VOZROZHDENIE BANK

THE BANK THAT IS ALWAYS WITH YOU

9M 2010 IFRS Results
Moderate growth in summer season

Conference Call
November 24, 2010

Operational background

Results as planned: NI of RUB mln **397** (*+48%* qoq).

Gaining market share on core markets even in challenging competition environment…	➢Total loan growth b.p. was *11.5%* ytd vs. sector growth of *8.6%*. ➢Moderate *3.0%* growth in 3Q was due to summer vacation period and abnormal heat in Russia that affected economic activity. ➢Lending to SMEs up *18.9%* ytd while quarter growth was *3.3%*. ➢Loans to borrowers operating in Moscow region increased by solid *30.4%* ytd vs. sector growth of *12.6%*.
…observing signs of positive developments in asset quality despite slowdown in loan growth…	➢General increase in NPL ratio from *10.6%* to *11.0%* was due to impairment of a large loan. ➢Net contraction of NPLs: from*13.9%* to *12.9%* in SME; from *9.5%* to *8.4%* in retail segments. ➢Interest received almost reached interests accrued through PnL – *96%* in Q3 versus average *90.3%* in H1 2010.
…we maintain conservative balance-sheet supportive to further growth and profitability recovery	➢Sufficient capital base (CAR: *16.3%,* core Tier 1: *13,5%)*. ➢Sound liquidity with overall loan/deposit ratio *84%*. ➢Cost of funds reduced by next 40 bps to *6.0%* on the back of customer deposits *6%* QoQ growth.

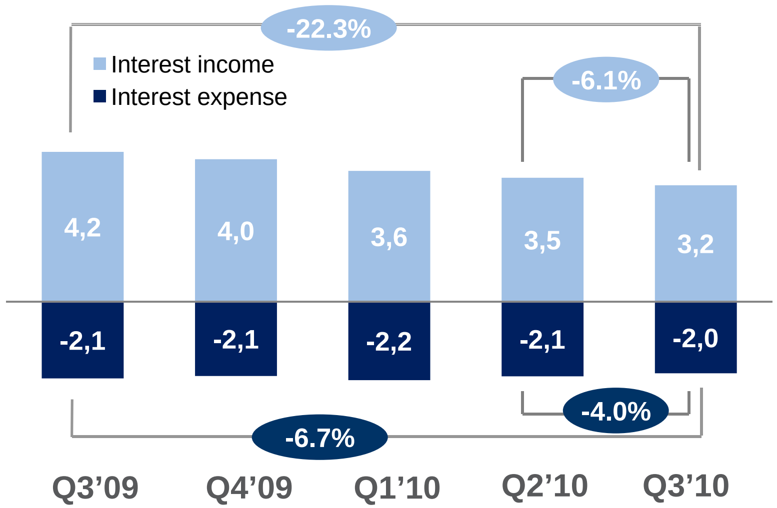
9M 2010 Financial highlights

	Q3 2010	Q2 2010	Change Q-o-Q
Total Deposits, of them	125,064	118,075	+5.9%
Retail deposits	80,601	77,339	+4.2%
Net Loans	94,271	91,780	+2.7%
Loans to Deposits ratio	84.4%	86.8%	-2.4 p.p.
NPLs ratio	11.0%	10.6%	+0.4 p.p.
Net Profit	179	121	+47.9%
Total Operating Income b.p.	2,474	2,467	+0.3%
Total Operating Costs, of them	-1,718	-1,679	+2.3%
Personnel expenses	-867	-893	-2.9%
Cost to Income ratio	69.4%	68.1%	+1.3 p.p.
Capital Adequacy	16.3%	17.2%	

VOZROZHDENIE BANK

Decline of funding costs partially offset yields contraction

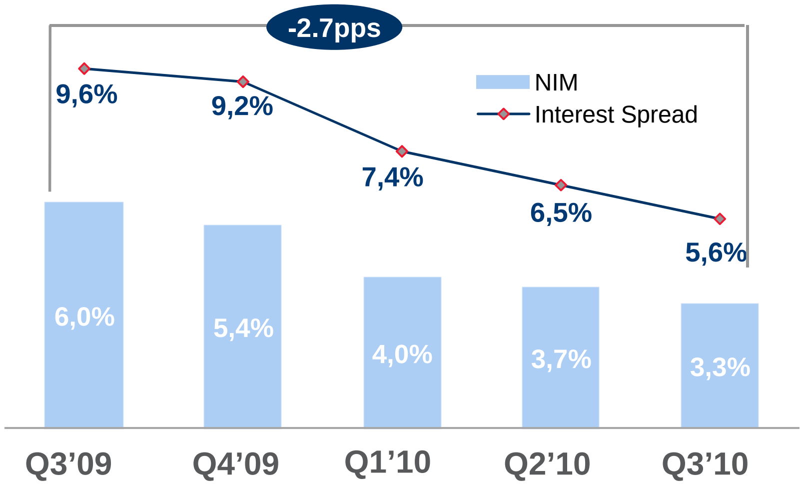
Interest Income and Interest Expenses, RUB bln



- Continued pressure on lending rates driven by increased competition together with repayment of higher-yield loans resulted in 6.1% QoQ contraction of interest income.

- Ongoing re-pricing of liabilities resulted in 4% decrease of interest expenses on the back of continued inflow of deposits. Costs of corporate term deposits were down 1.1% QoQ while costs retail ones contracted by 0.5% QoQ.

