

ROSBANK Group

**Public interim condensed consolidated
financial statements
(unaudited)
31 March 2024**

ROSBANK Group

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Public interim condensed consolidated financial statements

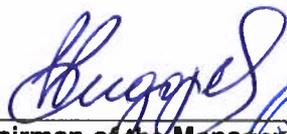
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ROSBANK Group
PUBLIC INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions of Russian Roubles)

| | Notes | 31 March 2024 (unaudited) | 31 December 2023 |
|---|-------|---------------------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | 4 | 249,479 | 314,589 |
| Mandatory cash balances with the Central Bank of the Russian Federation | | 6,943 | 3,407 |
| Due from credit institutions | 5 | 11,336 | 10,155 |
| Financial assets at fair value through profit or loss | 6, 7 | 29,192 | 37,288 |
| Investments at fair value through other comprehensive income | 8 | 64,304 | 34,381 |
| Investments at amortized cost | 9 | 84,034 | 83,162 |
| Loans to customers | 10 | 1,476,925 | 1,446,548 |
| Property and equipment and right-of-use assets | | 22,549 | 22,056 |
| Intangible assets | | 11,952 | 10,771 |
| Current income tax assets | | 347 | 539 |
| Deferred income tax assets | | 7,060 | 6,751 |
| Other assets | | 133,250 | 130,647 |
| Total assets | | 2,097,371 | 2,100,294 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Financial liabilities at fair value through profit or loss | 7, 11 | 12,409 | 18,621 |
| Due to the Central Bank of the Russian Federation | | 1,316 | 1,335 |
| Due to banks | 12 | 166,475 | 158,924 |
| Customer accounts | 13 | 1,572,841 | 1,585,025 |
| Debt securities issued | 14 | 17,925 | 18,234 |
| Current income tax liabilities | | 716 | 935 |
| Deferred income tax liabilities | | 187 | 59 |
| Other liabilities | | 78,848 | 75,396 |
| Subordinated debt | | 15,531 | 15,515 |
| Total liabilities | | 1,866,248 | 1,874,044 |
| Equity | | | |
| Share capital | | 17,587 | 17,587 |
| Share premium | | 59,709 | 59,709 |
| Treasury shares and other funds | | (11,089) | (11,120) |
| Perpetual subordinated debt | | 39,212 | 38,118 |
| Property and equipment revaluation reserve | | 2,443 | 2,562 |
| Fair value reserve | | (729) | (812) |
| Retained earnings | | 123,990 | 120,206 |
| Total equity | | 231,123 | 226,250 |
| Total liabilities and equity | | 2,097,371 | 2,100,294 |


Chairman of the Management Board
N.V. Sidorov

15 May 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 | 3 months ended | |
|--|-------|----------------------|---------------|
| | | 31 March (unaudited) | 2023 |
| | | 2024 | 2023 |
| Interest income at effective interest rate | 15 | 64,023 | 29,648 |
| Other interest income | 15 | 2,182 | 1,097 |
| Interest expense at effective interest rate | 15 | (48,279) | (14,860) |
| Other interest expense | 15 | (145) | (129) |
| Deposit insurance charge | 15 | (897) | (528) |
| Net interest income before credit loss expense | | 16,884 | 15,228 |
| Credit loss expense | 16 | (290) | (544) |
| Net interest income | | 16,594 | 14,684 |
| Net gain/(loss) on operations with financial instruments and foreign exchange operations | | 1,123 | 4,097 |
| Fee and commission income | 17 | 6,314 | 5,493 |
| Fee and commission expense | 17 | (3,612) | (2,240) |
| Net change in provisions for impairment and other provisions | | (128) | (321) |
| Other income | | 352 | 212 |
| Net non-interest income | | 4,049 | 7,241 |
| Operating income | | 20,643 | 21,925 |
| Operating expenses | 18 | (12,464) | (11,407) |
| Other non-operating income/(expense) | | 11 | (42) |
| Profit before income tax | | 8,190 | 10,476 |
| Income tax expense | | (985) | (1,783) |
| Net profit for the period | | 7,205 | 8,693 |
| Earnings per share | | | |
| Basic and diluted (in RUB) | | 2.99 | 4.57 |

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)

| | 3 months ended 31 March (unaudited) | |
|---|---|--------------|
| | 2024 | 2023 |
| Net profit for the period | 7,205 | 8,693 |
| Other comprehensive income/(expense) | | |
| Items that will not be reclassified subsequently to profit or loss | (9) | (26) |
| Net gain/(loss) resulting on revaluation and impairment of property | (11) | (33) |
| Income tax on revaluation and impairment of property | 2 | 7 |
| Items that may be reclassified subsequently to profit or loss | 114 | (149) |
| Other comprehensive income/(expense) after income tax | 105 | (175) |
| Total comprehensive income/(expense) | 7,310 | 8,518 |

