



Webcast and Conference call 1Q2017 financial results

22 May 2017

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**CREDIT BANK
OF MOSCOW**

Financial highlights

Key metrics of financial performance

✔ **Profit** increased by 2.8 times as compared with 1Q2016 based on qualitative business growth

✔ Outstanding operating efficiency with a **CTI ratio of 26.0%**

✔ **Loan portfolio quality improved:**

NPL ratio decreased to 1.9%

Cost of risk decreased to 2.9%

✔ **Capital position strengthened:**

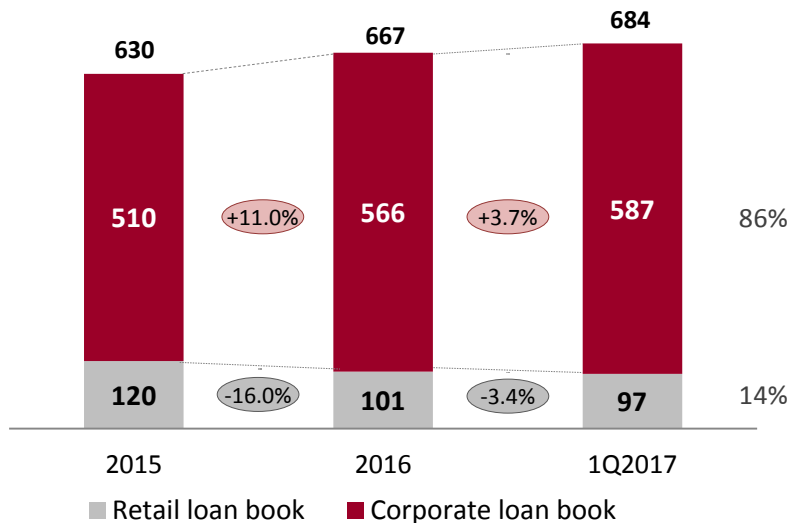
USD 600 mln subordinated Eurobond was included in **Tier II capital**

Income statement (RUB bln)	3m2017	3m2016	Change, %
Net interest income	10.4	9.1	+ 14.0%
Net fee and commission income	3.7	2.5	+ 47.6%
Profit for the period	4.6	1.7	+ 177.1%
NIM	3.0%	3.1%	- 0.1 p.p.
NII/ARWA	4.3%	3.9%	+ 0.4 p.p.
RoAE	17.4%	7.1%	+ 10.3 p.p.
Cost / Income	26.0%	24.5%	+1.5 p.p.
Balance sheet (RUB bln)	1Q2017	2016	Change, %
Total assets	1,488.7	1,568.0	-5.1%
Loans to customers (gross)	684.3	666.7	+ 2.6%
Total equity	107.9	103.4	+ 4.4%
NPL 90+ / Gross loans	1.9%	2.3%	- 0.4 p.p.
Total provisions / NPL	324.6%	263.3%	+ 61.3 p.p.
Cost of risk	2.9%	4.6%	- 1.7 p.p.
Tier 1 Capital Ratio	10.7%	9.4%	+ 1.3 p.p.
Total CAR	19.0%	14.7%	+ 4.3 p.p.

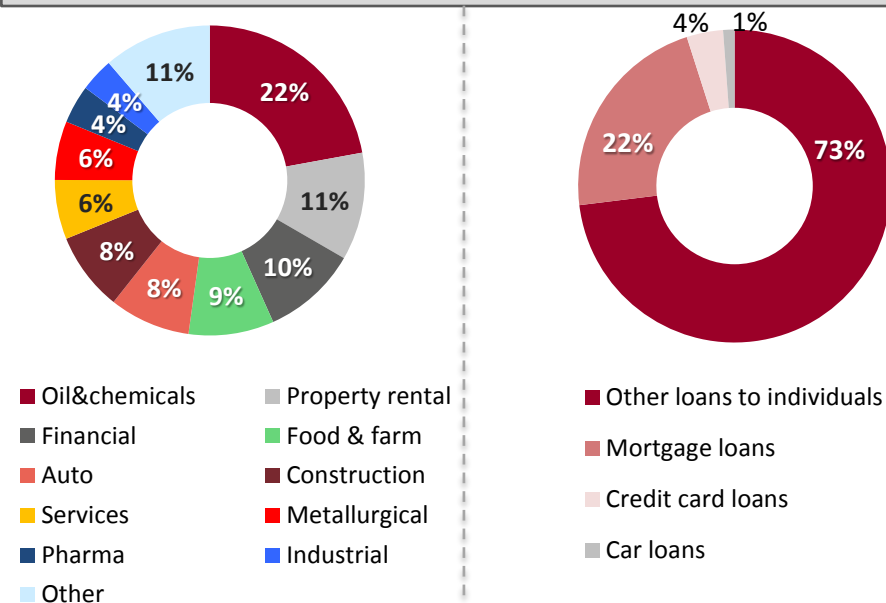
Business highlights: corporate lending remains a key driver for growth

