

**Joint Stock Investment
Commercial Bank
“NOVAYA MOSKVA”
(NOMOS-BANK)**

Independent Auditors' Report

Financial statements
Year Ended 31 December 2001

JSICB “NOVAYA MOSKVA” (NOMOS-BANK)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of Joint Stock Investment Commercial Bank "NOVAYA MOSKVA" (NOMOS-BANK):

We have audited the accompanying balance sheet of JSICB "NOVAYA MOSKVA" (NOMOS-BANK) (the "Bank") as at 31 December 2001 and the related profit and loss account, statement of cash flows and statement of shareholders' equity for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2001, and the results of its operations and its cash flows for the year then ended, in accordance with International Accounting Standards.

1 March 2002

JSICB "NOVAYA MOSKVA" (NOMOS-BANK)**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001
(in Russian Roubles and in thousands)**

	Notes	2001	2000
Interest income	3,23	1,849,491	1,442,360
Interest expense	3,23	<u>(699,362)</u>	<u>(512,942)</u>
NET INTEREST INCOME BEFORE PROVISION FOR POSSIBLE LOAN LOSSES		1,150,129	929,418
Provision for possible loan losses	5	<u>(519,816)</u>	<u>(276,351)</u>
NET INTEREST INCOME		<u>630,313</u>	<u>653,067</u>
Net gain on trading securities		506,060	246,129
Net gain on foreign exchange operations		59,440	13,941
Fee and commission income	23	66,007	56,934
Fee and commission expense		(33,484)	(29,272)
Net gain on investments	6	12,628	-
Net gain on operations with precious metals		292,752	169,218
Other income		<u>15,850</u>	<u>26,432</u>
NET NON-INTEREST INCOME		<u>919,253</u>	<u>483,382</u>
OPERATING INCOME		1,549,566	1,136,449
OPERATING EXPENSES	4	<u>(315,096)</u>	<u>(393,311)</u>
PROFIT BEFORE OTHER PROVISIONS, INCOME TAX AND LOSS ON NET MONETARY POSITION		1,234,470	743,138
Recovery of provision for possible investment losses	12	738	2,814
Provision for possible losses on other transactions	15,19	<u>(129,081)</u>	<u>(134,421)</u>
PROFIT BEFORE INCOME TAX AND LOSS ON NET MONETARY POSITION		1,106,127	611,531
Income tax expense	7	<u>(93,701)</u>	<u>(73,287)</u>
NET PROFIT FOR THE PERIOD BEFORE LOSS ON NET MONETARY POSITION		<u>1,012,426</u>	<u>538,244</u>
Loss on net monetary position due to inflation effect	2	<u>(598,859)</u>	<u>(236,241)</u>
NET PROFIT FOR THE PERIOD		<u><u>413,567</u></u>	<u><u>302,003</u></u>

On behalf of the Board of Directors_____
President_____
Chief Accountant

The notes on pages 6 to 26 form an integral part of these financial statements. The Independent Auditors' Report is on page 1.

JSICB "NOVAYA MOSKVA" (NOMOS-BANK)

BALANCE SHEET AT 31 DECEMBER 2001 (in Russian Roubles and in thousands)

	Notes	2001	2000
ASSETS:			
Cash and balances with the Central Bank of the Russian Federation	8	551,964	1,083,376
Loans and advances to banks, less allowance for possible loan losses	9	3,267,289	1,553,058
Trading securities	10	4,871,567	2,558,865
Loans and advances to customers, less allowance for possible loan losses	11	6,059,282	5,840,506
Investments, less allowance for possible losses	12	37,607	190,221
Fixed and intangible assets, less accumulated depreciation	13	117,405	69,563
Precious metals	14	227,858	51,386
Other assets	15	174,783	360,617
TOTAL ASSETS		<u>15,307,755</u>	<u>11,707,592</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:			
LIABILITIES:			
Deposits from banks	16	3,036,566	2,065,040
Customer accounts	17,23	2,761,753	2,542,623
Debt securities issued	18	3,666,600	3,895,761
Other liabilities	19,23	492,314	282,630
Subordinated debt	23	260,000	308,880
Total liabilities		<u>10,217,233</u>	<u>9,094,934</u>
SHAREHOLDERS' EQUITY:			
Share capital	20	2,748,159	2,007,379
Reserves		2,342,363	605,279
Total shareholders' equity		<u>5,090,522</u>	<u>2,612,658</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>15,307,755</u>	<u>11,707,592</u>

On behalf of the Board of Directors

President

Chief Accountant

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JSICB "NOVAYA MOSKVA" (NOMOS-BANK)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2001 (in Russian Roubles and in thousands)

	Notes	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income taxes and loss on net monetary position		1,106,127	611,531
Adjustments for:			
Provision for possible loan losses		519,816	276,351
Recovery of provision for possible investment losses		(738)	(2,814)
Provision for possible losses on other transactions		129,081	134,421
Adjustment of the fair value of securities		40,656	-
Amortization and depreciation		7,714	10,949
Loss on disposal of fixed assets		22,739	5,657
Net change in accruals		178,987	(177,541)
Operating profit before changes in operating assets and liabilities		<u>2,004,382</u>	<u>858,554</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in operating assets:			
Minimum reserve deposit with the Central Bank of the Russian Federation		264,367	(169,683)
Loans and advances to banks		(936,572)	(95,983)
Loans and advances to customers		(554,452)	(2,250,828)
Trading securities		190,952	(872,116)
Other assets		62,170	(44,055)
Increase/(decrease) in operating liabilities:			
Deposits from banks		971,526	1,114,674
Customer accounts		219,130	342,807
Other liabilities		(32,317)	(233,320)
Cash inflows/(outflows) from operating activities before income taxes		<u>2,189,186</u>	<u>(1,349,950)</u>
Income taxes paid		<u>(3,935)</u>	<u>(920)</u>
Net cash inflows/(outflows) from operating activities		<u>2,185,251</u>	<u>(1,350,870)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of investments		(190,310)	(1,518,849)
Sales of investments		356,166	1,335,019
Purchases of fixed assets		<u>(78,751)</u>	<u>(39,656)</u>
Net cash inflows/(outflows) from investing activities		<u>87,105</u>	<u>(223,486)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from issue of shares		2,010,928	1,550,221
Net (repayment)/ proceeds from debt securities issued		<u>(229,161)</u>	<u>1,638,137</u>
Net cash inflows from financing activities		<u>1,781,767</u>	<u>3,188,358</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,054,123	1,614,002
INFLATION EFFECT ON CASH (INCLUDING CHANGE IN VALUATION ALLOWANCES)		(839,374)	(436,779)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8	<u>2,379,545</u>	<u>1,202,322</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8	<u><u>5,594,294</u></u>	<u><u>2,379,545</u></u>

Interest received and paid by the Bank in cash during the year ended 31 December 2001 amounted to RUR 1,974,819 thousand and RUR 645,703 thousand, respectively.

