

2011

ASIAN-PACIFIC BANK

ANNUAL REPORT



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Chief Executive's Statement



Dear partners,

I am delighted to welcome you to the Asian-Pacific Bank's annual report for the year 2011.

The crisis left an imprint on banking sector performance, however an economy tends towards recovery, consumer demand grows and markets are reviving. Businesses' and households' demand for loans has been up considerably. As for Asian-Pacific Bank, a run of bad luck in the general economic crisis turned out to be a take-off strip. Total assets and equity of the Bank were about half as larger. Branches increased by 50 to exceed 200 in number, featuring an important milestone. As at the year-end 2011, APB had 208 branches operating at 88 population centres located in 17 regions nationwide. We won 27th ranking in the most branch-developed Russian banks' rating. We went on building up profits to earn Rbl 2,193 million, or a 11% rise as compared to the previous reporting year (under IFRS). Therefore, we were on the fifth position in terms of return on assets among the Russian banking institutions.

APB remains the leading regional bank in Siberia and the Far East. In addition, we have still been the fifth in the ranking of top banks dealing with gold purchases from subsoil users. Our investors who study outlook for cooperation, place emphasis on the Bank's business model efficiency. The APB strategy implies conservative approach towards asset and liability management, and therefore, well-balanced growth and low risks. That right strategy was reaffirmed in the crisis period too – due to such policy we succeeded to step up our business share in the market, with asset quality remaining at quite a good level. As far as performance achievements in 2011 are concerned, I find it necessary to highlight top five focuses:

1. Rise in ratings. Moody's long-term rating was upgraded to B2 from B3, and Expert RA assigned A+ rating, with the outlook being stable.

We are among the top 30 Russian banking institutions. The Bank experienced a steady growth and had better positions in all ratings in terms of total assets, credit portfolio, customers' account balances, etc.

2. Loans to small and medium enterprises. We place a conscious focus on support in favour of SME. Loan facilities worth Rbl 3 billion and intended particularly for such programme were raised and disbursed from EBRD and SME Bank. There are over 2,000 borrowers at the Bank, and loan portfolio was more than twice as much by the reporting year-end.

3. Continuing and strong growth in customer base. Households and corporates were considerably up in number. The Bank handles over 500,000 individual customers and 20,000 businesses. A VIP-client segment was established, with premier line of products and pertinent service terms being adopted. Their balances accounted for 32% within deposit portfolio. The card programme has been recently launched, however the last year only saw a 1.6 rise in cards issued to reach about 270,000.

4. Stronger efforts in financial markets. Total counterparties exceeded 130. Agreements were entered into with 50 domestic and foreign financial institutions in the reporting year. Limits imposed upon the Bank increased nine-fold. Average turnover increased by as much as 50% in the Money Market and the Forex Market. According to Delta Trading System dealing with interbank lending, APB was one of the strong players in the regional market. The Bank made its debut by launching a pro-

prietary promissory note programme. We are sure such field of concern will render a notable gain in business and become a key source of profit for the Bank.

5. Drastic IT-infrastructure modernisation. A new Data Processing Centre was completed, new client-servicing platforms were implemented and a new card processing centre was purchased under such programme. All those steps will ensure much better customer service quality and less expense.

The Bank's development strategy for 2012 implies further growth in the chain of regional offices, at least a 30% asset growth and not less than a 20% return on equity.

I would like to heartily thank you, dear shareholders, clients and counterparties for your confidence and support.

Evgeny Aksenov

Chairman of the Executive Board

PROFILE

Asian-Pacific Bank is the largest regional Russian bank. APB established a far-reaching branch network, extending from the Kamchatka Peninsula to the Urals, a well-diversified customer base and up-to-date technologies. The Bank provides a full array of banking products and services intended for individuals and businesses. APB has consistently featured among the top 100 domestic banks in terms of core performance indicators.

The Bank is represented by 208 branches operating at 88 human settlements dispersed in 17 remote regions nationwide. The head office is located in Blagoveshchensk, the Amur Region. The Far Eastern and the Siberian Federal Districts show the strongest expansion of the Bank.

Asian-Pacific Bank has been operating in the Russian financial market for 20 years, since February 1992 (till 2006 it was called Amurpromstroibank which, in turn, was established on the basis of the USSR Promstroibank's Amur Branch opened in 1929 to cover a region located along the middle and the lower Amur river). Today, the powerful regional network, the wide spectrum of modern and convenient products and services, and the high quality customer service enable the Bank to hold remarkable positions in the market.

APB's business expansion in recent years, highly proficient team, rich experience, in particular, during the crisis, innovation technologies allow the Bank to make a vigorous progress, strengthen its positions in all sectors of the banking business as a universal financial institution having historic traditions and advanced approach to management of the business. Asian-Pacific Bank is a member of the domestic Deposit Insurance System.

Core shareholders:

APB Mission

To offer better financial solutions intended to meet plans set out by customers and counterparties, shareholders and employees. To put into life the ambition to become a most efficient bank in Russia. To be a team and to win by a team!

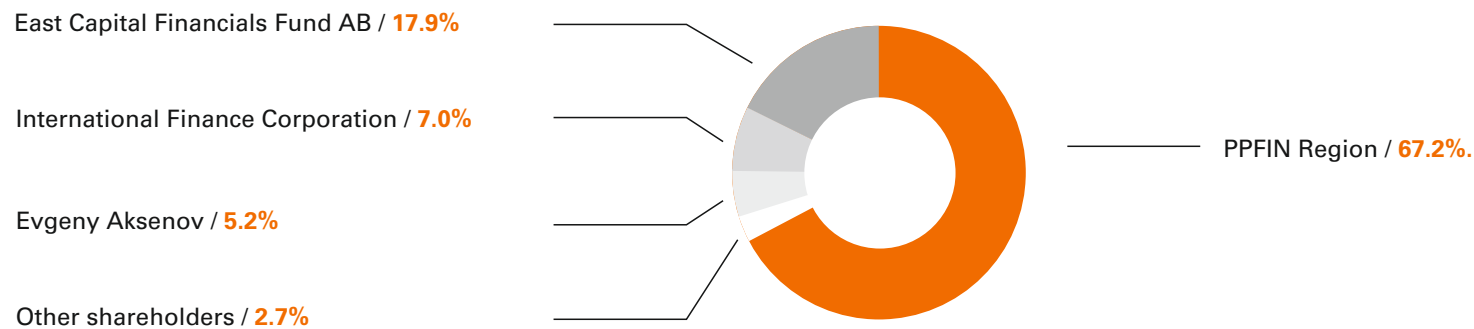
PPFIN Region is a subsidiary owned by VMHY foreign investment company operating in the Russian banking sector. Stake in APB is 67.2%.

East Capital investment company (Sweden) has been operating in the financial market for about 15 years. It majors in emerging markets in Eastern Europe and China and manages assets amounted to € 5.9 billion (shares outstanding in the securities market and in private capital). Clients of the company are about half a million of direct and indirect private investors and some leading corporate investors worldwide. Stake in APB (through East Capital Financials Fund) is 17.9%.

International Finance Corporation, IFC.

IFC promotes sustained economic development of the private sector in emerging economies, in particular, by fostering manufacturing sector and shaping efficient capital markets in member countries. IFC makes loans, investments as an interest in equity, structured finance and is involved in risk management projects. IFC has 182 member countries which, collectively determine the IFC policy and approve investment decisions. IFC Capital Stock is US\$2.4 billion. Stake in APB is 7%.

Shareholding structure



HISTORY

Recent history begins in 2004, when Evgeny Aksenov assumed management of the project to ensure development and restructuring of the Bank. The project was implemented, resulting in a new brand as OJSC Asian-Pacific Bank being launched to the market. The changed name meant a drastic reorganisation of the financial entity into a modern banking institution committed to civilised business procedures and being aware of its responsibility to the community. The concept was based on a philosophy aimed at fostering national economy, achieving better public welfare and improved financial awareness of the population, care for the Bank's customers, counterparties and the staff.

If we turn to its origins, over eighty years ago a bank was incorporated to support core economy sectors (besides of agribusiness, trade and public utilities) in the USSR. The Bank underwent many changes of its name combining abbreviations of *prom* (industry) and *stroi* (construction) and passed through economy development stages in the *soviet* period. USSR Promstroibank's branch for the Amur Region started its business in 1929 to evolve in February 1992 into ZAO Amurpromstroibank, with the head office being located in Blagoveshchensk. In 2000, Amurpromstroibank as a socially relevant entity for the region passed under control of the Agency for Restructuring of Credit Institutions by request of the Bank of Russia. The year 2004 saw PPFIN Region became a shareholder of the Bank, having a stake accounted for 67.2%. The network of the Bank comprises 8 branches located in the Amur Region. Balance sheet total was about Rbl 750 million.

In 2005, Amurpromstroibank was granted a "gold license" and it became the only one regional bank entitled to transact in precious metals. Loan portfolio increased more than four-fold throughout the year to Rbl 1,749 million.

Next year, 2006, the Bank established its first offices in the Primorye Territory, the Khabarovsk Territory, the Transbaikal Territory, the Sakha Republic (Yakutia) and the Republic of Buryatia. The general meeting of shareholders decided to amend the Articles of Association of the Bank, its status and the business name. Since then its name has been changed to Asian-Pacific Bank. APB's development strategy was adopted. Its priorities, in particular, are branch network expansion in the Far East area and the Transbaikal Territory. East Capital investment fund joins the shareholders of Asian-Pacific Bank. The agreements entered into with East Capital Group (Sweden) were first international investments in the Far East banking sector. The Bank put into service new efficient software designed by CFT company.

In 2007, the Bank joined VISA International as an associated member. Businesses and individual customers increased more than three-fold. The branch network covered 67 offices in seven regions within the Transbaikal Territory and the Far East.

In October 2008, International Finance Corporation became its shareholder. The Bank prepared a unique programme aimed at supporting small and medium enterprises and entered into an agreement with IFC on preferred rate funds to make long-term corporate loans.

In 2009, Asian-Pacific Bank was granted principal member status from VISA and MasterCard payment systems. APB was a Banking Business award winner in the Best Regional Bank nomination. An agreement was entered into with Russian Bank for Small and Medium Enterprises Support (SME Bank). APB is involved in the SME Federal Financial Support Programme and the Government-financed Federal Programme for Preferred Car Loans.

In 2010, APB took over two Far East area banks – Kolyma Bank and Kamchatprombank, with business coverage in the Kamchatka Territory and the Magadan Region being expanded.

A pilot card project was carried out to have over 170,000 payment cards in issue. The Amur Region Citizen Social Card programme was implemented. The Bank purchased EXPO-Leasing, a large leasing company, thus providing expanded opportunities for most sought-after services such as equipment lease, mortgage lease and leaseback.

The year 2011 saw important performance achievements. APB equity exceeded Rbl 7 billion (7.11bn), while profit was over Rbl 2 billion (2.2bn). Income grew two-fold, or by more than Rbl 8.5 billion. Retail loan portfolio surpassed Rbl 25 billion (25.6bn), or twice as great as compared to the previous reporting year. The Bank established 50 new offices nationwide. Loan facilities from large Russian and foreign banking institutions were made to the Bank.

Today, Asian-Pacific Bank is the largest regional banking institution in Siberia and the Far East. APB offers its clients a full spectrum of affordable, convenient, and modern financial products and services. It is a virtually universal banking institution ready to provide comprehensive services both to individuals and businesses.

KEY EVENTS

January

- The Bank increased its net assets by Rbl 0.8 billion to Rbl 45 billion. The growth was due to increased personal and corporate loans.

February

- APB climbed to the 15th position within the top 50 banks in terms of REPO Traded Bonds, and the 39th position in terms of Negotiated Deal Bonds. Gains from trading in the financial markets were close to Rbl 72 million, according to financial statements.
- The Rules of Service in the Securities Market were adopted by Asian-Pacific Bank. Now, the Bank is able to offer brokerage service in such market.

March

- Evgeny Aksenov, Chairman of the Executive Board, won the professional award established by Bankovskoye Delo (Banking Business) magazine in the Banker of the Year nomination.
- Consumer loans were Rbl 1.7 billion, a record benchmark, when the Bank made more than 9,000 loans per month. In the past year, such indicator was Rbl 686 million.

April

- An agreement on cooperation was entered into with the Government of the Chukotka Autonomous District. The Bank seeks to keep the existing sub-offices within the District.
- Quality Concept implementation procedure was launched.

May

- First self-service terminal became operational in Moscow. Customers were able to pay for services by mobile phone operators, make deposits to repay loans, and to replenish accounts.
- First real payments were made in favour of APB-Platfon telebanking while testing a new service of the Bank. Customers were able to make payments in favour of more than 500 providers of utilities, telecommunication and phone services. Full-scale services will be launched by early June.

June

- APB set up its proprietary card processing centre. Software and hardware were purchased from MobiPlus vendor. A project designed to amalgamate ATM networks operated by APB and Master Bank started. The Data Processing Centre was built and brought into service.

July

- Outstanding cash loans increased by 91.88% in the first semester as compared to the relevant period of the prior reporting year, being the Bank 14th according to the Expert RA rating.
- In the Top 20 ranking by Expert RA, APB was 13th in terms of cash loan portfolio for the first semester in the year under review, being a 43.5% rise as compared to the prior year.
- Business lending volume was twice as much for the first semester in the reporting year against the relevant period in 2010. APB's corporate loans amounted to Rbl 9.6 billion (against Rbl 4.6 billion in 2010).

