



**ICICI Bank Eurasia Limited
Liability Company**

Financial Statements

For the year ended 31 December 2006

CONTENTS

1	Independent Auditors' Report	3
2	Balance sheet	4
3	Income statement	5
4	Statement of cash flows	6
Notes to the financial statements		
1	Background	7
2	Basis of preparation	7
3	Significant accounting policies	9
4	Cash and cash equivalents	17
5	Minimum reserve deposit at the Central Bank of the Russian Federation	18
6	Placements with banks and other financial institutions	18
7	Financial instruments at fair value through profit or loss	19
8	Loans to customers	20
9	Available-for-sale assets	21
10	Property and equipment	22
11	Deferred tax asset	22
12	Other assets	23
13	Deposits and balances from banks and other financial institutions	23
14	Current accounts and deposits from customers	24
15	Subordinated debt	24
16	Other liabilities	25
17	Net assets attributable to participants	25
18	Net interest income	26
19	Fee and commission income	26
20	Fee and commission expense	26
21	Net income on financial instruments at fair value through profit or loss	27
22	Net foreign exchange income	27
23	Other income	27
24	Net impairment reversals/(losses)	27
25	General administrative expenses	28
26	Income tax expense	29
27	Risk management	29
28	Commitments	30
29	Operating leases	31
30	Contingencies	31
31	Related party transactions	32
32	Fair value of financial instruments	34
33	Average effective interest rates	35
34	Maturity analysis	37
35	Currency analysis	39



ZAO KPMG
11 Gogolevsky Boulevard
Moscow 119019
Russia

Tel. +7 (095) 937 4477
Fax +7 (095) 937 4400/99
Internet www.kpmg.ru

Independent Auditors' Report

To the Board of Directors of ICICI Bank Eurasia Limited Liability Company

Report on the Financial Statements

We have audited the accompanying financial statements of ICICI Bank Eurasia LLC (the "Bank"), which comprise the balance sheet as at 31 December 2006, and the income statement, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2006, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

ZAO KPMG

ZAO KPMG
02 April 2007

		2006	(Restated) 2005
	Notes	RUR'000	RUR'000
ASSETS			
Cash and cash equivalents	4	80,661	23,450
Minimum reserve deposit at the Central Bank of the Russian Federation	5	154,882	1,271
Placements with banks and other financial institutions	6	2,068,359	307,854
Financial instruments at fair value through profit or loss	7	1,038,942	-
Loans to customers	8	3,161,832	227,863
Available-for-sale assets	9	1,864,492	-
Property and equipment	10	31,728	10,505
Deferred tax asset	11	8,442	905
Other assets	12	52,632	43,947
Total Assets		8,461,970	615,795
LIABILITIES			
Financial instruments at fair value through profit or loss	7	1,983	-
Deposits and balances from banks and other financial institutions	13	6,831,655	107,461
Current accounts and deposits from customers	14	244,336	33,774
Promissory notes		2,621	2,340
Subordinated debt	15	221,388	-
Other liabilities	16	2,122	2,765
Total liabilities, other than net assets attributable to participants		7,304,105	146,340
Net assets attributable to participants	17	1,157,865	469,455
Total Liabilities		8,461,970	615,795
Commitments and Contingencies	28-30		

The financial statements as set out on pages 4 to 39 were approved on 02 April 2007.

Acting Chief Executive Officer

Vladislav Voitsekhovich

Chief Financial Officer

Olga Krokhnalnaya

Chief Accountant

Irina Komarova



ICICI Bank Eurasia Limited Liability Company
Income Statement for the year ended 31 December 2006

		2006	(Restated) 2005
	Notes	RUR'000	RUR'000
Interest income	18	279,060	13,611
Interest expense	18	(149,907)	(3,115)
Net interest income		129,153	10,496
Fee and commission income	19	47,655	8,328
Fee and commission expense	20	(1,160)	(308)
Net fee and commission income		46,495	8,020
Net income on financial instruments at fair value through profit or loss	21	3,512	30
Net foreign exchange income	22	3,907	7,480
Other income	23	28,299	32,803
Operating income		211,366	58,829
Net impairment reversals/(losses)	24	560	(3,423)
General administrative expenses	25	(203,328)	(44,098)
Operating expenses		(202,768)	(47,521)
Income before taxes		8,598	11,308
Income tax expense	26	(6,961)	(2,142)
Net income		1,637	9,166

ICICI Bank Eurasia Limited Liability Company
Statement of Cash Flows for the year ended 31 December 2006

	Notes	2006	(Restated) 2005
		RUR'000	RUR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts		220,801	13,410
Interest payments		(67,073)	(3,567)
Fee and commission receipts		58,155	8,328
Fee and commission payments		(1,160)	(308)
Net receipts from financial instruments at fair value through profit or loss		4,701	30
Net receipts/(payments) from foreign exchange		(13,551)	1,881
Other income		28,402	32,804
General administrative expenses		(196,383)	(45,304)
		33,892	7,274
(Increase)/decrease in operating assets			
Placements with banks and other financial institutions and minimum reserve deposit at the Central Bank of the Russian Federation		(1,905,007)	(308,050)
Financial instruments at fair value through profit or loss		(1,024,087)	-
Loans to customers		(2,929,025)	(168,111)
Available-for- sale assets		(1,847,844)	-
Other assets		(11,955)	(43,698)
		(7,717,918)	(519,859)
Increase/(decrease) in operating liabilities			
Deposits and balances from banks and other financial institutions		6,663,050	107,707
Current accounts and deposits from customers		210,670	(8,903)
Other liabilities		(643)	(65)
		6,873,077	98,739
Net cash utilised by operating activities before taxes paid		(810,949)	(413,846)
Taxes paid		(12,165)	101
Cash flows from operations		(823,114)	(413,745)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net purchases of property and equipment		(25,102)	(6,247)
Cash flows from investing activities		(25,102)	(6,247)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution by participant		694,163	426,480
Proceeds from issuance of debt securities		-	(3,210)
Proceeds from subordinated debt		210,648	-
Cash flows from financing activities		904,811	423,270
Net increase in cash and cash equivalents		56,595	3,278
Effect of changes in exchange rates on cash and cash equivalents		616	5,599
Cash and cash equivalents at the beginning of the year		23,450	14,573
Cash and cash equivalents at the end of the year	4	80,661	23,450

