

Report on Review
of the Summary Interim Financial Information of
Central Counterparty National Clearing Centre
for the six-month period ended 30 June 2024

August 2024

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Central Counterparty National Clearing Centre**

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Report on Review of the Summary Interim Financial Information

To the Shareholder, Supervisory Board and
Audit Committee of the Supervisory Board of
Central Counterparty National Clearing Centre

Introduction

We have reviewed the summary interim financial statements of Central Counterparty National Clearing Centre (the “Company”), which comprise of the summary interim statement of comprehensive income for the six-month period ended 30 June 2024, the summary interim statement of financial position as at 30 June 2024, the summary interim statement of cash flows, summary interim statement of changes in equity for the six-month period then ended, and selected notes (the “summary interim financial information” hereinafter).

The summary interim financial information is derived from the Company’s interim condensed financial statements for the six-month period ended on 30 June 2024, prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

Management of Central Counterparty National Clearing Centre is responsible for the preparation of this summary interim financial information in accordance with the accounting principles described in Note 2, Principles of preparation of the Summary Interim Financial Statements and basis of preparation of Interim Condensed Financial Statements, thereto. Our responsibility is to express a conclusion on this summary interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of summary interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying summary interim financial information is not prepared, in all material respects, in accordance with the accounting principles described in Note 2, Principles of preparation of the Summary Interim Financial Statements and basis of preparation of Interim Condensed Financial Statements, thereto.



**NEW CHALLENGES
NEW SOLUTIONS**

Emphasis of matter – basis of accounting

We draw attention to Note 2, Principles of preparation of the Summary Interim Financial Statements and basis of preparation of Interim Condensed Financial Statements, to the summary interim financial statements, which describes the principles applied in the preparation of this summary interim financial information. The summary interim financial information does not include all matters required to be presented and disclosed in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Our conclusion is not modified in respect of this matter.

Other matter

We have expressed an unmodified conclusion in respect of the Company's interim condensed financial statements for the six-month period ended on 30 June 2024, prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, in our review report dated 21 August 2024.

Shinin Gennady Aleksandrovich
Partner
TSATR – Audit Services Limited Liability Company

21 August 2024

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 75.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory Organization of Auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the entity

Name: Central Counterparty National Clearing Centre
Record made in the State Register of Legal Entities on 30 May 2006, State Registration Number 1067711004481.
Address: Russia 125009, Moscow, Bolshoy Kislovsky per., 13.

**Summary Interim Statement of Comprehensive Income (unaudited)
for the Six-Month Period Ended June 30, 2024
(in thousands of Russian rubles)**

	Notes	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Interest income calculated using the effective interest method	4	31 696 035	11 348 338
Other interest income	4	4 885	8 608
Interest expense	4	(5 986 981)	(668 144)
Net interest income		25 713 939	10 688 802
Fee and commission income	5	11 195 669	7 584 456
Net gain on financial assets at fair value through profit or loss		1 768	12 602
Net loss on financial assets at fair value through other comprehensive income	6	(120 890)	(311 188)
Gains less losses arising from foreign currencies and precious metals		(2 400 338)	(748 542)
Other operating income		37 191	45 706
Operating income		34 427 339	17 271 836
Personnel expenses	7	(2 014 059)	(799 733)
Administrative and other operating expenses	8	(850 559)	(752 205)
Movement in allowance for expected credit losses		(804)	402 928
Other impairment and provisions		–	(7 137)
Profit before tax		31 561 917	16 115 689
Income tax expense	9	(6 028 326)	(3 070 617)
Net profit		25 533 591	13 045 072
Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss			
Net change in fair value of financial assets at fair value through other comprehensive income		(1 651 121)	(686 406)
Changes in allowance for expected credit losses of financial assets at fair value through other comprehensive income		(102 376)	(477 808)
Net loss on financial assets at fair value through other comprehensive income reclassified to profit or loss	6	120 890	311 188
Deferred income tax	9	326 521	170 605
Other comprehensive loss that may be reclassified subsequently to profit or loss		(1 306 086)	(682 421)
Total comprehensive income		24 227 505	12 362 651


**Chairman of the Executive Board
Marich Igor Leonidovich**

August 21, 2024
Moscow




**Chief Accounting Officer
Smirnova Ludmila Aleksandrovna**

August 21, 2024
Moscow

Notes 1-21 form an integral part of these Summary Interim Financial Statements.

