

Sberbank of Russia

Condensed Interim Consolidated Financial Statements
and Review Report

30 September 2010

Condensed Interim Consolidated Financial Statements and Review Report

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Review Report

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Report on Review of Condensed Interim Consolidated Financial Statements

To the Shareholders and Supervisory Board of Sberbank -

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Sberbank (the "Bank") and its subsidiaries (together "the Group") as at 30 September 2010 and the related condensed interim consolidated income statements and statements of comprehensive income for the three- and nine-month periods then ended, condensed interim consolidated statements of changes in equity and of cash flows for the nine-month period then ended and selected explanatory notes. Management of the Bank is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Financial Reporting Standard IAS 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim consolidated financial statements 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 condensed interim consolidated financial statements 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 accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.


CJSC Ernst & Young Vneshaudit

2 December 2010

Condensed Interim Consolidated Statement of Financial Position

<i>In millions of Russian Roubles</i>	Note	30 September 2010 (Unaudited)	31 December 2009
ASSETS			
Cash and cash equivalents		599 144	725 521
Mandatory cash balances with the Bank of Russia		49 553	40 572
Trading securities	5	54 484	91 022
Securities designated at fair value through profit or loss	6	104 693	124 439
Due from other banks		10 276	10 219
Loans and advances to customers	7	5 146 327	4 864 031
Securities pledged under repurchase agreements	8	72 658	2 699
Investment securities available for sale	9	1 282 119	845 975
Investment securities held to maturity	10	283 393	-
Deferred income tax asset		10 380	-
Premises and equipment		263 422	249 881
Other assets		152 275	150 707
TOTAL ASSETS		8 028 724	7 105 066
LIABILITIES			
Due to other banks		158 189	53 947
Due to individuals	11	4 352 731	3 787 312
Due to corporate customers	11	1 811 180	1 651 559
Debt securities in issue		135 670	124 599
Other borrowed funds	12	203 027	115 213
Deferred income tax liability		16 437	4 598
Other liabilities		115 213	69 841
Subordinated debt	13	321 083	519 061
TOTAL LIABILITIES		7 113 530	6 326 130
EQUITY			
Share capital		87 742	87 742
Share premium		232 553	232 553
Revaluation reserve for premises		54 062	55 540
Fair value reserve for investment securities available for sale		26 588	(598)
Foreign currency translation reserve		(1 307)	(1 009)
Retained earnings		513 176	403 934
Total equity attributable to shareholders of the Bank		912 814	778 162
Non-controlling interest		2 380	774
TOTAL EQUITY		915 194	778 936
TOTAL LIABILITIES AND EQUITY		8 028 724	7 105 066

Approved for issue and signed on behalf of the Board on 2 December 2010.



Herman Gref
Chairman of the Board and CEO

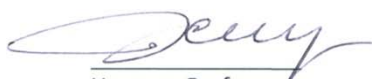


Andrey Kruzhalov
Chief Accountant

Condensed Interim Consolidated Income Statement

<i>(Unaudited)</i> In millions of Russian Roubles	Note	Nine months ended 30 September		Three months ended 30 September	
		2010	2009	2010	2009
Interest income	14	589 951	610 546	190 214	207 302
Interest expense	14	(229 206)	(234 818)	(73 468)	(76 089)
Net interest income		360 745	375 728	116 746	131 213
Net provision charge for loan impairment	7	(149 995)	(301 275)	(39 671)	(107 382)
Net interest income after provision charge for loan impairment		210 750	74 453	77 075	23 831
Fee and commission income	15	92 776	75 038	33 176	27 162
Fee and commission expense	15	(4 802)	(3 165)	(2 025)	(1 111)
Net gains arising from trading securities		5 361	7 688	2 142	3 942
Net gains arising from securities designated at fair value through profit or loss		8 190	2 631	285	1 940
Net gains arising from investment securities available for sale		7 538	217	9 385	29
Impairment of investment securities available for sale		-	(2 285)	-	(874)
Net gains arising from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation gains	16	8 631	13 947	1 526	4 687
Net gains arising from operations with precious metals and precious metals derivatives		483	868	882	562
Provision charge for other assets impairment		(3 951)	(1 732)	(1 398)	(297)
Other operating income		8 033	7 504	3 024	848
Operating income		333 009	175 164	124 072	60 719
Operating expenses	17	(195 673)	(162 808)	(67 318)	(55 422)
Profit before tax		137 336	12 356	56 754	5 297
Income tax expense		(27 729)	(2 100)	(11 464)	(1 051)
Profit for the reporting period		109 607	10 256	45 290	4 246
Attributable to:					
- shareholders of the Bank		109 941	10 256	45 752	4 246
- non-controlling interest		(334)	-	(462)	-
Earnings per ordinary share for profit attributable to the shareholders of the Bank, basic and diluted (expressed in RR per share)	18	5.07	0.45	2.12	0.20

Approved for issue and signed on behalf of the Board on 2 December 2010.



Herman Gref
Chairman of the Board and CEO



Andrey Kruzhalov
Chief Accountant

Condensed Interim Consolidated Statement of Comprehensive Income

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Nine months ended 30 September		Three months ended 30 September	
	2010	2009	2010	2009
Profit for the reporting period recognised in the income statement	109 607	10 256	45 290	4 246
Components of other comprehensive income:				
Investment securities available for sale:				
- Net gains on revaluation of investment securities available for sale	41 470	25 682	14 642	19 673
- Impairment of investment securities available for sale transferred to Income statement	-	2 285	-	874
- Accumulated gains transferred to Income statement upon disposal of securities	(7 538)	(217)	(9 385)	(29)
Net foreign currency translation losses	(313)	(1 454)	(766)	(607)
Deferred income tax relating to components of other comprehensive income:				
- Investment securities available for sale	(6 745)	(5 537)	(1 008)	(4 091)
Total components of other comprehensive income for the reporting period, net of tax	26 874	20 759	3 483	15 820
Total comprehensive income for the reporting period	136 481	31 015	48 773	20 066
Attributable to:				
- shareholders of the Bank	136 829	31 015	49 265	20 066
- non-controlling interest	(348)	-	(492)	-

Condensed Interim Consolidated Statement of Changes in Equity

<i>In millions of Russian Roubles</i>	Note	Attributable to shareholders of the Bank						Total	Non-controlling interest	Total equity
		Share capital	Share premium	Revaluation reserve for premises	Fair value reserve for investment securities available for sale	Foreign currency translation reserve	Retained earnings			
Balance as at 1 January 2009		87 742	232 493	74 981	(33 185)	101	388 030	750 162	-	750 162
Changes in equity for the nine months ended 30 September 2009 (Unaudited)										
Disposal of treasury shares		-	60	-	-	-	-	60	-	60
Dividends declared	19	-	-	-	-	-	(10 992)	(10 992)	-	(10 992)
Amortisation of revaluation reserve for premises, net of tax		-	-	(1 855)	-	-	1 855	-	-	-
Total comprehensive income recognised for the nine months ended 30 September 2009		-	-	-	22 213	(1 454)	10 256	31 015	-	31 015
Balance as at 30 September 2009 (Unaudited)		87 742	232 553	73 126	(10 972)	(1 353)	389 149	770 245	-	770 245
Balance as at 1 January 2010		87 742	232 553	55 540	(598)	(1 009)	403 934	778 162	774	778 936
Changes in equity for the nine months ended 30 September 2010 (Unaudited)										
Dividends declared	19	-	-	-	-	-	(2 177)	(2 177)	-	(2 177)
Amortisation of revaluation reserve for premises, net of tax		-	-	(1 478)	-	-	1 478	-	-	-
Acquisition of subsidiaries	25	-	-	-	-	-	-	-	2 321	2 321
Acquisition of non-controlling interests in subsidiaries	25	-	-	-	-	-	-	-	(367)	(367)
Total comprehensive income recognised for the nine months ended 30 September 2010		-	-	-	27 186	(298)	109 941	136 829	(348)	136 481
Balance as at 30 September 2010 (Unaudited)		87 742	232 553	54 062	26 588	(1 307)	513 176	912 814	2 380	915 194

Condensed Interim Consolidated Statement of Cash Flows

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Note	Nine months ended 30 September	
		2010	2009
Cash flows from operating activities			
Interest received		606 042	596 059
Interest paid		(184 333)	(193 626)
Fees and commissions received		92 962	75 004
Fees and commissions paid		(4 802)	(3 165)
Net gains received from trading securities		1 170	539
Net gains received from securities designated at fair value through profit or loss		3 716	1 087
Net losses incurred from trading in foreign currencies and from operations with foreign currency derivatives		(14 019)	(542)
Net gains received from operations with precious metals and precious metals derivatives		752	1 477
Other operating income received		6 746	5 705
Operating expenses paid		(155 229)	(126 173)
Income tax paid		(39 555)	(3 666)
Cash flows from operating activities before changes in operating assets and liabilities		313 450	352 699
Changes in operating assets and liabilities			
Net increase in mandatory cash balances with the Bank of Russia		(8 981)	(32 916)
Net decrease/(increase) in trading securities		40 030	(542)
Net decrease in securities designated at fair value through profit or loss		22 215	31 186
Net (increase) / decrease in due from other banks		(208)	3 338
Net increase in loans and advances to customers		(449 776)	(210 617)
Net decrease/(increase) in other assets		309	(21 937)
Net increase / (decrease) in due to other banks		102 950	(245 047)
Net increase in due to individuals		565 338	269 190
Net increase / (decrease) in due to corporate customers		158 816	(170 916)
Net increase / (decrease) in debt securities in issue		11 396	(30 839)
Net increase in other liabilities		40 301	7 465
Net cash from/ (used in) operating activities		795 840	(48 936)
Cash flows from investing activities			
Purchase of investment securities available for sale		(1 666 880)	(207 554)
Proceeds from disposal and redemption of investment securities available for sale		947 316	12 146
Purchase of investment securities held to maturity		(21 942)	-
Acquisition of premises and equipment		(34 153)	(26 664)
Proceeds from disposal of premises and equipment including insurance payments		223	1 262
Dividends received		1 352	176
Net cash used in investing activities		(774 084)	(220 634)
Cash flows from financing activities			
Other borrowed funds received		85 578	832
Redemption of other borrowed funds		(4 182)	(8 792)
Repayment of interest on other borrowed funds		(2 589)	(3 117)
Redemption of subordinated debt		(220 978)	(12 649)
Repayment of interest on subordinated debt		(1 877)	(1 824)
Acquisition of non-controlling interests in subsidiaries		(367)	-
Disposal of treasury shares		-	60
Dividends paid	19	(2 177)	(10 982)
Net cash used in financing activities		(146 592)	(36 472)
Effect of exchange rate changes on cash and cash equivalents		(1 541)	45 044
Net decrease in cash and cash equivalents		(126 377)	(260 998)
Cash and cash equivalents at the beginning of the reporting period		725 521	803 749
Cash and cash equivalents as at the end of the reporting period		599 144	542 751

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

1 Introduction

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” for the nine months ended 30 September 2010 for Sberbank of Russia (Sberbank, “the Bank”) and its subsidiaries (together referred to as “the Group” or “Sberbank Group”). Principal subsidiaries include foreign commercial banks and other Russian and foreign companies controlled by the Group. A list of principal subsidiaries included in these condensed interim consolidated financial statements is disclosed in Note 25.

