

Summary IFRS results for 9M2023

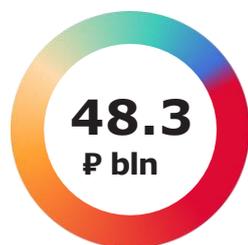
17 November 2023, Moscow

MKB earned record-breaking 48.3 bln roubles of IFRS net income in 9 months of 2023

- Net income reached RUB 48.3 bln.
- Return on equity and return on assets were 26.2% and 1.5%, respectively.
- Net interest margin returned to the 2021 level, amounting to 2.8%.
- Operational efficiency remains at a high level: cost-to-income ratio was 25.1%.
- Assets expanded by 22.2% (to RUB 4,856.0 bln) as net loan portfolio grew by 32%.
- Corporate deposits grew by 34.1%.
- Capital adequacy is maintained at a comfortable level: N1.0 ratio was 12.1%, and Basel III total capital adequacy ratio reached 13.0%.
- NRA affirmed AA-|ru| credit rating with stable outlook on 24 October 2023.
- ACRA affirmed A+(RU) credit rating with stable outlook on 7 November 2023.
- The number of customers from among Top-1000 companies rose by 14% to 389 in 3Q23.
- MKB arranged more than 48 DCM transactions with the aggregate principal of RUB 1 tln, taking an 8% share of the Russian market.
- *Mudrost* debit card has won Frank Debit Award 2023 as "Most Advantageous Pension Card".
- MKB was included in Fintech Association's Expert Board on implementing open API for the Bank of Russia and other relevant market participants.
- MKB is #2 bank in RAEX-Europe's corporate ESG ranking as at 1 October 2023.
- In September 2023, MKB joined Climate Partnership of Russia uniting more than 40 leading Russian companies and banks who endeavour to reduce their environmental impact and prevent climate changes.

Key Financial Results

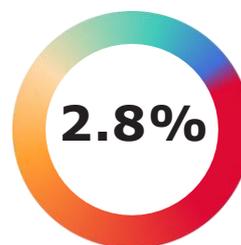
9M2023



Net
Income



Operating income before
provisions



NIM



ROAA

Income Statement Analysis

RUB bln, unless specified otherwise	9M2023	6M2023	3M2023
Net interest income before charge for credit losses	83.9	52.8	24.8
Net fee and commission income	12.1	8.0	3.7
Operating income before credit loss allowances	107.2	63.7	28.9
Provisioning charges for debt financial assets	(19.7)	8.1	4.7
Net Income	48.3	30.4	13.0
Net interest margin (NIM)	2.8%	2.7%	2.6%
Cost-to-income ratio (CTI)	25.1%	27.7%	27.2%
Return on equity (ROAE)	26.2%	25.9%	22.9%
Return on assets (ROAA)	1.5%	1.5%	1.3%

Net income for the first nine months of 2023 reached RUB 48.3 bln. Income in the 3rd quarter was RUB 17.9 bln, same as in the 2nd quarter. Throughout 9M2023, the Bank's profit indicators demonstrated recovery as both net interest income and fee income were driven by active development of its business with a focus on the corporate sector. Interest income for 3Q grew by 25% q-o-q to RUB 108.8 bln (2Q2023: RUB 87.1 bln).

Strong financial results and operational efficiency supported the **return on equity and return on assets ratios**, which reached 26.2% and 1.5% as at the end of the reporting period, respectively.

Net interest income for 9 months reached RUB 83.9 bln, as liabilities became relatively cheaper while profits were driven by the rising key rate and the expanding loan portfolio. Banking business margins remain stable, **net interest margin** was 2.8% for the first 9 months of 2023. Throughout 2023, MKB limited the growth of its balance sheet interest rate

risk: by optimising its funding structure and expanding the share of floating rate corporate loans it mitigated the negative impact of the key rate growth on its financial result.

The provisioning charges for debt financial assets amounted to RUB 19.7 bln, which corresponds to the cost of risk of 100 bps.

Net fee and commission income for 9M2023 reached RUB 12.1 bln on the back of transaction business development. **Operating income before provisions** reached RUB 107.2 bln, with the 3Q outperforming the 2Q (RUB 43.5 bln vs RUB 34.8 bln).

Operating expense stood at RUB 27.8 bln, major expense items were employment benefits, and administrative expenses. MKB demonstrates a high level of operational efficiency: its **cost-to-income ratio (CTI)** for the first nine months of 2023 was 25.1%.

Balance Sheet Analysis

RUB bln, unless specified otherwise	30.09.2023	30.06.2023	31.03.2023	31.12.2022	Change ytd,%
Assets	4,856.0	4,397.1	4,240.3	3,973.1	+22.2%
Total net loan portfolio	2,436.1	2,113.9	2,037.4	1,845.4	+32.0%
Net corporate loan portfolio	2,232.9	1,913.8	1,836.8	1,648.5	+35.5%
Net retail loan portfolio	203.2	200.1	200.6	196.9	+3.2%
Liabilities	4,521.1	4,095.4	3,955.3	3,699.3	+22.2%
Due to customers	3,087.4	2,696.7	2,634.3	2,388.1	+29.3%
Corporate accounts	2,405.8	2,068.7	2,040.2	1,794.0	+34.1%
Retail deposits	681.6	628.1	594.1	594.1	+14.7%
Equity	334.8	301.7	284.9	273.8	+22.3%
Financial Ratios					
Loan-to-deposit ratio (LDR)	81.6%	80.9%	79.8%	77.3%	

Total assets expanded by 22.2% ytd to RUB 4.9 tln, mainly because the **loan portfolio** increased by 32% driven by the corporate portfolio.

The net corporate loan portfolio expanded by 35.5% to RUB 2,232.9 bln ytd (by 16.7% in the 3Q). The growth was due to both new quality borrowers in various industries and expansion of cooperation with existing customers.

The retail loan portfolio grew by 3.2% to RUB 203.2 bln.

Customer deposits, representing 68.3% of the total liabilities or RUB 3,087.4 bln, grew by 29.3% ytd. The deposit base grew mainly due to expansion of cooperation with large and medium-sized corporate customers who

were offered relevant deposit and settlement products. Corporate deposits increased by 34.1% in the reporting period to RUB 2,405.8 bln.

Retail deposits rose by 14.7% ytd to RUB 681.6 bln. This was mainly driven by term deposits and accumulation accounts with the rising key rate.

The loan-to-deposit ratio (LDR) grew to 81.6% as at 1 October 2023 compared to 80.9% as at 1 July 2023, 79.8% as at 1 April 2023 and as at 1 January 2023.

Capital calculated in accordance with Basel III grew by 18.4% ytd to RUB 409.1 bln driven by retained earnings. **The core Tier 1 capital adequacy ratio** was 8.7% as at 30 September 2023, the **tier 1 capital**

adequacy was 10.5%, and the **total capital adequacy ratio** was 13.0%. In 2023, risk-weighted assets growth (28.2% ytd) outpaced capital growth, resulting in a slight decrease

in capital adequacy indicators compared to the beginning of the year.

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, including private banking services. It ranks 7 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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