Summary Interim Statement of Financial Position (unaudited)
as at June 30, 2024
(in thousands of Russian rubles)

	Notes	June 30, 2024	December 31, 2023
Assets			
Cash and cash equivalents	10	186 879 814	405 248 811
Financial assets at fair value through profit or loss		2 972	8 724
Due from banks and other financial institutions	11	121 698 114	278 710 845
Financial assets of central counterparty	12	7 002 092 743	6 796 539 120
Financial assets at fair value through other comprehensive income	13	114 252 948	121 911 450
Investment financial assets at amortised cost	14	87 683 699	17 395 964
Property and equipment and intangible assets		703 416	659 933
Deferred tax assets	9	4 875 604	4 214 201
Other assets		64 539 284	49 287 492
Total assets		7 582 728 594	7 673 976 540
Liabilities			
Customer accounts	15	491 704 465	766 014 630
Due to financial institutions		20 552	–
Derivatives recognized at fair value through profit or loss		–	287
Financial liabilities of central counterparty	12	7 002 092 743	6 796 539 120
Current income tax liabilities		–	987 283
Other liabilities	16	2 335 734	2 087 593
Total liabilities		7 496 153 494	7 565 628 913
Equity			
Share capital	17	16 670 000	16 670 000
Paid-in capital		347 144	347 144
Investments revaluation reserve		(7 791 786)	(6 485 700)
Retained earnings		77 349 742	97 816 183
Total equity		86 575 100	108 347 627
Total liabilities and equity		7 582 728 594	7 673 976 540

Notes 1-21 form an integral part of these Summary Interim Financial Statements.

**Summary Interim Statement of Cash Flows (unaudited)
for the Six-Month Period Ended June 30, 2024
(in thousands of Russian rubles)**

	Notes	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Cash flows from / (used in) operating activities:			
Profit before tax		31 561 917	16 115 689
Adjustments for non-cash items:			
Loss on disposal of financial assets at fair value through other comprehensive income		120 890	311 188
Fair value adjustment on securities at fair value through profit or loss		93	(12 612)
Revaluation of derivatives		(30)	(2 111 186)
Change in interest accruals, net		(3 073 688)	828 995
Revaluation of foreign currency items		316 360	3 991 622
Unrealized (gain)/loss on precious metals		86	(10 928)
Depreciation and amortization charge	8	121 248	103 525
Payments based on the shares of the parent company	7	677 818	(2 894)
Change in allowance for expected credit losses		804	(402 928)
Change in other provisions		-	7 137
Other changes from non-cash items		(1 141)	26 802
Cash flows from operating activities before changes in operating assets and liabilities			
		29 724 357	18 844 410
Changes in operating assets and liabilities:			
Financial assets at fair value through profit or loss		7 105	1 879 950
Due from banks and other financial institutions		184 409 393	(86 123 663)
Financial assets of central counterparty		(240 081 975)	(838 261 413)
Other assets		20 325	(2 536)
Customer accounts		(238 634 890)	(74 958 474)
Due to financial institutions		20 543	899 393
Financial liabilities of central counterparty		240 081 975	838 261 413
Other liabilities		(413 615)	(71 031)
Net cash flows used in operating activities before income tax			
		(24 866 782)	(139 531 951)
Income tax (paid)/received		(7 349 348)	2 078 642
Cash flows used in operating activities			
		(32 216 130)	(137 453 309)

Notes 1-21 form an integral part of these Summary Interim Financial Statements.

**Summary Interim Statement of Cash Flows (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles)**

	Notes	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Cash flows from / (used in) investing activities:			
Purchase of financial assets at fair value through other comprehensive income		(12 760 028)	(29 811 799)
Proceeds from sale and redemption of financial assets at fair value through other comprehensive income		17 161 103	51 852 353
Purchase of investment financial assets at amortised cost		(68 699 952)	–
Proceeds from redemption of investment financial assets at amortised cost		991 231	–
Purchase of property and equipment and intangible assets		(164 884)	(61 478)
Proceeds from disposal of property and equipment and intangible assets		13	–
Net cash flows (used in) / from investing activities		(63 472 517)	21 979 076
Cash flows used in financing activities:			
Dividends paid	17	(46 000 032)	(15 999 866)
Cash outflow for lease liabilities		(25 676)	(28 445)
Net cash flows used in financing activities		(46 025 708)	(16 028 311)
Effect of changes in foreign exchange rates on cash and cash equivalents		(42 552 844)	73 817 379
Net decrease in cash and cash equivalents		(184 267 199)	(57 685 165)
Reclassification of restricted funds from cash and cash equivalents		(34 101 775)	–
Cash and cash equivalents, beginning of the period	10	405 249 302	349 054 765
Cash and cash equivalents, end of the period	10	186 880 328	291 369 600

Interest received by NCC from operating activities during the six-month period ended June 30, 2024 amounted to RUB 28 622 396 thousand (during the six-month period ended June 30, 2023: RUB 12 154 885 thousand).

Interest paid by NCC as part of its operating activities during the six-month period ended June 30, 2024 amounted to RUB 5 982 145 thousand (during the six-month period ended June 30, 2023: RUB 637 088 thousand).