August

- Retail loan portfolio posted a growth to exceed Rbl 20 billion. According to the top 100 Russian banks by Banking Review magazine, Asian-Pacific Bank was on 16th position in this indicator. Growth in volume of loans made to individuals accounted for 270%.
- The Bank joined the United Clearing System. ATM chain expanded up to 14,000.

September

- Moody's Investors Services upgraded long-term ratings of the Bank: to B2 from B3 under the international scale, and to Baa1.ru from Baa2.ru under the national scale. Outlook was stable. The agency left unchanged the short-term rating at Not Prime level and the financial strength rating at E+ level.

October

- Profit earned by Asian-Pacific Bank was Rbl 1,131 million as at 30th September 2011, according to financial statements prepared under IFRS, or up by 50 percent to Rbl 792 million against 2010. Operating income for 9 months was 1.6 times as much to Rbl 4,283 million from Rbl 2,686 million in 2010.
- Asian-Pacific Bank and SME Bank entered into two loan agreements stipulating APB's involvement in the Government-run programme worth Rbl 700 million aimed at supporting small and medium enterprises (Rbl 460 million in terms of the Refinancing product and Rbl 240 million in terms of Investing product). Funding was raised for a 5 year term.

November

- The European Bank for Reconstruction and Development and Asian-Pacific Bank entered into a Rbl 1.2bn loan agreement to provide funding for small and medium-sized companies. The loan will be made by two equal tranches of Rbl 600 million each for a 5-year term.
- The tenth branch was established in Yekaterinburg to become the 200th office within the regional network of the Bank. Therefore, APB started operations in the Urals Federal District.
- By decision of the general meeting of shareholders, Mr Adriano Arietti, free-lance professional of international level, was elected member of the Board of Directors as an independent director.
- Asian-Pacific Bank won a tender for a senior tranche of the Bank's mortgage-backed bonds (Programme no. 2) arranged by the Agency for Housing Mortgage Lending. According to the bid made by APB, scheduled senior tranche amounted to Rbl 2 billion, with maturity being the 4th quarter in 2012.

December

- Expert RA rating agency assigned Asian-Pacific Bank credit rating at A+ level. Outlook was stable.
- In an effort to achieve optimised and more efficient performance, APB branches in Yakutsk and in Vladivostok were reorganised into sub-offices.
- Since the year start, a new sub-office in Kemerovo, was established, being the 50th regional subdivision.

BOARD OF DIRECTORS



1. Kirill Yakubovsky

Member of the Board of Directors as from 29th June 2010, and the Chair of the Board since 28th June 2011; held office throughout the reporting period.

Born on 28th March 1969.

Mr Yakubovsky has a 20-year experience in the financial sector. Now, he is a Deputy Director General at the Pokrovsky Mine company's representative office and an advisor to the Chair of the Board of Directors at M2M Private Bank; member of the Board of Directors at Gelios-Reserve insurance company, M2M Private Bank, Urban Supermarket company and some other corporate entities.



2. Evgeny Aksenov

Member of the Board of Directors as from 17th December 2004; held office throughout the reporting period.

Born on 7th October 1975.

Mr Aksenov has a 15-year experience in banking. Now, he is the Chairman of the Executive Board at Asian-Pacific Bank. As from 20th May 2011 up to now he has been a member of the Board at the Association of Regional Banks of Russia (Rossiya Association). As from 1st November 2010 up to now Mr Aksenov has been the Chairman of the Supervisory Board at EXPO-Leasing, and he owns 257,619,435,466,859 ordinary registered uncertificated shares.



3. Adriano Arietti

Independent member of the Board of Directors as from 7th November 2011.

Born on 30th September 1948.

Mr Arietti has more than 30-year experience in the financial sector. Nowadays, he is a member of the Board of Directors at Banca Intesa ad Beograd (Serbia); a member of the Supervisory Board at VUB Banka (Slovakia); a member of the Board of Directors at Bank of Alexandria (Egypt); and a member of the Supervisory Board at Pravex Bank (Ukraine).



4. Andrey Vdovin

Member of the Board of Directors as from 14th April 2007; held office throughout the reporting period.

Born on 12th January 1971.

Mr Vdovin has over 20 years of experience in the financial sector. Nowadays, he serves as an advisor to the Chairman of the Management Board at M2M Private Bank, a member of the Board of Directors at: Medical Insurance Company AVE; Gelios insurance company; Urban Supermarket company and other corporate entities; the Chairman of the Board of Directors at: M2M Asset Management Akciju Sabiedriba and M2M Private Bank.



5. Alexander Murychev

Member of the Board of Directors as from 28th June 2008; held office throughout the reporting period.

Born on 15th September 1955.
1996 through 2006, Mr Murychev was the President of the Association of Regional Banks of Russia.
Now, he is an Executive Vice President of the Russian Union of Industrialists and Entrepreneurs.
Mr Murychev is the Chairman of the Board of the Association of Regional Banks of Russia, a member of the Board of Directors at Khanty-Mansi Bank, and an advisor to the Chairman of the Management Board at VTB.



6. Sergey Plastinin

Member of the Board of Directors as from 28th June 2011.

Born on 25th November 1968.
Before 8th April 2011, Mr Plastinin was the Chairman of the Board of Directors at Wimm-Bill-Dann Food Products. Now, he is a member of the Board of Directors at: Novoderevenski Bakery Factory, Molochny Product agro-industrial group and AgroZemInvest company.



7. Kestutis Sasnauskas

Member of the Board of Directors as from 16th February 2012.

Born on 6th July 1973.
Mr Sasnauskas has a 17-year experience in the financial sector. Now, he serves as an Executive Director at East Capital Private Equity AB.



8. Sergey Stepanov

Member of the Board of Directors as from 28th June 2011.

Born on 18th July 1983.
Mr Stepanov has about 10 year experience in finance. Now he is the head of Department for Strategic Planning at M2M Private Bank and a member of the Board of Directors at Medical Insurance Company AVE.

EXECUTIVE BOARD



Evgeny Aksenov
Chairman of the Executive Board.

Mr Aksenov has a 15-year experience in banking business. He joined the banking sector in 1997 at SBS-AGRO Bank, Khabarovsk branch, the Branch Deputy Director as from 1999.

As from 2000, Mr Aksenov was Deputy Chairman of the Executive Board at Konecagroprom Bank 2002 through 2004 he was the Director of Far East Mutual Credit Society Bank.

Late in 2004, Mr Aksenov was in charge of the project on Amurpromstroibank development and restructuring. The project was implemented in 2006 and the Bank entered the market under a new brand - Asian-Pacific Bank.

As from March 2006, Mr Aksenov has been the Chairman of the Executive Board at Asian-Pacific Bank. As from 1st November 2010, he has been serving as the Chairman of the Supervisory Board at EXPO-Leasing.



Igor Abazov
First Deputy Chairman of the Executive Board

Mr Abazov has a 20-year banking experience. As from 2003, he served as a deputy head at the Main Department of the Bank of Russia for the Amur Region, covering the Far East area.

In June 2007, Mr Abazov was appointed the First Deputy Chairman of the Executive Board at Asian-Pacific Bank.



Sergey Tyrtsev
First Deputy Chairman of the Executive Board.

Mr Tyrtsev has a 15-year experience in banking business. As from 2003, he served as a director of the territorial department at Far East Mutual Credit Society Bank. In February 2005, Mr Tyrtsev was appointed the director of the Far East branch at Rosbank. As from June 2005, Mr Tyrtsev was the Chairman of the Executive Board at Amurpromstroibank and a member of the re-branding project team.

Since March 2006, Mr Tyrtsev has been the First Deputy Chairman of the Executive Board at Asian-Pacific Bank. As from November 2010, he has been a member of the Supervisory Board at EXPO Leasing.



Igor Zylberblum
Deputy Chairman.

Mr Zylberblum has a 20-year banking experience. As from January 1998, he was deputy director of Zeisk branch at Amurpromstroibank. In June 2006, he was appointed the head of Credit Department at Asian-Pacific Bank. In May 2008, Mr Zylberblum was appointed the chief lending officer at APB.

As from January 2012, he has been a Deputy Chairman of the Executive Board at APB. And as from November 2010, Mr Zylberblum has been a member of the Supervisory Board at EXPO-Leasing.



Alexander Nepomnyaschiy
Deputy Chairman of the Executive Board.

Mr Nepomnyaschiy has a 10-year banking experience. Ph. D. in Economics. As from November 2005, he was an advisor to the Chairman of the Executive Board at Amurpromstroibank. In December 2006, he was appointed the head of the APB branch in Khabarovsk. In 2007, Mr Nepomnyaschiy was appointed the Chief Retail Officer of the Bank. And as from June 2008, he has been serving as a Deputy Chairman of the Executive Board at Asian-Pacific Bank.



Mikhail Pavlov
Deputy Chairman of the Executive Board.

Mr Pavlov has a 19-year experience in banking sector. As from November 2004, he served for LOCKO-Bank as the head of Department for Cooperation with Financial Institutions, and later as the Deputy Chairman of the Executive Board. Since August 2010, Mr Pavlov was Deputy Chairman of the Management Board at InvestTradeBank. He has been serving for APB as from September 2011 as an advisor to Chairman of the Executive Board and as from 16th December 2011 as the Deputy Chairman of the Executive Board of the Bank.

HIGHLIGHTS

Ratings and rankings

In September 2011, Moody's Investors Service upgraded long-term ratings of Asian-Pacific Bank to B3 from B2 under the international scale and to Baa2.ru from Baa1.ru under the national scale. Outlook was stable. In addition, the agency left unchanged the short-term rating at Not Prime level and financial strength rating at E+ level. The increased ratings reflected efficient development of the Bank as a whole, better asset quality, business expansion and more regional presence.

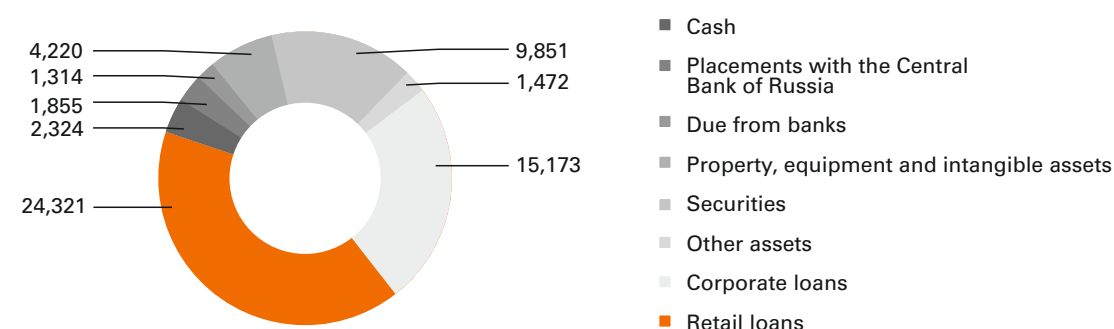
Expert RA, domestic rating agency, assigned the Bank credit solvency rating at A+ level, «Very high credit solvency level» on 30th December 2011. Outlook was stable.

According to RosBusinessConsulting, there was a notable rise in APB rankings as at the year-end 2011 (top-500 Russian banks) as compared to 2010.

The Bank moved to the 70th from the 80th position in terms of net assets; to the 87th from the 99th position in terms of liquid assets; to the 69th from the 79th position in terms of loan portfolio; to the 95th from the 122nd in corporate loans and to the 32nd from the 40th in retail loans. APB holds the 62nd ranking (from the 69th) in terms of deposit portfolio. Business deposit ranking was improved to the 76th from the 84th position, and individual deposits, to the 39th from the 45th. APB entered the top-100 club in terms of investment in securities, up to the 77th position from the 101th one.

