

Bank Vozrozhdenie 17 years of successful development



Investor presentation
September, 2008

Investor presentation

- Bank Vozrozhdenie in brief
- Strategy & business overview
- Funding, Risk, Corporate Governance
- Financial Highlights Second Quarter 2008
- Investment summary

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

Assets:	\$5,641 mln
Loans:	\$3,984 mln
Retail funds:	\$2,313 mln
Net income for H1:	\$66 mln
Shareholders' equity:	\$573 mln
ROE :	24.7%

Note: data as of June 30, 2008

Retail clients:	1,225,000
Corporate clients:	50,000
Headcount (avg.):	6,260
Offices:	172
ATMs:	600

Market capitalization: \$1.4 bln

Note: data as of June 30, 2008

Ratings Moody's	Ba3/D-/NP stable
Ratings Standard & Poor's	BB-/ruAA-stable

Included in indexes: MICEX Financial Index

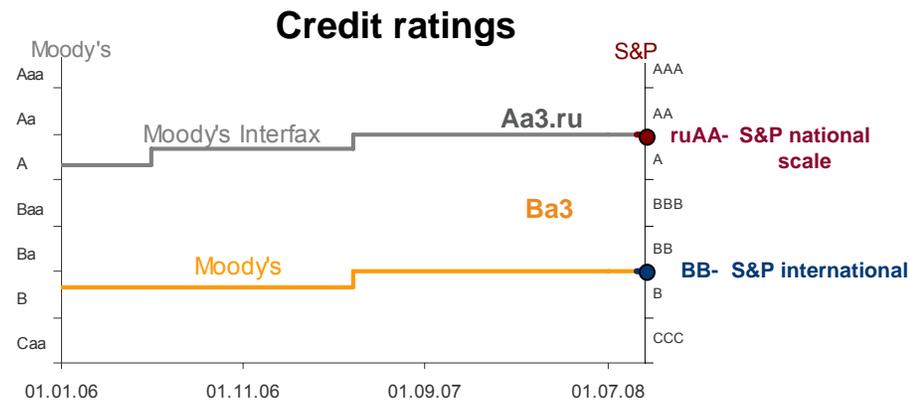
RTS-2, MSCI Russia Small Cap

Listing A2 MICEX, A2 RTS

Significant market presence

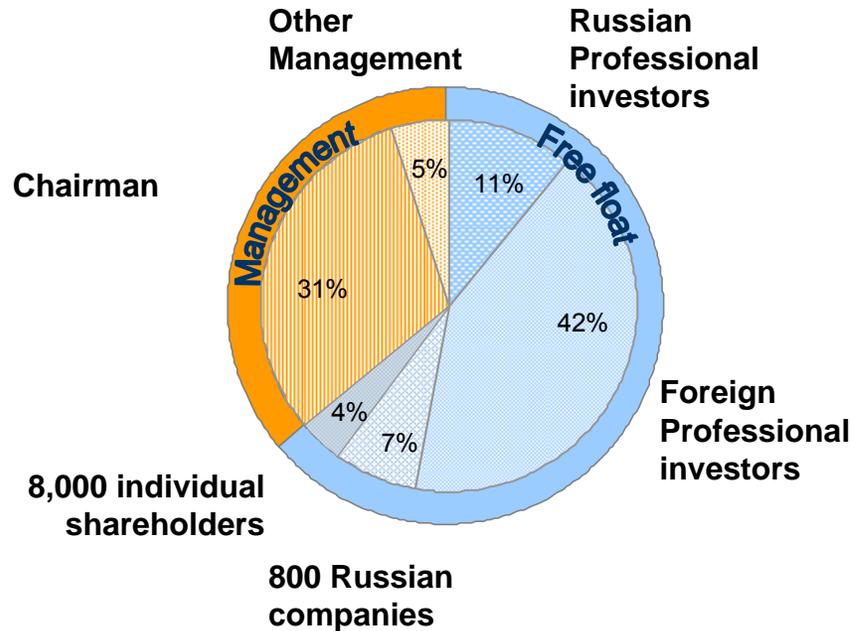


* RBC most recent ratings



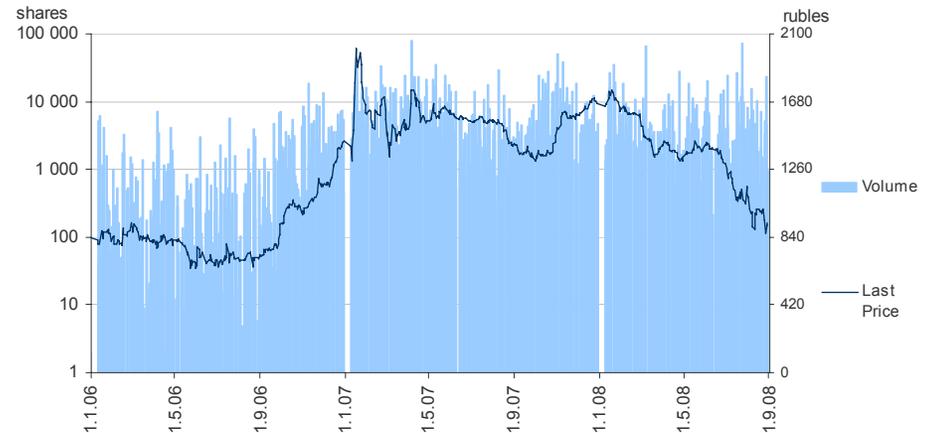
Growing liquidity of shares

Shareholding structure (on May 10, 2008)



