



**VOZROZHDENIE
BANK**

THE BANK THAT IS ALWAYS WITH YOU

Bank Vozrozhdenie 17 years of successful development



**Investor Presentation
April 2008**

Investor presentation

- Bank Vozrozhdenie in brief
- Strategy & business overview
- Funding, Risk, Corporate Governance
- Financial results
- Investment story

Bank Vozrozhdenie in brief



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Vozrozhdenie Bank - a Community Bank built on SME and Individual relationships

Assets:	\$4,539 mln
Loans:	\$3,184 mln
Retail funds:	\$2,030 mln
Net income:	\$78 mln
Shareholders' equity:	\$484 mln
ROE :	21.0%

Note: data as of January 1, 2008

Retail clients:	1,150,000
Corporate clients:	49,000
Headcount (avg.):	5,752
Offices:	170
ATMs:	550
Market capitalization:	\$1.6 bln

Note: data as of February 1, 2008

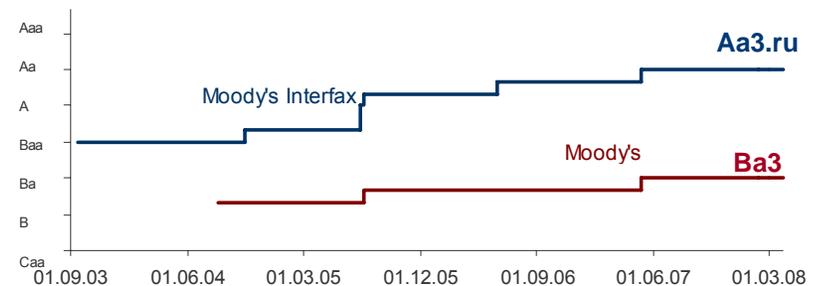
Ratings Moody's	Ba3/D-/NP
	stable
Included in indexes:	RTS-2
	MSCI Russia Small Cap
Listing	A2 MICEX, A2 RTS

Significant market presence



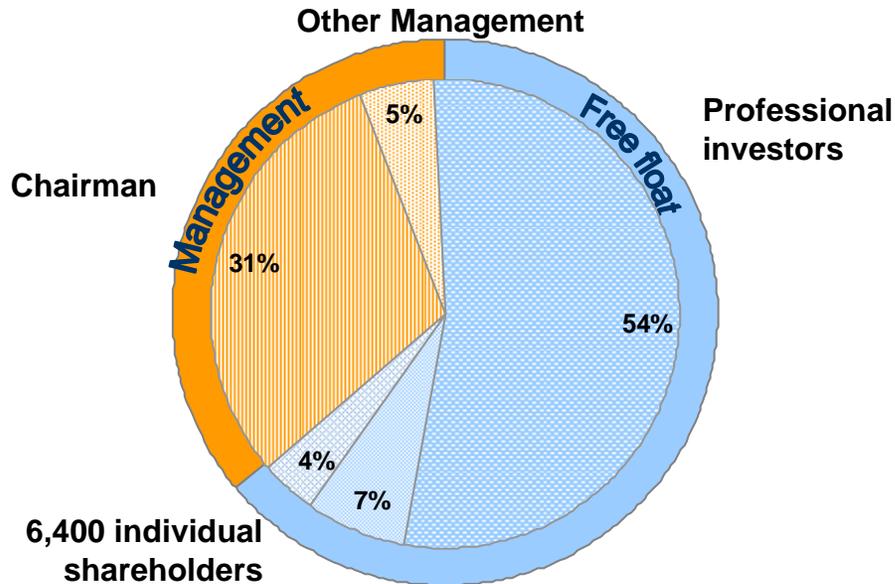
* RBC most recent ratings

Stronger credit ratings



Growing liquidity of shares

Shareholding structure (estimate)



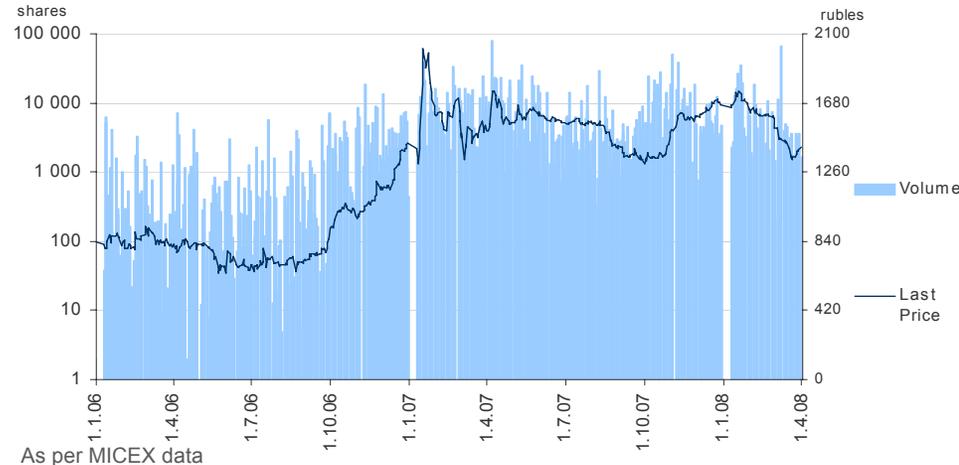
6,400 individual shareholders

800 Russian companies

- 23,748,694 ordinary shares
- 1,294,505 preferred shares*

* non-voting perpetual

Growth of share price on MICEX



As per MICEX data

Volumes of trading (shares)

	2005	2006	2007	3M 2008
MICEX (from 1/8/2005)	186 347	349 130	2 050 384	401 971
RTS	174 238	167 152	380 851	27 850
OTC (from 23/1/2007)	-	-	14 790 607	10 165 517
German stock exchanges (ADR)	481 939	227 539	234 059	24 614
Total	842 524	743 821	17 455 901	10 619 952