1 Background

Principal activities

ICICI Bank Eurasia Limited Liability Company (the “Bank”) was incorporated in May 2005, when ICICI Bank Limited, India (the “Parent”), acquired the entire share capital of Investisionno-Kreditny Bank (IKB), a Russian bank with registered office in Balabanovo in the Kaluga region and a branch in Moscow. Investisionno-Kreditny Bank (IKB) was founded in 1992. The Bank conducts its business under a banking license issued by the Central Bank of the Russian Federation on May 27, 1998 registration number 3329, for banking operations in Russian Roubles and foreign currencies from legal entities and individuals.

The Bank was accepted into the state deposits insurance scheme in October 2004.

The principal activities of the Bank are corporate and retail lending, issuing guarantees, deposit taking, customer accounts maintenance, cash and settlement operations and operations with securities and foreign exchange.

The registered address of the Bank’s head office is 249000, Kaluga region, Balabanovo, 50 Let Oktyabrya square, 3. The Bank has 1 branch in Moscow and 2 cash offices in Moscow and Kaluga region.

As of December 31, 2006, the number of staff employed by the Bank was 120 (December 31, 2005: 77).

Russian business environment

The Russian Federation has been experiencing political and economic change which has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks, which do not typically exist in other markets. The accompanying financial statements reflect management’s assessment of the impact of the Russian business environment on the operations and the financial position of the Bank. The future business environment may differ from management’s assessment.

2 Basis of preparation

Statement of compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Basis of measurement

The financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss and available-for-sale assets are stated at fair value.

Functional and Presentation Currency

The national currency of the Russian Federation is the Russian Rouble (“RUR”). Management have determined the Bank’s functional currency to be the RUR as it reflects the economic substance of the underlying events and circumstances of the Bank. The RUR is also the Bank’s presentation currency for the purposes of these financial statements.

Financial information presented in RUR has been rounded to the nearest thousand.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires Management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on Management’s best knowledge of current events and actions, actual results ultimately may differ from these estimates.

Information about significant areas of estimation uncertainty and critical judgments made by Management in the application of IFRSs that have significant effect on these financial statements are described in Note 8 “Loans to customers” in respect of the loan impairment allowance.

3 Significant accounting policies

The following significant accounting policies have been applied consistently in the preparation of the financial statements.

Foreign currency transactions

Transactions in foreign currencies are translated to the appropriate functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in the income statement.

Inflation accounting

The Russian Federation ceased to be hyperinflationary with effect from 1 January 2003 and accordingly no adjustments for hyperinflation have been made for periods subsequent to this date. The hyperinflation-adjusted carrying amounts of the Bank's assets and liabilities as at 31 December 2002 became their carrying amounts as at 1 January 2003 for the purpose of subsequent accounting.

Cash and cash equivalents

The Bank considers cash and nostro accounts with the CBR to be cash and cash equivalents. The minimum reserve deposit with the CBR is not considered to be a cash equivalent due to restrictions on its withdrawability.

Financial instruments

Classification

Financial instruments at fair value through profit or loss are financial assets or liabilities that are:

- acquired or incurred principally for the purpose of selling or repurchasing in the near term;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- a derivative (except for a derivative that is a designated and effective hedging instrument); or,
- upon initial recognition, designated by the entity as at fair value through the profit or loss.

The Bank designates financial assets and liabilities at fair value through profit or loss where either:

- the assets or liabilities are managed and evaluated on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

All trading derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as an asset. All trading derivatives in a net payable position (negative fair value), as well as options written, are reported as a liability.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that:

- the Bank intends to sell immediately or in the near term;
- the Bank upon initial recognition designates as at fair value through profit or loss;
- the Bank upon initial recognition designates as available-for-sale; or
- the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity, other than those that:

- the Bank upon initial recognition designates as at fair value through profit or loss;
- the Bank designates as available-for-sale; or
- meet the definition of loans and receivables.

Available-for-sale assets are those financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial instruments at fair value through profit or loss.

Recognition

Financial assets and liabilities are recognized in the balance sheet when the Bank becomes a party to the contractual provisions of the instrument. All regular way purchases of financial assets are accounted for at the settlement date.

Measurement

A financial asset or liability is initially measured at its fair value plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition, financial assets, including derivatives that are assets, are measured at their fair values, without any deduction for transaction costs that may be incurred on sale or other disposal, except for:

- loans and receivables which are measured at amortized cost using the effective interest method;
- held-to-maturity investments which are measured at amortized cost using the effective interest method; and
- investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured which are measured at cost.

All financial liabilities, other than those designated at fair value through profit or loss and financial liabilities that arise when a transfer of a financial asset carried at fair value does not qualify for derecognition, are measured at amortised cost. Amortised cost is calculated using the effective interest method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Bank would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

Gains and losses on subsequent measurement

A gain or loss arising from a change in the fair value of a financial asset or liability is recognized as follows:

- a gain or loss on a financial instrument classified as at fair value through profit or loss is recognized in the income statement;
- a gain or loss on an available-for-sale financial asset is recognized directly through changes in assets attributable to participants (except for impairment losses and foreign exchange gains and losses) until the asset is derecognized, at which time the cumulative gain or loss previously recognised in changes in assets attributable to participants is recognized in the income statement. Interest in relation to an available-for-sale financial asset is recognized as earned in the income statement calculated using the effective interest method.

For financial assets and liabilities carried at amortised cost, a gain or loss is recognized in the income statement when the financial asset or liability is derecognized or impaired, and through the amortization process.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or when the Bank transfers substantially all of the risks and rewards of ownership of the financial asset. Any rights or obligations created or retained in the transfer are recognized separately as assets or liabilities. A financial liability is derecognised when it is extinguished.

