



# **MKB**

# **IFRS Results Q1 2024**

May, 2024

# Disclaimer

**IMPORTANT:** This presentation may contain “forward-looking statements”, which are statements related to the future business and financial performance and future events or developments involving CREDIT BANK OF MOSCOW. Such forward-looking statements are based on the current expectations and certain assumptions of CREDIT BANK OF MOSCOW management, and, therefore, should be evaluated with consideration taken into of risks and uncertainties inherent in CREDIT BANK OF MOSCOW’s business. A variety of factors, many of which are beyond CREDIT BANK OF MOSCOW’s control, can materially affect the actual results, which may differ from the forward-looking statements.

This presentation includes information presented in accordance with IFRS, as well as certain information that is not presented in accordance with the relevant accounting principles and/or that has not been the subject of an audit. CREDIT BANK OF MOSCOW does not make any assurance, expressed or implied, as to the accuracy or completeness of any information set forth herein. Past results may not be indicative of future performance, and accordingly CREDIT BANK OF MOSCOW undertakes no guarantees that its future operations will be consistent with the information included in the presentation. CREDIT BANK OF MOSCOW accepts no liability whatsoever for any expenses or loss connected with the use of the presentation. Please note that due to rounding, the numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Information contained in the presentation is valid only as at the stated date on the cover page. CREDIT BANK OF MOSCOW undertakes no obligation to update or revise the information or any forward-looking statements in the presentation to reflect any changes after such date.

This presentation is for information purposes only. This presentation does not constitute an offer or sale of securities in any jurisdiction or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities of CREDIT BANK OF MOSCOW. If this presentation is provided to you in electronic form, although reasonable care was used to prepare and maintain the electronic version of the presentation, CREDIT BANK OF MOSCOW accepts no liability for any loss or damage connected to the electronic storage or transfer of information