Interest received and paid by the Bank in cash during the year ended 31 December 2000 amounted to RUR 1,247,184 thousand and RUR 495,307 thousand, respectively.

On behalf of the Board of Directors

President

Chief Accountant

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JSICB "NOVAYA MOSKVA" (NOMOS-BANK)

STATEMENT OF SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2001 (in Russian Roubles and in thousands)

	Share capital	Share premium	Revaluation reserve	(Accumulated deficit) / Revenue reserve	Total Shareholders' Equity
Balance 1 January 2000	1,488,444	2,484	827	(731,321)	760,434
Issue of share capital	518,935	1,031,286	-	-	1,550,221
Net profit	-	-	-	302,003	302,003
Balance 31 December 2000	2,007,379	1,033,770	827	(429,318)	2,612,658
Fair value adjustment on carrying value of securities at 1 January 2001 on application of IAS 39, net of tax	-	-	-	53,825	53,825
Issue of share capital	740,780	1,270,148	-	-	2,010,928
Net profit	-	-	-	413,567	413,567
Write-off of revaluation reserve	-	-	(456)	-	(456)
Balance 31 December 2001	<u>2,748,159</u>	<u>2,303,918</u>	<u>371</u>	<u>38,074</u>	<u>5,090,522</u>

On behalf of the Board of Directors

President

Chief Accountant

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JSICB “NOVAYA MOSKVA” (NOMOS-BANK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (in Russian Roubles and in thousands)

1. ORGANISATION

Organisation - The Joint Stock Investment Commercial Bank “NOVAYA MOSKVA” (NOMOS-BANK) (the “Bank”) is a joined-stock investment commercial bank, which was incorporated in the Russian Federation in 1992. The Bank is regulated by the Central Bank of the Russian Federation (the “CBR”) and conducts its business under licence number 2209. For the period from 1992 to 1994 the bank was named Joint Stock Investment Commercial Bank “TIPCO Venture Bank”. The Bank's primary business consists of commercial banking activities, securities dealings, dealing with precious metals and foreign currency transactions.

The number of employees at 31 December 2001 and 2000 was 420 and 322, respectively.

The Bank's principal business activities are within the Russian Federation. Laws and regulations affecting businesses operating in the Russian Federation are subject to rapid changes and the Bank's assets and operations could be at risk due to negative changes in the political and business environment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bank maintains its accounting records in accordance with Russian law. These financial statements have been prepared from the Russian statutory accounting records and have been adjusted to conform with International Accounting Standards (“IAS”).

These financial statements were authorised to issue by the Board of Directors on 26 February 2002.

The significant accounting policies, which have been applied, are summarised below.

Accounting basis - The financial statements have been prepared on the accrual basis of accounting, under the historical cost convention and restated in terms of measuring unit (i.e. Russian Rouble) current at 31 December 2001.

The Russian Federation is currently experiencing high levels of inflation. Under International Accounting Standard No. 29, “Financial Reporting in Hyperinflationary Economies,” the accompanying financial statements have been adjusted to reflect the effects of the diminution of the purchasing power of the Russian Rouble. The rates of inflation were 18.8% in 2001, 20.1% in 2000, 36.7% in 1999 and 84.4% in 1998.

All amounts in these financial statements, including corresponding figures, are stated in terms of the measuring unit (i.e. Russian Rouble) current at 31 December 2001. Monetary assets and liabilities as at 31 December 2001 are not restated because they are already expressed in terms of the monetary unit current at 31 December 2001. Non-monetary assets and liabilities and shareholders' equity, including share capital for the year ended 31 December 2001 and all amounts for 2000 are restated by applying a relevant conversion factor. The effect of inflation on the Bank's net monetary position is reflected in the profit and loss accounts as a loss on net monetary position.

The preparation of financial statements in conformity with IAS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates that are particularly susceptible to change relate to the provisions for losses on loans, investments and other transactions and the fair value of financial instruments.

Reporting currency - The currency used in these financial statements is the Russian Rouble (RUR).

Risk management policies - The Bank manages the following main types of risks:

Credit Risk - The Credit Committee approves each new loan and any changes and amendments to loan agreements. The Credit and Guarantees Department performs current monitoring.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss because any other party to a financial instrument fails to perform in accordance with the terms of the contract. The Bank uses the same credit policies in making conditional obligations as it does for on balance sheet financial instruments through established credit approvals, risk control limits and monitoring procedures.

Liquidity and cash flow risks - Liquidity risk is defined as risk when the maturity of assets and liabilities does not match. The liquidity risk is managed by the Asset/Liability Committee of the Bank. Note 27 to the financial statements shows assets and liabilities as at 31 December 2001 by their remaining contractual maturity. Some of the assets, however, may be of a longer term nature; for example, if loans are renewed and accordingly short term loans can have a longer term duration.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. It is unusual for banks to be completely matched since business transacted is often an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Bank and its exposure to changes in interest and exchange rates.

Management believes that although a substantial portion of deposits from customers are on demand, diversification of these deposits by number and type of depositors, and the past experience of the Bank would indicate that these deposits provide a long-term and stable source of funding for the Bank.

Currency risk - The Treasury and the Financial Analysis Departments perform currency risk management through management of open currency position, which enables the Bank to minimize losses from significant fluctuations of exchange rates of national and foreign currencies.

Interest rate and market risks - The Treasury and the Financial Analysis Departments perform management of interest rate and market risks through interest position hedge, which enables the Bank to avoid negative interest margin.

Country risk - The Legal Department performs risk optimization related to changes in legislation and regulative documents, and its impact on the Bank. This approach allows the Bank to minimize possible losses from the impairment of the investment climate in the Russian Federation.

Consolidated financial statements - Consolidated financial statement have not been prepared since the results for the financial year ended 31 December 2001 and the financial position at the year end would not be materially altered by consolidation of a subsidiary. Investment in non-consolidated subsidiary has been included within investments in Note 12 to the financial statements and has been recorded at historical cost.

New accounting standard - Effective 1 January 2001, the Bank adopted IAS 39 "Financial Instrument: Recognition and Measurement", as revised (IAS 39). Before the adoption of the standard the Bank's investments in securities were classified into trading and investment portfolios and reported at fair value and carrying value, accordingly, plus accrued interest income receivable. As a

result of the adoption of this standard the Bank now classifies its investments in securities into the following categories: trading securities, securities held-to-maturity and securities available-for-sale.

Investment classification is made at the time of purchase and is based on the intention of management and ability of the Bank.

