



**VOZROZHDENIE
BANK**

THE BANK THAT IS ALWAYS WITH YOU

Bank Vozrozhdenie 17 years of successful development



Investor presentation
December, 2008

Investor presentation

- Bank Vozrozhdenie in brief
- Strategy & business overview
- Funding, Risk, Corporate Governance
- Financial Highlights Q3 2008
- Investment summary

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

Assets:	RUB 137,131 mln
Loans:	RUB 103,200 mln
Retail funds:	RUB 104,166 mln
Net income for 9M:	RUB 2,525 mln
Shareholders' equity:	RUB 14,396 mln
ROE :	25.8%

Note: data as of September 30, 2008

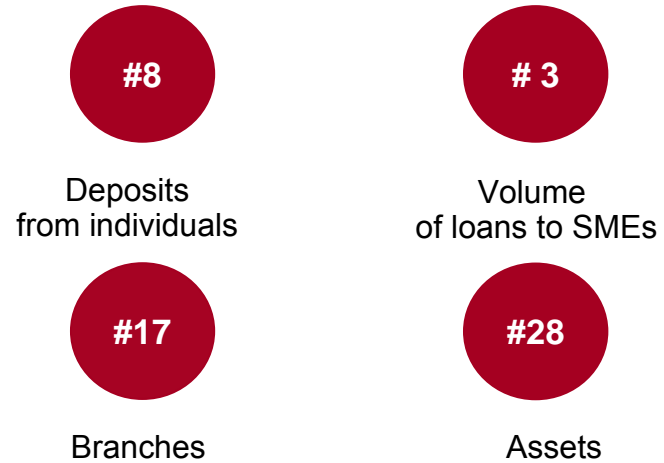
Retail clients:	1,270,000
Corporate clients:	59,000
Headcount (avg.):	6,500
Offices:	176
ATMs:	633

Market capitalization: RUB 7,729 mln

Note: data as of October 30, 2008

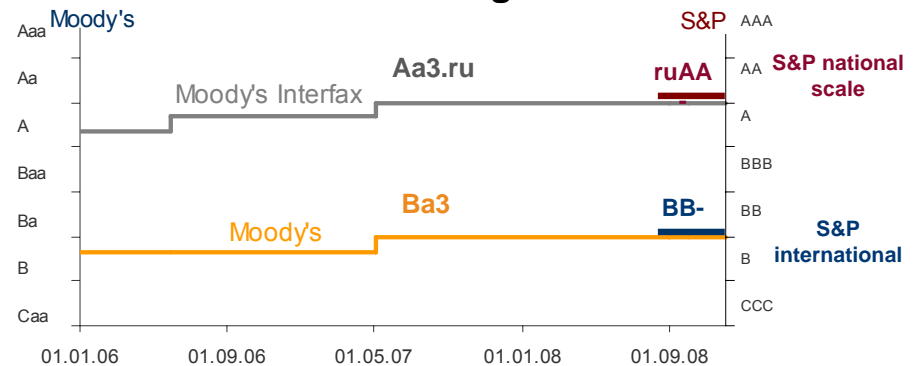
Ratings Moody's	Ba3/D-/NP, stable
Ratings Standard & Poor's	BB-/ruAA-, negative
Included in indexes:	MICEX Financial Index RTS-2
Listing	A2 MICEX, A2 RTS

Significant market presence



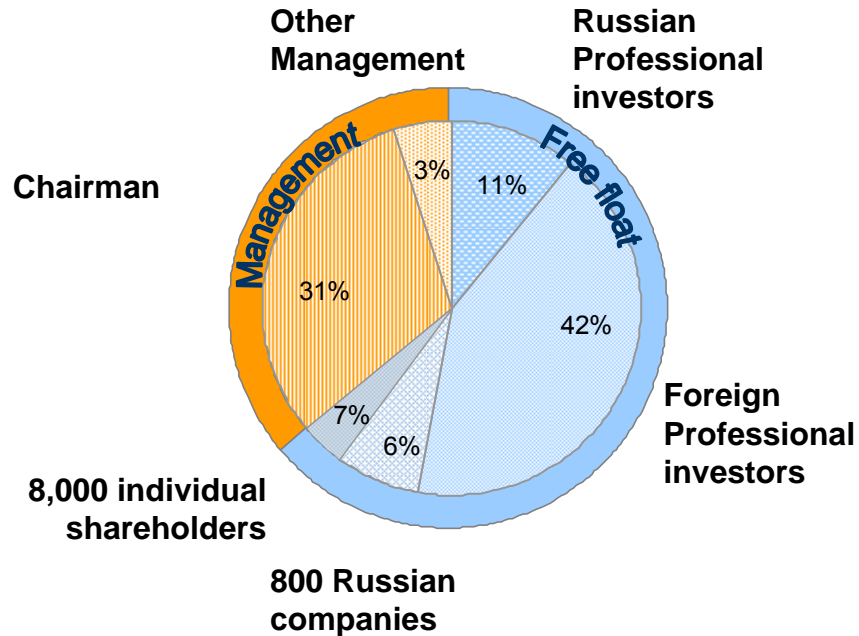
* RBC most recent ratings

Credit ratings



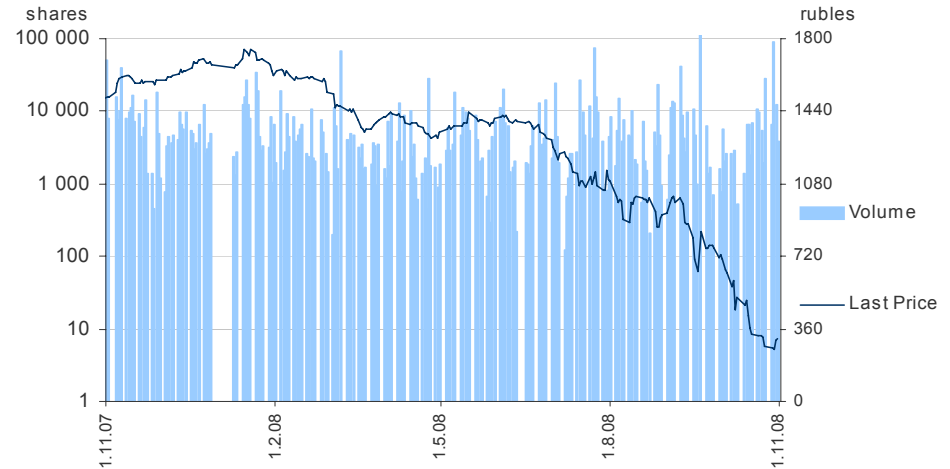
Share capital

Shareholding structure (on May 12, 2008)



