



Webcast and Conference call 9m 2016 financial results

24 November 2016

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**CREDIT BANK
OF MOSCOW**

From good to great —
one Bank!

Financial highlights

Key metrics of financial performance

✔ **Profit** for the period increased significantly based on qualitative business growth

✔ Outstanding operating efficiency with a **CTI ratio of 23.0%**

✔ **Loan portfolio quality improved:**

NPL ratio decreased to 4.8%

Cost of risk decreased to 5.1%

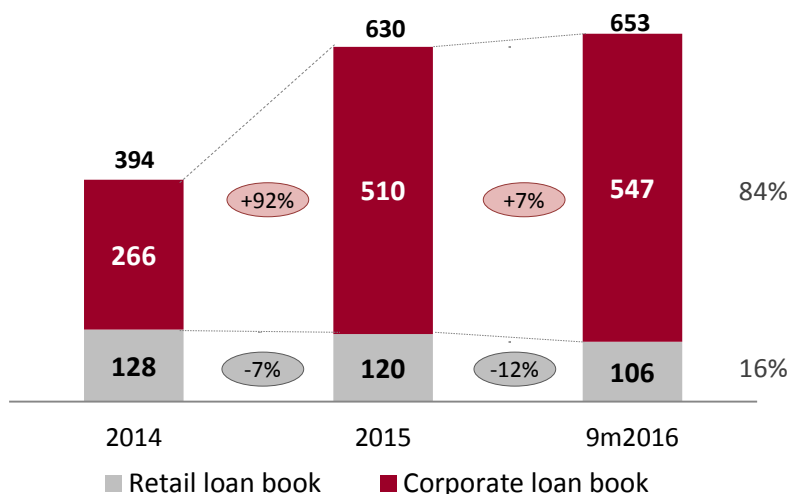
✔ Strong capital position

| Income statement (RUB bln) | 9m2016 | 9m2015 | Change, % |
|-------------------------------|---------|---------|------------|
| Net interest income | 31.4 | 17.7 | +77% |
| Net fee and commission income | 7.9 | 5.3 | +50% |
| Profit for the period | 8.3 | 1.5 | +443% |
| NIM | 3.6% | 3.5% | +0.1 p.p. |
| RoAE | 11.5% | 3.0% | +8.5 p.p. |
| Cost / Income | 23.0% | 28.1% | -5.1 p.p. |
| Balance sheet (RUB bln) | 3Q2016 | 2015 | Change, % |
| Total assets | 1,311.9 | 1,208.2 | +9% |
| Loans to customers (gross) | 653.2 | 629.9 | +4% |
| Total equity | 101.3 | 92.3 | +10% |
| NPL 90+ / Gross loans | 4.8% | 5.1% | -0.3 p.p. |
| Total provisions / NPL | 116.9% | 113.7% | +3.2 p.p. |
| Cost of risk | 5.1% | 5.4% | -0.3 p.p. |
| Tier 1 Capital Ratio | 10.7% | 9.2% | + 1.5 p.p. |
| Total CAR | 17.4% | 16.5% | +0.9 p.p. |

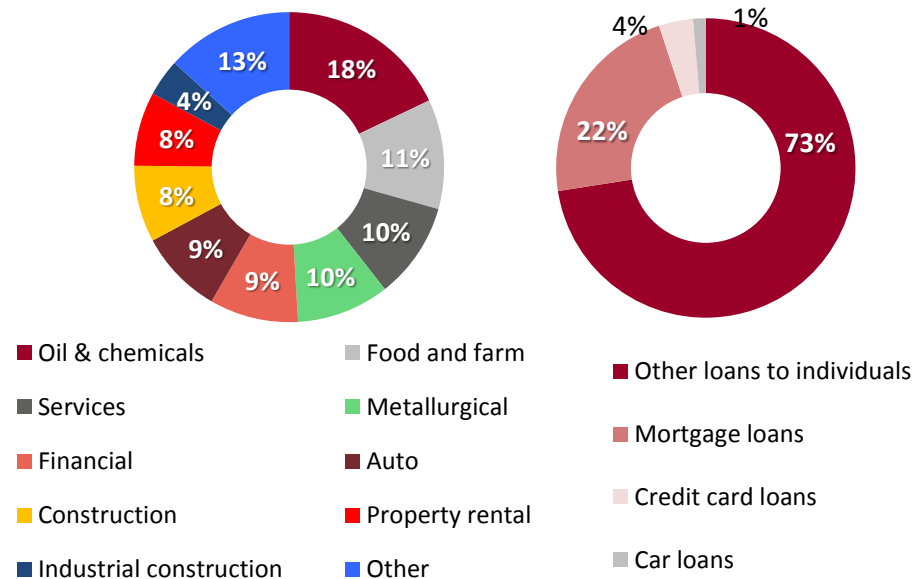
Business highlights: corporate lending remains a key driver