# 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

## 31 years

in the Russian financial market. Founded in 1992

## 4.8

trillion ₺

Total Assets  
as of March 31, 2024

## 357.8

billion ₺

Total Capital  
as of March 31, 2024

## 93

branches

All over the country

## 18.9%

ROE

Return on Equity  
as of March 31, 2024

**A universal bank with a focus on corporate customers**

**High reliability ratings**

**A+(RU)** ACRA Rating Agency

**ruA+** Expert RA

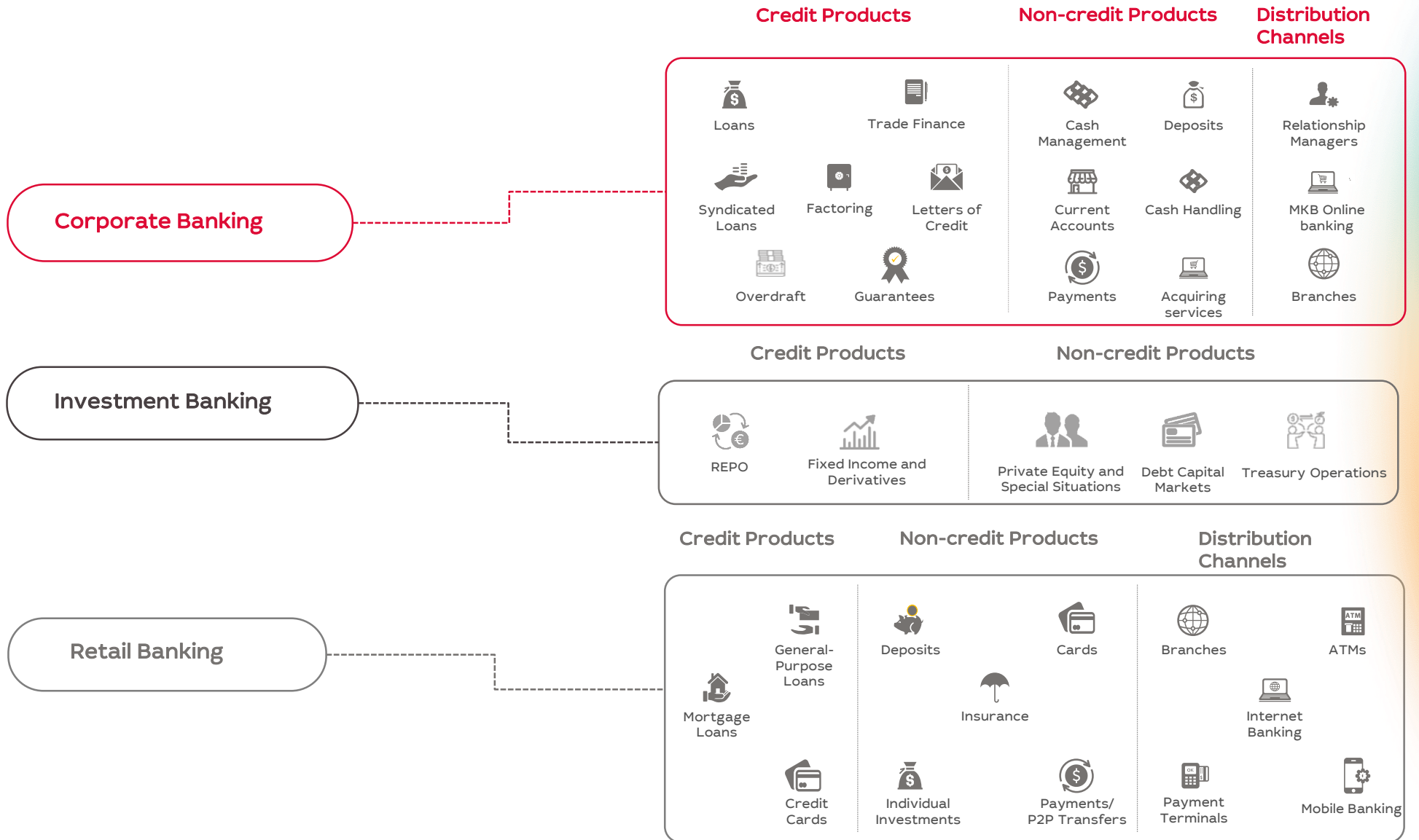
**AA-** China Lianhe Credit Rating

**ESG-II (c)** Expert RA

**AA [esg]** RAEX



# Universal Banking Platform with Corporate Relationships at it's core





# 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

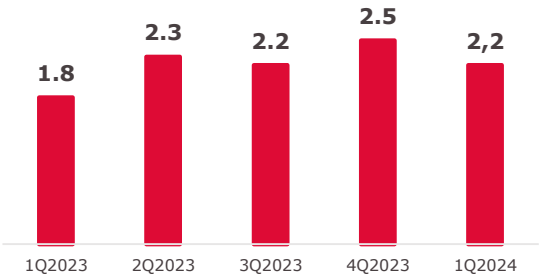


**Global** correspondent network and tailored **cash management** solutions



**Ecosystem development** for residential construction companies

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



## Current performance of corporate strategy

2023 vs 3m2024

**Active large and medium-sized corporate clients**

**+10%**

**1.6%**

**NPL (90+)** for the corporate loan portfolio based on the results of 3m2024

**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, in 2023 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%

Ranking of Russian bond arrangers (excl. their own issues) 3m2024

**RUB**  
**> 280bn** total value of placed bonds

**12** transactions in Q12024


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

## Competitive Advantages

 **#5** in the Public Ratings **banki.ru**<sup>(1)</sup>

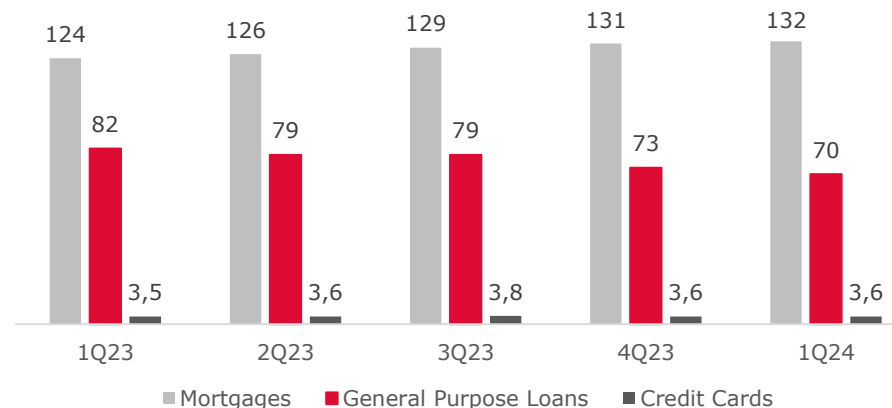
 **Synergy** with corporate business for payroll clients

 **Joint mortgage solutions** with leading developers

 Bank for **depositors**: leading deposit offering

## Loan Portfolio breakdown by product

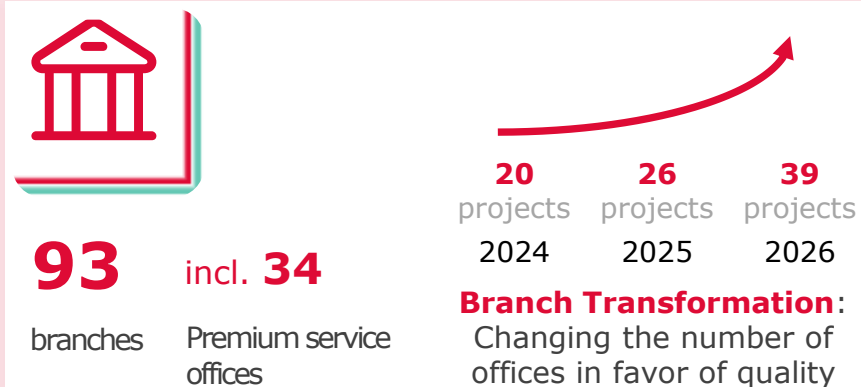
Gross Retail Customer portfolio, RUB bln



