

AO Raiffeisenbank

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

30 September 2015

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Report on Review of Consolidated Condensed Interim Financial Information

To the Shareholders and Supervisory Board of AO Raiffeisenbank:

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of AO Raiffeisenbank and its subsidiaries (the "Group") as of 30 September 2015 and the related consolidated condensed interim statements of profit or loss and other comprehensive income for the three and nine months then ended, consolidated condensed interim changes in equity and consolidated condensed interim cash flows for the nine month period then ended and related explanatory notes. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of Review

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 consolidated condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

AO PricewaterhouseCoopers Audit
13 November 2015

Moscow, Russian Federation

N.V. Kossova, Director (licence no. 01-000396), AO PricewaterhouseCoopers Audit

Audited entity: AO Raiffeisenbank

State registration certificate № 3292 issued by the Central Bank of Russian Federation on 10 June 1996

17/1 Troitskaya Str., 129090 Moscow, Russian Federation

Independent auditor: AO PricewaterhouseCoopers Audit

State registration certificate № 008.890, issued by the Moscow Registration Chamber on 28 February 1992

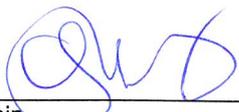
Certificate of inclusion in the Unified State Register of Legal Entities issued on 22 August 2002 under registration № 1027700148431

Certificate of membership in self regulated organisation non-profit partnership "Audit Chamber of Russia" № 870. ORNZ 10201003683 in the register of auditors and audit organization.

AO Raiffeisenbank
Consolidated Condensed Interim Statement of Financial Position

	Note	30 September 2015 (unaudited)	31 December 2014
<i>In thousands of Russian Roubles</i>			
ASSETS			
Cash and cash equivalents	6	190 927 911	185 376 922
Mandatory cash balances with the Central Bank of the Russian Federation		6 356 547	5 898 114
Trading securities	7	12 479 748	9 639 559
Other securities at fair value through consolidated profit or loss	8	3 300 196	16 576 708
Repurchase receivables related to other securities at fair value through consolidated profit or loss	8	288 713	2 279 673
Due from other banks	9	30 068 475	15 394 711
Loans and advances to customers	10	532 914 219	574 089 442
Investment securities available for sale	11	1 477 270	1 517 323
Premises and equipment		12 485 067	14 403 185
Intangible assets		4 222 599	3 060 151
Deferred income tax asset		664 798	3 554 805
Investment securities held to maturity	12	9 211 982	509 782
Derivatives and other financial assets	13	52 819 674	56 776 692
Investment in associates		2 327 153	2 160 097
Assets from Disposal group held for sale	14	30 224 714	-
Other assets		1 376 766	2 042 601
TOTAL ASSETS		891 145 832	893 279 765
LIABILITIES			
Due to other banks	15	13 385 630	77 521 587
Customer accounts	16	581 867 764	531 900 500
Term borrowings from the Parent Bank	17	66 783 038	61 993 150
Term borrowings from other financial institutions	18	-	9 821 410
Debt securities in issue		23 248 073	22 228 342
Current income tax liability		2 021 383	2 623 123
Derivatives and other financial liabilities	19	62 237 810	66 885 434
Insurance contracts		-	14 635 855
Liabilities from Disposal group held for sale	14	34 243 023	-
Other liabilities		4 283 709	5 011 973
TOTAL LIABILITIES		788 070 430	792 621 374
EQUITY			
Share capital		43 268 888	43 268 888
Share premium		591 083	591 083
Additional paid-in capital		1 520 016	1 520 016
Retained earnings and other reserves		57 695 415	55 278 404
TOTAL EQUITY		103 075 402	100 658 391
TOTAL LIABILITIES AND EQUITY		891 145 832	893 279 765

Approved for issue and signed on 13 November 2015.


 Sergei Monin
 Chairman of the Board




 Gert Hebenstreit
 Chief Financial Officer

The notes set out on pages 5 to 63 form an integral part of this consolidated condensed interim financial information.

AO Raiffeisenbank
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

	Note	Nine-Month Period Ended 30 September 2015 (Unaudited)	Three-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)	Three-Month Period Ended 30 September 2014 (Unaudited)
<i>In thousands of Russian Roubles</i>					
Interest income	20	78 586 615	25 424 496	57 468 106	21 144 316
Interest expense	20	(45 994 988)	(14 694 955)	(26 005 702)	(10 100 702)
Net interest income		32 591 627	10 729 541	31 462 404	11 043 614
Charge of provision for loan impairment	10	(9 809 525)	(2 292 918)	(5 331 980)	(2 198 285)
Net interest income after provision for loan impairment		22 782 102	8 436 623	26 130 424	8 845 329
Fee and commission income	21	13 780 270	5 048 694	12 031 411	4 318 313
Fee and commission expense	21	(5 072 686)	(1 878 698)	(4 060 510)	(1 513 635)
Gains less losses/(losses net of gains) from trading securities		231 536	(76 615)	(673 880)	(119 523)
Gains less losses/(losses net of gains) from other securities at fair value through profit or loss		1 018 616	156 624	(671 152)	(77 940)
Gains less losses from trading in foreign currencies		4 659 099	2 262 678	2 567 910	1 093 249
Unrealized gains less losses/(losses, net of gains) from derivative financial instruments	22	10 312 244	(12 104 338)	(4 932 425)	(5 438 623)
Realized (losses net of gains)/gains less losses from derivative financial instruments	23	(159 565)	(690 777)	720 804	35 638
Foreign exchange translation (losses, net of gains)/gains less losses		(8 531 444)	11 884 246	3 793 841	4 060 261
Ineffectiveness from the hedge accounting and other derivative instruments		(109 283)	222 099	(20 386)	(20 386)
Release of provision for credit related commitments		31 941	6 488	128 427	(32 561)
Allocation of provision for investment securities held to maturity		(27)	(27)	(54)	(55)
Gains from the sale of loans	10	25 439	7 883	38 459	17 629
Other operating income/loss		250 906	112 181	203 433	60 848
Share of profit of associate		417 055	137 274	385 237	108 522
Operating income		39 636 203	13 524 335	35 641 539	11 337 066
Administrative and other operating expenses	24	(18 063 559)	(6 410 014)	(18 120 213)	(6 352 772)
Profit before tax		21 572 644	7 114 321	17 521 326	4 984 294
Income tax expense		(4 122 633)	(1 429 796)	(3 532 038)	(1 228 330)
Profit for the period		17 450 011	5 684 525	13 989 288	3 755 964
Revaluation of investment securities available for sale	11	(41 250)	(41 250)	-	-
Income tax recorded directly in other comprehensive income		8 250	8 250	-	-
Other comprehensive expense for the period, net of tax		(33 000)	(33 000)	-	-
Total comprehensive income for the period, net of tax		17 417 011	5 651 525	13 989 288	3 755 964

The notes set out on pages 5 to 63 form an integral part of this consolidated condensed interim financial information.

AO Raiffeisenbank
Consolidated Condensed Interim Statement of Changes in Equity

<i>In thousands of Russian Roubles</i>	Share capital	Share premium	Additional paid-in capital	Retained earnings	Other reserves	Total
Balance at 1 January 2014	43 268 888	591 083	1 520 016	70 165 080	239 196	115 784 263
Profit for the period	-	-	-	13 989 288	-	13 989 288
Other comprehensive income recognized for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	13 989 288	-	13 989 288
Dividends paid	-	-	-	(22 796 813)	-	(22 796 813)
Balance at 30 September 2014	43 268 888	591 083	1 520 016	61 357 555	239 196	106 976 738
Balance at 1 January 2015	43 268 888	591 083	1 520 016	55 039 208	239 196	100 658 391
Profit for the period	-	-	-	17 450 011	-	17 450 011
Other comprehensive loss recognized for the period	-	-	-	-	(33 000)	(33 000)
Total comprehensive income for the period	-	-	-	17 450 011	(33 000)	17 417 011
Dividends paid	-	-	-	(15 000 000)	-	(15 000 000)
Balance at 30 September 2015	43 268 888	591 083	1 520 016	57 489 219	206 196	103 075 402

The notes set out on pages 5 to 63 form an integral part of this consolidated condensed interim financial information.

AO Raiffeisenbank
Consolidated Condensed Interim Statement of Cash Flows

	Note	Nine-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)
<i>In thousands of Russian Roubles</i>			
Cash flows from operating activities			
Interest received		74 997 525	56 883 716
Interest paid		(40 132 182)	(24 851 404)
Fees and commissions received		13 834 377	12 041 855
Fees and commissions paid		(5 072 686)	(4 060 510)
Realized losses, net of gains from trading in trading securities		(682 234)	(513 597)
Realized gains less losses/(losses net of gains) arising from other securities at fair value through profit or loss		2 109 917	(312 337)
Realized (losses net of gains)/ gains less losses from financial derivative instruments		(159 565)	720 804
Realized gains less losses arising from trading in foreign currencies		4 659 099	2 567 910
Realized losses, net of gains from foreign exchange swaps		(23 834 248)	(4 633 782)
Cash proceeds from sale of loans	10	3 822 276	1 388 263
Other operating income received		307 935	302 440
Staff costs paid		(9 018 509)	(9 414 842)
Administrative and other operating expenses paid		(8 300 945)	(6 990 343)
Income tax paid		(1 836 020)	(1 886 967)
Cash flows from operating activities before changes in operating assets and liabilities		10 694 740	21 241 206
Net (increase) in mandatory cash balances with the Central Bank of the Russian Federation		(458 433)	(8 925)
Net (increase)/decrease in trading securities		(1 984 307)	6 933 535
Net decrease in other securities at fair value through consolidated profit and loss		8 424 758	12 444 323
Net (increase) in due from other banks		(18 197 413)	(5 985 262)
Net decrease/(increase) in loans and advances to customers		68 276 730	(48 464 229)
Net decrease in derivatives and other financial assets		545 660	727 768
Net decrease in other assets		1 639 849	411 723
Net (decrease) in due to other banks		(60 211 081)	(17 916 119)
Net increase/(decrease) in customer accounts		16 661 756	(24 306 945)
Insurance premiums received		13 849 332	8 169
Insurance claims paid		(1 093 361)	(45 691)
Net increase in derivatives and other financial liabilities		7 332 061	1 195 276
Net (decrease) in other liabilities		(561 592)	(949 073)
Net cash from/(used in) operating activities		44 918 699	(54 714 244)
Cash flows from investing activities			
Acquisition of premises and equipment		(661 974)	(1 033 594)
Proceeds from sale of premises and equipment		93 030	93 000
Acquisition of intangible assets		(1 616 692)	(1 335 900)
Dividends received		250 000	57 171
Acquisition of securities portfolio held-to-maturity		(8 247 542)	-
Amount of cash and cash equivalents in the subsidiaries classified as Assets Held for Sale	14	(15 405 019)	-
Net cash used in investing activities		(25 588 197)	(2 219 323)
Cash flows from financing activities			
Proceeds from term borrowings from the Parent Bank and other financial institutions		475 271	14 085 101
Proceeds from subordinated debt		12 326 800	-
Repayment of term borrowings from the Parent Bank and other financial institutions		(29 828 584)	(5 543 573)
Interest paid on term borrowings from the Parent Bank and other financial institutions		(2 606 088)	(861 356)
Interest paid on debt securities		(1 608 454)	(381 500)
Proceeds from issuance of debt securities		6 158 509	10 695 883
Repayment of debt securities in issue		(4 916 452)	(133 012)
Dividends paid		(15 000 000)	(22 796 813)
Net cash used in financing activities		(34 998 998)	(4 935 270)
Change in accrued interest on cash and cash equivalents		242 876	(9 036)
Effect of exchange rate changes on cash and cash equivalents		20 976 609	10 937 283
Net increase in cash and cash equivalents		5 550 989	(50 940 590)
Cash and cash equivalents at the beginning of the period		185 376 922	154 508 091
Cash and cash equivalents at the end of the period	6	190 927 911	103 567 501

The notes set out on pages 5 to 63 form an integral part of this consolidated condensed interim financial information.

1 Introduction

This consolidated condensed interim financial information has been prepared in accordance with International Financial Reporting Standards for the nine months period ended 30 September 2015 for AO Raiffeisenbank (hereinafter – the “Bank”) and its subsidiaries (together referred to as the “Group”).

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

Principal activity. The Bank has operated under a full banking license issued by the Central Bank the Russian Federation (“CBRF”) since 1996. The Bank operates in all banking sectors of the Russian financial markets, including money market, investments, corporate and retail banking, and provides a complete range of banking services to its clients. In addition, the Group, through operations of its subsidiaries and associates, is also involved in asset management, pension and leasing businesses. On 2 February 2005 the Bank was accepted to the State deposit insurance scheme, introduced by the Federal law No. 177-FZ “Deposits of individuals insurance in Russian Federation” dated 23 December 2003. The State Deposit Insurance Agency guarantees repayment of 100% of individual deposits up to RR 1 400 thousand per individual in case of the withdrawal of a licence of a bank or a CBRF imposed moratorium on payments.

As at 30 September 2015 the Group had 6 branches within the Russian Federation and 189 outlets (31 December 2014: 6 branches and 204 outlets).

The number of the Group’s employees as at 30 September 2015 was 7 698 (31 December 2014: 8 110).

Registered address and place of business. The Bank’s registered address is: 17/1 Troitskaya Str., 129090, Moscow, Russian Federation. The Bank’s main place of business is: 28 Smolenskaya-Sennaya, 119002, Moscow, Russian Federation.

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

2 Operating Environment of the Group

Russian Federation. The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. During the nine months period ended 30 September 2015:

- Russia’s credit rating was downgraded by Fitch Ratings in January 2015 to BBB-, whilst Standard & Poor’s cut it to BB+ and Moody’s Investors Service cut it to Ba1 in February 2015, putting it below investment grade for the first time in a decade. Fitch Ratings still have Russia as investment grade. However, all these rating agencies indicated a negative outlook, meaning further downgrades are possible;
- the CBRF exchange rate fluctuated between RR 49.1777 and RR 70.7465 per USD;
- the CBRF key rate decreased from 17.0% p.a. to 11.0% p.a. in July 2015;
- the RTS stock exchange index ranged between 708 and 1093;
- access to international financial markets to raise funding was limited for certain entities; and
- capital outflows increased compared to prior periods.

2 Operating Environment of the Group (Continued)

The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads.

These events may have a further significant impact on the Group's future operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation and its impact on the Group's operations may differ from management's current expectations.

Management determined loan impairment provisions using the "incurred loss" model required by the applicable accounting standards. These standards require recognition of impairment losses that arose from past events and prohibit recognition of impairment losses that could arise from future events, including future changes in the economic environment, no matter how likely those future events are. Refer to Note 4.

3 Summary of Significant Accounting Policies

Basis of preparation. This consolidated condensed interim financial information has been prepared in accordance with IAS 34. This consolidated condensed interim financial information should be read in conjunction with the annual IFRS consolidated financial statements of the Group for the year ended 31 December 2014.

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

At 30 September 2015 principal rate of exchange used for translating foreign currency balances was USD 1 = RR 66.2367 (31 December 2014: USD 1 = RR 56.2584) and EUR 1 = 74.5825 (31 December 2014: EUR 1 = 68.3427).

Except as described below, the accounting policies and methods of computation applied in the preparation of this consolidated condensed interim financial information are consistent with the accounting policies and methods applied in the annual consolidated financial statements of the Group for the year ended 31 December 2014. Certain new standards, interpretations and amendments to the existing standards, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2014, became effective for the Group from 1 January 2015. They have not significantly affected this consolidated condensed interim financial information of the Group.