Loans and advances are further segregated between loans originated and purchased by the Bank.

The Bank recognises “regular way” purchases and sales of financial assets using settlement date accounting. The settlement date is the date that the asset is delivered to the Bank.

Cash and cash equivalents - Cash and cash equivalents include cash, unrestricted balances with the Central Bank of the Russian Federation, advances to banks in countries included in the Organisation for Economic Co-operation and Development ("OECD"), precious metals and state dealing securities. Cash equivalents are considered to be short term, highly liquid investments that are readily convertible to known amounts of cash within 90 days from the reporting date. For purposes of determining cash flows, the minimum reserve deposit required by the Central Bank of the Russian Federation is not included as a cash equivalent due to restrictions on its availability (Note 8).

Statements of cash flows presented in the financial statements have been adjusted according to IAS No. 29.

Trading securities - Trading securities represent debt and equity securities held for trading that are acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin. Trading securities are initially recorded at cost which approximates fair value of the consideration given and subsequently measured at fair value. The Bank uses quoted market prices to determine fair value for the Bank's trading securities. Fair value adjustment on trading securities is recognised in profit and loss for the period. The financial results from dealing with short term debt securities denominated in foreign currency was determined by the Bank using the LIFO method of cost accounting.

Securities held-to-maturity - Securities held-to-maturity are debt securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity. Such securities are carried at amortised cost, less any provision for impairment plus accrued coupon income. Amortised discounts are recognised in the interest income using the effective interest method over the period to maturity. Revenue is recognised on an accrual basis, unless the recovery is doubtful.

Securities available-for-sale - Securities available-for-sale represent debt and equity investments that are intended to be held for an indefinite period of time. Such securities are initially recorded at cost which approximates the fair value of the consideration given. Subsequently the securities are measured at fair value, with such remeasurement included in the profit and loss account, plus accrued coupon income on debt securities. The fair value adjustment on the carrying amount of such securities as at 31 December 2000 resulting from the initial adoption of IAS 39, was recognised as an adjustment of the balance of revenue reserves at the beginning of 2001. The Bank uses quoted market prices to determine fair value for the Bank's securities available-for-sale. If such quotes do not exist, management estimation is used.

Originated loans - Loans originated by the Bank are financial assets that are created by the Bank by providing money directly to a borrower or by participating in loan facility, other than those that are originated with the intent to be sold immediately or in the short term, which are classified as held-for-trading. Originated loans are carried at principal, less any provision for possible loan losses.

Loans granted by the Bank below the market are discounted to fair value using the effective interest method.

Purchased loans and receivables - Loans and receivables acquired from another lender subsequently to the original date are either classified as loans and advances or as available-for-sale investments.

For purchased loans classified as available-for-sale investments, fair value is based on an active market or on a discounted cash flow (“DCF”) model. If market price is not available and DCF model is not practicable, the price for similar assets is used.

Allowance for possible loan losses - The determination of the allowance for possible loan losses is based on an analysis of the loan portfolio and reflects the amount which, in the judgement of management, is adequate to provide for losses inherent in the loan portfolio. Specific provisions are made as a result of a detailed appraisal of risk assets. In addition, general provisions are carried to cover risks, which although not specifically identified, are present in any portfolio of banking assets.

The total increase in the allowance for possible loan losses is charged to profit and the total of the allowance for possible loan losses is deducted in arriving at loans and advances to customers and banks. Management's evaluation of the allowance is based on the Bank's past loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral and current economic conditions.

It should be understood that estimates of possible loan losses involve an exercise of judgement. While it is possible that in particular periods the Bank may sustain losses, which are substantial relative to the allowance for possible loan losses, it is the judgement of management that the allowance for possible loan losses is adequate to absorb losses inherent in the loan portfolio.

Non-accrual loans - Loans are placed on non-accrual status when interest or principal is delinquent for a period in excess of 90 days, except when all amounts due are fully secured by cash or marketable securities and collection proceedings are in process. Interest income is not recognised where recovery is doubtful.

Other investments - Certain subsidiary and associated companies have not been consolidated or accounted for under equity method since the financial position as at 31 December 2001 and the results for the year then ended of such companies were not material to the Bank. In addition, the Bank has expressed an intention to sell these investments in the future. Such investments have been recorded at cost, restated in accordance with IAS 29, less any necessary provision for diminution in value.

Gold and silver bullion transactions - Assets and liabilities denominated in gold and silver bullion are translated at the rate computed based on the morning fixing of London Metal Exchange on 29 December 2001 using the RUR/USD exchange rate mentioned below.

Fixed assets and depreciation - Depreciation of fixed and intangible assets is charged on the carrying value of fixed assets and is designed to write off assets over their useful economic lives. It is calculated on a straight line basis at the following annual prescribed rates:

Buildings and leasehold improvements	1 %-20 %
Furniture and equipment	10 %-15 %
Other fixed assets	10 %-15 %
Intangible assets	10 %

Foreign currency transactions - Assets and liabilities denominated in foreign currencies are translated at the appropriate spot rates of exchange ruling at the balance sheet date. Profits and losses arising from these translations are included in net gain on foreign exchange operations.

Rates of exchange - The exchange rates used by the Bank in the preparation of the financial statements are as follows:

	31 Dec. 2001	31 Dec. 2000
RUR/USD	30.14	28.16
RUR/EUR	26.49	26.14
RUR/XAU (1 ounce)	8,331.71	7,677.82
RUR/AUG (1 ounce)	136.23	128.83

Income taxes - Taxes on income are computed in accordance with the laws of the Russian Federation. Deferred taxes, if any, are provided on items recognised in different periods for financial reporting purposes and income tax purposes, using the liability method at the statutory tax rate. Deferred tax liabilities, if any, which result from temporary differences, are provided for in full. Deferred tax assets are recorded to the extent that there is a reasonable expectation that these assets will be realised.

Reclassifications and restatements - Certain reclassifications and restatements have been made to the 2000 financial statement to conform with the 2001 presentation and in accordance with IAS 29.