**Mortgage portfolio** has increased to RUB 132 bln as of Q1 2024 from RUB 124 bln as of Q1 2023 (+7%)

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

## Use of Strategic Opportunities



**Retail Customers Deposits**

**+9.4%** YTD 3m2024 (+9.3% without currency revaluation)

**859** RUB bln as of Q1 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<sup>(1)</sup>



by volume  
of corporate loan  
portfolio



by volume of  
corporate clients'  
deposits

## Credit Ratings

- On February 27, 2024, the rating agency **China Lianhe Credit Ratings assigned** a credit rating to MKB at the level **AA-**, **«Stable» outlook**

## ESG

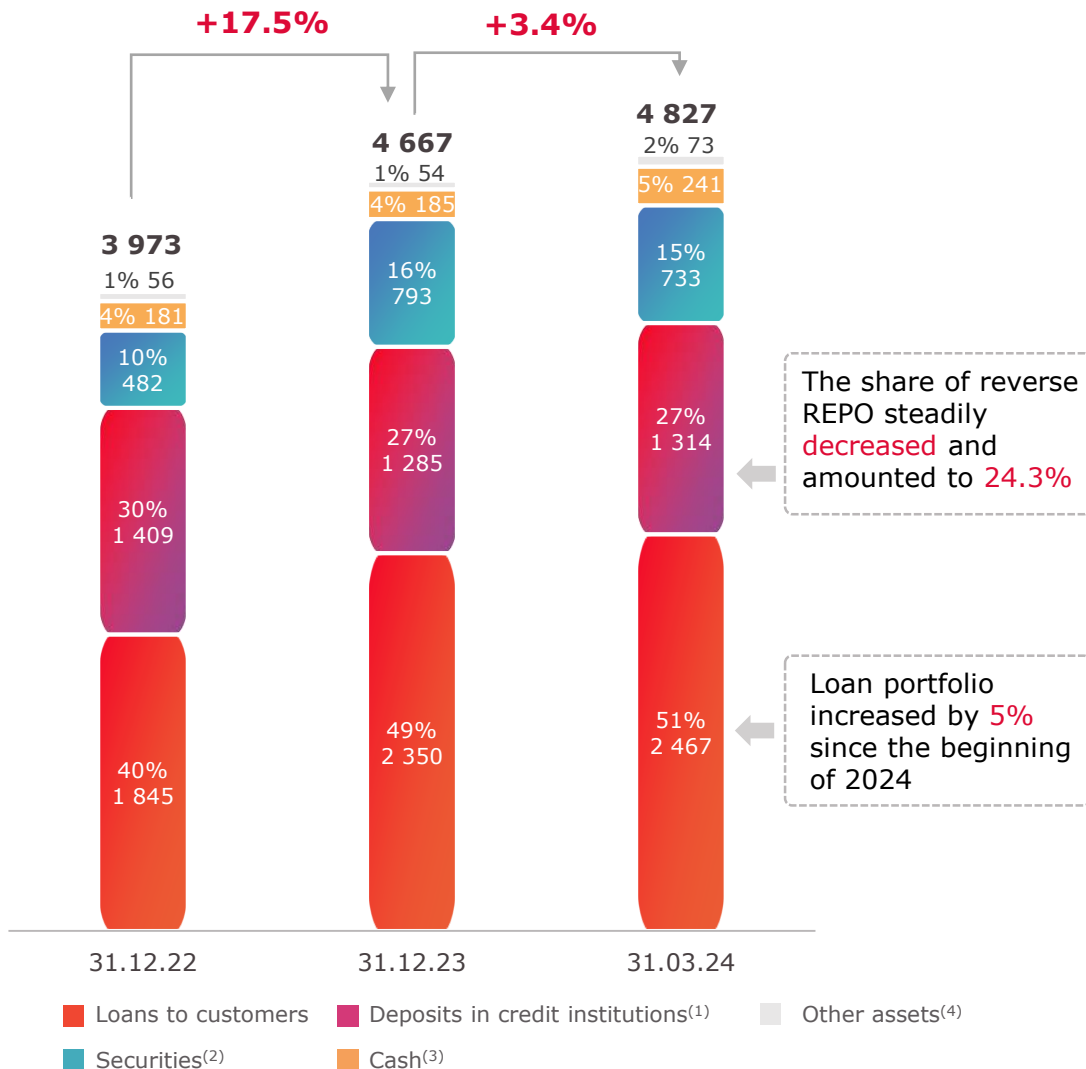
As part of the implementation of the ESG strategy, MKB has developed and approved the **Procedure for managing environmental and social impacts at the project and procurement stage**, as well as the Code of Conduct for Suppliers and Contractors. The documents are based on the requirements of social and environmental legislation of the Russian Federation, international treaties and conventions, as well as the expectations of leading ESG agencies

- The net corporate loan portfolio** expanded by **5.4%** in the 1st quarter of 2024.
- Corporate deposits increased by 3.6%** in the 1st quarter of 2024, supported by steady growth of the active customer base.
- The number of active large and medium-sized corporate clients** increased by **10%** in the 1st quarter of 2024.
- MKB has launched "**Simple Loan**" - the first loan product on the market without disclaimers.
- MKB is included in **RUONIA list**. Thus, the bank participates in the formation of one of the main indicators of the Russian money market.
- The first client was registered for corporate brokerage services through online platform (VBO) - **completely digital process**.
- MKB **has placed 5 issues of replacement bonds** corresponding to all five senior issues of CBOM Eurobonds.

