

Credit Bank of Moscow

Consolidated financial statements  
as of December 31, 2005 and 2004

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## Independent Auditors' Report

To the Council of JSC "Credit Bank of Moscow"

We have audited the accompanying consolidated balance sheets of JSC "Credit Bank of Moscow" and its subsidiary ("the Group") as of December 31, 2005 and 2004, and the related consolidated statements of income and other comprehensive (loss)/income, stockholders' equity and other comprehensive income and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2005 and 2004, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*KPMG Limited*

KPMG Limited  
April 7, 2006

**Credit Bank of Moscow**  
**Consolidated balance sheets**  
**December 31, 2005 and 2004**  
(thousands of US Dollars)

	Notes	December 31, 2005	December 31, 2004
<b>Assets</b>			
Cash and due from Central Bank	4	78,546	48,363
Due from credit institutions, net	5	52,078	37,053
Trading securities	6	87,211	32,711
Loans to customers, net	7	426,226	274,517
Property and equipment	8	3,556	3,430
Other assets	9	6,490	3,470
<b>Total assets</b>		<b>654,107</b>	<b>399,544</b>
<b>Liabilities</b>			
Deposits by credit institutions	10	144,854	49,604
Deposits by customers	11	229,160	125,564
Debt securities issued	12	164,195	119,810
Income tax liability	21	10,021	7,378
Provisions, accruals and other liabilities		3,157	1,738
<b>Total liabilities</b>		<b>551,387</b>	<b>304,094</b>
<b>Stockholders' equity</b>			
Common stock	13	63,940	23,340
Additional paid-in capital		6,612	47,212
Retained earnings		24,584	13,677
Other comprehensive income - cumulative translation adjustment		7,584	11,221
<b>Total stockholders' equity</b>		<b>102,720</b>	<b>95,450</b>
<b>Total liabilities and stockholders' equity</b>		<b>654,107</b>	<b>399,544</b>
Commitments and contingencies	22		

Signed on behalf of the Executive Management Board

Aleksandr L. Khrilev



Chairman of the Board - President

Olga I. Melnikova



Chief Accountant



*The accompanying notes are an integral part of these consolidated financial statements.*

**Credit Bank of Moscow**  
**Consolidated statements of income and other comprehensive (loss)/income**  
**For the years ended December 31, 2005 and 2004**  
(thousands of US Dollars)

	Notes	2005	2004
Interest income	15	42,470	34,831
Interest expense	15	<u>(19,915)</u>	<u>(10,590)</u>
Net interest income		<b>22,555</b>	<b>24,241</b>
Reversal of provision/(provision) for credit impairment	16	<u>3,802</u>	<u>(2,506)</u>
<b>Net interest income after provision for credit impairment</b>		<b><u>26,357</u></b>	<b><u>21,735</u></b>
Fees and commissions income	17	17,113	10,332
Foreign exchange gains, net		726	1,524
Securities trading profits, net	18	-	609
Other operating income		<u>1,026</u>	<u>950</u>
<b>Non interest income</b>		<b><u>18,865</u></b>	<b><u>13,415</u></b>
Salaries and employment benefits	19	18,858	12,943
Administrative expenses	19	8,839	7,580
Fees and commissions expense		1,272	2,202
Depreciation and amortization		1,037	1,116
Other operating expenses		<u>990</u>	<u>3,446</u>
<b>Non interest expense</b>		<b><u>30,996</u></b>	<b><u>27,287</u></b>
<b>Income before income taxes</b>		<b>14,226</b>	<b>7,863</b>
Income taxes	21	<u>(3,319)</u>	<u>(2,473)</u>
<b>Net income</b>		<b><u>10,907</u></b>	<b><u>5,390</u></b>
Foreign currency translation adjustments		<u>(3,637)</u>	<u>5,587</u>
<b>Other comprehensive (loss)/income</b>		<b><u>(3,637)</u></b>	<b><u>5,587</u></b>
<b>Comprehensive income</b>		<b><u>7,270</u></b>	<b><u>10,977</u></b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**Credit Bank of Moscow**  
**Consolidated statements of changes in stockholders' equity and other**  
**comprehensive income**  
**For the years ended December 31, 2005 and 2004**  
(thousands of US Dollars)

	Common stock	Additional paid- in capital	Retained earnings	Other comprehensive income - cumulative translation adjustment	Total stockholders' equity
<b>December 31, 2003</b>	<b>23,340</b>	<b>47,212</b>	<b>8,287</b>	<b>5,634</b>	<b>84,473</b>
Net income	-	-	5,390	-	5,390
Translation adjustment	-	-	-	5,587	5,587
<b>December 31, 2004</b>	<b>23,340</b>	<b>47,212</b>	<b>13,677</b>	<b>11,221</b>	<b>95,450</b>
Capitalization of share premium	40,600	(40,600)	-	-	-
Net income	-	-	10,907	-	10,907
Translation adjustment	-	-	-	(3,637)	(3,637)
<b>December 31, 2005</b>	<b>63,940</b>	<b>6,612</b>	<b>24,584</b>	<b>7,584</b>	<b>102,720</b>

The total amount of net income and other comprehensive income for 2005 was USD 7,270 thousand (2004: USD 10,977 thousand).

