



● **годовой отчет**
annual report

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МОСКОВСКИЙ БАНК
реконструкции и развития
 **МБРР**

Moscow Bank for
Reconstruction and Development



annual report 2006



● *PRINCIPLE OF EQUILIBRIUM*



● *PRINCIPLE OF STABILITY*



● *PRINCIPLE OF DEVELOPMENT*



● *PRINCIPLE OF GROWTH*



● *PRINCIPLE OF BELONGING*



● *PRINCIPLE OF CORRESPONDENCE*



● *PRINCIPLE OF PERMANENCE*



● *PRINCIPLE OF INTEGRATION*

STATEMENT OF THE CHIEF EXECUTIVE

Dear shareholders, customers and partners of the Bank:

Today, the banking sector dramatically shows it can be a development engine not only for home financial system, but also for the Russian economy at large. By meeting demands of domestic companies, deposit-taking institutions are becoming, in essence, national circulatory system giving access to financing. To comply with such an important role, Russian banks should have adequate capital, technologies, diversified network and quality products.

Presently, Moscow Bank for Reconstruction and Development strategically focuses on retail business development. It means expanding the existent spectrum of services, implementing advanced financial technologies and launching most demanded products to the market. We see the ever growing demand for banking services from households. As a universal bank, we deem it wise to provide our customers with quality products, ranging from consumer loans and mortgages to credit cards, mobile banking and Internet banking. Nowadays, quality service delivery to households is of priority for us.

The Bank has established a broad network of offices to serve all kinds of customers both in the retail market and the corporate market. The year 2006 saw MBRD's aggressive expansion of the retail network and its increased regional presence. Throughout the reporting year, 28 offices of diverse format were set up in Moscow. By the year end 2006, our points of presence in the Moscow region totalled 66

offices. The Bank continues with regional expansion, and has already in place 13 branches in Russian cities in 2006 compared to 7 branches by the year end 2005. MBRD's regional network comprises 54 offices registered with the Bank of Russia and located in 22 most industrialised federal constituencies of the Russian Federation. In so doing, the Bank intends to step up efforts in further building up the banking chain in the future.

MBRD, no doubt, notably strengthened its positions in the Russian financial market over the reporting year. To illustrate, net assets increased by nearly RUR23.28 billion, while capital rose more than by RUR1.7 billion. Total income was RUR5.154 billion against 2.9 billion in 2005, and net profit increased by 65% to RUR442 million.

In March 2006, a US\$60m 10-year subordinated eurobond issue placed on the Luxembourg Stock Exchange was an important event. And in June 2006, despite adverse market conditions, MBRD succeeded in making another eurobond issue for US\$100m due in 3 years.

I wish to assure that we are not going to be satisfied with the achieved results and we will seek further upturn in key financial figures and more solid positions of the Bank within the Russian financial sector.

We are most grateful to our customers and partners for the confidence they placed on us and we expect our cooperation in the future will be as close and efficient as before. Moreover, it will open new horizons for even greater business expansion.

Sergey Ya. Zaytsev
Chairman of the Management Board

MACROECONOMIC ENVIRONMENT AND MBRD'S POSITION IN THE RUSSIAN BANKING SECTOR

In 2006, the macroeconomic background was propitious for the national banking and financial sector. A 21% rise in average oil price and greater cost of other commodities led to substantial growth in Russian exports. External demand was underpinned by more investment in core capital (by 13.7% at the year end 2006) and consumption (in 2006, retail trade turnover increased by 13% in real terms). Such situation resulted in a greater GDP which, according to estimates, increased by 6.8%, and our economy has achieved a 8-year sustained growth. It is worth pointing out that Russian economic upturn was higher both than average global indicators (by 5%) and economic growth rates in Central and Eastern Europe (by 5.3%). In light of specific features of the Russian economy, substantial appreciation of rouble vs. US dollar and the rest of the world currencies within the last three year does not seem to affect the existing rates of national economic growth.

Owing to tough budget policy pursued by the Russian Government, Russia succeeded in curbing increased cost of living despite high rates of economic growth. For the first time in the history of economic reforms, the consumer price index decreased to one-digit figures accounting for 9% as of the year end 2006. However, higher income earned by households and businesses gave rise to much more increased cost of securities and real estate, and RTS Index rose by 70.8% over the year 2006.

Stable political situation, sustained economic growth, rouble appreciation were instrumental in increasing Russia's attraction for foreign investors. Funds raised by the private sector from abroad surpassed US\$105 billion as of the year end 2006, in particular, foreign direct investment was about US\$29 billion. Under the improved macroeconomic situation, two reputable rating

agencies – Standard & Poor's and Fitch – upgraded Russia's sovereign rating up to BBB+.

Over the reporting year, aggregate assets of the banking sector increased by 44% to RUR14,000 billion, accounting for 52.8% of the GDP (against 45.1% in 2005). The ratio of bank non-finance loan portfolio to GDP also went up to 30.2% from 25.2% within a year. Aggregate bank portfolio of loans made to non-finance sector was RUR8,000 billion as of the year end 2006 compared to RUR5,500 billion a year earlier. Retail lending featured most impressive growth: household loans increased by 75% to RUR2,000 billion, and their share within the GDP increased to 7.8% from 5.5%.

Deposits raised on household accounts also rose in 2006 by 38% to RUR3,800 billion. However, their share within the funding base of the banking sector decreased to 27.5% from 28.3%.

Business related to issuance and handling of payment cards continued to expand. Total cards in issue were 74.6 million as of the year end, and card-related transactions in 2006 were RUR1,300 billion, a rise of 50% within the year. However, it had to be admitted that population stereotypes in card usage have not changed – as the year before, merely 7% of the transaction volume were merchant payments, and the rest of it were cash advances.

The Bank of Russia continued with its policy aimed at revoking licences from bad and shady banking institutions. As of 31 December 2006, there were 1,189 banks against 1,253 the year before in the Russian Federation. In view of high concentration of banking assets and capital, such regulatory action did not drive the banking business slow down, on the contrary, it fostered more confidence in the Russian banking sector from investors.

Such process directly affects presence of the foreign capital in the banking industry. According to the Bank of Russia, there were 153 banks with foreign capital as of the reporting year end, and non-resident share within the aggregate share capital of the Russian banks accounted for 14.9% in 2006 against 11.2% the year before.

Besides banks and banking groups having long presence in the Russian market (Citibank, Société Générale, Raiffeisenbank), some major market participants with no prominent involvement in Russian business, started promoting their retail and investment projects. Such situation brings forth decreased market share of the Russian banks, on the one hand, and improved quality and lower cost of services for households and businesses, on the other hand.

For Moscow Bank for Reconstruction and Development, 2006 became a year of the retail business strategy implementation. Owing to the banking business upward trend, MBRD succeeded in enhancing its positions in the banking sector at large. According to RBC rating, the Bank

moved up to 31st position from 34th among the largest Russian banks in terms of net assets. Total assets of the Bank increased in 2006 by 72.2% to RUR55 billion (US\$2.2 billion) from RUR32.0 billion (US\$1.1 billion) in 2005. According to RBC rating in the Top Car Lenders nomination, MBRD ranked 16th, in the Top Mortgage Bank nomination it was 22nd as of the year end 2006. Moscow Bank for Reconstruction and Development enlarged the base of corporate and individual customers owing to retail network and its increased presence Moscow City and in domestic regional markets. By the year end, MBRD's retail chain comprised 120 offices in 39 cities and towns in Russia. The branch network increased almost fivefold within the year.

KEY LINES OF BUSINESS IN 2006

FUNDING BASE

In 2006, by adopting an optimum diversification approach, the Bank ensured a sustained funding base to finance asset-side transactions, while maintaining a reasonable return-to-liquidity ratio.

The borrowing structure was being changed throughout the reporting year. For example, corporate deposits increased by RUR19,541 million (or by 2.9 times) to RUR29,937 million as of 31 December 2006. Proprietary promissory notes issued by the Bank decreased by RUR709 million (or by 19%) in the reporting period to RUR3,023 million by the year end 2006. At the same time, household deposits were up by RUR3,928 million (or 1.75 times as much) to RUR9,180 million as of 31 December 2006.

Borrowings in the inter-bank market fell by RUR759 million in 2006 to RUR6,841 million as of the year end.

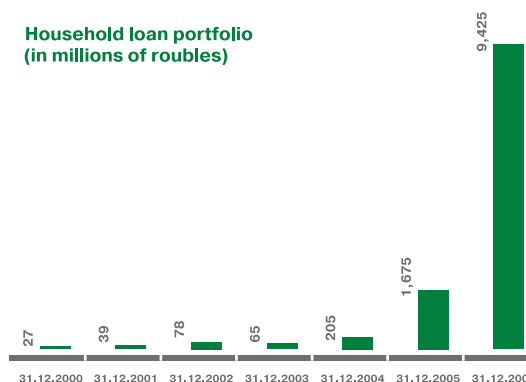
In 2006, there were more corporate cus-

tomers on "payroll projects". The Bank offered increased range of demand deposit products to enable individual customers make a reasonable choice in terms of deposit terms and conditions, maturities and amounts.

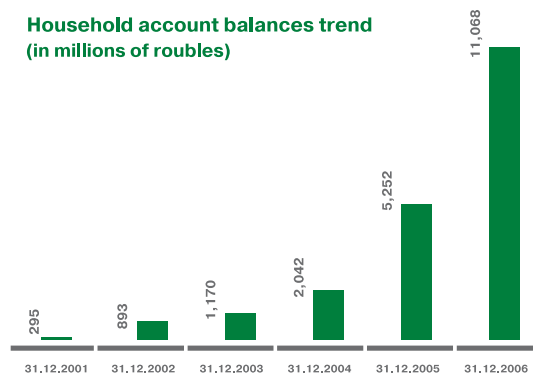
RETAIL BUSINESS

In 2006, MBRD continued with its programme identifying retail segment as the most promising line of business for the short term.

Household loan portfolio
(in millions of roubles)



Household account balances trend
(in millions of roubles)



Payment cards

Throughout the reporting year, the Bank was proactive in card issuance and handling programmes. Priorities for 2006 were to attract new customers using MBRD credit cards, to ensure more card usage and increased loyalty of customers.

Under the joint programme MTS.CARD, the card design was re-branded. The changed card design and the advertising campaign creative became more in harmony with the new MTS image. That was much appreciated by the customers and fostered increased demand for such unique credit product. Issuance of cards under MTS.CARD brand increased twofold to over 50,000 cards as of the year end.

In 2006, supported by VISA International, the Bank implemented a marketing campaign intended for Detski Mir Club cardholders. The campaign sought to increase cards in issue and its active use in the merchant chain.

Moreover, the Bank initiated the Discount Scheme project where all cardholders were able to get discounts from the Bank's counterparty merchants and their list has been ever expanding.

Branches of the Bank joined the issuance of payment cards. Joint programmes such as MTS.CARD and Detski Mir Club succeeded in being placed on the regional level.

Cardholders could take advantage of new, complementary telebanking services with

Internet Banking and Mobile Banking. The existing chain of cash dispensers of the Bank was notably enlarged to enable payments in favour of a variety of providers and to accept loan repayments.

The Bank continued in 2006 with improvements to the proprietary Processing Centre. Scheduled phased certification of the Bank was launched under EMV standards to handle and issue MasterCard and VISA chip cards. Direct settlement on transactions was certified by VISA International. The hardware and software complex of the Processing Centre was modernised.

As of the year end 2006, there were 249,300 MasterCard and VISA cards in issue, a threefold increase within the year.

Mortgage lending

In 2006, the Bank worked hard on continuing with mortgage programmes as a component of the general services intended for households. According to research analysts, MBRD became the second in terms of rates of growth in mortgage loans, to US\$105.8 million in 2006 from US\$1.8 million in 2005, a 59-time surge. Totally, in the reporting year 2,012 mortgage loans were made. Thanks to its successful activities, Bank ranked 22nd among top mortgage banks in Russia in 2006.

At present, MBRD is engaged in 16 mortgage programmes intended to satisfy most demanding customers. Such programmes are designed for housing purchase both in the secondary market and the primary market in real estate. The Federal Mortgage Programme is one of the most important and demanded in all areas of presence of the Bank. The Programme is being implemented subject to agreements entered into between the Housing Mortgage Agency and the regional operators.

In order to meet demand of the mortgage market, MBRD improved terms of mortgage loans on a regular basis, including, repeated cuts in interest rates (which fell by 3 percent in

rouble-denominated loans and by 2.5 percent in US dollar-denominated loans on the average over the year), reduced requirements for down payments to 10% from 30%, increased available amount with respect to rouble-denominated loans to RUR16.2 million, and with respect to US-dollar loans by US\$200,000, to US\$500,000 from US\$300,000.

Loans to purchase housing in the primary market are regarded as most interesting and promising products. In order to minimise risks for customers, the Bank limited the list of developers from which the borrower can purchase housing with a mortgage loan and invited the customers to deal with developers certified by the Bank. MBRD notably enlarged the number of certified companies which, in particular, make up over 50% of the housing construction in the primary market in the Moscow area. The market leaders are PIK group of companies, SU-155 investment and constriction group of companies, DSK-1, Sistema Hals, KROST Constructions, Khimki SMU MOIS-1 group of construction companies, ST Group Region, and others.

Some specific features are inherent in dealings with borrowers in mortgage lending. The purchase-and-sale of the housing using mortgage loans is arranged at the Bank on the one-wicket basis, that is, the borrower's account manager is in charge of all the matters related to contacts with the appraiser, the insurer and other counterparties. It was made possible due to opening in 2006 the Mortgage Centre, the first specialised sub-office, where a comprehensive set of services can be delivered to the borrower, ranging from consulting to round-the-clock acceptance of loan repayments. At the same sub-office, the customers can get a free advice from a professional realtor on all real estate-related matters.

The Bank as part of Sistema Joint Stock Financial Corporation places particular emphasis on assisting staff of the corporation in improvement in their standard of living. In 2006, the Bank made mortgage loans to 82 employ-

ees of corporate customers totalling US\$10.0 million, in particular, 51 mortgage loans for US\$8.3 million to such customers in the Moscow area.

Mortgage lending volumes as of 31 December 2006

Area	Number and amount of mortgage loans made in 2005		Number and amount of mortgage loans made in 2005	
	Number	Amount, US\$	Number	Amount, US\$
Moscow	5	541.5	201	23,284
Provinces	49	1,225.4	1811	82,500.3
Total	54	1,766.9	2012	105,784.3

* All the amounts are specified in US dollars notwithstanding the currency of the loan.

