

Webcast and Conference call

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YE 2014 IFRS Results

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**CREDIT BANK
OF MOSCOW**

*From good to great –
one Bank*

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Key developments and business overview

4

Financial performance

8

Annex

14

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. 790,000 retail banking clients²
- 58 offices and 31 cash offices, c. 5,600 payment terminals and over 800 ATMs in Moscow Area³
- Approx. 4,500 employees³
- 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

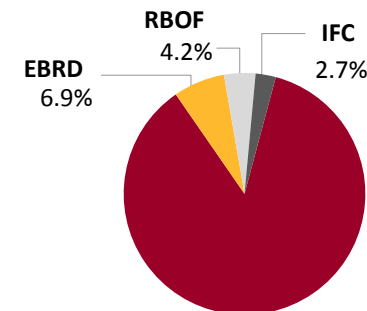


1) Interfax-100 ranking as of 1 April 2015
 2) As of 1 January 2015
 3) As of 1 January 2015
 4) Calculated according to Basel III regulations for 2013 and 2014

Key Financials

| Balance sheet (RUB bln) | 2012 | 2013 | 2014 |
|---|--------|--------|--------|
| Total Assets | 308.7 | 454.2 | 584.8 |
| Gross Loans | 205.9 | 317.9 | 394.2 |
| Customer Deposits | 189.0 | 274.9 | 334.9 |
| Shareholder's Equity | 39.3 | 50.7 | 60.0 |
| Key Ratios | | | |
| NPL 90+ / Gross Loans | 1.0% | 1.3% | 2.3% |
| Tier 1 (Basel III) ⁴ | 13.4% | 10.2% | 10.5% |
| Income Statement (RUB bln) | YE2012 | YE2013 | YE2014 |
| Net interest income (before provisions) | 12.2 | 17.4 | 25.8 |
| Net Income | 5.8 | 8.9 | 5.6 |
| Key Ratios | | | |
| RoAA | 2.2% | 2.4% | 1.1% |
| RoAE | 18.2% | 20.1% | 10.1% |
| Net Interest Margin | 5.2% | 5.2% | 5.8% |
| Cost / Income | 41.1% | 31.2% | 33.7% |

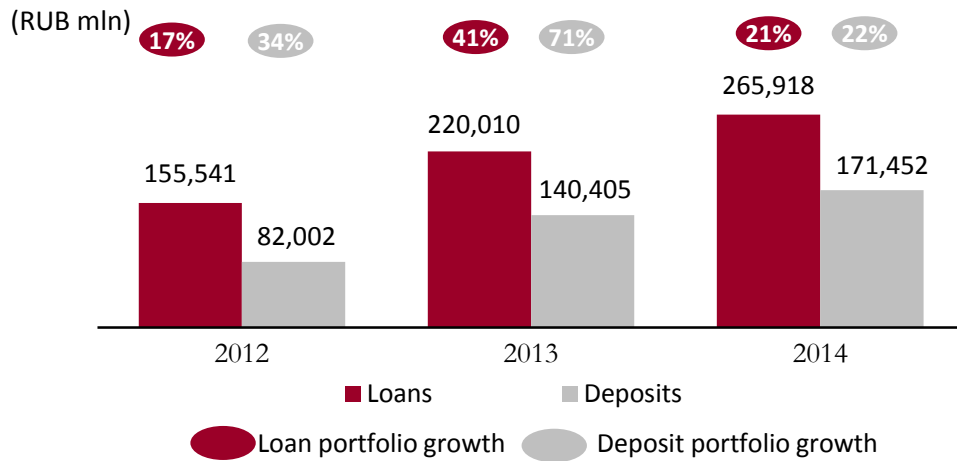
Supportive Shareholders



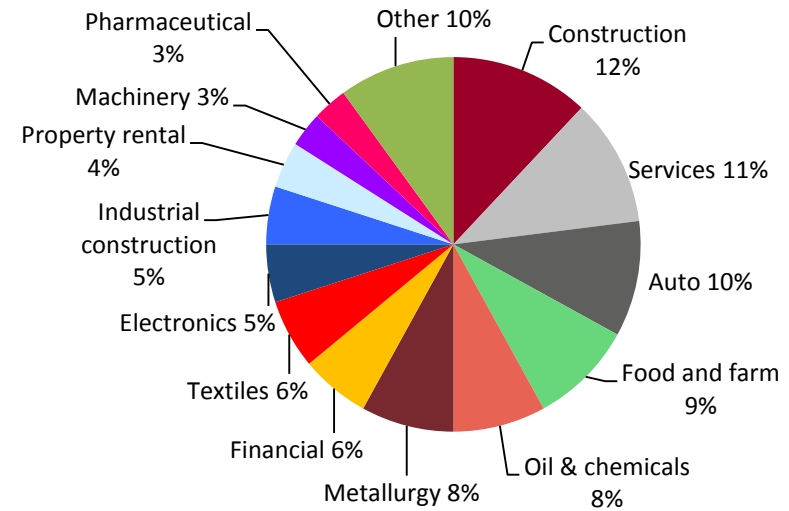
Roman I. Avdeev
86.2%

Corporate banking: strong niche market player

Corporate loan (gross) and deposit portfolio dynamics¹



Corporate loans breakdown by industry¹ (2014)