*The accompanying notes are an integral part of these consolidated financial statements.*

**Credit Bank of Moscow**  
**Consolidated statements of cash flows**  
**For the years ended December 31, 2005 and 2004**  
(thousands of US Dollars)

	Notes	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net income</b>		10,907	5,390
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Provision for credit impairment		(3,802)	2,506
Depreciation and amortization		1,037	1,116
Deferred taxes		2,223	1,723
Accrued interest income		(760)	(453)
Accrued interest expense		1,872	86
Accrued commissions		(1,784)	-
<b>Operating cash flow before changes in operating assets and liabilities</b>		<b>9,693</b>	<b>10,368</b>
<b>(Increase)/decrease in operating assets</b>			
Reserve deposits with the Central Bank of the Russian Federation		(3,504)	5,123
Trading securities		(54,500)	(10,357)
Loans to customers		(148,570)	(21,089)
Other assets		(84)	(567)
<b>Increase/(decrease) in operating liabilities</b>			
Deposits by credit institutions		95,250	(10,675)
Deposits by customers		103,596	(7,604)
Debt securities issued		44,384	26,481
Provisions, accruals and other liabilities		212	(79)
Unrealised translation adjustment		(3,637)	5,587
<b>Net cash from operations</b>		<b>42,841</b>	<b>(2,812)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net purchase of property and equipment and intangible assets		(1,137)	(1,615)
<b>Net cash from investing activities</b>		<b>(1,137)</b>	<b>(1,615)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuances of common stock		-	-
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents</b>		<b>41,704</b>	<b>(4,427)</b>
Cash and cash equivalents, beginning of the year		78,900	83,327
<b>Cash and cash equivalents, end of the year</b>	20	<b>120,604</b>	<b>78,900</b>
<i>Supplemental information:</i>			
Interest paid during the period		(18,043)	(12,627)
Income taxes paid during the period		(676)	(750)

*The accompanying notes are an integral part of these consolidated financial statements.*

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

**NOTE 1 – BACKGROUND****(a) Organization and operations**

These consolidated financial statements include the financial statements of Credit Bank of Moscow (the “Bank”) and its subsidiaries (together referred to as the “Banking Group”). Along with the Bank the Group also includes a business introduction company.

Credit Bank of Moscow (the “Bank”) was formed on August 5, 1992 as an open joint stock company, then re-registered as a closed joint stock company under the laws of the Russian Federation. On August 18, 1999 the Bank was reorganized as an open joint stock company. The Bank’s registered legal address is 4, Marshala Rybalko Str., Moscow, Russia. The Bank possesses a general banking license from the Central Bank of Russia (the “CBR”), granted on January 20, 2000. The Bank is among the 60 largest banks in Russia by assets. The Bank’s main office is in Moscow and it has 14 full service branches in Moscow. The Bank was admitted to the Central Bank of Russia program for individual deposit insurance in December 2004.

The principal subsidiaries of the Banking Group are as follows:

Name	Country of incorporation	Principal Activities	Ownership %	
			2005	2004
Relax Enterprise	United Kingdom	Business Introduction	100%	0%

The Group does not have any direct or indirect shareholdings in this enterprise. However, this enterprise is established under the terms that impose strict limits on the decision-making powers of its management. In addition, the benefits related to its operations and net assets are presently attributable to the Group via a number of agreements.

**Shareholders**

The Banking Group is wholly-owned by members of the Rossium Group (the “Shareholder Group”). The majority of the Banking Group’s funding is from unrelated sources, and majority of credit exposures are to unrelated lenders. The ultimate beneficial owner of the Banking Group and the Rossium Group is Avdeev Roman Ivanovich. Related party transactions are detailed in Note 23.



**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

At December 31, 2005 the shareholders of the Bank were as follows:

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	2005 (voting and ownership rights)
Centre Garant	39,42%
Yuriditcheskoye agentstvo	29,76%
MKB Group	18,65%
Rossinform	11,03%
Concern Rossium	1,14%
<b>Total</b>	<b>100%</b>

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**(b) Operating environment**

The Russian Federation has been experiencing political and economic instability change which has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks which do not typically exist in other markets. The accompanying consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Bank. The future business environment may differ from management's assessment.

**NOTE 2 – BASIS OF PREPARATION****(a) Statement of compliance**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

**(b) Reporting currency and translation into US dollars**

Prior to December 31, 2003 Russian economy was considered to be hyperinflationary and the Bank used US Dollar as its functional and reporting currency. Starting January 1, 2003 the Russian economy is no longer considered to be hyperinflationary under Statement of Financial Accounting Standard 52 *Foreign Currency Translation*. Accordingly the Bank has conducted an assessment of its operations and determined the Russian Rouble to be its functional currency. Management of the Bank have elected to use US Dollar as the reporting currency in these consolidated financial statements.

The carrying values of all non-monetary assets, liabilities and equity items were translated and fixed in Russian Rubles at the rates effective at the date of transition to the Russian Ruble as the functional currency, January 1, 2003. Translation from functional to reporting currency was conducted as follows:

- all assets and liabilities are translated from the functional to the reporting currency at the exchange rate, effective at the reporting date;
- equity items are translated from functional to reporting currency at the historical exchange rates. Translation adjustments arising from translation of equity are included in Other Comprehensive Income in accordance with SFAS 52;

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

- income statement transactions are translated from functional to reporting currency at the approximate rates ruling at the dates of the transactions. Translation adjustments arising from translation of income and expenses are included in Other Comprehensive Income in accordance with SFAS 52.

The closing rate of exchange effective at December 31, 2005 and 2004 was 1 USD to 28.78 Rubles and 1 USD to 27.75 Rubles, respectively.

