

PRESS-RELEASE**01.07.2011****CREDIT BANK OF MOSCOW'S 1Q 2011 IFRS net income up by 38%, compared to 1Q 2010, to RUB 1,211 mln****CBM has summed up its 1Q 2011 performance under international financial reporting standards (IFRS).****Key results**

- CREDIT BANK OF MOSCOW'S 1Q 2011 IFRS net income grew by 38% compared to 1Q 2010 and amounted to RUB 1,211 mln (USD 42.6 mln).
- The bank's assets rose by 2.5% by the end of quarter reaching RUB 169,624 mln (USD 5,966 mln).
- As compared to start of the year, loan portfolio expanded by 11.3% to RUB 115,557 mln (USD 4,065 mln).
- The NPL ratio (loans overdue more than 90 days) made up 1.3% and loss provisions decreased from 2.6% to 2.4% of gross loans.
- From the year start equity increased by 8.6% up to RUB 14,958 mln (USD 526 mln).
- Return on equity rose from 24.4% (2010) to 33.7%.
- Cost-to-income ratio remains consistently low at 35.8%.
- Capital calculated under the Basel Accord increased by 8% in 1Q reaching RUB 22,038 mln (USD 755 mln) and the capital adequacy ratio was 13.6%.

The net income of the bank reached RUB 1.211 bln in 1Q 2011 exceeding the 1Q 2010 net income (RUB 877 mln) by 38%. The ROAE made up 33.7% and the ROAA – 2.9%. This was mainly driven by growing operational efficiency during rapid expansion of the business.

Net interest income rose by 60.5% to RUB 1.926 bln despite tightening interest margin (5.1% in 1Q 2011 vs. 5.4% as at YE2010).

In 1Q 2011, the bank's cost-to-income ratio remained traditionally low at 35.8%.

The bank's fee and commission income increased by 35% compared to 1Q 2010 reaching RUB 517 mln (19.5% of the bank's operational income) where 30.5% of the fee and commission income is generated by cash collection, 26.5% - by settlement transactions, and 24.2% - by issue of guarantees and letters of credit.

The bank retains leading positions in cash collection. CBM not only serves its own network and its clients, but also provides cash collection services to other financial institutions and their clients. In 1Q 2011, the number of cash collection points rose by 258 points and reached the total of 5011. Six new collection itineraries were put in place bringing their total number to 102.

Assets grew by 2.5% compared to the beginning of 2011 and amounted to RUB 169.6 bln. The Interfax 100 ranking of Russia's largest banks lists CBM as number 26 by assets (compared to number

38 in the 1Q 2010 ranking). CBM is currently included in Russia's Top 10 private banks without foreign capital.

In 1Q 2011, **the bank's loan portfolio** after impairment provisions surged by 11.3% and reached RUB 115.6 bln as of the reporting date. The corporate loan portfolio grew by 11.7% to RUB 96.5 bln and the retail loan portfolio - by 8.9% to RUB 19.1 bln including the general consumer loan portfolio that rose by 40% from RUB 4.9 bln to RUB 6.9 bln.

In 1Q 2011, the bank remained active in trade finance facilitating 83 transactions totalling to USD 184 mln. CREDIT BANK OF MOSCOW was recognized by the International Finance Corporation (IFC) as the "Most Active Issuing Bank in Eastern Europe" in IFC's Global Trade Finance Program (GTFP) in 2010. CBM was awarded the recognition on 25 May 2011 at IFC's annual GTFP Bank Partners Meeting, held this year in Istanbul. The EBRD also declared CBM the most active issuing bank in Russia in short-term trade transactions for 2010.

Overdue loans ratio dropped, as compared to 2010, from 2% to 1.6%, the NPL (loans overdue more than 90 days) level fell from 1.5% to 1.3%. Furthermore, as contrasted to 2010, provision coverage ratios also improved: the ratio of provisions to loans overdue by 1 day or more grew from 128% to 153.1% and the ratio of provisions to loans overdue by more than 90 days - from 172% to 188.5%.

Securities portfolio that makes up 18% of the bank's assets reached RUB 30.5 bln as of 1Q 2011. Bulk investments were made in highly liquid securities listed in CBR's Lombard List - 85% of the securities portfolio in 1Q 2011 and 83% in 2010.

Retail deposits rose by 15.6% to RUB 58.7 bln in 1Q 2011, their share in total liabilities & equity made up 34.6%, the volume of term deposits being 16% higher at RUB 55.7 bln.