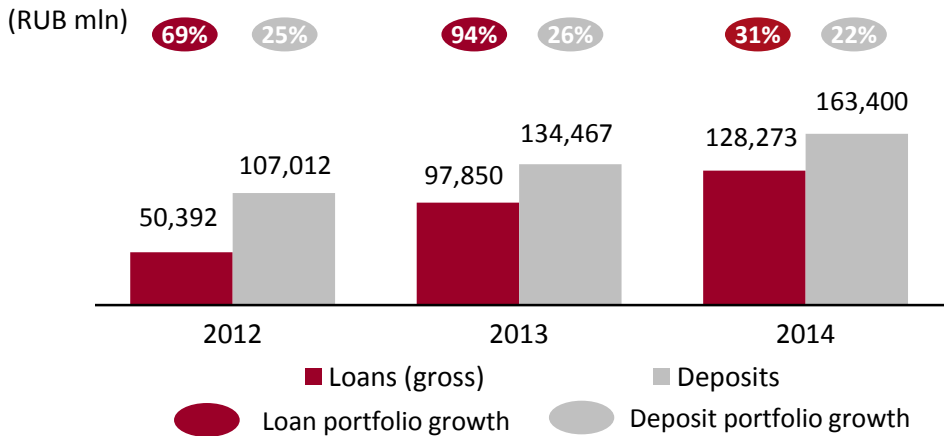


Highlights

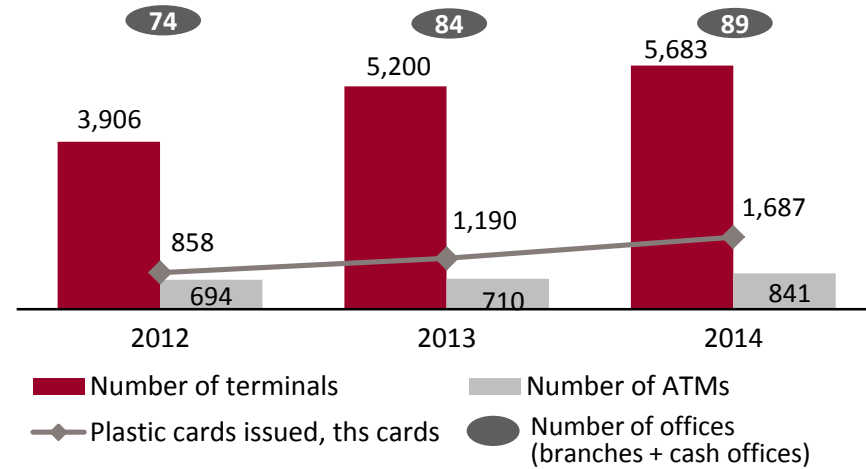
| Strong and Quality Client Base | Business Focused on Growth | Risk Management as Key Priority |
|--|--|--|
| <ul style="list-style-type: none"> Over 15,000 active corporate clients² Strategic focus on retail and wholesale trading sector Focus on large and medium sized corporates | <ul style="list-style-type: 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: retail expansion well underway

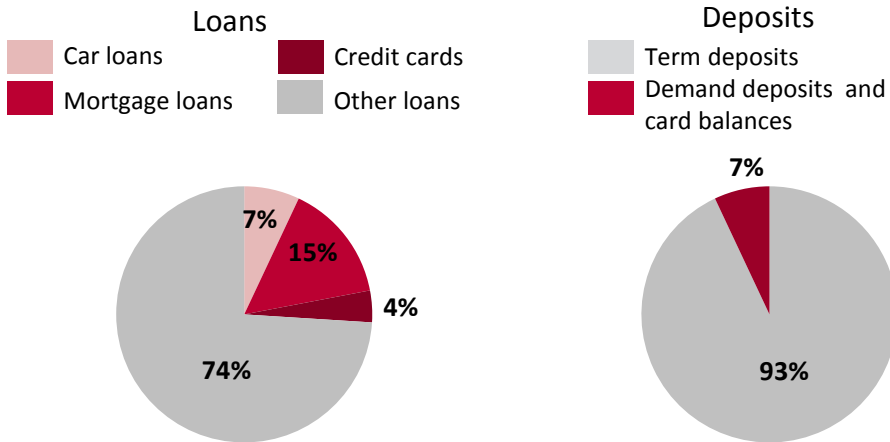
Retail loan (gross) and deposits portfolio dynamics