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

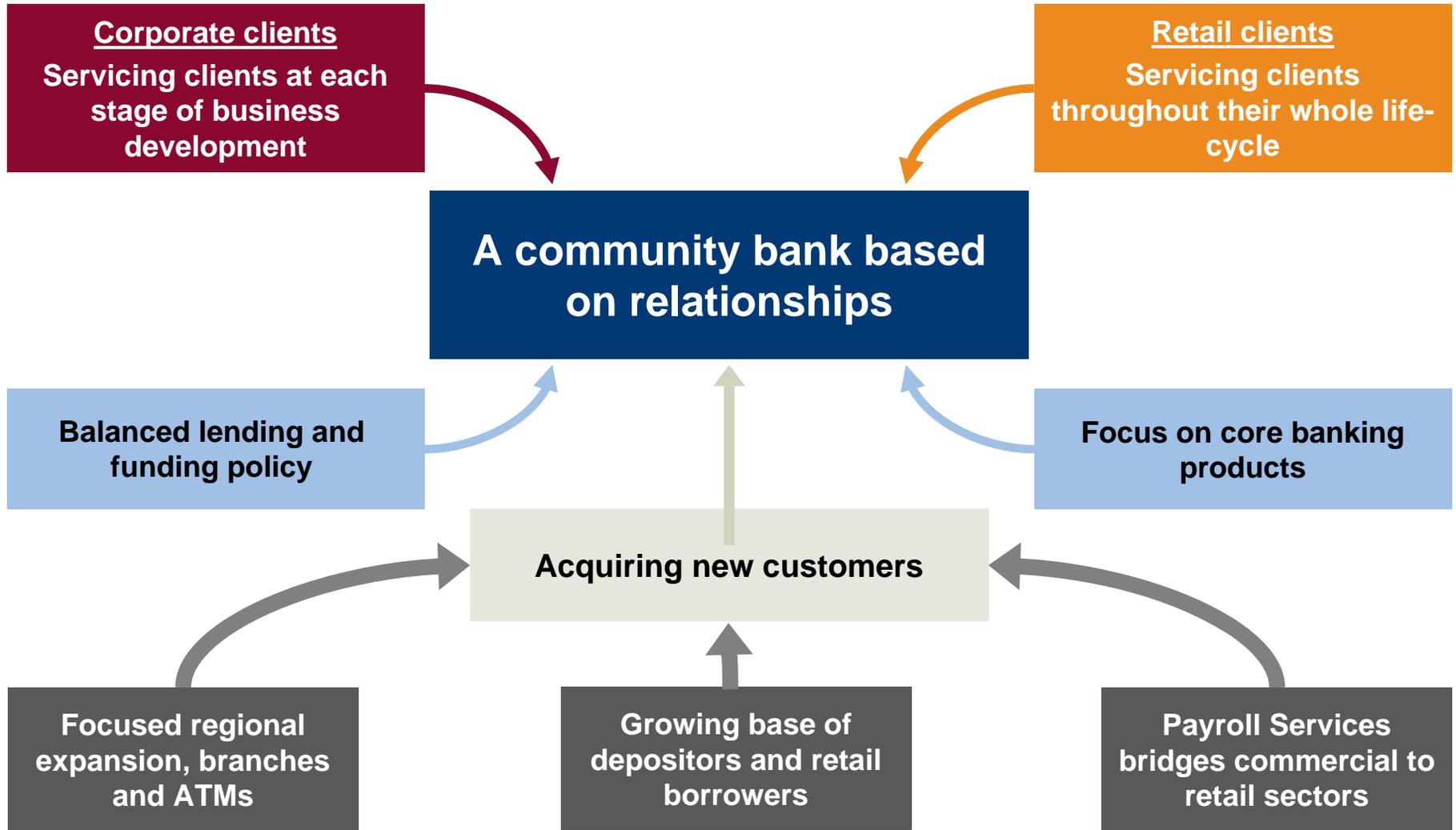
Growth of share price on MICEX



Volumes of trading (shares)

	2005	2006	2007	8M 2008
MICEX (from 1/8/2005)	186 347	349 130	2 050 384	1 071 754
RTS	174 238	167 152	380 851	112 217
OTC (from 23/1/2007)	-	-	14 790 607	14 541 164
German stock exchanges (ADR)	481 939	227 539	234 059	49 673
Total	842 524	743 821	17 455 901	15 774 808

Market Strategy



Distribution network

Focus on 20 regions with most diversified economies



Moscow Region – home territory



● - Additional offices opened in '07-'08

Replication of Moscow region model in other regions:

	Total offices	opened in last 18M
Moscow region	105	14
Stavropol' Krai	13	3
Rostov-on-Don region	8	0
Volgograd	7	3
Saint Petersburg	7	4

... with high recognition of brand

IPSOS survey

85% of respondents in our regions know us



TNS loyalty survey

•Loyalty index equals top 10% of major international banks



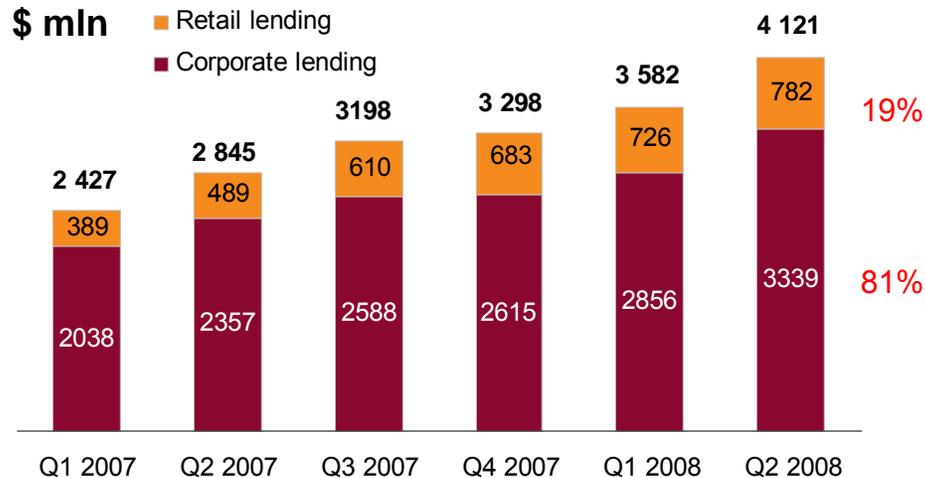
•94% of our clients are ready to recommend us

Business model

Business based on relationships...

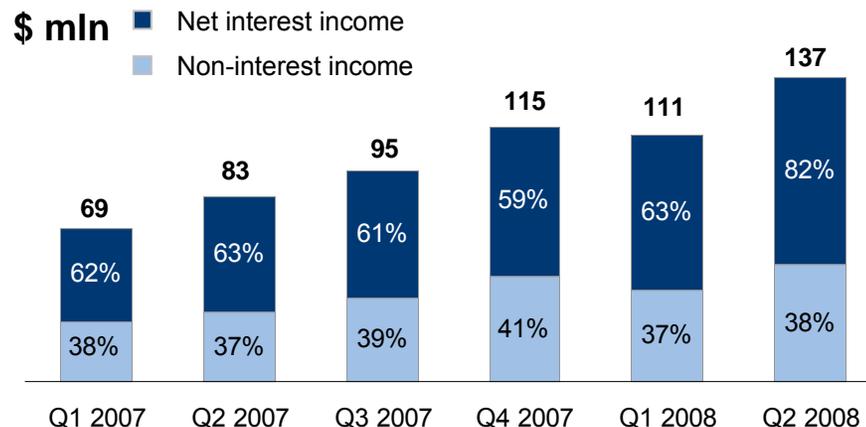
- Customer oriented organic growth
- Conservative balance sheet, deposit funded
- Focused network expansion
- Increasing efficiency in service delivery
- Values: Responsive, Personal, Dependable

Strong organic growth in loan portfolio ...



