



**VOZROZHDENIE
BANK**

THE BANK THAT IS ALWAYS WITH YOU

The Banker



Bank of the Year 2010
RUSSIA

Bank Vozrozhdenie

Gradual recovery is underway



Investor presentation

April 2011

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Agenda

Business model

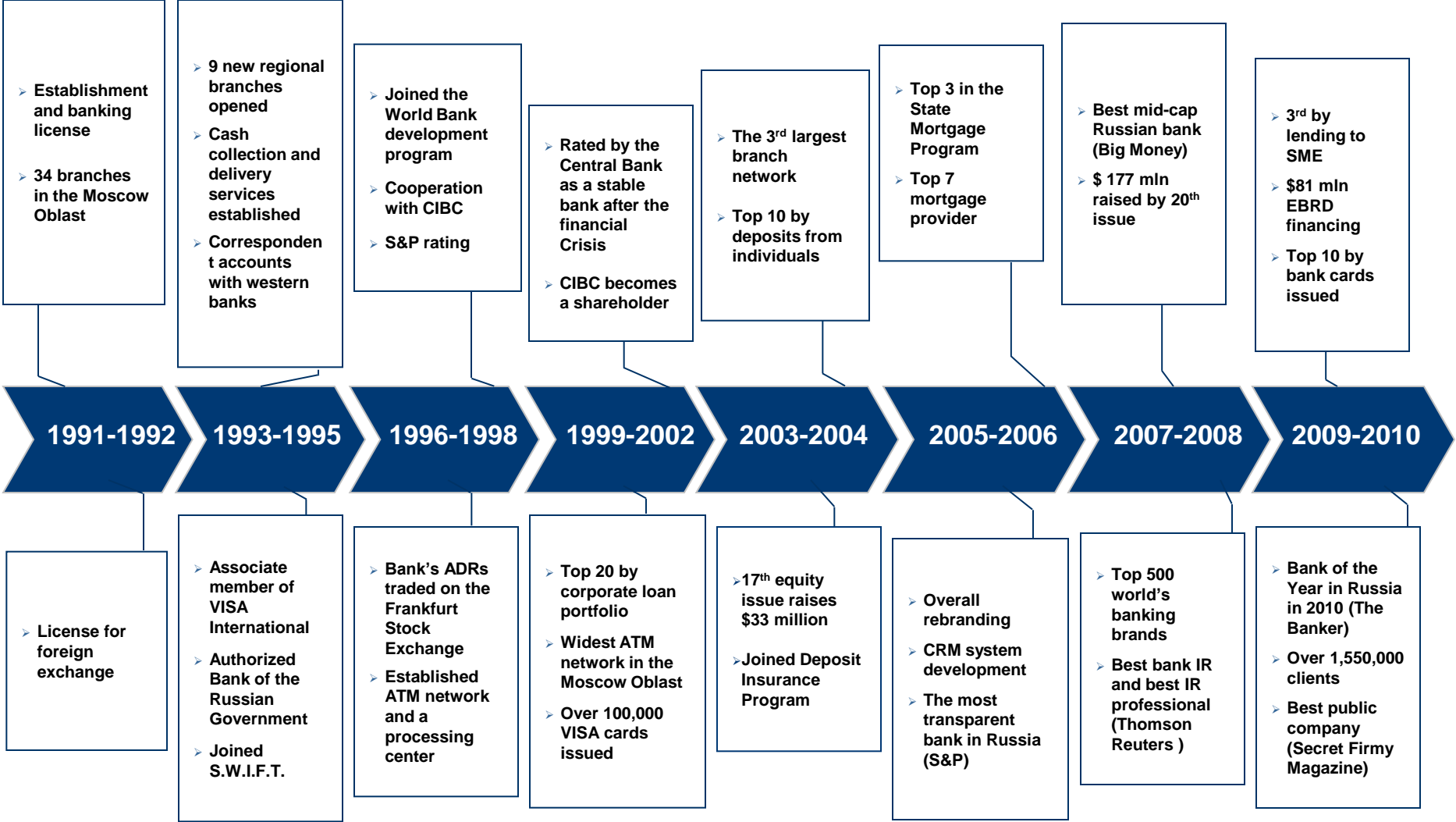
Business overview

Recent IFRS results

Investment summary



Over 19 years of successful development.



Vozrozhdenie Bank - a Community Bank built on strong relationships with SMEs and individual customers

Vozrozhdenie Bank strategy...

- Focus On Core Banking Products
- Servicing Corporate and SME Customers In Each Stage Of Business Development
- Servicing retail customers throughout their whole life-cycle
- Balanced Lending and Funding policy
- Prudent risk-management policy
- Increasing efficiency in service delivery

...service...

... 1 546 000 Retail Clients...

... 57 000 Corporate and SME Clients...

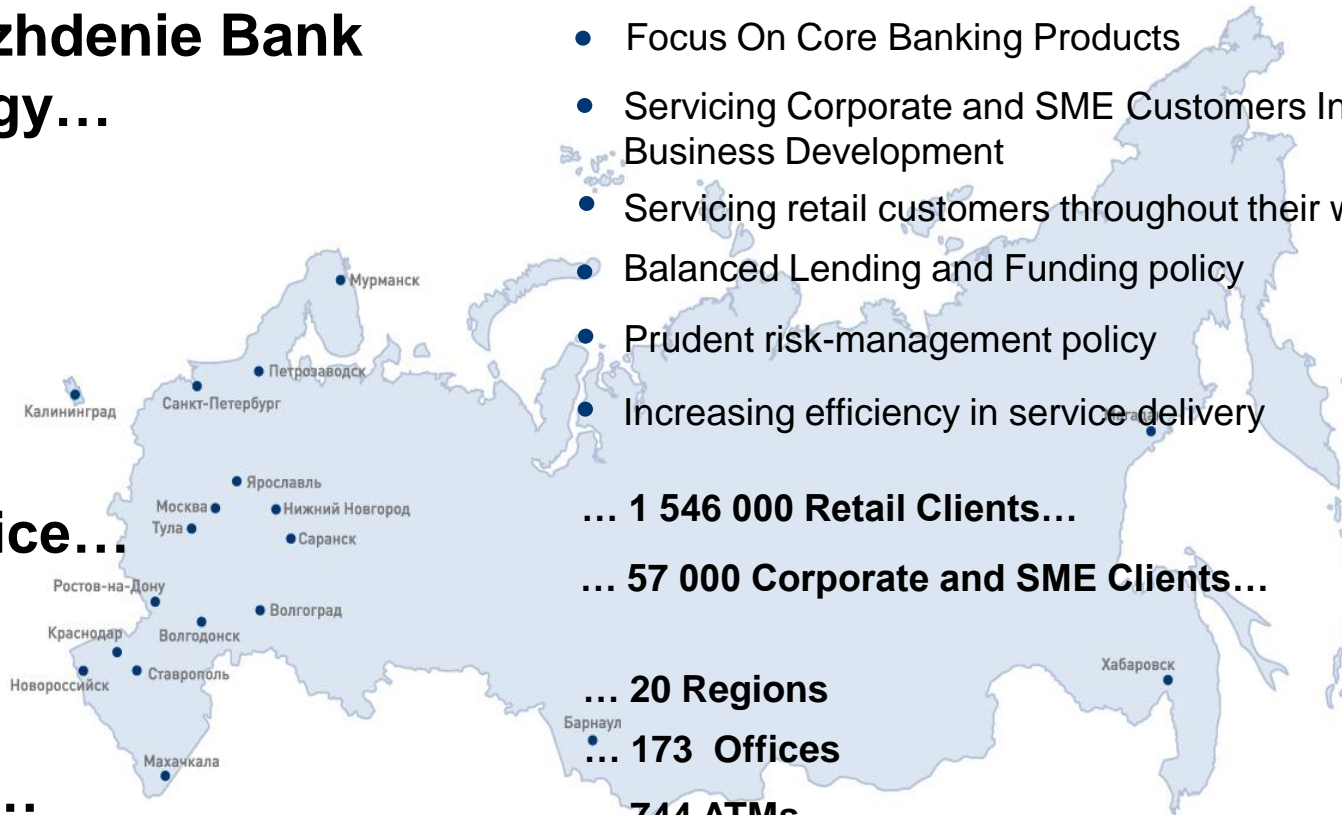
...via...

... 20 Regions

... 173 Offices

... 744 ATMs

... 6 164 employees



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Distribution network

As of 01.04.2011



Moscow Oblast is a home territory with historically strong market position

Branches	Sub branches	Retail offices	Total
35	41	34	110



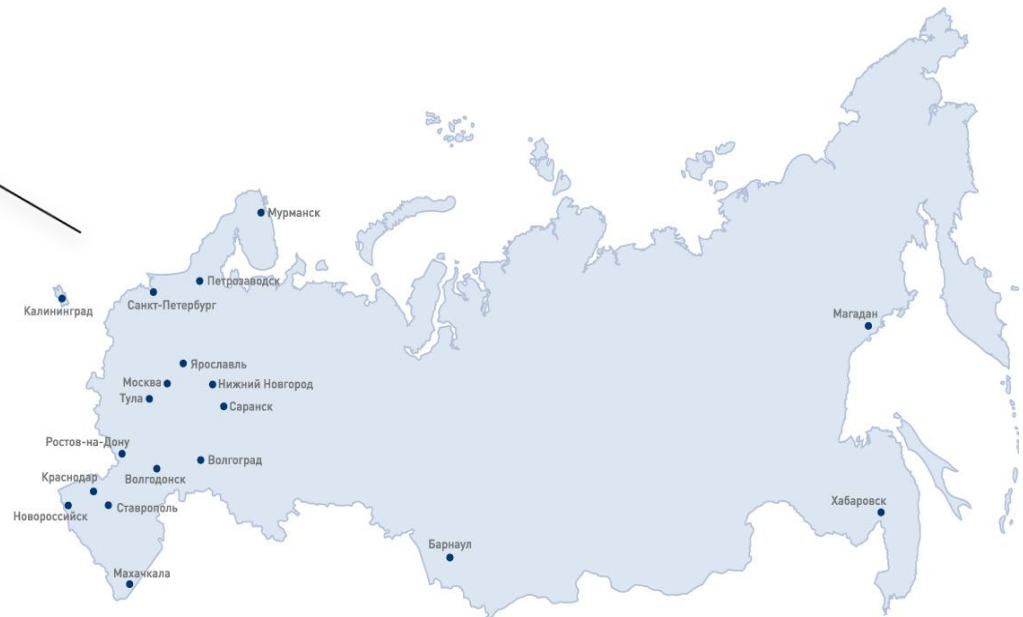
457 ATMs – every town is under coverage

Twenty regions of presence. Focus on the most attractive South and North-West

Branches	Sub branches	Retail offices	Representative offices	Total
19	37	6	1	63



287 ATMs



Basic information & position in Russian banking system

Key Figures, RUB

Assets	166,158 mln
Loans	104,046 mln
Customer Funds	130,334 mln
Net Income	581 mln
Shareholders equity	16,860 mln
Retail Clients	1,546,000
Corporate Clients	57,000
Headcount	6,164
Offices	173
ATMs	744

Rankings**

Net Assets	24
Loans to SMEs	3
Volume of retail deposits	13
Corporate loans	20
Bank cards emitted	11
Branches/ ATMs	28/18

** RBC most recent rankings



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Market recognition

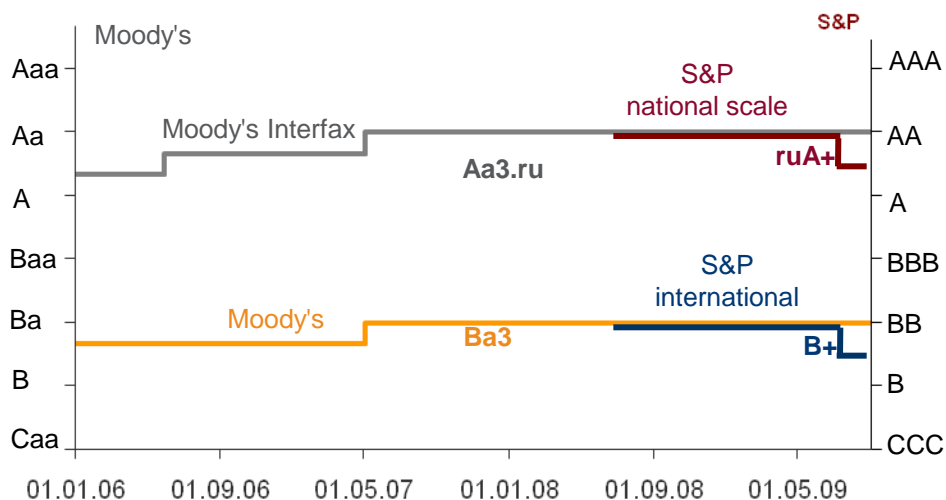
Credit ratings

Moody's

Ba3/D-/NP, stable

Standard&Poor's

B+/ruA+, positive



Listing

Included in indexes

MICEX Financial Index,
RTS

Listing

A2 MICEX

High recognition of brand

The Banker

Vbank became the winner in nomination "The Bank of the year 2010 in Russia" on the annual ceremony of The Banker magazine



