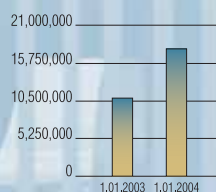


**Highlights of Vozrozhdeniye Bank Financial Results**

	on 01.01.2004	on 01.01.2003
Net assets, RUR, thousands	26,554,308	17,288,216
Equity capital (Instruction Letter No. 1, Bank of Russia), RUR, thousands	3,036,346	1,532,872
Provision for possible credit losses, RUR, thousands	637,614	324,126
Profit, RUR, thousands	100,140	308,177
Loan portfolio, RUR, thousands	18,255,527	11,075,699
Customer deposits, RUR, thousands	21,600,942	12,815,599
<b>Customers number</b>		
Corporate	34,240	32,251
Individual	608,476	512,000
<b>Branches &amp; offices</b>		
Full service branch and representative offices	112	105
of which in Moscow Region	76	71
<b>Electronic business</b>		
Bank cards in operation, thousands	414	309
Number of card acquiring clients, thousands	620	580
Corporate remote access system users	3,072	2,335

**Vozrozhdeniye Bank in 2003****Loans, RUR in thousands**

**ending** is our most important business direction and our most important strategic instrument in the Russian corporate financial services market. Credit provided to clients makes up 69 per cent of the Bank's total assets.

In 2003, the Bank's loan portfolio increased substantially, exceeding the 2002 level by 7.2 billion rubles and reaching 18.3 billion rubles at the beginning of the present year.

Loans were provided both in Russian and foreign currency. Ruble credits were 77 per cent of the loan portfolio, compared to 23 per cent in foreign currencies. By the January 1, 2004, our total provisions for possible loan losses were 620.6 million rubles, twice the level of these reserves a year ago.

The Bank's lending policies enable it to maintain a high standard of loan portfolio quality and a substantial capacity to increase volume. Special attention is paid to professional market information and the borrowers standing. In-depth analysis of a client's financial situation and tracking developments minimizes risks.

Credits are provided to financially stable clients with a significant role in regional development and productive sectors of economy. Last year, the number of borrowing clients increased by 133 per cent.

In the accounting year, we continued to diversify the loan portfolio. In 2002 the largest part of our credits were given within Moscow (41 per cent). Now loans to clients in Russian regions have increased to 70 per cent. Regional loan volumes increased by 140 per cent, exceeding the volume of new loans made in the City of Moscow. Credit provided in the Moscow Region escalated the most dynamically.

The Bank provides various types of credit: credit lines, term loans, overdrafts, and financial leasing.

The real sector of economics is a priority within the Bank's lending policies. Its share of the loan portfolio is 71 per cent. The Bank's credit investments are diversified according to industries: 26 per cent of all credits are provided to industrial firms, a substantial number of which are in the food production area.

Traditionally, the Bank has supported farming and food companies of Russia. Loans provided to the agricultural sector are used to renew farming equipment and transport facilities, as well as working capital for farmers. By the beginning of 2004, 2.2 billion rubles was provided to the agricultural sector.

As in earlier years, the Bank continued to participate in the governmental credit program for the agri-industrial sector, in which interest costs were partly reimbursed by special budget funds. In 2003, the Bank provided 500 million rubles of credit under this program.

As an authorized bank of the State Customs Committee, Vozrozhdeniye Bank can now act as guarantor of importers' liabilities to the customs authorities. Because of the Bank's stable and reliable financial standing, the State Customs Committee set a limit of 20 million Euros, substantially exceeding the usual minimum.

**Regional Programs.** The Bank is represented in 19 economically developed regions. This gives us federal status and allows us to co-operate effectively with various constituent entities of the Russian Federation and with administrations of all levels. In 2003, the total amount of regional program support exceeded 3.7 billion rubles. The Bank participated in Moscow region projects and has well-developed relations with the administrations of Stavropol, Khabarovsk, Tula regions and the Republic of Karelia, as well as the cities of Novorossiysk, Volgograd, Volzhsky and Volgogradsk. The Bank extends loans to regional industries and enterprises with interest

#### Loans to corporate clients by regions

As of Jan. 1, 2004

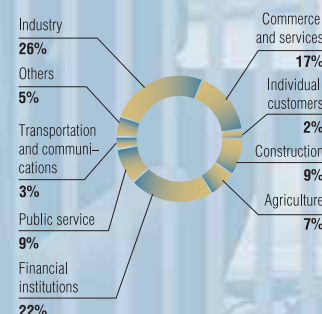



As of Jan. 1, 2003



#### Lendings by sectors of economy

As of Jan. 1, 2004





partly subsidized by regional budgets. The Bank provides short term credits for covering cash deficits, implements card-based payroll agreements with public service bodies in which public servants and municipal employees receive salaries on their card accounts with the Bank, and allocates credit resources for building public facilities.