Strategy & Business overview



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Market Strategy



Distribution network

Focus on 20 regions with most diversified economies



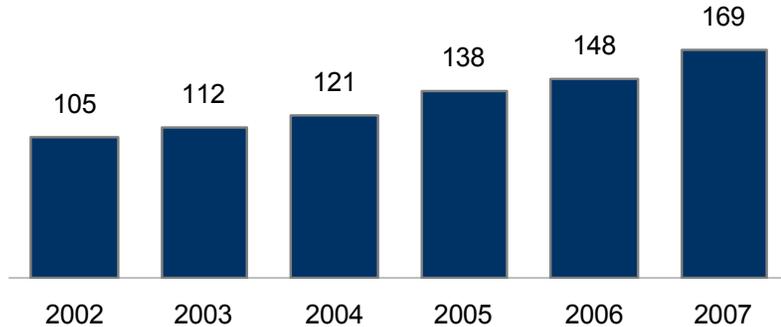
Moscow Region – home territory



● - Additional offices opened in '07-'08

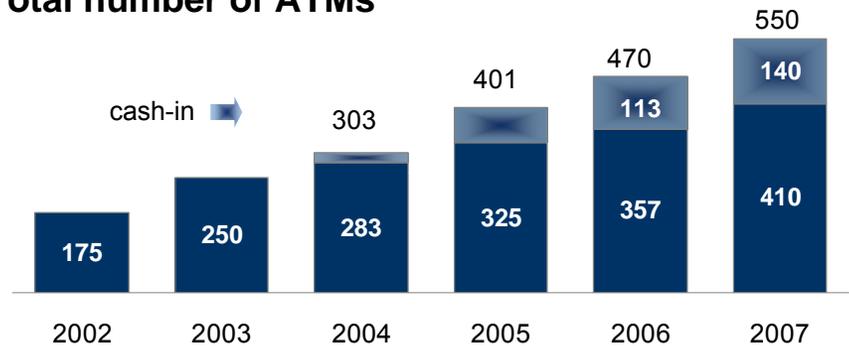
Pragmatic network expansion strategy

Total number of branches



Enhancing ATM network with cash-in and payment features

Total number of ATMs

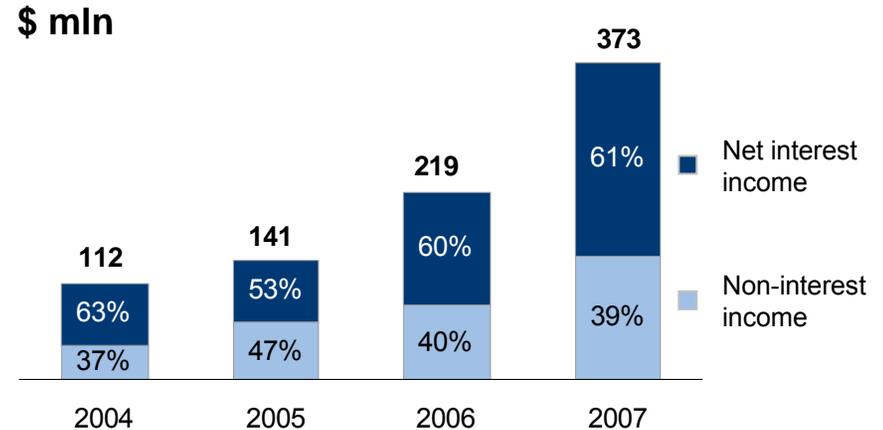


Business model

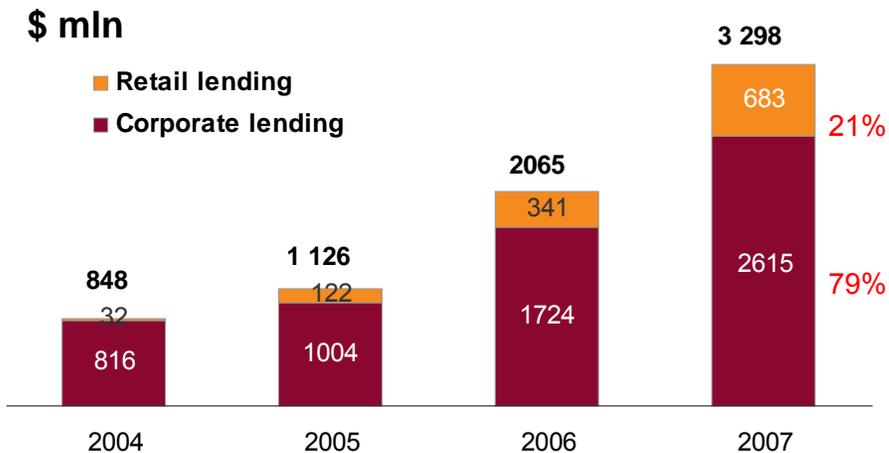
Business based on relationships...

- Customer oriented organic growth
- Conservative balance sheet, deposit funded
- Focused network expansion
- Increasing efficiency in service delivery
- Values: Responsive, Personal, Dependable

... gives strong non-interest income

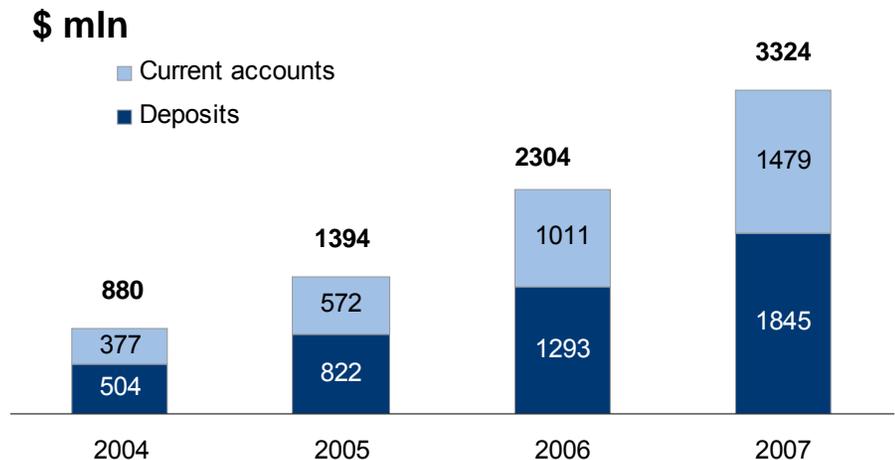


Strong organic growth in loan portfolio ...



Note: all loans are gross loans

... funded by customer accounts

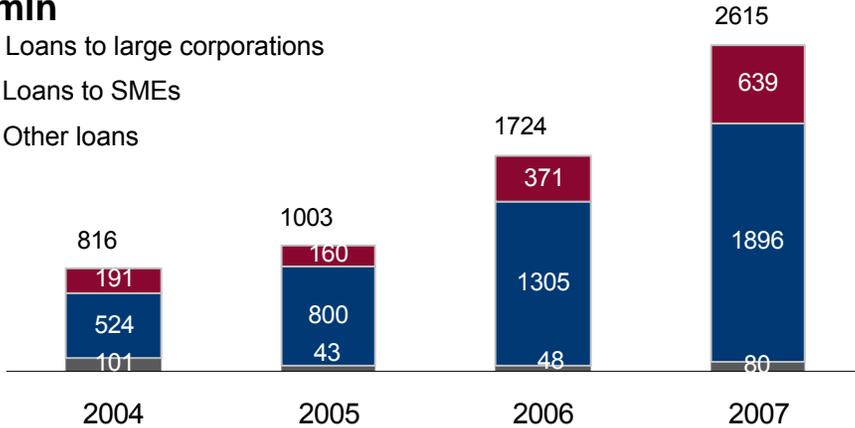


Corporate business

Corporate lending

\$ mln

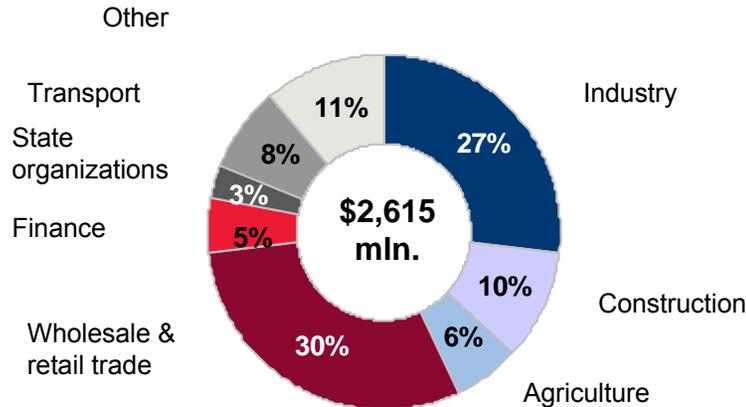
- Loans to large corporations
- Loans to SMEs
- Other loans