**Summary Interim Statement of Changes in Equity (unaudited)
for the Six-Month Period Ended June 30, 2024
(in thousands of Russian rubles)**

	Share capital	Paid-in capital	Investments revaluation reserve	Retained earnings	Total equity
December 31, 2022	16 670 000	347 144	(3 811 277)	78 812 945	92 018 812
Net profit for the period	–	–	–	13 045 072	13 045 072
Other comprehensive loss for the period	–	–	(682 421)	–	(682 421)
Total comprehensive (loss)/income for the period	–	–	(682 421)	13 045 072	12 362 651
Transactions with owners					
Dividends declared (Note 17)	–	–	–	(15 999 866)	(15 999 866)
Total transactions with owners	–	–	–	(15 999 866)	(15 999 866)
June 30, 2023	16 670 000	347 144	(4 493 698)	75 858 151	88 381 597
December 31, 2023	16 670 000	347 144	(6 485 700)	97 816 183	108 347 627
Net profit for the period	–	–	–	25 533 591	25 533 591
Other comprehensive loss for the period	–	–	(1 306 086)	–	(1 306 086)
Total comprehensive (loss)/income for the period	–	–	(1 306 086)	25 533 591	24 227 505
Transactions with owners					
Dividends declared (Note 17)	–	–	–	(46 000 032)	(46 000 032)
Total transactions with owners	–	–	–	(46 000 032)	(46 000 032)
June 30, 2024	16 670 000	347 144	(7 791 786)	77 349 742	86 575 100

Notes 1-21 form an integral part of these Summary Interim Financial Statements.

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024
(in thousands of Russian rubles, unless otherwise indicated)**

1. Organization

Non-banking credit institution – Central Counterparty National Clearing Centre (“NCC”) is a joint-stock organization, which was incorporated in the Russian Federation in 2006. NCC is regulated by the Central Bank of the Russian Federation (“Bank of Russia”) and conducts its banking and clearing activities under general license No. 3466-CC and license No. 077-00003-000010, respectively.

NCC is a member of Moscow Exchange Group (“Group”) and as at June 30, 2024 and December 31, 2023 100% of NCC’s shares are held by PJSC Moscow Exchange MICEX-RTS (“Moscow Exchange”).

NCC acts as a central counterparty (“CCP”) and specializes in providing clearing services on foreign exchange and precious metals market, securities, deposit, derivatives, commodity markets and standardized OTC derivatives market, including determination and measurement of liabilities of clearing participants, setting off and settling them.

The registered office of NCC is located at: 13, Bolshoy Kislovsky per., Moscow, 125009, Russian Federation.

NCC has 516 employees as at June 30, 2024 (December 31, 2023: 490 employees).

Operating environment. The aggravation of geopolitical tensions as well as sanctions imposed by European Union (the EU), the USA, Great Britain against a number of the Russian commercial organisations and individuals and certain sectors of the economy, as well as restrictions on certain types of transactions, including blocking of balances on accounts in foreign banks and blocking of payments on Eurobonds of the Russian Federation and Russian entities had still an impact on Russian economy.

In response to the above restrictive economic measures have been introduced in the Russian Federation, including prohibition in respect to providing of borrowings by residents to non-residents in foreign currency, crediting foreign currency on the accounts opened in foreign banks by residents, restrictions on execution of payments under securities to foreign investors, restrictions with respect to making deals with parties from certain foreign countries, and also Russian issuers got the opportunity to issue local “substitute” bonds in a simplified way to replace issued blocked Eurobonds.

The above circumstances led to increased volatility on securities and currencies markets and may significantly affect the activities of Russian enterprises in various sectors of the economy.

On June 12, 2024 NCC and some other Moscow Exchange Group companies were included in the list of blocking restrictions of the United States (US SDN) and on June 13, 2024 in the sanctions list of Great Britain.

NCC carried out all necessary procedures to settle the consequences of the imposed restrictions in accordance with the Clearing Rules. Since 2014, the Clearing Rules, which contain contractual norms between NCC and the clearing participants, contain the procedure and measures to settle emergency situations. The plan of measures in case of imposition of sanctions was developed by NCC in advance.

In accordance with the Clearing Rules, accounting of euros, US dollars, pounds sterling as collateral for fulfillment of obligations was terminated based on the amounts actually blocked, restricted for access by the clearing banks. These amounts in respective currencies were distributed among the clearing participants (partial blocking of the currency collateral was made).

NCC decided to fulfill the obligations to the clearing participants and their clients on repayment of US dollars and euros available after partial blocking of the currency collateral by conversion of these currencies into Russian roubles. The conversion of US dollars and euros into Russian roubles and fulfillment of obligations were carried out at the central exchange rate set as of June 13, 2024 based on the results of the exchange trading on June 11, 2024.

Against the background of the restrictions and measures taken, NCC continues to adapt to the changed conditions in the financial market.

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

1. Organization (continued)

Moscow Exchange Group has all the necessary tools to ensure uninterrupted trading in conditions of increased volatility, including discrete auctions, mechanisms for prompt changes in risk parameters. The Moscow Exchange's main task is to ensure the operation of the financial market infrastructure and the reliability of its participants' transactions.

NCC has evaluated the potential short-term and long-term implications of changing micro- and macroeconomic conditions on its financial statements, on the regulatory capital and liquidity position. This evaluation included various stress-tests. Management of NCC constantly monitors changes as the situation evolves and the measures taken by the Bank of Russia in order to maintain financial stability in connection with the current geopolitical situation, the imposing of restrictive measures against the Russian Federation. Management currently believes that NCC has adequate capital and liquidity position to continue to operate the business and mitigate risks associated with the above said circumstances for the foreseeable future. NCC remains vigilant in monitoring day to day changes as the global situation evolves.

