

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC

Condensed Interim Financial Information (Unaudited)

Six-month period ended 30 June 2022

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Officers, Professional Advisors and Registered Office

Board of Directors:	Alona Joannu Dimitra Karkalli Franz Hep Sergei Kosarev
Company Secretary:	M. Kyprianou Fiduciaries Ltd
Independent Auditors:	KPMG ltd
Registered office:	Office 203, Kofteros Business Center, 182, Agias Fylaxeos, 3083 Limassol Cyprus
Bankers:	Hellenic Bank Public Company Ltd BCS Bank JSC
Registration number:	HE158664

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Part II Article 10 (7) of the Law 190 (I) / 2007 ('the Law') "*Law providing for transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market*", to the best of our knowledge, declare that:

(a) the financial statements, which are presented on pages 9 to 39 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113, and in accordance with the International Financial Reporting Standard IAS 34 *Interim Financial Reporting*, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole; and

(b) the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Members of the Board of Directors

.....
Sergei Kosarev

.....
Alona Joannu

.....
Dimitra Karkalli

.....
Franz Hep

Responsible for drafting the financial statements

Alona Joannu, Managing Director

Limassol, 28 September 2022

The Board of Directors of BrokerCreditService Structured Products PLC (the "Company") presents its report and unaudited financial information of the Company for the period from 1st of January 2022 to 30 of June 2022.

Incorporation

BrokerCreditService Structured Products Plc was incorporated in Cyprus on 18 March 2005 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, are to act as an investment and financing Company. The Company's main operation is the issuance of structured products in collaboration with other entities which are under common control, with the purpose of generating margins through a flow of products sold. The Company's structured products are listed in Luxembourg Stock Exchange, in Moscow Exchange and in Euronext Dublin.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Given the current geopolitical situation which affects world markets the Board of Directors is aiming to take the following measures to ensure stability of Company's business, its financial position and performance:

- New markets expansion – for limiting exposures to the markets the Company is present at, the Board of Directors considers expansion to new markets in the EU and MENA region.
- Consider the structured products offered in Russia, change the products to those that are functional and available under the current restrictions – by way of buying out existing ones outcome of which may be unfavorable for the Company and holders and simultaneous offer of newly developed products that take into account current markets situation and restrictions;

The most important targeted developments of the Company are:

- Leading positions in sales of structured products;
- Ability for remote purchase of structured products;
- Increased range of structured products provided;
- Implementation of new types of products.

The Company's strategic goals and main future developing points are:

- Increase of structured products' sales;
- Implementation of new types of products;
- Sales diversification through partners and agents and development of remote and other distribution channels (i.e. promotion of online distribution of structured products through BCS channels, external partnership network extension, joint products with other entities under common control);
- Reporting quality improvement.

Existence of branches

The Company does not maintain any branches.

Principal risks and uncertainties

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company as part of its operations and normal activities uses various financial instruments such as credit default swaps, interest rate swaps, options, forward contracts, direct and reverse repurchase agreements, credit linked notes and other instruments which expose it to various financial risks such as fair value interest rate risk, credit risk, liquidity risk.

The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non derivative financial instruments, and investment of excess liquidity.

Principal Risks

Market risk

Market price risk is the risk of loss resulting from adverse movements in the market price or model price of financial assets. The Company has an exposure to market price risk because of investments held by the Company and classified as financial assets at fair value through profit or loss, which are susceptible to market price risk arising from uncertainties about future prices of these investments.

Interest rate risk

Interest rate risk is the risk of adverse movements in the yield curve and corresponding movements in the valuation of fixed income-based assets of the Company.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. The Company distinguishes between the following types of credit risk:

- Counterparty credit risk is the risk of the counterparty defaulting on a derivative transaction that has a positive replacement value;
- Issuer credit risk is the risk of default by the issuer of a debt instrument held as direct position or as an underlying of a derivative;
- Country risk is the risk of financial loss due to a country-specific event.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties with raising money in meeting obligations associated with financial liabilities.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

The Company is also exposed to a number of other risks, including:

- **Operational Risk** is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. Losses can take the form of direct financial losses, regulatory sanctions or lost revenues, e.g. due to the failure of a system. Such events may also lead to reputational damage that could have longer-term financial consequences.
Operational risk is limited by means of organizational measures, automation, internal control and security systems, written procedures, legal documentation, loss mitigation techniques and business continuity plan overseen by management, among other measures.
- **Legal risk** is the risk that agreements and contracts are ineffective in protecting the Company's from claims against it by third parties.
- **Regulatory Compliance Risk** - the risk that the Company suffers financial, reputational or litigation damage through failure to adhere to, monitor, control update and eliminate or substantially reduce regulatory compliance risk.
- **IT Risk (including Cyber risks)** is the risk that IT systems fail to support the Company's business operations and/or to provide reliable management information on a timely basis.
- **Reputation risk** is the current or prospective risk to earnings and capital arising from an adverse perception of the image of the Company on the part of counterparties, shareholders, investors or regulators. Reputation risk could be triggered by poor performance, fraud, theft, legal action or regulatory fines.
- **Political risk** is the risk that the Company's investment's returns or operations could suffer as a result of political changes in the country or globally.
- **Model risk** is the risk of financial loss due to inappropriate model assumptions or inadequate model usage. The consequence of an inadequate model could be an incorrect valuation, leading to incorrect risk measurement and incorrect hedging positions, both of which could result in a financial loss.
- **Tax risk** is the risk of losses arising from changes in taxation (derived from tax legislation and decisions by the courts), including the misinterpretation of tax regimes as well as the manner in which they may be applied and enforced.

All significant risks are included in the Risk Matrix of the Company with a description of the procedures for their mitigation.

Uncertainties

Operating environment

Starting in 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded economic sanctions against a number of Russian individuals and legal entities. Since February 2022, after the start of a special military operation in Ukraine by the Russian Federation, the above countries have imposed additional tough sanctions against the Government of the Russian Federation, as well as large financial institutions, legal entities and individuals in Russia. In addition, restrictions were imposed on the supply of various goods and services to Russian enterprises. Also, in the context of the imposed sanctions, a number of large international companies from the United States, the European Union and some other countries discontinued, significantly reduced or suspended their own activities in the Russian Federation, as well as doing business with Russian citizens and legal entities. Moreover, there is a risk of imposition of further sanctions and similar forms of pressure. In response to the above pressure, the Government of the Russian Federation has introduced a set of measures, which are counter-sanctions, currency control measures, a number of key interest rate decisions and other special economic measures to ensure the security and maintain the stability of the Russian economy.

The imposition and subsequent strengthening of sanctions resulted in elevated economic uncertainty, including reduced liquidity and high volatility in the capital markets, volatility of the Rouble exchange rate and the key interest rate, a decrease in foreign and domestic direct investments, difficulties in making payments for Russian Eurobond issuers, and also a significant reduction in the availability of sources of debt financing. Russian sovereign and some Russian companies under sanctions have technical difficulties in paying coupon and nominal payments in accordance with bond prospectus terms that may qualify as technical or real default in some cases.

In addition, Russian companies have virtually no access to the international stock market, the debt capital market and other development opportunities, which may lead to their increased dependence on the governmental support. The Russian economy is in the process of adaptation associated with the replacement of retiring export markets, a change in supply markets and technologies, as well as changes in logistics, supply and production chains.

The effect of EU and Swiss sanctions on the Russian National Settlement Depository (NSD) on the 3rd and 10th of June, 2022 had frozen monetary funds of the Russian depository in euros and francs in foreign correspondent banks. This came in addition to previous restrictions since 1 March 2022 which effectively frozen securities and monetary funds in various currencies in NSD accounts in Euroclear and Clearstream. The EU sanctions have had no significant effect on the NSD's ability to function as the central depository on the Russian market, according to NSD statement.

It is difficult to assess the consequences of the imposed and possible additional sanctions in the long term, however, sanctions can have a significant negative impact on the Russian economy.

Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

The wave-like nature of the spread of COVID-19 coronavirus infection continues to create additional uncertainty in the business environment.

According to the Bank of Russia forecast, based on survey conducted in September 2022, annual inflation will edge down to 12.9% in 2022, to 6.0% in 2023, and return to 4% in 2024. GDP forecast has been improved for 2022 to -4.2% while the forecast for 2023 decreased to -1.8%.

Results

The Company's results for the six-month period ended 30 June 2022 are set out on page 10. The net profit for the six-month period ended 30 June 2022 attributable to the shareholder of the Company amounted to RR 4 702 239 thousand. (2021: RR 16 306 718 thousand). On 30 June 2022 the total assets of the Company were RR 98 842 809 thousand (31 December 2021: RR 232 005 270 thousand) and the net assets of the Company were RR 16 853 973 thousand (31 December 2021: RR 12 694 054 thousand).

Based on Net profit key performance indicator Management assesses the results of the Company for the six-month period ended 30 June 2022 as satisfying. Despite the effect of the Russia/Ukraine crisis the Company earned a net profit in amount of RR 4 702 239 thousand, capital increased by RR 4 159 919 thousand. As at 30 June 2022 percentage of total equity in total liabilities comprise 20% (31 December 2021: 6%), that allow to perform all obligations including coupon payments per notes issued and derivative contracts.

