

**“Asian-Pacific Bank”**  
**(Public joint stock company)**

**Consolidated Interim Condensed  
Financial Statements  
for the 6 months ended 30 June 2015**

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	Notes	30 June 2015 RUB'000	30 June 2014 RUB'000
Interest income	4	9 131 992	9 012 631
Interest expense	4	(5 548 300)	(3 599 914)
<b>Net interest income</b>		<b>3 583 692</b>	<b>5 412 717</b>
Deposit insurance expenses		(118 194)	(98 729)
<b>Net interest income after deposit insurance expenses</b>		<b>3 465 498</b>	<b>5 313 988</b>
Fee and commission income	5	1 085 449	1 779 739
Fee and commission expense		(182 596)	(147 409)
<b>Net fee and commission income</b>		<b>902 853</b>	<b>1 632 330</b>
Net gain (loss) on financial instruments at fair value through profit or loss and realised gain on available-for-sale financial assets		191 142	(444 026)
Net foreign exchange gain	6	403 202	224 918
Net gain on operations with precious metals	7	16 976	10 414
Other operating income	8	571 589	410 565
<b>Operating income</b>		<b>5 551 260</b>	<b>7 148 189</b>
Impairment losses	9	(5 155 254)	(4 166 962)
Personnel expenses	10	(1 603 709)	(1 839 258)
Other general administrative expenses	11	(1 009 070)	(803 271)
<b>(Loss) profit before income tax</b>		<b>(2 216 773)</b>	<b>338 698</b>
Income tax benefit (expense)	12	429 388	(69 759)
<b>(Loss) profit for the period</b>		<b>(1 787 385)</b>	<b>268 939</b>
<b>Other comprehensive income (loss), net of income tax</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Revaluation reserve for available-for-sale financial assets			
- Net change in fair value		397 284	(70 746)
<i>Total items that are or may be reclassified subsequently to profit or loss</i>		397 284	(70 746)
<b>Other comprehensive income (loss) for the period, net of income tax</b>		<b>397 284</b>	<b>(70 746)</b>
<b>Total comprehensive (loss) income for the period</b>		<b>(1 390 101)</b>	<b>198 193</b>

The consolidated interim condensed financial statements were approved by the Management Board on 26 August 2015.





Mr. I.M. Zilberblum  
Deputy Chairman of the Management Board

Ms. Ya.E. Komova  
Chief Accountant

The consolidated interim condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated interim condensed financial statements.

	30 June 2015	30 June 2014
Notes	RUB'000	RUB'000
Interest income	4 642 337	4 437 621
Interest expense	(2 817 998)	(1 936 099)
<b>Net interest income</b>	<b>1 824 339</b>	<b>2 501 522</b>
Deposit insurance expenses	(60 225)	(50 263)
<b>Net interest income after deposit insurance expenses</b>	<b>1 764 114</b>	<b>2 451 259</b>
Fee and commission income	613 912	1 118 208
Fee and commission expense	(101 527)	(92 488)
<b>Net fee and commission income</b>	<b>512 385</b>	<b>1 025 720</b>
Net gain (loss) on financial instruments at fair value through profit or loss and realised gain on available-for-sale financial assets	180 019	(25 918)
Net foreign exchange gain	45 041	90 477
Net gain on operations with precious metals	11 712	6 211
Other operating income	273 817	218 827
<b>Operating income</b>	<b>2 787 088</b>	<b>3 766 576</b>
Impairment losses	(2 147 126)	(2 027 287)
Personnel expenses	(791 780)	(928 520)
Other general administrative expenses	(551 926)	(483 141)
<b>(Loss) profit before income tax</b>	<b>(703 744)</b>	<b>327 628</b>
Income tax benefit (expense)	168 556	(61 746)
<b>(Loss) profit for the period</b>	<b>(535 188)</b>	<b>265 882</b>
<b>Other comprehensive income, net of income tax</b>		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Revaluation reserve for available-for-sale financial assets		
- Net change in fair value	152 507	18 166
<i>Total items that are or may be reclassified subsequently to profit or loss</i>	<i>152 507</i>	<i>18 166</i>
<b>Other comprehensive income for the period, net of income tax</b>	<b>152 507</b>	<b>18 166</b>
<b>Total comprehensive (loss) income for the period</b>	<b>(382 681)</b>	<b>284 048</b>

Mr. I.M. Zilberblum  
Deputy Chairman of the Management Board




Ms. Ya.E. Komova  
Chief Accountant

**PJSC “Asian-Pacific Bank”**  
Consolidated Interim Condensed Statement of Financial Position as at 30 June 2015

	Notes	30 June 2015 RUB'000	31 December 2014 RUB'000
<b>ASSETS</b>			
Cash and cash equivalents	13	10 403 642	13 973 022
Obligatory reserves with the Central Bank of the Russian Federation		863 472	896 191
Financial instruments at fair value through profit or loss	14	592 172	44 348
Available-for-sale financial assets	15	14 391 822	13 309 230
Due from banks	16	509 366	999 369
Amounts receivable under reverse repurchase agreements	17	3 045 728	1 560 811
Loans to customers	18	81 998 328	85 591 339
Net investments in finance leases	19	1 683 037	2 082 190
Held-to-maturity investments	20	6 901 872	5 544 648
Current tax asset		74 971	196 821
Deferred tax asset	12	129 832	76 691
Property, equipment, intangible assets and investment property	22	5 145 769	5 196 020
Other assets	23	2 887 851	996 163
<b>Total assets</b>		<b>128 627 862</b>	<b>130 466 843</b>
<b>LIABILITIES</b>			
Derivative financial instruments	14	54 257	6 492
Deposits and balances from banks	24	7 817 299	10 721 632
Amounts payable under repurchase agreements	25	8 817 982	8 838 184
Current accounts and deposits from customers	26	85 495 916	84 497 714
Debt securities issued	27	6 464 256	6 506 591
Subordinated borrowings	28	4 098 090	4 021 246
Current tax liability		2 452	2 073
Deferred tax liability	12	-	313 697
Other liabilities	29	912 125	703 628
<b>Total liabilities</b>		<b>113 662 377</b>	<b>115 611 257</b>
<b>EQUITY</b>			
Share capital	30	585 414	585 414
Treasury shares		(10 307)	(10 307)
Share premium		1 778 739	1 778 739
Additional capital		1 500 000	-
Revaluation reserve for available-for-sale financial assets		(26 474)	(423 758)
Revaluation surplus for buildings		1 618 411	1 618 659
Retained earnings		9 519 702	11 306 839
<b>Total equity</b>		<b>14 965 485</b>	<b>14 855 586</b>
<b>Total liabilities and equity</b>		<b>128 627 862</b>	<b>130 466 843</b>

  
Mr. I.M. Zilberblum  
Deputy Chairman of the Management Board



  
Ms. Ya.E. Komova  
Chief Accountant

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.

**PJSC “Asian-Pacific Bank”**  
*Consolidated Interim Condensed Statement of Cash Flows for the 6 months ended 30 June 2015*

	Notes	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest receipts		8 510 572	8 509 428
Interest payments		(4 665 569)	(3 749 160)
Fee and commission receipts		1 092 810	1 774 500
Fee and commission payments		(182 596)	(147 409)
Net receipts (payments) from financial instruments at fair value through profit or loss and available-for-sale financial instruments		191 141	(378 808)
Net receipts from foreign exchange		776 251	261 939
Other income receipts		571 589	410 565
Net receipts from operations with precious metals		16 460	6 543
General administrative expenses payments		(2 535 966)	(2 660 651)
<b>(Increase) decrease in operating assets</b>			
Obligatory reserves with the CBR		32 719	290 455
Financial instruments at fair value through profit or loss		(578 394)	5 198 586
Available-for-sale financial assets		(353 937)	(1 050 750)
Due from banks		617 604	412 592
Amounts receivable under reverse repurchase agreements		(1 382 315)	(1 468 452)
Loans to customers		(630 946)	(6 521 521)
Net investments in finance leases		340 847	(6 133)
Other assets		(1 917 481)	3 905
<b>Increase (decrease) in operating liabilities</b>			
Deposits and balances from banks		(3 588 600)	3 314 577
Amounts payable under repurchase agreements		(28 226)	507 939
Current accounts and deposits from customers		(210 025)	(4 917 057)
Promissory notes		210 616	1 038 869
Other liabilities		157 059	(111 107)
<b>Cash flows (used in) from operating activities before income tax paid</b>		<b>(3 556 387)</b>	<b>718 850</b>
Income tax received (paid)		85 520	(390 290)
<b>Cash flows (used in) from operations</b>		<b>(3 470 867)</b>	<b>328 560</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of held-to-maturity investments		(1 125 385)	-
Net purchases of property and equipment and intangible assets		(116 870)	(266 112)
<b>Cash flows used in investing activities</b>		<b>(1 242 255)</b>	<b>(266 112)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of shares	30	-	609 118
Net issue of bonds		(370 420)	2 194 056
Cash distribution from shareholders		1 500 000	-
<b>Cash flows from financing activities</b>		<b>1 129 580</b>	<b>2 803 174</b>

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.

