

Open joint stock company

“Asian-Pacific Bank”

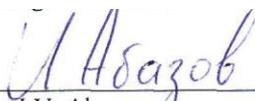
**Consolidated Financial Statements
for the 6 months ended 30 June 2011**

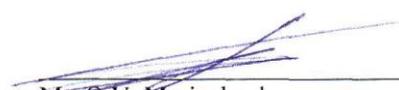
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	Notes	30 June 2011 RUB'000 unaudited	30 June 2010 RUB'000 unaudited
Interest income	4	3 273 740	1 963 152
Interest expense	4	(1 216 258)	(907 586)
Net interest income		2 057 482	1 055 566
Fee and commission income	5	446 738	200 636
Fee and commission expense		(67 165)	(29 707)
Net fee and commission income		379 573	170 929
Net gain on financial instruments at fair value through profit or loss		(7 333)	166 382
Net foreign exchange income	6	77 520	45 237
Net gain on operations with precious metals		6 063	4 438
Other operating income	7	134 345	73 976
Operating income		2 647 650	1 516 528
Impairment losses	8	(384 292)	(220 744)
Personnel expenses	9	(944 795)	(469 110)
Other general administrative expenses	10	(395 535)	(297 621)
Profit before income tax		923 028	529 053
Income tax expense	11	(130 996)	(67 214)
Profit for the period		792 032	461 839
Total comprehensive income		792 032	461 839

The consolidated interim condensed financial statements as set out on pages 3 to 39 were approved by the Management board on 1 September 2011.


 Mr. I.V. Abazov
 Acting Chairman of the Board


 Mr. O.V. Marinchenko
 Chief Accountant

OJSC “Asian-Pacific Bank”
Consolidated Interim Condensed Statement of Financial Position as at 30 June 2011

		30 June 2011	31 December 2010
		RUB'000	RUB'000
	Notes	unaudited	
ASSETS			
Cash		1 129 218	1 125 962
Placements with the Central Bank	12	2 032 009	2 817 189
Financial instruments at fair value through profit or loss	13	8 596 289	7 387 175
Available-for-sale financial assets	14	43 612	98 150
Due from banks	15	1 874 311	1 437 200
Amounts receivable under reverse repurchase agreements	16	920 652	5 726 883
Loans to customers	17	27 964 771	20 315 830
Net investments in finance leases	18	835 012	582 577
Current tax asset		104 354	23 456
Deferred tax asset	11	6 983	13 509
Property, equipment and intangible assets	19	2 350 048	1 891 758
Other assets	20	788 560	361 022
Total assets		46 645 819	41 780 711
LIABILITIES			
Derivative financial instruments	13	5 340	950
Deposits and balances from banks	21	1 915 295	1 722 893
Current accounts and deposits from customers	22	35 889 641	32 322 052
Promissory notes		1 870 443	1 518 137
Subordinated borrowings	23	144 229	156 610
Current tax liability		44 179	184 750
Deferred tax liability	11	256 502	214 467
Other liabilities	24	242 842	167 436
Total liabilities		40 368 471	36 287 295
EQUITY			
Share capital		562 312	562 312
Share premium		1 192 723	1 192 723
Retained earnings		4 522 313	3 738 381
Total equity		6 277 348	5 493 416
Total liabilities and equity		46 645 819	41 780 711

The consolidated interim condensed statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements.

OJSC “Asian-Pacific Bank”
Consolidated Interim Condensed Statement of Cash Flows for the 6 months ended 30 June 2011

	30 June 2011	30 June 2010
	RUB'000	RUB'000
Notes	unaudited	unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	3 186 537	1 770 841
Interest payments	(1 211 386)	(713 668)
Fee and commission receipts	420 913	200 636
Fee and commission payments	(67 165)	(29 707)
Net receipts from financial instruments at fair value through profit or loss	7 217	153 184
Net receipts from foreign exchange	48 532	48 124
Other income receipts	134 345	73 980
Net gain on results with precious metals	6 063	(7 340)
Other general administrative expenses payments	(1 222 071)	(655 880)
(Increase) decrease in operating assets		
Obligatory reserves with the CBR	(224 878)	(92 643)
Financial instruments at fair value through profit or loss	(1 223 664)	(1 316 778)
Available-for-sale financial assets	54 538	-
Placements with banks	189 623	(25 049)
Amounts receivable under reverse repurchase agreements	4 806 231	(1 736 267)
Loans to customers	(7 932 031)	(6 333 889)
Net investments in finance leases	(252 435)	-
Other assets	(479 461)	364 354
Increase (decrease) in operating liabilities		
Deposits from banks	192 402	(62 404)
Current accounts and deposits from customers	3 567 589	9 788 072
Promissory notes	347 434	(83 038)
Other liabilities	50 395	19 654
Net cash provided from operating activities before income tax paid	398 728	1 362 182
Income tax paid	(286 071)	(128 683)
Cash flows from operations	112 657	1 233 499
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment and intangible assets	(519 744)	(194 315)
Cash flows used in investing activities	(519 744)	(194 315)
CASH FLOWS FROM FINANCING ACTIVITIES		
Effect of business combination, net of cash received (Note 33)	-	1 684 754
Distribution to shareholders	(8 100)	(28 929)
Cash flows from (used in) financing activities	(8 100)	1 655 825
Net increase (decrease) in cash and cash equivalents	(415 186)	2 695 009
Effect of changes in exchange rates on cash and cash equivalents	35 118	8 577
Cash and cash equivalents as at the beginning of the period	4 877 516	3 730 612
Cash and cash equivalents as at the end of the period	4 497 448	6 434 198
31		

The consolidated interim condensed statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements.

RUB'000

	Share capital	Share premium	Retained earnings	Total equity
Balance as at 1 January 2010	395 522	1 192 723	1 006 553	2 594 798
Total comprehensive income				
Profit for the period	-	-	461 839	461 839
Total comprehensive income for the period	-	-	461 839	461 839
Transactions with owners, recorded directly in equity				
Business combination (Note 33)	166 790	-	827 134	993 924
Distribution to shareholders	-	-	(28 929)	(28 929)
Total transactions with owners	166 790	-	798 205	964 995
Balance as at 30 June 2010	562 312	1 192 723	2 266 596	4 021 631
Balance as at 1 January 2011	562 312	1 192 723	3 738 381	5 493 416
Total comprehensive income				
Profit for the period	-	-	792 032	792 032
Total comprehensive income for the period	-	-	792 032	792 032
Transactions with owners, recorded directly in equity				
Distribution to shareholders	-	-	(8 100)	(8 100)
Total transactions with owners	-	-	(8 100)	(8 100)
Balance as at 30 June 2011	562 312	1 192 723	4 522 313	6 277 348

The consolidated interim condensed statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements.

1 Background

Organisation and operations

These consolidated interim condensed financial statements include the financial statements of OJSC “Asian-Pacific Bank” (the Bank) and its subsidiary LLC “Expo-Leasing” (together referred to as the Group).

The Bank was established in the Russian Federation as a closed joint stock company in 1992 under the name Amurpromstroybank as a successor of Promstroybank of USSR which was founded in 1929. In 2006 the Bank was reorganised from a closed joint-stock company to an open joint stock company and renamed to Asian-Pacific Bank by decision of the shareholder’s meeting. On 7 May 2010 the Bank merged with OJSC “Kamchatprombank” and OJSC “Kolyma-Bank” being owned by the common majority shareholder LLC “PPFIN Region”.

