil Code. The new business name and respective changes to the Charter of Moscow Exchange took effect from May 13, 2015, the day the registration authority recorded new version of the Charter.

The legal address of Moscow Exchange: 13 Bolshoy Kislovsky per., Moscow, the Russian Federation.

Moscow Exchange Group ("the Group") is an integrated exchange structure that provides financial market participants with a full set of competitive trading, clearing, settlement, depository and information services. The Group operates on the following markets: foreign currencies exchange market, government securities and money market, market of derivative financial instruments, equities market, corporate and regional bonds market, commodities market.

Moscow Exchange is the parent company of the Group, which includes the following entities:

Name	Principal activities	June 30, 2020	December 31, 2019
		Voting rights, %	Voting rights, %
JSC Central Counterparty National Clearing Centre (former Bank National Clearing Centre JSC) (NCC)	Clearing operations	100%	100%
JSC National Settlement Depository (NSD)	Depository, clearing, repository and settlement services	99,997%	99,997%
JSC National Mercantile Exchange (NAMEX)	Commodities exchange operations	65,08%	65,08%
OJSC Evraziyskaia Trading System Commodity Exchange (ETS)	Commodities exchange operations	-*	60,82%
MICEX Finance LLC (MICEX Finance)	Financial activities	100%	100%
MOEX Innovations LLC (MOEX Innovations)	Fintech start-ups, financial activities	100%	100%
MOEX Information Security LLC (MOEX Information Security)	Information security services	100%	100%

NCC performs functions of a clearing organization and central counterparty on the financial market and holds licences for clearing operations and banking operations for non-banking credit institutions - central counterparties issued by the Central Bank of Russia (CBR).

\* The subsidiary was disposed of retaining 20% stake. See Note 23.

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

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**1. Organization (continued)**

NSD is the central securities depository of the Russian Federation. NSD is the Russian national numbering agency and the substitute numbering agency for the Commonwealth of Independent States (CIS), authorized to assign the international ISIN, CFI, as well as Local Operating Unit of a global system of legal entities identification, authorized to assign LEI codes to the legal entities. NSD holds licences for depository, repository, clearing and settlement operations issued by the CBR.

NAMEX is a commodity exchange operating in Russia.

ETS is a commodity exchange, which has a licence for organisation of trading in commodities in Kazakhstan. In February 2020 the Group reduced its ownership in ETS by selling a 40,82% stake in the company and therefore ceding control over this subsidiary (for details refer to Note 23). Further sale of 15% share in ETS is expected until the end of 2024.

MICEX Finance is established for facilitating financial activities of the Group.

MOEX Innovations concentrates on start-ups development in the fintech sphere.

MOEX Information Security was established in Russia in October 2018 for providing information security services.

Moscow Exchange and all subsidiaries are located in Russia, except for ETS which is located in Kazakhstan.

The Group has 1 875 employees as at June 30, 2020 (December 31, 2019: 1 791 employees).

**Operating environment.** The Russian economy continued to be negatively impacted by ongoing political tension in the region and continuing international sanctions imposed in several packages by the U.S. and the E.U. on certain Russian officials, businessmen and companies. The above mentioned events have led to reduced access of the Russian businesses to international capital markets, increased inflation, economic recession and other negative economic consequences.

Because Russia produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market. In March 2020 oil prices dropped for more than 40%, which resulted in weakening of Russian Ruble against major currencies.

In addition to that, starting from early 2020 a new coronavirus disease (COVID-19) has begun rapidly spreading all over the world resulting in announcement of the pandemic status by the World Health Organization in March 2020. Responses put in place by many countries to contain the spread of COVID-19 are resulting in significant operational and financial disruption for many companies and have significant impact on global economy and global financial markets. The significance of the effect of COVID-19 on the Group's business largely depends on the duration of the pandemic effects and the impact of new coronavirus spread prevention measures on the world and Russian economy.

The Group is currently evaluating the potential short-term and long-term implications of COVID-19 and market volatility on its consolidated financial statements and on the capital and liquidity position of its regulated subsidiaries. This evaluation includes stress-tests adjusted on potential COVID-19 effect on market volatility. Management currently believes that it has adequate capital and liquidity position to continue to operate the business and mitigate the risks associated with COVID-19 for the foreseeable future.

The Group has a well-established mechanism to ensure continuity of trading, and during the high volatility in the six-month period of 2020, the exchange has seen an increase in turnover compared to the same period last year.

**The financial statements approval.** These Consolidated Interim Condensed Financial Statements of the Group were approved for issue by the Management on August 21, 2020.

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

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**2. Basis of Preparation and Significant Accounting Policies**

***Statement of compliance***

These Consolidated Interim Condensed Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standard IAS 34 "Interim Financial Statements".

***Basis of preparation***

These Consolidated Interim Condensed Financial Statements are presented in millions of Russian rubles rounded to one decimal place, unless otherwise indicated. These Consolidated Interim Condensed Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value.

These Consolidated Interim Condensed Financial Statements have been prepared on basis of the statutory accounting records and have been adjusted to conform to IFRS.

Due to the fact that the results of the Group's operations closely relate to and depend on changing market conditions, the results of the Group's operations for the interim period are not necessarily indicative of the results for the year ending December 31, 2020.

The Russian ruble exchange rates applied in the preparation of these Consolidated Interim Condensed Financial Statements are presented below:

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
USD	69,9513	61,9057
EUR	78,6812	69,3406

***Inflation accounting***

The Russian economy was considered hyperinflationary until December 31, 2002. As such, the Group applied IAS 29 *Financial Reporting in Hyperinflationary Economies*. The effect of applying IAS 29 is that non-monetary items, including components of equity, were restated to the measuring units current at December 31, 2002 by applying the relevant inflation indices to the historical cost, and that these restated values were used as a basis for accounting in subsequent periods.

***Significant Accounting Policies***

The accounting policies adopted by the Group in the preparation of these Consolidated Interim Condensed Financial Statements are consistent with those followed in the preparation of the Group's Consolidated Financial Statements for the year ended December 31, 2019.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the IASB and IFRIC of the IASB that are relevant to its operations and effective for reporting periods ending on December 31, 2020:

- Amendments to the Amendments to *References to the Conceptual Framework in IFRS* Standards
- Amendments to IFRS 3 *Definition of business*
- Amendments to IAS 1 and IAS 8 *Definition to Material*
- Amendments to IFRS 9 , IAS 39 and IFRS 7 *Basic interest rate reform*

The adoption of these new and revised Standards and Interpretations has not resulted in significant changes to the Group's accounting policies that have affected the amounts reported for the current or prior period.

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

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**3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

In the application of the Group's accounting policies the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and critical estimates made by the Group in the process of applying the accounting policies were consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2019, except for the following updates made to expected credit loss (ECL) estimation model:

- refined approach to Loss Given Default (LGD) estimation
  - country creditworthiness is applied (in addition to the own creditworthiness of counterparties)
  - adjustments in terms of counterparty types (scales for sovereign entities and systemically important institutions added)
- refined approach to probability of default (PD) estimation
  - assessment horizons for bonds have been adjusted
- refined approach to exposure at default (EAD) estimation
  - cash-flow valuation method adjusted in accordance with impairment stages
  - cash flows are now discounted using the effective interest rate (previously - risk free rate)
- updated macro-adjustments calculation methodology
  - analysis of cycles based on dynamics of macroeconomic indices (GDP, consumer price index, money supply M1, industrial production index, processing industry index etc.) has been replaced with 1Y and 2Y Russian CDS quotes indicative of cyclical phase shift.

These updates in methodology itself (model effect) did not impact significantly the amount of the expected credit loss allowance. The major impact on provision amount is driven by shock in economic environment (specifically global oil market) that affected counterparties' probabilities of default (PD). Given the structure of financial assets subject to IFRS 9, the most severe effect in provisions due to market fluctuations showed financial assets at FVTOCI (Note 13).



