



MKB

IFRS Results 6m2024

August, 2024

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MKB at a glance

MKB is TOP-6 largest bank in Russia by total assets, and it is included in the list of systemically important financial institutions approved by the Central Bank of the Russian Federation.

TOP-6

Bank in Russia by total assets

32 years

in the Russian financial market. Founded in 1992

4.8

trillion ₺

Total Assets
as of June 30, 2024

354.1

billion ₺

Total Capital
as of June 30, 2024

93

branches

All over the country

13.1%

ROE

Return on Equity
as of June 30, 2024

A universal bank with a focus on corporate customers

High reliability ratings

A+(RU) ACRA Rating Agency

ruA+ Expert RA

AA- China Lianhe Credit Rating

ESG-II (c) Expert RA

AA [esg] RAEX



Universal Banking Platform with Corporate Relationships at it's core

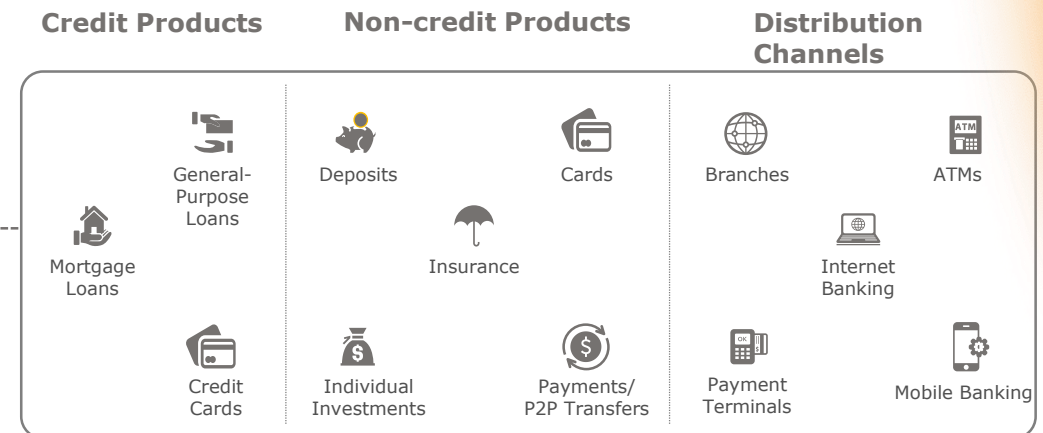
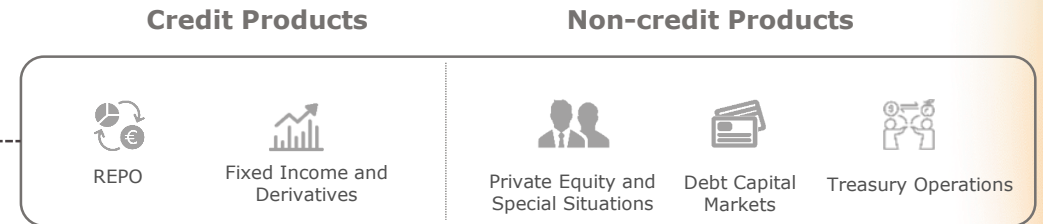
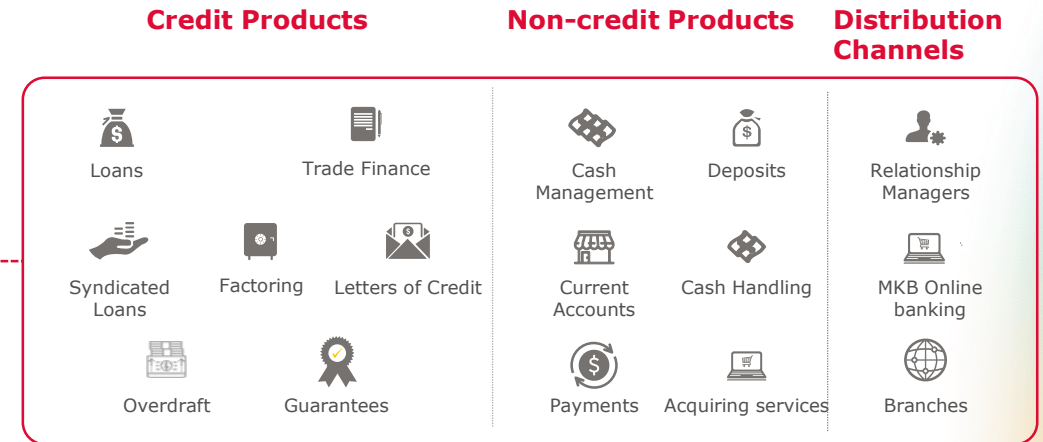
Share of business segments in the Bank's operating income