As an authorized bank of the Moscow City Government, Vozrozhdeniye takes an active part in the economic life of the Russian capital. It finances industrial modernization and technological development programs with credit limits exceeding 5.2 billion rubles. The Bank continues long-term co-operation with the Department of Food Resources of the Moscow City government. Through this program, the Bank contributes to pooling resources and efforts of Moscow companies and regional agricultural enterprises, providing credit guarantees to Moscow enterprises for the purchasing agricultural and food products. The amount of such guarantees in 2003 totaled 994 million rubles.

In 2003, the Bank provided 95 million rubles in guarantees to the Moscow City Food Resources Department for upgrading its poultry factories supporting the joint program of the Moscow City and Moscow regional governments for the development of the poultry industry.

Being represented in all districts of the Moscow Region, the Bank takes part in various social and economic investment programs, which included the modernization of manufacturing enterprises, the transportation network and agricultural sector development. In 2003, enterprises of the Moscow Region received more than RUR 20 billion and USD 5 million in loans.

Vozrozhdeniye supports the Moscow Region transportation program as well. The Bank takes part in the Mostransavto program, granting credits for current asset replenishment, passenger service infrastructure improvement, purchasing and repairing of equipment and supporting capital equipment renewal leasing programs.

The Bank provides substantial support to regional and municipal housing and utility companies – 500 million rubles as at January 1, 2004.

The Bank has close and cooperative relations with the Ministry of Agriculture and Food Resources of the Moscow Region. This cooperation includes a federal investment and short-term lending program. Every year 250 agricultural enterprises receive preferential loans provided by the Bank with partial reimbursement of the interest cost from budget funds. The Bank provided 1.1 billion rubles in credits last year.

In terms of integrated social and economical development of the Moscow region, the Bank actively introduces and promotes non-cash payments and bank cards. In over 1,500 enterprises and organizations of Moscow Region, employees receive salaries on their personal card accounts with Vozrozhdeniye Bank. Among these institutions are public service organizations (health care and educational institutions, administrative bodies, municipal housing organizations), and large companies such as Mostransavto, Mosavtodor, and Zverev Mechanic Industries in

Krasnogorsk, Elektrostal Engineering Enterprises in Elektrostal, Mozhaysky Printing Company in Mozhaysk, as well as many smaller companies. By the beginning of 2004, the Bank had issued 266,000 cards in the Moscow region. To create an effective business environment in the region, the Bank vigorously develops the regional card service infrastructure, provides a large supply of advanced technology products and fosters creating a reliable communication system. The Bank maintains the largest network of 24-hour cash machines in the Moscow region. This allows real time payment of utility and mobile phone bills as well as cash withdrawals. By the beginning of 2004, the Bank had set up 142 cash machines in the Moscow region. Over 300 trade and service companies and organizations accept payments by plastic cards on the basis of agreements with the Bank.

Vozrozhdeniye actively supports significant social projects, such as construction of universal sports complexes in Shchiolkovo and Serebryaniye Prudy, the sports palace "Olympisky" in Chekhov – all in Moscow region. The Bank allocated over 300 million rubles for the construction of skating halls in Dmitrov, Mozhaisk and Klin as well.

**Corporate Service Development.** Rating agencies categorize Vozrozhdeniye among the "most client-friendly" financial institutions. By the January 1, 2004, funds on corporate accounts with the Bank totaled 11.3 billion rubles – an increase of 50 per cent during the year. By comparison, the average growth rate for corporate deposits among the top 30 major Russian banks was 21 per cent.

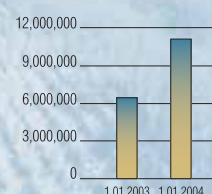
In our corporate relations the Bank relies on the principle of balance of interests between the Bank and the customers. Developing bank services for corporate clients implies offering standard service packages, which effectively combine separate banking products for various client groups. A comprehensive approach to client service is applied in particular market segments as well.