SME focus

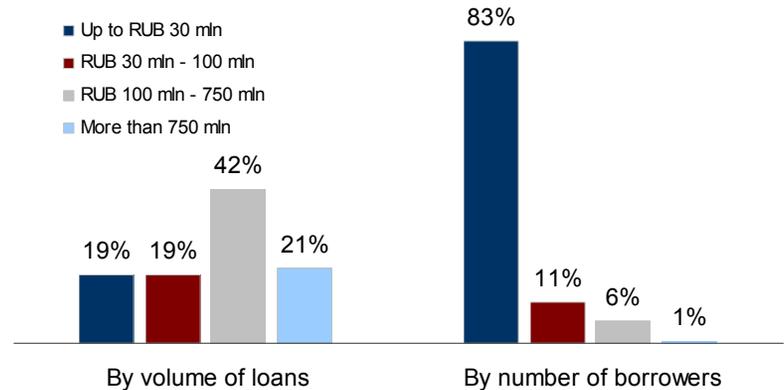
Segment	Credit turnover on current accounts. RUB mln.	Total credit exposure. RUB mln.	Total customer funds with the Bank. RUB mln.
Medium-size businesses	30 - 300	100 - 750	30 - 300
Small & micro businesses	1 - 30	0 - 100	1 - 30

Diversified loan book



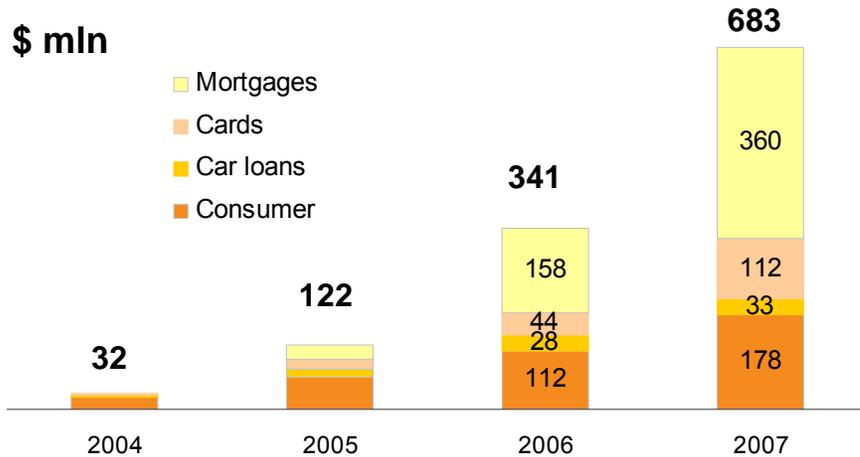
Data as of January 1, 2007

Loan distribution by size

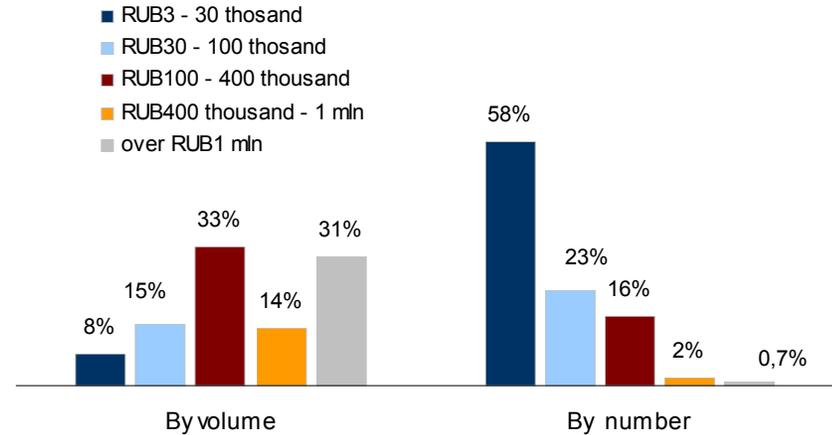


Retail business

Retail loan book growth



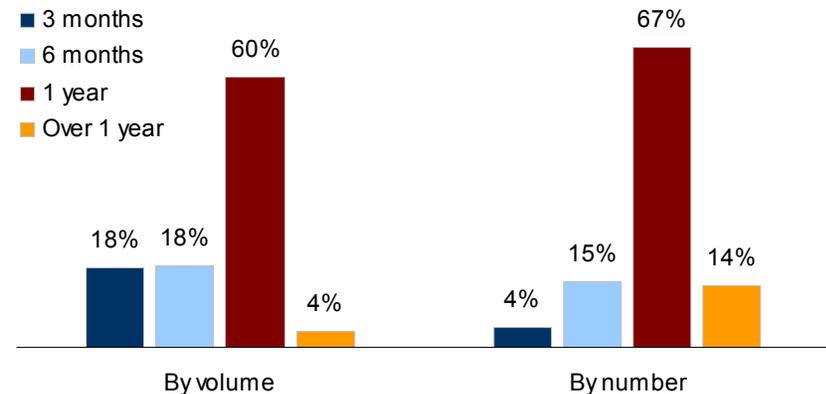
Retail deposits by size



Focus on mortgages

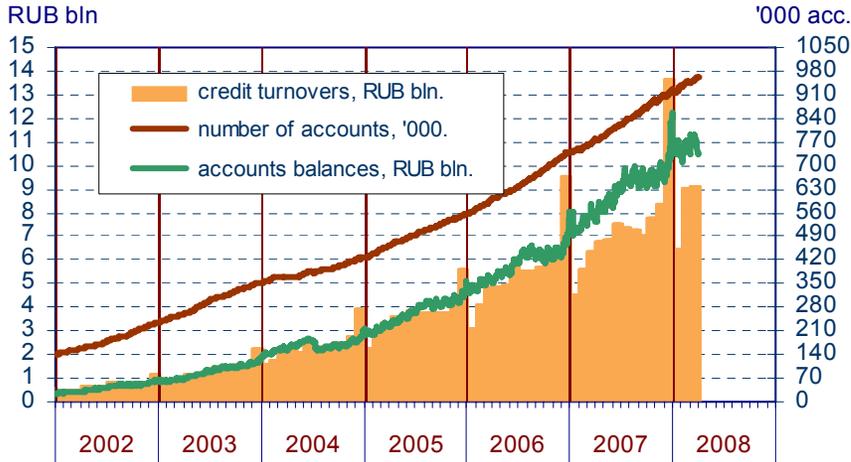
	H1 2007	H2 2007
Average size	RUB 1mln	RUB 1.15 mln
Average maturity	15 years	14 years
Average interest rate on portfolio (RUB, primary/secondary market)	15, 3%/13,1%	14,5%/13,0%
Current rates for the period	11 – 18%	10,75 – 18%
Average LTV	58%	55%
Fees	0.7 – 1.8%	0.7 – 1.8%