Corporate Banking 66%

Investment Banking 15%

Retail Banking 19%



Corporate banking: focus on key players

Coverage and strategy



Target large companies from **15 diverse industries**



Focus on Risk-Adjusted Return on Capital and **fee-based value-added services**



>75% of corporate clients are **multiproduct** relationships

Fee-based products development and international footprint



Active development of trade and documentary business in 2023

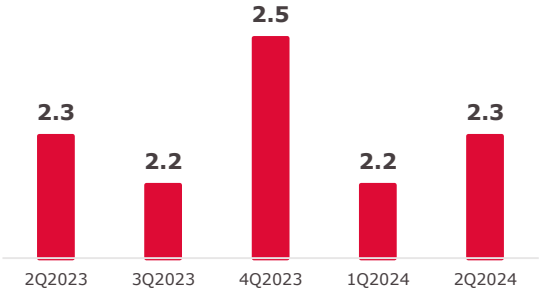


Global correspondent network and tailored **cash management** solutions



Ecosystem development for residential construction companies

Fee and commission income from guarantees and letters of credit
RUB bln



Current performance of corporate strategy

Active large and medium-sized corporate clients

6m2024 vs 2023

+8%

1.1%

NPL (90+) for the corporate loan portfolio based on the results of 6m2024

TOP-1 in the ranking by volume of the total international factoring portfolio 2023



TOP-6 in working with wealthy clients according to Forbes 2023



Investment Banking: diversified product range

Full range of investment banking services



Debt capital markets

- One of the key touching points in building long-term sustainable multiproduct relationships with corporates



Money market operations / Bond Portfolio Management

- In addition to OFZs, the Bank purchased high-quality corporate bonds from the Lombard List of the CBR, mainly with a floating coupon. This allowed to reduce interest rate risk against the backdrop of rising interest rates



International development

- Support for customer activities abroad, trade operations and customer support, chains of international cooperation in the markets of Southeast Asia and the Middle East



Fixed income and derivatives

- MKB-Exchange: Electronic trading platform for concluding conversion transactions with a bank in real time



Private equity and special situations

- M&A, pre-IPO financing and private equity



Repurchase agreements

- Stable source of income with close to zero capital requirements

Strong positioning in DCM in Russia



Market Share 6.5%

Ranking of Russian bond arrangers (excl. their own issues) 6m2024

RUB
> 650bn total value of placed bonds

31 transactions in 6m2024


Retail Banking business: synergy with corporate business and development of premium services

Competitive Advantages

 **#5** in the Public Ratings **banki.ru**⁽¹⁾

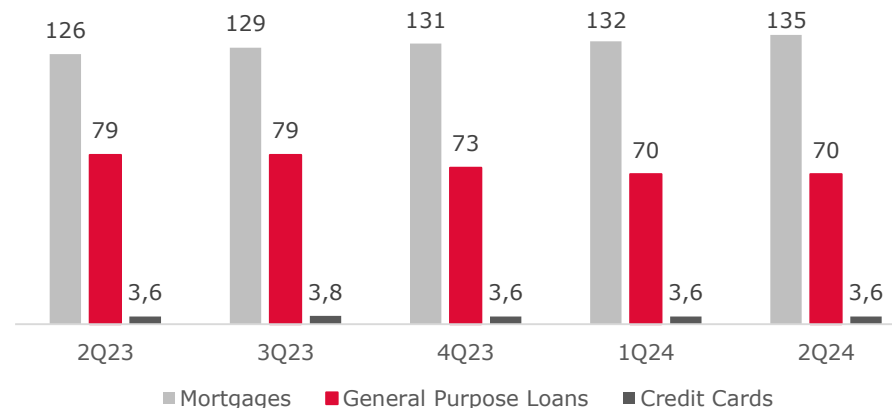
 **Synergy** with corporate business for payroll clients

 **Joint mortgage solutions** with leading developers

 Bank for **depositors**: leading deposit offering

Loan Portfolio breakdown by product

Gross Retail Customer portfolio, RUB bln



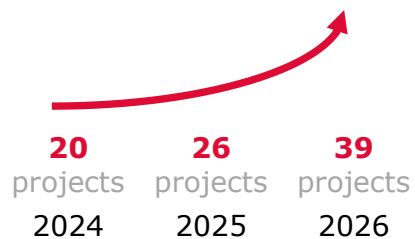
Mortgage portfolio has increased to RUB 135 bln as of Q2 2024 from RUB 126 bln as of Q2 2023 (+7%)

The mortgage portfolio has been a driver of growth in retail lending for MKB for two years

Use of Strategic Opportunities



93 branches
incl. **34** Premium service offices



Branch Transformation: Changing the number of offices in favor of quality

Retail Customers Deposits

+15.7%
YTD 6m2024
(+15.9% without currency revaluation)

909
RUB bln
as of Q2 2024



Frank Debit Card Awards 2023

The most advantageous pension card – «Wisdom Card»

Frank RG Premium Banking Awards 2023

The best team of premium managers in the Russian banking sector

Development results

Corporate and Investment Business⁽¹⁾



by volume
of corporate loan
portfolio



by volume of
corporate clients'
deposits

Credit Ratings

- On June 14, 2024, the rating agency **Expert RA** has affirmed credit rating of MKB at **ruA+**, «**Stable**» **outlook**