Loan book (gross) dynamics

(RUB bln)



Corporate and retail loan book breakdown (9m2016)



Strategic Pillars

Corporate lending

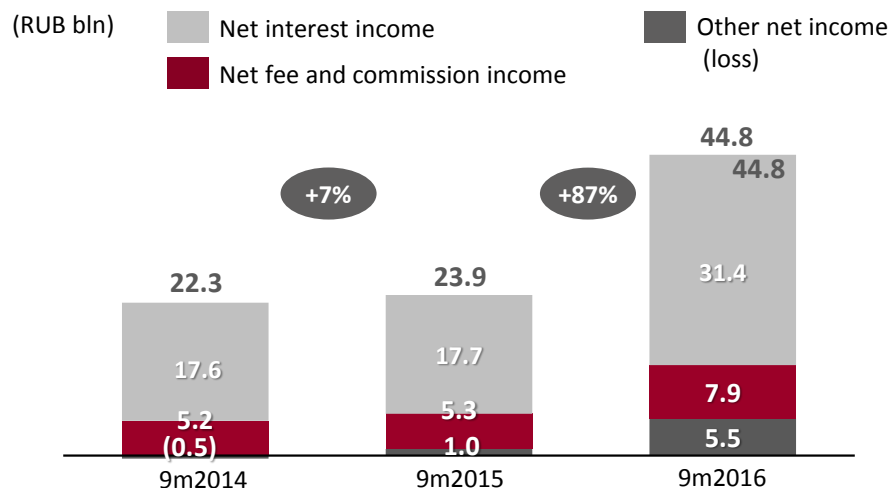
- ❖ Focus on increasing contribution of **larger corporates**
- ❖ **Well-diversified** loan portfolio
- ❖ Synergies with **cash handling** business

Retail lending

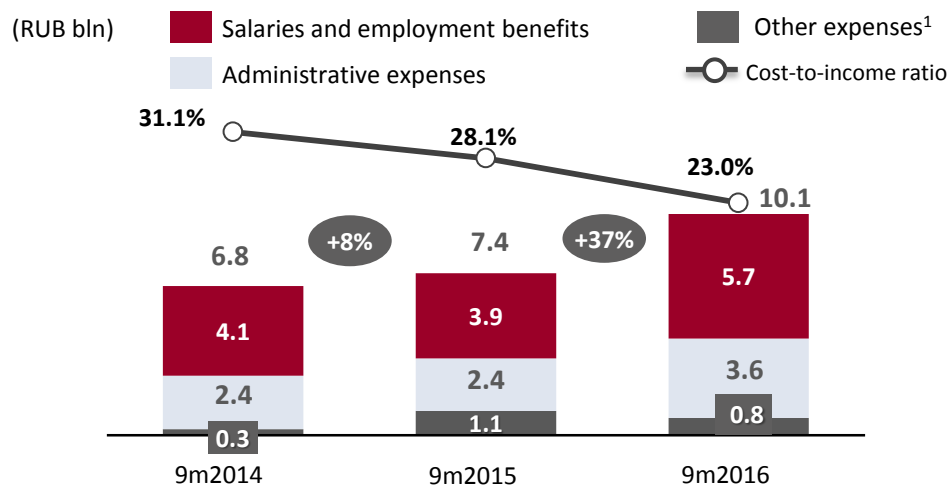
- ❖ Target market segments are **consumer loans** and **mortgage loans**
- ❖ **Tight individual customer selection** for healthy portfolio quality
- ❖ Differentiated risk appetite based on **customer segmentation**

