BANK FOR FOREIGN TRADE

Interim Condensed Consolidated Financial Statements
with Independent Auditors' Report on Review of Interim
Condensed Consolidated Financial Statements

30 September 2006

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors and Shareholders of the Bank for Foreign Trade:

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of the Bank for Foreign Trade ("the Bank") and its subsidiaries (together "the Group") as at 30 September 2006, and the related interim condensed consolidated statements of income for the three months and the nine months then ended, interim condensed consolidated statements of cash flow and changes in equity for the nine months then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of work

We conducted our review in accordance with the International Standard on Review Engagements No. 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Vneshaudit

20 December 2006

(expressed in millions of US dollars)

	Note	30 September 2006 (unaudited)	31 December 2005
Assets			
Cash and short-term funds	4	3,268	2,692
Mandatory cash balances with local central banks		550	404
Financial assets at fair value through profit or loss	5	5,670	5,051
Financial assets pledged under repurchase agreements and loaned financial assets	6	2,465	1,352
Due from other banks	7	5,621	4,141
Loans and advances to customers	8	27,582	19,925
Assets of disposal group held for sale	23	–	337
Financial assets available-for-sale	9	1,279	881
Investments in associates	10, 27	144	118
Investment securities held-to-maturity		5	7
Premises and equipment		994	832
Investment property		158	198
Intangible assets		441	451
Deferred tax asset		171	82
Other assets		607	252
Total assets		**48,955**	**36,723**
Liabilities			
Due to other banks	11	6,949	6,629
Customer accounts	12	20,352	12,767
Liabilities of disposal group held for sale	23	–	199
Other borrowed funds	13	4,865	2,937
Debt securities issued	14	8,476	7,241
Deferred tax liability		85	162
Other liabilities		861	358
Total liabilities before subordinated debt		**41,588**	**30,293**
Subordinated debt	15	1,159	1,161
Total liabilities		**42,747**	**31,454**
Equity			
Share capital		2,500	2,500
Share premium		1,513	1,513
Unrealized gain on financial assets available-for-sale		87	89
Currency translation difference		232	86
Fixed assets revaluation reserve		72	72
Retained earnings		1,378	660
Equity attributable to shareholders of the parent		**5,782**	**4,920**
Minority interest		426	349
Total equity		**6,208**	**5,269**
Total liabilities and equity		**48,955**	**36,723**

Approved for issue by the Management Board and signed on its behalf on 20 December 2006.

A.L. Kostin
President - Chairman of the Management Board

N.V. Tsekhomsky
Chief Financial Officer

(expressed in millions of US dollars, except earnings per share data)

		For the three-month periods ended		For the nine-month periods ended	
		30 September (unaudited)		30 September (unaudited)	
	Note	**2006**	**2005**	**2006**	**2005**
Interest income	16	953	480	2,605	1,301
Interest expense	16	(551)	(251)	(1,395)	(636)
Net interest income		**402**	**229**	**1,210**	**665**
Provision for loan impairment	19	(188)	(49)	(373)	(129)
Net interest income after provision for loan impairment		**214**	**180**	**837**	**536**
Gains less losses arising from financial assets at fair value through profit or loss		77	139	149	229
Gains less losses from available-for-sale financial assets		–	–	119	–
Gains less losses arising from dealing in foreign currencies		73	9	73	(14)
Foreign exchange translation gains less losses		26	33	253	12
Fee and commission income	17	121	47	303	133
Fee and commission expense	17	(16)	(5)	(37)	(12)
Share in income of associates		8	13	13	23
Reversal (impairment charge) for other provisions	19	1	(2)	–	13
Profit from disposal of subsidiaries	27	56	–	56	–
Other operating income		41	134	128	197
Net non-interest income		**387**	**368**	**1,057**	**581**
Operating income		**601**	**548**	**1,894**	**1,117**
Operating expenses	18	(350)	(274)	(960)	(622)
Profit before taxation		**251**	**274**	**934**	**495**
Income tax expense	21	(19)	(56)	(128)	(131)
Profit after taxation from continued operations		**232**	**218**	**806**	**364**
Profit from discontinued operations	23	8	–	10	–
Net profit		**240**	**218**	**816**	**364**
Net profit attributable to:					
Shareholders of the parent		**227**	**209**	**781**	**354**
Minority interest		**13**	**9**	**35**	**10**
Basic and diluted earnings per share (expressed in USD per share)	20	4.4	5.0	15.0	8.4
Basic and diluted earnings per share – continuing operations (expressed in USD per share)		4.2	5.0	14.8	8.4
Basic and diluted earnings per share – discontinued operations (expressed in USD per share)		0.2	0.0	0.2	0.0

(expressed in millions of US dollars)

	Note	For the nine months ended 30 September (unaudited) 2006	2005
Cash flows from operating activities			
Interest received		2,313	1,327
Interest paid		(1,321)	(521)
Income received on operations with financial assets at fair value through profit or loss		86	133
Income received on dealing in foreign currency		73	1
Fees and commissions received		303	133
Fees and commissions paid		(37)	(12)
Other operating income received		128	97
Operating expenses paid		(921)	(482)
Income tax paid		(206)	(87)
Cash flows from operating activities before changes in operating assets and liabilities		**418**	**589**
Net decrease (increase) in operating assets			
Net increase in mandatory cash balances with local central banks		(112)	(51)
Net decrease in restricted cash		8	15
Net decrease (increase) in trading securities designated at fair value through profit or loss		572	(478)
Net increase in due from banks		(1,339)	(338)
Net increase in loans and advances to customers		(6,751)	(3,962)
Net increase in other assets		(380)	(108)
Net (decrease) increase in operating liabilities			
Net decrease in due to banks		(183)	(75)
Net increase in customer accounts		6,504	2,878
Net increase (decrease) in promissory notes and certificates of deposits issued		(430)	49
Net increase in other liabilities		130	56
Net cash used in operating activities		**(1,563)**	**(1,425)**
Cash flows from investing activities			
Dividends received		27	1
Proceeds from sales or maturities of investment securities available-for-sale		616	152
Purchase of investment securities available-for-sale		(2,040)	(73)
Purchase of subsidiary, net of cash acquired		(14)	6
Purchase of disposal group held for sale		–	(133)
Sale of disposal group held for sale		122	–
Purchase of associate		–	(98)
Disposal of subsidiary		(16)	–
Purchase of investment securities held-to-maturity		–	(11)
Proceeds from redemption of investment securities held-to-maturity		2	–
Purchase of premises and equipment		(184)	(119)
Proceeds from sale of premises and equipment		32	–
Purchase of intangible assets		(2)	–
Proceeds from sale of intangible assets		6	–
Net cash used in investing activities		**(1,451)**	**(275)**

(expressed in millions of US dollars)

	Note	For the nine months ended 30 September (unaudited) 2006	2005
Cash flows from financing activities			
Dividends paid		(63)	(61)
Increase in Central Bank of the Russian Federation funding		200	
Decrease in Central Bank of the Russian Federation funding		(394)	–
Proceeds from other credit lines		509	266
Repayment of other credit lines		(105)	(135)
Cash proceeds from issue of domestic bonds		659	–
Cash paid in redemption of domestic bonds		(72)	–
Proceeds from issuance of Eurobonds		1,248	1,200
Repayment of Eurobonds		(350)	(525)
Proceeds from issuance of SSD (Schuldscheindarlehen)		254	169
Repayment of debentures (Schuldscheindarlehen)		(157)	–
Proceeds from syndicated loan		2,963	505
Repayment of syndicated loan		(1,210)	(731)
Proceeds from subordinated debt		–	750
Net cash provided by financing activities		**3,482**	**1,438**
Effect of exchange rate changes on cash and cash equivalents		**116**	**(30)**
Net increase in cash and cash equivalents		**584**	**(292)**
Cash and cash equivalents at beginning of the year	4	2,541	1,383
Cash and cash equivalents at the end of the period	4	**3,125**	**1,091**

(expressed in millions of US dollars)