Alona Joannu


Managing Director

Limassol, 28 September 2022



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 Chartered Accountants
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**INDEPENDENT AUDITORS' REPORT ON REVIEW
 OF INTERIM FINANCIAL INFORMATION
 TO THE MEMBERS OF
 BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **BrokerCreditService Structured Products Plc** as at 30 June 2022, the condensed interim 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 interim financial information ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim 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.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at 30 June 2022 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Limited,

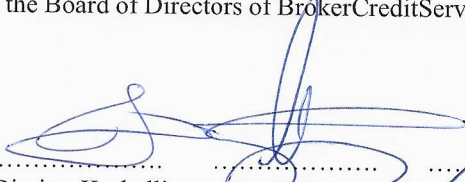
KPMG Limited
Certified Public Accountants and Registered Auditors
11, June 16th 1943 Street,
3022 Limassol,
Cyprus


28 September 2022

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC
Condensed Interim Statement of Financial Position as at 30 June 2022 (unaudited)

<i>(In thousands of Russian Roubles)</i>	Note	30 June 2022	31 December 2021
ASSETS			
Cash and cash equivalents	5	5 931 087	9 762 118
Receivables under resale agreements	6	32 429	11 011 425
Trading assets except derivatives			
- pledged	7	10 926 167	77 444 940
- unpledged	7	12 309 135	43 238 809
Investment securities measured at amortised cost			
- pledged	8	44 760 709	47 647 047
- unpledged	8	721 147	10 684 443
Investment securities measured at fair value through profit and loss		731 351	657 055
Derivative assets	9	899 070	1 034 813
Loans to customers	10	2 204 485	4 012 089
Property, equipment and intangible assets		9 070	11 183
Prepayments and other assets	11	20 318 159	26 501 348
TOTAL ASSETS		98 842 809	232 005 270
LIABILITIES			
Payables under repurchase agreements	6	23 277 927	45 035 268
Trading liabilities except derivatives	7	2	-
Derivative liabilities	9	17 220 847	42 899 973
Notes issued	12	29 144 909	54 999 442
Loans payable	13	12 188 465	75 900 177
Payables and other liabilities		156 686	476 356
TOTAL LIABILITIES		81 988 836	219 311 216
EQUITY			
Share capital	14	1 887	1 887
Liability credit reserve		(307 539)	226 046
Retained earnings		17 159 625	12 466 121
TOTAL EQUITY		16 853 973	12 694 054
TOTAL EQUITY AND LIABILITIES		98 842 809	232 005 270

On 28 September 2022 the Board of Directors of BrokerCreditService Structured Products PLC authorised these financial statements for issue.


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Dimitra Karkalli
Director


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Franz Hep
Director


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Sergei Kosarev
Director


.....
Alona Joannu
Director

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
for the six-month period ended 30 June 2022 (unaudited)

<i>(In thousands of Russian Roubles)</i>	Note	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Interest income calculated using the effective interest method	4	2 090 705	2 498 293
Other interest income	4	88 686	44 929
Interest expense	4	(1 931 107)	(2 482 424)
Net interest income		248 284	60 798
Net trading (loss) gain from trading assets and liabilities		(19 341 426)	19 402 507
Gain from trading in foreign currencies and currency revaluation		2 399 627	573 519
Dividend income from trading assets		524 066	621 365
Net trading gain (loss) from derivatives		25 280 655	(3 703 536)
Net trading income		8 862 922	16 893 855
Impairment of debt financial assets	3	(2 768 539)	(19 840)
Fair value loss from loans measured at fair value through profit or loss		(1 055 048)	(27 036)
Other operating income		13 133	6 910
Gain (loss) from investment securities measured at fair value through profit or loss		74 296	(1 013)
Administrative and other operating expenses		(123 553)	(149 940)
Fee and commission expense		(468 240)	(360 748)
Profit before tax		4 783 255	16 402 986
Income tax expense		(81 016)	(96 268)
Profit for the period		4 702 239	16 306 718
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Movement in liability credit reserve		(542 320)	112 304
Other comprehensive income		(542 320)	112 304
Total comprehensive income		4 159 919	16 419 022

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC
Condensed Interim Statement of Changes in Equity
for the six-month period ended 30 June 2022 (unaudited)

For the six-month period ended 30 June 2022				
Attributable to the sole participant				
<i>(In thousands of Russian Roubles)</i>	Share capital	Liability credit reserve	Retained earnings	Total
Balance at 31 December 2021	1 887	226 046	12 466 121	12 694 054
Total comprehensive income				
Profit for the period	-	-	4 702 239	4 702 239
Other comprehensive loss				
Liability credit reserve	-	(533 585)	(8 735)	(542 320)
Total other comprehensive loss	-	(533 585)	(8 735)	(542 320)
Total comprehensive income	-	(533 585)	4 693 504	4 159 919
Net distribution to shareholders	-	-	-	-
Balance at 30 June 2022 (unaudited)	1 887	(307 539)	17 159 625	16 853 973

For the six-month period ended 30 June 2021				
Attributable to the sole participant				
<i>(In thousands of Russian Roubles)</i>	Share capital	Liability credit reserve	Retained earnings	Total
Balance at 31 December 2020	1 887	(337 563)	7 610 793	7 275 117
Total comprehensive income				
Profit for the period	-	-	16 306 718	16 306 718
Other comprehensive income				
Liability credit reserve		164 085	(51 781)	112 304
Total other comprehensive income	-	164 085	(51 781)	112 304
Total comprehensive income	-	164 085	16 254 937	16 419 022
Dividends	-	-	(1 000 000)	(1 000 000)
Net distribution to shareholders	-	-	(491 690)	(491 690)
Balance at 30 June 2021 (unaudited)	1 887	(173 478)	22 374 040	22 202 449

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC
Condensed Interim Statement of Cash flows
for the six-month period ended 30 June 2022 (unaudited)

<i>(In thousands of Russian Roubles)</i>	Note	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Cash flows from operating activities			
Profit before income tax		4 783 255	16 402 986
Adjustments for:			
Depreciation and amortisation		2 178	723
Accruals of expenses		-	(2 183)
Unrealised gains from trading in foreign currencies		(6 378 912)	(18 518)
(Gain)/loss from investment securities measured at fair value through profit or loss		(74 296)	1 013
Change in fair value of derivative financial instruments		(26 696 956)	(4 648 027)
Fair value loss from loans measured at fair value through profit or loss		1 055 048	20 126
Fair value loss/(gain) on financial assets at fair value through profit or loss		1 754 980	(5 234 878)
Impairment of debt financial assets	3	2 768 539	19 840
Net interest income	4	(248 284)	(60 798)
Cash flows from (used in) operating activities before changes in working capital		(23 034 448)	6 480 284
Change in operating assets and liabilities			
Decrease in receivables under resale agreements		10 988 064	32 695 666
Decrease/(increase) in financial assets at fair value through profit or loss		86 516 808	(23 617 571)
(Increase)/decrease in loans to customers		(104 139)	725 592
Increase in prepayments and other assets		(1 686 579)	(1 546 652)
Derivative instruments		(11 187 511)	29 070 529
Decrease in payables under repurchase agreements		(4 921 203)	(12 099 669)
Decrease in trade and other payables		(317 913)	(547 716)
Decrease in notes issued		(2 720 025)	(26 384 796)
(Decrease)/ increase in loans payable		(59 641 374)	16 633 054
Interest received during the period		2 330 676	2 269 867
Interest paid during the period		(1 789 338)	(971 111)
Income tax paid		(81 016)	(96 268)
Net cash (used in) provided by operating activities		(5 647 998)	22 611 209
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(67)	(129)
Payment for purchase of financial assets at amortised cost		-	(14 074 368)
Redemption of financial assets at amortised cost		1 885 499	-
Net cash from (used in) investing activities		1 885 432	(14 074 497)
Cash flows from financing activities			
Lease payments		(1 757)	(644)
Dividends paid		-	(1 000 000)
Net cash used in financing activities		(1 757)	(1 000 644)
Net (decrease)/increase in cash and cash equivalents		(3 764 323)	7 536 068
Cash and cash equivalents at the beginning of the period	5	9 762 118	1 181 052
Effect of changes in exchange rates on cash and cash equivalents		(64 739)	(2 157)
Effect of change in allowance for credit losses on cash and cash equivalents	3	(1 969)	(3 506)
Cash and cash equivalents at end of the period	5	5 931 087	8 711 457

1 Incorporation and principal activities

Country of incorporation

The Company BrokerCreditService Structured Products PLC (the "Company") was incorporated in Cyprus on 18 March 2005 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at office is at Agias Fylaxeos 182, Office 203, Kofteros Business Center, 3083 Limassol, Cyprus.

Principal activities

The Company constitute an integral part of a wider group of companies (that might be also referred to in public sources as BCS Group or BCS Financial Group or FG BCS), the top level holding company of the mentioned above being FG BCS Limited (incorporated and domiciled in Cyprus). The above mentioned FG BCS group (the "FG BCS Group") has full ownership and exercises control over a number of legal entities including those duly licensed and authorised for financial market services and investment activities, the appropriate licences and authorisations duly issued by EU and third countries regulators and authorities. BrokerCreditService Structured Products Plc acts as an investment and financing company and conducts trading operations in the international securities markets (except for the investment activity that requires authorisation and/or license). This includes entering into transactions with market counterparties and related parties that are members of the FG BCS Group. These transactions include, but are not limited to, repo transactions, loans and transactions with securities in the international capital markets including exchanges and Over the Counter ("OTC") markets. The Company also conducts investment activities in different types of bonds of both Russian and international issuers.

BrokerCreditService Structured Products Plc acts as the FG BCS Group's operational company in Cyprus. In collaboration with other entities which are under common control, it issues structured products and executes various hedging strategies with the purpose of generating margins and minimising risk. Specifically, the Company issues Notes in bearer or registered form (respectively, "Bearer Notes" and "Registered Notes" and, together, the "Notes") under a Euro Medium Term Note Programme, which are admitted to the official list of the Irish Stock Exchange and trading on its regulated market (the "Main Securities Market") as well as other and/or further stock exchange(s) or market(s) (including regulated markets). The Company also issues unlisted Notes and/or Notes not admitted to trading on any market.

The Company's ultimate shareholder and controlling party is Mr. Oleg Mikhasenko, a Russian individual who is the sole ultimate beneficial owner of the FG BCS Group.

2 Basis of preparation

a) General

This condensed interim financial information is prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. It does not include all of the information required for full financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2021, as this condensed interim financial information provides an update of previously reported financial information.

Management is responsible for the preparation of the condensed interim financial information in accordance with IAS 34 *Interim Financial Reporting*.