Constantly improving efficiency: CTI dropped to 23.0%

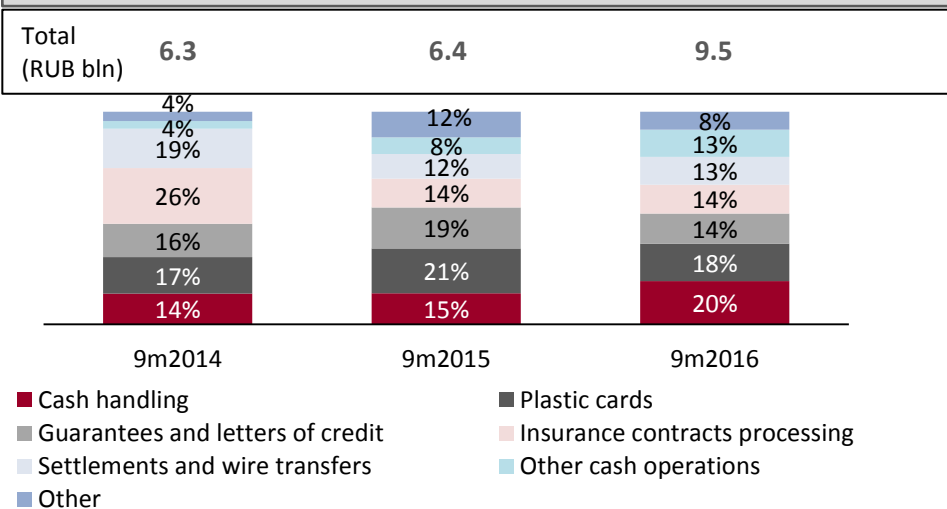
Operating income



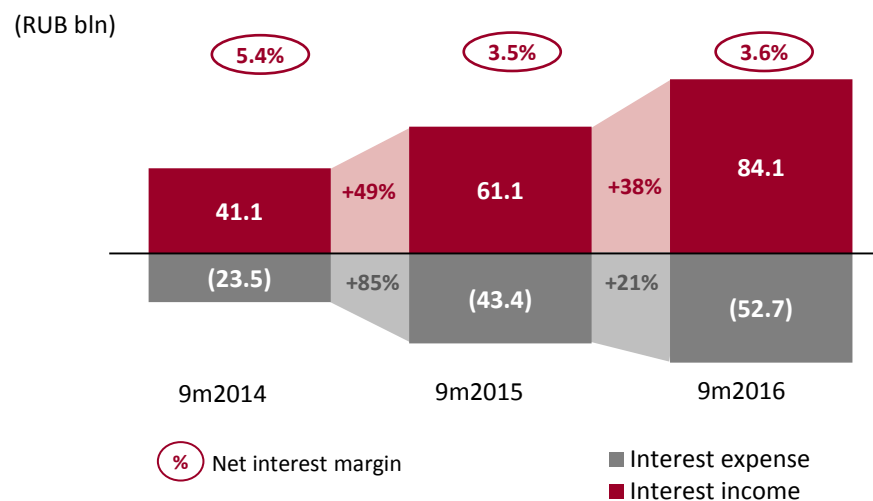
Operating expenses



Fee and commission income structure



Interest income vs Interest expense and Provision



Emphasis on highly liquid assets

Asset structure

(RUB bln)

 - Liquid assets

+9%

1,208

40

138

160

277

+14%

111

482

+4%

98

519

320

122

214

39

1,312

3%

50%

47%

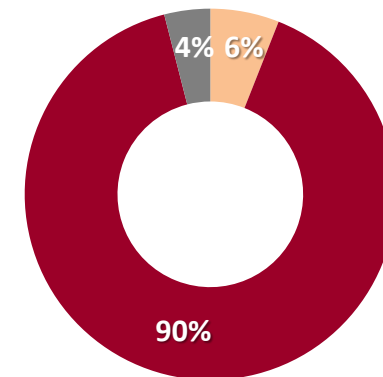
2014

2015

3Q2016

■ Corporate loans ■ Retail loans ■ Due from credit institutions ■ Securities ■ Cash ■ Other

High quality securities portfolio



■ Government and municipal bonds
 ■ Corporate bonds
 ■ Promissory notes

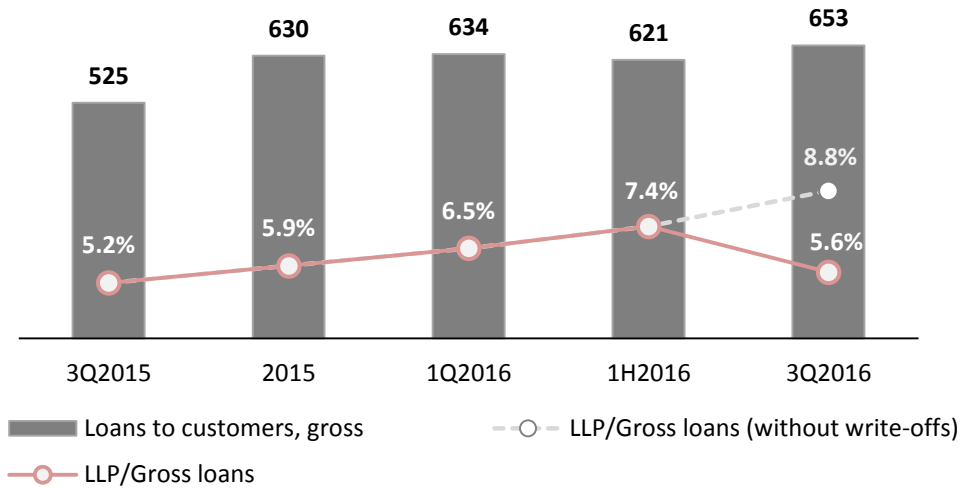
✔ The securities portfolio is used as a liquidity buffer with 82% of the portfolio qualified in the Lombard list of the Central Bank of Russian Federation