Credit related commitments

In the normal course of business, the Bank enters into credit related commitments, comprising undrawn loan commitments, letters of credit and guarantees.

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

A financial guarantee liability is recognised initially at fair value net of associated transaction costs, and are measured subsequently at the higher of the amount initially recognised less cumulative amortisation or the amount of provision for losses under the guarantee. Provisions for losses under financial guarantees and other credit related commitments are recognised when losses are considered probable and can be measured reliably.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Property and equipment

Owned assets

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the first day of the month, following the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use. The estimated useful lives are as follows:

Equipment	4 years
Fixtures and fittings	4 to 10 years
Vehicles	5 years

Intangible assets

Intangible assets, which are acquired by the Bank, are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful life is as follow:

Computer software	10 years
-------------------	----------

Impairment

Financial assets carried at amortized cost

Financial assets carried at amortized cost consist principally of loans, other receivables and unquoted available-for-sale debt securities (“loans and receivables”). The Bank reviews its loans and receivables, to assess impairment on a regular basis. A loan or receivable is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan or receivable and that event (or events) has had an impact on the estimated future cash flows of the loan that can be reliably estimated.

The Bank first assesses whether objective evidence of impairment exists individually for loans and receivables that are individually significant, and individually or collectively for loans and receivables that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed loan or receivable, whether significant or not, it includes the loan in a group of loans and receivables with similar credit risk characteristics and collectively assesses them for impairment. Loans and receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan or receivable has been incurred, the amount of the loss is measured as the difference between the carrying amount of the loan or receivable and the present value of estimated future cash flows including amounts recoverable from guarantees and collateral discounted at the loan or receivable’s original effective interest rate. Contractual cash flows and historical loss experience adjusted on the basis of relevant observable data that reflect current economic conditions provide the basis for estimating expected cash flows.

In some cases the observable data required to estimate the amount of an impairment loss on a loan or receivable may be limited or no longer fully relevant to current circumstances. This may be the case when a borrower is in financial difficulties and there is little available historical data relating to similar borrowers. In such cases, the Bank uses its experience and judgement to estimate the amount of any impairment loss.

All impairment losses in respect of loans and receivables are recognized in the income statement and are only reversed if a subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Provisions

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Dividends

The ability of the Bank to declare and pay dividends is subject to the rules and regulations of the Russian legislation.

Dividends in relation to ordinary shares are reflected as an appropriation of retained earnings in the period when they are declared.

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in changes in net assets attributable for participants, in which case it is recognised in changes in net assets attributable for participants.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and where it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Interest income and expenses and fee and commission income

Interest income and expense are recognised in the income statement as they accrue, taking into account the effective interest rate of the asset/liability or an applicable floating rate. Interest income and expense includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Loan origination fees, loan servicing fees and other fees that are considered to be integral to the overall profitability of a loan, together with the related direct costs, are deferred and amortized to interest income over the estimated life of the financial instrument using the effective interest rate method.

Other fee and commission income is recognised when the corresponding service is provided.

Operating leases

Where the Bank is the lessee in a lease agreement where the lessor does not transfer substantially all of the risks and rewards incidental to ownership of the asset, the arrangement is accounted for as an operating lease. The leased asset is not recognised in the Bank's financial statements, and lease payments are recognised in the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Comparative information

Certain comparative information has been reclassified conform to changes in presentation and correct application of IFRS.

Fee and commission income

Included in other income for the year ended 31 December 2006 are fees in respect of research and information services (Refer Note 23), which was presented in the fee and commission income in the previous year. Management believes that the revised presentation results in more appropriate presentation of such income as it is not in the nature of commission income.

The effect of this reclassification on the comparative information as previously reported is as follows:

	31 December 2005 RUR '000
Fee and Commission Income (as previously reported)	36,788
Fee and Commission Income (restated)	8,328
Other Income (as previously reported)	4,344
Other Income (restated)	32,803

Cash and cash equivalents

Included in placements with banks and other financial institutions at 31 December 2006 are overnight accounts, which were presented in the cash and cash equivalents in the previous year. Management believes that the revised presentation results in more appropriate presentation of overnight accounts.

	31 December 2005
	RUR '000
Cash and cash equivalents (as previously reported)	119,560
Cash and cash equivalents (restated)	23,450
Placements with banks and other financial institutions (as previously reported)	211,744
Placements with banks and other financial institutions (restated)	307,854

Net assets attributable to participants

IAS 32 (revised 2003) "Financial Instruments: Disclosure and Presentation" (effective since 1 January 2005) requires, among other things, that financial instruments under which the issuer can be required to deliver cash or other financial assets to the holder do not meet the definition of equity and must therefore be classified as liabilities. Each participant in a Russian Limited Liability Company has the unilateral right to withdraw his capital from the company and receive his share of the company's net assets within six months after the end of the year of which the withdrawal was notified. As a result, charter capital, additional paid-in capital and retained earnings attributable to participants of the Bank previously reported as equity, were reclassified to liabilities in order to comply with the standard (refer to note 17).

Changes in accounting policies

During the current year there were no significant changes required to be carried out by the Bank in its accounting policies as a result of new or revised Standards that are effective for periods beginning on or after 1 January 2006.

New Standards and Interpretations not yet adopted

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at 31 December 2006, and have not been applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Bank's operations. The Bank plans to adopt these pronouncements when they become effective. The Bank has not yet analysed the likely impact of these new standards on its financial statements.

