

Joint-Stock Investment and Commercial Bank
“NOVAYA MOSKVA”
(Closed Joint-Stock Company)
“NOMOS-BANK” (ZAO)

Independent Auditors' Report

Financial Statements

Year ended 31 December 2002

**JOINT-STOCK INVESTMENT AND COMMERCIAL BANK
“NOVAYA MOSKVA” (CLOSED JOINT-STOCK COMPANY)
“NOMOS-BANK” (ZAO)**

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Supervisory Board of Joint-Stock Investment and Commercial Bank
"NOVAYA MOSKVA" (Closed Joint-Stock Company) "NOMOS-BANK" (ZAO)

We have audited the accompanying balance sheet of Joint-Stock Investment and Commercial Bank
"NOVAYA MOSKVA" (Closed Joint-Stock Company) "NOMOS-BANK" (ZAO) (the "Bank") as at
31 December 2002 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 2002, and the results of its operations and its cash flows for the year then
ended, in accordance with International Accounting Standards.

Deloitte & Touche

7 March 2003

**JOINT-STOCK INVESTMENT AND COMMERCIAL BANK
“NOVAYA MOSKVA” (CLOSED JOINT-STOCK COMPANY)
“NOMOS-BANK” (ZAO)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002
(in Russian Roubles and in thousands)**

1. ORGANISATION

Joint Stock Investment Commercial Bank “NOVAYA MOSKVA” (Closed Joint-Stock Company) “NOMOS-BANK” (ZAO) (the “Bank”) is a joined-stock investment commercial bank, which was incorporated in the Russian Federation in 1992. Its registered office is located at: 3, Verkhniaya Radishevskaya str., Moscow, 109240, Russia. The Bank is regulated by the Central Bank of the Russian Federation (“CBR”) and conducts its business under license 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 activities, trading with securities, precious metals and foreign currencies, originating loans and guarantees.

The Bank has 5 branches in the Russian Federation.

The number of the Bank’s employees at 31 December 2002 and 2001 was 599 and 420, respectively.

These financial statements were authorized for issue by the Supervisory Board on 7 February 2003.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting basis – The financial statements have been prepared on the accrual basis of accounting, under the historical cost convention and restated in terms of the measuring unit (i.e. Russian Rouble) current at 31 December 2002.

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”).

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 15.1% in 2002, 18.8% in 2001, 20.1% in 2000 and 36.7% in 1999.

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 2002. Monetary assets and liabilities at 31 December 2002 are not restated because they are already expressed in terms of the monetary unit current at 31 December 2002. Non-monetary assets and liabilities and shareholders’ equity, including share capital, as at 31 December 2002 and all amounts as at 31 December 2001 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.

It is expected that starting from 1 January 2003 the Russian economy will no longer be considered to be a hyperinflationary economy for the purposes of IAS. Accordingly, from 1 January 2003 the Bank will cease to use IAS 29, “Financial Reporting in Hyperinflationary Economies.” Cost of non-monetary items of assets, liabilities and shareholder’s equity denominated in measuring units effective 31 December 2002 will provide the basis for book values in the next periods, starting from 1 January 2003.

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).

Investments in other subsidiaries and associates – Investments in corporate shares where the Bank owns more than 20% of share capital, but does not have ability or intent to control or exercise significant influence over operating and financial policies, or non-consolidation of such companies does not significantly affect the financial statements of the Bank as a whole, or the Bank has an intention to resell such investments in the nearest future, as well as investments in corporate shares where the Bank owns less than 20% of share capital, are accounted for at fair value or at approximate fair value, or at historic cost where such fair value may not be determined. Management periodically assesses the carrying values of such investments and provides valuation allowances, if required.

Cash and cash equivalents – Cash and cash equivalents include cash, unrestricted balances with the Central Bank of the Russian Federation and advances to banks in countries included in the Organisation for Economic Co-operation and Development (“OECD”), precious metals and government securities held for trading which may be converted to cash within a short period of time. 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).

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 trading securities. Fair value adjustment on trading securities is recognized in profit and loss account for the period.

Securities held-to-maturity – Securities held-to-maturity are debt securities with determinable or fixed payments. The Bank has the positive intent and ability to hold these securities to maturity. Such securities are carried at amortized cost, less any provision for impairment plus accrued coupon income. Amortised discounts are recognized in the interest income using the effective interest method over the period to maturity. Revenue is recognized on an accrual basis, unless the recovery is doubtful. The financial results from transactions with securities held-to-maturity was determined by the Bank using the LIFO method of cost accounting.

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. 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. The financial results from dealing with securities available-for-sale was determined by the Bank using the LIFO method of cost accounting.

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 the cost of 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, provisions are created to cover potential losses, which although not specifically identified, are present in the loan portfolio as evidenced by the past experience.

The total increase in the allowance for possible loan losses is charged to profit and loss account. Loans to banks and customers carried in the balance sheet are decreased by the amount of allowance created. 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 judgment of management that the allowance for possible loan losses is adequate to absorb losses inherent in the loan portfolio.

Write off of loans – Loans are written off against allowance for possible loan losses in case of uncollectibility of loans and advances, including through repossession of collateral. The Supervisory Board of the Bank takes decision on recognizing debt as bad and/or uncollectible. The decision on writing off bad debt to loan loss allowance for all major, preferential, unsecured and insider loans should necessarily be confirmed with a procedural document of judicial or notary bodies certifying that at the time of the decision the debt could not be repaid (partially repaid) with the debtor's funds.