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 | – | – | – | – | – | 8 693 | 8 693 |
| Other comprehensive income/(expense) for the period | – | – | (149) | – | (26) | – | (175) |
| Total comprehensive income (expense) for the period | – | – | (149) | – | (26) | 8 693 | 10 528 |
| Property and equipment disposal (net of deferred tax of RUB 6 millions) | – | – | – | – | (25) | 25 | – |
| Other movements | – | – | (20) | 2 868 | – | (4 046) | (1 198) |
| 31 March 2023 (unaudited) | 17 587 | 59 709 | (11 039) | 32 762 | 2 356 | 109 779 | 211 154 |
| 31 December 2023 | 17 587 | 59 709 | (11 932) | 38 118 | 2 562 | 120 206 | 226 250 |
| Net profit for the period | – | – | – | – | – | 7 205 | 7 205 |
| Other comprehensive income/(expense) for the period | – | – | 114 | – | (9) | – | 105 |
| Total comprehensive income (expense) for the period | – | – | 114 | – | (9) | 7 205 | 7 310 |
| Property and equipment disposal (net of deferred tax of RUB 28 millions) | – | – | – | – | (110) | 110 | – |
| Other movements | – | – | – | 1 094 | – | (3 531) | (2 437) |
| 31 March 2024 (unaudited) | 17 587 | 59 709 | (11 818) | 39 212 | 2 443 | 123 990 | 231 123 |

The notes 1-23 form an integral part of these public interim condensed consolidated financial statements.

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

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 months ended 31 March 2024 prepared in accordance with IAS 34 “Interim Financial Reporting” (further – “IAS 34”);
2. in accordance with the decision of 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” (hereinafter – 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” (hereinafter – 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 Reporting and Information Disclosure Requirements in 2023”, dated 3 March 2023 No. IN-03-23/19 “On Reporting and Information Submission in 2023”, 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 Financial Statements and Information to the Bank of Russia in 2024” (hereinafter collectively referred to as the “Requirements of the Bank of Russia”);
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 of 31 March 2024 and 31 December 2023, public interim consolidated statement of profit or loss, public interim consolidated statement of comprehensive income, public interim consolidated statement of changes in equity for the 3 months ended 31 March 2024 and 31 March 2023, and corresponding selected 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 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”.

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 the 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.

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

2. Basis for Presentation and Significant Accounting Policies

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.

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

As of 31 December 2023 and 31 December 2022 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.

On 14 March 2024 Tinkoff Group announced that the Board of Directors of IC PJSC TCS Holding made a proposal to shareholders to integrate ROSBANK PJSC into TCS Holding Group, which will significantly strengthen the positions of both banks in the financial market. Upon integration the Bank will retain its brand and license, as well as continue to develop in business segments where the bank has traditionally strong positions – corporate and investment business, building B2B relationships and private banking. As part of the holding company, the Bank will realise its full potential for further development, providing new opportunities, innovative products and technological services of the highest quality for customers. The proposed integration will not affect existing agreements between the Bank and its customers. PJSC ROSBANK will continue to operate as usual, fulfilling its obligations to its customers, partners and employees.

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.

2. Basis of presentation and Accounting Policies (Continued)

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

Also, selected condensed notes disclose information important for users to understand the financial position and operating results of the Group on the Group’s exposure to credit risk, the Group’s assets and liabilities fair value and its dynamics by hierarchy levels, information on dividends and earnings per share, financial indicators of the Group by core business lines (segments).

Significant accounting policies

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.

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 that a credit institution is required to maintain 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 Bank of Russia’s website), and increased the required reserve ratios for all categories of reserved liabilities in the currency of the Russian Federation and in foreign currency.

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 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 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 interim condensed consolidated financial statements are set out below:

| | 31 March 2024 | 31 December 2023 |
|-----------------|--------------------------|-----------------------------|
| RUB/1 US Dollar | 92.2628 | 89.6883 |
| RUB/1 Euro | 99.7057 | 99.1919 |

Critical accounting judgements and key sources of estimation uncertainty

Applying the Group’s accounting policy the management uses judgements and estimates in relation to the book values of assets and liabilities, that are not observable from other sources. Judgements and estimates 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.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the Group’s consolidated financial statements for the year ended 31 December 2023. The Management did not identify new areas for application of new estimates and judgements except for those provided in this Note below.

