

**Sberbank
(Savings Bank of the Russian Federation)**

**Condensed Interim Financial Statements and
Review Report**

30 June 2007

CONTENTS

Review Report

Condensed Interim Financial Statements

Condensed Interim Balance Sheet	1
Condensed Interim Income Statement.....	2
Condensed Interim Statement of Changes in Equity	3
Condensed Interim Statement of Cash Flows.....	4

Selected Notes to the Condensed Interim Financial Statements

1	Introduction	5
2	Operating Environment of the Bank.....	5
3	Basis of Preparation.....	5
4	Accounting Policies and Critical Accounting Estimates and Judgements	6
5	Loans and Advances to Customers	9
6	Deposits from Individuals and Customer Accounts	9
7	Other Borrowed Funds.....	10
8	Share Capital and Share Premium	10
9	Interest Income and Expense	11
10	Fee and Commission Income and Expense	12
11	Net gains from trading in foreign currencies and foreign exchange translation gains net of losses	12
12	Earnings per Share	13
13	Dividends	13
14	Segment Analysis	14
15	Related Party Transactions.....	19
16	Operations with State-Controlled Entities and Government Bodies	20
17	Capital Adequacy Ratio.....	22
18	Subsequent events	22

ZAO "PricewaterhouseCoopers Audit"
Kosmodamianskaya Nab. 52/5
Moscow 115054
Russia
Telephone: +7(495) 967 6000
Fax: +7 (495) 967 6001

Report on Review of Interim Financial Information

To the Shareholders and Supervisory Board of Sberbank (Savings Bank of the Russian Federation):

Introduction

We have reviewed the accompanying condensed interim balance sheet of Sberbank (Savings Bank of the Russian Federation) (hereinafter - the "Bank") as of 30 June 2007, and the related condensed interim statements of income for the three and six months then ended, statements of changes in equity and of cash flows for the six months then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

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

ZAO PricewaterhouseCoopers Audit

Moscow, Russian Federation
24 October 2007

Sberbank (Savings Bank of the Russian Federation)
Condensed Interim Balance Sheet

	Note	30 June 2007 (Unaudited)	31 December 2006
<i>(In millions of Russian Roubles)</i>			
ASSETS			
Cash and cash equivalents		328 910	202 030
Mandatory cash balances with the Bank of Russia		64 054	77 915
Trading securities		464 657	210 641
Other securities at fair value through profit or loss		246 874	237 847
Due from other banks		106 520	9 051
Loans and advances to customers	5	2 870 620	2 541 617
Investment securities available for sale		14 190	-
Investment securities held to maturity		25 790	26 198
Premises and equipment		126 457	125 216
Other assets		34 660	36 158
TOTAL ASSETS		4 282 732	3 466 673
LIABILITIES			
Due to other banks		40 633	44 836
Deposits from individuals	6	2 333 678	2 046 035
Customer accounts	6	1 034 641	782 789
Debt securities in issue		111 804	123 729
Other borrowed funds	7	106 560	107 332
Deferred income tax liability		2 971	3 604
Other liabilities		48 230	22 944
Subordinated debt		26 350	26 880
TOTAL LIABILITIES		3 704 867	3 158 149
EQUITY			
Share capital	8	87 742	79 981
Share premium	8	232 493	10 016
Revaluation reserve for premises		15 088	15 344
Fair value reserve for investment securities available for sale		(101)	-
Retained earnings		242 643	203 183
TOTAL EQUITY		577 865	308 524
TOTAL LIABILITIES AND EQUITY		4 282 732	3 466 673

Approved for issue and signed on behalf of the Board on 24 October 2007.


A.I. Kazmin
Chairman of the Board and CEO


A.V. Kruzhalov
Chief Accountant

Sberbank (Savings Bank of the Russian Federation)
Condensed Interim Income Statement

	Note	Six months ended 30 June 2007 (Unaudited)	Three months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)	Three months ended 30 June 2006 (Unaudited)
<i>In millions of Russian Roubles</i>					
Interest income	9	192 373	101 608	144 182	74 646
Interest expense	9	(81 387)	(43 197)	(54 041)	(28 550)
Net interest income		110 986	58 411	90 141	46 096
Provision for loan impairment	5	(402)	(774)	(7 434)	(5 624)
Net interest income after provision for loan impairment		110 584	57 637	82 707	40 472
Gains less losses arising from trading securities and other securities at fair value through profit or loss		3 078	2 522	4 053	800
Net gains from trading in foreign currencies and foreign exchange translation gains net of losses	11	2 232	1 211	1 875	1 105
Fee and commission income	10	30 055	16 073	22 891	11 987
Fee and commission expense	10	(1 033)	(551)	(674)	(354)
Gain on settlement of a receivable		-	-	3 346	3 346
Other operating income		1 845	817	2 740	1 532
Operating profit		146 761	77 709	116 938	58 888
Administrative and other operating expenses		(85 319)	(49 796)	(67 886)	(36 088)
Profit before tax		61 442	27 913	49 052	22 800
Income tax expense		(13 451)	(6 699)	(12 015)	(5 702)
Profit for the reporting period		47 991	21 214	37 037	17 098
Earnings per ordinary share, basic and diluted (expressed in RR per share)	12	2.3	1.0	1.9	0.9

Sberbank (Savings Bank of the Russian Federation)
Condensed Interim Statement of Changes in Equity