**(c) Convertibility of the Ruble**

The Russian Ruble is not a convertible currency outside the Russian Federation and, accordingly, any conversion of Russian Ruble amounts to US dollars should not be construed as a representation that Russian Ruble amounts have been, could be, or will be in the future, convertible into US dollars at the exchange rate shown, or at any other exchange rate.

**(d) Going concern**

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying consolidated financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following significant accounting policies have been applied in the preparation of these consolidated financial statements. These accounting policies have been consistently applied.

***Basis of consolidation***

*Subsidiaries*

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled enterprises are eliminated to the extent of the Group's interest in the enterprise. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

***Use of estimates***

Management of the Bank has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, in particular in respect of loan loss provisions. Actual results could differ from those estimates.

***Loans to customers***

The carrying amounts of the Bank's loans are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the loans' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of a loan exceeds its recoverable amount.

The recoverable amount of loans is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the loan.

The Bank has established collective assessment of impairment loss for retail loans portfolios and for Small loans portfolio. This assessment is based on determination of historical pattern of overdue loans and expected losses separately for each kind of the loan portfolios. The Bank makes reassessments of loan loss provisions on each balance sheet date.

***Due from credit institutions***

In the normal course of business, the Bank lends or deposits funds for various periods with other credit institutions. Impairment losses for placements with banks and other credit institutions is calculated in accordance with the policy similar to the one applied to loans to customers.

***Trading securities***

Trading securities are carried at market value with the gains and losses recognized in the statement of income.

Included in securities trading profits are realized gains and losses from recording the results of sales and unrealized gains and losses resulting from market value adjustments of trading equity securities.

Included in interest income is coupon income, amortization of premiums and discounts and realized and unrealized gains and losses related to trading debt securities.

***Repurchase and reverse repurchase agreements***

Repurchase and reverse repurchase agreements are utilized by the Bank as an element of its treasury management and trading business. Repurchase agreements are accounted for as financing transactions. As financing transactions, the related securities are recorded in the Bank's accounts and the related payable is included as an amount due to credit institutions or customers, respectively. Any related expense arising from the pricing spreads for the underlying securities is recognized as interest expense.

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

Reverse repurchase agreements are accounted for as loans and advances to banks or customers, respectively. Any related income arising from the pricing spreads for the underlying securities is recognized as interest income.

***Property and equipment***

Property and equipment are recorded at historical cost less accumulated depreciation and impairment losses. Depreciation is provided to write off the cost on a straight-line basis over the estimated useful economic life of the asset. The economic lives are as follows:

	<b>Years</b>
Buildings	50
Furniture and equipment	6
Computers	4
Vehicles	5
Other	5

***Intangible assets***

Intangible assets are recorded at historical cost less accumulated amortization and impairment losses. Amortization is provided to write off the cost on a straight-line basis over the estimated useful economic life of the asset. The majority of intangible assets is represented by accounting software.

***Impairment of property and equipment***

The Bank accounts for long lived assets in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144 *Accounting for the Impairment or Disposal of Long-Lived Assets*.

Under this standard the carrying value of the asset is considered to be impaired when the anticipated undiscounted future cash flow from such asset is separately identifiable, and is less than the carrying value.

In that event, an impairment loss is recognized based on the amount by which the carrying value exceeds the fair market value of the asset. Impairment losses are recognized in the income statement. Fair market value is determined primarily using anticipated cash flows discounted at a rate commensurate with the risk involved.

***Interest bearing liabilities***

Interest-bearing liabilities are recognized initially at cost, net of any transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings.

***Income and expense recognition***

Income and expenses are recognized on an accrual basis.

***Dividends***

Dividends are recognized as a liability in the period in which they are declared.

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

***Taxes***

Income taxes are accounted for under the asset and liability method in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 109 *Accounting for Income Taxes*. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Russia also has various other operating taxes, which are assessed on the Bank’s activities. These taxes are included as a component of non-interest expense.

***Statement of cash flows***

The Bank considers cash on hand, correspondent account with the CBR and due from credit institutions with original maturities of three months or less to be cash equivalents.

**NOTE 4 – CASH AND DUE FROM CENTRAL BANK**

Cash and due from Central Bank comprise:

	<b>December 31,2005</b>	<b>December 31,2004</b>
Correspondent account with CBR	34,522	30,142
Obligatory reserve deposits with CBR	10,020	6,516
Cash on hand	34,004	11,705
<b>Cash and due from Central Bank</b>	<b>78,546</b>	<b>48,363</b>

The obligatory reserve deposits are mandatory non-interest bearing deposits calculated in accordance with regulations issued by the CBR, the withdrawal of which is restricted, based on either a reduction in the Bank’s deposit base or a reduction in the required level of reserves. The correspondent account with CBR represents balances held with the CBR related to settlement activity, and was available for withdrawal at period end.

Information about the currency breakdown and maturity profile of cash and due from Central Bank is presented in note 26 to these consolidated financial statements.

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

**NOTE 5 – DUE FROM CREDIT INSTITUTIONS, NET**

Due from credit institutions comprise:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Current accounts	5,840	9,245
Time deposits	46,238	27,808
<b>Due from credit institutions</b>	<b>52,078</b>	<b>37,053</b>

Information about the currency breakdown, maturity profile and effective interest rates on amounts due from credit institutions is presented in note 26 to these consolidated financial statements.

**Concentration of balances due from credit institutions**

As at 31 December 2005 the Bank had 2 banks (31 December 2004: 2 banks) whose balances exceeded 10% of Bank's equity. The gross value of these balances as of 31 December 2005 was USD 31,200 thousand (2004 - USD 21,622 thousand).

