

**Open Joint-Stock Company
Sberbank of Russia**

Abbreviated interim consolidated financial reporting and
the review report

March 31, 2011

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Review Report

Abbreviated interim consolidated financial reporting

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Report on the Review of the Abbreviated Interim Consolidated Financial Reporting

TO: Shareholders and the Supervisory Board of OJSC Sberbank of Russia –

Introduction

We have conducted a review of the attached abbreviated interim consolidated financial reporting of OJSC Sberbank of Russia (hereinafter the “Bank”) and its subsidiaries (collectively, the “Group”) which includes an abbreviated interim consolidated balance sheet as of March 31, 2011, respective abbreviated interim consolidated profit and loss statements and statements of comprehensive income for three months ending on the date in question and abbreviated interim consolidated statements of changes in equity and cash flows for six months ending on the date in question and individual notes. The Bank's management is responsible for preparing and submitting this abbreviated interim consolidated financial reporting subject to International Financial Reporting Standard No. 34 Interim Financial Reporting (hereinafter IFRS (IAS) 34). Our responsibility is to make an opinion on this abbreviated interim consolidated financial reporting based on the review that we have conducted.

The Scope of Procedures within the Review

We have conducted our review in accordance with the International Standard on Review Engagements No. 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The review of interim financial information includes surveys of personnel, primarily, employees responsible for financial and accounting issues, and performance of analytical and other procedures related to the review. The scope of procedures performed within the review is significantly lower than that for an audit conducted under International Standards on Auditing and, accordingly, does not allow us to arrive at a necessary degree of assurance that we have discovered all material facts that could be discovered by us during an audit. Accordingly, we do not express an audit opinion.

Opinion

Our review has discovered no facts that would lead us to believe that the attached abbreviated interim consolidated financial reporting was not prepared in accordance with IFRS (IAS) 34 in all material respects.

May 30, 2011

Ernst & Young Vneshaudit ZAO

Abbreviated Interim Consolidated Balance Sheet

<i>(in million Russian rubles)</i>	Note	March 31, 2011 (Unaudited figures)	December 31, 2010
ASSETS			
Cash and cash equivalents		668,438	719,601
Required reserves in accounts with central banks		67,895	51,678
Trading securities	5	53,981	66,168
Securities changes in the fair value of which are entered in the profit and loss accounts	6	87,075	106,875
Funds in other banks		19,092	13,035
Loans and advance payments to clients	7	5,661,096	5,489,387
Securities pledged under repurchase agreements	8	65,443	81,493
Investment securities available for sale	9	1,209,891	1,210,921
Investment securities held till maturity	10	395,934	358,191
Deferred tax asset		7,146	7,518
Fixed assets		280,759	283,756
Other financial assets	11	62,340	115,436
Other non-financial assets	11	117,221	124,468
TOTAL ASSETS		8,696,311	8,628,527
LIABILITIES			
Funds from other banks		107,311	134,668
Deposits from individuals	12	4,887,641	4,834,459
Funds from corporate clients	12	1,759,545	1,816,672
Issued debentures		251,835	272,699
Other borrowings		163,127	171,255
Deferred tax liability		17,484	15,921
Other financial liabilities	13	59,234	49,174
Other non-financial liabilities	13	64,320	42,999
Subordinated loans		308,244	303,513
TOTAL LIABILITIES		7,618,741	7,641,360
EQUITY			
Authorized capital		87,742	87,742
Share premium		232,553	232,553
Fund of revaluation of office properties		53,167	53,648
Fund of revaluation of investment securities available for sale		29,741	24,431
Fund of accumulated exchange differences		(2,926)	(1,136)
Retained profits		673,102	585,819
Total equity owned by the Bank's shareholders		1,073,379	983,057
Uncontrolled interest		4,191	4,110
TOTAL EQUITY		1,077,570	987,167
TOTAL LIABILITIES AND EQUITY		8,696,311	8,628,527

Approved and signed on behalf of the Management Board on May 30, 2011

H. O. Gref
CEO, Chairman of the Management Board

A.V. Kruzhalov
Chief Accountant

Abbreviated Interim Consolidated Profit and Loss Statement

<i>(Unaudited figures)</i> <i>(in million Russian rubles)</i>	Note	For three months ending March 31	
		2011	2010
Interest income	14	197,760	207,829
Interest expense	14	(67,836)	(78,675)
Net interest income		129,924	129,154
Net restoration/ (net expense generated by creation) of reserves for devaluation of the loan portfolio		14,193	(54,340)
Net interest income following creation of provisions for devaluation of the loan portfolio		144,117	74,814
Commission income	15	31,858	26,801
Commission expenses	15	(2,207)	(1,210)
Income less expenses for operations in trading securities		392	4,169
(Expenses less income)/ income less expenses under operations in securities change in the fair value of which is entered in profit and loss accounts		(1,544)	7,288
Income less expenses/ (expenses less income) under operations in investment fund securities available for sale		3,792	(165)
Income less expenses under operations in foreign currencies, currency derivatives, income less expenses from revaluation of foreign currencies	16	43	2,115
Income less expenses/ (expenses less income) under operations in precious metals and precious metal derivatives (Expenses less income)/ income less expenses under operations in other derivatives		1,364	781
Provisions for devaluation of other assets		(1,205)	243
Other operating income		(131)	(1,327)
Operating income		183,980	115,497
Operating expenses	17	(76,244)	(61,391)
Profit before taxation		107,736	54,106
Corporate tax expenses		(20,959)	(10,611)
Profit for the reporting period		86,777	43,495
Profit attributable to:			
- Shareholders of the Bank		86,802	43,441
- Uncontrolled interest		(25)	54
Basic and diluted earnings per common share attributable to the Bank's shareholders			
(in Russian rubles per share)	18	4.02	2.01

Approved and signed on behalf of the Management Board on May 30, 2011

H. O. Gref
CEO, Chairman of the Management Board

A.V. Kruzhalov
Chief Accountant

Abbreviated Interim Consolidated Statement of Comprehensive Income

<i>(Unaudited figures)</i> <i>(in million Russian rubles)</i>	For three months ending March 31	
	2011	2010
Profit for the reporting period recognized in the profit and loss statement	86,777	43,495
Other components of comprehensive income:		
Investment securities available for sale:		
- Income less expenses from revaluation of investment securities available for sale	10,394	34,246
- Accumulated income entered in profit and loss accounts as a result of retirement of securities	(3,792)	165
Impact of currency conversion	(1,813)	(820)
Deferred corporate tax included in other components of comprehensive income:		
- Investment securities available for sale	(1,292)	(6,876)
Total other components of comprehensive income for the reporting period net of tax	3,497	26,715
Total income for the reporting period	90,274	70,210
Total income for the reporting period attributable to:		
- Shareholders of the Bank	90,322	70,201
- Uncontrolled interest	(48)	9

Abbreviated Interim Consolidated Statement of Changes in Equity

<i>(in million Russian rubles)</i>	Held by shareholders of the Bank					Retained profit	Total	Uncontrolled interest	Total equity
	Authorized capital	Share premium	Fund of revaluation of office properties	Fund of revaluation of investment securities available for sale	Fund of accumulated exchange differences				
Balance as of January 1, 2010	87,742	232,553	55,540	(598)	(1,009)	403,934	778,162	774	778,936
Changes in the composition of shareholder equity for three months ending on March 31, 2010 (Unaudited figures)									
Depreciation of the fund of revaluation of office properties net of tax	-	-	(498)	-	-	498	-	-	-
Acquisition of companies holding a single asset	-	-	-	-	-	-	-	2,194	2,194
Total income recognized for three months ending on March 31, 2010	-	-	-	27,535	(775)	43,441	70,201	9	70,210
Balance as of March 31, 2010 (Unaudited figures)	87,742	232,553	55,042	26,937	(1,784)	447,873	848,363	2,977	851,340
Balance as of January 1, 2011	87,742	232,553	53,648	24,431	(1136)	585,819	983,057	4,110	987,167
Changes in the composition of shareholder equity for three months ending on March 31, 2011 (Unaudited figures)									
Depreciation of the fund of revaluation of office properties net of tax	-	-	(481)	-	-	481	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	129	129
Total income recognized for three months ending on March 31, 2011	-	-	-	5,310	(1,790)	86,802	90,322	(48)	90,274
Balance as of March 31, 2011 (Unaudited figures)	87,742	232,553	53,167	29,741	(2,926)	673,102	1,073,379	4,191	1,077,570

Notes are an integral part of this abbreviated interim consolidated financial reporting.

Abbreviated Interim Consolidated Statement of Cash Flow

<i>(Unaudited figures)</i> <i>(in million Russian rubles)</i>	For three months ending March 31	
	2011	2010
Cash flows from operating activities		
Interest received	195,629	208,068
Interest paid	(58,681)	(54,182)
Commission fee received	32,409	26,848
Commission fee paid	(2,449)	(1,210)
Income less expenses received/ (expenses less income incurred) under operations in trading securities	394	(272)
(Expenses less income incurred)/ income less expenses generated under operations in securities change in the fair value of which is entered in profit and loss accounts	(20)	3,072
Income less expenses received/ (expenses less income incurred) under operations in foreign currencies and foreign currency derivatives	9,338	(17,173)
Income less expenses received under operations in other derivatives	469	-
Income less expenses received under operations in precious metals and futures transactions in precious metals	1,800	456
Other operating income received	9,109	1,587
Operating expenses incurred	(54,041)	(35,940)
Corporate tax paid	(18,024)	(11,195)
Cash flows from operating activities before changes made to operating assets and liabilities	115,933	120,059
Changes in operating assets and liabilities		
Net increase in required reserves in accounts with central banks	(16,786)	(2,430)
Net decrease / (growth) in trading securities	13,111	(13,718)
Net decrease / (growth) in securities changes in the fair value of which are entered in the profit and loss accounts	17,611	(3,592)
Net increase in funds in other banks	(5,945)	(11,778)
Net increase / (decrease) in loans and advance payments to clients	(223,313)	56,782
Net decrease in other assets	64,429	37,351
Net (decrease) / increase in funds from other banks	(20,424)	16,238
Net increase in funds from individuals	72,875	116,305
Net decrease in funds from corporate clients	(33,716)	(25,445)
Net (decrease) / increase in issued debentures less loan participation notes issued within the MTN program	(9,390)	21,961
Net increase in other liabilities	7,138	10,090
Net cash flows (used in) / from operating activities	(18,477)	321,823
Cash flows from investing activities		
Purchase of investment securities available for sale	(466,015)	(483,297)
Proceeds from sale and redemption of investment securities available for sale	481,284	6,513
Purchase of investment securities held till redemption	(38,834)	(1,276)
Acquisition of fixed assets	(5,986)	(7,380)
Proceeds from fixed assets and insurance amounts received	4,513	75
Acquisition of investment properties	(410)	-
Dividends received	15	1
Net cash used in investment operations	(25,433)	(485,364)
Cash flows from financing activities		
Repayment of other borrowed funds	(464)	(461)
Interest paid under other borrowed funds	(104)	(454)
Repayment of the subordinated loan	-	(14,227)
Interest paid under the subordinated loan	-	(9,767)
Dividends paid	(32)	(3)
Net cash used in financing operations	(600)	(24,912)
Impact of exchange rate changes on cash and cash equivalents	(6,653)	(4,935)
Net decrease in cash and cash equivalents	(51163)	(193,388)
Cash and cash equivalents as of the beginning of the year	719,601	725,521
Cash and cash equivalents as of the end of the reporting period	668,438	532,133

Notes are an integral part of this abbreviated interim consolidated financial reporting.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

1. Introduction

This abbreviated interim consolidated financial reporting of Open Joint-Stock Company Sberbank of Russia (hereinafter the “Bank”) and its subsidiaries (collectively, the “Group” or the “Group of Sberbank of Russia”) is prepared in accordance with International Financial Reporting Standard No. 34 Interim Financial Reporting for three months ending on March 31, 2011. Main subsidiaries of the Group include foreign commercial banks and other Russian and foreign entities controlled by the Group. Main subsidiaries included in this abbreviated interim consolidated financial reporting are listed in Note 24.