**PJSC "Asian-Pacific Bank"**  
*Consolidated Interim Condensed Statement of Cash Flows for the 6 months ended 30 June 2015*

<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(3 583 542)</b>	<b>2 865 623</b>
Effect of changes in exchange rates on cash and cash equivalents	14 162	55 915
Cash and cash equivalents as at the beginning of the year	13 973 022	10 085 780
<b>Cash and cash equivalents as at the end of the period</b>	<b>13 10 403 642</b>	<b>13 007 317</b>

 <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Mr. I.M. Zilberblum Deputy Chairman of the Management Board		 <hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Ms. Ya.E. Komova Chief Accountant
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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.

**PJSC “Asian-Pacific Bank”**  
Consolidated Interim Condensed Statement of Changes in Equity for the 6 months ended 30 June 2015

RUB'000	Share capital	Treasury shares	Share premium	Additional capital	Revaluation reserve for available-for-sale financial assets	Revaluation surplus for buildings	Retained earnings	Total equity
<b>Balance as at 1 January 2014</b>	<b>562 312</b>	<b>(10 307)</b>	<b>1 192 723</b>	<b>-</b>	<b>(29 827)</b>	<b>1 620 178</b>	<b>11 255 339</b>	<b>14 590 418</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	-	-	268 939	268 939
<b>Other comprehensive loss, net of income tax</b>								
<i>Items that are or may be reclassified subsequently to profit or loss</i>								
Net change in fair value of available-for-sale financial assets, net of deferred tax of RUB 17 685 thousand	-	-	-	-	(70 746)	-	-	(70 746)
<i>Total items that are or may be reclassified subsequently to profit or loss</i>	-	-	-	-	(70 746)	-	-	(70 746)
<i>Items that will not be reclassified to profit or loss</i>								
Transfer of revaluation surplus on disposal of buildings previously revalued	-	-	-	-	-	(379)	379	-
<i>Total items that will not be reclassified to profit or loss</i>	-	-	-	-	-	(379)	379	-
<b>Total comprehensive income for the period, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(70 746)</b>	<b>(379)</b>	<b>269 318</b>	<b>198 193</b>
<b>Transactions with owners, recorded directly in equity</b>								
Issue of shares (note 30)	23 102	-	586 016	-	-	-	-	609 118
<b>Total transactions with owners</b>	<b>23 102</b>	<b>-</b>	<b>586 016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>609 118</b>
<b>Balance as at 30 June 2014</b>	<b>585 414</b>	<b>(10 307)</b>	<b>1 778 739</b>	<b>-</b>	<b>(100 573)</b>	<b>1 619 799</b>	<b>11 524 657</b>	<b>15 397 729</b>
<b>Balance as at 1 January 2015</b>	<b>585 414</b>	<b>(10 307)</b>	<b>1 778 739</b>	<b>-</b>	<b>(423 758)</b>	<b>1 618 659</b>	<b>11 306 839</b>	<b>14 855 586</b>
<b>Total comprehensive loss for the period</b>								
Loss for the period	-	-	-	-	-	-	(1 787 385)	(1 787 385)
<b>Other comprehensive income, net of income tax</b>								
<i>Items that are or may be reclassified subsequently to profit or loss</i>								

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.



<b>RUB'000</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Share premium</b>	<b>Additional capital</b>	<b>Revaluation reserve for available-for-sale financial assets</b>	<b>Revaluation surplus for buildings</b>	<b>Retained earnings</b>	<b>Total equity</b>
Net change in fair value of available-for-sale financial assets, net of deferred tax of RUB 99 321 thousand	-	-	-	-	397 284	-	-	397 284
<i>Total items that are or may be reclassified subsequently to profit or loss</i>	-	-	-	-	397 284	-	-	397 284
<i>Items that will not be reclassified to profit or loss</i>								
Transfer of revaluation surplus on disposal of buildings previously revalued, net of deferred tax of RUB 62 thousand	-	-	-	-	-	(248)	248	-
<i>Total items that will not be reclassified to profit or loss</i>	-	-	-	-	-	(248)	248	-
<b>Total comprehensive loss for the period, net of income tax</b>	-	-	-	-	<b>397 284</b>	<b>(248)</b>	<b>(1 787 137)</b>	<b>(1 390 101)</b>
<b>Transactions with owners, recorded directly in equity</b>								
Cash contribution from shareholders	-	-	-	1 500 000	-	-	-	1 500 000
<b>Total transactions with owners</b>	-	-	-	<b>1 500 000</b>	-	-	-	<b>1 500 000</b>
<b>Balance as at 30 June 2015</b>	<b>585 414</b>	<b>(10 307)</b>	<b>1 778 739</b>	<b>1 500 000</b>	<b>(26 474)</b>	<b>1 618 411</b>	<b>9 519 702</b>	<b>14 965 485</b>

Mr. I.M. Zilberblum  
 Deputy Chairman of the Management Board



Ms. Ya.E. Komova  
 Chief Accountant

# 1 Background

## Organisation and operations

These consolidated interim condensed financial statements include the financial statements of PJSC “Asian-Pacific Bank” (the Bank) and its subsidiaries (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 shareholders. On 7 May 2010 LLC “PPFIN Region”, being a common majority shareholder for OJSC “Asian-Pacific Bank”, OJSC “Kamchatprombank” and OJSC “Kolyma-Bank”, merged the operations of these entities and therefore granted full control over OJSC “Kamchatprombank” and OJSC “Kolyma-Bank” to OJSC “Asian-Pacific Bank”. In July 2015 the Bank was reorganised from an open joint stock company to a public joint stock company

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 (the 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 235 (31 December 2014: 250) offices from which it conducts business throughout the Russian Federation including a head office, 4 regional branches, 41 additional offices, 187 operational offices and 2 operational cash boxes. The registered address of the head office is 225, Amurskaya Street, Blagoveschensk, 675000. The majority of the assets and liabilities are located in the Russian Federation.

As at 30 June 2015, the following shareholders held the issued shares of Public Joint Stock Company “Asian-Pacific Bank”:

Shareholder	30 June 2015	31 December 2014
	%	%
LLC “PPFIN Region” (Russian Federation)	59.17	59.17
East Capital Explorer Financial Institutions Fund AB (Sweden)	17.91	17.91
TECHSUN ENTERPRISES LIMITED (Cyprus)	8.41	8.41
International Financial Corporation	6.71	6.71
Aksenov E.V.	3.08	3.08
LLC “Expo-Leasing” (a 100% owned subsidiary of the Bank)	1.76*	1.76*
Others	2.96	2.96
<b>Total:</b>	<b>100.00</b>	<b>100.00</b>

\* Treasury shares

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Ownership %	
			30 June 2015	31 December 2014
LLC “Expo-Leasing”	Russian Federation	Leasing	100%	100%
CJSC “Mortgage agent APB”	Russian Federation	Mortgage agent	see below	see below
CJSC “Mortgage agent APB 2”	Russian Federation	Mortgage agent	see below	-

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

LLC “Expo-Leasing” was registered in 2002 in Russia. Its head office is in Moscow and it has 10 branches (31 December 2014: 10) comprising a head office, 1 regional branch and 8 separate offices.

CJSC “Mortgage agent APB” and CJSC “Mortgage agent APB 2” (MA APB and MA APB 2) are structured entities established to facilitate the Bank’s issue of mortgage backed securities (refer to note 27). These entities are not owned by the Group. Control arises through the predetermination of the entities’ activities, having rights to obtain the majority of benefits of the structured entities, and retaining the majority of the residual risks related to the entities.

The average number of the Group’s employees for the 6 months ended 30 June 2015 was 4 124 (31 December 2014: 4 489).

### **Russian business environment**

The Group’s operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation, which display emerging-market characteristics. Legal, tax and regulatory frameworks continue to be developed, but are subject to varying interpretations and frequent changes that, together with other legal and fiscal impediments, contribute to the challenges faced by entities operating in the Russian Federation.