Car loans

In 2006, the Bank continued stepping up efforts in developing and implementing car lending programmes as a component of general services for households. According to research analysts, MBRD became the leader in car lending growth rates as of 30 June 2006.

Car loan portfolio increased to US\$164.3 million in 2006 from US\$42.8 million in 2005, totalling 12,802 loans as of the year end. Owing to its successful performance record, the Bank was 16th among the top Russian banks in car lending in 2006.

Presently, the Bank is engaged in 7 car lending programmes to finance purchase of new and used home-made and foreign cars.

Throughout the year 2006, the Bank substantially broadened the list of certified counterparties (car dealers and insurance companies). These are Block Motors, Autocentre City, Klarus Trading, Autopassage, German House, ASK Dream Car (Stavropol), Autofrance (Ekaterinburg), Modus (Southern Federal District, Russia), Gedon chain of car dealers (Rostov-on-

Don), Avtovo Toyota Centre (Saint Petersburg) and others. Main counterparties in insurance are, in particular, Rossia, Megaruss-D, Guta-Insurance, RESO-Garantia, ROSNO, Standard-Reserve, VSK, MAKs and Rosgosstrakh.

It was made possible owing to a universal sale principle based on tailor-made approach to meet demands of every counterparty and the manager's dealings with the borrower, from consulting to round-the-clock acceptance of loan repayments.

With a view to expand its portfolio, MBRD decided to securitise the car loan portfolio, to unify lending programmes in Moscow and in the branch network, and to continue its business relations with car dealers and insurance companies.

Target-oriented express loans

In 2006, the Bank launched a Wood House-Construction programme aimed at making target loans to purchase a mix of wood houses ranging from a small summer house to a comfortable cottage for permanent living. Zodchiy group of companies, an important market player, became the main partner of the programme. Successful cooperation with Zodchiy group made other players of this market more interested, giving new momentum to the programme.

As of the year end 2006, MBRD ranked 11th in the top lenders in points of sale, according to Finance magazine which made this rating of Russian banking institutions. In 2006, the Bank had 168 points of presence in shops.

Throughout the reporting year, the Bank succeeded in attracting major participants of the market such as Okna Rosta, Eurookna, Kukhnistroy, Fabrikaokon, Kukhni Rossii and others.

In 2006, the target-oriented express lending programme was also launched in several regional branches of the Bank: in Krasnodar, Tomsk, Ufa, and the Moscow Region.

Self-service cash dispensers

In 2006, the Bank continued with optimisation

and expansion of the exiting chain of self-service cash dispensers. As of 31 December of the year under review, 216 automatic teller machines (against 39 ATMs in 2005) were installed, and POS terminals increased by 155 to 258. By the year end, the Bank had in place the following chain of self-service dispensers:

City/town	ATMs	POS terminals	Cash dispensers
Saratov		2	0
Stavropol	2	1	0
Tomsk	4	9	0
Saint Petersburg	13	49	2
Rostov-on-Don	11	9	4
Syktvykar	9	14	1
Krasnodar	17	14	2
Ekaterinburg	6	15	0
Krasnoyarsk	2	2	0
Ufa	1	3	0
Nizhni Novgorod	1	1	0
Volgograd	0	1	0
Moscow	150	138	39
Total	216	258	48

In order to improve communication channels with self-service cash dispensers, proposals were selected and appraised and services of new telecommunication providers were tested. Under these activities, some of the middle reliability channels were replaced by high fidelity channels by Tascom company. The Bank carried out solutions to support operation of cash dispensers located in the branch premises.

Innovative technologies

Mobile Banking

In 2006, the Bank continued with Mobile Banking to enable customers get information on their accounts and to make payments via a wireless phone.

Over the period under review, 1,468 customers purchased the service, and there were 1,936 customers in Mobile Banking as of the year end.

Volume of transactions increased more than sixfold in 2006, while cash turnover was RUR64.3 million.

By stepping up efforts aimed at expanding the exiting distribution channels, points of sale increased to 17, and sales were more intensive in corporate sector (payroll schemes).

In 2006, procedure to complete applications for service connection was implemented through the Mobile Banking promotion Web site.

Internet Banking

In September 2006, Internet Banking was put into commercial operation to allow customers of the Bank to manage their bank accounts via Internet. On the initial stage, the information service mode was launched, and from November 2006, the system allowed to make payments and fund transfers between customer accounts. Expanded opportunities were offered to service users with respect to information services:

- Statement of account movements percard for the period.

- Mini statement.

- Exchange of messages with the Bank.

And with respect to payment services:

- Payments in favour of companies – MTS, Beeline, MegaFon (Moscow, Caucasus), MGTS, MTU-Intel, NTV+, Cosmos TV.

- Fund transfers between cards of one customer and between cards of different customers of the Bank.

Internet Banking services were on sale in 9 offices, in the regional network and the corporate sector.

As of the year end, users of the service were 1,012 customers, and their aggregate cash turnover was over RUR3.8 million.

Payments for services through cash dispensers and terminals

Owing to major expansion of self-service cash dispensers in 2006, the range of existing services broadened to 31 from 7 in 2005.

With a view to develop payment services, the Bank additionally entered into agreements with Rostelecom, Sistema-Gorod, Payment Centre Dealer, engaged in consolidation and acceptance of payments in favour of 90 service suppliers.

The Bank implemented the Payment Assistant service aimed to increase customer loyalty, which comprised tailor-made adjustments to software menu at ATMs and payment terminals.

In 2006, total volume of payments made via ATMs and POS terminals increased 2.53 times (against 2005) to reach US\$0.76 million (36,600 payments).

Repayment of consumer loans and card account replenishment in third-party networks

In 2006, customers of the Bank got access to Eleksnet terminals, including those not equipped with cardreaders in order to repay consumer loans and to replenish card accounts with MBRD. Such terminals may accept money against card number and its validity data. Greater payment limit is granted online – once the transaction is processed by the terminal. As of the reporting year end, cash was accepted in Moscow-based dispensers (1,687) and those located in the Moscow Region (1,253), Saint Petersburg (337), Smolensk (50), Ekaterinburg (5), Rostov-on-Don (21), Nizhni Novgorod (21). Over the year under review, 24,384 transactions were performed for RUR119 million.

Single access point (SAP)

By the end of 2006, it was decided to take part in the Single Access Point convergence project engineered by Sistema group of companies. Under the project, a universal payment facility was to be created, that is, to issue express payment cards and to launch a single Web portal for customers served by Sistema-owned telecommunication companies. Subject to the project, the Bank was to act as an issuer of express payment cards and as a Web

transaction processor using both express cards and conventional cards. At the pilot stage, a working panel was set up at the Bank under the SAP project, agreements on cooperation and confidentiality were signed with Intellect-Telecom research and technology enterprise as the project arranger. Moreover, a review of the legal framework was made for issuance of universal express payment cards based on pre-payment cards, payment flow charts and interface were designed for the SAP portal to be connected to the Processing Centre of the Bank.

Test payments were planned by the end of 1Q 2007.

Moscow area retail distribution network

In 2006, the Bank went on expanding the Moscow-based chain of offices and credit product points of sale. Throughout the year 2006, the Bank opened in Moscow 28 subdivisions of diverse format. By the reporting year end, there were 66 points of presence of the Bank.

The network of Moscow-based subdivisions comprised three office formats (VIP outlets, outlets and mini-outlets) and allows deliver quality services to businesses and households.

With a view to further develop the network of offices in Moscow City and to deliver banking services to loyal and promising customers, the Bank opened 6 universal outlets, including 2 VIP outlets in 2006. In addition, the Bank established a specialised Mortgage Lending Centre based on premises of an outlet (Mortgage Centre sub-office). Within the year under review, mini-outlets located in MGTS telephone switchboard premises increased in number, where sale of card products of the Bank and cash and settlement services were arranged. Most outlets have in place a 24-hour area intended for the round-the-clock delivery of services.

To make consumer loans for purchase of cars and durable goods, 4 lending centres were

opened in hipermarkets and corporate premises. Partners on lending programmes to purchase cars, furniture, windows, etc. notably increased in number. The Bank holds leadership positions in some goods items in Moscow as far as consumer lending is concerned.

With a view to further cooperation with partners of the Bank aimed at promoting card co-brand products, there were 32 points of sale located at Detski Mir department store and MGTS offices.

Office network in Moscow City as of the year end 2006

	2005	2006	Increase
VIP outlets	1	3	2
Outlets	4	8	4
Mini-outlets	1	6	4
Sale Centres (MTS, Detski Mir)	18	32	13
Teller offices	13	13	0
(off-premises) Lending Centres	1	5	4
Total	38	66	28

In the year under review, the Bank virtually completed the programme aimed at spreading its offices over the central part of Moscow City and started setting up accessible and convenient offices in dormitory suburbs of the capital to handle customers and sell credit products jointly with our partners such as MTS, Intourist, ROSNO and Detski Mir.

CORPORATE BANKING

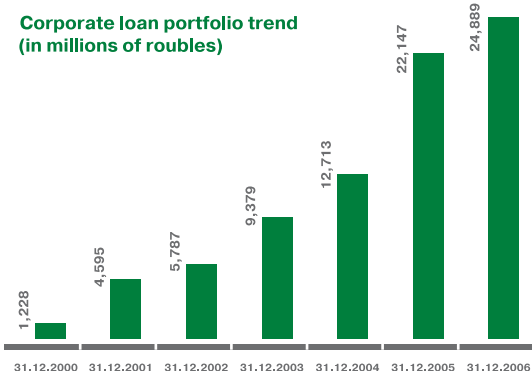
Owing to cooperation with corporate customers based on partnership philosophy, improved service delivery technology and new banking products, corporate clientele grew in terms of quantity and quality as of the year end 2006. Within the reporting year, corporate customers increased by over 39%. The Bank continued placing emphasis on services to

major and medium-sized companies from various industries.

Enterprises engaged in fixed, cable and mobile communication, food, major leasing companies and insurers, defence complex, constructors, tourist operators, major car dealers, and cinema industry make up the bulk of MBRD's customer base.

Corporate banking highlights for 2006 against 2005 were as follows:

- Corporate balances on payment accounts increased more than 2.9 times to more than RUR29 billion.
- Commission income from corporate banking posted a 53.1% rise.
- Loan portfolio (corporate loans) increased by 12.4% to RUR24.8 billion.



MBRD is engaged in implementing on a regular basis programmes intended for major customers with large retail market share. They are, in particular, Moscow City Telephone Network and Mobile TeleSystems where the Bank established its teller offices and points of sale (19 points of presence).

The Bank continued developing strategic partnership with most important customers such as Far Eastern Transport Group, SoyuzEnergO Engineering group of companies, and big leasing companies such as State Transport Leasing Company, Carcade Leasing, Stone-XXI, top car

dealers such as Avtodom, AvtoSpetsCenter, Nika Motors, among others.

In corporate banking, the Bank follows a segmentation approach, placing emphasis on priority lines of business. Cooperation with car dealers where, besides financing, full range of banking services was delivered may serve as an example. For example, MBRD established 3 more teller offices in the car dealers' premises to reach 13 in Moscow in 2006.

After 6 new regional branches were set up in 2006, new opportunities emerged for the Bank in building up the corporate customer base.

In the reporting year, MBRD focused, in particular, on cooperation with the Moscow City Government. The Bank handles accounts of a variety of entities engaged in target-oriented municipal programmes, makes loans for projects implemented under the auspices of the Moscow City Government, issues guarantees for its subdivisions as beneficiaries, in particular:

- under the New Competitive Goods Manufacturing Modernisation programme, a guarantee was issued to the Department of Science and Industrial Policy of the Moscow City Government for RUR92.7 million;
- subject to investment project Setting up Up-to-date Manufacturing of Competitive Microelectronic Goods based on High Technologies, a guarantee was issued to the Department of Science and Industrial Policy of the Moscow City Government for RUR 194.8 million;
- under the Procurement of Primary and Socially Important Food Stuff, including Returnable Stock to Stabilise Moscow Food Market programme, a guarantee was issued for RUR231.9 million, and some others.

The Bank continued developing and improving the online treasury account system implemented as early as in 2004 which is successfully used by some customers. The treasury account management was needed to consolidate cash flows from big market participants with broad regional chain of offices.

The Bank increased its proactive efforts in special service mechanisms implemented for diverse target groups of customers. For example, MBRD offered companies engaged in foreign trade a full spectrum of guarantees, including those issued to the Federal Customs Service, and a broad range of foreign trade financing schemes.

In 2006, unsecured credit lines in trade finance were about US\$200 million. Credit lines were granted by large international banks such as Dresdner Bank AG, Commerzbank AG, RZB AG, JP Morgan Chase, UBS AG, Nordea Bank Plc, Credit Europe N. V., and some others.

The Bank is able to sell a wide array of documentary products such as letters of credit and guarantees for 360 days and more. Customers also can take advantage of tailor-made products, including pre-export and post-export finance.

The Bank offered execution and support of bilateral and multilateral export and import transactions. MBRD obtained accreditation from national export credit agencies in a variety of countries such as Euler Hermes, KUKE, OND, SACE, EGAP, EDC, ERG, Atradius; correspondent relationships were established with Export-Import Bank of the United States and China Exim Bank.

Throughout the reporting year, the Bank placed particular emphasis on tariff policy. Fee schedule and rates of fundraising were monitored and adjusted on a permanent basis with due regard of the banking market conditions which resulted in substantial deposits attracted from big domestic enterprises.

Corporate lending

In 2006, MBRD kept traditional priorities in its lending policy such as loans to large and medium-sized corporate clients. In so doing, the Bank focused on improved loan quality in the context of diversification by industries, increased number of medium-sized businesses, extended lending terms and broader credit targets.

As of 31 December 2006, consolidated corporate loan portfolio increased 12.4% to RUR24.9 billion as compared to the prior year end.

In 2006, the Bank entered into 1,323 loan agreements, a 46% rise against 2005, and issued 67 guarantees.

Lending assets featured high quality in 2006; loans were made mainly to borrowers with good financial standing, against marketable security represented by warranties issued by solid entities and liquid property.