	Attributable to shareholders of the parent								
	Share capital	**Share premium**	**Unrealized gain on financial assets available-for-sale**	**Fixed Assets revaluation reserve**	**Currency translation difference**	**Retained earnings**	**Total**	**Minority interest**	**Total equity**
Balance at 31 December 2004	**2,153**	**34**	**58**	**–**	**184**	**199**	**2,628**	**81**	**2,709**
Effect of translation	–	–	–	–	(76)	–	**(76)**	(2)	**(78)**
Unrealized gain on financial assets available-for-sale	–	–	**(2)**	–	–	–	**(2)**	–	**(2)**
Total income and expense recognized directly in equity	–	–	(2)	–	(76)	–	**(78)**	(2)	**(80)**
Net profit	–	–	–	–	–	354	**354**	10	**364**
Total income and expense for the period	–	–	**(2)**	–	(76)	354	**276**	8	**284**
Dividends declared (Note 22)	–	–	–	–	–	(61)	**(61)**	–	**(61)**
Balance at 30 September 2005 (unaudited)	**2,153**	**34**	**56**	**–**	**108**	**492**	**2,843**	**89**	**2,932**
Balance at 31 December 2005	**2,500**	**1,513**	**89**	**72**	**86**	**660**	**4,920**	**349**	**5,269**
Unrealized gain on financial assets available-for-sale, net of tax (Notes 6, 9).	–	–	87	–	–	–	**87**	22	**109**
Transferred to profit or loss on sale, net of tax	–	–	(89)	–	–	–	**(89)**	–	**(89)**
Effect of translation	–	–	–	–	146	–	**146**	22	**168**
Total income and expense recognized directly in equity	–	–	(2)	–	146	–	**144**	44	**188**
Net profit	–	–	–	–	–	781	**781**	35	**816**
Total income and expense for the period	–	–	(2)	–	146	781	**925**	79	**1,004**
Dividends declared (Note 22)	–	–	–	–	–	(63)	**(63)**	(1)	**(64)**
Acquisition of subsidiaries	–	–	–	–	–	–	**–**	1	**1**
Increase in share capital of subsidiaries	–	–	–	–	–	(3)	**(3)**	5	**2**
Acquisition of minority interests	–	–	–	–	–	3	**3**	(7)	**(4)**
Balance at 30 September 2006 (unaudited)	**2,500**	**1,513**	**87**	**72**	**232**	**1,378**	**5,782**	**426**	**6,208**

1. Principal Activities

The Bank for Foreign Trade and its subsidiaries (the "Group") comprise Russian and foreign commercial banks ("Group banks"), and other companies and entities controlled by the Group.

The Bank for Foreign Trade, more commonly known as Vneshtorgbank (the "Bank", "Vneshtorgbank", or "VTB"), was formed as Russia's foreign trade bank under the laws of the Russian Federation on 17 October 1990. In 1998, following several reorganizations, VTB was reorganized into an open joint stock company. In October 2006 the Group started re-branding to change its name from Vneshtorgbank to VTB. Simultaneously, the names of some of VTB's subsidiaries will be changed as presented in Note 28.

On 2 January 1991, VTB received a general banking license (number 1000) from the Central Bank of Russia (the "CBR"). In addition, VTB holds licenses required for trading and holding securities and engaging in other securities-related activities, including acting as a broker, a dealer and a custodian, and providing asset management and special depositary services. VTB and other Russian Group banks are regulated and supervised by the CBR and the Federal Service for Financial Markets. Foreign Group banks operate under the bank regulatory regimes of their respective countries.

On 29 December 2004, the Bank became a member of the obligatory deposit insurance system provided by the State Corporation "Agency for Deposits Insurance". The main retail subsidiary is also a member of the obligatory deposit insurance system since 22 February 2005. Industry & Construction Bank, a subsidiary acquired at the end of 2005, is also a member of the obligatory deposit insurance system since 11 January 2005. The State deposit insurance scheme implies that the State Corporation "Agency for Deposits Insurance" guarantees repayment of individual deposits up to 100 thousand Russian Roubles (RUR) (approximately US Dollars 4 thousand) per individual in case of the withdrawal of a license of a bank or a CBR imposed moratorium on payments. From 9 August 2006 the amount of guaranteed payment increased up to 190 thousand Russian Roubles (RUR) (approximately US Dollars 7 thousand).

On 5 October 2005, VTB re-registered its legal address to 29 Bolshaya Morskaya Street, Saint-Petersburg 190000, Russian Federation. VTB's Head Office is located in Moscow. A full list of subsidiaries and associates included in these consolidated financial statements is provided in Note 27.

The Group operates predominantly in the commercial banking sector. This includes deposit taking and commercial lending in freely convertible currencies and in Russian Roubles, support of clients' export/import transactions, foreign exchange, securities trading, and trading in derivative financial instruments. The Group's operations are conducted in both Russian and international markets. The Group's operations are not subject to seasonal fluctuations. The Group conducts its banking business in Russia through 1 associated and 4 subsidiary banks with its network of 158 branches, including 58 branches of VTB, 47 branches of CJSC "VTB Retail Services" and 53 branches of OJSC "Industry & Construction Bank", located in major Russian regions. The Group operates outside Russia through 11 bank subsidiaries of VTB, located in the Commonwealth of Independent States ("CIS") (Armenia, Georgia, Ukraine (2 banks)), Europe (Austria, Cyprus, Switzerland, Germany, Luxembourg, France and Great Britain) and through 5 representative offices located in India, Italy, China, Belarus and Ukraine.

The Group's majority shareholder is the State of Russian Federation, acting through the Federal Property Agency, which holds 99.9% of VTB's issued and outstanding shares.

The number of employees of the Group at 30 September 2006 was 27,397 (31 December 2005: 23,145).

Unless otherwise noted herein, all amounts are expressed in millions of US dollars.

2. Operating Environment of the Group

Whilst there have been improvements in the Russian economic situation, such as an increase in gross domestic product and a reduced rate of inflation, Russia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

3. Basis of Preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. Accordingly, they do not include all of the information required by International Financial Reporting Standards (IFRS) for a complete set of financial statements. Operating results for the nine-month period ended 30 September 2006 are not necessarily indicative of the results that may be expected for the year ending 31 December 2006. The Bank and its subsidiaries and associates maintain their accounting records in accordance with regulations applicable in their country of registration. These interim condensed consolidated financial statements are based on those accounting books and records, as adjusted and reclassified to comply with International Accounting Standard 34 “Interim Financial Reporting”.

The national currency of the Russian Federation, where the Bank is domiciled, is the Russian Rouble (RUR). However, the Bank’s assets and liabilities are mainly denominated in United States dollars (“US dollars” or “USD”). The US dollar is used to a significant extent in, and has a significant impact on the operations of the Bank, and the Bank’s cash flows are primarily denominated in US dollars. Also, the US dollar is the currency in which Management of the Bank manages the business risks and exposures, and measures the performance of the Bank’s business. Based upon these and other factors, the functional currency of the Bank is considered to be the US dollar. The Bank’s accounting records provide sufficient accounting information regarding the original US dollar equivalent of transactions executed in other currencies.

These interim condensed consolidated financial statements should be read in conjunction with the complete consolidated financial statements as of 31 December 2005, considering the effect of revision of existing International Accounting Standards (“IAS”), which is described below.

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts. These estimates are based on information available as of the date of the financial statements. Actual results can differ significantly from such estimates.

Changes in Accounting Policies

The accounting policies followed in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements at 31 December 2005 and for the year then ended, except for the adoption of the following amendments to IAS 39 (revised) “Financial Instruments: Recognition and Measurement” for annual periods beginning on or after 1 January 2006.

IAS 39 - Amendment for financial guarantee contracts accounting - amended the scope of IAS 39 to include financial guarantee contracts issued. The amendment addresses the treatment of financial guarantee contracts by the issuer. Under revised IAS 39 financial guarantee contracts are recognized initially at fair value and remeasured at the higher of the amount determined in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18 “Revenue”.

IAS 39 - Amendment for the fair value option - which restricted the use of the option to designate any financial asset or any financial liability as at fair value through profit or loss.

According to the revised IAS 39, an entity may designate financial assets and liabilities as at fair value through profit or loss only upon initial recognition when doing so results in more relevant information, because either:

(i) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as ‘an accounting mismatch’) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or

(ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity’s key management personnel (as defined in IAS 24 Related Party Disclosures (revised 2003)), for example the entity’s board of directors and chief executive officer.

(expressed in millions of US dollars)

3. Basis of Preparation (continued)

Changes in Accounting Policies (continued)

Also, according to the revised IAS 39, if a contract contains one or more embedded derivatives an entity may designate the entire hybrid (combined) contract as a financial asset or liability at fair value through profit or loss unless:

a) The embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or

b) It is clear with little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortized cost.

For presentation and disclosure purposes, the Group has changed the name of the balance sheet line from "Securities pledged under repurchase agreements" to "Financial assets pledged under repurchase agreements and loaned financial assets". This balance sheet line includes financial assets at fair value through profit or loss and available-for-sale securities that are pledged as collateral under sale and repurchase agreements or are loaned by the Group to the third parties.

The effect of the application of the new and revised standards on the balance sheet as at 31 December 2005 is as follows:

	As previously reported	Effect of adoption of IAS 39 revised	As adjusted
Financial assets available-for-sale	665	216	881
Financial assets designated as at fair value through profit or loss	1,709	(216)	1,493

Foreign Currency Translation

At 30 September 2006, the principal rate of exchange used for translating balances in Russian Roubles to USD was USD 1 to RUR 26.7799 (at 31 December 2005: USD 1 to RUR 28.7825), and the principal rate of exchange used for translating balances in Euro was USD 1 to EURO 0.7881 (at 31 December 2005: USD 1 to EURO 0.8420).

Reclassifications

The Group made certain reclassifications within the statement of income for the nine months ended 30 September 2005 to conform to the 2006 presentation.

