

CREDIT BANK OF MOSCOW
(public joint-stock company)

Special Purpose Consolidated Interim Condensed
Financial Statements
for the six-month period
ended 30 June 2023

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Independent Auditors’ Report on Review of Special Purpose Consolidated Interim Condensed 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 consolidated interim condensed financial statements of CREDIT BANK OF MOSCOW (public joint-stock company) (the “Bank”) and its subsidiaries (the “Group”), which comprise the special purpose consolidated interim condensed statement of financial position as at 30 June 2023, the special purpose consolidated interim condensed statements of profit or loss and other comprehensive income for the three- and six-month periods ended 30 June 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 “consolidated interim condensed financial statements”). Management is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with the basis described in Note 6. Our responsibility is to express a conclusion on these consolidated interim condensed 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 consolidated interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim condensed financial statements as at 30 June 2023 and for the three- and six-month periods ended 30 June 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 consolidated interim condensed financial statements, which describes the basis of preparation. The consolidated interim condensed 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 consolidated interim condensed financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.



Tatarinova E.V.

JSC "Kept"

Moscow, Russia

28 August 2023

CREDIT BANK OF MOSCOW (public joint-stock company)
Special Purpose Consolidated Interim Condensed Statements of Profit or Loss and Other Comprehensive Income
for the three- and six-month periods ended 30 June 2023
(in millions of Russian Roubles unless otherwise stated)

(Unaudited)	Notes	Six-month period ended 30 June 2023	Three-month period ended 30 June 2023
Interest income calculated using the EIR method	2	163 427	84 322
Other interest income	2	4 943	2 839
Interest expense	2	(115 541)	(59 076)
Net interest income	2	52 829	28 085
Charge for credit losses on debt financial assets		(8 076)	(3 393)
Net interest income after credit losses on debt financial assets		44 753	24 692
Fee and commission income	3	10 596	5 662
Fee and commission expense	3	(2 597)	(1 336)
Expenses less income from sale and redemption of Investment financial assets at FVOCI		(6 431)	(665)
Income less expenses on financial assets at FVTPL and from foreign exchange transactions		14 288	5 633
Net charge for other provisions		(3 448)	(2 143)
Net other expenses		(1 503)	(409)
Non-interest income		10 905	6 742
Operating income		55 658	31 434
Salaries and employment benefits		(12 944)	(7 074)
Administrative expenses		(4 542)	(2 752)
Depreciation of premises and equipment and ROU		(1 145)	(573)
Operating expense		(18 631)	(10 399)
Profit before income taxes		37 027	21 035
Income tax expense		(6 618)	(3 639)
Profit for the period		30 409	17 396
Other comprehensive income			
Other comprehensive income / (loss) that can be subsequently reclassified to profit or loss, net of income tax		2 883	(1 312)
Other comprehensive income / (loss) for the period, net of income tax		2 883	(1 312)
Total comprehensive income for the period		33 292	16 084
Basic and diluted earnings per share (in RUB per share)		0.89	0.51

Approved and signed on behalf of the Board on 28 August 2023.

Acting Chairman of the Management Board

Chief Accountant



Korzhov M.A.

Sass S.V

CREDIT BANK OF MOSCOW (public joint-stock company)
Special Purpose Consolidated Interim Condensed Statement of Financial Position as at 30 June 2023
(in millions of Russian Roubles unless otherwise stated)

	Notes	30 June 2023 (Unaudited)	31 December 2022
ASSETS			
Cash and cash equivalents		1 441 996	1 515 143
Obligatory reserves with the CBR		9 747	4 320
Accounts and due from credit and other financial organizations		80 596	75 192
Trading financial assets		211 316	146 973
- <i>held by the Group</i>		<i>198 241</i>	<i>133 485</i>
- <i>pledged under sale and repurchase agreements</i>		<i>13 075</i>	<i>13 488</i>
Loans to customers		2 113 909	1 845 393
- <i>loans to corporate clients</i>		<i>1 913 836</i>	<i>1 648 454</i>
- <i>loans to individuals</i>		<i>200 073</i>	<i>196 939</i>
Investment financial assets		492 513	335 092
- <i>held by the Group</i>		<i>476 360</i>	<i>276 106</i>
- <i>pledged under sale and repurchase agreements</i>		<i>16 153</i>	<i>58 986</i>
Property and equipment		14 866	14 870
Deferred tax asset		234	685
Assets held for sale		324	355
Other assets		31 555	35 051
Total assets		4 397 056	3 973 074
LIABILITIES AND EQUITY			
Deposits by the CBR		71 005	97 408
Due to credit institutions		1 056 443	978 179
Due to customers	4	2 696 713	2 388 096
- <i>due to corporate customers</i>	4	<i>2 068 658</i>	<i>1 794 028</i>
- <i>due to individuals</i>	4	<i>628 055</i>	<i>594 068</i>
Financial liabilities measured at FVTPL		27 878	17 010
Debt securities issued		213 533	190 073
Deferred tax liability		1 854	-
Other liabilities		27 965	28 532
Total liabilities		4 095 391	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		(23 220)	(26 103)
Retained earnings and other equity components		213 303	188 297
Total equity		301 665	273 776
Total liabilities and equity		4 397 056	3 973 074

Notes 1-6 form an integral part of these special purpose consolidated financial statements.

