

2010 Annual Report

Evrofinance Mosnarbank



ANNUAL REPORT

EVROFINANCE MOSNARBANK

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Reviewed and submitted for approval to the annual General Meeting of Shareholders by the Supervisory Board of Evrofinance Mosnarbank (Minutes No. 125 of the Supervisory Board meeting of May 27, 2011)

Approved at the annual General Meeting of Shareholders of Evrofinance Mosnarbank (minutes No. 48 of the annual General Meeting of Shareholders of June 29, 2011)

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1. AN ADDRESS BY PRESIDENT-CHAIRMAN OF THE BOARD





Dear Shareholders, Clients and Partners,

In 2010 the Russian economy showed positive dynamics of major indicators after a decline in the recent years.

This positive trend also referred to the Russian banking sector as a vital economic sector.

In the reporting period, Evrofinance Mosnarbank went ahead with its progressive development ensuring accomplishment of its main objective – preservation and growth of shareholders' funds. The Bank's equity totaled 13 billion rubles with assets of 36.4 billion rubles.

In 2010 the Bank maintained a high capitalization and liquidity rates, which indicates its reliability and financial stability.

The Bank has traditionally observed recommendations of the Basel Committee on Banking Supervision, and after their tightening in September 2010, the Bank continues to comply with new Basel III requirements concerning the capital structure and asset quality.

The Bank sustainably operated at a profit despite fluctuations of the macroeconomic situation in the country in the last two years. In the reporting year, the Bank's profit totaled 772 million rubles.

The enhancement of the corporate management system in line with world's best practices gave positive results. In the reporting year, the Bank optimized its corporate structure, increasing the efficiency of business processes and maintaining profitability of primary bank activities in conditions of lower market rates. The primary activity of Evrofinance Mosnarbank is granting loans to corporate customers. Preference was given to reliable borrowers with a positive credit history. The requirements to borrowers

1. AN ADDRESS BY PRESIDENT-CHAIRMAN OF THE BOARD

and collateral quality were tightened resulting in a high quality of the credit portfolio and reduction of overdue debt to 0.4% of its amount.

In the reporting period the Bank focused on developing its client base and improving its customer service. A personal manager is assigned to major customers of the Bank for supporting any current and strategic issues. The transition from sales of individual products to maximum satisfaction of customers' needs justified itself completely. Most customers who earlier used separate products and services switched to all-inclusive banking services. An additional factor contributing to improvement and preservation of the high service quality was further development of advanced information technologies.

The regional policy of Evrofinance Mosnarbank targeted reorganization and optimization of its branch network as a primary method for promoting its products and services. The location of branches in economically developed regions and activities of branches for supporting the Bank's goodwill contributed to realization of this policy. Successful accomplishment of tasks set for the branches resulted in preservation of major customers, leaders in the local industry, and a significant diversification of the credit portfolio by attracting new customers.

Last year the Bank was actively involved in and remained one of major players in the stock market.

Evrofinance Mosnarbank provided professional services to its customers with a full range of operations with securities nominated in rubles and foreign currencies in the formal and over-the-counter markets. The specialists of the Bank implemented new technologies and enhanced available technologies for performing transactions.

At the end of the reporting year, an important event happened in the Bank's life – a change in the Bank's ownership. Based on decisions made on the government level, the Bank's shareholders in addition to VTB Vank, GPB and their subsidiaries, now include Venezuelan National Development Fund (FONDEN).

Based on the Bank's performance in 2010, Fitch-Ratings assigned to the Bank a one-level higher long-term rating, and Moody's confirmed its rating.

In the list of 1,000 Top World Banks published by The Banker in 2010, Evrofinance Mosnarbank improved its position by 31 points as compared to the previous year and was rated the 869th bank.

In conclusion, I would like to express my gratitude to our strong team of professionals.. Their energy, initiative and dedication helped the Bank succeed in the reporting year and be optimistic about its future qualitative development.

I would like to thank our shareholders and partners for their support and productive cooperation, and I would also like to thank our customers for their trust. I hope that in the new reporting year we will justify their trust and strengthen our position as a reliable and stable lending agency.

Signed

President-Chairman of the Board



Mr Stolyarenko



2. MANAGEMENT REPORT



2.1. Milestones

2010 Evrofinance Mosnarbank united the following international shareholders: VTB Bank, VTB Bank (France) SA, ITC Consultants (Cyprus) Limited, GPB (OJSC), Gazprombank (Switzerland) Ltd and Venezuelan National Development Fund (FONDEN S.A.);

2009 EEUROMONEY magazine recognized Evrofinance Mosnarbank as the Best Bank in Risk Management in Russia;

2008 Evrofinance Mosnarbank was twenty-seventh among Russian banks by joint-stock capital according to The Banker;

2007 Evrofinance Mosnarbank is the leader in corporate management among banks in Central and Eastern Europe according to EUROMONEY;

2005 2005 Vneshtorgbank acquired BCEN – Eurobank, Paris and MNB Limited, London and Vneshtorgbank became the largest shareholder of Evrofinance Mosnarbank;

2005 Evrofinance Mosnarbank was included in Top 1,000 world banks according to The Banker;

2003 Evrofinance Mosnarbank emerged in Russia as a result of merger of Mosnarbank with Evrofinance Bank;

2001 According to Standard & Poor's, Evrofinance Bank became the most profitable bank among top one hundred banking institutions in Central and Eastern Europe;

1998 Having endured the economic crisis, Evrofinance managed to increase the number of customers, the amount of attracted funds and was one of few banks which continued granting loans to the real sector of economy;

1996 Evrofinance Commercial Bank was accepted to the International Chamber of Commerce. Investments in federal loan bonds/state treasury bills made through the Bank exceeded 3.4 billion US dollars;

1995 Mosnarbank, a wholly owned subsidiary bank of Moscow Narodny Bank Limited, London, was incorporated in Russia;

1993 Bank Evrofinance (legal successor of Evrofinance company) was registered in Russia and received a full banking license; the shareholders of the Bank were BCEN-Eurobank, Paris, Bank for Foreign Economic Relations of the USSR and Bank of Foreign Trade of Russia;

1990 North European Financial Company (Evrofinance) was established in the USSR as one of the first financial companies with foreign capital with a full license granted by the USSR State Bank upon incorporation;

1921 BCEN-Eurobank (Banque Commerciale pour l'Europe du Nord) was incorporated in France and later became a subsidiary of the USSR State Bank and the Bank of Russia;

1919 The London branch of MNB was reorganized into a bank according to English law – Moscow Narodny Bank Limited (MNB Limited). As a result of nationalization, MNB Limited became a subsidiary bank of the USSR State Bank (subsequently – the Bank of Russia);

1915 A representation of MNB was opened in London;

1911 Moscow Narodny Bank (MNB) owned by cooperatives was established in Russia as the largest private bank in the Russian Empire.

2. MANAGEMENT REPORT



2.2. Development Strategy

Developing the strategy for 2011 and 2012, Evrofinance Mosnarbank focused its efforts on a high level of capitalization which in conditions of economic instability creates a foundation for stable and sustainable operation. Special focus was made on maintaining high liquidity. To accomplish these objectives, the mid-term strategy of the Bank's development provides for further development and improvement of the risk management system.

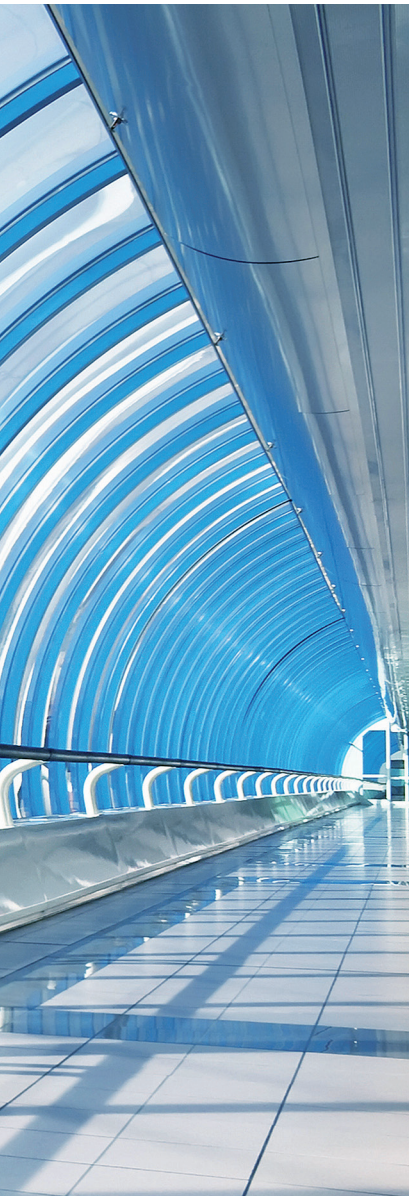
An important direction of the Bank's activities remains to be granting loans to oil and gas, electric power, metallurgic and machine building enterprises. The Bank intends to increase the amount of loans to mining, infrastructure, petrochemical and shipbuilding industries. Special attention will be given to credit portfolio diversification (both by industries and regions) and a balanced risk management policy. The Bank will focus on developing the corporate banking sector, project and structured financing, trade financing and investment banking business (transactions in the capital market, underwriting, brokerage and trust operations, asset management, investment consulting, M&A, etc.).

In the stock market the Bank intends to focus on developing high-tech services subject to most advanced technological achievements.

In the future, the Bank will also pay considerable attention to further improvement of corporate management standards including enhancing business transparency, separation of managing and supervisory functions and preparation of reports in line with international standards.

2. MANAGEMENT REPORT

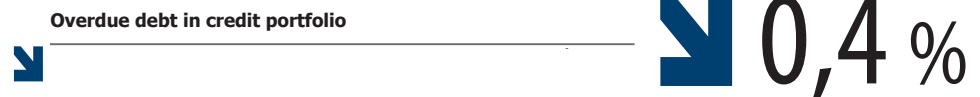




2.3. Operating Activity Overview

Customer Service

In view of the current economic situation in Russia, the customer-related policies of Evrofinance Mosnarbank in 2010 was focused on developing a client base of sustainable enterprises in leading industrial sectors. The Bank concentrated its efforts on working with “problem” customers which resulted in reducing the share of overdue debt to 0.4% of its total credit portfolio in 2010.



In 2010 the Bank’s customer base included enterprises from various economic sectors including fuel and energy industry, metallurgy and metal working, machine building and chemical industries. In servicing leading branch enterprises the Bank continued to use a customized service approach based on specific needs of the customers. The main trend of the Bank’s customer-related policies in 2010 was increasing competitiveness of the Bank’s services subject to market conditions through diversification of services and products and introduction of new technologies.

An important aspect of the customer-related policies is improvement of service quality and rate. The Bank managed to achieve success in this respect by creating a team of personal managers, i.e. highly qualified professionals capable of finding solutions to customers’ operating and strategic tasks.

Personal managers provide consulting services in arranging financing, transaction structuring and financial monitoring for their customers subject to specific needs and features of each enterprise or organization.

Implementing a policy of mutually beneficial cooperation, in 2010 the Bank saw its main goal in increasing the amount of credit operations and establishing long-term partnership relations with customers. As a result, in 2010 most customers using specific banking products, in particular trade financing, switched to all-inclusive banking services.

One of the main advantages of using the Bank's services has always consisted in high communi-

cation culture. It is not only a matter of pursuing business ethics in dealing with the customers, but also of offering consulting support in transaction structuring based on purposes of the funds attracted from every particular customer, and also providing services related to foreign exchange control, international financing and legal issues.

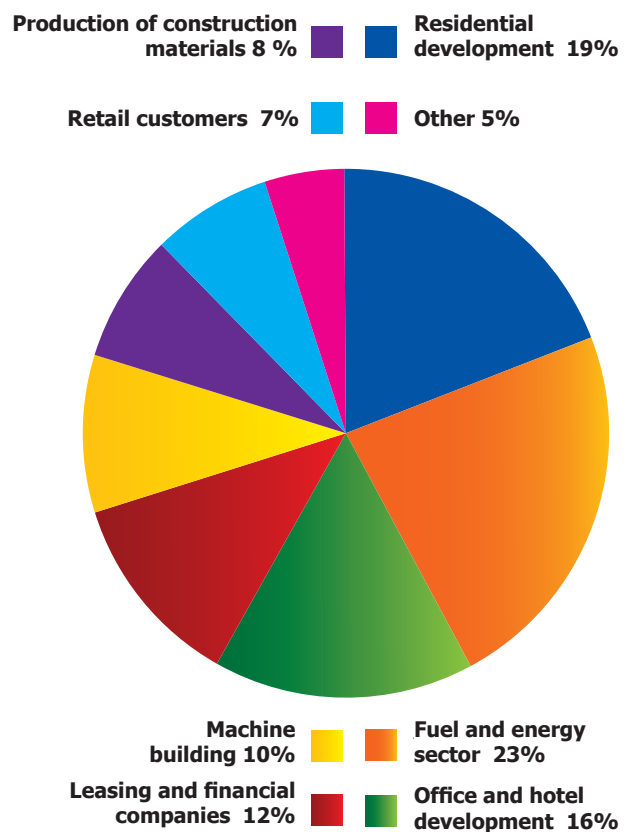
An important factor ensuring a high quality of the Bank's services is the use of advanced IT technologies. In the reporting year the Bank in cooperation with Bank Soft Systems, a leading bank software developer, successfully implemented and developed an operating control and cash flow management system Corporation Settlement Center.