Retail deposits by original term

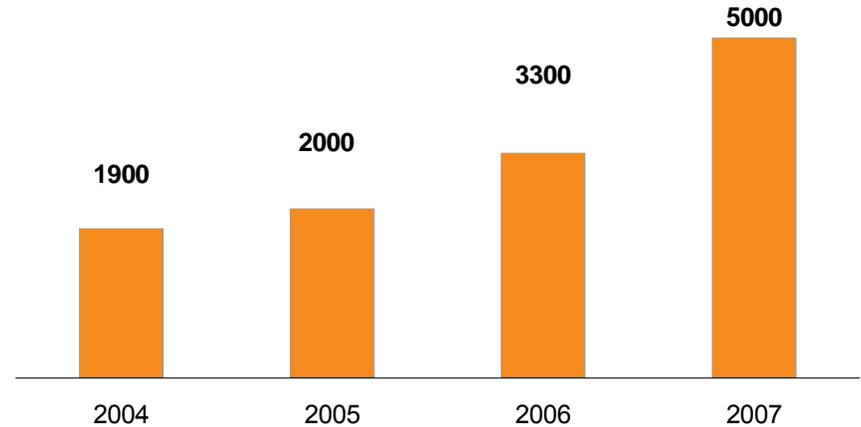


Card business

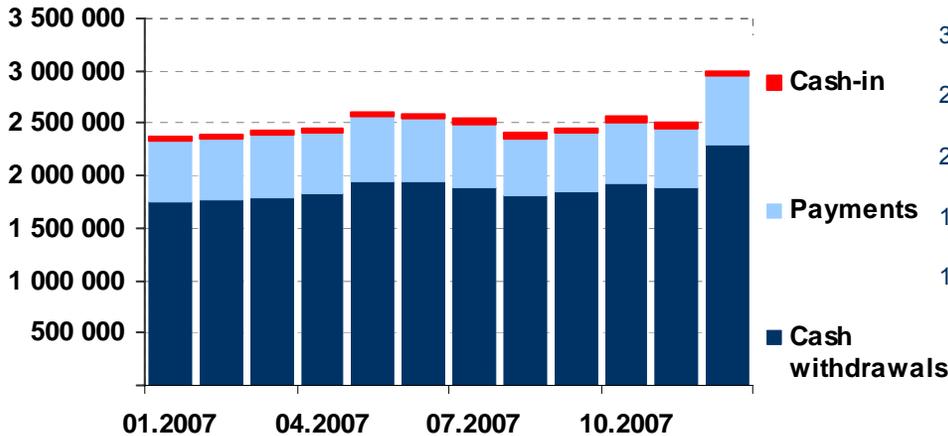
Number, turnovers and balances



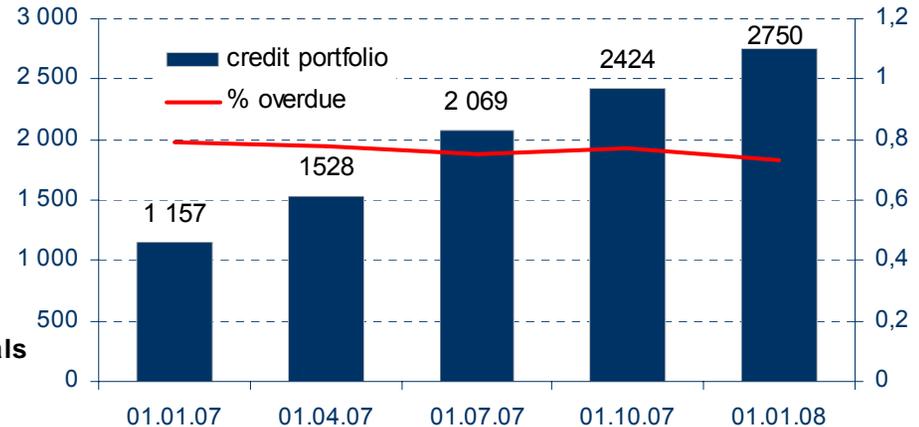
Number of payroll corporate clients



Transactions on ATMs drive fee income



Sound card loans strategy



Risk Management & Corporate Governance

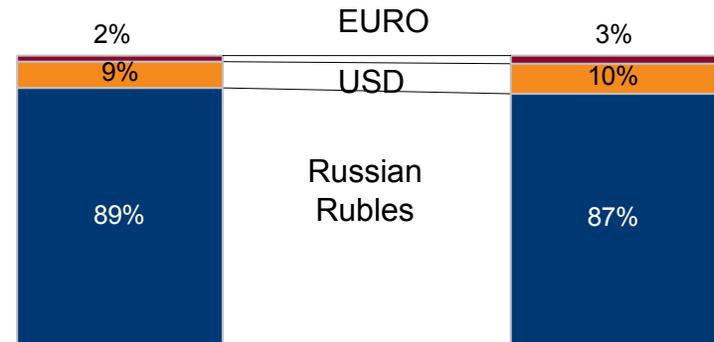


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Prudent management of assets and liabilities

- Management Board approves all risk limits and policies
- Treasury manages liquidity risk
- Reduced currency risk due to a balanced mix of assets and liabilities
- Interest rate risk managed on daily basis within limits
- Strict compliance with all Central Bank's requirements

