

ROSBANK Group

**Public Interim condensed consolidated
financial statements
(unaudited)**

30 June 2024

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Report on Review of Public Interim Condensed Consolidated Financial Statements

To the Shareholders and Board of Directors of Public joint-stock company ROSBANK:

Introduction

We have reviewed the accompanying public interim consolidated statement of financial position of Public joint-stock company ROSBANK and its subsidiaries (together – the "Group") as at 30 June 2024 and the related public interim consolidated statement of profit or loss, comprehensive income for the three- and six-month periods then ended, public interim consolidated statement of changes in equity for the six-month period then ended and the related explanatory notes. Management is responsible for the preparation and presentation of these public interim condensed consolidated financial statements in accordance with the basis of preparation disclosed in Note 1 to the public interim condensed consolidated financial statements. Our responsibility is to express a conclusion on these public interim condensed consolidated financial statements 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 public interim condensed consolidated financial statements 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 public interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the basis of preparation disclosed in Note 1 to the public interim condensed consolidated financial statements.

Emphasis of matter

We draw attention to Note 1 to the public interim condensed consolidated financial statements which describes the basis of preparation of the public interim condensed consolidated financial statements. The public interim condensed consolidated financial statements are prepared to enable the Group to comply with the Bank of Russia requirements on publishing the interim condensed consolidated financial statements of the Group on publicly available information resources. Therefore, these public interim condensed consolidated financial statements may not be suitable for another purpose.

The public interim condensed consolidated financial statements do not represent interim financial statements prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" ("IAS 34") since the public interim condensed consolidated financial statements prepared with removal of certain data do not contain all information mandatory for disclosure under IAS 34. Our conclusion is not modified in respect of this matter.

We draw attention to Note 2 and Note 23 in the interim condensed consolidated financial statements, which indicate the integration of Public joint-stock company ROSBANK into IPJSC TCS Holding. Our conclusion is not modified in respect of this matter.

Other matter

The Group has prepared a separate set of the interim condensed consolidated financial statements for the three- and six-month periods ended 30 June 2024 in accordance with IAS 34, on which we have issued a separate report on review for the shareholders and Board of Directors of Public joint-stock company ROSBANK dated 22 August 2024.

22 August 2024

Moscow, Russian Federation



Kosova Nataliya Vladimirovna is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906099055)

ROSBANK Group
PUBLIC INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions of Russian Roubles)

	Notes	30 June 2024 (unaudited)	31 December 2023
Assets			
Cash and cash equivalents	4	237,446	314,589
Mandatory cash balances with the Central Bank of the Russian Federation		6,943	3,407
Due from credit institutions	5	15,131	10,155
Financial assets at fair value through profit or loss	6, 7	28,707	37,288
Investments at fair value through other comprehensive income	8	92,644	34,381
Investments at amortized cost	9	80,764	83,162
Loans to customers	10	1,477,670	1,446,548
Property and equipment and right-of-use assets		21,118	22,056
Intangible assets		12,784	10,771
Current income tax assets		1,038	539
Deferred income tax assets		6,731	6,751
Other assets		137,091	130,647
Total assets		2,118,067	2,100,294
Liabilities and equity			
Liabilities			
Financial liabilities at fair value through profit or loss	7, 11	13,934	18,621
Due to the Central Bank of the Russian Federation		1,232	1,335
Due to banks	12	267,615	158,924
Customer accounts	13	1,502,456	1,585,025
Debt securities issued	14	4,890	18,234
Current income tax liabilities		—	935
Deferred income tax liabilities		81	59
Other liabilities		84,751	75,396
Subordinated debt		14,631	15,515
Total liabilities		1,889,590	1,874,044
Equity			
Share capital		17,587	17,587
Share premium		59,709	59,709
Treasury shares and other funds		(11,102)	(11,120)
Perpetual subordinated debt		36,110	38,118
Property and equipment revaluation reserve		2,421	2,562
Fair value reserve		(1,089)	(812)
Retained earnings		124,841	120,206
Total equity		228,477	226,250
Total liabilities and equity		2,118,067	2,100,294


Chairman of the Management Board
N.V. Sidorov

22 August 2024
Moscow



The notes 1-23 form an integral part of these Public Interim Condensed Consolidated Financial Statements.

ROSBANK Group
PUBLIC INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(in millions of Russian Roubles)

	Notes	6 months ended 30 June (unaudited)		3 months ended 30 June (unaudited)	
		2024	2023	2024	2023
Interest income at effective interest rate	15	130,696	63,648	66,673	34,000
Other interest income	15	4,816	2,417	2,634	1,320
Interest expense at effective interest rate	15	(100,815)	(33,839)	(52,536)	(18,979)
Other interest expense	15	(290)	(275)	(145)	(146)
Deposit insurance charge	15	(1,850)	(1,089)	(953)	(561)
Net interest income before credit loss expense		32,557	30,862	15,673	15,634
Credit loss expense	16	(2,815)	(2,042)	(2,525)	(1,498)
Net interest income		29,742	28,820	13,148	14,136
Net gain/(loss) on operations with financial instruments and foreign currencies		(1,619)	12,972	(2,742)	8,875
Net gain/(loss) on operations with investments at fair value through other comprehensive income		(6)	—	(6)	—
Net gain/(loss) on financial assets and liabilities at amortized cost		22	—	22	—
Fee and commission income	17	12,838	11,684	6,524	6,191
Fee and commission expense	17	(7,387)	(4,812)	(3,775)	(2,572)
Net change in provisions for impairment and other provisions		6,289	(2,161)	6,417	(1,840)
Other income		661	405	309	193
Net non-interest income		10,798	18,088	6,749	10,847
Operating income		40,540	46,908	19,897	24,983
Operating expenses	18	(29,139)	(23,967)	(16,675)	(12,560)
Other non-operating income/(expense)		2	(35)	(9)	7
Profit before income tax		11,403	22,906	3,213	12,430
Income tax expense		(1,668)	(4,151)	(683)	(2,368)
Net profit for the period		9,735	18,755	2,530	10,062
EARNINGS PER SHARE					
Basic and diluted (in RUB)	19	4.66	11.19	1.67	6.62

The notes 1-23 form an integral part of these Public Interim Condensed Consolidated Financial Statements.

ROSBANK Group
PUBLIC INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions of Russian Roubles)

	6 months ended		3 months ended	
	30 June (unaudited)		30 June (unaudited)	
	2024	2023	2024	2023
Net profit for the period	9,735	18,755	2,530	10,062
Other comprehensive income/(expense)				
Items that will not be reclassified subsequently to profit or loss				
Net gain/(loss) resulting on revaluation and impairment of property	(31)	(30)	(22)	(4)
Income tax on revaluation and impairment of property	(39)	(38)	(28)	(5)
	8	8	6	1
Items that may be reclassified subsequently to profit or loss	(259)	(189)	(373)	(40)
Other comprehensive income/(expense) after income tax	(290)	(219)	(395)	(44)
Total comprehensive income/(expense)	9,445	18,536	2,135	10,018

The notes 1-23 form an integral part of these Public Interim Condensed Consolidated Financial Statements.

