

**Summary Consolidated Financial Statements and
Independent Auditor's Report
ROSBANK Group
for 2022**

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Independent Auditor's Report on the Summary Consolidated Financial Statements

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

Opinion

In our opinion, the summary consolidated financial statements of Public joint-stock company ROSBANK (the "Bank") and its subsidiaries (together – the "Group") are consistent, in all material respects, with the audited consolidated financial statements on the basis described in the Note 1 "Basis of preparation of Summary Consolidated Financial Statements".

Summary consolidated financial statements

The Group's summary consolidated financial statements prepared based on the audited consolidated financial statements for the year ended 31 December 2022 comprise:

- the summary consolidated statement of financial position as at 31 December 2022;
- the summary consolidated statement of profit or loss for the year then ended;
- the corresponding selected notes to the summary consolidated financial statements.

The summary consolidated financial statements do not include all necessary information required for disclosure in accordance with International Financial Reporting Standards. Therefore, reading the summary consolidated financial statements and the auditor's report thereon does not substitute reading the audited consolidated financial statements and the auditor's report thereon. The audited consolidated financial statements and the summary consolidated financial statements do not reflect the impact of events occurred after the date of our report on the audited consolidated financial statements.

Audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report of 16 March 2023. This report also includes information on key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited consolidated financial statements of the current period.

Responsibilities of management for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in the Note 1 "Basis of preparation of Summary Consolidated Financial Statements".

Auditor's responsibility

We are responsible for expressing an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on the procedures performed by us in accordance with International Standard on Auditing (ISA) 810 (Revised) "Engagements to Report on Summary Financial Statements".

21 March 2023

Moscow, Russian Federation



N. V. Kossova 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

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2022 (in millions of Russian Roubles)

	Notes	31 December 2022	31 December 2021
ASSETS			
Cash and cash equivalents		443,182	436,856
Mandatory cash balances with the Central Bank of the Russian Federation		2,122	11,627
Due from credit institutions		49,971	21,280
Securities and derivative financial assets		113,635	153,283
Loans to customers	2	911,502	897,420
Property and equipment and right-of-use assets		21,492	24,182
Intangible assets		12,210	11,270
Current income tax assets		351	510
Deferred income tax assets		7,927	404
Other assets		32,336	14,893
Total assets		1,594,728	1,571,725
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities at fair value through profit or loss		23,773	40,340
Due to banks		35,997	69,817
Customer accounts	3	1,185,404	1,116,715
Debt securities issued		53,479	93,145
Current income tax liabilities		4,402	243
Deferred income tax liabilities		21	547
Other liabilities		75,684	24,349
Subordinated debt		12,134	21,575
Total liabilities		1,390,894	1,366,731
EQUITY			
Share capital		17,587	17,587
Share premium		59,709	59,709
Treasury shares and other funds		(8,463)	3,208
Perpetual subordinated debt		29,894	22,288
Retained earnings		105,107	102,202
Total equity		203,834	204,994
TOTAL LIABILITIES AND EQUITY		1,594,728	1,571,725


Chairman of the Management Board
N.V. Voevodina

21 March 2023

Moscow




Member of the Management Board –
Chief Financial Officer
E.V. Bugaeva

The notes 1-7 form an integral part of these summary consolidated financial statements.

ROSBANK GROUP

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

(in millions of Russian Roubles, except for earnings per share which are in Roubles)

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
Interest income at effective interest rate	4	117,683	85,287
Other interest income	4	4,100	2,981
Interest expense at effective interest rate	4	(65,428)	(38 805)
Other interest expense	4	(492)	(420)
Deposit insurance expense		(1,931)	(1,591)
Net interest income before credit loss expense		53,932	47,452
Credit loss expense	5	(10,765)	(5,197)
Net interest income		43,167	42,255
Net gain/(loss) on financial instruments at fair value through profit or loss and on foreign exchange operations		15,744	2,185
Net gain/(loss) on investments at fair value through other comprehensive income		–	(21)
Net gain/(loss) on investments at amortized cost		–	(1)
Fee and commission income	6	19,489	18,403
Fee and commission expense	6	(6,133)	(5,588)
Other provisions		(24,454)	1,031
Other income		1,262	1,225
Net non-interest income		5,908	17,234
Operating income		49,075	59,489
Operating expenses		(43,636)	(35,895)
Other non-operating income/(expense)		(63)	127
Profit/(loss) before income tax		5,376	23,721
Income tax expense		(519)	(4,092)
Net profit/(loss) for the year		4,857	19,629
EARNINGS/(LOSS) PER SHARE			
Basic and diluted (in RUB)		3.20	12.65

The notes 1-7 form an integral part of these summary consolidated financial statements.

