



**FG BCS LIMITED**

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

**Six-month period ended 30 June 2023**

## CONTENTS

### INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Condensed Interim Consolidated Statement of Financial Position.....	2
Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	3
Condensed Interim Consolidated Statement of Changes in Equity .....	4
Condensed Interim Consolidated Statement of Cash Flows.....	6

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

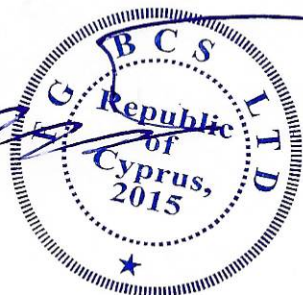
1	Principal activities and organization .....	7
2	Basis of preparation .....	7
3	Fee and commission income and expense .....	9
4	Net interest income .....	10
5	Net trading income .....	10
6	Administrative and other operating expenses .....	11
7	Cash and cash equivalents .....	11
8	Receivables from brokerage transactions .....	11
9	Transfers of financial assets.....	12
10	Trading assets and liabilities.....	12
11	Investment securities measured at fair value through other comprehensive income .....	13
12	Investment securities measured at amortised cost .....	13
13	Derivative financial instruments.....	13
14	Loans to customers .....	14
15	Loans to banks .....	15
16	Prepayments and other assets .....	15
17	Customer brokerage accounts.....	16
18	Current accounts, deposits and borrowings .....	16
19	Payables and other liabilities .....	16
20	Share capital .....	17
21	Financial assets and liabilities: fair values and accounting classifications .....	17
22	Commitments and contingencies .....	19
23	Related party transactions.....	20
24	Risk management.....	21
25	Capital management .....	21

(In thousands of Russian Roubles)

	Note	30 June 2023	31 December 2022
<b>ASSETS</b>			
Cash and cash equivalents	7	36 332 310	67 948 696
Mandatory cash balances with the CBR		-	173 214
Receivables from brokerage transactions	8	1 907 983	1 962 521
Receivables under resale agreements	9	9 547 385	88 797 587
Trading assets except derivatives	10	54 739 374	94 692 306
Investment securities measured at fair value through other comprehensive income	11	6 116 981	1 220 303
Investment securities measured at amortised cost	12	36 648 736	63 153 072
Goodwill		-	1 023 383
Investment in an associate		270 334	133 644
Derivative assets	13	16 533 875	34 679 112
Loans to customers	14	4 634 132	31 768 578
Loans to banks	15	19 811 461	355 478
Investment properties		-	932 758
Property, equipment and intangible assets		387 317	8 628 391
Prepayments and other assets	16	12 737 775	19 156 930
Due from banks and other financial institutions		226 029	1 970 186
Deferred tax assets		4	1 385 905
<b>TOTAL ASSETS</b>		<b>199 893 696</b>	<b>417 982 064</b>
<b>LIABILITIES</b>			
Payables under repurchase agreements	9	23 049 908	31 638 332
Customer brokerage accounts	17	68 532 812	158 883 089
Trading liabilities except derivatives	10	55 378	374 849
Derivative liabilities	13	2 012 638	2 515 106
Current accounts, deposits and borrowings	18	49 330 055	122 833 496
Payables and other liabilities	19	14 556 953	23 940 242
Deferred tax liabilities		1 188	3 492 192
<b>TOTAL LIABILITIES</b>		<b>157 538 932</b>	<b>343 677 306</b>
<b>EQUITY</b>			
Share capital	20	24 480	24 480
Share premium		2 803	2 803
Revaluation surplus for land and buildings		-	1 371 434
Revaluation reserve for investment securities		82 285	(7 715)
Translation reserve		16 839 017	6 041 408
Liability credit reserve		(158 457)	(14 730)
Retained earnings		25 564 587	66 837 129
<b>Total equity attributable to the sole participant</b>		<b>42 354 715</b>	<b>74 254 809</b>
Non-controlling interests		49	49 949
<b>TOTAL EQUITY</b>		<b>42 354 764</b>	<b>74 304 758</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>199 893 696</b>	<b>417 982 064</b>

Approved for issue and signed on behalf of the Board of Directors on 8 December 2023.

