

PRESS RELEASE**26.11.2012****CREDIT BANK OF MOSCOW has summed up its 3Q 2012 performance under the international financial reporting standards (IFRS)****Key results**

- CREDIT BANK OF MOSCOW'S 9-month 2012 IFRS net income grew 59.7% yoy and amounted to RUB 3,762 mln (\$121.1 mln).
- The Bank's assets rose 20.2% ytd reaching RUB 279,246 mln (\$9,032.1 mln).
- The loan portfolio expanded by 28.5% ytd to RUB 204,346 mln (\$6,609.5 mln). The ratio of NPLs (loans overdue more than 90 days) was 1.2% of the total portfolio.
- The Bank's performance remains good with return on equity of 16.1%, return on assets of 2.0% and cost-to-income ratio of 40.6% as of the first 9 months of 2012. Interest margin increased from 4.6% to 5.2% yoy.
- The Bank's fee income for the first 3 quarters of 2012 soared 50.2% yoy, reaching RUB 2,800 mln.
- The equity augmented by 43.1% ytd up to RUB 36,638 mln (\$1,185 mln).
- The capital calculated under the Basel Accord increased 35.1% in 3Q12 reaching RUB 39,814 mln (\$1,287.8 mln), the capital adequacy ratio being 14.8%.

The Bank's net income reached RUB 3,762 mln in the reporting period. The ROAE stood at 16.1% and the ROAA at 2.0%. As of end-2011, ROAE and ROAA were 19.7% and 2.0%, respectively. Net income was mainly driven in the first 3 quarters of 2012 by a rise in operational income, observed both in interest and fee income elements.

Net interest income grew 48.2% yoy to RUB 8,843 mln due to the expanding loan portfolio. The **interest margin** widened to 5.2% in the first 9 months of 2012 compared to 4.6% one year before.

The Bank's fee income soared by 50.2% compared to 3Q 2011 reaching RUB 2,800 mln (24.8% of the Bank's operational income), of which 25.3% is attributable to cash collection services and 22.2% to each of settlement services, and issuance of guarantees and letters of credit.

The Bank retains leading positions in cash collection. Apart from servicing its own network and clients, CREDIT BANK OF MOSCOW also provides cash collection services to other financial institutions and their clients. In the first 9 months of 2012, the number of cash collection points rose by 1,533 and reached the total of 8,016. Seventeen new collection itineraries were put in place bringing their total number to 139.

Operational income increased by 59.3% yoy reaching RUB 11,275.6 mln, while **operational expenses** increased by only 55.5% and amounted to RUB 4,573.7 mln. The operational expenses rose in 2012 due to growing administrative expenses related to the infrastructural development and due to greater staff costs driven by the active expansion of retail business. However, as its operational income grows faster, the Bank retains high operational efficiency with CTI (cost-to-income ratio) being 40.6% against 41.6% in 3Q11.

Assets grew by 20.2% ytd to RUB 279.3bln. *The Interfax-100. Banks of Russia. Key performance indicators 3Q 2012*» places CREDIT BANK OF MOSCOW on the 20th spot by assets.

The Bank's loan portfolio (after impairment provisions) expanded by 28.5% ytd and reached RUB 204.3 bln. The corporate loan portfolio grew to RUB 162.2 bln representing 79% of the total loan book, and the retail loan portfolio to RUB 42.1 bln representing 21% of the total loan book. The Bank gradually increases the share of high margin products: its general purpose consumer loan portfolio expanded by 62.7% ytd and reached RUB 24.8 bln.

Loan portfolio quality remains at a high level: the share of NPLs (loans overdue more than 90 days) in the loan portfolio stands at 1.2% (1.1% as of end-2011), the provision coverage ratio being 191.2%. The ratio of loan loss provisions to the loan portfolio is stable at the level of 2.3% since the last year. The percentage of overdue loans (overdue more than 1 day) in the portfolio increased insignificantly from 1.6% as at the last year-end to 1.8%.

In 3Q 2012, the Bank remained active in **trade and structured finance**. During the first 9 months of 2012, CREDIT BANK OF MOSCOW facilitated 385 transactions totalling \$582 mln.

In October 2012, the fourth year in a row, IFC recognized CREDIT BANK OF MOSCOW as the "Best issuing bank in Eastern Europe in 2011" for successful utilisation of its Global Trade Finance Programme.

The securities portfolio (trading and held-to-maturity securities) that accounts for 9.8% of the Bank's assets reached RUB 27.3 bln as of 3Q 2012. The bulk of investments are represented by highly liquid securities – 83% of bonds in the portfolio are included in the CBR's Lombard List.

Retail accounts and deposits rose by 13.6% ytd to RUB 97.0 bln (40.0% of the total liabilities). In particular, term deposits increased by 12.5% to RUB 90.6 bln. **Corporate deposits** rose by 10.0% ytd to RUB 67.6 bln (27.9% of the total liabilities).