The preparation of financial information in conformity with IFRS requires management to make judgements and key estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

In preparing this condensed interim financial information the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended 31 December 2021.

b) Business environment

Russian business environment

Starting in 2014, the United States of America, the European Union and some other countries have imposed and gradually expanded economic sanctions against a number of Russian individuals and legal entities. Since February 2022, after the recognition of the self-proclaimed Donetsk and Lugansk People's Republics and the start of a special military operation in Ukraine by the Russian Federation, the above countries have imposed additional tough sanctions against the Government of the Russian Federation, as well as large financial institutions, legal entities and individuals in Russia. In addition, restrictions were imposed on the supply of various goods and services to Russian enterprises. Also, in the context of the imposed sanctions, a number of large international companies from the United States, the European Union and some other countries discontinued, significantly reduced or suspended their own activities in the Russian Federation, as well as doing business with Russian citizens and legal entities. Moreover, there is a risk of imposition of further sanctions and similar forms of pressure. In response to the above pressure, the Government of the Russian Federation has introduced a set of measures, which are counter-sanctions, currency control measures, a number of key interest rate decisions and other special economic measures to ensure the security and maintain the stability of the Russian economy.

The imposition and subsequent strengthening of sanctions resulted in elevated economic uncertainty, including reduced liquidity and high volatility in the capital markets, volatility of the Rouble exchange rate and the key interest rate, a decrease in foreign and domestic direct investments, difficulties in making payments for Russian Eurobond issuers, and also a significant reduction in the availability of sources of debt financing. Recent developments in the situation, for example, partial mobilisation in Russia can lead to further decrease of business activity.

In addition, Russian companies have virtually no access to the international stock market, the debt capital market and other development opportunities, which may lead to their increased dependence on the governmental support. The Russian economy is in the process of adaptation associated with the replacement of retiring export markets, a change in supply markets and technologies, as well as changes in logistics, supply and production chains.

It is difficult to assess the consequences of the imposed and possible additional sanctions in the long term, however, sanctions can have a significant negative impact on the Russian economy.

The wave-like nature of the spread of COVID-19 coronavirus infection continues to create additional uncertainty in the business environment.

According to the Bank of Russia forecast, based on survey conducted in September 2022, annual inflation will edge down to 12.9% in 2022, to 6.0% in 2023, and return to 4% in 2024. GDP forecast has been improved for 2022 to -4.2% while the forecast for 2023 decreased to -1.8%.

The condensed interim financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

Cyprus business environment

After a drastic reduction of GDP in 2020 (-5.1) the economy rebounded in 2021, marking a 4.8% growth (IMF). On an annual basis, real GDP growth is forecast at 3.2% in 2022 and 2.1% in 2023. The main drivers of growth are expected to be domestic demand and, albeit to a lesser extent, net exports of services. Investment, notably in construction, is expected to suffer from the gradual tightening of financial conditions, persistent supply disruptions and exceptionally high prices for construction materials. On the positive side, the implementation of the Cypriot Recovery and Resilience Plan is expected to support investment. Private consumption is projected to be adversely affected by high inflation and the erosion in purchasing power, even though households' income is supported by measures adopted by the government to address high energy prices and the partial indexation of wages to be applied in January 2023. Significant uncertainty and downside risks to the growth outlook remain, in particular as tourism and other export-oriented services sectors are vulnerable to the adverse global impact of Russia's ongoing special operation in Ukraine and to the evolution of the COVID-19 pandemic.

The sovereign risk ratings of the Cyprus Government improved considerably in recent years reflecting improvements in economic resilience and consistent fiscal outperformance. Cyprus demonstrated policy commitment to correcting fiscal imbalances through reform and restructuring of its banking system.

c) Basis of measurement

Condensed interim financial information is prepared on the historical cost basis, except that trading assets and liabilities, including derivatives, certain notes issued and certain loans to customers measured at fair value.

d) Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which it operates. The Company have determined that its functional currency is the Russian rouble (RR) as it reflects the economic substance of the majority of underlying events and circumstances relevant to them. The RR is also the presentation currency for the purposes of this condensed interim financial information. All financial information presented in RR is rounded to the nearest thousands, except when otherwise indicated.

e) Changes in accounting policies and presentation

The accounting policies applied in this condensed interim financial information are the same as those applied in the last annual financial statements for the year ended 31 December 2021.

3 Impairment losses on debt financial assets

<i>(In thousands of Russian Roubles)</i>	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Receivables under resale agreements	24 162	10 492
Cash and cash equivalents	(1 969)	(3 506)
Loans to customers	(42 311)	12 540
Investment securities measured at amortised cost	(844 979)	(35 035)
Prepayments and other assets	(1 903 442)	(4 331)
Total impairment losses on debt financial assets	(2 768 539)	(19 840)

4 Net interest income

<i>(In thousands of Russian Roubles)</i>	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Interest income calculated using the effective interest method		
Interest income on investment securities	1 309 900	955 012
Cash collateral on derivatives and overnight loans	590 951	282 022
Resale and securities lending agreements	180 155	997 307
Loans issued	9 699	263 952
Total interest income calculated using the effective interest method	2 090 705	2 498 293
Other interest income	88 686	44 929
Interest expense		
Loans payable	(1 170 285)	(832 685)
Repurchase and securities borrowing agreements	(760 724)	(1 649 721)
Lease liability	(98)	(18)
Total interest expense	(1 931 107)	(2 482 424)
Net interest income	248 284	60 798

5 Cash and cash equivalents

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Cash balances on brokerage accounts	5 881 455	8 812 485
Correspondent accounts and overnight placements with banks	53 006	951 576
Cash in hand	4	13
Loss allowance	(3 378)	(1 956)
Total cash and cash equivalents	5 931 087	9 762 118

The following table sets out information about the credit quality of cash and cash equivalents as at 30 June 2022 and as at 31 December 2021. The amounts in the table represent gross carrying amounts.

<i>(In thousands of Russian Roubles)</i>	30 June 2022		
	Correspondent accounts and overnight placements with banks	Cash balances on brokerage accounts	Total
A- to A+	-	657 618	657 618
BB- to BB+	43 387	518 157	561 544
B- to B+	9 619	4 705 680	4 715 299
Loss allowance	(46)	(3 332)	(3 378)
Total cash and cash equivalents excluding cash on hand	52 960	5 878 123	5 931 083

<i>(In thousands of Russian Roubles)</i>	31 December 2021		
	Correspondent accounts and overnight placements with banks	Cash balances on brokerage accounts	Total
AA- to AA+	39	-	39
A- to A+	-	4 300 589	4 300 589
BB- to BB+	949 306	4 511 896	5 461 202
B- to B+	2 231	-	2 231
Loss allowance	(388)	(1 568)	(1 956)
Total cash and cash equivalents excluding cash on hand	951 188	8 810 917	9 762 105

At 31 December 2021 ratings were based on the rating system of S&P, Moody's, RAEX and Fitch. At 30 June 2022, the credit rating was assessed taking into account the deterioration of the Russian sovereign rating and changes in the current ratings from national rating agencies during the reporting period.

Movement in the loss allowance during the six-month period ended 30 June 2022 is as follows:

<i>(In thousands of Russian Roubles)</i>	
Loss allowance at 31 December 2021	(1 956)
Foreign exchange difference	547
Charge of loss allowance	(1 969)
Loss allowance at 30 June 2022	(3 378)

Movement in the loss allowance during the six-month period ended 30 June 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	
Loss allowance at 31 December 2020	(544)
Foreign exchange difference	43
Charge of loss allowance	(3 506)
Loss allowance at 30 June 2021	(4 007)

At 30 June 2022 and 31 December 2021 the Company measures loss allowances as 12-month ECL as far as credit risk on cash and cash equivalents has not increased significantly since their initial recognition.

6 Transfers of financial assets

The Company has transactions to lend securities and to sell securities under agreements to repurchase and to purchase securities under agreements to resell.

The securities lent or sold under agreements to repurchase are transferred to a third party and the Company receives cash in exchange. These financial assets may be repledged or resold by counterparties in the absence of default by the Company, but the counterparty has an obligation to return the securities at the maturity of the contract. The Company has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, the Company recognises a financial liability for cash received as collateral included in payables under repurchase agreements.

These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities.

Receivables under resale agreements

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Receivables from reverse repurchase agreements	32 446	11 035 612
Loss allowance	(17)	(24 187)
Total net amount	32 429	11 011 425

Significant changes in the gross carrying amount of receivables under repurchase agreements that contributed to changes in loss allowance during the six-month periods ended 30 June 2022 and 30 June 2021 were as follows:

<i>(In thousands of Russian Roubles)</i>	Loss allowance	Gross carrying amount
Loss allowance at 31 December 2021	(24 187)	11 035 612
Foreign exchange difference	8	(14 923)
Redemption	24 163	(10 997 038)
New instruments	(1)	8 795
Loss allowance at 30 June 2022	(17)	32 446

<i>(In thousands of Russian Roubles)</i>	Loss allowance	Gross carrying amount
Loss allowance at 31 December 2020	(16 148)	61 655 936
Foreign exchange difference	(493)	9 050
Redemption	16 641	(61 664 986)
New instruments	(6 149)	28 923 748
Loss allowance at 30 June 2021	(6 149)	28 923 748

At 30 June 2022 and 31 December 2021 the Company did not have any past due receivables under resale agreements.

At 30 June 2022 and 31 December 2021 the Company measures loss allowances as 12-month ECL as far as credit risk on receivables under resale agreements has not increased significantly since their initial recognition.

The following tables sets out information about the credit quality of the receivables under resale agreements:

<i>(In thousands of Russian Roubles)</i>	Gross amount of the receivable under REPO partially collateralized by securities	Gross amount of the receivable under REPO fully collateralized by securities	Total gross amount of the receivables under REPO	30 June 2022 Gross carrying amount of the receivables under REPO, which is not collateralised by securities
Internal rating B+	32 446	-	32 446	26 209
Loss allowance	(17)	-	(17)	(17)
Total carrying amount	32 429	-	32 429	26 192

<i>(In thousands of Russian Roubles)</i>	Gross amount of the receivable under REPO partially collateralized by securities	Gross amount of the receivable under REPO fully collateralized by securities	Total gross amount of the receivables under REPO	31 December 2021 Gross carrying amount of the receivables under REPO, which is not collateralised by securities
BB- to BB+	2 306 176	-	2 306 176	220 257
Unrated	85 631	25 284	110 915	1 401
Individuals	7 308 196	1 310 325	8 618 521	127 803
Total gross amount	9 700 003	1 335 609	11 035 612	349 461
Loss allowance	(24 187)	-	(24 187)	(24 187)
Total carrying amount	9 675 816	1 335 609	11 011 425	325 274

At 31 December 2021 credit ratings were based on the rating system of S&P, Moody's, RAEX and Fitch. At 30 June 2022, the credit rating was assessed taking into account the deterioration of the Russian sovereign rating and changes in the current ratings from national rating agencies during the reporting period.

