

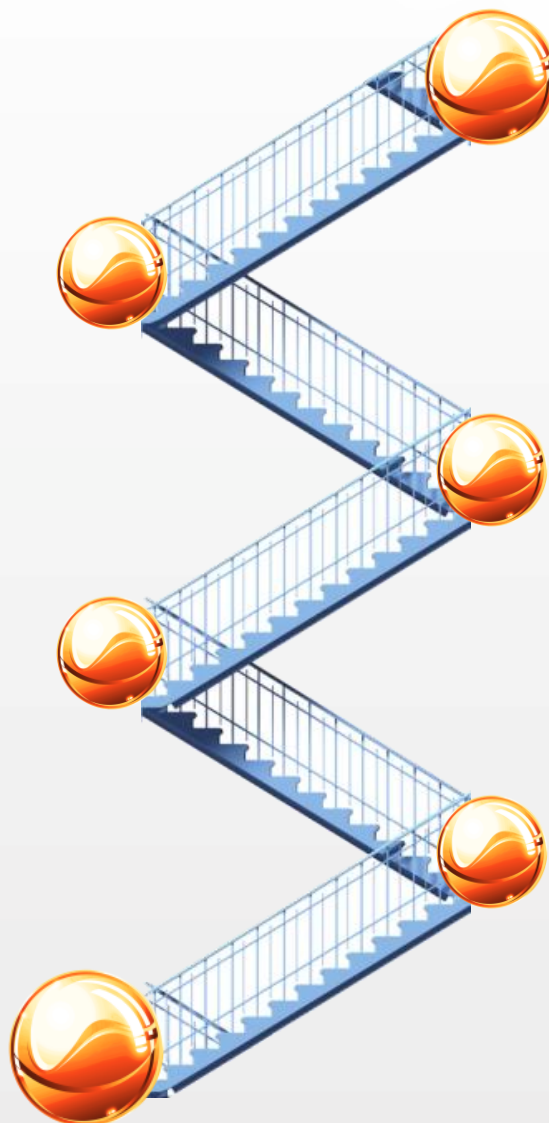
Absolut Bank overview as of 1H2011

October 2011

18 years of success

Absolut Bank overview:

- Universal bank founded in 1993
- High credit ratings (Moody's:Ba3; Fitch:BB+)
- Part of the KBC Group
- Presence in 15 largest regions of Russia
- Loans portfolio as of 1H2011 is RUR 76,7Bn
- One of 5 largest mortgage banks in Russia
- Highest service level and brand power: among TOP3 of the Customer experience index by PwC & Senteo
- High Capital adequacy ratio: 20% as of 1H2011



Key milestones:

2010

Updated strategy - base for future success

2008

Start of integration with KBC

2006

TOP 10 in the mortgage
TOP 25 in total assets rating

2005

Launch of mortgage, car loans and SME.
Regional expansion

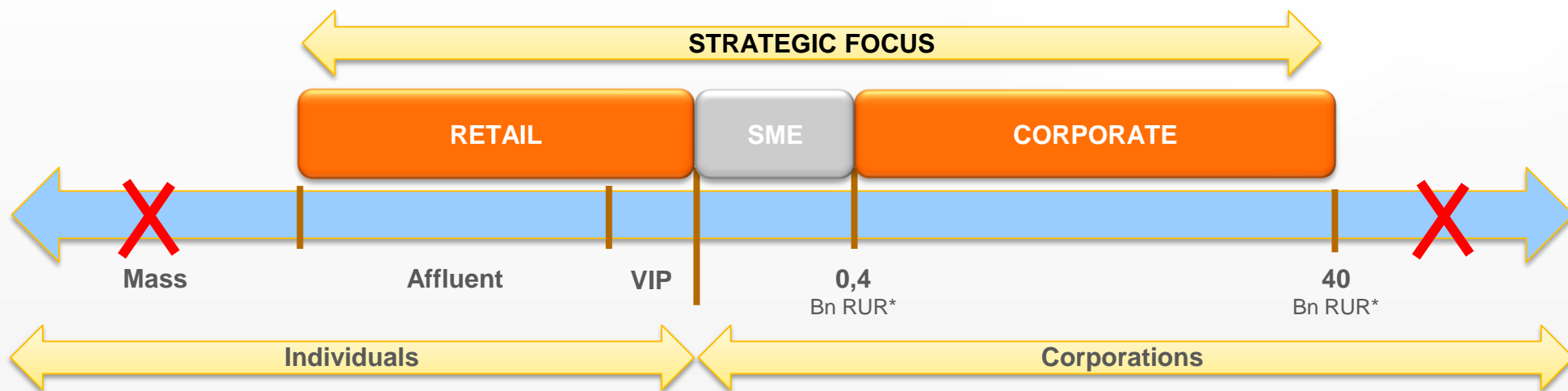
2002

First steps in international business.
Trade finance program launch.
First Fitch rating – B-.
First Additional office

