

**CREDIT BANK OF MOSCOW**  
(open joint-stock company)

Interim Condensed Consolidated  
Financial Statements  
for the six-month period  
ended 30 June 2011

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## **Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information**

To the Management of Credit Bank of Moscow (open joint-stock company)

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Credit Bank of Moscow (open joint-stock company) and its subsidiaries as at 30 June 2011, and the related interim condensed consolidated statements of comprehensive income for the three- and six-month periods ended 30 June 2011, and changes in equity and cash flows for the six-month period ended 30 June 2011 (the interim condensed consolidated financial information). Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information as at 30 June 2011 and for the three- and six-month periods ended 30 June 2011 is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

### *Other Matter*

The corresponding figures for the three-month period ended 30 June 2010 are unreviewed.

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8 September 2011

*CREDIT BANK OF MOSCOW (open joint-stock company)*  
*Interim Condensed Consolidated Statement of Comprehensive Income*  
*for the six-month period ended 30 June 2011*

	Notes	Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)	Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)	Three-Month Period Ended 30 June 2011 RUB'000 (unaudited)	Three-Month Period Ended 30 June 2010 RUB'000 (unaudited)
Interest income	4	9 235 588	6 473 065	4 866 948	3 368 557
Interest expense	4	(5 361 511)	(3 927 310)	(2 918 574)	(2 022 826)
<b>Net interest income</b>	4	<b>3 874 077</b>	<b>2 545 755</b>	<b>1 948 374</b>	<b>1 345 731</b>
Provision for impairment of loans	12	(813 970)	(686 379)	(670 428)	(385 549)
<b>Net interest income after provision for impairment</b>		<b>3 060 107</b>	<b>1 859 376</b>	<b>1 277 946</b>	<b>960 182</b>
Fee and commission income	5	1 138 679	807 616	621 640	425 112
Net gain (loss) on financial instruments at fair value through profit or loss		58 920	208 005	(26 355)	(171 726)
Net realized gain on available-for-sale securities		43 811	23 841	28 504	22 254
Foreign exchange gains, net		168 335	102 402	107 245	58 522
Other operating income		108 085	77 148	60 438	50 736
<b>Non-interest income</b>		<b>1 517 830</b>	<b>1 219 012</b>	<b>791 472</b>	<b>384 898</b>
Salaries and employment benefits	6	(974 877)	(650 601)	(509 888)	(346 847)
Administrative expenses	6	(747 328)	(574 732)	(388 205)	(361 237)
(Provision for) reversal of impairment of other assets and credit related commitments		(137 377)	8 555	(137 217)	19 261
Depreciation of property and equipment	13	(109 318)	(78 987)	(57 498)	(40 338)
Fee and commission expense		(74 002)	(35 027)	(40 739)	(10 343)
State deposit insurance scheme contributions		(116 256)	(69 986)	(62 358)	(36 622)
Other operating expenses		(93 002)	(110 849)	(50 686)	(91 793)
<b>Non-interest expense</b>		<b>(2 252 160)</b>	<b>(1 511 627)</b>	<b>(1 246 591)</b>	<b>(867 919)</b>
<b>Income before income taxes</b>		<b>2 325 777</b>	<b>1 566 761</b>	<b>822 827</b>	<b>477 161</b>
Income tax	7	(467 018)	(305 606)	(175 043)	(93 136)
<b>Net income</b>		<b>1 858 759</b>	<b>1 261 155</b>	<b>647 784</b>	<b>384 025</b>
<b>Other comprehensive income</b>					
Revaluation reserve for available-for-sale securities		(11 072)	(70 909)	14 269	(77 871)
Income tax related to other comprehensive income		2 214	14 182	(2 854)	15 574
<b>Other comprehensive income (loss) for the period, net of tax</b>		<b>(8 858)</b>	<b>(56 727)</b>	<b>11 415</b>	<b>(62 297)</b>
<b>Comprehensive income for the period</b>		<b>1 849 901</b>	<b>1 204 428</b>	<b>659 199</b>	<b>321 728</b>

Chairman of Management Board

Chief Accountant



Alexander N.Nikolashin

Svetlana V.Sass

The interim condensed consolidated statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the interim condensed consolidated financial statements.

*CREDIT BANK OF MOSCOW (open joint-stock company)*  
*Interim Condensed Consolidated Statement of Financial Position*  
*as at 30 June 2011*

	Notes	30 June 2011 RUB'000 (unaudited)	31 December 2010 RUB'000
<b>ASSETS</b>			
Cash and cash equivalents	8	21 451 749	23 336 426
Obligatory reserves with the Central Bank of the Russian Federation		1 537 656	756 584
Due from credit institutions	9	4 178 543	586 968
Financial instruments at fair value through profit or loss	10	21 152 366	27 475 153
Available-for-sale securities	11	2 742 558	4 461 645
Loans to customers	12	147 389 723	103 852 309
Property and equipment	13	4 337 441	4 255 117
Other assets		1 116 293	746 441
<b>Total assets</b>		<b>203 906 329</b>	<b>165 470 643</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits by credit institutions	14	20 588 784	27 863 284
Deposits by customers	15	120 754 786	95 088 028
Debt securities issued	16	36 091 623	27 251 096
Deferred tax liability	7	1 675 558	493 903
Current tax liability	7	-	142 237
Other liabilities		1 142 221	865 000
<b>Total liabilities</b>		<b>180 252 972</b>	<b>151 703 548</b>
<b>Equity</b>			
Share capital	17	11 638 088	7 138 088
Additional paid-in capital		3 699 047	162 686
Revaluation surplus for buildings		500 424	500 424
Revaluation reserve for available-for-sale securities		19 209	28 067
Retained earnings		7 796 589	5 937 830
<b>Total equity</b>		<b>23 653 357</b>	<b>13 767 095</b>
<b>Total liabilities and equity</b>		<b>203 906 329</b>	<b>165 470 643</b>
Commitments and Contingencies	18-19		

The interim condensed consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the interim condensed consolidated financial statements.

*CREDIT BANK OF MOSCOW (open joint-stock company)*  
*Interim Condensed Consolidated Statement of Cash Flows*  
*for the six-month period ended 30 June 2011*

	Notes	<b>Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>
<b>Net cash used in operations</b>		<b>(18 766 264)</b>	<b>(5 587 122)</b>
<b>Net cash from (used in) investing activities</b>		<b>1 481 609</b>	<b>(1 665 293)</b>
<b>Net cash from financing activities</b>		<b>15 581 560</b>	<b>3 497 149</b>
Effect of exchange rates changes on cash and cash equivalents		(181 582)	(114 286)
<b>Change in cash and cash equivalents</b>		<b>(1 884 677)</b>	<b>(3 869 552)</b>
Cash and cash equivalents, beginning of the period		23 336 426	8 629 775
<b>Cash and cash equivalents, end of the period</b>	<b>8</b>	<b>21 451 749</b>	<b>4 760 223</b>

The interim condensed consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the interim condensed consolidated financial statements.

*CREDIT BANK OF MOSCOW (open joint-stock company)*  
*Interim Condensed Consolidated Statement of Changes in Equity*  
*for the six-month period ended 30 June 2011*

	Share capital	Additional paid-in capital	Revaluation surplus for buildings	Revaluation reserve for available-for- sale securities	Retained earnings	Total equity
	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000
<b>31 December 2009</b>	<b>7 138 088</b>	<b>162 686</b>	<b>500 424</b>	<b>325 794</b>	<b>2 916 454</b>	<b>11 043 446</b>
Total comprehensive income for the period (unaudited)	-	-	-	(56 727)	1 261 155	1 204 428
<b>30 June 2010 (unaudited)</b>	<b>7 138 088</b>	<b>162 686</b>	<b>500 424</b>	<b>269 067</b>	<b>4 177 609</b>	<b>12 247 874</b>
<b>31 December 2010</b>	<b>7 138 088</b>	<b>162 686</b>	<b>500 424</b>	<b>28 067</b>	<b>5 937 830</b>	<b>13 767 095</b>
Total comprehensive income for the period (unaudited)	-	-	-	(8 858)	1 858 759	1 849 901
Transactions with owners, recorded directly in equity						
Shares issued (unaudited)	4 500 000	-	-	-	-	4 500 000
Contribution from the ultimate shareholder (net of deferred tax of RUB 884 090 thousand) (unaudited)	-	3 536 361	-	-	-	3 536 361
Total transactions with owners, recorded directly in equity	4 500 000	3 536 361	-	-	-	8 036 361
<b>30 June 2011 (unaudited)</b>	<b>11 638 088</b>	<b>3 699 047</b>	<b>500 424</b>	<b>19 209</b>	<b>7 796 589</b>	<b>23 653 357</b>

The interim condensed consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the interim condensed consolidated financial statements.

# 1 Background

## Principal activities

These interim condensed consolidated financial statements include the financial statements of CREDIT BANK OF MOSCOW (open joint-stock company) (the Bank) and its subsidiaries (together referred to as the Group).

CREDIT BANK OF MOSCOW was formed on 5 August 1992 as an open joint stock company, then re-registered as a closed joint stock company under the legislation of the Russian Federation. On 18 August 1999 the Bank was reorganized as an open joint-stock company. The Bank's registered legal address is 2 (bldg. 1) Lukov pereulok, Moscow, Russia. The Bank operates under a general banking license from the Central Bank of the Russian Federation (the CBR), granted on 20 January 2000. In December 2004 the Bank was admitted to the CBR program for individual deposit insurance.