Disposal group classified as held for sale. Disposal group is classified in the consolidated condensed interim statement of financial position as 'disposal group held for sale' if its carrying amount will be recovered principally through a sale transaction, including loss of control of a subsidiary holding the assets, within twelve months after the end of the reporting period. Assets are reclassified when all of the following conditions are met: (a) the assets are available for immediate sale in their present condition; (b) the Group's management approved and initiated an active programme to locate a buyer; (c) the assets are actively marketed for sale at a reasonable price; (d) the sale is expected within one year and (e) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn. Disposal group classified as held for sale in the current period's consolidated condensed interim statement of financial position is not reclassified or re-presented in the comparative consolidated condensed interim statement of financial position to reflect the classification at the end of the current period.

A disposal group is a group of assets to be disposed of by sale and liabilities directly associated with those assets that will be transferred in the transaction. Held for sale disposal group as a whole is measured at the lower of its carrying amount and fair value less costs to sell. Held for sale premises and equipment are not depreciated or amortised.

Liabilities directly associated with disposal groups that will be transferred in the disposal transaction are reclassified and presented separately in the consolidated condensed interim statement of financial position.

3 Summary of Significant Accounting Policies (Continued)

Performance guarantees. Performance guarantees are contracts that provide compensation if another party fails to perform a contractual obligation. Such contracts transfer non-financial performance risk in addition to credit risk. Performance guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the contract. At the end of each reporting period, the performance guarantee contracts are measured at the higher of (i) the unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the contract at the end of each reporting period, discounted to present value. Where the Group has the contractual right to revert to its customer for recovering amounts paid to settle the performance guarantee contracts, such amounts will be recognised as loans and receivables upon transfer of the loss compensation to the guarantee's beneficiary.

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

4 Critical Accounting Estimates, and Judgements in Applying Accounting Policies

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

Impairment losses on loans and advances to customers. The Group regularly reviews its loan portfolios to assess impairment. In determining whether an impairment loss should be recorded in profit or loss for the period, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

A 10% increase or decrease in actual loss experience compared to the loss estimates used would result in an increase or decrease in loan impairment losses of RR 2 184 745 thousand (2014: RR 2 513 750 thousand), respectively. Impairment losses for individually significant loans are based on estimates of discounted future cash flows of the individual loans, taking into account repayments and realisation of any assets held as collateral against the loans. A 10% increase or decrease in the actual compared to the estimated future discounted cash flows from individually significant loans, which could arise from differences in amounts and timing of the cash flows, would result in an increase or decrease in loan impairment losses of RR 1 616 278 thousand (2014: RR 2 016 465 thousand), respectively.

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

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

Disposal group classified as held for sale. As of reporting date the Group continues to keep control over the Disposal group. Nevertheless, requirements of IFRS 5 are met, and external assets and liabilities of the disposal group are separated for the purposes of these consolidated condensed interim financial information as assets and liabilities from Disposal group held for sale. The Group does not classify this disposal group as a discontinued operation as the subsidiary is not a major line of business.

5 New Accounting Pronouncements

Since the Group published its last annual consolidated financial statements, no new standards and interpretations have been issued that are mandatory for the Group's annual accounting periods beginning on or after 1 January 2016 apart from those disclosed in annual consolidated financial statements of the Group.

6 Cash and Cash Equivalents

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Cash on hand	28 541 845	70 997 518
Cash balances with the CBRF (other than mandatory reserve deposits)	37 480 249	27 726 222
Correspondent accounts and overnight placements with other banks		
- Russian Federation	10 366 979	25 123 211
- Other countries	52 998 288	58 742 211
Placements with other banks with original maturities of less than three months	37 100 964	394 588
Reverse securities sale and repurchase agreements with other banks and other financial institutions with original maturities of less than three months	24 439 586	2 393 172
Total cash and cash equivalents	190 927 911	185 376 922

At 30 September 2015 cash equivalents in the amount of RR 24 439 586 thousand (31 December 2014: RR 2 393 172 thousand) are effectively collateralised by securities purchased under reverse securities sale and repurchase agreements with a fair value of RR 28 209 650 thousand (31 December 2014: RR 2 760 279 thousand) which the Group has a right to sell or repledge.

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

Currency, geographical and liquidity analysis of cash and cash equivalents are disclosed in Note 26. The information on related party balances is disclosed in Note 30.

7 Trading Securities

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Corporate bonds	6 777 348	3 557 170
Federal loan bonds (OFZ)	4 764 905	1 817 714
Corporate Eurobonds	749 807	1 348 768
Municipal bonds	187 688	249 909
Russian Federation Eurobonds	-	2 665 998
Total trading securities and repurchase receivables related to trading securities	12 479 748	9 639 559

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

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

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

At 30 September 2015 and 31 December 2014 there were no renegotiated balances that would otherwise be past due. Trading debt securities are not collateralised.

As at 30 September 2015 and 31 December 2014 no debt trading securities are past due or impaired.

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

8 Other Securities at Fair Value Through Consolidated Profit or Loss and Repurchase Receivables Related to Other Securities at Fair Value Through Consolidated Profit or Loss

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Federal loan bonds (OFZ)	1 362 112	4 094 602
Corporate bonds	997 133	10 020 972
Corporate Eurobonds	863 634	702 755
Municipal bonds	366 030	1 242 205
Eurobonds of the European Bank for Reconstruction and Development	-	2 786 267
Total other debt securities at fair value through consolidated profit and loss	3 588 909	18 846 801
Corporate shares	-	9 580
Total other securities at fair value through consolidated profit or loss and repurchase receivables related to other securities at fair value through consolidated profit or loss	3 588 909	18 856 381

8 Other Securities at Fair Value Through Consolidated Profit or Loss and Repurchase Receivables Related to Other Securities at Fair Value Through Consolidated Profit or Loss (Continued)

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

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

Repurchase Receivables related to other securities at fair value through consolidated profit or loss represents securities sold under sale and repurchase agreements which the counterparty has the right, by contract or custom, to sell or re-pledge. The repurchase agreements were short-term in nature and matured in October 2015. At 30 September 2015 trading securities included Federal loan bonds (OFZ) with fair value of RR 288 713 thousand pledged under sale and repurchase agreements (31 December 2014: RR 2 279 673 thousand). Refer to Notes 15 and 28.

Currency, geographical and liquidity analysis of other securities at fair value through consolidated profit or loss and Repurchase Receivables related to Other securities at Fair Value Through Consolidated Profit or Loss are disclosed in Note 26.

9 Due from Other Banks

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Short-term placements with other banks with original maturities of more than three months and less than one year	22 935 768	3 149 101
Long-term placements with other banks with original maturities of more than one year	7 132 707	12 245 610
Total due from other banks	30 068 475	15 394 711

As at 30 September 2015 and 31 December 2014 due from other banks are neither past due nor impaired.

Disclosure of the fair value of due from other banks is presented in Note 29.

Currency, geographical and liquidity analysis of due from other banks are disclosed in Note 26. The information on related party balances is disclosed in Note 30.

10 Loans and Advances to Customers

	30 September 2015 (Unaudited)	31 December 2014
<i>In thousands of Russian Roubles</i>		
Loans to corporate customers (Corporate loans)	340 004 513	347 282 547
Loans to individuals (Retail loans)	191 245 198	210 110 051
Loans to medium entities (Middle business)	20 133 284	20 773 839
Loans to small and micro entities (SME loans)	15 559 971	21 172 885
Loans to state and municipal organisations (Public sector)	1 791	4 262
Total gross loans and advances to customers	566 944 757	599 343 584
Less: Provision for loan impairment	(34 030 538)	(25 254 142)
Total loans and advances to customers	532 914 219	574 089 442

Movements in the provision for loan impairment during nine-month period ended 30 September 2015 are as follows:

	Loans to corporate customers	Loans to medium entities	Retail loans	Loans to small and micro entities	Total
<i>In thousands of Russian Roubles</i>					
Provision for loan impairment at 1 January 2015	11 852 959	901 549	11 240 462	1 259 172	25 254 142
Charge of provision for impairment during the period	2 435 602	186 660	6 122 876	1 211 734	9 956 872
Disposal of provisions as a result of disposal of loans	(235 147)	(3 489)	(377 787)	(448 289)	(1 064 712)
Amounts written off during the period as uncollectible	(1 244 260)	(55 743)	(185 741)	(21 881)	(1 507 625)
Exchange differences on provision for loan impairment	1 166 176	(23 908)	249 627	(34)	1 391 861
Provision for loan impairment at 30 September 2015 (Unaudited)	13 975 330	1 005 069	17 049 437	2 000 702	34 030 538

Movements in the provision for loan impairment during three-month period ended 30 September 2015 are as follows:

	Loans to corporate customers	Loans to medium entities	Retail loans	Loans to small and micro entities	Total
<i>In thousands of Russian Roubles</i>					
Provision for loan impairment at 1 July 2015	11 917 121	1 073 466	15 628 415	1 845 275	30 464 277
Charge of provision for impairment during the period	1 048 826	(84 553)	1 300 508	175 484	2 440 265
Disposal of provisions as a result of disposal of loans	(149 869)	(2 991)	(4 729)	(9 166)	(166 755)
Amounts written off during the period as uncollectible	(15 684)	(17 810)	(164 260)	(10 906)	(208 660)
Exchange differences on provision for loan impairment	1 174 936	36 957	289 503	15	1 501 411
Provision for loan impairment at 30 September 2015 (Unaudited)	13 975 330	1 005 069	17 049 437	2 000 702	34 030 538

10 Loans and Advances to Customers (Continued)

The provision for loan impairment during 9 months 2015 differs from the amount presented in Consolidated Condensed Interim Statement of Profit or Loss for the period due to RR 147 347 thousand recovery of amounts previously written-off as uncollectible (nine-month period ended 30 September 2014: RR 0 thousand). This amount relates to Loans to corporate customers and was credited directly to the provisions line in Consolidated Condensed Interim Statement of Profit or Loss for the period.

Movements in the Retail provision by product for loan impairment during nine-month period ended 30 September 2015 are as follows:

<i>In thousands of Russian Roubles</i>	Unsecured customer loans	Mortgage loans	Car loans	Credit cards and overdrafts	Total
Provision for loan impairment at 1 January 2015	6 633 389	838 226	1 579 864	2 188 983	11 240 462
Charge of provision for impairment during the period	3 595 514	827 337	693 006	1 007 019	6 122 876
Disposal of provisions as a result of disposal of loans	(260 464)	(111 508)	(5 408)	(407)	(377 787)
Amounts written off during the period as uncollectible	(85 223)	(66 332)	(29 571)	(4 615)	(185 741)
Exchange differences on provision for loan impairment	13 786	174 664	34 150	27 027	249 627
Provision for loan impairment at 30 September 2015	9 897 002	1 662 387	2 272 041	3 218 007	17 049 437

Movements in the Retail provision by product for loan impairment during three-month period ended 30 September 2015 are as follows:

<i>In thousands of Russian Roubles</i>	Unsecured customer loans	Mortgage loans	Car loans	Credit cards and overdrafts	Total
Provision for loan impairment at 1 July 2015	9 236 865	1 247 291	2 151 527	2 992 732	15 628 415
Charge of provision for impairment during the period	720 650	277 018	109 415	193 425	1 300 508
Disposal of provisions as a result of disposal of loans	(116)	(3 146)	(1 349)	(118)	(4 729)
Amounts written off during the period as uncollectible	(77 417)	(58 947)	(25 084)	(2 812)	(164 260)
Exchange differences on provision for loan impairment	17 020	200 171	37 532	34 780	289 503
Provision for loan impairment at 30 September 2015	9 897 002	1 662 387	2 272 041	3 218 007	17 049 437

10 Loans and Advances to Customers (Continued)

Movements in the provision for loan impairment during nine-month period ended 30 September 2014 are as follows:

	Loans to corporate customers	Loans to medium entities	Retail loans	Loans to small and micro entities	Total
Provision for loan impairment at 1 January 2014	9 600 286	540 973	6 460 459	683 099	17 284 817
Charge of provision for impairment during the period	1 362 811	364 691	3 157 069	447 409	5 331 980
Disposal of provisions as a result of disposal of loans	(249 789)	-	(9 603)	(25 360)	(284 752)
Amounts written off during the period as uncollectible	(414 130)	(57 249)	(117 171)	(44 449)	(632 999)
Exchange differences on provision for loan impairment	376 467	980	115 242	233	492 922
Provision for loan impairment at 30 September 2014 (Unaudited)	10 675 645	849 395	9 605 996	1 060 932	22 191 968

Movements in the provision for loan impairment during three-month period ended 30 September 2014 are as follows:

	Loans to corporate customers	Loans to medium entities	Retail loans	Loans to small and micro entities	Total
Provision for loan impairment at 1 July 2014	9 304 280	653 488	8 768 225	983 193	19 709 186
Charge of provision for impairment during the period	1 063 475	188 343	841 836	104 631	2 198 285
Disposal of provisions as a result of disposal of loans	(23 428)	-	(4 344)	(22 549)	(50 321)
Amounts written off during the period as uncollectible	(390)	-	(91 242)	(4 216)	(95 848)
Exchange differences on provision for loan impairment	331 708	7 564	91 521	(127)	430 666
Provision for loan impairment at 30 September 2014 (Unaudited)	10 675 645	849 395	9 605 996	1 060 932	22 191 968

10 Loans and Advances to Customers (Continued)

Movements in the Retail provision by product for loan impairment during nine-month period ended 30 September 2014 are as follows:

<i>In thousands of Russian Roubles</i>	Unsecured customer loans	Mortgage loans	Car loans	Credit cards and overdrafts	Total
Provision for loan impairment at 1 January 2014	3 679 256	540 030	930 904	1 310 269	6 460 459
Charge/(release) of provision for impairment during the period	2 185 365	(88 186)	499 872	560 018	3 157 069
Disposal of provisions as a result of disposal of loans	(3 687)	(1 513)	(4 026)	(377)	(9 603)
Amounts written off during the period as uncollectible	(15 143)	(361)	(98 110)	(3 557)	(117 171)
Exchange differences on provision for loan impairment	11 761	49 804	31 533	22 144	115 242
Provision for loan impairment at 30 September 2014	5 857 552	499 774	1 360 173	1 888 497	9 605 996

Movements in the Retail provision by product for loan impairment during three-month period ended 30 September 2014 are as follows:

<i>In thousands of Russian Roubles</i>	Unsecured customer loans	Mortgage loans	Car loans	Credit cards and overdrafts	Total
Provision for loan impairment at 1 July 2014	5 318 203	509 661	1 298 263	1 642 098	8 768 225
Charge/(release) of provision for impairment during the period	534 128	(49 336)	124 559	232 485	841 836
Disposal of provisions as a result of disposal of loans	(432)	(1 513)	(2 227)	(172)	(4 344)
Amounts written off during the period as uncollectible	(3 882)	-	(85 793)	(1 567)	(91 242)
Exchange differences on provision for loan impairment	9 535	40 962	25 371	15 653	91 521
Provision for loan impairment at 30 September 2014	5 857 552	499 774	1 360 173	1 888 497	9 605 996

During the nine-month period ended 30 September 2015 the Bank disposed loans to customers under cession and other agreements with the total gross value of RR 5 020 754 thousand (nine-month period ended 30 September 2014: RR 1 767 110 thousand) for cash proceeds of RR 3 822 276 thousand (nine-month period ended 30 September 2014: RR 1 388 263) and other assets with carrying value of RR 159 205 thousand (nine-month period ended 30 September 2014: RR 132 554 thousand). As of the date of disposal during the nine-month period ended 30 September 2015 these loans were provided for impairment in the total amount of RR 1 064 712 thousand (nine-month period ended 30 September 2014: RR 284 752 thousand). The net financial result of a loan disposal during the nine-month period ended 30 September 2015 recognized in the consolidated condensed interim statement of profit or loss and other comprehensive income was a gain of RR 25 439 thousand (nine-month period ended 30 September 2014: RR 38 459 thousand).