The Bank is an open joint-stock company founded in 1841 and operating ever since in a variety of incorporation forms. The Bank is registered and maintains a legal address in the territory of the Russian Federation. The Bank's main shareholder is the Central Bank of the Russian Federation (the Bank of Russia) that holds 60.3 % common shares of the Bank as of March 31, 2011 or 57.6 % of all outstanding shares of the Bank (December 31, 2010: 60.3 % of common shares of the Bank or 57.6 % of all outstanding shares of the Bank).

The Bank's Supervisory Board is chaired as of March 31, 2011 by the Chairman of the Bank of Russia. The Supervisory Board is also staffed by representatives of other shareholders of the Bank and independent directors. Two Deputies of the Chairman of the Bank of Russia act as Deputy Chairmen of the Supervisory Board of the Bank.

The Bank's operations are based on a general banking license issued by the Bank of Russia in 1991. The Bank also has licenses necessary for depositary and trading operations in securities and other securities operations, including broking, dealing activities, functions of a depositary and asset management. The Bank's operations are regulated and controlled by the Bank of Russia and the Federal Financial Markets Service. The Group's foreign banks operate in accordance with laws regulatory of respective countries.

The Group's core activities include commercial and retail banking operations. These operations involve accepting funds as deposits and providing commercial loans in hard currencies and local currencies of countries where the Group operates and in Russian rubles; providing services to clients that carry out export/import operations; conversion operations; trading in securities and derivatives. This list of operations carried out is not exhaustive. The Group operates both in the Russian and international markets. As of March 31, 2011, the Group's operations in the territory of the Russian Federation are carried out by Sberbank of Russian which has 17 (December 31, 2010: 17) regional banks, 518 (December 31, 2010: 522) branches of regional banks and 18,759 (December 31, 2010: 18,883) offices and through main subsidiaries within the Russian Federation such as CJSC Sberbank Leasing and LLC Sberbank Capital. The Group's operations outside the Russian Federation are carried out through 3 subsidiary banks in Ukraine, the Republic of Belarus and Kazakhstan and through a branch in India and a representative office in Germany.

The number of the Group's employees for three months ending on March 31, 2011 is 254,884 people (for the year ending on December 31, 2010: 260,805 people).

Registered address and location of business. The Bank is registered at 19 Vavilova St., Moscow, 143000 Russian Federation.

1 Introduction (continued)

Presentation currency. This abbreviated interim consolidated financial reporting is presented in million Russian rubles (hereinafter, “million rubles”), unless otherwise stated.

As of March 31, 2011, main official exchange rates used for translation of functional currencies into the presentation currency and revaluation of balances in foreign currency accounts are given in the table below:

	/Russian ruble	Ukrainian hryvnia	/Belarusian ruble	/Kazakhstani tenge
Russian ruble /	1	0.280	106.898	5.126
US Dollar /	28.429	7.972	3039.001	145.735
Euro /	40.022	11.222	4278.300	205.166

As of March 31, 2010, main exchange rates used for translation of functional currencies into the presentation currency and revaluation of balances in foreign currency accounts are given in the table below:

	/Russian ruble	Ukrainian hryvnia	/Belarusian ruble	/Kazakhstani tenge
Russian ruble /	1	0.261	98.039	4.836
US Dollar /	30.477	7.961	2987.941	147.387
Euro /	40.333	10.535	3954.215	195.050

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

2 Economic Environment of the Group's Operations

The Group operates mainly in the territory of the Russian Federation. The government of the Russian Federation continues economic reform and improvement of legal, tax and regulatory legislation. Current measures of the government focused on modernization of Russian economy are intended to boost performance and quality of products and expand the share of sectors that manufacture science-intensive products and services. The future stability of the Russian economy depends to a great degree on such reform and effectiveness of economic, financial, monetary and lending steps taken by the government.

The Russian economy continued gradually recovering in Q1 2011 after the financial crisis with growing demand for loans among both corporate clients and individuals. The comparatively high indicators of liquidity of the Russian banking sector encourage competition for high-quality borrowers.

Despite these signs of recovery that the Russian economy is showing, there is still some uncertainty about its further growth and the ability of the Group and its counterparties to raise new borrowings at acceptable rates, which, in turn, may affect the Group's financial position, results of operations and development prospects. There is a continued risk of higher volatility in Russian financial markets as the Russian economy is sensitive to negative tendencies in global markets.

Notwithstanding the confidence of the Group's management that it is taking all measures necessary in the current situation to maintain business sustainability and growth, negative tendencies in areas referred to above could affect results of operations and the financial position of the Group. However, it is now hard to evaluate the degree of the impact.

3 Basics of Preparation of Financial Reporting

This abbreviated interim consolidated financial reporting is prepared in accordance with IFRS (IAS) 34 *Interim Financial Reporting* and should be considered in combination with the Group's annual consolidated financial reporting for the year ending on December 31, 2010.

This abbreviated interim consolidated financial reporting does not include all notes disclosable within the complete package of consolidated financial reporting.

4 Accounting Policy, Important Assessments and Professional Judgments, Transition to New or Revised Standards and Interpretations, Reclassifications

The accounting policy and calculation methods used to prepare this abbreviated interim consolidated financial reporting correspond to the accounting policy and methods used and described in the Group's annual consolidated financial reporting for the year ending December 31, 2010 except for changes resulting from the introduction of new and/or revised standards and interpretations effective of January 1, 2011 as described below.

Classification of Rights Issues to the Company's Shareholders – Amendment to IFRS (IAS) 32 (issued on October 8, 2009; effective for annual periods beginning on or after February 1, 2010). This amendment cancels the need for some options of rights issues to the company's shareholders with proceeds denominated in a foreign currency to be classified as derivative financial instruments.

Related Party Disclosures – Amendment to IFRS (IAS) 24 (issued in November 2009; effective for annual periods beginning on or after January 1, 2011). IFRS (IAS) 24 was revised in 2009 (a) by simplifying the definition of the related party, explaining its meaning and eliminating inconsistencies; and (b) by providing a partial exemption for government-related entities from disclosure requirements. In accordance with these amendments, the Group modified disclosures on operations involving government agencies and state-controlled companies. See Note 23.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after July 1, 2010). The interpretation clarifies accounting methods for situations when the company renegotiates the terms of financial liabilities. As a result, the liability is repaid by equity instruments of the debtor issued in favor of the creditor. The profit or loss is recognized on the profit and loss accounts and represents a difference between the fair value of equity instruments and the book value of debt.

Prepayments of a Minimum Funding Requirement – Amendment to IFRIC 14 (effective for annual periods beginning on or after January 1, 2011). This amendment has a limited influence in that it applies only to companies obligated to make minimum contributions to pension funds with established payments. This amendment corrects the unintended consequence of IFRIC 14 related to prepayment of voluntary pension plans when there is a minimum funding requirement.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

4 Accounting Policy, Important Assessments and Professional Judgments, Transition to New or Revised Standards and Interpretations, Reclassifications (continued)

Improvement to International Financial Reporting Standards (issued in May 2010 and effective from January 1, 2011). Improvements combine material changes and clarifications of the following standards and interpretations:

- ▶ The revised IFRS 3 makes it necessary to (i) make a fair value evaluation (if other IFRS standards require no evaluation on a different basis) of uncontrolled interest which is not current interest or does not entitle the holder to a pro rata share in net assets in the event of liquidation, (ii) provide recommendations regarding terms of disbursements based on shares in the acquired company that were not replaced or were voluntarily modified as a result of merger, and (iii) indicate that conventional compensation during merger that existed before the effective date of the revised IFRS 3 (issued in January 2008) will be entered in accordance with requirements of the previous IFRS 3 version.
- ▶ Revised IFRS 7 makes certain disclosure requirements more specific, in particular, (i) by putting special emphasis on interrelation between qualitative and quantitative disclosures about the nature and degree of financial risks, (ii) lifting the requirement for disclosure of current value of financial assets the terms of which have been revised and which would otherwise be overdue or devalued, (iii) replacing the requirement for disclosure of fair value of collateral with a more general requirement for disclosure of its financial impact; (iv) explaining that the company should disclose the amount of collateral subject to collection as of the reporting date rather than the amount received during the reporting period.
- ▶ Revised IFRS (IAS) 1 makes more specific requirements for disclosure of other comprehensive income under each equity component in the statement of changes in the composition of equity or notes to financial reporting.
- ▶ Revised IFRS (IAS) 27 makes more specific rules regarding amendments to IFRS (IAS) 21, 28 and 31 resulting from a revision to IFRS (IAS) 27 (subject to amendments made in January 2008).
- ▶ Revised IFRS (IAS) 34 includes additional examples of material events and operations disclosable in abbreviated interim financial reporting, including carry-over between levels of the fair valuation hierarchy, changes in the classification of financial assets or changes in conditions of operations and the economic situation influencing the fair value of the company's financial instruments.
- ▶ Revised interpretation of IFRIC 13 specifies the fair valuation method of incentives.

Unless otherwise stipulated, new or revised standards and interpretations referred to above and effective from January 1, 2011 had no material impact on the accounting policy, the financial position or results of operations of the Group.

4 Accounting Policy, Important Assessments and Professional Judgments, Transition to New or Revised Standards and Interpretations, Reclassifications (continued)

Estimates and judgments of management. Judgments and estimates made by the Group's management during application of the accounting policy correspond to judgments described in the Group's annual consolidated financial reporting for the year ending on December 31, 2010. The management applied no new estimates or professional judgments.

Corporate tax expenses are recognized in this abbreviated interim consolidated financial reporting based on management's analysis of all available information on the effective annual corporate tax rate expected for the complete financial year. Costs unevenly incurred throughout the financial year are forecasted or carried over for purposes of interim reporting only if the cost category can be forecasted or carried over as of the end of the financial year.

Changes in presentation of financial reporting and reclassification. Comparable figures were adjusted according to the disclosure procedure of current year's figures for the purposes of a more detailed presentation of required reserves in accounts with central banks of foreign countries where the Group operations. The effect of rearrangements in disclosure of required reserves in the abbreviated interim consolidated balance sheet as of December 31, 2010 is given below:

<i>(Unaudited figures) (in million Russian rubles)</i>	Amounts recognized earlier	Effect of reclassification	Adjusted figures
Assets			
Required reserves in accounts with central banks	-	51,678	51,678

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

Other financial assets	116,582	(1,146)	115,436
Required reserves in accounts with the Bank of Russia	50,532	(50,532)	-

The effect of relevant rearrangements in the abbreviated interim consolidated cash flow statement for three months ending on March 31, 2010 is given below:

<i>(Unaudited figures) (in million Russian rubles)</i>	Amounts recognized earlier	Effect of reclassification	Adjusted figures
Net increase in required reserves in accounts with central banks	-	(2,430)	(2,430)
Net increase in other assets	37,807	(456)	37,351
Net increase in required reserves in accounts with the Bank of Russia	(2,886)	(2,886)	-

Comparable figures were adjusted according to the disclosure procedure of current year's figures for the purposes of a more detailed presentation of loan participation notes issued within the MTN program and trade finance transactions. The effect of rearrangements in the abbreviated interim consolidated balance sheet as of December 31, 2010 is given below:

<i>(Unaudited figures) (in million Russian rubles)</i>	Amounts recognized earlier	Effect of reclassification	Adjusted figures
Liabilities			
Funds from other banks	188,431	(53,763)	134,668
Issued debentures	119,426	153,273	272,699
Other borrowings	270,765	(99,510)	171,255

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

4 Accounting Policy, Important Assessments and Professional Judgments, Transition to New or Revised Standards and Interpretations, Reclassifications (continued)

Comparable figures for three months ending on March 31, 2010 were adjusted according to the disclosure procedure of current year's figures for the purposes of a more detailed presentation of interest expenses under loan participation notes issued within the MTN program and trade finance transactions.

