



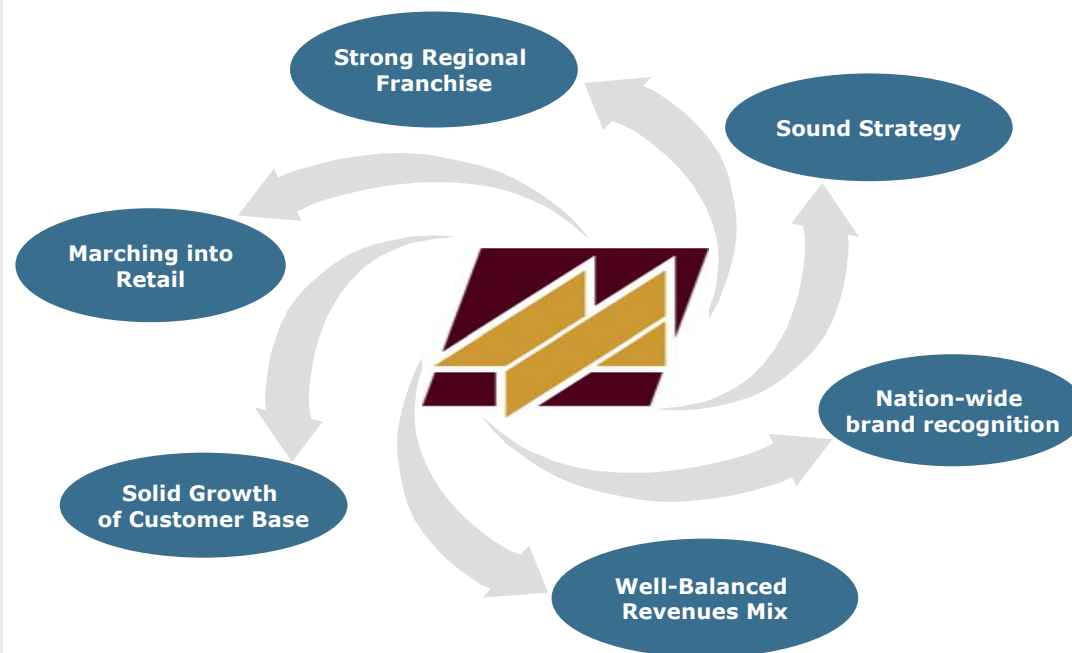
We support under all circumstances

Megabank Snapshot

Key Facts and Development Milestones

- ❑ Founded in 1990, provides a full range of traditional banking services
- ❑ Headquartered in strategic Kharkiv Region, where 2.8 mln people reside
- ❑ Strong mid-size player (42th largest bank by Assets and by Equity)
- ❑ More than 570 thousand Individual and 30 thousand Corporate Clients
- ❑ Established Regional Network (187 branches and outlets in 22 regions of Ukraine)
- ❑ Unique Integral Clearing Center System, which provides for unique non-interest exposure, was introduced in 1998
- ❑ Pioneer of implementation and participation in National System of Plastic Card Payments (more than 167 thousand plastic cards issued)
- ❑ Winner of tender held by Ministry of Finance on salary payment projects via plastic cards for budget and social sectors
- ❑ Megabank financial accounting for 2003-2006 audition one of leading firms of auditors
- ❑ First Ukrainian Bank, chosen by IFC to participate in "Corporate Governance Project"
- ❑ First Ukrainian Bank to successfully place its 30% shares among institutional investors
- ❑ For 2006-2007 of authorized capital is increased in 4 times. For 2 years 2 issues of shares of bank for total sum USD 30 million have been conducted
- ❑ The European bank for Reconstruction and Development has granted Megabank of 20 million US dollars the credit for long-term financing of local companies of small, small and average business
- ❑ The world bank has granted Megabank to 20 million US dollars under program for export development in Ukraine.