Liabilities. In August 2012, the Bank fully repaid its RUB 3 bln 3-year bond issue series 06, and in September successfully placed RUB 3 bln 3-year exchange bonds series BO-02. At present, seven bond issues of CREDIT BANK OF MOSCOW are outstanding for a total of RUB 25 bln: bonds series 07 and 08 totalling RUB 5 bln, and exchange bonds series BO-01, BO-02, BO-03, BO-04 and BO-05 totalling RUB 20 bln.

The Bank's equity as calculated under the Basel Accord increased 35.1% ytd reaching RUB 39,814 mln and the capital adequacy ratio was 14.8% compared to 14.4% as of the last year. This significant growth is due to the increased income and the completion, in 3Q12, of the issue of the Bank's shares to the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD). As a result of the issue, each of EBRD and IFC acquired 7.5% in CREDIT BANK OF MOSCOW for RUB 5.8bln in total. The share of the majority shareholder of CREDIT BANK OF MOSCOW, ROSSIUM Concern, was reduced to 85%.

In terms of equity, the Bank was ranked 24th by *Interfax-100. Banks of Russia. Key performance indicators 3Q 2012*, compared to its 34th place one year before.

The Bank's infrastructural development. As of 3Q 2012, CREDIT BANK OF MOSCOW's branch network included 61 offices in Moscow and the Moscow Region.

In 2012, 68 ATMs and 161 payment terminals were installed. Thus, the number of ATMs and payment terminals reached 672 and 4,175 as of the reporting date, respectively. CREDIT BANK OF MOSCOW ranked 2nd bank in Moscow and in Russia by the number of proprietary transaction & payment terminals and number 7 by the number of proprietary ATMs in Moscow as of 1 July 2012 according to RBC Rating.

In 3Q 2012, the Bank continued to develop its remote service system and fee generating lines of retail business. CREDIT BANK OF MOSCOW increased its plastic card issuance by 31.1% ytd, bringing their total number in 3Q 2012 to 792,000.

Ratings

The Bank's strong positions in the Russian and international markets are confirmed by the leading rating agencies:

- Standard & Poor's – "B+" long-term credit rating, "B" short-term credit rating, "ruA+" Russia national scale rating, stable outlook;
- Fitch Ratings – Issuer Default Rating of "BB-", Short-Term IDR of "B", Viability Rating of "bb-", Support Rating of "5", National Long-Term Rating of "A+ (rus)", stable outlook;
- Moody's – financial strength rating "B1", long-term global & local currency deposit rating at "B1/NP", long-term national scale credit rating at "A2.ru", stable outlook;
- RusRating – "BBB+", national scale credit rating at "AA+", stable outlook.

In late August 2012 RusRating upgraded the long-term rating of the Bank and its debt obligations from "BBB" to "BBB+", national rating from "AA" to "AA+", stable outlook.

The Bank's key financial results for 3Q 2012

Key financials	9 months of 2012, RUB mln	2011YE, RUB mln	change, %
Assets	279,246	232,371	20.2
Liabilities	242,608	206,763	17.3
Equity (Basel)	39,814	29,480	35.1
Loan portfolio (after provisions)	204,346	159,020	28.5
NPLs (loans overdue by more than 90 days)	2,569	1,765	45.6
	9 months of 2012, RUB mln	9 months of 2011, RUB mln	change, %
Net income	3,762	2,356	59.7
Net interest income (before provisions)	8,843	5,967	48.2
Fees and commissions income	2,800	1,864	50.2

Key financial ratios, %	9 months of 2012	2011YE	9 months of 2011
Capital adequacy ratio (CAR)	14.8	14.4	13.3
90+ NPL ratio (before provisions)	1.2	1.1	1.0
LLP / 90+ NPL ratio	191.2	208.6	222.9
Net interest margin (NIM)	5.2	5.0	4.6
Cost-to-income ratio (C/I ratio)	40.6	39.8	41.6
Return on equity (ROE)	16.1	19.7	16.6
Return on assets (ROA)	2.0	2.0	1.6

Background details

CREDIT BANK OF MOSCOW was founded in 1992. It holds general license No. 1978 issued by the Bank of Russia.

The Bank ranks 20th largest bank in Russia as of 3Q 2012 (INTERFAX-100).

CREDIT BANK OF MOSCOW is a universal credit and financial organisation providing the full range of banking services.

The Bank focuses on Moscow and the Moscow Region. The Bank's branch network comprises more than 70 branches, 600 ATMs and 4000 payment terminals.

The Bank has been covered by the Deposit Insurance System since 2004.

85% of the shares in CREDIT BANK OF MOSCOW are held by "ROSSIUM Concern", LLC, which stake is beneficially owned by Mr. Roman Avdeev.

15% of the shares are held in equal parts by the European Bank for Reconstruction and Development and International Finance Corporation.

Contact information

Pavel Voronov

Vice President, Director of International Business and Financial Institutions Division

telephone: 797 42 22 ext. 6200

voronov@mkb.ru

Elena Finashina

Head of Financial Institutions Department

telephone: 797 42 22 ext. 6202

finashina@mkb.ru

Anastasia Vasilchuk

Chief Manager of Investor Relations Unit

telephone: 797 42 22 ext. 6217

vasilchuk@mkb.ru