



NATIONAL
RESERVE
BANK

Annual
Report

2009

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Andrei Manoilo
Chairman of the Management Board



Alexander Lebedev
President of the Bank



Sergei Aleksashenko
Chairman of the Supervisory Board

A Message to the Clients and Partners

Dear Friends,

You will find below the NRB Report for 2009, a year which put Russia's economy, an integral part of global production and distribution of wealth, to a severe test. The world financial crisis, likewise, tested Russia's banking system and pushed many banks out of business.

The National Reserve Bank passed the test with flying colors; moreover, it helped those which once in a quandary were unable to extricate themselves. At the request from the RF Government and the Bank of Russia we contributed to the common effort to revive the Rossiysky Capital Bank and restore its solvency. Together with the state Deposit Insurance Agency we were involved in serving individual clients of the Joint Stock Commercial Bank Elektronika which found itself

short of liquidity. In 2009, NRB confirmed its status as one of the most reliable financial and credit institutions of Russia as far as its efficiency and the earning capacity of its capital and assets were concerned.

This was neither luck nor a happy chance: back in 1998 NRB was one of the few big private banks to survive the crisis. This means that our success is rooted in many years of persistent efforts to build up a firm foundation of prosperity, adequate reserves and a sound business strategy.

From the very first days NRB has been consistently supporting innovations and socially important projects to promote modernization of Russia's economy and well-being of its citizens. Not being a state financial and credit institution, the Bank is nevertheless involved in crediting the leaders of the key sectors of the national economy: aviation and space industries, the military-industrial complex, telecommunications, agriculture, shipbuilding and mechanical engineering enterprises, production of

construction materials and light industry. Small businesses in trade and services, the cornerstone of social stability and higher living standards, are not forgotten either.

Many years of successful investment activities which allowed NRB to accumulate experience and build up its potential have attracted individuals: today they can enjoy the entire range of top-class banking services to improve their material status and cope with financial problems.

In 2009 the Bank never abandoned its efforts to go beyond its predominantly investment status to become a universal commercial bank with a wide range of services and products for corporate clients and individuals: its new branch offices are staffed with experienced and efficient managers with international qualifications.

As a national bank, NRB is fully aware of its social obligations; it is actively involved in health protection, science and culture. Its programs in the sphere of child oncology are well known; the Bank does not spare its efforts to support the theater and cinema; to help restore monuments of culture and set up new cultural objects; talented young people and scientific institutions can count on financial support to continue education and go on with research.

In 2010, a much better geared system of corporate administration, high-tech equipment and improved financial products, services and instruments will create even stronger development impulses. As a reliable partner of its present and future clients the Bank is prepared to discuss all sorts of creative initiatives and projects.

Welcome to the National Reserve Bank!



Andrei Manoilo



Alexander Lebedev



Sergei Aleksashenko

Bank's Profile

7

federal districts

13

branches

25

cities

1,161

employees

9

operational offices

4,273

corporate clients



36,567

retail clients

24.6

billion rubles of net debt

3.9

billion rubles of net profit

51.2

billion rubles of assets

25.0

billion rubles of equity

The National Reserve Bank is a sound and one of the most stable and reliable banks in the Russian Federation.



NRB, the Financial Core of the National Reserve Corporation

The National Reserve Bank is the core of the National Reserve Corporation (NRC), a financial and industrial group active in construction and real estate projects, telecommunications, air transportation, financial services and insurance, industrial leasing, health resort and tourist business. NRC concentrates on high-tech sectors of industry, agriculture and services.

The NRC financial and banking group includes the Joint Stock Commercial Bank Energobank in Kiev with branches in 17 Ukrainian regions, the European Insurance Alliance

Closed Joint Stock Company in Kiev, the leader of the Ukrainian insurance market with a wide range of services in mandatory and optional insurance. NRC owns 100 percent of shares in the NRC-Capital (Asset Management) and CIS Interfincom (Switzerland, Zurich) management companies actively involved in the Russian and international financial markets.

The Alpstream AG (Switzerland) management company operates in air transportation, tourism, consulting and aircraft leasing. The Red Wings air company, a major user of Russia-made TU-204-100 aircrafts, went into operation in 2007 with chartered flights from the Vnukovo Airport in Moscow. The crisis did not dent its excellent record: in

2009 it carried 695,433 passengers against 447,178 the year before; it is the official carrier of the Russian national football team.

Hotel and tourist accommodation in Ukraine and Europe can be described as the holding's recreation assets. The Commercial Company Ltd. owns 50 percent of shares in "Ukraina", the largest of the Kiev hotels and the five-star "More" (The Sea) resort complex, a unique facility which covers 8 hectares of a relict park in the Crimea; the complex is the only one of its type on the peninsula functioning round the year with holidaying crowds in summer and corporate and business events between the seasons. It shares the territory with a high-tech SPA center with state-of-the-art diagnostic equipment. This is by far NRC's only object in the Crimea: the Sea Garden recreational and business center complete with 84 rooms, a cinema and a banquet halls which can seat 600 is practically ready. The "Almond Grove" sanatorium and three hotels (Morskaiia, Morskoy Ugolok and

2006-2009, NHC commissioned low-rise settlements in the Moscow, Leningrad and Rostov regions; more settlements are being built in the Tula, Voronezh and Volgograd regions.

In two years, the National Land Company (NLC) an agricultural holding set up in the Tula Region in 2007, received about one billion rubles of investments. NLC specializes in potato, grain and vegetables growing; its potato storage facility is Russia's largest and best equipped, the Company being Europe's largest potato grower. In 2009, it gathered over 130 thousand tons of potato; in the same year NRB provided finances for potato-packing equipment; in 2010, the holding will acquire one of the largest potato-processing facilities; a washing and packing system is already in operation.

The PromTechLeasing Company, an active player in the machine and equipment leasing business, has numerous partners in all spheres of commercial activities.

The NRC-Oil holding has consolidated assets related to oil extraction, refining and selling of oil products, a complete cycle ranging from oil prospecting and exploration to oil extraction. The Company enterprises hold licenses to upstream and downstream activities.



Slava) also belong to the National Reserve Corporation.

It owns Château Gutsch Hotel, a jewel of castle architecture with a rich past in Lucerne (Switzerland); Palazzo Terranova, a SPA boutique-hotel in Italian mountains and Château des Forgets in a Parisian suburb close to the Russian Cultural Center.

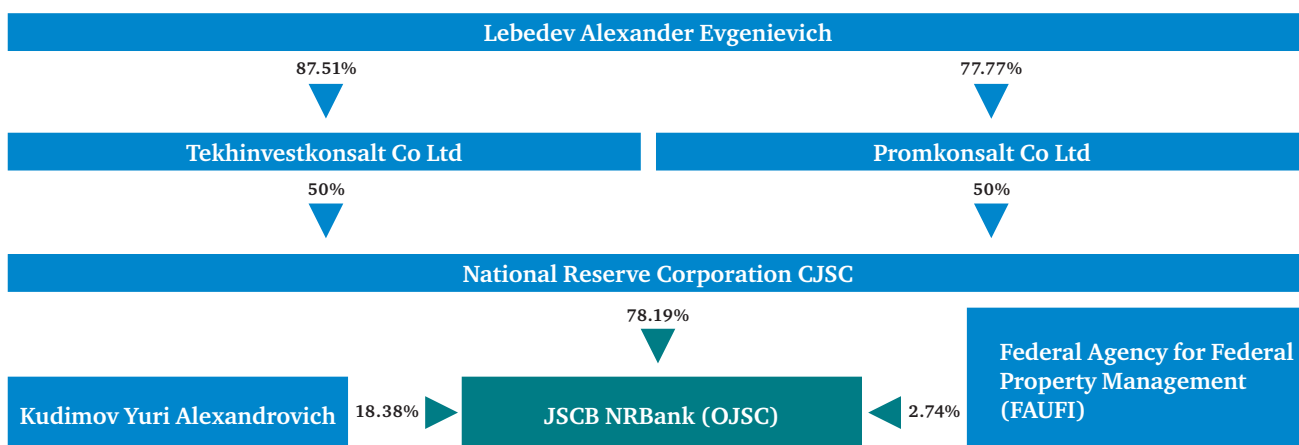
Set up in 2004 to operate in the key social sphere, the National Housing Corporation (NHC) owns 10 integrated cycle plants in the Voronezh, Volgograd, Leningrad, Novgorod, Bryansk, Tula, Novosibirsk and Yaroslavl regions and Khanty-Mansi Autonomous District which produce factory-made individual houses at affordable prices. In

NRB offers a full range of banking services to the NRC enterprises



As of January 1, 2010, the share of NRC in the NRB assets was 5.1%; in liabilities, 3.9%; in bank liabilities, 7.6%; in customers' funds, 10.5%; in net debt, 10.7%.

Shareholding Structure



The Members of the NRB Supervisory Board and Management Board have no shares in the Bank's authorized capital.

Historical Landmarks

12 April 1994 – the National Reserve Bank is established.

1995 – the Bank is redeemed from its former owners by a group of partners, the largest of which is Gazprom.

June 1995 – the managers of the Russian Investment Financial Company operating with Soviet and Russian commercial debts become the NRB owners.

September 1996 – NRB obtains a general banking license and, late in the year, joins the group of 10 largest Russian banks.

1998 – the Bank not merely navigates the August crisis which destroys many Russian banks but preserves its leading position in Russia's banking sector due to its high capitalization, strict risk control and a professional team of managers as well as high efficiency in unfavorable external conditions.

March 1999 – the Bank becomes a joint stock commercial bank.

2 November 2000 – the Bank of Russia registers NRB's first branch (NRBank OJSC in St. Petersburg) to work with major shipbuilders and power producers of the North-West of Russia.

2001 – NRB goes into aircraft production with money for the promising Il-96 and Tu-204 projects and plans to lease them to Russian airlines. The Ilyushin Finance Co. leasing company set up on NRB's money enjoys state support for its projects of leasing out the latest Russia-made aircrafts.

2004 – the Bank contributes to the National Housing Corporation set up to realize a socially important "Low-rise Housing for Russia" program as a new segment of housing construction: factory-made affordable low-rise wooden one-family country-houses.

2004 – the Bank uses extra-bank assets to set up the National Reserve Corporation, a large financial and industrial holding of over 100 companies. In the same year NRB starts moving away from the predominantly investment status to become a universal lender.

2005 – as an associated member of the VISA International payment system the Bank starts issuing bank cards with its logo and permitted overdraft.

2005 – NRB combines its efforts with Sberbank of Russia to set up the largest credit bureau of Russia – the Bureau for Credit Histories, Infocredit CJSC.

2005 – together with Sberbank of Russia, the Interregional Investment Bank, the RG Leasing Company and BGS Smartcard Systems AG (Austria) the Bank established the SBERKARTA CJSC to set up the SBERCARD payment system for Russia.

2006 – the Bank opens a branch in Voronezh.

2007 – NRB registers a branch in Volgograd.

2008 – amid the global liquidity crisis NRB, with much healthier financial reserves than many other banks, becomes one of the first private commercial banks to be involved by the Bank of Russia in reorganizing Russia's banking system. Restored solvency of the Rossiysky Capital JSCB achieved jointly with the Bank of Russia is NRB's first experience in this sphere.

December 2008 – under an agreement with the Deposit Insurance Agency, the National Reserve Bank is empowered to serve about 20 thousand clients of the bankrupt Elektronika Bank and succeeds. Supported by the Bank of Russia, NRB relies on Elektronika's branch network to set up operational offices in 13 major regional centers.

2009 – the Bank moves into its newly built Headquarters in Moscow which it shares with the National Reserve Corporation.

NRB has been and is actively involved in the real economic sector in the form of credits to large and medium-sized businesses; it works with major Russian companies which are leaders of the key economic branches: aerospace industry, the military and industrial complex, telecommunications, power production, fuel and energy complex, shipbuilding, mechanical engineering, textile industry and the agroindustrial complex.

NRB has been consistently developing mortgage crediting as a socially important retail banking service.

With Russia's economy demonstrating a steady growth, the Bank was persistently moving towards financial sustainability; in 2008-2009 crisis years it confirmed its financial stability by generating profit in 2009. Today, the National Reserve Bank is one of most sustainable and reliable banks of the Russian Federation consistently moving towards an even firmer position and diversified incomes.

Administration and Management

Supervisory Board

Aleksashenko Sergei Vladimirovich

Chairman, Director for Macroeconomic Studies, State University—Higher School of Economics

Ilchenko Sergei Anatolievich

Deputy Chairman, Manager, St. Petersburg Branch

Nekrasov Victor Vladimirovich

Deputy Chairman, Director General, National Reserve Corporation CJSC

Zhdanov Yuri Nikolaevich

First Deputy Director, Vnesheconombank Investment Company OJSC (VEB Capital)

Kudimov Kirill Yurievich

Head of the Silkroute financial Group Limited (Cyprus) investment banking department in Russia

Lebedev Alexander Evgenievich

NRB President; Chairman, Board of Directors of the National Reserve Corporation CJSC

Manoilo Andrei Fedorovich

Chairman, NRB Management Board

Samoshin Andrei Anatolievich

Director General, Maxim Gorky OJSC (Tula Region, grain and potato producer)

Sinelnikov-Murylev Sergei Germanovich

Rector of the All-Russia Foreign Trade Academy, RF Ministry for Economic Development

Management Board*

Manoilo Andrei Fedorovich

Chairman

Soloviev Dmitry Borisovich

First Deputy Chair of the Management Board

Zakharov Yuri Anatolievich

Deputy Chair of the Management Board

Nemova Alla Mikhailovna

Deputy Chair of the Management Board
Chief Accountant

Kobin Sergei Alexandrovich

Vice President

Sitnikova Marina Valentinovna

Secretary of the Management Board, Head of the Contract Law Department

2009 Events Review

January

- funds raised for technical retooling of potato processing facilities in the Tula Region.