The Bank is among the 20 largest banks in Russia by net assets and runs its business in Moscow and Moscow region through a branch network comprising 53 branches and 12 cash offices, and with ATMs and payment terminals numbering 466 and 2 526, respectively.

The principal subsidiaries of the Group are as follows:

Name	Date of incorporation	Country of incorporation	Principal Activities	Degree of control, %	
				30 June 2011	31 December 2010
CBOM Finance p.l.c.	17 August 2006	Ireland	Raising finance	100%	100%
MKB-Invest	4 June 2007	Russia	Operations with securities	100%	100%
MKB-Leasing	20 September 2005	Russia	Financial lease	100%	100%

The Bank does not have any direct or indirect shareholdings in the subsidiaries noted above. CBOM Finance p.l.c. was established to raise capital by the issue of debt securities and to use an amount equal to the proceeds of each such issuance to advance loans to the Bank. MKB-Invest and MKB-Leasing are controlled by the Group through option agreements.

## Shareholders

The Group is wholly-owned by "Rossium Concern", LLC (the parent company). The ultimate beneficial owner of Rossium Concern is Roman I. Avdeev, who is also a member of the Supervisory Board of the Bank. The members of the Supervisory Board are as follows:

### Supervisory Board

Sandy Vaci	Chairman
Richard Damien Glasspool	Member
Genadi Lewinski	Member
Mustafa Boran	Member
Roman I. Avdeev	Member
Alexander N. Nikolashin	Member
Anton R. Avdeev	Member
Nikolay V. Kosarev	Member
Vladimir A. Chubar	Member

Related party transactions are detailed in note 21.



## **Russian business environment**

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. In addition, the contraction in the capital and credit markets and its impact on the Russian economy have further increased the level of economic uncertainty in the environment. The interim condensed consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

## **2 Basis of preparation**

### **Statement of compliance**

The accompanying interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full financial statements, and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2010, as these interim condensed consolidated financial statements provide an update of previously reported financial information.

### **Basis of measurement**

The interim condensed consolidated financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss and available-for-sale securities are stated at fair value and buildings are stated at revalued amounts.

### **Functional and presentation currency**

The national currency of the Russian Federation is the Russian Rouble (RUB). Management determined the functional currency to be the RUB as it reflects the economic substance of the underlying events and circumstances of the Bank. The RUB is also the presentation currency for the purposes of these interim condensed consolidated financial statements.

Financial information presented in RUB is rounded to the nearest thousand.

### **Use of estimates and judgments**

Management makes 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 interim condensed consolidated financial statements in conformity with International Financial Reporting Standards (IFRS). Actual results could differ from those estimates.

## **3 Significant accounting policies**

The accounting policies applied by the Group in the preparation of these interim condensed consolidated financial statements are consistent with those applied by the Group in the consolidated financial statements for the year ended 31 December 2010.

### **New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are not yet effective as at 30 June 2011, and are not applied in preparing these interim condensed consolidated financial statements. Of these pronouncements, potentially the following will have an impact on the financial position and performance. The Group plans to adopt these pronouncements when they become effective.

IFRS 9 *Financial Instruments* will be effective for annual periods beginning on or after 1 January 2013. The new standard is to be issued in phases and is intended ultimately to replace International Financial Reporting Standard IAS 39 *Financial Instruments: Recognition and Measurement*. The first phase of IFRS 9 was issued in November 2009 and relates to the classification and measurement of financial assets. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The remaining parts of the standard are expected to be issued during 2011. The Group recognises that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on Group's consolidated financial statements. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued. The Group does not intend to adopt this standard early.

IFRS 10 *Consolidated Financial Statements* will be effective for annual periods beginning on or after 1 January 2013. The new standard supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 introduces a single control model which includes entities that are currently within the scope of SIC-12. Under the new three-step control model, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with that investee, has the ability to affect those returns through its power over that investee and there is a link between power and returns. Consolidation procedures are carried forward from IAS 27 (2008). Early adoption of IFRS 10 is permitted provided an entity also early-adopts IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

IFRS 11 *Joint Arrangements* will be effective for annual periods beginning on or after 1 January 2013 with retrospective application required. The new standard supersedes IAS 31 *Interests in Joint Ventures*. The main change introduced by IFRS 11 is that all joint arrangements are classified either as joint operations, which are consolidated on a proportionate basis, or as joint ventures, for which the equity method is applied. The type of arrangement is determined based on the rights and obligations of the parties to the arrangement arising from joint arrangement's structure, legal form, contractual arrangement and other facts and circumstances. Early adoption of IFRS 11 is permitted provided the entity also early-adopts IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

IFRS 12 *Disclosure of Interests in Other Entities* will be effective for annual periods beginning on or after 1 January 2013. The new standard contains disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity. The expanded and new disclosure requirements aim to provide information to enable the users to evaluate the nature of risks associated with an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows. Entities may early present some of the IFRS 12 disclosures without a need to early-adopt the other new and amended standards. However, if IFRS 12 is early-adopted in full, then IFRS 10, IFRS 11, IAS 27 (2011) and IAS 28 (2011) must also be early-adopted.

IFRS 13 *Fair Value Measurement* will be effective for annual periods beginning on or after 1 January 2013. The new standard replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It provides a revised definition of fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurement that currently exist in certain standards. The standard is applied prospectively with early adoption permitted. Comparative disclosure information is not required for periods before the date of initial application.

The Group has not yet analysed the likely impact of the new standards on its financial position or performance.

## 4 Net interest income

	<b>Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>	<b>Three-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Three-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>
<b>Interest income</b>				
Loans to customers	7 662 929	5 293 385	4 102 162	2 761 310
Debt securities	1 473 686	1 166 064	713 965	601 358
Due from credit institutions and the CBR	98 973	13 616	50 821	5 889
	<b>9 235 588</b>	<b>6 473 065</b>	<b>4 866 948</b>	<b>3 368 557</b>
<b>Interest expense</b>				
Deposits by customers	(3 416 286)	(2 601 919)	(1 847 250)	(1 346 552)
Debt securities issued	(1 248 734)	(966 339)	(708 809)	(522 934)
Deposits by credit institutions	(696 491)	(359 052)	(362 515)	(153 340)
	<b>(5 361 511)</b>	<b>(3 927 310)</b>	<b>(2 918 574)</b>	<b>(2 022 826)</b>
<b>Net interest income</b>	<b>3 874 077</b>	<b>2 545 755</b>	<b>1 948 374</b>	<b>1 345 731</b>

## 5 Fee and commission income

	<b>Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>	<b>Three-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Three-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>
Cash collection delivery	334 480	244 708	176 870	128 812
Settlements and wire transfers	315 146	188 317	178 235	106 068
Guarantees and letters of credit	225 847	273 181	100 728	139 451
Plastic cards	114 609	35 991	62 287	19 911
Insurance contracts processing	72 046	-	67 904	-
Other cash operations	46 973	31 544	27 296	18 027
Other	29 578	33 875	8 320	12 843
<b>Fee and commission income</b>	<b>1 138 679</b>	<b>807 616</b>	<b>621 640</b>	<b>425 112</b>

## 6 Salaries, employment benefits and administrative expenses

	Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)	Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)	Three-Month Period Ended 30 June 2011 RUB'000 (unaudited)	Three-Month Period Ended 30 June 2010 RUB'000 (unaudited)
Salaries	742 905	525 093	396 628	283 798
Social security costs	220 901	120 244	106 786	59 358
Other	11 071	5 264	6 474	3 691
<b>Salaries and employment benefits</b>	<b>974 877</b>	<b>650 601</b>	<b>509 888</b>	<b>346 847</b>
Occupancy	216 832	144 463	119 018	90 238
Advertising and business development	174 334	76 475	90 528	41 492
Operating taxes	118 358	173 992	65 250	138 128
Property maintenance	81 920	34 386	27 740	11 319
Security	78 524	63 364	40 697	32 167
Communications	22 164	25 480	10 470	19 030
Computer maintenance and software expenses	21 538	14 424	15 202	7 726
Transport	17 311	16 009	9 160	8 859
Other	16 347	26 139	10 140	12 278
<b>Administrative expenses</b>	<b>747 328</b>	<b>574 732</b>	<b>388 205</b>	<b>361 237</b>

## 7 Income tax

	Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)	Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)
Current tax charge	167 239	140 974
Deferred taxation	299 779	164 632
<b>Income tax expense</b>	<b>467 018</b>	<b>305 606</b>

Russian legal entities must report taxable income and remit income taxes thereon to the appropriate authorities. The income tax rate for the Bank is 20% (2010: 20%).