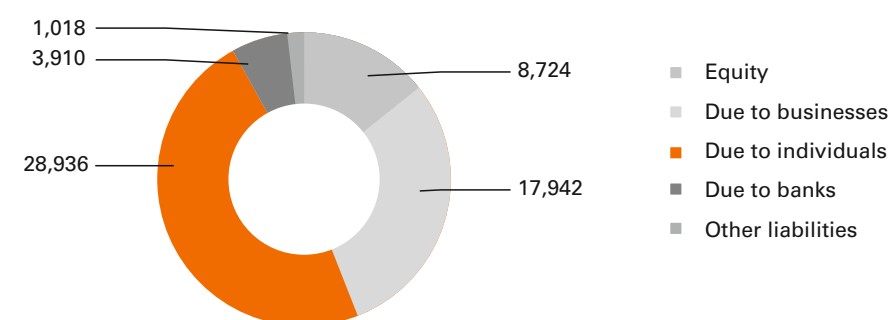
Key financial indicators

Total assets** as at 31 December 2011 (in Rbl millions) – 60,530



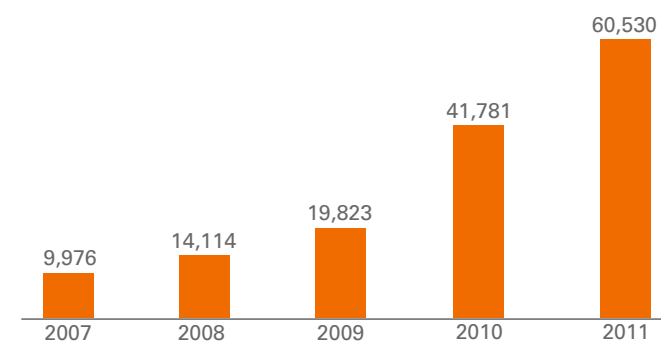
*Including lease portfolio
** Under IFRS

Total liabilities and equity* as at 31 December 2011 (in Rbl millions) – 60,530



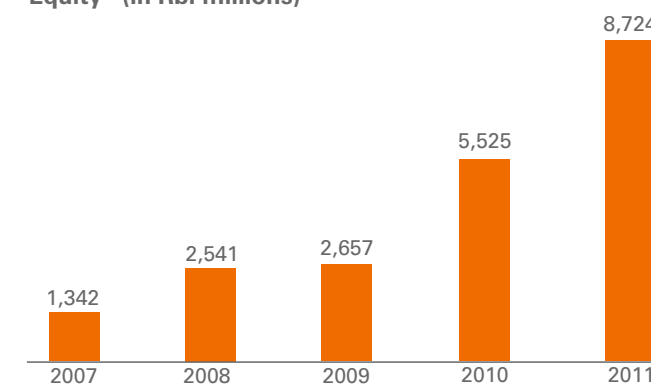
*Under IFRS

Total assets* (in Rbl millions)



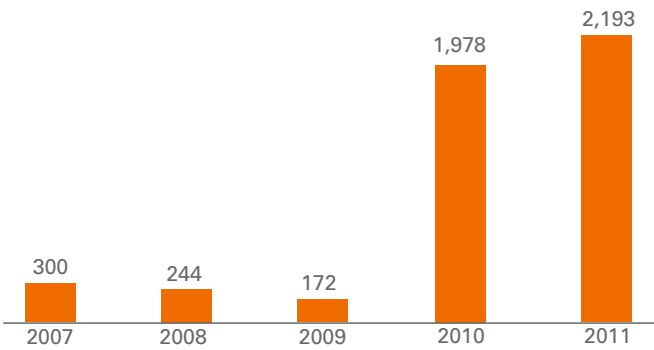
*Under IFRS

Equity* (in Rbl millions)



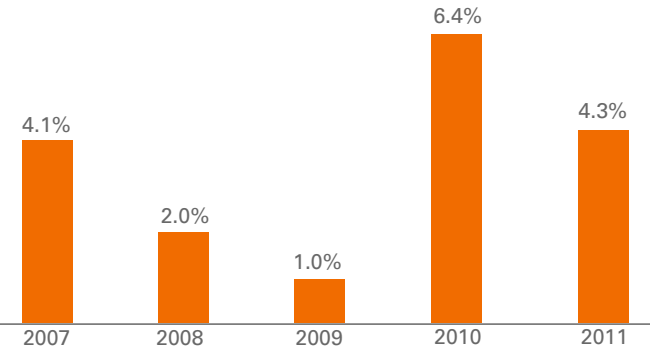
*Under IFRS

Net profit* (in Rbl millions)*



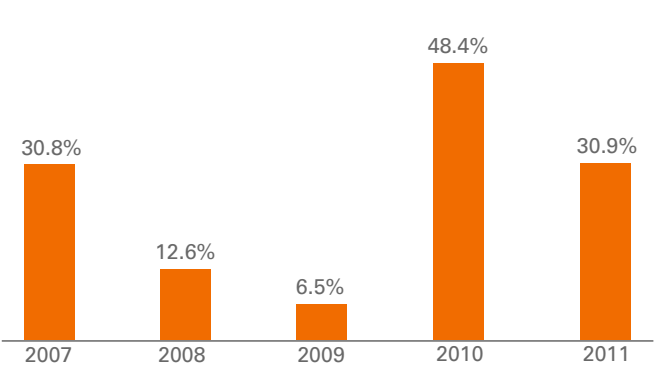
*Under IFRS
**Before dividend paid

ROA*



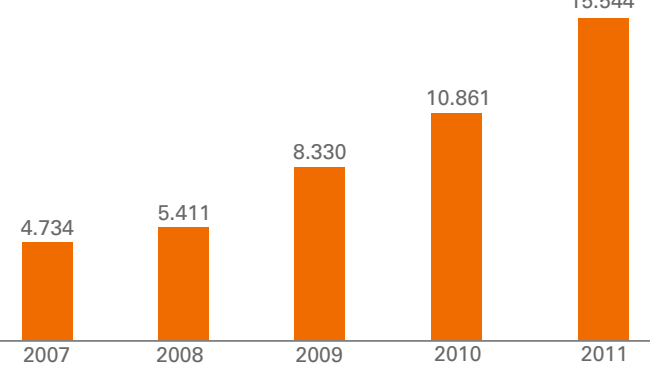
*Under IFRS

ROE*



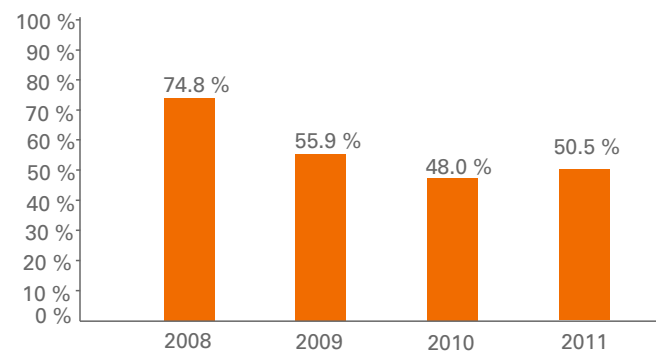
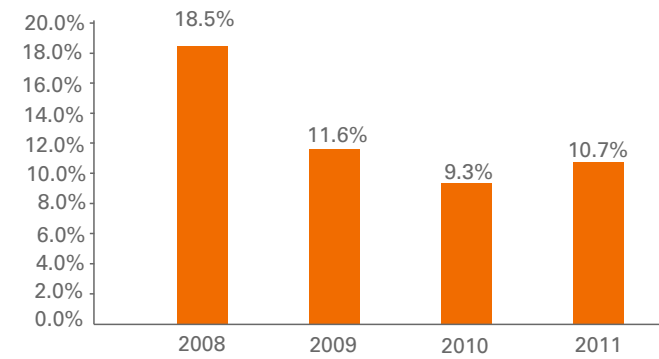
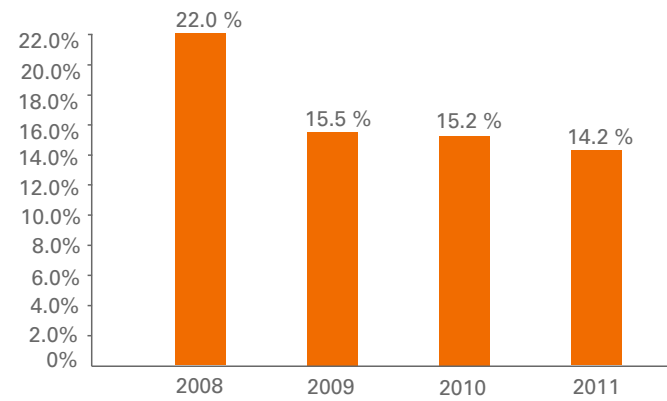
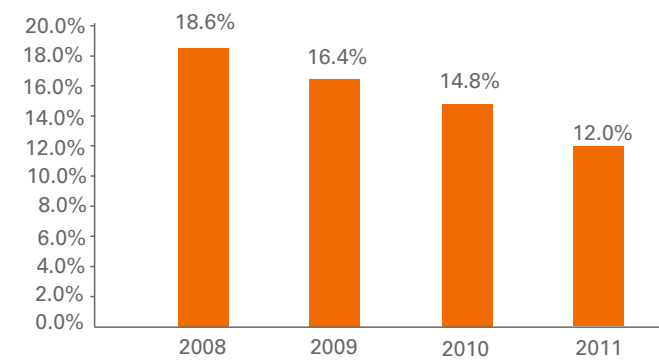
*Under IFRS

Assets per employee* (in Rbl millions)



*Under IFRS

	2006	2007	2008	2009	2010	2011
APB under RBC ranking in terms of net assets	213	157	127	104	80	70
APB under Interfax-CEA in terms of retained earnings	188	109	81	141	32	40

Cost/Income Ratio**Net Interest Margin****Capital Adequacy Ratio Tier1 (Basel 1)****Capital Adequacy Ratio - CBR**

Rbl 300 million in dividends in 2011 was paid as at 3-Quarter end of the reporting year.

GEOGRAPHIC REACH AND BRANCHES

Geographic reach



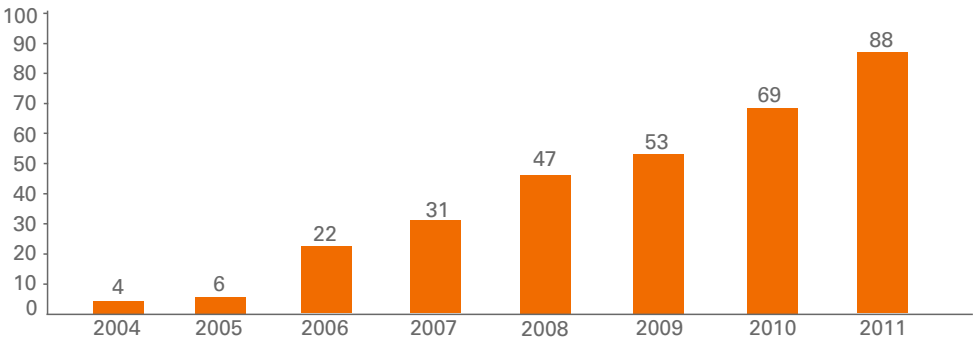
Geographic coverage of branches throughout Russia

Name	Quantity	%
Cities (political subdivision capitals)	17	19.3
Towns with population over 100,000	6	6.8
Towns with population under 100,000	46	52.3
Urban settlements	10	11.4
Other population centres	9	10.2
Total populated localities	88	100

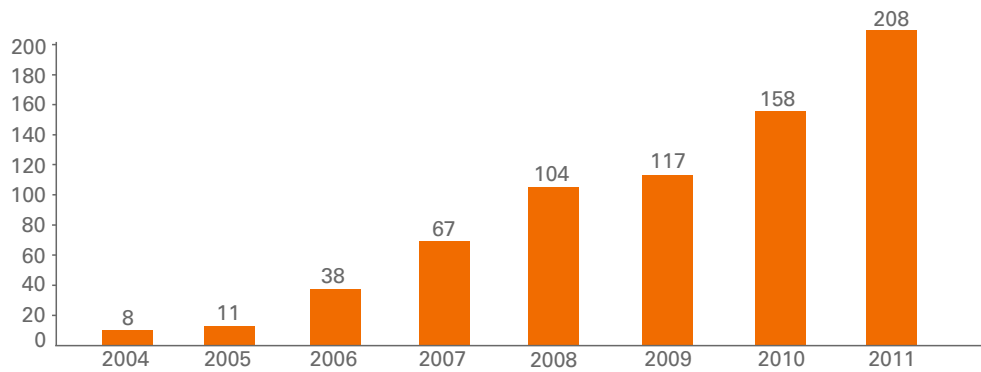
Branches

In the reporting year, APB continued with its efforts towards regional expansion and move from “the East to the West”. The area of business presence was considerably increased to cover a territory from the Pacific to the Urals. The Bank has a Moscow-based branch. Core target in branch management is to ensure more business efficiency, more intensive development of regional structures, coverage of most remote population centres in Russia. All that fully complies with the regional focus of Asian-Pacific Bank. The crisis did not affect activities of the branches, with all of them showing sustained growth. Weighted regional policy, professionals invited for a variety of levels, accurate estimation and research analysis of economic conditions for regional development enable to carry out development plans for APB regional network.

Population centres



Branches



AMUR REGION**Department for the Amur Region****Starting date:** 14 February 1992**Address:** 225, Ul. Amurskaya, Blagoveshchensk, Amur Region 675000**Director:** Dmitry Makarov

There are 28 sub-offices

REPUBLIC OF BURYATIA**Branch in Ulan-Ude****Starting date:** 1 January 2006**Address:** 49, Ul. Kommunisticheskaya, Ulan-Ude 670000**General Manager:** Natalia Abramova

There are 11 sub-offices

SAKHA (YAKUTIA) REPUBLIC**Sub-office No. 45 in Yakutsk****Starting date:** 21 April 2006**Address:** 19, Prosp. Lenina, Yakutsk 677000**General Manager:** Angelika AkimovaThere are 14 teller offices and
2 off-premises cashier's offices**KHABAROVSK TERRITORY****Branch in Khabarovsk****Starting date:** 11 June 2006**Address:** 24, Ussuriysky Bulvar, Khabarovsk 680000

Office I (22-25); 0 (45-47;49-65); I (66-68); I (37-45;52-57); II (46-51);II (3-4)

General Manager: Sergei YakimovThere are 6 sub-offices and
12 teller offices**JEWISH AUTONOMOUS REGION****Sub-office No.1 in Birobijan****Starting date:** 11 July 2006**Address:** 22b, Prospekt 60-letia SSSR, Birobijan 679000**General Manager:** Sergei M. Yakimov

There are 2 teller offices

TRANSBAIKAL TERRITORY**Branch in Chita****Starting date:** 9 October 2006**Address:** 26, Ul. Petrovskaya, Chita 672000**General Manager:** Yevgenia Moungalova

There are 9 sub-offices, 2 teller offices, 1 off-premises cashier's office

PRIMORYE TERRITORY**Sub-office No. 18 in Vladivostok****Starting date:** 27 October 2006**Address:** 56, Ul. Svetlanskaya, Vladivostok 690091**General Manager:** Talyzina Anna Nikolaevna