February

- “Komfortny,” a new fixed-term deposit type, introduced.

April

- Tyumen branch opened.

May

- Samara branch opened;
- financial stabilization of the Rossiysky Capital JSCB successfully completed;
- funds raised for Stavropol-Lada, an AVTOVAZ official dealer, under the state program “Support for the Russian car industry.”

June

- Novosibirsk branch and an operational office in Kaluga opened;
- projects in the real economic sector are funded by the Standard Bank Plc (UK), US\$40 million borrowed;
- facilities extended for six electric power selling companies of the Siberian Federal District to the total amount of 800 million rubles;
- overdraft is extended to The Mall Co Ltd, a large foodstuff and everyday goods retailer, with a 25% share in the retail network turnover in Chelyabinsk;
- The Moody’s ratings of NRB confirmed.

July

- operational offices in Astrakhan and Belgorod and additional Nagatinsky office in Moscow opened;
- 100 million rubles facility extended for the Finance Department of the Yaroslavl city mayor office.

August

- “Indian Summer” seasonal fixed-term deposit type introduced;
- funds raised for technical retooling of a furniture factory in Stavropol (RosMebel Co Ltd).

September

- revolving facility for LOMO OJSC opened;
- lending program for consumer and automobile crediting launched;

- credit facilities extended for two enterprises in Yaroslavl to buy raw materials to produce mobile hospitals for the Ministry for Civil Defence, Emergencies and Disaster Response, railway crossings and rubber compounds;
- 100 million ruble loan extended to the Finance Ministry of the Saratov Region to cover the regional budget deficit.

October

- branch in Ekaterinburg opened;
- agreement with the Housing and Communal Services Department of Samara on settlement and cash services for the Communities of Housing Owners of five city districts reached;
- €12 million facility extended to the OJSC “Uralvagonzavod Scientific and Production Complex”.

November

- Fitch Agency confirmed NRB’s ratings;
- 100 million ruble facility extended to the OJSC “Uralvagonzavod Scientific and Production Complex”.

December

- “My Lucky Month,” a new deposit type, introduced;
- office building of NRB and NRC commissioned in Moscow;
- OJSC Saratov KAMAZ Car Center, with the help of NRB’s funding, wins the state tender for supplying Kamaz trucks to the Housing and Utility Services Committee of the municipal unitary enterprise administration of Saratov;
- agreement on cooperation with the state unitary enterprise Guarantee Fund for Business Support in the Samara Region concluded at the Ministry for Supporting Businesses of the the Samara Region;
- Finance Ministry of the Astrakhan Region receives a 200 million-ruble loan to cover the deficit of the regional budget.

Positions in the Banking Sector

Since 1997 the National Reserve Bank has been one of the largest private commercial banks of the Russian Federation; in 2004, it joined the group of the world's one thousand top credit institutions with the largest Tier 1 capital. The global crisis and its negative impacts on the financial markets never shattered NRB's sustainability and firm positions in the Russian banking sector and with the international rating agencies.

The Interfax-100 Rating for 2009 rated the Bank as the 10th for profits; 21st for the bank equity and 66th for its net worth.

The Bank cherishes its reputation above anything else and does not hesitate to accept unbiased ratings. In 2009, it expanded its cooperation with two leading international rating agencies – Fitch Ratings and Moody's Investor's Service – and with Moody's Interfax Rating Agency, the latter's subsidiary in Russia.

By the results of 2009, Fitch Ratings and Moody's Investor's Service confirmed the previous ratings of the Bank; it means that NRB is successfully coping with the aftermaths of the global economic destabilization and can be considered as a successful and reliable credit institution.

Fitch Ratings	2005	2006	2007	2008	2009
Long-term issuer default rating (IDR)	CCC+	B-	B-	B	B
Long-term national currency rating	B+(Rus)	BB(Rus)	BB+(Rus)	BBB(Rus)	BBB-(Rus)
Forecast	Positive	Stable	Positive	Stable	Stable

Moody's	2008	2009
Long-term foreign currency credit rating	B2	B2
Forecast	Stable	Stable
Long-term national credit rating	A3.ru	A3.ru

Charities and Sponsorship

The National Reserve Bank pays particular attention to charitable activities in various social and cultural spheres and acts together with the Charity Reserve Fund set up in February 1999.

Its charity programs are aimed, first and foremost, at the most vulnerable population groups, children's institutions, orphaned children, educational and medical institutions and sport.

The Bank, an active donor of programs designed to promote the country's cultural and scientific potential, is obviously aware of its social responsibilities.

In 2009, NRB was one of the sponsors of the Russian tour of the Popov Children's Choir set up by the All-Union Radio and TV and well known for its excellence in the Soviet Union and Russia.

In 2009, the Bank continued funding a unique "Great Composers" project of the *Komsomolskaya Pravda* newspaper, a vast CD collection of classical music circulated together with the popular daily and sold at news-stands.

In 2010, the Bank, very much in line with its Russian art sponsorship program, acted as the general sponsor of the Russian Pavilion at the Cannes Film Festival.

Throughout many years NRB has been cooperating with aircraft producers. In 2009, it sponsored business programs of the 9th International Airspace Salon MAKS-2009.

Development Strategy and Goals for 2010

In 2010, the National Reserve Bank will readjust its mid-term strategy to match the post-crisis realities and the changes in the banking and financial market, to profit from the advantages of the previously created branch network and to take into account the new products and services offered by the largest banks.

At the same time the Bank will remain loyal to the initial basic values cherished by the founding shareholders. While never digressing from the final aim of becoming a modern and high-tech bank with top-class financial services, the National Reserve Bank sees its mission in preserving and developing the traditions of private banking, based on personal attention to each and every client and custom-made services and products.

An individualized approach to each of its clients and an ability to respond to their changing needs coupled with prompt decision-making can be described as the Bank's forte.

Transparency of balance and financial accounts and the assets and liabilities portfolio receives special attention and is treated as the cornerstone of NRB's financial management.

Corporate clients – large and medium businesses – are and will remain the priority focus group; this refers, first and foremost, to the companies involved in the state economic programs and large-scale national programs; their employees are treated as potential private clients who can count on all types of top-class banking products and services.

Much attention will be paid to individual banking services for the priority clients; this trend will receive even more attention in future.

In 2010, the National Reserve Bank will revise its branch network to upgrade its performance, expand the range of services and entice clients with much more attractive office hours.

As the financial core of the National Reserve Corporation the Bank will promote its business activity development. While remaining financially independent and demonstrating reasonable approaches to risk management, the Bank will concentrate at integrated services for the NRC enterprises, their business partners and counterparts. The Bank, however, is not the main creditor of NRC nor does it intend to become one: rather, it intends to concentrate at managing NRC's projects by attracting investors and loans for the most promising programs.

Today, the Bank treats mortgage crediting as one of the main banking products to be developed in the regions where NRC is engaged in construction of affordable low-rise housing. The Bank will offer leasing services to agricultural holdings and enterprises engaged in growing and processing agricultural products and will raise loans to export machines and equipment. It will offer attractive banking products and services to holiday-makers in NRC sanatoriums and health resorts and to passengers of the Red Wings airline. The organizations which hire offices from NRC and its structures can count on similar products and services.

Private clients, individual entrepreneurs and small businesses are not forgotten either: they will be offered a highly competitive range of deposit and commission products.

Branch Network

NRB Geography



- Head office
- Branches
- Operational offices
- Additional offices of the Voronezh Branch

In 2009, the Bank opened 7 operational offices – in Novosibirsk, Samara, Tyumen, Ekaterinburg, Astrakhan, Belgorod and Kaluga

As of 1 June 2010, the branch network of JSCB NRBank (OJSC) comprised 29 units in 7 federal districts of the Russian Federation:

- The Headquarters and an additional office in Moscow.

• 13 branches in St. Petersburg, Bryansk, Chelyabinsk, Ekaterinburg, Irkutsk, Krasnodar, Novosibirsk, Samara, Saratov, Tyumen, Voronezh, Volgograd, and Yaroslavl.

• 9 operational offices in Astrakhan, Belgorod, Kaluga, Krasnoyarsk, Nizhny Novgorod, Rostov on Don, Stavropol, Togliatti, Tula.

• 5 additional offices at the Voronezh branch: 3 offices in Voronezh, Rossosh and Borisoglebsk.

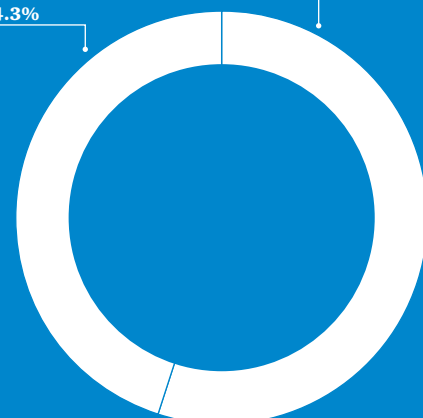
Customers' funds (legal entities and individuals) as of 01.01.2010

Office	Amount (in rubles)
Moscow (Headquarters)	7,248.3
St. Petersburg Branch	2,573.5
Voronezh Branch	1,082.7
Bryansk Branch	73.4
Tyumen Branch	52.9
Irkutsk Branch	156.8
Krasnodar Branch	115.0
Volgograd Branch	417.6
Samara Branch	37.2
Yaroslavl Branch	24.7
Chelyabinsk Branch	55.7
Novosibirsk Branch	112.2
Saratov Branch	41.4
Ekaterinburg Branch	15.0
Operational offices	998.8
Total	13,005.1

Structure of Client Funds (legal entities and individuals) as of 01.01.2010

Moscow (head office) 55.7%

Regional network 44.3%



Structure of Borrowed Client Funds (legal entities and individuals) of the regional network as of 01.01.2010

Operational offices 17.3%

Other branches 3.9%

Bryansk Branch 1.3%

Novosibirsk Branch 1.9%

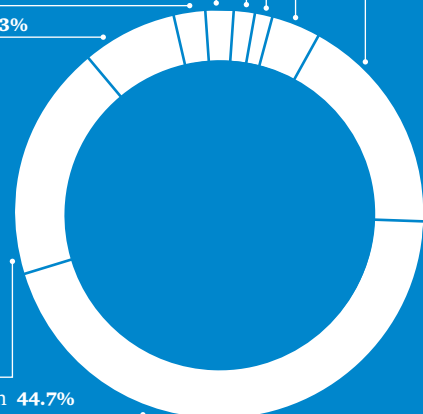
Krasnodar Branch 2.0%

Irkutsk Branch 2.7%

Volgograd Branch 7.3%

Voronezh Branch
18.8%

St. Petersburg Branch
44.7%



In 2009, the Bank's new line of deposit products coupled with its persistent efforts to promote them in the regions increased the client base of the branch network 1.3 times; by the end of the year it amounted to about 33 thousand individuals and legal entities. It means that in 2009 alone over 10 thousand new customers appreciated our retail products.

In 2009, the Bank's regional branches attracted about 1,000 local enterprises and organizations as corporate clients. Because of the financial crisis, NRB had to tighten the assessment procedure of credit risks which in 2009 decreased the value of the branch network's credit portfolio by 17%, to 8 billion rubles by the end of the year.

In 2009, NRB almost doubled the balances on clients' current and deposit accounts – up to 5.8 billion rubles by the year end. Over 4 billion rubles of the total volume of deposits were deposited due to the Bank's active cooperation with corporate clients.

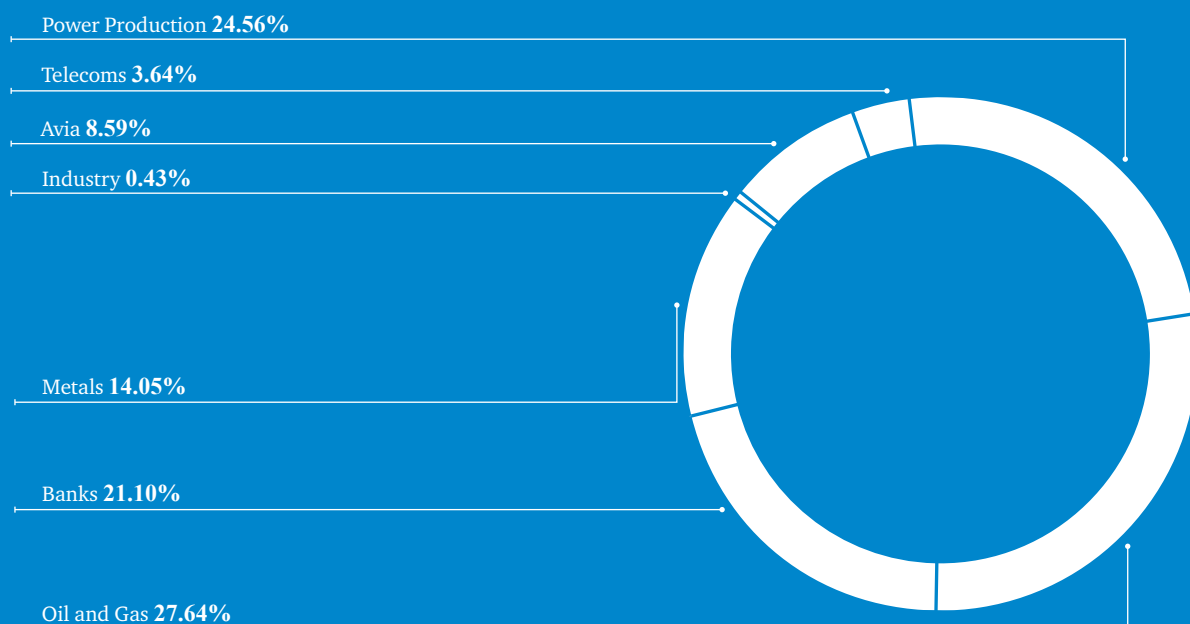
In the year under review the Bank was actively involved in tenders for lending to municipal administrations: throughout the year the Bank financed the Yaroslavl and Irkutsk regions.

