



**GREENWICH  
FINANCIAL  
SERVICES  
LLC**

## Asset Securitization in Russia

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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

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- 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

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- 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



# Greenwich Financial Services

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- 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

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- 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

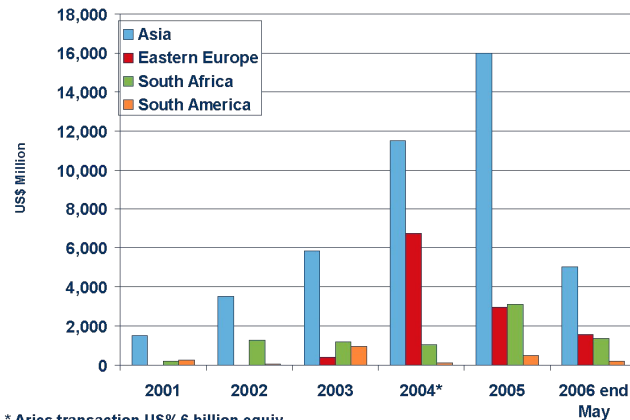
Relative size of the Markets

Eastern Europe  
South America  
Asia  
Japan

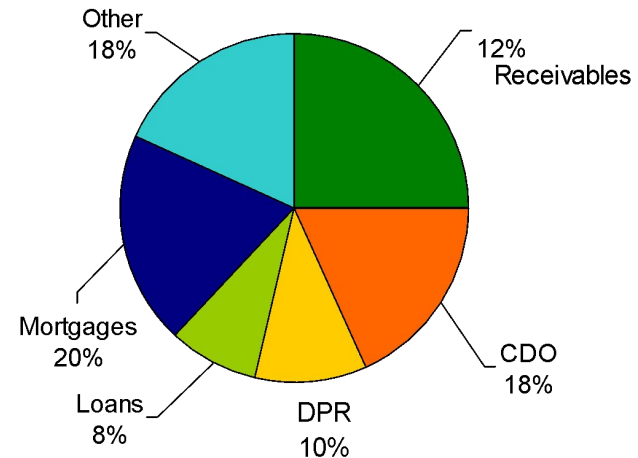
Western Europe

North America

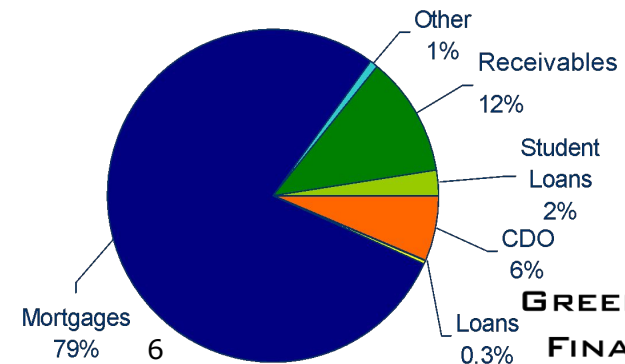
EM Asset backed Annual Issuance 2001 to date



Issuance by category in E M 2001 to date



Issuance by category in the US Market 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**

# RAM Functions

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## **Establish Market Standard for Origination and Servicing**

- 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



# Benefits to Originator

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## **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”

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## **RAM Standard:**

- 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

## **RAM Approved:**

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

## **RESULT:**

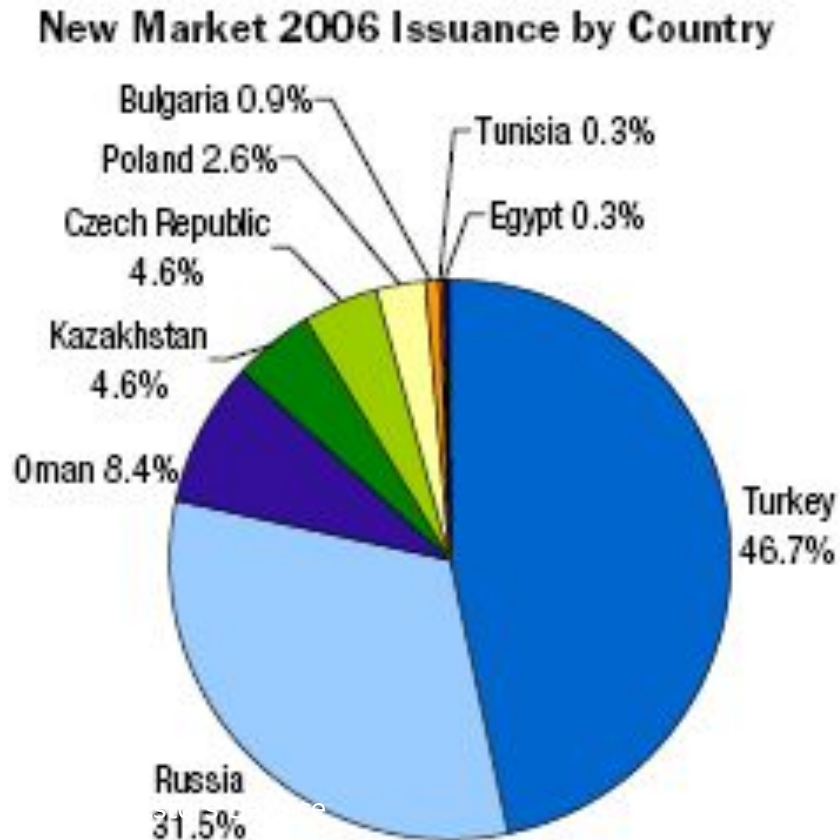
- Minimize time required for investor to research and understand transaction structure
- Tested and Proven execution
- Minimized cost of Securitization for Originator
- Penetration into US RMBS market