Increased share of loans made for over 1 year represented an important change in the loan portfolio behaviour. As of 31 December 2006, loans made for over 1 year were 29% of the loan portfolio. Such growth was primarily driven by increased demand for borrowings to finance long-term projects.

Therefore, the loan portfolio structure by maturities reflects the Bank's quest to satisfy its customers' demand both for mid-term loans to finance ongoing activities and long-term loans intended for investment purposes.

Foreign currency component within the loan portfolio was quite sustained in 2006. As of 31 December 2007, loans made in US dollars or Euros decreased by 5% to 40% within total loans of the Bank, and such figure suggests a well-balanced loan portfolio.

In 2006, share of branches continued growing within the loan portfolio of the Bank, to 36% from 17%, or to RUR8,815 million from RUR3,744 million in absolute terms.

The biggest lender of the regional network was Tomsk branch with 16.9 % of all the loans made by regional branches of the Bank as of the year end 2006. Substantial lending assets also fell on branches located in Ekaterinburg (15.9% of total loan portfolio of the regional network) and Syktyvkar (15.4% of total regional loan portfolio). By industries, branches made most loans to construction, financial lease and trade sectors.

In summary, by striking the balance of the year, it is worth noting that MBRD pursued

lending policy based on asset build up not only in terms of quantity, but also in terms of quality, thus ensuring its sound loan portfolio.

MONEY MARKET AND CORPORATE FINANCE

Within the year 2006, MBRD increased its presence in the domestic and international money market and capital market. First and foremost, it was related to increased demand for borrowings in the financial markets, bigger volume of customer-related and proprietary transactions.

Along with maintaining current, medium-term and long-term liquidity in Russian roubles and in foreign currencies, adjusting the foreign exchange component of the balance sheet, successful business conducted in the money market enabled efficient placement of available funds and additional gains from arbitrage and forex transactions in the domestic and international money markets.

In 2006, MBRD was intensively involved in international capital markets. For example, in March 2006, the Bank made an offering of a US\$60m subordinated eurobond issue for a 10-year term on the Luxemburg Stock Exchange. And in June 2006, despite adverse market conditions, MBRD succeeded in making another issue of US\$100m eurobonds for a 3-year term.

In December 2006, the Bank repaid a €25m syndicated loan arranged by a group of international banks with RaiffeisenZentralbank, Austria, as the lead manager.

In 2006, MBRD successfully operated as a market maker on the MICEX with ordinary equity and preference equity issued by MGTS telephone operator. About 10% of MICEX total turnover fell on equity of this telephone company through MBRD. In addition, the Bank entered into an agreement in March 2006 on market making with respect to bonds issued by Detski Mir Centre company, and ensured continuing marketability of these bonds.

In 2006, MBRD continued with its services on asset trust management. As of the year end 2006, securities portfolio in trust management of the Bank exceeded US\$100 million (against US\$25 million in 2005).

The Bank's customer base went on expanding from among medium-sized and small banks raising financing against pledge of marketable securities. Security lines were more than US\$100 million as of the year end 2006.

Within the reporting year, MBRD placed 10 issues of corporate bonds in the domestic capital market and in international market as an arranger (co-arranger) and underwriter (co-underwriter) totalling RUR30 billion.

Securities issues arranged and placed in 2006 were as follows:

- January 2006.
Debut bond issue of AK BARS Bank for RUR1.5 billion. MBRD acted as a co-underwriter.
- March 2006.
Debut bond issue of Amurmetal in Komsomolsk-on-Amur for RUR1.5 billion. MBRD acted as a co-arranger.
- April 2006.
Debut bond issue of Wild Orchid Group of companies for RUR1 billion. MBRD acted as a co-underwriter.
- July 2006.
Debut bond issue of HydroOGK company for RUR5 billion. MBRD acted as a co-underwriter.
- September 2006.
7th bond issue of Russian Standard Bank for RUR5 billion. MBRD acted as a co-underwriter.
- September 2006.
Debut bond issue of Moscow United Power Network Company for RUR6 billion. MBRD acted as a co-underwriter.
- October 2006.
Second bond issue of Bank SOYUZ for RUR2 billion. MBRD acted as an underwriter.
- November 2006.
Debut bond issue of Sugar Company (Saint Petersburg, Russia) for RUR2 billion. MBRD acted as a co-underwriter.

- December 2006.

Debut bond issue of TOAP Finances for RUR2 billion. MBRD acted as a co-underwriter.

- December 2006.

Debut bond issue of Ufa Engine-Building Production Association for RUR4 billion. MBRD acted as a co-underwriter.

No claims from customers on brokerage services was prime quality indicator of the Bank's activities with respect to support of customer-related business in 2006.

CORRESPONDENT BANKING AND INTERNATIONAL PAYMENTS

Adequate network of clearing banks in place is a needed groundwork to handle foreign trade of the Bank's clientele. The Foreign Exchange Division continued developing correspondent relationship with domestic and foreign financial institutions. Clearing network of the Bank changes in line with demand and business geography of the customers.

Traditionally, MBRD's partners in Western Europe has been high-street banks with impeccable reputation such as JPMorgan Chase Bank, American Express Bank, Commerzbank AG, Dresdner Bank AG, Raiffeisen Zentralbank AG, HSBC Bank Plc, among others.

The Bank raised funds on a regular basis from correspondent banks to vostro accounts and sought to increase their balances. In the reporting year, 17 clearing vostro/nostro accounts were opened. In particular, 9 vostro accounts were used for inter-bank business and payments within the mortgage project, while 8 nostro accounts with domestic and foreign banks were intended for trade finance, VISA International settlements and other transactions.

The existing vostro and nostro clearing accounts make more efficient handling of customer and proprietary payments in the domestic and foreign currencies. In so doing, an emphasis was placed on developing business relationship with solid and experienced financial institutions.

Moscow Bank for Reconstruction and

Development delivered a broad range of international payment services in documentary business. Throughout the reporting year, 26 import letters of credit were opened (and partially honoured) (against 14 in 2005) totalling US\$11.4 million and €43.8 million, or 8 times as much against the prior year figures. Funds raised from foreign banks to finance such deals helped notably improve return and attraction of these banking products.

The Bank succeeded in collecting proceeds on export letters of credit opened with leading Chinese banks in favour of Sukhoy aircraft group, totalling US\$69.2 million.

In the year under review, MBRD enhanced its positions in export and trade finance market, mainly, owing to competitive terms of its products and services. The volume of such deals increased to US\$60 million in 2006 from US\$10 million in 2005.

In the reporting year, the Bank signed master agreements with AKA Ausfuhrkredit-Gesellschaft mbH, a syndicate of German banks, and other German banks such as Landesbank Berlin AG and Bayerische Hypo – und Vereinsbank AG on tied loans from €500,000 against guaranteed coverage from export credit agencies. Thus, corporate customers were able to get financing on favourable terms (the repayment is 5 to 10 years with low interest rates) for delivery of investment goods and services.

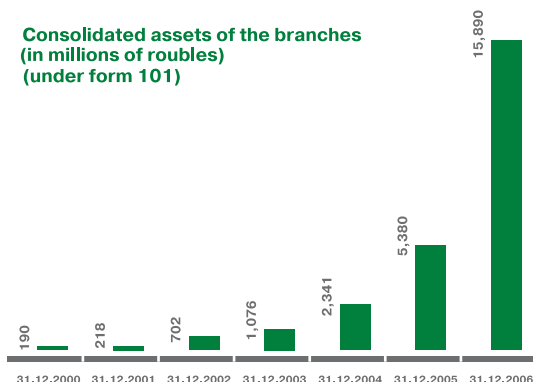
The work done by the Bank enabled to provide customers with medium-term and long-term financing for imported investment goods and services virtually from any country having a national export credit agency.

Short-term financial support to customers as importers was being given mainly from available trade finance limits, which increased to US\$130 million in 2006 from US\$50 million the year before. Counterparty banks involved in such transactions increased to 22 from 9. In the reporting year, the Bank succeeded in reducing the cost of borrowing (by 1% p.a. on the average) and to extend maturities on borrowed funds from foreign banks up to 2-3 years, which shows MBRD's higher reputation on international market.

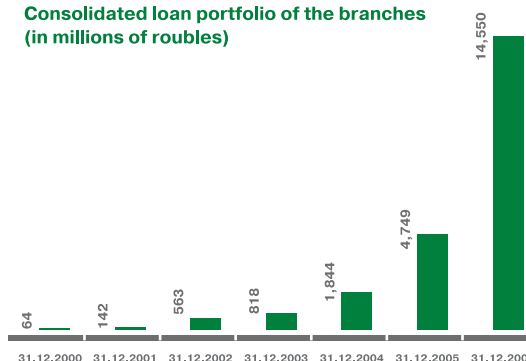
REGIONAL NETWORK

By developing the retail segment as its priority line of business for the short term, the Bank aggressively entered the regional market. In 2006, the regional chain of the Bank increased 4.5 times to be represented by 54 offices registered with the Bank of Russia and located in 22 most industrialised administrative constituencies of the Russian Federation as of the year end. In 2006, the number of branches increased nearly twofold, and MBRD had in place branches in 13 major Russian industrial cities: North-Western branch in Saint Petersburg, Regional branch in Syktyvkar, Rostov-on-Don branch, Krasnodar branch, Ural branch in Ekaterinburg, Tomsk branch, Krasnoyarsk branch, Saratov branch, Stavropol branch, Moscow Suburb branch, Nizhni Novgorod branch, Ufa branch and Volgograd branch. The regional chain of the Bank was enlarged by adding new 20 sub-offices located in Odintsovo, Vidnoye (2 offices), Mytisch, Zelenograd, Syktyvkar, Ukhta, Saint Petersburg, Rostov-on-Don (3 offices), Taganrog, Krasnodar (2 offices), Sochi, Novorossiisk, Armavir, Ekaterinburg, Nizhni Taguil, Tomsk и 16 loan and teller offices in Tyumen, Perm, Omsk, Novosibirsk, Barnaul, Voronezh, Kemerovo, Chelyabinsk, Kirov, Krasnodar, Krasnogorsk (2 offices), Orekhovo-Zuyevo, Kolomna, Khimki, and Sergiyev Posad.

**Consolidated assets of the branches
(in millions of roubles)
(under form 101)**



**Consolidated loan portfolio of the branches
(in millions of roubles)**



Being guided by its retail business strategy, starting from August 2006 the Bank set up 5 branches in major Russian industrialised cities such as Saratov, Ufa, Stavropol, Nizhni Novgorod and Volgograd. Despite they were put into operation only in the last quarter of the year, their aggregate assets were close to RUR1 billion.

A priority target for new branches is corporate and retail lending. In the year under review, they started shaping the customer base and their loan portfolio was RUR1,026.9 million, in particular, corporate loans were RUR623.2 million and household loans were RUR403.7 million as of the reporting year end.

Operating in the retail market, the branches delivered full range of services, including mortgage lending, consumer lending and car loans. For example, in 2006 Saratov branch entered into agreements on cooperation with 9 major dealers trading in top foreign brand and home-made cars, and with 2 insurance companies.

Moreover, all the branches handled payroll schemes and offered its customers MasterCard и VISA credit cards.

North-Western branch

In 2006, subject to its development strategy, together with the corporate banking, North-Western branch was ambitiously engaged in retail business, being a proactive participant in the car lending, mortgage and consumer lending markets.

Total assets of the branch increased 84% to RUR1, 843.8 million as of the year end 2006. The portfolio of performing loans grew 1.9 times to RUR1,653.5 million (including, a 3.5 times increase in household loans to RUR683.5 million against RUR197.99 million in 2005).

Deposit balances were RUR534.0 million (including, deposit balances of households increased 66% to RUR149.2 million) as of the year end.

In 2006, cash and settlement services were delivered to new 1,571 customers (in particular, 1,451 households). Under the card programme, 1,368 special card accounts were opened and total cards in issue were 5,860.

Positive financial result as of the year end was RUR54.1 million.

Average return on loans made in roubles was 14.9%, and on loans in foreign currencies was 11.0%. Aggressive retail banking development in 2006 resulted in substantial increase in commission income to the extent of fees earned on household loans.

As the prime household lending project, car loans were intensively developed, and car dealers as counterparties of the Bank increased 1.5 times. As of 31 December 2006, agreements on cooperation were entered into with 52 car dealers. Under fierce competition, the branch succeeded in increasing its car loan portfolio 2.6 times to RUR452.1 million.

In 2006, a mortgage programme was developed under the Housing Mortgage Agency standards, and over the reporting year the mortgage portfolio reached 111 loans to RUR164.4 million. The branch worked hard with real estate agencies and mortgage brokers such as BaltInvestStroi, First Mortgage Agency, and Petersburg Real Estate.

In 2006, automated workstations arranged within the Bank-Client system increased 1.5 times to 90 as of the year end, and the system was modernised up to the latest version.

In May 2006, a new, Tavricheski, sub-office was established, which is dealing with mortgage loans and retail business scoring.

Regional branch in Syktyvkar

In 2006, Regional branch continued with its activities both in corporate banking and household banking. Its intensive growth was acknowledged by performance record of the branch as of the reporting year end.

Total assets of Regional branch increased more than 1.8 times to RUR2,302.7 million as of 31 December 2006. The loan portfolio grew over 2.6 times to 2,177.2 million. Lending turnover exceeded RUR7 billion, in particular, that in household loans was more than RUR911 million.

Corporate balances were in excess of RUR173 million as of the year end. The customer base consisted mainly of telecommunication, air carriage, trade, construction, gas and other sectors.

Total income earned by Regional branch in 2006 was RUR678.6 million, 2.5 times more than the same indicator in 2005. Profit for the reporting period was RUR130.8 million.

The branch opened over 10,000 accounts in favour of individual customers (including 5,900 demand accounts), and total household deposits were 114.7 million as of the year end 2006.

Regional branch made in 2006 expansion of its office chain – 2 more sub-offices were established, one in Ukhta and one in Orbita residential district in Syktyvkar.

Rostov-on-Don branch

Rostov-on-Don branch continued its regular development in line with the Bank's strategy. The achievements enabled it to join the top ten regional branches in the Rostov-on-Don Region. The branch ranked 2nd and 3rd in terms of total assets and loan portfolio, accordingly.

Total assets of the branch increased three-fold to RUR2,062 million as of the year end 2006.

The asset growth of the branch was mainly driven by increased retail business in the regional banking market. For the year, loan portfolio was RUR1,304 million (3.2 times as

much), in particular, household loan portfolio rose by RUR784 million or 6.5 times.