Credit Policies

Credit services for corporate customers have traditionally been a primary line of Evrofinance Mosnarbank's activities. In the reporting year, the key elements of the loan policies was reduction of risk by credit operations, maintaining the optimum credit portfolio and improvement of available loan products. The Bank as a whole followed a reasonably conservative policy. Last year credits were granted for acquisition of fixed assets and equipment, materials and supplies, for capital investments and working capital financing. In the reporting year, the Bank also provided project financing, export contract financing and participated in financing municipal programs.

The credit portfolio structure by sectors as of January 01, 2011 reflects the credit policies targeted at supporting regular and reliable suppliers with a long-term credit history with the Bank.

Credit Portfolio Structure by Industries
as of January 01, 2011



Quality Improvement of the Bank's Credit Portfolio

Bank's credit portfolio as of January 01, 2011



Past-due debt



Ratio of reserves for potential losses



A slight reduction of the amount of credit operations in 2010 resulted from the Bank's conservative credit policy. The Bank tightened regulations regarding financial situation of borrowers and the quality of collateral. The conservative credit policy ensure a high quality of the credit portfolio however it affects its amount.

The loan policy concept helped successfully ac-

complish the Bank's goals, in particular achieve a significant improvement of the Bank's credit portfolio. The amount of overdue debt was reduced from 1.4 to 0.4 billion rubles in the reporting period, and the ratio of reserves for potential losses to the credit portfolio dropped from 9.2% to 5.2% by the end of 2010.

Borrowers' creditworthiness is assessed based on macroeconomic conditions in the country, borrowers' market position and perspectives, financial situation, availability of collateral and its quality. Last year the Bank accepted real estate, transportation means, pledge of aircrafts, shares, rights to claim proceeds under contracts and sureties of financially sound companies as collateral.

Having tightened its approach to assessing the quality of credit portfolio, the Bank maintained the same financing conditions for its long-term customers with a positive credit history, in particular unsecured lending.

Subject to expected improvement of economic conditions, the Bank in the next few years intends to restore the previous financing amount and then develop its own credit programs while maintaining a high quality of the Bank's credit portfolio.

Services in the Stock Market

In the reporting year, Evrofinance Mosnarbank actively invested in securities of Russian issuers, including government, sub-federal and corporate bonds as well as shares. To enhance reliability of investments and to manage risk more effectively, the Bank increased the range of acquired bonds while still giving preference to debt instruments rated by international agencies and included in the Lombard list of the Bank of Russia. At the end of the year, the trading portfolio in absolute terms reached 7.8 billion rubles.

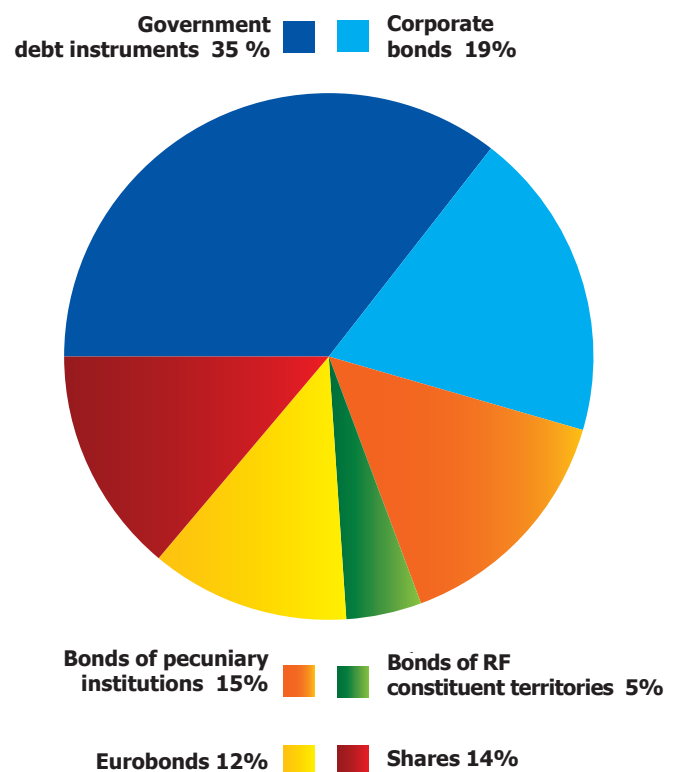
In 2010, the Russian stock market resumed growth after a downfall in 2008. In 2010, the Bank maintained investments in debt securities of highly reliable issuers at a relatively high level. In the first half of the reporting year, investments increased while in the second half, a number of positions were closed due to achieving the target profitability of investments in debt securities and a higher risk of repeated overheating of the stock market. The main criteria for selecting securities were financial stability of issuers and the growth potential in the industry.

In the reporting period, Evrofinance Mosnarbank maintained its position as one of the most noticeable players in the organized and over-the-counter market of debt

instruments and shares of Russian issuers. The Bank's transactions with securities in 2010 totaled 72 billion rubles, and profit under securities operations reached 740 million rubles.

As of the end of the reporting period, the trading portfolio was represented primarily with liquid securities.

Securities Portfolio Allocation
as of January 01, 2011



In 2010 the Bank continued providing all-inclusive brokerage services to retain and corporate customers performing operations on major trading sites in Russia and providing consulting service sin financial markets. In this period, the Bank's client base for brokerage services increased by over 10%.

Increase of the Bank's brokerage customer base



 10 %

In the framework of brokerage services, Evrofinance Mosnarbank made numerous transactions with debt instruments and shares nominated in rubles and foreign currencies circulating in organized and over-the-counter stock markets.

Services to customers were provided with NetInvestor electronic trading system offering a wide range of online tools for managing assets.

Investment and Banking Operations

In 2010, Evrofinance Mosnarbank participated in a number of major projects (in some of them, the Bank was an underwriter/co-underwriter of bond issues):

Rosselkhozbank (10, 11, BO5, BO6)
GLOBEXBANK (BO1, BO2)
Severstal (BO2, Bo4)
VTB Bank (BO1, BO2, BO5)
TransCreditBank (5, 6)
ALROSA (CJSC) (20, 21, 22, 23)
ROSBANK (BO1, BO2)
Norilsk Nickel (BO3)
Atomenergoprom (6)
VypelCom-Invest (6, 7)
Federal Grid Company of Unified Energy System, FGC UES (6,7)
MTS (8), among others.

Due to profound expertise and significant experience in implementation of various projects in Russia and abroad, experts of Evrofinance Mosnarbank provided consulting services to foreign companies intending to increase their presence in Russia and to Russian enterprises willing to access international capital markets.

Depository Services

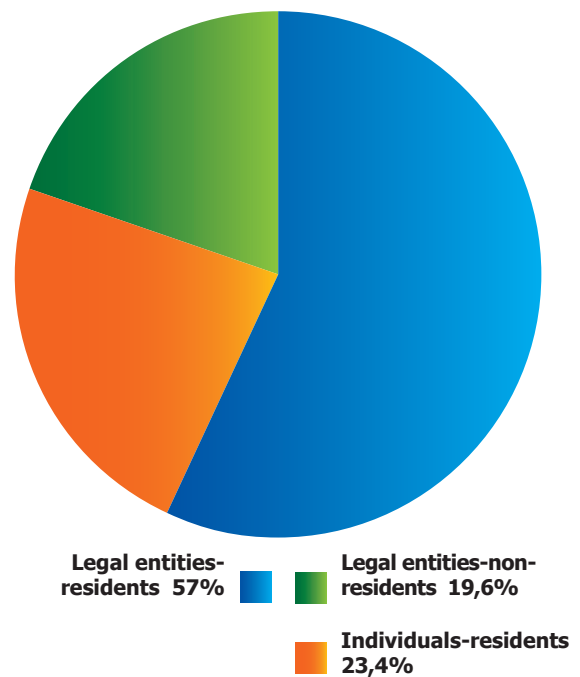
Evrofinance Mosnarbank is a universal depository working with all types of customers and securities issued in Russia and abroad.

In the reporting period the Bank focused on maintaining high reliability and providing all-inclusive services to a wide range of customers, in particular VIP services in over-the-counter market for very large transactions. Due to its reputation as a reliable, high-tech and universal supplier of depository services in the stock market and in the banking community, the Bank successfully guaranteed substandard transactions.

Evrofinance Mosnarbank kept in touch and developed cooperation with leading depositories of the Russian Federation and foreign custodian institutes. The representatives of the Bank's depository participated in the work of the depository committee of the National Securities Market Association.

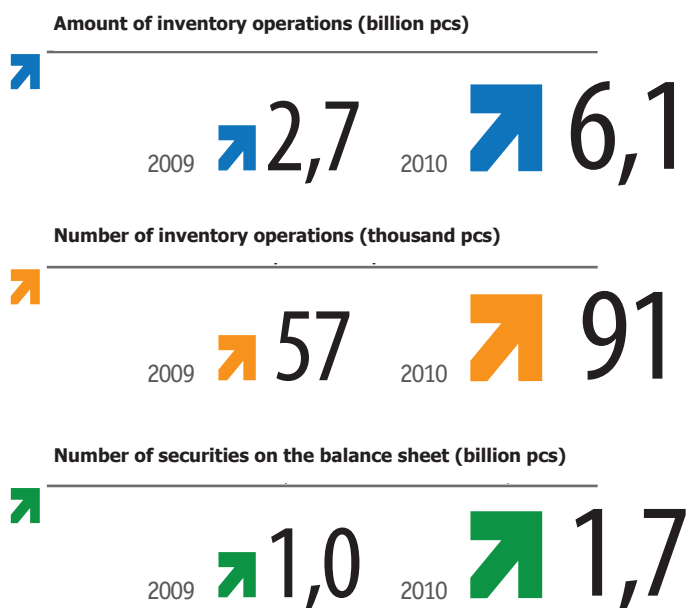
Evrofinance Mosnarbank developed correspondent relations with Euroclear international central depository, depositories of VTB Bank, Vnesheconombank and ING BANK (EURASIA).

Depository Client Base



Interdepository accounts for the Bank are opened with the National Clearing Depository which is a MICEX clearing depository as well as the Depository Clearing Company specializing on servicing securities transactions with the Russian Trading System.

In 2010, the range of operations performed by the Depository in the domestic and international stock market was expanded. The number of transactions went up 60% as compared to 2009, and the amount of securities used in operations doubled. The balance of securities kept by the Bank's Depository went up 68%.



Operations in the Money and Foreign Exchange Markets

Evrofinance Mosnarbank was an active participant in the Russian money market in 2010. With a significant client base and a large network of contractors, the Bank maintained high liquidity and provided refinancing to Russian and foreign credit institutions secured by various assets. The reputation as a reliable business partner, precise and prompt performance of obligations enabled Evrofinance Mosnarbank to significantly strengthen its position in the interbank lending market in 2010.

In the last several years, the Bank has been a net seller of credit resources in the interbank financing market, and the year of 2010 was not an exception. In the reporting period, the Bank granted interbank credits for 1,329 billion rubles and received interbank loans for 148 billion rubles.

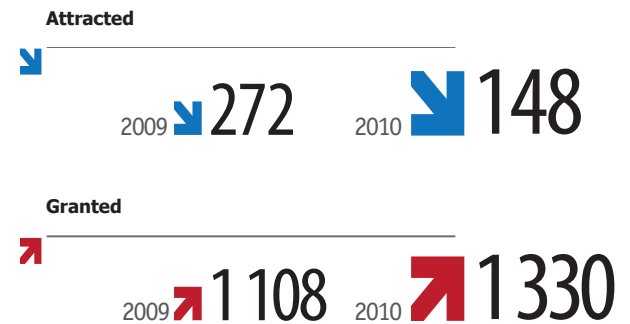
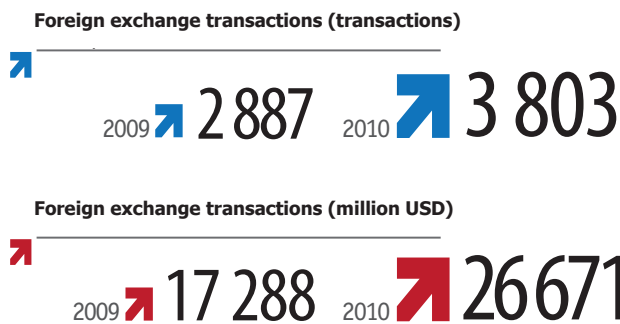
Interbank loans in 2010, billion rubles

| | Granted | Attracted |
|-------------------|---------|-----------|
| Rubles | 704,35 | 142,6 |
| Foreign currency* | 624,62 | 5,5 |

(*equivalent in rubles)

Interbank loan dynamics (billion rubles)

Foreign exchange transactions in the foreign exchange money market



The basis of the Bank's strategy in the foreign exchange sector of the money market last year was maintaining a level of liquidity required for effective risk management and compliance with requirements of the Bank of Russia. Last year the Bank continued to actively use foreign exchange transactions to insure and cover potential exchange risks of the foreign currency market and to receive arbitration earnings.

The amount of stock and over-the-counter conversion transactions in 2010 totaled 26.7 billion US dollars.

The Bank performed foreign exchange transactions upon request of customers totaling 1.2 billion US dollars.

A slight reduction of the amount of client foreign exchange transactions as compared to previous years was effectively compensated through the Bank's own transactions maintaining high profitability of foreign exchange operations.

Relations with Financial Institutions

In 2010 Evrofinance Mosnarbank continued developing mutually beneficial cooperation with financial institutions in Russia and abroad. The Bank focused primarily on expanding the range and quality of services provided to financial organizations and optimization of the network of contracting banks for correspondent nostro accounts.

At the end of 2010, settlement services were provided to over 100 correspondent banks with 300 correspondent loro accounts.

In the reporting year, the range of banks-partners remained primarily stable. Based on extensive experience and through ongoing improvement of internal settlement technologies, Evrofinance Mosnarbank successfully maintained its presence in the Russian market of settlement services.