3. NET INTEREST INCOME

	2001	2000
Interest income		
Interest on loans and advances to customers	1,474,510	1,075,860
Interest on loans and advances to banks	82,897	107,460
Interest on promissory notes	29,459	49,761
Interest on other investment securities	262,625	209,279
Total interest income	<u><u>1,849,491</u></u>	<u><u>1,442,360</u></u>
Interest expense		
Interest on customer accounts	66,123	129,412
Interest on interbank deposits	191,718	86,584
Interest on debt securities issued	441,521	296,946
Total interest expense	<u><u>699,362</u></u>	<u><u>512,942</u></u>
Net interest income before provision for possible loan losses	<u><u>1,150,129</u></u>	<u><u>929,418</u></u>

4. OPERATING EXPENSES

	2001	2000
Staff costs	132,706	136,050
Taxes, other than income tax	82,694	155,991
Expenses for business operations	11,272	10,625
IT services and communication expense	18,727	32,011
Rent expense	14,610	11,809
Professional services fees	3,452	2,801
Depreciation and amortization	7,714	10,949
Other	43,921	33,075
	<u><u>315,096</u></u>	<u><u>393,311</u></u>

5. PROVISIONS FOR POSSIBLE LOAN LOSSES

	2001	2000
Provision on loans and advances to banks	28,240	31,057
Provision on loans and advances to customers	<u>491,576</u>	<u>245,294</u>
	<u>519,816</u>	<u>276,351</u>

6. NET GAIN ON INVESTMENTS

	2001	2000
Net gain on disposal of securities available-for-sale	53,284	-
Adjustment of fair value of securities available-for-sale	<u>(40,656)</u>	<u>-</u>
	<u>12,628</u>	<u>-</u>

7. INCOME TAXES

The Bank provides for taxes based on the statutory financial statements maintained and prepared in local currency and in accordance with local statutory regulations, which may differ from International Accounting Standards.

Future tax investigations or inquiries may result in material assessments, which the Bank believes now that it is not subject to or has already complied with, and therefore has not provided for in the financial statements.

The Bank is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and tax-free regime under local tax regulations.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as of 31 December 2001 and 2000 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Temporary differences as of 31 December 2001 and 2000 were:

	2001	2000
Deferred assets:		
Loans and advances to customers	-	59,098
Loans and advances to banks	-	24,030
Debt securities issued	118,832	23,740
Customer accounts	7,693	9,622
Other assets	33,223	-
Bank deposits	16,710	-
Other liabilities	<u>167,943</u>	<u>67,284</u>
Total deferred assets	<u>344,401</u>	<u>183,774</u>

	2001	2000
Deferred liabilities:		
Precious metals	11,485	3,730
Loans and advances to banks	373	-
Loans and advances to customers	976,366	-
Trading securities	19,650	48,551
Investments	12,082	284
Other assets	-	299,504
Total deferred liabilities	<u>1,019,956</u>	<u>352,069</u>
Net deferred liabilities	<u>(675,555)</u>	<u>(168,295)</u>
Deferred tax liability at the statutory tax rate (24% for 2001, 43% for 2000)	<u>(162,133)</u>	<u>(72,367)</u>

Relationships between tax expenses and accounting profit for the year ended 31 December 2001 and 2000 are explained as follows:

	2001	2000
Profit before income taxes loss on net monetary position	<u>1,106,127</u>	<u>611,531</u>
Tax at the statutory tax rate (43% for 2001, 38% for 2000)	475,635	232,382
Tax effect of permanent differences	(253,579)	(167,510)
Effect of changes in income tax rate	<u>(128,355)</u>	<u>8,415</u>
Tax expense	<u>93,701</u>	<u>73,287</u>
Current tax expense	3,935	920
Deferred tax expense	<u>89,766</u>	<u>72,367</u>
	<u>93,701</u>	<u>73,287</u>

8. CASH AND CASH EQUIVALENTS

The cash balances of RUR 551,964 thousand and RUR 1,083,376 thousand as of 31 December 2001 and 2000, respectively, include RUR 269,275 thousand and RUR 533,642 thousand, respectively, which represents the minimum reserve deposit required by the CBR. The Bank is required to maintain the reserve balance with the CBR at all times.

Cash and cash equivalents for the purposes of the statement of cash flows are comprised of the following:

	2001	2000
Cash and balances with the Central Bank of the Russian Federation	551,964	1,083,376
Loans and advances to banks in OECD countries	982,687	181,019
Trading securities (included in Note 10)	4,101,060	1,597,406
Precious metals	<u>227,858</u>	<u>51,386</u>
	5,863,569	2,913,187
Less minimum reserve deposit with the CBR	<u>(269,275)</u>	<u>(533,642)</u>
Cash and cash equivalents	<u>5,594,294</u>	<u>2,379,545</u>

9. LOANS AND ADVANCES TO BANKS

	2001	2000
Loans to banks	1,047,422	430,769
Advances to banks	<u>2,272,213</u>	<u>1,150,626</u>
	3,319,635	1,581,395
Less allowance for possible loan losses	<u>(52,346)</u>	<u>(28,337)</u>
	<u>3,267,289</u>	<u>1,553,058</u>

Allowance for possible loan losses:	2001	2000
General allowances	52,346	28,337
Specific allowances	-	-
At end of the period	<u>52,346</u>	<u>28,337</u>

General allowances:		
At beginning of the period	28,337	-
Provision for the period	28,240	31,057
Gain on net monetary position	<u>(4,231)</u>	<u>(2,720)</u>
At end of the period	<u>52,346</u>	<u>28,337</u>

Specific allowances:		
At beginning of the period	-	1,818
Write-off	-	(1,818)
Provision for the period	-	-
Gain on net monetary position	<u>-</u>	<u>-</u>
At end of the period	<u>-</u>	<u>-</u>

At 31 December 2001 and 2000 the Bank had advances to one and two banks totalling RUR 1,139,650 thousand and RUR 729,780 thousand, respectively, which individually exceeded 10% of the Bank's equity.

10. TRADING SECURITIES

	2001	2000
OVVZ Bonds	3,887,612	1,026,763
Promissory notes	466,608	754,039
Corporate bonds	198,317	25,876
Eurobonds	190,851	239,137
Shares	105,533	127,145
OFZ Bonds and GKO	22,597	328,029
Financial institution bonds	-	54,284
OGSZ bonds	-	3,477
Other	49	115
	<u>4,871,567</u>	<u>2,558,865</u>

11. LOANS AND ADVANCES TO CUSTOMERS

	2001	2000
Loans collateralised by contract proceeds	1,667,874	1,443,380
Loans collateralised by equipment	1,569,218	1,714,226
Loans collateralised by guarantees	1,428,290	1,089,562
Loans collateralised by securities	836,918	1,406,351
Loans collateralised by others	151,721	-
Loans collateralised by goods	138,428	193,453
Loans collateralised by real estate	93,162	81,293
Unsecured loans	<u>1,237,577</u>	<u>641,386</u>
	7,123,188	6,569,651
Less allowance for possible loan losses	<u>(1,063,906)</u>	<u>(729,145)</u>
	<u>6,059,282</u>	<u>5,840,506</u>

Allowance for possible loan losses:	2001	2000
General allowances	91,978	239,374
Specific allowances	<u>971,928</u>	<u>489,771</u>
At end of the period	<u>1,063,906</u>	<u>729,145</u>

General allowances:		
At beginning of the period	239,374	65,425
(Recovery)/provision for the period	(119,371)	202,650
Gain on net monetary position	<u>(28,025)</u>	<u>(28,701)</u>
At end of the period	<u>91,978</u>	<u>239,374</u>

Specific allowances:		
At beginning of the period	489,771	543,837
Provision for the period	610,947	42,644
Write-off	(915)	(2,074)
Gain on net monetary position	<u>(127,875)</u>	<u>(94,636)</u>
At end of the period	<u>971,928</u>	<u>489,771</u>

As of 31 December 2001 and 2000 included in loans and advance to banks are non-performing loans totalling RUR 422,523 thousand and RUR 967,243 thousand, respectively, on which interest was not accrued.