- *IFRS 7 "Financial Instruments: Disclosures"*, which is effective for annual periods beginning on or after 1 January 2007, provides disclosure requirements regarding the significance of financial instruments to the Bank's financial position and performance, and qualitative and quantitative information about the nature and extent of risks arising from financial instruments. The Standard supersedes International Financial Reporting Standard IAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions" and the disclosure requirements in International Financial Reporting Standard IAS 32 "Financial Instruments: Presentation and Disclosure". A large portion of existing disclosure requirements in International Financial Reporting Standard IAS 32 "Financial Instruments: Presentation and Disclosure" is transferred to the new Standard. The title of International Financial Reporting Standard IAS 32 is amended to IAS 32 "Financial Instruments: Presentation".
- *IFRIC 9 "Reassessment of embedded derivatives"*, which is effective for annual periods beginning on or after 1 November 2006, clarifies that an embedded derivative shall be assessed for separation from the host contract and accounted for as a derivative when the Group first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a significant change in the terms of the contract, i.e. in the terms of either the host contract or the embedded derivative or both.
- *IFRIC 10 "Interim Financial Reporting and Impairment"*, which is effective for annual periods beginning on or after 1 November 2006, clarifies that an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost should not be reversed.
- Amendment to IAS 1 "*Presentation of Financial Statements – Capital Disclosures*", which is effective for annual periods beginning on or after 1 January 2007. The Standard will require increased disclosure in respect of the Bank's capital.

4 Cash and cash equivalents

	2006 RUR '000	2005 RUR '000
Cash	31,045	2,944
Due from the Central Bank – nostro accounts	49,616	20,506
	80,661	23,450

5 Minimum reserve deposit at the Central Bank of the Russian Federation

	2006	2005
	RUR '000	RUR '000
Minimum reserve deposit	154,882	1,271
	154,882	1,271

The minimum reserve deposit is a mandatory non-interest bearing deposit calculated in accordance with regulations issued by the CBR and whose withdrawability is restricted.

6 Placements with banks and other financial institutions

	2006	2005
	RUR '000	RUR '000
Loans and deposits	1,233,621	211,689
Nostro accounts	528,384	-
Overnight placement with Banks	300,175	96,110
Accrued interest	6,179	55
	2,068,359	307,854

Concentration of placements with banks and other financial institutions

As at 31 December 2006 the Bank had 2 (2005: 1) banks and financial institution, whose balance exceeded 10% of total placements with banks and other financial institutions. The gross values of these balances as of 31 December 2006 and 2005 were RUR 818,516 thousand and RUR 100,739 thousand, respectively.

7 Financial instruments at fair value through profit or loss

	2006 RUR '000	2005 RUR '000
Assets		
<i>Debt instruments – Trading quoted</i>		
Corporate bonds	785,444	-
Bonds issued by banks	253,498	-
	1,038,942	-
Liabilities		
<i>Derivative financial instruments</i>		
Foreign currency contracts	1,983	-
	1,983	-

Losses arising on derivative financial instruments are recognized in net foreign exchange income (Note 22).

Foreign currency contracts

The table below summarises, by major currency, the contractual amounts of the Bank's forward exchange contracts outstanding at 31 December 2006 with details of the contracted exchange rates and remaining periods to maturity. Foreign currency amounts presented below are translated at rates ruling at the balance sheet date. The resultant unrealised gains and losses on these unmatured contracts, along with the amounts payable and receivable on the matured but unsettled contracts, have been recognised in the income statement and in financial instruments at fair value through profit or loss, as appropriate.

	Notional amount		Weighted average contracted exchange rates	
	2006 RUR '000	2005 RUR '000	2006	2005
Buy USD sell RUR				
Less than three months	1,100,640	-	26.37	-
Between three months and one year	308,074	-	26.37	-
Buy USD sell Euros				
Less than three months	65,822	-	0.76	-

8 Loans to customers

Loans and advances to customers are issued primarily to customers located within the Russian Federation, who operate in the following economic sectors:

	2006	2005
	RUR '000	RUR '000
Retail customers		
Mortgage lending	341,405	13,510
Auto loans	59,835	1,523
Credit cards	507	-
Public sector customers		
Public administration	200,000	-
Commercial customers		
Manufacturing	928,722	-
Trade	725,721	142,389
Real estate	514,627	50,369
Finance	180,298	-
Machine-building	143,504	-
Oil and gas	70,765	-
Other	1,569	25,851
Accrued interest	142	146
	3,167,095	233,788
Provision for impairment	(5,263)	(5,925)
	3,161,832	227,863

Significant credit exposures

As at 31 December 2006 the Bank had no (2005: 1) borrowers or group of related borrowers, whose loan balance exceeded 10% of loans to customers. The gross value of these loans as of 31 December 2005 was RUR 100,306 thousand.

Contractually overdue loans

Information in relation to loans with contractually overdue principal or interest as at 31 December 2006 and 2005, is summarised as follows:

	2006	2005
	RUR '000	RUR '000
Gross loans with contractually overdue principal or interest	5,263	-
Provision for impairment	(5,263)	-
Net contractually overdue loans recorded in the balance sheet	-	-

Analysis of movements in the provision for impairment

	2006	2005
	RUR '000	RUR '000
Balance at the beginning of the year	5,925	2,528
Charge/(recovery) for the year	(662)	3,397
Balance at the end of the year	5,263	5,925

The Bank has reviewed its loan portfolio and identified loans with a total principal amount of RUR 5,263 thousand, which have indicators of impairment and has created provision for these loans of RUR 5,263 thousand at 31 December 2006. The Bank also assessed collective allowance for impairment as at 31 December 2006 and has concluded that no provision is required. Changes in these estimates could effect the loan impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by minus one percent, the collective loan impairment provision on loans as of 31 December 2006 would be RUR 31,618 thousand higher.

Loan maturities

The maturity of the Bank's loan portfolio is presented in Note 34, which shows the remaining period from the reporting date to the contractual maturity of the loans comprising the loan portfolio. Due to the short-term nature of the credits issued by the Bank, it is likely that many of the Bank's loans to customers will be renewed on maturity. Accordingly, the effective maturity of the loan portfolio may be significantly longer than the classification indicated based on contractual terms.