Stable relations with contracting banks and a wide network of nostro accounts allowed the Bank to promptly perform international and domestic settlements for the needs of its customers in all major currencies of the world and in clearing currencies for settlements with India and China.

Banking Cards

Evrofinance Mosnarbank is a full-fledged participant in international payment systems Visa International, Master Card International and China UnionPay as well as the Central Clearing Bank of Union Card payment system. The Bank traditionally pays special attention to developing settlement technologies subject to advanced trends in the banking card market to offer customers a unified service for banking card transactions in the Russian Federation and abroad.

Last year in the framework of improving the quality of client services, the Bank optimized the terms of issuing banking cards with permissible overdraft and commission fee rates for performing operations upon request of retail customers. The Bank's banking card policy was targeted primarily on corporate customers in the form of payroll card programs. In the framework of payroll projects, the Bank continues cooperation with various enterprises and organizations (large, medium and small businesses), and the number of such customers last year reached 145 organizations. Acquisition by an enterprise or an organization of a service for paying salaries through banking cards and installation of ATMs for disbursing cash simplifies salary payments, ensures confidentiality and enhances settlement security.

Striving for comprehensive implementation of advanced payment technologies, in 2010 the Bank completed the project allowing making payments with the Bank's cards through its ATM network to cell phone operators and Internet providers, utilities, housing cooperatives and other organizations in Moscow, Yaroslavl, Stavropol, Saint Petersburg and other branches of the Bank.

As the Union Card Central Clearing Bank for many years, the Bank continues successful development of a local clearing system involving several partner banks. In addition to accelerating payments, this system enables cardholders of one bank-member of the local clearing system to make withdrawals from ATMs of another bank that is a member of the same system.

The system currently unites over 130 ATMs in Moscow and the Moscow Region, Saint Petersburg, Obninsk, Samara, Sochi, Tver and several other cities.

The Bank consistently develops interbank cooperation in issuing and servicing Visa International, Master Card International and China UnionPay cards. Currently fourteen banks participate in the Bank's sponsorship program.

In the reporting period the Bank continued implementation of the project for issuing and servicing China UnionPay banking cards.

The Bank was the first in Russia to issue China UnionPay cards and was among the first to accept China UnionPay cards in its ATMs.

Evrofinance Mosnarbank performed a number of organizational technological measures for enabling the use of China UnionPay cards in the network of Union Card and NCC payment systems. The Bank's Cardholders now can make withdrawals and make payments for products and services in over 4,000 ATMs of the banks-participants in the said payment systems.

Last year Evrofinance Mosnarbank along with Russia's leading banks took an active part in developing a bill on the National Payment System, in activities of the Russian-Vietnamese group for interbank cooperation, in meetings of the Russian-Chinese Interbank Cooperation Subcommittee.

As the Central Clearing Bank of Union Card, Evrofinance Mosnarbank performs intensive work for integration of the payment system with the republics of the former Soviet Union such as Kazakhstan, Belarus, etc.

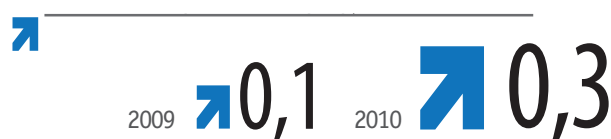
Regional Policy

In the reporting period, the regional network of Evrofinance Mosnarbank consisted of 9 branches in Vladimir, Volgograd, Krasnoyarsk, Nizhny Novgorod, Rostov-on-Don, Samara, Saint Petersburg, Stavropol, Yaroslavl, two operating offices in Pyatigorsk and Nevinnomyssk, an operating office in Voronezh and a representation in Beijing (People's Republic of China).

The activities of branches on the background of a reviving economic situation were targeted at cooperation with major corporate customers that despite the crisis managed to maintain their leadership in the regions.

The regional network credit policy was targeted at maintaining and developing cooperation with regular and reliable borrowers with a positive credit history. In 2010 the Bank's regional offices attracted a number of new major corporate customers from various economic sectors which resulted in a significant increase in their total proceeds as compared to 2009. Financial performance indicators of the branch network are presented below.

Balance sheet profit (billion rubles)



Activos, captados por las sucursales (billones de rublos)



Credit portfolio (billion rubles)



Balance sheet total (billion rubles)



In addition to maintaining mutually beneficial cooperation with strategic customers, the branches actively developed their own positive goodwill in the regions and in the banking community.

However, due to the Bank's focus on developing trading and economic cooperation between Russia and Venezuela which may be seen by new shareholders as one of the Bank's priorities, and corresponding changes in Evrofinance Mosnarbank's development strategy, there may be certain changes in the Bank's regional policies potentially resulting in reorganization of the branch network in the near future.



2. MANAGEMENT REPORT



2.4. Financial Performance Overview

Balance Sheet Structure

In 2010 the situation in the Russian financial market was relatively stable, and the dynamics of the Bank's major financial indicators met the forecast levels. Evrofinance Mosnarbank followed the principles of balanced risks and balance sheet structure in line with the development strategy providing for optimum profitability of banking operations in existing market conditions.

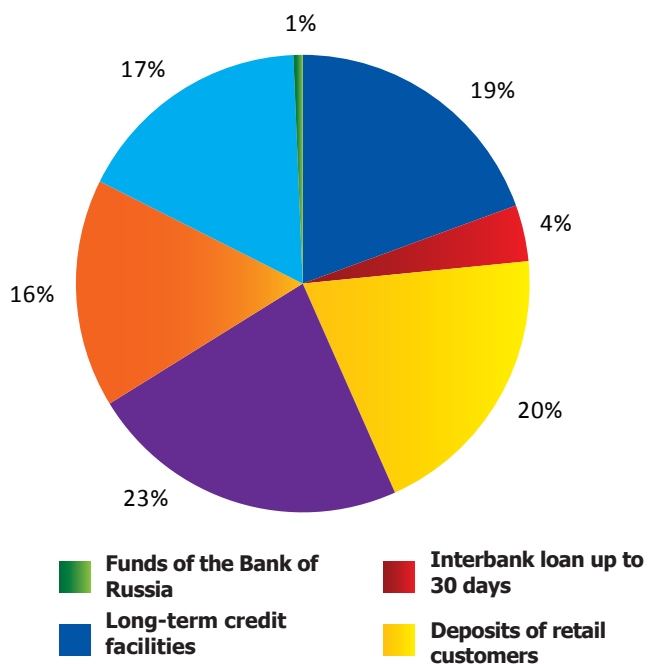
LIABILITIES

Raised Funds and Liabilities

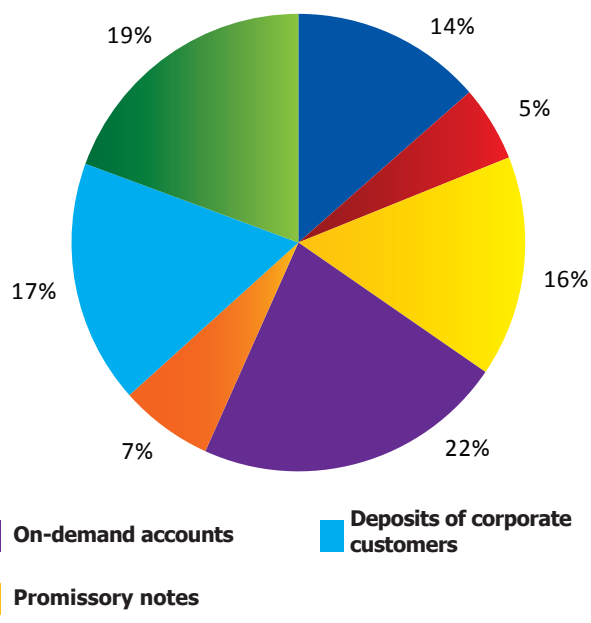
Based on a conservative forecast and evaluation of the economic situation, the Bank did not exclude a possibility of a slight decline in the resource base in 2010. After repayment of loans granted by the Bank of Russia of 1.5 billion rubles, the amount of raised funds dropped which was the main reason for a reduction of liabilities in the reporting period (by 2.7%). On average the resource base amount and structure in the reporting period were stable, slightly above the planned level and comparable to those of the previous year.



Raised Funds in 2010



Raised Funds in 2009



Maintaining a high liquidity, the Bank remained a net creditor in the interbank market without using interbank loans to maintain its current liquidity. In 2010, the amount of funds granted in the interbank sector exceeded raised funds by 1.1 trillion rubles. The average share of funds raised in the interbank market did not exceed 4% in the total resource base.

After a slight reduction of funds raised from retail customers in the crisis year of 2008, the reporting period

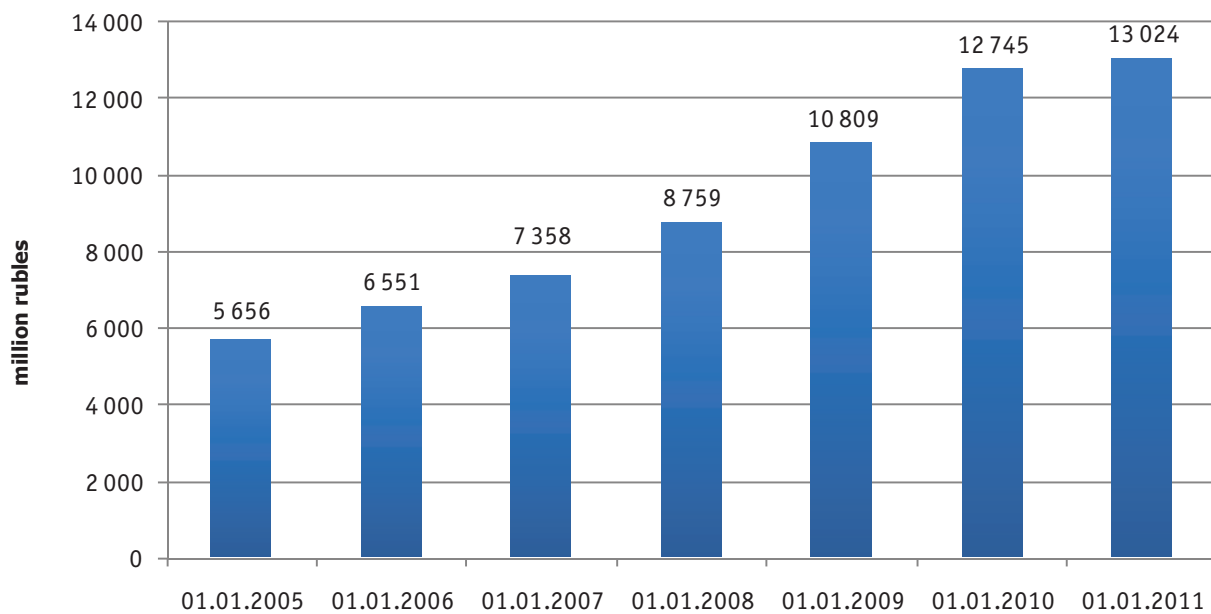
showed a growing trend (on average 5% per annum). The balances of retail customers were sufficiently stable with prevailing fixed-term deposits. Thus, the ratio of fixed and on-call deposits was 75% to 25%, respectively. Due to a reduction of the official bank rate and an outlined general trend of lower market rates in 2010, the Bank reduced the rates for funds attracted from individuals which did not however result in a reduction of funds from retail customers.

Own Funds

In line with the development strategy, the Bank maintained a high level of capitalization which in conditions of economic instability builds a foundation for sustainable operation. As of January 01, 2011, the share of equity in

total liabilities was 35%, The Bank's own funds calculated according to the requirements of the Bank of Russia as of January 01, 2011 reached 13,024 million rubles.