Loan book (gross) dynamics

(RUB bln)



Corporate and retail loan book breakdown (1Q2017)



Strategic Pillars

Corporate lending

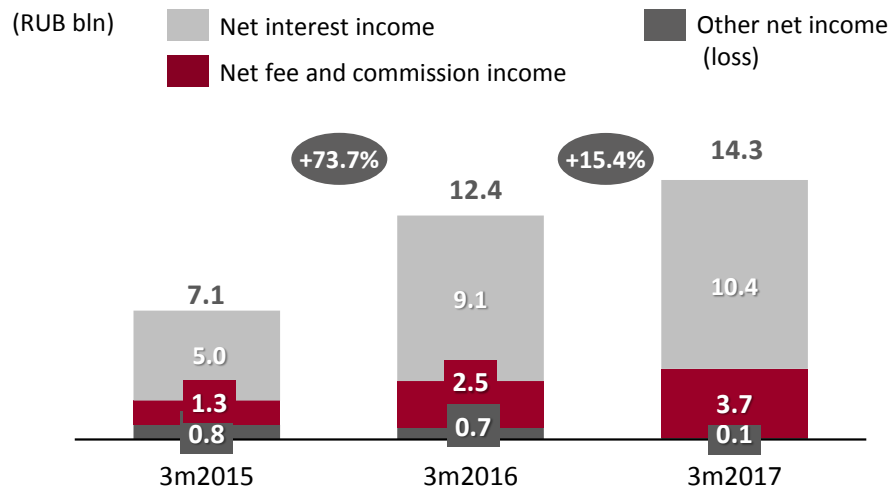
- ❖ Focus on increasing contribution of **larger corporates**
- ❖ **Well-diversified** loan portfolio
- ❖ Current focus on **less-risky segments**: oil and chemicals, food and farm

Retail lending

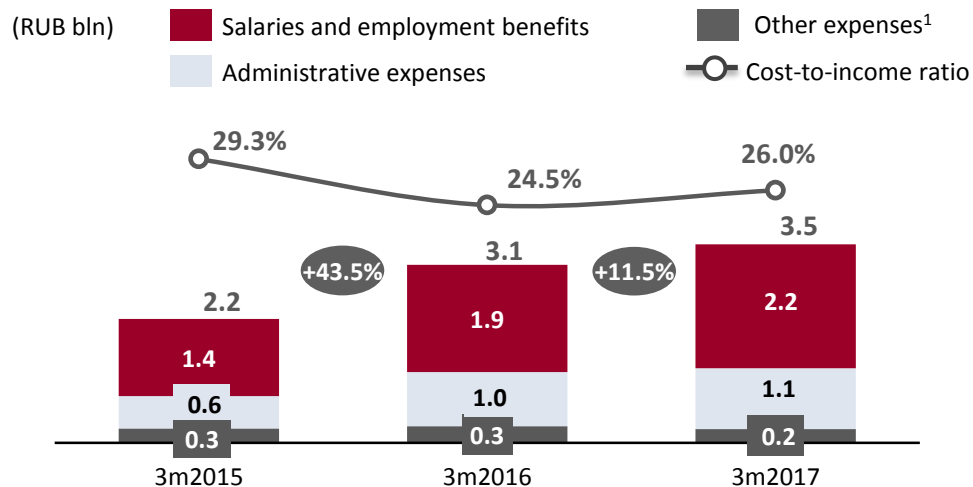
- ❖ Target market segments are **consumer loans** and **mortgage loans**
- ❖ **Tight individual customer selection** for healthy portfolio quality
- ❖ Differentiated risk appetite based on **customer segmentation**