## **RESULT:**

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

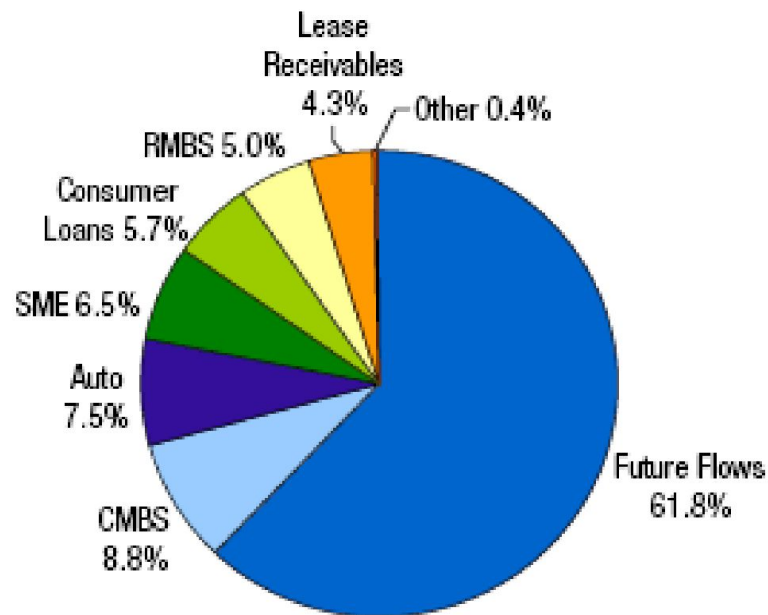


# New Market 2006 Issuance by Country

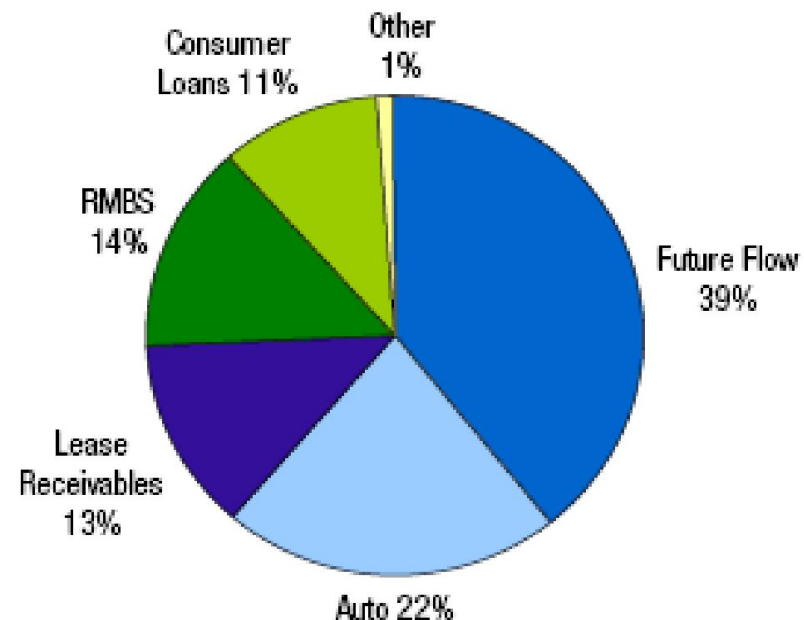


# EMEA New Market vs. Russian 2006 Securitization by Asset Type

EMEA New Market 2006 Securitisation by Asset Type



2006 Russian Securitisation by Asset Type



# CityMortgage MBS achieved "Firsts" for the Russian MBS market

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- 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

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## □ 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