The amount of collateral accepted in respect of reverse sale and repurchase transactions is presented below. The amounts reflect over-collateralisation.

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Receivables from reverse sale and repurchase agreements	32 446	11 035 612
Fair value of collateral received in respect of above	6 237	10 703 703
Amount of over-collateralisation	-	17 552
Amount of under-collateralisation	(26 209)	(349 461)
<i>Loss allowance</i>	(17)	(24 187)

Payables under repurchase agreements

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Carrying amount of financial assets measured at fair value through profit or loss pledged under repurchase agreements	174 779	17 855 517
Carrying amount of investment securities measured at amortised cost pledged under repurchase agreements	45 684 702	3 472 053
Fair value of repledged assets that were received under stock borrowing agreements	-	686 125
Fair value of pledged assets that were received as collateral for reverse repurchase agreements	-	681 134
Total financial assets transferred and pledged under repurchase agreements	45 859 481	22 694 829
Carrying amount of associated liabilities	23 277 927	45 035 268

The Company issues notes that can be used as collateral under direct repo. The total amount of direct repo liabilities collateralised by own notes issued as at 30 June 2022 is nil. (31 December 2021: RR 22 983 244 thousand).

7 Trading assets and liabilities except derivatives

	30 June 2022			31 December 2021		
	pledged	unpledged	Total	pledged	unpledged	Total
Corporate Bonds						
A+ to A-	-	-	-	1 499 809	174 678	1 674 487
BBB+ to BBB-	-	201 008	201 008	10 009 001	265 785	10 274 786
BB+ to BB-	137 730	628 384	766 114	3 880 377	771 062	4 651 439
B+ to B-	55 528	668 548	724 076	4 775 340	93 126	4 868 466
Unrated	984 582	395	984 977	1 499 460	3 267	1 502 727
Total debt instruments	1 177 840	1 498 335	2 676 175	21 663 987	1 307 918	22 971 905
Equity instruments						
Corporate shares	9 742 818	8 507 301	18 250 119	46 096 612	41 097 844	87 194 456
Exchange Traded funds	5 509	2 303 499	2 309 008	9 684 341	833 047	10 517 388
Total equity instruments	9 748 327	10 810 800	20 559 127	55 780 953	41 930 891	97 711 844
Total trading assets	10 926 167	12 309 135	23 235 302	77 444 940	43 238 809	120 683 749
Financial liabilities						
Corporate equity instruments	-	2	2	-	-	-
Total trading liabilities	-	2	2	-	-	-

None of the trading financial assets are past due. Trading liabilities represent liabilities for short sale transactions.

At 31 December 2021 corporate bond ratings were based on the rating system of S&P, Moody's, RAEX and Fitch. At 30 June 2022, the credit rating was assessed taking into account the deterioration of the Russian sovereign rating and changes in the current ratings from national rating agencies during the reporting period.

8 Investment securities measured at amortised cost

<i>(In thousands of Russian Roubles)</i>	30 June 2022			31 December 2021		
	pledged	unpledged	Total	pledged	unpledged	Total
Municipal and Government Bonds						
BBB+ to BBB-	-	-	-	1 902 337	5 638	1 907 975
BB+ to BB-	1 131 950	-	1 131 950	-	-	-
Corporate Bonds						
BBB+ to BBB-	9 355 311	-	9 355 311	22 526 677	5 357 794	27 884 471
BB+ to BB-	33 834 558	564 638	34 399 196	22 727 204	5 511 124	28 238 328
B+ to B-	1 447 496	162 668	1 610 164	503 460	21 614	525 074
Total gross amount of debt securities	45 769 315	727 306	46 496 621	47 659 678	10 896 170	58 555 848
Loss allowance	(1 008 606)	(6 159)	(1 014 765)	(12 631)	(211 727)	(224 358)
Total net amount of debt securities	44 760 709	721 147	45 481 856	47 647 047	10 684 443	58 331 490

Analysis by credit quality of investment securities measured at amortised cost as at 30 June 2022 is as follows:

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL credit impaired	Total 30 June 2022
Municipal and Government Bonds			
BBB+ to BBB-	-	-	-
BB+ to BB-	1 131 950	-	1 131 950
B+ to B-	-	-	-
Fin assets -Corporate bonds			
BBB+ to BBB-	9 313 208	42 103	9 355 311
BB+ to BB-	31 616 311	2 782 885	34 399 196
B+ to B-	1 610 164	-	1 610 164
Total gross amount of debt securities	43 671 633	2 824 988	46 496 621
Loss allowance	(387 677)	(627 088)	(1 014 765)
Total net amount of debt securities	43 283 956	2 197 900	45 481 856

At 31 December 2021 the Company measures loss allowances as 12-month ECL since credit risk on investment securities at amortised cost has not increased significantly since their initial recognition.

The credit quality analysis presented in the tables above is based on rating categories matched to ratings of S&P.

At 31 December 2021 corporate bond ratings were based on the rating system of S&P, Moody's, RAEX and Fitch. At 30 June 2022, the credit rating was assessed taking into account the deterioration of the Russian sovereign rating and changes in the current ratings from national rating agencies during the reporting period.

Significant changes in the gross carrying amount of investment securities measured at amortised cost that contributed to changes in loss allowance were as follows:

<i>(In thousands of Russian Roubles)</i>	Loss allowance			Gross book value		
	12-month ECL	Lifetime ECL credit impaired	Total 30 June 2022	12-month ECL	Lifetime ECL credit impaired	Total 30 June 2022
Loss allowance at 31 December 2021	(224 358)	-	(224 358)	58 555 848	-	58 555 848
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	15 827	(15 827)	-	(2 824 988)	2 824 988	-
Foreign exchange difference	54 572	-	54 572	(8 006 988)	-	(8 006 988)
Redemption	429	-	429	(2 243 904)	-	(2 243 905)
Remeasurement	(235 162)	(611 261)	(846 423)	-	-	-
Transfer to prepayments and other assets	1 015	-	1 015	(1 808 335)	-	(1 808 335)
Loss allowance at 30 June 2022	(387 677)	(627 088)	(1 014 765)	43 671 633	2 824 988	46 496 620

During the six-month period ended 30 June 2022 certain corporate Eurobonds were categorized into Lifetime ECL credit impaired stage due to blocking of payments by depositories. The respective loss allowance was created for these balances.

<i>(In thousands of Russian Roubles)</i>	Loss allowance	Gross carrying amount
Loss allowance at 31 December 2020	(51 462)	32 181 655
Foreign exchange difference	1 559	(844 451)
New originated assets	(5 540)	14 639 095
Remeasurement	(29 495)	-
Loss allowance at 30 June 2021	(84 938)	45 976 299

9 Derivative financial instruments

The Company issues derivative products for clients structured as options and forwards on underlying such as bonds, equities, indexes and commodities. The Company trades spot instruments, exchange traded derivatives, OTC options and forward contracts and CDSs, not designated in a qualifying hedge relationship, to manage its exposure to equity securities, exchange indices and commodity prices arising from the structured derivative instruments with clients.

All structured products are fully funded, the Company receives cash or securities from clients in amount of product initial value.

Derivative financial instruments – assets

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Credit default swaps	53 593	753 025
Hybrid derivatives	417 238	244 292
Currency SWAPs	-	36 286
Interest rate SWAP	428 239	1 210
Total derivative financial instruments	899 070	1 034 813

The credit quality of derivative financial instruments – assets analysed based on Standard & Poor's or other ratings converted to the nearest equivalent to the Standard & Poor's rating scale at 30 June 2022 and 31 December 2021 were as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
<i>Credit default swaps</i>		
AA- to AA+	-	50 349
A- to A+	15 871	213 370
BB- to BB+	-	489 306
B- to B+	37 722	-
<i>Hybrid derivatives</i>		
BB- to BB+	-	244 292
B- to B+	417 238	-
<i>Currency SWAPs</i>		
BB- to BB+	-	36 286
<i>Interest rate SWAP</i>		
A- to A+	428 239	1 210
Total derivative financial instruments	899 070	1 034 813

At 31 December 2021 credit ratings were based on the rating system of S&P, Moody's, RAEX and Fitch. At 30 June 2022, the credit rating was assessed taking into account the deterioration of the Russian sovereign rating and changes in the current ratings from national rating agencies during the reporting period.

Derivative financial instruments - liabilities

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Hybrid derivatives	14 855 773	35 807 345
Options	875 729	6 092 794
Credit default swaps	1 489 345	879 732
Currency SWAPs	-	119 933
Interest rate SWAP	-	169
Total derivative financial instruments	17 220 847	42 899 973

At 30 June 2022 and 31 December 2021 the Company did not have any past due derivative financial instruments.

10 Loans to customers

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Loans to customers at FVTPL	1 686 037	3 196 746
Loans to Ultimate shareholder at amortised cost	538 229	833 719
Loss allowance	(19 781)	(18 376)
Total loans to customers	2 204 485	4 012 089

Movements in the loss allowance for loans to customers during the six-month periods ended 30 June 2022 and 30 June 2021 were as follows:

<i>(In thousands of Russian Roubles)</i>		
Loss allowance at 31 December 2021		(18 376)
Foreign exchange difference		40 906
Charge of loss allowance		(42 311)
Loss allowance at 30 June 2022		(19 781)

<i>(In thousands of Russian Roubles)</i>		
Loss allowance at 31 December 2020		(120 728)
Foreign exchange difference		10 127
Recovery of loss allowance		12 540
Loss allowance at 30 June 2021		(98 061)

At 30 June 2022, 31 December 2021 and 30 June 2021 the Company measures loss allowances as 12-month ECL as far as credit risk on loans to customers has not increased significantly since their initial recognition.

11 Prepayments and other assets

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Cash collateral on derivatives	7 336 725	17 649 591
Unsettled transactions with securities	6 907 775	8 482 297
Receivables from brokers and counterparties	7 984 752	505 394
Margin call receivable	101 746	22 780
Loss allowance	(2 029 374)	(182 652)
Total financial assets	20 301 624	26 477 410
Other non-financial assets	16 535	23 938
Total prepayments and other assets	20 318 159	26 501 348

Receivables from brokers and counterparties increased significantly during the six-month period ended 2022, because of the balances related to redeemed bonds blocked in depositories. The respective loss allowance was created for these balances.

