

CREDIT BANK OF MOSCOW
(public joint-stock company)

Special Purpose Interim Condensed Consolidated
Financial Statements
for the nine-month period
ended 30 September 2023

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Independent Auditors' Report on Review of Special Purpose Interim Condensed Consolidated Financial Statements Prepared for Disclosure on Publicly Available Information Resources in Accordance with the Requirements of the Decision of the Board of Directors of the Bank of Russia

To the Shareholders and Supervisory Board of CREDIT BANK OF MOSCOW (public joint-stock company)

Introduction

We have reviewed the accompanying special purpose interim condensed consolidated financial statements of CREDIT BANK OF MOSCOW (public joint-stock company) (the "Bank") and its subsidiaries (the "Group"), which comprise the special purpose interim condensed consolidated statement of financial position as at 30 September 2023, the special purpose interim condensed consolidated statements of profit or loss and of other comprehensive income for the three- and nine-month periods ended 30 September 2023, and the related notes, prepared for disclosure on publicly available information resources in accordance with the requirements of the decision of the Board of Directors of the Bank of Russia dated 29 December 2022 on the disclosure by credit organisations (parent credit organisations of banking groups) of financial statements and information in 2023 (the "Decision of the Board of Directors of the Bank of Russia") (the "interim condensed consolidated financial statements"). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the basis described in Note 6. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements as at 30 September 2023 and for the three- and nine-month periods ended 30 September 2023 are not prepared, in all material respects, in accordance with the basis described in Note 6.

Emphasis of Matter – Basis of Accounting and Restriction on Use and Distribution

We draw attention to Note 6 to the interim condensed consolidated financial statements, which describes the basis of preparation. The interim condensed consolidated financial statements are prepared for disclosure on publicly available information resources in accordance with the requirements of the Decision of the Board of Directors of the Bank of Russia. As a result, the interim condensed consolidated financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.



Tatarinova Ekaterina Vyacheslavovna
JSC "Kept"
Moscow, Russia
16 November 2023

CREDIT BANK OF MOSCOW (public joint-stock company)
Special Purpose Interim Consolidated Statement of Profit or Loss

(Unaudited) in millions of Russian rubles	Notes	Nine-month period ended 30 September 2023	Three-month period ended 30 September 2023
Interest income calculated using the EIR method	2	269 073	105 646
Other interest income	2	8 067	3 124
Interest expense	2	(191 002)	(75 461)
Deposit insurance costs	2	(2 284)	(803)
Net interest income	2	83 854	32 506
Charge for credit losses on debt financial assets		(19 698)	(11 622)
Net interest income after credit losses on debt financial assets		64 156	20 884
Fee and commission income	3	16 083	5 487
Fee and commission expense	3	(4 024)	(1 461)
Expenses less income from sale and redemption of Investment financial assets at FVOCI		(6 886)	(455)
Income less expenses on financial assets at FVTPL, from foreign exchange transactions and transactions with precious metals		21 596	7 308
Net charge for other provisions		(4 197)	(749)
Net other income		782	804
Non-interest income		23 354	10 934
Operating income		87 510	31 818
Salaries and employment benefits		(18 680)	(5 736)
Administrative expenses		(7 436)	(2 860)
Depreciation of premises and equipment and ROU		(1 719)	(574)
Operating expense		(27 835)	(9 170)
Profit before income taxes		59 675	22 648
Income tax expense		(11 361)	(4 743)
Profit for the period		48 314	17 905
Basic and diluted earnings per share (in rubles per share)		1,38	0,49

Approved and signed on behalf of the Board on 16 November 2023.

Chairman of the Management Board



Katorzhnov N.V.