On the whole, in 2009 the regional branches demonstrated much better efficiency which created conditions for further advance in this segment.

Operations in Financial Markets and Corporate Business



Structure of the trading share portfolio in 2009





Corporate Loan Portfolio Branch Structure as of 01.01.2010

Military-Industrial Complex **4.1%**

Mechanical Engineering **6.7%**

Food Industry **7.5%**

Heat and Electric Power Production **7.6%**

Agriculture **8.8%**

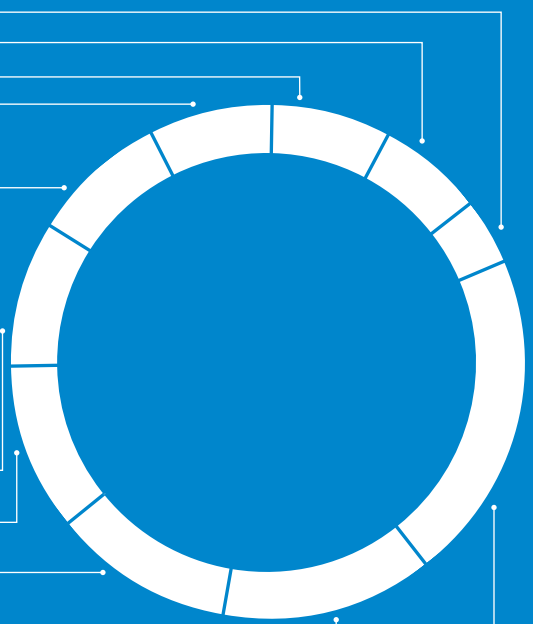
Construction and Production of Construction Materials **9.0%**

Trade **10.7%**

Development **11.4%**

Finances, Investments and Brokerage **13.4%**

Other Industries **20.8%**



Traditionally the Bank relies on high quality banking products and services satisfying clients' requirements, scope and spheres of their activities to build up long-term and mutually advantageous relations with all clients.



Operations in Financial Markets

During the accounting period NRB went on with treasury services in the monetary market to allow its clients to optimize their financial flows. The Bank remained a net lender in the interbank lending market, one of the most active operators in the domestic monetary market involved in a wide range of operations with Russian and Western subsidiary banks. In 2009, its turnover in the interbank lending market was about 300 billion rubles; the share of resources borrowed in the interbank market dropped against the previous year.

In 2009, the Bank was as active in the Russian currency market as ever, with the largest turnover in the FCC market of the Moscow Interbank Foreign Currency Exchange foreign currency sector; the aggregate turnover in the spot market amounted to over US\$15 billion. Its conservative risk management strategy allowed the Bank to safely navigate the periods of devaluation of the Russian national currency and its rapid recovery.

In the accounting period NRB moved cautiously in the securities market concentrating at lowering the share of low-liquid securities in its portfolio. The Bank offered its VIP clients brokerage services in the securities market: it used their funds to buy Russian and foreign shares and securities; its position in the REPO securities market can be described as active.

In 2009, the Bank was working toward issuing inaugural bonded loans to the total amount of up to 4.5 billion rubles:



it drew issuance documents; researched the market to assess the potential volume of issue and profitability thereof. The Bank plans to issue bonded ruble loans in 2010.

Corporate Business

Customer Policy

The National Reserve Bank regards long-term and mutually advantageous relations with all customers as a task of strategic importance. The customer policy strategy should rest on high-quality products geared at the requirements, scope and spheres of activity of each customer to make them efficient partners. With this aim in view the Bank offers adaptable settlement and cash services, credit types and project financing adjusted to business specifics of the market segments.

NRB applies unified tariff policies and technologies in all its branches to guarantee top-class services in all regions, adjust the Bank to regional specifics and meet the requirements of large corporate clients (holdings).

CLIENTS OF NRB: United Aircraft Corporation, Aeroflot, Voronezh Aircraft Production Association, Oboronprom, Norilsk Nickel, Razgulai Group, Salyut Research and Production Center, Itera Group, LOMO, Atomredmetzoloto, Kaustik, Admiralty Wharfs, Intertorg, Masloprodukt, Yekaterinburg Trade and Industry Company, Irkutsk Energy Supply Company, Volgaenergosbyt, Uralvagonzavod, Infrastructure Projects Center, Krasnoyarskenergosbyt, Sibirenergo.

The developments in the international financial markets hit both the clients and borrowers of the Russian banks as well as the financial system as a whole. NRB was forced to tighten credit risk assessment and enhance security demands yet never abandoned its efforts to promote its corporate business.

In 2010, the National Reserve Bank will further unify its business standards; expand the range of banking products and upgrade technological support of its services. Expansion of the customer base and improvement of the credit portfolio will remain two absolute priorities.

Credit Policy

In 2009, the National Reserve Bank pursued a balanced credit policy well adapted to the economic situation in Russia and geared at servicing the real economic sector, including industrialized housing, agriculture, air transport and the fuel and energy complex.

The Bank was involved in long-term funding of construction and agricultural projects and power engineering industry. The clients that used the Bank for financial transactions enjoyed a priority treatment.

By the end of 2009, the corporate credit portfolio (less the loan impairment reserves) amounted to 17.5 billion rubles.

In the accounting year the Bank expanded its cooperation with the agricultural enterprises of the NRC Group in the following forms:

- Financial support of purchases of agricultural machines to the total amount of 70 million rubles;
- Financial support of purchases of ventilation equipment to the total amount of 66 million rubles;
- Advance payments; VAT; customs duties; customs broker services; commissions and duties on imported potato washing and packing equipment to the total amount of 117 million rubles of which 65.9 million have been paid;
- Financial backing of purchases of potato washing and packing equipment made in Russia to the total amount of 37.95 million rubles.

In the accounting year the Bank expanded its cooperation with the agricultural enterprises of the National Reserve Corporation Group.



Project and Corporate Financing

In 2009, project and corporate financing was mainly limited to long-term projects inherited from the previous accounting period.

By the end of 2009, the Bank products portfolio amounted to about 1.6 billion rubles which means that at the height of the crisis NRB managed to avoid considerable decrease of the parameter.

The Bank has created a wide range of instruments easily adjustable to the borrowers' requirements; in some cases the Bank relies on foreign loans.

The construction projects of the National Land Company Group (potato washing/packing plants and potato chips production) were financed with the loans from Commerzbank AG (the money used to buy equipment) guaranteed by the export credit insurance of Euler Hermes Agency (Germany) in favor of S&B Verpackungsmaschinen GMBH (total amount: €3.8 million).

The following financing projects were realized among others:

- Construction of the musical theater in Astrakhan (13.8 million rubles);
- Construction of an industrialized housing plant (low-rise frame-panel houses, 300 million rubles).

At the end of 2009, the portfolio of banking products provided by the Bank totaled 1.6 billion rubles.

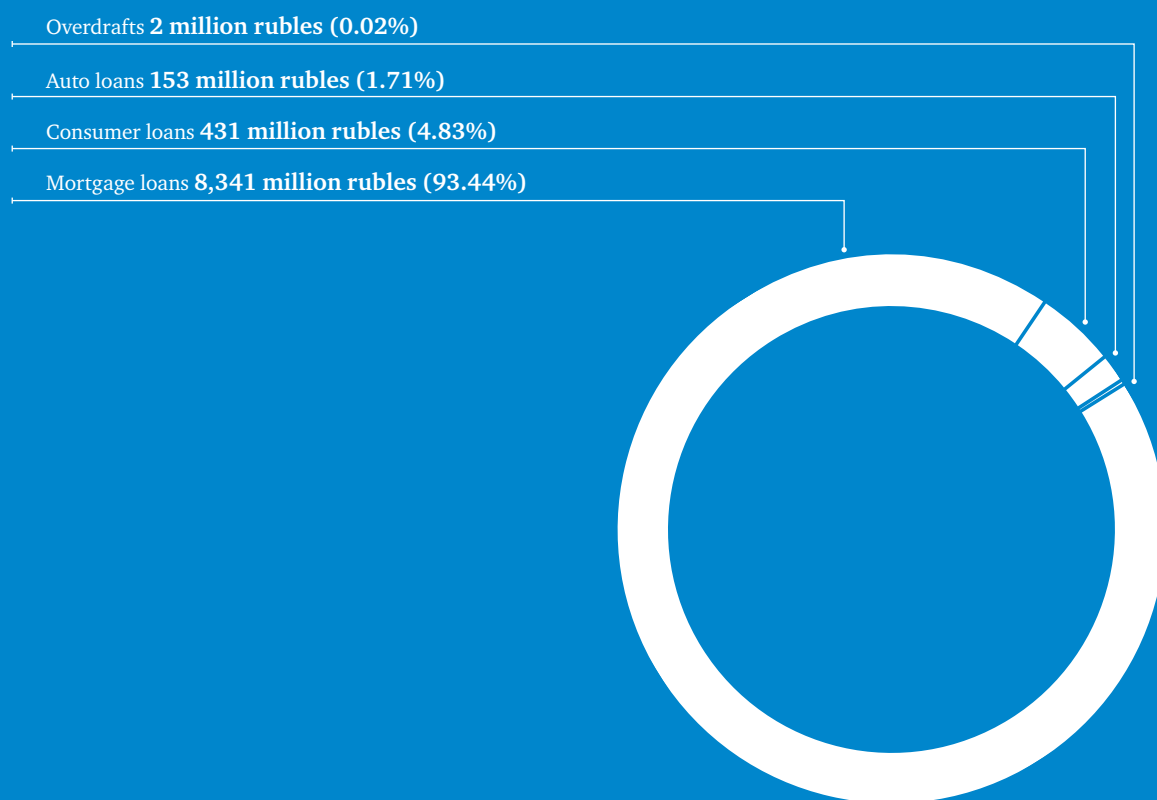


During the reporting period NRB expanded its cooperation with agricultural enterprises of the National Reserve Corporation.

Retail Business



Credit Portfolio Structure as of 01.01.2010



In the accounting year NRB concentrated at unified tariff and interest policies introduced in all its regional branches as one of the key trends of its retail business.



In 2009, the National Reserve Bank considerably increased the volumes of retail business in all regional branches: it updated the deposit range; unified its tariff and interest policy for all regional branches; launched its first program of consumer loans; worked with stale and trouble debts; centralized and automatized business processes; organized sales of banking products and services at the regional and Moscow offices.

Attracting Private Deposits

During the accounting year the Bank was actively attracting private customers by continuously adjusting the interest rate and improving the product range yet never going beyond its market niche. Its balanced approach to the interest rate and well-adjusted products created a stable client base in all regional branches.

On the whole, in 2009 the size of deposits in the regional network increased by 785 million rubles; as of 1 January 2010 the total portfolio of private deposits reached the level of 4.8 billion rubles.

Commission Products

The Bank was consistently developing the range of commission products and services. Its partner relations with Western Union, Unistream and E-port money remitters allowed NRB customers to effect money transfers and cash remittance inside Russia and to the CIS and abroad. The regional offices considerably expanded the list of the suppliers and providers of services to receive municipal payments, education fees, mobile telephone communication, internet, satellite and commercial TV, IP telephone communication fees and settlements of credits extended by other banks. The contract concluded in 2009 with the Contact money transfer system allows to receive money towards repayment of credits and remit cash; the price lists for bank safe deposit box rentals were standardized.



