

Webcast and Conference call

16 June 2015

1Q2015 IFRS Results

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**CREDIT BANK
OF MOSCOW**

*From good to great –
one Bank*

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Overview

Key Highlights

- #15 bank in Russia by total assets¹
- #5 privately owned bank in Russia by total assets¹
- Corporate banking, servicing over 15,000 active corporate banking clients²
- Retail banking, servicing approx. 830,000 retail banking clients²
- 56 offices and 25 cash offices, over 5,400 payment terminals and 808 ATMs in Moscow Area²
- Approx. 4,500 employees²
- Credit ratings: BB from Fitch, BB- from S&P, B1 from Moody's
- Shareholders' structure diversified with globally recognized international investors EBRD and IFC controlling 13.8% stake



Bank of The Year in Russia in 2014 by The Banker



Best Bank in Russia, Awards for Excellence 2014, by Euromoney magazine



Bank of The Year 2013 by Banki.ru

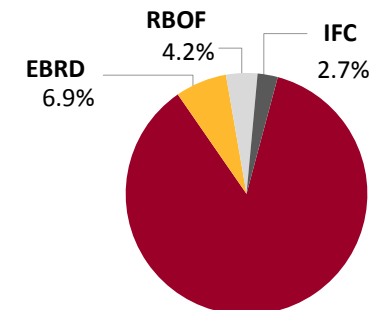


- 1) Banki.ru ranking as of 1 May 2015
- 2) As of 1 April 2015
- 3) Calculated according to Basel III regulations

Key Financials

Balance sheet (RUB bln)	2013	2014	1Q2015
Total Assets	454.2	584.8	581.7
Gross Loans	317.9	394.2	402.2
Customer Deposits	274.9	334.9	368.8
Shareholder's Equity	50.7	60.0	61.2
Key Ratios			
NPL 90+ / Gross Loans	1.3%	2.3%	2.4%
Tier 1 (Basel III) ³	10.2%	10.5%	10.4%
Income Statement (RUB bln)	3m2013	3m2014	3m2015
Net interest income (before provisions)	3.6	5.0	4.9
Net Income	1.7	1.9	0.3
Key Ratios			
RoAA	2.2%	1.7%	0.2%
RoAE	17.4%	14.9%	1.9%
Net Interest Margin	5.1%	4.8%	3.7%
Cost / Income	34.8%	33.0%	29.3%

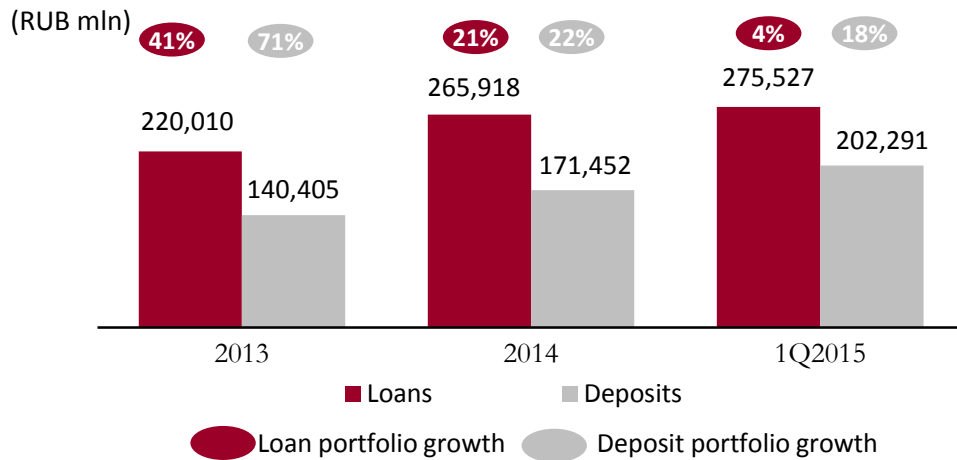
Supportive Shareholders



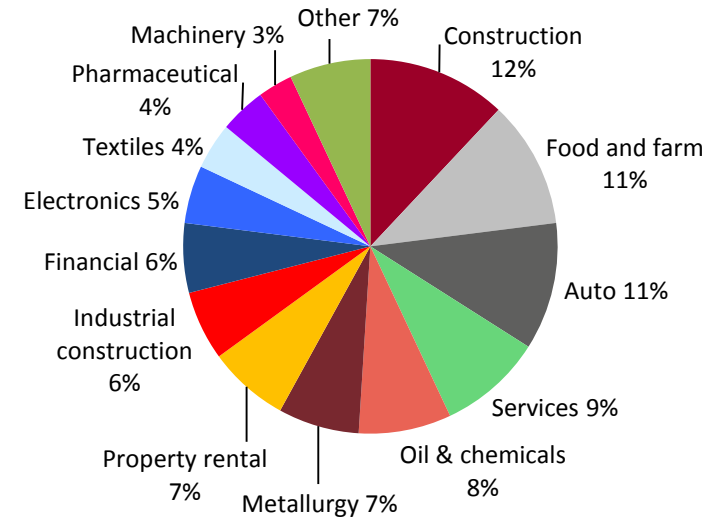
Roman I. Avdeev
86.2%

Corporate Banking: strong niche market player

Corporate loan (gross) and deposit portfolio dynamics¹



Corporate loans breakdown by industry¹ (1Q2015)