<i>(Unaudited figures) (in million Russian rubles)</i>	Amounts recognized earlier	Effect of reclassification	Adjusted figures
Interest expense			
Issued debentures	(2,115)	(691)	(2,806)
Other borrowings	(1,159)	628	(531)
Term deposits from other banks	(536)	63	(473)

The effect of relevant rearrangements in the abbreviated interim consolidated cash flow statement for three months ending on March 31, 2010 is given below:

<i>(Unaudited figures) (in million Russian rubles)</i>	Amounts recognized earlier	Effect of reclassification	Adjusted figures
Interest paid	(53,694)	(488)	(54,182)
Interest paid under other borrowed funds	(942)	488	(454)

Comparable figures were adjusted according to the disclosure procedure of current year's figures for the purposes of a more detailed presentation of income less expenses under operations in other derivatives in the abbreviated interim consolidated profit and loss statement. The effect of relevant rearrangements in the abbreviated interim consolidated profit and loss statement for three months ending on March 31, 2010 is given below:

<i>(Unaudited figures) (in million Russian rubles)</i>	Amounts recognized earlier	Effect of reclassification	Adjusted figures
Income less expenses for operations in trading securities	4,412	(243)	4,169
(Expenses less income)/ income less expenses under operations in other derivatives	-	243	243

5 Trading Securities

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)	December 31, 2010
Federal Loan Bonds (OFZ)	24,000	32,037
Corporate bonds	12,934	14,931
Municipal and sub-federal bonds	10,385	11,484
Eurobonds of the Russian Federation	2,741	2,935
Bonds issued by foreign governments	2,488	1,994
Domestic foreign currency-denominated government bonds (OVGVZ)	15	16
Total trading debentures	52,563	63,397
Corporate shares	1,418	2,771
Total trading securities	53,981	66,168

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

6 Securities Changes in the Fair Value of which are Entered in the Profit and Loss Accounts

As of March 31, 2011, corporate bonds are mainly represented by debentures issued by banking, telecommunications, metallurgy, mining, transport and oil and gas companies. As of December 31, 2010, corporate bonds are mainly represented by debentures issued by banking, metallurgy, oil and gas, telecommunications, energy and mining companies.

As of March 31, 2011 corporate shares are mainly represented by oil and gas, energy and mining companies. As of December 31, 2010 corporate shares are mainly represented by oil and gas, metallurgy companies.

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)	December 31, 2010
Federal Loan Bonds (OFZ)	57,936	76,698
Corporate bonds	4,078	4,648
Municipal and sub-federal bonds	1,592	1,625
Total debentures changes in the fair value of which are entered in the profit and loss accounts	63,606	82,971
Corporate shares	23,469	23,904
Total securities changes in the fair value of which are entered in the profit and loss accounts	87,075	106,875

As of March 31, 2011, corporate bonds are mainly represented by debentures issued by oil and gas, banking companies. As of December 31, 2010, corporate bonds are mainly represented by debentures issued by oil and gas, telecommunication and banking companies.

As of March 31, 2011 and December 31, 2010 corporate shares are mainly represented by securities issued by Russian oil and gas, construction companies.

7 Loans and Advance Payments to Clients

Tables below show analysis of the quality of the Group's loan portfolio by loan classes as of March 31, 2011 and December 31, 2010. For the purposes of this abbreviated interim consolidated financial reporting, an overdue loan means the total amount of claims under the loan in question (including amounts of accrued interest and commission fee income) when and if at least one regular payment is overdue as of the reporting date.

March 31, 2011:

(Unaudited figures)

(in million Russian rubles)

	Performing loans	Overdue loans	Total
Commercial lending of legal entities	2,670,654	189,381	2,860,035
Specialized lending of legal entities	1,852,755	268,900	2,121,655
Consumer and other loans to individuals	620,374	41,216	661,590
Residential loans to individuals	589,356	33,229	622,585
Car loans to individuals	69,822	3,751	73,573
Total loans and advance payments to clients before creation of provisions for devaluation of the loan portfolio	5,802,961	536,477	6,339,438
Less provisions for devaluation of the loan portfolio	(256,304)	(422,038)	(678,342)
Total loans and advance payments to clients after creation of provisions for devaluation of the loan portfolio	5,546,657	114,439	5,661,096

December 31, 2010:

(Unaudited figures)

(in million Russian rubles)

	Performing loans	Overdue loans	Total
Commercial lending of legal entities	2,519,062	189,630	2,708,692
Specialized lending of legal entities	1,900,813	262,673	2,163,486
Consumer and other loans to individuals	598,304	37,385	635,689

Notes are an integral part of this abbreviated interim consolidated financial reporting.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

Residential loans to individuals	572,339	31,439	603,778
Car loans to individuals	76,792	3,473	80,265
Total loans and advance payments to clients before creation of provisions for devaluation of the loan portfolio	5,667,310	524,600	6,191,910
Less provisions for devaluation of the loan portfolio	(276,906)	(425,617)	(702,523)
Total loans and advance payments to clients after creation of provisions for devaluation of the loan portfolio	5,390,404	98,983	5,489,387

Commercial lending of legal entities is represented by loans to legal entities, sole traders, entities of the Russian Federation and municipal authorities. Loans are granted for current purposes (enhancement of working capital, acquisition of movable and real estate, portfolio investments in securities, business expansion and consolidation etc.) for a period of up to 5 years depending on borrower risk assessment. Commercial lending also involves overdraft and export-import lending. Loans are repaid from cash flows generated by current production and financing activities of the borrower.

Specialized lending of legal entities means financing of investment and construction projects and lending of enterprises involved in the development business. Periods that the Group grants loans of this class for are linked as a rule to payback periods of investment, construction projects, the period for performance of contractual work and are longer than periods of commercial loans to legal entities. Loans may be repaid and income may be received at the stage of operation of the investment project from cash flows generated by it. Consumer and other loans to individuals are represented by loans granted to individuals for consumer purposes and current needs unrelated to purchase, construction and reconstruction of real estate and car loans. These loans include express loans and overdrafts.

Residential loans to individuals means loans granted to individuals for acquisition, construction and reconstruction of real estate. These loans are of long-term nature and secured by real estate.

Car loans to individuals are loans granted to individuals for purchase of a car or any other vehicle for a period of up to 5 years.

The table below shows analysis of loans and devaluation reserves as of March 31, 2011:

<i>(Unaudited figures) (in million Russian rubles)</i>	Loans before creation of devaluation reserves	Devaluation reserves	Loans after creation of devaluation reserves	Reserves to the amount of loans before creation of reserves
Commercial lending of legal entities				
Loans devaluation of which is assessed on a collective basis				
Performing loans	2,608,830	(101,180)	2,507,650	3.9 %
Loans with payments up to 30 days overdue	8,303	(2,317)	5,986	27.9 %
Loans with payments 31 to 60 days overdue	5,244	(2,336)	2,908	44.5 %
Loans with payments 61 to 90 days overdue	5,951	(3,503)	2,448	58.9 %
Loans with payments 91 to 180 days overdue	11,395	(8,002)	3,393	70.2 %
Loans with payments above 180 days overdue	124,545	(119,074)	5,471	95.6 %
Total loans devaluation of which is assessed on a collective basis	2,764,268	(236,412)	2,527,856	8.6 %
Loans devaluated on a case-by-case basis				
Performing loans	61,824	(36,170)	25,654	58.5 %
Loans with payments up to 30 days overdue	2,718	(2,372)	346	87.3 %
Loans with payments 31 to 60 days overdue	3,120	(2,025)	1,095	64.9 %
Loans with payments 61 to 90 days overdue	187	(111)	76	59.4 %
Loans with payments 91 to 180 days overdue	5,450	(4,178)	1,272	76.7 %
Loans with payments above 180 days overdue	22,468	(21,586)	882	96.1 %
Total loans devaluated on a case-by-case basis	95,767	(66,442)	29,325	69.4 %
Total commercial loans to legal entities	2,860,035	(302,854)	2,557,181	10.6 %

Specialized lending of legal entities

Notes are an integral part of this abbreviated interim consolidated financial reporting.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

Loans devaluation of which is assessed on a collective basis

Performing loans	1,797,989	(71,132)	1,726,857	4.0 %
Loans with payments up to 30 days overdue	21,207	(3,869)	17,338	18.2 %
Loans with payments 31 to 60 days overdue	3,156	(1,531)	1,625	48.5 %
Loans with payments 61 to 90 days overdue	894	(385)	509	43.1 %
Loans with payments 91 to 180 days overdue	13,818	(8,697)	5,121	62.9 %
Loans with payments above 180 days overdue	56,723	(54,265)	2,458	95.7 %

Total loans devaluation of which is assessed on a collective basis

1,893,787	(139,879)	1,753,908	7.4 %
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Loans devaluated on a case-by-case basis

Performing loans	54,766	(31,512)	23,254	57.5 %
Loans with payments up to 30 days overdue	1,286	(89)	1,197	6.9 %
Loans with payments 31 to 60 days overdue	4,776	(4,131)	645	86.5 %
Loans with payments 61 to 90 days overdue	-	-	-	-
Loans with payments 91 to 180 days overdue	5,177	(5,113)	64	98.8 %
Loans with payments above 180 days overdue	161,863	(126,278)	35,585	78.0 %

Total loans devaluated on a case-by-case basis

227,868	(167,123)	60,745	73.3 %
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Total specialized loans to legal entities

2,121,655	(307,002)	1,814,653	14.5 %
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Total loans to legal entities

4,981,690	(609,856)	4,371,834	12.2 %
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	Loans before creation of devaluation reserves	Devaluation reserves	Loans after creation of devaluation reserves	Reserves to the amount of loans before creation of reserves
<i>(Unaudited figures)</i>				
<i>(in million Russian rubles)</i>				
Consumer and other loans to individuals				
Loans devaluation of which is assessed on a collective basis				
Performing loans	620,374	(10,103)	610,271	1.6 %
Loans with payments up to 30 days overdue	8,587	(163)	8,424	1.9 %
Loans with payments 31 to 60 days overdue	2,711	(172)	2,539	6.3 %
Loans with payments 61 to 90 days overdue	2,700	(241)	2,459	8.9 %
Loans with payments 91 to 180 days overdue	2,367	(438)	1,929	18.5 %
Loans with payments above 180 days overdue	24,851	(24,851)	-	100.0 %
Total consumer and other loans to individuals	661,590	(35,968)	625,622	5.4 %
Residential loans to individuals				
Loans devaluation of which is assessed on a collective basis				
Performing loans	589,356	(5,085)	584,271	0.9 %
Loans with payments up to 30 days overdue	4,908	(221)	4,687	4.5 %
Loans with payments 31 to 60 days overdue	2,350	(286)	2,064	12.2 %
Loans with payments 61 to 90 days overdue	1,542	(260)	1,282	16.9 %
Loans with payments 91 to 180 days overdue	1,664	(506)	1,158	30.4 %
Loans with payments above 180 days overdue	22,765	(22,765)	-	100.0 %
Total residential loans to individuals	622,585	(29,123)	593,462	4.7 %
Car loans to individuals				
Loans devaluation of which is assessed on a collective basis				
Performing loans	69,822	(1,122)	68,700	1.6 %
Loans with payments up to 30 days overdue	772	(11)	761	1.4 %
Loans with payments 31 to 60 days overdue	285	(12)	273	4.2 %
Loans with payments 61 to 90 days overdue	164	(13)	151	7.9 %
Loans with payments 91 to 180 days overdue	334	(41)	293	12.3 %
Loans with payments above 180 days overdue	2,196	(2,196)	-	100.0 %
Total car loans to individuals	73,573	(3,395)	70,178	4.6 %
Total loans to individuals	1,357,748	(68,486)	1,289,262	5.0 %
Total loans and advance payments to clients as of March 31, 2011	6,339,438	(678,342)	5,661,096	10.7 %

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

7 Loans and Advance Payments to Clients (continued)

The table below shows analysis of loans and devaluation reserves as of December 31, 2010:

	Loans before creation of devaluation reserves	Devaluation reserves	Loans after creation of devaluation reserves	Reserves to the amount of loans before creation of reserves
<i>(in million Russian rubles)</i>				
Commercial lending of legal entities				
Loans devaluation of which is assessed on a collective basis				
Performing loans	2,457,676	(106,849)	2,350,827	4.3 %
Loans with payments up to 30 days overdue	6,895	(2,234)	4,661	32.4 %
Loans with payments 31 to 60 days overdue	4,480	(2,261)	2,219	50.5 %
Loans with payments 61 to 90 days overdue	7,058	(4,552)	2,506	64.5 %
Loans with payments 91 to 180 days overdue	10,398	(6,910)	3,488	66.5 %
Loans with payments above 180 days overdue	124,081	(117,807)	6,274	94.9 %
Total loans devaluation of which is assessed on a collective basis	2,610,588	(240,613)	2,369,975	9.2 %
Loans devaluated on a case-by-case basis				
Performing loans	61,386	(39,929)	21,457	65.0 %
Loans with payments up to 30 days overdue	1,616	(1,378)	238	85.3 %
Loans with payments 31 to 60 days overdue	-	-	-	-
Loans with payments 61 to 90 days overdue	3,896	(2,688)	1,208	69.0 %
Loans with payments 91 to 180 days overdue	2,861	(2,423)	438	84.7 %
Loans with payments above 180 days overdue	28,345	(25,898)	2,447	91.4 %
Total loans devaluated on a case-by-case basis	98,104	(72,316)	25,788	73.7 %
Total commercial loans to legal entities	2,708,692	(312,929)	2,395,763	11.6 %
Specialized lending of legal entities				
Loans devaluation of which is assessed on a collective basis				
Performing loans	1,835,754	(77,060)	1,758,694	4.2 %
Loans with payments up to 30 days overdue	16,715	(3,805)	12,910	22.8 %
Loans with payments 31 to 60 days overdue	2,043	(897)	1,146	43.9 %
Loans with payments 61 to 90 days overdue	5,827	(3,330)	2,497	57.1 %
Loans with payments 91 to 180 days overdue	3,927	(2,867)	1,060	73.0 %
Loans with payments above 180 days overdue	63,018	(57,148)	5,870	90.7 %
Total loans devaluation of which is assessed on a collective basis	1,927,284	(145,107)	1,782,177	7.5 %
Loans devaluated on a case-by-case basis				
Performing loans	65,059	(36,916)	28,143	56.7 %
Loans with payments up to 30 days overdue	5,086	(5,072)	14	99.7 %
Loans with payments 31 to 60 days overdue	208	(200)	8	96.2 %
Loans with payments 61 to 90 days overdue	689	(689)	-	100.0 %
Loans with payments 91 to 180 days overdue	1,575	(1,453)	122	92.3 %
Loans with payments above 180 days overdue	163,585	(131,345)	32,240	80.3 %
Total loans devaluated on a case-by-case basis	236,202	(175,675)	60,527	74.4 %
Total specialized loans to legal entities	2,163,486	(320,782)	1,842,704	14.8 %
Total loans to legal entities	4,872,178	(633,711)	4,238,467	13.0 %

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

7 Loans and Advance Payments to Clients (continued)

<i>(in million Russian rubles)</i>	Loans before creation of devaluation reserves	Devaluation reserves	Loans after creation of devaluation reserves	Reserves to the amount of loans before creation of reserves
Consumer and other loans to individuals				
Loans devaluation of which is assessed on a collective basis				
Performing loans	598,304	(9,776)	588,528	1.6 %
Loans with payments up to 30 days overdue	6,521	(159)	6,362	2.4 %
Loans with payments 31 to 60 days overdue	2,014	(141)	1,873	7.0 %
Loans with payments 61 to 90 days overdue	1,324	(170)	1,154	12.8 %
Loans with payments 91 to 180 days overdue	2,177	(490)	1,687	22.5 %
Loans with payments above 180 days overdue	25,349	(25,349)	-	100.0 %
Total consumer and other loans to individuals	635,689	(36,085)	599,604	5.7%
Residential loans to individuals				
Loans devaluation of which is assessed on a collective basis				
Performing loans	572,339	(5,139)	567,200	0.9 %
Loans with payments up to 30 days overdue	3,979	(242)	3,737	6.1 %
Loans with payments 31 to 60 days overdue	1,669	(236)	1,433	14.1 %
Loans with payments 61 to 90 days overdue	1,206	(246)	960	20.4 %
Loans with payments 91 to 180 days overdue	2,060	(891)	1,169	43.3 %
Loans with payments above 180 days overdue	22,525	(22,525)	-	100.0 %
Total residential loans to individuals	603,778	(29,279)	574,499	4.8 %
Car loans to individuals				
Loans devaluation of which is assessed on a collective basis				
Performing loans	76,792	(1,237)	75,555	1.6 %
Loans with payments up to 30 days overdue	682	(20)	662	2.9 %
Loans with payments 31 to 60 days overdue	248	(17)	231	6.9 %
Loans with payments 61 to 90 days overdue	152	(18)	134	11.8 %
Loans with payments 91 to 180 days overdue	300	(65)	235	21.7 %
Loans with payments above 180 days overdue	2,091	(2,091)	-	100.0 %
Total car loans to individuals	80,265	(3,448)	76,817	4.3 %
Total loans to individuals	1,319,732	(68,812)	1,250,920	5.2 %
Total loans and advance payments to clients as of December 31, 2010	6,191,910	(702,523)	5,489,387	11.3 %

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

7 Loans and Advance Payments to Clients (continued)

As defined by the Group for the purposes of internal assessment of borrower's credit risk, the loan is treated as non-performing when payment of principal and/or interest is over 90 days overdue.

Composition of non-performing loans as of March 31, 2011 is given below:

<i>(Unaudited figures) (in million Russian rubles)</i>	Loans before creation of devaluation reserves	Devaluation reserves	Loans after creation of devaluation reserves	Reserves to the amount of loans before creation of reserves
Commercial lending of legal entities	163,858	(152,840)	11,018	93.3 %
Specialized lending of legal entities	237,581	(194,353)	43,228	81.8 %
Consumer and other loans to individuals	27,218	(25,289)	1,929	92.9 %
Residential loans to individuals	24,429	(23,271)	1,158	95.3 %
Car loans to individuals	2,530	(2,237)	293	88.4 %
Total non-performing loans and advance payments to clients as of March 31, 2011	455,616	(397,990)	57,626	87.4 %

Composition of non-performing loans as of December 31, 2010 is given below:

<i>(in million Russian rubles)</i>	Loans before creation of devaluation reserves	Devaluation reserves	Loans after creation of devaluation reserves	Reserves to the amount of loans before creation of reserves
Commercial lending of legal entities	165,685	(153,038)	12,647	92.4 %
Specialized lending of legal entities	232,105	(192,813)	39,292	83.1 %
Consumer and other loans to individuals	27,526	(25,839)	1,687	93.9 %
Residential loans to individuals	24,585	(23,416)	1,169	95.2 %
Car loans to individuals	2,391	(2,156)	235	90.2 %
Total non-performing loans and advance payments to clients as of December 31, 2010	452,292	(397,262)	55,030	87.8 %

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

7 Loans and Advance Payments to Clients (continued)

Reserves for devaluation of the loan portfolio. Below is analysis of changes in reserves for devaluation of the loan portfolio for three months ending on March 31, 2011:

<i>(Unaudited figures) (in million Russian rubles)</i>	Commercial lending of legal entities	Specialized lending of legal entities	Consumer and other loans to individuals	Residential loans to individuals	Car loans to individuals	Total
Reserves for devaluation of the loan portfolio as of January 1, 2011	312,929	320,782	36,085	29,279	3,448	702,523
(Net restoration) / net expense generated by creation of reserves for devaluation of the loan portfolio during the reporting period	(1,008)	(13,296)	112	31	(32)	(14,193)
Loans and advance payments to clients written off during the reporting period	(9,067)	(484)	(229)	(187)	(21)	(9,988)
Reserves for devaluation of the loan portfolio as of March 31, 2011	302,854	307,002	35,968	29,123	3,395	678,342

Below is analysis of changes in reserves for devaluation of the loan portfolio for three months ending on March 31, 2010:

<i>(Unaudited figures) (in million Russian rubles)</i>	Commercial lending of legal entities	Specialized lending of legal entities	Consumer and other loans to individuals	Residential loans to individuals	Car loans to individuals	Total
Reserves for devaluation of the loan portfolio as of January 1, 2011	221,488	287,059	38,238	28,775	4,254	579,814
(Net restoration) / net expense generated by creation of reserves for devaluation of the loan portfolio during the reporting period	47,453	6,045	(206)	1,039	9	54,340
Loans and advance payments to clients written off during the reporting period	(3,108)	(76)	(235)	(51)	(23)	(3,493)
Reserves for devaluation of the loan portfolio as of March 31, 2011	265,833	293,028	37,797	29,763	4,240	630,661

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

7 Loans and Advance Payments to Clients (continued)

Loans with revised terms. The table below includes information about loans with revised terms as of March 31, 2011 and December 31, 2010. The table shows the current value of revised loans by classes.

<i>(in million Russian rubles)</i>	Commercial lending of legal entities	Specialized lending of legal entities	Consumer and other loans to individuals	Residential loans to individuals	Car loans to individuals	Total
March 31, 2011:						
<i>(Unaudited figures)</i>						
Performing loans devaluation of which is assessed on a collective basis	392,649	195,180	5,179	890	38	593,936
Other loans with revised terms.	80,573	36,011	7,674	6,482	176	130,916
Total loans with revised terms (before creation of devaluation reserves)	473,222	231,191	12,853	7,372	214	724,852
December 31, 2011:						
<i>(Unaudited figures)</i>						
Performing loans devaluation of which is assessed on a collective basis	402,606	171,884	6,824	1,958	38	583,310
Other loans with revised terms.	96,571	54,160	3,299	10,197	184	164,411
Total loans with revised terms (before creation of devaluation reserves)	499,177	226,044	10,123	12,155	222	747,721

Investments in financial leasing. The portfolio of specialized loans to legal entities includes net investments in financial leasing. Analysis of net investments in financial leasing as of March 31, 2011 and December 31, 2010 is given in the table below:

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)	December 31, 2010
Gross investments in financial leasing	100,571	72,717
Less unearned income from financial leasing	(35,394)	(21,274)
Net investments in financial leasing before creation of devaluation reserves	65,177	51,443
After creation of devaluation reserves	(1,257)	(1,033)
Net investments in financial leasing after creation of devaluation reserves	63,920	50,410

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

7 Loans and Advance Payments to Clients (continued)

Analysis of maturity terms of net investments in financial leasing as of March 31, 2011 is given in the table below:

(Unaudited figures) (in million Russian rubles)	Net investments in financial leasing before creation of devaluation reserves	Reserves for devaluation of investments in financial leasing	Net investments in financial leasing after creation of devaluation reserves
Under 1 year	20,932	(374)	20,558
1 to 5 years	34,936	(727)	34,209
Over 5 years	9,309	(156)	9,153
As of March 31, 2011	65,177	(1,257)	63,920

Analysis of maturity terms of net investments in financial leasing as of December 31, 2010 is given in the table below:

(Unaudited figures) (in million Russian rubles)	Net investments in financial leasing before creation of devaluation reserves	Reserves for devaluation of investments in financial leasing	Net investments in financial leasing after creation of devaluation reserves
Under 1 year	18,567	(325)	18,242
1 to 5 years	29,303	(657)	28,646
Over 5 years	3,573	(51)	3,522
As of December 31, 2010	51,443	(1,033)	50,410

Analysis of maturity terms of minimum leasing payments receivable as of March 31, 2011 and December 31, 2010 is given in the table below:

(Unaudited figures) (in million Russian rubles)	March 31, 2011 (Unaudited figures)	December 31, 2010
Under 1 year	22,751	19,662
1 to 5 years	52,870	41,593
Over 5 years	24,950	11,462
Total	100,571	72,717

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

7 Loans and Advance Payments to Clients (continued)

Concentration of the loan portfolio. Below is the structure of the Group's loan portfolio by sectors of the economy as of March 31, 2011 and December 31, 2010:

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)		December 31, 2010	
	Amount	%	Amount	%
Individuals	1,357,748	21.4	1,319,732	21.3
Services	1,036,355	16.3	1,001,330	16.2
Commerce	1,018,329	16.1	1,008,025	16.3
Food industry and agriculture	601,763	9.5	585,394	9.5
Construction	414,779	6.5	404,601	6.5
Metallurgy	289,008	4.6	300,806	4.9
Mechanical Engineering	270,440	4.3	317,588	5.1
Chemical industry	232,840	3.7	216,833	3.5
Energy	208,922	3.3	208,797	3.4
Transport, aviation and space industry	207,253	3.3	147,540	2.4
Telecommunications	196,402	3.3	168,042	2.7
Oil and gas industry	161,519	2.5	177,495	2.9
State and municipal agencies	145,811	2.3	153,280	2.5
Woodworking industry	47,792	0.8	49,609	0.8
Other	150,477	2.3	132,838	2.0
Total loans and advance payments to clients (before creation of provisions for devaluation of the loan portfolio)	6,339,438	100.0	6,191,910	100.0

The Services sector includes loans granted to financial, insurance and other service companies and loans granted to holding and multibusiness companies.