ESG

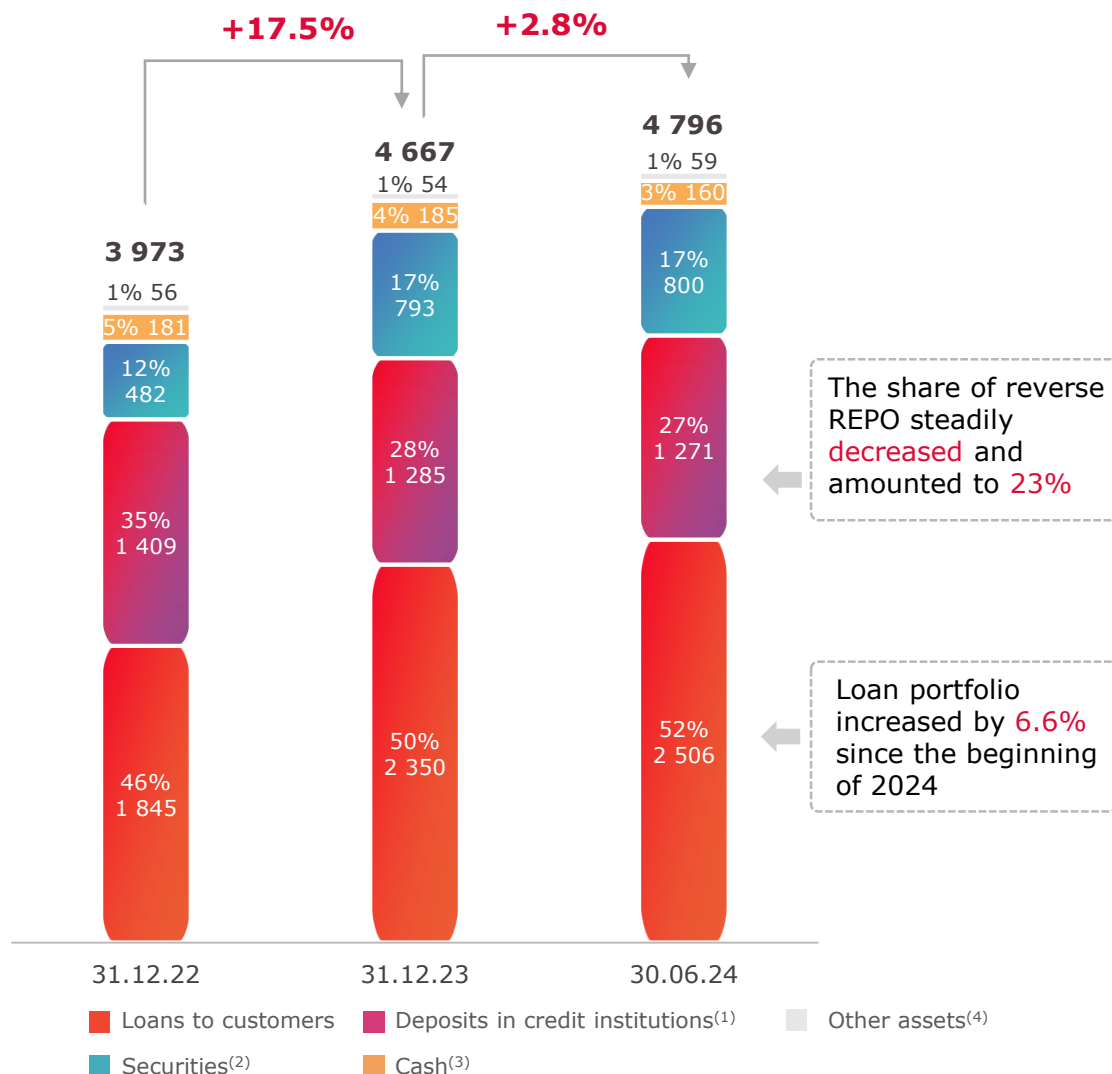
In the 2nd quarter of 2024, **MKB published an ESG report on the results of 2023** in accordance with international GRI standards.

MKB approved a sustainable development strategy for the period 2024-2026. The strategy systematizes the bank's approaches, priorities and goals in the field of ESG and sustainable development.