**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

**4. Fee and Commission Income**

	Three-Month Period Ended June 30, 2020	Three-Month Period Ended June 30, 2019	Six-Month Period Ended June 30, 2020	Six-Month Period Ended June 30, 2019
Securities market	1 883,3	1 445,3	3 792,3	2 528,3
- equities	975,9	540,6	2 093,1	955,0
- bonds	707,2	751,6	1 362,3	1 288,8
- listing and other services	200,2	153,1	336,9	284,5
Money market	2 032,5	1 788,6	3 754,7	3 559,9
Depository and settlement services	1 473,5	1 313,2	2 867,1	2 499,7
Foreign exchange	1 013,3	885,7	2 083,7	1 757,3
Derivatives	834,0	642,7	1 933,1	1 298,1
Information services	249,1	217,6	540,3	430,3
Sale of software and technical services	216,6	199,8	427,5	397,4
Other	288,6	68,9	502,1	208,3
<b>Total fee and commission income</b>	<b>7 990,9</b>	<b>6 561,8</b>	<b>15 900,8</b>	<b>12 679,3</b>

With effect from 1 January 2020, the Group applied a new tariff for foreign currency bank accounts, according to which the Group charges negative interest on participants' balances in foreign currencies which correspond to the currency of placement in the correspondent banks. The maintenance fee for such accounts is recognized in fee and commission income, negative interest rate is recognized as interest expense on cash and cash equivalents and due from financial institutions (Note 6) and interest income is recognized as interest on cash and cash equivalents and due from financial institutions and balances with market participants (Note 5).

**5. Interest and Other Finance Income**

	Three-Month Period Ended June 30, 2020	Three-Month Period Ended June 30, 2019	Six-Month Period Ended June 30, 2020	Six-Month Period Ended June 30, 2019
<b>Gain on financial assets at FVTPL</b>				
Interest income	121,8	40,3	233,6	71,4
Net gain on financial assets at FVTPL	350,3	37,5	35,8	73,6
<b>Total gain on financial assets at FVTPL</b>	<b>472,1</b>	<b>77,8</b>	<b>269,4</b>	<b>145,0</b>
<b>Interest income on financial assets other than at FVTPL</b>				
Interest income on financial assets at FVTOCI	2 197,1	2 465,9	4 419,4	5 034,4
Interest on cash and cash equivalents and due from financial institutions and balances of market participants	1 734,9	841,8	3 219,0	2 156,3
<b>Total interest income on financial assets other than at FVTPL</b>	<b>3 932,0</b>	<b>3 307,7</b>	<b>7 638,4</b>	<b>7 190,7</b>
<b>Total interest and other finance income</b>	<b>4 404,1</b>	<b>3 385,5</b>	<b>7 907,8</b>	<b>7 335,7</b>

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

**6. Interest Expense**

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
Interest expense on cash and cash equivalents and due from financial institutions	349,7	-	786,3	-
Interest expense on accounts of clearing participants	63,7	110,3	144,5	222,8
Interest expense on interbank loans and deposits	15,4	577,0	138,9	993,1
Interest expense on stress collateral	63,6	7,1	73,6	20,9
Interest expense on lease liabilities	5,6	2,9	6,8	6,5
Interest expense on repo agreements and other	-	1,4	0,5	2,1
<b>Total interest expense</b>	<b>498,0</b>	<b>698,7</b>	<b>1 150,6</b>	<b>1 245,4</b>

**7. Net Gain on Financial Assets at Fair Value through Other Comprehensive Income**

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
Bonds issued by Russian Federation	189,4	393,6	867,3	393,6
Bonds issued by foreign companies of Russian groups	3,1	-	21,4	-
Bonds issued by Russian companies	20,1	(5,5)	23,4	(5,4)
Bonds issued by Russian banks	(2,5)	(9,5)	(0,2)	(8,9)
Bonds issued by foreign financial organizations	-	0,6	-	0,6
<b>Total net gain on financial assets at FVTOCI</b>	<b>210,1</b>	<b>379,2</b>	<b>911,9</b>	<b>379,9</b>

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

**8. Foreign Exchange Gains Less Losses**

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
Foreign exchange swaps	(83,6)	1 487,8	340,5	2 008,5
Net result from other foreign exchange operations	(5,6)	(55,8)	10,1	(69,8)
<b>Total foreign exchange gains less losses</b>	<b>(89,2)</b>	<b>1 432,0</b>	<b>350,6</b>	<b>1 938,7</b>

Net gain on foreign exchange swaps includes gains/(losses) from swap deals used to hedge open foreign currency position of the Group and gain from swap transactions used to earn interest income from ruble-denominated funds.

**9. Other Operating Income**

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
Reversal of legal case provision	-	-	-	218,3
Other operating income	9,7	40,2	95,5	76,6
<b>Total other operating income</b>	<b>9,7</b>	<b>40,2</b>	<b>95,5</b>	<b>294,9</b>

Other operating income for the six-months period ended June 30, 2020 includes RUB 71,4 million gain on sale of investment in ETS (Note 23).

In December 2015, a brokerage company defaulted on its liabilities to the Group that were foreclosed via standard default management procedures explicitly stipulated by the Law "On clearing, clearing activities and the central counterparty" to cover the liabilities to bona fide market and clearing participants. In September 2016, the broker was declared bankrupt. In October 2017, the bankruptcy manager filed a lawsuit with the arbitration court, seeking to declare the deals on foreclosure as void. During the year 2018 the courts of first and second instances ruled to fulfil plaintiffs demands. The Group made a 100% provision (Note 33) and filed a cassation which was satisfied. As a result the provision was conservatively decreased to 25% of the amount claimed to RUB 218,3 million. In January 2019 the plaintiffs applied to the Supreme Court. As of March 31, 2019 the Group performed additional risk-assessment and recovered the provision in full. In the second quarter 2019 The Supreme Court rejected to satisfy the plaintiffs' claim.





**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

**10. General and Administrative Expenses**

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
Amortisation of intangible assets (Note 21)	607,5	550,9	1 193,5	1 074,1
Equipment and intangible assets maintenance	362,5	351,7	735,9	683,8
Depreciation of property and equipment (Note 20)	213,6	335,4	423,3	685,0
Taxes, other than income tax	155,1	147,1	288,2	279,4
Market makers fees	122,1	180,7	274,0	335,7
Professional services	112,5	100,5	220,0	256,0
Information services	159,5	76,8	205,2	146,3
Registrar and foreign depository services	102,4	75,3	194,9	154,3
Rent and office maintenance	75,0	76,2	152,1	149,1
Advertising and marketing costs	23,7	107,2	69,5	152,5
Charity	58,0	5,5	67,2	8,0
Communication services	24,1	21,9	42,8	44,9
Security expenses	7,6	7,6	15,3	15,1
Business trip expenses	1,5	20,9	11,7	37,1
Transport expenses	4,8	4,0	8,4	8,7
Loss on disposal of property, equipment and intangible assets	0,4	0,2	0,4	0,2
Other	6,8	14,3	18,2	27,0
<b>Total general and administrative expenses</b>	<b>2 037,1</b>	<b>2 076,2</b>	<b>3 920,6</b>	<b>4 057,2</b>

Professional services comprise consulting, audit, legal and other services.