9 Available-for-sale assets

	2006	2005
	RUR '000	RUR '000
<i>Debt instruments – Quoted</i>		
Corporate bonds	1,474,084	-
Bonds issued by banks	30,675	-
<i>Debt instruments – Unquoted</i>		
Corporate bonds	207,911	-
Promissory notes	151,822	-
	1,864,492	-

10 Property and equipment

RUR'000	Equipment	Fixtures and fittings	Vehicles	Computer software	Construction in progress	Total
Cost amount						
At 1 January 2006	2,760	411	1,680	5,768	992	11,611
Additions	10,062	13,695	-	1,313	70	25,140
Transfer	992	-	-	-	(992)	-
Disposals	(282)	-	-	-	-	(282)
At 31 December 2006	13,532	14,106	1,680	7,081	70	36,469
Depreciation / amortisation						
At 1 January 2006	(554)	(107)	(283)	(162)	-	(1,106)
Depreciation / amortisation charge	(1,884)	(997)	(301)	(594)	-	(3,776)
Disposals	141	-	-	-	-	141
At 31 December 2006	(2,297)	(1,104)	(584)	(756)	-	(4,741)
Carrying value						
At 31 December 2006	11,235	13,002	1,096	6,325	70	31,728
At 31 December 2005	2,206	304	1,397	5,606	992	10,505

11 Deferred tax asset

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to net deferred tax assets as of 31 December 2006 and 2005. These deferred tax assets have been recognised in these financial statements. The future tax benefits will only be realised if profits will be available against which the unused tax losses can be utilised and there are no changes to the law and regulations that adversely affect the Bank's ability to claim the deductions in future periods.

These deductible temporary differences, which have no expiry dates, are listed below at their tax effected accumulated values:

RUR'000	Assets		Liabilities		Net	
	2006	2005	2006	2005	2006	2005
Financial instruments at fair value through profit or loss	4,412	-	-	-	4,412	-
Loans to customers	2,520	1,041	(376)	-	2,144	1,041
Property and equipment	-	-	(447)	(136)	(447)	(136)
Available-for-sale assets	2,333	-	-	-	2,333	-
Total deferred tax assets/(liabilities)	9,265	1,041	(823)	(136)	8,442	905

The rate of tax applicable for deferred taxes was 24% (2005: 24%).

The above deductible temporary differences do not expire under current tax legislation.

Movement in temporary differences during the year

RUR'000	Balance 1 January 2006	Recognised in income	Recognised in changes in net assets attributable to participants	Balance 31 December 2006
Financial instruments at fair value through profit or loss	-	4,412	-	4,412
Available-for-sale assets	-	-	2,333	2,333
Loans to customers	1,041	1,103	-	2,144
Property and equipment	(136)	(311)	-	(447)
	905	5,204	2,333	8,442

12 Other assets

	2006 RUR '000	2005 RUR '000
Prepayments	39,135	43,257
Other	13,625	716
	52,760	43,973
Provision for impairment	(128)	(26)
	52,632	43,947

Analysis of movements in the provision for impairment

	2006 RUR '000	2005 RUR '000
Balance at the beginning of the year	26	-
Charge for the year	102	26
Balance at the end of the year	128	26

13 Deposits and balances from banks and other financial institutions

	2006 RUR '000	2005 RUR '000
Term deposits	6,759,619	107,215
Accrued interest	72,036	246
	6,831,655	107,461

Concentration of deposits and balances from banks and other financial institutions

As at 31 December 2006 the Bank had 1 (2005: 3) group of related banks, whose balances exceeded 10% of total deposits and balances from banks and other financial institutions. The gross value of these balances as of 31 December 2006 and 2005 were RUR 6,388,303 thousand and RUR 102,897 thousand, respectively.

14 Current accounts and deposits from customers

	2006	2005
	RUR '000	RUR '000
Current accounts and demand deposits		
- Retail	15,286	1,539
- Corporate	218,689	30,540
Term deposits		
- Retail	4,041	1,085
- Corporate	6,295	610
Accrued interest	25	-
	244,336	33,774

Concentrations of current accounts and customer deposits

As of 31 December 2006 the Bank had 2 (2005: 1) customers, whose balances exceeded 10% of total customer accounts. These balances as of 31 December 2006 and 2005 were RUR 114,241 thousand and RUR 14,922 thousand, respectively.

15 Subordinated debt

	2006	2005
	RUR '000	RUR '000
Subordinated debt (ICICI Bahrain)	210,649	-
Accrued interest	10,739	-
	221,388	-

				2006	2005	
Principal amount	Interest rate	Issue date	Maturity date	RUR '000	RUR '000	
	8,000	6.65%	30 March 2006	30 March 2016	221,388	-

16 Other liabilities

	2006	2005
	RUR '000	RUR '000
Taxes payable	1,906	2,746
Other	216	19
	2,122	2,765

17 Net assets attributable to participants

	Charter Capital	Additional paid-in capital	Revaluation reserve for available-for- sale assets	Retained Earnings	Total net assets attributable to participant
	RUR'000	RUR'000	RUR'000	RUR'000	RUR'000
Balance at 1 January 2005 (restated)	131,692	-	-	(97,883)	33,809
Net income for the year	-	-	-	9,166	9,166
Contribution by the sole participant	280,000	146,480	-	-	426,480
Balance at 31 December 2005 (restated)	411,692	146,480	-	(88,717)	469,455
Net income for the year	-	-	-	1,637	1,637
Contribution by the sole participant	672,500	21,663	-	-	694,163
Unrealised losses on available-for-sale assets	-	-	(9,723)	-	(9,723)
Tax effect on unrealised losses on available-for-sale assets	-	-	2,333	-	2,333
Balance at 31 December 2006	1,084,192	168,143	(7,390)	(87,080)	1,157,865

Charter Capital represents contributions made by the participant of the Bank.

Under Russian legislation, a participant in a limited liability company has the unilateral right to withdraw from the company, in which case the company would be obliged to pay such withdrawing participant's share of the net assets of the company. As a result charter capital and retained earnings attributable to participants of the Bank have been presented as a liability in order to comply with the IAS 32 (revised 2003) "Financial Instruments: Disclosure and Presentation". Comparative figures have been presented accordingly. Management of the Bank has not been advised of the intention of the participant to withdraw its capital from the Bank.

