

20 YEARS  **BANK
CENTER-INVEST**

Center-invest Bank Group

**International Financial Reporting Standards
Consolidated Financial Statements**
Abridged Version Without Audit Opinion

30 June 2012

Contents

| | |
|--|---|
| Consolidated Statement on Financial Position..... | 1 |
| Consolidated Income Statement..... | 2 |
| Consolidated Statement of Comprehensive Income | 3 |
| Consolidated Statement of Cash Flows | 4 |
| Consolidated Statement of Changes in Equity..... | 5 |
| Notes to the Consolidated Financial Statement..... | 6 |

Center-Invest Bank Group
Consolidated Statement on Financial Position
(in thousands of Russian Roubles)

| <i>In thousands of Russian Roubles</i> | 30 June 2012 | 30 June 2011 | 31 December 2011 |
|--|---------------------|---------------------|-------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 5 951 807 | 6 170 555 | 4 650 962 |
| Mandatory cash balances with the CBRF | 525 155 | 440 625 | 484 091 |
| Trading securities | 465 905 | 1 747 921 | 970 349 |
| Other securities at fair value through profit or loss | 5 997 | 6 005 | 5 997 |
| Due from other banks | 2 801 525 | 1 595 355 | 2 012 023 |
| Loans and advances to customers | 46 024 284 | 35 596 882 | 42 010 560 |
| Finance lease receivables | 565 440 | 455 432 | 538 667 |
| Investment in associate | 319 199 | 320 907 | 319 199 |
| Intangible assets | 325 598 | 352 530 | 329 674 |
| Premises and equipment | 2 624 974 | 2 557 833 | 2 710 632 |
| Other financial assets | 322 516 | 206 931 | 302 851 |
| Other assets | 381 635 | 404 232 | 201 958 |
| TOTAL ASSETS | 60 314 035 | 49 855 208 | 54 536 963 |
| LIABILITIES | | | |
| Due to other banks | 299 466 | 339 522 | 94 689 |
| Customer accounts | 40 338 800 | 33 785 061 | 39 000 759 |
| Debt securities in issue | 6 469 871 | 4 396 245 | 3 720 669 |
| Borrowings from international financial institutions | 3 452 014 | 3 039 870 | 2 655 299 |
| Subordinated debt | 1 981 646 | 1 692 320 | 1 942 715 |
| Other financial liabilities | 209 150 | 123 260 | 148 429 |
| Deferred tax liability | 261 242 | 179 866 | 216 063 |
| Other liabilities | 272 980 | 122 835 | 72 281 |
| TOTAL LIABILITIES | 53 285 169 | 43 678 979 | 47 850 904 |
| EQUITY | | | |
| Share capital | 1 258 709 | 1 258 709 | 1 258 709 |
| Share premium | 1 646 428 | 1 646 428 | 1 646 428 |
| Revaluation reserve for premises and equipment | 1 376 454 | 1 259 467 | 1 377 608 |
| Retained earnings | 2 747 275 | 2 011 625 | 2 403 314 |
| TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS | 7 028 866 | 6 176 229 | 6 686 059 |
| TOTAL LIABILITIES AND EQUITY | 60 314 035 | 49 855 208 | 54 536 963 |

Approved for issue and signed on behalf of the Board of Directors on 30 June 2012.

G.I. Zhukov
Chairman of the Board

T.I. Ivanova
Chief Accountant

Center-Invest Bank Group
Consolidated Income Statement
(in thousands of Russian Roubles)

| <i>In thousands of Russian Roubles</i> | 6 Months 2012 | 6 Months 2011 | 2011 |
|--|----------------------|----------------------|------------------|
| Interest income | 3 075 895 | 2 530 367 | 5 276 324 |
| Finance income arising from leasing | 51 998 | 40 474 | 97 906 |
| Interest expense | (1 388 968) | (1 114 283) | (2 339 864) |
| Net interest income | 1 738 925 | 1 456 558 | 3 034 366 |
| Provision for loan portfolio impairment and impairment of finance lease receivables | (552 952) | (248 059) | (620 790) |
| Net interest income after impairment provisions | 1 185 973 | 1 208 499 | 2 413 576 |
| Fee and commission income | 412 069 | 398 497 | 842 041 |
| Fee and commission expense | (97 286) | (97 588) | (210 918) |
| Gains less losses/(losses less gains) from trading securities | 15 271 | (10 006) | (38 208) |
| Gains less losses from trading in foreign currencies | 35 717 | 22 101 | 61 582 |
| Foreign exchange translation (losses less gains)/ gains less losses | 42 447 | (1 538) | 138 374 |
| Gains less losses/(losses less gains) from conversion operations on the interbank market | (53 604) | 3 124 | (125 049) |
| Gains from assignment of the rights of claim | 42 495 | (8 415) | 29 031 |
| Provision for other assets | 11 074 | (18 362) | (158 444) |
| Other operating income | 39 020 | 5 330 | 87 277 |
| Contributions to the state deposit insurance scheme | (56 877) | (47 255) | (99 894) |
| Administrative and other operating expenses | (859 234) | (792 004) | (1 778 642) |
| Share of profit of associate | 0 | 973 | 3 934 |
| Profit before tax | 717 065 | 663 356 | 1 164 660 |
| Income tax expense | (170 037) | (154 880) | (252 484) |
| Profit for the year | 547 028 | 508 476 | 912 176 |

