



**VOZROZHDENIE
BANK**

THE BANK THAT IS ALWAYS WITH YOU



Bank Vozrozhdenie

Gradual recovery is underway



Renaissance Capital 15th Annual Investor Conference
27-28 June 2011

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Agenda

Business model

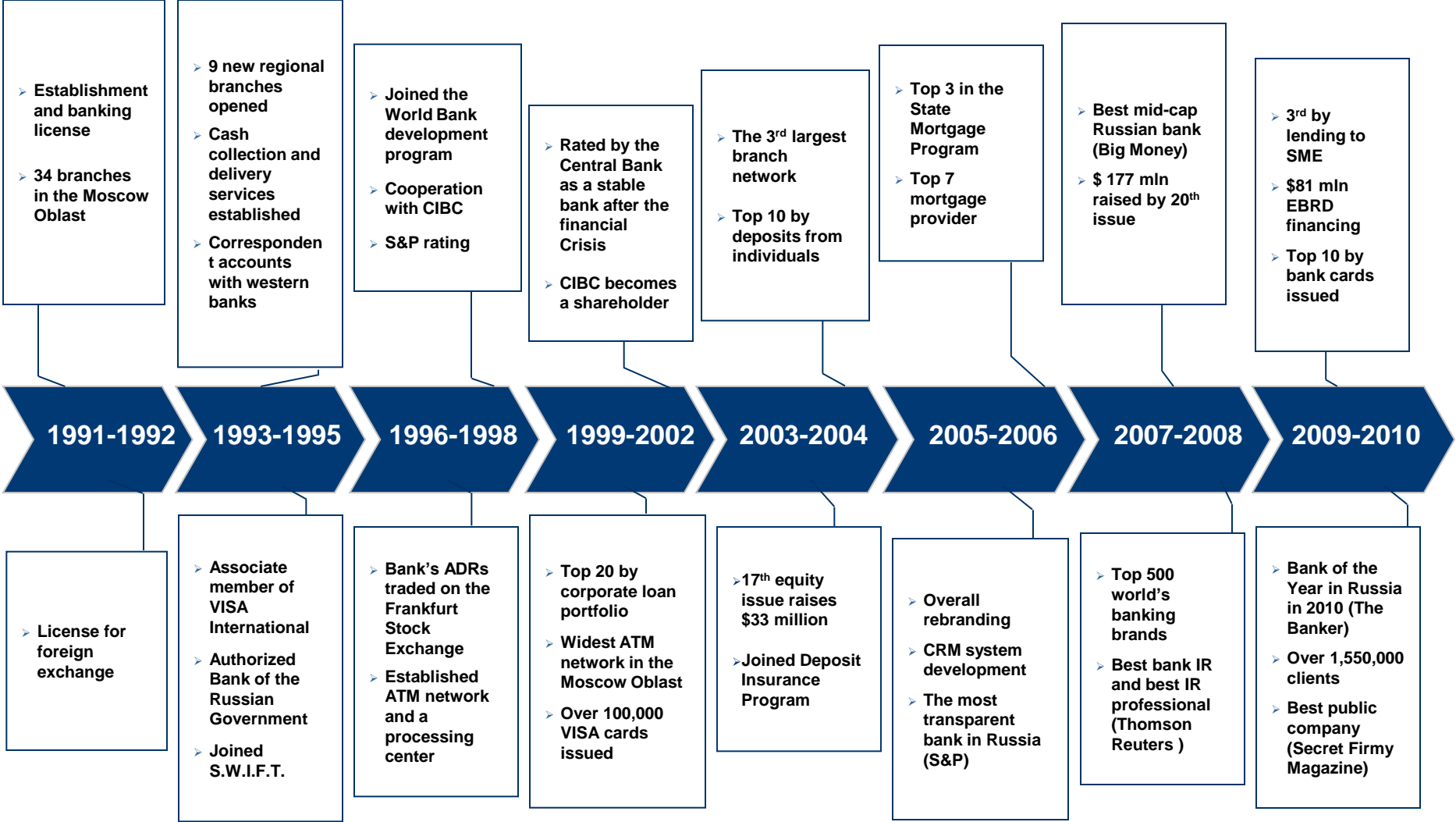
Business overview

Recent IFRS results

Investment summary



Over 20 years of successful development.



Vozrozhdenie Bank - a Community Bank built on strong relationships with SMEs and individual customers

Vozrozhdenie Bank strategy...

- Focus On Core Banking Products
- Servicing Corporate and SME Customers In Each Stage Of Business Development
- Servicing retail customers throughout their whole life-cycle
- Balanced Lending and Funding policy
- Prudent risk-management policy
- Increasing efficiency in service delivery

...service...

...via...



... 1 546 000 Retail Clients...

... 57 000 Corporate and SME Clients...

... 20 Regions

... 173 Offices

... 756 ATMs

... 6 164 employees



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Distribution network

As of 01.06.2011



Moscow Oblast is a home territory with historically strong market position

Branches	Sub branches	Retail offices	Total
34	42	34	110



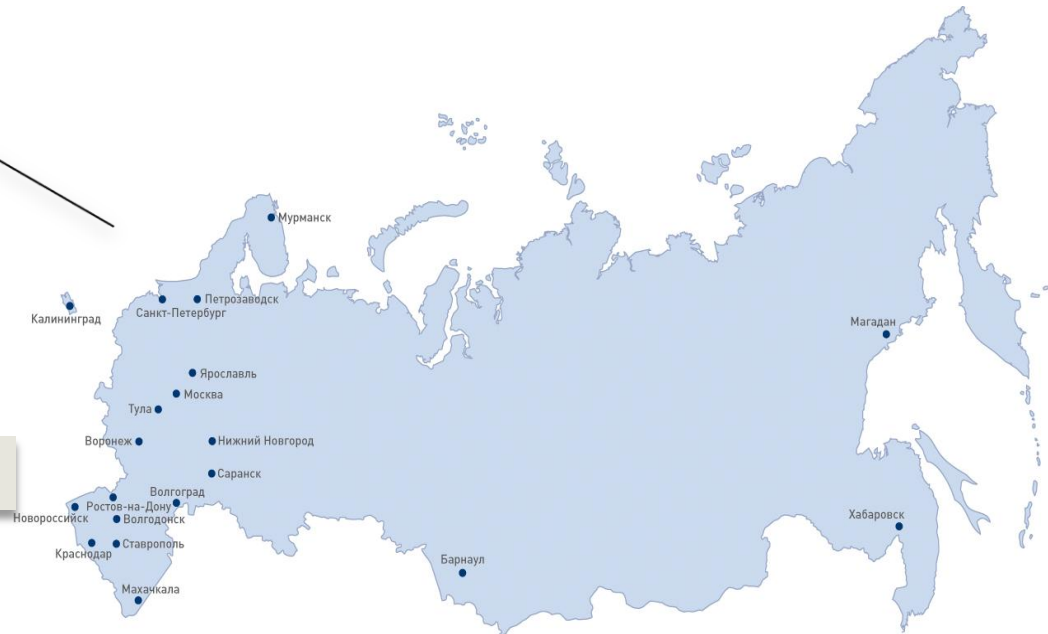
465 ATMs – every town is under coverage

Twenty regions of presence. Focus on the most attractive South and North-West

Branches	Sub branches	Retail offices	Representative offices	Total
19	37	6	1	63



291 ATMs



Basic information & position in Russian banking system

Key Figures, RUB

Assets	174,473 mln
Loans	114,498 mln
Customer Funds	136,874 mln
Net Income	317 mln
Shareholders equity	17,177 mln
Retail Clients	1,546,000
Corporate Clients	57,000
Personnel	6,164
Offices	173
ATMs	756

Rankings**

Net Assets	22
Loans to SMEs	3
Volume of retail deposits	13
Corporate loans	19
Bank cards emitted	11
Branches/ ATMs	28/18

** RBC most recent rankings

Market recognition

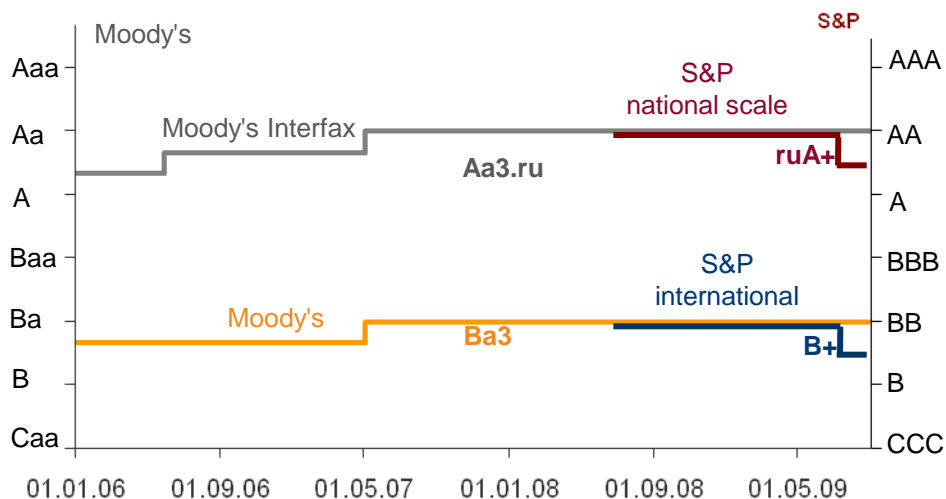
Credit ratings

Moody's

Ba3/D-/NP, stable

Standard&Poor's

B+/ruA+, positive



Listing

Included in indexes

MICEX Financial Index,
RTS

Listing

A2 MICEX

High recognition of brand

The Banker

Vbank became the winner in nomination "The Bank of the year 2010 in Russia" on the annual ceremony of The Banker magazine



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



BrandFinance Banking 500 survey

V-bank ranks among top-10 Russian most valuable banking brands with brand value of \$168 million