Low currency risk exposure



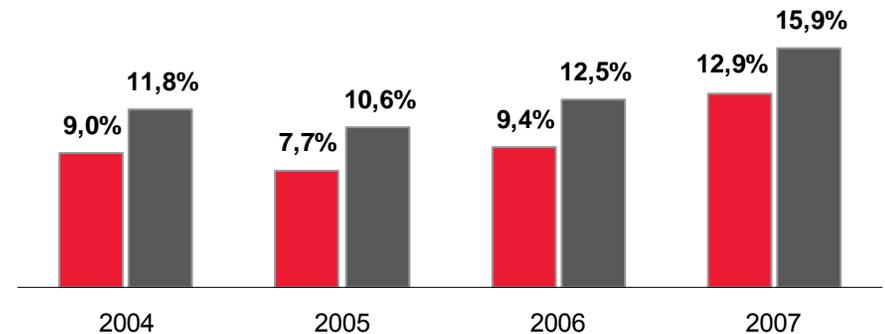
Assets

Liabilities

Note: all data as of December 31, 2007

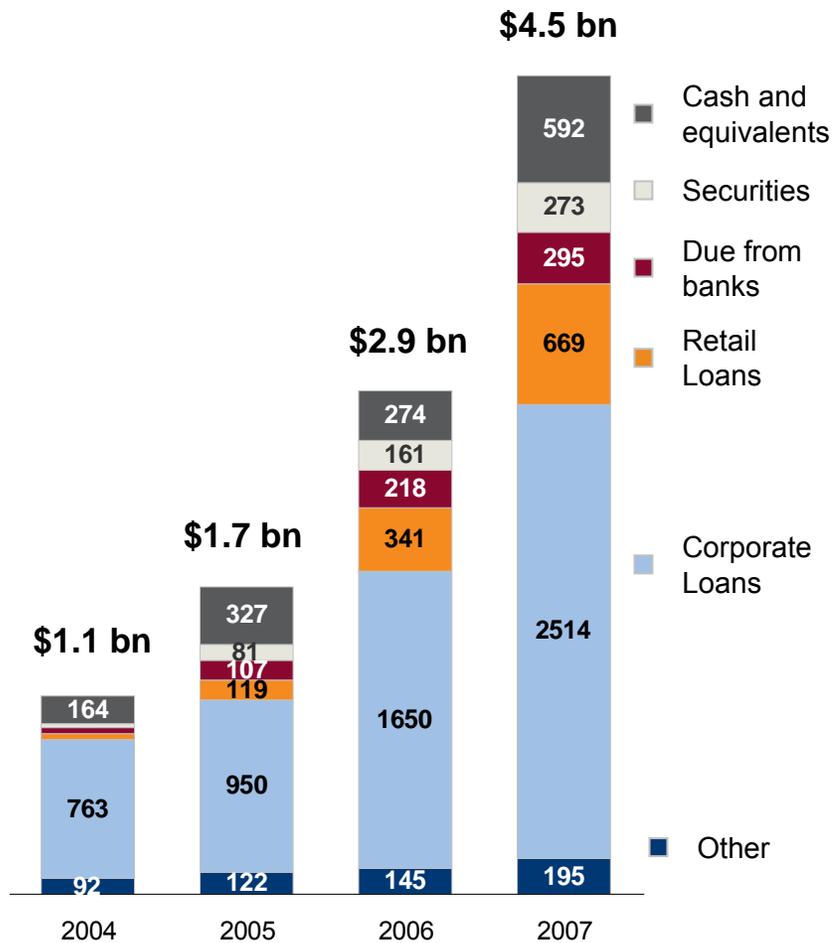
Capital adequacy

■ Tier 1 ■ Tier 1 + Tier 2

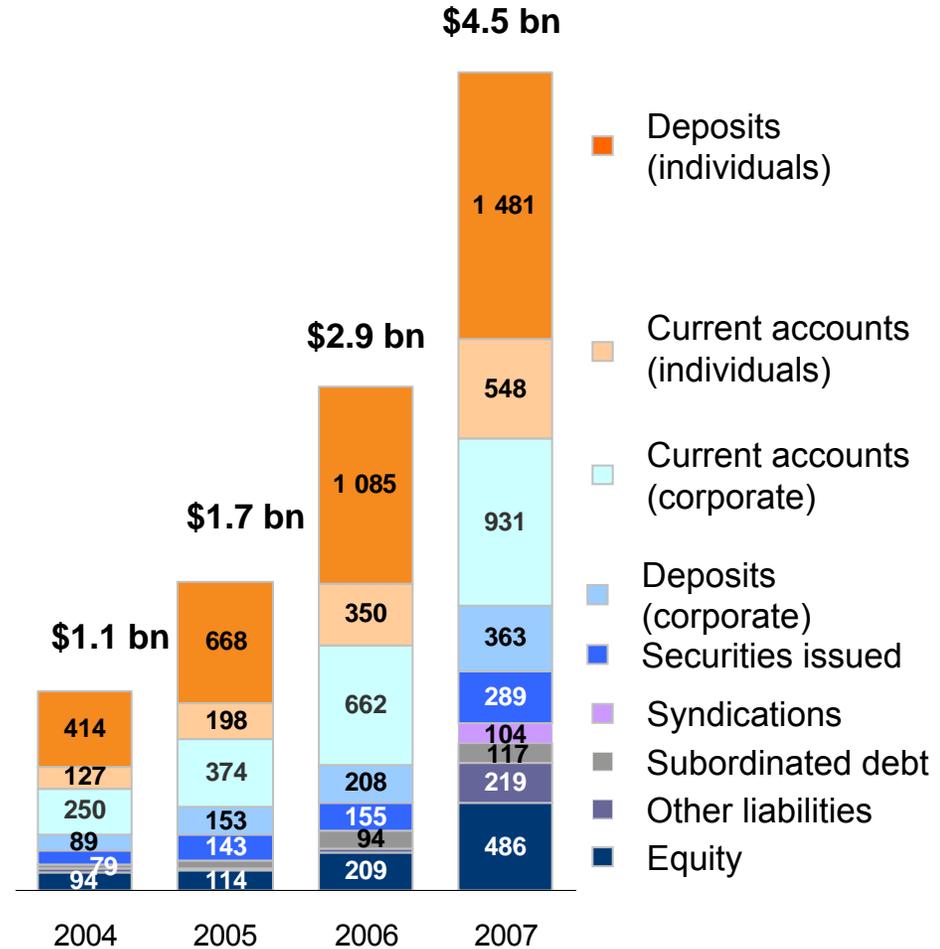


Balance sheet changes

Growing share of loans



Diversification of funding



Market funding & exposure

Low dependence on market funding

Syndications:

1st syndication – due March 2009

- Successfully rolled-over in 2008
- Increased from \$50.0 to \$59.8 million
- 6M LIBOR + 1.8% ~ 4.2%