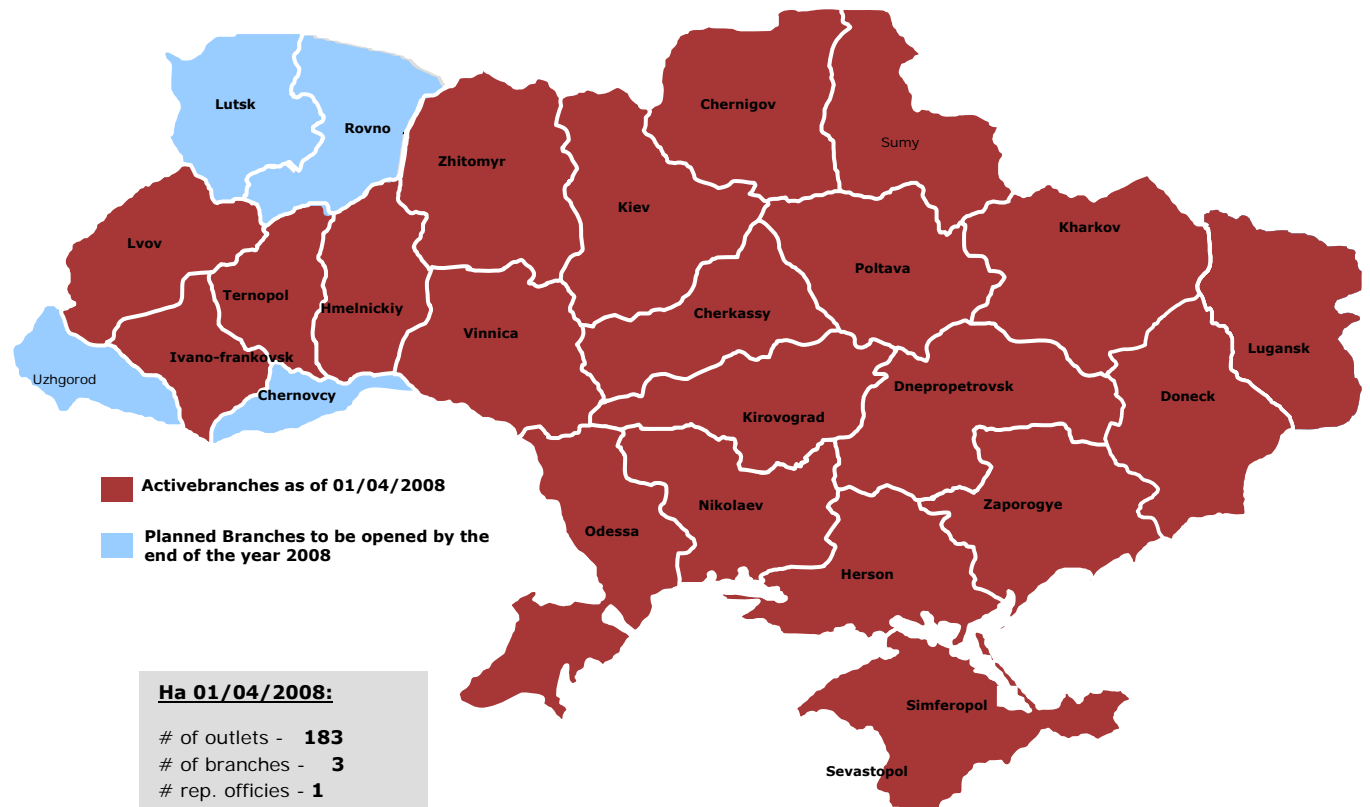
Investment Considerations



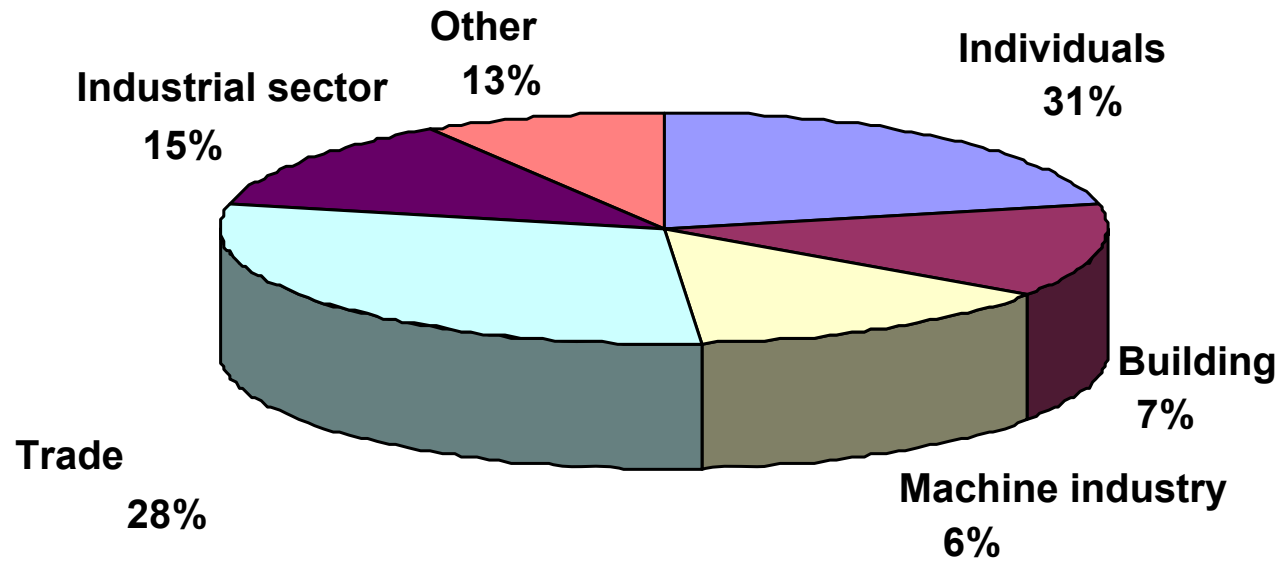
Strong Regional Network

From Regional Bank to National

- ❑ Largest regional banking network in Ukraine
- ❑ With 187 branches and outlets in 22 regions of Ukraine, Megabank forms a solid foundation for rapid penetration to retail
- ❑ Planned nation-wide coverage by the end of June, 2008
- ❑ Hidden Value in Real Estate Property Revaluation



