EN+ GROUP IPJSC

Consolidated Interim Condensed Financial Information for the six months ended 30 June 2020

Contents

Statement of Management's Responsibilities for the Preparation and Approval of the Consolidated Interim Condensed Financial Information for the six months ended 30 June 2020

The following statement, which should be read in conjunction with the auditors' responsibilities stated in the auditors' report on the review of the consolidated interim condensed financial information set out on pages 4-5, is made with a view to distinguishing the respective responsibilities of management and those of the auditors in relation to the consolidated interim condensed financial information of EN+ GROUP IPJSC and its subsidiaries.

Management is responsible for the preparation of the consolidated interim condensed financial information for the six months ended 30 June 2020 in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

In preparing the consolidated interim condensed financial information, management is responsible for:

- selecting suitable accounting principles and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- stating whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated interim condensed financial information; and
- preparing the consolidated interim condensed financial information on a going concern basis, unless it is inappropriate to presume that the Group will continue in the business for the foreseeable future.

Management, within its competencies, is also responsible for:

- designing, implementing and maintaining an effective system of internal controls throughout the Group;
- maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- taking steps to safeguard the assets of the Group; and
- detecting and preventing fraud and other irregularities.

This consolidated interim condensed financial information was approved by the Board of Directors on 18 August 2020 and was signed on its behalf by:

General Director of
EN+ GROUP IPJSC

Vladimir Kiriukhin

KPMG

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Independent Auditors' Report on Review of Consolidated Interim Condensed Financial Information

To the Shareholders of EN+ GROUP IPJSC

Introduction

We have reviewed the accompanying consolidated interim condensed statement of financial position of EN+ GROUP IPJSC (the "Company") and its subsidiaries (the "Group") as at 30 June 2020, and the related consolidated interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and notes to the consolidated interim condensed financial information (the "consolidated interim condensed financial information"). Management is responsible for the preparation and presentation of this consolidated interim condensed financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim condensed financial information 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 consolidated interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial information as at 30 June 2020 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Andrei Ryazantsev

JSC "KPMG"

Moscow, Russia

18 August 2020

АКЦИОНЕРНОЕ ОБЩЕСТВО ОГРН 1027700125628
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МОСКВА

		Six months ended 30 June	
		2020 (unaudited)	2019 (unaudited)
	Note	USD million	USD million
Revenue	5	4,948	5,803
Cost of sales		(3,866)	(4,294)
Gross profit		**1,082**	**1,509**
Distribution expenses		(265)	(294)
General and administrative expenses		(360)	(346)
Impairment of non-current assets	7	(67)	(55)
Other operating expenses, net	6	(84)	(85)
Results from operating activities		**306**	**729**
Share of profits of associates and joint ventures	11	26	834
Finance income	8	120	46
Finance costs	8	(426)	(550)
Profit before tax		**26**	**1,059**
Income tax expense	9	(6)	(196)
Profit for the period		**20**	**863**
Attributable to:			
Shareholders of the Parent Company		60	576
Non-controlling interests	13(g)	(40)	287
Profit for the period		**20**	**863**
Earnings per share			
Basic and diluted earnings per share (USD)	10	**0.113**	**0.915**

The consolidated interim condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial information set out on pages 13 to 40.

		Six months ended 30 June	
		2020 (unaudited)	**2019 (unaudited)**
	Note	**USD million**	**USD million**
Profit for the period		**20**	**863**
Other comprehensive income			
Items that will never be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on post retirement benefit plans		7	(1)
		7	(1)
Items that are or may be reclassified subsequently to profit or loss:			
Disposal of subsidiary		-	4
Foreign currency translation differences on foreign operations		(106)	140
Foreign currency translation differences for equity-accounted investees	11	(479)	373
Change in fair value of cash flow hedge	15	(58)	(5)
Change in fair value of financial assets		(2)	(1)
		(645)	511
Total comprehensive (loss)/income for the period		**(618)**	**1,373**
Attributable to:			
Shareholders of the Parent Company		(242)	855
Non-controlling interests		(376)	518
Total comprehensive (loss)/income for the period		**(618)**	**1,373**

The consolidated interim condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial information set out on pages 13 to 40.

	Note	30 June 2020 (unaudited) USD million	31 December 2019 USD million
ASSETS			
Non-current assets			
Property, plant and equipment		9,287	9,883
Goodwill and intangible assets		2,211	2,376
Interests in associates and joint ventures	11	3,450	4,248
Deferred tax assets		273	165
Derivative financial assets	15	44	33
Other non-current assets		92	108
Total non-current assets		**15,357**	**16,813**
Current assets			
Inventories		2,449	2,542
Trade and other receivables	12(a)	1,357	2,082
Short-term investments		258	241
Derivative financial assets	15	106	75
Cash and cash equivalents		2,538	2,278
Total current assets		**6,708**	**7,218**
Total assets		**22,065**	**24,031**

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial information set out on pages 13 to 40.

	Note	30 June 2020 (unaudited) USD million	31 December 2019 USD million
EQUITY AND LIABILITIES			
Equity	13		
Share capital		-	-
Share premium		1,516	1,516
Treasury share reserve		(1,579)	-
Additional paid-in capital		9,193	9,193
Revaluation reserve		2,722	2,722
Other reserves		167	198
Foreign currency translation reserve		(5,780)	(5,493)
Accumulated losses		(3,730)	(3,806)
Total equity attributable to shareholders of the Parent Company		**2,509**	**4,330**
Non-controlling interests	13(g)	2,666	3,042
Total equity		**5,175**	**7,372**
Non-current liabilities			
Loans and borrowings	14	10,886	11,258
Deferred tax liabilities		1,146	1,243
Provisions – non-current portion		519	536
Derivative financial liabilities	15	15	27
Other non-current liabilities		133	121
Total non-current liabilities		**12,699**	**13,185**
Current liabilities			
Loans and borrowings	14	2,175	1,224
Provisions – current portion		60	71
Trade and other payables	12(b)	1,833	2,152
Derivative financial liabilities	15	123	27
Total current liabilities		**4,191**	**3,474**
Total equity and liabilities		**22,065**	**24,031**

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial information set out on pages 13 to 40.

	Note	Six months ended 30 June 2020 (unaudited) USD million	2019 (unaudited) USD million
OPERATING ACTIVITIES			
Profit for the period		**20**	**863**
Adjustments for:			
Depreciation and amortization		384	396
Impairment of non-current assets	7	67	55
Foreign exchange (gain)/loss	8	(73)	39
(Gain)/ loss on disposal of property, plant and equipment	6	(1)	5
Share of profits of associates and joint ventures	11	(26)	(834)
Interest expense	8	424	498
Interest income	8	(35)	(39)
Change in fair value of derivative financial instruments	8	(12)	(7)
Income tax expense	9	6	196
Impairment/ (reversal of impairment) of inventory		9	(5)
Impairment of accounts receivable	6	-	12
Operating profit before changes in working capital and pension provisions		**763**	**1,179**
Decrease in inventories		85	181
Decrease/(increase) in trade and other receivables		249	(158)
(Decrease)/increase in trade and other payables and provisions		(325)	367
Cash flows generated from operations before income taxes paid		**772**	**1,569**
Income taxes paid		(139)	(334)
Cash flows generated from operating activities		**633**	**1,235**
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		12	21
Acquisition of property, plant and equipment		(483)	(462)
Acquisition of intangible assets		(9)	(16)
Cash (paid for)/ received from other investments		(35)	11
Interest received		36	33
Dividends from associates and joint ventures		790	11
Dividends from financial assets		5	1
Proceeds from disposal of subsidiary		-	14
Acquisition of a subsidiary		(1)	(25)
Return of contributions to associates and joint venture		9	-
Change in restricted cash		1	-
Cash flows generated from/(used in) investing activities		**325**	**(412)**

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial information set out on pages 13 to 40.