NIM and Spread evolution

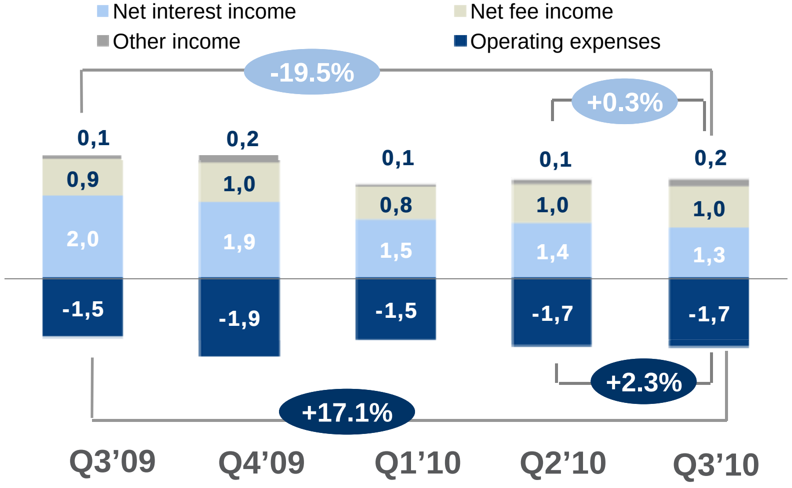


- NIM on average assets contracted by 43 bps from 3.7% to 3.3% due to balance-sheet growth on the back of 9% decline of net interest income. Spread decline 0.9% resulted from strong pressure on yields.

VOZROZHDENIE BANK

Stable revenue due to F&C income growth

Operating Income and Expenses, RUB bln

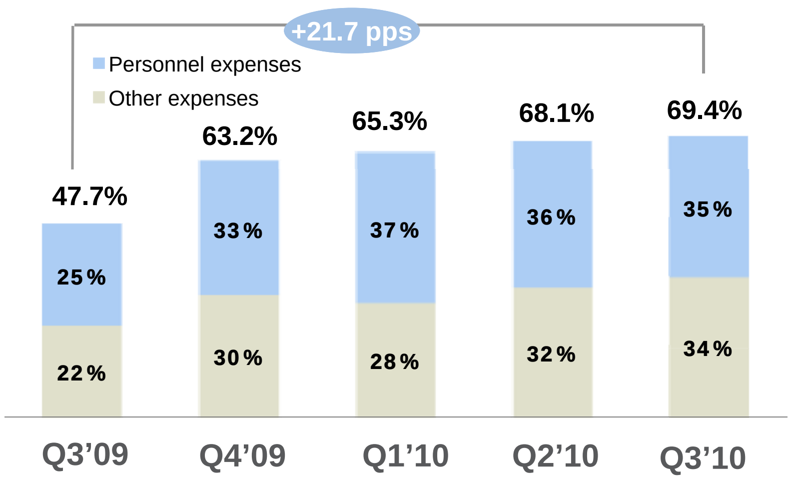


- In the low rates environment we managed to increase non-interest income by 12.4% QoQ. F&C income increased by 7% QoQ driven by stronger fees from settlements and cash transactions. Growth of F&C and trading gains offset interest income decline and resulted in solid 49% share of non-interest income in total operating income before provisions. Total revenue was stable with 0.3% QoQ growth.

- Strict control over personnel costs (-2.9% QoQ) coupled with reduction of administrative expenses (-3.8% QoQ) narrowed cost growth to 2.3% QoQ only.

- Moderate cost growth resulted in cost to income increase by only 1.3 pps QoQ.

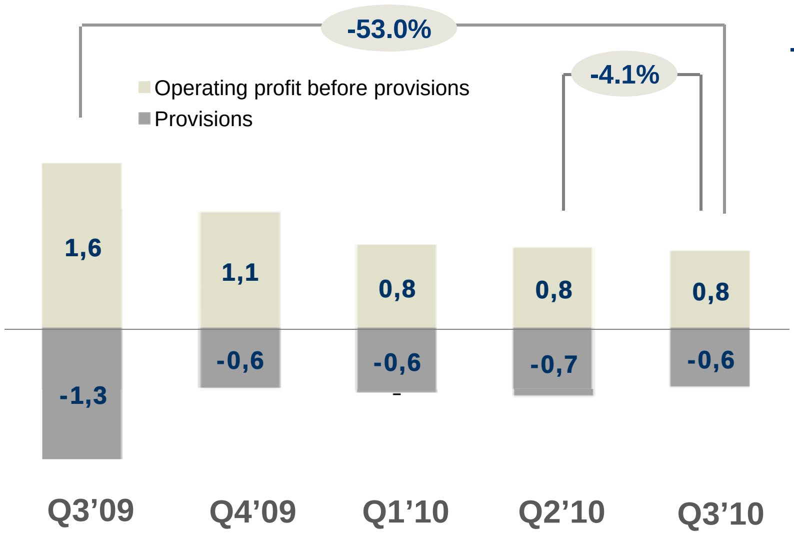
Cost to Income before provisions,%



VOZROZHDENIE BANK

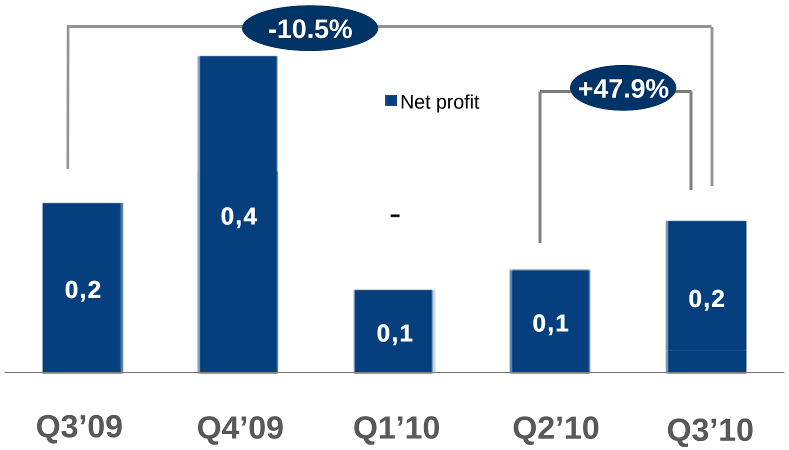
Stabilization of asset quality resulted in provisioning deceleration

Operating profit and provisions, RUB bln



- Cost of risk was 2.2% in 3Q compared to 2.7% in Q2 with charges to provisions of Rub 577 mln. NPLs (1day+) coverage ratio remained at sufficient level of 97%. For the NPLs with overdue more than 90 days coverage ratio was 132%.