✔ Liquid assets represent 50% of total assets

Loan portfolio quality is under control

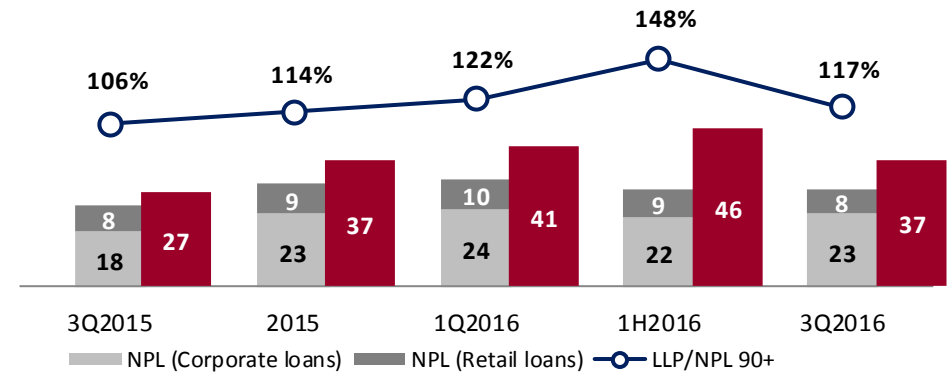
Gross loan portfolio coverage by impairment allowance

(RUB bln)

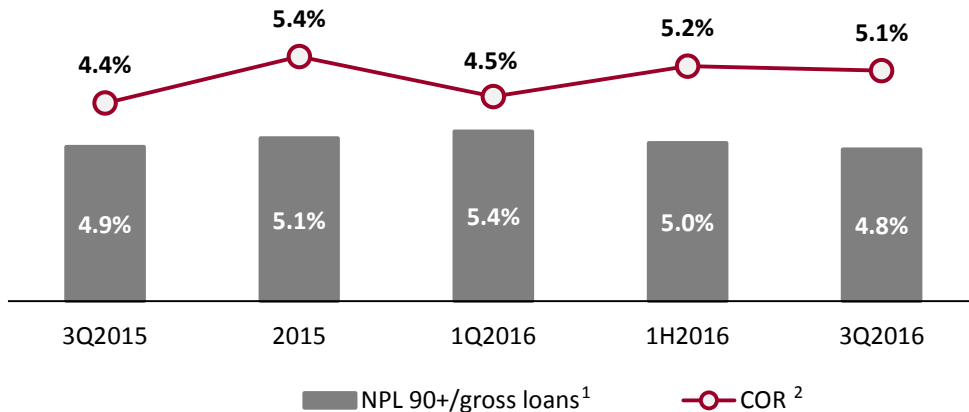


NPL¹ and provisioning dynamics

(RUB bln)