Center-Invest Bank Group
Consolidated Statement of Comprehensive Income
(in thousands of Russian Roubles)

| <i>In thousands of Russian Roubles</i> | 6 Months 2012 | 6 Months 2011 | 2011 |
|---|----------------------|----------------------|------------------|
| Profit for the year attributable to the equity holders | 547 028 | 508 476 | 912 176 |
| Other comprehensive income | | | |
| Revaluation of premises and equipment | - | (12 455) | 196 035 |
| Revaluation of premises and equipment of the associate | - | (849) | (5 392) |
| Income tax recorded directly in other comprehensive income | - | 2 491 | (95 199) |
| Other comprehensive income for the year attributable to the equity holders | - | (10 813) | 95 444 |
| Total comprehensive income for the year attributable to the equity holders | 547 028 | 497 663 | 1 007 620 |

Center-Invest Bank Group
Consolidated Statement of Cash Flow
(in thousands of Russian Roubles)

| <i>In thousands of Russian Roubles</i> | 6 Months 2012 | 6 Months 2011 |
|--|----------------------|----------------------|
| Cash flows from operating activities | | |
| Interest received | 2 964 151 | 2 542 511 |
| Finance income arising from leasing | 50 534 | 39 594 |
| Interest paid | (1 335 039) | (1 068 534) |
| Fees and commissions received | 420 506 | 414 961 |
| Fees and commissions paid | (92 072) | (94 010) |
| Realized gains less losses from trading securities | (8 024) | (24 138) |
| Net income received from trading in foreign currencies | 35 717 | 22 101 |
| Realized gains less losses from conversion operations on the interbank market | (53 610) | 4 193 |
| Income received from assignment of the rights of claim | 55 543 | 33 803 |
| Other operating income received | 46 986 | 30 624 |
| Contributions to the state deposit insurance scheme | (55 061) | (45 122) |
| Staff costs | (464 533) | (416 130) |
| Operating expenses paid | (277 392) | (255 644) |
| Income tax paid | (120 518) | (167 001) |
| Cash flows from operating activities before changes in operating assets and liabilities | 1 167 188 | 1 017 208 |
| Changes in operating assets and liabilities | | |
| Net decrease/(increase) in mandatory cash balances with the CBRF | (41 064) | (195 919) |
| Net decrease/(increase) in trading securities | 518 461 | 1 110 126 |
| Net decrease/(increase) in due from other banks | (789 311) | 2 854 848 |
| Net decrease/(increase) in loans and advances to customers | (4 457 298) | (5 985 828) |
| Net decrease/(increase) in finance lease receivables | (43 762) | 17 572 |
| Net decrease/(increase) in other assets | (60 368) | 68 322 |
| Net increase/(decrease) in due to other banks | 203 676 | 1 869 |
| Net increase/(decrease) in customer accounts | 1 298 093 | 13 502 |
| Net increase/(decrease) in promissory notes issued | 175 771 | (67 575) |
| Net increase/(decrease) in other liabilities | 209 085 | 6 049 |
| Net cash used in operating activities | (1 819 529) | (1 159 826) |
| Cash flows from investing activities | | |
| Acquisition of premises and equipment | (25 767) | (14 069) |
| Proceeds from sale of premises and equipment | 7 342 | 12 556 |
| Acquisition of intangible assets | (14 063) | (9 398) |
| Net cash used in investing activities | (32 488) | (7 441) |
| Cash flows from financing activities | | |
| Proceeds from bonds issued on domestic marker | 2 907 000 | 2 500 000 |
| Redemption/ of bonds issued on domestic marker | (364 772) | (74 980) |
| Proceeds from borrowings from international financial institutions | 1 425 000 | - |
| Repayment of borrowings from international financial institutions | (629 927) | (820 397) |
| Repayment of Subordinated debt | - | (37 567) |
| Dividends paid | (204 221) | (95 649) |
| Net cash from financing activities | 3 133 080 | 1 471 407 |
| Effect of exchange rate changes on cash and cash equivalents | 19 782 | (76 006) |
| Net increase/(decrease) in cash and cash equivalents | 1 300 845 | 224 664 |
| Cash and cash equivalents as at the beginning of the year | 4 650 962 | 5 945 891 |
| Cash and cash equivalents as at the end of the Period | 5 951 807 | 6 170 555 |