Own Funds Dynamics from 2005 through 2010

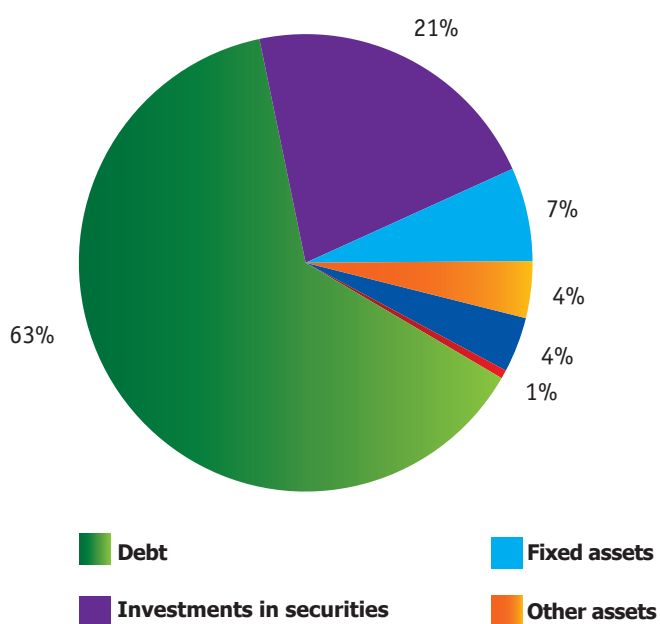


ASSETS

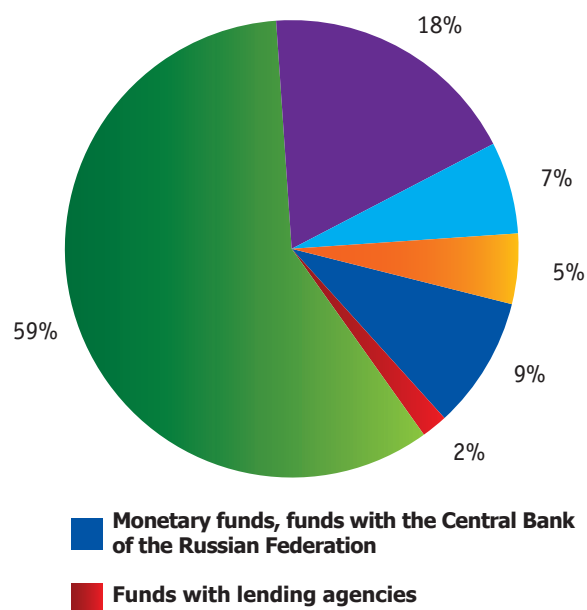
The development of the optimum asset structure was targeted at reducing risks and maintaining a high liquid position of the Bank. In 2010 the structure did

not undergo any significant changes as compared to the previous year maintaining similar relative ratios by major investments:

Asset Structure in 2010



Asset Structure in 2009

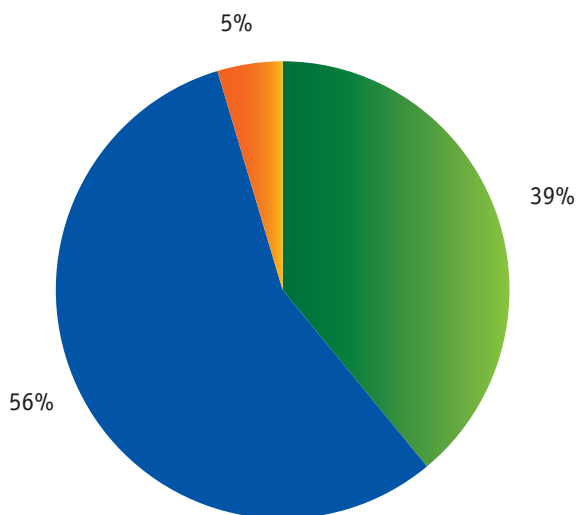


Credit Portfolio

In the reporting period the credit portfolio did not change and equaled 22.9 billion rubles as of January 01, 2011 (as compared to 22.0 billion rubles as of early 2010). In 2010 the Bank followed a conservative credit policy and

restricted its credit portfolio to only proven and reliable borrowers. As a result, the structure of the overall credit portfolio changed towards a higher share of interbank loans.

Credit Portfolio Structure in 2010

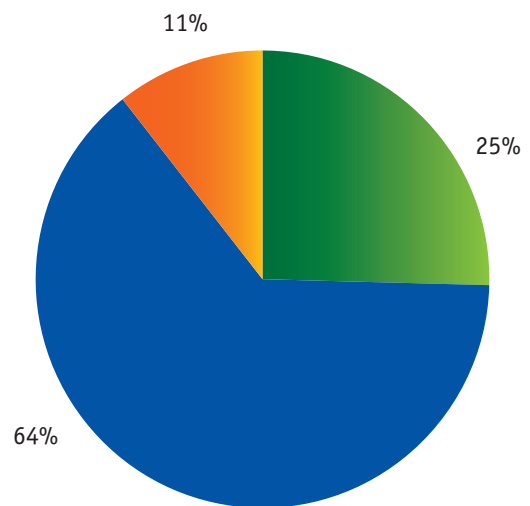


Interbank loans

Credits to corporate customers

Credits to retail customers

Credit Portfolio Structure in 2009



Security Portfolio

For a number of years, the Bank has been maintaining a certain amount of investments in liquid securities of corporations and lending agencies.

As of January 01, 2011, the total security portfolio consisted of securities with permissible risk and profitability including corporate bonds (51%), government debt instruments (35%) and shares of major Russian corporations (14%).

Income and Expenses

In the reporting year, the profit of Evrofinance Mosnarbank before tax totaled 1,137.3 million rubles. The capital profitability comprised 8.7% (based on profit before tax).

The reporting year of 2010 may be characterized as a period of the banking sector reactivation and gradual increase in real economy financing. This period showed a significant reduction of interest rates and as a result, interest margin of lending agencies. This also affected the financial results of the year in terms of net interest income which with the same working assets dropped as compared to 2009 from 2.7 billion rubles to 2.1 billion rubles (by 22%).

In general, the income and expense structure of Evrofinance Mosnarbank reflected the Bank's strategy targeted at corporate business development. Operations with corporate customers were the primary source of income.

Interest income reached 3,012 million rubles and its share in total profits went from 77% to 88% as compared to the previous year. The largest part of profit was derived from credit operations with legal entities and individuals (64% of total profit from primary activities).

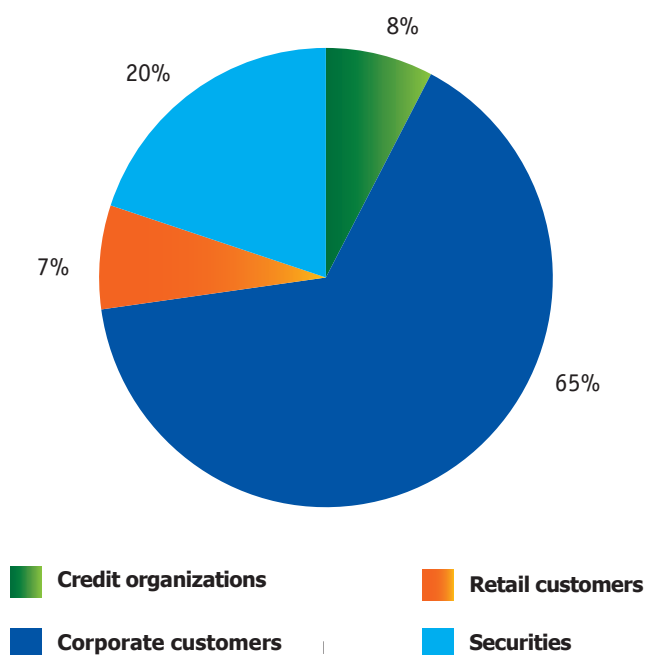
A significant part of profit (24.3%) is accounted for by interest income under operations in the interbank lending market and fixed income under securities. Trade returns under securities dealings and foreign-

exchange assets reached 5.3% of total profits.

The structure of interest income is comparable to the structure of working assets and remained almost the same as in 2009.

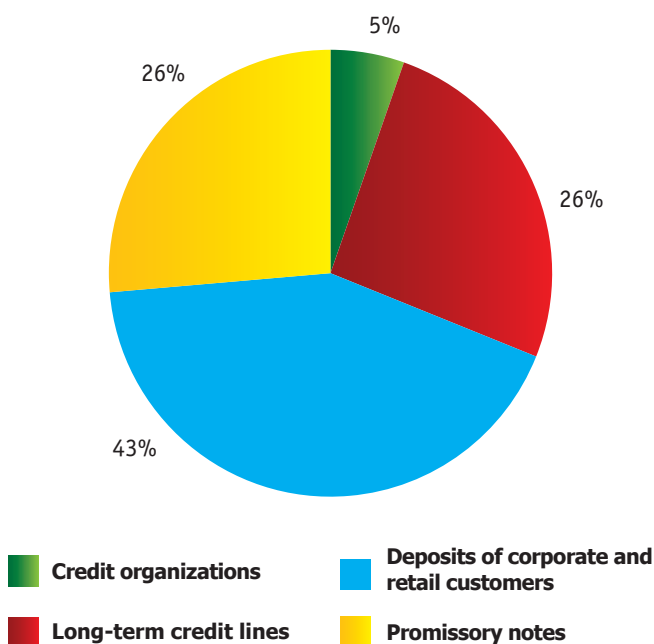
Interest income under credits granted to corporate and retail customers totaled 2,183 million rubles, under transactions in the interbank market – 230 million rubles and fixed income under securities – 599 million rubles.

Interest Income Structure



Out of total interest expenses (893 million rubles), the largest share (42.6%) accounted for expenses for deposits of legal entities and individuals, 26% - expenses for own debt obligations, 26% - for long-term loans, and 5% - loans in the interbank market.

Interest Expense Structure



The Bank's operating expenses totaled 2.4 billion rubles. The ratio of operating expenses and income from the Bank's primary activities was 68%.

The amount of remuneration paid to the President-Chairman of the Board and members of the Board is determined based on labor contracts. The total remuneration paid to all members of the Board in 2010 reached 448 million rubles. Additional payments related to results of the Bank's activities in general and its departments were made based on specific decisions of the Board.

Major Transactions and Transactions between Interested Parties

In 2010 Evrofinance Mosnarbank did not perform any transactions qualified as major transactions according to Article 78 of Federal Law No. 208-FZ On Joint-Stock Companies of December 26, 1995.

Transactions between interested parties were performed by Evrofinance Mosnarbank in 2010 in the course of regular economic activities of the Bank and were approved by decision of the General Meeting of Shareholders (Minutes No. 46 of June 15, 2010) based on Article 83 of Federal Law No. 208-FZ On Joint-Stock Companies of December 26, 1995. The amount of each transaction did not exceed 10 percent of the balance sheet value of the Bank's assets according to its accounting statements as of the latest reporting date, and the total amount of such transactions did not exceed the limits prescribed by the Bank of Russia.

2. MANAGEMENT REPORT



2.5. Risk Management

The function of financial risk management and control is assigned to competent specialized departments. Decisions on exposure of the Bank to financial risks are made by the Board upon suggestion of the Credit Committee or the Asset and Liability Committee as well as independently by the Committees within the authorities assigned to them by the Board.

The Bank is exposed to the following main risks:

- credit risk,
- market risk,
- liquidity risk,
- operating risk,

as well as legal, strategic and reputational risks.

The Bank follows Risk Management Policies which determine the following:

- division of responsibilities and powers among the departments initiating operations and the departments assessing and controlling the risks associated with such operations;
- basic principles for assessing and controlling such risks as well as methods for risk management development;
- approaches to maintaining an optimum balance between risk exposure and operation profitability.



The Bank's risk management policy provides for formal procedures of making risk decisions based on the following primary processes:

Credit risk

- rating assessment of borrowers by various client segments in the framework of step-by-step implementation of the Basel Agreement on Internal Ratings (IRB Approach);
- control of credit risk concentration per groups of related borrowers, industries, countries, regions, client segments and types of client products;
- assessment of economic capital required to cover credit risks;
- determining the cost of transactions subject to risk exposure;
- establishing limits;
- monitoring of the level of credit risks and preparing managing reports for the Bank's Board and relevant departments.

Market risk

- ongoing assessment and monitoring of the Bank's exposure to certain risks (Bank's positions by risks) and potential volatility of market parameters;
- determining and controlling limits of market risks accepted by the Bank;
- making decisions for risk redistribution based on a comparison of risk and profitability of certain operations;
- developing an action plan to protect the Bank's capital from losses in case of market risks realization;
- regular assessment of the Bank's exposure to sharp negative changes in market parameters (stress testing).

Liquidity risk

- compliance and estimation of liquidity standards prescribed by the Bank of Russia;
- establishing limits and regular inspection of the Bank's liquidity position with forecasts for a period of one year;
- liquidity stress testing;
- developing a detailed plan for liquidity restoration in case the Bank's liquidity drops to a dangerously low level;
- maintaining goodwill of the Bank and trust of its customers, depositors and other participants of the financial market to prevent a rapid outflow of funds from the Bank and to provide for external sources of liquidity replenishment.

Operating risk

- maintaining a list of operating risks including identification and assessment of risks by Bank departments;
- registration of information regarding risk events and their consequences;
- maintaining a database for the entire Bank of risk events and their consequences;
- maintaining an external database of operating risks;
- assessing operating risks of the Bank and defining the amount of capital reserved for the operating risks;
- planning the Bank's response to force majeure.

Legal risk

- compliance with discretion and conservatism principles;
- standardization of banking operations and other transactions (procedure, proceedings, technologies of operations and transactions, making agreements);
- establishing the internal procedure for approval by the legal department of any contracts made by the lending agency and other transactions other than standard operations;
- regular monitoring of legislative changes in the Russian Federation;
- maintaining high information support of the Client's Bank regarding legal changes;
- compliance with "know your client" rule.

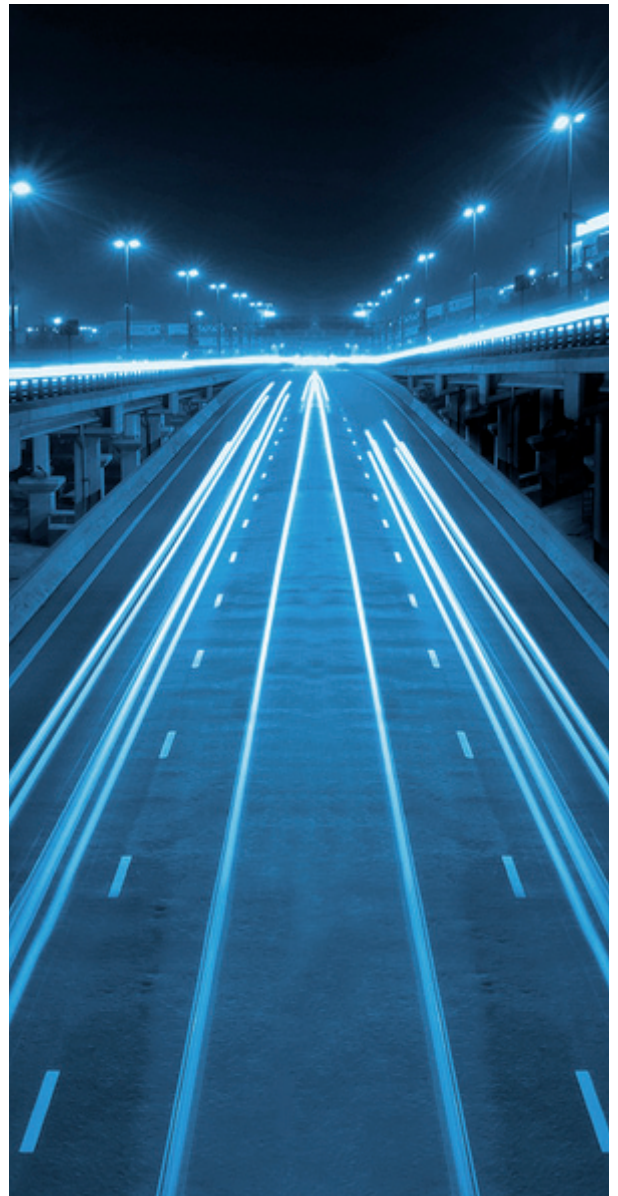
Reputation risk

- compliance with high professional moral standards;
- strict observance of contractual obligations to contractors and compliance with business practices;
- providing high quality banking services;
- regular charitable events;
- high financial transparency;
- regular staff training and advanced training;
- compliance with "know your employee" rule.