ROSBANK Group
PUBLIC INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(in millions of Russian Roubles)

	Share capital	Share premium	Treasury shares, fair value reserve and other funds	Perpetual subordinated debt	Property and equipment revaluation reserve	Retained earnings	Total equity
31 December 2022	17,587	59,709	(10,870)	29,894	2,407	105,107	203,834
Net profit for the period	–	–	–	–	–	18,755	18,755
Other comprehensive income/(expense) for the period	–	–	(189)	–	(30)	–	(219)
Total comprehensive income (expense) for the period	–	–	(189)	–	(30)	18,755	18,536
Property and equipment disposal (net of deferred tax of RUB 28 millions)	–	–	–	–	(111)	111	–
Other movements	–	–	(20)	7,095	–	(11,592)	(4,517)
30 June 2023 (unaudited)	17,587	59,709	(11,079)	36,989	2,266	112,381	217,853
31 December 2023	17,587	59,709	(11,932)	38,118	2,562	120,206	226,250
Net profit for the period	–	–	–	–	–	9,735	9,735
Other comprehensive income/(expense) for the period	–	–	(259)	–	(31)	–	(290)
Total comprehensive income (expense) for the period	–	–	(259)	–	(31)	9,735	9,445
Property and equipment disposal (net of deferred tax of RUB 28 millions)	–	–	–	–	(110)	110	–
Other movements	–	–	–	(2,008)	–	(5,210)	(7,218)
30 June 2024 (unaudited)	17,587	59,709	(12,191)	36,110	2,421	124,841	228,477

The notes 1-23 form an integral part of these Public Interim Condensed Consolidated Financial Statements.

1. Basis for preparation of Public Interim Condensed Consolidated Financial Statements

These Public Interim Condensed Consolidated Financial Statements have been prepared by management of the Group:

1. based on Interim Condensed Consolidated Financial Statements of PJSC ROSBANK and its subsidiaries (further – “the Group”) for 3 and 6 months ended 30 June 2024, prepared in accordance with IAS 34 “Interim Financial Reporting” (further – “IAS 34”);
2. taking into account the requirements of the Bank of Russia named in the decision of the Board of Directors of the Bank of Russia dated 29 December 2022 “On the Requirements for Disclosure by Credit organizations (the parent credit organizations of the banking groups) of Reporting and Information in 2023” (further – the “Decision 1”), decision dated 26 December 2023 “On the Requirements for Disclosure by Credit organizations (the parent credit organizations of the banking groups) of Reporting and Information in 2024” (further – the “Decision 2”) (hereinafter collectively referred to as the “Decisions”); Information letters of the Bank of Russia dated 30 December 2022 No. IN-03-23/158 “Information letter on requirements for disclosure of reporting and information in 2023”, dated 3 March 2023 No. IN-03-23/19 “On reporting and information in 2023” and dated 16 January 2024 No. IN-03-23/2 “Information letter of the Bank of Russia on the requirements for the disclosure and submission of reporting and information to the Bank of Russia in 2024” (hereinafter collectively referred to as “Bank of Russia Requirements”);
3. with the exclusion of information (including the aggregation method), the disclosure of which could damage the Group and (or) its counterparties (further – “sensitive information”). The scope of sensitive information is determined based on the Requirements of the Bank of Russia and decisions of the Group's management.

These public interim condensed consolidated financial statements consist of public interim consolidated statement of financial position as at 30 June 2024 and 31 December 2023; public interim consolidated statement of profit or loss, public interim consolidated statement of comprehensive income for 3 and 6 months ended 30 June 2024 and 30 June 2023; public interim consolidated statement of changes in equity for 6 months ended 30 June 2024 and 30 June 2023, and related explanatory notes.

In accordance with point 3 part 1 clause 3 of Federal Law dated 14 March 2022 № 55-FZ “On amendments to clauses 6 and 7 of Federal Law “On amendments to Federal Law “On the Central Bank of the Russian Federation (the Bank of Russia)” and certain legislative acts of the Russian Federation concerning specificities of changes in terms of loan agreement, debt agreement” and clause 21 of Federal Law “On amendments to certain legislative acts of the Russian Federation” (as amended by Federal Law dated 19 December 2022 № 519-FZ), and the “Decision”, starting from the financial statements and information for 2022 and till the financial statements and information as at 1 October 2024, credit organizations have the right not to disclose on public information resources the annual consolidated financial statements subject to disclosure in accordance with part 4 clause 8 of Federal Law dated 2 December 1990 № 395-1 “On banks and banking operations” and clause 7 of Federal Law dated 27 July 2010 № 208-FZ “On consolidated financial statements”.

Thereby, the ROSBANK Group does not fully disclose the information subject to disclosure on publicly available resources, starting from the interim condensed consolidated financial statements for 3 months ended 31 March 2022.

These public interim condensed consolidated financial statements have been prepared for the purpose of presenting the consolidated financial position and consolidated financial results of the Group, the disclosure of which does not damage the Group and (or) its counterparties. As a consequence, these public interim condensed consolidated financial statements may not be suitable for another purpose.

2. Basis for Presentation and Significant Accounting Policies Information

Organization

ROSBANK is regulated by the Central Bank of the Russian Federation (the “CBR”) and conducts its business under license number 2272. ROSBANK is engaged in a full range of banking activities, including commercial and investment banking and custodial services.

2. Basis of presentation and Significant Accounting Policies Information (Continued)

The registered office of ROSBANK is located at 34, Masha Poryvaeva Street, Moscow, 107078, Russian Federation.

As of 30 June 2024 and 31 December 2023 ROSBANK had 10 branches operating in the Russian Federation.

ROSBANK ("the Bank") is the parent company of a banking group (the "Group") which consists of the subsidiaries primarily engaged in leasing and factoring services and other financial services.

Basis for presentation

These public interim condensed consolidated financial statements are intended to present the information of the interim consolidated statement of financial position, interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and do not include information about cash flows.

The item "Other assets" of the public interim consolidated statement of financial position includes investments in associates and joint ventures, trade receivables from contracts with customers, funds in settlements, inventories and other financial and non-financial assets of the Group.

The item "Other liabilities" of the public interim consolidated statement of financial position includes provisions for contingencies and credit related commitments, lease liabilities, funds in settlements on customer transactions and other financial and non-financial liabilities of the Group.

The item "Treasury shares and other funds" of the public interim consolidated statement of financial position includes treasury shares purchased and cash flow hedge.

The item "Net gain/(loss) on financial instruments and on foreign exchange operations" of the public interim consolidated statement of profit or loss includes realised and unrealised financial results from transactions with securities at fair value through profit or loss, financial result from operations with derivative financial instruments, the result of operations and revaluation of balances in foreign currency.

The line "Items that may be reclassified subsequently to profit or loss" of the public interim consolidated statement of comprehensive income includes financial results from changes in fair value of investments at fair value through other comprehensive income net of tax, including credit loss allowance for these investments and changes in cash flow hedge net of tax.

The item "Treasury shares, fair value reserve, other funds" of the public interim consolidated statement of changes in equity includes treasury shares purchased; revaluation of instruments measured at fair value through other comprehensive income; credit loss allowances for instruments measured at fair value through other comprehensive income; cash flow hedge.

The item "Other movements" of the public interim consolidated statement of changes in equity includes interest payments on perpetual subordinated debt, impact of the foreign currency exchange rates changes on perpetual subordinated debt net of tax, and repurchase of treasury shares.

Also, selected condensed notes disclose information that is important for users to understand the financial position and results of operations of the Group about the Group's exposure to credit risk, data on the fair value of the Group's assets and liabilities and its dynamics by levels of the valuation hierarchy, information on dividends and earnings per share, financial indicators Groups by main business lines (segments).

2. Basis of presentation and Significant Accounting Policies Information (Continued)

Significant accounting policies information

The accounting policies and methods used in the preparation of these public interim condensed consolidated financial statements are consistent with the accounting policies and methods used and described in the Group's annual consolidated financial statements for the year ended 31 December 2023 in Note 3 Significant Accounting Policies¹.

Mandatory cash balances with the Central Bank of the Russian Federation

Obligatory reserves represent cash which credit institutions are required to deposit and maintain on specialized accounts opened with the Bank of Russia for the holding of obligatory reserves in the currency of the Russian Federation. The amount of obligatory reserves required to maintain by credit institutions represents a certain proportion of the normative amount of reservable liabilities and depends on the obligatory reserve ratios and averaging ratios effective as at the recalculation date.

