



**УРАЛСИБ**  
ФИНАНСОВАЯ КОРПОРАЦИЯ

# **BANK URALSIB 2007 Financial Results under RAS**

**Analysts meeting**

*Moscow, March 7, 2008*

The statements and financial information of URALSIB (including, for avoidance of doubt, OJSC URALSIB as well as its predecessor banks, including but not limited to Avtobank-NIKoil Bank, NIKoil IBG Bank, Bryansky Narodny Bank, Kuzbassugolbank, Ural-Siberian Bank), have been derived from audited and/or un-audited consolidated and unconsolidated accounts for URALSIB, as these were available at the time of preparation of this document. Quarterly updates are based on management accounts.

Some statements and/or other information included in this document may be deemed to be “forward looking” within the meaning of United States federal securities laws. Forward looking statements include statements concerning the URALSIB’s plans, objectives, goals, strategies, and future operations and performance, and the assumptions underlying these forward looking statements. Sometimes these statements will use words such as “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “may”, “will”, “should”, and other similar expressions. These forward looking statements are used widely in this presentation, especially in the sections that include plans, outlook, projections, trends and forecasts. These statements are not guarantees of our future performance. URALSIB has based these forward looking statements on the view of its management only as of the date that they initially were made with respect to future events and financial performance. These views reflect the best judgment of the URALSIB’s management but involve uncertainties and are subject to certain risks and uncertainties, the occurrence of which could cause the actual results to differ materially from those projected in the URALSIB’s forward-looking statements. Factors that could cause actual results to differ materially from current expectations include, without limitation, the URALSIB’s ability to implement its strategic initiatives, economic, political and market conditions, government regulation, interest rate risk and competition. Given these uncertainties, you should not rely on forward-looking statements. URALSIB expressly disclaims a duty to provide updates to any forward-looking statements, and the estimates and assumptions associated with them, to reflect events or circumstances or changes in expectations or the occurrence of anticipated events after the date they initially were made. The financial information contained herein has been derived from un-audited [consolidated and unconsolidated] accounts for OJSC “BANK URALSIB” (the “Bank”) as prepared independently by the Bank, as these were available at the time of preparation of this document

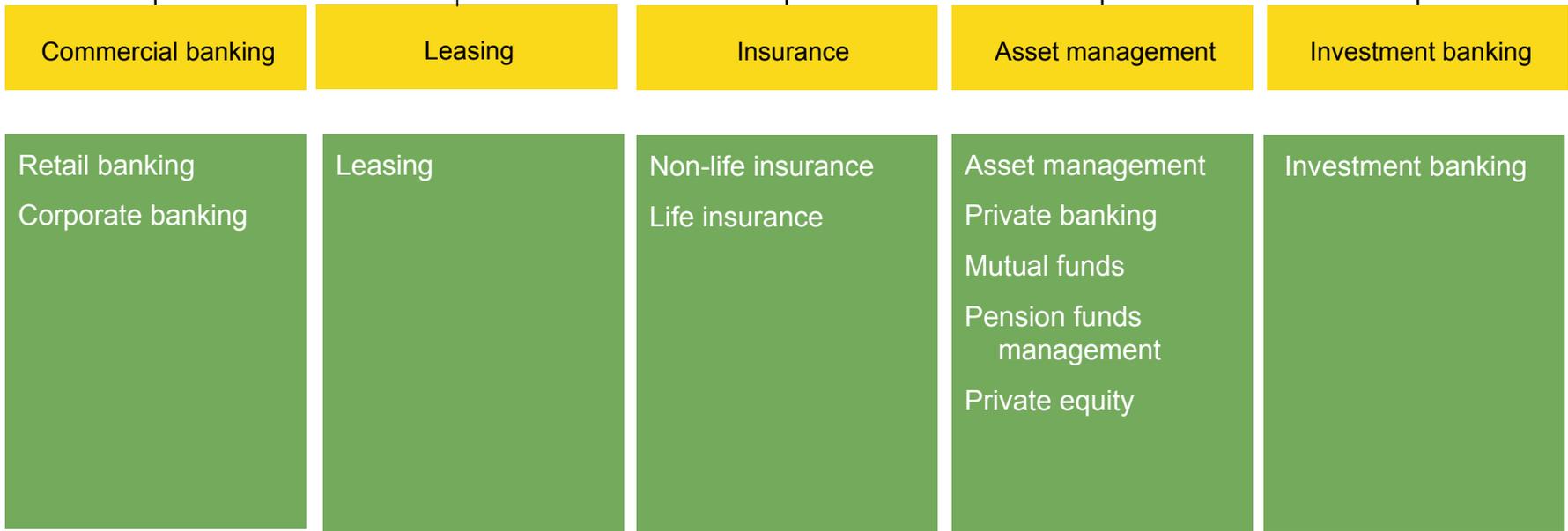
“URALSIB” means the group comprising OJSC “Financial Corporation URALSIB” and each of its subsidiaries.