10 Loans and Advances to Customers (Continued)

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

<i>In thousands of Russian Roubles</i>	30 September 2015		31 December 2014	
	(Unaudited)			
	Amount	%	Amount	%
Individuals	191 245 198	33.74%	210 110 051	35.07%
Manufacturing	130 448 342	23.01%	124 938 531	20.84%
Real estate	106 717 719	18.82%	109 382 358	18.24%
Trade	45 932 964	8.10%	46 187 989	7.71%
Mining	35 635 243	6.29%	46 077 150	7.69%
Transport, storage and communication	29 821 236	5.26%	43 231 968	7.21%
Financial services	12 130 446	2.14%	7 169 964	1.20%
Health and social work	3 932 707	0.69%	1 571 398	0.26%
Electricity, gas and water supply	3 640 038	0.64%	4 654 625	0.78%
Agriculture, hunting and forestry	3 290 166	0.58%	1 994 618	0.33%
Hotels and restaurants	2 074 036	0.37%	2 202 719	0.37%
Other	2 076 662	0.36%	1 822 213	0.30%
Total loans and advances to customers (before provision for loan impairment)	566 944 757	100%	599 343 584	100.00%

10 Loans and Advances to Customers (Continued)

Analysis by credit quality of loans granted to legal entities outstanding at 30 September 2015 is as follows:

	Loans to corporate customers	Loans to medium entities	Loans to small and micro entities	Public sector	Total
<i>In thousands of Russian Roubles</i>					
<i>Neither past due nor impaired loans, assessed for impairment on a collective basis</i>					
Minimal risk	12 383 741	-	-	118	12 383 859
Excellent credit standing	50 172 932	-	-	-	50 172 932
Very good credit standing	48 432 458	-	433	110	48 433 001
Good credit standing	108 268 886	654 395	976 253	-	109 899 534
Sound credit standing	42 342 035	4 381 378	2 145 897	-	48 869 310
Acceptable credit standing	34 179 153	9 503 732	2 562 387	-	46 245 272
Marginal credit standing	4 373 752	3 579 825	5 976 599	1 563	13 931 739
Weak credit standing	10 686 552	300 589	888 291	-	11 875 432
Very weak credit standing	-	254 816	166 570	-	421 386
Total neither past due nor impaired loans, assessed for impairment on collective basis (gross)	310 839 509	18 674 735	12 716 430	1 791	342 232 465
<i>Past due but not impaired loans, assessed for impairment on a collective basis</i>					
- less than 30 days overdue	1 535 426	106 947	465 578	-	2 107 951
- 31 – 60 days overdue	-	-	179 231	-	179 231
- 61 – 90 days overdue	-	28	99 691	-	99 719
- 91 – 180 days overdue	-	-	-	-	-
Total past due but not impaired loans, assessed for impairment on collective basis (gross)	1 535 426	106 975	744 500	-	2 386 901
<i>Loans individually determined to be impaired</i>					
- not overdue	6 739 770	64 028	62 086	-	6 865 884
- less than 30 days overdue	39 421	-	19 245	-	58 666
- 31 – 60 days overdue	-	-	4 035	-	4 035
- 61 – 90 days overdue	-	57 903	16 689	-	74 592
- 91 – 180 days overdue	-	353 097	380 293	-	733 390
- 181 – 364 days overdue	5 430 788	131 427	672 422	-	6 234 637
- over 365 days overdue	15 419 599	745 119	944 271	-	17 108 989
Total loans individually determined to be impaired (gross)	27 629 578	1 351 574	2 099 041	-	31 080 193
Total gross loans and advances to customers	340 004 513	20 133 284	15 559 971	1 791	375 699 559
Less: Provision for loan impairment	(13 975 329)	(1 005 069)	(2 000 703)	-	(16 981 101)
Total loans and advances to customers	326 029 184	19 128 215	13 559 268	1 791	358 718 458

10 Loans and Advances to Customers (Continued)

Analysis by credit quality of loans granted to legal entities outstanding at 31 December 2014 is as follows:

	Loans to corporate customers	Loans to medium entities	Loans to small and micro entities	Public sector	Total
<i>In thousands of Russian Roubles</i>					
<i>Neither past due nor impaired loans, assessed for impairment on a collective basis</i>					
Minimal risk	3 011 734	-	1 557	42	3 013 333
Excellent credit standing	53 706 539	-	12 285	-	53 718 824
Very good credit standing	58 272 175	-	36 752	13	58 308 940
Good credit standing	136 259 943	377 378	685 619	-	137 322 940
Sound credit standing	43 297 982	3 618 563	2 039 848	-	48 956 393
Acceptable credit standing	11 770 777	9 005 023	5 386 908	2 043	26 164 751
Marginal credit standing	7 582 775	6 345 929	8 517 162	2 164	22 448 030
Weak credit standing	11 101 533	232 085	2 450 356	-	13 783 974
Very weak credit standing	-	49 596	211 686	-	261 282
Total neither past due nor impaired loans, assessed for impairment on collective basis (gross)	325 003 458	19 628 574	19 342 173	4 262	363 978 467
<i>Past due but not impaired loans, assessed for impairment on a collective basis</i>					
- less than 30 days overdue	731 047	-	341 094	-	1 072 141
- 31 – 60 days overdue	97 050	55 519	88 213	-	240 782
- 61 – 90 days overdue	-	-	91 503	-	91 503
- 91 – 180 days overdue	-	-	1 025	-	1 025
Total past due but not impaired loans, assessed for impairment on collective basis (gross)	828 097	55 519	521 835	-	1 405 451
<i>Loans individually determined to be impaired</i>					
- not overdue	5 131 459	3 268	11 044	-	5 145 771
- less than 30 days overdue	10 045	-	54 725	-	64 770
- 31 – 60 days overdue	-	21 125	5 971	-	27 096
- 61 – 90 days overdue	-	-	75 784	-	75 784
- 91 – 180 days overdue	1 907 016	695 798	247 278	-	2 850 092
- 181 – 364 days overdue	6 480 787	147 528	405 509	-	7 033 824
- over 365 days overdue	7 921 685	222 027	508 566	-	8 652 278
Total loans individually determined to be impaired (gross)	21 450 992	1 089 746	1 308 877	-	23 849 615
Total gross loans and advances to customers	347 282 547	20 773 839	21 172 885	4 262	389 233 533
Less: Provision for loan impairment	(11 852 959)	(901 549)	(1 259 172)	-	(14 013 680)
Total loans and advances to customers	335 429 588	19 872 290	19 913 713	4 262	375 219 853

10 Loans and Advances to Customers (Continued)

Analysis by credit quality of retail loans outstanding at 30 September 2015 is as follows:

<i>In thousands of Russian Roubles</i>	Unsecured consumer loans	Mortgage loans	Car loans	Credit cards and overdrafts	Total Retail Loans
<i>Current and not impaired loans, assessed for impairment on a collective basis</i>					
Very good credit standing	-	46 046 783	24 312 041	-	70 358 824
Good credit standing	80 544 489	-	-	14 148 628	94 693 117
Total current and not impaired loans, assessed for impairment on a collective basis	80 544 489	46 046 783	24 312 041	14 148 628	165 051 941
<i>Past due but not impaired loans, assessed for impairment on a collective basis</i>					
- less than 30 days overdue	2 495 531	1 447 583	881 185	1 735 216	6 559 515
- 31 – 60 days overdue	640 571	622 527	238 827	236 395	1 738 320
- 61 – 90 days overdue	495 038	375 902	146 065	151 902	1 168 907
Total past due but not impaired loans, assessed for impairment on a collective basis	3 631 140	2 446 012	1 266 077	2 123 513	9 466 742
<i>Loans individually determined to be impaired</i>					
- not overdue	134 610	156 718	19 349	39 403	350 080
- less than 30 days overdue	33 831	32 245	13 843	12 805	92 724
- 31 – 60 days overdue	21 207	22 269	5 744	4 654	53 874
- 61 – 90 days overdue	19 801	21 157	8 969	7 726	57 653
- 91 – 180 days overdue	1 328 175	399 726	366 740	435 730	2 530 371
- 181 – 364 days overdue	2 281 501	880 205	520 104	1 145 650	4 827 460
- over 365 days overdue	5 162 816	1 032 255	1 249 960	1 369 322	8 814 353
Total individually impaired loans (gross)	8 981 941	2 544 575	2 184 709	3 015 290	16 726 515
Total gross loans and advances to customers	93 157 570	51 037 370	27 762 827	19 287 431	191 245 198
Less: Provision for loan impaired	(9 897 002)	(1 662 387)	(2 272 041)	(3 218 007)	(17 049 437)
Total loans and advances to customers	83 260 568	49 374 983	25 490 786	16 069 424	174 195 761

10 Loans and Advances to Customers (Continued)

Analysis by credit quality of retail loans outstanding at 31 December 2014 is as follows:

<i>In thousands of Russian Roubles</i>	Unsecured consumer loans	Mortgage loans	Car loans	Credit cards and overdrafts	Total Retail Loans
<i>Neither past due nor impaired loans, assessed for impairment on a collective basis</i>					
Very good credit standing	-	48 684 028	38 590 936	-	87 274 964
Good credit standing	91 045 699	-	-	13 554 547	104 600 246
Total neither past due nor impaired loans, assessed for impairment on collective basis (gross)	91 045 699	48 684 028	38 590 936	13 554 547	191 875 210
<i>Past due but not impaired loans, assessed for impairment on a collective basis</i>					
- less than 30 days overdue	1 887 997	992 350	762 162	1 385 880	5 028 389
- 31 – 60 days overdue	583 975	468 721	217 658	207 117	1 477 471
- 61 – 90 days overdue	394 696	215 824	117 409	128 291	856 220
Total past due but not impaired loans, assessed for impairment on a collective basis	2 866 668	1 676 895	1 097 229	1 721 288	7 362 080
<i>Loans individually determined to be impaired</i>					
- not overdue	59 021	154 681	21 065	35 705	270 472
- less than 30 days overdue	19 983	39 245	10 856	12 643	82 727
- 31 – 60 days overdue	15 556	75 204	8 215	7 452	106 427
- 61 – 90 days overdue	15 046	30 677	11 997	8 079	65 799
- 91 – 180 days overdue	1 001 720	360 606	284 994	329 678	1 976 998
- 181 – 364 days overdue	1 588 662	173 522	404 883	832 186	2 999 253
- over 365 days overdue	3 200 329	651 291	754 212	765 253	5 371 085
Total individually impaired loans (gross)	5 900 317	1 485 226	1 496 222	1 990 996	10 872 761
Total gross loans and advances to customers	99 812 684	51 846 149	41 184 387	17 266 831	210 110 051
Less: Provision for loan impairment	(6 633 389)	(838 226)	(1 579 864)	(2 188 983)	(11 240 462)
Total loans and advances to customers	93 179 295	51 007 923	39 604 523	15 077 848	198 869 589

Disclosure of the fair value of the Group's loans and advances to customers at 30 September 2015 and 31 December 2014 is presented in Note 29. Currency, geographical and liquidity analysis of loans and advances to customers are disclosed in Note 26. The information on related party balances is disclosed in Note 30.

11 Investment Securities Available for Sale

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Eurobonds of the European Bank for Reconstruction and Development	1 477 270	1 517 323
Total investment securities available for sale	1 477 270	1 517 323

As of 30 September 2015 eurobonds were neither past due nor impaired and had minimal risk rating.

This bond is denominated in the Russian Roubles and matures in 2016 and has coupon rates of 11.53%.

For the disclosure of credit risk management refer to Note 26.

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

12 Investment Securities Held to Maturity

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Eurobonds of the European Bank for Reconstruction and Development	5 687 937	-
Corporate eurobonds	3 000 160	-
Corporate bonds	524 890	510 760
Total gross investment securities held to maturity	9 212 987	510 760
Less: Provision for impairment	(1 005)	(978)
Total investment securities held to maturity	9 211 982	509 782

Refer to Note 29 for the disclosure of the fair value of each class of investment securities held to maturity. Currency, geographical and liquidity analysis of investment securities held to maturity are disclosed in Note 26.

13 Derivatives and Other Financial Assets

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Fair value of currency rate based financial derivatives	46 768 525	48 554 933
Fair value of interest rate based financial derivatives	4 517 234	6 142 184
Plastic card receivables	1 501 604	2 026 975
Trade receivables	32 311	52 600
Total derivatives and other financial assets	52 819 674	56 776 692

Currency, geographical and liquidity analysis of derivatives and other financial assets are disclosed in Note 26. The information on related party balances is disclosed in Note 30.

14 Non-Current Assets Classified as Disposal Groups

Major classes of non-current assets classified as disposal groups are as follows:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
<i>Assets of a disposal group held for sale:</i>		
Cash and cash equivalents	15 405 019	-
Other securities at fair value through consolidated profit or loss	8 488 459	-
Due from other banks	6 292 085	-
Loans and advances to customers	26 088	-
Premises and equipment	5 512	-
Intangible assets	3 746	-
Other assets	3 805	-
Total assets of disposal group held for sale	30 224 714	-

Major classes of liabilities directly associated with disposal groups held for sale are as follows:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
<i>Liabilities of a disposal group held for sale:</i>		
Customer accounts	4 659 857	-
Insurance contracts	29 290 109	-
Other liabilities	293 057	-
Total liabilities directly associated with disposal group held for sale	34 243 023	-

15 Due to Other Banks

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Short-term placements of other banks	4 427 818	7 967 318
Correspondent accounts and overnight placements of other banks	4 246 200	20 670 570
Long-term placements of other banks	3 783 829	5 943 601
Direct sale and repurchase agreements with securities with the CBRF and other banks and other financial institutions	927 783	1 983 277
Secured funding facility with Central Bank	-	40 956 821
Total due to other banks	13 385 630	77 521 587

At 30 September 2015 included in due to banks are deposits of RR 68 980 thousand (31 December 2014: RR 96 145 thousand) held as collateral for irrevocable commitments under guarantees.

At 30 September 2015 included in amounts due to other banks are liabilities of RR 927 783 thousand (31 December 2014: RR 1 983 277) from sale and repurchase agreements. Refer to Notes 7, 8 and 28. As at 30 September 2015 the fair value of securities purchased under reverse securities sale and repurchase agreements and sold under direct sale and repurchase agreements with other banks amounted to RR 738 347 thousand (31 December 2014: nil thousand).

15 Due to Other Banks (Continued)

The Bank had access to a CBRF secured funding facility amounting to nil thousand (31 December 2014: 40 956 821 thousand), pledged with corporate loans in the amount of nil thousand (31 December 2014: 59 594 077 thousand). At 31 December 2014 the CBRF secured funding facility had the interest rates from 17.25% to 18.75% in RUR and maturity from 6 to 18 months.

Currency, geographical and liquidity analysis of due to other banks are disclosed in Note 26. The information on related party balances is disclosed in Note 30.

16 Customer Accounts

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
State and public organisations		
- Current/settlement accounts	1 201 784	1 555 536
- Term deposits	39 029 694	13 127
Legal entities		
- Current/settlement accounts	151 619 332	132 306 314
- Term deposits	56 106 010	87 039 761
Individuals		
- Current/demand accounts	136 022 321	137 328 703
- Term deposits	197 888 623	173 657 059
Total customer accounts	581 867 764	531 900 500

At 30 September 2015 the Group had one customer (31 December 2014: no customers) with a balance above 10% of consolidated equity of the Group as at this date. The balance of this customer was RR 39 015 879 thousand (31 December 2014: no) or 6.71% of total customer accounts.

