

Consolidated Statement of Profit or Loss for the Year Ended December 31, 2017

(in millions of Russian rubles)

	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Fee and commission income	4	21 207,6	19 797,6
Interest and other finance income	5	16 040,2	22 730,6
Interest expense	6	(829,8)	(118,5)
Net gain on financial assets available-for-sale		1 015,8	1 425,3
Foreign exchange gains less losses	7	1 059,1	(342,4)
Other operating income		46,0	74,6
Operating Income		38 538,9	43 567,2
Administrative and other operating expenses	8	(7 278,9)	(6 312,3)
Personnel expenses	9	(6 152,9)	(5 947,1)
Operating Profit before Tax		25 107,1	31 307,8
Income tax expense	10	(4 851,9)	(6 125,2)
Net Profit		20 255,2	25 182,6
Attributable to:			
Equity holders of the parent		20 265,7	25 178,1
Non-controlling interest		(10,5)	4,5
Earnings per share			
Basic earnings per share, rubles	24	9,02	11,22
Diluted earnings per share, rubles	24	8,98	11,16



Chairman of the Executive Board
Afanasiev A.K.

March 2, 2018
Moscow



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

March 2, 2018
Moscow

Consolidated Statement of Comprehensive Income for the Year Ended December 31, 2017

(in millions of Russian rubles)

	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Net profit		20 255,2	25 182,6
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(1,2)	(26,6)
Net income resulting from revaluation of investments available-for-sale		1 323,9	1 686,7
Net gain on investments available-for sale reclassified to profit or loss		(1 015,8)	(1 425,3)
Income tax relating to items that may be reclassified		(61,6)	(52,3)
Other comprehensive income that may be reclassified subsequently to profit or loss		245,3	182,5
Total comprehensive income		20 500,5	25 365,1
Attributable to:			
Equity holders of the parent		20 515,1	25 378,1
Non-controlling interest		(14,6)	(13,0)
Total comprehensive income		20 500,5	25 365,1

The notes 1-31 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position as at December 31, 2017

(in millions of Russian rubles)

	Notes	December 31, 2017	December 31, 2016
Assets			
Cash and cash equivalents	11	273 248,6	380 516,6
Financial assets at fair value through profit or loss	12	413,6	0,4
Due from financial institutions	13	63 606,9	63 842,7
Central counterparty financial assets	14	2 430 083,8	1 733 263,8
Investments available-for-sale	15	215 132,2	218 496,2
Property and equipment	16	6 636,2	7 706,4
Intangible assets	17	18 307,9	18 357,9
Goodwill	18	15 971,4	15 971,4
Current tax prepayments		306,8	51,9
Deferred tax asset	10	243,4	1 776,5
Other assets	19	3 818,9	1 954,1
Total assets		3 027 769,7	2 441 937,9
Liabilities			
Balances of market participants	20	466 860,2	574 590,1
Central counterparty financial liabilities	14	2 430 083,8	1 733 263,8
Distributions payable to holders of securities		2 507,8	2 952,3
Margin account		384,6	–
Current tax payables		–	990,5
Deferred tax liability	10	2 943,3	3 165,6
Other liabilities	21	3 711,2	3 592,0
Total liabilities		2 906 490,9	2 318 554,3
Equity			
Share capital	22	2 495,9	2 498,1
Share premium	22	32 105,5	32 286,2
Treasury shares	22	(1 908,1)	(2 271,9)
Foreign currency translation reserve		(18,5)	(21,4)
Investments revaluation reserve		1 357,0	1 110,5
Share-based payments		524,0	413,1
Retained earnings		86 546,4	89 177,8
Total equity attributable to owners of the parent		121 102,2	123 192,4
Non-controlling interest		176,6	191,2
Total equity		121 278,8	123 383,6
Total liabilities and equity		3 027 769,7	2 441 937,9

The notes 1-31 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the Year Ended December 31, 2017

(in millions of Russian rubles)

	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Cash flows from / (used in) operating activities:			
Profit before tax		25 107,1	31 307,8
Adjustments for:			
Depreciation and amortisation charge	8	2 952,5	2 294,3
Net change in deferred commission income		150,6	(12,5)
Revaluation of derivatives		(407,3)	–
Share-based payment expense	9	267,9	255,3
Unrealized loss on foreign exchange operations		16,0	151,7
Gain on disposal of investments available-for-sale		(1 015,8)	(1 425,3)
Net change in interest accruals		(1 573,4)	764,4
Net loss on disposal of property and equipment and intangible assets		60,9	9,5
Impairment of investments available-for-sale		11,6	–
Impairment of intangible assets	8	15,0	–
Impairment of other assets	19	8,8	2,8
Loss on disposal of assets held for sale	8	–	52,4
Changes in operating assets and liabilities:			
(Increase)/decrease in operating assets:			
Due from financial institutions		(2 697,4)	(30 590,7)
Financial assets at fair value through profit or loss		0,4	–
Central counterparty financial assets		(711 775,2)	(1 214 754,5)
Other assets		(1 734,4)	(152,6)
Increase/(decrease) in operating liabilities:			
Balances of market participants		(127 231,6)	(429 489,5)
Central counterparty financial liabilities		711 775,2	1 214 754,5
Distributions payable to holders of securities		(444,5)	(3 186,1)
Margin account		384,6	(417,7)
Other liabilities		279,1	(132,3)
Cash flows used in operating activities before taxation		(105 849,9)	(430 568,5)
Income tax paid		(4 848,2)	(8 720,9)
Cash flows used in operating activities		(110 698,1)	(439 289,4)

The notes 1-31 form an integral part of these consolidated financial statements.