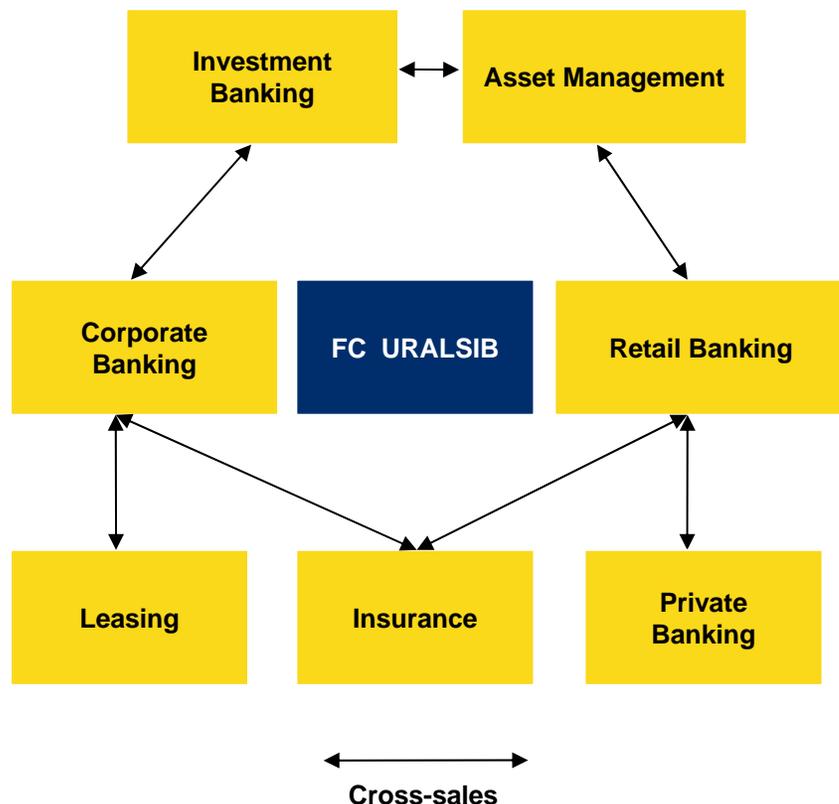
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BANK URALSIB. Profile