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 recognized where recovery is doubtful.

Derivative financial instruments – The Bank enters into derivative financial instruments to manage currency and liquidity risks. However, the instruments used by the Bank do not meet the definition of hedging instruments of IAS 39 “Financial Instruments: Recognition and Measurement”. Derivatives entered into by the Bank for trading purposes include forwards on foreign currency, precious metals and securities and combinations of such instruments.

Derivative financial instruments are initially recorded at cost which approximates value of the consideration given with their subsequent remeasurement to fair value. Fair values are obtained from interest model. Most of derivatives the Bank enters in are of short-term and speculative nature. The results of the valuation of derivatives are reported in assets (aggregate of positive market values) or liabilities (aggregate of negative market values), respectively. Both positive and negative

valuation results are recognized in the profit and loss account for the year in which they arise under “Net gain on foreign exchange operations” for foreign currency derivatives, under “Net gain on operations with precious metals” for precious metals derivatives and under “Net gain on trading securities” for securities derivatives.

Repurchase agreements – The Bank enters into sale and purchase back agreements (“repos”) and purchase and sale back agreements (“reverse repos”) in the normal course of its business. A repo is an agreement to transfer a financial asset to another party in exchange for cash or other consideration and a concurrent obligation to reacquire the financial assets at a future date for an amount equal to the cash or other consideration exchanged plus interest. Assets sold by the Bank under repos are retained in the financial statements and a consideration received is recorded in liabilities as collateralized deposit received. A reverse repo is an agreement to purchase assets and resell them at a future date with accrued interest received. Assets purchased under reverse repos are recorded in the financial statements as cash received on deposit which is collateralised by securities or other assets.

Impairment loss – If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable value. The difference being an impairment loss is recognised as an expense in the profit and loss account for the year in which it arises.

Depreciation – Depreciation of fixed and intangible assets 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	20 % – 25 %
Other fixed assets	20 % – 25 %
Intangible assets	20 % – 25 %

After the recognition of an impairment loss the depreciation charge for fixed assets is adjusted in future periods to allocate the assets’ revised carrying value, less its residual value (if any), on a systematic basis over its remaining useful life.

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.

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 the London Metal Exchange on 31 December 2002 and 31 December 2001 using the RUR/USD exchange rate effective at the date.

Offset of financial assets and liabilities – A financial asset and financial liability are offset and the balanced amount is recorded in the balance sheet, if the Bank has a legally enforceable right to set off the amounts recognized in the balance sheet and it has an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Rates of exchange – The exchange rates at 31 December 2002 and 31 December 2001 used by the Bank in preparation of the financial statements are as follows:

	31 December 2002	31 December 2001
RUR/USD	31.7844	30.14
RUR/EUR	33.1098	26.49
RUR/XAU (1 ounce)	10,894.10	8,331.71
RUR/AUG (1 ounce)	137.94	136.23

Income tax – Taxes on income are computed in accordance with the laws of the Russian Federation. Deferred taxes, if any, are provided on items recognized 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 realized. Deferred income tax assets and liabilities are offset when:

- the Bank has a legally enforceable right to set off the recognized amounts of current tax assets and current tax liabilities;
- the Bank has an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously;
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority in the each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

Fiduciary activities – The Bank provides its clients with depositary services, safekeeping client securities and performing securities transactions on depositary accounts. Assets accepted and liabilities incurred under the trustee activities are not included in the Bank’s financial statements.

Reclassification and restatement – Certain reclassifications have been made to the financial statement as at 31 December 2001 to conform with the presentation format as at 31 December 2002 and restatement in accordance with IAS 29.

3. NET INTEREST INCOME

	<u>2002</u>	<u>2001</u>
Interest income		
Interest on loans and advances to customers	1,929,495	1,697,161
Interest on promissory notes	158,786	33,907
Interest on loans and advances to banks	120,807	95,415
Interest on other investment securities	173,211	302,281
Total interest income	<u><u>2,382,299</u></u>	<u><u>2,128,764</u></u>
Interest expenses		
Interest on debt securities issued	610,136	508,191
Interest on deposits from banks	230,298	220,667
Interest on customer accounts	111,546	76,108
Total interest expenses	<u><u>951,980</u></u>	<u><u>804,966</u></u>
Net interest income before provision for possible loan losses	<u><u>1,430,319</u></u>	<u><u>1,323,798</u></u>

4. PROVISIONS

	<u>2002</u>	<u>2001</u>
Provisions for possible loan losses		
(Recovery of provision)/ provision on loans and advances to banks	(24,608)	32,504
Provision for loans and advances to customers	296,230	565,804
	<u><u>271,622</u></u>	<u><u>598,308</u></u>
Provisions for possible losses on other transactions		
Recovery of provision on other assets	(3,730)	(1,196)
Provision for guarantees and other off-balance sheet commitments	53,890	149,768
	<u><u>50,160</u></u>	<u><u>148,572</u></u>

5. NET GAIN ON INVESTMENT SECURITIES

	<u>2002</u>	<u>2001</u>
Net gain on disposal of securities available-for-sale	114,371	71,937
Fair value adjustment on securities available-for-sale	162,290	452,298
	<u><u>276,661</u></u>	<u><u>524,235</u></u>