High operating efficiency maintained: CTI of 26.0%

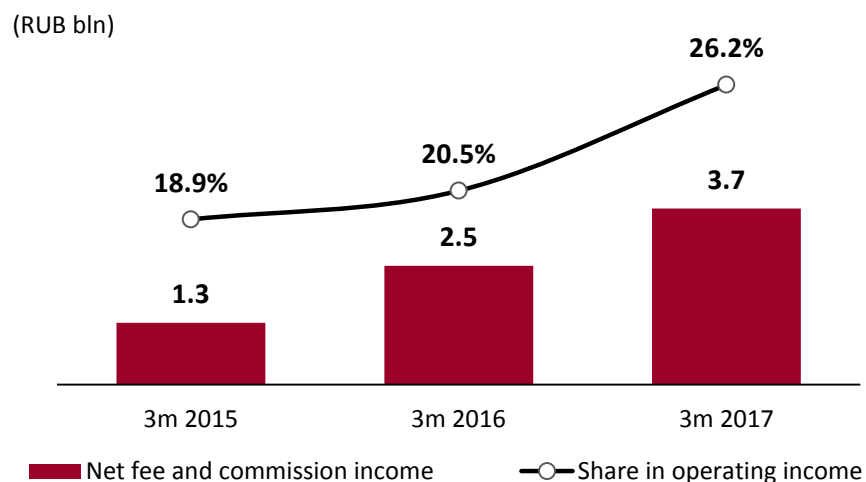
Operating income



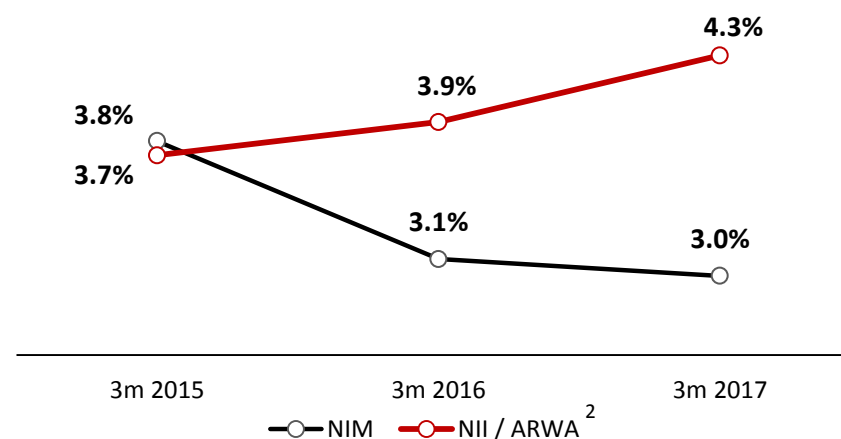
Operating expenses



Net fee and commission income



Net interest margin analysis



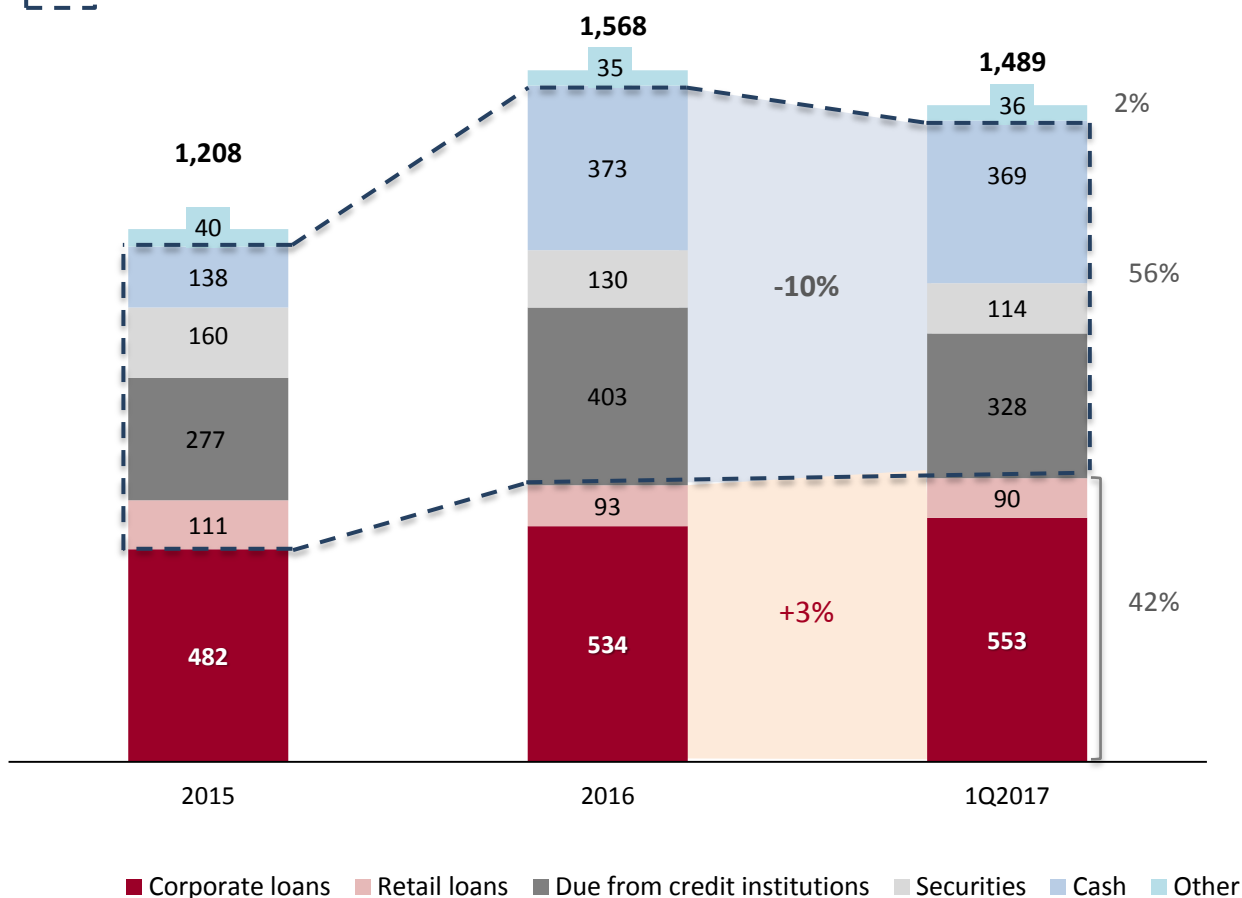
Emphasis on highly liquid assets

Asset structure

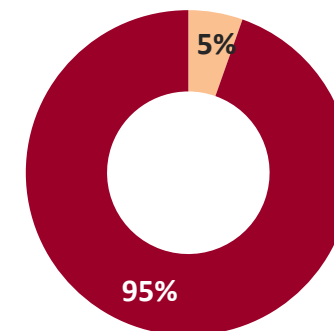
(RUB bln)

- Liquid assets

-5%



High quality securities portfolio



