

**Center-invest Bank Group**

**Summarised International Financial  
Reporting Standards**

**Consolidated Financial Statements**

**Derived from the Audited International Financial  
Reporting Standards Consolidated Financial  
Statements**

**31 December 2007**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of "Center-invest" Bank:

The accompanying summarised consolidated financial statements have been derived from the consolidated financial statements of "Center-invest" Bank and its subsidiaries (hereinafter – "the Group") for the year ended 31 December 2007, prepared in accordance with International Financial Reporting Standards.

### *Management's Responsibility for the Summarised Consolidated Financial Statements*

These summarised consolidated financial statements are the responsibility of the Group's management.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on whether these summarised consolidated financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived.

We have audited the consolidated financial statements of the Group for the year ended 31 December 2007, from which these summarised consolidated financial statements were derived, in accordance with International Standards on Auditing. In our report dated 31 March 2008 we expressed an unqualified opinion on the consolidated financial statements, from which the summarised consolidated financial statements were derived.

### *Opinion*

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the consolidated financial statements, from which they were derived.

For a better understanding of the Group's financial position and the results of its operations for the year, and of the scope of our audit, the summarised consolidated financial statements should be read in conjunction with the consolidated financial statements, from which the summarised consolidated financial statements were derived, and our audit report thereon.

*ZAO PricewaterhouseCoopers Audit*

31 March 2008  
Moscow, Russian Federation



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**Consolidated Income Statement**

<i>In thousands of Russian Roubles</i>	<b>2007</b>	<b>2006</b>
Interest income	3 676 333	2 049 898
Finance income arising from leasing	240 594	124 367
Interest expense	(1 854 936)	(893 045)
<b>Net interest income</b>	<b>2 061 991</b>	<b>1 281 220</b>
Provision for loan impairment and impairment of finance lease receivables	(268 872)	(134 026)
<b>Net interest income after impairment provisions</b>	<b>1 793 119</b>	<b>1 147 194</b>
Heat energy revenues	-	251 452
Heat energy direct costs excluding administrative and other operating expenses	-	(122 822)
<b>Margin on sale of heat energy</b>	<b>-</b>	<b>128 630</b>
Gains less losses from trading securities	(13 691)	17 777
Gains less losses from other securities at fair value through profit or loss	104	(236)
Gains less losses from trading in foreign currencies	27 680	41 073
Foreign exchange translation gains less losses	215 591	634
Gains less losses from conversion operations on the interbank market	(215 596)	(4 809)
Fee and commission income	548 004	361 126
Fee and commission expense	(91 889)	(67 111)
Gain on disposal of property	29 299	-
Other operating income	94 449	49 558
<b>Operating income</b>	<b>2 387 070</b>	<b>1 673 836</b>
Administrative and other operating expenses	(1 435 616)	(1 007 651)
<b>Profit before tax</b>	<b>951 454</b>	<b>666 185</b>
Income tax expense	(244 892)	(149 201)
<b>Profit for the year from current operations</b>	<b>706 562</b>	<b>516 984</b>
<b>Discontinued operations</b>		
Net result of disposed subsidiary (after tax)	17 108	-
Gain on the disposal of subsidiary	(16 439)	-
<b>Net profit from discontinued operations</b>	<b>669</b>	<b>-</b>
<b>Profit for the year</b>	<b>707 231</b>	<b>516 984</b>
<b>Profit attributable to:</b>		
Equity holders of the Group	700 916	513 251
Minority interest	6 315	3 733
<b>Profit for the year</b>	<b>707 231</b>	<b>516 984</b>

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**Consolidated Statement of Changes in Equity**

	Attributable to equity holders of the Bank				Total	Minority Interest	Total equity
	Share capital	Share premium	Revaluation reserve for premises and equipment	Retained earnings			
<b>Balance at 1 January 2006</b>	<b>1 007 146</b>	<b>546 428</b>	<b>524 495</b>	<b>100 542</b>	<b>2 178 611</b>	<b>42 408</b>	<b>2 221 019</b>
<i>Premises and equipment:</i>							
- Revaluation	-	-	340 262	-	340 262	-	340 262
- Deferred tax	-	-	(81 663)	-	(81 663)	-	(81 663)
- Realised revaluation reserve	-	-	(6 089)	6 089	-	-	-
<b>Net income recognised directly in equity</b>	-	-	<b>252 510</b>	<b>6 089</b>	<b>258 599</b>	-	<b>258 599</b>
Profit for the year	-	-	-	513 251	513 251	3 733	516 984
<b>Total recognised income for 2006</b>	-	-	<b>252 510</b>	<b>519 340</b>	<b>771 850</b>	<b>3 733</b>	<b>775 583</b>
Share issue	250 000	1 100 000	-	-	1 350 000	-	1 350 000
<i>Treasury shares:</i>							
- Acquisitions	(1)	-	-	-	(1)	-	(1)
<i>Dividends declared and paid:</i>							
- ordinary shares	-	-	-	(94 591)	(94 591)	-	(94 591)
- preference shares	-	-	-	(18 020)	(18 020)	-	(18 020)
<b>Total movement of capital for 2006</b>	<b>249 999</b>	<b>1 100 000</b>	-	<b>(112 611)</b>	<b>1 237 388</b>	-	<b>1 237 388</b>
<b>Balance at 31 December 2006</b>	<b>1 257 145</b>	<b>1 646 428</b>	<b>777 005</b>	<b>507 271</b>	<b>4 187 849</b>	<b>46 141</b>	<b>4 233 990</b>
<i>Premises and equipment:</i>							
- Revaluation	-	-	650 012	-	650 012	174 626	824 638
- Deferred tax	-	-	(156 003)	-	(156 003)	(41 910)	(197 913)
- Realised revaluation reserve	-	-	(10 403)	10 403	-	-	-
<b>Net income recognised directly in equity</b>	-	-	<b>483 606</b>	<b>10 403</b>	<b>494 009</b>	<b>132 716</b>	<b>626 725</b>
Profit for the year	-	-	-	700 916	700 916	6 315	707 231
<b>Total recognised income for 2007</b>	-	-	<b>483 606</b>	<b>711 319</b>	<b>1 194 925</b>	<b>139 031</b>	<b>1 333 956</b>