6. OPERATING EXPENSES

	<u>2002</u>	<u>2001</u>
Staff costs	185,068	152,745
Taxes, other than income tax	81,683	95,181
Impairment of fixed assets	42,897	-
Information technology and telecommunication services expenses	25,794	21,555
Expenses for business operations	21,383	12,974
Operating lease expense	21,132	16,816
Depreciation charge	13,406	8,879
Professional services fees	5,175	3,973
Other	84,214	50,553
	<u><u>480,752</u></u>	<u><u>362,676</u></u>

7. INCOME TAXES

The Bank provides for taxes based on the statutory tax and financial accounting records maintained and prepared in accordance with the Russian statutory tax 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 at 31 December 2002 and 2001 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

Temporary differences at 31 December 2002 and 2001 were as follows:

	<u>2002</u>	<u>2001</u>
Deferred assets:		
Other liabilities	281,607	82,812
Customer accounts	-	26,802
Debt securities issued	-	204,260
Other assets	-	205,094
Deposits from banks	-	44,292
Total deferred assets	<u>281,607</u>	<u>563,260</u>
Deferred liabilities		
Loans and advances to customers	1,074,584	1,288,413
Loans and advances to banks	534,168	2,667
Investment securities	451,882	36,525
Trading securities	7,329	-
Customer accounts	5,971	-
Precious metals	2,317	13,219
Other assets	1,218	-
Total deferred liabilities	<u>2,077,469</u>	<u>1,340,824</u>
Net deferred liability	<u>(1,795,862)</u>	<u>(777,564)</u>
Deferred tax liability at the statutory tax rate (24%)	<u>(431,007)</u>	<u>(186,615)</u>

Relationships between tax expense and accounting profit for the year ended 31 December 2002 and 2001 are explained as follows:

	<u>2002</u>	<u>2001</u>
Profit before income taxes and loss on net monetary position	<u>1,446,374</u>	<u>1,273,151</u>
Tax at the statutory tax rate (24% for 2002, 43% for 2001)	347,130	547,455
Tax effect of permanent differences	(33,248)	(291,868)
Effect of changes in income tax rate	-	(147,737)
Income tax expense	<u>313,882</u>	<u>107,850</u>
Current income tax expense	27,969	4,528
Deferred income tax expense	<u>285,913</u>	<u>103,322</u>
Income tax expense	<u>313,882</u>	<u>107,850</u>

8. CASH AND CASH EQUIVALENTS

The balances of RUR 997,180 thousand and RUR 635,311 thousand as of 31 December 2002 and 2001 include RUR 428,177 thousand and RUR 309,936 thousand, respectively, which represents the minimum reserve deposit required by the CBR. The Bank is required to maintain the reserve balance at the CBR at all times.

Cash and cash equivalents for the purpose of the statements of cash flows are comprised of the following:

	<u>2002</u>	<u>2001</u>
Cash and balances with the CBR	997,180	635,311
Loans and advances to banks in OECD countries	780,070	1,131,073
Trading securities (included in Note 10)	58,067	26,009
Precious metals	<u>256,059</u>	<u>262,265</u>
	2,091,376	2,054,658
Less minimum reserve deposit with the CBR	<u>(428,177)</u>	<u>(309,936)</u>
Cash and cash equivalents	<u><u>1,663,199</u></u>	<u><u>1,744,722</u></u>

9. LOANS AND ADVANCES TO BANKS

	<u>2002</u>	<u>2001</u>
Loans to banks	1,632,554	1,205,583
Advances to banks	652,287	2,615,317
Accrued interest income	<u>337</u>	<u>2,238</u>
	2,285,178	3,823,138
Less allowance for possible loan losses	<u>(29,413)</u>	<u>(60,250)</u>
	<u><u>2,255,765</u></u>	<u><u>3,762,888</u></u>

Allowance for possible loan losses	2002	2001
At beginning of the period	60,250	32,616
(Recovery)/provision for the period	(24,608)	32,504
Gain on net monetary position	<u>(6,229)</u>	<u>(4,870)</u>
At end of the period	<u><u>29,413</u></u>	<u><u>60,250</u></u>

As at 31 December 2001 the Bank had 1 loan totaling RUR 1,311,737 thousand, which exceeded 10% of the Bank's equity. As at 31 December 2002 the Bank had no such loans.

10. TRADING SECURITIES

	<u>2002</u>	<u>2001</u>
Corporate bonds	381,616	228,263
Promissory notes	291,932	537,066
OFZ Bonds and GKO	58,067	26,009
Municipal bonds	31,997	-
Equity securities	2,133	121,469
Other	<u>-</u>	<u>56</u>
	<u><u>765,745</u></u>	<u><u>912,863</u></u>

As of 31 December 2002 and 2001 included in trading securities was the accrued interest income on debt securities amounting to RUR 12,398 thousand and RUR 8,296 thousand, respectively.