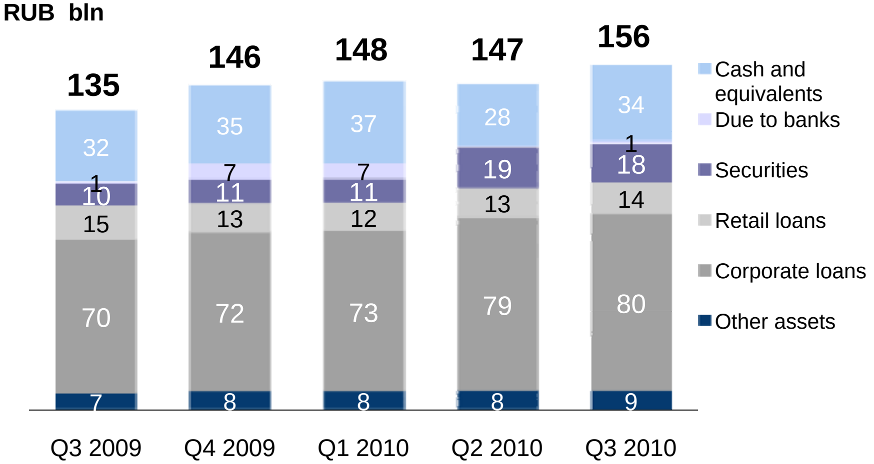
Net profit, RUB bln



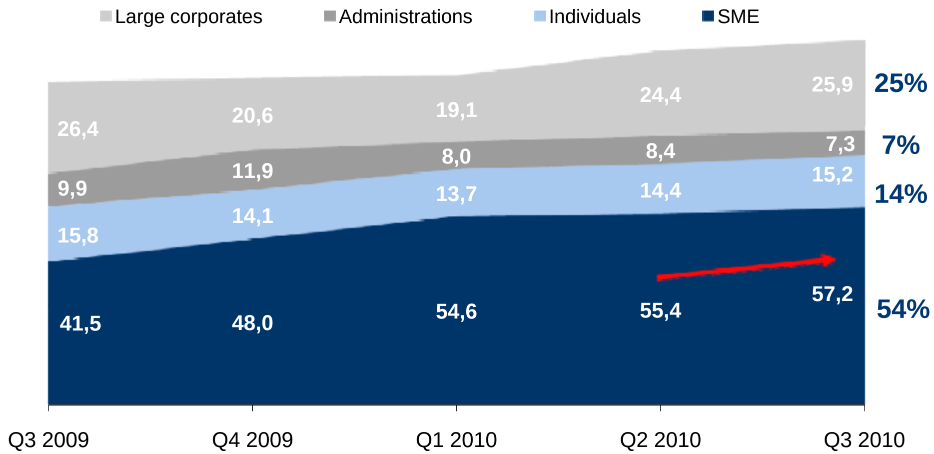
- Change of the approach to accounting for deferred tax assets after consulting with our auditors in Q2 2010 contributed to reduction of effective tax rate to the 19% level for 9M. Thus net income grew by 48% QoQ.

