

**Open Joint Stock Company “BANK URALSIB”**  
**Interim Condensed Consolidated Financial Statements**  
*For the six-month period ended June 30, 2009*

## CONTENTS

### INDEPENDENT AUDITORS' REPORT

Interim condensed consolidated statement of financial position .....	1
Interim condensed consolidated income statement .....	2
Interim condensed consolidated statement of comprehensive income.....	3
Interim condensed consolidated statement of changes in equity .....	4
Interim condensed consolidated statement of cash flows.....	5

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Principal activities .....	6
2. Basis of preparation .....	6
3. Summary of accounting policies.....	8
4. Use of estimates and judgements .....	8
5. Segment analysis .....	9
6. Cash and cash equivalents.....	15
7. Amounts due from credit institutions .....	15
8. Trading securities.....	16
9. Available-for-sale securities.....	17
10. Held-to-maturity securities.....	17
11. Derivative financial instruments.....	17
12. Loans to customers .....	18
13. Net investments in finance leases .....	20
14. Amounts due to credit institutions .....	20
15. Amounts due to customers .....	21
16. Promissory notes issued .....	21
17. Other borrowed funds.....	21
18. Equity.....	22
19. Net fee and commission income.....	22
20. Personnel expenses, administrative and operating expenses .....	23
21. Related party transactions .....	24
22. Capital adequacy .....	24



**ZAO KPMG**  
Naberezhnaya Tower Complex, Block C  
10 Presnenskaya Naberezhnaya  
Moscow 123317  
Russia

Telephone +7 (495) 937 4477  
Fax +7 (495) 937 4400/99  
Internet www.kpmg.ru

## Independent Auditors' Report

To the Shareholders and the Board of Directors  
Open Joint Stock Company "BANK URALSIB"

### *Introduction*

We have reviewed the accompanying consolidated interim condensed statement of financial position of Open Joint Stock Company "BANK URALSIB" and its subsidiaries as at 30 June 2009, and the related consolidated interim condensed income statement, statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and a summary of selected explanatory notes (the "consolidated interim condensed financial statements"). Management is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these consolidated interim condensed financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of consolidated interim condensed financial statements consist 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 consolidated interim condensed financial statements as at 30 June 2009 and for the six-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

*ZAO KPMG*

ZAO KPMG  
October 16, 2009

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As of June 30, 2009***(Millions of Russian Rubles)*

	<i>Notes</i>	<i>June 30, 2009 (Unaudited)</i>	<i>December 31, 2008</i>
<b>Assets</b>			
Cash and cash equivalents	6	64,805	71,975
Obligatory reserves with the Central Bank		1,342	624
Amounts due from credit institutions	7	4,279	4,458
Trading securities, unpledged	8	21,840	20,982
Trading securities pledged under repurchase agreements	8	1,135	4,054
Available-for-sale securities	9	29,396	10,040
Held-to-maturity securities	10	4,308	6,216
Total securities		56,679	41,292
Derivative financial assets	11	280	104
Loans to corporate entities (gross)		164,135	193,397
less: Impairment allowance		(16,200)	(11,586)
Loans to corporate entities (net)		147,935	181,811
Loans to individuals (gross)		79,362	84,597
less: Impairment allowance		(6,042)	(4,305)
Loans to individuals (net)		73,320	80,292
Total loans to customers (net)	12	221,255	262,103
Net investment in finance leases	13	25,978	31,881
Property and equipment		13,389	8,833
Goodwill		4,527	4,527
Other assets		25,022	20,471
<b>Total assets</b>		<b>417,556</b>	<b>446,268</b>
<b>Liabilities</b>			
Derivative financial liabilities	11	251	143
Amounts due to credit institutions	14	92,972	140,499
Current accounts of corporate clients		65,897	63,962
Time deposits of corporate clients		101,626	97,641
Total amounts due to corporate clients		167,523	161,603
Current accounts of individuals		21,851	15,199
Time deposits of individuals		56,590	49,558
Total amounts due to individual clients		78,441	64,757
Total amounts due to customers	15	245,964	226,360
Promissory notes issued	16	8,117	9,155
Other borrowed funds	17	12,366	17,423
Other liabilities		3,281	4,479
<b>Total liabilities</b>		<b>362,951</b>	<b>398,059</b>
<b>Equity</b>			
Share capital	18	38,697	32,607
Additional paid-in capital		7,681	7,681
Revaluation reserve for available-for-sale securities		(311)	(1,617)
Revaluation surplus for property		2,651	2,661
Retained earnings		5,118	6,044
<b>Total equity attributable to shareholders of the parent</b>		<b>53,836</b>	<b>47,376</b>
Minority interest		769	833
<b>Total equity</b>		<b>54,605</b>	<b>48,209</b>
<b>Total equity and liabilities</b>		<b>417,556</b>	<b>446,268</b>

Signed and authorised for release on behalf of the Management Board of the Bank

Andrey M. Donskikh

Chairman of the Board

Yury V. Petukhov

Chief Accountant

October 16, 2009

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

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT****For the six-month period ended June 30, 2009***(Millions of Russian Rubles)*

	<i>Notes</i>	<i>For the six-month period ended June 30,</i>	
		<i>2009 (Unaudited)</i>	<i>2008 (Unaudited)</i>
<b>Interest income</b>			
Loans to customers		19,532	16,709
Net investment in finance leases		3,321	2,486
Securities		1,882	1,585
Amounts due from credit institutions		826	672
		<b>25,561</b>	<b>21,452</b>
<b>Interest expense</b>			
Amounts due to customers		(8,595)	(5,304)
Amounts due to credit institutions		(5,832)	(2,538)
Other borrowed funds		(589)	(244)
Promissory notes and certificates of deposit issued		(437)	(487)
		<b>(15,453)</b>	<b>(8,573)</b>
<b>Net interest income</b>		<b>10,108</b>	<b>12,879</b>
Impairment of interest earning assets	7, 9, 12, 13	(9,440)	(2,502)
<b>Net interest income after impairment of interest earning assets</b>		<b>668</b>	<b>10,377</b>
Fee and commission income		3,073	2,582
Fee and commission expense		(873)	(810)
<b>Net fee and commission income</b>	19	<b>2,200</b>	<b>1,772</b>
Net gains/(losses) from trading securities		4,019	(1,004)
Net realized (losses)/gains from available-for-sale securities		(950)	40
Net gains/(losses) from derivatives		342	(495)
Net (losses)/gains from foreign currencies		(43)	567
Net (losses)/gains from operations with precious metals		(109)	165
Other income		1,275	411
<b>Other non interest income/(losses)</b>		<b>4,534</b>	<b>(316)</b>
Personnel expenses	20	(4,260)	(4,241)
Administrative and operating expenses	20	(3,295)	(3,967)
Depreciation and amortisation		(403)	(311)
Impairment of other assets		(450)	(21)
<b>Other non interest expense</b>		<b>(8,408)</b>	<b>(8,540)</b>
<b>(Loss)/profit before income tax expense</b>		<b>(1,006)</b>	<b>3,293</b>
Income tax benefit/(expense)		102	(882)
<b>(Loss)/profit for the period</b>		<b>(904)</b>	<b>2,411</b>
Attributable to:			
- shareholders of the parent		(936)	2,331
- minority interest		32	80
		<b>(904)</b>	<b>2,411</b>

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the six-month period ended June 30, 2009***(Millions of Russian Rubles)*

	<i>For the six-month period ended June 30,</i>	
	<i>2009 (Unaudited)</i>	<i>2008 (Unaudited)</i>
<b>Net (loss)/profit</b>	<b>(904)</b>	<b>2,411</b>
<b>Other comprehensive income:</b>		
Net unrealised gain on available-for-sale securities	692	245
Net realised loss/(gain) on available-for-sale securities reclassified to the income statement	941	(40)
Deferred tax related to net unrealised gain on available-for-sale securities and to net realised loss/(gain) on available-for-sale securities reclassified to the income	(327)	(49)
<b>Total other comprehensive income</b>	<b>1,306</b>	<b>156</b>
<b>Total comprehensive income</b>	<b>402</b>	<b>2,567</b>
Total comprehensive income attributable to shareholders of the parent	370	2,487
Total comprehensive income attributable to minority interest	32	80

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the six-month period ended June 30, 2009***(Millions of Russian Rubles)*