As of March 31, 2011, the Group had 20 largest borrowers with the amount of loans per each being over 28,000 million rubles (December 31, 2010: 20 largest borrowers with the amount of loans per each being over 29,300 million rubles). The total worth of these loans reached 1,400,756 million rubles or 22.1 % of the Group's loan portfolio before creation of devaluation reserves (December 31, 2010: 1,401,637 million rubles or 22.6 %).

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

8 Securities Pledged under Repurchase Agreements

	March 31, 2011 (Unaudited figures)	December 31, 2010
<i>(in million Russian rubles)</i>		
Trading securities pledged under repurchase agreements		
Eurobonds of the Russian Federation	9,488	12,150
Securities pledged under repurchase agreements changes in the fair value of which are entered in the profit and loss accounts		
Corporate shares	1,182	-
Investment securities available for sale pledged under repurchase agreements		
Eurobonds of the Russian Federation	28,843	47,027
Corporate bonds	13,712	13,484
Corporate shares	12,088	8,276
Bonds issued by foreign governments	130	556
Total securities pledged under repurchase agreements	65,443	81,493

As of March 31, 2011, funds worth 11,661 million rubles under direct repurchase agreements with legal entities are entered in the Funds from Corporate Clients item (December 31, 2010: 5,968 million rubles). See Note 12. As of March 31, 2011, funds worth 43,121 million rubles received under direct repurchase agreements with other banks are entered in the Funds from Other Banks item (December 31, 2010: 61,803 million rubles).

As of March 31, 2011, corporate bonds pledged under repurchase agreements are mainly represented by debentures issued by banking, oil and gas, telecommunications companies. As of December 31, 2010, corporate bonds pledged under repurchase agreements are mainly represented by debentures issued by banking, oil and gas, metallurgy and companies.

As of March 31, 2011 corporate shares pledged under repurchase agreements are mainly represented by oil and gas, telecommunications companies. As of December 31, 2010 corporate shares are mainly represented by oil and gas companies.

9 Investment Securities Available for Sale

	March 31, 2011 (Unaudited figures)	December 31, 2010
<i>(in million Russian rubles)</i>		
Federal Loan Bonds (OFZ)	400,667	348,353
Bonds of the Bank of Russia	345,557	433,585
Corporate bonds	291,248	275,563
Municipal and sub-federal bonds	50,246	50,219
Bonds issued by foreign governments	22,446	17,899
Eurobonds of the Russian Federation	18,517	4,950
Total investment debentures available for sale	1,128,681	1,130,569
Corporate shares	81,210	80,352
Total investment securities available for sale	1,209,891	1,210,921

As of March 31, 2011 corporate bonds are mainly represented by debentures issued by banking, oil and gas, metallurgy, transport, telecommunication, and energy companies. As of December 31, 2010 corporate bonds are mainly represented by debentures issued by banking, oil and gas, metallurgy, mining, transport, telecommunication companies.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

As of March 31, 2011 corporate shares are mainly represented by oil and gas, energy, telecommunication and financial companies. As of December 31, 2010 corporate shares are mainly represented by oil and gas, transport, metallurgy, energy, telecommunication, and financial companies.

10 Investment Securities Held Till Maturity

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)	December 31, 2010
Federal Loan Bonds (OFZ)	224,698	227,328
Municipal and sub-federal bonds	85,940	86,052
Corporate bonds	85,084	44,512
Bonds issued by foreign governments	212	299
Total investment securities held till redemption	395,934	358,191

As of March 31, 2011 corporate bonds are mainly represented by debentures issued by machine-building, energy, banking, telecommunication, oil and gas companies. As of December 31, 2010 corporate bonds are mainly represented by debentures issued by energy and telecommunication companies.

11 Other Assets

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)	December 31, 2010
Other financial assets		
Outstanding accounts for plastic cards	29,346	91,219
Trading accounts receivable	11,497	5,259
Derivatives	9,922	9,257
Settlements under conversion operations	5,772	6,196
Commission fees charged	2,348	2,758
Funds in settlements	271	118
Other financial assets	5,363	2,791
Reserves for devaluation of other financial assets	(2,179)	(2,162)
Total other financial assets	62,340	115,436
Other non-financial assets		
Stocks of non-banking subsidiaries	24,956	11,589
Precious metals	22,489	34,767
Advance payment for fixed and other assets	19,751	39,258
Business reputation	8,538	8,251
Advance tax payment (except the corporate tax)	7,630	4,230
Investment property	6,590	5,414
Investment in associated companies	4,729	2,479
Intangible assets purchased through merger of companies	3,933	4,170
Non-exclusive licenses	3,621	4,091
Expenses of future periods	3,095	2,840
Advance payments of corporate tax	1,619	929
Non-current assets held for sale	562	402
Other non-financial assets	12,376	8,658
Reserves for devaluation of other non-financial assets	(2,668)	(2,610)
Total other non-financial assets	117,221	124,468
Total other assets	179,561	239,904

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

12 Funds from Individuals and Corporate Clients

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)	December 31, 2010
Individuals		
- Current/on-demand accounts	714,528	785,750
- Term deposits	4,173,113	4,048,709
Total funds from individuals	4,887,641	4,834,459
State and non-governmental organizations		
- Current/settlement accounts	127,111	116,827
- Term deposits	61,903	40,475
Total funds from state and non-governmental organizations	189,014	157,302
Other corporate clients		
- Current/settlement accounts	1,078,315	1,082,754
- Term deposits	492,216	576,616
Total funds from other corporate clients	1,570,531	1,659,370
Total funds from corporate clients	1,759,545	1,816,672
Total funds from individuals and corporate clients	6,647,186	6,651,131

Distribution of client funds by sectors of the economy is shown below:

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)		December 31, 2010	
	Amount	%	Amount	%
Individuals	4,887,641	73.5	4,834,459	72.7
Oil and gas industry	278,066	4.2	266,889	4.0
Services	272,845	4.1	254,117	3.8
Commerce	224,601	3.4	260,559	3.9
Energy	139,543	2.1	104,246	1.6
Construction	130,906	2.0	166,905	2.5
Mechanical Engineering	91,516	1.4	110,165	1.7
Food industry and agriculture	77,640	1.2	79,381	1.2
State and municipal agencies	71,790	1.1	82,717	1.2
Metallurgy	70,947	1.1	87,854	1.3
Chemical industry	43,688	0.7	44,269	0.7
Other	358,003	5.2	359,570	5.4
Total funds from individuals and corporate clients	6,647,186	100.0	6,651,131	100.0

As of March 31, 2011 term deposits of other corporate clients include funds worth 11,661 million rubles (December 31, 2010: 5,968 million rubles) received under direct repurchase agreements with legal entities. The fair value of securities worth 12,879 million rubles pledged under above agreements is entered in the Securities Pledged under Repurchase Agreements item (December 31, 2010: 6,943 million rubles). See Note 8.

As of March 31, 2011 funds from corporate clients include deposit worth 78,836 million rubles (December 31, 2010: 78,749 million rubles) that serve as collateral under irrevocable liabilities under import letters of credit. See Note 21.

As of March 31, 2011, the Group had 20 largest clients with balances over 9,500 million rubles (December 31, 2010: 20 largest clients with balances over 7,450 million rubles). The total balance of funds from such clients was 573,773 million rubles (December

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

31, 2010: 561760 million rubles) or 8.6 % (December 31, 2010: 8.4 %) of the total amount of funds from individuals and corporate clients.

13 Other Liabilities

(in million Russian rubles)	March 31, 2011	
	(Unaudited figures)	December 31, 2010
Other financial liabilities		
Outstanding accounts for plastic cards	28,501	25,425
Trade accounts payable	8,019	9,318
Funds in settlements	7,059	5,071
Derivatives	3,530	1,553
Contributions to the state deposit insurance system payable	3,269	4,476
Deferred commission fee income under granted guarantees	1,366	1,222
Other	7,490	2,109
Total other financial liabilities	59,234	49,174
Other non-financial liabilities		
Accrued expenses of personnel remuneration	27,539	15,709
Taxes payable (except the corporate tax)	11,057	8,573
Corporate tax payable	10,941	7,761
Advance payments received	7,522	5,648
Deferred income from initial recognition of financial instruments	4,997	4,108
Other	2,264	1,200
Total other non-financial liabilities	64,320	42,999
Total other liabilities	123,554	92,173

14 Interest Income and Expenses

(Unaudited figures) (in million Russian rubles)	For three months ending March 31	
	2011	2010
Interest income		
<i>Interest income from financial assets recognized at depreciated value and from financial assets held for sale:</i>		
- Loans and advance payments to clients	169,491	180,731
- Investment debentures available for sale	18,066	19,994
- Investment debentures held till redemption	5,997	48
- Funds in other banks	2,021	2,495
- Correspondent accounts with other banks	34	40
	<u>195,609</u>	<u>203,308</u>
<i>Interest income from financial assets changes in the fair value of which are entered in the profit and loss accounts:</i>		
- Trading debentures	1,113	2,723
- Debentures changes in the fair value of which are entered in the profit and loss accounts	1,038	1,798
	<u>2,151</u>	<u>4,521</u>
Total interest income	197,760	207,829
Interest expense		
Term deposits of individuals	(48,990)	(53,468)
Term deposits of legal entities	(5,096)	(8,670)
Subordinated loan	(4,749)	(9,774)

Notes are an integral part of this abbreviated interim consolidated financial reporting.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

Issued debentures	(3,235)	(2,806)
Current/settlement accounts of legal entities	(2,847)	(2,358)
Current/on-demand accounts of individuals	(1,368)	(494)
Term deposits from other banks	(1,172)	(473)
Other borrowings	(289)	(531)
Correspondent accounts of other banks	(90)	(101)

Total interest expenses	(67,836)	(78,675)
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Net interest income	129,924	129,154
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15 Commission Fee Income and Expenses

(Unaudited figures)

(in million Russian rubles)

For three months ending March 31

2011

2010

Commission income		
Cash management services to individuals	9,944	8,634
Cash management services to legal entities	8,871	8,566
Plastic card operations	6,383	4,759
Agency fee for sale of the insurance contracts	2,806	1,238
Foreign currency operations	1,429	1,231
Cash Collection	979	920
Granted guarantees	708	762
Securities Trading	263	321
Other	475	370

Total commission fee income	31,858	26,801
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Commission expenses		
Settlement operations	(1,416)	(1,016)
Foreign currency operations	(89)	(17)
Cash Collection	(48)	(35)
Other	(654)	(142)

Total commission fee expenses	(2,207)	(1,210)
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Net fee and commission income	29,651	25,591
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16 Income Less Expenses under Operations in Foreign Currencies, Currency Derivatives, Income less Expenses from Revaluation of Foreign Currencies

(Unaudited figures)

(in million Russian rubles)

For three months ending March 31

2011

2010

Income less expenses for operations with foreign currency	1,727	335
(Expenses less income)/ income less expenses from foreign currency revaluation	(10,041)	9,316
Income less expenses/ (expenses less income) under operations in currency derivatives	8,357	(7,536)

Total income less expenses under operations in foreign currencies, currency derivatives, income less expenses from revaluation of foreign currencies	43	2,115
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Trade operations in foreign currencies and trade operations in foreign currency derivatives include both operations carried out on instructions from clients and the Group's own operations made to for liquidity management purposes. The Group's own operations are mainly represented by currency swaps.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

17 Operating Expenses

<i>(Unaudited figures)</i> <i>(in million Russian rubles)</i>	For three months ending March 31	
	2011	2010
Human resources expenditure	47,463	38,870
Depreciation of fixed assets	9,483	7,304
Contributions to the state deposit insurance system	4,777	3,713
Expenses for repair and maintenance of fixed assets	3,878	3,270
Administrative expenses	3,449	2,651
Cost of operating lease of fixed assets	2,104	1,519
Taxes except the corporate tax	1,804	1,395
Cost of information services	1,300	1,077
Advertising and marketing	477	467
Cost of consulting and audit	174	143
Other	1,335	982
Total operating expenses	76,244	61,391

18 Earnings per Share

The basic earnings per share are calculated by dividing earnings held by the Bank's shareholders by the average weighted number of common shares outstanding throughout the period less treasury shares bought out from shareholders. The Bank has no common shares potentially diluting the earnings per share. Therefore, the diluted earnings per share are equal to the basic earnings per share.