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



BrandFinance Banking 500 survey

V-bank ranks among top-10 Russian most valuable banking brands with brand value of \$168 million

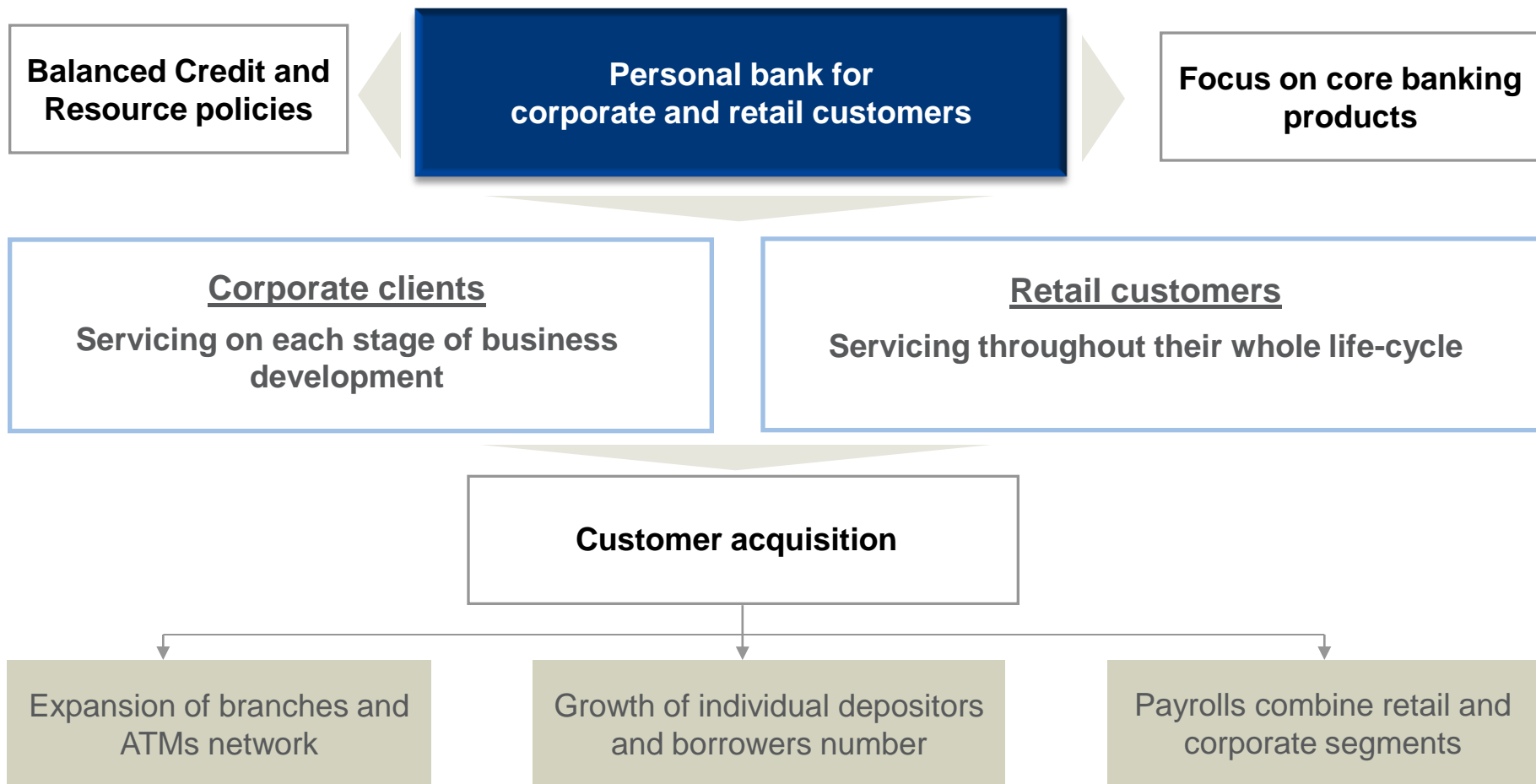


Business model



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Market strategy

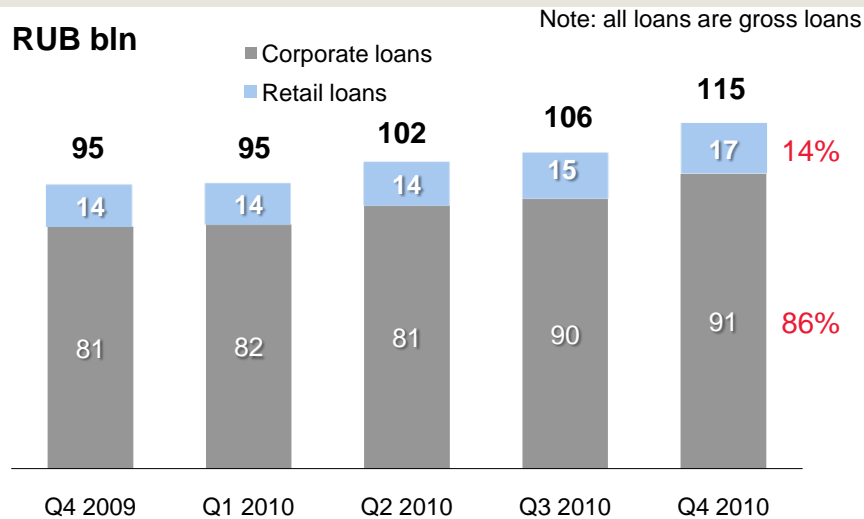


Business model

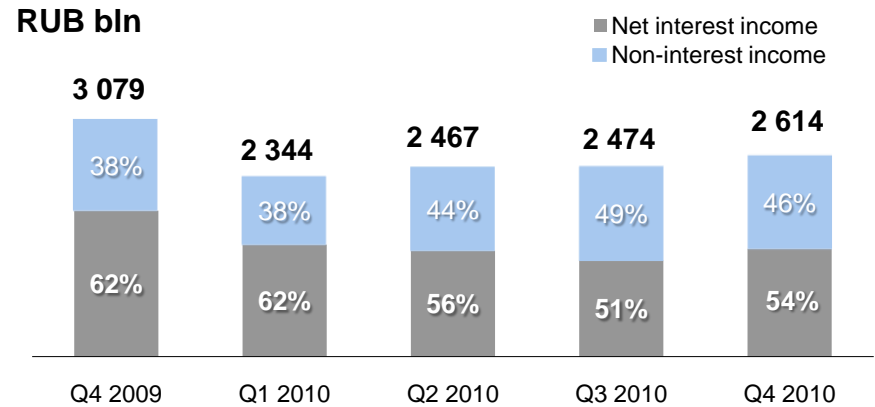
Business based on relationships...

- Customer oriented organic growth
- Conservative balance sheet
- Primarily deposit funded
- Focused network expansion
- Increasing efficiency in service delivery

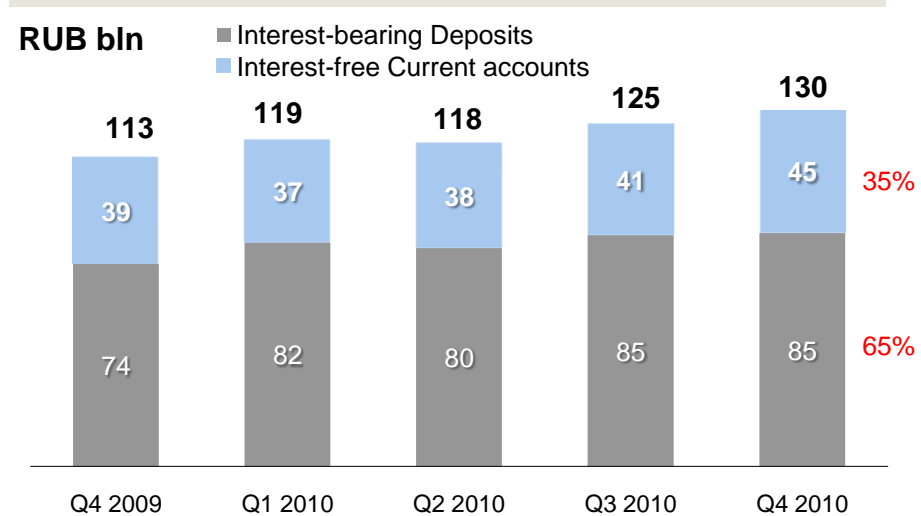
Loan portfolio development...