In 2023, the Bank of Russia, given the growing structural liquidity surplus and in order to maintain the trend towards devalutization of credit institutions' balance sheets, allocated liabilities in currencies of unfriendly countries into separate subcategories (information about them is published on the website of the Bank of Russia), and increased the required reserve ratios for all categories of reserved liabilities in the currency of the Russian Federation and in foreign currency.

Income tax

In addition to the Group's income and expenses from current operating activities taxable at the statutory tax rate of 20%, the effective tax rate is affected by income/expense taxable at other tax rates and interest payments on perpetual subordinated debt. The tax recovery on perpetual subordinated debt interest payments is charged to profit or loss as it relates more to transactions or events in the past that have generated distributable profits than to distributions to shareholders.

Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the parent of the Group is the Russian rouble (RUB). The presentation currency of the public interim condensed consolidated financial statements of the Group is the RUB, except when otherwise indicated. All values are rounded to the nearest million RUB, except when otherwise indicated. These public interim condensed consolidated financial statements are presented in millions of Russian Roubles ("RUB millions"), unless otherwise stated.

The period-end exchange rates used by the Group in the preparation of the public interim condensed consolidated financial statements are set out below:

	30 June 2024	31 December 2023
RUB/1 US Dollar	84.9640	89.6883
RUB/1 Euro	90.9874	99.1919

Critical accounting judgements and key sources of estimation uncertainty

Applying the Group's accounting policy the management uses judgements, estimates and assumptions in relation to the book values of assets and liabilities, that are not observable from other sources. Judgements, estimates and assumptions are constantly analysed based on management experience and other factors, including the expectations in relation to future events, which under the management judgement are reasonable considering the current circumstances.

¹ The full version of the Group's consolidated financial statements for the year ended 31 December 2023, prepared in accordance with IFRS, is located at: 107078, Moscow, st. Masha Poryvaeva, 34

2. Basis of presentation and Significant Accounting Policies Information (Continued)

Significant judgements and estimates made by the management in applying the Group's accounting policies are disclosed in the Group's consolidated financial statements for the year ended 31 December 2023¹. The management did not identify new areas for application of new estimates and judgements except for those provided in this Note below.

Going concern basis

Management has prepared these public interim condensed consolidated financial statements on a going concern basis. This judgement is based on consideration of the Group's financial position, current plans, profitability of operations and access to financial resources as well as the impact of recent changes in macroeconomic conditions on the Group's future operations.

On 8 May 2024, at the Extraordinary General Meeting of Shareholders, the shareholders of IPJSC TCS Holding, made all necessary decisions to integrate PJSC ROSBANK into the holding. To finance the transaction, IPJSC TCS Holding used an additional issue of its own shares through a closed subscription, which ended in August 2024 (Note 23). The transaction is expected to be completed by the end of the 3rd quarter 2024.

As a part of the planned integration, IPJSC TCS Holding has entered into an agency agreement with PJSC ROSBANK on a commercial basis to process a number of loan products through JSC TBank. As of the date of signing these public interim condensed consolidated financial information, the new strategy of TCS Holding Group containing PJSC ROSBANK's integration effects and integration plan are in the process of development.

The Group's management believes, that this integration transaction best meets the interests of all shareholders and opens up additional opportunities for advanced qualitative growth of the Group's business through efficient use of capital, realization of operational and business synergies with much greater economies of scale, as well as a complementary product offering for all customers.

The Bank and the Group continue to operate normally, fulfilling their obligations to their customers, partners and employees.

During 6 months ended 30 June 2024 and as at the signing date of these public interim condensed consolidated financial statements, the Bank and the Group complied with all mandatory ratios of the Bank of Russia, including capital adequacy and liquidity ratios.

The possibility of deferred tax assets recovery

The recognized deferred tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded in the consolidated statement of financial position. A deferred tax asset is recognized only to the extent that it is probable that the related income tax benefit will be utilized. The determination of future taxable income and the amount of income tax benefit that is probable in the future is based on a medium-term business plan prepared by management and extrapolated results. The business plan is based on historical income tax levels and management's expectations of the future taxable income that the Group will earn as a result of the implementation of its development strategy in the medium term.

The Group may utilize tax loss carryforwards generated in 2018-2020 against earned taxable income for an unlimited period of time, but in the period from 2018 to 2024 in an amount not exceeding half of the annual taxable income of the relevant reporting period. The above tax loss carryforwards were utilized by the Group against earned taxable profit within the period up to 31 December 2021. As of 30 June 2024 and 31 December 2023 the Group has no unused tax losses to be recognized as a deferred tax asset.

3. Adoption of New or Revised Standards and Interpretations

Several new standards and interpretations were published which are effective for the annual periods starting from 1 January 2024 and after this date, which the Group has not early adopted.

Unless not stated otherwise described below, these new standards and interpretations are not expected to have any material impact on consolidated financial statements of the Group.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The Group is currently assessing the impact of the amendments on its financial statements.

Classification of Liabilities into Current and Non-current – Amendments to IAS 1 (issued on Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022, deferred to 1 January 2024 by the amendments to IAS 1)

These narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023, deferred to 1 January 2024 by the amendments to IAS 1, as stated below)

The amendment to IAS 1 on classification of liabilities as current or non-current was issued in January 2020 with an original effective date 1 January 2022. However, in response to the Covid-19 pandemic, the effective date was deferred by one year to provide companies with more time to implement classification changes resulting from the amended guidance.

Lease Liability in a Sale and Leaseback Amendments to IFRS 16 – Amendments to IFRS 16 (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024)

The amendments apply to sale and leaseback transactions where the transfer of the asset qualifies as a 'sale' under IFRS 15 and the lease payments include variable lease payments that do not depend on an index or rate.

Non-current Liabilities with Covenants – Amendments to IAS 1 (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024)

The amendments clarify previous amendments to IAS 1 on classification of liabilities as current or noncurrent issued in January 2020 that would have become effective for reporting periods beginning on or after 1 January 2023.

Supplier Finance Arrangements – amendments to IAS 7 and IFRS 7 (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024)

The amendments are aimed to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. They supplement existing IFRS requirements and require a company to disclose the terms and conditions, the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are presented on the balance sheet, ranges of payment due dates and liquidity risk information.

ROSBANK Group
SELECTED NOTES TO THE PUBLIC INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
30 JUNE 2024 (UNAUDITED)

3. Adoption of New or Revised Standards and Interpretations (Continued)

Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025)

IAS 21 was amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not.

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027)

IFRS 18 replaces IAS 1. Many requirements from IAS 1 are maintained unchanged in the new standard. The new standard introduces three defined categories for income and expenses in the statement of profit or loss (operating, investing and financing) and requires to provide new defined subtotals, including operating profit and profit before financing and income taxes.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027)

The standard is voluntary and permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026)

4. Cash and cash equivalents

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Cash	12,344	15,339
Balances with the Central Bank of the Russian Federation	188,731	165,853
Current accounts and due from banks with original maturity within 90 days	17,568	118,565
Loans under reverse repurchase agreements	18,837	14,880
Cash and cash equivalents	237,480	314,637
Less – credit loss allowance	(34)	(48)
Total cash and cash equivalents	237,446	314,589

As of 30 June 2024 and 31 December 2023, the fair value of assets received as collateral and the carrying value of loans under reverse repurchase agreements were as follows:

	30 June 2024 (unaudited)		31 December 2023	
	Carrying value of loan	Fair value of collateral	Carrying value of loan	Fair value of collateral
Bonds of the Russian Federation	11,187	11,798	14,880	15,658
Shares of Russian companies	7,650	8,625	–	–
Total loans under reverse repurchase agreements	18,837	20,423	14,880	15,658

5. Due from credit institutions

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Term deposits in banks	15,173	10,177
Less – credit loss allowance	(42)	(22)
Total due from credit institutions	15,131	10,155

ROSBANK Group
SELECTED NOTES TO THE PUBLIC INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
30 JUNE 2024 (UNAUDITED)

6. Financial assets at fair value through profit or loss

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Debt securities of the Russian Federation	13,118	9,152
Derivative financial instruments (Note 7)	15,463	27,998
Shares	126	138
Total financial assets at fair value through profit or loss	28,707	37,288

Debt securities at fair value through profit or loss are recognized at fair value, which also reflects an appropriate credit risk related write-off and provides the most accurate information about the Group's maximum exposure to credit risk.