	Note	Share capital	Share premium	Revaluation reserve for premises	Fair value reserve for investment securities available for sale	Retained earnings	Total equity
<i>In millions of Russian Roubles</i>							
Balance as at 1 January 2006		20 981	10 016	15 873	-	184 199	231 069
Premises and equipment:							
- Realised revaluation reserve		-	-	(348)	-	348	-
- Income tax recorded in equity		-	-	84	-	(84)	-
Net income/(expense) recognised directly in equity for six months ended 30 June 2006		-	-	(264)	-	264	-
Profit for six months ended 30 June 2006		-	-	-	-	37 037	37 037
Total income/(expense) recognised for six months ended 30 June 2006		-	-	(264)	-	37 301	37 037
Dividends declared	13	-	-	-	-	(5 349)	(5 349)
Balance as at 30 June 2006 (Unaudited)		20 981	10 016	15 609	-	216 151	262 757
Balance as at 1 January 2007		79 981	10 016	15 344	-	203 183	308 524
Premises and equipment:							
- Realised revaluation reserve		-	-	(336)	-	336	-
Investment securities available for sale:							
- Fair value losses net of gains		-	-	-	(133)	-	(133)
Income tax recorded in equity		-	-	80	32	(80)	32
Net income/(expense) recognised directly in equity for six months ended 30 June 2007		-	-	(256)	(101)	256	(101)
Profit for six months ended 30 June 2007		-	-	-	-	47 991	47 991
Total income/(expense) recognised for six months ended 30 June 2007		-	-	(256)	(101)	48 247	47 890
Issue of ordinary shares	8	7 761	222 477	-	-	-	230 238
Dividends declared	13	-	-	-	-	(8 787)	(8 787)
Balance as at 30 June 2007 (Unaudited)		87 742	232 493	15 088	(101)	242 643	577 865

Sberbank (Savings Bank of the Russian Federation)
Condensed Interim Statement of Cash Flows

	Note	Six months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)
<i>In millions of Russian Roubles</i>			
Cash flows from operating activities			
Interest received		180 940	144 225
Interest paid		(73 625)	(48 964)
Income received from trading securities and other securities at fair value through profit or loss		5 872	3 952
Income received from trading in foreign currencies		2 319	3 670
Fees and commissions received		30 007	23 103
Fees and commissions paid		(1 033)	(674)
Income on settlement of a receivable		-	2 676
Other operating income received		1 763	1 820
Administrative and other operating expenses paid		(78 501)	(60 226)
Income tax paid		(13 584)	(10 832)
Cash flows from operating activities before changes in operating assets and liabilities		54 158	58 750
Changes in operating assets and liabilities			
Net decrease / (increase) in mandatory cash balances with the Bank of Russia		13 861	(11 278)
Net increase in trading securities		(252 683)	(131 126)
Net (increase) / decrease in other securities at fair value through profit or loss		(9 955)	76
Net increase in due from other banks		(96 802)	(50 760)
Net increase in loans and advances to customers		(329 734)	(278 708)
Net decrease in repurchase receivable		-	1 659
Net decrease in other assets		1 473	2 926
Net (decrease) / increase in due to other banks		(3 533)	4 907
Net increase in deposits from individuals		289 499	203 492
Net increase in customer accounts		254 013	102 700
Net (decrease) / increase in debt securities in issue		(13 225)	25 585
Net increase in other liabilities		17 801	6 403
Net cash used in operating activities		(75 127)	(65 374)
Cash flows from investing activities			
Purchase of investment securities available for sale		(14 323)	-
Acquisition of premises and equipment		(9 848)	(9 205)
Proceeds from disposal of premises and equipment		234	417
Dividend income received		33	40
Net cash used in investing activities		(23 904)	(8 748)
Cash flows from financing activities			
Issue of ordinary shares	8	230 238	-
Other borrowed funds received		993	14 360
Redemption of other borrowed funds		(224)	(915)
Repayment of interest on other borrowed funds		(3 037)	(1 524)
Repayment of interest on subordinated debt		(821)	(880)
Disposal of treasury shares		10	-
Dividends paid	13	(9)	(4)
Net cash from financing activities		227 150	11 037
Effect of exchange rate changes on cash and cash equivalents		(1 239)	(725)
Net increase / (decrease) in cash and cash equivalents		126 880	(63 810)
Cash and cash equivalents at the beginning of the reporting period		202 030	144 403
Cash and cash equivalents as at the end of the reporting period		328 910	80 593

1 Introduction

These condensed interim financial statements for the six months ended 30 June 2007 for Sberbank (Savings Bank of the Russian Federation) (the “Bank”) have been prepared in accordance with IAS 34 “Interim Financial Reporting” (“IAS 34”).

The Bank is an open joint stock company established in 1841 and has operated in various forms since then. The Bank was incorporated and is domiciled in the Russian Federation. The Bank’s principal shareholder, the Central Bank of the Russian Federation (the “Bank of Russia”), owns 60.3% of ordinary shares or 57.6% of the issued and outstanding shares at 30 June 2007.

As at 30 June 2007 the Supervisory Board of the Bank was headed by the Chairman of the Bank of Russia. The Supervisory Board also includes representatives from the Bank’s other shareholders. Two Deputy Chairmen of the Bank of Russia are Deputy Chairmen of the Supervisory Board.

Principal activity. The Bank’s principal business activity is corporate and retail banking operations within the Russian Federation. The Bank has operated under a full banking license issued by the Bank of Russia since 1991.

The Bank has 17 (31 December 2006: 17) regional head offices, 819 (31 December 2006: 840) branches and 19 355 (31 December 2006: 19 244) sub-branches within the Russian Federation as at 30 June 2007. The average number of the Bank’s employees during the six months period ended 30 June 2007 was 248 710 (during six months period ended 30 June 2006: 241 172).

Registered address and place of business. The Bank’s registered address is: Vavilova str. 19, Moscow, Russian Federation.

2 Operating Environment of the Bank

High rates of economic growth in the Russian Federation gave rise to dynamic development of its banking system. During 2006 Fitch and Standard and Poor’s, the international rating agencies, raised Russian sovereign foreign currency rating to the “BBB+” grade. In 2006 international rating agency Moody’s also upgraded foreign currency country ceiling for Russian bonds to A2. On the whole the Russian Federation displays certain characteristics of an emerging market, including high rates of economic growth, continuing fall of inflation rates, liberalization of current and capital foreign transactions.