Loans Portfolio Structure

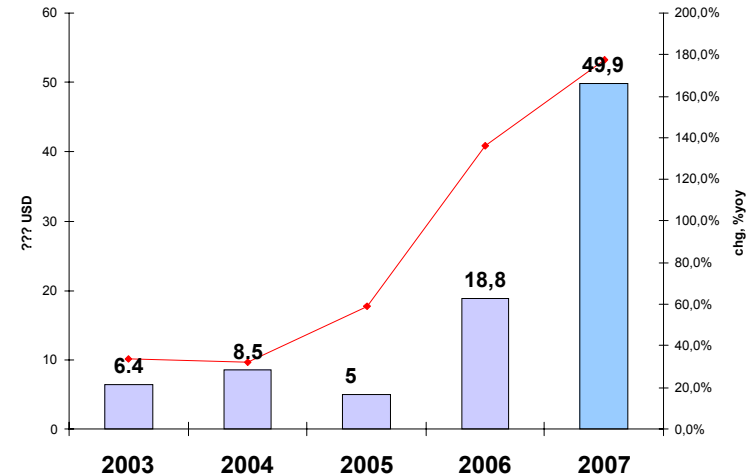


Marching into Retail

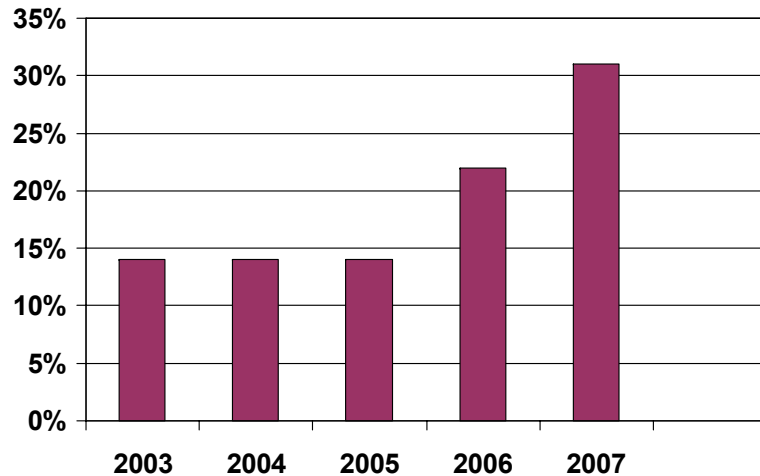
Break-through into Retail

- ❑ The cost of financing led the bank to shift its focus to aggressive build-up of higher margin Retail Business
- ❑ Retail Lending grew 155% yoy in 2007 compared to 2006
- ❑ The share retailers in a bank advances portfolio has reached 31 % from level of 14 % for 01.01.2006
- ❑ New retail loan products with flexible loan terms to be introduced, which will accelerate further expansion into Retail

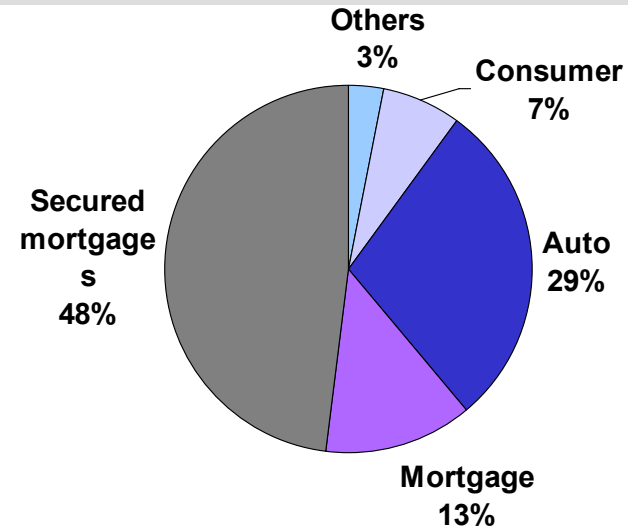
Retail Loans Growth over 2003-2007



Retail Loans to Total Loan Portfolio in 2003-2007



Structure of Retail Loans Portfolio as of January 1, 2008

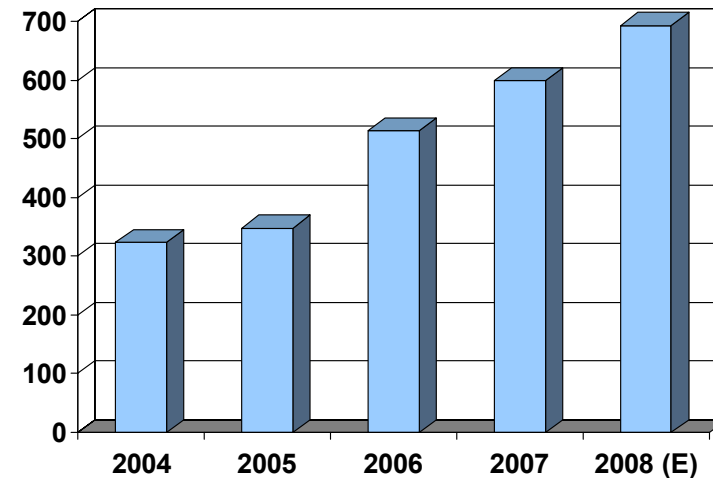


Solid Growth of Customer Base

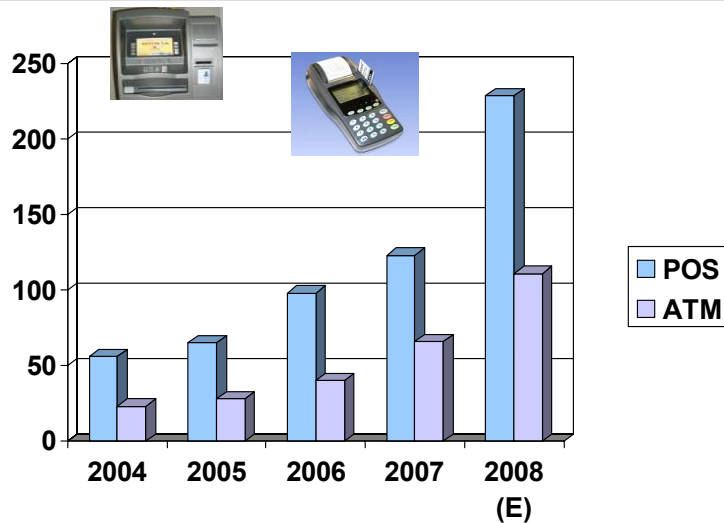
Customer base is growing following the Bank's regional expansion

