Greenwich
Financial
Services
LLC

Asset Securitization in Russia

July 2007

ZAO RAM
5 Chistoprudni Blvd
Moscow, Russia 101000
Tel.: +7-495-980-7954

GFS LLC
599 West Putnam Avenue
Greenwich, CT 06830
Tel.: +1-203-862-3600

RAM Introduction

- RAM is the combined creation led by the U.S. Government Agency Overseas Private Investment Corporation (OPIC) and Greenwich Financial Services (GFS). RAM is currently in negotiations to add other major international institutions
- Created with the goal to facilitate a more efficient, transparent and liquid mortgage market in Russia by accessing the deep investor base of U.S. RMBS investors

RAM Introduction

- RAM's mission is also to export to the Russian market the latest financial technology that has been utilized in the American mortgage-backed securities market
- RAM is funded by OPIC, the Management of RAM and the Partners of GFS

RAM

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Greenwich Financial Services

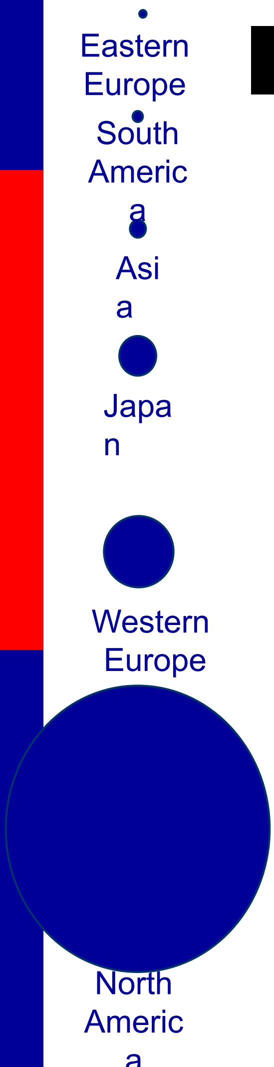
- Experience in securitizing billions of dollars of RMBS
- Pioneers in Russian Asset Securitizations:
  - First ABS securitization in Russia: Bank Soyuz, August 2005
  - First fully funded RMBS securitization in Russia: CityMortgage Bank, August 2006
- Investors include world's largest ABS and RMBS investors

RAM's Russian RMBS Approach

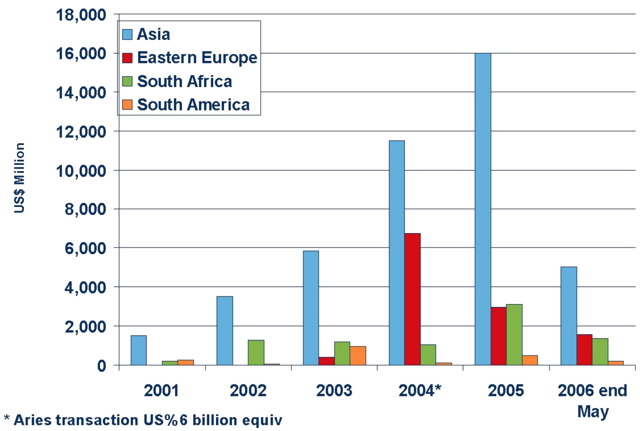
- RAM approaches Russian RMBS structure and distribution as **Standard RMBS** NOT **Emerging Market Bonds**
- This results in much wider investor base and funding benefits to originators