Debt securities at fair value through profit or loss are not collateralized.

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Debt securities		
Debt securities of the Russian Federation	10 365	9 152
Debt securities of Russian companies	1 914	–
Eurobonds of Russian companies	839	–
Total debt securities	13 118	9 152

7. Derivative financial instruments

Derivative financial instruments comprise:

(in millions of Russian Roubles)

<i>(in millions of Russian Roubles)</i>	Nominal value	30 June 2024 Fair value (unaudited)		Nominal value	31 December 2023 Fair value	
		Assets	Liabilities		Assets	Liabilities
Derivative financial instruments						
Foreign exchange and interest rate contracts						
Swaps	6,691	196	(18)	19,364	21	(8)
Forwards	51,120	2,870	(442)	51,689	533	(662)
IRS/CIRS/CDS	126,847	12,118	(1,884)	190,213	27,108	(8,857)
Foreign exchange and interest rate options	14,560	265	(26)	22,486	309	(51)
Total foreign exchange and interest rate contracts		15,449	(2,370)		27,971	(9,578)
Contracts on precious metals, commodities and equities						
Options	266	14	(14)	266	27	(27)
Total contracts on precious metals, commodities and equities		14	(14)		27	(27)
Total derivative financial instruments		15,463	(2,384)		27,998	(9,605)

Embedded derivatives

The Group issued structural bonds with embedded derivatives included in financial assets at fair value through profit and loss. On 30 April 2024 these structural bonds were redeemed in accordance with the maturity date under the terms of the issue. Details of the redemption are disclosed in Note 14. As at 31 December 2023, the fair value of embedded derivatives in amount of RUB 604 million included in financial assets at fair value through profit or loss.

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8. Investments at fair value through other comprehensive income

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Bonds of Russian Federation	64,372	34,381
Bonds of Russian companies	23,542	–
Shares of Russian companies	4,730	–
Total investments at fair value through other comprehensive income	92,644	34,381

As of 30 June 2024 and 31 December 2023, securities measured at fair value through other comprehensive income are not collateralized.

9. Investments at amortised cost

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Bonds of the Russian Federation and its subjects	43,340	43,292
Eurobonds of the Russian Federation	16,332	17,655
Bonds of Russian companies	16,456	17,828
Debt securities of local authorities	2,206	2,206
Bonds of Russian banks	1,684	1,683
Eurobonds of Russian companies	429	453
Digital financial assets for monetary claims	533	303
Less – credit loss allowance	(216)	(258)
Total investments at amortised cost	80,764	83,162

As of 30 June 2024 and 31 December 2023, securities measured at amortized cost are not collateralized.

10. Loans to customers

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Loans at amortised cost		
Loans to Corporate business		
Loans to legal entities	610,622	649,213
Loans to Retail business		
Loans to individuals	842,551	780,009
Total loans at amortized cost	1,453,173	1,429,222
Net investments in finance lease	59,407	50,718
Loans at fair value through other comprehensive income		
Loans to individuals	4,317	4,981
Total loans at fair value through other comprehensive income	4,317	4,981
Total loans to customers before credit loss allowance	1,516,897	1,484,921
Less – credit loss allowance	(39,227)	(38,373)
Total loans to customers	1,477,670	1,446,548

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10. Loans to customers (Continued)

Loans to individuals comprise the following products:

(in millions of Russian Roubles)

	30 June 2024 (unaudited)		
	Gross amount	Less credit loss allowance	Net amount
Mortgage loans	407,757	(3,000)	404,757
Car loans	307,256	(6,652)	300,604
Consumer loans	97,596	(12,478)	85,118
Overdraft	19,469	(2,795)	16,674
Loans to VIP clients and employees	1,349	(54)	1,295
Loans to Individual entrepreneurs	13,441	(969)	12,472
	846,868	(25,948)	820,920

(in millions of Russian Roubles)

	31 December 2023		
	Gross amount	Less credit loss allowance	Net amount
Mortgage loans	414,466	(4,262)	410,204
Car loans	231,843	(5,204)	226,639
Consumer loans	106,219	(14,198)	92,021
Overdraft	17,809	(2,708)	15,101
Loans to VIP clients and employees	1,324	(58)	1,266
Loans to Individual entrepreneurs	13,329	(1,062)	12,267
	784,990	(27,492)	757,498

Loans at fair value through other comprehensive income are represented by mortgage loans and amount to RUB 4,317 million as at 30 June 2024 (31 December 2023: RUB 4,981 million).

As of 30 June 2024 and 31 December 2023 the credit quality of loans to customers is presented below:

(in millions of Russian Roubles)

	30 June 2024 (unaudited)				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to corporate business	564,953	28,304	17,365	–	610,622
Net investments in finance lease	53,751	5,114	542	–	59,407
Loans to retail business	824,374	4,388	17,985	121	846,868
Total loans to customers before credit loss allowance	1,443,078	37,806	35,892	121	1,516,897
Less – credit loss allowance	(12,712)	(1,253)	(25,261)	(1)	(39,227)
Total loans to customers	1,430,366	36,553	10,631	120	1,477,670

(in millions of Russian Roubles)

	31 December 2023				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to corporate business	616,238	26,007	6,968	–	649,213
Net investments in finance lease	47,604	1,756	1,358	–	50,718
Loans to retail business	765,373	2,856	16,629	132	784,990
Total loans to customers before credit loss allowance	1,429,215	30,619	24,955	132	1,484,921
Less – credit loss allowance	(15,664)	(1,015)	(21,717)	(2)	(38,398)
Total loans to customers	1,413,551	29,604	3,238	130	1,446,523

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11. Financial liabilities at fair value through profit or loss

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Derivative financial instruments	2,384	9,605
Short position on securities	11,550	9,016
Total financial liabilities at fair value through profit or loss	13,934	18,621

Derivative financial instruments are disclosed in Note 7.

12. Due to banks

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Term deposits and other borrowings	165,336	70,567
Accounts on demand	88,834	85,091
Loans under repurchase agreements	13,445	3,266
Total due to banks	267,615	158,924

13. Customer accounts

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Corporate		
Term deposits and other borrowings	392,150	409,684
Deposits on demand	415,666	555,685
Total corporate	807,816	965,369
Individuals		
Term deposits and other borrowings	435,760	357,590
Deposits on demand	258,880	262,066
Total individuals	694,640	619,656
Total customer accounts	1,502,456	1,585,025

14. Debt securities issued

(in millions of Russian Roubles)

	Annual coupon rate, %	30 June 2024 (unaudited)	Annual coupon rate, %	31 December 2023
Bonds of Rosbank due in 2024-2026	6.90%-13.50%	4,780	7.65%-12.00%	7,939
Exchange-traded structural bonds of Rosbank due in 2024	—	—	9.89% RUONIA+1%	10,193
Digital financial assets on the Moscow Exchange index	Index iMOEX	110	Index iMOEX	102
Total debt securities issued		4,890		18,234

The exchange-traded structural bonds of PJSC Rosbank due in 2024 and issued digital financial assets on the Moscow Exchange index are accounted for as separate instruments – liabilities at amortized cost and embedded derivatives.

