

September 29, 2010
Moscow

Citibank and RBC Introduce First Mass Affluent Wealth Index in Russia

Dynamics of the Development of the Most Economically Active Russians Can Now Be Measured.

Today, ZAO Citibank and RBC media holding company have announced results of analysis of the first Mass Affluent Wealth Index in Russia that allows to assess the impact of a number of market factors on the general condition of the segment and forecast consumer sentiment of this population group. As demonstrated by Citibank's prior studies, affluent Russians generate a significant share of incomes and play a key role in forming consumer demand.*

When creating the index, the key task was to fill up the insufficient data on the current condition of the segment and create an efficient mechanism for monitoring changes in the segment's welfare. In future, with accumulation of the statistics data, the index may become an important instrument for measuring consumer confidence and economic forecasting.

The methodology for calculation of the index is based on the international common practice, as well as the data received during a number of industry studies and the survey of affluent Russians conducted at the end of 2009 by RBC and Citibank. In the course of the preparations there have been identified the indicators that had the most influence on the level of prosperity of affluent Russians. Those include average salaries, average level of expenditures, inflation, dynamics of main currencies (US dollar, Euro), average price of a square meter of housing properties in Moscow, average rate on bank deposits of individuals, average rates on consumer loans. The index is calculated using a formula that integrates the various weights assigned to each of the indicators listed above. Salaries / income have the highest weight (43.65%) while inflation has the lowest weight (2.14%).

"According to our estimates, 990,000 of affluent Russians have accounted for 25% of the country's income in 2009, however, until recently there have been no instruments that would allow us to measure the development dynamics in this segment." – commented Sergey Korotkov, Citi Russia Retail Banking Business Head. – "We are confident that the index that we have developed will allow us both to assess the current condition of this group of Russians, and also to forecast the possible changes in future."

Artem Inyutin, General Director of RBC-Media commented: "It is good to know that we now have this tool. It is worth mentioning that being an on-line project, RBC. Rating, in partnership with Citibank, can create and maintain indices that are being tracked in real-time mode. Consumer ratings are an important part of our joint project, and that allows us to cover both Mass Affluent and Russian middle class in general."

* **Mass Affluent** is a term used by ZAO Citibank to identify the citizens of Russia that have available currency assets of 1.3 to 13 million rubles in cash, deposited at the banks, invested in securities, mutual funds etc. Mass Affluent people make up 0.7% of the entire population of Russia. An average Mass Affluent has 3.4 million in available currency assets. The cumulative cash assets of this group are equivalent to 9% of Russian GDP. For the most recent joint Citibank-New Economic School report on Mass Affluent Russians, please go to <http://www.citibank.ru/russia/news/eng/235.htm>

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of products and services. At present, the Bank has over 3,000 employees; its distribution network includes over 350 ATMs, retail branches across major cities in Russia, Kazakhstan, and Ukraine. For more information on Citibank in Russia, visit www.citibank.ru

RBC.Rating is a project run by the media holding RBC. The project aims to provide its audience with systematized and carefully structured information on various sectors of the Russian business sphere and economy. RBC.Rating offers each user the option of either independently analyzing the dynamics of changes, or resorting to off-the-shelf analytical commentary. **RBC.Rating's objective is to provide for the compiling and publication of various rankings, both of a financial and consumer nature**, so as to catch the attention of financial and stock market professionals, as well as middle class representatives looking for an independent assessment of the quality of a broad spectrum of goods and services. For more details, visit <http://rating.rbc.ru/>.