The branch handled 890 corporate accounts (up 13%), 440 accounts of sole proprietors (up 35%), 3,225 accounts of individual customers (up 222%).

Book profit increased more than twofold to RUR49 million against 2005.

In 2006, Rostov-on-Don branch established 4 full-fledged sub-offices, 1 point of sale started its operations, 3 ATMs, 4 self-service dispensers and 3 POS merchant terminals were installed, and 11 payroll schemes were entered into with entities operating in Rostov-on-Don.

Krasnodar branch

For Krasnodar branch, 2006 was the most successful in its history in terms of rate of growth in corporate and individual customers. It is worth noting that it is the region where the Bank is represented by its network to the fullest extent, and banking services can be delivered to consumers as close as possible.

Total assets of the branch soared by 2.6 times to RUR2,354 million as of the year end 2006.

Loan portfolio was RUR2,094 million, 2.6 times as much compared to the year before, in particular, the retail segment was RUR1,583 million, and the corporate segment was RUR511 million. Individual borrowers increased 4.8 times to 5,299 against 2005. Corporate accounts were 2.5 times as much to 531 from 215. Corporate customers using loans of the Bank were proactively engaged in foreign trade, took advantage of cash and settlement services and payroll schemes. Book profit was RUR124,831 million as of the year end.

Most demanded banking services in 2006 were household lending such as mortgage, consumer loans and car loans.

In 2006, Krasnodar branch concentrated mortgage lending in the Tsentralni sub-office established in the centre of the city. As of 31 December 2006, mortgage loan portfolio made by such sub-office was RUR180 million.

More sub-offices were opened in the Krasnodar Territory for customer's convenience, including the Sochi sub-office, the Novorossiisk sub-office, the Armavir sub-office, and in Krasnodar City – the Yubileyni sub-office and the Cheriomushkinski loan and teller office.

The infrastructure of self-service points in the Krasnodar Territory was represented by 17 ATMs. Bankcards were intensively distributed to reach 4,899, including 2,048 MTC-CARD cards as of the year end.

Krasnoyarsk branch

In 2006, Krasnoyarsk branch stepped up efforts in developing its key lines of business such as corporate lending and household lending.

Total assets increased by 1.4 times to RUR691 million as of the year end.

Growth along all the lines of corporate and retail segments was attributed to a remarkable enlargement in loan portfolio of the branch as compared to the prior year: almost twice as much in corporate lending and over 6 times as much in household lending to nearly RUR405 million and RUR247 million, accordingly. Positive financial result was RUR30.9 million as of the year end.

The loan portfolio growth at Krasnoyarsk branch in 2006 was also due to proactive retail segment development. The branch put into operation all key household lending programmes, including, the mortgage one. Over several months in 2006, Krasnoyarsk branch made 104 mortgage loans for RUR96 million. In addition, the branch engineered and implemented one more second-hand car lending programme. The programme started in June 2006, and agreements were entered into with car dealers engaged, mainly, in sale of second-hand foreign-made cars. Such car loans in 2006 accounted for 40% of total car loans.

Moreover, Krasnoyarsk branch continued with issuance of bankcards, including, credit cards. In 2006, payroll schemes were implemented for

corporate customers, 5 ATMs were installed and 1,319 cards were in issue.

Ural branch in Ekaterinburg

Located in one of the most industrialised Russian regions, Ural branch delivered the whole array of financial products and services to corporate and individual customers in 2006 and gained some important achievements.

Total assets, featuring high quality, showed a swift increase 188% to RUR1,752 million against 2005, and total income was RUR779 million.

In 2006, corporate loan portfolio surged 103% to RUR1,402 million, and household loan portfolio climbed 851% to RUR1,124 million.

Book profit exceeded RUR89 million (up 164% against 2005).

Under the mortgage lending programme, Ural branch was proactively dealing with 15 real estate agencies. Outstanding loans were RUR661.6 million, or 57.6% of total household portfolio, and annual increase was 654.8 million.

Outstanding loans in car lending were RUR357.7 million, or 31.4% of total household portfolio. Annual increase was 653.7% (RUR302.9 million).

Outstanding non-target consumer loans were RUR104.3 million, or 11% of total household portfolio. Annual increase was 183.8% (RUR47.6 million).

Issuance of credit cards is a quite promising product. In 2006, credit cards were issued to third-party customers and under payroll schemes. Total automatic teller machines were 12.

A programme within the framework of the national development project may be regarded as successful, which was aimed at financing purchases of agricultural machinery to agribusinesses. The programme was engineered under the auspices of the Ministry of Agriculture and Food of the Sverdlovsk Region. Ural branch was awarded a Certificate of Merit by the Regional Government for the achievement in the reporting year.

The branch opened sub-offices in Nizhni Taguil and Ekaterinburg, loan and teller offices in Tyumen, Perm and Chelyabinsk.

Tomsk branch

The reporting year was quite successful for Tomsk branch. In 2006, the branch went on working hard along all the lines of business, ranging from corporate lending to sale of banking products to households.

Total assets increased 23.8 times to RUR2,184.1 million in 2006.

As of 31 December 2006, the branch opened 1,124 accounts in favour of corporate customers and sole proprietors, while average account movements were RUR3,102.8 million and average balances were RUR261.2 million.

In the year under review, 433 Client-Bank systems (381 of them were Web version and 50 local versions) were installed.

The branch issued 109 promissory notes for RUR150 million, 5 corporate deposits were accepted for RUR37 million.

Book profit of the branch was RUR57.1 million in 2006.

Outstanding loans were RUR1,995.9 million as of 31 December 2006, in particular, corporate loans were RUR1,490.3 million, and household loans were RUR505.6 million.

Moscow Suburb branch

Under MBRD regional development strategy, in 2006 new 12 subdivisions of the Bank were registered in the Moscow Region, namely:

- Moscow Suburb branch,
- sub-offices of Moscow Suburb branch located in Odintsovo, Vidnoye (in Solnechni residential district and in the industrial zone of the city) and Mytishi,
- loan and teller offices in towns such as Krasnogorsk, Kolomna, Sergiyev Posad, Orekhovo-Zuyevo and Khimki.

As of the year end 2006, total assets of the branch were RUR811.6 million. The branch focused on corporate lending and household lending, and investment project finance.

Loan portfolio of the branch was RUR749.4 million, in particular, corporate loans were RUR641.7 million, and household loans were RUR107.7 million as of the year end.

As of 31 December of the reporting year, 248 accounts were opened, including 132 individual accounts, and corporate balances were RUR22.2 million, while household balances were RUR76.7 million.

In the year under review, 8 payroll schemes were implemented, 3 ATMs were installed, 856 VISA cards were issued, in particular, 741 cards under payroll schemes, 22 credit cards and 93 payment cards.

Loan and teller offices

In 2006, MBRD adopted a new subdivision format such as loan and teller offices in order to achieve more prompt and optimum expansion of the branch network. In the year under review, the Bank opened 16 loan and teller offices where customers can take advantage of loans in car credits, mortgage, consumer lending and corporate lending.

As of the year end 2006, total loans were RUR471.837 million, in particular, corporate loans were RUR88.1 million and household loans were RUR383.737 million.

HARDWARE AND SOFTWARE COMPLEX AND IN-HOUSE TECHNOLOGY IMPROVEMENT

The hardware and software complex based on Quorum integrated automated banking system and INVORETAIL centralised retail banking system enabled automated accounting of banking transactions along the lines of its business throughout the year 2006.

More than 800 workstations located in the head office, 13 branches and over 60 sub-offices and teller offices were connected online with the centralised hardware and software complex as of 31 December 2006.

Main offices of the Bank are linked into a common LAN by a fibre-optic channel, while sub-offices are connected using leased digital channels.

In 2006, under the retail development pro-

gramme, INVORETAIL banking system was further modernised:

- a consolidated reserve provision technology within uniform loan portfolios, including branches, was designed and implemented;
- diverse reports within the system were designed and implemented to prepare disclosed reporting statements of the Bank and ensure the system operating control.

In addition, a collection, verification and data interchange system was designed and put into operation to be connected to the National Credit Reference Agency in compliance with applicable laws and regulations of the Bank of Russia, as well as a system to generate a universal liability register from all the branches of the Bank for the state-run Deposit Insurance Agency.

Improving systems to support operating activities of the Bank

As of the year end 2006, Quorum system was deployed at the head office and 13 branches. The Quorum comprises 20 key modules to ensure automated handling of main transactions of the Bank:

- Customer-related and proprietary cash and settlements, payments and cash flows;
- Corporate deposits;
- Corporate and household loans;
- Trading in interbank market and forex market;
- Cash foreign exchange business;
- Household utility payments ;
- Customer-related and proprietary custodian business;
- Logistic transactions ;
- Generating disclosed statements.

Starting from February 2006, a complex of measures was implemented at 7 branches with a view to achieve unification of the software, replacing the existing Btrieve automated banking system by Oracle.

Within 2006, all the points of presence were based on standard and replicated software solutions.

Further front-office development

As IT support of sales in 2006, EGAR Loans system was implemented at the Bank to ensure the front office automation. On its technological basis, automatic sale of payment cards and car lending was put into operation. In general, cards were issued and handled in 46 added points of sale in Moscow City and the Moscow Region and branches in Krasnodar, Rostov-on-Don and Saint Petersburg. Integration with Cronos automatic information system operated by the Department of Economic Security and RBS by Inversia was implemented.

The general banking reporting server was deployed to enable generation of a variety of forms based on EGAR Loans and Inversia systems.

In 2006, the automated mortgage sale system was put into operation. The system handles full cycle comprising application processing with due regard to data on co-borrowers and multiple underwriting. It also can generate full range of credit documentation, and adjust processes to meet demands of the branches.

Throughout the year under review, the business process support system for consumer loan sales was put into operation. The system was installed at the branches in Krasnodar, Yeysk, Tomsk, Krasnogorsk, Rostov-on-Don, Krasnoyarsk, Ufa, Saint Petersburg and Saratov. 780 users in 360 companies were connected to the system.

CRM Collection system to handle bad loans was designed and put into operation to automate collection of overdue debts and to coordinate operation by concerned subdivisions of the Bank. The system is a centralised solution.

In 4Q 2006, efforts were stepped up to implement the Contact Centre based on Cisco Systems hardware and software. The system operation was scheduled for 1Q 2007. Such hardware and software complex

will help improve telephone service quality, minimise lost calls and automate calls to customers. This complex was integrated into the existent software of the Bank.

Corporate Data Storage

In 2006, the Corporate Data Storage (CDS) was established with a view to consolidate information from all the branches and the head office and generate on its basis sub-ledger accounting reporting.

Within the reporting year, the following activities were carried out on the CDS:

- the consolidated general ledger from all the systems was made and on its basis, the relevant sub-ledger reporting;
- the consolidated loan portfolio and the relevant sub-ledger reporting;
- the consolidated deposit portfolio and the relevant sub-ledger reporting;
- the credit product sale control system within the centralised financial reporting and account managers;
- loan and deposit sale control system on the planned vs. actual basis.

For 2007, MBRD plans to continue with the CDS further development to complete the consolidated data base by the end of the year.

ADMINISTRATIVE AND HUMAN RESOURCE POLICY

Human resource management as a complicated process can not be efficiently handled without needed instruments such as interrelated economic, organisational and social psychology techniques to ensure high labour efficiency of the staff and to meet business demands. It is achieved by efficient recruitment of professionals of high moral stature who understand customer needs and are able to perfectly deal with clientele and colleagues.

Remarkable success the Bank achieved

in building up the retail segment and expanding the branch and office network in the Moscow area in 2006 gave rise to increased number of staff by 96%. Total staff members were 2,130, including 1,128 employees at Moscow-based offices and 1,002 employees at the regional offices as of 31 December 2006.

In 2006, a comprehensive recruitment and training system for the retail segment was set up at the Bank. In selecting job applicants for mass positions (sale of banking products at MTS and Detski Mir department store), the Assessment Centre procedure based on group estimate was intensively used. Such technology helped minimise time for interviews, achieve more efficient selection of the required staff and much more probability of unbiased decisions. The basic professional training course was intended mainly not only to develop particular knowledge and skills but also to make up a team of promising, loyal and goal-oriented staff. In the reporting year, 254 sale managers were prepared on MTS and Detski Mir projects, for car dealers and the call centre.

The Bank owes its successes first and foremost to high professional level of the staff. MBRD supports staff's endeavour to improve their professional skills, qualification and knowledge. Funds were allocated on a regular basis for career enhancement at specialised courses, thematic workshops on tax matters, foreign currency control, corporate securities market, conferences on finance automated technologies. Lecturers from top consulting companies and higher school were invited for the training. In the reporting year, 239 executive managers and employees of the Bank took part in such courses.

Within the HR development project for the retail segment, training techniques were designed to improve sale skills and a training course under the Employee's Manual. 67 staff members from sub-offices took part.

They reviewed typical situations arising in tellers' professional activities, striking examples of quality standard efficiency applicable in customer service and discussion of how to use knowledge and skills.

The Bank laid special focus on training programmes designed for specific banking projects. For example, a professional course was prepared for the Mobile Banking, a new retail product. 39 employees went through the course between October and December 2006.

The Bank invites university students and those from the Moscow Banking School for traineeship. In 2006, 47 students went on training, and 5 of them were employed afterwards. Three newcomers were AFK Sistema's grant holders. Nowadays, students are staff reserve of the Bank. Agreements were signed with all the educational establishments which commissioned their students.

The HR policy focuses mainly on efficient management and usage of human resources enabling the Bank to successfully operate in the market. On-site workshops were brought into use by the Bank where head executive managers from the office and branches assisted. Team building techniques were applied during workshops to unify staff in common goals. The Bank guarantees its employees high remuneration and motivation benefits for their efficient contribution. Within the reporting year, long-service allowances and the yearly bonuses were paid.

The staff is entitled not only to economic benefits but also to social benefits which range can be expanded as the Bank progresses. They are paid health insurance policies. Social benefits are regarded as a labour motivation tool rather than a personal advantage.

A considerable achievement of the reporting year was the corporate Web site to put together online all the areas of presence

of the Bank. The Web site became a very popular place of contacts between the staff and the executive management and enabled everyone to share information, troubleshoot problems, get advice from an expert and to ask a question to superior managers.