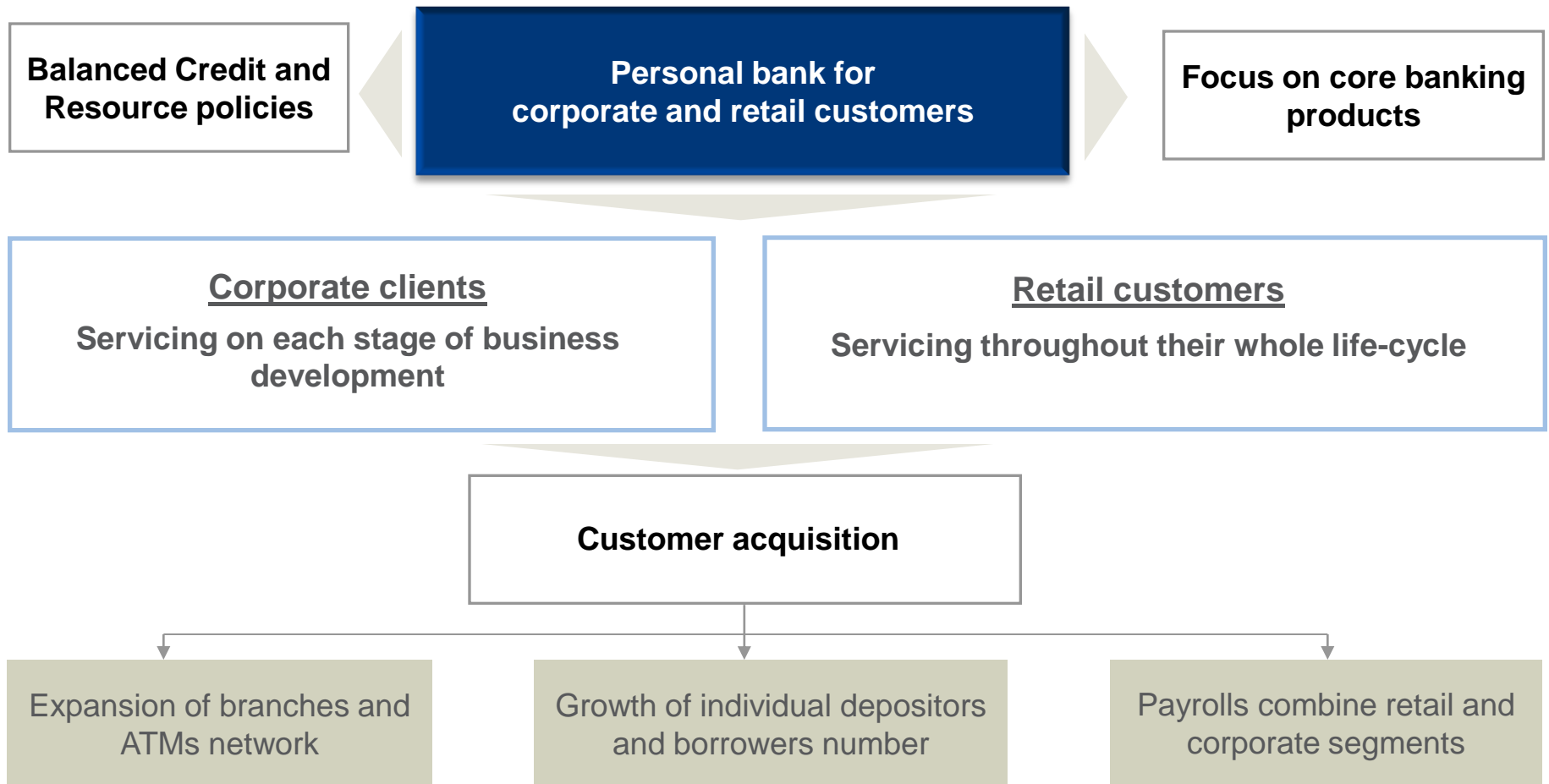


Business model



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Market strategy

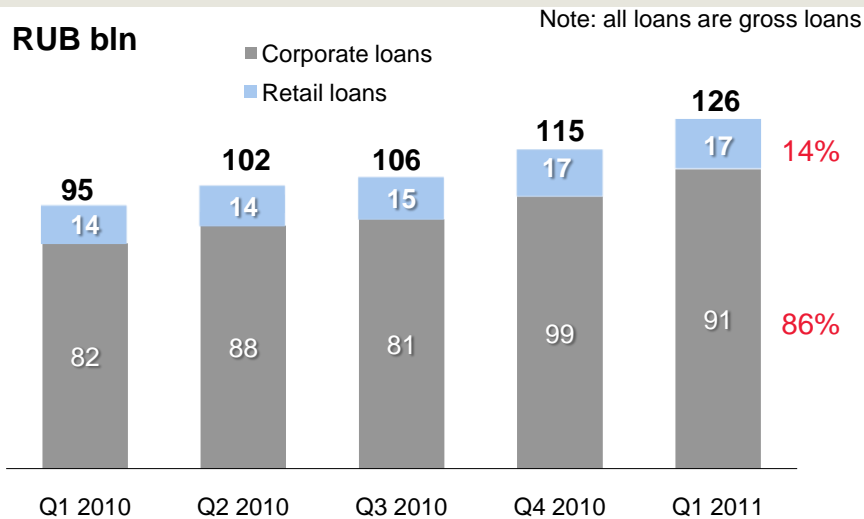


Business model

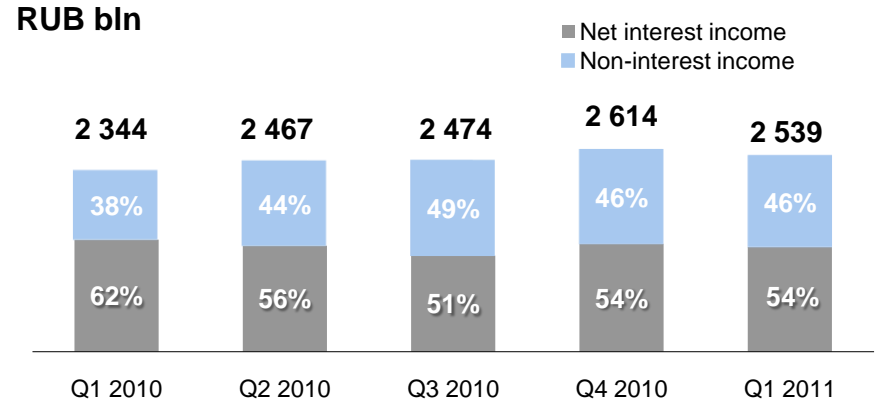
Business based on relationships...

- Customer oriented organic growth
- Conservative balance sheet
- Primarily deposit funded
- Focused network expansion
- Increasing efficiency in service delivery

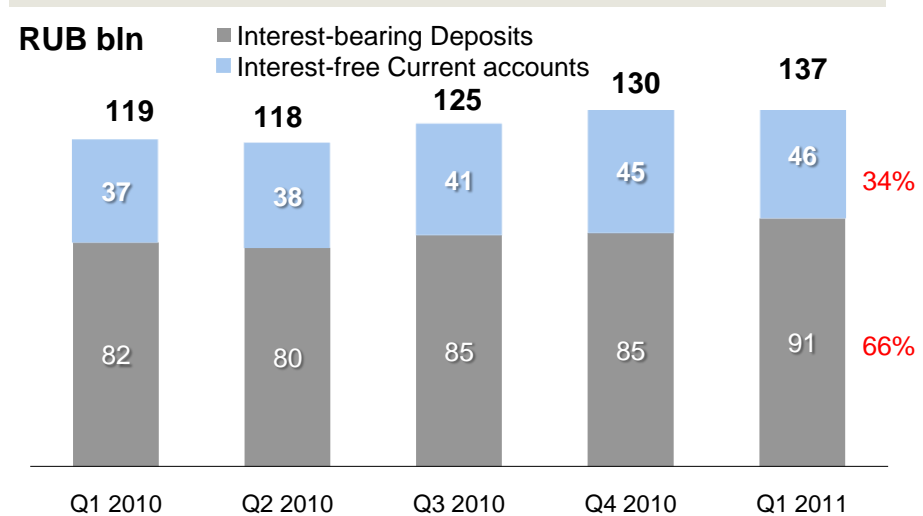
Loan portfolio development...