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

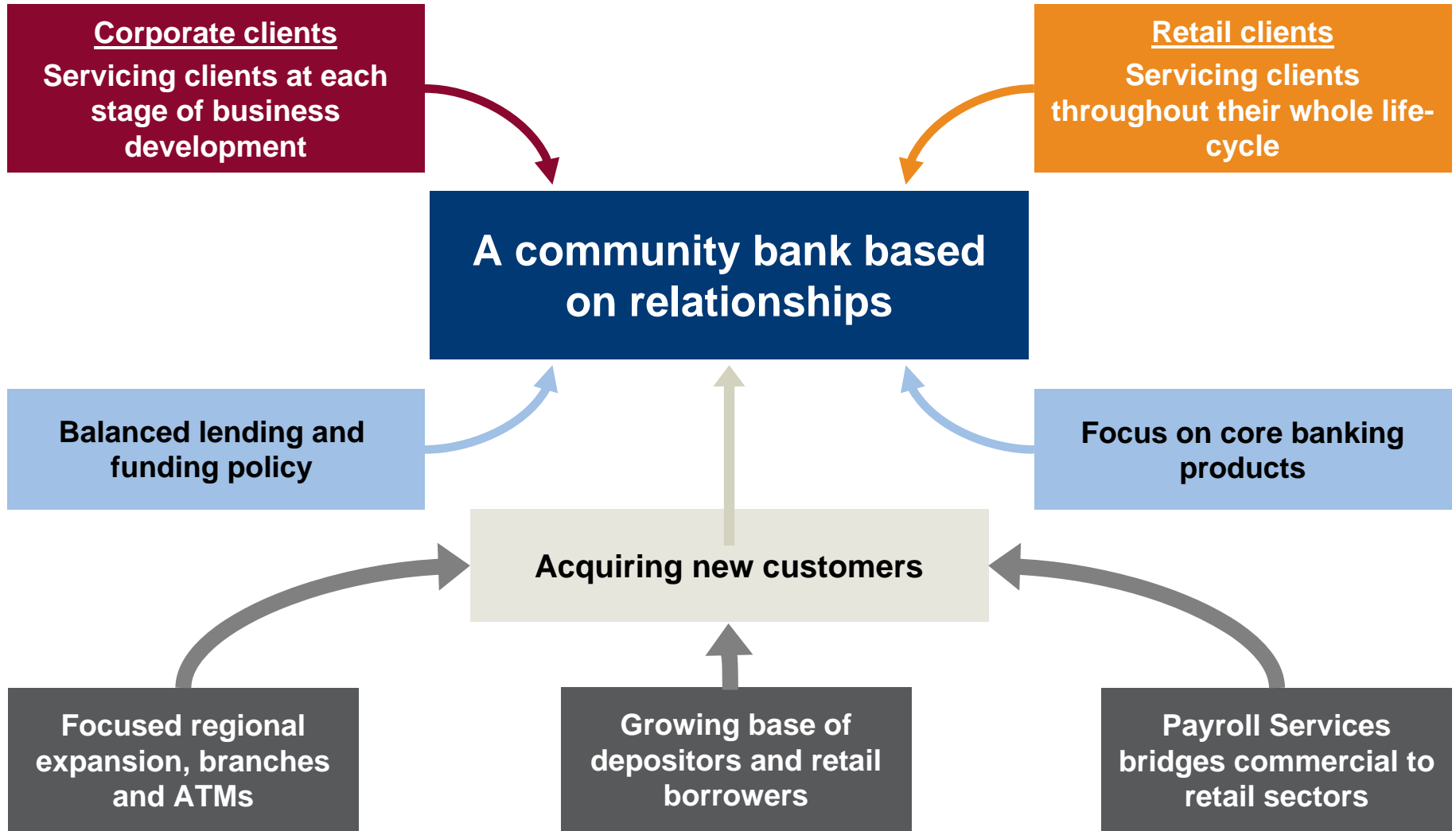
Share price on MICEX



Volumes of trading (shares)

	2005	2006	2007	10M 2008
MICEX (from 1/8/2005)	186 347	349 130	2 050 384	2 358 269
RTS	174 238	167 152	380 851	119 067
OTC (from 23/1/2007)	-	-	14 790 607	15 103 214
German stock exchanges (ADR)	481 939	227 539	234 059	52 402
Total	842 524	743 821	17 455 901	17 632 952

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 2 years
Moscow region	106	15
Stavropol' Krai	13	3
Rostov-on-Don region	8	0
Volgograd	7	3
Saint Petersburg	8	5

... 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

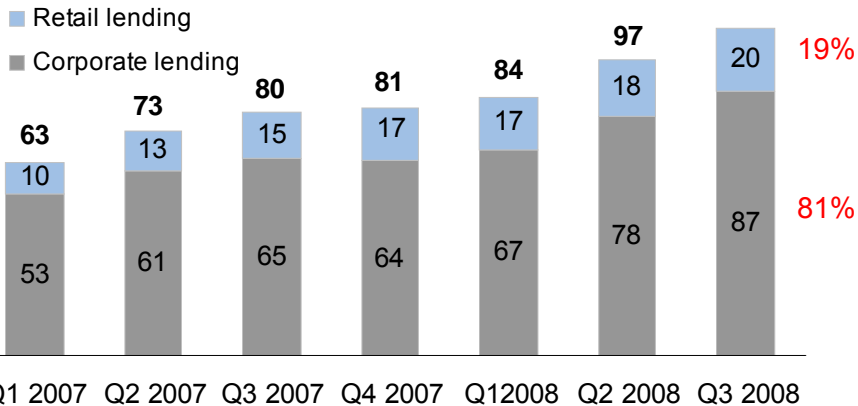
Business based on relationships...

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

Loan portfolio growth...