There are 21 teller offices

IRKUTSK REGION**Branch in Irkutsk****Starting date:** 18 January 2008**Address:** 8, Ul. Besbokova, Irkutsk 664056**General Manager:** Tatyana Polevach

There are 9 sub-offices, 21 teller offices, and 1 off-premises cashier's office

REPUBLIC OF KHAKASSIA**Sub-office No. 31 in Abakan, Branch in Ulan-Ude****Starting date:** 8 April 2011**Address:** office 90N, 63, Ul. Karla Marksa, Abakan 655017**General Manager:** Svetlana Shoshina

There are 7 teller offices

KRASNOYARSK TERRITORY**Sub-office No.2 in Krasnoyarsk, Branch in Ulan-Ude****Starting date:** 20 June 2008**Address:** 14A, Ul. 78 Dobrovolcheskoy Brigady, Krasnoyarsk 660077**General Manager:** Anton Shevnin

There are 27 teller offices

SAKHALIN REGION**Sub-office No. 41 in Yuzhno-Sakhalinsk**

Starting date: 2 July 2008

Address: office 1-30, 30, Ul, Sakhalinskaya, Yuzhno-Sakhalinsk 693020,

General Manager: Vassily Bolshakov

There are 4 teller offices

MOSCOW**Branch in Moscow**

Starting date: 1 December 2008

Address: Stroyenie 1, 21/1, Leontievsky Per., Moscow 125009

General Manager: Tatyana Chekonova

There is 1 sub-office

KAMCHATKA TERRITORY**Kamchatka Branch**

Starting date: 10 May 2010

Address: 14, Ul. Sovetskaya, Petropavlovsk-Kamchatsky 683000

General Manager: Pavel Bagnyukov

There are 2 sub-offices and 3 teller offices

MAGADANCKAYA REGION, CHUKOTKA AUTONOMOUS DISTRICT**Kolyma Branch**

Starting date: 10 May 2010

Address: 17, Ul. Proletarskaya, Magadan, 685000

General Manager: Konstantin Yermilov

There are 14 sub-offices and 4 teller offices

SVERDLOVSK REGION**Branch in Yekaterinburg**

Starting date: 6 October 2011

Address: 57, Ul. Lunacharskogo, Yekaterinburg 620000

General Manager: Irina V. Sysolyatina

KEMEROVO REGION**Sub-office No. 60 in Kemerovo**

Starting date: 25 December 2011

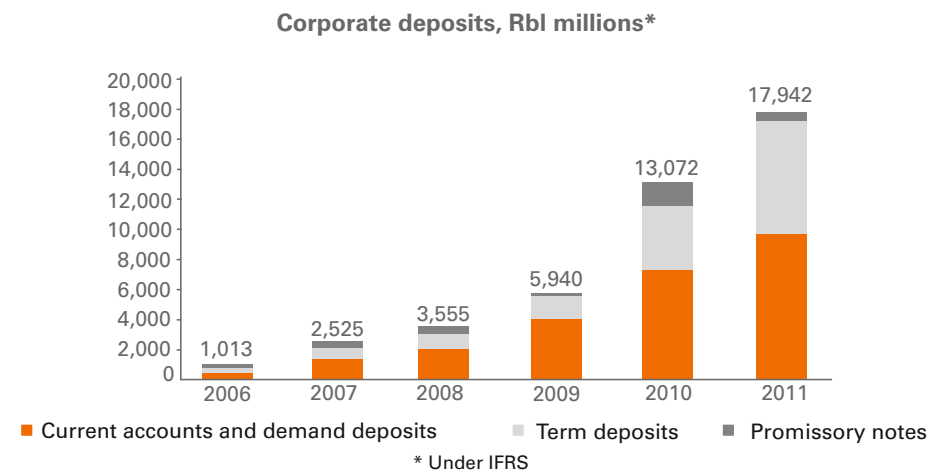
Address: 124, Prospekt Lenina, Kemerovo 650023

General Manager: Anastasia Penzina

CORPORATE BANKING

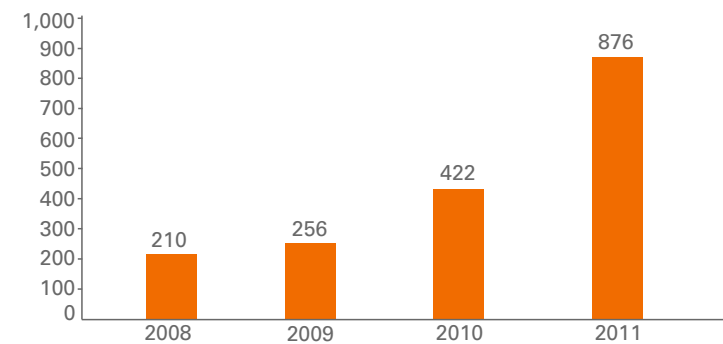
Deposits

The year 2011 saw successful delivery of corporate banking services. In the year under review, corporate balances posted a 37.3% rise to over Rbl 17 million. Customer base increased by 17.2%, and corporate customers exceeded 20,000 in number.



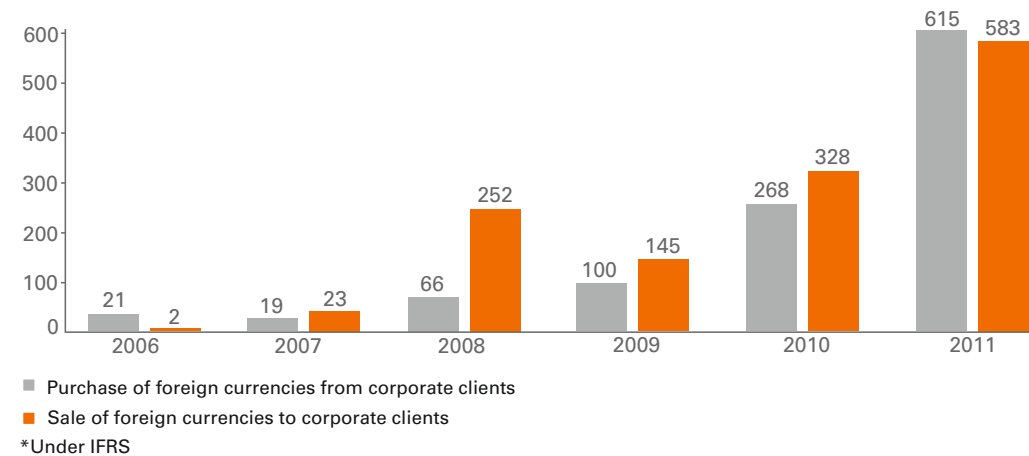
Market share in corporate deposits within Siberia and the Far East areas was 4.18% as at the year-end (against 3.2% in 2010)

Fee and commission income (in Rbl millions)



*Under IFRS

Trading in foreign exchange (in US\$ millions*)



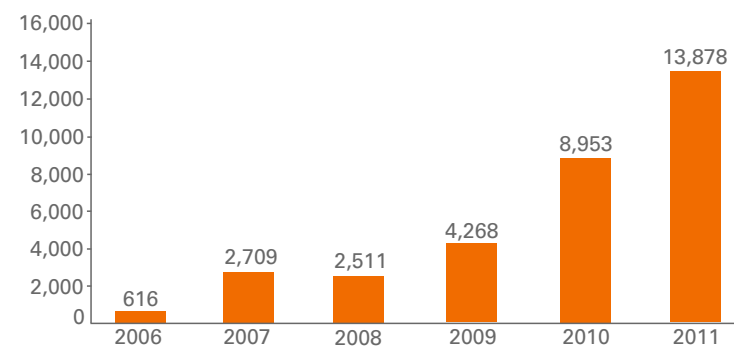
	2006	2007	2008	2009	2010	2011
APB's ranking in terms of corporate deposits	259	201	160	114	84	76

Loans

The reporting year saw a sustained upsurge trend in corporate lending, with the Bank showing notable growth in this indicator. Loan portfolio was notably up to Rbl 8.0 billion from Rbl 5.8 billion as at the year-end. The outstanding loans comprised about 100 borrowers, and effective credit agreements were over 200.

The Flagship lending programme intended for leading regional enterprises and operated throughout first three quarters of the reporting year contributed to growth in loan portfolio.

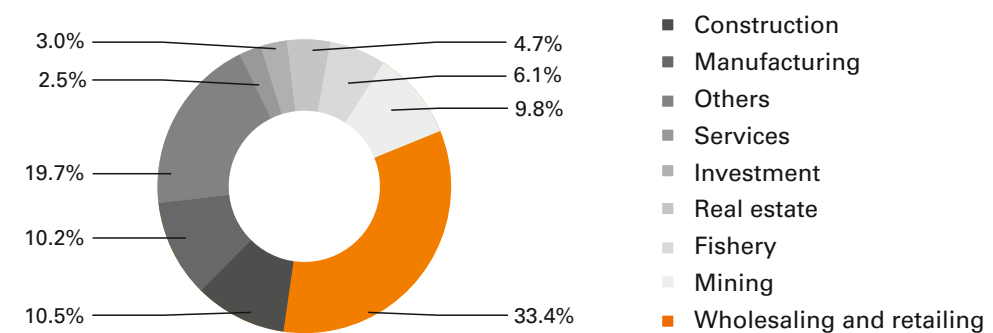
Corporate loan portfolio trend* (in Rbl millions**)



*including SME loans

** Under IFRS

Corporate loan portfolio breakdown in terms of economy sectors*

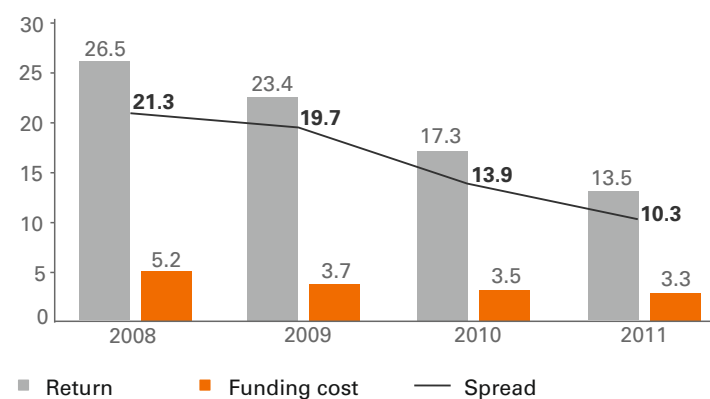


* Under IFRS

Market share in Siberia and Far East areas was 1.94% in terms of corporate loans as at the year-end (as compared to 1.31% as at the year-end 2010)

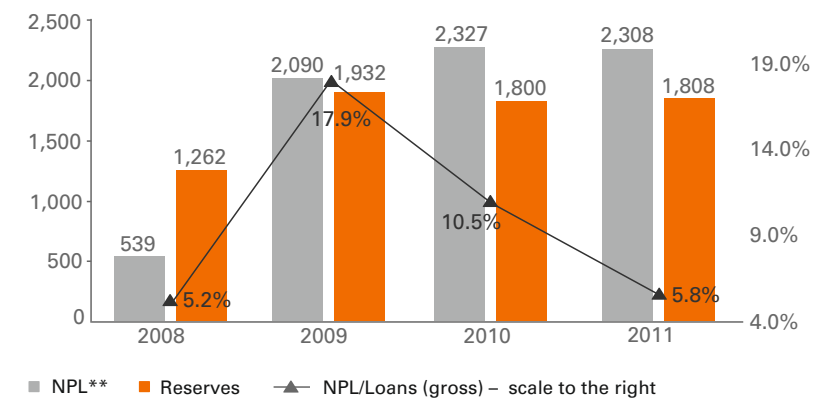
APB under RBC ranking in terms of corporate loans

Spread in terms of corporate customers, %*



* Under IFRS

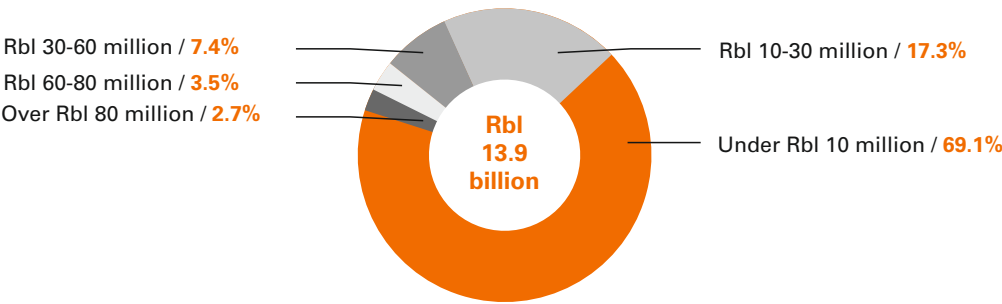
Loan portfolio quality (in Rbl millions*)



* Under IFRS

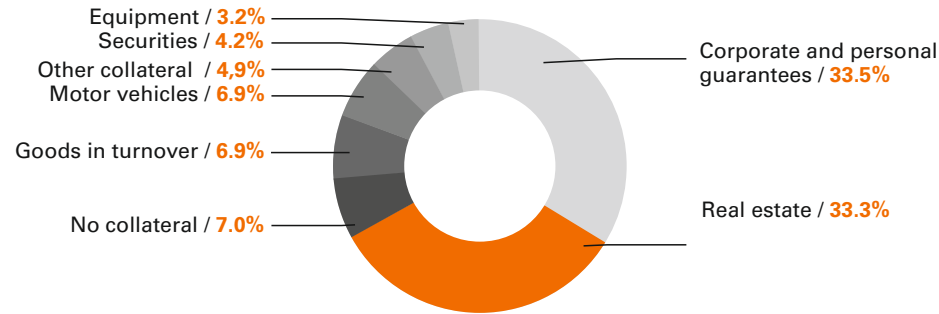
** Total overdue loans (principal and interest) for over 90 days.