■ Government and municipal bonds
■ Corporate bonds

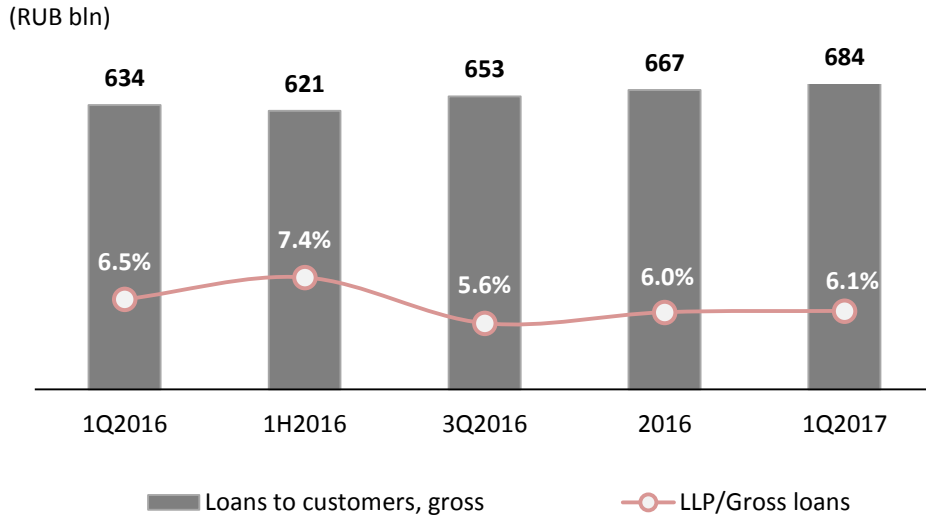
■ The **securities portfolio** is used as a liquidity buffer with **89%** of the portfolio qualified in the **Lombard list** of the Central Bank of Russian Federation

■ **Liquid assets** represent **56%** of total assets

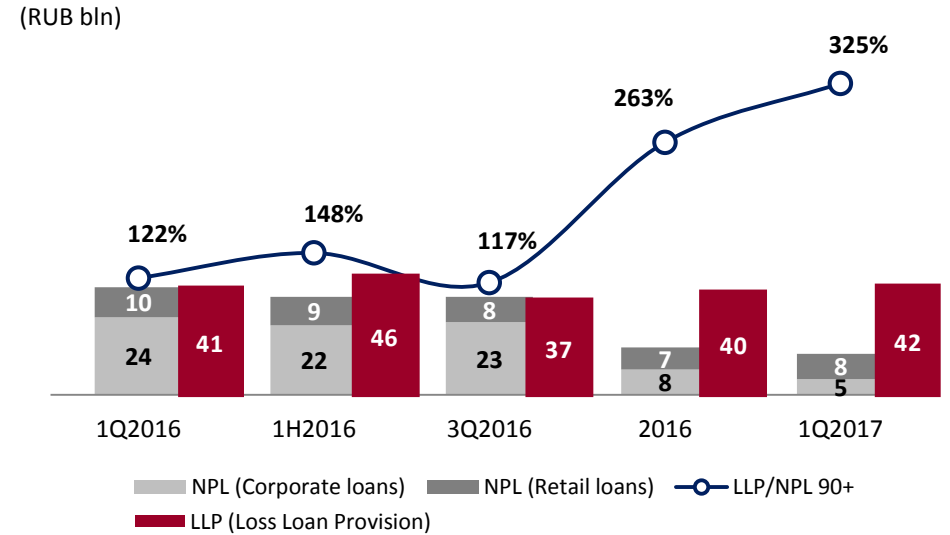
■ Additional unused liquidity sources from the CBR amounted to **RUB 306 bln** as of 31 March 2017