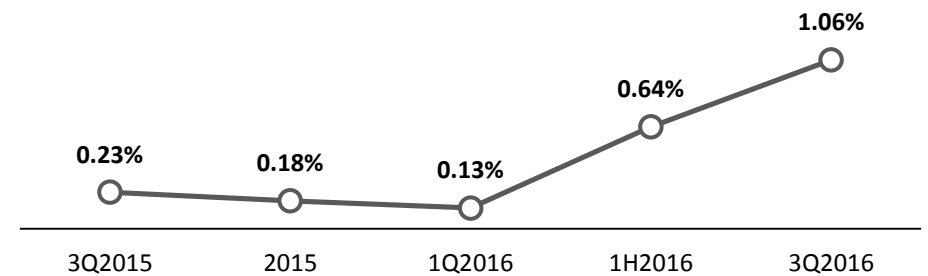


Cost of risk and NPL dynamics



Related party lending concentration

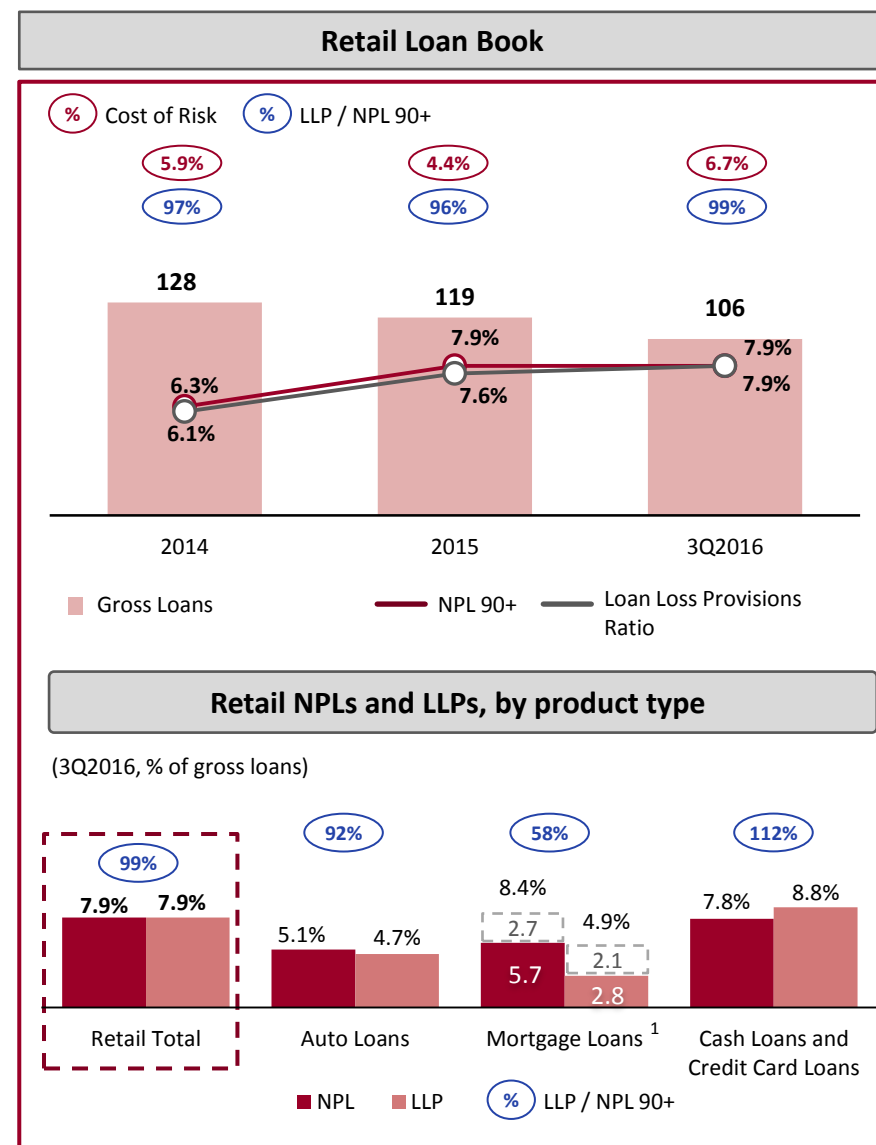
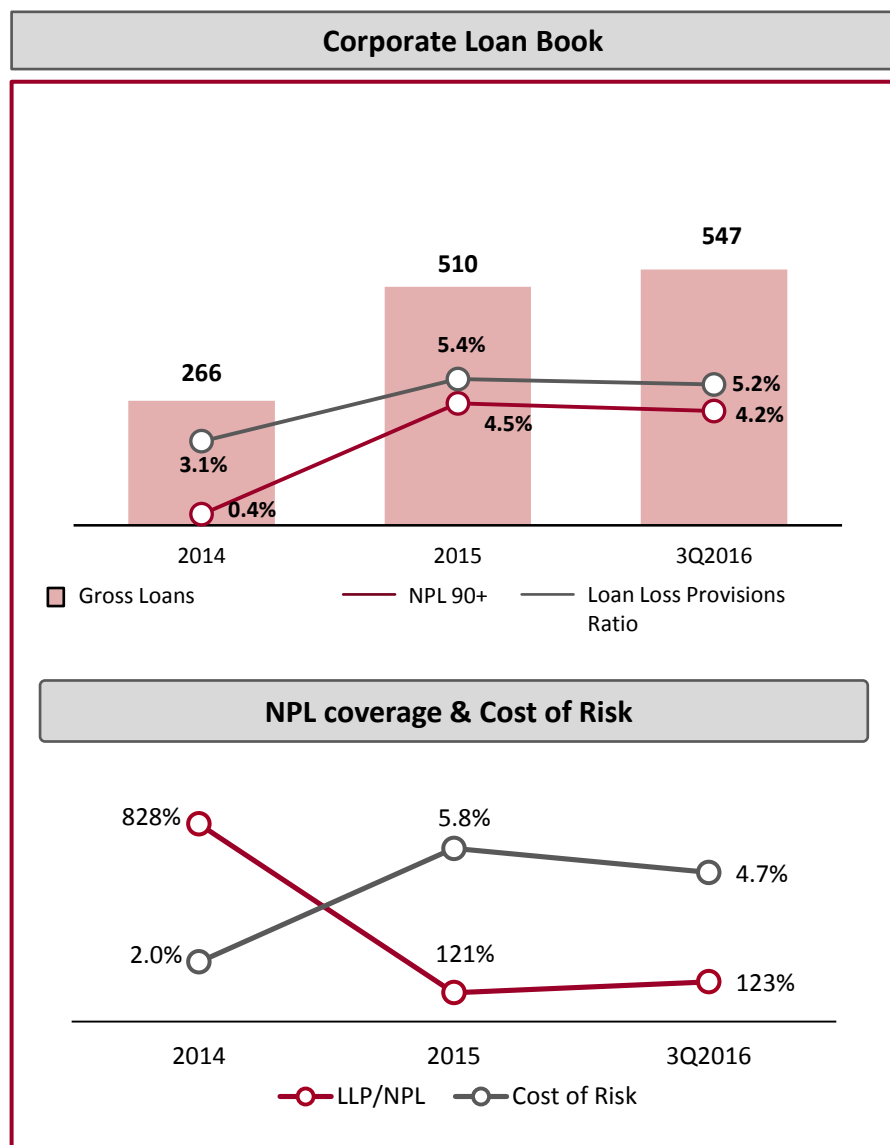
(% of Gross loans)