April 22, 1993

Absolut Bank's foundation

Business strategy: building long-term customer relationship



RETAIL BANKING

Focus on building long-term customer relationship

Key products:

- Daily banking: Settlement and Cash services, Payment cards, Internet banking, etc;
- Loans: mortgage, car loans, credit cards, etc;
- Savings and Investments: deposits, investment funds;

SME BANKING

Focus on increase of risk-free return

Key products:

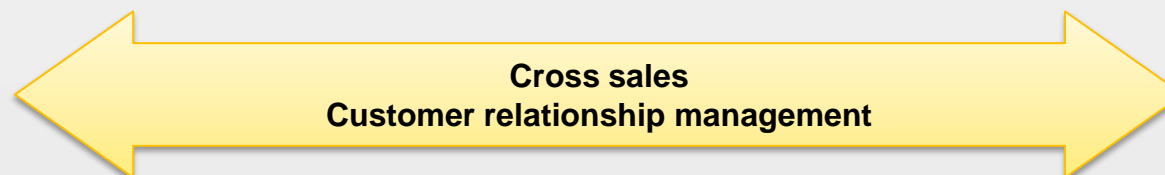
- Current accounts (Settlement and Cash services);
- Loans;
- Payroll solutions;

CORPORATE BANKING

Focus on clients matching risk-return criteria

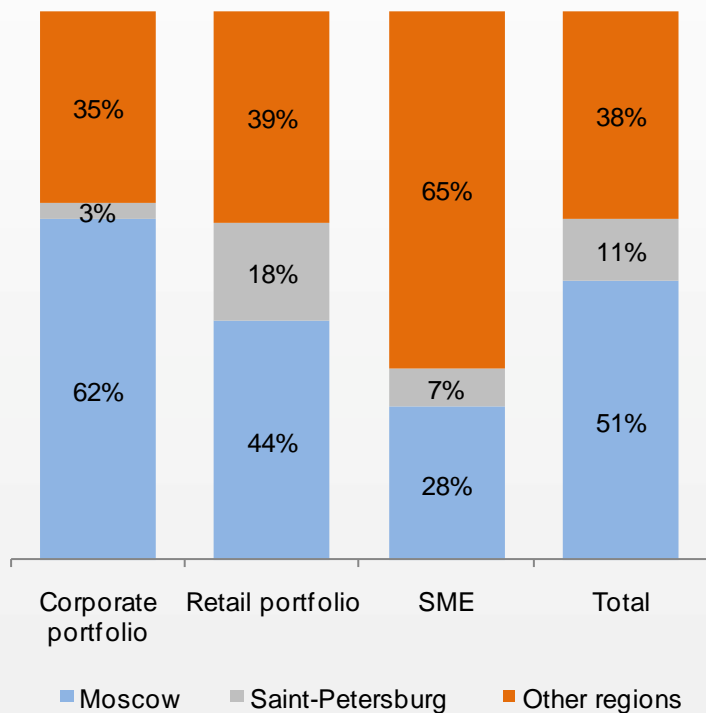
Key products:

- Financing: short-term, long-term financing, leasing;
- Trade finance: guarantees and letters of credit;
- Settlement and Cash services, Deposits and Payroll solutions;
- Risk hedging and currency conversion operations;