Network development



Breakdown by type



Key developments and strategy

- Retail banking share in the loan portfolio remained at the level of **33%** as at YE2014
- Target market segments are consumer loans and mortgage loans
- Total number of retail customers is approx. **790** ths (approx. 640 ths as at YE2013)
- **12th** largest bank in retail deposits in Russia (Expert RA, as at 1 March 2015)

Key developments and business overview

4

Financial performance

8

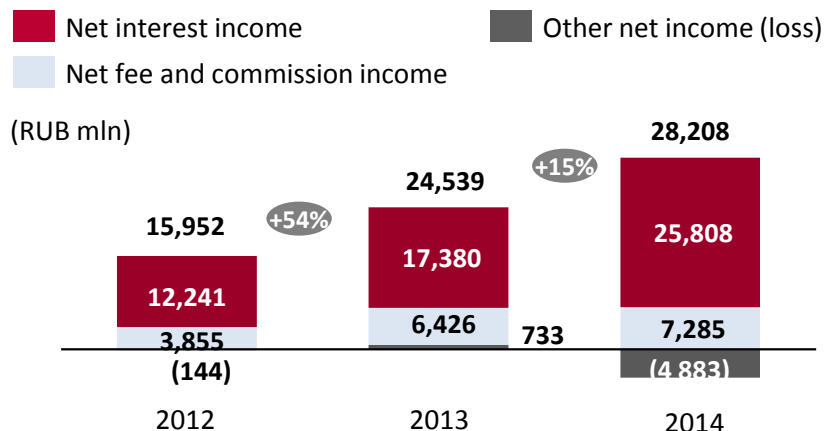
Annex

14

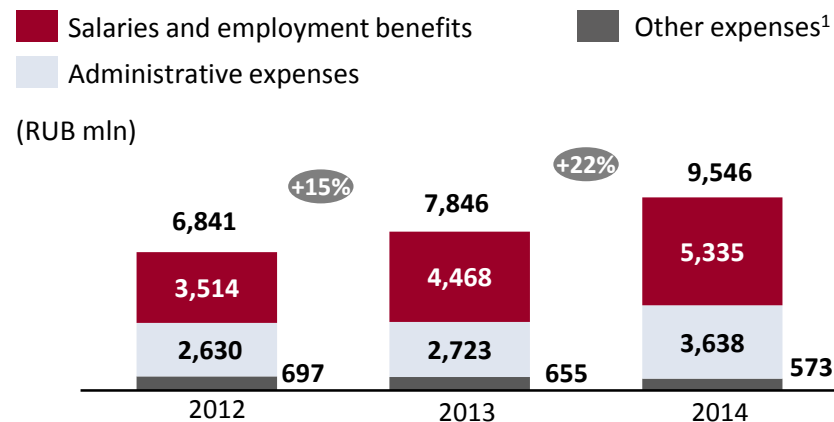
Income and Expenses: CTI ratio of 33.7% driven by strong earnings and operational efficiency

