



Investor Presentation

March 2020

[MKB.RU](https://mkb.ru)

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MKB at a Glance

A Leading Universal Banking Franchise

Global 2000 Forbes List

The only Russian non-state owned bank on the list in 2019



Best Bank in Russia

25th Annual Best Bank Awards 2018 by Global Finance



Significant Scale

#1 Non-state public bank in Russia

#7 Bank in Russia by total assets⁽¹⁾

RUB2.4tn Total assets

SFI On CBR's list of systemically important banks

Credit Ratings

Fitch
BB

S&P
BB-

MOODY'S
Ba3

AKPA
A (RU)

Expert
ruA

China Lianhe
AA+

RAEX
BBB(ESG)

Well-managed Through The Cycle⁽²⁾

14.2% ROAE

33.2% Cost -to-Income

2.5% NPLs

2.3% Cost of Risk

Listed on MOEX

RUB151.3bn Market capitalization⁽³⁾

20% Free float⁽³⁾

Included into MSCI EM Small Cap Index, MOEX Russia Index and RTS Index

Solid Capital Position⁽⁴⁾

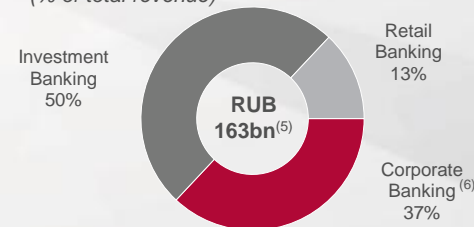
RUB210bn Total Equity

14.5% Tier 1 Ratio (Basel III)

21.2% Total Capital (Basel III)

Diversified Business⁽⁴⁾

(% of total revenue)



Source: Company data, IFRS financial statements, public sources.

Notes: (1) By total assets as per Banki.ru ranking, excluding National Clearing Centre ("NCC"); as at 1 February 2020. (2) For the period 2016-2019, calculated as average of FY values. (3) As at 18 March 2020.

(4) As at 31 December 2019. (5) Sum of segments' revenues as of FY2019, excluding Treasury. (6) Includes Cash Operations.

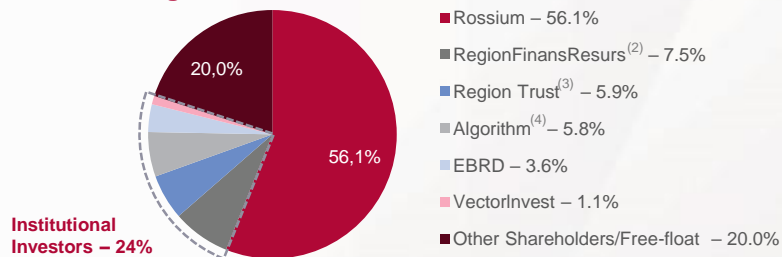
Shareholding Structure and Equity Capital Growth

Roman Avdeev – Long Standing Controlling Shareholder



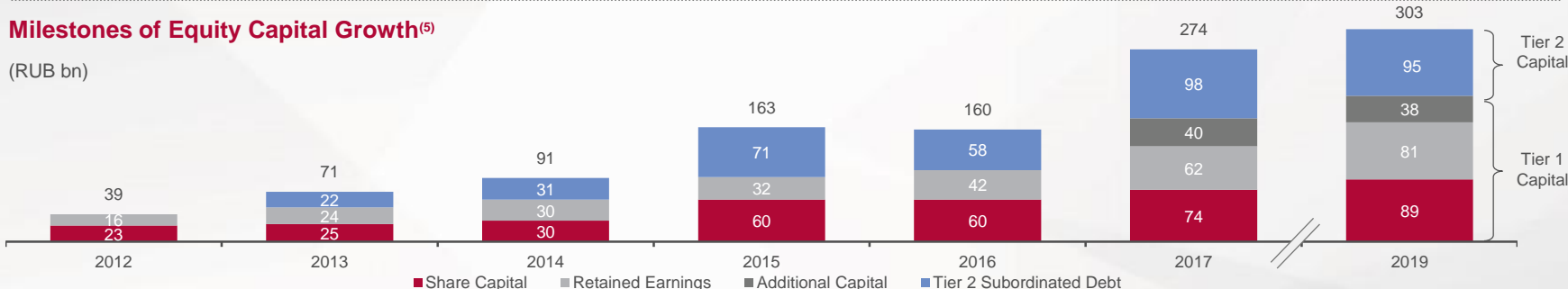
- Pursued entrepreneurship since late 1980s
- Mr. Roman Avdeev controls LLC Concern Rossium
- Currently **MKB** is a major asset of Mr. Avdeev
- Other assets include Ingrad Group, Sova Capital Ltd, JSC “Non-State Pension Fund Evolution” and JSC “Non-State Pension Fund Soglasie”

Shareholding Structure⁽¹⁾



Milestones of Equity Capital Growth⁽⁵⁾

(RUB bn)

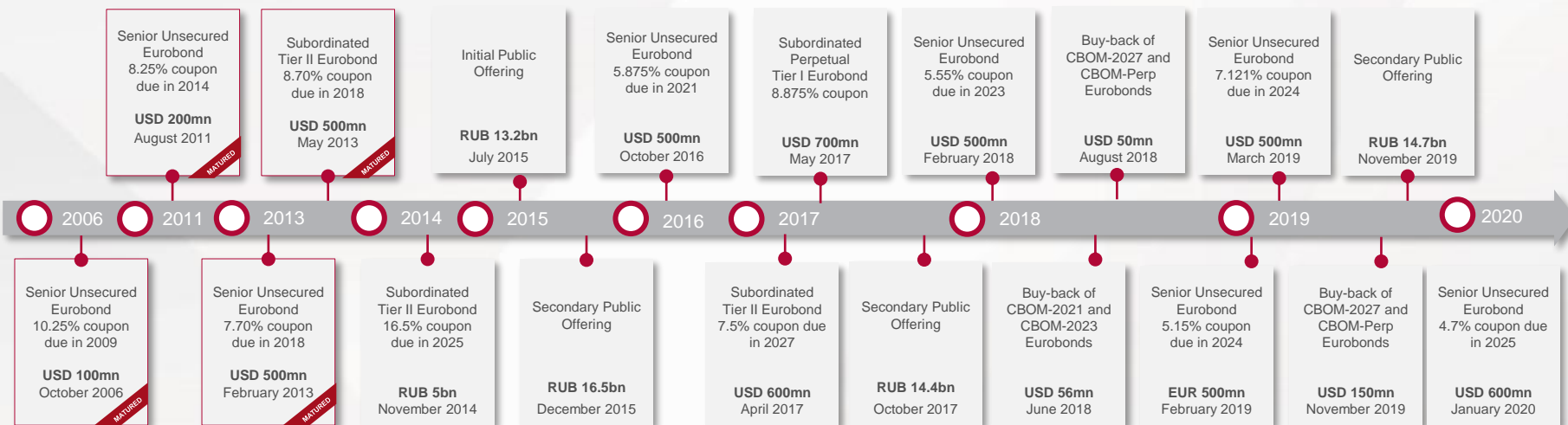


- Additional share issue in the amount of RUB 5.8bn, resulted in 15% stake acquisition by EBRD and IFC
- Additional share issue in the amount of RUB 7.5bn purchased by the Bank's beneficial owners proportionally to their stakes
- Additional share issue in the amount of RUB 5bn acquired by the the majority shareholder
- Additional share issue in the amount of RUB 5bn Subordinated Tier II Eurobond placement
- IPO and SPO placed on Moscow Exchange enabled the Bank to attract about RUB 30bn
- Issue of additional RUB 3.2bn ordinary shares with a nominal value of RUB1 each was registered with the CBR
- SPO in the amount of RUB 14.4bn
- SPO in the amount of RUB 14.7bn in November 2019

Source: IFRS financial statements; Company data; public information.

Notes: (1) As at 13 February 2020. (2) Asset management company acting as trust manager of the closed-end combined fund “Vektor Razvitia”. (3) Acting as trust manager with respect to pensions savings of JSC Non-State Pension Fund “Evolution” and JSC Non-State Pension Fund “BUDUSCHEE”. (4) LLC Investment Company Algorithm. (5) Data for 2013-2017 is calculated according to Basel III regulations.