**NOTE 6 – TRADING SECURITIES**

Trading securities, at fair value, consist of the following:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Debt instruments		
Corporate promissory notes and bonds	71,507	21,513
Fixed income Russian Government debt securities	9,669	5,627
Municipal bonds	6,035	5,571
<b>Trading securities</b>	<b>87,211</b>	<b>32,711</b>

Information about the currency breakdown, maturity profile and effective interest rates on Bank's trading securities is presented in note 26 to these consolidated financial statements.

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

**NOTE 7 – LOANS TO CUSTOMERS**

The Bank's loan portfolio has been extended to private enterprises and individuals only. Loans to customers are made principally within the Russian Federation. Loans to customers and respective provisions for loan losses are presented below:

	<b>December 31, 2005</b>		<b>December 31, 2004</b>	
	<b>Loans</b>	<b>Loss provisions</b>	<b>Loans</b>	<b>Loss provisions</b>
<b>Consumer loans</b>				
Domestic car loans	42,739	(1,068)	18,395	(1,287)
Foreign car loans	33,956	(849)	23,796	(1,704)
Other consumer loans	4,070	(1,027)	11,731	(1,098)
Mortgage loans	1,431	(4)	1,286	(26)
	<b>82,196</b>	<b>(2,948)</b>	<b>55,208</b>	<b>(4,115)</b>
<b>Corporate loans</b>	<b>346,817</b>	<b>(9,845)</b>	<b>231,853</b>	<b>(11,653)</b>
<b>Small business loans</b>	<b>10,315</b>	<b>(309)</b>	<b>3,696</b>	<b>(473)</b>
<b>Total</b>	<b>439,328</b>	<b>(13,102)</b>	<b>290,757</b>	<b>(16,241)</b>

Corporate and Small business loans by economic sector are as follows:

	<b>Corporate loans</b>		<b>Small business loans</b>	
	<b>December 31, 2005</b>	<b>December 31, 2004</b>	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Consumer electronics and computers	82,671	34,204	457	-
Construction materials	47,854	31,517	808	220
Light industry	39,266	31,325	1,865	1,054
Foods	34,757	43,644	536	440
Machinery	29,046	10,133	1,411	398
Sports goods	23,157	19,292	238	5
Services	19,860	16,295	970	306
Other consumer goods	18,787	10,749	1,344	838
Hygiene products and consumer chemicals	15,326	8,347	978	333
Paper and stationery	13,763	1,800	122	-
Furniture	12,715	14,222	690	35
Medical	4,469	2,160	58	27
Oil	893	1,298	-	40
Metallurgic	587	2,282	444	-
Other corporate	3,666	4,585	394	-
	<b>346,817</b>	<b>231,853</b>	<b>10,315</b>	<b>3,696</b>

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

The numbers of contracts and clients within the consumer loan portfolio are as follows:

	<b>Number of contracts</b>		<b>Number of clients</b>	
	<b>December 31, 2005</b>	<b>December 31, 2004</b>	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Domestic car loans	7,187	2,933	7,179	2,930
Foreign car loans	3,700	2,704	3,179	1,950
Other consumer loans	774	8,316	598	4,154
Mortgage loans	28	25	28	25

**Overdue corporate loans**

Overdue corporate loans are as follows:

	<b>December 31, 2005</b>		<b>December 31, 2004</b>	
	<b>Overdue loans</b>	<b>Loss provisions</b>	<b>Overdue loans</b>	<b>Loss provisions</b>
<b>Corporate loans</b>	8,141	7,839	5,724	4,420

Information about the currency breakdown, maturity profile and effective interest rates on Bank's loan portfolio is presented in note 26 to these consolidated financial statements.

**Significant credit exposures**

As at December 31, 2005 the Bank had 2 groups of borrowers (December 31, 2004: one) whose loans balances exceeded 10% of equity. The gross value of these loans as of December 31, 2005 was USD 27,970 thousand (December 31, 2004: USD 21,179 thousand).



**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

**NOTE 8 – PROPERTY AND EQUIPMENT**

Property and equipment comprise:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Land and buildings	887	883
Fixtures and fittings	<u>6,731</u>	<u>6,162</u>
	<b>7,618</b>	<b>7,045</b>
Less - accumulated depreciation	<u>(4,062)</u>	<u>(3,615)</u>
<b>Property and equipment</b>	<b><u>3,556</u></b>	<b><u>3,430</u></b>

**NOTE 9 – OTHER ASSETS**

Other assets comprise:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Accrued interest receivable	2,087	1,327
Comissions receivable	1,784	-
Prepaid expenses	1,003	639
Trade debtors and prepayments	807	351
Intangibles	190	216
Other	<u>619</u>	<u>937</u>
<b>Other assets</b>	<b><u>6,490</u></b>	<b><u>3,470</u></b>

**NOTE 10 – DEPOSITS BY CREDIT INSTITUTIONS**

Deposits by credit institutions comprise:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Demand deposits	1,461	1,351
Time deposits	<u>143,393</u>	<u>48,253</u>
<b>Deposits by credit institutions</b>	<b><u>144,854</u></b>	<b><u>49,604</u></b>

Information about the currency breakdown, maturity profile and effective interest rates on deposits by credit institutions is presented in note 26 to these consolidated financial statements.