Analysis by sector	2001	2000
Manufacturing	2,903,827	2,729,671
Precious metals extracting	2,137,936	276,249
Trading	1,294,594	1,378,762
Real estate and leasing	333,189	824,808
Individuals	54,781	79,777
Construction	38,407	102,062
Finance	1,978	740,474
Agriculture	-	3,704
Other	<u>358,476</u>	<u>434,144</u>
	7,123,188	6,569,651
Less allowance for possible loan losses	<u>(1,063,906)</u>	<u>(729,145)</u>
	<u>6,059,282</u>	<u>5,840,506</u>

At 31 December 2001 and 2000 the Bank had 2 loans totalling RUR 1,437,266 thousand and 5 loans totalling RUR 1,892,500 thousand, respectively, which individually exceeded 10% of Bank's equity.

At 31 December 2001 the Bank had loans for amount of RUR 1,793,857 thousand granted to customers in the Moscow region, which represented 25.2% of the total loans portfolio.

At 31 December 2000 the Bank had loans for amount of RUR 3,830,878 thousands granted to customers in the Moscow region, which represented 58.3% of the total loans portfolio, which results in a significant concentration risk.

12. INVESTMENTS

		2001	2000
Investments into securities available-for-sale		36,549	-
Investments into debt securities		-	189,049
Other investments		1,066	1,253
		<u>37,615</u>	<u>190,302</u>
Less : allowance for possible losses		(8)	(81)
		<u>37,607</u>	<u>190,221</u>
Allowance for possible investment losses:		2001	2000
At beginning of the year		81	3,183
Recovery for the year		(738)	(2,814)
Loss/(gain) on net monetary position		665	(288)
At end of the year		<u>8</u>	<u>81</u>
Securities available-for-sale		2001	2000
OFZ		<u>36,549</u>	<u>-</u>
		<u>36,549</u>	<u>-</u>
Investments in debt securities		2001	2000
OFZ		-	193,724
Less discount on OFZ		-	(4,675)
		<u>-</u>	<u>189,049</u>
Other investments		2001	2000
Investments in subsidiaries		10	12
Investments in associates		500	594
Other investments		<u>556</u>	<u>647</u>
		1,066	1,253
Less allowance for possible losses		(8)	(81)
		<u>1,058</u>	<u>1,172</u>
Investment in subsidiaries	Percentage of ownership	2001	2000
OOO "Poljanka, 11-13"	100%	<u>10</u>	<u>12</u>
		<u>10</u>	<u>12</u>
Investment in associates			
Fund of development of pharmacy	50%	<u>500</u>	<u>594</u>
		<u>500</u>	<u>594</u>

13. FIXED AND INTANGIBLE ASSETS

	Buildings & leasehold improvements	Furniture & equipment	Other fixed assets	Intangible assets	Total
At cost					
At 1 January 2001	1,310	42,952	27,846	11,872	83,980
Additions	-	5,962	72,539	250	78,751
Disposals	-	(722)	(22,973)	(1,306)	(25,001)
As at 31 December 2001	<u>1,310</u>	<u>48,192</u>	<u>77,412</u>	<u>10,816</u>	<u>137,730</u>
Accumulated depreciation					
At 1 January 2001	83	7,445	3,408	3,481	14,417
Charge for the period	276	3,792	1,997	1,649	7,714
Disposals	-	(461)	(22)	(1,323)	(1,806)
As at 31 December 2001	<u>359</u>	<u>10,776</u>	<u>5,383</u>	<u>3,807</u>	<u>20,325</u>
Net book value					
At 31 December 2001	<u>951</u>	<u>37,416</u>	<u>72,029</u>	<u>7,009</u>	<u>117,405</u>
At 31 December 2000	<u>1,227</u>	<u>35,507</u>	<u>24,438</u>	<u>8,391</u>	<u>69,563</u>

14. PRECIOUS METALS

	2001	2000
Gold in vault	186,248	16,002
Gold in transit	9,837	-
Silver in vault	3,937	29,814
Other precious metals in vault	729	-
Accounts with banks in gold and silver	27,107	5,570
	<u>227,858</u>	<u>51,386</u>

15. OTHER ASSETS

	2001	2000
Accrued interest	144,965	270,293
Taxes recoverable, other than income tax	6,589	23,552
Trade debtors and prepayments	5,334	2,250
Office supplies	9,620	2,581
Debt of other banks purchased	-	52,266
Other	11,106	14,170
	<u>177,614</u>	<u>365,112</u>
Less allowance for possible losses on other assets	(2,831)	(4,495)
Total other assets	<u>174,783</u>	<u>360,617</u>

Allowance for possible losses on other assets (included in provision for possible losses on other transactions in profit and loss account):

At beginning of the year	4,495	2,204
Write off	-	(367)
(Recovery)/provision for the year	(1,039)	3,299
Gain on net monetary position	(625)	(641)
At end of the year	<u>2,831</u>	<u>4,495</u>

16. DEPOSITS FROM BANKS

	2001	2000
Demand deposits	1,689,976	893,441
Time deposits	<u>1,346,590</u>	<u>1,171,599</u>
	<u>3,036,566</u>	<u>2,065,040</u>

17. CUSTOMER ACCOUNTS

	2001	2000
Repayable on demand	2,245,313	2,214,324
Time deposits	<u>516,440</u>	<u>328,299</u>
	<u>2,761,753</u>	<u>2,542,623</u>

18. DEBT SECURITIES ISSUED

	2001	2000
Promissory notes	2,449,339	2,763,741
Bonds	1,049,000	652,212
Certificates of deposits	359,711	520,938
Less: unamortized discount	<u>(191,450)</u>	<u>(41,130)</u>
	<u>3,666,600</u>	<u>3,895,761</u>

Bonds as at 31 December 2001 and 2000 comprised of discount and interest bonds and discount bonds, respectively. At 31 December 2001 interest rate on interest bonds varied from 2.5% to 10%. At 31 December 2000 interest bonds carried an interest rate of 10%.