Chief Accountant

Sass S.V

CREDIT BANK OF MOSCOW (public joint-stock company)
Special Purpose Interim Consolidated Statement of Other Comprehensive Income

(Unaudited) in millions of Russian rubles	Notes	Nine-month period ended 30 September 2023	Three-month period ended 30 September 2023
Profit for the period		48 314	17 905
Other comprehensive income			
Other comprehensive income that can be subsequently reclassified to profit or loss, net of income tax		18 539	15 656
Other comprehensive income for the period, net of income tax		18 539	15 656
Total comprehensive income for the period		66 853	33 561

CREDIT BANK OF MOSCOW (public joint-stock company)
Special Purpose Interim Consolidated Statement of Financial Position

in millions of Russian rubles	Notes	30 September 2023 (Unaudited)	31 December 2022
ASSETS			
Cash and cash equivalents		1 525 237	1 515 143
Obligatory reserves with the CBR		9 747	4 320
Accounts and due from credit and other financial organizations		101 753	75 192
Trading financial assets		138 693	146 973
- <i>held by the Group</i>		<i>124 829</i>	<i>133 485</i>
- <i>pledged under sale and repurchase agreements</i>		<i>13 864</i>	<i>13 488</i>
Loans to customers		2 436 140	1 845 393
- <i>loans to corporate clients</i>		<i>2 232 933</i>	<i>1 648 454</i>
- <i>loans to individuals</i>		<i>203 207</i>	<i>196 939</i>
Investment financial assets		598 817	335 092
- <i>held by the Group</i>		<i>560 418</i>	<i>276 106</i>
- <i>pledged under sale and repurchase agreements</i>		<i>38 399</i>	<i>58 986</i>
Property and equipment		14 775	14 870
Deferred tax asset		233	685
Assets held for sale		299	355
Other assets		30 256	35 051
Total assets		4 855 950	3 973 074
LIABILITIES AND EQUITY			
Deposits by the CBR		885	97 408
Due to credit institutions		1 145 551	978 179
Due to customers	4	3 087 383	2 388 096
- <i>due to corporate customers</i>	4	<i>2 405 795</i>	<i>1 794 028</i>
- <i>due to individuals</i>	4	<i>681 588</i>	<i>594 068</i>
Financial liabilities measured at FVTPL		28 494	17 010
Debt securities issued		223 802	190 073
Deferred tax liability		8 386	-
Other liabilities		26 631	28 532
Total liabilities		4 521 132	3 699 298
Equity			
Share capital		34 292	34 292
Additional paid-in capital		77 290	77 290
FV reserve for securities and other reserves		(7 565)	(26 103)
Retained earnings and other equity components		230 801	188 297
Total equity		334 818	273 776
Total liabilities and equity		4 855 950	3 973 074

CREDIT BANK OF MOSCOW (public joint-stock company)
Notes to, and forming part of, the Special Purpose Interim Condensed Consolidated Financial Statements

1 Abbreviations used

Below is provided the list of standard abbreviations used in these special purpose interim condensed consolidated financial statements:

ROU	Right-of-use assets
The Bank	CREDIT BANK OF MOSCOW (public joint-stock company)
The Group	The Bank and its subsidiaries
IFRS	International Financial Reporting Standards
ECL	Expected credit losses
OCI	Other comprehensive income
RUB	Russian Rouble
FV	Fair value
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
The CBR	The Central Bank of the Russian Federation
EIR	Effective interest rate

2 Net interest income

(Unaudited) in millions of Russian rubles	Nine-month period ended 30 September 2023	Three-month period ended 30 September 2023
Interest income calculated using the EIR method		
Interest income on financial assets measured at amortised cost		
Loans to customers	160 655	64 302
Accounts and due from credit and other financial organizations and the CBR	82 915	29 896
Debt securities measured at amortised cost	6 654	3 424
	250 224	97 622
Interest income on debt financial assets measured at FVOCI	18 849	8 024
Total interest income calculated using the EIR method	269 073	105 646
Other financial instruments at FVTPL	7 887	3 026
Loans to customers at FVTPL	180	98
Other interest income	8 067	3 124
Total interest income	277 140	108 770
Interest expense		
Interest expense on financial liabilities measured at amortised cost		
Due to customers	(113 664)	(43 822)
Due to credit institutions and the CBR	(68 037)	(28 281)
Debt securities issued	(8 724)	(3 187)
Lease liabilities	(561)	(171)
Total Interest expense on financial liabilities measured at amortised cost	(190 986)	(75 461)
Interest expense on debt liabilities measured at FVTPL		
Structured bonds measured at FVTPL	(16)	-
Total interest expense	(191 002)	(75 461)
Deposit insurance costs	(2 284)	(803)
Net interest income	83 854	32 506