Note: all loans are gross loans

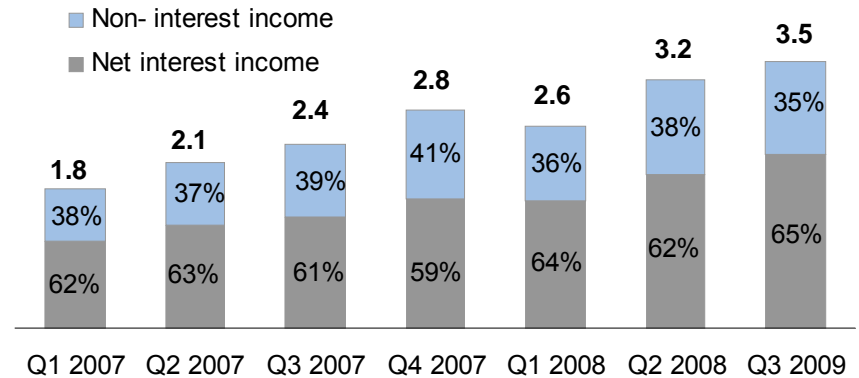
RUB bln



Note: all loans are gross loans

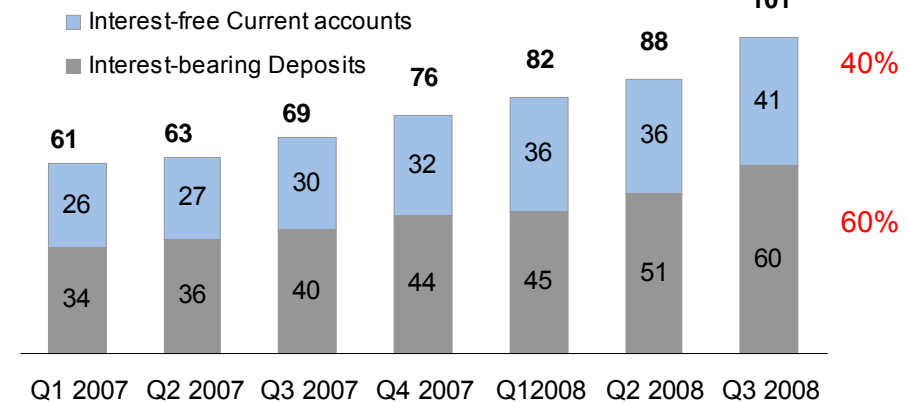
... gives strong non-interest income

RUB bln



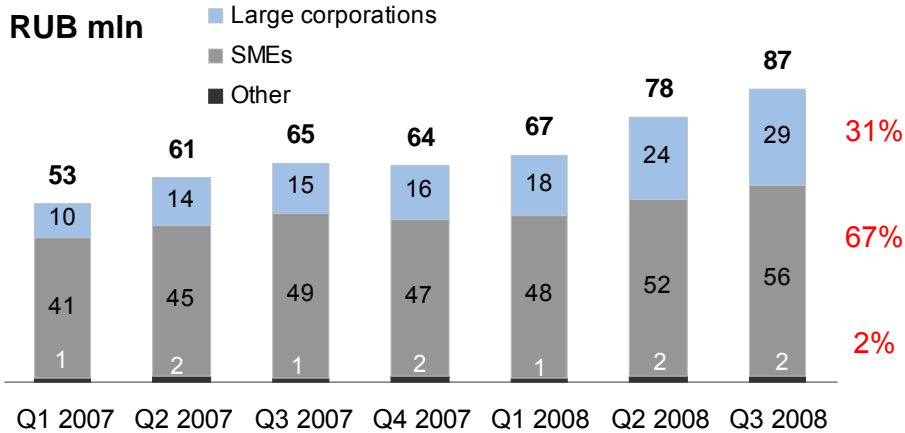
... funded by customer accounts

RUB bln

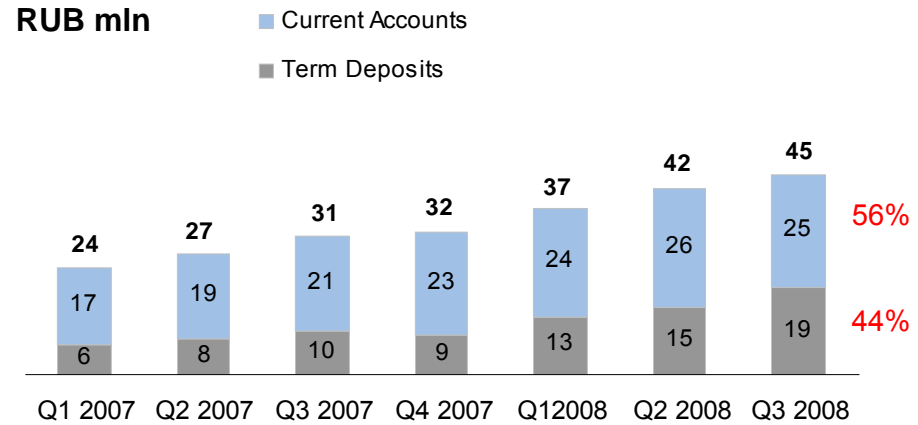


Corporate business

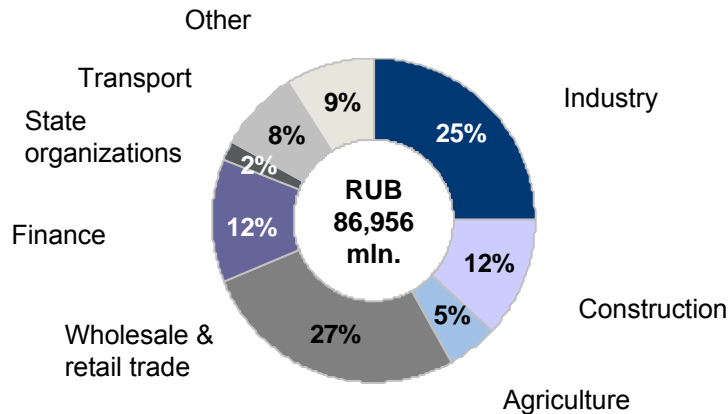
Corporate lending



Corporate funding

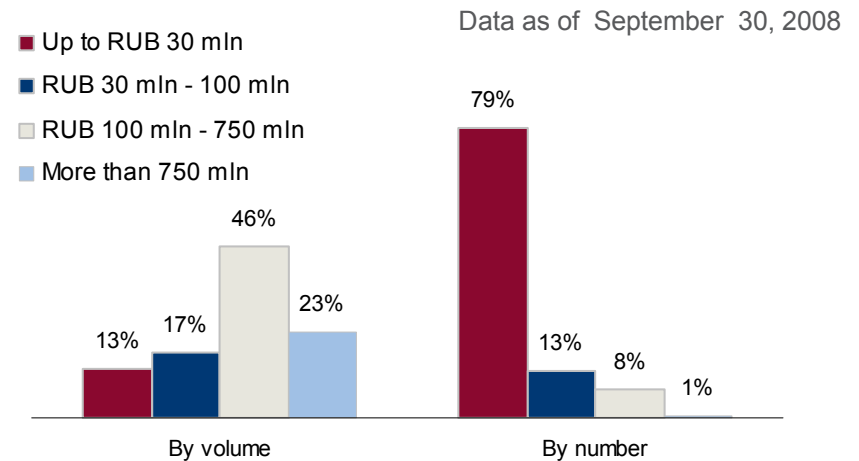


Diversified loan book



Data as of September 30, 2008

SME focus

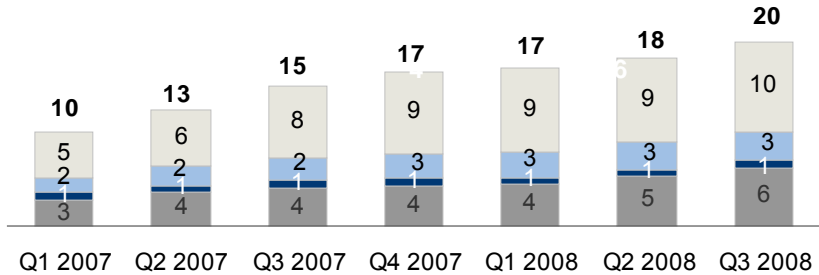


Retail business

Retail loan book growth

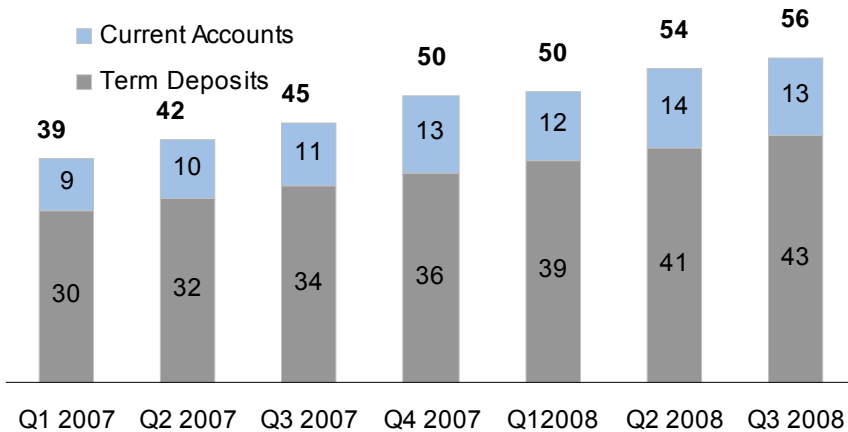
RUB bln

- consumer loans
- car loans
- credit cards