At 31 December 2001 and 2000 certificates of deposit carried interest rates within ranges from 4% to 18% and from 9 % to 28 %, respectively.

Promissory notes at 31 December 2001 and 2000 comprised of discount, interest and settlement (zero interest rate, issued at par value) promissory notes and interest and settlement promissory notes, respectively. At 31 December 2001 and 2000 interest promissory notes beared interest rates within ranges from 1% to 19% and from 5% to 12%, respectively.

Discount is amortised using the effective interest method over the life of the note and is recorded in interest expense.

19. OTHER LIABILITIES

	2001	2000
Allowance for possible losses on guarantees and other commitments	218,231	119,655
Interest due on debt securities issued	58,631	33,596
Interest due on loans and advances	37,364	8,740
Taxes payable, other than income tax	6,093	3,646
Deferred tax provision	162,133	72,367
Other	<u>9,862</u>	<u>44,626</u>
	<u>492,314</u>	<u>282,630</u>

Allowance for possible losses on guarantees and other commitments (included in provision for possible losses on other transactions in profit and loss account):	2001	2000
At beginning of the period	119,655	-
Charge for the year	130,120	131,122
Gain on net monetary position	(31,544)	(11,467)
At end of the period	<u>218,231</u>	<u>119,655</u>

20. SHARE CAPITAL

At 31 December 2001 share capital according to Bank's foundation documents comprised of 37,500,000 ordinary shares, authorized, issued and paid in of RUR 50 each and 200,000 preferred shares with par value of RUR 50 each. At 31 December 2000 share capital comprised of 23,500,000 ordinary shares, authorized issued and paid in of RUR 50 each.

Ordinary shares were issued at share premium, which represented as at 31 December 2001 and 2000 RUR 2,303,918 thousand and RUR 1,033,770 thousands, respectively.

All ordinary shares rank equally and carry one vote.

21. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND CONTINGENCIES

In the normal course of business the Bank is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments involve varying degrees of credit risk.

The Bank's maximum exposure to credit loss under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments.

The Bank's uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance sheet lending.

The risk-weighted amount is obtained by applying credit conversion factors and counterparty risk weightings according to the principles employed by the Basle Committee on Banking Supervision.

As at 31 December 2001 and 2000, the nominal or contract amounts and the risk weighted credit equivalents of instruments with off-balance sheet risks were:

	31 Dec 2001		31 Dec 2000	
	Nominal Amount	Risk Weighted Amount	Nominal Amount	Risk Weighted Amount
Contingent liabilities and credit Commitments				
Guarantees and other direct substitutes	1,193,663	811,041	943,080	857,861
Letters of credit and other transactions related to contingent obligations	326,677	112,747	69,477	-
Commitments on loans and unused lines of credits	1,551,547	20,188	532,937	148,385

Forward contracts (amount payable)

Forward foreign exchange contracts	146,896	5,876	-	-
Forward contracts with precious metals	-	-	403,078	16,123
Forward contracts with securities	136,733	5,469	18,557	742

22. COMMITMENTS AND CONTINGENCIES

Capital commitments - The Bank had no material commitments for capital expenditures outstanding as at 31 December 2001.

Operating Leases - The Bank's future minimum rental payments under non-cancelable operating leases in effect at 31 December 2001 for the following 5 years are presented in the table below.

	RUR thousand
2002	13,624
2003	12,069
2004	11,728
2005	11,728
2006	10,509

Legal proceedings - From time to time and in the normal course of business, claims against the Bank are received from customers. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these financial statements.

Taxes - Due to the presence in Russian commercial legislation, and tax legislation in particular, of provisions allowing more than one interpretation, and also due to the practice developed in a generally unstable environment by the tax authorities of making arbitrary judgment of business activities, if a particular treatment based on Management's judgment of the Bank's business activities was to be challenged by the tax authorities, the Bank may be assessed additional taxes, penalties and interest. Tax years remain open to review by the tax authorities for three years.

Derivatives - In 2001 and 2000 the Bank entered into contracts with mining companies on purchase of gold and silver. Such contracts have short and long duration and do not have fixed contract price. At the settlement date the price was determined at the CBR rate less margin stated in the contract. At 31 December 2001 and 2000 total contracted volume of precious metals to be purchased by the Bank during 2002 and 2001 was 9.5 tonnes of gold and 46.4 tonnes of silver and 5.1 tonnes of gold and 5.3 tonnes of silver, respectively. Purchase of precious metals is not obligatory and the Bank has the right to renegotiate the terms of agreements, including cancellation. The Bank issued loans to the companies – counterparties of the contracts (Note 11). Also, at 31 December 2001 and 2000 the Bank entered into transactions to sell 10.2 tonnes and 5.3 tonnes of gold, respectively, to another company and another bank. Conditions stated in the contracts are similar to those stated in the contracts with mining companies. Also, at 31 December 2001 the Bank made a contract for the supply of USD 10,000 thousand to another bank, under which the supply of USD is not obligatory and the Bank may renegotiate the terms of the contract, including cancellation.

23. RELATED PARTY TRANSACTIONS

Related parties of the Bank are considered to include shareholders, affiliates and entities under common ownership and control with the Bank. As of 31 December 2001 and 2000, the Bank had customer accounts totalling RUR 224,930 thousand and RUR 738,766 thousand, respectively, of related parties.

During the years ended 31 December 2001 and 2000 the Bank received deposits and advances from customers - related parties, mainly deposits repayable on demand, of RUR 5,522,635 thousand and RUR 6,213,770 thousand, respectively, and repaid deposits and advances totalling RUR 5,868,463 thousand and RUR 5,556,272 thousand, respectively.

At 31 December 2000, the Bank had accounts in precious metals from related parties, totalling RUR 10,675 thousands which were repaid during the year ended 31 December 2001.

At 31 December 2001 and 2000 the Bank had other liabilities due to related parties, totalling RUR 6,461 thousand and RUR 75,866 thousand, respectively. During the years ended 31 December 2001 and 2000 the Bank incurred liabilities to related parties amounting to RUR 2,600 thousand and RUR 75,866 thousand, respectively. During the year ended 31 December 2001 the Bank repaid to related parties for the amount of RUR 71,280 thousand.

At 31 December 2001 and 2000 the Bank had a subordinated loan from a related party amounting to RUR 260,000 thousand and RUR 308,880 thousands, respectively, at 1 % (interest is paid at maturity) for the term of 10 years.