Note: all loans are gross loans

... gives strong non-interest income

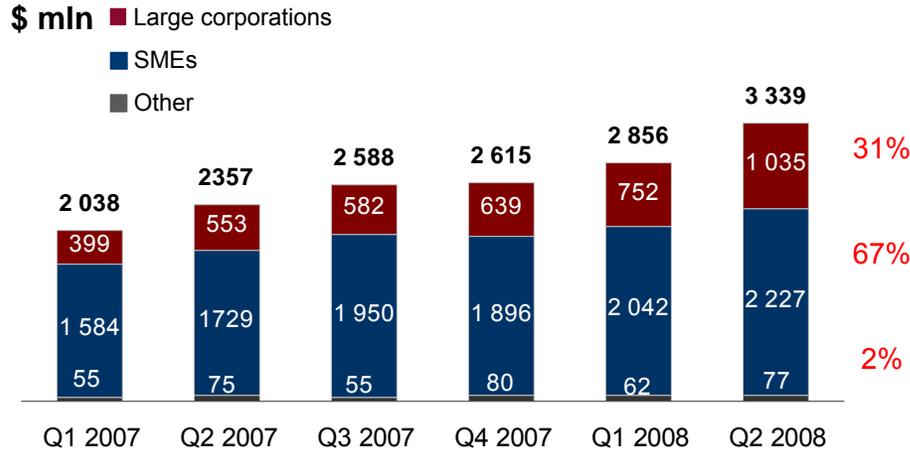


... funded by customer accounts

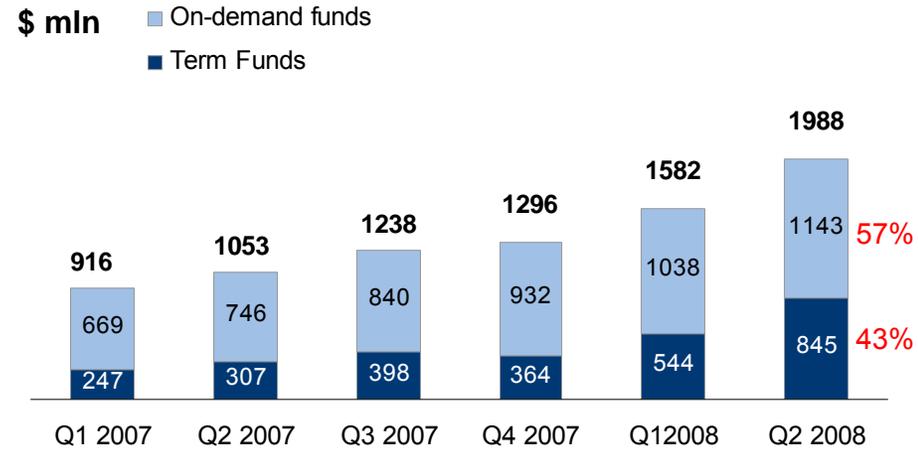


Corporate business

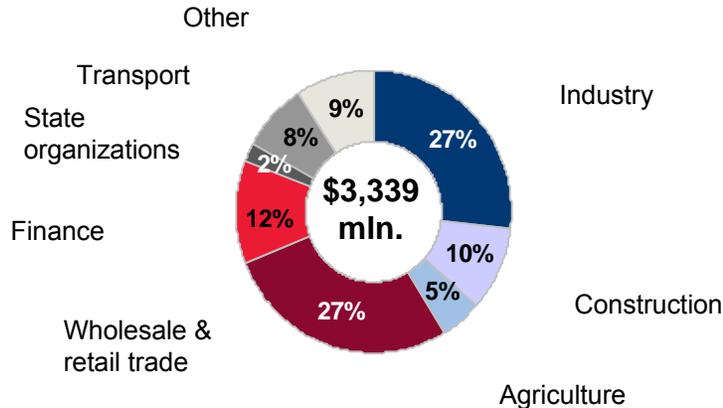
Corporate lending



Corporate funding

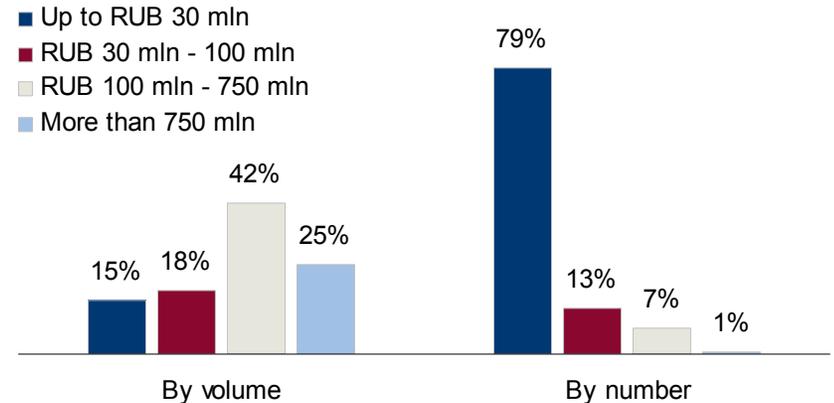


Diversified loan book



Data as of June 30, 2008

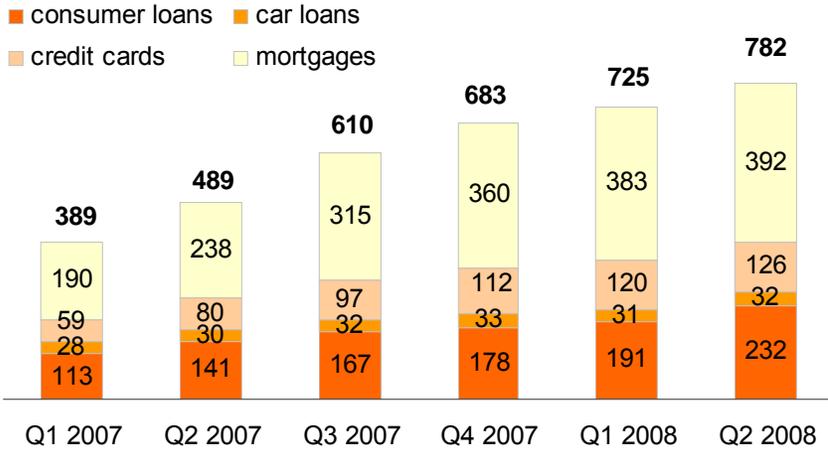
SME focus



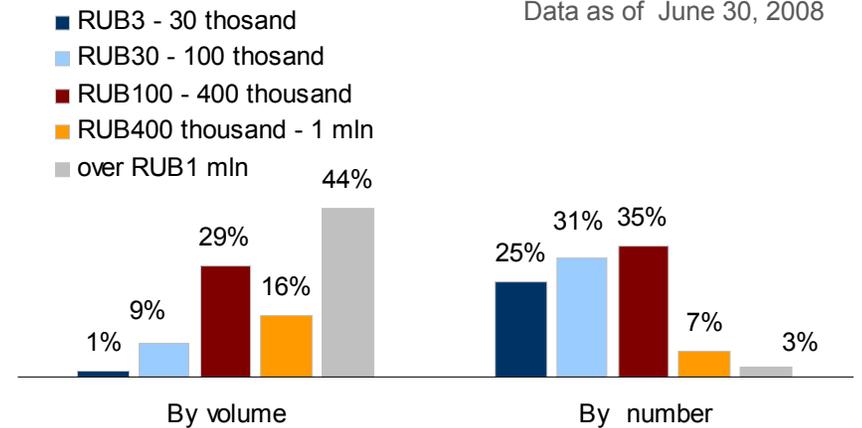
Data as of June 30, 2008

Retail business

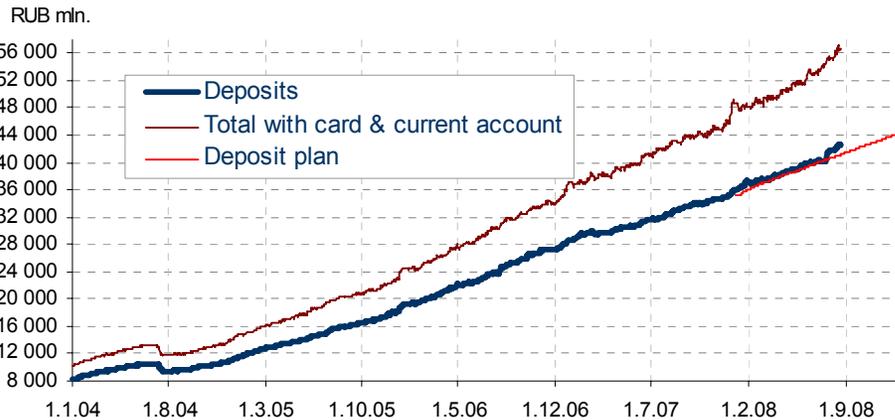
Retail loan book growth



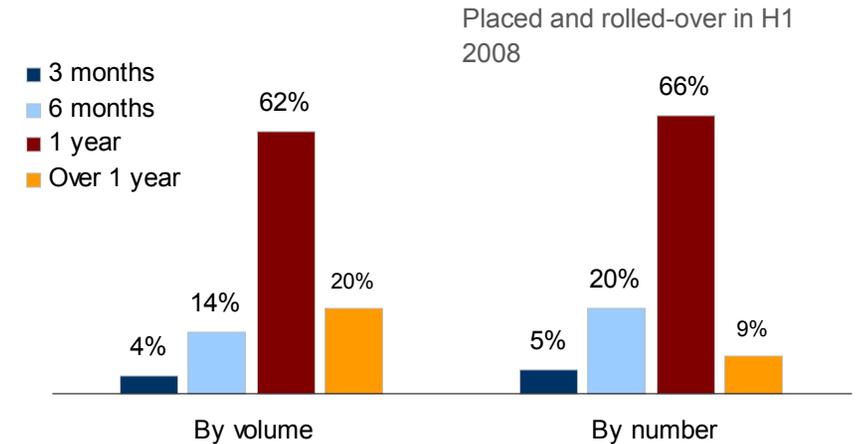
Retail deposits distribution by size



Retail deposits growth

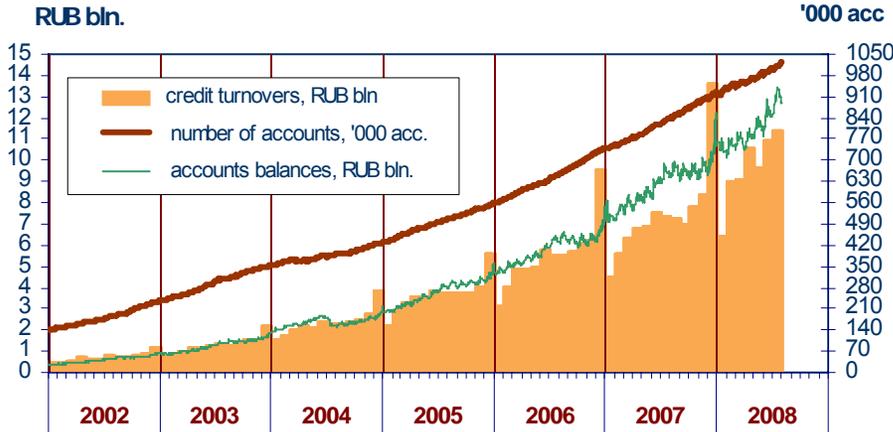