8

Operating income



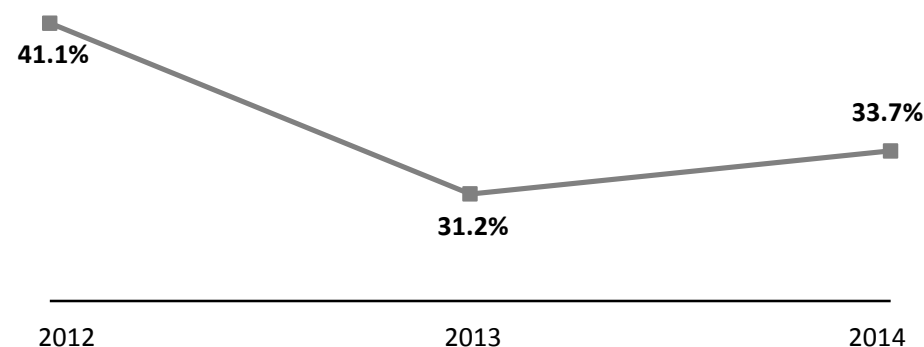
Operating expenses



Key developments

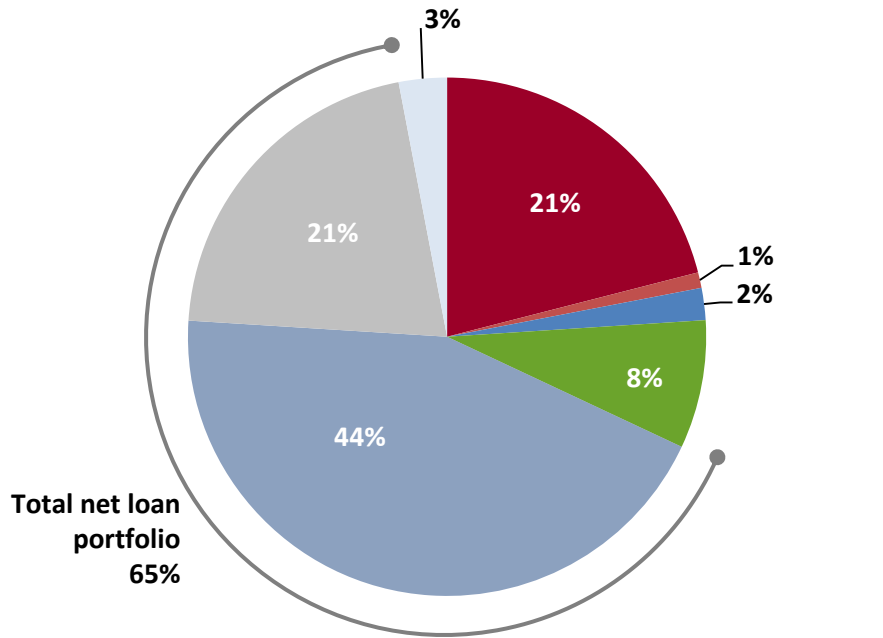
- **NIM** increased to 5.8% in YE2014 (5.2% for YE2013)
- **RoAA and RoAE** reduced in YE2014 to 1.1% and 10.1% respectively (2.4% and 20.1% in YE2013)
- Loan portfolio sustainable growth (+24.0% in 2014 and +54.4% in 2013) together with expanding retail lending and efficient repricing are the main drivers of increase in net interest income
- Fee and commission income growth is based primarily on commissions from plastic cards (increased by 143.2% compared to YE2013), guarantees and letters of credit (increased by 48.7%) and settlements and wire transfers (increased by 33.2%)
- CTI of 33.7% is one of the lowest in the Russian sector

Cost-to-income (CTI)² ratio dynamics



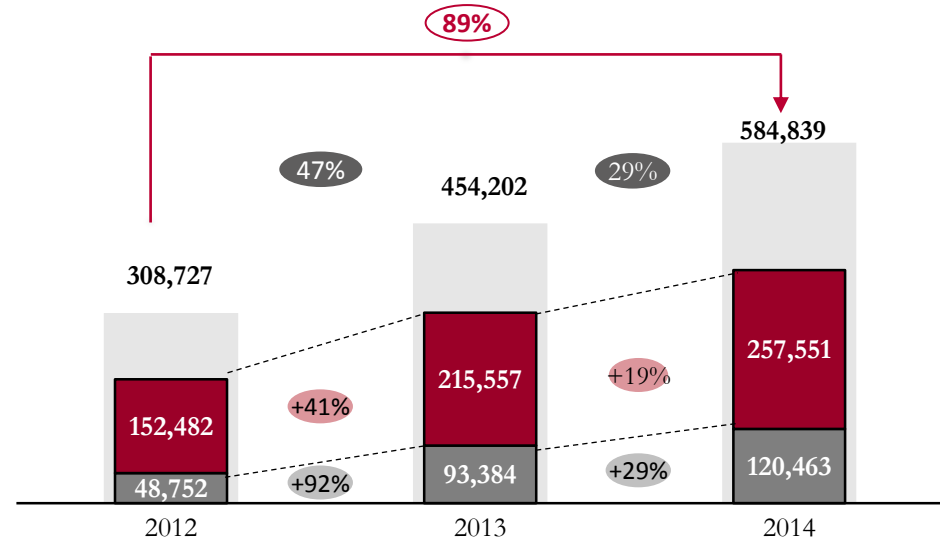
Assets: growing asset base with focus on high quality

Assets structure



Assets and loan portfolio (net) dynamics

(RUB mln)

