

**NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA) (THE “UNITED STATES”) OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.**

29 October 2019

**CBOM FINANCE P.L.C. ANNOUNCES INVITATION FOR OFFERS TO SELL FOR CASH THE U.S.\$600,000,000 7.500 PER CENT. LOAN PARTICIPATION NOTES DUE 2027 AND U.S.\$700,000,000 8.875 PER CENT. 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 invitations to holders (the “**Noteholders**”) of the U.S.\$600,000,000 7.500% Loan Participation Notes due 2027, of which U.S.\$557,000,000 remain outstanding (Regulation S Common Code: 158910691, Regulation S ISIN: XS1589106910) (the “**2027 Notes**”), and the U.S.\$700,000,000 8.875% Perpetual Callable Loan Participation Notes, of which U.S.\$670,000,000 remain outstanding (Regulation S Common Code: 160109475, Regulation S ISIN: XS1601094755) (the “**Perpetual Notes**”, and together with the 2027 Notes, the “**Notes**”) to tender for purchase for cash the Notes, up to a maximum aggregate principal amount of U.S.\$150,000,000 (the “**Maximum Invitation Amount**”) across both series of Notes (each, a “**Series**”) combined, subject to the offer and distribution restrictions below, and upon the terms and subject to the conditions set forth in an invitation for offers dated 29 October 2019 (as it may be amended or supplemented from time to time, the “**Invitation for Offers**”) in accordance with a modified Dutch auction procedure for each Series of Notes. The invitation to tender the Notes for purchase referred to herein as the “**Invitation**” constitutes a separate Invitation with respect to each Series of Notes and the term “**Invitation**” shall, where the context so admits, be construed accordingly.

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

***Summary of the Invitation***

<b>Description of the Notes</b>	<b>Regulation S ISIN/Common Code</b>	<b>Outstanding Principal Amount</b>	<b>Minimum Denomination</b>	<b>Minimum Purchase Price</b>	<b>Maximum Invitation Amount</b>
U.S.\$600,000,000 7.500 per cent. Loan Participation Notes due 2027	XS1589106910 / 158910691	U.S.\$557,000,000	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof	U.S.\$920.00 per U.S.\$1,000 principal amount	Up to U.S.\$150,000,000 in aggregate principal amount across both Series of Notes combined
U.S.\$700,000,000 8.875 per cent. Perpetual Callable Loan Participation Notes	XS1601094755 / 160109475	U.S.\$670,000,000		U.S.\$850.00 per U.S.\$1,000 principal amount	

CBOM intends to accept for purchase validly tendered Notes up to the Maximum Invitation Amount across both Series of Notes combined. CBOM will determine the allocation of funds between the 2027 Notes and the Perpetual Notes in its sole and absolute discretion. Additionally, CBOM reserves the right, in its sole and absolute discretion, not to accept any Offers, not to purchase Notes of either Series or to modify in any manner any of the terms and conditions of the Invitation (including, but not limited to, purchasing more or less than the Maximum Invitation Amount, subject to applicable law).

### ***Financing Condition***

The Invitation is being made subject to the successful completion and settlement on terms and conditions satisfactory to CBM, prior to the Settlement Date, of a public offering by CBM of its newly-issued ordinary shares (the “**Share Offering**”) (the “**Financing Condition**”). The proceeds from the Share Offering will be used by CBM to finance the purchase of the Notes pursuant to the Invitation.

### ***Rationale for the Invitation***

The purpose of the invitation is to provide a degree of liquidity to Noteholders, as well as to improve the composition of CBM’s regulatory capital. CBOM will be able to repurchase the outstanding Notes which are tendered pursuant to the Invitation, provided that the Financing Condition is satisfied, such purchase to be funded by the proceeds from the Share Offering.

Immediately after the Settlement Date, CBOM intends to sell the Notes purchased pursuant to the Invitation for Offers to CBM. The Notes accepted for purchase under the Invitation could be cancelled at a later date, subject to prior written consent of the Central Bank of Russia, and upon such cancellation a corresponding portion of the principal amount of the subordinated loans provided to CBM underlying the Notes (together with accrued interest) shall be deemed to have been repaid by CBM.

### ***Purchase Price and Accrued Interest***

If a Noteholder submits a valid Offer or Offers pursuant to the Invitation, and CBOM accepts such Noteholder’s Offer (or Offers), CBOM will, subject to the conditions described in the Invitation for Offers, pay the respective Noteholder, in exchange for each U.S.\$1,000 principal amount of 2027 Notes or U.S.\$1,000 principal amount of Perpetual Notes, as applicable, accepted for purchase from this Noteholder (subject to the applicable Minimum Denomination):

- the Purchase Price (as defined in the Invitation for Offers); and
- an amount in cash in U.S. dollars equal to the Accrued Interest (as defined in the Invitation for Offers).

