



FG BCS LIMITED

**Condensed Interim Consolidated
Financial Information (Unaudited)**

Six-month period ended 30 June 2022

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<i>(In thousands of Russian Roubles)</i>	Note	30 June 2022	31 December 2021
ASSETS			
Cash and cash equivalents	7	80 327 320	37 378 260
Mandatory cash balances with the CBR		173 214	690 803
Receivables from brokerage transactions	8	3 293 134	6 756 822
Receivables under resale agreements	9	61 264 264	89 332 334
Trading assets except derivatives	10		
- pledged under repurchase agreement		3 129 452	25 011 582
- unpledged		54 231 304	132 648 454
Investment securities measured at fair value through other comprehensive income	11		
- unpledged		1 438 206	1 652 761
Investment securities measured at amortised cost		-	
- pledged under repurchase agreement	12	10 353 129	1 783 898
- unpledged		46 725 859	65 518 093
Goodwill		994 290	1 102 748
Investment in an associate		656 764	683 952
Derivative assets	13	34 701 456	20 958 514
Loans to customers	14	24 993 626	38 146 998
Loans to banks	15	754 079	5 266 604
Investment properties		1 043 595	1 043 595
Property, equipment and intangible assets		8 178 651	10 099 055
Prepayments and other assets	16	20 322 249	23 002 642
Deferred tax assets		791 840	663 612
TOTAL ASSETS		353 372 432	461 740 727
LIABILITIES			
Payables under repurchase agreements	9	35 254 064	92 431 749
Customer brokerage accounts	17	140 594 856	167 662 765
Trading liabilities except derivatives	10	627 818	7 989 480
Derivative liabilities	13	3 506 774	7 466 862
Current accounts, deposits and borrowings	18	96 866 768	101 616 644
Payables and other liabilities	19	18 685 423	22 390 738
Deferred tax liabilities		1 783 567	1 167 045
TOTAL LIABILITIES		297 319 270	400 725 283
EQUITY			
Share capital	20	24 480	24 480
Share premium		2 803	2 803
Revaluation surplus for land and buildings		1 230 604	1 230 604
Revaluation reserve for investment securities		(234 488)	(53 838)
Translation reserve		1 083 201	7 891 620
Liability credit reserve		374 393	526 834
Retained earnings		53 518 785	51 329 779
Total equity attributable to the sole participant		55 999 778	60 952 282
Non-controlling interests		53 380	63 162
TOTAL EQUITY		56 053 158	61 015 444
TOTAL EQUITY AND LIABILITIES		353 372 428	461 740 727

The accompanying notes are an integral part of this condensed interim consolidated financial information.

*Condensed Interim Consolidated 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
Fee and commission income	3	3 921 377	6 184 640
Fee and commission expense	3	(2 067 946)	(2 801 446)
Net fee and commission income		1 853 431	3 383 194
Interest income calculated using the effective interest method	4	10 125 826	7 418 872
Other interest income	4	80 224	68 593
Interest expense	4	(5 312 146)	(2 232 765)
Net interest income		4 893 904	5 254 700
Net trading income	5	11 956 049	15 195 311
Net gain from investment securities		-	8 712
Gross written premiums		2 583 710	3 049 903
Change in insurance reserves and insurance payments		(1 945 877)	(2 958 986)
Impairment of debt financial assets		(4 310 372)	145 407
Impairment of other non-financial assets		(21 808)	159
Impairment (losses)/gains on goodwill		(108 458)	-
Rental income from investment properties		55 614	52 914
Net gain on disposal of subsidiaries		-	-
Other operating income		115 016	(3 447)
Fair value loss from loans measured at fair value through profit or loss		(997 961)	(33 973)
Share of loss of an associate		(27 188)	(737)
Administrative and other operating expenses	6	(11 765 063)	(13 230 733)
Profit before tax		2 280 997	10 862 424
Income tax expense		(1 032 005)	1 670 669
Profit for the year		1 248 992	12 533 093
Other comprehensive (loss) income			
Items that will not be reclassified to profit or loss:			
Movement in liability credit reserve		(152 441)	-
Total items that will not be reclassified to profit or loss		(152 441)	-
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(6 808 419)	(382 420)
Net change in fair value of investment securities		(178 604)	(58 184)
Net change in fair value of investment securities transferred to profit or loss		-	-
Income tax relating to items that are or may be reclassified to profit or loss		(2 046)	10 012
Total items that are or may be reclassified subsequently to profit or loss		(6 989 069)	(430 592)
Other comprehensive (loss) income for the year, net of tax		(7 141 510)	(430 592)
Total comprehensive (loss) income for the year		(5 892 518)	12 102 501
Profit for the year attributable to:		1 248 993	12 533 093
- Sole participant		1 254 275	12 542 010
- Non-controlling interests		(5 282)	(8 917)
Total comprehensive (loss) income for the year attributable to:		(5 892 517)	12 102 501
- Sole participant		(5 887 235)	12 111 418
- Non-controlling interests		(5 282)	(8 917)

The accompanying notes are an integral part of this condensed interim consolidated financial information.

*Condensed Interim Consolidated 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>	For the six-month period ended 30 June 2022 Attributable to the sole participant									
	Share capital	Share premium	Revaluation surplus for land and buildings	Revaluation reserve for investment securities	Liability credit reserve	Translation reserve	Retained earnings	Total	Non- controlling interests	Total equity
Balance at 1 January 2022	24 480	2 803	1 230 604	(53 838)	526 834	7 891 620	51 329 779	60 952 282	63 162	61 015 444
Total comprehensive income										
Profit for the year	-	-	-	-	-	-	1 254 274	1 254 274	(5 282)	1 248 992
Other comprehensive income										
<i>Items that are or may be reclassified subsequently to profit or loss:</i>										
Foreign currency translation differences for foreign operations	-	-	-	-	-	(6 808 419)	-	(6 808 419)	-	(6 808 419)
Revaluation reserve for investment securities	-	-	-	(180 650)	-	-	-	(180 650)	-	(180 650)
Total items that are or may be reclassified subsequently to profit or loss	-	-	-	(180 650)	-	(6 808 419)	-	(6 989 069)	-	(6 989 069)
<i>Items that will not be reclassified to profit or loss:</i>										
Revaluation of land and buildings, net of income tax	-	-	-	-	-	-	-	-	-	-
Movements in liability credit reserve	-	-	-	-	(152 441)	-	-	(152 441)	-	(152 441)
Total items that will not be reclassified subsequently to profit or loss	-	-	-	-	(152 441)	-	-	(152 441)	-	(152 441)
Other comprehensive income for the year	-	-	-	(180 650)	(152 441)	(6 808 419)	-	(7 141 510)	-	(7 141 510)
Total comprehensive income for the year	-	-	-	(180 650)	(152 441)	(6 808 419)	1 254 274	(5 887 236)	(5 282)	(5 892 518)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(4 500)	(4 500)
Contribution from shareholder	-	-	-	-	-	-	1 092 261	1 092 261	-	1 092 261
Dividends (Note 20)	-	-	-	-	-	-	(157 529)	(157 529)	-	(157 529)
Total transactions with owners	-	-	-	-	-	-	934 732	934 732	(4 500)	930 232
Balance at 30 June 2022 (unaudited)	24 480	2 803	1 230 604	(234 488)	374 393	1 083 201	53 518 785	55 999 778	53 380	56 053 158

The accompanying notes are an integral part of this condensed interim consolidated financial information.

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

	For the six-month period ended 30 June 2021								
	Attributable to the sole participant								
<i>(In thousands of Russian Roubles)</i>	Share capital	Share premium	Revaluation surplus for land and buildings	Revaluation reserve for investment securities	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2020	24 480	2 803	1 139 213	35 291	7 799 188	33 727 291	42 728 266	56 469	42 784 735
Profit for the period (unaudited)	-	-	-	-	-	12 542 010	12 542 010	(8 917)	12 533 093
Other comprehensive loss									
<i>Items that are or may be reclassified subsequently to profit or loss:</i>									
Foreign currency translation differences for foreign operations (unaudited)	-	-	-	-	(382 420)	-	(382 420)	-	(382 420)
Revaluation reserve for Investment securities (unaudited)	-	-	-	(48 172)	-	-	(48 172)	-	(48 172)
Total items that are or may be reclassified subsequently to profit or loss	-	-	-	(48 172)	(382 420)	-	(430 592)	-	(430 592)
Other comprehensive loss for the period	-	-	-	(48 172)	(382 420)	-	(430 592)	-	(430 592)
Total comprehensive income for the period	-	-	-	(48 172)	(382 420)	12 542 010	12 111 418	(8 917)	12 102 501
Distribution to the shareholder (Note 20) (unaudited)	-	-	-	-	-	(290 380)	(290 380)	-	(290 380)
Total transactions with owners	-	-	-	-	-	(290 380)	(290 380)	-	(290 380)
Balance at 30 June 2021 (unaudited)	24 480	2 803	1 139 213	(12 881)	7 416 768	45 978 921	54 549 304	47 552	54 596 856