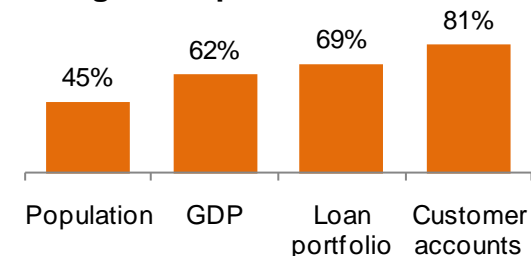


Regional strategy

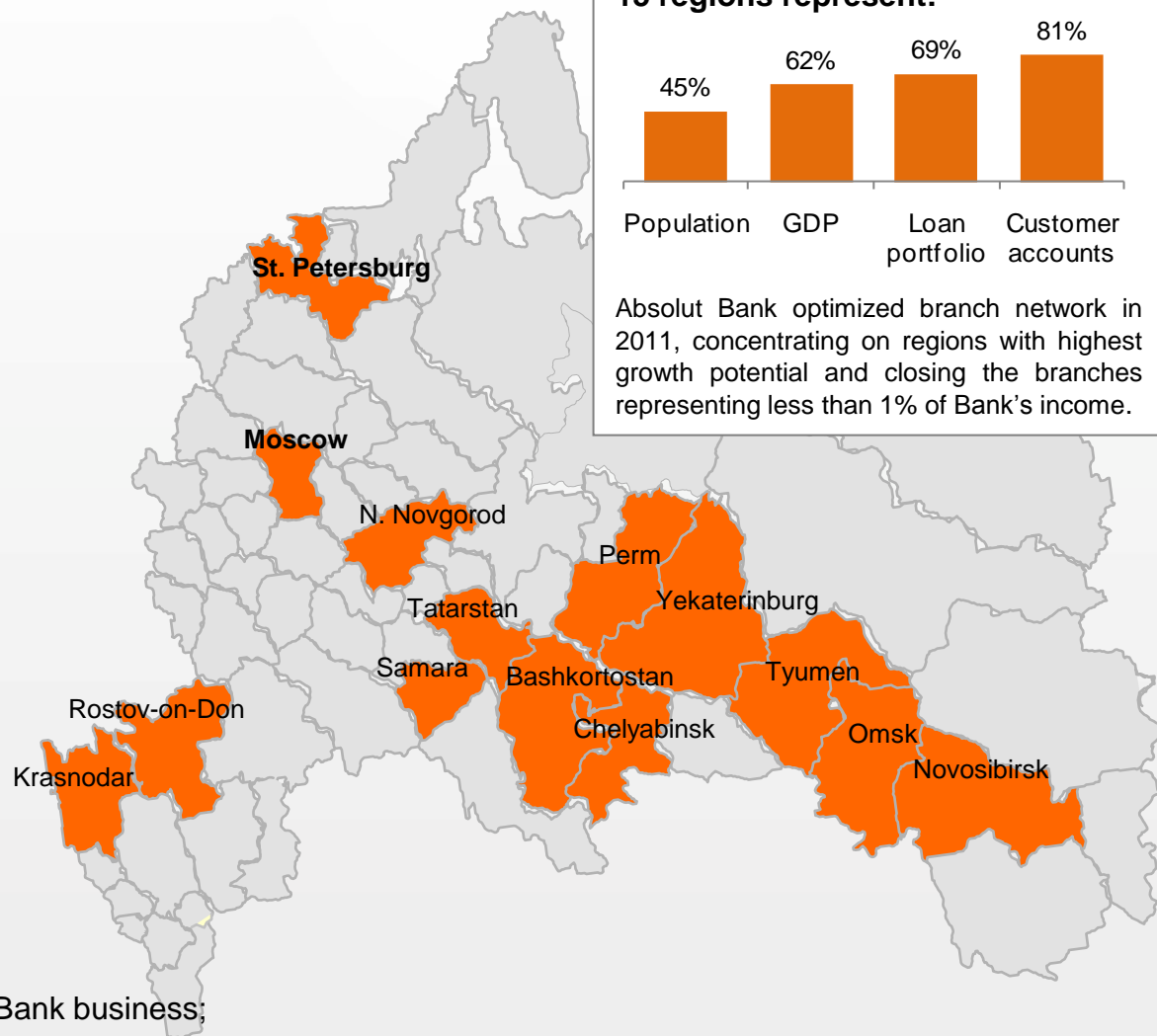
Geographical structure of AB* loans portfolio as of 31/03/2011



15 regions represent:



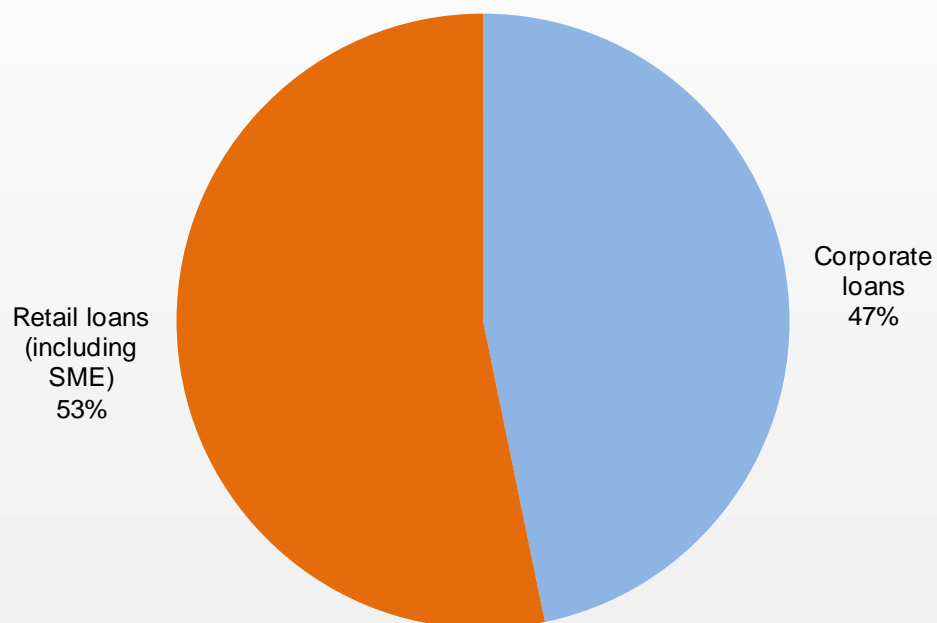
Absolut Bank optimized branch network in 2011, concentrating on regions with highest growth potential and closing the branches representing less than 1% of Bank's income.



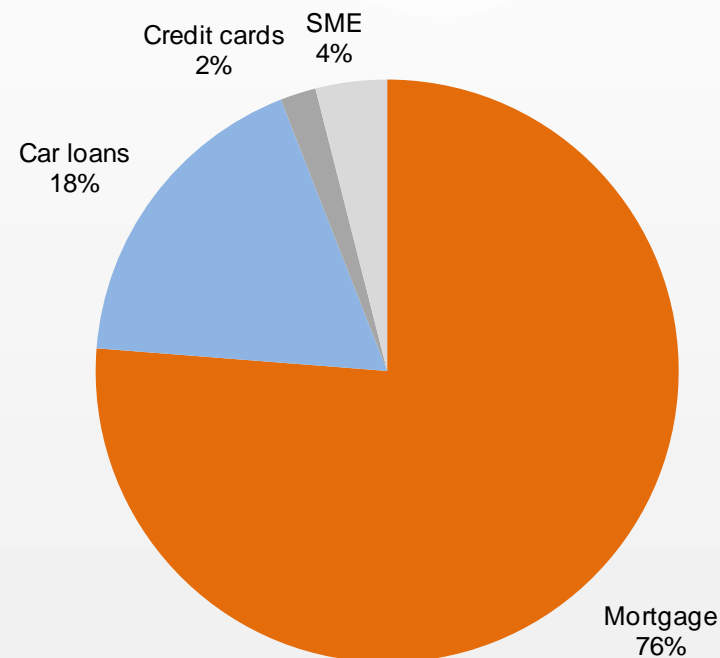
- Regions provide substantial contribution to the Absolut Bank business;
- Focus is on the most economically developed regions with the highest further growth potential;
- Regional network ensures solid footprint for future development.