At 30 September 2015 included in customer accounts are deposits of RR 96 298 thousand (31 December 2014: RR 36 196 thousand) held as collateral for irrevocable commitments under import letters of credit. Refer to Note 28.

At 30 September 2015 included in customer accounts are deposits of RR 1 617 694 thousand (31 December 2014: RR 4 446 495 thousand) held as collateral for irrevocable commitments under guarantees. Refer to Note 28.

Disclosure of the fair value of the Group's customer accounts at 30 September 2015 is presented in Note 29, Currency, geographical and liquidity analysis of customer accounts are disclosed in Note 26. The information on related party balances is disclosed in Note 30.

16 Customer Accounts (Continued)

Analysis of customer accounts by segments is set out below:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Customer accounts of individuals (Retail)	333 910 944	310 985 762
Customer accounts of corporates (Corporate)	158 997 290	178 204 581
Customer accounts of small and micro entities (SME)	26 274 826	18 911 156
Customer accounts of medium entities (Middle business)	22 453 226	22 230 338
Customer accounts of state and municipal organisations (Public sector)	40 231 478	1 568 663
Total customer accounts	581 867 764	531 900 500

17 Term Borrowings from the Parent Bank

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Loans from the Parent Bank maturing in 2015 – 2018	31 724 941	45 335 058
Subordinated Loans from the Parent Bank	35 058 097	16 658 092
Total term borrowings from the Parent Bank	66 783 038	61 993 150

In August 2014 the Group raised two Subordinated loans from the Parent Bank. Loan in the amount of USD 130 193 thousand is made available for an indefinite period of time. Borrower may repay the loan at its option but only with the consent of the lender and a written consent of CBRF, on the 5th anniversary of the date of inclusion the loan into own funds and each subsequent anniversary of the date. Loan in the amount USD 165 091 thousand has a maturity date on 16 August, 2021. For both loans the Group shall pay interest on the outstanding principal amounts based on the Libor dependent floating interest rates.

In April 2015 the Group raised a Subordinated loan from the Parent Bank in amount of USD 228 160 thousand. The loan has maturity date on 30 April, 2020. The Group shall pay interest on the outstanding principal amount based on the Libor dependent floating interest rates.

Carrying value of each class of term borrowings from the Parent Bank approximates fair value at 30 September 2015 and 31 December 2014 as all these liabilities bear a floating interest rate. Refer to Note 29.

Currency, geographical and liquidity analysis of term borrowings from the Parent Bank are disclosed in Note 26. The information on related party balances is disclosed in Note 30.

18 Term Borrowing from Other Financial Institutions

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Loans secured by diversified payment rights	-	9 355 939
Loans from development banks maturing in 2015	-	465 471
Total term borrowings from other financial institutions	-	9 821 410

18 Term Borrowing from Other Financial Institutions (Continued)

In June 2012 the Group issued floating rate loan participation notes in the total amount of USD 175 million secured by the Bank's diversified payment rights, i.e. the rights to funds being transferred to the Bank's USD and EUR correspondent accounts. The Notes were repaid on 30 June 2015. Outstanding amount of secured obligations at 30 September 2015 is nil (31 December 2014: USD 166 303 thousand).

The Group is subject to certain covenants related to its term borrowings from other financial institutions. Refer to Note 28.

Carrying value of each class of term borrowings from other financial institutions approximates fair value at 30 September 2015 and 31 December 2014 as all these liabilities bear floating interest rate. Refer to Note 29.

Currency, geographical and liquidity analysis of term borrowings from other financial institutions are disclosed in Note 26. The information on related party balances is disclosed in Note 30.

19 Derivatives and Other Financial Liabilities

Derivatives and other financial liabilities comprise the following:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Fair value of currency rate based financial derivatives	45 021 486	57 662 938
Prepayment for non-current assets held for sale	6 947 638	-
Fair value of interest rate based financial derivatives	5 443 772	3 260 581
Shortselling of trading assets	3 144 378	2 764 825
Other accrued expenses	1 163 851	2 663 823
Plastic cards payables	294 659	281 141
Provision for credit related commitments	108 704	130 156
Settlements on conversion operations	74 210	16 309
Trade payables	37 889	105 177
Other	1 223	484
Total derivatives and other financial liabilities	62 237 810	66 885 434

Movement in the provisions for credit related commitments during nine-months period ended 30 September 2015 includes provision release of RR 31 941 thousand (during nine-months period ended 30 September 2014: release of RR 128 427 thousand). Fx effect in amount RR (10 489) (during nine-months period ended 30 September 2014: RR (14 561) thousand) was removed from Release of provisions for credit related commitments to Foreign exchange translation gains less losses.

Shortselling of trading assets are selling deals of bond securities that the Group has obtained as collaterals in reverse repo agreements or currently doesn't keep in its own securities' portfolio.

Currency, geographical and liquidity analysis of derivatives and other financial liabilities are disclosed in Note 26. Information on related party transactions is presented in Note 30.

20 Interest Income and Expense

<i>In thousands of Russian Roubles</i>	Nine-Month Period Ended 30 September 2015 (Unaudited)	Three-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)	Three-Month Period Ended 30 September 2014 (Unaudited)
Interest income				
Loans and advances to retail customers	22 633 856	7 407 967	21 267 087	7 425 205
Loans and advances to legal entities	22 587 185	7 331 200	16 066 033	5 553 320
Foreign exchange swap contracts	12 937 000	3 255 177	6 351 282	2 623 225
Interest rate swap contracts	10 905 481	3 425 060	4 037 761	1 747 953
Cross-currency interest rate swap contracts	4 398 908	1 949 867	4 407 599	1 323 320
Due from other banks	1 831 940	790 563	1 089 015	657 138
Other securities at fair value through profit and loss	937 712	293 155	1 675 146	758 100
Trading securities	890 617	365 991	1 364 379	468 109
Interest income from repo transactions	821 091	416 083	1 006 695	540 073
Debt securities held to maturity	373 110	127 529	42 176	12 327
Interest income on impaired financial assets	120 591	15 685	71 707	390
Investment securities available for sale	149 124	46 219	89 226	35 156
Total interest income	78 586 615	25 424 496	57 468 106	21 144 316
Interest expense				
Interest rate swap contracts	9 091 032	3 188 059	4 225 367	1 750 457
Term deposits of individuals	7 435 515	2 780 479	4 623 066	1 484 569
Term deposits of legal entities	6 411 694	1 582 970	3 935 455	1 487 725
Current/settlement accounts	5 153 126	1 167 138	2 548 083	1 021 294
Cross-currency interest rate swap contracts	3 457 319	1 119 916	3 615 750	1 371 132
Foreign exchange swap contracts	3 371 751	805 536	1 906 335	1 037 205
Placements of the Central Bank	2 539 147	822 688	448 917	330 022
Term borrowings from the Parent Bank	2 436 546	991 371	663 043	237 641
Interest expense on Insurance liabilities	2 018 075	820 337	620 870	214 289
Term placements of other banks	1 749 408	676 341	1 073 433	295 576
Debt securities in issue	1 616 718	644 976	610 296	224 755
Term borrowings from other financial institutions	421 879	50 923	180 624	64 003
Interest expense from repo transactions	234 888	31 165	1 500 690	549 904
Correspondent accounts of other banks	57 890	13 056	53 773	32 130
Total interest expense	45 994 988	14 694 955	26 005 702	10 100 702
Net interest income	32 591 627	10 729 541	31 462 404	11 043 614

21 Fee and Commission Income and Expense

<i>In thousands of Russian Roubles</i>	Nine-Month Period Ended 30 September 2015 (Unaudited)	Three-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)	Three-Month Period Ended 30 September 2014 (Unaudited)
Fee and commission income				
Commissions on operations with plastic cards	7 008 939	2 662 376	5 924 657	2 103 642
Commissions on settlement transactions	1 292 981	498 542	1 063 625	398 762
Commissions on documentary business and guarantees	1 155 449	406 656	804 407	352 985
Agent insurance fee	987 806	331 668	1 234 347	512 455
Commissions on cash operations	625 329	209 782	669 669	235 251
Fiduciary activities	612 102	209 750	444 157	153 325
Early and late repayment fees	605 073	246 074	544 335	160 249
Commissions on export operations	387 650	143 823	333 601	127 304
Consulting service income	280 767	61 126	136 565	67 154
Credit facility fee	283 959	73 650	431 552	103 309
Commissions on transactions with securities	184 847	43 118	115 619	18 766
Commissions from investment banking	99 949	76 919	89 799	12 416
Other	255 419	85 210	239 078	72 695
Total fee and commission income	13 780 270	5 048 694	12 031 411	4 318 313
Fee and commission expense				
Commissions on operations with plastic cards	4 079 585	1 533 922	2 790 882	1 114 013
Commissions on settlement transactions	323 531	105 760	632 541	182 054
Commissions on cash operations	285 949	98 827	241 255	82 923
Commissions on transactions with securities	158 180	55 730	102 083	36 196
Credit facility fee	4 705	108	112 767	23 773
Other	220 736	84 351	180 982	74 676
Total fee and commission expense	5 072 686	1 878 698	4 060 510	1 513 635
Net fee and commission income	8 707 584	3 169 996	7 970 901	2 804 678

22 Unrealized Gains less Losses/(Losses less Gains) from Derivative Financial Instruments

<i>In thousands of Russian Roubles</i>	Nine-Month Period Ended 30 September 2015 (Unaudited)	Three-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)	Three-Month Period Ended 30 September 2014 (Unaudited)
Foreign exchange swaps	8 460 188	(11 451 193)	(5 129 662)	(5 901 742)
Cross currency interest rate swaps	1 416 998	(2 045 074)	(1 720 594)	(104 186)
Interest rate swaps	299 077	(9 486)	913 013	169 606
Foreign exchange options	172 475	40 298	(2 235)	(5 333)
Forwards with securities	(3 293)	1 028	441	(3 475)
Foreign exchange forwards	(33 201)	1 360 089	1 006 612	406 507
Total unrealized gains less losses/(losses less gains) from derivative financial instruments	10 312 244	(12 104 338)	(4 932 425)	(5 438 623)

23 Realized Gains less Losses from Derivative Financial Instruments

<i>In thousands of Russian Roubles</i>	Nine-Month Period Ended 30 September 2015 (Unaudited)	Three-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)	Three-Month Period Ended 30 September 2014 (Unaudited)
Foreign exchange options	69 027	50 905	15 917	(4 162)
Foreign exchange futures	(38 234)	(19 199)	(26 532)	(5 269)
Foreign exchange forwards	(190 358)	(722 483)	731 419	45 069
Total realized gains less losses from derivative financial instruments	(159 565)	(690 777)	720 804	35 638

24 Administrative and Other Operating Expenses

<i>In thousands of Russian Roubles</i>	Nine-Month Period Ended 30 September 2015 (Unaudited)	Three-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)	Three-Month Period Ended 30 September 2014 (Unaudited)
Staff costs	9 081 114	3 366 924	9 517 306	2 958 655
Rent expenses	1 332 246	435 816	1 642 023	536 696
Amortisation of intangible assets	1 144 910	387 755	723 967	268 096
Depreciation of premises and equipment	1 036 562	354 234	1 052 010	407 789
IT services	1 011 610	291 999	976 309	533 741
Deposit insurance fee	924 673	324 580	785 536	261 457
Professional services	814 346	397 572	625 458	219 761
Premises and equipment maintenance expenses	746 755	262 029	814 402	328 766
Advertising and marketing	331 311	99 916	484 231	150 546
Communication expenses	329 595	125 843	397 150	229 975
Taxes other than on income	165 347	55 424	165 389	20 684
Security expenses	106 013	39 085	151 246	59 306
Other	1 039 077	268 837	785 186	377 300
Total administrative and other operating expenses	18 063 559	6 410 014	18 120 213	6 352 772

25 Segment Analysis

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person – or group of persons – who allocates resources and assesses the performance for the entity. The functions of the CODM are performed by Managing board of the Group.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is organized on a basis of three primary business divisions:

- Corporate banking – comprises corporate lending, loans to corporate entities and state and municipal organizations, corporate deposit services, trade finance operations, structured corporate lending, corporate finance advisory services and leasing services.
- Retail banking – comprises retail demand and term deposit services, credit and debit card services, retail lending, including consumer loans and personal instalment loans and loans to small and micro entities, auto loans and mortgages, money transfers and private banking services.

25 Segment Analysis (Continued)

- Proprietary business – comprises securities trading, debt and equity capital markets services, foreign currency and derivative products, structured financing, lending, including loans and advances to banks and other financial institutions and other transactions.

In addition to the primary business divisions, the performance of the Group is being assessed on a basis of seven geographical regions (“Hubs”) located across the Russian Federation. These geographical hubs are: Moscow, Centre, North-West, Siberia, South, Ural and Volga.

(b) Factors that management used to identify the reportable segments

The Group’s business divisions are strategic business units that focus on different customers. They are managed separately because each business unit requires different marketing strategies and service level.

(c) Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are materially the same as those described in the summary of significant accounting policies except for: (i) the fair value changes in available for sale securities that are reported within the segments’ profits or losses rather than in other comprehensive income; (ii) use of a transfer pricing system, (iii) different classification of certain lines of income and expenses and (iv) some balances and operations are excluded from segment analysis since they are monitored separately and on a less regular basis. In accordance with the transfer pricing system used by the Group funds are generally reallocated at internal interest rates, which are determined by reference to market interest rate benchmarks.

Segment assets and liabilities are reported to the CODM net of inter-segment assets and liabilities.