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FG BCS LIMITED
Condensed Interim Consolidated 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		2 280 997	10 862 424
Adjustments for:			
Depreciation and amortisation		763 526	650 886
Impairment (gains) losses		4 332 180	(145 566)
Impairment of goodwill		108 458	-
Change in accruals of expenses		(1 943 958)	757 627
Unrealised (gains) loss on debt and equity instruments		1 171 960	(4 728 393)
Revaluation of derivatives		(17 315 405)	373 289
Net gain on disposal of subsidiaries		-	-
Share of (gain) loss of an associate		27 252	737
Unrealised losses from trading in foreign currencies		(20 958 739)	744 478
Net (gain) loss from investment securities		(26 928)	(58 184)
Loss (gain) on disposal of premises and equipment		(49 778)	(2 387)
Net interest income	4	(4 893 904)	(5 254 700)
Other operation and non-operation incomes		-	(47 563)
Cash flows used in operating activities before changes in working capital		(36 504 339)	3 152 648
(Increase) decrease in operating assets			
Mandatory cash balances with the CBR		517 589	3 707
Receivables from brokerage transactions		2 356 480	406 996
Receivables under resale agreements		26 271 776	(31 692 737)
Trading assets		86 753 816	(22 820 222)
Loans to customers		9 508 156	(5 569 336)
Loans to banks		4 182 060	(21 339)
Prepayments and other assets		(6 286 848)	(1 150 348)
Interest received during the year		9 959 566	7 481 371
Increase (decrease) in operating liabilities			
Payables under repurchase agreements		(57 141 520)	53 411 816
Customer brokerage accounts		(1 357 339)	4 423 346
Trading liabilities		(7 243 266)	2 513 364
Current accounts, deposits and borrowings		22 004 181	6 736 469
Payables and other liabilities		(1 292 746)	2 383 770
Interest paid during the year		(4 901 538)	(2 282 622)
Income taxes paid		(403 513)	(485 163)
Net cash provided by operating activities		46 422 515	16 491 720
Cash flows from investing activities			
Acquisition of property and equipment and intangible assets		(697 364)	(1 163 098)
Proceeds from sale of property and equipment		90 913	90 119
Acquisition of investment securities measured at amortised cost		(1 135 762)	(16 406 405)
Redemption of investment securities measured at amortised cost		2 010 627	-
Acquisition of investment securities measured at FVOCI		(66 310)	-
Proceeds from sale of investment securities measured at FVOCI		-	870 402
Changes in NCI		(4 500)	-
Net cash used in investing activities		197 604	(16 608 982)

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FG BCS LIMITED
Condensed Interim Consolidated 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 financing activities			
Payment of lease liabilities		(120 260)	(116 512)
Payment of dividends		934 730	(291 380)
Net cash provided by/(used) in financing activities		814 470	(407 892)
Net (decrease) increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	7	37 378 260	24 945 650
Effect of changes in exchange rates on cash and cash equivalents		(4 469 735)	(166 512)
Effect of changes in allowance for credit losses on cash and cash equivalents		(15 794)	2 337
Cash and cash equivalents as at the end of the period	7	80 327 320	24 256 321

The accompanying notes are an integral part of this condensed interim consolidated financial information.

1 Principal activities and organization

FG BCS LIMITED (the Company), together with its consolidated subsidiaries (collectively, the Group), is a leading broker and asset management company with a focus on Russia. The Group, through its custody, clearing and depository platforms, using both proprietary and third-party technology, provides an integrated platform of brokerage, retail and investment banking, depository and asset management services to individuals and corporate customers in the Russian Federation and abroad. The Group offers integrated web- and software-based trading platforms, which incorporate intelligent order routing technology, real-time market data, options trading, premium research, and multi-channel access, as well as sophisticated account and trade management features, risk management tools, decision support tools, and dedicated personal support. The Group serves its clients through a combination of its wide branch network and web-based and telephonic services, and provides direct-market-access to equity and derivatives brokerage services on MOEX (Russia), LSE and other major exchanges (AMEX, NASDAQ, NYSE, CME/CBOT, Eurex, Euronext, LIFFE, XETRA) and on the FX market.

The Company's registered address is Krinou, 3, THE OVAL, 2nd floor, Flat/Office 203, Agios Athanasios, 4103, Limassol, Cyprus. The Group's headquarter offices are located at Str. Sovetskaya 37, Novosibirsk, Russian Federation. The sole beneficiary and ultimate controlling party of the Group is Oleg Mikhasenko.

As a professional stock and security market participant in the Russian Federation, Cyprus, UK and USA, the Group's operations are regulated by the Central Bank of Russia (the CBR), the CySEC, the FCA and FINRA. The Group is a member of Moscow Exchange, Saint-Petersburg Exchange, London Stock Exchange, New York Stock Exchange and Eurex and the following financial associations and self-regulatory organisations: National Association of Stock Market Participants (NAUFOR), National Finance Association, International Capital Market Association, The International Securities Lending Association and International Swaps and Derivatives Association.

Also the Group includes managing companies whose principal activity is to manage assets and liabilities of clients. Activities connected with securities management are licensed under the current legislation. The activities of managing companies are regulated by the CBR and other authorities common for all market participants, for example, tax authorities.

The Group conducts its business primarily through the following operating legal entities:

Subsidiary	Country of incorporation	Ownership/voting	
		30 June 2022	31 December 2021
Brokercreditservice Ltd.	Russia	99.9%	99.9%
BrokerCreditService (Cyprus) Limited	Cyprus	100.0%	100.0%
"BCS Bank" AO	Russia	100.0%	100.0%
Joint Stock Company management company "BrokerCreditService"	Russia	100.0%	100.0%
OOO "Investment Management Company Brokercreditservice – Real Estate Funds"	Russia	100.0%	100.0%
BCS Prime Brokerage Limited	UK	100.0%	100.0%
BCS "Wealth Management" (JSC) (previous name URALSIB AM JSC)	Russia	100.0%	100.0%
Brokercreditservice Structured Products PLC	Cyprus	100.0%	100.0%
Kertina Group Ltd.	Cyprus	100.0%	100.0%
Seldthorn Private Equity Ltd.	Cyprus	0%	100.0%
OOO "BCS Consulting"	Russia	99.9%	99.9%
OOO "BCS Insurance"	Russia	99.9%	99.9%
BCS Americas	USA	100.0%	100.0%

Brokercreditservice Ltd is a limited liability company that was incorporated in the Russian Federation in 1995. Brokercreditservice Ltd provides a range of brokerage and depository services to retail and corporate clients. It holds licenses issued by Federal Financial Markets Service (FFMS) for securities management, dealer and brokerage services, custody services. Offered brokerage services comprise an array of brokerage accounts; individual retirement accounts; retirement plans for small to large businesses; designated brokerage accounts; equity incentive plan accounts; and margin loans, as well as access to fixed income securities, equity and debt offerings, options, and futures;

Brokercreditservice Ltd is a clearing broker-dealer and an investment adviser that principally transacts business as an agent in a broad array of financial products and services. It also holds a license issued by the Commission for Commodity Exchanges under FFMS as an intermediary for dealing in futures and options at stock exchanges in the Russian Federation.

BrokerCreditService (Cyprus) Limited (BCS Cyprus) is a licensed investment company regulated by CySEC. BCS Cyprus is a member of the world major exchanges: AMEX, NASDAQ, NYSE, CME/CBOT, Eurex, Euronext, XETRA, FORTS. From 1 May 2020 BCS Cyprus is a member of Association for Financial Markets in Europe (AFME).

BCS Prime Brokerage Limited (BCS UK) was granted UK regulatory authorisation by the Financial Conduct Authority (FCA) to deal and advise on investments and to hold client assets on 19 June 2013. In 2018 an additional permission to act as a payment services provider was received and in 2019 – a permission to deal on own account. Now BCS UK provides a wide range of brokerage and advising services, including access to Moscow Exchange, LSE, EBS, CHI-X/BATS, NYSE/NASDAQ/AMEX.

BCS Americas, Inc. is a broker-dealer company established in New York, registered with and regulated by the United States Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). The company provides US institutional investors with the access to Russian and European markets. BCS Americas, Inc. obtained direct membership with New York Stock Exchange in 2018.

«BCS Bank» AO (the Bank) is incorporated as a Joint Stock Company under the laws of the Russian Federation. The Bank's principal business activity is commercial banking operations within the Russian Federation. The Bank operates under a banking license issued by the CBR. The Bank is a member of the state deposit insurance system in the Russian Federation. The activities of the Bank are regulated by the CBR.

The investment management business is run via JSC MC «BCS» and URALSIB AM (JSC) which are the investment advisors for the Group's proprietary mutual funds, referred to as the BCS Funds, which offers asset management solutions including separately managed accounts, customized personal advice for tailored portfolios, and specialized planning and full-time portfolio management, and also provides a wide range of trust, investment management oversight and custodial services to non-government pension funds.

The Group through its subsidiary JSC MC "BCS" operates the following open ended mutual funds:

- Exchange Investment Fund BCS Global income bonds
- Exchange Investment Fund BCS Premium bonds MSP
- Exchange Investment Fund BCS Favourites of world investment funds
- Combined Closed Investment Fund – Structured fund plus
- Closed Real Estate Fund – Pension Fund Real Estate
- Combined Closed Fund – FNB Business
- Open Investment Fund of Funds XXII century
- Open Investment Fund BCS East-West
- Open Investment Fund of Funds BCS Precious Metals
- Open Investment Fund of Multi – Asset Investments BCS Empire
- Open Investment Fund BCS Innovations
- Open Investment Fund BCS International bonds
- Open Investment Fund - BCS Global resources
- Open Investment Fund of Bonds BCS Foundation
- Open Investment Fund of mixed investments BCS Perspective
- Open index investment Fund BCS Russian Shares
- Open Investment Fund BCS Russian Eurobonds
- Open Investment Fund BCS Fundamental choice
- Open Investment Fund BCS Digital practice

The Group also manages the following funds operated by BCS "Wealth Management" (JSC):

- BCS Wealth Management (JSC) A.M. OMIF Growth stocks
- BCS Wealth Management (JSC) A.M. OMIF Global equity market
- BCS Wealth Management (JSC) A.M. OMIF Global innovations
- BCS Wealth Management (JSC) A.M. OMIF Precious metals market
- BCS Wealth Management (JSC) A.M. OMIF Conservative fund

- BCS Wealth Management (JSC) A.M. OMIF Natural resources
- BCS Wealth Management (JSC) A.M. OMIF Professional fund
- BCS Wealth Management (JSC) A.M. OMIF First fund
- BCS Wealth Management (JSC) A.M. OMIF Energy perspective
- BCS Wealth Management (JSC) A.M. OMIF Global fixed income market

The Group has other subsidiaries which are consolidated based on trust agreements held with the direct owners. The Group exercises full control over the financial, strategic and operational activities of these subsidiaries for the benefit of the Group.