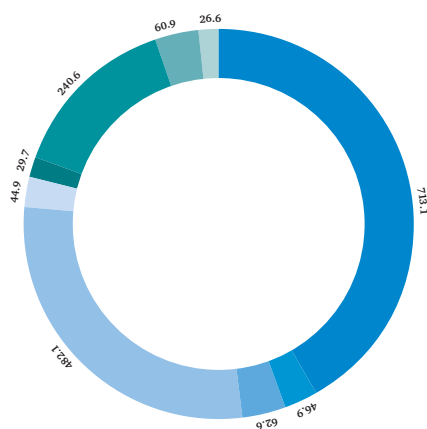
Borrowed Funds Extended to Individuals as of 01.01.2010

Branch	Amount (million rubles)
Moscow (Head Office)	3,114.1
St. Petersburg	713.1
Voronezh	482.1
Bryansk	62.6
Tyumen	46.9
Irkutsk	44.9
Krasnodar	29.7
Volgograd	26.6
Samara	23.8
Yaroslavl	13.3
Chelyabinsk	8.9
Novosibirsk	8.6
Saratov	6.3
Ekaterinburg	0.0
Operational Offices	240.6
Total	4,821.4

Structure of Borrowed Funds Extended to Individuals as of 01.01.2010

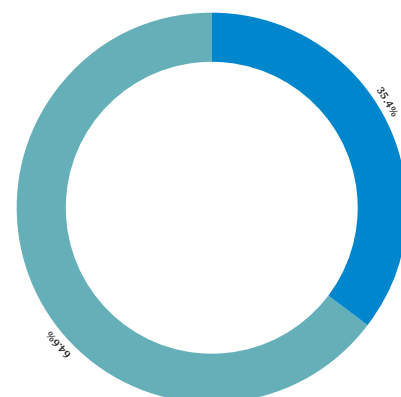
(million rubles)

- St. Petersburg Branch
- Bryansk Branch
- Tyumen Branch
- Voronezh Branch
- Irkutsk Branch
- Other branches
- Krasnodar Branch
- Volgograd Branch
- Additional Offices



Structure of Borrowed Funds Extended to Individuals as of 01.01.2010

- Moscow (Head Office)
- Regional Network



In 2010, the National Reserve Bank intends to issue multicurrency cards and increase its network of ATMs and payment terminals.



Credit Products

In 2009, the Bank elaborated and launched a program of extending consumer loans to individuals currently oriented at employees of its corporate customers, companies affiliated with NRB, participants of payroll card programs, VIP clients, depositors and borrowers. As of 1 January 2010, the total portfolio of loans extended to individuals amounted to 8.9 billion rubles, including the mortgage loan portfolio of 8.3 billion and consumer loan portfolio of 586 million rubles.

The mortgage loan program was further developed through a much higher quality of portfolio services. The balanced lending policy and the quality of portfolio services kept the

level of outstanding debts within the 2% limit required by the international standards of financial reporting.

In 2010, the Bank plans to extend its mortgage loan program to the regional offices, to become involved in the “Stimul” and “Voennaya ipoteka” programs of the Mortgage Loan Agency (AIZhK); to realize, together with National Housing Corporation, joint projects of mortgage loans for affordable housing to physical persons. NRB will concentrate at new products, stabilization of the outstanding debt volume and a balanced underwriting procedure.

In 2010, the Bank will undertake one of its most ambitious projects: issuing of mortgage securities in accordance with

the laws and jointly with the Russian leading financial institutions and the Mortgage Loan Agency and creation of borrowing mechanisms in the form of mortgage loans.

Bank Card Business

In 2010, the National Reserve Bank plans to start its own processing to offer its customers full-cycle bank card services, issue multicurrency cards, expand the ATM and payment terminal network, elaborate co-branding projects together with the Bank's partners and the companies of the NRC holding.



VIP Client Services

Top-quality services for VIP clients are an important element of the NRB strategy. Large deposits, large-scale operations and bank management of personal finances make a wide range of top-quality services accessible. The list of VIP services includes:

- comfortable, high-quality and prompt services fully adjusted to the customer's needs and requirements;
- service package (deposits, bank cards, individual bank safe deposit boxes, money transfers, loans, securities, etc.);
- consulting services (including expert advice) on personal finance management, taxation, bank products, currency legislation and portfolio investments;
- helping customers to cope with emergencies created by failed card transactions, loss of money transfers from abroad, etc;
- helping the client to draw documents for bank operations.

The National Reserve Bank looks at major entrepreneurs, captains of industry, investors with personal money on bank deposits and other instruments of the monetary and securities markets as its priority clients.

Results for 2009

16 thousand	Total number of registered bank cards
16 %	Annual growth rate of the number of bank cards
26	Number of cashpoints
1.9 billion rubles	Total turnover of Bank cards

International Business





In 2009, the Bank developed and optimized correspondent relations with foreign and Russian financial institutions.



Correspondent Relations

NRB's network of correspondent banks is wide enough to promptly perform international clearing in anchor currencies, provide financial backing for foreign trade operations and settlements for marketable instruments as well as trade balance transactions, conversion and credit operations within the established limits. In 2009, the Bank was consistently expanding its correspondent relations with foreign and Russian financial institutions while upgrading the quality of its products and services. When developing

its correspondent network without opening correspondent accounts the Bank is moving in the following directions:

- correspondent relations with sound and stable financial institutions in Russia and abroad to upgrade its services in all spheres including international settlements, trade balance transactions, financial backing of foreign trade transactions, etc;
- closer and wider cooperation, including new forms of partner relations with correspondent banks;
- correspondent network efficiency monitoring.

In 2009, the Bank optimized its correspondent network by trimming the number of the NOSTRO accounts to 35. By the end of 2009, its network included 15 Russian and 13 foreign banks; JP Morgan Chase Bank N.A. and Deutsche Bank Trust Company Americas being the main correspondent banks for U.S. dollar settlements. The Deutsche Bank AG, Commerzbank AG and VTB Bank (Deutschland) AG are used for euro settlements. The clients and their counterparts have appreciated NRB's correspondent accounts in U.S. dollars and euros in Austria, Italy, Finland and Spain. The pound sterling and Swiss franc correspondent accounts permit clearing payments. The ruble, dollar and euro accounts in JSCB Russlavbank (CJSC) allowed NRB to join the Contact electronic settlement system.

In 2009, due to its traditional relations with LORO correspondents, the Bank decreased the total number of these accounts by 21; today it has 31 accounts. All in all 15 banks opened their accounts in JSCB NRBank (OJSC).

In the accounting period the Bank continued to actively build up the number of counterpart banks and establish mutual credit lines in the domestic interbank monetary market and FOREX currency market. By the end of 2009, 135 banks signed Master Agreements with NRB in the interbank and FOREX markets; in 2009, the Bank signed 6 agreements, one of them related to banknote transactions.

In 2010, the Bank will develop correspondent relations with foreign and Russian financial institutions to support the ever growing volume of financial backing, trade finance transactions, conversion and interbank deals. NRB is resolved to upgrade its competitiveness in the international settlements sphere, improve the quality of operations and trim their costs.

International Projects

Throughout many years the National Reserve Bank has been involved in active cooperation with JSC Gazprom and the Gazprom Group companies. In 2009, cooperation was going ahead; together with the leading Western credit institutions NRB was engaged in preparations for the placement of a new series of bonded loans within the Mid-Term Bonded Loans Program of JSC Gazprom to the total amount of up to US\$30 billion. As a dealer the Bank was involved in placement of two initial issues within the Program of JSC Gazprom's European Commercial Papers to the amount of up to US\$4 billion.

In 2010, the Bank, together with its Russian and foreign counterparts, intends to continue the program of bonded loans and syndicated loans of sovereign and private borrowers as well as settling debts, one of its traditional spheres.

Financing Foreign Trade Transactions and International Settlements

In 2009, the Bank's close contacts with Western financial institutions were used to support its clients' foreign trade activities, organize borrowings, credit lines and financing with the help of export credit agencies.

Foreign partner banks	Deutsche Bank AG; Commerzbank AG; Bayerische Hypo- und Vereinsbank AG; VTB foreign subsidiary banks
Limits on trade financing	over US\$200 million
Borrowed funds to finance export-import operations	US\$54 million
Trade Finance (import LCs, documentary collections, export LCs, bank guarantees)	US\$297.5 million

Development of Corporate Governance Systems





Having expanded its regional network of sales offices NRB increased the number of employees from 1,034 to 1,161.



Risk Management

As a financial institution the National Reserve Bank is actively involved in corporate banking services and mortgage crediting and operates on the currency, monetary and securities markets and is naturally vulnerable to numerous risks.

To play down their negative effects NRB set up a highly efficient risk management system integrated into all banking processes and strategic and financial planning.

The risk management procedure presupposes identification of all materially significant risks; their qualitative and quantitative assessment; monitoring of the key risk factors and indices; application of a risk limiting system to every type of risk and spheres of business activities; dynamics analysis; forecasting and suggestions on acceptable risk levels to be presented to the Bank's management structures for collective decision-making.

The Bank did not escape its share of the negative impacts of the crisis, yet the managerial decisions taken at an early stage limited the risks for the key types of activities and minimized financial losses.

The National Reserve Bank realized a complex of anti-crisis measures related to the credit portfolio and established limits on the portfolio's sectorial structure; lowered the maximal per borrower loan amount; tightened its demands on the counterparts' bonds for vulnerable products; optimized the repayment terms and increased risk premiums.

The crisis forced NRB to minimize operational risks by revising the lending authorities of the branches and moving the right to fix deposit rates for corporate clients to the Head Office; the Asset and Liabilities Management Committee's duty being to analyze risks at its meetings.

The corporate governance systems and the presence of a unit responsible for risk management independent from all other structures and accountable directly to the Bank's management make risk management an independent function.



The following can be described as the main risk types: credit risk relating to corporate borrowers, equity securities risk, liquidity and operational risks.

To improve the forecasting function of risk management the Bank will further improve the relevant rules and procedures in full compliance with the recommendations of the Bank of Russia and the Basle Committee on Banking Supervision.

The National Reserve Bank intends to apply an improved methodology of counterpart rating; expand the range of portfolio analysis instruments; formalize the system of early warning indicators, tune up the operational risk database;

specify the principles applied in the financial market with due account for the impacts of the international financial crisis.

Internal Control

The Supervisory Board, the Management Board and the Chairman of the Management Board of JSCB NRBank (OJSC) invariably pay particular attention to the Internal Control System (ICS) in full compliance with the contemporary approaches to corporate governance of credit institutions based on the latest achievements of foreign countries and the laws of the Russian Federation.

ICS is an absolutely necessary and effective tool conducive to a higher efficiency of the Bank's financial and business activities as well as the management of its assets and liabilities and acceptable risks. The system ensures reliability of all types of reports and statements; their authenticity and unbiased nature; guarantees information security, observance of legal regulations, standards and the Bank's constituent and internal documents.

The Bank is developing its ICS in all respects and in full compliance with the rules and duties of the RF credit institutions:

- control of banking activities;
- control of the risk management and risk assessment system;
- control of the division of powers related to banking and other transactions;
- control of information flows (receiving and communicating information) to ensure information security;
- consistent assessment of ICS, its shortcomings and its conformity with the Bank's goals and tasks; consistent control of implementation of the decisions designed to improve ICS.

ICS is adjusted to each of the spheres of the Bank's activities, the nature, scope and conditions of its operations; it is coordinated with other trends and meets the demands, recommendations and principles of internal control formulated by the Bank of Russia and the Federal Financial Markets Service of the Russian Federation.

ICS which relies on the entire range of control methods and its prerogatives demonstrates efficiency and good results. In the year under review it organized 280 routine and 40 extraordinary audits (196 of them in the Bank's branches.)

ICS has a say in drafting internal documents and assesses their conformity with the normative legal acts and potential efficiency.

ICS is actively cooperating with the governmental control and public supervision structures strictly within its competence.

The National Reserve Bank will continue improving ICS in full compliance with the demands, recommendations and principles of the Bank of Russia, the Federal Financial Markets Service of the Russian Federation and recommendations of the Basle Committee on Banking Supervision.

Human Resources Policy

In 2009, the financial crisis and the general trend to minimize spendings, wages and bonuses somewhat restricted NRB's personnel policy: wages and bonuses survived at the previous level while the fringe benefits shrank.

The Head office and operational offices staff members were offered educational programs and training seminars to upgrade their performance.

The larger regional network demanded more employees: in 2009 their number increased from 1,034 to 1,161; by the end of 2009, 80% of them had either higher or undergraduate education.

In 2010 the Bank will concentrate at:

- higher labor productivity;
- trimming the staff not directly involved in business processes;



- optimization of the number of employees;
- introduction of latest motivational programs;
- introduction of project-based organization of labor.

Technical Support

The National Reserve Bank is equipped with state-of-the-art communication, information and computer facilities.

Its computer system meets all international standards, is based on the best products of the industry leaders: Hewlett-Packard and IBM servers, Cisco Systems network equipment and structured cable system certified by Alcatel Nexans.

The Bank uses the KONDOR+ front-office system elaborated by Reuters Agency which doubles as the Bank's main source of financial information.

The National Reserve Bank uses remote terminals to use the financial market instruments: trade, information and analytical MMVB, Dealing 3000, Reuters and Bloomberg systems. The SWIFT interbank communication system is used to increase reliability and speed of the transactions.



A state-of-the-art remote banking system complete with reliable protection against illegal browsing, modifications and resending of electronic documents was installed to provide the customers at remote locations with the best possible services. Individual clients, likewise, can enjoy all types of banking services provided by the latest software.

Those wishing to obtain information about NRB, its business interests, services, financial status and prospects can use the www.nrb.ru site. In 2009, the Bank was working on a new corporate site geared at the latest standards of corporate banking products to be commissioned in the second half of 2010.