Retail deposits by original term



Card business

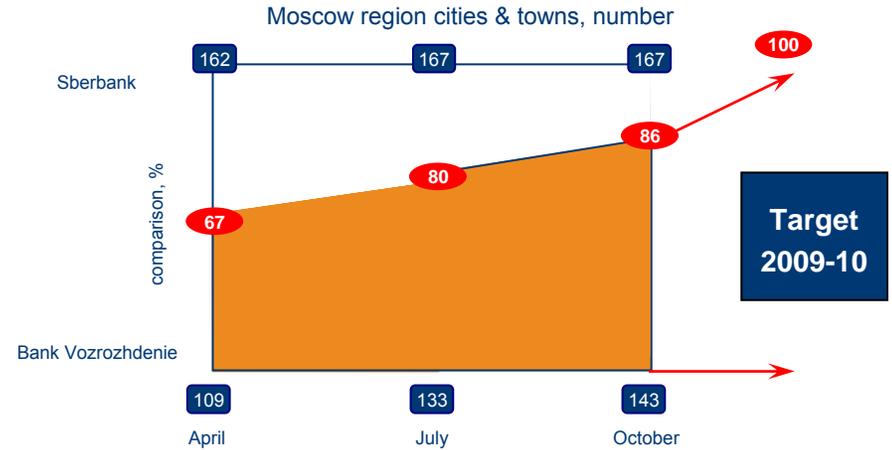
Number, turnover and balances



Card business expansion

	Q2 2007	Q1 2008	Q2 2008
Payrolls	3,700	6,000	7000
Debit cards	879,715	1,022,000	1,070,160
Credit cards	51,451	77,000	88,785

Competitive ATM infrastructure



Efficient Credit Card development strategy

- Offering cards only to existing clients
 - top and mid-level managers and specialists
- Pushing cross-sales between retail and corporate
- More active credit cards
- Exceptionally low loan losses

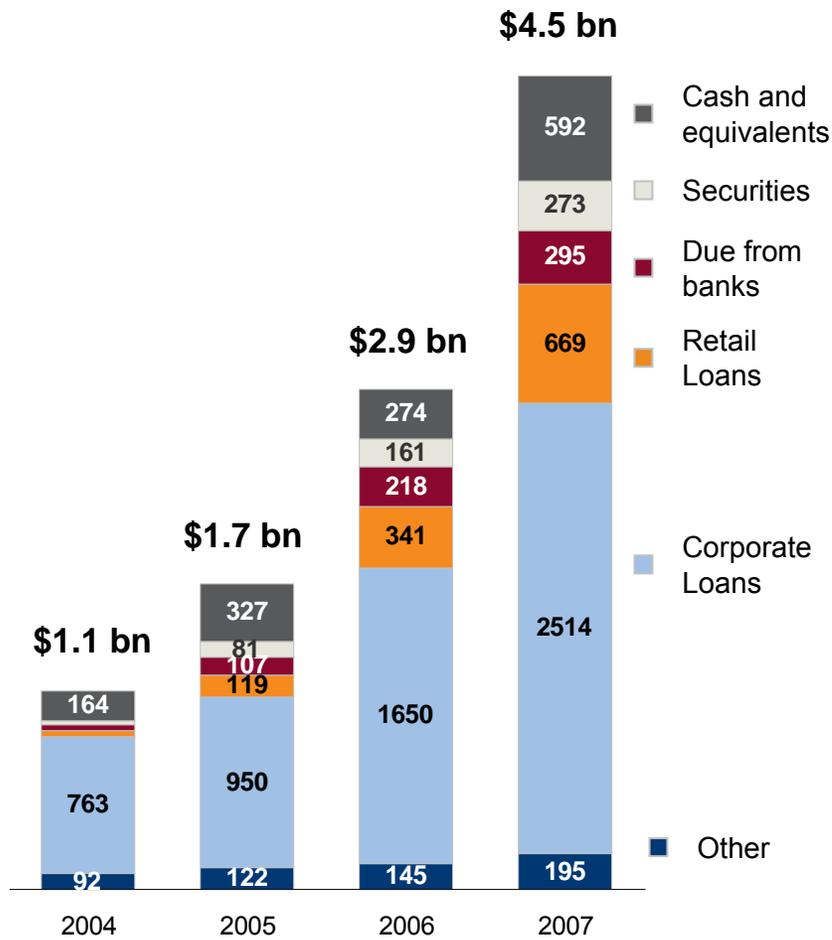
Funding, Risk & Corporate Governance



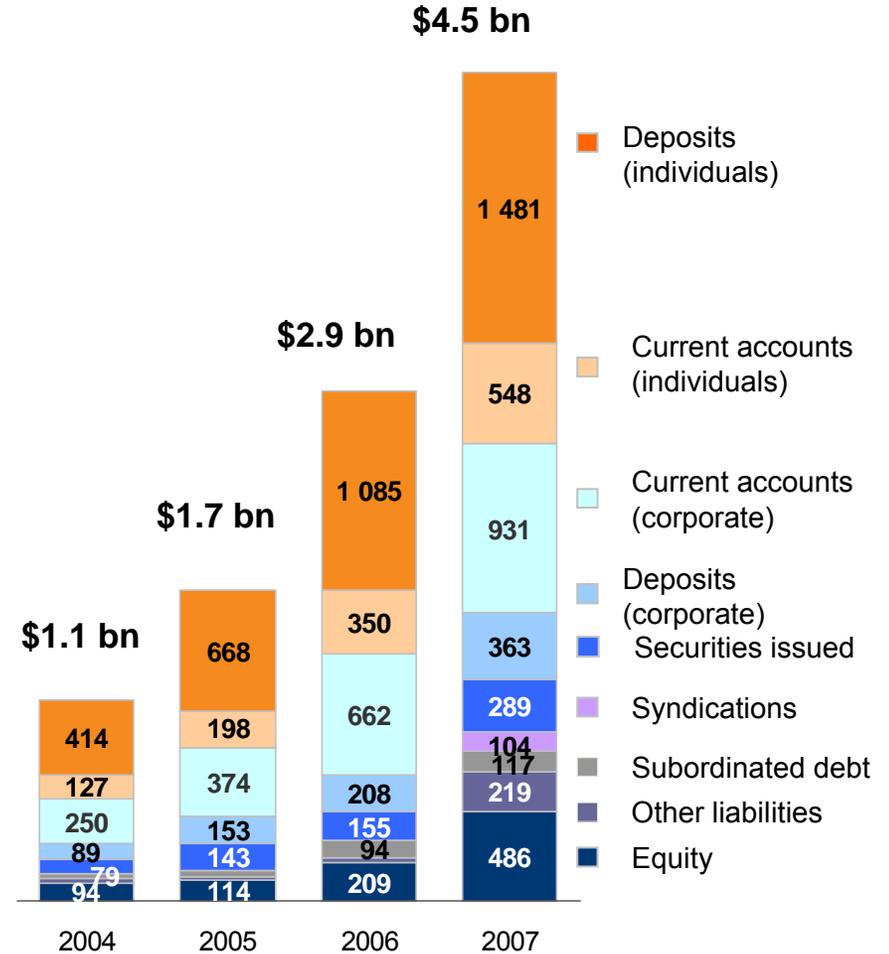
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Balance sheet changes - annual