The Group is not exposed to significant seasonal or cyclical variations in operating income during the financial year.

2 Basis of preparation

a) General

This condensed interim consolidated 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 consolidated financial statements of the Group for the year ended 31 December 2021, as this condensed interim consolidated financial information provides an update of previously reported financial information.)

Management is responsible for the preparation of the condensed interim consolidated financial information in accordance with International Financial Reporting Standards (IFRS).

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 consolidated 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 consolidated 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 Group. 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.

a) Basis of measurement

Condensed interim consolidated financial information is prepared on the historical cost basis, except that trading assets and liabilities, investments securities measured at fair value through other comprehensive income, derivative assets and liabilities, investment properties, certain notes issued, certain loans to customers are stated at fair value and land and buildings are stated at revalued amounts.

b) Functional and presentation currency

The functional currency of each of the Group entities is the currency of the primary economic environment in which the entities operate. The Company and the majority of the Group's subsidiaries have determined that their 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 consolidated financial information. All financial information presented in RR is rounded to the nearest thousands, except when otherwise indicated.

c) Changes in accounting policies and presentation

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

3 Fee and commission income and expense

<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
Fee and commission income		
Agency fees related to brokerage and asset management activity	3 085 876	5 100 762
Commissions on cash and settlement transactions	386 370	288 145
Bank guarantee fees	222 873	226 924
Insurance fees	690	5 001
Income from depository activities	32 451	63 776
Income from consulting activities and market-making services	175 501	439 464
Commissions for using trading floor	17 616	60 568
Total fee and commission income	3 921 377	6 184 640
Fee and commission expense		
Stock exchanges services	(934 294)	(1 609 128)
Information services	(189 406)	(376 740)
Cash and settlements services	(412 305)	(275 347)
Depository services, agency fees for brokerage services and asset management	(399 071)	(340 253)
Other	(132 870)	(199 978)
Total fee and commission expense	(2 067 946)	(2 801 446)
Net fee and commission income	1 853 431	3 383 194

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		
Resale and securities lending agreements	6 309 773	3 756 476
Loans to customers	1 359 687	2 171 915
Investment securities	1 553 025	1 102 067
Current accounts with banks	889 304	282 367
Loans to banks	14 037	106 047
Total interest income calculated using the effective interest method	10 125 826	7 418 872
Other interest income	80 224	68 593
Interest expense		
Repurchase and securities borrowing agreements	(3 617 576)	(1 237 411)
Overnight loans	(399 282)	(305 803)
Current accounts, deposits and borrowings	(1 263 102)	(658 651)
Lease liability	(32 186)	(30 900)
Total interest expense	(5 312 146)	(2 232 765)
Net interest income	4 893 904	5 254 700

Interest income primarily represents interest earned on certain assets, which include cash and cash equivalents, receivables from brokers, dealers, and clearing organizations, receivables from brokerage clients, investments securities, loans, securities resale/repurchase agreements.

5 Net trading 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
Net trading gain (loss) from trading assets and liabilities	(1 446 780)	20 858 816
Gain (loss) from trading in foreign currencies and currency revaluation	15 752 334	2 408 674
Dividend income from trading assets	588 053	708 096
Net trading (loss) gain from derivatives	(2 937 558)	(8 780 275)
Net trading income	11 956 049	15 195 311

6 Administrative and other operating expenses

<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
Staff costs	(8 238 681)	(9 847 087)
Advertising and marketing	(763 525)	(650 886)
Depreciation and amortisation	(464 657)	(440 030)
Taxes other than on income	(109 341)	(122 381)
Software maintenance	(427 562)	(320 010)
Professional services	(139 585)	(90 633)
Communication and transportation	(280 244)	(287 271)
Repair and maintenance of equipment	(457 328)	(489 700)
Administrative expenses	(331 520)	(423 437)
Materials	(106 635)	(117 224)
Operating lease	(103 703)	(100 436)
Entertainment expenses	(25 047)	(23 661)
Security services	(30 794)	(16 976)
Loyalty program expenses	(116 720)	(182 990)
Other	(169 721)	(118 011)
Total administrative and other operating expenses	(11 765 063)	(13 230 733)

Staff costs include salaries and wages, incentive compensation, and related employee benefits and taxes. Incentive compensation includes variable compensation and discretionary bonus payments. Variable compensation includes payments to certain individuals based on their sales performance. Discretionary bonus payments are based on the Group's overall performance, achievement of specified performance objectives, including revenue growth and pre-tax profit margin. Included in staff costs for the six-month period ended 30 June 2022 are statutory social and pension tax contributions of RR 1 427 492 thousand (30 June 2021: RR 1 719 671 thousand).

7 Cash and cash equivalents

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Cash balances and overnight placements with the CBR	3 291 996	1 751 838
Cash on hand	3 566 467	3 672 369
Correspondent accounts and overnight placements with banks	56 921 237	14 540 158
Cash balances on brokerage accounts	16 632 079	17 467 525
Deposits with banks	-	15 035
Loss allowance	(84 459)	(68 665)
Total cash and cash equivalents	80 327 320	37 378 260

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.

31 June 2022				
<i>(In thousands of Russian Roubles)</i>	Balances with the CBR, including overnight placements	Correspondent accounts and overnight placements with banks	Cash balances on brokerage accounts	Total
12-month ECL				
CBR	3 291 996	-	-	3 291 996
AA- to AA+	-	252 803	367 138	619 941
A- to A+	-	26 010 786	1 306 150	27 316 936
BBB- to BBB+	-	1 153 858	82 874	1 236 732
BB- to BB+	-	28 855 435	13 035 093	41 890 528
B- to B+	-	551 358	1 840 237	2 391 595
Rated below B-	-	61 573	587	62 160
Lifetime ECL credit impaired				
Unrated	-	35 424	-	35 424
Loss allowance	(2 492)	(60 818)	(21 149)	(84 459)
Total cash and cash equivalents excluding cash in transit, investor compensation fund, cash on hand	3 289 504	56 860 419	16 610 930	76 760 853

31 December 2021				
<i>(In thousands of Russian Roubles)</i>	Balances with the CBR, including overnight placements	Correspondent accounts, deposits and overnight placements with banks	Cash balances on brokerage accounts	Total
12-month ECL				
CBR	1 751 838	-	-	1 751 838
AA- to AA+	-	7 702	1 180 031	1 187 733
A- to A+	-	11 934 671	4 423 763	16 358 434
BBB- to BBB+	-	2 034 790	11 181 935	13 216 725
BB- to BB+	-	195 166	616 658	811 824
B- to B+	-	319 108	51 663	370 771
Rated below B-	-	16 846	13 475	30 321
Lifetime ECL credit impaired				
Unrated	-	46 910	-	46 910
Loss allowance	(112)	(51 185)	(17 368)	(68 665)
Total cash and cash equivalents excluding cash in transit, investor compensation fund, cash on hand	1 751 726	14 504 008	17 450 157	33 705 891

Movement in the loss allowance during the six-month periods ended 30 June 2022 and 30 June 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	Six-month period ended 30 June 2022			Six-month period ended 30 June 2021		
	12-month ECL	Lifetime ECL credit impaired	Total	12-month ECL	Lifetime ECL credit impaired	Total
Loss allowance at 1 January	(21 755)	(46 910)	(68 665)	(3 684)	(46 786)	(50 470)
(Charge)/recovery of loss allowance	(27 280)	11 486	(15 794)	1 561	776	2 337
Loss allowance at 30 June	(49 035)	(35 424)	(84 459)	(2 123)	(46 010)	(48 133)

8 Receivables from brokerage transactions

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Initial margin at rating BBB-	76 842	35 714
Receivables from customers	3 617 263	6 920 040
Loss allowance	(400 971)	(198 932)
Total receivables from brokerage transactions	3 293 134	6 756 822

Analysis by credit quality of receivables from brokerage transactions at 30 June 2022 and 31 December 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
12-month ECL		
Initial margin at rating BBB-	76 843	35 714
Loss allowance	(27)	-
<i>Receivables from customers (individual assessment)</i>		
B- to B+	-	-
BB- to BB+	62	260 933
Unrated	2 869 416	4 429 999
Loss allowance	(27 108)	(6 249)
Lifetime ECL non-credit impaired		
Receivables from unrated customers (not overdue)	361 087	2 029 488
Loss allowance	-	-
Lifetime ECL credit-impaired		
Receivables from unrated customers (more than 90 days overdue)	386 697	199 620
Loss allowance	(373 836)	(192 683)
Total receivables from brokerage transactions	3 293 134	6 756 822

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

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL credit impaired	Total
Loss allowance at 31 December 2021	(6 249)	(192 683)	(198 932)
Transfer to Lifetime ECL credit impaired and respective remeasurement of ECL	-	(181 153)	(181 153)
Recovery of loss allowance	(20 886)	-	(20 886)
Loss allowance at 30 June 2022	(27 135)	(373 836)	(400 971)

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

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL credit-impaired	Total
Loss allowance at 31 December 2020	(4 157)	(193 411)	(197 568)
Redemption	-	339	339
Charge of loss allowance	4 155	(7 134)	(2 980)
Loss allowance at 30 June 2021	(2)	(200 206)	(200 208)

9 Transfers of financial assets

The Group 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 Group receives cash in exchange. These financial assets may be repledged or resold by counterparties in the absence of default by the Group, but the counterparty has an obligation to return the securities at the maturity of the contract.