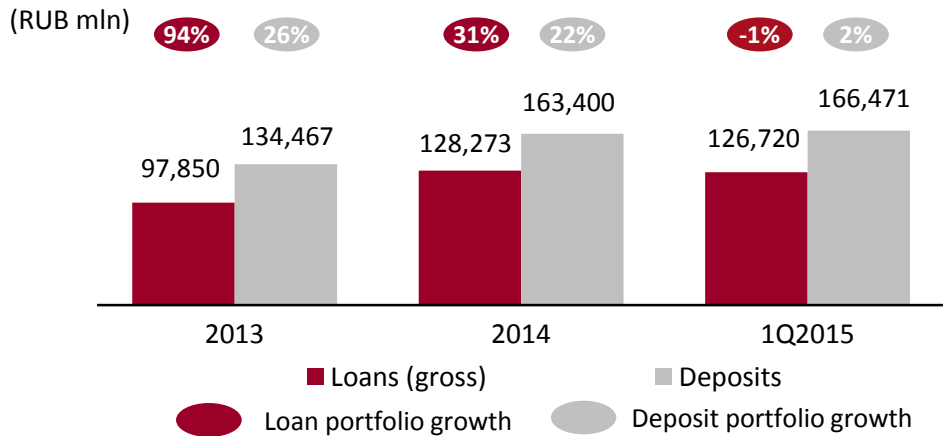


Highlights

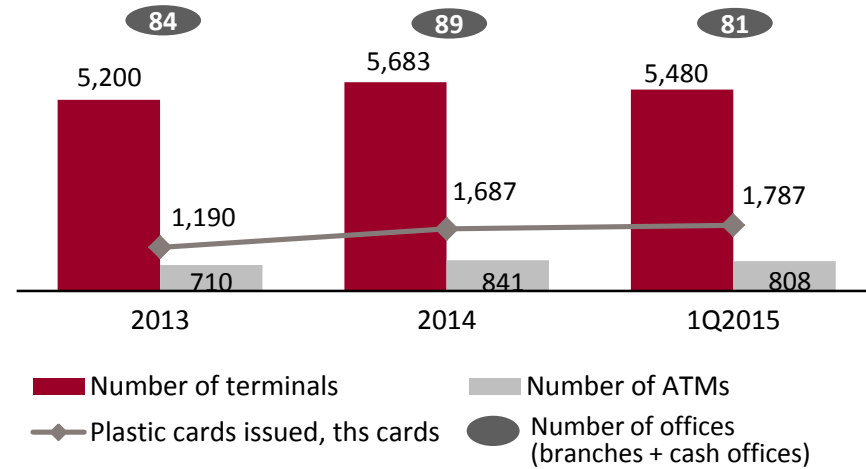
Strong and Quality Client Base	Business Focused on Growth	Risk Management as Key Priority
<ul style="list-style-type: none"> Over 15,000 active corporate clients² Strategic focus on retail and wholesale trading sector Focus on large and medium sized corporates 	<ul style="list-style-type: none"> Strategy and organisational structure designed to deliver above market growth Focus on increasing contribution of larger corporates 	<ul style="list-style-type: none"> Well-diversified loan portfolio Focus on shorter term lending Synergies with cash handling business, enabling effective credit monitoring

Retail Banking: lending is on hold

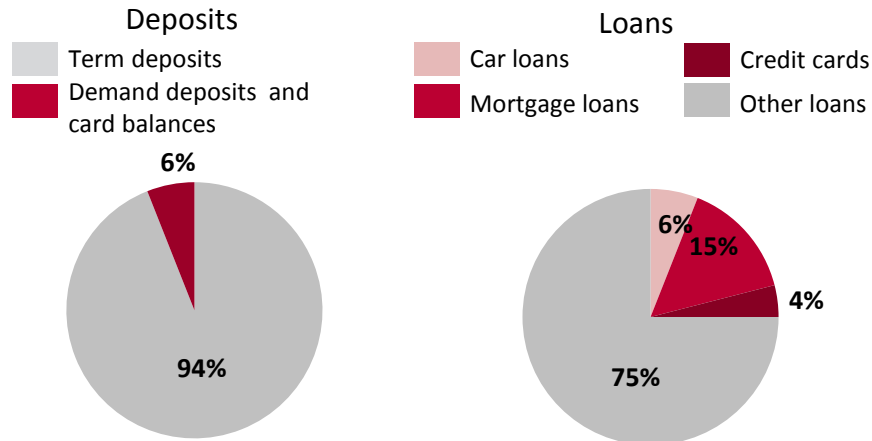
Retail loan (gross) and deposits portfolio dynamics