### ***Modified Dutch Auction Procedure***

The Invitation in respect of the Notes is being conducted pursuant to the modified Dutch auction procedure described in the Invitation for Offers. Noteholders may make their Offers in the form of a Competitive Offers or Non-Competitive Offers.

### ***Competitive Offers***

A Noteholder may submit one or more Competitive Offers in respect of the relevant Invitation prior to the Expiration Time, provided that the aggregate principal amount of the Notes of the relevant Series that are the subject of these Offers does not exceed the aggregate principal amount of Notes of the relevant Series held by such Noteholder. Competitive Offers must specify:

- the price per U.S.\$1,000 principal amount (in increments of U.S.\$1.25 above the Minimum Purchase Price with any other amount rounded down to the nearest U.S.\$1.25 increment above the Minimum Purchase Price) (a “**Competitive Offer**”) that a Noteholder would be willing to accept as the Purchase Price in respect of the Series of Notes that are the subject of the particular Offer (the “**Offer Price**”) and such Offer Price shall be higher than the Minimum Purchase Price as set out above; and
- the principal amount of Notes, in increments of U.S.\$1,000 (subject to the applicable Minimum Denomination) that a Noteholder is tendering at that Offer Price.

If CBOM accepts a Noteholder’s Competitive Offer (or Competitive Offers), such Noteholder will receive the Purchase Price for the relevant Series of Notes as determined by CBOM in its sole and absolute discretion. CBOM will pay the Purchase Price for the relevant Series of Notes to each holder whose Competitive Offer is accepted, even if the Purchase Price is higher than the price specified by the tendering holder of the Notes. In the event of Competitive Offers at the Purchase Price resulting in more Notes of either Series being offered than

the aggregate principal amount of Notes of the relevant Series that the Issuer has elected to purchase (the “**Series Acceptance Amount**”), such Competitive Offers will be accepted on a *pro rata* basis.

### ***Non-Competitive Offers***

Alternatively, prior to the Expiration Time, a Noteholder may submit a Non-Competitive Offer in respect of the relevant Invitation that does not specify an Offer Price or specifies an Offer Price that is equal to the Minimum Purchase Price (a “**Non-Competitive Offer**”) in respect of the Notes of the relevant Series that are the subject of such Noteholder’s Offer. Non-Competitive Offers must specify the principal amount of Notes, in increments of U.S.\$1,000 (subject to the applicable Minimum Denomination) that a Noteholder is offering pursuant to their Non-Competitive Offer.

CBOM will be obliged to accept all Non-Competitive Offers for the Notes if it accepts any Competitive Offers for the Notes. If CBOM accepts a Noteholder’s Non-Competitive Offer, such Noteholder will receive the benefit of the Purchase Price of the relevant Notes as determined by CBOM in its sole and absolute discretion. In the event of Non-Competitive Offers resulting in more Notes of either Series being offered than the Series Acceptance Amount, such Non-Competitive Offers will be accepted on a *pro rata* basis.

### ***Determination and Announcement of Purchase Price and Pro-ration Factors***

Following the Expiration Time, CBOM will determine, in its sole and absolute discretion, the Purchase Price of each Series of Notes and the pro-ration factor, if any, for each Series of Notes that CBOM decides to purchase pursuant to the Invitation, subject to the conditions described in the Invitation for Offers.

In the event of any dispute or controversy regarding the Purchase Price or the amount of Accrued Interest for each Note tendered pursuant to the Invitation, CBOM’s determination shall be conclusive and binding, absent manifest error.

CBOM will announce the Purchase Price and the pro-ration factor, if any, for each Series of Notes and the aggregate principal amount of each Series of Notes to be purchased, at or around 10:00 a.m., London time, on the Final Results Announcement Date or as soon as practicable thereafter. CBOM will also announce the aggregate amount of each Series of Notes that are outstanding following the completion of the Invitation.

### ***Acceptance of Tendered Notes***

Once CBOM has determined the Purchase Price for each Series of Notes, CBOM will accept Offers in the following order:

- all duly submitted Non-Competitive Offers for Notes of the relevant Series will be accepted first, subject to possible pro-ration in the event that such Offers have been made in a greater principal amount than the amount which CBOM wishes to purchase in respect of a particular Series;
- all duly submitted Competitive Offers for Notes of the relevant Series that specify Offer Prices lower than the applicable Purchase Price will be accepted second; and
- all duly submitted Competitive Offers for Notes of the relevant Series that specify Offer Prices equal to the applicable Purchase Price will be accepted third, subject to possible pro-ration in the event that such Competitive Offers, when aggregated with all Offers referred to above and accepted, results in a greater principal amount than the amount which CBOM wishes to purchase in respect of a particular Series.

Such pro rata allocations will be calculated in relation to each Series of Notes as further detailed in the Invitation for Offers.