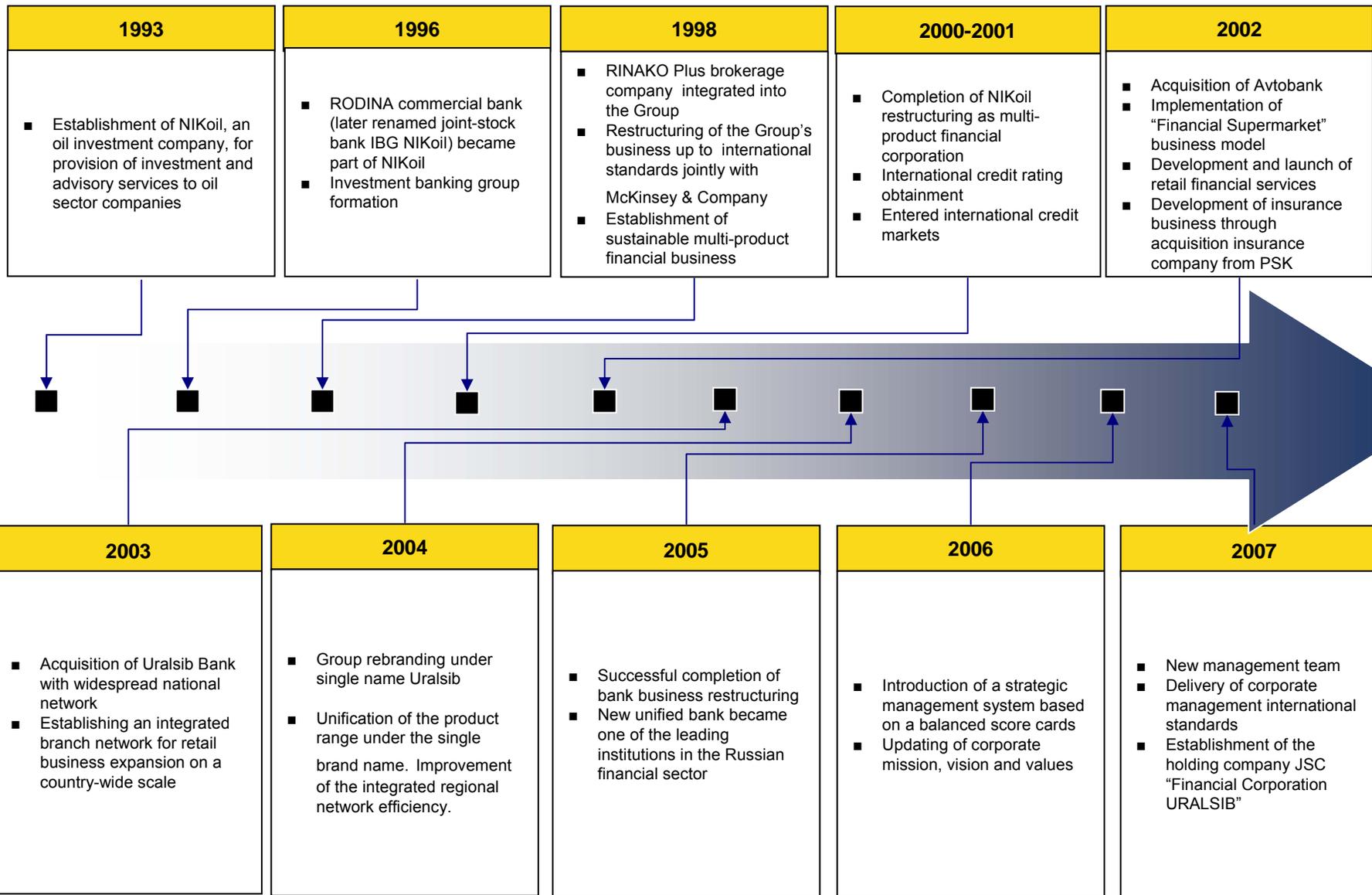
BANK URALSIB 2007 financial results

Appendix

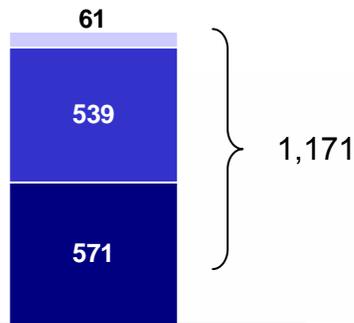
**Financial Corporation URALSIB**
**Subholdings**




- FC URALSIB today: more then 6.8m customers, 1,171 sales points, 19,000 employees
- Strong brand recognition both domestically and internationally
- FC URALSIB provides a wide range of financial services including retail and corporate banking, investment banking, leasing, insurance, brokerage and custody services, asset and wealth management
- FC URALSIB has strong positions on all key activities among the leading companies



**Sales points (1)**



■ Bank ■ Insurance ■ Leasing



*Note: Bank includes JSC "URALSIB", JSC "JSCB Sroyvestbank", JSC "URALSIB-Ugbank" and ICB "NIKOIL" (Azerbaijan) as of 01.03.2008*

Financial Corporation URALSIB. Profile

**BANK URALSIB. Profile**

BANK URALSIB 2007 financial results

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**Financials**

 as of 1<sup>st</sup> Jan, 2008

	<i>bln. rubles</i>
Assets	353.7
Equity	41.1
Credit portfolio <sup>(1)</sup>	208.7
Customer accounts <sup>(2)</sup>	223.2
Net interest income	12.2
Net fee and commission income	5.4
Net income	1.2

**Infrastructure**

Sales points <sup>(3)</sup>	557
ATMs <sup>(4)</sup>	1,549
Credit cards (mln.)	3.1
Personnel (th.)	15.3

**Credit ratings**

Fitch Ratings	B+, outlook «Stable»	assigned 21.11.2007
Moody's	Ba3, outlook «Positive»	assigned 05.05.2007
S&P	B+, outlook «Positive»	assigned 27.11.2006

BANK URALSIB is one of the leading Russian national financial institutions. It consolidates 12 banks.

- Established through merger of 5 banks in 20.09.2005: OJSC "UralSib", OJSC JSCB "AVTOBANK-NIKOIL", CB "Bryanskiy Narodny Bank" (OJSC), IBG NIKoil (OJSC), OJSC JSCB "Kusbassugolbank"
- Integration of 6 regional banks on OJSC "JSCB Stroyvestbank" in 2001-2007.
- OJSC "JSCB URALSIB-Ugbank"
- Central office in Moscow, distant office in Ufa.
- Full product range for retail and corporate customers.
- Participation in the largest social projects in regions.



**BANK URALSIB is the center of Financial Corporation**

**Supervisory Board**

**Nikolay Tsvetkov**  
Chairman

**Ajrat Gaskarov**

**Andrey Donskikh**

**Natalia Zvereva**

**Denis Korobkov**

**Rail Sarbaev**

**Sergey Solodov**

**Dmitry Shmelev**

**Douglas Gardner <sup>(1)</sup>**

**Management Board**

Andrey Donskikh

Chairman of Management Board

Dmitry Zotov

Deputy Chairman of Management Board

Konstantin Vasilchishin

Deputy Chairman of Management Board

Dmitry Smirnov

Deputy Chairman of Management Board

Tatiana Letunova

Deputy Chairman of Management Board

Ildar Muslimov

Deputy Chairman of Management Board

Oleg Ganeev

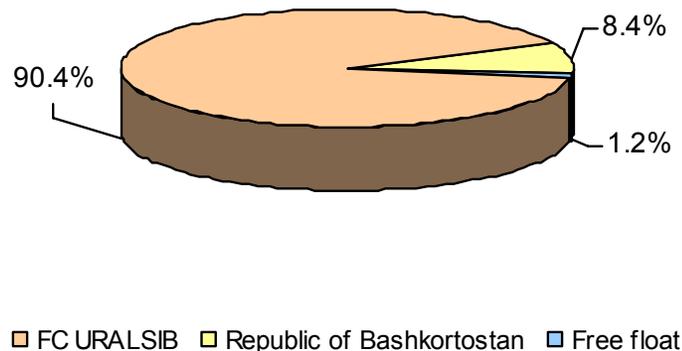
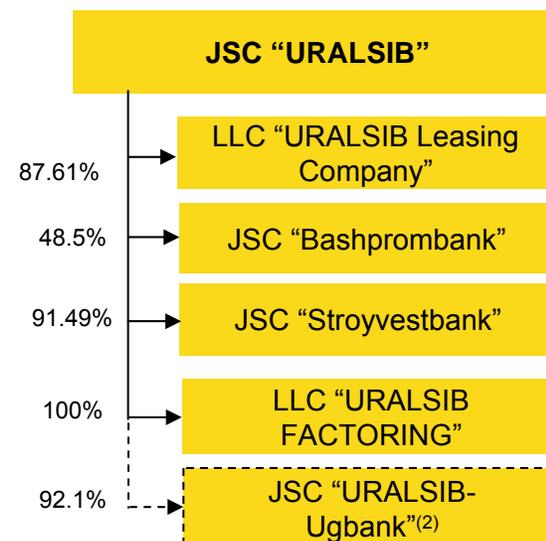
Chief Executive Director