Alexey Annenkov  
 Director



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 2023 (unaudited)*

<i>(In thousands of Russian Roubles)</i>	Note	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Fee and commission income	3	588 230	3 921 377
Fee and commission expense	3	(516 292)	(2 067 946)
<b>Net fee and commission income</b>		<b>71 938</b>	<b>1 853 431</b>
Interest income calculated using the effective interest method	4	1 882 442	10 125 826
Other interest income	4	73 282	80 224
Interest expense	4	(1 578 428)	(5 312 146)
<b>Net interest income</b>		<b>377 296</b>	<b>4 893 904</b>
Net trading income	5	1 398 814	11 956 049
Net loss from investment securities		(2 022 171)	-
Gross written premiums		-	2 583 710
Change in insurance reserves and insurance payments		-	(1 945 877)
Impairment of debt financial assets		(554 519)	(4 310 372)
Impairment of other non-financial assets		672 663	(21 808)
Impairment losses on goodwill		-	(108 458)
Rental income from investment properties		-	55 614
Other operating income		141 086	115 016
Fair value loss from loans measured at fair value through profit or loss		(297 655)	(997 961)
Share of profit/(loss) of an associate		8 092	(27 188)
Administrative and other operating expenses	6	(1 312 753)	(11 765 063)
<b>(Loss) profit before tax</b>		<b>(1 517 209)</b>	<b>2 280 997</b>
Income tax expense		(148 103)	(1 032 005)
<b>(Loss) profit for the year</b>		<b>(1 665 312)</b>	<b>1 248 992</b>
<b>Other comprehensive (loss) income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Revaluation of land and buildings			
Movement in liability credit reserve		(205 844)	(152 441)
Income tax relating to items that will not be reclassified to profit or loss			
<b>Total items that will not be reclassified to profit or loss</b>		<b>(205 844)</b>	<b>(152 441)</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences for foreign operations		10 797 609	(6 808 419)
Net change in fair value of investment securities		86 157	(178 604)
Income tax relating to items that are or may be reclassified to profit or loss		-	(2 046)
<b>Total items that are or may be reclassified subsequently to profit or loss</b>		<b>10 883 766</b>	<b>(6 989 069)</b>
<b>Other comprehensive income (loss) for the year, net of tax</b>		<b>10 677 922</b>	<b>(7 141 510)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>9 012 610</b>	<b>(5 892 518)</b>
<b>(Loss) profit for the year attributable to:</b>		<b>(1 665 312)</b>	<b>1 248 993</b>
- Sole participant		(1 665 321)	1 254 275
- Non-controlling interests		9	(5 282)
<b>Total comprehensive income (loss) for the year attributable to:</b>		<b>9 012 610</b>	<b>(5 892 517)</b>
- Sole participant		9 012 601	(5 887 235)
- Non-controlling interests		9	(5 282)

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

	For the six-month period ended 30 June 2023 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	Liability credit reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2023</b>	24 480	2 803	1 371 434	(7 715)	(14 730)	6 041 408	66 837 129	74 254 809	49 949	74 304 758
<b>Total comprehensive income</b>										
<b>(Loss) profit for the year</b>	-	-	-	-	-	-	(1 665 321)	(1 665 321)	9	(1 665 312)
<b>Other comprehensive income</b>										
<i>Items that are or may be reclassified subsequently to profit or loss:</i>										
Foreign currency translation differences for foreign operations	-	-	-	-	-	10 797 609	-	10 797 609	-	10 797 609
Revaluation reserve for investment securities	-	-	-	86 157	-	-	-	86 157	-	86 157
<b>Total items that are or may be reclassified subsequently to profit or loss</b>	-	-	-	86 157	-	10 797 609	-	10 883 766	-	10 883 766
<i>Items that will not be reclassified to profit or loss:</i>										
Movements in liability credit reserve	-	-	-	-	(143 727)	-	(62 117)	(205 844)	-	(205 844)
<b>Total items that will not be reclassified subsequently to profit or loss</b>	-	-	-	-	(143 727)	-	(62 117)	(205 844)	-	(205 844)
<b>Other comprehensive income for the year</b>	-	-	-	86 157	(143 727)	10 797 609	(62 117)	10 677 922	-	10 677 922
<b>Total comprehensive income for the year</b>	-	-	-	86 157	(143 727)	10 797 609	(1 727 438)	9 012 601	9	9 012 610
Contribution from shareholder	-	-	-	-	-	-	684 884	684 884	-	684 884
Distribution to shareholder (BCS Holding disposal)	-	-	(1 371 434)	3 843	-	-	(40 229 988)	(41 597 579)	(49 909)	(41 647 488)
<b>Total transactions with owners</b>	-	-	(1 371 434)	3 843	-	-	(39 545 104)	(40 912 695)	(49 909)	(40 962 604)
<b>Balance at 30 June 2023 (unaudited)</b>	24 480	2 803	-	82 285	(158 457)	16 839 017	25 564 587	42 354 715	49	42 354 764

