

ZAO Raiffeisenbank

**International Financial Reporting Standards
Consolidated Condensed Interim
Financial Information and
Review Report of Independent Auditor**

30 June 2012

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REVIEW REPORT OF INDEPENDENT AUDITOR

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Report on review of interim financial information

To the Shareholders and Managing Board of ZAO Raiffeisenbank:

Introduction

- 1 We have reviewed the accompanying consolidated condensed interim statement of financial position of ZAO Raiffeisenbank and its subsidiaries (the "Group") as of 30 June 2012 and the related consolidated condensed interim statement of comprehensive income for the three and six months then ended, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows for the six months then ended and related explanatory notes. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of Review

- 2 We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

- 3 Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

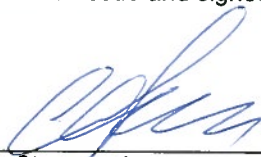
ZAO PricewaterhouseCoopers Audit

27 July 2012
Moscow, Russian Federation

ZAO Raiffeisenbank
Consolidated Condensed Interim Statement of Financial Position

<i>In thousands of Russian Roubles</i>	Note	30 June 2012 (Unaudited)	31 December 2011
ASSETS			
Cash and cash equivalents	7	222 849 039	139 519 817
Mandatory cash balances with the Central Bank of the Russian Federation		6 261 101	5 921 349
Trading securities and Repurchase receivables related to Trading Securities	8	15 932 891	53 934 271
Other securities at fair value through profit or loss and Repurchase receivables related to Other securities at fair value through profit or loss	9	28 610 456	4 976 131
Due from other banks	10	25 107 041	3 998 688
Loans and advances to customers	11	367 493 252	354 743 067
Investment securities available for sale	12	887 681	5 810 675
Premises and equipment		12 245 128	9 152 808
Intangible assets		11 786 154	11 862 200
Deferred income tax asset		2 248 132	2 749 879
Investment securities held to maturity	13	511 020	509 681
Derivatives and other financial assets	14	12 009 623	8 885 709
Investment in associate		1 605 606	1 349 943
Other assets		2 113 013	1 672 208
TOTAL ASSETS		709 660 137	605 086 426
LIABILITIES			
Due to other banks	15	75 191 094	29 935 428
Customer accounts	16	443 702 836	399 461 342
Term borrowings from the Parent Bank	18	43 853 567	46 987 518
Term borrowings from other financial institutions	19	9 393 785	3 859 816
Debt securities in issue		12 227 232	11 828 102
Current income tax liability		1 542 636	1 659 635
Derivatives and other financial liabilities	17	20 713 443	10 857 907
Other liabilities		3 867 121	4 732 938
TOTAL LIABILITIES		610 491 714	509 322 686
EQUITY			
Share capital		43 268 888	43 268 888
Share premium		591 083	591 083
Additional paid-in capital		1 520 016	1 520 016
Retained earnings and other reserves		53 788 436	50 383 753
TOTAL EQUITY		99 168 423	95 763 740
TOTAL LIABILITIES AND EQUITY		709 660 137	605 086 426

Approved for issue and signed on behalf of the Managing Board on 27 July 2012.


 Andrey Stepanenko
 Acting Chairman of the Board




 Agneta Roehling
 Chief Financial Officer

ZAO Raiffeisenbank
Consolidated Condensed Interim Statement of Comprehensive Income

	Note	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
<i>In thousands of Russian Roubles</i>					
Interest income	20	20 125 137	9 972 798	17 465 447	9 056 363
Interest expense	20	(8 217 853)	(4 222 941)	(5 611 904)	(3 071 595)
Net interest income		11 907 284	5 749 857	11 853 543	5 984 768
(Charge)/release of provision for loan impairment	11	(269 904)	251 295	(289 000)	(404 506)
Net interest income after provision for loan impairment		11 637 380	6 001 152	11 564 543	5 580 262
Fee and commission income	21	5 617 372	3 004 910	4 713 597	2 476 468
Fee and commission expense	21	(1 404 569)	(768 209)	(1 073 219)	(524 707)
Losses, net of gains from trading securities		(219 270)	(347 142)	(54 237)	(71 799)
Losses, net of gains/gains less losses from other securities at fair value through profit or loss		(20 178)	(35 279)	99 790	3 555
Gains less losses from redemption of investment securities available for sale		2 887	18 122	-	-
Gains less losses from trading in foreign currencies		1 565 217	485 641	1 641 282	889 308
Realized gains less losses from derivative financial instruments	22	3 102 824	1 644 772	756 569	395 031
Unrealized losses, net of gains from derivative financial instruments	23	(1 059 549)	(1 550 165)	(1 617 931)	(1 825 572)
Foreign exchange translation gains less losses		2 424 700	2 897 214	1 662 971	1 758 999
Ineffectiveness from the hedge accounting		(102 004)	(23 162)	44 037	6 996
Release/(charge) of provision for credit related commitments		299 128	122 452	(38 102)	(72 246)
Provision for investment securities held to maturity		(24)	(246)	(5 496)	(259)
Gains from a disposal of loans	11	68 863	35 214	2 963	499
Other operating income		166 048	133 825	113 716	36 012
Share of profit of associates		255 663	121 741	53 439	42 171
Operating income		22 334 488	11 740 840	17 863 922	8 694 718
Administrative and other operating expenses	24	(9 662 515)	(4 755 637)	(9 196 820)	(4 472 459)
Profit before tax		12 671 973	6 985 203	8 667 102	4 222 259
Income tax expense		(2 914 560)	(1 610 129)	(1 915 366)	(857 217)
Profit for the period		9 757 413	5 375 074	6 751 736	3 365 042
Revaluation of investment securities available for sale		257 796	176 109	(176 912)	(82 530)
Redemption of investment securities available for sale		(2 887)	(18 122)	-	-
Valuation reserve due to cash flow hedge		103 097	24 626	247 115	81 023
Income tax (expense)/credit		(71 601)	(36 522)	(14 041)	301
Other comprehensive income for the period, net of tax		286 405	146 091	56 162	(1 206)
Total comprehensive income for the period, net of tax		10 043 818	5 521 165	6 807 898	3 363 836

The notes set out on pages 5 to 41 form an integral part of this consolidated condensed interim financial information.

ZAO Raiffeisenbank
Consolidated Condensed Interim Statement of Changes in Equity

<i>In thousands of Russian Roubles</i>	Share capital	Share premium	Additional paid-in capital	Retained earnings	Other reserves	Total
Balance at 1 January 2011	43 268 888	591 083	1 520 016	40 348 137	180 194	85 908 318
Profit for the period	-	-	-	6 751 736	-	6 751 736
Other comprehensive income recognized for the period	-	-	-	-	56 162	56 162
Total comprehensive income for the period	-	-	-	6 751 736	56 162	6 807 898
Dividends declared	-	-	-	(4 307 517)	-	(4 307 517)
Balance at 30 June 2011	43 268 888	591 083	1 520 016	42 792 356	236 356	88 408 699
Balance at 1 January 2012	43 268 888	591 083	1 520 016	49 896 068	487 685	95 763 740
Profit for the period	-	-	-	9 757 413	-	9 757 413
Other comprehensive income recognized for the period	-	-	-	-	286 405	286 405
Total comprehensive income for the period	-	-	-	9 757 413	286 405	10 043 818
Dividends declared	-	-	-	(6 639 135)	-	(6 639 135)
Balance at 30 June 2012	43 268 888	591 083	1 520 016	53 014 346	774 090	99 168 423

ZAO Raiffeisenbank
Consolidated Condensed Interim Statement of Cash Flows

<i>In thousands of Russian Roubles</i>	Note	Six-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)
Net cash from operating activities		78 624 134	54 052 871
Cash flows from investing activities			
Acquisition of premises and equipment and intangible assets		(4 235 628)	(738 626)
Proceeds from disposal of investment securities available for sale		5 002 887	(15 000)
Net cash from/(used in) investing activities		767 259	(753 626)
Cash flows from financing activities			
Proceeds from term borrowings from the Parent Bank and other financial institutions		5 655 689	-
Repayment of term borrowings from the Parent Bank and other financial institutions		(3 195 193)	(11 592 190)
Interest paid on term borrowings from the Parent Bank and other financial institutions		(853 086)	(665 465)
Net increase/(decrease) in debt securities in issue		398 003	(1 097 168)
Interest paid on debt securities		(498 846)	(855 166)
Dividends paid		-	(4 307 517)
Net cash from/(used in) financing activities		1 506 567	(18 517 506)
Change in accrued interest on cash and cash equivalents		(23 204)	(2 157)
Effect of exchange rate changes on cash and cash equivalents		2 454 466	(2 646 064)
Net increase in cash and cash equivalents		83 329 222	32 133 518
Cash and cash equivalents at the beginning of the period		139 519 817	84 278 857
Cash and cash equivalents at the end of the period	7	222 849 039	116 412 375

1 Introduction

This consolidated condensed interim financial information has been prepared in accordance with International Financial Reporting Standards for the six-month period ended 30 June 2012 for ZAO Raiffeisenbank (hereinafter – the “Bank”) and its subsidiaries (together referred to as the “Group”).

The Bank was incorporated and is domiciled in the Russian Federation. The Bank is a closed joint stock company limited by shares and was set up in accordance with the Russian regulations. The Bank is owned by Raiffeisen CIS Region Holding GmbH and Raiffeisen-Invest-Gesellschaft m.b.H, subsidiaries of Raiffeisen Zentralbank Osterreich AG (the “Parent Bank”), which is the ultimate controlling parent of the Group.

Principal activity. The Bank has operated under a full banking license issued by the Central Bank of the Russian Federation (“CBRF”) since 1996. The Bank operates in all banking sectors of the Russian financial markets, including money market, investments, corporate and retail banking, and provides a complete range of banking services to its clients. In addition, the Group, through operations of its subsidiaries and associates, is also involved in asset management, pension and leasing businesses. On 2 February 2005 the Bank was accepted to the State deposit insurance scheme, introduced by the Federal law №177-FZ “Deposits of individuals insurance in Russian Federation” dated 23 December 2003. The State Deposit Insurance Agency guarantees repayment of 100% of individual deposits up to RR 700 thousand per individual in case of the withdrawal of a licence of a bank or a CBRF imposed moratorium on payments.

As at 30 June 2012 the Group had 13 branches within the Russian Federation and 178 outlets (31 December 2011: 17 branches and 172 outlets).

The number of the Group’s employees as at 30 June 2012 was 7 859 (31 December 2011: 8 350).

Registered address and place of business. The Bank’s registered address is: 17/1 Troitskaya Str., 129090 Moscow, Russian Federation. The Bank’s main place of business is: 15A Leninsky prospect, 119071 Moscow, Russian Federation.

Presentation currency. This consolidated condensed interim financial information is presented in Russian Roubles (“RR”), unless otherwise stated.

2 Operating Environment of the Group

Russian Federation. The Russian Federation displays certain characteristics of an emerging market. Tax, currency and customs legislation is subject to varying interpretations and contributes to the challenges faced by banks operating in the Russian Federation. Refer to Note 27.

The international sovereign debt crisis, stock market volatility and other risks could have a negative effect on the Russian financial and corporate sectors. Management determined loan impairment provisions by considering the economic situation and outlook at the end of the reporting period, and applied the ‘incurred loss’ model required by the applicable accounting standards. These standards require recognition of impairment losses that arose from past events and prohibit recognition of impairment losses that could arise from future events, no matter how likely those future events are. Refer to Note 4.