LEASING GROUP

In 2006, a leasing group was established on MBRD basis. At the beginning of the year, Moscow Bank for Reconstruction and Development purchased leasing companies such as Invest-Sviaz-Holding and Sistema-FinLeasing, and in the middle of the year, Leasing-Maximum was incorporated. The group focuses on retail and corporate leasing.

Corporate line of business of the group was developing based on Invest-Sviaz-Holding. Main lessees are telecommunication companies owned by AFK Sistema. However, 2006 saw ever increased share of external customers to account for 25% as of the year end. More than 120 contracts entered into for

nearly US\$50 million was a quite good achievement of the year.

The retail line is represented by Leasing-Maximum company. For 8 months of the year, the company showed a remarkable growth with good financial results. In 2006, more than 970 contracts were signed in excess of US\$80 million. Car leasing made up 70% of its portfolio. Main customers are small and medium-sized businesses.

Finance magazine and the Russian Association of Leasing Companies placed Leasing-Maximum in 34th position under the rating assigned to Russian leasing companies in terms of their financial records for the years 2005 and 2006. According to rating by Leasing Review magazine, Leasing-Maximum was number one in the Russian Market Newcomers nomination, the 11th in the Contract Numbers nomination and the 27th in the Universal Leasing Company ranking in 2006.

The leasing group's net profit under IFRS was 3 times as much to RUR103 million as compared to 2005.

SOCIAL POSITION

We regard evolvement of Moscow Bank for Reconstruction and Development in harmony with the environment and in the interest of the community as a strategic priority and important factor to achieve success in business. Charity and sponsorship became an important line of the banking management aimed at maintaining climate of confidence with the Bank and its products and services. Charity and sponsorship activities developed by MBRD are based on active civic position of its executive management and staff members underpinned by a social responsibility approach.

In its charity activities, the Bank focused on

target support to people in need. Particular emphasis in 2006 was placed on aid to children. MBRD and UralSib insurance group joint their efforts in a charity initiative. It was dedicated to the International Children's Day where health insurance policies were donated to orphanage No. 4 intended for children with diminished hearing and deafened children in Syktyvkar. The Bank financed medical treatment for a son of a staff member employed by KomiAviaTrans, a corporate customer served by Regional branch, and made a charitable contribution to Mary Poppins Centre for children's education programmes.

In its charity and sponsorship, the Bank gave much consideration to art and education undertakings and to up-keeping and revival of

the Russian spiritual heritage. The Bank took part in the project arranged by Sistema Charity Foundation in support of the State Russian Museum and Moscow Kremlin State Historical and Cultural Museum. The Bank was an arranger of the personal exhibition of Natalia Grigorieva, a Moscow painter. Charity support was given to Art Field Technology landscape sculpture exhibition and to the Siberian tour of the X International Tournament "Siberian Romance-2006" in

Tomsk where young Russian romance singers took part.

Science potential is the keystone of progress and economic growth of the nation, and that is why MBRD traditionally gives target support to research and education institutions in Russia. In particular, the Bank made sponsorship donation to the Geology Institute under Ural branch of the Russian Academy of Sciences for publication of a monograph dedicated to 85 anniversary of the Komi Republic.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control are important components of the Bank's business. Credit, market (including interest rate and foreign exchange risks), transaction and liquidity risks are main exposures assumed by the Bank.

In 2006, owing to in-house quantitative methodologies to measure credit and market risks, the Bank estimated losses to be incurred by the Bank on transactions with the existing liquidity reserve and capital reserve provisions.

Within the year under review, monitoring and compliance control were carried out to meet legal ratios set by the Bank of Russia, and the integrated risk management system was further developed.

MBRD's internal control system covers the totality of subdivisions, bodies, commissions, authorities and appointed officials vested with internal control duties subject to in-house rules and regulations comprising specific methodologies and guidelines.

Organisationally, the internal control system is based on interplay of collective management bodies (committees) and a number of specialised methodology and control subdivisions: the Finance Committee (including the Ongoing Management Sub-Committee and Tariff Sub-Committee), the Credit Committee (including the Interbank Lending Sub-Committee and the Consumer Lending Sub-Committee), the Technology Committee, the Treasury, the Research Analysis Department, the Internal Control Service (including the Internal Audit Department and the Risk Control Department, the Technology Control Department, Internal Control Units at the branches) and others.

Arrangements and ongoing operation of the internal control system are set forth in the Regulation on Internal Control at MBRD, regulations on subdivisions engaged in risk-bearing transactions, transaction rules, risk measurement methodologies, among others.

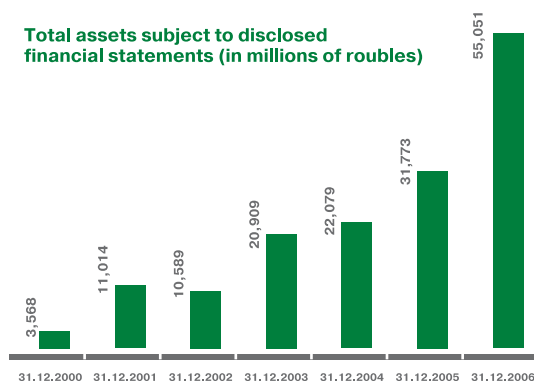
In the year under review, the Internal Control Service monitored on a regular basis the internal control system and made independent appraisals of credit, transaction and market risks, liquidity and compliance with adopted policies and procedures.

FINANCIAL PERFORMANCE AND HIGHLIGHTS FOR 2006

FINANCIAL PERFORMANCE

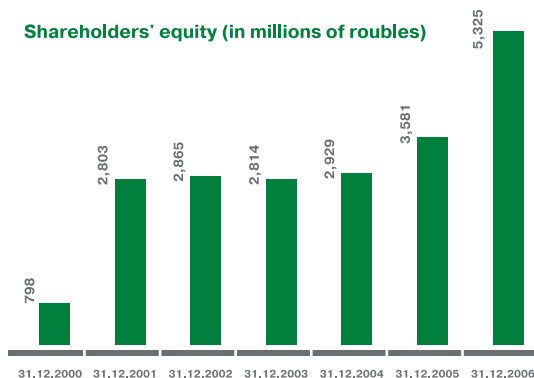
In the reporting year, no doubt, MBRD strengthened its positions in the domestic financial market. Total assets increased by RUR23,278.9 million to RUR55,051.4 million as of year end.

Total assets subject to disclosed financial statements (in millions of roubles)



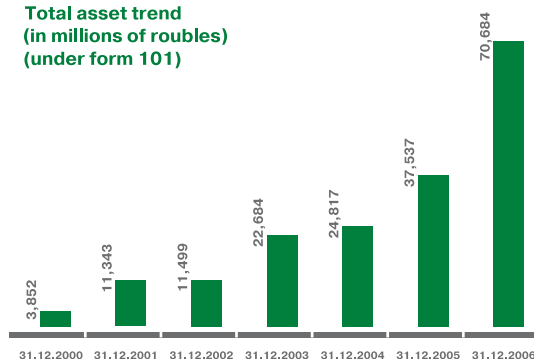
Shareholders' equity increased by RUR1,744.9 million to RUR5,325.4 million as compared to the prior-year respective figures.

Shareholders' equity (in millions of roubles)



The Bank complied with all the ratios required by the Bank of Russia as of the reporting dates within the year.

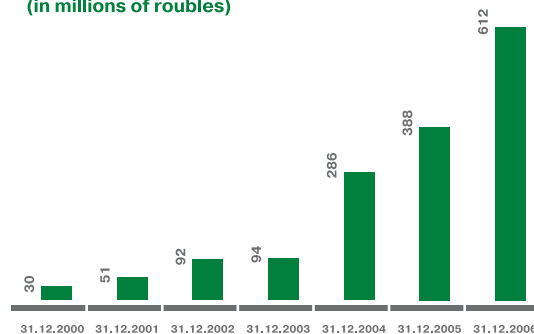
Total asset trend (in millions of roubles) (under form 101)



Total income earned in 2006 was RUR5,154.1 million, including:

Net interest income	2 073,5
Net income from securities trading	42,8
Income from foreign exchange, precious metals, including exchange rate translations	258,9
Net commission income	408,3
Other income	(47,2)

Consolidated book profit (in millions of roubles)

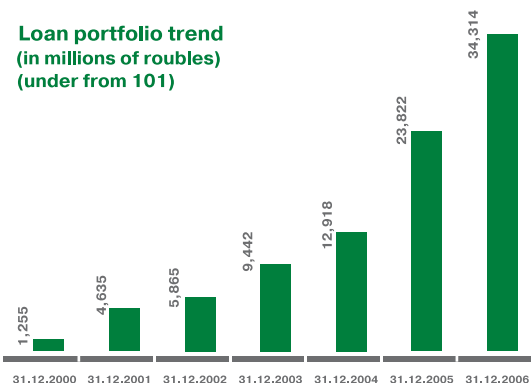


Administrative expenses incurred in 2006 were RUR1,331.2 million, net of reserve provision.

Tax expenses, including income tax, were RUR268.8 million. Net profit was RUR442 million.

Dividends allocated for 2005 were RUR85 million. Taxes paid on dividends were RUR7.6 million. Dividends paid were RUR77.4 million. In 2006, dividends were paid. Unpaid dividends were RUR0.039 million.

**Loan portfolio trend
(in millions of roubles)
(under from 101)**



2006 HIGHLIGHTS

March 2006.

MBRD made an offering of a US\$60m subordinated eurobond issue on the Luxembourg Stock Exchange with a view to increase its equity. Arranger of the issue was Dresdner Kleinwort.

June 2006.

MBRD made an offering of a US\$100m eurobond issue on the Luxembourg Stock Exchange. Arrangers of the issue were Dresdner Kleinwort and HSBC.

July 2006.

Fitch Ratings kept unchanged MBRD's existing ratings:

- long-term rating at B
- support rating at 4
- sovereign long-term rating at BBB– (rus)
- short-term rating at B
- individual rating at D/E

December 2006.

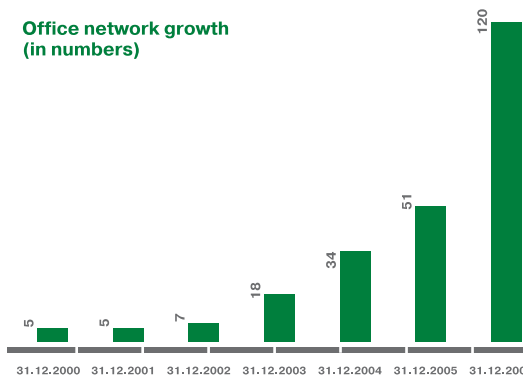
MBRD repaid a €25m syndicated loan arranged by RaiffeisenZentralbank AG, Vienna, Raiffeisen Bank, Moscow, International Moscow Bank, Moscow, and Vneshtorgbank, Moscow.

In 2006, MBRD regional chain of branches was expanded.

Over the reporting year, the Bank opened:

- 6 branches: the Moscow Suburb, branches in Saratov, Ufa, Stavropol, Nizhni Novgorod and Volgograd;
- 16 loan and teller offices in Tyumen, Perm, Omsk, Novosibirsk, Barnaul, Voronezh, Kemerovo, Chelyabinsk, Kirov, Krasnodar, Krasnogorsk (2 offices), Orekhovo-Zuyevo, Kolomna, Khimki, Sergiyev Posad;
- 20 sub-offices in Odintsovo, Vidnoye (2 offices), Mytishi, Zelenograd, Syktyvkar, Ukhta, Saint Petersburg, Rostov-on-Don (3 offices), Taganrog, Krasnodar (2 offices), Sochi, Novorossiisk, Armavir, Ekaterinburg, Nizhni Taguil, Tomsk, Salsk, Yeysk.

**Office network growth
(in numbers)**



In 2006, MBRD's distribution chain of the Moscow area was expanded. Throughout the reporting year, the Bank opened:

- 6 sub-offices: Taganskoye, Tsvetnoi Boulevard, Mortgage Centre, Rizhskoye, Taganskaya Ploshad, and Bratislavskoye;
- 4 mini-branches: Preobrazhenskoye, Prospekt Vernadskogo, Tushinskoye and Liublinskoye;
- 18 points of sales of banking products.

In 2006, MBRD's cash dispensers increased by 39 to 216 as of the year end, POS terminals increased by 155 to 258 in the same period.

In 2006, cards issued by the Bank increased by 165,200 to 249,300 as of the year end.

● **OUTLOOK FOR 2007**

Retail lending development and corporate clientele diversification by stepping up efforts in provinces and attracting small and medium-sizes business will be priority targets of the Bank for 2007. By the year end 2007, the Bank plans to enhance its positions nationwide among the top 30 banks in terms of net assets and household loans.

Interest of the Bank in retail segment development derives from continuing demand for banking services from the households related to sustained growth of their income and existing need in better standard of living, and high return of banks. In 2007, MBRD is expected to be further engaged in retail banking along several lines. First and foremost, the Bank intends to increase asset-site retail business volume due to a synergy potential together with AFK Sistema companies and to achieve cheaper funding base through securitisation. Throughout 2007, MBRD plans to modernise the technology framework and further develop online payment network. The Bank is going to pursue aggressive regional expansion and adding more Moscow-based offices.

In 2007, the Bank is to enlarge the existing household loan portfolio more than twofold. Unlike some competitors, the Bank strives to adopt a well-balanced approach in developing all retail lending segments, including housing mortgage, car loans, a variety of uncovered consumer loans, therefore making the business more solid and the customer base, more diversified. In many respects, the retail programme implementation is based on cooperation with key corporate customers such as MTS, Detski Mir and ROSNO.

Much consideration will be given in 2007 to the regional network expansion. Due to lower competition in the regional markets and great unsatisfied demand, the Bank will be able to earn higher return on transactions and diversify its funding base. For 2007, 3 branches, 19 sub-offices and 12 loan and teller offices will be opened in 12 regions in Russia.

In 2007, corporate banking development will be focused on attracting new corporate clientele, in particular, to take advantage of corporate customer base and their staff in order to sale them retail products, to expand the spectrum of products for the exiting customers, to support foreign trade and to modernise fixed assets owned by corporate customers. A wealth of experience in corporate lending, joint programmes with subsidiary leasing companies will enable the Bank to deliver a wide array of services in investments project finance in favour of the customers.

Maintaining liquidity, raising long-term borrowings in global capital markets to finance corporate and retail segments will be prime targets in investment banking for 2007.