The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, the Group 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, as well as requirements determined by exchanges where the Group acts as intermediary.

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Carrying amount of own trading assets and investment securities transferred and pledged under repurchase agreements	13 552 109	26 795 479
Fair value of repledged assets that were received under stock borrowing agreements	12 284 946	39 509 488
Fair value of repledged assets that were received as collateral for reverse repurchase agreements	13 363 533	35 387 703
Total financial assets transferred and pledged under repurchase and securities borrowing agreements	39 200 588	101 692 670
Carrying amount of associated liabilities	35 254 064	92 431 749

Movement in the loss allowance for the receivables under resale agreements during the six-month periods ended 30 June 2022 and 30 June 2021 are as follows:

<i>(In thousands of Russian Roubles)</i>	
Loss allowance at 31 December 2021	(124 319)
Charge of loss allowance	(22 624)
Loss allowance at 30 June 2022	(146 943)

<i>(In thousands of Russian Roubles)</i>	
Loss allowance at 31 December 2020	(66 986)
Charge of loss allowance	(23 651)
Loss allowance at 30 June 2021	(90 637)

At 30 June 2022, part of the receivables under resale agreements in the amount of RR 25 147 718 thousand (31 December 2021: RR 58 243 762 thousand) are collateralised by debt and equity securities with a fair value of RR 28 578 641 thousand (31 December 2021: RR 70 250 788 thousand), while the other part in the amount of RR 39 344 588 thousand (31 December 2021: RR 31 212 891 thousand) is collateralised by debt and equity securities with a fair value of RR 32 832 566 thousand (31 December 2021: RR 30 360 755 thousand).

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

<i>(In thousands of Russian Roubles)</i>	30 June 2022			
	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	Gross carrying amount of the receivables under REPO, which is not collateralised by securities
BBB+ to BBB-	15 534 097	24 591 458	40 125 555	1 509 491
BB- to BB+	3 183 954	57 167	3 241 121	452 200
Unrated	9 860 590	8 183 941	18 044 531	1 469 233
Total gross amount	28 578 641	32 832 566	61 411 207	3 430 924
Loss allowance	(146 943)	-	(146 943)	(146 943)
Total carrying amount	28 431 698	32 832 566	61 264 264	3 283 981

<i>(In thousands of Russian Roubles)</i>	31 December 2021			
	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	Gross carrying amount of the receivables under REPO, which is not collateralised by securities
AA- to AA+	208 200	138 490	346 690	13 242
A- to A+	6 146 739	245 584	6 392 323	368 959
BBB- to BBB+	1 707 872	5 229 201	6 937 073	20 872
BB- to BB+	2 393 613	3 476 554	5 870 167	14 975
B- to B+	-	-	-	16 791
Rated below B-	2 269 460	32 467 659	34 737 119	43 821
Unrated	18 487 007	16 686 274	35 173 281	774 381
Total gross amount	31 212 891	58 243 762	89 456 653	1 253 041
Loss allowance	(124 319)	-	(124 319)	(124 319)
Total carrying amount	31 088 572	58 243 762	89 332 334	1 128 722

At 30 June 2022 and 31 December 2021 the Group 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.

10 Trading assets and liabilities

<i>(In thousands of Russian Roubles)</i>	30 June 2022			31 December 2021		
	pledged	unpledged	Total	pledged	unpledged	Total
Financial Assets						
Municipal and Government Bonds						
BBB+ to BBB-	-	705 724	705 724	212 317	2 203 906	2 416 223
BB+ to BB-	-	960 222	960 222	-	24 977	24 977
B+ to B-	-	39 850	39 850	-	306 386	306 386
Unrated	-	12 539	12 539	-	-	-
Corporate Bonds						
AA+ to AA-	-	-	-	-	-	-
A+ to A-	-	22 515	22 515	-	2 269 012	2 269 012
BBB+ to BBB-	-	504 325	504 325	1 593 053	14 122 604	15 715 657
BB+ to BB-	716 915	7 121 170	7 838 085	437 478	9 237 482	9 674 960
B+ to B-	-	7 812 620	7 812 620	-	8 454 341	8 454 341
Below B	-	-	-	-	2 746 121	2 746 121
Unrated	2 279	3 172 881	3 175 160	-	1 549 039	1 549 039
Total debt instruments	719 194	20 351 846	21 071 040	2 242 848	40 913 868	43 156 716
Equity instruments						
Corporate shares	2 410 258	30 757 033	33 167 291	22 768 734	80 336 104	103 104 838
Exchange Traded funds	-	2 486 460	2 486 460	-	10 540 557	10 540 557
Units in mutual funds	-	635 965	635 965	-	857 925	857 925
Total equity instruments	2 410 258	33 879 458	36 289 716	22 768 734	91 734 586	114 503 320
Total trading assets	3 129 452	54 231 304	57 360 756	25 011 582	132 648 454	157 660 036
Financial liabilities						
Corporate equity instruments	-	141 633	141 633	-	616 047	616 047
Corporate debt instruments	-	4 320	4 320	-	5 593 727	5 593 727
Municipal and government bonds	-	481 865	481 865	-	1 779 706	1 779 706
Total trading liabilities	-	627 818	627 818	-	7 989 480	7 989 480

Trading liabilities represent liabilities for short sale transactions.

11 Investment securities measured at fair value through other comprehensive income

<i>(In thousands of Russian Roubles)</i>	30 June 2022			31 December 2021		
	pledged	unpledged	Total	pledged	unpledged	Total
Equity instruments						
Corporate shares	-	597 686	597 686	-	629 150	629 150
Total equity instruments	-	597 686	597 686	-	629 150	629 150
Municipal and Government Bonds						
AA+ to AA-	-	393 743	393 743	-	572 048	572 048
BBB+ to BBB-	-	2 708	2 708	-	86 724	86 724
BB+ to BB-		82 335	82 335	-	-	
Corporate Bonds						
BBB+ to BBB-	-	117 061	117 061	-	93 549	93 549
BB+ to BB-	-	244 673	244 673	-	271 290	271 290
Total debt instruments	-	840 520	840 520	-	1 023 611	1 023 611
Total investment securities	-	1 438 206	1 438 206	-	1 652 761	1 652 761

Movement in the loss allowance for investment securities measured at fair value through other comprehensive income during the six-month period ended 30 June 2022 is as follows:

<i>(In thousands of Russian Roubles)</i>	
Loss allowance at 1 January 2022	(1 181)
Recovery of loss allowance	(1 703)
Loss allowance at 30 June 2022	(2 884)

Movement in the loss allowance for investment securities measured at fair value through other comprehensive income during the six-month period ended 30 June 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	
Loss allowance at 1 January 2021	(4 777)
Recovery of loss allowance	1 549
Loss allowance at 30 June 2021	(3 228)

At 30 June 2022 and 31 December 2021 the Group measures loss allowances as 12-month ECL as far as credit risk on debt investment securities measured at fair value through other comprehensive income has not increased significantly since their initial recognition.

12 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-	-	-	-	-	1 907 975	1 907 975
BB+ to BB-		7 145 567	7 145 567			
Corporate Bonds						
BBB+ to BBB-	3 181 733	9 348 822	12 530 555	1 789 185	33 353 313	35 142 498
BB+ to BB-	7 078 256	30 217 539	37 295 795	-	29 974 365	29 974 365
B+ to B-	162 668	1 447 497	1 610 165	-	525 074	525 074
Total gross amount of debt securities	10 422 657	48 159 425	58 582 082	1 789 185	65 760 727	67 549 912
Loss allowance	(69 528)	(1 433 566)	(1 503 094)	(5 287)	(242 634)	(247 921)
Total net amount of debt securities	10 353 129	46 725 859	57 078 988	1 783 898	65 518 093	67 301 991

The following table sets out information about the credit quality of investment securities measured at amortised cost as at 30 June 2022:

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL credit impaired	Total 30 June 2022
Municipal and Government Bonds			
BB+ to BB-	7 145 567	-	7 145 567
Fin assets -Corporate bonds			
BBB+ to BBB-	12 488 452	42 103	12 530 555
BB+ to BB-	32 905 034	4 390 761	37 295 795
B+ to B-	1 610 165	-	1 610 165
Total gross amount of debt securities	54 149 218	4 432 864	58 582 082
Loss allowance	(519 091)	(984 003)	(1 503 094)
Total net amount of debt securities	53 630 127	3 448 861	57 078 988

At 31 December 2021 the Group 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>	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	(247 921)	-	(247 921)	67 549 912	-	67 549 912
Transfer to Stage 3	15 827	(15 827)	-	(4 432 864)	4 432 864	-
Foreign exchange difference	54 573	-	54 573	(8 006 988)	-	(8 006 988)
Redemption	428	-	428	(2 243 905)	-	(2 243 905)
Addition	(39 445)	-	(39 445)	3 091 397	-	3 091 397
Remeasurement	(303 567)	(968 176)	(1 271 743)	-	-	-
Transfer to AR	1 014	-	1 014	(1 808 335)	-	(1 808 335)
Loss allowance at 30 June 2022	(519 091)	(984 003)	(1 503 094)	54 149 218	4 432 864	58 582 082

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>	Loass allowance	Gross carrying amount
Loss allowance at 1 January 2021	(135 119)	35 769 872
Addition and other increase	(31 347)	16 160 109
Foreign exchange difference	1 576	95 084
Recovery of loss allowance	69 808	-
Loss allowance at 30 June 2021	(95 082)	52 025 064

13 Derivative financial instruments

The Group issues derivative products for clients structured as options and forwards on underlying such as bonds, equities, indexes and commodities. The Group trades spot instruments, exchange traded derivatives, OTC options and forward contracts, 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 Group 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
Options and hybrid derivatives	31 354 496	19 977 199
Currency SWAPs	335 200	201 912
Credit default swaps	3 011 760	779 403
Total derivative financial instruments	34 701 456	20 958 514