Center-Invest Bank Group
Consolidated Statement of Changes in Equity
(in thousands of Russian Roubles)

| | Attributable to equity holders of the Bank | | | | Total equity attributable to the equity holders |
|--|--|------------------|--|-------------------|---|
| | Share capital | Share premium | Revaluation reserve for premises and equipment | Retained earnings | |
| Balance at 1 January 2011 | 1 258 709 | 1 646 428 | 1 270 280 | 1 598 671 | 5 774 088 |
| Profit for 6 Months 2011 | - | - | - | 508 476 | 508 476 |
| Other comprehensive income | - | - | (10 813) | - | (10 813) |
| Total comprehensive income for 3 Months 2011 | - | - | (10 813) | 508 476 | 497 663 |
| Dividends declared and paid: | | | | | |
| - ordinary shares | - | - | - | (77 550) | (77 550) |
| - preference shares | - | - | - | (18 099) | (18 099) |
| Transfer of revaluation surplus on premises to retained earnings | - | - | - | 127 | 127 |
| Balance at 30 June 2011 | 1 258 709 | 1 646 428 | 1 259 467 | 2 011 625 | 6 176 229 |
| Balance at 31 December 2011 | 1 258 709 | 1 646 428 | 1 270 280 | 1 598 671 | 5 774 088 |
| Profit for 6 Months 2012 | - | - | - | 547 028 | 547 028 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for 3 Months 2012 | - | - | - | 547 028 | 547 028 |
| Dividends declared and paid: | | | | | |
| - ordinary shares | - | - | - | (186 122) | (186 122) |
| - preference shares | - | - | - | (18 099) | (18 099) |
| Transfer of revaluation surplus on premises to retained earnings | - | - | (1 154) | 1 154 | - |
| Balance at 30 June 2012 | 1 258 709 | 1 646 428 | 1 376 454 | 2 747 275 | 7 028 866 |

Center-Invest Bank Group
Notes to the Consolidated Statement
(in thousands of Russian Roubles)

Loans and Advances to Customers

| <i>In thousands of Russian Roubles</i> | 30 June 2012 | 31 December 2011 |
|--|---------------------|-------------------------|
| Loans to small and medium size enterprises (SME loans) | 21 090 737 | 19 958 072 |
| Corporate loans | 11 057 908 | 10 305 545 |
| Loans to individuals - consumer loans and car loans | 9 997 672 | 8 546 508 |
| Mortgage loans | 6 871 780 | 5 955 523 |
| Total loans and advances to customers (before impairment) | 49 018 097 | 44 765 648 |
| Less: Provision for loan impairment | (2 993 813) | (2 755 088) |
| Total loans and advances to customers | 46 024 284 | 42 010 560 |

Movements in the provision for loan impairment are as follows:

| <i>In thousands of Russian Roubles</i> | 6 Months 2012 | 6 Months 2011 | 2010 |
|--|----------------------|----------------------|------------------|
| Provision for loan impairment as at 1 January | 2 755 088 | 2 715 779 | 2 715 779 |
| Provision for impairment during the year | 536 842 | 250 844 | 637 211 |
| Recovery of provision on reassigned rights of claim | (43 649) | (131 232) | (346 104) |
| Amounts written off during the year as uncollectible | (254 468) | (42 606) | (251 798) |
| Provision for loan impairment as at End of period | 2 993 813 | 2 792 785 | 2 755 088 |