The Bank is an open joint stock commercial bank which was established in 1841 and operated in various forms since then. The Bank was incorporated and is domiciled in the Russian Federation. The Bank’s principal shareholder, the Central Bank of the Russian Federation (“Bank of Russia”), owns 60.3% of ordinary shares or 57.6% of the issued and outstanding shares as at 30 September 2010 (31 December 2009: 60.3% of ordinary shares or 57.6% of the issued and outstanding shares).

As at 30 September 2010 the Supervisory Board of the Bank is headed by the Chairman of the Bank of Russia. The Supervisory Board also includes representatives from the Bank’s other shareholders and independent directors. Two Deputy Chairmen of the Bank of Russia are Deputy Chairmen of the Supervisory Board.

The Bank operates under a full banking license issued by the Bank of Russia in 1991. In addition, the Bank holds licenses required for trading and holding securities and engaging in other securities-related activities, including acting as a broker, a dealer, a custodian, and providing asset management. The Bank is regulated and supervised by the Bank of Russia and by the Federal Service for Financial Markets. The Group’s foreign banks operate under the bank regulatory regimes of their respective countries.

The Group’s principal business activity is corporate and retail banking operations. This includes deposit taking and commercial lending in freely convertible currencies, local currencies of countries where the subsidiary banks operate and in Russian Roubles, support of clients’ export / import transactions, foreign exchange, securities trading, and trading in derivative financial instruments. The Group’s operations are conducted in both Russian and international markets. As at 30 September 2010 the Group conducts its business in Russia through Sberbank with its network of 18 (31 December 2009: 18) regional head offices, 561 (31 December 2009: 602) branches and 18 965 (31 December 2009: 19 103) sub-branches, and through principal subsidiaries located in Russia such as CJSC Sberbank Leasing and LLC Sberbank Capital. The Group operates outside Russia through 3 bank subsidiaries, located in the Ukraine, Belarus and Kazakhstan, a branch office in India and a representative office in Germany.

The average number of the Group’s employees during the nine months ended 30 September 2010 was 237 921 (during the year ended 31 December 2009: 260 805).

Registered address and place of business. The Bank’s registered address is: Vavilova str., 19, Moscow, Russian Federation.

Presentation currency. These condensed interim consolidated financial statements are presented in millions of Russian Roubles (“RR millions”) unless otherwise stated.

As at 30 September 2010 the principal rate of exchange used for translating foreign currency monetary balances was USD 1 = RR 30.4030 (31 December 2009: USD 1 = RR 30.2442).

2 Operating Environment of the Group

The Russian Federation continues economic reforms and development of its legal, tax and regulatory frameworks. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

2 Operating Environment of the Group (Continued)

The Russian economy is vulnerable to market downturns and economic slowdowns elsewhere in the world. The global financial crisis commencing in 2008 has resulted in capital markets instability, significant deterioration of liquidity in the banking sector, and tighter credit conditions within the Russian Federation. In response the Russian Government has introduced a range of stabilization measures aimed at providing liquidity and supporting refinancing of foreign debt for Russian banks and companies.

Due to fluctuations on the domestic securities market, the Group is exposed to a potential decrease in value of its securities portfolio, which may have a negative impact on the financial performance of the Group.

During the first nine months of 2010 there continues to be instability and uncertainty regarding the access to capital and cost of capital for the Group and its counterparties, which could affect the Group's financial position, results of operations and business prospects.

Increased unemployment in the Russian Federation, reduced corporate liquidity and profitability, and increased corporate and personal insolvencies, have affected the Group's borrowers' ability to repay the amounts due to the Group. In addition, changes in economic conditions have resulted in deterioration in the value of collateral held against loans and other obligations. To the extent that information is available, the Group has reflected revised estimates of expected future cash flows in its impairment assessment.

Management of the Group believes it is taking all the necessary measures to support the sustainability and growth of the Group's business in the current circumstances.

3 Basis of Preparation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2009.

These condensed interim consolidated financial statements do not contain all the explanatory notes as required for a full set of consolidated financial statements.

4 Accounting Policies, Critical Accounting Estimates and Judgements, Adoption of New or Revised Standards and Interpretations, and Reclassifications

The accounting policies and methods of computation applied in the preparation of these condensed interim consolidated financial statements are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2009, except for the changes introduced due to implementation of new and/or revised standards and interpretations as of 1 January 2010, noted below:

Improvements to International Financial Reporting Standards. In April 2009 the IASB issued the second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. Most of the amendments are effective for annual periods beginning on or after 1 January 2010. There are separate transitional provisions for each standard. Amendments included in April 2009 "Improvements to IFRS" had no impact on the accounting policies, financial position or performance of the Group, except the following amendments resulting in changes to accounting policies, as described below.

- **IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*:** clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

4 Accounting Policies, Critical Accounting Estimates and Judgements, Adoption of New or Revised Standards and Interpretations, and Reclassifications (Continued)

- IFRS 8 *Operating Segment Information*: clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Group's chief operating decision maker does review segment assets and liabilities, the Group continues to disclose this information.
- IAS 7 *Statement of Cash Flows*: Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities.
- IAS 36 *Impairment of Assets*: The amendment clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment had no impact on the Group as the annual impairment test is performed before aggregation.

The following new or revised standards and interpretations effective from 1 January 2010 did not have any impact on the accounting policies, financial position or performance of the Group:

- Amendment to IAS 39 *Financial Instruments: Recognition and Measurement* – Eligible Hedged Items
- Amendment to IFRS 2 *Share-based Payment* – Group Cash-settled Share-based Payment Transactions
- IFRIC 17 *Distribution of Non-Cash Assets to Owners*

Management's estimates and judgements. Judgements and critical estimates made by Management in the process of applying the accounting policies were consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2009. Management has not identified new areas of judgement or critical estimates.

Income tax expense is recognised in these condensed interim consolidated financial statements based on management's best estimates of the effective annual income tax rate expected for the full financial year. Costs that occur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Reclassifications. In the third quarter 2009 the Group made a reclassification of losses on cession agreements from operating expenses to provision charge for loan impairment. Where necessary, corresponding figures have been adjusted to conform to the presentation of the current period amounts. The effect of reclassifications on the condensed interim consolidated income statement for the three months ended 30 September 2009 is as follows:

<i>(Unaudited)</i> In millions of Russian Roubles	As previously reported	Reclassification	As reclassified
Operating expenses	53 086	2 336	55 422
Provision for impairment of loans to legal entities			
Net provision charge for loan impairment during the reporting period	98 455	(2 336)	96 119
Provision for loan impairment written off during the period	(3 474)	2 336	(1 138)

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

5 Trading Securities

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Federal loan bonds (OFZ bonds)	24 552	31 492
Municipal and subfederal bonds	12 565	13 882
Corporate bonds	10 328	18 823
Bonds of the Bank of Russia	2 463	-
Foreign government bonds	1 393	-
Russian Federation Eurobonds	356	24 935
State domestic currency loan bonds (OVGVZ)	15	15
Total debt trading securities	51 672	89 147
Corporate shares	2 812	1 875
Total trading securities	54 484	91 022

As at 30 September 2010 and 31 December 2009 the corporate bonds are mostly represented by debt securities issued by Russian mining, oil and gas, energy, finance, communication, transportation companies and banks.

As at 30 September 2010 corporate shares are mostly represented by oil and gas and metallurgy companies. At 31 December 2009 corporate shares are mostly represented by oil and gas, metallurgy and transportation companies.

6 Securities Designated at Fair Value through Profit or Loss

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Federal loan bonds (OFZ bonds)	76 455	94 251
Corporate bonds	4 900	7 153
Municipal and subfederal bonds	2 405	3 880
Total debt securities designated at fair value through profit or loss	83 760	105 284
Corporate shares	20 933	19 155
Total securities designated at fair value through profit or loss	104 693	124 439

As at 30 September 2010 and 31 December 2009 the corporate bonds are comprised by the securities issued by Russian oil and gas companies and a bank; corporate shares are represented by an oil and gas company.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

7 Loans and Advances to Customers

The tables below show credit quality of the Group's loan portfolio by loan classes as at 30 September 2010 and 31 December 2009.

For the purposes of these condensed interim consolidated financial statements a loan is considered past due when the borrower fails to make any payment due under the loan agreement at the reporting date. In this case a past due amount is recognised as the aggregate amount of all amounts due from borrower under the loan agreement including accrued interest and commissions.

30 September 2010:

(Unaudited)

In millions of Russian Roubles

	Not past due loans	Past due loans	Total
Commercial loans to legal entities	2 292 161	210 416	2 502 577
Specialised loans to legal entities	1 812 718	286 536	2 099 254
Consumer and other loans to individuals	568 854	41 486	610 340
Mortgage loans to individuals	527 698	34 264	561 962
Car loans to individuals	83 471	3 950	87 421
Total loans and advances to customers before provision for loan impairment	5 284 902	576 652	5 861 554
Less: Provision for loan impairment	(249 071)	(466 156)	(715 227)
Total loans and advances to customers net of provision for loan impairment	5 035 831	110 496	5 146 327

31 December 2009:

In millions of Russian Roubles

	Not past due loans	Past due loans	Total
Commercial loans to legal entities	2 025 522	180 800	2 206 322
Specialised loans to legal entities	1 760 286	299 698	2 059 984
Consumer and other loans to individuals	526 373	37 991	564 364
Mortgage loans to individuals	482 445	30 342	512 787
Car loans to individuals	96 649	3 739	100 388
Total loans and advances to customers before provision for loan impairment	4 891 275	552 570	5 443 845
Less: Provision for loan impairment	(190 956)	(388 858)	(579 814)
Total loans and advances to customers net of provision for loan impairment	4 700 319	163 712	4 864 031

Commercial lending to legal entities comprises corporate loans, loans to individual entrepreneurs, federal bodies and municipal authorities of the Russian Federation. Loans are granted for current needs (working capital financing, acquisition of movable and immovable property, portfolio investments, expansion and consolidation of business, etc.). Loans are provided for periods up to 5 years depending on the borrowers' risk assessment. Commercial lending also includes overdraft lending and lending for export-import transactions. The repayment source is cash flow from current production and financial activities of the borrower.

Specialised lending to legal entities includes investment and construction project financing and also developers' financing. As a rule, loan terms are linked to payback periods of investment and construction projects, contract execution periods and exceed the terms of commercial loans to legal entities. The principal and interest may be repaid from cash flows generated by the investment project at the stage of its commercial operation.

Consumer and other individual loans comprise loans to individuals other than housing acquisition, construction and repair of real estate as well as car loans. These loans include loans for current needs and overdrafts.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

7 Loans and Advances to Customers (Continued)

Mortgage loans to individuals include loans for acquisition, construction and reconstruction of real estate. These loans are mostly long-term and are collateralized by real estate.

Car loans to individuals include loans for purchasing a car or other vehicle. Car loans are provided for periods of up to 5 years.