(d) Information about reportable segment profit or loss, assets and liabilities by business divisions

Assets and liabilities of business segments of the Group are set out below:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Corporate business	337 986 170	352 939 835
Retail business	193 405 215	227 808 611
Proprietary business	325 208 561	299 101 390
Total business division assets	856 599 946	879 849 836
Corporate business	162 642 806	181 790 824
Retail business	361 545 579	333 290 471
Proprietary business	231 314 197	265 588 215
Total business division liabilities	755 502 582	780 669 510

25 Segment Analysis (Continued)

Business divisions of the Group for the nine-month period ended 30 September 2015 are as follows:

<i>In thousands of Russian Roubles</i>	Corporate business (Unaudited)	Retail business (Unaudited)	Proprietary business (Unaudited)	Total (Unaudited)
Net interest result	10 483 673	18 789 056	4 000 597	33 273 326
Net fee and commission result	3 309 727	8 994 735	206 502	12 510 964
Provision for loan impairment	(2 594 157)	(7 331 145)	(5 758)	(9 931 060)
Trading result	79 381	-	2 136 276	2 215 657
Valuation result from hedge accounting and other derivative instruments	-	-	(168 953)	(168 953)
Net income from investments	(94 765)	-	625 951	531 186
General administrative expenses	(2 984 369)	(12 960 366)	(1 060 010)	(17 004 745)
Other operating loss	-	-	(481 380)	(481 380)
Total business division result before tax	8 199 490	7 492 280	5 253 225	20 944 995
Income taxes	-	-	-	(4 041 404)
Total business division result after tax	8 199 490	7 492 280	5 253 225	16 903 591

Business divisions of the Group for the three-month period ended 30 September 2015 are as follows:

<i>In thousands of Russian Roubles</i>	Corporate business (Unaudited)	Retail business (Unaudited)	Proprietary business (Unaudited)	Total (Unaudited)
Net interest result	3 288 687	6 260 487	1 093 000	10 642 174
Net fee and commission result	1 128 325	3 296 330	52 267	4 476 922
Provision for loan impairment	(948 170)	(1 540 432)	(5 043)	(2 493 645)
Trading result	(56 225)	-	505 269	449 044
Valuation result from hedge accounting and other derivative instruments	-	-	184 445	184 445
Net income from investments	-	-	(27 730)	(27 730)
General administrative expenses	(1 165 785)	(4 549 856)	(464 152)	(6 179 793)
Other operating loss	-	-	(12 281)	(12 281)
Total business division result before tax	2 246 832	3 466 529	1 325 775	7 039 136
Income taxes	-	-	-	(1 397 138)
Total business division result after tax	2 246 832	3 466 529	1 325 775	5 641 998

25 Segment Analysis (Continued)

Business divisions of the Group for the nine-month period ended 30 September 2014 are as follows:

<i>In thousands of Russian Roubles</i>	Corporate business (Unaudited)	Retail business (Unaudited)	Proprietary business (Unaudited)	Total (Unaudited)
Net interest result	6 623 889	16 782 372	5 928 735	29 334 996
Net fee and commission result	2 901 630	7 506 252	(86 824)	10 321 058
Provision for loan impairment	(1 661 818)	(3 579 989)	(7 352)	(5 249 159)
Trading result	61 124	6 309	(207 703)	(140 270)
Valuation result from hedge accounting and other derivative instruments	3 119	-	802 928	806 047
Net income from investments	2 859	-	(431 616)	(428 757)
General administrative expenses	(3 313 753)	(13 054 297)	(947 472)	(17 315 522)
Other operating loss	-	-	(272 743)	(272 743)
Total business division result before tax	4 617 050	7 660 647	4 777 953	17 055 650
Income taxes	-	-	-	(3 558 690)
Total business division result after tax	4 617 050	7 660 647	4 777 953	13 496 960

Business divisions of the Group for the three-month period ended 30 September 2014 are as follows:

<i>In thousands of Russian Roubles</i>	Corporate business (Unaudited)	Retail business (Unaudited)	Proprietary business (Unaudited)	Total (Unaudited)
Net interest result	2 397 561	5 831 208	2 638 177	10 866 946
Net fee and commission result	1 004 960	2 602 395	(17 513)	3 589 842
Provision for loan impairment	(1 387 397)	(935 889)	-	(2 323 286)
Trading result	106 330	1 354	(1 532 588)	(1 424 904)
Valuation result from hedge accounting and other derivative instruments	(4 643)	-	290 891	286 248
Net income from investments	-	-	3 814	3 814
General administrative expenses	(1 121 040)	(4 567 346)	(345 847)	(6 034 233)
Other operating loss	-	-	(152 234)	(152 234)
Total business division result before tax	995 771	2 931 722	884 700	4 812 193
Income taxes	-	-	-	(1 045 837)
Total business division result after tax	995 771	2 931 722	884 700	3 766 356

25 Segment Analysis (Continued)

Major customers

The Group does not have any single customer, from which it earns revenue representing 10% of more of the total revenues. Based on domicile of the customers substantially all of the revenues are from Russian customers.

Major ratio calculations for the reportable segment of the Group annualized for the nine-months period ended 30 September 2015 and actual the year ended 31 December 2014 are set out below:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Capital expenditure	2 278 666	4 582 209
Cost/income ratio	36.56%	45.54%
Average equity	101 866 897	108 221 327
Return on equity before tax	28.24%	20.26%
Return on equity after tax	22.84%	16.18%

Capital expenditure represents additions to non-current assets other than financial instruments.

(e) Information about reportable segment profit or loss, assets and liabilities by geographical location

Hubs of the Group as at 30 September 2015 and 31 December 2014 are as follows:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Head Office	316 469 799	295 230 593
Moscow	312 203 647	289 377 662
Centre	19 534 066	27 038 051
North-West	78 436 549	86 856 039
Siberia	29 699 203	47 231 836
South	31 931 145	37 316 863
Ural	38 069 367	42 999 990
Volga	30 256 170	53 798 802
Total hub assets	856 599 946	879 849 836
Head Office	168 644 193	245 654 347
Moscow	445 959 343	382 710 595
Centre	7 935 193	13 078 433
North-West	79 943 592	72 763 374
Siberia	9 416 265	17 892 785
South	12 194 348	11 484 377
Ural	10 788 174	14 546 221
Volga	20 621 474	22 539 378
Total hub liabilities	755 502 582	780 669 510

25 Segment Analysis (Continued)

Hubs of the Group for the nine-month period ended 30 September 2015 are as follows:

<i>In thousands of Russian Roubles</i>	Head Office (Unaudited)	Moscow (Unaudited)	Centre (Unaudited)	North-West (Unaudited)	Siberia (Unaudited)	South (Unaudited)	Ural (Unaudited)	Volga (Unaudited)	Total (Unaudited)
Net interest result	3 377 946	16 948 290	1 221 781	4 457 211	1 946 037	1 712 961	1 655 335	1 953 765	33 273 326
Net fee and commission result	(27 531)	7 571 461	469 397	1 995 172	721 707	542 132	509 679	728 947	12 510 964
Provision for loan impairment	4 020	(4 161 020)	(642 143)	(710 283)	(1 817 461)	(978 935)	(736 421)	(888 817)	(9 931 060)
Trading result	2 139 208	(62 711)	642	89 980	-	655	25 169	22 714	2 215 657
Valuation result from hedge accounting and other derivative instruments	(168 953)	-	-	-	-	-	-	-	(168 953)
Net income from investments	531 186	-	-	-	-	-	-	-	531 186
General administrative expenses	(851 943)	(8 158 239)	(839 817)	(2 302 370)	(1 459 663)	(1 077 012)	(996 594)	(1 319 107)	(17 004 745)
Other operating loss	(481 380)	-	-	-	-	-	-	-	(481 380)
Total hub result before tax	4 522 553	12 137 781	209 860	3 529 710	(609 380)	199 801	457 168	497 502	20 944 995
Income taxes	(4 041 404)	-	-	-	-	-	-	-	(4 041 404)
Total hub result after tax	481 149	12 137 781	209 860	3 529 710	(609 380)	199 801	457 168	497 502	16 903 591

25 Segment Analysis (Continued)

Hubs of the Group for the three-month period ended 30 September 2015 are as follows:

<i>In thousands of Russian Roubles</i>	Head Office (Unaudited)	Moscow (Unaudited)	Centre (Unaudited)	North-West (Unaudited)	Siberia (Unaudited)	South (Unaudited)	Ural (Unaudited)	Volga (Unaudited)	Total (Unaudited)
Net interest result	923 790	5 595 984	411 055	1 480 431	478 666	560 193	576 344	615 711	10 642 174
Net fee and commission result	(19 177)	2 781 047	170 398	720 827	197 969	183 888	175 866	266 104	4 476 922
Provision for loan impairment	4	(1 450 590)	(144 810)	(198 469)	(231 523)	(197 991)	(107 442)	(162 824)	(2 493 645)
Trading result	505 407	(172 341)	45	81 254	-	(2)	11 967	22 714	449 044
Valuation result from hedge accounting and other derivative instruments	184 445	-	-	-	-	-	-	-	184 445
Net income from investments	(27 730)	-	-	-	-	-	-	-	(27 730)
General administrative expenses	(367 755)	(3 013 738)	(300 313)	(816 303)	(489 832)	(376 920)	(353 725)	(461 207)	(6 179 793)
Other operating loss	(12 281)	-	-	-	-	-	-	-	(12 281)
Total hub result before tax	1 186 703	3 740 362	136 375	1 267 740	(44 720)	169 168	303 010	280 498	7 039 136
Income taxes	(1 397 138)	-	-	-	-	-	-	-	(1 397 138)
Total hub result after tax	(210 435)	3 740 362	136 375	1 267 740	(44 720)	169 168	303 010	280 498	5 641 998

25 Segment Analysis (Continued)

Hubs of the Group for the nine-month period ended 30 September 2014 are as follows:

<i>In thousands of Russian Roubles</i>	Head Office (Unaudited)	Moscow (Unaudited)	Centre (Unaudited)	North-West (Unaudited)	Siberia (Unaudited)	South (Unaudited)	Ural (Unaudited)	Volga (Unaudited)	Total (Unaudited)
Net interest result	5 504 387	12 347 633	1 234 746	3 277 691	2 120 739	1 493 359	1 483 114	1 873 327	29 334 996
Net fee and commission result	(301 457)	6 428 527	430 718	1 594 217	621 815	466 943	472 176	608 119	10 321 058
Provision for loan impairment	2	(705 637)	(409 721)	(342 314)	(2 164 739)	(506 781)	(593 144)	(526 825)	(5 249 159)
Trading result	(207 341)	74 188	1 097	8 950	(6 094)	4 855	1 176	(17 101)	(140 270)
Valuation result from hedge accounting and other derivative instruments	806 047								806 047
Net income from investments	(428 757)								(428 757)
General administrative expenses	(710 995)	(9 076 906)	(762 718)	(2 065 022)	(1 518 497)	(996 657)	(950 134)	(1 234 593)	(17 315 522)
Other operating loss	(272 743)			-	-	-	-	-	(272 743)
Total hub result before tax	4 389 143	9 067 805	494 122	2 473 522	(946 776)	461 719	413 188	702 927	17 055 650
Income taxes	(3 558 690)	-	-	-	-	-	-	-	(3 558 690)
Total hub result after tax	830 453	9 067 805	494 122	2 473 522	(946 776)	461 719	413 188	702 927	13 496 960

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25 Segment Analysis (Continued)

Hubs of the Group for the three-month period ended 30 September 2014 are as follows:

<i>In thousands of Russian Roubles</i>	Head Office (Unaudited)	Moscow (Unaudited)	Centre (Unaudited)	North-West (Unaudited)	Siberia (Unaudited)	South (Unaudited)	Ural (Unaudited)	Volga (Unaudited)	Total (Unaudited)
Net interest result	2 466 347	4 361 046	432 190	1 204 517	690 275	521 874	539 724	650 973	10 866 946
Net fee and commission result	(90 812)	2 192 467	152 142	569 969	215 940	165 099	169 548	215 489	3 589 842
Provision for loan impairment	2	(32 684)	(113 694)	(72 772)	(1 670 317)	(118 398)	(113 516)	(201 907)	(2 323 286)
Trading result	(1 532 581)	106 821	23	4 440	-	-	63	(3 670)	(1 424 904)
Valuation result from hedge accounting and other derivative instruments	286 248	-	-	-	-	-	-	-	286 248
Net income from investments	3 814	-	-	-	-	-	-	-	3 814
General administrative expenses	(252 423)	(3 254 108)	(253 916)	(688 903)	(508 676)	(345 769)	(319 031)	(411 407)	(6 034 233)
Other operating loss	(152 234)	-	-	-	-	-	-	-	(152 234)
Total hub result before tax	728 361	3 373 542	216 745	1 017 251	(1 272 778)	222 806	276 788	249 478	4 812 193
Income taxes	(1 045 837)	-	-	-	-	-	-	-	(1 045 837)
Total hub result after tax	(317 476)	3 373 542	216 745	1 017 251	(1 272 778)	222 806	276 788	249 478	3 766 356

25 Segment Analysis (Continued)

(f) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

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

<i>In thousands of Russian Roubles</i>	Nine-Month Period Ended 30 September 2015 (Unaudited)	Three-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)	Three-Month Period Ended 30 September 2014 (Unaudited)
Total interest and fee and commission result for segment	45 784 290	15 119 096	39 656 056	14 456 788
Reclassification of interest result to trading result and net income from investments	(419 125)	307 650	1 714 868	492
Reclassification of commission result to trading result	(4 005 990)	(1 394 041)	(2 530 101)	(851 886)
Reclassification of provision for loan impairment to interest result and unwinding effect	-	-	-	856
Effect of the consolidation of the subsidiaries and other adjustments	(59 964)	(133 168)	592 484	242 044
Total net interest and fee and commission result	41 299 211	13 899 537	39 433 307	13 848 294

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

Reconciliation of reportable segment result is presented below.

<i>In thousands of Russian Roubles</i>	Nine-Month Period Ended 30 September 2015 (Unaudited)	Three-Month Period Ended 30 September 2015 (Unaudited)	Nine-Month Period Ended 30 September 2014 (Unaudited)	Three-Month Period Ended 30 September 2014 (Unaudited)
Total segment result	16 903 591	5 641 998	13 496 960	3 766 356
Consolidation of subsidiaries and associate	543 564	34 183	436 411	168 612
Intercompany adjustments and other	2 856	8 344	55 917	(179 004)
Profit after tax	17 450 011	5 684 525	13 989 288	3 755 964

25 Segment Analysis (Continued)

Reconciliation of other material items of income or expenses for the nine-month period ended 30 September 2015 is as follows:

	Total amount for reportable segment	Reclassifi- cations	Consolidation of the subsi- diaries and associate and other	As reported under IFRS
<i>In thousands of Russian Roubles</i>				
Main income or expenses for the Nine- month period ended 30 September 2015				
Net interest result	33 273 326	(419 125)	(262 574)	32 591 627
Net fee and commission result	12 510 964	(4 005 990)	202 610	8 707 584
Provision for loan impairment	(9 931 060)	-	178 915	(9 752 145)
Trading result	2 215 657	4 425 115	27 560	6 668 332
Valuation result from hedge accounting and other derivative instruments	(168 953)	-	(96 792)	(265 745)
Net income from investments	531 186	-	487 403	1 018 589
Depreciation and amortization	(2 175 399)	-	(6 073)	(2 181 472)
Other administrative expenses	(14 829 346)	-	(13 665)	(14 843 011)
Share of profit of associates	-	-	417 055	417 055
Other operating loss	(481 380)	-	(306 790)	(788 170)
Income taxes	(4 041 404)	-	(81 229)	(4 122 633)

Reconciliation of other material items of income or expenses for the three-month period ended 30 September 2015 is as follows:

	Total amount for reportable segment	Reclassifi- cations	Consolidation of the subsi- diaries and associate and other	As reported under IFRS
<i>In thousands of Russian Roubles</i>				
Main income or expenses for the Three- Month period ended 30 September 2015				
Net interest result	10 642 174	307 650	(220 283)	10 729 541
Net fee and commission result	4 476 922	(1 394 041)	87 115	3 169 996
Provision for loan impairment	(2 493 645)	-	215 098	(2 278 547)
Trading result	449 044	1 086 391	(125 795)	1 409 640
Valuation result from hedge accounting and other derivative instruments	184 445	-	(96 792)	87 653
Net income from investments	(27 730)	-	184 327	156 597
Depreciation and amortization	(740 104)	-	(1 885)	(741 989)
Other administrative expenses	(5 439 689)	-	40 501	(5 399 188)
Share of profit of associates	-	-	137 274	137 274
Other operating (loss)/profit	(12 281)	-	(144 375)	(156 656)
Income taxes	(1 397 138)	-	(32 658)	(1 429 796)

25 Segment Analysis (Continued)

Reconciliation of other material items of income or expenses for the nine-month period ended 30 September 2014 is as follows:

	Total amount for reportable segment	Reclassifi- cations	Consolidation of the subsi- diaries and associate and other	As reported under IFRS
<i>In thousands of Russian Roubles</i>				
Main income or expenses for the Nine- Month period ended 30 September 2014				
Net interest result	29 334 996	1 714 868	412 540	31 462 404
Net fee and commission result	10 321 058	(2 530 101)	179 944	7 970 901
Provision for loan impairment	(5 249 159)	-	84 065	(5 165 094)
Trading result	(140 270)	815 233	(25 144)	649 819
Valuation result from hedge accounting and other derivative instruments	806 047	-	-	806 047
Net income from investments	(428 757)	-	(242 451)	(671 208)
Depreciation and amortization	(1 771 555)	-	(4 422)	(1 775 977)
Other administrative expenses	(15 543 967)	-	(15 080)	(15 559 047)
Share of profit of associates	-	-	385 237	385 237
Other operating loss	(272 743)	-	(309 013)	(581 756)
Income taxes	(3 558 690)	-	26 652	(3 532 038)

Reconciliation of other material items of income or expenses for the three-month period ended 30 September 2014 is as follows:

	Total amount for reportable segment	Reclassifi- cations	Consolidation of the subsi- diaries and associate and other	As reported under IFRS
<i>In thousands of Russian Roubles</i>				
Main income or expenses for the Three- Month period ended 30 September 2014				
Net interest result	10 866 946	1 348	175 320	11 043 614
Net fee and commission result	3 589 842	(851 886)	66 722	2 804 678
Provision for loan impairment	(2 323 286)	(856)	110 925	(2 213 217)
Trading result	(1 424 904)	851 394	(102 120)	(675 630)
Valuation result from hedge accounting and other derivative instruments	286 248	-	-	286 248
Net income from investments	3 814	-	(81 811)	(77 997)
Depreciation and amortization	(674 442)	-	(1 443)	(675 885)
Other administrative expenses	(5 359 791)	-	60 207	(5 299 584)
Share of profit of associates	-	-	108 522	108 522
Other operating loss	(152 234)	-	(164 221)	(316 455)
Income taxes	(1 045 837)	-	(182 493)	(1 228 330)

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

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

26 Financial Risk Management

The risk management function within the Group is carried out in respect of financial risks (credit, market, geographical, currency, liquidity and interest rate) operational risks and credit risk concentrations. The primary objectives of the financial risk management function are to identify and assess risks establish risk limits assume risk mitigation measures ensure that all material risks are measured and limited and that business in general is evaluated under a risk/return perspective. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks. Policies and processes for managing financial risks remain unchanged from those disclosed in last annual consolidated financial statements for the year ended 31 December 2014.