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

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
Corporate		
A- to A+	482 603	1 046 724
BBB- to BBB+	168 443	43 524
BB- to BB+	-	331 376
B- to B+	2 963 160	14 207
Unrated	164 228	4 289
Individuals	30 923 022	19 518 394
Total derivative financial instruments	34 701 456	20 958 514

Derivative financial instruments - liabilities

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Options and hybrid derivatives	2 401 431	6 133 828
Currency SWAPs	607 659	404 672
Credit default swaps	497 684	928 362
Total derivative financial instruments	3 506 774	7 466 862

14 Loans to customers

<i>(In thousands of Russian Roubles)</i>	30 June 2022			31 December 2021		
	Loans to customers at amortised cost	Loans to customers at FVTPL	Total	Loans to customers at amortised cost	Loans to customers at FVTPL	Total
Individual loans	1 635 626	136 095	1 771 721	2 008 141	937 903	2 946 044
Corporate loans	24 094 925	1 562 179	25 657 104	33 987 208	2 645 483	36 632 691
Loss allowance	(2 435 199)	-	(2 435 199)	(1 431 737)	-	(1 431 737)
Total loans to customers	23 295 352	1 698 274	24 993 626	34 563 612	3 583 386	38 146 998

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

Corporate loans

<i>(In thousands of Russian Roubles)</i>	Six-month period ended 30 June 2022				
	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit impaired	POCI	Total
Loss allowance at 1 January 2022	(131 655)	(9 131)	(500 832)	(140 426)	(782 044)
(Charge for)/recovery of loss allowance	(13 945)	582	(433 741)	-	(447 104)
Financial assets that have been derecognised and partially redeemed	102 956	537	-	26 533	130 026
Transfer to Lifetime ECL not-credit impaired	13 610	(13 610)	-	-	-
Transfer to Lifetime ECL credit impaired	6 271	-	(6 271)	-	-
Foreign exchange and other movements	20 322	3 451	-	-	23 773
New financial assets originated or purchased	(354 943)	-	-	-	(354 943)
Disposal of subsidiaries	(344 148)	-	-	-	(344 148)
Loss allowance at 30 June 2022	(701 532)	(18 170)	(940 845)	(113 893)	(1 774 440)

<i>(In thousands of Russian Roubles)</i>	Six-month period ended 30 June 2021			
	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit impaired	Total
Loss allowance at 1 January 2021	(146 784)	(37 399)	(554 418)	(738 601)
Write-off	-	-	-	-
(Charge for)/recovery of loss allowance	22 405	15 479	910	38 794
Financial assets that have been derecognised and partially redeemed	80 238	4	34 062	114 304
Transfer to Lifetime ECL not-credit impaired	748	(748)	-	-
Transfer to Lifetime ECL credit impaired	2 331	-	(2 331)	-
Foreign exchange and other movements	330	524	-	854
New financial assets originated or purchased	(17 314)	-	-	(17 314)
Loss allowance at 30 June 2021	(58 046)	(22 140)	(521 777)	(601 963)

Individual loans

<i>(In thousands of Russian Roubles)</i>	Six-month period ended 30 June 2022			
	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit impaired	Total
Loss allowance at 1 January 2022	(21 871)	(969)	(626 853)	(649 693)
(Charge for)/recovery of loss allowance	(5 487)	1 028	-	(4 459)
Financial assets that have been derecognised and partially redeemed	-	-	-	-
Transfer to Lifetime ECL not-credit impaired	990	(990)	-	-
Transfer to Lifetime ECL credit impaired	-	931	(931)	-
Unwinding effect	-	-	(6 607)	(6 607)
Loss allowance at 30 June 2022	(26 368)	-	(634 391)	(660 759)

	Six-month period ended 30 June 2021			
	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit impaired	Total
<i>(In thousands of Russian Roubles)</i>				
Loss allowance at 1 January 2021	(16 580)	(181)	(622 050)	(638 811)
(Charge for)/recovery of loss allowance	96	135	(1 795)	(1 564)
Financial assets that have been derecognised	2 708	-	-	2 708
Foreign exchange and other movements	643	-	-	643
Unwinding effect	-	-	(13 251)	(13 251)
New financial assets originated or purchased	(1 622)	-	-	(1 622)
Loss allowance at 30 June 2021	(14 755)	(46)	(637 096)	(651 897)

Analysis by credit quality of loans to customers outstanding as at 30 June 2022 and 31 December 2021 is as follows:

Corporate loans

	30 June 2022				Total
	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit impaired	Purchased credit- impaired	
<i>(In thousands of Russian Roubles)</i>					
Not overdue					
<i>Internal rating:</i>					
BB- to BB+	14 902 751	-	-	-	14 902 751
B- to B+	1 544 866	-	-	-	1 544 866
below B-	-	85 774	-	636 508	722 282
Unrated	4 317 441	-	-	-	4 317 441
Overdue					
Internal rating D+	-	-	1 161 133	-	1 161 133
BB- to BB+	-	1 446 452	-	-	1 446 452
Total loans to customers	20 765 058	1 532 226	1 161 133	636 508	24 094 925
Loss allowance	(701 532)	(18 170)	(940 845)	(113 893)	(1 774 440)
Net loans to customers	20 063 526	1 514 056	220 288	522 615	22 320 485

	31 December 2021				Total
	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit impaired	Purchased credit- impaired	
<i>(In thousands of Russian Roubles)</i>					
Not overdue					
<i>Internal rating:</i>					
BB- to BB+	25 956 062	-	-	-	25 956 062
B- to B+	6 046 102	-	-	-	6 046 102
below B-	125 979	91 275	-	603 245	820 499
Overdue					
Internal rating D+	-	-	1 164 545	-	1 164 545
Total loans to customers	32 128 143	91 275	1 164 545	603 245	33 987 208
Loss allowance	(131 655)	(9 131)	(500 832)	(140 426)	(782 044)
Net loans to customers	31 996 488	82 144	663 713	462 819	33 205 164

Individual loans

<i>(In thousands of Russian Roubles)</i>	30 June 2022			Total
	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit impaired	
<i>Not overdue</i>				
standart loans	973 412	-	-	973 412
<i>Overdue</i>				
less than 30 days	2 917	-	-	2 917
30 to 60 days	-	-	-	-
from 60 to 90 days	-	-	-	-
over 90 days	-	-	659 297	659 297
Total loans to customers	976 329	-	659 297	1 635 626
Loss allowance	(26 368)	-	(634 391)	(660 759)
Net loans to customers	949 961	-	24 906	974 867

<i>(In thousands of Russian Roubles)</i>	31 December 2021			Total
	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit impaired	
<i>Not overdue</i>				
standart loans	1 346 905	-	-	1 346 905
<i>Overdue</i>				
less than 30 days	6 995	-	-	6 995
30 to 60 days	-	1 247	-	1 247
from 60 to 90 days	-	322	-	322
over 90 days	-	-	652 672	652 672
Total loans to customers	1 353 900	1 569	652 672	2 008 141
Loss allowance	(21 871)	(969)	(626 853)	(649 693)
Net loans to customers	1 332 029	600	25 819	1 358 448

The credit quality analysis of corporate loans presented in the table above is based on the internal rating model developed by the Group. The internal rating scale is mapped to external credit ratings; so the internal rating categories match with ratings of S&P. Default rates are calculated on statistical data of the International rating agencies.

The Internal credit model is used for entities non- rated by Credit rating agencies. When there is no external credit rating the Group assessed credit risk based on internal model that considers credit risk characteristics such as: financial viability, ownership structure, industry, collateral type, past-due status and other relevant factors.

Economic sector risk concentrations within the loan portfolio (before loss allowance) as at 30 June 2022 and 31 December 2021 are as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022		31 December 2021	
	Amount	%	Amount	%
Finance	13 293 865	48,47	22 250 715	56,22
Construction	3 945 869	14,39	1 497 792	3,78
Individuals	1 771 720	6,46	2 946 044	7,44
Trade	3 251 227	11,85	4 438 012	11,21
Manufacturing	3 887 882	14,17	5 360 122	13,54
Gas transportation and sale	-	0	1 864 217	4,71
Other	1 278 262	4,66	1 221 833	3,09
Total loans to customers	27 428 825	100	39 578 735	100

15 Loans to banks

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Loans and deposits		
A- to A+	33 303	48 313
BB- to BB+	258 849	4 133 861
B- to B+	465 985	1 097 959
Total loans and deposits	758 137	5 280 133
Loss allowance	(4 058)	(13 529)
Net loans to banks	754 079	5 266 604

Significant changes in the gross carrying amount of loans to banks that contributed to changes in loss allowance were as follows:

<i>(In thousands of Russian Roubles)</i>	Loss allowance	Gross carrying amount
Loss allowance at 1 January 2022	(13 529)	5 280 133
New financial assets originated	(6)	392
Redemption of loans	10 378	(4 184 854)
Foreign exchange and other movements	1 835	(337 534)
Remeasurement	(2 736)	-
Loss allowance at 30 June 2022	(4 058)	758 137

<i>(In thousands of Russian Roubles)</i>	Loss allowance	Gross carrying amount
Loss allowance at 1 January 2021	(48 199)	5 867 021
New financial assets originated	(11 944)	651 351
Redemption of loans	15 964	(645 628)
Foreign exchange and other movements	1 582	(245 654)
Loss allowance at 30 June 2021	(42 597)	5 627 090

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

16 Prepayments and other assets

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Cash collateral on derivatives	4 660 730	14 246 110
Margin call receivable	452 408	1 902 822
Receivable from clearing firms	9 480 386	-
Receivables from brokers and counterparties	1 357 977	3 489 311
Margin loans from the related party	5 015 583	-
Unsettled transactions with securities	403 857	2 047 782
Other	104 179	96 628
Loss allowance	(2 457 512)	(325 229)
Total financial assets	19 017 608	21 457 424
Advances to suppliers and contractors	783 595	790 802
Receivables for other taxes	224 061	332 941
Current income tax asset	252 918	305 151
Contribution to Investors' Compensation Fund	31 941	49 728
Other assets	137 726	170 388
Loss allowance	(125 600)	(103 792)
Total non-financial assets	1 304 641	1 545 218
Total prepayments and other assets	20 322 249	23 002 642

Analysis by credit quality of cash collateral on derivatives receivable as at 30 June 2022 and 31 December 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
A- to A+	4 660 730	14 246 110
Total	4 660 730	14 246 110
Loss allowance	(2 062)	(6 405)
Total	4 658 668	10 440 648

Analysis by credit quality of Margin call receivable as at 30 June 2022 and 31 December 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
A- to A+	452 408	1 046 229
BBB- to BBB+	-	335 736
BB- to BB+	-	514 913
B- to B+	-	5 944
Rated below B-	-	-
Total	452 408	1 902 822
Loss allowance	(1 656)	(1 205)
Total	450 752	1 901 617

At 30 June 2022 and 31 December 2021, the Group measures loss allowances for cash collateral on derivatives and margin call receivable as 12-month ECL as far as credit risk on margin call receivable has not increased significantly since initial recognition.