Debt liabilities

Since the beginning of 2011, CBM has repeatedly confirmed its market positions and its reputation as a reliable borrower. The bank has timely made its bonds' coupon payments (totalling to RUB 275.84 mln), has fully redeemed its RUB 2 bln bond issue series 04, and has fulfilled its liabilities under the stipulated put option of the bond issue series 05.

In 2011, CREDIT BANK OF MOSCOW has made a successful offering of three issues of exchange bonds series BO-01, BO-04 and BO-05 of RUB 3 bln, RUB 5 bln and RUB 5 bln, respectively. The maturity period of each issue is 3 years. CBM's bond issues are highly popular among investors and the demand for the bonds series BO-01 exceeded the offer 4 times and for the bonds series BO-04 - twofold.

The bank's equity, as calculated in accordance with the Basel Accord, rose by 8% from the year start up to RUB 22,038 mln and the capital adequacy ratio made up 13.6%. In June 2011, CBM's equity was raised by \$35 mln through a subordinated loan from the bank's shareholder, which would contribute to a high capital adequacy level during the bank's further growth. Besides, the bank's Supervisory Board approved the decision on an additional 4,500,000,000 ordinary share issue with the total face value of RUB 4.5 bln in favour of the bank's current shareholder.

The bank's infrastructural development. As of 1Q 2011, CBM's branch network included 52 offices in Moscow and the Moscow Region. The number of ATMs increased from 402 (2010) to 434 and the number of payment terminals - from 1737 to 1752. As of 01.01.2010 CBM was ranked number 3 among Russia's banks by the number of its own payment terminals with the option of cash credit to card account and was also ranked number 14 by the number of its own ATMs in Moscow according to RBC Rating.

In 1Q 2011, the bank actively developed remote service systems and retail fee businesses. CBM increased its plastic card issuance by 14% from 389.2 thousand in 2010 to 443.6 thousand cards.

Ratings

The bank's strong positions on the Russian and international markets are confirmed by leading rating agencies. In June 2011, international rating agency Fitch Ratings affirmed ratings of CREDIT BANK OF MOSCOW'S as follows: Long-Term Issuer Default Rating (IDR) - at 'B+', Short-Term IDR - at 'B', Individual Rating - at 'D', Support Rating - at '5' and National Long-term Rating - at 'A- (rus)'. Outlook was affirmed as 'Stable'.

It is worth mentioning that Long-term IDR of CBM was upgraded by Fitch Ratings to current 'B+' from 'B' on June 3, 2010.

CREDIT BANK OF MOSCOW is also rated by international rating agency Moody's Investors Service as follows: financial strength rating (FSR) — 'E+', long-term global & local currency deposit rating — 'B1/NP' and long-term national scale credit rating — 'A2.ru'.

Besides, in May 2011 Russian rating agency RusRating changed CBM's outlook to 'Positive'. The bank's credit rating remains unchanged at "BBB-".

The bank's key financial results in 1Q 2011

Key financials	1Q 2011 RUB mln	2010 RUB mln	change, %
Assets	169,624	165,471	2.5
Liabilities	154,666	151,704	2
Equity (Basel)	22,038	20,386	8
Loan portfolio (after provisions)	115,557	103,852	11.3
NPLs (loans overdue by more than 90 days)	1,534	1,628	-5.7
	1Q 2011 RUB mln	1Q 2010 RUB mln	
Net income	1,211	877.1	38
Net interest income (before provisions)	1,926	1,200	60.5
Fee and commission income	517	383	35

Key financial ratios, %	1Q 2011	2010
Capital adequacy ratio (CAR)	13.6	13.6
90+ NPL ratio (before provisions)	1.3	1.5
Net interest margin (NIM)	5.1	5.4
Cost-to-income ratio (C/I ratio)	35.8	38.9
Return on equity (ROE)	33.7	24.4
Return on assets (ROA)	2.9	2.4

For reference

CREDIT BANK OF MOSCOW was founded in 1992 (general license No. 1978 issued by the Bank of Russia). CBM is a universal privately-owned commercial Top 30 Russian bank occupying leading positions in terms of serving trading companies in Moscow and the Moscow Region.

The bank's branch network currently includes 53 branches, 12 cash offices, 450 ATMs and 2300 payment terminals in Moscow and the Moscow Region.

Since 2004 the bank has entered the Deposit Insurance System.

CREDIT BANK OF MOSCOW's sole shareholder is "ROSSIUM Concern", LLC. The bank's ultimate beneficial owner is Mr. Roman Ivanovich Avdeev.

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