Distribution: Global Securitisation Market and the U.S. Market

Relative size of the Markets

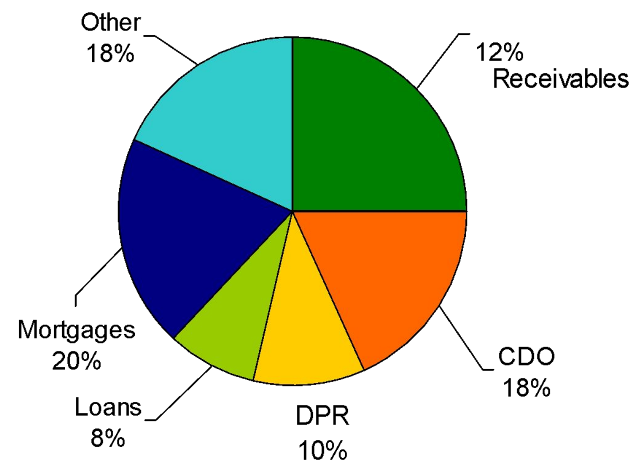


EM Asset backed Annual Issuance 2001 to date



* Aries transaction US%6 billion equiv

Issuance by category in E M 2001 to date



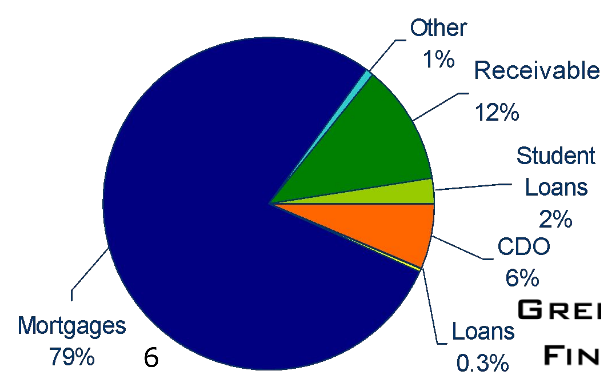
Total Issuance 2001 to date

- South Africa 8.2 billion
- Eastern Europe* 11.7 billion
- South America 24.2 billion
- Asia (ex Japan & Korea) 43.4 billion

And for comparison

- Japan 168.3 billion
- **Western Europe 1,337.3 billion**
- **North America 8,135.6 billion**

Issuance by category in the US Market 2001 to date



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RAM Functions

<u>Establish Market Standard for Origination and Servicing</u>

- Provide uniform standards for underwriting and servicing based upon requirements and expectations of international RMBS investors while taking into account Russian market realities
- Underwriting standards created based upon input from OPIC, GFS, US RMBS investors, Russian commercial lenders, and AHML

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Benefits to Originator

Recognition in US RMBS Market

- One of the primary goals of RAM is to establish a standardized structure for Russian RMBS to maximize comfort level for investors in U.S. RMBS

“RAM Standard and RAM Approved”

<u>RAM Standard</u>:

- Standard Documentation: Purchase/Sale, Servicing Documentation, etc. adheres to Russian legislation
- Unified underwriting guidelines
- Unified servicing procedures
- Unified payment procedures
- Transaction structure based upon standard US RMBS structure
- 144A and Regulation S

<u>RESULT</u>:

- Minimize time required for investor to research and understand transaction structure
- Tested and Proven execution
- Minimized cost of Securitization for Originator
- Penetration into US RMBS market

<u>RAM Approved</u>:

- U.S. government approval of originator
- Origination and Servicing capabilities of Originator adhere to understood and standard

<u>RESULT</u>:

- with participation of US government Investor more willing to purchase the paper
- Perceived reduction in fraud by Investor
- Spread paid to Investor decreased

RAM

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New Market 2006 Issuance by Country