The future economic development of the Russian Federation is dependent upon external factors and internal measures undertaken by the government to sustain growth, and to change the tax, legal and regulatory environment. Management believes it is taking all necessary measures to support the sustainability and development of the Group’s business in the current business and economic environment.

3 Summary of Significant Accounting Policies

Basis of preparation. This consolidated condensed interim financial information has been prepared in accordance with IAS 34. This consolidated condensed interim financial information should be read in conjunction with the annual IFRS consolidated financial statements of the Group for the year ended 31 December 2011.

Foreign currency translation. The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The Bank's functional currency and the Group's presentation currency is the national currency of the Russian Federation, Russian Roubles ("RR").

At 30 June 2012 the principal rate of exchange used for translating foreign currency balances was USD 1 = RR 32.8169 (31 December 2011: USD 1 = 32.1961 RR) and EUR 1 = 41.3230 (31 December 2011: EUR 1 = 41.6714).

Except as described below, the accounting policies and methods of computation applied in the preparation of this consolidated condensed interim financial information are consistent with the accounting policies and methods applied in the annual consolidated financial statements of the Group for the year ended 31 December 2011. Certain new standards, interpretations and amendments to the existing standards, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2011, became effective for the Group from 1 January 2012. They have not significantly affected this consolidated condensed interim financial information of the Group. Refer to Note 5.

Interim period measurement. Interim period income tax expense is accrued using the effective tax rate that would be applied to expected total annual earnings, i.e. the estimated weighted average annual effective income tax rate is applied to the pre-tax income of the interim period.

Changes in presentation. During the six-month period ended 30 June 2012 the management has performed a detailed review of Bank's accounting policy in respect of translation effect of foreign currency to presentation currency for individually impaired loans and provision for impairment of these loans. The review has resulted in a correction in Interest income, Provision for loan impairment and Foreign exchange translation losses, net of gains. The reclassification in amount of RR 147 167 thousand was done from "Interest income" to "Foreign exchange translation losses, net of gains" for the six-month period ended 30 June 2011 and RR 21 553 thousand for the three-month period ended 30 June 2011 and in amount of RR 492 710 thousand from "Provision for loan impairment" to "Foreign exchange translation losses, net of gains" for the six month period ended 30 June 2011 and RR 59 466 thousand for the three month period ended 30 June 2011. Gains from a disposal of loans in amount of RR 226 877 thousand is reclassified to Charge/release of provision for loan impairment for the six-month period ended 30 June 2011 and RR 65 937 thousand for the three-month period ended 30 June 2011.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on Management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment losses on loans and advances to customers. The Group regularly reviews its loan portfolios to assess impairment. In determining whether an impairment loss should be recorded in profit or loss for the year, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group.

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies (Continued)

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

A 10% increase or decrease in actual loss experience compared to the loss estimates used would result in an increase or decrease in loan impairment losses of RR 604 806 thousand (2011: RR 826 325 thousand), respectively. Impairment losses for individually significant loans are based on estimates of discounted future cash flows of the individual loans, taking into account repayments and realisation of any assets held as collateral against the loans. A 10% increase or decrease in the actual compared to the estimated future discounted cash flows from individually significant loans, which could arise from differences in amounts and timing of the cash flows, would result in an increase or decrease in loan impairment losses of RR 304 381 thousand (2011: RR 419 640 thousand), respectively.

Fair value of derivatives. The fair values of financial derivatives that are not quoted in active markets are determined by using valuation techniques. Valuation of financial derivatives is applied to single currency interest rate swap transactions, cross currency interest swap transactions and foreign exchange forward contracts. The fair value of these transactions is determined as the difference between the present value of fixed receivable and the present value of floating obligation or vice versa. The present value of floating obligation is determined using discount factors derived from the zero coupon curve. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require Management to make estimates. Changes in assumptions about these factors could affect reported fair values. Any over or under estimation of these future cash flows could require a material adjustment to the carrying value of these derivatives.

Special purpose entities. Judgement is also required to determine whether the substance of the relationship between the Group and a special purpose entity (SPE) indicates that the special purpose entity is controlled by the Group. In assessing ability of the Group to control the special purpose entities, Management takes into consideration the following factors presented in SIC 12 "Consolidation – special purpose entities":

- (i) SPE activities are being conducted on behalf of the Bank as it was set up to satisfy specific business needs of the Group (issue of asset-backed securities);
- (ii) Rewards taken by SPE are transferred to the Bank in the form of dividends on a preference share held by the Bank; and
- (iii) Risks including credit risk are assumed by the Bank through the purchase of Subordinated notes.

Non-consolidation of the special purpose entities would decrease the Group's total assets by RR 1 239 570 thousand as at 30 June 2012 (31 December 2011: RR 1 405 649 thousand). The impact on the consolidated profit after tax would be an increase by RR 337 103 thousand for six-month period ended 30 June 2012 (for six-month period ended 30 June 2011: a decrease by RR 6 277 thousand).

5 Adoption of New or Revised Standards and Interpretations

The following new standards and interpretations became effective for the Group from 1 January 2012:

Disclosures – Transfers of Financial Assets – Amendments to IFRS 7 (issued in October 2010 and effective for annual periods beginning on or after 1 July 2011). The amendment requires additional disclosures in respect of risk exposures arising from transferred financial assets. The amendment includes a requirement to disclose by class of asset the nature, carrying amount and a description of the risks and rewards of financial assets that have been transferred to another party, yet remain on the entity's balance sheet. Disclosures are also required to enable a user to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. Where financial assets have been derecognized, but the entity is still exposed to certain risks and rewards associated with the transferred asset, additional disclosure is required to enable the effects of those risks to be understood. The amendment did not have impact on this consolidated condensed interim financial information.

Recovery of Underlying Assets – Amendments to IAS 12 (issued in December 2010 and effective for annual periods beginning on or after 1 January 2012). The amendment introduced a rebuttable presumption that an investment property carried at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. SIC-21, *Income Taxes – Recovery of Revalued Non-Depreciable Assets*, which addresses similar issues involving non-depreciable assets measured using the revaluation model in IAS 16, *Property, Plant and Equipment*, was incorporated into IAS 12 after excluding from its scope investment properties measured at fair value. The amendment did not have impact on this consolidated condensed interim financial information.

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters – Amendments to IFRS 1 (issued in December 2010 and effective for annual periods beginning on or after 1 July 2011). The amendment regarding severe hyperinflation creates an additional exemption when an entity that has been subject to severe hyperinflation resumes presenting or presents for the first time, financial statements in accordance with IFRS. The exemption allows an entity to elect to measure certain assets and liabilities at fair value; and to use that fair value as the deemed cost in the opening IFRS statement of financial position.

The IASB has also amended IFRS 1 to eliminate references to fixed dates for one exception and one exemption, both dealing with financial assets and liabilities. The first change requires first-time adopters to apply the derecognition requirements of IFRS prospectively from the date of transition, rather than from 1 January 2004. The second amendment relates to financial assets or liabilities where the fair value is established through valuation techniques at initial recognition and allows the guidance to be applied prospectively from the date of transition to IFRS rather than from 25 October 2002 or 1 January 2004. This means that a first-time adopter may not need to determine the fair value of certain financial assets and liabilities at initial recognition for periods prior to the date of transition. IFRS 9 has also been amended to reflect these changes. The amendment did not have impact on this consolidated condensed interim financial information.

6 New Accounting Pronouncements

Since the Group published its last annual financial statements, certain new standards and interpretations have been published that are mandatory for the Group's accounting periods beginning on or after 1 July 2012 or later and which the Group has not early adopted:

Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards - Government loans. The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This will give first-time adopters the same relief as existing preparers. The Group is currently assessing the impact of the amended standard on its financial statements.

6 New Accounting Pronouncements (Continued)

Improvements to International Financial Reporting Standards (issued in May 2012 and effective for annual periods beginning 1 January 2013). The improvements consist of changes to five standards. IFRS 1 was amended to (i) clarify that an entity that resumes preparing its IFRS financial statements may either repeatedly apply IFRS 1 or apply all IFRSs retrospectively as if it had never stopped applying them, and (ii) to add an exemption from applying IAS 23, *Borrowing costs*, retrospectively by first-time adopters. IAS 1 was amended to clarify that explanatory notes are not required to support the third balance sheet presented at the beginning of the preceding period when it is provided because it was materially impacted by a retrospective restatement, changes in accounting policies or reclassifications for presentation purposes, while explanatory notes will be required when an entity voluntarily decides to provide additional comparative statements. IAS 16 was amended to clarify that servicing equipment that is used for more than one period is classified as property, plant and equipment rather than inventory. IAS 32 was amended to clarify that certain tax consequences of distributions to owners should be accounted for in the income statement as was always required by IAS 12. IAS 34 was amended to bring its requirements in line with IFRS 8. IAS 34 will require disclosure of a measure of total assets and liabilities for an operating segment only if such information is regularly provided to chief operating decision maker and there has been a material change in those measures since the last annual financial statements. The Group is currently assessing the impact of the amendments on its financial statements.

Transition Guidance Amendments to IFRS 10, IFRS 11 and IFRS 12 (issued on 28 June 2012 and effective for annual periods beginning 1 January 2013). The amendments clarify the transition guidance in IFRS 10 *Consolidated Financial Statements*. Entities adopting IFRS 10 should assess control at the first day of the annual period in which IFRS 10 is adopted, and if the consolidation conclusion under IFRS 10 differs from IAS 27 and SIC 12, the immediately preceding comparative period (that is, year 2012 for a calendar year-end entity that adopts IFRS 10 in 2013) is restated, unless impracticable. The amendments also provide additional transition relief in IFRS 10, IFRS 11, *Joint Arrangements*, and IFRS 12, *Disclosure of Interests in Other Entities*, by limiting the requirement to provide adjusted comparative information only for the immediately preceding comparative period. Further, the amendments will remove the requirement to present comparative information for disclosures related to unconsolidated structured entities for periods before IFRS 12 is first applied. The Group is currently assessing the impact of the amendments on its financial statements.

7 Cash and Cash Equivalents

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Cash on hand	21 242 497	23 618 675
Cash balances with the CBRF (other than mandatory reserve deposits)	11 283 129	11 626 558
Correspondent accounts and overnight placements with other banks		
- Russian Federation	2 635 459	2 844 363
- Other countries	171 340 288	45 304 156
Placements with other banks with original maturities of less than three months	-	52 302 986
Reverse securities sale and repurchase agreements with other banks with original maturities of less than three months	16 347 666	3 823 079
Total cash and cash equivalents	222 849 039	139 519 817

At 30 June 2012 cash equivalents in the amount of RR 16 347 666 thousand (31 December 2011: RR 3 823 079 thousand) are effectively collateralised by securities purchased under reverse securities sale and repurchase agreements with a fair value of RR 18 605 122 thousand (31 December 2011: RR 4 486 841 thousand) which the Group has a right to sell or repledge.

At 30 June 2012 included within correspondent accounts and overnight placements with other banks is a cash reserve facility placed under the terms of an asset backed securities program in the amount of RR 968 302 thousand (31 December 2011: RR 936 442 thousand).

7 Cash and Cash Equivalents (Continued)

Correspondent accounts, overnight placements and placements with other banks with original maturities of less than three months and deals with securities purchased under “reverse-repo agreements” with original maturities of less than three months represent balances with large and well-known foreign banks and top-rated Russian banks.

Currency, geographical and liquidity analysis of cash and cash equivalents are disclosed in Note 26. The information on related party balances is disclosed in Note 28.