Network development



Breakdown by type



Key developments and strategy

- Retail banking share in the loan portfolio decreased to **32%** as at 1Q2015 (33% as at YE2014)
- Target market segments are consumer loans and mortgage loans
- Total number of retail customers is approx. **830** ths (approx. 790 ths as at YE2014)
- **56** branches and **25** cash offices in Moscow and Moscow Region as at 1 April 2015
- **12th** largest bank in retail deposits in Russia (Expert RA, as at 1 May 2015)

Key developments and business overview

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Financial performance

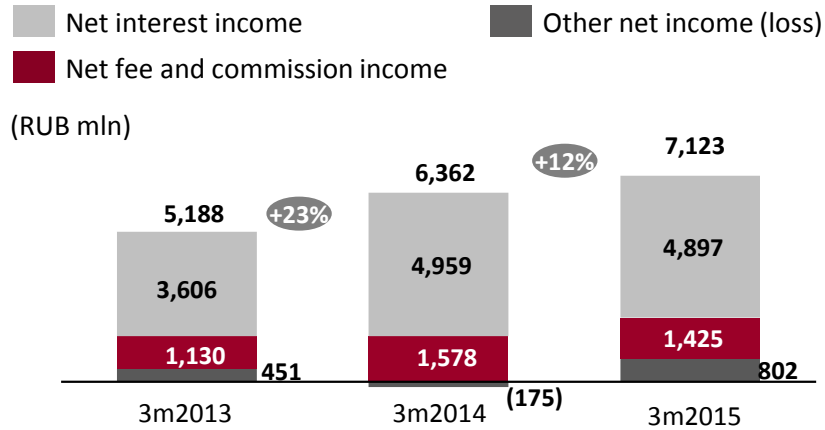
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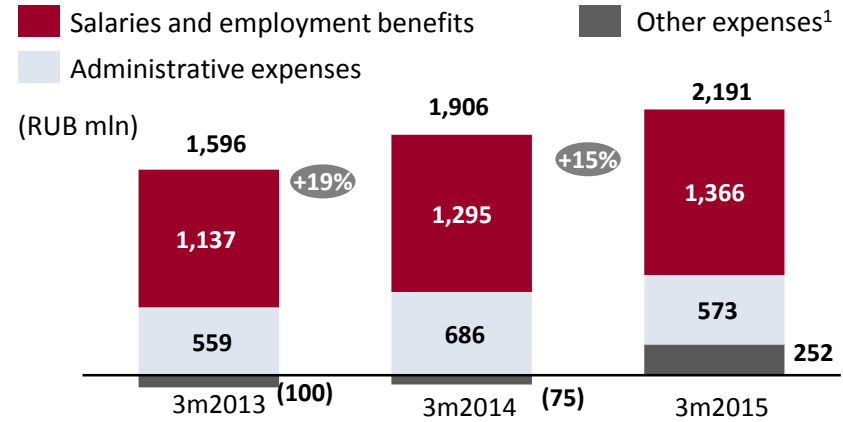
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Growth of operating income despite net interest income reduction