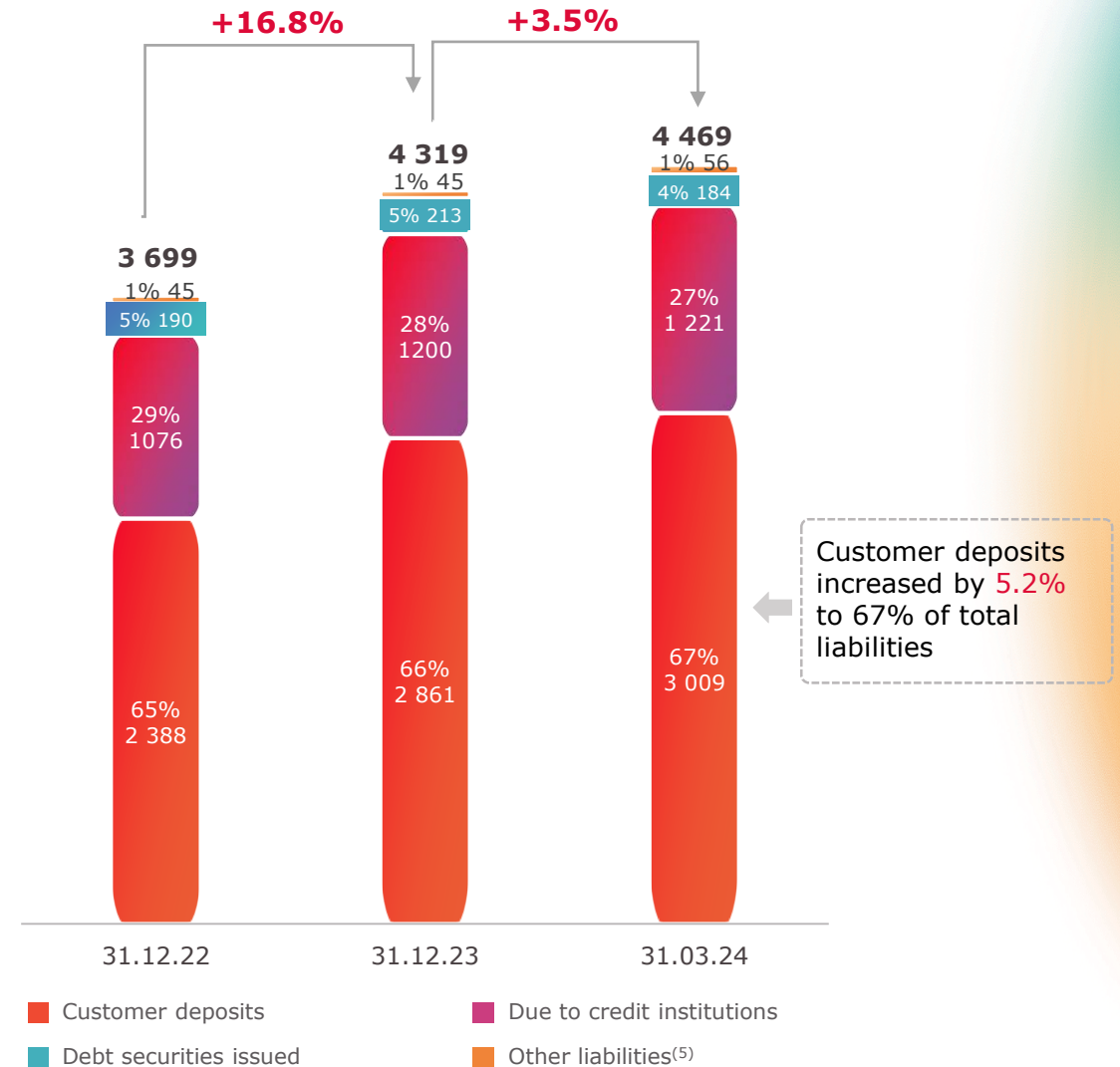


# Balance Sheet evolution

## Total Assets evolution



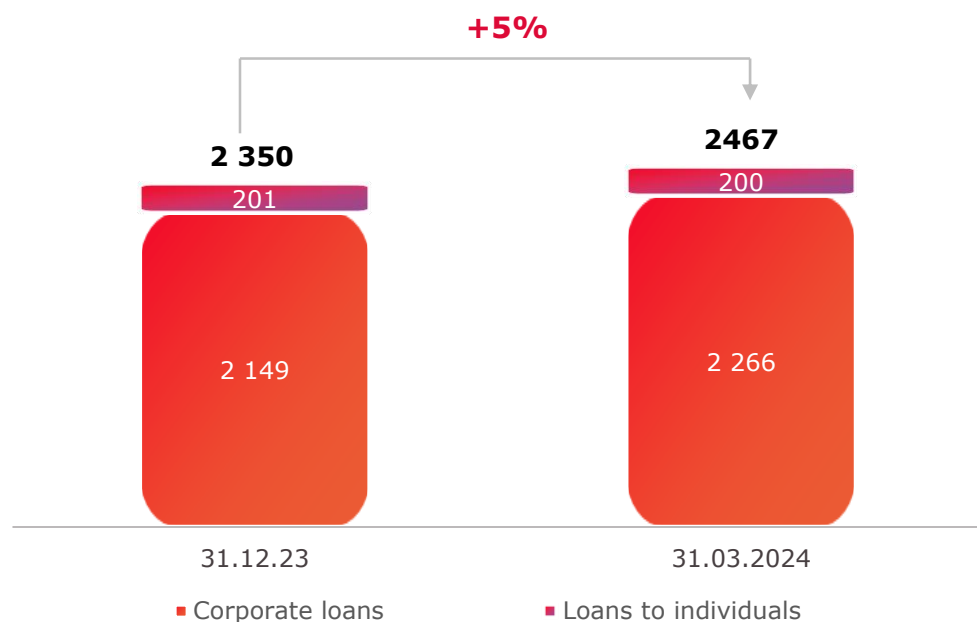
## Funding structure evolution



# Corporate business – the main driver of