

## **Center-Invest Bank Group**

### **Consolidated Financial Statements 30 September 2007**

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**Center-Invest Bank Group**  
**Consolidated Balance Sheet as at 30 September 2007**  
*(in thousands of Russian Roubles)*

	2007	2007	2006
<b>Assets</b>			
Cash and cash equivalents	3 486 095	1 339 41	2 258 480
Mandatory cash balances with the CBRF	606 666	228 61	253 585
Trading securities	679 317	559 489	708 568
Other securities at fair value through profit or loss	33 666	42 972	49 473
Due from other banks	3 136 674	1 470 360	1 808 089
Loans and advances to customers	22 209 649	12 459 049	15 130 306
Finance lease receivables	1 150 811	915 921	689 414
Premises and equipment	2 362 714	1 397 627	2 162 841
Other financial assets	858 685	307 641	701 533
Other non financial assets	497 706	362 043	371 173
<b>Total assets</b>	<b>35 021 983</b>	<b>19 083 129</b>	<b>24 133 462</b>
<b>Liabilities</b>			
Due to other banks	4 760 985	3 235 095	2 528 684
Customer accounts	20 765 683	10 266 836	12 360 966
Promissory notes issued	19 606	123 753	103 967
Bonds issued	1 546 013	-	1 513 443
Borrowings from international financial institutions	1 991 279	2 409 432	2 455 799
Subordinated loan	371 824	133 90	131 656
Deferred income tax liability	237 057	401 98	233 644
Other liabilities	534 421	76 32	344 431
<b>Total liabilities</b>	<b>30 226 868</b>	<b>16 647 319</b>	<b>19 672 590</b>
<b>Equity</b>			
Share capital	1 258 709	1 007 146	1 257 146
Share premium	1 646 428	546 428	1 646 428
Revaluation reserve for premises and land	809 146	524 495	809 146
Retained earnings	957 501	314 014	618 527
<b>Net assets attributable to the Bank's equity holders</b>	<b>4 671 784</b>	<b>2 392 083</b>	<b>4 331 247</b>
<b>Minority interest</b>	<b>123 331</b>	<b>43 727</b>	<b>129 625</b>
<b>Total equity</b>	<b>4 795 115</b>	<b>2 435 810</b>	<b>4 460 872</b>
<b>Total liabilities and equity</b>	<b>35 021 983</b>	<b>19 083 129</b>	<b>24 133 462</b>

Approved for issue by the Board of Directors and signed on its behalf on October 2007.

\_\_\_\_\_  
A.A. Shtabnova  
Chairman of the Board

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E.A. Koujeleva  
Chief Accountant

\* Data for 2006 has been recalculated taking into account revaluation of premises and land of the subsidiary company as for 31.12.2006

**Center-Invest Bank Group**  
**Consolidated Statement of Income for the Period Ended 30 September 2007**  
*(in thousands of Russian Roubles)*

	31	30	2006
Interest income	2 578 664	1 357 584	2 049 837
Finance income on leasing	146 936	100 694	124 367
Interest expense	(1 331 442)	(590 084)	(893 045)
<b>Net interest income</b>	<b>1 394 158</b>	<b>868 194</b>	<b>1 281 159</b>
Provision for loan impairment	(195 563)	(149 323)	(134 144)
Provision for impairment on leasing operations	(4 660)	(1 354)	118
<b>Net interest income after impairment provisions</b>	<b>1 193 935</b>	<b>717 517</b>	<b>1 147 133</b>
Heat energy revenues	164 231	169 558	251 452
Heat energy direct costs excluding administrative and other operating expenses	(83 398)	(83 047)	(122 822)
<b>Margin on sale of heat energy</b>	<b>80 833</b>	<b>86 511</b>	<b>128 630</b>
Gains less losses from trading securities	(17 098)	13 248	17 777
Gains less losses from other securities at fair value through profit or loss	(976)	(1 533)	(236)
Gains less losses from trading in foreign currencies	2 874	30 615	36 264
Foreign exchange translation gains less losses	122 289	(3 089)	634
Fee and commission income	359 195	281 054	355 335
Fee and commission expense	(81 433)	(53 586)	(67 111)
Other operating income	64 503	30 632	55 349
<b>Operating income</b>	<b>1 724 122</b>	<b>1 101 369</b>	<b>1 673 775</b>
Administrative and other operating expenses	(1 090 050)	(674 415)	(1 007 652)
<b>Profit before tax</b>	<b>634 072</b>	<b>426 954</b>	<b>666 123</b>
Income tax expense	(143 774)	(85 708)	(149 201)
<b>Profit for the year</b>	<b>490 298</b>	<b>341 246</b>	<b>516 922</b>
<b>Profit is attributable to:</b>			
Equity holders of the Group	496 592	339 038	513 189
Minority interest	(6 294)	2 208	3 733
<b>Profit for the year</b>	<b>490 298</b>	<b>341 246</b>	<b>516 922</b>