1) NPLs are loans with payments that are overdue >90 days

2) Cost of risk ratio is calculated as impairment allowance net charge (annualised) to average loan portfolio for the period

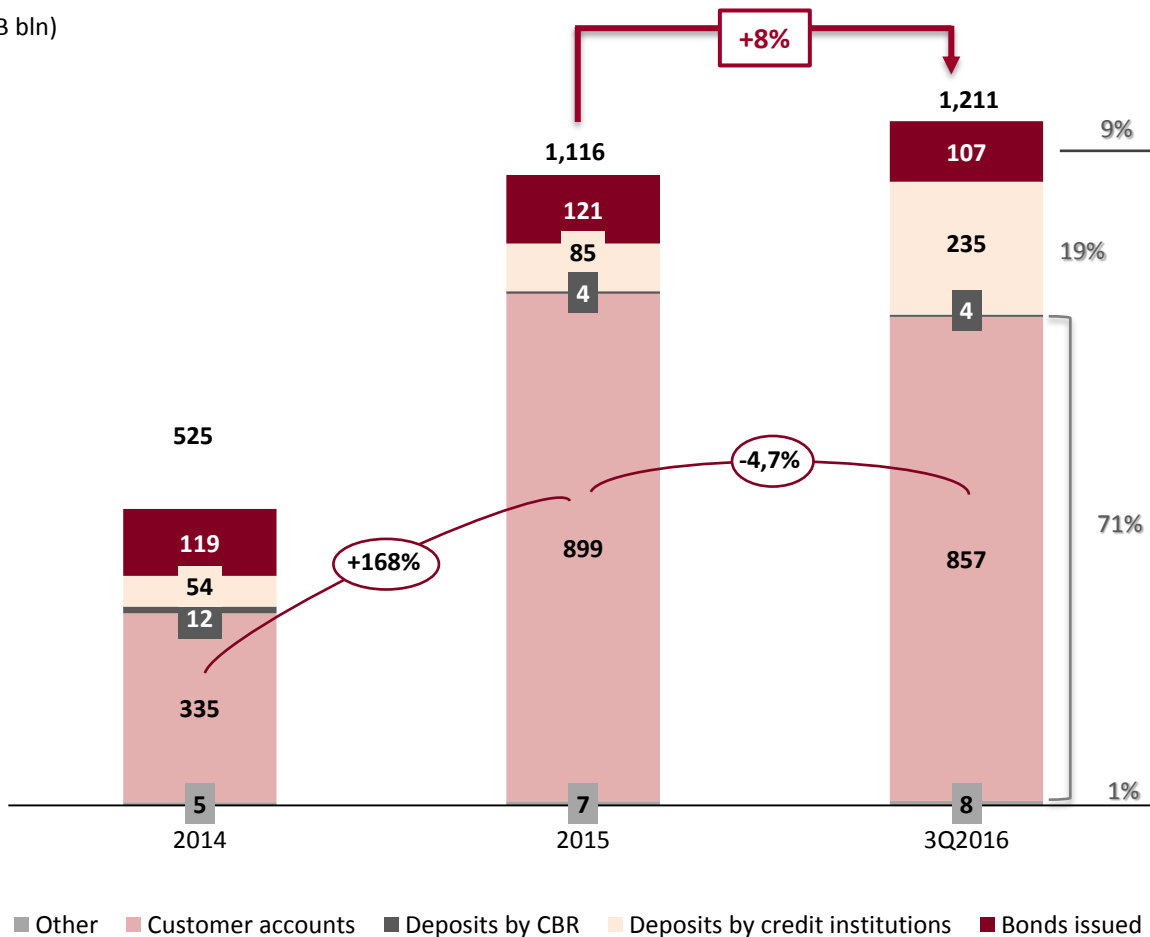
NPL coverage by provisions maintained at a safe level