At 31 December 2001 and 2000 the Bank had guarantees issued to related parties amounting to RUR 459 thousand and RUR 30,359 thousand, respectively. During the years ended 31 December 2001 and 2000 the Bank issued guarantees on behalf of related parties of RUR 273 thousand and RUR 36,073 thousand, respectively. No loss was recognised in the Bank's financial statements in respect of issued guarantees on behalf of related parties in 2000 and 2001. During the years ended 31 December 2001 and 2000 expired guarantees issued by the Bank on behalf of related parties amounting to RUR 27,855 thousand and RUR 4,558 thousand, respectively.

Included in the profit and loss account for the years ended 31 December 2001 and 2000 are the following amounts which arose due to transactions with related parties:

	2001	2000
Interest income	-	16,644
Fee and commission income	1,733	-
Interest expense	(26,363)	(121,493)

24. PENSIONS AND RETIREMENT PLANS

Employees receive pension benefits from the Russian Federation in accordance with the laws and regulations of the country. As of 31 December 2001 and 2000, the Bank was not liable for any supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Estimated fair value disclosures of financial instruments is made in accordance with the requirements of IAS 32 and IAS 39. As no readily available market exists for a large part of the Bank's financial instruments, judgement is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument. The estimates presented herein are not necessarily indicative of the amounts the Bank could realize in a market exchange from the sale of its full holdings of a particular instrument.

As of 31 December 2001 and 2000 the following methods and assumptions were used by the Bank to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and balances with the Central Bank of the Russian Federation - For these short-term instruments the carrying amount is a reasonable estimate of fair value.

Loans and advances to banks - For these assets, the carrying amount is a reasonable estimate of fair value.

Trading securities - As of 31 December 2001 and 2000 trading securities are stated at fair value amounting to RUR 4,774,749 thousand and RUR 2,480,053 thousand, respectively, plus accrued coupon income totalling RUR 96,818 thousand and RUR 78,812 thousand, respectively. Fair value of trading securities was determined with reference to an active market.

Securities available-for-sale - As of 31 December 2001 securities available-for-sale are stated at fair value amounting to RUR 35,743 thousand, plus accrued coupon income totalling RUR 806 thousand. Fair value of securities available-for-sale was determined with reference to an active market for those securities quoted publicly or at over-the-counter market. For unquoted securities fair value was determined by reference to market prices of securities with similar credit risk and/or maturity, in other cases – by reference to the share in estimated equity capital of investee.

Securities held-to-maturity - Securities held-to-maturity are stated at cost and adjusted for accretion and amortization of premiums and discounts, respectively, less any provision for impairment or permanent diminution in value. The fair value of securities held-to-maturity as of 31 December 2000 was RUR 236,785 thousand, plus accrued coupon income totalling RUR 6,089 thousand. Fair value of securities held-to-maturity was determined with reference to an active market for those securities quoted publicly or at over-the-counter market. For unquoted securities fair value was determined by reference to market prices of securities with similar credit risk and/or maturity.

Loans and advances to customers - The fair value of the loan portfolio is based on the credit and interest rate characteristics of the individual loans within each sector of the portfolio. The estimation of the provision for loan losses includes consideration of risk premiums applicable to various types of loans based on factors such as the current situation of the economic sector in which each borrower operates, the economic situation of each borrower and guarantees obtained. Accordingly, the provision for loan losses is considered a reasonable estimate of the discount required to reflect the impact of credit risk.

Derivative financial instruments - As of 31 December 2001 and 2000 derivative financial instruments are stated at fair value.

Loans and advances from banks - As of 31 December 2001 and 2000 the carrying amount of time deposits and deposits repayable on demand of RUR 3,036,566 thousand and RUR 2,065,040 thousand, respectively, is a reasonable estimate of their fair value.

Customer accounts - As of 31 December 2001 and 2000 the carrying amount of time deposits and current accounts of the Bank's customers of RUR 2,761,753 thousand and RUR 2,542,623 thousand, respectively, is a reasonable estimate of their fair value.

Debt securities issued - Debt securities issued are stated at cost, adjusted for amortization of premium and discounts, which approximates fair value.

26. REGULATORY MATTERS

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (as set forth in the table below) of total and tier 1 capital (as defined) to risk weighted assets.

The Bank's actual capital amounts and ratios are presented in the following table:

	Actual	For Capital Adequacy purposes	Ratio For Capital Adequacy purposes	Minimum Required Ratio
	Amount in RUR thousand	Amount in RUR thousand		
As at 31 December 2001				
Total capital	5,090,522	5,494,063	42.38%	8 %
Tier 1 capital	5,079,921	5,079,921	39.18%	4 %
As at 31 December 2000				
Total capital	2,612,658	3,043,106	31.13%	8 %
Tier 1 capital	2,611,831	2,611,831	26.72%	4 %

As of 31 December 2001 and 2000 the Bank included in the computation of Total capital for Capital adequacy purposes the subordinated loan received, limited to 50% of Tier 1 capital.

27. MATURITY ANALYSIS

The following table presents an analysis of interest rate risk and liquidity risk. Interest bearing assets and liabilities generally have relatively short maturities and interest rates are repriced only at maturity.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Maturity undefined (incl. allowance for losses and impairment)	31 Dec 2001 Total
ASSETS							
Loans and advances to banks, less allowance for possible loan losses	726,671	95,381	220,727	4,643	-	(21,690)	1,025,732
Trading securities	4,766,034	-	-	-	-	-	4,766,034
Loans and advances to customers, less allowance for possible loan losses	563,680	2,112,792	2,613,105	1,539,271	20,262	(1,045,462)	5,803,648
Investments, less allowance for possible losses	806	2,059	9,732	23,952	-	-	36,549
Total interest bearing assets	6,057,191	2,210,232	2,843,564	1,567,866	20,262	(1,067,152)	11,631,963
Cash and balances with the Central Bank of the Russian Federation	282,689	-	-	-	-	269,275	551,964
Advances to banks	2,272,213	-	-	-	-	(30,656)	2,241,557
Advances to customers	5,304	130,949	137,825	-	-	(18,444)	255,634
Trading securities	105,533	-	-	-	-	-	105,533
Investments	-	-	-	-	1,066	(8)	1,058
Fixed and intangible assets, less accumulated depreciation	-	-	-	-	117,405	-	117,405
Precious metals	227,858	-	-	-	-	-	227,858
Other assets	177,614	-	-	-	-	(2,831)	174,783
TOTAL ASSETS	9,128,402	2,341,181	2,981,389	1,567,866	138,733	(849,816)	15,307,755
LIABILITIES							
Deposits from banks	180,892	97,650	457,735	610,313	-	-	1,346,590
Customer accounts	62,180	413,855	40,405	-	-	-	516,440
Debt securities issued	1,332,628	909,226	706,522	551,134	98,963	-	3,598,473
Subordinated debt	-	-	-	-	260,000	-	260,000
Total interest bearing liabilities	1,575,700	1,420,731	1,204,662	1,161,447	358,963	-	5,721,503
Deposits from banks	1,689,976	-	-	-	-	-	1,689,976
Customer accounts	2,245,313	-	-	-	-	-	2,245,313
Other liabilities	274,083	-	-	-	-	218,231	492,314
Debt securities issued	65,177	-	-	-	2,950	-	68,127
TOTAL LIABILITIES	5,850,249	1,420,731	1,204,662	1,161,447	361,913	218,231	10,217,233