Corporate loan portfolio breakdown* in term of amounts**



* Under IFRS
** number of loans

Principal collateral breakdown*



*Under IFRS

The Bank holds traditionally solid positions in handling foreign trade for corporate customers. Trade finance as a main focus in the Bank's business for the years 2012-2013 will foster better performance of the Bank in this segment.

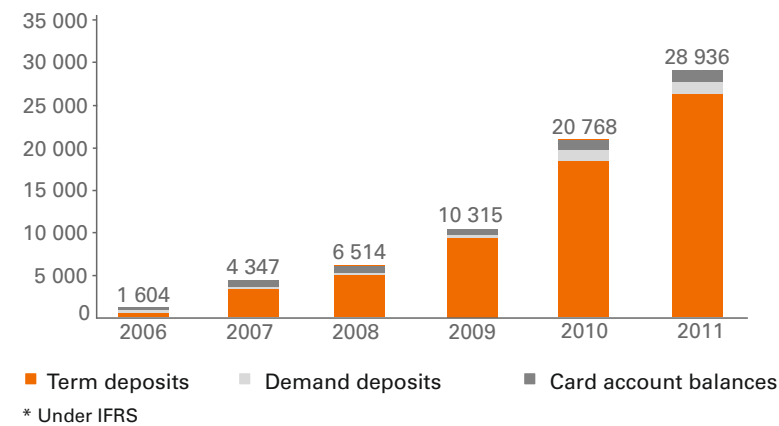
	2006	2007	2008	2009	2010	2011
The position of the Asian-Pacific Bank according to the RBC ranking in terms of loans to corporate customers	486	229	262	198	122	95

RETAIL BANKING

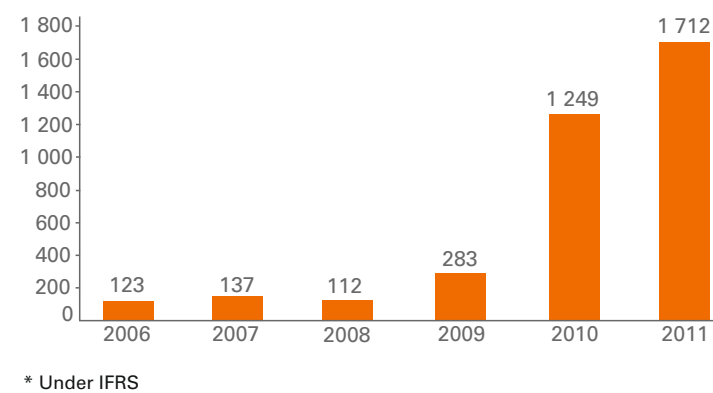
Deposits

Asian-Pacific Bank continued developing personal banking. Personal deposits posted a 39.3% rise to Rbl 8,168 million as compared to 2010 (Rbl 20,768 million).

Corporate deposit raising trend (in Rbl millions*)

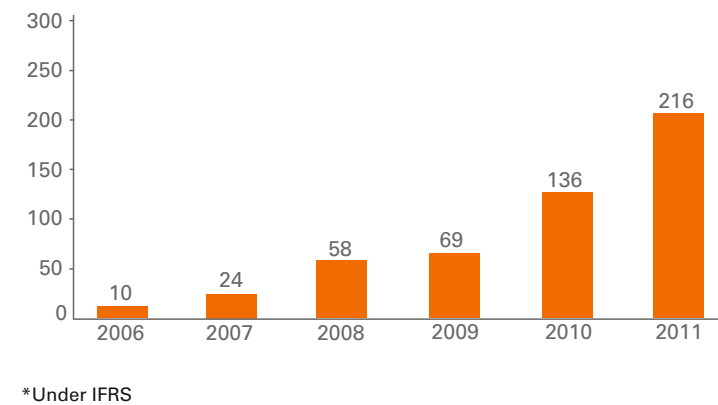


Demand deposit balances (in Rbl millions*)

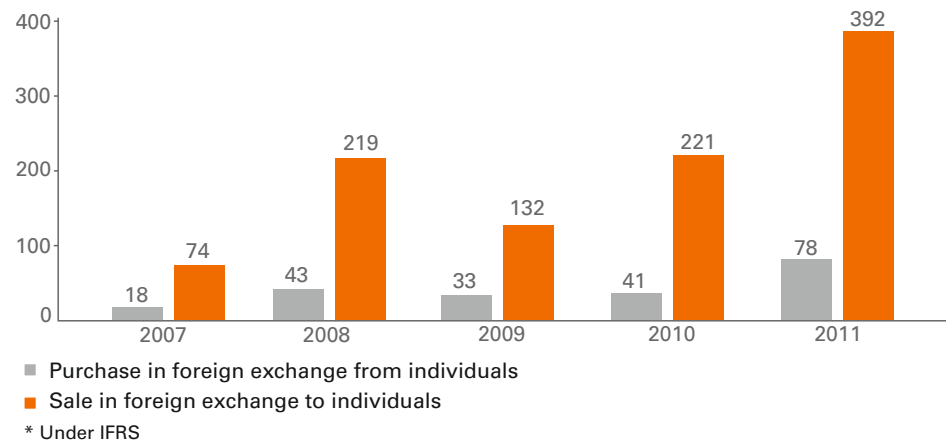


Market share of the Bank in Siberia and Far East areas was 3.6 % in personal deposits as at the year-end 2011 (as compared to 3.2% in 2010)

Fee and commission income (in Rbl millions*)



Currency exchange (in Rbl millions*)



APB's ranking in terms of personal deposits

2006

2007

2008

2009

2010

2011

168

93

74

62

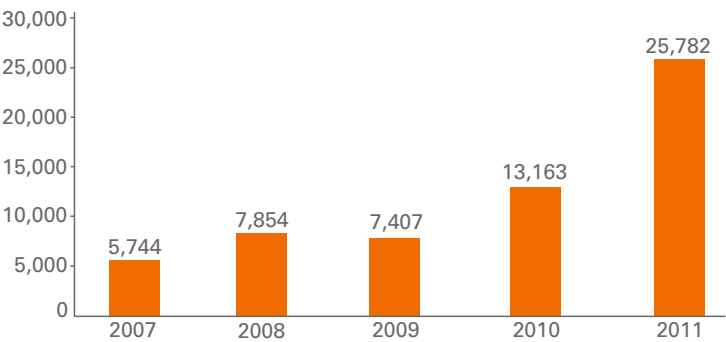
45

39

Loans

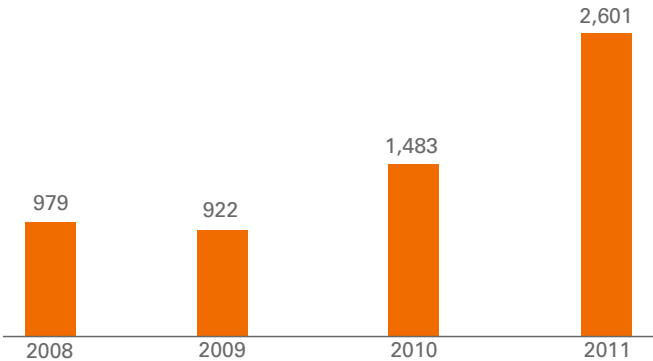
In 2011, Asian-Pacific Bank continued its strong growth in the consumer lending market, with the loan portfolio being increased over four-fold as compared to 2008.

Retail loan portfolio, Rbl millions*



*Under IFRS

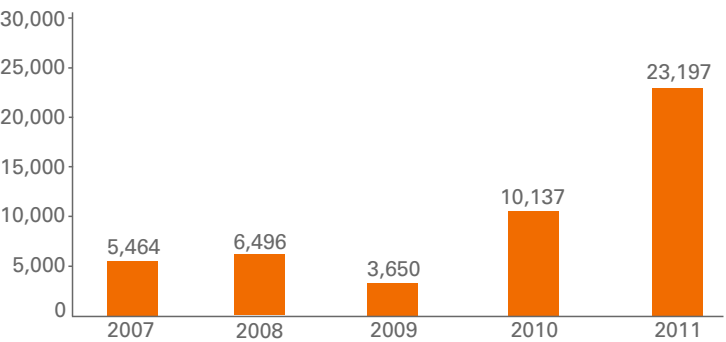
Mortgage loans trend, Rbl millions*



*Under IFRS

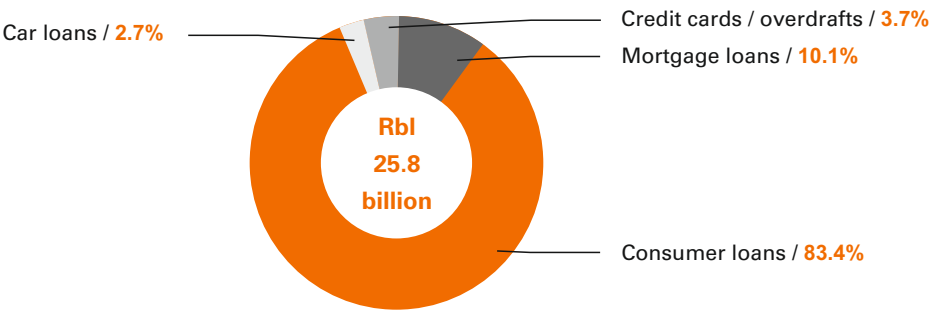
APB's market share in Siberia and Far East areas was 4.80% as at the year-end to exceed the relevant 2010-year figures (3.39%)

Outstanding loans trend, Rbl millions*



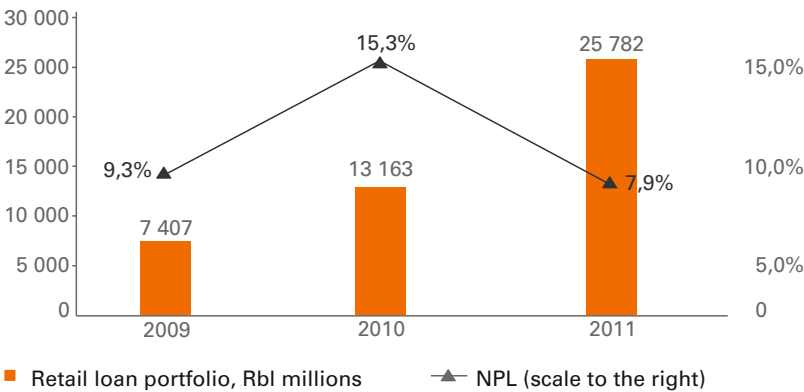
*Under IFRS

Retail loan portfolio breakdown in terms of products*



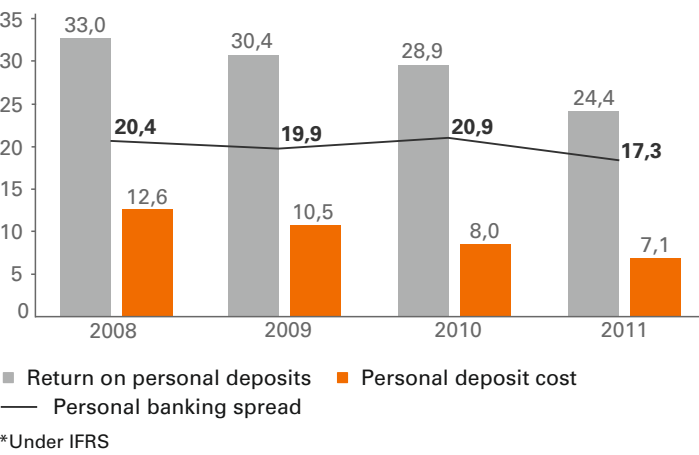
*Under IFRS

Retail loan portfolio trend (gross) in NPL*
(% out of total loan portfolio)**



*Total overdue loans for a term over 90 days (principal and interest)
**Under IFRS

Spread from handling personal accounts,%*



Owing to telemarketing development since 2011, permanent information services on new products were launched. Customers started managing loan applications through the Bank's web site or by phone via the Call Centre. A credit may be taken on the bank card online, that makes lending available in distant population centres with no teller offices able to give cash advances. Now clients do not have to visit offices of the Bank for such services. In 2011, 52,475 *Optima* credit cards were distributed by mail to customers having positive credit history, with 12,948 cards being activated (24.67%).