... gives strong non-interest income

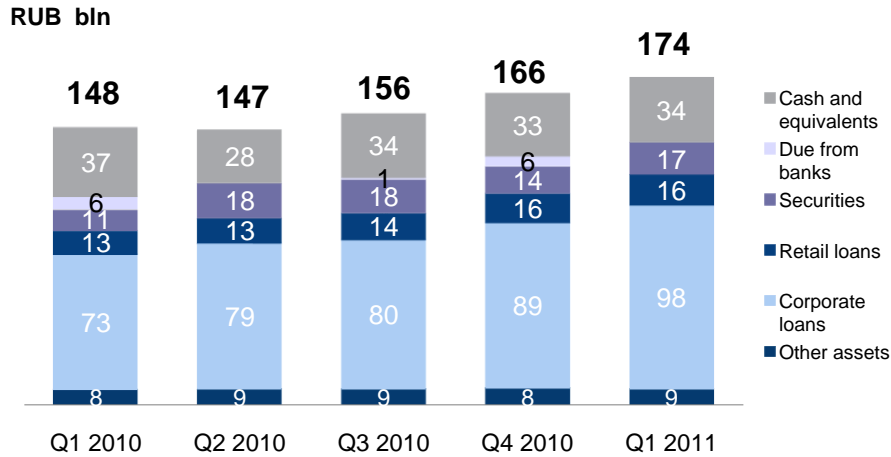


... funded by customer accounts

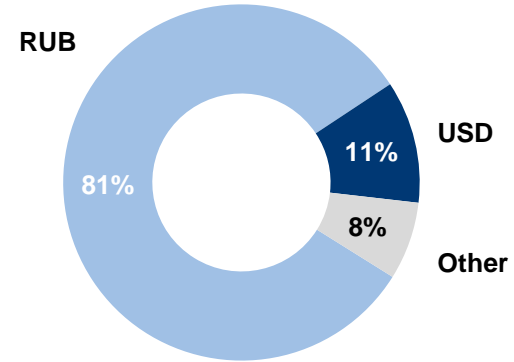


Assets

Growing share of loans

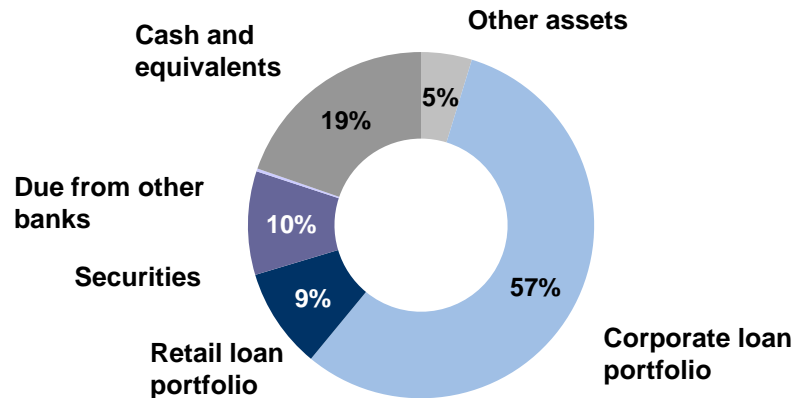


Risk averse policy on currency risk

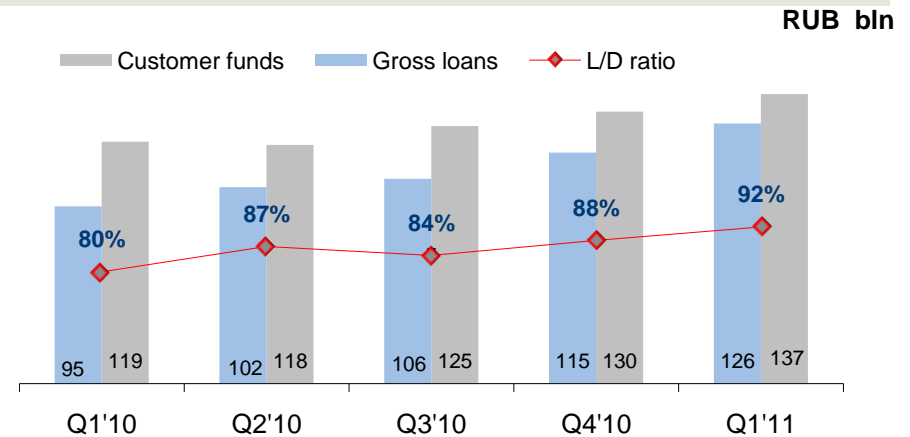


We stick to the strategy of having no currency mismatches between assets and liabilities focusing mainly on ruble-nominated assets

IEA represent 75% of total assets

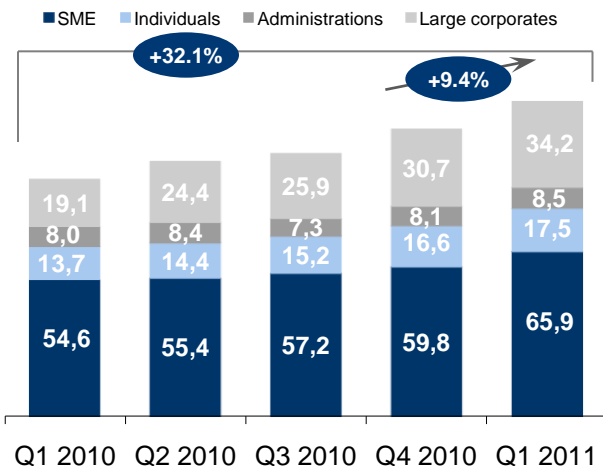


LTD ratio improving



Loans and advances

Impressive growth...

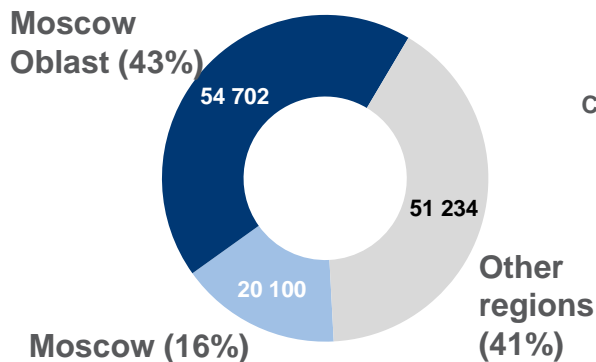


...beating the banking sector...

	VZRZ	Sector
Total Loans	YoY	+34.1%
	QoQ	+10.0%
Corporate Loans	YoY	+34.9%
	QoQ	+10.8%
Retail Loans	YoY	+29.4%
	QoQ	+5.5%

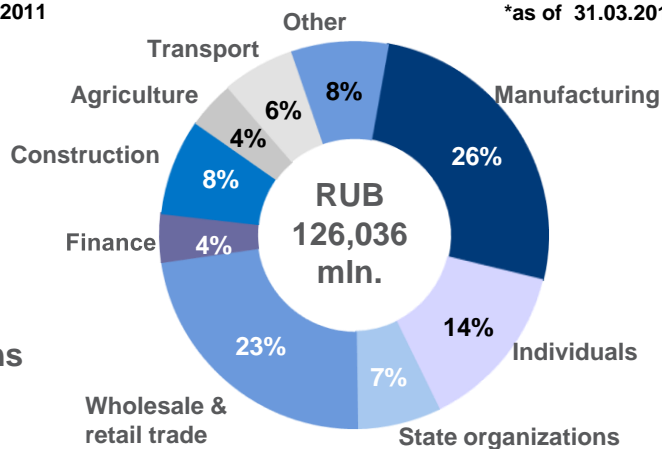
...in key regions...

*as of 31.03.2011

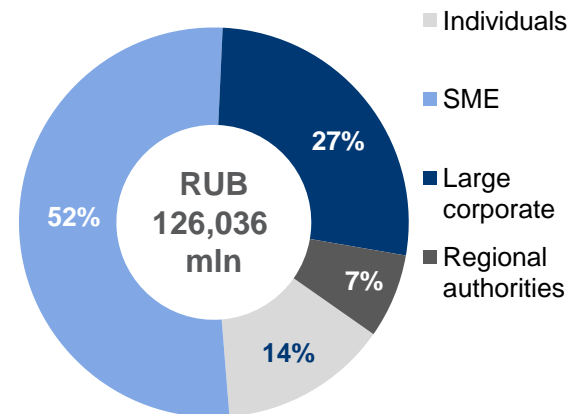


...across the economy sectors...

*as of 31.03.2011



...in our niche of SMEs.



Who are SMEs?

What is our SME Definitions

Segment	Credit turnover on current accounts. RUB mln.	Total credit exposure. RUB mln.	Total customer funds with the Bank. RUB mln.
Large business	>300	>750	>300
Medium-size and small businesses	6 - 300	30 - 750	6 - 300
Micro businesses	1 - 6	6 - 30	1 – 6



Food processing – factories manufacturing different types of high-quality food and drinks.



Petrol stations networks – complex service of high-quality petrol, minimarkets and café, car washes and technical services.



Pharmacies networks – still healthy demand both for beauty products and medicines.

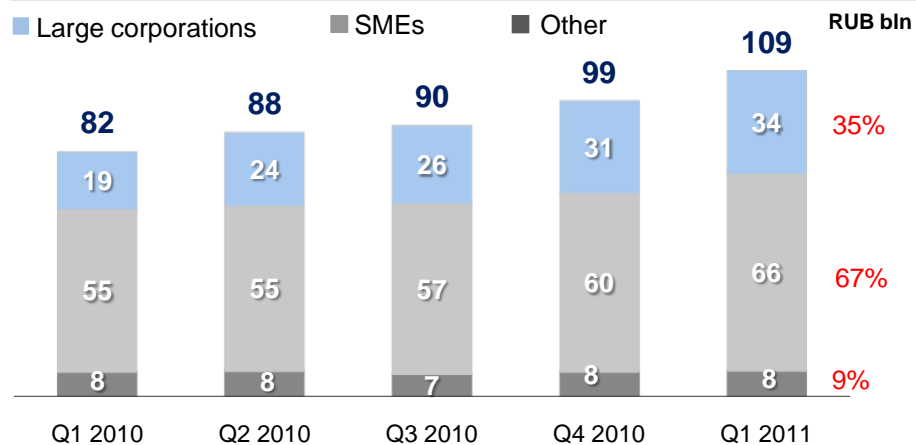


Food retailers– small chains of handy stores “Close-to-House” style for daily shopping located in dormitory area with high density of population.

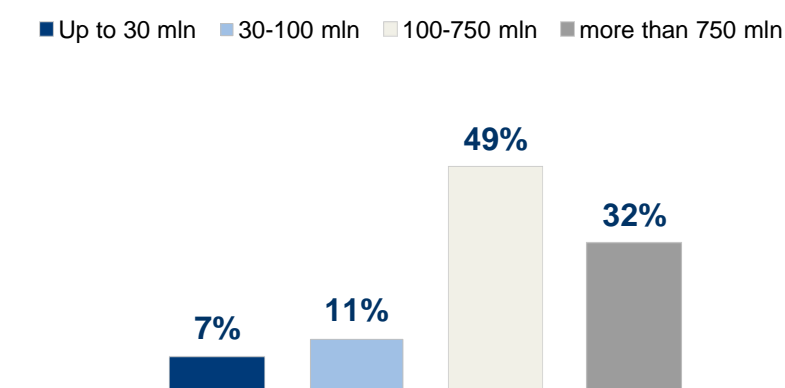


Corporate business

Corporate lending – focus remains on SMEs...

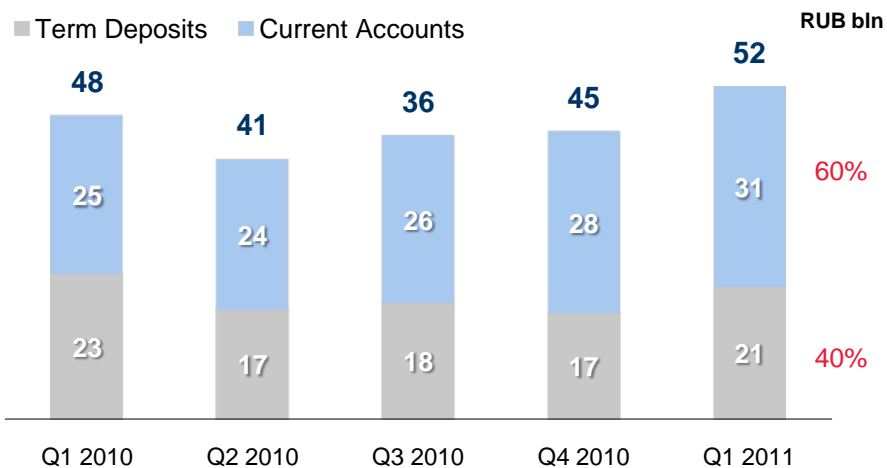


...with 67% of loans less than RUB 0.75 bln

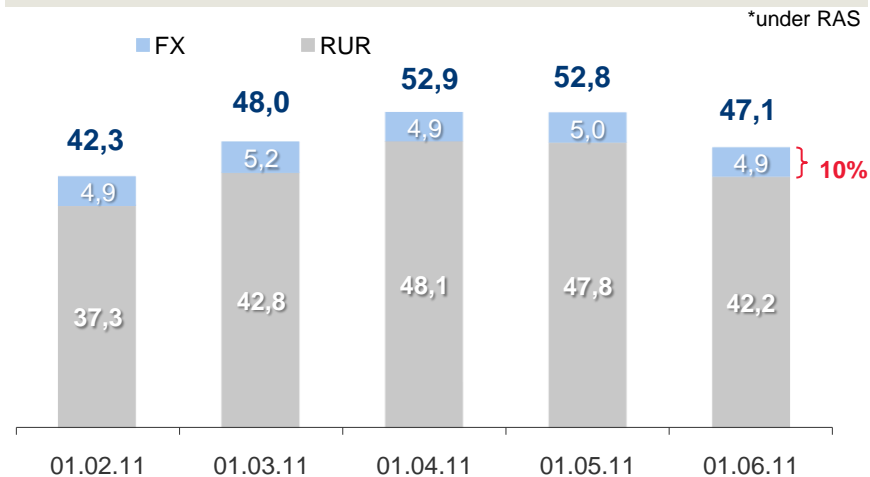


Data as of 01.01.2011

Corporate funding...