The table below shows the analysis of loans and provisions for loan impairment as at 30 September 2010:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Commercial loans to legal entities				
Collectively assessed				
Not past due	2 201 340	(87 436)	2 113 904	4.0%
Loans up to 30 days overdue	11 361	(2 884)	8 477	25.4%
Loans 31 to 60 days overdue	4 596	(2 388)	2 208	52.0%
Loans 61 to 90 days overdue	4 200	(2 554)	1 646	60.8%
Loans 91 up to 180 days overdue	14 860	(9 773)	5 087	65.8%
Loans over 180 days overdue	125 487	(116 688)	8 799	93.0%
Total collectively assessed loans	2 361 844	(221 723)	2 140 121	9.4%
Individually impaired				
Not past due	90 821	(45 070)	45 751	49.6%
Loans up to 30 days overdue	2 033	(1 489)	544	73.2%
Loans 31 to 60 days overdue	566	(557)	9	98.4%
Loans 61 to 90 days overdue	801	(632)	169	78.9%
Loans 91 up to 180 days overdue	8 546	(6 956)	1 590	81.4%
Loans over 180 days overdue	37 966	(37 048)	918	97.6%
Total individually impaired loans	140 733	(91 752)	48 981	65.2%
Total commercial loans to legal entities	2 502 577	(313 475)	2 189 102	12.5%
Specialised loans to legal entities				
Collectively assessed				
Not past due	1 773 588	(72 149)	1 701 439	4.1%
Loans up to 30 days overdue	15 302	(3 845)	11 457	25.1%
Loans 31 to 60 days overdue	1 422	(623)	799	43.8%
Loans 61 to 90 days overdue	2 226	(1 422)	804	63.9%
Loans 91 up to 180 days overdue	9 172	(6 686)	2 486	72.9%
Loans over 180 days overdue	63 176	(57 073)	6 103	90.3%
Total collectively assessed loans	1 864 886	(141 798)	1 723 088	7.6%
Individually impaired				
Not past due	39 130	(29 068)	10 062	74.3%
Loans up to 30 days overdue	49	-	49	0.0%
Loans 31 to 60 days overdue	1 595	(1 584)	11	99.3%
Loans 61 to 90 days overdue	1 439	(1 439)	-	100.0%
Loans 91 up to 180 days overdue	20 957	(20 936)	21	99.9%
Loans over 180 days overdue	171 198	(136 421)	34 777	79.7%
Total individually impaired loans	234 368	(189 448)	44 920	80.8%
Total specialised loans to legal entities	2 099 254	(331 246)	1 768 008	15.8%
Total loans to legal entities	4 601 831	(644 721)	3 957 110	14.0%

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

7 Loans and Advances to Customers (Continued)

(Unaudited)

<i>In millions of Russian Roubles</i>	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Consumer and other loans to individuals				
Collectively assessed				
Not past due	568 854	(9 299)	559 555	1.6%
Loans up to 30 days overdue	8 484	(382)	8 102	4.5%
Loans 31 to 60 days overdue	2 716	(291)	2 425	10.7%
Loans 61 to 90 days overdue	2 031	(375)	1 656	18.5%
Loans 91 up to 180 days overdue	2 480	(834)	1 646	33.6%
Loans over 180 days overdue	25 775	(25 775)	-	100.0%
Total consumer and other loans to individuals	610 340	(36 956)	573 384	6.1%
Mortgage loans to individuals				
Collectively assessed				
Not past due	527 698	(4 691)	523 007	0.9%
Loans up to 30 days overdue	5 581	(544)	5 037	9.7%
Loans 31 to 60 days overdue	2 113	(392)	1 721	18.6%
Loans 61 to 90 days overdue	1 550	(464)	1 086	29.9%
Loans 91 up to 180 days overdue	2 724	(1 446)	1 278	53.1%
Loans over 180 days overdue	22 296	(22 296)	-	100.0%
Total mortgage loans to individuals	561 962	(29 833)	532 129	5.3%
Car loans to individuals				
Collectively assessed				
Not past due	83 471	(1 358)	82 113	1.6%
Loans up to 30 days overdue	943	(52)	891	5.5%
Loans 31 to 60 days overdue	377	(47)	330	12.5%
Loans 61 to 90 days overdue	196	(39)	157	19.9%
Loans 91 up to 180 days overdue	331	(118)	213	35.6%
Loans over 180 days overdue	2 103	(2 103)	-	100.0%
Total car loans to individuals	87 421	(3 717)	83 704	4.3%
Total loans to individuals	1 259 723	(70 506)	1 189 217	5.6%
Total loans and advances to customers as at 30 September 2010	5 861 554	(715 227)	5 146 327	12.2%

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

7 Loans and Advances to Customers (Continued)

The table below shows the analysis of loans and provisions for loan impairment as at 31 December 2009:

<i>In millions of Russian Roubles</i>	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Commercial loans to legal entities				
Collectively assessed				
Not past due	1 968 452	(68 724)	1 899 728	3.5%
Loans up to 30 days overdue	13 910	(4 863)	9 047	35.0%
Loans 31 to 60 days overdue	7 159	(3 472)	3 687	48.5%
Loans 61 to 90 days overdue	7 597	(3 897)	3 700	51.3%
Loans 91 up to 180 days overdue	20 011	(12 757)	7 254	63.7%
Loans over 180 days overdue	95 717	(69 741)	25 976	72.9%
Total collectively assessed loans	2 112 846	(163 454)	1 949 392	7.7%
Individually impaired				
Not past due	57 070	(27 562)	29 508	48.3%
Loans up to 30 days overdue	47	-	47	0.0%
Loans 31 to 60 days overdue	425	(344)	81	80.9%
Loans 61 to 90 days overdue	1 684	(1 676)	8	99.5%
Loans 91 up to 180 days overdue	8 291	(5 166)	3 125	62.3%
Loans over 180 days overdue	25 959	(23 286)	2 673	89.7%
Total individually impaired loans	93 476	(58 034)	35 442	62.1%
Total commercial loans to legal entities	2 206 322	(221 488)	1 984 834	10.0%
Specialised loans to legal entities				
Collectively assessed				
Not past due	1 731 758	(67 328)	1 664 430	3.9%
Loans up to 30 days overdue	16 027	(4 395)	11 632	27.4%
Loans 31 to 60 days overdue	16 021	(4 395)	11 626	27.4%
Loans 61 to 90 days overdue	8 133	(4 500)	3 633	55.3%
Loans 91 up to 180 days overdue	6 569	(3 481)	3 088	53.0%
Loans over 180 days overdue	65 381	(47 809)	17 572	73.1%
Total collectively assessed loans	1 843 889	(131 908)	1 711 981	7.2%
Individually impaired				
Not past due	28 528	(12 356)	16 172	43.3%
Loans up to 30 days overdue	2 052	(1 138)	914	55.5%
Loans 31 to 60 days overdue	218	(133)	85	61.0%
Loans 61 to 90 days overdue	2 638	(2 464)	174	93.4%
Loans 91 up to 180 days overdue	22 691	(10 960)	11 731	48.3%
Loans over 180 days overdue	159 968	(128 100)	31 868	80.1%
Total individually impaired loans	216 095	(155 151)	60 944	71.8%
Total specialised loans to legal entities	2 059 984	(287 059)	1 772 925	13.9%
Total loans to legal entities	4 266 306	(508 547)	3 757 759	11.9%

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

7 Loans and Advances to Customers (Continued)

<i>In millions of Russian Roubles</i>	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
<i>Consumer and other loans to individuals</i>				
Collectively assessed				
Not past due	526 373	(8 926)	517 447	1.7%
Loans up to 30 days overdue	4 761	(488)	4 273	10.2%
Loans 31 to 60 days overdue	2 339	(476)	1 863	20.4%
Loans 61 to 90 days overdue	1 506	(446)	1 060	29.6%
Loans 91 up to 180 days overdue	2 923	(1 440)	1 483	49.3%
Loans over 180 days overdue	26 462	(26 462)	-	100.0%
Total consumer and other loans to individuals	564 364	(38 238)	526 126	6.8%
<i>Mortgage loans to individuals</i>				
Collectively assessed				
Not past due	482 445	(4 418)	478 027	0.9%
Loans up to 30 days overdue	4 014	(725)	3 289	18.1%
Loans 31 to 60 days overdue	2 373	(803)	1 570	33.8%
Loans 61 to 90 days overdue	1 574	(776)	798	49.3%
Loans 91 up to 180 days overdue	2 866	(2 538)	328	88.6%
Loans over 180 days overdue	19 515	(19 515)	-	100.0%
Total mortgage loans to individuals	512 787	(28 775)	484 012	5.6%
<i>Car loans to individuals</i>				
Collectively assessed				
Not past due	96 649	(1 642)	95 007	1.7%
Loans up to 30 days overdue	718	(120)	598	16.7%
Loans 31 to 60 days overdue	397	(120)	277	30.2%
Loans 61 to 90 days overdue	245	(108)	137	44.1%
Loans 91 up to 180 days overdue	436	(321)	115	73.6%
Loans over 180 days overdue	1 943	(1 943)	-	100.0%
Total car loans to individuals	100 388	(4 254)	96 134	4.2%
Total loans to individuals	1 177 539	(71 267)	1 106 272	6.1%
Total loans and advances to customers as at 31 December 2009	5 443 845	(579 814)	4 864 031	10.7%

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

7 Loans and Advances to Customers (Continued)

As defined by the Group for the purposes of internal credit risk assessment, loans fall into the “non-performing” category when a principal and/or interest payment becomes more than 90 days overdue.

As at 30 September 2010 the outstanding non-performing loans were as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Commercial loans to legal entities	186 859	(170 465)	16 394	91.2%
Specialised loans to legal entities	264 503	(221 116)	43 387	83.6%
Consumer and other loans to individuals	28 255	(26 609)	1 646	94.2%
Mortgage loans to individuals	25 020	(23 742)	1 278	94.9%
Car loans to individuals	2 434	(2 221)	213	91.2%
Total non-performing loans and advances to customers as at 30 September 2010	507 071	(444 153)	62 918	87.6%

As at 31 December 2009 the outstanding non-performing loans were as follows:

<i>In millions of Russian Roubles</i>	Gross loans	Provision for impairment	Net loans	Provision for impairment to gross loans
Commercial loans to legal entities	149 911	(110 941)	38 970	74.0%
Specialised loans to legal entities	260 100	(191 542)	68 558	73.6%
Consumer and other loans to individuals	29 385	(27 902)	1 483	95.0%
Mortgage loans to individuals	22 381	(22 053)	328	98.5%
Car loans to individuals	2 379	(2 264)	115	95.2%
Total non-performing loans and advances to customers as at 31 December 2009	464 156	(354 702)	109 454	76.4%

Provisions for Loan Impairment. The analysis of changes in provisions for loan impairment for the nine months ended 30 September 2010 is presented in the table below:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Loans to legal entities	Loans to individuals	Total
Provision for loan impairment as at 1 January 2010	508 547	71 267	579 814
Net provision charge for loan impairment during the reporting period	149 948	47	149 995
Provision for loan impairment written off during the period	(13 774)	(808)	(14 582)
Provision for loan impairment as at 30 September 2010	644 721	70 506	715 227

The analysis of changes in provisions for loan impairment for the three months ended 30 September 2010 is presented in the table below:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Loans to legal entities	Loans to individuals	Total
Provision for loan impairment as at 1 July 2010	604 975	72 133	677 108
Net provision charge for loan impairment during the reporting period	41 027	(1 356)	39 671
Provision for loan impairment written off during the period	(1 281)	(271)	(1 552)
Provision for loan impairment as at 30 September 2010	644 721	70 506	715 227