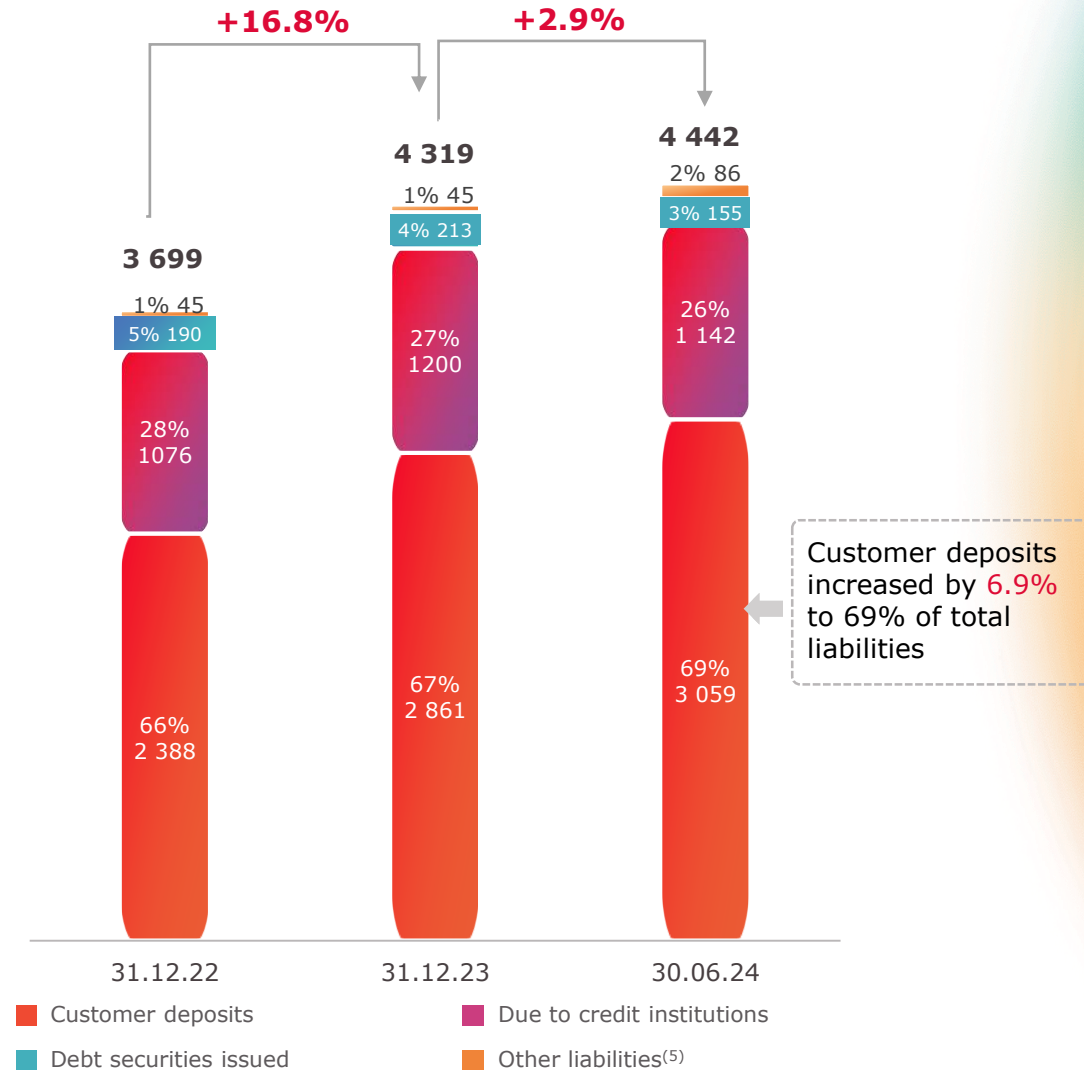
- The net corporate loan portfolio** expanded by **1.6%** in the 1st quarter of 2024 or by **7.2%** since the beginning of 2024.
- Corporate deposits increased by 3.6%** in the 1st half of 2024, supported by steady growth of the active customer base.
- The number of active large and medium-sized corporate clients** increased by **8%** in the 1st half of 2024
- From June 6, 2024 MKB is included in **the list of ROISfix contributors** in accordance with the decision of the Board of Directors of the National Financial Association.
- In the first half of 2024, MKB continued to strengthen its leadership in the international factoring market, **doubling its portfolio to RUB 19.4 billion and taking more than 40% of the market share.**
- MKB completed the procedure for replacing all CBOM Eurobond issues** in the Russian market, placing 4 issues of replacement bonds for CBOM subordinated issues in the 2nd quarter.
- In June 2024, the annual general meeting of shareholders was held to discuss the results of 2023. **The meeting has approved the annual report for 2023**, which also included an **ESG and sustainable development report.**