The rates presented above are the rates at which the amortized cost of the host contract is calculated after being divided into two instruments.

14. Debt securities issued (Continued)

During the period January – June 2024 the following bonds were redeemed:

Issuer	Issue date	Maturity date	Repayment volume mRUB	Annual coupon rate, %
Rosbank	27.03.2014	27.03.2024	249	7,55%
Rosbank	30.04.2014	30.04.2024	2,000	9,89%
Rosbank	30.04.2014	30.04.2024	2,000	RUONIA +1%
Rosbank	30.04.2014	30.04.2024	3,000	9,89%
Rosbank	30.04.2014	30.04.2024	3,000	RUONIA +1%

During the period January – June 2023 the following bonds were issued:

Issuer	Issue date	Maturity date	Repayment volume mRUB	Annual coupon rate, %
Rosbank	07.04.2023	09.04.2026	3,000	9,85%

During the period January – June 2023 the following bonds were redeemed:

Issuer	Issue date	Maturity date	Repayment volume mRUB	Annual coupon rate, %
Rosbank	12.09.2019	16.03.2023	15,000	7,55%

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15. Net interest income

(in millions of Russian Roubles)

	6 months ended 30 June (unaudited)		3 months ended 30 June (unaudited)	
	2024	2023	2024	2023
Interest income at effective interest rate				
<i>Interest income on financial assets recorded at amortized cost</i>				
Interest on loans to individuals	58,056	31,329	29,733	16,278
Interest on loans to corporate customers	47,270	17,333	23,934	9,984
Interest on due from credit institutions	17,103	11,733	8,112	6,084
Interest on investments at amortised cost	3,099	2,932	1,538	1,497
<i>Interest income on financial assets recorded at fair value through other comprehensive income</i>				
Interest income on investments at fair value through other comprehensive income	4,905	6	3,227	3
Interest on loans to individuals at fair value through other comprehensive income	263	315	129	154
Total interest income at effective interest rate	130,696	63,648	66,673	34,000
Other interest income				
Finance lease receivables	4,153	2,131	2,246	1,137
Interest income on financial assets at fair value through profit and loss	663	286	388	183
Total other interest income	4,816	2,417	2,634	1,320
Total interest income	135,512	66,065	69,307	35,320
Interest expense at effective interest rate				
<i>Interest expense on financial liabilities recorded at amortized cost</i>				
Interest on corporate customer accounts	48,560	22,329	24,538	13,102
Interest on deposits from individuals	38,552	9,190	20,129	4,738
Interest on debt securities issued	341	1,390	156	609
Interest on deposits from banks	12,601	326	7,338	171
Interest on subordinated debt	715	588	353	347
Interest on deposits of the Central Bank of the Russian Federation	46	16	22	12
Total interest expense calculated using effective interest rate	100,815	33,839	52,536	18,979
Other interest expense				
Lease liabilities	290	275	145	146
Total other interest expense	290	275	145	146
Total interest expense	101,105	34,114	52,681	19,125
Deposit insurance expense	1,850	1,089	953	561
Net interest income	32,557	30,862	15,673	15,634

16. Credit loss expense and other provisions

(in millions of Russian Roubles)

	6 months ended 30 June (unaudited)		3 months ended 30 June (unaudited)	
	2024	2023	2024	2023
Stage 1 net allocations	(2,808)	(449)	(1,396)	534
Stage 2 net allocations	745	675	20	(137)
Stage 3 net allocations	4,841	1,771	3,875	1,063
POCI net allocations	(1)	(5)	–	(5)
Recoveries of loans written off	(8)	(4)	(5)	(1)
Write offs not covered by provisions	46	54	31	44
Credit loss expenses	2,815	2,042	2,525	1,498

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16. Credit loss expense and other provisions (Continued)

An analysis of changes in the ECLs for loans to customers for 6 months ended 30 June 2024 is, as follows:

(in millions of Russian Roubles)

	Loans to Corporate business	Financial leasing	Loans to Retail business	Total
Stage 1				
ECL as at 1 January 2024	2,722	244	12,698	15,664
New originated or purchased	2,228	125	3,138	5,491
Transfers to Stage 1	3	4	333	340
Transfers to Stage 2	(54)	(17)	(72)	(143)
Transfers to Stage 3	(126)	(7)	(155)	(288)
Net allocations	(2,602)	(73)	(5,607)	(8,282)
Other movements	(57)	–	(10)	(67)
ECL as at 30 June 2024 (unaudited)	2,114	276	10,325	12,715
Stage 2				
ECL as at 1 January 2024	168	19	828	1,015
New originated or purchased	162	17	182	361
Transfers to Stage 1	(3)	(2)	(139)	(144)
Transfers to Stage 2	54	17	173	244
Transfers to Stage 3	–	(2)	(608)	(610)
Net allocations	(255)	–	645	390
Other movements	–	–	–	–
ECL as at 30 June 2024 (unaudited)	126	49	1,081	1,256
Stage 3				
ECL as at 1 January 2024	6,532	1,196	13,989	21,717
Transfers to Stage 1	–	(2)	(194)	(196)
Transfers to Stage 2	–	–	(101)	(101)
Transfers to Stage 3	126	9	763	898
Net allocations	3,719	(731)	1,869	4,857
Amounts sold and written off	–	(134)	(1,747)	(1,881)
Other movements	–	–	(11)	(11)
ECL as at 30 June 2024 (unaudited)	10,377	338	14,568	25,283
POCI				
ECL as at 1 January 2024	–	–	2	2
Allowance charge	–	–	(1)	(1)
ECL as at 30 June 2024 (unaudited)	–	–	1	1
Total at 1 January 2024	9,422	1,459	27,517	38,398
Total at 30 June 2024 (unaudited)	12,617	663	25,975	39,255

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16. Credit loss expense and other provisions (Continued)

An analysis of changes in the ECLs for loans to customers for 3 months ended 30 June 2024 is, as follows:

(in millions of Russian Roubles)

	Loans to Corporate business	Financial leasing	Loans to Retail business	Total
Stage 1				
ECL as at 31 March 2024 (unaudited)	2,654	267	11,388	14,309
New originated or purchased	1,141	62	1,433	2,636
Transfers to Stage 1	—	2	64	66
Transfers to Stage 2	(35)	(6)	(2)	(43)
Transfers to Stage 3	(126)	(2)	(88)	(216)
Net allocations	(1,457)	(46)	(2,452)	(3,955)
Other movements	(63)	(1)	(18)	(82)
ECL as at 30 June 2024 (unaudited)	2,114	276	10,325	12,715
Stage 2				
ECL as at 31 March 2024 (unaudited)	138	35	1,004	1,177
New originated or purchased	106	16	166	288
Transfers to Stage 1	—	(2)	(11)	(13)
Transfers to Stage 2	35	6	39	80
Transfers to Stage 3	—	(1)	(11)	(12)
Net allocations	(153)	(5)	(106)	(264)
Other movements	—	—	—	—
ECL as at 30 June 2024 (unaudited)	126	49	1,081	1,256
Stage 3				
ECL as at 31 March 2024 (unaudited)	6,665	1,255	15,112	23,032
Transfers to Stage 1	—	—	(53)	(53)
Transfers to Stage 2	—	—	(37)	(37)
Transfers to Stage 3	126	3	99	228
Net allocations	3,589	(851)	1,143	3,881
Amounts sold and written off	—	(69)	(1,676)	(1,745)
Other movements	(3)	—	(20)	(23)
ECL as at 30 June 2024 (unaudited)	10,377	338	14,568	25,283
POCI				
ECL as at 31 March 2024 (unaudited)	—	—	1	1
Allowance charge	—	—	—	—
ECL as at 30 June 2024 (unaudited)	—	—	1	1
Total at 31 March 2024 (unaudited)	9,457	1,557	27,505	38,519
Total at 30 June 2024 (unaudited)	12,617	663	25,975	39,255