8 Trading Securities and Repurchase Receivables related to Trading Securities

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Corporate bonds	6 253 677	40 340 217
Federal loan bonds (OFZ)	4 990 125	4 099 311
Corporate eurobonds	4 683 892	5 320 126
Municipal bonds	-	2 610 968
Bonds of the European Bank for Reconstruction and Development (EBRD)	-	1 558 713
Total debt trading securities and repurchase receivables	15 927 694	53 929 335
Corporate shares	5 197	4 936
Total trading securities and repurchase receivables	15 932 891	53 934 271

Estimation of fair value of trading securities is based on their market quotations.

Trading securities are carried at fair value which also reflects any credit risk related write-downs. As trading securities are carried at fair value based on observable market data, the Group does not analyse or monitor impairment indicators separately on these securities.

The Bank is licensed by the Federal Commission on Securities Markets for trading in securities.

At 30 June 2012 and 31 December 2011 there were no renegotiated balances that would otherwise be past due. Trading debt securities are not collateralised.

As at 30 June 2012 and 31 December 2011 no debt trading securities are past due or impaired.

Repurchase Receivables related to trading securities represents securities sold under sale and repurchase agreements which the counterparty has the right, by contract or custom, to sell or re-pledge. The repurchase agreements were short-term in nature and matured in July 2012. At 30 June 2012 Federal loan bonds (OFZ) included securities with fair value of RR 4 010 905 thousand pledged under sale and repurchase agreements with CBRF (31 December 2011: no securities were pledged under sale and repurchase agreements). Corporate bonds included securities with fair value of RR 3 237 935 thousand pledged under sale and repurchase agreements with CBRF (31 December 2011: no securities were pledged under sale and repurchase agreements). Refer to Notes 15 and 27.

Currency, geographical and liquidity analysis of trading securities and repurchase receivables related to trading securities are disclosed in Note 26.

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9 Other Securities at Fair Value Through Profit or Loss and Repurchase Receivables related to other securities at Fair Value Through Profit or Loss.

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Corporate bonds	20 600 656	3 561 146
Federal loan bonds (OFZ)	3 673 387	529 428
Bonds of the European Bank for Reconstruction and Development (EBRD)	1 563 853	-
Municipal bonds	1 704 589	489 159
Russian Federation Eurobonds	607 735	-
Corporate eurobonds	130 571	8 416
Total other debt securities at fair value through profit and loss	28 280 791	4 588 149
Corporate shares	329 665	387 982
Total other securities at fair value through profit or loss	28 610 456	4 976 131

The Group irrevocably designated the above securities, which are not part of its trading book, as at fair value through profit or loss. The securities meet the criteria for classification as at fair value through profit or loss because Asset and Liability Committee of the Group ("ALCO") assesses performance of the investments based on their fair values in accordance with a strategy documented in the business plan.

Securities designated at fair value through profit or loss are carried at fair value which also reflects any credit risk related write-downs. As the securities are carried at their fair value based on observable market data, the Group does not analyse or monitor impairment indicators.

Repurchase Receivables related to Other securities at Fair Value Through Profit or Loss represents securities sold under sale and repurchase agreements which the counterparty has the right, by contract or custom, to sell or re-pledge. The repurchase agreements were short-term in nature and matured in July 2012. At 30 June 2012 Federal loan bonds (OFZ) included securities with fair value of RR 1 363 676 thousand pledged under sale and repurchase agreements with CBRF (31 December 2011: no securities were pledged under sale and repurchase agreements). Corporate bonds included securities with fair value of RR 6 770 914 thousand pledged under sale and repurchase agreements with CBRF (31 December 2011: no securities were pledged under sale and repurchase agreements). Refer to Notes 15 and 27.

Currency, geographical and liquidity analysis of other securities at fair value through profit or loss are disclosed in Note 26.

10 Due from Other Banks

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Short-term placements with other banks with original maturities of more than three months and less than one year	22 975 038	2 245 844
Long-term placements with other banks with original maturities of more than one year	2 132 003	1 752 844
Total due from other banks	25 107 041	3 998 688

As at 30 June 2012 and 31 December 2011 due from other banks are neither past due nor impaired.

Currency, geographical and liquidity analysis of due from other banks are disclosed in Note 26. The information on related party balances is disclosed in Note 28.

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11 Loans and Advances to Customers

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Loans to corporate customers (Corporate loans)	267 380 119	265 241 359
Loans to individuals (Retail loans)	113 118 655	103 866 193
Loans to small and medium entities (SME loans)	9 216 014	7 984 490
Loans to state and municipal organisations (Public sector)	95 133	295 480
Total gross loans and advances to customers	389 809 921	377 387 522
Less: Provision for loan impairment	(22 316 669)	(22 644 455)
Total loans and advances to customers	367 493 252	354 743 067

Movements in the provision for loan impairment during six-month period ended 30 June 2012 are as follows:

<i>In thousands of Russian Roubles</i>		Retail loans	SME loans	Total
Provision for loan impairment at 1 January 2012	13 868 428	7 838 532	937 495	22 644 455
(Release)/ charge of provision for impairment during the period	(264 555)	465 421	69 038	269 904
Provisions on disposed loans	(45 760)	(64 524)	(38 304)	(148 588)
Amounts written off during the period as uncollectible	(443 052)	(13 562)	(100 482)	(557 096)
Exchange differences on provision for loan impairment	87 219	20 706	69	107 994
Provision for loan impairment at 30 June 2012 (Unaudited)	13 202 280	8 246 573	867 816	22 316 669

Movements in the provision for loan impairment during three-month period ended 30 June 2012 are as follows:

<i>In thousands of Russian Roubles</i>	Corporate loans	Retail loans	SME loans	Total
Provision for loan impairment at 1 April 2012	13 802 846	7 942 259	868 210	22 613 315
(Release)/ charge of provision for impairment during the period	(450 802)	153 222	46 285	(251 295)
Provisions on disposed loans	(45 760)	(11 647)	(3 690)	(61 097)
Amounts written off during the period as uncollectible	(443 052)	(13 562)	(43 423)	(500 037)
Exchange differences on provision for loan impairment	339 048	176 301	434	515 783
Provision for loan impairment at 30 June 2012 (Unaudited)	13 202 280	8 246 573	867 816	22 316 669

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11 Loans and Advances to Customers (Continued)

Movements in the provision for loan impairment during six-month period ended 30 June 2011 are as follows:

<i>In thousands of Russian Roubles</i>	Corporate loans	Retail loans	SME loans	Public sector	Total
Provision for loan impairment at 1 January 2011	18 421 049	7 326 085	1 107 922	34 956	26 890 012
(Release)/ charge of provision for impairment during the period	(8 527)	305 805	(20 481)	12 203	289 000
Provisions on disposed loans	(886 515)	(76 248)	(4 327)	-	(967 090)
Amounts written off during the period as uncollectible	(26 549)	(2 027)	(20 688)	-	(49 264)
Exchange differences on provision for loan impairment	(351 118)	(141 588)	(5)	-	(492 711)
Provision for loan impairment at 30 June 2011 (Unaudited)	17 148 340	7 412 027	1 062 421	47 159	25 669 947

Movements in the provision for loan impairment during three-month period ended 30 June 2011 are as follows:

<i>In thousands of Russian Roubles</i>	Corporate loans	Retail loans	SME loans	Public sector	Total
Provision for loan impairment at 1 April 2011	17 556 042	7 527 349	1 058 641	41 070	26 183 102
(Release)/ charge of provision for impairment during the period	466 207	(92 520)	24 730	6 089	404 506
Provisions on disposed loans	(808 007)	(659)	(263)	-	(808 929)
Amounts written off during the period as uncollectible	(26 549)	(2 027)	(20 688)	-	(49 264)
Exchange differences on provision for loan impairment	(39 353)	(20 116)	1	-	(59 468)
Provision for loan impairment at 30 June 2011 (Unaudited)	17 148 340	7 412 027	1 062 421	47 159	25 669 947

During the six-month period ended 30 June 2012 the Bank disposed of loans to customers under cession and other agreements with the total gross value of RR 1 169 136 thousand (six-month period ended 30 June 2011: RR 1 957 648 thousand) with cash proceeds of RR 851 733 thousand (six-month period ended 30 June 2011: RR 989 852 thousand) and other assets with carrying value of RR 237 678 thousand (six-month period ended 30 June 2011: RR 3 669 thousand). As of the date of disposal during the six-month period ended 30 June 2012 these loans were provided for impairment in the total amount of RR 148 588 thousand (six-month period ended 30 June 2011: RR 967 090 thousand). The net financial result of a loan disposal during the six-month period ended 30 June 2012 recognized in the statement of comprehensive income was a gain of RR 68 863 thousand (six-month period ended 30 June 2011: RR 2 963 thousand).

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11 Loans and Advances to Customers (Continued)

Economic sector risk concentrations within the customer loan portfolio are as follows:

<i>In thousand of Russian Roubles</i>	30 June 2012 (Unaudited)		31 December 2011	
	Amount	%	Amount	%
Individuals	113 118 655	29.02%	103 866 193	27.52%
Real estate	81 743 902	20.97%	78 997 995	20.93%
Manufacturing	62 768 785	16.10%	79 625 643	21.10%
Trade	46 249 227	11.86%	41 166 387	10.91%
Mining	40 753 879	10.45%	28 571 173	7.57%
Transport, storage and communication	25 056 237	6.43%	24 670 796	6.54%
Financial services	6 906 101	1.77%	6 342 207	1.68%
Hotels and restaurants	4 929 581	1.26%	5 179 741	1.37%
Electricity, gas and water supply	4 586 465	1.18%	4 871 521	1.29%
Agriculture, hunting and forestry	1 564 067	0.40%	1 842 733	0.49%
Cities and municipalities	97 352	0.02%	247 093	0.07%
Other	2 035 670	0.54%	2 006 040	0.53%
Total loans and advances to customers (before impairment provision)	389 809 921	100.00%	377 387 522	100.00%

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11 Loans and Advances to Customers (Continued)

Analysis by credit quality of loans outstanding at 30 June 2012 is as follows:

<i>In thousands of Russian Roubles</i>	Corporate loans	Retail loans	SME loans	Public sector	Total
<i>Neither past due nor impaired loans, assessed for impairment on a collective basis</i>					
Excellent credit standing	22 900 127	-	15 302	-	22 915 429
Very good credit standing	59 634 121	52 343 779	138 428	-	112 116 328
Good credit standing	59 320 448	48 514 481	1 552 655	32 562	109 420 146
Average credit standing	70 626 154	-	564 593	50 097	71 240 844
Mediocre credit standing	19 824 851	-	4 228 343	7 571	24 060 765
Weak credit standing	14 987 810	-	1 267 658	4 903	16 260 371
Very weak credit standing	4 262 817	-	363 001	-	4 625 818
Total neither past due nor impaired loans, assessed for impairment on collective basis (gross)	251 556 328	100 858 260	8 129 980	95 133	360 639 701
<i>Past due but not impaired loans, assessed for impairment on a collective basis</i>					
- less than 30 days overdue	2 274 774	3 113 394	51 137	-	5 439 305
- 31 – 60 days overdue	21 738	531 775	46 394	-	599 907
- 61 – 90 days overdue	29 982	222 514	5 393	-	257 889
- 91 – 180 days overdue	-	261 869	-	-	261 869
Total past due but not impaired loans, assessed for impairment on collective basis (gross)	2 326 494	4 129 552	102 924	-	6 558 970
<i>Loans individually determined to be impaired</i>					
- less than 30 days overdue	2 295 821	560 368	1 097	-	2 857 286
- 31 – 60 days overdue	-	46 538	24 821	-	71 359
- 61 – 90 days overdue	-	59 566	11 106	-	70 672
- 91 – 180 days overdue	993 694	187 764	38 816	-	1 220 274
- 181 – 364 days overdue	1 621 764	1 448 543	36 563	-	3 106 870
- over 365 days overdue	8 586 018	5 828 064	870 707	-	15 284 789
Total loans individually determined to be impaired (gross)	13 497 297	8 130 843	983 110	-	22 611 250
Total gross loans and advances to customers	267 380 119	113 118 655	9 216 014	95 133	389 809 921
Less: Provision for loan impairment	(13 202 280)	(8 246 573)	(867 816)	-	(22 316 669)
Total loans and advances to customers	254 177 839	104 872 082	8 348 198	95 133	367 493 252