Balance Sheet evolution

Total Assets evolution



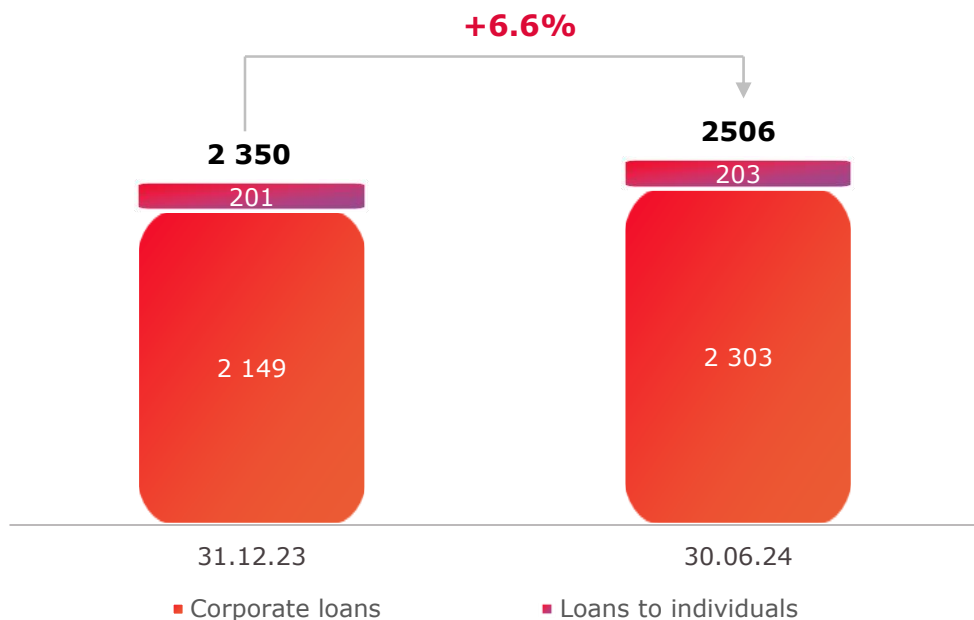
Funding structure evolution



Corporate business – the main driver of growth

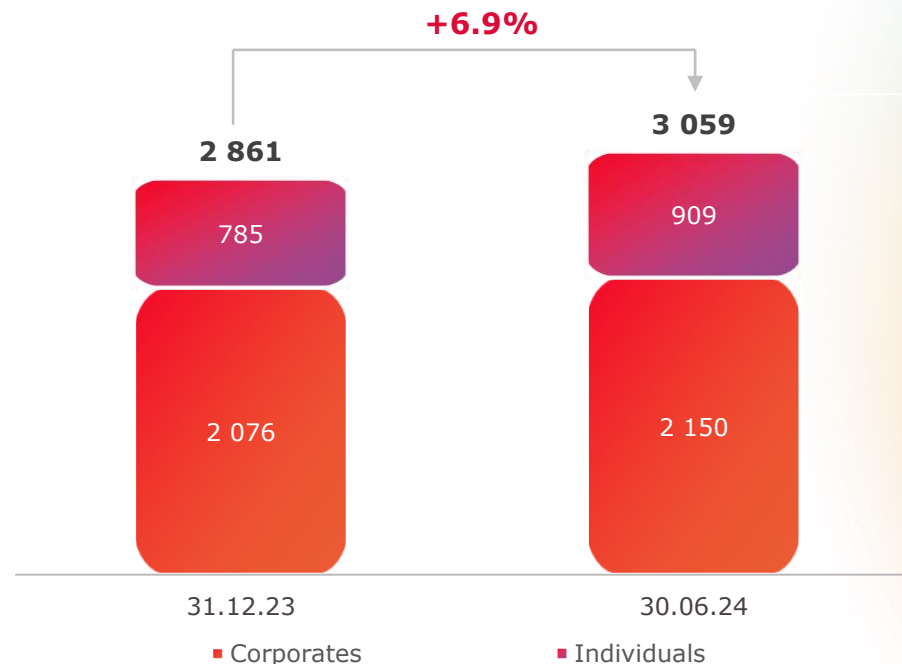
Net Loan Portfolio

RUB bln



Customer Deposits

RUB bln



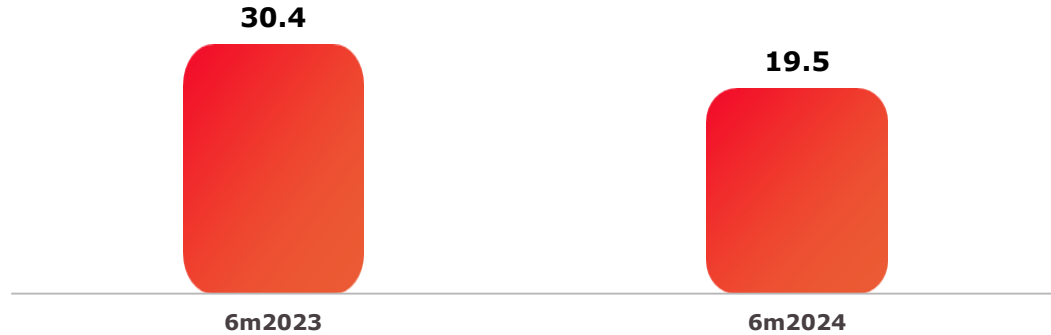
- The growth of the Bank's total assets was driven by an increase in corporate loans by RUB 154 bln (+7.2%) since the beginning of 2024

- Total liabilities increased mainly due to the growth of retail deposits by RUB 124 bln (+15.7%) and corporate customer deposits by RUB 74 bln (+3.6%) in the first half of 2024.