The recent conflict in Ukraine and related events has increased the perceived risks of doing business in the Russian Federation. The imposition of economic sanctions on Russian individuals and legal entities by the European Union, the United States of America, Japan, Canada, Australia and others, as well as retaliatory sanctions imposed by the Russian government, has resulted in increased economic uncertainty including more volatile equity markets, a depreciation of the Russian Rouble, a reduction in both local and foreign direct investment inflows and a significant tightening in the availability of credit. In particular, some Russian entities, including banks, may be experiencing difficulties in accessing international equity and debt markets and may become increasingly dependent on Russian state banks to finance their operations. The longer term effects of recently implemented sanctions, as well as the threat of additional future sanctions, are difficult to determine. Management of the Group believes that it takes all the necessary efforts to support the economic stability of the Group in the current environment.

## **2 Basis of preparation**

### **Statement of compliance**

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

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 6 months period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015.

These consolidated interim condensed financial statements should be read in conjunction with the complete consolidated financial statements as at 31 December 2014.

### **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, available-for-sale financial assets and investment property are stated at fair value, and buildings are stated at revalued amounts.

### **Functional and presentation currency**

The functional currency of the Bank and the subsidiaries 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**

The preparation of consolidated interim condensed financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **Changes in accounting policies and presentation**

With effect from 1 January 2015, the Group has changed accounting policy in identifying related parties relationships providing more relevant information about effects of other related parties transactions. This amendment has an impact on other related parties disclosures in the Group’s consolidated interim condensed financial statements, including changing comparative information as explained in note 3.

### 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 2014 except as explained in note 2, which addresses changes in accounting policies.

#### Comparative information

With effect from 1 January 2015, the Group presents interest income on all categories of securities in interest income. The Group previously presented interest income on financial instruments at fair value through profit or loss (except promissory notes) and available-for-sale financial assets within net gain (loss) on financial instruments at fair value through profit or loss and realised gain on available-for-sale financial assets in the consolidated interim condensed statement of profit or loss and other comprehensive income for the 6 months and 3 months ended 30 June 2014. As a result, the amounts of RUB 575 774 thousand and RUB 307 312 thousand appropriately have been reclassified from net gain (loss) on financial instruments at fair value through profit or loss and realised gain on available-for-sale financial assets to interest income in the comparative consolidated interim condensed statements of profit or loss and other comprehensive income, to conform to the 2015 presentation.

With effect from 1 January 2015, the Group has changed accounting policy in identifying related parties relationships providing more relevant information about effects of other related parties transactions. The 30 June 2015 presentation of the outstanding balances and average effective interest rates as at 31 December 2014 for transactions with other related parties are presented below:

	31 December 2014 disclosure		30 June 2015 disclosure	
	31 December 2014 RUB'000	Average effective interest rate, %	31 December 2014 RUB'000	Average effective interest rate, %
<b>Consolidated interim condensed statement of financial position</b>				
<b>ASSETS</b>				
Cash and cash equivalents	1 754	-	1 754	-
Loans to customers	1 198 149	9.59%	29 004	15.08%
Other assets	2 446	-	2 354	-
<b>LIABILITIES</b>				
Deposits and balances from banks	24 663	3.70%	24 663	3.70%
Current accounts and deposits from customers	2 941 155	7.88%	811 335	-
Other liabilities	1 317	-	284	-
<b>Commitments</b>				
Undrawn loan commitments and overdraft	226 484	-	1 450	-

## 4 Interest income and expense

	30 June 2015 RUB'000	30 June 2014 RUB'000
<b>Interest income</b>		
Loans to customers	7 760 834	8 027 990
Securities	1 099 245	619 900
Net investments in finance leases	194 091	259 448
Due from banks and cash equivalents	77 822	105 293
	<b>9 131 992</b>	<b>9 012 631</b>
<b>Interest expense</b>		
Current accounts and deposits from customers	4 057 792	2 491 381
Deposits and balances from banks	913 939	583 006
Debt securities issued	343 070	457 056
Subordinated borrowings	233 499	68 471
	<b>5 548 300</b>	<b>3 599 914</b>

## 5 Fee and commission income

	30 June 2015 RUB'000	30 June 2014 RUB'000
Settlement operations	582 883	619 811
Insurance agent commission	108 388	949 511
Guarantee issuance	91 056	38 997
Accounts opening and maintenance	81 888	82 010
Other	221 234	89 410
	<b>1 085 449</b>	<b>1 779 739</b>

## 6 Net foreign exchange gain

	30 June 2015 RUB'000	30 June 2014 RUB'000
Gain on derivatives and spot transactions (except swaps)	1 525 563	249 554
Gain on swap operations	143 820	18 226
Loss from revaluation of financial assets and liabilities	(1 266 181)	(42 862)
	<b>403 202</b>	<b>224 918</b>

## 7 Net gain on operations with precious metals

	30 June 2015 RUB'000	30 June 2014 RUB'000
Gain on trading operations	13 422	8 547
Gain from revaluation of financial assets and liabilities and operations with derivatives	3 554	1 867
	<b>16 976</b>	<b>10 414</b>

**8 Other operating income**

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
Penalties on loans issued	296 756	279 375
Repayment of written off loans	107 632	62 966
Penalties on other operations	25 324	14 762
Rental income	11 625	11 819
Other income	130 252	41 643
	<b>571 589</b>	<b>410 565</b>

**9 Impairment losses**

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
Loans to customers	5 135 031	4 122 142
Net investments in finance leases	58 306	45 213
Other assets	(38 083)	(393)
	<b>5 155 254</b>	<b>4 166 962</b>

**10 Personnel expenses**

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
Employee compensation	1 254 323	1 410 779
Payroll related taxes	349 386	428 479
	<b>1 603 709</b>	<b>1 839 258</b>

## 11 Other general administrative expenses

	30 June 2015 RUB'000	30 June 2014 RUB'000
Depreciation and amortisation	166 418	142 482
Write-off of materials and loss on disposals of assets	119 240	91 140
Taxes other than income tax	101 595	137 187
Repairs and maintenance	87 672	104 886
Rent	76 144	80 773
Communications and information services	67 968	65 462
IT expenses	50 483	25 663
Advertising and marketing	36 341	39 344
Security	22 105	22 749
Agent fees for attraction of clients	17 832	3 084
Travel expenses	20 848	17 409
Professional services	14 830	15 562
Insurance	7 951	5 029
Other	219 643	52 501
	<b>1 009 070</b>	<b>803 271</b>

## 12 Income tax (benefit) expense

	30 June 2015 RUB'000	30 June 2014 RUB'000
Current year tax expense	36 709	42 954
Origination and reversal of temporary differences	(466 097)	26 805
<b>Total income tax (benefit) expense</b>	<b>(429 388)</b>	<b>69 759</b>

During 6 months ended 30 June 2015, the applicable tax rate for current and deferred tax is 20% (30 June 2014: 20%).

### Reconciliation of effective tax rate for the 6 months ended 30 June:

	30 June 2015 RUB'000	%	30 June 2014 RUB'000	%
<b>(Loss) profit before tax</b>	<b>(2 216 774)</b>		<b>338 698</b>	
Income tax at the applicable tax rate	(443 355)	(20.0)%	67 740	20.0%
Other differences	18 022	0.8%	11 190	3.3%
Income taxed at lower tax rates	(4 055)	(0.2)%	(9 171)	(2.7)%
	<b>(429 388)</b>	<b>(19.4)%</b>	<b>69 759</b>	<b>20.6%</b>

### 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 2015 and 31 December 2014. Net deferred tax assets and liabilities have been recognised in these consolidated interim condensed financial statements.



The deductible temporary differences do not expire under current tax legislation. Tax loss carry-forward expires in 2024 and 2025.