The principal activities of the Bank are deposit taking and customer accounts maintenance, lending, issuing guarantees, cash and settlement operations and operations with securities and foreign exchange. The activities of the Bank are regulated by the Central Bank of the Russian Federation (CBR). The Bank has a general banking license, and is a member of the state deposit insurance system in the Russian Federation.

The Bank has 184 branches from which it conducts business throughout the Russian Federation including Head office, 9 regional branches, 109 additional offices, 62 operational offices and 3 operational cash box. The registered address of the head-office is Blagoveshensk, 675000, Amurskaya Street, 225. The majority of the assets and liabilities are located in the Russian Federation.

As of 30 June 2011 the following shareholders held the issued shares of Open Joint Stock Company “Asian-Pacific Bank”:

Shareholder	30 June 2011 %	30 June 2010 %
LLC “PPFIN Region” (Russian Federation)	67.59	67.59
East Capital Explorer Financial Institutions Fund AB (Sweden)	17.91	17.91
International Financial Corporation (Russian Federation)	6.99	6.99
Aksenov E.V.	5.21	5.21
Others	2.30	2.30
Total:	100.00	100.00

The principal subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Ownership %	
			30 June 2011	30 June 2010
LLC “Expo-Leasing”	Russian Federation	Leasing	100%	0%

On October 1, 2010 100% of shares of LLC “Expo-Leasing” was acquired by the Bank.

LLC “Expo-Leasing” was registered in 2002 in Russia. Its head-office is in Moscow and it has 8 branches (31 December 2010: 5) including 1 regional branch and 7 separate offices.

Business environment

Russian business environment

The Russian Federation is experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks that typically do not exist in other markets. In addition, the contraction in the capital and credit markets and its impact on the Russian economy has further increased the level of economic uncertainty in the environment. These consolidated interim condensed financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

2 Basis of preparation

Statement of compliance

The accompanying consolidated interim condensed financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) on a consolidated basis.

These consolidated interim condensed financial statements are prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. As a result, they do not include all of the information required by IFRS for a complete set of financial statements. Operating results for the six month period ended 30 June 2011 are not necessarily indicative of the results that may be expected for the year ending 31 December 2011.

These consolidated interim condensed financial statements should be read in conjunction with the complete consolidated financial statements as at 31 December 2010.

Basis of measurement

The consolidated interim condensed financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss are measured at fair value.

Functional and presentation currency

The functional currency of the Bank and the subsidiary is the Russian Rouble (RUB) as, being the national currency of the Russian Federation, it reflects the economic substance of the majority of underlying events and circumstances relevant to them.

The RUB is also the presentation currency for the purposes of these consolidated interim condensed financial statements.

Financial information presented in RUB is rounded to the nearest thousand.

Use of estimates and judgments

Management makes a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated interim condensed financial statements in conformity with IFRS. Actual results could differ from those estimates.

3 Significant accounting policies

In general the accounting policies applied by the Group in these consolidated interim condensed financial statements are consistent with those applied by the Group in the year ended 31 December 2010, except for the changes resulting from the amendments to IFRS.

4 Interest income and expense

	30 June 2011 RUB'000	30 June 2010 RUB'000
Interest income		
Loans to customers	2 726 057	1 668 661
Financial instruments at fair value through profit or loss	323 912	257 956
Loans and advances to banks	117 874	36 535
Net investment in finance leases	105 897	-
	3 273 740	1 963 152
Interest expense		
Current accounts and deposits from customers	1 103 866	860 506
Deposits and balances from banks	57 147	32 742
Promissory notes	47 460	6 596
Subordinated borrowings	7 785	7 742
	1 216 258	907 586

5 Fee and commission income

	30 June 2011 RUB'000	30 June 2010 RUB'000
Settlement fees	309 344	148 255
Guarantee and letter of credit issuance	50 456	19 477
Accounts opening and maintenance	33 892	13 290
Other	53 046	19 614
	446 738	200 636

6 Net foreign exchange income

	30 June 2011 RUB'000	30 June 2010 RUB'000
Gain (loss) on spot transactions and derivatives	42 402	82 595
Gain from revaluation of financial assets and liabilities	35 118	(37 358)
	77 520	45 237

7 Other operating income

	30 June 2011 RUB'000	30 June 2010 RUB'000
Penalties on loans issued	79 003	57 646
Rental income	14 106	9 006
Income from trust management	8 594	-
Other income	32 642	7 324
	134 345	73 976

8 Impairment loss

	30 June 2011 RUB'000	30 June 2010 RUB'000
Loans to customers	(371 650)	(232 769)
Net investments in finance leases	1 157	-
Other assets	(13 799)	12 025
	(384 292)	(220 744)

9 Personnel expenses

	30 June 2011 RUB'000	30 June 2010 RUB'000
Employee compensation	755 858	383 858
Payroll related taxes	188 937	85 252
	944 795	469 110

10 Other general administrative expenses

	30 June 2011 RUB'000	30 June 2010 RUB'000
Taxes other than on income	44 410	29 421
Depreciation and amortization	61 454	55 250
Repairs and maintenance	38 078	8 322
Rent	32 370	22 042
Write-off of materials and loss on disposals of assets	48 103	22 207
Communications and information services	26 300	21 920
Insurance	44 197	23 713
Advertising and marketing	30 160	16 652
Security	15 897	13 902
Travel expenses	8 726	8 174
Fines and penalties	2 370	3 201
Professional services	80	92
Other	43 390	72 725
	395 535	297 621

11 Income tax expense

	30 June 2011 RUB'000	30 June 2010 RUB'000
Current tax expense (income)		
Current year	82 435	93 580
Origination and reversal of temporary differences	48 561	(26 366)
Total income tax expense (income)	130 996	67 214

During 6 months ended 30 June 2011 applicable tax rate for current and deferred tax is 20% (30 June 2010: 20%).

Reconciliation of effective tax rate

	30 June 2011 RUB'000	%	30 June 2010 RUB'000	%
Profit before tax	923 028		529 053	
Income tax at the applicable tax rate	184 606	20.0%	105 811	20.0%
Non-deductible costs	(101 897)	(11.1%)	(11 875)	(2.2%)
Income taxed at lower tax rates	(274)	(0.0%)	(356)	(0.1%)
	82 435	8.9 %	93 580	17.7%

Deferred tax asset and liability

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to deferred tax assets and liabilities as at 30 June 2011 and 31 December 2010. Net deferred tax liabilities have been recognised in these consolidated interim condensed financial statements.