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

(All amounts in thousands of US Dollars)

**Concentration of deposits from credit institutions**

As at December 31, 2005 the Bank had balances of 2 banks (December 31, 2004: 3 banks) whose deposits' balances exceeded 10% of equity. The gross value of these balances as of December 31, 2005 was USD 30,403 thousand – all in respect of time deposits (December 31, 2004: USD 38,898 thousand – all in respect of time deposits).

**NOTE 11 – DEPOSITS BY CUSTOMERS**

Deposits by customers comprise:

		<b>December 31, 2005</b>	<b>December 31, 2004</b>
Corporate customers	Demand	126,127	67,076
	Time	17,431	8,110
Total corporate customers		<u>143,558</u>	<u>75,186</u>
Individuals	Demand	13,936	8,497
	Time	71,666	41,881
Total individuals		<u>85,602</u>	<u>50,378</u>
Total deposits by customers		<u>229,160</u>	<u>125,564</u>

Information about the currency breakdown, maturity profile and effective interest rates on deposits by customers is presented in note 26 to these consolidated financial statements.

**Concentrations of current accounts and customer deposits**

As at December 31, 2005 and 2004, there were no demand or time deposits from customers, which individually exceeded 10% of equity.

**NOTE 12 – DEBT SECURITIES ISSUED**

Debt securities issued comprise:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Promissory notes issued–nominal value	150,543	123,047
Unamortized discount on promissory notes	(3,734)	(3,237)
	<u>146,809</u>	<u>119,810</u>
Bonds issued	17,372	
Certificates of deposit	14	-
	<u>164,195</u>	<u>119,810</u>

Information about the currency breakdown, maturity profile and effective interest rates on promissory notes and certificates of deposit is presented in note 26 to these consolidated financial statements.

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**NOTE 13 – COMMON STOCK**

The stockholders' equity of the Bank has been contributed by stockholders in Rubles. Stockholders are entitled to dividends and capital distributions.

Issued, outstanding and paid stock comprised 393,289,502 shares (December 31, 2004: 393,289,502 shares) with par value of 1 RUR per share. For the purposes of these consolidated financial statements stockholders' equity was translated into US dollars using the exchange rates ruling at the dates of its contribution.

**NOTE 14 – EARNINGS PER SHARE**

The following table presents the computation of earnings per share based on the provisions of SFAS No. 128 for the year ended December 31, 2005 and 2004:

<b>Basic and fully diluted earnings per share (thousands of US Dollars except for weighted-average shares and net income per share data)</b>	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Net income applicable to common shares	10,907	5,390
Weighted-average basic shares outstanding	393,289,502	393,289,502
Net income per share	\$0.028	\$0.014

**NOTE 15 – NET INTEREST INCOME**

Net interest income comprises:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
<b>Interest income</b>		
Loans to customers	33,950	32,659
Debt securities	7,779	1,943
Due from credit institutions	741	229
	<u>42,470</u>	<u>34,831</u>
<b>Interest expense</b>		
Deposits by customers	9,623	4,412
Debt securities issued	5,540	4,842
Deposits by credit institutions	4,752	1,336
	<u>19,915</u>	<u>10,590</u>
<b>Net interest income</b>	<u>22,555</u>	<u>24,241</u>

**Credit Bank of Moscow**

Notes to consolidated financial statements December 31, 2005

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**NOTE 16 – PROVISION FOR CREDIT IMPAIRMENT**

Provisions for impairment in the income statement represents the charge required in the current year to establish the total provision for impairment.

The breakdown of the credit loss provisions by type is presented in the following table:

	<b>Loans to customers</b>	<b>Due from credit institutions</b>	<b>Off balance sheet items</b>	<b>Total allowance</b>
<b>December 31, 2003</b>	<b>12,313</b>	<b>2</b>	<b>2,120</b>	<b>14,435</b>
Provisions charged / (recovered)	3,928	(2)	(1,420)	2,506
<b>December 31, 2004</b>	<b>16,241</b>	<b>0</b>	<b>700</b>	<b>16,941</b>
Provisions charged / (recovered)	(3,139)	0	(663)	(3,802)
<b>December 31, 2005</b>	<b>13,102</b>	<b>0</b>	<b>37</b>	<b>13,139</b>

**NOTE 17 – FEES AND COMMISSIONS INCOME**

	<b>2005</b>	<b>2004</b>
Settlements and wire transfers	5,280	3,858
Cash operations	2,938	2,474
Business introduction	1,784	-
Guarantees and LCs issued	993	2,040
Other	6,118	1,960
<b>Fees and commissions income</b>	<b>17,113</b>	<b>10,332</b>

**NOTE 18 – SECURITIES TRADING PROFITS, NET**

	<b>2005</b>	<b>2004</b>
Gains from operations with equity securities	-	619
Losses from operations with equity securities	-	(10)
<b>Securities trading profits, net</b>	<b>-</b>	<b>609</b>

**Credit Bank of Moscow**

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**NOTE 19 – SALARIES, EMPLOYMENT BENEFITS AND ADMINISTRATIVE EXPENSES**

	<b>2005</b>	<b>2004</b>
Salaries	17,091	12,053
Social security costs	1,755	890
Other	12	-
<b>Salaries and employment benefits</b>	<b>18,858</b>	<b>12,943</b>
Occupancy	3,184	3,165
Operating taxes	1,826	1,442
Business development	1,348	1,309
Communications	730	729
Transport	629	426
Security	408	178
Other	714	331
<b>Administrative expenses</b>	<b>8,839</b>	<b>7,580</b>

The Bank does not have pension arrangements separate from the State pension system of the Russian Federation. The Russian Federation system requires current contributions by the employer calculated as a percentage of current gross salary payments; such expense is charged to the income statement in the period the related compensation is earned by the employee. The Bank does not have any stock option plans.