The effective income tax rate differs from the statutory income tax rate. A reconciliation of income taxes based on the statutory rate with the actual income tax expense is presented below:

	<b>Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>
Income before tax	2 325 777	1 566 761
Applicable statutory tax rate	20%	20%
Income tax using the applicable tax rate	465 155	313 352
Income taxed at lower rate	(21 375)	(14 008)
Net non-deductible costs	23 238	6 262
<b>Income tax expense</b>	<b>467 018</b>	<b>305 606</b>

Income tax liabilities are recorded in the interim condensed consolidated statement of financial position as follows:

	<b>30 June 2011 RUB'000 (unaudited)</b>	<b>31 December 2010 RUB'000</b>
Current tax liability	-	142 237
Deferred tax liability	1 675 558	493 903
<b>Income tax liability</b>	<b>1 675 558</b>	<b>636 140</b>

## 8 Cash and cash equivalents

	<b>30 June 2011 RUB'000 (unaudited)</b>	<b>31 December 2010 RUB'000</b>
Cash on hand	2 961 276	3 894 457
Correspondent account with the Central Bank of the Russian Federation	14 140 141	9 563 916
<b>Nostro accounts with other banks</b>		
rated AAA	-	644
rated from AA+ to AA-	22 248	947 472
rated from A+ to A-	371 398	61 884
from BBB+ to BBB-	471 516	443 966
rated from BB+ to BB-	29 874	4 008
rated from B+ to B-	86 344	112 262
not rated	638 857	585 818
<b>Total nostro accounts with other banks</b>	<b>1 620 237</b>	<b>2 156 054</b>

	<b>30 June 2011</b> <b>RUB'000</b> <b>(unaudited)</b>	<b>31 December 2010</b> <b>RUB'000</b>
<b>Due from credit institutions with maturity of less than 1 month</b>		
rated from AA+ to AA-	1 596 641	458 512
rated A- to A+	302 462	24 410
rated BBB	313 663	2 968 673
rated from BB- to BB+	-	727 633
rated from B+ to B-	44 619	1 713 940
rated CCC+	86 000	-
not rated	386 710	1 828 831
<b>Total due from credit institutions with maturity of less than 1 month</b>	<b>2 730 095</b>	<b>7 721 999</b>
<b>Total cash and cash equivalents</b>	<b>21 451 749</b>	<b>23 336 426</b>

None of cash and cash equivalents are impaired or past due.

The correspondent account with the Central Bank of the Russian Federation represents balances held with the CBR related to settlement activity, and is available for withdrawal at period end.

Settlements with the stock exchange are included in not rated nostro accounts in the amount of RUB 207 735 thousand as at 30 June 2010 (31 December 2010: RUB 535 604 thousand).

## 9 Due from credit institutions

	<b>30 June 2011</b> <b>RUB'000</b> <b>(unaudited)</b>	<b>31 December 2010</b> <b>RUB'000</b>
<b>Term deposits</b>		
rated from AA+ to AA-	-	201 666
rated A- to A+	26 672	-
from BBB+ to BBB-	4 148 516	-
rated from B+ to B-	-	235 302
not rated	3 355	150 000
<b>Total due from credit institutions</b>	<b>4 178 543</b>	<b>586 968</b>

None of due from credit institutions are impaired or past due.

## 10 Financial instruments at fair value through profit or loss

	30 June 2011 RUB'000 (unaudited)	31 December 2010 RUB'000
<b><u>Held by the Bank</u></b>		
<b>Government and municipal bonds</b>		
Russian Government Federal bonds (OFZ)	9 757 583	-
Moscow Government bonds	969 737	425 309
Regional authorities and municipal bonds	562 308	787 634
Russian Government Eurobonds	-	2 059 403
<b>Corporate bonds</b>		
from BBB+ to BBB-	2 099 042	1 377 171
from BB+ to BB-	3 237 544	1 479 989
from B+ to B-	822 726	7 159 838
not rated	998 172	2 502 079
<b>Equity investments</b>	28	-
<b>Total financial instruments at fair value through profit or loss held by the Bank</b>	<b>18 447 140</b>	<b>15 791 423</b>
<b><u>Pledged under sale and repurchase agreements</u></b>		
<b>Government and municipal bonds</b>		
Russian Government Federal bonds (OFZ)	1 950 394	6 960 112
Moscow Government bonds	-	803 035
Regional authorities and municipal bonds	-	44 566
<b>Corporate bonds</b>		
from BBB+ to BBB-	754 832	1 544 220
from BB+ to BB-	-	1 493 081
from B+ to B-	-	838 716
<b>Total financial instruments at fair value through profit or loss pledged under sale and repurchase agreements</b>	<b>2 705 226</b>	<b>11 683 730</b>
<b>Total financial instruments at fair value through profit or loss</b>	<b>21 152 366</b>	<b>27 475 153</b>

None of financial instruments at fair value through profit or loss are impaired or past due.

As at 30 June 2011 debt instruments in the amount of RUB 20 475 125 thousand are included in the list of securities that can be pledged to attract funds from the Central Bank of the Russian Federation (31 December 2010: RUB 24 153 390 thousand).

## 11 Available-for-sale securities

	30 June 2011 RUB'000 (unaudited)	31 December 2010 RUB'000
<b><u>Held by the Bank</u></b>		
<b>Government and municipal bonds</b>		
Regional authorities and municipal bonds	17 394	17 140
<b>Corporate bonds</b>		
from BBB+ to BBB-	115 389	147 373
from BB+ to BB-	465 587	915 370
from B+ to B-	1 869 246	2 655 298
not rated	215 231	465 186
<b>Equity investments</b>	59 711	59 799
<b>Total available-for-sale securities held by the Bank</b>	<b>2 742 558</b>	<b>4 260 166</b>
<b><u>Pledged under sale and repurchase agreements</u></b>		
<b>Government and municipal bonds</b>		
Russian Government Federal bonds (OFZ)	-	50 529
<b>Corporate bonds</b>		
from BBB+ to BBB-	-	33 523
from B+ to B-	-	117 427
<b>Total available-for-sale securities pledged under sale and repurchase agreements</b>	<b>-</b>	<b>201 479</b>
<b>Total available-for-sale securities</b>	<b>2 742 558</b>	<b>4 461 645</b>

None of available-for-sale securities are impaired or past due.

As at 30 June 2011 debt instruments in the amount of RUB 936 439 thousand are included in the list of securities that can be pledged to attract funds from the Central Bank of the Russian Federation (31 December 2010: RUB 2 436 745 thousand).

## 12 Loans to customers

	30 June 2011 RUB'000 (unaudited)	30 June 2011 RUB'000 (unaudited)	31 December 2010 RUB'000	31 December 2010 RUB'000
	Loans	Impairment allowance	Loans	Impairment allowance
<b>Loans to corporate clients</b>	<b>126 463 001</b>	<b>(2 696 923)</b>	<b>88 317 606</b>	<b>(1 990 001)</b>
<b>Loans to individuals</b>				
Auto loans	5 550 156	(31 622)	5 478 500	(87 657)
Mortgage loans	7 152 373	(269 858)	7 641 432	(430 242)
Other loans to individuals	11 660 550	(437 954)	5 207 880	(285 209)
<b>Total loans to individuals</b>	<b>24 363 079</b>	<b>(739 434)</b>	<b>18 327 812</b>	<b>(803 108)</b>
<b>Gross loans to customers</b>	<b>150 826 080</b>	<b>(3 436 357)</b>	<b>106 645 418</b>	<b>(2 793 109)</b>
<b>Net loans to customers</b>	<b>147 389 723</b>		<b>103 852 309</b>	



### Credit quality of loan portfolio

The following table provides information on credit quality of the loan portfolio as at 30 June 2011:

	Gross loans	Impairment allowance	Net loans	Impairment to gross loans
	RUB'000	RUB'000	RUB'000	%
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Loans to customers</b>				
- Not past due	148 724 176	(2 324 664)	146 399 512	1.6%
- Overdue less than 31 days	466 310	(138 859)	327 451	29.8%
- Overdue 31-60 days	81 030	(35 490)	45 540	43.8%
- Overdue 61-90 days	213 926	(48 780)	165 146	22.8%
- Overdue 91-180 days	155 790	(80 936)	74 854	52.0%
- Overdue 181-360 days	342 115	(224 525)	117 590	65.6%
- Overdue more than 360 days	842 733	(583 103)	259 630	69.2%
<b>Total loans to customers</b>	<b>150 826 080</b>	<b>(3 436 357)</b>	<b>147 389 723</b>	<b>2.3%</b>

The following table provides information on credit quality of the loan portfolio as at 31 December 2010:

	Gross loans	Impairment allowance	Net loans	Impairment to gross loans
	RUB'000	RUB'000	RUB'000	%
<b>Loans to customers</b>				
- Not past due	104 463 388	(1 662 364)	102 801 024	1.6%
- Overdue less than 31 days	357 274	(41 642)	315 632	11.7%
- Overdue 31-60 days	78 384	(27 312)	51 072	34.8%
- Overdue 61-90 days	118 576	(42 282)	76 294	35.7%
- Overdue 91-180 days	242 943	(120 561)	122 382	49.6%
- Overdue 181-360 days	286 708	(191 925)	94 783	66.9%
- Overdue more than 360 days	1 098 145	(707 023)	391 122	64.4%
<b>Total loans to customers</b>	<b>106 645 418</b>	<b>(2 793 109)</b>	<b>103 852 309</b>	<b>2.6%</b>

As at 30 June 2011, the loan portfolio includes loans that have been restructured and would otherwise be past due or impaired in the amount of RUB 984 072 thousand (31 December 2010: RUB 1 247 175 thousand). Such restructuring activity is aimed at managing customer relationships and maximizing the quality of the loan portfolio. Restructured loans are included in loans not past due unless the borrower is unable to comply with the renegotiated terms.