Interest sensitivity gap	<u>4,481,491</u>	<u>789,501</u>	<u>1,638,902</u>	<u>406,419</u>	<u>(338,701)</u>
Cumulative interest sensitivity gap	<u>4,481,491</u>	<u>5,270,992</u>	<u>6,909,894</u>	<u>7,316,313</u>	<u>6,977,612</u>
Cumulative interest sensitivity gap as a percentage of total assets	<u>29.28%</u>	<u>34.43%</u>	<u>45.14%</u>	<u>47.79%</u>	<u>45.58%</u>

OFF-BALANCE SHEET COMMITMENTS

Payable under forward deals	(283,629)	-	-	-	-	(283,629)
Receivable under forward deals	<u>284,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,158</u>
Interest sensitivity gap	<u>529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Cumulative interest sensitivity gap	<u>529</u>	<u>529</u>	<u>529</u>	<u>529</u>	<u>529</u>	
Aggregated cumulative interest sensitivity gap, balance sheet and off-balance sheet	<u>4,482,020</u>	<u>5,271,521</u>	<u>6,910,423</u>	<u>7,316,842</u>	<u>6,978,141</u>	

28. EFFECTIVE INTEREST RATE ANALYSIS

The following table presents an analysis of interest rate risk and thus the potential of the Bank for gain or loss. Effective interest rates are analysed by categories of financial assets and liabilities to determine interest rate exposure and effectiveness of the interest rate policy used by the Bank.

	RUR	USD	EURO
ASSETS			
Loans and advances to banks	17-70%	1-8%	3%
Trading debt securities	0-63%	3-13%	-
Loans and advances to customers	8-28%	12-17%	-
Debt securities available for sale	10-15%	-	-
LIABILITIES			
Deposits from banks	45%	1-11%	3%
Customer accounts	11-15%	5-10%	6%
Debt securities issued	0-22%	0-14%	-
Subordinated debt	1%	-	-

29. CURRENCY ANALYSIS

	31 Dec 2001						
	Roubles	USD 1USD= RUR 30.14	EUR 1EUR= RUR 26.49	Gold bullion 1ounce= RUR 8,331.71	Other currency	Currency undefined (incl. allowance for losses and impair-ment)	RUR thousand Total
ASSETS							
Cash and balances with the Central Bank of Russian Federation	469,976	28,853	39,791	-	13,344	-	551,964
Loans and advances to banks, less allowance for possible loan losses	1,774,285	1,501,111	44,239	-	-	(52,346)	3,267,289
Trading securities	793,104	4,078,463	-	-	-	-	4,871,567
Loans and advances to customers, less allowance for possible loan losses	4,261,048	2,580,251	-	279,121	2,768	(1,063,906)	6,059,282
Investments, less allowance for possible losses	37,615	-	-	-	-	(8)	37,607
Fixed and intangible assets, less accumulated depreciation	117,405	-	-	-	-	-	117,405
Precious metals	-	-	-	196,085	31,773	-	227,858
Other assets	129,326	48,264	24	-	-	(2,831)	174,783
TOTAL ASSETS	7,582,759	8,236,942	84,054	475,206	47,885	(1,119,091)	15,307,755
LIABILITIES							
Deposits from banks	538,920	2,364,766	13,245	117,978	1,657	-	3,036,566
Customer accounts	1,647,653	802,525	169,026	139,604	2,945	-	2,761,753
Debt securities issued	2,463,446	1,203,154	-	-	-	-	3,666,600
Other liabilities	205,051	68,812	220	-	-	218,231	492,314
Subordinated debt	260,000	-	-	-	-	-	260,000
TOTAL LIABILITIES	5,115,070	4,439,257	182,491	257,582	4,602	218,231	10,217,233
NET BALANCE SHEET POSITION	2,467,689	3,797,685	(98,437)	217,624	43,283		
OFF-BALANCE SHEET COMMITMENTS							
Payable under forward deals	(136,733)	(93,042)	(26,490)	-	(27,364)	-	(283,629)
Receivable under forward deals	136,733	891	119,205	-	27,329	-	284,158
OFF-BALANCE SHEET (LIABILITIES)/ASSET S, NET	-	(92,151)	92,715	-	(35)	-	529
OPEN POSITION	2,467,689	3,705,534	(5,722)	217,624	43,248		

30. GEOGRAPHICAL ANALYSIS

	OECD countries	Non-OECD countries	Undefined (incl. allowance for losses and impairment)	31 Dec 2001 RUR thousand Total
ASSETS				
Cash and balances with the Central Bank of Russian Federation	-	551,964	-	551,964
Loans and advances to banks, less allowance for possible loan losses	985,701	2,333,934	(52,346)	3,267,289
Trading securities	-	4,871,567	-	4,871,567
Loans and advances to customers, less allowance for possible loan losses	-	7,123,188	(1,063,906)	6,059,282
Investments, less allowance for possible losses	-	37,615	(8)	37,607
Fixed assets, less accumulated depreciation	-	117,405	-	117,405
Precious metals	-	227,858	-	227,858
Other assets	-	177,614	(2,831)	174,783
TOTAL ASSETS	<u>985,701</u>	<u>15,441,145</u>	<u>(1,119,091)</u>	<u>15,307,755</u>
LIABILITIES				
Deposits from banks	482,240	2,554,326	-	3,036,566
Customer accounts	215,645	2,546,108	-	2,761,753
Debt securities issued	-	3,666,600	-	3,666,600
Other liabilities	-	274,083	218,231	492,314
Subordinated debt	-	260,000	-	260,000
TOTAL LIABILITIES	<u>697,885</u>	<u>9,301,117</u>	<u>218,231</u>	<u>10,217,233</u>
NET BALANCE SHEET POSITION	287,816	6,140,028		
OFF-BALANCE SHEET COMMITMENTS				
Payable under forward deals	(119,521)	(164,108)	-	(283,629)
Receivable under forward deals	119,183	164,975	-	284,158
OFF-BALANCE SHEET (LIABILITIES)/ASSETS, NET	<u>(338)</u>	<u>867</u>		
TOTAL POSITION	<u>287,478</u>	<u>6,140,895</u>		