growth

## Net Loan Portfolio

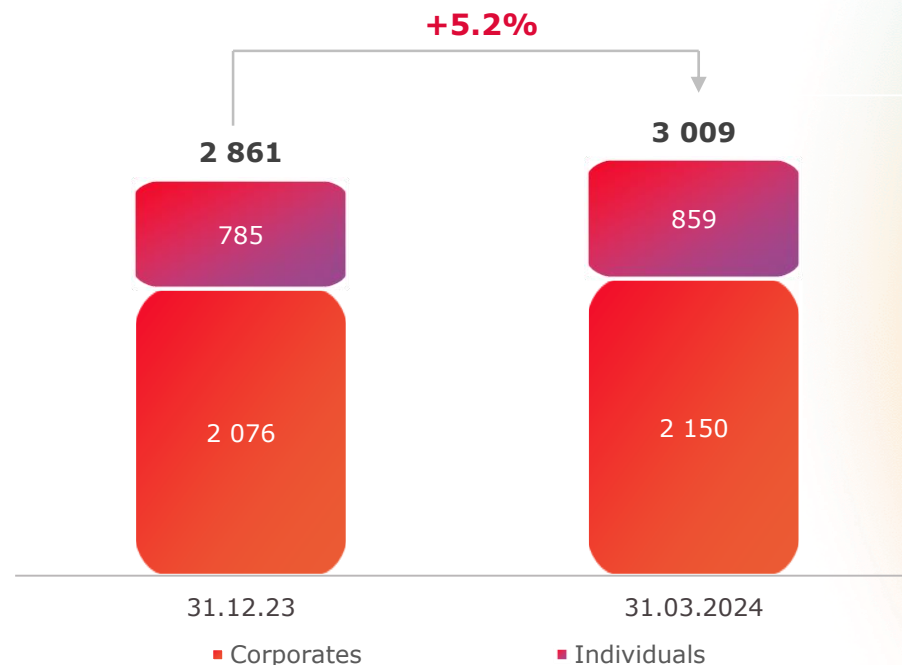
RUB bln



- The growth of the Bank's total assets was driven by an increase in corporate loans by **RUB 117 bln (+5%)** since the beginning of 2024