Customer deposits remain the main source of funding

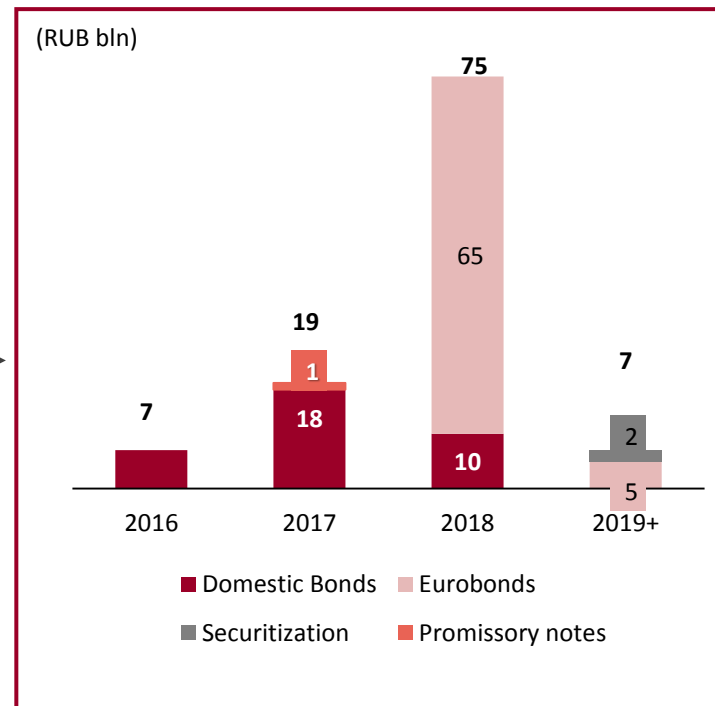
Liabilities breakdown

(RUB bln)



Debt securities repayment schedule

(RUB bln)