Strong Track Record of Capital Markets Activity



Awards

EMEA Finance Achievement Awards



Best Financial Institution Bond in 2013

Euromoney magazine



Highly Commended CEE Deal in 2013

Global Banking & Finance Review



Best Eurobond Issuer in 2013

Global Banking & Finance Review



Best Russian Borrower on Syndicated Loan Market in 2014

International Finance Awards



Most Innovative Bond Deal, Russia 2019

High Corporate Governance Standards

Best International Corporate Governance Practices

Supervisory Board

- 5 INEDs⁽¹⁾ out of 10 Board members
- 2 representatives of minority shareholders
- INEDs present on the Board since 2008

Committees

- Audit and Risk Committee
- Compensation, Corporate Governance and Nominations Committee
- Strategy and Capital Markets Committee

Audit Panel

- Audit Panel reports directly to shareholders

Corporate and Financial Disclosure

- IFRS statements are reviewed quarterly since 2011 and audited on annual basis by KPMG

ESG and Transparency

- ESG Executive Sessions conducted quarterly
- Sustainability reports issued annually starting from 2018

- 🌿 Best Corporate Governance in Russia⁽²⁾
- 🌿 Best Banking Corporate Governance in Russia 2018⁽³⁾
- 🌿 Best Annual report in financial sector in Russia⁽⁴⁾
- 🌿 Best Corporate Annual Report⁽⁵⁾
- 🌿 Best Annual Report in Financial Sector⁽⁵⁾

Source: Company data, public information.

Notes: (1) Independent Non-Executive Directors. (2) 2019, World Finance Corporate Governance Awards. (3) 2018, Capital Finance International magazine, CFI.co. (4) 2017, according to XX Annual Contest of Annual Reports organized by Moscow Stock Exchange and RCB media group. (5) 2015, according to marketing and communication contest, MarCom.

Supervisory Board



Roman Avdeev
Controlling Shareholder



Vladimir Chubar
Chairman of Management Board



Alexey Stepanenko
Financial Director of
LLC Concern ROSSIUM

Independent Directors



William Owens ★

- Chairman of Supervisory Board
- Senior Director of Greenberg Traurig, LLP
- Serves on the boards for two companies



Ilkka Salonen ★

- Serves on the boards for multiple companies, including Corims Oy, Sysman Kirjakyla Oy



Andrew Gazitua ★

- Member of the BoD of Civitas Partners Holdings Limited and Chairman of the BoD of Web Financial Group S.A.



Andreas Klingon

- Non-executive member of Boards of Nova Ljubljanska banka d.d., Ljubljana, Kyrgyz Investment and Credit Bank and NEPI Rockcastle plc.



Lord Peter Daresbury

- Non-executive Chairman of Auriant Mining AB and SEN CORPORATION LIMITED

Chairman of:
 ★ Compensation, Corporate Governance and Nominations Committee
 ★ Audit and Risk Committee
 ★ Strategy and Capital Markets Committee

Representatives of Minority Shareholders



Thomas Grasse

- EBRD Representative
- ESG Ambassador



Sergey Menzhinsky

- REGION Representative

Focus on Environmental, Social and Governance matters

ESG⁽¹⁾ Initiatives



1

BBB[esg] ESG Rating from Rating-Agentur Expert RA GmbH



2

Publication of Sustainability Report Based on GRI Standards



3

Collaboration with WWF



4

Emphasis on Green Projects of Corporate Clients



5

Socially Oriented Retail Products



6

Charity Projects



7

Corporate Volunteer Programs

ESG Principles Implementation

Environmental

- Evaluation of projects for compliance with the environmental, health and safety (EHS) requirements of the Russian Federation and EBRD
- Responsible waste management and recycling
- Reduction of energy consumption



Social

- Implementation of corporate social responsibly (CSR) principles in MKB's business processes
- Support for small and medium-sized businesses
- Special offers for pensioners and young families
- Financial services accessibility for people with reduced mobility
- Cooperation with "Arifmetika Dobra" charity fund, providing support to the orphans and foster families



Governance

- Best practices of corporate governance in compliance with EBRD requirements
- Management engagement in decisions related to environmental policies and reporting
- Leadership in transparency and disclosure
- Transparency of procurement

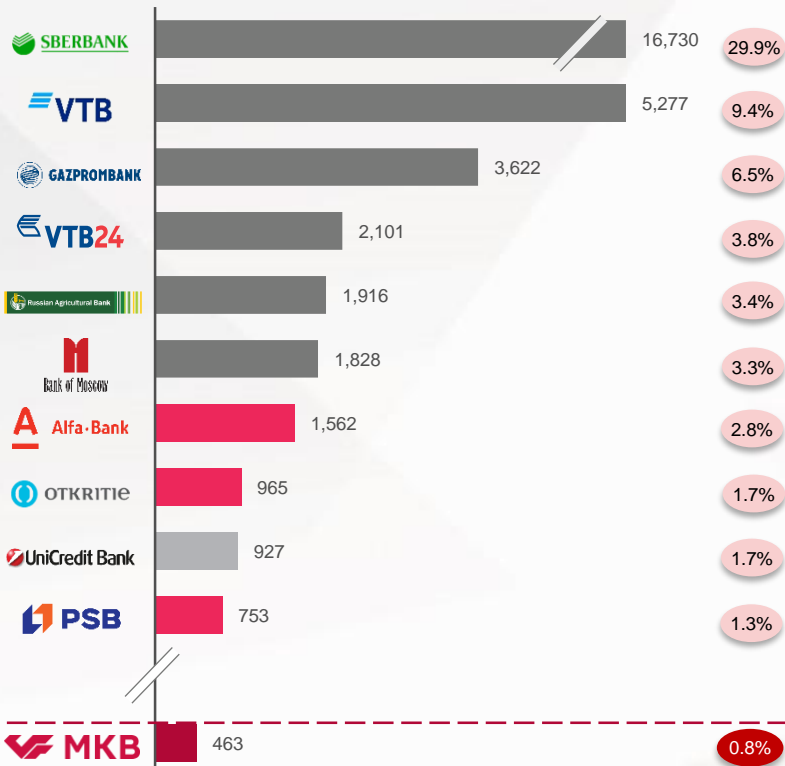


Source: Company data.

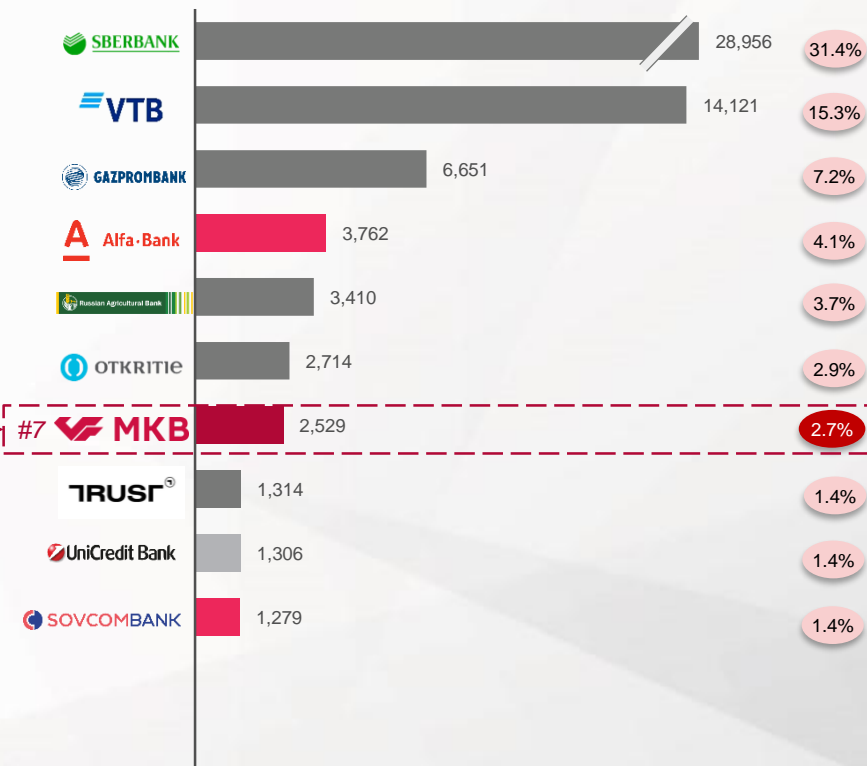
Notes: (1) Environmental, Social and Governance.