Assets structure

AB Loan portfolio structure as of 1H2011

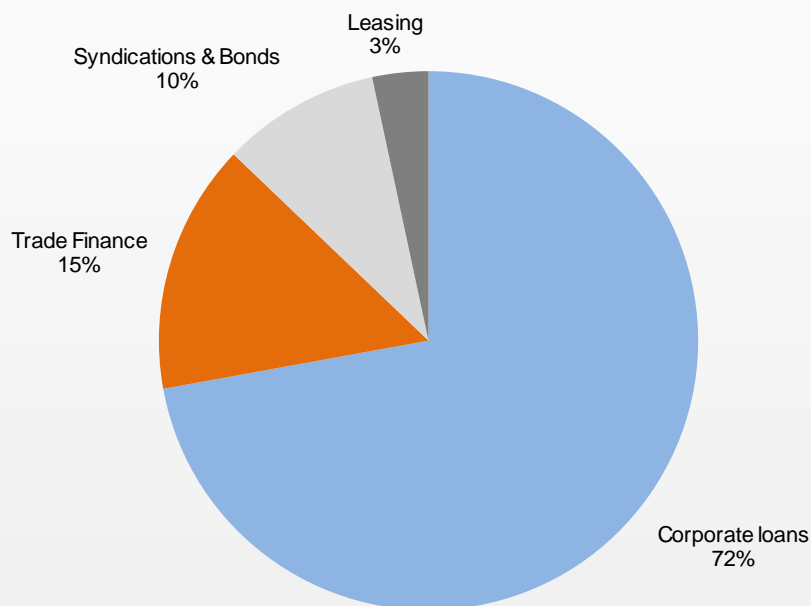


AB Retail portfolio (including SME) structure as of 1H2011

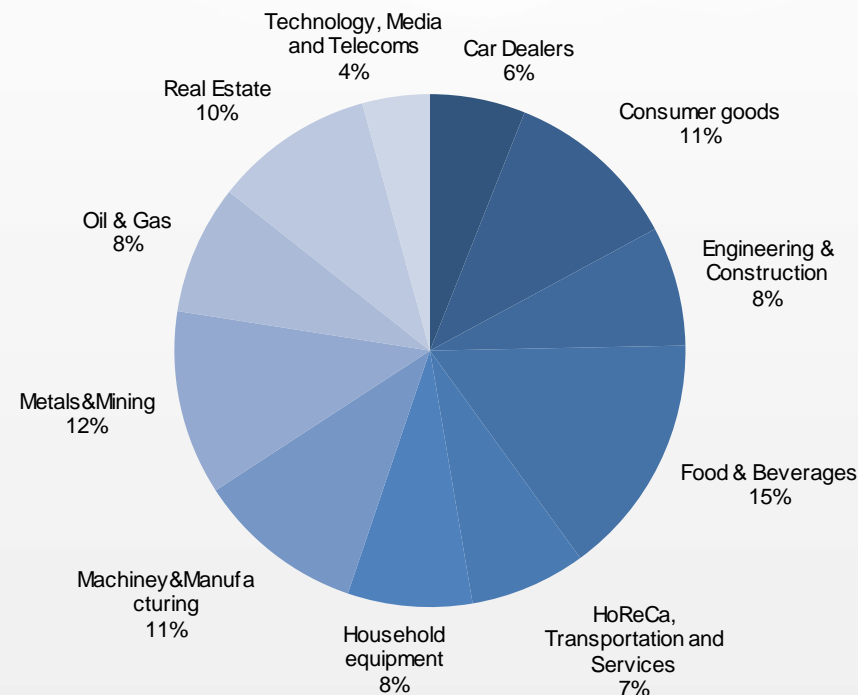


- Loans to clients is the main part of the Absolut Bank assets (73% as of 1H2011) while the rest is represented by more liquid assets like Cash and equivalents, Investments into securities and Interbank;
- Loan portfolio is well balanced between Retail (including SME) and Corporate;
- Key segment of Retail business is Mortgage (76% of retail portfolio). Absolut Bank is one of TOP5 largest mortgage banks in Russia.