Operating income



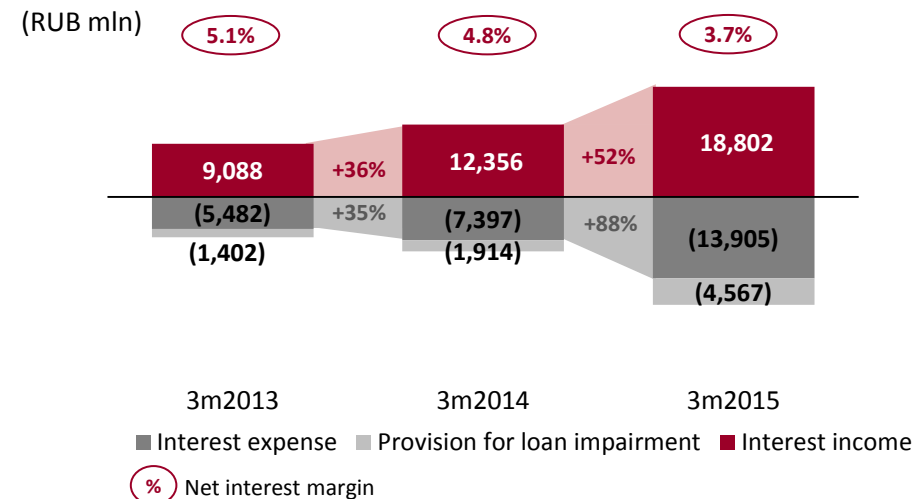
Operating expenses



Key developments

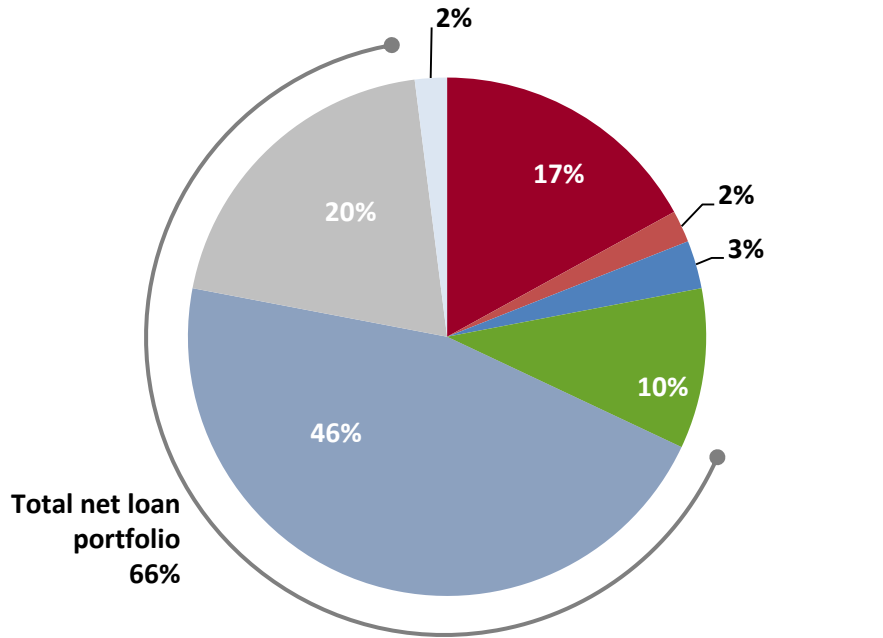
- **NIM** decreased to 3.7% in 1Q2015 (5.8% for YE2014; 4.8% for 1Q2014)
- **RoAA and RoAE** reduced in 1Q2015 to 0.2% and 1.9% respectively (1.1% and 10.1% in YE2014)
- The decrease of net interest income resulted from the funding cost surge in 1Q2015
- The main source of fee and commission income in 1Q2015 is commissions from plastic cards which constitute RUB 0.4 bln (increased by 24% compared to 1Q2014)
- **CTI²** of 29.3% is one of the lowest among peers

Interest income vs interest expense and provision



Assets: main focus is made on quality instead of high growth rates

Assets structure

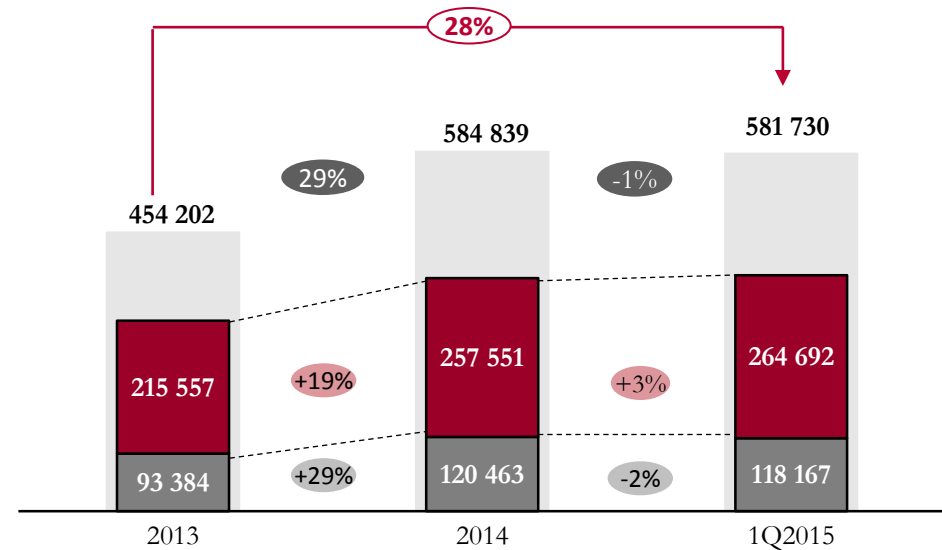


Total net loan portfolio 66%

- Cash and due from CBR: 17%
- Available-for-sale securities: 3%
- Corporate loans: 46%
- Other: 2%
- Due from credit institutions: 2%
- Instruments at fair value: 10%
- Retail loans: 20%

