

## Summary IFRS results for 6M2023

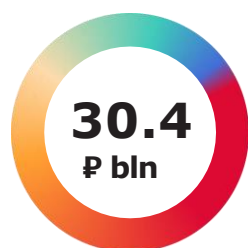
29 August 2023, Moscow

**MKB's IFRS net income for 6 months of 2023 has reached 30.4 bln roubles**

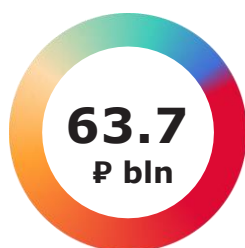
- Net income reached RUB 30.4 bln.
- Return on equity and return on assets were 25.9% and 1.5%, respectively.
- Net interest margin returned to the 2021 level, amounting to 2.7%.
- Operational efficiency remains at a high level: cost-to-income ratio was 27.7%.
- Assets expanded by 10.7% (to RUB 4,397.1 bln) as net loan portfolio grew by 14.6%. Corporate loan originations stood at 188 bln roubles in 2Q23, and 603 bln roubles in the entire 1st half-year.
- Dynamic growth of corporate deposits (+15.3%) was the main driver for the Bank's funding base. Retail deposits, another important source of funding, rose by 5.7%.
- MKB arranged more than 40 transactions in the Russian debt capital market in the 7 months of 2023, with the aggregate principal of RUB 900 bln, taking an 8% market share.
- 94 Top-1000 companies became the Bank's customers in 2Q23, bringing the number of such customers to 371.
- Premium retail segment continues to develop, expanding its customer base by 30%. In 2022, MKB's products and services for premium customers were awarded by Frank RG for best premium service development dynamics.

## Key Financial Results

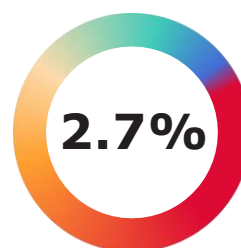
6M2023



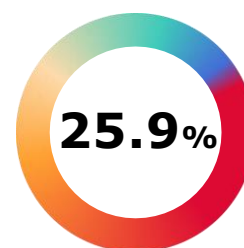
Net  
Income



Operating income before  
credit loss allowances



NIM



ROAE

## Income Statement Analysis

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

**Net income** for the first six months of 2023 reached RUB 30.4 bln, It was RUB 17.4 bln in the 2nd quarter, which is 33.7% more than in the 1 quarter of 2023.

The **net income** growth was driven by net interest and fee income boosted by the dynamic development of the Bank's business, mainly in the corporate segment. Interest income rose by 7.1% in Q2.

Strong financial results and operational efficiency improved the **return on equity (ROAE) and return on assets (ROAA) ratios**, which increased to 25.9% and 1.5% ytd, respectively.

**Net interest income** grew to RUB 52.8 bln, driven mostly by interest income on the corporate loan portfolio.

**Net interest margin** returned to the 2021 level, amounting to 2.7% ytd largely due to the

optimised funding structure and expanded lending operations.

**The charge for credit losses on debt financial assets** amounted to RUB 8.1 bln.

**Net fee and commission income** increased to RUB 8.0 bln driven by the ever-growing transactional business, mainly guarantee and letter of credit issuance fees.

**Operating income** before allowances for credit losses reached RUB 63.7 bln, with the 2Q outperforming the 1Q by 20.4%.

**Operating expense** stood at RUB 18.6 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 six months of 2023 was 27.7%.

## Balance Sheet Analysis

RUB bln, unless specified otherwise	30.06.2023	31.03.2023	31.12.2022	Change ytd, %
Assets	4,397.1	4,240.3	3,973.1	+10.7%
Total net loan portfolio	2,113.9	2,037.4	1,845.4	+14.6%
Net corporate loan portfolio	1,913.8	1,836.8	1,648.5	+16.1%
Net retail loan portfolio	200.1	200.6	196.9	+1.6%
Liabilities	4,095.4	3,955.3	3,699.3	+10.7%
Due to customers	2,696.7	2,634.3	2,388.1	+12.9%
Corporate accounts	2,068.7	2,040.2	1,794.0	+15.3%
Retail deposits	628.1	594.1	594.1	+5.7%
Equity	301.7	284.9	273.8	+10.2%
<b>Financial Ratios</b>				
Loan-to-deposit ratio (LDR)	78.4%	77.3%	77.3%	

**Total assets** expanded by 10.7% ytd to RUB 4.4 tln, driven mainly by the **loan portfolio** growing by 14.6%. The portfolio had a 90.5% share of corporate loans and a 9.5% share of retail loans.

The net corporate loan portfolio expanded by 16.1% to RUB 1,913.8 bln ytd **as interest rates were expected to grow**. The retail loan portfolio grew by 1.6% to RUB 200.1 bln.

**Customer deposits**, representing 65.9% of the total liabilities or RUB 2,696.7 bln, grew by 12.9% ytd. The deposit base expanded mainly

due to a strong 15.3% inflow of corporate deposits that reached thus RUB 2,068.7 bln or 76.7% of total deposits. Retail deposits increased by 5.7% to RUB 628.1 bln. The ratio of net loans to deposits was 78.4% for the first 6 months of 2023.

**Capital** calculated in accordance with Basel III grew by 8.6% ytd to RUB 375.3 bln driven by retained earnings. **The core Tier 1 / total capital adequacy ratios were 8.7% / 13.4%.**

**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.