At the same time there is no confidence that the latest positive trends in the Russian economy will remain in the future. The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations, and changes, which can occur frequently. Furthermore, the need for further developments in the bankruptcy laws, the absence of formalised procedures for the registration and enforcement of collateral, and other legal and fiscal impediments contribute to the difficulties experienced by banks currently operating in the Russian Federation. The future economic direction of the Russian Federation is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory, and political developments.

3 Basis of Preparation

These condensed interim financial statements have been prepared in accordance with IAS 34. These condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2006.

These condensed interim financial statements are presented in millions of Russian Roubles (“RR millions”).

At 30 June 2007 the principal rate of exchange used for translating foreign currency monetary balances was USD 1 = RR 25.8162 (31 December 2006: USD 1 = RR 26.3311).

4 Accounting Policies and Critical Accounting Estimates and Judgements

The accounting policies and methods of computation applied in the preparation of these condensed interim financial statements are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2006 except as described below.

Changes in accounting policies and presentation. Where necessary, corresponding figures have been adjusted to conform with changes in accounting policies and in the presentation of the current period amounts.

The Bank changed its accounting policy for cash and cash equivalents and now also considers as part of cash and cash equivalents interbank deposits with original maturities of less than one month. The change was made to align the Bank's policies with the Bank's liquidity management practices.

The effect of changes in accounting policies and of reclassifications on the interim balance sheet of the Bank is as follows:

<i>In millions of Russian Roubles</i>	31 December 2006
Increase in	
Cash and cash equivalent	32 225
Decrease in	
Due from other banks	(32 225)

Corresponding reclassifications were made in the condensed interim statement of cash flows for six months ended 30 June 2006:

<i>In millions of Russian Roubles</i>	Six months ended 30 June 2006 (Unaudited)
Increase in	
Cash and cash equivalents at the beginning of the reporting period	21 034
Cash and cash equivalents as at the end of the reporting period	4 395
Decrease in	
Net increase in due from other banks	(16 639)

Certain new standards, interpretations and amendments to the existing standards, as disclosed in the financial statements for the year ended 31 December 2006, became effective for the Bank from 1 January 2007. The application of the new accounting pronouncements did not have a significant impact on these condensed interim financial statements.

IFRS 7 Financial Instruments: Disclosures and a complementary Amendment to IAS 1 Presentation of Financial Statements - Capital Disclosures, effective for annual periods beginning on or after 1 January 2007. The IFRS introduced new disclosures to improve the information about financial instruments. The volume of disclosures increases significantly with an emphasis on quantitative aspects of risk exposures and the methods of risk management. The quantitative disclosures will provide information about the extent of exposure to risk, based on information provided internally to the entity's key management personnel. Qualitative and quantitative disclosures will cover exposure to credit risk, liquidity risk and market risk including sensitivity analysis to market risk. IFRS 7 replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and some of the requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The Amendment to IAS 1 introduces disclosures about level of an entity's capital and how it manages capital. As these interim financial statements contain only condensed financial information in accordance with IAS 34, the new disclosures will be made to the full extent in the annual financial statements of the Bank for the year ended 31 December 2007.

4 Accounting Policies and Critical Accounting Estimates and Judgments (Continued)

IFRIC 7, “Applying the Restatement Approach under IAS 29”, effective for annual periods beginning on or after 1 March 2006. This interpretation is not relevant for the Bank.

IFRIC 8, “Scope of IFRS 2”, effective for annual periods beginning on or after 1 May 2006. Management does not consider the interpretation to be relevant for the Bank.

IFRIC 9, “Reassessment of Embedded Derivatives”, effective for annual periods beginning on or after 1 June 2006. Management does not consider the interpretation to be relevant for the Bank.

IFRIC 10, “Interim Financial Reporting and Impairment”, effective for annual periods beginning on or after 1 November 2006. The Interpretation states that an entity should not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. Management does not consider the interpretation have any material impact on the condensed interim financial statements of the Bank.

New Accounting Pronouncements. The following new standards, amendments to standards and interpretations have been issued but are not effective for six months ended 30 June 2007 and have not been early adopted:

IFRIC 11, “IFRS 2 – Group and Treasury Shares Transactions”, effective for annual periods beginning on or after 1 March 2007. This interpretation is not relevant for the Bank;

IFRIC 12 “Service Concession Arrangements”, effective for annual periods beginning on or after 1 January 2008. This interpretation is not relevant for the Bank;

IFRIC 13, “Customer Loyalty Programmes”, effective for annual periods beginning on or after 1 July 2008. This interpretation is not relevant for the Bank;

IFRIC 14, “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions”, effective for annual periods beginning on or after 1 January 2008. Management does not expect the interpretation to be relevant for the Bank;

IFRS 8, “Operating segments”, effective for annual periods beginning on or after 1 January 2009. The Standard applies to entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a regulatory organisation for the purpose of issuing any class of instruments in a public market. IFRS 8 requires the Bank to report financial and descriptive information about its operating segments and specifies how the Bank should report such information. The Bank is currently assessing what impact the new IFRS will have on disclosures in its financial statements;

IAS 23, “Borrowing Costs” (revised March 2007; effective for annual periods beginning on or after 1 January 2009). The revised Standard removed the option of immediate recognition as an expense of borrowing costs related to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalize such borrowing costs as part of the cost of the asset. The revised Standard applies prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after 1 January 2009. Management does not expect the revised standard to have any material impact on the Bank;

IAS 1, Presentation of Financial Statements (revised September 2007; effective for annual periods beginning on or after 1 January 2009). The main change in IAS 1 is the replacement of the income statement by a statement of comprehensive income which will also include all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. Alternatively, entities will be allowed to present two statements: a separate income statement and a statement of comprehensive income. The revised IAS 1 also introduces a requirement to present a statement of financial position (balance sheet) at the beginning of the earliest comparative period whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors. The Bank expects the revised IAS 1 to affect the presentation of its financial statements but to have no impact on the recognition or measurement of specific transactions and balances.