Financial results and operational efficiency

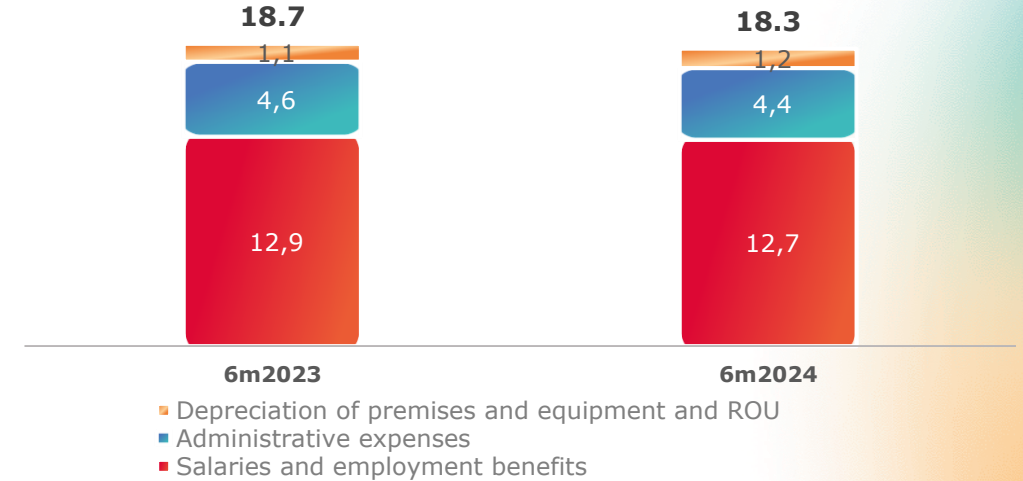
Net Income

RUB bln

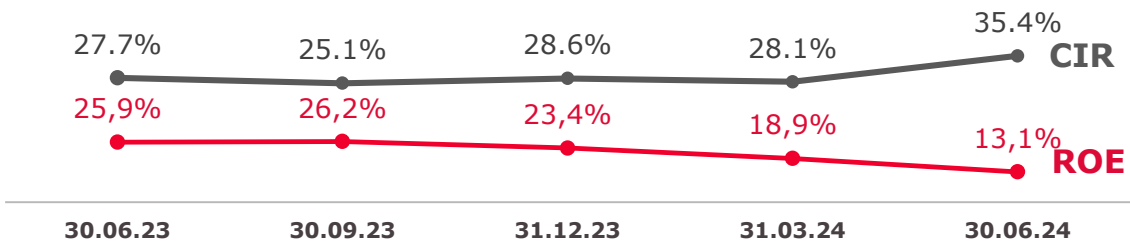


Operating Expenses

RUB bln



ROAE and CIR



RUB 19.5 bln

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.

35.4%

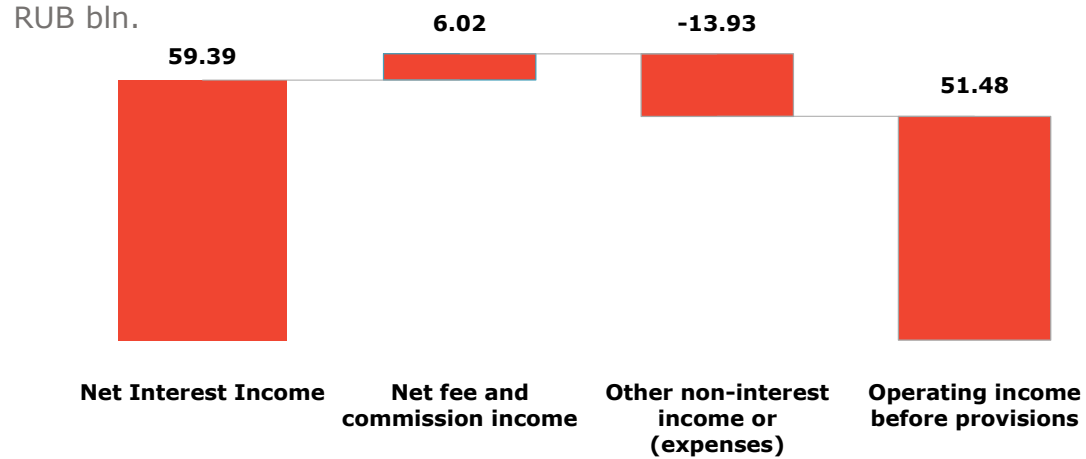
Cost-to-Income ratio (CTI) based on the results of the first half of 2024.