2nd syndication – due October 2009

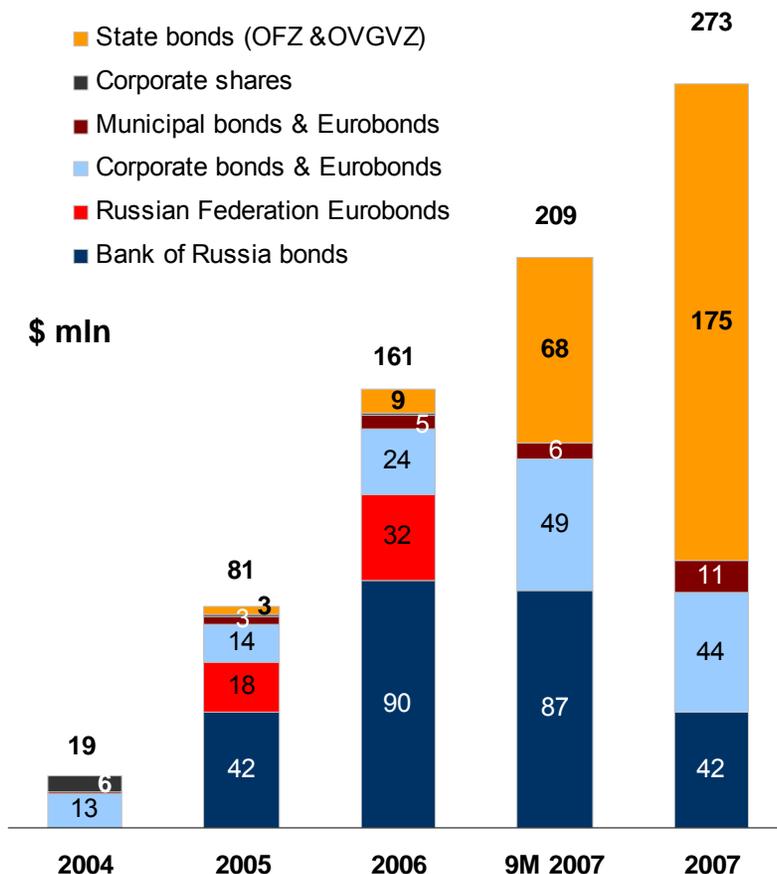
- \$ 53 million
- 6M Libor + 1.2% ~ 6.0%

Bond issue:

- RUB 3 bln. – due March 2010
- Coupon - 8.95%
- MICEX A1 - CBR Lombard List
- RUB 5 bln. – pending

**Market funding policy –
less than 10% of liabilities**

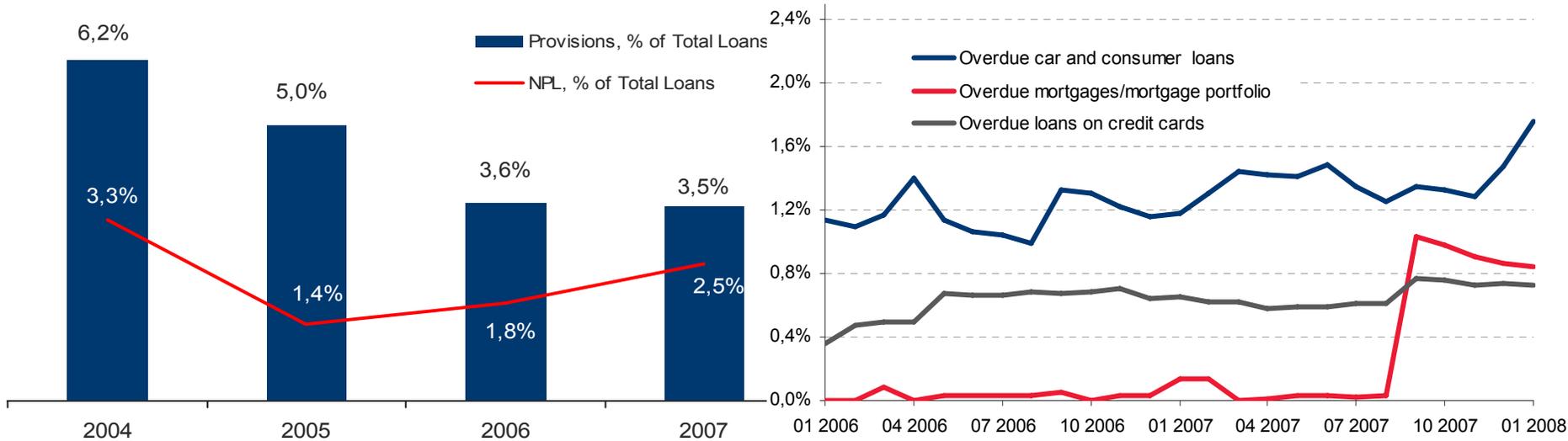
Limited market risk



Comprehensive credit risk management approach

Credit Risk

Positive experience in retail



- Past due and impaired fully disclosed:
 - Past due BUT NOT impaired 1.92%
 - Past due AND impaired 0.58%
- Past due strictly defined: 1 day, full principal
- Provisions 40% more than past due

- Combined retail total overdue 1.3%
- Consumer loans mainly payroll customers
- Mortgages very good history
 - Actual write-offs - nil
- Cards SMS link provides good control
 - Rapid growth without quality deterioration

High level of corporate governance

- Board of Directors consists of 12 members including 8 non-executive members

Audit Committee headed by independent director

TOP - 5 Russia's best governed companies - 2007



- Corporate Governance Code was developed with assistance of IFC

- Timely information provision to investors

Full disclosure on web-site

STANDARD & POOR'S **The most shareholder transparent bank in Russia – 2006, 2007**

Quarterly IFRS financial reporting with web-cast presentations

- Financial reports under IFRS audited from 1991

- Comprehensive system of internal audit

- Solid and professional team

“... the Bank is well informed on the principles of corporate governance and proves to be very much interested in the future improvement of the practice of corporate governance...”