As at December 31, 2006 the Charter Capital of the Bank was RUR 1,084,192 thousand (2005 RUR: 411,692 thousand). During the year 2006 Charter Capital was increased by RUR 672,500 thousand (2005 RUR: 280,000 thousand).

In June 2006, the Bank also received a contribution from the participant amounting to RUR 21,663 thousand to comply with the depository insurance requirements, which was treated as additional paid-in capital.

18 Net interest income

	2006	2005
	RUR '000	RUR '000
Interest income		
Securities interest	106,775	-
Loans to customers	108,957	9,717
Placements with banks and other financial institutions	63,328	3,894
	279,060	13,611
Interest expense		
Deposits and balances from banks and other financial institutions	148,990	361
Promissory notes	699	368
Current accounts and deposits from customers	218	2,386
	149,907	3,115

19 Fee and commission income

	2006	2005
	RUR '000	RUR '000
Fees related to loans	37,605	6,770
Guarantee and letter of credit issuance fees	3,044	34
Settlement fees	2,588	-
Cash transactions fees	1,665	308
Underwriting and corporate finance fees	1,350	-
Agency services fees	522	-
Other	881	1,216
	47,655	8,328

20 Fee and commission expense

	2006	2005
	RUR '000	RUR '000
Cash transactions fees	369	201
Settlement fees	334	64
Participation fees	241	-
Credit card maintenance fees	47	-
Other	169	43
	1,160	308

21 Net income on financial instruments at fair value through profit or loss

	2006	2005
	RUR '000	RUR '000
Debt instruments	3,512	-
Other	-	30
	3,512	30

22 Net foreign exchange income

	2006	2005
	RUR '000	RUR '000
Gain from translation of financial assets and liabilities	19,441	5,599
Loss on spot transactions and derivatives	(15,534)	1,881
	3,907	7,480

23 Other income

	2006	2005
	RUR '000	RUR '000
Research and information services	27,524	29,710
Other	775	3,093
	28,299	32,803

24 Net impairment reversals/(losses)

	2006	2005
	RUR '000	RUR '000
Impairment losses		
Loans to customers	-	(3,397)
Other assets/commitments	(102)	(26)
	(102)	(3,423)
Reversals of impairment losses		
Loans to customers	662	-
	662	-
Net impairment reversal/(losses)	560	(3,423)

25 General administrative expenses

	2006	2005
	RUR '000	RUR '000
Employee compensation	98,758	22,977
Rent	27,995	5,486
Payroll related taxes	12,021	4,691
Repairs and maintenance	11,964	-
Operational taxes	11,496	1,964
Retail banking sales cost	6,315	-
Professional services	4,963	3,521
Communications services	4,412	-
Depreciation and amortisation	3,776	698
Information and consultation services	2,317	-
Travel	2,260	-
Advertising and marketing	1,842	-
Insurance	1,073	-
Other	14,136	4,761
	203,328	44,098

26 Income tax expense

	2006	2005
	RUR '000	RUR '000
Current tax expense		
Current year	12,165	3,157
Under/(over) provided in prior years	-	(519)
	12,165	2,638
Deferred tax expense		
Deferred taxation movement due to origination and reversal of temporary differences and movement in valuation allowance	(5,204)	(496)
	(5,204)	(496)
Total income tax expense in the income statement	6,961	2,142

The Bank's applicable tax rate for current and deferred tax is 24% (2005: 24%).

Reconciliation of effective tax rate:

	2006		2005	
	RUR '000	%	RUR '000	%
Income before tax	8,598		11,308	
Theoretical income tax expense at the applicable statutory rates	2,064	24	2,714	24
Tax effect of net non-deductible cost/(non-taxable income)	5,118	60	(53)	-
Under/(over) provided in prior years	-	-	(519)	(5)
Tax effect of items taxed at lower rate	(221)	(3)	-	-
	6,961	81	2,142	19

27 Risk management

Management of risk is fundamental to the business of banking and is an essential element of the Bank's operations. The major risks faced by the Bank are those related to market risk (which includes price, fair value interest rate and currency risks), credit risk and liquidity risk. These risks are managed in the following manner:

Market risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments traded in the market. Price risk arises when the Bank takes a long or short position in a financial instrument.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk arises when the actual or forecasted assets of a given maturity period are either greater or less than the actual or forecasted liabilities in that maturity period. For further information on the Bank's exposure to fair value interest rate risk at year end refer to Note 33 and 34.

Currency risk

The Bank has assets and liabilities denominated in several foreign currencies. Foreign currency risk arises when the actual or forecasted assets in a foreign currency are either greater or less than the liabilities in that currency. For further information on the Bank's exposure to currency risk at year end refer to Note 35.

The Bank manages its market risk by setting open position limits in relation to financial instrument, interest rate maturity and currency positions which are monitored on a regular basis and reviewed and approved by the Management Board.

Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation to the Bank. The Bank has developed policies and procedures for the management of credit exposures, including guidelines to limit portfolio concentration and the establishment of a Credit Committee, which actively monitors the Bank's credit risk. The Bank's credit policy is reviewed and approved by the Management Board.

Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in raising funds to meet its commitments. The Bank maintains liquidity management with the objective of ensuring that funds will be available at all times to honor all cash flow obligations as they become due. The Bank's liquidity policy is reviewed and approved by the Management Board. For further information on the Bank's exposure to liquidity risk at year end refer to Note 34.

28 Commitments

At any time the Bank has outstanding commitments to extend credit. These commitments take the form of approved loans and credit card limits and overdraft facilities.

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years. The Bank also provides guarantees by acting as settlement agent in securities borrowing and lending transactions.

The contractual amounts of commitments are set out in the following table by category. The amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted.

	2006	2005
	RUR '000	RUR '000
Contracted amount		
Loan and credit line commitments	466,302	-
Guarantees and letters of credit	57,481	3,804
Credit card commitments	31,651	-

The total outstanding contractual commitments to extend credit indicated above does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded.