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16. Credit loss expense and other provisions (Continued)

An analysis of changes in the ECLs for loans to customers for 6 months ended 30 June 2023 is, as follows:

(in millions of Russian Roubles)

	Loans to Corporate business	Financial leasing	Loans to Retail business	Total
Stage 1				
ECL as at 1 January 2023	1,288	160	13,341	14,789
New originated or purchased	1,603	92	4,654	6,349
Transfers to Stage 1	39	10	523	572
Transfers to Stage 2	(5)	(6)	(79)	(90)
Transfers to Stage 3	—	(1)	(124)	(125)
Net allocations	(1,243)	(49)	(5,454)	(6,746)
Other movements	71	3	66	140
ECL as at 30 June 2023 (unaudited)	1,753	209	12,927	14,889
Stage 2				
ECL as at 1 January 2023	208	22	966	1,196
New originated or purchased	275	5	1	281
Transfers to Stage 1	(39)	(10)	(219)	(268)
Transfers to Stage 2	5	6	159	170
Transfers to Stage 3	(2)	—	(623)	(625)
Net allocations	(303)	(10)	646	333
Other movements	1	—	—	1
ECL as at 30 June 2023 (unaudited)	145	13	930	1,088
Stage 3				
ECL as at 1 January 2023	5,849	323	16,177	22,349
Transfers to Stage 1	—	—	(304)	(304)
Transfers to Stage 2	—	—	(80)	(80)
Transfers to Stage 3	2	1	747	750
Net allocations	253	740	831	1,824
Amounts sold and written off	—	(19)	(2,893)	(2,912)
Other movements	13	18	64	95
ECL as at 30 June 2023 (unaudited)	6,117	1,063	14,542	21,722
POCI				
ECL as at 1 January 2023	—	—	7	7
Allowance charge	—	—	(5)	(5)
ECL as at 30 June 2023 (unaudited)	—	—	2	2
Total at 1 January 2023	7,345	505	30,491	38,341
Total at 30 June 2023 (unaudited)	8,015	1,285	28,401	37,701

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16. Credit loss expense and other provisions (Continued)

An analysis of changes in the ECLs for loans to customers for 3 months ended 30 June 2023 is, as follows:

(in millions of Russian Roubles)

	Loans to Corporate business	Financial leasing	Loans to Retail business	Total
Stage 1				
ECL as at 31 March 2023 (unaudited)	1,436	193	12,591	14,220
New originated or purchased	951	43	2,592	3,586
Transfers to Stage 1	1	9	164	174
Transfers to Stage 2	—	—	9	9
Transfers to Stage 3	—	(1)	(88)	(89)
Net allocations	(672)	(36)	(2,378)	(3,086)
Other movements	37	1	37	75
ECL as at 30 June 2023 (unaudited)	1,753	209	12,927	14,889
Stage 2				
ECL as at 31 March 2023 (unaudited)	229	18	1,010	1,257
New originated or purchased	119	4	—	123
Transfers to Stage 1	(1)	(9)	(53)	(63)
Transfers to Stage 2	—	—	42	42
Transfers to Stage 3	(2)	—	(15)	(17)
Net allocations	(200)	—	(54)	(254)
Other movements	—	—	—	—
ECL as at 30 June 2023 (unaudited)	145	13	930	1,088
Stage 3				
ECL as at 31 March 2023 (unaudited)	5,995	602	16,361	22,958
Transfers to Stage 1	—	—	(111)	(111)
Transfers to Stage 2	—	—	(51)	(51)
Transfers to Stage 3	2	1	103	106
Net allocations	116	479	498	1,093
Amounts sold and written off	—	(13)	(2,293)	(2,306)
Other movements	4	(6)	35	33
ECL as at 30 June 2023 (unaudited)	6,117	1,063	14,542	21,722
POCI				
ECL as at 31 March 2023 (unaudited)	—	—	7	7
Allowance charge	—	—	(5)	(5)
ECL as at 30 June 2023 (unaudited)	—	—	2	2
Total at 1 31 March 2023 (unaudited)	7,660	813	29,969	38,442
Total at 30 June 2023 (unaudited)	8,015	1,285	28,401	37,701

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17. Fee and commission income and expense

(in millions of Russian Roubles)

	6 months ended 30 June (unaudited)		3 months ended 30 June (unaudited)	
	2024	2023	2024	2023
Fee and commission income				
Settlements	4,130	4,261	1,999	2,232
Plastic cards operations	3,318	2,707	1,808	1,396
Documentary operations	1,850	1,161	957	595
Agency operations	1,687	1,672	794	932
Internet bank	887	724	487	409
Depository operations	347	478	171	277
Cash operations	243	308	115	159
Other operations	376	373	193	191
Total fee and commission income	12,838	11,684	6,524	6,191
Fee and commission expense				
Plastic cards operations	2,542	1,792	1,156	950
Settlements	2,212	1,938	1,136	988
Agency operations	2,078	820	1,107	514
Other operations	555	262	376	120
Total fee and commission expense	7,387	4,812	3,775	2,572

18. Operating expenses

(in millions of Russian Roubles)

	6 months ended 30 June (unaudited)		3 months ended 30 June (unaudited)	
	2024	2023	2024	2023
Salary and bonuses	16,773	10,867	10,787	5,713
Unified social tax contribution	3,676	2,751	1,975	1,460
Depreciation charge on property and equipment and right-of-use assets	3,851	4,157	2,007	1,976
Professional services	1,307	1,201	662	634
Repairs and maintenance expense	1,082	1,160	378	605
Advertising and marketing expenses	1,062	2,134	267	1,295
Communications	412	417	196	208
Operating lease expense	169	121	105	66
Transportation expenses	117	212	19	181
Security	54	65	12	21
Other	636	882	267	401
Total operating expenses	29,139	23,967	16,675	12,560

19. Earnings per share and dividends

Basic earnings per share are calculated as the earnings attributable to ordinary shareholders of the Bank dividing by the weighted average number of ordinary shares outstanding during the period less treasury shares. The Bank has no potentially dilutive ordinary shares.

The total number of issued ordinary shares is 1,551,401,853 with a par value of RUB 10 each.

Based on the results of the annual General Meeting of Shareholders of the Bank held on 16 May 2024, dividends for 2023 in the amount of RUB 4,161 million were declared to shareholders (RUB 2.9 per 1 ordinary share). Dividends for 2023 in the above amount were paid to shareholders in June 2024.

Based on the results of the annual General Meeting of Shareholders of the Bank held on 29 May 2023, dividends for 2022 in the amount of RUB 4,162 million were declared to shareholders (RUB 2.9 per 1 ordinary share) in June 2023. Dividends for 2022 in the above amount were paid to shareholders at the end of June 2023.

20. Commitments and contingencies

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the statement of financial position.

The Group's maximum exposure to credit risk under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments.

The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations. Extension of loans to customers within credit line limits is approved by the Group on a case-by-case basis and depends on borrowers' financial performance, debt service and other conditions.

As of 30 June 2024 and 31 December 2023, the nominal amounts of contingent liabilities and credit commitments (or amounts according to agreements) amounted to:

(in millions of Russian Roubles)

	30 June 2024 (unaudited)	31 December 2023
Guarantees issued and similar commitments	262,267	252,536
Commitments on loans and unused credit lines	64,895	61,969
Letters of credit and other transaction related contingent obligations	8,058	20,726
Total contingent liabilities and credit commitments	335,220	335,231

The Group has commitments to provide funds under credit lines facilities. However, the Group has a right not to exercise such commitments due to certain conditions.