2004



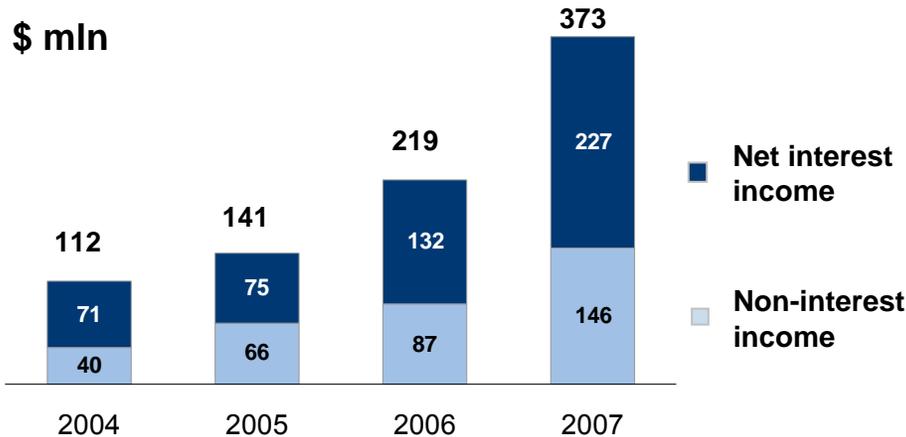
Financial Performance



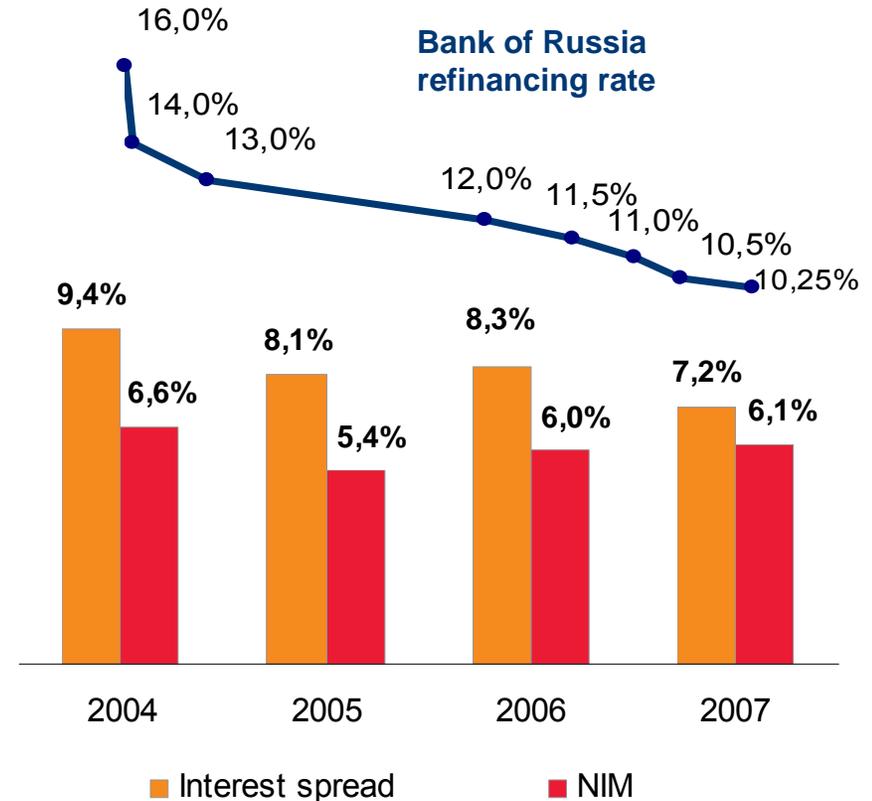
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Revenues