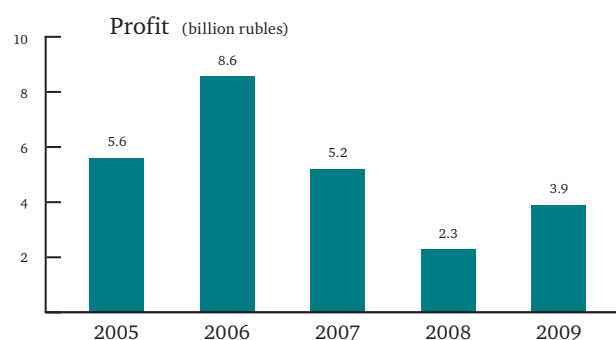
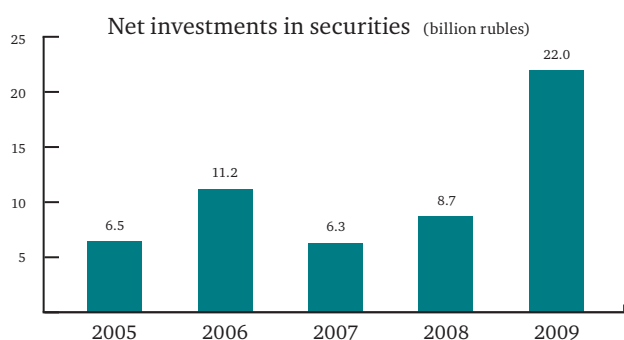
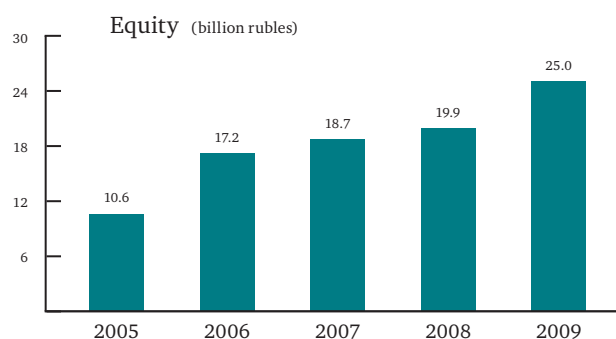
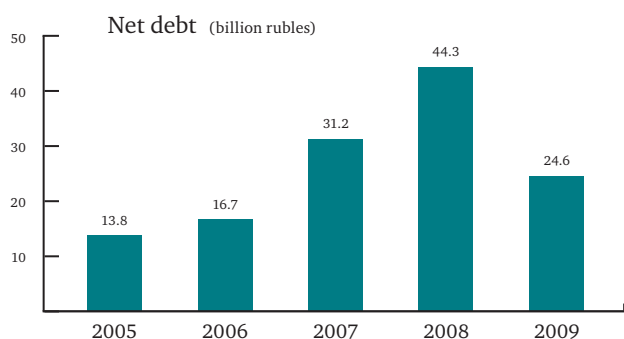
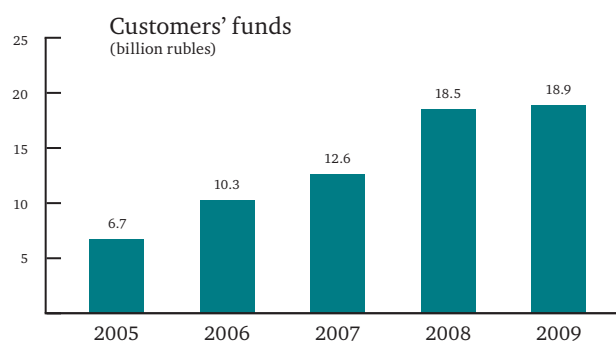
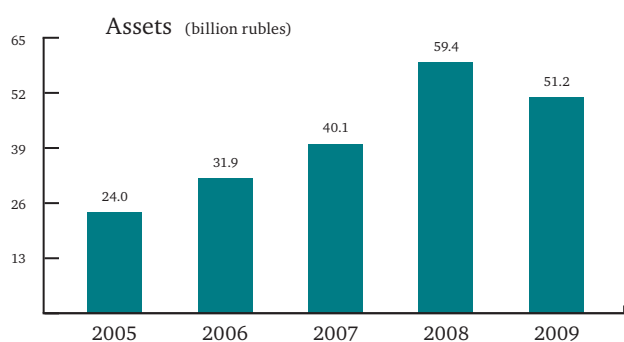
So far, NRB puts the finishing touches to its centralized automatized branch network; it intends to switch to electronic document management within the Bank's information area.

Information for Shareholders

Report of the NRB Supervisory Board on the Business Results for 2009

The assets of the National Reserve Bank, according to the results of 2009, amounted to 51.2 billion rubles, the profit was equal to 3.9 billion rubles, the return on capital and

Dynamics of the Bank's principal financial indicators



assets made 17% and 7%, respectively, demonstrating the efficiency of the Bank's business as a whole.

The capital of NRB, as calculated in accordance with the Regulation of the Bank of Russia on the methods of determining the equity (capital) of credit institutions, has increased to 25.0 billion rubles, 4.5 billion rubles higher than at the end of 2008.

Cash within the assets, as of the year end, amounted to 1%, demonstrating a growth of 4 percentage points, to the level of 0.6 billion rubles. The Bank's assets on accounts with the Bank of Russia decreased by 35% reaching the level of 1 billion rubles, funds with credit institution decreased by 71% to the level of 0.5 billion rubles.

Investments in securities grew 2.5 times during the accounting period, from 8.7 billion rubles to 22 billion rubles. This growth was basically caused by acquisition in the first half of 2009 of a major shareholding in Aeroflot, its value, as of the end of 2009, making 11.4 billion rubles.

The net income from operations with securities for 2009 was equal to 7.3 billion rubles, 4 times as high as the similar indicator for 2008. The increase mainly shows the surplus from re-evaluation of the securities portfolio.

The net debt as of the end of 2009 was equal to 24.6 billion rubles, accounting for 48% of the Bank's assets.

The interest income in 2009 grew by 19% and was equal to 5.4 billion rubles for the accounting year. The net interest income for 2009 was equal to 3 billion rubles.

NRB's liabilities for the accounting period decreased by 34% with respect to the previous year, to 26.2 billion rubles. The customers' funds (balances in accounts and deposits of legal entities, deposits of individuals, bills issued) increased for the accounting period with respect to 2008 by 11%, to 22 billion rubles.

The net income received by the National Reserve Bank from operations with foreign currencies in 2009 (including the

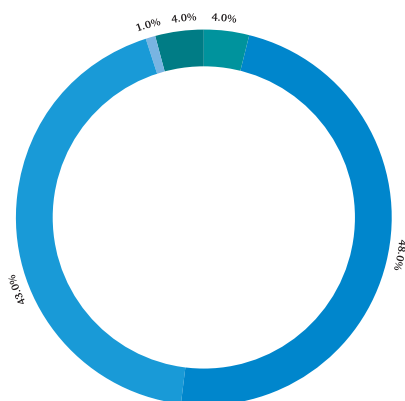
Structure of the Bank's assets and liabilities as of 01.01.2010

Assets	2009, billion rubles
Cash, assets with the Central Bank and credit institutions	2.1
Net debt	24.6
Net investments in securities	22.0
Fixed assets	0.5
Other assets	2.0
Total	51.2

Liabilities	2009, billion rubles
Assets of the Bank of Russia	1.8
Funds of customers	18.9
Issued debts	3.1
Funds of credit institutions	0.9
Equity	25.0
Other liabilities	1.5
Total	51.2

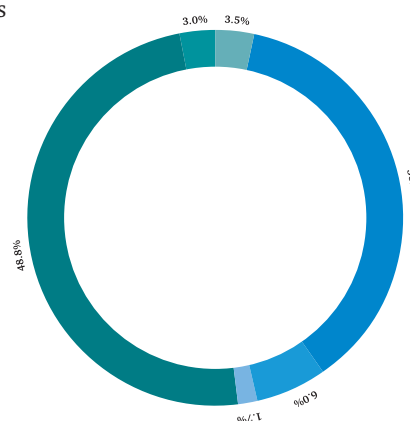
Structure of assets as of 01.01.2010

- Cash, assets with the Central Bank and credit institutions
- Net debt
- Net investments in securities
- Fixed assets
- Other assets

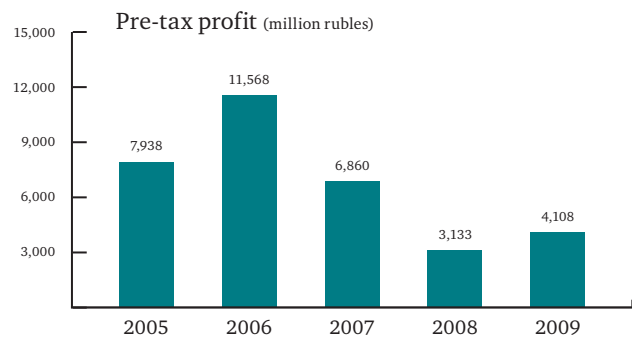
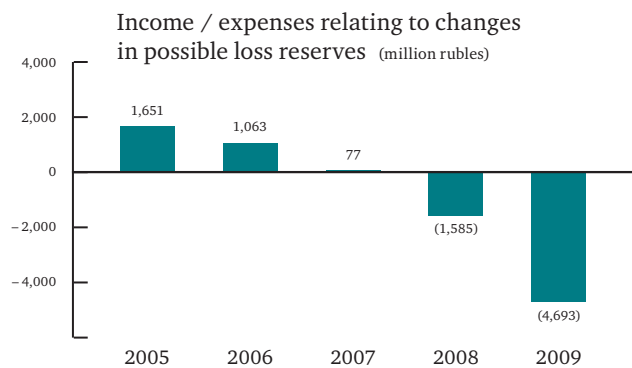
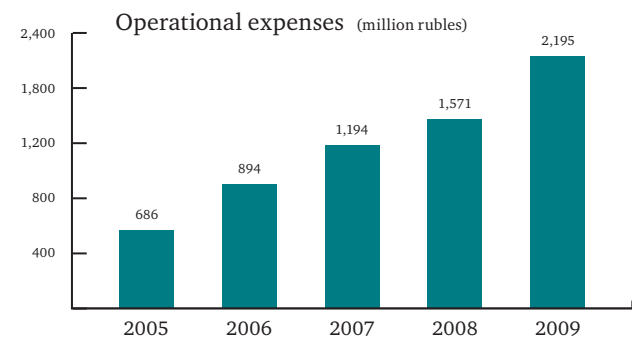
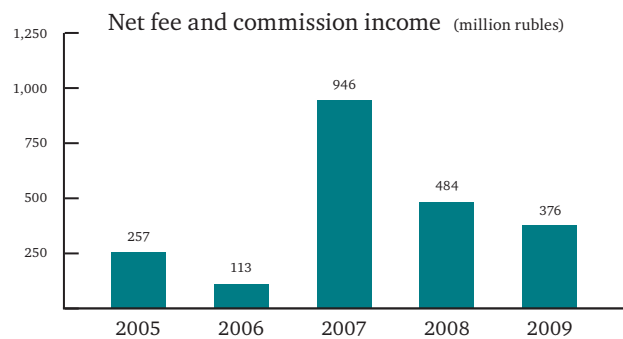
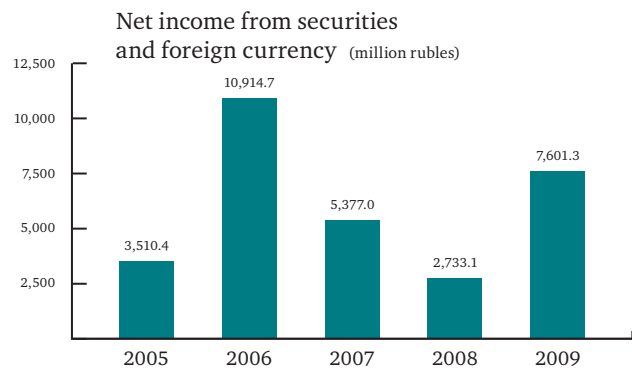
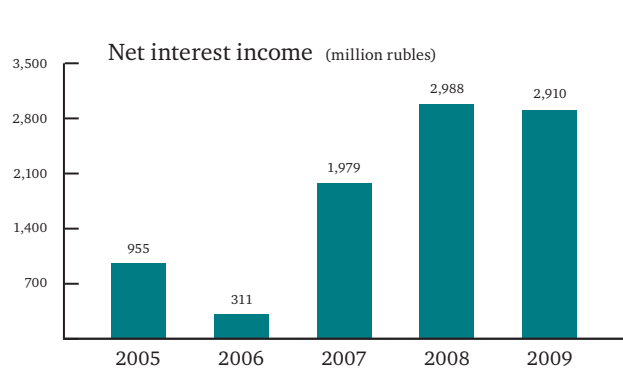


Structure of liabilities as of 01.01.2010

- Assets of the Bank of Russia
- Funds of customers
- Issued debts
- Funds of credit institutions
- Equity
- Other liabilities



Dynamics of net incomes and expenses of the Bank



surplus from re-evaluation of accounts in foreign currency) was equal to 0.3 billion rubles.

The operational expenses for 2009 were equal to 2.2 billion rubles. The costs were mostly connected with the development of the Bank's regional network.

The capital adequacy limit characterizing the extent of financial stability and reliability of a credit institution was considerably – more than 4 times – exceeding the minimum allowable value of the limit.

The Bank opened 7 new regional offices, 4 branches and 3 operational offices in 2009. The total number of the Bank's regional network units, as of the end of 2009, was equal to

29, including the Head Office, 13 branches, 9 operational offices and 6 additional offices.