**11. Personnel Expenses**

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
Employees benefits except for share-based payments	1 776,6	1 495,0	3 128,2	2 844,1
Payroll related taxes	299,7	296,0	711,1	642,5
Share-based payment expense on equity settled instruments	20,2	1,9	47,8	47,9
Share-based payment expense on cash settled instruments	4,8	4,7	8,9	19,0
<b>Total personnel expenses</b>	<b>2 101,3</b>	<b>1 797,6</b>	<b>3 896,0</b>	<b>3 553,5</b>

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**

(in millions of Russian rubles, unless otherwise indicated)

**11. Personnel Expenses (continued)**

Rights to purchase equity instruments granted to some employees give holders a choice either to only purchase the full number of shares at exercise price or also to sell back shares at the market price for the same ruble value. The majority of the rights vest when the employee continues to be employed by the Group at the vesting date. The maximum contractual term of the contracts is four years. The maximum contractual term of the contracts granted in 2017 is three and a half years. The fair value of the rights is measured at the grant date using a binomial model taking into account the terms and conditions under which the instruments were granted.

In 2017 the new program of cash settled instruments was introduced. The amount of cash consideration to be received by the employees is linked to the future market price of the Group's shares. The majority of the rights vest when the employee continues to be employed by the Group at the vesting date. The maximum contractual term of the contracts is three and a half years. The fair value of the rights is remeasured at each reporting date using a binomial model.

The following table illustrates the number and weighted average exercise prices (WAEP), and movements in rights to purchase equity settled instruments:

	<b>Number</b>	<b>WAEP</b>
<b>Outstanding at January 1, 2019</b>	<b>49 734 517</b>	<b>98,97</b>
Granted	5 000 000	107,50
Exercised (Note 29)	(3 459 488)	69,89
Forfeited	(4 014 513)	115,31
Redeemed	(12 073 846)	69,89
<b>Outstanding at June 30, 2019</b>	<b>35 186 670</b>	<b>108,82</b>
<b>Outstanding at January 1, 2020</b>	<b>30 466 667</b>	<b>109,94</b>
Exercised (Note 29)	(30 961)	96,53
Forfeited	(480 000)	101,39
Redeemed	(524 039)	96,53
<b>Outstanding at June 30, 2020</b>	<b>29 431 667</b>	<b>110,34</b>

WAEP for exercised rights in the table above is calculated based on the contractual exercise price.

No cash settled instruments were granted during the six-month period ended June 30, 2020 and June 30, 2019. The weighted average remaining contractual life of outstanding instruments is 0,62 years (December 31, 2019: 0,37 years).

291 813 cash settled instruments were exercised during the six-month period ended June 30, 2020 with WAEP of RUB 102,80 (June 30, 2019: 163 278 with WAEP of RUB 88,36).

The number of equity rights exercisable as at June 30, 2020 is 19 478 334 with WAEP of RUB 112,61 (December 31, 2019: 12 916 667 with WAEP of RUB 114,42).

No equity rights were granted during the six-month period ended June 30, 2020 (June 30, 2019: the weighted average fair value of equity rights granted was RUB 9,40).

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

**11. Personnel Expenses (continued)**

The range of exercise prices and weighted average remaining contractual life of equity rights are as follows:

Exercise price	June 30, 2020		December 31, 2019	
	Number outstanding	Weighted average remaining contractual life	Number outstanding	Weighted average remaining contractual life
77,0 - 102,0	5 800 000	0,91	6 700 000	1,28
107,0 - 122,0	23 631 667	0,14	23 766 667	0,34
	<b>29 431 667</b>	<b>0,29</b>	<b>30 466 667</b>	<b>0,55</b>

The following table lists the inputs to the models used for the granted instruments during the six-month period ended June 30, 2019:

Assumption	Equity settled	
	Six-Month Period Ended June 30, 2020	Six-Month Period Ended June 30, 2019
Expected volatility	-	23,1%
Risk-free interest rate	-	7,4%
Weighted average share price, RUB	-	80,94
Dividend yield	-	8,8%

The volatility assumption is based on implied volatilities of quoted shares of Moscow Exchange.

Equity settled instruments are measured at grant date and cash settled instruments are remeasured at each reporting date.

**12. Other Operating Expenses and Net Expected Credit Losses Provision**

	Three-Month Period Ended June 30, 2020	Three-Month Period Ended June 30, 2019	Six-Month Period Ended June 30, 2020	Six-Month Period Ended June 30, 2019
Movement in allowance for ECL (Note 13)	(574,9)	1 839,4	281,9	2 134,3
Provision for losses related to potential commodity market shortages	(24,9)	(1 922,9)	(10,7)	435,7
<b>Total other operating expenses</b>	<b>(599,8)</b>	<b>(83,5)</b>	<b>271,2</b>	<b>2 570,0</b>

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

**12. Other Operating Expenses and Net Expected Credit Losses Provision (continued)**

**Grain**

In the first quarter of 2019, a subsidiary of the Group that operates as a Commodity Delivery Operator (CDO) found, during regular inspections of commodities stored in grain warehouses, several instances where grain stockpiles used as collateral under swap trades were missing, allegedly due to theft. This risk related to use of a partner's infrastructure for storing commodity assets is inherent exclusively to the agricultural products market. The Group's risk protection system and risk monitoring on the grain market consists of evaluation of technical condition and financial position of counterparty (certification), regular independent surveys with rotation of surveyors, and insurance coverage, including covering the risk of fraud, which size which size was sufficient to cover possible losses based on previous cases in the market. The Group has undertaken all necessary actions, such as: has filed 13 claims for the initiation of criminal and civil proceedings, demanding the execution of trades, reclaiming missing collateral and claiming insurance.

The amount receivable from the accredited grain elevators and sugar warehouses is presented as other assets (Note 24), for which a 100% provision has been created. The total amount of provisions for CDO operations as at 30 June 2020 is RUB 2 357,2 million.

**Sugar**

Despite the fact that there have been no instances of missing sugar stocks, the Group has applied a conservative approach to creating provisions for sugar stockpiles at warehouses. On a regular basis, the Group conducts on-site inspections to ensure the security and quality of sugar stockpiles.

**13. Movement in Allowance for Expected Credit Losses**

The information on the movement in the allowance for expected credit losses of the Group for the six-month periods ended June 30, 2020 and June 30, 2019, is provided below.

	<b>Cash and cash equivalents</b>	<b>Due from financial institutions</b>	<b>Financial assets at FVTOCI</b>	<b>Other financial assets</b>	<b>Total</b>
<i>Note</i>	<i>15</i>	<i>17</i>		<i>24</i>	
<b>December 31, 2018</b>	<b>4,7</b>	<b>36,3</b>	<b>192,0</b>	<b>84,5</b>	<b>317,5</b>
Net (reversal) / charge for the period	(2,1)	(35,6)	21,1	2 150,9	2 134,3
Write-offs	-	-	-	(8,1)	(8,1)
<b>June 30, 2019</b>	<b>2,6</b>	<b>0,7</b>	<b>213,1</b>	<b>2 227,3</b>	<b>2 443,7</b>
<b>December 31, 2019</b>	<b>1,7</b>	<b>0,1</b>	<b>219,3</b>	<b>2 442,3</b>	<b>2 663,4</b>
Net (reversal) / charge for the period	(1,3)	51,4	262,0	(30,2)	281,9
Write-offs	-	-	-	(4,9)	(4,9)
<b>June 30, 2020</b>	<b>0,4</b>	<b>51,5</b>	<b>481,3</b>	<b>2 407,2</b>	<b>2 940,4</b>

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**

(in millions of Russian rubles, unless otherwise indicated)

**13. Movement in Allowance for Expected Credit Losses (continued)**

The information on the movement in the allowance for expected credit losses of the Group for the three-month periods ended June 30, 2020 and June 30, 2019, is provided below.

