

## CREDIT BANK OF MOSCOW reports more than RUB 7 bln of net income before taxes for 9M2018

**The Bank's net income before taxes** for the first nine months of 2018 grew by 12.0% yoy to RUB 7.1 bln. This growth was driven mainly by improving quality of the loan portfolio, which resulted in lowering of provisioning levels by 44.9% to RUB 6.6 bln, and decreasing operating expense by 22.9% to RUB 16.9 bln due to reduction in expenses from sale of receivables. The Bank's **net income after taxes** for the first 9 months of 2018 was RUB 4.5 bln.

**Net interest income** (before provisions) for the first nine months of 2018 grew by 11.9% yoy to RUB 34.0 bln, in particular due to the growth of interest income from lending by 20.6% to RUB 94.5 bln in line with the general development of the Bank's business.

**Net fee income** increased by 18.4% yoy to RUB 7.0 bln. It was driven mainly by reducing fee and commission expense by 43.9% to RUB 1.9 bln, in particular as a result of payment of a fee under a subordinated loan prepayment in 2017.

**Operating income** (before provisions) decreased by 11.4% yoy to RUB 36.6 bln, mainly due to increased derivative transactions expenses, which amounted RUB 5.7 bln in the reporting period.

The Bank's **total assets** grew by 6.2% to RUB 1,943.3 bln. It was driven by the Bank's **securities portfolio** composed of high-grade issuers' bonds, which expanded by 79.3% or RUB 101.7 bln, and **net loans**, which increased by 2.5% or RUB 39.2 bln. The balance sheet grew on the back of the Bank's business development accelerated in the second quarter.

**Total retail and corporate loan portfolio**, including repos, expanded by 4.9% to RUB 1,673.1 bln, of which 94.0% is attributable to **corporate loans**, and 6.0% to **retail loans**. The retail portfolio grew by 10.3% ytd to RUB 104.9 bln, and the corporate portfolio, including repos, by 4.6% to RUB 1,568.1 bln.

**Corporate deposits**, which represent 49.2% of the Bank's total liabilities, increased by 19.9% to RUB 900.8 bln, mainly due to expansion of deposits from large corporates in the third quarter of 2018. **Retail deposits** rose by 21.0% ytd to RUB 344.9 bln. Thus, the Bank's total deposit base expanded by 20.2% to RUB 1,245.6 bln.

**Capital adequacy ratios** calculated as of 1 October 2018 were as follows: N1.1 – 8.7%, N1.2 – 12.4%, N1.0 – 21.2%, while the minimum ratios set by the Bank of Russia were: N1.1 – 4.5%, N1.2 – 6.0%, N1.0 – 8.0%. Total capital calculated in accordance with Basel III grew by 2.6% ytd and amounted to RUB 258.7 bln as of 1 October 2018.