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

<b>For the six-month period ended 30 June 2022</b>										
<b>Attributable to the sole participant</b>										
<i>(In thousands of Russian Roubles)</i>	<b>Share capital</b>	<b>Share premium</b>	<b>Revaluation surplus for land and buildings</b>	<b>Revaluation reserve for investment securities</b>	<b>Liability credit reserve</b>	<b>Translation reserve</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
<b>Balance at 1 January 2022</b>	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
<b>Total comprehensive income</b>										
<b>Profit/(loss) for the year</b>	-	-	-	-	-	-	1 254 274	1 254 274	(5 282)	1 248 992
<b>Other comprehensive income</b>										
<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)
<b>Total items that are or may be reclassified subsequently to profit or loss</b>	-	-	-	(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)
<b>Total items that will not be reclassified subsequently to profit or loss</b>	-	-	-	-	(152 441)	-	-	(152 441)	-	(152 441)
<b>Other comprehensive income for the year</b>	-	-	-	(180 650)	(152 441)	(6 808 419)	-	(7 141 510)	-	(7 141 510)
<b>Total comprehensive income for the year</b>	-	-	-	(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)
<b>Total transactions with owners</b>	-	-	-	-	-	-	934 732	934 732	(4 500)	930 232
<b>Balance at 30 June 2022 (unaudited)</b>	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.

**FG BCS LIMITED**  
**Condensed Interim Consolidated Statement of Cash flows**  
**for the six-month period ended 30 June 2023 (unaudited)**

<i>(In thousands of Russian Roubles)</i>	Note	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
<b>Cash flows from operating activities</b>			
<b>(Loss) profit before income tax</b>		(1 517 209)	2 280 997
Adjustments for:			
Depreciation and amortisation		54 212	763 526
Impairment (gains) losses		(118 144)	4 332 180
Impairment of goodwill		-	108 458
Change in accruals of expenses		1 923 234	(1 943 958)
Unrealised (gains) loss on debt and equity instruments		(213 364)	1 171 960
Revaluation of derivatives		2 497 191	(17 315 405)
Share of (gain) loss of an associate		(8 092)	27 252
Unrealised (gains) losses from trading in foreign currencies		8 468 707	(20 958 739)
Net gain from investment securities		2 022 171	(26 928)
Gains on disposal of premises and equipment		(297 425)	(49 778)
Net interest income	4	(377 296)	(4 893 904)
<b>Cash flows from operating activities before changes in working capital</b>		<b>12 433 985</b>	<b>(36 504 339)</b>
<b>(Increase) decrease in operating assets</b>			
Mandatory cash balances with the CBR		-	517 589
Receivables from brokerage transactions		(7 580 912)	2 356 480
Receivables under resale agreements		(234 115)	26 271 776
Trading assets		(17 415 853)	86 753 816
Loans to customers		3 368 149	9 508 156
Loans to banks		(18 007 347)	4 182 060
Prepayments and other assets		9 083 100	(6 286 848)
Interest received during the year		1 396 995	9 959 566
<b>Increase (decrease) in operating liabilities</b>			
Payables under repurchase agreements		32 403 067	(57 141 520)
Customer brokerage accounts		32 641 656	(1 357 339)
Trading liabilities		(59 848)	(7 243 266)
Current accounts, deposits and borrowings		(4 765 037)	22 004 181
Payables and other liabilities		(26 100 914)	(1 292 746)
Interest paid during the year		(1 792 973)	(4 901 538)
Income taxes paid		(32 270)	(403 513)
<b>Net cash (used in ) provided by operating activities</b>		<b>15 337 683</b>	<b>46 422 515</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment and intangible assets		-	(697 364)
Proceeds from sale of investment properties		-	90 913
Acquisition of securities measured at amortised cost		-	(1 135 762)
Redemption of securities measured at amortised cost		-	2 010 627
Acquisition of Investment securities measured at FVOCI		(3 183 031)	(66 310)
Changes in NCI		-	(4 500)
<b>Net cash provided by (used in) investing activities</b>		<b>(3 183 031)</b>	<b>197 604</b>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		-	(120 260)
Payment of dividends		-	934 730
Disposal of BCS Holding		(48 292 216)	-
<b>Net cash used in financing activities</b>		<b>(48 292 216)</b>	<b>814 470</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(36 137 564)</b>	<b>47 434 589</b>
Cash and cash equivalents at the beginning of the year	7	67 948 696	37 378 260
Effect of changes in exchange rates on cash and cash equivalents		4 565 581	(4 469 735)
Effect of change in allowance for credit losses on cash and cash equivalents		(44 403)	(15 794)
<b>Cash and cash equivalents as at the end of the year</b>	7	<b>36 332 310</b>	<b>80 327 320</b>

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. In 2022 the Group, through its custody, clearing and depository platforms, using both proprietary and third-party technology, provided an integrated platform of brokerage, retail and investment banking, depository and asset management services to individuals and corporate customers. In 2023 the Group sold the Russian segment of its business and will continue to operate mainly on international markets. 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 equity and derivatives brokerage services.