4 Accounting Policies and Critical Accounting Estimates and Judgments (Continued)

Critical judgements and estimates. Judgements made by Management in the process of applying the accounting policies were consistent with the judgements disclosed in the annual financial statements for the year ended 31 December 2006 except for the following area of judgement applied to the interim financial statements.

Impairment losses on loans and advances. The Bank regularly reviews its loan portfolios to assess impairment. In determining whether an impairment loss should be recorded in the statement of income, the Bank 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. 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. For new types of loans, where the Bank has not collected statistics of historical losses, market information on historical losses of similar groups of loans is used to assess incurred but not yet reported losses on such groups of loans. Also, the Bank's management accounting system in some cases does not allow to collect all necessary information on incurred losses for certain groups of loans. Management uses estimates and incurred loss models for groups of loans with similar credit risk profile. Management is also in process of upgrading Bank's accounting systems to produce fully the information required for proper application of loan portfolio impairment assessment. 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.

Capital Adequacy Ratio. Capital Adequacy Ratio is calculated in accordance with the International Convergence of Capital Measurement and Capital Standards (July 1988, updated to November 2005) (or Basel Capital Accord) requirements. Such requirements are subject to interpretation and accordingly the appropriateness of the inclusion, exclusion, and/or classification of amounts included in the calculation of the Capital Adequacy Ratio requires Management judgement.

Related party transactions. The Bank's principal shareholder is the Bank of Russia (refer to Note 1). As the Bank applies IAS 24 "Related Party Disclosures" (revised), disclosures are made in these financial statements for transactions with state-controlled entities and government bodies. Currently the Government of the Russian Federation does not provide to the general public or entities under its ownership/control a complete list of the entities which are owned or controlled directly or indirectly by the State. Judgement is applied by the Management in determining the scope of operations with related parties to be disclosed in the financial statements. Refer to Notes 15 and 16.

Interim period measurement. Income tax expense is recognised in these condensed interim financial statements based on Management's best estimate of the effective annual income tax rate expected for the full financial year. Costs that occur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

All other critical judgements and estimates are consistent with the critical judgements and estimates disclosed in the financial statements for the year ended 31 December 2006.

5 Loans and Advances to Customers

<i>In millions of Russian Roubles</i>	30 June 2007 (Unaudited)	31 December 2006
Current loans	2 873 696	2 595 458
Reverse sale and repurchase agreements	61 764	17 907
Overdue loans	33 452	29 129
Less: Provision for loan impairment	(98 292)	(100 877)
Total loans and advances to customers	2 870 620	2 541 617

Overdue loans represent the amount of overdue loan payments and do not include the entire outstanding balance of the loans with overdue payments.

Movements in the provision for loan impairment for the six months and three months ended 30 June 2007 and 30 June 2006 are as follows:

<i>In millions of Russian Roubles</i>	Six months ended 30 June 2007 (Unaudited)	Three months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)	Three months ended 30 June 2006 (Unaudited)
Provision for loan impairment at the beginning of the period	100 877	99 439	93 078	94 457
Provision for loan impairment during the period	402	774	7 434	5 624
Loans and advances to customers written off during the period as uncollectible	(2 987)	(1 921)	(1 701)	(1 270)
Provision for loan impairment as at 30 June	98 292	98 292	98 811	98 811

6 Deposits from Individuals and Customer Accounts

<i>In millions of Russian Roubles</i>	30 June 2007 (Unaudited)	31 December 2006
Individuals		
- Current/demand accounts	227 109	201 586
- Term deposits	2 106 569	1 844 449
State and public organisations		
- Current/settlement accounts	76 948	65 820
- Term deposits	48 654	18 805
Other legal entities		
- Current/settlement accounts	628 285	518 813
- Term deposits	280 754	179 351
Total deposits from individuals and customer accounts	3 368 319	2 828 824

7 Other Borrowed Funds

<i>In millions of Russian Roubles</i>	30 June 2007 (Unaudited)	31 December 2006
Long-term borrowings received	97 452	99 247
Other term borrowings	9 108	8 085
Total other borrowed funds	106 560	107 332

Included in long-term borrowings received is a syndicated loan in the amount of USD 1 000 million which was received by the Bank in December 2005 from a consortium of foreign banks. At 30 June 2007 the loan was accounted for at amortised cost of RR 25 968 million (31 December 2006: RR 26 463 million). This loan has a maturity date on 10 November 2008 and contractual floating interest rate of 3 months LIBOR + 0.55%. As at 30 June 2007 the effective interest rate on the loan was 6.3% p.a. (31 December 2006: 6.3% p.a.).

In May 2006 the Bank attracted USD 500 million within the MTN programme at a fixed interest rate of 6.5% p.a. maturing on 15 May 2013. As at 30 June 2007 this borrowing is recorded at amortised cost of RR 12 995 million (31 December 2006: RR 13 256 million). The transaction was structured as an issue of notes by SB Capital S.A. for the purpose of financing a loan to the Bank. As at 30 June 2007 the effective interest rate on the loan was 6.6% p.a. (31 December 2006: 6.6% p.a.).

In October 2006 the Bank received another syndicated loan in the amount of USD 1 500 million from a consortium of foreign banks, which is also included in long-term borrowings received. As at 30 June 2007 the loan was accounted for at amortised cost of RR 39 003 million (31 December 2006: RR 39 649 million). This loan matures in October 2009 and has contractual floating interest rate of 3 months LIBOR + 0.30%. As at 30 June 2007 the effective interest rate on the loan was 6.0% p.a. (31 December 2006: 5.9% p.a.).