Movements in temporary differences during the 6 months ended 30 June 2011 are presented as follows:

30 June 2011	Balance	Recognised	Balance
RUB'000	1 January 2011	in profit	30 June 2011
	or loss		
Due from banks	(3 738)	(459)	(4 197)
Financial instruments at fair value through profit or loss	(10 879)	3 862	(7 017)
Derivative financial instruments	(544)	1 226	682
Amounts receivable under reverse repurchase agreements	(2 575)	2 575	-
Loans to customers	(99 759)	(8 603)	(108 362)
Net investment in finance leases	12 429	(9 148)	3 281
Property and equipment	(98 826)	10 047	(88 779)
Current accounts and deposits from customers	(5 854)	5 854	-
Other liabilities	8 788	(53 915)	(45 127)
	(200 958)	(48 561)	(249 519)

12 Placements with the Central Bank

	30 June 2011 RUB'000	31 December 2010 RUB'000
Nostro accounts	985 669	1 895 727
Term deposits	600 058	700 058
Minimum reserve deposit	446 282	221 404
Total placements with the Central Bank	2 032 009	2 817 189

13 Financial instruments at fair value through profit or loss

	30 June 2011 RUB'000	31 December 2010 RUB'000
ASSETS		
Debt and other fixed-income instruments		
- Government and municipal bonds		
Russian Government Federal bonds (OFZ)	-	200 362
Total government and municipal bonds	-	200 362
- Corporate bonds		
rated from BB- to BBB+	1 724 307	2 401 541
rated below B+	1 236 507	361 275
not rated	789 057	388 646
Total corporate bonds	3 749 871	3 151 462
- Promissory notes		
rated from BB- to BBB+	2 010 160	2 361 941
rated below B+	2 542 828	1 520 089
not rated	185 514	143 401
Total promissory notes	4 738 502	4 025 431
Equity investments		
Corporate shares	105 987	6 251
Total equity investments	105 987	6 251
Derivative financial instruments		
Foreign currency contracts	1 929	3 669
	8 596 289	7 387 175
LIABILITIES		
Derivative financial instruments		
Foreign currency contracts	5 340	950
	5 340	950

No financial assets at fair value through profit or loss are past due.

As at 30 June 2011 corporate bonds total market value RUB 1 113 469 thousand are pledged as collateral on intraday loans from Central Bank.

As at 30 June 2011 promissory notes total market value RUB 477 338 thousand are pledged as collateral on interbank loans to the banks-issuers.

The table below analyses financial instruments at fair value through profit or loss at 30 June 2011, by the level in the fair value hierarchy into which the fair value measurement is categorised:

RUB '000	Level 1	Level 2	Total
Debt and other fixed income instruments	3 749 871	4 738 502	8 488 373
Equity investments	105 987	-	105 987
Derivative assets	1 929	-	1 929
Derivative liabilities	(5 340)	-	(5 340)
	3 852 447	4 738 502	8 590 949

The table below analyses financial instruments at fair value through profit or loss at 31 December 2010, by the level in the fair value hierarchy into which the fair value measurement is categorised:

RUB '000	Level 1	Level 2	Total
Debt and other fixed income instruments	3 351 824	4 025 431	7 377 255
Equity investments	6 251	-	6 251
Derivative assets	3 669	-	3 669
Derivative liabilities	(950)	-	(950)
	3 360 794	4 025 431	7 386 225

Foreign currency contracts

The table below summarises, by major currencies, the contractual amounts of forward exchange contracts outstanding at 30 June 2011 and at 31 December 2010 with details of the contractual exchange rates and remaining periods to maturity. Foreign currency amounts presented below are translated at rates ruling at the reporting date. The resultant unrealised gains and losses on these unmatured contracts, along with the amounts payable and receivable on the matured but unsettled contracts, are recognised in profit or loss and in financial instruments at fair value through profit or loss, as appropriate.

	Notional amount		Weighted average contractual exchange rates	
	30 June 2010 RUB'000	31 December 2010 RUB'000	30 June 2010 RUB'000	31 December 2010 RUB'000
Buy USD sell RUB				
Less than 3 months	208 979	488 152	27,86	30,51
Buy Euros sell RUB				
Less than 3 months	211 692	161 368	40,32	40,34
Buy JPY sell RUB				
Less than 3 months	13 870	-	34,68	-
Buy Gold sell RUB				
Less than 3 months	340 648	435 752	1 379,14	1 372,74
Sell Gold buy RUB				
Less than 3 months	34 434	-	1 377,37	-
	809 623	1 085 272		

14 Available-for-sale financial assets

Analysis by credit quality of securities available-for-sale outstanding at 30 June 2011 is as follows:

	30 June 2011 RUB'000	31 December 2010 RUB'000
Debt and other fixed-income instruments		
- Corporate bonds		
rated from BB- to BB+	-	46 308
rated below B+	23 152	51 842
not rated	12 165	-
Total corporate bonds	35 317	98 150
Equity investments		
Corporate shares		
rated from BB- to BB+	5 434	-
rated below B+	310	-
not rated	2 551	-
Total corporate shares	8 295	-
	43 612	98 150

As at 30 June 2011 available-for-sale investments comprise corporate bonds under trust management. Available-for-sale financial assets at 30 June 2011 and 31 December 2010 are allocated to the level 1 in the fair value hierarchy into which the fair value measurement is categorised.

15 Due from banks

	30 June 2011 RUB'000	31 December 2010 RUB'000
Nostro accounts		
- Other Russian banks	124 432	224 702
- OECD banks	53 558	121 733
- Largest 30 Russian banks	30 358	5 539
- Other foreign banks	19 800	22 414
Total nostro accounts	228 148	374 388
Term deposits		
- OECD banks	904 290	785 591
- Largest 30 Russian banks	230 022	180 000
- Other Russian banks	511 851	97 221
Total term deposits	1 646 163	1 062 812
	1 874 311	1 437 200

None of due from banks balances are impaired or past due.

16 Amounts receivable under reverse repurchase agreements

The table below sets out receivables under reverse repo agreements showing individual types of securities received as collateral under repo agreements outstanding as at 30 June 2011:

	Corporate bonds	Government and municipal bonds	Total
Amounts receivable under reverse repurchase agreements			
- Other Russian banks	419 075	150 291	569 366
- Other financial institutions	307 372	43 914	351 286
- Largest 30 Russian banks	-	-	-
	726 447	194 205	920 652

The table below sets out receivables under reverse repo agreements showing individual types of securities received as collateral under repo agreements outstanding as at 31 December 2010:

	Corporate bonds	Municipal bonds	Total
Amounts receivable under reverse repurchase agreements			
- Other Russian banks	3 735 751	762 369	4 498 120
- Other financial institutions	698 950	90 860	789 810
- Largest 30 Russian banks	398 953	40 000	438 953
	4 833 654	893 229	5 726 883

None of amounts receivable under reverse repurchase agreements are impaired or past due.