Tripling Market Share Since 2014

Top-10 Banks 1-Jan-2014, Ranked by Total Assets (RUB bn)



Top-10 Banks 1-Feb-2020, Ranked by Total Assets (RUB bn)



■ Non-State Owned

■ State-Owned

■ Foreign-Owned

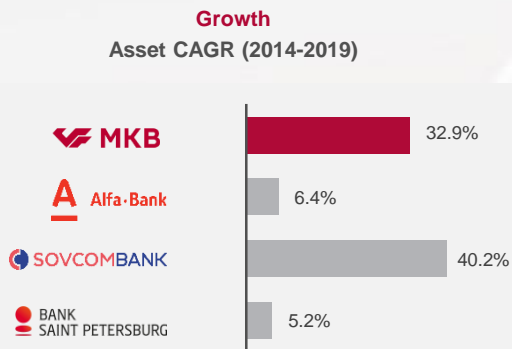
● % of Total Assets

Source: www.banki.ru

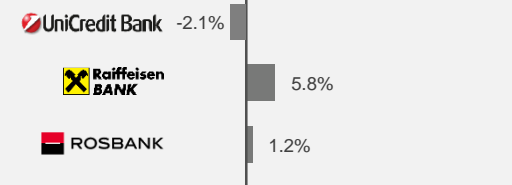
Notes: (1) Excludes National Clearing Centre.

Sustainable Performance – Comparison with Russian Peers

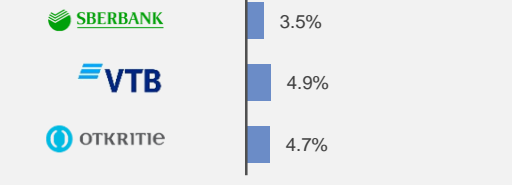
Non-State Owned Russian Universal Banks



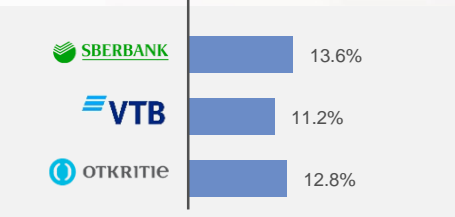
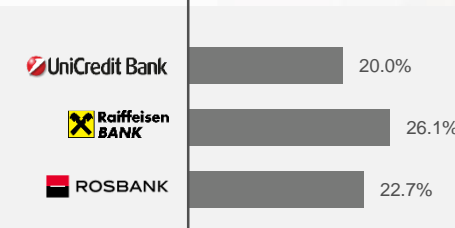
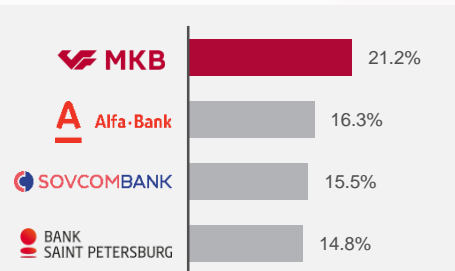
Foreign-Owned Universal Banks



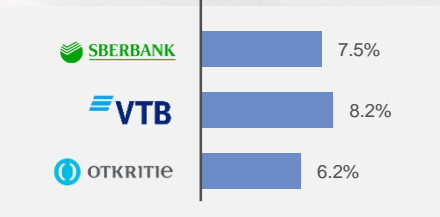
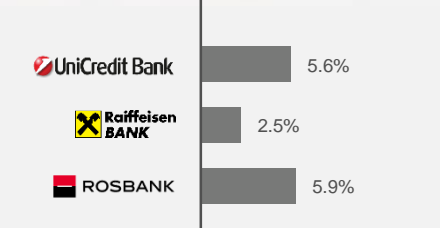
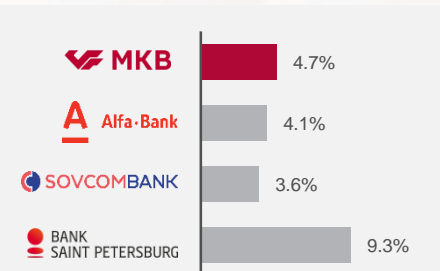
Russian State-owned Large Caps



Capital
Capital Adequacy Ratio (2019)



Loan Portfolio Quality
Stage 3 & POCI Ratio⁽¹⁾ (2019)



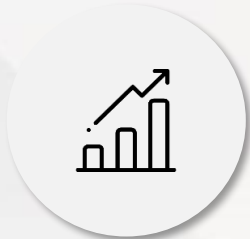
Source: Company data, publicly available IFRS financial statements

(1) Stage 3 and POCI (Purchased or originated credit-impaired) loans divided by gross loans to customers at amortized cost, except for Rosbank for which calculated as [Stage 3 + POCI loans]/[All gross loans to customers]. (2) For Rosbank the calculation of Capital Adequacy Ratio is as of 31.12.18, the calculation of asset CAGR and Stage 3 & POCI Ratio is as of 30.09.2019. (3) For Sovcombank and Raiffeisen Bank the calculation of all ratios is as of 30.09.19.



Investment Highlights

Leadership and Scale



- **#1** largest non-state owned listed bank⁽¹⁾ of systemic importance in Russia
- **2.7% share** in banking sector assets⁽¹⁾ and **3.6% share** in corporate deposits⁽¹⁾
- **Over 25k** corporate and **over 1.8mn** retail banking customers⁽²⁾
- **Over 9k** employees

Business Model



- **Universal** model with **focus on corporate business**
- Leverage of expertise in **cash handling** (Inkakhran) and affiliates' capabilities in **investment banking** (Sova Capital) and **real estate** (Ingrad)
- Widespread and **multichannel distribution platform**
- Capturing **niche sector opportunities**

Financial Strength



- **14.2% through-the-cycle ROAE**⁽³⁾
- Sizable **liquidity buffer**
- Well-managed loan portfolio quality with through-the-cycle **NPL ratio of 2.5%**⁽³⁾ and **Cost of Risk of 2.3%**⁽³⁾
- Stable **funding profile** and resilient **capital adequacy**

Proven Efficiency



- Well-managed **through-the-cycle Cost-to-Income ratio of 33.2%**⁽³⁾
- **Fast follower** strategy in implementation of innovative technologies
- Participation in the key **Fintech initiatives**

Sustainability



- **Corporate social responsibility (CSR)** approach focused on stimulating economic growth while improving social welfare
- **Environmental standards** on loan portfolio
- **Best corporate governance practices**
- **Training opportunities and leadership programs** for the staff

Source: Company data.

Notes: (1) According to banki.ru rating, excluding National Clearing Centre, as at 1 February 2020. (2) As at 1 March 2020. (3) For the period 2016-2019, calculated as average of FY values.

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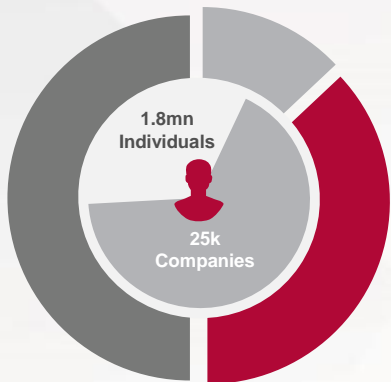
One of the Leading Universal Franchises Built Around Clients' Needs

% of total revenue⁽²⁾

13% Retail Banking

37% Corporate Banking⁽¹⁾

50% Investment Banking



Credit		Non-Credit		Distribution Channels	
General-purpose Loans	Mortgage Loans	Deposits	Cards	Branches	ATMs
Credit Cards	Individual Investments	Insurance	Payments/P2P Transfers	Payment Terminals	Web Application
					Mobile Application

Credit		Non-Credit		Distribution Channels	
Loans	Trade Finance	Factoring	Cash Management	Deposits	Relationship Managers
Syndicated Loans	Letters of Credit	Overdraft	Guarantees	Current Accounts	Cash Handling
				Payments	Acquiring
					MKB Online Banking
					Branches

Credit		Non-Credit	
REPO	Fixed Income and Derivatives	FX	DCM
			Proprietary Trading

Source: Company data.