11. LOANS AND ADVANCES TO CUSTOMERS

	<u>2002</u>	<u>2001</u>
Loans collateralized by equipment	3,966,087	1,806,170
Loans collateralized by securities	3,782,099	963,293
Loans collateralised by goods in turnover	2,466,366	159,331
Loans collateralised by contract proceeds	1,196,911	1,088,665
Loans collateralized by rights to purchase precious metals	1,226,961	831,058
Loans collateralised by guarantees	555,386	1,643,962
Loans collateralized by real estate	-	107,229
Loans collateralised by others	685,187	174,631
Unsecured loans	902,683	1,424,451
Accrued interest income	64,056	164,616
	<u>14,845,736</u>	<u>8,363,406</u>
Less allowance for possible loan losses	<u>(1,339,485)</u>	<u>(1,224,556)</u>
	<u>13,506,251</u>	<u>7,138,850</u>

Allowance for possible loan losses	<u>2002</u>	<u>2001</u>
At beginning of the period	1,224,556	839,246
Provision for the year	296,230	565,804
Writing off of loans against allowance for the period	(2,596)	(1,053)
Gain on net monetary position	(178,705)	(179,441)
At end of the period	<u>1,339,485</u>	<u>1,224,556</u>

As at 31 December 2002 and 2001 included in loans and advance to customers are non-performing loans amounting to RUR 437,290 thousand and RUR 486,324 thousand, respectively.

As of 31 December 2002 and 2001 the Bank had loans and advances to one and two borrowers totaling RUR 885,688 thousand and RUR 1,654,293 thousand, respectively, which individually exceeded 10% of the Bank's equity.

As at 31 December 2002 and 2001 the Bank had loans originated to customers in Moscow and Moscow region totaling RUR 2,537,508 thousand and RUR 2,064,729 thousand, respectively, which amounted to 17.2 % and 25.2% of the Bank's loan portfolio, respectively.

Analysis by sector	<u>2002</u>	<u>2001</u>
Trading	4,741,150	1,490,078
Manufacturing	4,430,269	3,342,305
Precious metals extraction	2,894,170	2,460,764
Investments	794,623	-
Real estate and leasing	564,195	383,501
Construction	433,491	44,206
Individuals	152,882	63,053
Finance	20,500	2,277
Transport and communications	17,450	76,193
Other	732,950	336,413
Accrued interest income	64,056	164,616
	<u>14,845,736</u>	<u>8,363,406</u>
Less allowance for possible loan losses	<u>(1,339,485)</u>	<u>(1,224,556)</u>
	<u>13,506,251</u>	<u>7,138,850</u>

12. INVESTMENT SECURITIES

	<u>2002</u>	<u>2001</u>
Securities available-for-sale	3,984,012	4,736,379
Other investments	549	1,227
	<u>3,984,561</u>	<u>4,737,606</u>
Less allowance for impairment losses	-	(9)
	<u><u>3,984,561</u></u>	<u><u>4,737,597</u></u>

Securities available-for-sale	<u>2002</u>	<u>2001</u>
OVGZ Bonds	3,984,012	4,474,640
Eurobonds	-	219,671
OFZ Bonds	-	42,068
	<u>3,984,012</u>	<u>4,736,379</u>

Other investments	2002	2001
Investment in non-consolidated subsidiary	10	12
Investment in associated company	-	575
Other investments	539	640
	<u>549</u>	<u>1,227</u>
Less allowance for impairment losses	-	(9)
	<u>549</u>	<u>1,218</u>

Allowance for impairment losses	<u>2002</u>	<u>2001</u>
At beginning of the period	9	93
Recovery of provision for the period	(9)	(849)
Loss on net monetary position	-	765
At end of the period	<u>-</u>	<u>9</u>

As of 31 December 2002 and 2001 included in securities available-for-sale was the accrued coupon income amounting to RUR 103,935 thousand and RUR 104,069 thousand, respectively.

	<u>Share of ownership</u>	<u>2002</u>	<u>2001</u>
Investment in non-consolidated subsidiary			
OOO "Poljanka, 11-13"	100%	<u>10</u>	<u>12</u>
		<u>10</u>	<u>12</u>
Investment in associated company			
Fund of development of pharmacy	50%	<u>-</u>	<u>575</u>
		<u>-</u>	<u>575</u>

As of 31 December 2002 the Bank has disposed off of its investment in associate "Fund of development of pharmacy".

As of 31 December 2002 the Bank owned 100% of the share capital of OOO "Poljanka, 11-13" (Russian Federation) with the nominal value of RUR 10 thousand. The company is not involved in active operations, and its financial statements were not consolidated into these financial statements because this does not have a significant effect on the Bank's financial statements as a whole.

13. FIXED AND INTANGIBLE ASSETS

	Buildings and leasehold improvements	Furniture and equipment	Other fixed assets	Intangible assets	Total
At initial indexed cost					
At 31 December 2001	1,508	55,469	89,101	12,449	158,527
Additions	8,213	33,727	57,750	17,123	116,813
Disposals	(790)	(938)	(46,408)	(875)	(49,011)
Impairment charge	(2,112)	(18,578)	(12,683)	(9,524)	(42,897)
At 31 December 2002	<u>6,819</u>	<u>69,680</u>	<u>87,760</u>	<u>19,173</u>	<u>183,432</u>
Accumulated depreciation					
At 31 December 2001	413	12,403	6,196	4,382	23,394
Charge for the year	647	6,884	2,981	2,894	13,406
Disposals	(25)	(488)	(312)	(713)	(1,538)
At 31 December 2002	<u>1,035</u>	<u>18,799</u>	<u>8,865</u>	<u>6,563</u>	<u>35,262</u>
Net book value					
At 31 December 2002	<u><u>5,784</u></u>	<u><u>50,881</u></u>	<u><u>78,895</u></u>	<u><u>12,610</u></u>	<u><u>148,170</u></u>
Net book value					
At 31 December 2001	<u><u>1,095</u></u>	<u><u>43,066</u></u>	<u><u>82,905</u></u>	<u><u>8,067</u></u>	<u><u>135,133</u></u>

