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16 July 2018

CBOM FINANCE P.L.C. ANNOUNCES OFFERS TO PURCHASE FOR CASH IN A MODIFIED DUTCH AUCTION UP TO U.S.\$100,000,000 IN PRINCIPAL AMOUNT OF ITS OUTSTANDING U.S.\$600,000,000 7.500% LOAN PARTICIPATION NOTES DUE 2027 AND U.S.\$700,000,000 8.875% PERPETUAL CALLABLE LOAN PARTICIPATION NOTES

CBOM Finance p.l.c. (“**CBOM**”) at the request of CREDIT BANK OF MOSCOW (public joint-stock company) (“**CBM**”) has today launched offers to holders (the “**Noteholders**”) (the “**Offers**”) to submit tenders to sell to CBOM for cash the U.S.\$600,000,000 7.500% Loan Participation Notes due 2027 (Regulation S ISIN: XS1589106910, Regulation S Common Code: 158910691; Rule 144A ISIN: US12504PAD24, CUSIP: 12504PAD2) (the “**2027 Notes**”) and the U.S.\$700,000,000 8.875% Perpetual Callable Loan Participation Notes (Regulation S ISIN: XS1601094755, Regulation S Common Code: 160109475; Rule 144A ISIN: US12504PAE07, CUSIP: 12504PAE0) (the “**Perpetual Notes**” and, together with the 2027 Notes, the “**Notes**”, and in respect of the Rule 144A Notes of both Series (as defined below), together the “**Rule 144A Notes**”, and in respect of the Regulation S Notes of both Series, together the “**Regulation S Notes**”) up to a maximum aggregate principal amount of U.S.\$100,000,000 (the “**Maximum Tender Amount**”) across both Series of Notes combined, subject to the offer and distribution restrictions set out below, and upon the terms and subject to the conditions set forth in an offer to purchase dated 16 July 2018 (as it may be amended or supplemented from time to time, the “**Offer to Purchase**”) in accordance with a modified “Dutch Auction” procedure for each series of Notes (each, a “**Series**”).

Capitalised terms used in this announcement but not otherwise defined have the meanings given to them in the Offer to Purchase. Copies of the Offer to Purchase are available, subject to the offer and distribution restrictions, from the Tender Agent.

Summary of the Offers

Description of the Notes	Outstanding Principal Amount	Regulation S ISIN/Common Code	Rule 144A ISIN/CUSIP	Total Consideration (Acceptable Bid Price Range) ⁽¹⁾	Early Tender Premium ⁽²⁾	Maximum Tender Amount
U.S.\$600,000,000 7.500% Loan Participation Notes due 2027	U.S.\$600,000,000	XS1589106910 / 158910691	US12504PAD24 / 12504PAD2	U.S.\$860 to U.S.\$910	U.S.\$30	Up to U.S.\$100,000,000 in aggregate principal amount across both Series of Notes combined
U.S.\$700,000,000 8.875% Perpetual Callable Loan Participation Notes	U.S.\$700,000,000	XS1601094755 / 160109475	US12504PAE07 / 12504PAE0	U.S.\$860 to U.S.\$910	U.S.\$30	

(1) Per U.S.\$1,000 in principal amount of Notes validly tendered at or prior to the Early Tender Time (as defined below and in the Offer to Purchase) and not validly withdrawn. Includes the Early Tender Premium. Does not include Accrued Interest (as defined below and in the Offer to Purchase), which will be paid on Notes accepted for purchase.

(2) Per U.S.\$1,000 in principal amount of Notes validly tendered at or prior to the Early Tender Time and not validly withdrawn.

CBOM intends to accept for purchase validly tendered Notes up to the Maximum Tender Amount across both Series of Notes combined. Notes tendered at or prior to the Early Tender Time will be accepted for purchase in priority to Notes tendered after the Early Tender Time, and to the extent that Notes are tendered at or prior to the Early Tender Time, the Maximum Tender Amount available after the Early Tender Time could be reduced significantly or altogether. If at the Early Tender Time, the aggregate principal amount of Notes validly tendered

and not validly withdrawn by Noteholders would result in the Offers reaching the Maximum Tender Amount, CBOM will not accept any Notes tendered by Noteholders after the Early Tender Time (subject to any increase in the Maximum Tender Amount). Acceptance of Notes tendered may be subject to proration as described herein. CBOM reserves the right, in its sole and absolute discretion, not to accept any tender or purchase Notes of either Series or to modify in any manner any of the terms and conditions of the Offers (including, but not limited to, purchasing more or less than the Maximum Tender Amount, subject to applicable law, including Rule 14e-1 of Regulation 14E under the United States Securities and Exchange Act of 1934 (“**Rule 14e-1**”)) and the Financing Condition (as described below and in the Offer to Purchase).

