CREDIT BANK OF MOSCOW (open joint-stock company)

2 (Bldg. 1) Lukov pereulok, Moscow, Russia, 107045, tel.: +7 (495) 777-4-888, fax: +7 (495) 797-4210
Telex: 614645 MCB RU, SWIFT: MCRB RU MM, E-mail: info@mkb.ru, www.mkb.ru

30 November 2015, Moscow

CREDIT BANK OF MOSCOW reports its 9m2015 IFRS financial results

Key results

- Net income reached RUB 1,535 mln ($ 23.2 mln).
- Net interest margin was 3.5%.
- Return on equity and return on assets were 3.0% and 0.3% respectively.
- Total assets reached RUB 1,000,055 mln ($ 15,098 mln).
- Gross loan portfolio expanded by 33.3% ytd up to RUB 525,382 mln ($ 7,932 mln).
- 90+ NPL ratio remained at 1H2015 level of 4.9% of gross loan portfolio.
- Coverage of gross loan portfolio by provisions increased from 4.1% in late 2014 to 5.2% as of 9M2015.
- Customer accounts and deposits increased by 86% to RUB 621,170 mln ($ 9,378 mln).
- Basel III capital increased by 38.2% up to RUB 124,840 mln ($ 1,885 mln), with capital adequacy and Tier I ratios of 16.0% and 9.6% respectively.
- High operational efficiency with cost-to-income ratio of 28.1%.

Key financial results

Balance	**3Q 2015, RUB mln**	**2014, RUB mln**	**change, %**
Assets	1,000,055	584,839	71.0
Liabilities	923,967	524,852	76.0
Equity	76,089	59,987	26.8
Capital (Basel)	124,840	90,339	38.2
Gross loan portfolio before provisions	525,382	394,191	33.3
Key financial ratios, %			
Basel capital adequacy ratio (CAR)	16.0%	15.8%	
90+ NPL ratio (before provisions)	4.9%	2.3%	
Loan-loss provisions / Gross loans	5.2%	4.1%	
Net loans / deposits	80.2%	112.9%	

Income statement	**9M 2015, RUB mln**	**9M 2014, RUB mln**	**change, %**
Net interest income (before provisions)	17,690	17,620	0.3
Fee income	6,439	6,319	1.9
Net income	1,535	6,371	(75.9)
Net interest margin (NIM)	3.5%	5.4%	
Cost-to-income ratio (CTI)	28.1%	31.1%	
Return on equity (ROAE)	3.0%	15.8%	
Return on assets (ROAA)	0.3%	1.8%	

Net income reached RUB 1,535 mln after a slight growth in 3Q. It dropped by 75.9% year-on-year mainly due to provisions having grown by 2.1 times to RUB 14,585 mln as the Bank has adopted a conservative provisioning policy in response to negative macroeconomic trends. Additional pressure on the net income was put by increased interest expense as the market-average cost of funding rose in 2015 compared to 2014.

Operating income (excl. provisions) grew by 7.2%, while **operating expense** (excl. provisions) slightly shrank by 2.9% allowing the cost-to-income ratio (CTI) to remain at a good level of 28.1%.

The Bank's **total assets** increased by 71.0% ytd surpassing RUB 1 trln. This growth was mainly driven by interbank loans granted under repo transactions against securities of first class issuers. Accounts and deposits in banks amounted RUB 148,431 mln. A substantial growth was demonstrated by the Bank's securities portfolio: from RUB 60,976 mln as at 2014YE to RUB 103,692 mln as of 9M15. The portfolio is largely composed of securities included in the CBR's Lombard List.

Gross loan portfolio expanded by 33.3% ytd to RUB 525,382 mln, while the corporate book grew by 50.3% to RUB 399,772 mln and the retail book shrank by insignificant 2.1% to RUB 125,611 mln as requirements to customers became stricter and demand for retail loans generally weakened. The share of corporate loans in the total loan portfolio grew from 67% as at 2014YE to 76% as of 9M15. The share of non-performing loans (NPL 90+) matched the level of 1H2015, i.e. 4.9%. Loan loss provisions grew to RUB 27,186 mln and stood at 5.2% of the gross loan portfolio with the NPL coverage ratio of 106%.

Customer accounts and deposits increased by 85.5% ytd to RUB 621,170 mln mostly because of time deposits placed by large corporate customers, while retail deposits demonstrated a more moderate growth of 15.7% to RUB 189,043 mln. The share of corporate accounts in the total portfolio grew from 51% as at 2014YE to 69% as of 3Q15.

Capital adequacy ratio calculated in accordance with Basel III did not change materially ytd and stood at 16.0%, while the Bank's total capital according to Basel III standards grew by 38.2% to RUB 124,840 mln. Tier I capital ratio was 9.6%. The capital grew upon successful closing of two deals in 2Q2015: a RUB 20.2 bln subordinated loan provided by the Deposit Insurance Agency under the Russian banking system recapitalisation programme and the Bank's IPO attracting RUB 13.2 bln on the Moscow Exchange.

Infrastructure development

As of 30 September 2015, CREDIT BANK OF MOSCOW had 57 offices, 21 stand-alone cash desks, 887 ATMs and 5,220 payment terminals (as of 31 December 2014, these figures were 58, 31, 841 and 5,683 respectively).

Enquiries

CREDIT BANK OF MOSCOW

Investors		**Media**
Elena Finashina	Sergey Lukyanov	Nikita Likov
Finashina@mkb.ru	Lukyanov@mkb.ru	LikovNS@mkb.ru
+7-495-797-4222 ext. 6202	+7-495-797-4222 ext. 6223	+7-926-579-87-82

For reference

CREDIT BANK OF MOSCOW (CBM) is one of the leading privately owned universal banks in Russia, and focuses on providing banking products and services to corporate customers and individuals in Moscow and the Moscow Region.

CBM’s corporate banking business is primarily focused on retail and wholesale trading corporate customers, enabling CBM to capitalize on the resilient Russian consumer market. CBM’s retail business is focused on consumer loans to high quality retail customers, with a particular emphasis on cross-sales of retail products to the employees and clients of its corporate customers.

CBM offers a comprehensive range of banking services, including lending, deposit-taking, cash handling, international settlements, trade finance, guarantees and other products. By leveraging its leading cash handling service and payment terminal network, the Bank is able to monitor the cash flows and payment histories of its customers as well as, in the case of many of its retail customers, their employers, which ensures strong portfolio performance and asset quality.

According to INTERFAX-100, as at 1 October 2015, CBM is one of the top five privately owned Russian banks, measured by total assets. The Bank is currently rated BB- with a Negative outlook by S&P; B1 with a Stable outlook by Moody's; and BB with a Negative outlook by Fitch.

CBM was founded in 1992 and acquired by Mr. Roman Avdeev in 1994. Mr. Avdeev beneficially owns 70.0% of CBM’s shares. The European Bank for Reconstruction and Development, International Finance Corporation (IFC) and RBOF Holding Company I, Ltd. (100% owned by the IFC Russian Bank Capitalization Fund belonging to the same group of companies as the IFC) hold 11.2% of CBM’s shares and are represented on CBM’s Supervisory Board alongside with four independent non-executive directors. The remaining 18.8% of the Bank’s shares are owned by other minority shareholders.

For more information, please visit http://mkb.ru/en/.