Dominant share of loans

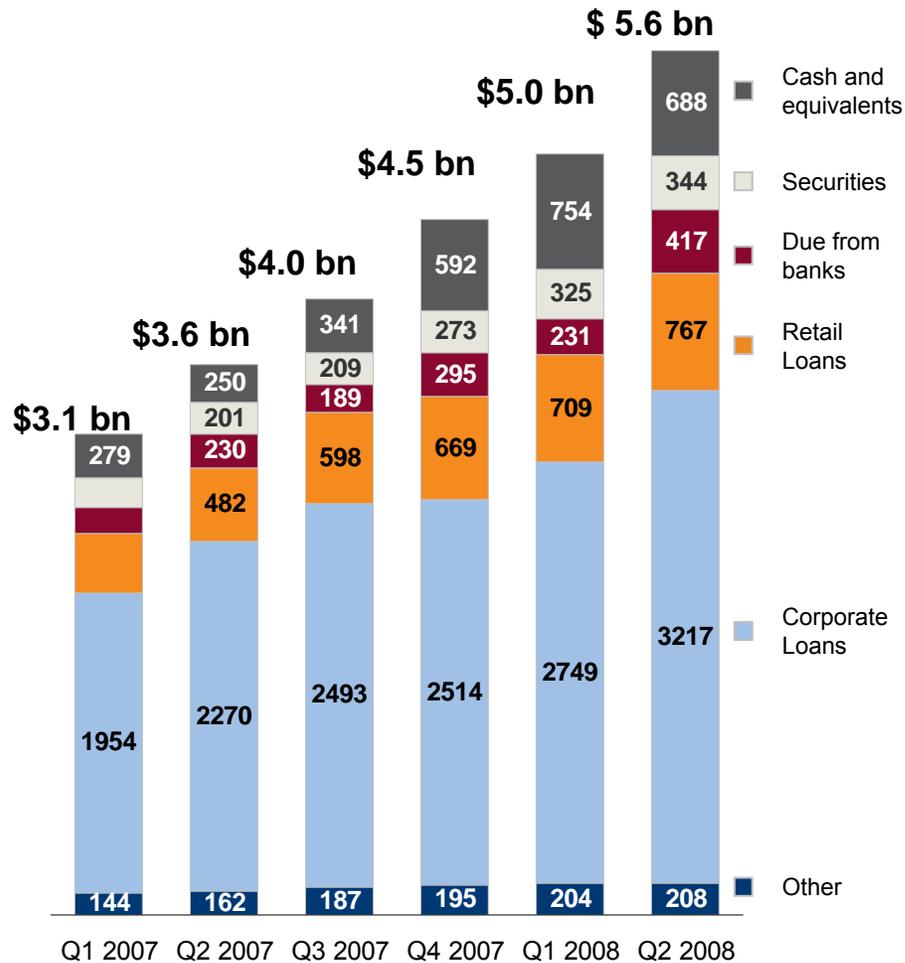


Diversification of funding

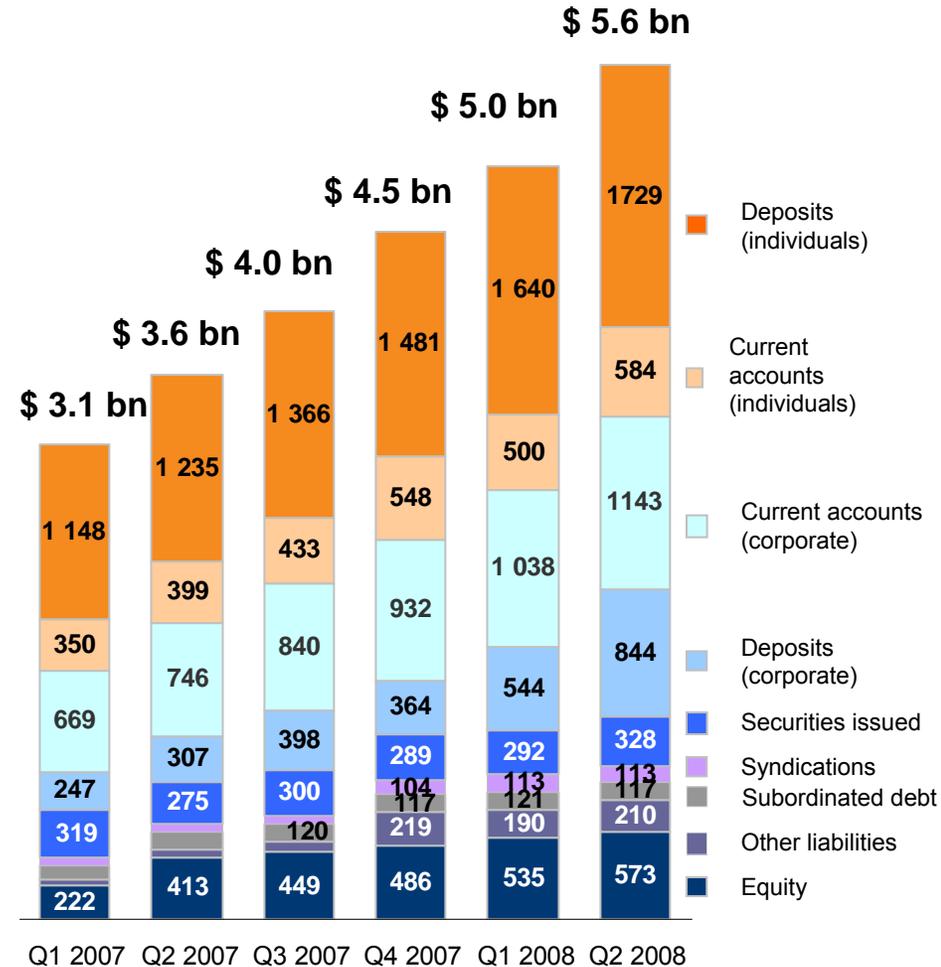


Balance sheet changes quarterly

Liquidity cushion still in place



Stable inflow of funding from customers

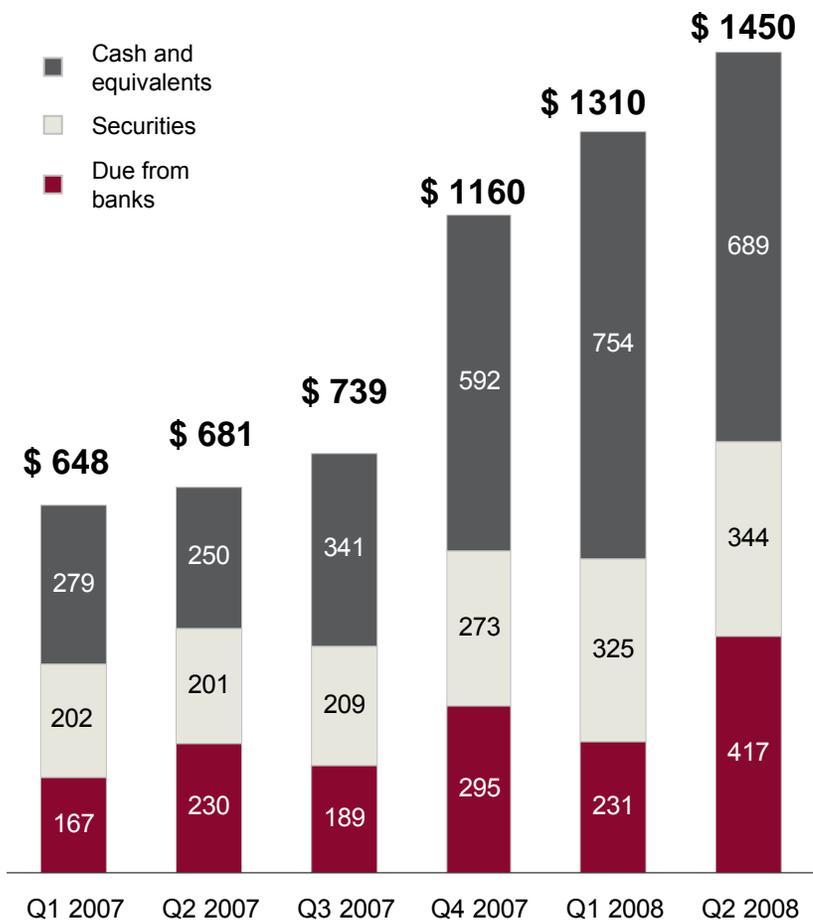


Liquidity & securities portfolio

Liquidity cushion

\$ mln

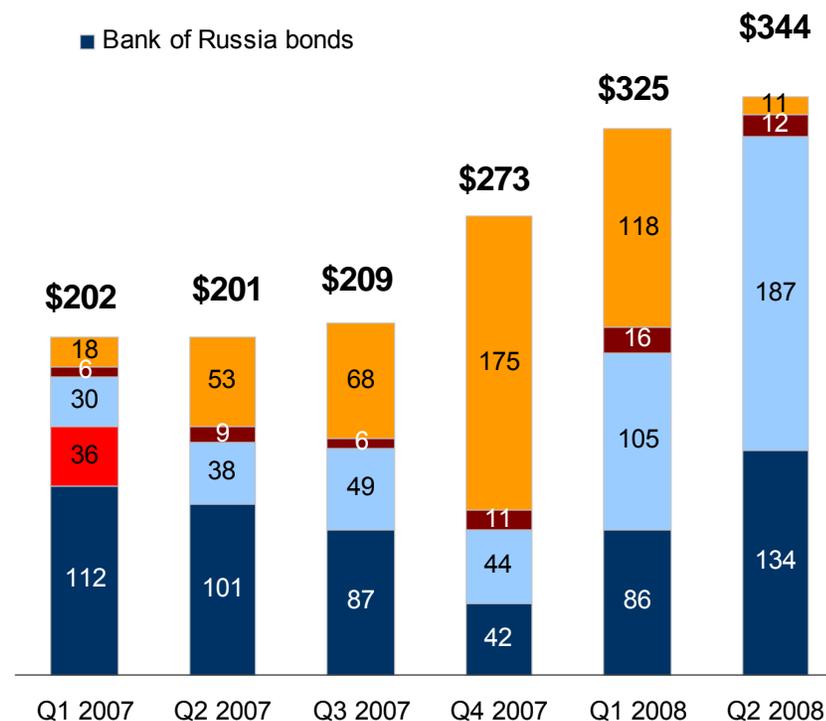
- Cash and equivalents
- Securities
- Due from banks



Highly liquid securities of Russian issuers

\$ mln

- State bonds (OFZ & OVGZ)
- Municipal bonds & Eurobonds
- Corporate bonds & Eurobonds
- Russian Federation Eurobonds
- Bank of Russia bonds



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Market funding & maturity

Low dependence on market funding

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%

Debut bond issue:

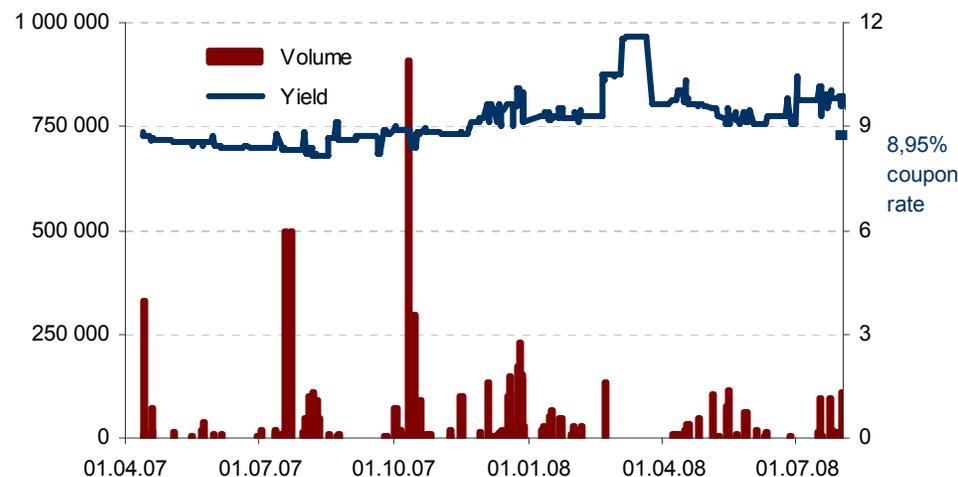
- RUB 3 bln. – due March 2010
- Coupon - 8.95%
