
IMB GROUP



IMB Group raises \$31.5 million in private placement

Kiev, July 7, 2006. IMB Group Ltd., the leading pure-play consumer lending platform for the Ukrainian market, announced today that it attracted \$31.5 million in new capital through a private placement. The Group has also announced that Joel Epstein, the retiring Global Head of Consumer Finance at AIG, will join its Board of Directors as Non-Executive Chairman.

The book was closed last Friday, June 30th, for a private placement of a 46% equity stake in IMB Group Ltd, the Cyprus holding company owning 100% of International Mortgage Bank and Family Credit, a consumer lending intermediary. The placement raised \$31.5 million in expansion equity capital. The transaction was lead managed by Dragon Capital, who placed IMB Group's shares among about 20 Western financial investors. The placement was 3.8x oversubscribed.

Funds from the private placement will be used by IMB Group to strengthen the equity base of International Mortgage Bank. An increase in equity capital will allow International Mortgage Bank to further fund its rapidly growing consumer and mortgage lending portfolio. Before the end of the year, the bank intends to issue Ukrainian corporate bonds, and is in discussions with a number of Western financial institutions on additional long-term debt financing for the mortgage business. In the coming months, IMB Group plans a depositary receipts program on the Frankfurt Stock Exchange.

The incoming Chairman of the Board, Mr. Joel Epstein, has had a distinguished 30-year banking career, most recently as Global Head of AIG Consumer Finance responsible for AIG's consumer lending operations in USA, Poland, Hong Kong, Taiwan, Mainland China, Thailand, Philippines, Mexico and Argentina. Mr. Epstein held various senior positions with AIG and Chase Manhattan Bank, including those of AIG Country Manager for China, President of Chase Personal Financial Services (jumbo mortgages and home equity), President of Chase Auto Finance (auto dealer finance, auto loans and leases), and Chase Latin America Regional Executive for Consumer and Private Banking. Mr. Epstein holds a BA (1967) and MA (ABD, 1971) from Princeton University. He is a US citizen, and speaks English, Russian, Chinese, French, and Spanish. Mr. Epstein is also making a personal investment into the shares of IMB Group as part of the private placement.

Commenting on his appointment and the transactions, Mr. Epstein said: "I am tremendously excited to be joining the Board of IMB Group and am honored to have been selected as a Non-Executive Chairman. As the leading pure play consumer finance platform in Ukraine, without legacy problems, IMB Group has the potential to set the gold standard for good corporate governance, product quality, customer service, and shareholder returns. The capital commitment of blue-chip Western financial investors which the Group was able to secure serves as a clear validation of this potential. I believe that the market possibilities in Ukraine are enormous, and expect the consumer finance industry in Ukraine to expand rapidly for years to come. I am looking forward to contributing to IMBG's growth and development."

Mark Iwashko, Senior Partner of Horizon Capital, manager of Emerging Europe Growth Fund, LP, IMBG's controlling shareholder, said: "We are delighted to have been able to secure this funding, which will enable

IMB Group and its subsidiaries to take their development to the next level. We are particularly pleased that the valuation of the private placement recognized a significant premium over our investment cost. We believe that this premium was generated by the strategic approach that we took with this investment and the strength of the company's management team. We are also very excited about Mr. Epstein's decision to join us. His decades of senior emerging markets consumer finance experience will be an incredible asset to the Group from the point of view of strategy, know-how, and financing.”

IMB Group Ltd. is Ukraine's leading pure-play consumer lending platform, offering mortgages, POS loans and deposits. IMB Group owns 100% stakes in IMB, a mortgage bank, and Family Credit, a consumer lending intermediary. IMB Group is controlled by Emerging Europe Growth Fund, LP, a fund managed by Horizon Capital, Ukraine's leading private equity fund manager (formerly Western NIS Enterprise Fund).