Analysis by credit quality of receivable from clearing firms 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
AA- to AA+	184 841	9 279 608	9 464 449
A- to A+	-	15 937	15 937
Total	184 841	9 295 545	9 480 386
Loss allowance	(172)	(2 172 393)	(2 172 565)
Total	184 669	7 123 152	7 307 821

Analysis by credit quality of receivables from brokers and counterparties as at 30 June 2022 and 31 December 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total 30 June 2022
Individual assessment				
AA- to AA+	8 568	-	-	8 568
A- to A+	295 685	-	190	295 875
BBB- to BBB+	72 539	-	-	72 539
BB- to BB+	226 525	-	12	226 537
B- to B+	204 096	-	-	204 096
Rated below B-	53 679	-	-	53 679
Internal rating D+	-	-	33 976	33 976
Unrated	114 376	-	-	114 376
Collective assessment				
Not overdue	-	348 331	-	348 331
Total	975 468	348 331	34 178	1 357 977
Loss allowance	(5 166)	(16 756)	(34 178)	(56 100)
Total	970 302	331 575	-	1 301 877

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total 2021
Individual assessment				
AA- to AA+	92 116	371	-	92 487
A- to A+	1 112 663	521	-	1 113 184
BBB- to BBB+	521 462	1 543	-	523 005
BB- to BB+	690 103	247	-	690 350
B- to B+	24 550	1 392	-	25 942
Rated below B-	202 879	1 354	-	204 233
Internal rating D+	-	-	8 686	8 686
Unrated	-	-	33 425	33 425
Collective assessment				
Not overdue	-	797 999	-	797 999
Total	2 643 773	803 427	42 111	3 489 311
Loss allowance	(35 695)	(646)	(42 111)	(78 452)
Total	2 608 078	802 781	-	3 410 859

Analysis by credit quality of margin loans from the related party at 30 June 2022 is as follows:

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Total 30 June 2022
B- to B+	5 015 583	5 015 583
Total	5 015 583	5 015 583
Loss allowance	(6 985)	(6 985)
Total	5 008 598	5 008 598

Analysis by credit quality of unsettled transactions with securities at 30 June 2022 and 31 December 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Unrated	403 857	2 047 782
Total	403 857	2 047 782
Loss allowance	(113 965)	(142 868)
Total	289 892	1 904 914

At 30 June 2022 and 31 December 2021, the Group measures loss allowances for unsettled transactions with securities as 12-month ECL as far as credit risk has not increased significantly since initial recognition.

Analysis by credit quality of other receivables as at 30 June 2022 and 31 December 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	Lifetime ECL credit- impaired	Total 30 June 2022
Individual assessment		
Rated below B-	234	234
Collective assessment		
Overdue less than 30 days	5 957	5 957
Overdue 31 to 90 days	2 913	2 913
Overdue more than 90 days	95 075	95 075
Total	104 179	104 179
Loss allowance	(104 179)	(104 179)
Total	-	-

<i>(In thousands of Russian Roubles)</i>	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total 2021
Individual assessment			
BB- to BB+	106	-	106
B- to B+	-	-	-
Rated below B-	233	-	233
Collective assessment			
Overdue less than 30 days	-	2 598	2 598
Overdue 31 to 90 days	-	4 538	4 538
Overdue more than 90 days	-	89 153	89 153
Total	339	96 289	96 628
Loss allowance	(10)	(96 289)	(96 299)
Total	329	-	329

Movements in the loss allowance for prepayments and other assets during six-month periods ended 30 June 2022 and 30 June 2021 were as follows:

Financial assets

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loss allowance at 31 December 2021	(186 173)	(656)	(138 400)	(325 229)
Write-off	-	-	-	-
Charge/(recovery) of loss allowance	56 167	(16 100)	(2 172 350)	(2 132 283)
Loss allowance at 30 June 2022	(130 006)	(16 756)	(2 310 750)	(2 457 512)

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loss allowance at 1 January 2021	(5 929)	(13 168)	(389 424)	(408 521)
Write-off	-	-	262 858	262 858
Transfer to 12-month ECL	-	-	-	-
Charge/(recovery) of loss allowance	(8 192)	11 692	(11 626)	(8 126)
Loss allowance at 30 June 2021	(14 121)	(1 476)	(138 192)	(153 789)

Non-financial assets

<i>(In thousands of Russian Roubles)</i>		Total
Loss allowance at 31 December 2021		(103 792)
Write-off		-
Charge of loss allowance		(21 808)
Loss allowance at 30 June 2022		(125 600)

<i>(In thousands of Russian Roubles)</i>		Total
Loss allowance at 31 December 2020		(93 694)
Write-off		4 010
Charge of loss allowance		(11 494)
Loss allowance at 30 June 2021		(101 178)

17 Customer brokerage accounts

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Cash balances on customer brokerage accounts	91 036 860	112 400 442
Settlements under structured derivative products	49 557 996	55 262 323
Total customer brokerage accounts	140 594 856	167 662 765

Amounts in customer brokerage accounts include credit balances in client accounts arising from deposits of funds, proceeds from sales of securities, and dividend and interest payments received on securities held in client accounts as well as settlements under structured derivative products with customers. Cash balances on customer brokerage accounts represent free credit balances which are held pending re-investment by the clients and/or represent funds received from clients to support their trading activities, primarily as collateral for short selling of securities. The Group pays interest on payable balances per structured derivative products.

18 Current accounts, deposits and borrowings

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Legal entities		
Current and settlement accounts	11 392 478	4 978 976
Term deposits	724 253	1 598 579
Individuals		
Current and demand accounts	34 045 251	25 127 025
Term deposits	21 315 398	11 557 023
Loans payable	318	2 831 440
Notes issued		
Notes issued, carried at fair value	29 389 070	55 523 601
Total current accounts, deposits and borrowings	96 866 768	101 616 644

19 Payables and other liabilities

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Brokers and counterparties	172 960	1 998 402
Employees	1 698 844	1 215 491
Suppliers and contractors	944 716	1 248 099
Margin call payable	222 561	578 043
Lease liability	858 058	812 318
Dividends payable from securities under resale agreements	231 986	297 835
Payables to clients on expired derivative contracts	4 839	20 349
Bank guarantee reserves	73 061	115 721
Other financial liabilities	233 744	44 049
Total financial liabilities	4 440 769	6 330 307
Incentive bonuses accrual	424 693	2 383 520
Taxes payable	568 759	634 633
Withholding tax payable on behalf of customers	43 808	1 687 887
Insurance contract liabilities	12 932 370	11 145 097
Other liabilities	275 024	209 294
Total non-financial liabilities	14 244 654	16 060 431
Total payables and other liabilities	18 685 423	22 390 738

Movement in the loss allowance for the financial guarantees for the six-month periods ended by 30 June 2022 and 30 June 2021 is as follows:

<i>(In thousands of Russian Roubles)</i>	
Loss allowance at 31 December 2021	(115 721)
Charge of loss allowance	42 660
Loss allowance at 30 June 2022	(73 061)

<i>(In thousands of Russian Roubles)</i>	
Loss allowance at 31 December 2020	(91 955)
Charge of loss allowance	(1 848)
Loss allowance at 30 June 2021	(93 803)

20 Share capital

The Company's authorised capital consists of 344 000 shares with a nominal value of 1 EUR each. Upon incorporation on 24 September 2015, the Company issued to the subscribers of its Memorandum and Articles of Association 1000 ordinary shares of EUR 1 at par. On 22 December 2015, the Company made an additional issue of 1000 ordinary shares of EUR 1 each at a premium of EUR 36,18 per share. As at 21 October 2019 the Company made an additional issue of 342 000 ordinary shares of EUR 1 at par. As at 30 June 2022 the capital of Company was fully paid.

During the six-month period ended 30 June 2022 the Group paid dividends in amount of RR 157 529 thousand, RR 223 per share (for the six-month period ended 30 June 2021: RR 290 380 thousand, RR 844 per share).

During the the six-month period ended 30 June 2022 the subsidiary Seldthorn Private Equity Ltd. was disposed to the ultimate shareholder, the income from the disposal was recognised as contribution from the shareholder in amount of RR 1 092 261 thousand.

21 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 Group 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 Group 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 Group'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.

Equity and debt securities

The fair value of equity and debt securities is determined by reference to their quoted 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 investment securities 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 value hierarchy

The Group measures fair values for financial instruments recorded at fair value on the 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.