... gives strong non-interest income

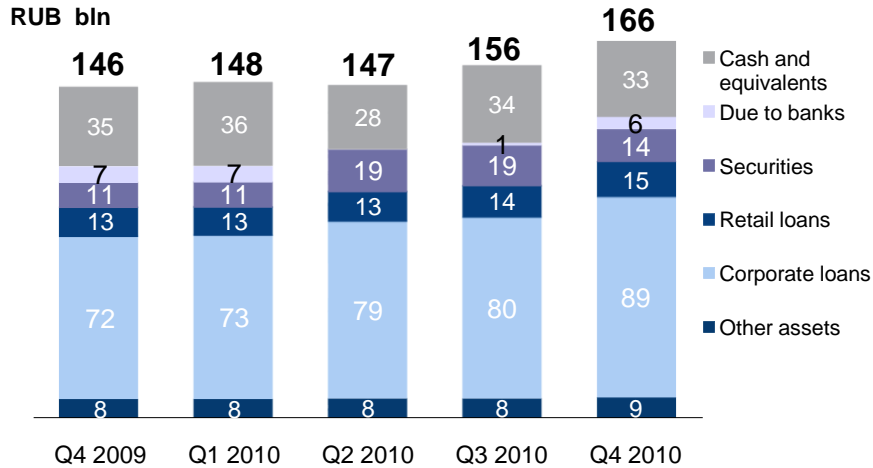


... funded by customer accounts

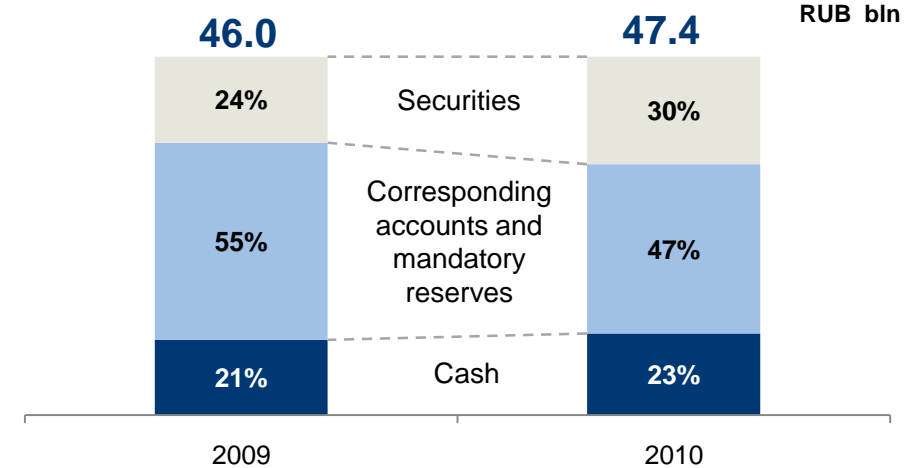


Asset structure coming back to normal

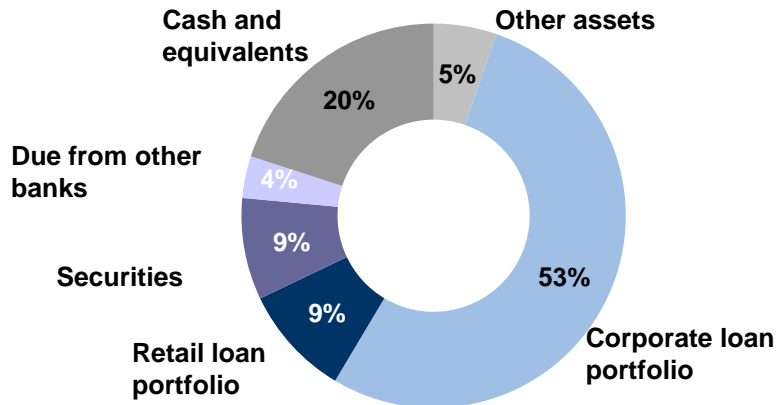
Loans' share expanding



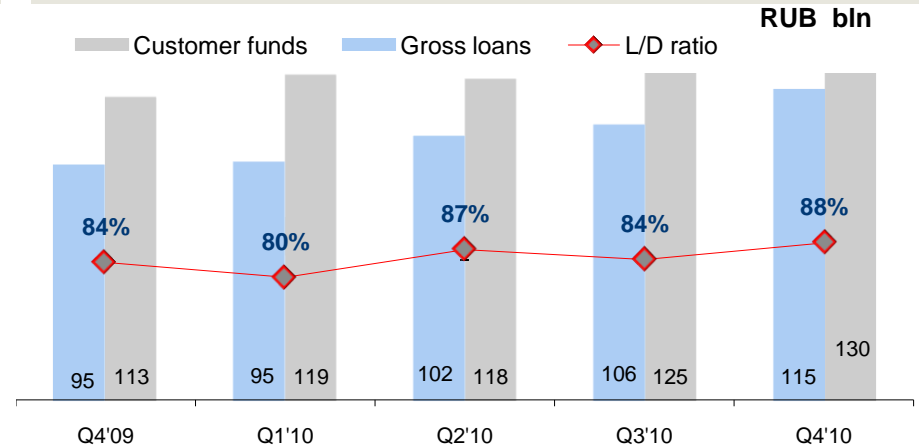
More profitable liquid assets structure



IEA represent 75% of total assets

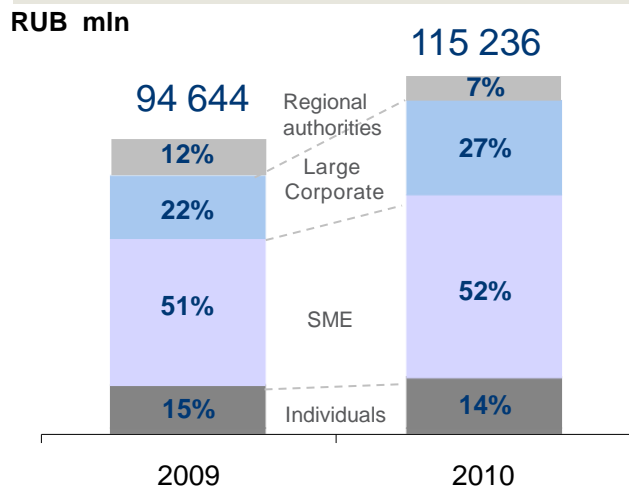


Improved efficiency of resources allocation

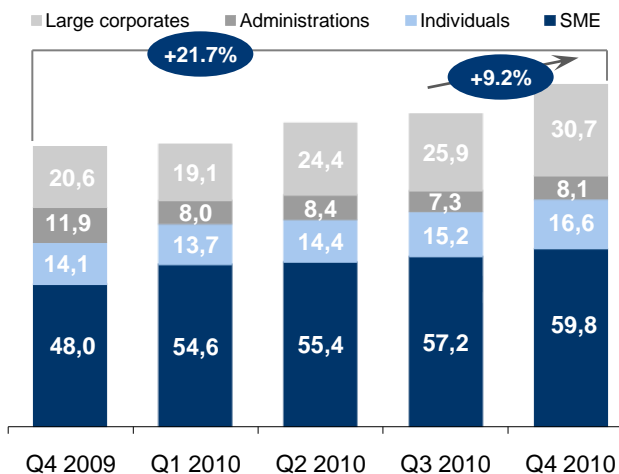


Loans and advances

Sharpening SME focus...



...with surpassed growth...



Total Loans

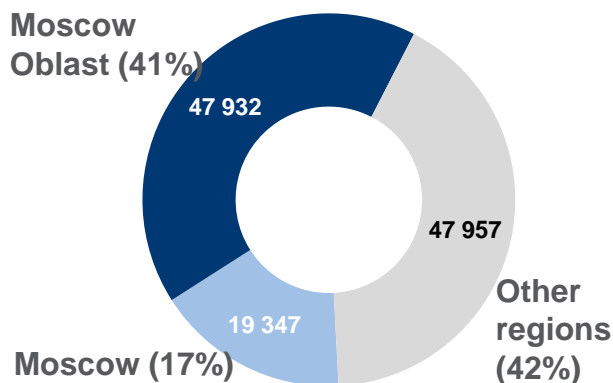
	VZRZ	Sector
YoY	+22.1%	+12.6%
QoQ	+10.3%	+3.7%

Corporate Loans

	VZRZ	Sector
YoY	+22.6%	+12.1%
QoQ	+10.4%	+3.2%

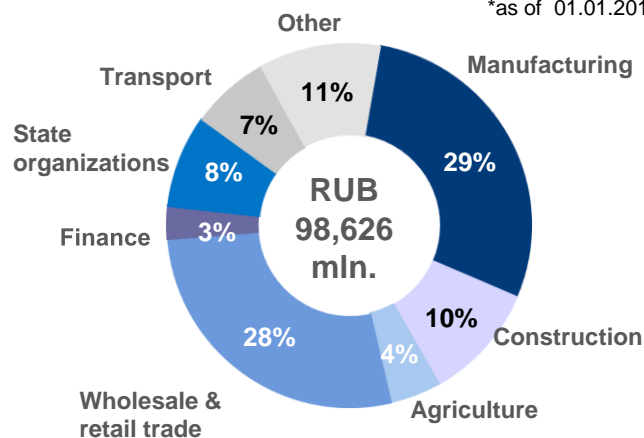
...in key regions...

*as of 01.01.2011



...across the industries

*as of 01.01.2011



Retail Loans

	VZRZ	Sector
YoY	+18.7%	+14.3%
QoQ	+10.2%	+5.5%



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Who are SMEs?

What is our SME Definitions

Segment	Credit turnover on current accounts. RUB mln.	Total credit exposure. RUB mln.	Total customer funds with the Bank. RUB mln.
Large business	>300	>750	>300
Medium-size and small businesses	6 - 300	30 - 750	6 - 300
Micro businesses	1 - 6	6 - 30	1 – 6



Food processing – factories manufacturing different types of high-quality food and drinks.



Petrol stations networks – complex service of high-quality petrol, minimarkets and café, car washes and technical services.



Pharmacies networks – still healthy demand both for beauty products and medicines.

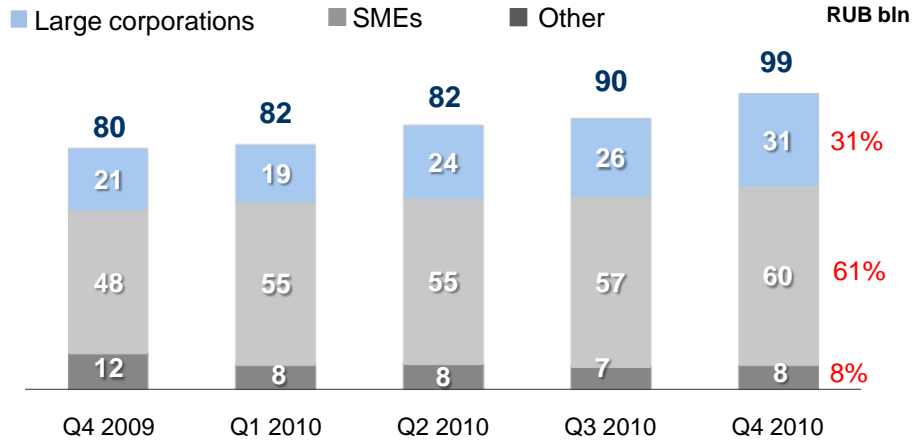


Food retailers– small chains of handy stores “Close-to-House” style for daily shopping located in dormitory area with high density of population.

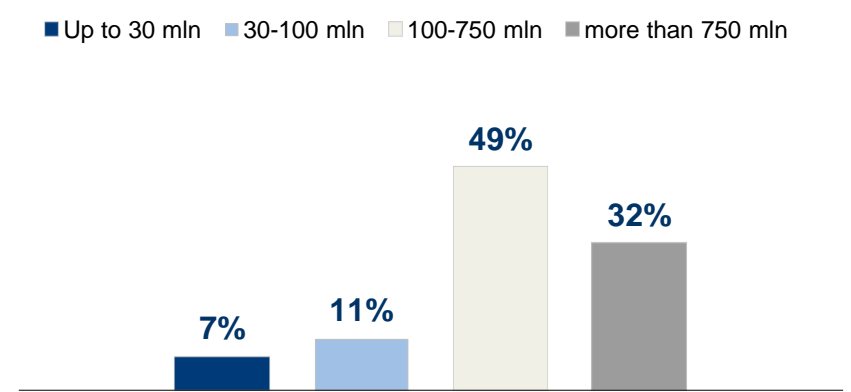


Corporate business

Corporate lending – focus remains on SMEs...

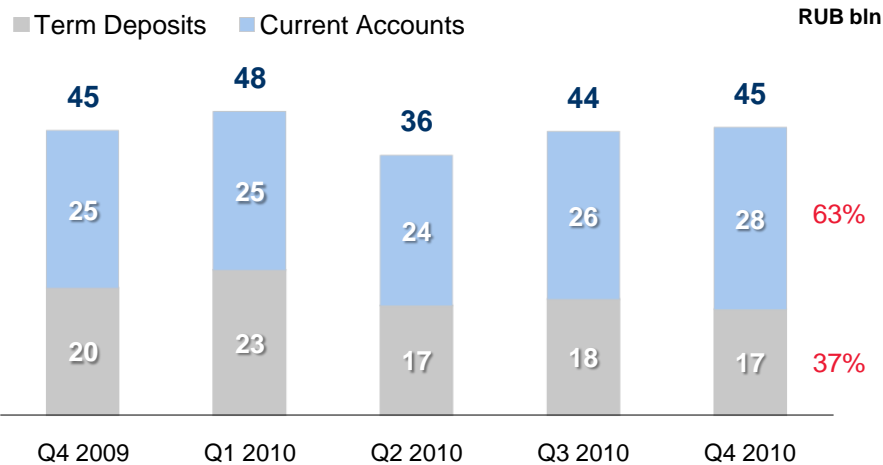


...with 70% of loans less than RUB 0.75 bln

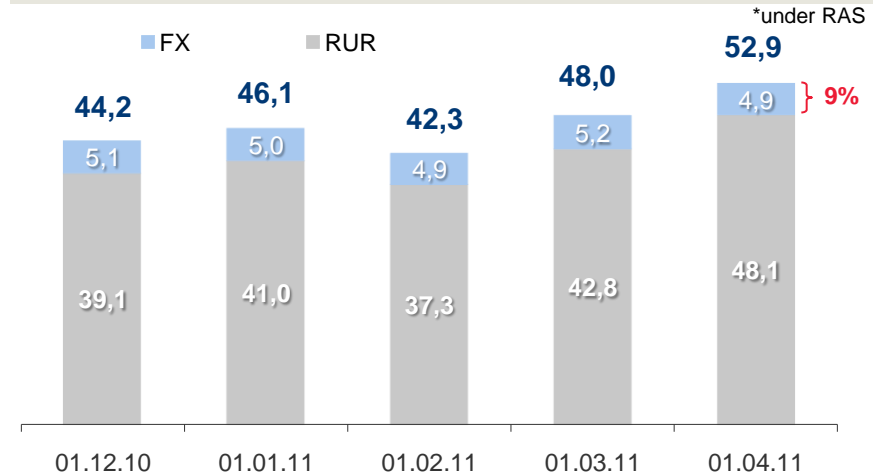


Data as of 01.01.2011

Corporate funding...