- The Bank's card business is expected to boost fee and net interest income by 41% and 113%, respectively, in 2008
- Thanks to issue of 46,000 new plastic cards for salary projects, pensions and social programs in 2007, the total of the manufactured cards has reached 167 thousand
- In 2008 the bank plans to increase quantity of cash dispenses and POS-terminals at national level by 47 % and 233 % accordingly and to finish to level of 111 cash dispenses and 229 terminals

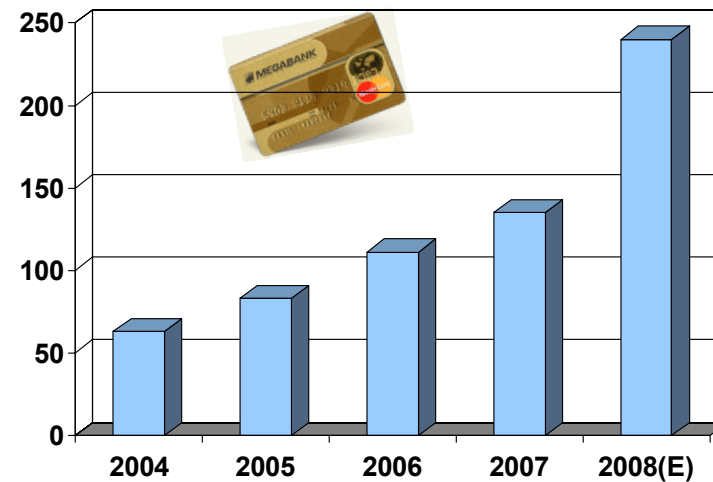
Growth of Customer Base



Growth in ATMs and POS terminals, units



Plastic Cards Issued, '000 units

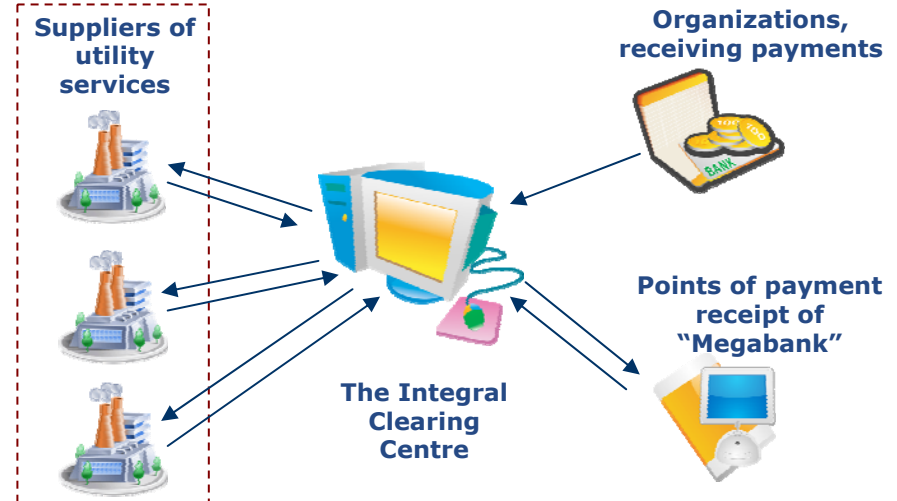


Unique Integral Clearing Center (ICC) System

Strong non-interest generation power of ICC

- The network of 100 outlets that specialized on acceptance of utility payments from households and based on unique payment and settlement system worked out by Megabank eight years ago. Prior to introduction of Megabank's ICC concept, utility and municipal service providers were unable to effectively trace and manage records associated with payments and outstanding debts for services rendered.
- Megabank internally developed a comprehensive IT solution that suits best both for utility service providers and customers. The system employs a single account concept, when a customer pays only one bill, which can include up to 40 types of utility services. As each customer is given a personal account, it is not necessary to get a bill – all you need, just call at ICC and say a number of your personal account to see indebtedness and all accounts due to pay.
- Although Ukrainians can settle their utility accounts with many Ukrainian banks, Megabank's ICC raised this type of services to the new quality level that ensured the bank a rapid advance in the segment.