	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Cash flows from / (used in) investing activities:			
Purchase of investments available-for-sale		(162 317,9)	(183 585,0)
Proceeds from disposal of investments available-for-sale		165 877,7	116 623,9
Purchase of property and equipment and intangible assets		(2 102,1)	(3 548,3)
Proceeds from disposal of property and equipment and intangible assets		29,2	5,3
Proceeds from sale of investments in associates		–	34,2
Disposal of subsidiaries, net of cash disposed	8	–	46,5
Cash flows from / (used in) investing activities		1 486,9	(70 423,4)
Cash flows from / (used in) financing activities:			
Dividends paid		(22 897,1)	(15 994,8)
Uncalled dividends (paid) / returned		(162,1)	162,3
Sale of treasury shares		49,5	355,1
Acquisition of non-controlling interest in subsidiaries		–	(5,5)
Acquisition of treasury shares		–	(236,9)
Cash flows used in financing activities		(23 009,7)	(15 719,8)
Effect of changes in foreign exchange rates on cash and cash equivalents		24 952,9	(85 847,9)
Net decrease in cash and cash equivalents		(107 268,0)	(611 280,5)
Cash and cash equivalents, beginning of the year	11	380 516,6	991 797,1
Cash and cash equivalents, end of the year	11	273 248,6	380 516,6

Interest received by the Group during the year ended December 31, 2017, amounted to RUB 14 474,2 million (December 31, 2016: RUB 23 497,0 million).

Interest paid by the Group during the year ended December 31, 2017, amounted to RUB 832,3 million (December 31, 2016: RUB 116,0 million).

Consolidated Statement of Changes in Equity for the Year Ended December 31, 2017

(in millions of Russian rubles)

	Share capital	Share premium	Treasury shares	Investments revaluation reserve	Share-based payments
December 31, 2015	2 498,1	32 471,1	(2 921,8)	901,4	504,6
Net profit	–	–	–	–	–
Other comprehensive income	–	–	–	209,1	–
Total comprehensive income for the year	–	–	–	209,1	–
Transactions with owners					
Dividends declared (Note 23)	–	–	–	–	–
Share-based payments	–	(99,9)	801,8	–	(91,5)
Repurchase of treasury shares	–	(85,0)	(151,9)	–	–
Sale of business in Ukraine	–	–	–	–	–
Acquisition of non-controlling interest	–	–	–	–	–
Total transactions with owners	–	(184,9)	649,9	–	(91,5)
December 31, 2016	2 498,1	32 286,2	(2 271,9)	1 110,5	413,1
Net profit	–	–	–	–	–
Other comprehensive income	–	–	–	246,5	–
Total comprehensive income for the year	–	–	–	246,5	–
Transactions with owners					
Dividends declared (Note 23)	–	–	–	–	–
Share-based payments	–	(31,0)	211,9	–	110,9
Cancellation of treasury shares	(2,2)	(149,7)	151,9	–	–
Total transactions with owners	(2,2)	(180,7)	363,8	–	110,9
December 31, 2017	2 495,9	32 105,5	(1 908,1)	1 357,0	524,0

The notes 1-31 form an integral part of these consolidated financial statements.

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
(16,5)	(72,1)	79 991,0	113 355,8	253,8	113 609,6
–	–	25 178,1	25 178,1	4,5	25 182,6
(4,9)	(4,2)	–	200,0	(17,5)	182,5
(4,9)	(4,2)	25 178,1	25 378,1	(13,0)	25 365,1
–	–	(15 994,7)	(15 994,7)	(0,1)	(15 994,8)
–	–	–	610,4	–	610,4
–	–	–	(236,9)	–	(236,9)
–	76,3	–	76,3	(40,6)	35,7
–	–	3,4	3,4	(8,9)	(5,5)
–	76,3	(15 991,3)	(15 541,5)	(49,6)	(15 591,1)
(21,4)	–	89 177,8	123 192,4	191,2	123 383,6
–	–	20 265,7	20 265,7	(10,5)	20 255,2
2,9	–	–	249,4	(4,1)	245,3
2,9	–	20 265,7	20 515,1	(14,6)	20 500,5
–	–	(22 897,1)	(22 897,1)	–	(22 897,1)
–	–	–	291,8	–	291,8
–	–	–	–	–	–
–	–	(22 897,1)	(22 605,3)	–	(22 605,3)
(18,5)	–	86 546,4	121 102,2	176,6	121 278,8