<i>Note</i>	<b>Cash and cash equivalents</b>	<b>Due from credit institutions</b>	<b>Financial assets at FVTOCI</b>	<b>Other financial assets</b>	<b>Total</b>
	<i>15</i>	<i>17</i>		<i>24</i>	
<b>March 31, 2019</b>	<b>3,3</b>	<b>34,8</b>	<b>252,5</b>	<b>316,2</b>	<b>606,8</b>
Net (reversal) / charge for the period	(0,7)	(34,1)	(39,4)	1 913,6	1 839,4
Write-offs	-	-	-	(2,5)	(2,5)
<b>June 30, 2019</b>	<b>2,6</b>	<b>0,7</b>	<b>213,1</b>	<b>2 227,3</b>	<b>2 443,7</b>
<b>March 31, 2020</b>	<b>0,5</b>	<b>99,7</b>	<b>990,5</b>	<b>2 425,7</b>	<b>3 516,4</b>
Net (reversal) / charge for the period	(0,1)	(48,2)	(509,2)	(17,4)	(574,9)
Write-offs	-	-	-	(1,1)	(1,1)
<b>June 30, 2020</b>	<b>0,4</b>	<b>51,5</b>	<b>481,3</b>	<b>2 407,2</b>	<b>2 940,4</b>

In the first quarter 2019 the Group's management had detected several incorrectly processed administrative payments not connected with the Group's trading and clearing activities. Management immediately introduced a set of necessary measures to resolve the situation and improved control procedures to avoid similar mistakes in the future. Also, the Group's management created the provision on receivables at the amount of RUB 259,1 million. As at December 31, 2019, the receivables in the amount of RUB 223,8 million were written off against provision as uncollectible, the excess of provision was recovered.

Total net charge of the allowance for expected credit losses of the Group for the six-month period ended at June 30, 2020 and the three-month period ended June 30, 2020 is included in other operating expenses within Consolidated Interim Condensed Statement of Profit or Loss (Note 12).

As at June 30, 2020 and December 31, 2019, the allowance for expected credit losses of financial assets at fair value through other comprehensive income is included in investments revaluation reserve. The movement of the allowance is reflected within Consolidated Interim Condensed Statement of Comprehensive Income.

The allowance for expected credit losses of the Group consists of the loss allowance measured at an amount equal to 12-month expected credit losses for Stage 1 assets, and the loss allowance measured at an amount equal to lifetime expected credit losses for Stage 2 and Stage 3 assets. The composition of the Group's financial assets and correspondent allowances for expected credit losses by stages as at June 30, 2020 and December 31, 2019 is provided below.



**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
(in millions of Russian rubles, unless otherwise indicated)

**13. Movement in Allowance for Expected Credit Losses (continued)**

<i>Note</i>	<b>Cash and cash equivalents</b>	<b>Due from financial institutions</b>	<b>Financial assets at FVTOCI</b>	<b>Other financial assets</b>	<b>Total</b>
	<i>15</i>	<i>17</i>		<i>24</i>	
<b>June 30, 2020</b>					
Stage 1 assets	386 455,7	104 117,9	225 073,3	932,1	716 579,0
Stage 2 assets	-	-	-	24,0	24,0
Stage 3 assets	-	-	-	2 364,8	2 364,8
<b>Total financial assets</b>	<b>386 455,7</b>	<b>104 117,9</b>	<b>225 073,3</b>	<b>3 320,9</b>	<b>718 967,8</b>
Allowance for Stage 1 assets	(0,4)	(51,5)	(481,3)	(39,4)	(572,6)
Allowance for Stage 2 assets	-	-	-	(2,9)	(2,9)
Allowance for Stage 3 assets	-	-	-	(2 364,8)	(2 364,8)
<b>Total allowance for expected credit losses</b>	<b>(0,4)</b>	<b>(51,5)</b>	<b>(481,3)</b>	<b>(2 407,2)</b>	<b>(2 940,4)</b>
<b>December 31, 2019</b>					
Stage 1 assets	466 100,5	60 424,1	179 313,4	721,4	706 559,4
Stage 2 assets	-	-	-	358,3	358,3
Stage 3 assets	-	-	-	2 396,4	2 396,4
<b>Total financial assets</b>	<b>466 100,5</b>	<b>60 424,1</b>	<b>179 313,4</b>	<b>3 476,1</b>	<b>709 314,1</b>
Allowance for Stage 1 assets	(1,7)	(0,1)	(219,3)	(6,2)	(227,3)
Allowance for Stage 2 assets	-	-	-	(39,7)	(39,7)
Allowance for Stage 3 assets	-	-	-	(2 396,4)	(2 396,4)
<b>Total allowance for expected credit losses</b>	<b>(1,7)</b>	<b>(0,1)</b>	<b>(219,3)</b>	<b>(2 442,3)</b>	<b>(2 663,4)</b>

During the six-month period ended June 30, 2020 there were no transfers from Stage 1 to the lower Stages of impairment. All changes relate to the recognition or derecognition of financial assets in the normal course of the Group's business. During the six-month period ended June 30, 2019 the receivable within other financial assets in the amount of RUB 2 169,9 million was transferred from the first to the third stage.

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase in credit risk as well as in its measurement of ECL. Starting January 1, 2020, the Group uses CDS curves quotes in its measurement of ECL. The Group has identified and documented the key driver of credit risk and credit losses – CDS of Russia.

The table below outlines the total ECL per portfolio as at June 30, 2020 if the assumptions used to measure ECL remain as expected (amount as presented in the statement of financial position), as well as if the key assumption used change by plus or minus 10 % (parallel shift of CDS curve).

	<b>As expected</b>	<b>ECL Cum</b>
	-10%	2 904,6
CDS of Russia	-	2 940,4
	+10%	2 976,3



**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**14. Income Tax**

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of countries where the Group and its subsidiaries operate and which may differ from IFRS.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences relate mostly to different methods of income and expense recognition, as well as to recorded values of certain assets.

The tax rate used for the reconciliations between tax expense and accounting profit is the corporate tax rate of 20% payable by corporate entities in the Russian Federation on taxable profits under the tax law in that jurisdiction.

Reconciliation of income tax expense and accounting profit for the six-month periods ended June 30, 2020 and 2019, are explained below:

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
<b>Profit before income tax</b>	<b>8 489,0</b>	<b>7 309,7</b>	<b>15 928,2</b>	<b>11 202,4</b>
Tax at the statutory tax rate (20%)	1 697,8	1 462,0	3 185,6	2 240,5
Tax effect of income taxed at rates different from the prime rate	(81,9)	(76,9)	(164,6)	(157,0)
Non-deductible (income)/expenses for tax purposes	(5,1)	20,4	56,7	119,2
Adjustments in respect of current and deferred income tax of previous years	58,1	1,6	126,4	1,6
<b>Income tax expense</b>	<b>1 668,9</b>	<b>1 407,1</b>	<b>3 204,1</b>	<b>2 204,3</b>
Current income tax expense	1 679,0	1 871,7	2 341,4	4 924,5
Current income tax expense related to previous years	(9,1)	1,6	(8,0)	1,6
Deferred taxation movement due to origination and reversal of temporary differences	(1,0)	(466,2)	870,7	(2 721,8)
<b>Income tax expense</b>	<b>1 668,9</b>	<b>1 407,1</b>	<b>3 204,1</b>	<b>2 204,3</b>

	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
<b>Beginning of the period – deferred tax assets</b>	<b>1 701,5</b>	<b>125,1</b>
<b>Beginning of the period – deferred tax liabilities</b>	<b>(2 361,0)</b>	<b>(3 821,4)</b>
Changes in deferred income tax balances recognised in other comprehensive income	(120,3)	(620,7)
Change in deferred income tax balances recognised in profit or loss	(870,7)	2 721,8
Disposal of assets held for sale	-	(3,6)
<b>End of the period - deferred tax assets</b>	<b>705,1</b>	<b>982,4</b>
<b>End of the period - deferred tax liabilities</b>	<b>(2 355,6)</b>	<b>(2 581,2)</b>



