

**OJS SCBP "PRIMSOTSBANK"**  
**Summarised Financial Statements**  
**and**  
**Independent Auditor's Report on Summarised Financial Statements**  
**31 December 2011**

**OJS SCBP "Primsotsbank"**  
**Summarised Financial Statements and Independent Auditor's Report**

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**OJS SCBP "Primsotsbank"**  
**Summarised Financial Statements and Independent Auditors' Report**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Management and the Board of Directors of OJS SCBP "Primsotsbank":**

We have audited the financial statements of OJS SCBP "Primsotsbank" ("the Bank") for the year ended 31 December 2011, from which the summarised financial statements were derived in accordance with International Standards on Auditing. In our report dated 11 May 2012 we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

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

For a full understanding of the Bank's financial position and the result of its operations for the period and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which the summarised financial statements were derived and our audit report thereon.

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Vladivostok, 690003  
Russian Federation

*OOO Moore Stephens*

OOO Moore Stephens

11 May 2012

**OJS SCBP "Primsotsbank"**  
**Statement of Financial Position as at 31 December 2011**  
*(in thousands of Russian Roubles)*

	<u>31 December 2011</u>	<u>31 December 2010</u>
<b>Assets</b>		
Cash and cash equivalents	3,017,446	2,930,369
Mandatory cash balances with the CBRF	255,604	117,130
Financial assets at fair value through profit or loss	780,968	985,831
Due from other banks	2,083,752	1,343,242
Financial assets available for sale	1,086,317	523,181
Investment securities held to maturity	351,193	1,264,929
Loans and advances to customers	15,784,850	9,627,058
Investment in finance lease	20,490	45,793
Investment property	384,244	354,559
Premises and equipment	430,989	393,845
Assets held for sale	31,231	7,806
Deferred tax asset	10,782	-
Other assets	418,599	208,209
<b>Total assets</b>	<u><b>24,656,465</b></u>	<u><b>17,801,952</b></u>
<b>Liabilities and equity</b>		
Due to other banks	186,496	88,503
Derivative financial instruments	963	133
Customer accounts	21,287,628	15,480,591
Debt securities in issue	244,360	279,439
Other borrowed funds	50,218	103,130
Subordinated debt	505,000	-
Deferred tax liability	-	20,600
Other liabilities	174,679	123,790
<b>Total liabilities</b>	<u><b>22,449,344</b></u>	<u><b>16,096,186</b></u>
<b>Equity</b>		
Share capital	203,200	203,200
Share premium	254,127	254,127
Revaluation of financial assets available for sale	21,479	7,822
Retained earnings	1,728,315	1,240,617
<b>Total equity</b>	<u><b>2,207,121</b></u>	<u><b>1,705,766</b></u>
<b>Total liabilities and equity</b>	<u><b>24,656,465</b></u>	<u><b>17,801,952</b></u>
<b>Total credit related commitments</b>	<u><b>2,528,953</b></u>	<u><b>1,535,003</b></u>

Approved on 11 May 2012

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D.B. Yarovoy, President

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L.V. Barinova, Chief Accountant

**OJS SCBP "Primsotsbank"**  
**Statement of Comprehensive Income for the Year Ended 31 December 2011**  
*(in thousands of Russian Roubles)*

	<u>2011</u>	<u>2010</u>
Interest income	2,097,216	1,637,362
Interest expense	<u>(897,196)</u>	<u>(819,022)</u>
<b>Net interest income</b>	1,200,020	818,340
Movement in allowance for impairment on loans and advances	<u>(153,498)</u>	<u>(37,938)</u>
<b>Net interest income after allowance for impairment</b>	<b>1,046,522</b>	<b>780,402</b>
Gains/ (losses) arising from securities, net	35,121	(2,748)
Gains arising from dealing in foreign currencies, net	391,478	327,778
Gains/ (losses) from foreign exchange translation, net	73,980	(7,197)
Fee and commission income, net	921,270	739,679
Gains/ (losses) arising from sales of loans, net	1,254	(130,826)
Other operating income	<u>116,278</u>	<u>88,297</u>
<b>Operating income</b>	<b>2,585,903</b>	<b>1,795,385</b>
Operating expenses	(1,799,664)	(1,331,690)
Value received on debt securities at below commercial rates	541	-
Value transfer on loans at below commercial rates	<u>(27,410)</u>	<u>(3,436)</u>
<b>Profit before taxation</b>	<b>759,370</b>	<b>460,259</b>
Taxation	<u>(171,765)</u>	<u>(124,881)</u>
<b>Profit for the year</b>	<b>587,605</b>	<b>335,378</b>
<b>Other comprehensive income</b>		
Financial assets available for sale:		
Gains less losses arising during the year	26,849	9,778
Cumulative gains reclassified to profit or loss on sale of financial assets available for sale	(9,778)	-
Income tax expense recorded directly in other comprehensive income	<u>(3,414)</u>	<u>(1,956)</u>
<b>Other comprehensive income for the year</b>	<b>13,657</b>	<b>7,822</b>
<b>Total comprehensive income for the year</b>	<b>601,262</b>	<b>343,200</b>