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11 Loans and Advances to Customers (Continued)

Analysis by credit quality of loans outstanding at 31 December 2011 is as follows:

<i>In thousands of Russian Roubles</i>	Corporate loans	Retail loans	SME loans	Public sector	Total
<i>Neither past due nor impaired loans, assessed for impairment on a collective basis</i>					
Excellent credit standing	16 838 824	-	20 375	-	16 859 199
Very good credit standing	46 835 850	49 088 122	180 236	-	96 104 208
Good credit standing	51 398 170	44 360 403	1 055 362	36 554	96 850 489
Average credit standing	70 781 572	-	421 112	135 891	71 338 575
Mediocre credit standing	28 665 295	-	3 415 337	114 736	32 195 368
Weak credit standing	33 471 571	-	1 569 193	8 299	35 049 063
Very weak credit standing	4 077 683	-	212 636	-	4 290 319
Total neither past due nor impaired loans, assessed for impairment on collective basis (gross)	252 068 965	93 448 525	6 874 251	295 480	352 687 221
<i>Past due but not impaired loans, assessed for impairment on a collective basis</i>					
- less than 30 days overdue	-	1 700 642	14 516	-	1 715 158
- 31 – 60 days overdue	-	379 981	7 670	-	387 651
- 61 – 90 days overdue	19 869	166 915	1 740	-	188 524
- 91 – 180 days overdue	-	215 961	291	-	216 252
Total past due but not impaired loans, assessed for impairment on collective basis (gross)	19 869	2 463 499	24 217	-	2 507 585
<i>Loans individually determined to be impaired</i>					
- less than 30 days overdue	2 996 909	611 410	26 233	-	3 634 552
- 31 – 60 days overdue	991 097	36 111	2 567	-	1 029 775
- 61 – 90 days overdue	-	63 458	-	-	63 458
- 91 – 180 days overdue	934 799	145 652	9 944	-	1 090 395
- 181 – 364 days overdue	1 100 503	1 572 995	37 644	-	2 711 142
- over 365 days overdue	7 129 217	5 524 543	1 009 634	-	13 663 394
Total loans individually determined to be impaired (gross)	13 152 525	7 954 169	1 086 022	-	22 192 716
Total gross loans and advances to customers	265 241 359	103 866 193	7 984 490	295 480	377 387 522
Less: Provision for loan impairment	(13 868 428)	(7 838 532)	(937 495)	-	(22 644 455)
Total loans and advances to customers	251 372 931	96 027 661	7 046 995	295 480	354 743 067

Currency, geographical and liquidity analysis of loans and advances to customers are disclosed in Note 26. The information on related party balances is disclosed in Note 28.

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12 Investment Securities Available for Sale

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Corporate shares	887 681	715 209
Corporate bonds	-	5 095 466
Total investment securities available for sale	887 681	5 810 675

Due to the absence of an active market for the corporate bond included in the investment securities available for sale category and also due to the low level of trading activity with this particular bond, for the purposes of the estimation of the fair value of this instrument, Management implemented a valuation technique based on the yield-to-maturity of comparable benchmark instruments, currently actively quoted in the market.

Currency, geographical and liquidity analysis of investment securities available for sale are disclosed in Note 26.

13 Investment Securities Held to Maturity

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Corporate bonds	520 233	518 870
Total gross investment securities held to maturity	520 233	518 870
Less: Provision for impairment	(9 213)	(9 189)
Total investment securities held to maturity	511 020	509 681

Currency, geographical and liquidity analysis of investment securities held to maturity are disclosed in Note 26.

14 Derivatives and Other Financial Assets

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Fair value of currency rate based financial derivatives	8 914 975	5 647 199
Fair value of interest rate based financial derivatives	2 364 096	2 235 763
Plastic card receivables	684 259	911 655
Trade receivables	46 293	91 092
Total derivatives and other financial assets	12 009 623	8 885 709

Currency, geographical and liquidity analysis of derivatives and other financial assets are disclosed in Note 26. The information on related party balances is disclosed in Note 28.

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15 Due to Other Banks

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Correspondent accounts and overnight placements of other banks	49 059 744	22 194 357
Sale and repurchase agreements with securities with CBRF	23 325 087	-
Long-term placements of other banks	1 719 931	1 065 030
Short-term placements of other banks	1 086 332	6 676 041
Total due to other banks	75 191 094	29 935 428

At 30 June 2012 included within correspondent accounts and overnight placements of other banks is a cash facility placed by the Parent Bank under the terms of cash reserve facility agreement and in relation to asset backed securities program in the amount of RR 1 050 203 thousand (31 December 2011: RR 1 009 947 thousand).

At 30 June 2012 included in due to banks are deposits of RR 216 970 thousand (31 December 2011: RR 303 821 thousand) held as collateral for irrevocable commitments under guarantees. Refer to Note 27.

At 30 June 2012, included in amounts due to other banks are liabilities of RR 23 325 087 thousand (2011: none) from sale and repurchase agreements. Refer to Notes 8, 9 and 27. As at 30 June 2012 the fair value of securities purchased under reverse securities sale and repurchase agreements and sold under direct sale and repurchase agreements with other banks amounted to RR 10 580 612 thousand (31 December 2011: Nil).

Currency, geographical and liquidity analysis of due to other banks are disclosed in Note 26. The information on related party balances is disclosed in Note 28.

16 Customer Accounts

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
State and public organisations		
- Current/settlement accounts	584 533	612 423
- Term deposits	86 403	97 512
Legal entities		
- Current/settlement accounts	116 103 808	79 178 110
- Term deposits	99 691 674	107 189 995
Individuals		
- Current/demand accounts	91 821 225	87 209 756
- Term deposits	135 415 193	125 173 546
Total customer accounts	443 702 836	399 461 342

At 30 June 2012 the Group had one customer (31 December 2011: one customer) with a balance above 10% of consolidated equity of the Group as at this date. The balance of this customer was RR 35 336 932 thousand (31 December 2011: RR 10 359 595) or 7.96% (31 December 2011: 2.59%) of total customer accounts.

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16 Customer Accounts (Continued)

At 30 June 2012 included in customer accounts are deposits of RR 950 513 thousand (31 December 2011: RR 652 783 thousand) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 27.

At 30 June 2012 included in customer accounts are deposits of RR 1 756 339 thousand (31 December 2011: RR 1 925 121 thousand) held as collateral for irrevocable commitments under guarantees. Refer to Note 27.

Currency, geographical and liquidity analysis of customer accounts are disclosed in Note 26. The information on related party balances is disclosed in Note 28.

17 Derivatives and Other Financial Liabilities

Derivatives and other financial liabilities comprise the following:

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Fair value of currency rate based financial derivatives	9 055 259	4 833 585
Fair value of interest rate based financial derivatives	3 799 588	4 294 065
Dividends payable	6 524 910	-
Provision for credit related commitments	626 747	1 098 816
Plastic cards payables	466 587	567 943
Settlements on conversion operations	100 335	16 559
Trade payables	33 943	36 998
Other	106 074	9 941
Total derivatives and other financial liabilities	20 713 443	10 857 907

Movement in the provisions for credit related commitments during six-months period ended 30 June 2012 includes provision release of RR 299 128 thousand (during six-months period ended 30 June 2011: allocation of RR 38 102 thousand) and utilization of provision in the amount of RR 172 941 thousand (during six-months period ended 30 June 2011: nil).

Currency, geographical and liquidity analysis of derivatives and other financial liabilities are disclosed in Note 26. Information on related party transactions is presented in Note 28.

18 Term Borrowings from the Parent Bank

<i>In thousands of Russian Roubles</i>	Note	30 June 2012 (Unaudited)	31 December 2011
Loans from the Parent Bank maturing in 2012-2016	20	36 559 527	39 831 114
Subordinated loans from the Parent Bank maturing in 2013		7 294 040	7 156 404
Total term borrowings from the Parent Bank		43 853 567	46 987 518

Currency, geographical and liquidity analysis of term borrowings from the Parent Bank are disclosed in Note 26. The information on related party balances is disclosed in Note 28.

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19 Term Borrowings from Other Financial Institutions

<i>In thousands of Russian Roubles</i>	Note	30 June 2012 (Unaudited)	31 December 2011
Loans secured by diversified payment rights		5 655 689	-
Loans from commercial banks maturing in 2013		2 124 814	2 081 751
Loans from development banks maturing in 2012-2015		1 264 147	1 531 644
Asset backed securities maturing in 2017	11	349 135	246 421
Total term borrowings from other financial institutions		9 393 785	3 859 816

Term borrowings from other financial institutions are represented by long term obligations of the Group denominated in Russian Roubles and US Dollars and issued by large international banks and asset backed securities. These borrowings have maturity dates ranging from 2012 up to 2017 (2011: from 2012 up to 2017) and Libor dependent floating interest rates.

In June 2012 the Group issued floating rate loan participation notes of Series 2012-A in the amount of USD 50 million, Series 2012-B in the amount of 75 million and Series 2012-C in the amount of 50 million secured by the Bank's diversified payment rights, i.e. the rights to funds being transferred to the Bank's USD and EUR correspondent accounts. The principal of the notes is repaid quarterly starting for Series 2012-A notes from August 2014 for Series 2012-B and Series 2012-C notes from August 2015 with the final maturity of Series 2012-A notes in May 2017 and Series 2012-B and Series 2012-C notes in May 2019. Outstanding amount of secured obligations amounts to USD 175 million.

The Group is subject to certain covenants related to its term borrowings from other financial institutions. Refer to Note 27.

Currency, geographical and liquidity analysis of term borrowings from other financial institutions are disclosed in Note 26. The information on related party balances is disclosed in Note 28.