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**15. Cash and Cash Equivalents**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Correspondent accounts and overnight deposits with banks	341 346,5	415 657,5
Balances with the CBR	45 098,2	50 416,2
Receivables on broker and clearing operations	7,8	22,5
Cash on hand	3,2	4,3
<b>Total cash and cash equivalents</b>	<b>386 455,7</b>	<b>466 100,5</b>
Less allowance for ECL (Note 13)	(0,4)	(1,7)
<b>Total cash and cash equivalents</b>	<b>386 455,3</b>	<b>466 098,8</b>
<b>Total cash and cash equivalents before allowance for ECL</b>	<b>386 455,7</b>	<b>466 100,5</b>
Cash and cash equivalents attributable to Assets of disposal group held for sale	-	6,8
<b>Cash and cash equivalents for the purpose of Consolidated Statement of Cash Flows</b>	<b>386 455,7</b>	<b>466 107,3</b>

**16. Financial Assets at Fair Value through Profit or Loss**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Bonds issued by foreign companies of Russian groups	15 011,4	13 418,5
Shares issued by Russian companies	141,3	139,8
Derivative financial instruments	138,7	69,6
Shares issued by foreign companies	68,1	67,5
<b>Total financial assets at FVTPL</b>	<b>15 359,5</b>	<b>13 695,4</b>

The table below shows the analysis of derivatives of the Group as at June 30, 2020 and as at December 31, 2019:

	<b>Fair value of principal amount or agreed amount</b>		<b>Assets - positive fair value</b>	<b>Liabilities - negative fair value</b>
	<b>Receivables</b>	<b>Payables</b>		
<b>June 30, 2020</b>				
Currency swaps	104 025,7	(105 221,4)	138,7	(1 334,4)
<b>December 31, 2019</b>				
Currency swaps	70 945,1	(70 908,3)	69,6	(32,8)



**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**17. Due from Financial Institutions**

Due from financial institutions are presented as follows:

	June 30, 2020	December 31, 2019
Reverse repo receivables from financial institutions	57 642,1	48 445,5
Interbank loans and term deposits	40 883,7	7 789,3
Correspondent accounts and deposits in precious metals	5 551,2	4 189,1
Other loans	39,4	-
Receivables on broker and clearing operations	1,5	0,2
<b>Total due from financial institutions</b>	<b>104 117,9</b>	<b>60 424,1</b>
Less allowance for ECL (Note 13)	(51,5)	(0,1)
<b>Total due from financial institutions</b>	<b>104 066,4</b>	<b>60 424,0</b>

As at June 30, 2020 the fair value of bonds pledged under reverse repo was RUB 67 100,9 million (December 31, 2019: RUB 60 190,2 million).

As at June 30, 2020, interbank loans and term deposits include restricted amounts on correspondent account with Euroclear Bank S.A./N.V., Brussels, which relate to foreign securities (coupon and principal repayments) owned by the depositary clients, in the amount of RUB 8 662,5 million (December 31, 2019: RUB 7 683,7 million). Balances of market participants include balances due to these clients in respect of those securities in the amount of RUB 8 667,3 million (December 31, 2019: RUB 7 683,7 million).

**18. Central Counterparty Financial Assets and Liabilities**

	June 30, 2020	December 31, 2019
Repo transactions	3 762 388,9	3 259 579,2
Currency transactions	9 055,2	3 091,4
<b>Total CCP financial assets and liabilities</b>	<b>3 771 444,1</b>	<b>3 262 670,6</b>

CCP financial assets are receivables under currency and repo transactions and CCP financial liabilities are payables under offsetting transactions, which the Group entered with market participants as a CCP. As at June 30, 2020 the fair value of securities purchased and sold by the Group under repo transactions is RUB 4 234 087,7 million (December 31, 2019: RUB 3 771 234,9 million). As at June 30, 2020 and December 31, 2019, none of these assets were past due.

CCP financial assets and liabilities under currency transactions represent fair values of overnight currency deals. Gross claims and liabilities with individual counterparties are offset in accordance with IAS 32.

**19. Financial Assets at Fair Value through Other Comprehensive Income**

	June 30, 2020	December 31, 2019
Bonds issued by the Russian Federation	80 988,5	85 834,1
Bonds issued by foreign companies of Russian groups	53 146,8	37 465,8
Bonds issued by Russian companies	37 756,2	32 063,1
Bonds issued by foreign countries	34 970,3	-
Bonds issued by Russian banks	15 341,4	20 167,7
Bonds issued by foreign financial organizations	2 870,1	3 782,7
<b>Total financial assets at FVTOCI</b>	<b>225 073,3</b>	<b>179 313,4</b>

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
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**20. Property and Equipment**

	Land	Buildings and other real estate	Furniture and equipment	Construction in progress	Right-of- use assets	Total
<b>Cost</b>						
<b>December 31, 2018</b>	<b>219,8</b>	<b>5 865,9</b>	<b>7 075,0</b>	<b>47,0</b>	-	<b>13 207,7</b>
<b>January 1, 2019 (with IFRS 16 effect)</b>	<b>219,8</b>	<b>5 865,9</b>	<b>7 075,0</b>	<b>47,0</b>	<b>269,0</b>	<b>13 476,7</b>
Additions	-	-	76,5	81,3	15,6	173,4
Reclassification	-	-	42,1	(42,1)	-	-
Disposals	-	-	(72,6)	-	-	(72,6)
Reclassification to assets held for sale	(10,4)	(61,8)	(13,2)	-	-	(85,4)
Effect of movements in exchange rates	(0,9)	(5,5)	(1,1)	-	-	(7,5)
<b>June 30, 2019</b>	<b>208,5</b>	<b>5 798,6</b>	<b>7 106,7</b>	<b>86,2</b>	<b>284,6</b>	<b>13 484,6</b>
<b>December 31, 2019</b>	<b>208,5</b>	<b>5 798,6</b>	<b>7 392,6</b>	<b>50,2</b>	<b>284,6</b>	<b>13 734,5</b>
Additions	-	-	383,3	11,7	1 010,3	1 405,3
Reclassification	-	-	12,5	(12,5)	-	-
Disposals	-	-	(161,1)	-	(262,4)	(423,5)
<b>June 30, 2020</b>	<b>208,5</b>	<b>5 798,6</b>	<b>7 627,3</b>	<b>49,4</b>	<b>1 032,5</b>	<b>14 716,3</b>
<b>Accumulated depreciation</b>						
<b>December 31, 2018</b>	-	<b>1 571,6</b>	<b>5 662,2</b>	-	-	<b>7 233,8</b>
Charge for the period	-	58,5	533,2	-	93,3	685,0
Disposals	-	-	(72,4)	-	-	(72,4)
Reclassification to assets held for sale	-	(14,8)	(10,1)	-	-	(24,9)
Effect of movements in exchange rates	-	(1,3)	(0,9)	-	-	(2,2)
<b>June 30, 2019</b>	-	<b>1 614,0</b>	<b>6 112,0</b>	-	<b>93,3</b>	<b>7 819,3</b>
<b>December 31, 2019</b>	-	<b>1 672,6</b>	<b>6 423,8</b>	-	<b>191,5</b>	<b>8 287,9</b>
Charge for the period	-	57,9	273,9	-	91,5	423,3
Disposals	-	-	(161,1)	-	(262,4)	(423,5)
<b>June 30, 2020</b>	-	<b>1 730,5</b>	<b>6 536,6</b>	-	<b>20,6</b>	<b>8 287,7</b>
<b>Net book value</b>						
<b>December 31, 2019</b>	<b>208,5</b>	<b>4 126,0</b>	<b>968,8</b>	<b>50,2</b>	<b>93,1</b>	<b>5 446,6</b>
<b>June 30, 2020</b>	<b>208,5</b>	<b>4 068,1</b>	<b>1 090,7</b>	<b>49,4</b>	<b>1 011,9</b>	<b>6 428,6</b>

As at June 30, 2020, historical cost of fully depreciated property and equipment amounts to RUB 5 322,9 million (December 31, 2019: RUB 5 350,3 million).