In November 2006 the Bank attracted the second loan under the MTN issuance programme in the amount of USD 750 million, which is also included in long-term borrowings received. As at 30 June 2007 this loan was accounted for at amortised cost of RR 19 486 million (31 December 2006: RR 19 879 million). This loan matures in November 2011 and has contractual fixed interest rate of 5.9% p.a. As at 30 June 2007 the effective interest rate on the loan was 6.0% p.a. (31 December 2006: 6.0% p.a.).

Other term borrowings represent funding received by the Bank from foreign export agencies via foreign banks, which was used by Sberbank for direct lending to Russian companies in accordance with the terms of the agreements. At 30 June 2007 these term borrowings were accounted for at amortised cost of RR 9 108 million (31 December 2006: RR 8 085 million), had floating interest rates varying from 4.4% to 6.8% (31 December 2006: from 3.9% to 6.8%) and maturity dates from July 2007 to January 2016 (31 December 2006: from July 2007 to January 2016).

8 Share Capital and Share Premium

<i>In millions of Russian Roubles</i>	30 June 2007 (Unaudited)			31 December 2006		
	Number of shares, in units	Nominal amount	Inflation adjusted amount	Number of shares, in units	Nominal amount	Inflation adjusted amount
Ordinary shares	21 586 948	64 761	83 337	19 000 000	57 000	75 576
Preference shares	50 000 000	3 000	4 405	50 000 000	3 000	4 405
Less: Treasury shares (ordinary shares)	(1 679)	(5)	-	(1 787)	(5)	-
Total share capital	71 585 269	67 756	87 742	68 998 213	59 995	79 981

8 Share Capital and Share Premium (Continued)

On 21 December 2006, the Supervisory Board of the Bank approved the issuance of 3 500 000 additional ordinary shares with a nominal value of RR 3 000 by way of a public offering in Russia in the first quarter of 2007. The issue's results were approved by the Bank of Russia on 29 March 2007. The amount of shares placed under this issue was 2 586 948 units. The amount of cash brought in to pay for the shares under the issue comprised RR 230 238 million.

All ordinary shares have a nominal value of RR 3 000 per share and rank equally. Each share carries one vote.

Preference shares have a nominal value of RR 60 per share and carry no voting rights but rank ahead of the ordinary shares in the event of the Bank's liquidation. Preference shares are not redeemable. Dividend payments are at the discretion of the Bank. When a dividend is paid, the preference shares attract a minimum payment of annual dividends of 15% of their nominal value, subject to confirmation of the shareholders meeting. If preference dividends are not declared by ordinary shareholders, the preference shareholders obtain the right to vote as ordinary shareholders but lose this right when the next dividend is paid. Preference share dividends rank above ordinary dividends.

The Annual General Shareholders' meeting held on 29 June 2007 approved the split of the Bank's ordinary and preference shares nominal values. On 19 July 2007 the Bank of Russia approved the results of the Bank's shares' nominal value split. Please refer to Note 18.

Share premium of RR 232 493 million (31 December 2006: RR 10 016 million) represents the excess of contributions received over the nominal value of shares issued.

9 Interest Income and Expense

<i>In millions of Russian Roubles</i>	Six months ended 30 June 2007 (Unaudited)	Three months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)	Three months ended 30 June 2006 (Unaudited)
Interest income				
Loans and advances to customers	169 014	88 072	128 921	66 898
Debt trading securities and other securities at fair value through profit or loss	16 094	8 862	11 239	5 436
Due from other banks	5 083	3 703	2 049	1 334
Investment securities held to maturity	1 841	926	1 934	965
Correspondent accounts with other banks	341	45	39	13
Total interest income	192 373	101 608	144 182	74 646
Interest expense				
Term deposits of individuals	63 286	33 251	42 737	22 326
Term deposits of legal entities	6 799	4 219	4 031	2 199
Current/settlement accounts	4 748	2 492	3 271	1 851
Other borrowed funds	3 201	1 586	1 761	979
Debt securities in issue	1 933	1 060	1 016	595
Subordinated debt	809	403	857	424
Correspondent accounts of other banks	415	106	250	123
Term placements of other banks	196	80	118	53
Total interest expense	81 387	43 197	54 041	28 550
Net interest income	110 986	58 411	90 141	46 096

Sberbank (Savings Bank of the Russian Federation)
Selected Notes to the Condensed Interim Financial Statements – 30 June 2007

10 Fee and Commission Income and Expense

<i>In millions of Russian Roubles</i>	Six months ended 30 June 2007 (Unaudited)	Three months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)	Three months ended 30 June 2006 (Unaudited)
Fee and commission income				
Cash transactions	16 185	8 635	13 258	6 728
Settlement transactions	5 249	2 824	3 530	1 920
Plastic cards operations	4 417	2 392	3 055	1 659
Operations with foreign currency	1 383	722	1 200	673
Cash collection	1 285	678	1 048	551
Guarantees issued	440	255	212	100
Transactions with securities	377	187	197	113
Other	719	380	391	243
Total fee and commission income	30 055	16 073	22 891	11 987
Fee and commission expense				
Settlement transactions	717	378	414	212
Operations with foreign currency	184	103	148	84
Transactions with securities	71	39	56	29
Cash collection	50	26	51	28
Other	11	5	5	1
Total fee and commission expense	1 033	551	674	354
Net fee and commission income	29 022	15 522	22 217	11 633

11 Net gains from trading in foreign currencies and foreign exchange translation gains net of losses

<i>In millions of Russian Roubles</i>	Six months ended 30 June 2007 (Unaudited)	Three months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)	Three months ended 30 June 2006 (Unaudited)
Net gains from trading in foreign currencies	2 708	1 475	2 707	1 667
Foreign exchange translation losses net of gains	(188)	(338)	(1 363)	(174)
(Net losses) / net gains from operations with foreign currency derivatives	(288)	74	531	(388)
Total net gains form trading in foreign currencies and foreign exchange translation gains net of losses	2 232	1 211	1 875	1 105

12 Earnings per Share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. The Bank has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal the basic earnings per share.