Lidia Plytnik

Head of internal control

Yuri Petukhov

Chief Accountant

**Shareholding structure**

**Corporate structure**


*Note: <sup>(1)</sup> Independent Director <sup>(2)</sup> owned by FC URALSIB*

**January**

- Private BANK URALSIB receives Excellence Award by Euromoney

**February**

- \$US 50 mln. loan facility signed (Canadian Bank Export Development)
- BANK URALSIB signs a one-year \$US 50mln. Asia-focused syndicated loan facility (organizer - The Bank of Tokyo-Mitsubishi)

**March**

- Publication of Audited social report in accordance with GRI G3 (obtainment of “A+” rating by PwC)
- BANK URALSIB signed a one-year \$US 290 mln. international syndicated loan facility (organizers - Emirates Bank International and ICICI Bank)
- Andrey Donskikh is appointed the Chairman of the Management Board

**April**

- BANK URALSIB wins Global Finance Award as the Best Regional Bank in 2007

**May**

- The Moody's Investors Service upgrades the outlook on all of BANK URALSIB ratings from “Stable” to “Positive”

**June**

- According to Institutional Investor the URALSIB analysts team gained the highest rating

**July**

- BANK URALSIB signed a two-year \$US 404 mln. syndicated term loan facility (organizers - The Bank of Tokyo-Mitsubishi, Commerzbank, Raiffeisen Zentralbank, Societe Generale and Sumitomo Mitsui Banking Corporation Europe)
- The government of Ivanovskaya Region and JSC “Uralsib” signed an agreement on social card issue

**November**

- Fitch Ratings assigned “B+”, outlook “Stable” for BANK URALSIB

**December**

- BANK URALSIB secured \$US 137 mln. one-year international syndicated loan facility (organizers - Dresdner Kleinwort and ING Bank)
- The EGM elected new Supervisory Board
- BANK URALSIB increased its holding in JSC “Stroyvestbank” from 54,97% to 91,49%
- S&P assigned “B+”, outlook “Positive” for BANK URALSIB

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<i>bln. rubles</i>	2007	2006	Change, %
<b>Income Statement</b>			
Income before tax expense	4.7	6.5	-28%
Net income	1.2	5.6	-79%
Net operating income	19.7	17.1	15%
<i>net interest income after provisions for loan losses</i>	9.8	6.1	21%
<i>net fee and commission income</i>	5.4	4.3	26%
<i>gains less losses from securities</i>	4.0	6.4	-38%
<i>net other non interest income</i>	0.4	0.3	33%
Operating expenses	15.0	10.6	42%
<b>Balance sheet</b>			
Assets	353.7	289.3	22%
Equity	41.1	41.4	-1%
Credit portfolio	208.7	156.1	34%
<i>loans to individuals</i>	70.0	40.8	72%
<i>corporate loans</i>	138.7	115.2	20%
Customer accounts	223.2	180.7	24%
<i>individuals accounts</i>	72.6	61.1	19%
<i>corporate accounts</i>	150.6	118.6	27%
Securities	71.2	89.0	-20%
<i>debt securities</i>	39.6	38.6	3%
<i>equity securities</i>	31.6	50.4	-37%