<i>(Unaudited figures)</i> <i>(in million Russian rubles)</i>	For three months ending March 31	
	2011	2010
Earnings for the reporting period attributable to the Bank's shareholders owning common shares	86,802	43,441
Average weighted number of common shares outstanding (in million shares)	21,587	21,587
Basic and diluted earnings per common share (in rubles per share)	4.02	2.01

19 Segment Analysis

For management purposes the Group is divided into operating segments of activity – the Headquarters, 17 regional banks and subsidiaries based on the Group's organization structure and geographical location. Banking operations constitute the core activity of all operating segments. Operating segments are unified in the following reporting segments for the purposes of representation in the abbreviated interim consolidated financial reporting:

- **Moscow**

This segment includes:

- The Group's Headquarters
- Moscow Regional Bank
- The Group's subsidiaries located in this region.

- **Central and Northern regions of the European Part of Russia**

This segment includes:

Regional banks:

- Northern – Yaroslavl
- North-Western – Saint-Petersburg
- Central Chernozemye – Voronezh
- Srednerussky – Moscow

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

The Group's subsidiaries located in this region.

- **Povolzhye and South of the European Part of Russia**

This segment includes:

Regional banks:

- Volgo-Vyatsky – Nizhniy Novgorod
- Povolzhsky – Samara
- North Caucasus – Stavropol
- South-Western – Rostov-on-Don

The Group's subsidiaries located in this region.

- **Urals, Siberia and the Far East of Russia**

This segment includes:

Regional banks:

- West-Ural – Perm
- Ural – Yekaterinburg
- Siberian – Novosibirsk
- West-Siberian – Tyumen
- North-Eastern – Magadan
- Far-Eastern – Khabarovsk
- East-Siberian – Krasnoyarsk
- Baikal – Irkutsk

The Group's subsidiaries located in this region.

19 Segment analysis (continued)

- **Other countries**

This segment includes:

- The Group's subsidiaries located in Ukraine
- The Group's subsidiaries located in Kazakhstan
- The Group's subsidiaries located in the Republic of Belarus
- A branch in India.

The Group's management analyzes operating results of each operating segments to make decisions on allocation of resources and evaluation of their performance. Reporting of segments and results of their operations submitted to management of analysis are prepared in accordance with the Russian Accounting Standards except for reporting of subsidiaries' segments which is prepared in accordance with International Financial Reporting Standards.

Operations between segments are carried out at internal transfer pricing rates set, approved and regularly revised by the Group's management.

Operations of subsidiaries are monitored at the Group's overall level.

The table below shows information on distribution of the Group's assets and liabilities by segments as of March 31, 2011:

<i>(Unaudited figures)</i> <i>(in million Russian rubles)</i>		Central and Northern regions of the European Part of Russia	Povolzhye and South of the European Part of Russia	Urals, Siberia and the Far East of Russia	Other countries	Total
	Moscow					

Notes are an integral part of this abbreviated interim consolidated financial reporting.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

TOTAL ASSETS	4,315,382	1,452,294	1,175,079	1,560,715	201,779	8,705,249
TOTAL LIABILITIES	2,907,444	1,743,356	1,251,261	1,543,746	144,707	7,590,514

The table below shows information on distribution of the Group's assets and liabilities as of December 31, 2010:

<i>(Unaudited figures) (in million Russian rubles)</i>	Moscow	Central and Northern regions of the European Part of Russia	Povolzhye and South of the European Part of Russia	Urals, Siberia and the Far East of Russia	Other countries	Total
TOTAL ASSETS	4,318,256	1,445,164	1,163,282	1,548,746	185,817	8,661,265
TOTAL LIABILITIES	2,885,376	1,776,676	1,270,092	1,549,502	146,145	7,627,791

19 Segment Analysis (continued)

The table below collates assets and liabilities by reporting segments with IFRS assets and liabilities as of March 31, 2011 and December 31, 2010:

	Total assets		Total liabilities	
<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)	December 31, 2010	March 31, 2011 (Unaudited figures)	December 31, 2010
Total reporting segments	8,705,249	8,661,265	7,590,514	7,627,791
Adjustment of reserves	76,396	55,642	(20,978)	(19,765)
Assessment of additional interest income under client loans	1,796	1,889	(18)	(924)
Recognition of deferred commission fee income under loans	(25,780)	(28,753)	595	388
Recognition of deferred commission fee income under guarantees under guarantees	-	-	1,337	1,135
Recognition of derivatives at fair value	6,234	4,749	3,189	3,867
Adjustment of depreciation and initial or revalued value of fixed assets including the effect of deferred taxation	(70,570)	(68,145)	(486)	(952)
Expenses charged for maintaining personnel (bonuses, vacations, pension commitments)	203	184	22,132	14,831
Adjustment of the corporate tax	-	-	20,547	7,018
Other adjustments	2,783	1,696	1,909	7,971
Total IFRS	8,696,311	8,628,527	7,618,741	7,641,360

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

19 Segment Analysis (continued)

The table below collates assets and liabilities by reporting segments with IFRS assets and liabilities as of March 31, 2011 and December 31, 2010:

<i>(Unaudited figures) (in million Russian rubles)</i>	Moscow	Central and Northern regions of the European Part of Russia	Povolzhye and South of the European Part of Russia	Urals, Siberia and the Far East of Russia	Other countries	Total
Interest income	75,118	37,965	32,665	42,817	5,083	193,648
Interest expense	(26,857)	(15,573)	(10,732)	(12,736)	(1938)	(67,836)
Inter-segment income and (expenses)	(11,298)	6,807	2,307	2,184	-	-
Commission income	4,740	8,452	6,426	9,219	1,133	29,970
Commission expenses	(464)	(439)	(388)	(690)	(225)	(2,206)
Income less expenses/ (expenses less income) under operations in securities	2,823	-	-	-	(20)	2,803
(Expenses less income)/ income less expenses under operations in foreign currencies, currency derivatives, and income less expenses/ (expenses less income) from revaluation of foreign currencies	(418)	766	470	807	15	1,640
Expenses less income under operations in other derivatives	(884)	-	-	-	-	(884)
Income less expenses/ (expenses less income) under operations in precious metals	751	153	130	194	(99)	1,129
Other operating income less expenses/ (expenses less income)	3,109	(207)	(7)	312	(320)	2,887
Operating income before creation of reserves for devaluation of the loan portfolio	46,620	37,924	30,871	42,107	3,629	161,151
(Net restoration) / net expense generated by creation of reserves for devaluation of the loan portfolio during the reporting period	2,252	(2,245)	(3,768)	2,054	446	(1,261)
Operating income	48,872	35,679	27,103	44,161	4,075	159,890
Operating expenses	(19,161)	(13,688)	(11,986)	(16,359)	(2,406)	(63,600)
Profit before tax (Result of the segment)	29,711	21,991	15,117	27,802	1,669	96,290
Additional information						
Expenses of capital nature (acquisition of fixed assets)	1,009	1,231	1,119	1,526	293	5,178
Depreciation deductions for fixed assets	(1,208)	(1,570)	(1,439)	(1,939)	(227)	(6,383)

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

19 Segment Analysis (continued)

The table below shows segment information about distribution of the Group's income and expenses for three months ended on March 31, 2011:

<i>(Unaudited figures) (in million Russian rubles)</i>	Moscow	Central and Northern regions of the European Part of Russia	Povolzhye and South of the European Part of Russia	Urals, Siberia and the Far East of Russia	Other countries	Total
Interest income	75,736	38,298	32,736	45,969	3,650	196,389
Interest expense	(31,722)	(17,655)	(12,613)	(15,191)	(1,551)	(78,732)
Inter-segment income and (expenses)	(8,588)	7,219	1,698	(329)	-	-
Commission income	7,508	9,515	7,533	10,473	749	35,778
Commission expenses	(917)	(36)	(76)	(72)	(109)	(1,210)
Income less expenses/ (expenses less income) under operations in securities	4,323				(38)	4,285
(Expenses less income)/ income less expenses under operations in foreign currencies, currency derivatives, and income less expenses/ (expenses less income) from revaluation of foreign currencies	(10,205)	404	287	288	485	(8,741)
Income less expenses/ (expenses less income) under operations in precious metals	95	109	100	143		447
Other operating income less expenses/ (expenses less income)	3,624	(129)	(610)	(324)	(157)	2,404
Operating income before creation of reserves for devaluation of the loan portfolio	39,854	37,725	29,055	40,957	3,029	150,620
(Net restoration) / net expense generated by creation of reserves for devaluation of the loan portfolio during the reporting period	(20,558)	(15,686)	(9,487)	(9,520)	(584)	(55,835)
Operating income	19,296	22,039	19,568	31,437	2,445	94,785
Operating expenses	(13,623)	(10,951)	(9,674)	(13,474)	(1,373)	(49,095)
Profit before tax (Result of the segment)	5,673	11,088	9,894	17,963	1,072	45,690
Additional information						
Expenses of capital nature (acquisition of fixed assets)	1,134	1,420	1,333	1,741	708	6,336
Depreciation deductions for fixed assets	(874)	(1,255)	(1,185)	(1,777)	(523)	(5,614)

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

19 Segment Analysis (continued)

The table below collates profit before tax for reporting segments and the Group's IFRS profit before tax for six months and three months ended on March 31, 2011 and three months ended on March 31, 2010:

<i>(Unaudited figures)</i> <i>(in million Russian rubles)</i>	For three months ended on March 31	
	2011	2010
Adjustment of reserves	20,165	31
Expenses charged for maintaining personnel (bonuses, vacations, pension commitments)	(8,346)	(11,185)
Effect of differences in securities classification	947	7,603
Recognition of derivatives at fair value	(686)	11,524
Assessment of additional interest income under client loans	2,887	2,878
Adjustment in depreciation and original or revaluated value of fixed assets	(2,427)	(1,343)
Other adjustments	(1,094)	(1,092)
Total IFRS	107,736	54,106

Inconsistencies above result from differences in both classification and the accounting policy.

Adjustment in reserves is required because of differences in the evaluation method used for calculation of reserves for devaluation under Russian Accounting Standards used to prepare the Bank's management accounts and the reserves evaluation methods suggested by the International Financial Reporting Standards (IFRS).

Differences in securities classification are recognized as income/(expenses) under revaluation of securities classified in IFRS reporting as securities changes in the fair value of which are entered in the profit and loss accounts. In accordance with Russian Accounting Standards used to prepare the Bank's management accounts such securities were recognized in the portfolio of securities available for sale.

For three months ending on March 31, 2011 revenues from client operations in the territory of the Russian Federation were 232,534 million rubles (for three months ending on March 31, 2009: 245,537 million rubles). For three months ending on March 31, 2011 revenues from client operations in the territory of all countries where the Group operates were 7,363 million rubles (for three months ending on March 31, 2010: 5,512 million rubles).

During three months ending on March 31, 2011 and March 31, 2010 there was no external client or counterparty revenues from operations with which would exceed 10 % of the Group's gross revenues.