		Six months ended 30 June	
		2020 (unaudited)	**2019 (unaudited)**
	Note	**USD million**	**USD million**
FINANCING ACTIVITIES			
Proceeds from borrowings		2,104	1,791
Repayment of borrowings		(577)	(1,882)
Acquistion of own shares		(1,579)	-
Restructuring fees and other receipts/(payments) related to issuance and repurchase of shares		(14)	(9)
Acquisition of non-controlling interests		-	(5)
Interest paid		(423)	(472)
Settlement of derivative financial instruments		(84)	(9)
Cash flows used in financing activities		**(573)**	**(586)**
Net change in cash and cash equivalents		**385**	**237**
Cash and cash equivalents at beginning of the period, excluding restricted cash		2,265	1,140
Effect of exchange rate fluctuations on cash and cash equivalents		(124)	59
Cash and cash equivalents at end of the period, excluding restricted cash		**2,526**	**1,436**

Restricted cash amounted to USD 12 million, USD 13 million and USD 43 million at 30 June 2020, 31 December 2019 and 30 June 2019, respectively.

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial information set out on pages 13 to 40.

USD million	**Attributable to shareholders of the Parent Company**									
	Share premium	**Treasury share reserve**	**Additional paid-in capital**	**Revaluation reserve**	**Other reserves**	**Foreign currency translation reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2019	**973**	**-**	**9,193**	**2,718**	**(62)**	**(5,024)**	**(5,143)**	**2,655**	**2,747**	**5,402**
Total comprehensive income										
Profit for the period (unaudited)	-	-	-	-	-	-	576	576	287	863
Other comprehensive (loss)/income for the period (unaudited)	-	-	-	-	(2)	281	-	279	231	510
Total comprehensive (loss)/income for the period (unaudited)	**-**	**-**	**-**	**-**	**(2)**	**281**	**576**	**855**	**518**	**1,373**
Transactions with owners										
Change in effective interest in subsidiaries (unaudited)	543	-	-	4	251	(836)	477	439	(444)	(5)
Total transactions with owners (unaudited)	**543**	**-**	**-**	**4**	**251**	**(836)**	**477**	**439**	**(444)**	**(5)**
Balance at 30 June 2019 (unaudited)	**1,516**	**-**	**9,193**	**2,722**	**187**	**(5,579)**	**(4,090)**	**3,949**	**2,821**	**6,770**
Balance at 1 January 2020	**1,516**	**-**	**9,193**	**2,722**	**198**	**(5,493)**	**(3,806)**	**4,330**	**3,042**	**7,372**
Total comprehensive income										
Profit for the period (unaudited)	-	-	-	-	-	-	60	60	(40)	20
Other comprehensive (loss)/income for the period (unaudited)	-	-	-	-	(31)	(287)	16	(302)	(336)	(638)
Total comprehensive (loss)/income for the period (unaudited)	**-**	**-**	**-**	**-**	**(31)**	**(287)**	**76**	**(242)**	**(376)**	**(618)**
Transactions with owners										
Acquisition of own shares (note 1(a)) (unaudited)	-	(1,579)	-	-	-	-	-	(1,579)	-	(1,579)
Total transactions with owners (unaudited)	**-**	**(1,579)**	**-**	**-**	**-**	**-**	**-**	**(1,579)**	**-**	**(1,579)**
Balance at 30 June 2020 (unaudited)	**1,516**	**(1,579)**	**9,193**	**2,722**	**167**	**(5,780)**	**(3,730)**	**2,509**	**2,666**	**5,175**

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial information set out on pages 13 to 40.

1 Background

(a) Organisation

EN+ GROUP IPJSC (the "Parent Company" or EN+) was established as a limited liability company according to the legislation of the British Virgin Islands on 30 April 2002 under the name of Baufinanz Limited. On 18 March 2004, the Parent Company registered a change of its legal name to Eagle Capital Group Limited. On 25 August 2005, the Parent Company changed its domicile to Jersey and was renamed to En+ Group Limited. On 1 June 2017, the Parent Company changed its status to a public company and was renamed to EN+ GROUP PLC. On 9 July 2019, the Parent Company changed its domicile to the Russian Federation with a registration as EN+ GROUP International public joint-stock company (EN+GROUP IPJSC). The Parent Company's registered office is Oktyabrskaya st. 8, office 34, Kaliningrad, Kaliningrad Region, 236006, Russian Federation.

On 8 November 2017, the Parent Company successfully completed an initial public offering of global depositary receipts on the London Stock Exchange and the Moscow Exchange. On 17 February 2020, the Parent Company's ordinary shares were included into the "Level 1" part of the list of securities admitted to trading on Moscow Exchange. On 20 April 2020, Company's GDRs were delisted from the Moscow Exchange.

EN+ GROUP IPJSC is the parent company for a vertically integrated aluminium and power group, engaged in aluminium production and energy generation (together with the Parent Company referred to as "the Group").

As at 30 June 2020 Mr. Oleg Deripaska beneficially controls and exercises voting rights in respect of 35% of the voting shares of the Company and his direct or indirect shareholding cannot exceed 44.95% of the shares of the Company.

The other significant holders as at 30 June 2020 were as follows:

	Shareholding	**Voting rights**
Company's subsidiary	21.37%	7.04%
Citi (Nominees), including	14.44%	14.44%
Glencore Group Funding Limited	*10.55%*	*10.55%*
Other shareholders	19.24%	5.84%
Independent trustees	-	37.68%

Glencore Group Funding Limited is a subsidiary of Glencore Plc.

In February 2020, the Group acquired 21.37% of its shares from VTB for cash at a price of USD 11.57 per share. The voting rights in respect of acquired shares representing 14.33% of En+ Group's issued share capital are retained with independent trustees. Votes attaching to the remaining 7.04% of shares are voted by the Chairman of the Parent Company's Board at the Board's direction.

Based on the information at the Group's disposal at the reporting date, there is no individual that has an indirect prevailing ownership interest in the Parent Company exceeding 50%, who could exercise voting rights in respect of more than 35% of the Parent Company's issued share capital or has an opportunity to exercise control over the Parent Company.

Related party transactions are detailed in note 18.

The consolidated financial statements of the Group as at and for the year ended 31 December 2019 are available at the Parent Company's website https://www.enplusgroup.com.

(b) Operations

The Group is a leading vertically integrated aluminium and power producer, which combines the assets and results of its Metals and Power segments.

