

IFRS Financial Results for 3M2025

30 May 2025, Moscow

MKB in 1Q2025: strong core business

"The 1 quarter results show that the bank is successfully adapting to the current economic situation and monetary policy: recovering profitability and margins go hand in hand with high loan portfolio quality. The strength of our core business allows us to focus more on initiatives designed to make our financial result more resilient to the high key rate and one-off factors like high volatility of foreign exchange rates," noted Maxim Korzhov, Chairman of the Management Board of MKB.

We are presenting our core business indicators – net of perpetual debt revaluation and other one-off factors, – to give fair evaluation of our asset quality, customer base and profitability.

- Net core income was RUB 11.0 bln.
- Net interest margin recovered by 0.2 pp to 1.9% after banking sector in general saw this indicator narrowing in 4Q2024.
- Basel III total capital adequacy ratio rose by 0.6 pp from 11.8% to 12.4%.
- Cost-to-income (before provisions) ratio (CTI) was 35.8%.
- Net fee income increased by 12.8% driven by contract settlements and bank guarantees.
- Total assets amounted to RUB 4.8 tln.
- Bank kept its loan portfolio stable given the current monetary policy and focused on widening its margins while preserving its high quality.
- Net total loan portfolio rose by 3.9% ytd (net of currency revaluation).
- NPL ratio was 3.3%. LLP/NPL coverage ratio rose from 132% to 136%.
- Income from cross-border corporate payments rose by 169% in the first 4 months of 2025. Number of customers using this service rose by almost 4 times.
- MKB was engaged in 30 rouble and yuan nominated bond issues with aggregate face value exceeding equivalent of 400 bln roubles.
- Retail-wise, Bank focused on managing its cost of funding, and, given moderate loan portfolio growth, did not expand its retail deposit portfolio.
- MKB's focus in retail lending remains on secured loans. Its mortgage loan portfolio grew by 1.8%, outpacing market.
- Active premium customer base, bank's priority segment, expanded by 6%.
- Pursuing its federal-level presence development strategy, MKB opened offices in Tyumen and Chelyabinsk. In these 2 cities, bank is going to emphasize small and micro business segment and prioritised retail segments: premium and payroll customers.

Income Statement Analysis

RUB bln, unless specified otherwise

	3M2025	3M2024
Net interest income before charge for credit losses	21.3	23.6
Net fee and commission income	3.4	3.0
Operating income before credit loss allowances	17.5	30.4
Operating Expense	(9.8)	(8.6)
Provisioning charges for debt financial assets	(5.0)	(5.1)
Net Income	2.3	14.0
Net income (net of perpetual debt revaluation)	11.0	12.9
Net interest margin (NIM)	1.9%	2.1%
Cost-to-income ratio (CTI)	56.2% [35.8%]	28.1%
Return on equity (ROAE)	3.2% [15.2%]	18.9%
Return on assets (ROAA)	0.2% [0.9%]	1.2%

Net income net of perpetual debt revaluation was RUB 11.0 bln ytd (RUB 2.3 bln after revaluation). The bank's profitability was notably affected by one-off events.

Return on equity and assets was 3.2% [15.2% net of revaluation] and 0.2% [0.9%] as at the end of the reporting period, respectively.

Provisioning charges for debt financial assets amounted to RUB 5.0 bln, which corresponds to the cost of risk of 0.7%.

Net interest income shrank by 9.8% yoy to RUB 21.3 bln.

Net interest margin widened to 1.9%.

Net fee and commission income grew by 12.8% ytd to RUB 3.4 bln.

Operating expense increased by 15.0% to RUB 9.8 bln. The bank invested in digitalisation and import replacement. **Cost-to-income (CTI) ratio** was 56.2% [35.8%].

Balance Sheet Analysis

RUB bln, unless specified otherwise	31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2024	Change ytd, %
Assets	4,801.0	5,009.0	5,099.1	4,796.4	4,826.9	-4.2%
Total net loan portfolio	2,490.5	2,697.6	2,690.2	2,505.9	2,466.6	-7.7%
Net corporate loan portfolio	2,269.9	2,480.0	2,483.0	2,303.1	2,266.1	-8.5%
Net retail loan portfolio	220.6	217.6	207.2	202.8	200.5	1.4%
Liabilities	4,452.2	4,659.7	4,742.3	4,442.3	4,469.0	-4.5%
Due to customers	3,157.0	3,178.5	3,033.4	3,058.8	3,008.8	-0.7%
Corporate accounts	2,149.7	2,155.6	2,018.9	2,149.7	2,149.8	-0.3%
Retail deposits	1,007.4	1,022.9	1,014.5	909.0	859.0	-1.5%
Equity	348.8	349.3	356.9	354.1	357.8	-0.1%
Financial Ratios						
Loan-to-deposit ratio (LDR)	78.9%	84.9%	88.7%	81.9%	82.0%	

Total assets amounted to RUB 4.8 tln. The Bank diversifies its corporate loan portfolio, focusing on sectors covered by state support programmes.

Net loan portfolio shrank by 7.7% ytd to RUB 2,490.5 bln. This was due to the rouble's appreciation against major foreign currencies. Net of currency revaluation, the loan portfolio expanded by 3.9%.

The bank's net retail loan portfolio expanded by 1.4% to RUB 220.6 bln driven by secured lending, on which the Bank focuses, maintaining a balanced approach to retail lending in general.

The ratio of non-performing loans (NPL 90+) was 3.3%, underscoring the high quality of the

Bank's loan portfolio. **The LLP/NPL coverage ratio** was at a comfortable level of 136.3%.

The Bank continued to optimise its funding structure and manage its cost of funding. **Customer deposits**, representing 71% of the total liabilities or RUB 3,157.0 bln, declined by 0.7% yoy.

Corporate deposits decreased by 0.3% ytd to RUB 2,149.7 bln.

Retail deposits reduced by 1.5% ytd (due to a decrease in escrow account balances following the completion of real estate construction projects) to RUB 1,007.4 bln.

Loan-to-deposit ratio (LDR) stands at the optimal level of 78.9%.



MKB enjoys a wide safety margin over the regulatory capital adequacy ratios.

The Common Equity Tier 1 ratio grew to 8.9% (from 8.1%), the Tier 1 Capital ratio to 10.6% (from 10.0%), and the total capital adequacy ratio to 12.4% (from 11.8%).

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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