Economic sector risk concentrations within the customer loan portfolio are as follows:

| <i>In thousands of Russian Roubles</i> | 30 June 2012 | | 31 December 2011 | |
|--|---------------------|--------------|-------------------------|--------------|
| | Amount | % | Amount | % |
| Individuals (total), incl. | 16 869 452 | 34.4 | 14 502 031 | 32.4 |
| - consumer loans | 8 783 512 | 17.9 | 7 219 181 | 16.1 |
| - mortgage loans | 6 871 780 | 14.0 | 5 955 523 | 13.3 |
| - car loans | 1 214 160 | 2.5 | 1 327 327 | 3.0 |
| Agriculture | 8 753 967 | 17.9 | 6 973 800 | 15.6 |
| Trade | 8 001 119 | 16.3 | 8 460 211 | 18.9 |
| Manufacturing | 4 790 918 | 9.8 | 4 512 437 | 10.1 |
| Construction | 3 577 835 | 7.3 | 3 277 007 | 7.3 |
| Transport | 3 176 043 | 6.5 | 3 061 743 | 6.8 |
| Energy | 1 271 681 | 2.6 | 1 007 782 | 2.3 |
| Financial companies | 390 638 | 0.8 | 532 855 | 1.2 |
| Real estate | 55 377 | 0.1 | 177 420 | 0.4 |
| Other | 2 131 066 | 4.3 | 2 260 362 | 5.0 |
| Total loans and advances to customers (before impairment) | 49 018 096 | 100.0 | 44 765 648 | 100.0 |

Center-Invest Bank Group
Notes to the Consolidated Statement
(in thousands of Russian Roubles)

The liquidity position of the Group as at 30 June 2012 is set out below.

| | Demand and less than 1 month | From 1 to 3 months | From 3 to 6 months | From 6 to 12 months | From 1 to 5 years | More than 5 year | No stated maturity | Total |
|--|------------------------------|--------------------|--------------------|---------------------|-------------------|-------------------|--------------------|-------------------|
| Assets | | | | | | | | |
| Cash and cash equivalents | 5 951 807 | | | | | | | 5 951 807 |
| Mandatory cash balances with the CBRF | 525 155 | | | | | | | 525 155 |
| Trading securities | 465 905 | | | | | | | 465 905 |
| Other securities at fair value through profit or loss | 0 | 0 | 0 | 0 | 0 | 0 | 5 997 | 5 997 |
| Due from other banks | 2 800 525 | 0 | 0 | 0 | 1 000 | 0 | 0 | 2 801 525 |
| Loans and advances to customers | 1 415 855 | 4 485 806 | 7 502 803 | 9 134 484 | 18 671 889 | 4 813 447 | 0 | 46 024 284 |
| Finance lease receivables | 29 460 | 51 794 | 76 728 | 133 932 | 273 526 | 0 | 0 | 565 440 |
| Investment in associates | 0 | 0 | 0 | 0 | 0 | | 319 199 | 319 199 |
| Intangible assets | | | | | | | 325 598 | 325 598 |
| Premises and equipment | | | | | | | 2 624 974 | 2 624 974 |
| Other financial assets | 197 511 | 11 577 | 2 630 | 35 063 | 45 735 | 30 000 | 0 | 322 516 |
| Other assets | 99 222 | 71 277 | 24 514 | 37 546 | 149 076 | 0 | 0 | 381 635 |
| Total assets | 11 485 440 | 4 620 454 | 7 606 675 | 9 341 025 | 19 141 226 | 4 843 447 | 3 275 768 | 60 314 035 |
| Liabilities | | | | | | | | |
| Due to other banks | 80 055 | 0 | 84 | 201 606 | 17 721 | 0 | 0 | 299 466 |
| Customer accounts | 13 161 524 | 3 584 313 | 3 223 065 | 3 584 272 | 16 785 626 | 0 | 0 | 40 338 800 |
| Debt securities in issue | 185 704 | 0 | 2 524 376 | 3 759 791 | 0 | 0 | 0 | 6 469 871 |
| Borrowings from international financial institutions | 0 | 298 587 | 340 783 | 696 001 | 2 116 643 | 0 | 0 | 3 452 014 |
| Subordinated loan | 0 | 0 | 20 470 | 0 | 327 508 | 1 633 668 | 0 | 1 981 646 |
| Other financial liabilities | 147 822 | 25 370 | 2 037 | 10 945 | 22 976 | 0 | 0 | 209 150 |
| Deferred income tax liability | 0 | 0 | 0 | 0 | 0 | 0 | 261 242 | 261 242 |
| Other liabilities | 239 769 | 21 148 | 30 | 12 033 | 0 | 0 | 0 | 272 980 |
| Total liabilities | 13 814 874 | 3 929 418 | 6 110 845 | 8 264 648 | 19 270 474 | 1 633 668 | 261 242 | 53 285 169 |
| Net liquidity gap | (2 329 434) | 691 036 | 1 495 830 | 1 076 377 | (129 248) | 3 209 779 | 3 014 526 | 7 028 866 |
| Cumulative liquidity gap at 30 June 2012 | (2 329 434) | (1 638 398) | (142 568) | 933 809 | 804 561 | 4 014 340 | 7 028 866 | - |
| Cumulative liquidity gap at 30 June 2012 (30% of customer accounts are permanent) | 1 619 023 | 3 385 353 | 5 848 103 | 7 999 761 | 12 906 201 | 16 115 980 | 7 028 866 | - |