20 Management of Financial Risks

The Group's risk management concerns the following material types of risks: credit, market, liquidity and operating risks. The market risk includes the interest rate, stock market and currency risks. Risk management is primarily concerned with risk identification and analysis, establishment of risk limits and further measures to ensure that established limits are not exceeded. Management of operating risks is expected to secure due compliance with internal regulations and procedures to minimize such risks.

The policy and methods adopted by the Group for management of financial risks conform to the policy and methods used for and described in the Group's annual financial reporting for the year ending on December 31, 2010.

Currency risk. The currency risk results from changes in the price of financial instruments following an adverse change in exchange rates of foreign currencies. The Group is exposed to the currency risk by having positions open mainly in US dollars and Euros against the Russian ruble.

The table below shows analysis of the Group's currency risk with respect to monetary assets and liabilities and net positions in currency derivatives and precious metals as of March 31, 2011. The currency risk of forward and futures contracts is represented by nominal positions in relevant currencies. Currency options are expressed as an amount reflecting theoretical sensitivity of the fair value to changes in exchange rates.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

20 Management of Financial Risks (continued)

(Unaudited figures)

(in million Russian rubles)

	Rubles	US Dollars	Euro	Other currencies	Total
Assets					
Cash and cash equivalents	527,346	27,440	35,549	78,103	668,438
Required reserves in accounts with central banks	67,209	129	95	462	67,895
Trading debentures	43,445	7,126	1,629	363	52,563
Debentures changes in the fair value of which are entered in the profit and loss accounts	59,528	-	4,078	-	63,606
Funds in other banks	5,623	8,638	2,323	2,508	19,092
Loans and advance payments to clients	4,506,406	932,494	128,775	93,421	5,661,096
Trading debentures pledged under repurchase agreements	-	51,876	167	130	52,173
Investment debentures available for sale	1,000,517	69,518	39,228	19,418	1,128,681
Investment debentures held till redemption	389,111	6,199	299	325	395,934
Other financial assets (with fair value of derivatives unadjusted)	45,534	5,513	1,068	303	52,418
Total monetary assets	6,644,719	1,108,933	213,211	195,033	8,161,896
Liabilities					
Funds from other banks	39,402	64,842	1,521	1,546	107,311
Deposits from individuals	4,250,347	283,254	264,143	89,897	4,887,641
Funds from corporate clients	1,193,424	418,134	88,551	59,436	1,759,545
Issued debentures	97,257	133,163	1,448	19,967	251,835
Other borrowings	810	153,485	7,721	1,111	163,127
Other financial liabilities (with fair value of derivatives unadjusted)	53,272	1,308	296	828	55,704
Subordinated loans	308,044	200	-	-	308,244
Total monetary liabilities	5,942,556	1,054,386	363,680	172,785	7,533,407
Net monetary assets/ (liabilities)	702,163	54,547	(150,469)	22,248	628,489
Currency derivatives	(54,358)	(60,727)	139,029	(22,290)	1,654
Liabilities of credit nature (Note 21)	719,730	475,112	110,276	33,088	1,338,206

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

20 Management of Financial Risks (continued)

The table below shows analysis of the Group's currency risk with respect to monetary assets and liabilities and net positions in currency derivatives and precious metals as of December 31, 2010:

<i>(Unaudited figures) (in million Russian rubles)</i>	Rubles	US Dollars	Euro	Other currencies	Total
Assets					
Cash and cash equivalents	519,447	111,079	41,781	47,294	719,601
Required reserves in accounts with central banks	50,532	792	93	261	51,678
Trading debentures	52,516	9,354	1,510	17	63,397
Debentures changes in the fair value of which are entered in the profit and loss accounts	78,738		4,233		82,971
Funds in other banks	2,086	8,452	2,484	13	13,035
Loans and advance payments to clients	4,322,771	954,172	123,606	88,838	5,489,387
Trading debentures pledged under repurchase agreements	15	72,646	–	556	73,217
Investment debentures available for sale	1,020,150	55,075	38,179	17,165	1,130,569
Investment debentures held till redemption	352,996	4,478	298	419	358,191
Other financial assets (with fair value of derivatives unadjusted)	98,217	6,657	1,195	110	106,179
Total monetary assets	6,497,468	1,222,705	213,379	154,673	8,088,225
Liabilities					
Funds from other banks	63,932	64,811	2,053	3,872	134,668
Deposits from individuals	4,214,842	262,845	267,768	89,004	4,834,459
Funds from corporate clients	1,265,948	407,369	88,167	55,188	1,816,672
Issued debentures	110,350	141,627	2,236	18,486	272,699
Other borrowings	-	163,883	7,332	40	171,255
Other financial liabilities (with fair value of derivatives unadjusted)	44,018	1,752	720	1,131	47,621
Subordinated loans	303,299	214	-	-	303,513
Total monetary liabilities	6,002,389	1,042,501	368,276	167,721	7,580,887
Net monetary assets/ (liabilities)	495,079	180,204	(154,897)	(13,048)	507,338
Currency derivatives	63,914	(215,079)	128,121	13,573	(9,471)
Liabilities of credit nature (Note 21)	621,754	561,599	107,667	35,122	1,326,142

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

20 Management of Financial Risks (continued)

Liquidity risk. The liquidity risk means the risk of a gap between claim periods under asset operations and maturity periods of liabilities. The Group is exposed to this risk as it has a daily need to use available cash for settlements under overnight interbank deposits, clients' accounts, repay deposits, grant loans, make payments under guarantees, margin call operations and other operations in derivatives settlements in which are made in cash.

The table below represents assets and liabilities in the breakdown of expected remaining maturity periods. Principles used for the Group's liquidity analysis and liquidity risk management are based on legislative initiatives of the Central Bank of the Russian Federation and methods developed by the Bank. These principles include:

- Cash and cash equivalents are highly liquid assets classified in the On-Demand and Under 30 Day category.
- Trading securities, securities changes in the fair value of which are entered in the profit and loss accounts, securities pledged under repurchase agreements and the most liquid share of securities available for sale are regarded as liquid assets as such securities are readily convertible into cash within a short timeframe. Such financial instruments are given in the liquidity gap analysis table in the On-Demand and Under 30 Day category.
- Investment securities available for sale and less liquid are included in the liquidity analysis table based on expected contract maturity periods (for debentures) or the Indefinite Term category.
- Investment securities held until redemption are included in the liquidity analysis table on the basis of expected contract maturity periods.
- Loans and advance payments to clients, funds in other banks, other assets, issued debentures, funds from other banks, other borrowings and other liabilities and included in the liquidity analysis table on the basis of expected contract maturity periods.
- Diversification of clients' funds by the number and type of depositors and the experience of the Group's management suggest that such accounts and deposits are a long-term and stable source of finance. As a result, such funds are distributed in the liquidity analysis table by expected outflow periods based on statistical information accumulated by the Group over previous terms and assumptions about minimum balances in clients' current accounts.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

20 Management of Financial Risks (continued)

The Group's liquidity position as of March 31, 2011 is given below

<i>(Unaudited figures) (in million Russian rubles)</i>	On-demand and under 1 month	1 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Indefinite period	Total
Assets							
Cash and cash equivalents	668,438	-	-	-	-	-	668,438
Required reserves in accounts with central banks	13,532	9,500	7,922	32,354	4,587	-	67,895
Trading securities	53,981	-	-	-	-	-	53,981
Securities changes in the fair value of which are entered in the profit and loss accounts	87,075	-	-	-	-	-	87,075
Funds in other banks	1,339	14,675	2,378	240	460	-	19,092
Loans and advance payments to clients	246,677	739,339	980,870	1,975,137	1,719,073	-	5,661,096
Securities pledged under repurchase agreements	65,443	-	-	-	-	-	65,443
Investment securities available for sale	1,191,257	1,157	233	3,980	3,519	9,745	1,209,891
Investment securities held till maturity	-	13,274	13,831	169,514	199,315	-	395,934
Deferred tax asset	-	-	-	-	-	7,146	7,146
Fixed assets	-	-	-	-	-	280,759	280,759
Other assets	68,612	11,673	6,476	18,279	8,902	65,619	179,561
Total assets	2,396,354	789,618	1,011,710	2,199,504	1,935,856	363,269	8,696,311
Liabilities							
Funds from other banks	64,613	31,427	11,271	-	-	-	107,311
Deposits from individuals	974,106	683,909	570,318	2,329,095	330,213	-	4,887,641
Funds from corporate clients	756,921	78,855	48,843	868,007	6,919	-	1,759,545
Issued debentures	43,900	30,419	50,023	33,908	93,585	-	251,835
Other borrowings	389	27,370	63,862	61,552	9,954	-	163,127
Deferred tax liability	-	-	-	-	-	17,484	17,484
Other liabilities	54,625	48,378	7,313	6,322	310	6,606	123,554
Subordinated loans	1	-	-	-	308,243	-	308,244
Total liabilities	1,894,555	900,358	751,630	3,298,884	749,224	24,090	7,618,741
Net liquidity gap	501,799	(110,740)	260,080	(1,099,380)	1,186,632	339,179	1,077,570
Total liquidity gap as of March 31, 2011	501,799	391,059	651,139	(448,241)	738,391	1,077,570	-

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

20 Management of Financial Risks (continued)

The Group's liquidity position as of December 31, 2010 is given below:

<i>(Unaudited figures) (in million Russian rubles)</i>	On-demand and under 1 month	1 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Indefinite period	Total
Assets							
Cash and cash equivalents	719,601	-	-	-	-	-	719,601
Required reserves in accounts with central banks	10,880	8,987	6,089	22,095	3,627	-	51,678
Trading securities	66,168	-	-	-	-	-	66,168
Securities changes in the fair value of which are entered in the profit and loss accounts	106,875	-	-	-	-	-	106,875
Funds in other banks	150	9,998	2,111	345	431	-	13,035
Loans and advance payments to clients	186,302	745,278	998,398	1,960,855	1,598,554	-	5,489,387
Securities pledged under repurchase agreements	81,493	-	-	-	-	-	81,493
Investment securities available for sale	1,183,231	1,460	2,404	13,748	7,543	2,535	1,210,921
Investment securities held till maturity	-	13,069	5,541	177,661	161,920	-	358,191
Deferred tax asset	-	-	-	-	-	7,518	7,518
Fixed assets	-	-	-	-	-	283,756	283,756
Other assets	122,498	14,745	20,080	7,587	21,395	53,599	239,904
Total assets	2,477,198	793,537	1,034,623	2,182,291	1,793,470	347,408	8,628,527
Liabilities							
Funds from other banks	68,222	44,771	18,312	1,555	1,808	-	134,668
Deposits from individuals	1,040,936	859,810	582,571	2,004,184	346,958	-	4,834,459
Funds from corporate clients	861,805	34,828	18,788	897,122	4,129	-	1,816,672
Issued debentures	34,706	44,831	56,175	35,944	101,043	-	272,699
Other borrowings	83	15,019	81,152	68,042	6,959	-	171,255
Deferred tax liability	-	-	-	-	-	15,921	15,921
Other liabilities	45,165	23,870	10,513	4,179	492	7,954	92,173
Subordinated loans	-	-	-	214	303,299	-	303,513
Total liabilities	2,050,917	1,023,129	767,511	3,011,240	764,688	23,875	7,641,360
Net liquidity gap	426,281	(229,592)	267,112	(828,949)	1,028,782	323,533	987,167
Total liquidity gap as of December 31, 2010	426,281	196,689	463,801	(365,148)	663,634	987,167	-

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

21 Liabilities of Credit Nature

Liabilities of credit nature are primarily intended to allow funds to be provided to client on the as-needed basis. Guarantees and reserve letters of credit which are the Group's irrevocable commitments to make payments if the client fails to perform in respect of third parties have the same level of credit risk as loans. Documentary and commercial letters of credit which are the Group's written commitment to make payments on behalf of its clients within the stipulated amount after certain conditions are met are secured by relevant deliveries of goods or monetary deposit and, accordingly, have a lower risk level than direct lending.

Commitments to grant loans include the unused part of amounts for the granting of loans. Concerning its loan granting commitments, the Group is potentially exposed to the risk of losses worth the total amount of unused commitments. Nevertheless, the likely amount of losses is lower than the total amount of unused commitments as the larger part of loan granting commitments depends on whether clients meet certain creditworthiness requirements. The Group controls the period remaining until repayment of credit liabilities as the longer-term liabilities tend to have a higher credit risk than short-term liabilities.