The following table provides information on restructured loans as at 30 June 2011 and 31 December 2010:

	Gross loans	Impairment allowance	Net loans	Impairment to gross loans
	RUB'000	RUB'000	RUB'000	%
<b>Restructured loans</b>				
- As at 30 June 2011 (unaudited)	984 072	(104 792)	879 280	10.6%
- As at 31 December 2010	1 247 175	(86 135)	1 161 040	6.9%

As at 30 June 2011, the gross amount of overdue loans with payments that are overdue at least one day, totals RUB 2 101 904 thousand, which represents 1.4% of the loan portfolio (31 December 2010: RUB 2 182 030 thousand and 2.0%, respectively).

Nonperforming loans (NPLs), or loans with payments that are overdue over ninety days, amount to RUB 1 340 638 thousand or 0.9% of the loan portfolio (31 December 2010: RUB 1 627 796 thousand and 1.5%, respectively).

NPLs together with restructured loans amount to RUB 2 324 710 thousand or 1.5% of the loan portfolio (31 December 2010: RUB 2 874 971 thousand and 2.7%, respectively).

As at 30 June 2011, the ratio of total impairment allowance to overdue loans equals 163.5%, the ratio of total impairment allowance to NPLs equals 256.3% and the ratio of total impairment allowance to NPLs together with the restructured loans equals 147.8% (31 December 2010: 128.0%, 171.6% and 97.2%, respectively).

Movements in the loan impairment allowance for the six-month periods ended 30 June 2011 and 30 June 2010 are as follows:

	<b>2011</b> <b>RUB'000</b> <b>(unaudited)</b>	<b>2010</b> <b>RUB'000</b> <b>(unaudited)</b>
Balance at the beginning of the period	2 793 109	1 824 201
Net charge	813 970	686 379
Net write-offs	(170 722)	(278 691)
<b>Balance at the end of the period</b>	<b>3 436 357</b>	<b>2 231 889</b>

### Credit quality of loans to corporate clients portfolio

The following table provides information on credit quality of loans to corporate clients as at 30 June 2011:

	Gross loans	Impairment allowance	Net loans	Impairment to gross loans
	RUB'000	RUB'000	RUB'000	%
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Loans to corporate clients</b>				
- Not past due	125 714 663	(2 204 417)	123 510 246	1.8%
- Overdue less than 31 days	152 576	( 83 660)	68 916	54.8%
- Overdue 31-60 days	1 963	(630)	1 333	32.1%
- Overdue 61-90 days	149 277	(14 820)	134 457	9.9%
- Overdue 91-180 days	28 465	(14 312)	14 153	50.3%
- Overdue 181-360 days	72 117	(53 919)	18 198	74.8%
- Overdue more than 360 days	343 940	(325 165)	18 775	94.5%
<b>Total loans to corporate clients</b>	<b>126 463 001</b>	<b>(2 696 923)</b>	<b>123 766 078</b>	<b>2.1%</b>

The following table provides information on credit quality of loans to corporate clients as at 31 December 2010 :

	Gross loans	Impairment allowance	Net loans	Impairment to gross loans
	RUB'000	RUB'000	RUB'000	%
<b>Loans to corporate clients</b>				
- Not past due	87 733 857	(1 597 527)	86 136 330	1.8%
- Overdue less than 31 days	119 781	(16 689)	103 092	13.9%
- Overdue 31-60 days	9 993	(3 796)	6 197	38.0%
- Overdue 61-90 days	19 427	(9 008)	10 419	46.4%
- Overdue 91-180 days	40 310	(21 419)	18 891	53.1%
- Overdue 181-360 days	159 452	(117 458)	41 994	73.7%
- Overdue more than 360 days	234 786	(224 104)	10 682	95.5%
<b>Total loans to corporate clients</b>	<b>88 317 606</b>	<b>(1 990 001)</b>	<b>86 327 605</b>	<b>2.3%</b>

### *Analysis of movements in the impairment allowance*

Movements in the loan impairment allowance for loans to corporate clients for the six-month period ended 30 June 2011 are as follows:

	RUB'000
	(unaudited)
Balance at the beginning of the period	1 990 001
Net charge	805 314
Net write-offs	(98 392)
<b>Balance at the end of the period</b>	<b>2 696 923</b>

Movements in the loan impairment allowance for loans to corporate clients for the six-month period ended 30 June 2010 are as follows:

	<b>RUB'000</b> <b>(unaudited)</b>
Balance at the beginning of the period	1 003 134
Net charge	494 766
Net write-offs	(75 450)
<b>Balance at the end of the period</b>	<b>1 422 450</b>

### Credit quality of loans to individuals

The following table provides information on the credit quality of loans to individuals as at 30 June 2011:

	<b>Gross loans</b>	<b>Impairment allowance</b>	<b>Net loans</b>	<b>Impairment to gross loans</b>
	<b>RUB'000</b>	<b>RUB'000</b>	<b>RUB'000</b>	<b>%</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Auto loans</b>				
- Not past due	5 484 955	(5 526)	5 479 429	0.1%
- Overdue less than 31 days	24 049	(2 044)	22 005	8.5%
- Overdue 31-60 days	4 519	(916)	3 603	20.3%
- Overdue 61-90 days	7 144	(2 265)	4 879	31.7%
- Overdue 91-180 days	6 825	(3 186)	3 639	46.7%
- Overdue 181-360 days	17 983	(13 381)	4 602	74.4%
- Overdue more than 360 days	4 681	(4 304)	377	91.9%
<b>Total auto loans</b>	<b>5 550 156</b>	<b>(31 622)</b>	<b>5 518 534</b>	<b>0.6%</b>
<b>Mortgage loans</b>				
- Not past due	6 494 500	(7 924)	6 486 576	0.1%
- Overdue less than 31 days	61 038	(59)	60 979	0.1%
- Overdue 31-60 days	2 958	(43)	2 915	1.5%
- Overdue 61-90 days	4 089	(102)	3 987	2.5%
- Overdue 91-180 days	29 768	(1 081)	28 687	3.6%
- Overdue 181-360 days	91 133	(30 648)	60 485	33.6%
- Overdue more than 360 days	468 887	(230 001)	238 886	49.1%
<b>Total mortgage loans</b>	<b>7 152 373</b>	<b>(269 858)</b>	<b>6 882 515</b>	<b>3.8%</b>
<b>Other loans to individuals</b>				
- Not past due	11 030 058	(106 797)	10 923 261	1.0%
- Overdue less than 31 days	228 647	(53 096)	175 551	23.2%
- Overdue 31-60 days	71 590	(33 901)	37 689	47.4%
- Overdue 61-90 days	53 416	(31 593)	21 823	59.1%
- Overdue 91-180 days	90 732	(62 357)	28 375	68.7%
- Overdue 181-360 days	160 882	(126 577)	34 305	78.7%
- Overdue more than 360 days	25 225	(23 633)	1 592	93.7%
<b>Total other loans to individuals</b>	<b>11 660 550</b>	<b>(437 954)</b>	<b>11 222 596</b>	<b>3.8%</b>
<b>Total loans to individuals</b>	<b>24 363 079</b>	<b>(739 434)</b>	<b>23 623 645</b>	<b>3.0%</b>

The following table provides information on the credit quality of loans to individuals as at 31 December 2010 :

	Gross loans RUB'000	Impairment allowance RUB'000	Net loans RUB'000	Impairment to gross loans %
<b>Auto loans</b>				
- Not past due	5 360 587	(12 314)	5 348 273	0.2%
- Overdue less than 31 days	23 274	(3 312)	19 962	14.2%
- Overdue 31-60 days	8 512	(2 349)	6 163	27.6%
- Overdue 61-90 days	9 193	(3 679)	5 514	40.0%
- Overdue 91-180 days	14 554	(7 713)	6 841	53.0%
- Overdue 181-360 days	14 166	(11 168)	2 998	78.8%
- Overdue more than 360 days	48 214	(47 122)	1 092	97.7%
<b>Total auto loans</b>	<b>5 478 500</b>	<b>(87 657)</b>	<b>5 390 843</b>	<b>1.6%</b>
<b>Mortgage loans</b>				
- Not past due	6 566 886	(6 028)	6 560 858	0.1%
- Overdue less than 31 days	121 582	(129)	121 453	0.1%
- Overdue 31-60 days	15 905	(343)	15 562	2.2%
- Overdue 61-90 days	42 573	(1 570)	41 003	3.7%
- Overdue 91-180 days	60 238	(2 861)	57 377	4.8%
- Overdue 181-360 days	54 675	(16 737)	37 938	30.6%
- Overdue more than 360 days	779 573	(402 574)	376 999	51.6%
<b>Total mortgage loans</b>	<b>7 641 432</b>	<b>(430 242)</b>	<b>7 211 190</b>	<b>5.6%</b>
<b>Other loans to individuals</b>				
- Not past due	4 802 058	(46 495)	4 755 563	1.0%
- Overdue less than 31 days	92 637	(21 512)	71 125	23.2%
- Overdue 31-60 days	43 974	(20 824)	23 150	47.4%
- Overdue 61-90 days	47 383	(28 025)	19 358	59.1%
- Overdue 91-180 days	127 841	(88 568)	39 273	69.3%
- Overdue 181-360 days	58 415	(46 562)	11 853	79.7%
- Overdue more than 360 days	35 572	(33 223)	2 349	93.4%
<b>Total other loans to individuals</b>	<b>5 207 880</b>	<b>(285 209)</b>	<b>4 922 671</b>	<b>5.5%</b>
<b>Total loans to individuals</b>	<b>18 327 812</b>	<b>(803 108)</b>	<b>17 524 704</b>	<b>4.4%</b>