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

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

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

The Group's market risk management unit also assesses market risk for new businesses and products including structured products. The Assets and Liabilities Management Department and Markets and Investment Banking Directorate, which trade within the trading limits set by the market risk management unit and approved by the ALCO/Parent Bank' MACO/CC, performs trading and market positioning for the Bank. The Bank is subject to the policies and limits set by the Parent Bank and approved by the Parent Bank's market risk committee.

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

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

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

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

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

26 Financial Risk Management (Continued)

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

The table below summarises the Group's exposure to foreign currency exchange rate risk at 30 September 2015:

<i>In thousands of Russian Roubles</i>	RR	USD	EUR	Other	Total
Cash and cash equivalents	69 948 665	91 996 095	27 870 048	1 113 103	190 927 911
Mandatory cash balances with the Central bank of the Russian Federation	6 356 547	-	-	-	6 356 547
Trading securities and repurchase receivables related to trading securities	11 729 941	749 807	-	-	12 479 748
Other securities at fair value through profit or loss and repurchase receivables related to other securities at fair value through profit or loss	2 800 853	788 056	-	-	3 588 909
Due from other banks	2 222 073	16 635 398	11 209 108	1 896	30 068 475
Loans and advances to customers	273 448 018	233 037 921	25 692 460	735 820	532 914 219
Investment securities available for sale	1 477 270	-	-	-	1 477 270
Investment securities held-to-maturity	6 211 822	-	3 000 160	-	9 211 982
Derivatives and other financial assets	44 958 982	7 397 902	431 034	31 756	52 819 674
Total monetary financial assets	419 154 171	350 605 179	68 202 810	1 882 575	839 844 735
Due to other banks	8 010 218	3 978 753	1 383 230	13 429	13 385 630
Customer accounts	312 726 604	173 863 338	88 124 626	7 153 196	581 867 764
Term borrowings from the Parent Bank	-	64 573 475	2 209 563	-	66 783 038
Term borrowings from other financial institutions	-	-	-	-	-
Debt securities in issue	22 522 025	307 442	418 606	-	23 248 073
Derivatives and other financial liabilities	18 903 858	42 896 368	422 111	15 473	62 237 810
Total monetary financial liabilities	362 162 705	285 619 376	92 558 136	7 182 098	747 522 315
Less fair value of currency derivatives	36 607 075	(34 767 349)	(109 584)	16 898	1 747 040
Currency derivatives	72 467 968	(103 110 094)	25 352 632	7 036 534	1 747 040
Net position including currency derivatives	92 852 359	(3 356 942)	1 106 890	1 720 113	92 322 420

26 Financial Risk Management (Continued)

The Group's exposure to foreign currency exchange rate risk at 31 December 2014 is presented below:

<i>In thousands of Russian Roubles</i>	RR	USD	EUR	Other	Total
Cash and cash equivalents	64 673 312	59 079 720	60 331 955	1 291 935	185 376 922
Mandatory cash balances with the Central bank of the Russian Federation	5 898 114	-	-	-	5 898 114
Trading securities and repurchase receivables related to trading securities	8 328 550	1 311 009	-	-	9 639 559
Other securities at fair value through profit or loss and repurchase receivables related to other securities at fair value through profit or loss	15 888 566	2 958 235	-	-	18 846 801
Due from other banks	9 401 135	5 991 838	-	1 738	15 394 711
Loans and advances to customers	301 034 122	246 032 648	25 558 997	1 463 675	574 089 442
Investment securities available for sale	1 517 323	-	-	-	1 517 323
Investment securities held-to-maturity	509 782	-	-	-	509 782
Derivatives and other financial assets	37 926 305	18 518 793	326 515	5 079	56 776 692
Total monetary financial assets	445 177 209	333 892 243	86 217 467	2 762 427	868 049 346
Due to other banks	67 458 447	6 045 849	3 928 695	88 596	77 521 587
Customer accounts	271 656 150	161 931 264	94 071 600	4 241 486	531 900 500
Term borrowings from the Parent Bank	-	57 881 851	4 111 299	-	61 993 150
Term borrowings from other financial institutions	-	9 821 410	-	-	9 821 410
Debt securities in issue	19 985 021	1 022 849	1 220 472	-	22 228 342
Insurance contracts	14 635 855	-	-	-	14 635 855
Derivatives and other financial liabilities	10 161 437	55 332 810	1 341 098	50 089	66 885 434
Total monetary financial liabilities	383 896 910	292 036 033	104 673 164	4 380 171	784 986 278
Less fair value of currency derivatives	27 722 240	(35 652 725)	(1 136 906)	(40 614)	(9 108 005)
Currency derivatives	49 567 089	(79 587 024)	17 998 734	2 913 196	(9 108 005)
Net position including currency derivatives	83 125 148	(2 078 089)	679 943	1 336 066	83 063 068

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

26 Financial Risk Management (Continued)

Geographical risk concentrations. The geographical concentration of the Group's financial assets and liabilities at 30 September 2015 is set out below:

<i>In thousands of Russian Roubles</i>	Russia	Austria	Other European Union	Other countries	Total
Assets					
Cash and cash equivalents	100 829 951	36 825 560	25 721 449	27 550 951	190 927 911
Mandatory cash balances with the Central bank of the Russian Federation	6 356 547	-	-	-	6 356 547
Trading securities and repurchase receivables related to trading securities	11 729 941	-	749 807	-	12 479 748
Other securities at fair value through profit or loss and repurchase receivables related to other securities at fair value through profit or loss	2 725 275	-	863 634	-	3 588 909
Due from other banks	3 884 672	13 264 814	12 918 989	-	30 068 475
Loans and advances to customers	491 535 938	15 783	30 906 660	10 455 838	532 914 219
Investment securities available for sale	-	-	1 477 270	-	1 477 270
Investment securities held-to-maturity	523 885	3 000 160	5 687 937	-	9 211 982
Derivatives and other financial assets	22 979 442	24 303 406	1 592 612	3 944 214	52 819 674
Total financial assets	640 565 651	77 409 723	79 918 358	41 951 003	839 844 735
Liabilities					
Due to other banks	4 648 698	4 282 781	3 670 134	784 017	13 385 630
Customer accounts	563 690 003	2 014 034	13 375 791	2 787 936	581 867 764
Term borrowings from the Parent Bank	-	66 783 038	-	-	66 783 038
Term borrowings from other financial institutions	-	-	-	-	-
Debt securities in issue	22 966 088	-	281 985	-	23 248 073
Derivatives and other financial liabilities	14 325 887	44 509 928	3 354 590	47 405	62 237 810
Total financial liabilities	605 630 676	117 589 781	20 682 500	3 619 358	747 522 315
Net balance sheet position	34 934 975	(40 180 058)	59 235 858	38 331 645	92 322 420
Credit related commitments (Note 28)	206 164 769	614 943	14 079 975	2 110 627	222 970 314

Assets liabilities and credit related commitments have generally been based on the country in which the counterparty is located. Cash on hand have been allocated based on the country in which they are physically held.

26 Financial Risk Management (Continued)

The geographical concentration of the Group's assets and liabilities at 31 December 2014 is set out below:

	Russia	Austria	Other European Union	Other countries	Total
<i>In thousands of Russian Roubles</i>					
Assets					
Cash and cash equivalents	126 636 239	50 321 527	4 511 521	3 907 635	185 376 922
Mandatory cash balances with the Central bank of the Russian Federation	5 898 114	-	-	-	5 898 114
Trading securities and repurchase receivables related to trading securities	8 290 791	-	1 348 768	-	9 639 559
Other securities at fair value through profit or loss and repurchase receivables related to other securities at fair value through profit or loss	15 367 359	-	3 489 022	-	18 856 381
Due from other banks	9 431 004	5 646 987	-	316 720	15 394 711
Loans and advances to customers	528 880 889	515	41 742 333	3 465 705	574 089 442
Investment securities available for sale	-	-	1 517 323	-	1 517 323
Investment securities held-to-maturity	509 782	-	-	-	509 782
Derivatives and other financial assets	34 464 773	18 978 278	3 196 235	137 406	56 776 692
Total financial assets	729 478 951	74 947 307	55 805 202	7 827 466	868 058 926
Liabilities					
Due to other banks	67 156 943	4 107 410	5 519 854	737 380	77 521 587
Customer accounts	517 289 651	978 230	10 434 348	3 198 271	531 900 500
Term borrowings from the Parent Bank	-	61 993 150	-	-	61 993 150
Term borrowings from other financial institutions	-	-	9 355 939	465 471	9 821 410
Debt securities in issue	21 205 493	-	1 022 849	-	22 228 342
Insurance contracts	14 635 855	-	-	-	14 635 855
Derivatives and other financial liabilities	9 335 272	53 459 467	4 044 748	45 947	66 885 434
Total financial liabilities	629 623 214	120 538 257	30 377 738	4 447 069	784 986 278
Net balance sheet position	99 855 737	(45 590 950)	25 427 464	3 380 397	83 072 648
Credit related commitments (Note 28)	296 469 507	1 218 832	15 948 287	4 171 580	317 808 206

Credit risk concentrations. Management monitors and discloses concentrations of credit risk by obtaining reports listing exposures to borrowers with aggregated loan balances in excess of 10% of net assets. The Group had 2 borrowers with significant risk concentration at 30 September 2015 (31 December 2014: 1 borrower).

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

26 Financial Risk Management (Continued)

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

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

The Bank monitors expected maturities which may be summarised as follows at 30 September 2015 and 31 December 2014:

<i>In thousands of Russian Roubles, 30 September 2015</i>	Demand and less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Cash and cash equivalents	190 927 911	-	-	-	190 927 911
Mandatory cash balances with the Central bank of the Russian Federation	6 356 547	-	-	-	6 356 547
Trading securities and repurchase receivables related to trading securities	12 479 748	-	-	-	12 479 748
Other securities at fair value through profit or loss and repurchase receivables related to other securities at fair value through profit or loss	3 588 909	-	-	-	3 588 909
Due from other banks	22 435 946	2 121 761	5 510 768	-	30 068 475
Loans and advances to customers	103 833 156	114 608 472	241 772 873	72 699 718	532 914 219
Investment securities available for sale	1 477 270	-	-	-	1 477 270
Investment securities held-to-maturity	-	5 928 403	3 283 579	-	9 211 982
Derivatives and other financial assets	4 208 302	12 272 522	35 809 620	529 230	52 819 674
Total financial assets	345 307 789	134 931 158	286 376 840	73 228 948	839 844 735
Due to other banks	9 603 974	3 315 795	465 861	-	13 385 630
Customer accounts	397 865 836	139 663 744	41 690 568	2 647 616	581 867 764
Term borrowings from the Parent bank	2 642 844	12 655 707	40 516 814	10 967 673	66 783 038
Term borrowings from other financial institutions	-	-	-	-	-
Debt securities in issue	120 828	296 955	22 830 290	-	23 248 073
Derivatives and other financial liabilities	21 962 456	11 321 076	28 532 266	422 012	62 237 810
Total financial liabilities	432 195 938	167 253 277	134 035 799	14 037 301	747 522 315
Net liquidity gap at 30 September 2015	(86 888 149)	(32 322 119)	152 341 041	59 191 647	92 322 420
Cumulative gap at 30 September 2015	(86 888 149)	(119 210 268)	33 130 773	92 322 420	-

26 Financial Risk Management (Continued)

<i>In thousands of Russian Roubles, 31 December 2014</i>	Demand and less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Cash and cash equivalents	185 376 922	-	-	-	185 376 922
Mandatory cash balances with the Central bank of the Russian Federation	5 898 114	-	-	-	5 898 114
Trading securities and repurchase receivables related to trading securities	9 639 559	-	-	-	9 639 559
Other securities at fair value through profit or loss and repurchase receivables related to other securities at fair value through profit or loss	18 856 381	-	-	-	18 856 381
Investment securities available for sale	1 517 323	-	-	-	1 517 323
Due from other banks	2 267 616	9 513 932	3 613 163	-	15 394 711
Loans and advances to customers	86 469 080	113 483 709	293 498 583	80 638 070	574 089 442
Investment securities held- to-maturity portfolio	-	-	509 782	-	509 782
Derivatives and other financial assets	11 397 416	7 003 454	37 673 316	702 506	56 776 692
Total financial assets	321 422 411	130 001 095	335 294 844	81 340 576	868 058 926
Due to other banks	30 591 390	34 395 692	12 534 505	-	77 521 587
Customer accounts	381 178 436	104 529 597	40 219 507	5 972 960	531 900 500
Term borrowings from the Parent bank	1 002 360	23 348 094	28 333 523	9 309 173	61 993 150
Term borrowings from other financial institutions	270 042	2 035 780	7 515 588	-	9 821 410
Debt securities in issue	98 435	1 027 465	21 102 442	-	22 228 342
Insurance contracts	14 435	955 819	55 313	13 610 288	14 635 855
Derivatives and other financial liabilities	30 425 014	16 250 574	19 723 578	486 268	66 885 434
Total financial liabilities	443 580 112	182 543 021	129 484 456	29 378 689	784 986 278
Net liquidity gap at 31 December 2014	(122 157 701)	(52 541 926)	205 810 388	51 961 887	83 072 648
Cumulative gap at 31 December 2014	(122 157 701)	(174 699 627)	31 110 761	83 072 648	-

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

27 Management of Capital

The Group's objectives when managing capital are (i) to comply with the capital requirements set by the CBRF (ii) to safeguard the Group's ability to continue as a going concern and (iii) to maintain a sufficient capital base to achieve a capital adequacy ratio based on principles of the Basel Accord.

Under the current capital requirements set by the CBRF banks have to maintain a ratio of regulatory capital to risk weighted assets ("statutory capital ratio") above a prescribed minimum level. According to requirements set by the CBRF statutory capital ratio has to be maintained above minimum level of 10%. Compliance with capital adequacy ratios set by the CBRF is monitored monthly with reports outlining their calculation reviewed and signed by the Bank's Chief Executive Officer and Chief Accountant. Management believes the Bank meets all the requirements in relation to the minimum amount of regulatory capital set by the CBRF.