The Company's registered address is Krinou, 3, The Oval, 2nd floor, Flat/Office 203, Agios Athanasios, 4103, Limassol, Cyprus. The sole beneficiary and ultimate controlling party of the Group is Oleg Mikhasenko.

As a professional stock and security market participant in Cyprus, UK and USA, the Group's operations are regulated by the CySEC, the FCA and FINRA. The Group is a member of London Stock Exchange, New York Stock Exchange and Eurex and the following financial associations and self-regulatory organisations: International Capital Market Association, The International Securities Lending Association and International Swaps and Derivatives Association.

In 2023 the Group conducts its business primarily through the following operating legal entities:

Subsidiary	Country of incorporation	Ownership/voting	
		30 June 2023	31 December 2022
BrokerCreditService (Cyprus) Limited	Cyprus	100.0%	100.0%
BCS Capital (DIFC) Limited	UAE	100.0%	100.0%
BCS Prime Brokerage Limited	UK	100.0%	100.0%
Brokercreditservice Structured Products PLC	Cyprus	100.0%	100.0%
BCS Americas	USA	100.0%	100.0%

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.

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 2022, 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 2022.

## **b) Business environment**

### **Cyprus business environment**

Global growth is projected to fall from an estimated 3.5 % in 2022 to 3.0 % in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards.

In June 2023 the Central Bank of Cyprus has marginally revised downwards its estimate for 2024 by 0.2% to 2.8% due to the expected impact of the sanctions against Russia on the services sector, maintain its projection for 2025 unchanged to 3.1%. Private consumption, albeit estimated to decelerate, is expected to remain a significant driver to economic growth in the next years and to a lesser extent to exports. Harmonised Index of Consumer Prices broadly unchanged to 3.3% in 2023 from a record 8.1% last year, whereas the inflation will further decline to 2.3% and 2.0% in 2024 and 2025 respectively, driven by the correction in energy prices and the eradication of disruption in supply chains and the expected impact of rising interest rates. Real GDP grew by 5.6% in 2022 following growth of 6.6% in 2021, outperforming the EU average in both years.

The sovereign risk ratings of the Cyprus Government improved considerably in recent years reflecting reduced banking sector risks, and improvements in economic resilience and consistent fiscal outperformance. In March 2023, Fitch Ratings upgraded Cyprus' Long-Term Issuer Default rating at investment grade BBB and stable outlook. In September 2022, S&P Global Ratings upgraded Cyprus' investment grade rating of BBB/A-2 and has changed the outlook from positive to stable. The upgrade reflects the resilience of the Cypriot economy to recent external shock (including the COVID-19 pandemic). The stable outlook balances risks from the crisis in Ukraine and the economy's diversified structure and the expectation that the government's fiscal position will continue to improve. In August 2022, Moody's Investors Service affirmed the Government of Cyprus' long-term issuer and senior unsecured ratings to Ba1 and changed the outlook from stable to positive. The key drivers reflecting the affirmation are the strong reduction in Cyprus' public debt ratio in 2022, stronger-than expected economic resilience to Russia-Ukraine conflict and the COVID-19 pandemic as well the ongoing strengthening of the banking sector.

Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results. For the purpose of measurement of expected credit losses ("ECL") the Group uses supportable forward-looking information, including forecasts of macroeconomic variables.

As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected.

## **c) Basis of measurement**

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

## **d) Functional and presentation currency**

The functional currency of Brokercreditservice Structured Products PLC (further "BCS SP plc") is the currency of the primary economic environment in which it operates. In prior years BCS SP plc determined that its functional currency is the Russian rouble (RR) as it reflected the economic substance of the majority of its underlying events and circumstances. On 10 January 2023, the parent company FG BCS Limited decided to terminate its activities in Russia

and develop market of UAE and Cyprus. The Company refocused on issuing financial instruments with underlying assets primarily represented by securities of USA and EU issuers, denominated in USD.

Starting 1 January 2023 the USD is used as the functional currency as management considers that the USD started to reflect the economic substance of the underlying events and circumstances relevant to BCS SP plc, as due to the majority of its financial assets and financial liabilities and the majority of its transactions are denominated and executed in USD. The change in functional currency of BCS SP plc was applied prospectively from 1 January 2023. On the date of the change of functional currency, all assets, liabilities, issued capital and other components of equity and profit and loss account items were translated into USD at the exchange rate on that date. BCS SP plc has also adopted USD as its presentation currency.

The comparative figures as at 31 December 2022 and for the period ended 30 June 2022 have also been recalculated to USD using exchange rate as at date of change in functional currency. Financial information presented in USD is rounded to the nearest thousand.