The Metals segment operates in the aluminium industry primarily in the Russian Federation, Ukraine, Guinea, Jamaica, Ireland, Nigeria and Sweden and is principally engaged in the mining and refining of bauxite and nepheline ore into alumina, the smelting of primary aluminium from alumina and the fabrication of aluminium and aluminium alloys into semi-fabricated and finished products.

The Power segment engages in all aspects of the power industry, including electric power generation, power trading and supply. It also includes supporting operations engaged in the supply of logistics services and coal resources to the Group. The Group's principal power plants are located in East Siberia, Russian Federation.

(c) Seasonality

Demand for heat and electricity is subject to seasonal fluctuations and depends on weather conditions. The highest revenues from heat sales are generated in the period from October to March. Electricity sales are also subject to seasonality, though to a lesser extent, with the highest revenue period also being from October to March. The seasonality factor affects fuel consumption and energy purchases.

Furthermore, equipment repair and maintenance costs tend to grow in the period from April to September. The seasonality of these operations does not have an impact on the accounting treatment of operating income and expenses in accordance with the Group accounting policies.

(d) OFAC sanctions

On 6 April 2018, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") designated, amongst others, the Parent Company, JSC EuroSibEnergo ("EuroSibEnergo") and UC RUSAL Plc ("UC RUSAL") as Specially Designated Nationals ("SDN") (the "OFAC Sanctions").

As a result, all property or interests in property of the Parent Company and its subsidiaries located in the United States or in the possession of U.S. Persons were blocked, frozen, and could not have been transferred, paid, exported, withdrawn, or otherwise dealt in. Several general licenses were issued at the time of the designation and subsequently certain transactions were authorised with the Parent Company, EuroSibEnergo and UC RUSAL, and with their respective debt and equity.

On 27 January 2019, OFAC announced the removal of the Parent Company and its subsidiaries, including UC RUSAL and EuroSibEnergo, from OFAC's SDN list and Blocked Persons with immediate effect. The removal was subject to and conditional upon the satisfaction of a number of conditions including, but not limited to:

- ending Mr Oleg Deripaska's control of the Group, through the reduction of his direct and indirect ownership interest in the Parent Company to below 50%;
- establishing independent voting arrangements for the Parent Company's shares held by certain shareholders;
- corporate governance changes, including, inter alia, overhauling the composition of the EN+ Board to ensure that independent directors constitute the majority of the Board, and ongoing reporting and certifications by the Parent Company and UC RUSAL to OFAC concerning compliance with the conditions for sanctions' removal.

(e) COVID-19

The first months of 2020 have seen significant global market turmoil triggered by the outbreak of the novel coronavirus. Along with other factors, including a sharp decrease in the price of oil, this has resulted in high volatility on the stock market, with a considerable drop of indices, as well as a depreciation of the Russian rouble. As a result of the COVID-19 outbreak during 2020, aluminium prices deteriorated. This factor had an adverse impact on the revenue and profitability of the Group, partially offset by rouble depreciation, decreases in costs of raw materials linked to the oil price, and relatively stable electricity consumption in Siberia region. As aluminium prices are forecast to continue to remain at depressed levels in 2020, management is implementing a number of measures including, but not limited to, cost and working capital optimization. At the date of this consolidated interim condensed financial information, the Group continues to assess the impact of these factors on its financial position and future cash flows and thoroughly monitors all developments. Considering the current Group cash flows forecasts, management has concluded that the Group and the Parent Company will continue in operation and be able to meet their commitments as they fall due.

2 Basis of preparation

(a) Statement of compliance

This consolidated interim condensed financial information has been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. This consolidated interim condensed financial information does not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards and therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2019.

The Group has also no updates to information provided in the last annual financial statements about the standards effective from 1 January 2020 and their impact on the Group’s consolidated financial statements except for amendments to IFRS 16 on COVID-19-Related Rent Concessions. These amendments to IFRS 16 are not expected to have a significant impact on the Group’s consolidated financial statements.

(b) Consolidation of OJSC Irkutsk Electric Grid Company (“Irkutsk GridCo”)

In December 2009, the Group sold to third parties under share purchase contracts all the shares in two Cypriot companies of the Group controlling 34.16% of the shares in Irkutsk GridCo; subsequently the Group purchased 19.9% of the shares in Irkutsk GridCo. The arrangements attached to the share purchase contracts enable the Group to retain certain rights with respect to the disposed shares and the sale did not result in deconsolidation. As at 30 June 2020, the effective interest in Irkutsk GridCo held by the Group is 52.4% (31 December 2019: 52.4%).

As laws and regulations in the electricity sector in Russia are continuing to develop there is uncertainty with respect to the legal interpretation of the existing arrangements which enables the Group to control Irkutsk GridCo and, consequently, these may be interpreted by the Russian regulatory authorities as noncompliant with applicable legislation upon enforcement. Management believes that such arrangements are compliant with the legislation and therefore the Group has the ability to control Irkutsk GridCo as described above. Should the arrangements be found non-compliant upon their enforcement, the Group may be required to unwind the arrangements subsequent to their enforcement and sell Irkutsk GridCo to a third party at that time.

3 Significant accounting policies

Except as described above, the accounting policies applied in this consolidated interim condensed financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

4 Segment reporting

(a) Reportable segments

Based on the current management structure and internal reporting the Group has identified two operating segments:

a) Metals. The Metals segment comprises UC RUSAL with disclosures being based on the public financial statements of UC RUSAL. All adjustments made to UC RUSAL financial statements, including any adjustments arising from different timing of IFRS first time adoption, are included in "Adjustments" column.
The Power assets of UC RUSAL are included within the Metals segment.

b) Power. The Power segment mainly comprises the power assets, as described in note 1(b).

These business units are managed separately and the results of their operations are reviewed by the key executive management personnel and Board of Directors on a regular basis.

The Board of Directors has commissioned a full review of strategic options with respect to the Irkutsk-region coal and coal-fired power assets as part of the Group's commitment to minimizing its carbon footprint. As the first step, the Group has started the spin-off of Irkutsk region coal-fired heat business unit into 100% Irkutskenergo subsidiary. As at the date of this consolidated interim condensed financial information and the reporting date this is still in process.

(b) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitor the results, assets and liabilities and cash flows attributable to each reportable segment on the following bases:

- Total segment assets include all tangible, intangible assets and current assets.
- Total segment liabilities include all current and non-current liabilities.
- Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.
- The measure used for reporting segment results is the net profit and Adjusted EBITDA (key non-IFRS financial measure used by the Group as reference for assessing operating effectiveness). Segment profit or loss and Adjusted EBITDA are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.
- Adjusted EBITDA for any period represents the results from operating activities adjusted for amortisation and depreciation, impairment charges and loss on disposal of property, plant and equipment for the relevant period.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment revenue), the carrying value of investments and share of profits/(losses) of associates and joint ventures, depreciation, amortisation, interest income and expenses, other finance income and costs, income tax, loss on disposal of property, plant and equipment, impairment of non-current assets and additions of non-current segment assets used by the segments in their operations. Inter-segment pricing is determined primarily on a consistent basis using market benchmarks.