17 Loans to customers

	30 June 2011 RUB'000	31 December 2010 RUB'000
Loans to corporate customers	11 853 505	8 953 023
Loans to retail customers		
Consumer loans	16 164 740	11 679 377
Mortgage loans	1 868 662	1 483 422
Total loans to retail customers	18 033 402	13 162 799
Gross loans to customers	29 886 907	22 115 822
Impairment allowance	(1 922 136)	(1 799 992)
Net loans to customers	27 964 771	20 315 830

Movements in the loan impairment allowance by classes of loans to customers for the 6 months ended 30 June 2011 are as follows:

	Loans to corporate customers RUB'000	Loans to retail customers RUB'000	Total RUB'000
Balance at 1 January 2011	296 833	1 503 159	1 799 992
Net charge	89 925	281 725	371 650
Write-offs	-	(249 506)	(249 506)
Balance at 30 June 2011	386 758	1 535 378	1 922 136

Movements in the loan impairment allowance by classes of loans to customers for the 6 months ended 30 June 2010 are as follows:

	Loans to corporate customers RUB'000	Loans to retail customers RUB'000	Total RUB'000
Balance at 1 January 2010	558 176	1 373 894	1 932 070
Net charge	181 475	51 294	232 769
Write-offs	-	(15 775)	(15 775)
Balance at 30 June 2010	739 651	1 409 413	2 149 064

Credit quality of loans to customers

The following table provides information on the credit quality of loans to customers as at 30 June 2011:

	Gross loans RUB'000	Impairment allowance RUB'000	Net loans RUB'000	Impairment allowance to gross loans, %
Loans to corporate customers				
Loans without individual signs of impairment	9 238 907	(185 978)	9 052 929	2.01%
Watch list loans	1 892 587	(39 604)	1 852 983	2.09%
Impaired loans:				
- not overdue	422 892	(12 300)	410 592	2.91%
- overdue less than 90 days	101 600	(64 851)	36 749	63.83%
- overdue more than 90 days and less than 1 year	16 084	(669)	15 415	4.16%
- overdue more than 1 year	181 435	(83 356)	98 079	45.94%
Total impaired loans	722 011	(161 176)	560 835	22.32%
Total loans to corporate customers	11 853 505	(386 758)	11 466 747	3.26%
Loans to retail customers				
Consumer loans				
- not overdue	13 637 099	(65 384)	13 571 715	0.48%
- overdue less than 30 days	384 871	(28 890)	355 981	7.51%
- overdue 30-89 days	197 347	(58 194)	139 153	29.49%
- overdue 90-179 days	195 014	(95 813)	99 201	49.13%
- overdue more than 180 days	1 750 409	(1 252 401)	498 008	71.55%
Total consumer loans	16 164 740	(1 500 682)	14 664 058	9.28%
Mortgage loans				
- not overdue	1 801 144	(2 166)	1 798 978	0.12%
- overdue less than 30 days	9 659	(790)	8 869	8.18%
- overdue 30-89 days	16 408	(2 776)	13 632	16.92%
- overdue 90-179 days	9 645	(4 634)	5 011	48.05%
- overdue more than 180 days	31 806	(24 330)	7 476	76.50%
Total mortgage loans	1 868 662	(34 696)	1 833 966	1.86%
Total loans to retail customers	18 033 402	(1 535 378)	16 498 024	8.51%
Total loans to customers	29 886 907	(1 922 136)	27 964 771	6.43%

The following table provides information on the credit quality of loans to customers as at 31 December 2010:

	Gross loans RUB'000	Impairment allowance RUB'000	Net loans RUB'000	Impairment allowance to gross loans, %
Loans to corporate customers				
Loans without individual signs of impairment	7 086 605	(148 292)	6 938 313	2.09%
Watch list loans	1 324 770	(27 722)	1 297 048	2.09%
Impaired loans:				
- not overdue	227 987	(26 741)	201 246	11.73%
- overdue less than 90 days	141	(141)	-	100.00%
- overdue more than 90 days and less than 1 year	62 439	(16 961)	45 478	27.16%
- overdue more than 1 year	251 081	(76 976)	174 105	30.66%
Total impaired loans	541 648	(120 819)	420 829	22.31%
Total loans to corporate customers	8 953 023	(296 833)	8 656 190	3.32%
Loans to retail customers				
Consumer loans				
- not overdue	9 391 592	(44 030)	9 347 562	0.47%
- overdue less than 30 days	175 254	(13 229)	162 025	7.55%
- overdue 30-89 days	138 001	(40 331)	97 670	29.23%
- overdue 90-179 days	222 739	(116 679)	106 060	52.38%
- overdue more than 180 days	1 751 791	(1 256 146)	495 645	71.71%
Total consumer loans	11 679 377	(1 470 415)	10 208 962	12.59%
Mortgage loans				
- not overdue	1 429 805	(1 767)	1 428 038	0.12%
- overdue less than 30 days	3 917	(327)	3 590	8.35%
- overdue 30-89 days	10 503	(1 605)	8 898	15.28%
- overdue 90-179 days	4 488	(2 478)	2 010	55.21%
- overdue more than 180 days	34 709	(26 567)	8 142	76.54%
Total mortgage loans	1 483 422	(32 744)	1 450 678	2.21%
Total loans to retail customers	13 162 799	(1 503 159)	11 659 640	11.42%
Total loans to customers	22 115 822	(1 799 992)	20 315 830	8.14%

18 Net investments in finance leases

Net investments in finance leases as of 30 June 2011 comprise:

	30 June 2011 RUB'000	31 December 2010 RUB'000
Gross investments in finance leases	1 355 222	885 766
Less unearned finance lease income	(480 714)	(262 536)
	874 508	623 230
Less allowance for impairment	(39 496)	(40 653)
Net investments in finance leases	835 012	582 577

Net investments in finance leases generally comprise lease contracts on various types of equipment and vehicles.

Future minimum lease payments to be received following 30 June are disclosed below:

	30 June 2011 RUB'000	31 December 2010 RUB'000
Within 1 year	542 089	357 759
From 1 to 5 years	745 372	490 887
More than 5 years	67 761	37 120
Minimum lease payments receivable	1 355 222	885 766

Movements in the loan impairment allowance for investments in finance leases for the 6 months ended 30 June 2011 are as follows:

	RUB'000
Balance at 1 January 2011	40 653
Net recovery	(1 157)
Balance at 30 June 2011	39 496

19 Property, equipment and intangible assets

RUB'000	Land and buildings	Leasehold improvements	Computers and equipment	Fixtures and fittings	Vehicles	Intangible assets	Construction in progress	Total
Cost								
Balance at 1 January 2011	1 628 530	5 288	470 208	37 907	30 383	96 948	147 301	2 416 565
Additions	203 338	-	150 781	259	474	104 335	114 672	573 859
Disposals	-	-	(47 053)	(141)	(6 270)	(8 164)	-	(61 628)
At 30 June 2011	1 831 868	5 288	573 936	38 025	24 587	193 119	261 973	2 928 796
Depreciation and impairment losses								
Balance at 1 January 2011	172 148	468	272 124	35 581	14 535	29 951	-	524 807
Depreciation for the year	18 131	52	30 184	464	2 504	10 119	-	61 454
Disposals	-	-	(926)	(11)	(3 976)	(2 600)	-	(7 513)
Balance at 30 June 2011	190 279	520	301 382	36 034	13 063	37 470	-	578 748
Carrying amounts								
At 30 June 2011	1 641 589	4 768	272 554	1 991	11 524	155 649	261 973	2 350 048
At 1 January 2011	1 456 382	4 820	198 084	2 326	15 848	66 997	147 301	1 891 758

RUB'000	Land and buildings	Leasehold improvements	Computers and equipment	Fixtures and fittings	Vehicles	Intangible assets	Construction in progress	Total
Cost								
Balance at 1 January 2010	1 233 431	33 053	196 480	180 814	11 059	89 247	99 036	1 843 120
Additions	176 637	-	56 486	15 302	6 149	30 908	-	285 482
Transfers	86 685	-	-	-	-	-	(86 685)	-
Disposals	-	-	-	-	-	-	-	-
At 30 June 2010	1 496 753	33 053	252 966	196 116	17 208	120 155	12 351	2 128 602
Depreciation and impairment losses								
Balance at 1 January 2010	95 039	3 031	99 678	152 815	5 369	12 278	-	368 210
Depreciation for the period	28 373	286	24 324	1 498	172	597	-	55 250
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2010	123 412	3 317	124 002	154 313	5 541	12 875	-	423 460
Carrying amounts								
At 30 June 2010	1 373 341	29 736	128 964	41 803	11 667	107 280	12 351	1 705 142
At 1 January 2010	1 138 392	30 022	96 802	27 999	5 690	76 969	99 036	1 474 910