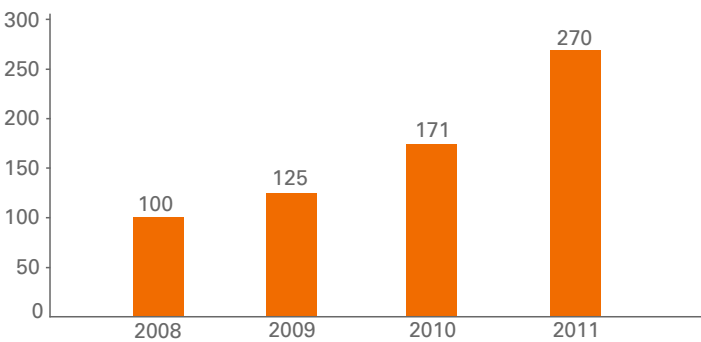
	2006	2007	2008	2009	2010	2011
APB under RBC ranking in terms of retail loans	68	57	60	53	40	32

PLASTIC MONEY

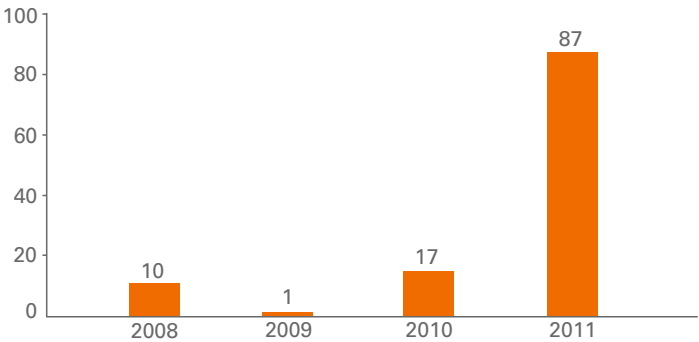
Payment cards

A line of debit cards from Visa International and MasterCard Worldwide was launched to the market to meet demands and affordability of a variety of customers, beginning with ordinary cards and ending with premium class cards. Total debit cards in issue from international payment systems were 8,857 in number, including 1,708 premium class cards throughout the year 2011. Card account balances in personal banking increased by Rbl 486 million, or 44.8%, to Rbl 1,572 million.

Cards in issue, thousands



Fee and commission income in card business (in Rbl millions*)

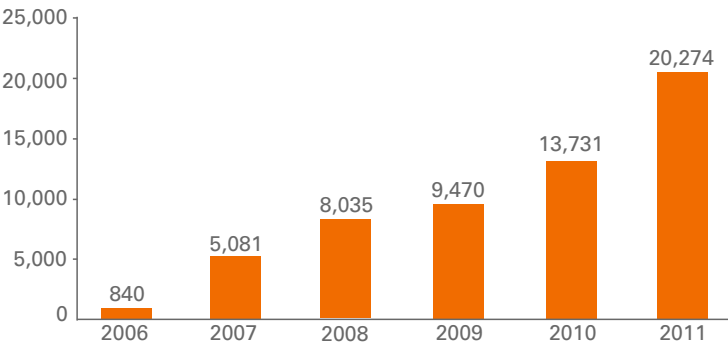


*Under RAS

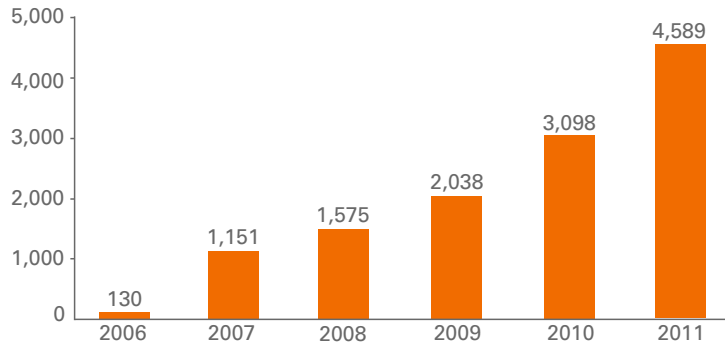
ATMs and POS terminals; acquiring

The year 2011 saw progressive and strong expansion of ATM and POS terminal network. The Bank proprietary ATMs and POS terminals were 252 and 320, accordingly, in all areas of business presence. Customer service quality gradually increased. In the reporting period, APB carried out some integration projects with a view to put together ATM networks with the United Clearing System and Master-Bank, with clients being able to withdraw cash in more than 15,000 third party ATMs and POS terminals at reduced rates. Customers started payments for utility and telecommunication services through the Bank's proprietary POS terminals.

Issuing turnover, million rubles



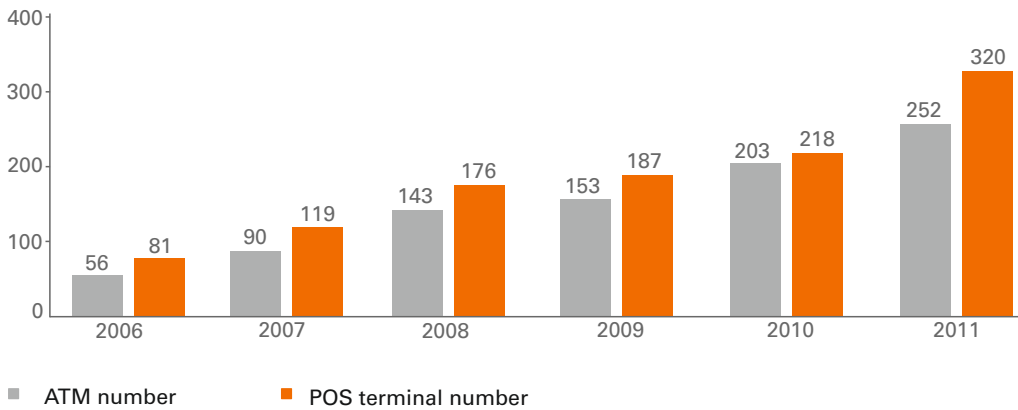
Turnover of POS Terminals, million rubles



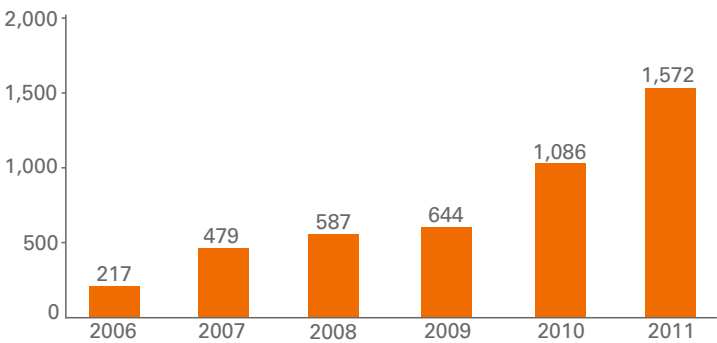
In 2011, POS terminals installed at merchants' in areas of business presence posted a notable increase in number by 272, while turnover showed an 80% rise against the previous reporting period.
2011 was the first year in the Bank history to have self-service cash dispensers installed.
If there was only one cash dispenser early in the year, then by June they were 54 already to be 78 by the year-end.

In 2011, bank card-related turnover increased by 47% to Rbl 20,274.28 million and first MasterCard cards were issued.

ATMS and POS terminals, number



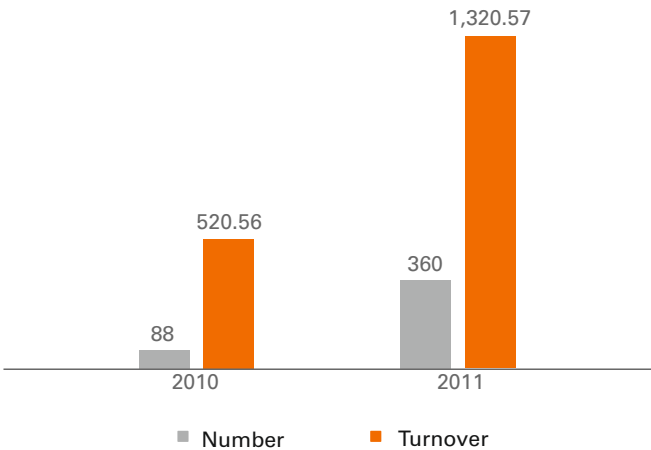
Card account balances, Rbl millions



Payroll-based plans were 1,965 by the year-end, posting a 23.5% as compared to the prior year.

APB Online telebanking, an updated product, was launched to the market within the framework of remote service development. The new version enables to be informed online on account movements, to pay for mobile, utility and telecommunication services, to make fund transfers within the Contact System.

Merchart acquiring volume and turnover (in Rbl millions)



MONEY MARKET AND CO-OPERATION WITH CREDIT AND FINANCIAL INSTITUTIONS

Co-operation with credit and financial institutions

In 2011, the Bank placed much emphasis on cooperation with credit and financial institutions.

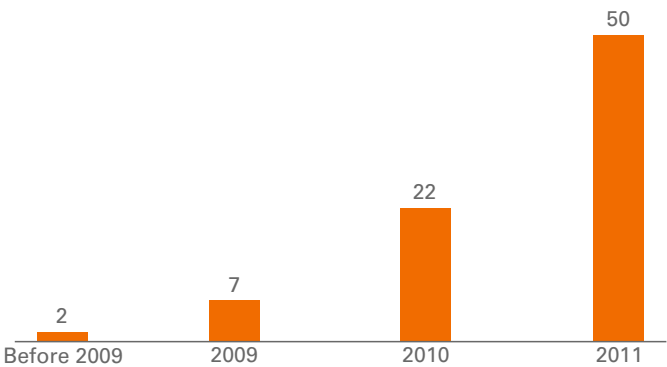
Business of the Bank with domestic and international financial institutions and entities for development such as International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD) and SME Bank posted a notable growth. Such co-operation was maintained in trade finance and in loans made to small and medium-sized companies, with total fundraising volume being Rbl 3.42 billion, and 55% was raised in 2011.

In the reporting year, APB entered into agreements with over 50 financial institutions (both residents and non-residents). Hence, total counterparties of the Bank exceeded 130 as at the year-end, in particular, leading credit institutions in Northern America, Europa, Asia and Commonwealth of Independent States. Core cooperation areas were fund raising and fund placing, trading in securities, clearing services, forex and banknote business, dealings in precious metals, including via impersonal metal accounts. Counterparties set limits on the Bank totalling about Rbl 5 billion as at the year-end, a nine-fold increase against limits available by the start of the year 2011.

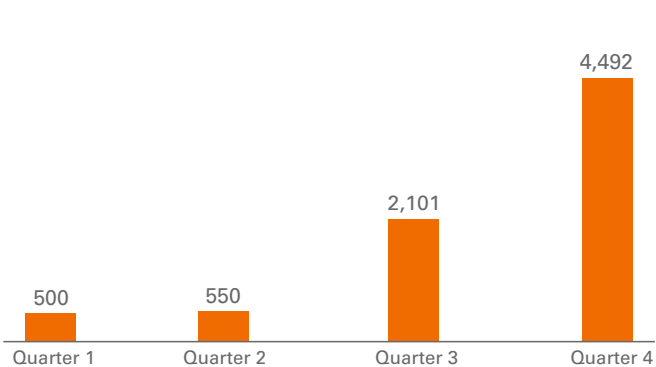
Downstream banks continued growing, with 28 clearing accounts opened, and 25% of all accounts were in Chinese yuans.

Successful negotiations with main correspondent banks on reduced terms and tariffs for clearing services contributed to notably reduced expenses for commercial payments in foreign currencies. The Bank won an Elite Quality Recognition Award 2011 as at the year-end for high quality and professional payment processing, with 99% payments being automated at minimum cost. Such award is a recognition of the professional level of the Bank' staff and its high quality services to be offered to the customers and correspondent banks.

New *Vostro* accounts



Limit setting trend for 2011 (cumulative total in Rbl millions)



Financial markets

In the reporting year, correspondent banks operating in financial markets considerably increased to 130 from 80. Most counterparties set unsecured credit limits on APB. Total net loan facilities made to Asian-Pacific Bank showed a nine-fold increase to over Rbl 5 billion. Delta Interbank Lending System recognised the Bank as one of most proactive operators in the regional market (in terms of most trades entered into throughout the year).

Increase in number of clearing banks and volume of limits on the Bank spurred increased trading volumes in the Money Market and the Forex Market. To illustrate, total turnover in short-term interbank lending posted a 36% rise to Rbl 412.1 billion as compared to 2010, and forex business increased over 50% to Rbl 24.4 billion. Swap transactions increased by 67% to Rbl 192 billion in 2011.

In the year under review, the Bank developed trading in all types of Rouble-denominated and foreign currency bonds in domestic and global markets. Bond investment strategy was based not only on appropriate return-to-risk ratio, but also on diversified portfolio with a view to avoid excessive financial losses which can be incurred under volatile market conditions within the year. Total trading turnover in issue-grade securities was Rbl 17.3 billion in 2011.

Repo deals in securities were much increased, and reverse repos were 13.6 times as much against direct repos (Rbl 489.5 billion and Rbl 35.9 billion, accordingly). Owing to proactive efforts in the repo market, the Bank joined the top 50 operators in the MICEX market.

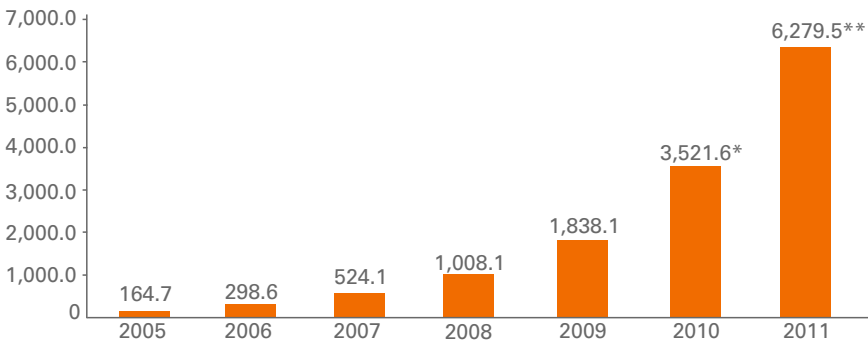
In 2011, the Bank went on strengthening its positions in the promissory note market, making a debut with its proprietary note issue plan. Total trading volume in third-party promissory notes (largely, top Russian banks) was Rbl 64.5 billion in the reporting year.