Regulatory capital is based on the Bank's reports prepared under Russian accounting standards and comprises:

<i>In thousands of Russian Roubles</i>	30 September 2015	31 December 2014
Tier 1 capital		
Net assets under Russian GAAP	85 331 481	84 006 264
Less: intangible assets, The negative value of the additional capital and shares of subsidiaries	(1 032 965)	(1 267 041)
Subordinated debt	8 623 581	7 324 472
Total Tier 1 Capital	92 922 097	90 063 695
Tier 2 capital		
Subordinated debt	25 291 994	9 287 733
Current year profit and Increase in the value of the property of a credit institution due to revaluation	9 453 130	13 965 672
Total Tier 2 capital	34 745 124	23 253 405
Total regulatory capital	127 667 221	113 317 100

The Group is also subject to minimum capital requirements established by covenants stated in loan agreements including capital adequacy levels calculated in accordance with the requirements of the Basel Accord as defined in the International Convergence of Capital Measurement and Capital Standards (updated April 1998), Amendment to the Capital Accord to incorporate market risks (updated November 2005) and Group of Governors and Heads of Supervision higher global minimum capital standards (updated September 2010) commonly known as Basel III.

27 Management of Capital (Continued)

The composition of the Group's capital calculated in accordance with the Austrian Banking Act which assumes major principles and requirements of Basel Accord is as follows:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Tier 1 capital		
Share capital	43 268 888	43 268 888
Share premium	591 083	591 083
Additional paid-in capital	1 520 016	1 520 016
Retained earnings and other reserves	57 695 415	55 278 404
Less: deferred income tax asset	(664 798)	(3 554 805)
Total tier 1 capital before deductions	102 410 604	97 103 586
Less: intangible assets	(4 222 599)	(3 060 151)
Total tier 1 capital	98 188 005	94 043 435
Tier 2 capital		
Revaluation reserve for equity instruments	(20 250)	(1 688)
Subordinated debt	31 648 690	16 612 205
Less: insurance holding companies	(173 709)	(173 709)
Items from additional own funds plus LLP surplus	(259 075)	300 840
Total tier 2 capital	31 195 656	16 737 648
Total capital	129 383 661	110 781 083

27 Management of Capital (Continued)

The composition of the Group's capital calculated in accordance with Basel Accord is as follows:

<i>In thousands of Russian Roubles</i>	30 September 2015	31 December 2014
Common Equity Tier 1 capital		
Share capital	43 268 888	43 268 888
Share premium	591 083	591 083
Additional paid-in capital	1 520 016	1 520 016
Retained earnings	57 489 219	55 039 208
Other reserves	206 196	239 196
Total Common Equity Tier 1 capital before deductions	103 075 402	100 658 391
Less: DTA	(664 798)	(3 554 805)
Total Common Equity Tier 1 capital	102 410 604	97 103 586
Tier 2 capital		
Subordinated debt	31 648 690	16 612 205
Items from additional own funds plus LLP surplus	(259 075)	300 840
Total tier 2 capital	31 389 615	16 913 045
Total capital	133 800 219	114 016 631

The Group and the Bank have complied with all externally imposed capital requirements throughout 2015 and 2014.

Risk weighted assets

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Total Risk weighted assets	636 736 107	622 449 708
Capital Adequacy Ratio by Austrian Banking Act	20,32%	17,80%
Capital Adequacy Ratio by Basel III	21,01%	18,32%

The Bank manages capital ratios using different capital amounts calculated in accordance with the above mentioned Capital Adequacy regulations.

28 Contingencies and Commitments

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

28 Contingencies and Commitments (Continued)

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

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

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

The Group includes companies incorporated outside of Russia. The tax liabilities of the Group are determined on the assumption that these companies are not subject to Russian profits tax, because they do not have a permanent establishment in Russia. This interpretation of relevant legislation may be challenged but the impact of any such challenge cannot be reliably estimated currently; however, it may be significant to the financial position and/or the overall operations of the Group. In 2014, the Controlled Foreign Company (CFC) legislation introduced Russian taxation of profits of foreign companies and non-corporate structures (including trusts) controlled by Russian tax residents (controlling parties). Starting from 2015, CFC income will be subject to a 20% tax rate if the CFC is controlled by a legal entity and a rate of 13% if it is controlled by an individual. As a result, management reassessed the Group's tax positions and recognised deferred taxes for temporary differences that arose from the expected taxable manner of recovery of the relevant Group's operations to which the CFC legislation will apply to.

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

28 Contingencies and Commitments (Continued)

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

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Not later than 1 year	688 112	766 184
Later than 1 year and not later than 5 years	2 907	3 322
Total operating lease commitments	691 019	769 506

Compliance with covenants. The Group is subject to certain covenants related primarily to its other borrowed funds. Non-compliance with such covenants may result in negative consequences for the Group including growth in the cost of borrowings and declaration of default. The Group's Management believes that the Group is in compliance with covenants as at 30 September 2015.

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

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

Outstanding credit related commitments by products are as follows:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Undrawn credit lines and Overdraft facilities (revocable)	83 942 111	111 245 331
Guarantees issued (irrevocable)	854 507	1 818 670
Undrawn commitments to issue documentary instruments (revocable)	31 795 678	61 097 071
Undrawn commitments to issue documentary instruments (irrevocable)	29 197 586	36 630 715
Undrawn credit lines and Overdraft facilities (irrevocable)	2 068 490	15 218 959
Import letters of credit (irrevocable)	13 362 924	20 726 893
Export letters of credit (irrevocable)	1 519 429	1 607 102
Credit related commitments before provision	162 740 725	248 344 741
Performance guarantees issued (irrevocable)	60 229 589	69 463 465
Credit related commitments and performance guarantees before provision	222 970 314	317 808 206
Less: Provision for credit related commitments and performance guarantees	(108 704)	(130 156)
Total credit related commitments and performance guarantees	222 861 610	317 678 050

28 Contingencies and Commitments (Continued)

In addition to credit related commitments the Group issues performance guarantees. Performance guarantees are guarantees that provide compensation if another party fails to perform a contractual obligation. Such guarantees do not transfer credit risk. The risk under performance guarantee is the possibility that the insured event (i.e. the failure to perform the contractual obligation by another party) occurs. The key risks the Group faces are significant fluctuations in the frequency and severity of payments incurred on such guarantees relative to expectations. The Group uses historical data and statistical techniques to predict levels of such payments. Claims must be made before the guarantee matures and most claims are settled within short term. This allows the Group to achieve a high degree of certainty about the estimated payments and therefore future cash flows. The Group manages such risks by constantly monitoring the level of payments for such products and has the ability to adjust its fees in the future to reflect any change in claim payments experience. The Group has a claim payment requests handling process which includes the right to review the claim and reject fraudulent or non-compliant requests.

The total outstanding contractual amount of undrawn credit lines letters of credit and guarantees does not necessarily represent future cash requirements as these financial instruments may expire or terminate without being funded. Fair value of guarantee contracts was RR 84 009 thousand at 30 September 2015 (31 December 2014: RR 70 776 thousand).

Outstanding credit related commitments by segments as of 30 September 2015 are as follows:

	Credit lines, Overdraft facilities and Commitments to issue documentary instruments	Financial guarantees and Letters of credit	Performance guarantees	Total contingencies and commitments
<i>In thousands of Russian Roubles</i>				
Credit related commitments to corporate customers (Corporate business)	104 059 532	14 724 845	54 031 720	172 816 097
Credit related commitments to individuals (Retail business)	28 979 708	165 713	-	29 145 421
Credit related commitments to medium entities (Middle business)	11 462 419	839 831	5 821 295	18 123 545
Credit related commitments to small and micro entities (SME business)	2 501 684	6 471	376 574	2 884 729
Credit related commitments to state and municipal organisations (Public sector)	522	-	-	522
Credit related commitments and performance guarantees before provision	147 003 865	15 736 860	60 229 589	222 970 314
Less: Provision for credit related commitments and performance guarantees	(6 627)	(40 397)	(61 680)	(108 704)
Total contingencies and commitments	146 997 238	15 696 463	60 167 909	222 861 610

28 Contingencies and Commitments (Continued)

Outstanding credit related commitments by segments as of 31 December 2014 are as follows:

<i>In thousands of Russian Roubles</i>	Credit lines, Overdraft facilities and Commitments to issue documentary instruments	Financial guarantees and Letters of credit	Performance guarantees	Total contingencies and commitments
Credit related commitments to corporate customers (Corporate business)	173 661 796	22 042 374	63 171 253	258 875 423
Credit related commitments to individuals (Retail business)	32 353 734	89 699	-	32 443 433
Credit related commitments to medium entities (Middle business)	14 298 434	1 997 015	5 838 813	22 134 262
Credit related commitments to small and micro entities (SME business)	3 877 417	23 577	453 399	4 354 393
Credit related commitments to state and municipal organisations (Public sector)	695	-	-	695
Credit related commitments and performance guarantees before provision	224 192 076	24 152 665	69 463 465	317 808 206
Less: Provision for credit related commitments and performance guarantees	(14 187)	(39 899)	(76 070)	(130 156)
Total contingencies and commitments	224 177 889	24 112 766	69 387 395	317 678 050

Outstanding credit related commitments by currency are as follows:

<i>In thousands of Russian Roubles</i>	30 September 2015 (Unaudited)	31 December 2014
Russian Roubles	162 582 670	218 901 979
US Dollars	42 251 080	64 982 391
Euro	17 738 371	32 796 649
Other	398 193	1 127 187
Total credit related commitments before provision	222 970 314	317 808 206

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

<i>In thousands of Russian Roubles</i>	Note	30 September 2015 (Unaudited)		31 December 2014	
		Asset pledged	Related liability	Asset pledged	Related liability
Repurchase Receivables related to other securities at Fair Value Through Profit or Loss	8, 15	288 713	265 379	2 279 673	1 983 277
Total		288 713	265 379	2 279 673	1 983 277

28 Contingencies and Commitments (Continued)

As at 30 September 2015 the estimated fair value of securities purchased under reverse sale and repurchase agreements (Note 6) which the Group has the right to sell or repledge in the absence of default of the counterparty was RR 28 209 650 thousand (31 December 2014: RR 2 393 172 thousand). As at 30 September 2015 the fair value of such securities repledged under direct sale and repurchase agreements with other banks amounted to RR 738 347 thousand (31 December 2014: RR nil thousand). Refer to Note 15.

Mandatory cash balances with the Bank of Russia in the amount of RR 6 356 547 thousand (31 December 2014: RR 5 898 114 thousand) represent mandatory reserve deposits which are not available to finance the Group's day-to-day operations.

As at 30 September 2015 restricted cash represents monetary funds in the amount of RR 96 298 thousand which collateralise settlements on irrevocable letters of credit (31 December 2014: RR 36 196 thousand).

As at 30 September 2015 restricted cash represents monetary funds in the amount of RR 1 617 694 thousand which collateralise settlements on irrevocable commitments under guarantees (31 December 2014: RR 4 446 495 thousand).

29 Fair Value of Financial Instruments

Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgment in categorizing financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

29 Fair Value of Financial Instruments (Continued)

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated condensed interim statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorized are as follows:

	30 September 2015			31 December 2014		
	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Total	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Total
<i>In thousands of Russian Roubles</i>						
Assets at fair value						
Financial assets						
Trading securities						
- Corporate bonds	6 488 677	288 671	6 777 348	3 542 894	14 276	3 557 170
- Federal loan bonds (OFZ)	4 764 905	-	4 764 905	1 817 714	-	1 817 714
- Corporate eurobonds	749 807	-	749 807	1 348 768	-	1 348 768
- Russian Federation Eurobonds	-	-	-	2 665 998	-	2 665 998
- Municipal bonds	187 688	-	187 688	249 909	-	249 909
Other securities at fair value through profit and loss						
- Corporate bonds	956 752	40 381	997 133	10 013 739	7 233	10 020 972
- Federal loan bonds (OFZ)	1 362 112	-	1 362 112	4 094 602	-	4 094 602
- Corporate Eurobonds	863 634	-	863 634	702 755	-	702 755
- Eurobonds of EBRD	-	-	-	-	2 786 267	2 786 267
- Municipal bonds	366 030	-	366 030	1 242 205	-	1 242 205
- Corporate shares	-	-	-	9 580	-	9 580
Investment securities available for sale						
	1 477 270	-	1 477 270	1 517 323	-	1 517 323
Derivatives and other financial assets carried at fair value						
- Fair value of currency rate based financial derivatives	-	46 768 525	46 768 525	-	48 554 933	48 554 933
- Fair value of interest rate based financial derivatives	-	4 517 234	4 517 234	-	6 142 184	6 142 184
Assets of a disposal Group	8 488 459	-	8 488 459	-	-	-
Total assets recurring fair value measurements						
	25 705 334	51 614 811	77 320 145	27 205 487	57 504 893	84 710 380

29 Fair Value of Financial Instruments (Continued)

	30 September 2015			31 December 2014		
	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Total	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Total
<i>In thousands of Russian Roubles</i>						
Liabilities carried at fair value						
Financial liabilities						
Derivatives and other financial liabilities						
- Fair value of currency rate based financial derivatives	-	45 021 486	45 021 486	-	57 662 938	57 662 938
- Fair value of interest rate based financial derivatives	-	5 443 772	5 443 772	-	3 260 581	3 260 581
- Shortselling of trading assets	3 144 378	-	3 144 378	2 764 825	-	2 764 825
Total liabilities recurring fair value measurements	3 144 378	50 465 258	53 609 636	2 764 825	60 923 519	63 688 344

The valuation technique based on discounted cash flows is used in the fair value measurement for level 2 measurements at 30 September 2015. The following main inputs are relevant:

- **Spot and Forward currency exchange rates.** Cash Rate, Interest Rate Futures quotes and IRS quotes are used for foreign currencies, implied RUB rates are derived from foreign exchange forward contracts.
- **Cross currency interest rate swaps (CCIRS) curves.** CCIRS are used for discounting and projection of cash flows and are derived from Cash Rate quotes, Futures quotes and Interest Rate Swap quotes available from Chicago Merchandile (for futures) and contributors which quote these instruments on Over the counter market.
- **Adjustment for credit risk.** The Bank has the Credit Value Adjustment (also known as Credit Risk Adjustment or Default Risk Adjustment) which reflects the probability of default of the counterparty and Debit Value Adjustment which reflects the possibility of our default. Credit Value Adjustment (CVA) is an adjustment to the price of derivatives reflecting expected losses arising from the possible default of the counterparty both by counterparty and by instrument.

CVA is calculated with a Monte-Carlo methodology simulating both expected exposure coming from derivative positions with counterparty (estimated with Group market risk calculation approach) and the default event coming from counterparty Default Probability and Recovery Rate. CVA itself is calculated for each counterparty by calculating Bank's expected losses on the event of having positive derivative position revaluation with defaulted counterparty adjusted by the recovery rate. The adjustment is calculated based on observable market inputs.
- **Shortselling of trading assets** are selling deals of bond securities that the Group has obtained as collaterals in reverse repo agreements or currently doesn't keep in its own securities' portfolio.

The fair value of shares is determined by multiplying the number of shares by the market price as the share of the shareholding is immaterial.