13.1%

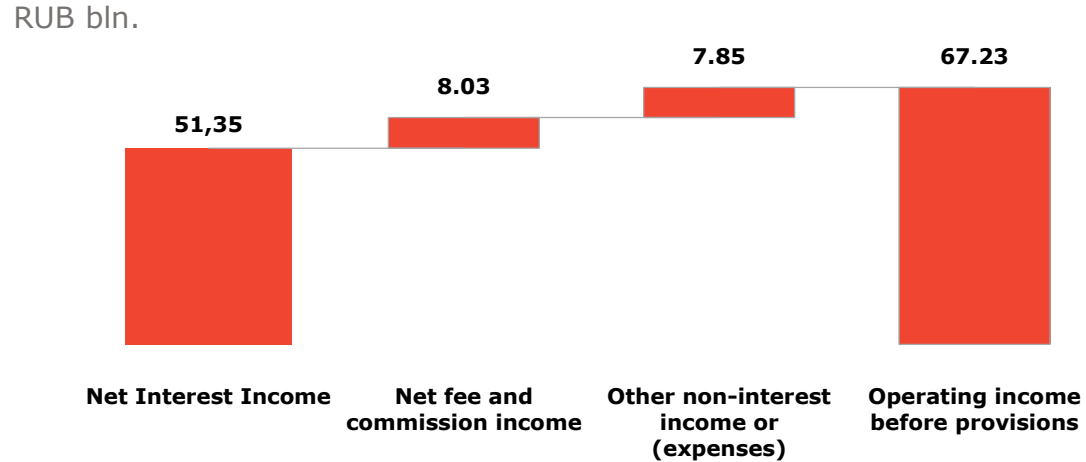
Return on equity (ROE) based on the results of the first half of 2024.

Income Structure

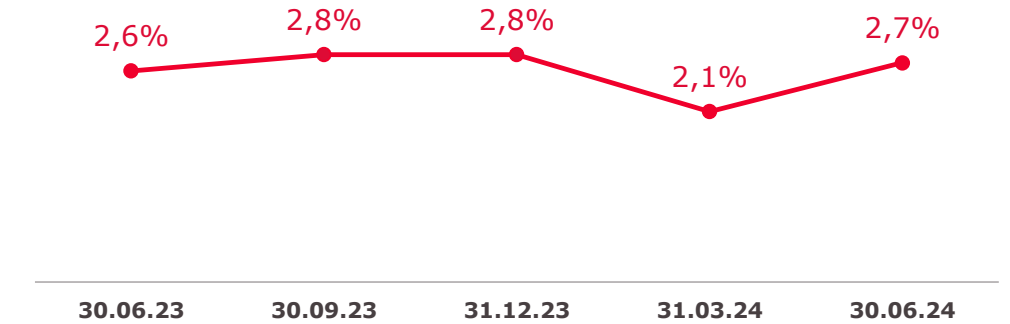
Operating income before provisions, 6m 2024⁽¹⁾



Operating income before provisions, 6m2023



NIM

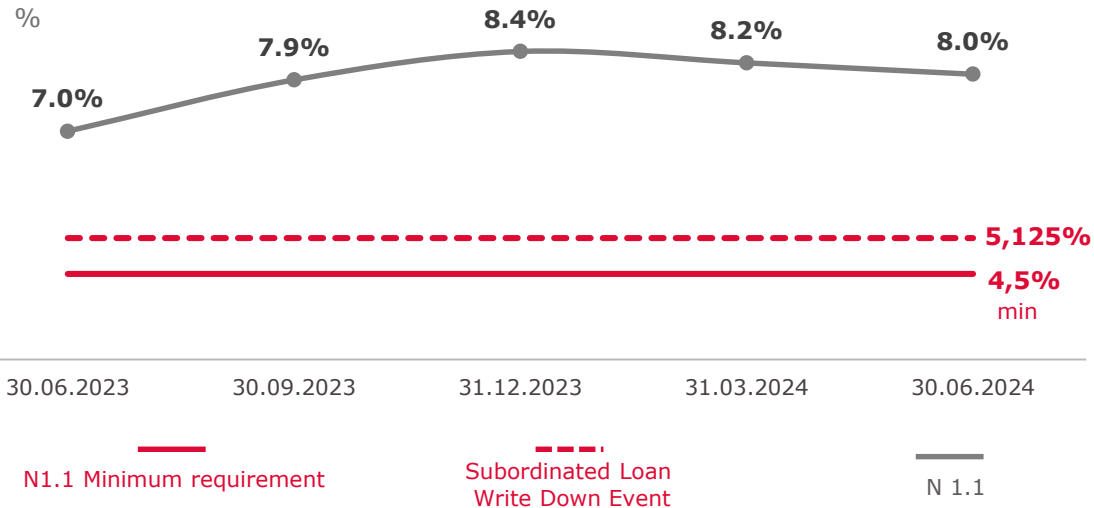


RUB 51.5 bln Operating income before provisions based on the results of the first half of 2024.