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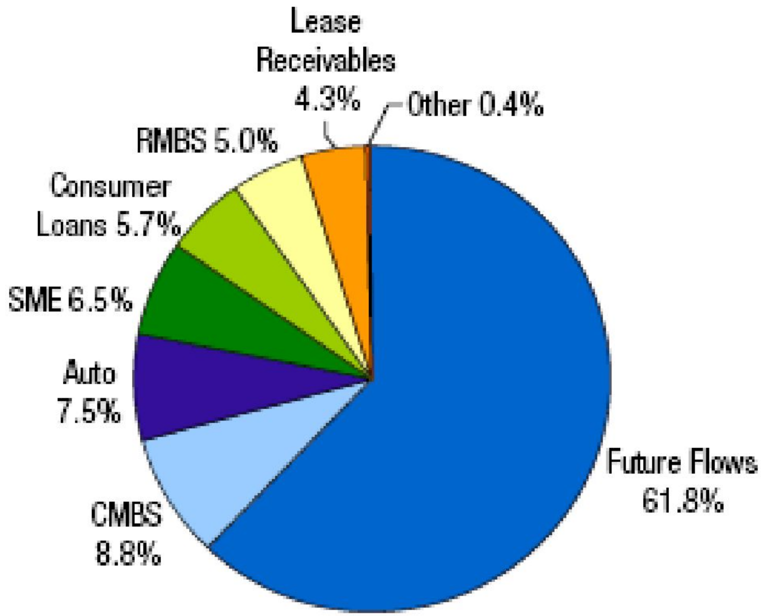
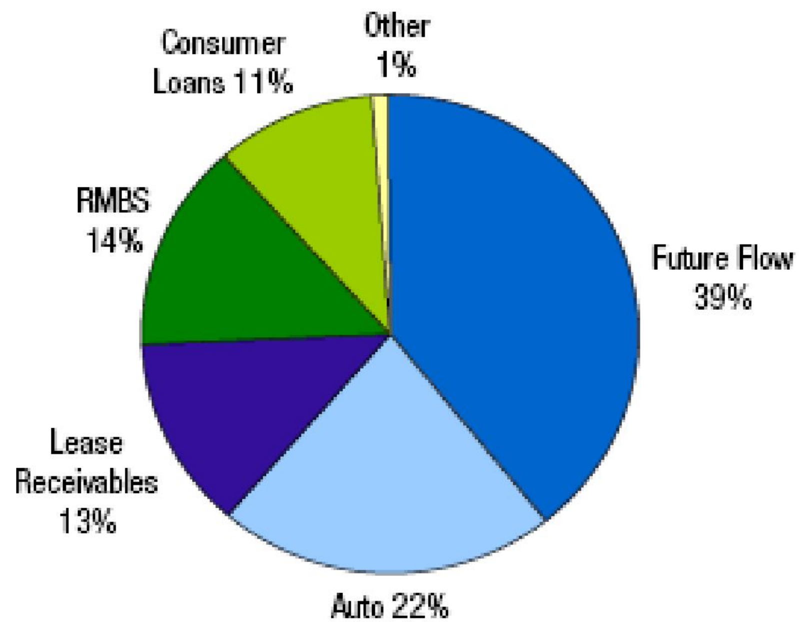
EMEA New Market vs. Russian 2006 Securitization by Asset Type

EMEA New Market 2006 Securitisation by Asset Type



2006 Russian Securitisation by Asset Type



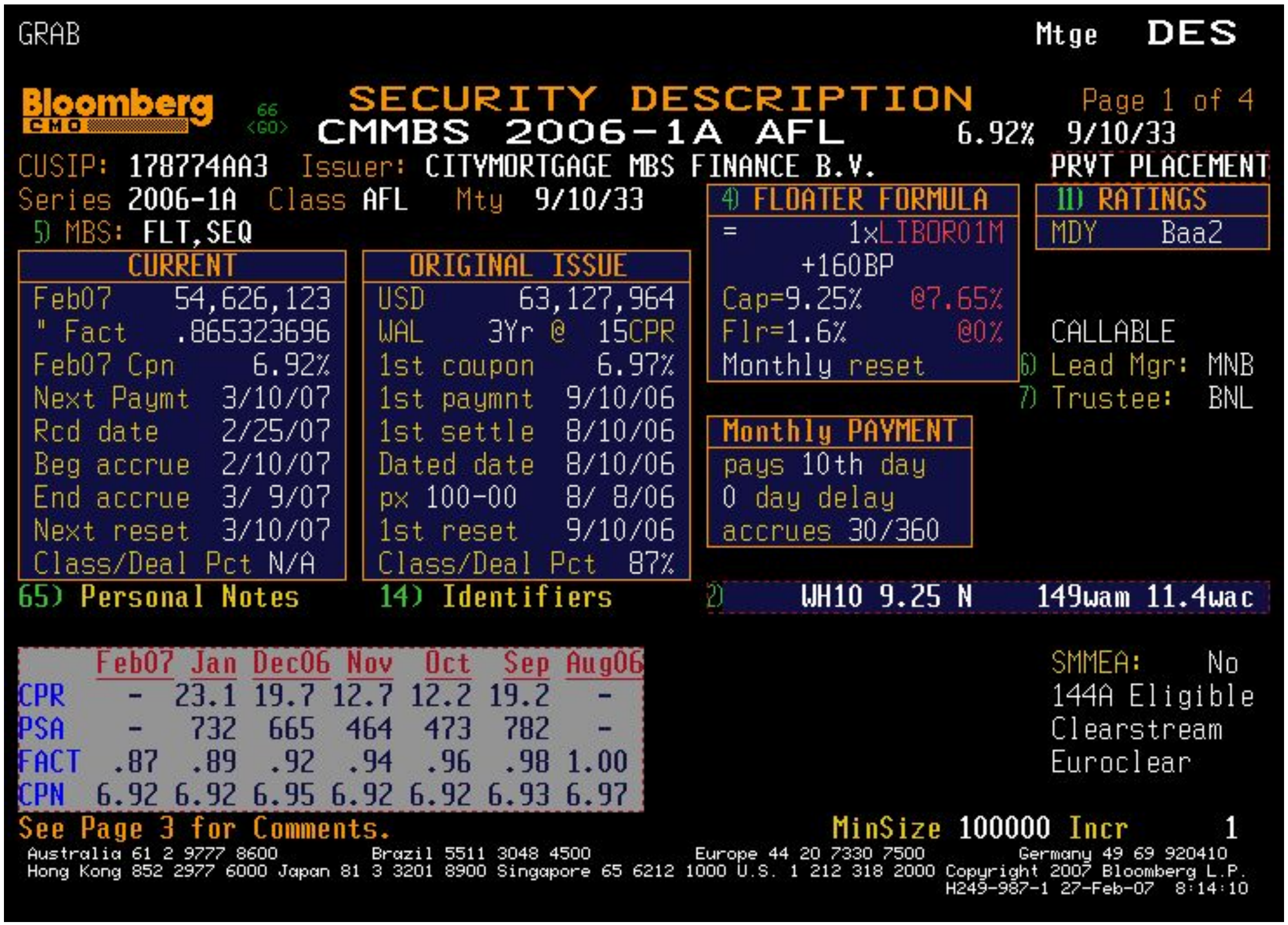
CityMortgage MBS achieved "Firsts" for the Russian MBS market