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

2. Basis of presentation and Accounting Policies (Continued)

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 income in the period up to and including 31 December 2021. As of 31 March 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.

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

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

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.

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.

4. Cash and cash equivalents

(in millions of Russian Roubles)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|---|--|-----------------------------|
| Cash | 10,845 | 15,339 |
| Balances with the Central Bank of the Russian Federation | 175,874 | 165,853 |
| Current accounts and due from banks with original maturity within 90 days | 21,501 | 118,565 |
| Loans under reverse repurchase agreements | <u>41,282</u> | <u>14,880</u> |
| Cash and cash equivalents | 249,502 | 314,637 |
| Less – credit loss allowance | (23) | (48) |
| Total cash and cash equivalents | <u>249,479</u> | <u>314,589</u> |

As of 31 March 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:

(in millions of Russian Roubles)

| | 31 March 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 | 38,795 | 40,459 | 14,880 | 15,658 |
| Shares of Russian companies | <u>2,487</u> | <u>3,698</u> | – | – |
| Total loans under reverse repurchase agreements | <u>41,282</u> | <u>44,157</u> | <u>14,880</u> | <u>15,658</u> |

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

5. Due from credit institutions

(in millions of Russian Roubles)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|---|--|-----------------------------|
| Term deposits in banks | 11,385 | 10,177 |
| Less – credit loss allowance | (49) | (22) |
| Total due from credit institutions | 11,336 | 10,155 |

6. Financial assets at fair value through profit or loss

(in millions of Russian Roubles)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|--|--|-----------------------------|
| Debt securities | 13,108 | 9,152 |
| Derivative financial instruments (Note 7) | 15,946 | 27,998 |
| Shares | 138 | 138 |
| Total financial assets at fair value through profit or loss | 29,192 | 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)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|---|--|-----------------------------|
| Debt securities | | |
| Debt securities of the Russian Federation | 8,496 | 9,152 |
| Debt securities of Russian companies | 4,612 | – |
| Total debt securities | 13,108 | 9,152 |

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

7. Derivative financial instruments

Derivative financial instruments comprise:

| <i>(in millions of Russian Roubles)</i> | Nominal value | 31 March 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 | 37,831 | 14 | (69) | 19,364 | 21 | (8) |
| Forwards | 85,945 | 557 | (173) | 51,689 | 533 | (662) |
| IRS/CIRS/CDS | 146,354 | 15,089 | (3,369) | 190,213 | 27,108 | (8,857) |
| Foreign exchange and interest rate options | 18,691 | 259 | (73) | 22,486 | 309 | (51) |
| Total foreign exchange and interest rate contracts | | 15,919 | (3,684) | | 27,971 | (9,578) |
| Contracts on precious metals, commodities and equities | | | | | | |
| Options | 266 | 27 | (27) | 266 | 27 | (27) |
| Total contracts on precious metals, commodities and equities | | 27 | (27) | | 27 | (27) |
| Total derivative financial instruments | | 15,946 | (3,711) | | 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 in amount RUB 455 million as at 31 March 2024 and in amount RUB 604 million as at 31 December 2023, respectively.

8. Investments at fair value through other comprehensive income

| <i>(in millions of Russian Roubles)</i> | 31 March 2024 (unaudited) | 31 December 2023 |
|---|----------------------------------|-------------------------|
| Debt securities | | |
| Bonds of Russian Federation | 64,304 | 34,381 |
| Total investments at fair value through other comprehensive income | 64,304 | 34 381 |

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

9. Investments at amortised cost

| <i>(in millions of Russian Roubles)</i> | 31 March 2024 (unaudited) | 31 December 2023 |
|--|----------------------------------|-------------------------|
| Bonds of the Russian Federation and its subjects | 43,040 | 43,292 |
| Eurobonds of the Russian Federation | 18,231 | 17,655 |
| Bonds of Russian companies | 18,087 | 17,828 |
| Debt securities of local authorities | 2,247 | 2,206 |
| Bonds of Russian banks | 1,708 | 1,683 |
| Eurobonds of Russian companies | 469 | 453 |
| Digital financial assets for monetary claims | 517 | 303 |
| Less – credit loss allowance | (265) | (258) |
| Total investments at amortised cost | 84,034 | 83,162 |