USD million	**METALS**	**POWER**	**Adjustments**	**Total**
Six months ended 30 June 2020				
Statement of profit or loss and other comprehensive income				
Revenue from external customers	*3,964*	*984*	-	*4,948*
Primary aluminium and alloys	3,268	-	-	3,268
Alumina and bauxite	243	-	-	243
Semi-finished products and foil	178	73	-	251
Electricity	26	569	-	595
Heat	22	216	-	238
Other	227	126	-	353
Inter-segment revenue	*51*	*431*	*(482)*	-
Total segment revenue	**4,015**	**1,415**	**(482)**	**4,948**
Operating expenses (excluding depreciation and loss on disposal of PPE)	(3,796)	(873)	477	(4,192)
Adjusted EBITDA	**219**	**542**	**(5)**	**756**
Depreciation and amortisation	(274)	(111)	1	(384)
Gain on disposal of PPE	-	1	-	1
Impairment of non-current assets	(51)	(16)	-	(67)
Results from operating activities	**(106)**	**416**	**(4)**	**306**
Share of profits of associates and joint ventures	27	(1)	-	26
Interest expense, net	(224)	(165)	-	(389)
Other finance costs, net	99	(16)	-	83
(Loss)/profit before tax	**(204)**	**234**	**(4)**	**26**
Income tax expense	80	(86)	-	(6)
(Loss)/profit for the period	**(124)**	**148**	**(4)**	**20**
Additions to non-current segment assets during the period	(464)	(98)	10	(552)

USD million	METALS	POWER	Adjustments	Total
30 June 2020				
Statement of financial position				
Segment assets, excluding cash and cash equivalents and interests in associates and joint ventures	11,183	5,639	(745)	16,077
Investment in Metals segment	-	4,595	(4,595)	-
Cash and cash equivalents	2,096	442	-	2,538
Interests in associates and joint ventures	3,443	7	-	3,450
Total segment assets	**16,722**	**10,683**	**(5,340)**	**22,065**
Segment liabilities, excluding loans and borrowings and bonds payable	2,684	1,362	(217)	3,829
Loans and borrowings	8,060	5,001	-	13,061
Total segment liabilities	**10,744**	**6,363**	**(217)**	**16,890**
Total segment equity	5,978	4,320	(5,123)	5,175
Total segment equity and liabilities	**16,722**	**10,683**	**(5,340)**	**22,065**

USD million	**METALS**	**POWER**	**Adjustments**	**Total**
Six months ended 30 June 2020				
Statement of cash flows				
Cash flows from operating activities	**173**	**470**	**(10)**	**633**
Cash flows from/(used in) investing activities	**398**	**(83)**	**10**	**325**
Acquisition of property, plant and equipment, intangible assets	(401)	(101)	10	(492)
Other investments	(22)	(13)	-	(35)
Dividends from associates and joint ventures	790	-	-	790
Interest received	14	22	-	36
Other investing activities	17	9	-	26
Cash flows used in financing activities	**(188)**	**(385)**	**-**	**(573)**
Interest paid	(244)	(179)	-	(423)
Restructuring fees and other receipts/ (payments) related to issuance and repurchase of shares	-	(14)	-	(14)
Settlements of derivative financial instruments	(84)	-	-	(84)
Acquisition of own shares	-	(1,579)	-	(1,579)
Other financing activities	140	1,387	-	1,527
Net change in cash and cash equivalents	**383**	**2**	**-**	**385**

USD million

Six months ended 30 June 2019

Statement of profit or loss and other comprehensive income	**METALS**	**POWER**	**Adjustments**	**Total**
Revenue from external customers	*4,674*	*1,129*	-	*5,803*
Primary aluminium and alloys	3,817	-	-	3,817
Alumina and bauxite	341	-	-	341
Semi-finished products and foil	204	83	-	287
Electricity	37	647	-	684
Heat	24	229	-	253
Other	251	170	-	421
Inter-segment revenue	*62*	*468*	*(530)*	-
Total segment revenue	**4,736**	**1,597**	**(530)**	**5,803**
Operating expenses (excluding depreciation and loss on disposal of PPE)	(4,208)	(937)	527	(4,618)
Adjusted EBITDA	**528**	**660**	**(3)**	**1,185**
Depreciation and amortisation	(272)	(124)	-	(396)
Loss on disposal of PPE	(6)	1	-	(5)
Impairment of non-current assets	(49)	(6)	-	(55)
Results from operating activities	**201**	**531**	**(3)**	**729**
Share of profits of associates and joint ventures	834	-	-	834
Interest expense, net	(276)	(183)	-	(459)
Other finance costs, net	(44)	(1)	-	(45)
Profit before tax	**715**	**347**	**(3)**	**1,059**
Income tax expense	(90)	(106)	-	(196)
Profit for the period	**625**	**241**	**(3)**	**863**
Additions to non-current segment assets during the period	(345)	(158)	7	(496)

USD million	**METALS**	**POWER**	**Adjustments**	**Total**
31 December 2019				
Statement of financial position				
Segment assets, excluding cash and cash equivalents and interests in associates and joint ventures	11,793	6,409	(697)	17,505
Investment in Metals segment	-	4,595	(4,595)	-
Cash and cash equivalents	1,781	497	-	2,278
Interests in associates and joint ventures	4,240	8	-	4,248
Total segment assets	**17,814**	**11,509**	**(5,292)**	**24,031**
Segment liabilities, excluding loans and borrowings and bonds payable	2,820	1,534	(177)	4,177
Loans and borrowings	8,247	4,235	-	12,482
Total segment liabilities	**11,067**	**5,769**	**(177)**	**16,659**
Total segment equity	6,747	5,740	(5,115)	7,372
Total segment equity and liabilities	**17,814**	**11,509**	**(5,292)**	**24,031**

USD million	**METALS**	**POWER**	**Adjustments**	**Total**
Six months ended 30 June 2019				
Statement of cash flows				
Cash flows from operating activities	**741**	**501**	**(7)**	**1,235**
Cash flows used in investing activities	**(329)**	**(90)**	**7**	**(412)**
Acquisition of property, plant and equipment, intangible assets	(353)	(132)	7	(478)
Other investments	3	8	-	11
Dividends from associates and joint ventures	11	-	-	11
Interest received	16	17	-	33
Other investing activities	(6)	17	-	11
Cash flows used in financing activities	**(309)**	**(277)**	**-**	**(586)**
Interest paid	(274)	(198)	-	(472)
Restructuring fees and other payments related to issuance of shares	-	(9)	-	(9)
Settlements of derivative financial instruments	(9)	-	-	(9)
Other financing activities	(26)	(70)	-	(96)
Net change in cash and cash equivalents	**103**	**134**	**-**	**237**

5 Revenue

(a) Revenue by types

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Sales of primary aluminium and alloys	**3,268**	**3,817**
Third parties	3,070	2,275
Related parties – companies capable of exerting significant influence	193	1,536
Related parties – other	4	6
Related parties – associates and joint ventures	1	-
Sales of alumina and bauxite	**243**	**341**
Third parties	127	158
Related parties – companies capable of exerting significant influence	12	91
Related parties – associates and joint ventures	104	92
Sales of semi-finished products and foil	**251**	**287**
Third parties	251	287
Related parties – other	-	-
Sales of electricity	**595**	**684**
Third parties	580	662
Related parties – other	3	5
Related parties – associates and joint ventures	12	17
Sales of heat	**238**	**253**
Third parties	228	240
Related parties – companies capable of exerting significant influence	1	1
Related parties – other	9	12
Other revenue	**353**	**421**
Third parties	293	342
Related parties – companies capable of exerting significant influence	3	5
Related parties – other	4	11
Related parties – associates and joint ventures	53	63
	4,948	**5,803**

(b) Revenue by primary regions

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
CIS	2,030	2,270
Europe	1,902	2,269
Asia	699	768
America	293	467
Other	24	29
	4,948	**5,803**

All revenue of the Group relates to revenue from contracts with customers.