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

<b>RUB'000</b>	<b>Balance 1 January 2015</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income and directly in equity</b>	<b>Balance 30 June 2015</b>
Due from banks	(414)	14	-	(400)
Available-for-sale financial assets	69 030	9 902	(99 321)	(20 389)
Held-to-maturity investments	23 186	(13 229)	-	9 957
Derivative financial instruments	(7 571)	16 890	-	9 319
Loans to customers	(360 488)	107 264	-	(253 224)
Net investments in finance leases	73 241	15 375	-	88 616
Property, equipment and intangible assets	(376 094)	(69)	62	(376 101)
Other assets	33 583	20 520	-	54 103
Debt securities issued	897	3 327	-	4 224
Subordinated borrowings	(6 637)	102	-	(6 535)
Other liabilities	620	(18 960)	-	(18 340)
Tax loss carry-forward	313 641	324 961	-	638 602
	<b>(237 006)</b>	<b>466 097</b>	<b>(99 259)</b>	<b>129 832</b>
Comprising of:				
Deferred tax asset	76 691			129 832
Deferred tax liability	(313 697)			-
<b>RUB'000</b>	<b>Balance 1 January 2014</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income and directly in equity</b>	<b>Balance 30 June 2014</b>
Financial instruments at fair value through profit or loss	(19 797)	31 508	-	11 711
Available-for-sale financial assets	7 457	(973)	17 685	24 169
Derivative financial instruments	1 973	(1 722)	-	251
Loans to customers	(166 016)	(19 865)	-	(185 881)
Net investments in finance leases	51 462	(2 372)	-	49 090
Property, equipment and intangible assets	(379 271)	1 290	-	(377 981)
Other assets	-	(1 206)	-	(1 206)
Current accounts and deposits from customers	10 901	(4 284)	-	6 617
Debt securities issued	(2 504)	2 016	-	(488)
Other liabilities	103 180	(31 197)	-	71 983
	<b>(392 615)</b>	<b>(26 805)</b>	<b>17 685</b>	<b>(401 735)</b>
Comprising of:				
Deferred tax asset	51 462			49 090
Deferred tax liability	(444 077)			(450 825)

## 13 Cash and cash equivalents

	30 June 2015 RUB'000	31 December 2014 RUB'000
<b>Cash on hand</b>	<b>3 473 501</b>	<b>5 148 414</b>
<b>Nostro accounts with the CBR</b>	<b>1 306 304</b>	<b>3 778 620</b>
<b>Nostro accounts with other banks</b>		
- Largest 30 Russian banks	1 325 507	2 043 488
- OECD banks	675 156	987 138
- Other Russian banks	154 492	365 829
- Other foreign banks	79 160	103 972
<b>Total nostro accounts with other banks</b>	<b>2 234 315</b>	<b>3 500 427</b>
<b>Term deposits with the CBR</b>	<b>-</b>	<b>1 500 000</b>
<b>Term deposits with other banks</b>		
- Largest 30 Russian banks	2 700 154	153
- Other Russian banks	538 668	-
- OECD banks	148 715	-
- Other foreign banks	1 985	45 408
<b>Total term deposits with other banks</b>	<b>3 389 522</b>	<b>45 561</b>
<b>Total cash and cash equivalents</b>	<b>10 403 642</b>	<b>13 973 022</b>

As at 30 June 2015, the Group has no banks (31 December 2014: no banks (except the CBR)), whose balances individually exceed 10% of equity.

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

## 14 Financial instruments at fair value through profit or loss

	30 June 2015 RUB'000	31 December 2014 RUB'000
<b>ASSETS</b>		
<b>Held by the Group</b>		
<b>Debt and other fixed-income instruments</b>		
- <b>Promissory notes</b>		
rated below B+	584 511	-
<b>Total promissory notes</b>	<b>584 511</b>	<b>-</b>
<b>Derivative financial instruments</b>		
Foreign currency contracts	7 661	44 348
	<b>7 661</b>	<b>44 348</b>
<b>Total financial instruments at fair value through profit or loss held by the Group</b>	<b>592 172</b>	<b>44 348</b>
<b>Total financial instruments at fair value through profit or loss</b>	<b>592 172</b>	<b>44 348</b>
<b>LIABILITIES</b>		
<b>Derivative financial instruments</b>		
Foreign currency and securities contracts	54 257	6 492
	<b>54 257</b>	<b>6 492</b>

Ratings of corporate entities are based on Standart & Poor's or the equivalent ratings assigned by Fitch Rating and Moody's.

All financial instruments at fair value through profit or loss are classified as held for trading.

None of financial assets at fair value through profit or loss are past due.

The table below analyses financial instruments at fair value through profit or loss at 30 June 2015, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated interim condensed statement of financial position:

<b>RUB '000</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Financial instruments at fair value through profit or loss			
- Debt and other fixed income instruments	-	584 511	584 511
- Derivative assets	7 661	-	7 661
- Derivative liabilities	(54 257)	-	(54 257)

The table below analyses financial instruments measured at fair value through profit or loss at 31 December 2014, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated interim condensed statement of financial position:

<b>RUB '000</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Financial instruments at fair value through profit or loss			
- Derivative assets	-	44 348	44 348
- Derivative liabilities	-	(6 492)	(6 492)

**Foreign currency and securities contracts**

The table below summarises, by major currencies, the contractual amounts of forward exchange and securities contracts outstanding at 30 June 2015 and at 31 December 2014 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 are recognised in profit or loss and in financial instruments at fair value through profit or loss, as appropriate.

	Notional amount		Weighted average contractual rates	
	30 June 2015 RUB'000	31 December 2014 RUB'000	30 June 2015 RUB'000	31 December 2014 RUB'000
<b>Sell USD buy RUB</b>				
Less than 3 months	4 057 014	2 126 568	55.07	57.41
<b>Buy USD sell CHF</b>				
Less than 3 months	1 995 217	-	0.94	-
<b>Buy EUR sell USD</b>				
Less than 3 months	1 291 933	1 435 197	1.12	1.22
<b>Sell USD buy CHF</b>				
Less than 3 months	1 001 292	-	0.93	-
<b>Buy USD sell RUB</b>				
Less than 3 months	29 428	84 388	55.85	57.37
<b>Buy JPY sell RUB</b>				
Less than 3 months	9 040	-	45.55	-
<b>Sell CNY buy RUB</b>				
Less than 3 months	8 943	-	89.85	-
<b>Sell AFK Systems shares buy RUB</b>				
Less than 3 months	3 189	-	19.75	-
<b>Sell EUR buy RUB</b>				
Less than 3 months	-	27 337	-	70.25
<b>Buy CNY sell RUB</b>				
Less than 3 months	-	22 677	-	93.62

**15 Available-for-sale financial assets**

	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>RUB'000</b>	<b>RUB'000</b>
<b>Held by the Group</b>		
<b>Debt and other fixed-income instruments</b>		
<b>- Government and municipal bonds</b>		
Russian Government Federal bonds (OFZ)	439 449	328 213
Russian Government Eurobonds	252	291 457
Regional authorities bonds	743 759	-
<b>Total government and municipal bonds</b>	<b>1 183 460</b>	<b>619 670</b>
<b>- Corporate bonds</b>		
rated from BB- to BBB+	8 726 440	5 554 421
not rated	99 203	47 124
<b>Total corporate bonds</b>	<b>8 825 643</b>	<b>5 601 545</b>
<b>Equity instruments</b>		
<b>- Corporate shares</b>		
rated from BB- to BBB+	138 717	-
rated below B+	83	-
<b>Total corporate shares</b>	<b>138 800</b>	<b>-</b>
<b>Total available-for-sale financial instruments held by Group</b>	<b>10 147 903</b>	<b>6 221 215</b>
<b>Pledged under sale and repurchase agreements</b>		
<b>- Corporate bonds</b>		
rated from BB- to BBB+	3 224 379	7 088 015
rated below B+	1 019 540	-
<b>Total corporate bonds</b>	<b>4 243 919</b>	<b>7 088 015</b>
<b>Total available-for-sale financial instruments pledged under sale and repurchase agreements</b>	<b>4 243 919</b>	<b>7 088 015</b>
<b>Total available-for-sale financial instruments</b>	<b>14 391 822</b>	<b>13 309 230</b>

Ratings of corporate entities are based on Standart & Poor's or the equivalent ratings assigned by Fitch Rating and Moody's.

None of available-for-sale financial assets are past due.

The table below analyses available-for-sale financial assets at 30 June 2015, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated interim condensed statement of financial position:

<b>RUB '000</b>	<b>Level 1</b>	<b>Total</b>
Available-for-sale financial assets		
- Debt and other fixed income instruments	14 253 022	14 253 022
- Equity instruments	138 800	138 800

The table below analyses financial instruments measured at fair value at 31 December 2014, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated interim condensed statement of financial position:

RUB '000	<u>Level 1</u>	<u>Total</u>
Available-for-sale financial assets		
- Debt and other fixed income instruments	13 309 230	13 309 230

## 16 Due from banks

	<u>30 June 2015</u> RUB'000	<u>31 December 2014</u> RUB'000
<b>Term deposits</b>		
- Other foreign banks	504 994	827 600
- Largest 30 Russian banks	4 372	6 563
- OECD banks	-	165 206
<b>Total term deposits</b>	<u><u>509 366</u></u>	<u><u>999 369</u></u>

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

## 17 Amounts receivable under reverse repurchase agreements

The table below sets out receivables under reverse repurchase agreements showing individual types of securities received as collateral under reverse repurchase agreements outstanding as at 30 June 2015:

	<u>Government and municipal bonds</u> RUB'000	<u>Corporate bonds</u> RUB'000	<u>Corporate shares</u> RUB'000	<u>Total</u> RUB'000
<b>Amounts receivable under reverse repurchase agreements</b>				
- Other Russian companies	-	669 060	1 679 390	2 348 450
- Other Russian banks	200 000	497 278	-	697 278
	<u><u>200 000</u></u>	<u><u>1 166 338</u></u>	<u><u>1 679 390</u></u>	<u><u>3 045 728</u></u>

The table below sets out receivables under reverse repurchase agreements showing individual types of securities received as collateral under reverse repurchase agreements outstanding as at 31 December 2014:

	<u>Corporate bonds</u> RUB'000	<u>Total</u> RUB'000
<b>Amounts receivable under reverse repurchase agreements</b>		
- Other Russian companies	946 566	946 566
- Other Russian banks	614 245	614 245
	<u><u>1 560 811</u></u>	<u><u>1 560 811</u></u>

At 30 June 2015, the fair value of securities collateralising reverse repurchase agreements that the Group is permitted to sell or repledge in the absence of default is RUB 4 082 281 thousand (31 December 2014: RUB 1 879 496 thousand) out of which as at 31 December 2014 the Group repledged securities with fair value of RUB 765 915 thousand under repurchase agreements.