In order to ensure further growth in 2007, the Bank plans to increase shareholders' equity by US\$60 million through issue of ordinary shares and considers other capitalisation options.

To achieve its strategic goals, the Bank is to continue with its corporate governance improvement. Up-to-date motivation system built upon performance record of subdivisions with a view to meet planned indicators as a tool of management by objectives will help encourage staff to cost reduction and return maximisation.

FINANCIAL STATEMENTS

Audit of the financial statements prepared by Moscow Bank for Reconstruction and Development (open joint-stock company) under Russian Accounting Standards was conducted by ZAO "Deloitte & Touche CIS".

BALANCE SHEET STATEMENT as of 31 December 2006 (in thousands of roubles)

Item no.	Item description	As of the reporting year end	As of the prior year end
I	ASSETS		
1	Cash	1,597,110	771,693
2	Balances with the Bank of Russia	4,780,577	2,089,756
2.1	Legal reserves	1,474,274	563,512
3	Due from banks	225,039	97,528
4	Net investment in trading securities	1,245,887	1,858,415
5	Net outstanding loans	45,973,385	26,235,652
6	Net placing in investment securities held till maturity	0	0
7	Net investment in securities available for sale	691,645	394,008
8	Fixed assets, intangible assets and inventories	330,778	240,448
9	Interest receivable	92,290	16 332
10	Other assets	114,735	68,753
11	Total assets	55,051,446	31,772,585
II	LIABILITIES		
12	Due to the Bank of Russia	0	0
13	Due to banks	6 840 981	7,600,268
14	Customer accounts (non-banks)	41 004 220	16,673,248
14.1	Individual deposits	9 180 127	5,252,098
15	Outstanding debt securities	3 022 869	3,731,541
16	Interest payable	402 596	211,959
17	Other liabilities	41 296	40,584
18	Provision for losses on contingent credit liabilities, other impairments and transactions with off-shore residents	93 627	61,024
19	Total liabilities	51,405,589	28,318,624
III	SHAREHOLDERS' EQUITY		
20	Share capital	465,500	465,500
20.1	Registered ordinary shares and participations	465,000	465,000
20.2	Registered preference shares	500	500
20.3	Non-registered share capital of unincorporated banks	0	0
21	Treasury shares	0	0
22	Share premium	2,913,905	2,913,905
23	Fixed asset revaluation	2,982	2,982

Item no.	Item description	As of the reporting year end	As of the prior year end
24	Deferred expenses and future payments affecting shareholders' equity	647,316	482,807
25	Available funds and unused income (outstanding loss) for the prior years	468,825	283,921
26	Profit (loss) for the reporting period	441,961	270,460
27	Total shareholders' equity	3,645,857	3,453,961
28	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	55,051,446	31,772,585
IV	OFF-BALANCE SHEET ITEMS		
29	Irrevocable commitments	7,863,530	3,661,378
30	Guarantees issued	1,611,989	1,231,500
V	FIDUCIARY ACCOUNTS		
	ASSET-SIDE ACCOUNTS		
1	Cash in hand	0	0
2	Securities under trust management	1,611,989	1,231,500
3	Precious metals	0	0
4	Outstanding loans	0	0
5	Funds used for other purposes	0	0
6	Trust management settlements	0	0
7	Paid-up accrued interest (coupon) income on interest-bearing (coupon) debt instruments	29,335	767
8	Current accounts	0	17
9	Expenses on trust management	0	0
10	Loss on trust management	0	975
	LIABILITY-SIDE ACCOUNTS		
11	Capital under trust management	2,554,273	715,350
12	Trust management settlements	0	0
13	Interest (coupon) income accrued and collected on interest-bearing (coupon) debt instruments	0	0
14	Trust management income	0	0
15	Trust management profit	1 759	0

For the Management Board of the Bank

Sergey Ya. Zaytsev

Chairman

Tatiana V. Zapodovnikova

Chief Accountant

INCOME STATEMENT for the year ended 31 December 2006
(in thousands of roubles)

Item no.	Item description	For the reporting year	For the prior year
	Interest earned and similar income arising from:		
1	Due from banks	608,173	374,862
2	Customer loans (non-banks)	3,445,272	2,002,442
3	Financial lease (leasing)	0	0
4	Fixed-income securities	333,763	143,347
5	Other sources	1 384	95
6	Total interest earned and similar income	4,388,592	2,520,746
	Interest paid and similar expenses arising from:		
7	Due to banks	462,950	271,852
8	Customer deposits (non-banks)	1,609,674	818,317
9	Outstanding debt securities	242,454	223,523
10	Total interest paid and similar expenses	2,315,078	1,313,692
11	Net interest and similar income	2,073,514	1,207,054
12	Net income from securities trading	42,828	39,828
13	Net income from dealings in foreign currencies	173,099	134,594
14	Net income from transactions in precious metals and other financial instruments	0	85
15	Net income from foreign currency revaluation	85,752	(19,490)
16	Commission income	511,018	261,515
17	Commission expense	102,755	78,991
18	Net income from one-time transactions	37,290	2,385
19	Other net operating income	(84,493)	(52,272)
20	Administrative expenses	1 331 240	737 435
21	Provision for impairment	(694 295)	(304 850)
22	Profit before tax	710,718	452,423
23	Accrued taxes (including income tax)	268,757	181,662
24	Profit (loss) for the reporting year	441,961	270,761

For the Management Board of the Bank

Sergey Ya. Zaytsev

Chairman

Tatiana V. Zapodovnikova

Chief Accountant

**STATEMENT ON CAPITAL ADEQUACY AND PROVISION FOR BAD LOANS AND OTHER ASSETS
as of 31 December 2006**

Item no.	Item decrption	As of the reporting year-end	As of the prior year-end
1	Shareholders' equity (in thousands of roubles)	5,325,426	3,580,564
2	Actual capital adequacy ratio (%)	12.1	12.0
3	Required capital adequacy ratio (%)	10.0	10.0
4	Estimated provision for bad loans, outstanding loans and similar indebtedness (in thousands of roubles)	1,901,806	1,240,981
5	Actual provision for bad loans, outstanding loans and similar indebtedness (in thousands of roubles)	1,901,806	1,240,981
6	Estimated provision for impairment (in thousands of roubles)	95,022	61,510
7	Actual provision for impairment (in thousands of roubles)	95,022	61,510

For the Management Board of the Bank

Sergey Ya. Zaytsev

Chairman

Tatiana V. Zapodovnikova

Chief Accountant

The annual balance sheet, the income statement and the statement on capital adequacy, provision for bad loans and other assets of Moscow Bank for Reconstruction and Development (open joint-stock company) prepared for disclosure, in the opinion of ZAO "Deloitte & Touch CIS", present fairly, in all material respects, the financial standing of the Bank as of 31 December 2006 and for the year ended 31 December 2006 in accordance with applicable law of the Russian Federation.

Detailed information on fair presentation of the disclosed statements of Moscow Bank for Reconstruction and Development, including information on above data, is provided in the auditor's report on fair presentation of the annual balance sheet statement, the disclosed statements and the consolidated disclosed statements of Moscow Bank for Reconstruction and Development, prepared as of 31 December 2006 and for the year ended 31 December 2006.

Name of independent auditor:	ZAO "Deloitte & Touche CIS"
Licence:	№ E002417
License issue date:	6 November 2002
License validity:	5 years
Licensing authority:	Ministry of Finance of the Russian Federation
Certificate on making a record in the Universal register of companies with respect to a corporate entity registered before 1 July 2002:	No. 1027700425444
Certificate issue date:	13 November 2002
Issuing authority:	Interdistrict Inspectorate No. 39 of the Ministry of Internal Revenue of the Russian Federation
Certificate of registration of ZAO "Deloitte & Touche CIS":	No. 018.482
Certificate issue date:	30 October 1992
Issuing authority:	Moscow Registration Chamber
Membership in qualified professional audit associations:	1 Institute of Certified Professional Accountants and Auditors of Russia
Full name of the General Manager (or any other authorised official):	Vadim N. Sorokin, Partner (power of attorney of 28 September 2005)
Data of the official certified the disclosed statements:	
Full name of the official certified the disclosed financial statements:	Svetlana N. Rodionova
Position:	Partner, ZAO "Deloitte & Touch CIS", head of audit team
Data of the document evidencing authority of the official who certified the disclosed financial statements:	30 March 2004
Title of the document evidencing authority of the official who certified the disclosed financial statements:	Auditor's certificate in banking audit
Number of the document evidencing authority of the official who certified the disclosed financial statements:	K 013554
Validity of the document evidencing authority of the official who certified the disclosed financial statements:	Issued for indefinite term

CONSOLIDATED BALANCE SHEET STATEMENT as of 31 December 2006
(in thousands of roubles)

Item no.	Consolidated balance sheet item description	As of the reporting year end	As of the prior year end
I	ASSETS		
1	Cash	1,597,116	0
2	Bank balances with central banks	4,780,577	0
2.1	Balances with the Bank of Russia	3,306,303	0
2.2	Legal reserves	1,474,274	0
3	Due from banks	313,886	0
4	Net investment in trading securities	1,245,887	0
5	Net outstanding loans	45,042,279	0
6	Net placing in securities held till maturity	0	0
7	Net investment in securities available for sale	691,610	0
8	Investment in affiliates	0	0
9	Goodwill	128,701	0
10	Fixed assets, intangible assets and inventories	3,869,906	0
11	Interest receivable	92,270	0
12	Other assets	1,265,234	0
13	Total assets	59,027,466	0
II	LIABILITIES		
14	Due to central banks	0	0
14.1	Due to the Bank of Russia	0	0
15	Due to banks	9,393,648	0
16	Customer accounts (non-banks):	41,042,549	0
16.1	Individual deposits	9,180,127	0
17	Outstanding debt securities	3,022,753	0
18	Interest payable	420,002	0
19	Other liabilities	1,301,327	0
20	Negative goodwill	0	0
21	Provision for losses on forward contracts, off-balance sheet items and on accounts receivable with respect to transactions with off-shore residents	93,627	0
22	Total liabilities	55,273,906	0
III	SHAREHOLDERS' EQUITY		
23	Share capital	465,505	0

Item no.	Consolidated balance sheet item description	As of the reporting year end	As of the prior year end
24	Treasury shares	0	0
25	Share premium	2,913,905	0
26	Fixed asset revaluation	2,982	0
27	Funds and unused income (outstanding loss) for the prior years	509,908	0
28	Deferred expenses and future payments affecting shareholders' equity	704,733	0
29	Profit to be distributed (loss) for the reporting period	572,131	0
30	Total shareholders' equity	3,759,698	0
31	Minority shareholders	(6,138)	0
31.1	Minority share	(1,915)	0
31.2	Minority shareholders' income (loss)	(4,223)	0
32	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	59,027,466	0
IV	OFF-BALANCE SHEET ITEMS		
33	Irrevocable commitments	7,843,961	0
34	Guarantees issued	1,583,498	0

*) Data for the relevant period of the prior year are not available as no consolidated financial statements of the group were prepared as of 31 December 2006 subject to Regulation No.

191-P "On consolidated financial statements" of 30 July 2002. Data on financial reporting of the Bank for the year 2005 are set forth in the Annual Report of the Bank of 10 March 2006.

For the Management Board of the Bank

Sergey Ya. Zaytsev

Chairman

Tatiana V. Zapodovnikova

Chief Accountant

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2006
(in thousands of roubles)

Item no.	Item description	For the reporting year	For the prior year
	Interest earned and similar income arising from:		
1	Due from banks	608,173	0
2	Customer loans (non-banks)	3,355,604	0
3	Financial lease (leasing)	1,066,737	0
4	Fixed-income securities	333,763	0
5	Other sources	1,384	0
6	Total interest earned and earned and similar income	5,365,661	0
	Interest paid and similar expenses arising from:		
7	Due to banks	571,021	0
8	Customer deposits (non-banks)	1,605,276	0
9	Outstanding debt securities	242,454	0
10	Total interest paid and similar expenses	2,418,751	0
11	Net interest and similar income	2,946,910	0
12	Net income from securities trading	67,549	0
13	Net income from transactions in foreign currencies	173,099	0
14	Net income from transactions in precious metals and other financial instruments	0	0
15	Net income from foreign currency revaluation	181,896	0
16	Commission income	510,279	0
17	Commission expense	102,016	0
18	Net income from one-time transactions	37,290	0
19	Other net operating income	(889 848)	0
20	Administrative expenses	1,376,197	0
21	Provision for impairment	(617,003)	0
22	Income (loss) of affiliates after-tax	0	0
23	Profit before tax	931,959	0
24	Accrued taxes (including income tax)	307,151	0
25	Profit (loss) for the reporting year	567,908	0
26	Profit (loss) held by the group	572,131	0
27	Profit (loss) held by minority shareholders	(4,223)	0

*) Data for the relevant period of the prior year are not available as no consolidated financial statements of the group were prepared as of 31 December 2006 subject to Regulation No. 191-P "On consolidated financial

statements" of 30 July 2002. Data on financial reporting of the Bank for the year 2005 are set forth in the Annual Report of the Bank of 10 March 2006.

For the Management Board of the Bank

Sergey Ya. Zaytsev

Chairman

Tatiana V. Zapodovnikova

Chief Accountant

ANNUAL REPORT 2006

DATA ON MEMBERS OF THE BANKING (CONSOLIDATED) GROUP, CAPITAL ADEQUACY AND RESERVE PROVISION FOR BAD LOANS AND OTHER ASSETS as of 31 December 2006

Item no.	Item description	As of the reporting year-end	As of the prior year-end
1	Members of the consolidated group:		
1.1	Moscow Bank for Reconstruction and Development (open joint-stock company) (parent bank of the consolidated group)		
1.2	Sistema K-Invest (close joint-stock company) (100% ownership)		
1.3	MBRD-Finance (limited liability company) (50% ownership)		
1.4	MBRD-Capital (limited liability company) (100% ownership)		
1.5	Sistema-Finleasing (close joint-stock company) (100% ownership)		
1.6	Invest-Sviaz-Holding (close joint-stock company) (100% ownership)		
1.7	Leasing-Maximum (limited liability company) (50% ownership)		
2	Shareholders' equity (thousands of roubles)	5,210,863	–
3	Actual capital adequacy ratio (%)	11.0	–
4	Required capital adequacy ratio (%)	10.0	–
5	Estimated provision for bad loans, outstanding loans and similar indebtedness (in thousands of roubles)	1,787,518	–
6	Actual provision for bad loans, outstanding loans and similar indebtedness (in thousands of roubles)	1,787,518	–
7	Estimated provision for impairment (in thousands of roubles)	95,022	–
8	Actual provision for impairment (in thousands of roubles)	95,022	–

For the Management Board of the Bank

Sergey Ya. Zaytsev

Chairman

Tatiana V. Zapodovnikova

Chief Accountant

The consolidated balance sheet, the consolidated income statement and data on members of the group, capital adequacy, provision for bad loans and other assets prepared for disclosure, in the opinion of ZAO "Deloitte & Touch CIS", present fairly, in all material respects, the financial standing of the consolidated group of Moscow Bank for Reconstruction and Development (open joint-stock company) as of 31 December 2006 and for the year ended 31 December 2006 in accordance with applicable law of the Russian Federation.