Notes: (1) Includes Cash Operations. (2) As of 31 December 2019; includes external interest income, fee and commission income, net gain on trading financial assets, net loss from sale and redemption of investment financial assets at fair value through other comprehensive income, net realized gain on investment financial assets at amortized cost, net foreign exchange losses, other operating (expenses) income and net revenue (expenses) from other segments (excluding Treasury)



Corporate Banking: Focus on Large Corporates and Cross-selling



Target large companies from **15 diverse industries**



Focus on RAROC⁽¹⁾ and value added services with **70% of corporate clients using more than 1 product** of MKB



Flexibility and **fast decision-making**



Leading market position with strong footprint **in Moscow region**



Online platform powered by **Artificial Intelligence**



Cash handling platform providing strategic benefits from risk management perspective

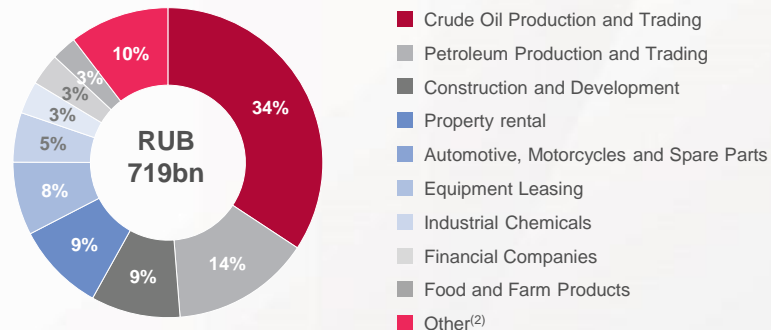
3.6% NPL Ratio

(2019) **132%** NPL Coverage Ratio

0.6% Cost of Risk

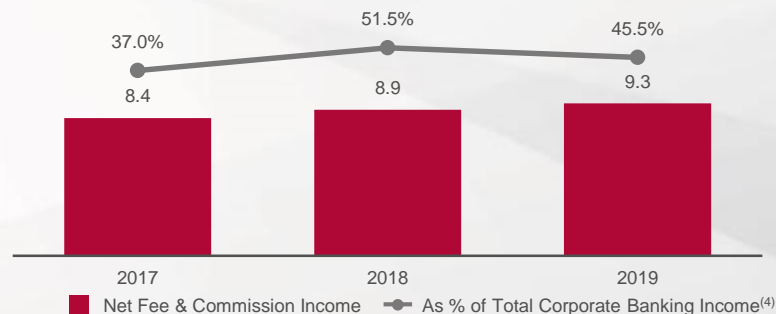
Diversified Corporate Loan Portfolio

Corporate Loans Breakdown by Industry (% , 2019)



Growing Share of Fee and Commission Income

Corporate Banking⁽³⁾ Net Fee and Commission Income (RUB bn)



Source: IFRS Financial Statements; Company data.

Notes: (1) Risk-adjusted return on capital. (2) Includes more than 10 other industries. (3) Includes Cash Operations segment. (4) For the period 2017-2018 Total Corporate Banking Income is calculated as a sum of Segment Results for Corporate Banking and Cash Operations.

Retail Banking: Trusted Bank of Choice for Customers

Competitive Advantages of MKB's Retail Banking



Omni-channel distribution network with strategically located branches and powerful online offering



Leading deposit offering with competitive interest rates and convenience for customers positioning MKB as a bank for depositors



Leading loyalty programs across retail products

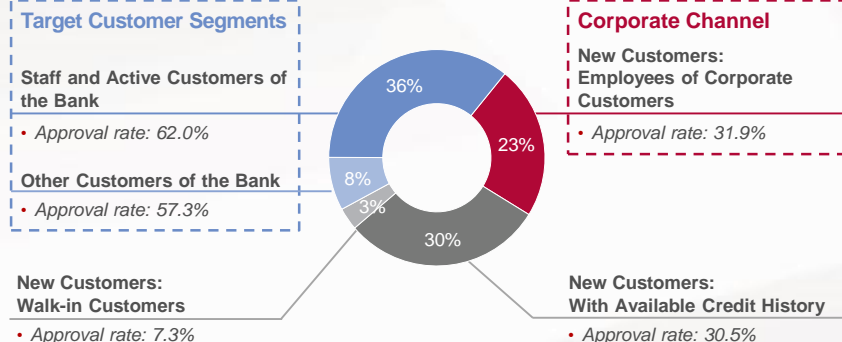


Strong cross-selling platform

3.6% NPL Ratio⁽¹⁾ **165%** NPL Coverage Ratio⁽²⁾ **3.8%** Stage 3⁽³⁾

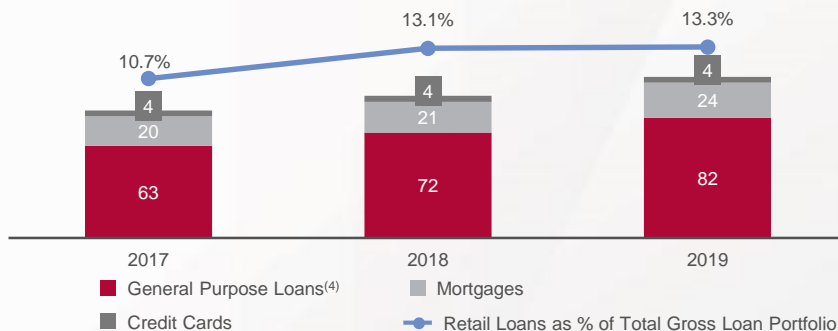
Focus on High Quality Customer Segments

Breakdown of New Credit Origination Volume (%), as at 1 Mar 2020



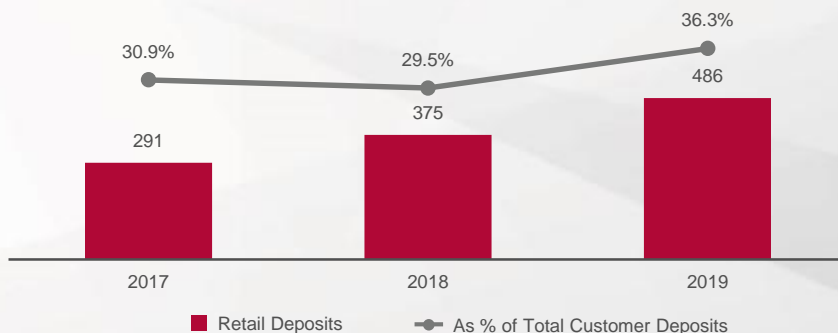
Loan Portfolio with Focus on Products Attractive for Customers

Product Breakdown of Gross Loans to Individuals (RUB bln and %)



Retail Deposits Expanding Stably through the Cycle

Retail Deposits (RUB bln and %)



Source: IFRS financial statements; Company data.

Notes: (1) Non-performing retail loans (overdue 90+ days) to individuals as a portion of total gross loans to individuals, as at 31 December 2019. (2) Credit loss allowance to non-performing loans to individuals, as at 31 December 2019. (3) Stage 3 loans to individuals as a portion of total gross loans to individuals, as at 31 December 2019. (4) Includes auto loans.

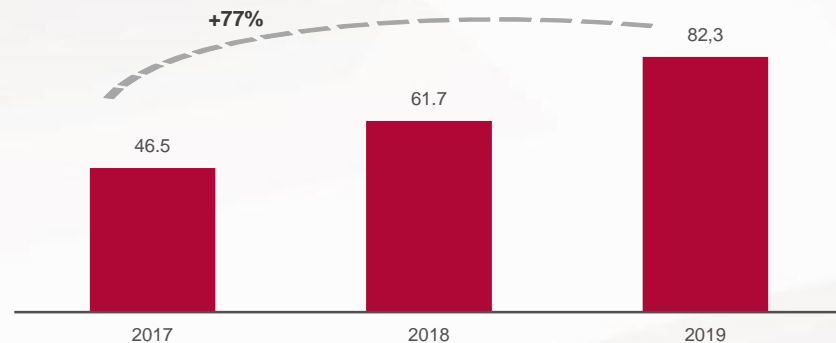
Investment Banking: Diversified Product Range

Full Range of Investment Banking Services



Growing Business

Investment Banking Revenues (RUB bn)

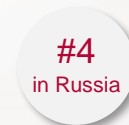
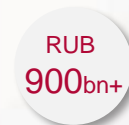


Source: Company data, public information.

Notes: (1) As per Cbonds, market issues as for 2019 <http://cbonds.ru/rankings/item/613>.

