

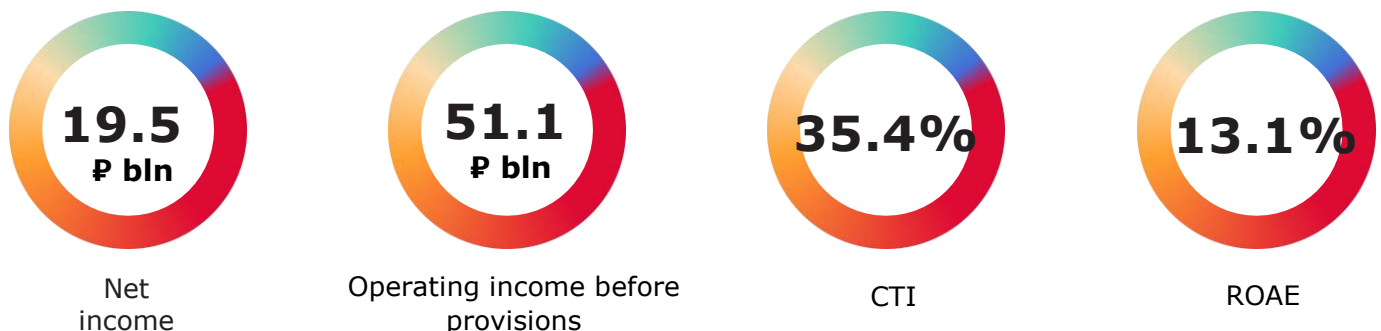
Summary IFRS results for 6M2024

14 August 2024, Moscow

RUB 19.5 bln of net income earned

- Net income was RUB 19.5 bln.
- Return on equity (ROAE) was 13.1% and cost-to-income (before provisions) ratio (CTI) was 35.4%.
- Net interest margin reached 2.7%.
- Assets expanded by 2.8% to RUB 4,796.4 bln as total loan portfolio grew by 6.6%.
- Net corporate loan portfolio expanded by 7.2% driven by quality borrowers in various sectors, including
 - precious metals and ore mining (+66%),
 - industrial and infrastructure construction (+42%),
 - residential and commercial construction (+21%),
 - chemicals (+12%),
 - clothing, shoes, textiles and sporting goods (+9%).
- Ratio of non-performing loans (NPL¹) to gross loan portfolio was 1.2%.
- Corporate deposits increased by 3.6%, supported by steady growth of active customer base.
- Retail deposits expanded by substantial 15.7%, in line with MKB's strategic liquidity management goals and market trends.
- Basel III total capital adequacy ratio stood at 13.1%.
- In June 2024, Expert RA affirmed MKB's credit rating at "ruA+", stable outlook.
- MKB arranged 31 domestic DCM transactions. Total face value of placed bonds exceeded equivalent of RUB 650 bln. MKB's market share is more than 6.5%².
- MKB finalised domestic replacement of all CBOM's Eurobonds by placing 4 issues of substituting subordinated bonds.
- Number of active large and medium-sized corporate customers (holdings) rose by 8%, and number of premium retail customers increased by 12%.
- MKB further reinforced its leadership in international factoring market, doubling its portfolio to RUB 19.4 bln and taking more than 40%³ market share.
- National Finance Association's Board designated MKB as ROISfix⁴ Contributor on 06 June 2024. MKB now plays a role in setting one of the key money market indicators in Russia. It is a point of reference for banks and companies in shaping their transfer price curves and assessing the cost of funds.

Key Financial Results



¹ NPL (non-performing loan) means a loan overdue by more than 90 days.

² According to Cbonds "Bookrunner League Table of Local Russian Bonds, Jan-June 2024".

³ Preliminary figures from the Association of Factoring Companies' (AFC) [report](#) dated 08.07.2024.

⁴ <https://roisfix.ru/news/ob-izmenenii-sostava-kontrib> ROISfix means RUONIA Overnight Interest Rate Swap.