6 Other operating expenses, net

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Charitable donations	(19)	(23)
Gain/ (loss) on disposal of property, plant and equipment	1	(5)
Impairment of accounts receivable	-	(12)
Other operating expenses, net	(66)	(45)
	(84)	**(85)**

7 Impairment of non-current assets

Events described in note 1(e) triggered the potential impairment of the Group's goodwill and property, plant and equipment related to a number of cash-generating units. They primarily relate to a depressed level of aluminium and alumina prices during the second quarter of the year 2020 partially counterbalanced by depreciation of the Russian rouble, decreases in oil prices together with cash cost control measures.

For the purposes of impairment testing, the recoverable amount of each cash generating unit was determined by discounting expected future net cash flows of the cash generating unit. The constitution of cash generating units has not changed compared to the consolidated financial statements as at and for the year ended 31 December 2019.

METALS

Based on results of impairment testing as at 30 June 2020, management has concluded that no impairment or reversal of previously recognised impairment loss relating to property, plant and equipment should be recognised in this consolidated interim condensed financial information apart from minor impairment of specific items of USD 51 million. Management has also concluded that no impairment of goodwill should be recognised in this consolidated interim condensed financial information.

At 30 June 2020, management analysed changes in the economic environment and developments in the aluminium industry and the Group's operations since 31 December 2019 and used the following assumptions to determine the recoverable amount of the goodwill and property, plant and equipment:

- Total production was estimated based on average sustainable production levels of 3.7 million metric tonnes of primary aluminium, of 8.2 million metric tonnes of alumina and of 15.0 million metric tonnes of bauxite. Bauxite and alumina are used primarily internally for production of primary aluminium;

- Aluminium sales prices were based on the long-term aluminium price outlook derived from available industry and market sources at USD 1,618 per tonne for primary aluminium in 2020, USD 1,734 in 2021, USD 1,848 in 2022, USD 1,937 in 2023, USD 2,023 in 2024. Alumina sales prices were based on the long-term alumina price outlook derived from available industry and market sources at USD 275 per tonne for alumina in 2020, USD 294 in 2021, USD 313 in 2022, USD 330 in 2023, USD 343 in 2024 Operating costs were projected based on the historical performance adjusted for inflation and energy costs forecasts;

- Nominal foreign currency exchange rates applied to convert operating costs of the Group denominated in RUB into USD were RUB 72.0 for one USD in 2020, RUB 71.6 in 2021, RUB 69.9

in 2022, RUB 69.3 in 2023, RUB 70.2 in 2024. Inflation of 4.1% – 5.0% in RUB and 1.8% - 2.1% in USD was assumed in determining recoverable amounts;

• The pre-tax discount rate was estimated in nominal terms based on the weighted average cost of capital basis for each cash generating units and varied from 11% to 20%;

• A terminal value was derived following the forecast period assuming a 1.8% annual growth rate.

The results are particularly sensitive to the following key assumptions:

• A 5% reduction in the projected aluminium price level would have resulted in the decrease in the recoverable amount of aluminium plants of the Group and would lead to an impairment of up to 12% of the carrying amount of property, plant and equipment of the Metals segment;

• A 5% reduction in the projected aluminium sales volumes would have resulted in the decrease in the recoverable amount of aluminium plants of the Group and would lead to an impairment of up to 3% of the carrying amount of property, plant and equipment of the Metals segment;

• A 5% increase in the projected level of electricity costs in the aluminium production would have resulted in the decrease in the recoverable amount of aluminium plants of the Group and would lead to an impairment of up to 2% of the carrying amount of property plant and equipment of the Metals segment;

• A 5% increase in the projected level of alumina costs in the aluminium production would have resulted in the decrease in the recoverable amount of aluminium plants of the Group and would lead to an impairment of up to 3% of the carrying amount of property plant and equipment of the Metals segment;

• A 1% increase in each of the discount rates applied would have resulted in the decrease in the recoverable amount of all cash generating units by 15% and would lead to an impairment of up to 4% of the carrying amount of property, plant and equipment of the Metal's segment;

• A 10% depreciation of Russian rouble would have resulted in the increase in the recoverable amount of all Russian–based plants of the Group and would result in the reversal of previously recognised impairments of up to 8% of the carrying amount of property, plant and equipment of the Metals segment.

POWER

Based on results of impairment testing as at 30 June 2020, management has concluded that no impairment or reversal of previously recognised impairment loss relating to property, plant and equipment should be recognised in this interim condensed consolidated financial information apart from minor impairment of specific items of USD 16 million.

At 30 June 2020 management analysed changes in the economic environment and developments in the power and coal industries and the Group's operations since 31 December 2019 and used the following assumptions to determine the recoverable amount of the property, plant and equipment:

Coal cash-generating unit:

Sales volumes of coal in 2020	13,470 ths tonnes
Expected growth of sales volumes of coal till 2029	12%
Weighted average price for coal in 2020	USD 12 (RUB 864)
Weighted average price growth after 2020	4%
Post-tax discount rate	13%

The recoverable amount of the Coal cash-generating unit is particularly sensitive to changes in forecast of sales volumes, coal prices and applicable discount rates. A 1% increase of the discount rate applied would have resulted in the decrease in the recoverable amount of Coal cash generating units but would not lead to an impairment.

Irkutsk GridCo cash-generating unit:

Sales volumes of electricity transmission in 2020	46 mln MWh
Expected growth of sales volumes till 2029	16%
Average tariff for electricity transmission in 2020	USD 7 (RUB 464)
Tariffs growth after 2020 till 2029	35%
Post-tax discount rate	12%

The anticipated price/tariffs growth included in the cash flow projections for the years from 2021 to 2029 has been based on the publicly available forecasts of Ministry of Economic Development of the Russian Federation.

The recoverable amount estimated at 30 June 2020 includes cash flows from sales of electricity transmission to Taishet aluminium smelter starting from 2021. If the Taishet aluminium smelter is not commissioned, a significant impairment of property, plant and equipment may need to be recognised.

The recoverable amount of the Irkutsk GridCo cash-generating unit is also particularly sensitive to changes in forecast electricity transmission volumes and tariffs, as well as applicable discount rates.

Values assigned to key assumptions and estimates used to measure the units' recoverable amount were based on external sources of information and historical data. Management believes that the values assigned to the key assumptions and estimates represent the most realistic assessment of future trends. The risk factors related to COVID-19 uncertainties have been incorporated into the discount rates applied.