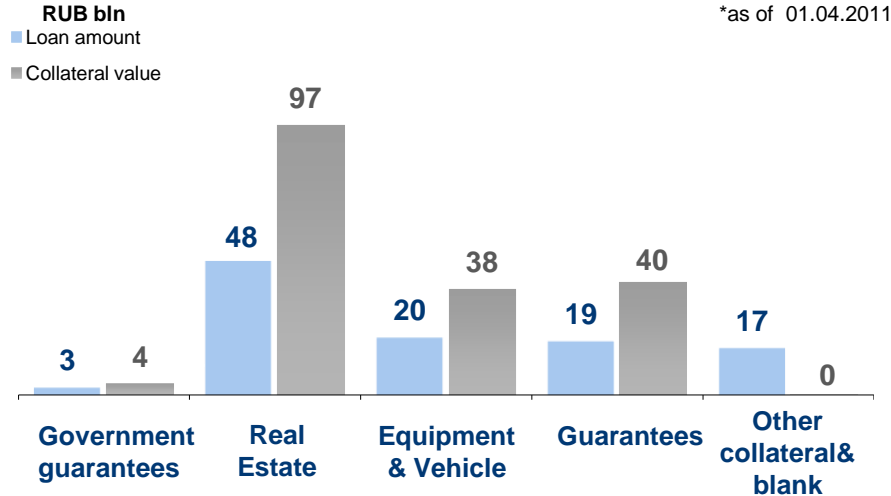


...mostly nominated in RUB

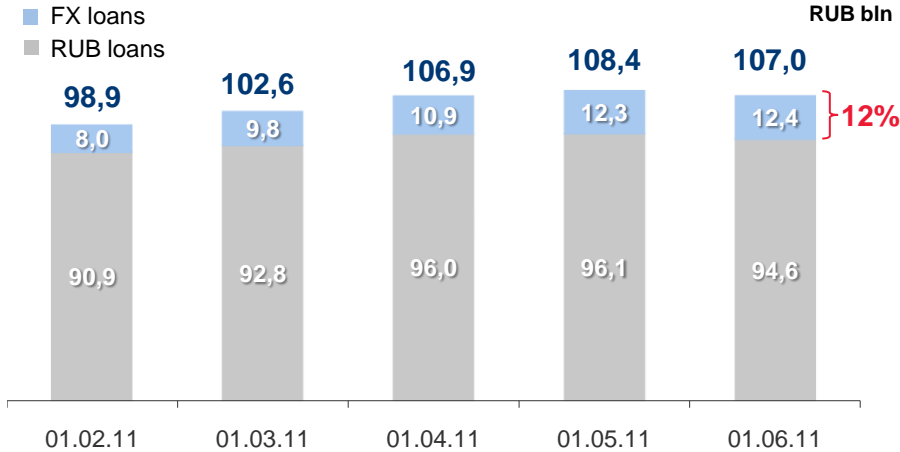


Conservative risk profile

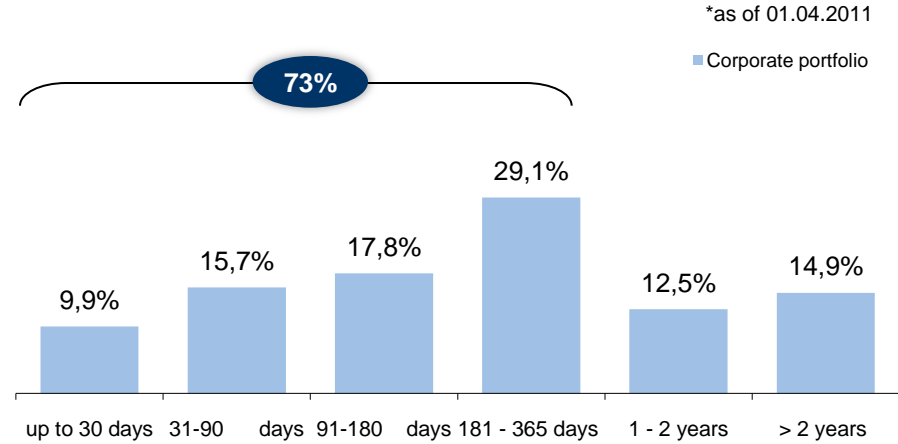
Credit policy sticks to reliable collateral...



...in the same currency as SMEs revenues.



....providing mostly working capital...



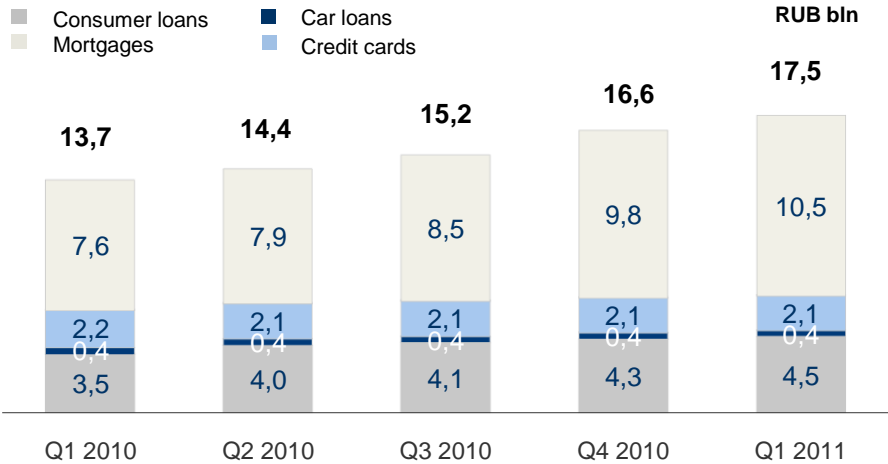
Key points

- Average LTV of the portfolio is 63%* mostly collateralized by solid real-estate, equipment and vehicles (64% of total loans). Revision of collateral value is conducted on a quarterly basis.
- We provide our clients with working capital rather than long-term financing – 73% of corporate loans with maturity less than 1 year. It allows us to react on changing market conditions.
- Matching in terms of the loan currency and the client revenues is a core point. FX loans are issued only to customers related to export-import transactions.

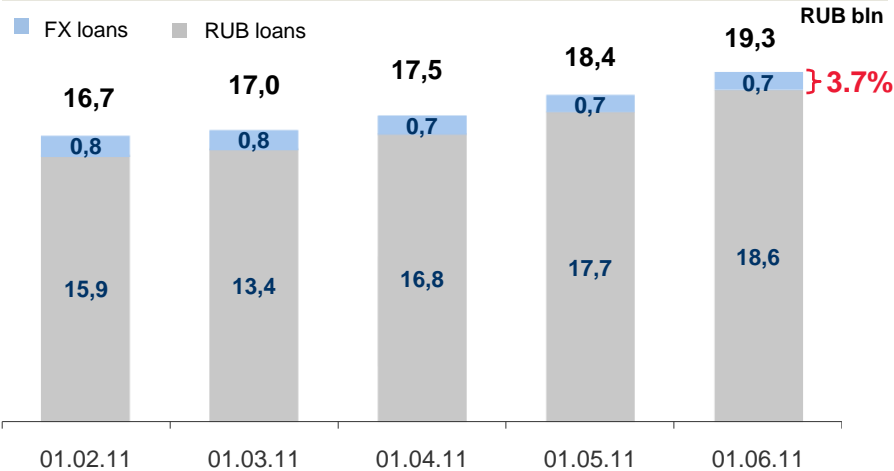
*Guarantees are not taken into account

Retail lending – promising segment after crisis

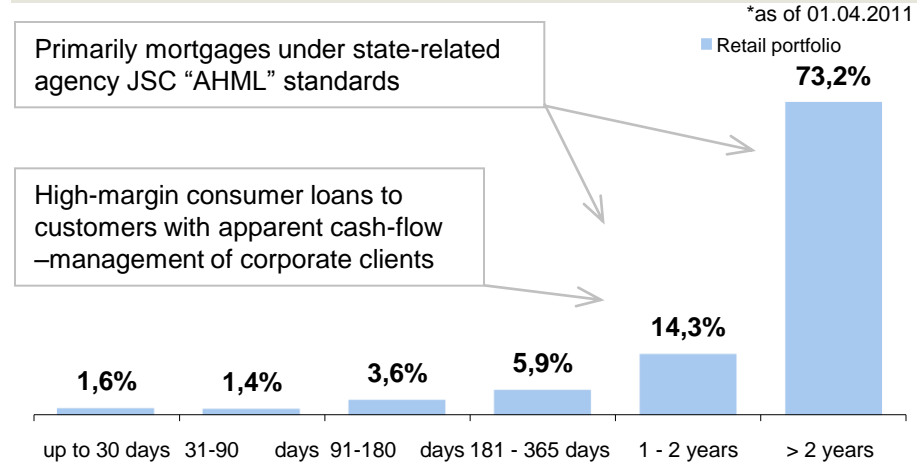
Retail loan book changes (IFRS)



