1. Freedom Holding’s “Pillar 3” report from its Cyprus subsidiary lists “Net income from activities” as $33.80 million as of the end of last year. In 2017 the Cyprus unit posted a $30,000 loss. Since Freedom Holding’s filings do not have the information, please describe the steps taken at the Cyprus subsidiary between 2017 and 2019 that led to this turnaround.

2. According to this report, year end regulatory capital requirements for your business are $4.85 million, or 10.5 percent of the $46.20 million in Tier 1 Capital, (the average capital requirement was ~ $3.5 million.) The report lists your capital adequacy ratio as 67.2 percent, or $31.04 million. Why was management carrying between five and seven times the capital required? In light of this, why did management offer German depositors 3 percent interest for money market accounts? Why is management offering brokers 15 percent bonuses for deposits of 1000 euros? Does Freedom Holdings and/or its subsidiaries have a liquidity issue?

3. With respect to capital structure management, the most recent quarterly filing suggests Freedom Holding has five or more times the required capital. Why does the firm regularly place debt at between 6.5 percent and 8 percent interest rates — are there no cheaper funding alternative available? Given the firm’s increasing profit levels, does management concur with Standard and Poor’s single B credit rating? To that end, why does management not use the excess capital to retire higher coupon (10%-12%) debt? Is Timur Turlov a counterparty to any of Freedom Holding’s repurchase or reverse repurchase agreements?
4. Why does CEO Turlov’s Belizean entity “lock up” client capital for greater than 90 days?

5. I spoke to a series of investment bank syndicate desk officials and none of them said that they have a relationship with FFIN or Freedom Finance. Given this, how is Freedom Finance — or Turlov’s Belizean entity — obtaining the IPO allocations it claims?