In June 2020, the Group prolonged lease agreement for the office premises for 10 years. The agreement was classified as a lease agreement in accordance with IFRS 16 and the Group recognized the right-of-use asset and lease liability in the amount of RUB 1,006 mln. The effective annual interest rate under the agreement is 8.81%.

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**21. Intangible Assets**

	Software and licenses	Client base	Intangible assets development	Total
<b>Cost</b>				
<b>December 31, 2018</b>	<b>5 872,1</b>	<b>19 606,7</b>	<b>777,2</b>	<b>26 256,0</b>
Additions	382,5	-	234,0	616,5
Reclassification	240,0	-	(240,0)	-
Disposals	(5,8)	-	(0,4)	(6,2)
Reclassification to assets held for sale	(1,5)	-	-	(1,5)
Effect of movements in exchange rates	(0,1)	-	-	(0,1)
<b>June 30, 2019</b>	<b>6 487,2</b>	<b>19 606,7</b>	<b>770,8</b>	<b>26 864,7</b>
<b>December 31, 2019</b>	<b>6 915,6</b>	<b>19 606,7</b>	<b>1 414,3</b>	<b>27 936,6</b>
Additions	505,4	-	525,4	1 030,8
Reclassification	673,3	-	(673,3)	-
Disposals	(19,9)	-	(0,4)	(20,3)
<b>June 30, 2020</b>	<b>8 074,4</b>	<b>19 606,7</b>	<b>1 266,0</b>	<b>28 947,1</b>
<b>Accumulated amortisation and impairment</b>				
<b>December 31, 2018</b>	<b>2 365,6</b>	<b>6 286,1</b>	-	<b>8 651,7</b>
Charge for the period	485,9	588,2	-	1 074,1
Disposals	(5,8)	-	-	(5,8)
Reclassification to assets held for sale	(1,1)	-	-	(1,1)
Effect of movements in exchange rates	(0,1)	-	-	(0,1)
<b>June 30, 2019</b>	<b>2 844,5</b>	<b>6 874,3</b>	-	<b>9 718,8</b>
<b>December 31, 2019</b>	<b>3 485,1</b>	<b>7 462,5</b>	-	<b>10 947,6</b>
Charge for the period	605,3	588,2	-	1 193,5
Disposals	(1,4)	-	-	(1,4)
<b>June 30, 2020</b>	<b>4 089,0</b>	<b>8 050,7</b>	-	<b>12 139,7</b>
<b>Net book value</b>				
<b>December 31, 2019</b>	<b>3 430,5</b>	<b>12 144,2</b>	<b>1 414,3</b>	<b>16 989,0</b>
<b>June 30, 2020</b>	<b>3 985,4</b>	<b>11 556,0</b>	<b>1 266,0</b>	<b>16 807,4</b>

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**22. Investments in Associates**

	June 30, 2020				Carrying value
	Ownership interest	Principal place of business	Country of incorporation	Nature of activities	
Eurasian Trade System Commodity Exchange JSC (ETS)	20,00%	Kazakhstan	Kazakhstan	Commodity exchange operations	21,8
<b>Total investments in associates</b>					<b>21,8</b>

The above associate is accounted for using the equity method.

**23. Assets Held for Sale**

In March 2019, the Supervisory board approved a plan to sell ETS. As at December 31, 2019 the Group presented ETS as disposal group held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations".

In February 2020 the Group disposed of 40,82% stake in ETS and therefore ceding control over this subsidiary. Further sale of 15% share in ETS is expected until the end of 2024. The remaining share of 20% is accounted for as investment in associate (Note 22).

The major classes of assets and liabilities of ETS classified as held for sale as of December 31, 2019:

	December 31, 2019
<b>Assets of the disposal group held for sale</b>	
Cash and cash equivalents	6,8
Due from financial institutions	16,2
Property and equipment	59,0
Intangible assets	0,5
Other assets	22,9
<b>Total assets of the disposal group held for sale</b>	<b>105,4</b>
<b>Liabilities of the disposal group held for sale</b>	
Other liabilities	5,8
<b>Total liabilities of the disposal group held for sale</b>	<b>5,8</b>

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**23. Assets Held for Sale (continued)**

	<b>Six-Month Period Ended June 30, 2020</b>
<b>Gain on disposal of ETC</b>	
Consideration received	28,3
Net assets disposed of	(54,8)
Non-controlling interest	89,8
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of subsidiary	8,1
<b>Gain on disposal</b>	<b>71,4</b>

The gain on disposal is included in other operating income line of the Consolidated Interim Condensed Statement of Profit or Loss (Note 9).

**24. Other Assets**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
<b>Other financial assets:</b>		
Receivables on services rendered and other operations	3 320,9	3 476,1
Less allowance for ECL (Note 13)	(2 407,2)	(2 442,3)
<b>Total other financial assets</b>	<b>913,7</b>	<b>1 033,8</b>
<b>Other non-financial assets:</b>		
Precious metals	2 626,8	3 134,3
Prepaid expenses	521,1	447,9
Taxes receivable other than income tax	20,9	46,9
Non-current assets prepaid	10,2	24,8
Other	11,6	8,7
<b>Total other assets</b>	<b>4 104,3</b>	<b>4 696,4</b>

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**25. Balances of Market Participants**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Accounts of clearing participants	528 647,5	450 993,4
Other current and settlement accounts	66 414,5	83 110,5
Stress collateral	19 760,1	19 006,2
Accounts of clearing participants in precious metals	8 177,8	7 336,3
Risk-covering funds	5 826,4	5 476,2
<b>Total balances of market participants</b>	<b>628 826,3</b>	<b>565 922,6</b>

**26. Overnight bank loans**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Overnight bank loans	-	49 229,1
<b>Total overnight bank loans</b>	<b>-</b>	<b>49 229,1</b>

**27. Distributions payable to holders of securities**

Distributions payable to holders of securities comprise dividends and coupon amounts received by the Group from the issuers of securities on behalf of customers of the Group, for which the Group provides depository services.

The normal settlement period for distribution of dividends and coupon amounts to its customers is three days. Amounts of dividends and coupons payable to clients are stated at their contractual values.

**28. Other Liabilities**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
<b>Other financial liabilities</b>		
Derivative financial liabilities	1 334,4	32,8
Lease liabilities	1 013,9	86,6
Payables to employees	808,9	337,2
Trade and other payables	622,9	720,6
Dividends payable	0,3	0,3
<b>Total other financial liabilities</b>	<b>3 780,4</b>	<b>1 177,5</b>
<b>Other non-financial liabilities</b>		
Personnel remuneration provision	660,8	1 723,2
Taxes payable, other than income tax	603,5	435,5
Advances received	422,9	258,0
Tax agent liabilities regarding distributions payable to holders of securities	282,5	170,8
Provision (Note 12)	21,0	31,7
<b>Total other liabilities</b>	<b>5 771,1</b>	<b>3 796,7</b>

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**29. Share Capital and Share Premium**

The share capital of Moscow exchange comprises ordinary shares with a par value of RUB 1 each:

	Ordinary shares issued and fully paid (number of shares)	Treasury shares (number of shares)
<b>December 31, 2018</b>	<b>2 276 401 458</b>	<b>(26 014 430)</b>
Exercised equity instruments (Note 11)	-	3 459 488
<b>June 30, 2019</b>	<b>2 276 401 458</b>	<b>(22 554 942)</b>
<b>December 31, 2019</b>	<b>2 276 401 458</b>	<b>(22 131 768)</b>
Treasury shares transferred	-	3 000
Exercised equity instruments (Note 11)	-	30 961
<b>June 30, 2020</b>	<b>2 276 401 458</b>	<b>(22 097 807)</b>

Share premium represents an excess of contributions received over the nominal value of shares issued.