For a better understanding of the Group's financial position and the results of its operations for the year, and of the scope of our audit, these summarised consolidated financial statements should be read in conjunction with the consolidated financial statements, from which these summarised consolidated financial statements have been derived, and audit report thereon. Copies of audited consolidated financial statements can be obtained from "Center-invest" Bank.

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**Consolidated Statement of Changes in Equity**

	Attributable to equity holders of the Bank				Total	Minority Interest	Total equity
	Share capital	Share premium	Revaluation reserve for premises and equipment	Retained earnings			
Share issue	-	-	-	-	-	-	-
<i>Treasury shares:</i>							
- Acquisitions	-	-	-	-	-	-	-
- Disposals	1 564	-	-	-	1 564	-	1 564
<i>Dividends declared and paid:</i>							
- ordinary shares	-	-	-	(139 591)	(139 591)	-	(139 591)
- preference shares	-	-	-	(18 027)	(18 027)	-	(18 027)
<b>Total movement of capital for 2007</b>	<b>1 564</b>	<b>-</b>	<b>-</b>	<b>(157 618)</b>	<b>(156 054)</b>	<b>-</b>	<b>(156 054)</b>
Disposal of subsidiary	-	-	(56 740)	56 740	-	(185 172)	(185 172)
<b>Balance at 31 December 2007</b>	<b>1 258 709</b>	<b>1 646 428</b>	<b>1 203 871</b>	<b>1 117 712</b>	<b>5 226 720</b>	<b>-</b>	<b>5 226 720</b>

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**Consolidated Statement of Cash Flows**

<i>In thousands of Russian Roubles</i>	<b>2007</b>	<b>2006</b>
<b>Cash flows from operating activities</b>		
Interest received	3 733 600	2 061 430
Interest paid	(1 709 165)	(801 361)
(Expense)/ income received from trading in securities	(9 915)	18 091
Income received from other securities at fair value through profit or loss	311	-
Income received from trading in foreign currencies	27 680	36 264
Gains less losses from conversion operations on the interbank market	(176 581)	-
Fees and commissions received	552 177	361 126
Fees and commissions paid	(91 889)	(67 111)
Gain on disposal of property	29 299	-
Other operating income received	97 477	49 558
Staff costs	(732 360)	(500 048)
Operating expenses paid	(555 771)	(398 895)
Finance income arising from leasing	219 690	118 666
Heat energy revenues	-	256 840
Heat energy direct costs, excluding administrative and other operating expenses	-	(122 822)
Income tax paid	(220 747)	(166 997)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>1 163 806</b>	<b>844 741</b>
<b>Changes in operating assets and liabilities</b>		
Net increase in mandatory cash balances with the CBRF	(168 474)	(77 581)
Net increase in trading securities	(256 148)	(245 025)
Net decrease in securities at fair value through profit or loss	22 082	85 650
Net decrease in due from other banks	376 310	135 079
Net increase in loans and advances to customers	(12 647 008)	(7 520 438)
Net increase in finance lease receivables	(614 289)	(239 855)
Net increase in other assets	(275 941)	(435 552)
Net increase in due to other banks	2 087 189	837 068
Net increase in customer accounts	6 838 381	4 537 396
Net decrease in promissory notes issued	(90 608)	(113 544)
Net increase in other liabilities	168 021	147 363
Net increase in cash from the operating activities of the disposed subsidiary	30 873	-
<b>Net cash used in operating activities</b>	<b>(3 365 806)</b>	<b>(2 044 698)</b>
<b>Cash flows used in investing activities</b>		
Acquisition of premises and equipment	(433 658)	(437 360)
Proceeds from disposal of premises and equipment	-	11 006
Acquisition of intangible assets	(96 435)	(108 027)
Net cash used in investing activities of the disposed subsidiary	(33 786)	-
<b>Net cash used in investing activities</b>	<b>(563 879)</b>	<b>(534 381)</b>

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<i>In thousands of Russian Roubles</i>	<b>2007</b>	<b>2006</b>
<b>Cash flows from financing activities</b>		
Bonds issued	-	1 500 000
Proceeds from other borrowed funds	4 454 058	-
Proceeds from borrowings received from international financial institutions	1 576 596	1 080 555
Repayment of borrowings from international financial institutions	(119 827)	(70 080)
Issue of ordinary shares	-	1 350 000
Sale/(acquisition) of treasury shares	1 564	(1)
Dividends paid	(157 618)	(112 611)
Net increase in cash from financing activities of the disposed subsidiary	104 435	-
<b>Net cash from financing activities</b>	<b>5 859 208</b>	<b>3 747 863</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(110 455)</b>	<b>8 913</b>
<b>Net cash outflow from disposed subsidiary</b>	<b>(103 160)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>1 715 908</b>	<b>1 177 697</b>
Cash and cash equivalents at the beginning of the year	2 258 101	1 080 404
<b>Cash and cash equivalents at the end of the year</b>	<b>3 974 009</b>	<b>2 258 101</b>

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