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

## 18 Loans to customers

	30 June 2015 RUB'000	31 December 2014 RUB'000
<b>Loans to corporate customers</b>	<b>39 321 833</b>	<b>34 158 648</b>
<b>Loans to retail customers</b>		
Consumer loans	50 986 546	54 436 681
Mortgage loans	9 438 191	10 123 948
<b>Total loans to retail customers</b>	<b>60 424 737</b>	<b>64 560 629</b>
<b>Gross loans to customers</b>	<b>99 746 570</b>	<b>98 719 277</b>
Impairment allowance	(17 748 242)	(13 127 938)
<b>Net loans to customers</b>	<b>81 998 328</b>	<b>85 591 339</b>

Movements in the loan impairment allowance by classes of loans to customers for the 6 months ended 30 June 2015 are as follows:

	Loans to corporate customers RUB'000	Loans to retail customers RUB'000	Total RUB'000
<b>Balance at the beginning of the year</b>	<b>1 361 740</b>	<b>11 766 198</b>	<b>13 127 938</b>
Net charge	547 293	4 587 738	5 135 031
Write-offs	(14 465)	(500 262)	(514 727)
<b>Balance at the end of the period</b>	<b>1 894 568</b>	<b>15 853 674</b>	<b>17 748 242</b>

Movements in the loan impairment allowance by classes of loans to customers for the 6 months ended 30 June 2014 are as follows:

	Loans to corporate customers RUB'000	Loans to retail customers RUB'000	Total RUB'000
<b>Balance at the beginning of the year</b>	<b>670 578</b>	<b>5 140 698</b>	<b>5 811 276</b>
Net charge	162 042	3 960 100	4 122 142
Write-offs	(219)	(328 850)	(329 069)
<b>Balance at the end of the period</b>	<b>832 401</b>	<b>8 771 948</b>	<b>9 604 349</b>

**Credit quality of loans to customers**

The following table provides information on the credit quality of loans to corporate customers as at 30 June 2015 and 31 December 2014:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>31 December 2014</b> <b>RUB'000</b>
<b>Loans to corporate customers</b>		
Loans without individual signs of impairment	37 093 993	32 463 471
Impaired loans:		
- not overdue	-	-
- overdue less than 90 days	545 304	369 540
- overdue more than 90 days and less than 1 year	851 958	772 110
- overdue more than 1 year	830 578	553 527
Total impaired loans	<u>2 227 840</u>	<u>1 695 177</u>
<b>Total gross loans to corporate customers</b>	<b>39 321 833</b>	<b>34 158 648</b>
Impairment allowance	<u>(1 894 568)</u>	<u>(1 361 740)</u>
<b>Net loans to corporate customers</b>	<b><u>37 427 265</u></b>	<b><u>32 796 908</u></b>

The following table provides information on the credit quality of loans to retail customers as at 30 June 2015:

	<b>Consumer loans</b> <b>RUB'000</b>	<b>Mortgage loans</b> <b>RUB'000</b>	<b>Total loans to</b> <b>retail customers</b> <b>RUB'000</b>
<b>Loans to retail customers</b>			
- not overdue	29 356 738	9 072 367	38 429 104
- overdue less than 30 days	1 812 905	44 941	1 857 846
- overdue 30-89 days	2 091 986	73 589	2 165 575
- overdue 90-179 days	3 253 184	69 524	3 322 708
- overdue more than 180 days	14 471 734	177 770	14 649 504
<b>Total gross loans to retail customers</b>	<b>50 986 546</b>	<b>9 438 191</b>	<b>60 424 737</b>
Impairment allowance	<u>(15 666 635)</u>	<u>(187 039)</u>	<u>(15 853 674)</u>
<b>Net loans to retail customers</b>	<b><u>35 319 901</u></b>	<b><u>9 251 152</u></b>	<b><u>44 571 063</u></b>

The following table provides information on the credit quality of loans to retail customers as at 31 December 2014:

	<b>Consumer loans</b> <b>RUB'000</b>	<b>Mortgage loans</b> <b>RUB'000</b>	<b>Total loans to</b> <b>retail customers</b> <b>RUB'000</b>
<b>Loans to retail customers</b>			
- not overdue	36 963 000	9 850 665	46 813 665
- overdue less than 30 days	1 859 284	50 719	1 910 003
- overdue 30-89 days	2 216 731	73 778	2 290 509
- overdue 90-179 days	2 859 085	64 610	2 923 695
- overdue more than 180 days	10 538 581	84 176	10 622 757
<b>Total gross loans to retail customers</b>	<b>54 436 681</b>	<b>10 123 948</b>	<b>64 560 629</b>
Impairment allowance	<u>(11 699 080)</u>	<u>(67 118)</u>	<u>(11 766 198)</u>
<b>Net loans to retail customers</b>	<b><u>42 737 601</u></b>	<b><u>10 056 830</u></b>	<b><u>52 794 431</u></b>



**Asset securitisation**

As at 30 June 2015, the Group transferred mortgage loans of RUB 3 661 626 thousand (31 December 2014: RUB 3 941 004 thousand) to MA APB and MA APB 2, entities that are, in substance, controlled by the Group. Accordingly, MA APB and MA APB 2 are consolidated into these consolidated interim condensed financial statements and the loans are included in the consolidated interim condensed statement of financial position. These loans serve as collateral for secured mortgage backed securities issued by the Group. As at 30 June 2015, the carrying amount of liabilities on these securities is RUB 2 697 559 thousand (31 December 2014: RUB 3 056 990 thousand).

**19 Net investments in finance leases**

Net investments in finance leases comprise:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>31 December 2014</b> <b>RUB'000</b>
Gross investments in finance leases	2 177 385	2 694 581
Less unearned finance lease income	(287 237)	(463 140)
	<b>1 890 148</b>	<b>2 231 441</b>
Less allowance for impairment	(207 111)	(149 251)
<b>Net investments in finance leases</b>	<b>1 683 037</b>	<b>2 082 190</b>

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

Future minimum lease payments to be received are disclosed below:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>31 December 2014</b> <b>RUB'000</b>
Within 1 year	1 626 412	1 768 833
From 1 to 5 years	550 973	925 748
<b>Minimum lease payments receivable</b>	<b>2 177 385</b>	<b>2 694 581</b>

Gross investment in leases is receivable in the following currencies:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>31 December 2014</b> <b>RUB'000</b>
RUB	1 907 782	2 376 670
USD	269 603	317 911
<b>Gross investments in finance leases</b>	<b>2 177 385</b>	<b>2 694 581</b>

Movements in the impairment allowance are as follows:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
<b>Balance at the beginning of the year</b>	149 251	61 809
Net charge	58 306	45 213
Write-offs	(446)	-
<b>Balance at the end of the period</b>	<b>207 111</b>	<b>107 022</b>

## 20 Held-to-maturity investments

	30 June 2015 RUB'000	31 December 2014 RUB'000
<b>Held by the Group</b>		
<b>Government and municipal bonds</b>		
Russian Government Federal bonds (OFZ)	-	311 377
Regional authorities bonds	473 012	512 643
<b>Total government and municipal bonds</b>	<b>473 012</b>	<b>824 020</b>
<b>Corporate bonds</b>		
rated from BB- to BBB+	823 214	2 211 789
rated below B+	207 931	1 097
<b>Total corporate bonds</b>	<b>1 031 145</b>	<b>2 212 886</b>
<b>Total held-to-maturity investments held by Group</b>	<b>1 504 157</b>	<b>3 036 906</b>
<b>Pledged under sale and repurchase agreements</b>		
<b>Government and municipal bonds</b>		
Russian Government Federal bonds (OFZ)	314 423	-
Regional authorities bonds	230 163	360 338
<b>Total government and municipal bonds</b>	<b>544 586</b>	<b>360 338</b>
<b>Corporate bonds</b>		
rated from BB- to BBB+	3 908 294	1 690 159
rated below B+	944 835	457 245
<b>Total corporate bonds</b>	<b>4 853 129</b>	<b>2 147 404</b>
<b>Total held-to-maturity investments pledged under sale and repurchase agreements</b>	<b>5 397 715</b>	<b>2 507 742</b>
<b>Total held-to-maturity investments</b>	<b>6 901 872</b>	<b>5 544 648</b>

Ratings of corporate entities are based on Standart & Poor's or the equivalent ratings assigned by Fitch Rating and Moody's.