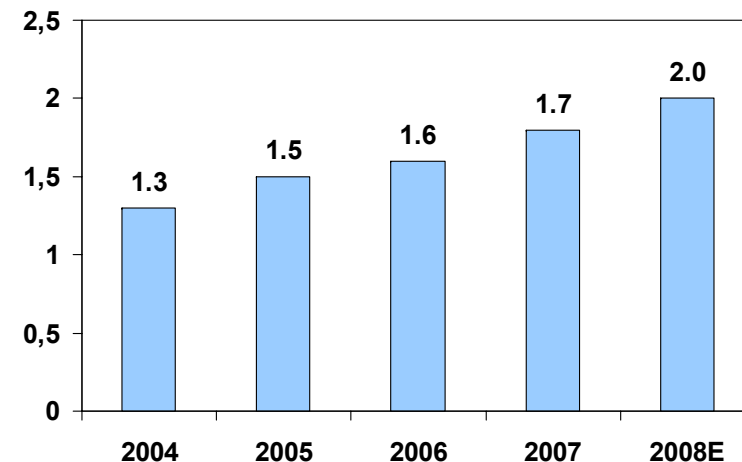
Information and Financial flows



Integral Clearing Center (ICC) Regional Coverage



Households' Accounts in ICC, millions

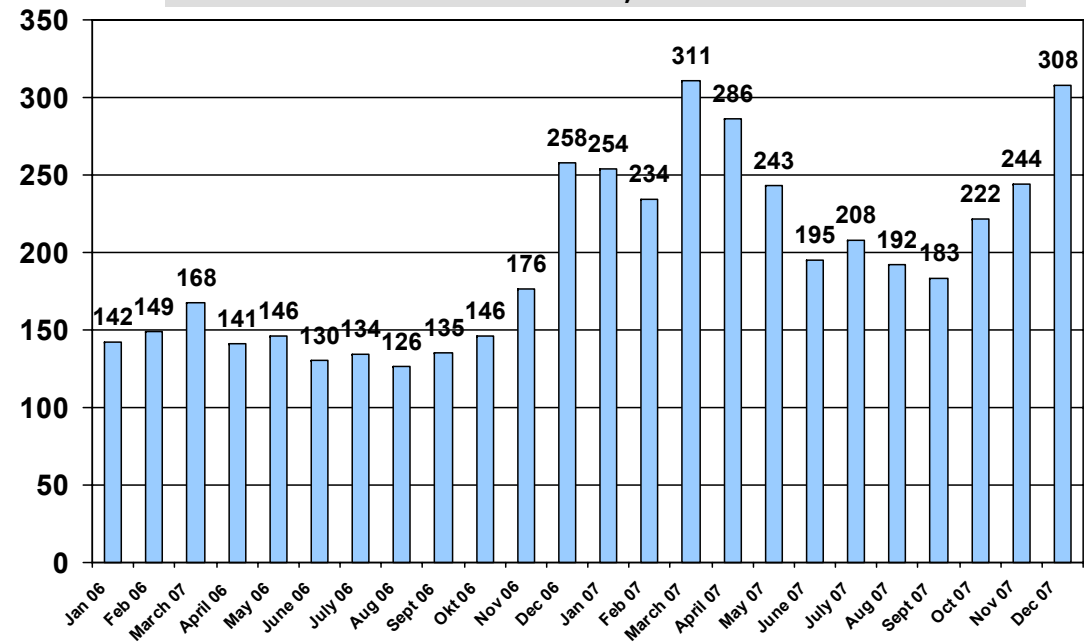


Well Balanced Revenues Mix

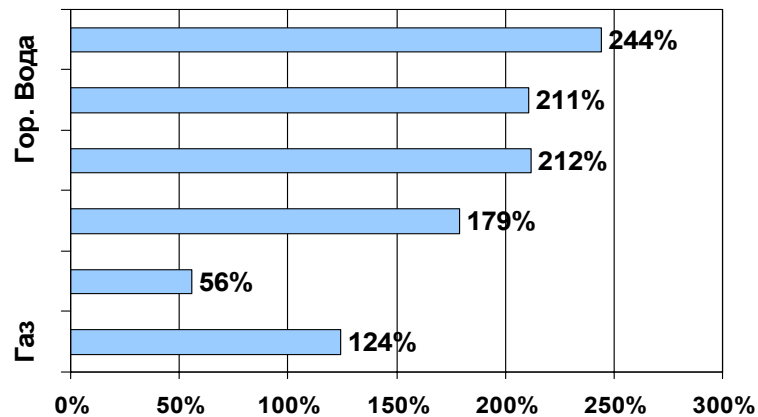
Strong Non-Interest Position

- The only Bank in Ukraine in terms of significant non-interest exposure (64%)
- Half of total revenues stemming from processing household utility payments
- 12% market share in utility payments processing in Ukraine with 1.8 mln registered household utility accounts
- 100 of Integral Clearing Centers (ICC) in nine regions of Ukraine
- Four more industrial regions (Lugansk, Zaporizhia and Sumy and Autonomous Republic of Crimea) for introduction of ICC system, providing for additional 5% market share
- Fee revenues boosted by 30% due to housing tariff increase in Ukraine resulting in 56% increase of Net Income in 2007 compared to 2006

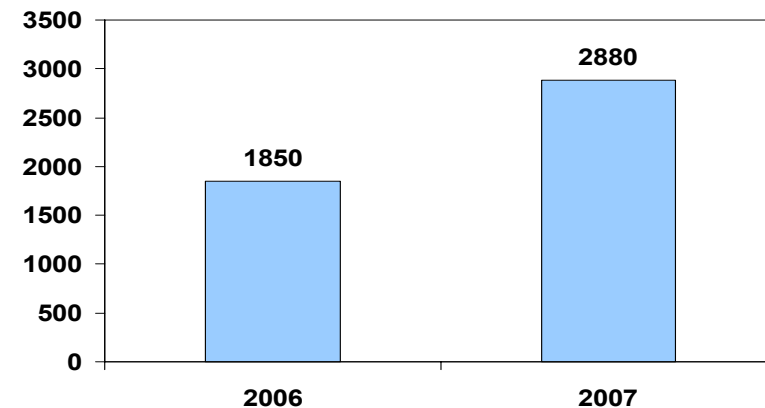
Revenues from ICC, USD thousand



Utility Tariff Increases in Ukraine in the 4th quarter 2006



Net Income increase in 2007 compared to 2006



Key Development Objectives

Growth

- To reach capitalization of USD 500 mln
- To increase Assets to USD 1.3 bln
- To get ROE and ROA of 17% and 1.7% respectively

Network Strengthening and Retail Focus

- To increase market share by assets by development of regional network and expansion of ICC system throughout Ukraine
- To increase regional network to 500 outlets by the end of 2009
- To increase the Retail Loans share to 44% in Total Loans Portfolio by the end of 2009