	<i>Attributable to shareholders of the Parent</i>							<i>Total equity</i>
	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Revaluation reserve for available-for-sale securities</i>	<i>Revaluation surplus for property</i>	<i>Retained earnings</i>	<i>shareholders of the Parent</i>	<i>Minority interest</i>	
<b>December 31, 2007</b>	<b>32,607</b>	<b>7,681</b>	<b>55</b>	<b>2,420</b>	<b>4,902</b>	<b>47,665</b>	<b>577</b>	<b>48,242</b>
Total comprehensive income for the six-month period, ended June 30, 2008 (Unaudited)	-	-	156	(13)	2,344	2,487	80	2,567
Change of minority share in subsidiary (Unaudited)	-	-	-	-	2	2	71	73
Purchase of subsidiaries (Unaudited)	-	-	-	-	-	-	12	12
Dividends paid (Unaudited)	-	-	-	-	-	-	(139)	(139)
<b>June 30, 2008 (Unaudited)</b>	<b>32,607</b>	<b>7,681</b>	<b>211</b>	<b>2,407</b>	<b>7,248</b>	<b>50,154</b>	<b>601</b>	<b>50,755</b>
<b>December 31, 2008</b>	<b>32,607</b>	<b>7,681</b>	<b>(1,617)</b>	<b>2,661</b>	<b>6,044</b>	<b>47,376</b>	<b>833</b>	<b>48,209</b>
Total comprehensive income for the six-month period, ended June 30, 2009 (Unaudited)	-	-	1,306	(10)	(926)	370	32	402
Contribution to share capital (Unaudited)	6,090	-	-	-	-	6,090	-	6,090
Change of minority share in subsidiaries (Unaudited)	-	-	-	-	-	-	(96)	(96)
<b>June 30, 2009 (Unaudited)</b>	<b>38,697</b>	<b>7,681</b>	<b>(311)</b>	<b>2,651</b>	<b>5,118</b>	<b>53,836</b>	<b>769</b>	<b>54,605</b>

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the six-month period ended June 30, 2009***(Millions of Russian Rubles)*

	<i>For the six-month period ended June 30,</i>	
	<i>2009 (Unaudited)</i>	<i>2008 (Unaudited)</i>
Net cash from operating activities	11,950	18,563
Net cash used in investing activities	(18,126)	(4,963)
Net cash used in financing activities	(3,748)	(12,794)
Effect of exchange rate changes on cash and cash equivalents	2,754	(194)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(7 170)</b>	<b>612</b>
Cash and cash equivalents at the beginning of the period	71,975	47,847
<b>Cash and cash equivalents at the end of the period (Note 6)</b>	<b>64,805</b>	<b>48,459</b>

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

## 1. Principal activities

The accompanying interim condensed consolidated financial statements comprise the accounts of Open joint stock company "BANK URALSIB" and its subsidiaries (together the "Bank"). Open joint stock company "BANK URALSIB" was established in January 1993 by a decree of the Supreme Soviet of the Bashkortostan Republic as an open joint stock company.

Open joint stock company "BANK URALSIB" possesses a general banking license from the Central Bank of Russia (the "CBR") granted on September 20, 2005 and licenses for securities operations and custody services from the Federal Service for the Securities Market as well as a license for precious metals operations granted by the CBR.

The Bank operates in industries where significant seasonal or cyclical variations in operating income are not experienced during the financial year.

The Bank is ultimately controlled by Mr. Nickolai A. Tsvetkov.

### Russian business environment

The Russian Federation has been experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks that typically do not exist in other markets. In addition, the recent contraction in the capital and credit markets has further increased the level of economic uncertainty in the environment. The financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Bank. The future business environment may differ from management's assessment.

## 2. Basis of preparation

### Statement of compliance

These interim condensed consolidated financial statements for the six-month period ended June 30, 2009 ("the interim condensed consolidated financial statements") have been prepared in accordance with IAS 34 "Interim financial reporting" and should be read in conjunction with the annual financial statements for the year ended December 31, 2008 which had been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The new standards and interpretations which became effective in the six-month period ended June, 30 2009 have been applied by the Bank in the interim condensed consolidated financial statements (refer to Note 3).

### Functional and presentation currency

These interim condensed consolidated financial statements are presented in millions of Russian Rubles (RUB) (except where indicated), which is the Bank's presentation currency and the functional currency for all of the Bank's member companies.

### Subsidiaries

The interim condensed consolidated financial statements include the following incorporated subsidiaries:

#### June 30, 2009

<i>Subsidiary</i>	<i>Ownership, %</i>	<i>Country</i>	<i>Date of establishment</i>	<i>Industry</i>	<i>Date of receiving control</i>
OJSC AKB "Stroyvestbank"	86.77%	Russia	January 24, 1992	Banking	September 28, 2001
LLC "Operating Factoring Company URALSIB-Factoring"	100%	Russia	February 27, 2002	Factoring	February 27, 2002
LLC "UralSib Electronic Technologies"	100%	Russia	March 4, 2003	Consulting	March 4, 2003
LLC "Ufa-City"	100%	Russia	April 29, 2002	Construction	May 13, 2002
<b>Members of Leasing Group Uralsib</b>					
LLC "URALSIB Leasing company"	87.61%	Russia	October 9, 1990	Leasing	December 22, 2006
LLC "Region- Leasing- Ufa"	99%	Russia	November 10, 2000	Leasing	December 22, 2006
LLC "Region- Leasing- Consult"	99%	Russia	November 12, 2001	Leasing	December 22, 2006
NIKOIL Leasing company LLC	100%	Azerbaijan	December 11, 2007	Leasing	December 11, 2007

**December 31, 2008**

<b>Subsidiary</b>	<b>Ownership, %</b>	<b>Country</b>	<b>Date of establishment</b>	<b>Industry</b>	<b>Date of receiving control</b>
OJSC AKB "Stroyvestbank"	86.77%	Russia	January 24, 1992	Banking	September 28, 2001
LLC "Operating Factoring Company URALSIB-Factoring"	100%	Russia	February 27, 2002	Factoring	February 27, 2002
LLC "UralSib Electronic Technologies"	100%	Russia	March 4, 2003	Consulting	March 4, 2003
LLC "Ufa-City"	100%	Russia	April 29, 2002	Construction	May 13, 2002

**Members of Leasing Group Uralsib**

LLC "URALSIB Leasing company"	87.61%	Russia	October 9, 1990	Leasing	December 22, 2006
LLC "Region- Leasing- Ufa"	99%	Russia	November 10, 2000	Leasing	December 22, 2006
LLC "Region- Leasing- Consult"	99%	Russia	November 12, 2001	Leasing	December 22, 2006
NIKOIL Leasing company LLC	100%	Azerbaijan	December 11, 2007	Leasing	December 11, 2007

The interim condensed consolidated financial statements include also the following unincorporated subsidiaries:

**June 30, 2009**

<b>Subsidiary</b>	<b>Ownership, %</b>	<b>Country</b>	<b>Date of establishment</b>	<b>Industry</b>	<b>Date of receiving control</b>
Closed Unit Investment Fund of stock "Strategic management"	100%	Russia	November 1, 2007	Investment	November 1, 2007
Closed Unit Investment Fund of property "URALSIB - REGION"	100%	Russia	November 1, 2007	Investment	November 1, 2007
Closed Unit Investment Fund of property "URALSIB - ARENDA"	100%	Russia	November 1, 2007	Investment	November 1, 2007
Closed Unit Investment Fund of real estate "URALSIB real estate"	100%	Russia	February 26, 2008	Investment	February 26, 2008
Closed Unit Investment Fund of real estate "URALSIB – Investment in real estate"	100%	Russia	August 5, 2008	Investment	August 5, 2008
Closed Unit Investment Fund of real estate "Construction Investments"	96.53%	Russia	October 13, 2004	Investment	November 12, 2008
Closed Unit Investment Fund of real estate "URALSIB – Land investments"	92.30%	Russia	February 18, 2008	Investment	August 13, 2008
Closed Unit Investment Fund of real estate "URALSIB – Development of Regions"	100%	Russia	December 9, 2008	Investment	March 3, 2009

**December 31, 2008**

<b>Subsidiary</b>	<b>Ownership, %</b>	<b>Country</b>	<b>Date of establishment</b>	<b>Industry</b>	<b>Date of receiving control</b>
Closed Unit Investment Fund of stock "Strategic management"	100%	Russia	November 1, 2007	Investment	November 1, 2007
Closed Unit Investment Fund of property "URALSIB - REGION"	100%	Russia	November 1, 2007	Investment	November 1, 2007
Closed Unit Investment Fund of property "URALSIB - ARENDA"	100%	Russia	November 1, 2007	Investment	November 1, 2007
Closed Unit Investment Fund of real estate "URALSIB real estate"	100%	Russia	February 26, 2008	Investment	February 26, 2008
Closed Unit Investment Fund of real estate "URALSIB – Investment in real estate"	100%	Russia	August 5, 2008	Investment	August 5, 2008
Closed Unit Investment Fund of real estate "Construction Investments"	95.01%	Russia	October 13, 2004	Investment	November 12, 2008
Closed Unit Investment Fund of real estate "URALSIB – Land investments"	88.92%	Russia	February 18, 2008	Investment	August 13, 2008

During the six-month period ended June 30, 2009 the Bank acquired minority stakes equal to 1.52% and 3.38% in Closed Unit Investment Funds of real estate "Construction Investments" and "URALSIB – Land investments" respectively.