In 2003, the Bank continued researching corporate customer segments to determine consumer preferences and financial market development trends. With the advantages of its wide branch network the Bank can effectively service large corporate clients with regional divisions and broad territorial reach.

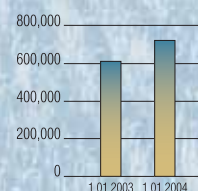
The bank has developing special programs to retain existing VIP clients and to win new clients. The core of our service philosophy rests on mutual trust and effective banking, adapting service and pricing to the needs of these clients. We have implemented special training for client managers and ensured that branches plan and are motivated to serve these clients well.

The Bank has established a Client Service Committee to monitor the quality of services we provide to our clients. It takes part in preparation of basic documents regulating corporate client services and helps organize internal procedures of financial product optimization. The Committee participates in establishing service norms, procedures and regulations and helps modify services and products to the needs of the customers.

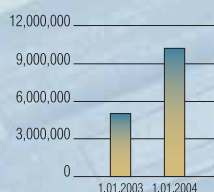
**Corporate accounts, RUR in thousands**



**Bills issued by Vozrozhdeniye Bank, RUR in thousands**



**Individual saving deposits,**  
RUR in thousands



To establish long-term relationships with corporate clients, personal managers take measures aimed at development of clients' businesses. They assist customers in optimizing settlements in the form of bills of exchange and letters of credit payment, providing guarantees, mutual clearing of debts, setting up corresponding accounts for speeding-up payments, providing a special Finance Advisor service package, developing complex programs (including lending, salary card projects and our Partnership collaborative program) and providing information services.

The Bank shows great flexibility in providing corporate services, taking into consideration all special qualities of particular industries. The Steady Sales program, implemented in 2003, was highly appreciated by large whole-sale traders, sellers and buyers that connected existing and potential suppliers operating in different regions of Russia. The program provides guarantees using the highly developed network of the Bank to great advantage. The program substantially reduces the seller's risks of delayed payments, increases sales volume by attracting new buyers and limiting risks per buyer. The program is interesting for purchasers as well since it supports an increase in purchasing volume while minimizing credit costs.

For corporate customers with expanded geographic structures, the Bank provides cash operations for customer representatives even in branches where the client doesn't have accounts. This kind of service may be useful for companies with a widespread branch network, like insurance and trading companies, avoiding expensive encashment services. Funds may be raised and transferred to an account on the day of cash deposit, speeding up funds flow to a significant degree.

**Retail Business Development.** In 2003, Vozrozhdeniye Bank strengthened its position on the retail market and actively expanded its product and service range.

By the beginning of 2004, the Bank was providing services to more than 608,000 individual clients. Retail banking includes first of all saving deposits. In this area Vozrozhdeniye is among the top ten financial institutions of Russia. Active work on broadening our range of deposits resulted in a 90 per cent growth of volumes on individual saving accounts to more than 10.3 billion rubles. This compares to the average increase of 40 per cent among the 30 biggest Russian banks.

Last year was marked by the creation of a new brand series of deposits, the Golden Constellation, which allows customers to choose the most convenient and profitable ways to invest their savings, providing the most effective combination of safety and income. The Bank offers deposits for three, six and twelve months time, providing opportunities for account replenishing, partial withdrawals, deposit prolongation and interest capitalization. Deposits are accepted in Russian rubles, US dollars and euros.

In 2003, the Bank has also offered customers another product, the MultiCurrency deposit with three accounts kept in different currencies. This saving deposit allows the customer to move money from one currency to another, without interrupting the deposit term or losing the agreed profitability.



Consumer loan programs are another promising priority of our retail business and highly demanded by customers. Employee loan plans under corporate customers' guarantees have been implemented within these programs. Loans are provided for emergency needs, for purchasing durable goods and real estate acquisition. The Bank offers special loan plans for public sector workers. We provide credits for car purchasing as well.

An important retail business service is money transmission. The Bank can transfer rubles or foreign currency through its own channels and, in 2003, started to provide transfer services in co-operation with the Western Union International network. The Bank opened 82 access centers linked to the Western Union transfer network.