BROKERCREDITSERVICE STRUCTURED PRODUCTS PLC
Notes to the Condensed Interim Financial Information
for the six-month period ended 30 June 2022 (unaudited)

Analysis by credit quality of prepayments and other assets as at 30 June 2022 is as follows:

(In thousands of Russian Roubles)	12-month ECL	Lifetime ECL credit-impaired	Total 30 June 2022
Cash collateral on derivatives			
A- to A+	3 641 515	-	3 641 515
B- to B+	3 695 210	-	3 695 210
Loss allowance	(55 394)	-	(55 394)
Unsettled transactions with securities			
B- to B+	6 657 392	-	6 657 392
Unrated	250 383	-	250 383
Loss allowance	(83 348)	-	(83 348)
Receivables from brokers and counterparties			
A- to A+	81	15 938	16 019
BB- to BB+	74	-	74
B- to B+	193 328	7 774 230	7 967 558
Unrated	1 101	-	1 101
Loss allowance	(205)	(1 888 771)	(1 888 976)
Margin call receivable			
B- to B+	101 745	-	101 745
Loss allowance	(1 656)	-	(1 656)
Total gross amount	14 540 830	7 790 168	22 330 998
Loss allowance	(140 603)	(1 888 771)	(2 029 374)
Total net amount	14 400 227	5 901 397	20 301 624

Analysis by credit quality of prepayments and other assets as at 31 December 2021 is as follows:

(In thousands of Russian Roubles)	31 December 2021
Cash collateral on derivatives	
A- to A+	9 031 265
BB- to BB+	8 618 326
B- to B+	-
Loss allowance	(75 294)
Receivables from brokers and counterparties	
A- to A+	18 242
BB- to BB+	487 152
Loss allowance	(133)
Unsettled transactions with securities	
B- to B+	6 657 392
Unrated	1 824 905
Loss allowance	(107 177)
Margin call receivable	
BB- to BB+	22 780
Loss allowance	(48)
Total gross amount	26 660 062
Loss allowance	(182 652)
Total net amount	26 477 410

At 31 December 2021 credit ratings were based on the rating system of S&P, Moody's, RAEX and Fitch. At 30 June 2022, the credit rating was assessed taking into account the deterioration of the Russian sovereign rating and changes in the current ratings from national rating agencies during the reporting period.

At 31 December 2021 the Company measured loss allowances for prepayments and other assets as 12-month ECL since credit risk has not increased significantly since initial recognition.

Significant changes in the gross carrying amount of prepayments and other assets that contributed to changes in loss allowance were as follows:

<i>(In thousands of Russian Roubles)</i>	Loss allowance			Gross carrying amount		
	12-month ECL	Lifetime ECL credit impaired	Total 30 June 2022	12-month ECL	Lifetime ECL credit impaired	Total 30 June 2022
Loss allowance at 31 December 2021	(182 652)	-	(182 652)	26 660 062	-	26 660 062
New instrument	(7 240)	-	(7 240)	12 848 802	-	12 848 802
Transfer to stage 3	1 212	(1 212)	-	(12 032 370)	12 032 370	-
Disposal	43 729	-	43 729	(9 346 485)	-	(9 346 485)
Foreign exchange difference	56 126	594	56 720	(3 589 179)	(4 242 202)	(7 831 381)
Charge of loss allowance	(51 778)	(1 888 153)	(1 939 931)	-	-	-
Loss allowance at 30 June 2022	(140 603)	(1 888 771)	(2 029 374)	14 540 830	7 790 168	22 330 998

<i>(In thousands of Russian Roubles)</i>	Loss allowance	Gross carrying amount
Loss allowance at 31 December 2020	(73 970)	14 501 209
New instruments issued	(14 023)	2 219 023
Redemption	7 410	(383 084)
Foreign exchange difference	2 682	(291 488)
Charge of loss allowance	2 282	-
Loss allowance at 30 June 2021	(75 619)	16 045 660

12 Notes issued

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
<i>Notes issued, carried at fair value</i>		
Credit Linked Notes	18 041 469	27 926 624
Share Linked Notes	10 072 699	25 006 209
Hybrid Notes	1 030 741	2 066 609
Total	29 144 909	54 999 442

Credit Linked Notes have maturity in 2022-2026 (31 December 2021: 2022-2026), Share Linked Notes have maturity in 2022-2027 (31 December 2021: 2022-2027), Hybrid Notes have maturity in 2023-2027 (31 December 2021: 2023-2026). Actual coupon amount per notes carried at fair value depends on the performance of underlying assets. The detailed information per notes issued during the six-month period ended 30 June 2022 is presented in the Note 20.

During the six-month period ended 30 June 2022 the Irish stock exchange imposed the restriction on issuance of new notes.

13 Loans payable

Loans payable comprises a marginal loan from the related party. The loans are payable on demand and secured by debt and equity securities held on the margin brokerage account.

The following table provides information on carrying value of securities held on margin brokerage account that are represents a collateral for loans payable:

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Trading assets except derivatives	10 751 388	59 589 423
Notes issued	17 212 554	29 026 697
Investment securities measured at amortised cost	84 613	44 187 625
Total collateral	28 048 555	132 803 745
Total loans payable	12 188 465	75 900 177

14 Share capital

The Company's authorised and issued capital consists of 15 000 ordinary shares with a nominal value of 1.71 EUR each, issued at par.

During the six-month period ended 30 June 2022 the Company did not pay interim dividends (for the six-month period ended 30 June 2021: RR 1 000 000 thousand. RR 67 per share).

15 Financial assets and liabilities: fair values and accounting classifications

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However, given the uncertainties and the use of subjective judgement, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using other valuation techniques.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price that would be received to sell the asset, or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes option pricing model and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps.

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values are determined for measurement and for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Notes issued and forward contracts

Notes issued and forward contracts are complex structured instruments that include embedded derivatives. The Company has a large structured products portfolio with various payoff types. Majority of the portfolio are equity underlying instruments (US equities, Russian ADR/GDR, European equities, some Russian local stocks etc.) Additionally, First to Default credit derivatives with baskets composed to Russian and International Eurobonds as underlying assets. Most underlyings are liquid. Local volatility model used for the valuation of all equity linked products and a Gaussian Copula model for credit products. Valuations are performed in Numerix with observable market data from Bloomberg and derived data (e.g. correlations and volatilities) calculated by Risk department.

Equity and debt securities

The fair value of equity and debt securities is determined by reference to their quoted closing last price at the reporting date, or if unquoted, determined using a valuation technique. Valuation techniques include market multiples and discounted cash flow analysis using expected future cash flows and a market related discount rate. The fair value of investments measured at amortised cost is determined for disclosure purposes only.

Derivatives

The fair value of forward exchange contracts is based on their quoted market price, if available. If a quoted market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the

current forward price for the residual maturity of the contract using a risk free interest rate (based on government bonds).

The fair value of options is based on broker quotes or is determined based on valuation techniques using observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk when appropriate.

Loans, trade and other receivables

The fair value of loans, trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date; fair values reflect the credit risk of the instruments.

Fair value hierarchy

The Company measures fair values for financial instruments recorded at fair value on the condensed interim statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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The table below analyses financial instruments measured at fair value at 30 June 2022 and 31 December 2021, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the condensed interim statement of financial position:

<i>(In thousands of Russian Roubles)</i>	30 June 2022				31 December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trading assets:								
- corporate bonds	215 645	1 351 133	1 109 397	2 676 175	20 177 055	2 794 850	-	22 971 905
- corporate shares	13 760 732	-	4 489 387	18 250 119	82 253 669	-	4 940 787	87 194 456
- exchange traded funds	2 309 008	-	-	2 309 008	10 517 388	-	-	10 517 388
- derivatives	-	899 070	-	899 070	-	1 034 813	-	1 034 813
Loans to customers at FVTPL	-	136 095	1 549 942	1 686 037	-	937 903	2 258 843	3 196 746
Total financial assets carried at fair value	16 285 385	2 386 298	7 148 726	25 820 409	112 948 112	4 767 566	7 199 630	124 915 308
Financial liabilities								
Trading liabilities:								
- corporate equity instruments	(2)	-	-	(2)	-	-	-	-
- derivative liabilities	-	17 159 568	61 279	17 220 847	-	42 899 973	-	42 899 973
Notes issued	-	23 908 715	5 236 194	29 144 909	-	47 165 018	7 834 424	54 999 442
Total financial liabilities carried at fair value	(2)	41 068 283	5 297 473	46 365 754	-	90 064 991	7 834 424	97 899 415

Trading assets except derivatives

The following table shows a reconciliation for the six-month period ended 30 June 2022 and 30 June 2021 for trading assets fair value measurements in Level 3 of the fair value hierarchy:

<i>(In thousands of Russian Roubles)</i>	Corporate bonds	Corporate shares
Financial instruments at fair value at 31 December 2021	-	4 940 787
Transfer from Prepayments and other assets		1 110 734
Transfer from level 1	1 109 397	-
Net loss recognised in profit or loss	-	(1 562 134)
Financial instruments at fair value at 30 June 2022	1 109 397	4 489 387

<i>(In thousands of Russian Roubles)</i>	Corporate bonds	Corporate shares
Financial instruments at fair value at 31 December 2020	14 979	-
Additions	151 162	1 636 622
Net gain recognised in profit or loss	138	-
Financial instruments at fair value at 30 June 2021	166 279	1 636 622

The sensitivity of profit or loss to the changes of the fair value of corporate shares in the total amount of RR 3 961 011 thousand (31 December 2021: RR 3 954 608 thousand) categorized into Level 3 of the fair hierarchy to changes in the expected cash flows as at 30 June 2022 is not significant as the effect will be netted by changes of the fair valued of the notes issued and hybrid derivative liabilities with these shares as underlying assets.

In the event that underlying cash flows of the remaining corporate shares in amount of RR 526 376 thousand (31 December 2021: RR 987 178 thousand) categorized into Level 3 of the fair hierarchy differ by plus/-minus ten percent, its fair value as at 30 June 2022 would be RR 52 837 thousand higher/lower (31 December 2021: RR 98 618 thousand).