Therefore, based on the results of 2009, NRB has demonstrated a high efficiency of its business and a growth of financial stability, which helps to strengthen its position in the Russian financial sector and is a condition precedent for advance and enhancement of the Bank's investment attractiveness.

Principal financial indicators of the Bank for 2009

ROA	7.2%
ROE	17.2%
CIR	20.6%

Report on the Payment of Dividends Stated (Accrued)

Pursuant to the resolution of the general meeting of shareholders of JSCB NRBank (OJSC) held on June 25, 2009 annual dividends have been paid:

- on convertible registered preference shares in JSCB NRBank (OJSC) out of the net profit of JSCB NRBank (OJSC) for 2008 in the total amount of 96,163,900 rubles (based on 700 rubles per one convertible registered preference share);
- on registered ordinary shares in JSCB NRBank (OJSC) out of the net profit of JSCB NRBank (OJSC) for 2008 in the total amount of 225,198,770.5 rubles (based on 144.5 rubles per one registered ordinary share).

Information on Major Transactions

No major transactions were entered into in 2009.

Information on Interested-Party Transactions

491 interested-party transactions were entered into in the accounting year, the said transactions having been approved by the relevant management body of JSCB NRBank (OJSC), for the total amount of 22,425,521,000 rubles.

The interested-party transactions were approved under the resolution of the Supervisory Board of JSCB NRBank (OJSC), as well as within the limits allocated for each counterpart by the resolution of the general meeting of shareholders of JSCB NRBank (OJSC) held on June 25, 2009 related to the approval of interested-party transactions which might be entered into in the course of normal business.

The amount of each transaction is less than 5% of the balance sheet value of the NRB assets shown in the accounting statements, as of the most recent accounting date before the transaction.

Supervisory Board*

On March 16, 2010 the meeting of shareholders of the JSCB NRBank (OJSC) elected the following members of the Supervisory Board:

Aleksashenko Sergei Vladimirovich

Chairman, member of the Consultative Council at the Chairman of the Bank of Russia; Director for Macroeconomic Studies, State University—Higher School of Economics

Born in 1959; in 1986 graduated from the Moscow State University (Department of Economics); Ph. D. (Economics), Honorary Professor at Jilin University (Changchun, China).

In the capacity of the Deputy Minister of Finance of the Russian Federation he was responsible for macroeconomic and tax policy, accounting and negotiations with the IMF. In the capacity of the First Deputy Chairman of the Central Bank of Russia he controlled monetary and foreign exchange policy, accounting and the settlements system. He headed the Auditing Commission at the RF President; was first deputy chairman of the Sberbank RF Supervisory Board; worked at the Interros Holding, Antanta Capital company and Merrill Lynch Moscow office.

Ilchenko Sergei Anatolievich

Deputy Chairman, Manager of the St. Petersburg Branch; Director General of the National Housing Corporation—St. Petersburg OJSC, member of the Board of the National Investment Council

Born in 1964; in 1987 graduated with honors from the Leningrad Polytechnics as a specialist in power production economics; from 1991 to 1993 studied at the Massachusetts University (USA) and graduated with MBA in international finances.

In the United States he worked as a financial manager of a Russian-American medical project and consulted the Barnard&Co. (New York) investment company. In the U.K. he worked in the investment banks-partners of NRB, including JP Morgan and CSFB.

* Members have no shares in the Bank's authorized capital. In 2009, Yuri Kudimov with 18.38% in the authorized capital (20% of voting stock) was one of the members.

Nekrasov Victor Vladimirovich

Deputy Chairman, Director General of NRC CJSC

Born in 1959; in 1982 graduated from the MGIMO university at the U.S.S.R. Ministry of Foreign Affairs; having spent over ten years at the Ministry he moved to leading positions in Credit Lyonnais (Paris); EBRD (London), the AIG-Interros Russian Century Fund; the Russian-Dutch Amtel-Vredestein Company, the Bank Rothschild, Bank of Moscow, the Timan Oil and Gas Plc of Britain.

Zhdanov Yuri Nikolaevich

First Deputy Director, VEB Capital OJSC

Born in 1963; in 1985 graduated from the Military Order of Red Banner Institute at the U.S.S.R. Defense Ministry as a lawyer; in 2005 graduated from the All-Russia Foreign Trade Academy where he specialized in international economics.

In 2002-2004 held the post of Deputy Minister for Economic Development and Trade and First Deputy Chairman of the State Transport Company of Russia. In 2004-2005 he headed the Board of Directors of the SU-155 Group; was advisor to the Prime Minister of the Russian Federation, headed the Federal Agency for Special Economic Zone Management; from 2006 onwards has been representing interests of the Russian Commerce and Industry Chamber in the European Union.

Kudimov Kirill Yurievich

Head of the Russian investment and banking branch of Silkroutefinancial Group Limited

Born in 1981; in 2002 graduated from City University (London) as Bachelor of Actorial Sciences; in 2007 graduated from a business school in London with a master's degree in investment banking. Worked at Vneshekonombank (Moscow), the National Reserve Bank, ING Barings (London), Sberbank of the Russian Federation (Moscow).

Lebedev Alexander Evgenievich

NRB President, Chairman, Board of Directors NRC CJSC

Born in 1959; in 1982 graduated from the MGIMO university at the U.S.S.R. Ministry of Foreign Affairs (department of international economic relations) where he specialized in international monetary relations; spent several years at diplomatic service (including the Soviet/Russian Embassy in London). In 1992 became Chairman of the Board of the Russian Investment and Financial Company; in 1995 was elected Chairman of the Board of the National Reserve Bank; in 2003-2007 he sat in the State Duma of the RF Federal Assembly.

Manoilo Andrei Fedorovich

Chairman of the Management Board

Born in 1956, in 1979 graduated from the Moscow Physics Engineering Institute as physics engineer; in 1987 graduated from the Ordjonikidze Moscow Institute where he specialized in production management.

Spent some years in the academic, economic and administrative spheres; later he rose from deputy department manager to Deputy Chairman of the Board – Director of the Internal Control, Revision and Auditing Department at the Sberbank of Russia; served as First Deputy Director General of the Pochta Rossii Federal State Unitary Enterprise.

Samoshin Andrei Anatolievich

Director General, Maxim Gorky OJSC (Tula Region, potato and grain production)

Born in 1966; in 1994 graduated from the Moscow Timiryazev Agricultural Academy where he specialized in medicinal and essential oil bearing plants; in 2006 graduated with honors from the Civil Service Academy at the RF President.

Fought in Afghanistan; headed a farm; served in the Tula Regional Duma and the State Duma of the RF Federal Assembly.

Sinelnikov-Murylev Sergey Germanovich

Rector of the All-Russia Foreign Trade Academy

Born in 1960; in 1982 graduated from the Department of Economics of the Moscow State University; Doctor of Economics; Professor, has many years of academic work and a post of advisor to the premier of the Russian Federation on his work record.

Additional Information

In the accounting period the following people were members of NRB's Supervisory Board: till 25.06.2009 – Yu. A. Kudimov (Board Chairman); A.A. Danilitskiy, M.F. Dokuchaev, L.A. Dushatin, A.V. Kashirskiy, A.F. Kovalev, A.V. Kolodkin, A.E. Lebedev, A.M. Nemova, A.E. Tarasov, M.K. Zharov.

From 25.06.2009: Yu.A. Kudimov (Chairman until 24 December 2009), S.V. Aleksashenko (Chairman from 24 December 2009), L.A. Dushatin, A.V. Kolodkin, A.E. Lebedev, A.F. Manoilo, A.M. Nemova, S.G. Sinelnikov-Murylev, A.E. Tarasov.

Management Board**

On 1 May 2010 the Management Board included:

Manoilo Andrei Fedorovich

Member of the Supervisory Board, Chairman of the NRB Management Board

Soloviev Dmitry Borisovich

First Deputy Chairman of the Management Board

Zakharov Yuri Anatolievich

Deputy Chairman of the Management Board

Nemova Alla Mikhailovna

Deputy Chairman of the Management Board, NRB Chief Accountant

Kobin Sergei Alexandrovich

Vice-President of NRB

Sitnikova Marina Valentinovna

Secretary of the Management Board, Head of the Contract and Law Department

In 2009 the NRB Management Board included the following members:

Kolodkin Arkadi Vladimirovich

Chairman of the Management Board

Soloviev Dmitry Borisovich

First Deputy Chairman of the Management Board

Nemova Alla Mikhailovna

Deputy Chairman of the Management Board, NRB Chief Accountant

Zakharov Yuri Anatolievich

Deputy Chairman of the Management Board

Piganov Andrei Anatolievich

Deputy Chairman of the Management Board

Rodionova Elena Mikhailovna

Deputy Chairman of the Management Board, Head of the Internal Control Service

Kobin Sergei Alexandrovich

Vice-President of NRB

Udod Alexander Petrovich

Vice-President

Sitnikova Marina Valentinovna

Secretary of the Management Board, Head of the Contract and Law Department

Bonuses to the Members of the Supervisory Board and the Management Board for 2009

In 2009, the members of the Supervisory Board received 52 million 115 thousand rubles in wages, bonuses, commission, benefits and/or recovery of expenses as well as other compensations.

In 2009, the members of the Management Board received 96 million 467 thousand rubles in wages, bonuses, commission, benefits and/or recovery of expenses as well as other advancements.

Corporate Behavior Code

Throughout 2009 NRB was invariably guided by the Corporate Behavior Code; the corporate behavior practice allows shareholders to exercise their rights connected with their public activities.

Their shareholdings, as well as their right to unhampered and prompt buy-out of shares, are protected reliably and effectively.

The Charter of the National Reserve Bank and the internal documents related to the format of the General Meeting of Shareholders ensure equal treatment of all shareholders.

The General Meeting of Shareholders gives the Bank a chance to inform its shareholders of the Bank's activities, achievements and plans at least once a year; in this way the General Meeting can contribute to decision-making on the most important issues.

The Corporate Behavior Code allows the Supervisory Board of NRB to follow the strategic lines and effectively control the Bank's executive structures.

The Management Board, a collective executive body and the Chairman of the Supervisory Board as the sole executive body are the Bank's bodies responsible for the Bank's day-by-day management.

**Members have no shares in the Bank's authorized capital.

Financial Statements*

Auditor Report

To the shareholders of the Joint Stock Commercial Bank “National Reserve Bank” (Open Joint Stock Company)

We have audited the accounting statements (annual report) of the Joint Stock Commercial Bank “National Reserve Bank” (Open Joint Stock Company) (hereinafter referred to as the Bank) for 2009 attached to this Auditor Report.

The accounting statements (annual report) of the Bank on 63 (sixty three) pages include:

balance sheet (published version) as of January 1, 2010;

profit-and-loss statement (published version) for 2009;

cash flows statement (published version) for 2009;

statement of capital adequacy, bad debt reserves and other assets (published version) as of January 1, 2010;

information on statutory limits (published version) as of January 1, 2010;

explanatory note regarding information disclosing or clarifying the data included in the above forms of accounting statements (annual report).

The Bank’s executive body is responsible for preparation and submitting of these accounting statements (annual report). The accounting statements (annual report) mean the accounting statements stipulated by Direction No. 2089-U of the Central Bank of the Russian Federation dated October 8, 2008 “On procedures of annual reports by credit institutions”. Our duty is to express our opinion as to the reliability of the accounting statements (annual report) in all the material respects, based on our audit results.

We have carried out the audit in accordance with the Federal Act “On auditor activities”, the Federal Act “On banks and banking activities”, the federal audit standards, the internal audit standards of KPMG, as well as the rules and standards adopted by the Audit Chamber of Russia.

The audit was planned and carried out in a manner allowing to be reasonably sure that the accounting statements (annual report) are free of any material misstatements. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the accounting statements (annual report). The audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall accounting statements (annual report) presentation. We believe that our audit provides a reasonable basis for our opinion as to the reliability of the accounting statements (annual report).

* An abbreviated version of the financial statements is provided, which is based on the financial statements of the Joint Stock Commercial Bank “National Reserve Bank” (Open Joint Stock Company) for the year ended on December 31, 2009 prepared in accordance with the Russian Accounting Standards.