The Financial Statements approval. These Summary Interim Financial Statements of NCC were approved for issue by the management on August 21, 2024.

2. Principles of preparation of the Summary Interim Financial Statements and basis of preparation of Interim Condensed Financial Statements

Principles of preparation of the Summary Interim Financial Statements. These Summary Interim Financial Statements of NCC ("Summary Interim Financial Statements") have been prepared on the basis of the Interim Condensed Financial Statements prepared in accordance with the International Financial Reporting Standard IAS 34 *Interim Financial Statements* as at June 30, 2024 and for the six-month period then ended ("Interim Condensed Financial Statements"), by copying from it without any modifications:

- The Interim Condensed Statement of Comprehensive Income for the six-month period ended June 30, 2024;
- The Interim Condensed Statement of Financial Position as at June 30, 2024;
- The Interim Condensed Statement of Cash Flows for the six-month period ended June 30, 2024;
- The Interim Condensed Statement of Changes in Equity for the six-month period ended June 30, 2024.

The Summary Interim Financial Statements as at June 30, 2024 and for the six-month period then ended do not disclose the information listed in the Decision of the Board of Directors of the Bank of Russia dated December 26, 2023 *On the List of Information that Non-credit Financial Institutions May Elect not to Disclose, and Information not to be Published on the Website of the Bank of Russia*, i.e., the following information contained in the notes to the Interim Condensed Financial Statements is not included in these Summary Interim Financial Statements of NCC:

- Information on debtors, creditors, members of the governing bodies of the non-credit financial institution, structure and composition of shareholders (participants) and other parties;
- Information on risks and transactions, the disclosure of which will result (may result) in the imposition of restrictions by foreign states and/or national unions and/or associations and/or state-owned (interstate) entities of foreign states or national unions and/or associations with respect to the non-credit financial institution and/or other parties, and when the above parties are already affected by these restrictions.

In accordance with the above Decision of the Board of Directors of the Bank of Russia NCC does not publish Interim Condensed Financial Statements for the six-month period ended June 30, 2024.

These Summary Interim Financial Statements are presented in thousands of Russian rubles ("RUB thousand"), unless otherwise indicated.

Basis of preparation of Interim Condensed Financial Statements. Interim Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction NCC's Financial Statements for the year ended December 31, 2023.

Interim Condensed Financial Statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

2. Principles of preparation of the Summary Interim Financial Statements and basis of preparation of Interim Condensed Financial Statements (continued)

NCC maintains its accounting records in accordance with Russian Accounting Standards ("RAS"). Interim Condensed Financial Statements have been prepared from NCC's statutory accounting records and have been adjusted to conform to IFRS.

Due to the fact that the results of NCC's operations closely relate to and depend on changing market conditions, the results of NCC's operations for the interim period are not necessarily indicative of the results for the year ending December 31, 2024.

The Russian ruble exchange rates applied in the preparation of Interim Condensed Financial Statements are presented below:

	June 30, 2024	December 31, 2023
USD	85,7480	89,6883
EUR	92,4184	99,1919
CNY	11,5756	12,5762

Interim period measurement. Interim period income tax expense is accrued using the estimated effective tax rate that will be applied to the expected total annual earnings, i.e. the estimated weighted average annual effective income tax rate is applied to the pre-tax income of the interim period.

The accounting policies, representations and calculation methods adopted by NCC in the preparation of Interim Condensed Financial Statements are consistent with those followed in the preparation of NCC's Financial Statements for the year ended December 31, 2023.

Changes in accounting policies. In the current period NCC applied for the first time amendments to the standards, which are effective for annual periods beginning on or after January 1, 2024:

Amendments to IAS 1	<i>"Presentation of financial statements: Classification of Liabilities as Short-Term or Long-Term"</i>
Amendments to IFRS 16	<i>"Leases: Lease Liability in a Sale and Leaseback"</i>
Amendments to IAS 7	<i>"Statement of Cash Flows"</i>
Amendments to IFRS 7	<i>"Financial instruments: Disclosures"</i>

These amendments did not have material impact on Interim Condensed Financial Statements of NCC.

NCC has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

3. Critical accounting judgments and key sources of estimation uncertainty for preparation of Interim Condensed Financial Statements

In the application of NCC's accounting policies the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Judgements and critical estimates made by NCC in the process of preparing Interim Condensed Financial Statements were consistent with those disclosed in the NCC's Financial Statements for the year ended December 31, 2023.