29 Operating leases

Leases as lessee

Non-cancelable operating lease rentals are payable as follows:

	2006	2005
	RUR '000	RUR '000
Less than one year	20,676	8,345
Between one and five years	83,858	-
More than five years	19,747	-
	124,281	8,345

The Bank leases a number of premises under operating lease. The leases typically run for an initial period of five to ten years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals.

30 Contingencies

Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Bank does not have full coverage for its premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Bank's property or relating to the Bank's operations. Until the Bank obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Bank's operations and financial position.

Litigation

In the ordinary course of business, the Bank is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints, will not have a material adverse effect on the financial conditions of the results of future operations of the Bank.

Taxation contingencies

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

31 Related party transactions

Control relationships

The party with ultimate control over the Bank and its direct parent company is ICICI Bank Limited, India, which produces publicly available financial statements.

Transactions with members of the Board of Directors and the Management Board

Total remuneration included in employee compensation and payroll related taxes (refer Note 25):

	2006	2005
	RUR '000	RUR '000
	<hr/>	<hr/>
Members of the Board of Directors	8,773	1,396
Members of the Management Board	3,732	3,457
	<hr/>	<hr/>
	12,505	4,853
	<hr/> <hr/>	<hr/> <hr/>

The above amounts include employee compensation and payroll related taxes in respect of members of the Board of Directors and Management Board.

The outstanding balances and average interest rates as of 31 December 2006 with members of the Board of Directors and Management Board is as follows:

	2006 RUR '000	Average Interest Rate	2005 RUR '000	Average Interest Rate
Balance Sheet				
Assets				
Loans to customers	488	9	-	-

Amounts included in the income statement in relation to transactions with members of the Board of Directors and Management Board is as follows:

	2006 RUR '000	2005 RUR '000
Income statement		
Interest income	19	-

Transactions with other related parties

The outstanding balances and the related average interest rates as of 31 December 2006 and related income statement amounts of transactions for the year ended 31 December 2006 with other related parties are as follows. Other related parties are ICICI Bank Limited (India) and ICICI Bank UK Limited (Great Britain).

	Parent company		Other subsidiaries of the Parent company		Total
	RUR' 000	Average Interest Rate	RUR'000	Average Interest Rate	RUR' 000
Balance Sheet					
Assets					
Placements from banks and other financial institutions	-	-	1,320	-	1,320
Liabilities					
Placements from banks and other financial institutions	5,864,171	5.99	524,132	6.02	6,388,303
Subordinated debt	221,388	6.65	-	-	221,388
Income statement					
Interest expense	138,475	-	7,118	-	145,593
Other income	27,524	-	1,977	-	29,501

The outstanding balances and the related average interest rates as of 31 December 2005 and related income statement amounts of transactions for the year ended 31 December 2005 with other related parties are as follows. Other related party is ICICI Bank Limited (India).

	Parent company	Other subsidiaries of the Parent company		Total
	Average Interest Rate	RUR'000	Average Interest Rate	RUR' 000
Balance Sheet	RUR' 000	RUR'000	RUR' 000	RUR' 000
Liabilities				
Placements with banks and other financial institutions	103,142	5.2	-	103,142
Income statement				
Interest expense	244	-	-	244
Other income	27,524	-	-	27,524

32 Fair value of financial instruments

The estimated fair value of the Bank's financial assets and liabilities approximates the carrying amount due to the recent date of origination of these financial instruments.

The estimated fair values of financial instruments at fair value through profit or loss and quoted available-for-sale assets are based on quoted market prices at the balance sheet date without any deduction for transaction costs.

The estimated fair values of all other financial assets and liabilities are calculated using pricing model and discounted cash flow techniques based on estimated future cash flows and discount rates for a similar instruments at the balance sheet date.

The estimates of fair value are intended to approximate the amount for which a financial instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

33 Average effective interest rates

The table below displays the Bank's interest bearing assets and liabilities as at 31 December 2006 and 2005 and their corresponding average effective interest rates as at that date.

	2006		2005	
	Value RUR '000	Average Effective Interest Rate	Value RUR '000	Average Effective Interest Rate
Interest Bearing Assets				
Placements with banks and other financial institutions				
<i>Nostro accounts</i>				
- RUR	1,656	0.97%	21,577	-
- USD	525,524	4.48%	70,516	-
- other currencies	2,002	-	4,017	-
<i>Loans and deposits</i>				
- RUR	201,843	7.62%	111,004	3.69%
- USD	1,337,334	6.57%	100,740	7.44%
Financial instruments at fair value through profit or loss				
- RUR	926,674	9.72%	-	-
- USD	112,268	8.91%	-	-
Loans to customers				
- RUR	329,615	10.54%	21,763	14.00%
- USD	2,568,922	8.73%	206,100	10.88%
- other currencies	263,295	6.98%	-	-
Available-for-sale assets				
- RUR	1,323,743	9.26%	-	-
- USD	388,927	9.08%	-	-
- other currencies	151,822	9.69%	-	-

	2006		2005	
	Value	Average	Value	Average
	RUR '000	Effective	RUR '000	Effective
		Interest		Interest
		Rate		Rate
Interest Bearing Liabilities				
Deposits and balances from banks and other financial institutions				
<i>Term deposits</i>				
- RUR	260,243	5.30%	-	-
- USD	6,219,125	5.99%	107,461	5.20%
- other currencies	352,287	5.62%	-	-
Subordinated debt				
- USD	221,388	6.65%	-	-
Current accounts and deposits from customers				
<i>Current accounts and demand deposits</i>				
- RUR	188,312	-	25,613	-
- USD	44,936	-	2,088	-
- other currencies	727	-	4,988	-
<i>Term deposits</i>				
- RUR	1,460	5.49%	821	7.00%
- USD	1,837	5.02%	264	5.00%
- other currencies	769	4.12%	-	-
<i>Collateral for letters of credit</i>				
- USD	6,295	-	-	-
Promissory notes				
- RUR	2,511	13.50%	2,240	13.50%
- other currencies	110	10.00%	100	10.00%

34 Maturity analysis

The table below summarises the Bank's assets and liabilities by remaining contractual maturity dates as at December 31, 2006.