<i>In millions of Russian Roubles</i>	Six months ended 30 June 2007 (Unaudited)	Three months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)	Three months ended 30 June 2006 (Unaudited)
Profit attributable to equity holders of the Bank	47 991	21 214	37 037	17 098
Less: preference dividends	(465)	(465)	(295)	(295)
Profit attributable to the Bank's ordinary shareholders	47 526	20 749	36 742	16 803
Weighted average number of ordinary shares in issue (millions)	20 327	21 585	18 998	18 998
Basic and diluted ordinary earnings per share (expressed in RR per share)	2.3	1.0	1.9	0.9

Earnings per share calculations reflect the results of the Bank's shares' nominal value split approved by the Bank of Russia on 19 July 2007. Please refer to Note 18. Amounts of earnings per shares for all presented periods are adjusted retrospectively.

13 Dividends

<i>In millions of Russian Roubles</i>	Six months ended 30 June 2007 (Unaudited)		Six months ended 30 June 2006 (Unaudited)	
	Ordinary	Preference	Ordinary	Preference
Dividends payable at 1 January	59	18	41	12
Dividends declared during the six months ended 30 June	8 322	465	5 054	295
Dividends paid during the six months ended 30 June	(5)	(4)	(2)	(2)
Dividends payable as at 30 June	8 376	479	5 093	305
Dividends per share declared during the reporting period (RR per share)	385.50	9.30	266.00	5.90

All dividends are declared and paid in Russian Roubles.

14 Segment Analysis

The Bank's primary format for reporting segment information is business segments and the secondary format is geographical segments.

Business Segments. The Bank is organised on a basis of two main business segments:

- Retail banking – representing private customer current accounts, savings, deposits, custody, debit cards, consumer loans and mortgages.
- Corporate banking – representing operation with securities, current accounts, deposits, overdrafts, loans and other credit facilities, foreign currency and derivative products.

Intra-Bank items comprise other banking operations which, based on their size, do not comprise a separately reportable segment.

During six months ended 30 June 2007 the Bank measured business segment revenues, expenses and results on the basis of inter-segment prices used for internal management purposes only. Internal transfer pricing rates are established, approved and regularly revised by the Management of the Bank.

The comparative information for the six months and the three months ended 30 June 2006 has been presented on the same basis, as required by IAS 14 "Segment Reporting".

For the purposes of these condensed interim financial statements segment revenue consists of interest income and fee and commission income in the amount of RR 144 410 million for corporate banking and in the amount of RR 132 567 million for retail banking for six months ended 30 June 2007 and in the amount of RR 77 039 million for corporate banking and RR 72 490 million for retail banking for three months ended 30 June 2007 (six months ended 30 June 2006: RR 107 298 million and RR 95 382 million, respectively; three months ended 30 June 2006: RR 55 064 million and RR 49 827 million, respectively). Segment result is represented by profit before tax.

Segment information for the main reportable business segments of the Bank as at 30 June 2007 and 31 December 2006, as well as for the six months and the three months ended 30 June 2007, the six months and the three months ended 30 June 2006 is set out below.

14 Segment Analysis (Continued)

Segment reporting of the Bank's assets and liabilities per business segments as at 30 June 2007 is as follows:

<i>(Unaudited In millions of Russian Roubles)</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Assets				
Cash and cash equivalents	-	-	328 910	328 910
Mandatory cash balances with the Bank of Russia	21 138	42 916	-	64 054
Trading securities	464 657	-	-	464 657
Other securities at fair value through profit or loss	246 874	-	-	246 874
Due from other banks	106 520	-	-	106 520
Loans and advances to customers	2 108 003	762 617	-	2 870 620
Investment securities available for sale	14 190	-	-	14 190
Investment securities held to maturity	25 790	-	-	25 790
Premises and equipment	42 995	83 462	-	126 457
Other assets	4 722	19 372	10 566	34 660
Total assets	3 034 889	908 367	339 476	4 282 732
Liabilities				
Due to other banks	40 633	-	-	40 633
Deposits from individuals	-	2 333 678	-	2 333 678
Customer accounts	1 034 641	-	-	1 034 641
Debt securities in issue	93 187	18 617	-	111 804
Other borrowed funds	106 560	-	-	106 560
Deferred income tax liability	-	-	2 971	2 971
Other liabilities	21 971	16 248	10 011	48 230
Subordinated debt	26 350	-	-	26 350
Total liabilities	1 323 342	2 368 543	12 982	3 704 867
Other disclosures				
Capital expenditure incurred during six months ended 30 June 2007 (additions of fixed assets)	3 349	6 499	-	9 848

Sberbank (Savings Bank of the Russian Federation)
Selected Notes to the Condensed Interim Financial Statements – 30 June 2007

14 Segment Analysis (Continued)

Segment reporting of the Bank's income and expenses per business segments for the six months ended 30 June 2007 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Interest income	129 116	63 257	-	192 373
Interest expense	(17 592)	(63 795)	-	(81 387)
Inter-segment (expense) and income	(66 528)	54 549	11 979	-
Gains less losses arising from trading securities and other securities at fair value through profit or loss	3 078	-	-	3 078
Net gains arising from trading in foreign currencies and foreign exchange translation gains net of losses	357	1 875	-	2 232
Fee and commission income	15 294	14 761	-	30 055
Fee and commission expense	(1 033)	-	-	(1 033)
Other operating income	1 414	431	-	1 845
Operating profit before provision for loan impairment	64 106	71 078	11 979	147 163
Recovery of provision / (provision) for loan impairment	2 327	(2 729)	-	(402)
Operating profit	66 433	68 349	11 979	146 761
Administrative and other operating expenses	(23 128)	(50 212)	(11 979)	(85 319)
Profit before tax	43 305	18 137	-	61 442