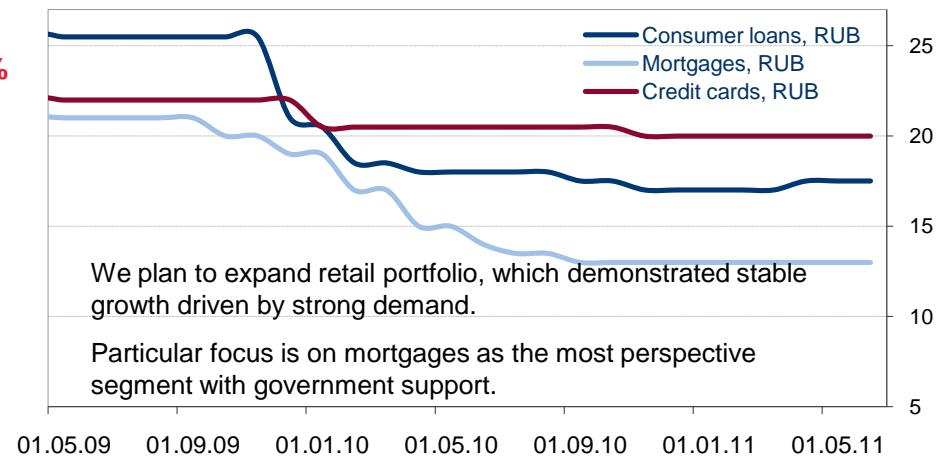
Currency breakdown (RAS)



Retail loans maturity

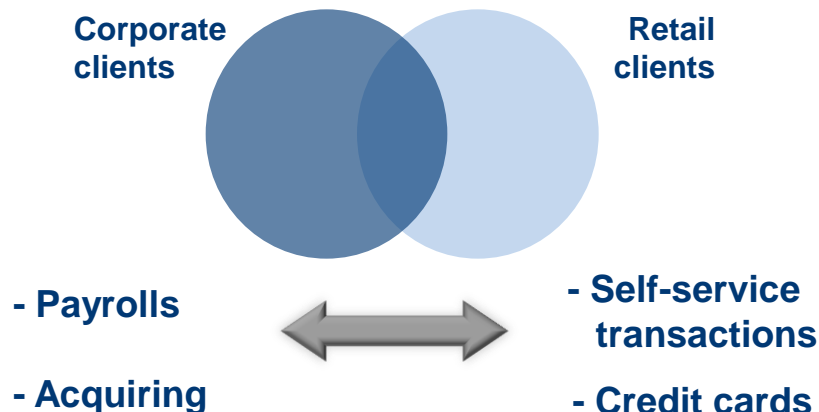


Rates for retail loans

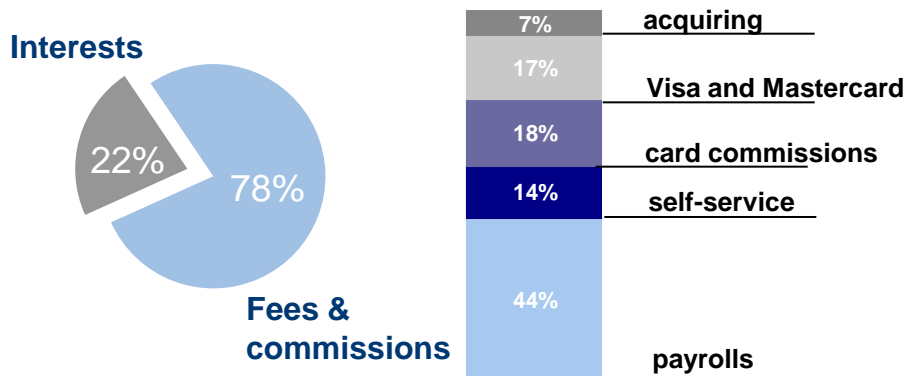


Card business – reliable source of non-interest income

Business strategy...



...Generates strong fee income



...developing key card product - payrolls

	Q2 2010	Q3 2010	Q4 2010	Q1 2011
Payrolls	10,200	10,500	10,700	11,200
Debit cards	1,357,584	1,363,662	1,354,349	1,327,654
Credit cards	38,172	36,690	37,749	39,076
ATMs	710	715	732	756

Key points

- Payrolls is the main tool for client base growth with strong potential – 56,000 of existing corporate clients and 15,000 installed “client-bank” systems
- Offering cards only to existing corporate clients: credit cards for owners, top and mid-level managers and specialists, debit cards for personnel
- Pushing cross-sales between retail and corporate

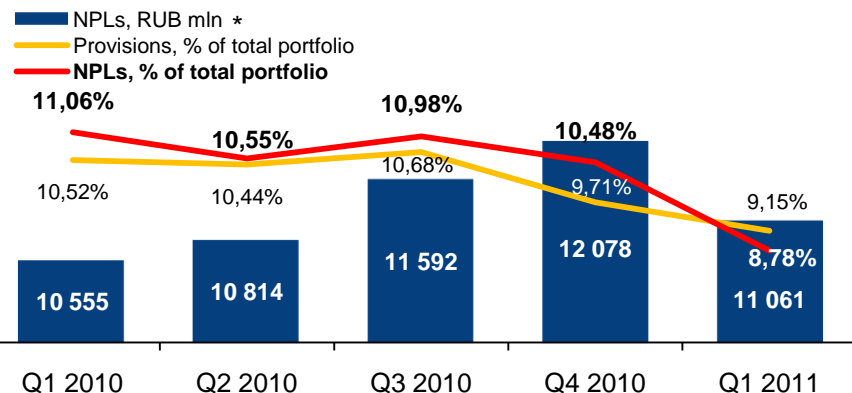
Asset quality evolution



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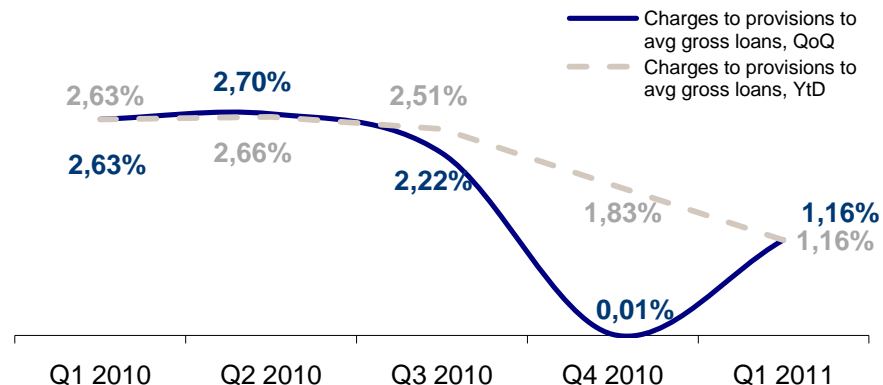
Credit quality management

NPLs dynamics

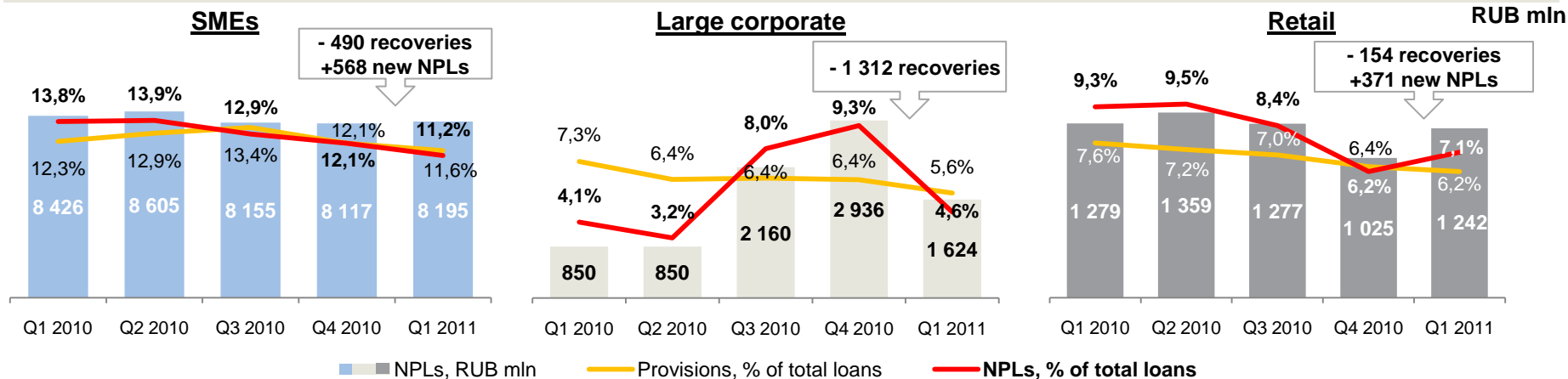


* NPL includes the whole principal of loans at least one day overdue either on principal or interest as well as not overdue loans with signs of impairment

Annualized cost of risk



NPLs categorization: improvements in SME and large corporate segments



Credit quality

as of 31.03.2011	Large corporate	SMEs	Mortgages	Other retail	Total	% of total loans
Gross loans, including	35,205	73,357	10,538	6,936	126,036	100.0%
Current loans	33,581	65,162	9,884	6,348	114,975	91.23%
Past-due but not impaired, of them	0	98	419	119	636	0.5%
Less than 90 days	-	98	364	107	569	0.45%
Over 90 days	-	-	55	12	67	0.05%
Impaired, of them	1,624	8,097	235	469	10,425	8.27%
Less than 90 days	774	965	1	26	1,766	1.4%
Over 90 days	850	7,132	234	443	8,659	6.87%
Total NPLs	1,624	8,195	654	588	11,061	8.77%
Provisions	- 1,985	- 8,475	- 501	- 577	-11,538	9.15%
Net Loans	33,220	64,882	10,037	6,359	114,498	-

Provisions to NPLs Ratio

104%

Provisions to 90+ days NPLs

132%

Rescheduled Loans

8.2%

NPL - the whole amount of loans with principal overdue for more than 1 day, loans with any delay in interest payments as well as not past-due loans with signs of impairment.

Liabilities

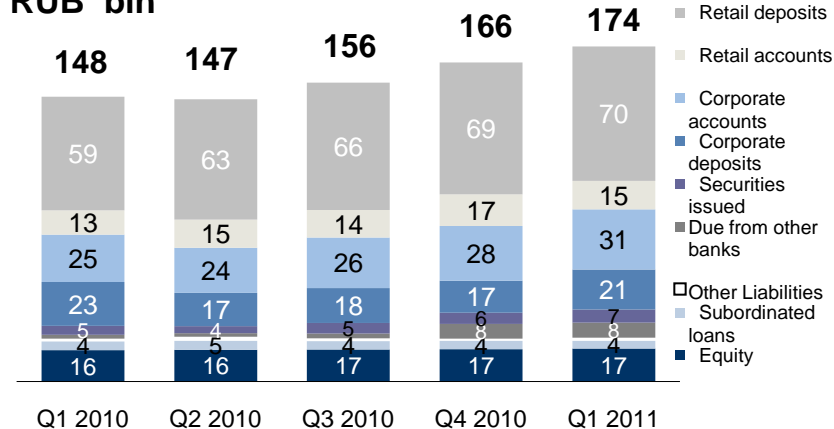


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Liabilities

Resilient funding base...

