

Summary IFRS results for 3M2024

17 May 2024, Moscow

MKB's 3M2024 IFRS net income increased by 7.4% to RUB 14.0 bln

- Net income for 3 months of 2024 was RUB 14.0 bln, having grown by 7.4% yoy.
- Return on equity (ROAE) was 18.9% and cost-to-income ratio (CTI) was 28.1%.
- Net interest margin for 1Q2024 was 2.1% as interest expenses grew due to CBR's key rate increases in 3-4Q2023.
- Assets expanded by 3.4% to RUB 4,826.9 bln as total loan portfolio grew by 5%.
- Net corporate loan portfolio expanded by 5.4%.
- Ratio of non-performing loans (NPL¹) to gross loan portfolio was 1.6%.
- Corporate deposits increased by 3.6%, supported by steady growth of active customer base.
- Retail deposits expanded by 9.4%, in line with market's propensity to save as CBR key rate remains high.
- Basel III total capital adequacy ratio stood at comfort level of 13.8%.
- In February 2024, China Lianhe Credit Rating Co., Ltd ("Lianhe Ratings") assigned "AA-" credit rating to MKB.
- MKB arranged 12 domestic DCM transactions in 1Q2024. Total face value of placed bonds was equivalent to RUB 280 bln. MKB's market share is more than 6%².
- Number of active large and medium-sized corporate customers rose by 10%.
- Fee income from issued bank guarantees grew by 17.5% yoy to RUB 2.2 bln.
- Easy Loan, first credit product with no fine print in market, was launched.
- MKB became RUONIA member and thus takes part in setting one of main Russian money market indicators.
- First customer onboarded for corporate brokerage service through YBO platform. Completely digital process.
- MKB placed all 5 issues of bonds substituting CBOM's senior Eurobonds.

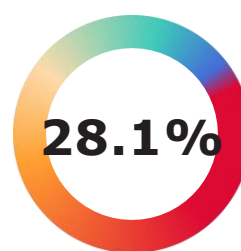
Key Financial Results



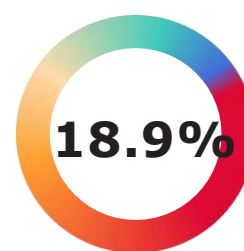
Net
income



Operating income before
provisions



CTI



ROAE

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

² According to Cbonds "Russian bonds arrangers (market issues, net of proprietary ones), Jan-Mar 2024".

Income Statement Analysis

RUB bln, unless specified otherwise	3M2024	3M2023
Net interest income before charge for credit losses	23.6	24.1
Net fee and commission income	3.0	3.7
Operating income before credit loss allowances	30.3	28.9
Operating expense	(8.6)	(8.3)
Provisioning charges for debt financial assets	(5.1)	(4.7)
Net Income	14.0	13.0
Net interest margin (NIM)	2.1%	2.5%
Cost-to-income ratio (CTI)	28.1%	27.3%
Return on equity (ROAE)	18.9%	22.9%
Return on assets (ROAA)	1.2%	1.3%

Net income for 1Q2024 reached RUB 14.0 bln. Its year-on-year growth was 7.4%.

Robust financial results and operational efficiency support the **return on equity and return on assets ratios**, which reached 18.9% and 1.2% respectively as at the end of the 1st quarter.

Operating income before provisions increased by 4.8% yoy and amounted to RUB 30.3 bln.

The provisioning charges for debt financial assets amounted to RUB 5.1 bln, which corresponds to the cost of risk of 80 bps.

Net interest income for the 1st quarter of 2024 was RUB 23.6 bln, 2% down yoy due to the key rate hikes in 3-4Q2023. **Net interest margin** was 2.1% in the 1st quarter of 2024. Banking margins demonstrate stable levels for MKB's business model despite the existing sensitivity to interest rate changes and the revaluation of the funding costs in the 1st quarter of 2024.

Net fee and commission income was RUB 3.0 bln for 3M2024.

Operating expense stood at RUB 8.6 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 three months of 2024 was 28.1%.

Balance Sheet Analysis

RUB bln, unless specified otherwise	31.03.2024	31.12.2023	31.12.2022	Change ytd, %
Assets	4,826.9	4,667.0	3,973.1	+3.4%
Total net loan portfolio	2,466.6	2,349.9	1,845.4	+5.0%
Net corporate loan portfolio	2,266.1	2,149.3	1,648.5	+5.4%
Net retail loan portfolio	200.5	200.6	196.9	-0.1%
Liabilities	4,469.0	4,319.1	3,699.3	+3.5%
Due to customers	3,008.8	2,861.1	2,388.1	+5.2%
Corporate accounts	2,149.8	2,075.6	1,794.0	+3.6%
Retail deposits	859.0	785.5	594.1	+9.4%
Equity	357.8	347.9	273.8	+2.8%
Financial Ratios				
Loan-to-deposit ratio (LDR)	82.0%	82.1%	77.3%	

Total assets expanded by 3.4% in 1Q2024 to RUB 4.8 tln, mainly because the **loan portfolio** increased by 5% (4.7% net of currency revaluation).

The net corporate loan portfolio expanded by 5.4% ytd (5.2% net of currency revaluation) to RUB 2,266.1 bln, driven by new quality borrowers in various sectors, including leasing of equipment, metals, finance, food and agricultural products, industrial and infrastructure construction.

The retail loan portfolio remained at the same level of RUB 200.5 bln as market interest rates are high and retail customers choose to save.

Customer deposits, representing 67% of the total liabilities or RUB 3,008.8 bln, expanded by 5.2%.

Corporate deposits increased by 3.6% (2.8% net of currency revaluation) in the reporting period to RUB 2,149.8 bln.

Retail deposits rose by 9.4% to RUB 859.0 bln. MKB continues to offer the best deposit terms in the market, as evidenced by strong demand from and influx of retail customers.

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

Basel III capital grew by 1.8% ytd to RUB 423.0 bln driven by retained earnings. **The core Tier 1 capital adequacy ratio** was 9.7% as at 31 March 2024, the **Tier 1 capital adequacy ratio** was 11.5%, and the **total capital adequacy ratio** was 13.8%.

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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