

Bank's development prospects in 2003

The Bank considers an increase in its equity capital to be a major factor of the Bank's development. The relationship of capital to the size of our operations and conformity with the norms established by the Central Bank of Russia are a priority of Vozrozhdeniye Bank. In 2003 the Bank plans to increase our equity capital, calculated in accordance with the Russian Standards of Financial Reporting, to 3 billion rubles.

Consistency in carrying out client-oriented policy, technology-based banking products and services and the effective use of delivery channels are all basic to achieving our strategic goals.

The most important elements of the Bank's activity continue to be lending to the real economy, especially the industrial and agricultural sectors, participating in state programs and cooperating with Russian cities and regions.

The Bank will continue to develop and strengthen our position in the Moscow region. Lending to enterprises and organizations will increase. There will be close cooperation with city and district administrations and active participation in the Region's social and economic programs.

As an authorized bank to the Moscow City Government, Vozrozhdeniye will continue to participate in the city programs.

In servicing corporate and individual clients, the Bank will continue to expand and improve the range of banking products, ensuring technological competitiveness and programs designed for particular client groups. We hope to considerably expand our client base. We will achieve this with a flexible policy based on combining individual approaches to clients with tailored combinations of standardized products. The Bank considers improvement of the quality of service corresponding to modern requirements to be a priority in working with clients. Further enhancements to sales practices will be implemented in order to achieve these goals.

As always, Vozrozhdeniye will aim at maintaining its leading position in providing basic banking products and services in the regions where we have operations.

Retail banking services program will be actively developed. The "Golden Constellation" brand of deposits has been very successful with private individuals. We will expand our consumer credit program.

Continuing the success of recent years, we will further expand our bank card infrastructure, including installation of ATM's in the different regions, but concentrating on the Moscow region. Intensive use of ATM's as one of the means of delivering banking products will be further developed. We expect that the number of the bank cards issued by Vozrozhdeniye Bank will grow by 100 thousand within this year. In 2003 we plan to begin issuing chip-based VISA cards and use them in our payroll services. We expect continued great demand by private individuals for utilities payments via ATM's and "your account 7x24" service. We will introduce as a standard service the facility to receive account balance information by phone, SMS-service or by Internet.

The Bank regards our branch network as a major strategic resource, covering the leading economic regions that possess significant economic potential. This year we plan to open a number of new offices in territorial divisions, mainly in the central part of Russia.

The primary goal in 2003 will be to increase the efficiency of work in the branches. Branches will be transformed into specialized channels of delivering banking products using a uniform technology platform.

The branch network development program envisages, in parallel with the network expansion, optimization of its maintenance expenses.

As always, the Bank will devote close attention to developing our relations with international financial institutions. We will continue to expand our cooperation with foreign banks and national export agencies in financing trade operations.

One of our important tasks is the reduction of expenses by development and implementation of improved information technologies. There will be further work on creating an integrated uniform information database for internal processes automation. This will reduce reporting and technical work in the branches and improve centralization of controls and reporting.

Stability and Reliability. Vozrozhdeniye considers maintaining our reputation as a reliable and stable financial institution of federal importance to be one of our primary goals.

Reliability and stability are the major components of a good business reputation for a bank. Vozrozhdeniye Bank occupies a steady position in the Russian banking system. For a number of years it has always been included in the list of the 30 largest credit organizations published by the Central Bank of Russia.