RUB bln

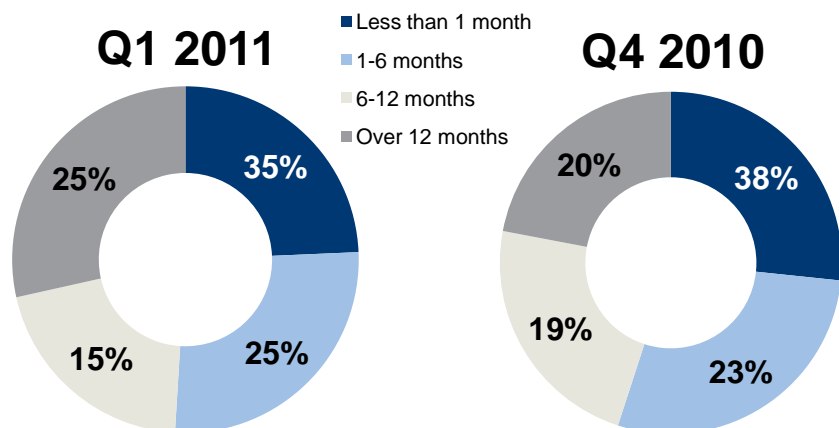


... with high share of interest-free funding

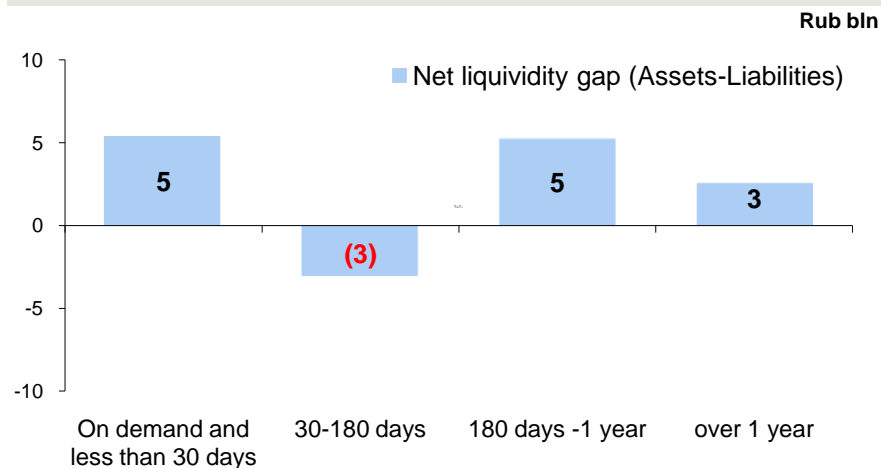
Current accounts/
Liabilities **29.4%**

Customer accounts/
Liabilities **87.0%**

Strengthening long-term resources



Maturity gap



Recent IFRS results



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Financial highlights

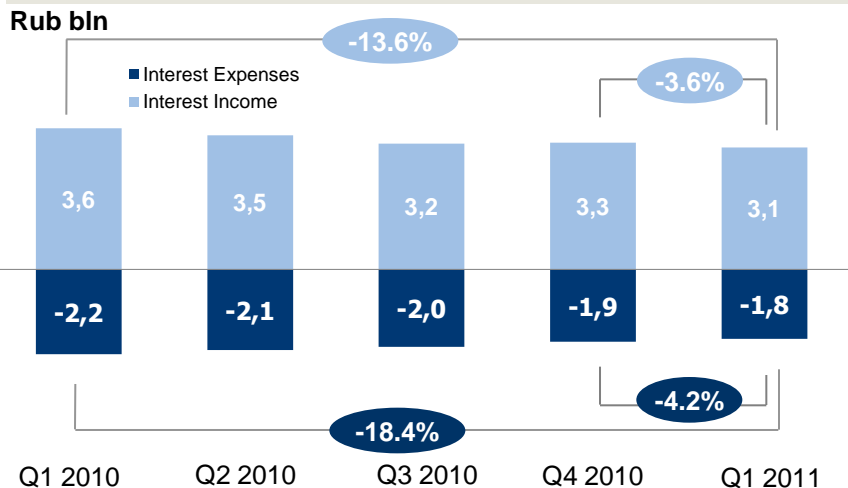
	Q1'11	Q4'10	Q1'10	QoQ	YoY
Gross loan portfolio	126,036	115,236	95,427	+9.4%	+32.1%
Client funds	136,874	130,334	119,256	+5.0%	+14.8%
L/D	92.1%	88.4%	80.0%	+3.7 pps	+12.1 pps
NPLs	11,061	12,078	10,555	-8.4%	+4.8%
NPLs as % of loan portfolio	8.8%	10.5%	11.1%	-1.7 pps	+2.3 pps
Capital adequacy	14.1%	15.2%	18.2%	-1.1 pps	-4.1 pps
Net interest income	1,364	1,403	1,458	-2.8%	-6.4%
NIM	3.2%	3.5%	4.0%	-0.3 pps	-0.8 pps
Net fee income	1,006	1,089	827	-7.6%	+21.6%
Operating expenses	(1,798)	(2,252)	(1,531)	-20.2%	+17.4%
Net profit	317	184	97	+72.3%	+227%
ROE	7.5%	4.4%	2.4%	+3.1 pps	5.1 pps

Q1 2011 Profit and Loss development

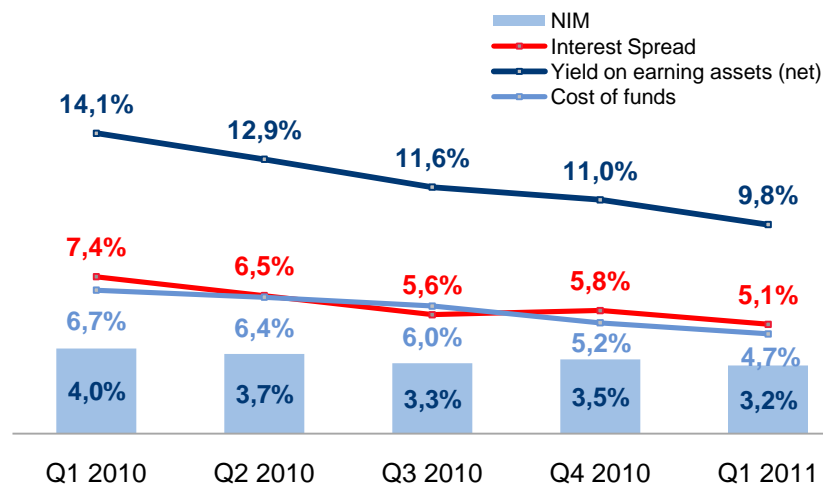
	Q1'11	Q4'10	Q1'10	QoQ	YoY
Interest income	3,146	3,263	3,641	-3.6%	-13.6%
Interest expense	(1,782)	(1,860)	(2,183)	-4.2%	-18.4%
Fee and commission income	1,092	1,204	900	-9.3%	+21.3%
Fee and commission expense	(86)	(115)	(73)	-25.2%	+17.8%
Other operating income	169	122	59	+38.5%	+186%
Total operating income	2,539	2,614	2,344	-2.9%	+8.3%
Operating expenses	(1,798)	(2,252)	(1,531)	-20.2%	+17.4%
Provisions	(350)	(3)	(625)	x117	-28.6%
Provisions on non-core assets	5	(121)	-		
Tax	(79)	(54)	(91)	+46.3%	-13.2%
Net profit	317	184	97	+72.3%	+227%

Operating income development

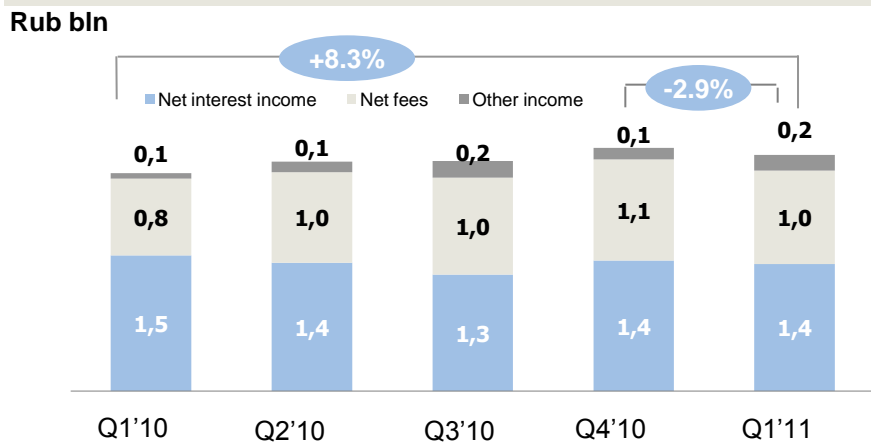
Though interest rates continued to lower...



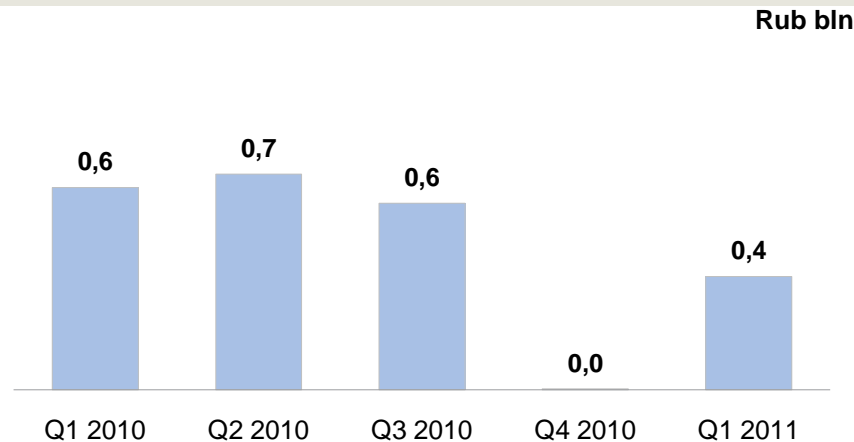
...restraining NIM growth...