- mortgages



Retail funding

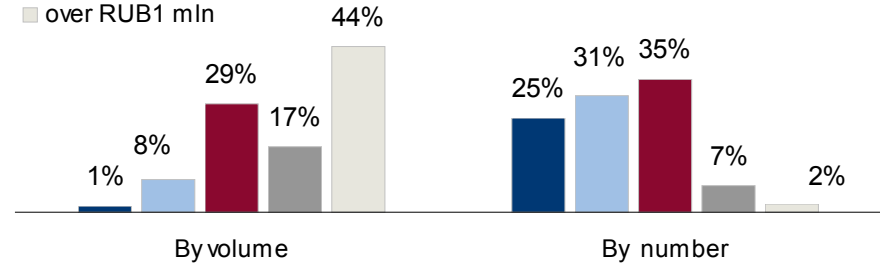
- Current Accounts
- Term Deposits



Retail deposits distribution by size

Data as of September 30, 2008

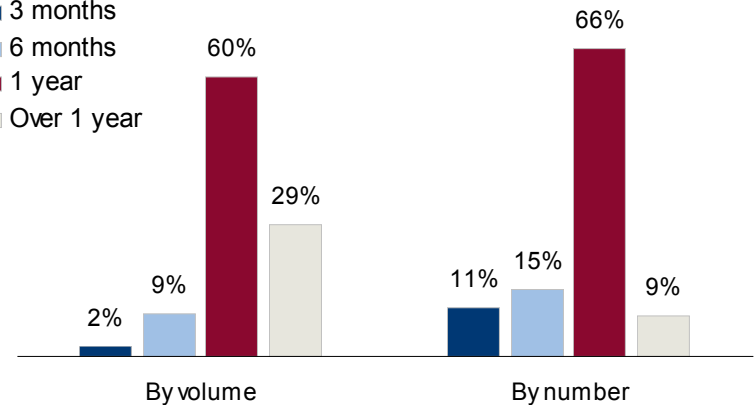
- RUB3 - 30 thousand
- RUB30 - 100 thousand
- RUB100 - 400 thousand
- RUB400 thousand - 1 mln
- over RUB1 mln



Retail deposits by original term

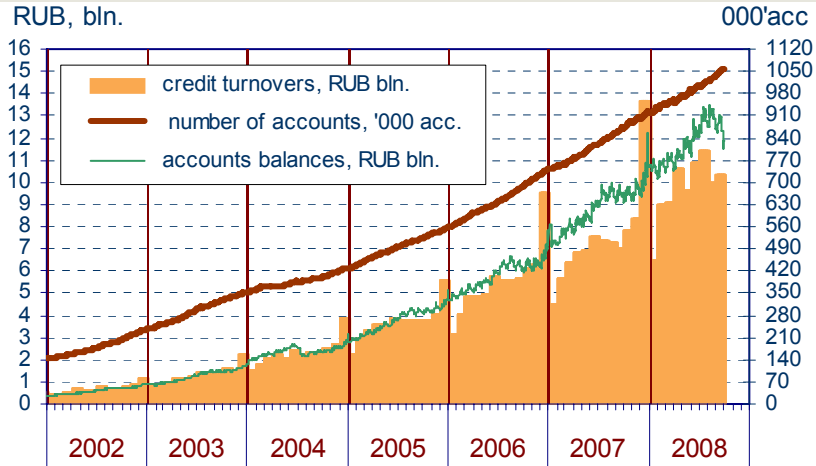
Placed and rolled-over in Q3 2008

- 3 months
- 6 months
- 1 year
- Over 1 year



Card business

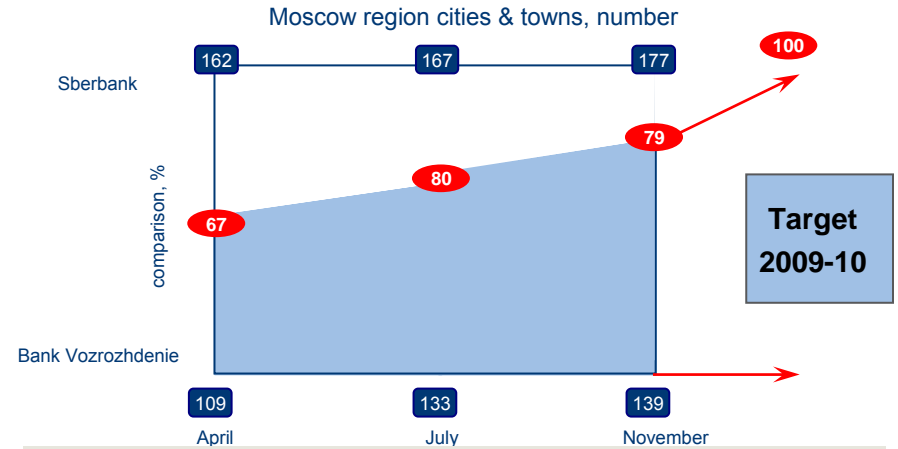
Number, turnover and balances



Card business expansion

	Q3 2007	Q2 2008	Q3 2008
Payrolls	4,000	7000	7,300
Debit cards	916,620	1,070,160	1,070,160
Credit cards	53,580	88,785	88,785