	As previously reported	Reclassification	As adjusted
Interest income	1,255	46	1,301
Gains less losses arising from financial assets at fair value through profit or loss	275	(46)	229
Other operating income	98	99	197
Other operating expenses	(510)	(112)	(622)
Reversal (impairment charge) for other provisions	–	13	13

The Group made certain reclassifications within the statement of cash flows for the nine months ended 30 September 2005 to conform to the 2006 presentation.

	As previously reported	Reclassification	As adjusted
Interest received	1,281	46	1,327
Income received on operations with financial assets at fair value through profit or loss	179	(46)	133
Net (decrease) increase in due to other banks	94	(169)	(75)
Proceeds from issuance of debentures (Schuldscheindarlehen)	–	169	169

(expressed in millions of US dollars)

3. Basis of Preparation (continued)

The Group made certain reclassifications within the statement of income for the six months ended 30 June 2006 to conform to the nine months ended 30 September 2006 presentation.

	As previously reported	Reclassification	As adjusted
Interest income	1,571	81	1,652
Interest expense	(828)	(16)	(844)
Gains less losses arising from financial assets at fair value through profit or loss	146	(74)	72
Foreign exchange translation gains less losses	218	9	227

The Group made certain reclassifications within the statement of income for the six months ended 30 June 2005 to conform to the nine months ended 30 September 2006 presentation.

	As previously reported	Reclassification	As adjusted
Interest income	809	12	821
Gains less losses arising from financial assets at fair value through profit or loss	102	(12)	90
Other operating income	58	5	63
Other operating expenses	(328)	(20)	(348)
Reversal (impairment charge) for other provisions	–	15	15

4. Cash and Short-Term Funds

	30 September 2006 (unaudited)	31 December 2005
Cash on hand	636	568
Cash balances with local central banks (other than mandatory reserve deposits)	1,467	995
Correspondent accounts with other banks		
- Russian Federation	673	576
- Other countries	492	553
Total cash and short-term funds	**3,268**	**2,692**
Less: restricted cash	(143)	(151)
Total cash and cash equivalents	**3,125**	**2,541**

5. Financial Assets at Fair Value through Profit or Loss

	30 September 2006 (unaudited)	31 December 2005
Financial assets held for trading	4,636	3,558
Financial assets designated as at fair value through profit or loss	1,034	1,493
Total financial assets at fair value through profit or loss	**5,670**	**5,051**

(expressed in millions of US dollars)

5. Financial Assets at Fair Value through Profit or Loss (continued)

Management of the Group decided to designate as "financial assets at fair value through profit or loss" on 1 January 2005 all debt and equity securities, except for investments in equity instruments that do not have a quoted market price in an active market, loans and receivables and held-to-maturity instruments. Such designation is performed at initial recognition of the respective assets. The same approach was applied to securities purchased during 2005, except for the securities held by subsidiaries acquired by the Bank in 2005. The financial assets designated as at fair value through profit or loss are managed on a fair value basis, in accordance with the risk management or investment strategies adopted by each group member and the information provided to key management personnel.

Financial Assets Held for Trading

	30 September 2006 (unaudited)	31 December 2005
USD denominated securities		
Russian corporate Eurobonds	367	290
Bonds issued by foreign companies and banks	198	234
Bonds issued by foreign governments	32	65
Russian MinFin bonds (OVGVZ)	40	34
Eurobonds of the Russian Federation	6	59
RUR denominated securities		
Promissory notes and debentures	1,931	1,460
Russian Federal loan bonds (OFZ)	737	606
Bonds of the Central Bank of the Russian Federation	–	7
Securities denominated in other currencies		
Foreign corporate bonds	16	103
Russian corporate Eurobonds	–	13
Equity securities	810	664
Balances arising from derivative financial instruments	499	23
Total financial assets held for trading	**4,636**	**3,558**

During the nine months ended 30 September 2006 financial assets held for trading increased mainly due to purchase of USD denominated equity securities issued by foreign companies and due to purchase of bills of exchange and debentures, which represent securities denominated in RUR and are issued primarily by Russian banks, large manufacturing, telecommunication and oil and gas companies, and local authorities.

Financial Assets Designated as at Fair Value through Profit or Loss

	30 September 2006 (unaudited)	31 December 2005
Bonds of Russian companies and banks	439	548
Bonds issued by foreign companies and banks	303	99
Eurobonds of the Russian Federation	184	360
Bonds issued by foreign governments	89	252
Municipal bonds	6	15
Russian MinFin bonds (OVGVZ)	6	85
Promissory notes of foreign companies and banks	–	100
Promissory notes of Russian companies and banks	–	16
Other	7	18
Total	**1,034**	**1,493**

Decrease of financial assets designated as at fair value through profit or loss resulted mainly from the disposal of Eurobonds of the Russian Federation, bonds issued by foreign companies and banks and promissory notes by the foreign subsidiaries of the Bank.

(expressed in millions of US dollars)

6. Financial Assets Pledged under Repurchase Agreements and Loaned Financial Assets

	30 September 2006 (unaudited)	31 December 2005
EADS shares	1,177	–
Bonds issued by foreign companies and banks	546	375
Foreign government bonds	323	281
Promissory notes	137	–
Equity securities	98	118
Russian corporate Eurobonds	88	67
Russian Federal loan bonds (OFZ)	44	38
Russian Eurobonds and MinFin Bonds	30	303
Municipal bonds	16	170
Russian corporate bonds	6	–
Total	**2,465**	**1,352**

In the third quarter of 2006 VTB purchased 41 million of European Aeronautic Defence and Space Company (EADS) shares (approximately 5% of the share capital), which constitute the main part of financial assets available-for-sale within the financial assets pledged under repurchase agreements and loaned financial assets. The Group had unrealized loss on EADS shares of USD 60 million, net of tax, which was accounted within equity ("Unrealized gain on available-for-sale financial assets").

7. Due from Other Banks

	30 September 2006 (unaudited)	31 December 2005
Current term placements with other banks	4,651	3,558
Reverse sale and repurchase agreements with other banks	981	590
Overdue placements with other banks	8	–
	5,640	**4,148**
Less: Allowance for loan impairment	(19)	(7)
Total due from other banks	**5,621**	**4,141**

Movements in the allowance for loan impairment are presented in Note 19.

8. Loans and Advances to Customers

	30 September 2006 (unaudited)	31 December 2005
Current loans and advances	27,019	19,078
Reverse sale and repurchase agreements with customers	826	1,168
Rescheduled loans and advances	208	60
Overdue loans and advances	445	227
	28,498	**20,533**
Less: Allowance for loan impairment	(916)	(608)
Total loans and advances to customers	**27,582**	**19,925**

At 30 September 2006, included in current loans are lease receivables of USD 237 million (31 December 2005: USD 94 million), equal to the net investment in the lease.

(expressed in millions of US dollars)

8. Loans and Advances to Customers (continued)

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

	30 September 2006 (unaudited)		31 December 2005	
	Amount	**%**	**Amount**	**%**
Finance	6,661	23	3,970	19
Trade and commerce	4,779	17	3,000	15
Manufacturing	4,485	16	4,231	20
Building construction	2,287	8	1,605	8
Individuals	2,008	7	851	4
Oil and Gaz	1,231	4	888	4
Government bodies	1,076	4	959	5
Mining	989	3	1,041	5
Food and agriculture	932	3	523	3
Chemical	743	3	652	3
Energy	706	2	706	3
Transport	697	2	382	2
Telecommunications and media	431	2	360	2
Others	1,473	6	1,365	7
Total loans and advances to customers	**28,498**	**100**	**20,533**	**100**

At 30 September 2006, the total amount of outstanding loans issued by the Group to 10 largest groups of interrelated borrowers comprise USD 5,123 million, or 18% of the gross loan portfolio (31 December 2005: USD 4,049 million, or 20%).

At 30 September 2006, outstanding loans issued under reverse repurchase agreements do not contain any significant concentrations (31 December 2005: balances with 4 customers comprised USD 595 million, or 3% of gross loan portfolio).

At 30 September 2006 and at 31 December 2005, included in loans and advances was a loan to a large corporate customer totaling USD 1,000 million (4% of gross loan portfolio) with maturity in 2009 at an interest rate of 9.6% per annum. The Group has cash collateral of USD 250 million (31 December 2005: USD 550 million) in respect of this loan, therefore its net exposure is USD 750 million (31 December 2005: USD 450 million), which is fully collateralized by the shares of a large Russian metal company.

The Group has transferred USD 450 million of this USD 750 million participation in the loan to an unrelated third party. Additionally the Group has written a put option on the transferred asset exercisable in 3 years. As a result of this transaction, the Group has retained the credit risk but transferred certain other risks of the USD 450 million participation and has retained control over this asset. Accordingly, the Group has continued to recognize the participation in the amount of USD 450 million and recognized the associated liability in the amount of USD 460 million within customer accounts. An additional receivable of the put option premium of USD 10 million is included in Other assets.