## Customer Deposits

RUB bln

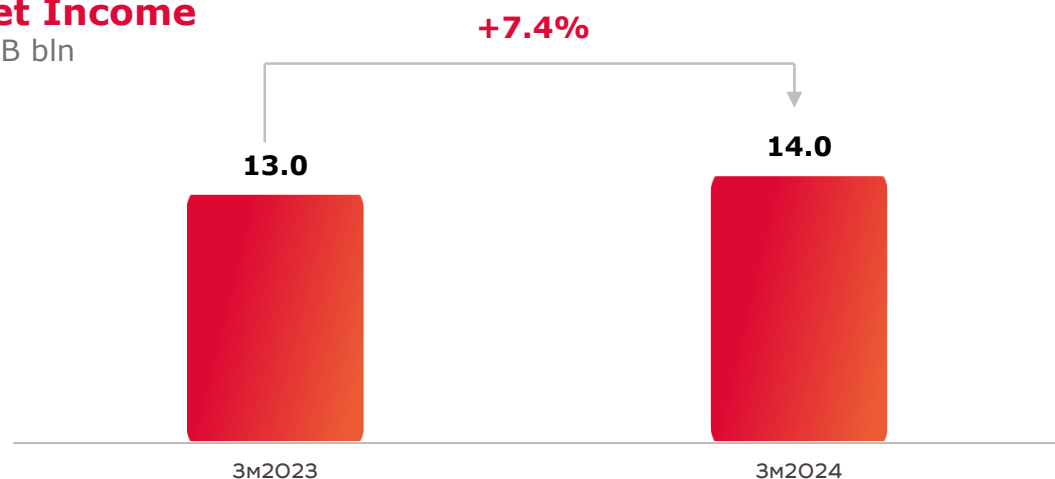


- Total liabilities increased mainly due to the attraction of corporate customer deposits in the amount of **RUB 74 bln (+3.6%)** in Q1 2024. The growth of retail deposits amounted to **RUB 74 bln (+9.4%)**.

# Strong financial results and operational efficiency

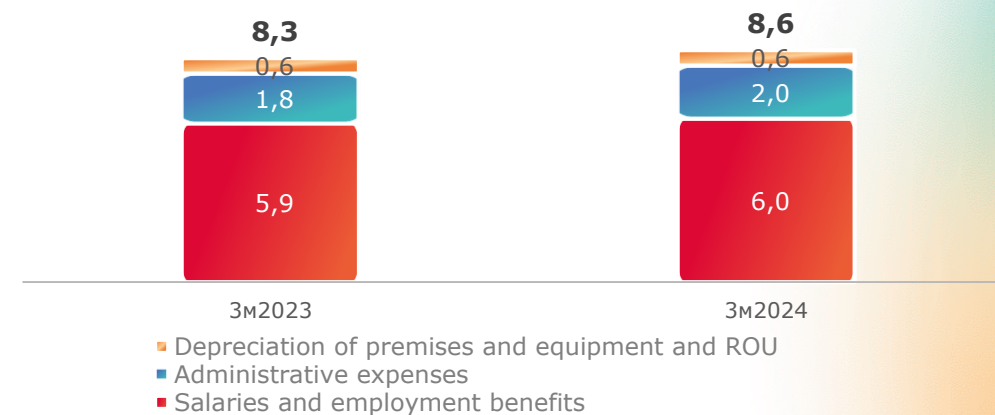
## Net Income

RUB bln

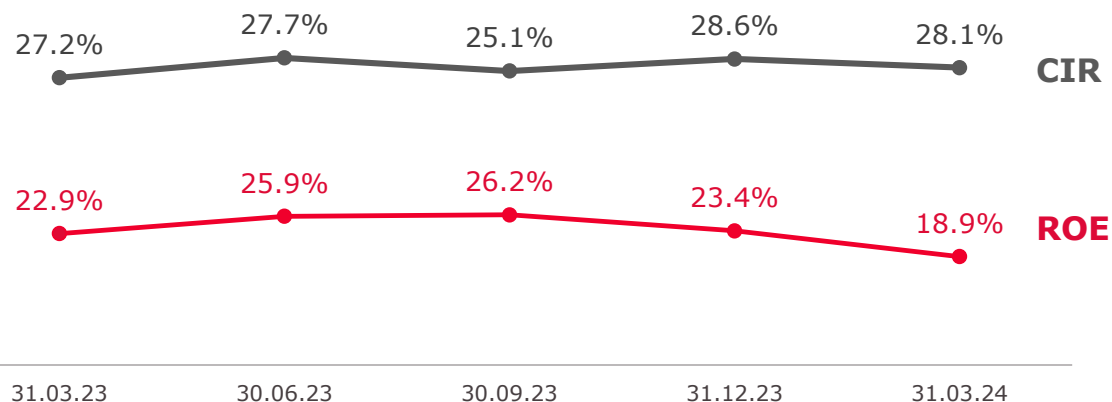


## Operating Expenses

RUB bln



## ROAE and CIR



**RUB  
14 bln**

Net profit for the 1st quarter of 2024 amounted to RUB 14 billion, which is 7.4% higher compared to the 1st quarter of 2023, which is based on the dynamic development of the bank's business with an emphasis on the corporate sector.

**28.1%**

Cost-to-Income ratio for Q1 2024 results reflects a record-high level of Bank's operational efficiency.

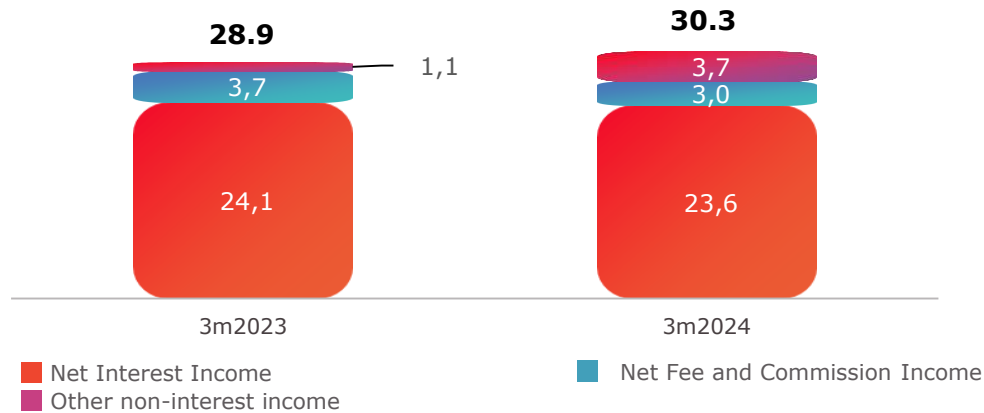
**18.9%**

Strong financial results and operational efficiency supported the ROAE at a high level.