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

7 Loans and Advances to Customers (Continued)

The analysis of changes in provisions for loan impairment for the nine months ended 30 September 2009 is presented in the table below:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Loans to legal entities	Loans to individuals	Total
Provision for loan impairment as at 1 January 2009	158 013	44 272	202 285
Net provision charge for loan impairment during the reporting period	274 743	26 532	301 275
Provision for loan impairment written off during the period	(7 764)	(2 042)	(9 806)
Provision for loan impairment as at 30 September 2009	424 992	68 762	493 754

The analysis of changes in provisions for loan impairment for the three months ended 30 September 2009 is presented in the table below:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Loans to legal entities	Loans to individuals	Total
Provision for loan impairment as at 1 July 2009	330 011	58 078	388 089
Net provision charge for loan impairment during the reporting period	96 119	11 263	107 382
Provision for loan impairment written off during the period	(1 138)	(579)	(1 717)
Provision for loan impairment as at 30 September 2009	424 992	68 762	493 754

Investments in finance lease

Included in commercial loans to legal entities are net investments in finance lease. The analysis of net investments in finance lease as at 30 September 2010 and as at 31 December 2009 is as follows:

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Gross investment in finance lease	56 876	49 965
Unearned future finance income on finance lease	(17 695)	(14 380)
Net investment in finance lease before provision for impairment	39 181	35 585
Less provision for impairment	(692)	(1 119)
Net investment in finance lease after provision for impairment	38 489	34 466

The contractual maturity analysis of net investments in finance lease as at 30 September 2010 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Net investment in finance lease before provision for impairment	Provision for impairment	Net investment in finance lease after provision for impairment
Not later than 1 year	13 884	(182)	13 702
Later than 1 year but not later than 5 years	22 844	(410)	22 434
Later than 5 years	2 453	(100)	2 353
Total as at 30 September 2010	39 181	(692)	38 489

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

7 Loans and Advances to Customers (Continued)

The contractual maturity analysis of net investments in finance lease as at 31 December 2009 is as follows:

<i>In millions of Russian Roubles</i>	Net investment in finance lease before provision for impairment	Provision for impairment	Net investment in finance lease after provision for impairment
Not later than 1 year	10 371	(577)	9 794
Later than 1 year but not later than 5 years	22 615	(498)	22 117
Later than 5 years	2 599	(44)	2 555
Total as at 31 December 2009	35 585	(1 119)	34 466

The analysis of minimal finance lease receivables as at 30 September 2010 and 31 December 2009 per contractual maturity is as follows:

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Not later than 1 year	16 210	13 890
Later than 1 year but not later than 5 years	33 087	32 234
Later than 5 years	7 579	3 841
Total	56 876	49 965

Economic sector risk concentration. Economic sector risk concentrations within the customer loan portfolio as at 30 September 2010 and 31 December 2009 are as follows:

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)		31 December 2009	
	Amount	%	Amount	%
Individuals	1 259 723	21.5	1 177 539	21.7
Services	975 033	16.6	748 240	13.7
Trade	943 119	16.1	960 385	17.7
Food and agriculture	553 311	9.4	511 658	9.4
Construction	423 660	7.2	408 307	7.5
Machine building	329 062	5.6	347 222	6.4
Metallurgy	285 390	4.9	273 814	5.0
Chemical industry	204 253	3.5	186 790	3.4
Energy	190 036	3.2	172 623	3.2
Oil and gas	162 192	2.8	157 078	2.9
Telecommunications	151 802	2.6	164 934	3.0
Transport, aviation, space industry	135 762	2.3	109 211	2.0
Government and municipal bodies	90 536	1.5	94 004	1.7
Timber industry	48 301	0.8	43 955	0.8
Other	109 374	2.0	88 085	1.6
Total loans and advances to customers before provision for loan impairment	5 861 554	100.0	5 443 845	100.0

As at 30 September 2010 the Group had 20 largest corporate borrowers with aggregated loan amounts due from each of these borrowers exceeding RR 29 000 million (31 December 2009: 20 largest borrowers with loan amounts due from each of these borrowers exceeding RR 23 000 million). The total aggregate amount of these loans was RR 1 330 685 million or 22.7% of the total gross loan portfolio of the Group (31 December 2009: RR 1 240 189 million or 22.8%).

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

8 Securities Pledged under Repurchase Agreements

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Trading securities pledged under repurchase agreements		
Russian Federation Eurobonds	12 464	-
Municipal and subfederal bonds	70	-
Securities designated at fair value through profit or loss pledged under repurchase agreements		
Corporate shares	1 985	-
Securities available for sale pledged under repurchase agreements		
Russian Federation Eurobonds	48 149	-
Corporate shares	6 056	2 116
Corporate bonds	3 908	583
Municipal and subfederal bonds	26	-
Total securities pledged under repurchase agreements	72 658	2 699

As at 30 September 2010 included in Due to corporate customers are deposits in the amount of RR 7 338 million (31 December 2009: RR 2 174 million) received under sale and repurchase agreements with legal entities. Refer to Note 11. Deposits in the amount of RR 51 639 million (31 December 2009: RR 111 million) received under sale and repurchase agreements with other banks are included in Due to other banks.

9 Investment Securities Available for Sale

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Bonds of the Bank of Russia	611 579	221 080
Corporate bonds	274 457	244 142
Federal loan bonds (OFZ bonds)	261 044	213 540
Municipal and subfederal bonds	44 860	87 948
Foreign government bonds	15 993	6 979
Russian Federation Eurobonds	5 037	54 480
Total debt investment securities available for sale	1 212 970	828 169
Corporate shares	69 149	17 806
Total investment securities available for sale	1 282 119	845 975

As at 30 September 2010 corporate bonds available for sale are mostly represented by debt securities issued by Russian oil and gas, transportation, finance, communication, metallurgy companies and a bank. As at 31 December 2009 corporate bonds available for sale are mostly represented by debt securities issued by Russian transportation, oil and gas, communication, metallurgy and mining companies.

As at 30 September 2010 corporate shares available for sale are mostly represented by oil and gas, energy and communication companies. As at 31 December 2009 corporate shares available for sale are mostly represented by oil and gas, metallurgy and communication companies.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

10 Investment Securities Held to Maturity

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Federal loan bonds (OFZ bonds)	175 257	-
Municipal and subfederal bonds	89 717	-
Corporate bonds	18 109	-
Foreign government bonds	310	-
Total investment securities held to maturity	283 393	-

In the second and the third quarter of 2010 the Group changed its expectations regarding a part of investments in federal and municipal bonds previously classified as available for sale. Taken into account the changed expectations and the ability of the Group to hold investment securities to maturity, a reclassification from available for sale category into held to maturity category was made. The fair value of reclassified securities as at the dates of reclassification amounted to RR 257 809 million.

As at 30 September 2010 corporate bonds held to maturity are mostly represented by debt securities issued by Russian energy and metallurgy companies.

11 Due to Individuals and Corporate Customers

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Individuals:		
- Current/demand accounts	587 212	540 455
- Term deposits	3 765 519	3 246 857
Total due to individuals	4 352 731	3 787 312
State and public organisations:		
- Current/settlement accounts	100 852	104 004
- Term deposits	33 332	32 900
Total due to state and public organisations	134 184	136 904
Other corporate customers:		
- Current/settlement accounts	1 173 416	861 028
- Term deposits	503 580	653 627
Total due to other corporate customers	1 676 996	1 514 655
Total due to corporate customers	1 811 180	1 651 559
Total due to individuals and corporate customers	6 163 911	5 438 871

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

11 Due to Individuals and Corporate Customers (Continued)

Economic sector concentrations within customer accounts are as follows:

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)		31 December 2009	
	Amount	%	Amount	%
Individuals	4 352 731	70.6	3 787 312	69.6
Oil and gas	279 944	4.5	233 772	4.3
Services	262 727	4.3	248 421	4.6
Trade	238 368	3.9	241 233	4.5
Energy	118 234	1.9	135 648	2.5
Construction	113 741	1.8	153 049	2.8
Machine building	87 687	1.4	102 209	1.9
Food and agriculture	76 720	1.2	73 195	1.3
Municipal bodies and state organisations	56 847	0.9	54 014	1.0
Chemical	47 834	0.8	51 589	0.9
Metallurgy	44 127	0.7	51 935	1.0
Other	484 951	8.0	306 494	5.6
Total due to individuals and corporate customers	6 163 911	100.0	5 438 871	100.0

As at 30 September 2010 included in term deposits of other corporate customers are deposits in the amount of RR 7 338 million (31 December 2009: RR 2 174 million) received under sale and repurchase agreements with legal entities. As at 30 September 2010 fair value of securities collateralised under these agreements amounted to RR 8 734 million and was included in securities pledged under repurchase agreements (31 December 2009: RR 2 560 million). Refer to Note 8.

As at 30 September 2010 included in Due to corporate customers are deposits of RR 77 989 million (31 December 2009: RR 82 068 million) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 22.

As at 30 September 2010 the Group had 20 largest customers with balances above RR 5 900 million (31 December 2009: 20 customers with balances above RR 7 500 million). The aggregate balance of these customers was RR 600 820 million (31 December 2009: RR 456 986 million) or 9.7% (31 December 2009: 8.4%) of total due to individuals and corporate customers.

12 Other Borrowed Funds

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Loan participation notes issued under the MTN programme	130 307	46 149
Syndicated loans received	59 186	58 703
Other long-term borrowings	13 534	10 361
Total other borrowed funds	203 027	115 213

In July 2010 the Group issued the fourth series of loan participation notes under the MTN issuance programme in the amount of USD 1 000 million equivalent to RR 31 112 million as at the date of issue. The notes mature in July 2015 and have contractual fixed interest rate of 5.5% p.a. Additional notes of USD 500 million (equivalent to RR 15 093 million as at the date of issue) were issued in August 2010 and form a single series with the first issue. Additional notes have the same interest rate and maturity date as the first issue. As at 30 September 2010 the notes were accounted for at amortised cost of RR 46 390 million; the effective interest rate on the notes was 5.4% p.a.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

12 Other Borrowed Funds (Continued)

In September 2010 the Group issued the fifth series of loan participation notes under the MTN issuance programme in the amount of USD 1 000 million equivalent to RR 31 003 million as at the date of issue. The notes mature in March 2017 and have contractual fixed interest rate of 5.4% p.a. As at 30 September 2010 the notes were accounted for at amortised cost of RR 30 407 million; the effective interest rate was 5.5% p.a. In October 2010 the Group issued additional notes for USD 250 million (equivalent to RR 7 631 million as at the date of issue) which form a single series with the first issue and have the same interest rate and maturity. Refer to Note 27.

During the nine months ended 30 September 2010 the Group partly repurchased loan participation notes, recognised at amortised cost of RR 2 123 million. The transaction was organised as a buy-out of the notes from the market. As a result of this transaction the Group has received a net loss in the amount of RR 87 million included in the Consolidated income statement (for the nine months ended 30 September 2009 a net gain of RR 627 million). In the third quarter 2010 the Group partly disposed of the loan participation notes which were previously bought back from the market. The sale was conducted in several tranches. Amortised cost of the newly recognised liabilities comprised RR 8 224 million as at 30 September 2010. Effective interest rates varied from 2.3% to 3.9% p.a.