	Overdue	Demand and less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000
Assets								
Cash and cash equivalents	-	80,661	-	-	-	-	-	80,661
Minimum reserve deposit at the Central Bank of the Russian Federation	-	-	-	-	-	-	154,882	154,882
Placements with banks and other financial institutions	-	928,115	28,953	1,111,291	-	-	-	2,068,359
Financial instruments at fair value through profit or loss	-	-	-	-	886,762	152,180	-	1,038,942
Loans to customers	-	14,884	171,957	1,048,840	1,597,631	328,520	-	3,161,832
Available-for-sale assets	-	-	27,003	346,253	1,491,236	-	-	1,864,492
Property and equipment	-	-	-	-	-	-	31,728	31,728
Deferred tax asset	-	-	-	-	-	-	8,442	8,442
Other assets	-	11,483	10,701	1,485	25	28,938	-	52,632
Total assets	-	1,035,143	238,614	2,507,869	3,975,654	509,638	195,052	8,461,970
Liabilities								
Financial instruments at fair value through profit or loss	-	1,460	98	425	-	-	-	1,983
Deposits and balances from banks and other financial institutions	-	745,451	2,090,380	3,074,235	921,589	-	-	6,831,655
Current accounts and deposits from customers	-	236,954	4,114	3,268	-	-	-	244,336
Promissory notes	-	-	-	-	2,511	110	-	2,621
Subordinated debt	-	-	-	-	-	221,388	-	221,388
Other liabilities	-	255	1,776	91	-	-	-	2,122
Total liabilities, other than net assets attributable to participants	-	984,120	2,096,368	3,078,019	924,100	221,498	-	7,304,105
Net position as at 31 December 2006	-	51,023	(1,857,754)	(570,150)	3,051,554	288,140	195,052	1,157,865
Net position as at 31 December 2005	-	238,456	33	25,850	179,784	13,557	11,775	469,455

The table below summarises the Bank's assets and liabilities by date of repricing as at December 31, 2006.

	Overdue	Demand and less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	Total
	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000
Assets								
Cash and cash equivalents	-	-	-	-	-	-	80,661	80,661
Minimum reserve deposit at the Central Bank of the Russian Federation	-	-	-	-	-	-	154,882	154,882
Placements with banks and other financial institutions	-	1,235,384	2,623	830,352	-	-	-	2,068,359
Financial instruments at fair value through profit or loss	-	-	-	-	886,762	152,180	-	1,038,942
Loans to customers	-	1,220,662	1,111,663	301,435	209,823	318,249	-	3,161,832
Available-for-sale assets	-	-	27,003	346,253	1,491,236	-	-	1,864,492
Property and equipment	-	-	-	-	-	-	31,728	31,728
Deferred tax asset	-	-	-	-	-	-	8,442	8,442
Other assets	-	-	-	-	-	-	52,632	52,632
Total assets	-	2,456,046	1,141,289	1,478,040	2,587,821	470,429	328,345	8,461,970
Liabilities								
Financial instruments at fair value through profit or loss	-	-	-	-	-	-	1,983	1,983
Deposits and balances from banks and other financial institutions	-	849,654	3,252,535	2,729,466	-	-	-	6,831,655
Current accounts and deposits from customers	-	236,954	4,114	3,268	-	-	-	244,336
Promissory notes	-	-	-	-	2,511	110	-	2,621
Subordinated debt	-	-	-	-	-	221,388	-	221,388
Other liabilities	-	-	-	-	-	-	2,122	2,122
Total liabilities, other than net assets attributable to participants	-	1,086,608	3,256,649	2,732,734	2,511	221,498	4,105	7,304,105
Net position as at 31 December 2006	-	1,369,438	(2,115,360)	(1,254,694)	2,585,310	248,931	324,240	1,157,865
Net position as at 31 December 2005	-	238,456	33	25,850	179,784	13,557	11,775	469,455

35 Currency analysis

The following table shows the currency structure of assets and liabilities at 31 December 2006:

	RUR	USD	EUR	Other currencies	Total
	RUR '000	RUR '000	RUR '000	RUR '000	RUR '000
Assets					
Cash and cash equivalents	63,645	15,134	1,882	-	80,661
Minimum reserve deposit at the Central Bank of the Russian Federation	154,882	-	-	-	154,882
Placements with banks and other financial institutions	203,499	1,862,858	682	1,320	2,068,359
Financial instruments at fair value through profit or loss	926,674	112,268	-	-	1,038,942
Loans to customers	329,615	2,568,922	-	263,295	3,161,832
Available-for-sale assets	1,323,743	388,927	151,822	-	1,864,492
Property and equipment	31,728	-	-	-	31,728
Deferred tax asset	8,442	-	-	-	8,442
Other assets	52,047	520	65	-	52,632
Total assets	3,094,275	4,948,629	154,451	264,615	8,461,970
Liabilities					
Financial instruments at fair value through profit or loss	1,983	-	-	-	1,983
Deposits and balances from banks and other financial institutions	260,243	6,219,125	88,133	264,154	6,831,655
Current accounts and deposits from customers	189,772	53,068	1,464	32	244,336
Promissory notes	2,511	-	110	-	2,621
Subordinated debt	-	221,388	-	-	221,388
Other liabilities	2,102	20	-	-	2,122
Total liabilities, other than net assets attributable to participants	456,611	6,493,601	89,707	264,186	7,304,105
Net on balance sheet position as of 31 December 2006	2,637,664	(1,544,972)	64,744	429	1,157,865
Net off balance sheet position as of 31 December 2006	(1,408,714)	1,474,536	(65,822)	-	-
Net on and off balance sheet positions as of 31 December 2006	1,228,950	(70,436)	(1,078)	429	1,157,865
Net on and off balance sheet positions as of 31 December 2005	226,396	243,923	(459)	(405)	469,455