Detailed information on fair presentation of the disclosed consolidated statements of Moscow Bank for Reconstruction and Development, including information on above data, is provided in the auditor's report on fair presentation of the annual balance sheet statement, the disclosed consolidated statements and the disclosed consolidated statements of Moscow Bank for Reconstruction and Development, prepared as of 31 December 2006 and for the year ended 31 December 2006

Name of independent auditor:	ZAO "Deloitte & Touche CIS"
Licence:	№ E002417
License issue date:	6 November 2002
License validity:	5 years
Licensing authority:	Ministry of Finance of the Russian Federation
Certificate on making a record in the Universal register of companies with respect to a corporate entity registered before 1 July 2002:	No. 1027700425444
Certificate issue date:	13 November 2002
Issuing authority:	Interdistrict Inspectorate No. 39 of the Ministry of Internal Revenue of the Russian Federation
Certificate of registration of ZAO "Deloitte & Touche CIS":	No. 018.482
Certificate issue date:	30 October 1992
Issuing authority:	Moscow Registration Chamber
Membership in qualified professional audit associations:	1 Institute of Certified Professional Accountants and Auditors of Russia
Full name of the General Manager (or any other authorised official):	Vadim N. Sorokin, Partner (power of attorney of 28 September 2005)
Data of the official certified the disclosed statements:	
Full name of the official certified the disclosed financial statements:	Svetlana N. Rodionova
Position:	Partner, ZAO "Deloitte & Touch CIS", head of audit team
Data of the document evidencing authority of the official who certified the disclosed financial statements:	30 March 2004
Title of the document evidencing authority of the official who certified the disclosed financial statements:	Auditor's certificate in banking audit
Number of the document evidencing authority of the official who certified the disclosed financial statements:	K 013554
Validity of the document evidencing authority of the official who certified the disclosed financial statements:	Issued for indefinite term

Audit of the financial statements of Moscow Bank for Reconstruction and Development (open joint-stock company) prepared in compliance with international financial reporting standards (IFRS) was conducted by ZAO "Deloitte & Touch CIS".

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Year ended 31 December 2006 RUR'000	Year ended 31 December 2005 RUR'000
Interest income	4,742,141	2,649,302
Interest expense	(2,685,321)	(1,495,835)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS	2,056,820	1,153,467
Provision for impairment losses on interest bearing assets	(669,411)	(356,485)
NET INTEREST INCOME	1,387,409	796,982
Net gain on financial assets at fair value through profit or loss	29,046	34,454
Net gain on foreign exchange operations	378,491	122,179
Fee and commission income	412,725	202,176
Fee and commission expense	(58,890)	(20,117)
Other income	25,544	12,468
NET NON-INTEREST INCOME	786,916	351,160
OPERATING INCOME	2,174,325	1,148,142
OPERATING EXPENSES	(1,589,131)	(869,374)
OPERATING PROFIT	585,194	278,768
(Provision)/recovery of provision for impairment losses on other transactions	(10,157)	20,558
PROFIT BEFORE INCOME TAX	575,037	299,326
Income tax expense	(179,437)	(112,221)
NET PROFIT	395,600	187,105
EARNINGS PER SHARE Basic and diluted (RUR)	424.0	211.9

For the Management Board:

Sergey Ya. Zaytsev

Chairman

Sergey A. Zavyalov

Vice-Chairman

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006**

	31 December 2006 RUR'000	31 December 2005 RUR'000
ASSETS:		
Cash and balances with the Central Bank of the Russian Federation	6,102,927	2,741,832
Financial assets at fair value through profit or loss	2,660,211	3,612,060
Due from banks	13,064,676	2,343,582
Loans to customers and other receivables	34,593,625	22,624,199
Investments available-for-sale	187,887	90
Property, equipment and intangible assets	809,466	452,419
Other assets	686,417	230,968
TOTAL ASSETS	58,105,209	32,005,150
LIABILITIES AND EQUITY		
LIABILITIES:		
Due to banks	5,436,559	3,460,477
Customer accounts	36,762,141	16,641,957
Debt securities issued	9,621,470	8,010,143
Liabilities on finance lease transactions	481,335	—
Provisions	13,018	2,861
Other liabilities	177,272	40,528
	52,491,795	28,155,966
Subordinated debt	1,587,141	—
Total liabilities	54,078,936	28,155,966
EQUITY:		
Share capital	943,408	943,408
Share premium	3,575,304	3,575,304
Revaluation reserve	75,137	—
Accumulated deficit	(567,576)	(669,528)
Total equity	4,026,273	3,849,184
TOTAL LIABILITIES AND EQUITY	58,105,209	32,005,150

For the Management Board:

Sergey Ya. Zaytsev

Chairman

Sergey A. Zavyalov

Vice-Chairman

ANNUAL REPORT 2006

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2006

	Share capital RUR'000	Share premium RUR'000	Revalua-tion reserve RUR'000	Accumulated deficit RUR'000	Total equity RUR'000
31 December 2004	878,408	3,042,304	–	(814,462)	3,106,250
Share capital and share premium increase	65,000	533,000	–	–	598,000
Dividends declared on:					
- ordinary shares	–	–	–	(40,920)	(40,920)
- preferred shares	–	–	–	(1,251)	(1,251)
Net profit	–	–	–	187,105	187,105
31 December 2005	943,408	3,575,304	–	(669,528)	3,849,184
Dividends declared on:					
- ordinary shares	–	–	–	(83,784)	(83,784)
- preferred shares	–	–	–	(1,236)	(1,236)
Gains on revaluation of buildings, net of deferred tax of RUR 23,728 thousand	–	–	75,137	–	75,137
Group reorganization	–	–	–	(208,628)	(208,628)
Net profit	–	–	–	395,600	395,600
31 December 2006	<u>943,408</u>	<u>3,575,304</u>	<u>75,137</u>	<u>(567,576)</u>	<u>4,026,273</u>

For the Management Board:

Sergey Ya. Zaytsev

Chairman

Sergey A. Zavyalov

Vice-Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2006

	Year ended 31 December 2006 RUR'000	Year ended 31 December 2005 RUR'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before income tax	575,037	299,326
Adjustments for:		
Provision for impairment losses on interest bearing assets	669,411	356,485
Provision/ (recovery of provision) for impairment losses on other transactions	10,157	(20,558)
Depreciation and amortization	92,138	68,159
Foreign exchange translation differences	(85,948)	—
Change in accruals, net	155,846	121,501
Cash flows from operating activities before changes in operating assets and liabilities	1,416,641	824,913
Changes in operating assets and liabilities (Increase)/decrease in operating assets:		
Obligatory reserves with the Central Bank of the Russian Federation	(854,850)	(316,508)
Due from banks	(3,717,389)	2,064,657
Financial assets at fair value through profit or loss	891,671	(2,408,422)
Loans to customers and other receivables	(13,414,252)	(11,128,706)
Other assets	(470,345)	(7,747)
Increase in operating liabilities:		
Due to banks	2,327,962	2,189,005
Customer accounts	21,146,940	3,833,521
Other liabilities	104,764	9,748
Cash inflow/(outflows) from operating activities before income tax	7,431,142	(4,939,539)
Income tax paid	(193,734)	(132,064)
Net cash inflows/(outflows) from operating activities	7,237,408	(5,071,603)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, equipment and intangible assets	(354,683)	(272,005)
Proceeds on sale of property, equipment and intangible assets	4,363	1,477
Net proceeds on sale/(net purchase) of investments available-for-sale	87,424	(173,499)
Net cash outflows from investing activities	(262,896)	(444,027)

For the Management Board:

Sergey Ya. Zaytsev

Chairman

Sergey A. Zavyalov

Vice-Chairman

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Year ended 31 December 2006 RUR'000	Year ended 31 December 2005 RUR'000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issue of ordinary share capital	–	65,000
Subordinated debt	1,541,594	–
Proceeds from debt securities issued, net	1,664,037	4,920,120
Share premium	–	533,000
Dividends paid	<u>(85,020)</u>	<u>(42,171)</u>
Net cash inflow from financing activities	<u>3,120,611</u>	<u>5,475,949</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,095,123	(39,681)
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(9,404)</u>	<u>(18,293)</u>
CASH AND CASH EQUIVALENTS, beginning of period	<u>3,619,687</u>	<u>3,677,661</u>
CASH AND CASH EQUIVALENTS, end of period	<u><u>13,705,406</u></u>	<u><u>3,619,687</u></u>

Interest paid and received by the Group during the year ended 31 December 2006 amounted to RUR 2,447,995 thousand and RUR 4,627,463 thousand, respectively.

Interest paid and received by the Group during the year ended 31 December 2005 amounted to RUR 1,485,569 thousand and RUR 2,584,975 thousand, respectively.

For the Management Board:

Sergey Ya. Zaytsev

Chairman

Sergey A. Zavyalov

Vice-Chairman

CORPORATE PROFILE

Moscow Bank for Reconstruction and Development (open joint-stock company), or MBRD, was registered by the Bank of Russia on 29 January 1993 (Full banking license No. 2268 of 12 November 2002).

BOARD OF DIRECTORS

(June, 2007)

Sergey Ye. Cheremin

Chairman

Alina N. Akimova

Igor G. Busarov

Aleksey N. Buyanov

Olga Yu. Dadasheva

Natalya N. Evtushenkova

Sergey Ya. Zaytsev

Evgeniy L. Madorskiy

Irina A. Matveeva

Sergey V. Pavlov

Vsevolod V. Rozanov

MANAGEMENT BOARD OF THE BANK

Sergey Ya. Zaytsev

Chairman

Dmitry V. Agureyev

Vice-Chairman

Natalya N. Evtushenkova

Adviser to the Chairman

Sergey A. Zavyalov

Vice-Chairman

Tatyana V. Zapodovnikova

Chief Accountant

Dmitry Yu. Ladikov-Royev

Vice-Chairman

Oleg Ye. Maslov

First Executive Vice-Chairman

SHAREHOLDERS

There are 14 shareholders. The biggest are as follows:

AFK SISTEMA (open joint-stock company)

PromTorgCenter (close joint-stock company)
"Moscow City Telephone Network" (MGTS)
(open joint-stock company)

Notris Ltd.

Region Joint-Stock Company of Research and Technology Development (open joint-stock company)

LAMINEA (close joint-stock company)

VAO Intourist (open joint-stock company)

Vympel-Sistema Centre for Prospective Design
(close joint-stock company)

CLEARING BANKS

JP Morgan Chase Bank, New York

American Express Bank Ltd, New York

Commerzbank AG, Frankfurt am Main

Raiffeisen Zentralbank Österreich AG, Vienna, Austria

Standard Bank Limited, London

JP Morgan Chase Bank NA, London

WestLB, Dusseldorf

HSBC, London

East-West United Bank, Luxembourg

Dresdner Bank AG, Frankfurt am Main

LandesBank Berlin A.G., Berlin

VTB Bank (Germany) A.G., Frankfurt am Main

VTB Bank (France) S.A., Paris

VTB Bank (Austria) A.G., Vienna

Sberbank of Russia, Moscow

Vneshtorgbank, Moscow

Vneshekonombank, Moscow

Alfa-Bank, Moscow

Raiffeisen Austria, Moscow

URALSIB, Moscow

Evrofinance Mosnarbank, Moscow

PrivatBank, Dnepropetrovsk

Belpromstroybank, Minsk

VABank, Kyiv, Ukraine

MAJOR CORPORATE CUSTOMERS

AFK SISTEMA

Mobile TeleSystems

Moscow City Telephone Network (MGTS)

Comstar United Telesystems
Sitronics
Detski Mir-Centre
Sistema-Hals
SU-155
ROSNO
Mosfilm Corporation
Euroset Trading House
Sukhoi Aircraft Group
Avtodom

INDEPENDENT AUDITOR

MBRD's independent auditor is Deloitte & Touche CIS. Audits of financial statements have been conducted in accordance with IFRS since 2001.

LICENSES

- Full license No. 2268 of 12 November 2002 issued by the Bank of Russia for banking business
- License No. 2268 of 12 November 2002 issued by the Bank of Russia for banking business in precious metal trading
- License No. LF/06-3575 of 28 January 2003 issued by the Federal Communication and Information Agency for cryptographic facility maintenance business
- License No. LF /06-3576 of 28 January 2003 issued by the Federal Communication and Information Agency for cryptographic facility distribution business
- License No. LF/06-3577 of 28 January 2003 issued by the Federal Communication and Information Agency for data cryptography services
- Qualified securities professional's license No. 177-04660-000100 of 24 January 2001 issued by the Federal Securities Market Commission for custody business
- Qualified securities professional's license No. 177-04649-001000 of 24 January 2001 issued by the Federal Securities Market Commission for securities portfolio management business
- Qualified securities professional's license No. 177-04635-010000 of 24 January 2001 issued

by the Federal Securities Market Commission for dealer's business

- Qualified securities professional's license No. 177-04613-100000 of 24 January 2001 issued by the Federal Securities Market Commission for broker's business
- Stock exchange intermediary's license No. 797 issued by the Federal Financial Markets Service for trading in futures and options in the Russian Federation of 20 December 2005.