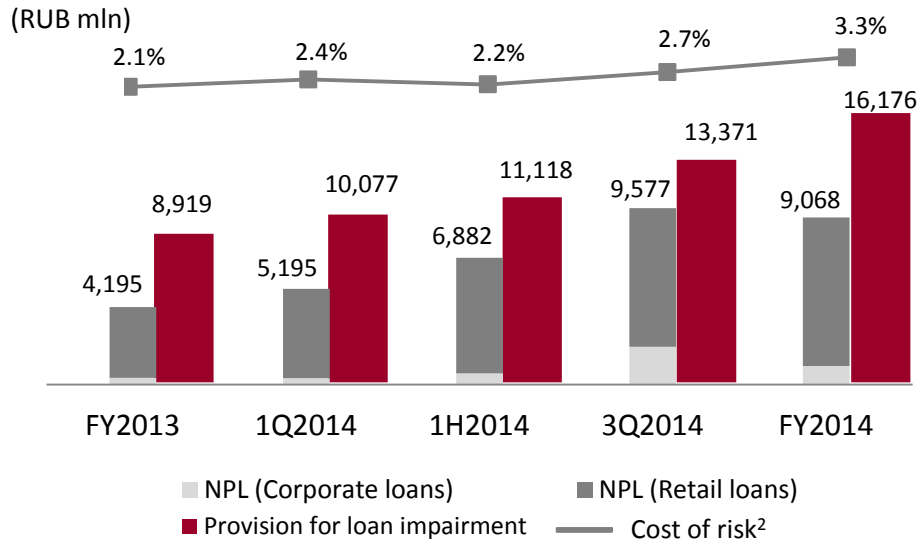


- Corporate loans
- Retail loans
- Total assets
- +41% Net corporate loan portfolio growth
- +29% Net retail loan portfolio growth
- 47% Total assets growth
- +19%

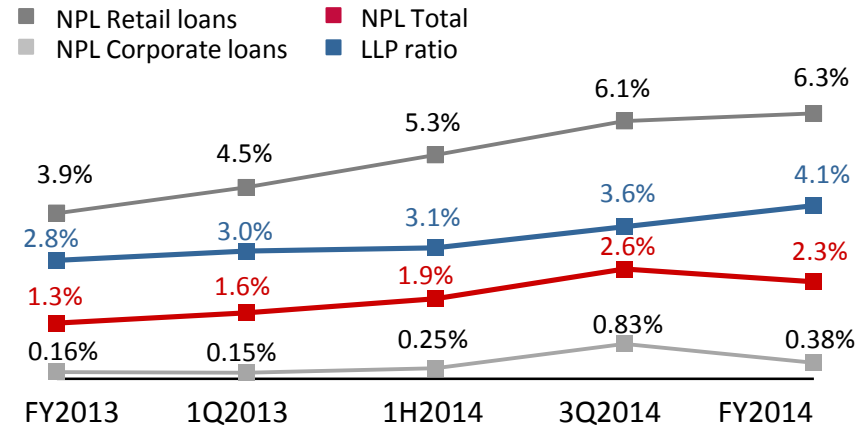
- Cash and due from CBR: 21%
- Due from credit institutions: 1%
- Available-for-sale securities: 2%
- Instruments at fair value: 8%
- Corporate loans: 44%
- Retail loans: 21%
- Other: 3%

Loan portfolio expands while retaining strong quality metrics

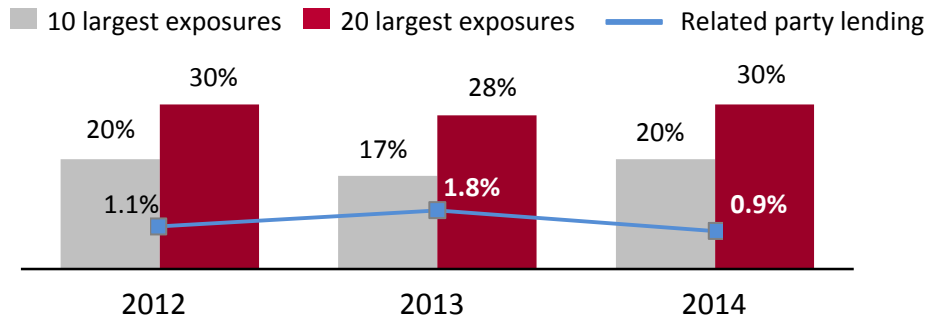
NPL¹ and Provisioning dynamics



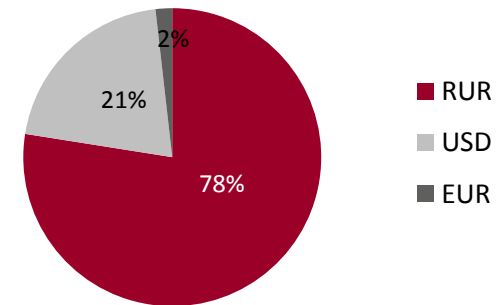
NPL³ and Provisioning ratio dynamics



Largest exposures and related party lending (% of total equity)