During the six-month period ended June 30, 2009 the Bank also acquired 100% of units in newly established Closed Unit Investment Funds of real estate "URALSIB – Development of Regions" at their nominal amount.

### 3. Summary of accounting policies

Except as described below the accounting policies applied by the Bank in these interim condensed consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2008 as described in those consolidated financial statements.

#### Summary of changes in accounting policies

**Revised IAS 1 Presentation of Financial Statements.** This standard became mandatory for the Bank's 2009 consolidated financial statements and has impacted the presentation of the consolidated financial statements. The Standard introduced the concept of total comprehensive income and requires presentation of all owner changes in equity in the statement of changes in equity, separately from non-owner changes in equity. The Bank continues to present owner changes in equity in the "Interim condensed statement of changes in equity", but detailed information relating to non-owner changes in equity, such as property revaluation and revaluation of available-for-sale securities, is now presented in the separate "Interim condensed statement of comprehensive income".

#### New standards and interpretations not yet adopted

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at June 30, 2009, and have not been applied in preparing these interim condensed consolidated financial statements. Of these pronouncements, the following will potentially have an impact on the Bank's operations. The Bank plans to adopt these pronouncements when they become effective. The Bank has not yet analysed the likely impact of these new standards on its financial statements.

- Amended IAS 27 *Consolidated and Separate Financial Statements (2008)* which becomes mandatory for the Bank's 2010 consolidated financial statements requires accounting for changes in ownership interests by the Bank in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Bank loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss.
- Revised IFRS 3 *Business Combinations (2008)* and amended IAS 27 *Consolidated and Separate Financial Statements (2008)*, which comes into effect on 1 July 2009 (i.e. becomes mandatory for the Bank's 2010 financial statements). The revisions address, among others, accounting for step acquisitions, require acquisition-related costs to be recognised as expenses and remove the exception for changes in contingent consideration to be accounted by adjusting goodwill. The revisions also address how non-controlling interests in subsidiaries should be measured upon acquisition and require to account for the effects of transactions with non-controlling interests directly in equity.

### 4. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(Millions of Russian Rubles)

## 5. Segment analysis

The Bank is organized into eight main reportable segments:

- 1 **Corporate banking:** commercial lending and deposit taking, settlements and cash operations, as well as trade finance and operations with precious metals.
- 2 **Retail banking:** full range of banking services to individuals, such as deposit taking and lending to individuals, money transfer and foreign exchange services and a range of banking card products.
- 3 **Leasing:** a separate division of the Bank solely responsible for its all leasing activities.
- 4 **Investment banking:** primary and secondary equity and debt capital markets activities, brokerage services and securities trading, including repo transactions and derivative operations.
- 5 **Private banking and asset management:** full range of banking services to high net worth individuals, including their savings management and financial consulting; trust management, services to corporate and private clients through fiduciary and collective investment schemes including open-end mutual funds which are distributed through the Bank's regional network.
- 6 **Treasury and asset-liability management ("ALM") unit:** treasury, which lends and borrows funds on money market, undertakes the Bank's funding through issue of debt securities and attraction of syndicated facilities and conducts foreign exchange operations. Besides, the segment maintains liquidity position of the Bank through operations with marketable securities. This segment is also responsible for accumulation and further redistribution of all funds attracted by other segments.
- 7 **Corporate investments and other operations:** corporate operations that are not conducted by and attributed to any business segment. This segment is responsible for operations with related parties of the Bank and certain securities operations. In the Bank's transfer pricing system, this segment is responsible for the Bank's capital. It also carries out service operations that are not related to the main business activity of the Bank, such as management of real estate.
- 8 **Head office and shared services:** expenses incurred by the central administrative divisions of the Bank. This category also includes other Head Office expenditures and indirect overhead expenses such as the advertisement of the Bank's brand, which is common to all reportable segments.

The segmented reporting is submitted to the Management Board of the Bank on a regular basis as part of the management reporting. It is used to assess the efficiency of the segments and to assist in taking decisions on the allocation of resources. In accordance with internal methodology equity is allocated to the Corporate investments & other operations segment.

In 2009 due to changes in the structure of its internal organisation the Bank revised its approach to the distribution of securities portfolio and cash and cash equivalents between Investment banking and Corporate investments & other operations segments as well as classification of investment property and customer accounts between the Corporate banking, Private banking & asset management and the Corporate investments & other operations segments. The presentation of comparative information for the six-month period ended June 30, 2008 and as at December 31, 2008 has been reclassified for these changes.

In the second half 2008 due to changes in the structure of its internal organisation the Bank also revised its approach to allocation of securities portfolio between Treasury & ALM unit and Corporate investments & other operations segments which affected the allocation of net gains/(losses) from securities between these segments and revised its approach to calculation of income tax expense from using amounts accounted in statutory financials to ones calculated based on the effective tax rate from IFRS financials. Thus, currently comparative information for the six-month period ended June 30, 2008 has been reclassified for these changes.

(Millions of Russian Rubles)

A reconciliation of total segmental (loss)/profit before income tax expense as measured in the management accounting to the total IFRS (loss)/profit before income tax expense as presented in these consolidated financial statements is provided below.

	For the six-month period ended June 30,	
	2009 (Unaudited)	2008 (Unaudited)
<b>(Loss)/profit before income tax expense per management accounting</b>	<b>(513)</b>	<b>4,200</b>
Consolidation adjustment	(79)	(101)
Interest and commission accrued	(1,093)	495
Conversion to finance lease accounting	(159)	429
Fair value and other adjustments to securities	(78)	(701)
Fair value adjustment to derivative financial instruments	246	(413)
Personnel, administrative and operating expenses accrued	67	(610)
Rent expenses not recognized in management accounting	21	51
Adjustment of impairment allowance	260	(211)
Other adjustments	322	154
<b>(Loss)/profit before income tax expense per IFRS financials</b>	<b>(1,006)</b>	<b>3,293</b>

A reconciliation of total segmental assets/liabilities as measured in the management accounting to the total IFRS assets/liabilities as presented in these consolidated financial statements is provided below.

	June 30, 2009 (Unaudited)		December 31, 2008	
	Assets	Liabilities	Assets	Liabilities
<b>Total assets/liabilities per management accounting</b>	<b>433,829</b>	<b>382,362</b>	<b>450,790</b>	<b>406,523</b>
Netting of accounts receivable and payable on securities operations in management accounting	(6,403)	(4,887)	(621)	(8)
Accrual of administrative and operating expenses	963	129	1,969	840
Consolidation adjustments	1,475	427	3,919	229
Elimination of intragroup balances	(9,564)	(9,564)	(7,719)	(7,719)
Conversion to finance lease accounting	(236)	(2,485)	459	(1,402)
Revaluation and other adjustments to property and equipment	1,478	8	733	12
Revaluation and other adjustments to accumulated depreciation on property and equipment	(722)	-	(926)	-
Adjustment of current and deferred tax assets and liabilities	(1,744)	(149)	(745)	53
Accrual of interests and commissions	(1,519)	(3,889)	(1,106)	(1,423)
Adjustments to impairment allowances	(1,810)	(201)	(1,507)	(528)
Fair value adjustment to derivative financial instruments	280	83	106	154
Fair value adjustment to securities	631	-	319	-
Accrual of employee compensation payable	-	71	-	484
Other adjustments	898	1,046	597	844
<b>Total assets/liabilities per IFRS financials</b>	<b>417,556</b>	<b>362,951</b>	<b>446,268</b>	<b>398,059</b>

*(Millions of Russian Rubles)*

Segment breakdown of assets and liabilities of the Bank as of June 30, 2009 is set out below:

<b>(Unaudited)</b>	<b>Corporate banking</b>	<b>Retail banking</b>	<b>Leasing</b>	<b>Investment banking</b>	<b>Private banking &amp; asset management</b>	<b>Treasury &amp; ALM unit</b>	<b>Corporate investments &amp; other operations</b>	<b>Intersegmental operations</b>	<b>Total</b>
<b>Assets</b>									
Cash and cash equivalents	-	154	148	-	9	35,721	139	(135)	36,036
Obligatory reserves with the Central Bank	-	-	-	-	-	1,342	-	-	1,342
Amounts due from credit institutions	-	-	777	-	-	27,580	-	-	28,357
<i>Trading securities</i>	-	-	-	11,888	33	11,541	12,789	-	36,251
<i>Available-for-sale securities</i>	-	-	-	2,354	-	11,322	10,393	-	24,069
<i>Held-to-maturity securities</i>	-	-	-	2,472	-	-	1,717	-	4,189
Total securities	-	-	-	16,714	33	22,863	24,899	-	64,509
<i>Loans to corporate entities (gross)</i>	125,635	-	693	767	-	5,085	34,723	(5,085)	161,818
<i>less: Impairment allowance</i>	(15,740)	-	(50)	-	-	-	(242)	-	(16,032)
Total loans to corporate entities (net)	109,895	-	643	767	-	5,085	34,481	(5,085)	145,786
<i>Loans to individuals (gross)</i>	-	75,453	-	-	2,047	-	-	-	77,500
<i>less: Impairment allowance</i>	-	(5,929)	-	-	(94)	-	-	-	(6,023)
Loans to individuals (net)	-	69,524	-	-	1,953	-	-	-	71,477
Total loans to customers (net)	109,895	69,524	643	767	1,953	5,085	34,481	(5,085)	217,263
Net investment in finance leases	-	-	22,370	-	-	-	-	-	22,370
Property and equipment	-	-	9	-	-	-	13,451	-	13,460
Other assets	9,903	849	10,798	2,341	2	7,752	21,010	(2,163)	50,492
<b>Total assets</b>	<b>119,798</b>	<b>70,527</b>	<b>34,745</b>	<b>19,822</b>	<b>1,997</b>	<b>100,343</b>	<b>93,980</b>	<b>(7,383)</b>	<b>433,829</b>
<b>Liabilities</b>									
Amounts due to credit institutions	1,470	2,346	-	-	3,545	73,877	13,823	(12)	95,049
<i>Current accounts of corporate clients</i>	52,575	-	-	-	670	123	8,051	(123)	61,296
<i>Time deposits of corporate clients and repurchase agreements</i>	89,536	-	-	-	651	10,000	2,392	-	102,579
Total amounts due to corporate clients	142,111	-	-	-	1,321	10,123	10,443	(123)	163,875
<i>Current accounts of individuals</i>	-	22,927	-	-	728	-	-	-	23,655
<i>Time deposits of individuals</i>	-	48,288	-	-	6,424	-	-	-	54,712
Total amounts due to individual clients	-	71,215	-	-	7,152	-	-	-	78,367
Total amounts due to customers	142,111	71,215	-	-	8,473	10,123	10,443	(123)	242,242
Promissory notes and certificates of deposit issued	3,938	325	-	-	-	3,388	249	-	7,900
Other borrowed funds	-	-	29,182	1,050	-	-	3	(7,248)	22,987
Other liabilities	1,531	170	3,239	5	13	8,772	454	-	14,184
<b>Total liabilities</b>	<b>149,050</b>	<b>74,056</b>	<b>32,421</b>	<b>1,055</b>	<b>12,031</b>	<b>96,160</b>	<b>24,972</b>	<b>(7,383)</b>	<b>382,362</b>
<b>Total equity and liabilities</b>	<b>149,050</b>	<b>74,056</b>	<b>32,421</b>	<b>1,055</b>	<b>12,031</b>	<b>96,160</b>	<b>76,439</b>	<b>(7,383)</b>	<b>433,829</b>

*(Millions of Russian Rubles)*

Segment breakdown of assets and liabilities of the Bank as of December 31, 2008 is set out below:

	Corporate banking	Retail banking	Leasing	Investment banking	Private banking & asset management	Treasury & ALM unit	Corporate investments & other operations	Intersegmental operations	Total
<b>Assets</b>									
Cash and cash equivalents	1	219	565	-	9	58,520	491	(431)	59,374
Obligatory reserves with the Central Bank	-	-	-	-	-	624	-	-	624
Amounts due from credit institutions	-	-	740	-	-	16,856	-	(700)	16,896
<i>Trading securities</i>	-	-	-	1,091	26	2,799	5,144	-	9,060
<i>Available-for-sale securities</i>	-	-	-	4,703	-	12,429	7,599	-	24,731
<i>Held-to-maturity securities</i>	-	-	-	4,065	-	-	2,086	-	6,151
Total securities	-	-	-	9,859	26	15,228	14,829	-	39,942
<i>Loans to corporate entities (gross)</i>	144,815	-	633	104	-	7,224	41,197	(7,224)	186,749
<i>less: Impairment allowance</i>	(10,610)	-	-	-	-	-	(418)	-	(11,028)
Total loans to corporate entities (net)	134,205	-	633	104	-	7,224	40,779	(7,224)	175,721
<i>Loans to individuals (gross)</i>	-	82,189	-	-	2,053	-	-	-	84,242
<i>less: Impairment allowance</i>	-	(4,228)	-	-	(65)	-	-	-	(4,293)
Loans to individuals (net)	-	77,961	-	-	1,988	-	-	-	79,949
Total loans to customers (net)	134,205	77,961	633	104	1,988	7,224	40,779	(7,224)	255,670
Net investment in finance leases	-	-	27,292	-	-	-	-	-	27,292
Property and equipment	-	-	9	-	-	-	8,924	-	8,933
Other assets	14,666	885	10,169	13	-	5,252	13,663	(2,589)	42,059
<b>Total assets</b>	<b>148,872</b>	<b>79,065</b>	<b>39,408</b>	<b>9,976</b>	<b>2,023</b>	<b>103,704</b>	<b>78,686</b>	<b>(10,944)</b>	<b>450,790</b>
<b>Liabilities</b>									
Amounts due to credit institutions	1,745	3,633	-	-	155	122,235	13,346	-	141,114
<i>Current accounts of corporate clients</i>	57,303	-	-	-	1,281	431	4,292	(431)	62,876
<i>Time deposits of corporate clients and repurchase agreements</i>	90,051	-	-	-	5	700	1,466	(700)	91,522
Total amounts due to corporate clients	147,354	-	-	-	1,286	1,131	5,758	(1,131)	154,398
<i>Current accounts of individuals</i>	-	15,439	-	-	541	-	-	-	15,980
<i>Time deposits of individuals</i>	-	42,208	-	-	6,815	-	-	-	49,023
Total amounts due to individual clients	-	57,647	-	-	7,356	-	-	-	65,003
Total amounts due to customers	147,354	57,647	-	-	8,642	1,131	5,758	(1,131)	219,401
Promissory notes and certificates of deposit issued	3,691	136	-	-	-	3,615	242	-	7,684
Other borrowed funds	-	-	33,675	-	-	-	412	(9,813)	24,274
Other liabilities	1,795	71	3,215	1	-	8,840	128	-	14,050
<b>Total liabilities</b>	<b>154,585</b>	<b>61,487</b>	<b>36,890</b>	<b>1</b>	<b>8,797</b>	<b>135,821</b>	<b>19,886</b>	<b>(10,944)</b>	<b>406,523</b>
<b>Total equity and liabilities</b>	<b>154,585</b>	<b>61,487</b>	<b>36,890</b>	<b>1</b>	<b>8,797</b>	<b>135,821</b>	<b>64,153</b>	<b>(10,944)</b>	<b>450,790</b>

*(Millions of Russian Rubles)*

Segment information for the main reportable segments of the Bank for the six-month period ended June 30, 2009 is set out below:

<b>(Unaudited)</b>	<b>Corporate banking</b>	<b>Retail banking</b>	<b>Leasing</b>	<b>Investment banking</b>	<b>Private banking &amp; asset management</b>	<b>Treasury &amp; ALM unit</b>	<b>Corporate investments &amp; other operations</b>	<b>Head office &amp; Shared services</b>	<b>Intersegmental operations</b>	<b>Total</b>
<b>Interest income</b>										
Loans to customers	10,164	5,230	22	86	128	-	3,021	-	-	18,651
Net investments in finance leases	-	-	3,063	-	-	-	-	-	-	3,063
Amounts due from credit institutions	-	1	14	-	-	645	-	-	-	660
Transfer income	7,696	3,448	54	-	465	27,403	1,461	-	(40,527)	-
	<b>17,860</b>	<b>8,679</b>	<b>3,153</b>	<b>86</b>	<b>593</b>	<b>28,048</b>	<b>4,482</b>	<b>-</b>	<b>(40,527)</b>	<b>22,374</b>
<b>Interest expense</b>										
Amounts due to customers	(5,033)	(2,309)	-	-	(354)	(106)	(105)	-	-	(7,907)
Amounts due to credit institutions	(23)	(13)	-	-	-	(4,760)	(678)	-	-	(5,474)
Other borrowed funds	-	-	(1,394)	-	-	(4)	-	-	-	(1,398)
Promissory notes and certificates of deposit issued	(87)	(1)	-	-	-	(122)	(50)	-	-	(260)
Transfer expense	(9,100)	(4,696)	(397)	(917)	(141)	(21,253)	(4,023)	-	40,527	-
	<b>(14,243)</b>	<b>(7,019)</b>	<b>(1,791)</b>	<b>(917)</b>	<b>(495)</b>	<b>(26,245)</b>	<b>(4,856)</b>	<b>-</b>	<b>40,527</b>	<b>(15,039)</b>
<b>Net interest income/(expense)</b>	<b>3,617</b>	<b>1,660</b>	<b>1,362</b>	<b>(831)</b>	<b>98</b>	<b>1,803</b>	<b>(374)</b>	<b>-</b>	<b>-</b>	<b>7,335</b>
Impairment of interest earning assets	(5,178)	(1,701)	(1,093)	-	(29)	-	176	-	-	(7,825)
<b>Net interest income/(expense) after impairment of interest earning assets</b>	<b>(1,561)</b>	<b>(41)</b>	<b>269</b>	<b>(831)</b>	<b>69</b>	<b>1,803</b>	<b>(198)</b>	<b>-</b>	<b>-</b>	<b>(490)</b>
Fee and commission income	1,887	1,631	-	101	10	169	14	-	-	3,812
Fee and commission expense	(87)	(562)	(120)	(1)	(6)	(184)	(154)	-	-	(1,114)
Internal fee income	178	-	21	-	94	177	39	-	(509)	-
Internal fee expense	(249)	(8)	(17)	-	(1)	(234)	-	-	509	-
<b>Net fee and commission income</b>	<b>1,729</b>	<b>1,061</b>	<b>(116)</b>	<b>100</b>	<b>97</b>	<b>(72)</b>	<b>(101)</b>	<b>-</b>	<b>-</b>	<b>2,698</b>
Net gains from securities	-	-	-	1,487	21	402	2,540	-	-	4,450
Net gains/(losses) from foreign currency	85	387	(225)	-	-	262	63	-	-	572
Net losses from operations with precious metals	(258)	-	-	-	-	-	-	-	-	(258)
Other income/(expense)	(1,477)	207	384	(1)	1	29	1,587	-	(821)	(91)
	<b>(1,650)</b>	<b>594</b>	<b>159</b>	<b>1,486</b>	<b>22</b>	<b>693</b>	<b>4,190</b>	<b>-</b>	<b>(821)</b>	<b>4,673</b>
Personnel expenses	(609)	(583)	(183)	(15)	(108)	(72)	(50)	(2,827)	-	(4,447)
Administrative and operating expenses	(117)	(359)	(62)	(5)	(49)	(23)	(459)	(2,260)	821	(2,513)
Depreciation and amortisation	(52)	(96)	(2)	-	(5)	(3)	(70)	(216)	-	(444)
Impairment of other assets	325	(21)	-	-	-	(285)	(9)	-	-	10
	<b>(453)</b>	<b>(1,059)</b>	<b>(247)</b>	<b>(20)</b>	<b>(162)</b>	<b>(383)</b>	<b>(588)</b>	<b>(5,303)</b>	<b>821</b>	<b>(7,394)</b>
<b>Profit/(loss) before income tax expense</b>	<b>(1,935)</b>	<b>555</b>	<b>65</b>	<b>735</b>	<b>26</b>	<b>2,041</b>	<b>3,303</b>	<b>(5,303)</b>	<b>-</b>	<b>(513)</b>
Income tax expense	-	-	-	-	-	-	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>(1,935)</b>	<b>555</b>	<b>65</b>	<b>735</b>	<b>26</b>	<b>2,041</b>	<b>3,303</b>	<b>(5,303)</b>	<b>-</b>	<b>(513)</b>

*(Millions of Russian Rubles)*

Segment information for the main reportable segments of the Bank for the six-month period ended June 30, 2008 is set out below:

<b>(Unaudited)</b>	<b>Corporate banking</b>	<b>Retail banking</b>	<b>Leasing</b>	<b>Investment banking</b>	<b>Private banking &amp; asset management</b>	<b>Treasury &amp; ALM unit</b>	<b>Corporate investments &amp; other operations</b>	<b>Head office &amp; Shared services</b>	<b>Intersegmental operations</b>	<b>Total</b>
<b>Interest income</b>										
Loans to customers	8,472	4,461	84	168	69	-	1,912	-	-	15,166
Net investments in finance leases	-	-	1,914	-	-	-	-	-	-	1,914
Amounts due from credit institutions	-	-	1	-	-	536	-	-	-	537
Transfer income	5,108	2,719	11	-	283	17,252	2,350	-	(27,723)	-
	<b>13,580</b>	<b>7,180</b>	<b>2,010</b>	<b>168</b>	<b>352</b>	<b>17,788</b>	<b>4,262</b>	<b>-</b>	<b>(27,723)</b>	<b>17,617</b>
<b>Interest expense</b>										
Amounts due to customers	(2,584)	(1,640)	-	-	(220)	(28)	(331)	-	-	(4,803)
Amounts due to credit institutions	(41)	(11)	-	-	-	(2,017)	(291)	-	-	(2,360)
Other borrowed funds	-	-	(649)	-	-	-	-	-	-	(649)
Promissory notes and certificates of deposit issued	(63)	-	-	-	-	(335)	-	-	-	(398)
Transfer expense	(6,742)	(3,671)	(291)	(393)	(108)	(14,629)	(1,889)	-	27,723	-
	<b>(9,430)</b>	<b>(5,322)</b>	<b>(940)</b>	<b>(393)</b>	<b>(328)</b>	<b>(17,009)</b>	<b>(2,511)</b>	<b>-</b>	<b>27,723</b>	<b>(8,210)</b>
<b>Net interest income/(expense)</b>	<b>4,150</b>	<b>1,858</b>	<b>1,070</b>	<b>(225)</b>	<b>24</b>	<b>779</b>	<b>1,751</b>	<b>-</b>	<b>-</b>	<b>9,407</b>
Impairment of interest earning assets	(1,255)	(917)	(133)	-	(2)	-	49	-	-	(2,258)
<b>Net interest income/(expense) after impairment of interest earning assets</b>	<b>2,895</b>	<b>941</b>	<b>937</b>	<b>(225)</b>	<b>22</b>	<b>779</b>	<b>1,800</b>	<b>-</b>	<b>-</b>	<b>7,149</b>
Fee and commission income	2,032	1,584	-	22	19	107	16	-	-	3,780
Fee and commission expense	(65)	(125)	(115)	-	(11)	(209)	(52)	-	-	(577)
Internal fee income	222	155	10	7	22	149	-	-	(565)	-
Internal fee expense	(156)	(152)	(34)	-	(3)	(220)	-	-	565	-
<b>Net fee and commission income</b>	<b>2,033</b>	<b>1,462</b>	<b>(139)</b>	<b>29</b>	<b>27</b>	<b>(173)</b>	<b>(36)</b>	<b>-</b>	<b>-</b>	<b>3,203</b>
Net gains/(losses) from securities	-	-	-	524	(62)	563	(274)	-	-	751
Net gains/(losses) from foreign currency	213	118	67	-	-	263	(42)	-	-	619
Net gains from operations with precious metals	67	-	-	-	-	-	-	-	-	67
Other income/(expense)	(190)	458	(313)	(8)	1	(10)	1,058	-	(969)	27
	<b>90</b>	<b>576</b>	<b>(246)</b>	<b>516</b>	<b>(61)</b>	<b>816</b>	<b>742</b>	<b>-</b>	<b>(969)</b>	<b>1,464</b>
Personnel expenses	(419)	(560)	(159)	(161)	(98)	(62)	(30)	(3,018)	-	(4,507)
Administrative and operating expenses	(209)	(499)	(57)	(31)	(62)	(19)	(362)	(2,408)	969	(2,678)
Depreciation and amortisation	(33)	(55)	(2)	(2)	(5)	(2)	(47)	(232)	-	(378)
Impairment of other assets	(53)	-	-	-	-	-	-	-	-	(53)
	<b>(714)</b>	<b>(1,114)</b>	<b>(218)</b>	<b>(194)</b>	<b>(165)</b>	<b>(83)</b>	<b>(439)</b>	<b>(5,658)</b>	<b>969</b>	<b>(7,616)</b>
<b>Profit/(loss) before income tax expense</b>	<b>4,304</b>	<b>1,865</b>	<b>334</b>	<b>126</b>	<b>(177)</b>	<b>1,339</b>	<b>2,067</b>	<b>(5,658)</b>	<b>-</b>	<b>4,200</b>
Income tax expense	-	-	-	-	-	-	-	(1,125)	-	(1,125)
<b>Profit/(loss) for the period</b>	<b>4,304</b>	<b>1,865</b>	<b>334</b>	<b>126</b>	<b>(177)</b>	<b>1,339</b>	<b>2,067</b>	<b>(6,783)</b>	<b>-</b>	<b>3,075</b>