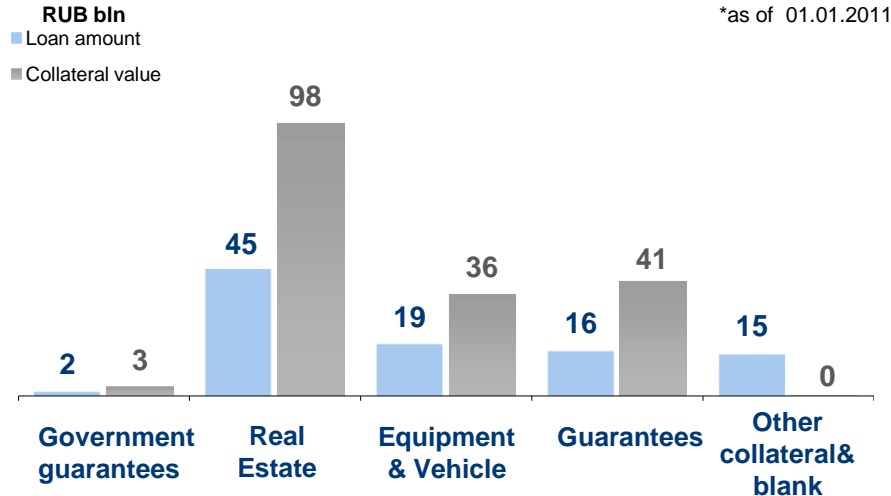
...mostly nominated in RUB



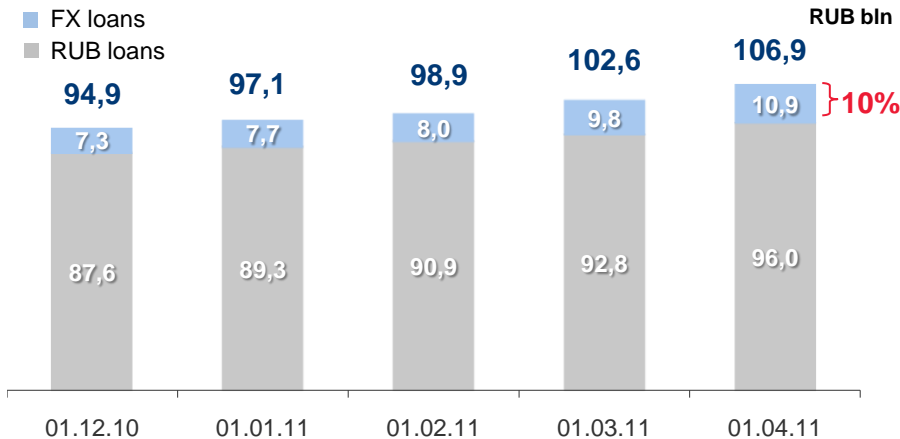
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Conservative risk profile

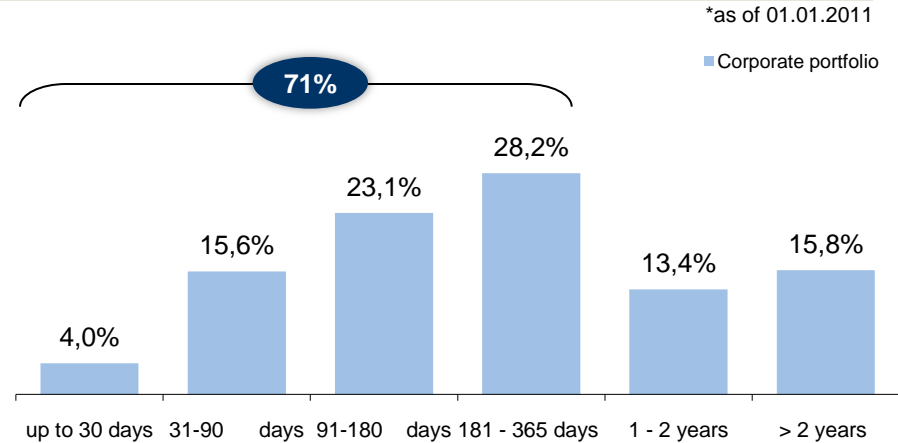
Credit policy sticks to reliable collateral...



...in the same currency as SMEs revenues.



....providing mostly working capital...



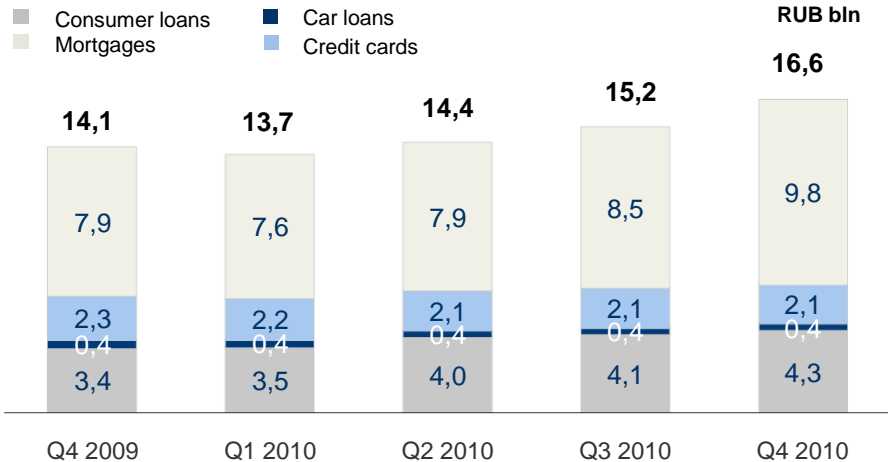
Key points

- Average LTV of the portfolio is 59%* mostly collateralized by solid real-estate, equipment and vehicles (66% of total loans). Revision of collateral value is conducted on a quarterly basis.
- We provide our clients with working capital rather than long-term financing – 71% of corporate loans with maturity less than 1 year. It allows us to react on changing market conditions.
- Matching in terms of the loan currency and the client revenues is a core point. FX loans are issued only to customers related to export-import transactions.

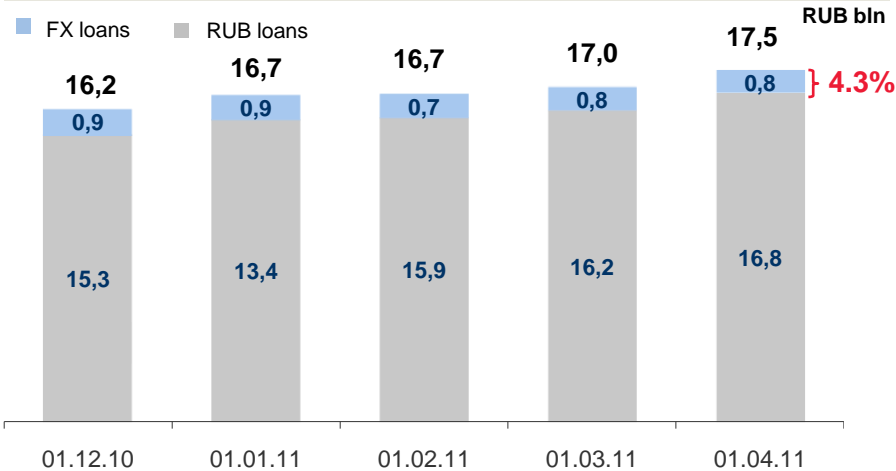
*Guarantees are not taken into account

Retail lending – promising segment after crisis

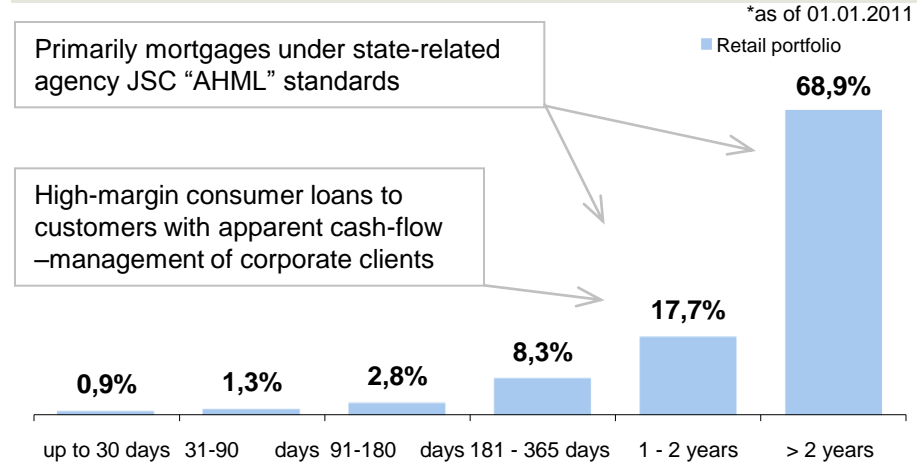
Retail loan book changes (IFRS)



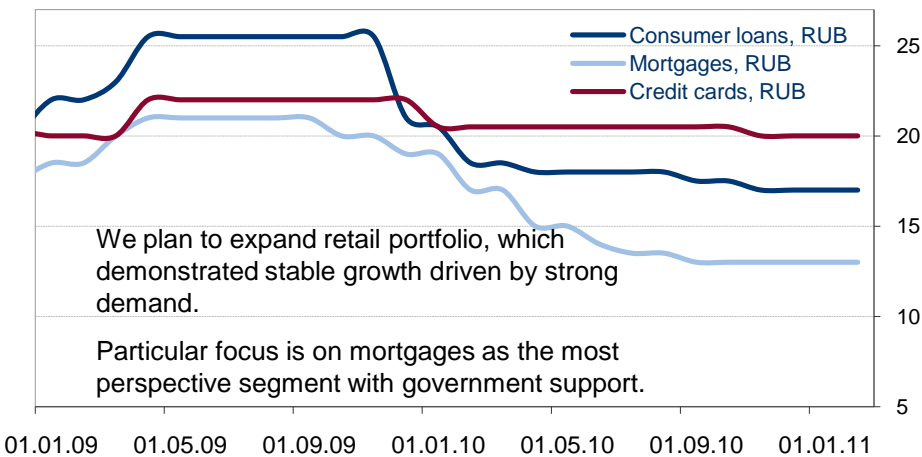
Currency breakdown (RAS)



Retail loans maturity

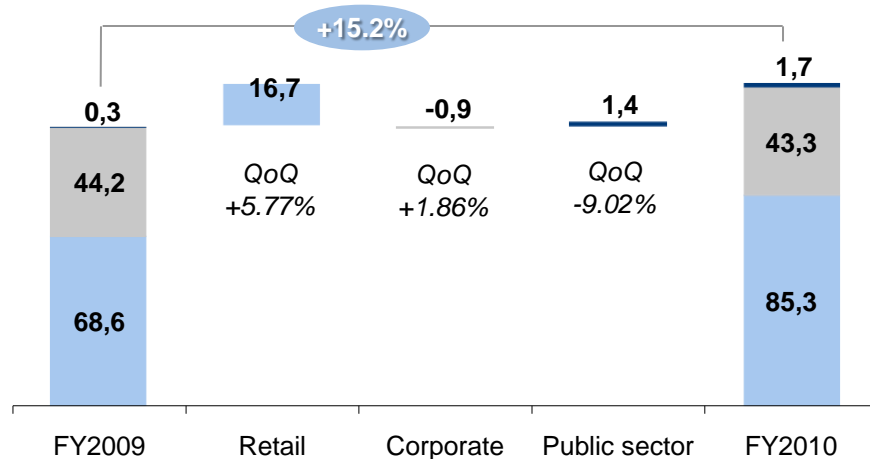


Rates for retail loans



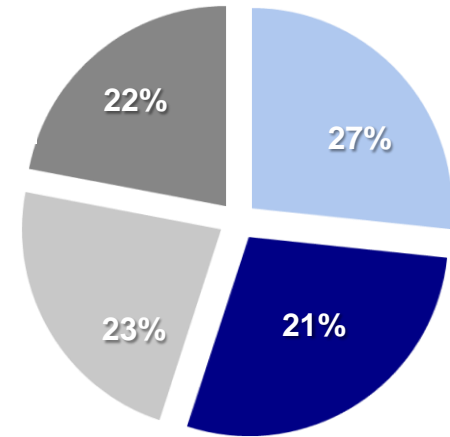
Individual deposits – core part of liabilities