- MICEX A1 - CBR Lombard List

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

Funding uncertainty – small impact on business

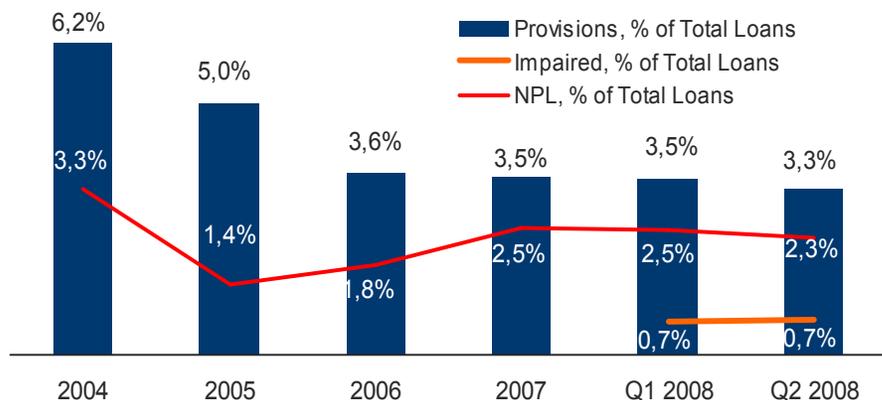
- Uncertain access to new international market funds
- Strategy to grow business based on domestic sources
- Growth targets lowered to 35% for 2008
- Domestic economy and financial system growth good
- Focus on improvements:
 - Efficiency
 - Risk Management
 - Corporate Governance

Bond trading

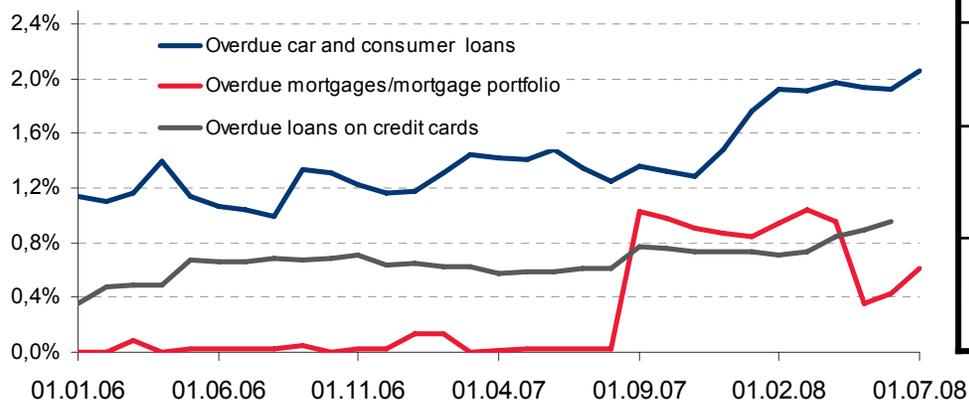


Credit Quality Management

Credit Risk



Retail over-due loans



Over-due loans

USD mln	Large corporate	SMEs	Mortg.	Other retail loans	Total	% of Total portfolio
Current loans	1034.7	2228.3	381.7	380.6	4025.1	97.6%
Past-due, including	0	76.0	10.8	9.1	95.9	2.3%
Less than 30 days	0	5.1	8.4	3.1	16.6	0.4%
Over 30 days	0	47.2	1.7	1.3	50.2	1.2%
Impaired	0	23.7	0.7	4.7	29.1	0.7%
Provisions	15.8	105.7	6.3	9.5	137.3	3.3%