# Income Structure

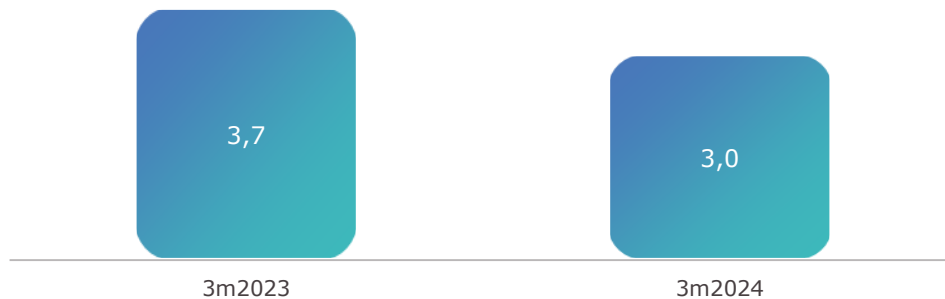
## Operating income before provisions

RUB bln

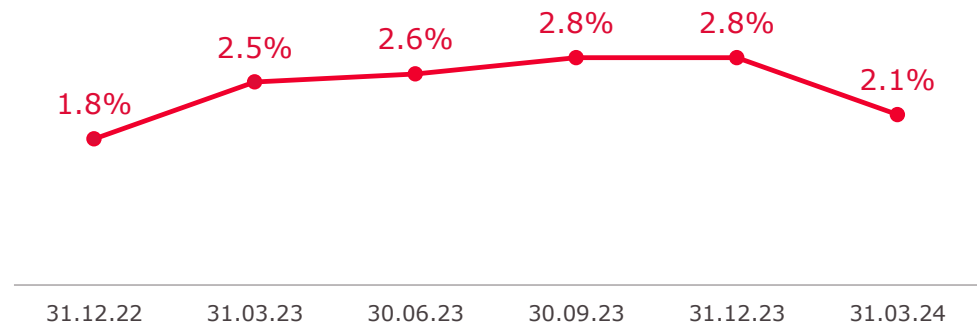


## Net Fee and Commission Income

RUB bln



## NIM



**RUB  
30.3 bln**

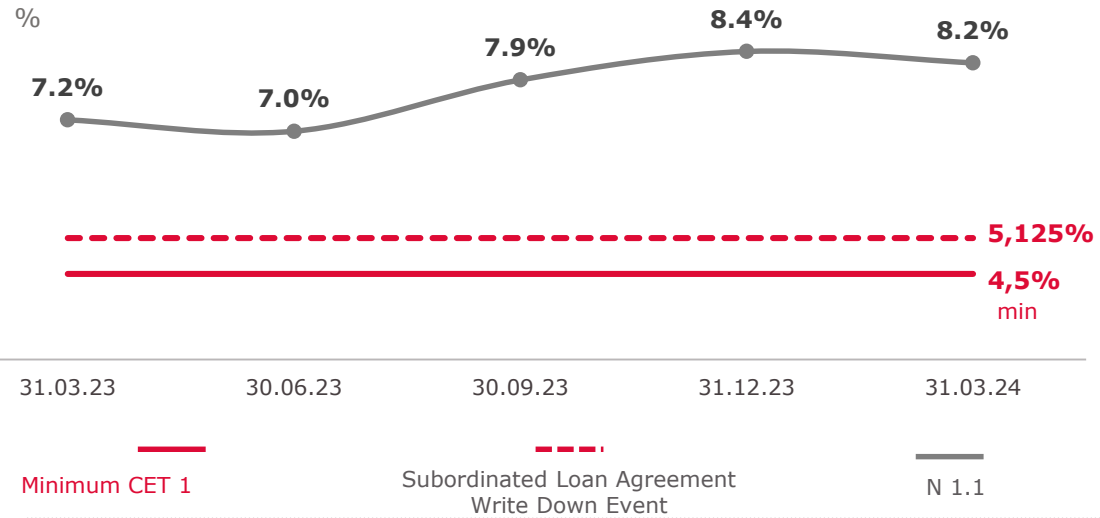
Operating income before provisions increased by 5% and exceeded the record result of last year (Q1 2023: RUB 28.9 billion)