GRAB		Mtge		DES	
<b>Bloomberg</b> <b>CMO</b>		<b>SECURITY DESCRIPTION</b> <b>CMMBS 2006-1A AFL</b>		Page 1 of 4 6.92% 9/10/33	
CUSIP: 178774AA3 Issuer: CITYMORTGAGE MBS FINANCE B.V. Series 2006-1A Class AFL Mty 9/10/33 5) MBS: FLT,SEQ		PRVT PLACEMENT 4) FLOATER FORMULA = 1xLIBOR01M +160BP Cap=9.25% @7.65% Flr=1.6% @0% Monthly reset		II) RATINGS MDY Baa2 CALLABLE 6) Lead Mgr: MNB 7) Trustee: BNL	
<b>CURRENT</b> Feb07 54,626,123 " Fact .865323696 Feb07 Cpn 6.92% Next Paymt 3/10/07 Rcd date 2/25/07 Beg accrue 2/10/07 End accrue 3/ 9/07 Next reset 3/10/07 Class/Deal Pct N/A		<b>ORIGINAL ISSUE</b> USD 63,127,964 WAL 3Yr @ 15CPR 1st coupon 6.97% 1st paymnt 9/10/06 1st settle 8/10/06 Dated date 8/10/06 px 100-00 8/ 8/06 1st reset 9/10/06 Class/Deal Pct 87%		<b>Monthly PAYMENT</b> pays 10th day 0 day delay accrues 30/360	
65) Personal Notes		14) Identifiers		2) WH10 9.25 N 149wam 11.4wac	
Feb07 Jan Dec06 Nov Oct Sep Aug06 CPR - 23.1 19.7 12.7 12.2 19.2 - PSA - 732 665 464 473 782 - FACT .87 .89 .92 .94 .96 .98 1.00 CPN 6.92 6.92 6.95 6.92 6.92 6.93 6.97				SMMEA: No 144A Eligible Clearstream Euroclear	
See Page 3 for Comments.		MinSize 100000		Incr 1	
Australia 61 2 9777 8600 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000		Brazil 5511 3048 4500 Europe 44 20 7330 7500		Germany 49 69 920410 Copyright 2007 Bloomberg L.P. H249-987-1 27-Feb-07 8:14:10	



# Bloomberg Screens

GRAB  
INVALID MENU CHOICE

**Bloomberg** **COLLATERAL HISTORY** Page 1 of 1  
CMMBS 2006-1A AFL 6.92% 9/10/33 CMD:FLT,SEQ

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

Date	WAL	WAM	Age	\$M Bal	CPR					PSA				
					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	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410  
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.  
H249-987-1 27-Feb-07 8:13:03