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

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

10. Loans to customers

(in millions of Russian Roubles)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|---|--|-----------------------------|
| Loans at amortised cost | | |
| Loans to Corporate business | | |
| Loans to legal entities | 633,878 | 649,213 |
| Loans to Retail business | | |
| Loans to individuals | 820,674 | 780,009 |
| Total loans at amortized cost | 1,454,552 | 1,429,222 |
| Net investments in finance lease | 56,172 | 50,718 |
| Loans at fair value through other comprehensive income | | |
| Loans to individuals | 4,683 | 4,981 |
| Total loans at fair value through other comprehensive income | 4,683 | 4,981 |
| Total loans to customers before credit loss allowance | 1,515,407 | 1,484,921 |
| Less – credit loss allowance | (38,482) | (38,373) |
| Total loans to customers | 1,476,925 | 1,446,548 |

Loans to individuals comprise the following products:

(in millions of Russian Roubles)

| | Gross amount | Less credit loss allowance | 31 March 2024 (unaudited) Net amount |
|------------------------------------|---------------------|---------------------------------------|---|
| Mortgage loans | 417,222 | (3,758) | 413,464 |
| Car loans | 269,144 | (5,646) | 263,498 |
| Consumer loans | 104,733 | (14,044) | 90,689 |
| Overdraft | 19,253 | (2,888) | 16,365 |
| Loans to VIP clients and employees | 1,333 | (55) | 1,278 |
| Loans to Individual entrepreneurs | 13,672 | (1,079) | 12,593 |
| | 825,357 | (27,470) | 797,887 |

(in millions of Russian Roubles)

| | Gross amount | Less credit loss allowance | 31 December 2023 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 mortgages and amount to RUB 4,683 million as at 31 March 2024 (31 December 2023: RUB 4,981 million).

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10. Loans to customers (Continued)

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

(in millions of Russian Roubles)

| | Stage 1 | Stage 2 | Stage 3 | 31 March 2024 (unaudited) | |
|--|------------------|---------------|---------------|---------------------------|------------------|
| | | | | POCI | Total |
| Loans to corporate business | 594,963 | 31,696 | 7,219 | – | 633,878 |
| Net investments in finance lease | 50,601 | 4,054 | 1,517 | – | 56,172 |
| Loans to retail business | 803,651 | 3,530 | 18,048 | 128 | 825,357 |
| Total loans to customers before credit loss allowance | 1,449,215 | 39,280 | 26,784 | 128 | 1,515,407 |
| Less – credit loss allowance | (14,303) | (1,170) | (23,008) | (1) | (38,482) |
| Total loans to customers | 1,434,912 | 38,110 | 3,776 | 127 | 1,476,925 |

(in millions of Russian Roubles)

| | Stage 1 | Stage 2 | Stage 3 | 31 December 2023 | |
|--|------------------|---------------|---------------|------------------|------------------|
| | | | | 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 |

11. Financial liabilities at fair value through profit or loss

(in millions of Russian Roubles)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|---|---------------------------------|---------------------|
| Derivative financial instruments | 3,711 | 9,605 |
| Short position on securities | 8,698 | 9,016 |
| Total financial liabilities at fair value through profit or loss | 12,409 | 18,621 |

Derivative financial instruments are disclosed in Note 7.

12. Due to banks

(in millions of Russian Roubles)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|------------------------------------|---------------------------------|---------------------|
| Demand accounts | 74,977 | 85,091 |
| Time deposits and other borrowings | 88,920 | 70,567 |
| Loans under repurchase agreements | 2,578 | 3,266 |
| Total due to banks | 166,475 | 158,924 |

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13. Customer accounts

(in millions of Russian Roubles)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|------------------------------------|--|-----------------------------|
| Corporate | | |
| Time deposits and other borrowings | 368,462 | 409,684 |
| Repayable on demand | 487,718 | 555,685 |
| Total corporate | 856,180 | 965,369 |
| Individuals | | |
| Time deposits and other borrowings | 436,728 | 357,590 |
| Repayable on demand | 279,933 | 262,066 |
| Total individuals | 716,661 | 619,656 |
| Total customer accounts | 1,572,841 | 1,585,025 |

14. Debt securities issued

(in millions of Russian Roubles)

| | Annual coupon rate, % | 31 March 2024 (unaudited) | Annual coupon rate, % | 31 December 2023 |
|--|----------------------------------|--|----------------------------------|-----------------------------|
| Bonds of Rosbank due in 2024-2026 | 7.65%-12.00% | 7,473 | 7.65%-12.00% | 7,939 |
| Exchange structural bonds of Rosbank due in 2024 | 9.89% RUONIA+1% | 10,346 | 9.89% RUONIA+1% | 10,193 |
| Digital financial assets on the Moscow Exchange index | Index iMOEX | 106 | Index iMOEX | 102 |
| Total debt securities issued | | 17,925 | | 18,234 |

The exchange-traded structural bonds of PJSC Rosbank maturing 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 main contract is calculated after being divided into two instruments.