Bank accounting				
Territory code according to OKATO	Code of credit institution (branch)			
	OKPO	Main state registration number	Registration number	BIK
45	29296062	1027700458224	2170	044525933

Balance Sheet

(published version) as of January 1, 2010

credit institution

Joint Stock Commercial Bank

“National Reserve Bank”

(Open Joint Stock Company)

Mail address:
10A Prospekt 60-letiya Oktyabrya,
117036 Moscow

Form code according to
OKUD 0409806
Annual
thousand rubles

No.	Description of items	Data as of the accounting date	Data as of the respective accounting date of previous year
1	2	3	4
I.	Assets		
1	Cash	551,222	528,022
2	Assets of the credit institution with the Central Bank of the Russian Federation	1,002,624	1,536,899
2.1	Statutory reserves	146,153	18,719
3	Funds with credit institutions	518,812	1,760,416
4	Net investments in securities at fair value through profits or losses	16,824,187	4,765,477
5	Net debt	24,586,064	44,339,796
6	Net investments in securities and other financial assets available for sale	5,199,705	3,926,985
6.1	Investments in subsidiaries and dependent companies	991,266	991,268
7	Net investments in securities held to maturity	0	0
8	Fixed assets, intangible assets and stocks	494,227	281,790
9	Other assets	2,045,946	2,225,239
10	Total assets	51,222,787	59,364,624
II.	Liabilities		
11	Facilities, deposits and other assets of the Central Bank of the Russian Federation	1,805,000	15,258,399
12	Funds of credit institutions	876,168	1,493,782
13	Customers' funds (non-credit institutions)	18,925,318	18,458,275
13.1	Deposits of individuals	4,821,452	5,802,628
14	Financial liabilities, at fair value through profits or losses	0	913,710
15	Issued debts	3,055,675	1,275,946
16	Other obligations	909,091	1,310,231
17	Possible loss reserves relating to contingency obligations having the nature of loans, other possible losses and operations with residents of off-shore areas	636,643	794,923
18	Total liabilities	26,207,895	39,505,266

No.	Description of items	Data as of the accounting date	Data as of the respective accounting date of previous year
1	2	3	4
III. Equity			
19	Shareholders' (members') assets	1,695,846	1,695,846
20	Own shares (interests) redeemed from shareholders (members)	0	0
21	Capital in excess of par	1,236,393	1,236,393
22	Reserve fund	476,249	476,249
23	Re-evaluation at fair value of the securities available for sale	2,860,158	1,310,012
24	Re-evaluation of fixed assets	34	34
25	Retained profit (non-covered losses) of previous years	14,814,942	12,889,494
26	Retained profit (loss) of the accounting period	3,931,270	2,251,330
27	Total equity	25,014,892	19,859,358
IV. Non-balance sheet obligations			
28	Irrevocable commitments of the credit institution	8,756,186	5,309,203
29	Guarantees and suretyships issued by the credit institution	1,806,144	4,878,937

Chairman of the Management Board

Manoilo A.F.

Deputy Chairman of the Management Board – Chief Accountant

Nemova A.M.



April 15, 2010

Bank accounting				
Territory code according to OKATO	Code of credit institution (branch)			
	OKPO	Main state registration number	Registration number	BIK
45	29296062	1027700458224	2170	044525933

Profit-and-Loss Statement

(published version) for 2009

credit institution

Joint Stock Commercial Bank

“National Reserve Bank”

(Open Joint Stock Company)

Mail address:
10A Prospekt 60-letiya Oktyabrya,
117036 Moscow

Form code according to
OKUD 0409807
Annual
thousand rubles

No.	Description of items	Data as of the accounting date	Data as of the respective accounting date of previous year
1	2	3	4
1	Interest income, total, including:	5,446,519	4,590,208
1.1	Derived from placement of money with credit institutions	635,699	699,958
1.2	Derived from loans extended to customers (non-credit institutions)	4,581,702	3,699,869
1.3	Derived from rendering financial lease services	0	0
1.4	Derived from investments in securities	229,118	190,381
2	Interest expenses, total, including:	2,536,289	1,602,065
2.1	Relating to attracted funds of credit institutions	892,059	700,267
2.2	Relating to attracted funds of customers (non-credit institutions)	1,439,561	794,046
2.3	Relating to issued debts	204,669	107,752
3	Net interest income (negative interest margin)	2,910,230	2,988,143
4	Changes in reserves relating to possible losses on loans, loan-related and equal debts, funds placed in correspondent accounts, as well as interest income accrued, total, particularly:	-4,756,767	-1,044,878
4.1	Changes in reserves for possible losses relating to interest income	-93,663	-36,952
5	Net interest income (negative interest margin) after establishment of possible loss reserves	-1,846,537	1,943,265
6	Net income from operations with securities at fair value through profits or losses	7,230,916	1,833,642
7	Net income from operations with securities available for sale	56,304	-282,156
8	Net income from operations with securities held to maturity	0	0
9	Net income from operations with foreign currency	-58,899	515,047
10	Net income from re-evaluation of foreign currency	339,775	547,306
11	Income from participation in the capital of other legal entities	33,225	119,254
12	Fee and commission income	493,910	598,118
13	Fee and commission expenses	117,619	113,691
14	Changes in possible loss reserves relating to securities available for sale	22,777	-29,468

No.	Description of items	Data as of the accounting date	Data as of the respective accounting date of previous year
1	2	3	4
15	Changes in possible loss reserves relating to securities held to maturity	0	0
16	Changes in reserves relating to other losses	40,653	-510,894
17	Other operational income	108,222	83,654
18	Net income (expenses)	6,302,727	4,704,077
19	Operational expenses	2,195,221	1,571,420
20	Profit (loss) before tax	4,107,506	3,132,657
21	Taxes accrued (paid)	176,236	881,327
22	Profit (loss) after tax	3,931,270	2,251,330
23	Payments from profit after tax, total, including:	0	0
23.1	Distribution among shareholders (members) in the manner of dividends	0	0
23.2	Deductions for creation and replenishment of the reserve fund	0	0
24	Unused profit (loss) for the accounting period	3,931,270	2,251,330

Chairman of the Management Board

Manoilo A.F.

Deputy Chairman of the Management Board – Chief Accountant

Nemova A.M.



April 15, 2010

Bank accounting				
Territory code according to OKATO	Code of credit institution (branch)			
	OKPO	Main state registration number	Registration number	BIK
45	29296062	1027700458224	2170	044525933

Cash Flows Statement

(published version) for 2009

credit institution

Joint Stock Commercial Bank

“National Reserve Bank”

(Open Joint Stock Company)

Mail address:
10A Prospekt 60-letiya Oktyabrya,
117036 Moscow

Form code according to
OKUD 0409814
Annual
thousand rubles

No.	Description of items	Cash flows for the accounting period	Cash flows for the previous period
1	2	3	4
1	Net cash derived from / used in operational activities		
1.1	Cash derived from / used in operational activities before changes in operational assets and liabilities, total, including:	1,123,960	7,151,529
1.1.1	Interest received	5,532,899	4,433,436
1.1.2	Interest paid	-2,383,592	-1,347,717
1.1.3	Fees and commissions received	493,910	598,118
1.1.4	Fees and commissions paid	-117,619	-113,691
1.1.5	Income less expenses relating to operations with financial assets at fair value through profits or losses, available for sale	291,840	5,879,580
1.1.6	Income less expenses relating to operations with securities held to maturity	0	0
1.1.7	Income less expenses relating to operations with foreign currency	-58,899	515,047
1.1.8	Other operational income	79,601	80,248
1.1.9	Operational expenses	-2,151,157	-1,509,118
1.1.10	Expenses/repayment of the profit tax	-563,023	-1,384,374
1.2	Growth/decrease of net cash derived from operational assets and liabilities, total, including:	-1,562,526	-1,845,829
1.2.1	Net growth/decrease of statutory reserves in accounts with the Bank of Russia	-127,434	186,758
1.2.2	Net growth/decrease of investments in securities at fair value through profits or losses	-5,120,909	-3,651,825
1.2.3	Net growth/decrease of funds in credit institutions	1,531,739	-712,155
1.2.4	Net growth/decrease of debts	15,278,653	-12,759,984
1.2.5	Net growth/decrease of other assets	434,246	-1,059,233
1.2.6	Net growth/decrease of loans, deposits and other assets of the Bank of Russia	-13,453,399	14,873,649
1.2.7	Net growth/decrease of funds of other credit institutions	-488,405	-5,011,203
1.2.8	Net growth/decrease of customers' funds (non-credit institutions)	30,660	5,328,235
1.2.9	Net growth/decrease of financial obligations at fair value through profits or losses	-913,710	856,112
1.2.10	Net growth/decrease of debts issued	1,760,978	103,553
1.2.11	Net growth/decrease of other obligations	-494,945	264
1.3	Total for section 1 (items 1.1 + 1.2)	-438,566	5,305,700

No.	Description of items	Cash flows for the accounting period	Cash flows for the previous period
1	2	3	4
2	Net cash derived from / used in investment activities		
2.1	Acquisition of securities and other financial assets available for sale	-136,916	-2,522,266
2.2	Earnings from sale and redemption of securities and other financial assets available for sale	512,512	790,345
2.3	Acquisition of securities held to maturity	0	
2.4	Earnings from sale of securities held to maturity	0	
2.5	Acquisition of fixed assets, intangible assets and stocks	-265,806	-81,478
2.6	Earnings from sale of fixed assets, intangible assets and stocks	-7,293	903
2.7	Dividends received	4,032	119,254
2.8	Total for section 2 (sum of lines 2.1 – 2.7)	106,529	-1,693,242
3	Net cash derived from / used in financial activities		
3.1	Contributions of shareholders (members) in the authorized capital	0	0
3.2	Acquisition of own shares (interests) redeemed from shareholders (members)	0	0
3.3	Sale of own shares (interests) redeemed from shareholders (members)	0	0
3.4	Dividends paid	-325,882	-2,500,882
3.5	Total for section 3 (sum of lines 3.1 – 3.4)	-325,882	-2,500,882
4	Effect of changes in official exchange rates of foreign currencies to ruble set by the Bank of Russia with respect to cash and equivalents thereof	19,410	40,519
5	Growth/use of cash and equivalents thereof	-638,509	1,152,095
5.1	Cash and equivalents thereof as of the beginning of the accounting year	2,046,202	894,107
5.2	Cash and equivalents thereof as of the end of the accounting year	1,407,693	2,046,202

Chairman of the Management Board

Deputy Chairman of the Management Board – Chief Accountant



Manoilov A.F.

Nemova A.M.

April 15, 2010

Statement of Capital Adequacy, Bad Debt Reserves and other Assets

(published version) as of January 1, 2010

credit institution

Joint Stock Commercial Bank

“National Reserve Bank”

(Open Joint Stock Company)

Bank accounting				
Territory code according to OKATO	Code of credit institution (branch)			
	OKPO	Main state registration number	Registration number	BIK
45	29296062	1027700458224	2170	044525933

Mail address:
10A Prospekt 60-letiya Oktyabrya,
117036 Moscow

Form code according
to OKUD 0409808
Annual
thousand rubles

No.	Description of items	Data as of the beginning of the accounting period	Growth (+) / reduction (-) for the accounting period	Data for the respective date of the accounting period
1	2	3	4	5
1	Equity (capital) (thousand rubles), total, including:	20,458,694	4,591,012	25,049,706
1.1	Authorized capital of credit institution, including:	1,695,846		1,695,846
1.1.1	Par value of registered ordinary shares (interests)	1,558,469		1,558,469
1.1.2	Par value of registered preference shares	137,377		137,377
1.1.3	Non-registered value of authorized capital of non-joint stock credit institutions	0		0
1.2	Own shares (interests) redeemed from shareholders (members)	0		0
1.3	Capital in excess of par	1,236,393		1,236,393
1.4	Reserve fund of the credit institution	476,249		476,249
1.5	Retained profit (non-covered losses):	16,499,434	4,968,740	21,468,174
1.5.1	of previous years	12,889,494	1,925,448	14,814,942
1.5.2	of the accounting year	3,609,940	3,043,292	6,653,232
1.6	Intangible assets	465	-339	126
1.7	Subordinated facility (loan, deposit, bonded loan) at residual value	1,542,471	-378,069	1,164,402
1.8	Sources (part of sources) of the capital formed by investors using inappropriate assets	0		0
2	Standard value of equity (capital) (interest) adequacy	10.0		10.0
3	Actual value of equity (capital) (interest) adequacy	32.5		42.8
4	Actually generated possible loss reserves (thousand rubles), total, including:	3,654,346	4,684,786	8,339,132
4.1	relating to loans, loan-related and similar debts	2,739,258	4,758,350	7,497,608
4.2	relating to other assets, in respect of which risk of losses exists, and other losses	115,876	195,518	311,394
4.3	relating to contingency obligations having the nature of loans, as reflected in non-balance sheet accounts, and term transactions	487,787	39,127	526,914
4.4	relating to operations with residents of off-shore areas	311,425	-308,209	3,216

For reference

1	Formation (additional accrual) of loan loss reserve in the accounting period (thousand rubles), total	11,144,921
	including related to:	
1.1	extending of new loans	4,383,382
1.2	changes in loan quality	6,578,533
1.3	alteration of the foreign currency to ruble exchange rate quoted by the Bank of Russia	110,700
1.4	other reasons	72,306
2	Reinstatement (decrease) of the loan loss reserve in the accounting period (thousand rubles), total	6,386,571
	including related to:	
2.1	writing off of bad debts	5,970
2.2	repayment of loans	4,591,902
2.3	changes in loan quality	1,656,897
2.4	alteration of the foreign currency to ruble exchange rate quoted by the Bank of Russia	82,855
2.5	other reasons	48,947

Chairman of the Management Board

Deputy Chairman of the Management Board – Chief Accountant



Manoilo A.F.

Nemova A.M.