Asset mix with strong liquidity position

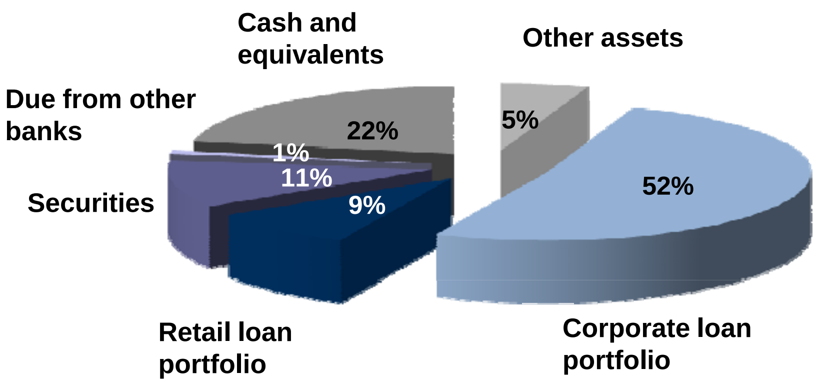
Moderate loan growth…



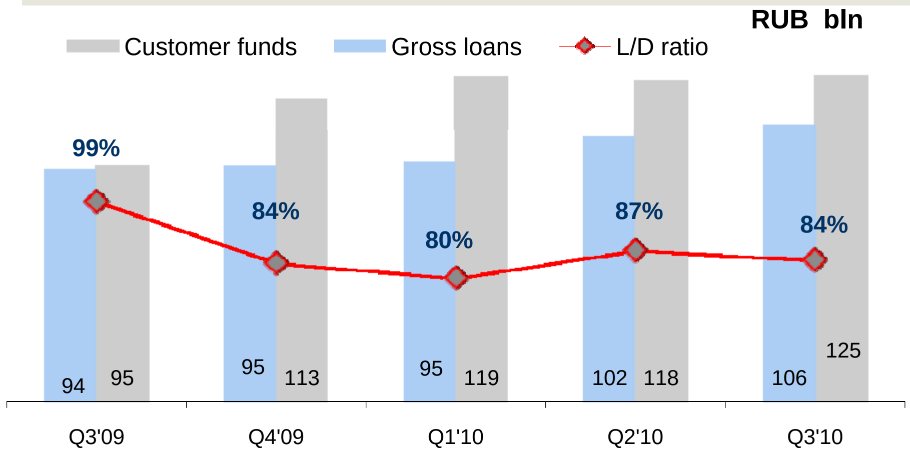
…with sharpened SME focus



IEA represent 73% of total assets



Strong liquidity supports further growth

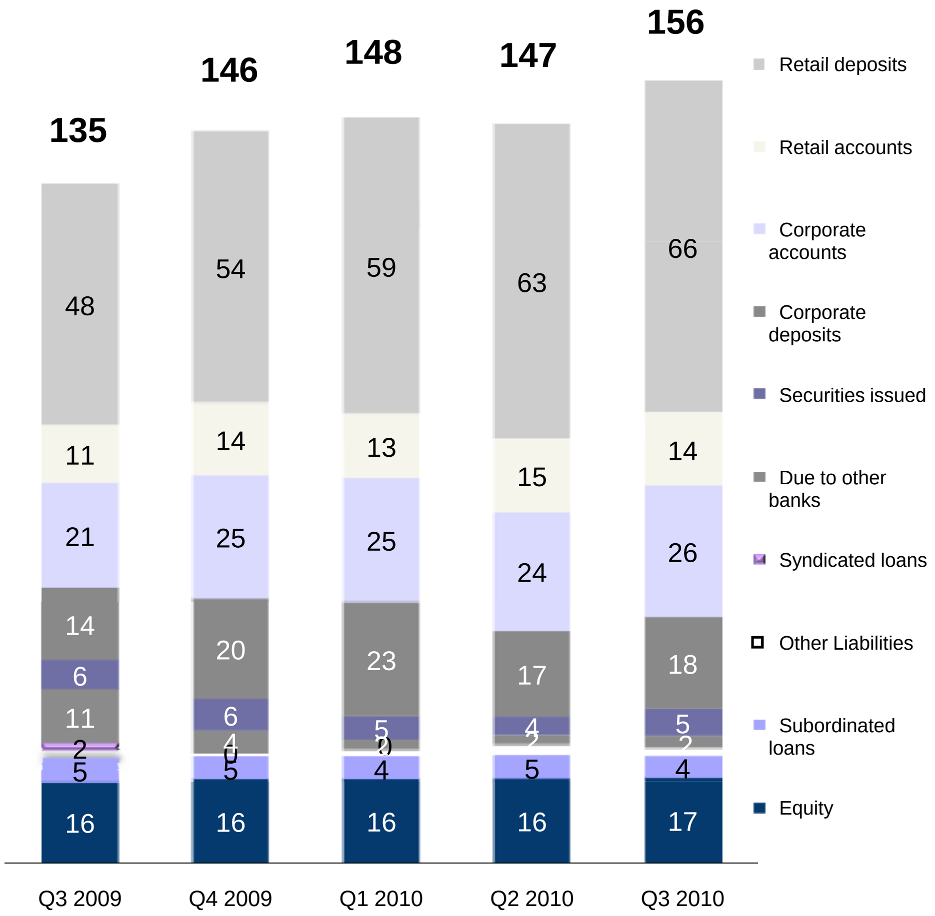


VOZROZHDENIE BANK

Ongoing efforts on funding costs reduction

Client's funds remains the main funding source…

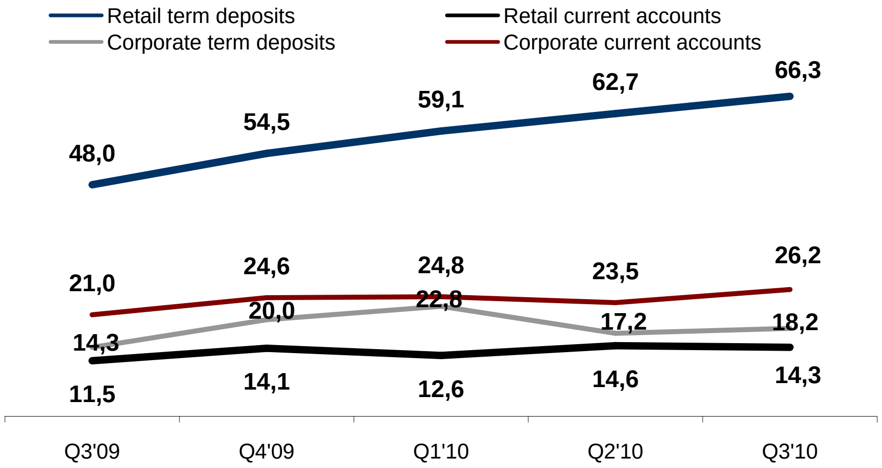
RUB bln



…with high share of interest - free sources

	Q3 2010	Q2 2010	Q3 2009
Customer accounts to liabilities	**90.1%**	**90.5%**	**79.2%**
- Customer deposits	***60.9%***	***61.3%***	***52.3%***
- Current accounts	***29.2%***	***29.2%***	***27.3%***
Equity to total assets	**11%**	**11%**	**12%**
Liabilities to equity	**8.3**	**7.9**	**7.5**