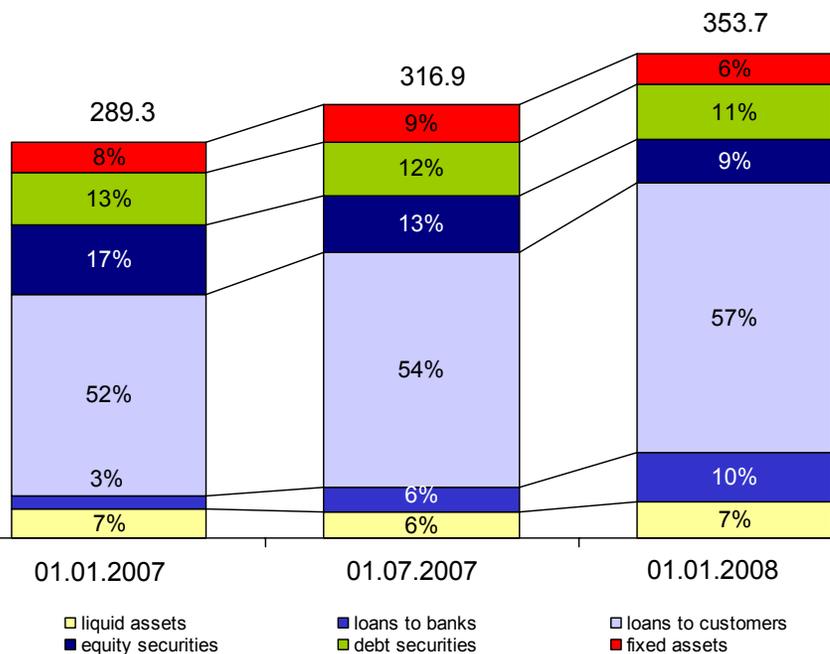
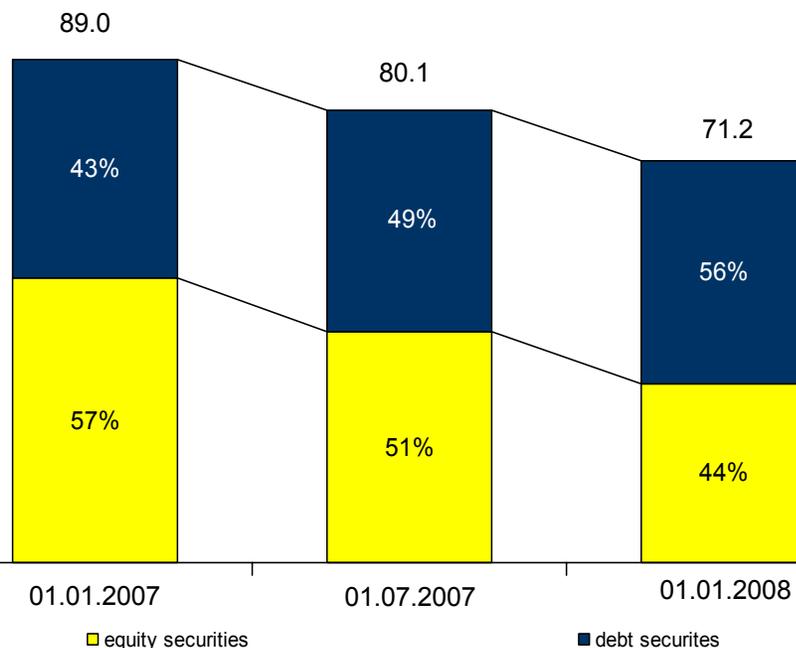
	2007	2006
<b>Profitability</b>		
Return-on-Assets (RoA)	1.1%	1.8%
Return-on-Equity (RoE)	8.9%	12.0%
Net interest margin (NIM)	5.9%	6.8%
Cost/Income (C/I)	76%	62%
Core banking income/net operating expenses	102%	98%
<b>Assets quality</b>		
Overdue loans/loan portfolio	2.4%	2.3%
Allowances for loan losses/overdue loans	182%	236%
<b>Capital adequacy</b>		
Capital adequacy ratio (H1)	11.4%	11.4%