Solid Track Record in DCM

Key Metrics (FY2019)



Top-3 Best Arranger for the Non-Financial Sector in 2019
Breakthrough of the Year 2018

Client Universe Dominated by Large Corporates

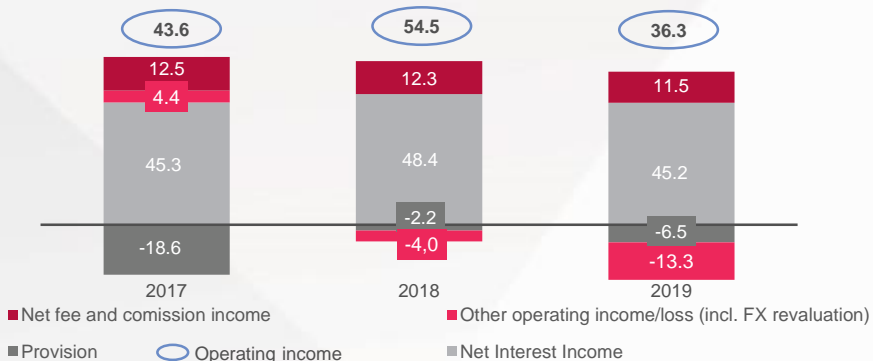


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Financial Results

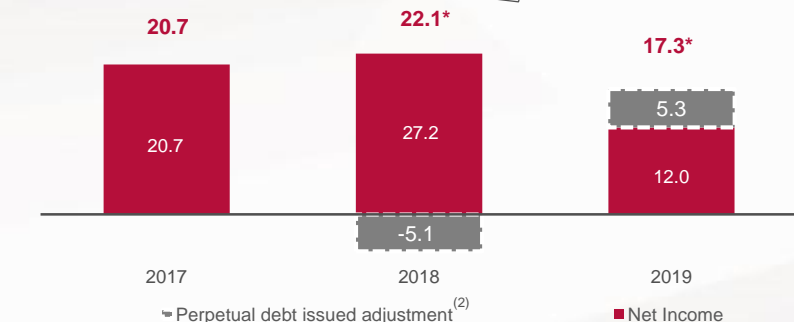
Operating Income

(RUB bln)



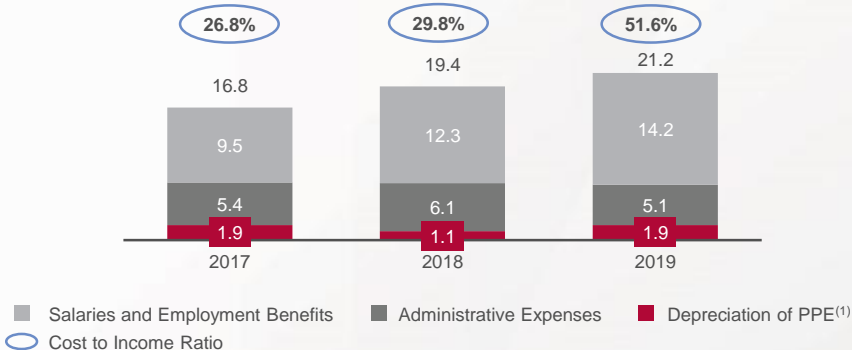
Net Income

(RUB bln)



Operating Expenses

(RUB bln)



Key Clarification

- **Operating income** decline in FY2019 was mainly due to **negative FX result** in amount of **RUB 13.3 bln**. It includes costs of FX swaps as a result of the Bank currency position management and FX negative revaluation of perpetual debt issued
- **FX negative revaluation on perpetual debt issued** was fixed in amount of **RUB 4.4 bln** due to ruble strengthening in 2019 in comparison to gain of RUB 7.5 bln effect in 2018. **FX revaluation** is attributed to accounting specifics of USD-denominated perpetual subordinated Eurobond in Tier 1 capital revaluation
- **Adjusted net income** demonstrates **22% decline** in 2019. The loss was generated by growth of currency risks hedges expenses (RUB 8.9 bln) and other operating expense mainly due to soft ware expenses (RUB 0.6 bln) and loss on operations with issued bonds (RUB 0.6 bln)

Source: Company data.

Notes: (1) Depreciation of property and equipment and right-of-use assets. (2) Perpetual debt issued adjustment includes perpetual debt redemption, foreign exchange revaluation of perpetual debt issued and tax effect on perpetual debt issued

Balance Sheet Composition

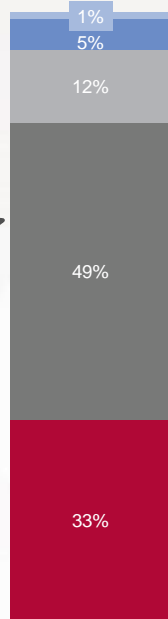
Total Assets

(RUB bln, 2019)

Deposits in Credit institutions

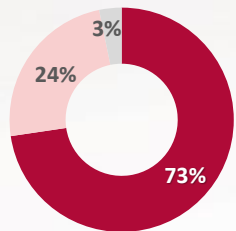
- 71% of deposits in credit and other financial institutions with maturity of less than 1 month
- More than 90% of securities that serve as collateral under reverse sale and repurchase agreements have rating grade BBB- and above
- Reverse REPO agreements pressure on capital is close to 0

2,423



Average Interest-Earning Assets 2,041

Unused liquidity sources structure⁽¹⁾



- Unpledged securities portfolio under reverse REPO
- Own portfolio of Lombard list securities free of pledge (on-balance sheet)
- OFZ received under DIA capitalization program in 2015

- Loans
- Deposits in FLs
- Securities⁽²⁾
- Cash⁽³⁾
- Other Assets⁽⁴⁾

Total Liabilities and Equity

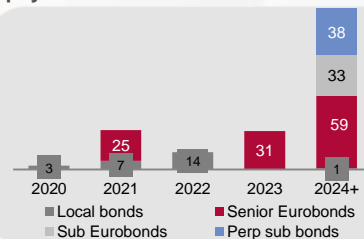
(RUB bln, 2019)

2,423

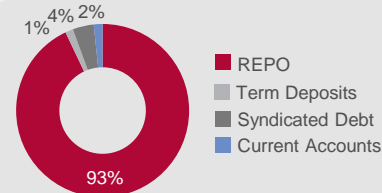


Average Interest-Bearing Liabilities 1,981

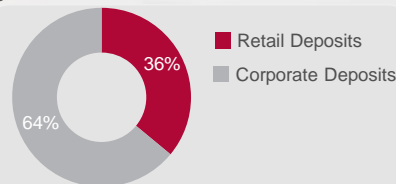
Debt Securities Repayment schedule⁽⁶⁾



Due to Banks



Customer Deposits



- Customer Deposits
- Due to Banks
- Debt Securities Issued
- Other Liabilities⁽⁵⁾
- Equity

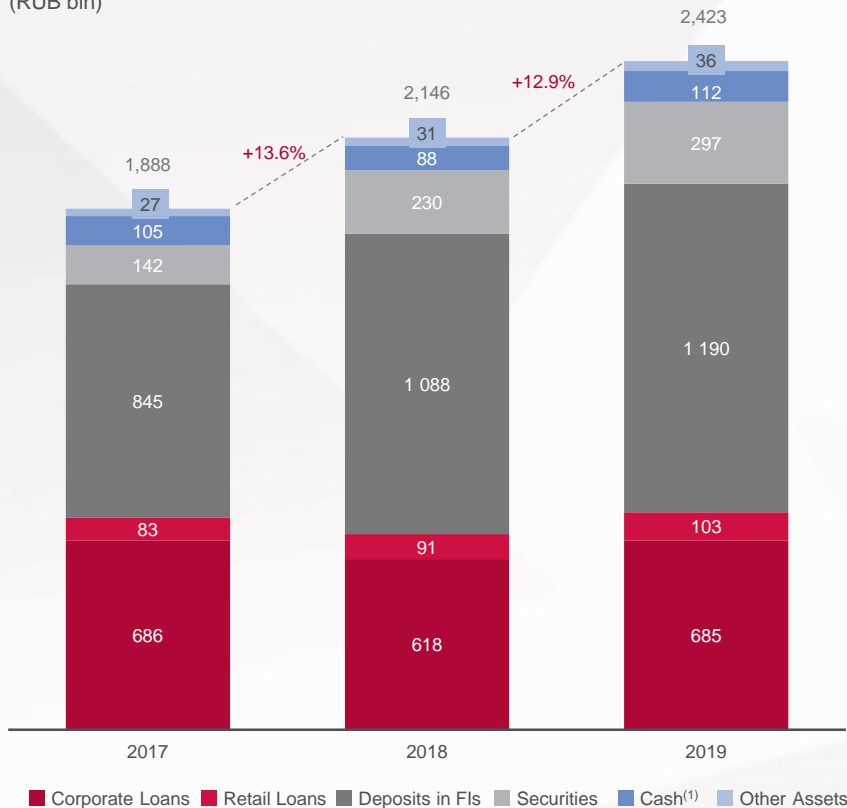
Source: IFRS financial statements; Company data.