20 Other assets

	30 June 2011 RUB'000	31 December 2010 RUB'000
Settlements with Deposit Insurance System on reimbursement of payments on deposits	150 288	-
Other receivables	89 126	91 393
Impairment allowance	-	-
Total other financial assets	239 414	91 393
Prepayments	292 819	115 457
Finance lease prepayments	200 239	95 645
Materials and supplies	36 614	14 713
Other	33 273	43 814
Impairment allowance	(13 799)	-
Total other non-financial assets	549 146	269 629
Total other assets	788 560	361 022

Analysis of movements in the impairment allowance

Movements in the impairment allowance for the 6 months ended 30 June 2011 are as follows:

	Other financial assets RUB'000	Other non- financial assets RUB'000	Total RUB'000
Balance at 1 January 2011	-	-	-
Net charge	-	13 799	13 799
Balance at 30 June 2011	-	13 799	13 799

Movements in the impairment allowance for the 6 months ended 30 June 2010 are as follows:

	Other financial assets RUB'000	Other non- financial assets RUB'000	Total RUB'000
Balance at 1 January 2010	5 899	9 206	15 105
Net recovery	(5 899)	(6 126)	(12 025)
Balance at 30 June 2010	-	3 080	3 080

21 Deposits and balances from banks

	30 June 2011 RUB'000	31 December 2010 RUB'000
Vostro accounts	27 345	26 550
Term deposits	1 887 950	1 696 343
	1 915 295	1 722 893

As at 30 June 2011 the Group has one bank (31 December 2010: one bank), whose balances exceed 10% of equity. The gross value of these balances as at 30 June 2011 are RUB 999 233 thousand (31 December 2010: RUB 1 001 545 thousand).

Covenants

As at 30 June 2011, the Group has a term deposit amounting to RUB 999 233 thousand that is repayable on 23 December 2013 (31 December 2010: RUB 1 001 545 thousand). According to the terms of the agreement, the Group is subject to a debt covenant stating that funds should be spent on loans issuing to small and medium size entities. The Bank should comply all ratios of CBR and the N1 ratio should be not less than 10.1%.

As at 30 June 2011, the Group has term deposits amounting to RUB 378 182 thousand that are repayable on 15 June 2015 (31 December 2010: RUB 427 358 thousand). According to the terms of agreement, the Group is subject to a debt covenant stating that funds should be used for issuing loans to small and medium size entities and at the end of each year should comply with a number of financial and non-financial covenants.

22 Current accounts and deposits from customers

	30 June 2011	31 December 2010
	RUB'000	RUB'000
Current accounts and demand deposits		
- Retail	2 674 809	2 335 274
- Corporate	7 911 939	7 228 868
Term deposits		
- Retail	20 157 157	18 432 463
- Corporate	5 145 736	4 325 447
	35 889 641	32 322 052

As at 30 June 2011, the Group has one customer (31 December 2010: one customer), whose balance exceeds 10% of equity. This balance as at 30 June 2011 is RUB 2 164 746 thousand (31 December 2010: RUB 584 849 thousand).

23 Subordinated borrowings

	30 June 2011	31 December 2010
	RUB'000	RUB'000
Subordinated deposit	144 229	156 610
	144 229	156 610

As at 30 June 2011 subordinated borrowings comprise loans received from a related party in USD maturing in 2011 (31 December 2010: 2011) and carry an annual interest rate of 11% (31 December 2010: 11%). In case of bankruptcy, the repayment of the subordinated borrowings will be made after repayment in full of all other liabilities of the Group.

24 Other liabilities

	30 June 2011 RUB'000	31 December 2010 RUB'000
Settlements with creditors	75 358	71 489
Settlements with employees	132 158	50 589
Provision for guarantees and letters of credit issued	14 409	40 237
Other taxes payable	4 120	1 617
Other non-financial liabilities	16 797	3 504
	242 842	167 436

25 Share capital

Issued capital and share premium

Movements in share capital for the 6 months ended 30 June 2010 are as follows:

	Ordinary Shares (thousands)	Nominal amount, RUB'000	Inflation adjustment, RUB'000	Total, RUB'000
Balance as at 1 January 2010	3 459 821 429 500	387 500	8 022	395 522
Ordinary shares	3 459 821 429 250	387 500	8 022	395 522
Preferred shares	250	-	-	-
Issue of ordinary shares related to business combination with Kamchatprombank	1 033 878 849 532	115 794	-	115 794
Issue of ordinary shares related to business combination with Kolyma-Bank	455 319 541 907	50 996	-	50 996
Balance as at 30 June 2010	4 949 019 820 939	554 290	8 022	562 312

On 7 May 2010 the Bank completed business combinations with OJSC "Kamchatprombank" and OJSC "Kolyma-Bank". As a result of the merger these two banks ceased to exist and all their business operations, assets, and liabilities have been incorporated into OJSC "Asian-Pacific Bank".

The combination was conducted as follows. As of 31 December 2009 LLC "PPFIN Region" owned 67.27% of ordinary shares of OJSC "Asian-Pacific Bank", 62.91% of OJSC "Kamchatprombank" and 70.75% of OJSC "Kolyma-Bank".

In May 2010, OJSC "Asian-Pacific Bank" entered into a merger agreement with shareholders of OJSC "Kamchatprombank" and OJSC "Kolyma-Bank". In accordance with the merger agreement all outstanding ordinary shares of OJSC "Kamchatprombank" and OJSC "Kolyma-Bank" have been exchanged with the common shares of OJSC "Asian-Pacific Bank". The established conversion rate was approved by all parties of the merger agreement as follows:

- 1 ordinary share of OJSC "Asian-Pacific Bank" for each 0.000000030699205 shares of OJSC "Kamchatprombank"
- 1 ordinary share of OJSC "Asian-Pacific Bank" for each 0.000000003675479 shares of OJSC "Kolyma-Bank"

As a result of this conversion, a total of 13 977 866 ordinary shares of OJSC "Kamchatprombank" were exchanged for 455 319 541 907 276 of newly-issued ordinary shares of OJSC "Asian-Pacific Bank" and a total of 3 800 000 ordinary shares of OJSC "Kolyma-Bank" were exchanged for 1 033 878 849 532 260 of newly issued ordinary shares of OJSC "Asian-Pacific Bank". The share capital of OJSC "Asian-Pacific Bank" increased by RUB 166 790 thousand.

There were no any movements in share capital during 6 months ended 30 June 2011.

26 Earnings per share

	30 June 2011 RUB	30 June 2010 RUB
Earnings per share	0,0000001600	0,0000001028
Basic earnings per share		

The calculation of basic earnings per share as at 30 June 2011 and 30 June 2010 is based on the profit attributable to ordinary shareholders of RUB 792 032 thousand (30 June 2010: RUB 461 839 thousand), and a weighted average number of ordinary shares outstanding of 4 949 019 820 939 000 (30 June 2010: 4 490 804 931 265 830).