The Group's liabilities of credit nature are:

<i>(in million Russian rubles)</i>	March 31, 2011	
	(Unaudited figures)	December 31, 2010
Loan granting commitments	558,331	488,029
Export letters of credit	273,125	353,366
Granted guarantees	203,581	159,158
Non-used credit lines	169,432	182,220
Import letters of credit and letters of credit for domestic settlements	133,737	143,369
Total liabilities of credit nature	1,338,206	1,326,142

As of March 31, 2011 funds from corporate clients include deposit worth 78,836 million rubles (December 31, 2010: 78,749 million rubles) that serve as collateral under irrevocable liabilities under import letters of credit. See Note 12.

The total amount of contract debt under unused credit lines, letters of credit and guarantees does not necessarily represent future cash claims as the term may expire or said commitments may be revoked without any funds provided to the client.

22 Related-party Operations

For the purposes of preparation of this abbreviated interim consolidated financial reporting parties are regarded as related when at least one of them can control the other, is under joint control or can exercise material influence when the other party makes financial and operating decisions. Consideration of relationships with all related parties includes attention to the economic substance of such relationships rather than their legal form alone.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

22 Related-party Operations (continued)

The Bank of Russia is the Group's major shareholder (see Note 1). Other related parties given in the table below include key management and their close family members and the Group's associated companies. Note 23 offers information about significant operations with state agencies and state-controlled companies.

Balances from operations with the Bank of Russia and other related parties as of March 31, 2011 and December 31, 2010 are given below:

	March 31, 2011 (Unaudited figures)		December 31, 2010		
<i>(in million Russian rubles)</i>	Note	Bank of Russia	Other related parties	Bank of Russia	Other related parties
Assets					
Cash and cash equivalents		262,425	-	212,451	-
Required reserves in accounts with the Bank of Russia		67,208	-	50,532	-
Bonds of the Bank of Russia	9	345,557	-	433,585	-
Loans and advance payments to clients before creation of devaluation reserves		-	225	-	528
Reserves for devaluation of the loan portfolio		-	(3)	-	(7)
Other assets		146	-	-	-
Liabilities					
Funds from corporate clients		-	343	-	1,163
Subordinated loan		308,045	-	303,299	-

The income and expenses items for operations with the Bank of Russia and other related parties for three months ending on March 31, 2011 and March 31, 2010 are given below:

	March 31, 2011 (Unaudited figures)		December 31, 2010	
<i>(in million Russian rubles)</i>	Bank of Russia	Other related parties	Bank of Russia	Other related parties
Interest income	5,222	9	7,201	-
Interest expenses under the subordinated loan	(4,808)	-	(9,532)	-
Interest expenses except interest expenses under the subordinated loan	-	(3)	(343)	-
Net restoration of reserves for devaluation of the loan portfolio	-	4	-	-
Income less expenses/ (expenses less income) under operations in investment fund securities available for sale	12	-	(324)	-
Other operating income	-	2	-	-
Operating expenses	(271)	(5)	(150)	-

For three months ending on March 31, 2011 total remuneration of the Group's key management including salaries and bonuses was 115 million rubles (for three months ending on March 31, 2010: 77 million rubles).

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

23 Operations with State Agencies and State-controlled Companies

In its every-day activities, the Group makes operations with stage agencies of the Russian Federation and companies controlled or significantly controlled by the state. The Group offers state agencies and state-controlled companies a full range of banking services, including deposits and loans, guarantees, sale and purchase of securities, cash management services. This list of operations carried out is not exhaustive. The Group carries out these operations on market terms and conditions. Operations with state agencies and state-controlled companies constitute an insignificant share in the Group's total operations.

Below are balances as of March 31, 2011 regarding significant operations with state agencies and state-controlled companies:

Client	Sector of the economy	Loans and advance payments to	Funds from corporate clients	Granted guarantees
Client 1	Oil and gas industry	36,572	19,408	-
Client 2	Oil and gas industry	-	36,692	-
Client 3	Energy	46,957	15,155	-
Client 4	Energy	-	22,202	-
Client 5	Energy	-	16,876	-
Client 6	Energy	-	12,062	-
Client 7	Telecommunications	79,152	-	-
Client 8	Mechanical Engineering	28,086	-	7,959
Client 9	Mechanical Engineering			
	Transport, aviation and space	-	8,448	16,291
Client 10	industry	-	-	14,633
Client 11	Food industry and agriculture	-	-	9,872
Client 12	State and municipal agencies	-	36,900	-
Client 13	State and municipal agencies	-	9,500	-
Client 14	State and municipal agencies	-	-	13,569

Below are balances as of December 31, 2010 regarding significant operations with state agencies and state-controlled companies:

Client	Sector of the economy	Loans and advance payments to clients	Funds from corporate clients	Granted guarantees
Client 1	Oil and gas industry	40,046	-	-
Client 2	Oil and gas industry	-	46,273	-
Client 3	Energy	46,999	11,937	-
Client 5	Energy	-	27,199	-
Client 7	Telecommunications	48,230	-	-
Client 8	Mechanical Engineering	54,669	10,750	8,425
Client 9	Mechanical Engineering			
	Transport, aviation and space	-	-	11,902
Client 10	industry	-	-	15,489
Client 11	Food industry and agriculture	-	-	9,872
Client 12	State and municipal agencies	-	24,200	-
Client 13	State and municipal agencies	-	10,000	-
Client 14	State and municipal agencies	-	-	14,840
Client 15	Oil and gas industry	-	23,952	-
Client 16	Services	-	10,348	-

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

23 Operations with State Agencies and State-controlled Companies (continued)

As of March 31, 2011 and December 31, 2010, the Group's investments in securities issued by corporate state-controlled issuers are shown below:

	March 31, 2011		December 31, 2010	
	Corporate bonds	Corporate shares	Corporate bonds	Corporate shares
Trading securities	2,846	1,096	5,280	1,093
Securities changes in the fair value of which are entered in the profit and loss accounts	2,045	3,263	2,123	2,748
Securities pledged under repurchase agreements	926	5,500	300	50
Investment securities available for sale	135,072	24,887	127,779	22,950
Investment securities held till maturity	42,100	-	18,070	-

Details of debentures issued by the state are given in Notes 5, 6, 8, 9 and 10.

24 Main Subsidiaries

The table below shows information about the Bank's subsidiaries as of March 31, 2011:

Name	Activity	Interest	Country of registration
Subsidiaries:			
Belpromstroy Bank OJSC (BPS Bank)	banking	97.91 %	Republic of Belarus
DB JSC Sberbank	banking	100.00 %	Kazakhstan
OJSC Sberbank of Russia	banking	100.00 %	Ukraine
Sberbank Leasing CJSC	leasing	100.00 %	Russia
Sberbank Capital LLC	financial services	100.00 %	Russia
Sberbank Investment LLC	financial services	100.00 %	Russia
Sberbank Management Company LLC	asset management	100.00 %	Russia
KhK GVSU Center OJSC	construction	97.03 %	Russia
NK Dulisma CJSC	oil company	100.00 %	Russia
Crystal Towers LLC	construction	50.01 %	Russia
OJSC Pavlovsk Ceramics	construction materials	93.44 %	Russia
Pavlovo-Posad			
Mining Association LLC	construction materials	93.44 %	Russia
CJSC GOTEK GMC	packaging materials	60.00 %	Russia
Vester Retail N.V.	retail trade	51.00 %	Netherlands

During three months ending on March 31, 2011 borrowers assigned 76 % of shares in Galaxy CJSC, 100 % of the authorized capital of Rostov Hotel LLC as a result of debt settlements. The Group plans to promote operations of its subsidiaries to sell them in the near future.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

24 Main Subsidiaries (continued)

The table below represents information about the fair value of net assets of Rostov Hotel LLC:

<i>(in million Russian rubles)</i>	Fair value
Fair value of net assets of subsidiaries	1,420
Total original cost	1,034
Pro rata share of the non-controlling interest in acquired net assets	125
Total original cost and non-controlling interest	1,159
(Income from acquisition at a price below market levels)	(261)

The Bank's subsidiaries account for 4.6 % of the Group's consolidated assets as of March 31, 2011 (as of December 31, 2010: 4.2 %).

25 Capital Adequacy Ratio

The Group's capital management pursues the goals of (i) meeting capital requirements established by the Bank of Russia and (ii) ensuring the Group can operate as a continuously operating enterprise.

Pursuant to requirements of the Bank of Russia, the Bank's equity (capital) adequacy ratio should be maintained at 10 % minimum. As of March 31, 2011 the regulatory capital adequacy ratio was 18.4 % (December 31, 2010: 17.7 %). Compliance with the capital adequacy requirement established by the Bank of Russia was monitored through monthly reports with relevant calculations sent to the Bank of Russia.

25 Capital Adequacy Ratio (continued)

The Group also continuously monitors its capital adequacy based on the Basel Agreement by maintaining it at or above 8 %. Below is the calculation of the Bank's capital adequacy as of March 31, 2011 and December 31, 2010 calculated by the Bank pursuant to requirements of the Basel Capital Agreement as defined in the International Convergence of Capital Measurement and Capital Standards (adopted in July 1988, revised in November 2005) and the Addendum to the Basel Capital Agreement which introduced consideration of market risks (updated in November 2005) and is usually referred as Basel I:

<i>(in million Russian rubles)</i>	March 31, 2011 (Unaudited figures)	December 31, 2010
Tier 1 capital		
Authorized capital	87,742	87,742
Share premium	232,553	232,553
Retained profits	673,102	585,819
Less business reputation	(8,538)	(8,251)
Total tier 1 capital (fixed level)	984,859	897,863
Tier 2 capital		
Building revaluation fund	53,167	53,648
Fund of revaluation of investment securities available for sale	16,358	13,437
Foreign currency revaluation fund	(2,926)	(1,136)
Subordinated capital	308,244	303,513
Less investments in associated companies	(4,729)	(2,479)
Total tier 2 capital	370,114	366,983
Total capital	1,354,973	1,264,846
Risk-adjusted assets		
Credit Risk	7,460,773	7,327,090
Market Risk	139,633	199,883
Total risk-adjusted assets	7,600,406	7,526,973
Fixed capital adequacy ratio (tier 1 capital to risk-adjusted assets)	13.0 %	11.9 %
Total capital adequacy ratio (total capital to risk-adjusted assets)	17.8 %	16.8 %

Notes are an integral part of this abbreviated interim consolidated financial reporting.

Notes to the abbreviated interim consolidated financial reporting – March 31, 2011

26 Events after the Reporting Date

Starting in March 2011, the Republic of Belarus is witnessing an increasingly worse macroeconomic situation which continued into Q2 2011 and was accompanied by a significant devaluation of the national currency, high inflation rates, a large balance of trade deficit. An increase in operations involving the withdrawal of cash from banking accounts promotes liquidity deficit in the banking sector. The Group's management consistently monitors how the situation develops. A further deterioration in the economic development of the Republic of Belarus can result in depreciation of a number of the Group's assets. It does not appear feasible to give a reliable assessment of how this affects financial results of the Group as of the date of issue of this abbreviated interim consolidated financial reporting.

In May 2011 the Group signed a legally binding contract to acquire a 100 % interest in Troika Dialog Management Company, a Russian investment bank and asset Management Company. Subject to contractual conditions, the Group will buy its shares for 1,000 million US dollars by the end of 2011. An additional amount due and payable in 2013 will depend on net profits of Troika Dialog for 2011 to 2013. As of September 30, 2010, assets of Troika Dialog evaluated under US GAAP accounting standards were worth 5,757 million US dollars with the company's equity being 926 million US dollars. Despite certain accounting differences between IFRS and US GAAP, the Group's management believes the figures above offer a clear understanding of the size of Troika Dialog's business.

In May 2011 the Group sold shares in a non-core asset. The transaction price was 238 million US dollars with payment due within 60 days. The Group expects the operation to generate a loss of 139 million rubles.