	2006	2007	2008	2009	2010	2011
APB under RBC ranking in terms of placings in securities	452	464	184	132	101	77

Precious metals

Precious metal business is a privileged business area at Asian-Pacific Bank. The Bank was involved in financing Russian gold-mining enterprises and purchased precious metals from them. APB joins the top five domestic commercial banks in terms of volume of agreements entered into with mining companies. APB trades in gold under deliverable contracts entered into with over 50 mining companies. Volume of physical gold delivered by Russian subsoil users was 7 tons in 2011.

Trend of purchases from subsoil users in terms of gold volume, kg



*volume of gold delivered to the Bank in 2010, including those credited to impersonal metal accounts, was 3,828.0 kg
**volume of gold delivered to the Bank in 2011, including those credited to impersonal metal accounts, was Rbl 6,975.0 kg

The Bank developed strong cooperation with subsoil users in the Amur Region, the Magadan Region, the Irkutsk Region, the Sakha (Yakutia) Republic, the Republic of Buryatia, the Chukotka Autonomous District, the Krasnoyarsk Territory and the Transbaikal Territory. Volumes of loans made to gold-mining companies against their 2011-year output were Rbl 930 million.

Besides trading in physical gold, APB had strong involvement in handling impersonal metal accounts (IMA) throughout all areas of its business presence. The Bank transacted on IMAs on behalf of its individual and corporate clients, and with respect to clearing IMAs held with third party banks. In 2011, correspondents of the Bank in precious metal trading were notably expanded. Within the reporting year, APB opened 31 *Nostr*o impersonal metal accounts in gold, platinum, palladium, silver, including with top global banks such as Commerzbank AG and Standard Bank. Volume of trading in gold on IMAs was over 22 tons in 2011 (Rbl 32.7 billion). Total trading volume in physical and impersonal gold in the Russian interbank market was about 29 tons (Rbl 43.1 billion).

CORPORATE SOCIAL RESPONSIBILITY

Asian-Pacific Bank positions itself as an entity, recognising only civilised business practices, committed to universal human values and is fully aware of its social responsibility. We are determined to make whatever efforts we can to ensure a solid economic foundation for Russia, to foster more financial awareness of the population and to help socially vulnerable people in our country. We also regard care about counterparties, customers and staff of the Bank as a top priority and are willing to contribute in every possible way to their financial comfort and well-being.

The Bank places emphasis on its positive reputation to be gained within the community. Today, the reputation is recognised to be a core intangible asset at any company since attitude of the community – existing and prospective customers, Government authorities and community-based organisations - is dependent on the reputation. Responsibility in terms of business means compliance with expectations of counterparties, a comfort cooperation climate to be created for all parties concerned, honesty and integrity in business dealings, code of ethics to be met in whatever situation.

Business responsibility

The Bank has always believed to be committed to its cardinal principle aimed at meeting as fully as possible demands of the customers for top quality financial products and services and their support in any economic hardship. Therefore, we pursue bona fide business practices such as compliance with fair competition, anti-trust and anti-dumping policies, anti-money laundering and counter-terrorism financing. We maintain the community honestly informed on our business, products and services. Agreements to be entered into between the Bank and the customer are in compliance with requirements imposed by the Bank of Russia. We adopted a customised approach to every client to match its social status, financial affordability and place of residence. The Bank continually improves the existing line of products, expanding it and adding new features in order for all population groups to be able to select the most suitable finance management option.

Terms and tariffs of the Bank in all areas at its business presence meet the range of those set by any other bank within the same rating niche. All the Bank's offices follow the same service standards.

APB makes, on a regular basis, tax payments to all regional budgets in all areas at its business presence, thus contributing to the Far East and Siberia progress. In the reporting year, taxes paid were Rbl 1.157 billion.

One of our main targets is to protect customer funds and prevent any fraud. Every client who made deposits with the Bank must be sure of their safety and technological soundness of the Bank. Information security policy was adopted at the Bank to regulate access to information on clients and their payments. All business processes were protected by most sophisticated methods and technologies, including telebanking services. Asian-Pacific Bank is one of the banking institutions most focused on SME development in our country and deems loans to small and medium-sized companies to be of top priority. Thus, there are target plans and products available which are intended for such groups of customers. We will continue supporting such economy segment and foster its growth. According to the ranking made by Expert RA agency, the Bank was the leader in the Far Eastern Federal District and the third in the Siberia Federal District in terms of loans made to SME in 2011.

The Bank supports local vendors and manufacturers, ensuring high quality financial services for their business.

A list of documents is available at the Bank regulating saving procedure for power, fuel, paper, etc. Expenses for the year 2011 were as follows: fuel and lubricants – Rbl 5,675,700; electric power – Rbl 16,699,200; and heat power – Rbl 11,268,300.

Employer's responsibility

Important regional component is a feature inherent in APB structure. Its staff members are spread throughout most of its territory nationwide. Nonetheless, high level of corporate culture at the Bank, its integration principles, HR strategy, close coordination both in working matters and in informal communications allow to treat APB as a weld-together team of like-minded people accepting the mission of the Bank and aware of their important targets.

Asian-Pacific Bank places special emphasis on comfort climate among the colleagues. The ambitious business targets can be successfully met only provided the capabilities of all staff members are fully discovered and motivated, financially and non-financially.

Given such diversified branch chain, coordination between all subdivisions is very important, and not only in business matters. APB-News, corporate newspaper, has been successfully performing such administrative, informational and educative functions. As a monthly edition, it became a communication bridge between subdivisions and staff members and it is a very reputable and recognised paper both within the Bank and among our counterparties.

Responsible practices with respect to human capital are maintained in full at the Bank:

- transparent procedures with respect to recruitment, career promotion and job compensation were developed;
- occupational health, safety and security requirements are complied with at workplaces;
- staff education and professional training programmes are under way; and
- additional social benefits and social guarantees are ensured.

The Bank is totally against all types of discrimination and in favour of equal opportunities to be created for all employees without distinction to race, ethnic group, social origin, age and political views.

The Bank was engaged in establishing on a regular basis new offices in Russian cities and towns, thus contributing to job creation and increased professional level in areas of its business presence. Asian-Pacific Bank strives to ensure good social conditions for its staff and places emphasis on health safety of its employees and healthy lifestyle, since it has a direct impact on staff morale in every subdivision of the Bank.

It is a tradition at APB to support staff members in hardship or those who mark important life events. The Executive Board decides to give financial assistance in this respect.

Asian-Pacific Bank has been proactive in sports events held in areas at business presence. In the reporting year, our Bank won chess, bowling, volleyball and ping pong tournaments. All our successes have constantly been covered by the corporate newspaper, contributing to increased APB team spirit and promoting healthy life style and athletics.

Charity and sponsorship

Corporate charity has been expanding nowadays, and not on behalf of any person, but in the name of the Bank.

Charity and sponsorship reflect our striving towards more civilised business, enhanced reputation among our counterparties and lower non-financial risk level. These are important areas of our business that not only create climate of trust in APB, but also promote corporate culture and team spirit.

As part of the International Children's Day, the Bank launched an Orange Colour Mind charity action in all areas at its business presence. Support was given by way of money, gala concerts, and gifts to Foster Home in Poyarkovo village, the Amur Region; *I. Ponamaryov* Orphanage No. 2 in Krasnoyarsk; Orphanage in Komsomolsk-on-Amur; Baby House in Khabarovsk; Kiddie Orphanage in Khakassia; *Crane* Orphanage, the Sakhalin Region; Orphanage in Troitskoye village, the Sakhalin Region, and others.

In May 2011, gala events dedicated to the Victory Day were held in cities and towns within areas of business presence of the Bank. Greetings and gifts to WW II veterans were delivered. Back-to-school-with-APB actions were launched on occasion of the start of a new school year, where entertainment events with school kits as gifts were held for pupils. And a gala event – Make a Christmas Gift to a Child - was arranged by the Bank late in December.

A charity campaign started by the end of the reporting year which was launched by the *Road to the Good* Social Support Charity Foundation – boxes were placed at teller offices to collect money for children in need of treatment.

APB has been proactive in the community life in areas of its business presence. We take part in campaigns to support ethnic groups such as Azeri, Jews, Armenians and others.

Romantic Boom programme on TNT TV channel in Sayanogorsk took support from the Bank.

APB is the official sponsor of the *Warrior* sports club in Abakan. Staff members of the Bank support, on a regular basis, sporting events and urban gala events. APB is the sponsor of the Autocross Cup in Chita, in D2-Classics scoring group. In October, the branch sponsored the community forum – Siberia is a Territory of Public Peace and Consensus- held at the Transbaikal territorial philharmonic society.

As the Bank is fully conscious of its social mission, it will continue with efforts in Corporate Social Responsibility in the future.

FINANCIAL STATEMENTS

Under RAS

Open joint stock company "Asian-Pacific Bank" Consolidated balance sheet statement as at 31 December 2011 **

No	Item	As at the year-end 2011 (Rbl'000)	As at the year-end 2010 (Rbl'000) *
1	2	3	4
I. ASSETS			
1.	Cash	2,441,578	1,121,580
2.	Placements with the Bank of Russia	1,511,168	2,117,428
2.1	Obligatory reserves with the Bank of Russia	484,781	221,404
3.	Due from banks	556,730	316,779
4.	Net investment in securities held at fair value through profit or loss	4,948,172	3,371,413
5.	Net outstanding loans	43,623,368	31,279,455
6.	Net investment in securities and other available-for-sale financial assets	372,843	367,908
6.1	Investment in subsidiaries and affiliates	313,878	321,600
7.	Net investment in held-till-maturity securities	0	0
8.	Fixed assets, intangible assets and inventories	3,580,202	2,398,778
9.	Other assets	1,093,102	534,106
10.	Total assets	58,127,163	41,507,447
II. LIABILITIES			
11.	Loans, deposits and other balances due to the Bank of Russia	0	0
12.	Due to banks	2,557,421	1,034,050
13.	Due to customers other than banks	46,011,682	32,531,944
13.1	Personal deposits	28,380,715	20,414,761
14.	Financial instruments at fair value through profit or loss	0	0
15.	Debt obligations issued	538,535	1,504,537
16.	Other liabilities	1,070,236	633,010
17.	Provision for impairment with respect to credit-related contingent liabilities, other impairment and transactions with off-shore residents	125,397	86,072
18.	Total liabilities	50,303,271	35,789,613
III. EQUITY			
19.	Shareholders' equity	554,290	554,290
20.	Treasury shares	0	0
21.	Share premium	1,192,723	1,192,723
22.	Reserve fund	27,715	23,896

No	Item	As at the year-end 2011 (Rbl'000)	As at the year-end 2010 (Rbl'000) *
1	2	3	4
III. EQUITY			
23.	Fair value revaluation of available-for-sale securities	(-143)	0
24.	Fixed asset revaluation	1,442,432	880,918
25.	Undistributed profit (uncovered loss) for the previous years	3,062,849	1,417,262
26.	Unused profit (loss) for the reporting period	1,544,026	1,648,745
27.	Total equity	7,823,892	5,717,834
IV. OFF-BALANCE-SHEET COMMITMENTS			
28.	Irrevocable commitments of the bank	6,507,726	12,080,622
29.	Guarantees and sureties issued by the bank	1,774,067	2,497,947
30.	Non-credit related contingent commitments	0	0

* To ensure data comparability comparative figures for 2010 (items 5 and 9) were adjusted to reflect amended procedure to prepare accounting reporting at credit institutions.

Sergey Tyrtsev,

Oleg Marinchenko,



acting Chairman of the Executive Board

Chief Accountant

15 May 2012

The consolidated balance sheet statement is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements. Full version of the consolidated statements is available at any APB branch.

Open joint stock company “Asian-Pacific Bank”
Consolidated profit and loss statement for the year ended 31 December 2011

No	Item	For the year ended 31 Dec 2011 (Rbl'000)	For the year ended 31 Dec 2010 (Rbl'000)
1	2	3	4
1.	Total interest income, including:	6,670,042	4,320,211
1.1	from deposits of banks	409,870	327,892
1.2	from loans made to non-bank customers	5,875,955	3,733,117
1.3	from financial lease services	0	0
1.4	from investment in securities	384,217	259,202
2.	Total interest expense, including:	2,443,935	1,961,436
2.1	from deposits of banks	109,377	12,242
2.2	from deposits of non-bank customers	2,249,944	1,923,114
2.3	from debt obligations issued	84,614	26,080
3.	Net interest income (negative interest margin)	4,226,107	2,358,775
4.	Total adjusted provision for impairment of loans, outstanding and equivalent loans, clearing account balances, and interest income accrued, including:	(-567,691)	201,287
4.1	Adjusted provision for impairment of interest income accrued	(-18,458)	(-4,602)
5.	Net interest income (negative interest margin) after provision for impairment	3,658,416	2,560,062
6.	Net income from trading in securities at fair value through profit or loss	(-168,717)	73,718
7.	Net income from trading in available-for-sale securities	57,828	182,521
8.	Net income from trading in held-to-maturity securities	0	0
9.	Net income from foreign exchange	245,642	159,063
10.	Net income from foreign currency revaluations	(-19,476)	(-23,033)
11.	Income from stakes in other business entities	69	4
12.	Fee and commission income	1,832,183	1,195,064
13.	Fee and commission expense	154,128	95,458
14.	Adjusted provision for impairment of available-for-sale securities	0	0
15.	Adjusted provision for impairment of held-to-maturity securities	0	0
16.	Adjusted provision for other impairment	(-60,919)	(-17,248)
17.	Other operating income	3,507,393	940,267
18.	Net income (expense)	8,898,291	4,974,960

No	Item	For the year ended 31 Dec 2011 (Rbl'000)	For the year ended 31 Dec 2010 (Rbl'000)
1	2	3	4
19.	Operating expense	6,343,104	2,714,154
20.	Before tax profit (loss)	2,555,187	2,260,806
21.	Taxes accrued (paid)	711,161	612,061
22.	After tax profit (loss)	1,844,026	1,648,745
23.	Total payments from income after tax, including:	300,000	0
23.1	Distribution of dividends among shareholders (members)	300,000	0
23.2	Provision for the reserve fund formation and replenishment	0	0
24	Unused profit (loss) for the year	1,544,026	1,648,745

Sergey Tyrtsev,

Oleg Marinchenko,



acting Chairman of the Executive Board

Chief Accountant

The consolidated profit and loss statement is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements. Full version of the consolidated statements is available at any APB branch.