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

4. Interest income and expense

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Interest income calculated using the effective interest method		
Interest income on due from banks and other financial institutions	17 440 236	3 553 512
Interest income on cash and cash equivalents	6 393 661	3 851 672
Interest income on financial assets at FVTOCI	4 330 074	3 943 154
Interest income on investment financial assets at amortised cost	3 532 064	–
Total interest income calculated using the effective interest method	31 696 035	11 348 338
Other interest income		
Interest income on financial assets at FVTPL	4 885	8 608
Total other interest income	4 885	8 608
Total interest income	31 700 920	11 356 946
Interest expense		
Interest expense on stress collateral	(3 831 267)	(268 464)
Interest expense on accounts of clearing participants	(2 038 876)	(283 176)
Interest expense on interbank deposits	(108 302)	(104 533)
Interest expense on lease liabilities	(8 169)	(9 354)
Interest expense on REPO deals and other borrowed funds	(367)	(2 617)
Total interest expense	(5 986 981)	(668 144)
Total net interest income	25 713 939	10 688 802

5. Fee and commission income

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Clearing services for money market	4 501 901	3 088 024
Clearing services for securities market	2 754 989	1 755 669
Clearing services for other markets	2 104 160	1 489 316
Clearing services for derivatives market	1 529 114	1 026 105
Other commissions	305 505	225 342
Total fee and commission income	11 195 669	7 584 456

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

6. Net loss on financial assets at fair value through other comprehensive income

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Bonds issued by the Russian issuers	(120 890)	(338 360)
Bonds issued by foreign issuers	–	27 172
Net loss on financial assets at fair value through other comprehensive income	(120 890)	(311 188)

Net loss on financial assets at fair value through other comprehensive income represents reclassification adjustment from other comprehensive income to profit or loss upon disposal of financial assets.

7. Personnel expenses

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Employees benefits except for payments based on the shares of the parent company	980 583	646 880
Payments based on the shares of the parent company	677 818	(2 894)
Payroll taxes and charges	355 658	155 747
Total personnel expenses	2 014 059	799 733

Payments based on the shares of the parent company. Since 2020 NCC has the long-term incentive program, based on the parent company's shares, which entitles employees to receive cash with the subsequent opportunity of purchase of Moscow Exchange ordinary shares (hereinafter, "LTIP").

The following table illustrates the number and weighted average fair value at the grant date (WAFV) of and movements in rights to receive shares of the parent company under the LTIP:

	Number	WAFV
Outstanding as at December 31, 2022	1 535 476	99,4
Modification	(67 257)	93,3
Forfeited during the period	(313 059)	118,1
Outstanding as at June 30, 2023	1 155 160	94,7
Outstanding as at December 31, 2023	893 197	92,0
Modification	119 663	89,7
Outstanding as at June 30, 2024	1 012 860	91,8

The weighted average remaining contractual life of the outstanding instruments under LTIP as at June 30, 2024 is 0,74 years (December 31, 2023: 1,22 years).

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

7. Personnel expenses (continued)

In 2023 a new program of cash-settled instruments was introduced ("Program 2023"). The amount of cash consideration to be received by the employees is linked to the future market price of Moscow Exchange shares. The rights vest when the employee continues to be employed by the Group at the vesting date. The maximum contractual vesting period is five and a half years. The fair value is remeasured at each reporting date using a binomial model.

As at June 30, 2024 the number of outstanding cash-settled instruments under the Program 2023 is 39 751 216 with weighted average fair value RUB 77,03 (December 31, 2023: 39 751 216 with weighted average fair value RUB 38,07).

During the six-month period ended June 30, 2024 and the six-month period ended June 30, 2023 there were no movements of cash-settled instruments.

The weighted average remaining contractual life of the outstanding cash-settled instruments as at June 30, 2024 is 2,66 years (December 31, 2023: 3,16 years).

The table below shows the inputs used in the valuation models the six-month period ended June 30, 2024 and for the year ended December 31, 2023:

Assumption	Cash-settled program	
	June 30, 2024	December 31, 2023
Expected volatility	30,62%	29,26%
Risk-free rate	16,20%	11,75%
Weighted average share price, RUR	236,78	189,36
Average dividend yield	6,76%	6,65%

The volatility assumption is based on realized volatility of returns of Moscow Exchange quoted shares.

As at June 30, 2024 liabilities under the Program 2023 amounted to RUB 785 958 thousand (December 31, 2023: RUB 121 795 thousand) are included in "Liabilities under payments based on the shares of the parent company" within "Other liabilities" (Note 16).

During the six-month period ended June 30, 2024 expenses under the Program 2023 amounted to RUB 664 163 thousand (during the six-month period ended June 30, 2023: none) are included in "Payments based on the shares of the parent company" within "Personnel expenses".

8. Administrative and other operating expenses

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Maintenance of software and equipment and other information and technological services	306 546	260 591
Depository and brokerage services	166 114	124 529
Depreciation and amortization charge	121 248	103 525
Professional services	113 151	126 568
Taxes, other than income tax	66 000	56 988
Settlement services and bank fees	57 546	67 976
Other	19 954	12 028
Total administrative and other operating expenses	850 559	752 205

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

9. Income tax expense

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Current income tax expense	6 363 208	1 097 140
Current income tax expense related to previous years	–	578
Deferred taxation movement	(334 882)	1 972 899
Total income tax expense	6 028 326	3 070 617

NCC calculates its income tax for the current period based on the tax accounts maintained and prepared in accordance with the requirements of the Russian tax legislation which may differ from IFRS.