Customer deposits development



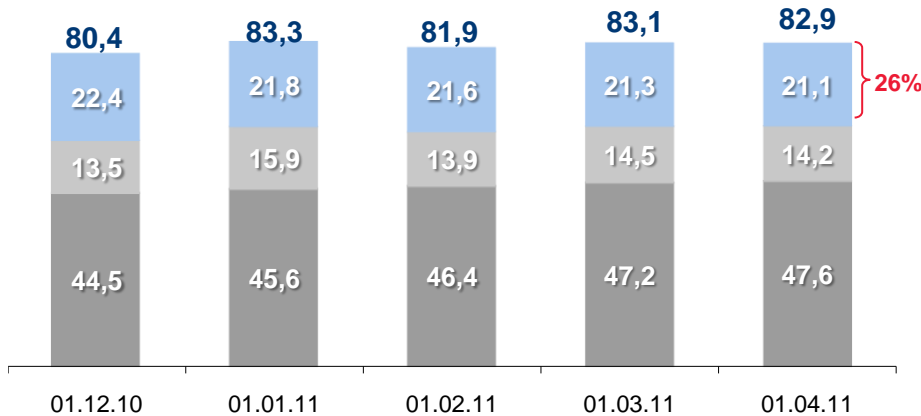
Individual deposits maturity

- Less than 1 month
- 1-6 months
- 6-12 months
- Over 12 months



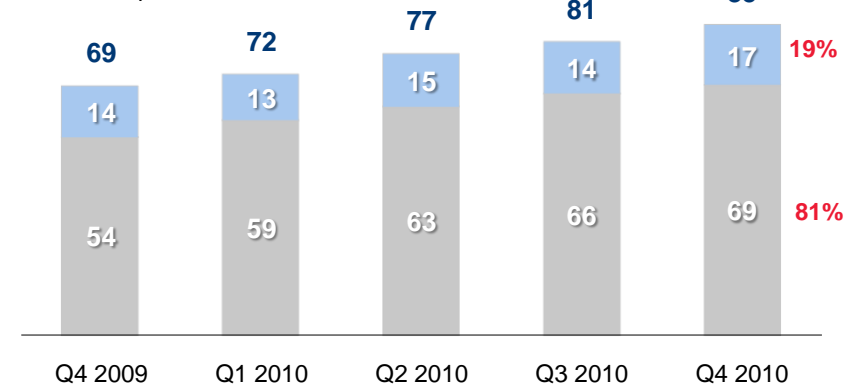
Retail currency breakdown (RAS)

- RUR term
- RUR cards
- FX term & cards



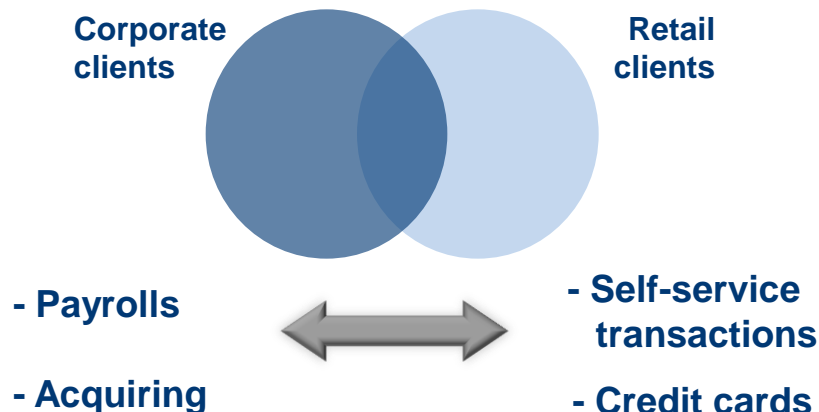
Retail funding

- Term Deposits
- Current Accounts

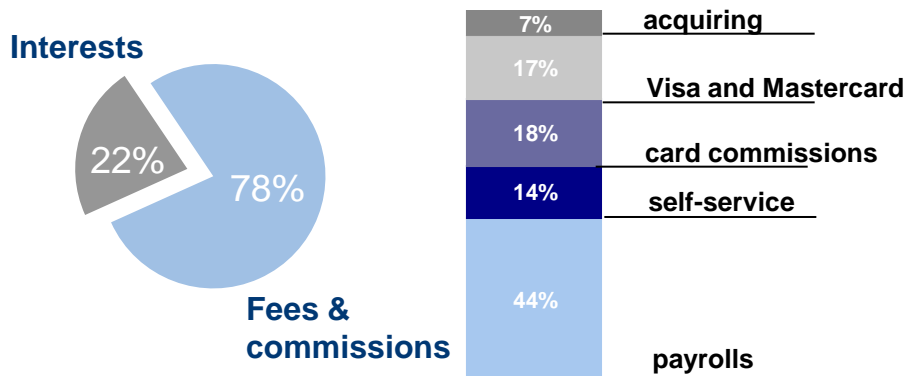


Card business – reliable source of non-interest income

Business strategy...



...Generates strong fee income



...developing key card product - payrolls

	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Payrolls	9,700	10,200	10,500	10,700
Debit cards	1,344,562	1,357,584	1,363,662	1,354,349
Credit cards	41,378	38,172	36,690	37,749
ATMs	698	710	715	732

Key points

- Payrolls is the main tool for client base growth with strong potential – 56,000 of existing corporate clients and 15,000 installed “client-bank” systems
- Offering cards only to existing corporate clients: credit cards for owners, top and mid-level managers and specialists, debit cards for personnel
- Pushing cross-sales between retail and corporate

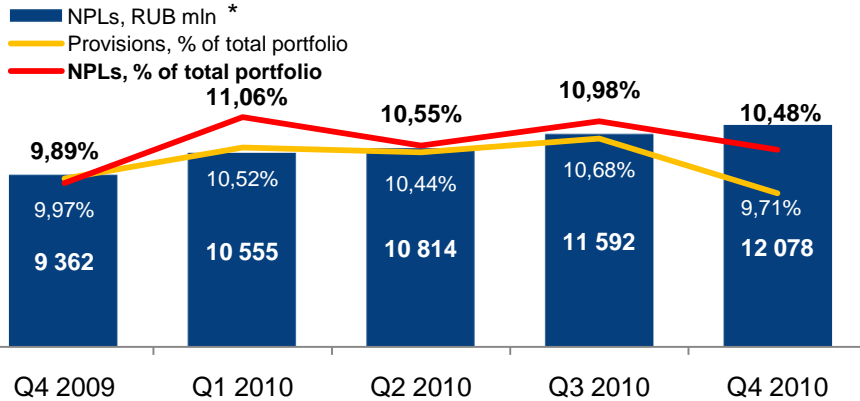
Asset quality evolution



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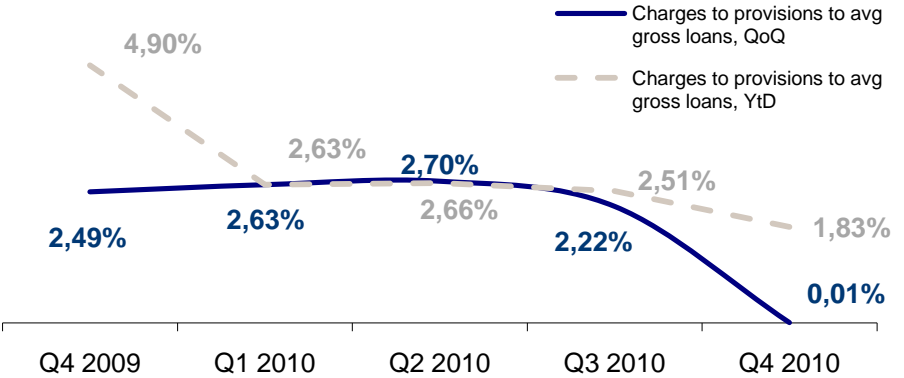
Credit quality management

NPLs dynamics

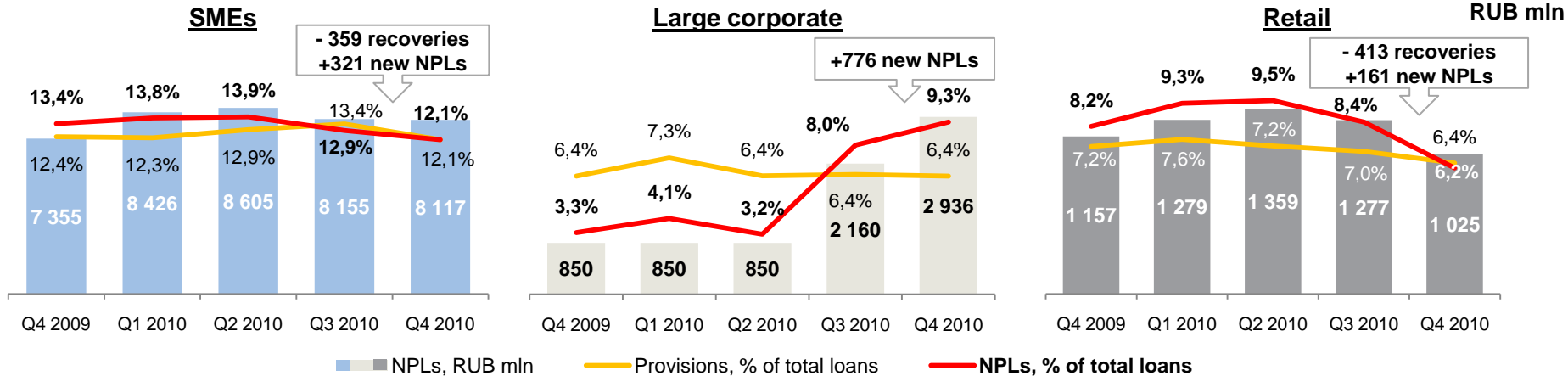


* NPL includes the whole principal of loans at least one day overdue either on principal or interest

Annualized cost of risk



NPLs categorization: improvements in SME and retail segments



Credit quality

as of 31.12.2010	Large corporate	SMEs	Mortgages	Other retail	Total	% of total loans
Gross loans, including	31,715	66,911	9,806	6,804	115,236	100.0%
Current loans	28,779	58,794	9,327	6,258	103,158	89.52%
Past-due but not impaired, of them	0	454	240	74	768	0.67%
Less than 90 days	-	231	203	61	495	0.43%
Over 90 days	-	223	37	13	273	0.24%
Impaired, of them	2,936	7,663	239	472	11,310	9.81%
Less than 90 days	2,086	970	-	20	3,076	2.67%
Over 90 days	850	6,693	239	452	8,234	7.14%
Total NPLs	2,936	8,117	479	546	12,078	10.48%
Provisions	- 2,014	- 8,112	- 480	- 584	-11,190	9.71%
Net Loans	29,701	58,799	9,326	6,220	104,046	-

Provisions to NPLs Ratio

93%

Provisions to 90+ days NPLs

132%

Rescheduled Loans

9.4%

NPL - the whole amount of loans with principal overdue for more than 1 day as well as loans with any delay in interest payments.

