

## 19. Borrowings

|   | Effective interest rate                            | 2018         | 2017         |
|---|--|--------------|--------------|
| <b>Long-term borrowings</b>                   |  |              |              |
| <b>Variable rate borrowings</b>               |  | <b>3,050</b> | <b>3,146</b> |
| Unsecured USD-denominated borrowings          | 6M LIBOR + 1.46% to 1M LIBOR + 3%                  | 2,692        | 2,890        |
| Unsecured RUB-denominated borrowings          | Central Bank Rate + 0.3% to Central Bank Rate + 1% | 217          | 131          |
| Unsecured EUR-denominated borrowings          | 6M EURIBOR + 0.5% to 6M EURIBOR + 2.25%            | 141          | 125          |
| <b>Fixed rate borrowings</b>                  |  | <b>1,241</b> | <b>1,504</b> |
| Unsecured RUB-denominated borrowings          | 0.05% to 8.03%                                     | 970          | 180          |
| Unsecured RUB-denominated bonds               | 8.25% to 10.5%                                     | 271          | 183          |
| Secured RUB-denominated borrowings            | 8.05%  | -            | 949          |
| Unsecured USD-denominated borrowings          | 3%   | -            | 192          |
| <b>Subtotal</b>                               |  | <b>4,291</b> | <b>4,650</b> |
| Less: Current portion of long-term borrowings |  | 1,019        | 1,273        |
| <b>Total long-term borrowings</b>             |  | <b>3,272</b> | <b>3,377</b> |
| <b>Short-term borrowings</b>                  |  |              |              |
| <b>Fixed rate borrowings</b>                  |  | <b>62</b>    | <b>177</b>   |
| Unsecured RUB-denominated borrowings          | 7.6% to 7.75%                                      | 60           | 175          |
| Other borrowings                              |  | 2            | 2            |
| <b>Subtotal</b>                               |  | <b>62</b>    | <b>177</b>   |
| Current portion of long-term borrowings       |  | 1,019        | 1,273        |
| <b>Total short-term borrowings</b>            |  | <b>1,081</b> | <b>1,450</b> |

As at 31 December 2017 49.98% of shares of JSC “Yenisei Territorial Generating Company (TGC-13)” and 49.99% of shares of JSC “Kuzbassenergo” were pledged as security for loans. In the first half of 2018 these loans were fully repaid.

The Group’s long-term borrowings have restrictive covenants including, but not limited to, the requirement to maintain minimum ratios associated with:

- consolidated net indebtedness to earnings before interest, tax, depreciation and amortisation (“EBITDA”); and
- EBITDA to consolidated interest expense.

The covenants are calculated based on the IFRS financial statements of the Group on a semi-annual basis. As at 31 December 2018 the Group was in compliance with all such covenants.

## 20. Changes in liabilities arising from financial activities

The table below provides information of changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes:

|                                       | Long-term borrowings | Short-term borrowings | Acquisition of NCI | Other    | Total        |
|---------------------------------------|----------------------|-----------------------|--------------------|----------|--------------|
| <b>Balance as at 1 January 2017</b>   | <b>4,609</b>         | <b>296</b>            | <b>144</b>         | <b>-</b> | <b>5,049</b> |
| Cash flows                            | (390)                | (130)                 | (184)              | (16)     | (720)        |
| Interest expenses                     | 309                  | 12                    | -                  | -        | 321          |
| Foreign exchange loss/(gain)          | 94                   | (1)                   | -                  | -        | 93           |
| Bank commissions                      | 28                   | -                     | -                  | -        | 28           |
| Other payables                        | -                    | -                     | 40                 | 16       | 56           |
| Balance as at 31 December 2017        | 4,650                | 177                   | -                  | -        | 4,827        |
| Balance as at 1 January 2018          | 4,650                | 177                   | -                  | -        | 4,827        |
| Cash flows                            | (550)                | (136)                 | (164)              | (38)     | (888)        |
| Foreign exchange (gain)/loss          | (297)                | (28)                  | -                  | 1        | (324)        |
| Interest expenses                     | 289                  | 3                     | -                  | -        | 292          |
| Business combination (see note 30)    | 167                  | 46                    | -                  | -        | 213          |
| Bank commissions                      | 32                   | -                     | -                  | -        | 32           |
| Other payables                        | -                    | -                     | 164                | 37       | 201          |
| <b>Balance as at 31 December 2018</b> | <b>4,291</b>         | <b>62</b>             | <b>-</b>           | <b>-</b> | <b>4,353</b> |