20 Interest Income and Expense

<i>In thousands of Russian Roubles</i>	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
Interest income				
Loans and advances to customers	17 270 117	8 525 100	13 848 385	7 114 819
Trading securities	1 619 817	767 538	1 911 083	1 008 979
Due from other banks	795 246	410 683	809 070	506 584
Investment securities available for sale	142 694	58 481	672 918	340 041
Other securities at fair value through profit and loss	116 796	113 413	3 792	1 843
Interest income on impaired financial assets	152 924	83 701	193 093	70 470
Debt securities held to maturity	27 543	13 882	27 106	13 627
Total interest income	20 125 137	9 972 798	17 465 447	9 056 363
Interest expense				
Term deposits of individuals	2 636 574	1 327 630	2 081 691	1 074 827
Term deposits of legal entities	2 652 561	1 466 153	1 090 433	724 554
Current/settlement accounts	838 011	448 056	384 026	242 675
Term borrowings from the Parent Bank	680 677	336 550	1 051 014	525 147
Term placements of other banks	574 897	347 442	101 004	50 977
Term borrowings from other financial institutions	331 873	49 359	29 022	14 610
Debt securities in issue	491 044	240 626	867 733	434 042
Correspondent accounts of other banks	12 216	7 125	6 981	4 763
Total interest expense	8 217 853	4 222 941	5 611 904	3 071 595
Net interest income	11 907 284	5 749 857	11 853 543	5 984 768

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21 Fee and Commission Income and Expense

<i>In thousands of Russian Roubles</i>	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
Fee and commission income				
Commissions on operations with plastic cards	2 257 068	1 168 239	1 574 874	834 994
Commissions on settlement transactions	604 358	316 208	540 470	301 355
Commissions on documentary business and guarantees	540 042	286 479	443 286	237 252
Credit facility fee	420 122	253 374	356 534	156 102
Commissions on cash operations	419 763	221 472	382 639	197 309
Insurance commission income	361 756	217 464	296 415	186 348
Fiduciary activities	204 439	91 247	184 916	86 072
Commissions on export operations	192 909	96 983	170 795	91 028
Early and late repayment fees	147 595	80 185	191 063	66 523
Commissions from investment banking	121 888	87 729	147 780	93 166
Commissions on transfer payments	99 060	56 179	152 786	81 536
Commissions on transactions with securities	57 027	28 896	71 252	36 583
Commission income on foreign exchange operations	20 890	9 973	28 597	16 628
Other	170 455	90 482	172 190	91 572
Total fee and commission income	5 617 372	3 004 910	4 713 597	2 476 468
Fee and commission expense				
Commissions on operations with plastic cards	825 489	454 336	482 880	262 169
Commissions on settlement transactions	270 277	142 182	232 445	101 046
Commissions on cash operations	131 737	71 780	98 088	46 354
Commissions on transactions with securities	85 524	55 654	27 464	10 989
Commissions on transfer payments	37 864	12 637	111 747	42 897
Commissions on documentary business	8 662	4 944	8 998	4 605
Credit facility fee	6 392	4 972	45 875	23 825
Other	38 624	21 704	65 722	32 822
Total fee and commission expense	1 404 569	768 209	1 073 219	524 707
Net fee and commission income	4 212 803	2 236 701	3 640 378	1 951 761

22 Realized Gains less Losses from Derivative Financial Instruments

<i>In thousands of Russian Roubles</i>	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
Foreign exchange swaps	3 411 606	1 816 083	711 704	494 766
Foreign exchange forwards	158 485	1 328	326 918	60 689
Foreign exchange options	114 890	34 183	22 693	20 742
Interest rate options	35	-	-	-
Cross currency interest rate swaps	(212 727)	(45 406)	(130 178)	(66 053)
Interest rate swaps	(369 465)	(161 416)	(174 369)	(114 828)
Foreign exchange futures	-	-	(199)	(285)
Total realized result from derivative financial instruments	3 102 824	1 644 772	756 569	395 031

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23 Unrealized Gains less Losses from Derivative Financial Instruments

<i>In thousands of Russian Roubles</i>	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
Cross currency interest rate swaps	503 562	2 239 941	(235 039)	107 119
Interest rate swaps	116 822	(109 508)	(144 164)	(50 014)
Foreign exchange forwards	11 419	185 273	(644 443)	(225 724)
Foreign exchange options	898	3 293	(2 561)	(2 561)
Foreign exchange swaps	(1 692 250)	(3 869 164)	(591 749)	(1 654 277)
Foreign exchange futures	-	-	25	(115)
Total realized result from derivative financial instruments	(1 059 549)	(1 550 165)	(1 617 931)	(1 825 572)

24 Administrative and Other Operating Expenses

<i>In thousands of Russian Roubles</i>	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
Staff costs	5 081 128	2 479 572	4 696 431	2 267 480
Rent expenses	1 030 532	412 218	1 101 886	504 973
Depreciation of premises and equipment	691 950	347 718	724 358	361 635
IT services	456 133	280 339	479 439	295 466
Deposit insurance fee	407 284	208 633	325 144	168 369
Premises and equipment maintenance expenses	370 428	200 628	400 051	212 694
Professional services	368 156	189 194	198 630	30 898
Communication expenses	262 705	162 217	229 810	117 647
Amortisation of intangible assets	261 816	133 084	211 597	111 681
Advertising and marketing	202 812	109 595	264 978	164 861
Security expenses	132 886	82 249	159 887	94 174
Taxes other than on income	120 834	44 352	89 273	24 405
Other	275 851	105 838	315 336	118 176
Total administrative and other operating expenses	9 662 515	4 755 637	9 196 820	4 472 459

25 Segment Analysis

Operating Segments

The Supervisory Board monitors the results and is the chief operating decision maker (CODM). The Supervisory Board of the Bank consists of Management Board members of the Parent Bank. The Parent Bank is a holding company that controls the strategic and operating decisions of the Group. The Parent Bank monitors its business by geographic segment where the Group represents a separate segment "Russia". Therefore, the Group's format for reporting segment information is the geographical segment Russia. The Supervisory Board regularly meets at least on a quarterly basis. The Management Board informs the Supervisory Board in a timely and comprehensive manner about the issues relevant to the business development of the Group, including the Group's risk situation, risk management and that of Group entities. The Supervisory Board discusses with the Management Board the strategic orientation, makes respective decisions and monitors regularly the status of the strategy's implementation at regular intervals.

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25 Segment Analysis (Continued)

Measurement of operating segment profit or loss, assets and liabilities

The CODM reviews financial information prepared based on the Group reporting standards adjusted to meet the requirements of internal reporting. Such financial information differs in certain aspects from International Financial Reporting Standards:

- (i) Information comprises consolidated result of the Bank and Roof Russia S.A. (SPE of the Bank);
- (ii) Certain classification differences exist between the information presented to CODM and consolidated condensed interim financial information.

Segment information for the Russia (as a segment of the Group) is calculated and set out below:

<i>In thousands of Russian Roubles</i>	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
	Russia/Total	Russia/Total	Russia/Total	Russia/Total
External revenues:				
Interest and similar income	25 884 285	13 116 632	18 266 936	9 568 388
Fee and commission income	6 773 440	3 633 231	5 481 061	2 843 176
Total revenue	32 657 725	16 749 863	23 747 997	12 411 564
Interest and similar expense	(11 997 897)	(6 140 486)	(7 318 416)	(3 914 499)
Fee and commission expense	(1 403 180)	(768 190)	(1 070 365)	(523 311)
Provision for loan impairment	282 644	569 955	12 664	(264 727)
Trading result	2 357 979	712 147	2 910 172	1 229 048
Valuation result from hedge accounting and other derivative instruments	100 245	496 248	(575 596)	(248 767)
Net income from investments	(85 696)	(85 912)	(5 103)	(84)
Depreciation and amortization	(950 877)	(479 396)	(933 345)	(471 992)
Other administrative expenses	(8 326 859)	(4 135 596)	(7 887 798)	(3 868 498)
Other operating (loss)/profit	(51 622)	98 116	(146 274)	(44 339)
Income taxes	(2 960 929)	(1 502 585)	(1 975 496)	(1 014 281)
Segment result	9 621 533	5 514 164	6 758 440	3 290 114

Based on domicile of the customers substantially all of the revenues are from Russian customers.

Major ratio calculations for the reportable segment of the Group for the six-month period ended 30 June 2012 and the year ended 31 December 2011 are set out below:

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
	Russia/Total	Russia/Total
Total segment assets	709 660 137	605 086 426
Total segment liabilities	610 491 714	509 322 686
Capital expenditure	4 235 628	2 781 119
Cost/income ratio	43.32%	55.30%
Average equity	97 466 082	90 836 029
Return on equity before tax	26.00%	20.13%
Return on equity after tax	20.02%	15.25%

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25 Segment Analysis (Continued)

Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets.

Reconciliation of segment revenues, segment result and other material items is presented below.

<i>In thousands of Russian Roubles</i>	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
	Russia/Total	Russia/Total	Russia/Total	Russia/Total
Total revenue for segment	32 657 725	16 749 863	23 747 997	12 411 564
Reclassification of interest income to trading result	(5 894 673)	(3 223 523)	(1 027 896)	(566 082)
Reclassification of commission income to trading result	(1 195 713)	(638 198)	(927 777)	(473 855)
Reclassification of provision for loan impairment to interest income and unwinding effect	157 038	99 612	205 237	79 959
Effect of the consolidation of the subsidiaries and other adjustments	18 132	(10 046)	181 483	81 245
Total revenue	25 742 509	12 977 708	22 179 044	11 532 831

Total revenue comprises interest and similar income and fee and commission income.

Reconciliation of reportable segment result is presented below.

<i>In thousands of Russian Roubles</i>	Six-Month Period Ended 30 June 2012 (Unaudited)	Three-Month Period Ended 30 June 2012 (Unaudited)	Six-Month Period Ended 30 June 2011 (Unaudited)	Three-Month Period Ended 30 June 2011 (Unaudited)
	Russia/Total	Russia/Total	Russia/Total	Russia/Total
Total segment result	9 621 533	5 514 164	6 758 440	3 290 114
Consolidation of subsidiaries and associate	176 751	(144 998)	84 805	55 476
Intercompany adjustments	(40 871)	5 908	(91 509)	19 452
Profit after tax	9 757 413	5 375 074	6 751 736	3 365 042

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25 Segment Analysis (Continued)

Reconciliation of other material items of income or expenses for the six-month period ended 30 June 2012 is as follows:

	Total amount for reportable segment	Reclassifi- cations	Consolidation of the subsi- diaries and associate and other	As reported under IFRS
<i>In thousands of Russian Roubles</i>				
Material income or expenses for the six-month period ended 30 June 2012				
External revenues, including				
- Interest and similar income	25 884 285	(5 737 635)	(21 513)	20 125 137
- Fee and commission income	6 773 440	(1 195 713)	39 645	5 617 372
Interest and similar expense	(11 997 897)	3 765 455	14 589	(8 217 853)
Fee and commission expense	(1 403 180)	-	(1 389)	(1 404 569)
Provision for loan impairment	282 644	(157 038)	(27 519)	98 087
Trading result	2 357 979	3 150 910	780	5 509 669
Valuation result from hedge accounting and other derivative instruments	100 245	102 004	-	202 249
Net income from investments	(85 696)	72 017	(3 636)	(17 315)
Depreciation and amortization	(950 877)	-	(2 889)	(953 766)
Other administrative expenses	(8 326 859)	-	149 624	(8 177 235)
Other operating (loss)/profit	(51 622)	-	(58 181)	(109 803)
Income taxes	(2 960 929)	-	46 369	(2 914 560)

Reconciliation of other material items of income or expenses for the three-month period ended 30 June 2012 is as follows:

	Total amount for reportable segment	Reclassifi- cations	Consolidation of the subsi- diaries and associate and other	As reported under IFRS
<i>In thousands of Russian Roubles</i>				
Material income or expenses for the three-month period ended 30 June 2012				
External revenues, including				
- Interest and similar income	13 116 632	(3 123 911)	(19 923)	9 972 798
- Fee and commission income	3 633 231	(638 198)	9 877	3 004 910
Interest and similar expense	(6 140 486)	1 910 215	7 330	(4 222 941)
Fee and commission expense	(768 190)	-	(19)	(768 209)
Provision for loan impairment	569 955	(99 612)	(61 382)	408 961
Trading result	712 147	1 856 333	34 503	2 602 983
Valuation result from hedge accounting and other derivative instruments	496 248	23 162	-	519 410
Net income from investments	(85 912)	72 011	(18 737)	(32 638)
Depreciation and amortization	(479 396)	-	(1 406)	(480 802)
Other administrative expenses	(4 135 596)	-	88 340	(4 047 256)
Other operating (loss)/profit	98 116	-	(70 129)	27 987
Income taxes	(1 502 585)	-	(107 544)	(1 610 129)

