

Bank Vozrozhdenie successfully placed its debut bond issue of RUB 3 billion.

March 7, 2007, Moscow. The debut issue of Bank Vozrozhdenie corporate ruble bonds was successfully placed through MICEX for the total amount of RUB 3 billion. Despite the high volatility of markets, the issue of Vozrozhdenie bonds was 1.6 times oversubscribed.

The Vozrozhdenie bonds were issued through open subscription at auction on MICEX. Investors placed about 40 orders totaling almost 5 billion rubles. The first coupon was set at 8.95% per annum according to the auction demand, lower than level forecast by the lead manager. Today this is one of lowest coupon rates among similar structured issues of banks rated B1 positive by Moody's.

The maturity of the Bank Vozrozhdenie bonds is 3 years with a semi-annual coupon. The level of all coupons was set equal to the initial coupon according to the terms of the issue.

JSB "Gazprombank" (CJSC) was acted as lead manager of the issue. The syndicate included also Morgan Stanley Bank, Citibank, Standard Bank, International Moscow Bank and Absolut Bank. The main buying interest for the issue was from subsidiaries of foreign financial institutions and some Russian banks.

Vozrozhdenie Bank provides personal banking and business services to clients throughout the Russian Federation. The bank plans to use funds from the bond issue for granting loans to SME and providing its retail customers with consumer loans, particularly mortgages. "We are very pleased with the results of our first bond issue." commented Nikolai Orlov, Vice-President of the Bank. "Notwithstanding the general pessimism of market, the bank successfully placed the whole issue and received one of the best interest rates. We are glad that investors trust us and believe in the future of the Russian banking sector."

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