Financing Condition

The Offers are being made subject to the settlement of an issue of Rouble subordinated notes by CBM (the “**RUB Offering**”). The consummation of the Offers is subject to the settlement, prior to the Settlement Date, of the RUB Offering and the prior written consent of the Central Bank of Russia for (i) the inclusion of the proceeds of the RUB Offering in the regulatory capital of CBM; and (ii) the partial prepayment by CBM of the subordinated loans between CBOM and CBM relating to the Rule 144A Notes accepted by CBOM for repurchase and to be cancelled by CBOM as set out in the Offer to Purchase.

Rationale for the Offers

The Offers are being made by CBOM on behalf of CBM in order to decrease the cost of capital and optimise the capital structure of the latter, and provide a degree of liquidity to the Noteholders.

Immediately after the Settlement Date, CBOM intends to (i) cancel the repurchased Rule 144A Notes which were held by the Noteholders via The Depository Trust Company; and (ii) transfer the rest of the repurchased Notes to CBM. CBM intends to hold the rest of the purchased Notes for its own account and may sell or cancel them in the future.

Cash to Be Received for Tendered Notes

Subject to the Maximum Tender Amount, Noteholders that validly tender and do not validly withdraw their Notes at or prior to the Early Tender Time (provided such tender is received by the Tender Agent at or prior to the Early Tender Time), if CBOM accepts the tender of such Notes, will be paid (subject to the conditions described in the Offer to Purchase):

- the Total Consideration, calculated for each U.S.\$1,000 in principal amount of Notes validly tendered at or prior to the Early Tender Time and accepted for purchase pursuant to the Offers; and
- an amount in cash in U.S. dollars equal to accrued and unpaid interest on the relevant Notes, if any (the “**Accrued Interest**”).

Subject to the Maximum Tender Amount, Noteholders that validly tender their Notes after the Early Tender Time but at or prior to the Expiration Time (provided such tender is received by the Tender Agent at or prior to the Expiration Time), if CBOM accepts the tender of such Notes, will be paid (subject to the conditions described herein):

- the Tender Consideration, calculated for each U.S.\$1,000 in principal amount of Notes validly tendered by the Noteholders after the Early Tender Time and at or prior to the Expiration Time and accepted for purchase pursuant to the Offers; and
- an amount in cash in U.S. dollars equal to the Accrued Interest.

CBOM will determine the Clearing Premium, calculate the Total Consideration and the Tender Consideration applicable to each Series of Notes in accordance with the procedures described below and in the Offer to Purchase, and its calculations will be final and binding, absent manifest error. The Joint Dealer Managers will calculate the Accrued Interest in respect of all Notes, and their calculations will be final and binding, absent manifest error.

Bidding Procedure

The Offers in respect of the Notes are being conducted pursuant to the modified “Dutch Auction” procedure described in the Offer to Purchase.

Clearing Premium, Tender Consideration and Total Consideration

The Clearing Premium will be determined at the Early Tender Time based on consideration of the Bid Premiums of all Notes validly tendered at or prior to the Early Tender Time and not validly withdrawn. CBOM will determine the Bid Premium for each tender of Notes by subtracting the Minimum Bid Price for the relevant Series from the Bid Price specified for such tender of Notes. CBOM will then consider all of the Bid Premiums received across all Notes in the Offers that are validly tendered at or prior to the Early Tender Time and not validly withdrawn in order of lowest to highest Bid Premiums to calculate a Clearing Premium equal to:

- the lowest single premium such that, if CBOM were to accept for purchase all Notes that have been validly tendered at or prior to the Early Tender Time and not validly withdrawn and that have been tendered at a Bid Price resulting in a Bid Premium less than or equal to this single premium, CBOM would accept an aggregate principal amount of Notes up to the Maximum Tender Amount, taking into account the proration described in below; or
- if purchase of all the Notes validly tendered at or prior to the Early Tender Time and not validly withdrawn would result in CBOM acquiring Notes having an aggregate principal amount less than the Maximum Tender Amount, then the Clearing Premium will be equal to the highest Bid Premium with respect to any Notes that are validly tendered at or prior to the Early Tender Time and not validly withdrawn.