27 Analysis by segment

The Group has fifteen branches located in different regions of Russian Federation, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the chief operating decision maker reviews internal management reports on at least a monthly basis. The Group combined branches into three reporting units based on geographical location: Far East region, Siberia region and Moscow.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax as included in the internal management reports that are based on statutory financial information and that are reviewed by the CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to others who operate within these industries.

Segment breakdown of assets and liabilities is set out below:

	30 June 2011 RUB'000	31 December 2010 RUB'000
ASSETS		
Far East region	22 698 822	18 128 717
Siberia region	9 531 997	6 008 999
Moscow	13 650 417	17 185 155
Total assets	45 881 236	41 322 871
LIABILITIES		
Far East region	31 097 717	27 217 689
Siberia region	4 631 916	4 126 781
Moscow	3 965 163	4 146 226
Total liabilities	39 694 796	35 490 696

Segment information for the main reportable segments on profit and losses for the 6 months ended 30 June 2011 is set below:

RUB'000	Far East region	Siberia region	Moscow	Total
External interest income	1 418 448	669 072	447 886	2 535 406
Fee and commission income	547 556	219 198	52 366	819 120
Net gain on other financial instruments at fair value through profit or loss	(1 252)	-	142 633	141 381
Net foreign exchange income	51 421	26 679	8 122	86 222
Net gain on available-for-sale financial assets	-	-	1 619	1 619
Other operating income	72 741	30 835	2 326	105 902
Revenue	2 088 914	945 784	654 952	3 689 650
Impairment losses (recovery)	228 089	205 419	13 295	446 803
Interest expense	949 292	157 331	81 752	1 188 375
Fee and commission expense	12 493	5 432	7 299	25 224
Other general administrative expenses	270 732	368 857	606 405	1 245 994
Segment result	628 308	208 745	(53 799)	783 254
Income tax expense				80 332
Net profit after taxes				702 922

Reconciliations of reportable segment profit or loss

	30 June 2011 RUB'000
Profit or loss	
Total profit or loss for reportable segments	702 922
IFRS accounting policy adjustments:	
- interest income on loans and advances to customers	71 155
- allowance for impairment	53 649
- depreciation and amortisation of property and equipment and intangible assets	(520)
- other adjustments	(35 174)
Consolidated profit or loss	792 032

28 Risk management

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The table below displays average effective interest rates for interest bearing assets and liabilities as at 30 June 2010 and 31 December 2010. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	30 June 2011			31 December 2010		
	Average effective interest rate, %			Average effective interest rate, %		
	RUB	USD	Other currencies	RUB	USD	Other currencies
Interest bearing assets						
Financial instruments at fair value through profit or loss	8%	-	-	8%	-	-
Available-for-sale financial assets	8%	-	-	-	7%	-
Due from banks	5%	11%	-	4%	10%	-
Amounts receivable under reverse repurchase agreements	4%	-	-	4%	-	-
Loans to customers	19%	11%	12%	23%	12%	13%
Net investments in finance leases	32%	23%	26%	32%	23%	26%
Interest bearing liabilities						
Deposits and balances from banks	9%	-	-	9%	-	-
Current accounts and deposits from customers	7%	5%	4%	7%	4%	5%
Promissory notes	8%	3%	9%	8%	4%	9%
Subordinated borrowings	-	11%	-	-	11%	-

b) Currency risk

The Group has assets and liabilities denominated in several foreign currencies.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Although the Group hedges its exposure to currency risk, such activities do not qualify as hedging relationships in accordance with IFRS.

The following table shows the foreign currency structure of financial assets and liabilities as at 30 June 2011:

	RUB	USD	EUR	Gold	Other	Total
	RUB'000	RUB'000	RUB'000	RUB'000	currencies	RUB'000
	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000
ASSETS						
Cash	788 202	220 869	95 579	-	24 568	1 129 218
Placements with the Central Bank	2 032 009	-	-	-	-	2 032 009
Financial instruments at fair value through profit or loss	8 594 360	1 589	340	-	-	8 596 289
Available-for-sale financial assets	43 612	-	-	-	-	43 612
Due from banks	1 643 492	183 972	17 895	24 222	4 730	1 874 311
Amounts receivable under reverse repurchase agreements	920 652	-	-	-	-	920 652
Loans to customers	26 929 667	803 947	231 157	-	-	27 964 771
Net investments in finance leases	776 561	33 400	25 051	-	-	835 012
Current tax asset	104 354	-	-	-	-	104 354
Deferred tax asset	6 983	-	-	-	-	6 983
Property, equipment and intangible assets	2 350 048	-	-	-	-	2 350 048
Other assets	705 623	82 397	540	-	-	788 560
Total assets	44 895 563	1 326 174	370 562	24 222	29 298	46 645 819

	RUB	USD	EUR	Gold	Other	Total
	RUB'000	RUB'000	RUB'000	RUB'000	currencies	RUB'000
					RUB'000	RUB'000
LIABILITIES						
Derivative financial instruments	448	-	-	4 878	14	5340
Deposits and balances from banks	1 865 802	46 712	2 130	-	651	1 915 295
Current accounts and deposits from customers	33 807 256	1 214 619	551 619	313 480	2 667	35 889 641
Promissory notes	1 830 801	38 117	1 525	-	-	1 870 443
Subordinated borrowings	-	144 229	-	-	-	144 229
Current tax liability	44 179	-	-	-	-	44 179
Deferred tax liability	256 502	-	-	-	-	256 502
Other liabilities	217 892	2499	22 110	-	341	242 842
Total liabilities	38 022 880	1 446 176	577 384	318 358	3 673	40 368 471
Net position	6 872 683	(120 002)	(206 822)	(294 136)	25 625	6 277 348
The effect of derivatives held for risk management	(740 755)	208 979	211 692	306 213	13870	-
Net position after derivatives held for risk management purposes	6 131 928	88 977	4 870	12 077	39 495	6 277 348

The following table shows the foreign currency structure of financial assets and liabilities as at 31 December 2010:

	RUB	USD	EUR	Gold	Other	Total
	RUB'000	RUB'000	RUB'000	RUB'000	currencies	RUB'000
	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000	RUB'000
ASSETS						
Cash	904 465	117 838	77 745	-	25 914	1 125 962
Placements with the Central Bank	2 817 189	-	-	-	-	2 817 189
Financial instruments at fair value through profit or loss	7 383 506	-	394	3 275	-	7 387 175
Available-for-sale financial assets	51 842	46 308	-	-	-	98 150
Due from banks	962 633	432 713	22 800	15 365	3 689	1 437 200
Amounts receivable under reverse repurchase agreements	5 726 883	-	-	-	-	5 726 883
Loans to customers	19 410 120	600 389	305 321	-	-	20 315 830
Net investments in finance leases	536 830	26 531	19 216	-	-	582 577
Current tax asset	23 456	-	-	-	-	23 456
Deferred tax asset	13 509	-	-	-	-	13 509
Property, equipment and intangible assets	1 891 758	-	-	-	-	1 891 758
Other assets	357 553	3 145	324	-	-	361 022
Total assets	40 079 744	1 226 924	425 800	18 640	29 603	41 780 711