- First placement of securities backed by Russian mortgage assets within the United States under Rule 144a
- First public issuance of mortgage-backed securities involving a privately owned Russian bank as the seller and servicer
- First public securitisation of Russian law mortgage certificates (*zakladnaya*)
- First public issuance of securities relating to a Russian mortgage portfolio established using warehouse finance technology

CityMortgage MBS: Structural Features

- A-IIO Notes
  - Senior coupon hedge
  - A pure 'derivative' security
  - Distribution potential
  - Risk features and disclosure
  - This is a "bondized" Balance Guaranteed Swap that can be purchased in the public markets. Originators are not captive to a single swap desk
- Z Notes
  - Pure Accrual Subordinated Tranche

Bloomberg Screens



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Bloomberg Screens

GRAB Mtge CLD
INVALID MENU CHOICE
Bloomberg CMO COLLATERAL HISTORY Page 1 of 1
CMMBS 2006-1A AFL 6.92% 9/10/33 CMO:FLT,SEQ

MODE Deal & CUSIP 178774AA3
PRIVATE PLACEMENT using* orig Bal

					CPR					PSA				
Date	WAL	WAM	Age	$M Bal	1mo	3mo	6mo	1yr	Life	1mo	3mo	6mo	1yr	Life
1/07	11.37	149	15	65,606	23.1	18.4	-	-	17.1	732	622	-	-	612
12/06	11.37	152	15	67,357	19.7	14.8	-	-	15.8	665	536	-	-	585
11/06	11.36	153	14	68,897	12.7	14.6	-	-	14.6	464	562	-	-	562
10/06	11.37	155	13	69,973	12.2	-	-	-	15.7	473	-	-	-	624
9/06	11.37	156	12	71,009	19.2	-	-	-	19.2	782	-	-	-	782
8/06	11.39	158	11	72,561	-	-	-	-	0.0	-	-	-	-	-
7/06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6/06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5/06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4/06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3/06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2/06	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg L.P.
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Bloomberg Screens

