

Summary IFRS results for 3M2023

26 May 2023, Moscow

MKB net profit for 1Q 2023 reached RUB13.0 bln in accordance with IFRS

- Net income reached RUB 13.0 bln.
- Return on equity and return on assets increased to 22.9% and 1.3% respectively (2022YE: 3.7% and 0.2%).
- Net interest margin expanded to 2.6%.
- Operational efficiency remains at a high level: cost-to-income ratio was 27.2%.
- Cost of risk (COR) reduced to 0.9%.
- Net loan portfolio rose by 10.4% to RUB 2,037.4 bln.
- MKB became a top-3 domestic arranger of market issues denominated in yuan. The Bank arranged 17 bond issues in roubles and yuan with the aggregate principal equivalent to RUB 400 bln.
- The Bank made the first transaction with digital financial assets (DFA).
- MKB joined the Digital Bank Guarantee (DBG) service on the blockchain platform Masterchain. The Bank issued Russia's first blockchain-based digital bank guarantee in yuan.

Key Financial Results

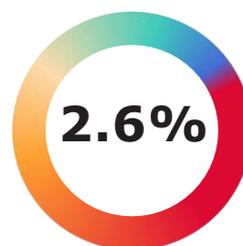
3M2023



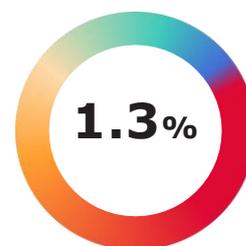
Net
Income



Net interest income
before provisions



NIM



ROAA

Income Statement Analysis

RUB bln, unless specified otherwise	3M2023
Net interest income before charge for credit losses	24.8
Net fee and commission income	3.7
Provisioning charges for debt financial assets	4.7
Net Income	13.0
Net interest margin (NIM)	2.6%
Cost-of-risk (COR)	0.9%
Cost-to-income ratio (CTI)	27.2%
Return on equity (ROAE)	22.9%
Return on assets (ROAA)	1.3%

Net income for the first 3 months of 2023 reached RUB 13.0 bln, driven by net interest and fee income boosted by the dynamic development of the Bank's business.

Strong financial results and operational efficiency improved the **return on equity and return on assets ratios**, which increased to 22.9% and 1.3% ytd, respectively.

Net interest income rose to RUB 20.1 bln largely due to higher interest income from the corporate loan portfolio. Banking business margins materially improved: the **net interest margin** is almost restored, reaching 2.6% mostly thanks to the lower cost of funding.

Active business development with a focus on prime corporate borrowers, and lowered probabilities of default for some customers helped decrease the **charge for credit losses on debt financial assets** to RUB 4.7 bln,

which translates into a cost-of-risk (COR) ratio of 0.9%. Lower provision charges for credit losses on debt financial assets in their turn supported **net interest income after provisions**, which reached the record-setting RUB 20.1 bln.

Strong **Net fee and commission income** grew to RUB 3.7 bln driven by the transactional business, mainly guarantee and letter of credit issuance fees. **Net operating income** reached RUB 24.2 bln.

Operating expense rose to RUB 8.2 bln, as the salaries and employment benefits, and administrative expenses grew. MKB demonstrates a high level of operational efficiency: its **cost-to-income ratio (CTI)** for the first three months of 2023 was 27.2%.

Balance Sheet Analysis

RUB bln, unless specified otherwise	31.03.2023	31.12.2022	Change ytd,%
Assets	4,240.3	3,973.1	+6.7%
Total net loan portfolio	2,037.4	1,845.4	+10.4%
Net corporate loan portfolio	1,836.8	1,648.5	+11.4%
Net retail loan portfolio	200.6	196.9	+1.8%
Liabilities	3,955.3	3,699.3	+6.9%
Due to customers	2,634.3	2,388.1	+10.3%
Corporate accounts	2,040.2	1,794.0	+13.7%
Retail deposits	594.1	594.1	+0.0%
Equity	284.9	273.8	+4.1%
Financial Ratios			
Loan-to-deposit ratio (LDR)	77.3%	77.3%	

Total assets expanded by 6.7% ytd to RUB 4.2 tln, driven mainly by the loan portfolio.

The **total net loan portfolio** grew by 10.4% to RUB 2,037.4 bln ytd. Loans to customers remain one of the largest components of MKB's assets, accounting for 48.1% thereof.

The **portfolio** had a 90.2% share of corporate loans and a 9.8% share of retail loans. The net corporate loan portfolio expanded by 11.4% to RUB 1,836.8 bln ytd, taking advantage of stabilised interest rates.

The retail loan portfolio grew by 1.8% to RUB 200.6 bln, mainly driven by the mortgage portfolio thanks to the high demand for mortgage products and strategic cooperation with largest developers.

Customer deposits, representing 66.6% of the total liabilities or RUB 2,634.3 bln, grew by 10.3% ytd. The deposit base expanded mainly due to a strong 13.7% inflow of corporate deposits that reached RUB 2,040.2 bln or 77.4% of total deposits, and thanks to the influx of new customers. Retail deposits remained the same as at end-2022, i.e. RUB 594.1 bln. The ratio of net loans to deposits was 77.3% as at end of 1Q2023.

Capital calculated in accordance with Basel III grew by 3.5% ytd to RUB 357.5 bln driven by retained earnings. **The core Tier 1 / Tier 1 / total capital adequacy ratios** were 9.0% / 10.9% / 13.8%.



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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