AB Corporate portfolio structure, as of 1H2011

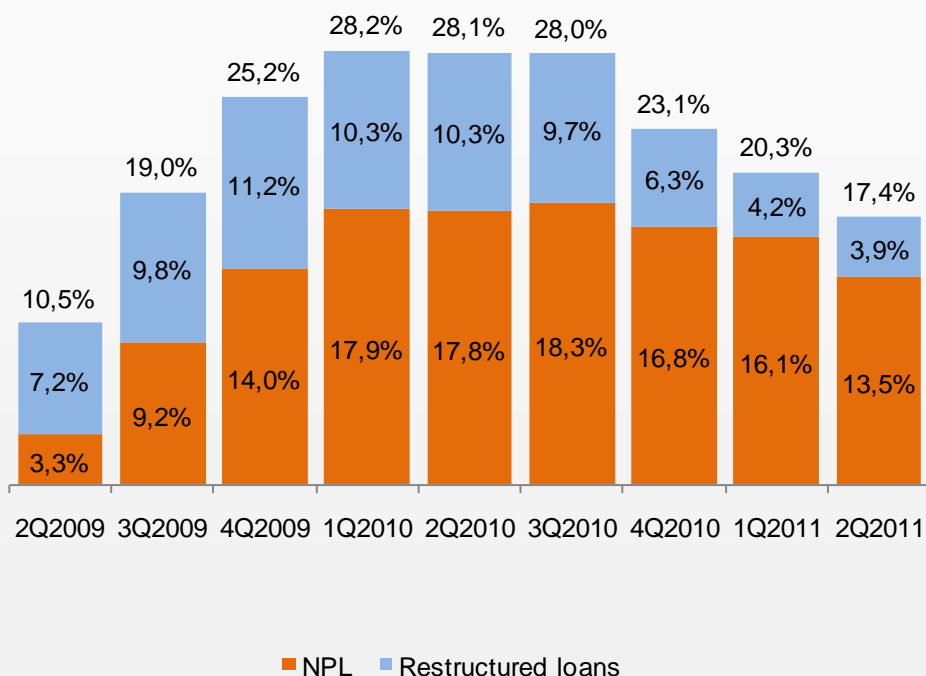


AB Corporate loans portfolio structure by industries as of 1H2011

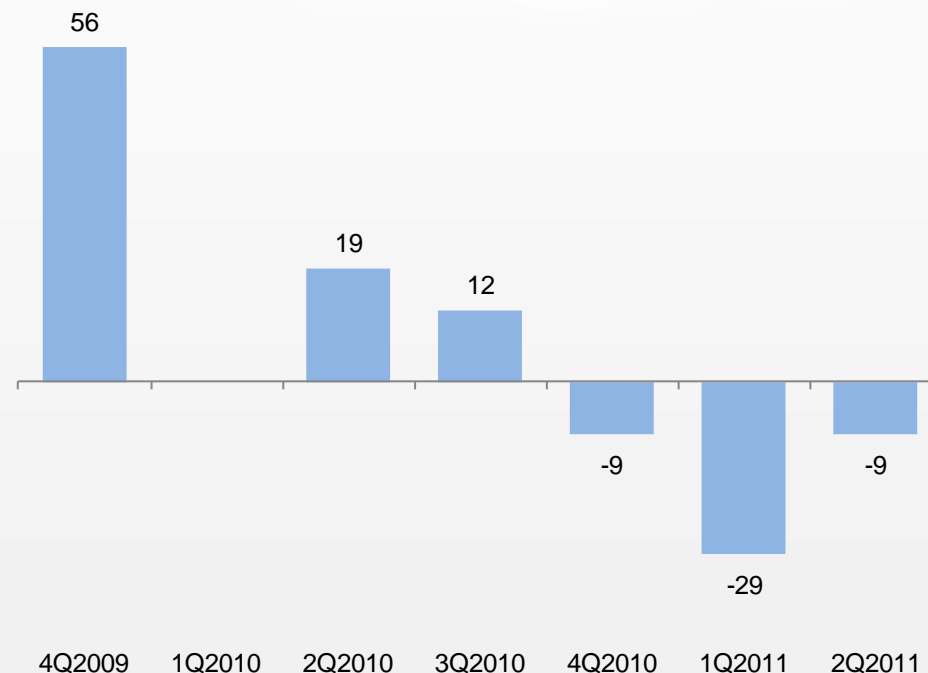


- The most significant part of Corporate portfolio is Corporate lending (72% as of 1H2011);
- Trade finance business is a substantial part of AB Corporate business;
- Corporate loans portfolio is well-diversified by industries with limited exposure to risky segments.