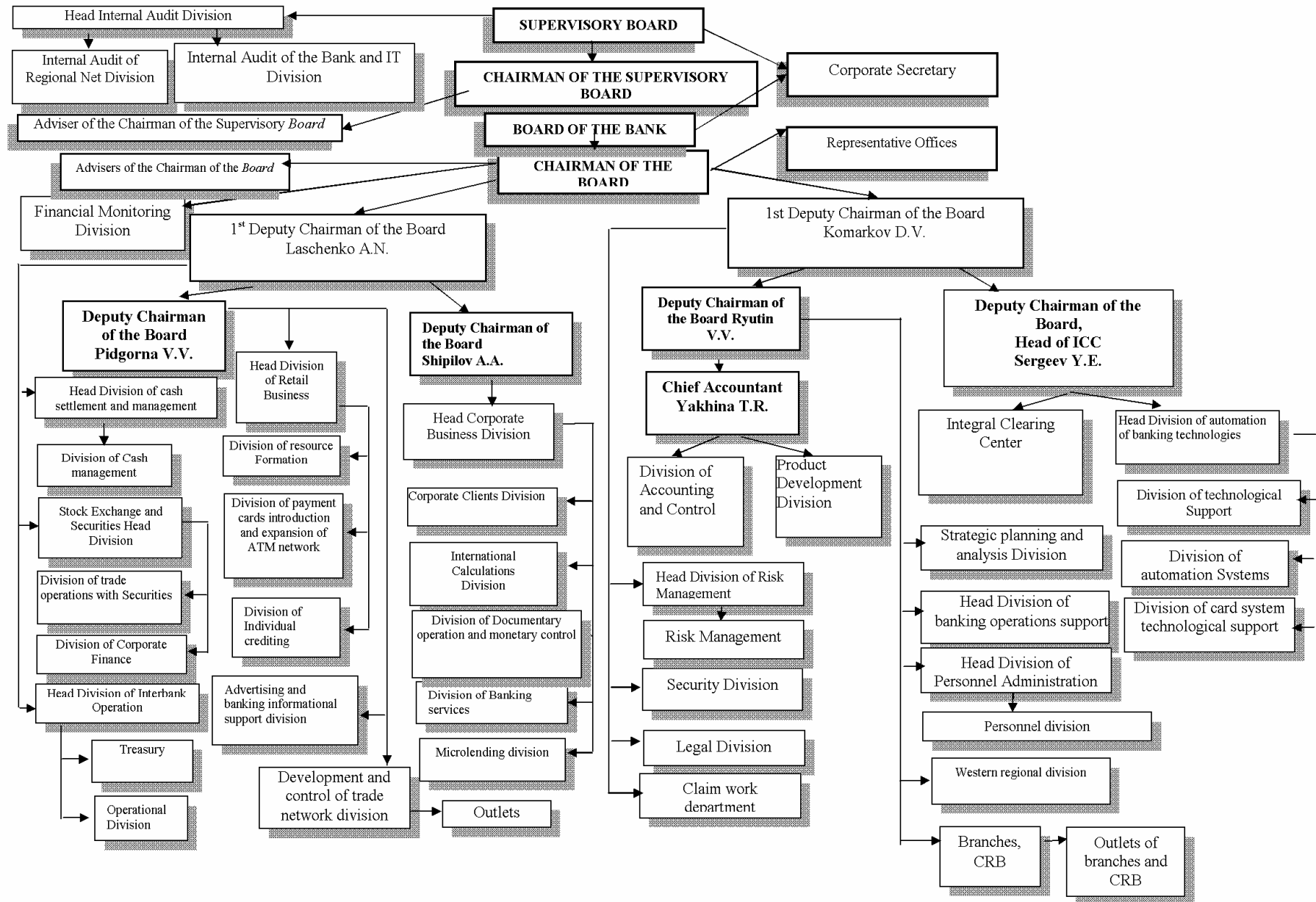
Finalization of International Funding Negotiations

- To involve 30 million US dollar from IFC
- To involve 15 million US dollar from Deutsche Bank KFW
- To involve 20 million US dollar from the western private funds
- To involve including the European Reconstruction and Development Bank of 40 million US dollar of syndicated loans

Targeted strategic financial indicators

Indicator	2007F	2008	2009
Total Assets	398	693	1 267
Growth % y-o-y	79%	74%	83%
Total loans	265	572	911
Growth % y-o-y	80%	116%	59%
The part of retail loan (%)	31%	40%	44%
Customer accounts	152	235	416
Growth % y-o-y	56%	55%	77%
Shareholder's equity	64	77	127
% assets	16%	11%	10%
Including:			
` - Authorized capital	40	48	67
` - Accumulated profit and reserves	19	22	46
` - Current year profit	5	7	14
ROA, %	1,6	1.36	1.7
ROE,%	10,6	10,6	17.2

Organization structure



Management Team

Ms. Zhukova Elena, Chairwoman of the Board, has been in banking industry for 13 years, joined MegaBank 6 years ago and holds the position of Chairwoman since 2006. Graduated from Kharkiv Institute of Catering and Kharkiv National University (speciality "Finance and credit").

Mr. Komarkov Dmitriy, First Deputy Chairman of the Board, has been in banking industry for 16 years, joined MegaBank 11 years ago and holds the position of Deputy Chairman since 2000. Graduated from Ukrainian Law Academy Dzerzhinskogo (speciality "Science of law") and International Solomonov University (speciality "Finance").

Mr. Lashchenko Alexandr, First Deputy Chairman of the Board, has been in banking industry for 11 years, joined MegaBank 10 years ago and holds the position of Deputy Chairman since 2001. Graduated from National Law Academy "Yaroslava Mudrogo" (speciality "Science of law").

Mr. Ryutin Vyacheslav, Deputy Chairman of the Board, has been in banking industry for 17 years and holds the position of Deputy Chairman since 2000. Graduated from Kharkiv State University (speciality "Finance and credit").