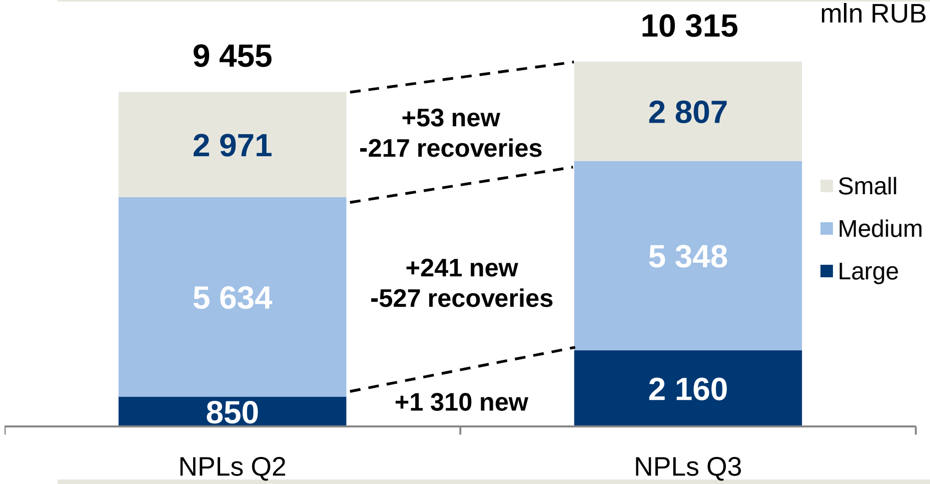
Deposit inflow supports liabilities re-pricing



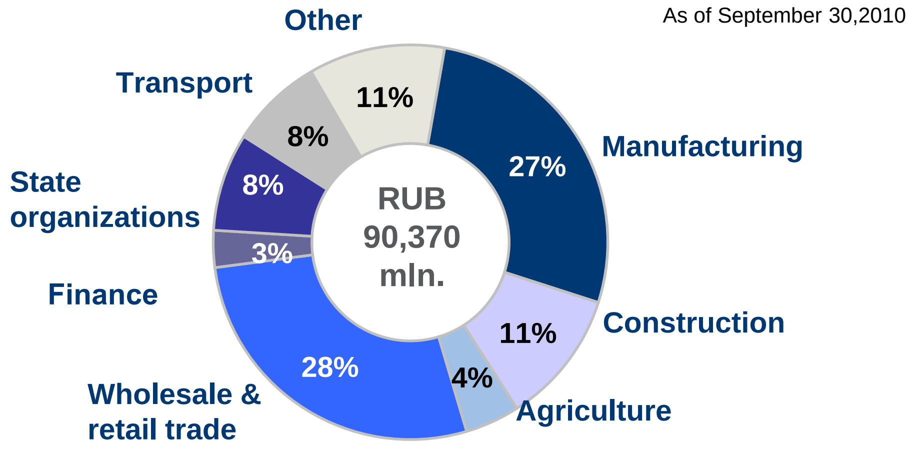
VOZROZHDENIE BANK

Credit quality management

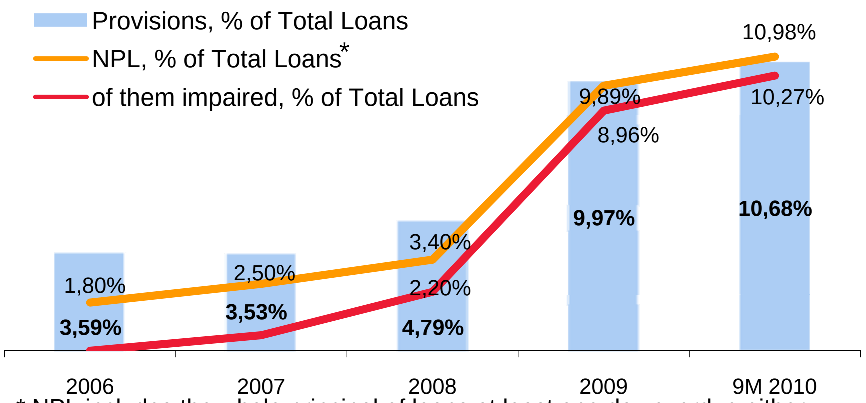
First recoveries occurred



Diversification by industry

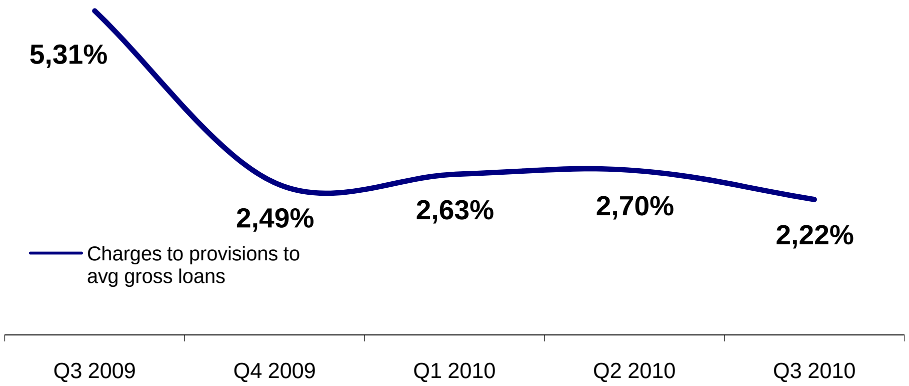


NPL Coverage ratio



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

Annualized cost of risk



VOZROZHDENIE BANK

Credit quality

as of 30.09.2010	Large corporate	SMEs	Mortgages	Other retail	Total	% of total loans
Gross loans, including	26,969	63,402	8,537	6,634	105,542	100.0%
Current loans	24,809	55,247	7,878	6,016	93,950	89.02%
Past-due but not impaired, of them	0	234	394	121	749	0.71%
Less than 90 days	-	234	378	116	728	0.69%
Over 90 days	-	-	16	5	21	0.02%
Impaired, of them	2,160	7,921	265	497	10,843	10.27%
Less than 90 days	1,310	959	3	48	2,320	2.20%
Over 90 days	850	6,962	262	449	8,523	8.07%
Total NPLs	2,160	8,155	659	618	11,592	10.98%
Provisions	- 1,737	- 8,476	- 457	- 601	-11,271	10.68%
Net Loans	25,232	54,926	8,080	6,033	94,271	-