Competitive ATM infrastructure



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

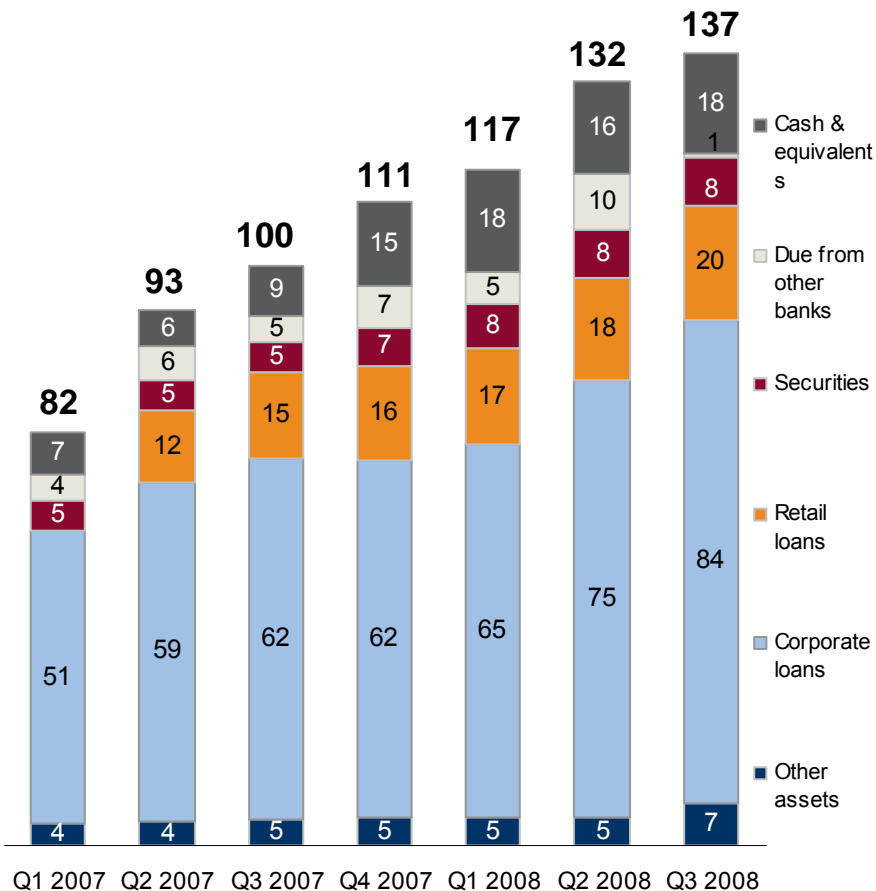


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Balance sheet changes quarterly

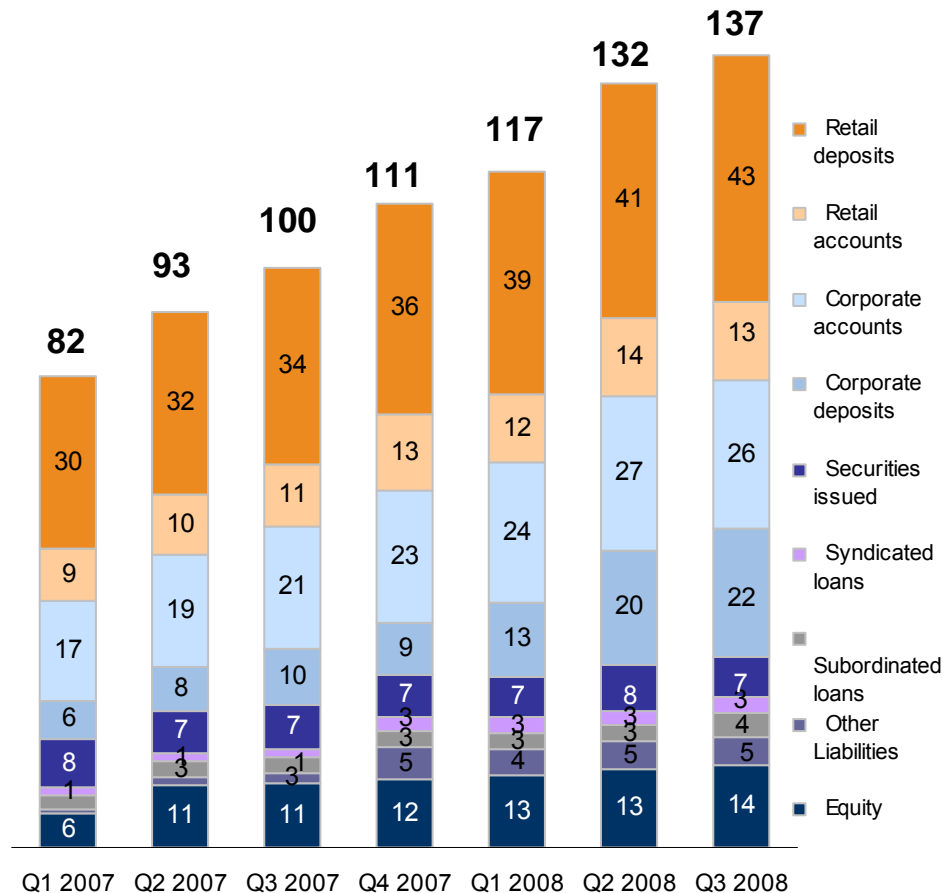
Liquidity cushion used for business support