Income Statement Analysis

RUB bln, unless specified otherwise	6M2024	6M2023
Net interest income before charge for credit losses	59.4	51.3
Net fee and commission income	6.0	8.0
Operating income before credit loss allowances	51.1	63.8
Operating expense	(18.3)	(18.7)
Provisioning charges for debt financial assets	(10.4)	(8.1)
Net income	19.5	30.4
Net interest margin (NIM)	2.7%	2.6%
Cost-to-income ratio (CTI)	35.4%	27.8%
Return on equity (ROAE)	13.1%	25.9%
Return on assets (ROAA)	0.8%	1.5%

Net income for 1H2024 fell by 36% yoy to RUB 19.5 bln due to a negative revaluation of the securities portfolio and devaluation of derivative financial instruments caused by rising interest rates. As at 30 June 2024, 81% of the securities portfolio was on the CBR's Lombard List.

Return on equity and assets was 13.1% and 0.8% as at the end of the reporting period, respectively.

Provisioning charges for debt financial assets amounted to RUB 10.4 bln, which corresponds to the cost of risk of 70 bps.

Net interest income for 1H2024 was RUB 59.4 bln; it grew by 15.7% yoy as the

monetary conditions got tougher, the key rate continued to rise and is expected to reach higher levels. **Net interest margin** for 1H2024 was 2.7%. Banking margins demonstrate stability, despite being interest rate-sensitive.

Net fee and commission income was RUB 6.0 bln for 6M2024.

Operating expense declined by 2.2% yoy to RUB 18.3 bln, and consisted mainly of employment benefits and administrative expenses. MKB stably demonstrates a high level of operational efficiency: its **cost-to-income ratio (CTI)** for the first six months of 2024 was 35.4%, in line with the target.

Balance Sheet Analysis

RUB bln, unless specified otherwise	30.06.2024	31.03.2024	31.12.2023	Change ytd,%
Assets	4,796.4	4,826.9	4,667.0	+2.8%
Total net loan portfolio	2,505.9	2,466.6	2,349.9	+6.6%
Net corporate loan portfolio	2,303.1	2,266.1	2,149.3	+7.2%
Net retail loan portfolio	202.8	200.5	200.6	+1.1%
Liabilities	4,442.3	4,469.0	4,319.1	+2.9%
Due to customers	3,058.8	3,008.8	2,861.1	+6.9%
Corporate accounts	2,149.7	2,149.8	2,075.6	+3.6%
Retail deposits	909.0	859.0	785.5	+15.7%
Equity	354.1	357.8	347.9	+1.8%
Financial Ratios				
Loan-to-deposit ratio (LDR)	81.9%	82.0%	82.1%	

Total assets expanded by 2.8% in 1H2024 to RUB 4.8 tln, mainly because the **loan portfolio** increased by 6.6% (7.3% net of currency revaluation).

The net corporate loan portfolio expanded by 7.2% ytd (7.9% net of currency revaluation) to RUB 2,303.1 bln thanks to systemic efforts to develop the existing relationships and find new quality borrowers. The bank continues to focus on the sectoral diversification of its portfolio.

As retail customers' preferences shifted toward saving, MKB's net retail loan portfolio expanded by moderate 1.1% in 1H2024 to RUB 202.8 bln.

Customer deposits, representing 69% of the total liabilities or RUB 3,058.8 bln, expanded by 6.9%.

Corporate deposits increased by 3.6% (5.4% net of currency revaluation) in the reporting period to RUB 2,149.7 bln.

Retail deposits rose by 15.7% ytd to RUB 909.0 bln. In 2Q2024, MKB continues to offer competitive terms in the deposit market.

Loan-to-deposit ratio (LDR) stands at 82%.

MKB enjoys a wide safety margin over the Bank of Russia's regulatory capital adequacy ratios. The **core Tier 1 capital adequacy ratio** was 9.4% as at 30 June 2024, the **Tier 1 capital adequacy ratio** was 11.1%, and the **total capital adequacy ratio** was 13.1%.

Basel III capital decreased by 0.7% ytd to RUB 412.7 bln due to changes in fair value of securities.

In June 2024, MKB held an annual General Shareholders' Meeting, which approved its [annual report for 2023](#), including its sustainability report.



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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