**Growth in core banking income and lowering dependence on volatile financial instruments**

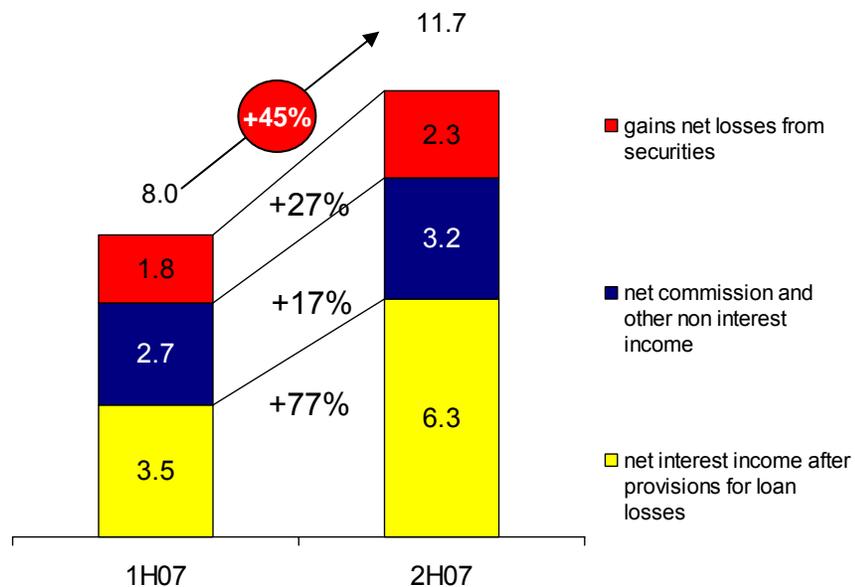
**Financial improvement in 2H07vs1H07**

**Expense control**

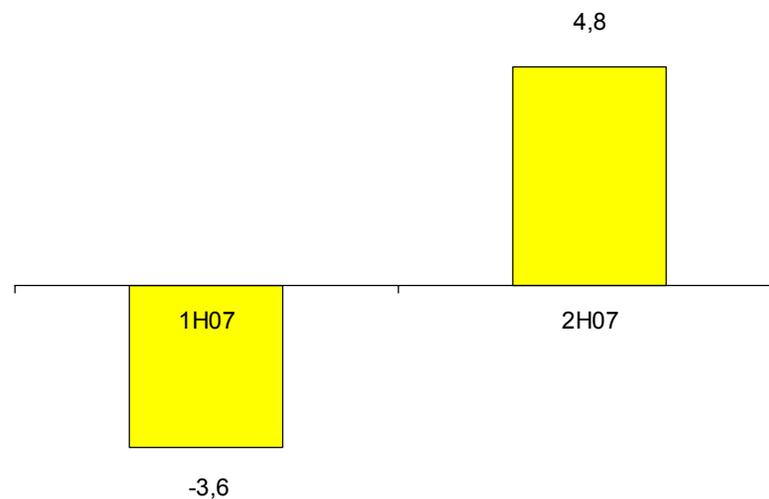
**Credit portfolio and customer accounts growth**

**Assets structure (bln. rubles)**

**Securities portfolio (bln. rubles)**


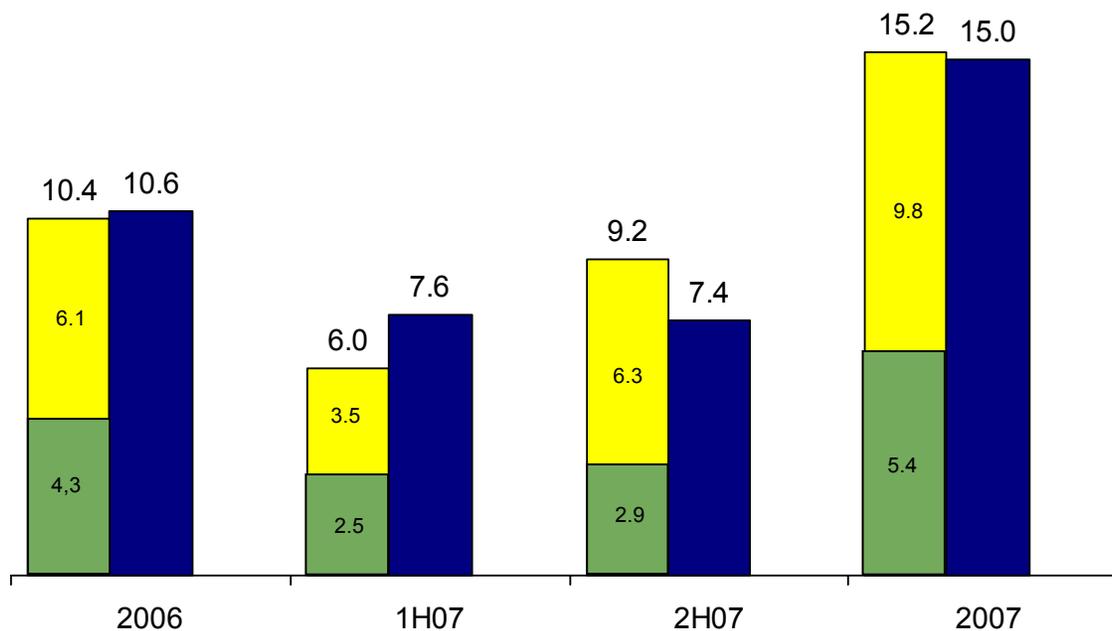
## Net operating income (bln. rubles)