8 Finance income and costs

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Finance income		
Foreign exchange gain	73	-
Interest income	35	39
Change in fair value of derivative financial instruments (note 15)	12	7
	120	**46**

	Six months ended 30 June	
	2020	2019
	USD million	USD million
Finance costs		
Interest expense	(424)	(496)
Foreign exchange loss	-	(39)
Other finance costs	(2)	(15)
	(426)	**(550)**

9 Income tax

	Six months ended 30 June	
	2020	2019
	USD million	USD million
Current tax expense		
Current tax for the period	(125)	(213)
Deferred tax expense		
Origination and reversal of temporary differences	119	17
	(6)	**(196)**

The Parent Company is a resident of Russia's SAR (special administrative region) and a Russian tax resident. Companies which register in the SAR as part of the continuance out of a foreign jurisdiction (such as the Parent Company) may have a number of tax benefits, subject to certain conditions.

The Parent Company and its subsidiaries pay income taxes in accordance with the legislative requirements of their respective tax jurisdictions. For the Parent Company and subsidiaries domiciled in the Russian Federation the applicable tax rate is 20%, in Ukraine - 18%; Guinea - 0%; China - 25%; Kazakhstan - 20%; Australia - 30%; Jamaica - 25%; Ireland - 12.5%; Sweden - 21.4% and Italy - 27.9%. For the Group’s subsidiaries domiciled in Switzerland the applicable tax rate for the period is the corporate income tax rate in the Canton of Zug, Switzerland, which may vary depending on the subsidiary’s tax status. The rate consists of a federal income tax and cantonal/communal income and capital taxes. The latter includes a base rate and a multiplier, which may change from year to year. Applicable income tax rate is 11.83% for Swiss subsidiaries. For UC RUSAL’s significant trading companies, the applicable tax rate is 0%. The applicable tax rates for the period ended 30 June 2019 and the year ended 31 December 2019 were the same as for the period ended 30 June 2020, except for tax rates for subsidiaries domiciled in Switzerland which amounted to 9.55% and 14.35% accordingly.

10 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders for the six months ended 30 June 2020 and 30 June 2019.

	Six months ended 30 June	
	2020	2019
Weighted average number of shares at the beginning of the period	638,848,896	571,428,572
Issuance of shares	-	67,420,324
Acquisition of own shares (note 1(a))	(136,511,122)	-
Weighted average number of shares	533,260,183	629,424,550

	Six months ended 30 June	
	2020	**2019**
Profit for the period attributable to the shareholders of the Parent Company, USD million	60	576
Basic and diluted earnings per share, USD	**0.113**	**0.915**

Acquisition of own shares (note 1(a)) was accounted for in the weighted average numbers of shares calculation for the six months ended 30 June 2020 only.

There were no outstanding dilutive instruments during the periods ended 30 June 2020 and 30 June 2019.

11 Interests in associates and joint ventures

The Group has the following movements in investments in associates and joint ventures:

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Balance at beginning of the period	**4,248**	**3,701**
Group's share of post acquisition profits	26	834
Return of investment	(10)	-
Dividends	(335)	(554)
Foreign currency translation	(479)	373
Balance at end of the period	**3,450**	**4,354**
Goodwill included in interest in associates	2,148	2,382

Investment in Norilsk Nickel

The Group's share of the net loss of Norilsk Nickel was USD 13 million, other comprehensive income was USD nil million, and the foreign currency translation loss was USD 407 million for the six months ended 30 June 2020. The carrying value of the Group's investment in the investee was USD 2,708 million as at 30 June 2020.

The market value of the investment in Norilsk Nickel at 30 June 2020 was USD 11,771 million (31 December 2019: USD 13,586 million). The market value was determined by multiplying the quoted bid price per share on the Moscow Exchange on reporting date by the number of shares held by the Group.

On 29 May 2020, a diesel fuel leak from a thermoelectric power plant of the Norilsk-Taimyr Energy Company (subsidiary of the Norilsk Nickel Group) occurred. Norilsk Nickel, together with the Russian government's environmental agency (Rosprirodnadzor), are currently dealing with possible diesel contamination occurrences and cleaning up the oil spills.

In July 2020, Rosprirodnadzor published its assessment of the potential damage caused and a claim amounting to RUB 148 billion (USD 2,134 million as at 30 June 2020). A provision for the full amount of this assessment was recognised by Norilsk Nickel in its interim condensed consolidated financial statements for the six months ended 30 June 2020 and has resulted in a significant decrease in the Group's share of its profits for the reporting period. The assessment is being further analysed by Norilsk Nickel.

On 12 July 2020, another diesel fuel leak occurred in the Norilsk region and related clean up works are currently being carried out by Norilsk Nickel. An assessment of the potential damage caused by this spill is currently being undertaken by Norilsk Nickel.

Management is of the opinion that these factors have no material impact on the Group's ability to fulfil its obligations when they fall due in the foreseeable future.

12 Non-derivative financial instruments

(a) Trade and other receivables

	30 June 2020	31 December 2019
	USD million	USD million
Trade receivables from third parties	**561**	**715**
Trade receivables from related parties, including	**47**	**115**
Related parties – companies capable of exerting significant influence	*35*	*82*
Related parties – other	*1*	*2*
Related parties – associates and joint ventures	*11*	*31*
VAT recoverable	**394**	**447**
Advances paid to third parties	**125**	**135**
Advances paid to related parties, including	**43**	**46**
Related parties – companies capable of exerting significant influence	*1*	-
Related parties – associates and joint ventures	*42*	*46*
Other receivables from third parties	**214**	**218**
Other receivables from related parties, including	**1**	
Related parties – associates and joint ventures	*1*	
Other taxes receivable	**19**	**26**
Income tax receivable	**26**	**28**
Dividends receivable from related parties	**-**	**430**
Related parties – associates and joint ventures	-	430
Other current assets	**5**	**7**
	1,435	**2,167**
Allowance for doubtful debts	(78)	(85)
	1,357	**2,082**

All of the trade and other receivables are expected to be settled or recognised as an expense within one year or are repayable on demand.

(b) Trade and other payables

	30 June 2020	31 December 2019
	USD million	USD million
Accounts payable to third parties	**552**	**630**
Accounts payable to related parties, including	**35**	**49**
Related parties – companies capable of exerting significant influence	*1*	*3*
Related parties – associates and joint ventures	*34*	*46*
Advances received from third parties	**723**	**562**
Advances received from related parties, including	**-**	**392**
Related parties – companies capable of exerting significant influence	-	*392*
Other payables and accrued liabilities to third parties	**247**	**224**
Income tax payable	**22**	**38**

	30 June 2020	31 December 2019
	USD million	USD million
Other taxes payable	**254**	**257**
	1,833	**2,152**

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. Lease liabilities that are expected to be settled within one year for the amount of USD 25 million are included in other payables and accrued liabilities as at 30 June 2020.

13 Equity

(a) Share capital, additional paid-in capital and transactions with shareholders

As at 30 June 2020 the Parent Company’s share capital is divided into 638,848,896 ordinary shares with a nominal value of USD 0.00007 each. The Parent Company may also issue 75,436,818.286 ordinary shares.