As at June 30, 2020 and December 31, 2019, the number of authorized shares is 12 095 322 151.

**30. Retained Earnings**

During the six-month periods ended June 30, 2020 the Group declared and paid to the owners of the parent dividends for the year ended December 31, 2019 of RUB 17 899,4 million. The amount of dividends per share is RUB 7,94 per ordinary share (for the year ended December 31, 2018 of RUB 17 377,2 million; dividends per share: RUB 7,70).

The Group's distributable reserves are limited to the amount of reserves reported in the statutory financial statements of the Group members. Non-distributable reserves comprise a reserve fund, which is created according to the statutory regulations, to cover risks, including future losses and other unforeseen risks and contingencies, as well as funds of NCC required to comply with regulations of CBR relating to CCP activities.



**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**31. Earnings per Share**

The calculation of earnings per share is based on the profit for the period attributable to shareholders of the Group and the weighted average number of ordinary outstanding during the period, calculated as shown below.

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
<b>Net profit attributable to ordinary equity holders of the parent</b>	<b>6 804,9</b>	<b>5 900,7</b>	<b>12 708,1</b>	<b>8 986,3</b>
<b>Weighted average number of shares</b>	<b>2 254 301 486</b>	<b>2 253 224 692</b>	<b>2 254 288 749</b>	<b>2 253 171 236</b>
Effect of dilutive share options	1 233 864	96 548	969 382	1 487 880
<b>Weighted average number of shares adjusted for the effect of dilution</b>	<b>2 255 535 350</b>	<b>2 253 321 240</b>	<b>2 255 258 131</b>	<b>2 254 659 116</b>
Basic earnings per share, RUB	3,02	2,62	5,64	3,99
Diluted earnings per share, RUB	3,02	2,62	5,63	3,99

**32. Operating Segments**

The Group distinguishes the following operating segments for management purposes depending on the types of products and services:

Operating segment **"Trading services"** includes the Group's trading services in foreign exchange, securities, derivatives and money markets, listing and other trading services.

In the Foreign Exchange Market of Moscow Exchange spot and swap transactions are performed with different maturities in the following currencies: USD, EUR, CNY, HKD, GBP, CHF, TRY, KZT and BYR. Deliverable forward contracts for currency pairs are also traded in the foreign exchange market, and transactions with precious metals are performed (gold and silver).

In the **Money Market** Moscow Exchange provides repo services with shares and bonds of the following types: repo with the CCP, including repo with General Collateral Certificates with CCP (GCC-repo), inter-dealer repo, direct repo with the CBR. Participants can also perform depositary-credit operations, in particular, funds placement auctions on bank deposits.

In the **Securities Market** of Moscow Exchange primary and secondary trades in shares, Russian government bonds (OFZ), municipal and corporate bonds, foreign state and corporate eurobonds, depositary receipts, fund shares, ETFs are performed.

In the **Derivatives Market** of Moscow Exchange the following derivative instruments are traded: futures contracts on indices, Russian and foreign shares, Russian government bonds (OFZ) and eurobonds Russia-30, currency pairs, interest rates, precious metals, crude oil and sugar, and option contracts on futures.

**Listing services** – inclusion and maintenance of securities in the List of securities admitted to on-exchange trading.

Operating segment **"Clearing"** includes mainly CCP clearing services and other clearing services.



**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**32. Operating Segments (continued)**

The CCP guarantees stability in the serviced market segments through the risk-management system implementation, and provides clearing services to the market participants. The CCP guarantees that all obligations to all non-defaulting parties of the contracts signed with the CCP, regardless of whether obligations to the CCP are met or not, are fulfilled.

Operating segment "**Depository**" includes depository and settlement services provided to participants in the on-exchange and OTC markets, OTC transaction registration services (repository services), collateral management services and information services.

Operating segment "**Other services**" includes the Group's results from information products, software and technical services provision and unallocated income and expense.

**Software, technical and information services** include a wide range of professional instruments used for access to the Exchange markets, electronic trade based on modern exchange trade technologies, real time market data, trading results data and indices.

Less than 1% of the Group's income from external clients is earned outside of the Russian Federation. Less than 1% of the Group's non-current assets are situated outside of the Russian Federation. The business of the Group on the territory of the Republic of Kazakhstan does not have any significant influence on the financial statements of the Group. Therefore, it is not distinguished as a separate operating segment.

Segment reports and the segment financial results provided to Management of the Group for analysis are prepared according to the International Financial Reporting Standards and are adjusted for intersegment transfers. Management of the Group evaluates the segment financial results, using the segment total income and operating profit figures, taking into account differences in products and services of different segments.

The information on income and expenses of the Group broken down into operating segments for the six-month periods ended June 30, 2020 and June 30, 2019, is provided below.

	<b>Six-Month Period Ended June 30, 2020</b>				
	<b>Trading services</b>	<b>Clearing</b>	<b>Depository</b>	<b>Other services</b>	<b>Total</b>
<b>INCOME</b>					
Fee and commission income	5 968,8	5 974,0	3 028,6	929,4	15 900,8
Net interest and other finance income*	2 186,2	4 994,5	839,0	-	8 019,7
Other operating income	-	-	-	95,5	95,5
<b>Total income</b>	<b>8 155,0</b>	<b>10 968,5</b>	<b>3 867,6</b>	<b>1 024,9</b>	<b>24 016,0</b>
<b>EXPENSES</b>					
Personnel expenses	(1 790,1)	(640,9)	(1 098,9)	(366,1)	(3 896,0)
General and administrative expenses, <i>Incl. depreciation and amortisation</i>	(1 925,8) (757,9)	(550,1) (256,6)	(1 166,2) (530,0)	(278,5) (72,3)	(3 920,6) (1 616,8)
<b>Total expenses before other operating expenses</b>	<b>(3 715,9)</b>	<b>(1 191,0)</b>	<b>(2 265,1)</b>	<b>(644,6)</b>	<b>(7 816,6)</b>
<b>Total profit before other operating expenses and tax</b>	<b>4 439,1</b>	<b>9 777,5</b>	<b>1 602,5</b>	<b>380,3</b>	<b>16 199,4</b>
Other operating expenses	13,4	(281,9)	(2,7)	-	(271,2)
<b>Total profit before tax</b>	<b>4 452,5</b>	<b>9 495,6</b>	<b>1 599,8</b>	<b>380,3</b>	<b>15 928,2</b>

\* including net gain on financial assets at FVTOCI and net financial result from foreign exchange

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**32. Operating Segments (continued)**

	<b>Six-Month Period Ended June 30, 2019</b>				<b>Total</b>
	<b>Trading services</b>	<b>Clearing</b>	<b>Depository</b>	<b>Other services</b>	
<b>INCOME</b>					
Commission income	4 554,1	4 737,2	2 600,9	787,1	12 679,3
Net interest and other finance income**	2 881,9	4 335,7	1 191,3	-	8 408,9
Other operating income	-	218,3	-	76,6	294,9
<b>Total income</b>	<b>7 436,0</b>	<b>9 291,2</b>	<b>3 792,2</b>	<b>863,7</b>	<b>21 383,1</b>
<b>EXPENSES</b>					
Personnel expenses	(1 667,9)	(573,2)	(1 046,9)	(265,5)	(3 553,5)
General and administrative expenses, <i>Incl. depreciation and amortisation</i>	(2 131,2)	(546,7)	(1 099,8)	(279,5)	(4 057,2)
	(869,0)	(277,4)	(536,8)	(75,9)	(1 759,1)
<b>Total expenses before other operating expenses</b>	<b>(3 799,1)</b>	<b>(1 119,9)</b>	<b>(2 146,7)</b>	<b>(545,0)</b>	<b>(7 610,7)</b>
<b>Total profit before other operating expenses and tax</b>	<b>3 636,9</b>	<b>8 171,3</b>	<b>1 645,5</b>	<b>318,7</b>	<b>13 772,4</b>
Other operating expenses	(235,7)	(2 298,0)	(36,3)	-	(2 570,0)
<b>Total profit before tax</b>	<b>3 401,2</b>	<b>5 873,3</b>	<b>1 609,2</b>	<b>318,7</b>	<b>11 202,4</b>

\*\* including net gain on financial assets at FVTOCI and net financial result from foreign exchange

**33. Commitments and Contingencies**

**Legal proceedings** – From time to time and in the normal course of business, claims against the Group may be received from customers and counterparties. Management of the Group believes that such claims may not have a material impact on its financial and operational activities and that no material losses will be incurred, and accordingly no provision has been made in these Consolidated Interim Condensed Financial Statements. During six-months period ended June 30, 2019 the Group has recovered previously created provision for a litigation (Note 9).