All branches and offices of the Bank accept utility and other payments for more than 700 organizations and companies. In 2003, the list of partners whose services could be paid in the Bank offices, increased substantially. Among the new companies on this list are Home Credit, Mosenergo, Registration Chamber, Stroyinvestregion, construction and housing companies Druzhba, Sedo & Co, and many others. The volume of the payments accepted has doubled during the past year and reached 3.5 billion rubles. More and more people pay for mobile phones, satellite TV NTV+ and utility services through ATMs. These three currently exceed 65 per cent of all payments accepted (cash payments at cash desks and non-cash payments at ATMs).

110 offices of the Bank offer currency exchange and conversion services for individuals. People can also purchase memorial coins made of precious metals at our offices. In 2003 twice as many commemorative coins were bought compared to 2002.

The Bank has 32 deposit vaults and offers about 5,000 deposit boxes for rent. Individuals rent them to store their valuables. Safety and confidence are guaranteed by advanced security systems. A number of clients use the vaults to safely conclude real estate transactions. During the accounting year, over 16,000 clients rented individual safety deposit boxes.

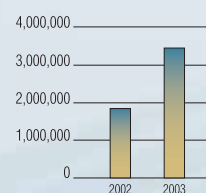
For several years, the Bank has been implementing pensioner service programs: pension delivery, special convenient services and profitable deposits, preferential terms of service and bank card issuing.

The Bank participated in the pension reform. In the end of 2003, the offices of Vozrozhdeniye accepted clients' applications to the Federal Pension Fund for transferring the accrued pension stock to a chosen trust management company to be profitably invested.

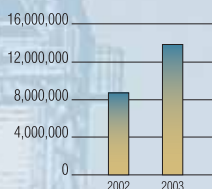
The Bank continues to improve its services for individuals and the quality of its products. Retail clients are offered with a wide range of clear information and advertising materials on retail banking services.

The Bank also has a centralized inquiry system to provide advice on retail services. The Internet provides contin-

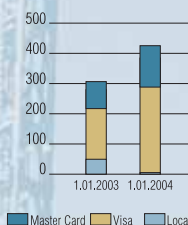
**Individuals' payments to institutions,**  
RUR in thousands



**Bank card operations,**  
RUR in thousands



**Bank cards, thousands.**



uous interaction with individual clients as well. Hundreds of <http://www.vbank.ru> visitors, who addressed our AskExpert page received qualified advice from the Bank's specialists.

Vozrozhdeniye Bank believes that good information helps bank customers understand the services we offer and therefore our clients become better customers. A wide selection of advertising and information for clients on retail services is always available in the Bank's branches and offices.

Our successful work in retail business has resulted in a substantial increase in customers, increasing our volume of funds and commission revenues.

**Bank Card Development Program.** The Bank's card business development program envisages issuing and servicing all types of cards of major global payment systems – VISA International and MasterCard International, as well as acquiring for Union Card and STB card payment systems, through the Bank's own certified processing center.

By the beginning of 2004, the number of cards issued exceeded 414,000, increasing by more than 105,000 cards during the past year. The volume of payments to card accounts reached 16.7 billion rubles, twice as much as in 2002. Funds on card accounts nearly doubled during the year, and reached 1.9 billion rubles by the beginning of 2004. The turnover on the Vozrozhdeniye Bank cards reached 15.2 billion rubles, 80 per cent more than in 2002.

In 2003, we continued implementing card-based salary programs for organizations. Currently, the Bank supports approximately 1,900 card-based payrolls in Russia. Payroll programs allow overdraft facilities for employees.

Last year the Bank realized its plans of switching to Visa Smart Debit/Credit (VSDC) cards completely. Over 260,000 cards out of the 414,000 issued belong to the VISA International payment system. This is the largest number of chip cards issued by any Russian or Eastern European emitting banks. In October 2003, Lou Naumovsky VISA Senior Vice President and Director of VISA International's Moscow Representative Office, presented the Bank with a certificate confirming the emission of Vozrozhdeniye Bank's 250,000th VISA card.

The Bank expanded its card acceptance and servicing system. In 2003, 82 new cash machines were installed. By January 1st 2004, the total number of ATMs was 242. In comparison to 2002 the number of cash centers doubled, and by the beginning of 2004, there were 306 of them. The Bank services bank card payments with more than 620 trade and service companies. The non-cash acquiring turnover in our trade and service network reached 519 million rubles, 2.8 times more than in 2002.