**OSC SCBP "Primsotsbank"**  
**Statement of Cash Flows for the Year Ended 31 December 2011**  
*(in thousands of Russian Roubles)*

	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities</b>		
Interest received	1,957,745	1,426,151
Interest paid	(876,062)	(793,283)
Net gains arising from dealing in securities	178,297	186,726
Income received from dealing in foreign currencies	392,307	327,908
Net fees and commissions received	920,796	742,500
Net gains arising from sales of mortgage loans	1,254	1,470
Other operating income received	107,485	87,147
Operating expenses paid	(1,711,771)	(1,237,777)
Income tax paid	(208,846)	(118,350)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>761,205</b>	<b>622,492</b>
<b>Net cash changes in operating assets and liabilities</b>		
Net increase in mandatory cash balances with the CBRF	(138,474)	(36,109)
Net decrease/ (increase) in financial assets at fair value through profit or loss	197,347	(206,009)
Net (increase)/ decrease in due from other banks	(740,752)	242,000
Net increase in financial assets available for sale	(546,066)	(513,382)
Net decrease/ (increase) in investment securities held to maturity	882,121	(703,815)
Net increase in loans and advances to customers	(6,260,450)	(3,775,925)
Net increase/ (decrease) in due to other banks	91,851	(78,373)
Net increase in customer accounts	5,698,988	4,605,848
Net (decrease)/ increase in promissory notes issued	(32,912)	191,301
Net change in other assets and liabilities	(156,767)	7,127
<b>Net cash (used in)/ generated by operating activities</b>	<b>(243,909)</b>	<b>355,155</b>
<b>Cash flows from investing activities</b>		
Purchase of premises and equipment	(145,385)	(168,925)
Proceeds from sale of fixed assets	11,953	280
Purchase of investment property	(1,539)	-
Investment in finance lease asset	-	(23,700)
Decrease in assets under finance lease	25,303	28,061
<b>Net cash used in investing activities</b>	<b>(109,668)</b>	<b>(164,284)</b>
<b>Cash flows from financing activities</b>		
Receipt of subordinated loans	505,000	-
Dividends paid	(99,907)	(50,800)
Other borrowed funds paid	(56,186)	(138,365)
<b>Net cash generated by/ (used in) financing activities</b>	<b>348,907</b>	<b>(189,165)</b>
Effect of changes in exchange rates	91,747	(12,503)
<b>Net change in cash and cash equivalents</b>	<b>87,077</b>	<b>(10,797)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>2,930,369</b>	<b>2,941,166</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,017,446</b>	<b>2,930,369</b>

**OJS SCBP "Primsotsbank"**  
**Statement of Changes in Equity for the Year Ended 31 December 2011**  
*(in thousands of Russian Roubles)*

	Share Capital	Share premium	Revaluation of financial assets available for sale	Retained earnings	Total equity
<b>1 January 2010</b>	<b>169,333</b>	<b>254,127</b>	-	<b>989,906</b>	<b>1,413,366</b>
Transfer of retained earnings to share capital	33,867	-	-	(33,867)	-
Total comprehensive income for 2010	-	-	7,822	335,378	343,200
Dividends declared	-	-	-	(50,800)	(50,800)
<b>31 December 2010</b>	<b>203,200</b>	<b>254,127</b>	<b>7,822</b>	<b>1,240,617</b>	<b>1,705,766</b>
Total comprehensive income for 2011	-	-	13,657	587,605	601,262
Dividends declared	-	-	-	(99,907)	(99,907)
<b>31 December 2011</b>	<b>203,200</b>	<b>254,127</b>	<b>21,479</b>	<b>1,728,315</b>	<b>2,207,121</b>