...core income growth was driven by fees.



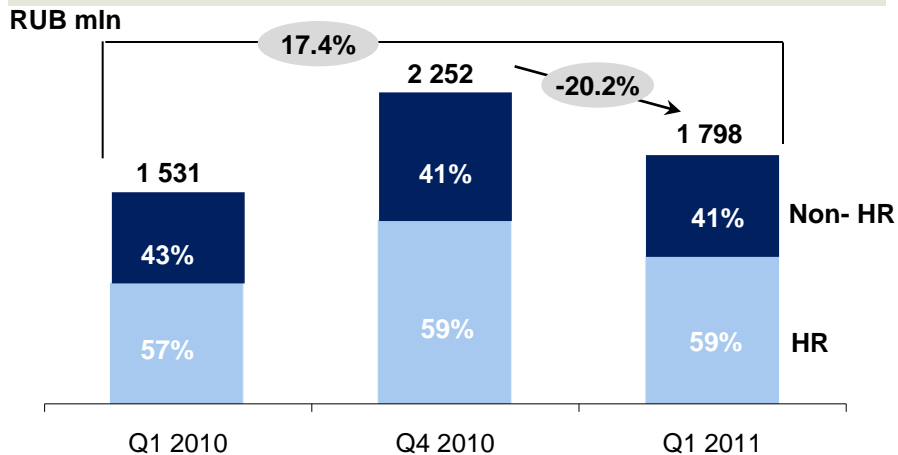
Charges to provisions



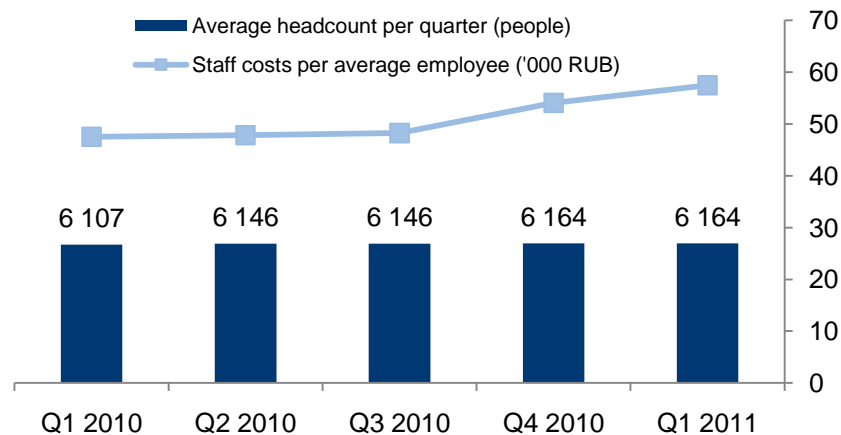
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Costs and efficiency

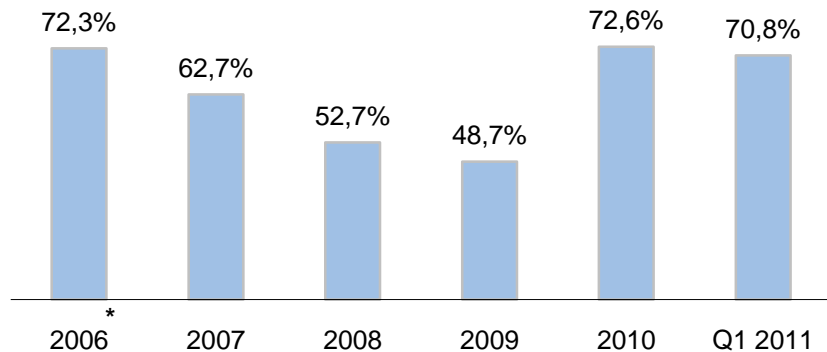
Operating expenses breakdown



Stuff evolution

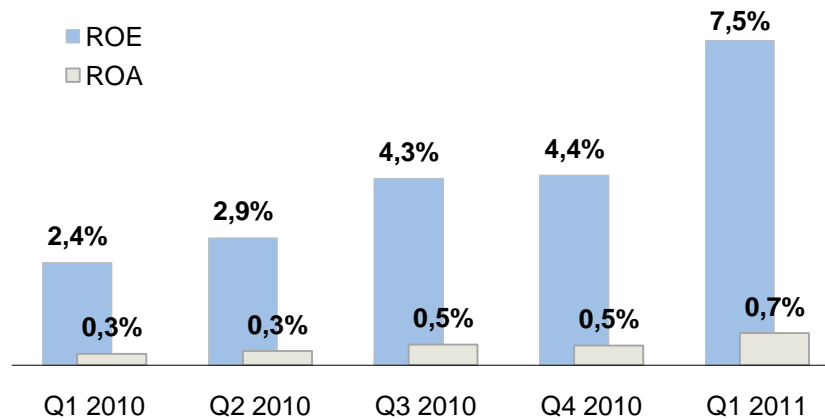


Cost-to-Income ratio



*2006 - less extraordinary items

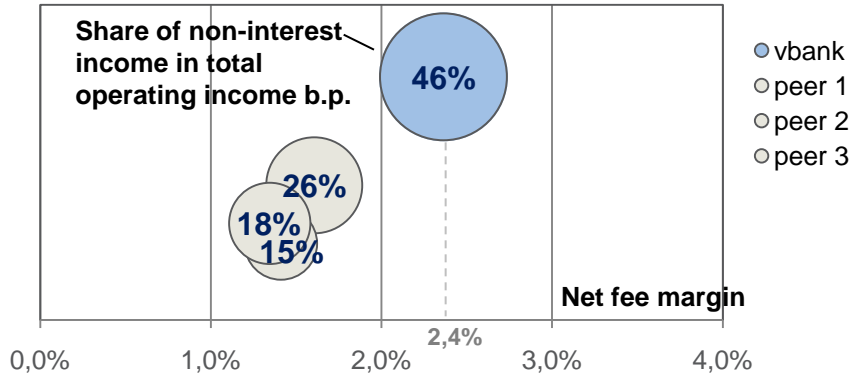
ROE and ROA development



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Fees and commissions

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

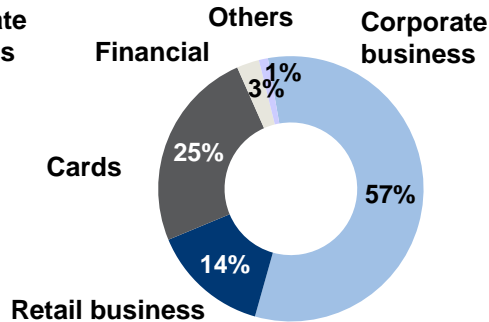
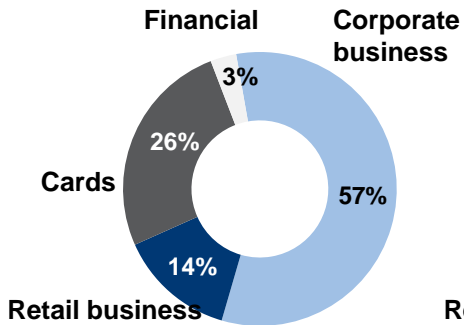


* Vbank data as of 1Q'11, Peer1, Peer2, Peer 3 - FY2010

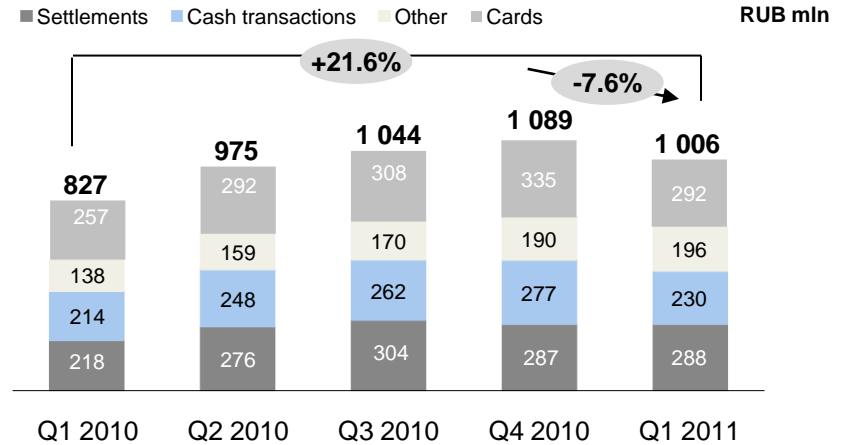
Non-interest income breakdown by segments

Q1 2011

Q4 2010



Net fee income distribution



Key points

Vbank's share of net fee income in total operating income before provisions remained one of the highest among Russian banks and stood at 40% in Q1 2011 while fee margin was 2,4%, which is also higher than for our peers.

Fees and commissions demonstrated robust growth of 22% YoY and remained well-diversified across different banking products with main contribution from settlements and banking cards.

Corporate business continued to be the driver of fee income with 57% of fees generated followed by 26% from banking cards business and 14% from retail segment.