Segment reporting of the Bank's income and expenses per business segments for the three months ended 30 June 2007 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Interest income	68 853	32 755	-	101 608
Interest expense	(9 680)	(33 517)	-	(43 197)
Inter-segment (expense) and income	(36 063)	31 848	4 215	-
Gains less losses arising from trading securities and other securities at fair value through profit or loss	2 522	-	-	2 522
Net gains arising from trading in foreign currencies and foreign exchange translation gains net of losses	156	1 055	-	1 211
Fee and commission income	8 186	7 887	-	16 073
Fee and commission expense	(551)	-	-	(551)
Other operating income	628	189	-	817
Operating profit before provision for loan impairment	34 051	40 217	4 215	78 483
Recovery of provision / (provision) for loan impairment	1 236	(2 010)	-	(774)
Operating profit	35 287	38 207	4 215	77 709
Administrative and other operating expenses	(14 624)	(30 957)	(4 215)	(49 796)
Profit before tax	20 663	7 250	-	27 913

14 Segment Analysis (Continued)

Segment reporting of the Bank's assets and liabilities per business segments as at 31 December 2006 is as follows:

<i>In millions of Russian Roubles</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Assets				
Cash and cash equivalents	-	-	202 030	202 030
Mandatory cash balances with the Bank of Russia	24 564	53 351	-	77 915
Trading securities	210 641	-	-	210 641
Other securities at fair value through profit or loss	237 847	-	-	237 847
Due from other banks	9 051	-	-	9 051
Loans and advances to customers	1 876 396	665 221	-	2 541 617
Investment securities held to maturity	26 198	-	-	26 198
Premises and equipment	37 503	87 713	-	125 216
Other assets	3 164	27 175	5 819	36 158
Total assets	2 425 364	833 460	207 849	3 466 673
Liabilities				
Due to other banks	44 836	-	-	44 836
Deposits from individuals	-	2 046 035	-	2 046 035
Customer accounts	782 789	-	-	782 789
Debt securities in issue	107 619	16 110	-	123 729
Other borrowed funds	107 332	-	-	107 332
Deferred income tax liability	-	-	3 604	3 604
Other liabilities	3 523	11 094	8 327	22 944
Subordinated debt	26 880	-	-	26 880
Total liabilities	1 072 979	2 073 239	11 931	3 158 149
Other disclosures				
Capital expenditure incurred during six months ended 30 June 2006 (additions of fixed assets)	2 762	6 443	-	9 205

14 Segment Analysis (Continued)

Segment reporting of the Bank's income and expenses per business segments for the six months ended 30 June 2006 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Interest income	94 166	50 016	-	144 182
Interest expense	(10 905)	(43 136)	-	(54 041)
Inter-segment (expense) and income	(49 967)	35 607	14 360	-
Gains less losses arising from trading securities and other securities at fair value through profit or loss	4 053	-	-	4 053
(Net losses) / net gains arising from trading in foreign currencies and foreign exchange translation gains net of losses	(253)	2 128	-	1 875
Fee and commission income	13 132	9 759	-	22 891
Fee and commission expense	(674)	-	-	(674)
Gain on settlement of a receivable	3 346	-	-	3 346
Other operating income	2 740	-	-	2 740
Operating profit before provision for loan impairment	55 638	54 374	14 360	124 372
Provision for loan impairment	(3 949)	(3 485)	-	(7 434)
Operating profit	51 689	50 889	14 360	116 938
Administrative and other operating expenses	(14 607)	(38 919)	(14 360)	(67 886)
Profit before tax	37 082	11 970	-	49 052

Segment reporting of the Bank's income and expenses per business segments for the three months ended 30 June 2006 is as follows:

<i>(Unaudited)</i> <i>In millions of Russian Roubles</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Interest income	48 339	26 307	-	74 646
Interest expense	(5 921)	(22 629)	-	(28 550)
Inter-segment (expense) and income	(24 728)	18 258	6 470	-
Gains less losses arising from trading securities and other securities at fair value through profit or loss	800	-	-	800
(Net losses) / net gains arising from trading in foreign currencies and foreign exchange translation gains net of losses	(260)	1 365	-	1 105
Fee and commission income	6 725	5 262	-	11 987
Fee and commission expense	(354)	-	-	(354)
Gain on settlement of a receivable	3 346	-	-	3 346
Other operating income	1 532	-	-	1 532
Operating profit before provision for loan impairment	29 479	28 563	6 470	64 512
Provision for loan impairment	(2 390)	(3 234)	-	(5 624)
Operating profit	27 089	25 329	6 470	58 888
Administrative and other operating expenses	(8 131)	(21 487)	(6 470)	(36 088)
Profit before tax	18 958	3 842	-	22 800

15 Related Party Transactions

For the purposes of these interim condensed financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, 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. Transactions with related parties are entered into in the normal course of business and are priced at market rates.

The Bank's principal shareholder is the Bank of Russia (refer to Note 1). As the Bank applies IAS 24 "Related Party Disclosures" (revised), the respective disclosures are made in Note 16 for transactions with state-controlled entities and government bodies.

The tables in this note represents balances and results of operations with the Bank's principal shareholder, the Bank of Russia, and other related parties, not disclosed in Note 16.