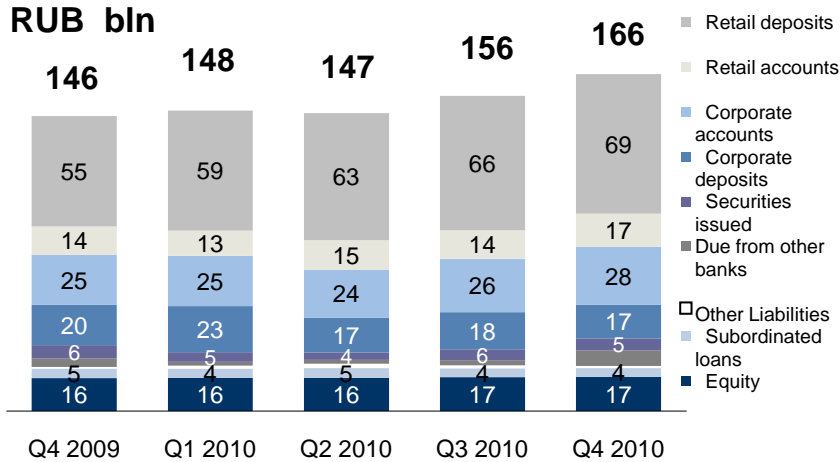
Liabilities, Liquidity and Capital position



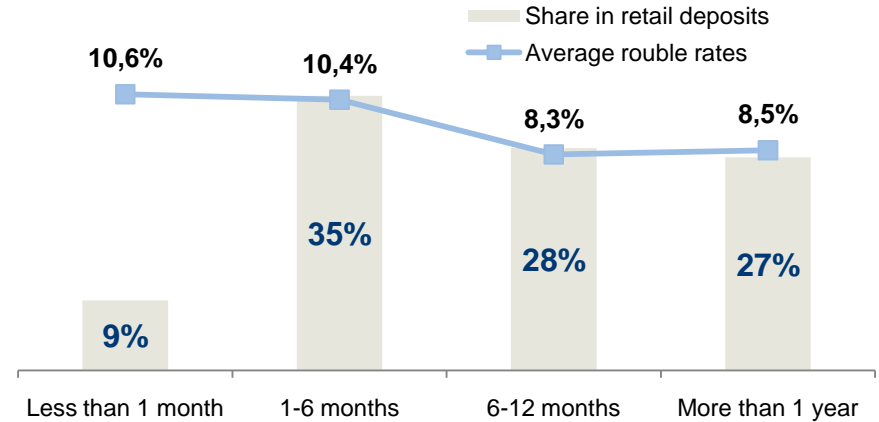
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Ongoing efforts on funding costs reduction

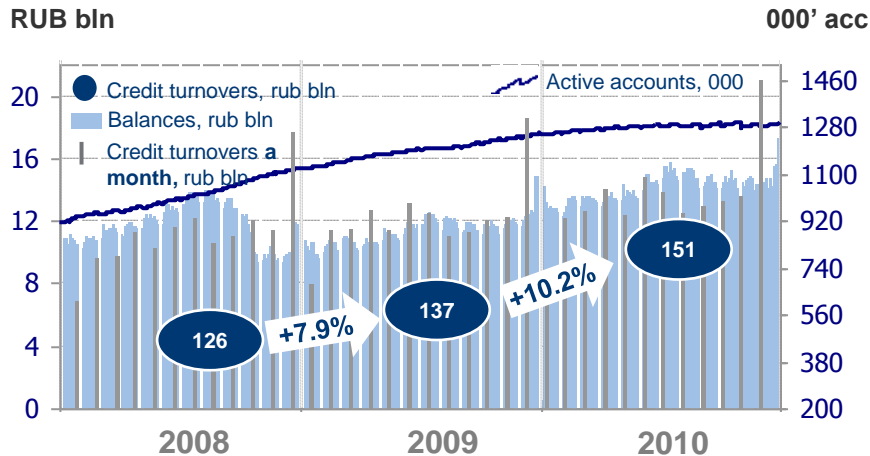
Funded by customer accounts



Pace of deposit portfolio re-pricing



Card accounts



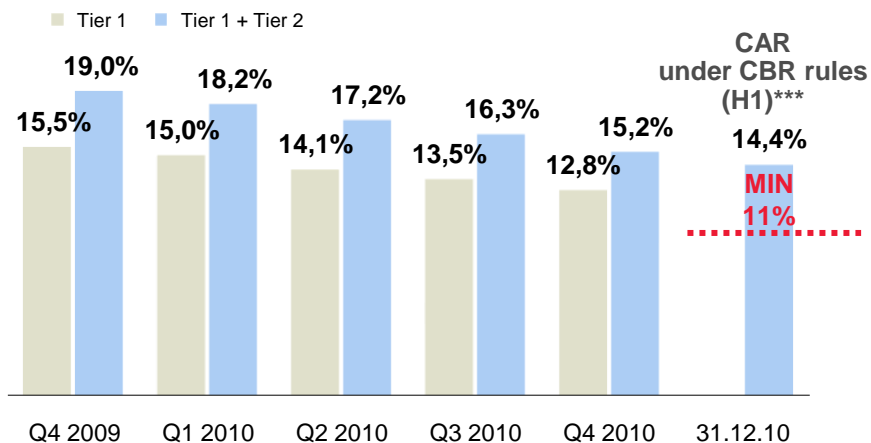
High share of interest-free funding sources

Current accounts/
Liabilities **30.1%**

Customer accounts/
Liabilities **87.3%**

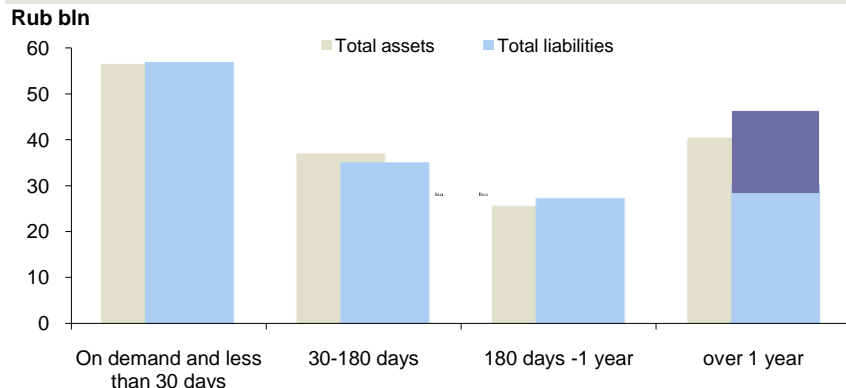
Currency and gap management, capital adequacy

Strong capital position



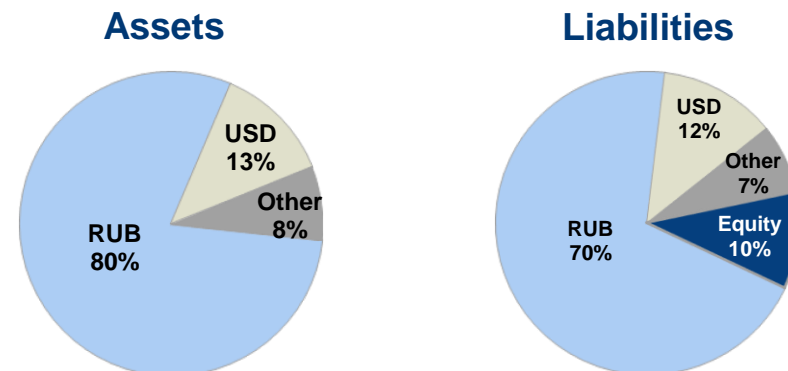
*** Preliminary estimations

Maturity gap**



** Based on expected expiration date, only monetary assets and liabilities are accounted

No mismatches on the balance-sheet*



* Based on monetary assets and liabilities

Key points

The bank's capital position of 15.2 (Tier 1 - 12.8%) of 15.2% remains comfortable amid continued business expansion.

We stick to strategy of no mismatches on the balance sheet in terms of currency risk with particular focus on ruble-nominated assets.

Accumulated long-term resources allow the bank to satisfy revived demand for loans, credit facilities and banking guarantees.

Recent IFRS results



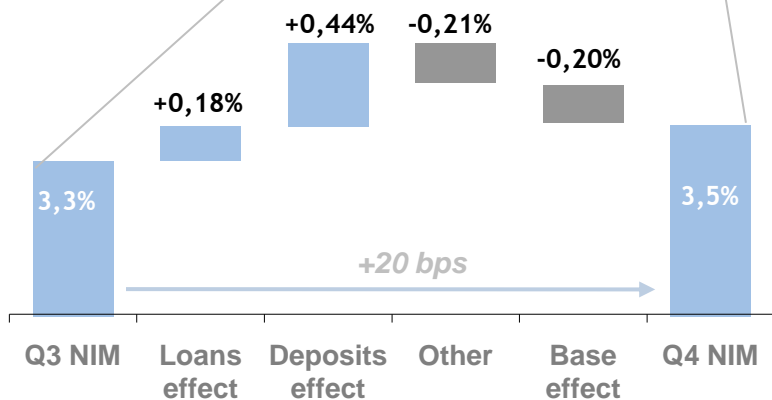
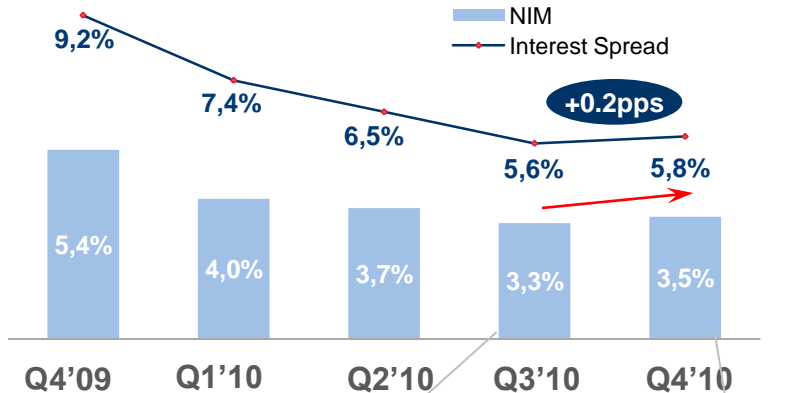
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2010 Key financials

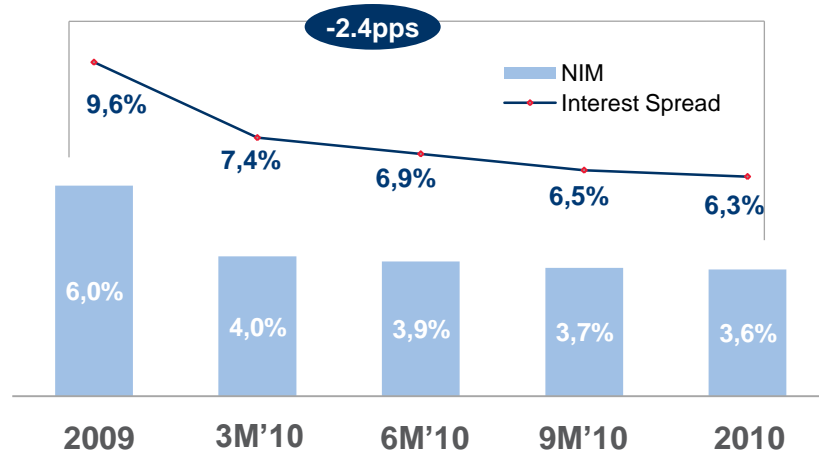
	4Q10	3Q10	FY10	FY09
Interest income	3 263	3 243	13 600	16 954
Interest expense	(1 860)	(1 992)	(8 109)	(8 628)
Fee and commission income	1 204	1 134	4 295	4 027
Fee and commission expense	(115)	(90)	(360)	(298)
Other operating income	122	179	473	941
Total operating income	2 614	2 474	9 899	12 996
Operating expenses	(2 252)	(1 718)	(7 180)	(6 325)
Provisions	(3)	(577)	(1 872)	(4 752)
Provisions on non-core assets	(121)	(0)	(121)	(0)
Tax	(54)	(0)	(145)	(702)
Net profit	184	179	581	1 217

Decline of funding costs started to offset yields contraction in Q4

Quarterly NIM dynamic



Cumulative NIM dynamic



Key takeaways

Average NIM 2010 accounted for 3.6%, having increased in Q4 by 20 bps QoQ in line with the interest spread dynamic.

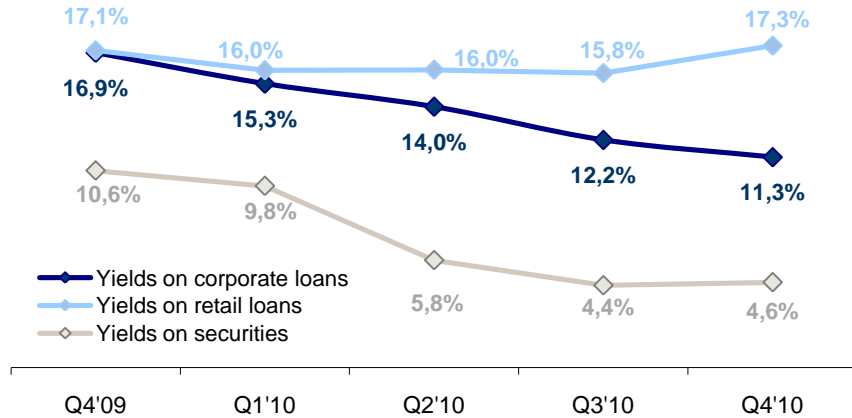
The most significant +44 bps NIM increase was resulted from deposits re-pricing on the back of cheaper new funds inflow.