Mr. Sergeyev Yuriy, Deputy Chairman of the Board, has been in banking industry for 8 years, joined Megabank 7 years ago and holds the position of Deputy Chairman since 2001. Graduated from Kharkiv Institute of Radio Electronics (speciality "Computer based control system") and International Solomonov University (speciality "Finance").

Ms. Podgornaya Victoriya, Deputy Chairman of the Board, has been in banking industry for 13 years, holds the position of Deputy Chairman since 2007. Graduated from Kharkov Institute of municipal building engineers (speciality "Economy and Management in building").

Mr. Shipilov Alexandr Deputy Chairman of the Board, has been in banking industry for 9 years, holds the position of Deputy Chairman since 2007. Graduated from Kharkov National University (specialty - economic theory), qualification: economist, professor of economy, financial manager.

Ms. Yakhina Tatyana, Chief Accountant, has been in banking industry for 10 years, holds the position of Chief Accountant since 2006. Graduated from Poltava Technical University (speciality "Finance").

Supervisory Board

Head of Supervisory Board

Subbotin Viktor

Member of Supervisory Board

David N.Cleave, Independent Director, minority shareholder

Member of Supervisory Board

Kotlyar Alexandr, Director of CJSC "Deka"

Member of Supervisory Board

Logvinenko Larisa, minority shareholder

Member of Supervisory Board

Nosenko Lidiya, minority shareholder

Member of Supervisory Board

Sahtinova Svetlana, Megabank

Member of Supervisory Board

Skydan Anatoly, Director of LL "DASCO"

Member of Supervisory Board

Subbotina Elena, Megabank

Member of Supervisory Board

Cherkasskiy Alexey, OJSC "Turboatom"

Independent Director's Profile

David N.Cleave

Working Experience

2003 – up to date	Research and Development Center* in Ukraine, CEO
2003 – 2003	Consulting, Owner
1997 – 2002	Raiffeisen Bank Ukraine, member of the Board
1993 – 1997	ING Barings, Director's assistant
1989 – 1993	Banque Indosuez, Manager of operations administration unit
1985 – 1989	Omani European Bank - Banque Indosuez group, Manager of operations administration unit
1980 – 1985	National Bank of Sharjah, Accountant / Manager of operations administration unit
1977 – 1980	King&Shaxsonc Ltd, Dealer
1976 – 1977	Canadian Imperial Bank of Commerce, Foreign trainee
1974 – 1977	British Bank of the Middle East – HSBC group, International trainee

* Research and Development Center in Ukraine (RDCU) - Intergovernmental diplomatic organization, financed by governments of Canada, USA, European Union and Ukraine to finance scientific projects for implementation of experience in commercial and civil purposes

2007 Results. USD '000 (UAS)

Balance USD. mln

	2003	2004	2005	2006	2007
Assets:					
Cash and corresponding accounts in banks	10,367	16,592	30,886	16,560	55,432
Deposits and credits in other banks corrected to reserves	9,540	12,957	4,197	29,489	22,390
Credits issued corrected to reserves	47,101	63,451	97,636	144,194	260,272
Securities	4,940	6,664	12,763	16,230	33,160
securities to sell	4,940	6,664	12,763	16,230	33,160
Fixed assets. fictitious assets Commodity materiality	7,714	8,572	13,576	14,208	23,353
Tax calculations and obligatory payments	0,196	0,442	0,248	0,283	0,016
Other assets. corrected to reserves	1,620	3,412	1,510	0,930	3,380
Total Assets	81,478	112,089	160,818	221,894	398,003
Liabilities and share capital					
LIABILITIES					
Other bank's resources	8,777	8,993	4,900	7,376	42,122
Customer resources	51,273	78,206	123,581	162,609	265,029
Debt securities	1,654	0,853	0,000	0,330	4,950
Other liabilities	1,268	1,558	3,211	5,137	9,917
Subordinated bond	7,080	7,097	7,274	9,254	12,254
<i>Total liabilities</i>	<i>70,053</i>	<i>96,707</i>	<i>138,965</i>	<i>184,706</i>	<i>334,273</i>
BANKING CAPITAL					
Share capital	6,476	8,328	9,871	22,772	39,604
Reserves	4,620	5,044	10,870	12,182	19,354
<i>Current year result</i>	<i>0,329</i>	<i>2,010</i>	<i>1,112</i>	<i>2,234</i>	<i>4,772</i>
Total banking capital	11,425	15,382	21,852	37,188	63,730
Total liabilities and banking capital	81,478	112,089	160,818	221,894	398,003

2007 Results. USD '000 (UAS)

mln. USD.	2003	2004	2005	2006	2007
Interest income	6,43	10,61	14,82	19,85	33,80
Interest expense	-2,77	-7,14	-9,58	-12,60	-21,11
Net interest income before reservation	3,65	3,47	5,24	7,26	12,69
Expences on reservation	0,07	-0,09	-1,05	-1,59	-2,18
Net interest income	3,73	3,39	4,19	5,67	10,52
Net securities income	0,13	2,68	0,71	0,86	0,47
Net currency income	0,10	0,64	0,60	0,50	0,60
Commission income	5,25	6,35	8,31	9,61	14,29
Commission expences	-0,07	-0,10	-0,14	-0,23	-0,39
Net income of investment in securities					
Other income	0,23	0,22	0,36	0,38	0,42
Net non interest income	5,63	9,80	9,84	11,12	15,38
Operating income	9,36	13,18	14,03	16,79	25,90
Operating expences	-8,47	-11,01	-12,45	-13,71	-19,41
Profit before income tax	0,89	2,17	1,58	3,08	6,49
Reserves	-0,04	0,01	0,02	0,01	-0,11
Income for taxation	0,85	2,18	1,60	3,09	6,38
Income tax expence	-0,51	-0,17	-0,49	-0,86	-1,61
Net income	0,33	2,01	1,11	2,23	4,77