The Tender Consideration payable for each U.S.\$1,000 in principal amount of Notes will be equal to the Total Consideration less the Early Tender Premium.

Priority of Acceptance and Proration

If the purchase of all Notes that are validly tendered at or prior to the Early Tender Time and not validly withdrawn and that are tendered at a Bid Price that results in a Bid Premium equal to or less than the Clearing Premium would cause CBOM to purchase an aggregate principal amount of Notes in excess of the Maximum Tender Amount (subject to any increase thereof), then the Offers will be oversubscribed at the Early Tender Time, CBOM will not accept for purchase any Notes tendered after the Early Tender Time and CBOM will accept for purchase (assuming satisfaction or waiver of the conditions to the Offers) Notes tendered by Noteholders at or prior to the Early Tender Time as follows:

- first, CBOM will accept for purchase all such Notes that are tendered at a Bid Price that results in a Bid Premium less than the Clearing Premium; and
- second, CBOM will accept for purchase all such Notes that are tendered at a Bid Price that results in a Bid Premium equal to the Clearing Premium on a prorated basis using a single proration factor across both Series such that CBOM will not accept for purchase an aggregate principal amount of Notes in excess of the Maximum Tender Amount. The proration factor will be calculated by dividing (i) the aggregate principal amount of Notes of both Series with a Bid Price that results in a Bid Premium equal to the Clearing Premium which CBOM would need to purchase to reach the Maximum Tender Amount by (ii) the aggregate principal amount of the Notes of both Series validly tendered with a Bid Price that results in a Bid Premium equal to the Clearing Premium.

If the Offers are oversubscribed at the Early Tender Time, then CBOM will, subject to any increase in the Maximum Tender Amount, announce on the Early Announcement Date that Notes tendered after the Early Tender Time will not be purchased pursuant to the Offers.

If the Offers are not oversubscribed at the Early Tender Time but the purchase of all Notes validly tendered after the Early Tender Time and at or prior to the Expiration Time, when added to the Notes that were validly tendered at the Early Tender Time, would cause CBOM to accept an aggregate principal amount of Notes in excess of the Maximum Tender Amount, then the Offers will be oversubscribed at the Expiration Time and

CBOM will accept for purchase (assuming satisfaction or waiver of the conditions to the Offers) (i) the Notes validly tendered at or prior to the Early Tender Time in priority to Notes tendered after the Early Tender Time and (ii) the Notes validly tendered after the Early Tender Time and at or prior to the Expiration Time on a prorated basis using a single proration factor across both Series such that CBOM will not accept for purchase an aggregate principal amount of Notes in excess of the Maximum Tender Amount (subject to any increase thereof). The proration factor will be calculated by dividing (i) the aggregate principal amount of Notes of both Series validly tendered after the Early Tender Time and at or prior to the Expiration Time which CBOM would need to purchase to reach the Maximum Tender Amount by (ii) the aggregate principal amount of the Notes of both Series validly tendered after the Early Tender Time and at or prior to the Expiration Time.

In the event of proration at the Early Tender Time or the Expiration Time, as applicable, the amount of Notes of each Series accepted for purchase by CBOM with respect to each validly submitted tender that is subject to proration will be equal to the aggregate principal amount of the Notes of each respective Series represented by such tender multiplied by the applicable proration factor.

The Notes may only be tendered in the Minimum Denominations and integral multiples of U.S.\$1,000 in excess thereof. To avoid purchases of Notes in principal amounts other than the Minimum Denominations and integral multiples, and to ensure return of Notes in Minimum Denominations, if necessary, CBOM may make appropriate adjustments downward to the nearest U.S.\$1,000 in principal amount, or if applicable, the Minimum Denomination.

All tenders of Notes with a Bid Premium in excess of the Clearing Premium will be rejected from the Offers and will be promptly returned to the tendering Noteholder.

Once CBOM has announced in accordance with applicable law, including, without limitation, Rule 14e-1, the acceptance of tenders in accordance with the terms of the Offers, CBOM's acceptance will be irrevocable. Offers so accepted, will constitute binding obligations of the submitting Noteholders and CBOM to settle the tenders in the manner described under "Settlement" in the Offer to Purchase, subject only to the conditions described under "Conditions to the Offers" therein.

Conditions to the Offers

The completion of the Offers is subject to, among other things, the conditions to the Offers. See "Conditions to the Offers" in the Offer to Purchase for more information.