Change in share of NPL

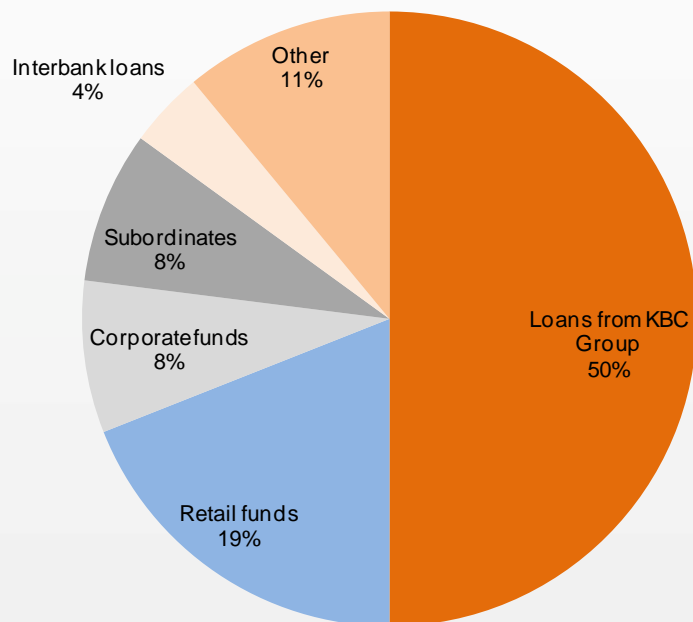


Loan loss provision, Mln EUR

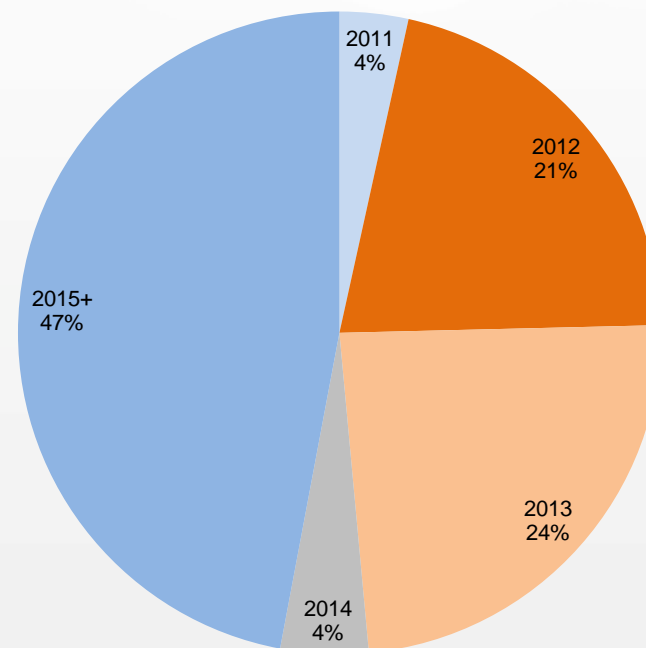


- After the crisis the Bank revised risk management approach in Corporate segment and adopted new more prudent credit policy, especially limiting exposure at high-risk industries and decreasing single-name concentration;
- Following a prudent credit approach Absolut Bank recognized all the problem loans and accrued substantial provisions (more than 8 Bln Rub) fully covering all the potential losses. Further close work with the clients allowed Absolut Bank to decrease share of problem loans and recover significant part of accrued provisions;
- Retail portfolio of the Bank is also of high quality as a result of conservative risk management approach (no loans w/o first installment, concentration on secondary market for mortgage, limited maximum loan amount etc).

AB Liabilities structure as of 1H2011



Contractual repayment schedule for loans from KBC Group

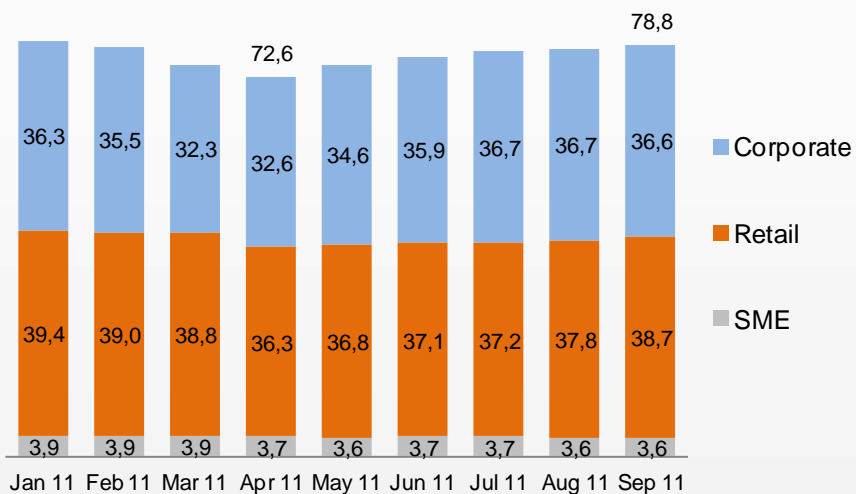


- Most part of the Absolut Bank liabilities is formed by KBC Group funds including loans (50% of liabilities) and subordinated deposits of \$200 million (8% of liabilities);
- Most of these funds are long-term: about 47% of the total amount of subordinated debt is to be repaid after 2015;
- For further business growth Local bonds program was re-started. In Aug2011 there was first successful stand-alone public placement for the amount of 1.8 Bn RUR with duration of 5 years and a put option after 3 years, coupon is 8% payable every 6 months.