April 15, 2010

Bank accounting				
Territory code according to OKATO	Code of credit institution (branch)			
	OKPO	Main state registration number	Registration number	BIK
45	29296062	1027700458224	2170	044525933

Information on Statutory Limits

(published version) as of January 1, 2010

credit institution

Joint Stock Commercial Bank

“National Reserve Bank”

(Open Joint Stock Company)

Mail address:
10A Prospekt 60-letiya Oktyabrya,
117036 Moscow

Form code
according to
OKUD 0409813
Annual
per cent

No.	Description of items	Standard value	Actual value	
			Data as of the accounting date	Data as of the respective accounting date of previous year
1	2	3	4	5
1	Adequacy of the bank equity (capital) (H1)	>10%	42.8%	32.5%
2	Instantaneous liquidity of the bank (H2)	>15%	69.2%	54.6%
3	Current liquidity of the bank (H3)	>50%	205.1%	157.8%
4	Long-term liquidity of the bank (H4)	<120%	26.3%	49.0%
5	Maximum risk per borrower or a group of related borrowers (H6)	<25%	<i>max.</i> 23.7% <i>min.</i> 1.6%	<i>max.</i> 24.6% <i>min.</i> 0.4%
6	Maximum major credit risk (H7)	<800%	53.7%	104.2%
7	Maximum amount of loans, bank guarantees and suretyships extended by the bank to its members (shareholders) (H9.1)	<50%	7.3%	20.9%
8	Total risk relating to insiders of the bank (H10.1)	<3%	0.3%	0.4%
9	Use of the bank's equity (capital) for acquisition of shares (interests) in other legal entities (H12)	<25%	0.3%	0.3%
10	Ratio between the liquid assets with maturity within 30 calendar days and the credit institution total obligations (H15)	>100%	–	–
11	Maximum total value of loans extended to customers-settlement participants for completion of their settlements (H16)	<100%	–	–
12	Loans extended by the credit institution in its own name and for its account to borrowers other than settlement participants (H16.1)	0%	–	–

No.	Description of items	Standard value	Actual value	
			Data as of the accounting date	Data as of the respective accounting date of previous year
1	2	3	4	5
13	Minimum ratio of extended mortgage-backed loans to equity (capital) (H17)	>10%	–	–
14	Minimum ratio of mortgage backing to issue of mortgage-backed bonds (H18)	<100%	0.00%	0.00%
15	Maximum ratio of total liabilities of the issuing credit institution with respect to creditors which, under the federal laws, enjoy a priority in satisfaction of their claims as compared to holders of mortgage-backed bonds, to equity (capital) (H19)	<50%	0.00%	0.00%

Chairman of the Management Board

Deputy Chairman of the Management Board –
Chief Accountant



Manoilo A.F.

Nemova A.M.

April 15, 2010

Consolidated Financial Statements

for the year ended 31 December 2009

ZAO KPMG
Naberezhnaya Tower Complex, Block C
10 Presnenskaya Naberezhnaya
Moscow 123317, Russia

Telephone +7 (495) 937 4477
Fax +7 (495) 937 4400/99
Internet www.kpmg.ru

Independent Auditors' Report

To the Board of Directors of Joint Stock Commercial Bank "National Reserve Bank" (Open Joint Stock Company)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Joint Stock Commercial Bank "National Reserve Bank" (Open Joint Stock Company) (the "Bank") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2009, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

ZAO KPMG

7 May 2010

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2009

	Notes	2009 RUR million	2008 RUR million
Interest income	4	5,268	5,138
Interest expense	4	(2,424)	(1,589)
Net interest income		2,844	3,549
Fee and commission income	5	471	414
Fee and commission expense	6	(118)	(129)
Net fee and commission income		353	285
Net gain (loss) on financial instruments at fair value through profit or loss	7	6,444	(4,247)
Net foreign exchange income	8	273	1,062
Net loss on available-for-sale assets		(257)	-
Dividends received		32	117
Other operating income	9	59	88
Operating income		9,748	854
Impairment allowance	10	(3,598)	(380)
Personnel expenses	11	(1,064)	(887)
Other general administrative expenses	12	(1,606)	(897)
Income (loss) before taxes		3,480	(1,310)
Income tax (expense) benefit	13	(720)	807
Net income (loss)		2,760	(503)
Other comprehensive income			
Revaluation reserve for assets available-for-sale:			
- Net change in fair value of available-for-sale assets, net of tax		2,710	(6,340)
- Net change in fair value of available-for-sale assets transferred to profit or loss, net of tax		(206)	-
Other comprehensive income (loss), net of tax		2,504	(6,340)
Total comprehensive income (loss)		5,264	(6,843)

The consolidated financial statements as set out on pages 59 to 105 were approved by the Management Board on 7 May 2010.

Chairman of the Management Board

Manoilo A.F.

Deputy Chairman of the Management Board – Chief Accountant

Nemova A.M.



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

Consolidated Statement of Financial Position

as at 31 December 2009

	Notes	2009 RUR million	2008 RUR million
ASSETS			
Cash		552	528
Due from the Central Bank of the Russian Federation	14	974	1,031
Placements with banks	15	3,982	15,228
Financial instruments at fair value through profit or loss			
- Held by the Bank	16	14,445	2,776
- Pledged under sale and repurchase agreements	16	-	360
Loans to customers	17	23,799	32,757
Available-for-sale assets			
- Held by the Bank	18	7,205	4,808
Investments in unconsolidated subsidiaries	19	125	126
Goodwill		-	92
Current tax asset		295	396
Property, equipment and intangible assets	20	355	250
Other assets	21	1,729	1,194
Total assets		53,461	59,546
LIABILITIES			
Financial instruments at fair value through profit or loss	16	-	416
Deposits and balances from banks	22	2,685	16,904
Current accounts and deposits from customers	23	17,160	16,924
Certificates of deposit and promissory notes		3,031	1,227
Subordinated loan	24	2,503	2,300
Deferred tax liability	13	2,101	763
Other liabilities	25	584	558
Total liabilities		28,064	39,092
EQUITY			
Share capital	26	6,058	6,058
Share premium		5,661	5,661
Revaluation reserve for available-for-sale assets		(3,939)	(6,443)
Retained earnings		17,617	15,178
Total shareholders' equity		25,397	20,454
Total liabilities and shareholders' equity		53,461	59,546

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

General Information

Full name of Bank: Joint Stock Commercial Bank
“National Reserve Bank” (Open Joint Stock Company)

Abbreviated name: JSCB NRBank (OJSC)

Legal status: Open Joint Stock Company

Chairman of the Management Board:
Manoilo A. F.

Year Established: 1994

Registration with the Moscow Registration Chamber –
No. 29010-RP dated May 6, 1999;
with the Central Bank of the Russian Federation –
No. 2170 dated March 19, 1999;
entry in the Unified State Registry of Legal Entities
made on November 26, 2002 under OGRN 1027700458224.

License

- general banking license issued by the Bank of Russia, No. 2170 dated 24.07.2003;
- license for banking operations aimed at attraction of money in deposits and placement of precious metals, No. 2170 dated 24.07.2003;
- license issued to a professional player of the securities market for broker activities No. 077-03790-100000 dated 13.12.2000;
- license issued to a professional player of the securities market for dealer activities No. 077-03851-010000 dated 13.12.2000;
- license issued to a professional player of the securities market for securities management activities No. 077-03899-001000 dated 13.12.2000;

- license issued to a professional player of the securities market for depository activities No. 077-04345-000100 dated 27.12.2000;
- license issued to an exchange broker for carrying out futures / option transactions in stock exchange trade, No. 1084 dated 27.11.2007.

Official auditor: CJSC KPMG.

Location

10A Prospekt 60-letiya Oktyabrya, 117036 Moscow.

Telephones: +7(495)234-48-50, 956-32-31

Fax: +7(495)956-32-30

Telex: 414648 NRB RU

Official website: www.nrb.ru

E-mail: info@nrb.ru

SWIFT: NARN RUMM

REUTERS: NRBM

Correspondent account in rubles

30101810200000000933 with OPERU of the Moscow GTU, Bank of Russia, BIK 044525933, INN 7703211512.

Correspondent accounts in foreign currency

with 15 Russian banks, one CIS bank and 15 other foreign correspondent banks.

Infrastructure

Head Office (Moscow)

Additional office Nagatinsky

Address: 36 Varshavskoye Shosse, 115230, Moscow.
Telephone: +7(495)644-08-11.
Head – Sturua Tatiana Alexandrovna.

Bryansk Branch

Address: 170 Krasnoarmeyskaya St., 241037 Bryansk, Russia.
Telephone: +7(4832)41-62-66, 41-91-00.

Kaluga operational office of Bryansk Branch

Address: 121 Suvorova St., 248001 Kaluga, Russia.
Telephone: +7(4842)90-07-40, 90-07-45.
Fax: +7(4842)90-07-41.

Tula operational office of Bryansk Branch

Address: 132 L. Tolstogo St., 300034 Tula, Russia.
Telephone: +7(4872)21-00-85.
Fax: (4872)21-19-94.

Volgograd Branch

Address: 4 Komsomolskaya St., 400131 Volgograd, Russia.
Telephone/fax: +7(8442)26-90-36.

Astrakhan operational office of Volgograd Branch

Address: 31/10 Akademika Koroleva/Lyakhova St., Leninsky district, 414040 Astrakhan, Russia.
Telephone: +7(8512)61-07-51, 61-07-63.

Voronezh Branch

Address: 90a 20-letiya Oktyabrya St., 394006 Voronezh, Russia.
Telephone: +7(4732)71-21-80.
Fax: +7(4732)57-84-36.

Belgorod operational office of Voronezh Branch

Address: 23 Vokzalnaya St., 308001 Belgorod, Russia.
Telephone: +7(472)232-65-50

Ekaterinburg Branch

Address: 16 Stepana Razina St., 620075 Ekaterinburg, Russia.
Telephone: +7(343)379-51-21

Irkutsk Branch

Address: 100 Dekabrskikh Sobitiy St., 664007 Irkutsk, Russia.
Telephone: +7(3952)28-35-35, 28-34-32.

Krasnoyarsk operational office of Irkutsk Branch

Address: 82 Dubrovinskogo St., 660049 Krasnoyarsk, Russia.
Telephone: +7(391)249-60-95, 249-60-93, 249-60-94.
Fax: +7(391)223-89-43.

Krasnodar Branch

Address: 42-E Kozhevennaya St., West District, 350004 Krasnodar, Russia.
Telephone: +7(861)274-70-70, 275-03-03.

Rostov-on-Don operational office of Krasnodar Branch

Address: 46/176 Voroshilovsky Proyezd, 344000 Rostov-on-Don, Russia.
Telephone: +7(863)240-35-62, 240-35-76, 240-95-23.

Stavropol operational office of Krasnodar Branch

Address: 284/1 Mira St., 355017 Stavropol, Russia.
Telephone: +7(8652)23-55-15, 23-53-93, 95-15-87, 95-15-88.
Fax: +7(8652)23-55-15.

Novosibirsk Branch

Address: 57 Sibirskaya St., 630132 Novosibirsk.
Telephone: +7(383)298-34-61.
Manager – Kaurtsev Yuri Nikolaevich.

Samara Branch

Address: 3 Prospekt Lenina, 443110 Samara, Russia.
Telephone: +7(846)278-40-64.
Fax: +7(846)278-40-65.

Togliatti operational office of Saratov Branch

Address: 24a Topolinaya St., 445030 Togliatti, Russia.

Telephone: +7(8482)95-33-10.

Saratov Branch

Address: 5 Olimpiyskaya St., 410033 Saratov, Russia.

Telephone: +7(8452)43-15-71, 43-15-72.

Fax: +7(8452)43-15-71.

**Nizhny Novgorod operational office
of Saratov Branch**

Address: 2/28 Dobrolyubova St., 603109 Nizhny
Novgorod, Russia.

Telephone: +7(831)275-89-60, -61, -62, -63.

Fax: +7(831)437-37-03.

St. Petersburg Branch

Address: 6 Poltavskaya, 191024 St. Petersburg, Russia.

Telephone: +7(812)301-91-56.

Fax: +7(812)301-91-60.

Chelyabinsk Branch

Address: 11/B Prospekt Lenina, 454007 Chelyabinsk,
Russia.

Telephone: +7(351)730-52-09, 730-52-10, 730-51-78.

Fax: +7(351)730-52-09, 730-52-10.

Tyumen Branch

Address: 4 Malygina St., 625048 Tyumen.

Telephone: +7(3452)63-34-35, 63-34-59.

Fax: +7(3452)63-34-35.

Yaroslavl Branch

Address: 2 Deputatskaya St., 150000 Yaroslavl, Russia.

Telephone/fax: +7(4852)72-04-04, 67-03-69, 67-03-70.

The Bank is a member of:

- Association of Russian Banks;
- Association of Russian Regional Banks;
- Association of North-West Banks;
- Association of Commercial Banks of the Volgograd Region;
- National Currency Association;
- National Stock Association;
- National Association of Stock Market Players;
- Moscow Interbank Currency Exchange;
- St. Petersburg Currency Exchange;
- Russian Trade System;
- Moscow International Business Association;
- International Payment System VISA International;
- International Interbank Electronic Data Transfer and Payments System SWIFT;
- Russian Union of Industrialists and Entrepreneurs

International correspondent banks:

- | | |
|---------------------|---|
| Austria: | Meinl Bank AG |
| Germany: | Deutsche Bank AG
VTB Bank (Deutschland) AG
Commerzbank AG |
| India: | State Bank of India
Deutsche Bank AG |
| Italy: | Unicredito Italiano |
| USA: | Deutsche Bank Trust Company Americas
JP Morgan Chase Bank |
| Finland: | Nordea Bank Finland PLC |
| Switzerland: | UBS AG
Russian Commercial Bank |