During the period January – March 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% |

During the period January – March 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)

| | 3 months ended | |
|--|-----------------------|---------------|
| | 31 March | |
| | (unaudited) | |
| | 2024 | 2023 |
| Interest income at effective interest rate | | |
| <i>Interest income on financial assets recorded at amortized cost</i> | | |
| Interest on loans to individuals | 28,323 | 15,051 |
| Interest on loans to corporate customers | 23,336 | 7,349 |
| Interest on due from banks | 8,991 | 5,649 |
| Interest on investments at amortised cost | 1,561 | 1,435 |
| <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 | 1,678 | 3 |
| Interest on loans to individuals at fair value through other comprehensive income | 134 | 161 |
| Total interest income at effective interest rate | 64,023 | 29,648 |
| Other interest income | | |
| Finance lease receivables | 1,907 | 994 |
| Interest income on financial assets at fair value through profit and loss | 275 | 103 |
| Total other interest income | 2,182 | 1,097 |
| Total interest income | 66,205 | 30,745 |
| Interest expense at effective interest rate | | |
| <i>Interest expense on financial liabilities recorded at amortized cost</i> | | |
| Interest on corporate customer accounts | 24,022 | 9,227 |
| Interest on deposits from individuals | 18,423 | 4,452 |
| Interest on debt securities issued | 185 | 781 |
| Interest on deposits from banks | 5,263 | 155 |
| Interest on subordinated debt | 362 | 241 |
| Interest on deposits of the Central Bank of the Russian Federation | 24 | 4 |
| Total interest expense calculated using effective interest rate | 48,279 | 14,860 |
| Other interest expense | | |
| Lease liabilities | 145 | 129 |
| Total other interest expense | 145 | 129 |
| Total interest expense | 48,424 | 14,989 |
| Deposit insurance expense | 897 | 528 |
| Net interest income | 16,884 | 15,228 |

16. Credit loss expense and other provisions

(in millions of Russian Roubles)

| | 3 months ended | |
|--------------------------------------|-----------------------|-------------|
| | 31 March | |
| | (unaudited) | |
| | 2024 | 2023 |
| Stage 1 net allocations | (1,412) | (983) |
| Stage 2 net allocations | 725 | 812 |
| Stage 3 net allocations | 966 | 708 |
| POCI net allocations | (1) | - |
| Recoveries of loans written off | (3) | (3) |
| Write offs not covered by provisions | 15 | 10 |
| Credit loss expenses | 290 | 544 |

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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 31 March 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 | 1,087 | 63 | 1,705 | 2,855 |
| Transfers to Stage 1 | 3 | 2 | 269 | 274 |
| Transfers to Stage 2 | (19) | (11) | (70) | (100) |
| Transfers to Stage 3 | – | (5) | (67) | (72) |
| Net allocations | (1,145) | (27) | (3,155) | (4,327) |
| Other movements | 6 | 1 | 8 | 15 |
| ECL as at 31 March 2024 (unaudited) | 2,654 | 267 | 11,388 | 14,309 |
| Stage 2 | | | | |
| ECL as at 1 January 2024 | 168 | 19 | 828 | 1,015 |
| New originated or purchased | 56 | 1 | 16 | 73 |
| Transfers to Stage 1 | (3) | – | (128) | (131) |
| Transfers to Stage 2 | 19 | 11 | 134 | 164 |
| Transfers to Stage 3 | – | (1) | (597) | (598) |
| Net allocations | (102) | 5 | 751 | 654 |
| Other movements | – | – | – | – |
| ECL as at 31 March 2024 (unaudited) | 138 | 35 | 1,004 | 1,177 |
| Stage 3 | | | | |
| ECL as at 1 January 2024 | 6,532 | 1,196 | 13,989 | 21,717 |
| Transfers to Stage 1 | – | (2) | (141) | (143) |
| Transfers to Stage 2 | – | – | (64) | (64) |
| Transfers to Stage 3 | – | 6 | 664 | 670 |
| Net allocations | 130 | 120 | 726 | 976 |
| Amounts sold and written off | – | (65) | (71) | (136) |
| Other movements | 3 | – | 9 | 12 |
| ECL as at 31 March 2024 (unaudited) | 6,665 | 1,255 | 15,112 | 23,032 |
| POCI | | | | |
| ECL as at 1 January 2024 | – | – | 2 | 2 |
| Allowance charge | – | – | (1) | (1) |
| ECL as at 31 March 2024 (unaudited) | – | – | 1 | 1 |
| Total at 1 January 2024 | 9,422 | 1,459 | 27,517 | 38,398 |
| Total at 31 March 2024 (unaudited) | 9,457 | 1,557 | 27,505 | 38,519 |

