

Summary IFRS results for 9M2024

15 November 2024, Moscow

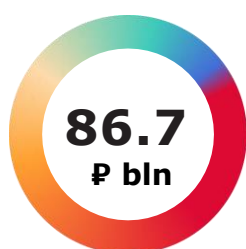
RUB 28 bln of net income earned

- Net income was RUB 28.1 bln.
- Return on equity (ROAE) was 12.5% and cost-to-income (before provisions) ratio (CTI) was 32.7%.
- Net interest margin stood at 2.5%.
- Assets expanded by 9.3% to RUB 5,099 bln as total loan portfolio grew by 14.9%.
- Net corporate loan portfolio expanded by 15.5% driven by quality borrowers in various sectors.
- Ratio of non-performing loans (NPL¹) to gross loan portfolio was 2.9%.
- Retail deposits expanded by substantial 29.2%, in line with MKB's strategic liquidity management goals and market trends.
- Basel III total capital adequacy ratio stood at 12.4%.
- NRA affirmed AA-|ru| credit rating with stable outlook in October 2024.
- ACRA affirmed A+(RU) credit rating with stable outlook in October 2024.
- MKB arranged 63 domestic DCM transactions. Total face value of placed bonds exceeded equivalent of RUB 1.2 tln. MKB's market share is 5.6%².
- Number of active large and medium-sized corporate customers (holdings) rose by 14%.
- Overall active retail customer base rose by 7.4%, and number of premium retail customers by 23.5%.
- MKB issued first RUB 5 bln 15-year state-supported investment loan (for purchase of railway carriages). The Bank continues to develop long-term subsidised support for key sectors and enhance its role in making agribusinesses more competitive.

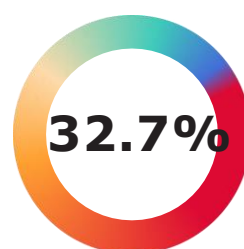
Key Financial Results



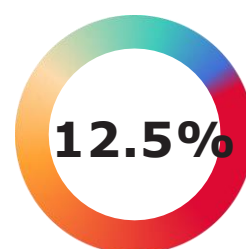
Net
income



Operating income before
provisions



CTI



ROAE

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-Sep 2024".

Income Statement Analysis

RUB bln, unless specified otherwise	9M2024	9M2023
Net interest income before charge for credit losses	85.9	83.9
Net fee and commission income	9.0	12.1
Operating income before credit loss allowances	86.7	111.7
Operating expense	(28.4)	(28.5)
Provisioning charges for debt financial assets	(23.1)	(19.7)
Net income	28.1	48.3
Net interest margin (NIM)	2.5%	2.8%
Cost-to-income ratio (CTI)	32.7%	25.5%
Return on equity (ROAE)	12.5%	26.2%
Return on assets (ROAA)	0.8%	1.5%

Net income for 9 months 2024 fell by 42% yoy to RUB 28.1 bln mainly due to negative revaluation of the securities portfolio as the Bank of Russia toughened its monetary policy. As at 30 September 2024, 82% of the securities portfolio was on the CBR's Lombard List. Further pressure on the profits came from provisioning charges and lower foreign exchange gains.

Return on equity and assets was 12.5% and 0.8% as at the end of the reporting period, respectively.

Provisioning charges for debt financial assets amounted to RUB 23.1 bln, which corresponds to the cost of risk of 110 bps.

Net interest income was RUB 85.9 bln ytd, a growth of 2.4% yoy mainly driven by the corporate loan portfolio. **Net interest margin** was 2.5%. Banking margins demonstrate stability, despite interest rate-sensitivity.

Net fee and commission income was RUB 9.0 bln for 9M2024.

Operating expense stayed at the same level of RUB 28.4 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 nine months of 2024 was 32.7%, in line with the target.

Balance Sheet Analysis

RUB bln, unless specified otherwise	30.09.2024	30.06.2024	31.03.2024	31.12.2023	Change ytd,%
Assets	5,099.1	4,796.4	4,826.9	4,667.0	+9.3%
Total net loan portfolio	2,690.2	2,505.9	2,466.6	2,349.9	+14.5%
Net corporate loan portfolio	2,483.0	2,303.1	2,266.1	2,149.3	+15.5%
Net retail loan portfolio	207.2	202.8	200.5	200.6	+3.3%
Liabilities	4,742.3	4,442.3	4,469.0	4,319.1	+9.8%
Due to customers	3,033.4	3,058.8	3,008.8	2,861.1	+6.0%
Corporate accounts	2,018.9	2,149.7	2,149.8	2,075.6	-2.7%
Retail deposits	1,014.5	909.0	859.0	785.5	+29.2%
Equity	356.9	354.1	357.8	347.9	+2.6%
Financial ratios					
Loan-to-deposit ratio (LDR)	88.7%	81.9%	82.0%	82.1%	

Total assets rose by 9.3% and reached RUB 5.1 tln, mainly because the **loan portfolio** increased by 14.5% (14.1% net of currency revaluation).

The net corporate loan portfolio expanded by 15.5% ytd (15.1% net of currency revaluation) to RUB 2,483.0 bln. The Bank continues to focus on its loan portfolio's sectoral diversification, increasing exposure to such sectors as transport services (+117%), mining of precious metals and ores (+53%); food and agricultural products (+41%), clothes, shoes, textile, sporting goods (+30%), wholesale trade (+15%); cars, motorcycles, spare parts (+9%).

As retail customers' preferences shifted toward saving, MKB's retail loan portfolio expanded by moderate 3.3% ytd to RUB 207.2 bln.

Customer deposits, representing 64% of the total liabilities or RUB 3,033.4 bln, expanded by 6.0% ytd.

Corporate deposits increased by 2.7% ytd to RUB 2,018.9 bln.

Retail deposits rose by 29.2% ytd to RUB 1,014.5 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 88.7%.

The core Tier 1 capital adequacy ratio was 8.8% as at 30 September 2024, the **Tier 1 capital adequacy ratio** was 10.5%, and the **total capital adequacy ratio** was 12.4%. Given the growth of risk-weighted assets (+10.3%) and the unchanged capital, Basel III capital adequacy ratios declined in the reporting period.

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



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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