### *Analysis of movements in the impairment allowance*

Movements in the loan impairment allowance by classes of retail loans for the six-month period ended 30 June 2011 are as follows:

	Auto loans RUB'000 (unaudited)	Mortgage loans RUB'000 (unaudited)	Other loans to individuals RUB'000 (unaudited)	Total RUB'000 (unaudited)
Balance at the beginning of the period	87 657	430 242	285 209	803 108
Net (recovery) charge	(21 086)	(159 356)	189 098	8 656
Net write-offs	(34 949)	(1 028)	(36 353)	(72 330)
<b>Balance at the end of the period</b>	<b>31 622</b>	<b>269 858</b>	<b>437 954</b>	<b>739 434</b>

Movements in the loan impairment allowance by classes of retail loans for the six-month period ended 30 June 2010 are as follows:

	<b>Auto loans</b>	<b>Mortgage loans</b>	<b>Other loans to individuals</b>	<b>Total</b>
	<b>RUB'000</b>	<b>RUB'000</b>	<b>RUB'000</b>	<b>RUB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Balance at the beginning of the period	139 619	362 826	318 622	821 067
Net charge	13 058	130 867	47 688	191 613
Net write-offs	(59 563)	(3 548)	(140 130)	(203 241)
<b>Balance at the end of the period</b>	<b>93 114</b>	<b>490 145</b>	<b>226 180</b>	<b>809 439</b>

### Industry and geographical analysis of the loan portfolio

Loans to customers were issued primarily to customers located within the Russian Federation, who operate in the following economic sectors:

	<b>30 June 2011</b>	<b>31 December 2010</b>
	<b>RUB'000</b>	<b>RUB'000</b>
	<b>(unaudited)</b>	
Loans to individuals	24 363 079	18 327 812
Food and farm products	17 613 513	7 881 881
Consumer electronics, appliances and computers	16 847 725	13 135 208
Residential and commercial construction and development	10 992 838	7 167 974
Construction and decorative materials, furniture	9 119 705	6 643 890
Property rental	7 422 197	5 650 503
Clothing, shoes, textiles and sporting goods	7 246 681	6 320 591
Industrial equipment and machinery	7 158 439	4 946 366
Pharmaceutical and medical products	6 672 129	1 390 506
Consumer chemicals, perfumes and hygiene products	5 594 171	4 578 510
Oil and industrial chemicals	5 059 655	2 918 276
Financial	5 027 316	5 895 633
Metallurgical	4 673 238	3 203 615
Automotive, motorcycles and spare parts	4 630 641	3 431 007
Equipment leasing	4 220 869	4 031 825
Services	3 814 246	2 720 873
Paper, stationery and packaging products	3 184 427	3 014 739
Telecommunications	2 380 684	1 531 982
Industrial and infrastructure construction	771 588	773 780
Gardening and pet products	630 604	516 667
Books, video, print and copy	532 694	310 410
Products for home, gifts, jewelry and business accessories	155 449	346 555
Electric utility	-	498 302
Other	2 714 192	1 408 513
	<b>150 826 080</b>	<b>106 645 418</b>
Impairment allowance	(3 436 357)	(2 793 109)
	<b>147 389 723</b>	<b>103 852 309</b>

## 13 Property and equipment

The movements in property and equipment for the six-month period ended 30 June 2011 are as follows:

<b>RUB'000 (unaudited)</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Computers and office equipment</b>	<b>Furniture and other property</b>	<b>Construction in progress</b>	<b>Total</b>
Cost/revalued amount						
At 1 January 2011	2 216 926	146 259	86 192	747 310	1 498 854	<b>4 695 541</b>
Additions	4 082	64 252	630	173 674	-	<b>242 638</b>
Disposals	-	(8 964)	(737)	(7 491)	(45 221)	<b>(62 413)</b>
<b>At 30 June 2011</b>	<b>2 221 008</b>	<b>201 547</b>	<b>86 085</b>	<b>913 493</b>	<b>1 453 633</b>	<b>4 875 766</b>
Accumulated depreciation						
At 1 January 2011	96 053	48 540	50 823	245 008	-	<b>440 424</b>
Depreciation charge	26 789	15 874	7 387	59 268	-	<b>109 318</b>
Disposals	-	(8 436)	(462)	(2 519)	-	<b>(11 417)</b>
<b>At 30 June 2011</b>	<b>122 842</b>	<b>55 978</b>	<b>57 748</b>	<b>301 757</b>	<b>-</b>	<b>538 325</b>
Carrying value						
<b>At 30 June 2011</b>	<b>2 098 166</b>	<b>145 569</b>	<b>28 337</b>	<b>611 736</b>	<b>1 453 633</b>	<b>4 337 441</b>

The movements in property and equipment for the six-month period ended 30 June 2010 are as follows:

<b>RUB'000 (unaudited)</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Computers and office equipment</b>	<b>Furniture and other property</b>	<b>Construction in progress</b>	<b>Total</b>
Cost/revalued amount						
At 1 January 2010	2 215 029	101 912	64 511	526 051	21 311	2 928 814
Additions	421	11 173	4 385	102 705	15 062	133 746
Disposals	-	(14 324)	(306)	(18 498)	-	(33 128)
<b>At 30 June 2010</b>	<b>2 215 450</b>	<b>98 761</b>	<b>68 590</b>	<b>610 258</b>	<b>36 373</b>	<b>3 029 432</b>
Accumulated depreciation						
At 1 January 2010	42 026	43 195	39 848	187 327	-	312 396
Depreciation charge	22 463	10 184	5 416	40 924	-	78 987
Disposals	-	(8 800)	(306)	(9 378)	-	(18 484)
<b>At 30 June 2010</b>	<b>64 489</b>	<b>44 579</b>	<b>44 958</b>	<b>218 873</b>	<b>-</b>	<b>372 899</b>
Carrying value						
<b>At 30 June 2010</b>	<b>2 150 961</b>	<b>54 182</b>	<b>23 632</b>	<b>391 385</b>	<b>36 373</b>	<b>2 656 533</b>

## 14 Deposits by credit institutions

	<b>30 June 2011</b> <b>RUB'000</b> <b>(unaudited)</b>	<b>31 December 2010</b> <b>RUB'000</b>
Demand deposits	82 779	53 986
Term deposits	11 488 944	10 194 233
Syndicated loans	5 374 543	5 213 680
Payables under repurchase agreements	2 504 938	11 166 555
Subordinated debt	1 137 580	1 234 830
<b>Total deposits by credit institutions</b>	<b>20 588 784</b>	<b>27 863 284</b>

## 15 Deposits by customers

		<b>30 June 2011</b> <b>RUB'000</b> <b>(unaudited)</b>	<b>31 December 2010</b> <b>RUB'000</b>
Corporate customers	Demand	17 429 697	11 142 438
	Term	28 102 205	25 630 335
	Subordinated	2 636 403	6 057 760
	Term notes	3 779 448	1 532 248
<b>Total corporate customers</b>		<b>51 947 753</b>	<b>44 362 781</b>
Individuals	Demand	3 806 703	2 839 841
	Term	65 000 330	47 885 406
<b>Total individuals</b>		<b>68 807 033</b>	<b>50 725 247</b>
<b>Total deposits by customers</b>		<b>120 754 786</b>	<b>95 088 028</b>

## 16 Debt securities issued

	<b>30 June 2011</b> <b>RUB'000</b> <b>(unaudited)</b>	<b>31 December 2010</b> <b>RUB'000</b>
Promissory notes issued at nominal value	15 317 218	16 307 223
Accrued interest	343 886	215 005
Unamortized discount on promissory notes	(527 231)	(412 355)
	<b>15 133 873</b>	<b>16 109 873</b>
Bonds issued	20 957 750	11 141 223
	<b>36 091 623</b>	<b>27 251 096</b>

## 17 Share capital

Share capital consists of ordinary shares and was contributed by the shareholder in Roubles. The shareholder is entitled to dividends and capital distributions. Issued, outstanding and paid share capital



comprises 10 776 158 008 shares (31 December 2010: 6 276 158 008 shares) with par value of 1 RUB per share. In July 2011 the Central Bank of the Russian Federation registered Bank's share capital increase in the amount of RUB 4 500 000 000. The total hyperinflation adjustment, related to equity as at 31 December 2002, was RUB 861 930 thousand.

Due to the fact that interest rates applicable to subordinated loans from the owner of the Bank are substantially lower than the market rates, the Bank converted part of these subordinated loans in the amount of RUB 3 536 361 thousand (net of deferred tax of RUB 884 090 thousand) into additional paid-in-capital. This additional paid-in capital represents tier 1 capital according to the Basel Capital Accord.

## 18 Commitments

	<b>30 June 2011</b>	<b>31 December 2010</b>
	<b>RUB'000</b>	<b>RUB'000</b>
	<b>(unaudited)</b>	
Guarantees and letters of credit	17 378 875	15 419 408
Undrawn loan commitments	871 853	503 892
	<b>18 250 728</b>	<b>15 923 300</b>

Guarantees and standby letters of credit, which represent irrevocable assurances that the Group 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 Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, can be covered by the funds deposited by customers and therefore bear limited credit risk.

## 19 Contingencies

### Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group does not have full coverage for its premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on property or relating to operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on operations and financial position.

### Litigation

In the ordinary course of business, the Group is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations.