Strategic risk

- analysis of macroeconomic indicators, bank sector development and competition in the market in corresponding sectors;
- assessment of strengths and weaknesses of the Bank, potential development opportunities and threats capable of killing development opportunities;
- developing methods and plans for the development strategy implementation;
- control over implementation of development plans and monitoring of strategic goal accomplishment.

The active risk management system of the Bank is targeted at maintaining high liquidity and capitalization in line with the Development Strategy. The applied policies enabled the Bank to comply with new requirements of the Basel Committee (Basel-III) to asset structure and bank equity quality already in the reporting year. As of January 01, 2011, the first level capital accounted for 36% of the minimum requisite capital, whereas Basel-III recommended 6%.



2. MANAGEMENT REPORT





2.6. Ratings

Evrofinance Mosnarbank has the following ratings:



Moody's Investors Service

| | |
|--|------------------|
| ▶ Long-term rating | Ba3 |
| ▶ Short-term rating by foreign currency deposits | Not-Prime |
| ▶ Financial strength rating (FSR) | E+ |
| ▶ Rating forecast | stable |

FitchRatings

| | |
|-----------------------------|-----------------------------|
| ▶ National long-term rating | BBB |
| ▶ Long-term rating | B+ previsión estable |
| ▶ Short-term rating | B |



Moody's Interfax Rating Agency

| | |
|---------------------|------------------|
| ▶ Long-term rating | Aa3 (rus) |
| ▶ Short-term rating | RUS-1 |

3. CORPORATE MANAGEMENT



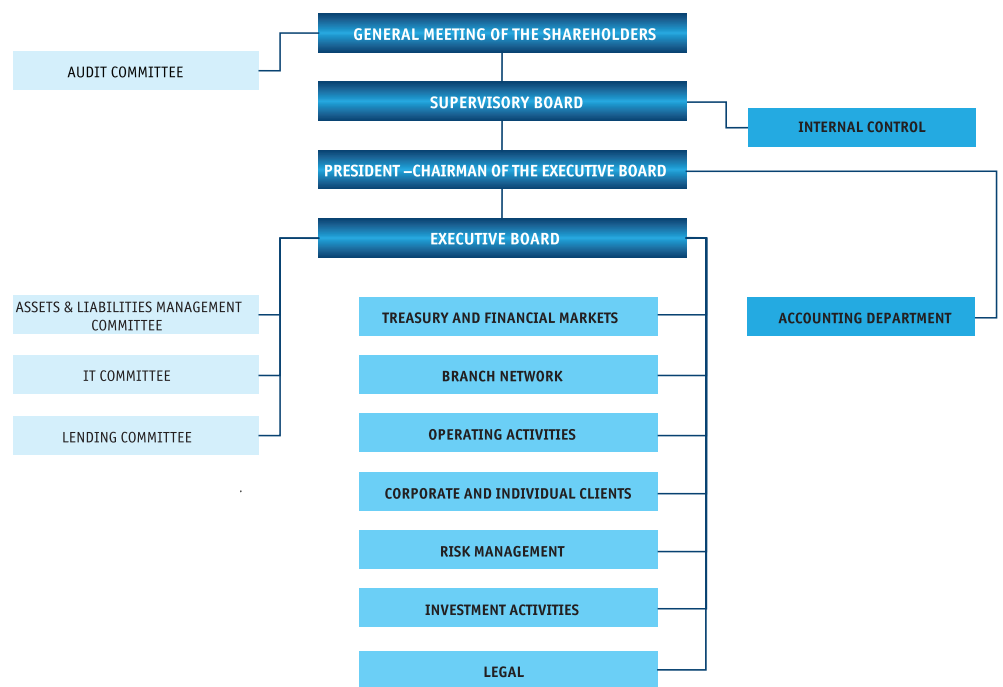


3.1. Corporate Management System Overview

The corporate management system of Evrofinance Mosnarbank is based on strict compliance with requirements of both Russian laws and the Bank of Russia, recommendations of the Federal Financial Market Service of Russia. It takes into account the world's best practices, too.

In its activities, Evrofinance Mosnarbank also takes guidance from fundamental provisions of the Corporate Conduct Code (set of rules).

Corporate Management Structure



3. CORPORATE MANAGEMENT

The Supervisory Board is a vital element of the Evrofinance Mosnarbank's corporate management system. The Supervisory Board manages the Bank's activities, defines the Bank's long-term strategy based on Russian laws, its Articles and Regulations.

The members of the Supervisory Board are elected by the General Meeting of Shareholders for a term until the next annual meeting. The members of the Supervisory Board are elected by cumulative voting at the General Meeting of Shareholders.

Meetings of the Bank's Supervisory Board may be convened by its Chairman or upon request of any member of the Supervisory Board, the Auditing Committee, the auditor or the President – Chairman of the Board. The quorum for Supervisory Board meetings is at least one half of the elected members of the Supervisory Board. Any decisions at Supervisory Board meetings are made by a majority of attending members except for the cases prescribed by the Supervisory Board Articles and the Regulations. When making decisions at Supervisory Board meetings, each member has one vote.

The President-Chairman of the Board manages

the Bank's current activities with a view to achieving its objectives and implementation of its strategy. The President-Chairman of the Board reports to the General Meeting of Shareholders and the Supervisory Board of the Bank.

The Board is a collective executive body of Evrofinance Mosnarbank and, jointly with the President-Chairman of the Board, it manages the current activities of the Bank. The Board reports to the General Meeting of Shareholders and to the Supervisory Board.

The Board acts based on Russian laws, the Articles of Evrofinance Mosnarbank, the Regulations on the Board of Evrofinance Mosnarbank approved by decision of the General Meeting of Shareholders and contracts concluded with each Board member. Contracts on behalf of the Bank are signed by the Chairman of the Supervisory Board.

The number of members and composition of the Board is determined, and members of the Board are elected by decision of the Supervisory Board.

The members of the Board are appointed by the Supervisory Board upon suggestion of the President-Chairman of the Board.

The Board manages current activities of Evrofi-

nance Mosnarbank except for any issues referred to the jurisdiction of the Committee and arranges for implementation of their decisions. According to applicable laws, the Auditing Committee audits financial and economic activities of the Bank. The audit procedure of the Auditing Committee is regulated by the Auditing Committee Regulations approved by the General Meeting of the Bank.

On the Supervisory Board of Evrofinance Mosnarbank, on the Board and in any departments supervising the Bank's financial and economic activities, there are no persons ever convicted of economic crimes or crimes against government authorities or on whom administrative penalties were imposed for offenses in entrepreneurial activities, finances, taxes and duties or the stock market.

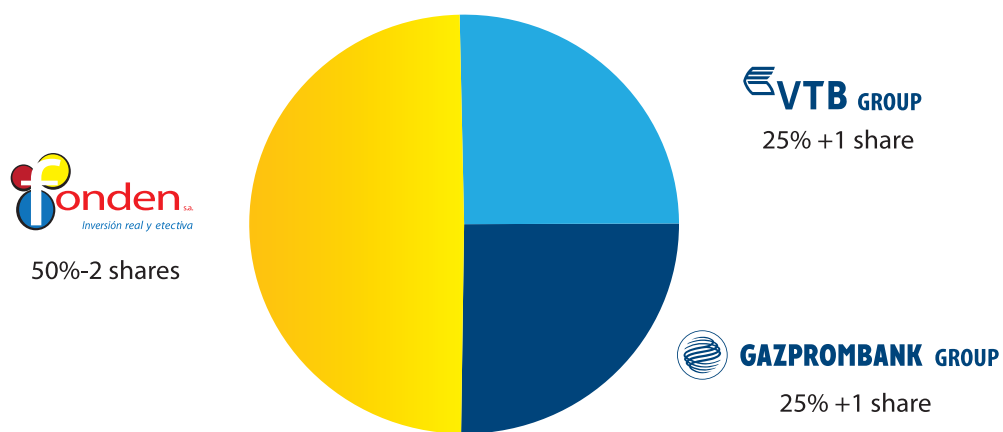
The primary information about the Bank and significant corporate events is presented on the Bank's website online.



3. CORPORATE MANAGEMENT



3.2. Shareholding Structure



VTB Group including:

VTB Bank, VTB Bank (France) SA, ITC Consultants (Cyprus) Limited

Gazprombank Group including:

GPB (OJSC), Gazprombank (Switzerland) Ltd

National Development Fund (FONDEN, S.A.)



VTB Bank (open joint-stock company) is National Bank No. 2 in Russia, a strategically important Russian bank which created an international financial group. VTB Group has a unique for Russian banks international network with over 20 banks and financial companies in 19 countries of the world.



Gazprombank (Open Joint-Stock Company) is one of the largest universal financial institutions in Russia providing a wide range of banking, financial and investment products and services to corporate and retail customers, financial institutions, corporate and private investors. The bank is one of top three banks in Russia and is fifth among banks in the Central and Eastern Europe.



The National Development Fund (FONDEN, S.A.) is a government structure created according to the Law On Partial Reform of the Law on the Central Bank of Venezuela. The creation of this institution complies with the new economic and financial strategy of national executive authorities. The Fund is also used to manage government debt and allows the government to develop a political strategy focused on elimination of both debt and its effect on the government budget in the coming years.

3.3. Supervisory Board

Chairman of the Supervisory Board

Mr Alexander Nikolayevich Shokhin

President of the Higher School of Economics, President of the Russian Union of Industrialists and Entrepreneurs, Member of the Public Chamber of the Russian Federation, Moscow. Independent member of the Supervisory Board.

Deputy Chairman of the Supervisory Board

Mr Sergey Petrovich Lykov

Deputy Chairman of Vnesheconombank, Moscow. Independent member of the Supervisory Board.

Members of the Supervisory Board

Mr Robert Mark Foresman

President of Barclays Capital Russia, Moscow.

Independent member of the Supervisory Board.

Mr Vladimir Mikhaylovich Stolyarenko

President-Chairman of the Board of Evrofinance Mosnarbank, Moscow

Mr Andrey Lvovich Kondakov

President of Black Sea Trade and Development Bank, Salonika Independent member of the Supervisory Board.

Mr Igor Georgiyevich Suvorov

President of Interstate Bank, Moscow

Independent member of the Supervisory Board.

Mr Vasily Nikolayevich Titov

First Deputy President-Chairman of the Board of VTB Bank, Moscow

Mr Alexander Valeryevich Yashnik

Vice-President – Director of the Development Department and Business Coordination of Subsidiary Banks of VTB Bank, Moscow

In the reporting period, no members of the Supervisory Board held any shares of Evrofinance Mosnarbank.

Curriculum Vitae of the Supervisory Board members

Mr Alexander Nikolayevich Shokhin

year of birth 1951, citizen of Russia, graduated from the Moscow State University in 1974, PhD in Economics, Professor. Between 1991 and 1994 Deputy Chairman of the Government of the Russian Federation. Simultaneously occupied the positions of Minister of Labor and Employment, Minister of Economy and the Chairman of the Russian Agency for International Cooperation and Development. 1998 – Deputy Chairman of the Government of the Russian Federation for financial and economic affairs. 1994-2002 – deputy of the State Duma in three compositions. 2002-2005 – Chairman of the Supervisory Board of Renaissance Capital. Since 1995 – President of the Government University of the Higher School of Economics. Chairman of the Department of Theory and Practice of Business and Government Cooperation. Since 2005 – President of the Russian Union of Industrialists and Entrepreneurs, a member of the Public Chamber of the Russian Federation, Moscow. On the Board for National Priority Projects and Demographic Policy at the President of the Russian Federation, Committee for Creation and Preparation of Management Staff at the President of the Russian Federation, Committee for Competitiveness and

Entrepreneurship at the Chairman of the Russian Government, committees of the Russian Government for administrative reforms, high technologies and innovations, for small and medium business.

Independent member of the Board of Directors of Lukoil, Russian Railways and a number of other companies.

Mr Robert Mark Foresman

born in 1968, a US citizen, in 1990 graduated from Bucknell University with a degree in international relations, in 1993 – from Harvard University Graduate School of Arts & Sciences. His thesis was titled "Voucher Privatization Policy in Russia", MA.

Graduated from the Moscow Power Engineering Institute. In 1993-1995 Mr Foresman was in charge of the Consulting Group of International Financial Corporation (IFC) for privatization in Ukraine. From 1995 to 1997, he worked at IFC's headquarters in Washington and supporting investment transactions in project financing and private investments. In 2001 he was in charge of the ING Barings' investment department in Russia and Ukraine. Since 2001 – Chairman of the Board of Dresdner Kleinwort Wasserstein. Since 2006 – Deputy Chairman of the Board, Renaissance Capital. Since 2009 – President of Barclays Capital in Russia, Moscow.