**e) Changes in accounting policies and presentation**

Except of changes in functional currency and respective change in presentation currency the accounting policies applied in this condensed interim financial information are the same as those applied in the last annual financial statements for the year ended 31 December 2022.

### 3 Fee and commission income and expense

<i>(in thousands of Russian Roubles)</i>	<b>For the six-month period ended 30 June 2023</b>	<b>For the six-month period ended 30 June 2022</b>
<b>Fee and commission income</b>		
Agency fees related to brokerage and asset management activity	401 030	3 085 876
Commissions on cash and settlement transactions	-	386 370
Bank guarantee fees	-	222 873
Insurance fees	-	690
Income from depository activities	39 118	32 451
Income from consulting activities and market-making services	-	175 501
Commissions for using trading floor	148 082	17 616
<b>Total fee and commission income</b>	<b>588 230</b>	<b>3 921 377</b>
<b>Fee and commission expense</b>		
Stock exchanges services	(169 438)	(934 294)
Information services	(135 417)	(189 406)
Cash and settlements services	(92 550)	(412 305)
Depository services, agency fees for brokerage services and asset management	(92 425)	(399 071)
Other	(26 462)	(132 870)
<b>Total fee and commission expense</b>	<b>(516 292)</b>	<b>(2 067 946)</b>
<b>Net fee and commission income</b>	<b>71 938</b>	<b>1 853 431</b>

## 4 Net interest income

<i>(In thousands of Russian Roubles)</i>	<b>For the six-month period ended 30 June 2023</b>	<b>For the six-month period ended 30 June 2022</b>
<b>Interest income calculated using the effective interest method</b>		
Resale and securities lending agreements	342 798	6 309 773
Loans to customers	402 050	1 359 687
Investment securities	1 110 311	1 553 025
Current accounts with banks	24 957	889 304
Loans to banks	2 326	14 037
<b>Total interest income calculated using the effective interest method</b>	<b>1 882 442</b>	<b>10 125 826</b>
<b>Other interest income</b>	<b>73 282</b>	<b>80 224</b>
<b>Interest expense</b>		
Repurchase and securities borrowing agreements	(932 106)	(3 617 576)
Overnight loans	(642 030)	(399 282)
Current accounts, deposits and borrowings	-	(1 263 102)
Lease liability	(4 292)	(32 186)
<b>Total interest expense</b>	<b>(1 578 428)</b>	<b>(5 312 146)</b>
<b>Net interest income</b>	<b>377 296</b>	<b>4 893 904</b>

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>	<b>For the six-month period ended 30 June 2023</b>	<b>For the six-month period ended 30 June 2022</b>
Net trading loss from trading assets and liabilities	(4 813 061)	(1 446 780)
(Loss) gain from trading in foreign currencies and currency revaluation	(1 278 178)	15 752 334
Dividend income from trading assets	363 217	588 053
Net trading gain (loss) from derivatives	7 126 836	(2 937 558)
<b>Net trading income</b>	<b>1 398 814</b>	<b>11 956 049</b>

## 6 Administrative and other operating expenses

<i>(In thousands of Russian Roubles)</i>	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Staff costs	(551 359)	(8 238 681)
Taxes other than on income	(189 695)	(109 341)
Professional services	(179 954)	(139 585)
Software maintenance	(170 361)	(427 562)
Depreciation and amortisation	(54 212)	(464 657)
Communication and transportation	(38 935)	(280 244)
Administrative expenses	(34 985)	(331 520)
Operating lease	(22 833)	(103 703)
Entertainment expenses	(5 051)	(25 047)
Advertising and marketing	(1 999)	(763 525)
Materials	(86)	(106 635)
Repair and maintenance of equipment	(71)	(457 328)
Security services	(9)	(30 794)
Loyalty program expenses	-	(116 720)
Other	(63 203)	(169 721)
<b>Total administrative and other operating expenses</b>	<b>(1 312 753)</b>	<b>(11 765 063)</b>

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 2023 are statutory social and pension tax contributions of RR 76 986 thousand (30 June 2022: RR 1 427 492 thousand).

## 7 Cash and cash equivalents

<i>(In thousands of Russian Roubles)</i>	30 June 2023	31 December 2022
Cash balances and overnight placements with the CBR	-	3 732 961
Cash on hand	74	3 829 490
Correspondent accounts and overnight placements with banks	19 704 016	24 366 009
Cash balances on brokerage accounts	5 096 592	32 352 410
Deposits with banks	11 707 392	3 799 184
Loss allowance	(175 764)	(131 358)
<b>Total cash and cash equivalents</b>	<b>36 332 310</b>	<b>67 948 696</b>

## 8 Receivables from brokerage transactions

<i>(In thousands of Russian Roubles)</i>	30 June 2023	31 December 2022
Initial margin at rating BBB-	-	268 927
Receivables from customers	2 136 806	2 339 698
Loss allowance	(228 823)	(646 104)
<b>Total receivables from brokerage transactions</b>	<b>1 907 983</b>	<b>1 962 521</b>