(expressed in millions of US dollars)

9. Financial Assets Available-for-sale

	30 September 2006 (unaudited)	31 December 2005
CJSC “International Moscow Bank” shares	332	146
CJSC “ALROSA” shares	312	–
Bonds issued by foreign companies and banks	216	192
Russian corporate Eurobonds	122	115
Other equity investments	111	81
Eurobonds of the Russian Federation	67	104
Promissory notes	47	39
Russian MinFin bonds (OVGVZ)	40	36
Bonds issued by foreign governments	28	26
Russian corporate bonds	4	3
OJSC “KAMAZ” shares	–	132
Municipal bonds	–	7
Total	**1,279**	**881**

At 31 December 2005, included in the financial assets available-for-sale were corporate shares of an automobile production company OJSC “KAMAZ” with a fair value of USD 132 million which were sold in February 2006 for USD 132 million.

As a result of the acquisition of BCEN-Eurobank in 2005, the Group acquired 19.8% of the total shares of CJSC “International Moscow Bank” (“IMB”) domiciled in Russia. At 30 September 2006, the fair value of these shares was USD 332 million (31 December 2005: USD 146 million), increase in value of the securities was accounted for within the equity (unrealized gain on financial assets available-for-sale), no tax effect exists on that unrealized gain. The Group has a put option to sell the shares of IMB to a third party at USD 332 million. At 30 September 2006 and 31 December 2005, the Group’s percentage of voting ordinary shares in IMB amounted to 15.9%.

10. Investments in Associates

			30 September 2006 (unaudited)		31 December 2005	
	Country of registration	**Industry**	**Amount**	**Ownership percentage**	**Amount**	**Ownership percentage**
“Eurofinance Mosnarbank”, OJSC	Russia	Bank	111	32.65%	92	32.65%
“Halladale PLC”	Great Britain	Property	24	23.00%	23	23.00%
“Insurance Company VTB-Rosno”, Ltd	Russia	Insurance	6	49.99%	–	100.00%
“Management Company ICB”, limited	Russia	Finance	3	30.91%	3	30.91%
“VTB Trading”, Ltd	Cyprus	Trading	–	50.00%	–	99.99%
“Interbank Trading House”, Ltd	Russia	Commerce	–	50.00%	–	100.00%
Total investments in associates			**144**		**118**	

(expressed in millions of US dollars)

11. Due to Other Banks

	30 September 2006 (unaudited)	31 December 2005
Term loans and deposits	2,841	3,787
Correspondent accounts and overnight deposits of other banks	1,718	1,554
Sale and repurchase agreements with other banks	2,390	1,288
Total due to other banks	**6,949**	**6,629**

12. Customer Accounts

	30 September 2006 (unaudited)	31 December 2005
State and public organizations		
Current/settlement accounts	932	574
Term deposits	2,514	563
Other legal entities		
Current/settlement accounts	5,284	3,863
Term deposits	5,086	2,585
Individuals		
Current/settlement accounts	1,504	1,010
Term deposits	4,916	4,170
Sale and repurchase agreements	116	2
Total customer accounts	**20,352**	**12,767**

Included in term deposits of state and public organizations are RUR denominated short-term deposits of Russian local authorities.

13. Other Borrowed Funds

	30 September 2006 (unaudited)	31 December 2005
CBR deposits	788	982
Syndicated loans	3,184	1,426
Revolving credit lines	12	8
Other credit lines	881	521
Total other borrowed funds	**4,865**	**2,937**

In connection with the acquisition of Guta Bank (now named CJSC "VTB Retail Services") by the Group in July 2004, the CBR placed a USD 700 million special purpose deposit with VTB at one-year LIBOR, maturing in July 2005, with carrying value USD 700 million. The deposit is available to maintain Guta Bank's liquidity and for the use in Guta Bank's operations. In July 2005, the term of the deposit has been prolonged to 20 July 2006 at a fixed rate of 4.07%. In July 2006 the amount of deposit was reduced to USD 500 million, and its term was prolonged to July 2007 at a fixed rate of 5.66%.

(expressed in millions of US dollars)

13. Other Borrowed Funds (continued)

In February 2006 VTB fully repaid a syndicated unsecured loan with the total contractual amount of USD 500 million, arranged by BTM (Europe) Limited and Sumitomo Mitsui Finance (Dublin) Ltd. in December 2005 at LIBOR + 0.15% .

In February 2006 VTB received a syndicated unsecured loan arranged by JP Morgan plc, Deutsche Bank AG, Barclays Bank plc, at 3 month LIBOR + 0.4%, maturing in November 2006 with the total contractual amount of USD 850 million. As of 30 September 2006, the loan facility is still outstanding and its carrying amount is USD 856 million.

In May 2006, the Bank repaid a syndicated unsecured loan arranged by ABN AMRO Bank NV, Citibank NA London, ING Bank NV with a carrying amount of USD 452 million, at LIBOR + 1.2%, maturing in April 2008, and a syndicated unsecured loan arranged by ABN AMRO Bank NV, Citibank NA London, ING Bank NV and JP Morgan plc with a carrying amount of USD 151 million at LIBOR + 1.6%, maturing in November 2007. As a replacement the Bank received a syndicated loan arranged by American Express Bank, Bank of New York and Deutsche Bank AG in the amount of USD 600 million, at LIBOR + 0.375%, maturing in May 2009.

In August 2006, VTB Retail Services received a syndicated loan from ABN AMRO Bank NV, Barclays Bank plc and other banks in the amount of USD 330 million, maturing in August 2009 at LIBOR+0.35%.

During the second quarter of 2006 VTB received additional funding from SKB Banka, Bank Austria Creditanstalt, Slovenska Izvozna Druzba in the amount of USD 7 million under a syndicated loan facility for the total contractual amount of USD 33 million, maturing in March 2016, at LIBOR+1.2%.

In March 2006, OJSC Industry and Construction Bank received an additional syndicated loan in the amount of USD 175 million from the Bank of Tokyo-Mitsubishi UFJ, Ltd and Raiffeisen Zentralbank Österreich Aktiengesellschaft at LIBOR + 0.575%, maturing in March 2008.

In June 2006, Donau-bank Aktiengesellschaft, Vienna, received additional funding from Depfa Investment Ltd. in the amount of USD 100 million, maturing in December 2007 at a fixed rate 6.14%. Various syndicated loans were received from Raiffeisenlandesbank, Linz, Austria in the total amount of USD 78 million as of the reporting date at a rates varying from 5.50% to 6.24%, maturing in June 2008. Donau-bank also received additional funding in August 2006 in the amount of USD 150 million from Bank Austria, Vienna, maturing in July 2009.

In June 2006, Moscow Narodny Bank Limited received a syndicated loan of USD 200 million, arranged by Mandated Lead Arrangers: Bankgesellschaft Berlin, Bayerische Hypo-und Vereinsbank AG, HSH Nordbank AG and Natexis Banques Populaires, maturing in December 2006 at LIBOR + 0.35%.

As of 30 September, 2006 CJSC Vneshtorgbank (Ukraine) and Mriya received additional funding (other credit line) from Cargill Financial Services International Inc. in the total amount of USD 95 million at an interest rate varying from 5.5% to 9.75% and maturing from May 2007 to October 2007.

As of 30 September, 2006 Donau-bank had several credit lines from a group of foreign banks in the total amount of USD 136 million at a fixed rate, varying from 2.5% to 9.35%, maturing in November 2006.

14. Debt Securities Issued

	30 September 2006 (unaudited)	31 December 2005
Bonds	6,473	5,060
Promissory notes	1,605	1,736
Deposit certificates	144	288
Debentures	254	157
Total debt securities issued	**8,476**	**7,241**

14. Debt Securities Issued (continued)

At 30 September 2006, debentures issued include EUR 200 million (31 December 2005: EUR 130 million) of SSD ("Schuldscheindarlehen") issued in January 2006 under the local German rules and the rules of Austrian market with maturity in January 2007 bearing an interest rate of one month EURIBOR + 0.3% p.a. payable semi-annually (31 December 2005: maturity in January 2006, bearing an interest rate of six month EURIBOR + 1.15% p.a.).

In January 2006, VTB redeemed EURO denominated Schuldscheindarlehen with face value of EUR 130 million (or USD 157 million).

In February 2006, VTB issued EUR 500 million Series 9 Eurobonds under the EMTN Program at a fixed rate of 4.25% p.a. The issue has 10-year maturity (February 2016) and may be redeemed in February 2011 at the option of note-holders (5-year put option).

In February 2006, VTB redeemed Series 3 RUR denominated bonds with face value of USD 72 million.

In April 2006, VTB issued RUR-denominated Eurobonds with a face value of 10 billion (or USD 373 million) at fixed rate of 7% p.a. The issue has a 3-year maturity.

In June 2006, VTB redeemed Series 5 Eurobonds with face a value of USD 350 million.

In July 2006, VTB issued RUR 15 billion (USD 560 million) Series 6 bonds due July 2016 at a fixed rate of 6.5% p.a. through a special purpose entity. The issue has 10-year maturity (July 2016) and may be redeemed in July 2007 at the option of the note-holders (1-year put option).