In line with the National Bank of Ukraine requirements

INDICATOR	Requirements As at 01/01/2008	
H1 – Regulative capital	> 72,000,000	336.652.106
H2 – Adequacies of regulative capital	> 10%	21,16%
H3 – Adequacies of fixed assets	> 4%	12,59%
H4 – of quick ratio	> 20%	96,09%
H5 – of current liquidity	> 40%	84,80%
H6 – of short-term liquidity	> 20%	44,94%
H7 – of maximum amount of credit risk per one counterpart	< 25%	21,74%
H8 – of big credit risks	< 800%	67,98%
H9 – of maximum amount of credits and guaranties, provided to one insider	< 5%	3.34%
H10 – of maximum combined amount of credits and guaranties, provided to insiders	< 30%	10,15%
H11 – of investments in securities on each institution separately	< 15%	9,36%
H12 – of the total sum of investment	< 60%	35,44%
H13 – of the risk of bank general currency position	<30%	3,26%
H13-1 – of the risk of long currency position of the bank	<20%	3,05%
H13-2 – of the risk of short currency position of the bank	<10%	0.21%

1st Quarter 2008 Results, USD'000 (UAS)

	1Q2008	1Q2007	Change,USD	Change,%
Interest income	11,511	6,481	5,030	78%
Interest expense	(7,660)	(4,163)	(3,497)	84%
Net interest income	3,851	2,318	1,533	66%
Net fee & commission income	4,432	3,240	1,192	37%
Net trading income	258	96	162	169%
Net other operation income	464	298	166	56%
Net non interest income	5,154	3,634	1,520	42%
Total income	9,005	5,953	3,052	51%
Operating expenses	(6,131)	(4,046)	(2,085)	52%
Operating income	2,874	1,907	967	51%
Provision for loan losses	(1,282)	(593)	(689)	116%
Other provisions	(75)	84	(159)	-189%
Profit before income tax	1,517	1,398	119	9%
Income tax expenses	(426)	(375)	(51)	14%
Net income	1,091	1,023	68	7%

1st Quarter 2008 Results, USD'000(UAS)

	1Q2008	1Q2007	Change,USD	Change, %
ASSETS				
Cash	14,370	7,050	7,320	104%
Balances with the National Bank of Ukraine	6,027	9,813	(3,786)	39%
Due from other banks	33,304	16,679	16,625	100%
Loans and advances to customers	312,019	184,715	127,304	69%
Securities portfolio	34,411	23,168	11,243	49%
Property and equipment	24,345	19,934	4,411	22%
Other assets	5,464	2,851	2,613	92%
TOTAL ASSETS	429,940	264,210	165,730	63%
LIABILITIES				
Due to the other banks	38,292	14,701	23,591	160%
Total customer's deposits	280,063	182,555	97,508	53%
Subordinated debt	12,254	12,254	0,000	0%
Other liabilities	36,657	11,263	25,394	225%
TOTAL LIABILITIES	367,266	220,773	146,493	66%
TOTAL EQUITY	62,674	43,437	19,237	44%
TOTAL LIABILITIES & EQUITY	429,940	264,210	165,730	63%

Bank's retail products:

- Mortgage loans (purchase of residential and non-residential real estate on primary and secondary market);
- Auto-loans (loans without initial deposit, loans on reduced interest rates on joint actions with automobile salons);
- Consumer loans (purchase of durable goods, without collateral, overdrafts to employees of enterprises at salary projects using plastic cards, for payment of travel vouchers, credit lines for plastic cards on the Bank's programs of "The exemplary payer of utility services", "Insurance and notary payments");
- Receipt of payments for all kinds of utility services using plastic cards in the Bank's cash departments and via Internet;
- Deposits, maintenance and service of current accounts, social payments facilitation;
- Funds transfer abroad and all over Ukraine via SWIFT and Western Union systems;
- Issue and service of plastic cards of National System of Plastic Card Payments and MasterCard;
- Facilitation of non-cash payments for goods and services due to plastic cards;

Retail products Sales Channels and Instruments:

- Address sale of products to a certain category of clients using the base of CSC and Utilities Payment Services;
- Internet banking – payment of utility services, mobile connection services, postal orders, Webmoney with the help of PC via Internet;
- Cooperation Agreements (contracts of agency) with automobile salons, shops, building companies, real estate agencies;
- Contracts of agency with insurance companies (crediting of clients of the insurance company);
- Address payments through ATMs (utility services, mobile connection services);
- Creation of bank outlets in retail chains;
- Organization of Call-centers.
- Joint realization of state social projects with the NBU and other institutions on expansion of opportunities of usage of the National System of Plastic Card Payments.

Major Bank's Products introduced in 2007 and planned to be implemented in 2008:

- Credit lines for individuals on plastic cards on the program "The exemplary payer for utility services through CSC;
- Credit lines against deposit pledge, credit lines on payment of expenses on registration of motor transport in the State Automobile Inspection, on insurance and notary payments; Credit lines for current needs overdrafts on salary projects;
- Payment for utility services with the help of plastic cards via Internet network;
- Deposits for legal entities with additional interest payment;
- Tariff package of cash-settlement services for corporate clients «unlimited»;
- Credit lines on plastic cards on the program "The exemplary borrower"; Credit line for land purchase and building-up;
- Address payments through ATMs for utility services and mobile connection services;
- Provision of overdrafts to the cards of Master Card system.