The sensitivity of profit or loss to the changes of the fair value of corporate bonds in the total amount of RR 1 017 515 thousand (31 December 2021:nil) categorized into Level 3 of the fair hierarchy to changes in the yield to maturities as at 30 June 2022 is not significant as the effect will be netted by changes of the fair valued of the notes issued and hybrid derivative liabilities with these corporate bonds as underlying assets.

In the event that the yield to maturities of the remaining corporate bonds in amount of RR 91 882 thousand categorized into Level 3 of the fair hierarchy differ by plus/-minus one percent, its fair value as at 30 June 2022 would be RR 1 813/1 869 thousand lower/higher (31 December 2021: nil).

Loans to customers

The following table shows a reconciliation for the six-month periods ended 30 June 2022 and 30 June 2021 for loans to customers in Level 3 of the fair value hierarchy:

<i>(In thousands of Russian Roubles)</i>	
Financial instruments at fair value at 31 December 2021	2 258 843
Additions	250 499
Net loss recognised in profit or loss	(959 400)
Financial instruments at fair value at 30 June 2022	1 549 942

<i>(In thousands of Russian Roubles)</i>	
Financial instruments at fair value at 31 December 2020	1 352 941
Foreign exchange difference	(52 159)
Financial instruments at fair value at 30 June 2021	1 300 782

In the event that interest rate on certain loans to customers in the total amount of RR 188 683 thousand (31 December 2021: nil) categorized into Level 3 of the fair hierarchy differ by plus/minus one percent, its fair value as at 30 June 2022 would be RR 4 734/4 900 thousand lower/ higher.

The sensitivity of profit or loss to the changes of the fair value of certain loans to customers in the total amount of RR 1 361 259 thousand (31 December 2021: RR 2 258 843 thousand) categorized into Level 3 of the fair hierarchy to changes in the customer's credit spread as at 30 June 2022 and 31 December 2021 is not significant as the effect will be netted by changes of the fair valued of the notes issued with these loans as underlying assets.

Derivative liabilities

<i>(In thousands of Russian Roubles)</i>	Hybrid derivatives
Financial instruments at fair value at 31 December 2021	-
New originated instruments	75 727
Net gain recognised in profit or loss	(14 448)
Financial instruments at fair value at 30 June 2022	61 279

The sensitivity of profit or loss to the changes of the fair value of hybrid derivative liabilities in the total amount of RR 13 016 thousand (31 December 2021: nil) categorized into Level 3 of the fair hierarchy to changes in expected cash flows from underlying shares as at 30 June 2022 and 31 December 2021 is not significant as the effect will be netted by changes of the fair valued of the loans and shares with these notes as underlying assets.

In the event that expected cash flows from underlying shares of remaining derivative liabilities in the total amount of RR 48 263 thousand (31 December 2021: nil) categorized into Level 3 of the fair hierarchy differ by plus/minus ten percent, its fair value as at 30 June 2022 would be RR 4 826 thousand lower/ higher.

Notes issued

<i>(In thousands of Russian Roubles)</i>	
Financial instruments at fair value at 31 December 2021	7 834 424
New originated instruments	233 524
Net gain recognised in profit or loss	(2 831 754)
Financial instruments at fair value at 30 June 2022	5 236 194

<i>(In thousands of Russian Roubles)</i>	
Financial instruments at fair value at 31 December 2020	1 059 331
New originated instruments	2 371 399
Net loss recognised in profit or loss	1 935
Financial instruments at fair value at 30 June 2021	3 432 665

The sensitivity of profit or loss to the changes of the fair value of notes issued in the total amount of RR 5 236 194 thousand (31 December 2021: RR 5 905 264 thousand) categorized into Level 3 of the fair hierarchy to changes in the customer's credit spread and fair value of underlying shares as of 30 June 2022 and 31 December 2021 is not significant as the effect will be netted by changes of the fair valued of the loans and shares with these notes as underlying assets.

In event that underlying cash flows used for valuation of underlying asset of the remaining notes categorized into Level 3 of fair value hierarchy in amount of RR 1 276 495 thousand differ by plus/minus ten percent, its fair value as at 31 December 2021 would be RR 127 650 higher/lower.

The following table analyses the fair value of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised as at 30 June 2022 and 31 December 2021:

<i>(In thousands of Russian Roubles)</i>	30 June 2022		31 December 2021	
	Total fair values	Total carrying amount	Total fair values	Total carrying amount
Assets				
Investment securities measured at amortized cost	39 253 496	45 481 856	56 217 247	58 331 490
Loans to customers at amortised cost	443 938	518 448	773 885	815 343

Based on the analysis performed, management concluded that the fair value of all other financial assets and liabilities does not significantly differ from their carrying amount.

16 Related party transactions

Control relationships

The Company's ultimate shareholder and controlling party is Mr. Oleg Mikhasenko.

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In

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considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

At 30 June 2022 and 31 December 2021 the outstanding balances with the ultimate shareholder, parent company and related parties under control or significant influence of the ultimate shareholder are as follows:

Cash and cash equivalent, held on entities under control or significant influence of the ultimate shareholder

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Correspondent accounts and overnight placements with banks	43 387	949 306
Cash balances on brokerage accounts	5 223 836	4 388 082
Loss allowance	(3 351)	(1 823)
Total	5 263 872	5 335 565

Receivables under resale agreements from entities under control or significant influence of the ultimate shareholder

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Receivables under resale agreements, gross amount	32 446	2 305 381
Loss allowance	(17)	(195)
Collateral received	6 237	2 085 134
<i>average rates USD</i>	-1,21%	-0,92%
Total	38 666	4 390 320

The Company enters into repurchase transactions with the entities under control or significant influence of the ultimate shareholder as part of FG BCS Group's treasury activity. Maturity of repurchase transactions ranges from 1 day till 12 days. Certain on demand transaction can be settled with for a period from 1 to 5 days. Information per collateral received under repurchase agreements is disclosed in the Note 6.

Loans to customers

<i>(In thousands of Russian Roubles)</i>	Entities under common control	Parent company	Ultimate shareholder	30 June 2022
Loans receivable measured at fair value	188 683	-	136 095	324 778
Loans receivable measured at amortised cost, gross amount	-	-	538 229	538 229
Loss allowance	-	-	(19 781)	(19 781)
Loans receivable, average rates USD	1,00%		1,00%	
Loans receivable, average rates EUR	-		3,10%	

<i>(In thousands of Russian Roubles)</i>	Entities under common control	Parent company	Ultimate shareholder	31 December 2021
Loans receivable measured at fair value	-	-	937 903	937 903
Loans receivable measured at amortised cost, gross amount	-	-	833 719	833 719
Loss allowance	-	-	(18 376)	(18 376)
Loans receivable, average rates USD			1,00%	
Loans receivable, average rates EUR			3,10%	

During the six-month period ended 30 June 2021 the Company recognised fair value adjustments in the amount of RR 357 937 thousand on loans issued to related parties as capital distribution to shareholders.

Derivative assets and liabilities with entities under control or significant influence of the ultimate shareholder

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Derivative assets, including:		
Credit default SWAPs	37 722	489 306
Hybrid derivatives	417 238	244 292
Currency SWAPs	-	36 286
Total derivative assets	454 960	769 884
Derivative liabilities, including:		
Hybrid derivatives	(202 091)	(439 260)
Credit default SWAPs	(497 684)	(354 161)
Options	(30 223)	-
Currency SWAPs	-	(119 933)
Total derivative liabilities	(729 998)	(913 354)

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Prepayments and other assets with entities under control or significant influence of the ultimate shareholder

<i>(In thousands of Russian Roubles)</i>	Entities under common control	Parent company	30 June 2022
Cash collateral on derivatives, gross amount	3 695 210	-	3 695 210
Unsettled sale of securities, gross amount	-	6 657 392	6 657 392
Margin call receivable, gross amount	-	-	-
Receivables from brokers and counterparties, gross amount	7 797 304	-	7 797 304
Loss allowance	(1 877 241)	(20 291)	(1 897 532)
Total	9 615 273	6 637 101	16 252 374

As at 30 June 2022 accounts receivable from brokers and counterparties mostly consist of cash payments per bonds and notes issued that have been frozen at the level of superior depositories.

<i>(In thousands of Russian Roubles)</i>	Entities under common control	Parent company	31 December 2021
Cash collateral on derivatives, gross amount	8 618 326	-	8 618 326
Unsettled sale of securities, gross amount	-	6 657 392	6 657 392
Margin call receivable, gross amount	22 780	-	22 780
Receivables from brokers and counterparties, gross amount	82 842	-	82 842
Loss allowance	(70 489)	(52 790)	(123 279)
Total	8 653 459	6 604 602	15 258 061

Payables under repo transactions with entities under control or significant influence of the ultimate shareholder

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Payables under repurchase agreements	23 277 927	19 280 402
Collateral provided	45 859 481	21 135 797
average rate RUR	-	8,49%
average rate USD	3,48%	-

The Company enters into repurchase transactions with the entities under control or significant influence of the ultimate shareholder as part of FG BCS Group's treasury activity. Maturity of repurchase transactions ranges from 1 day till 12. Information per collateral transferred under repurchase agreements is disclosed in the Note 6.

Notes issued

As at 30 June 2022 notes issued held by entities under control or significant influence of the ultimate shareholder amounted to RR 165 372 thousand (31 December 2021: RR 537 480 thousand). Notes issued carried at fair value are held by the entities under control or significant influence of the ultimate shareholder for distribution to third parties.

In 2017 the Company issued zero coupon note, which is held by the company under common control as a part of treasury activity of FG BCS Group. Terms of the note contain put option that can be realised once a year, with this regard the note is treated as short-term note with prolongation once a year, the contract maturity of the note is 2027.

During the six-month period ended 30 June 2021 the Company recognised fair value adjustments in the amount of RR 133 753 thousand on notes issued to related parties as capital distribution to shareholders. During the year ended 31 December 2021 the Company bought back the zero coupon note from the entities under control or significant influence of the ultimate shareholder in full amount for consideration in amount of RR 20 546 546 thousand.