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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 31 March 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 | 652 | 49 | 2,062 | 2,763 |
| Transfers to Stage 1 | 38 | 1 | 359 | 398 |
| Transfers to Stage 2 | (5) | (6) | (88) | (99) |
| Transfers to Stage 3 | – | – | (36) | (36) |
| Net allocations | (571) | (13) | (3,076) | (3,660) |
| Other movements | 34 | 2 | 29 | 65 |
| ECL as at 31 March 2023 (unaudited) | 1,436 | 193 | 12,591 | 14,220 |
| Stage 2 | | | | |
| ECL as at 1 January 2023 | 208 | 22 | 966 | 1,196 |
| New originated or purchased | 156 | 1 | 1 | 158 |
| Transfers to Stage 1 | (38) | (1) | (166) | (205) |
| Transfers to Stage 2 | 5 | 6 | 117 | 128 |
| Transfers to Stage 3 | – | – | (608) | (608) |
| Net allocations | (103) | (10) | 700 | 587 |
| Other movements | 1 | – | – | 1 |
| ECL as at 31 March 2023 (unaudited) | 229 | 18 | 1,010 | 1,257 |
| Stage 3 | | | | |
| ECL as at 1 January 2023 | 5,849 | 323 | 16,177 | 22,349 |
| Transfers to Stage 1 | – | – | (193) | (193) |
| Transfers to Stage 2 | – | – | (29) | (29) |
| Transfers to Stage 3 | – | – | 644 | 644 |
| Net allocations | 137 | 261 | 333 | 731 |
| Amounts sold and written off | – | (6) | (600) | (606) |
| Other movements | 9 | 24 | 29 | 62 |
| ECL as at 31 March 2023 (unaudited) | 5,995 | 602 | 16,361 | 22,958 |
| POCI | | | | |
| ECL as at 1 January 2023 | – | – | 7 | 7 |
| Allowance charge | – | – | – | – |
| ECL as at 31 March 2023 (unaudited) | – | – | 7 | 7 |
| Total at 1 January 2023 | 7,345 | 505 | 30,491 | 38,341 |
| Total at 31 March 2023 (unaudited) | 7,660 | 813 | 29,969 | 38,442 |

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17. Fee and commission income and expense

(in millions of Russian Roubles)

| | 3 months ended 31 March (unaudited) | |
|---|--|--------------|
| | 2024 | 2023 |
| Fee and commission income | | |
| Settlements | 2,131 | 2,029 |
| Plastic cards operations | 1,510 | 1,311 |
| Agency operations | 893 | 740 |
| Documentary operations | 893 | 566 |
| Internet bank | 400 | 315 |
| Depository operations | 176 | 201 |
| Cash operations | 128 | 149 |
| Other operations | 183 | 182 |
| Total fee and commission income | 6,314 | 5,493 |
| Fee and commission expense | | |
| Plastic cards operations | 1,386 | 842 |
| Settlements | 1,076 | 950 |
| Agency operations | 971 | 306 |
| Other operations | 179 | 142 |
| Total fee and commission expense | 3,612 | 2,240 |

18. Operating expenses

(in millions of Russian Roubles)

| | 3 months ended 31 March (unaudited) | |
|--|--|---------------|
| | 2024 | 2023 |
| Salary and bonuses | 5,986 | 5,154 |
| Unified social tax contribution | 1,701 | 1,291 |
| Amortization of property, plant and equipment, intangible assets and right-of-use assets | 1,844 | 2,181 |
| Advertising and marketing expenses | 795 | 839 |
| Repairs and maintenance expense | 704 | 555 |
| Professional services | 645 | 567 |
| Communications | 216 | 209 |
| Transportation expenses | 98 | 31 |
| Operating lease expense | 64 | 55 |
| Security | 42 | 44 |
| Other | 369 | 481 |
| Total operating expenses | 12,464 | 11,407 |

19. Earnings per share and dividends

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period, excluding 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 10 rubles each.