In July 2006, VTB issued USD 88.3 million Mortgage-backed notes through a special purpose entity. The notes are issued at a floating LIBOR–based rate and are finally due in May 2034. The securities are collateralized with a portfolio of 1,696 mortgage loans to individuals secured by residential properties in Moscow and St. Petersburg.

15. Subordinated Debt

On 4 February 2005, VTB Capital S.A., a Luxembourg based special purpose entity of the Group used for issuance of Eurobonds, issued USD 750 million of Eurobonds (with a call option for early repayment on the fifth anniversary of such date) due February 2015, the proceeds of which financed a subordinated loan to VTB. The Eurobonds bear interest at 6.315% per annum payable semi-annually, with an interest rate step-up in 2010. As of 30 September 2006 the carrying amount of this subordinated debt was USD 755 million (31 December 2005: USD 766 million). The Bank's management expects to settle the debt in 2010 before the interest rate step-up.

On 29 September 2005, OJSC "Industry & Construction Bank" issued USD 400 million subordinated Eurobonds due September 2015 with a call option on 1 October 2010 at face value. The Eurobonds bear interest at 6.2% per annum payable semi-annually, with an interest rate step-up in 2010. The transaction was structured as an issue of notes by Or-ICB S.A. (Luxemburg) for the purpose of financing a subordinated loan to the Bank. As of 30 September 2006, the carrying amount of this subordinated debt was USD 382 million (31 December 2005: USD 387 million).

As a result of disposal of "Trading House VTB", Ltd., Group recognized a subordinated loan raised by CJSC "VTB Retail Services" in October 2000 due in October 2015 with an interest rate at 6.0% per annum. As of 30 September 2006 the carrying amount of this subordinated debt was USD 14 million (31 December 2005: nil).

(expressed in millions of US dollars)

16. Interest Income and Expense

	For the three-month periods ended 30 September (unaudited)		For the nine-month periods ended 30 September (unaudited)	
	2006	2005	2006	2005
Interest income				
Loans and advances to customers	745	375	2,020	1,032
Securities	115	69	351	178
Due from other banks	93	36	234	91
Total interest income	**953**	**480**	**2,605**	**1,301**
Interest expense				
Customer accounts	(232)	(96)	(545)	(255)
Debt securities issued	(167)	(78)	(418)	(208)
Due to banks and other borrowed funds	(152)	(77)	(432)	(173)
Total interest expense	**(551)**	**(251)**	**(1,395)**	**(636)**
Net interest income	**402**	**229**	**1,210**	**665**

17. Fee and Commission Income and Expense

	For the three-month periods ended 30 September (unaudited)		For the nine-month periods ended 30 September (unaudited)	
	2006	2005	2006	2005
Commission on settlement transactions	64	15	152	43
Commission on cash transactions	23	7	54	22
Commission on guarantees issued	18	8	46	24
Commission on operations with securities	11	3	26	9
Other	5	14	25	35
Total fee and commission income	**121**	**47**	**303**	**133**
Commission on settlement transactions	(6)	(1)	(16)	(4)
Commission on cash transactions	(2)	(2)	(6)	(3)
Commission on guarantees issued	(2)	–	(2)	–
Other	(6)	(2)	(13)	(5)
Total fee and commission expense	**(16)**	**(5)**	**(37)**	**(12)**
Net fee and commission income	**105**	**42**	**266**	**121**

(expressed in millions of US dollars)

18. Operating Expenses

	For the three-month periods ended 30 September (unaudited)		For the nine-month periods ended 30 September (unaudited)	
	2006	2005	2006	2005
Staff costs	152	76	401	216
Defined contribution pension expense	2	3	33	28
Administrative expenses, depreciation and other expenses related to premises and equipment	36	16	121	76
Leasing and rent expenses	14	16	51	35
Taxes other than on income	11	12	44	31
Advertising expenses	16	12	43	23
Professional services	8	7	22	14
Charity	6	9	11	17
Security expenses	8	4	23	11
Insurance	11	4	26	7
Post and telecommunication expenses	7	5	19	9
Amortization of core deposit intangible	8	–	23	–
Transport expenses	3	4	8	6
Expenses arising from non-banking activities	17	92	50	112
Other	51	14	85	37
Total operating expenses	**350**	**274**	**960**	**622**

19. Allowances for Impairment and Provisions

The movements in allowances for impairment of interest earning assets were as follows:

	Due from other banks	Loans and advances to customers	Total
31 December 2004	**111**	**553**	**664**
(Reversal of provision) provision for loan impairment during the period	(2)	131	**129**
Write-offs	(98)	(8)	**(106)**
30 September 2005 (unaudited)	**11**	**676**	**687**
31 December 2005	**7**	**608**	**615**
Provision for loan impairment during the period	7	366	**373**
Write-offs	–	(8)	**(8)**
Currency translation difference	5	11	**16**
Disposal of subsidiary (Note 27)	–	(61)	**(61)**
30 September 2006 (unaudited)	**19**	**916**	**935**

19. Allowances for Impairment and Provisions (continued)

The movements in allowances for other assets and provisions were as follows:

	Other assets	Credit related commitments	Total
31 December 2004	**–**	**18**	**18**
Reversal of provision during the period	–	(13)	**(13)**
30 September 2005 (unaudited)	**–**	**5**	**5**
31 December 2005	**–**	**–**	**–**
(Reversal of provision) provision during the period	(2)	2	–
Cash received for amounts written-off in previous periods	2	–	**2**
30 September 2006 (unaudited)	**–**	**2**	**2**

Allowances for impairment of assets are deducted from the carrying amounts of the related assets. Provisions for claims, guarantees and commitments are recorded in liabilities. In accordance with the Russian legislation, loans may only be written off with the approval of the Board of Directors and, in certain cases, with the respective decision of a court.

20. Basic and Diluted Earnings per Share

Basic earning per share are calculated by dividing the net profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

The Group has no dilutive potential ordinary shares; therefore, the diluted earnings per share are equal to basic earning per share.

	For the nine-month periods ended 30 September (unaudited)	
	2006	**2005**
Net profit attributable to shareholders of the parent *(in millions of US dollars)*	781	354
Weighted average number of ordinary shares in issue	52,111,124	42,137,236
Basic and diluted earnings per share (expressed in USD per share)	**15.0**	**8.4**
Basic and diluted earnings per share – continuing operations (expressed in USD per share)	14.8	8.4
Basic and diluted earnings per share – discontinued operations (expressed in USD per share)	0.2	0.0

On 18 September 2006 the extraordinary general meeting (EGM) of shareholders of the Bank approved splitting each share in the bank with a face value of 1,000 Russian roubles into 100,000 shares with a face value of 0.01 Russian roubles. The splitting of shares has not yet been approved by CBR.

21. Income Tax

In the first nine months of 2006, VTB earned non-taxable profits from operating activities and non-taxable gains from foreign exchange, and one of the foreign subsidiaries recognized tax losses giving rise to tax benefits of USD 50 million, USD 41 million and USD 19 million, respectively, which contributed to the reduction of the Group's effective tax rate for the first nine months of 2006 from 26% to 14%.

22. Dividends

VTB does not have a formal policy for payment of dividends. The amount of dividends to be declared and paid is decided at the VTB's annual shareholders' meeting on the basis of VTB's net profit for the previous fiscal year determined in accordance with Russian Accounting Legislation on a stand-alone basis. In 2005, VTB declared and paid dividends of RUR 1.7 billion (USD 61 million at the exchange rate of RUR 27.87 per USD 1.00) for 2004. On 29 June 2006, VTB's shareholders meeting approved dividends of RUR 1.7 billion (USD 63 million at the exchange rate of RUR 27.0611 per USD 1.00) for 2005, which were paid on 25 August 2006.

On 30 June 2006, ICB's shareholders approved dividends of RUR 126 million (USD 4.7 million at the exchange rate of RUR 27.0789 per USD 1.00) for 2005, which were paid on 19 July 2006, thus resulting in decrease in minority interest by USD 1 million.

23. Disposal Group Held for Sale

At the end of June 2005, a subsidiary of CJSC "VTB Retail Services" purchased a 100% interest in CJSC "Sales", a holding company for a number of Russian companies involved in aircraft engine manufacturing. The management intention was to sell this investment within twelve months, therefore the Bank applied IFRS 5 for its accounting. The Bank has calculated fair values of the CJSC "Sales" consolidated assets and liabilities at the acquisition date amounting to USD 334 million and USD 201 million, respectively. No negative goodwill has arisen from this acquisition. CJSC "Sales" holding was classified as a disposal group held for sale under provisions of IFRS 5 and included into the geographical segment "Russia". In June 2006 the Group initiated the sale of the Disposal Group. The deal was closed in August 2006 and the Group recognized gain on sale of USD 8 million. (Refer to Note 27).

Net profit of discontinued operations relating to the disposal group held for sale from 1 January 2006 till the date of disposal was USD 2 million (from the date of acquisition to 30 September 2005 - nil).

24. Contingencies, Commitments, and Derivative Financial Instruments

Legal proceedings. From time to time and in the normal course of business, claims against the Group are received. Management is of the opinion that no material unaccrued losses will be incurred and accordingly no provision has been made in these consolidated financial statements.