Center-Invest Bank Group
Notes to the Consolidated Statement
(in thousands of Russian Roubles)

The currency position of the Group as at 30 June 2012 is set out below.

| | RR | USD | Euro | Others | Total |
|---|-------------------|------------------|----------------|---------------|-------------------|
| Assets | | | | | |
| Cash and cash equivalents | 4 225 999 | 1 339 232 | 315 778 | 70 798 | 5 951 807 |
| Mandatory cash balances with the CBRF | 525 155 | 0 | 0 | 0 | 525 155 |
| Trading securities | 354 640 | 0 | 111 265 | 0 | 465 905 |
| Other securities at fair value through profit or loss | 5 997 | 0 | 0 | 0 | 5 997 |
| Due from other banks | 2 801 525 | 0 | 0 | 0 | 2 801 525 |
| Loans and advances to customers | 42 300 836 | 3 364 099 | 359 349 | 0 | 46 024 284 |
| Finance lease receivables | 538 103 | 10 234 | 17 103 | 0 | 565 440 |
| Other assets | 316 167 | 1 884 | 4 459 | 0 | 322 510 |
| Total financial assets | 51 068 422 | 4 715 449 | 807 954 | 70 798 | 56 662 623 |
| Other nonfinancial assets | 3 651 406 | | | | 3 651 406 |
| Total assets | 54 719 828 | 4 715 449 | 807 954 | 70 798 | 60 314 029 |
| Liabilities | | | | | |
| Due to other banks | 277 285 | 0 | 22 181 | 0 | 299 466 |
| Customer accounts | 37 655 401 | 1 839 182 | 782 198 | 62 019 | 40 338 800 |
| Debt securities in issue | 6 469 871 | 0 | 0 | 0 | 6 469 871 |
| Borrowings from international financial institutions | 2 610 304 | 841 710 | 0 | 0 | 3 452 014 |
| Subordinated loan | 0 | 1 981 646 | 0 | 0 | 1 981 646 |
| Other financial liabilities | 195 442 | 11 506 | 2 202 | 0 | 209 150 |
| Total financial liabilities | 47 208 303 | 4 674 044 | 806 581 | 62 019 | 52 750 947 |
| Other nonfinancial liabilities | 534 222 | | | | 534 222 |
| Total liabilities | 47 742 525 | 4 674 044 | 806 581 | 62 019 | 53 285 169 |
| Off-balance sheet net notional position | (29 164) | 22 972 | 6 198 | 0 | 6 |
| Net open currency position | 6 948 139 | 64 377 | 7 571 | 8 779 | 7 028 866 |
| Credit related commitments | 1 226 498 | 21 780 | 4 132 | 0 | 1 252 410 |

Center-Invest Bank Group
Notes to the Consolidated Statement
(in thousands of Russian Roubles)

Analysis of Risk-based Capital

| <i>In thousands of Russian Roubles</i> | 30 June 2012 | 31 December 2011 |
|--|---------------------|-------------------------|
| <i>Tier 1 capital</i> | | |
| Share capital | 1 258 709 | 1 258 709 |
| Share premium | 1 646 428 | 1 646 428 |
| Retained Earnings | 2 747 275 | 2 403 314 |
| Total tier 1 capital | 5 652 412 | 5 308 451 |
| <i>Tier 2 capital</i> | | |
| Revaluation reserve for premises and equipment | 1 376 454 | 1 377 608 |
| Subordinated debt | 1 733 279 | 1 732 687 |
| Total tier 2 capital | 3 109 733 | 3 110 295 |
| Total capital | 8 762 145 | 8 418 746 |
| Risk-Weighted Assets | 49 680 984 | 46 192 394 |
| Capital Adequacy Ratio | 17.6% | 18.2% |