Mr Vladimir Mikhaylovich Stolyarenko

Born in 1961 in Russia. In 1983 graduated from the Leningrad Institute of Economics and Finance with a degree in Finances and Credit; Moscow Institute of Finance, PhD in Economics; Moscow State Academy of Law, Doctor of Law; postgraduate program, Harvard Law School; Certified International Investment Analyst (CIIA); Executive MBA-GLOBAL Program (two years), London Business School and Columbia Business School (New York). Since September 1998 – President and Chairman of the Board, Evrofinance Bank; since December 2003 – President and Chairman of the Board of Evrofinance Mosnarbank.

Mr Sergey Petrovich Lykov

Born in 1952 in Russia; in 1975 graduated cum laude from the Moscow Institute of Finance with a degree in International Economic Relations, PhD in Economics. 1975-1991 – USSR State Bank; 1991-2005 – Senior Vice-President – Member of the Board of Evrofinance Mosnarbank; since November 2005 – Deputy Chairman of Vnesheconombank, Moscow; since June 2007 – member of the Board of the Bank for Development and Foreign Economic Activities (Vnesheconombank); Deputy Chairman of Vnesheconombank, Moscow; Deputy Chairman of the Board of Directors of the Moscow Interbank Currency Exchange; a member of

the Board of Directors of MICEX stock exchange and a number of other companies; since August 2008 - an associate of the Institute of Certified Directors of Great Britain.

Mr Andrey Lvovich Kondakov

born in 1960, citizen of Russia, graduated from the Department of Economics, Moscow State University, PhD in Economics. 2002-2007 – Director of the Economic Cooperation Department of the Ministry of Foreign Affairs of the Russian Federation; 2006-2007 – member of the Collegium of the Ministry of Foreign Affairs; 2007 - July 2010 – Vice-President of Black Sea Bank of Trade and Development; since 2010 - President of Black Sea Bank of Trade and Development, Thessaloniki, Greece.

Mr Igor Georgiyevich Suvorov

born in 1948, a citizen of Russia, graduated from the Moscow Financial Institute in International Economic Relations. 1997-2005 – Chairman and CEO of Moscow People's Bank, London; 2006-2007 – Chairman and CEO of VTB Bank Europe plc., London; 2008 – Advisor for the Board, VTB Bank Europe plc., London, 2008-2009 – Advisor to the Board of Directors of Investorgbank (OJSC); since 2009 – President of Interstate Bank, Moscow.

Mr Vasily Nikolayevich Titov

born in 1960, a citizen of Russia, graduated from Leningrad State University in History; in 2002 graduated from the Financial Academy at the Russian Government in Finances and Credit. In 2003-2004 – Senior Vice-President of Bank of Foreign Trade (Open Joint-Stock Company); 2004-2007 – member of the Board, senior Vice-President of VTB Bank; 2007-2009 – Deputy President-Chairman of the Board of VTB Bank; since 2009 – First Deputy President-Chairman of the Board of VTB Bank, Moscow.

Mr Alexander Valeryevich Yashnik

born in 1975, a citizen of Russia, graduated from the Saint Petersburg State Engineering and Economic Academy in Economics and Machine Building Industry Development; in 2000 graduated from the Central Connecticut State University, New Britain, USA, in International Business, MBA. 2004-2006 – banker, then senior banker of Black Sea Bank of Trade and Development, Thessaloniki, Greece; 2006-2008 – Managing Director of the Department for Business Development and Coordination of Services for Corporate Clients of subsidiary banks, Administration for Management and Coordination of Corporate Business of Subsidiary Financial Institutes of the Corporate Block of VTB Bank, Moscow; from 2008 - Vice-President - Director of the Department for Development and Corporate Business Coordination of Subsidiary Banks of VTB Bank, Moscow.

3.4. Auditing Committee

Chairman of the Auditing Committee

Mr Konstantin Stepanovich Kosovan
Managing Director, LeeLanes Capital Partners, London

Members of the Auditing Committee

Ms Natalya Yuryevna Grishina
Deputy General Director 2x2 Consulting, Moscow

Mr Vladimir Gennadyevich Romanov
Expert of the audit department of the Head Organization of the Audit and Inspection Administration, Internal Control Department, VTB Bank, Moscow

Curriculum Vitae of Members of the Auditing Committee

Mr Konstantin Stepanovich Kosovan

born in 1969, a citizen of Russia, graduated cum laude from the Moscow Physics and Technical Institute in Applied Mathematics and Physics, from the Moscow State University in Economics, and completed the Executive MBA-Global program of London Business School and Columbia Business School (New York). Worked on management positions with Tveruniversalbank, Mosbusinessbank and Russian Capital bank. Since 2006 – with LeeLanes Capital Partners, since 2008 – Managing Director of LeeLanes Capital Partners, London, Great Britain.

Ms Natalya Yuryevna Grishina

born in 1953, a citizen of Russia, graduated from the Moscow State University in Political Economics; full-time graduate school of the Economics Department at the Moscow State University, Chair of Industrial Economics. 1981-1991 – research scientist at the Institute of Economics, USSR Academy of Sciences. 1991- 2009 – Principal Clerk, Director of Administrative Department, Corporate Secretary of Evrofinance Mosnarbank. Since 2010 – Deputy General Director of 2x2 Consulting, Moscow.

Mr Vladimir Gennadyevich Romanov

born in 1953, a citizen of Russia, graduated from the Moscow Aviation Institute in aircraft equipment. 2004-2005 – counselor of Internal Control Administration, VTB Bank. 2005-2007 – Chief Auditor of the Audit and Inspection Department of the Branch Network of Internal Control Administration, VTB Bank. 2007- 2008 – expert of the Audit and Inspection Department of the Branch Network of Internal Control Administration, VTB Bank. 2008-2009 – expert of the Audit and Inspection Department of the Separate Divisions of Internal Control Administration, VTB Bank. Since 2009 – expert of the audit department of the Head Organization of the Audit and Inspection Administration, Internal Control Department, VTB Bank, Moscow.

3.5. Board

Mr Vladimir Mikhaylovich Stolyarenko

President-Chairman of the Board, born in 1961 in Russia. In 1983 graduated from the Leningrad Institute of Economics and Finance with a degree in Finances and Credit; Moscow Institute of Finance, PhD in Economics; Moscow State Academy of Law, Doctor of Law; postgraduate program, Harvard Law School; Certified International Investment Analyst (CIIA); Executive MBA-GLOBAL Program (two years), London Business School and Columbia Business School (New York). Since September 1998 – President-Chairman of the Board, Evrofinance Bank; since December 2003 – President-Chairman of the Board of Evrofinance Mosnarbank, Moscow

Mr Ilya Konstantinovich Lomakin

Chief Executive Officer – First Deputy President-Chairman of the Board, born in 1943, graduated from the Moscow Institute of Finance, Institute of Oriental Languages at the Moscow State University. In the financial sector since 1965.

Mr Alexander Valeryevich Bondarenko

First Vice-President – Deputy Chairman of the Board, born in 1972, graduated from Saint Petersburg University of Economics and Finance, PhD in Law. In the financial sector since 1991.

Mr Sergey Nikolayevich Yarosh

First Vice-President – Deputy Chairman of the Board, born in 1972, graduated from Saint Petersburg University of Economics and Finance. In the financial sector since 1994.

Ms Olga Valentinovna Zavgorodnyaya

Senior Vice-President – Deputy Chairman of the Board, born in 1954, Moscow State University of Foreign Affairs at the USSR Ministry of Foreign Affairs. In the financial sector since 1977.

Mr Vladimir Mikhaylovich Favorin

Senior Vice-President, member of the Board, born in 1955, graduated from the Moscow State University and the Moscow Institute of Economics, Management and Law. PhD in Physics and Mathematics. In the financial sector since 1995.

3.6. Internal Control and Audit

The internal control system of Evrofinance Mosnarbank is an essential and integral element of the corporate management system ensuring improvement of the Bank's financial and economic activities, helping accomplish Bank's goals and enhance risk management procedures.

According to the Articles of the Bank and Internal Control Regulations, the internal control system of the Bank is comprised of the Managing Bodies, Auditing Committee, Chief Accountant and Deputy Chief Accountants, Directors and Deputy Directors of branches, Chief Accountants and Deputy Chief Accountants of branches, Internal Control Service, controller of the professional participant in the securities market and the Department for Money Laundering Prevention.

An important role in ensuring effective operation of the internal control system belongs to the Bank's Internal Control Service which operates based on the principles of independence, objectivity and professional competence of internal controllers.

The director and employees of the Internal Control Service are not included in the Bank's executive authorities, are not members, general directors (managers), managing bodies or employees of any legal entities competing with the Bank. According to the Regulations in the Bank's Internal Control Service approved by the Supervisory Board, the Internal Control Service shall report to the Supervisory Board.

The Internal Control Service shall control compliance by departments (branches) and certain employees of the

Bank with applicable laws, regulatory acts of the Bank of Russia and other statutory documents.

Based on inspection results, the Internal Control Service submits reports to the Supervisory Board, members of the Board and heads of structural departments. Regularly on a quarterly basis the Internal Control Service notifies the Board of implementation of its recommendations regarding elimination of defects.

The Internal Control Service shall include a controller of the professional participant in the securities market supervising the Bank's activities in the stock market.

Special attention in the internal control system is given to measures to implement Federal Law No. 115-FZ On Counteraction of Legalization (Laundering) of Criminal Proceeds and Terrorism Financing. The Bank follows internal control rules in line with the requirements of such law. Implementation of such rules in the reporting period allowed effective risk management in this area.

For audit and verification of annual financial reports according to Russian and international accounting rules, the Bank hires independent audit organizations approved by the General Meeting of Shareholders.

In 2019 the following companies were approved as external auditors of the Bank:

- by Russian accounting standards – FBK audit company;
- by international accounting standards – Deloitte&Touche CIS.

The above audit companies have no affiliation or property interests with Evrofinance

4. CHARITY





In Russia charity has deep roots. The roots of helping others go back to the ancient Slavs for whom gratuitous help was an important part of life. Charity in Russia blossomed in the early twentieth century when major industrialists invested in production and transport facilities as well as in development of arts, music and theater.

Charity in Russia remains one of the most important aspect of its social policy. For financial and lending agencies, charity development in conditions of overcoming a crisis is an indicator of business maturity and financial stability.

In 2010 Evrofinance Mosnarbank continued and expanded its own projects supporting Russian culture, arts and social environment.

One of projects supporting culture and fine arts is financial assistance to the Russian Museum in Saint Petersburg.

According to the existing tradition, the Bank sponsored a number of events in the framework of holding and preparation by the Mariinsky Theater of the eighteenth Music Festival Stars of White Nights.

Voluntary contributions were also made to the Charity Fund of Valery Gergiyev for construction of subsidiary buildings of the Mariinsky Theater concert hall.

Last year Evrofinance Mosnarbank paid special attention to less protected social groups. The Bank provided charitable assistance Children's Home No. 17 and Severnaya Korona Fund of Social, Charitable and Cultural Programs for medical, psychological and teaching support of children without parents.

The Bank also provided assistance by individual requests. For instance, the Bank paid for treatment of a fatally ill child Dima Akhmedov born in 2000.

Another sponsorship project was financial support provided to Vympel Children's Sports Club of Martial Arts for arranging and holding tournaments.

Charitable activities of Evrofinance Mosnarbank in the reporting period also covered education. The Bank sponsored the development of Arts and Humanities program at the Philology Department of Saint Petersburg State University.

5. FINANCIAL REPORTS

BALANCE SHEET AS OF JANUARY 01, 2011

(IN THOUSAND RUSSIAN RUBLES)

| No. | Description | As of the reporting date | As of the corresponding date last year |
|------------------------|---|--------------------------|--|
| 1 | 2 | 3 | 4 |
| I. ASSETS | | | |
| 1. | Cash assets | 518,465 | 558,345 |
| 2. | Funds of lending agencies with the Central Bank of the Russian Federation | 900,653 | 2,941,542 |
| 2.1 | Legal reserves | 325,819 | 339,903 |
| 3. | Funds with lending agencies | 220,597 | 691,857 |
| 4. | Net investments in securities at fair value through profit or loss | 0 | 0 |
| 5. | Net lending receivables | 22,947,064 | 21,988,363 |
| 6. | Net investments in securities and other financial assets available for sale | 6,879,764 | 5,792,111 |
| 6.1 | Investments in subsidiary and dependent companies | 808,590 | 70,500 |
| 7. | Net investments in securities held to maturity | 923,840 | 1,129,561 |
| 8. | Fixed assets, intangible assets and inventories | 2,547,161 | 2,436,692 |
| 9. | Other assets | 1,455,948 | 1,856,172 |
| 10. | Total assets | 36,393,492 | 37,394,643 |
| II. LIABILITIES | | | |
| 11. | Loans, deposits and other funds of the Central Bank of the Russian Federation | 0 | 1,500,000 |
| 12. | Funds of lending agencies | 7,571,805 | 6,490,710 |
| 13. | Funds of customers that are not lending agencies | 12,537,303 | 14,504,476 |
| 13.1 | Private deposits | 4,652,356 | 4,554,923 |
| 14. | Financial liabilities at fair value through profit or loss | 0 | 0 |
| 15. | Certified debt | 3,225,112 | 2,737,729 |
| 16. | Other liabilities | 296,588 | 274,258 |
| 17. | Provisions for potential losses related to contingent credit liabilities, other potential losses and operations with offshore residents | 73,948 | 102,486 |
| 18. | Total liabilities | 23,704,756 | 25,609,659 |

| 1 | 2 | 3 | 4 |
|-----------------------------------|--|------------|------------|
| III. EQUITY SOURCES | | | |
| 19. | Shareholders' (members') funds | 1,638,252 | 1,638,252 |
| 20. | Own shares purchased from shareholders (members) | 0 | 0 |
| 21. | Additional paid-in capital | 2,982,117 | 2,982,117 |
| 22. | Surplus fund | 81,913 | 81,913 |
| 23. | Revaluation at fair value of securities available for sale | 77,525 | 94,672 |
| 24. | Fixed asset revaluation | 1,361,170 | 1,212,315 |
| 25. | Unappropriated balance (uncovered losses) of past years | 5,775,715 | 4,727,409 |
| 26. | Unused profit (loss) over the reporting period | 772,044 | 1,048,306 |
| 27. | Total equity sources | 12,688,736 | 11,784,984 |
| IV. OFF-BALANCE SHEET LIABILITIES | | | |
| 28 | Irrevocable liabilities of the lending agency | 3,925,492 | 2,268,780 |
| 29 | Warranties and sureties issued by the lending agency | 3,791,187 | 1,812,536 |