The Group has a control framework with respect to the measurement of fair values. This framework includes a separate department, which is independent of front office management and reports to the Deputy Chief Financial Officer, and which has overall responsibility for verification of the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing
- re-performance of model valuations
- a review and approval process for new models and changes to models
- quarterly calibration and back testing of models against observed market transactions.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, department assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- verifying that the broker or pricing service is approved by the Group for use in pricing the relevant type of financial instrument
- understanding how the fair value has been arrived at the extent to which it represents actual market transactions
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement
- where a number of quotes for the same financial instrument have been obtained, how fair value has been determined using those quotes.

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 interim condensed consolidated 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	7 071 789	2 414 148	9 866 768	19 352 705	33 719 191	4 980 963	1 708 976	40 409 130
- municipal and government bonds	1 550 004	168 331	-	1 718 335	2 747 586	-	-	2 747 586
- corporate shares	27 906 946	2 090	5 258 255	33 167 291	98 164 039	-	4 940 799	103 104 838
- units in mutual funds	635 965	-	-	635 965	857 925	-	-	857 925
- exchange traded funds	2 486 460	-	-	2 486 460	10 540 557	-	-	10 540 557
- derivative assets	-	34 701 456	-	34 701 456	-	20 958 514	-	20 958 514
Investment securities measured at FVOCI:								
- corporate shares	-	-	597 686	597 686	60 760	-	568 390	629 150
- municipal and government bonds	478 786	-	-	478 786	658 772	-	-	658 772
- corporate bonds	361 734	-	-	361 734	364 839	-	-	364 839
Loans to customers at FVTPL:								
- individual loans	-	136 095	-	136 095	-	937 903	-	937 903
- corporate loans	-	-	1 562 179	1 562 179	-	-	2 645 483	2 645 483
Total financial assets carried at fair value	40 491 684	37 422 120	17 284 888	95 198 692	147 113 669	26 877 380	9 863 648	183 854 697
Financial liabilities								
Trading liabilities:								
- corporate debt instruments	4 320	-	-	4 320	5 593 727	-	-	5 593 727
- municipal bonds	481 865	-	-	481 865	1 779 706	-	-	1 779 706
- corporate equity instruments	141 633	-	-	141 633	616 047	-	-	616 047
- derivative liabilities	-	3 506 774	-	3 506 774	-	7 466 862	-	7 466 862
Current accounts, deposits and borrowings								
- Notes issued	-	24 184 438	5 204 632	29 389 070	-	47 735 013	7 788 588	55 523 601
Total financial liabilities carried at fair value	627 818	27 691 212	5 204 632	33 523 662	7 989 480	55 201 875	7 788 588	70 979 943

Notes issued

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

<i>(In thousands of Russian Roubles)</i>	Notes issued
Financial instruments at fair value at 31 December 2021	(7 788 588)
New originated instruments	2 783 165
Net gain recognised in profit or loss	(199 209)
Financial instruments at fair value at 30 June 2022	(5 204 632)

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

<i>(In thousands of Russian Roubles)</i>	Notes issued
Financial instruments at fair value at 1 January 2021	(1 059 331)
Net gains recognised in profit or loss	23 882
Issues	(1 247 843)
Financial instruments at fair value at 30 June 2021	(2 283 292)

The sensitivity of profit or loss to the changes of the fair value of notes issued in the total amount of RR 5 204 632 thousand (31 December 2021: RR 6 512 093 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 value of the loans and shares, which are underlying assets of these notes.

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 the 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.

Loans to customers

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

<i>(In thousands of Russian Roubles)</i>	Corporate
Financial instruments at fair value at 31 December 2021	2 645 483
Net profit recognised in profit or loss	(900 523)
Conversion to shares	(371 463)
Issues	188 682
Financial instruments at fair value at 30 June 2022	1 562 179

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

<i>(In thousands of Russian Roubles)</i>	Corporate
Financial instruments at fair value at 1 January 2021	1 612 054
Net losses recognised in profit or loss	(47 458)
Redemption	(66 675)
Issues	-
Financial instruments at fair value at 30 June 2021	1 497 921

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 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 notes issued with these loans as underlying assets.

In the event that interest rate on certain loans to customers in the total amount of RR 200 920 thousand (31 December 2021: 386 640 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 2 000/2 009 thousand lower/ higher (31 December 2021: RR 3 828/3 905 thousand).

Trading assets except derivatives

The following table shows a reconciliation for the six-month period ended 30 June 2022 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	1 708 976	4 940 799
Addition	7 779 953	512 912
Transfer from Level 1	2 064 672	-
Net profit recognised in profit or loss	(1 686 832)	(566 919)
Transfer from loans	-	371 463
Financial instruments at fair value at 30 June 2022	9 866 768	5 258 255

The following table shows a reconciliation for the six-month period ended 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 1 January 2021	522 776	-
Addition	151 162	1 887 429
Disposal	(507 797)	-
Net gain recognised in profit or loss	138	-
Financial instruments at fair value at 30 June 2021	166 279	1 887 429

The extent that future cash flows on corporate bonds 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 986 677 thousand higher/lower (31 December 2021: RR 170 898 thousand).

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 3 908 774 thousand) categorized into Level 3 of the fair hierarchy to changes in the expected cash flows as of 30 June 2022 is not significant as the effect will be netted by changes of the fair valued of the notes issued with these shares as underlying assets.

In the event that underlying cash flows of the remaining trading assets 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 107 000 thousand higher/lower (31 December 2021: RR 103 203 thousand).

Investment securities measured at FVOCI

The following table shows a reconciliation for the six-month period ended 30 June 2022 for investment securities measured fair value measurements in Level 3 of the fair value hierarchy:

<i>(In thousands of Russian Roubles)</i>	
Financial instruments at fair value at 31 December 2021	568 390
Net profit recognised in profit or loss	(16 825)
Acquisition	46 121
Financial instruments at fair value at 30 June 2022	597 686

The following table shows a reconciliation for the six-month period ended 30 June 2021 for investment securities measured fair value measurements in Level 3 of the fair value hierarchy:

<i>(In thousands of Russian Roubles)</i>	Corporate shares
Financial instruments at fair value at 1 January 2021	97 876
Transfer to the investment into associate	(93 041)
Net gain recognised in profit or loss	(4 835)
Financial instruments at fair value at 30 June 2021	-

In the event that underlying cash flows of the remaining trading assets 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 59 769 thousand higher/lower (31 December 2021: RR 56 839 thousand).

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:

				30 June 2022	
<i>(In thousands of Russian Roubles)</i>	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Receivables under resale agreements	-	61 538 515	-	61 538 515	61 264 264
Investment securities measured at amortized cost	37 678 503	94 647	12 867 784	50 640 934	57 078 988
Loans to customers at amortised cost	-	-	30 184 640	30 184 640	23 295 352
Liabilities					
Payables under repurchase agreements	-	35 280 383	-	35 280 383	35 254 064
Current accounts, deposits and borrowings	-	66 979 602	-	66 979 602	67 477 698

				31 December 2021	
<i>(In thousands of Russian Roubles)</i>	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Receivables under resale agreements	-	89 580 784	-	89 580 784	89 332 334
Investment securities measured at amortized cost	64 538 406	-	99 976	64 638 382	67 301 991
Loans to customers at amortised cost	-	-	34 456 178	34 456 178	34 563 612
Loans to banks	-	5 269 753	-	5 269 753	5 266 604
Liabilities					
Payables under repurchase agreements	-	92 657 769	-	92 657 769	92 431 749
Current accounts, deposits and borrowings	-	46 054 158	-	46 054 158	46 093 043

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.

22 Commitments and contingencies

Credit related commitments

The Group has outstanding credit related commitments to extend loans. These credit related commitments take the form of approved loans and credit line limits and overdraft facilities.

Financial guarantees represent irrevocable assurances to make payments in the event that a customer fails to make payments to third parties when due in accordance with the terms of a contract.

The Group applies the same credit risk management policies and procedures when granting credit commitments and financial guarantees as it does for granting loans to customers.

The contractual amounts of credit related commitments are set out in the following table by category. The amounts reflected in the table for credit related commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees represent the maximum accounting loss that would be recognized at the reporting date if the counterparties failed completely to perform as contracted.

<i>(In thousands of Russian Roubles)</i>	30 June 2022	31 December 2021
Contracted amount		
Financial guarantees	7 354 543	6 823 950
Undrawn credit lines to corporate clients	3 102 041	5 318 067
Undrawn credit lines to banks	115 116	16 808
Undrawn overdraft facilities	68 525	73 967
Total financial commitments	10 640 225	12 232 792
Non-financial guarantees	16 654 560	17 828 713
Undrawn guarantee limits	12 233 796	10 827 758
Total non-financial commitments	28 888 356	28 656 471

The total outstanding contractual credit related commitments above do not necessarily represent future cash requirements, as these credit related commitments may expire or terminate without being funded. The majority of loan and credit line commitments do not represent an unconditional credit related commitment by the Group.