None of held-to-maturity investments are past due or impaired.

## 21 Transfers of financial assets

The securities sold under agreements to repurchase as at 30 June 2015 are presented in the table below:

RUB'000	Financial assets available-for-sale	Held-to- maturity investments
Carrying amount of assets	4 243 920	9 273 530
Carrying amount of associated liabilities	3 869 898	4 948 084

The securities sold under agreements to repurchase as at 31 December 2014 are presented in the table below:

<b>RUB'000</b>	<b>Financial assets available-for-sale</b>	<b>Held-to- maturity investments</b>	<b>Securities received under reverse repurchase agreements repledged</b>
Carrying amount of assets	7 088 015	2 507 742	765 915
Carrying amount of associated liabilities	6 088 856	2 135 083	614 245

## 22 Property, equipment, intangible assets and investment property

RUB'000	Land and buildings	Computers and equipment	Fixtures and fittings	Vehicles	Intangible assets	Construction in progress	Total
<b>Cost/revalued amount</b>							
Balance at 1 January 2015	4 543 635	858 878	19 329	60 497	505 518	45 358	6 033 215
Additions and transfers	19 402	15 124	503	2 373	60 294	68 397	166 093
Transfers from investment property	4 677	-	-	-	-	-	4 677
Disposals and transfers	(4 000)	(5 466)	(589)	(1 276)	(8 344)	(45 358)	(65 033)
<b>At 30 June 2015</b>	<b>4 563 714</b>	<b>868 536</b>	<b>19 242</b>	<b>61 594</b>	<b>557 468</b>	<b>68 397</b>	<b>6 138 952</b>
<b>Depreciation, amortisation and impairment losses</b>							
Balance at 1 January 2015	138 630	506 720	12 658	34 862	188 448	-	881 318
Depreciation and amortisation for the period	65 169	56 613	1 001	4 620	39 014	-	166 418
Disposals	(101)	(5 453)	(323)	(1 276)	(8 384)	-	(15 537)
<b>Balance at 30 June 2015</b>	<b>203 698</b>	<b>557 880</b>	<b>13 336</b>	<b>38 206</b>	<b>219 079</b>	<b>-</b>	<b>1 032 199</b>
<b>Carrying amounts</b>							
<b>At 30 June 2015</b>	<b>4 360 016</b>	<b>310 656</b>	<b>5 907</b>	<b>23 388</b>	<b>338 390</b>	<b>68 397</b>	<b>5 106 753</b>
<b>At 31 December 2014</b>	<b>4 405 005</b>	<b>352 158</b>	<b>6 671</b>	<b>25 635</b>	<b>317 070</b>	<b>45 358</b>	<b>5 151 897</b>

There are no capitalised borrowing costs related to the acquisition or construction of property, equipment and intangible assets during 6 months ended 30 June 2015 (30 June 2014: nil).

RUB'000	Land and buildings	Computers and equipment	Fixtures and fittings	Vehicles	Intangible assets	Construction in progress	Total
<b>Cost/revalued amount</b>							
Balance at 1 January 2014	4 387 149	642 687	44 382	55 606	255 014	190 822	5 575 660
Additions and transfers	6 584	167 354	564	9 134	90 106	181 249	454 991
Disposals and transfers	(4 800)	(122)	(375)	(4 666)	(3 137)	(190 822)	(203 922)
Transfers from investment property	9 128	-	-	-	-	-	9 128
<b>At 30 June 2014</b>	<b>4 398 061</b>	<b>809 919</b>	<b>44 571</b>	<b>60 074</b>	<b>341 983</b>	<b>181 249</b>	<b>5 835 857</b>
<b>Depreciation, amortisation and impairment losses</b>							
Balance at 1 January 2014	6 229	419 191	37 834	30 341	125 637	-	619 232
Depreciation and amortisation for the period	66 413	43 493	1 269	4 144	27 163	-	142 482
Disposals	(46)	(122)	(375)	(3 631)	(3 137)	-	(7 311)
<b>Balance at 30 June 2014</b>	<b>72 596</b>	<b>462 562</b>	<b>38 728</b>	<b>30 854</b>	<b>149 663</b>	<b>-</b>	<b>754 403</b>
<b>Carrying amounts</b>							
<b>At 30 June 2014</b>	<b>4 325 465</b>	<b>347 357</b>	<b>5 843</b>	<b>29 220</b>	<b>192 320</b>	<b>181 249</b>	<b>5 081 454</b>
<b>At 31 December 2013</b>	<b>4 380 920</b>	<b>223 496</b>	<b>6 548</b>	<b>25 265</b>	<b>129 377</b>	<b>190 822</b>	<b>4 956 428</b>

**Investment property**

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
Balance at 1 January	44 123	49 213
Taking possession of collateral for loans to customers	-	7 728
Transfer to property, equipment and intangible assets	(4 677)	(9 128)
Fair value revaluation	(430)	(501)
Balance at 30 June	<b>39 016</b>	<b>47 312</b>

Fair value measurement of investment property is categorised as Level 3 in the fair value hierarchy.

Rental income from investment property for the 6 months ended 30 June 2015 comprised RUB 945 thousand (30 June 2014: RUB 1 137 thousand).

**23 Other assets**

	<b>30 June 2015</b> <b>RUB'000</b>	<b>31 December 2014</b> <b>RUB'000</b>
Settlements on purchase of shares	1 500 000	-
Other receivables	311 760	273 439
<b>Total other financial assets</b>	<b>1 811 760</b>	<b>273 439</b>
Prepayments	381 183	289 552
Advances on precious metals delivery	247 575	63 245
Inventory	124 708	133 350
Prepayments for assets to be leased under finance lease	53 969	87 842
Materials and supplies	38 347	40 925
Other	265 550	183 370
<b>Total other non-financial assets</b>	<b>1 111 332</b>	<b>798 284</b>
<b>Gross other assets</b>	<b>2 923 092</b>	<b>1 071 723</b>
Less allowance for impairment of other non-financial assets	(35 241)	(75 560)
<b>Net other assets</b>	<b>2 887 851</b>	<b>996 163</b>

Movements in the impairment allowance are as follows:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
<b>Balance at the beginning of the year</b>	75 560	28 871
Net recovery	(38 083)	(393)
Write-offs	(2 236)	-
<b>Balance at the end of the period</b>	<b>35 241</b>	<b>28 478</b>

**24 Deposits and balances from banks**

	<b>30 June 2015</b> <b>RUB'000</b>	<b>31 December 2014</b> <b>RUB'000</b>
Vostro accounts	374 913	146 920
Term deposits from banks	6 352 229	8 618 727
Term deposit from the CBR	1 090 157	1 955 985
	<b>7 817 299</b>	<b>10 721 632</b>

As at 30 June 2015, the Group has one bank (31 December 2014: three banks (including the CBR)), whose balances individually exceed 10% of equity. The gross value of these balances as at 30 June 2015 is RUB 2 113 133 thousand (31 December 2014: RUB 6 501 347 thousand).

## 25 Amounts payable under repurchase agreements

The table below sets out payables under direct repo agreements showing individual types of securities transferred as collateral under repo agreements outstanding as at 30 June 2015:

RUB'000	Government and municipal bonds	Corporate bonds	Total
<b>Amounts payable under direct repo agreements</b>			
- The CBR	221 839	8 305 244	8 527 083
- Largest 30 Russian banks	290 899	-	290 899
	<b>512 738</b>	<b>8 305 244</b>	<b>8 817 982</b>

The table below sets out payables under direct repo agreements showing individual types of securities transferred as collateral under repo agreements outstanding as at 31 December 2014:

RUB'000	Government and municipal bonds	Corporate bonds	Total
<b>Amounts payable under direct repo agreements</b>			
- The CBR	317 890	8 520 294	8 838 184
	<b>317 890</b>	<b>8 520 294</b>	<b>8 838 184</b>

Fair value of securities transferred under repo agreements as at 30 June 2015 comprised RUB 9 736 264 thousand (31 December 2014: RUB 9 404 640 thousand).