Credit related commitments. The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees that 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 authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralized by cash deposits and therefore carry less risk than direct borrowings.

Starting January 2005 the Bank is a member of the obligatory deposit insurance system. The system operates under the Federal laws and regulations and is governed by the State Corporation "Agency for Deposits Insurance". Insurance covers Bank's liabilities to individual depositors for the amount up to RR 190 thousand for each individual in case of business failure and revocation of the CBR banking license.

(expressed in millions of US dollars)

24. Contingencies, Commitments, and Derivative Financial Instruments (continued)

Credit related commitments (continued). Commitments to extend credit represent unused portions of authorizations 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. The Group monitors the term to maturity of credit related commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

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.

Outstanding credit related commitments are as follows:

	30 September 2006 (unaudited)	31 December 2005
Guarantees issued	2,767	2,040
Undrawn credit lines	3,728	2,828
Import letters of credit	1,376	559
Commitments to extend credit	440	1,023
Other credit related commitments	45	10
Less: allowance for losses on credit related commitments	(2)	–
Total credit related commitments	**8,354**	**6,460**

The Bank has also received export letters of credit for further advising to its customers. Total amount outstanding as of 30 September 2006 was USD 2,641 million (31 December 2005: USD 1,829 million). Commitments under import letters of credit and guarantees are collateralized by customer deposits of USD 54 million (31 December 2005: USD 55 million).

At 30 September 2006, included in guarantees issued above are guarantees issued for one Russian company of USD 632 million (23% of the guarantees issued) (31 December 2005: USD 445 million, 22% of the guarantees issued).

Movements in the allowance for losses on credit related commitments are disclosed in Note 19.

Derivative financial instruments. Foreign exchange and other financial instruments are generally traded in an over-the-counter market with professional market counterparties on standardized contractual terms and conditions.

The principal amounts of certain types of financial instruments provide a basis for comparison with instruments recognized in the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or principal amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. The principal or agreed amounts and fair values of derivative instruments held are set out in the following table. This table reflects gross position before the netting of any counterparty position by type of instrument and covers the contracts with a maturity date subsequent to 30 September 2006. These contracts were mainly entered into in September 2006 and settled early in October 2006.

(expressed in millions of US dollars)

24. Contingencies, Commitments, and Derivative Financial Instruments (continued)

Derivative financial instruments (continued). The table below includes contracts outstanding at 30 September 2006 (unaudited):

	Domestic			Foreign		
	Notional amount	**Negative fair value**	**Positive fair value**	**Notional amount**	**Negative fair value**	**Positive fair value**
Term						
- sale of foreign currency	1,683	(2)	5	1,361	(1)	5
- purchase of foreign currency	1,430	(12)	3	1,050	(12)	3
- exchange of foreign currency	1	–	–	406	(1)	2
- sale of precious metals	–	–	–	278	(5)	23
- sale of securities	2,667	(425)	–	87	–	–
- purchase of securities	2,262	–	456	2	–	–
Swap						
- sale of foreign currency	75	–	–	213	–	–
- purchase of foreign currency	219	–	–	292	(3)	1
- exchange of foreign currency	–	–	–	1,408	(5)	1
- sale of securities	–	–	–	25	–	–
- purchase of securities	431	–	–	115	(4)	–
Options						
- written call on precious metals	–	–	–	6	–	–
- written put on foreign currency	–	–	–	461	–	–
- purchased put on foreign currency	–	–	–	33	–	–
- written call on foreign currency	–	–	–	57	–	–
- written put on securities	–	–	–	101	–	–
- purchased put on securities	–	–	–	101	–	–
- written call on securities	–	–	–	404	–	–
- purchased call on securities	56	–	–	291	–	–
Total	**8,824**	**(439)**	**464**	**6,691**	**(31)**	**35**

(expressed in millions of US dollars)

24. Contingencies, Commitments, and Derivative Financial Instruments (continued)

Derivative financial instruments (continued). The table below includes contracts outstanding at 31 December 2005 (audited):

	Domestic			Foreign		
	Notional amount	Negative fair value	Positive fair value	Notional amount	Negative fair value	Positive fair value
Term						
- sale of foreign currency	671	(3)	1	10	–	–
- purchase of foreign currency	1,881	(4)	7	370	(11)	–
- exchange of foreign currency	–	–	–	22	–	–
- sale of precious metals	–	–	–	203	–	9
- sale of securities	48	–	–	–	–	–
- purchase of securities	8	–	–	61	(1)	–
Swap						
- sale of foreign currency	77	–	–	70	–	1
- purchase of foreign currency	40	–	–	314	(8)	–
- exchange of foreign currency	64	–	1	644	(4)	2
- purchase of securities	–	–	–	17	(5)	–
- sale of Credit Default Swap				185	–	2
Options						
- purchased call on precious metals	–	–	–	5	–	–
- written put on foreign currency	–	–	–	474	–	–
- purchased put on foreign currency	–	–	–	65	–	–
- purchased call on foreign currency	–	–	–	18	–	–
- written put on securities	–	–	–	83	–	–
- purchased put on securities	5	–	–	–	–	–
- written call on securities	–	–	–	59	–	–
- purchased call on securities	–	–	–	84	–	–
Total	**2,794**	**(7)**	**9**	**2,684**	**(29)**	**14**

Purchase commitments. As of September 30, 2006 the Group had USD 141 million outstanding commitments for purchase of precious metals (31 December 2005: USD 249 million). As the price of these contracts is linked to the fair value of precious metals at the date of delivery, no gain or loss is recognised on these contracts.

(expressed in millions of US dollars)

25. Analysis by Segment

In accordance with IAS 14, "Segment Reporting", the Group's primary format for reporting segment information is geographical segments and the secondary format is business segments. Geographical segment information is based on geographical location of assets and liabilities and related revenues of entities within the Group. The Group separated the segment "Other CIS" (which includes other countries of CIS other from Russia) from segment "Russia and CIS" to reflect the increase in operations of that segment. Segment information for the three main reportable geographical segments of the Group, Russia, Other CIS and Europe, is set out below for the period ended 30 September 2006 (unaudited):

	Russia	Other CIS	Europe	Total before intercompany eliminations	Intercompany	Total
Total revenues	2,720	92	709	3,521	(144)	**3,377**
External customers	2,590	92	695	3,377		**3,377**
Other segments	130	–	14	144	(144)	**–**
Segment results	863	16	55			**934**
Taxation	(127)	(5)	4			**(128)**
Profit after taxation	736	11	59			**806**
Share in profit of associated companies	13	–	–			**13**
Share in profit of disposal group held for sale	10	–	–			**10**
Net profit	**746**	**11**	**59**			**816**
Segment assets as of 30 September 2006 less tax assets	**38,425**	**1,117**	**12,090**	**51,632**	**(2,873)**	**48,759**
Tax assets	101	1	94	196	–	**196**
Segment assets as of 30 September 2006	**38,526**	**1,118**	**12,184**	**51,828**	**(2,873)**	**48,955**
Segment liabilities as of 30 September 2006 less tax liabilities	**34,875**	**945**	**9,691**	**45,511**	**(2,873)**	**42,638**
Tax liabilities	77	6	26	109	–	**109**
Segment liabilities as of 30 September 2006	**34,952**	**951**	**9,717**	**45,620**	**(2,873)**	**42,747**
Other segment items						
Capital expenditure	168	6	7			**181**
Depreciation	49	2	6			57
Other non-cash income (expenses)						
- Provision for loans	(265)	(8)	(100)			**(373)**
- Impairment charge for other provisions	3	–	(3)			–

(expressed in millions of US dollars)

25. Analysis by Segment (continued)

Segment information for the three main reportable geographical segments of the Group (Russia, Other CIS and Europe), at 31 December 2005 and results for the nine months ended 30 September 2005 is set out below:

	Russia	Other CIS	Europe	Total before intercompany eliminations	Intercompany	Total
Total revenues	1,615	20	289	1,924	(64)	**1,860**
External customers	1,603	20	237	1,860		**1,860**
Other segments	12	–	52	64	(64)	**–**
Segment results	393	3	99			**495**
Taxation	(123)	–	(8)			**(131)**
Profit after taxation	270	3	91			**364**
Share in profit of associated companies	5	–	18			**23**
Net profit	**270**	**3**	**91**			**364**
Segment assets as of 31 December 2005 less tax assets	**28,052**	**423**	**10,766**	**39,241**	**(2,664)**	**36,577**
Tax assets	71	–	75	146	–	**146**
Segment assets as of 31 December 2005	**28,123**	**423**	**10,841**	**39,387**	**(2,664)**	**36,723**
Segment liabilities as of 31 December 2005 less tax liabilities	**24,915**	**372**	**8,644**	**33,931**	**(2,664)**	**31,267**
Tax liabilities	163	1	23	187	–	**187**
Segment liabilities as of 31 December 2005	**25,078**	**373**	**8,667**	**34,118**	**(2,664)**	**31,454**
Other segment items						
Capital expenditure	99	3	2			**104**
Depreciation	26	1	1			**28**
Other non-cash income (expenses)						
- Provision for loans	(128)	–	(1)			**(129)**
- Reversal for other provisions	13	–	–			**13**

VTB has predominantly one business segment, commercial banking, therefore no business segment disclosure is presented.