Loan portfolio quality is improving

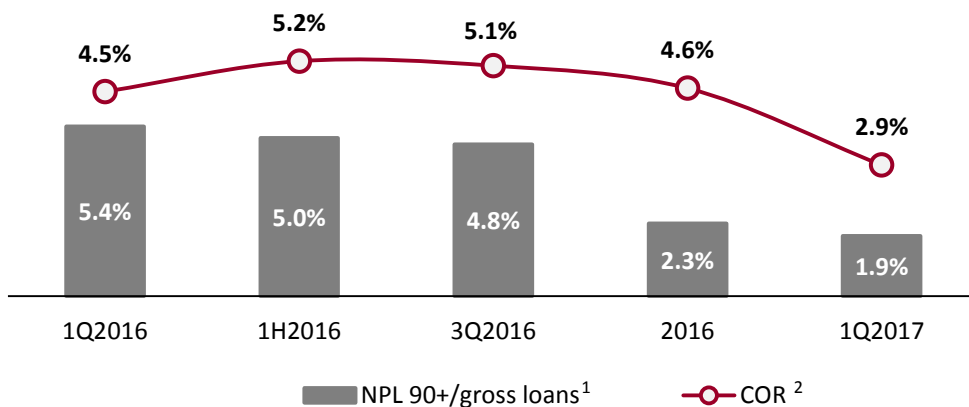
Gross loan portfolio coverage by impairment allowance