Q4 loan growth has also contributed to NIM improvement (+0,18 bps) despite continued pressure on lending rates.

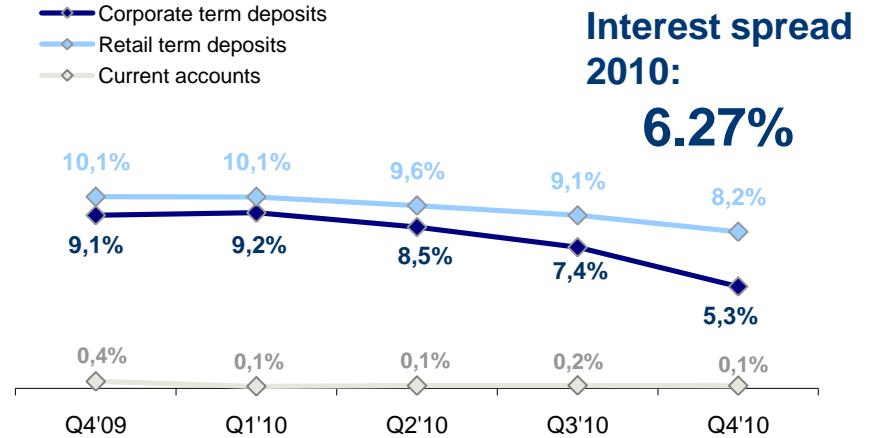


First positive developments in spread dynamics

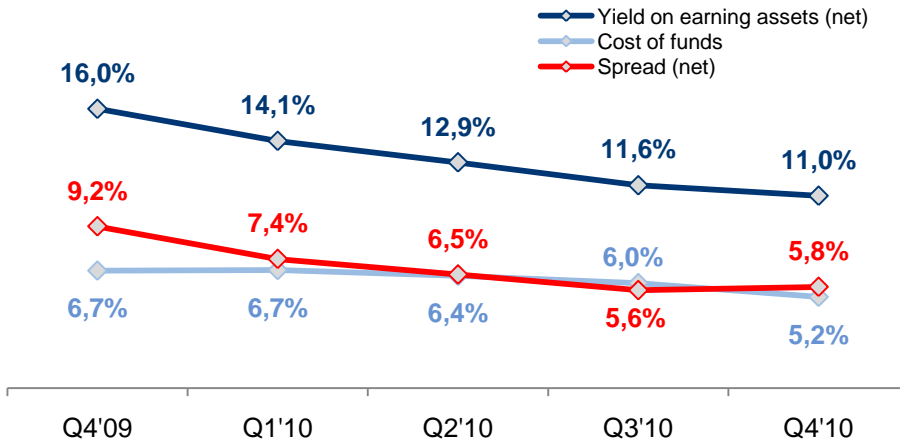
Corporate loan rates nearly bottomed...



...while cost of funds is gradually declining



Spread recovery in Q4



Key takeaways

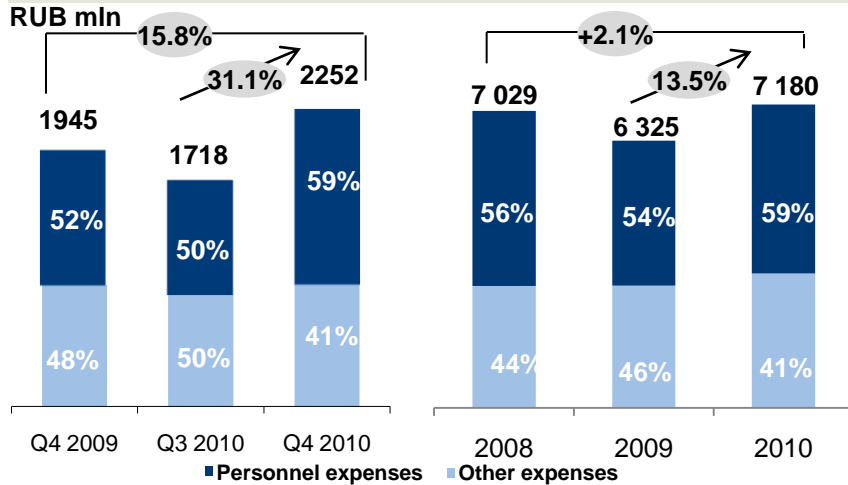
Interest rates on corporate loans were on record lows as of the end of 2010.

Cost of funding is steadily decreasing in line with expiration of expensive deposits attracted during the crisis.

In Q4 2010 trend has reversed and spread has grown by 20 b.p., as deposits repricing started to outpace yields contraction.

Costs – the issue to be resolved

Operating expenses breakdown



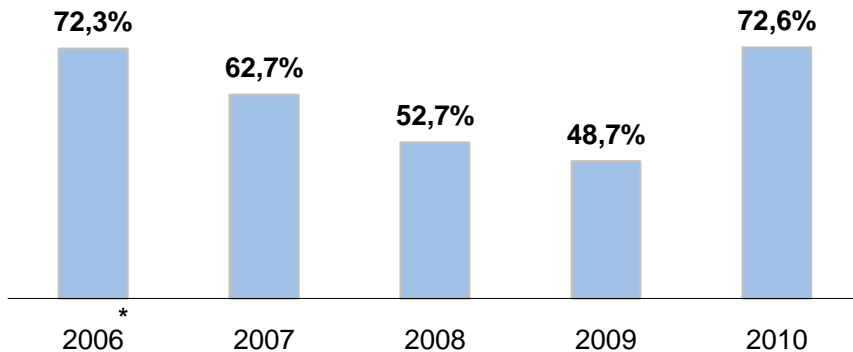
2010 costs summary

The bulk of operating expenses increase resulted from seasonal personnel expenses hike due to annual bonuses payment in Q4.

Although cost to income ratio was pretty high at 72.6% level, strong coverage of operating expenses by fees and commissions (55%) was higher than 42% average for Emerging markets and 52% for European Union.*

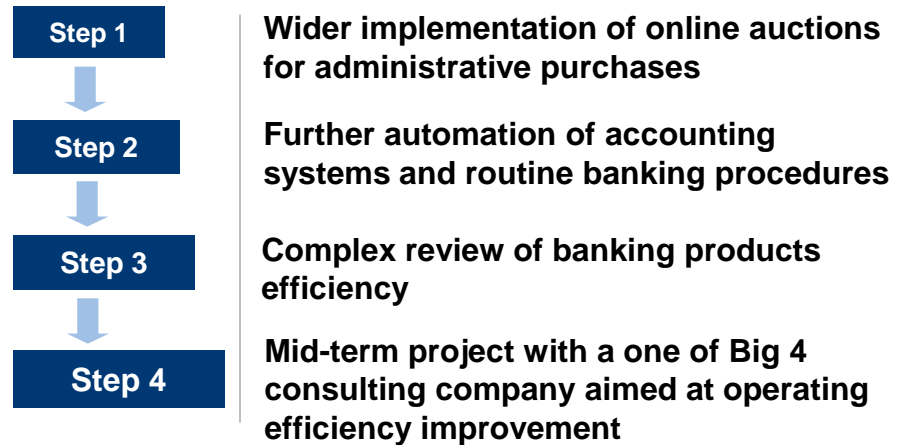
* -source: ECB and DB research

C/I ratio



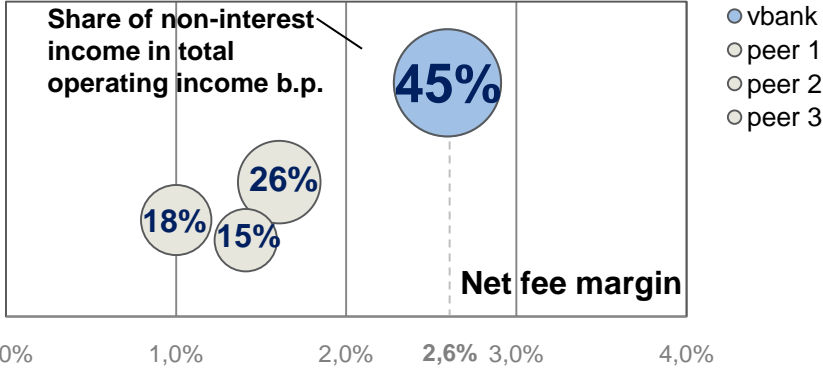
*2006 - less extraordinary items

2011 cost-saving steps



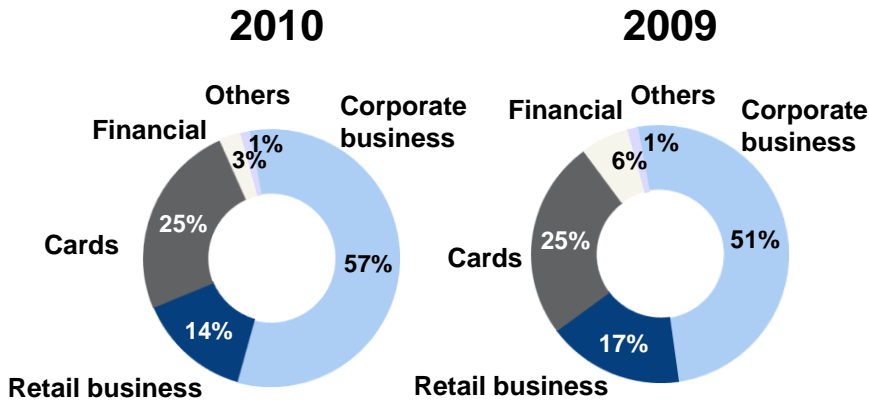
Fee income generation

Strong non-interest income based on long-term relations with customers

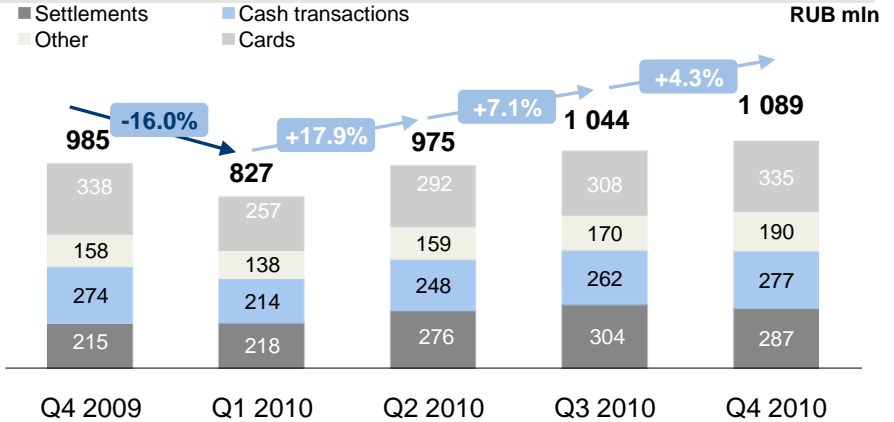


* Vbank and Peer1, Peer2 data for 2010, Peer 2 data for 9M 2010

Non-interest income breakdown by segments



Net fee income distribution



Key points

Vbank's share of net fee income in total operating income b.p. reached 39% in 2010, that is one of the highest across the sector and even exceeds average European Union level of 30%*.

Our developed infrastructure and long-term relations with clients allows us to support our revenues in low interest rate environment with fee generating products like settlements, money transfer, payments, cash collections, that are well diversified across internal businesses and types of banking products.

4% fee growth QoQ was mainly driven by card business, cash transactions and servicing settlements of the customers.