As the certain expenses are not tax-deductible, it results in permanent tax differences. A reconciliation of the income tax expense based on the statutory rate with actual income tax is as follows:

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Profit before income tax	31 561 917	16 115 689
Tax at the statutory tax rate (20%)	6 312 383	3 223 138
Tax effect of income taxed at rates other than the 20% rate	(304 817)	(163 929)
Adjustments in respect of current and deferred income tax of previous years	–	578
Tax effect of permanent differences	20 760	10 830
Income tax expense	6 028 326	3 070 617

Deferred taxes reflect net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Temporary differences relate mostly to different methods of income and expense recognition, as well as the difference between the accounting and tax base of certain assets.

The following table illustrates change in deferred tax during the six-month period ended June 30, 2024 and the six-month period ended June 30, 2023:

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Beginning of the period – deferred tax assets	4 214 201	5 601 798
Change in deferred tax recognized in profit or loss	334 882	(1 972 899)
Change in deferred tax recognized in other comprehensive income	326 521	170 605
End of the period – deferred tax assets	4 875 604	3 799 504

Change in deferred tax recognized in other comprehensive income fully relates to the effect of temporary differences from Financial assets at FVTOCI.

Deferred tax assets increase as at June 30, 2024 was mainly driven by changes in mark-to-market and forex revaluation of financial assets at FVTOCI.

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

10. Cash and cash equivalents

	June 30, 2024	December 31, 2023
Accounts and overnight deposits with banks and other credit organizations	186 878 591	405 247 565
Cash on hand	1 737	1 737
Total cash and cash equivalents before allowance for ECL	186 880 328	405 249 302
Less allowance for ECL	(514)	(491)
Total cash and cash equivalents	186 879 814	405 248 811

11. Due from banks and other financial institutions

	June 30, 2024	December 31, 2023
Financial assets measured at amortised cost		
Term deposits	40 447 136	202 943 613
Reverse repurchase agreements with financial institutions	47 187 056	74 051 728
Other due from banks	34 072 005	1 730 836
Total financial assets measured at amortised cost	121 706 197	278 726 177
Total due from banks and other financial institutions before allowance for ECL	121 706 197	278 726 177
Less allowance for ECL	(8 083)	(15 332)
Total due from banks and other financial institutions	121 698 114	278 710 845

As at June 30, 2024 the fair value of financial instruments pledged under reverse repurchase agreements with financial institutions was RUB 57 858 538 thousand (December 31, 2023: RUB 90 453 091 thousand).

12. Financial assets and liabilities of central counterparty

	June 30, 2024	December 31, 2023
Repo transactions and deposits	6 996 417 788	6 784 692 161
Derivatives	5 526 232	11 783 261
Other	148 723	63 698
Total financial assets and liabilities of central counterparty	7 002 092 743	6 796 539 120

CCP financial assets are receivables under reverse repo and fair value of derivatives (asset) and CCP financial liabilities are payables under respective direct repo and deposits and fair value of derivatives (liability) under transactions which NCC concluded with market participants as a CCP.

As at June 30, 2024 the fair value of financial instruments pledged under reverse repo transactions, which NCC concluded with market participants as a CCP, was RUB 7 565 649 003 thousand (December 31, 2023: RUB 7 211 087 473 thousand).

Gross claims and liabilities with individual counterparties are offset in accordance with IAS 32.

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

13. Financial assets at fair value through other comprehensive income

	June 30, 2024	December 31, 2023
Bonds issued by the Russian issuers	114 252 948	121 911 450
Total financial assets at fair value through other comprehensive income	114 252 948	121 911 450

14. Investment financial assets at amortised cost

	June 30, 2024	December 31, 2023
Bonds issued by the Russian issuers	87 815 254	17 422 106
Total investment financial assets at amortised cost before allowance for ECL	87 815 254	17 422 106
Less allowance for ECL	(131 555)	(26 142)
Total investment financial assets at amortised cost	87 683 699	17 395 964

15. Customer accounts

	June 30, 2024	December 31, 2023
Financial liabilities measured at amortised cost		
Accounts of clearing participants	389 855 071	642 820 680
Stress collateral	27 318 793	64 688 590
Current accounts	5 601 152	4 822 854
Risk-covering funds	4 525 795	4 556 493
Total financial liabilities measured at amortised cost	427 300 811	716 888 617
Non-financial liabilities at FVTPL		
Other non-financial liabilities at FVTPL	64 403 654	49 126 013
Total non-financial liabilities at FVTPL	64 403 654	49 126 013
Total customer accounts	491 704 465	766 014 630

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

16. Other liabilities

	June 30, 2024	December 31, 2023
Other financial liabilities		
Lease liabilities	180 243	197 888
Payables on information and technological services	169 368	137 376
Payables to clearing participants for refundable premium	135 756	134 488
Payables for unused vacations	68 766	48 598
Payables for clearing operations	52 800	510 342
Payroll payables to personnel	36 332	–
Payables for depository and settlement operations	30 554	28 517
Other	34 336	32 912
Total other financial liabilities	708 155	1 090 121
Other non-financial liabilities		
Liabilities under payments based on the shares of the parent company	866 304	188 170
Personnel remuneration provision	522 652	633 994
Taxes payable, other than income tax	238 623	175 308
Total other non-financial liabilities	1 627 579	997 472
Total other liabilities	2 335 734	2 087 593

17. Share capital

As at June 30, 2024 and December 31, 2023 NCC's share capital consists of 16 670 000 issued and paid ordinary shares with the nominal value of RUB 1 thousand each.