Provisions to NPLs Ratio

97%

Provisions to 90+ days NPLs

132%

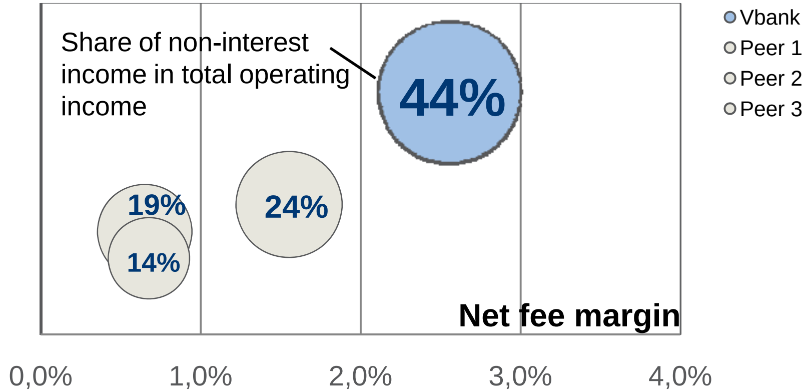
Rescheduled Loans

3.4%

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

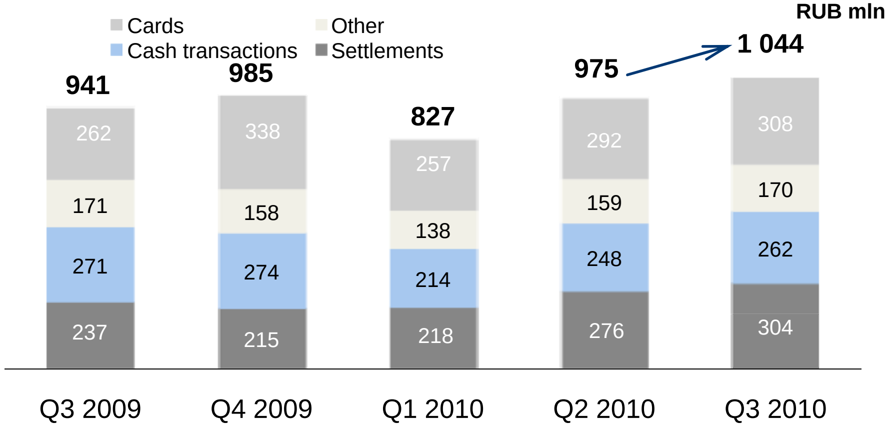
Fee income generation

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

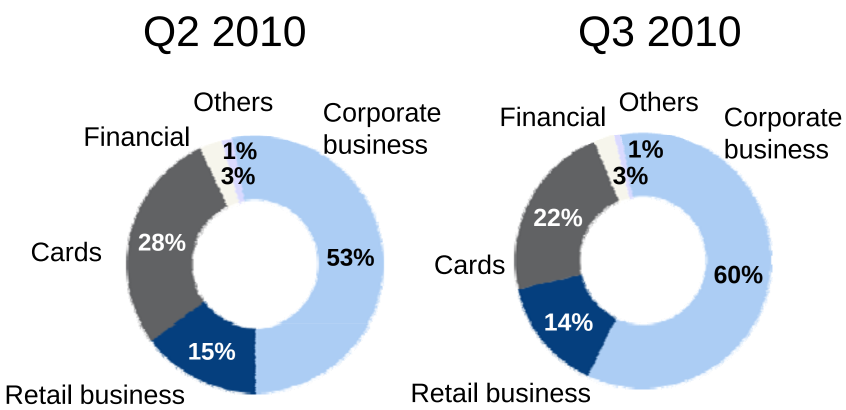


* Peers' data for H1 2010, Vbank – for 9M 2010

Net fee income distribution



Non-interest income breakdown by segments



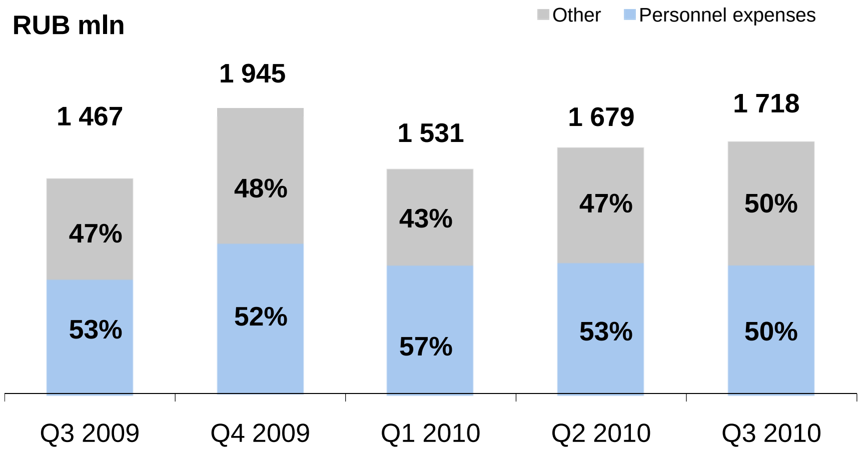
Key points

Vbank's share of non-interest income in total operating income reached 44% for 9M 2010, that is one of the highest across the sector. 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.