**NOTE 20 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Correspondent account with the CBR	34,522	30,142
Due from credit institutions with the original maturity of less than 3 months	52,078	37,053
Cash on hand	34,004	11,705
<b>Cash and cash equivalents</b>	<b>120,604</b>	<b>78,900</b>

**NOTE 21 – INCOME TAXES**

The provision for income taxes comprises:

	<b>2005</b>	<b>2004</b>
Current tax charge	1,096	750
Deferred taxation	2,223	1,723
<b>Taxation</b>	<b>3,319</b>	<b>2,473</b>

Russian legal entities must report taxable income and remit income taxes thereon to the appropriate authorities. The current year income tax rate for the Bank is 24%.

**Credit Bank of Moscow**

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The effective income tax rate differs from the statutory income tax rates. A reconciliation of the provision for income taxes based on statutory rates with the actual provision for income taxes follows:

	<b>2005</b>	<b>2004</b>
Income before tax	14,226	7,863
Applicable statutory tax rate	24%	24%
Income tax using the applicable tax rate	3,414	1,887
Income taxed at lower rate	(156)	(37)
Net non-deductible costs/(non-taxable income), net	61	623
<b>Taxation</b>	<b>3,319</b>	<b>2,473</b>

Income tax liabilities comprise:

	<b>2005</b>	<b>2004</b>
Current tax liability	419	-
Deferred tax liability	9,602	7,378
<b>Income tax liability</b>	<b>10,021</b>	<b>7,378</b>

A current tax liability is recognized for the estimated taxes payable or refundable on tax returns for the reporting year. A deferred tax liability is recognized for the estimated future tax effects attributable to temporary differences.

Accumulated temporary differences between the carrying amounts of assets and liabilities reflected in these consolidated financial statements and their bases for local taxation purposes give rise to a net deferred tax liability of USD 9,602 thousand as of December 31, 2005 (2004: USD 7,378 thousand). This deferred tax liability is attributable to the following items, listed below at their tax effected values:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
Property and equipment	(201)	(201)
<b>Deferred tax assets</b>	<b>(201)</b>	<b>(201)</b>
Provisions	9,168	7,407
Accrued interest	634	173
<b>Deferred tax liabilities</b>	<b>9,803</b>	<b>7,579</b>
<b>Net deferred tax liability</b>	<b>9,602</b>	<b>7,378</b>

The applicable deferred tax rate for the Bank is 24% (2004: 24%).

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**NOTE 22 – COMMITMENTS AND CONTINGENCIES***a) Financial commitments*

Undrawn loan commitments and guarantees at December 31, 2005 and 2004 comprise:

	<b>December 31, 2005</b>	<b>December 31, 2004</b>
<b>Commitments given</b>		
Undrawn loan commitments	11,933	3,692
Letters of credit and guarantees	<u>14,677</u>	<u>18,788</u>
	<u><b>26,610</b></u>	<u><b>22,480</b></u>

At December 31, 2005 the Bank provided for potential losses on guarantees in the amount of USD 37 thousand (December 31, 2004: USD 701 thousand).

*b) Legal*

Bank management is unaware of any significant actual, pending or threatened claims against the Bank.

*c) Insurance*

The Bank has arranged comprehensive crime, computer crime, property and liability insurance.

*d) Tax*

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. In addition certain transactions could be treated as inappropriately reducing taxes by the tax authorities. Management believes that it has provided adequately for tax liabilities. However, the relevant tax authorities could take a different position and the effect on these consolidated financial statements, if the authorities were successful in enforcing their position, could be significant.

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**NOTE 23 – RELATED PARTIES**

The outstanding balances and related average interest rates as of December 31, 2005 and 2004 with related parties are as follows:

	<b>December 31, 2005</b>		<b>December 31, 2004</b>	
	<b>Amount</b>	<b>Average effective interest rate</b>	<b>Amount</b>	<b>Average effective interest rate</b>
<i>Assets</i>				
Loans to customers, gross	7,196	10.1%	22,298	12.3%
<i>Liabilities</i>				
Deposits by customers	735	1.5%	122	2.0%

Material amounts included in the income statements for years ended December 31, 2005 and 2004 in relation to transactions with related parties are as follows:

	<b>Year ended December 31, 2005</b>	<b>Year ended December 31, 2004</b>
Interest income on loans to customers	1,995	1,661

**NOTE 24 – CAPITAL ADEQUACY**

The Bank's risk based capital adequacy ratio was 19% for December 31, 2005 and 28% for December 31, 2004, which exceeds the minimum ratio of 8% recommended by the Basle Accord.

**NOTE 25 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of SFAS No.107. The Bank has performed an assessment of its financial instruments to determine whether it is practicable within the constraints of timeliness and cost to determine their fair values with sufficient reliability.



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The Bank has concluded that due to the lack of liquidity and published “indicator interest rates” in the Russian markets, and the fact that some of its transactions are with related parties and of a specialized nature, it is not possible to determine the fair value of the obligatory reserve deposits with CBR, loans to customers, deposits by customers, promissory notes and certificates of deposit.