High level of corporate governance

- Board of Directors consists of 12 members including 9 non-executive members

Independent directors head Audit & HR Committees

- Timely information provision to investors

Full disclosure on web-site

Quarterly IFRS financial reporting with web-cast presentations

- Financial reports under IFRS audited from 1991
- Comprehensive system of internal audit
- Solid and professional team
- Continuing excellent reputation recognition

TOP - 5 Russia's best governed
companies -
2007



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

“... 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



Q2 2008 IFRS Results

Good Profitability & Sound Liquidity Position

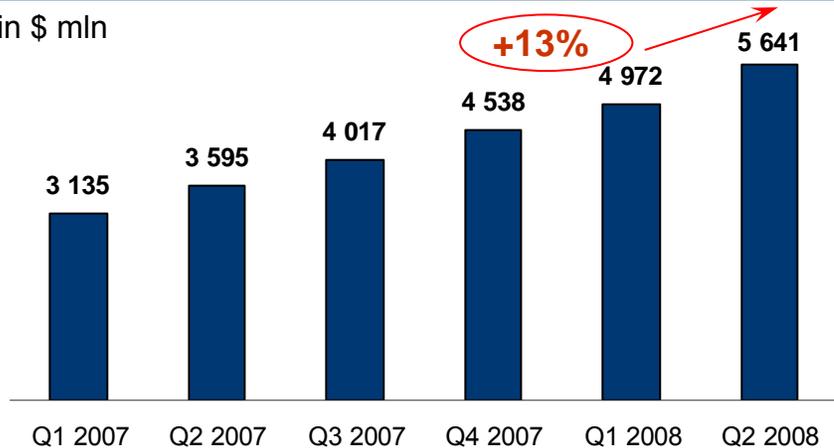


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Q2 2008 key results

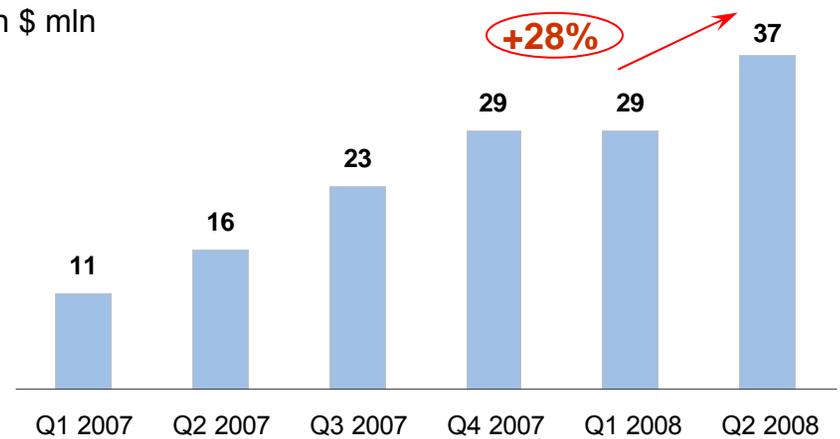
Assets growth

in \$ mln



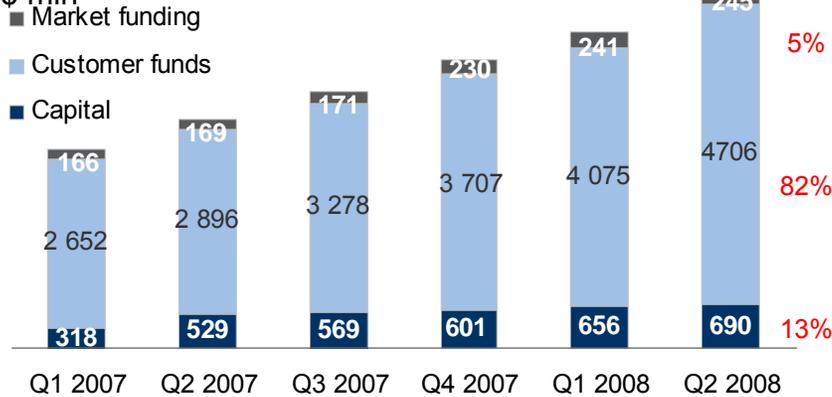
Net profit

in \$ mln



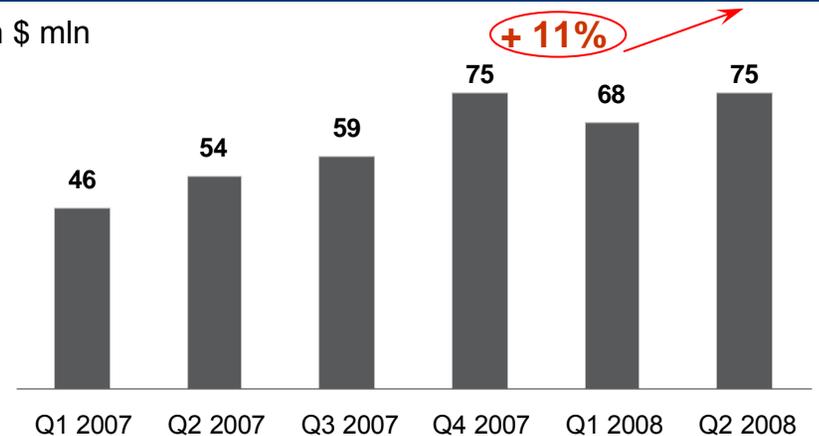
Stable funding

in \$ mln



Operational expenses

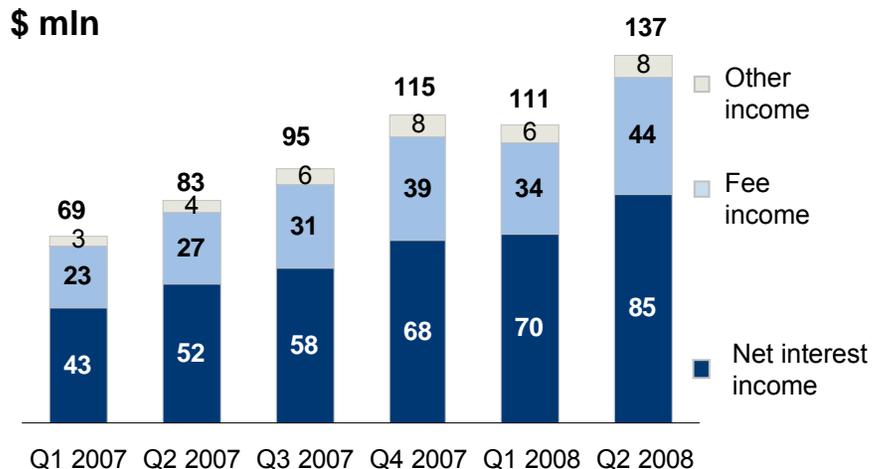
in \$ mln



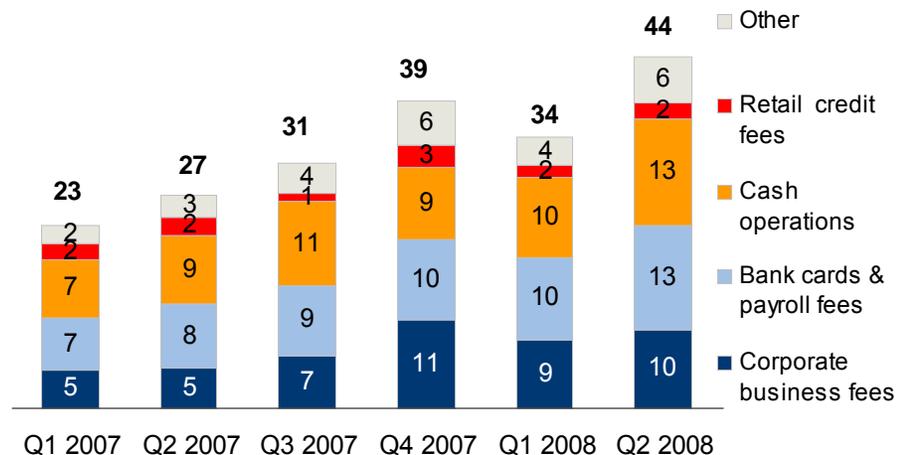
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Income & Margins