## 26 Current accounts and deposits from customers

	30 June 2015 RUB'000	31 December 2014 RUB'000
Current accounts and demand deposits		
- Retail	4 561 620	4 374 344
- Corporate	10 341 307	13 594 354
Term deposits		
- Retail	60 487 119	54 258 564
- Corporate	10 105 870	12 270 452
	<b>85 495 916</b>	<b>84 497 714</b>

## 27 Debt securities issued

	30 June 2015 RUB'000	31 December 2014 RUB'000
Bonds	5 328 186	5 668 351
Promissory notes	1 136 070	838 240
	<b>6 464 256</b>	<b>6 506 591</b>

Bonds are presented by three issues: one of the Bank and the others of MA APB and MA APB 2.

In December 2012, the Group issued RUB 1 521 863 thousand of mortgage backed securities with a coupon rate of 8.75%. These securities mature not later than 26 April 2045 (see note 18 for more details) with partially repayments each quarter.

In February 2013, the Group issued RUB 3 000 000 thousand of bonds with a coupon rate as at 30 June 2015 of 12.00%. These bonds mature on 19 February 2016. The part of the issue amounted to RUB 2 645 020 thousand has been repaid by the Group at the put-option date on 22 August 2014.

In February 2014, the Group issued RUB 2 553 000 thousand of mortgage backed securities with a coupon rate of 9%. These securities mature not later than 1 October 2046 (see note 18 for more details) with partially repayments each quarter.

On 29 April 2015, the Group repaid RUB 1 500 000 thousand of bonds with a coupon rate of 10.4% due to their maturity.

## 28 Subordinated borrowings

	30 June 2015 RUB'000	31 December 2014 RUB'000
Subordinated loan	4 098 090	4 021 246
	<b>4 098 090</b>	<b>4 021 246</b>

On 21 November 2012 the Bank attracted a subordinated loan in the amount USD 30 million from one of the Bank's shareholders - IFC. The loan with interest rate 12.92% as at 30 June 2015 mature by tranches until 16 December 2019.

According to the terms of the agreement the Group is subject to a debt covenant stating that at the end of each quarter the Group should comply with a number of financial and non-financial covenants. As at 30 June 2015 and 31 December 2014 the Group breached one of the financial covenants. The Group and IFC is in process of negotiating the change of this covenant. Subordinated debt are not payable on demand as at 30 June 2015 and 31 December 2014.

On 10 July 2014, the Group issued subordinated Loan Participation Notes in the amount of USD 42 million for 5.5 years with interest rate of 11.00% through SCI Finance B.V., partially consolidated structured entity incorporated in the Netherlands. This entity was partially consolidated because portion of the entity is a deemed separate entity which is in substance "ring-fenced" from the rest of the entity, and the Group has control over deemed separate entity. The Group consolidated only those assets and returns related to the issue of Loan Participation Notes.

## 29 Other liabilities

	30 June 2015 RUB'000	31 December 2014 RUB'000
Payables to employees	304 562	182 575
Other taxes payable	169 929	150 783
Advances from lessees received	87 718	145 759
Deferred commission on guarantees	84 876	77 123
Payables to creditors	27 679	44 527
Other liabilities	237 361	102 861
	<b>912 125</b>	<b>703 628</b>



## 30 Share capital

### Issued capital

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

	Shares (thousands)	Nominal amount, RUB'000	Inflation adjustment, RUB'000	Total, RUB'000
<b>Balance as at 1 January 2014</b>	<b>4 949 019 820 939</b>	<b>554 290</b>	<b>8 022</b>	<b>562 312</b>
Ordinary shares	4 858 303 245 205	544 130	7 875	552 005
Preferred shares	250	-	-	-
Purchased ordinary treasury shares	90 716 575 484	10 160	147	10 307
Issue of ordinary shares	206 271 120 949	23 102	-	23 102
<b>Balance as at 30 June 2014</b>	<b>5 155 290 941 888</b>	<b>577 392</b>	<b>8 022</b>	<b>585 414</b>
<b>Balance as at 1 January 2015</b>	<b>5 155 290 941 888</b>	<b>577 392</b>	<b>8 022</b>	<b>585 414</b>
Ordinary shares	5 064 574 366 154	567 232	7 875	575 107
Preferred shares	250	-	-	-
Purchased ordinary treasury shares	90 716 575 484	10 160	147	10 307
<b>Balance as at 30 June 2015</b>	<b>5 155 290 941 888</b>	<b>577 392</b>	<b>8 022</b>	<b>585 414</b>

On 14 April 2014 the Group issued 206 271 120 949 312 ordinary shares with a nominal value of RUB 0.000000112 per each share and total nominal value of RUB 23 102 thousand. Total value of shares at the price of issue is RUB 609 118 thousand.

## 31 Analysis by segment

The Group has seventeen divisions located in different regions of the 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 West region.

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 Chairman of the Management Board. 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 2015 RUB'000	31 December 2014 RUB'000
<b>ASSETS</b>		
Far East region	50 330 842	55 172 615
West region	48 157 684	40 828 079
Siberia region	24 714 435	28 858 843
<b>Total assets</b>	<b>123 202 961</b>	<b>124 859 537</b>
<b>LIABILITIES</b>		
Far East region	69 770 236	70 014 400
West region	21 817 906	25 057 952
Siberia region	18 900 131	17 411 503
<b>Total liabilities</b>	<b>110 488 273</b>	<b>112 483 855</b>

Segment information for the main reportable segments for the 6 months ended 30 June 2015 is set below:

RUB'000	Far East region	Siberia region	West region	Total
External interest income	4 085 251	2 409 072	1 420 243	7 914 566
Fee and commission income	598 793	250 221	131 806	980 820
Net (loss) gain on operations with securities (including interest income)	(1 430)	-	1 185 637	1 184 207
Net foreign exchange gain (loss)	376 990	138 926	(15 155)	500 761
Other operating income	1 721 448	107 407	8 403	1 837 258
<b>Revenue</b>	<b>6 781 052</b>	<b>2 905 626</b>	<b>2 730 934</b>	<b>12 417 612</b>
Impairment losses	1 858 634	2 651 517	171 701	4 681 852
Interest expense	3 380 654	961 411	1 066 301	5 408 366
Fee and commission expense	39 269	18 450	5 937	63 656
General administrative expenses	2 255 722	261 431	27 050	2 544 203
<b>Segment result</b>	<b>(753 227)</b>	<b>(987 183)</b>	<b>1 459 945</b>	<b>(280 465)</b>
Income tax expense				67 184
<b>Loss for the period</b>				<b>(347 649)</b>

Segment information for the main reportable segments for the 6 months ended 30 June 2014 is set below:

<b>RUB'000</b>	<b>Far East region</b>	<b>Siberia region</b>	<b>West region</b>	<b>Total</b>
External interest income	4 329 401	2 817 261	629 844	7 776 506
Fee and commission income	1 061 222	792 864	71 116	1 925 202
Net loss on operations with securities (including interest income)	(1 249)	-	158 512	157 264
Net foreign exchange (loss) income	(190 954)	85 582	330 676	225 304
Other operating income	253 015	123 706	3 538	380 259
<b>Revenue</b>	<b>5 451 436</b>	<b>3 819 413</b>	<b>1 193 686</b>	<b>10 464 535</b>
Impairment losses (recovery)	1 713 676	1 874 410	282 622	3 870 708
Interest expense	2 143 557	566 112	803 211	3 512 880
Fee and commission expense	93 650	21 043	6 238	120 931
General administrative expenses	1 756 729	684 846	104 826	2 546 401
<b>Segment result</b>	<b>(256 176)</b>	<b>673 001</b>	<b>(3 211)</b>	<b>413 615</b>
Income tax expense				22 833
<b>Profit for the period</b>				<b>390 782</b>

#### Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	<b>30 June 2015 RUB'000</b>	<b>30 June 2014 RUB'000</b>
<b>Revenues</b>		
Total revenues for reportable segments	12 417 612	10 464 535
IFRS accounting policy adjustments:		
- interest income on loans to customers and net investments in finance lease	356 683	526 286
- financial instruments at fair value	(40 170)	(25 444)
- reclassification of cash distribution from shareholders to capital	(1 500 000)	-
- other adjustments	166 061	28 864
<b>Consolidated revenues</b>	<b>11 400 186</b>	<b>10 994 241</b>
<b>Profit or loss</b>		
Total (loss) profit for reportable segments	(347 649)	390 782
IFRS accounting policy adjustments:		
- interest income on loans to customers and net investments in finance lease	356 683	526 286
- allowance for impairment of loans to customers, net investments in finance leases and other assets	(473 402)	(296 256)
- depreciation and amortisation of property and equipment and intangible assets	11 118	10 649
- financial instruments at fair value	(40 170)	(25 444)
- reclassification of cash distribution from shareholders to capital	(1 500 000)	-
- other adjustments	206 035	(337 078)
<b>Consolidated (loss) profit for the period</b>	<b>(1 787 385)</b>	<b>268 939</b>