* -source: ECB and DB research

Capital structure and corporate governance

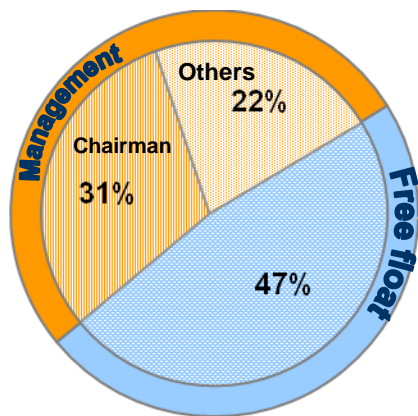


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Capital structure

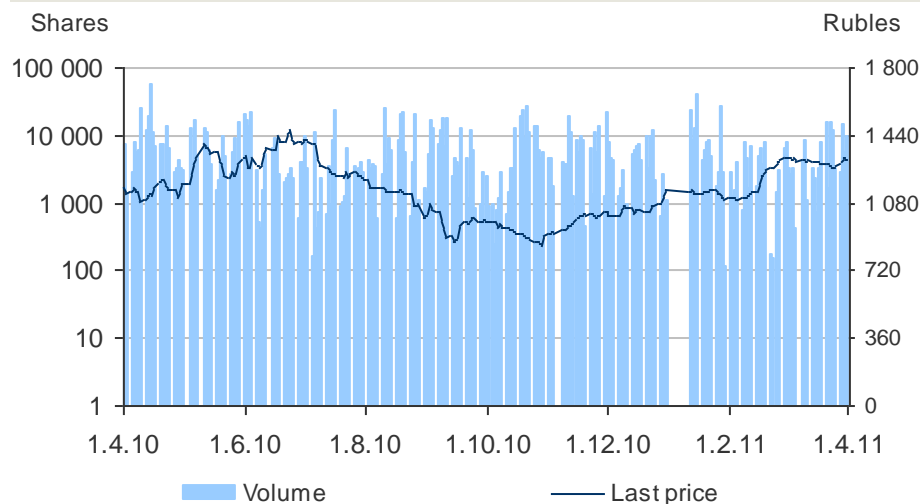
Shareholding structure

Structure as of 06.05.2010



More than 8,300 individuals and 900 companies are among our shareholders, furthermore foreign companies represents around 300 of them.

Share price on MICEX



As per MICEX data

Major shareholders

SHAREHOLDER	STAKE IN EQUITY
Dmitry L. Orlov (Chairman)	30.70%
Otar L. Margania (Member of the Board of Directors)	18.65%
JPM International Consumer Holding Inc.	9.37%
Total	58.72%

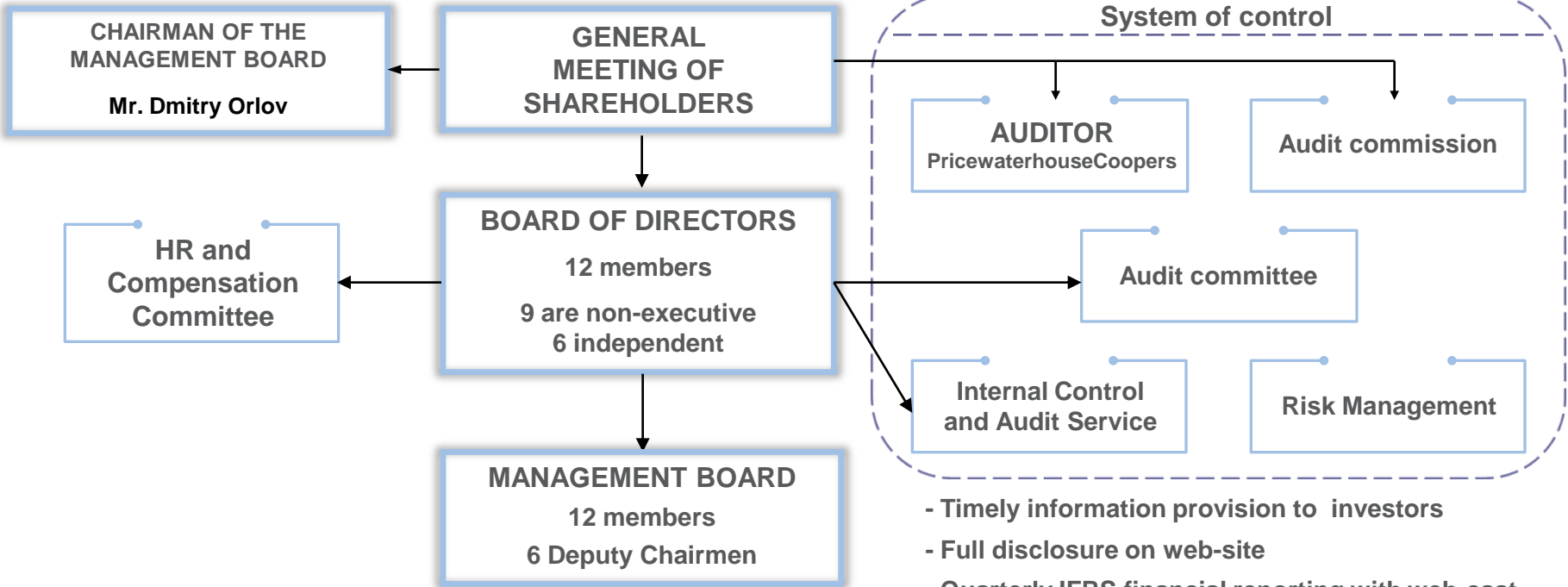
Volumes of trading (shares)

	H1 2008	H2 2008	H1 2009	H2 2009	H1 2010	H2 2010
MICEX	744,711	2,195,640	2,006,194	767,716	762,594	744,081
RTS	116,172	51,440	172,700	180,967	220,714	186,333
German stock exchanges (ADR)	26,160	26,167	30,599	25,443	33,358	24,054
Sub-total (stock exchanges)	887,043	2,273,247	2,209,493	974,126	1,016,666	954,468
OTC	12,412,108	4,173,586	1,808,693	3,463,307*	903,256	1,109,859
Total	13,299,151	6,446,833	4,018,186	4,437,433	1,919,922	2,064,327

*Volume growth associated with strategic deals

High level of corporate governance

MANAGEMENT STRUCTURE



→ The arrows represent the authorities to appoint or elect the relevant Bank's bodies and the External Auditor

- 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
- Solid and professional team

Continuing excellent reputation recognition:



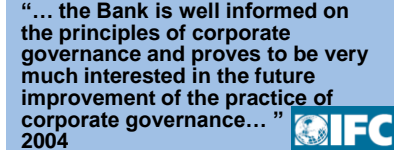
Vbank was awarded as the Bank of the Year in Russia in 2010



TOP - 5 Russia's best governed companies - 2007



The most shareholder transparent bank in Russia – 2006, 2007, 2008

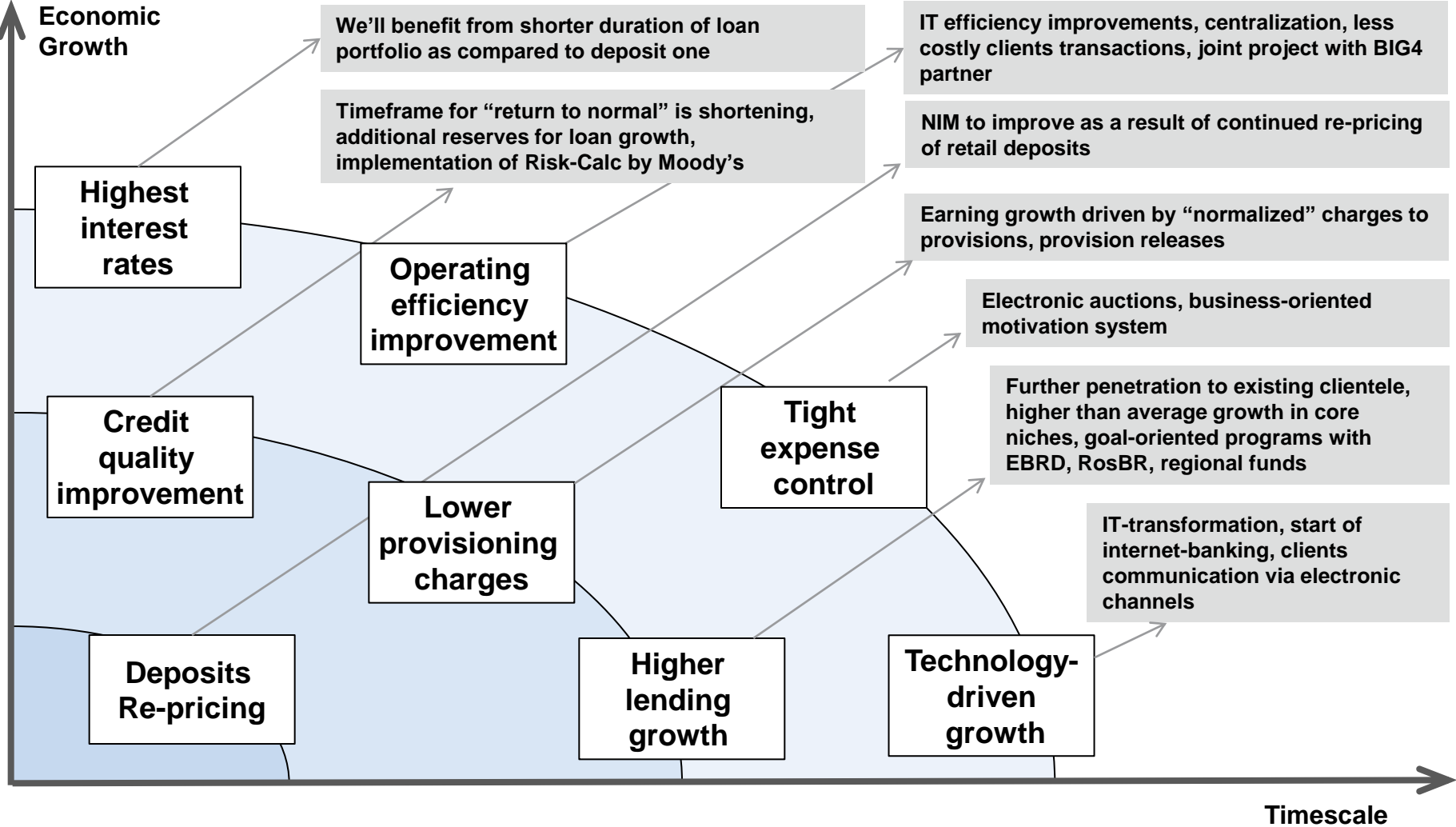


"... the Bank is well informed on the principles of corporate governance and proves to be very much interested in the future improvement of the practice of corporate governance..." 2004



Dmitry Orlov is included in top10 of the best bank's managers 2009

Well-positioned for future success



Investment Summary: Bank Vozrozhdenie

Sound long-term strategy

- Proved and tested in a challenging environment
- Stable revenue generation on any size of the balance sheet
- Sound operating efficiency

Personal Bank for individuals and corporate clients

- Loyal clientele due to strong relationships with the customers
- 60% of client base concentrated in Moscow Oblast
- Corporate focused on SME – the most profitable segment
- Business diversity and flexibility

Current Challenges

- Ongoing pressure on lending rates
- Limited demand from key client sector – SME
- Still high potential credit risk

High risk management and corporate governance standards

- №1 in Information Transparency to Shareholders by S&P (2007&2006)
- Moody's Ba3 (Stable) confirmed in Jul'10, S&P sticks to B+ (Positive) confirmed in Oct'10
- Constantly growing role of the Board of Directors with active HR & Compensation and Audit Committees run by independent directors
- Positive track-record of communication with investors



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Disclaimer

Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of Bank Vozrozhdenie (the Bank). Such forward-looking statements are based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future.

The Bank cautions you that these statements are not guarantees of future performance and involve risks, uncertainties and other important factors that we cannot predict with certainty. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. These forward-looking statements speak only as at the date of this presentation and are subject to change without notice. We do not intend to update these statements to make them conform with actual results.

The Bank is not responsible for statements and forward-looking statements including the following information:

- assessment of the Bank's future operating and financial results as well as forecasts of the present value of future cash flows and related factors;
- economic outlook and industry trends;
- the Bank's anticipated capital expenditures and plans relating to expansion of the Bank's network and development of the new services;
- the Bank's expectations as to its position on the financial market and plans on development of the market segments within which the Bank operates;
- the Bank's expectations as to regulatory changes and assessment of impact of regulatory initiatives on the Bank's activity.

Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include:

- risks relating to changes in political, economic and social conditions in Russia as well as changes in global economic conditions;
- risks related to Russian legislation, regulation and taxation;
- risks relating to the Bank's activity, including the achievement of the anticipated results, levels of profitability and growth, ability to create and meet demand for the Bank's services including their promotion, and the ability of the Bank to remain competitive.

Many of these factors are beyond the Bank's ability to control and predict. Given these and other uncertainties the Bank cautions not to place undue reliance on any of the forward-looking statements contained herein or otherwise.

The Bank does not undertake any obligations to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable laws.