During the six-month period ended June 30, 2024 NCC declared and paid dividends on ordinary shares in the amount of RUB 46 000 032 thousand (the six-month period ended June 30, 2023: RUB 15 999 866 thousand). The amount of dividends per share was RUB 2 759,45 per ordinary share (the six-month period ended June 30, 2023: RUB 959,80).

NCC's reserves distributable between the shareholders are limited by the amounts disclosed in its statutory RAS accounts. Non-distributable reserves are represented by a Reserve fund and part of NCC's own funds, segregated in accordance with regulations of Bank of Russia relating to CCP activities.

Reserve fund is created as required by the regulations of the Russian Federation, to cover general banking risks, including future losses and other unforeseen risks or contingencies. As at June 30, 2024 the reserve fund amounted to RUB 966 775 thousand (December 31, 2023: RUB 966 775 thousand). Reserve fund is stated as a part of retained earnings.

Part of NCC's own funds, segregated in accordance with regulations of Bank of Russia relating to CCP activities, as a part of retained earnings as at June 30, 2024 is represented by:

- Dedicated capital of CCP which is intended to cover possible losses resulting from a default or improper performance of their obligations by clearing participants, in the amount of RUB 12 000 000 thousand (December 31, 2023: RUB 12 000 000 thousand);
- Funds for termination or restructuring of CCP activities, in the amount of RUB 2 414 540 thousand (December 31, 2023: RUB 1 901 635 thousand);
- Funds to cover possible losses from deterioration of the CCP's financial position, not associated with defaults of clearing participants, in the amount of RUB 1 300 137 thousand (December 31, 2023: RUB 950 817 thousand).

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

18. Commitments and contingencies

Legal proceedings. From time to time and in the normal course of business, claims against NCC may be received from customers and counterparties. Management of NCC believes that such claims may not have a material impact on its financial and operational activities and that no material losses will be incurred, and accordingly no provision has been made in these Financial Statements.

Taxation. Major part of NCC’s business activity is carried out in the Russian Federation. Russian tax, currency and customs legislation as currently in effect is vaguely drafted and is subject to varying interpretations, selective and inconsistent application and changes, which can occur frequently, at short notice and may apply retrospectively. NCC’s interpretation of such legislation as applied to the transactions and activity of NCC may be challenged by the relevant regional and federal authorities. Management’s interpretation of such legislation as applied to the transactions and activity of NCC may be challenged by the relevant regional and federal authorities. Recent trends in tax law enforcement practice indicate that the tax authorities and courts may be taking a more assertive position in their interpretation and application of this legislation and assessments. It is therefore possible that transactions and activities of NCC that have not been challenged in the past may be challenged at any time in the future. As a result, significant additional taxes, fines and penalties for late payment may be charged by the relevant authorities. Generally fiscal periods remain open and subject to review by the Russian tax authorities for a period of three calendar years immediately preceding the year in which the decision to conduct a tax review is taken. Under certain circumstances tax reviews may cover longer periods.

Starting from 2017 the tax service of the Russian Federation conducted a tax monitoring of NCC on accuracy of calculation, completeness and payment (transfer) timeliness of taxes and fees which is entrusted on taxpayers (tax agents) in accordance with the Tax Code of the Russian Federation. In December 2023 the tax service of the Russian Federation decided to conduct a tax monitoring of NCC in 2024.

Tax monitoring is a type of tax control that has been in force in the Russian Federation since January 1, 2015. Tax monitoring is held based on the decision of tax authority, with the permission and by the request of taxpayer. Peculiarity of tax monitoring is that the tax authority receives access to information that allows to testify correctness of calculation, completeness and timeliness tax payments and fees by the taxpayer on regular basis. Participation in the system of tax monitoring will allow NCC to eliminate emerging tax risks and legal uncertainty on tax issues and obtain a reasoned opinion on disputable tax accounting issues for both accomplished and planned “tax ruling” transactions. At the same time during the period of tax monitoring, tax inspections (cameral, field) by the tax authority are not conducted.

As at June 30, 2024 NCC’s management believes that its interpretation of the relevant legislation is appropriate and that NCC’s tax, currency and customs positions should be sustained vis-à-vis tax authorities and courts.