Loan portfolio structure by currency



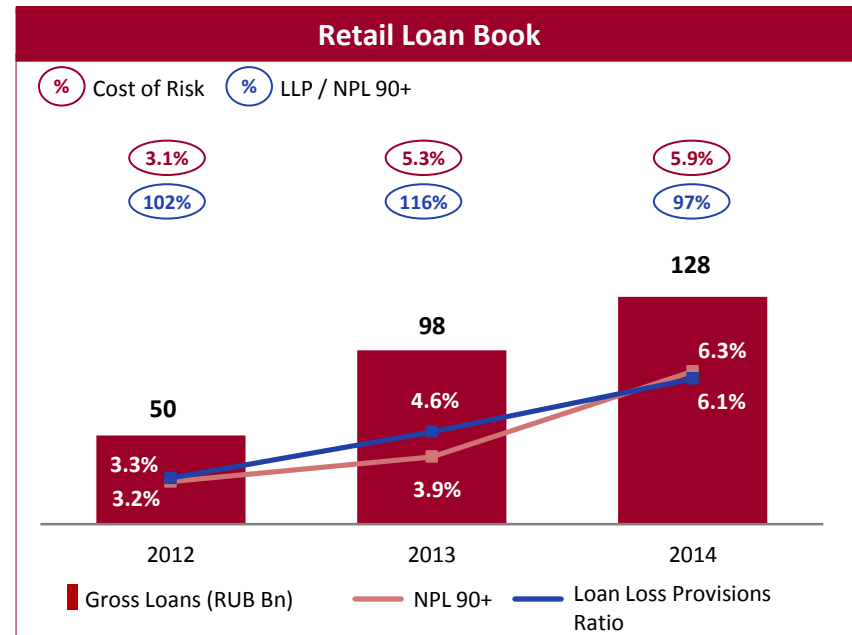
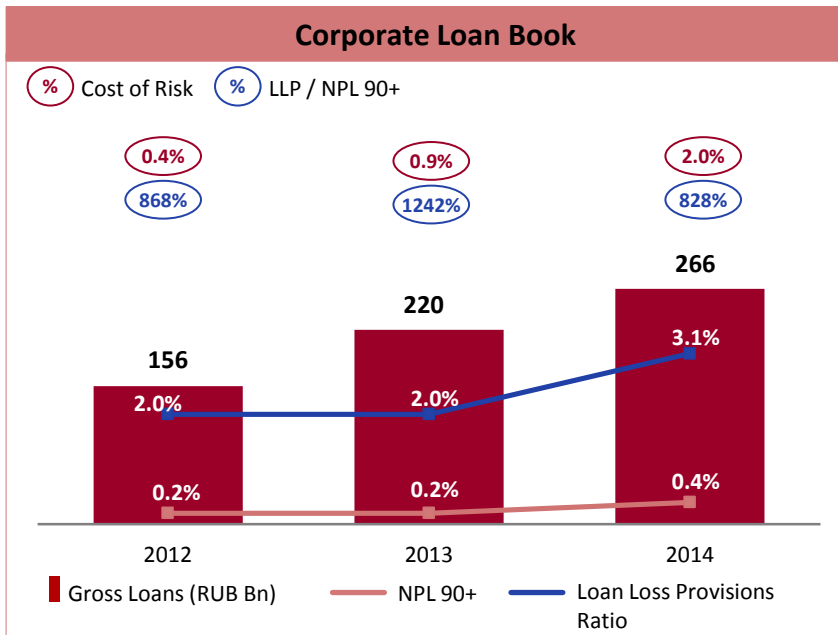
Source: IFRS financial statements

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

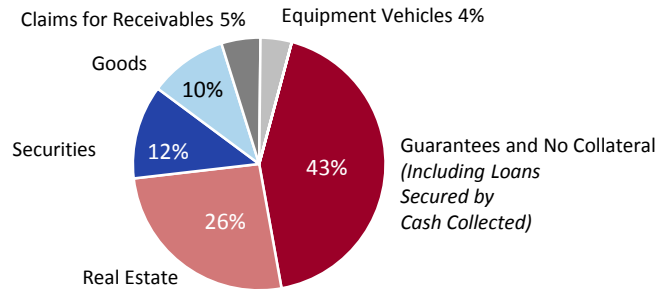
3) NPLs are calculated relative to the relevant loan product

High quality loan book conservatively provisioned



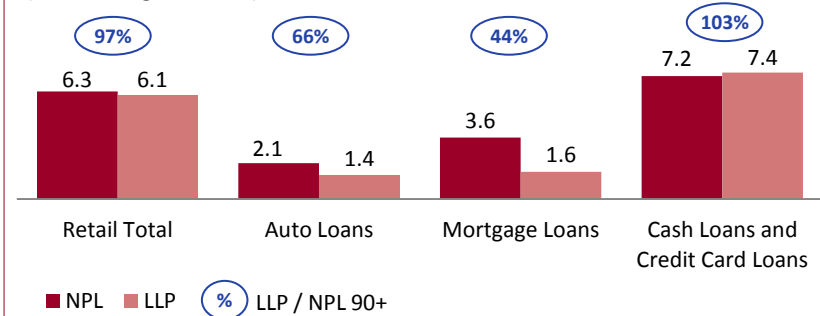
Collateral Structure

(2014, Net of Impairment)