## Net income (bln. rubles)

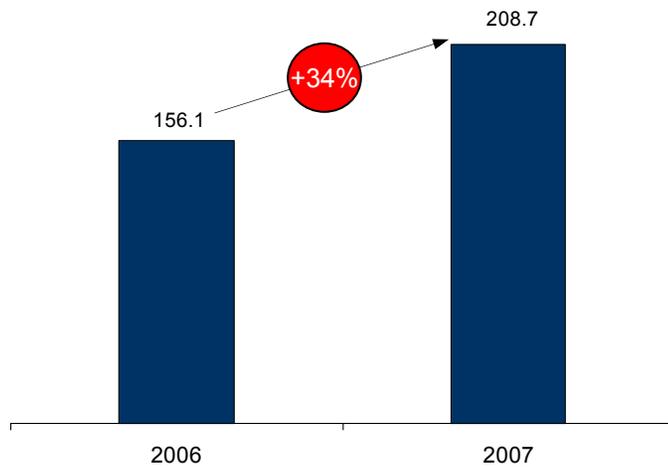


**Core banking income covers operating expenses (bln. rubles)**

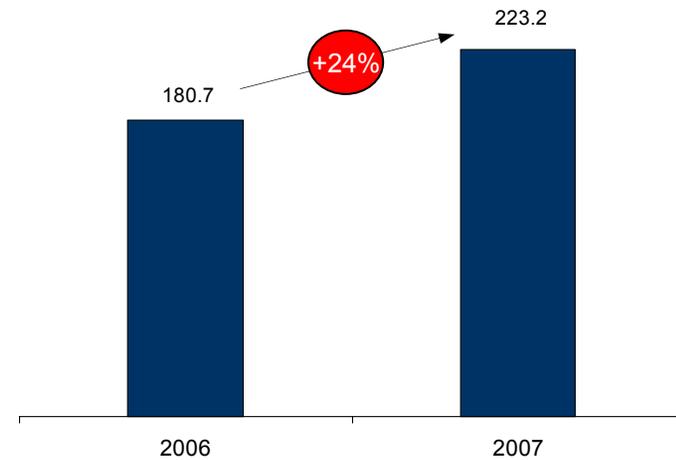


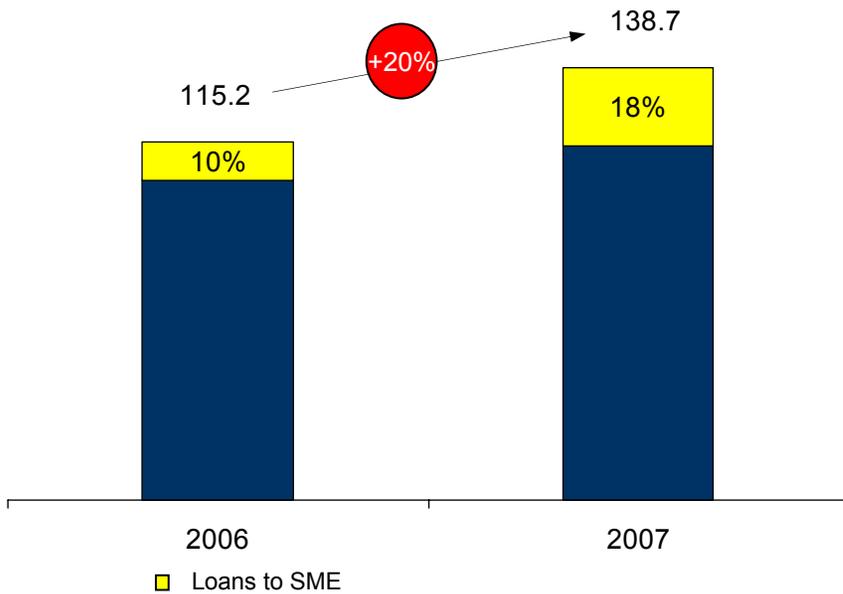
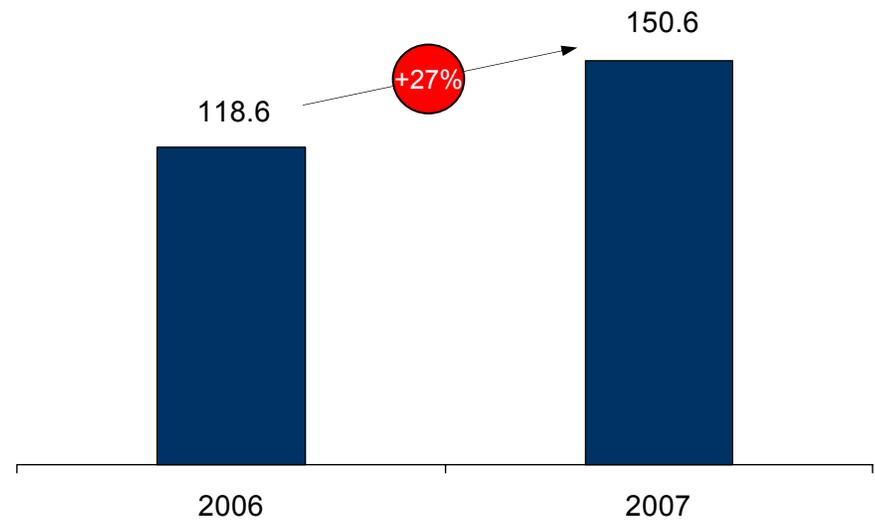
■ net interest income after provisions for loan losses ■ operating expenses □ net fee and commission income

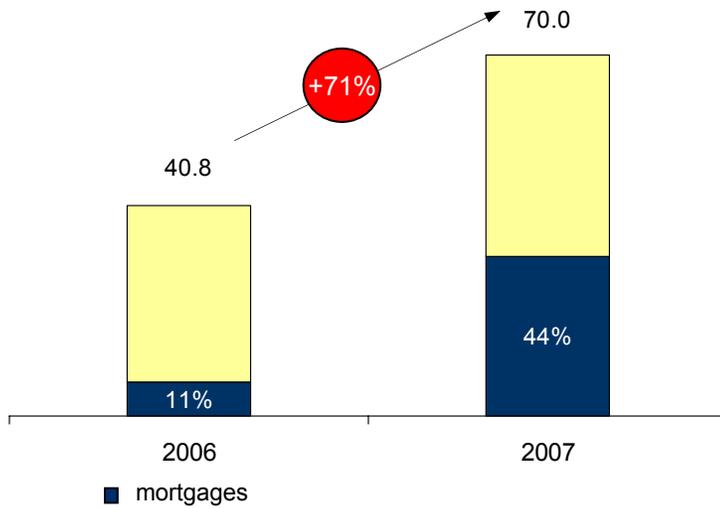
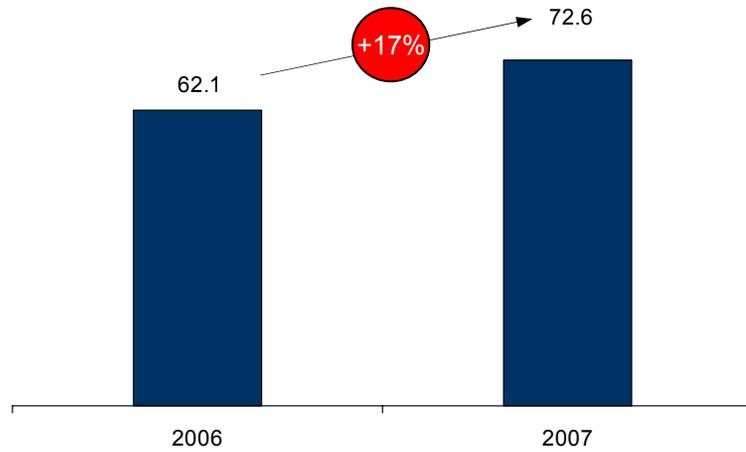
## Credit portfolio (bln. rubles)