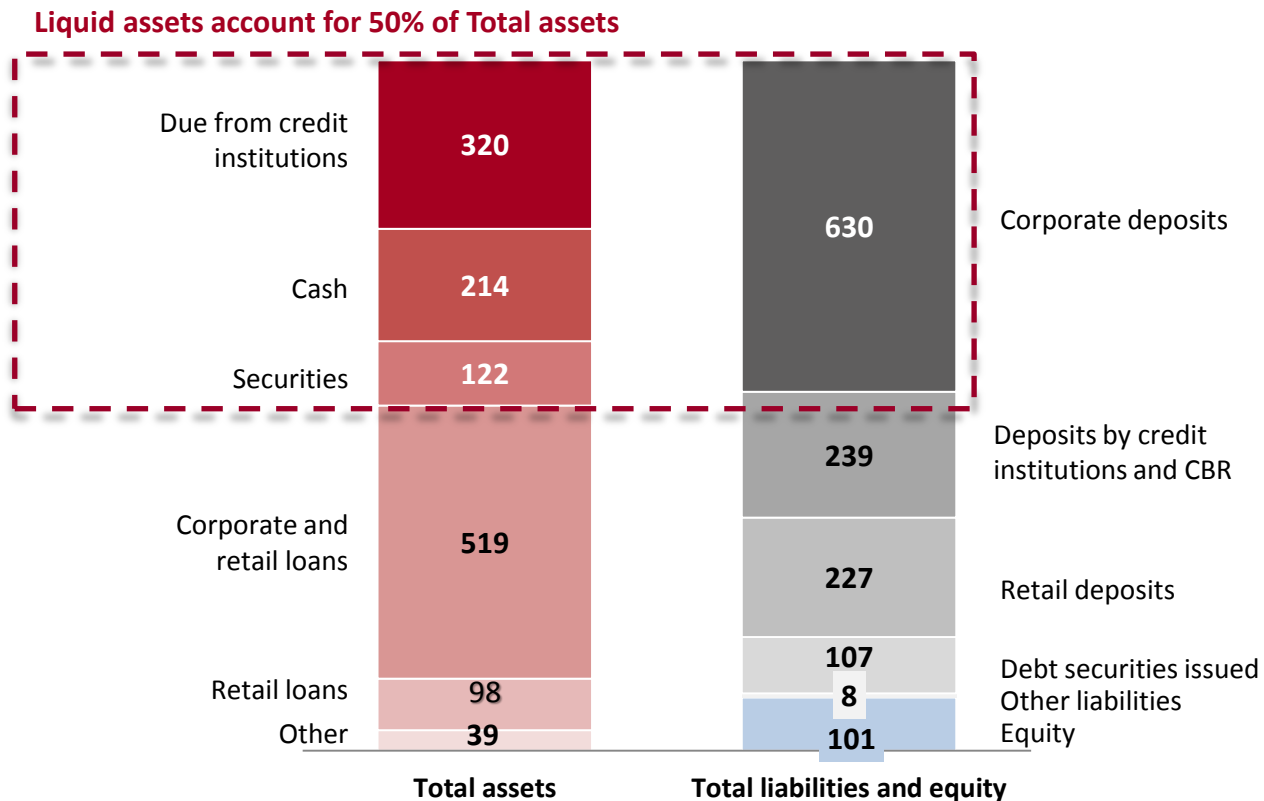


■ Subsequent to the reporting date, in October 2016, the Bank placed USD 500 mln senior Eurobond issue due in 2021

A cautious approach in liquidity management

Balance sheet structure (as at 3Q2016)

(RUB bln)

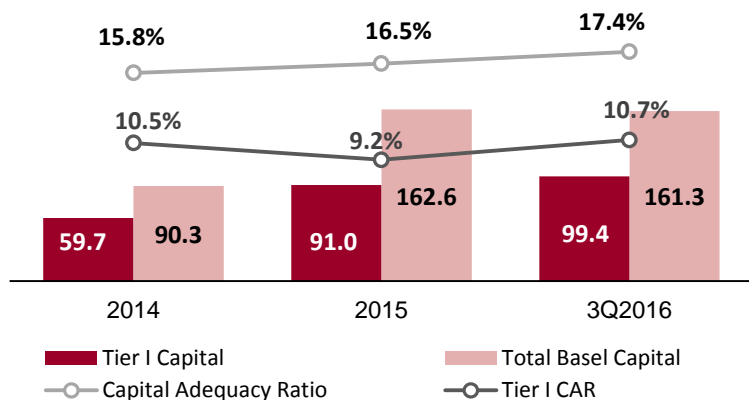


Additional unused liquidity sources from the CBR amounted to **RUB 370 bln** as of 30th of September 2016

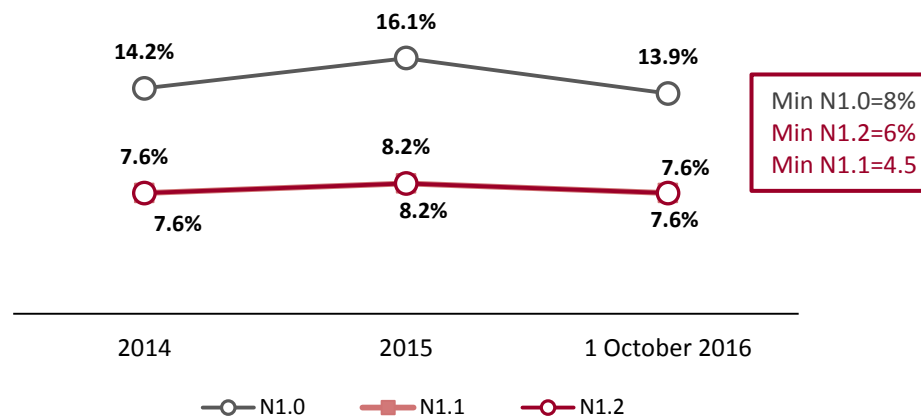
Strong capital position

IFRS capital adequacy ratios (Basel III)

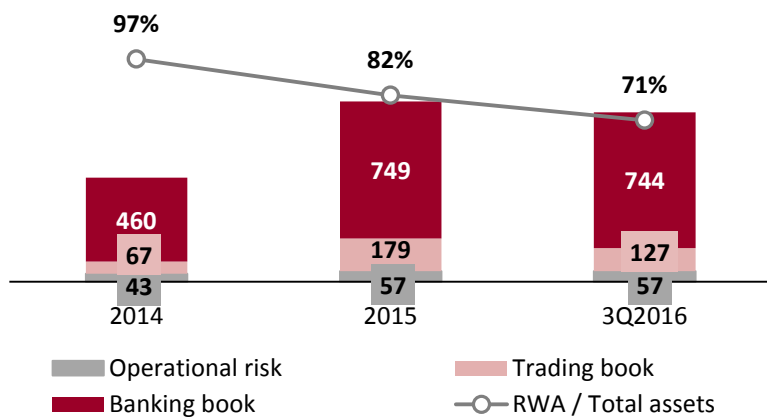
(RUB bln)



RAS capital adequacy ratios¹



Risk-weighted assets



Capital inflows in 2015

- RUB 29.7 billion – IPO and SPO on MOEX
- RUB 20.2 billion – subordinated debt from the DIA
- USD 300 million – subordinated debt from a corporate customer (Tier II capital)
- In accordance with dividend policy all net income is capitalized