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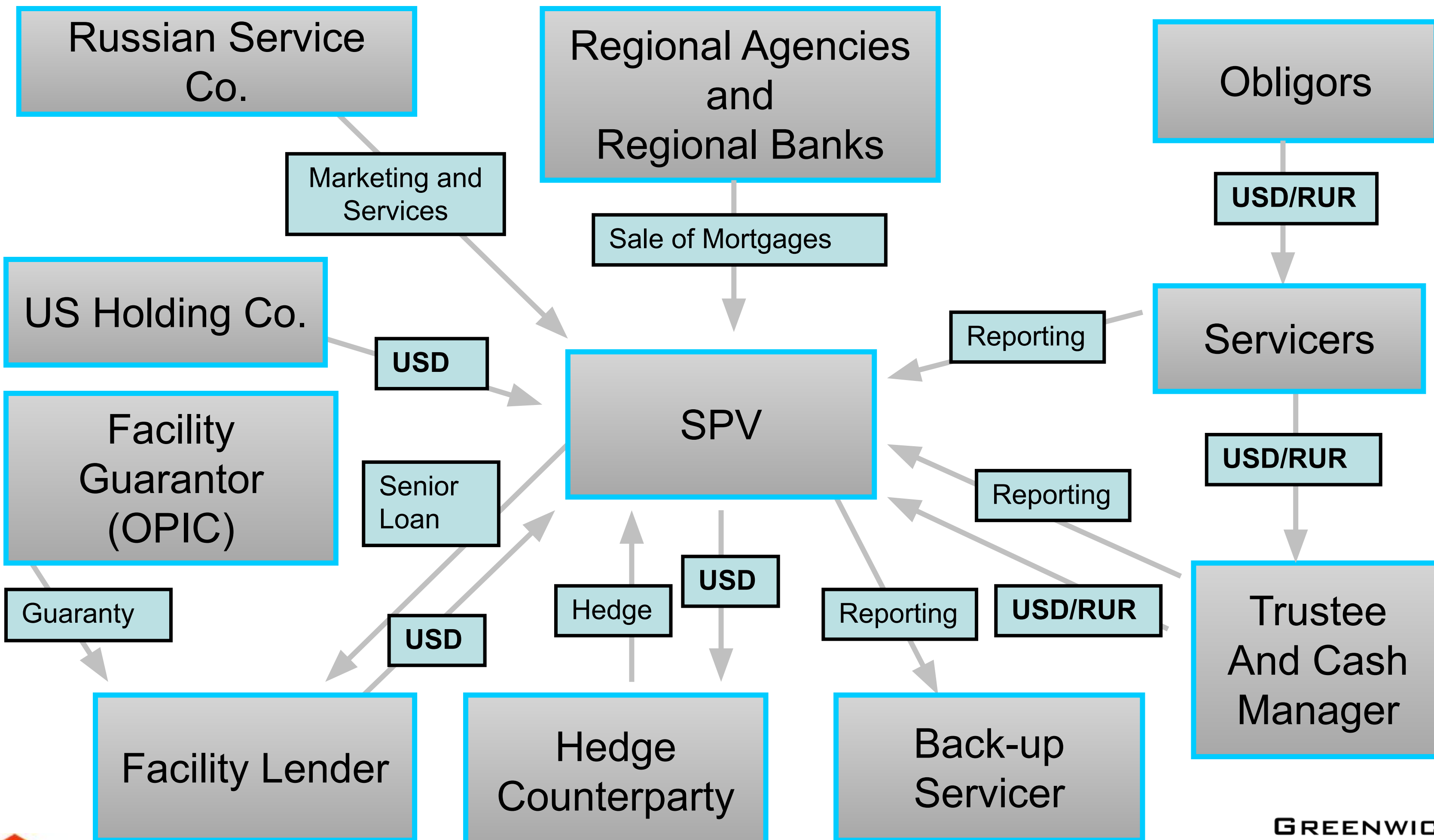
RAM Operations



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Benefits of RAM

- Facilitate a more efficient and liquid MBS market in Russia by accessing the deep investor base of US style RMBS investors
- Standardize the mortgage origination process, creating structural and information transparency
- Strengthen the regional banking system
- Increase the size of the Russian mortgage market by providing more capital
    - Lower transaction costs – standard criteria for underwriting, origination documentation, appraiser documentation, pre-approved originator and servicers and securitization documentation
    - New sources of private capital

Conclusion

- The partners of RAM, GFS and its employees believe in the Russian economy and country
- We have backed that belief by privately capitalizing RAM

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Questions and Answers

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