*(Millions of Russian Rubles)***6. Cash and cash equivalents**

Cash and cash equivalents comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
<b>Current accounts with the Central Bank</b>	22,246	36,276
<b>Cash on hand</b>	14,265	16,796
<b>Time deposits with credit institutions up to 90 days</b>		
- OECD banks	17,887	8,142
- Other foreign banks	311	615
- Russian subsidiaries of OECD banks	-	1,560
- Largest 30 Russian banks	1,693	846
- Other Russian banks	3,727	2,355
<b>Current accounts with other credit institutions</b>		
- OECD banks	1,234	4,237
- Other foreign banks	13	14
- Russian subsidiaries of OECD banks	1	2
- Largest 30 Russian banks	1,053	354
- Other Russian banks	216	288
<b>Accounts with stock exchanges</b>	1,340	490
<b>Time deposits with the Central Bank</b>	100	-
<b>Reverse repurchase agreements with credit institutions up to 90 days</b>		
- Largest 30 Russian banks	450	-
- Other Russian banks	269	-
<b>Cash and cash equivalents</b>	<b>64,805</b>	<b>71,975</b>

**7. Amounts due from credit institutions**

Amounts due from credit institutions comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
<b>Time deposits for more than 90 days or past due</b>		
- Largest 30 Russian banks	1,487	2,014
- Other Russian banks	1,254	842
- OECD banks	4	8
- Other foreign banks	1,556	1,615
<b>Promissory notes</b>		
- Other Russian banks	-	100
	<b>4,301</b>	<b>4,579</b>
Less – Allowances for impairment	(22)	(121)
<b>Amounts due from credit institutions</b>	<b>4,279</b>	<b>4,458</b>

As of June 30, 2009, the gross amount of past due amounts due from credit institutions was RUB 22 (2008 – RUB 121).

The movements in allowance for impairment of amounts due from credit institutions were as follows:

	<i>For the six-month period</i> <i>ended June 30,</i>	
	<i>2009</i>	<i>2008</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>As of January 1</b>	<b>121</b>	<b>48</b>
(Reversal)/charge for the period (Unaudited)	(99)	49
<b>As of June 30 (Unaudited)</b>	<b>22</b>	<b>97</b>

*(Millions of Russian Rubles)***8. Trading securities**

Trading securities owned comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
<b>Government and municipal bonds</b>		
US Treasury bills	5,819	9,289
Russian State bonds (OFZ)	527	415
Municipal and government bonds	298	139
<b>Corporate bonds and promissory notes</b>		
Corporate Promissory notes	5,688	1,715
<i>Rated from BBB- to BBB+</i>	5,470	1,023
<i>Rated from BB- to BB+</i>	4	30
<i>Rated below B+</i>	214	440
<i>Not rated</i>	-	222
Corporate Ruble bonds	1,157	6,342
<i>Rated from BBB- to BBB+</i>	666	776
<i>Rated from BB- to BB+</i>	153	401
<i>Rated below B+</i>	229	533
<i>Not rated</i>	109	4,632
Corporate Eurobonds	840	1,254
<i>Rated from BBB- to BBB+</i>	340	559
<i>Rated from BB- to BB+</i>	52	158
<i>Rated below B+</i>	448	330
<i>Not rated</i>	-	207
<b>Equity investments</b>		
Corporate shares	7,511	1,828
<b>Trading securities</b>	<u>21,840</u>	<u>20,982</u>

Trading securities pledged under repurchase agreements comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Corporate bonds	1,135	-
Russian State bonds (OFZ)	-	4,054
<b>Trading securities pledged under repurchase agreements</b>	<u>1,135</u>	<u>4,054</u>

*(Millions of Russian Rubles)***9. Available-for-sale securities**

Available-for-sale securities comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Corporate shares	8,648	985
Corporate bonds	8,122	6,316
<i>Rated from BBB- to BBB+</i>	2,550	2,748
<i>Rated from BB- to BB+</i>	292	30
<i>Rated below B+</i>	3,948	1,446
<i>Not rated</i>	1,332	2,092
Russian State bonds (OFZ)	3,922	409
US Treasury bills	3,443	-
Corporate Eurobonds	3,416	149
<i>Rated from AAA</i>	1,360	-
<i>Rated from BBB- to BBB+</i>	1,615	-
<i>Rated from BB- to BB+</i>	384	-
<i>Not rated</i>	57	149
Municipal and government bonds	1,682	2,014
Units in private equity investment funds	1,107	746
Share participation in limited liability companies	211	131
Less allowance for impairment	(1,155)	(710)
<b>Available-for-sale securities</b>	<b>29,396</b>	<b>10,040</b>

The movements in allowance for impairment of available-for-sale securities were as follows:

	<i>For the six-month period</i> <i>ended June 30,</i>	
	<i>2009</i>	<i>2008</i>
<b>As of January 1</b>	<b>710</b>	-
Charge for the period (Unaudited)	445	-
<b>As of June 30 (Unaudited)</b>	<b>1,155</b>	-

**10. Held-to-maturity securities**

Held-to-maturity securities comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Corporate Eurobonds	3,241	1,391
Corporate bonds	1,067	4,825
<b>Held-to-maturity securities</b>	<b>4,308</b>	<b>6,216</b>

**11. Derivative financial instruments**

The Bank enters into derivative financial instruments for trading purposes. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate of index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are not indicative of the credit risk.

(Millions of Russian Rubles)

The outstanding deals with derivative financial instruments are as follows:

	<i>June 30, 2009 (Unaudited)</i>			<i>December 31, 2008</i>		
	<i>Notional amount</i>	<i>Fair values</i>		<i>Notional amount</i>	<i>Fair value</i>	
		<i>Asset</i>	<i>Liability</i>		<i>Asset</i>	<i>Liability</i>
<b>Precious metals contracts</b>						
Forwards and Swaps – foreign counterparties	2,712	134	171	2,169	86	139
<b>Foreign exchange contracts</b>						
Forwards and Swaps – domestic counterparties	8,429	56	15	17	-	-
Forwards and Swaps – foreign counterparties	7,333	35	7	-	-	-
<b>Equity contracts</b>						
Forwards – foreign counterparties	6,814	46	1	5,496	11	4
Forwards – domestic counterparties	2,011	9	57	54	7	-
<b>Total derivative assets/liabilities</b>	<b>27,299</b>	<b>280</b>	<b>251</b>	<b>7,736</b>	<b>104</b>	<b>143</b>

**12. Loans to customers**

Loans to customers comprise:

	<i>June 30, 2009 (Unaudited)</i>	<i>December 31, 2008</i>
Loans to corporate entities	164,135	193,397
Loans to individuals:		
Residential mortgages	40,044	41,149
Consumer lending	17,831	20,601
Auto loans	13,909	16,683
Credit cards	1,969	1,901
Other loans to individuals	5,609	4,263
<b>Gross loans to customers</b>	<b>243,497</b>	<b>277,994</b>
Less – Allowance for impairment	(22,242)	(15,891)
<b>Loans to customers</b>	<b>221,255</b>	<b>262,103</b>

A reconciliation of the allowance for impairment of loans to customers by class is as follows:

	<i>Corporate lending</i>	<i>Residential mortgages</i>	<i>Consumer lending</i>	<i>Auto loans</i>	<i>Credit cards</i>	<i>Other</i>	<i>Total</i>
As of January 1, 2008	7,438	52	2,179	431	180	23	<b>10,303</b>
Net charge for the period (Unaudited)	1,248	117	686	59	57	7	<b>2,174</b>
Amounts written off (Unaudited)	(10)	-	-	-	-	-	<b>(10)</b>
<b>As of June 30, 2008 (Unaudited)</b>	<b>8,676</b>	<b>169</b>	<b>2,865</b>	<b>490</b>	<b>237</b>	<b>30</b>	<b>12,467</b>
As of January 1, 2009	11,587	505	2,907	583	272	37	15,891
Net charge for the period (Unaudited)	6,143	461	857	252	13	157	7,883
Amounts written off (Unaudited)	(1,530)	-	(2)	-	-	-	(1,532)
<b>As of June 30, 2009 (Unaudited)</b>	<b>16,200</b>	<b>966</b>	<b>3,762</b>	<b>835</b>	<b>285</b>	<b>194</b>	<b>22,242</b>

*(Millions of Russian Rubles)***Concentration of loans to customers**

As of June 30, 2009, the Bank had a concentration of loans represented by RUB 22,879 due from ten largest third party borrowers (9% of gross loan portfolio) (2008 – RUB 19,813 or 7%). An allowance of RUB 1,501 (2008 – RUB 933) was recognised against these loans.