Notes that are not successfully tendered for purchase pursuant to the Offers and the terms and conditions set out in the Offer to Purchase will remain outstanding and will remain subject to the terms and conditions of such Notes.

Expected Timetable of Key Events

The times and dates below are indicative only.

Events	Times and Dates
<p><i>Launch Date</i></p> <p>Commencement of the Offers and distribution of the Offer to Purchase. Notice delivered to the Clearing Systems (as defined in the Offer to Purchase) for communication to persons shown in their records as direct participants holding interests in the Notes. Offer to Purchase available (subject to the restrictions set out in "Jurisdictional Restrictions" therein) from the Tender Agent.</p>	<p>10:00 a.m. New York City time (3:00 p.m. London time) on 16 July 2018</p>
<p><i>Early Tender Time</i></p> <p>The deadline for Noteholders to tender Notes in order to qualify for payment on the Settlement Date of the Total Consideration with respect to the relevant Series of Notes, which includes the Early Tender Premium, and any Accrued Interest.</p>	<p>5:00 p.m. New York City time (10:00 p.m. London time) on 27 July 2018, unless extended or earlier terminated</p>

Withdrawal Time..... 5:00 p.m. New York City time
(10:00 p.m. London time) on
27 July 2018
The deadline for Noteholders to validly withdraw the Notes tendered before this date and time, unless otherwise extended as described herein. Notes tendered prior to the Early Tender Time may only be withdrawn at or prior to the Withdrawal Time. Notes tendered after the Early Tender Time and at or prior to the Expiration Time may not be withdrawn, except to the extent required by law.

Early Announcement Date At or around 5:00 a.m. New York
City time (10:00 a.m. London
time) on 30 July 2018, or as soon
as practicable thereafter, on the
first Business Day after the Early
Tender Time
CBOM expects to publish a press release announcing the Clearing Premium, Total Consideration, Tender Consideration and the principal amount of each Series of Notes validly tendered pursuant to the Offers (and not validly withdrawn) as at the Early Tender Time. If the Offers are oversubscribed, CBOM will announce that Notes tendered after the Early Tender Time will not be purchased pursuant to the Offers (subject to any increase of the Maximum Tender Amount).

Expiration Time 5:00 p.m. New York City time
(10:00 p.m. London time) on
10 August 2018, unless extended
The deadline for Noteholders to tender the Notes pursuant to the Offers in order to qualify for payment on the Settlement Date of the relevant Tender Consideration, plus any Accrued Interest.

Final Announcement Date At or around 5:00 a.m. New York
City time (10:00 a.m. London
time) on 13 August 2018
CBM announces whether the Financing Condition has been satisfied or waived, whether CBOM will accept valid tenders of Notes pursuant to the Offers and, if so accepted, the principal amount accepted for purchase in respect of each Series of Notes and proration factor, if any, for each Series of Notes.

Settlement Date..... Promptly after the Expiration
Time, and expected to be on
15 August 2018, unless extended
Payment of the relevant Total Consideration or Tender Consideration, plus any Accrued Interest, for all Notes accepted for purchase pursuant to the Offers, subject to the satisfaction or waiver of the Financing Condition.

The above times and dates are subject to the rights of CBOM to extend, re-open, amend, waive in whole or in part any condition to, withdraw and/or terminate the Offers (subject to applicable law, including Rule 14e-1). All documentation relating to the Offers and any updates will be available via the offers website: <http://www.lucid-is.com/cbom>.

Noteholders are advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which they hold the Notes to confirm whether such intermediary requires that it receives instructions for such Noteholder to participate in the Offers before the deadlines specified above. The deadlines set by each Clearing System for the submission of the Notes subject to the Offers may be earlier than the relevant deadlines above.

For Further Information

A complete description of the terms and conditions of the Offers is set out in the Offer to Purchase. Further details about the Offers can be obtained from:

The Joint Dealer Managers

Requests for information in relation to the Offers should be directed to:

Société Générale
10 Bishops Square
London E1 6EG

United Kingdom
For information by telephone:
U.S. Toll Free: +1 855 881 2108
U.S. Collect: +1 212 278 6964
London: +44 20 7676 7680
Email: liability.management@sgcib.com

Sova Capital Limited
12 Floor 88 Wood Street
London EC2V 7RS
United Kingdom
Tel: +44 (0) 20 7826 8200
Email: cmo@sovacapital.com

The Tender Agent

Requests for information in relation to the procedures for tendering Notes and participating in the Offers and the submission of an electronic instruction or other submission should be directed to the Tender Agent.