## 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.

*(In thousands of Russian Roubles)*

	<b>30 June 2023</b>	<b>31 December 2022</b>
Receivables from reverse repurchase agreements	9 547 577	88 838 866
Loss allowance	(192)	(41 279)
<b>Total net amount</b>	<b>9 547 385</b>	<b>88 797 587</b>

At 30 June 2023, part of the receivables under resale agreements in the amount of RR 9 541 576 thousand (31 December 2022: RR 62 817 236 thousand) are collateralised by debt and equity securities with a fair value of RR 17 464 656 thousand (31 December 2022: RR 76 429 152 thousand), while the other part in the amount of RR 0 thousand (31 December 2022: RR 26 021 627 thousand) is collateralised by debt and equity securities with a fair value of RR 0 thousand (31 December 2022: RR 23 157 802 thousand).

## 10 Trading assets and liabilities

*(In thousands of Russian Roubles)*

	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Financial Assets</b>		
<b>Municipal and Government Bonds</b>	<b>32 980</b>	<b>18 793 176</b>
<b>Corporate Bonds</b>	<b>1 814 719</b>	<b>17 818 568</b>
<b>Total debt instruments</b>	<b>1 847 699</b>	<b>36 611 744</b>
<b>Equity instruments</b>		
Corporate shares	52 891 675	57 761 312
Exchange Traded funds	-	116 352
Units in mutual funds	-	202 898
<b>Total equity instruments</b>	<b>52 891 675</b>	<b>58 080 562</b>
<b>Total trading assets</b>	<b>54 739 374</b>	<b>94 692 306</b>
<b>Financial liabilities</b>		
Corporate equity instruments	55 378	104 619
Corporate debt instruments	-	270 230
<b>Total trading liabilities</b>	<b>55 378</b>	<b>374 849</b>

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>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Equity instruments</b>		
Corporate shares	1 906 477	56 120
<b>Total equity instruments</b>	<b>1 906 477</b>	<b>56 120</b>
<b>Municipal and Government Bonds</b>		794 037
Corporate Bonds	4 210 504	370 146
<b>Total debt instruments</b>	<b>4 210 504</b>	<b>1 164 183</b>
<b>Total investment securities</b>	<b>6 116 981</b>	<b>1 220 303</b>

At 30 June 2023 and 31 December 2022 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>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Municipal and Government Bonds</b>	<b>1 416 907</b>	<b>9 935 259</b>
Corporate Bonds	38 574 300	57 195 283
<b>Total gross amount of debt securities</b>	<b>39 991 207</b>	<b>67 130 542</b>
Loss allowance	(3 342 471)	(3 977 470)
<b>Total net amount of debt securities</b>	<b>36 648 736</b>	<b>63 153 072</b>

During the year ended 31 December 2022 additional severe sanctions were imposed by the United States of America, the European Union on the Russian government, as well as major financial institutions and certain other entities and individuals in Russia. As result of the sanctions imposed certain bonds were restricted over trading and movement in depositories. The Group categorized such bonds into Lifetime ECL credit impaired and measures ECL based on management's expectations of future cash flows.

During the six-month period ended 30 June 2023 the Group started to dispose a sub-portfolio of measured at amortised bonds of Russian issuers as a part of the business restructuring process and refocusing on financial instruments of foreign issuers.

## **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>	<b>30 June 2023</b>	<b>31 December 2022</b>
Options and hybrid derivatives	14 934 869	31 517 891
Currency SWAPs	-	46 203
Credit default swaps	162 512	2 100 321
Interest rate SWAP	1 436 494	1 014 697
<b>Total derivative financial instruments</b>	<b>16 533 875</b>	<b>34 679 112</b>

At 30 June 2023 and 31 December 2022 the Group did not have any past due derivative financial instruments.

**Derivative financial instruments - liabilities**

<i>(In thousands of Russian Roubles)</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Options and hybrid derivatives	1 146 153	1 967 344
Currency SWAPs	129	111 374
Credit default swaps	866 356	436 388
<b>Total derivative financial instruments</b>	<b>2 012 638</b>	<b>2 515 106</b>

## 14 Loans to customers

<i>(In thousands of Russian Roubles)</i>	<b>30 June 2023</b>			<b>31 December 2022</b>		
	<b>Loans to customers at amortised cost</b>	<b>Loans to customers at FVTPL</b>	<b>Total</b>	<b>Loans to customers at amortised cost</b>	<b>Loans to customers at FVTPL</b>	<b>Total</b>
Individual loans	-	-	-	902 863	-	<b>902 863</b>
Corporate loans	-	4 634 132	<b>4 634 132</b>	28 676 382	3 981 131	<b>32 657 513</b>
Loss allowance	-	-	-	(1 791 798)	-	<b>(1 791 798)</b>
<b>Total loans to customers</b>	<b>-</b>	<b>4 634 132</b>	<b>4 634 132</b>	<b>27 787 447</b>	<b>3 981 131</b>	<b>31 768 578</b>