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25 Segment Analysis (Continued)

Reconciliation of other material items of income or expenses for the six-month period ended 30 June 2011 is as follows:

	Total amount for reportable segment	Reclassifi- cations	Consolidation of the subsi- diaries and associate and other	As reported under IFRS
<i>In thousands of Russian Roubles</i>				
Material income or expenses for the six-month period ended 30 June 2011				
External revenues, including				
- Interest and similar income	18 266 936	(822 659)	21 170	17 465 447
- Fee and commission income	5 481 061	(927 777)	160 313	4 713 597
Interest and similar expense	(7 318 416)	1 697 105	9 407	(5 611 904)
Fee and commission expense	(1 070 365)	-	(2 854)	(1 073 219)
Provision for loan impairment	12 664	(205 237)	(131 566)	(324 139)
Trading result	2 910 172	190 275	(48 148)	3 052 299
Valuation result from hedge accounting and other derivative instruments	(575 596)	(44 037)	25	(619 608)
Net income from investments	(5 103)	112 330	(12 933)	94 294
Depreciation and amortization	(933 345)	-	(2 610)	(935 955)
Other administrative expenses	(7 887 798)	-	(57 731)	(7 945 529)
Other operating (loss)/profit	(146 274)	-	(1 907)	(148 181)
Income taxes	(1 975 496)	-	60 130	(1 915 366)

Reconciliation of other material items of income or expenses for the three-month period ended 30 June 2011 is as follows:

	Total amount for reportable segment	Reclassifi- cations	Consolidation of the subsi- diaries and associate and other	As reported under IFRS
<i>In thousands of Russian Roubles</i>				
Material income or expenses for the three-month period ended 30 June 2011				
External revenues, including				
- Interest and similar income	9 568 388	(486 123)	(25 902)	9 056 363
- Fee and commission income	2 843 176	(473 855)	107 147	2 476 468
Interest and similar expense	(3 914 499)	839 353	88 148	(3 071 595)
Fee and commission expense	(523 311)	-	(1 396)	(524 707)
Provision for loan impairment	(264 727)	(79 960)	(131 566)	(476 253)
Trading result	1 229 048	207 576	(27 783)	1 408 841
Valuation result from hedge accounting and other derivative instruments	(248 767)	(6 996)	(115)	(255 878)
Net income from investments	(84)	5	(81 222)	3 296
Depreciation and amortization	(471 992)	-	(1 324)	(473 316)
Other administrative expenses	(3 868 498)	-	(23 737)	(3 892 235)
Other operating (loss)/profit	(44 339)	-	15 614	(28 725)
Income taxes	(1 014 281)	-	157 064	(857 217)

Provision for loan impairment comprises of provision for impairment of loans and advances to customers, provision for credit related commitments and gains from the sale of loans.

25 Segment Analysis (Continued)

Trading result, Net income from investments and valuation result from hedge accounting and other derivative instruments comprises gains less losses from trading securities, gains less losses from trading in foreign currencies, unrealised and realized gains less losses from derivative financial instruments and foreign exchange translation losses, net of gains, ineffectiveness from hedge accounting, gain from redemption of investment securities available for sale, gains less losses from other securities at fair value through profit or loss and provision for investment securities held to maturity.

The reconciling items are attributable to the following.

Reclassification in Interest and similar expense for six-month period ended 30 June 2012:

- reclassification of interest expenses from deposits which are the hedged items in Cash flow hedge from interest and similar expenses to trading result in the amount RR nill (for six-month period ended 30 June 2011: RR 27 736 thousand);
- reclassification of computed refinancing cost of trading portfolio from trading result to interest and similar expenses in the amount RR 851 764 thousand (for six-month period ended 30 June 2011: 713 233 thousand); and
- reclassification of computed refinancing cost of other securities at fair value through profit or loss portfolio from gains less losses from other securities at fair value through profit or loss to interest and similar expenses in the amount RR 72 017 thousand (for six-month period ended 30 June 2011: 112 330 thousand); and
- reclassification of interest expenses from interest rate derivatives from interest and similar expenses to trading result in the amount of RR 4 689 237 thousand (for six-month period ended 30 June 2011: RR 2 494 932 thousand).

Reclassification in Provision for loan impairment movement for the reporting period of the gross up of the loans acquired in the course of the business combination for interest and similar income and for provision for loan impairment and unwinding effect to interest and similar income in the amount of RR 139 851 thousand (for six-month period ended 30 June 2011: RR 205 237 thousand).

Reclassification in Trading result for six-month period ended 30 June 2012:

- the total amount of reclassification from Trading result to Interest and similar expenses is equal to the amount of RR 923 781 thousand (for six-month period ended 30 June 2011: RR 825 563 thousand);
- the total amount of reclassification to Trading result from Interest and similar expenses is equal to the amount of RR 4 689 237 thousand (for six-month period ended 30 June 2011: RR 2 494 932 thousand);
- reclassification of interest income from interest rate derivatives from interest and similar income to trading result in the amount of RR 7 518 686 thousand (for six-month period ended 30 June 2011: RR 2 929 826 thousand);
- reclassification of ineffective part from hedge accounting from valuation result from hedge accounting and other derivative instruments to trading result in the amount of RR (102 004) thousand (for six-month period ended 30 June 2011: RR 44 037 thousand);
- reclassification of coupon income for trading securities from trading result to interest income in the amount of RR 1 619 817 thousand (for six-month period ended 30 June 2011: RR 1 903 406 thousand);

25 Segment Analysis (Continued)

- reclassification of the result on clients' foreign exchange transactions from commission income to trading result in the amount of RR (46 243) thousand (for six-month period ended 30 June 2011: 75 449 thousand).

Major customers

The Group does not have any single customer, from which it earns revenue representing 10% of more of the total revenues.

26 Financial Risk Management

The risk management function within the Group is carried out in respect of financial risks (credit, market, geographical, currency, liquidity and interest rate), operational risks and credit risk concentrations. The primary objectives of the financial risk management function are to identify and assess risks, establish risk limits, assume risk mitigation measures, ensure that all material risks are measured and limited, and that business in general is evaluated under a risk/return perspective. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks. Policies and processes for managing financial risks remain unchanged from those disclosed in last annual consolidated financial statements for the year ended 31 December 2011.

Market risk. Market risk is the risk of loss due to adverse changes in interest rates, exchange rates, equity prices, commodity prices and credit spreads which may affect the Group's equity, profit or the market value of its assets and liabilities. Market risk derives from on and off balance sheet positions in the Bank's treasury, investment banking and lending operations.

The Group's market risk management approach encompasses the recognition, measurement, monitoring and management of market risk that results from the Group's banking business on a group basis. The Group encounters market risk in both trading and non trading activities (including interest rate positions, balance sheet structures and hedging positions).

The Group's market risk management unit is in charge of identifying and assessing market risks and establishing procedures to control market risks, including monitoring position limits and exposures.

The Bank's market risk management unit also assesses market risk for new businesses and products, including structured products. The Treasury Directorate, which trades within trading limits recommended by the market risk management unit and approved by the ALCO/CC, performs trading and market positioning for the Bank. The Bank is subject to the policies and limits set by the Parent Bank and approved by the Parent Bank's market risk committee.

The Bank's market risk management unit is in charge of daily limit monitoring and weekly reporting to the Parent Bank, and is responsible for reporting any limited breach to the Parent Bank. In the case of a limit breach, the Parent Bank board member responsible for global treasury has the right to intervene in the Bank's risk management activities and practices.

The Bank uses an interest rate sensitivity analysis to assess interest rate risk for its banking portfolio, which consists of loans, deposits, interbank money market transactions, fixed-income held-to-maturity securities and interest rate derivatives and for its trading portfolio, which consists of fixed income trading securities. The Group creates an interest rate repricing gap for each portfolio by comparing the present market value of all future cash flows calculated taking the current market interest rate that the Bank uses for internal pricing, against the value of all future cash flows in the current market increased by one basis point.

The Bank uses set of position limits to prevent the concentration of certain financial instruments, including trading securities and open foreign exchange positions, as well as in the Bank's overall portfolio, in order to maintain the market value of the overall portfolio. The position limits are set for individual positions and for the overall portfolio and account for certain market conditions, including liquidity.

26 Financial Risk Management (Continued)

Currency risk. Currency risk results from fluctuations in the prevailing foreign currency exchange rates. The Group is exposed to foreign currency exchange risk on open positions (mainly USD/RR and EUR/RR exchange rate fluctuations).

Foreign exchange risk management is done centrally by the Treasury Directorate for the Bank's Head Office and all regional and Moscow branches.

The Bank's Treasury Directorate undertakes daily aggregation of the currency position of the Bank and takes measures for maintaining of the Bank's currency position on a minimum level. The Bank uses swaps, forwards and USD futures contracts tradable on MICEX and RTS as the main instruments for hedging risk.

The analysis below includes only monetary assets and liabilities. Investments in equities and non-monetary assets are not considered to give rise to any material currency risk.

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26 Financial Risk Management (Continued)

The following table presents currency position of the Group's monetary financial assets and liabilities at 30 June 2012:

In thousands of Russian Roubles	RUR	USD	EUR	Other currencies	Total
Assets					
Cash and cash equivalents	43 521 569	135 945 013	43 131 850	250 607	222 849 039
Mandatory cash balances with the Central bank of the Russian Federation	6 261 101	-	-	-	6 261 101
Trading securities	11 243 802	4 683 892	-	-	15 927 694
Other securities at fair value through profit or loss	27 542 485	738 306	-	-	28 280 791
Due from other banks	3 718 160	709 636	20 677 942	1 303	25 107 041
Loans and advances to customers	173 636 996	180 283 825	9 306 158	4 266 273	367 493 252
Investment securities available for sale	-	-	-	-	-
Securities held-to-maturity	511 020	-	-	-	511 020
Derivatives and other financial assets	8 670 461	2 441 321	877 852	19 989	12 009 623
Total financial assets	275 105 594	324 801 993	73 993 802	4 538 172	678 439 561
Liabilities					
Due to other banks	71 705 791	2 916 931	511 719	56 653	75 191 094
Customer accounts	265 039 600	114 442 460	61 426 346	2 794 430	443 702 836
Term borrowings from the Parent Bank	-	39 481 803	4 371 764	-	43 853 567
Term borrowings from other financial institutions	-	9 393 785	-	-	9 393 785
Debt securities in issue	12 227 232	-	-	-	12 227 232
Other financial liabilities	4 615 811	8 745 825	7 178 254	173 553	20 713 443
Total financial liabilities	353 588 434	174 980 804	73 488 083	3 024 636	605 081 957
Net balance sheet position	(78 482 840)	149 821 189	505 719	1 513 536	73 357 604
Less fair value of currency derivatives	4 556 329	(4 489 451)	(53 641)	(153 521)	(140 284)
Currency derivatives	157 225 159	(154 680 974)	(674 649)	(2 009 820)	(140 284)
Net position including currency derivatives	74 185 990	(370 334)	(115 289)	(342 763)	73 357 604