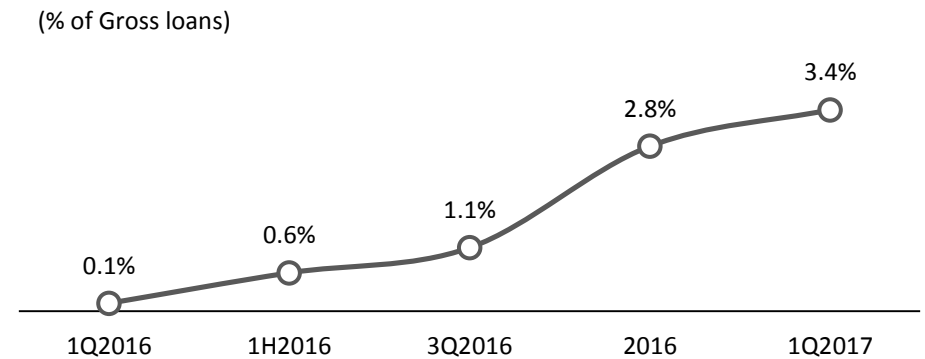
NPL¹ and provisioning dynamics



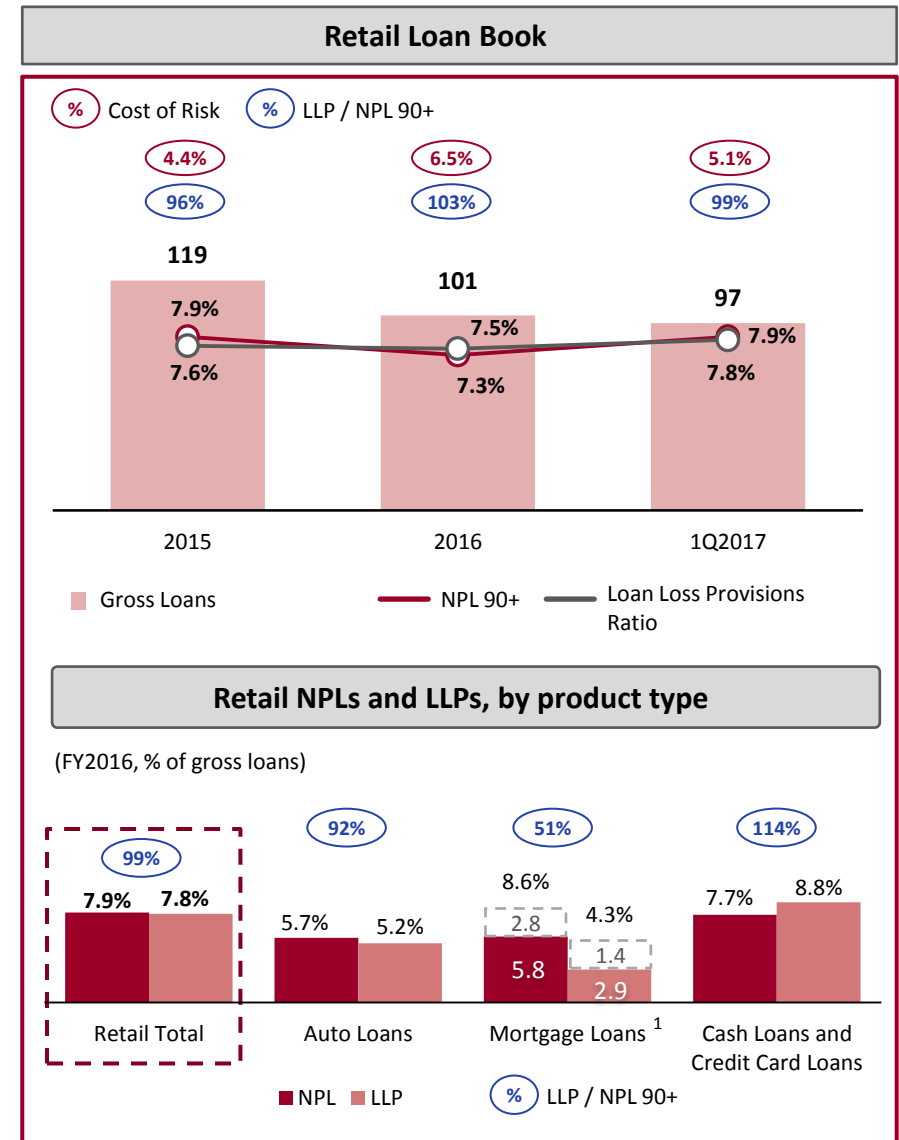
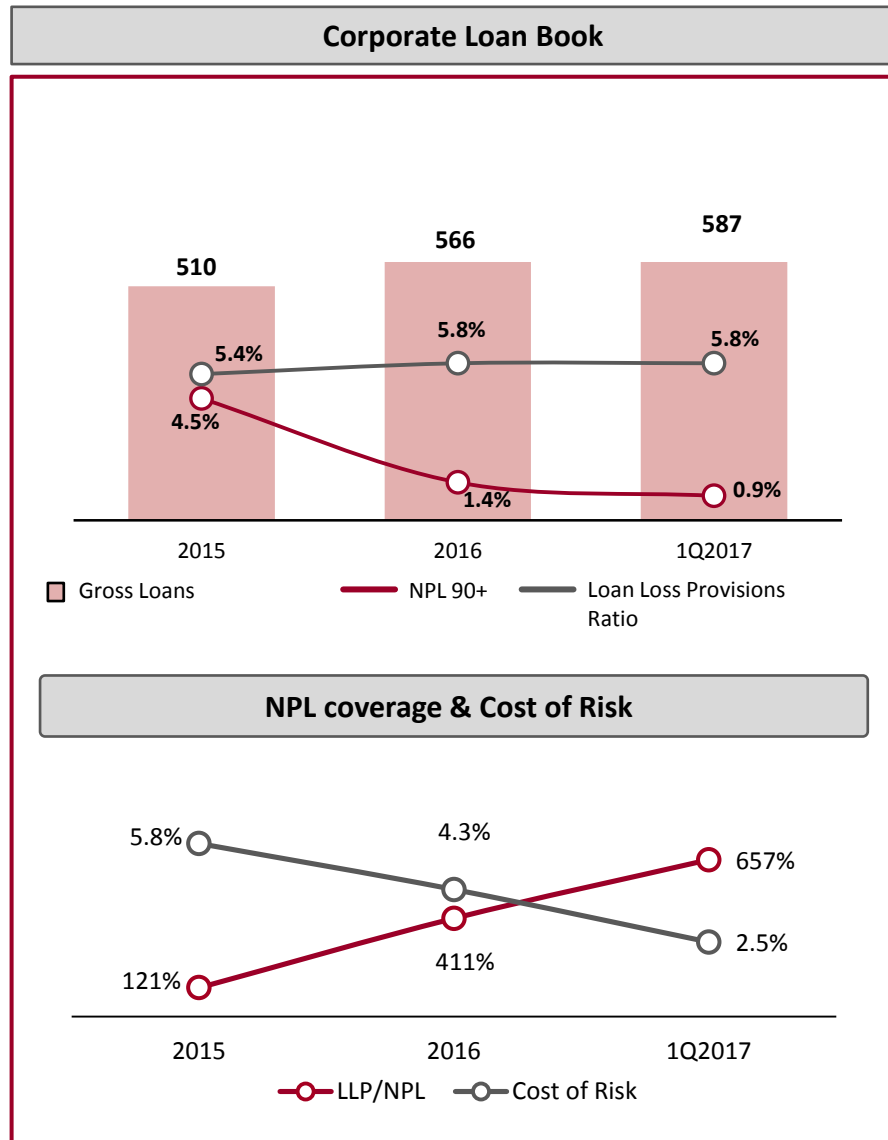
Cost of risk and NPL dynamics