Other long-term borrowings represent funding received by the Group from foreign export agencies via foreign banks, which was used by the Group for direct lending to Russian companies in accordance with the terms of the agreements. As at 30 September 2010 these borrowings were accounted for at amortised cost of RR 13 534 million (31 December 2009: RR 10 361 million), had interest rates varying from 1.1% to 4.5% p.a. (31 December 2009: from 1.0% to 6.8% p.a.) and maturity dates from July 2011 to December 2015 (31 December 2009: from February 2010 to January 2016).

13 Subordinated Debt

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Subordinated debt received by the Group from the Bank of Russia	320 870	504 346
Subordinated debt received by the Group on international financial markets	-	14 504
Subordinated debt received by subsidiaries	213	211
Total subordinated debt	321 083	519 061

In February 2005 the Group received a subordinated loan. This transaction was structured by UBS Luxembourg S.A. as an issue of an aggregate principal amount of USD 1 000 million Loan Participation Notes at contractual interest rate of 6.2% p.a. and maturity in February 2015, which were issued for the sole purpose of financing a ten-year subordinated loan to the Group. As at 31 December 2009 this subordinated debt was accounted for at amortised cost of RR 14 504 million and the effective interest rate on the loan was 6.4% p.a. In February 2010 the Group repaid the remaining part of subordinated loan in full.

In December 2008 the Group received a subordinated loan of RR 500 000 million from the Bank of Russia with a contractual fixed interest rate of 8.0% p.a. The transaction was structured in three tranches. In May 2010 the Group paid back RR 200 000 million of the loan. The remaining part of the loan matures in December 2019. On 30 July 2010 under the additional agreement with the Bank of Russia the interest rate was changed to 6.5% p.a.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

14 Interest Income and Expense

(Unaudited)

In millions of Russian Roubles

	Nine months ended 30 September		Three months ended 30 September	
	2010	2009	2010	2009
Interest income				
Interest income on financial assets carried at amortised cost and on financial assets available for sale:				
- Loans and advances to customers	505 231	568 422	164 173	191 386
- Debt investment securities available for sale	63 825	25 865	18 745	10 874
- Due from other banks	6 671	5 127	1 457	1 286
- Debt investment securities held to maturity	3 687	-	3 499	-
- Correspondent accounts with other banks	86	527	21	309
	579 500	599 941	187 895	203 855
Interest income on financial assets carried at fair value through profit or loss:				
- Debt trading securities	5 968	5 050	1 020	1 766
- Debt securities designated at fair value through profit or loss	4 483	5 555	1 299	1 681
	10 451	10 605	2 319	3 447
Total interest income	589 951	610 546	190 214	207 302
Interest expense				
Term deposits of individuals	(161 370)	(135 595)	(53 942)	(47 321)
Term deposits of legal entities	(23 572)	(36 484)	(6 728)	(10 939)
Subordinated debt	(22 901)	(31 119)	(4 956)	(10 182)
Debt securities in issue	(7 175)	(6 733)	(2 299)	(2 365)
Current/settlement accounts of legal entities	(6 688)	(8 790)	(2 138)	(2 898)
Other borrowed funds	(4 027)	(4 261)	(1 794)	(1 308)
Current/demand accounts of individuals	(1 869)	(959)	(748)	(370)
Term placements of other banks	(1 287)	(10 484)	(720)	(541)
Correspondent accounts of other banks	(317)	(393)	(143)	(165)
Total interest expense	(229 206)	(234 818)	(73 468)	(76 089)
Net interest income	360 745	375 728	116 746	131 213

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

15 Fee and Commission Income and Expense

<i>(Unaudited)</i>	Nine months ended 30 September		Three months ended 30 September	
<i>In millions of Russian Roubles</i>	2010	2009	2010	2009
Fee and commission income				
Cash and settlements transactions with legal entities	29 561	26 158	10 724	9 659
Cash and settlements transactions with individuals	29 469	24 506	10 181	8 756
Plastic cards operations	16 324	12 435	6 049	4 532
Agent commissions on selling insurance contracts	6 435	15	2 646	15
Operations with foreign currency	4 264	5 992	1 402	1 892
Cash collection	3 166	2 935	1 150	1 074
Guarantees issued	1 876	1 029	705	263
Transactions with securities	803	825	209	479
Other	878	1 143	110	492
Total fee and commission income	92 776	75 038	33 176	27 162
Fee and commission expense				
Settlement transactions	(3 562)	(2 569)	(1 354)	(945)
Cash collection	(162)	(114)	(66)	(40)
Operations with foreign currency	(73)	(160)	(33)	(33)
Other	(1 005)	(322)	(572)	(93)
Total fee and commission expense	(4 802)	(3 165)	(2 025)	(1 111)
Net fee and commission income	87 974	71 873	31 151	26 051

16 Net Gains Arising from Trading in Foreign Currencies, Operations with Foreign Currency Derivatives and Foreign Exchange Translation Gains

<i>(Unaudited)</i>	Nine months ended 30 September		Three months ended 30 September	
<i>In millions of Russian Roubles</i>	2010	2009	2010	2009
Net gains arising from trading in foreign currencies	5 291	10 413	3 820	2 935
Net foreign exchange translation gains/(losses)	11 986	8 488	(21 274)	(8 290)
Net (losses)/ gains from operations with foreign currency derivatives	(8 646)	(4 954)	18 980	10 042
Total net gains arising from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation gains	8 631	13 947	1 526	4 687

Operations of trading in foreign currencies and foreign currency derivatives include both operations with clients and the Group's proprietary operations for liquidity management. The Group's proprietary operations are mostly represented by foreign exchange swap transactions.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

17 Operating Expenses

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Nine months ended 30 September		Three months ended 30 September	
	2010	2009	2010	2009
Staff costs	115 019	94 758	37 527	30 975
Depreciation of premises and equipment	23 132	21 001	8 257	8 295
Telecommunication and administrative expenses	22 769	16 688	8 277	6 155
State deposit insurance system membership fee	12 189	9 598	4 330	3 326
Taxes other than on income	6 799	6 678	2 683	2 795
Operating lease expense for premises and equipment	5 831	4 589	2 246	1 525
Other costs of premises and equipment	3 706	4 772	1 464	1 694
Advertising and marketing services	1 768	1 164	515	467
Consulting and assurance services	1 041	808	465	5
Other	3 419	2 752	1 554	185
Total operating expenses	195 673	162 808	67 318	55 422

18 Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Bank (less preference dividends declared) by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. The Bank has no dilutive potential ordinary shares; therefore the diluted earnings per share equals the basic earnings per share.

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Nine months ended 30 September		Three months ended 30 September	
	2010	2009	2010	2009
Profit for the reporting period attributable to the shareholders of the Bank	109 941	10 256	45 752	4 246
Less preference dividends declared	(450)	(630)	-	-
Profit attributable to the ordinary shareholders of the Bank	109 491	9 626	45 752	4 246
Weighted average number of ordinary shares in issue (millions)	21 587	21 585	21 587	21 585
Earnings per ordinary share, basic and diluted (expressed in RR per share)	5.07	0.45	2.12	0.20

19 Dividends

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Nine months ended 30 September 2010		Nine months ended 30 September 2009	
	Ordinary	Preference	Ordinary	Preference
Dividends payable at 1 January	91	30	113	29
Dividends declared during the nine months ended 30 September	1 727	450	10 362	630
Dividends paid during the nine months ended 30 September	(1 731)	(446)	(10 359)	(623)
Dividends payable as at 30 September	87	34	116	36
Dividends per share declared during the reporting period (RR per share)	0.08	0.45	0.48	0.63

All dividends were declared and paid in Russian Roubles.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

20 Segment Analysis

For the purposes of management the Group is divided into operating segments of activity – central head office, 18 regional head offices and subsidiaries – which are defined on the basis of organizational structure of the Group and geographical areas. The principal activity of all operating segments is banking operations. For the purposes of presentation in these condensed interim consolidated financial statements the operating segments are aggregated in the following reportable segments:

- **Moscow;**

this segment includes the following:

- Central head office of the Group,
- Regional head office of Moscow,
- Subsidiaries of the Group located in the region.

- **Central and Northern regions of European part of Russia;**

this segment includes the following:

Regional head offices:

- Severny – Yaroslavl,
- Severo-Zapadny – Saint-Petersburg,
- Tsentralno-Chernozemny – Voronezh,
- Srednerussky – Moscow;

Subsidiaries of the Group located in the region.

- **Volga region and South of European part of Russia;**

this segment includes the following:

Regional head offices:

- Volgo-Vyatsky – Nizhniy Novgorod,
- Povolzhsky – Samara,
- Severo-Kavkazsky – Stavropol,
- Yugo-Zapadny – Rostov-on-Don,

Subsidiaries of the Group located in the region.

- **Ural, Siberia and Far East of Russia;**

this segment includes the following:

Regional head offices:

- Zapadno-Uralsky – Perm,
- Uralsky – Ekaterinburg,
- Sibirsky – Novosibirsk,
- Altaisky – Barnaul,
- Zapadno-Sibirsky – Tumen,
- Severo-Vostochny – Magadan,
- Dalnevostochny – Khabarovsk,
- Vostochno-Sibirsky – Krasnoyarsk,
- Baikalsky – Irkutsk,

Subsidiaries of the Group located in the region.

- **Other countries**

this segment includes the following:

- Subsidiaries located in Ukraine,
- Subsidiaries located in Kazakhstan,
- Subsidiaries located in Belarus,
- A branch office in India.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

20 Segment Analysis (Continued)

The Management of the Group analyses operating results of every segment of activity for the purposes of making decision about allocation of resources and assessment of segments' business results. The segments' reporting and operating results which are provided to the Management of the Group for analysis are prepared under Russian accounting standards, except the segments' reporting of the subsidiaries which is prepared under International Financial Reporting Standards.

Intersegment operations are performed on the basis of internal transfer pricing rates which are established, approved and regularly revised by the Management of the Group.

The subsidiaries' activity is controlled by the Group integrally.