14. PRECIOUS METALS

	2002	2001
Gold in vault	186,713	214,372
Silver in transit	48,911	-
Gold in transit	16,846	11,322
Silver in vault	3,032	4,532
Other precious metals in vault	557	839
Accounts with banks in gold and silver	-	31,200
	<u><u>256,059</u></u>	<u><u>262,265</u></u>

15. OTHER ASSETS

	2002	2001
Stationery and supplies	15,489	11,073
Prepaid expenses and other receivables	13,780	6,139
Taxes recoverable, other than income tax	610	7,584
Current income tax recoverable	44,031	-
Other	7,645	12,784
	<u>81,555</u>	<u>37,580</u>
Less allowance for possible losses on other assets	-	(3,259)
	<u><u>81,555</u></u>	<u><u>34,321</u></u>

16. DEPOSITS FROM BANKS

	2002	2001
Time deposits	3,106,197	1,549,925
Demand deposits	581,899	1,945,162
Accrued interest income	10,441	25,059
	<u>3,698,537</u>	<u>3,520,146</u>

As of 31 December 2001 included in deposits from banks was demand deposits denominated in gold bullion of RUR 135,793 thousand.

17. CUSTOMER ACCOUNTS

	2002	2001
Demand deposits	3,735,326	2,584,356
Time deposits	1,083,696	594,422
Accrued interest income	22,218	10,511
	<u>4,841,240</u>	<u>3,189,289</u>

As of 31 December 2002 and 2001 included in customer accounts was demand deposits denominated in gold bullion of RUR 510,513 thousand and RUR 160,684 thousand, respectively.

As of 31 December 2002 included in customer accounts was demand deposits denominated in silver bullion of RUR 9 thousand.

18. DEBT SECURITIES ISSUED

	2002	2001
Promissory notes	4,228,097	2,819,189
Bonds	1,300,000	1,207,399
Certificates of deposits	846,600	414,028
Accrued interest income	142,421	67,484
Less: unamortized discount	(197,445)	(220,359)
	<u>6,319,673</u>	<u>4,287,741</u>

Discount on promissory notes and bonds is amortized using the effective interest method over the life of the note and the bond and is recorded in interest expense on debt securities issued.

Bonds as at 31 December 2002 and 2001 comprised of discount and interest bonds denominated in Roubles. As of 31 December 2002 and 2001 interests rates on such bonds range from 9% to 11% per annum and from 2.5% to 10% per annum, respectively.

As of 31 December 2002 and 2001 interests rates on certificates of deposit denominated in Roubles range from 4% to 17% per annum and from 4% to 18% per annum, respectively.

Promissory notes at 31 December 2002 and 2001 comprised of discount, interest and settlement (zero interest rate, issued at par value) promissory notes. As of 31 December 2002 and 2001 interests rates on promissory notes denominated in foreign currency range from 1% to 11% per annum and from

1% to 14% per annum, respectively, interest rates on the promissory notes denominated in Roubles range from 4% to 26% per annum and from 6% to 19% per annum, respectively.

19. OTHER LIABILITIES

	<u>2002</u>	<u>2001</u>
Allowance for possible losses on guarantees and other off-balance sheet commitments	268,454	251,184
Deferred income tax liabilities	431,007	186,615
Taxes payable, other than income tax	9,712	7,013
Other	<u>19,168</u>	<u>11,351</u>
	<u>728,341</u>	<u>456,163</u>
Allowance for possible losses on guarantees and other off-balance sheet commitments:		
At beginning of the period	251,184	137,723
Provision for the period	53,890	149,768
Gain on net monetary position	<u>(36,620)</u>	<u>(36,307)</u>
At end of the period	<u>268,454</u>	<u>251,184</u>

20. SHARE CAPITAL AND SHARE PREMIUM

At 31 December 2002 and 2001 share capital 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. All ordinary shares are of the same type and bear one vote.

Share premium represents the excess of contributions received over the nominal value of shares issued. Ordinary shares were distributed with a premium that as at 31 December of 2002 and 2001 was RUR 2,651,810 thousand.

The shareholders' meeting on 3 February 2003 decided to issue 10,300,000 additional common non-documentary shares for a total of RUR 515,000 thousand.

21. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

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 2002 and 2001, the nominal or contract amounts and the risk weighted credit equivalents of instruments with off-balance sheet risks were:

	31 December 2002		31 December 2001	
	Nominal Amount	Risk Weighted Amount	Nominal Amount	Risk Weighted Amount
Contingent liabilities and credit commitments:				
Guarantees and other similar commitments	2,553,605	2,553,605	1,373,906	1,373,906
Letters of credit and other transactions related to contingent obligations	652,736	281,403	376,005	129,772
Commitments on loans and unused credit lines	3,505,786	383,585	1,785,831	23,236
Forward contracts (amount payable)				
Forward foreign exchange contracts	687,194	27,488	169,077	6,763
Forward contracts with precious metals	82,392	3,296	-	-
Forward contracts with securities	15,428	617	157,380	6,295

22. COMMITMENTS AND CONTINGENCIES

Capital commitments – The Bank had no material commitments for capital expenditures outstanding as at 31 December 2002.

Operating leases – The Bank's future minimum rental payments under non-cancelable operating leases of buildings in effect at 31 December 2002 for the following 5 years are presented in the table below.