Loans payable to entities under control or significant influence of the ultimate shareholder

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Margin loan from the companies under common control	12 188 465	75 900 177
rate RUR	7,00%	9,00%
rate USD	6,60%	2,75%
rate EUR	2,75%	2,75%
Trading assets except derivatives held on margin account	10 751 388	59 589 423
Notes issued	17 212 554	29 026 697
Investing securities held on margin account	84 613	44 187 625
Total assets held on margin account	28 048 555	132 803 745

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According to the terms for the margin account the broker provides intraday credit facility that allow to the Company to borrow cash or other assets to buy financial instruments. Credit facility can be provided for transactions with eligible instruments only. The lender is allowed to sell instruments to settle loan in case of default of a borrower.

Payables and other liabilities to entities under control or significant influence of the ultimate shareholder

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Payable for brokerage commission	54 799	290 104
Other payable	68 003	-
Total payables and other liabilities	122 802	290 104

The related profit and loss transactions for the six-month periods ended 30 June 2022 and 30 June 2021 are as follows:

<i>(In thousands of Russian Roubles)</i>	Entities under control or significant influence of the ultimate shareholder	Parent company	Ultimate shareholder	For the six- month period ended 30 June 2022
Interest income calculated using the effective interest method	759 889	-	6 360	766 249
Other interest income	5 813	-	8 543	14 356
Interest expense	(1 930 981)	-	-	(1 930 981)
Fair value loss from loans measured at fair value through profit or loss	(61 816)	-	(536 062)	(597 878)
Gain from trading in foreign currencies and currency revaluation	1 142 185	-	-	1 142 185
Net trading gain from derivatives	352 676	-	-	352 676
Impairment loss of debt financial assets	(1 808 102)	32 499	(1 405)	(1 777 008)
Administrative and other operating expenses	(15 517)	-	-	(15 517)
Fee and commission expense	(16 988)	-	-	(16 988)
Profit before tax	(1 572 840)	32 499	(522 564)	(2 062 906)

<i>(In thousands of Russian Roubles)</i>	Entities under control or significant influence of the ultimate shareholder	Parent company	Ultimate shareholder	For the six- month period ended 30 June 2021
Interest income calculated using the effective interest method	1 346 861	195 700	12 854	1 555 415
Fair value loss from loans measured at fair value through profit or loss	3 037	-	-	3 037
Interest expense	(2 482 424)	-	-	(2 482 424)
Gain from trading in foreign currencies and currency revaluation	576 593	-	-	576 593
Net trading loss from derivatives	(181 972)	-	-	(181 972)
Impairment of debt financial assets	15 373	3 341	1 435	20 149
Administrative and other operating expenses	(41 526)	-	-	(41 526)
Fee and commission expense	(314 127)	-	-	(314 127)
Profit before tax	(1 078 185)	199 041	14 289	(864 855)

17 Risk management

As at 30 June 2022 and for the six-month period then ended the risk profile of the Company has not changed significantly, except increase in market price risk exposure resulting from a partial disposal of hedge portfolio.

Price risk for equity securities is the risk of changes in value of a financial instrument as a result of changes in market prices regardless of whether they have been caused by factors specific for a particular instrument or factors influencing all instruments traded in the market. Price risk for equity securities exists when the Company has a long or short position in an equity financial instrument.

The analysis of sensitivity of net profit and equity for the the six-month period to fluctuations in securities quotations based on portfolio of RR 21 828 621 thousand (31 December 2021: RR 95 745 924 thousand) used to hedge price risk of structured derivative products, can be presented as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022		31 December 2021	
	Profit or loss	Equity	Profit or loss	Equity
Increase in securities quotation 7.5%-10%. Market volatility is 13.7%-25.7%	(982 049)	(982 049)	(69 610)	(69 610)
Decrease in securities quotation 15%-20% Market volatility is 19.7%-34.5%	1 556 337	1 556 337	397 744	397 744

There have been no significant changes to the risk methodology and risk management procedures applied by the Company.

18 Segmental analysis

For management purposes, the Company is organised into two operating segments based on types of services provided as follows:

- Corporate business. The core activity of this segment is to enter into financial markets transactions with counterparties (corporates, financial institutions).
- Retail business. The core activity of this segment is providing of standardised structured products, including structured notes and forward contract to retail customers.

The Company's segments are strategic business units that focus on different customers and provide different types of financial products. The operating results of each segment are reported in a manner consistent with the internal reporting used by the Management. The Management receives information about the segments' revenue and assets on a monthly basis.

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the condensed interim financial information. However, income taxes are managed on a group basis and are not allocated to operating segments.

During the six-month period, there were no revenues from transactions with other operating segments. The Company's total assets and liabilities are as follows:

<i>(In thousands of Russian Roubles)</i>	Total 30 June 2022	Total 31 December 2021
Corporate Business	59 115 898	91 198 169
Retail Business	39 726 911	140 807 101
Total Assets	98 842 809	232 005 270
Corporate Business	(36 807 606)	(91 160 782)
Retail Business	(45 181 230)	(128 150 435)
Total Liabilities	(81 988 836)	(219 311 216)

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An analysis of the Company's condensed interim statement of profit or loss and other comprehensive income is as follows:

<i>(In thousands of Russian Roubles)</i>	Corporate Business	Retail Business	For the six-month period ended 30 June 2022
Interest income calculated using the effective interest method	2 080 268	10 437	2 090 705
Other interest income	88 686	-	88 686
Interest expense	(1 931 107)	-	(1 931 107)
Net interest income	237 847	10 437	248 284
Net trading (loss) gain from trading assets and liabilities	(1 170 943)	(18 170 483)	(19 341 426)
Gain from trading in foreign currencies and currency revaluation	1 435 169	964 458	2 399 627
Dividend income from trading assets	31 726	492 340	524 066
Net trading gain from derivatives	334 702	24 945 953	25 280 655
Net trading income	630 654	8 232 268	8 862 922
Impairment of debt financial assets	(2 768 539)	-	(2 768 539)
Fair value losses from loans measured at fair value through profit or loss	(1 055 048)	-	(1 055 048)
Other operating income	13 133	-	13 133
Gain from investment securities measured at fair value through profit or loss	74 296	-	74 296
Administrative and other operating expenses	(73 895)	(49 658)	(123 553)
Fee and commission expense	(28 348)	(439 892)	(468 240)
Profit before tax	(2 969 900)	7 753 155	4 783 255

<i>(In thousands of Russian Roubles)</i>	Corporate Business	Retail Business	For the six-month period ended 30 June 2021
Interest income calculated using the effective interest method	2 498 293	-	2 498 293
Other interest income	44 929	-	44 929
Interest expense	(2 482 424)	-	(2 482 424)
Net interest income	60 798	-	60 798
Net trading gain (loss) from trading assets and liabilities	2 118 741	17 283 766	19 402 507
Gain (loss) from trading in foreign currencies and currency revaluation	248 565	324 954	573 519
Dividend income from trading assets	-	621 365	621 365
Net trading (loss) gain from derivatives	(187 662)	(3 515 874)	(3 703 536)
Net trading income	2 179 644	14 714 211	16 893 855
Impairment of debt financial assets	(16 334)	(3 506)	(19 840)
Other operating (expense) income	(20 126)	-	(20 126)
Loss from investment securities measured at fair value through profit or loss	(1 013)	-	(1 013)
Administrative and other operating expenses	(64 984)	(84 956)	(149 940)
Fee and commission expense	(156 350)	(204 398)	(360 748)
Profit before tax	1 981 635	14 421 351	16 402 986

Geographic information

The geographic information analyses the Company's revenue by the country of domicile and other countries. The Company is incorporated in Cyprus. The Company raises funds by placing notes through dealer and entering into derivative contracts with retail customers through licensed investment companies in various jurisdictions as well as raising funds through direct repo transactions. Dealer that is involved in placing of securities is domiciled in Cyprus.

The funds raised are allocated to:

- hedging securities portfolio;

- trading securities portfolio;
- loans to corporate customers;
- other investments.

All of the above assets are located in different regions. Due to the fact that the detailed information necessary for disclosure of geographic information is not available and the cost to develop it is excessive, it was decided to not present quantitative geographic disclosures.

Major customers

During the six-month periods ended 30 June 2022 and 30 June 2021, the Company had significant transactions with entities under control or significant influence of ultimate shareholder, comprised 10% or more of the Company's income, the detailed information is presented in the Note 16.

19 Events after the reporting period

As at 30 June 2022 the company had a prepayment in amount of RR 6 657 392 thousand for the 45% of share capital of BrokerCreditService (Cyprus) Limited. As at 14 September 2022 the Company has obtained the permission from the regulator to execute the deal.

As at 28 September 2022 the Board of Directors has recommended the payment of dividends for 2021 in amount of RR 4 050 000 thousand.