(1) As at 13 March 2020. (2) Securities include trading financial assets less derivative financial instruments and investment financial assets. (3) Cash includes cash on hand, correspondent account with the CBR and Nostro accounts with other banks. (4) Includes obligatory reserves with the CBR, Investments in associates, Property and equipment, Deferred tax asset, Other assets. (5) Includes Deferred tax liability and Other liabilities. (6) Debt securities repayment schedule as of 31.12.2019.

Balance Sheet Evolution

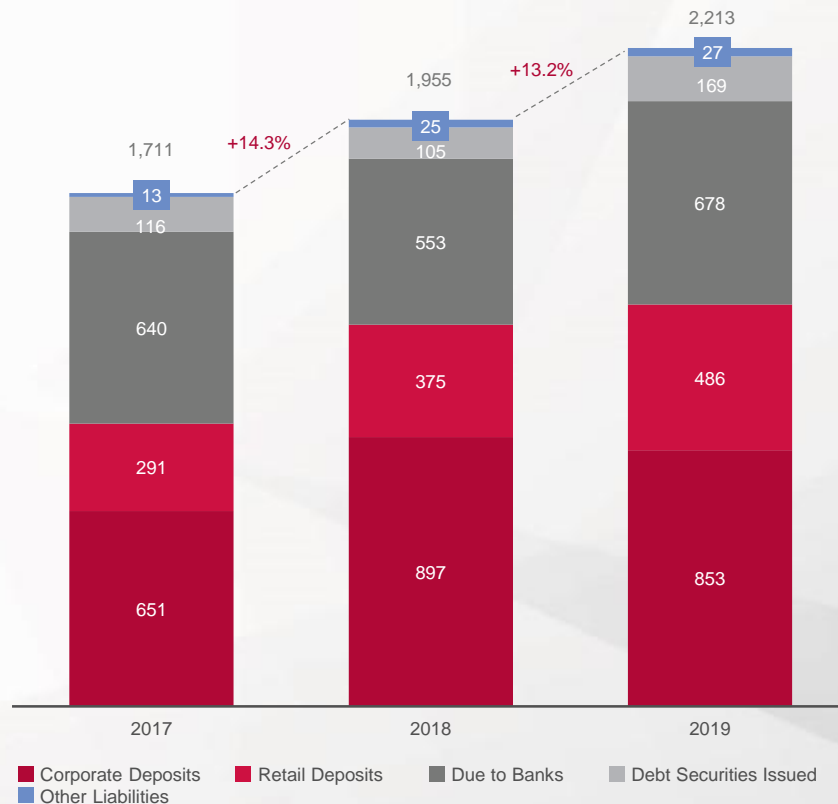
Total Assets Evolution

(RUB bln)



Funding Structure Evolution

(RUB bln)

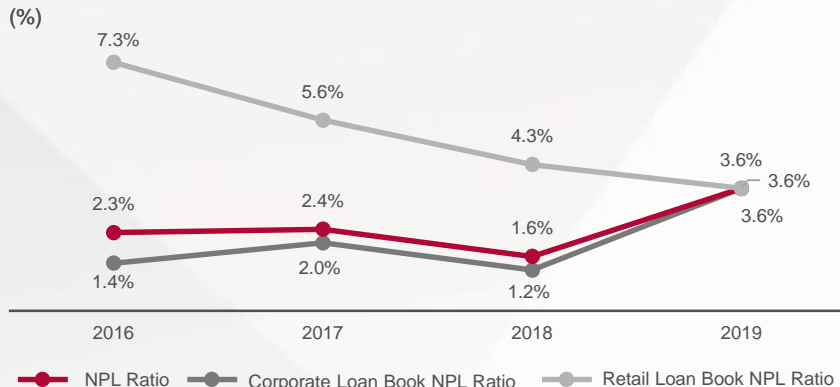


Source: IFRS financial statements.

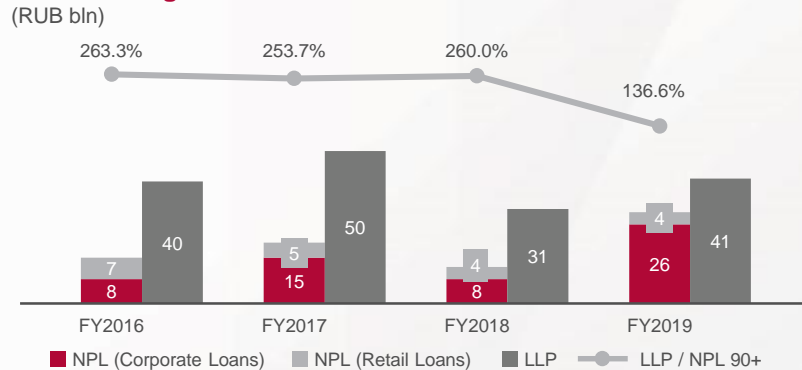
Notes: (1) Cash includes cash on hand, correspondent account with the CBR and Nostro accounts with other banks.

Loan Portfolio Quality Under Control

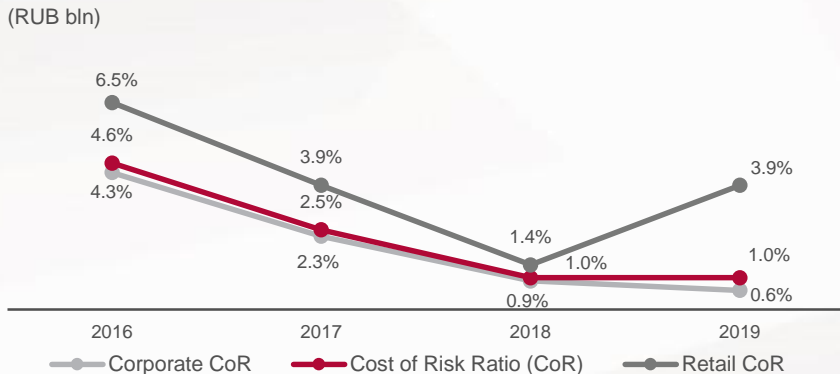
NPL Ratio



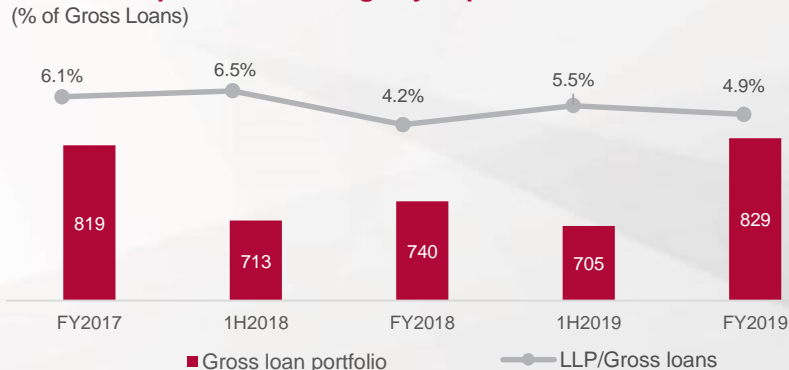
NPL Coverage



Cost of Risk



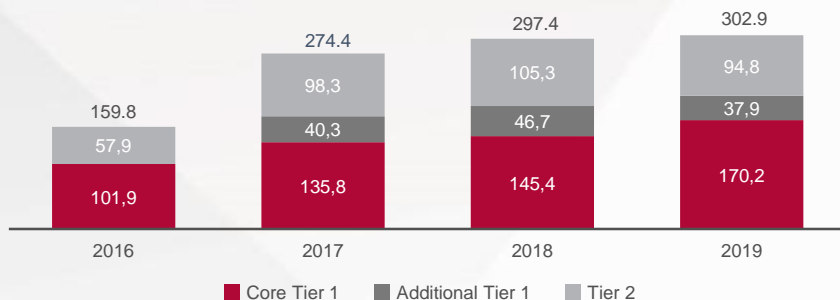
Gross loan portfolio coverage by impairment allowance



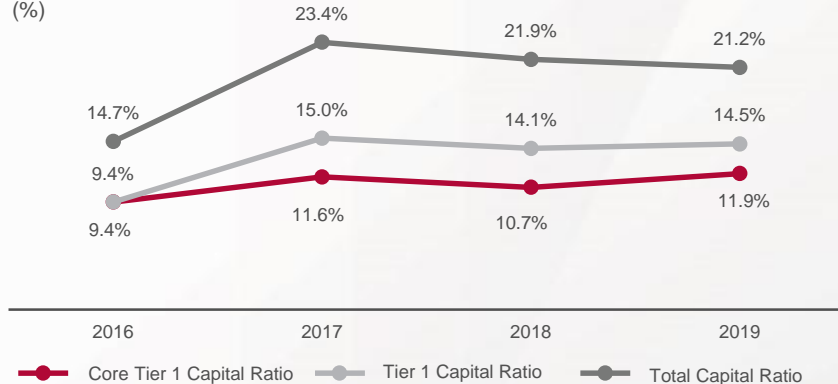
Source: IFRS financial statements; Company data.