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Notes to the Consolidated Condensed Interim Financial Information

26 Financial Risk Management (Continued)

Currency position of the Group's monetary financial assets and liabilities at 31 December 2011 is set out below:

In thousands of Russian Roubles	RUR	USD	EUR	Other currencies	Total
Assets					
Cash and cash equivalents	32 941 845	32 218 470	73 923 633	435 869	139 519 817
Mandatory cash balances with the Central bank of the Russian Federation	5 921 349	-	-	-	5 921 349
Trading securities	48 609 210	4 862 670	457 455	-	53 929 335
Other securities at fair value through profit or loss	4 579 733	8 416	-	-	4 588 149
Due from other banks	3 160 430	836 915	-	1 343	3 998 688
Loans and advances to customers	179 336 470	162 049 708	8 550 930	4 805 959	354 743 067
Investment securities available for sale	5 095 466	-	-	-	5 095 466
Securities held-to-maturity	509 681	-	-	-	509 681
Derivatives and other financial assets	5 228 642	3 151 355	491 994	13 718	8 885 709
Total financial assets	285 382 826	203 127 534	83 424 012	5 256 889	577 191 261
Liabilities					
Due to other banks	27 635 858	1 888 444	372 164	38 962	29 935 428
Customer accounts	268 116 622	63 488 352	65 661 505	2 194 863	399 461 342
Term borrowings from the Parent Bank	-	42 113 950	4 873 568	-	46 987 518
Term borrowings from other financial institutions	-	3 859 816	-	-	3 859 816
Debt securities in issue	11 828 102	-	-	-	11 828 102
Other financial liabilities	2 966 481	7 243 521	589 797	58 108	10 857 907
Total financial liabilities	310 547 063	118 594 083	71 497 034	2 291 933	502 930 113
Net balance sheet position	(25 164 237)	84 533 451	11 926 978	2 964 956	74 261 148
Less fair value of currency derivatives	2 977 364	(1 850 235)	(269 114)	(44 401)	813 614
Currency derivatives	109 660 108	(93 187 132)	(12 777 051)	(2 882 311)	813 614
Net position including currency derivatives	81 518 507	(6 803 446)	(580 959)	127 046	74 261 148

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Notes to the Consolidated Condensed Interim Financial Information

26 Financial Risk Management (Continued)

Geographical risk concentrations. The geographical concentration of the Group's financial assets and liabilities at 30 June 2012 is set out below:

	Russia	Austria	Other European Union	Other countries	Total
In thousands of Russian Roubles					
Assets					
Cash and cash equivalents	51 071 510	165 848 849	3 245 065	2 683 615	222 849 039
Mandatory cash balances with the Central bank of the Russian Federation	6 261 101	-	-	-	6 261 101
Trading securities	15 932 891	-	-	-	15 932 891
Repurchase receivables as trading securities	-	-	-	-	-
Other securities at fair value through profit or loss	26 844 737	-	1 563 853	201 866	28 610 456
Due from other banks	3 986 080	20 691 772	-	429 189	25 107 041
Loans and advances to customers	324 280 544	1 641 453	34 814 537	6 756 718	367 493 252
Investment securities available for sale	-	-	-	887 681	887 681
Securities held-to-maturity	511 020	-	-	-	511 020
Repurchase receivables as securities held-to-maturity	-	-	-	-	-
Derivatives and other financial assets	8 932 677	2 506 074	407 672	163 200	12 009 623
Total financial assets	437 820 560	190 688 148	40 031 127	11 122 269	679 662 104
Liabilities					
Due to other banks	69 061 478	2 512 217	2 517 353	1 100 046	75 191 094
Customer accounts	433 854 626	1 172 459	6 988 664	1 687 087	443 702 836
Term borrowings from the Parent Bank	-	43 853 567	-	-	43 853 567
Term borrowings from other financial institutions	-	2 124 814	6 004 824	1 264 147	9 393 785
Debt securities in issue	12 227 232	-	-	-	12 227 232
Other financial liabilities	12 424 330	4 164 976	4 045 090	79 047	20 713 443
Total financial liabilities	527 567 666	53 828 033	19 555 931	4 130 327	605 081 957
Net balance sheet position	(89 747 106)	136 860 115	20 475 196	6 991 942	74 580 147
Credit related commitments (Note 27)	195 581 845	2 041 943	5 625 871	2 467 839	205 717 498

Assets, liabilities and credit related commitments have generally been based on the country in which the counterparty is located. Balances with Russian counterparties actually outstanding to/from off-shore companies of these Russian counterparties are allocated to the caption "Russia". Cash on hand have been allocated based on the country in which they are physically held.

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Notes to the Consolidated Condensed Interim Financial Information

26 Financial Risk Management (Continued)

The geographical concentration of the Group's assets and liabilities at 31 December 2011 is set out below:

	Russia	Austria	Other European Union	Other countries	Total
<i>In thousands of Russian Roubles</i>					
Assets					
Cash and cash equivalents	41 911 456	92 524 080	2 817 229	2 267 052	139 519 817
Mandatory cash balances with the Central bank of the Russian Federation	5 921 349	-	-	-	5 921 349
Trading securities	52 370 622	-	1 558 713	4 936	53 934 271
Other securities at fair value through profit or loss	4 976 131	-	-	-	4 976 131
Due from other banks	3 441 272	13 581	80 973	462 862	3 998 688
Loans and advances to customers	314 322 785	1 612 297	31 158 007	7 649 978	354 743 067
Investment securities available for sale	5 095 466	-	-	715 209	5 810 675
Investment securities held-to-maturity	509 681	-	-	-	509 681
Derivatives and other financial assets	3 251 561	3 174 999	2 204 060	255 089	8 885 709
Total financial assets	431 800 323	97 324 957	37 818 982	11 355 126	578 299 388
Liabilities					
Due to other banks	26 117 288	1 566 654	1 783 406	468 080	29 935 428
Customer accounts	388 376 634	2 336 516	7 472 160	1 276 032	399 461 342
Term borrowings from the Parent Bank	-	46 987 518	-	-	46 987 518
Term borrowings from other financial institutions	-	2 081 751	246 421	1 531 644	3 859 816
Debt securities in issue	11 828 102	-	-	-	11 828 102
Derivatives and other financial liabilities	3 135 622	4 103 703	2 985 460	633 122	10 857 907
Total financial liabilities	429 457 646	57 076 142	12 487 447	3 908 878	502 930 113
Net balance sheet position	2 342 677	40 248 815	25 331 535	7 446 248	75 369 275
Credit related commitments (Note 27)	217 771 077	1 970 034	2 444 414	3 251 733	225 437 258

Credit risk concentrations. Management monitors and discloses concentrations of credit risk by obtaining reports listing exposures to borrowers with aggregated loan balances in excess of 10% of net assets. The Group did not have any such significant risk concentrations at 30 June 2012 or 31 December 2011.

Liquidity risk. Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees and from margin and other calls on cash settled derivative instruments. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Asset and Liability Committee of the Group.

26 Financial Risk Management (Continued)

The Group seeks to maintain a stable funding base comprising primarily amounts due to other banks, corporate and retail customer deposits and invest the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The liquidity management of the Group requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans and monitoring balance sheet liquidity ratios against regulatory requirements. The Group calculates liquidity ratios on a daily basis in accordance with the requirement of the CB RF.

The Bank monitors expected maturities, which may be summarised as follows at 30 June 2012 and 31 December 2011:

<i>In thousands of Russian Roubles</i>	Demand and less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
At 30 June 2012					
Financial assets	370 116 689	83 975 560	182 360 217	43 209 638	679 662 104
Financial liabilities	405 055 214	81 801 836	114 862 606	3 362 301	605 081 957
Net liquidity gap based on expected maturities	(34 938 525)	2 173 724	67 497 611	39 847 337	74 580 147
At 31 December 2011					
Financial assets	257 260 061	85 863 191	192 445 101	42 731 035	578 299 388
Financial liabilities	323 113 312	74 101 392	104 454 045	1 261 364	502 930 113
Net liquidity gap based on expected maturities	(65 853 251)	11 761 799	87 991 056	41 469 671	75 369 275

The above given analyses are based on contractual maturities, except for the entire portfolio of trading securities is classified within demand and less than one month based on Management's assessment of the portfolio's realisability.

27 Contingencies and Commitments

Legal proceedings. From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates and internal professional advice Management is of the opinion that certain losses could be incurred in respect of claims and accordingly has made provisions for the legal cases in these consolidated condensed interim financial statements.

Tax legislation. Russian tax and customs legislation which was enacted or substantively enacted at the end of the reporting period is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be successfully challenged by relevant authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

27 Contingencies and Commitments (Continued)

Russian transfer pricing legislation enacted during the current period is effective prospectively to new transactions from 1 January 2012. It introduces significant reporting and documentation requirements. The transfer pricing legislation that is applicable to transactions on or prior to 31 December 2011, provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of all controllable transactions, provided that the transaction price differs from the market price by more than 20%. Controllable transactions include transactions with interdependent parties, as determined under the Russian Tax Code, all cross-border transactions (irrespective of whether performed between related or unrelated parties), transactions where the price applied by a taxpayer differs by more than 20% from the price applied in similar transactions by the same taxpayer within a short period of time, and barter transactions. Significant difficulties exist in interpreting and applying the transfer pricing legislation in practice. Any prior existing court decisions may provide guidance, but are not legally binding for decisions by other or higher level courts in the future.

Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible with the evolution of the interpretation of the transfer pricing rules that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the entity.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that outflow of resources will be required should such tax positions and interpretations be challenged by the relevant authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

Operating lease commitments. Where the Group is the lessee, the future minimum lease payments under non-cancellable operating leases are as follows:

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Not later than 1 year	827 740	700 267
Later than 1 year and not later than 5 years	14 145	13 471
Total operating lease commitments	841 885	713 738

Compliance with covenants. The Group is subject to certain covenants related primarily to its other borrowed funds. Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and declaration of default. The Group's Management believes that the Group is in compliance with covenants as at 30 June 2012.

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate or cash deposits and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

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27 Contingencies and Commitments (Continued)

Outstanding credit related commitments are as follows:

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Undrawn credit lines and Overdraft facilities (revocable)	58 325 710	50 244 401
Guarantees issued (irrevocable)	48 364 097	63 142 639
Undrawn commitments to issue documentary instruments (irrevocable)	32 978 709	32 356 542
Undrawn credit lines and Overdraft facilities (irrevocable)	26 707 191	51 460 820
Undrawn commitments to issue documentary instruments (revocable)	23 875 543	10 662 488
Import letters of credit (irrevocable)	12 681 675	10 824 479
Export letters of credit (irrevocable)	2 784 573	6 745 889
Credit related commitments before provision	205 717 498	225 437 258
Less: Provision for credit related commitments	(626 747)	(1 098 816)
Total credit related commitments	205 090 751	224 338 442

The total outstanding contractual amount of undrawn credit lines, letters of credit, and guarantees does not necessarily represent future cash requirements, as these financial instruments may expire or terminate without being funded. Fair value of guarantee contracts was RR 62 180 thousand at 30 June 2012 (31 December 2011: RR 58 375 thousand).