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

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL not-credit impaired	Total
Loss allowance at 31 December 2021	(115 721)	-	(115 721)
(Charge)/ recovery of loss allowance	42 699	(39)	42 660
Loss allowance at 30 June 2022	(73 022)	(39)	(73 061)

<i>(In thousands of Russian Roubles)</i>	12-month ECL	Lifetime ECL not-credit impaired	Lifetime ECL credit-impaired	Total
Loss allowance at 31 December 2020	(91 934)	(9)	(12)	(91 955)
Charge of loss allowance	(1 869)	9	12	(1 848)
Loss allowance at 30 June 2021	(93 803)	-	-	(93 803)

The following table sets out information about the credit quality of financial guarantee and undrawn credit facilities as at 30 June 2022 and 31 December 2021:

<i>(In thousands of Russian Roubles)</i>	30 June 2022			31 December 2021	
	12-month ECL	Lifetime ECL not-credit impaired	Total	12-month ECL	Total
Financial guarantees	7 354 543	-	7 354 543	6 823 950	6 823 950
BBB+ to BBB-	-	-	-	2 259	-
BB+ to BB-	2 096 000	-	2 096 000	5 897 120	5 897 120
B+ to B-	5 258 543	-	5 258 543	924 571	924 571
Undrawn credit lines to corporate clients	3 102 041	-	3 102 041	5 318 067	5 318 067
BBB- to BBB+	2 927 430	-	2 927 430	400 000	400 000
BB+ to BB-	174 611	-	174 611	4 918 067	4 918 067
B+ to B-	-	-	-	-	-
Undrawn credit lines to banks	-	115 116	115 116	16 808	16 808
B+ to B-	-	115 116	115 116	16 808	16 808
Undrawn credit lines to individuals	68 525	-	68 525	73 967	73 967
Total financial guarantees	10 525 109	115 116	10 640 225	12 232 792	12 232 792
Loss allowance	(73 022)	(39)	(73 061)	(73 061)	(73 061)

Obligations for future repairs and maintenance

In relation to investment properties at 30 June 2022 and 31 December 2021 the Group had no unprovided contractual obligations for future repairs and maintenance.

Assets in trust management

Assets in trust management and under custody of the Group are not assets of the Group and therefore are not recognised in the consolidated statement of financial position. The Group is not exposed to any credit risk relating to such placements, as it does not guarantee these investments.

Litigation

As at 30 June 2022 and 31 December 2021, the Group is the defendant in legal proceedings with a client of the Group (the Plaintiff). The pending litigation is still at early stage. In case that the Plaintiff is successful in the claim, the maximum amount that can be awarded is approximately US \$2,6 mln (RR 133 011 thousand) plus interest.

In the context of the pending legal process, the Plaintiff has secured an injunction order, by virtue of which the amount of US \$2.6 mln (RR 133 011 thousand) has been frozen as a security for the Plaintiff's claim until the final judgement of the case. This decision of the District Court is currently under the appeal by the Group.

No provision has been recognized in these consolidated financial statements in relation to this litigation. Management's decision is based on the assessment and the probability of the outcome provided by its legal advisors, which are of the opinion that the Group has fair prospects in defending the Action.

Taxation contingencies

The Group operates in various tax jurisdictions, primarily representing the Russian Federation and Cyprus. The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. From time to time, the Group adopts interpretations of such uncertain areas that reduce the overall tax rate of the Group. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on the financial position, if the authorities were successful in enforcing their interpretations, could be significant.

Starting from 1 January 2012 new transfer pricing rules came into force in Russia. These provide the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controllable transactions if their prices deviate from the market range or profitability range. According to the provisions of transfer pricing rules, the taxpayer should sequentially apply five market price determination methods prescribed by the Tax Code.

Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible, with the evolution of the interpretation of transfer pricing rules in the Russian Federation and changes in the approach of the Russian tax authorities, that such transfer prices could be challenged. Since the current Russian transfer pricing rules became effective relatively recently, the impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

Insurance

In some of the jurisdictions of operation, e.g. in the Russian Federation, the insurance industry is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its business interruption, or third party liability in respect of property or environmental damage arising from accidents on Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position.

23 Related party transactions

Control relationships

The Company's sole shareholder and the party with ultimate control over the Company and the Group is Mr. Oleg Mikhasenko.

Transactions with the members of the Board of Directors and other key management personnel

Total remuneration included in staff costs for the six-month period ended 30 June 2022 for the Board of Directors and the Management Board represented salaries and bonuses in the amount of RR 490 076 thousand (for the six-month period ended 30 June 2021: RR 481 328 thousand).

At 30 June 2022 and 31 December 2021 the outstanding balances for transactions with the key management personnel (excluding Oleg Mikhasenko) are as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022			31 December 2021		
	<i>Board of Directors</i>	<i>Other key management personnel</i>	Total	<i>Board of Directors</i>	<i>Other key management personnel</i>	Total
Loans to customers	-	-	-	-	23 134	23 134
Loans to customers gross (unsecured)	-	-	-	-	23 240	23 240
Loss allowance	-	-	-	-	(106)	(106)
Customer brokerage accounts	-	(5 877)	(5 877)	(1)	(39 175)	(39 176)
Current accounts deposits and borrowings	(5)	(41 588)	(41 593)	(18)	(51 552)	(51 570)

The related profit and loss transactions with the key management personnel (excluding Oleg Mikhasenko) for the six-month periods ended 30 June 2022 and 30 June 2021 are as follows:

<i>(In thousands of Russian Roubles)</i>	2022			2021		
	<i>Board of Directors</i>	<i>Other key management personnel</i>	Total	<i>Board of Directors</i>	<i>Other key management personnel</i>	Total
Fee and commission income	14	99	113	168	138	306
Interest income calculated using the effective interest method	-	609	609	-	1 024	1 024
Interest expense	-	(556)	(556)	-	(274)	(274)
Loss allowance recovery/(charge)	-	106	106	-	(817)	(817)

Transactions with other related parties

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 considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The other related parties include companies under common control or significant influence of the sole participant or the key management personnel, individuals that are close members of the sole participant's family of the key management's families and companies under control of these individuals.

At 30 June 2022 and 31 December 2021 the outstanding balances with the sole participant and other related parties are as follows:

<i>(In thousands of Russian Roubles)</i>	30 June 2022			
	Sole participant	Companies under common control or significant influence of the sole participant	Other parties	Total
Cash and cash equivalents	-	-	1 068 222	1 068 222
Loss allowance	-	-	(809)	(809)
Loans to customers, gross	731 357	188 683	2 058 994	2 979 034
Loss allowance	(21 877)	-	(1 536 379)	(1 558 256)
Receivables from brokerage transactions	-	2 775 920	-	2 775 920
Loss allowance	-	(26 815)	-	(26 815)
Prepayments and other assets, gross	-	5 052 161	6 200	5 058 360
Loss allowance	-	(7 087)	(94)	(7 180)
Derivative assets	-	2 058 474	-	2 058 474
Trading assets except derivatives	-	-	528 156	528 156
Customer brokerage accounts	(1)	(29 839)	(144)	(29 984)
Current accounts deposits and borrowings	(53 696)	(75 092)	(5 941)	(134 729)
Payables and other liabilities	-	(9 128)	(2)	(9 129)

FG BCS LIMITED
Condensed Interim Consolidated Statement of Changes in Equity
for the six-month period ended 30 June 2022 (unaudited)

	31 December 2021			Total
	Sole participant	Companies under common control or significant influence of the sole participant	Other parties	
<i>(In thousands of Russian Roubles)</i>				
Cash and cash equivalents	-	-	559 085	559 085
Loss allowance	-	-	(107)	(107)
Loans to customers, gross	1 840 743	-	2 023 106	3 863 849
Loss allowance	(18 376)	-	(1 126 988)	(1 145 364)
Prepayments and other assets, gross	-	471	65	536
Loss allowance	-	-	(65)	(65)
Trading assets except derivatives	-	-	3 426 130	3 426 130
Customer brokerage accounts	(1)	(46 601)	(45)	(46 647)
Current accounts deposits and borrowings	(3 950)	(99 012)	(7 347)	(110 309)
Payables and other liabilities	-	(3 911)	-	(3 911)

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

	Six-month period ended 30 June 2022			Total
	Sole participant	Companies under common control or significant influence of the sole participant	Other parties	
<i>(In thousands of Russian Roubles)</i>				
Fee and commission income	0	184	50	234
Interest income calculated using the effective interest method	6 360	-	-	6 360
Other interest income	4 424	1 747	-	6 171
Net trading income	-	-	(2 627 264)	(2 627 264)
Rental income from investment properties	-	-	-	-
Administrative and other operating expenses	-	173	-	173
Loss allowance recovery/(charge)	(3 501)	(33 902)	(269 802)	(307 205)
Fee and commission expense	-	-	-	-
FV loans revaluation	536 062	61 816	-	597 878

	Six-month period ended 30 June 2021			Total
	Sole participant	Companies under common control or significant influence of the sole participant	Other parties	
<i>(In thousands of Russian Roubles)</i>				
Fee and commission income	-	137	-	137
Interest income calculated using the effective interest method	7 607	-	-	7 607
Other interest income	4 594	2 019	-	6 613
Administrative and other operating expenses	-	-	(23)	(23)
Impairment of debt financial assets	1 108	25	41	1 174
Fee and commission expense	(3)	(17)	(43)	(63)
Other operating loss	(9 531)	-	-	(9 531)

24 Risk management

As at 30 June 2022 and for the six-month period then ended the risk profile of the Group has not changed significantly. There have been no significant changes to the risk methodology and risk management procedures applied by the Group.

25 Capital management

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or raise debt.

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken by senior management.

Capital is subject to regulation by CySEC, the CBR and the FCA in relation to regulated Group entities Brokercreditservice Ltd, Finance Group Ltd, BCS Cyprus, the Bank and BCS Prime Brokerage Ltd.

Management monitors compliance with the externally imposed capital requirements and takes timely measures when there is a risk of breach.

26 Purchases and disposal of subsidiaries

On 22 June 2022 the Group disposed a subsidiary LLC FG Aviation to a party unrelated to the Group. The subsidiary contributed a loss of RR 139 967 thousand to the Group's profit for the period. Gain on disposal of the subsidiary was RR 3 932 thousand.

On 30 May 2022 the disposed a subsidiary Seldthorn Private Equity Ltd to the ultimate shareholder. The gain from the disposal in amount of RR 1 092 261 thousand was recognized as a contribution from the shareholder.