Segment reporting of the Group's assets and liabilities as at 30 September 2010 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Moscow	Central and Northern regions of European part of Russia	Volga region and South of European part of Russia	Ural, Siberia and Far East of Russia	Other countries	Total
TOTAL ASSETS	4 074 508	1 306 058	1 083 635	1 453 149	153 551	8 070 901
TOTAL LIABILITIES	2 771 822	1 611 116	1 144 180	1 463 419	121 052	7 111 589

Segment reporting of the Group's assets and liabilities as at 31 December 2009 is as follows:

<i>In millions of Russian Roubles</i>	Moscow	Central and Northern regions of European part of Russia	Volga region and South of European part of Russia	Ural, Siberia and Far East of Russia	Other countries	Total
TOTAL ASSETS	3 339 279	1 269 638	1 037 696	1 438 970	110 590	7 196 173
TOTAL LIABILITIES	2 497 326	1 455 172	1 024 070	1 276 215	85 934	6 338 717

Reconciliation of total assets and total liabilities as per the reportable segments with the Group's total assets and total liabilities under IFRS as of 30 September 2010 and 31 December 2009 is as follows:

<i>In millions of Russian Roubles</i>	Total assets		Total liabilities	
	30 September 2010 (Unaudited)	31 December 2009	30 September 2010 (Unaudited)	31 December 2009
Total amount per segment information	8 070 901	7 196 173	7 111 589	6 338 717
Adjustment of provisions	56 596	23 660	(33 230)	(25 441)
Additional interest accrued on loans	1 422	6 510	-	-
Deferred commission income on loans	(28 713)	(30 696)	-	-
Accounting for derivatives at fair value	4 608	619	1 450	10 576
Adjustment of depreciation and cost or fair value of premises and equipment including effect of deferred tax	(67 513)	(64 013)	-	-
Staff expenses accrued related to the reporting period (bonuses, annual leave, pension liabilities)	307	155	23 086	12 383
Adjustment of amortised cost and partial repurchase of other borrowed funds and subordinated debt	(1 363)	(24 324)	(1 256)	(24 866)
Adjustment of income tax	(6 541)	(668)	11 079	12 924
Other adjustments	(980)	(2 350)	812	1 837
The Group's total amount under IFRS	8 028 724	7 105 066	7 113 530	6 326 130

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

20 Segment Analysis (Continued)

Segment reporting of the Group's income and expenses for the nine months ended 30 September 2010 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Moscow	Central and Northern regions of European part of Russia	Volga region and South of European part of Russia	Ural, Siberia and Far East of Russia	Other countries	Total
Interest income	217 861	110 951	94 942	131 414	11 128	566 296
Interest expense	(89 891)	(53 187)	(36 943)	(44 965)	(5 000)	(229 986)
Inter-segment (expense) / income	(33 778)	25 067	6 682	2 029	-	-
Fee and commission income	28 829	30 900	24 160	33 561	2 830	120 280
Fee and commission expense	(3 279)	(202)	(277)	(619)	(473)	(4 850)
Net gains arising from securities	19 266	6	-	-	92	19 364
Net (losses)/ gains arising from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation gains/ (losses)	(6 937)	1 232	948	634	935	(3 188)
Net (losses)/ gains arising from operations with precious metals	(1 746)	415	364	601	4	(362)
Other net operating (losses)/ gains	(5 535)	(3 060)	(1 169)	(2 374)	381	(11 757)
Operating income before provision charge for loan impairment	124 790	112 122	88 707	120 281	9 897	455 797
Net provision charge for loan impairment	(69 282)	(31 641)	(46 577)	(20 444)	(2 731)	(170 675)
Operating income	55 508	80 481	42 130	99 837	7 166	285 122
Operating expenses	(50 944)	(39 794)	(36 120)	(50 126)	(4 868)	(181 852)
Profit before tax (Segment result)	4 564	40 687	6 010	49 711	2 298	103 270
Other disclosures						
Capital expenditure incurred (additions of fixed assets)	5 491	6 609	6 180	8 150	2 850	29 280
Depreciation of premises and equipment	(2 813)	(3 833)	(3 627)	(5 364)	(1 247)	(16 884)

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

20 Segment Analysis (Continued)

Segment reporting of the Group's income and expenses for the three months ended 30 September 2010 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Moscow	Central and Northern regions of European part of Russia	Volga region and South of European part of Russia	Ural, Siberia and Far East of Russia	Other countries	Total
Interest income	71 093	35 884	30 881	42 159	3 789	183 806
Interest expense	(27 874)	(17 484)	(11 957)	(14 748)	(1 725)	(73 788)
Inter-segment (expense) / income	(12 775)	9 479	1 992	1 304	-	-
Fee and commission income	10 203	10 564	8 295	11 454	1 154	41 670
Fee and commission expense	(1 323)	(108)	(106)	(334)	(203)	(2 074)
Net gains arising from securities	10 533	6	-	-	132	10 671
Net (losses)/ gains arising from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation gains/ (losses)	(3 619)	305	309	412	264	(2 329)
Net (losses)/ gains arising from operations with precious metals	(417)	133	122	238	2	78
Other net operating (losses)/ gains	(11 373)	1 694	781	(1 620)	407	(10 111)
Operating income before provision charge for loan impairment	34 448	40 473	30 317	38 865	3 820	147 923
Net provision charge for loan impairment	(5 298)	(7 439)	(24 889)	(4 934)	(1 045)	(43 605)
Operating income	29 150	33 034	5 428	33 931	2 775	104 318
Operating expenses	(17 978)	(14 897)	(13 409)	(18 416)	(1 851)	(66 551)
Profit/ (loss) before tax (Segment result)	11 172	18 137	(7 981)	15 515	924	37 767
Other disclosures						
Capital expenditure incurred (additions of fixed assets)	2 127	2 546	2 359	3 133	1 954	12 119
Depreciation of premises and equipment	(1 008)	(1 332)	(1 238)	(1 802)	(479)	(5 859)

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

20 Segment Analysis (Continued)

Segment reporting of the Group's income and expenses for the nine months ended 30 September 2009 is as follows:

<i>(Unaudited)</i> In millions of Russian Roubles	Moscow	Central and Northern regions of European part of Russia	Volga region and South of European part of Russia	Ural, Siberia and Far East of Russia	Other countries	Total
Interest income	206 425	117 343	102 479	144 142	4 144	574 533
Interest expense	(114 180)	(45 273)	(32 519)	(41 763)	(1 533)	(235 268)
Inter-segment income / (expense)	16 992	9 593	(8 267)	(18 318)	-	-
Fee and commission income	23 042	26 754	22 208	30 120	853	102 977
Fee and commission expense	(2 421)	(131)	(262)	(263)	(61)	(3 138)
Net gains/(losses) arising from securities	985	-	-	-	(285)	700
Net gains arising from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation gains	111	3 698	2 951	2 318	488	9 566
Net (losses)/ gains arising from operations with precious metals	(642)	632	539	910	-	1 439
Other net operating (losses)/ gains	(14 030)	159	140	521	61	(13 149)
Operating income before provision charge for loan impairment	116 282	112 775	87 269	117 667	3 667	437 660
Net provision charge for loan impairment	(99 510)	(43 248)	(36 161)	(64 803)	(6 613)	(250 335)
Operating income/ (loss)	16 772	69 527	51 108	52 864	(2 946)	187 325
Operating expenses	(40 356)	(35 378)	(34 203)	(44 044)	(1 892)	(155 873)
(Loss)/ profit before tax (Segment result)	(23 584)	34 149	16 905	8 820	(4 838)	31 452
Other disclosures						
Capital expenditure incurred (additions of fixed assets)	4 245	5 227	4 840	6 555	1 791	22 658
Depreciation of premises and equipment	(2 471)	(3 463)	(3 198)	(4 987)	(1 442)	(15 561)

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

20 Segment Analysis (Continued)

Segment reporting of the Group's income and expenses for the three months ended 30 September 2009 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Moscow	Central and Northern regions of European part of Russia	Volga region and South of European part of Russia	Ural, Siberia and Far East of Russia	Other countries	Total
Interest income	68 068	41 005	35 311	49 206	1 395	194 985
Interest expense	(33 981)	(15 948)	(11 304)	(14 381)	(542)	(76 156)
Inter-segment income / (expense)	2 868	4 228	(1 951)	(5 348)	203	-
Fee and commission income	7 848	9 612	8 280	11 125	361	37 226
Fee and commission expense	(843)	(51)	(94)	(105)	(8)	(1 101)
Net gains/(losses) arising from securities	663	-	-	-	(344)	319
Net gains/ (losses) arising from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation gains/ (losses)	7 738	666	475	289	(1 169)	7 999
Net gains arising from operations with precious metals	114	140	114	229	-	597
Other net operating losses	(1 043)	(2 146)	(267)	(2 240)	(1 239)	(6 935)
Operating income/ (loss) before provision charge for loan impairment	51 432	37 506	30 564	38 775	(1 343)	156 934
Net provision charge for loan impairment	(31 629)	(20 449)	(17 912)	(23 407)	(2 360)	(95 757)
Operating income/ (loss)	19 803	17 057	12 652	15 368	(3 703)	61 177
Operating expenses	(15 515)	(12 424)	(12 068)	(16 064)	(350)	(56 421)
Profit/ (loss) before tax (Segment result)	4 288	4 633	584	(696)	(4 053)	4 756
Other disclosures						
Capital expenditure incurred (additions of fixed assets)	1 977	2 464	2 271	3 085	781	10 578
Depreciation of premises and equipment	(841)	(1 109)	(1 061)	(1 648)	(1 380)	(6 040)

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

20 Segment Analysis (Continued)

Reconciliation of profit before tax for the reportable segments with the Group's income statement profit before tax under IFRS for the nine months ended 30 September 2010 and 30 September 2009, and for the three months ended 30 September 2010 and 30 September 2009 is as follows:

<i>(Unaudited)</i>	Nine months ended 30 September		Three months ended 30 September	
<i>In millions of Russian Roubles</i>	2010	2009	2010	2009
Total amount per segment information	103 270	31 452	37 767	4 756
Adjustment of provisions	37 454	(31 145)	15 740	(4 745)
Staff expenses accrued related to the reporting period (bonuses, annual leave, pension liabilities)	(10 667)	(5 309)	446	2 183
Differences arising on securities' classification	1 750	9 896	(923)	5 874
Accounting for derivatives at fair value	13 115	4 299	4 680	(3 253)
Additional interest accrued on loans	(5 089)	8 438	(1 581)	2 058
Adjustment of depreciation and cost of premises and equipment	(266)	(1 983)	2 102	(740)
Accounting of financial result related to partial repurchase of loan participation notes	(87)	1 623	(87)	146
Other adjustments	(2 144)	(4 915)	(1 390)	(982)
The Group's total amount under IFRS	137 336	12 356	56 754	5 297

The differences shown above arise from classification variances as well as different accounting policies.

Adjustment of provisions is related to the difference between estimation methodology applied in statutory accounting records used as a basis for management reporting and estimation methodology according to IFRS.

Differences arising on securities' classification relate to gains/(losses) on revaluation of securities designated at fair value through profit or loss in IFRS reporting but classified as available for sale in statutory accounting records used as a basis for management reporting.

21 Financial Risk Management

The risk management function within the Group is carried out in respect of major types of risks: credit, market, liquidity and operational risks. Market risk includes interest rate risk, equity risk and currency risk. The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and limits. The operational risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational risk.

The Group's risk management policies and procedures are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2009.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

21 Financial Risk Management (Continued)

Currency Risk. Currency risk results from fluctuations in the prevailing foreign currency exchange rates. The Group is exposed to foreign exchange risk on open positions (mainly USD/RUB and EUR/RUB exchange rate fluctuations).

The table below summarises the Group's exposure to foreign exchange risk in respect of monetary assets, liabilities and foreign exchange derivatives as at 30 September 2010. Foreign exchange risk on forward and future contracts is represented by their notional positions. Foreign exchange options are disclosed in the amount that reflects theoretical sensitivity of their fair value to reasonable change in exchange rates.