Assets and loan portfolio (net) dynamics

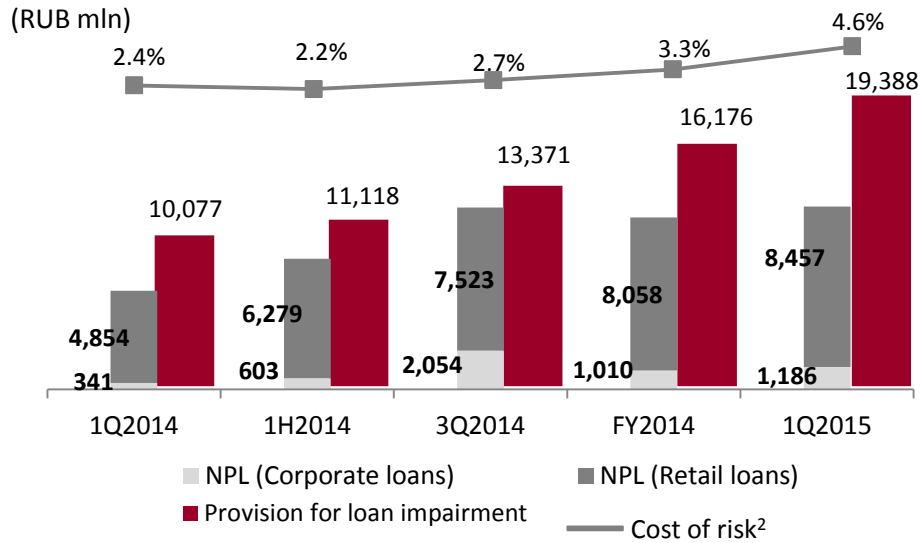
(RUB mln)



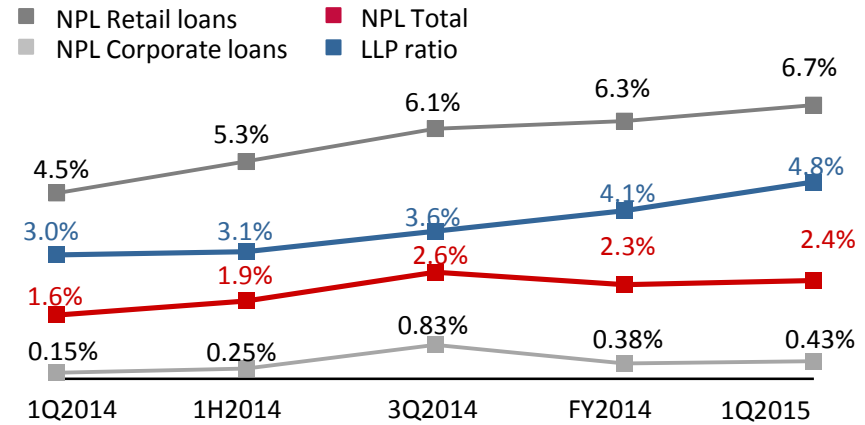
- Corporate loans
- Retail loans
- Total assets
- Net corporate loan portfolio growth
- Net retail loan portfolio growth
- Total assets growth

Loan Portfolio is conservatively provisioned

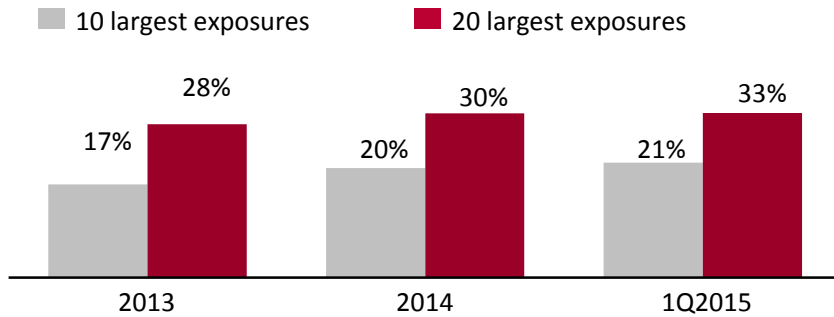
NPL¹ and Provisioning dynamics



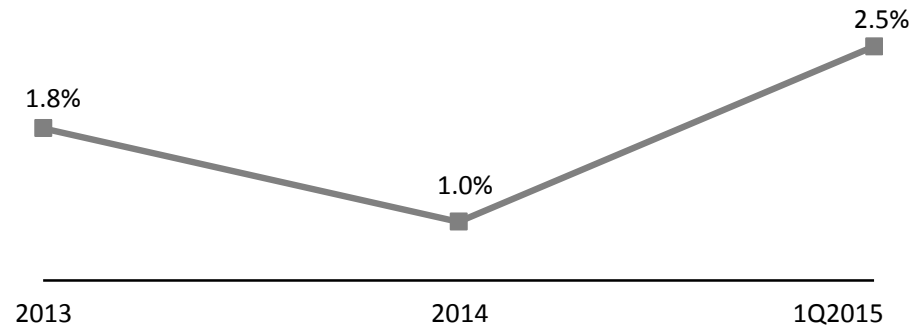
NPL³ and Provisioning ratio dynamics



Largest exposures



Related party lending (% of total equity)