## Taxation contingencies

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 who 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. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on the financial position, if the authorities were successful in enforcing their interpretations, could be significant.

## 20 Custody activities

The Group provides custody services to its customers, whereby it holds securities on behalf of customers and receives fee income for providing these services. These securities are not assets of the Group and are not recognised in the consolidated statement of financial position.

## 21 Related party transactions

The outstanding balances and related average interest rates as at 30 June 2011 and 31 December 2010 with related parties are as follows:

	30 June 2011 (unaudited)		31 December 2010	
	Amount RUB'000	Average effective interest rate %	Amount RUB'000	Average effective interest rate %
<b>Loans to customers</b>				
Ultimate shareholder	290 118	11.3%	308 765	11.4%
Under control of ultimate shareholder	124 068	11.5%	333 697	10.0%
Management	42 184	10.7%	39 529	10.7%
<b>Total loans</b>	<b>456 370</b>		<b>681 991</b>	
<b>Deposits by customers</b>				
Ultimate shareholder	5 649	11.5%	51 069	10.4%
Parent company	233 372	6.2%	5 489	8.1%
Under control of ultimate shareholder	2 801 418	7.9%	6 310 867	6.3%
Management	23 694	7.9%	17 913	9.8%
<b>Total deposits</b>	<b>3 064 133</b>		<b>6 385 338</b>	

Amounts included in the interim condensed consolidated statement of comprehensive income for the six-month periods ended 30 June 2011 and 2010 in relation to transactions with related parties are as follows:

	<b>Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>
<b>Interest income on loans to customers</b>		
Ultimate shareholder	19 488	12 426
Under control of ultimate shareholder	35 640	29 930
Management	2 117	2 013
<b>Total interest income</b>	<b>57 245</b>	<b>44 369</b>
<b>Interest expense on deposits by customers and promissory notes</b>		
Ultimate shareholder	249	13 803
Parent company	21 825	758
Under control of ultimate shareholder	77 192	17 170
Management	748	1 111
<b>Total interest expense</b>	<b>100 014</b>	<b>32 842</b>

Total remuneration of the Supervisory Board and the Management Board included in employee compensation for the six-month periods ended 30 June 2011 and 2010 (refer to note 6) is as follows:

	<b>Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>
Members of the Supervisory Board	1 943	1 161
Members of the Management Board	22 868	19 975
	<b>24 811</b>	<b>21 136</b>

## 22 Capital management

The Central Bank of the Russian Federation sets and monitors capital requirements for the Bank.

The Bank defines as capital those items defined by statutory regulation as capital for credit institutions. Under the current capital requirements set by the Central Bank of the Russian Federation, banks have to maintain a ratio of capital to risk weighted assets (statutory capital ratio) above the prescribed minimum level. As at 30 June 2011, this minimum level is 10%. The Bank was in compliance with the statutory capital ratio during the six-month period ended 30 June 2011 and the year ended 31 December 2010.

The Group also monitors its capital adequacy levels calculated in accordance with the requirements of the Basle Accord, as defined in the International Convergence of Capital Measurement and Capital Standards (updated April 1998) and Amendment to the Capital Accord to incorporate market risks (updated November 2007), commonly known as Basel I.

The following table shows the composition of the capital position calculated in accordance with the requirements of the Basle Accord, as at 30 June 2011 and 31 December 2010:

	<b>30 June 2011</b> <b>RUB'000</b> <b>(unaudited)</b>	<b>31 December 2010</b> <b>RUB'000</b>
<b>Tier 1 capital</b>		
Share capital and additional paid-in capital	15 337 135	7 300 774
Retained earnings	7 796 589	5 937 830
<b>Total tier 1 capital</b>	<b>23 133 724</b>	<b>13 238 604</b>
<b>Tier 2 capital</b>		
Revaluation surplus for buildings	500 424	500 424
Revaluation reserve for available-for-sale securities	19 209	28 067
<b>Subordinated loans</b>		
Subordinated loan from EBRD	477 289	579 061
Subordinated loan from BLACK SEA TRADE AND DEVELOPMENT BANK	561 516	609 538
Subordinated loans from WELLCREEK CORPORATION	2 636 403	6 000 000
Less limitation of subordinated capital to 50% of tier 1	-	(569 297)
<b>Total tier 2 capital</b>	<b>4 194 841</b>	<b>7 147 793</b>
<b>Total capital</b>	<b>27 328 565</b>	<b>20 386 397</b>
<b>Risk-weighted assets</b>		
Banking book	160 514 857	119 410 805
Trading book	19 017 991	30 390 992
<b>Total risk weighted assets</b>	<b>179 532 848</b>	<b>149 801 797</b>
<b>Total capital expressed as a percentage of risk-weighted assets (total capital ratio)</b>	<b>15.2</b>	<b>13.6</b>
<b>Total tier 1 capital expressed as a percentage of risk-weighted assets (tier 1 capital ratio)</b>	<b>12.9</b>	<b>8.8</b>

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for unrecognised exposures, with some adjustments to reflect the more contingent nature of the potential losses.

The Group is subject to minimum capital adequacy requirements calculated in accordance with the Basle Accord established by covenants under liabilities incurred by the Group. The Group complies with all externally imposed capital requirements during the six-month period ended 30 June 2011 and the year ended 31 December 2010.

## 23 Analysis by segment

The Group has five reportable segments, as described below, which are strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the First Deputy Chairman of the Management Board reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the reportable segments:

- Corporate banking: comprises corporate lending, overdraft lending, factoring, leasing, letters of credit, guaranties, corporate deposit taking, settlements and money transfer, currency conversion
- Retail banking: comprises retail demand and term deposit services; retail lending, including consumer loans, car loans and mortgages, money transfers and private banking services; banking card products, settlements and money transfer, currency conversion for individuals
- Treasury: comprises interbank lending and borrowings from banks, securities trading and brokerage in securities, repo transactions, foreign exchange services, issuance of domestic bonds and promissory notes
- International business: comprises borrowings from international financial institutions and trade finance operations
- Cash collection and other cash operations: comprise all operations connected with cash, cash collection, calculation and transportation.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, which is calculated based on statutory financial information, as included in the internal management reports that are reviewed by the First Deputy Chairman of the Management Board. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to others who operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The segment breakdown of assets and liabilities is set out below:

	<b>30 June 2011</b> <b>RUB'000</b> <b>(unaudited)</b>	<b>31 December 2010</b> <b>RUB'000</b> <b>(unaudited)</b>
<b>ASSETS</b>		
Corporate banking	120 897 790	83 208 384
Retail banking	26 055 568	19 853 133
Treasury	51 303 086	55 575 748
Cash operations	3 326 053	4 252 559
Unallocated assets	3 484 730	2 949 964
<b>Total assets</b>	<b>205 067 227</b>	<b>165 839 788</b>
<b>LIABILITIES</b>		
Corporate banking	58 374 508	43 668 169
Retail banking	68 234 973	50 177 207
Treasury	47 944 161	44 566 186
International business	11 229 801	10 580 271
Unallocated liabilities	2 590 141	2 609 003
<b>Total liabilities</b>	<b>188 373 584</b>	<b>151 600 836</b>

*CREDIT BANK OF MOSCOW (open joint-stock company)*  
*Notes to, and forming part of, the Interim Condensed Consolidated Financial Statements*  
*for the six-month period ended 30 June 2011*

Segment information for the main reportable segments for the six-month period ended 30 June 2011 is set below:

<b>RUB'000 (unaudited)</b>	<b>Corporate banking</b>	<b>Retail banking</b>	<b>Treasury</b>	<b>International business</b>	<b>Cash operations</b>	<b>Unallocated</b>	<b>Total</b>
External interest income	5 290 822	1 601 225	1 850 251	-	-	-	8 742 298
Fee and commission income	1 245 951	434 552	64 793	-	341 738	-	2 087 034
Net gain on securities	-	-	167 554	-	-	-	167 554
Net foreign exchange income (loss)	8 916	12 734	32 941	-	-	(36)	54 555
Other income	22 562	31 811	6 773	-	-	-	61 146
(Expenses) revenue from other segments	(2 422 685)	1 991 542	(152 533)	583 676	-	-	-
<b>Revenue</b>	<b>4 145 566</b>	<b>4 071 864</b>	<b>1 969 779</b>	<b>583 676</b>	<b>341 738</b>	<b>(36)</b>	<b>11 112 587</b>
Impairment losses	(805 314)	(8 656)	-	-	-	-	(813 970)
Interest expense	(980 947)	(2 872 019)	(1 478 660)	(244 204)	-	-	(5 575 830)
Fee and commission expense	(33 526)	(40 001)	(12 622)	(14 780)	-	-	(100 929)
General administrative expenses	(153 765)	(770 686)	(14 423)	(9 898)	(315 178)	(651 279)	(1 915 229)
Other expenses	-	(48 285)	-	-	-	(137 377)	(185 662)
<b>Income before income taxes</b>	<b>2 172 014</b>	<b>332 217</b>	<b>464 074</b>	<b>314 794</b>	<b>26 560</b>	<b>(788 692)</b>	<b>2 520 967</b>
Income tax	-	-	-	-	-	(162 948)	<b>(162 948)</b>
<b>Segment result</b>	<b>2 172 014</b>	<b>332 217</b>	<b>464 074</b>	<b>314 794</b>	<b>26 560</b>	<b>(951 640)</b>	<b>2 358 019</b>

Segment information for the main reportable segments for the six-month period ended 30 June 2010 is set below:

<b>RUB'000 (unaudited)</b>	<b>Corporate banking</b>	<b>Retail banking</b>	<b>Treasury</b>	<b>International business</b>	<b>Cash operations</b>	<b>Unallocated</b>	<b>Total</b>
External interest income	4 048 888	764 272	1 363 448	-	-	-	6 176 608
Fee and commission income	657 846	228 784	58 717	2 102	250 339	-	1 197 788
Net gain on securities	-	-	243 928	-	-	-	243 928
Net foreign exchange income (loss)	7 949	7 252	(16 618)	-	-	(107)	(1 524)
Other income	9 446	42 153	-	-	-	772	52 371
(Expenses) revenue from other segments	(2 034 946)	1 764 375	(83 841)	354 412	-	-	-
<b>Revenue</b>	<b>2 689 183</b>	<b>2 806 836</b>	<b>1 565 634</b>	<b>356 514</b>	<b>250 339</b>	<b>665</b>	<b>7 669 171</b>
Impairment losses	(494 766)	(191 613)	-	-	-	-	(686 379)
Interest expense	(574 698)	(2 139 765)	(1 137 921)	(87 661)	-	-	(3 940 045)
Fee and commission expense	(10 854)	(10 821)	(5 877)	(24 601)	-	-	(52 153)
General administrative expenses	(46 034)	(391 804)	(11 583)	(19 365)	(234 284)	(375 753)	(1 078 823)
Other expenses	-	(60 969)	-	-	-	(40 876)	(101 845)
<b>Income before income taxes</b>	<b>1 562 831</b>	<b>11 864</b>	<b>410 253</b>	<b>224 887</b>	<b>16 055</b>	<b>(415 964)</b>	<b>1 809 926</b>
Income tax	-	-	-	-	-	(224 927)	(224 927)
<b>Segment result</b>	<b>1 562 831</b>	<b>11 864</b>	<b>410 253</b>	<b>224 887</b>	<b>16 055</b>	<b>(640 891)</b>	<b>1 584 999</b>

### Reconciliations of reportable segment income before income taxes, assets and liabilities

	<b>Six-Month Period Ended 30 June 2011 RUB'000 (unaudited)</b>	<b>Six-Month Period Ended 30 June 2010 RUB'000 (unaudited)</b>
Income before income taxes per management accounting	2 520 967	1 809 926
Consolidation adjustments	34 842	(5 216)
Interest and commission accruals	(276 383)	(88 319)
Fair value and other adjustments to securities	(64 488)	(44 529)
Personnel, administrative and operating expense accruals	201 764	(142 569)
Other adjustments	(90 925)	37 468
<b>Income before income taxes per IFRS Financial Statements</b>	<b>2 325 777</b>	<b>1 566 761</b>

	<b>30 June 2011 RUB'000 (unaudited)</b>		<b>31 December 2010 RUB'000 (unaudited)</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Total assets/liabilities per management accounting</b>	205 067 227	(188 373 584)	165 839 788	(151 600 836)
Accrual of administrative and operating expenses	-	(117 389)	(2 950)	(85 693)
Consolidation adjustments	(655 971)	791 897	25 695	75 389
Revaluation and other adjustments to property and equipment	153 545	-	137 237	-
Adjustment of current and deferred tax assets and liabilities	112 032	(1 675 009)	(44 453)	(623 340)
Accrual of interest and commissions	(377 743)	99 586	(213 202)	151 467
Adjustments to impairment allowances	-	105 570	-	404 687
Fair value adjustment to securities	(191 602)	-	(196 320)	-
Accrual of employee compensation payable	-	(37 063)	-	(25 222)
Contribution from ultimate shareholder	-	4 346 250	-	-
Shares issued	-	4 500 000	-	-
Other	(201 159)	106 770	(75 152)	-
<b>Total assets/liabilities per IFRS Financial Statements</b>	<b>203 906 329</b>	<b>(180 252 972)</b>	<b>165 470 643</b>	<b>(151 703 548)</b>



## **24 Risk management**

### **Liquidity risk**

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. 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 following tables show all assets and liabilities as at 30 June 2011 and 31 December 2010 by their remaining contractual maturities with the exception of securities included in financial assets at fair value through profit or loss and securities available for sale that are approved by the Central Bank of the Russian Federation as collateral for its loans. Such securities are shown in the category “Less than 1 month”. The amounts shown here represent carrying amounts on the reporting dates and do not include cash flows associated with future interest and coupon payments.

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**30 June 2011**

	<b>Less than 1 month</b>	<b>1 to 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Over 5 years</b>	<b>No maturity</b>	<b>Overdue</b>	<b>Total</b>
	<b>RUB'000 (unaudited)</b>	<b>RUB'000 (unaudited)</b>	<b>RUB'000 (unaudited)</b>	<b>RUB'000 (unaudited)</b>	<b>RUB'000 (unaudited)</b>	<b>RUB'000 (unaudited)</b>	<b>RUB'000 (unaudited)</b>	<b>RUB'000 (unaudited)</b>	<b>RUB'000 (unaudited)</b>
<b>ASSETS</b>									
Cash and cash equivalents	21 451 749	-	-	-	-	-	-	-	<b>21 451 749</b>
Obligatory reserves with the Central Bank of the Russian Federation	-	-	-	-	-	-	1 537 656	-	<b>1 537 656</b>
Due from credit institutions	-	4 151 871	26 672	-	-	-	-	-	<b>4 178 543</b>
Financial instruments at fair value through profit or loss	20 475 112	-	207 838	382 521	86 867	-	28	-	<b>21 152 366</b>
Available-for-sale securities	936 439	226 964	156 611	747 914	149 331	465 587	59 712	-	<b>2 742 558</b>
Loans to customers	10 835 353	46 729 912	33 473 791	33 880 756	15 893 940	5 585 761	-	990 210	<b>147 389 723</b>
Property and equipment	-	-	-	-	-	-	4 337 441	-	<b>4 337 441</b>
Other assets	411 656	314 251	136 620	61 346	-	-	192 420	-	<b>1 116 293</b>
	<b>54 110 309</b>	<b>51 422 998</b>	<b>34 001 532</b>	<b>35 072 537</b>	<b>16 130 138</b>	<b>6 051 348</b>	<b>6 127 257</b>	<b>990 210</b>	<b>203 906 329</b>
<b>LIABILITIES</b>									
Deposits by credit institutions	5 316 966	7 907 922	3 022 712	2 647 494	1 253 380	440 310	-	-	<b>20 588 784</b>
Deposits by customers	35 569 741	34 395 208	29 416 948	15 731 583	3 004 903	2 636 403	-	-	<b>120 754 786</b>
Debt securities issued	1 524 607	8 797 170	6 731 237	18 502 000	535 943	666	-	-	<b>36 091 623</b>
Income tax liability	-	-	-	-	-	-	1 675 558	-	<b>1 675 558</b>
Other liabilities	478 921	246 169	9 403	44 614	30 610	-	332 504	-	<b>1 142 221</b>
	<b>42 890 235</b>	<b>51 346 469</b>	<b>39 180 300</b>	<b>36 925 691</b>	<b>4 824 836</b>	<b>3 077 379</b>	<b>2 008 062</b>	<b>-</b>	<b>180 252 972</b>
<b>Net position</b>	<b>11 220 074</b>	<b>76 529</b>	<b>(5 178 768)</b>	<b>(1 853 154)</b>	<b>11 305 302</b>	<b>2 973 969</b>	<b>4 119 195</b>	<b>990 210</b>	<b>23 653 357</b>
<b>Accumulated gap</b>	<b>11 220 074</b>	<b>11 296 603</b>	<b>6 117 835</b>	<b>4 264 681</b>	<b>15 569 983</b>	<b>18 543 952</b>	<b>22 663 147</b>	<b>23 653 357</b>	

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31 December 2010

	Less than 1 month RUB'000	1 to 6 months RUB'000	6 months to 1 year RUB'000	1 to 3 years RUB'000	3 to 5 years RUB'000	Over 5 years RUB'000	No maturity RUB'000	Overdue RUB'000	Total RUB'000
<b>ASSETS</b>									
Cash and cash equivalents	23 336 426	-	-	-	-	-	-	-	23 336 426
Obligatory reserves with the Central Bank of the Russian Federation	-	-	-	-	-	-	756 584	-	756 584
Due from credit institutions	-	436 968	150 000	-	-	-	-	-	586 968
Financial instruments at fair value through profit or loss	24 153 390	582 640	708 848	851 524	1 178 751	-	-	-	27 475 153
Available-for-sale securities	2 436 745	-	310 803	1 094 020	525 147	35 131	59 799	-	4 461 645
Loans to customers	5 991 701	34 496 158	23 184 002	25 715 433	8 580 143	4 833 587	-	1 051 285	103 852 309
Property and equipment	-	-	-	-	-	-	4 255 117	-	4 255 117
Other assets	164 058	166 952	245 111	74 220	12 554	-	83 546	-	746 441
	<b>56 082 320</b>	<b>35 682 718</b>	<b>24 598 764</b>	<b>27 735 197</b>	<b>10 296 595</b>	<b>4 868 718</b>	<b>5 155 046</b>	<b>1 051 285</b>	<b>165 470 643</b>
<b>LIABILITIES</b>									
Deposits by credit institutions	12 740 236	4 859 385	6 504 503	1 959 843	1 189 779	609 538	-	-	27 863 284
Deposits by customers	22 674 633	28 062 409	19 431 717	15 022 786	3 838 723	6 057 760	-	-	95 088 028
Debt securities issued	1 140 658	7 291 566	10 860 363	7 958 509	-	-	-	-	27 251 096
Income tax liability	142 237	-	-	-	-	-	493 903	-	636 140
Other liabilities	319 510	110 673	103 946	-	-	-	330 871	-	865 000
	<b>37 017 274</b>	<b>40 324 033</b>	<b>36 900 529</b>	<b>24 941 138</b>	<b>5 028 502</b>	<b>6 667 298</b>	<b>824 774</b>	<b>-</b>	<b>151 703 548</b>
<b>Net position</b>	<b>19 065 046</b>	<b>(4 641 315)</b>	<b>(12 301 765)</b>	<b>2 794 059</b>	<b>5 268 093</b>	<b>(1 798 580)</b>	<b>4 330 272</b>	<b>1 051 285</b>	<b>13 767 095</b>
<b>Accumulated gap</b>	<b>19 065 046</b>	<b>14 423 731</b>	<b>2 121 966</b>	<b>4 916 025</b>	<b>10 184 118</b>	<b>8 385 538</b>	<b>12 715 810</b>	<b>13 767 095</b>	