As at 30 June 2020 and 31 December 2019 all issued ordinary shares were fully paid.

On 3 February 2020 the second stage of Glencore deal was completed, 6.78% of UC RUSAL's shares were received by the Parent Company.

(b) Treasury share reserve

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in additional paid-in capital.

The reserve for the Group’s treasury shares comprises the cost of the Parent Company’s shares held by the Group (note 1(a)). At the reporting date the Group held 136,511,122 (31 December 2019: nil) of its own shares.

(c) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the consolidated interim condensed financial information of foreign operations and equity-accounted investees.

(d) Other reserves

Other reserves include the cumulative unrealised actuarial gains and losses on the Group's defined post retirement benefit plans, the effective portion of the accumulative change in fair value of cash flow hedges and the Group’s share of other comprehensive income of equity-accounted investees other than foreign currency transaction.

(e) Revaluation reserve

The revaluation reserve comprises the cumulative net change in the fair value of hydro assets at the reporting date

(f) Dividends

The Parent Company may distribute dividends from retained earnings and profit for the reporting period in compliance with the current legislation of the Russian Federation and the provisions of its Charter.

During the six months ended 30 June 2020 and 30 June 2019, the Group did not declare or pay any dividends.

(g) Non-controlling interest

The following table summarises the information relating to each of the Group`s subsidiaries that has material non-controlling interest:

30 June 2020

USD million	**UC RUSAL**	**Irkutskenergo***	**OJSC Irkutsk Electric Grid Company**	**Total**
NCI percentage	**43.1%**	**6.8%**	**47.6%**	
Assets	16,238	5,018	547	
Liabilities	(10,744)	(3,289)	(166)	
Net assets	**5,494**	**1,729**	**381**	
Carrying amount of NCI	2,369	116	181	**2,666**
Revenue	4,015	844	162	
(Loss)/profit	(124)	27	16	
Other comprehensive loss	(645)	(238)	-	
Total comprehensive (loss)/income	**(769)**	**(211)**	**16**	
(Loss)/profit attributable to NCI	(53)	6	7	**(40)**
Other comprehensive loss attributable to NCI	(278)	(35)	(23)	**(336)**
Cash flows from operating activities	173	74	55	
Cash flows from/(used in) investing activities	398	(1,617)	(28)	
Cash flows (used in)/from financing activities	(188)	1,522	(7)	
Net increase/(decrease) in cash and cash equivalents	**383**	**(21)**	**20**	

*Net assets of Irkutskenergo were adjusted for the effect of Irkutskenergo investment in OJSC Irkutsk Electric Grid Company.

30 June 2019

USD million

	UC RUSAL	**Irkutskenergo***	**OJSC Irkutsk Electric Grid Company**	**Total**
NCI percentage	**43.1%**	**6.8%**	**47.6%**	
Assets	16,870	4,110	561	
Liabilities	(11,083)	(2,068)	(163)	
Net assets	**5,787**	**2,042**	**398**	
Carrying amount of NCI	2,496	135	190	**2,821**
Revenue	4,736	989	167	
Profit	625	93	9	
Other comprehensive income	437	2	-	
Total comprehensive income	**1,062**	**95**	**9**	
Profit attributable to NCI	274	10	3	**287**
Other comprehensive income attributable to NCI	207	7	17	**231**
Cash flows from operating activities	741	75	54	
Cash flows used in investing activities	(329)	(62)	(37)	
Cash flows used in financing activities	(309)	(22)	(17)	
Net increase/(decrease) in cash and cash equivalents	**103**	**(9)**	**-**	

*Net assets of Irkutskenergo were adjusted for the effect of Irkutskenergo investment in OJSC Irkutsk Electric Grid Company.

14 Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings.

	30 June 2020 USD million	31 December 2019 USD million
Non-current liabilities		
Secured bank loans	8,193	7,626
Unsecured bank loans	115	1,086
Bonds	2,578	2,546
	10,886	**11,258**
Current liabilities		
Secured bank loans	796	586
Unsecured bank loans	1,311	511
Accrued interest	64	72
Bonds	4	55
	2,175	**1,224**

(a) Loans and borrowings

METALS

The nominal value of UC RUSAL's loans and borrowings was USD 5,447 million at 30 June 2020 (31 December 2019: USD 5,612 million).

POWER

In February 2020, the Group entered into 2 loan agreements with Sberbank:

Loan 1 – 3-year RUB 100.8 billion loan agreement to finance the acquisition of a 21.37% stake in the Parent Company for USD 1.6 billion from VTB (note 1(a)).

Loan 2 – loan agreement allowing the extension of the final maturity of the Loan 1 by another 4 years during 2022.

The nominal value of Power segment loans and borrowings was USD 5,022 million at 30 June 2020 (31 December 2019: USD 4,243 million).

The carrying amount of the Group's liabilities measured at amortised cost approximates their fair values as at 30 June 2020.

Security and pledges

The Group's bank loans and guarantees are secured by pledges of shares of the Group's subsidiaries and by a pledge of shares of an associate, the details of which are disclosed in the Group's consolidated financial statements as of and for the year ended 31 December 2019. In the six months ended 30 June 2020 the Group additionally pledged 50%-1 share of JSC Krasnoyarsk HPP, 9.73% of PJSC Irkutskenergo shares, 50%+1 share of JSC EvroSibEnergo and 100% shares of LLC TOD Irkutskenergo.

The secured bank loans are also secured by the following:

- Property, plant and equipment with a carrying amount of USD 1,090 million (31 December 2019: USD 1,262 million);
- Inventories with a carrying amount of USD nil million (31 December 2019: USD 383 million).

As at 30 June 2020 and 31 December 2019, rights, including all monies and claims, arising out of certain sales contracts between the UC RUSAL's trading subsidiaries and its ultimate customers, were assigned to secure the syndicated Pre-Export Finance Term Facility Agreement (PXF) dated 25 October 2019.

As at 30 June 2020, UC RUSAL through its subsidiaries has outstanding REPO loans backed by Norilsk Nickel shares in number of 1,265,830 in the amount of USD 260 million and maturing in June 2021 (31 December 2019: REPO loans backed by Norilsk Nickel shares in number of 1,017,000, in the amount of USD 210 million and maturing in June 2020).

(b) Bonds payable

As at 30 June 2020, 27,751 series 08 bonds and 37,817 series BO-01 bonds (after put option in April 2020), 15,000,000 series BO-001P-01 bonds, 15,000,000 series BO-001P-02 bonds, 15,000,000 series BO-001P-03 bonds, 15,000,000 series BO-001P-04 bonds of PJSC RUSAL Bratsk were outstanding (traded in the market).

The closing market price at 30 June 2020 was RUB 994, RUB 951, RUB 1,043, RUB 1,055, RUB 1,038 and RUB 1,018 per bond for the above mentioned tranches, respectively.

On 20 March 2020, UC RUSAL repaid Panda bonds issuance (the first tranche) and redeemed bonds with notional value CNY 320 million (USD 46 million).