	RUB	USD	EUR	Gold	Other	Total
	RUB'000	RUB'000	RUB'000	RUB'000	currencies	RUB'000
					RUB'000	RUB'000
LIABILITIES						
Derivative financial instruments	-	521	429	-	-	950
Deposits and balances from banks	1 646 903	74 260	1 730	-	-	1 722 893
Current accounts and deposits from customers	29 736 439	1 569 625	571 996	442 727	1 265	32 322 052
Promissory notes	1 475 440	41 173	1 524	-	-	1 518 137
Subordinated borrowings	-	156 610	-	-	-	156 610
Current tax liability	184 750	-	-	-	-	184 750
Deferred tax liability	214 467	-	-	-	-	214 467
Other liabilities	157 377	291	9 768	-	-	167 436
Total liabilities	33 415 376	1 842 480	585 447	442 727	1 265	36 287 295
Net position	6 664 368	(615 556)	(159 647)	(424 087)	28 338	5 493 416
The effect of derivatives held for risk management	(1 085 272)	488 152	161 368	435 752	-	-
Net position after derivatives held for risk management purposes	5 579 096	(127 404)	1 721	11 665	28 338	5 493 416

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The table below shows an analysis, by expected maturities, of the amounts recognised in the statement of financial position as at 30 June 2011:

RUB'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Total
Assets							
Cash	1 129 218	-	-	-	-	-	1 129 218
Placements with the Central Bank	1 585 727	-	-	-	-	446 282	2 032 009
Financial instruments at fair value through profit or loss	8 596 289	-	-	-	-	-	8 596 289
Available-for-sale financial assets	-	43 612	-	-	-	-	43 612
Due from banks	979 370	803 133	-	-	-	91 808	1 874 311
Amounts receivable under reverse repurchase agreements	920 652	-	-	-	-	-	920 652
Loans to customers	1 256 415	3 053 792	10 748 506	11 089 040	1 817 018	-	27 964 771
Net investments in finance leases	26 355	49 946	234 504	488 921	35 286	-	835 012
Current tax asset	104 354	-	-	-	-	-	104 354
Deferred tax asset	-	-	-	-	-	6 983	6 983
Property, equipment and intangible assets	-	-	-	-	-	2 350 048	2 350 048
Other assets	788 560	-	-	-	-	-	788 560
Total assets	15 386 940	3 950 483	10 983 010	11 577 961	1 852 304	2 895 121	46 645 819
Liabilities							
Derivative financial instruments	5 340	-	-	-	-	-	5 340
Deposits and balances from banks	86 140	23 352	102 518	1 618 480	84 805	-	1 915 295
Current accounts and deposits from customers	16 037 769	3 779 833	10 608 968	5 463 071	-	-	35 889 641
Promissory notes	58 580	0	831 136	956 880	23 847	-	1 870 443
Subordinated borrowings	-	-	144 229	-	-	-	144 229
Current tax liability	44 179	-	-	-	-	-	44 179
Deferred tax liability	-	-	-	-	-	256 502	256 502
Other liabilities	242 842	-	-	-	-	-	242 842
Total liabilities	16 474 850	3 803 185	11 686 851	8 038 431	108 652	256 502	40 368 471
Net position	(1 087 910)	147 298	(703 841)	3 539 530	1 743 652	2 638 619	6 277 348

The table below shows an analysis, by expected maturities, of the amounts recognised in the statement of financial position as at 31 December 2010:

RUB'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Total
Assets							
Cash	1 125 962	-	-	-	-	-	1 125 962
Placements with the Central Bank	2 595 785	-	-	-	-	221 404	2 817 189
Financial instruments at fair value through profit or loss	3 669	130 928	4 192 932	3 053 395	-	6 251	7 387 175
Available-for-sale financial assets	-	-	-	98 150	-	-	98 150
Due from banks	554 387	601 381	281 432	-	-	-	1 437 200
Amounts receivable under reverse repurchase agreements	5 726 883	-	-	-	-	-	5 726 883
Loans to customers	350 880	557 808	5 604 876	12 267 664	1 534 602	-	20 315 830
Net investments in finance leases	-	-	197 153	355 215	30 209	-	582 577
Current tax asset	-	-	23 456	-	-	-	23 456
Deferred tax asset	-	-	-	-	-	13 509	13 509
Property, equipment and intangible assets	-	-	-	-	-	1 891 758	1 891 758
Other assets	204 802	6 369	136 351	-	-	13 500	361 022
Total assets	10 562 368	1 296 486	10 436 200	15 774 424	1 564 811	2 146 422	41 780 711
Liabilities							
Derivative financial instruments	950	-	-	-	-	-	950
Deposits and balances from banks	34 054	15 748	85 522	1 569 231	18 338	-	1 722 893
Current accounts and deposits from customers	11 343 138	4 432 873	12 144 856	4 401 185	-	-	32 322 052
Promissory notes	16 837	41 186	862 794	573 489	23 831	-	1 518 137
Subordinated borrowings	-	-	156 610	-	-	-	156 610
Current tax liability	184 750	-	-	-	-	-	184 750
Deferred tax liability	-	-	-	-	-	214 467	214 467
Other liabilities	76 666	32 954	57 816	-	-	-	167 436
Total liabilities	11 656 395	4 522 761	13 307 598	6 543 905	42 169	214 467	36 287 295
Net position	(1 094 027)	(3 226 275)	(2 871 398)	9 230 519	1 522 642	1 931 955	5 493 416

29 Capital management

The CBR sets and monitors capital requirements for the Bank.

The Group also monitors its capital adequacy levels calculated in accordance with the requirements of the Basle Accord, as defined in the International Convergence of Capital Measurement and Capital Standards (updated April 1998) and Amendment to the Capital Accord to incorporate market risks (updated November 2007), commonly known as Basel I.

The following table shows the composition of the capital position calculated in accordance with the requirements of the Basle Accord, as at 30 June 2011 and 30 December 2010:

	30 June 2011 RUB'000	30 December 2010 RUB'000
Tier 1 capital		
Share capital	562 312	562 312
Share premium	1 192 723	1 192 723
Retained earnings	4 522 313	3 738 381
Total tier 1 capital	6 277 348	5 493 416
Tier 2 capital		
Subordinated debt (unamortized portion)	13 307	31 322
Total tier 2 capital	13 307	31 322
Total capital	6 290 655	5 524 738
Risk-weighted assets		
Banking book	34 310 804	27 552 765
Trading book	5 004 382	8 536 413
Total risk weighted assets	39 315 186	36 089 178
Total capital expressed as a percentage of risk-weighted assets (total capital ratio)	16,00%	15,31%
Total tier 1 capital expressed as a percentage of risk-weighted assets (tier 1 capital ratio)	15,97%	15,22%

The Group is subject to minimum capital adequacy requirements calculated in accordance with the methodology of International Finance Corporation (IFC) established by covenants under liabilities incurred by the Group.