In 2003, the Bank developed and offered a number of new services for our card holders. Now one can make Euro

payments with a MasterCard International bank card. Emission of the virtual cards VISA Virtuon makes Internet shopping much safer for our cardholders. The Bank also launched an on-line information service "7 24" which allows clients real-time account control and bank card operations with telephone statements, including SMS and fax. This service also provides customers with other opportunities, reminding clients about the card expiry date and providing connection to a Processing center operator when using voice service. In the beginning of 2004, the Internet version of the system was been introduced. In 2003, certification of the emission and acquiring of the MasterCard chip cards was completed.

**Bank Operations on Financial Markets.** Vozrozhdeniye Bank remained an active participant on money and security markets in 2003. Transactions on financial markets enable the Bank to provide effective, high-quality service for our clients, and consider their interests when doing business on monetary and stock markets, manage short-term liquidity of the Bank, invest money taking into consideration maturities and costs of funds of the Bank's resource base, and increase the amount of traded financial instruments according to the market trends in Russia.

The Bank remains conservative when participating in financial markets. Our priority is transactions with highly reliable instruments, among which are government securities, corporate shares and prime issuing company bonds denominated in Russian rubles, government currency loan instruments (OGVZ T-bonds) and Eurobonds of Russian Federation denominated in foreign currency. Aggregate volume of the Bank's securities transactions in 2003 totaled 62.2 billion rubles.

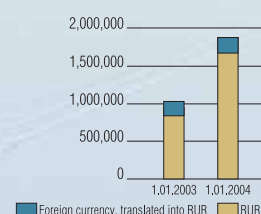
For investments of its currency resources, the Bank uses the market for external sovereign and corporate bonds of the Russian Federation. In view of the fact that Russian companies now actively issue currency loans, the range of traded and accepted Eurobonds has been widened.

Investments in Russian rubles were made in domestic debt instruments market and in the stock market. In 2003, the tendency of transition from trading drafts and promissory notes to trading corporate bonds at Moscow Interbank Currency Exchange (MICEX) has finally consolidated. By the end of 2003, the bill portfolio of the Bank has shrunk to 16.2 million rubles, whereas the portfolio of bonds has shown a considerable growth. The portfolio of investments in shares of Russian issuers rose to 232.4 million rubles.

Interbank crediting market has been traditionally used for short-term operations aimed at current liquidity support. The Bank is generally a net provider of funds to the market, usually overnight short term credits. Funds provided to the market exceeded the volume of the borrowed funds by 4.9 times.

The Bank actively uses the MICEX trading platform, and ranked 7th or 8th in 2003 according to the rating Leading hard currency operators in MICEX system of SELT – electronic currency trading system. The total amount of

Card accounts RUR in thousands



Number of ATMs, as of January 1, 2004

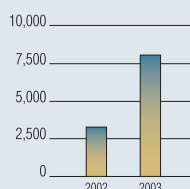


Card acquiring agreements with trade and service firms, as of January 1, 2004





**Volume of currency conversion operations, USD in millions**



exchange operations almost doubled during the year and reached 7.8 billion US dollars and 296.5 million Euros.

To extend client service opportunities, the Bank developed special procedures for conducting trust management and providing brokerage services. Permanent license of a professional market participant enables the Bank to provide full range of services on the stock market.

### **Co-operation with Russian and International Financial Institutions.**

In 2003, the Bank continued working upon widening the range of counterparties among Russian banks on the money and currency markets. The Bank has made agreements with the largest Russian banks on setting or increasing credit limits for alternate deposit or conversion operations without security. This resulted in the increase of the total volume of such limits by 90 per cent compared to the prior year.

The Bank constantly works to consolidate business relations with the major market participants and for extending the circle of counterparties. In 2003, Vozrozhdeniye has made new general agreements on interbank operations with 26 financial institutions, among them are three foreign banks working in Russia. The total number of counterparties reached 197, including 9 foreign banks.

The extensive correspondent network of Vozrozhdeniye consists of 169 banks. The Bank has close correspondence relations with 58 Russian and 111 foreign banks, including 6 from FSU countries.

Positive relations with global financial organizations enable the Bank to conduct all kinds of transactions, and encourage the expansion of our corporate clients international operations.

In 2003, we continued activation of the partnership with international financial organizations.

The Bank's major partners abroad in financing clients' foreign trade operations are the Bank of New York, JP Morgan Chase, BCEN-Eurobank. These banks provided Vozrozhdeniye Bank with trade finance limits. Vozrozhdeniye signed cooperation agreements with Commerzbank (Germany) and the largest banks in Kazakhstan – Turan-Alem and Kazkommerzbank.