RUB bln



Clients funds still the major funding source

RUB bln

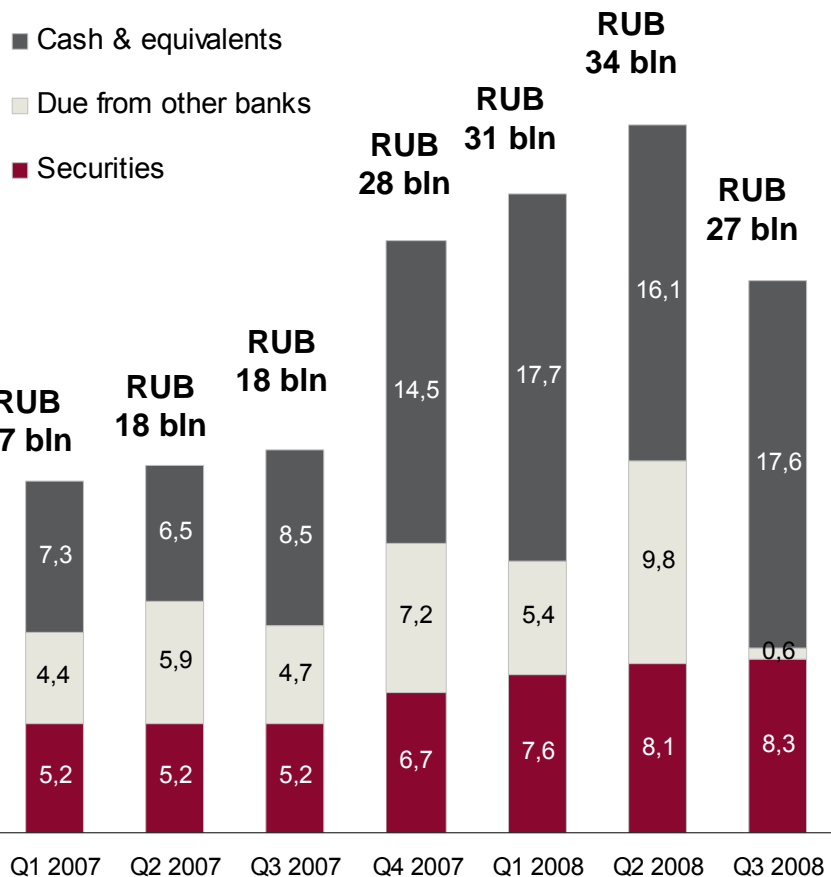


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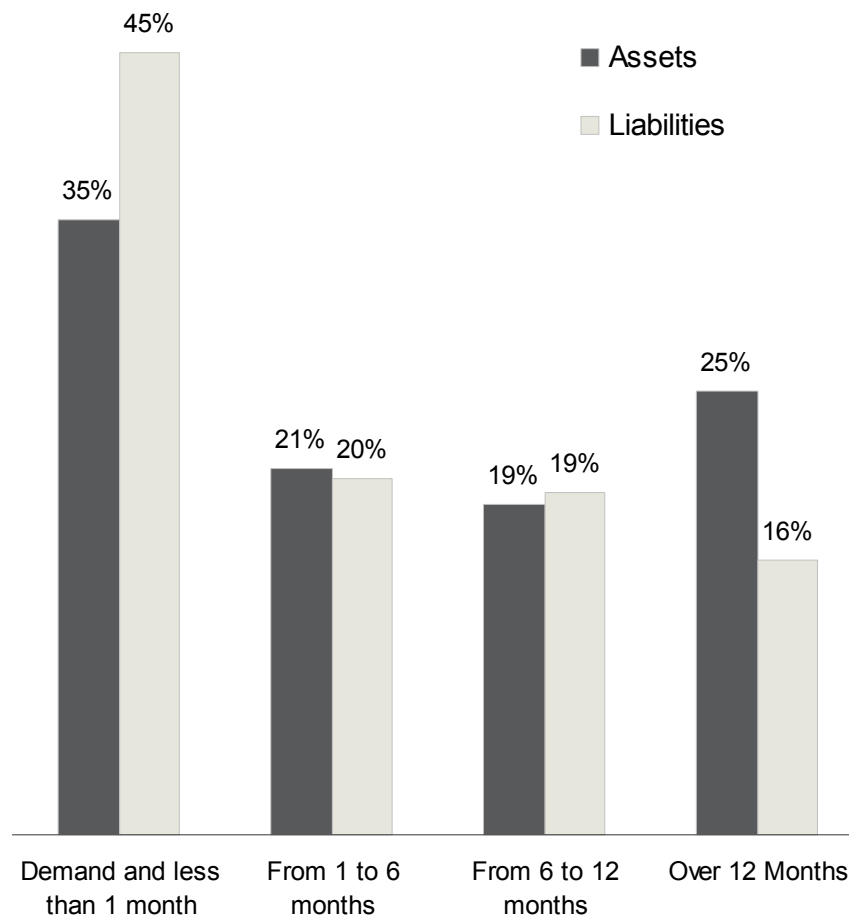
Liquidity management

Liquidity cushion

RUB mln



Maturity structure



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Market funding

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:

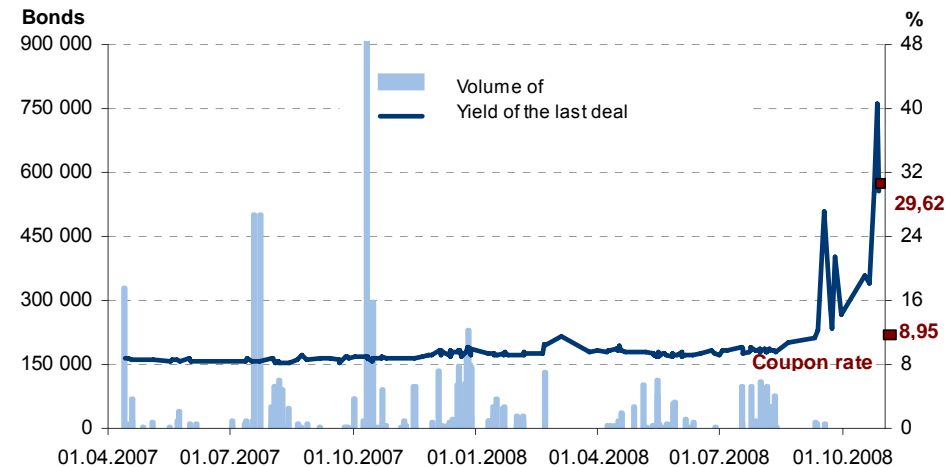
- RUB 3 bln. – due March 2010
- Coupon - 8.95%
- MICEX A1 - CBR Lombard List

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

Market funding uncertainty – small impact on business

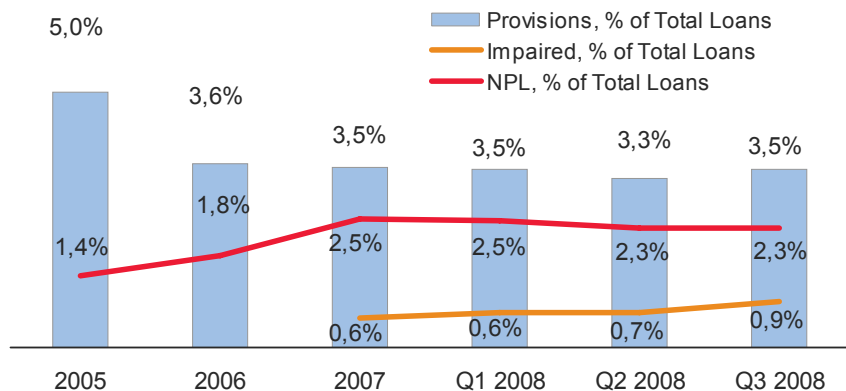
- Uncertain access to new international market funds
- Strategy to grow business on the basis of domestic sources
- Growth plans developed not relying on market funding
- Focus on improvements:
 - Efficiency
 - Risk Management
 - Corporate Governance

Bond trading

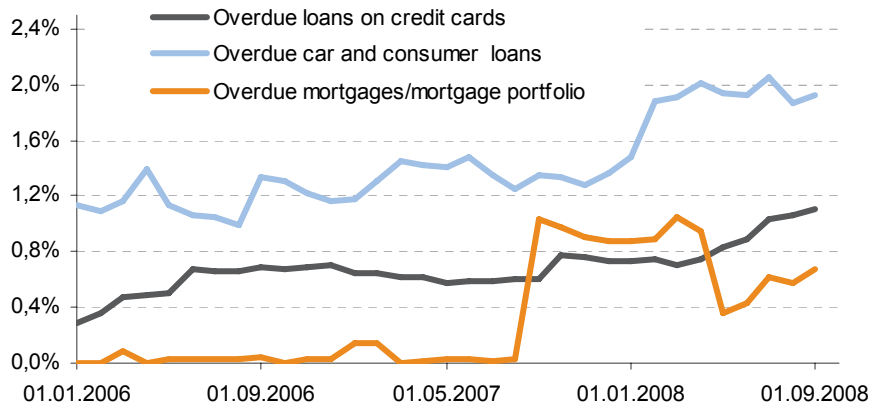


Credit Quality Management

Credit Risk



Retail over-due loans



Over-due loans

RUB mln	Large corporate	SMEs	Mortg.	Other retail loans	Total	% of Total portfolio
Current loans	28,663	56,261	9,469	10,037	104,430	97.6%
Past-due, including	0	2,031	212	255	2,498	2.3%
Less than 30 days	0	169	147	89	405	0.4%
Over 30 days	0	1,063	19	47	1,129	1.0%
Impaired	0	799	46	119	964	0.9%
Provisions	28,663	2,873	161	260	3,729	3.5%
Net loans	28,228	55,419	9,520	10,292	103,460	