The decision to pay dividends (including the amount and form of payment) based on 2023 results will be made at the Annual General Meeting of Shareholders to be held in 2 quarter 2024. The amount of dividends may not exceed the amount recommended by the Board of Directors.

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20. Commitments and contingencies

In the course of its activities, the Group uses financial instruments with off-balance sheet risks to meet the needs of customers. These instruments, which involve varying degrees of credit risk, are not reflected in the public interim consolidated 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 31 March 2024 and 31 December 2023, the nominal amounts of contingent liabilities (or amounts according to agreements) amounted to:

| <i>(in millions of Russian Roubles)</i> | 31 March 2024 (unaudited) | 31 December 2023 |
|--|--|-----------------------------|
| Guarantees issued and similar commitments | 259,743 | 252,536 |
| Commitments on loans and unused credit lines | 64,529 | 61,969 |
| Letters of credit and other transaction related contingent obligations | 13,170 | 20,726 |
| Total contingent liabilities and credit commitments | 337,442 | 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 the 1 quarter of 2024, the provisions of tax legislation were applied appropriately by 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 2023, there was a depreciation of the national currency from 70.3375 to 89.6883 (US Dollar) and from 75.6553 to 99.1919 (Euro) against the backdrop of a reduction in the trade balance and a recovery in imports. In the first quarter of 2024, the national currency continued depreciation but with lower volatility: as of March 31, the US Dollar was worth 92.366 roubles, and the Euro - 99.5299 roubles.

The Russian economy is affected by geopolitical events taking place since 2022. Significant geopolitical tensions persisted in 1 quarter 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.

20. Commitments and contingencies (Continued)

In 2023, the Russian economy was recovering and gross domestic product growth of 3.6% was observed. The trend continued in early 2024, as the GDP growth of 5.4% was registered over the first quarter. 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 quarter 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.

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.

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21. Fair value of financial instruments (Continued)

- 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 interim condensed consolidated statement of financial position

For the purpose of fair value hierarchy disclosure as at 31 March 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:

| <i>(in millions of Russian Roubles)</i> | 31 March 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 | 6,005 | 23,187 | – | 29,192 | 1,059 | 36,229 | – | 37,288 |
| Investments at fair value through other comprehensive income | 64,304 | – | – | 64,304 | 34,381 | – | – | 34,381 |
| Loans at fair value through other comprehensive income | – | 4,683 | – | 4,683 | – | 4,981 | – | 4,981 |
| Property and equipment | – | – | 8,883 | 8,883 | – | – | 8,959 | 8,959 |
| Total assets measured at fair value or revalued amount | <u>70,309</u> | <u>27,870</u> | <u>8,883</u> | <u>107,062</u> | <u>35,440</u> | <u>41,210</u> | <u>8,959</u> | <u>85,609</u> |
| Financial liabilities measured at fair value | | | | | | | | |
| Financial liabilities at fair value through profit or loss | 8,698 | 3,711 | – | 12,409 | 9,016 | 9,605 | – | 18,621 |
| Total financial liabilities measured at fair value | <u>8,698</u> | <u>3,711</u> | <u>–</u> | <u>12,409</u> | <u>9,016</u> | <u>9,605</u> | <u>–</u> | <u>18,621</u> |

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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:

| <i>(in millions of Russian Roubles)</i> | 31 March 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 | 80,851 | 251,901 | 1,520,205 | 1,852,957 | 1,931,875 | 90,960 | 304,043 | 1,469,067 | 1,864,070 | 1,957,554 |
| Including: | | | | | | | | | | |
| Cash and cash equivalents | 10,844 | 238,635 | – | 249,479 | 249,479 | 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 | – | – | 11,336 | 11,336 | 11,336 | – | – | 10,155 | 10,155 | 10,155 |
| Loans to customers | – | – | 1,401,028 | 1,401,028 | 1,472,242 | – | – | 1,354,238 | 1,354,238 | 1,441,567 |
| Investments at amortized cost | 70,007 | 6,323 | – | 76,330 | 84,034 | 75,623 | 1,384 | – | 77,007 | 83,162 |
| Financial liabilities | | | | | | | | | | |
| Total financial liabilities | – | 863,552 | 979,840 | 1,843,392 | 1,843,820 | 4,028 | 917,607 | 917,723 | 1,839,358 | 1,845,122 |
| Including: | | | | | | | | | | |
| Due to banks | – | 77,555 | 88,920 | 166,475 | 166,475 | – | 85,091 | 73,833 | 158,924 | 158,924 |
| Customer accounts | – | 767,652 | 804,341 | 1,571,993 | 1,572,841 | – | 817,752 | 760,951 | 1,578,703 | 1,585,025 |
| Debt securities issued | – | 18,345 | – | 18,345 | 17,925 | 4,028 | 14,764 | – | 18,792 | 18,234 |
| Subordinated debt | – | – | 15,531 | 15,531 | 15,531 | – | – | 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 quarter 2024, securities in the line "Debt securities issued" were transferred from Level 1 to Level 2 in the amount of RUB 4,188 million 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 2023, unless otherwise noted¹.