MEMBERSHIP AT INTERBANK ASSOCIATIONS, STOCK EXCHANGES, CLEARING CENTERS AND ASSOCIATIONS

- Moscow Interbank Currency Exchange (MICEX)
- Moscow International Currency Association (MICA/MMVA)
- Moscow Stock Exchange
- National Securities Market Association SRO
- Moscow Banking Union
- Association of Russian Bankers
- Russian Europay Member Association
- Russian SWIFT Member Organisation
- National Credit Reference Agency
- Saint Petersburg Stock Exchange
- Association of Northwest Banks
- Sistema private pension fund
- Deposit Insurance Agency;
- MasterCard and Visa Payment Systems

RATINGS

2004

Moody's Investors Service assigned Moscow Bank for Reconstruction and Development the long-term rating at B1, the short-term rating on deposits in foreign currencies at Not-Prime, and the financial force rating at E+. The outlook is stable.

2005

Fitch Ratings upgraded MBRD's ratings as follows:

- Long-term rating – to B from B–
- Long-term sovereign rating – to BBB– (rus)

from BB+ (rus)
 – Support rating – to 4 from 5.
 Moreover, the ratings were kept unchanged as follows:

- Short-term rating – B
- Individual rating – D/E,
- Support rating – 4.

In December 2005, Fitch Ratings confirmed the following ratings:

- Long-term rating – B
- Long-term sovereign rating – BBB– (rus)
- Short-term rating – B
- Individual rating – D/E
- Support rating – 4

Long-term and sovereign long-term rating outlook was stable.

2006

In May 2006, Rus-Rating independent national rating agency confirmed short-term solvency rating:

- Short-term rating – B.

In July 2006, Fitch Ratings upgraded MBRD's issuer default rating and long-term national rating to 'positive' from 'stable'.

The agency also confirmed the following ratings:

- Long-term rating – B,
- Long-term national rating – BBB– (rus),
- Short-term rating – B,
- Rating of support – 4,
- Individual rating – D/E.

In December 2006, Moody's Investors Service confirmed MBRD ratings and the independent national rating agency Rus-Rating upgraded the short-term solvency rating to B+ from B. The outlook was stable.

BANK DETAILS

TIN (Taxpayer Identification Number)

7702045051

C/A (Clearing account)

30101810600000000232 with OPERU of Moscow Main Territorial Department of the Bank of Russia

Russian **BIC** code: **044525232**

OKPO (National corporate classifier code):

17516067

OKVED (National foreign trade classifier code):

65.12

OKATO (National administrative classifier code):

45286590000

KPP (Registration motive code): **775001001**

CONTACT INFORMATION

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 Tel.: +7 495 101 28 00
 Fax: +7 495 232 27 54
<http://www.mbrd.ru>. E-mail: mbrd@mbrd.ru

Moscow (June, 2007)

SUB-OFFICES

Arkhangelsky

12/8, bld. 1, Arkhangelsky lane, Moscow 101000
 Tel.: (495) 995 21 93

Bratislavskoe

56/2, Pererva str. Moscow 109369
 Tel.: (495) 101 20 92

Mortgage Centre

2, Bolshaya Tulskaia str. Moscow 113191
 Tel.: (495) 225 15 21

Leninsky Prospect

45, Leninsky prospect, Moscow 117334
 Tel.: (495) 995 21 96

Noviy Arbat

2, Noviy Arbat, Moscow 121019
 Tel.: (495) 995 21 92

Oktyabr'skoe Pole

20 bld. 1, Marshal Biryuzov's str., Moscow 123060
 Tel.: (495) 101 20 93

Rizhskoe

79 bld. 1, Mira blv., Moscow 129272
 Tel.: (495) 225 15 20

Savelovskiy

9 bld. 1, Sushevskiy val, Moscow 127018
 Tel.: (495) 995 21 97

VIP-Branch "Taganskaya square"

7 bld.1, Izvestkovy lane, Moscow 109004

Tel.: (495) 915 33 77

"Taganskoye" Mini-Branch

17-23, Taganskaya str., Moscow 109004

Tel.: (495) 225 33 77

Tsvetnoy Boulevard

30 bld.2, Tsvetnoy boulevard, Moscow 127051

Tel.: (495) 225 15 18.

MINI-BRANCHES**Lublinskoe**

8, 8th Tekstilshikov str., Moscow 109129

Tel.: (495) 709 67 69

Vernadskogo Prospect

21/3, Vernadskogo prospect, Moscow 117331

Tel.: (495) 133 70 35

Tushinskoe

11, bld.3, Tushinskaya str., Moscow 123362

Tel.: (495) 490 68 50

Chertanovskoe

32, Azovskaya str., Moscow 113452

Tel.: (495) 310 65 86

Preobrazhenskoe

58, Elektrozavodskaya str.,

Moscow 107076. Tel.: (495) 652 86 28

SUB-OFFICES,**NOT PROVIDING CASH SERVICES****General Ermolov (MTS)**

4, bld.1, General Ermolov's str., Moscow 121293

Tel.: (495) 915 82 62

Dmitrovskoe rd. (MTS)

19/2, Dmitrovskoe rd., Moscow 127434

Tel.: (495) 915 82 72

Komsomol'skaya Square

6, bld.1, Komsomol'skaya square, Moscow 107140

Tel.: (495) 208 44 65

Konstantin Simonov's (MTS)

2a, Konstantin Simonov's str., Moscow 125167

Tel.: (495) 915 82 52

Magnitogorskaya (MTS)

9, bld.1, Magnitogorskaya str., Moscow 105568

Tel.: (495) 915 82 77

Marshal Zhukov's (MTS)

4, bld.3, Marshal Zhukov's ave., Moscow 121309

Tel.: (495) 650 75 94

Nastas'insky (MTS)

5/9, Malaya Dimitrovka str., Moscow 103006

Tel.: (495) 650 75 94

Pankrat'evsky (MTS)

12/12, Pankratievsky lane., Moscow 103045

Tel.: (495) 915 82 55

Prospect Mira (MTS)

103, Prospect Mira, Moscow 129626

Tel.: (495) 915 82 56

Profsoyuznaya (MTS)

42 bld.1, Profsoyuznaya str., Moscow 117420

Tel.: (495) 915 82 63

Rublevskoe Road (MTS)

48/1, Rublevskoe rd, Moscow 121609

Tel.: (495) 915 82 89

Teterinsky (MTS)

68/18, bld.5, Zemlyanoy val str., Moscow 109004

Tel.: (495) 915 82 54

Smolensky (MTS)

1/4, Smolensky lane, Moscow 121099

Tel.: (495) 225 15 05 call - centre

CREDIT CENTRES**Kashirsky Credit Centre ("Moscow" Car Trade Centre)**

61, bld. 3a, Kashirskoye rd., Moscow 115563

Tel.: (495) 221 49 39

19, Yaroslavskoe Rd ("Russian Furniture")

19 bld. 1, 3rd floor, Yaroslavskoe road, Moscow 129348

Tel.: (495) 221 28 58

TELLER CASH OFFICES**Bagrationovskaya (MGTS)**

18, bld.1, Bagrationovsky ave., Moscow 121087

Tel.: (495) 142 10 63

Bolshaya Dmitrovka (Armand Auto Centre)

32, bld.1, Bolshaya Dmitrovka str., Moscow 103031

Tel.: (495) 200 38 86

Zamoskvoretskaya (MGTS)

1, bld.2, 1st Dubrovskaya str., Moscow 109044

Tel.: (495) 632 67 66

Miuskaya

11. bld. 2, Zamorenova str., Moscow 123022

Tel.: (495) 252 16 17

Olimpic Star

10, Rublevskoe rd, Moscow 121615

Tel.: (495) 730 14 34

Ostankinskaya (MGTS)

4 bld.1, Dokukina str., Moscow 129226

Tel.: (495) 187 80 66

Polezhaevskaya (Avtodom Auto Centre)

17, bld. 1, Zorge str., Moscow 125252

Tel.: (499) 195 88 89

Sevastopolskaya (MGTS)

65, Novocheremushkinskaya str., Moscow 117418

Tel.: (495) 331 27 17

Sky Link

10 a, bld.1, Ulitsa 1905 goda str., Moscow 123022

Tel.: (495) 232 99 32

Tsaritsinskaya (MGTS)

3, bld. 1, Klenovy blvd, Moscow 115470

Tel.: (499) 616 58 02

Skoda in Taganka

2 bld. 43, Sibirsky passage, Moscow 109029

Tel.: (495) 678 30 82

Schukinskaya**(Redegi Auto Centre)**

10/4, Gabrichevskogo str., Moscow 125367

Tel.: (495) 540 92 92

Yugo-Zapadnaya**(Auto Centre on Yugo-Zapad)**

158, Leninsky prospect, Moscow 117571

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MOSCOW REGION BRANCH

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Moscow region 142700

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Sub-office in Vidnoe

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Labaratorial pavilion, ownship 10,

Belokomanniy road, Vidnoe,

Moscow region 142700

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Sub-office in Odintsovo

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Moscow region 143000

Tel.: (495) 590 74 67

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Sub-office in Mytishi

30 Mira str., Mytishi, Moscow region 141008

Tel.: (495) 101 20 96, (496) 301 63 55

Sub-office in Zelenograd

1101A, Panfilivsky prospect, Zelenograd,

Moscow 124460

Tel.: (495) 101 20 94, 915 82 79

Teller Office in Orekhovo-Zuevo

85 Lenina str., Orekhovo Zuevo,

Moscow region 142601

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Teller Office in Kolomna

351, Ochyabrskoy Revolyucii str., Kolomna,

Moscow region 140408

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E-mail: ccc-Kolomna@mbrd.ru

Teller Office in Krasnogorsk

12, 50 years of October str., Krasnogorsk

Moscow region 143403

Tel.: (495) 580 69 23

E-mail: ccc-krktr@krg.mbrd.ru

Teller Office in Khimki

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Moscow region 142400

Tel.: (495) 225 15 11

Teller Office in Serpukhov

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Moscow region 142200

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Teller Office in Sergiev Posad

142/1, Krasnoy Armii prospect, Sergiev Posad

Moscow region 141310

Tel.: (495) 225 15 11

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REGIONAL BRANCH NETWORK

(June, 2007)

REGIONAL BRANCH

45, Kirova str., Syktyvkar,

Republic of Komi 167983

Tel.: (8212) 29 32 76.

E-mail: info@komi.mbrd.ru

Tsentralny Sub-office

197, Karla Marksa str., Syktyvkar,

Republic of Komi 167000

Tel.: (8212) 29 10 99, 29 14 49

Uhtinsky Sub-office

2, Oktyabrskaya str., Uhta,

Republic of Komi 169300

Tel.: (82147) 516 90, 520 99

Pokrovsky Sub-office

1, Pokrovsky blvd., Syktyvkar,

Republic of Komi 167005

Tel.: (8212) 51 12 21, 51 14 85

Teller Office in Kirov

10, Moskovskaya str., Kirov 610000

Tel.: (8332) 38 69 80

NORTH-WESTERN BRANCH

8/46, Robespierre emb.,

Saint Petersburg 191123

Tel.: (812) 327 31 35, 327 31 38

E-mail: info@mbrd.spb.ru

Suvorovsky Sub-office

15/19, 7th Sovetskaya str.,

Saint Petersburg 193130

Tel.: (812) 327 83 40

Tavrichesky Sub-office

Office 400, 401, 54/2, lit. A, Shpalernaya str.,
Saint Petersburg 191015
Tel.: (812) 326 10 38

Mortgage Centre Sub-office

2of. 12-n, 7 a Fontanka river embankment,
Saint-Petersburg 190068
Tel.: (812) 331 54 61

Tverskoy Teller Office

6, Bragina str. Tver 170000

BRANCH IN ROSTOV-ON-THE-DON

113/2 Lenin prospect, Rostov-on-the-Don 344038
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E-mail: info@rmbd.ru

Sub-office № 1

74, Vavilova str., Rostov-on-the-Don 344064
Tel.: (863) 227 54 24, 299 60 45

Sub-office № 2

10, Kosmonavtov str., Rostov-on-the-Don 344092
Tel.: (863) 237 69 88, 237 69 95

Sub-office № 3

14 Turgenevsky lane, Taganrog 347900
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E-mail: taganrog@rmbd.ru

Sub-office № 4

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Tel.: (863) 291 09 44, 291 09 45

Sub-office № 5

126/238 Kirovsky prospect,
Rostov-on-Don 344101
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Sub-office in Salsk

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Teller Office in Voronezh

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KRASNODAR BRANCH

385/1, Severnaya str., Central District,
Krasnodar 350002.
Tel.: (861) 255 64 53, 255 66 95
E-mail: info@knd.mbrd.ru

Yeisky Sub-office

134, Mira str., Yeisk, Krasnodar region, 353691
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Sochinsky Sub-office

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E-mail: kvv@knd.mbrd.ru

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Novorossiysky Sub-office

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Armavirsky Sub-office

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E-mail: pavl@knd.mbrd.ru

Yubileiny Sub-office

office 50, 20 Chekistov prospect,
Krasnodar 350089
Tel.: (861) 273 01 07, 273 06 99
E-mail: dsv@knd.mbrd.ru

Komsomolsky Sub-office

office 181, 177, Sormovskaya str.,
Karasunsky district, Krasnodar, 350080
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Cheremushkinsky Teller Office

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URAL BRANCH

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Tsentralny Sub-office**(Mortgage Centre)**

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Tel.: (343) 216 58 92, 216 05 90

Teller Office in Tyumen

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Tel.: (3452) 79 04 76

Teller Office in Perm

90, Lenina str., Perm 614068
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E-mail: kurochkina@ekt.mbrd.ru

KRASNOYARSK BRANCH

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E-mail: info@kra.mbrd.ru

TOMSK BRANCH

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Tel.: (3822) 58 51 65, 51 68 91.

E-mail: info@tom.mbrd.ru

Sub-office № 1

48a, Uchebnaya str., Tomsk 634034

Tel.: (3822) 21 21 33, 21 21 05

E-mail: vkropachev@tom.mbrd.ru

Sub-office № 2

96, Irkutsky Trakt str., Tomsk 634062

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12, Krasny prospect, Central district,

Novosibirsk 630077

Tel.: (383) 223 32 79, 223 55 01

E-mail: vusov@tom.mbrd.ru

Teller Office in Barnaul

14, Brestskaya str., Altay region,

Barnaul 656015

Tel.: (3852) 35 95 87

E-mail: TKKukina@tom.mbrd.ru

Teller Office in Omsk

37, Marksa prospect, Omsk 644042

Tel.: (3812) 31 93 55.

E-mail: omskksv@tom.mbrd.ru

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