29 Fair Value of Financial Instruments (Continued)

(b) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and carrying value of assets not measured at fair value are as follows:

	30 September 2015			31 December 2014				
	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Valuation technique not based on observable market data technique (Level 3)	Carrying value	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Valuation technique not based on observable market data technique (Level 3)	Carrying value
In thousands of Russian Roubles								
FINANCIAL ASSETS CARRIED AT AMORTIZED COST								
<i>Due from other banks</i>								
- Short-term placements with other banks with original maturities of more than three months	-	22 935 768	-	22 935 768	-	3 149 101	-	3 149 101
- Long-term placements with other banks with original maturities of more than one year	-	7 132 707	-	7 132 707	-	12 245 610	-	12 245 610
<i>Loans and advances to customers</i>								
- Corporate loans	-	-	325 715 063	326 029 184	-	-	329 767 022	335 429 588
- Retail loans	-	-	157 952 008	174 195 761	-	-	188 241 477	198 869 589
- Small and micro entities loans	-	-	12 877 342	13 559 268	-	-	17 451 014	19 913 713
- Loans to middle business	-	-	19 070 561	19 128 215	-	-	18 871 352	19 872 290
- Public sector loans	-	-	1 791	1 791	-	-	3 966	4 262
<i>Investment securities held to maturity</i>								
- Corporate bonds	517 516	-	-	523 885	500 942	-	-	509 782
- Eurobonds of EBRD	-	5 634 106	-	5 687 937	-	-	-	-
- Corporate eurobonds	-	2 976 237	-	3 000 160	-	-	-	-
<i>Assets of Disposal group</i>	-	21 630 223	26 088	21 723 189	-	-	-	-
Total	517 516	60 309 041	515 642 853	593 917 865	500 942	15 394 711	554 334 831	589 993 935

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29 Fair Value of Financial Instruments (Continued)

Fair values analysed by level in the fair value hierarchy and carrying value of liabilities not measured at fair value are as follows:

	30 September 2015				31 December 2014			
	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Valuation technique not based on observable market data technique (Level 3)	Carrying value	Quoted price in an active market (Level 1)	Valuation technique with inputs observable in markets (Level 2)	Valuation technique not based on observable market data technique (Level 3)	Carrying value
<i>In thousands of Russian Roubles</i>								
FINANCIAL LIABILITIES CARRIED AT AMORTIZED COST								
Due to other banks								
- Correspondent accounts and overnight placements of other banks	-	4 246 200	-	4 246 200	-	20 670 570	-	20 670 570
- Short-term placements of other banks	-	4 427 818	-	4 427 818	-	7 967 318	-	7 967 318
- Long-term placements of other banks	-	3 865 152	-	3 783 829	-	6 238 955	-	5 943 601
- Sale and repurchase agreements with securities with CBRF	-	927 783	-	927 783	-	1 983 277	-	1 983 277
- Placements of Central Bank	-	-	-	-	-	40 956 821	-	40 956 821
Customer accounts								
- Current/settlement accounts of legal entities	-	151 619 332	-	151 619 332	-	132 306 314	-	132 306 314
- Term deposits of legal entities	-	57 313 707	-	56 106 010	-	87 898 649	-	87 039 761
- Current/demand accounts of individuals	-	136 022 321	-	136 022 321	-	137 328 703	-	137 328 703
- Term deposits of individuals	-	199 716 627	-	197 888 623	-	174 910 032	-	173 657 059
- Current/settlement accounts of state and public organisations	-	1 201 784	-	1 201 784	-	1 555 536	-	1 555 536
- Term deposits of state and public organisations	-	39 029 694	-	39 029 694	-	13 127	-	13 127
Insurance contracts								
-	-	-	-	-	-	14 635 855	-	14 635 855
Debt securities in issue								
- Bonds issued on domestic market	20 026 756	-	-	22 516 585	18 735 862	-	-	19 790 404
- Promissory notes	-	449 503	-	449 503	-	1 415 089	-	1 415 089
- Bonds issued on external market	-	254 081	-	281 985	-	1 022 849	-	1 022 849
Term borrowings from the Parent Bank	-	66 783 038	-	66 783 038	-	61 993 150	-	61 993 150
Term borrowings from other financial institutions								
- Term borrowings from other financial institutions	-	-	-	-	-	465 471	-	465 471
- Loans secured by diversified payment rights	-	-	-	-	-	9 355 939	-	9 355 939
Other financial liabilities								
- Provision for other credit related commitments	-	-	108 704	108 704	-	-	130 156	130 156
- Shareholders dividends	-	6 947 638	-	6 947 638	-	-	-	-
Liabilities of Disposal group	-	34 079 257	-	33 949 966	-	-	-	-
Total	20 026 756	706 883 935	108 704	726 290 813	18 735 862	700 717 655	130 156	718 231 000

29 Fair Value of Financial Instruments (Continued)

The fair values in level 2 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

For assessment of fair value of loans and advances to customer categorized at Level 3, the Bank uses Discounted cash flows model.

The Bank calculates FV for loans with fixed interest rate with remaining maturity of more than one year. The Bank uses the following assumptions:

- the fair values of loans with floating rate are considered to be equal to the carrying value because the interest payments are based on LIBOR or MIBOR depending on the terms of agreement;
- the fair value of loans with remaining maturity less than one year are considered to be equal to the carrying value due to the fact that effect of fair value recalculation based on current market rates is not material.

For corporate loans with maturity more than one year the Bank discounts monthly payments at weighted average rate by product type and currency type calculated based on contractual rates for loans issued by the Bank during the last quarter before the reporting date.

For loans to private individuals with maturity more than one year the Bank discounts monthly payments at weighted average rate by product type and currency type calculated based on the loans issued at the end of the last quarter before the reporting date.

30 Related Party Transactions

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

30 Related Party Transactions (Continued)

At 30 September 2015 the outstanding balances with related parties were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associates	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Corresponding accounts and overnight placements with other banks (contractual interest rate: 0.00% p.a.)	20 257 975	86 142	-	-	-
Placements with other banks with original maturities of less than three months (contractual interest rate: 0.10% – 0.33% p.a.)	16 567 585	20 533 379	-	-	-
Due from other banks (contractual interest rate: 0.50% – 1.78% p.a.)	9 948 017	12 865 670	-	-	-
Gross amount of loans and advances to customers (contractual interest rate: 1.40% – 16.69% p.a.)	-	3 730 740	2 894 077	187 389	-
Purchased intangible assets less accumulated depreciation	326 406	-	-	-	-
Derivatives and other financial assets	24 516 050	8 774	184	-	-
Investments in associate	-	-	2 327 153	-	-
Due to other banks (contractual interest rate: 1.65% – 11.00% p.a.)	3 972 019	443 576	-	-	7 788
Customer accounts (contractual interest rate: 0.66% – 14.65% p.a.)	-	-	2 378 184	-	-
Term borrowings from the Parent Bank (contractual interest rate: 1.39% – 3.23% p.a.)	66 783 038	-	-	-	-
Debt securities in issue (contractual interest rate: 5.46% p.a.)	-	329 048	-	-	-
Derivatives and other financial liabilities	43 919 839	8 687	-	-	-
Other liabilities	-	-	-	351 153	65 959

The income and expense items with related parties for the nine-month period ended 30 September 2015 were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associates	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Interest income	21 679 982	364 638	393 341	14 701	21
Interest expense	(11 072 509)	(81 433)	(215 728)	-	-
Fee and commission income	11 170	6 920	1 485	-	28
Fee and commission expense	(84 314)	(20)	-	-	(3)
Gains less losses/(losses less gains) from trading in foreign currencies	(5 594)	(216 008)	9 268	-	-
Unrealized (losses net of gains)/gains less losses from financial derivatives	11 885 402	(8 330)	-	-	-
Administrative and other operating expenses	(786 625)	-	-	(157 677)	(100 900)
Other operating income	10	-	2 571	-	-
Share of profit of associate	-	-	417 055	-	-

30 Related Party Transactions (Continued)

The income and expense items with related parties for the three-month period ended 30 September 2015 were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associates	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Interest income	8 498 794	124 796	289 139	5 591	-
Interest expense	(5 037 241)	(9 291)	(69 664)	-	-
Fee and commission income	3 839	2 236	1 106	-	11
Fee and commission expense	(26 286)	(11)	-	-	-
Gains less losses/(losses less gains) from trading in foreign currencies	64 520	(204 836)	4 072	-	-
Unrealized (losses net of gains)/gains less losses from financial derivatives	(19 377 533)	(2 781)	-	-	-
Administrative and other operating expenses	(409 750)	-	-	(110 248)	(66 695)
Other operating income	2	-	-	-	-
Share of profit of associate	-	-	137 274	-	-

At 30 September 2015 other rights and obligations with related parties were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associates	Other related parties
<i>In thousands of Russian Roubles</i>				
Guarantees issued by the Group at the period end	611 007	685 248	-	-
Guarantees received by the Group at the period end	624 556	906 902	-	84 800
Letters of credit issued by the Group at the period end	-	579 520	11 038	-
Undrawn credit lines and overdraft facilities	1 800	-	982	-
Interest rate swap agreements – notional amount as at the period end	372 586 063	-	-	-
Interest rate swap agreements – fair values as at the period end	306 416	-	-	-
Cross currency interest rate swap agreements – notional amount receivable as at the period end	139 610 081	-	-	-
Cross currency interest rate swap agreements – notional amount payable as at the period end	148 613 028	-	-	-
Cross currency interest rate swap agreements – fair values at the period end	(8 540 744)	-	-	-
Foreign currency derivative financial instruments – principal amount purchased	145 712 851	5 065 621	-	-
Foreign currency derivative financial instruments – principal amount sold	154 068 213	5 069 034	-	-
Foreign currency derivative financial instruments – fair value	(10 746 639)	592	-	-
Currency Options purchased - notional amount	6 648	-	-	-
Currency Options purchased - fair value	509	-	-	-

30 Related Party Transactions (Continued)

At 31 December 2014 the outstanding balances with related parties were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associates	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Corresponding accounts and overnight placements with other banks (contractual interest rate: 0.00% – 0.00% p.a.)	37 926 173	13 341	-	-	-
Placements with other banks with original maturities of less than three months (contractual interest rate: 0.10% – 0.10% p.a.)	12 376 848	18 500	-	-	-
Due from other banks (contractual interest rate: 0.60% – 0.60% p.a.)	5 642 811	-	-	-	-
Gross amount of loans and advances to customers (contractual interest rate: 1.89% – 16.69% p.a.)	-	-	4 021 830	235 442	-
Purchased intangible assets less accumulated depreciation	279 711	-	-	-	-
Derivatives and other financial assets	18 980 654	14 698	-	-	-
Investments in associates	-	-	2 160 097	-	-
Due to other banks (contractual interest rate: 1.65% – 15.00% p.a.)	1 829 831	4 371 295	-	-	36 664
Customer accounts (contractual interest rate: 0.28% – 21.85% p.a.)	-	-	2 326 426	-	-
Term borrowings from the Parent Bank (contractual interest rate: 1.48% – 3.16% p.a.)	61 993 150	-	-	-	-
Debt securities in issue (contractual interest rate: 3.64% – 5.46% p.a.)	-	1 022 849	-	-	-
Other liabilities	-	-	-	420 264	70 755
Derivatives and other financial liabilities	50 858 242	5 777	1 089	-	-

The income and expense items with related parties for the nine-month period ended 30 September 2014 were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associates	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Interest income	6 211 229	90 366	176 275	16 736	-
Interest expense	(4 069 571)	(163 540)	(46 668)	-	(6 208)
Fee and commission income	19 474	6 150	1 867	-	-
Fee and commission expense	(153 966)	(6)	-	-	-
Gains less losses/(losses less gains) from trading in foreign currencies	(8 868)	(107 407)	4 289	-	-
Unrealized (losses net of gains)/gains less losses from financial derivatives	(11 043 424)	2 231	-	-	-
Administrative and other operating expenses	(557 484)	(11 022)	-	(456 969)	-
Other operating income	-	-	-	-	-
Share of profit of associate	-	-	385 237	-	-

30 Related Party Transactions (Continued)

The income and expense items with related parties for the three-month period ended 30 September 2014 were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associates	Members of the Managing Board	Other related parties
<i>In thousands of Russian Roubles</i>					
Interest income	2 444 126	45 765	63 442	3 441	-
Interest expense	(1 143 226)	(59 611)	(21 727)	-	-
Fee and commission income	8 709	1 882	475	-	-
Fee and commission expense	(41 179)	(3)	-	-	-
Gains less losses/(losses less gains) from trading in foreign currencies	(1 714 119)	(28 981)	1 703	-	-
Unrealized (losses net of gains)/gains less losses from financial derivatives	(10 545 677)	3 019	-	-	-
Administrative and other operating expenses	(198 531)	(1 227)	-	(103 950)	-
Share of profit of associate	-	-	108 522	-	-

At 31 December 2014 other rights and obligations with related parties were as follows:

	Parent bank	Subsidiaries of the Parent Bank	Associates	Other related parties
<i>In thousands of Russian Roubles</i>				
Guarantees issued by the Group at the year end	1 216 386	385 686	-	-
Guarantees received by the Group at the year end	1 402 109	846 339	-	98 000
Letters of credit issued by the Group at the year end	-	1 018 109	-	-
Undrawn credit lines	-	-	8 144 966	-
Interest rate swap agreements – notional amount as at the year end	300 366 730	-	-	-
Interest rate swap agreements – fair values as at the year end	2 549 390	-	-	-
Cross currency interest rate swap agreements – notional amount receivable as at the year end	83 066 539	-	-	-
Cross currency interest rate swap agreements – notional amount payable as at the year end	89 857 466	-	-	-
Cross currency interest rate swap agreements – fair values as at the year end	(7 844 990)	-	-	-
Foreign currency derivative financial instruments – principal amount purchased	177 259 648	1 624 889	-	-
Foreign currency derivative financial instruments – principal amount sold	199 664 137	1 611 245	-	-
Foreign currency derivative financial instruments – fair value	(26 586 344)	8 922	-	-

The Bank's immediate parent is Raiffeisen CIS Region Holding GmbH (2014: Raiffeisen CIS Region Holding GmbH). The Bank is ultimately controlled by Raiffeisen Zentralbank Osterreich AG (2014: Raiffeisen Zentralbank Osterreich AG).

30 Related Party Transactions (Continued)

Key management compensation is presented below:

	30 September 2015 Expense	30 September 2015 Accrued liability	30 September 2014 Expense	31 December 2014 Accrued liability
<i>In thousands of Russian Roubles</i>				
Short-term benefits:				
- Salaries	144 576	-	132 478	-
- Short-term bonuses	12 002	334 978	230 277	405 188
- SB payment	100 900	65 959	94 214	70 755
Share-based compensation:				
- Cash-settled share-based compensation	1 100	16 175	-	15 076
Total	258 578	417 112	456 969	491 019

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

31 Subsequent Events

The Group paid dividends to RBI in the amount RR 7 895 010 thousand in October 2015.

On 19 October 2015 BIN Group has closed the deal to acquire ZAO NPF Raiffeisen from AO Raiffeisenbank. Prior to closing, all the required regulatory approvals were obtained from the Federal Antimonopoly Service and the Central Bank of the Russian Federation. The change of shareholder will not affect performance of the fund's obligations to insured persons, contributors and participants. Customer agreements will stay in effect; the terms of investment income calculation and distribution, payout of pensions and surrender amounts will also remain unchanged. AO Raiffeisenbank will continue servicing the fund's customers at its branches and will act as an acquisition agent for mandatory pension insurance agreements in the future.

As of 30 September 2015 major classes of ZAO NPF Raiffeisen assets classified as disposal group and liabilities directly associated with disposal group are disclosed in the Note 14.

Director
AO «PricewaterhouseCoopers Audit»
N. V. Kossova

13 November 2015



67 (sixty seven) pages are numbered, bound and sealed.