Economic sector risk concentrations within the loan portfolio (before loss allowance) as at 30 June 2023 and 31 December 2022 are as follows:

<i>(In thousands of Russian Roubles)</i>	<b>30 June 2023</b>		<b>31 December 2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Finance	2 959 895	63,87%	8 688 945	25,88%
Manufacturing	6 605	0,14%	7 147 798	21,30%
Trade	-	0,00%	8 408 984	25,06%
Individuals	-	0,00%	902 863	2,69%
Construction	-	0,00%	1 606 226	4,79%
Other	1 667 633	35,99%	6 805 560	20,28%
<b>Total loans to customers</b>	<b>4 634 132</b>	<b>100%</b>	<b>33 560 375</b>	<b>100%</b>

## 15 Loans to banks

<i>(In thousands of Russian Roubles)</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Loans and deposits</b>	19 813 798	358 760
Loss allowance	(2 337)	(3 282)
<b>Net loans to banks</b>	<b>19 811 461</b>	<b>355 478</b>

At 30 June 2023 and 31 December 2022 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>	<b>30 June 2023</b>	<b>31 December 2022</b>
Cash collateral on derivatives	1 473 342	6 688 423
Margin call receivable	414 980	536 209
Receivable from clearing firms	10 856 359	13 046 658
Receivables from brokers and counterparties	5 530 576	2 378 712
Unsettled transactions with securities	687 073	555 265
Other	-	246 365
Loss allowance	(6 505 370)	(5 939 632)
<b>Total financial assets</b>	<b>12 456 960</b>	<b>17 512 000</b>
Advances to suppliers and contractors	85 039	981 110
Receivables for other taxes	108 931	316 703
Current income tax asset	-	327 677
Contribution to Investors' Compensation Fund	56 417	44 694
Other assets	31 342	204 273
Loss allowance	(914)	(229 528)
<b>Total non-financial assets</b>	<b>280 815</b>	<b>1 644 929</b>
<b>Total prepayments and other assets</b>	<b>12 737 775</b>	<b>19 156 930</b>

Receivables from clearing firms represent the balances related to redeemed bonds restricted over trading and movement in depositories. The respective loss allowance was created for these balances.

During the year ended 31 December 2022 additional severe sanctions were imposed by the United States of America, the European Union on the Russian government, as well as major financial institutions and certain other entities and individuals in Russia. The Group created the provision of RR 6 221 602 thousand (31 December 2022: RR 5 087 086 thousand) based on the management estimation of recoverability.



## 17 Customer brokerage accounts

<i>(In thousands of Russian Roubles)</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Cash balances on customer brokerage accounts	25 625 819	97 906 278
Settlements under structured derivative products	42 906 993	60 976 811
<b>Total customer brokerage accounts</b>	<b>68 532 812</b>	<b>158 883 089</b>

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>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Legal entities</b>		
Current and settlement accounts	-	9 001 747
Term deposits	-	5 336 118
<b>Individuals</b>		
Current and demand accounts	-	36 935 952
Term deposits	-	12 950 869
<b>Loans payable</b>	<b>31 886 161</b>	<b>37 814 931</b>
<b>Notes issued</b>		
Notes issued, carried at fair value	17 443 894	20 793 879
<b>Total current accounts, deposits and borrowings</b>	<b>49 330 055</b>	<b>122 833 496</b>

## 19 Payables and other liabilities

<i>(In thousands of Russian Roubles)</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
Brokers and counterparties	1 225 839	735 378
Employees	83 181	1 331 345
Suppliers and contractors	1 993 448	1 132 554
Margin call payable	139 377	120 952
Lease liability	68 428	835 994
Dividends payable from securities under resale agreements	23 838	503 662
Payables to clients on expired derivative contracts	-	6 660
Bank guarantee reserves	104 471	79 833
Cash collateral on derivatives	1 886 493	-
Unsettled transactions with derivatives	842 783	-
Liabilities under assignment agreement	6 986 755	-
Other financial liabilities	19 130	43 100
<b>Total financial liabilities</b>	<b>13 373 743</b>	<b>4 789 478</b>
Incentive bonuses accrual	304 513	2 678 828
Taxes payable	769 047	1 017 662
Withholding tax payable on behalf of customers	-	607 961
Insurance contract liabilities	-	14 554 425
Other liabilities	109 654	291 888
<b>Total non-financial liabilities</b>	<b>1 183 214</b>	<b>19 150 764</b>
<b>Total payables and other liabilities</b>	<b>14 556 957</b>	<b>23 940 242</b>

## **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 2023 the capital of Company was fully paid.

During the six-month period ended 30 June 2023 the Group did not pay dividends (for the six-month period ended 30 June 2022: RR 157 529 thousand, RR 223 per share).

