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### Key financial figures for 2005

Indices	Target figures 2004	Actual value 2004	Target figures 2005	2005 target figures compared to 2004 actual values, %
<b>Key financial figures, million rubles</b>				
Working assets, average	23,768.9	25,400.0	38,500.0	151.6
Loans to customers, average	21,658.0	22,356.4	33,021.8	147.7
Capital of the Bank, average	3,066.0	3,205.7	3,718.0	116.0
Borrowed funds, average	23,944.0	25,900.0	39,100.0	151.0
Aggregate net income	3,077.7	3,091.8	4,771.9	154.3
Net interest return and similar income	2,026.4	2,205.5	3,306.4	149.9
Net commission income	891.3	985.0	1,599.2	162.4
Profit	300.0	317.9	800.0	251.6
<b>Efficiency indices, %</b>				
Return on Capital (profit/average capital)	9.8	9.9	21.5	217.2
Return on Assets (profit/average assets)	0.99	1.1	1.8	163.6
Expense ratio	75.3	70.2	66.3	94.4

## Development of the Bank in 2005

The Bank will retain its position as an independent, versatile, socially significant bank of federal importance, by consistent implementation of its strategy of improving the range and quality of popular products and services, by business diversification and improved stability and by further regional development.

The Bank successfully met its 2004 business plan targets. The Bank's financial priority for 2005 is to maintain the dynamic growth of key performance figures which will ensure it remains one of Russia's major credit institutions.

The targeted average annual growth rate for working assets is 51%. Working assets will still be dominated by loans to customers, a source of stable income. Ruble loans will still account for the main portion of the portfolio. The Bank will continue to reduce the portion of large borrowers in favor of medium-scale companies. An



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increased number of loans will be provided to companies and enterprises, specifically those serviced in the Moscow region. The Bank will retain its industry-related features – loans will primarily be granted to industrial companies, including those engaged in energy, construction, transportation and communications as well as commerce.

With an expected reduction in interest margins, the Bank will target an increasing share of non-interest income in the Bank's income profile.

The Bank's resource base is the main source from which its assets are funded. In 2005, the Bank plans a further increase in funds borrowed from clients to an average of 39 billion rubles. We will continue working on diversification of the resource base by extending the maturity of funds from both the domestic and international capital markets and increasing the share of long-term deposits of individuals and corporate clients.


To meet the 2005 profitability target the Bank will continue its well-balanced management of the asset portfolio and close monitoring of operating expenses and risks in the Bank's operations.

With respect to development of relationships with clients, the Bank's activities in 2005 will be focused on strengthening of the existing client base and improvement the efficiency of customer service in the regions.

The customer policy will be aimed at diversifying the client base and offering banking products for targeted client groups.

In 2005, as in 2004, we will focus on business with clients in the following priority industries: food-processing, wholesale trade, agriculture and industrial equipment manufacturing. There will be an increased emphasis on companies with networks in the regions where the Bank has a presence, and export manufacturers that use domestic raw materials. The Bank expects to increase its market share by providing a whole range of products and services including cash and settlement services, export and import support, long-term lending, international financing, guarantees and card-based payroll services. The Bank will also support local government authorities at all levels as well as socially important companies and enterprises engaged in municipal development. In dealing with this group of clients, we seek to maintain stable and constructive relations. One way to achieve this is to participate in government projects and cooperate with local authorities of the Russian cities and regions.

The Bank will be expanding its retail business, emphasizing credit programs for individuals that are now experiencing high market demand, first of all mortgage and car lending. For consumer lending, we will be making an increased use of credit cards. The Bank intends to increase the volume of retail deposits through existing and new types of deposits.



Bankcards can provide a wide range of services to our clients: payments, deposits, and cash transactions. Cardholders may effectively access funds on their accounts in any office of the Bank. Development of ATM services and further promotion of card payroll services in 2005 will bring about a significant increase in the number of customers who hold cards, with the prospect of additional non-interest income. We are planning to issue about 200,000 bankcards, increasing the total outstanding to 700,000. The number of cards issued in the Moscow region will grow to 470,000.

The Bank also plans to improve delivery channels for banking products and services. The main delivery channel is the wide network of branches and sub-branches as well as a network of ATM electronic offices. In 2005, the Bank will increase the number of such electronic offices to 70.

The key strategic region for the Bank will still be the Moscow region. For a greater territorial coverage within this mega region, we are planning to open branches in Mytishi, Balashikha and Zheleznodorozhny as well as sub-branches offices in Khimki, Zhukovsky, Shchiolkovo and Fрязино.

The Bank's development plan for the northwestern federal district involves strengthening of the Bank's position through the local regional center, which develops and coordinates a single regional policy, including attracting new clients. New small branches in Saint Petersburg will make banking products more available.

In the Southern federal district, a wider network of sub-branches is planned for Volgograd and Krasnodar. In both Volga and Sibir federal districts, we are aiming at organic growth of the client base. In 2005, sub-branches are scheduled to be opened in Nizhny Novgorod and Barnaul.

The Bank's pricing policy will be based on the concepts of competitiveness, efficiency and flexibility.

With respect to banking and information technologies, the Bank is planning a phased transition to a new computer banking operating system that will allow for integration and centralization of all data bases, software and instruments used for bookkeeping, financial accounting, preparation of financial statements, tax and manageri-



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al reports. We'll be introducing a new service system for individual clients serviced through the branch and sub-branch network. To speed up the process of automation, the new individual service system and the operational system will be introduced simultaneously, first in branches located in the Moscow region. This will result in optimization of business processes, while relieving the branches of excessive technical overhead. We expect improved quality, lower costs of providing banking services and reduced time required to service clients.

The Bank will place a greater emphasis on issues of brand management as well as further improvement and development of a broad marketing communication system.

With respect to human resource management, we will continue to improve incentive systems and to work to improving the skills and professional level of our employees.

The Bank will continue to improve the practices of corporate governance and internal control system to comply with current legislation and criteria established in the international banking community. Special attention will be given to a better quality of risk management with respect to all types of risks.