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Russian Roubles	USD	Euro	Other	Total
Assets					
Cash and cash equivalents	379 429	144 119	48 782	26 814	599 144
Mandatory cash balances with the Bank of Russia	49 553	-	-	-	49 553
Debt trading securities	49 005	1 670	442	555	51 672
Debt securities designated at fair value through profit or loss	79 477	-	4 283	-	83 760
Due from other banks	8 879	59	-	1 338	10 276
Loans and advances to customers	4 013 577	949 295	126 511	56 944	5 146 327
Debt securities pledged under repurchase agreements	96	64 359	162	-	64 617
Debt investment securities available for sale	1 082 195	73 926	39 642	17 207	1 212 970
Debt investment securities held to maturity	280 254	2 829	-	310	283 393
Other financial assets (less fair value of derivatives)	48 854	8 446	1 480	802	59 582
Total monetary assets	5 991 319	1 244 703	221 302	103 970	7 561 294
Liabilities					
Due to other banks	53 692	99 350	2 355	2 792	158 189
Due to individuals	3 752 177	255 438	269 975	75 141	4 352 731
Due to corporate customers	1 170 567	481 096	106 383	53 134	1 811 180
Debt securities in issue	128 300	1 488	2 329	3 553	135 670
Other borrowed funds	-	196 519	6 308	200	203 027
Other financial liabilities (less fair value of derivatives)	50 471	657	318	495	51 941
Subordinated debt	320 870	213	-	-	321 083
Total monetary liabilities	5 476 077	1 034 761	387 668	135 315	7 033 821
Net monetary assets/ (liabilities)	515 242	209 942	(166 366)	(31 345)	527 473
Foreign exchange derivatives	107 400	(287 141)	136 701	9 103	(33 937)
Credit related commitments (Note 22)	490 937	518 601	130 480	35 751	1 175 769

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

21 Financial Risk Management (Continued)

The table below summarises the Group's exposure to foreign exchange risk in respect of monetary assets, liabilities and foreign exchange derivatives as at 31 December 2009:

<i>In millions of Russian Roubles</i>	Russian Roubles	USD	Euro	Other	Total
Assets					
Cash and cash equivalents	585 295	63 753	50 270	26 203	725 521
Mandatory cash balances with the Bank of Russia	40 572	-	-	-	40 572
Debt trading securities	61 716	26 357	1 074	-	89 147
Debt securities designated at fair value through profit or loss	100 640	-	4 644	-	105 284
Due from other banks	7 014	125	-	3 080	10 219
Loans and advances to customers	4 021 182	695 047	111 750	36 052	4 864 031
Securities pledged under repurchase agreements	-	583	-	-	583
Debt investment securities available for sale	662 264	113 643	42 074	10 188	828 169
Other financial assets (less fair value of derivatives)	53 893	4 395	1 306	359	59 953
Total monetary assets	5 532 576	903 903	211 118	75 882	6 723 479
Liabilities					
Due to other banks	40 601	6 151	2 080	5 115	53 947
Due to individuals	3 152 717	253 309	318 294	62 992	3 787 312
Due to corporate customers	1 137 729	335 422	139 555	38 853	1 651 559
Debt securities in issue	117 408	3 131	2 733	1 327	124 599
Other borrowed funds	-	108 686	6 522	5	115 213
Other financial liabilities (less fair value of derivatives)	25 819	250	198	125	26 392
Subordinated debt	504 346	14 715	-	-	519 061
Total monetary liabilities	4 978 620	721 664	469 382	108 417	6 278 083
Net monetary assets/ (liabilities)	553 956	182 239	(258 264)	(32 535)	445 396
Foreign exchange derivatives	34 289	(302 897)	242 940	16 203	(9 465)
Credit related commitments (Note 22)	430 229	383 716	117 288	25 409	956 642

Liquidity Risk. Liquidity risk arises when maturities of assets and liabilities do not match. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan drawdowns, guarantees and margin and other calls on cash settled derivative instruments.

For the purposes of more appropriate disclosure of liquidity risk analysis, change in presentation of gap analysis is introduced in these financial statements. Following principles underlying gap analysis presentation and the Group liquidity risk management are based on the mix of CBR initiatives and the Bank's practice:

- Cash and cash equivalents represent highly liquid assets and are classified as "on demand and less than 30 days"
- Trading securities, securities designated at fair value through profit or loss and highly liquid portion of investment securities available for sale are considered to be liquid assets as these securities could be easily converted into cash within short period of time. Such financial instruments are disclosed in gap analysis table as "on demand and less than 30 days"
- Investment securities available for sale which are less liquid are disclosed according to remaining contractual maturities (for debt instruments) or as "no stated maturity" (for equities)
- Investment securities held to maturity are classified based on the remaining maturities

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

21 Financial Risk Management (Continued)

- Loans and advances to customers, amounts due from other banks, other assets, debt securities in issue, amounts due to other banks, other borrowed funds and other liabilities are included into gap analysis table based on remaining contractual maturities
- Customer deposits diversification by number and type of depositors and the past experience of the Group indicate that such accounts and deposits provide a long-term and stable source of funding, and as a result they are allocated per expected time of funds outflow in the gap analysis table on the basis of statistical data accumulated by the Group during the previous periods and assumptions regarding the “permanent” part of current account balances

The liquidity position of the Group’s assets and liabilities as at 30 September 2010 is set out below:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	More than 3 years	No stated maturity	Total
Assets							
Cash and cash equivalents	599 144	-	-	-	-	-	599 144
Mandatory cash balances with the Bank of Russia	13 535	8 372	4 888	19 797	2 961	-	49 553
Trading securities	54 484	-	-	-	-	-	54 484
Securities designated at fair value through profit or loss	104 693	-	-	-	-	-	104 693
Due from other banks	8 003	38	758	978	499	-	10 276
Loans and advances to customers	248 466	759 420	875 305	1 736 577	1 526 559	-	5 146 327
Securities pledged under repurchase agreements	72 658	-	-	-	-	-	72 658
Investment securities available for sale	1 252 304	1 352	1 868	14 752	9 255	2 588	1 282 119
Investment securities held to maturity	1	14	-	135 538	147 840	-	283 393
Deferred income tax asset	-	-	-	-	-	10 380	10 380
Premises and equipment	-	-	-	-	-	263 422	263 422
Other assets	69 994	6 576	9 592	11 982	22 859	31 272	152 275
Total assets	2 423 282	775 772	892 411	1 919 624	1 709 973	307 662	8 028 724
Liabilities							
Due to other banks	74 638	16 050	63 480	2 157	1 864	-	158 189
Due to individuals	803 545	1 012 096	593 634	1 582 958	360 498	-	4 352 731
Due to corporate customers	898 114	39 415	12 551	858 246	2 854	-	1 811 180
Debt securities in issue	42 083	43 321	30 387	19 879	-	-	135 670
Other borrowed funds	63	23 821	2 136	94 867	82 140	-	203 027
Deferred income tax liability	-	-	-	-	-	16 437	16 437
Other liabilities	54 549	35 317	7 764	9 669	390	7 524	115 213
Subordinated debt	-	-	-	213	320 870	-	321 083
Total liabilities	1 872 992	1 170 020	709 952	2 567 989	768 616	23 961	7 113 530
Net liquidity surplus/(gap)	550 290	(394 248)	182 459	(648 365)	941 357	283 701	915 194
Cumulative liquidity surplus/(gap) at 30 September 2010	550 290	156 042	338 501	(309 864)	631 493	915 194	-

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

21 Financial Risk Management (Continued)

The liquidity position of the Group's assets and liabilities as at 31 December 2009 is set out below:

<i>In millions of Russian Roubles</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	From 1 to 3 years	More than 3 years	No stated maturity	Total
Assets							
Cash and cash equivalents	725 521	-	-	-	-	-	725 521
Mandatory cash balances with the Bank of Russia	10 669	4 175	5 343	17 977	2 408	-	40 572
Trading securities	91 022	-	-	-	-	-	91 022
Securities designated at fair value through profit or loss	124 439	-	-	-	-	-	124 439
Due from other banks	4 065	3 706	68	1 693	687	-	10 219
Loans and advances to customers	205 924	730 974	968 615	1 539 964	1 418 554	-	4 864 031
Securities pledged under repurchase agreements	-	-	-	-	583	2 116	2 699
Investment securities available for sale	835 937	-	-	64	-	9 974	845 975
Premises and equipment	-	-	-	-	-	249 881	249 881
Other assets	72 525	8 949	2 912	1 167	21 289	43 865	150 707
Total assets	2 070 102	747 804	976 938	1 560 865	1 443 521	305 836	7 105 066
Liabilities							
Due to other banks	49 570	574	2 177	281	1 345	-	53 947
Due to individuals	356 084	513 251	697 007	1 901 545	319 425	-	3 787 312
Due to corporate customers	1 088 570	52 884	19 588	490 270	247	-	1 651 559
Debt securities in issue	35 603	43 841	38 910	6 245	-	-	124 599
Other borrowed funds	88	395	1 308	83 762	29 660	-	115 213
Deferred income tax liability	-	-	-	-	-	4 598	4 598
Other liabilities	32 060	9 414	7 067	1 392	2 215	17 693	69 841
Subordinated debt	-	14 504	-	-	504 557	-	519 061
Total liabilities	1 561 975	634 863	766 057	2 483 495	857 449	22 291	6 326 130
Net liquidity surplus/(gap)	508 127	112 941	210 881	(922 630)	586 072	283 545	778 936
Cumulative liquidity surplus/ (gap) at 31 December 2009	508 127	621 068	831 949	(90 681)	495 391	778 936	-

22 Credit Related Commitments

The primary purpose of credit related commitments instruments is to ensure that funds are available to a customer when required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet the 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 authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than direct lending.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

22 Credit Related Commitments

Commitments to extend credit represent unused portions of authorisations to extend credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss equal to the total amount of unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the maturities of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments. Outstanding credit related commitments are as follows:

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Commitments to extend credit	422 593	328 013
Export letters of credit	348 341	264 196
Import letters of credit and letters of credit for domestic settlements	140 860	118 463
Undrawn credit lines	166 361	108 448
Guarantees issued	97 614	137 522
Total credit related commitments	1 175 769	956 642

At 30 September 2010 included in Due to corporate customers are deposits of RR 77 989 million (31 December 2009: RR 82 068 million) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 11.

The total outstanding contractual amount of undrawn credit lines, letters of credit and guarantees does not necessarily represent future cash payments, as these financial instruments may expire or terminate without any payments being made.

23 Related Party Transactions

For the purposes of these condensed interim consolidated financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's principal shareholder is the Bank of Russia (refer to Note 1). Disclosures are made in Note 24 for transactions with state-controlled entities and government bodies.

As at 30 September 2010 and 31 December 2009, the outstanding balances with the Bank of Russia and other related parties were as follows:

<i>In millions of Russian Roubles</i>	Note	30 September 2010 (Unaudited)		31 December 2009	
		The Bank of Russia	Other related parties	The Bank of Russia	Other related parties
Assets					
Cash and cash equivalents		135 312	-	345 035	-
Mandatory cash balances with the Bank of Russia		49 553	-	40 572	-
Bonds of the Bank of Russia	5,9	614 042	-	221 080	-
Gross amount of loans and advances to customers		-	539	-	-
Impairment provisions for loans and advances to customers		-	(7)	-	-
Other assets		-	-	45	-
Liabilities					
Subordinated debt	13	320 870	-	504 346	-

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

23 Related Party Transactions (Continued)

The income and expense items with the Bank of Russia and other related parties for the nine months ended 30 September 2010 and 30 September 2009 were as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Nine months ended 30 September 2010		Nine months ended 30 September 2009	
	The Bank of Russia	Other related parties	The Bank of Russia	Other related parties
Interest income	26 046	44	1 299	-
Interest expense on subordinated debt	(22 443)	-	(29 679)	-
Interest expense other than on subordinated debt	(343)	-	(8 270)	-
Net provision charge for loan impairment	-	(7)	-	-
Net gains arising from trading securities	8	-	-	-
Net gains arising from investment securities available for sale	632	-	-	-
Operating expenses	(676)	-	(587)	-

The income and expense items with the Bank of Russia and other related parties for the three months ended 30 September 2010 and 30 September 2009 were as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Three months ended 30 September 2010		Three months ended 30 September 2009	
	The Bank of Russia	Other related parties	The Bank of Russia	Other related parties
Interest income	8 553	44	880	-
Interest expense on subordinated debt	(4 984)	-	(9 850)	-
Interest expense other than on subordinated debt	-	-	(379)	-
Net provision charge for loan impairment	-	(7)	-	-
Net gains arising from trading securities	4	-	-	-
Net gains arising from investment securities available for sale	1 340	-	-	-
Operating expenses	(278)	-	(230)	-

For the nine months ended 30 September 2010, remuneration of the members of the key management personnel comprised salaries and bonuses totalling RR 267 million (the nine months ended 30 September 2009: RR 302 million). For the three months ended 30 September 2010, remuneration of the members of the key management personnel comprised salaries and bonuses totalling RR 97 million (for the three months ended 30 September 2009: RR 111 million).