<i>In thousands of Russian Roubles</i>	30 June 2012 (Unaudited)	31 December 2011
Russian Roubles	134 078 735	150 311 137
US Dollars	50 293 096	59 253 043
Euro	19 879 128	15 857 759
Other	1 466 539	15 319
Total credit related commitments before provision	205 717 498	225 437 258

Assets pledged and restricted. The Group had assets pledged as collateral with the following carrying value:

<i>In thousands of Russian Roubles</i>	Notes	30 June 2012 (Unaudited)		31 December 2011	
		Asset pledged	Related liability	Asset pledged	Related liability
Repurchase receivables related to trading securities	8,15	7 248 840	6 547 293	-	-
Repurchase Receivables related to other securities at Fair Value Through Profit or Loss	9,15	8 134 590	7 273 926	-	-
Total		15 383 430	13 821 219	-	-

As at 30 June 2012 the estimated fair value of securities purchased under reverse sale and repurchase agreements (Note 7), which the Group has the right to sell or repledge in the absence of default of the counterparty was RR 18 605 122 thousand (31 December 2011: RR 4 486 841 thousand). As at 30 June 2012 the fair value of such securities repledged under direct sale and repurchase agreements with other banks amounted to RR 10 580 612 thousand (31 December 2011: Nil). Refer to Note 15.

27 Contingencies and Commitments (Continued)

Mandatory cash balances with the Bank of Russia in the amount of RR 6 261 101 thousand (31 December 2011: RR 5 921 349 thousand) represent mandatory reserve deposits, which are not available to finance the Group's day-to-day operations.

28 Related Party Transactions

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

At 30 June 2012, the outstanding balances with related parties were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associate	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Corresponding accounts and overnight placements with other banks (contractual interest rate: 0.20 % - 6.00 % p.a.)	165 616 609	239 202	-	-	-
Due from other banks (contractual interest rate: 0.58 % - 8.10 % p.a.)	20 691 772	391 690	-	-	-
Gross amount of loans and advances to customers (contractual interest rate: 0.75 % - 10.84% p.a.)	-	1 640 821	4 511 333	25 892	-
Purchased intangible assets less accumulated depreciation	174 135	-	-	-	-
Derivatives and other financial assets	3 542 624	882	-	-	-
Investments in associate	-	-	1 605 606	-	-
Due to other banks (contractual interest rate: 1.25 % - 9.88% p.a.)	793 591	1 744 116	-	-	30 616
Customer accounts (contractual interest rate: 1.98 % - 7.42 % p.a.)	-	-	4 967 951	-	-
Term borrowings from the Parent Bank (contractual interest rate: 1.97 % - 4.19% p.a.)	43 853 567	-	-	-	-
Term borrowings from other financial institutions (contractual interest rate: 2.22 % p.a.)	-	-	-	-	2 124 814
Other liabilities	607 831	-	-	144 514	-
Derivatives and other financial liabilities	6 647 015	8 614	-	-	-

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28 Related Party Transactions (Continued)

The income and expense items with related parties for the six-month period ended 30 June 2012 were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associate	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Interest income	220 519	29 689	189 277	1 206	-
Interest expense	(656 480)	(22 565)	(64 015)	-	(26 198)
Fee and commission income	15 739	3 996	1 551	-	-
Fee and commission expense	(28 599)	-	-	-	-
Gains less losses from trading in foreign currencies	71 783	2 918	5 173	-	-
Realized gains less losses/(losses, net of gains) from financial derivatives	557 727	(12 566)	-	-	-
Unrealized gains less losses/(losses, net of gains) from financial derivatives	(3 168 570)	(4 278)	-	-	-
Ineffectiveness from the hedge accounting	(102 004)	-	-	-	-
Administrative and other operating expenses	(294 308)	(6 322)	-	(111 226)	-
Other operating income	-	-	1 632	-	-
Share of profit of associate	-	-	255 663	-	-

The income and expense items with related parties for the three-month period ended 30 June 2012 were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associate	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Interest income	106 106	16 302	121 239	703	-
Interest expense	(56 619)	(13 718)	(31 192)	-	(13 037)
Fee and commission income	10 807	1 676	539	-	-
Fee and commission expense	(16 860)	-	-	-	-
Gains less losses from trading in foreign currencies	1 050	21 378	4 649	-	-
Realized gains less losses/(losses, net of gains) from financial derivatives	431 285	(7 136)	-	-	-
Unrealized gains less losses/(losses, net of gains) from financial derivatives	(3 443 265)	(7 764)	-	-	-
Ineffectiveness from the hedge accounting	(23 533)	-	-	-	-
Administrative and other operating expenses	(129 597)	(1 066)	-	(57 528)	-
Other operating income	-	-	825	-	-
Share of profit of associate	-	-	121 741	-	-

28 Related Party Transactions (Continued)

At 30 June 2012, other rights and obligations with related parties were as follows:

<i>In thousands of Russian Roubles</i>	Parent bank	Subsidiaries of the Parent Bank	Associate	Other related parties
Guarantees issued by the Group at the period end	358 088	545 910	-	23 245
Guarantees received by the Group at the period end	422 804	801 310	-	126 045
Letters of credit issued by the Group at the period end	-	177 285	4 997	-
Undrawn credit lines and overdraft facilities	650 000	554 497	866 981	450 000
Interest rate swap agreements – notional amount as at the period end	135 416 894	-	-	-
Interest rate swap agreements – fair values as at the period end	(1 077 236)	-	-	-
Cross currency interest rate swap agreements – notional amount receivable as at the period end	40 756 060	-	-	-
Cross currency interest rate swap agreements – notional amount payable as at the period end	41 782 520	-	-	-
Cross currency interest rate swap agreements – fair values at the period end	(1 453 771)	-	-	-
Foreign currency derivative financial instruments – principal amount purchased	67 081 498	1 152 932	-	-
Foreign currency derivative financial instruments – principal amount sold	67 413 616	1 160 486	-	-
Foreign currency derivative financial instruments – fair value	(581 934)	(7 732)	-	-
Interest rate options purchased – notional amount	1 000 000	-	-	-
Interest rate options purchased – fair value	268	-	-	-

At 31 December 2011, the outstanding balances with related parties were as follows:

<i>In thousands of Russian Roubles</i>	Parent bank	Subsidiaries of the Parent Bank	Associate	Members of the Managing Board	Other related parties
Corresponding accounts and overnight placements with other banks (contractual interest rate: 0.16 % - 0.25 % p.a.)	40 221 094	15 010	-	-	-
Placements with other banks with original maturities of less than three months (contractual interest rate: 0.85 % - 1.43 % p.a.)	52 302 986	-	-	-	-
Due from other banks (contractual interest rate: 0.00 % – 12.03 % p.a.)	13 581	427 252	-	-	-
Gross amount of loans and advances to customers (contractual interest rate: 0.81 % – 11.64 % p.a.)	-	1 609 986	4 392 477	2 878	-
Purchased intangible assets less accumulated depreciation	195 338	-	-	-	-
Derivatives and other financial assets	3 224 569	135	-	-	-
Investments in associates	-	-	1 349 943	-	-
Due to other banks (contractual interest rate: 1.25 % – 9.88% p.a.)	25 238	754 690	-	-	34 614
Customer accounts (contractual interest rate: 0.23 % – 4.70 % p.a.)	-	-	4 660 403	-	-
Term borrowings from the Parent Bank (contractual interest rate: 0.49 % – 4.31% p.a.)	46 987 518	-	-	-	-
Term borrowings from other financial institutions (contractual interest rate: 2.32% p.a.)	-	-	-	-	2 081 751
Other liabilities	325 841	-	-	164 339	-
Derivatives and other financial liabilities	4 098 029	3 589	-	-	-

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28 Related Party Transactions (Continued)

The income and expense items with related parties for the six-month period ended 30 June 2011 were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associate	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Interest income	198 881	19 616	66 364	3 409	-
Interest expense	(1 076 016)	(3 806)	(80 246)	-	(21 369)
Fee and commission income	6 557	3 246	3 016	-	-
Fee and commission expense	(65 574)	-	-	-	-
Gains less losses/(losses, net of gains) from trading in foreign currencies	15 549	(7 874)	1 759	-	-
Realized gains less losses from financial derivatives	78 270	(6 447)	-	-	-
Unrealized gains less losses/(losses, net of gains) from financial derivatives	(1 279 825)	1 058	-	-	-
Ineffectiveness from the hedge accounting	38 197	-	-	-	-
Administrative and other operating expenses	(234 457)	(7 175)	-	(88 822)	-
Other operating income	90	-	1 622	-	-
Share of profit of associate	-	-	53 439	-	-

The income and expense items with related parties for the three-month period ended 30 June 2011 were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associate	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Interest income	134 932	8 671	38 497	1 478	-
Interest expense	(555 294)	(1 870)	(41 433)	-	(10 299)
Fee and commission income	3 035	1 739	1 913	-	-
Fee and commission expense	(33 554)	-	-	-	-
Gains less losses/(losses, net of gains) from trading in foreign currencies	9 010	(2 935)	1 488	-	-
Realized gains less losses from financial derivatives	6 189	1 036	(271)	-	-
Unrealized gains less losses/(losses, net of gains) from financial derivatives	(473 859)	3 578	-	-	-
Ineffectiveness from the hedge accounting	1 156	-	-	-	-
Administrative and other operating expenses	(99 745)	(4 198)	-	(45 316)	-
Other operating income	90	-	805	-	-
Share of profit of associate	-	-	42 172	-	-

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28 Related Party Transactions (Continued)

At 31 December 2011, other rights and obligations with related parties were as follows:

<i>In thousands of Russian Roubles</i>	Parent bank	Subsidiaries of the Parent Bank	Associate	Other related parties
Guarantees issued by the Group at the year end	313 952	411 719	-	-
Guarantees received by the Group at the year end	649 521	624 531	-	50 400
Letters of credit issued by the Group at the year end	-	1 497 186	-	-
Undrawn credit lines	650 000	551 575	4 131 352	450 000
Interest rate swap agreements – notional amount as at the year end	135 583 749	-	-	-
Interest rate swap agreements - fair values as at the year end	(1 271 551)	-	-	-
Cross currency interest rate swap agreements - notional amount receivable as at the year end	16 615 641	-	-	-
Cross currency interest rate swap agreements – notional amount payable as at the year end	15 959 961	-	-	-
Cross currency interest rate swap agreements - fair values as at the year end	436 186	-	-	-
Foreign currency derivative financial instruments – principal amount purchased	55 201 629	665 438	-	-
Foreign currency derivative financial instruments – principal amount sold	55 181 589	668 420	-	-
Foreign currency derivative financial instruments – fair value	(87 800)	(3 454)	-	-
Interest rate options purchased – notional amount	1 000 000	-	-	-
Interest rate options purchased – fair value	5 674	-	-	-

The Bank's immediate parent is Raiffeisen CIS Region Holding GmbH (2011: Raiffeisen Bank International AG). The Bank is ultimately controlled by Raiffeisen Zentralbank Osterreich AG (2011: Raiffeisen Zentralbank Osterreich AG).

Key management compensation is presented below:

<i>In thousands of Russian Roubles</i>	30 June 2012 Expense	30 June 2012 Accrued liability	30 June 2011 Expense	31 December 2011 Accrued liability
Short-term benefits:				
- Salaries	65 009	-	57 879	-
- Short-term bonuses	44 921	133 918	27 323	155 039
Share-based compensation:				
- Cash-settled share-based compensation	1 296	10 596	3 620	9 300
Total	111 226	144 514	88 822	164 339

Short-term bonuses fall due within twelve months after the end of the period in which Management rendered the related services.

29 Events after the Balance Sheet Date

On 2 July 2012 the Group has paid RR 6 639 135 thousand as the dividends to shareholders for the year ended 31 December 2011.