30 Commitments

	30 June 2011 RUB'000	31 December 2010 RUB'000
Guarantees and letters of credit	1 192 432	3 022 568
Undrawn overdraft facilities	1 549 720	1 231 094
Loan and credit line commitments	304 747	705 650
	3 046 899	4 959 312

31 Cash and cash equivalents

	30 June 2011 RUB'000	31 December 2010 RUB'000
Cash on hand	1 129 218	1 125 962
Nostro accounts with the CBR	985 669	1 895 727
Nostro accounts with other banks		
- Other Russian banks	124 432	224 702
- OECD banks	53 558	121 733
- Other foreign banks	19 800	22 414
- Largest 30 Russian banks	30 358	5 539
Total nostro accounts with other banks	228 148	374 388
- Term deposits with the CBR	600 058	700 058
- Term deposits with other banks		
- OECD banks	812 482	601 381
- Largest 30 Russian banks	230 022	180 000
- Other Russian banks	511 851	-
Total term deposits with other banks	1 554 355	781 381
Total cash and cash equivalents	4 497 448	4 877 516

None of cash and cash equivalents are impaired or past due.

32 Related party transactions

(a) Control relationships

The Group's parent company is LLC "PPFIN Region" (Russian Federation). As of 30 June 2011, the ultimate beneficial owners of the Group were Mr. Andrey Vdovin (the owner of 16.8975%), Mr. Kirill Yakubovsky (the owner of 16.8975%), Mr. Pavel Maslovsky (the owner of 16.8975%), Mr. Peter Hambro (the owner of 16.8975%), East Capital Explorer Financial Institution Fund (Sweden) (the owner of 17.91%), International Finance Corporation (6.99%) and Mr. Evgeniy Aksenov (the owner of 5.21%).

(b) Transactions with the members of the Board of Directors and the Management Board

Total remuneration included in personnel expenses for the 6 months ended 30 June is as follows:

	30 June 2011 RUB'000	30 June 2010 RUB'000
Short term employee benefits	60 317	34 405
	60 317	34 405

The outstanding balances and average interest rates as at 30 June 2011 and 31 December 2010 for transactions with the members of the Board of Directors and the Management Board are as follows:

	30 June 2011 RUB'000	Average interest rate, %	31 December 2010 RUB'000	Average interest rate, %
Consolidated interim condensed statement of financial position				
LIABILITIES				
Current accounts and deposits	11 530	8,31%	20 669	10,97%

Amounts included in profit or loss in relation to transactions with the members of the Board of Directors and the Management Board for the 6 months ended 30 June are as follows:

	30 June 2011 RUB'000	30 June 2010 RUB'000
Profit or loss		
Interest income	-	62
Interest expense	(185)	(5 573)
Commission income	-	4

(d) Transactions with shareholders

The outstanding balances and average interest rates as at 30 June 2011 and 31 December 2010 for transactions with shareholders:

	30 June 2011 RUB'000	Average interest rate, %	31 December 2010 RUB'000	Average interest rate, %
Consolidated interim condensed statement of financial position				
LIABILITIES				
Current accounts and deposits	378 182	12,92%	471 000	12,92%

Amounts included in profit or loss in relation to transactions with shareholders for the 6 months ended 30 June are as follows:

	30 June 2011 RUB'000	30 June 2010 RUB'000
Profit or loss		
Interest expense	(25 097)	(48 211)

During the 6 months ended 30 June 2011 and 30 June 2010 the Group made a cash distribution to shareholders in the amount of RUB 8 100 thousand and RUB 28 929 thousand appropriately.

(e) Transactions with Banking Holding Group

The Group is part of a holding group (the "Banking Holding Group") which as at 30 June 2011 and 31 December 2010 includes VMHY Holding, the parent company of LLC "PPFIN Region".

The outstanding balances and average interest rates as at 30 June 2011 and 31 December 2010 for transactions with the Banking Holding Group are as follows:

	30 June 2011 RUB'000	Average interest rate, %	31 December 2010 RUB'000	Average interest rate, %
Consolidated interim condensed statement of financial position				
ASSETS				
Loans to customers	-	-	155 000	13%
LIABILITIES				
Current accounts and deposits	-	-	2	-

Amounts included in profit or loss in relation to transactions with the Banking Holding Group for the 6 months ended 30 June are as follows:

	30 June 2011 RUB'000	30 June 2010 RUB'000
Profit or loss		
Interest income	2 209	6 746
Impairment recovery	3 280	-

(f) Transactions with other related parties

The outstanding balances and average interest rates as at 30 June 2011 and 31 December 2010 for transactions with other related parties are as follows:

	30 June 2011 RUB'000	Average interest rate, %	31 December 2010 RUB'000	Average interest rate, %
Consolidated interim condensed statement of financial position				
ASSETS				
Placements with banks	1 635	-	1 545	-
Loans to customers	186 042	12.57%	223 091	12.25%
LIABILITIES				
Deposits and balances from banks	11	-	80 338	15.00%
Current accounts and deposits	184 762	7.05%	220 949	4.70%
Subordinated debt	144 229	11.00%	156 610	11.00%

Amounts included in profit or loss in relation to transactions with other related parties for the 6 months ended 30 June are as follows:

	30 June 2011 RUB'000	30 June 2010 RUB'000
Profit or loss		
Interest income	5 353	43 486
Interest expense	(8 063)	(17 075)
Impairment loss	(8 390)	-

33 Acquisitions

On 7 May 2010 OJSC “Kamchatprombank” and OJSC “Kolyma-Bank” merged with the Group. As a result of this transaction all the assets, liabilities and operations OJSC “Kamchatprombank” and OJSC “Kolyma-Bank” were transferred to the Group. This merger transaction has been accounted for in these financial statements as an acquisition under common control.

The assets and liabilities acquired were recognised at their book values as recorded in the financial statements of OJSC “Kamchatprombank” and OJSC “Kolyma-Bank”, adjusted where relevant in order to align accounting policies with those of OJSC “Asian-Pacific Bank”.

The assets and liabilities of OJSC “Kamchatprombank” and OJSC “Kolyma-Bank” were as follows at the date of acquisition:

RUB'000	OJSC “Kamchatprombank”	OJSC “Kolyma- Bank”	Total acquired carrying amount as at 7 May 2010
ASSETS			
Cash	142 175	253 536	395 711
Placements with the Central Bank	110 310	236 328	346 638
Financial instruments at fair value through profit or loss	961 375	767 900	1 729 275
Placements with banks	409 499	570 886	980 385
Loans to customers	1 150 356	2 022 787	3 173 143
Property, equipment and intangible assets	85 688	106 706	192 394
Other assets	64 444	52 535	116 979
LIABILITIES			
Deposits and balances from banks	(2 422)	-	(2 422)
Current accounts and deposits from customers	(2 585 328)	(3 297 768)	(5 883 096)
Promissory notes	(5 583)	-	(5 583)
Deferred tax liabilities	(1 179)	(34 565)	(35 744)
Other liabilities	(4 490)	(9 266)	(13 756)
Net identifiable assets and liabilities	324 845	669 079	993 924
Issue of ordinary shares related to business combination	115 794	50 996	166 790
Effect from business combination	209 051	618 083	827 134

The following table presents the cash flows of this acquisition:

Consideration paid	-
Cash and cash equivalents acquired	1 684 754
Net cash inflow	1 684 754

The table below summarises information about gross contractual amounts receivable and the amounts of contractual cash flows, which are not expected to be collected:

	Carrying amount RUB'000	Gross amounts receivable RUB'000	Amounts not expected to be collected RUB'000
Loans to customers	3 173 143	3 666 931	(493 788)
Other assets	130 582	157 206	(26 624)