President – Chairman of the Board



Mr Vladimir Stolyarenko

Chief Accountant



Ms Nataliya Dmitriyeva

5. FINANCIAL REPORTS

2010 PROFIT AND LOSS REPORT

(IN THOUSAND RUSSIAN RUBLES)

| Nº por orden | Denominación del renglón | Datos del ejercicio | Datos del ejercicio correspondiente del año pasado |
|--------------|--|---------------------|--|
| 1 | 2 | 3 | 4 |
| 1. | Interest income, total, including: | 3,011,975 | 4,553,811 |
| 1.1 | From investments of funds in lending agencies | 230,248 | 903,381 |
| 1.2 | From loans issued to customers (non-lending agencies) | 2,182,754 | 2,949,795 |
| 1.3 | From finance lease services | 0 | 0 |
| 1.4 | From investments in securities | 598,973 | 700,635 |
| 2. | Interest costs, total, including: | 893,210 | 1,820,795 |
| 2.1 | For attracted funds of lending agencies | 277,633 | 1,005,463 |
| 2.2 | For attracted funds of customers (non-lending agencies) | 380,122 | 613,084 |
| 2.3 | For certified debt | 235,455 | 202,248 |
| 3. | Net interest income (negative interest margin) | 2,118,765 | 2,733,016 |
| 4. | Change of reserves for potential losses related to loans, loan-related or equivalent indebtedness, funds placed in correspondent accounts and also related to accrued interest income, total, including the following: | 976,532 | -1,098,716 |
| 4.1 | Change in reserves for potential losses related to accrued interest income | 44,371 | -26,620 |
| 5. | Net interest income (negative interest margin) after establishment of the reserve for potential losses | 3,095,297 | 1,634,300 |
| 6. | Net profit from transactions with securities at fair value through profit or loss | -2,267 | 19,504 |
| 7. | Net profits from transactions with securities available for sale | 142,881 | 675,539 |
| 8. | Net profits from transactions with securities held to maturity | 0 | -3 |
| 9. | Net profits from foreign currency transactions | 339,279 | -217,972 |
| 10. | Net profits from foreign currency revaluation | -298,094 | 141,084 |
| 11. | Profits from participation in capital of legal entities | 11,940 | 8,141 |
| 12. | Commission income | 169,253 | 246,814 |

| 1 | 2 | 3 | 4 |
|------|--|-----------|-----------|
| 13. | Commission expenses | 49,081 | 49,550 |
| 14. | Change of reserves for potential losses related to securities available for sale | 57,586 | -46,505 |
| 15. | Change of reserves for potential losses related to securities held to maturity | 12,976 | -5,379 |
| 16. | Change of reserves for the other losses | 35,221 | 248,689 |
| 17. | Other operating income | 49,474 | 381,753 |
| 18. | Net profit (expenditure) | 3,564,465 | 3,036,415 |
| 19. | Operating expenses | 2,427,143 | 1,582,335 |
| 20. | Income (loss) before taxes | 1,137,322 | 1,454,080 |
| 21. | Accrued (paid) taxes | 365,278 | 405,774 |
| 22. | Income (loss) after taxes | 772,044 | 1,048,306 |
| 23. | Payments out of income after taxes, total, including: | 0 | 0 |
| 23.1 | Distribution to shareholders (members) as dividends | 0 | 0 |
| 23.2 | Deductions for establishing and replenishing reserves | 0 | 0 |
| 24 | Unused profit (loss) for the reporting period | 772,044 | 1,048,306 |

President – Chairman of the Board



Mr Vladimir Stolyarenko

Chief Accountant



Ms Nataliya Dmitriyeva

5. FINANCIAL REPORTS

STATEMENT OF CAPITAL SUFFICIENCY, AMOUNT OF RESERVES FOR BAD LOANS AND OTHER ASSETS

as of January 01, 2011

(IN THOUSAND RUSSIAN RUBLES)

| No | Description | As of the beginning of the reporting period | Increase (+) / reduction (-) in the reporting period | As of the corresponding date of the reporting period |
|-------|---|---|--|--|
| 1 | 2 | 3 | 4 | 5 |
| 1. | Own funds (equity) (thousand rubles), total, including: | 12,745,004.0 | 279,718 | 13,024,722.0 |
| 1.1 | Authorized capital of the lending agency, including: | 1,638,252.0 | 0 | 1,638,252.0 |
| 1.1.1 | Nominal value of registered ordinary shares | 1,638,252.0 | 0 | 1,638,252.0 |
| 1.1.2 | Nominal value of registered preference shares | 0.0 | 0 | 0.0 |
| 1.1.3 | Unregistered authorized capital of unincorporated lending agencies | 0.0 | 0 | 0.0 |
| 1.2 | Own shares purchased from shareholders (members) | 0.0 | 0 | 0.0 |
| 1.3 | Additional paid-in capital | 2,982,117.0 | 0 | 2,982,117.0 |
| 1.4 | Surplus fund of the lending agency | 81,913.0 | 0 | 81,913.0 |
| 1.5 | Financial result of activities subject to own funds (equity): | 5,738,451.0 | 778,669 | 6,517,120.0 |
| 1.5.1 | in past years | 4,741,542.0 | 1,047,805 | 5,789,347.0 |
| 1.5.1 | in reporting year | 996,909.0 | -269,136 | 727,773.0 |
| 1.6 | Intangible assets | 245.0 | 17,292 | 17,537.0 |
| 1.7 | Subordinated credit (loan, deposit, bonded debt) at depreciated value | 1,270,256.0 | 21 | 1,270,277.0 |
| 1.8 | Sources (parts of sources) of capital formed by investors with undue assets | 0.0 | 0 | 0.0 |
| 2. | Regulatory value of capital (equity), (interest) adequacy | 10.0 | x | 10.0 |
| 3. | Actual value of capital (equity), (interest) sufficiency | 40.2 | x | 40.6 |
| 4. | Actual reserves for potential losses (thousand rubles), total, including: | 2,146,894.0 | -1,093,156 | 1,053,738.0 |
| 4.1 | for loans, loan-related and equivalent indebtedness | 1,918,088.0 | -988,284 | 929,804.0 |

| 1 | 2 | 3 | 4 | 5 |
|-----|--|-----------|---------|----------|
| 4.2 | for other assets running a risk of losses and other losses | 126,320.0 | -76,334 | 49,986.0 |
| 4.3 | for contingent credit liabilities included in off-balance sheet accounts and futures contracts | 102,486.0 | -28,538 | 73,948.0 |
| 4.4 | for transactions with offshore area residents | 0.0 | 0 | 0.0 |

For Reference:

1. Establishment (supplementing) reserves for potential losses related to loans and equivalent debt in the reporting period (thousand rubles), total 9,938,312, including in consequence of the following:

| | |
|--|------------|
| 1.1. granting loans | 8,600,038; |
| 1.2. loan quality changes | 1,295,220; |
| 1.3. changes in the official rate of foreign currency to ruble of the Bank of Russia | 31,582; |
| 1.4. other reasons | 11,472. |

2. Restoration (reduction of) of reserves for potential losses related to loans, loan-related and equivalent indebtedness in the reporting period (thousand rubles), a total of 10,898,548, including resulting consequence of the following:

| | |
|---|------------|
| 2.1. bad loan write-off | 10,262; |
| 2.2. loan repayment | 924,1164; |
| 2.3. loan quality changes | 1,604,498; |
| 2.4. change in the official rate of the foreign currency to ruble of the Bank of Russia | 31,152; |
| 2.5. other reasons | 11,472. |

President – Chairman of the Board



Mr Vladimir Stolyarenko

Chief Accountant



Ms Nataliya Dmitriyeva

5. FINANCIAL REPORTS

STATUTORY REQUIREMENTS

as of January 01, 2011

(IN THOUSAND RUSSIAN RUBLES)

| № | Description | Regulatory value | Actual value | |
|-----|--|------------------|----------------------------|-------------------------------------|
| | | | As of the reporting period | As of the previous reporting period |
| 1 | 2 | 3 | 4 | 5 |
| 1. | Bank capital sufficiency (H1) | 10.0 | 40.6 | 40.2 |
| 2. | Index of instantaneous liquidity of the bank (H2) | 15.0 | 52.6 | 73.5 |
| 3. | Index of current liquidity of the bank (H3) | 50.0 | 132.9 | 97.5 |
| 4. | Index of long-term liquidity of the bank (H4) | 120.0 | 45.0 | 48.3 |
| 5. | Index of maximum risk per borrower or a group of associated borrowers (H6) | 25.0 | Lo máximo 17.1 | Lo máximo 16.1 |
| | | | Lo mínimo 0.1 | Lo mínimo 0.1 |
| 6. | Index of maximum value of major credit risks (H7) | 800.0 | 134.6 | 115.3 |
| 7. | Index of maximum loans, bank warranties and sureties issued by the bank to its members (shareholders) (H9.1) | 50.0 | 7.4 | 1.6 |
| 8. | Index of aggregate risk for insiders of the bank (H10.1) | 3.0 | 0.9 | 1.0 |
| 9. | Index of use of equity (capital) of the bank to purchase shares of other legal entities (H12) | 25.0 | 0.0 | 0.0 |
| 10. | Ratio of liquid assets with maturity in the next 30 calendar days to the amount of NSCA liabilities (H15) | | | |
| 11. | Index of maximum aggregate loans to customers – participants of settlements for completing settlements (H16) | | | |
| 12. | Index of loans granted by NSCA on its behalf and at its expense to borrowers except for customers participating in settlements (H16.1) | | | |
| 13. | Index of Minimum ratio of loans secured by mortgage and own funds (equity) (H17) | | | |
| 14. | Index of minimum ratio of mortgage coverage and issued bonds with mortgage coverage (H18) | | | |
| | | | | |

| 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|
| 15. | Index of maximum ratio of aggregate liabilities of a lending agency-issuer to creditors which according to federal laws hold a preference right to satisfaction of their requirements to holders of bonds secured by mortgage, and own funds (equity) (H19) | | | |

President – Chairman of the Board



Mr Vladimir Stolyarenko

Chief Accountant



Ms Nataliya Dmitriyeva

5. FINANCIAL REPORTS

2010 CASH FLOW STATEMENT

(IN THOUSAND RUSSIAN RUBLES)

| No. | Description | Cash flow in the reporting period | Cash flow in the previous reporting period |
|--------|--|-----------------------------------|--|
| 1 | 2 | 3 | 4 |
| 1. | Net cash assets received from / used in operating activities | | |
| 1.1 | Cash assets received from /used in operating activities prior to changes in operating assets and liabilities, total including: | 129,136 | 1,226,317 |
| 1.1.1 | Interest received | 3,081,633 | 4,568,777 |
| 1.1.2 | Interest paid | -753,678 | -1,928,634 |
| 1.1.3 | Commission charges received | 169,808 | 244,442 |
| 1.1.4 | Commission charges paid | -44,698 | -47,286 |
| 1.1.5 | Profits minus expenses related to transactions with financial assets at fair value through profit or loss available for sale | -2,267 | 3,694 |
| 1.1.6 | Profits minus expenses related to transactions with securities held to maturity | 0 | -3 |
| 1.1.7 | Profits minus expenses related to foreign currency transactions | 339,279 | -217,972 |
| 1.1.8 | Other operating income | 45,033 | 368,746 |
| 1.1.9 | Operating expenses | -2,301,101 | -1,578,895 |
| 1.1.10 | Tax expenses (refund) | -404,873 | -186,552 |
| 1.2 | Increase/reduction of net cash from operating assets and liabilities, total, including: | -1,611,514 | -1,681,764 |
| 1.2.1 | Net increase / reduction of mandatory reserves on accounts with the Bank of Russia | 14,084 | -213,281 |
| 1.2.2 | Net increase/ reduction of investment in securities at fair value through profit or loss | 0 | 14,665 |
| 1.2.3 | Net increase / reduction of debt | -158,298 | 7,091,785 |
| 1.2.4 | Net increase / reduction of other assets | 276,112 | 2,077,488 |

| 1 | 2 | 3 | 4 |
|--------|--|-------------|-------------|
| 1.2.5 | Net increase/reduction of loans, deposits and other funds of the Bank of Russia | -1,500,000 | -11,697,511 |
| 1.2.6 | Net increase/reduction of funds of other lending agencies | 1,062,871 | 538,412 |
| 1.2.7 | Net increase (reduction) of funds of customers-non-lending agencies | -1,765,319 | -1,343,799 |
| 1.2.8 | Net increase/reduction of financial obligations at fair value through profit or loss | 0 | -315,000 |
| 1.2.9 | Net increase / reduction of certified debt | 491,566 | -4,861,178 |
| 1.2.10 | Net increase (reduction) of other liabilities | -32,530 | 22,766 |
| 1.3 | Total, section 1 (1.1. + 1.2) | -1,482,378 | -455,447 |
| 2. | Net cash assets received from /used in investment activities | | |
| 2.1 | Acquisition of securities and other financial assets available for sale | -22,943,124 | -14,412,242 |
| 2.2 | Proceeds from sale of securities and other financial assets available for sale | 22,132,033 | 14,304,043 |
| 2.3 | Acquisition of securities held to maturity | 0 | 44,435 |
| 2.4 | Proceeds from sale of securities held to maturity | 137,216 | 0 |
| 2.5 | Acquisition of fixed assets, intangible assets and inventories | -65,866 | -61,611 |
| 2.6 | Proceeds from sale of fixed assets, intangible assets and inventories | 3,054 | 2,656 |
| 2.7 | Received dividends | 11,940 | 8,141 |
| 2.8 | Total section 2 (from 2.1 to 2.7) | -724,747 | -114,578 |
| 3. | Net cash assets received from / used in financial activities | | |
| 3.1 | Contributions of shareholders (members) to the authorized capital | 0 | 0 |
| 3.2 | Acquisition of own shares bought out from shareholders (members) | 0 | 0 |
| 3.3 | Sales of own shares bought out from shareholders (members) | 0 | 0 |

