

IFRS Financial Results for 12M2024

07 April 2025, Moscow

MKB demonstrated strong capital position and balanced growth of its corporate and retail business

- Assets expanded by 7.3% to RUB 5,009 bln as total loan portfolio grew by 14.8%.
- Net corporate loan portfolio expanded by 15.4%. The bank focused on financing reliable borrowers in the key sectors of the Russian economy and offered products tailored to the market situation. A substantial slowdown in 4Q was caused by the toughening of the CBR's monetary policy.
- Retail deposits expanded by notable 30.2%, in line with MKB's strategic liquidity management goals and ahead of the market on average.
- Basel III total capital adequacy ratio stood at 11.8%.
- Net income was RUB 20.9 bln. The decrease compared to 2023, which set an all-time record for the bank, was expected. This was due to general market trends, such as narrowing margins across the banking sector and corporate lending slowdown, as well as to one-off regulatory factors.
- Return on capital (ROAE) was 7.0%.
- Cost-to-income (before provisions) ratio (CTI) was 37.2%.
- Net interest margin stood at 2.3%.
- ACRA affirmed A+(RU) credit rating with stable outlook in October 2024.
- In December 2024, Expert RA upgraded MKB's rating to ESG-II(b) and assigned ESG-A rating on the Bank of Russia's scale with a stable outlook.
- In December 2024, RAEX upgraded MKB's ESG rating to AA with a score of 86.87 points out of 100.
- MKB arranged 96 domestic DCM transactions. Total face value of placed bonds exceeded equivalent of RUB 1.5 tln.
- MKB headed two domestic rankings of Cbonds Awards 2024¹:
 - #4 arranger of replacement bonds, 11% market share;
 - #6 arranger of publicly placed issues, 5% market share.
- MKB continues to expand its factoring portfolio and dominate international factoring sector: #1 by import factoring portfolio and #2 in export factoring segment.
- Active retail customer base expanded by 12%, while number of customers in premium retail segment rose by 36%.

¹ According to Cbonds' Bookrunner League Table of Local Russian Bonds, 2024.

Income Statement Analysis

RUB bln, unless specified otherwise	12M2024	12M2023
Net interest income before charge for credit losses	105.8	116.2
Net fee and commission income	12.7	16.6
Operating income before credit loss allowances	111.4	140.9
Operating expense	(41.5)	(40.3)
Provisioning charges for debt financial assets	(41.6)	(24.1)
Net Income	20.9	59.8
Net interest margin (NIM)	2.3%	2.8%
Cost-to-income ratio (CTI)	37.2%	28.6%
Return on equity (ROAE)	7.0%	23.4%
Return on assets (ROAA)	0.4%	1.4%

Net income for the 12 months of 2024 was RUB 20.9 bln. The profitability was under heavy pressure from one-off developments (of both market and regulatory nature): negative revaluation of the securities portfolio as the Bank of Russia toughened its monetary policy and provisions charged for blocked assets. As at 31 December 2024, 84% of the securities portfolio was on the CBR's Lombard List.

Return on equity and assets was 7.0% and 0.4% as at the end of the reporting period, respectively.

Provisioning charges for debt financial assets amounted to RUB 41.6 bln, which corresponds to the cost of risk of 130 bps. The growth of provisions was largely driven by a change in CBR's approach to treating blocked assets.

Net interest income shrank by 8.9% yoy to RUB 105.8 bln. **Net interest margin** was 2.3%, in line with the downward market trend, as the competition for liquidity in the deposit market exacerbated.

Net fee and commission income was RUB 12.7 bln for 12M2024. The bank focused on documentary operations for corporates and invested in customer loyalty, yielding a more active retail customer base. That income was also affected by the closure of inefficient segments of the cash collection franchise.

Operating expense increased by 3.0% to RUB 41.5 bln. The bank invested in digitalisation and import replacement, while making sure its operating expenses grew below the inflation. **Cost-to-income (CTI) ratio** was 37.2%.

Balance Sheet Analysis

RUB bln, unless specified otherwise	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023	Change yoy, %
Assets	5,009.0	5,099.1	4,796.4	4,826.9	4,667.0	+7.3%
Total net loan portfolio	2,697.6	2,690.2	2,505.9	2,466.6	2,349.9	+14.8%
Net corporate loan portfolio	2,480.0	2,483.0	2,303.1	2,266.1	2,149.3	+15.4%
Net retail loan portfolio	217.6	207.2	202.8	200.5	200.6	+8.5%
Liabilities	4,659.7	4,742.3	4,442.3	4,469.0	4,319.1	+7.9%
Due to customers	3,178.5	3,033.4	3,058.8	3,008.8	2,861.1	+11.1%
Corporate accounts	2,155.6	2,018.9	2,149.7	2,149.8	2,075.6	+3.9%
Retail deposits	1,022.9	1,014.5	909.0	859.0	785.5	+30.2%
Equity	349.3	356.9	354.1	357.8	347.9	+0.4%
Financial Ratios						
Loan-to-deposit ratio (LDR)	84.9%	88.7%	81.9%	82.0%	82.1%	

Total assets rose by 7.3% and reached RUB 5.0 tln, mainly because the **loan portfolio** increased by 14.8% (13.2% net of currency revaluation).

The net corporate loan portfolio expanded by 15.4% ytd (13.6% net of currency revaluation) to RUB 2,480.0 bln. The bank continues to focus on its loan portfolio's sectoral diversification, increasing exposure to such sectors as transport services (+244%), food and agricultural products (+56%), mining of precious metals and ores (+49%); industrial machinery and equipment (+40%); chemicals (+36%), clothes, shoes, textile, sporting goods (+22%).

As its retail customers prefer saving, MKB's net retail loan portfolio expanded by moderate 8.5% ytd to RUB 217.6 bln.

The ratio of non-performing loans (NPL 90+) was 3.2%. **The LLP/NPL coverage ratio** was at a comfortable level of 132.5%.

Customer deposits, representing 68% of the total liabilities or RUB 3,178.5 bln, expanded by 11.1% yoy.

Corporate deposits increased by 3.9% to RUB 2,155.6 bln.

Retail deposits rose by 30.2% yoy to RUB 1,022.9 bln. MKB continues to offer highly competitive terms in the retail deposit market, diversifying its funding base and sticking to its strategic liquidity management goals.

Loan-to-deposit ratio (LDR) stands at the optimal level of 84.9%.

The core Tier 1 capital adequacy ratio was 8.1% as at 31 December 2024, the **tier 1 capital adequacy ratio** was 10.0%, and the **total capital adequacy ratio** was 11.8%.

MKB enjoys a wide safety margin over the Bank of Russia's regulatory capital adequacy ratios.



IFRS press release

12M2024

Credit Bank of Moscow (MKB) is a universal privately-owned bank which provides a wide range of banking and investment banking services to corporate customers, SMEs and individuals, as well as private banking services. It ranks 6 by total assets among Russian banks. MKB is on the list of systemically important credit institutions approved by the Bank of Russia. It has been in the Russian financial market since 1992.

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