Legal proceedings

From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates, management is of the opinion that no material losses will be incurred in respect of claims except for those cases where provision has been made in the public interim condensed consolidated financial statements.

Taxation

The current provisions of the Russian tax legislation are characterized by a significant degree of uncertainty, allow ambiguous interpretation, selective and inconsistent application, and are subject to frequent changes with the possibility of their retrospective application. Every year the approach of the Russian tax authorities in interpreting tax legislation becomes tougher. As a result, previously uncontested tax accounting positions could be challenged in future tax audits.

Consequently, the Group adopts interpretations of such uncertain matters from time to time. Management currently believes that the tax positions and interpretations that the Group has taken can be sustained, however, it is not probable that an outflow of resources will be required should such tax positions and interpretations be challenged by the relevant authorities. The impact of any such challenge cannot currently be reliably estimated; at current estimates, it may not be significant to the financial position and/or the overall operations of the Group.

Russian transfer pricing regulations set out reporting and documentation requirements of the Group's companies aimed to control prices in transactions between related parties and certain transactions with related parties. In light of the uncertainty and absence of extensive practice of application of the Russian transfer pricing legislation it cannot be excluded that in case the prices applied in controlled transactions differ from the market level, the amounts of taxable income/expenses on such transactions could be disputed by the Russian tax authorities, including based on special rules provided for transactions with securities and derivative financial instruments.

20. Commitments and contingencies (Continued)

The sum of potential liabilities from tax authorities pertaining to the transfer pricing could not be reliably estimated. Nonetheless, in the Management's opinion prices applied by the related parties of the Group in controlled transactions and as well as in transactions between Russian related parties at arm length principle; the Group's methodology for determining market level in transactions between related parties comply with the Russian transfer pricing rules.

Russian tax legislation sets out a number of double tax treaty application requirements to be met in order to apply a tax exemption or reduced withholding tax rates to payments made in favor of non-residents. The implementation of these requirements is associated with an increase of the administrative, and, in some cases, the tax burden on Russian taxpayers. The Group companies apply a tax exemption or reduced withholding tax rates envisaged by the double tax treaties concluded by Russia to payments made in favor of non-residents based on the established procedure for analyzing and documenting the beneficial ownership of the income recipient. In the Management's opinion the procedures applied by the Group allow to minimize the potential tax risks arising from taxation of income paid in favor of non-residents.

The Russian tax law sets out the general anti-avoidance rules that allow the Russian tax authorities to deny recovery of input VAT and challenge the deductibility of certain expenses for profits tax purposes. In the Management's opinion the Group companies comply with the general anti-avoidance rules.

Introduction of sanctions against the Russian Federation and some of its residents – organizations and individuals by several countries starting from 2022 and up to the present time has affected many processes, including taxation, of companies in various industries around the world. In these circumstances the Group companies comply with all tax legislation requirements for reporting and paying taxes on time.

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.

In the opinion of Management in 1 half of 2024 the provisions of the tax legislation were appropriately applied to the Group companies.

Operating environment

Emerging markets such as Russian Federation are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks.

Laws and regulations affecting businesses in Russian Federation continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Russian Federation is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

Because Russian Federation produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market, which has shown significant degree of volatility over 2023-2024.

In the first half of 2024 the USA imposed sanctions against the Moscow Exchange, limiting exchange trading in foreign currencies. The Bank of Russia decided to set the exchange rate of the US dollar and the Euro based on information on off-market transactions between banks. Relatively stable dynamics of the trade balance, ongoing measures to repatriate foreign exchange proceeds by exporters and the Bank of Russia's operations in the foreign exchange market led to the strengthening of the national currency from 89.6883 to 84.9640 (US dollar) and from 99.1919 to 90.9874 (Euro).

20. Commitments and contingencies (Continued)

The Russian economy is affected by geopolitical events taking place since 2022. Significant geopolitical tensions persisted in the 1 half of 2024. A number of countries have imposed significant sanctions on Russian businesses and individuals, including major Russian companies and entire sectors of the economy, which have led to disruptions in global financial markets. In addition, a number of transnational groups have suspended or ceased their business activities in the Russian Federation, resulting in supply chain disruptions, reduced production and international trade in general. Despite the recovery in trading volumes, financial and commodity markets continue to demonstrate volatility.

In the 1 half of 2024, the Russian economy remained stable with a growth of GDP by 5 % (3.6% in 2023). In order to limit inflation risks against the backdrop of gradual recovery of economic activity, the Bank of Russia raised the key rate several times: from 7.5% to 16% as of 31 December 2023. Over the 1 half of 2024, the key rate has been kept unchanged at 16%.

Starting from March 2022, the Government and the Bank of Russia have been taking measures to stabilize the economy of the Russian Federation and support businesses in general and certain industries. These measures include, among other things, credit vacations on loans to small and medium-sized enterprises and individuals; modification of loan agreements and floating rate loan agreements for certain borrowers; temporary restrictive economic measures on foreign currency deposits by residents in their foreign bank accounts; restrictions on dividends and other payments on securities to foreign investors; restrictions on entering into transactions with persons in a number of foreign countries, as well as restrictions on the transfer of foreign currency to their accounts in foreign banks.

It is expected that these events may affect the activities of Russian organizations in various sectors of the economy.

In December 2022, the U.S. Treasury Department has included Rosbank on its SDN List. On 25 February 2023, the Group was included in the 10th EU sanctions package.

The management has taken all the necessary measures to ensure the smooth operation of the Group and the fulfillment of all obligations to customers.

The Group has all the necessary financial and technological capabilities to continue its core operations as usual and develop new products and services in the interests of customers. The Bank and the Group have sufficient liquidity to continue as a going concern and comply with mandatory ratios for the foreseeable future.

The Group continues to assess the impact of the current geopolitical situation and changes in economic conditions on its operational activity, financial position and financial results.

21. Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes);
- Unquoted equities and debt securities classified at fair value through other comprehensive income are valued using models that use both observable and unobservable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates;
- For loans and advances to banks and customers and deposits by banks and customers and promissory notes issued at variable rates management believes that carrying value may be assumed to be fair value;

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21. Fair value of financial instruments (Continued)

- For loans and advances to banks and customers and deposits by banks and customers and promissory notes issued at fixed rates fair value has been estimated by reference to the market rates available at the balance sheet date for similar instruments of maturity equal to the remaining fixed period;
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Fair value measurements recognised in the public interim condensed consolidated statement of financial position

For the purpose of fair value hierarchy disclosure as at 30 June 2024 and 31 December 2023, the Group has categorized classes of assets and liabilities at fair value into Level 1 to 3 based on the degree to which their fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

	30 June 2024 (unaudited)				31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value or revalued amount								
Financial assets at fair value through profit or loss	5,852	22,855	–	28,707	1,059	36,229	–	37,288
Investments at fair value through other comprehensive income	92,644	–	–	92,644	34,381	–	–	34,381
Loans at fair value through other comprehensive income	–	4,317	–	4,317	–	4,981	–	4,981
Property and equipment	–	–	8,070	8,070	–	–	8,959	8,959
Total assets measured at fair value or revalued amount	98,496	27,172	8,070	133,738	35,440	41,210	8,959	85,609
Financial liabilities measured at fair value								
Financial liabilities at fair value through profit or loss	11,550	2,384	–	13,934	9,016	9,605	–	18,621
Total financial liabilities measured at fair value	11,550	2,384	–	13,934	9,016	9,605	–	18,621

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21. Fair value of financial instruments (Continued)

Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value are as follows:

(in millions of Russian Roubles)	30 June 2024 (unaudited)					31 December 2023				
	Level 1	Level 2	Level 3	Total	Carrying value	Level 1	Level 2	Level 3	Total	Carrying value
Financial assets										
Total financial assets	75,271	238,094	1,506,553	1,819,918	1,920,650	90,960	304,043	1,469,067	1,864,070	1,957,554
Including:										
Cash and cash equivalents	12,343	225,103	–	237,446	237,446	15,337	299,252	–	314,589	314,589
Mandatory cash balances with the Central Bank of the Russian Federation	–	6,943	–	6,943	6,943	–	3,407	–	3,407	3,407
Due from credit institutions	–	–	15,131	15,131	15,131	–	–	10,155	10,155	10,155
Loans to customers	–	–	1,384,409	1,384,409	1,473,353	–	–	1,354,238	1,354,238	1,441,567
Investments at amortized cost	62,928	6,048	–	68,976	80,764	75,623	1,384	–	77,007	83,162
Financial liabilities										
Total financial liabilities	–	782,800	1,077,882	1,860,682	1,867,871	4,028	918,942	917,723	1,840,693	1,846,457
Including:										
Due to the Central Bank of the Russian Federation	–	1,232	–	1,232	1,232	–	1,335	–	1,335	1,335
Due to banks	–	102,279	165,336	267,615	267,615	–	85,091	73,833	158,924	158,924
Customer accounts	–	674,547	820,868	1,495,415	1,502,456	–	817,752	760,951	1,578,703	1,585,025
Debt securities issued	–	4,742	–	4,742	4,890	4,028	14,764	–	18,792	18,234
Subordinated debt	–	–	14,631	14,631	14,631	–	–	15,515	15,515	15,515

The fair value of instruments quoted in Level 1, Level 2 or Level 3 is estimated based on an analysis of market activity (liquidity of the instrument). In determining market activity, the number of transactions and trading volume for the 90 trading days preceding the measurement date is assessed. The criteria for recognizing a market as active are set out in the Group's internal documents. As a rule, liquidity of an individual instrument remains stable. If at the reporting date the fair value of an instrument cannot be measured using Level 1 inputs, it is measured using Level 2 or Level 3 inputs and transferred to the appropriate level of the fair value hierarchy.

In 1 half of 2024, there were transfers from Level 1 to Level 2 of securities in the line "Investments at amortised cost" in the fair value amount of RUB 4,382 million as at 30 June 2024 and in line "Debt securities issued" in the fair value amount of RUB 3,068 million as at 30 June 2024 as a result of a decrease in trading volume on these securities below the threshold set by the Group's internal methodology over the last 90 trading days.

For financial instruments measured at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy and re-assesses the categorization at the end of each reporting period.

22. Segment reporting

The presentation of the Group's segment reporting is based on the main business lines, which have their own development strategies, separate management procedures and product specialization, as well as the results of which are regularly reviewed by management for management decisions.

Information for the assessment performance by types of reportable segments of the Group is provided to the Management Board of the Bank. The Group's reportable segments under IFRS 8 "Operating segments" are therefore as follows:

- Retail banking – representing private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- Corporate banking – representing direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products.
- Treasury and Financial institutions – representing all trading financial instruments recognized and measured at fair value through profit and loss as well as loans and borrowings initiated through interbank transactions.

Measurement of segment profit and loss, assets and liabilities

Segment reporting approaches are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2023¹, unless otherwise noted.

The Group evaluates segment operating results based on profit before tax.

For the purposes of segment disclosures, net gain/(loss) on financial operations includes the following: net gain/(loss) on financial assets and liabilities at fair value through profit or loss, except for currency swaps and forward contracts; net gain/(loss) on foreign currency derivatives and foreign exchange; net gain/(loss) on investments at fair value through profit or loss and at amortized cost.

Segment reporting is presented below.

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22. Segment reporting (Continued)

<i>(in millions of Russian Roubles)</i>	Retail banking	Corporate banking	Treasury and Financial institutions	Unallocated	6 months ended 30 June 2024 (unaudited)
Net interest margin	21,624	13,748	2,781	(5,596)	32,557
Credit loss expense	(551)	(2,318)	1,083	(1,029)	(2,815)
Net gain/(loss) on financial transactions	207	226	(3,789)	1,753	(1,603)
Net fee and commission income	3,220	2,537	423	(729)	5,451
Net change in provisions for impairment and other provisions	–	–	7,417	(1,128)	6,289
Other income	420	377	(213)	77	661
(Expense)/income other segments	(3,151)	(1,166)	(2,335)	6,652	–
Total operating income	21,769	13,404	5,367	–	40,540
Operating expenses	(22,165)	(5,632)	(1,406)	64	(29,139)
(Expense)/income from other segments	34	22	8	(64)	–
Other non-operating income/(expense)	1	1	–	–	2
Profit before income tax	(361)	7,795	3,969	–	11,403
Income tax expense	(595)	(291)	(782)	–	(1,668)
Net profit for the period	(956)	7,504	3,187	–	9,735
Segment assets as at 30 June 2024 (unaudited)	1,003,564	880,139	130,433	103,931	2,118,067
Segment liabilities as at 30 June 2024 (unaudited)	703,479	855,419	245,860	84,832	1,889,590
<i>(in millions of Russian Roubles)</i>	Retail banking	Corporate banking	Treasury and Financial institutions	Unallocated	6 months ended 30 June 2023 (unaudited)
Net interest margin	13,769	11,220	1,513	4,360	30,862
Credit loss expense	(742)	(1,159)	8	(149)	(2,042)
Net gain/(loss) on financial transactions	370	–	10,298	2,304	12,972
Net fee and commission income	4,568	1,930	374	–	6,872
Net change in provisions for impairment and other provisions	–	–	–	(2,161)	(2,161)
Other income	169	85	(60)	211	405
(Expense)/income other segments	2,250	1,120	1,195	(4,565)	–
Total operating income	20,384	13,196	13,328	–	46,908
Operating expenses	(17,175)	(4,881)	(1,423)	(488)	(23,967)
(Expense)/income from other segments	(307)	(138)	(43)	488	–
Other non-operating income/(expense)	(6)	(3)	(26)	–	(35)
Profit before income tax	2,896	8,174	11,836	–	22,906
Income tax expense	(542)	(1,615)	(1,994)	–	(4,151)
Net profit for the period	2,354	6,559	9,842	–	18,755
Segment assets as at 31 December 2023	949,166	821,289	289,858	39,981	2,100,294
Segment liabilities as at 31 December 2023	635,054	1,068,884	93,715	76,391	1,874,044

23. Subsequent events

On 12 July 2024, Federal Law No. 176-FZ "On Amending Part 1 and Part 2 of the Russian Tax Code, Specific Regulations of the Russian Federation and Invalidating Certain Provisions of Regulations of the Russian Federation" (published on 12 July 2024, the "Law"). Under the Law, corporate income tax rate was increased from 20% to 25%. This change is effective from 1 January 2025. The Group's Management is currently assessing the impact of the Law on its financial statements.

On 26 July 2024, the Bank of Russia increased the key interest rate from 16% to 18%.

On 15 August 2024, IPJSC TCS Holding acquired a controlling stake in ordinary shares of PJSC ROSBANK, total ownership interest of the holding company, including the share of its affiliates, amounting to 99.4%. In addition, IPJSC TCS Holding submitted an offer to the Bank of Russia to buy the remaining shares from minority shareholders.

The transaction to integrate PJSC ROSBANK is a strategic project aimed at significantly strengthening the Group's position in the financial market and building a strong capital position of the combined Group for further outperforming business growth, increasing return on equity and maximising the Group's shareholder value.