	<b>30 June 2015</b> <b>RUB'000</b>	<b>31 December 2014</b> <b>RUB'000</b>
<b>Assets</b>		
Total assets for reportable segments	123 202 961	124 859 537
IFRS accounting policy adjustments:		
- interest income on loans to customers	115 667	60 264
- allowance for impairment of loans to customers and net investments in finance leases	1 227 830	1 900 500
- allowance for impairment of other assets	444 327	268 487
- depreciation and amortisation of property and equipment and intangible assets and other adjustments to property cost	223 951	198 993
- financial instruments at fair value	(53 587)	(283 964)
- double repo adjustment	-	(764 820)
- deferred tax asset	(183 809)	76 691
- revaluation of property and equipment	364 143	364 391
- other assets of subsidiaries (net of intragroup transactions)	3 378 465	3 855 272
- other adjustments	(92 086)	(68 508)
<b>Consolidated assets</b>	<b>128 627 862</b>	<b>130 466 843</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	110 488 273	112 483 855
IFRS accounting policy adjustments:		
- accounting for deferred tax liability	(220 639)	313 697
- liabilities of subsidiaries (net of intragroup transactions)	3 164 966	3 672 069
- double repo adjustment	-	(764 820)
- other adjustments	229 777	(93 544)
<b>Consolidated liabilities</b>	<b>113 662 377</b>	<b>115 611 257</b>

### Information about major customers and geographical areas

For the 6 months ended 30 June 2015 and 2014, there were no corporate customers whose revenues individually exceed 10% of total revenue.

The majority of revenues from external customers relate to residents of the Russian Federation. The majority of non-current assets are located in the Russian Federation.

## 32 Capital management

The CBR sets and monitors capital requirements for the Group. The Group calculates amount of capital in accordance with Provision of the CBR dated 28 December 2012 No 395-P *On Methodology of Calculation of Own Funds (Capital) of the Credit Organisations (Basel III)*.

As at 31 December 2014, minimum levels of basic capital ratio (ratio N20.1), main capital ratio (ratio N20.2), own funds (capital) ratio (ratio N20.0) are 5.0%, 5.5% and 10.0%, accordingly. Since 1 January 2015 minimum level of ratio N20.2 is 6.0%. The Group is in compliance with the statutory capital ratios as at 30 June 2015 and 31 December 2014.

The calculation of capital adequacy for the Group based on requirements set by the CBR ratios as at 30 June 2015 and 31 December 2014 is as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>RUB'000</b>	<b>RUB'000</b>
Base capital	10 632 277	10 583 112
Additional capital	-	-
<b>Main capital</b>	<b>10 632 277</b>	<b>10 583 112</b>
Supplementary capital	4 360 522	4 706 475
<b>Own funds (capital)</b>	<b>14 992 799</b>	<b>15 289 587</b>
<b>Risk-weighted assets</b>	<b>127 706 754</b>	<b>130 176 800</b>
<b>Ratio N20.1 (%)</b>	<b>8.43</b>	<b>8.23</b>
<b>Ratio N20.2 (%)</b>	<b>8.43</b>	<b>8.23</b>
<b>Ratio N20.0 (%)</b>	<b>11.74</b>	<b>11.75</b>

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. The Group has complied with all externally imposed capital requirements as at 30 June 2015 and 31 December 2014.

## 33 Commitments

	<b>30 June 2015</b>	<b>31 December 2014</b>
	<b>RUB'000</b>	<b>RUB'000</b>
<b>Contracted amount</b>		
Guarantees and letters of credit	6 737 816	7 835 975
Undrawn overdraft facilities	4 365 298	4 025 655
Loan and credit line commitments	1 190 815	1 434 392
	<b>12 293 929</b>	<b>13 296 022</b>

As at 30 June 2015, the Group has a commitment to purchase 8 550 kg of gold and 121 kg of silver (31 December 2014: 3 573 kg of gold and 147 kg of silver) under contracts to be settled at the market price at the date of maturity.

There is no significant credit risk concentration as at 30 June 2015 and 31 December 2014.

## 34 Related party transactions

### (a) Control relationships

The Group's parent company is LLC "PPFIN Region" (Russian Federation). As at 30 June 2015 and 31 December 2014, the ultimate beneficial owners of the Group were Mr. Andrey Vdovin (the owner of 22.528%), Mr. Alexey Maslovsky (the owner of 22.528%), Mr. Peter Hambro (the owner of 22.528%), East Capital Explorer Financial Institution Fund (Sweden) (the owner of 17.91%), International Finance Corporation (6.71%).

### (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 2015 RUB'000	30 June 2014 RUB'000
Short term employee benefits	47 259	91 521
	<b>47 259</b>	<b>91 521</b>

These amounts include non-cash benefits in respect of the members of the Board of Directors and the Management Board.

The outstanding balances and average effective interest rates as at 30 June 2015 and 31 December 2014 for transactions with the members of the Board of Directors and the Management Board are as follows:

	30 June 2015 RUB'000	Average effective interest rate, %	31 December 2014 RUB'000	Average effective interest rate, %
<b>Consolidated interim condensed statement of financial position</b>				
<b>ASSETS</b>				
Loans to customers	92 669	9.51%	298	21.67%
Other assets	1 677	-	1 498	-
<b>LIABILITIES</b>				
Current accounts and deposits from customers	121 334	12.77%	198 257	11.54%
Other liabilities	784	-	4 349	-
<b>Commitments</b>				
Undrawn loan commitments and overdraft	1 206	-	1 200	-

Other amounts included in the consolidated interim condensed statement of profit or loss and other comprehensive income 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:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
<b>Consolidated interim condensed statement of profit or loss and other comprehensive income</b>		
Interest income	987	-
Interest expense	(26 116)	(17 110)
Impairment losses	(540)	-
Other expenses (payments to the Board of Directors)	(5 069)	(1 045)

**(c) Transactions with shareholders**

The outstanding balances and average effective interest rates as at 30 June 2015 and 31 December 2014 for transactions with shareholders owning more than 10% share capital are as follows:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>Average effective interest rate, %</b>	<b>31 December 2014</b> <b>RUB'000</b>	<b>Average effective interest rate, %</b>
<b>Consolidated interim condensed statement of financial position</b>				
<b>ASSETS</b>				
Loans to customers	4 765 696	10.23%	4 643 669	9.88%
<b>LIABILITIES</b>				
Current accounts and deposits	3	-	6	-
<b>Commitments</b>				
Undrawn loan commitments and overdraft	-	-	-	-

Amounts included in the consolidated statement of profit or loss and other comprehensive income in relation to transactions with shareholders for the 6 months ended 30 June are as follows:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
<b>Consolidated statement of profit or loss and other comprehensive income</b>		
Interest income	268 983	7 249
Impairment losses	(2 702)	(5 922)

**(d) Transactions with other related parties**

Other related parties are represented by companies controlled by management, shareholders and the ultimate beneficial owners of the Group.

The outstanding balances and average effective interest rates as at 30 June 2015 and 31 December 2014 for transactions with other related parties are as follows:

	<b>30 June 2015</b> <b>RUB'000</b>	<b>Average</b> <b>effective</b> <b>interest rate,</b> <b>%</b>	<b>31 December</b> <b>2014</b> <b>RUB'000</b>	<b>Average</b> <b>effective</b> <b>interest rate,</b> <b>%</b>
<b>Consolidated interim condensed statement of financial position</b>				
<b>ASSETS</b>				
Cash and cash equivalents	846	-	1 754	-
Loans to customers	22 431	22.58%	29 004	15.08%
Other assets	1 507 910	-	2 354	-
<b>LIABILITIES</b>				
Deposits and balances from banks	129 698	-	24 663	3.70%
Current accounts and deposits from customers	564 731	13.86%	811 335	-
Other liabilities	7 271	-	284	-
<b>Commitments</b>				
Undrawn loan commitments and overdraft	1 222	-	1 450	-

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

	<b>30 June 2015</b> <b>RUB'000</b>	<b>30 June 2014</b> <b>RUB'000</b>
<b>Consolidated interim condensed statement of profit or loss and other comprehensive income</b>		
Interest income	2 633	7 466
Interest expense	(1 831)	(15 205)
Impairment recovery	212	1 596