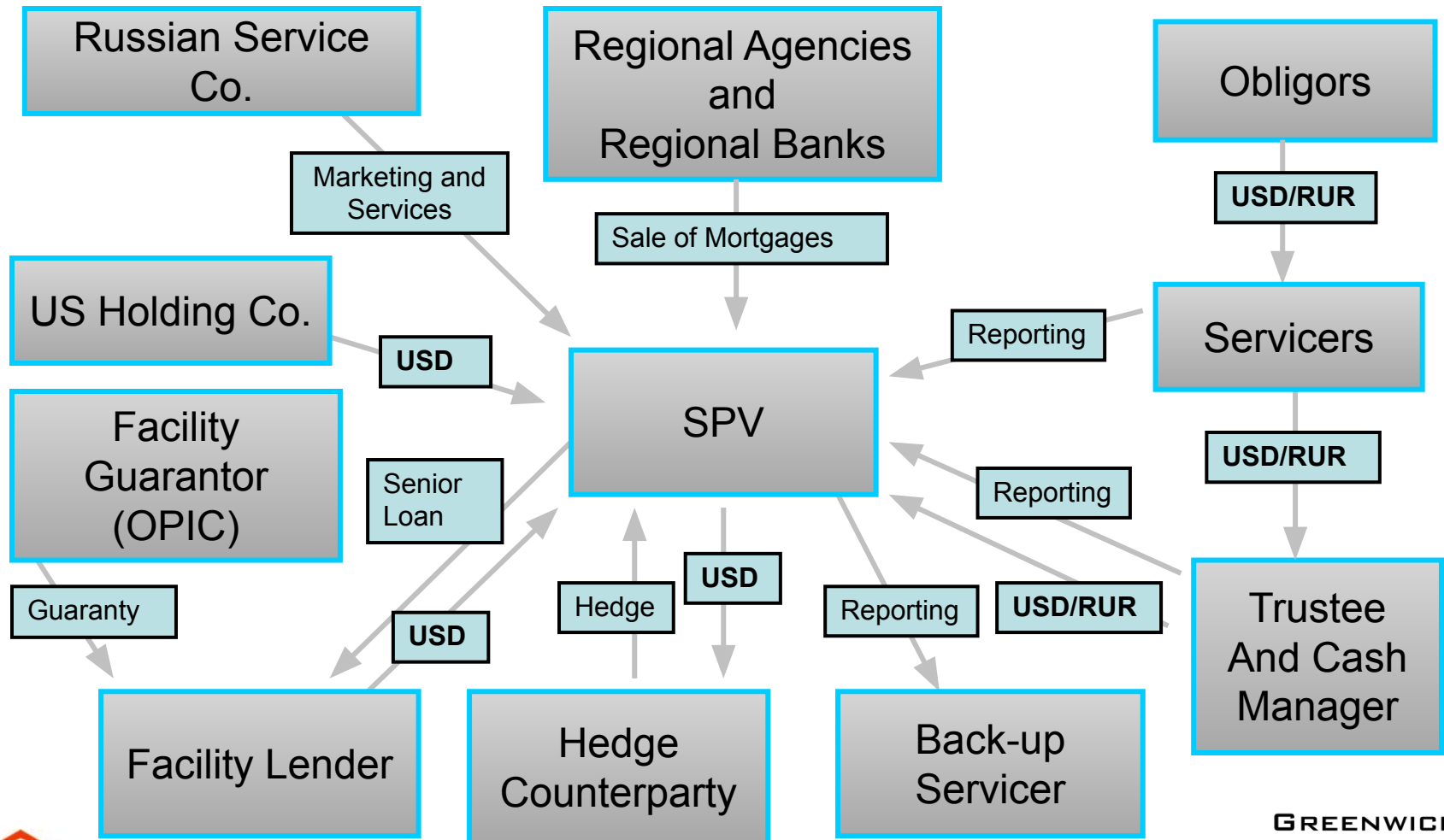


# Bloomberg Screens

GRAB									
100-00 Price is fictitious									
<b>Bloomberg</b> CMMBS 2006-1A AFL 6.92% 9/10/33 ADV: <PAGE>									
<b>CMO</b> 66 <GO> 178774AA3 CMO:FLT,SEQ More Notes 88 <Go>									
65 <GO> WH10 9.3 N 11.37(149)15 WAC(WAM)AGE JAN07 (1xLIBOR01M)+160BP CAP:FLR= 9.250:1.600									
JAN	CPR	PSA	8/10/06:	63,127,964	next pay	3/10/07 (monthly)	30/360	Cashflows	
07	1mo	23.1	732		reset	3/10/07 ( 0 Delay)	created	2/22/07	
	3mo	18.4	622		accrual	2/10/07- 3/ 9/07	1stProj	2/10/07	
	6mo	-	-				Latest:	1213 Loans	
	12mo	-	-				1st INDEX	5.3200	
3/ 2/07 30/360 DSCNTNG <b>DISCOUNT MARGIN BP</b> Fxd Index= 5.3200									
QUOTED Px15.0 6.0 12.0 18.0 24.0 30.0 36.0									
Vary	PRICE	1/32	15.0	CPR	6.0	CPR	12.0	CPR	18.0
				CPR	24.0	CPR	30.0	CPR	36.0
CLASS: BUSINESS DAYS: Union of Great Britain (GB), United States (US). RESTRICTIONS: Rule 144A eligible.									
NOTICE THESE SECURITIES WILL NOT BE AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN APPLICABLE EXEMPTION FROM REGISTRATION REQUIREMENTS. EXCHANGE LISTING: Dublin (Pending). CREDIT ENHANCEMENT: Subordination; Reserve Account.									
100			159.972	159.981	159.975	159.969	159.961	159.953	159.944
AvgLife 2.67 4.17 3.07 2.35 1.85 1.50 1.24 Index Dur 0.02 0.02 0.02 0.02 0.02 0.02 0.02 DATEWindow 3/10/07- 3/10/07- 3/10/07- 3/10/07- 3/10/07- 3/10/07- 3/10/07- VARY INDEX?N 3/10/14 12/10/16 12/10/14 6/10/13 3/10/12 4/10/11 7/10/10									
NEVER CALLED FEB07 JAN DEC06 NOV OCT SEP06 - 23.1 19.7 12.7 12.2 19.2c - 732 665 464 473 782p									
Moody's: Baa2 Format# 4-IPD CALLABLE B									
Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410 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. H249-987-1 27-Feb-07 8:14:27									



# RAM Operations



# Benefits of RAM

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- 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

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- 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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### Contact Us:

ZAO RAM

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Moscow, Russia 101000

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