### Currency analysis

The Group is exposed to effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. The Supervisory Board sets limits on the level of exposure by currencies. These limits also comply with the minimum requirements of the Central Bank of the Russian Federation. The exposure of banking assets to foreign currency exchange rate risk at 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011				31 December 2010			
	USD RUB'000 (unaudited)	RUB RUB'000 (unaudited)	Other currencies RUB'000 (unaudited)	Total RUB'000 (unaudited)	USD RUB'000	RUB RUB'000	Other currencies RUB'000	Total RUB'000
<b>ASSETS</b>								
Cash and cash equivalents	2 566 110	17 359 340	1 526 299	<b>21 451 749</b>	1 887 758	17 550 107	3 898 561	<b>23 336 426</b>
Obligatory reserves with the Central Bank of the Russian Federation	-	1 537 656	-	<b>1 537 656</b>	-	756 584	-	<b>756 584</b>
Due from credit institutions	2 560 640	-	1 617 903	<b>4 178 543</b>	235 303	150 000	201 665	<b>586 968</b>
Financial instruments at fair value through profit or loss	-	21 152 366	-	<b>21 152 366</b>	2 059 403	25 415 750	-	<b>27 475 153</b>
Available-for-sale securities	83 177	2 659 381	-	<b>2 742 558</b>	127 883	4 333 762	-	<b>4 461 645</b>
Loans to customers	15 777 103	123 323 323	8 289 297	<b>147 389 723</b>	13 853 038	84 589 069	5 410 202	<b>103 852 309</b>
Property and equipment	-	4 337 441	-	<b>4 337 441</b>	-	4 255 117	-	<b>4 255 117</b>
Other assets	57 039	998 393	60 861	<b>1 116 293</b>	75 648	668 208	2 585	<b>746 441</b>
	<b>21 044 069</b>	<b>171 367 900</b>	<b>11 494 360</b>	<b>203 906 329</b>	<b>18 239 033</b>	<b>137 718 597</b>	<b>9 513 013</b>	<b>165 470 643</b>

*CREDIT BANK OF MOSCOW*  
*Notes to, and forming part of, the Interim Condensed Consolidated Financial Statements*  
*for the six-month period ended 30 June 2011*

	30 June 2011				31 December 2010			
	USD	RUB	Other currencies	Total	USD	RUB	Other currencies	Total
	RUB'000 (unaudited)	RUB'000 (unaudited)	RUB'000 (unaudited)	RUB'000 (unaudited)	RUB'000	RUB'000	RUB'000	RUB'000
<b>LIABILITIES</b>								
Deposits by credit institutions	13 104 594	6 596 927	887 263	<b>20 588 784</b>	10 978 350	15 463 943	1 420 991	<b>27 863 284</b>
Deposits by customers	8 905 716	100 861 217	10 987 853	<b>120 754 786</b>	8 341 260	77 625 812	9 120 956	<b>95 088 028</b>
Debt securities issued	74 181	35 954 563	62 879	<b>36 091 623</b>	702 440	26 377 351	171 305	<b>27 251 096</b>
Income tax liability	-	1 675 558	-	<b>1 675 558</b>	-	636 140	-	<b>636 140</b>
Other liabilities	15 103	1 115 554	11 564	<b>1 142 221</b>	9 263	853 417	2 320	<b>865 000</b>
	<b>22 099 594</b>	<b>146 203 819</b>	<b>11 949 559</b>	<b>180 252 972</b>	<b>20 031 313</b>	<b>120 956 663</b>	<b>10 715 572</b>	<b>151 703 548</b>
<b>Net position</b>	<b>(1 055 525)</b>	<b>25 164 081</b>	<b>(455 199)</b>	<b>23 653 357</b>	<b>(1 792 280)</b>	<b>16 761 934</b>	<b>(1 202 559)</b>	<b>13 767 095</b>
<b>Spot contracts</b>	969 598	(957 482)	(12 116)	-	1 316 113	(2 263 026)	946 913	-
<b>Total</b>	<b>(85 927)</b>	<b>24 206 599</b>	<b>(467 315)</b>	<b>23 653 357</b>	<b>(476 167)</b>	<b>14 498 908</b>	<b>(255 646)</b>	<b>13 767 095</b>

## Geographical risk

The geographical risk is the risk of losses in the result of a foreign counterparty failing to meet its obligations due to political, economic or social instability in the respective country. The geographical concentration of financial assets and liabilities as at 30 June 2011 and 31 December 2010 is disclosed in the table below:

	30 June 2011				31 December 2010			
	Russia RUB'000 (unaudited)	OECD RUB'000 (unaudited)	Other non-OECD RUB'000 (unaudited)	Total RUB'000 (unaudited)	Russia RUB'000	OECD RUB'000	Other non- OECD RUB'000	Total RUB'000
<b>ASSETS</b>								
Cash and cash equivalents	18 447 766	2 997 299	6 684	<b>21 451 749</b>	18 020 750	5 314 349	1 327	<b>23 336 426</b>
Obligatory reserves with the Central Bank of the Russian Federation	1 537 656	-	-	<b>1 537 656</b>	756 584	-	-	<b>756 584</b>
Due from credit institutions	3 355	4 175 188	-	<b>4 178 543</b>	385 303	201 665		<b>586 968</b>
Financial instruments at fair value through profit or loss	21 152 366	-	-	<b>21 152 366</b>	27 321 018	-	154 135	<b>27 475 153</b>
Available-for-sale securities	2 742 558	-	-	<b>2 742 558</b>	4 461 645	-	-	<b>4 461 645</b>
Loans to customers	143 174 038	3 953 141	262 544	<b>147 389 723</b>	103 401 019	451 290	-	<b>103 852 309</b>
	<b>187 057 739</b>	<b>11 125 628</b>	<b>269 228</b>	<b>198 452 595</b>	<b>154 346 319</b>	<b>5 967 304</b>	<b>155 462</b>	<b>160 469 085</b>
<b>LIABILITIES</b>								
Deposits by credit institutions	6 856 440	13 395 414	336 930	<b>20 588 784</b>	15 768 554	12 094 730	-	<b>27 863 284</b>
Deposits by customers	115 640 340	325 314	4 789 132	<b>120 754 786</b>	87 288 843	302 939	7 496 246	<b>95 088 028</b>
Debt securities issued	36 087 224	-	4 399	<b>36 091 623</b>	27 136 318	1 770	113 008	<b>27 251 096</b>
	<b>158 584 004</b>	<b>13 720 728</b>	<b>5 130 461</b>	<b>177 435 193</b>	<b>130 193 715</b>	<b>12 399 439</b>	<b>7 609 254</b>	<b>150 202 408</b>
Net position	<b>28 473 735</b>	<b>(2 595 100)</b>	<b>(4 861 233)</b>	<b>21 017 402</b>	<b>24 152 604</b>	<b>(6 432 135)</b>	<b>(7 453 792)</b>	<b>10 266 677</b>

## **25 Events subsequent to the reporting date**

In August 2011 the Bank signed a USD 30 million loan agreement with the Black Sea Trade and Development Bank for the purpose of financing small and medium enterprises.

In August 2011 the Bank paid out the first coupon in the amount of RUB 126.45 million, or RUB 42.15 per bond, of domestic exchange bond issue series BO-01. The issue was placed in the amount of RUB 3 billion in February 2011 with a maturity of 3 years.

In August 2011 the Bank repaid the remaining Tranche A in the amount of USD 30 million of the syndicated loan in the total amount of USD 100 million organized by EBRD.

In August 2011 the Bank paid out the fourth coupon in the amount of RUB 93.74 million, or RUB 46.87 per bond, of domestic bond issue series 06. The issue was placed in the amount of RUB 2 billion in 2009 with a maturity of 3 years.

In July 2011 the Bank placed its Loan Participation Notes issue in the total amount of USD 200 million with a fixed coupon rate of 8.25% p.a. at par and maturity of 3 years.

In July 2011 the Bank paid out the second coupon in the amount of RUB 97.34 million, or RUB 48.67 per bond, of domestic bond issue series 07. The issue was placed in the amount of RUB 2 billion in 2010 with a maturity of 5 years.