Audit opinion (fragment)

We have audited the accompanying accounting statements (annual report) of OJSC “Asian-Pacific Bank” for the year ended 31 December 2011.

In our opinion, the accompanying accounting reporting (annual report) of the Bank present fairly, in all material respects, its financial position as at 31 December 2011, and the results of its operations and its cash flows for the years then ended in conformity with applicable Russian law in so far as they relate to preparation of the accounting reporting (annual report) by banks.

Alexey Kolosov, Director
ZAO KPMG
15 May 2012

Under IFRS**Open joint stock company "Asian-Pacific Bank"****Consolidated statement of financial position as at 31 December 2011**

	Notes	2011 Rbl'000	2010 Rbl'000
1	2	3	4
ASSETS			
Cash		2,323,665	1,125,962
Placements with the Central Bank of Russia	12	1,854,991	2,817,189
Financial instruments at fair value through profit or loss	13	9,850,631	7,387,175
Available-for-sale financial assets	14	-	98,150
Due from banks	15	1,314,336	1,437,200
Amounts receivable on reverse repurchase agreements	16	-	5,726,883
Loans to customers	17	37,851,363	20,315,830
Net investment in finance leases	18	1,642,739	582,577
Current tax asset		10,538	23,456
Deferred tax asset	11	8,660	13,509
Property, equipment and intangible assets	19	4,220,145	1,891,758
Other assets	20	1,452,951	361,022
Total assets		60,530,019	41,780,711
LIABILITIES			
Derivative financial instruments	13	-	950
Deposits and balances from banks	21	3,909,951	1,722,893
Current accounts and deposits from customers	22	46,340,622	32,322,052
Promissory notes		537,674	1,518,137
Subordinated borrowings	23	-	156,610
Current tax liability		153,390	184,750
Deferred tax liability	11	312,900	214,467
Other liabilities	24	551,306	167,436
Total liabilities		51,805,843	36,287,295
EQUITY			
Share capital	25	562,312	562,312
Share premium		1,192,723	1,192,723
Revaluation surplus for buildings		1,353,464	-
Retained earnings		5,615,677	3,738,381
Total equity		8,724,176	5,493,416
Total liabilities and equity		60,530,019	41,780,711

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements. Full version of the consolidated statements is available at any APB branch.

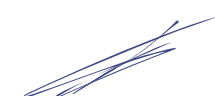
Open joint stock company “Asian-Pacific Bank”
Consolidated statement of comprehensive income for the year ended 31 December 2011

	Notes	2011, thousand rubles	2010, thousand rubles
1	2	3	4
Interest income	4	7,092,108	4,359,163
Interest expense	4	(2,498,999)	(1,972,216)
Net interest income		4,593,109	2,386,947
Fee and commission income	5	1,086,238	594,089
Fee and commission expense		(163,530)	(96,407)
Net fee and commission income		922,708	497,682
Net gain on financial instruments at fair value through profit or loss		301,073	507,841
Net foreign exchange income	6	236,998	138,921
Net gain on operations with precious metals		8,014	24,331
Other operating income	7	328,386	235,775
Operating income		6,390,288	3,791,497
Impairment (losses) recovery	8	(535,955)	532,239
Personnel expenses	9	(2,190,468)	(1,104,656)
Other general administrative expenses	10	(1,038,832)	(715,981)
Profit before income tax		2,625,033	2,503,099
Income tax expense	11	(431,537)	(524,833)
Profit for the year		2,193,496	1,978,266
Other comprehensive income			
Net gain from revaluation of property		1,568,298	-
Income tax related to other comprehensive income		(214,834)	-
Other comprehensive income, net of income tax		1,353,464	-
Total comprehensive income for the year		3,546,960	1,978,266

Evgeny Aksenov
Chairman of the Executive Board



Oleg Marinchenko
Chief Accountant



The consolidated statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements. Full version of the consolidated statements is available at any APB branch.

Audit opinion (fragment)

We have audited the accompanying consolidated financial statements of OJSC “Asian-Pacific Bank” and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting principles and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2011, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

ZAO KPMG

17th April 2012

EXPO-LEASING SUBSIDIARY**Profile**

EXPO-Leasing was established in 2002, and in October 2010 it was taken over by Asia-Pacific Bank. The company is a member of Rosleasing, Russian Association of Leasing Companies*

**Konstantin Roumyantsev**

Director General

Mr Roumyantsev is 35 years old, and he has a higher degree in Economics and a 14 year experience in banking and finance. Mr Roumyantsev has been serving for the company since 2010.

Earlier, Mr Roumyantsev served for Expobank since 2003. (as from December 2008 it is Barclays Bank, Moscow).

Geographic coverage

Rankings in 2011 by Expert RA



Rankings

Rankings in 2011 by Expert RA

- 39th position** – in terms of new business -Rbl 3,698 million (against 59th position in 2010)
- 52nd position** - in terms of current portfolio - Rbl 3,325.7 million (against Rbl 1,797.7 million in 2010)
- 62nd position** – in terms of lease payments collected - Rbl 906.7 million (against Rbl 477.5 million in 2010).
- 10th position** – in terms of business volume with medium-sized companies - Rbl 2,555.3 million
- 34th position** – in terms of business volume with small enterprises – Rbl 743 million
- 17th position** – in terms of total business volume with SME (3,298.2 million)

By Expert Siberia PA

- 8th position** – in terms of new business – Rbl 1,306 million (against Rbl 67 million in 2010,or up 19.5 times)
- 8th position** – in terms of current portfolio – Rbl 968 million (Rbl 62 million in 2010, a 15.6 rise)

Leasing in Russia 2011 Review
Victor Gazman, Higher School
of Economics

- 36th position** – under new contracts entered into in 2011 – Rbl 3.7 billion (against 48th position in 2010 – Rbl 1.42 billion), a 2.6 time growth;
- 45th position** – in terms of the portfolio – Rbl 3.33 billion (against 49 position in 2010 – Rbl 1.8 billion), up about 1.9 times)

Sectorial rankings

- 1st position** – in terms of food equipment finance
- 7th position** – in terms of packing equipment finance
- 8th position** – in terms of vessel finance
- 8th position** – in terms of road construction equipment and machinery finance
- 9th position** – in terms of housing and utilities equipment finance
- 10th position** – in terms of printing equipment finance

Regional rankings

7th position – in terms of new business volume in the Far East
14th position - in terms of new business volume in Siberia (against 34th position in 2010)
31st position - in terms of new business volume in Moscow (against 37th position in 2010)
39th position - in terms of new business volume in the central area (except Moscow)

The company within the community

Customers. We appreciate every customer, notwithstanding its business coverage, location or sector-based business. We seek to be attentive and open as much as possible while handling every prospective customer to build long-term relationship in the future.

Team. The staff is the main resource at EXPO-Leasing, a modern and fast-growing company which creates whatever conditions needed for its professional and career growth.

Community. The company is doing business under applicable Russian law, promotes economic sector development and small and medium-sized enterprises, manufacturing modernisation, increased output quality and new employment creation.

Head Office

107076, Moscow, Elektrozavodskaya Street, 33
 +7 (495) 660-97-95,
 info@expoleasing.ru

Regional offices operate in Yekaterinburg, Novosibirsk, Kemerovo, Krasnoyarsk, Irkutsk, Blagoveshchensk, Khabarovsk, Magadan, Petropavlovsk-Kamchatsky.

Amur Region, Blagoveshchensk branch

Starting date: 3 September 2010
 Address: 225, Ul. Amurskaya, Blagoveshchensk, Amur Region 675000
 Phone: +7 (4162) 51-40-46

Krasnoyarsk Territory, Krasnoyarsk (Representative office)

Starting date: 15 July 2010
 Address: 1, Ul. Vzlyotnaya, Krasnoyarsk 660135
 Phone: +7 391 209-8726. 209-0182

Irkutsk Region, Irkutsk

Starting date: 17 July 2010
 Address: 38B, Bulvar Gagarina, Irkutsk,
 Phone: +7 3952 97-4077, 97-2505

Khabarovsk Territory, Khabarovsk

Starting date: 25 October 2010
 Address: 24, Ussuriyskiy Bulvar, Khabarovsk 680000,
 Phone: +7 4212 41-45-96, ext. 1196

Novosibirsk Region, Novosibirsk

Starting date: 11 April 2011
 Address: 272, Ul. Kropotkina, Novosibirsk 630111.
 Phone: +7-1383-292-94-48, +7 (383)239-50-45

Kemerovo Region, Kemerovo

Starting date: 11 April 2011
 Address: office 607, City Plaza Business Centre, 41,
 Stroyenie 2, Ul. Tereshkovoy, Kemerovo 650036.
 Phone: +7 3842 630-911, +7 3842 630-711

Yekaterinburg, Sverdlovsk Region

Starting date: 11 April 2011
 Address: 57, Ul. Lunacharskogo, Yekaterinburg 620027. Phone: +7 343 378-5255

Petropavlovsk-Kamchatka, Kamchatka Territory

Starting date: 04 July 2011
 Address: office 211, 38, Ul. Lenin kaya, Petropavlovsk-Kamchatka 683000.
 Phone: +7 914 021-5461, +7 914 023-4800

Magadan, Magadan Region

Starting date: 30 September 2011
 Address: 13, Ul. Lenina, Magadan, 685000.
 Phone: -1-7-914 857-5757

Sakha (Yakutia) Republic, Yakutsk

Starting date: 1 September 2011
 Address: 16, Ul. Oyunskogo, Yakutsk 677013.
 Phone: 4112- 0-44-11; 70-44-22

INFORMATION ABOUT THE BANK

General info

Full business name : Open joint-stock company "Asian-Pacific Bank"

Abbreviated business name: OJSC "APB"

Address: 225 Ulitsa Amurskaya, Blagoveshchensk, Amur Region, 675000, Russia

Registration region: Amur Region

Russian BIC: 041012765

Taxpayer identification number (TIN): 2801023444

Phone: 8-800-100-1-321

Fax: +7 4162 220-400

Email: apb@apb.su

Web site: www.apb.su

Registration

Public registration number: 1022800000079

Date of register with the Unified State Register of Legal Entities: 14 February 1992

Registrar name: Inter-district Tax Inspectorate of the Federal Tax Service No. 1 for the Amur Region

Licenses

Full banking licence No.1810 for banking business in domestic and foreign currencies, issued by the Bank of Russia on 7 May 2010.

Banking licence No.1810 for dealing in precious metals, issued by the Bank of Russia on 5 May 2006.

Banking licence No.028-11708-000100, series 01 No.006783 for custody business, issued by the Federal Financial Markets Service of Russia on 28 October 2008.

Banking licence No. 028-11701-001000, series 01 No.006933 for securities management business, issued by the Federal Financial Markets Service of Russia on 28 October 2008.

Banking licence No. 280-11696-010000, series 01 No.006943 for dealer's business, issued by the Federal Financial Markets Service of Russia on 28 October 2008.

Banking licence No.028-11691-1000000D, series 01 No.006960, for broker's business issued by the Federal Financial Markets Service of Russia on 28 October 2008.

Licence L No.092RU12002000046 for gold export, issued by the Ministry of Industry and Trade the Russian Federation on 20 February 2012.

Licence B 355741, registration number 257R, for cryptographic facility distribution business, issued by the Department of the Federal Security Service of the Russian Federation for the Amur Region on 15 December 2008,.

Licence B 355742, registration number 258X, for cryptographic facility maintenance business, issued by the Department of the Federal Security Service of the Russian Federation for the Amur Region on 15 December 2008.

Licence B 355743, registration number 259Y, for data encryption services, issued by the Department of the Federal Security Service of the Russian Federation for the Amur Region on 15 December 2008.

Licence GT No.0006065, registration number 283, for national secret data management, issued by the Department of the Federal Security Service of the Russian Federation for the Amur Region on 20 August 2009.

Licence GT No 0006076, registration number 283/1, for national secret data management, issued to Asian-Pacific Bank, Moscow branch by the Department of the Federal Security Service of the Russian Federation for the Amur Region on 16 October 2009.

MEMBERSHIPS IN ASSOCIATIONS

Association of Russian Regional Banks (*Russia* Association)

National Securities Market Association (NSMA) self-regulating organisation

Russian National Association SWIFT (ROSSWIFT)

Bloomberg information and trading system

Thomson Reuters (Markets) SA information and trading system

VISA International payment

Master Card International Incorporated

Western Union

UNiStream international express payment system

Golden Crown domestic regional payment system

CONTACT International Money Transfers and Payments System

MICEX

MICEX Stock Exchange

CONTACTS AND FEEDBACK

Address: 225 Ulitsa Amurskaya, Blagoveschensk, Amur Region 675000, Russia

Phone: 8-800-100-1-321

Email: atb4atb.su