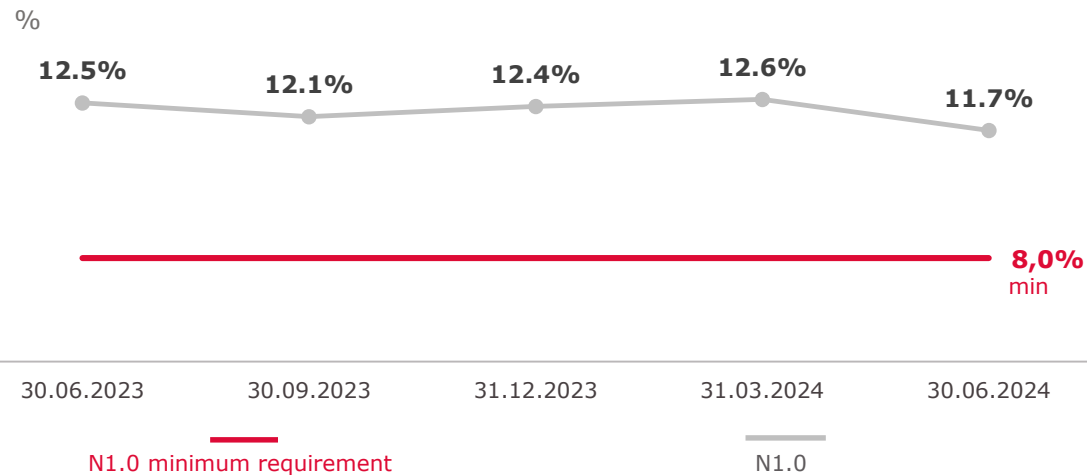
NIM 2.7% Net Interest Margin has recovered to 2.7% in the second quarter 2024 after declining in the first quarter. NIM demonstrates resilience despite its sensitivity to changes in interest rates.

Adequate Capital Position

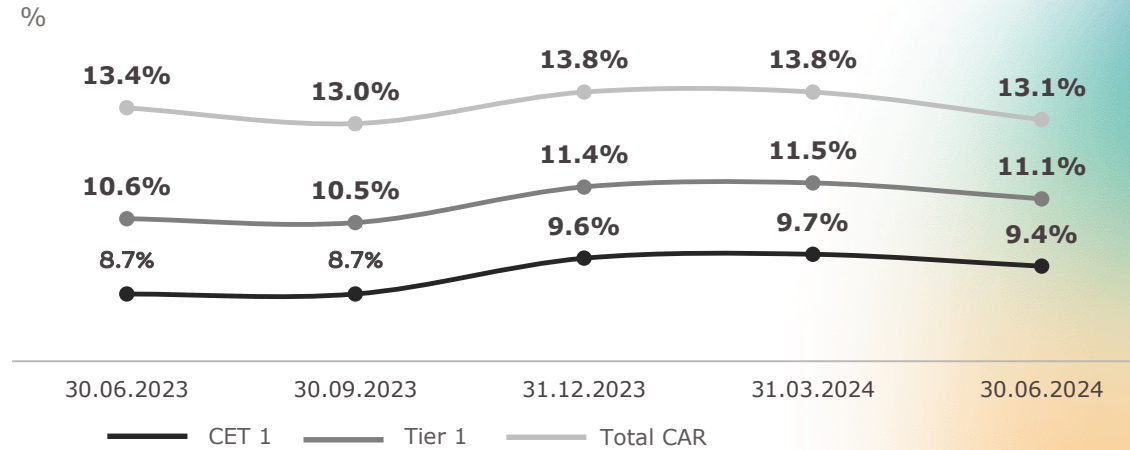
RAS capital adequacy ratio N1.1



RAS capital adequacy ratio N1.0



IFRS capital adequacy ratios (Basel III)



Tier-1
11.1%

Tier 1 capital adequacy ratio increased to 11.1%. Due to the changes in the fair value of securities portfolio, Tier 1 Capital (Basel III) has decreased by 0.7% since the beginning of 2024 and amounted to RUB 412.7 billion.

N1.1
8%

MKB's capital adequacy standards are at levels **significantly higher than regulatory minimums.**

Key Financials

Income Statement (RUB bln)	6M2024	3M2024	12M2023	9M2023	6M2023
Net Interest Income	59.4	23.6	116.2	83.9	51.3
Net Income	19.5	14.0	59.8	48.3	30.4
Key ratios					
RoAE ⁽¹⁾	13.1%	18.9%	23.4%	26.2%	25.9%
RoAA	0.8%	1.2%	1.4%	1.5%	1.5%
NIM	2.7%	2.1%	2.8%	2.8%	2.6%
Cost-to-Income	35.4%	28.1%	28.6%	25.1%	27.7%

Balance Sheet (RUB bln)	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023
Total Assets	4 796	4 827	4 667	4 856	4 397
Net Loan Portfolio	2 506	2 467	2 350	2 436	2 114
Customer Deposits	3 059	3 009	2 861	3 087	2 697
Total equity	354	358	348	335	302
Key Ratios					
Total Capital Adequacy Ratio (Basel III)	13.1%	13.8%	13.8%	13.0%	13.4%



Questions can be directed to
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