Related party lending concentration



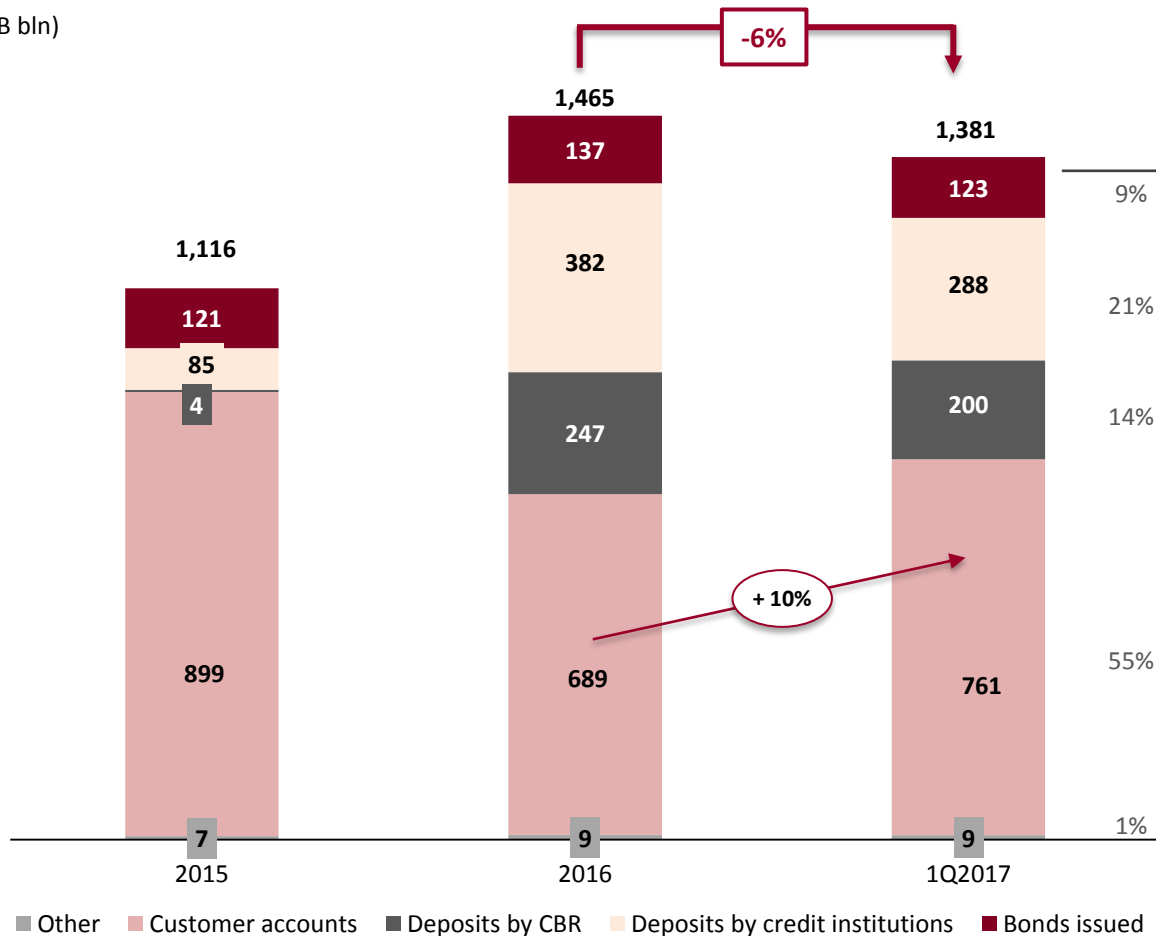
NPL coverage by provisions maintained at a safe level