As at 30 June 2007 and 31 December 2006, the outstanding balances with related parties were as follows:

<i>In millions of Russian Roubles</i>	30 June 2007 (unaudited)		31 December 2006	
	The Bank of Russia	Other related Parties	The Bank of Russia	Other related Parties
Assets				
Account with the Bank of Russia (other than mandatory reserve deposits)	93 740	-	8 321	-
Mandatory cash balances with the Bank of Russia	64 054	-	77 915	-
Bonds of the Bank of Russia	314 776	-	87 500	-
Due from other banks	96 011	-	775	-
Total loans and advances to customers (before provision for impairment)	-	32 980	-	18 831
Provision for loan impairment	-	(426)	-	(219)
Liabilities				
Due to other banks	26	-	-	-
Customer accounts	-	2 026	-	1 162
Credit related commitments				
Guarantees issued by the Bank at the period end	-	5 077	-	2 034
Import letters of credit at the period end	-	296	-	211
Commitments to extend credit	-	184	-	-

The income and expense items with related parties for six months ended 30 June 2007 and 30 June 2006 were as follows:

<i>In millions of Russian Roubles</i>	Six months ended 30 June 2007 (Unaudited)		Six months ended 30 June 2006 (Unaudited)	
	The Bank of Russia	Other related parties	The Bank of Russia	Other related parties
Interest income	5 432	1 083	1 273	1 048
Interest expense	(12)	(6)	(33)	(10)
Other operating income	-	254	-	28
Other operating expenses	(141)	(241)	(116)	(38)

15 Related Party Transactions (Continued)

The income and expense items with related parties for three months ended 30 June 2007 and 30 June 2006 were as follows:

<i>In millions of Russian Roubles</i>	Three months ended 30 June 2007 (Unaudited)		Three months ended 30 June 2006 (Unaudited)	
	The Bank of Russia	Other related parties	The Bank of Russia	Other related parties
Interest income	4 717	576	977	529
Interest expense	-	(5)	(14)	(3)
Other operating income	-	236	-	17
Other operating expenses	(74)	(230)	(62)	(23)

For the six-months period ended 30 June 2007, the remuneration of the members of the key management personnel comprised salaries and bonuses totalling RR 630 million (the six-months period ended 30 June 2006: RR 573 million).

For the three-months period ended 30 June 2007, the remuneration of the members of the key management personnel comprised salaries and bonuses totalling RR 472 million (the three-months period ended 30 June 2006: RR 416 million).

16 Operations with State-Controlled Entities and Government Bodies

Currently the Government of the Russian Federation does not provide to the general public or entities under its ownership/control a complete list of the entities which are owned or controlled directly or indirectly by the State. Under these circumstances the Management of the Bank disclosed only information that its current internal management accounting system allows to present in relation to operations with state-controlled entities and where the Management believes such entities could be considered as state-controlled based on its best knowledge. These financial statements disclose operations with government bodies and entities, in which the government directly owns more than 50% of the share capital. In relation to state-controlled entities, Management analysed the Bank's transactions with its largest customers and extracted balances and results of operations in relation to the following groups of entities which were included in the tables below: 1) 100% State subsidiaries and government bodies and 2) largest entities where the State controls over 50% of their share capital.

Transactions with government bodies and state-controlled entities are entered into in the normal course of business and priced at market rates. At 30 June 2007 and 31 December 2006, the outstanding balances with state-controlled entities and government bodies were as follows:

<i>In millions of Russian Roubles</i>	30 June 2007 (Unaudited)		31 December 2006	
	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital
Cash and cash equivalents	3	656	17 468	422
Due from other banks	202	401	1 341	349
Trading securities	137 113	3 609	113 964	2 680
Other securities at fair value through profit or loss	224 440	8 659	213 398	11 562
Total loans and advances to customers (before provision for impairment)	125 994	35 551	119 496	139 656
Provision for loan impairment	(104)	(207)	(502)	(1 208)
Investment securities held to maturity	25 790	-	26 198	-
Due to other banks	1 291	-	-	-
Customer accounts	126 977	77 741	87 181	20 681

16 Operations with State-Controlled Entities and Government Bodies (Continued)

Income and expense items with State subsidiaries and government bodies for the six months period ended 30 June 2007 and 30 June 2006 were as follows:

	Six months ended 30 June 2007 (Unaudited)		Six months ended 30 June 2006 (Unaudited)	
	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital
<i>In millions of Russian Roubles</i>				
Interest income	19 500	3 139	17 591	419
Interest expense	(1 459)	(388)	(807)	(264)
(Losses less gains) / gains less losses arising from trading securities and other securities at fair value through profit or loss	(796)	(6)	4 282	47
Fee and commission income	484	142	569	51

Income and expense items with State subsidiaries and government bodies for the three months period ended 30 June 2007 and 30 June 2006 were as follows:

	Three months ended 30 June 2007 (Unaudited)		Three months ended 30 June 2006 (Unaudited)	
	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share Capital	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital
<i>In millions of Russian Roubles</i>				
Interest income	9 405	1 226	8 150	88
Interest expense	(452)	(245)	(187)	(84)
Gains less losses / (losses less gains) arising from trading securities and other securities at fair value through profit or loss	664	(34)	3 846	15
Fee and commission income	360	80	-	5

Transactions with the State also include taxes. Income tax expense amounts to RR 13 451 million for the six-months period ended 30 June 2007 (RR 12 015 million for the six-months period ended 30 June 2006).

Income tax expense amounts to RR 6 699 million for the three-months period ended 30 June 2007 (RR 5 702 million for the three-months period ended 30 June 2006).

17 Capital Adequacy Ratio

As of 30 June 2007, Capital Adequacy Ratio calculated by the Bank in accordance with the International Convergence of Capital Measurement and Capital Standards (July 1988, updated to November 2005) (or Basel Capital Accord) requirements was as follows:

	30 June 2007 (Unaudited)	31 December 2006
Core capital adequacy ratio (Tier 1)	16.1%	9.9%
Total capital adequacy ratio (Tier 1 and Tier 2)	17.2%	11.2%

18 Subsequent events

On 19 July 2007 the Bank of Russia approved the results of the Bank's shares' nominal value split. Please refer to Note 8. As the result of the split the Bank's share capital consists of 21 586 948 000 units of ordinary shares with a nominal value of RR 3 each and 1 000 000 000 units of preference shares with a nominal value of RR 3 each.