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



Q3 2008 IFRS Results

Excellent profit in difficult environment

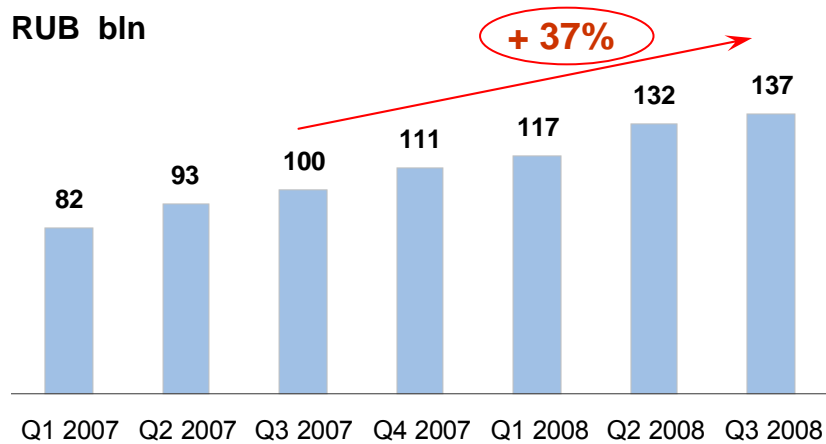


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Q3 2008 key results

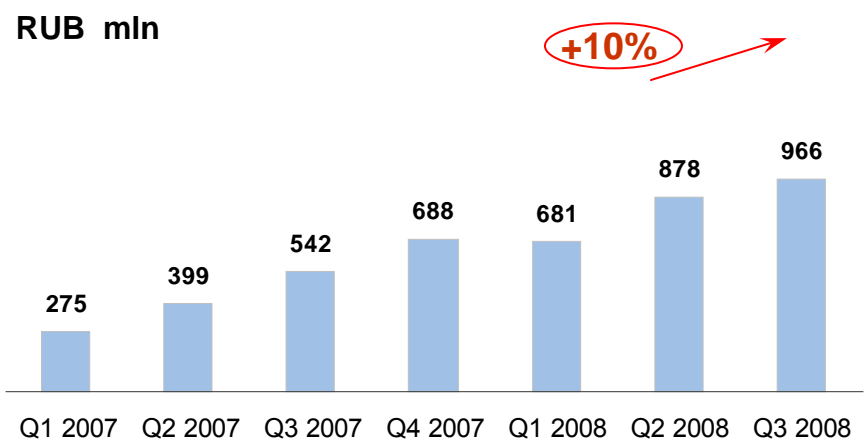
Assets growth

RUB bln



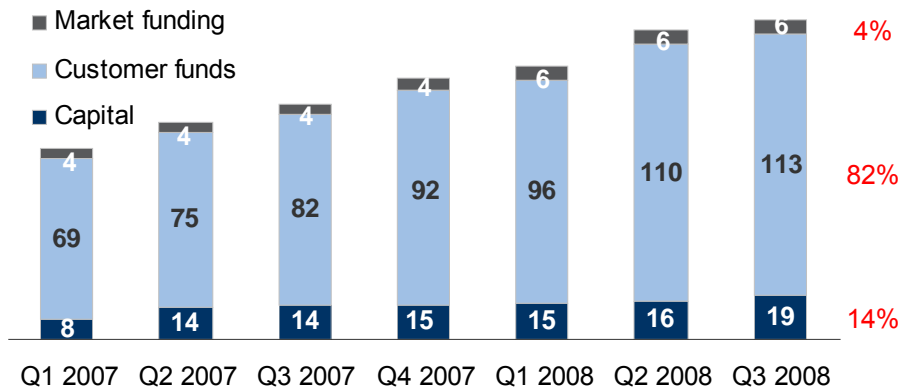
Net profit

RUB mln



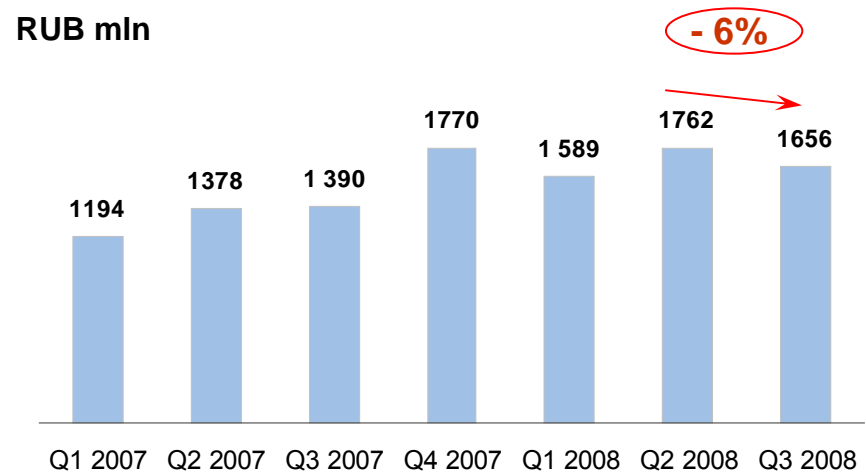
Stable funding

RUB bln



Operational expenses

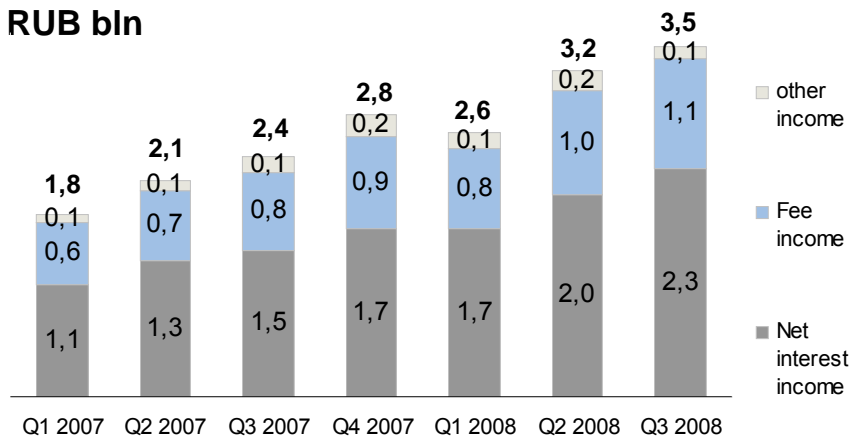
RUB mln



Income & Margins

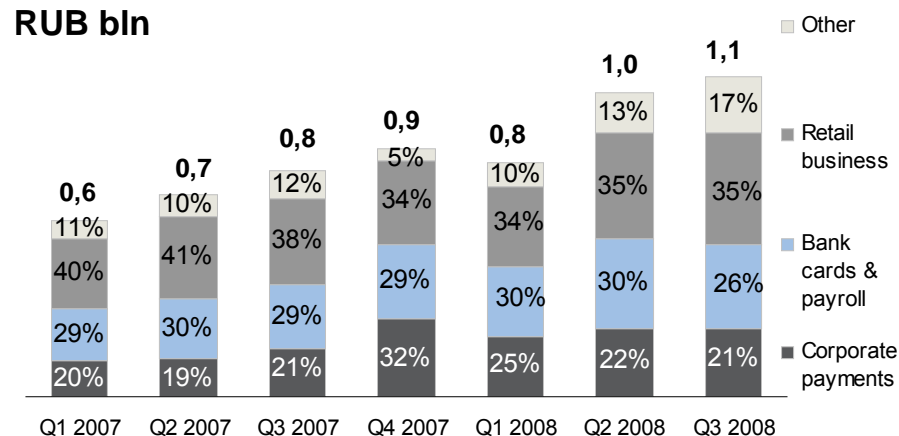
Operating income

RUB bln

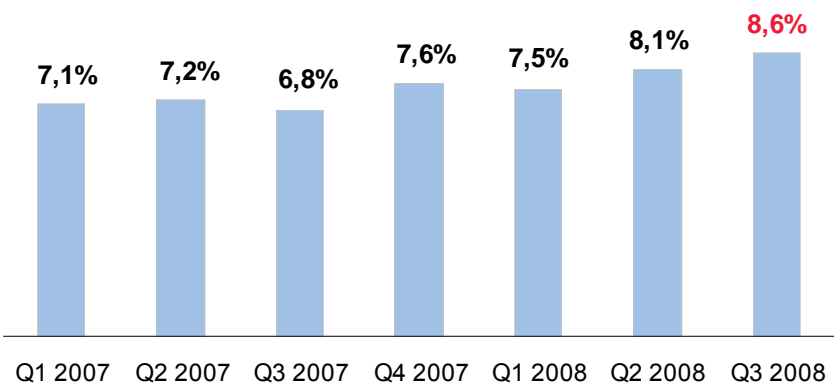


Fee income

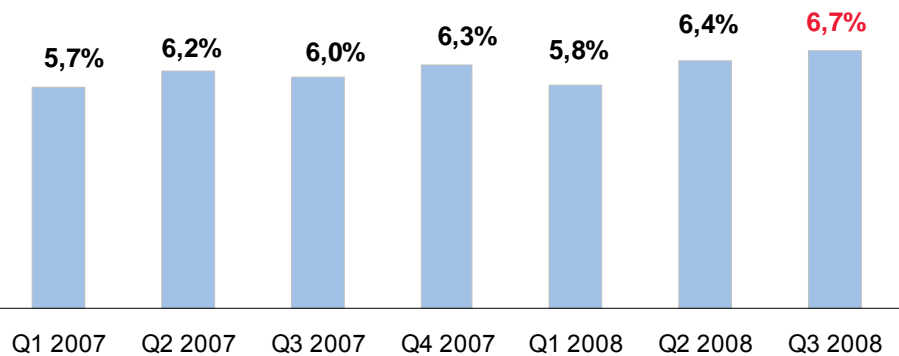
RUB bln



Spread



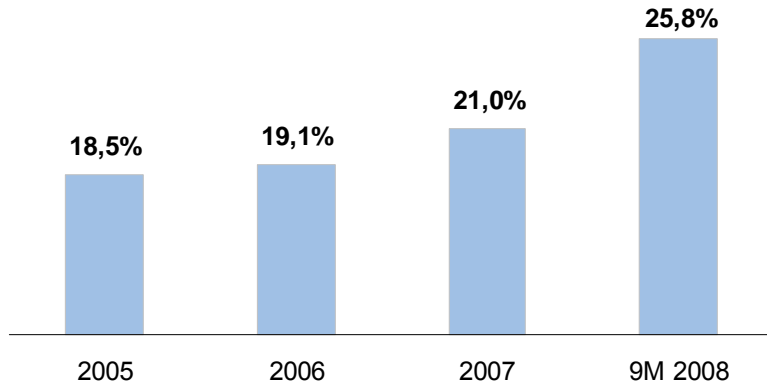
NIM on average assets



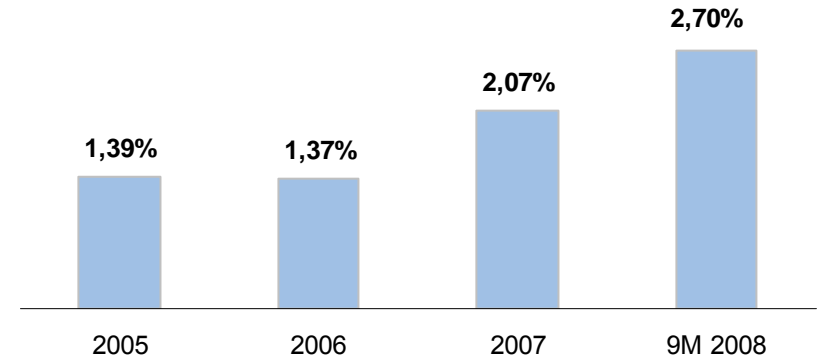
Key performance indicators

ROE. %