Sound Capital Position

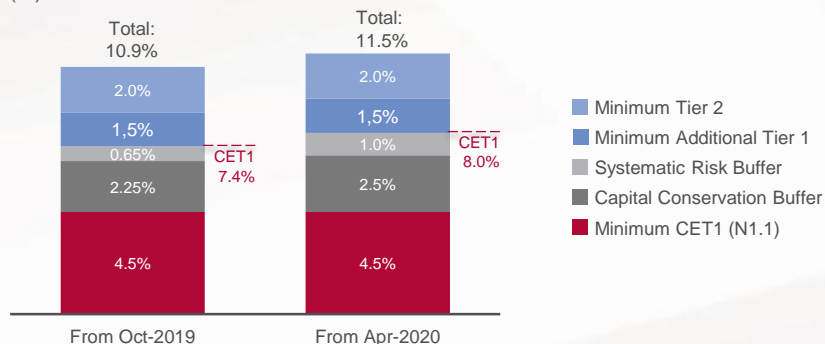
IFRS Capital Adequacy (Basel III) (RUB bn)



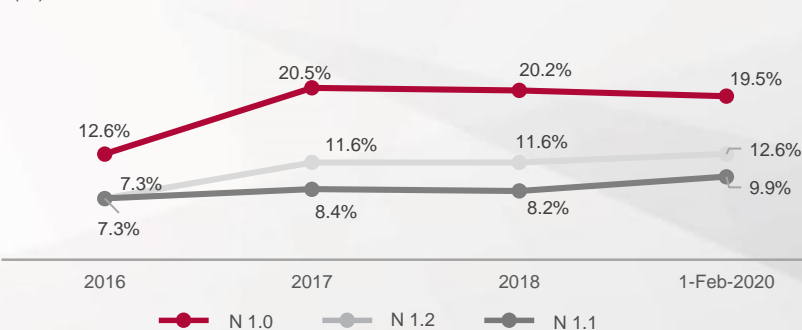
IFRS Capital Adequacy Ratios (Basel III) (%)



RAS Capital Adequacy Requirements (%)



RAS Capital Adequacy Ratios (%)



Source: CBR; RAS and IFRS financial statements.

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Capital Adequacy: CBR Regulatory Requirements and Impact

Additional Risk Weights to Unsecured Retail Loans (from 01.10.2019)

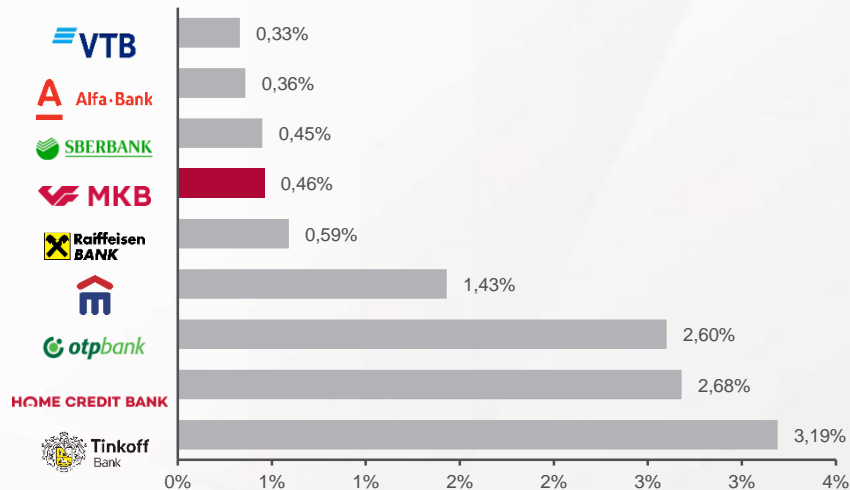
Loan APR, %	PDN ¹ Ratio Range, %						
	0-30	30-40	40-50	50-60	60-70	70-80	80+
0-10	0.3	0.3	0.3	0.6	0.7	0.9	1.1
10-15	0.5	0.5	0.5	0.7	0.8	1.0	1.2
15-20	0.7	0.7	0.7	1.1	1.3	1.4	1.6
20-25	1.0	1.0	1.0	1.5	1.7	1.8	2.0
25-30	1.3	1.3	1.3	1.8	1.9	2.0	2.2
30-35	2.0	2.0	2.0	2.1	2.2	2.3	2.5
35+	5.0	5.0	5.0	5.0	5.0	5.0	5.0

//// MKB new loan issuances (~65%)

In accordance with MKB retail loans policy :

- 95% of new unsecured retail loans have loan APR (annual percentage rate) below 20% and 65% of new unsecured retail loans have PDN Ratio below 60%
- The additional risk weights for the new unsecured retail loans issuance will be in the range 0.3-1.6
- 65% of new unsecured retail loans will get additional weights 0.3-1.1
- New requirements apply only to new loan issuances

Capital Impact of Higher Risk Weights⁽²⁾



- According to conservative estimation of FitchRatings research MKB can get negative impact in amount of **0.46% capital ratio decrease**
- Fitch estimate the capital hit over two years will typically be less than 1% of risk-weighted assets for large universal banks and less than 4% for specialised consumer finance banks, assuming a two-year turnover of their portfolio and steps to rebalance portfolios away from the highest risk weights
- Most of the banks will still have considerable capacity for loan growth given their existing capital buffers and future profitability

Source www.cbr.ru; https://app.fitchconnect.com/search/research/article/PR_10061107?t=true













Notes: (1) PDN—borrower debt ratio, calculated as the ratio of the amount of average monthly debt payments for all loans provided to an individual, to the value of its average monthly income. (2) Fitch estimates, assuming: 1) full portfolio turnover in 2 years, 2) replacing loans that have risk weight over 300% with loans that have 230% risk weight, 3) 100% risk-weight loans will be replaced with 150% risk-weight loans, 4) No dividends or loan growth.

International Activity

Strong Positions in International Markets

- **Diversified network of counterparties** providing **competitive advantages across multiple products**: correspondent banking, trade finance, factoring, financial markets, capital markets
- One of the **leaders in trade finance** in Russia
- One of largest participants of **REC (Russian Export Centre)** subsidy programme, member of **FCl**, member of **Russian-Chinese Financial Council**
- Regions with lesser but expanding coverage, as contemplated by Bank's development strategy: **China and Eastern Asia, Middle East, CIS**
- **Active player in syndicated LMA loan market in Russia**: 16 deals closed since 2003
- **Debut CNY syndicated loan** arranged by Chinese regional banks (Dec 2019)
- **Strong player in international capital market** among banks from CIS by the number and the volume of Eurobond issues since 2017
- Absence of **sanctions restrictions** and **political involvement**

Key Partners

USA		Citibank N.A., JPMorgan Chase Bank, Bank of New York, Deutsche Bank Trust Company Americas
Europe and UK		HSBC Bank plc., Citibank N.A. (London branch), JP Morgan Chase Bank N.A. (London Branch), Barclays Bank plc., ICBC Standard Bank
		Hermes, Commerzbank, LBBW, Bayern LB, UniCredit Bank AG, JP Morgan AG, AKA-Bank
		COFACE, Credit Agricole, Societe Generale
		SACE, Intesa Sanpaolo, UniCredit SpA, UBI Banca
		UBS, Credit Suisse, BCP, Zurcher Kantonalbank
		OeKB, Raiffeisen Bank Int. A.G., UniCredit Bank Austria
		Nordea, Danske Bank Finland
		ING, Credit Europe
		Danske Bank
	Other	EKN, KUKE, Cesce, MEHIB, ONDD, KBC
China and SEA		ICBC, Sinosure, Harbin Bank Co. Ltd, Bank of China, Bank of Dalian, Huishang Bank, Bank of Inner Mongolia, China Construction Bank
		The Export-Import Bank of Korea, K-SURE
Middle East		Emirates NBD Capital, The National Bank of Ras Al Khaimah

Source: Company data.