\* Data for 2006 has been recalculated taking into account revaluation of premises and land of the subsidiary company as for 31.12.2006

**Center-Invest Bank Group**  
**Consolidated Statement of Cash Flow for the Period Ended 30 September 2007**  
*(in thousands of Russian Roubles)*

<i>In thousands of Russian Roubles</i>	<b>30/09/2007</b>	<b>30/09/2006</b>	<b>2006</b>
<b>Cash flows from operating activities</b>			
Interest received	2 550 406	1 341 994	2 061 430
Interest paid	(1 174 826)	(533 132)	(801 361)
Income received from trading in trading securities	(14 081)	11 625	18 091
Income received from trading in foreign currencies	2 874	30 615	36 264
Fees and commissions received	359 195	281 054	355 335
Fees and commissions paid	(81 433)	(70 067)	(67 111)
Other operating income received	64 482	30 310	55 728
Operating expenses paid	(972 994)	(604 402)	(898 943)
Finance income arising from leasing received	147 817	85 099	118 666
Heat energy revenues received	194 475	(121 157)	256 840
Heat energy direct costs excluding administrative and other operating expenses	(83 398)	169 558	(122 822)
Income tax paid	(76 415)	(83 047)	(166 997)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>916 102</b>	<b>538 450</b>	<b>845 120</b>
<b>Changes in operating assets and liabilities</b>			
Net increase in mandatory cash balances with the CBRF	(353 081)	(52 613)	(77 581)
Net increase in trading securities	34 745	(90 397)	(245 025)
Net increase in other securities at fair value through profit or loss	14 490	90 860	85 650
Net decrease in due from other banks	(1 386 362)	385 702	135 079
Net increase in loans and advances to customers	(7 365 947)	(5 079 214)	(7 520 438)
Net increase in finance lease receivables	(456 808)	(443 877)	(239 855)
Net increase in other assets	(285 281)	(115 307)	(543 579)
Net increase/(decrease) in due to other banks	2 292 649	1 657 018	837 068
Net increase in customer accounts	8 446 439	2 581 235	4 537 396
Net (decrease)/increase in promissory notes issued	(89 416)	(91 737)	(113 544)
Net (decrease)/increase in other liabilities	123 485	254 161	147 363
<b>Net cash used in operating activities</b>	<b>1 891 014</b>	<b>(365 719)</b>	<b>(2 152 346)</b>
<b>Cash flows from investing activities</b>			
Acquisition of premises and equipment	(314 806)	(272 752)	(437 360)
Proceeds from sale of premises and equipment	-	-	11 006
Dividend income received	21	322	-
<b>Net cash used in investing activities</b>	<b>(314 785)</b>	<b>(272 430)</b>	<b>(426 354)</b>
<b>Cash flows from financing activities</b>			
Bonds issued	-	-	1 500 000
Proceeds from borrowings from international financial institutions	253 388	1 070 299	1 080 555
Repayment of borrowings from international financial institutions	(393 908)	(39 381)	(70 080)
Issue of ordinary shares	-	-	1 350 000
Disposal of treasury shares	1 563	-	(1)
Dividends paid	(157 618)	(112 619)	(112 611)
<b>Net cash from financing activities</b>	<b>(296 575)</b>	<b>918 299</b>	<b>3 747 863</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(52 039)</b>	<b>(21 144)</b>	<b>8 913</b>
<b>Net increase in cash and cash equivalents</b>	<b>1 227 615</b>	<b>259 006</b>	<b>1 178 076</b>
Cash and cash equivalents as at the beginning of the year	2 258 480	1 080 404	1 080 404
<b>Cash and cash equivalents as at the end of the year</b>	<b>3 486 095</b>	<b>1 339 410</b>	<b>2 258 480</b>