On 9 June 2020, the placement of the exchange-traded rouble bonds of PJSC RUSAL Bratsk series BO-002P-01 in the amount of RUB 10 billion with a coupon rate 6.5% was completed and the exchange-traded rouble bonds commenced trading on the Moscow Exchange. Maturity of the bonds is ten years subject to bondholders' put option exercisable in June 2023. The closing market price at 30 June 2020 was RUB 997. In addition to the placement, UC RUSAL entered into a cross-currency interest rate swap, which resulted in the exchange-traded rouble bonds exposure in the amount of RUB 5 billion being translated into US-dollar exposure with the maturity of 3 years and the interest rate of 2.90%. As at 30 June 2020 cross-currency interest rate swap in respect of rouble bonds issued during the year ended 31 December 2019 were in force which resulted in the exchange-traded rouble bonds exposure being translated in full amount into US-dollar exposure with the maturity of 3-3.5 years and the interest rate of 3.65% - 4.69%.

As at 30 June 2020, a minor part of the second tranche of Panda Bonds was outstanding (USD 3 million).

15 Derivative financial assets and liabilities

Derivative financial instruments are attributable to the following contracts of UC RUSAL:

	30 June 2020		31 December 2019	
	USD million		USD million	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Petroleum coke supply contracts and other raw materials	68	18	39	36
Forward contracts for aluminium and other instruments	82	28	21	18

	30 June 2020		31 December 2019	
	USD million		USD million	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Cross currency swap	-	92	48	-
Total	**150**	**138**	**108**	**54**
Non-current	**44**	**15**	**33**	**27**
Current	**106**	**123**	**75**	**27**

Derivative financial instruments are recorded at their fair value at each reporting date. Fair value is estimated in accordance with Level 3 of the fair value hierarchy based on management estimates and consensus economic forecasts of relevant future prices, net of valuation allowances to accommodate liquidity, modelling and other risks implicit in such estimates. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. There were no changes in valuation techniques during six-month period ended 30 June 2020. The following significant assumptions were used in estimating derivative instruments:

	2020	2021	2022	2023	2024	2025
LME Al Cash, USD per tonne	1,619	1,683	1,761	1,841	1,921	1,981
Platt's FOB Brent, USD per barrel	41	43	45	47	48	-

The movement in the balance of Level 3 fair value measurements of derivatives is as follows:

	Six months ended 30 June	
	2020	2019
	USD million	USD million
Balance at the beginning of the period	54	11
Unrealised changes in fair value recognised in consolidated interim condensed statement of profit or loss (finance income/(expense)) during the period	12	7
Unrealised changes in fair value recognised in other comprehensive income (cash flow hedge) during the period	(58)	(5)
Realised portion of electricity, coke and raw material contracts and cross currency swap	4	5
Balance at the end of the period	**12**	**18**

Sensitivity analysis showed that derivative financial instruments are not particularly sensitive to changes in main inputs.

16 Commitments

Capital commitments

METALS

UC RUSAL has entered into contracts that result in contractual obligations primarily relating to various construction and capital repair works. The commitments at 30 June 2020 and 31 December 2019 approximated USD 299 million and USD 298 million, respectively. These commitments are due over a number of years.

POWER

The Power segment had outstanding capital commitments which had been contracted for at 30 June 2020 and 31 December 2019 in the amount of USD 281 million and USD 326 million, respectively. These commitments are due over a number of years.

17 Contingencies

(a) Taxation

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the relevant local, regional and federal authorities. Recent developments in the Russian environment suggest that the authorities in this country are becoming more active in seeking to enforce, through the Russian court system, interpretations of the tax legislation, in particular in relation to the use of certain commercial trading structures, which may be selective for particular tax payers and different from the authorities' previous interpretations or practices. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

In addition to the amounts of income tax the Group has provided, there are certain tax positions taken by the Group where it is reasonably possible (though less than 50% likely) that additional tax may be payable upon examination by the tax authorities or in connection with ongoing disputes with tax authorities. The Group's best estimate of the aggregate maximum of additional amounts that it is reasonably possible may become payable if these tax positions were not sustained at 30 June 2020 is USD 30 million (31 December 2019: USD 34 million).

(b) Environmental contingencies

The Group and its predecessor entities have operated in the Russian Federation, Ukraine, Jamaica, Guyana, the Republic of Guinea and the European Union for many years and certain environmental problems have developed. Governmental authorities are continually considering environmental regulations and their enforcement and the Group periodically evaluates its obligations related thereto. As obligations are determined, they are recognised immediately. The outcome of environmental liabilities under proposed or any future legislation, or as a result of stricter enforcement of existing legislation, cannot reasonably be estimated. Under current levels of enforcement of existing legislation, management believes there are no possible liabilities, which will have a material adverse effect on the financial position or the operating results of the Group. However, the Group anticipates undertaking capital projects to improve its future environmental performance.

(c) Legal contingencies

The Group's business activities expose it to a variety of lawsuits and claims which are monitored, assessed and contested on the ongoing basis. Where management believes that a lawsuit or another claim would result in the outflow of the economic benefits for the Group, a best estimate of such outflow is included in provisions in the consolidated interim condensed financial information. As at 30 June 2020 the amount of claims, where management assesses outflow as possible approximates USD 21 million (31 December 2019: USD 21 million).

18 Related party transactions

(a) Transactions with related parties

The Group transacts with related parties, the majority of which are under control of SUAL Partners Limited or its shareholders, associates and joint ventures and other related parties.

Sales to related parties for the period are disclosed in note 5. Receivables from related parties and payables to related parties as at the reporting date are disclosed in note 12. Purchases of raw materials and services from related parties for the period were as follows:

	Six months ended 30 June	
	2020	**2019**
	USD million	**USD million**
Purchase of raw materials	**(243)**	**(259)**
Companies capable of exerting significant influence	(8)	(37)
Other related parties	-	(24)
Associates and joint ventures	(235)	(198)
Energy costs	**(28)**	**(23)**
Companies capable of exerting significant influence	(13)	(2)
Other related parties	-	-
Associates and joint ventures	(15)	(21)
Other services	**(58)**	**(59)**
Other related parties	(1)	(1)
Associates and joint ventures	(57)	(58)
	(329)	**(341)**

All trade and other receivables and payables with related parties are non-secured and expected to be settled in cash within 12 months after the reporting date.

At 30 June 2020 included in non-current assets are balances of related parties — associates and joint ventures of USD 4 million (31 December 2019: USD 2 million). At 30 June 2020, included in non-current liabilities are balances of related parties – associates and joint ventures of USD 12 million (31 December 2019: USD 11 million).

(b) Remuneration to key management

For the six months ended 30 June 2020 remuneration to key management personnel comprised short-term benefits and amounted to USD 8 million from which Board members received USD 4 million (for the six months ended 30 June 2019: USD 12 million from which Board members received USD 6 million).

19 Events subsequent to the reporting date

In July 2020 UC RUSAL excercised early prepayment of part of a Rouble loan facility to Sberbank in the amount of RUB 3.8 billion (USD 53 million).

In July 2020, UC RUSAL launched a tender offer and purchased from investors and redeemed Eurobonds for a total amount of USD 88.5 million.