26. Related Party Transactions

For the purposes of these consolidated financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Commencing 1 January 2005, the revised IAS 24 removed the exemption for state-controlled entities from the requirement to disclose transactions with other state-controlled entities. Since the Bank is a state-owned entity, the Bank introduced a policy, in accordance with which it discloses transactions and outstanding balances with state-owned entities, as well as details of guarantees given or received, whether directly or indirectly.

Transactions with related parties entered by the Bank during the period ended 30 September 2006 were made in the normal course of business and mostly on an arm-length basis.

(expressed in millions of US dollars)

26. Related Party Transactions (continued)

Transactions and balances with related parties comprise transactions and balances with state-owned entities and associates and are stated in the table below:

Balance Sheet and Credit Related Commitments:

	30 September 2006 (unaudited)		31 December 2005	
	State-owned entities	Associates	State-owned entities	Associates
Assets				
Cash and short-term funds	1,763	–	1,212	–
Mandatory cash balances with local central banks	496	–	329	–
Due from other banks	221	66	354	–
Financial assets at fair value through profit or loss	2,428	–	3,012	–
Financial assets pledged under repurchase agreements and loaned financial assets	319	–	454	–
Financial assets available-for-sale	448	–	162	–
Loans and advances to customers	4,568	63	4,429	–
Allowance for loan impairment	(66)	(29)	(99)	–
Liabilities				
Due to other banks	731	4	1,242	–
Customer accounts	5,605	57	1,973	2
Other borrowed funds	793	–	982	–
Credit Related Commitments				
Guarantees issued	1,626	–	1,044	–
Undrawn credit lines	670	1	501	–
Import letters of credit	63	–	79	–
Commitments to extend credit	293	–	183	–
Other credit related commitments	95	1	–	–

Income Statement:

	For the nine months ended (unaudited) 30 September 2006	30 September 2005
Interest income		
Loans and advances to customers	284	187
Securities	169	83
Due from other banks	18	15
Interest expense		
Customer accounts	(113)	(45)
Due to banks	(65)	(44)
Reversal of allowance for impairment	4	31
Gain from disposal of subsidiaries	51	–

For the period ended 30 September 2006, the total remuneration of the directors and key management personnel, including pension contributions and discretionary compensation, amounted to USD 35.2 million (30 September 2005: USD 8.7 million).

(expressed in millions of US dollars)

27. Consolidated Subsidiaries and Associates

The subsidiaries and associates included in these consolidated financial statements are presented in the table below:

Name	Activity	Country of registration	Percentage of ownership 30 September 2006 (unaudited)	31 December 2005
Subsidiaries:				
"Donau-bank Aktiengesellschaft, Wien"	Banking	Austria	100.00%	100.00%
"Russian Commercial Bank (Cyprus) Limited"	Banking	Cyprus	100.00%	100.00%
"Russian Commercial Bank Ltd"	Banking	Switzerland	100.00%	100.00%
"Vneshtorgbank (Ukraine)", CJSC	Banking	Ukraine	100.00%	100.00%
"Mriya", OJSC	Banking	Ukraine	98.00%	–
"VTB Bank (Armenia)", CJSC	Banking	Armenia	70.00%	70.00%
"United Georgian Bank" Corporation	Banking	Georgia	58.90%	50.00%
"Vneshtorgbank Retail Services", CJSC	Banking	Russia	95.93%	92.19%
Bank "Zabaikalsky" , OJSC	Banking	Russia	99.80%	99.80%
"Novosibirskvneshtorgbank", CJSC	Banking	Russia	97.60%	97.60%
"East-West United Bank", S.A.	Banking	Luxembourg	50.74%	50.74%
"Ost -West Handelsbank", AG	Banking	Germany	88.46%	83.54%
"Industry & Construction Bank", OJSC	Banking	Russia	75.00%	75.00%
"BCEN-Eurobank"	Banking	France	87.04%	87.04%
"Moscow Narodny Bank Limited"	Banking	Great Britain	89.10%	89.10%
"Multicarta", Ltd	Plastic cards	Russia	100.00%	100.00%
"Euroleasing", GMBH	Leasing	Germany	63.00%	63.00%
"Rafinco Co.", , Inc.	Trading	USA	100.00%	100.00%
"I.T.C. Consultants (Cyprus)", Ltd	Finance	Cyprus	100.00%	100.00%
"VB-Service", Ltd	Commerce	Russia	100.00%	100.00%
"Non-state Pension Fund of Vneshtorgbank"	Insurance	Russia	100.00%	100.00%
"Konobeevo", OJSC	Recreation	Russia	89.99%	89.99%
"Almaz-Press", CJSC	Publishing	Russia	100.00%	100.00%
"Almaz-Print", CJSC	Publishing	Russia	100.00%	100.00%
"Rassvet-Expo", CJSC	Publishing	Russia	100.00%	100.00%
"Rasters", CJSC	Publishing	Russia	100.00%	100.00%
"Dom Rybaka", Ltd	Recreation	Russia	100.00%	100.00%
"VTB-Leasing", OJSC	Leasing	Russia	100.00%	100.00%
"Embassy Development Limited"	Finance	Jersey	100.00%	100.00%
"VTB-Capital", CJSC	Finance	Russia	100.00%	45.00%
"VTB-Capital-Stolitsa", CJSC	Trading	Russia	100.00%	–
"MNB Strategic Investments Limited"	Investment	England	89.10%	89.10%
"Moscow Narodny Finance", B.V.	Finance	Netherlands	89.10%	89.10%
"Business-Finance", Ltd	Finance	Russia	95.93%	92.19%
"Baltiyskaya Trade Industrial Company", CJSC	Commerce	Russia	75.00%	75.00%
"ICB Finance B.V."	Finance	Netherlands	75.00%	75.00%
"ICB Finance", limited	Finance	Russia	75.00%	75.00%
"Uralpromstroyleasing" , limited	Leasing	Russia	75.00%	75.00%
"ICB-Invest Group", OJSC	Finance	Russia	74.25%	74.25%
"Korsar", limited	Commerce	Russia	75.00%	75.00%
"Adamas", limited	Real estate	Russia	–	75.00%
"Derzhava", limited	Real estate	Russia	–	75.00%
"Korpus 104", limited	Real estate	Russia	75.00%	75.00%
"Prestizh", limited	Real estate	Russia	63.75%	63.75%
"Dolgovoi centre VTB RU", CJSC	Finance	Russia	95.93%	–

(expressed in millions of US dollars)

27. Consolidated Subsidiaries and Associates (continued)

			Percentage of ownership	
Name	**Activity**	**Country of registration**	**30 September 2006 (unaudited)**	**31 December 2005**
"Sistema Plus", CJSC	Finance	Russia	95.93%	92.19%
"Tekhnoinvest", CJSC	Trading	Russia	95.93%	92.19%
Subsidiaries within disposal group:				
"Sales", CJSC	Finance	Russia	–	92.19%
"PM-Nedvigimost", CJSC	Trading	Russia	–	92.19%
"Remos-PM", CJSC	Manufacturing	Russia	–	92.19%
"Instrumentalniy zavod - Permskie Motory", CJSC	Manufacturing	Russia	–	92.19%
"Energetic-PM", OJSC	Energy	Russia	–	90.90%
"Reduktor-PM", OJSC	Manufacturing	Russia	–	74.96%
"Kaskad-PM", CJSC	Manufacturing	Russia	–	80.48%
"Gheleznodoroghnik-PM", CJSC	Transport	Russia	–	92.19%
"Nedvighimost-PM", Ltd	Leasing	Russia	–	91.27%
"Permskiy Motorniy zavod", OJSC	Manufacturing	Russia	–	66.04%
"Metallist-PM", CJSC	Manufacturing	Russia	–	78.86%
"Perm-Energy", CJSC	Engineering	Russia	–	78.36%
"PM-Upravlenie", CJSC	Leasing	Russia	–	68.26%
"Obscheghitie-PM", OJSC	Service	Russia	–	42.26%
"Usluga-PM", Ltd	Service	Russia	–	61.15%
Associates:				
"Eurofinance Mosnarbank", OJSC	Bank	Russia	32.65%	32.65%
"Halladale PLC"	Property	Great Britain	23.00%	23.00%
"Management Company ICB", limited	Finance	Russia	30.91%	30.91%
"Insurance Company VTB-Rosno" , Ltd	Insurance	Russia	49.99%	100.00%
"Interbank Trading House", Ltd	Commerce	Russia	50.00%	100.00%
Associates within disposal group:				
"UK PMK"	Finance	Russia	–	32.52%
"Permskie Motory", OJSC	Manufacturing	Russia	–	24.61%

In March and April 2006 the Bank purchased additional issue of shares of the "United Georgian Bank". The total increase of the share capital was planned to be Georgian lari 20 million (20 million shares, or USD 11 million at period end exchange rate), of which VTB purchased 11,281,848 shares. Some other shareholders have not as yet made their contributions and accordingly, VTB's ownership share in the "United Georgian Bank" may vary until all other shareholders subscribe for their entitlements. The share of VTB in the "United Georgian Bank" is expected to be 53.13% after the shares are fully subscribed.