In January 2023 FG BCS Ltd was deregistered with the tax authority in Russia and renounce the status of the tax resident of Russia.

On 10 January 2023, the Group decided to terminate its activities in Russia. The decision was therefore taken to sell the BCS Holding LLC, a wholly owned subsidiary. The business of BCS Holding LLC represented the entirety of the Group's regional segment that operates on territory of Russia. BCS Holding LLC together (further BCS Holding Group) with its subsidiary provides brokerage, retail and investment banking, depository and asset management services to individuals and corporate customers. On 19 January 2023 the Group sold BCS Holding LLC to the ultimate shareholder for a consideration of RR 9 990 thousand. The difference between net assets disposed and consideration received was accounted as a distribution to a shareholder and was amounted to RR 42 billion.

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.

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>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Contracted amount</b>		
Financial guarantees	2 175 853	10 175 349
Undrawn credit lines to corporate clients	-	3 838 741
Undrawn credit lines to banks	-	-
Undrawn overdraft facilities	-	70 858
<b>Total financial commitments</b>	<b>2 175 853</b>	<b>14 084 948</b>
Non-financial guarantees	-	19 995 568
Undrawn guarantee limits	-	11 042 493
<b>Total non-financial commitments</b>	<b>-</b>	<b>31 038 061</b>

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. *Obligations for future repairs and maintenance*

In relation to investment properties at 30 June 2023 and 31 December 2022 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 2023 and 31 December 2022, 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 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 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.

## 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.

At 30 June 2023 and 31 December 2022 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 2023			31 December 2022		
	<i>Board of Directors</i>	<i>Other key management personnel</i>	<b>Total</b>	<i>Board of Directors</i>	<i>Other key management personnel</i>	<b>Total</b>
Loans to customers gross (unsecured)	-	-	-	308	16 827	17 135
Loss allowance	-	-	-	(4)	(139)	(143)
Customer brokerage accounts	-	-	-	-	(6 829)	(6 829)
Current accounts deposits and borrowings	-	-	-	(4)	(71 869)	(71 873)

### 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 2023 and 31 December 2022 the outstanding balances with the sole participant and other related parties are as follows:

<i>(In thousands of Russian Roubles)</i>	<b>Sole participant</b>	<b>Companies under common control or significant influence of the sole participant</b>	<b>Other parties</b>	<b>Total 30 June 2023</b>
Cash and cash equivalents	-	3 206 300	-	<b>3 206 300</b>
Loss allowance	-	(105 041)	-	<b>(105 041)</b>
Receivables from brokerage transactions	-	2 062 578	-	<b>2 062 578</b>
Loss allowance	-	-	-	-
Derivative asset	-	697 097	-	<b>697 097</b>
Prepayments and other assets, gross	-	677 830	-	<b>677 830</b>
Loss allowance	-	-	-	-
Receivables under resale agreements	-	9 547 576	-	<b>9 547 576</b>
Loss allowance	-	(191)	-	<b>(191)</b>
Customer brokerage accounts	(326)	(36 056 378)	-	<b>(36 056 703)</b>
Current accounts deposits and borrowings	-	(31 886 160)	-	<b>(31 886 160)</b>
Payables and other liabilities	-	(8 896 107)	-	<b>(8 896 107)</b>
Payables under repurchase agreements	-	(23 049 908)	-	<b>(23 049 908)</b>
Derivative liabilities	-	(807 247)	-	<b>(807 247)</b>

<i>(In thousands of Russian Roubles)</i>	Sole participant	Companies under common control or significant influence of the sole participant	Other parties	Total 31 December 2022
Loans to customers, gross	-	3 355 792	3 730 784	7 086 576
Loss allowance	-	(23 573)	(1 409 665)	(1 433 238)
Receivables from brokerage transactions	-	1 635 489	-	1 635 489
Loss allowance	-	(163 409)	-	(163 409)
Derivative asset	-	1 945 908	-	1 945 908
Customer brokerage accounts	-	(1 072 824)	(144)	(1 072 968)
Current accounts deposits and borrowings	(18 278)	(37 911 202)	(213 867)	(38 143 347)
Payables and other liabilities	-	(4 734)	(50)	(4 784)

## 24 Risk management

As at 30 June 2023 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 and the FCA in relation to regulated Group entities BCS Cyprus 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.