Lucid Issuer Services Limited
Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom
Attention: Alexander Yangaev / Arlind Bytyqi
Telephone: +44 (0) 20 7704 0880
Email: mkb@lucid-is.com
Website: www.lucid-is.com/cbom

DISCLAIMER

This announcement must be read in conjunction with the Offer to Purchase. No offer or invitation to acquire or exchange any notes is being made pursuant to this announcement. This announcement and the Offer to Purchase contain important information, which must be read carefully before any decision is made with respect to the Offers. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own legal, tax and financial advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the Offers. None of CBOM, CBM, the Joint Dealer Managers, the Tender Agent, or any person who controls, or is a director, officer, employee or agent of such persons, or any affiliate of such persons, makes any recommendation as to whether Noteholders should participate in the Offers.

Nothing in this announcement constitutes an offer of securities in the United States of America. The securities referred to above have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

United Kingdom

The communication of this announcement, the Offer to Purchase and any other documents or materials relating to the Offers is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may be communicated to (1) those persons who are existing members or creditors of CBOM or other persons within Article 43 of the FSMA (Financial Promotion) Order 2005, as amended, and (2) to any other persons to whom these documents and/or materials may lawfully be communicated.

Italy

None of the Offers, this announcement, the Offer to Purchase or any other documents or materials relating to the Offers have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”).

The Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999.

Noteholders, or beneficial owners of the Notes, can tender some or all of their Notes pursuant to the Offers through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes or the Offers.

Belgium

None of this announcement, the Offer to Purchase and any other offering material or information relating to the Offers is addressed to, and may be accepted by, any holder who is resident in Belgium and is not a qualified investor (*investisseur qualifié/gekwalificeerde belegger*) as defined pursuant to Article 10 of the Belgian law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

France

None of this announcement, the Offer to Purchase and any other offering material or information relating to the Offers has been submitted for clearance to the *Autorité des Marchés Financiers* and they may not be released, issued, or distributed or caused to be released, issued, or distributed, directly or indirectly, to the public in the French Republic, except to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code *Monétaire et Financier*.

Switzerland

This announcement, the Offer to Purchase and any other documents or materials relating to the Offers do not constitute a public offering of securities pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations. The information presented in these documents does not necessarily comply with the information standards set out in the SIX Swiss Exchange listing rules.

Russian Federation

None of this announcement, the Offer to Purchase and any other documents or materials relating to the Offers have been, or will be, submitted to, or registered with, the Central Bank of Russia. The Offers may not be made in Russia to the public. Accordingly, the Offers may not be advertised and the Offers will not be extended, and neither of this announcement, the Offer to Purchase or any other documents or materials relating to the Offer have been or will be distributed or made available, directly or indirectly, to any persons in Russia other than persons who are qualified investors within the meaning of Article 51.2 of the Federal Law No. 39-FZ “On the Securities Market” dated 22 April 1996, as amended, unless and to the extent they are otherwise permitted to access such information under Russian law.

Ireland

This announcement and the Offer to Purchase will only be distributed in Ireland in conformity with the provisions of the Companies Act 2014 (as amended), the Central Bank Acts 1942 – 2015 (as amended) and the European Union (Markets in Financial Instruments) Regulations 2017 or any applicable provisions of Irish law.

General

This announcement, the Offer to Purchase and any other documents or materials relating to the Offers do not constitute an offer to buy or a solicitation of an offer to sell the Notes, and Offers will not be accepted from holders of Notes, in any jurisdiction in which such offer or solicitation is unlawful. In any jurisdiction in which the Offers are required to be made by a licensed broker or dealer and in which the Joint Dealer Managers or any of its affiliates is so licensed, the Offers shall be deemed to be made by the Joint Dealer Managers or such affiliates on behalf of CBOM.

In addition to the representations referred to above in respect of the United States, Belgium, France, Ireland, Italy, the United Kingdom and the Russian Federation, each Noteholder participating in the Offers will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in “*Procedures for Participating in the Offers*” in the Offer to Purchase. Any tender of Notes for purchase pursuant to the Offers from a Noteholder that is unable to make these representations will not be accepted. Each of CBOM, CBM, the Joint Dealer Managers and the Tender Agent reserves the right, in its sole and absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offers, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result CBOM determines (for any reason) that such representation is not correct, such tender of Notes shall not be accepted.