In June 2006, CJSC "Vneshtorgbank Retail Services" (VTB Retail) issued 4,242,425 shares at a price of RUR 1,650 per share (par value RUR 1,000) for the total amount of RUR 7,000,000 thousand. VTB purchased all shares issued by VTB Retail. As a result of this transaction, VTB's ownership percentage in VTB Retail increased to 95.93%. The share issue was registered by the Central Bank of Russia on 5 June 2006.

In April, 2006 "Armsavingsbank", CJSC was renamed into "VTB Bank (Armenia)", CJSC.

(expressed in millions of US dollars)

27. Consolidated Subsidiaries and Associates (continued)

In June 2006 VTB Group initiated the sale of a disposal Group held for sale. The deal was closed in August 2006, when the transfer of ownership was approved by Russian anti–monopoly authorities. VTB Group sold an 81.25% interest in CJSC "Sales" to an unrelated party (Refer to Note 23) for USD 122 million, which resulted in a profit of USD 8 million. The Group continues to own 18.75% interest in CJSC "Sales" and accounted for this investment under IAS 39 requirements as available-for-sale financial asset.

On 22 September 2006 the extraordinary general meeting of shareholders of OJSC "Industry & Construction Bank" (ICB) approved the merger with the Bank. The ratio of share conversion was set at 1 ICB share with a face value of 1 RUR into 385 VTB shares with a face value of 0.01 Russian roubles. ICB also offered to ICB shareholders that dispute this merger to buy out all shares at a price of 22 RUR per 1 ICB share. This merger is subject to approval of VTB's general meeting of shareholders.

On September 29, 2006 VTB increased its ownership percentage in Ost-West Handelsbank, AG from 83.54% to 88.46% by purchasing of shares of Ost-West Handelsbank, AG for the total amount of EUR 3 million.

As of September 30, 2006, two subsidiaries of ICB, "Adamas" and "Derzhava", ceased to be consolidated in the Group's financial statements, because ICB concluded option agreements with third party, which has the right to purchase participation in these subsidiaries at any date before December 31, 2006. As a result, these option agreements give potential voting rights to the third party to govern the financial and operating policies of these subsidiaries.

At the end of March 2006 VTB purchased 1,312,802,167 ordinary shares (98% of the share capital) of the Bank "Mriya" located in Ukraine with 26 branches and 154 outlets for USD 66 million. VTB hired an independent appraiser to determine the fair value of identifiable assets, liabilities and contingent liabilities of the Bank "Mriya" as of the acquisition date. Goodwill recognized at the purchase date was USD 13 million.

If the acquisition of the Bank "Mriya" had taken place at the beginning of the year, the net profit of the Group and operating income would not have been materially different. The fair values of identifiable assets and liabilities of the Bank "Mriya" at the date of acquisition were not materially different from carrying values of these assets and liabilities immediately before the acquisition. The fair values of identifiable assets and liabilities of the Bank "Mriya" at the acquisition date were:

	Fair Value	**Carrying Value**
Assets		
Cash and short-term funds	52	52
Financial assets for trading	6	6
Due from other banks	8	7
Loans and advances to customers	325	329
Premises and equipment	26	18
Investment property	1	–
Intangible assets	6	–
Other assets	2	3
Total assets	**426**	**415**
Liabilities		
Due to other banks	32	33
Customer accounts	293	290
Other borrowed funds	26	26
Debt securities issued	1	1
Subordinated debt	1	1
Deferred tax liabilities	2	–
Provision on contingent liabilities losses	1	–
Other liabilities	16	16
Total liabilities	**372**	**367**

(expressed in millions of US dollars)

27. Consolidated Subsidiaries and Associates (continued)

At the end of 2005, VTB approved an increase in the participants' fund of Trading House VTB. The increase of the participants fund was purchased in January 2006 by a state-owned bank (a related party), thus decreasing the share of the Group in Trading House VTB to 50%. This transaction was finalized in June 2006 and the Group retained control over Trading House VTB as of June 30, 2006. The Trading House VTB was renamed to "Interbank Trading House", Ltd (ITH).

At the end of September 2006 the Board of Directors of "Interbank Trading House", Ltd was reappointed to include new members representing the other participant resulting in the Group losing control over ITH. The Group accounted for a disposal of "Interbank Trading House", Ltd with recognition of USD 51 million gain within Profit from disposal of subsidiaries. As of 30 September 2005, the Group accounted for ITH investment under IAS 28 requirement using the equity method of accounting. The assets and liabilities disposed are as follows:

	30 September 2006
Assets	
Cash and short-term funds	1
Due from other banks	54
Loans and advances to customers, net	4
Intangible assets	1
Other assets	3
Total assets	**63**
Liabilities	
Due to other banks	108
Other liabilities	6
Total liabilities	**114**
Net assets	(51)
Total carrying amount of net assets disposed	**(51)**

In May 2006 the Group decided to decrease the ownership in "Insurance Capital", Ltd to a non-controlling share (49.99%) with simultaneously renaming the company to "Insurance Company VTB-Rosno", Ltd and increasing the share capital to RUR 436 million (USD 16 million). The deal was closed in July 2006. The Group lost control over "Insurance Company VTB-Rosno", Ltd after the transaction and deconsolidated this entity. The Group continued to recognize this investment under the equity method of accounting.

In July 2006 the Group decreased the ownership in "Insurance Company VTB-Rosno", Ltd to a non-controlling share (49.99%). The Group lost control over "Insurance Company VTB-Rosno", Ltd and as a result deconsolidated this entity. At the disposal date the assets and liabilities of the company were as follows:

	1 July 2006
Assets	
Cash and short-term funds	16
Deferred tax assets	1
Other assets	7
Total assets	**24**
Liabilities	
Other liabilities	29
Total liabilities	**29**
Net assets	(5)
Total carrying amount of net assets disposed	**(5)**

27. Consolidated Subsidiaries and Associates (continued)

The Group has recorded gain from disposal of "Insurance Company VTB-Rosno", Ltd in the amount of USD 5 million within Profit from disposal of subsidiaries.

28. Subsequent Events

In October 2006, Moscow Narodny Bank issued a U.S.$500 million Eurobond maturing October 2009 with a floating rate of 3mLIBOR+0.80%.

In October 2006, BCEN-Eurobank raised a U.S.$200 million floating rate syndicated debt facility at LIBOR+0.375%. The facility has a two-year tenor with a one-year extension option.

In October 2006, VTB received a U.S.$300 million short-term loan from BNP Paribas London Branch and HSBC Bank plc. The loan has a floating interest rate and is repayable on or before December 15, 2006.

In October 2006, VTB received a U.S.$300 million bridge loan maturing December 2006 with a floating rate of LIBOR+0.10%.

In November 2006, VTB issued a U.S.$1,750 million Eurobond maturing August 2008 with a floating rate of 3mLIBOR+0.60%.

In December 2006, VTB 24 issued a U.S.$500 million Eurobond maturing December 2009 with a floating rate of 3mLIBOR+0.82%.

In September 2006, VTB opened an office of a joint-subsidiary bank in Angola Banco VTB Africa SA (VTB Africa) with 66% shareholding of VTB.

In October 2006, VTB established a joint-subsidiary financial company in Namibia "VTB Capital (Namibia) (Proprietary) Limited" with 50% plus 2 shares shareholding of VTB.

In November 2006, VTB established a Vietnam-Russia Joint Venture Bank with 49% shareholding of VTB.

In October 2006, the Group started the re-branding process to unite its principal subsidiaries under a common name – VTB.

In October 2006, Ost-West Handelsbank AG, Donau-bank Aktiengesellschaft Wien, BCEN-Eurobank and Moscow Narodny Bank Limited were renamed into VTB Bank (Deutschland) AG, VTB Bank (Austria) AG, VTB Bank (France) and VTB Bank Europe Plc., respectively.

In November 2006, CJSC "Vneshtorgbank Retail Services" was renamed into CJSC "Bank VTB 24".

In November 2006, OJSC Bank "Zabaikalsky" was renamed into OJSC "VTB Broker".

VTB intends to sell a majority stake in East-West United Bank and, therefore, entered into agreement with a third party holding company. The agreement was subject to approval by Luxembourg regulatory authorities. In November 2006 one of the third party group subsidiaries obtained such approval. Financial position and results of operations of East-West United Bank as of September 30, 2006 and for the nine months then ended were included in the segment "Europe" in this Group's interim condensed consolidated financial statements.

In December 2006, "United Georgian Bank" Corporation was renamed into "VTB Bank (Georgia)".