Vozrozhdeniye continues to strengthen business ties with national export agencies in foreign countries. Along with Austria, Germany, Poland, Czech Republic, Hungary and Italy, in 2003, Canada, Taiwan and Luxemburg joined the countries in which financial institutions are ready to extend long-term credits to purchase equipment of local producers under guarantees of national export agencies.

The Bank is negotiating with International Finance Corporation (IFC) about opening of a long-term credit to support our clients' activities.

**Branch Network Development.** Vozrozhdeniye Bank's extensive branch network is a most important factor in the market. The strategy of the Bank is aimed at continuing regional development and ensuring the Bank's presence in the leading diversified economic areas of Russia. This has helped Vozrozhdeniye to become one of the largest federal banks in the country and to achieve a position as a nation-wide financial institution.

Today the branch network of the Bank consists of 113 offices in 19 regions of Russia: 59 branches, 36 sub-branch offices, 17 cash offices and 1 representative office.

Vozrozhdeniye is the leading financial institution in the Moscow region: 77 offices of different levels cover almost all districts and municipalities of the Moscow region. In 2003, new offices were opened in Dzerzhinsky, Bronnitsy, Podolsk, Sergiyev Posad and Chekhov which supplemented the existing network.

The Bank continues to expand to other regions. In the last year, Vozrozhdeniye opened a new branch in Tula, offices in Nizhniy Novgorod, Saransk, and Semikarakorsk in the Rostov-on-Don region.

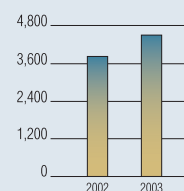
Vozrozhdeniye also opened a new representative office, the North-Western Regional Center, based in St. Petersburg. The Center is in charge of further development of the branch network in the North-West of Russia. It will help to strengthen the position of the Bank in this area, to facilitate the effective financial flows and resources of the Bank, and to expand the influence of the Bank on the local markets and the new regions of the North-West.

In the year under review, our regional development also included arranging additional network points in post offices within a general cooperation agreement between the Bank and the Federal Post Service. The low costs of opening these subdivisions and their high effectiveness encourages us to expanding the number of post office-based offices. The Bank is planning to add new offices of this kind to the existing network in Volgograd, Novorossiysk, Rostov-on-Don, and Stavropol.

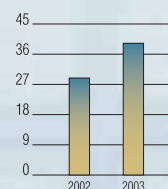
Vozrozhdeniye plans for the further regional branching on the following basic principles:

- optimization of costs for maintaining the existent network and for setting up new offices;
- prudent and pragmatic approach toward establishing new branches and offices;
- minimization of risks, guaranteed repayment, and effectiveness of resource utilization, accomplishment of standard profitability level and standard revenue/expense ratio;
- offering of a standard product range adjusted to regional specifics, further development of delivery means;
- a uniform and effective system of operational control, financial planning, results analysis, and strict risk control;
- employment of standardized technology on the basis of the single centralized automation system for all Bank offices;
- supporting transparency and openness of branches activities.

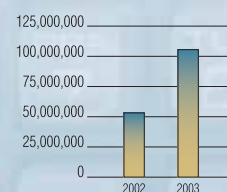
**Number of payment transactions,**  
thousands




**Share of electronic payments**  
in aggregate settlements volume



**Cash volume, RUR in thousands**





**Information and Banking Technologies.** To meet the international service standards, Vozrozhdeniye takes regular steps aimed at complex development technological and informational means and techniques. This means upgrading bank automation, substantially accelerating settlement operations and establishing new convenient channels of product delivery.

In 2003, the Bank improved its corporate database, developing the technology of collecting and processing individual client information which facilitates updating the information base of corporate clients. The centralized informational system allows the Bank to provide services in all offices, regardless of where the customer's account was opened.

In 2003, to guarantee reliability and effectiveness of client payment information exchanges between the Center and the branches and other offices, the Bank linked all Bank branches to a centralized information and computer network. Special complex software helps to provide high-quality services for the clients.

In 2003, the Bank introduced the new version of the BOD software product (Banking Operation Day) for the branches, which will help to reduce risks of information processing delays.

To provide high-quality client servicing in automated mode and reduce risks, the Bank keeps good control of all IT-systems, using special monitoring programs that secure protection all communication channels, including those with VISA, MasterCard and Union Card payment systems, ATM and branch networks.