The financial assets and financial liabilities that the Bank does believe it is able to estimate fair values for are as follows:

	<b>December 31, 2005</b>		<b>December 31, 2004</b>	
	<b>Carrying value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Fair value</b>
<b>Financial Assets</b>				
Cash and correspondent account with CBR	68,526	68,526	41,847	41,847
Due from credit institutions, net	52,078	52,078	37,053	37,053
Trading securities	87,211	87,211	32,711	32,711
<b>Financial Liabilities</b>				
Deposits by credit institutions	144,854	144,854	49,604	49,604

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and correspondent account with CBR, due from credit institutions and deposits by credit institutions: the carrying amounts approximate fair value because of the short maturity of these instruments.

Trading securities: the fair values are based on quoted market prices for these or similar instruments.

This estimate of fair value is intended to approximate the amount at which the above listed assets could be exchanged in a current transaction between willing parties. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realizable in an immediate settlement of the instruments.

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**NOTE 26 – RISK MANAGEMENT POLICIES**

Management of risk is fundamental to the banking business and is an essential element of the Bank's operations. The main risks inherent to the Bank's operations are those related to credit exposures, liquidity and market movements in interest rates and foreign exchange rates. A description of the Bank's risk management policies in relation to those risks follows:

**Credit risk**

The Bank is exposed to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry and geographical segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are frequently fully or partially covered by the funds deposited by customers and therefore usually bear limited credit risk.

With respect to undrawn loan commitments the Bank is potentially exposed to loss in an amount equal to the total amount of such commitments. However, the likely amount of loss is less than that, since most commitments are contingent upon certain conditions set out in the loan agreements.

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The geographical concentration of monetary assets and liabilities follows:

	<b>December 31, 2005</b>				<b>December 31, 2004</b>			
	<b>Russia</b>	<b>OECD</b>	<b>Other non- OECD</b>	<b>Total</b>	<b>Russia</b>	<b>OECD</b>	<b>Other non- OECD</b>	<b>Total</b>
<b>Assets</b>								
Cash and due from CBR	75,496	3,050	-	<b>78,546</b>	45,860	2,503	-	<b>48,363</b>
Due from credit institutions, gross	38,560	13,503	15	<b>52,078</b>	28,476	8,574	3	<b>37,053</b>
Trading securities	87,211	-	-	<b>87,211</b>	32,711	-	-	<b>32,711</b>
Loans to customers, gross	415,342	18,237	5,749	<b>439,328</b>	290,734	-	23	<b>290,757</b>
	<b>616,609</b>	<b>34,790</b>	<b>5,764</b>	<b>657,163</b>	<b>397,781</b>	<b>11,077</b>	<b>26</b>	<b>408,884</b>
<b>Liabilities</b>								
Deposits by credit institutions	43,708	92,696	8,450	<b>144,854</b>	28,459	20,824	321	<b>49,604</b>
Deposits by customers	217,550	910	10,700	<b>229,160</b>	121,717	1,128	2,719	<b>125,564</b>
Debt securities issued	150,833	10,152	3,210	<b>164,195</b>	119,810	-	-	<b>119,810</b>
	<b>412,091</b>	<b>103,758</b>	<b>22,360</b>	<b>538,208</b>	<b>269,986</b>	<b>21,952</b>	<b>3,040</b>	<b>294,978</b>
<b>Net position</b>	204,518	(68,968)	(16,596)	<b>118,954</b>	127,795	(10,875)	(3,014)	<b>113,906</b>

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**Currency risk**

The Bank is exposed to effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currencies. These limits also comply with the minimum requirements of the Central Bank of Russia.

The Bank's exposure to foreign currency exchange rate risk is as follows:

	<b>December 31, 2005</b>				<b>December 31, 2004</b>			
	<b>USD</b>	<b>Rubles</b>	<b>Other currencies</b>	<b>Total</b>	<b>USD</b>	<b>Rubles</b>	<b>Other currencies</b>	<b>Total</b>
<b>Assets</b>								
Cash and due from CBR	2,441	75,496	609	<b>78,546</b>	2,111	45,860	392	<b>48,363</b>
Due from credit institutions, gross	11,231	37,631	3,216	<b>52,078</b>	6,975	27,800	2,278	<b>37,053</b>
Trading securities	57	87,154	-	<b>87,211</b>	52	32,659	-	<b>32,711</b>
Loans to customers, gross	87,100	316,621	35,607	<b>439,328</b>	44,219	226,322	20,216	<b>290,757</b>
	<b>100,829</b>	<b>516,902</b>	<b>39,432</b>	<b>657,163</b>	<b>53,357</b>	<b>332,641</b>	<b>22,886</b>	<b>408,884</b>
<b>Liabilities</b>								
Deposits by credit institutions	72,631	36,940	35,283	<b>144,854</b>	1,638	27,033	20,933	<b>49,604</b>
Deposits by customers	32,059	187,950	9,151	<b>229,160</b>	23,802	95,223	6,539	<b>125,564</b>
Debt securities issued	21,211	138,398	4,586	<b>164,195</b>	16,950	94,893	7,967	<b>119,810</b>
	<b>125,901</b>	<b>363,288</b>	<b>49,020</b>	<b>538,209</b>	<b>42,390</b>	<b>217,149</b>	<b>35,439</b>	<b>294,978</b>
<b>Net position</b>	<b>(25,072)</b>	<b>153,614</b>	<b>(9,588)</b>	<b>118,954</b>	<b>10,967</b>	<b>115,492</b>	<b>(12,553)</b>	<b>113,906</b>

**Liquidity risk**

The Bank is exposed to daily calls on its available cash resources from overnight deposits, current deposits, maturing deposits, loan draw downs and guarantees. The Bank maintains liquidity management with the objective of ensuring that funds will be available at all times to honor all cash flow obligations as they become due. The Bank's Asset and Liability Management Committee sets limits on the minimum proportion of maturing funds available to cover such cash outflows and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