Capital structure

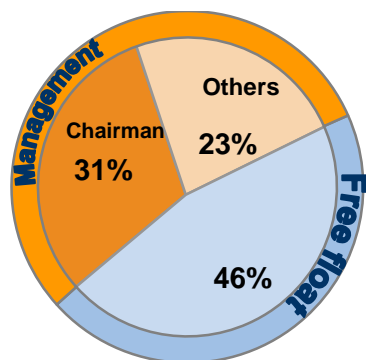


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Capital structure

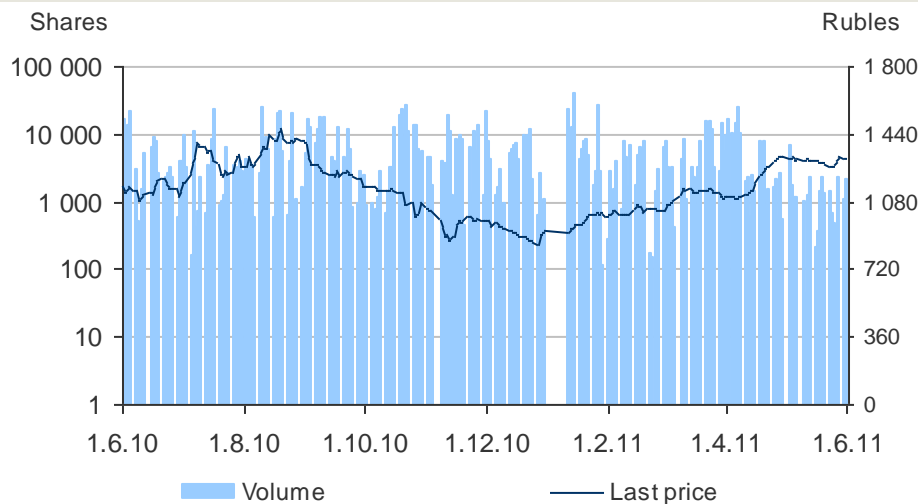
Shareholding structure

Structure as of 05.05.2011



More than 8,000 individuals and 1,000 companies are among our shareholders with professional investors owning more than 37%

Share price on MICEX



As per MICEX data

Major shareholders

SHAREHOLDER	STAKE IN EQUITY
Dmitry L. Orlov (Chairman)	30.70%
Otar L. Margania (Member of the Board of Directors)	18.65%
JPM International Consumer Holding Inc.	9.37%
Total	58.72%

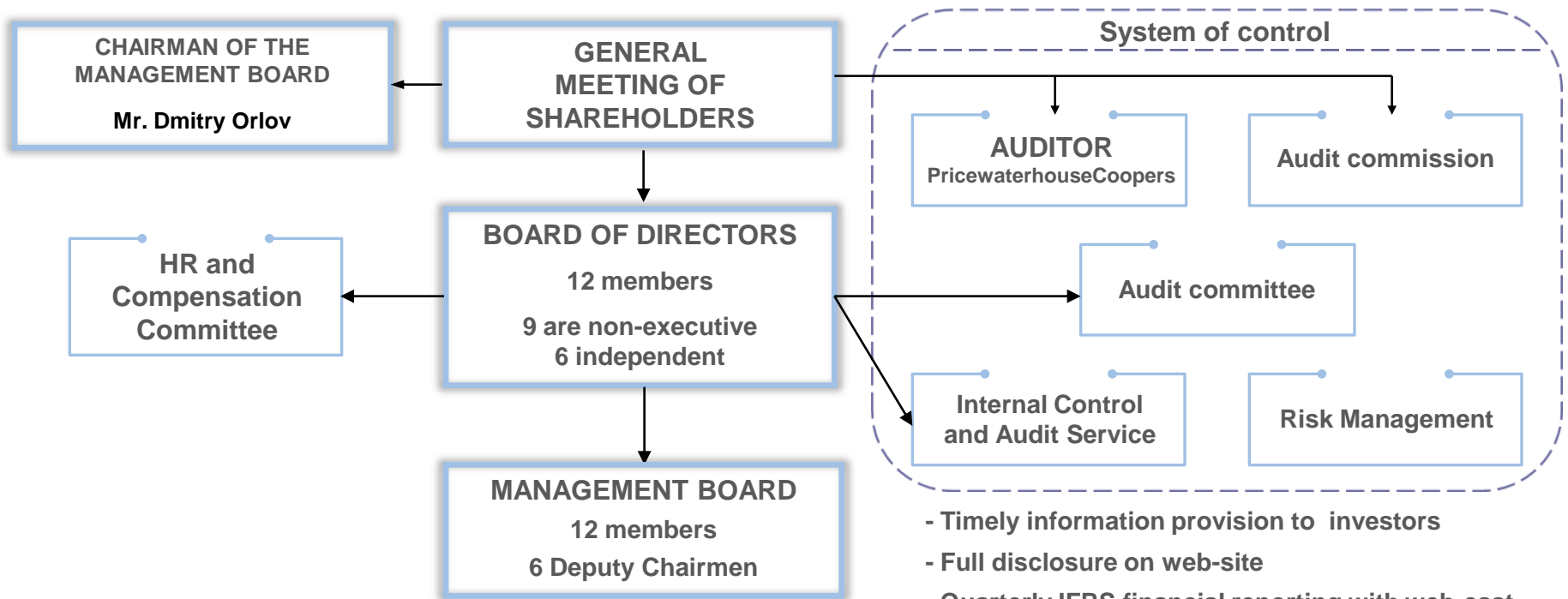
Volumes of trading (shares)

	H1 2008	H2 2008	H1 2009	H2 2009	H1 2010	H2 2010
MICEX	744,711	2,195,640	2,006,194	767,716	762,594	744,081
RTS	116,172	51,440	172,700	180,967	220,714	186,333
German stock exchanges (ADR)	26,160	26,167	30,599	25,443	33,358	24,054
Sub-total (stock exchanges)	887,043	2,273,247	2,209,493	974,126	1,016,666	954,468
OTC	12,412,108	4,173,586	1,808,693	3,463,307*	903,256	1,109,859
Total	13,299,151	6,446,833	4,018,186	4,437,433	1,919,922	2,064,327

*Volume growth associated with strategic deals

High level of corporate governance

MANAGEMENT STRUCTURE



→ The arrows represent the authorities to appoint or elect the relevant Bank's bodies and the External Auditor

- 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
- Solid and professional team

Continuing excellent reputation recognition:



Vbank was awarded as the Bank of the Year in Russia in 2010

TOP - 5 Russia's best governed companies - 2007



The most shareholder transparent bank in Russia – 2006, 2007, 2008



"... 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..."



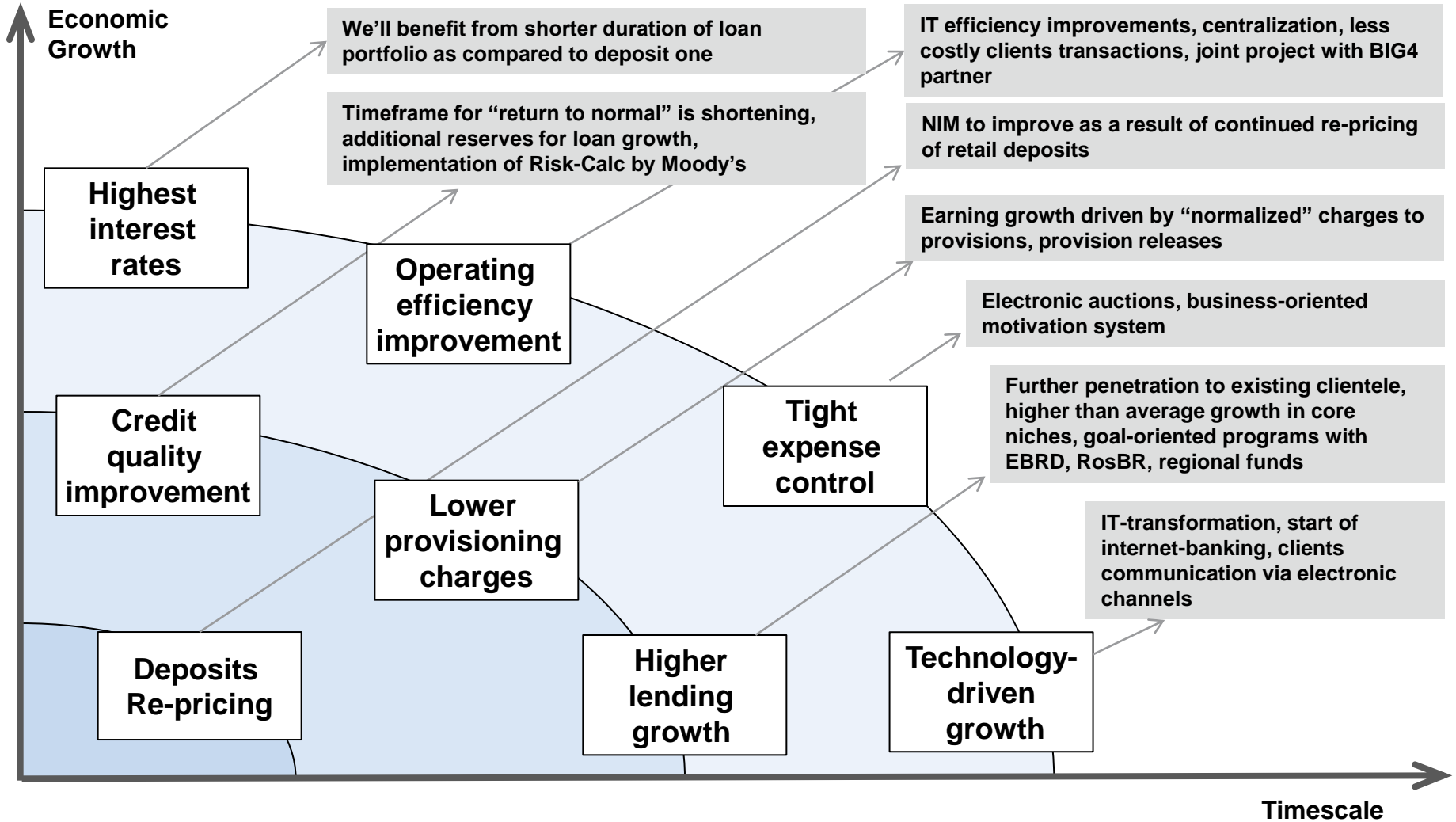
Kommercant.ru

Dmitry Orlov is included in top10 of the best bank's managers 2009



VOZROZHDENIE BANK

Well-positioned for future success



Investment Summary

SOUND STRATEGY

- ✓ Successfully passed through recent crises (1993-94, 1998, 2004, 2008)
- ✓ Business model generating solid fees & commissions (40% of revenue)
- ✓ 20 years of organic growth focused on core regions and clients

- ✓ One of the most transparent FI in Russia - №1 in Information Transparency to Shareholders by S&P 2007, 2006
- ✓ Management Board (12 members) totally has more than 200 years of banking experience leading by Chairman with 40 years in Soviet and Russian banking systems
- ✓ Moody's Ba3 (Stable) confirmed in Jul'10, S&P sticks to B+ (Positive) confirmed in Oct'10
- ✓ Positive track-record of communication with investors

HIGH STANDARDS

BUSINESS STRENGTHS

- ✓ Loyal clientele due to strong relationships with the customers
- ✓ 60% of client base is concentrated in fast growing Moscow Oblast
- ✓ Corporate business focused on high-profitable SME, retail one – on mortgages
- ✓ Broad product line based on advanced IT-solutions

- ✓ Ongoing pressure on lending rates driven by state banks
- ✓ Limited demand from key client sector – SME
- ✓ Still high potential credit risk

CURRENT CHALLENGES



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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.

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