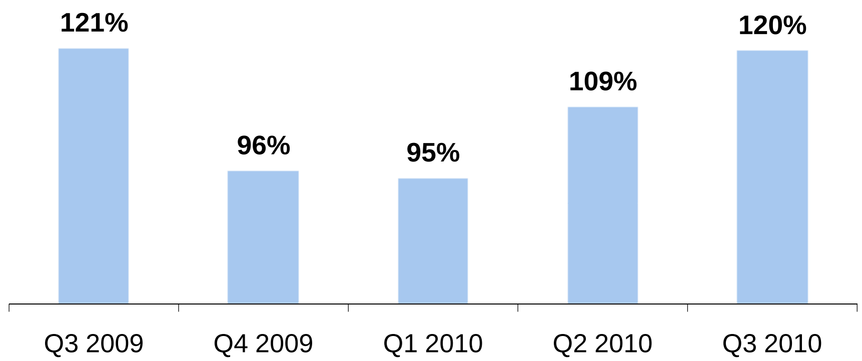
7% fee growth QoQ was mainly driven by cash transactions and servicing settlements of the customers.

Strategic approach to cost management

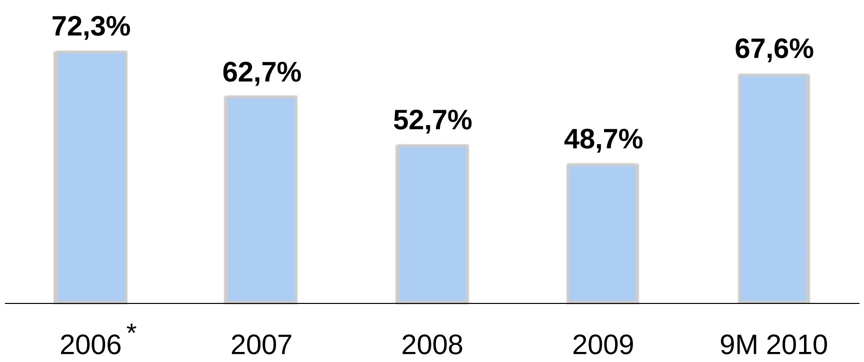
Operating expenses breakdown



Personnel expenses are fully covered by fees & commissions earned



C/I ratio



*2006 - less extraordinary items

Costs summary

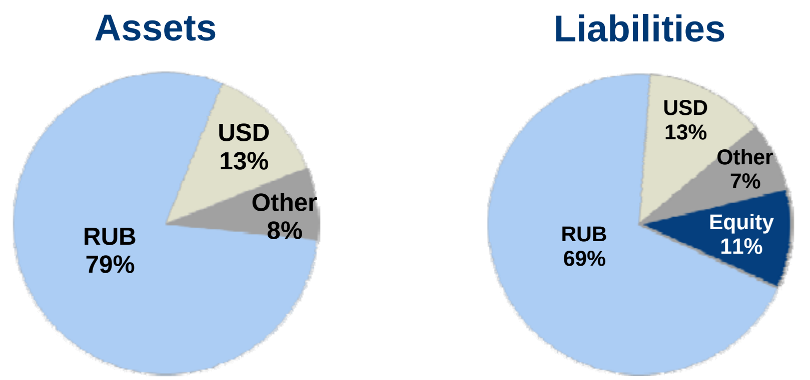
Coverage of personnel expenses by fees and commissions is gradually growing. Personnel expenses reduced by 2,9% in Q3 and were 120% covered by earned fees and commissions.

Operating expenses grew only by 2.5% q-o-q partially due to strict control over personnel costs and improving efficiency of administrative expenditures.

Cost to income ratio remained at high 67.6% level due to continued pressure on rates and drop in interest income.

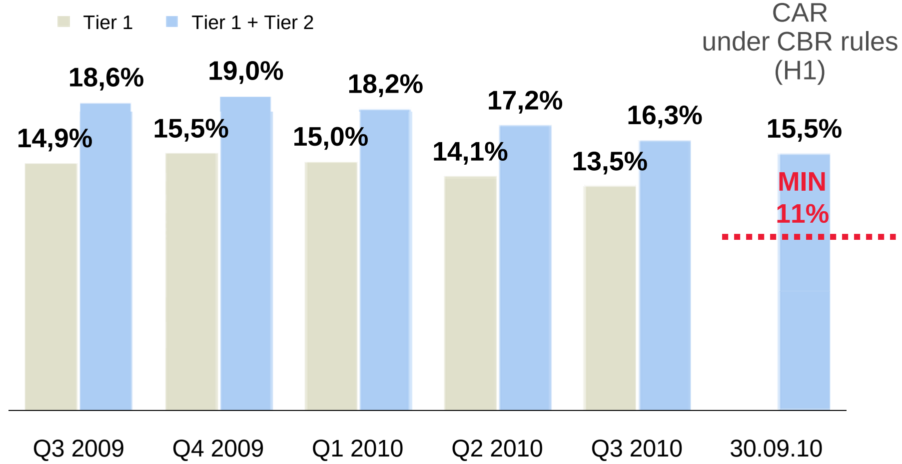
Currency and gap management, capital adequacy