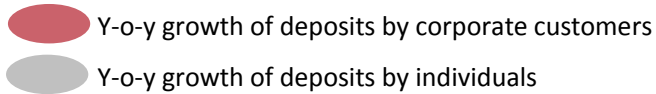
Retail NPLs and LLPs, by Product

(2014, % of gross loans)

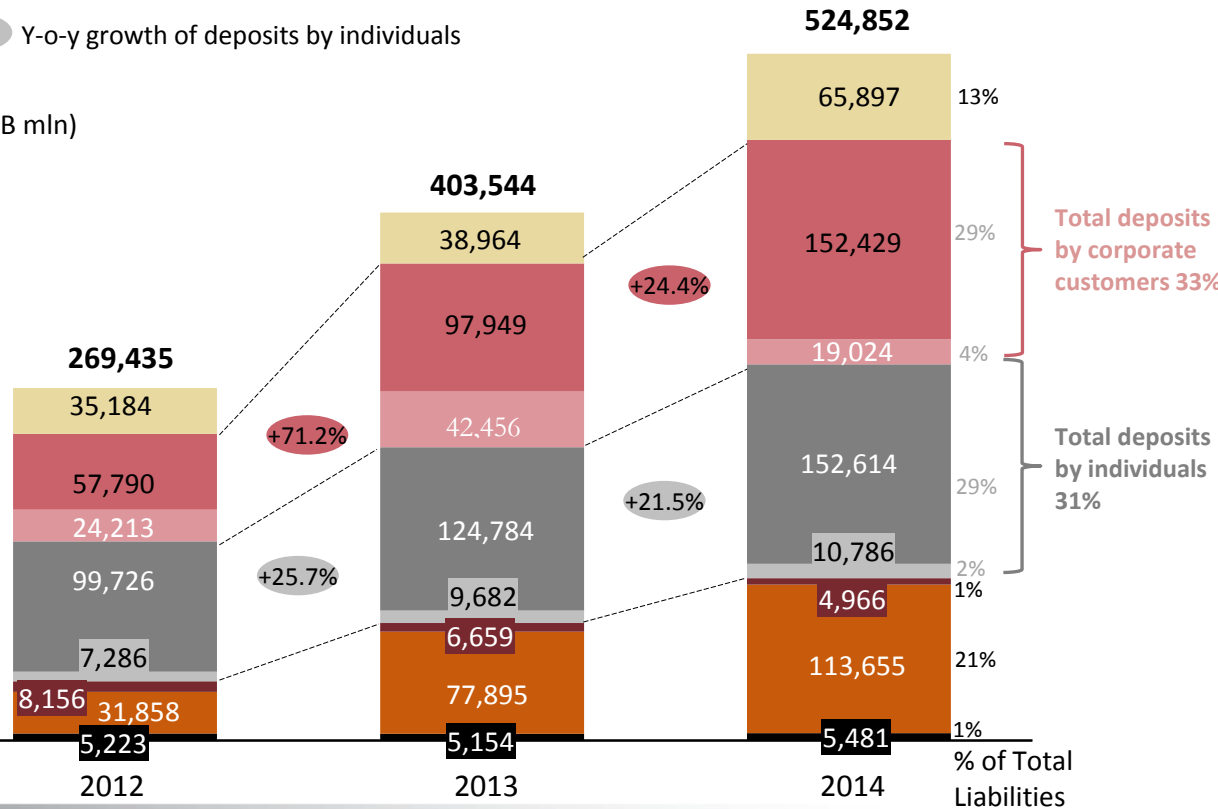


Well balanced funding structure

Funding base¹

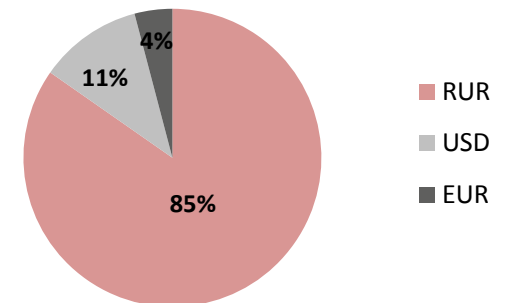


(RUB mln)



- Customer deposits represent 64% of total liabilities
- Funding from CBR represents only 2% of total liabilities
- In the reporting period the following bonds were issued:
 - In July 2014, the Bank placed 5-year exchange-traded bonds series BO-10 and BO-11, with a face value of RUB 5 bln each.
 - In December 2014, the Bank placed three additional issues of BO-11 with a total face value of RUB 10 bln and an additional issue of BO-07 with a total face value of RUB 2 bln
 - End-December 2014, the Bank placed subordinated Eurobonds at a nominal value of RUB 5 bln with the interest rate of 16.5% and a call option in 5.5 years.
- Subsequent to the reporting date:
 - 24 March 2015, the Bank repaid the USD300 mln /EUR20 mln 1-year tranche of the dual currency syndicated loan raised in March 2014. The second USD 68 mln 1.5-year tranche falls due in September 2015.
 - 23 March 2015, the Bank placed its 5-year exchange-traded bonds series BO-09 with a face value of RUB 3 bln.