## Customer accounts (bln. rubles)



**Corporate loans (bln. rubles)**

**Corporate accounts (bln. rubles)**


**Loans to individuals (bln. rubles)**

**Individuals accounts (bln. rubles)**


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<i>mln. rubles</i>	2H07	1H07	Change, %	2007	2006	Change, %
Interest income	13,218	11,096	19%	24,315	19,181	27%
Interest expenses	6,097	5,987	2%	12,084	9,118	33%
<b>Net interest income</b>	<b>7,122</b>	<b>5,110</b>	<b>39%</b>	<b>12,231</b>	<b>10,063</b>	<b>22%</b>
Provisions for loan losses	853	1,563	-45%	2,415	3,948	-39%
<b>Net interest income after provision for loan losses</b>	<b>6,269</b>	<b>3,547</b>	<b>77%</b>	<b>9,816</b>	<b>6,114</b>	<b>61%</b>
Fee and commission income	3,787	3,062	24%	6,849	5,359	28%
Fee and commission expenses	838	594	41%	1,432	1,047	37%
<b>Net fee and commission income</b>	<b>2,949</b>	<b>2,467</b>	<b>20%</b>	<b>5,417</b>	<b>4,312</b>	<b>26%</b>
Gains net losses from securities	2,254	1,779	27%	4,033	6,378	-37%
FX translation gains net losses	193	202	-4%	395	39	913%
Other net operating income	18	42	-57%	60	296	-80%
Total other non interest income	2,466	2,022	22%	4,488	6,713	33%
<b>Net non interest income</b>	<b>5,415</b>	<b>4,490</b>	<b>21%</b>	<b>9,905</b>	<b>11,024</b>	<b>-10%</b>
Net banking income before provisions for loan losses	12,537	9,599	31%	22,136	21,087	5%
Net banking income after provisions for loan losses	<b>11,684</b>	<b>8,037</b>	<b>45%</b>	<b>19,721</b>	<b>17,139</b>	<b>15%</b>
<b>Operating and other non operating expenses</b>	<b>7,432</b>	<b>7,565</b>	<b>-2%</b>	<b>14,996</b>	<b>10,622</b>	<b>41%</b>
<i>staff costs</i>	4,338	5,377	-19%	9,715	6,932	40%
<b>Income before tax expense</b>	<b>4,253</b>	<b>472</b>	<b>801%</b>	<b>4,725</b>	<b>6,517</b>	<b>-28%</b>
Income tax	575	(4,055)	-114%	(3,480)	(892)	290%
<b>Net income</b>	<b>4,828</b>	<b>(3,583)</b>	<b>235%</b>	<b>1,245</b>	<b>5,624</b>	<b>-79%</b>

<i>mln. rubles</i>	01.01.2008	01.07.2007	01.01.2007	Change, 2007/2006, %
<b>Assets</b>				
Liquid assets	26,033	19,202	21,210	23%
Loans to banks	36,032	18,317	9,192	291%
Securities	71,242	80,109	89,016	-20%
<i>debt securities</i>	39,614	39,041	38,567	3%
<i>equity securities</i>	31,628	41,068	50,449	-37%
Credit portfolio	208,685	180,983	156,066	34%
<i>corporate loans</i>	138,683	130,347	115,229	20%
<i>loans to individuals</i>	70,012	50,636	40,837	72%
Reserves	-11,222	-10,153	-8,362	-33%
Fixed assets	22,928	28,405	22,147	4%
<b>Total assets</b>	<b>353,698</b>	<b>316,864</b>	<b>289,268</b>	<b>22%</b>
<b>Liabilities and equity</b>				
Customer accounts	223,191	206,203	180,693	24%
<i>corporate accounts</i>	150,636	140,402	118,597	27%
<i>individual accounts</i>	72,556	65,801	62,097	17%
Due from banks	76,348	63,571	56,158	36%
Issued debt liabilities	12,427	9,528	10,867	14%
Other liabilities	586	110	115	500%
<b>Total liabilities</b>	<b>312,552</b>	<b>279,413</b>	<b>24,833</b>	<b>26%</b>
Total equity	41,145	37,451	41,435	-1%
<b>Total liabilities and equity</b>	<b>353 698</b>	<b>316 864</b>	<b>289,268</b>	<b>22%</b>

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