CREDIT BANK OF MOSCOW (public joint-stock company)
Notes to, and forming part of, the Special Purpose Interim Condensed Consolidated Financial Statements

3 Net fee and commission income

(Unaudited) in millions of Russian rubles	Nine-month period ended 30 September 2023	Three-month period ended 30 September 2023
Fee and commission income		
Guarantees and letters of credit	6 367	2 191
Bank cards	2 700	973
Cash operations	2 081	702
Settlements and wire transfers	1 461	342
Insurance contracts processing	1 107	361
Cash handling	849	260
Financial services fees, trust management and brokerage commission	671	224
Opening and maintenance of bank accounts	336	105
Currency exchange commission	155	60
Other	356	269
Total fee and commission income	16 083	5 487
Fee and commission expense		
Bank cards	(2 043)	(684)
Guarantees and other credit related facilities received	(739)	(281)
Settlements and wire transfers	(475)	(171)
Agency fees	(481)	(187)
Other	(286)	(138)
Total fee and commission expense	(4 024)	(1 461)
Net fee and commission income	12 059	4 026

Depending on the type of the service commission income when not an integral part of the EIR on a financial asset or liability is recognized either at a point of time or over time according to the pattern the Group fulfills a performance obligation under the contract:

- commission fee for settlement transactions and wire transfers, cash operations, plastic cards, insurance contracts processing, cash handling, currency exchange and brokerage commission, opening and maintenance of bank accounts commission are charged for the execution of payment order in accordance with tariffs depending on the type of the transaction and recognised as income at the moment of the transaction execution;
- commission fee on guarantees and letters of credit issued is paid in advance and is recognized as income over the time of the relevant guarantee or letter of credit.

4 Due to customers

in millions of Russian rubles	30 September 2023 (Unaudited)	31 December 2022
Corporate customers		
Term and demand deposits	2 009 333	1 594 942
Current accounts	343 551	154 014
Subordinated debt	51 861	43 832
Payables under repurchase agreements	1 050	1 240
Total corporate customers	2 405 795	1 794 028
Individuals		
Term and demand deposits	481 443	445 290
Current accounts	200 145	148 778
Total individuals	681 588	594 068
Total due to customers	3 087 383	2 388 096

As at 30 September 2023 (unaudited), the fair value of securities that serve as collateral under sale and repurchase agreements is RUB 695 million (31 December 2022: RUB 1 356 million) including the fair value of securities received as collateral under reverse repo deals being pledged for direct repo deals is RUB 695 million (31 December 2022: RUB 599 million).

5 Capital management

The CBR sets and monitors capital requirements for the Group. The Group defines as capital those items defined by statutory regulation as capital for banking groups.

Since 1 April 2021 the Group calculates amount of capital in accordance with Provision of the CBR dated 15 July 2020 No.729-P ‘On Calculation of Amount of Own Funds (Capital), Economic Ratios and Amounts (Limits) of Open Currency Positions of Banking Groups’. Starting from 1 January 2016, the Group is required to comply with the capital adequacy ratios of capital maintenance, anti-cyclical and systemic importance. In accordance with the decision of the Board of Directors of the CBR for 2023, the amount of capital adequacy markups for systemic importance and maintaining capital adequacy for banks with a universal license is set at 0%. Management believes that the Group maintains capital adequacy at a level that is appropriate for the nature and volume of its operations.

As at 30 September 2023 and 31 December 2022 the Group complies with regulatory capital adequacy ratios.

As at 30 September 2023 the item “Reserve for changes in the fair value of securities” was transferred from Tier 2 capital to Tier 1 capital. Comparative data as at 31 December 2022 of the values of capital adequacy ratios, Tier 1 capital have been recalculated.