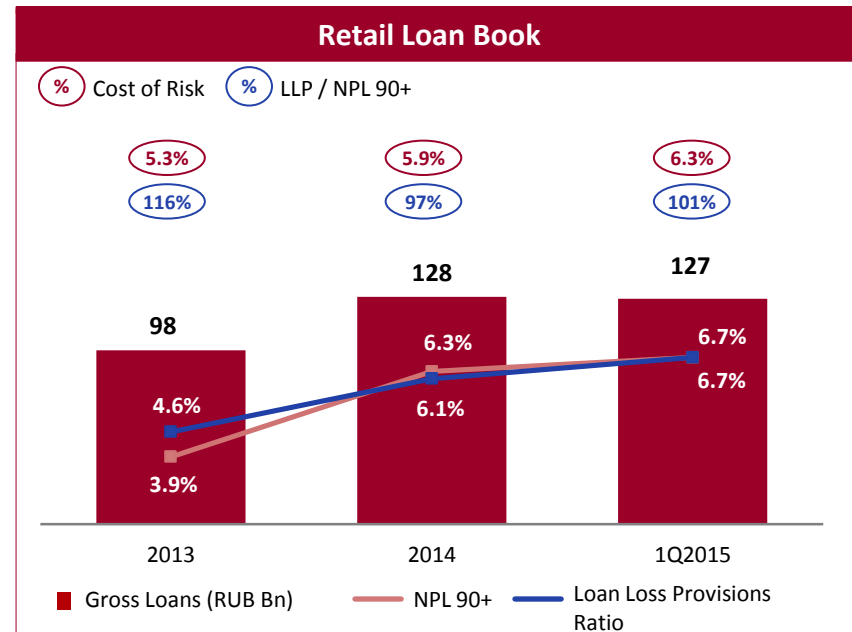
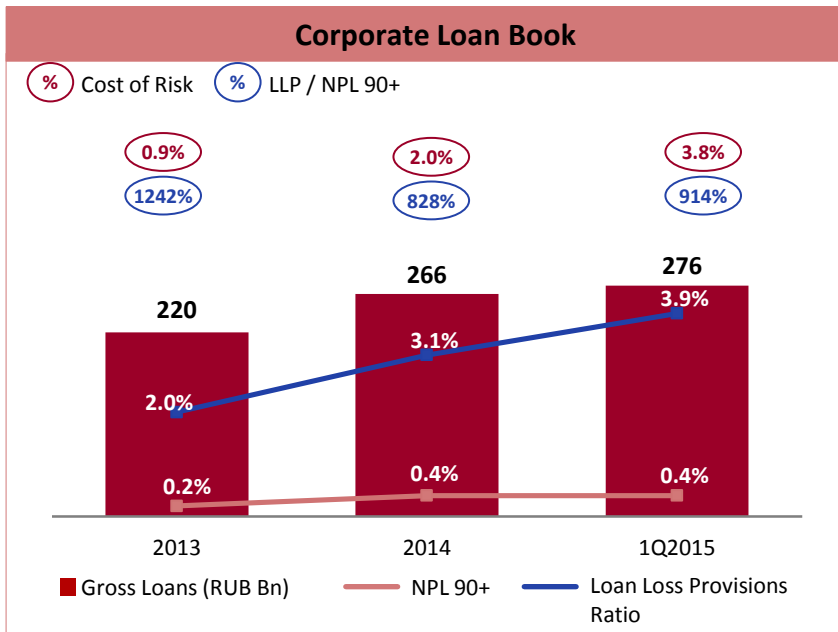
Source: IFRS financial statements

1) NPLs are loans with payments that are overdue >90 days (figure does not include renegotiated loans)

2) Cost of risk is calculated as impairment allowance net charge (annualised) to average loan portfolio for the period

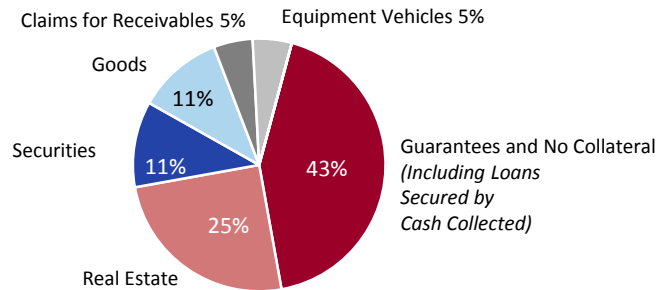
3) NPLs are calculated relative to the relevant loan product