No mismatches on the balance-sheet*

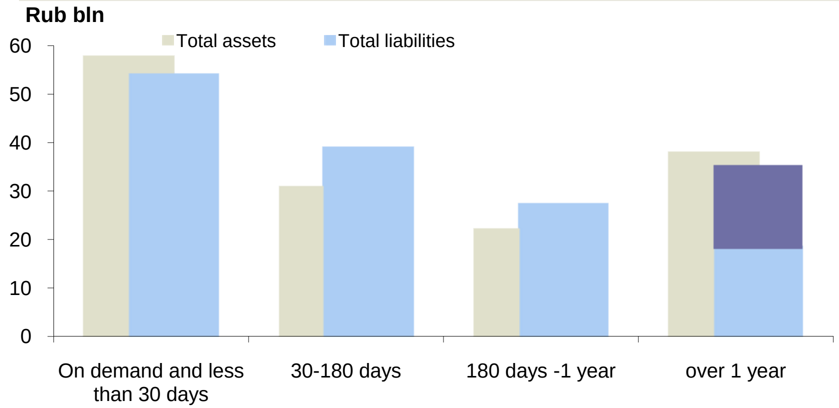


* Based on monetary assets and liabilities

Strong capital position



Maturity gap**



** Based on expected expiration date

Key points

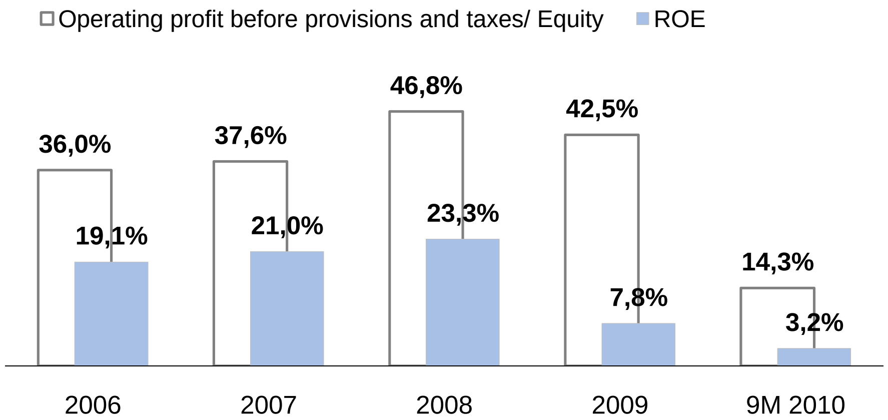
The bank's capital position of 13.5% Tier 1 and CAR of 16.3% remains comfortable anticipating future growth.

The Bank sticks to policy of having no mismatches on the balance sheet in terms of currency risk with particular focus on ruble-nominated assets.

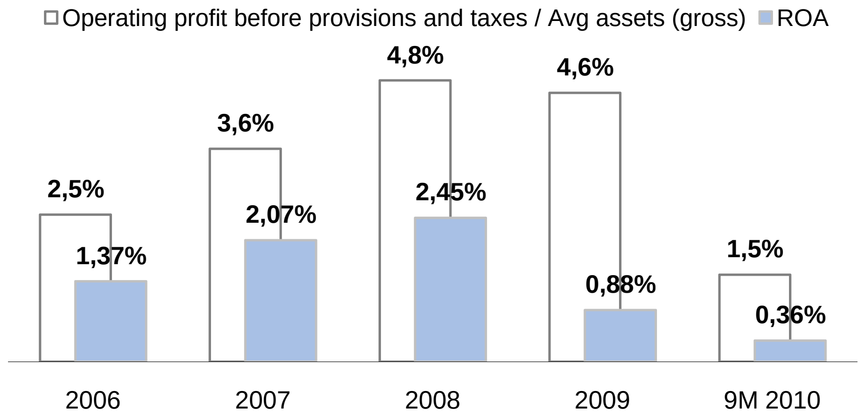
Maturity structure of assets and liabilities remained balanced with the largest gap of 8bln (5% of total assets) in a 30-180 days range.

Earnings generation capability

ROE, %

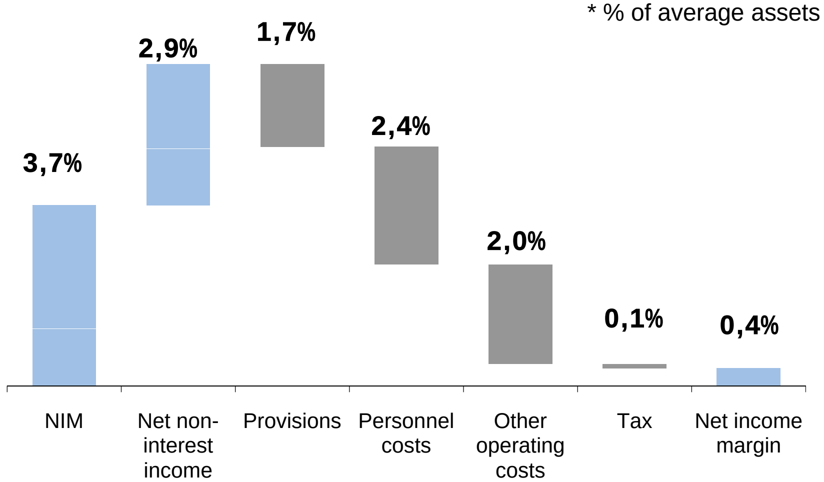


ROA, %



Value generation

* % of average assets



Key points

Net Profit in 3Q'10 was 48% higher than in 2Q'10. Net profit generated in 1-3Q'10 amounted to Rub 397 million with regularly growing quarterly values.

Gradual improvement of revenue performance driven by solid fee growth despite continuation of NIM pressure allowed generating value for shareholders quarter by quarter.

Questions and answers

Sergey Klinkov
Head of IR
+7 495 620 90 71
S.Klinkov@voz.ru

Andrey Shalimov
Member of the Management Board
Head of Treasury
A.Shalimov@voz.ru

investor@voz.ru

http://www.vbank.ru/en/investors

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.