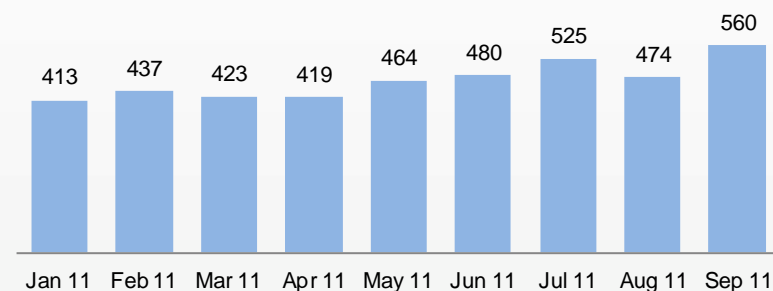
	2009	2010	1H2011
KEY BALANCE SHEET items			
Corporate loans, Bln Rub	55,7	37,6	35,9
Retail + SME loans, Bln Rub	47,4	44,0	40,8
Customer funds, Bln Rub	49,6	37,3	27,0
KEY P&L items			
Net interest income, Bln Rub	7,0	4,8	2,3
Fee, Trading and Other result, Bln Rub	1,2	0,8	0,4
Operating expenses, Bln Rub	4,7	4,9	2,5
Profit before tax w/o provisions, Bln Rub	3,5	0,7	0,1
Profit, Bln	-5,0	-0,1	1,6
KEY RATIOS			
Net interest margin, %	6,28%	4,77%	5,56%
NPL rate, %	14,0%	16,8%	13,5%
Capital adequacy ratio (RAS), %	15,9%	17,2%	20,5%
SHAREHOLDERS structure			
KBC	95%	95%	99%

Financial results of 2011

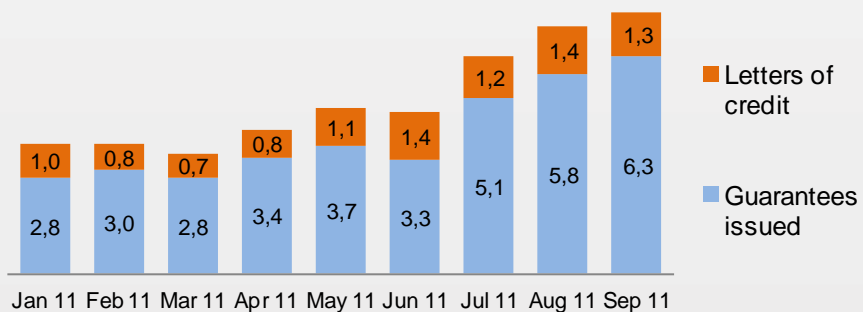
Loan portfolio dynamics, Bn RUR



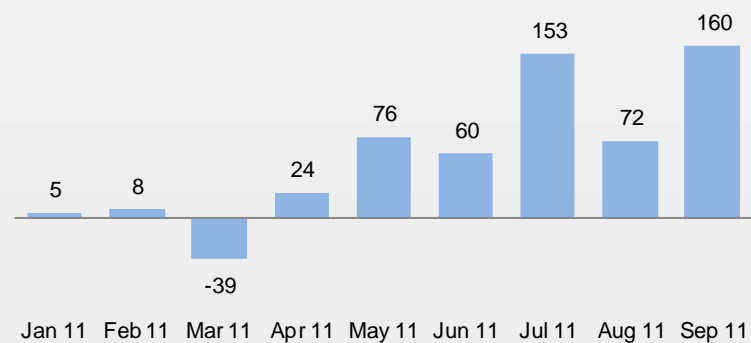
Monthly Operating income before provisions, Mln RUR



Off-balance business, Bn RUR



Monthly Profit/Loss before taxation and provisions, Mln RUR



Corporate governance



Nikolay Sidorov
Chairman of the
Management board



Evgeny Retyunskiy

Corporate business
Leasing



Ivan Anisimov

Retail business



Stefan Delaet

Special finance,
Strategy, HRO

Business-ICT
Council



Wim Verbraeken

Credit product
factory

Main Credit
Committee

Asset and Liability
Committee



Alexander Chukhlantsev

IT and Operations



Andrey Larkin

Finance

Tender
Committee



Renaat Celens

Risks

Risk and Capital
Oversight
Committee