	RUR thousand
2003	13,195
2004	12,724
2005	12,728
2006	11,442
2007	11,442

Operating environment – 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.

Fiduciary activities – The Bank provides depository services to its customers. As of 31 December 2002 and 2001, the Bank had customer securities totalling 127,008,651 items and 177,396,026 items, respectively, in its nominal holder accounts.

Legal proceedings – From time to time and in the normal course of business, claims against the Bank are received from customers and counterparties. 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 by the tax authorities of making arbitrary judgment of taxpayer 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 for additional taxes, penalties and interest. The Bank believes now that it has already complied with them, and therefore has not provided for in the financial statements. Tax years remain open to review by the tax authorities for three years.

Derivatives – In 2002 and 2001 the Bank had contracts with companies engaged in the precious metals mining, for the purchase of precious metals. Such contracts were made both for short and long terms and did not have a fixed price. The price was determined at the date of payment at the rate of the CBR less the margin stipulated in the contract. At 31 December 2002 and 2001 total contracted volume of precious metals to be purchased by the Bank during 2003 and 2002 was 20.9 tonnes of gold, 76.3 tonnes of silver, 15 kg of platinum and 24 kg of palladium and 9.5 tonnes of gold and 46.4 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 2002 and 2001 the Bank entered into transactions to sell 20.0 tonnes and 10.2 tonnes of gold to another company, respectively. Conditions stated in the contracts are similar to those stated in the contracts with mining companies. Also, at 31 December 2002 and 2001 the Bank entered into transactions to sell USD 168,000 thousand and USD 10,000 thousand to another company and another bank, respectively. According to the contracts, supply of USD is not obligatory and the Bank has the right to renegotiate the terms of agreements, including cancellation.

23. TRANSACTIONS WITH RELATED PARTIES

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 2002 and 2001, the Bank had customer accounts totaling RUR 20,871 thousand and RUR 258,894 thousand, respectively, of related parties.

During the years ended 31 December 2002 and 2001 the Bank received deposits and advances from customers – related parties, mainly demand deposits, of RUR 402,440 thousand and RUR 6,356,553 thousand, respectively, and repaid deposits and advances totaling RUR 404,446 thousand and RUR 6,754,601 thousand, respectively.

At 31 December 2002 and 2001 the Bank had a subordinated loan for the term of 10 years from a related party amounting to RUR 260,000 thousand and RUR 299,260 thousand, respectively, and accrued interest amounting to RUR 9,061 thousand and RUR 7,436 thousand, respectively. Interest on the subordinated loan is due at maturity and accrued at 1% per annum.

As of 31 December 2002 and 2001, the Bank issued guarantees totaling RUR 252 thousand and RUR 528 thousand, respectively, on behalf of related parties. During the years ended 31 December 2002 and 2001 the Bank had guarantees issued on behalf of related parties totaling RUR 270 thousand and RUR 314 thousand. No loss was recognized in the Bank's financial statements in respect of guarantees issued on behalf of related parties in 2002 and 2001. During the years ended 31 December 2002 and 2001 guarantees issued by the Bank on behalf of related parties totaling RUR 492 thousand and RUR 32,061 thousand, respectively, expired.

Included in the profit and loss account for the years ended 31 December 2002 and 2001 are the following amounts which arose due to transactions with related parties:

	<u>2002</u>	<u>2001</u>
Interest expense	(4,910)	(30,344)
Fees and commission income	1,777	1,995
Operating expenses	(1,675)	-
Net gain on foreign exchange operations	89	-

Transactions with related parties entered by the Bank during the years ended 31 December 2002 and 2001 and outstanding as of 31 December 2002 and 2001 were generally made in the normal course of business and under arm-length conditions, with the exception of the subordinated loan.

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 2002 and 2001, 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 are made in accordance with the requirements of IAS 32 “Financial Instruments: Disclosure and Presentation” and IAS 39 “Financial Instruments: Recognition and Measurement”. As no readily available market exists for a large part of the Bank’s financial instruments, judgment 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 2002 and 2001 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 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 2002 and 2001 trading securities are stated at fair value amounting to RUR 753,347 thousand and RUR 904,567 thousand, respectively, plus accrued coupon income totalling RUR 12,398 thousand and RUR 8,296 thousand, respectively. Fair value of trading securities was determined with reference to an active market.

Securities available-for-sale – As of 31 December 2002 and 2001 securities available-for-sale are stated at fair value amounting to RUR 3,880,077 thousand and RUR 4,632,310 thousand, respectively, plus accrued coupon income totaling RUR 103,935 thousand and RUR 104,069 thousand, respectively. 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.

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 allowance 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 allowance 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 2002 and 2001 derivative financial instruments are stated at fair value.

Loans and advances from banks – As of 31 December 2002 and 2001 the carrying amount of time and demand deposits of RUR 3,688,096 thousand and RUR 3,495,087 thousand, respectively, is a reasonable estimate of their fair value.

Customer accounts – As of 31 December 2002 and 2001 the carrying amount of time and demand deposits of the Bank’s customers of RUR 4,819,022 thousand and RUR 3,178,778 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.

Subordinated loan – Fair value of the subordinated loan was calculated by discounting the amount of the loan, including interest amount, using the Bank of Russia refinancing rate. As of 31 December 2002 and 2001, the fair value amounted to RUR 97,205 thousand and RUR 94,816 thousand, respectively.