20 Notes issued

ISIN	XS2429208486	XS2423361190	XS2439218640
The currency of the Notes issued	USD	USD	USD
Nominal	1 250	1 250	1 250
The nature of the Notes issued	Share Linked Guaranteed Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Guaranteed Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Guaranteed Notes (Autocall Standard Notes with Snowball Digital Coupon and Embedded Option Coupon)
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	(i) 3.75 per cent. per Interest Period for a Snowball Level of 75 per cent. (ii) 2.25 per cent. per Interest Period for a Snowball Level of 0 per cent.	(i) 5 per cent. per Interest Period for a Snowball Level of 85 per cent. (ii) 3.5 per cent. per Interest Period for a Snowball Level of 65 per cent.	(i) 5 per cent. per Interest Period for a Snowball Level of 80 per cent. (ii) 3.75 per cent. per Interest Period for a Snowball Level of 60 per cent. (iii) Embedded Option Coupon 25%
Interest Payment Dates	15 February, 15 May, 15 August and 15 November in each year, commencing on 15 May 2022 up to and including the Maturity Date	28 February, 28 May, 28 August and 28 November in each year, commencing on 28 May 2022 up to and including the Maturity Date	(i) 2 March, 2 June, 2 September and 2 December in each year, commencing on 2 June 2022 up to and including the Maturity Date (ii) Option Interest Payment Date: 29 June 2022 (or if such day is not a Business Day, the next following Business Day)
Issue Date	13.01.2022	27.01.2022	28.01.2022
Details of the maturity dates of the Notes issued	15.05.2025	28.02.2027	02.06.2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	i. Carvana Co (Bloomberg Code: CVNA UN Equity; ISIN: US1468691027); ii. General Motors Co (Bloomberg Code: GM UN Equity; ISIN: US37045V1008); iii. Lyft Inc (Bloomberg Code: LYFT UW Equity; ISIN: US55087P1049); iv. Uber Technologies Inc (Bloomberg Code: UBER UN Equity; ISIN: US90353T1007); and v. Volkswagen AG (Bloomberg Code: VOW3 GY Equity; ISIN: DE0007664039).	i. Meta Platforms Inc (Bloomberg Code: FB UW Equity; ISIN: US30303M1027); ii. Netflix Inc (Bloomberg Code: NFLX UW Equity; ISIN: US64110L1061); iii. Pfizer Inc (Bloomberg Code: PFE UN Equity; ISIN: US7170811035); iv. Uber Technologies Inc (Bloomberg Code: UBER UN Equity; ISIN: US90353T1007); and v. Volkswagen AG (Bloomberg Code: VOW3 GY Equity; ISIN: DE0007664039).	i. Carvana Co (Bloomberg Code: CVNA UN Equity; ISIN: US1468691027); ii. Enphase Energy Inc (Bloomberg Code: ENPH UQ Equity; ISIN: US29355A1079); i. RingCentral Inc (Bloomberg Code: RNG UN Equity; ISIN: US76680R2067); iv. Teladoc Health Inc (Bloomberg Code: TDOC UN Equity; ISIN: US87918A1051); and v. Varonis Systems Inc (Bloomberg Code: VRNS UW Equity; ISIN: US9222801022). The Notes are also linked to the following exchange traded product (the "ETI"): SPDR S&P 500 ETF Trust (Bloomberg Code: SPY UP Equity; ISIN: US78462F1030).

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ISIN	XS2446844321	XS2449416994	XS2451882935
The currency of the Notes issued	EUR	USD	RUB
Nominal	1 000	1 250	100 000
The nature of the Notes issued	Share Linked Guaranteed Notes (Autocall Standard Notes with Snowball Digital Coupon)	Share Linked Guaranteed Notes (Autocall Standard Notes with Snowball Digital Coupon)	Credit Linked Guaranteed Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	(i) 3.75 per cent. per Interest Period for a Snowball Level of 75 per cent. (ii) 2 per cent. per Interest Period for a Snowball Level of 0 per cent.	2.75 per cent. per Interest Period	14.5 per cent. per annum
Interest Payment Dates	18 March, 18 June, 18 September and 18 December in each year, commencing on 18 June 2022 up to and including the Maturity Date	3 March, 3 June, 3 September and 3 December in each year, commencing on 3 June 2022 up to and including the Maturity Date	30 June and 30 December in each year, commencing on 30 June 2022 up to and including the Maturity Date
Issue Date	22.02.2022	25.02.2022	28.02.2022
Details of the maturity dates of the Notes issued	18.06.2025	03.03.2025	30.06.2027
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	i. Advanced Micro Devices Inc (Bloomberg Code: AMD UW Equity; ISIN: US0079031078); ii. Meta Platforms Inc (Bloomberg Code: FB UW Equity; ISIN: US30303M1027); iii. Rio Tinto PLC (Bloomberg Code: RIO UN Equity; ISIN: US7672041008); iv. Sberbank of Russia PJSC (Bloomberg Code: SBER RX Equity; ISIN: RU0009029540); and v. Unity Software Inc (Bloomberg Code: U UN Equity; ISIN: US91332U1016).	i. CF Industries Holdings Inc (Bloomberg Code: CF UN Equity; ISIN: US1252691001); ii. Mosaic Co/The (Bloomberg Code: MOS UN Equity; ISIN: US61945C1036); and iii. Nutrien Ltd (Bloomberg Code: NTR UN Equity; ISIN: CA67077M1086).	i. 3.375% bonds due 2026 issued by INEOS Finance PLC (ISIN: XS2250349581) ii. 7.5% bonds due 2024 issued by Lumen Technologies Inc (ISIN: US156700BA34) iii. 6.95% bonds due 2028 issued by Nordstrom Inc (ISIN: US655664AH33) iv. 8.75% bonds due 2026 issued by Petrobras Global Finance BV (ISIN: US71647NAQ25) v. 1.569% bonds due 2024 issued by SoftBank Group Corp (ISIN: JP343610BJ69) vi. 3.8% bonds due 2024 issued by Xerox Corp (ISIN: US984121CJ06)

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ISIN	XS2451883743	XS2462590543	XS2443478438
The currency of the Notes issued	USD	USD	RUB
Nominal	1 250	1 250	100 000
The nature of the Notes issued	Credit Linked Guaranteed Notes	Credit Linked Guaranteed Notes	Share and Credit Linked Notes
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	7.5 per cent. per annum	7 per cent. per annum	i) In respect of the first Interest Period (08/02/2022-01/03/2022), 6.5 per cent per annum. The rate is fixed ii) In respect of any other Interest Period, 22.00 per cent. per annum. The coupon is variable. Barrier Price for coupon: 65%
Interest Payment Dates	30 June and 30 December in each year, commencing on 30 June 2022 up to and including the Maturity Date	6 April and 6 October in each year, commencing on 6 October 2022 up to and including the Maturity Date	(i) the Strike Date; and (ii) 22 January, 22 April, 22 July, and 22 October in each calendar year (excluding 22 April 2022)
Issue Date	28.02.2022	29.03.2022	08.02.2022
Details of the maturity dates of the Notes issued	30.06.2027	06.04.2026	22.04.2027
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	i. 3.375% bonds due 2026 issued by INEOS Finance PLC (ISIN: XS2250349581) ii. 7.5% bonds due 2024 issued by Lumen Technologies Inc (ISIN: US156700BA34) iii. 6.95% bonds due 2028 issued by Nordstrom Inc (ISIN: US655664AH33) iv. 8.75% bonds due 2026 issued by Petrobras Global Finance BV (ISIN: US71647NAQ25) v. 1.569% bonds due 2024 issued by SoftBank Group Corp (ISIN: JP343610BJ69) vi. 3.8% bonds due 2024 issued by Xerox Corp (ISIN: US984121CJ06)	i. 7% bonds due 2026 issued by Telegram Group Inc (ISIN: XS2317279060)	Coupon payment quarterly, if the prices of all shares are equal to or greater than the coupon barrier (65%). Shares: (i) the common stock of Alcoa Corp; (ii) the common stock of Rio Tinto PLC; (iii) the common stock of Freeport-McMoRan Inc; (iv) the common stock of Valero Energy Corp; (v) the common stock of Nucor Corp

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ISIN	XS2442825472	XS2443801076	XS2444717495
The currency of the Notes issued	USD	USD	RUB
Nominal	1 250	1 000	1 000
The nature of the Notes issued	Share and Credit Linked Notes	Share Linked Notes	Share Linked Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	i) In respect of the first Interest Period (08/02/2022-01/03/2022), 1 per cent per annum. The rate is fixed ii) In respect of any other Interest Period, 15.00 per cent. per annum. The coupon is variable. Barrier Price for coupon: 65%	In respect of each SPS Coupon Valuation Date, 15 per cent. per annum. The coupon is variable. Barrier Price for coupon: 100%	In respect of each SPS Coupon Valuation Date, 10 per cent. per annum. The coupon is variable. Barrier Price for coupon-In respect of: (i) the Interest Period End Dates of 7 December 2022, 7 December 2023 and 7 December 2024, 100 per cent.; and (ii) the Interest Period End Dates of 7 December 2025 and the Scheduled Maturity Date, 105 per cent.
Interest Payment Dates	(i) the Strike Date; and (ii) 22 January, 22 April, 22 July, and 22 October in each calendar year (excluding 22 April 2022)	Each 11 February, 11 May, 11 August, 11 November in each calendar year	Each of: (i) 7 December 2022; (ii) 7 December 2023; (iii) 7 December 2024; (iv) 7 December 2025 (v) 7 December 2026
Issue Date	08.02.2022	11.02.2022	16.02.2022
Details of the maturity dates of the Notes issued	22.04.2027	11.02.2025	07.12.2026
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Coupon payment quarterly, if the prices of all shares are equal to or greater than the coupon barrier (65%). Shares: (i) the common stock of Advanced Micro Devices, Inc.; (ii) the common stock of Cloudflare, Inc.;	Coupon payment quarterly, if the prices of all shares are equal to or greater than the coupon barrier (100%). Shares: (i) the common stock of Alibaba Group Holding Ltd ;(ii) the common stock of Baidu Inc; (iii) the common stock of Weibo Corp ; (iv) the common stock of Pinduoduo Inc.	Coupon payment annually, if the prices of all shares are equal to or greater than the coupon barrier (100%, 105%). Shares: (i) The ordinary shares of Nokia Oyj;(ii) The common stock of Gilead Sciences Inc ;(iii) The common stock of Zoom Video Communications Inc;(iv) The common stock of Coca-Cola Co; (v) The common stock of Spotify Technology SA

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ISIN	XS2444721760
The currency of the Notes issued	RUB
Nominal	1 000
The nature of the Notes issued	Share Linked Notes with Snowball Digital Coupon
Details of the interest rates on the Notes issued and whether they are fixed or floating rates	In respect of each SPS Coupon Valuation Date, 7.8 per cent. per annum. The coupon is variable. Barrier Price for coupon: 100%
Interest Payment Dates	Each of: (i) 6 July 2022; (ii) 6 July 2023; (iii) 6 July 2024; (iv) 6 January 2025
Issue Date	16.02.2022
Details of the maturity dates of the Notes issued	06.01.2025
Details as to whether the rate of return of the Notes are linked to the total portfolio of underlying assets or whether the return of each Note is ring fenced to the return from assets of individual series of Notes	Coupon payment is not linked to any underlying assets Coupon payment annually, if the prices of all shares are equal to or greater than the coupon barrier (100%). Shares: (i) The ordinary shares of Nokia Oyj; (ii) The common stock of Gilead Sciences Inc; (iii) The common stock of Zoom Video Communications Inc; (iv) The common stock of Coca-Cola Co; (v) The common stock of Spotify Technology SA .