19. Transactions with related parties

Transactions with key management. Key management personnel comprises members of the Management Board and the Supervisory Board. The total remuneration of key management personnel includes short-term benefits (salary, bonuses, payroll related taxes, insurance, health care, etc.), long-term benefits and share-based payment expense.

The Interim Condensed Statement of Comprehensive Income for the six-month period ended June 30, 2024 and the six-month period ended June 30, 2023 includes the following amounts that arose due to transactions with key management personnel:

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Payments based on the shares of the parent company	601 487	25 760
Employees benefits except for payments based on the shares of the parent company	238 743	113 880
Long-term employee benefits	69 367	8 031
Total remuneration of key management personnel	909 597	147 671

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

19. Transactions with related parties (continued)

The Interim Condensed Statement of Financial Position as at June 30, 2024 and December 31, 2023 includes the following amounts that arose on transactions with key management personnel:

	June 30, 2024	December 31, 2023
Other liabilities	1 048 564	439 985

20. Fair value measurements

The tables below analyse NCC's financial assets and liabilities measured at fair value as at June 30, 2024 and December 31, 2023 by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2024			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value				
Financial assets at FVTPL	–	–	2 972	2 972
Central counterparty financial assets (derivatives)	4 383 215	1 143 017	–	5 526 232
Financial assets at FVTOCI	105 249 336	9 003 612	–	114 252 948
Non-financial assets measured at fair value				
Other assets (non-financial assets at FVTPL)	–	64 403 680	–	64 403 680
Financial liabilities measured at fair value				
Central counterparty financial liabilities (derivatives)	(4 383 215)	(1 143 017)	–	(5 526 232)
Non-financial liabilities measured at fair value				
Customer accounts (non-financial liabilities at FVTPL)	–	(64 403 654)	–	(64 403 654)

	December 31, 2023			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value				
Financial assets at FVTPL	257	–	8 467	8 724
Central counterparty financial assets (derivatives)	10 644 678	1 138 583	–	11 783 261
Financial assets at FVTOCI	118 290 896	3 620 554	–	121 911 450
Non-financial assets measured at fair value				
Other assets (non-financial assets at FVTPL)	–	49 126 036	–	49 126 036
Financial liabilities measured at fair value				
Central counterparty financial liabilities (derivatives)	(10 644 678)	(1 138 583)	–	(11 783 261)
Derivatives recognized at FVTPL (liabilities)	(287)	–	–	(287)
Non-financial liabilities measured at fair value				
Customer accounts (non-financial liabilities at FVTPL)	–	(49 126 013)	–	(49 126 013)

**Selected notes to the Summary Interim Financial Statements (unaudited)
for the Six-Month Period Ended June 30, 2024 (continued)
(in thousands of Russian rubles, unless otherwise indicated)**

20. Fair value measurements (continued)

Assets and liabilities fair value of which is disclosed. Management of NCC considers that the fair value of "Cash and cash equivalents", "Due from banks and other financial institutions", "Financial assets and liabilities of central counterparty" (REPO transactions and deposits), "Other financial assets" (except for non-financial assets at FVTPL), "Customer accounts" (except for non-financial liabilities at FVTPL), "Due to financial institutions" and "Other financial liabilities" not carried at fair value in the Statement of Financial Position approximates their carrying value due to their short-term nature and as at June 30, 2024 and December 31, 2023 refer to level 2 hierarchy of fair value.

The fair value of investment financial assets at amortised cost as at June 30, 2024 amounted to RUB 81 675 145 thousand, from which RUB 80 157 743 thousand refer to level 1 hierarchy of fair value and RUB 1 517 402 thousand refer to level 2 hierarchy of fair value (December 31, 2023: RUB 17 700 385 thousand, all amount refer to level 1 hierarchy of fair value).

During the six-month period ended June 30, 2024 there was disposal of level 3 financial assets in the amount of RUB 5 402 thousand (the six-month period ended June 30, 2023: no disposals). There were no significant changes in fair value estimates or other movements of level 3 financial assets during the six-month period ended June 30, 2024 and the six-month period ended June 30, 2023.

Transfers between levels. For assets and liabilities that are recognised at fair value on a recurring basis, NCC determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows total amount of transfers of financial assets between level 1 and level 2. Transfers from level 2 to level 1 (from level 1 to level 2) occurred due to fact that markets for certain financial assets became (ceased to be) active during the period.

	Transfers between Level 1 and Level 2	
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
From Level 1 to Level 2		
Financial assets at FVTOCI	8 357 849	–
From Level 2 to Level 1		
Financial assets at FVTOCI	2 685 104	–

21. Events after the reporting date

On July 12, 2024, Federal Law No. 176-FZ "On Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation and Annulment of Certain Provisions of Legislative Acts of the Russian Federation" was enacted providing for an increase in the income tax rate from 20% to 25% from January 1, 2025. The application of this law will result in changes to deferred tax assets, deferred tax liabilities and deferred income tax expense. However, as of the date of Interim Condensed Financial Statements NCC has not finalized its assessment of this impact. This change in legislation will have no impact on current income tax amounts for the year 2024.