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 capital is calculated as the amount of restricted and free components of the shareholders’ capital plus the Bank’s provisions for the principal risks on condition that the total provision for possible loan losses does not exceed 1.25% of the risk weighted assets.

The ratio was calculated according to the principles employed by the Basle Committee by applying the following risk estimates:

<u>Estimate</u>	Description of position
0%	Cash and balances with the Central Bank of the Russian Federation
0%	Government debt securities denominated in Russian Roubles
20%	Loans and advances to banks maturing within 1 year
100%	Loans and advances to customers
100%	Other assets
0%	Letters of credit secured by clients funds
	Letters of credit and other contingencies relating to settlement operations and commitments on unused loans with original maturity over 1 year
50%	
100%	Guarantees and other similar commitments

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

	Actual amount	For Capital Adequacy purposes	Ratio For Capital Adequacy purposes	Minimum Required Ratio
	Amount in RUR thousand	Amount in RUR thousand		
As at 31 December 2002				
Total capital	6,138,434	6,650,794	29.71%	8%
Tier 1 capital	6,126,441	6,126,441	27.37%	4%
As at 31 December 2001				
Total capital	5,859,193	6,323,669	41.18%	8%
Tier 1 capital	5,846,991	5,846,991	38.08%	4%

As of 31 December 2002 and 2001 the Bank included in the computation of Total capital for Capital adequacy purposes the subordinated loan received, limited to 50% of Tier 1 capital. The loan matures on 7 July 2009. In the event of bankruptcy or liquidation of the Bank repayment of this loan is subordinate to the repayments of the Bank's liabilities to all other creditors.

27. RISK MANAGEMENT POLICY

The Bank manages the following main types of risks:

Credit risk – The Credit Committee approves new loans and 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 28 to the financial statements shows assets and liabilities as at 31 December 2002 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.

Currently, a considerable part of customer deposits are repayable on demand. However, the fact that these deposits are diversified by the number and type of customers and the Bank's previous experience indicate that these deposits are a stable and long-term source of finance 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.

28. 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 - 1 year	1 year to 5 years	Over 5 years	Maturity undefined (incl. allowance for losses and impairment)	31 December 2002 Total thousand roubles
ASSETS							
Loans and advances to banks, less allowance for possible loan losses	1,552,596	79,958	-	-	-	(18,562)	1,613,992
Trading securities	740,071	-	-	-	-	-	740,071
Loans and advances to customers, less allowance for possible loan losses	629,611	2,284,115	9,366,297	2,501,657	-	(1,339,485)	13,442,195
Investment securities, less allowance for impairment losses *	-	-	185,068	320,631	3,478,313	-	3,984,012
Total interest bearing assets	2,922,278	2,364,073	9,551,365	2,822,288	3,478,313	(1,358,047)	19,780,270
Cash and balances with the Central Bank of	569,003	-	-	-	-	428,177	997,180
Advances to banks, less allowance for possible loan losses	652,624	-	-	-	-	(10,851)	641,773
Trading securities	25,674	-	-	-	-	-	25,674
Loans and advances to customers, less allowance for possible loan losses	64,056	-	-	-	-	-	64,056
Investment securities, less allowance for impairment losses	-	-	-	-	549	-	549
Fixed and intangible assets, less accumulated depreciation	-	-	-	142,386	5,784	-	148,170
Precious metals	256,059	-	-	-	-	-	256,059
Other assets	81,555	-	-	-	-	-	81,555
TOTAL ASSETS	4,571,249	2,364,073	9,551,365	2,964,674	3,484,646	(940,721)	21,995,286
LIABILITIES							
Deposits from banks	703,129	-	1,747,198	655,870	-	-	3,106,197
Customer accounts	40,860	514,199	526,335	2,302	-	-	1,083,696
Debt securities issued	484,428	1,517,428	1,824,217	1,701,568	97,336	-	5,624,977
Subordinated loan	-	-	-	-	260,000	-	260,000
Total interest bearing liabilities	1,228,417	2,031,627	4,097,750	2,359,740	357,336	-	10,074,870
Deposits from banks	592,340	-	-	-	-	-	592,340
Customer accounts	3,757,544	-	-	-	-	-	3,757,544
Debt securities issued	437,507	50,115	138,967	68,107	-	-	694,696
Subordinated loan	-	-	-	-	9,061	-	9,061
Other liabilities	459,887	-	-	-	-	268,454	728,341
TOTAL LIABILITIES	6,475,695	2,081,742	4,236,717	2,427,847	366,397	268,454	15,856,852
Liquidity gap	(1,904,446)	282,331	5,314,648	536,827	3,118,249	-	-
Interest sensitivity gap	1,693,861	332,446	5,453,615	462,548	3,120,977	-	-
Cumulative interest sensitivity gap	1,693,861	2,026,307	7,479,922	7,942,470	11,063,447	-	-
Cumulative interest sensitivity gap as a percentage of total assets	7.70%	9.21%	34.01%	36.11%	50.30%	-	-
OFF-BALANCE SHEET CLAIMS AND COMMITMENTS							
Payable under forward deals	(708,069)	(76,945)	-	-	-	-	(785,014)
Receivable under forward deals	706,751	71,975	-	-	-	-	778,726
Payable under spot deals	(1,261,628)	-	-	-	-	-	(1,261,628)
Receivable under spot deals	1,262,846	-	-	-	-	-	1,262,846
Interest sensitivity gap	(100)	(4,970)	-	-	-	-	-
Cumulative interest sensitivity gap	(100)	(5,070)	(5,070)	(5,070)	(5,070)	-	-

*) Government securities available-for-sale are included in columns corresponding to their established maturity. However, the Bank treats them as a highly liquid asset which may be realized in less than a month, if necessary.