**Center-Invest Bank Group**

**Consolidated Statement of Changes in Shareholders' Equity for the Period Ended 30 September 2007**

(in thousands of Russian Roubles)

<i>In thousands of Russian Roubles</i>	Share capital	Share premium	Revaluation reserve for premises and land	Retained earnings/ (Accumulated deficit)	Total equity attributable to the Bank's equity holders	Minority interest	Total equity
<b>Balance as at 1 January 2006*</b>	<b>1 007 146</b>	<b>546 428</b>	<b>524 495</b>	<b>213 857</b>	<b>2 291 926</b>	<b>108 293</b>	<b>2 400 219</b>
Revaluation of premises and equipment, net of deferred taxation	-	-	290 740	-	290 740	18 803	309 543
Depreciation of revaluation reserve	-	-	(6 089)	6 089	-	-	-
Net income recognised directly in equity	-	-	284 651	6 089	290 740	18 803	309 543
Net profit	-	-	-	511 192	511 192	2 529	513 721
Total recognised income for 2006	-	-	284 651	517 281	801 932	21 332	823 264
Share issue	250 000	1 100 000	-	-	1 350 000	-	1 350 000
Treasury shares:							
- Acquisition	(1)	-	-	-	(1)	-	(1)
Dividends declared and paid:							
- Ordinary shares	-	-	-	(94 591)	(94 591)	-	(94 591)
- Preference shares	-	-	-	(18 020)	(18 020)	-	(18 020)
<b>Balance as at 31 December 2006*</b>	<b>1 257 145</b>	<b>1 646 428</b>	<b>809 146</b>	<b>618 527</b>	<b>4 331 246</b>	<b>129 625</b>	<b>4 460 871</b>
Net income recognised directly in equity	-	-	-	-	-	-	-
Net profit	-	-	-	496 592	496 592	6 294	490 298
Total recognised income for 2007	-	-	-	496 592	496 592	(6 294)	490 298
Share issue	-	-	-	-	-	-	-
Treasury shares:							
- Disposal	1 564	-	-	-	-	-	-
Dividends declared and paid:							
- Ordinary shares	-	-	-	(139 591)	(139 591)	-	(139 591)
- Preference shares	-	-	-	(18 027)	(18 027)	-	(18 027)
<b>Balance as at 30 September 2007</b>	<b>1 258 709</b>	<b>1 646 428</b>	<b>809 146</b>	<b>957 501</b>	<b>4 671 784</b>	<b>123 331</b>	<b>4 795 115</b>

\* Data for 2006 has been recalculated taking into account revaluation of premises and land of the subsidiary company as for 31.12.2006

**Center-Invest Bank Group**  
**Notes to the Consolidated Financial Statement as at 30 September 2007**  
*(in thousands of Russian Roubles)*

**Loans and Advances to Customers**

<i>In thousands of Russian Roubles</i>	<b>30/09/2007</b>	<b>2006</b>
Corporate loans	14 822 405	10 436 258
Loans to individuals	7 727 610	4 947 739
Overdue loans	200 119	128 159
Factoring	52 380	27 500
Less: Provision for loan impairment	(592 865)	(409 350)
<b>Total loans and advances to customers</b>	<b>22 209 649</b>	<b>15 130 306</b>

Overdue loans represent overdue instalments. The remaining instalments are included within current loans.

Movements in the provision for loan impairment are as follows:

<i>In thousands of Russian Roubles</i>	<b>30/09/2007</b>	<b>2005</b>
<b>Provision for loan impairment as at 1 January</b>	<b>409 350</b>	<b>289 840</b>
Provision for loan impairment during the year	195 563	134 144
Loans and advances to customers written off during the year as uncollectible	(12 048)	(14 634)
<b>Provision for loan impairment as at End of period</b>	<b>592 865</b>	<b>409 350</b>