Notes offered pursuant to Offers at an Offer Price higher than the Purchase Price of the relevant Series of Notes, will not be accepted pursuant to the Invitation. CBOM may elect not to purchase any Notes or not to purchase any Notes of one or more Series of Notes.

Once CBOM has announced in accordance with applicable law the acceptance of Offers in accordance with the terms of the Invitation, CBOM’s acceptance will be irrevocable. Offers so accepted, will constitute binding

obligations of the submitting holders and CBOM to settle the Invitation, in the manner described in the Invitation for Offers.

### ***Conditions to the Invitation***

The completion of the Invitation is subject to, among other things, the conditions to the Invitation. See “*Conditions to the Invitation*” in the Invitation for Offers for more information.

### ***Expected Timetable of Key Events***

The times and dates below are indicative only.

<b>Events</b>	<b>Times and Dates</b>
<b><i>Launch Date</i></b> ..... Commencement of the Invitation and distribution of the Invitation for Offers.	29 October 2019
<b><i>Expiration Time</i></b> ..... The Invitation expires unless CBOM extends it or terminates it earlier in its sole and absolute discretion.	4:00 p.m., London time, 5 November 2019
<b><i>Preliminary Results Announcement Date</i></b> .....	On 6 November 2019 or as soon as practicable after the Expiration Time
<b><i>Final Results Announcement Date</i></b> .....	On or as soon as practicable after 6 November 2019, but not later than on 15 November 2019
<b><i>Settlement Date</i></b> ..... CBOM pays the Purchase Price in respect of each Series of Notes for any Notes being purchased, plus Accrued Interest.	On or about three Business Days after the Final Results Announcement Date

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 Invitation (subject to applicable law). All documentation relating to the Invitation and any updates will be available via the offer 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 Notes to confirm whether such intermediary requires that it receives instructions for such Noteholder to participate in the Invitation before the deadlines specified above. The deadlines set by each Clearing for the submission of Notes subject to the Invitation may be earlier than the relevant deadlines above.**

### **For Further Information**

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

## **The Joint Dealer Managers**

*Requests for information in relation to the Invitation should be directed to:*

### **Citigroup Global Markets Limited**

Citigroup Centre, Canada Square  
London E14 5LB  
United Kingdom  
Tel: +44 (0) 20 7986 8969  
Email: [liabilitymanagement.europe@citi.com](mailto:liabilitymanagement.europe@citi.com)

### **Société Générale**

10 Bishops Square  
London E1 6EG  
United Kingdom  
For information by telephone:  
London: +44 (0) 20 7676 7951  
Email: [liability.management@sgcib.com](mailto: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](mailto:cmo@sovacapital.com)

## **The Tender Agent**

*Requests for information in relation to the procedures for tendering Notes and participating in the Invitation 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: Arlind Bytyqi  
Telephone: +44 (0) 20 7704 0880  
Email: [mkb@lucid-is.com](mailto:mkb@lucid-is.com)

## **DISCLAIMER**

This announcement must be read in conjunction with the Invitation for Offers. No offer or invitation to acquire or exchange any notes is being made pursuant to this announcement. This announcement and the Invitation for Offers contain important information, which must be read carefully before any decision is made with respect to the Invitation. 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 Invitation. 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 Invitation.

### ***United States***

The Invitation is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States, and no Offer of Notes may be made by any such use, means, instrumentality or facility from or within the United States, or to U.S. persons or by persons located or resident in the United States. Accordingly, copies of this announcement, the Invitation for Offers and any other documents or materials relating to the Invitation are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded in or into the United States, or to U.S. persons or to persons located or resident in the United States. Any purported Offer of Notes resulting directly or indirectly from a violation of these restrictions will be invalid and Offers of Notes made by a person located or resident in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal located or resident in the United States will not be accepted. For the purposes of this paragraph, United States means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

### ***United Kingdom***

The communication of this announcement, the Invitation for Offers and any other documents or materials relating to the Invitation 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 Invitation for Offers 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 Offer.

### ***Belgium***

None of this announcement, the Invitation for Offers and any other offering material or information relating to the Invitation 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 Invitation for Offers and any other offering material or information relating to the Invitation 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 Invitation for Offers and any other documents or materials relating to the Invitation 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 Invitation for Offers and any other documents or materials relating to the Invitation 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 Invitation for Offers or any other documents or materials relating to the Invitation 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 Invitation for Offers will only be distributed in Ireland in conformity with the provisions of the Companies Act 2014 (as amended), the Central Bank Acts 1942 – 2018 (as amended) and the European Union (Markets in Financial Instruments) Regulations 2017 or any applicable provisions of Irish law.

### ***General***

This announcement, the Invitation for Offers and any other documents or materials relating to the Invitation 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 Invitation is 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 Invitation 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 Invitation 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 Offer*” in the Invitation for Offers. Any tender of Notes for purchase pursuant to the Invitation 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 Invitation, 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.