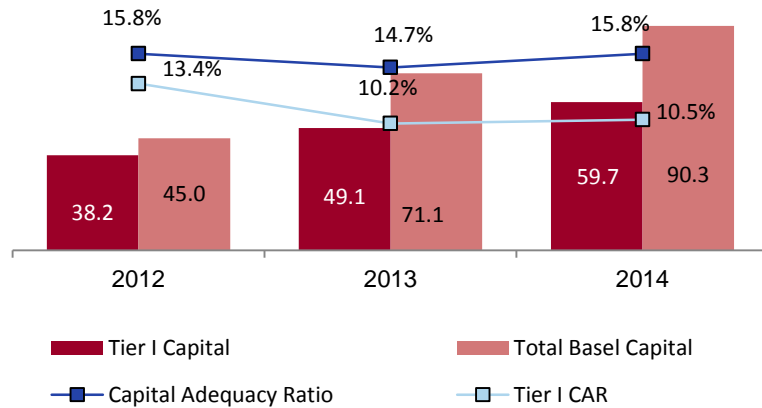
Customer deposits structure by currency



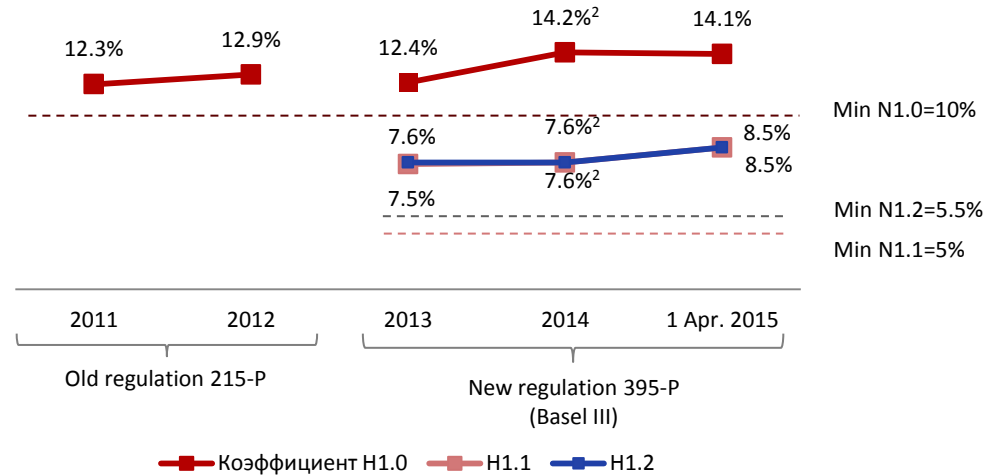
Strong capital position

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 RUB 23.6 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:
 - RUB 3 bn and RUB 2 bn subordinated bond issues in 2012 and 2013 respectively
 - US\$500 mln subordinated Eurobond issue in 2013
 - RUB 5 bn subordinated Eurobond issue in 2014

| | |
|--|-----------|
| Key developments and business overview | 4 |
| Financial performance | 8 |
| Annex | 14 |

Key metrics of financial performance

| RUB, mln | 2012 | 2013 | 2014 | 2013-2014 Change, % |
|----------------------------|---------|---------|---------|-------------------------------|
| Total assets | 308,727 | 454,202 | 584,839 | +28.8% |
| Loans to customers (gross) | 205,933 | 317,860 | 394,191 | +24.0% |
| Total equity | 39,292 | 50,658 | 59,987 | +18.4% |
| NPL / Gross loans | 1.0% | 1.3% | 2.3% | - |
| Total provisions / NPL | 238.9% | 212.6% | 178.4% | - |
| Tier 1 Capital Ratio | 13.4% | 10.2% | 10.5% | - |
| Total CAR | 15.8% | 14.7% | 15.8% | - |
| RUB, mln | YE2012 | YE2013 | YE2014 | YE2013-YE2014 Change, % |
| Net interest income | 12,241 | 17,380 | 25,808 | +48.5% |
| Fee and commission income | 4,283 | 7,205 | 9,102 | +26.3% |
| Net income | 5,778 | 8,880 | 5,569 | -37.2% |
| NIM | 5.2% | 5.2% | 5.8% | - |
| RoAE | 18.2% | 20.1% | 10.1% | - |
| RoAA | 2.2% | 2.4% | 1.1% | - |
| Cost / Income | 41.1% | 31.2% | 33.7% | - |

Thank you

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