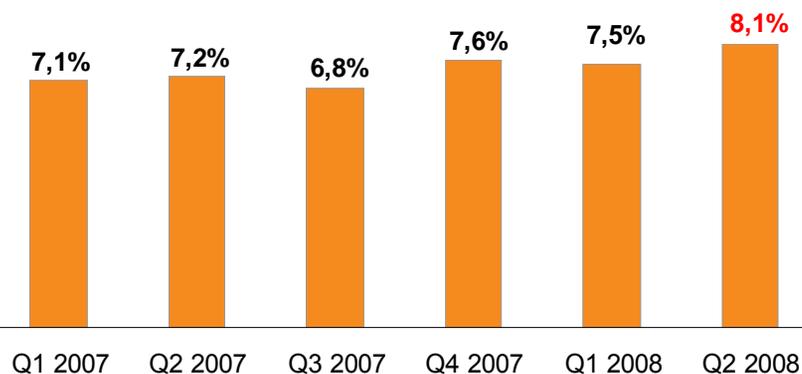
Operating income



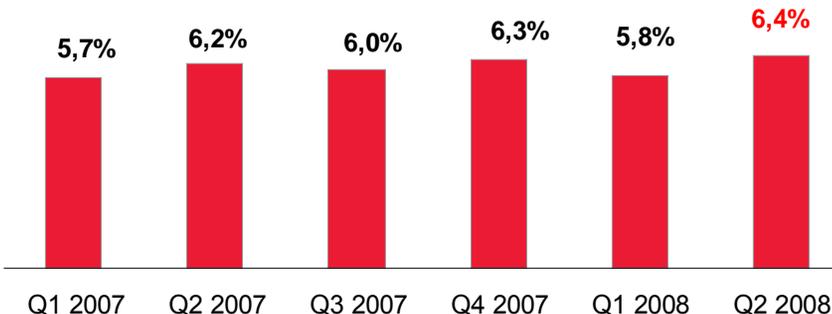
Fee income



Spread



NIM on average assets

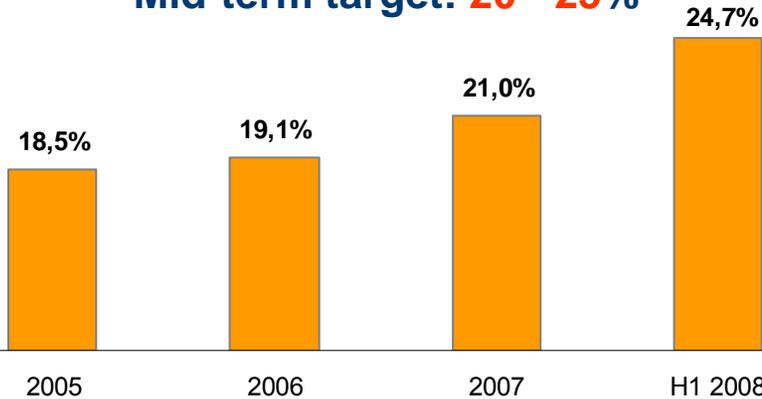


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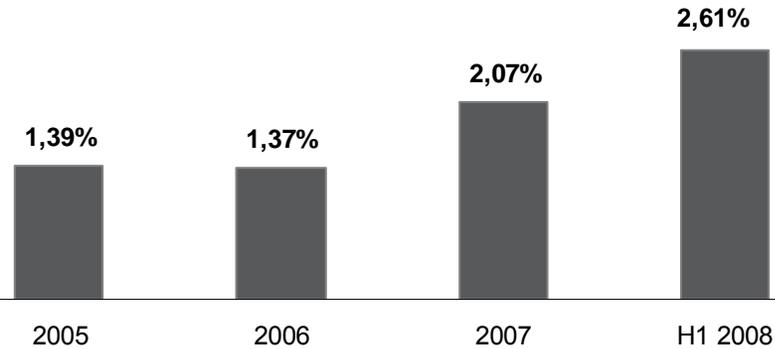
Key performance indicators

ROE. %

Mid-term target: **20 - 25%**

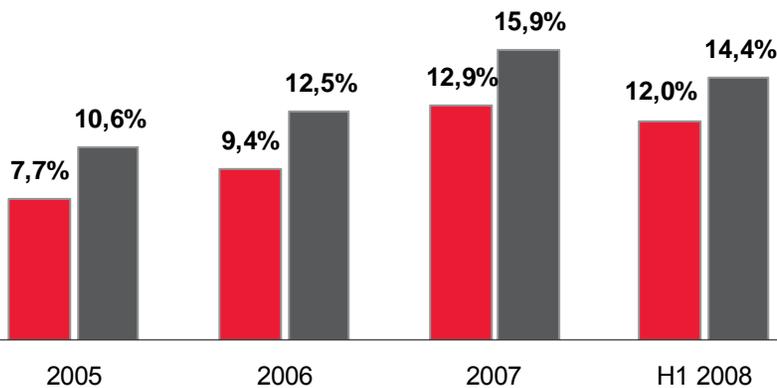


ROA. %



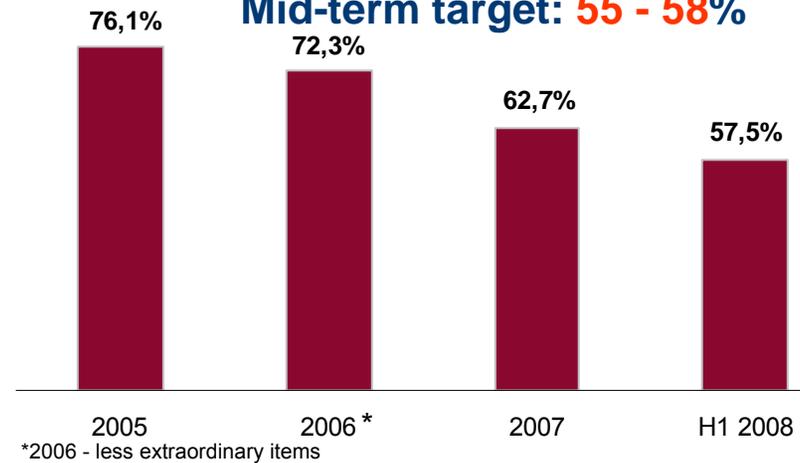
Capital adequacy

■ Tier 1 ■ Tier 1 + Tier 2



Cost to income ratio. %

Mid-term target: **55 - 58%**



Investment Summary: Bank Vozrozhdenie

- **Sound long-term strategy**
 - Adaptable in a changing environment
 - Solid organic growth with 5th year of continuing high profitability
 - 35% asset growth planned for 2008
 - High potential in SME and retail operations
 - Strong lead in expanding regional markets
- **Protected from turbulent markets**
 - Loan to deposit ratio is 93%
 - Not capital market dependant for funding
- **Personal Bank for individuals and corporate clients**
 - 60% 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)
 - S&P rating BB- assigned in August'08
 - Positive track-record of communication with investors

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