As of June 30, 2009, the Bank participates in three syndicated loans in the amount of RUB 11,080, RUB 10,626 and RUB 6,655 organized by international banks for the related parties of the Bank (entities under common control). The loans provided by the Bank are denominated in USD and RUB and carry interest rates of 15% per annum; RUB 11,080 matures in September 2011, RUB 10,626 matures in November 2009 and RUB 6,655 matures in February 2011. The funds are used by the related parties to finance their business activity. Note 21 discloses the full amount of loans to related parties.

**Loans to customers comprise:**

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Term loans to customers	235,039	271,488
Overdrafts	3,855	5,429
Loans granted under reverse repurchase agreements	3,772	988
Factoring	824	48
Promissory notes	7	41
	<b>243,497</b>	<b>277,994</b>
Less – Allowance for loan impairment	(22,242)	(15,891)
<b>Loans to customers</b>	<b>221,255</b>	<b>262,103</b>

The Bank has entered into reverse repurchase agreements with a number of Russian and foreign companies. The subject of these agreements are corporate shares and bonds issued by Russian companies and municipal and state Russian bonds with a fair value of RUB 4,329 (2008 – RUB 1,090). At June 30, 2009, loans granted under reverse repurchase agreements include funds placed with related parties in the amount of RUB 3,724 (2008 – RUB 885). See Note 21.

Loans are made principally within Russia in the following industry sectors:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Individuals	79,362	84,597
Trading enterprises	43,615	59,985
Financial services, other than credit institutions	35,335	40,984
Real estate construction	31,023	34,402
Manufacturing	12,703	10,244
Food processing	11,319	11,706
Machine-building	5,987	7,470
Gold mining	3,744	2,998
Metallurgy	3,254	4,009
Chemical	2,200	2,149
Agriculture	2,118	3,000
Energy	1,899	1,941
Transport	1,749	2,028
Leasing	1,637	1,996
Oil and gas	1,022	2,984
Forestry	430	492
Light industry	360	420
Services	343	435
Metal mining and refinery	296	503
Telecommunication	74	153
Government and municipal bodies	72	149
Other	4,955	5,349
<b>Total loans to customers, gross</b>	<b>243,497</b>	<b>277,994</b>

*(Millions of Russian Rubles)***13. Net investment in finance leases**

Net investment in finance leases comprises:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Gross investment in finance leases	41,294	47,658
Less – Unearned finance lease income	(11,905)	(13,577)
<b>Net investment in finance leases before allowance for impairment</b>	<b>29,389</b>	<b>34,081</b>
Less – Allowance for impairment	(3,411)	(2,200)
<b>Net investment in finance leases</b>	<b>25,978</b>	<b>31,881</b>

Net investment in finance leases generally comprises lease contracts on various types of equipment and vehicles.

There is no residual value related to lease contracts existing as at June 30, 2009 and December 31, 2008. Future minimum lease payments to be received following June 30, 2009 and December 31, 2008 are disclosed below:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Within 1 year	16,331	18,564
From 1 to 5 years	20,918	24,447
More than 5 years	4,045	4,647
<b>Minimum lease payments receivable</b>	<b>41,294</b>	<b>47,658</b>

The movements in allowance for impairment of investment in finance leases were as follows:

	<i>For the six-month period</i> <i>ended June 30,</i>	
	<i>2009</i>	<i>2008</i>
<b>As of January 1</b>	<b>2,200</b>	<b>651</b>
Charge for the period (Unaudited)	1,211	279
<b>As of June 30 (Unaudited)</b>	<b>3,411</b>	<b>930</b>

**14. Amounts due to credit institutions**

The amounts due to credit institutions comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Time deposits and loans	52,655	100,537
Syndicated loans	24,977	24,052
Subordinated loan	7,714	7,216
Current accounts	6,576	4,767
Repurchase agreements	1,050	3,927
<b>Amounts due to credit institutions</b>	<b>92,972</b>	<b>140,499</b>

The Bank entered into repurchase agreements with a number of credit institutions. The subject of these agreements are corporate bonds with a fair value of RUB 1,135 (as of December 31, 2008 the subject of these agreements were Russian State bonds with fair value of RUB 4,054).

As of June 30, 2009 the nominal amount of syndicated loans received by the Bank comprised USD 790 million from Russian, OECD and non-OECD banks and companies. The amounts received from non-credit institutions (nominal amount of USD 47.5 million) is recognized in other borrowed funds. The contractual maturity of syndicated loans is 2009-2012, and the interest rate is tied to six-month LIBOR.

During 2007 the Bank received a subordinated loan in total nominal amount of USD 250 million from an OECD bank. The contractual maturity of the subordinated loan is 2017, and the interest rate is LIBOR plus 4.5 per cent during the first 5-year period and LIBOR plus 6.5 per cent after the first five year period.

(Millions of Russian Rubles)

## 15. Amounts due to customers

Amounts due to customers comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
<b>Time deposits</b>	<b>158,216</b>	<b>147,199</b>
Time deposits of corporate clients	101,626	97,641
Time deposits of individuals	56,590	49,558
<b>Current accounts</b>	<b>87,748</b>	<b>79,161</b>
Current accounts of corporate clients	65,897	63,962
Current accounts of individuals	21,851	15,199
<b>Amounts due to customers</b>	<b>245,964</b>	<b>226,360</b>

At June 30, 2009, amounts due to customers of RUB 88,873 or 36% were due to the ten largest third party customers (2008 - RUB 78,909 or 35%).

Included in time deposits are deposits of individuals in the amount of RUB 56,590 (2008 – RUB 49,558). In accordance with the Russian Civil Code, the Bank is obliged to repay such deposits upon demand of a depositor. In case a term deposit is repaid upon demand of the depositor prior to maturity, interest on it is paid based on the interest rate for demand deposits, unless a different interest rate is specified in the agreement.

## 16. Promissory notes issued

Promissory notes issued by the Group as of June 30, 2009, bear annual interest rates ranging from 4.04% to 16.91% (2008 - from 4.04% to 21.19%).

## 17. Other borrowed funds

Other borrowed funds comprise:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Subordinated Deposit	5,952	5,885
Bonds ("Uralsib Leasing Company" LLC)	4,919	7,530
Syndicated loans (Note 14)	1,495	1,406
Credit Linked Notes ("Uralsib Leasing Company" LLC)	-	2,602
<b>Other borrowed funds</b>	<b>12,366</b>	<b>17,423</b>

In December 2007, LLC "Uralsib Leasing Company" (represented by OJSC "URALSIB" and LLC "Uralsib Capital") completed the issue of non-convertible documentary bonds totalling RUB 2,700 maturing in 2010 with 11.6% interest (for the first three coupon payments, remaining are to be determined by the issuer) and payable semi-annually. The placement agent for the issue was OJSC "URALSIB".

In December 2008, LLC "Uralsib Leasing Company" (represented by OJSC "URALSIB" and LLC "Uralsib Capital") completed the issue of non-convertible documentary bonds totalling RUB 5,000 maturing in 2011 with 12.99% interest (for the first three coupon payments, remaining are to be determined by the issuer) and payable semi-annually. The placement agent for the issue was OJSC "URALSIB".

In January 2009, LLC "Uralsib Leasing Company" (represented by OJSC "URALSIB" and LLC "Uralsib Capital") completed the issue of non-convertible documentary bonds totalling RUB 5,000 maturing in 2012 with 17.50% interest (for the first two coupon payments, remaining are to be determined by the issuer) and payable semi-annually. The placement agent for the issue was OJSC "URALSIB".

The Bank partially purchased back part of the above mentioned bond issues.

In November 2008 the Bank received a subordinated deposit in total nominal amount of RUB 6,000 from an OJSC "Regional fund". The contractual maturity of the subordinated deposit is 2018, and the interest rate is 13.2%.

On 28 January 2009 Credit Linked Notes in the amount of RUB 2,500 were repaid by "Uralsib Leasing Company" LLC.

*(Millions of Russian Rubles)***18. Equity**

Shares outstanding, issued and fully paid were as follows:

	<i>Number of shares</i>		<i>Nominal amount</i>		<i>Inflation</i>	<i>Total</i>
	<i>Preferred</i>	<i>Ordinary</i>	<i>Preferred</i>	<i>Ordinary</i>	<i>Adjustment</i>	
<b>December 31, 2005, 2006, 2007, 2008</b>	-	<b>204,184,218,350</b>	-	<b>20,418</b>	<b>12,189</b>	<b>32,607</b>
Issue of ordinary shares (Unaudited)	-	<u>60,899,347,688</u>	-	<u>6,090</u>	-	<u>6,090</u>
<b>June 30, 2009 (Unaudited)</b>	-	<b><u>265,083,566,038</u></b>	-	<b><u>26,508</u></b>	<b><u>12,189</u></b>	<b><u>38,697</u></b>

The share capital of the Bank was contributed by the shareholders in Russian Rubles and they are entitled to dividends and any capital distribution in Russian Rubles.

