

June 18, 2003

ZAO Citibank has arranged ZAO Bank Russky Standart's RUB 1 billion bond issue for on a sole lead basis

On 18 June 2003, Bank Russky Standart's RUB 1 billion bond issue due June 2005 was placed at MICEX. ZAO Citibank acted as the sole lead arranger and the payment agent for the issue. Following the auction, the cut-off price was set by the issuer at 100.66% of the par value resulting in a yield to maturity of 14,24% p.a. and a yield to first annual put option of 13,75% p.a.

The total investor demand during the initial offering amounted to RUR1,25 billion rendering the issue 25% oversubscribed. The number of bids reached 45. Vneshtorgbank, All-Russia Bank for Regions Development, Investment Municipal Bank and ING Bank Eurasia, International Moscow Bank and Bank Petrocommerce acted as underwriters of the issue.

The three year RUB 1 billion issue was registered with Bank of Russia on May 7, 2003. The 14% p.a. is payable on a semiannual basis. The issuer has offered investors an annual put option ("offerta") at par. ZAO Companiya Russky Standart has provided a comprehensive guarantee for the bond issue.

Funds raised by ZAO Bank Russky Standart through the bond offering will be used to further finance its consumer lending activities in Moscow and to expand it to other regions of the Russian Federation.