1 Abbreviations used

Below is provided the list of standard abbreviations used in these special purpose consolidated interim condensed 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)	Six-month period ended 30 June 2023	Three-month period ended 30 June 2023
Interest income calculated using the EIR method		
Financial assets measured at amortised cost		
Loans to customers	96 353	50 068
Accounts and due from credit and other financial organizations and the CBR	53 019	26 529
Debt securities measured at amortised cost	3 230	1 839
Total financial assets measured at amortised cost	152 602	78 436
Debt financial assets measured at FVOCI	10 825	5 886
Interest income calculated using the EIR method	163 427	84 322
Other financial instruments at FVTPL	4 861	2 796
Loans to customers at FVTPL	82	43
Other interest income	4 943	2 839
Total interest income	168 370	87 161
 (Unaudited)	 Six-month period ended 30 June 2023	 Three-month period ended 30 June 2023
Interest expense		
Financial liabilities measured at amortised cost		
Due to customers	(69 842)	(35 960)
Due to credit institutions and the CBR	(39 756)	(20 130)
Debt securities issued	(5 537)	(2 794)
Lease liabilities	(390)	(179)
Total financial liabilities measured at amortised cost	(115 525)	(59 063)
Interest expense on structured bonds valued at FVTPL		
Interest expense on structured bonds valued at FVTPL	(16)	(13)
Total interest expense	(115 541)	(59 076)
Net interest income	52 829	28 085

3 Net fee and commission income

(Unaudited)	Six-month period ended 30 June 2023	Three-month period ended 30 June 2023
Fee and commission income		
Guarantees and letters of credit	4 176	2 333
Bank cards	1 727	915
Other cash operations	1 379	716
Settlements and wire transfers	1 119	645
Insurance contracts processing	746	374
Cash handling	589	241
Financial services fees, trust management and brokerage commission	447	210
Opening and maintenance of bank accounts	231	124
Currency exchange commission	95	49
Other	87	55
Total fee and commission income	10 596	5 662
Fee and commission expense		
Bank cards	(1 359)	(683)
Guarantees and other credit related facilities received	(458)	(242)
Settlements and wire transfers	(304)	(146)
Agency fees	(294)	(183)
Insurance expenses	(34)	-
Other	(148)	(82)
Total fee and commission expense	(2 597)	(1 336)
Net fee and commission income	7 999	4 326

4 Due to customers

	30 June 2023 (Unaudited)	31 December 2022
Corporate customers		
Term and demand deposits	1 683 242	1 594 942
Current accounts	336 210	154 014
Subordinated debt	48 859	43 832
Payables under repurchase agreements	347	1 240
Total corporate customers	2 068 658	1 794 028
Individuals		
Term and demand deposits	454 879	445 290
Current accounts	173 176	148 778
Total individuals	628 055	594 068
Total due to customers	2 696 713	2 388 096

As at 30 June 2023 (unaudited), the fair value of securities that serve as collateral under sale and repurchase agreements is RUB 309 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 281 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'.

The information about the minimum required levels of the capital adequacy ratios as at 30 June 2023 and 31 December 2022 is presented below:

	30 июня 2023	31 декабря 2022
Basic capital ratio (ratio N20.1)	4,5%	4,5%
Main capital ratio (ratio N20.2)	6,0%	6,0%
Own funds (capital) ratio (ratio N20.0)	8,0%	8,0%

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 June 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 June 2023 and 31 December 2022 is as follows:

	30 June 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) (%)	10.6	11.0
Total capital expressed as a percentage of risk-weighted assets (total capital ratio) (%)	13.4	14.1

6 Basis of preparation of special purpose consolidated interim condensed 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 consolidated interim condensed 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 consolidated interim condensed financial statements may not be suitable for another purpose.

These special purpose consolidated interim condensed financial statements are based on the consolidated interim

condensed 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 consolidated interim condensed statement of financial position as at 30 June 2023,
- the special purpose consolidated statements of profit or loss and other comprehensive income for the three- and six-month periods ended 30 June 2023,
- the related condensed notes.

These special purpose consolidated interim condensed financial statements are intended to summarise and present on an aggregate basis the consolidated interim condensed statement of financial position, consolidated interim condensed statements of profit or loss and 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 consolidated interim condensed financial statements.

In preparing these special purpose consolidated interim condensed 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 and from foreign exchange transactions” of the special purpose consolidated interim condensed statement of profit or loss and other comprehensive income 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 “(Expenses less income) / income less expenses on operations with financial liabilities”;
- The item “Net other expenses” of the special purpose consolidated interim condensed statement of profit or loss and other comprehensive income includes: “Income less expenses / (expenses less income) on Investment financial assets at amortised cost” and “Other income / (expenses)”;
- The item “Net charge for other provisions” of the special purpose consolidated interim condensed statement of profit or loss and other comprehensive income 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 consolidated interim condensed statement of profit or loss and 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 consolidated interim condensed statement of financial position includes: “Investments in associates” and “Other assets”;
- The item “FV reserve for securities and other reserves” of the special purpose consolidated interim condensed statement of financial position includes: “FV reserve for securities” and “Other reserves”;
- The item “Retained earnings and other equity components” of the special purpose consolidated interim condensed statement of financial position includes: “Retained earnings” and “Perpetual debt issued”. The

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