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The contractual maturities of monetary assets and liabilities as of December 31, 2005 and 2004 are as follows:

<b>December 31, 2005</b>							
	<b>Less than 1 month</b>	<b>1 – 6 months</b>	<b>6 months to 1 year</b>	<b>Over 1 year</b>	<b>No maturity</b>	<b>Overdue</b>	<b>Total</b>
<b>Assets</b>							
Cash and due from CBR	68,526	-	-	-	10,020	-	<b>78,546</b>
Due from credit institutions, gross	52,078	-	-	-	-	-	<b>52,078</b>
Trading securities	2,250	28,195	21,203	35,563	-	-	<b>87,211</b>
Loans to customers, gross	143,867	174,824	44,426	66,651	-	9,560	<b>439,328</b>
	<b>266,721</b>	<b>203,019</b>	<b>65,629</b>	<b>102,214</b>	<b>10,020</b>	<b>9,560</b>	<b>657,163</b>
<b>Liabilities</b>							
Deposits by credit institutions	46,593	34,280	47,309	16,672	-	-	<b>144,854</b>
Deposits by customers	147,409	53,169	27,339	1,243	-	-	<b>229,160</b>
Debt securities issued	35,755	97,673	27,614	3,153	-	-	<b>164,195</b>
	<b>229,757</b>	<b>185,122</b>	<b>102,262</b>	<b>21,068</b>	-	-	<b>538,208</b>
<b>Net position</b>	<b>36,964</b>	<b>17,897</b>	<b>(36,633)</b>	<b>81,146</b>	<b>10,020</b>	<b>9,560</b>	<b>118,954</b>
<i>Accumulated gap</i>	<b>36,964</b>	<b>54,861</b>	<b>18,228</b>	<b>99,374</b>	<b>109,394</b>	<b>118,954</b>	-
<b>December 31, 2004</b>							
	<b>Less than 1 month</b>	<b>1 – 6 months</b>	<b>6 months to 1 year</b>	<b>Over 1 year</b>	<b>No maturity</b>	<b>Overdue</b>	<b>Total</b>
<b>Assets</b>							
Cash and due from CBR	41,847	-	-	-	6,516	-	<b>48,363</b>
Due from credit institutions, gross	37,053	-	-	-	-	-	<b>37,053</b>
Trading securities	5,393	4,190	9,759	13,369	-	-	<b>32,711</b>
Loans to customers, gross	107,529	114,909	16,403	47,645	-	4,271	<b>290,757</b>
	<b>191,822</b>	<b>119,099</b>	<b>26,162</b>	<b>61,014</b>	<b>6,516</b>	<b>4,271</b>	<b>408,884</b>
<b>Liabilities</b>							
Deposits by credit institutions	35,908	446	70	13,181	-	-	<b>49,604</b>
Deposits by customers	81,350	28,757	14,438	1,020	-	-	<b>125,564</b>
Debt securities issued	21,501	88,103	10,206	-	-	-	<b>119,810</b>
	<b>138,758</b>	<b>117,306</b>	<b>24,714</b>	<b>14,201</b>	-	-	<b>294,978</b>
<b>Net position</b>	<b>53,064</b>	<b>1,794</b>	<b>1,448</b>	<b>46,813</b>	<b>6,516</b>	<b>4,271</b>	<b>113,906</b>
<i>Accumulated gap</i>	<b>53,064</b>	<b>54,858</b>	<b>56,306</b>	<b>103,119</b>	<b>109,635</b>	<b>113,906</b>	

The maturity gap analysis does not reflect the historical stability of current accounts, whose liquidation has historically taken place over a longer period than that indicated in the table above. The table is based upon these accounts' entitlement to withdraw on demand.

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**Interest rate risk**

The Bank is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest rate risk is measured by the extent to which changes in market interest rates impact margins and net income. To the extent the term structure of interest bearing assets differs from that of liabilities, net interest income will increase or decrease as a result of movements in interest rates. The Bank's expected repricing and maturity dates do not differ significantly from the contract dates, which are disclosed in the liquidity risk table above.

Interest rate risk is managed by increasing or decreasing positions within limits specified by the Bank's management. These limits restrict the potential effect of movements in interest rates on interest margin and on the value of interest-sensitive assets and liabilities.

The Bank's interest rate policy is reviewed and approved by the Bank's Assets and Liabilities Management Committee. The Bank's average effective interest rates as at December 31, 2005 and 2004 for interest bearing financial instruments follow:

	December 31, 2005			December 31, 2004		
	US Dollars	Rubles	Other foreign currencies	US Dollars	Rubles	Other foreign currencies
<b>Interest earning assets</b>						
Due from credit institutions	3.3%	7.1%	-	0.2%	3.5%	-
Trading securities – government bonds	5.6%	6.1%	-	6.6%	6.5%	-
Trading securities – corporate notes and municipal bonds	-	7.7%	-	-	7.0%	-
Loans to customers	10.5%	10.0%	4.1%	13.0%	9.1%	7.5%
<b>Interest bearing liabilities</b>						
Deposits by credit institutions	7.1%	7.0%	3.8%	2.6%	3.8%	3.1%
Deposits by customers	6.1%	3.2%	5.2%	5.2%	3.0%	6.3%
Debt securities issued	6.7%	6.2%	3.5%	3.6%	12.4%	5.8%