ROSBANK GROUP

SELECTED NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Basis of preparation of Summary Consolidated Financial Statements

These summary consolidated financial statements have been prepared based on audited consolidated financial statements of PJSC ROSBANK and its subsidiaries for 2022 prepared in accordance with International Financial Reporting Standards, and consist of summary consolidated statement of financial position as of 31 December 2022, summary consolidated statement of profit or loss for the year ended at the mentioned date, and corresponding selected notes.

The summary consolidated financial statements do not contain all the information necessary for disclosure under International Financial Reporting Standards. Therefore the analysis of summary consolidated financial statements and independent auditors' report on these summary consolidated financial statements do not substitute the analysis of the audited consolidated financial statements and independent auditors' report on these consolidated financial statements.

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 decision of Board of Directors of the Bank of Russia dated 29 December 2022 "On the Requirements for Disclosure by Credit organizations (parent credit organizations of banking groups) of reporting and information in 2023" (hereinafter - the "Decision"), starting from the financial statements and information for 2022 and till the financial statements and information as at 1 October 2023, 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".

The full version of the consolidated financial statements of PJSC ROSBANK and its subsidiaries for 2022, prepared in accordance with International Financial Reporting Standards (IFRS), is located at: Masha Poryvaeva str., 34, Moscow, 107078.

These summary consolidated financial statements are prepared in accordance with the principles of preparation, taking into account the requirements of Annex 1 of the Decision and the decisions of the Group's Management.

These summary consolidated financial statements are prepared to summarize and present through aggregation the information on consolidated statement of financial position, consolidated statement of profit or loss and do not contain information on changes in equity and cash flows. At the same time the information disclosed in the notes is aimed at presenting to its users in structured view the most material assets and liabilities of the Group as at 31 December 2022, changes in structure of these assets and liabilities, and specification of the most significant for the banking business streams within interest and commission income and expenses for 2022.

The item "Securities and derivative financial instruments" of the summary consolidated statement of financial position includes securities measured at fair value through profit or loss, securities measured at fair value through other comprehensive income, securities measured at amortised cost, as well as receivables on derivative financial instruments, including the Group's hedging operations.

The item "Other assets" of the summary consolidated statement of financial position includes 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 summary consolidated statement of financial position includes other provisions, lease liabilities, funds in settlements on client transactions, and other financial and non-financial liabilities of the Group.

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SELECTED NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Basis of preparation of Summary Consolidated Financial Statements (Continued)

The item "Treasury shares and other funds" of the summary consolidated statement of financial position includes:

- Treasury shares,
- Property and equipment revaluation reserve,
- Fair value reserve,
- Cash flow hedge.

The item "Net gain/(loss) on financial instruments at fair value through profit or loss and on foreign exchange operations" of the summary 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 item "Other income" of the summary consolidated statement of profit or loss includes dividend income and other income.

In selected summary notes the information on Group's exposure to credit risk, important for users' understanding of financial position and performance results of the Group, is also disclosed.

2. Loans to customers

	31 December 2022, mRUB	31 December 2021, mRUB
Loans at amortised cost		
Loans to Corporate business		
Loans to legal entities	322,490	326,101
Loans to Retail business		
Loans to individuals	586,094	568,257
Total loans at amortised cost	908,584	894,358
Net investments in finance lease	34,182	31,679
Loans at fair value through other comprehensive income		
Loans to individuals at fair value through other comprehensive income	7,044	8,407
Total loans at fair value through other comprehensive income	7,044	8,407
Total loans to customers before credit loss allowance	949,810	934,444
Less credit loss allowance	(38,308)	(37,024)
Total loans to customers	911,502	897,420

Loans to individuals comprise the following products:

	31 December 2022		
	Gross amount, mRUB	Less credit loss allowance, mRUB	Net amount, mRUB
Mortgage loans	337,590	(4,607)	332,983
Car loans	125,486	(6,089)	119,397
Consumer loans	106,545	(16,106)	90,439
Overdraft	13,692	(2,642)	11,050
Loans to VIP clients and employees	974	(61)	913
Loans to Individual entrepreneurs	8,851	(953)	7,898
	593,138	(30,458)	562,680

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SELECTED NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Loans to customers (Continued)

	31 December 2021		Net amount, mRUB
	Gross amount, mRUB	Less credit loss allowance, mRUB	
Mortgage loans	307,600	(5,523)	302,077
Car loans	127,749	(7,379)	120,370
Consumer loans	116,802	(17,292)	99,510
Overdraft	11,973	(2,438)	9,535
Loans to VIP clients and employees	1,773	(64)	1,709
Loans to Individual entrepreneurs	10,767	(822)	9,945
	576,664	(33,518)	543,146

As of 31 December 2022 and 2021 the credit quality of loans to customers is presented below:

	Stage 1, mRUB	Stage 2, mRUB	Stage 3, mRUB	POCI, mRUB	Total as at 31 December 2022, mRUB
Loans to corporate business					
Gross carrying value	296,788	19,789	5,913	-	322,490
Less credit loss allowance	(1,288)	(208)	(5,849)	-	(7,345)
Carrying value	295,500	19,581	64	-	315,145
Financial leasing					
Gross carrying value	31,487	1,621	1,074	-	34,182
Less credit loss allowance	(160)	(22)	(323)	-	(505)
Carrying value	31,327	1,599	751	-	33,677
Loans to retail business					
Gross carrying value	569,384	3,753	19,833	168	593,138
Less credit loss allowance	(13,330)	(963)	(16,158)	(7)	(30,458)
Carrying value	556,054	2,790	3,675	161	562,680
	Stage 1, mRUB	Stage 2, mRUB	Stage 3, mRUB	POCI, mRUB	Total as at 31 December 2021, mRUB
Loans to corporate business					
Gross carrying value	310,212	13,520	2,369	-	326,101
Less credit loss allowance	(776)	(200)	(2,167)	-	(3,143)
Carrying value	309,436	13,320	202	-	322,958
Financial leasing					
Gross carrying value	29,485	1,980	214	-	31,679
Less credit loss allowance	(167)	(42)	(154)	-	(363)
Carrying value	29,318	1,938	60	-	31,316
Loans to retail business					
Gross carrying value	546,134	4,763	25,562	205	576,664
Less credit loss allowance	(11,163)	(1,142)	(21,200)	(13)	(33,518)
Carrying value	534,971	3,621	4,362	192	543,146

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SELECTED NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Customer accounts

	31 December 2022, mRUB	31 December 2021, mRUB
Corporate		
Time deposits	474,512	400,406
Repayable on demand	332,353	347,901
Total corporate	806,865	748,307
Individuals		
Time deposits	163,476	110,890
Repayable on demand	215,063	257,518
Total individuals	378,539	368,408
Total customer accounts	1,185,404	1,116,715

As of 31 December 2022 and 2021 customer accounts amounting to RUB 487 million and RUB 490 million, respectively, were held as security against letters of credit issued and other transaction related contingent obligations.

4. Net interest income

	Year ended 31 December 2022, mRUB	Year ended 31 December 2021, mRUB
Interest income at effective interest rate		
<i>Interest income on financial assets recorded at amortized cost</i>		
Interest on loans to individuals	57,524	54,250
Interest on loans to corporate customers	27,225	16,364
Interest on investments at amortised cost	6,357	6,172
Interest on due from banks	25,838	4,597
<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	13	3,183
Interest on loans to individuals at fair value through other comprehensive income	726	721
Total interest income at effective interest rate	117,683	85,287
Other interest income		
Finance lease receivables	3,314	2 780
Interest income on financial assets at fair value through profit and loss	786	201
Total other interest income	4,100	2,981
Total interest income	121,783	88,268
Interest expense at effective interest rate		
<i>Interest expense on financial liabilities recorded at amortized cost</i>		
Interest on corporate customer accounts	38,081	21,485
Interest on deposits from individuals	18,315	8,084
Interest on debt securities issued	5,186	7,091
Interest on deposits from banks	2,714	1,134
Interest on subordinated debt	1,132	1,011
Total interest expense calculated using effective interest rate	65,428	38,805
Other interest expense		
Lease liabilities	492	420
Total other interest expense	492	420
Total interest expense	65,920	39,225
Deposit insurance expense	1,931	1,591
Net interest income before credit loss expense	53,932	47,452

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SELECTED NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Credit loss expense /

As of 31 December 2022 and 2021 the amount of expected credit loss (ECL) expenses in the summary consolidated statement of profit or loss comprises:

	Year ended 31 December 2022, mRUB	Year ended 31 December 2021, mRUB
Stage 1 net allocations	2,972	1,935
Stage 2 net allocations	569	345
Stage 3 net allocations	7,179	3,266
POCI net allocations	(7)	–
Recoveries of loans written off	(75)	(449)
Write offs not covered by provisions	127	100
Credit loss expenses	10,765	5,197

An analysis of changes in the ECLs for loans to customers for 12 months ended 31 December 2022 is, as follows:

	Loans to Corporate business, mRUB	Financial leasing, mRUB	Loans to Retail business, mRUB	Total, mRUB
Stage 1				
ECL as at 1 January 2022	776	167	11,163	12,106
Transfers to Stage 1	70	5	486	561
Transfers to Stage 2	(60)	(9)	(65)	(134)
Transfers to Stage 3	(4)	(4)	(279)	(287)
Net allocations	514	1	2,034	2,549
Foreign exchange adjustments	(8)	–	2	(6)
ECL as at 31 December 2022	1,288	160	13,341	14,789
Stage 2				
ECL as at 1 January 2022	200	42	1,142	1,384
Acquisition of subsidiaries	–	–	3	3
Transfers to Stage 1	(70)	–	(187)	(257)
Transfers to Stage 2	60	9	147	216
Transfers to Stage 3	(4)	–	(729)	(733)
Net allocations	20	(29)	590	581
Foreign exchange adjustments	2	–	–	2
ECL as at 31 December 2022	208	22	966	1,196
Stage 3				
ECL as at 1 January 2022	2,167	154	21,200	23,521
Transfers to Stage 1	–	(5)	(299)	(304)
Transfers to Stage 2	–	–	(82)	(82)
Transfers to Stage 3	8	4	1,008	1,020
Net allocations	4,578	157	2,853	7,588
Amounts sold and written off	(824)	(2)	(8,473)	(9,299)
Foreign exchange adjustments	(80)	15	(30)	(95)
ECL as at 31 December 2022	5,849	323	16,177	22,349
POCI				
ECL as at 1 January 2022	–	–	13	13
Net allocations	–	–	(6)	(6)
ECL as at 31 December 2022	–	–	7	7
Total at 1 January 2022	3,143	363	33,518	37,024
Total at 31 December 2022	7,345	505	30,491	38,341

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SELECTED NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Credit loss expense (Continued)

The balances of ECL at the beginning and the end of the reporting period in the table above include ECL for loans to individuals measured at fair value through other comprehensive income.

An analysis of changes in the ECLs for loans to customers for 12 months ended 31 December 2021 is, as follows:

	Loans to Corporate business, mRUB	Financial leasing, mRUB	Loans to Retail business, mRUB	Total, mRUB
Stage 1				
ECL as at 1 January 2021	506	183	8,850	9,539
Transfers to Stage 1	124	8	794	926
Transfers to Stage 2	(15)	(2)	(53)	(70)
Transfers to Stage 3	–	(5)	(204)	(209)
Net allocations	162	(15)	1,793	1,940
Foreign exchange adjustments	(1)	(2)	(17)	(20)
ECL as at 31 December 2021	776	167	11,163	12,106
Stage 2				
ECL as at 1 January 2021	490	154	1,310	1,954
Transfers to Stage 1	(124)	(1)	(263)	(388)
Transfers to Stage 2	15	2	459	476
Transfers to Stage 3	(6)	–	(885)	(891)
Net allocations	(173)	(113)	525	239
Foreign exchange adjustments	(2)	–	(4)	(6)
ECL as at 31 December 2021	200	2	1,142	1,384
Stage 3				
ECL as at 1 January 2021	5,556	195	25,570	31,321
Transfers to Stage 1	–	(7)	(531)	(538)
Transfers to Stage 2	–	–	(406)	(406)
Transfers to Stage 3	6	5	1,089	1,100
Net allocations	(809)	70	3,524	2,785
Amounts sold and written off	(2,576)	(109)	(8,046)	(10,731)
Foreign exchange adjustments	(10)	–	–	(10)
ECL as at 31 December 2021	2,167	154	21,200	23,521
POCI				
ECL as at 1 January 2021	–	–	13	13
Net allocations	–	–	–	–
ECL as at 31 December 2021	–	–	13	13
Total at 1 January 2021	6,552	532	35,743	42,827
Total at 31 December 2021	3,143	363	33,518	37,024

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SELECTED NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Fee and commission income and expense

	Year ended 31 December 2022, mRUB	Year ended 31 December 2021, mRUB
Fee and commission income		
Settlements	5,205	2,960
Plastic cards operations	5,022	5,331
Documentary operations	2,575	1,759
Agency operations	2,355	4,606
Internet bank	1,447	1,239
Depository operations	937	728
Cash operations	594	618
Other operations	1,354	1,162
Total fee and commission income	19,489	18,403
Fee and commission expense		
Plastic cards operations	3,360	3,727
Settlements	1,361	404
Agency operations	932	803
Other operations	480	654
Total fee and commission expense	6,133	5,588

7. Capital risk management

The Bank's total regulatory capital and the values of the Bank's regulatory capital adequacy ratio as of 31 December 2022 and 31 December 2021 are presented in the table below:

	31 December 2022	31 December 2021
Equity (capital), total	218,854	204,484
Bank's own funds adequacy ratio (H1.0)	17.52%	15.28%

The Group's total regulatory capital and the Group's regulatory capital adequacy ratio as of 31 December 2022 and 31 December 2021 are presented in the table below:

	31 December 2022	31 December 2021
Equity (capital), total	227,029	208,966
Own funds adequacy ratio of the Banking Group (H20.0)	18.19%	15.55%

During 2022 and 2021, the Group and the Bank complied with all external capital adequacy requirements of the CBR.