In November 2004 the shareholders of OJSC AB "IBG NIKoil", OJSC AKB "AVTOBANK-NIKOIL", OJSC "Bryansky Narodny Bank", OJSC "Kuzbassugolbank" and OJSC "Uralo-Sibirsky Bank" approved a reorganization in the form of a combination with OJSC "Uralo-Sibirsky Bank", which was completed and registered by the CBR in September 2005.

The Bank has issued and duly registered 60,899,347,688 new common shares with the nominal value of RUB 6,090 in return for the cash contribution of RUB 1,400 and the office building located in Moscow, with the title of ownership received on April 29, 2009 and the fair value estimated by the independent certified appraiser in the amount of RUB 4,690.

**Nature and purpose of other reserves***Property revaluation surplus*

The property revaluation surplus is used to record increases in the fair value of buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

*Revaluation reserve for available-for-sale securities*

This reserve records fair value changes of available-for-sale investments.

**19. Net fee and commission income**

Net fee and commission income comprises:

	<b>For the six-month period ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Settlements operations	1,626	1,173
Cash operations	837	997
Guarantees and letters of credit	462	209
Foreign exchange operations	131	132
Securities operations	4	10
Underwriting	1	34
Other	12	27
<b>Fee and commission income</b>	<b><u>3,073</u></b>	<b><u>2,582</u></b>
Settlements operations	445	520
Trust operations	166	-
Cash operations	143	168
Collection agencies services	53	90
Guarantees	30	13
Currency conversion operations	20	9
Securities operations	11	8
Other	5	2
<b>Fee and commission expense</b>	<b><u>873</u></b>	<b><u>810</u></b>
<b>Net fee and commission income</b>	<b><u>2,200</u></b>	<b><u>1,772</u></b>

*(Millions of Russian Rubles)*

Settlements commissions represent commissions received for transfer of customers' funds and on other operations with clients' accounts, issue and processing of payments by cards and from other financial institutions on acquiring services. Commissions on cash operations consists of commissions received from the Bank's clients on encashment operations. Guarantees and letters of credit commission represents payment for the origination of guarantees and the provision of letters of credit by the Bank. Foreign exchange operations commission represent commission charged for currency exchange operations and currency control function performed by the Bank.

## 20. Personnel expenses, administrative and operating expenses

Personnel, administrative and operating expenses comprise:

	For the six-month period ended June 30,	
	<i>2009</i> <i>(Unaudited)</i>	<i>2008</i> <i>(Unaudited)</i>
Salaries and bonuses	3,657	3,584
Social security costs	603	657
<b>Personnel expenses</b>	<b>4,260</b>	<b>4,241</b>
Rent expenses	970	968
Operating taxes	680	791
Repairs and maintenance of property and equipment	273	350
Communications	219	253
Marketing and advertising	196	367
Security costs	174	128
Data processing	145	87
Obligatory deposit insurance system contributions	134	178
Insurance	95	118
Charity	60	80
Office materials	47	198
Business travel and related expenses	42	83
Professional services	29	34
Business development	25	127
Other	206	205
<b>Administrative and operating expenses</b>	<b>3,295</b>	<b>3,967</b>

(Millions of Russian Rubles)

**21. Related party transactions**

Outstanding related party balances as of June 30, 2009 and December 31, 2008 and related expense and income for the six-month periods ended June 30, 2009 and 2008 are as follows:

	<i>June 30, 2009 (Unaudited)</i>			<i>December 31, 2008</i>		
	<i>Companies of</i>	<i>Other entities</i>	<i>Key</i>	<i>Companies of</i>	<i>Other entities</i>	<i>Key</i>
	<i>Financial</i>	<i>under</i>		<i>Financial</i>	<i>under</i>	
	<i>Corporation</i>	<i>common</i>	<i>management</i>	<i>Corporation</i>	<i>common</i>	<i>management</i>
	<i>Uralsib</i>	<i>control</i>	<i>personnel</i>	<i>Uralsib</i>	<i>control</i>	<i>personnel</i>
Cash and cash equivalents	-	1,295	-	2	2,349	-
Trading securities	-	10,087	-	-	3,711	-
Held-to-maturity securities	-	-	-	-	261	-
Amounts due from credit institutions, gross	7	2,488	-	8	2,358	-
Available-for-sale securities	3	3,949	-	-	1,314	-
Loans to customers (gross)	3,442	32,885	63	9,638	31,861	141
Less: allowance for impairment	(27)	(83)	-	(36)	(318)	(1)
Loans to customers (net)	3,415	32,802	63	9,602	31,543	140
Other assets	777	1,007	-	3	314	-
Amounts due to credit institutions	4,996	1,675	-	877	798	-
Derivative financial liabilities	-	57	-	-	-	-
Amounts due to customers	6,250	8,566	-	2,691	7,625	-
Promissory notes issued	1,895	864	-	1,568	144	-
Other liabilities	22	4	-	1	1	-
Commitments and contingencies, gross	256	171	-	426	1,108	-

	<i>For the six-month period ended</i>			<i>For the six-month period ended</i>		
	<i>June 30, 2009 (Unaudited)</i>			<i>June 30, 2008 (Unaudited)</i>		
	<i>Companies</i>	<i>Other entities</i>	<i>Key</i>	<i>Companies</i>	<i>Other entities</i>	<i>Key</i>
<i>of Financial</i>	<i>under</i>	<i>of Financial</i>		<i>under</i>		
	<i>Corporation</i>	<i>common</i>	<i>management</i>	<i>Corporation</i>	<i>common</i>	<i>management</i>
	<i>Uralsib</i>	<i>control</i>	<i>personnel</i>	<i>Uralsib</i>	<i>control</i>	<i>personnel</i>
Interest income	374	2,157	1	312	1,663	1
Interest expense	(145)	(395)	(11)	(216)	(1,054)	(5)
Net gains/(losses) from trading securities	-	2,526	-	(262)	(168)	-
Net gains from foreign currencies	52	11	-	16	14	-
Net losses from derivatives	-	(57)	-	-	-	-
Net fee and commission income – Fees and commissions income	27	6	-	5	21	-
– Fees and commissions expenses	(10)	-	-	(3)	-	-
Net fee and commission income	17	6	-	2	21	-
Administrative and operating expenses – Occupancy and rent	257	-	-	144	-	-
Salaries and other short-term benefits	-	-	385	-	-	104
Social security costs	-	-	12	-	-	3

**22. Capital adequacy**

The primary objectives of the Bank's capital management are the following:

- Full compliance with the capital requirements imposed by the CBR and Russian legislation;
- Maintaining the Bank's ability to continue as a going concern in order to maximize shareholder value and provide economic benefits to other parties;
- Ensuring that the amount of capital is sufficient for business expansion and development

*(Millions of Russian Rubles)***Capital adequacy under the Basel Accord guidelines (the "Basel ratio")**

For Basel ratio calculation purposes, two levels of capital are distinguished:

1. Tier 1 capital is "core" bank capital and includes paid share capital (less the carrying value of treasury shares), minority interests in the equity of subsidiaries and retained earnings (including their allocations to reserves), less certain deductions, such as goodwill.
2. Tier II capital is "supplementary" bank capital that includes subordinated debt, hybrid instruments with characteristics of both capital and equity and certain revaluation reserves, such as unrealized gains on the revaluation of financial instruments classified as available-for-sale and property revaluation surplus.

In computing regulatory capital, Tier 1 and Tier 2 capital amounts are reduced by post-acquisition changes in the Bank's share in net assets of associates.

The table below presents the composition of capital complying with Basel and discloses the capital adequacy ratio as at June 30, 2009 and December 31, 2008:

	<i>June 30, 2009</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2008</i>
Tier 1 capital	47,738	42,638
Tier 2 capital	16,006	14,145
Less: investments in associates and shares of credit institutions	(131)	(174)
<b>Total regulatory capital</b>	<b>63,613</b>	<b>56,609</b>
Risk-weighted assets:		
On balance sheet	383,726	366,235
Off balance sheet	29,022	29,473
<b>Total risk-weighted assets</b>	<b>412,748</b>	<b>395,708</b>
Basel ratio	15.4%	14.3%
Tier 1	11.6%	10.8%

The Bank's overall capital management policy is aimed at the dynamic optimization of capital required for the Bank's expansion and maintenance of sufficient capital adequacy to protect the Bank from unfavourable changes in market conditions and minimize liquidity risk. The capital management policy supports the shareholders' vision and strategy of long-term Bank development.

As compared to 2008, the above policy of capital management remained unchanged.