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 | 3 months ended 31 March 2024 (unaudited) |
|---|---------------------------|------------------------------|--|--------------------|---|
| Net interest margin | 11,457 | 7,401 | 1,343 | (3,317) | 16,884 |
| Credit loss expense | (175) | (99) | (10) | (6) | (290) |
| Net gain/(loss) on financial transactions | 120 | – | 2,013 | (1,010) | 1,123 |
| Net fee and commission income | 1,508 | 993 | 201 | – | 2,702 |
| Net change in provisions for impairment and other provisions | – | – | (67) | (61) | (128) |
| Other income | 173 | 177 | (86) | 88 | 352 |
| (Expense)/income other segments | (1,927) | (965) | (1,414) | 4,306 | – |
| Total operating income | 11,156 | 7,507 | 1,980 | – | 20,643 |
| Operating expenses | (9,050) | (2,608) | (662) | (144) | (12,464) |
| (Expense)/income from other segments | (83) | (43) | (18) | 144 | – |
| Other non-operating income/(expense) | 7 | 3 | 1 | – | 11 |
| Profit before income tax | 2,030 | 4,859 | 1,301 | – | 8,190 |
| Income tax expense | (562) | (585) | 162 | – | (985) |
| Net profit for the period | 1,468 | 4,274 | 1,463 | – | 7,205 |
| Segment assets as at 31 March 2024 (unaudited) | 981,640 | 808,870 | 207,133 | 99,728 | 2,097,371 |
| Segment liabilities as at 31 March 2024 (unaudited) | 731,622 | 898,625 | 156,250 | 79,751 | 1,866,248 |
| <i>(in millions of Russian Roubles)</i> | Retail banking | Corporate banking | Treasury and Financial institutions | Unallocated | 3 months ended 31 March 2023 (unaudited) |
| Net interest margin | 6,518 | 5,134 | 654 | 2,922 | 15,228 |
| Credit loss, expense | (69) | (548) | (53) | 126 | (544) |
| Net gain/(loss) on financial transactions | 191 | – | 4,900 | (994) | 4,097 |
| Net fee and commission income | 2,160 | 1,134 | 196 | (237) | 3,253 |
| Net change in provisions for impairment and other provisions | – | – | – | (321) | (321) |
| Other income | 58 | 67 | 56 | 31 | 212 |
| (Expense)/income other segments | 655 | 327 | 545 | (1,527) | – |
| Total operating income | 9,513 | 6,114 | 6,298 | – | 21,925 |
| Operating expenses | (8,249) | (2,243) | (725) | (190) | (11,407) |
| (Expense)/income from other segments | (121) | (53) | (16) | 190 | – |
| Other non-operating income/(expense) | (12) | (5) | (25) | – | (42) |
| Profit before income tax | 1,131 | 3,813 | 5,532 | – | 10,476 |
| Income tax expense | (192) | (649) | (942) | – | (1,783) |
| Net profit for the period | 939 | 3,164 | 4,590 | – | 8,693 |
| 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 |

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23. Subsequent events

In April 2024 structural bonds were redeemed:

| Issuer | Issue date | Maturity date | Repayment volume mRUB | Annual coupon rate, % |
|---------------|-------------------|----------------------|----------------------------------|----------------------------------|
| 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% |

On 6 May 2024, Expert RA rating agency confirmed Rosbank's credit rating at ruAAA level. The confirmed highest credit rating of Rosbank has a stable outlook.

On 8 May 2024, at the Extraordinary General Meeting of Shareholders, the shareholders of IC PJSC "TCS Holding", which includes Tinkoff Bank, made all necessary decisions to integrate ROSBANK PJSC into the holding. Finalization of the additional issue and closing of the transaction are expected by the end of 3 quarter 2024, and in 4 quarter 2024 a new development strategy for "TCS Holding" Group will be presented, taking into account the integration of ROSBANK PJSC. This integration transaction best meets the interests of all shareholders and opens up additional opportunities for advanced qualitative business growth of both Rosbank Group and "TCS Holding" Group 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.