24 Operations with State-Controlled Entities and Government Bodies

The Government of the Russian Federation does not provide to the general public or entities under its ownership/control a complete list of the entities which are owned or controlled directly or indirectly by the State. Under these circumstances the Management of the Group disclosed only information that its current internal management and accounting systems allow to present in relation to operations with state-controlled entities and where the Management believes such entities could be considered as state-controlled based on its best knowledge. These condensed interim consolidated financial statements disclose operations with government bodies and entities, in which the government directly owns more than 50% of the share capital. In relation to state-controlled entities, Management analysed the Group's transactions with its largest customers and extracted balances and results of operations in relation to the following groups of entities which were included in the tables below: 1) 100% State subsidiaries and government bodies and 2) largest entities where the State controls over 50% of its share capital. All transactions with government bodies and state-controlled entities are entered into in the normal course of business and priced at market rates.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

24 Operations with State-Controlled Entities and Government Bodies (Continued)

As at 30 September 2010 and 31 December 2009, the outstanding balances with state-controlled entities and government bodies were as follows:

	30 September 2010 (Unaudited)		31 December 2009	
	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital
<i>In millions of Russian Roubles</i>				
Cash and cash equivalents	13	24 716	-	1 747
Trading securities	38 184	3 520	72 642	6 876
Securities designated at fair value through profit or loss	78 860	2 717	98 131	5 383
Due from other banks	6 000	2 700	4 073	2 516
Gross amount of loans and advances to customers	251 779	108 557	247 522	197 813
Impairment for loans and advances to customers	(9 462)	(6 391)	(4 675)	(4 402)
Securities pledged under repurchase agreements	60 709	6 097	-	31
Investment securities available for sale	312 321	74 836	416 665	65 883
Investment securities held to maturity	264 974	10 503	-	-
Due to other banks	534	7 513	-	205
Due to corporate customers	165 812	96 390	152 369	90 693
Other liabilities	4 254	-	3 449	-

Income and expense items with State subsidiaries and government bodies for the nine months ended 30 September 2010 and 30 September 2009 were as follows:

	Nine months ended 30 September 2010 (Unaudited)		Nine months ended 30 September 2009	
	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital
<i>In millions of Russian Roubles</i>				
Interest income on loans	20 808	11 111	32 371	22 438
Interest income on securities	38 228	3 982	27 710	1 894
Interest expense	(3 150)	(1 442)	(9 367)	(2 590)
Net provision charge for loan impairment	(4 787)	(1 989)	(5 344)	(9 143)
Net gains/ (losses) arising from trading securities	5 394	(380)	5 270	827
Net gains/ (losses) arising from securities designated at fair value through profit or loss	5 039	(549)	(91)	1 470
Net gains arising from investment securities available for sale	2 894	1 873	1 520	6 624
Fee and commission income	3 022	634	2 941	657
State deposit insurance system membership fee	11 854	-	9 598	-

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

24 Operations with State-Controlled Entities and Government Bodies (Continued)

Income and expense items with State subsidiaries and government bodies for the three months ended 30 September 2010 and 30 September 2009 were as follows:

	Three months ended 30 September 2010		Three months ended 30 September 2009	
	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital
<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>				
Interest income on loans	5 319	1 743	10 618	6 881
Interest income on securities	12 988	1 217	10 395	850
Interest expense	(1 033)	(416)	(3 758)	(1 300)
(Net provision charge) / recovery of provision for loan impairment	(1 394)	739	(2 959)	(77)
Net gains arising from trading securities	1 597	229	3 183	364
Net gains arising from securities designated at fair value through profit or loss	65	194	956	791
Net gains arising from investment securities available for sale	597	2 162	1 501	6 624
Fee and commission income	881	212	1 120	23
State deposit insurance system membership fee	4 187	-	3 326	-

Transactions with the State also include taxes. Income tax expense attributable to operations taxable in the Russian Federation amounted to RR 26 752 million for the nine months ended 30 September 2010 (for the nine months ended 30 September 2009: RR 2 783 million) and RR 11 196 million for the three months ended 30 September 2010 (the three months ended 30 September 2009: RR 1 266 million).

25 Principal Subsidiaries

The table below provides details on principal subsidiaries of the Bank as at 30 September 2010:

Name	Nature of business	Percentage of ownership	Country of registration
Subsidiaries:			
OJSC Belpromstroy Bank (OAO BPS Bank)	banking	97.43%	Belarus
SB JSC Sberbank	banking	100.00%	Kazakhstan
JSC Sberbank of Russia	banking	100.00%	Ukraine
CJSC Sberbank Leasing	leasing	100.00%	Russia
LLC Sberbank Capital	finance	100.00%	Russia
OJSC Holding company GVSU Center	construction	97.03%	Russia
CJSC NK Dulisma	oil company	100.00%	Russia
LLC Khrustalnye Bashni	construction	50.01%	Russia
OJSC Pavlovskaya Keramika	construction materials	93.44%	Russia
LLC Pavlovo-Posadskoe Gornodobyvauchee Obiedinenie	construction materials	93.44%	Russia
CJSC GOTEK Group Management Company	packaging materials	60.00%	Russia
Vester Retail N.V.	retail trading	51.00%	Netherlands

In December 2009 the Bank acquired a 93.3% share of the share capital of OJSC BPS Bank, which was previously controlled by Government of Republic of Belarus. During the nine months ended 30 September 2010 the Group acquired an additional 4.13% share in the OJSC BPS Bank.

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

25 Principal Subsidiaries (Continued)

In January 2010 under the settlement of the loan the Group repossessed a 50.01% share in a single-asset company – LLC Khrustalnye Bashni. The asset of the company is represented by undergoing construction of business centre in Moscow.

In April 2010 under the settlement of the loan to its borrowers the Group repossessed a 93.44% share in OJSC Pavlovskaya Keramika, a 93.44% share in LLC Pavlovo-Posadskoe Gornodobyvauchee Obiedinenie. These companies are involved in production and sale of construction materials. Also in May 2010 the Group repossessed a 51.0% share in Vester Retail N.V., a holding company of a retail trading group operating mainly in Russia. The Group plans to develop and dispose of the subsidiaries in the foreseeable future.

The details of the fair value of net assets of OJSC Pavlovskaya Keramika, LLC Pavlovo-Posadskoe Gornodobyvauchee Obiedinenie and Vester Retail N.V. acquired during the nine months ended 30 September 2010, and goodwill arising on acquisition are as follows:

(Unaudited)

(In millions of Russian Roubles)

	Fair value
Fair value of net assets of subsidiaries	1 849
Total purchase consideration	3 510
Non-controlling interest's proportionate share of net assets acquired	209
Total purchase consideration and non-controlling interest	3 719
(Gain from bargain purchase)	(277)
Goodwill arising on acquisition	2 147

In April 2010 under the settlement of the loan to its borrower the Group repossessed a 60.0% share in CJSC GOTEK Group Management Company which is a holding company of a group involved in production of packaging materials. The Group plans to develop the business of the subsidiary and has further plans to dispose of it in the foreseeable future.

The details of the fair value of net assets of CJSC GOTEK Group Management Company, acquired during the nine months ended 30 September 2010, and goodwill arising on acquisition are as follows:

(Unaudited)

(In millions of Russian Roubles)

	Fair value
Fair value of net assets of subsidiary	5 441
Total purchase consideration	5 925
Non-controlling interest at fair value	-
Total purchase consideration and non-controlling interest	5 925
Goodwill arising on acquisition	484

The share of the subsidiaries of the Bank in the consolidated assets of the Group as at 30 September 2010 was 4.0% (31 December 2009: 3.3%).

Selected Notes to the Condensed Interim Consolidated Financial Statements – 30 September 2010

26 Capital Adequacy Ratio

The Group's objectives when managing capital are (i) to comply with the regulatory capital requirements set by the Bank of Russia and (ii) to safeguard the Group's ability to continue as a going concern.

According to requirements set by the Bank of Russia statutory capital ratio has to be maintained above the minimum level of 10%. As at 30 September 2010 the regulatory capital adequacy ratio was 18.0% (31 December 2009: 21.5%). Compliance with capital adequacy ratios set by the Bank of Russia is monitored monthly with reports outlining the calculation.

The Group also monitors capital adequacy ratio based on Basel Accord to make sure it maintains a level of at least 8%. As at 30 September 2010 and 31 December 2009, Capital Adequacy Ratios calculated by the Group in accordance with the International Convergence of Capital Measurement and Capital Standards (July 1988, updated to November 2005) and Amendment to the Capital Accord to incorporate market risks (updated November 2005), commonly known as Basel 1 requirements, were as follows:

<i>In millions of Russian Roubles</i>	30 September 2010 (Unaudited)	31 December 2009
Tier 1 capital		
Share capital	87 742	87 742
Share premium	232 553	232 553
Retained earnings	513 176	403 934
Total Tier 1 capital	833 471	724 229
Tier 2 capital		
Revaluation reserve for premises	54 062	55 540
Fair value reserve for investment securities available for sale	14 623	(329)
Foreign currency translation reserve	(1 307)	(1 009)
Subordinated capital	321 083	362 115
Total Tier 2 capital	388 461	416 317
Total capital	1 221 932	1 140 546
Risk weighted assets (RWA)		
Credit risk	6 969 012	6 005 088
Market risk	242 581	298 725
Total risk weighted assets (RWA)	7 211 593	6 303 813
Core capital adequacy ratio (Total Tier 1 capital to Total RWA)	11.6%	11.5%
Total capital adequacy ratio (Total capital to Total RWA)	16.9%	18.1%

27 Subsequent Events

In October 2010 the Group issued a USD 250 million loan participation notes under the MTN issuance programme (equivalent to RR 7 631 million as at the date of issue) which form a single series with USD 1 000 million issue attracted in September 2010. Additional notes have the same contractual interest rate of 5.4% p.a. and the same maturity date in March 2017. Refer to Note 12.

In November 2010 the Group issued the sixth series of loan participation notes under the MTN issuance programme in the amount of CHF 400 million equivalent to RR 12 577 million as at the date of issue. The notes mature in November 2014 and have contractual fixed interest rate of 3.5% p.a.