Favorable Opportunities for MKB due to Tightening Regulation in Development Sector

Since 1 July 2019, residential property developers can finance new projects only via banks, as opposed to funding directly from customers. This regulation poses favorable opportunities for Russia's banking sector and MKB in particular.

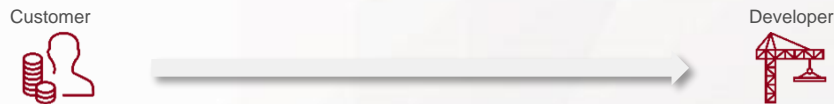
Regulation

- **Customers transfer funds for their property to escrow accounts** provided by banks, instead of paying directly to developers
- **Deposit Insurance Agency insures escrow accounts** at the amount of up to RUB 10mn
- **Developers do not have access to escrow accounts** until the residential property is commissioned

Developers must fund construction of the property via banks

Development Financing Scheme

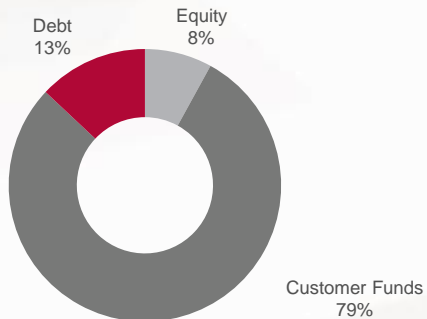
Old Scheme



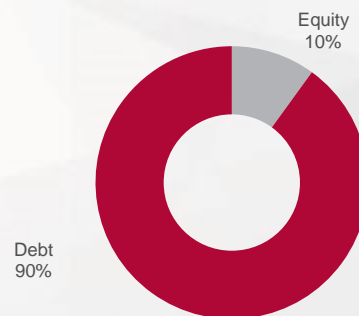
New Scheme



Old Funding Structure⁽¹⁾



New Funding Structure⁽¹⁾



Source: Fitch Ratings, RA Expert, DOM.RF.
Notes: (1) As per DOM.RF.

Key Financials

Income Statement (RUB bn)	2019	2018	2017
Net Interest Income	45	48	45
Net Income	12	27	21

Key Ratios

RoAE ⁽¹⁾	7.8%	19.9%	17.8%
Net Interest Margin	2.2%	2.6%	2.9%
NII/RWA	3.6%	4.4%	4.5%
Cost-to-income	51.6%	29.8%	26.8%
Cost of Risk	1.0%	1.0%	2.5%

Balance sheet (RUB bln)	2019	2018	2017
Total Assets	2,423	2,146	1,888
Gross Loans	829	740	819
Customer Deposits	1,340	1,272	942
Shareholder's Equity	210	191	178

Key Ratios

NPL 90+ / Gross Loans	3.6%	1.6%	2.4%
LLP/ NPL 90+	136.6%	260.0%	253.7%
Tier I CAR (Basel III)	14.5%	14.1%	15.0%
Total CAR (Basel III)	21.2%	21.9%	23.4%

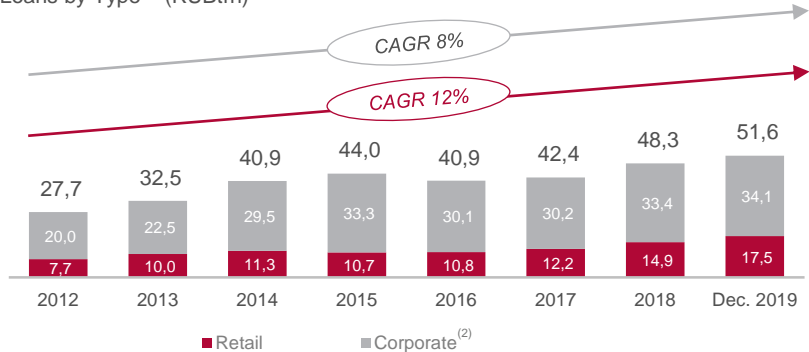
Source: IFRS financial statements; Company Data.

Notes: (1) Calculated as profit for the period divided by the average of total equity, excluding perpetual bonds.

Trends in Russian Banking Sector

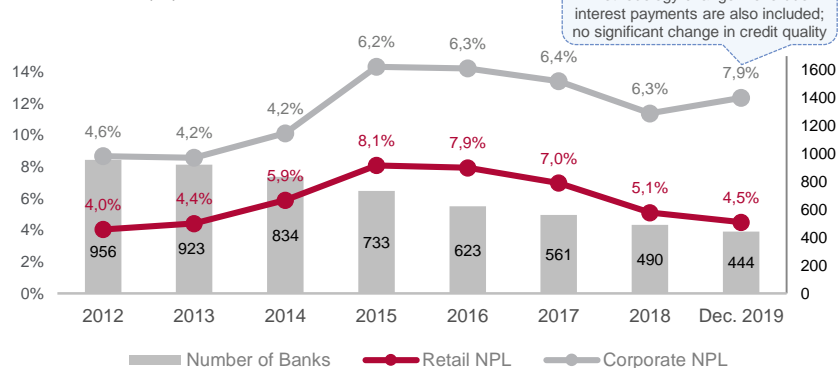
Solid Growth in Loans

Loans by Type⁽¹⁾ (RUBtrn)

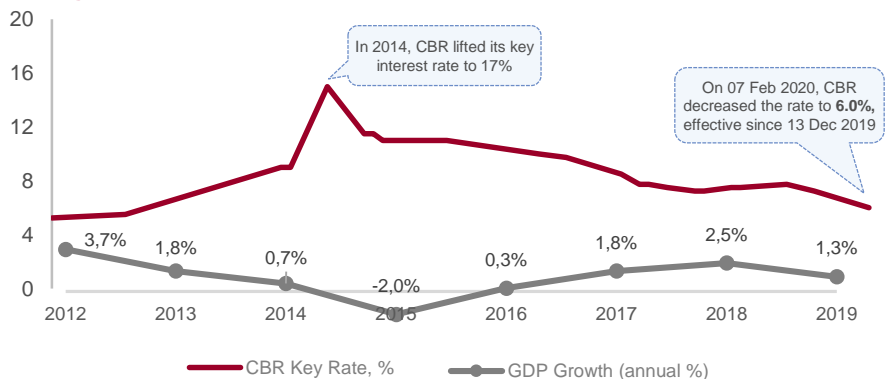


Sector Recovery and Asset Quality Under Control

Share of NPL (%) and number of banks

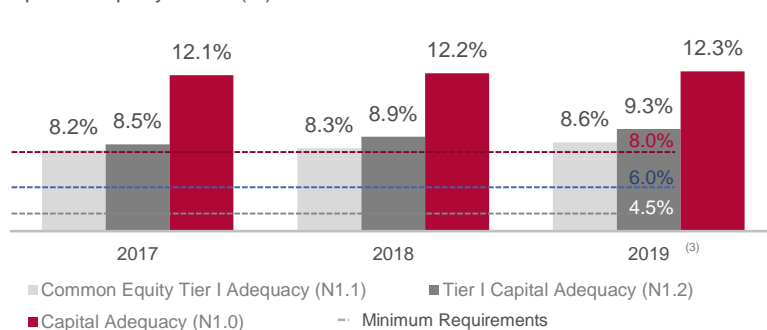


Easing Interest Rate Environment and GDP Growth Supports NIMs



Capital Adequacy Remains at Comfortable Level

Capital Adequacy Ratios (%)



Source: CBR, ROSSTAT, public sources.

Notes: (1) Including both loans in RUB and foreign currencies. (2) Loans to non-financial organizations. (3) As at 31 December 2019 by CBR.