5. FINANCIAL REPORTS

2010 CASH FLOW STATEMENT

(IN THOUSAND RUSSIAN RUBLES)

| 1 | 2 | 3 | 4 |
|-----|---|------------|------------|
| 3.4 | Dividends paid | 0 | 0 |
| 3.5 | Subtotal for section 3 (items 3.1 to 3.4) | 0 | 0 |
| 4. | Effect of changes of official rates of foreign currencies to ruble of the Bank of Russia on cash assets and equivalents thereof | -321,914 | 839,558 |
| 5. | Increase/use of cash assets and equivalents | -2,529,039 | -6,741,268 |
| 5.1 | Cash assets and equivalents at the beginning of the reporting year | 3,841,819 | 10,583,087 |
| 5.2 | Cash and equivalents at the end of the reporting year | 1,312,780 | 3,841,819 |

President – Chairman of the Board



Mr Vladimir Stolyarenko

Chief Accountant



Ms Nataliya Dmitriyeva

AUDIT RE PORT ON FINANCIAL (ACCOUNTING) STATEMENTS



To shareholders of Evrofinance Mosnarbank

AUDITED COMPANY

Name:

Evrofinance Mosnarbank Joint-Stock Commercial Bank (Open Joint-Stock Company)
(hereinafter – Evrofinance Mosnarbank)

Address:

29 Novy Arbat, 121099, Moscow

State registration:

Registered by the Bank of Russia on June 29, 1993 under registration number 2402.

AUDITOR

Name:

FBK Accountants and Business Advisers Limited Liability Company (FBK LLC)

Membership in a self-regulatory auditors' organization:

Audit Chamber of Russia Non-Profit Partnership

Address:

bldg. 2АБ,
44/1 Myasnitskaya Street, Moscow, 101990

Number in the register of audit organizations of the self-governing association of auditors:

Certificate of membership in Audit Chamber of Russia Non-Profit Partnership No. 5353, Principal Number of Registration Entry (ORNZ) 10201039470.

State registration:

Registered by the Moscow Registration Chamber on November 15, 1992, certificate series Ю3 3 No. 484.583 ПП. Entered in the Uniform State Register of Legal Entities on July 24, 2002 under primary state registration number 1027700058286.

We audited the attached financial reports of Evrofinance Mosnarbank consisting of balance sheet of January 01, 2011, profit and loss report for the period of January 1 through December 31, 2010, the 2010 statement on cash flow capital sufficiency, amount of reserves to cover bad loans and other assets as of January 01, 2011, information on mandatory requirements of January 01, 2011 and an explanatory note.

5. FINANCIAL REPORTS

AUDIT REPORT ON FINANCIAL (ACCOUNTING) STATEMENTS



Responsibility of the Audited Entity for Accounting Statements

The management of the audited entity is responsible for preparation and validity of such accounting statements according to Russian rules for preparation of accounting statements and for the internal control

system required for preparation of accounting statements free of substantial misstatements due to fraud or errors.

Auditor's Responsibility

Our responsibility is to express our opinion on validity of accounting statements based on the audit we held. We completed the audit in compliance with the federal audit standards. The standards require compliance with the applicable code of ethics as well as planning and holding the audit to obtain reasonable assurance that accounting statements are free from substantial misstatements. The audit included audit procedures to obtain audit evidence confirming the numeric data in accounting statements and disclosure of information in such statements. The audit procedures were selected at our discretion based on the assessed risk of substantial misstatements due to fraud or errors. For

the assessment of such risk, we reviewed the internal control system ensuring the preparation and validity of accounting statements to select appropriate auditing procedures without expressing our opinion on the internal control system efficiency. The audit also included the assessment of appropriateness of accounting policies and the feasibility of estimated figures determined by the management of the audited entity as well as the assessment of the general presentation of accounting statements. We believe that the audit evidence obtained as a result of the audit is sufficient to express an opinion on the validity of accounting statements.

AUDIT REPORT ON FINANCIAL (ACCOUNTING) STATEMENTS



Opinion

In our opinion, the accounting statements reflect validly in all the key aspects the financial position of Evrofinance Mosnarbank as of January 01, 2011, the results of its financial and economic activities

and cash flow in 2010, capital adequacy ratio, reserves for bad loans and other assets, information on regulatory standards as of January 01, 2011 according to Russian accounting standards.

Opinion according to requirements of Article 42 of Federal Law No. 395-1 On Banks and Banking Activity (subject to amendments and modifications) of December 2, 1990

Based on audit procedures performed as of January 01, 2011, no substantial facts were revealed indicating the following:

- inaccuracy of calculations or failure by Evrofinance Mosnarbank to comply with statutory requirements of the Bank of Russia;
- inadequacy of Evrofinance Mosnarbank's management system with the nature and amount of transactions on the current stage of banking service development in the Russian Federation;
- nonconformance of the internal control system of Evrofinance Mosnarbank to the nature and amount of performed transactions.

President FBC LLC

Mr S.M. Shapiguzov
(based on the Articles)

Audit report date

April 25, 2011

6. ADDITIONAL INFORMATION





6.1. Licenses and Statuses

Evrofinance Mosnarbank has all required licenses for performing any banking operations under Russian laws:

General License by the Bank of Russia No. 2402 for banking operations of December 18, 2003;

License No. 2402 of December 18, 2003 for attraction as deposits and allocation of precious metals;

License of a professional participant in the stock market for dealer activities No. 177-03607-010000 of December 07, 2000;

License of a professional participant in the stock market for broker activities No. 177-03504-100000 of December 07, 2000;

License of a professional participant in the stock market for depositary activities No. 177-04142-000100 of December 20, 2000;

License of a professional participant in the stock market for securities management No. 177-03695-001000 of December 07, 2000;

License of an exchange intermediary performing product futures and option transactions in exchange trade No. 1438 of September 17, 2009;

Permit of the Federal Customs Service of Russia No. 137 of December 01, 2009 to act as a guarantor to customs authorities.

Evrofinance Mosnarbank has the following statuses:

- participant in the deposit insurance system (awarded by the Bank of Russia);
- lending agency authorized to accept rubles deposits of pension funds (awarded by the Federal Financial Markets Service of the Russian Federation, FFMS RF);
- professional participant in the stock market;
- authorized dealer of the Bank of Russia in the market of treasury bills and federal loan bonds;
- interbank market operator defining MosIBOR (Moscow InterBank Offered Rate);
- interbank market operator based on the rates of which the following average rates of the Moscow interbank loan market are calculated:
 - MIBID
 - MIBOR
 - MIACR ;
- market maker of the national money market;
- market maker of the foreign exchange market – a member of RIBER (developing an indicative rate of the interbank market of US dollar against ruble) providing annual US dollar-Russian ruble rates for this project.

Evrofinance Mosnarbank actively works with and is a member of the following professional organizations:

- Association of Russian Banks;
- National Securities Market Association;
- National Foreign Exchange Association;
- Association of Bill Market Participants;
- MasterCard International payment system (principal participant);
- Visa International payment system (principal participant);
- China UnionPay payment system (principal participant);
- Union Card payment system (settlement bank);
- SWIFT Association;
- Moscow Interbank Currency Exchange (MICEX);
- MICEX Stock Exchange;
- International Chamber of Commerce;
- Association of Russian banks - Visa members;
- Association of Russian Europay members;
- National Credit Cards payment system;
- American Express card service agreement.

6.2. Details and Contacts

| | |
|--|---|
| Complete name | Evrofinance Mosnarbank Joint Stock Commercial Bank |
| Short name | (Open Joint Stock Company) |
| Actual and postal address: | Evrofinance Mosnarbank 29 Novy Arbat, Moscow 121099. |
| Telephone | (495) 967-8182 |
| Fax | (495) 967-8133 |
| E-mail | info@evrofinance.ru |
| Website | www.evrofinance.ru, www.mosnarbank.ru |
| S.W.I.F.T. | EVRFRUMM |
| TELEX | 414242 EFIN RU |
| Correspondent account with OPERU Moscow Main Territorial Administration of the Bank of Russia | 30101810900000000204 |
| BIC | 044525204 |
| TIN | 7703115760 |
| KPP | 775001001 |
| KPP of major taxpayer | 997950001 |

6.3. Regional Network

Stavropol Branch

Address: 341 Mira Street, Stavropol,
355017, Russian Federation
Telephone: (8652) 35-56-60
Fax: (8652) 35-34-30
E-mail: stavropol@evrofinance.ru
Manager: Mr Valentin Kolesnikov

Additional Office No. 1 in Nevinnomyssk of Stavropol Branch

Address: 12 Mira Boulevard, 357108 Nevinnomyssk
Telephone/fax: (86554) 7-42-82
Fax: (86554) 7-20-20
Director: Mr Igor Ivanov

Additional Office No. 2 in Pyatigorsk of Stavropol Branch

Address: 31 Fevralskaya Street, Pyatigorsk 357502
Telephone: (8793) 33-97-77
Fax: (8793) 33-82-11
Director: Mr Anatoly Ralkov

Yaroslavl Branch

Address: 2 Chkalova Street, Yaroslavl,
150054, Russian Federation
Telephone: (4852) 73-99-90
Fax: (4852) 72-10-93
E-mail: yaroslavl@evrofinance.com
Manager: Mr Oleg Royenko

Saint Petersburg Branch

Address: 20 Zvenigorodskaya Street, letter A,
Saint Petersburg 191119, Russian Federation
Telephone: (812) 718-6112
Fax: (812) 325-1262
E-mail: efspb@evrofinance.ru
First Deputy Manager –
Advisor to the President: Ms Svetlana Fedotova

Rostov-on-Don Branch

Address: 125 Voroshilovsky Prospekt, Rostov-on-Don,
344006, Russian Federation
Telephone: (8632) 40-18-10,
Fax: (8632) 40-15-22
E-mail: rnd@evrofinance.ru
Manager: Ms Olga Mukhina

Vladimir Branch

Address: 2 Lenin Prospekt, Vladimir,
600001, Russian Federation
Telephone: (4922) 32-18-81,
Fax: (4922) 32-12-65
E-mail: vladimiref@evrofinance.ru
Manager: Mr Vladislav Snopok

Operating Office No. 1 in Voronezh of Vladimir Branch

Address: 6a Lenin Square, Voronezh,
394018, Voronezh Region, Russian Federation
Telephone: (473) 255-88-55, 276-66-94
Fax: (473) 255-00-86
E-mail: voronezh@evrofinance.ru
Deputy Branch Manager –
Operating Office Director: Mr Sergey Ivanov

Krasnoyarsk Branch

Address: 44 Kopylova Street, office 78 Krasnoyarsk,
660001, Russian Federation
Telephone: (391) 265-0105
Fax: (391) 265-0108
E-mail: krasef@evrofinance.ru
Manager: Mr Oleg Konovaltsev

Nizhny Novgorod Branch

Address: 7 Varvarkaya Street, office No. 5,
Nizhny Novgorod, 603006, Russian Federation
Telephone: (831) 411-8150
E-mail: nnov@evrofinance.ru
Manager: Ms Tatyana Vladimirovna

Samara Branch

Address: 126 Michurin Street, Samara, 443086,
Russian Federation
Telephone: (846) 979-7600
Факс: (846) 979-7116
E-mail: samara@evrofinance.ru
Manager: Mr Arkady Petrovich

Volgograd Branch

Address: 5, 10 Divisiya NKVD Street, Volgograd,
400131, Russian Federation
Telephone: (8442) 33-43-97
Fax: (8442) 33-43-88
E-mail: volgograd@evrofinance.ru
Manager: Ms Olga Illarionova

Evrofinance Mosnarbank Beijing Representative Office

Address: C802, 35 Dongzhimenwai Main Street,
Dongcheng District, Beijing, China, 100027
Telephone: (8610) 6467 4091
Fax: (8610) 6467 7932
Head of Representative Office: Mr Leonid Kolos

ANNUAL REPORT

OF EVROFINANCE MOSNARBANK

Reviewed and submitted for approval to the annual General Meeting of Shareholders by the Supervisory Board of Evrofinance Mosnarbank (Minutes No. 125 of the Supervisory Board meeting of May 27, 2011)

Approved at the annual General Meeting of Shareholders of Evrofinance Mosnarbank (minutes No. 48 of the annual General Meeting of Shareholders of June 29, 2011)