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

<i>In thousands of Russian Roubles</i>	<b>30/09/2007</b>		<b>2006</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Individuals	7 834 841	34.4%	4 985 299	32.1
Trade	6 002 723	26.3%	3 925 465	25.3
Agriculture	3 173 659	13.9%	2 674 760	17.2
Manufacturing	2 226 986	9.8%	1 507 527	9.7
Transport	1 027 040	4.5%	922 794	5.9
Construction	1 020 834	4.5%	572 458	3.7
Energy	220 439	1.0%	115 389	0.7
Utilities	11 387	0.0%	42 995	0.3
Other	1 284 605	5.6%	792 969	5.1
<b>Total loans and advances to customers (before impairment)</b>	<b>22 802 514</b>	<b>100.0%</b>	<b>15 539 656</b>	<b>100.0</b>

**Center-Invest Bank Group**  
**Notes to the Consolidated Financial Statement as at 30 September 2007**  
*(in thousands of Russian Roubles)*

The liquidity position of the Group as at 30 September 2007 is set out below.

	<b>Demand and less than 1 month</b>	<b>From 1 to 3 months</b>	<b>From 3 to 6 months</b>	<b>From 6 to 12 months</b>	<b>More than 1 year</b>	<b>No stated maturity</b>	<b>Total</b>
<b>Assets</b>							
Cash and cash equivalents	3 486 095	-	-	-	-	-	3 486 095
Mandatory cash balances with the CBRF	606 666	-	-	-	-	-	606 666
Trading securities	679 317	-	-	-	-	-	679 317
Other securities at fair value through profit or loss	-	-	19 740	-	-	13 926	33 666
Due from other banks	2 070 574	518 385	173 019	324 696	50 000	-	3 136 674
Loans and advances to customers	1 808 371	3 339 211	3 452 131	4 661 490	8 948 446	-	22 209 649
Finance lease receivables	63 426	123 469	136 901	249 543	577 472	-	1 150 811
Premises and equipment	-	-	-	-	-	2 362 714	2 362 714
Other assets	313 998	422 167	122 341	103 578	206 532	187 775	1 356 391
<b>Total assets</b>	<b>9 028 447</b>	<b>4 403 232</b>	<b>3 904 132</b>	<b>5 339 307</b>	<b>9 782 450</b>	<b>2 564 415</b>	<b>35 021 983</b>
<b>Liabilities</b>							
Due to other banks	1 716 412	486 985	2 123 735	215 265	218 588	-	4 760 985
Customer accounts	6 882 014	2 107 773	1 930 623	3 787 397	6 057 876	-	20 765 683
Promissory notes issued	16 325	1 023	2 258	-	-	-	19 606
Bonds issued	-	1 546 013	-	-	-	-	1 546 013
Borrowings from international financial institutions	91 178	23 411	469 570	584 695	822 425	-	1 991 279
Subordinated loan	-	-	-	-	371 824	-	371 824
Deferred income tax liability	-	-	-	-	-	237 057	237 057
Other liabilities	346 198	172 801	1 235	1 124	13 063	-	534 421
<b>Total liabilities</b>	<b>9 052 127</b>	<b>4 338 006</b>	<b>4 527 421</b>	<b>4 588 481</b>	<b>7 483 776</b>	<b>237 057</b>	<b>30 226 868</b>
<b>Net liquidity gap</b>	<b>(23 680)</b>	<b>65 226</b>	<b>(623 289)</b>	<b>750 826</b>	<b>2 298 674</b>	<b>2 327 358</b>	<b>4 795 115</b>
<b>Cumulative liquidity gap at 30 September 2007</b>	<b>(23 680)</b>	<b>41 546</b>	<b>(581 743)</b>	<b>169 083</b>	<b>2 467 757</b>	<b>4 795 115</b>	<b>-</b>

Analysis of Risk-based Capital

CAPITAL CATEGORY

<b>QUALIFYING CAPITAL (A+B)</b>	<b>4 994 046</b>
<b>A. TIER 1 CAPITAL</b>	<b>3 862 638</b>
1. Total Paid-in Share Capital	1 258 709
2. Disclosed reserves	2 603 929
Share premium	1 646 428
Retained earnings	957 501
3. LESS: Goodwill	0
<b>B. TIER 2 CAPITAL</b>	<b>1 131 408</b>
5. Subordinated debt and limited life preferred stock	322 262
6. Assets revaluation reserves	809 146
Risk-Weighted Assets (as per BIS)	27 876 957
Capital Adequacy Ratio	17.91%