High quality loan book conservatively provisioned



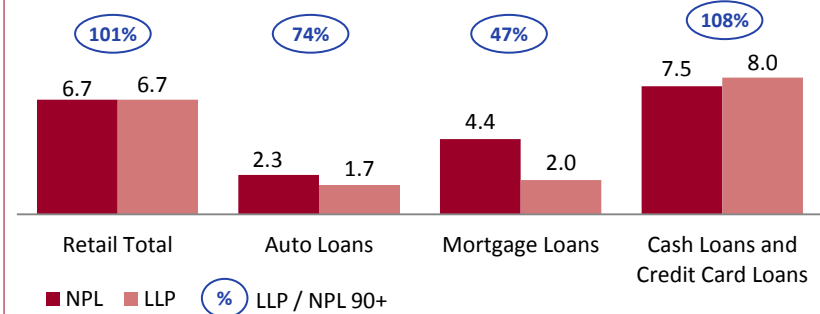
Collateral Structure

(1Q2015, Net of Impairment)



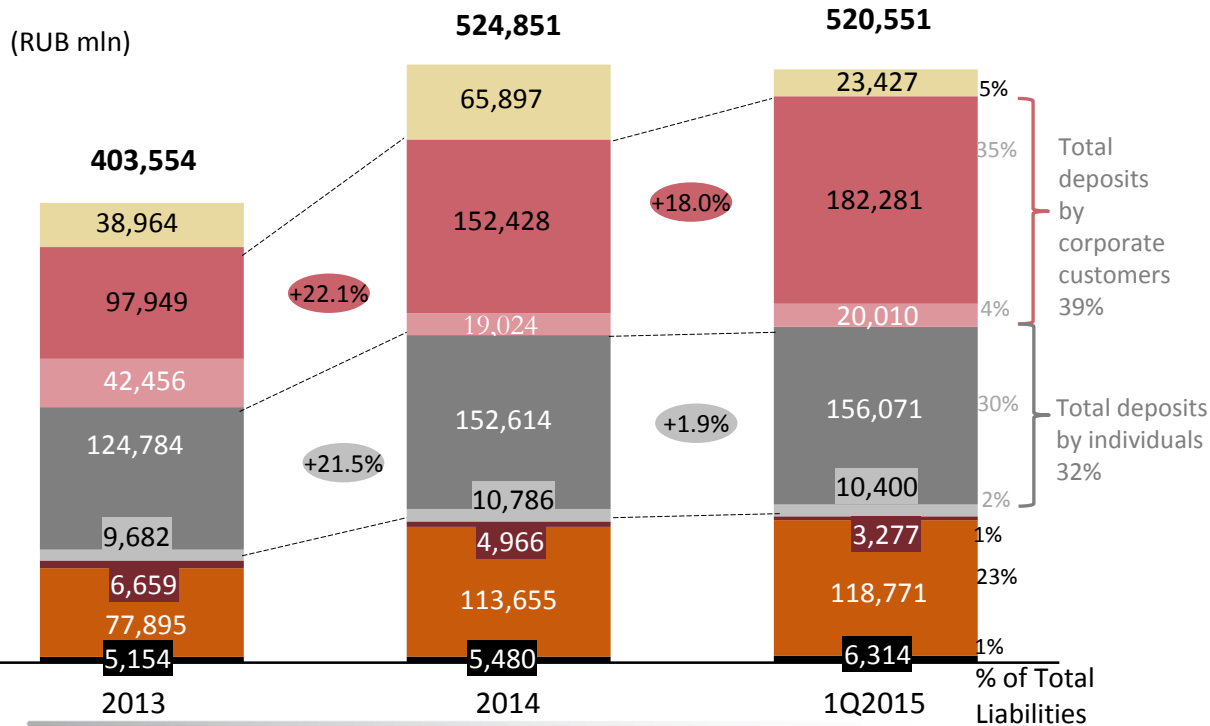
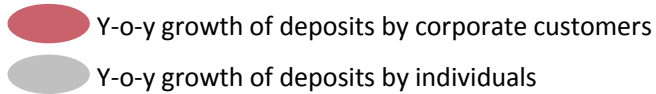
Retail NPLs and LLPs, by Product

(1Q2015, % of gross loans)



Well Balanced Funding Structure

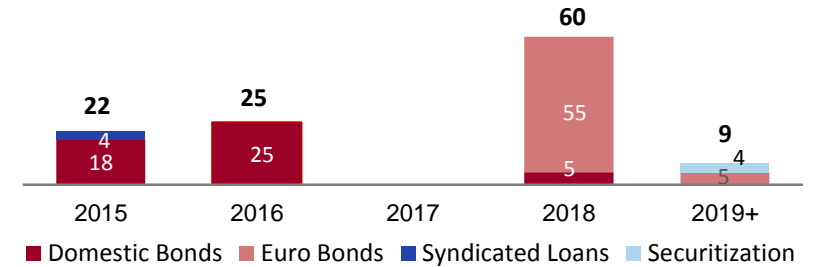
Funding base¹



Source: IFRS financial statements
 1) Equals to liabilities
 2) Including deposits by the CBR