29. 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	Other currency
ASSETS			
Loans and advances to banks	12-25%	1-5%	3%
Trading debt securities	1-23%	-	-
Loans and advances to customers	7-28%	10-18%	15-17%
Debt securities available-for-sale	-	3%	-
LIABILITIES			
Deposits from banks	10-20%	1-9%	5%
Time deposits from customers	1-18%	5-10%	6-10%
Debt securities issued	4-26%	1-11%	1%
Subordinated loan	1%	-	-

30. CURRENCY ANALYSIS

	Roubles	USD 1 USD = RUR 31.7844	EUR 1 EUR = RUR 33.1098	Gold 1 ounce = RUR 10,894.10	Other currency	Currency undefined including loss and impairment provision)	As at 31 December 2002 Total thousand roubles
ASSETS							
Cash and balances with the Central Bank of the Russian Federation	937,917	51,696	7,567	-	-	-	997,180
Loans and advances to banks, less allowance for possible loan losses	1,394,440	768,231	122,507	-	-	(29,413)	2,255,765
Trading securities	765,745	-	-	-	-	-	765,745
Loans and advances to customers, less allowance for possible loan losses	8,408,693	6,307,785	116,139	13,119	-	(1,339,485)	13,506,251
Investment securities, less allowance for impairment losses	549	3,984,012	-	-	-	-	3,984,561
Fixed and intangible assets, less accumulated depreciation	148,170	-	-	-	-	-	148,170
Precious metals	-	-	-	203,559	52,500	-	256,059
Other assets	78,293	487	-	-	2,775	-	81,555
TOTAL ASSETS	11,733,807	11,112,211	246,213	216,678	55,275	(1,368,898)	21,995,286
LIABILITIES							
Deposits from banks	886,702	2,723,214	88,621	-	-	-	3,698,537
Customer accounts	3,033,510	666,054	631,045	510,513	118	-	4,841,240
Debt securities issued	5,201,536	1,100,654	17,483	-	-	-	6,319,673
Other liabilities	459,501	377	9	-	-	268,454	728,341
Subordinated loan	269,061	-	-	-	-	-	269,061
TOTAL LIABILITIES	9,850,310	4,490,299	737,158	510,513	118	268,454	15,856,852
NET BALANCE SHEET POSITION	1,883,497	6,621,912	(490,945)	(293,835)	55,157		
OFF-BALANCE SHEET (COMMITMENTS) /CLAIMS							
Payable under forward deals	(346,923)	(379,561)	-	(58,530)	-	-	(785,014)
Receivable under forward deals	133,326	301,951	314,543	28,906	-	-	778,726
Payable under spot deals	(34,996)	(614,101)	(612,531)	-	-	-	(1,261,628)
Receivable under spot deals	-	632,842	630,004	-	-	-	1,262,846
NET OFF-BALANCE SHEET (COMMITMENTS) /CLAIMS	(248,593)	(58,869)	332,016	(29,624)	-		
TOTAL OPEN POSITION	1,634,904	6,563,043	(158,929)	(323,459)	55,175		

31. GEOGRAPHICAL ANALYSIS

	OECD countries	Non-OECD countries	Undefined (incl. allowance for losses)	As at 31 December 2002 Total thousand roubles
ASSETS				
Cash and balances with the Central Bank of the Russian Federation	-	997,180	-	997,180
Loans and advances to banks, less allowance for possible loan losses	780,070	1,505,108	(29,413)	2,255,765
Trading securities	-	765,745	-	765,745
Loans and advances to customers, less allowance for possible loan losses	-	14,845,736	(1,339,485)	13,506,251
Investment securities, less allowance for impairment losses	-	3,984,561	-	3,984,561
Fixed and intangible assets, less accumulated depreciation	-	148,170	-	148,170
Precious metals	-	256,059	-	256,059
Other assets	-	81,555	-	81,555
TOTAL ASSETS	<u>780,070</u>	<u>22,584,114</u>	<u>(1,368,898)</u>	<u>21,995,286</u>
LIABILITIES				
Deposits from banks	1,652,789	2,045,748	-	3,698,537
Customer accounts	-	4,841,240	-	4,841,240
Debt securities issued	-	6,319,673	-	6,319,673
Other liabilities	-	459,887	268,454	728,341
Subordinated loan	-	269,061	-	269,061
TOTAL LIABILITIES	<u>1,652,789</u>	<u>13,935,609</u>	<u>268,454</u>	<u>15,856,852</u>
NET BALANCE SHEET POSITION	<u>(872,719)</u>	<u>8,648,505</u>		
OFF-BALANCE SHEET COMMITMENTS				
Payable under forward deals	(347,933)	(437,081)	-	(785,014)
Receivable under forward deals	346,327	432,399	-	778,726
Payable under spot deals	(1,226,632)	(34,996)	-	(1,261,628)
Receivable under spot deals	1,227,890	34,956	-	1,262,846
NET OFF-BALANCE SHEET (COMMITMENTS) /CLAIMS	<u>(348)</u>	<u>(4,722)</u>		
TOTAL OPEN POSITION	<u>(873,067)</u>	<u>8,643,783</u>		