**Internal Control System.** Present economic situation is characterized by increasing transaction volume, developing markets and growing complexity. Rising to these challenges in very competitive environment, the Bank's governance and management system should meet international standards.

The Bank has developed an effective and efficient system of management and control, which covers the whole business spheres and is constantly being upgraded.

Management and control systems ensure the effectiveness of financial and economic activities, reliability, completeness, objectivity and timeliness of accounting and bookkeeping, safety and protection of confidential information of the Bank, the effective management of assets and liabilities and reduction of risks.

Internal control is provided by the Bank's management committees, the Auditing commission and by trained and qualified personnel.

The Bank has an established Internal Audit department which audits and supervise the whole control system. Financial control and control of expenditures is based on approved internal procedures. The Bank plans and monitors the performance and effectiveness of particular businesses, service and selling channels.

Information Availability and Business Transparency. One of the most important factors supporting the client's confidence in the Bank is its openness and transparency. Quarterly financial reports of the Bank are regularly published in media, as well as presented on the official web-site of the Bank of Russia.

Since 1992, Vozrozhdeniye Bank has been audited annually according to International Accounting Standards. The Bank publishes its IAS financial reports, which allows both customers and shareholders to evaluate the Bank's activities in accordance with business rules accepted all over the world. This financial information is available on Russian and English pages of the Bank's corporate web-site.

All data on the Bank and its services are presented in the Internet at <http://www.vbank.ru>. Subscription for news items is available on the site as well. Completeness and confidence of the information made the Bank the 2003 laureate of the corporate web-site contest organized by RTS Stock Exchange and the magazine Rynok tsennih Bumag (Securities Market).

Customers and investors can receive information on the Bank's development in the published quarterly and annual reports which are distributed in the Bank offices.

The Bank regularly reports its plans and new products in mass media. According to Informational Openness Rating published by the well-known international company Standard & Poor's, Vozrozhdeniye was included in the group of 5 leading Russian banks.

**Human Resources Management.** The Bank's achievements are due to the professionalism of our employees. The Bank's HR management policy is aimed at supporting the successful implementation of the Bank's strategy. The most important factors are professional training and maintaining positive atmosphere among our employees.

HR management policy of the Bank is based on employing and selecting the most qualified professionals and providing appropriate working conditions, including motivation and material rewards, promotion and effective training. By the end of 2003, the Bank employed more than 4,200 people. We have always viewed meeting international employment standards as a most important factor of our development, which helps strengthening the Bank's position on the Russian financial market.

The Bank training system is provided to all members of staff, including top-management.

In the past year, the Bank realized a number of training programs for management and selected staff of the Head Office, branches and other offices. These courses and seminars covered effective management, customer relations, effective presentations of bank services and products, and management communications. We have ongoing workshops where members of the staff discuss their experience.



More than 1,500 employees attended professional training courses during the year.

Close relations of Vozrozhdeniye Bank with the leading economic schools in Russia help the Bank to develop its professional potential and efficiency. During 2003, more than 40 students of the Finance Academy under the government of Russian Federation, Plekhanov Academy, State Management University, Moscow Banking School and other educational institutions were involved in training at the Bank. Many of the probationers and student trainees stay to work in the Bank after graduation.

The priorities of the HR management for 2004 are the improvement of the senior staff reserve training and recruitment, implementation of the more effective HR practices, improvement of motivation programs and further development of social support programs for staff.

**Public Activities and Community Involvement.** The Bank continues its charity and social policy activities, aimed at solving particular social problems.

Last year, Vozrozhdeniye have provided support for a number of hospitals and organized a media subscription for Second World War veterans.

The Bank supported the publication of a special atlas for blind children.

Vozrozhdeniye contributes to education, supporting schools and gymnasiums, and providing scholarships. The Bank retains close relations with the Finance Academy under the government of Russian Federation and the President of the Bank chairs the Trustee Board of the Academy. The Board took an active part in the preparation of the Finance Academy's 85th anniversary.

We pay much attention to the development of sports. In 2003, the Bank helped to organize chess tournaments in the Moscow region, provided substantial support to many sports clubs, and to the public non-profit organization Football Without Borders.

The charity and social policy plans of the Bank for this year include further support of the public health organizations, education, promotion of various kinds of sports, and assistance for gifted young people.