Debt Repayment Schedule

(RUB Bn)



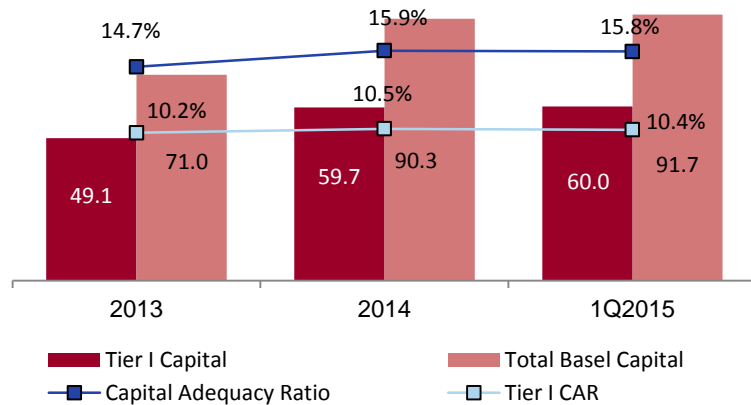
Source: Company data, nominal values; FX rates as of 12.06.15

- Good diversification of funding base with significant share of customer deposits, which now represent 71% of total liabilities
- The Bank significantly increased corporate deposits by 18%
- In March 2015, the Bank placed 5-year bonds series BO-09 with a face value of RUB 3 bln.

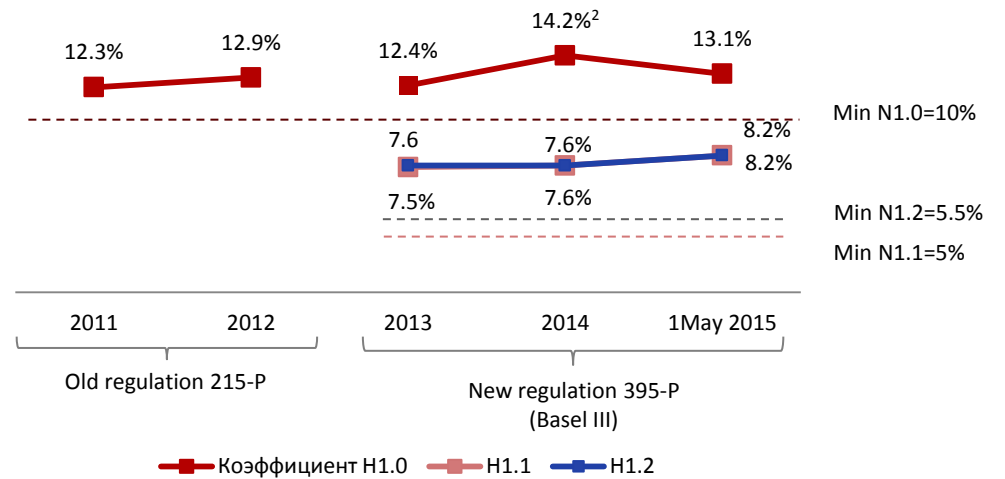
Strong Capital Position

IFRS Capital Adequacy Ratio¹

(RUB bln)



RAS Capital Adequacy Ratios



Capital Injections Since 2010

- Tier I capital injections by the current shareholders in the amount of RUB22.6 bn, including RUB 5 mln Tier I capital from the principal shareholder LLC "Concern "ROSSIUM" in February 2015 (converted from the subordinated loan attracted in December 2014)
- Subordinated loans:
 - US\$20 mln from Black Sea Trade and Development Bank in 2010

- Subordinated bonds:
 - RUB3 bn and RUB2 bn subordinated bond issues in 2012 and 2013 respectively
 - US\$500 mln subordinated Eurobond issue in 2013
 - RUB5 bn subordinated Eurobond issue in 2014

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Key metrics of financial performance

RUB, mln	2013	2014	1Q2015	2014-1Q2015 Change, %
Total assets	454,202	584,839	581,730	-0.5%
Loans to customers (gross)	317,860	394,191	402,247	+2.0%
Total equity	50,658	59,987	61,179	+2.0%
NPL / Gross loans	1.3%	2.3%	2.4%	-
Total provisions / NPL	212.6%	178.4%	201.1%	-
Tier 1 Capital Ratio	10.2%	10.5%	10.4%	-
Total CAR	14.7%	15.8%	15.8%	-
RUB, mln	3m2013	3m2014	3m2015	3m2014-3m2015 Change, %
Net interest income	3,606	4,959	4,897	-1.3%
Fee and commission income	1,240	1,914	1,820	-4.9%
Net income	1,745	1,919	289	-6.6x
NIM	5.1%	4.8%	3.7%	-
RoAE	17.4%	14.9%	1.9%	-
RoAA	2.2%	1.7%	0.2%	-
Cost / Income	34.8%	33.0%	29.3%	-

Thank you

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