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

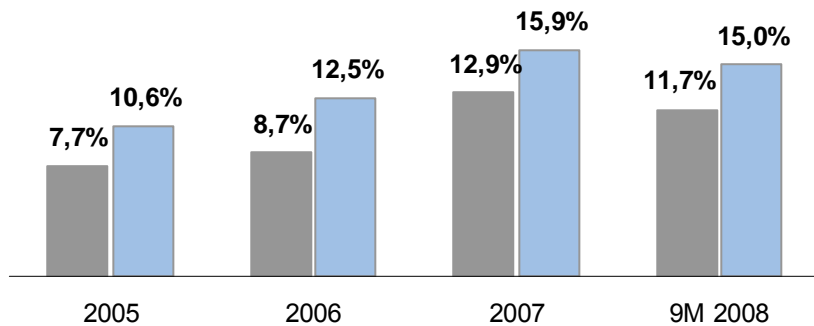


ROA. %



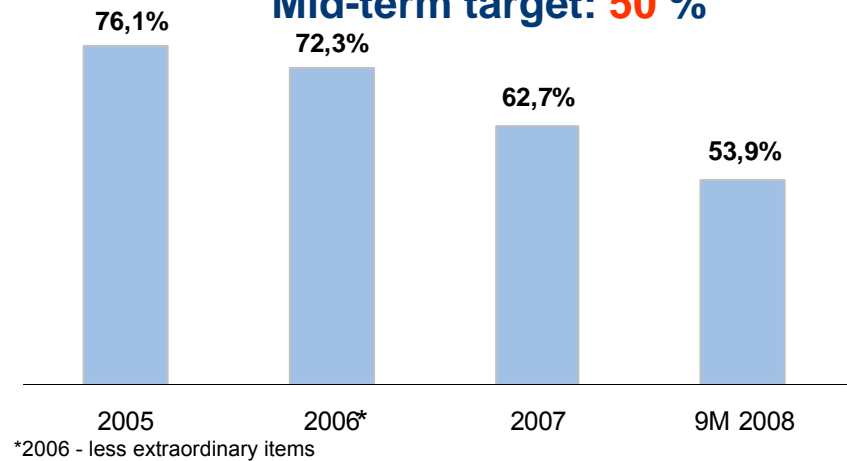
Capital adequacy

■ Tier 1 ■ Tier 1 + Tier 2



Cost to income ratio. %

Mid-term target: **50 %**



Investment Summary: Bank Vozrozhdenie

- **Sound long-term strategy**
 - Adaptable in a changing environment
 - High profitability on any size of the balance sheet
 - Strong lead in expanding regional SME and retail markets
- **Current Challenges**
 - Funding: loan to deposit ratio ~ 110 – 115%
 - Credit quality
 - Efficiency
- **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 Aug'08, Moody's Ba3 confirmed in Oct'08
 - Positive track-record of communication with investors
 - Recent Board of Directors meeting held according to best practices
 - Active HR& Compensation and Audit Committees

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