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**34. Transactions with Related Parties**

Intragroup transactions have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

**(a) Transactions with key management**

Key management personnel comprises members of the Executive Board and the Supervisory Board. The total remuneration paid to key management personnel includes short-term benefits (salary, bonuses, payroll related taxes, insurance, health care, etc.), long-term benefits and share-based payment expense.

Included in the Consolidated Interim Condensed Statement of Financial Position are the following amounts that arose on transactions with key management personnel:

	June 30, 2020	December 31, 2019
Other liabilities	102,4	403,9
Share-based payments	187,6	169,8

Included in the Consolidated Interim Condensed Statement of Profit or Loss are the following amounts that arose due to transactions with key management personnel:

	Three-Month Period Ended June 30, 2020	Three-Month Period Ended June 30, 2019	Six-Month Period Ended June 30, 2020	Six-Month Period Ended June 30, 2019
Short-term employee benefits	220,1	201,2	297,4	311,5
Long-term employee benefits	13,0	22,6	31,2	45,1
Share-based payment expense on equity settled instruments	15,3	(13,1)	24,6	8,6
<b>Total remuneration of key management personnel</b>	<b>248,4</b>	<b>210,7</b>	<b>353,2</b>	<b>365,2</b>

**(b) Transactions with associates**

Included in the Consolidated Interim Condensed Statement of Financial Position are the following amounts that arose on transactions with associates:

	June 30, 2020
Investments in associates	21,8
Due from financial institutions	39,4
Allowance for ECL on amounts due from financial institutions	(33,3)

Included in the Consolidated Interim Condensed Statement of Profit or Loss are the following amounts that arose due to transactions with associates:

	Three-Month Period Ended June 30, 2020	Six-Month Period Ended June 30, 2020
Interest and other finance income	0,3	0,4
Other operating expenses	6,1	(33,3)

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
for the Six-Month Period Ended June 30, 2020 (continued)**  
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**34. Transactions with Related Parties (continued)**

**(c) Transactions with government-related entities**

As at June 30, 2020 the Russian Federation exercises significant influence over Moscow Exchange.

In the ordinary course of business the Group provides trading, clearing and depositary services to government-related entities, places funds with government-related banks and bonds issued by the Russian Federation and government-related entities. According to p.26 (b) of IAS 24 the Group discloses the following significant outstanding balances and financial results on operations with government-related entities as at 30 June, 2020 and December 31, 2019, and for the six-month periods ended 30 June, 2020 and 30 June, 2019:

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
<b>ASSETS</b>		
Cash and cash equivalents	120 877,6	132 337,4
Due from financial institutions	158,7	105,6
Central counterparty financial assets	981 921,2	947 805,0
Financial assets at FVTOCI	129 429,1	116 345,6
Other assets	392,4	427,4
<b>LIABILITIES</b>		
Balances of market participants	279 593,4	244 708,6
Overnight bank loans	-	42 343,1
Central counterparty financial liabilities	2 362 906,2	1 852 415,6
Distributions payable to holders of securities	5 675,6	9 354,8
Other liabilities	368,4	97,6

	<b>Three-Month Period Ended June 30, 2020</b>	<b>Three-Month Period Ended June 30, 2019</b>	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
Fee and commission income	2 008,0	2 346,1	5 673,4	4 462,0
Interest and other finance income	2 335,9	2 183,5	4 657,5	4 543,5
Interest expense	(238,9)	(635,3)	(566,2)	(1 097,3)
Other operating income	3,3	1,9	8,7	5,3
Administrative and other expenses	(46,0)	(60,4)	(108,7)	(109,5)

The Group refined its approach to presentation of operations with government-related entities and presented volumes of trades and basis of their conclusion as follows: during the three-months period ended June 30, 2020 the Group purchased financial assets at FVTOCI for RUB 6 937,8 million and sold for RUB 1 796,7 million (during the three-months period ended June 30, 2019: purchases for RUB 15 028,8 million, sales for RUB 34 477,4 million). During the six-months period ended June 30, 2020 the Group purchased financial assets at FVTOCI for RUB 25 314,7 million and sold for RUB 3 541,2 million (during the six-months period ended June 30, 2019: purchases for RUB 23 528,7 million, sales for RUB 34 477,4 million). All transactions were concluded on the arms' length basis.

**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**35. Fair Value Measurements**

The table below analyses financial assets and liabilities measured at fair value at June 30, 2020, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<b>June 30, 2020</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at FVTPL	15 011,4	138,7	209,4	<b>15 359,5</b>
CCP financial assets and liabilities (currency transactions)	9 055,2	-	-	<b>9 055,2</b>
Financial assets at FVTOCI	210 422,2	14 651,1	-	<b>225 073,3</b>
Derivative financial liabilities	-	(1 334,4)	-	<b>(1 334,4)</b>

Financial assets and liabilities measured at fair value at December 31, 2019, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<b>December 31, 2019</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at FVTPL	13 418,5	69,6	207,3	<b>13 695,4</b>
CCP financial assets and liabilities (currency transactions)	3 091,4	-	-	<b>3 091,4</b>
Financial assets at FVTOCI	171 028,0	8 285,4	-	<b>179 313,4</b>
Derivative financial liabilities	-	(32,8)	-	<b>(32,8)</b>

Management of the Group considers that the fair value of cash and cash equivalents, due from financial institutions, CCP financial assets and liabilities (REPO transactions), other financial assets, balances of market participants, overnight bank loans and other financial liabilities not carried at fair value in Consolidated Interim Condensed Statement of Financial Position approximates their carrying value.

***Transfers between level 1 and 2***

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

The following table shows total amount of transfers of financial assets between level 1 and level 2. Transfers from level 2 to level 1 (from level 1 to level 2) occurred due to fact that markets for certain financial assets became (ceased to be) active during the period.

	<b>Transfers between Level 1 and Level 2</b>	
	<b>Six-Month Period Ended June 30, 2020</b>	<b>Six-Month Period Ended June 30, 2019</b>
<b><i>From Level 1 to Level 2</i></b>		
Financial assets at FVTOCI	6 019,4	2 866,9
<b><i>From Level 2 to Level 1</i></b>		
Financial assets at FVTOCI	488,5	3 612,7



**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)  
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**36. Events after the Reporting Date**

On 23 July 2020, Moscow Exchange completed the acquisition of a 17% stake in BierbaumPro AG, which holds a 100% ownership stake in NTPProgress, the company behind the development of the proprietary OTC FX platform NTPro. NTPProgress is BierbaumPro's main asset.

MOEX has also entered into an agreement under which the Exchange will consolidate ownership of up to 100% of BierbaumPro's equity over a period of three years. The final price for 100% of the company's equity will be dependent upon BierbaumPro's operational and financial performance.