Customer deposits are main source of funding

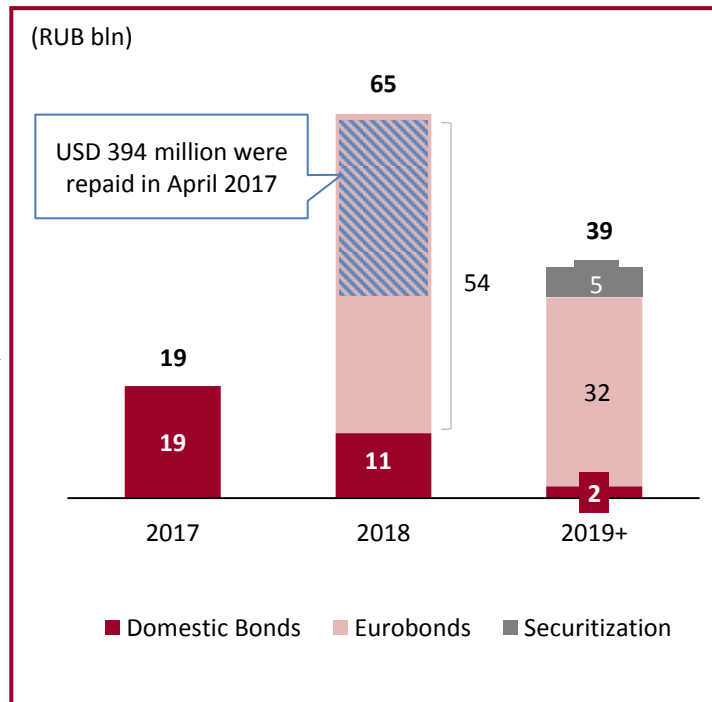
Liabilities breakdown

(RUB bln)



Debt securities comfortable repayment schedule

(RUB bln)



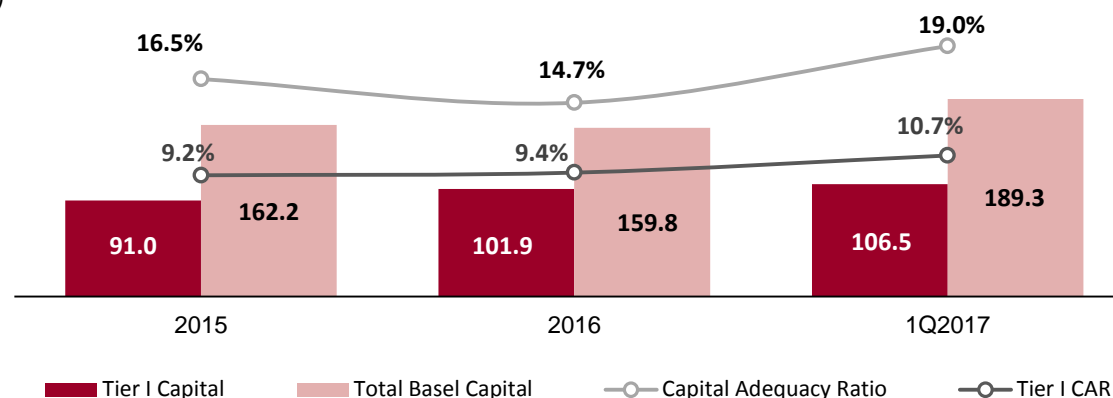
Strong capital position

Recent changes

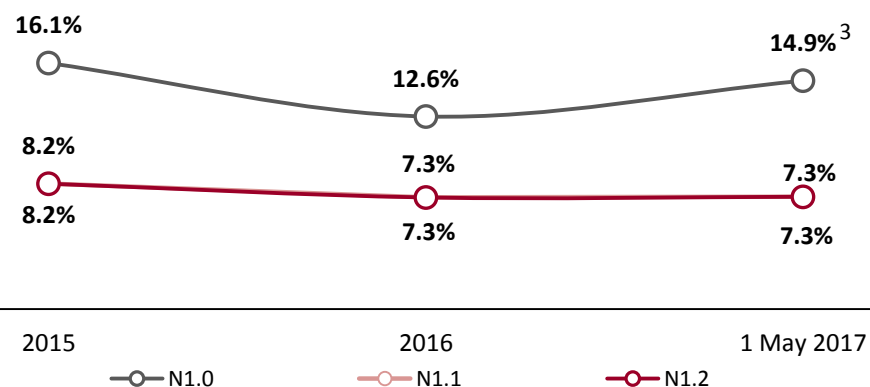
- **April, 2017:** USD 500 mln CBOM 18 subordinated T2 Eurobond issue was partially redeemed in the amount of USD393.795 mln
- **April, 2017:** USD 600 mln CBOM27 new subordinated T2 Eurobond issue was placed
- **December, 2016:** Issue of additional 3.2 bln ordinary shares with a nominal value of RUB1 each was registered with the CBR

IFRS capital adequacy ratios (Basel III)¹

(RUB bln)



RAS capital adequacy ratios²



Min N1.0=8%
Min N1.2=6%
Min N1.1=4.5%