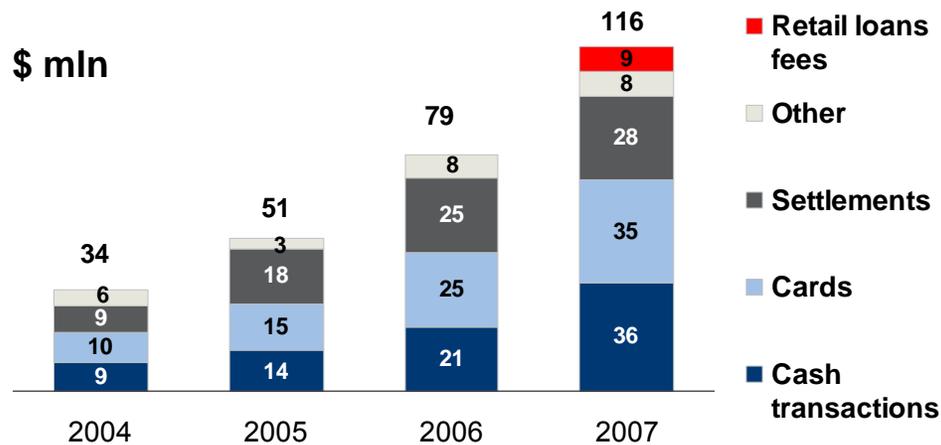
Operating income



Interest income management



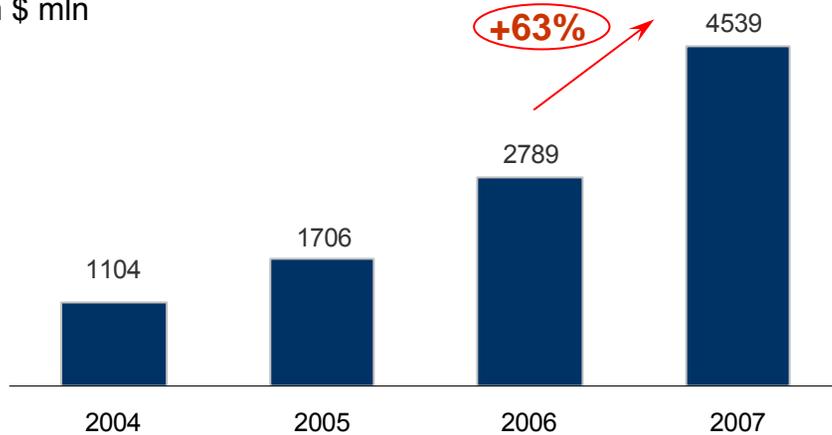
Net commission income



Solid 2007 balance sheet growth & performance

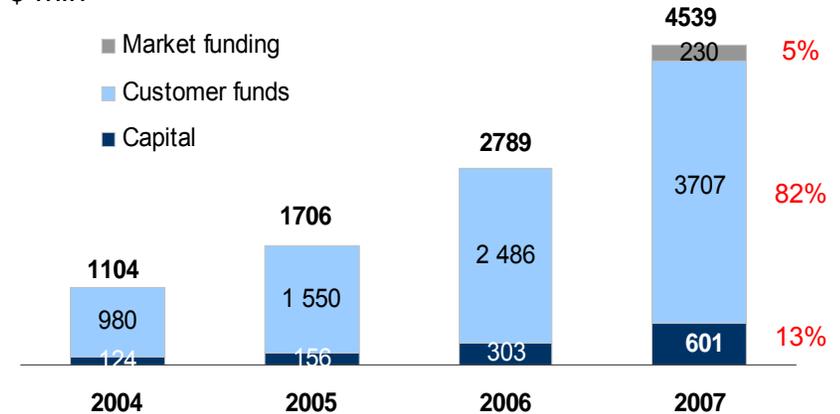
Strong asset growth

in \$ mln



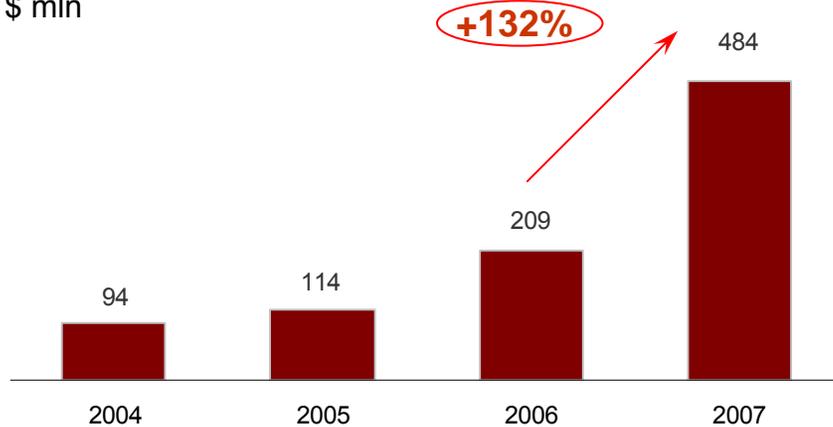
Stable funding

in \$ mln



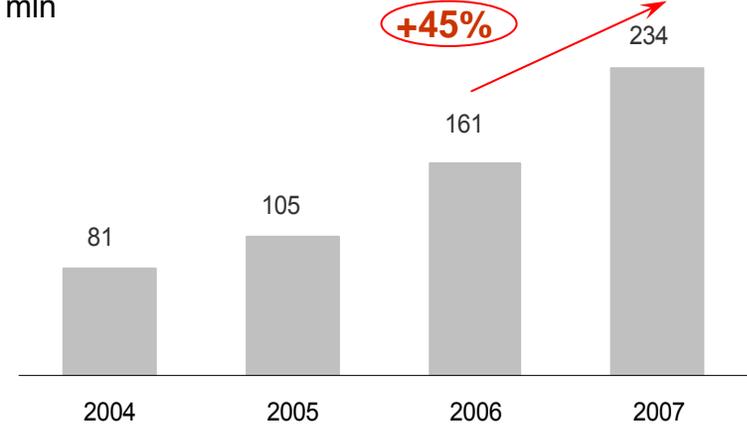
Equity

in \$ mln



Operational expenses

in \$ mln

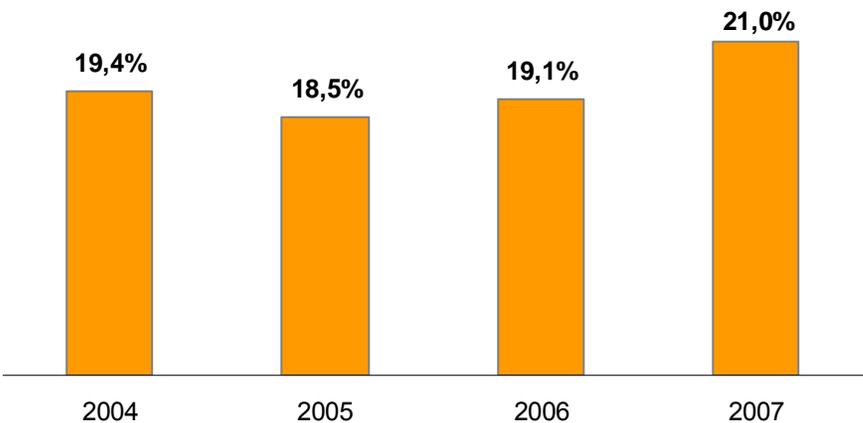


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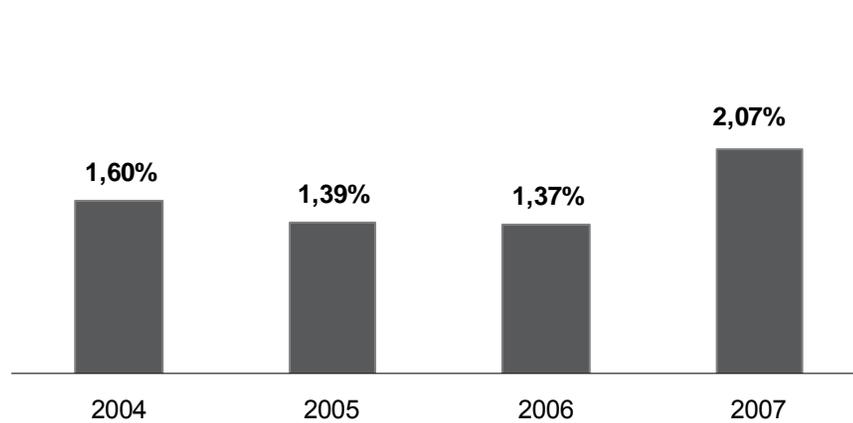
Key performance indicators

Mid-term targets: **55 - 58%** - cost to income. **20 - 25%** - ROE

ROE. %

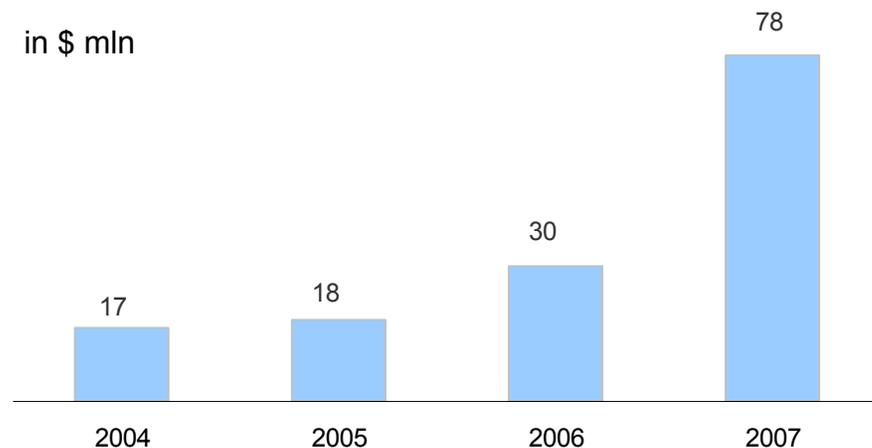


ROA. %

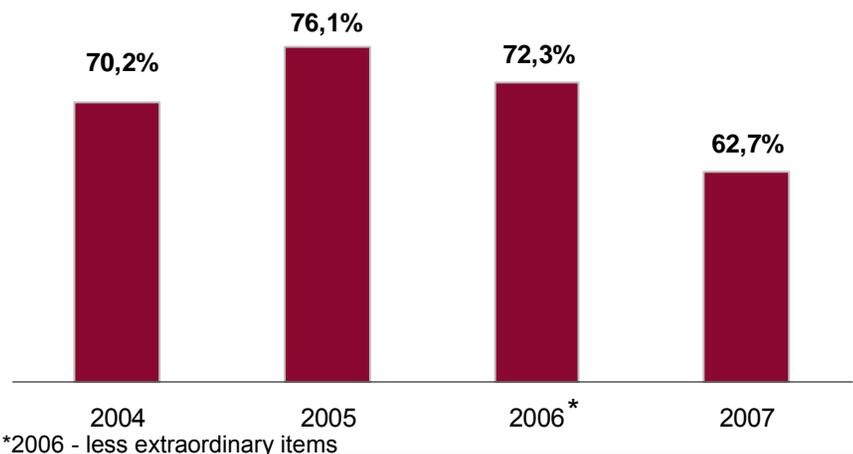


Net Profit

in \$ mln



Cost to income ratio. %



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Investment story



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Investment Summary: Bank Vozrozhdenie

- **Solid organic growth**
 - 4th year of high profitability
 - 35% asset growth planned for 2008
 - High potential in retail and SME operations
 - Strong lead in expanding regional markets
- **Protected from turbulent markets**
 - Loan to deposit ratio is 96%
 - Not capital market dependant for funding
- **One of only 14 listed Russian banks**
 - 64% free-float. listed since 1997
 - Independent bank: no government or industrial ownership connections
- **Personal Bank for individuals and corporate clients**
 - 61% of client base concentrated in Moscow region
 - Corporate focused on SME – little oil & gas, mining or heavy industry
 - Business diversity and flexibility
- **High risk management and corporate governance standards**
 - № 1 in Information Transparency to Shareholders by S&P (2007&2006)
 - Positive track-record of communication with investors

Investor Relations contacts

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Thank you



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