The capital adequacy ratio of the Group calculated in accordance with the Basel III requirements as adopted in the Russian Federation, based on the IFRS financial statements as at 30 September 2023 and 31 December 2022 is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Recalculated)
Total core tier 1 capital expressed as a percentage of risk-weighted assets (core tier 1 capital ratio) (%)	8.7	9.0
Total tier 1 capital expressed as a percentage of risk-weighted assets (tier 1 capital ratio) (%)	10.5	11.0
Total capital expressed as a percentage of risk-weighted assets (total capital ratio) (%)	13.0	14.1

6 Basis of preparation of special purpose interim condensed consolidated financial statements

In accordance with the decision of the Board of Directors of the CBR dated 29 December 2022 “On the disclosure by credit organisations (parent credit organisations of banking groups) of financial statements and information in 2023 (the “Decision”), starting with the reporting period of 2022 and ending with the 1 October 2023, credit organisations (parent credit organisations of banking groups) have the right not to disclose their annual (interim) consolidated financial statements on publicly available information resources. If they decide to disclose these financial statements, disclosure is made on publicly available information resources subject to the restrictions and exceptions established by the Decision.

These special purposes interim condensed consolidated financial statements of CREDIT BANK OF MOSCOW (public joint-stock company) (the “Bank”) and its subsidiaries (together referred to as the “Group”):

- 1) have been prepared for the purpose of its disclosure on publicly available information resources in accordance with the requirements of the Decision;
- 2) exclude information, disclosure of which is capable of causing damage to the Group and (or) its counterparties, according to the management’s opinion, as well as the information restricted to disclose by the Decision;
- 3) have been prepared for the purpose of presenting the consolidated financial position and total income of the Group, the disclosure of which is not damaging the Group and (or) its counterparties. As a result, these special purposes interim condensed consolidated financial statements may not be suitable for another purpose.

These special purpose interim condensed consolidated financial statements are based on the interim condensed consolidated financial statements of the Group, prepared in accordance with International Financial Reporting Standard (IAS) 34 “Interim Financial Reporting”, which has been reviewed and comprise:

- the special purpose interim consolidated statement of financial position as at 30 September 2023,

CREDIT BANK OF MOSCOW (public joint-stock company)
Notes to, and forming part of, the Special Purpose Interim Condensed Consolidated Financial Statements

- the special purpose interim consolidated statement of profit or loss for the three- and nine-month periods ended 30 September 2023,
- the special purpose interim consolidated statement of other comprehensive income for the three- and nine-month periods ended 30 September 2023,
- the related condensed notes.

These special purpose interim condensed consolidated financial statements are intended to summarise and present on an aggregate basis the interim consolidated statement of financial position, interim consolidated statements of profit or loss and interim consolidated statements of other comprehensive income and do not include information about changes in equity and cash flows. In accordance with the requirements of the CBR on the disclosure by credit organisations (parent credit organisations of banking groups) of financial statements and information in 2023, stated in the Decision, the Group does not disclose in full comparative information for the reporting period of 2022 in these special purpose interim condensed consolidated financial statements.

In preparing these special purpose interim condensed consolidated financial statements, the Group has followed the principles of aggregate presentation of information, where appropriate. In particular:

- The item “Income less expenses on financial assets at FVTPL, from foreign exchange transactions and transactions with precious metals” of the special purpose interim consolidated statement of profit or loss includes: “Expenses less income on loans to customers at FVTPL”, “(Expenses less income) / income less expenses on financial assets at FVTPL”, “Income less expenses / (expenses less income) on Investment financial assets at FVTPL”, “Income less expenses / (expenses less income) from foreign exchange transactions and transactions with precious metals” and “(Expenses less income) / income less expenses on operations with financial liabilities”;
- The item “Net charge for other provisions” of the special purpose interim consolidated statement of profit or loss includes: “Credit loss allowances on other financial assets and credit related commitments” and “Impairment of other non-financial assets and other provisions”;
- The item “Other comprehensive income that can be subsequently reclassified to profit or loss, net of income tax” of the special purpose interim consolidated statement of other comprehensive income includes: “Movement in FV reserve (debt instruments)” and “Change in FV of financial liability attributable to changes in own credit risk”;
- The item “Other assets” of the special purpose interim consolidated statement of financial position includes: “Investments in associates” and “Other assets”;
- The item “FV reserve for securities and other reserves” of the special purpose interim consolidated statement of financial position includes: “FV reserve for securities” and “Other reserves”;
- The item “Retained earnings and other equity components” of the special purpose interim consolidated statement of financial position includes: “Retained earnings” and “Perpetual debt issued”.

The management of the Group is responsible for the preparation of special purpose interim condensed consolidated financial statements in accordance with IFRS.