**2.1%**

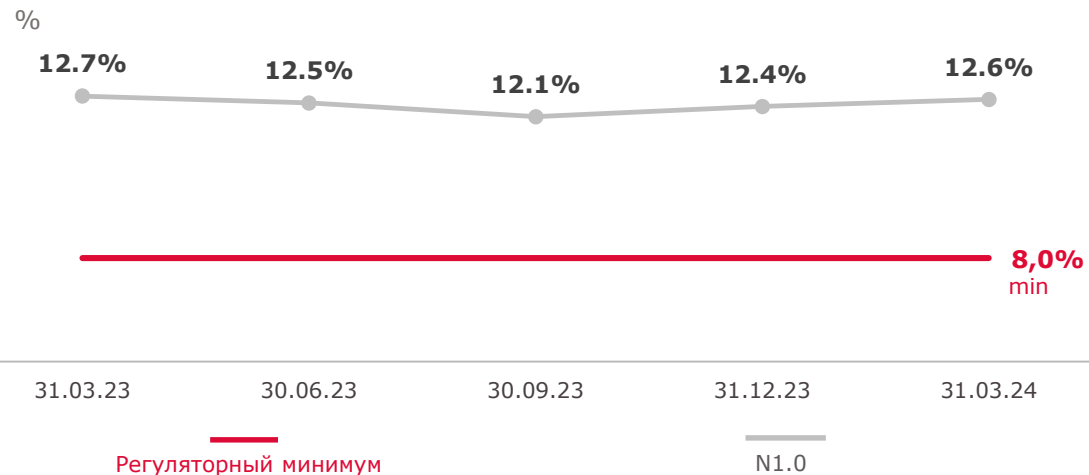
Net interest margin amounted to 2.1% in Q1 2024. NIM demonstrates stable levels for MKB business model, despite the existing sensitivity to interest rate changes and the revaluation of the funding costs in the 1st quarter of 2024

# Comfortable Capital Position

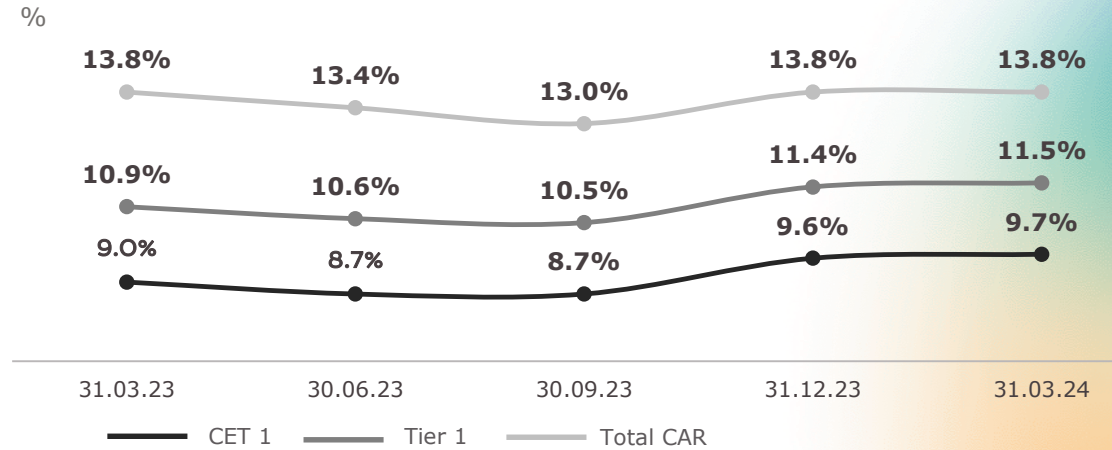
## RAS capital adequacy ratio N1.1



## RAS capital adequacy ratio N1.0



## IFRS capital adequacy ratios (Basel III)



Tier-1  
**11.5%**

Due to the growth of retained earnings Tier 1 Capital (Basel III), has increased by 1.8% since the beginning of 2024 and amounted to RUB 423.0 billion. **Tier 1 capital adequacy ratio increased to 11.5%.**

H1.1  
**8.2%**

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



# Key Financials

Income Statement (RUB bln)	3m2024	12m2023	9m2023	6m2023	3m2023
Net Interest Income	23.6	116.2	83.9	52.8	24.8
Net Income	14.0	59.8	48.3	30.4	13.0
Key ratios					
RoAE <sup>(1)</sup>	18.9%	23.4%	26.2%	25.9%	22.9%
RoAA	1.2%	1.4%	1.5%	1.5%	1.3%
NIM	2.1%	2.8%	2.8%	2.7%	2.6%
Cost-to-Income	28.1%	28.6%	25.1%	27.7%	27.2%

Balance Sheet (RUB bln)	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023
Total Assets	4 827	4 667	4 856	4 397	4 240
Net Loan Portfolio	2 467	2 350	2 436	2 114	2 037
Customer Deposits	3 009	2 861	3 087	2 697	2 634
Total equity	358	348	335	302	285

Key Ratios					
Total Capital Adequacy Ratio (Basel III)	13.8%	13.8%	13.0%	13.4%	13.8%



Questions can be directed to  
[ir@mkb.ru](mailto:ir@mkb.ru)